FOREWORD

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

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

Mumbai
April 1, 2009

(Rakesh Mohan)
Deputy Governor
Reserve Bank of India

REPORT

ON

CURRENCY AND FINANCE

FOR THE YEAR 1965-66

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



Price {Inland Rs. 8.00 (Postage extra)
Foreign $ 1.90 or 13s. 9d. (Post free)

The Report on Currency and Finance is a factual review prepared by the Economic Department and the Department of Statistics, which seeks to portray developments of economic and financial importance during the financial year, April-March, in various sectors of the economy, and to present information on institutional changes as well as statistical data for the benefit of all those who are interested in these developments.

The nature and scope of this Report is different from that of the "Annual Report of the Central Board of Directors of the Bank" and the "Report on Trend and Progress of Banking in India", which are statutory reports issued by the Bank under the authority of its Central Board of Directors, the former under Section 53(2) of the Reserve Bank of India Act, 1934 and the latter under Section 36(2) of the Banking Regulation Act, 1949.

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

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PART I

CHAPTER 1 : MAJOR ECONOMIC DEVELOPMENTS DURING 1965-66

The year 1965-66, which marked the close of the Third Five Year Plan, turned out to be the most difficult for the Indian economy since the beginning of the planning era because of a sharp decline in agricultural output, unused industrial capacity, stagnation in exports, the attack by Pakistan and a heavy strain on foreign exchange reserves, leading to an upward pressure on prices. In the preceding year 1964-65 a substantial increase of 10.5 per cent in agricultural production had led to a rise in national income by 7.7 per cent. Thus 1965-66 began with the expectation that with normal weather conditions agricultural production would expand further, the pressure on prices witnessed in 1964-65 would be alleviated and the rate of growth of industrial production would increase. However, these expectations did not come true. The unprecedented failure of monsoons over large parts of the country resulted in conditions of drought and serious food shortages, and the sharp decline in the output of agricultural commodities adversely affected the rate of growth of agro-based industries. The conflict with Pakistan led to an increase in defence expenditure; on the other hand, the flow of foreign aid diminished because of suspension of assistance by some major aid-giving countries, which in turn affected imports of components and raw materials.

The rise in prices noticed in 1964-65 continued during the first half of 1965-66, despite larger agricultural production during 1964-65 and higher foodgrains imports. A serious shortfall in agricultural production, both of foodgrains and commercial crops, was recorded in 1965-66 as a result of the failure of monsoons. The rate of growth of industrial production, which increased in the first half of 1965, later slackened mainly due to shortage of raw materials and components. Consequently, prices did not register the usual seasonal decline during September-March, but actually showed a contra-seasonal rise. The pressure on prices, arising from shortages of supply, was aggravated further by the expansionary effect of the budgetary operations of the Central and State Governments on monetary demand. The small surplus envisaged in the Central Budget and reduced outlays in the State Budgets for 1965-66 did not materialise (despite the efforts by the Centre to raise additional resources through a supplementary budget). Recourse to deficit financing became unavoidable.

Government took certain measures to correct the imbalance between demand and supply and to reduce the upward pressure on prices. Attempts were made to augment supplies, through larger imports, particularly of foodgrains, intensification of foodgrains procurement, larger releases of supplies from Government stocks, offer of remunerative prices to farmers in respect of certain cereals, speeding up the implementation of irrigation projects, and concentration of efforts on intensive cultivation in selected areas capable of quick and increased output. During the year, statutory rationing was introduced in some major cities with a population of one lakh or more. In regard to industrial materials and products, efforts were made to minimise the impact of foreign exchange shortage through import substitution. These measures were supplemented by fiscal and monetary restraints.

There was improvement in the external payments position during 1965-66 as shown by the rise in the foreign exchange reserves by Rs. 36.4 crores (excluding transactions with the International Monetary Fund). In 1964-65, these reserves had fallen by Rs. 72.1 crores (excluding transfer of gold worth Rs. 16 crores from Government's non-monetary stocks to Reserve Bank). Most of the improvement in 1965-66 took place in the second half of the year when import payments declined sharply while export realisations increased. During this period, reserves (excluding the transactions with the International Monetary Fund) increased by Rs. 81 crores, as against a drop

of Rs. 44 crores during April-September 1965.

The paucity of rupee finance arising from inadequate savings and their partial diversion to other forms of investment was reflected in reduced activity in the capital and stock markets. The new issues market continued to depend heavily on underwriting by institutions and equity prices in the stock market declined further. Government took some measures to stimulate private investment such as relaxation of licensing requirements for specified industries, grant of loans to special financial institutions to enable them to meet larger demand for funds, etc. The Budget for 1966-67 provided certain fiscal reliefs, like abolition of the tax on bonus shares, relief in sur-tax in respect of the corporate sector and removal of dividend tax for dividends not exceeding 10 per cent of the paid-up capital.

PRICE AND OUTPUT SITUATION

Except for occasional and brief spells of declines, e.g. in September and again in the latter part of November and December 1965 and early February 1966, prices rose more or less continuously. The Economic Adviser's weekly general index of wholesale prices (*base :* 1952-53=100) rose sharply from 151.0 at the end of March 1965 to 174.0 by the end of March 1966, *i.e.* by 15.2 per cent, as compared to 8.7 per cent in 1964-65 (Table 1). All the constituent groups contributed to this rise except "liquor and tobacco." Food articles and industrial raw materials increased by 14.3 per cent and 28.6 per cent, respectively, accounting for more than three-fourths of the rise in the general index. The average of the weekly indices for 1965-66, however, showed a relatively smaller increase over 1964-65 of 8.1 per cent compared to 12.9 per cent in 1964-65 over 1963-64.

Over the Third Plan period (March 1966 over March 1961) the weekly average index of the general price level advanced by 35.2 per cent on top of an increase of 30.0 per cent in the Second Plan period. During the First Plan, the price level had declined by 18.4 per cent. In the first two years of the Third Plan, a decline in the price level of 3.1 per cent in

Table 1. Index Numbers of Wholesale Prices

(*Base* : 1952-53 = 100)

	Weight	End of March			% Variation of		% Variation of Annual Averages	
		1964	1965	1966	(2) over (1)	(3) over (2)	1964-65 over 1963-64	1965-66 over 1964-65
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. All Commodities ..	**1,000**	**138.9**	**151.0**	**174.0**	**+ 8.7**	**+15.2**	**+12.9**	**+ 8.1**
II. Food Articles ..	504	141.0	153.6	175.5	+ 8.9	+14.3	+16.9	+ 5.6
(a) Cereals	193	121.5	140.3	157.0	+15.5	+11.9	+19.8	+ 6.3
(b) Pulses ..	42	133.1	152.2	155.4	+14.4	+ 2.1	+43.2	— 2.1
III. Liquor and Tobacco	21	119.4	138.4	127.5	+15.9	— 7.9	+ 9.7	+ 4.1
IV. Fuel, Power, Light and Lubricants ..	30	140.4	148.2	155.6	+ 5.6	+ 5.0	+ 3.9	+ 3.5
V. Industrial Raw Materials	155	146.1	163.3	210.0	+11.8	+28.6	+16.6	+16.2
VI. Manufactures ..	290	132.8	141.2	157.3	+ 6.3	+11.4	+ 4.7	+ 8.6
(a) Intermediate Products ..	41	144.2	156.2	184.5	+ 8.3	+18.1	+ 9.2	+13.1
(b) Finished Products	249	130.9	138.7	152.8	+ 6.0	+10.2	+ 3.9	+ 7.9

1961-62 was offset by an increase of 3 per cent in 1962-63. In the succeeding three years prices rose, by 9.4 per cent in 1963-64, 8.8 per cent in 1964-65 and 13.8 per cent in 1965-66.

With the substantial increase in agricultural production during 1964-65 (the index of production with base : 1949-50=100 moved up by 10.5 per cent to 157.6 as compared with 142.6 in 1963-64), the price situation was expected to show some improvement in 1965-66, although the increase in production in 1964-65 has to be viewed against a shortfall in the two preceding years. This expectation was belied, and there was a further increase in prices. The main factors contributing to the continued pressure on prices in 1965-66 were the shrinkage of market arrivals of such important cereals as rice, failure of monsoons and the expectation of a severe shortfall in the agricultural output in the 1965-66 season. There was a further slowing down of growth of industrial output also which increased by only 5.6 per cent in 1965, the lowest rate for any year since 1958. Against this difficult supply situation, there was continued expansion of aggregate demand due not only to the growth of population and the urbanisation process but also to increases in money incomes. The larger deficits in the Central and the State budgets were also important contributory factors.

A significant feature of price trends during 1965-66 was the absence of the usual seasonal decline during September to February-March. Actually prices rose during these months. In the lean season, April-September 1965, the weekly general index of wholesale prices had moved up uninterruptedly, from the seasonal low of 150.3 on March 20, 1965, to the lean season peak of 167.3 on August 14. It then declined slightly to 164.8 by October 2. By November 20, it moved up again to 171.0 and after fluctuating between 170.5 and 168.3 upto end-February 1966, rose to 174.0 by March 26, and further to 190.3 for the week ending July 30, 1966.

Food Articles

Prices of food articles, which rose by 14.2 per cent in 1963-64 and 8.9 per cent in 1964-65, advanced further by 14.3 per cent in 1965-66 (Table 2). Prices rose more in the case of rice (23.9 per cent), edible oils (43.5 per cent), milk and ghee (8.8 per cent) and sugar (6.6 per cent). Jowar and bajra showed a modest rise of about 1 per cent each and pulses of about 2 per cent. On the other hand, the price index of wheat declined by 5.4 per cent and gur by 5.9 per cent. Notwithstanding a record production of rice in the 1964-65 season (38.7 million tonnes), arrivals of rice in selected markets@, both in 1964-65 (October-September) and in 1965-66 (October to March), were lower than in the corresponding periods of 1963-64 and 1964-65, indicating mainly larger retention by traders and bigger producers; this resulted in a steady uptrend in prices. The index for rice advanced from 128.2 on April 3, to 143.6 on August 28, 1965 and after declining to 140.5 on October 23, 1965, moved up continuously to 158.9 by March 26, 1966. Wheat, on the other hand, fell from 146.2 on April 10 to 128.0 on May 1, 1965 and after rising to 145.1 by August 21, declined again and stood at 135.9 on March 26, 1966, the decline reflecting largely improvement in market arrivals and the substantial import programme for wheat for 1966. Despite larger imports of soyabean oil under P. L. 480, the prices of edible oils rose sharply owing to continued broadening of demand as against expected shortfall in output of oilseeds and the ban imposed by the Gujarat Government on the movement of groundnut oil outside that State.

Industrial Raw Materials

There was a marked rise in the prices of industrial raw materials of 28.6 per cent during 1965-66 as compared to 11.8 per cent in 1964-65. Over the year 1965-66, except raw cotton (which fell by 1.7 per cent), all other important items in this group registered increases, the increases being most conspicuous in the case of raw jute (61.8 per cent) and oilseeds (35.8 per cent). The output of raw jute, which had suffered in 1964-65, was expected to decline further in 1965-66. Among oilseeds, the price rise was all-pervasive and was more noticeable in linseed (49.7 per cent), groundnuts (38.0 per cent) and castorseed (35.0 per cent). The expected

@ 94 selected markets.

Table 2. Wholesale Prices of Food Articles

(*Base:* 1952-53 = 100)

	Weight	End of March			% variation of		% Variation of Annual Averages	
		1964	1965	1966	(2) over (1)	(3) over (2)	1964-65 over 1963-64	1965-66 over 1964-65
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Food Articles	**504**	**141.0**	**153.6**	**175.5**	**+ 8.9**	**+14.3**	**+16.9**	**+ 5.6**
1. Cereals	193	121.5	140.3	157.0	+15.5	+11.9	+19.8	+ 6.3
(a) Rice	113	122.2	128.3	158.9	+ 5.0	+23.9	+ 7.9	+ 5.3
(b) Wheat	53	117.7	143.7	135.9	+22.1	— 5.4	+31.5	+ 6.3
(c) Jowar	10	134.2	192.3	194.7	+43.3	+ 1.2	+63.4	+ 4.3
(d) Bajra	5	145.2	181.0	183.0	+24.7	+ 1.1	+32.0	+ 9.3
2. Pulses	42	133.1	152.2	155.4	+14.4	+ 2.1	+43.2	— 2.1
3. Milk and Ghee ..	84	131.6	150.2	163.4	+14.1	+ 8.8	+14.4	+12.4
4. Edible Oils	47	163.4	185.4	266.1	+13.5	+43.5	+32.5	+16.9
5. Sugar	18	145.2	151.1	161.0	+ 4.1	+ 6.6	+ 8.3	+ 1.5
6. Gur	30	181.6	156.8	147.6	—13.7	— 5.9	— 3.5	—21.5

Table 3. Wholesale Prices of Industrial Raw Materials and Manufactures

(*Base:* 1952-53 = 100)

	Weight	End of March			% Variation of		% Variation of Annual Averages	
		1964	1965	1966	(2) over (1)	(3) over (2)	1964-65 over 1963-64	1965-66 over 1964-65
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Industrial Raw Materials ..	**155**	**146.1**	**163.3**	**210.0**	**+11.8**	**+28.6**	**+16.6**	**+10.1**
1. Fibres	61	135.5	147.0	189.5	+ 8.5	+28.9	+ 7.1	+15.8
(*a*) Cotton Raw ..	32	120.0	130.6	128.4	+ 8.8	— 1.7	+ 6.2	+ 2.6
(*b*) Jute Raw	23	151.2	171.9	278.1	+13.7	+61.8	+11.5	+33.2
2. Oilseeds	60	166.0	194.2	263.8	+17.0	+35.8	+30.0	+20.1
(*a*) Groundnuts ..	27	152.8	183.9	253.8	+20.4	+38.0	+28.8	+20.3
Manufactures	**290**	**132.8**	**141.2**	**157.3**	**+ 6.3**	**+11.4**	**+ 4.7**	**+ 8.6**
1. Intermediate Products	41	144.2	156.2	184.5	+ 8.3	+18.1	+ 9.2	+13.1
2. Finished Products ..	249	130.9	138.7	152.8	+ 6.0	+10.2	+ 3.9	+ 7.9
(*a*) Cotton Manufactures	91	136.6	139.0	146.8	+ 1.8	+ 5.6	+ 1.2	+ 3.1
(*b*) Jute Manufactures	37	98.7	126.7	165.1	+28.4	+30.3	+14.0	+27.8
(*c*) Oil Cakes	10	173.7	204.5	238.3	+17.7	+16.5	+20.6	+18.1

shortfall in the output of oilseeds in 1965-66, particularly groundnuts, in the face of increasing demand, accounted for the rise in oilseeds prices.

Liquor and Tobacco and Fuel, Power, Light and Lubricants

The index of the group 'liquor and tobacco' fell by 7.9 per cent in 1965-66 as against an increase of 15.9 per cent in 1964-65. The fall was mainly in the sub-group tobacco (8.9 per cent). Fuel, power, light and lubricants rose by 5 per cent, largely due to increases in the prices of coal, mineral oils and castor oil, particularly of coal due to the upward revision of statutory prices.

Manufactures

The sharp rise in the prices of food articles and industrial raw materials and higher wages as also import restrictions, had their impact on the price index for manufactures, which rose by 11.4 per cent as against 6.3 per cent in 1964-65. The rise was shared by both intermediate (18.1 per cent) and finished products (10.2 per cent). Among intermediate products, the increases in linseed oil (63.8 per cent), rayon yarn (33.0 per cent) and metals (18.5 per cent) are noteworthy. There was a modest rise of 1.5 per cent in cotton yarn.

Among finished products, jute manufactures and oilcakes advanced by 30.3 per cent and 16.5 per cent in 1965-66 compared to 28.4 per cent and 17.7 per cent, respectively, in the previous year. The increase in jute manufactures was the result of higher raw jute prices and expectations of a further increase in the offtake of jute goods. Cotton manufactures rose by 5.6 per cent in 1965-66 compared to 1.8 per cent in the previous year.

Industrial output rose during 1965, but at a slower rate. The annual rate of expansion which had come down from 8.8 per cent in 1962 to 8.0 per cent in 1963 and 7.5 per cent in 1964 declined further to 5.6 per cent in 1965. If the cotton textile group which has a weightage of about 32 per cent in the general index is excluded, the index for the rest of industrial output showed a growth rate of 7.2 per cent in 1965 as against 7.7 per cent in 1964.

The annual average rate (compound) of increase in industrial output during the five-year period 1961 to 1965, which roughly corresponds to the Third Plan period, works out to 7.2 per cent — the same as in the Second Five Year Plan. It was much lower than the annual increase of 11 per cent envisaged for the Third Plan.

The increase in output in 1965 resulted mainly from expansion of industrial capacity in some sectors (e.g. steel, aluminium) and increased production in some industries not dependent on imported raw materials (e.g. cement, coal and machinery) and in those for which imports of components and raw materials could be made available under certain special arrangements (e.g. power transformers). On the other hand, power cuts and shortage of raw materials affected production in many other industries (e.g. chemicals, particularly sulphuric acid). The performance of many of the consumer goods industries (e.g. sewing machines, fans, radio receivers, sugar, cigarettes and matches) in 1965 was impressive, though in a few others (e.g. silk textiles, soap) the progress seen in the previous year was not maintained.

Among *basic and capital goods industries*, larger increases were recorded by cement (9 per cent) and iron and steel (5 per cent) as compared with 1964 (4 per cent and 0.5 per cent, respectively) mainly due to the commissioning of additional installed capacity. Coal production which had fallen by 4 per cent to 64 million tonnes in 1964 increased by 9 per cent to 69.5 million tonnes in 1965, reflecting the higher growth in iron and steel and cement industries as also the growth of railway goods traffic. Due to failure of monsoons electricity generation, which had increased by 15 per cent in 1964, increased by only 10 per cent in 1965.

As for capital goods, electric motors and power transformers recorded larger increases in output (29 per cent and 31 per cent) than in 1964 (11 per cent and 25 per cent, respectively), because of additions to installed capacity and higher utilisation. The production of automobiles, railway wagons and batteries too was higher, but the rate of increase in output was lower than in 1964. The tempo of production

Table 4. Index Numbers of Industrial Production

(Revised Series : 1956 = 100)

Month	Seasonally Adjusted Index					Percentage Variation of			
	1961	1962	1963	1964	1965	(2) over (1)	(3) over (2)	(4) over (3)	(5) over (4)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
January	138.3	146.7	161.6	174.7	184.7	+ 6.1	+10.2	+ 8.1	+ 5.7
February	137.4	144.3	161.0	172.4	183.5	+ 5.0	+11.6	+ 7.1	+ 6.4
March	142.2	151.2	159.6	174.4	189.8	+ 6.3	+ 5.6	+ 9.3	+ 8.8
April	139.1	147.3	157.9	167.2	182.7	+ 5.9	+ 7.2	+ 5.9	+ 9.3
May	138.8	149.5	162.3	163.7	183.0	+ 7.7	+ 8.6	+ 0.9	+11.8
June	139.6	148.9	159.7	171.3	189.0	+ 6.7	+ 7.3	+ 7.3	+10.3
July	134.9	147.1	163.2	175.4	186.3	+ 9.0	+10.9	+ 7.5	+ 6.2
August	140.0	152.2	162.0	171.4	182.0	+ 8.7	+ 6.4	+ 5.8	+ 6.2
September	140.4	146.2	159.8	179.7	180.7	+ 4.1	+ 9.3	+12.5	+ 0.5
October	139.9	145.8	166.7	178.6	177.0	+ 4.2	+14.3	+ 7.1	— 1.0
November	141.4	160.3	170.4	182.2	188.4	+13.4	+ 6.3	+ 6.9	+ 3.4
December	140.6	157.1	172.2	184.4	186.1	+11.7	+ 9.6	+ 7.1	+ 0.9
General Index (Unadjusted) Annual Average	**138.3**	**150.5**	**162.5**	**174.7**	**184.4**	**+ 8.8**	**+ 8.0**	**+ 7.5**	**+ 5.6**

in railway wagons was affected by a cutback in orders. The shortage of foreign exchange and suspension of foreign aid led to reduced allocation of foreign exchange for automobiles, affecting their rate of growth. The shortage of raw materials affected the production of dry cells also.

Among *intermediate goods industries*, except "paints, varnishes and lacquers" all the major industries showed rises in output. The marginally larger increase in jute manufactures (4 per cent) as compared to 1964 (3 per cent) was made possible by continued firmness in overseas demand. With the anticipated shortfall in the output of raw jute in 1966 and the reported decision of jute mills to reduce consumption of raw jute by 10 per cent during March-August 1966 (in order to conserve the available supplies of raw jute), production may suffer in 1966. Rubber manufactures increased by 10 per cent in 1965 as against 6 per cent in 1964 largely due to increased output of rubber footwear, tyres and tubes. Paper and paper boards and aluminium manufactures rose by 7 per cent and 8 per cent in 1965 as compared to 5 per cent and 1 per cent, respectively, in 1964. The production of aluminium (virgin metal) rose from 55,000 tonnes in 1964 to 60,000 tonnes in 1965, owing mainly to the commissioning of additional installed capacity. As against these, smaller increases as compared to the preceding year were recorded by chemicals and chemical products (5 per cent) and petroleum products (6 per cent). The smaller increase in certain chemical items was the result of shortage of raw materials and power cuts in some areas. The production of fertilisers also increased at a slower rate (3 per cent) than in 1964 (10 per cent) due to the shortage of raw materials and power. Similarly, the larger decline (6 per cent) in the output of 'paints and varnishes' as compared to 1964 (1 per cent) was due to the shortage of raw materials.

Of the *consumer goods industries*, those producing consumer durables such as bicycles, sewing machines, electric fans, radio receivers, etc. recorded substantial rise in output during

the year under review. The output of sewing machines increased by 65 per cent and of electric fans by 27 per cent as compared to declines of 26 per cent and 0.1 per cent, respectively, during 1964. The output of radio receivers went up by 23 per cent in 1965 as against 13 per cent in 1964. Bicycles output increased by 10 per cent as compared to 19 per cent in 1964. In the cotton textile industry, however, output was virtually stagnant, the index remaining at the 1964 level of 123.3. Production was affected by the accumulation of unsold stocks with mills due to slackening in offtake, both for internal consumption as well as exports, and shortage of power in certain regions. Unsold stocks of cloth with mills which rose from 346 thousand bales in March 1965 to the peak of 429 thousand bales by the end of October 1965, declined to 275 thousand bales by the end of March 1966, following some improvement in the offtake in November-December and a voluntary cut in production. Output in the mill sector fell from 4,654 million metres in 1964 to 4,586 million metres in 1965 and in the decentralised sector from 3,072 million metres to 3,056 million metres. There were divergent trends in the production of different varieties of cloth in the mill sector. While the output of coarse and medium B varieties fell, that of other varieties increased. The total output of cloth fell but this was not fully reflected in the index for cotton textiles, as different weights are given to the different varieties.

In 'silk textiles and synthetic fibres', the rise in output was only 3 per cent in 1965 as against 24 per cent in 1964 owing to shortage of imported raw material (as a result of reduction in the percentage entitlement under the export promotion scheme) and to some extent owing to lower exports. The output of woollen textiles fell by 15 per cent as the industry was allocated foreign exchange for Rs. 2 crores in 1965-66 which was far below its normal requirements of about Rs. 15 crores. Sugar production increased by 23 per cent as compared to 13 per cent last year, and touched a peak of 32.6 lakh tonnes in 1964-65 (November-October). Tea output declined by 2 per cent, as against an increase of 9 per cent in 1964, due to adverse weather conditions in North India. The production of cigarettes and matches expanded at a higher rate (21 per cent and 6 per cent, respectively) than in 1964 (13 per cent and 2 per cent), but that of soap declined by 1 per cent in 1965 as compared to a rise of 4 per cent in 1964.

Despite such widespread slackening in the rates of increase in output, the process of diversification, which has characterised industrial growth in recent years, continued during 1965. This was reflected in the commencement of production, for the first time, of power tillers, welding commutators, PVC fire resistant conveyor belting, pharmaceutical grade camphor, synthetic musks, etc. Further progress was made in the manufacture of various types of industrial machinery ; for example, machinery for jute manufactures, tea processing, cement, paper, construction, etc. showed marked increases in output. The production of machine tools is expected to be around Rs. 25.0 crores against Rs. 20.4 crores during 1964.

As a result of the slower rate of growth in 1965, the average annual increase in industrial output during the Third Plan was 7.2 per cent as compared to 11 per cent envisaged for the Third Plan period. The position is expected to improve in 1966 with the resumption of the flow of foreign aid which was halted following the Indo-Pakistani conflict, and with the commissioning of several projects in the public sector (Bhilai expansion, additions to Neyveli fertilisers project) as also in the private sector (aluminium, cement and fertilisers). Other important contributory factors are the decontrol of cement, and the Government's new policy in regard to the fertiliser industry. But while the output of industries based on domestic supplies of raw materials may rise in 1966-67, the output of some major agriculture-based industries (e.g. cotton, jute) may be affected unless adequate supplies are ensured through imports.

Gold and Silver Prices

The restrictive effect of the ban on forward dealings in gold and silver and the operation of the gold control continued to be felt in the bullion market in 1965-66. In the context of a virtually inelastic supply, prices soared to new highs owing to the continuing demand for the precious metals. Apart from the persistent inflationary trends in the economy

and the usual demand from goldsmiths and industrial users, the demand from holders of unaccounted incomes and a decline in supply owing to greater vigilance by the customs authorities contributed to the rise in bullion prices. Although the trend was generally upward, the price movements were erratic, reflecting the influence of several extraneous factors.

Gold prices firmed up till mid-May, the seasonal demand being superimposed on the demand for conversion of unaccounted incomes into the 7 per cent Gold Bonds, 1980. After a short-lived fall in prices in the third week of May, the uptrend was resumed and on June 25, a new high was touched. Thereafter, prices moved both ways on alternating reports of seizures of smuggled gold and larger arrivals of contraband gold. The issue of the National Defence Gold Bonds, 1980, and the rising trend in silver prices resulted in a further upsurge in gold prices continuing till the end of 1965-66. The price of 14-carat gold, which stood at Rs. 71.75 per 10 grams on March 31, 1965, rose to Rs. 77.00 by May 4, and further to Rs. 83.50 by June 25. After receding to Rs. 72.75 by October 9, it touched Rs. 85.00 on February 9, 1966 and closed for the year at Rs. 83.75, recording a rise of Rs. 12.00 over the year. The Gold Control Bill, introduced with the object of controlling internal trade and distribution of gold and thus reducing smuggling, received the President's assent on September 22, 1965. On October 19, the Government announced the issue of a new series of Gold Bonds redeemable in gold of standard purity after 15 years. This was done as an emergency measure for mobilising private gold holdings, and constituted a departure from the previous two series, viz., the 6½ per cent Gold Bonds, 1977 and the 7 per cent Gold Bonds, 1980. These two are repayable in rupees, the value of gold being calculated at the international price.

Silver prices too firmed up during the year, and as with gold, the movements were erratic. Early in the year, silver moved up to a high of Rs. 308.00 per kg. on May 11, reflecting the seasonal demand and in sympathy with the rise in gold prices; but from the second week of May, prices dropped as the seasonal demand tapered off. After fluctuating between Rs. 290.50 and Rs. 307.00 upto the first week of November, prices rose steadily from Rs. 296.50 per kg. on November 8 to a peak of Rs. 406.00 per kg. on February 3, 1966 mainly on account of speculative demand. There was a reaction later, following reports of seizures of silver intended for smuggling and prices touched Rs. 358.00 by March 19, 1966. Bullish trends then re-emerged and the closing price of Rs. 366.00 per kg. represented a rise of Rs. 85.50 per kg. over the year.

Consumer Prices

The continued rise in wholesale prices, especially of articles of mass consumption, led to a further sharp rise in the consumer price index. The All-India Consumer Price Index for Working Class (*base :* 1949 = 100) rose almost continuously from 159 in March 1965 to 174 in March 1966 — a rise of 9.4 per cent on top of an increase of 10 per cent in 1963-64 and 11.2 per cent in 1964-65. According to regional data available for certain selected Centres, the increases in consumer prices were particularly sharp at Bombay, Bangalore, Jabalpur, Calcutta, Hyderabad and Delhi.

PRICE POLICY

The continued rise in prices during 1965-66, for the third year in succession, was indicative of a serious imbalance in the economy. Though the increase in 1965-66 was smaller than in 1964-65, the rise was continuous, despite the availabilities of major items of consumption like foodgrains showing noticeable improvement in 1965-66. Measures were taken to minimise the hardship caused to the vulnerable sections of the population such as the imposition of statutory rationing in major cities, increasing supplies through larger imports and increasing the number of fair price shops. In order to increase foodgrains production minimum support prices to farmers were fixed in respect of certain kharif cereals.

With a view to increasing industrial production, measures taken included creation of additional capacity, minimising the impact of foreign exchange shortage through import substitution, tax incentives to secure larger output (e.g. tax-credit certificates) and decontrol of certain items. Simultaneously, monetary and fiscal measures were resorted to.

The substantial deficit in the Central and State Budgets in 1965-66 (of Rs. 165 crores and Rs. 189 crores, respectively, according to revised estimates) exerted an inflationary impact on the economy. In this context, the Central budget for 1966-67 has laid considerable emphasis on measures to promote greater output in all key sectors, and has made provisions to promote savings and to direct them into priority sectors. Though the budget provides for an overall deficit of Rs. 117 crores at the existing level of taxation, as much as Rs. 92 crores of this are to be covered by additional taxation. Only the balance of Rs. 25 crores will be met by issuing Treasury bills to the Reserve Bank. The Finance Minister subsequently announced certain tax concessions which will have the effect of raising the overall deficit by Rs. 7.75 crores to Rs. 32.75 crores. The process of extending relief to the low-income brackets, initiated by the budget for 1964-65, has now been carried further by raising the exemption limit for income-tax on personal incomes.

As food prices were showing an almost continuous rise, efforts were made by the Government to restrain their rise through larger imports, intensification of internal procurement, strengthening the distribution system through rationing and extension of fair price shops, and measures to stimulate foodgrains output through the emergency food production drive.

The procurement of foodgrains was intensified considerably. During the 1964-65 season (November-October) internal procurement of rice by the Central and State Governments amounted to 2.9 million tonnes as against 1.0 million tonnes in the 1963-64 season. In spite of a sharp fall in output, purchases of rice during 1965-66 season upto June 1966 aggregated 2.5 million tonnes. The purchases of wheat by Central and State Governments during the 1965-66 season (April-March) aggregated 0.46 million tonnes as compared to only 0.09 million tonnes during 1964-65 (April-March). Besides, the Central and State Governments undertook to procure coarse grains. In the 1965-66 season so far (November-June) 0.75 million tonnes have been procured as against 0.45 million tonnes in the entire season last year. To supplement internal procurement, imports of foodgrains were stepped up to 7.46 million tonnes in 1965 as compared to 6.27 million tonnes in 1964. During the first three months of 1966 also, imports were higher at 2.09 million tonnes than in the corresponding period of 1965 (1.58 million tonnes).

In 1964-65, rice was procured largely by means of a levy on rice millers and dealers in the States of Andhra Pradesh, Madhya Pradesh, Orissa, the Punjab, Uttar Pradesh, West Bengal, Gujarat, Bihar, Maharashtra and Mysore. In Kerala and Madras the levy on producers was on an acreage basis. Assam resorted to monopoly procurement of paddy. For the 1965-66 season some changes were made in the method of procurement; except in the Punjab, Uttar Pradesh and Gujarat, all other States resorted to procuring paddy from the cultivators. In Madras, Mysore, Kerala, West Bengal, Madhya Pradesh and Bihar, paddy is being procured from the cultivators by a system of levy on an acreage basis. Orissa and Maharashtra have introduced monopoly procurement as in Assam. Rajasthan and Andhra Pradesh also imposed a levy on an acreage basis; this was withdrawn in the first quarter of 1966.

The offtake of rice and wheat from Central Reserve Depots, including supplies to State Governments, amounted to 8.13 million tonnes in 1965 and 2.49 million tonnes in the first three months of 1966 as against 8.25 million tonnes in 1964 and 1.90 million tonnes in the first three months of 1965. Stocks with the Central and State Governments at the end of March 1966 were perceptibly higher at 3.07 million tonnes as compared to 1.70 million tonnes at the end of March 1965. With a view to improving the distributive machinery, the network of fair price shops operating in the country was further enlarged. At the end of 1965, there were 1.11 lakh fair price shops as compared to nearly 1.02 lakh at the end of 1964 and 60 thousand at the end

of 1963. Conditions of scarcity resulting from drought in almost all the States, particularly Rajasthan, Gujarat, Maharashtra, Orissa, Andhra Pradesh, Madhya Pradesh and Mysore called for relief measures with special emphasis on distribution. The allotments of wheat and coarse grains to the States have been increased from about 6 lakh tonnes in January 1966 to 8.28 lakh tonnes in February and to 10.04 lakh tonnes in March. Moreover, with a view to conserving food, people were exhorted to practise austerity (e.g. missing a meal once a week) and avoid wastage by prohibiting the serving of cereals in eating houses and restaurants on two nights in a week and by limiting the number of guests at parties, marriages, etc. In pursuance of the national food policy announced in September 1965, it was decided to introduce statutory rationing in all towns with a population of one lakh and above. So far it has been introduced in Greater Calcutta, Asansol, Durgapur and Siliguri complex, Delhi, Madras, Coimbatore, Visakhapatnam, Hyderabad, Secunderabad, Kanpur, Bombay, Poona, Nagpur, Sholapur, and industrial areas around them. Other States are preparing to introduce it shortly in major towns. In the meantime, informal rationing continues in some urban and rural areas. As a result of these measures the average rate of offtake of rice from Central Government stocks increased substantially from about 100 thousand tonnes per month in 1964 to 190 thousand tonnes in 1965. The various regulatory measures on private trade in foodgrains including licensing, were continued.

The Government of India decided to continue the zonal arrangements in respect of rice and wheat which were introduced in 1964-65. Existing restrictions on the movements of coarse grains and gram were also continued while the movement of other pulses was kept free throughout the country. Recently, Government have set up an expert committee to review the system of food zones, and to make recommendations, if any, for its modification. Government have also decided to combine the Punjab, Himachal Pradesh and Uttar Pradesh into an enlarged zone for purposes of the movement of wheat and gram.

With a view to providing an incentive to farmers, support prices for certain cereals were fixed for the 1964-65 season; in the case of rice the support prices fixed were higher than the average market prices in the post-harvest seasons of the three preceding years. Generally, the same prices continue for 1965-66, with minor adjustments for rice in certain States. At the same time, to protect the consumers from excessive rise in prices, maximum wholesale and retail prices of rice were fixed in different States for the 1964-65 season. Some of the deficit States, however, found it difficult to maintain these prices. The Governments of Mysore, Bihar, Gujarat and Uttar Pradesh, for instance, withdrew the maximum wholesale price control orders during 1965, and the Orissa Government in early 1966. For the 1965-66 wheat season (April-March), the Agricultural Prices Commission was not in favour of fixing maximum prices. However, the matter was left to the discretion of individual States. Rajasthan and Madhya Pradesh Governments have fixed maximum prices for wheat. Rajasthan Government withdrew the maximum price control order with effect from March 4, 1966.

Alongside these measures, increasing attention was given to the task of bringing about a quick and substantial increase in agricultural production. Central Government requested the States to undertake an Emergency Food Production Drive, which included, among others, the introduction of additional crops in selected irrigated areas, promotion of cultivation of subsidiary root crops (i.e. potatoes and tapioca), placing under cultivation some land in the command areas of new irrigation projects, preparation of farm manure in compost pits on a well-planned basis and mobilisation of electric and diesel pumps for using flow and surface water by means of lift irrigation. About 3.3 million additional acres were proposed to be brought under cultivation in the States during the 1965-66 rabi and summer seasons ; the achievement is likely to be somewhat higher. The foodgrains production target for 1966-67 has been placed at around 97 million tonnes as against an estimated output of 72.3 million tonnes in 1965-66. The programme for this purpose includes, among others, bringing about 5.94 million acres under high-yielding varieties. The import of fertilisers has been increased substantially despite the difficult foreign exchange situation. Measures are also being taken to speed up the

establishment of additional capacity for the manufacture of fertilisers. In addition, increasing attention is being given to the multiplication and distribution of improved varieties of seeds, speeding up of the implementation of irrigation projects and provision of guidance to farmers regarding the methods of using these resources for securing optimum returns.

The Food Corporation of India, established on January 1, 1965, with the primary object of undertaking purchase, storage, movement and distribution of foodgrains and other foodstuffs, has set up a Central Office in Madras and regional and district offices at certain important centres in the country. In certain States it took over all godowns belonging to Central Government along with the stocks of rice and wheat. Its activities during 1965-66 included (i) the supply of imported wheat to roller flour mills in some States and the distribution of wheat products manufactured by these mills, (ii) post-procurement operations of rice involving quality control, purchase, transportation, storage and issue of rice procured on Central Government account in Andhra Pradesh and Madras, for supply to Kerala and other deficit States and in respect of rice procured by State Governments of Andhra Pradesh and Mysore for internal distribution, within the States, (iii) direct purchases of rice in some Southern States (Andhra Pradesh, Madras and Mysore) on behalf of either the Central or State Governments and (iv) port clearance of imported foodgrains and fertilisers at Kerala ports and Tuticorin.

As regards industrial commodities, incentives were provided through the grant of higher prices for sugar, controlled varieties of cotton textiles, coal and cement. The budget for 1965-66 provided substantial fiscal incentives to stimulate production, including the grant of tax-credit certificates to industries to the extent of 25 per cent of the excise duty paid on output which is in excess of the base year production.

The budget for 1966-67 provides for an increase in the development allowance to the tea industry as a further incentive for new planting and replanting of tea gardens. Three new industries viz., tea, newsprint and printing machinery are to be added to the list of priority industries eligible for higher development rebate.

The policy of relaxation of controls was carried further with the withdrawal of price control on pig iron in August 1965 and certain categories of imported steel in September 1965. Price and distribution control on cement was removed from January 1966. To boost fertilisers output, Government also decided to decontrol for a period of seven years the price, sale and distribution of fertilisers produced by units licensed upto the end of March 1967, reserving the option to buy upto 30 per cent of the output at a negotiated price. Controls, however, were imposed on non-ferrous metals* such as copper, lead, tin, and zinc in September 1965.

MONEY AND BANKING

Under the impact of larger disbursements by Government, money supply with the public increased substantially in 1965-66 by Rs. 450 crores or by 11.0 per cent (to Rs. 4,530 crores) as compared to Rs. 328 crores or 8.7 per cent in 1964-65. Although the largest increase (Rs. 450 crores) during the Third Plan was recorded in 1965-66, the highest rate of increase (13.4 per cent) was registered in 1963-64. Unlike 1964-65 when currency and deposit money contributed equally to the increase in money supply, the rise this year was predominantly in currency in circulation, which increased by Rs. 265 crores while deposit money increased by Rs. 185 crores.

The constituents of money supply and the main factors responsible for its variations are indicated in the following table :

* Repealed on 7th June 1966.

Table 5. Variations in Money Supply

(Crores of rupees)

Item	1963-64 (1)	1964-65 (2)	1965-66 (3)
1. Currency with Public ..	+ 226	+ 163	+ 265
2. Deposit Money	+ 216	+ 165	+ 185
3. Money Supply	+ 442	+ 328	+ 450
Factors Affecting Money Supply			
A. Net Bank Credit to Government Sector* ..	+ 281	+ 268	+ 488
B. Net Bank Credit to Private Sector*	+ 178	+ 53	+ 80
C. Net Foreign Exchange Assets	+ 35	— 19	— 24
D. Government's Net Currency Liabilities	+ 20	+ 19	+ 12
E. Net Non-Monetary Liabilities of the Banking System (Increase—) :	— 72	+ 7	— 106

*Adjusted for P.L. 480 and P.L. 665 deposits with banks in India other than the Reserve Bank of India.

As in the previous year, net bank credit to Government was the most important factor. The rise under this head (Rs. 488 crores) in fact exceeded the actual increase in money supply of Rs. 450 crores. The larger rise this year was due to higher Reserve Bank credit to Government—Rs. 371 crores as against Rs. 128 crores last year — mainly due to the sharp rise of Rs. 137 crores in loans and advances to State Governments as compared to Rs. 3 crores last year. The pace of expansion in net bank credit to the private sector during the year was slow as in the preceding year (net bank credit to private sector having increased by Rs. 80 crores in 1965-66, by Rs. 53 crores in 1964-65 and by Rs. 178 crores in 1963-64), reflecting the impact of the restrictive credit policy adopted by the monetary authorities as well as larger accretions to time deposits. The banks' advances and holdings of private securities which represent gross bank credit had shown a larger expansion (Rs. 288 crores) than last year (Rs. 247 crores) ; but there was, side by side, a larger increase in time deposits* (Rs. 208 crores this year compared to Rs. 194 crores last year), with the result that the net rise in bank credit was of the order of Rs. 80 crores. Variations in net foreign exchange assets exercised a contractionary influence on money supply (Rs. 24 crores) as in the previous year (Rs. 19 crores). Other factors representing mainly the net non-monetary liabilities of the Reserve Bank and the rest of the banking system exerted a contractionary influence of the order of Rs. 19 crores and Rs. 87 crores, respectively.

* Adjusted for P. L. 480 and P. L. 665 deposits.

The contraction in money supply during the slack season of 1965 was of the order of Rs. 43 crores which compares with Rs. 33 crores in the previous slack season. The 1965-66 busy season, however, witnessed a phenomenal expansion (Rs. 480 crores) as compared to the previous season (Rs. 389 crores). During the 1965 slack season, net bank credit to the private sector contracted by Rs. 158 crores while net bank credit to Government rose by Rs. 110 crores ; in the busy season of 1965-66, net bank credit to the private sector had risen by Rs. 168 crores and to the Government by Rs. 411 crores.

For the Third Plan as a whole, the expansion in money supply worked out to Rs. 1,661 crores as compared to Rs. 704 crores in the Second Plan. Of the total monetary expansion, currency with the public rose by Rs. 936 crores and deposit money by Rs. 725 crores. Net bank credit to the Government* was the predominant influence on monetary expansion (Rs. 1,563 crores) in the Third Plan period, followed by net bank credit to the private sector* (Rs. 398 crores) ; net foreign exchange assets, on the other hand, exerted a contractionary effect to the extent of Rs. 107 crores.

Seasonal Banking Trends

The busy season of 1964-65 closed with a record expansion of Rs. 407 crores in scheduled bank credit (as reported last year). At the start of the 1965 slack season, the Governor of the Bank met the leading bankers and emphasised the need for keeping a tight rein on credit during the season. Banks were advised that after paying off their borrowings from the Bank they should invest the surplus funds accruing to them in the season in Government securities or Treasury bills which would place them in a better position

to meet the demands for credit in the following busy season. To facilitate such investment, the Bank introduced a system of tap sales of Treasury bills in place of the weekly tender. The actual contraction of credit in the slack season, covering broadly the first half of the financial year 1965-66, was, however, only Rs. 93 crores or 23 per cent of the previous busy season expansion as compared to Rs. 139 crores in the 1964 slack season. This was due among other things to (i) the higher level of sugar stocks with mills as a result of the record output coupled with the control over releases, (ii) continued accumulation of cloth stocks with mills and (iii) the financing by banks of the food procurement operations of State Governments and their agencies. Seasonal advances, therefore, declined by only Rs. 150 crores, as against an expansion of Rs. 235 crores in the preceding busy season. Non-seasonal advances rose by Rs. 96 crores as compared to Rs. 54 crores in the 1964 slack season—the expansion in iron and steel and engineering goods being three-fold of that in the 1964 slack season, due to higher production in almost all branches of engineering. Thus, according to the fortnightly survey which covers nearly all advances of scheduled banks total secured advances declined by Rs. 54 crores, as against Rs. 140 crores in the 1964 slack season. Unsecured advances fell by Rs. 31 crores as against rises of Rs. 12 crores in the 1964 slack season and Rs. 20 crores in the 1964-65 busy season. This decline may be attributed to the Bank's restrictions on unsecured advances which were in force from the end of June to September 9.

Aggregate deposits rose by Rs. 178 crores—a somewhat slower rate than in the 1964 slack season—and the credit-deposit ratio declined from 80.1 per cent at the end of April to 71.7 per cent at the end of October 1965. In the 1964 slack season the ratio had fallen by 12 points to 67.4 per cent at the end of the season. Scheduled banks, however, repaid all their borrowings from the Reserve Bank, *viz.*, Rs. 123 crores, in the 1965 slack season, as compared to Rs. 43 crores in the 1964 season. Investments in Government securities went up by Rs. 139 crores, as compared to Rs. 259 crores in the 1964 slack season. The investment-deposit ratio thus rose over the 1965 slack season by only 3 points (from 27.2 per cent to 30.5 per cent) compared to the rise of 8 points over the slack season of 1964 (26.5 per cent to 34.5 per cent).

Table 6. Scheduled Bank Data—Slack Season

(Crores of Rupees)

Item	1963 (1)	1964 (2)	1965 (3)
1. Aggregate Deposits ..	+148.0	+210.6	+177.9
(*a*) Demand	+ 84.5	+119.7	+ 80.0
(*b*) Time	+ 63.5	+ 90.9	+ 97.9
2. Borrowings from R.B.I.	— 29.4	— 43.3	—122.8
3. Borrowings from S.B.I. and/or notified banks ..	+ 8.1	+ 18.5	— 2.4
4. Bank credit	—120.9	—138.8	— 93.3
5. Investments in Government securities ..	+145.6	+258.5	+138.6
6. Cash reserves	+ 43.0	+ 11.8	+ 21.6

As banks' liquidity position did not perceptibly improve in the 1965 slack season, the money market experienced stringency during the greater part of the season, particularly towards the close. The announcement of 3.5 per cent tap Treasury bills and the Governor's advice to banks to put their excess funds into Treasury bills instead of lending them out at call, provided an effective floor to money rates. Inter-bank call money rate for the selected major scheduled banks had closed at 3.4 per cent and 4.0 per cent, respectively, in Bombay and Calcutta during the third week of July 1965. They spurted to 9.4 per cent and 9.7 per cent in the third week of September around the time of the Indo-Pakistani conflict. With the cessation of hostilities, the rates eased to close for the season at 5.2 per cent for Bombay and 5.8 per cent for Calcutta, as compared to 1 per cent and 3.5 per cent, respectively, a year ago.

In view of the unfavourable crop prospects and the need for holding the price line, the Bank continued its policy of credit restraint in the 1965-66 busy season. Only in respect of advances to finance defence supplies, packing credits for exporters, and advances for food procurement and allied activities of Governmental agencies, the Reserve Bank

agreed to provide refinance to the scheduled banks at the Bank rate. Accommodation in respect of credit for other purposes was made dearer.

Table 7. Scheduled Bank Data—Busy Season

(Crores of Rupees)

Item	1963-64 (1)	1964-65* (2)	1965-66 (3)
1. Aggregate Deposits ..	+ 84.5	+106.4	+213.9
(*a*) Demand	+100.3	+ 43.5	+120.6
(*b*) Time	— 15.8	+ 62.9	+ 93.3
2. Borrowings from R.B.I.	+ 43.4	+124.5	+ 28.4
3. Borrowings from S.B.I. and/or notified banks ..	— 0.5	+ 8.6	+ 4.6
4. Bank credit	+376.2	+407.4	+309.4
5. Investments in Government securities ..	—145.4	—153.8	— 27.4
6. Cash reserves	— 29.4	+ 7.7	+ 5.4

* Revised.

Trends in Busy Season 1965-66

The tempo of credit expansion in the 1965-66 busy season was slower than in the previous busy season. The increase in credit amounted to Rs. 309 crores which was Rs. 98 crores less than in the 1964-65 season, the rate of expansion dropping to 15 per cent from 24 per cent in the previous busy season. Seasonal advances increased during the 1965-66 busy season by Rs. 218 crores or 71 per cent as compared to Rs. 235 crores or 58 per cent in the 1964-65 busy season. Sugar and gur (Rs. 83 crores), cotton and kapas (Rs. 52 crores) and paddy and rice (Rs. 35 crores) were the commodities against which the bulk of the rise took place. Reflecting the demand for credit for Government procurement and storage, advances against paddy and rice recorded more than twice the increase in the 1964-65 busy season. The expansion of advances against sugar and gur, and raw cotton and kapas, on the other hand, was lower. Also, in contrast to the rise of Rs. 63.7 crores in the previous busy season, non-seasonal advances declined by Rs. 10.7 crores during the season. The major factor was the steep *decline* of Rs. 16.5 crores in advances against cotton textiles which had recorded a *rise* of Rs. 24.9 crores in the previous busy season. Advances against iron and steel and engineering products also rose less by Rs. 17.8 crores and advances against non-ferrous metals, manganese, mica, other minerals and mineral oils showed a decline of Rs. 4 crores as against a rise of Rs. 5.7 crores in the 1964-65 busy season. Unsecured advances, however, increased by Rs. 41 crores which was more than twice the expansion in the 1964-65 busy season.

While the credit expansion was smaller, the growth in deposits* during the 1965-66 busy season at Rs. 235 crores was appreciably higher than that of Rs. 147 crores in the previous busy season. In the result, the peak credit-deposit ratio of 78.5 per cent reached on April 1, 1966 was lower than the previous busy season's high of 80.1 per cent reached on April 30, 1965. The liquidation of banks' investments in Government securities and their borrowings from the Reserve Bank were, therefore, of much smaller magnitudes, the former being Rs. 27 crores and the latter Rs. 28 crores compared to Rs. 154 crores and Rs. 125 crores, respectively, during the 1964-65 season. The investment-deposit ratio thus declined by 3.2 percentage points to 27.3 in the 1965-66 busy season, whereas during the previous busy season it had declined by 7.2 percentage points to the same level. Cash reserves rose by Rs. 5 crores in the 1965-66 busy season, as compared to Rs. 8 crores in the previous busy season, taking the cash ratio to 6.2 per cent at the end of the busy season, which was somewhat higher than a year ago.

The money market was generally easy over the busy season. In the second week of December the rates hardened to 7.3 per cent in Bombay and 9.9 per cent in Calcutta, but eased subsequently. By the third week of March, they went up to 6.2 per cent and 7.9 per cent at Bombay and Calcutta, respectively. In the first week of April the rate in Bombay moved up further to 6.3 per cent, while in Calcutta it declined to 8.4 per cent. The rates then came down and closed for the season at 4.0 per cent at Bombay

* After adjusting P.L. 480 transfers of Rs. 21 crores during 1965-66 and Rs. 40 crores during 1964-65.

and 4.8 per cent in Calcutta, compared to 7.3 per cent in Bombay and 7.0 per cent in Calcutta a year ago.

Overall Banking Trends

Bank credit expanded by Rs. 254 crores or by 12.5 per cent during the financial year 1965-66, as compared to Rs. 217 crores or 12.0 per cent in 1964-65. Aggregate deposits went up by Rs. 367 crores or 14.2 per cent as compared to Rs. 298 crores or 13.0 per cent in 1964-65. The growth in demand deposits (Rs. 188 crores) was smaller in 1965-66 than in 1963-64 (Rs. 204 crores), but higher than in 1964-65 (Rs. 168 crores). The growth in time deposits of Rs. 179 crores in 1965-66 was substantially higher than in 1964-65 (Rs. 130 crores) and 1963-64 (Rs. 39 crores). This may be attributed to the higher rates offered by banks on time deposits. Banks increased their holdings of Government securities by Rs. 93 crores in 1965-66 against Rs. 79 crores in 1964-65. Borrowings from the Reserve Bank fell sharply by Rs. 80 crores in 1965-66, in contrast to an increase of Rs. 69 crores in 1964-65. Compared to the previous year, banks thus utilised more of their own resources to meet credit requirements, mainly due to the tighter credit policy pursued by the Reserve Bank, particularly in respect of refinance for non-priority purposes.

Table 8. Scheduled Bank Data—Financial Year

(Crores of Rupees)

Item	1963-64	1964-65	1965-66
	(1)	(2)	(3)
1. Aggregate Deposits ..	+242.8	+298.2	+366·7
(*a*) Demand	+204.0	+168.2	+187.7
(*b*) Time	+ 38.8	+130.0	+179.0
2. Borrowings from R.B.I.	+ 12.9	+ 68.8	— 79.5
3. Borrowings from S.B.I. and/or notified banks ..	+ 4.4	+ 31.0	— 5.5
4. Bank credit	+228.5	+217.2	+254.0
5. Investments in Government securities	+ 46.9	+ 78.5	+ 92.5
6. Cash reserves	+ 21.9	+ 14.9	+ 8.3

Credit Policy

In the context of continued inflationary pressures and a marked deterioration in the foreign exchange position, the Bank adopted a rigorous credit policy during the 1965 slack season. As an additional measure of import regulation, on June 29, 1965, it introduced a scheme of Advance Deposits on imports, requiring importers to deposit with banks 25 per cent of the value of goods shipped to India on or after July 1, 1965 ; banks were, in turn, instructed to hold the amounts in Government of India Treasury bills, pending return to importers after two months from the date of deposit or the date of remittance for the relative import, whichever was later. The requirement did not apply to Government imports, P. L. 480 imports and certain other categories such as imports reprocessed for exports. The Bank also directed scheduled banks to keep their 'clean' advances at a level not higher than on June 25, 1965. Certain types of advances in respect of export usance bills drawn on D. A. terms were exempted from this directive. Following the changes in import duties in the Supplementary Central Budget in August 1965, the advance import deposit scheme was withdrawn on August 19, 1965. Restrictions on clean advances were also withdrawn on September 9, 1965 to ensure adequate supply of funds to industries catering to defence requirements. With the suspension of a large part of external assistance following the Pakistani aggression, the balance of payments position became critical. To facilitate the inflow of foreign funds, on September 29 the Bank removed the requirement of prior approval for the inflow of banking funds for amounts over Rs. 20 lakhs, provided the funds were not repatriated so long as the bank had outstanding borrowings from either the Reserve Bank or other banks in India, and the local inter-bank call money rate was not lower than the Treasury bill rate of the week.* With a view to restraining upward price movements in respect of essential commodities during the lean months, the Bank also tightened its selective credit controls in respect of advances against foodgrains, oilseeds and vegetable oils.†

In view of the unfavourable crop prospects and the curtailment of imports of essential

* The condition about the level of the call rate was withdrawn on November 26, 1965.

† The details of these measures are given in Chapter III.

raw materials and components for industries, the Bank continued its policy of credit restraint during the 1965-66 busy season. Though refinance was provided at the Bank rate in respect of scheduled bank advances to finance defence supplies, packing credits for exporters and advances for food procurement and allied activities of Governmental agencies, the Reserve Bank made accommodation for other purposes dearer by increasing the rate charged, by 1 per cent as against ½ per cent hitherto, for a decline below 30 per cent of one point, or fraction thereof, in the net liquidity ratio of the borrowing bank. This ratio was to be calculated after taking into account all borrowings from the Reserve Bank and the Industrial Development Bank. The Reserve Bank's scheme of refinance at the Bank rate in respect of rupee export bills and the refinance from the Industrial Development Bank against export credits were continued.

As an additional measure of credit regulation, the Bank directed banks to obtain its prior authorisation before sanctioning any fresh credit limit of Rs. 1 crore or more or any increase in such limit to any single party or any limit that would increase the total limit enjoyed by such party from the entire banking system to Rs. 1 crore or more, on a secured or unsecured basis. The Bank also announced that its credit policy would continue to be flexible. In view of the level of bank credit extended to finance food procurement and allied operations of State Governments and Governmental agencies and the prospective increase in such credit, the Bank granted a concession to banks on March 26 ; the concession took the form of not including any refinance for the excess of such credit over the previous year's level in computing the net liquidity ratio of the borrowing bank.

GILT-EDGED AND EQUITIES

The easiness in the Government securities market which followed in the wake of the Bank rate rises in September 1964 and February 1965 became more pronounced during 1965-66 reflecting largely the process of adjustment of the yield pattern to the rising structure of interest rates and the stringent money conditions during the greater part of the year. Over the year, both Central and State loans, especially the medium and long-dated issues, showed widespread declines. The Reserve Bank's All-India Index of Government and Semi-Government Securities (*base* : 1961-62=100) receded continuously from 97.1 at the end of March 1965 to 93.6 by the close of March 1966. In line with the higher pattern of interest rates in the economy, the Central Government issued in July two cash-cum-conversion loans carrying yields of 4.60 and 5.50 per cent *viz.*, the 4½ per cent Loan 1971 at an issue price of Rs. 99.50 and the 5½ per cent Loan 1990, issued at par, for an aggregate amount of Rs. 250 crores. The State Governments issued in August 1965 loans carrying yields ranging between 5.50—5.62 per cent for maturity periods of 12 years. In October, the Central Government floated two new defence loans *viz.*, 4¼ per cent Loan 1968 and 4¾ per cent Loan 1972 which were well received, as the yields offered were upto the market expectations. Simultaneously, National Defence Gold Bonds 1980 were issued, subscription to this being in gold, gold coins and gold ornaments. The distinctive feature of these bonds was repayment in gold of 0.995 fineness on maturity.

The easiness in gilt-edged prices was accelerated later due to the unusual stringency in the money market as also the smaller rise in scheduled banks' investments in Government securities in the slack season of 1965 of Rs. 139 crores compared to Rs. 146 crores and Rs. 258 crores in the slack seasons of 1963 and 1964, respectively. Reflecting the strained liquidity position of banks, Reserve Bank's open market operations (excluding purchases from the State Bank of India on account of P. L. 480 funds) resulted in smaller net sales of Rs. 18.8 crores compared to Rs. 98.6 crores during 1964-65 and Rs. 44.7 crores during 1963-64.

Equities

The downtrend in equities persisted during 1965-66 and despite a mild recovery since mid-December 1965, share prices recorded widespread net declines over the year. The easiness

was more pronounced after the presentation of the Union budget for 1965-66 as the expectations of reliefs by the market did not materialise. This continued till the end of May as sentiment was adversely affected by such factors as border troubles with Pakistan, explosion of the second atom bomb by China, postponement of the announcement of the import policy for the half year April-September 1965 till end-June 1965 and the fears of drastic cuts in imports. The All-India Index of Variable Dividend Industrial Securities (*base* : 1961-62=100) declined from 81.6 at end-March 1965 to 79.4 by the close of May.

After a temporary recovery to 80.9 during June, equities again receded, the index touching a low of 71.5 by mid-December 1965. This long spell of easiness was brought about by a series of adverse factors—the difficult foreign exchange position, the border troubles with Pakistan in July-August 1965 which necessitated the raising of additional resources through a supplementary budget on August 19, 1965, containing proposals for additional taxation expected to yield Rs. 100 crores during the rest of the financial year and uncertainty regarding foreign aid. November and early-December witnessed a further setback arising mainly from uncertainties on the food and foreign exchange fronts.

A mild recovery was in evidence since mid-December which, though partly technical, stemmed largely from the announcement of the grant of the U. S. Government loans to the Industrial Credit and Investment Corporation of India and the Industrial Development Bank of India totalling Rs. 35 crores, improved prospects of larger food imports from the U.S.A., expectations of further steps by Government to activate the capital market and prospects of return of political peace after the signing of the Tashkent declaration on January 10. Despite some uncertainty in the latter half of January following the sudden demise of Shri Lal Bahadur Shastri and doubts regarding the composition of the Union Cabinet, the markets showed signs of recovery after the policy statement of the new Prime Minister on January 26. The announcement of a $100 million aid to India by the U.S. Vice-President and anticipations (which materialised) in regard to reliefs and incentives in the Union budget for 1966-67 also assisted the revival. Moreover, sentiment was bullishly influenced by a spate of bonus issues following the new reliefs provided in the 1966-67 Union budget, *viz.*, abolition of (i) the notional capital gains tax on bonus shares in the hands of individual investors, and (ii) the 12.5 per cent bonus issue tax payable by companies accompanied by expectations of bonus issues from companies with large reserves, and improved prospects of foreign aid following the Prime Minister's tour abroad. The index rose from 71.5 in mid-December to 75.9 at the close of March 1966. Over 1965-66 as a whole, however, the index fell 7.0 per cent after a 5.9 per cent fall in 1964-65.

During 1965-66 new issue activity remained subdued and entrepreneurs continued to experience difficulty in raising funds from the open market. There was a substantial decline in the amount issued for raising equity capital, while the rising trend in respect of fixed-income yielding securities continued. In the prevailing uncertainty, the public response to the issues was unsatisfactory ; in the result, entrepreneurs were obliged to have a large part of their issues underwritten by specialised financial institutions which also provided larger loan finance to sustain private investment. The resources of these institutions were augmented by loans from the Government for this purpose. To stimulate private investment and revive the capital market, further measures were taken like the relaxation of licensing requirements for specialised industries and certain fiscal reliefs in the 1966-67 Budget. The actual amount of capital raised by non-Government companies was somewhat higher at Rs. 98.7 crores in 1965 as compared to Rs. 94.1 crores in 1964. But ordinary share capital was less important than preference shares and debentures as compared to 1964. The Companies Act 1956 was further amended to remove certain anomalies and deficiencies found in the administration of the Act.

BUDGET PERFORMANCE

In recent years, the sharp increase in the expenditures of the Central and State Governments has been the major expansionary factor in the economy. The aggregate expenditure of the Central Government rose in 1964-65 by Rs. 464 crores to Rs. 3,883 crores (Accounts) on top of increases of Rs. 650 crores in 1963-64 (Accounts) and Rs. 685 crores in 1962-63 (Accounts). The Central Budget for 1965-66 reflected Government's anxiety to minimise the inflationary impact of such expenditure. Taking advantage of the marked buoyancy in tax revenue, the budget proposals (which on balance were estimated to result in a net decline of Rs. 6.38 crores in tax revenue) sought to rationalise and simplify the tax structure to some extent. However, as the year progressed, it became clear that the trend in revenue receipts was less buoyant than expected. The borrowing programme had to be curtailed in view of the tight conditions in the money market, while additional expenditure had become necessary, mainly on account of higher dearness allowance payments to staff following the rise in prices and larger assistance to States. With a view to bridging the gap in resources without resorting to inflationary means of financing, a supplementary budget was presented in August 1965 to net in additional Rs. 100 crores during 1965-66 through higher import and excise duties. Despite these efforts, the Indo-Pak conflict in September and the failure of monsoons resulting in drought conditions in several parts of the country diminished considerably the prospect of achieving budgetary balance. Government finances were greatly strained because of increased requirements of defence, relief and rehabilitation in border areas, relief for drought—affected areas and the possibility of reduced revenues as a result of dislocation and slackening of production. It is against this background that the budget performance in 1965-66 and the forecast for 1966-67 are to be judged.

The revised estimates for 1965-66 place the aggregate expenditure of the Centre at Rs. 4,278 crores, which was higher by Rs. 395 crores than in 1964-65. The extent of rise, however, was smaller than in the previous three years. The major heads accounting for the increase were (1) loans and advances to the States—Rs. 144 crores or 36.5 per cent, (2) civil expenditure—Rs. 135 crores or 34.2 per cent and (3) defence expenditure—Rs. 82 crores or 20.8 per cent. As against this, while revenue receipts have shown only a marginal rise of Rs. 11 crores over the budget, the capital receipts declined by Rs. 124 crores, mainly due to shortfall in external assistance. Despite the additional tax effort through the supplementary budget, the overall budgetary position of the Centre, therefore, showed a large deficit of Rs. 165 crores as against a small surplus envisaged in the budget.

State budgets for 1965-66, which provided for a large deficit of Rs. 79 crores, were strained owing to drought conditions which affected land revenue collections and called for special relief to affected areas, State trading in foodgrains on a larger scale, etc. According to latest figures, the aggregate expenditure of the States for 1965-66 shows a record rise of Rs. 652 crores as compared to Rs. 291 crores in 1964-65, Rs. 317 crores in 1963-64 and Rs. 220 crores in 1962-63. More than half of this rise (i.e. Rs. 360 crores) was on account of either direct outlays on development schemes like agriculture, irrigation, electricity, education, etc. by the States or on account of loans advanced by the States to electricity boards, Government employees for housing schemes, cultivators, etc. Non-development expenditure (Rs. 245 crores) and repayment obligations in respect of loans taken from the Centre (Rs. 55 crores) accounted for the rest of the increase. The mid-year taxation measures introduced by twelve States, which were estimated to yield only Rs. 15 crores in 1965-66 or Rs. 60 crores in a full year, fell far short of the requirements. In the result, the revised estimates disclosed that the overall deficit of the States had widened to Rs. 189 crores. Of this deficit, Rs. 96 crores were met by selling securities from the cash balance investment accounts of the States and the remainder by drawing down cash balances—the aggregate cash balance position of the States changing from an opening credit balance of Rs. 5.4 crores, according to the budget documents, to a closing *debit* balance of Rs. 90.8 crores which

represents overdrafts from the Reserve Bank of India.

The Central budget for 1966-67 has placed considerable emphasis on measures to promote greater output and savings. The budget has also re-emphasised the need to restrain Government expenditure, especially on general administration and on new development projects, the output from which may begin to flow only after a considerable period. While additional expenditure on debt services, grants to States, etc. was unavoidable, the civil expenditure has been held down. Provision for plan outlays has been limited to the extent required for continuing schemes.

Thus the budget for 1966-67 has provided for a modest rise of Rs. 99 crores in aggregate expenditure of the Centre as compared to a rise of Rs. 395 crores in the revised estimates for 1965-66. This has been made possible by smaller provisions for loans and advances to States (Rs. 159 crores), non-developmental expenditure (Rs. 95 crores), "other loans and advances" (Rs. 69 crores) and capital outlay on development schemes (Rs. 40 crores). Civil expenditure is pitched higher by Rs. 123 crores at Rs. 1,372 crores mainly as a result of the growing debt servicing obligations and defence by another Rs. 31 crores.

At the existing levels of taxation, the overall position of the Centre was anticipated to result in a deficit of Rs. 117 crores. To meet a large part of this deficit the budget introduced measures for fresh taxation to the tune of Rs. 92 crores.* The objective of these proposals is to meet only such demands as are necessary to bridge the gap between aggregate receipts and expenditure and to raise resources without further complicating the tax structure and where possible, by simplifying this structure. Some of the salient features of the tax proposals are : removal of the tax on bonus shares, restricting the levy of dividend tax to dividend amounts in excess of 10 per cent of the paid-up capital, some relief in sur-tax in respect of the corporate sector, and raising the exemption limit in regard to personal income taxation, simultaneously with an increase of 10 per cent in corporate taxes and the levy of a special surcharge of 10 per cent of income-tax and surcharge payable on earned and unearned incomes of non-corporate assessees. The proposals in regard to direct taxes have been formulated so as to provide some relief to persons in low-income groups and to offer some incentives to the corporate sector in order to promote savings and capital formation. While the Government has endeavoured to meet the genuine requirements of private industry for investment through larger assistance from financial institutions, the revival of the capital market and a greater flow of private savings to industry in the form of equity investment is considered desirable in the larger social interest. In regard to indirect taxes, the changes proposed aim at restraining consumption and increasing exportable surplus where this can be done without causing much hardship to the consumers.

Taking into account the yield from this year's proposals, the overall budgetary position of the Centre is expected to show a surplus of Rs. 311 crores on revenue account and a deficit of Rs. 334 crores on capital account or a net deficit of Rs. 23 crores. This, together with an anticipated deficit of Rs. 2 crores on miscellaneous transactions, would result in an overall deficit of Rs. 25 crores for 1966-67 as compared to Rs. 165 crores in 1965-66 (R.E.). The Finance Minister subsequently announced certain tax concessions with financial effect of Rs. 7.75 crores which will raise this overall deficit to Rs. 32.75 crores.

The State Governments too have provided, in the aggregate, for lower expenditure by Rs. 109 crores (at Rs. 3,161 crores) in 1966-67 (B.E.) as compared to their total disbursements of Rs. 3,270 crores in 1965-66 (R.E.). While there has been a saving of Rs. 146 crores in loans and advances granted by them and of Rs. 52 crores in the provision made for repayments by the States of loans taken from the Centre, their development outlay has been fixed higher by Rs. 74 crores.

The aggregate budgetary position of States is anticipated to show an overall deficit of

* Taking into account the loss of Rs. 9.4 crores as a result of the increase in the exemption limit in respect of Income-tax Annuity Deposits.

Rs. 49 crores for 1966-67 (B.E.) as against Rs. 189 crores in 1965-66 (R.E.). This is mainly due to substantially reduced loans and advances to private parties like agriculturists, local bodies, etc. coupled with sizeable increase in revenue receipts as a result of higher devolution of resources to States recommended by the Fourth Finance Commission for the Fourth Plan period. In the budgets for 1966-67, seven States have proposed to raise additional tax resources to the extent of Rs. 14.6 crores, which will help in reducing their overall deficit to Rs. 34.6 crores. Maharashtra expects to meet the deficit through market borrowing and drawal on reserves and West Bengal has contemplated larger grants from the Centre as also fresh taxation later in the year. Some other States have hinted at economies in expenditure where possible.

BALANCE OF PAYMENTS

The foreign exchange situation during the year continued to cause concern, although the reserves showed a sizeable improvement in contrast with the substantial decline in the preceding year*. The persistent attrition of reserves, which occurred in 1964-65, continued during the first four months of the year but thereafter the trend was reversed and the reserves registered an impressive improvement resulting in a net accretion of Rs. 48.3 crores for the year as a whole. The continued erosion noticed during the early part of the year necessitated further recourse to assistance from the I.M.F. to the extent of Rs. 65.5 crores, as also the postponement of the repurchase obligation falling due in September 1965. The repurchase obligations of Rs. 35.7 crores due in March 1966 were, however, fulfilled on time ; with the result that the net benefit accruing to the reserves by way of assistance from the I.M.F. amounted to Rs. 29.8 crores. Excluding the assistance provided by the Fund but taking into account the additional gold subscription of Rs. 17.9 crores paid to the Fund in February 1966 following the enhancement of the membership quota, the reserves showed only a moderate improvement of Rs. 18.5 crores. But for the gold subscription, the improvement (net of Fund assistance) would have been Rs. 36.4 crores. In the preceding year, on the other hand, the reserves were drawn down almost continuously by Rs. 56.1 crores, despite the assistance obtained from the Fund and the replenishment of the monetary stock of gold by the transfer of gold worth Rs. 16.0 crores from Government stock to the Reserve Bank. Although a proper appraisal of the factors contributing to the improvement witnessed during the year under reference is rendered difficult owing to lack of detailed information for the year as a whole, available indicators suggest that the reserves benefited largely as a result of (*i*) increased realisation of export earnings and reduced payments for imports from countries other than the rupee payment area, (*ii*) larger external assistance receipts by way of reimbursements and (*iii*) probably increased receipts by way of unilateral transfers from abroad following the introduction of the National Defence Remittance Scheme towards the end of October 1962. In addition, unidentified transactions (covered by 'errors and omissions'), which were hitherto resulting in a net outgo, showed a net surplus.

Overall Trends :

As observed earlier, the detailed balance of payments data for the financial year as a whole are not yet available and hence the discussion on balance of payments that follows is confined to the trends during the calendar year 1965. During the year 1965, the reserves *increased* by Rs. 48.4 crores as compared to a *decline* of Rs. 52.1 crores in 1964. However, if borrowings from and repayments to the I.M.F. and the transfer of gold worth Rs. 16.0 crores to the monetary stock are excluded from the respective periods, the reserves would show a fall of Rs. 27.1 crores in 1965, which is very nearly the same as in 1964 (Rs. 28.3 crores). The recorded quar-

* In fact, immediately after the turn of the year, a fresh drawing of Rs. 89.3 crores was made on the IMF on April 6, 1966 to tide over the payments difficulties arising out of the widespread drought in the country.

Table 9. Balance of Payments (Preliminary)

(Rupees crores)

	January-March 1965 (1)	April-June 1965 (2)	July-September 1965 (3)	October December 1965 (4)	January December 1965 (5)	January December 1964 (6)
A. Current Account						
Imports c.i.f.						
(*a*) Private	156.7	164.4	165.4	123.5	610.0	622.0
(*b*) Government[1]	187.8	193.5	193.3	211.7	786.3	765.9
Total Imports (a+b) ..	344.5	357.9	358.7	335.2	1396.3	1387.9
Exports f.o.b.[2]	190.9	207.7	206.1	178.0	782.7	817.6
Trade balance	—153.6	—150.2	—152.6	—157.2	—613.6	—570.3
Non-monetary gold movement (net)	+ 16.0	—	—	—	+ 16.0	—
Official Transfer Payments (net)[3]	+ 29.1	+ 2.8	+ 3.3	+ 0.1	+ 35.3	+118.0
Other Invisibles (net)[4]	— 1.9	— 11.7	— 11.4	— 12.6	— 37.6	+ 19.1
Current Account (net)	—110.4	—159.1	—160.7	—169.7	—599.9	—433.2
B. Errors and Omissions	+ 8.3	— 10.0	— 8.0	+ 56.2	+ 46.5	— 77.4
C. Capital Account						
Private capital (net)	+ 2.2	— 7.8	— 1.1	+ 1.2	— 5.5	+ 4.2
(*a*) Long-term[5]	+ 3.2	— 6.3	— 2.2	+ 1.1	— 4.2	+ 6.0
(*b*) Short-term	— 1.0	— 1.5	+ 1.1	+ 0.1	— 1.3	— 1.8
Banking capital (net)	+ 0.9	— 2.9	+ 11.5	— 5.2	+ 4.3	— 0.1
Official capital (net)	+111.6	+177.4	+152.2	+161.8	+603.0	+454.4
(*a*) Loans	+166.2	+142.5	+111.4	+139.7	+559.8	+548.7
(*b*) I. M. F. drawings ..	+ 11.9	+ 23.8	+ 11.9	+ 11.9	+ 59.5	— 23.8
(*c*) Amortisation	— 31.4	— 11.5	— 22.1	— 17.5	— 82.5	— 51.1
(*d*) Miscellaneous	— 35.1	+ 22.6	+ 51.0	+ 27.7	+ 66.2	— 19.4
Capital Account (net)	+114.7	+166.7	+162.6	+157.8	+601.8	+458.5
D. Movement in Reserves (A+B+C) (Increase +, Decrease —) ..	+ 12.6	— 2.4	— 6.1	+ 44.3	+48.4	— 52.1

1 Beginning with April-June 1965, the data on Government imports exclude freight on P.L. 480 imports initially borne by India but subsequently refunded by U. S. authorities.

2 Beginning with the quarter October-December 1965, the basis for the recording of the exports data was changed from shipments approved during a month to shipments in respect of which documents were negotiated during a month. Consequently, compared with the earlier practice there is a considerable lag in the recording of exports, which gets reflected in the shortfalls in the absolute levels.

3 Beginning with April-June 1964, receipts and payments of pensions on Government account and contributions to international organisations are included.

4 Beginning with April-June 1965, the data on receipts exclude refund of freight on P.L. 480 imports initially borne by India but subsequently refunded.

5 Beginning with April-June 1964, drawings and repayments on account of IBRD loans and other foreign Government loans to private sector are included here. Prior to April 1964, these were included under Official loans.

terly movement in reserves was broadly in conformity with the usual seasonal pattern, there being a net accretion during the first and last quarters and a net draft during the remaining two quarters.

Except for capital transactions pertaining to the banking and official sectors, which were favourable, almost all the other major constituents had an adverse impact on the external payments position. Over the year, the deficit on current account widened by Rs. 166.7 crores to Rs. 599.9 crores due partly to an increase of Rs. 43.3 crores in the trade deficit and partly to the fact that invisible transactions (including official transfer payments) showed a net deficit of Rs. 2.3 crores as compared with a net surplus of Rs. 137.1 crores in the preceding year (Table 9). A part of this adverse impact was offset by the net inflow of Rs. 16.0 crores on account of the movement of non-monetary gold. In addition, unidentified transactions (covered by 'errors and omissions') also showed an improvement from a net *outflow* of Rs. 77.4 crores in the preceding year to a net *inflow* of Rs. 46.5 crores ; a part of this improvement was of a statistical nature resulting from the revised procedure adopted for recording exports to which a reference is made later. Nevertheless, the overall deficit at Rs. 553.4 crores was higher than in 1964 by Rs. 42.8 crores. However, the net inflow from capital transactions, the bulk of which comprised external assistance receipts, at Rs. 601.8 crores exceeded the overall deficit resulting in a net accretion of Rs. 48.4 crores to the reserves. In the preceding year, the overall deficit (Rs. 510.6 crores) had exceeded the net inflow of capital (Rs. 458.5 crores) from abroad necessitating a net draft of Rs. 52.1 crores on the reserves.

Imports :

Compared with the preceding year, the aggregate import bill at Rs. 1396.3 crores was higher by Rs. 8.4 crores, but as between private and Government sectors, imports on private account declined by Rs. 12.0 crores to Rs. 610.0 crores, while those on Government account increased by Rs. 20.4 crores to Rs. 786.3 crores. The increase in Government imports and hence in the aggregate import bill would have been even higher (by about Rs. 28 crores) but for the statistical change introduced from April 1965 under which freight on P. L. 480 imports refunded by the U. S. authorities is excluded from the data on Government imports (vide footnote 1 to Table 9). The entire increase in the aggregate import bill was financed out of the country's own resources, as there was a decline in aid-financed imports. The main items that registered a fall in imports on private account were mineral oils (Rs. 16.8 crores), machinery (Rs. 18.1 crores) and vehicles (Rs. 3.8 crores) ; the principal items which showed increases in imports on private account were vegetable oils (Rs. 11.6 crores), iron and steel (Rs. 3.1 crores), rayon textiles (Rs. 3.8 crores), dyes and colours (Rs. 2.1 crores) and other metals (Rs. 8.3 crores). On Government account, there was a fall in imports of food (Rs. 11.5 crores), capital equipment (Rs. 22.5 crores) and railway stores (Rs. 4.5 crores), but this was more than offset by the increase in other non-food imports (Rs. 62.1 crores).

Exports :

Exports at Rs. 782.7 crores were lower than in the preceding year by Rs. 34.9 crores. A part of this decline was purely statistical, attributable to the change in the procedure for booking exports introduced in the last quarter of the year. Exports, which were previously recorded as and when the consignments were approved for shipment irrespective of whether the actual shipment had taken place or not, are now being recorded under the new procedure on a post-shipment basis at the time when the documents are negotiated by the respective financial intermediaries. Consequently, although the new system records exports realistically from the statistical angle, there is, compared with the earlier practice, a considerable lag now in the recording of exports, which is reflected in the shortfalls in the absolute levels. The shortfalls in the absolute levels would also reflect the fact that some of the shipments which should have been recorded during this quarter on the new basis would have already been accounted for in the preceding quarter on the old basis. Exports recorded in the balance of payments statistics for 1965 are also not strictly comparable with those recorded by the D.G.C.I. & S. because, apart

from differences in coverage and valuation between the two sets of data, the basis of recording of the D.G.C.I. & S. data was changed during the year from shipments approved during a month to actual shipments made. The data recorded on the new basis in the balance of payments statistics would also not be strictly comparable with the data compiled by the D.G.C.I. & S. as the date of negotiation of documents *follows* the date of actual shipment, though only with a short interval, thereby resulting in some lag in the former as compared to the latter.

The currently available data assembled on the new basis for the last quarter of 1965 are inadequate for want of commodity and country details, and hence the trends in the different commodities are assessed on the basis of the performance during the first three quarters of the year. During the first three quarters of the year, exports were lower than in the corresponding period of last year by Rs. 7.1 crores. The major items that registered a fall were sugar (Rs. 8.4 crores), manganese ore (Rs. 5.7 crores), cotton yarn and manufactures (Rs. 9.1 crores), vegetable oils (Rs. 9.9 crores), oilseeds (Rs. 4.2 crores), coffee (Rs. 2.9 crores), tobacco (Rs. 2.0 crores) and iron ore (Rs. 2.1 crores). The shortfalls in these items were to a large extent offset by the improvement in the exports of jute yarn and manufactures and iron and steel.

Invisibles :

Net receipts from official transfer payments declined rather sharply from Rs. 118.0 crores to Rs. 35.3 crores due to the reduced tempo of disbursements of grants out of U.S. P.L. 480 counterpart funds. In addition, the other invisible transactions changed from a net *surplus* of Rs. 19.1 crores in 1964 to a net *deficit* of Rs. 37.6 crores in 1965. Even after making allowance for the statistical change introduced in April 1965 regarding the recording of refunds of freight initially borne by India on P.L. 480 imports (*vide* footnote 4 to Table 9), there was a considerable worsening in invisible transactions due mainly to the increase in gross payments, which went up by Rs. 27.4 crores to Rs. 262.8 crores. Nearly Rs. 19 crores of the increase in gross payments was on account of investment income transactions, particularly interest payments on external debt ; however, the bulk of the increase in interest payments was in respect of debt serviced in rupees. Besides investment income payments, the outgo on account of miscellaneous transactions and private unilateral transfers was also higher by Rs. 4.4 crores and Rs. 3.1 crores, respectively, the former representing mostly larger technician and royalty payments. Gross receipts, on the other hand, were only moderately lower. But as between the constituent items, while receipts by way of private transfer payments showed a rise of Rs. 6.8 crores comprising mostly an increase in grants under U.S. P.L. 480 Titles II and III, those on account of transportation and miscellaneous transactions declined by Rs. 3.7 crores and Rs. 1.6 crores, respectively.

Capital Transactions :

The net inflow of capital amounted to Rs. 601.8 crores as compared to Rs. 458.5 crores in 1964 ; while the former covered a net drawing of Rs. 59.5 crores from the I.M.F. the latter included a net payment of Rs. 23.8 crores to the I.M.F. Sector-wise, private capital transactions resulted in a net outflow of Rs. 5.5 crores representing mostly larger net disinvestment by oil companies. In the preceding year, on the other hand, there was a net inflow of Rs. 4.2 crores. Movements in banking capital which were more or less in balance in 1964 resulted in a net inflow of Rs. 4.3 crores in 1965. However, the entire net inflow was brought about by the increase in rupee liabilities arising out of Cooley Fund account balances. If these are excluded there would be a net outflow of Rs. 4.5 crores representing mostly the reduction in the rupee liabilities of authorised dealers, there being hardly any net change in their foreign currency balances. In the preceding year, there was a net outflow by way of increase in their foreign currency assets which was matched by a corresponding net inflow constituting an increase in their rupee liabilities. In regard to the official sector, although amortisation payments were substantially higher, the net inflow to the sector increased over the year by Rs. 148.6 crores to Rs. 603.0 crores benefiting mostly from the net drawings from the I.M.F. and the increase in rupee liabilities arising out of

transactions under the P.L. 480 programme and servicing of the external debt. Drawings on loans extended under the various external assistance programmes were only moderately higher ; while there was a reduction in the drawings on loans out of P.L. 480 counterpart funds, the utilisation of the other loans showed a rise. The net outgo by way of amortisation transactions increased by Rs. 31.4 crores reflecting the growing burden of external debt service ; the bulk of the increase in payments was in respect of amortisation payments financed in foreign currencies.

Regional Trends :

In the absence of complete regional details for the last quarter, the regional analysis that follows is based on the trends during the first three quarters of the year. The overall deficit on current account during the first three quarters of the year was distributed over all regions with the dollar area, and the OECD countries together accounting for more than half of the overall deficit (Table 10). Compared with the corresponding period of last year, there has been a worsening of the position on current account with all regions. While the surplus of Rs. 20.9 crores with the sterling area changed to a deficit of Rs. 15.3 crores, there was a substantial increase in the adverse current account balance with each of the other areas.

The worsening of the current account position with the sterling area was due mainly to the adverse trade balance which resulted from the decline in exports from Rs. 223.9 crores to Rs. 198.9 crores ; the import bill at Rs. 214.3 crores was also higher by Rs. 8.4 crores. With the dollar area there was a reduction of Rs. 10.7 crores in the adverse trade balance following the increase in exports from Rs. 127.0 crores to Rs. 145.1 crores. Nevertheless, the deficit on current account widened by Rs. 92.0 crores to Rs. 197.3 crores mainly as a result of the reduced receipts on account of official transfer payments which were affected adversely by the sharp fall in the disbursements of grants out of P.L. 480 counterpart funds. The surplus on account of other invisible transactions was also reduced considerably, reflecting partly the statistical refinement in recording P.L. 480 freight refunds referred to earlier and partly the increase in investment income payments, particularly interest payments. The widening of the deficit with the OECD countries from Rs. 105.3 crores to Rs. 121.6 crores was almost entirely due to the increase in the adverse trade balance. While imports from these countries increased by Rs. 7.7 crores to Rs. 151.5 crores, exports declined by Rs. 6.6 crores to Rs. 48.3 crores. Both merchandise and invisible transactions affected adversely the current account position with the 'rest of non-sterling area'. As against a moderate improvement of Rs. 6.4 crores in exports, imports from this area showed a rise of Rs. 12.6 crores. Further, the surplus of Rs. 3.5 crores on account of invisible transactions changed to a deficit of Rs. 5.3 crores due to larger investment income and miscellaneous payments. The current account deficit with international institutions at Rs. 16.7 crores was only marginally higher than in the preceding year.

Foreign Investment Policy

During the year, official policy aimed increasingly at stimulating foreign investment and the response from foreign investors was also better. Consents for issue of capital to non-residents rose appreciably from Rs. 71 crores in 1964 to Rs. 82 crores in 1965. The number of collaboration agreements approved by Government during 1965 was, however, considerably smaller at 242 against 403 in 1964 and 298 in 1963.

Among the new developments in regard to foreign investments mention may be made of the ratification, in April 1965, of the agreement between India and Austria, on the avoidance of double taxation with respect to taxes on income. A similar agreement on the avoidance of double taxation between India and the U.S.A. has been formulated and is awaiting ratification. Another step taken during the year, also designed to encourage American investment in India, was the institution of the Extended Risk Guarantee Programme. The Extended Risk Guarantee Programme is a corollary of the Specific Risk Guarantee Programme. Under the latter Programme, the following risks are covered : (*a*) inconvertibility of foreign currency, (*b*) loss by expropriation or confiscation and (*c*) loss due to war, revolution

Table 10. Regional Balance of Payments on Current Account (Preliminary)

(Rupees crores)

	January-March 1965	April-June 1965	July-September 1965	January-September 1965	January-September 1964
	(1)	(2)	(3)	(4)	(5)
Sterling Area					
Imports—c.i.f.	73.6	75.8	64.9	214.3	205.9
Exports—f.o.b.	61.7	63.5	73.7	198.9	223.9
Trade balance	— 11.9	— 12.3	+ 8.8	— 15.4	+ 18.0
Non-monetary gold movement (net)	—	—	—	—	—
Official transfer payments (net)	+ 0.1	+ 0.3	— 0.1	+ 0.3	+ 0.4
Other invisibles (net)	+ 2.6	— 2.2	— 0.6	— 0.2	+ 2.5
Current account (net)	— 9.2	**— 14.2**	**+ 8.1**	**— 15.3**	**+ 20.9**
Dollar Area					
Imports—c.i.f.	117.8	137.6	153.5	408.9	401.5
Exports—f.o.b.	48.5	50.0	46.6	145.1	127.0
Trade balance	— 69.3	— 87.6	—106.9	—263.8	—274.5
Non-monetary gold movement (net)	+ 16.0	—	—	+ 16.0	—
Official transfer payments (net)	+ 30.0	+ 2.5	+ 4.0	+ 36.5	+123.7
Other invisibles (net)	+ 11.6	+ 0.1	+ 2.3	+ 14.0	+ 45.5
Current account (net)	**— 11.7**	**— 85.0**	**—100.6**	**—197.3**	**—105.3**
O. E. C. D. Countries					
Imports—c.i.f.	50.0	52.0	49.5	151.5	143.8
Exports—f.o.b.	15.6	15.4	17.3	48.3	54.9
Trade balance	— 34.4	— 36.6	— 32.2	—103.2	— 88.9
Non-monetary gold movement (net)	—	—	—	—	—
Official transfer payments (net)	—	—	—	—	—
Other invisibles (net)	— 7.2	— 5.6	— 5.6	— 18.4	— 16.4
Current account (net)	**— 41.6**	**— 42.2**	**— 37.8**	**—121.6**	**—105.3**
Rest of Non-Sterling Area					
Imports—c.i.f.	103.1	92.5	90.8	286.4	273.8
Exports—f.o.b.	65.1	78.8	68.5	212.4	206.0
Trade balance	— 38.0	— 13.7	— 22.3	— 74.0	— 67.8
Non-monetary gold movement (net)	—	—	—	—	—
Official transfer payments (net)	—	—	—	—	—
Other invisibles (net)	— 2.7	+ 0.1	— 2.7	— 5.3	+ 3.5
Current account (net)	**— 40.7**	**— 13.6**	**— 25.0**	**— 79.3**	**— 64.3**
International Institutions					
Imports—c.i.f.	—	—	—	—	—
Exports—f.o.b.	—	—	—	—	—
Trade balance	—	—	—	—	—
Non-monetary gold movement (net)	—	—	—	—	—
Official transfer payments (net)	— 1.0	—	— 0.6	— 1.6	— 0.6
Other invisibles (net)	— 6.2	— 4.1	— 4.8	— 15.1	— 14.5
Current account (net)	**— 7.2**	**— 4.1**	**— 5.4**	**— 16.7**	**— 15.1**

or insurrection. The agreement now signed between India and the U.S. further covers U.S. firms against war risks and related forms of violence as well as against certain commercial losses, and thus the two guarantees taken together cover the entire range of risks. These guarantees are commitments by the U.S. Government to participating American firms and will only be issued if the project concerned has been approved by the Government of India. The guarantees are available for new investments only. A top-level Japanese economic mission visited India in January 1966. The Mission suggested the setting up of a joint 'Economic Co-operation Committee'.

In regard to oil and petroleum products, Government have been trying to bring about expansion of capacity in the public sector, where necessary, through foreign collaboration, while encouraging the units in the private sector also to work to their full capacity by making use of Indian crude. In line with this policy, the Government of India have recently concluded an agreement with the National Iranian Oil Company and the American International Oil Company for the setting up of a refinery in Madras for processing of oil and petroleum products. The agreement provides for minority participation in the equity of 13 per cent each by the two collaborators. The foreign exchange cost of the project will be met by the two collaborators upto a ceiling of Rs. 14.3 crores by way of equity and loans.

The recurring food crises have highlighted the urgency of augmenting capacity for production of fertilisers in the country. On the basis of the recommendations of a Cabinet Sub-Committee, the Government decided that fertiliser plants licensed upto March 31, 1967 would be free from prices and distribution control for a period of seven years from the commencement of commercial production but that Government would have the option of buying upto 30 per cent of the output at a negotiated price. The new policy is aimed at encouraging foreign investment in this field. In joint ventures to be set up in future in this field, the intending foreign collaborators can have a majority share if they so wish. Government will also help the incoming firms to obtain the necessary rupee capital if it does not come through the normal channels.

In May 1966, Government of India concluded an agreement with the American International Oil Company and the National Iranian Oil Company for the setting up of a fertiliser plant at Madras. According to this agreement, the management control of the project is vested initially with the American International Oil Company which is allotted a minority share in the equity (49 per cent), with a provision to share the same equally with the second foreign collaborator after some time. It also provides for effective participation of Indians in all the affairs of the company and the return of the management control to the Indian side either after ten years from the date of commercial production or after the repayment to the foreign collaborator of the foreign exchange loan of Rs. 16.7 crores, whichever occurs first.

Indian Investments Abroad

In line with the growing importance of economic collaboration among the developing nations, the Government of India have adopted a policy of encouraging the setting up of industries abroad by Indian entrepreneurs in collaboration with local industrialists. Government have approved during 1965 the establishment of projects in countries like Nigeria, Ethiopia, Kenya, Columbia, Saudi Arabia, Iran, Ceylon and Nepal in the field of manufacturing and processing. India and Yugoslavia have agreed to set up joint ventures in third countries. Financial inducement is also provided for encouraging such Indian ventures abroad. For instance, the Finance Act 1966-67 provides for a concessional rate of tax of 25 per cent on (1) dividends received by an Indian company from a foreign company on shares allotted to the Indian company in return for supplying technical 'know-how' or rendering technical services and (2) on royalties, commissions, fees etc. received in this regard.

External Assistance

The rate of utilisation of external assistance improved further during the year, even though there was a sudden pause in fresh authorisations following the outbreak of hostilities with

Table 11. External Assistance

(Crores of Rupees)

	Loans	Grants@	P.L. 480/ 665 Aid & Third Country Currency Assistance (Gross)*	Total (1+2+3)
	(1)	(2)	(3)	(4)
1. Amount undisbursed as at the end of March 1961	**657.1**	**28.7**	**568.3**	**1254.1**
2. Fresh authorisations during				
1961-62	410.3	20.9	—	**431.2**
1962-63	597.2	15.2	43.3	**655.7**
1963-64	436.1	10.4	4.9	**451.4**
1964-65	498.2	20.9	225.2	**744.3**
1965-66	413.5	13.2	177.2	**603.9**
Total for Third Plan	**2355.3**	**80.6**	**450.6**	**2886.5**
3. Amount available for utilisation after March 1961	**3012.4**	**109.3**	**1018.9**	**4140.6**
4. Estimated utilisation during				
1961-62	229.6	21.0	87.8	**338.4**
1962-63	305.8	14.9	125.8	**446.5**
1963-64	391.8	9.8	185.1	**586.7**
1964-65	483.1	21.0	215.3	**719.4**
1965-66	499.1	21.0	239.2	**759.3**
Total for Third Plan	**1909.4**	**87.7**	**853.2**	**2850.3**
5. Amount undisbursed as at the end of March 1966 (3—4) ..	**1103.0**	**21.6**	**107.6†**	**1232.2**

* Data on P.L. 480 assistance are given on a gross basis ; disbursements of loans and grants out of P.L. 480 and P.L. 665 funds are, therefore, excluded from Columns (1) and (2).

@ Excludes grants under P.L. 480 Titles II and III.

† The old P.L. 480 agreements having expired and taking into account rupees which were not deposited in respect of them due to non-imports etc., the undisbursed amount as at the end of March 1966 is reduced by Rs. 58.1 crores to Rs. 107.6 crores.

Pakistan in September 1965. The amount of aid utilised during 1965-66 is estimated at Rs. 759 crores as against Rs. 719 crores in the preceding year and Rs. 338 crores during 1961-62. The higher rate of utilisation during the year was facilitated by the availability of larger non-project aid and faster shipments of commodities under P.L. 480 arrangements to relieve the shortages of food and raw materials. Following the outbreak of Indo-Pakistan conflict in September 1965, the U.S.A. and I.B.R.D./I.D.A. withheld part of the aid pledges for 1965-66 made at the Aid-India Consortium Meeting held in April 1965, and there was also some delay on the part of some countries in the signing of agreements in respect of pledges made as far back as April 1965. Partly as a result of this and

more importantly because of lower aid from the East European countries, the magnitude of total fresh assistance authorised during the year (Rs. 604 crores) was markedly lower than in the previous year (Rs. 744 crores). The *loan* assistance authorised by the members of the Aid-India Consortium, despite the freezing of a part of the aid by the U.S.A. and I.B.R.D./I.D.A., amounted to Rs. 401 crores and constituted 97 per cent of the total loan assistance authorised during the year. The amount of assistance pledged by the Aid-India Consortium members upto the end of 1965-66, but not authorised till the end of March 1966, amounted to Rs. 491 crores.

The break-up of the assistance authorised during the year was as under : Rs. 414 crores (or 69 per cent) in the form of loans, Rs. 13 crores (or 2 per cent) as grants and Rs. 177 crores (or 29 per cent) by way of P.L. 480 assistance.

An analysis of the composition of the loan assistance authorised during the year shows that a little over one-half (52 per cent), as against nearly one-third in the preceding year, was in the form of non-project aid. Among Aid-India Consortium members, a large part of the assistance made available by the U.S.A., the I.D.A. and the U.K. and almost the entire assistance provided by Belgium, France, Italy and the Netherlands was not tied to any specific project, and hence was utilised for the purchases of a wide range of commodities. Another noteworthy feature was the liberalisation of the terms of assistance from the U.K. The credits authorised by the U.K. since October 1965 were wholly interest-free, whereas in the past such interest concession was available for the first seven years of the currency of loan. On the other hand, the service charge on loans authorised by the U.S. Agency for International Development has been revised since July 1965 from 3/4 per cent per annum to 1

Table 12. Aggregate External Assistance in the Post-War Period

(Crores of Rupees)

	Authorised upto March 1966				Utilised upto March 1966			
	Loans	Grants	P.L. 480/ 665 Aid & Third Country Currency Assistance	Total	Loans	Grants	P.L. 480/ 665 Aid & Third Country Currency Assistance	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. B. R. D./I. D. A. ..	741.5	—	—	**741.5 (12.8)**	581.5	—	—	**581.5 (13.0)**
U. S. A.	1284.1	166.4	1598.2	**3048.7 (52.5)**	1041.5	160.6	1403.1	**2605.2 (58.1)**
U. S. S. R.	484.3	1.2	—	**485.5 (8.4)**	282.1	1.2	—	**283.3 (6.3)**
West Germany	442.3	2.1	—	**444.4 (7.7)**	339.7	2.0	—	**341.7 (7.6)**
United Kingdom	364.6	1.4	—	**366.0 (6.3)**	292.2	0.9	—	**293.1 (6.6)**
Others	546.7	168.7	—	**715.4 (12.3)**	223.5	153.5	—	**377.0 (8.4)**
Total	**3863.5**	**339.8**	**1598.2**	**5801.5 (100.0)**	**2760.5**	**318.2**	**1403.1**	**4481.8 (100.0)**

Note:—Figures in brackets represent percentages to the total.

per cent per annum for the first ten-year grace period and the interest rate applicable for the remainder of the period has been raised from 2 per cent to 2½ per cent per annum. Further, in regard to the P.L. 480 assistance, the agreements signed since July 1965 stipulate that the entire freight payments should be paid in foreign currencies whereas previously only 50 per cent of the freight charges was payable in foreign currencies and 50 per cent in rupees. The differential in the freight rates between the U.S. and world freight rates would, however, continue to be borne by the U.S. Government.

Altogether, during the Third Five Year Plan, total assistance authorised amounted to Rs. 2886 crores. Including the undisbursed balance as at the end of the Second Plan, the total foreign assistance available for utilisation in the Third Plan was Rs. 4140 crores, of which 73 per cent (Rs. 3012 crores) was in the form of loans, 24 per cent (Rs. 1019 crores) in the form of P.L. 480 and P.L. 665 and Third Country Currency Assistance and the balance of 3 per cent (Rs. 109 crores) in the form of grants. Out of the total, Rs. 2850 crores (Rs. 1909 crores as loans, Rs. 853 crores as P.L. 480 and similar assistance and Rs. 88 crores as grants) were estimated to have been utilised by the end of March 1966. A major part of the loan assistance secured from abroad was for industrial development and infrastructure projects (purpose-wise details of external assistance authorised and utilised are given in Statement 83 appearing in the Part III of this Report). It may be noted that the actual utilisation of foreign aid (excluding P.L. 480 and similar assistance) during the Third Plan at Rs. 1997 crores was more than double that in the Second Plan (Rs. 885 crores) ; even so, it fell short of the target (Rs. 2600 crores) stipulated in the Plan document. Cumulatively, external assistance authorised by friendly countries and international institutions upto the end of March 1966 amounted to Rs. 5801 crores, of which about 77 per cent or Rs. 4482 crores were utilised by the end of March 1966. The U.S.A. alone accounted for 53 per cent of the total authorisations and 58 per cent of the total utilisations.

About one-half of the U.S. aid to India was provided in the form of P.L. 480 assistance. The assistance authorised by the U.S.A. under the P.L. 480 Title I programme during 1965-66 amounted to Rs. 177 crores, of which Rs. 152 crores were for the import of wheat and the balance for the import of milo from the U.S.A. With this, the total P.L. 480 assistance to India as of March 1966 amounted to Rs. 1564 crores. The rupee counterpart funds accruing from the import of agricultural commodities under the programme have been allocated in the following manner.

Table 13. Allocation of P.L. 480 Counterpart Funds

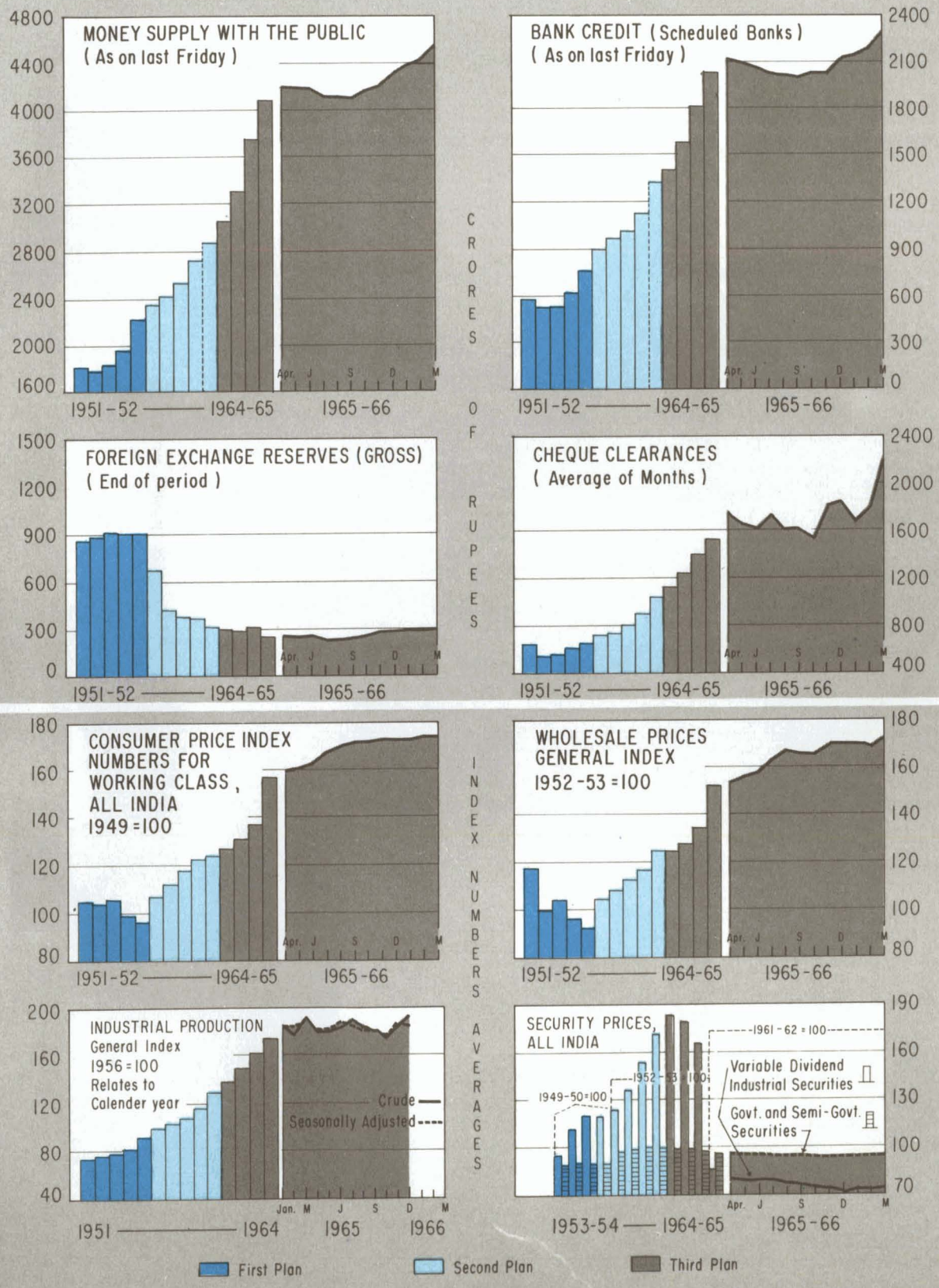
	Amount (Rs. crores)	Percentages to the total
1. Loans to the Government of India	873.3	55.8
2. Grants to the Government of India	375.3	24.0
3. Loans to private enterprises under the Cooley Amendment	109.3	7.0
4. For the use of the U.S. Government	205.8	13.2
Total ...	1563.7	100.0

Besides the assistance for the Plan projects and programmes and aid under P.L. 480 programmes, several countries made generous offers of emergency assistance to India in dealing with the food shortage. Further, during April-June 1966, additional loan assistance amounting to Rs. 260 crores has been authorised of which Rs. 97 crores was by the U.S. AID, Rs. 69 crores by the I.D.A., Rs. 60 crores by Yugoslavia, Rs. 29 crores by the U.K., Rs. 2 crores each by Sweden and Denmark and Rs. 1 crore by Canada. Of the total loans, Rs. 48 crores from the U.S. AID and Rs. 19 crores from the U.K. were authorised on a non-project basis. A large

part of the credits from the U.K. amounting to Rs. 23 crores represented an advance instalment of their assistance for 1966-67. As an emergency relief measure, Canada has waived $ 10 million due to them by way of interest and amortisation payments on two Canadian wheat loans authorised in 1958. To alleviate the acute shortage of foodgrains and cotton, the U.S.A. has also authorised an amount of $ 313.5 million (or Rs. 149 crores) as aid under the P.L. 480 programme for financing purchases from the U.S.A. of 2.75 million tonnes of wheat, 750,000 tonnes of milo, 200,000 tonnes of maize, 35,000 tonnes of soyabean oil or cotton seed oil, 700,000 bales of cotton and 2 million pounds of tobacco. With this, the total aid authorised by the U.S.A. under P.L. 480 Title I programme aggregates to Rs. 1713 crores.

GRAPH 1

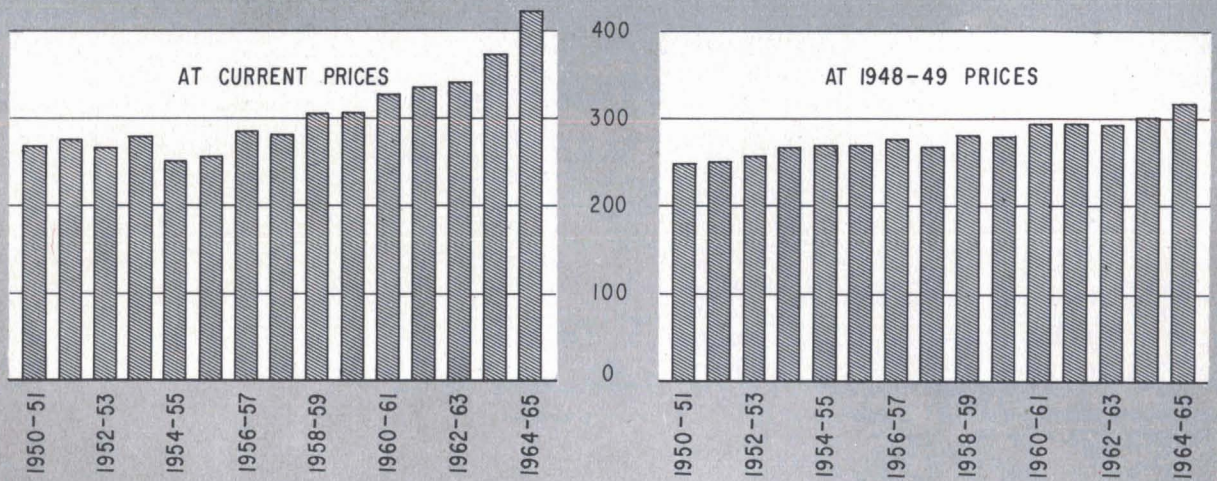
SELECTED ECONOMIC INDICATORS



GRAPH 2

PER CAPITA NATIONAL INCOME

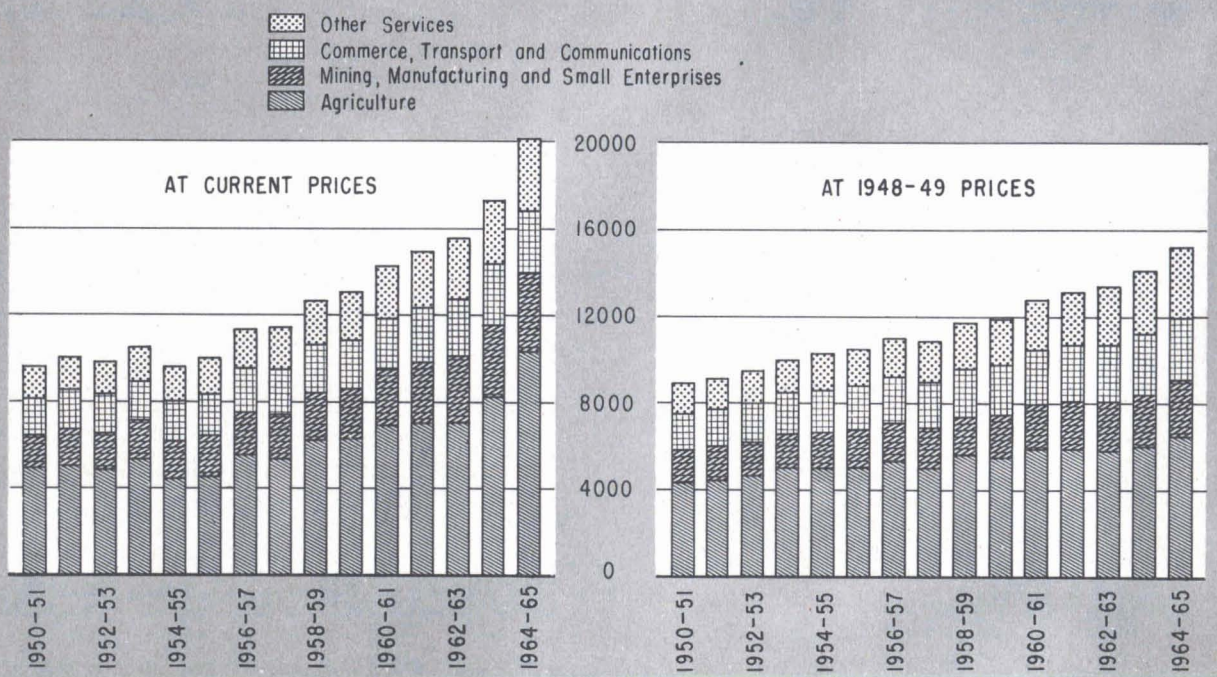
(RUPEES)



GRAPH 3

NATIONAL INCOME BY INDUSTRIAL ORIGIN

(CRORES OF RUPEES)



PART II

CHAPTER II—OUTPUT AND PRICE TRENDS

AGRICULTURAL

The index of agricultural production (1949-50=100) rose from 142.6 in 1963-64 to 157.6 in 1964-65, showing a sharp rise of 10.5 per cent as compared to an increase of 3.7 per cent during 1963-64. The rise in output was shared between foodgrains and non-foodgrains. Among foodgrains, the production of rice touched a new peak, while the production of wheat regained its previous record level of 1961-62. Among commercial crops, production of sugarcane and groundnut increased while that of jute and cotton declined. During 1965-66, agricultural production is expected to be substantially lower. The production of foodgrains is expected to be only about 72.3† million tonnes as against 89.0 million tonnes (Partially revised estimates) reached during the previous year. The production of commercial crops on the whole is also expected to be lower than in the preceding year.

During the year 1964-65 the total production of foodgrains rose to 89.0 million tonnes representing an increase of about 8.8 million tonnes over the level in 1963-64. Total imports during the year 1965 were also higher at 7.46 million tonnes as compared to 6.27 million tonnes in 1964. Despite the record production and larger imports, the stresses on the food economy continued to persist during the year. This phenomenon has to be viewed against the background of the sluggishness in foodgrains production during the first three years of the Third Plan in the face of a growing demand. The resultant imbalance in availability and demand led to a steep rise in the prices of foodgrains. Again, during the year 1964-65 market arrivals were also relatively lower ; prices of cereals and pulses moved up by 19.8 per cent and 43.2 per cent respectively, during 1964-65@@. During 1965-66, while prices of cereals moved up further by 6.3 per cent, those of pulses declined by 2.1 per cent@@.

Table 1. Foodgrains

Year	Total foodgrains production (Million tonnes)	RICE			WHEAT		
		Production (Million tonnes)	Procurement (Thousand tonnes)	Imports (Thousand tonnes)	Production (Million tonnes)	Procurement (Thousand tonnes)	Imports (Thousand tonnes)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950-51	54.9*	23.5*	2750	358.7	6.4*	1133	1329.0
1955-56	66.9	27.6	15	269.3	8.8	—	442.0
1960-61	82.0	34.6	880	698.8	11.0	395	4386.1
1961-62	82.7	35.7	519	384.4	12.0	20	3092.2
1962-63	78.4@	31.9@	479	389.6	10.8@	—	3250.4
1963-64	80.2@	36.9@	744	483.4	9.9@	5	4072.7
1964-65	89.0@	39.0@	1299	644.5	12.3@	90	5621.4
1965-66‡	72.3	30.6	2951	783.0	10·7	379	6583.0

Note : Import and Procurement figures are for calendar year.
* Data relate to 1949-50.
@ Partially revised estimates.
‡ Provisional.

† Advance estimate.
@@ The yearly percentage increase or decrease in indices of wholesale prices is worked out on the basis of the financial year averages for the respective years.

Rice

Production of rice which had increased from 31.9 million tonnes in 1962-63 to 36.9 million tonnes in 1963-64, rose further by 2.1 million tonnes to 39.0 million tonnes in 1964-65. During the year 1965-66, however, failure of the monsoon in several parts of the country seriously damaged the rice crop ; according to present indications, production of rice is expected to be about 8.4 million tonnes lower than the previous year's output. This substantial decline in production had its impact on the rice prices. The All India index number of wholesale prices of rice (1952-53=100) which had stood at 128.2 in March 1965 remained steady upto June 1965 but thereafter rose sharply reaching 157.6 in March 1966. On the basis of annual averages, rice prices during 1965-66 showed a rise of 5.1 per cent on top of a rise of 7.9 per cent in 1964-65.

Some of the measures taken to restrict the rise in prices as also to supply an increasing quantum of foodgrains at reasonable prices may be mentioned. The maximum wholesale and retail prices of rice were fixed in all States except in Rajasthan and Jammu and Kashmir for the 1964-65 crop. By and large, the market prices in the surplus States ruled during the year near about these statutory prices. Later, however, the Governments of Mysore, Bihar, Gujarat and Uttar Pradesh withdrew the Price Control Orders due to difficulties experienced in maintaining prices within the limits of the maximum prices. In Maharashtra and Orissa, the Price Control Orders were withdrawn following the introduction of monopoly procurement of paddy/rice. Thus during 1965-66, the maximum statutory prices of paddy/rice remained in force in the States of Andhra Pradesh, Assam, Kerala, Madhya Pradesh, Madras, Punjab and West Bengal.

The policy of supplying foodgrains at reasonable prices through a network of fair price shops received an added emphasis, the number of fair price shops rising from 1,02,193 at the end of 1964 to 1,10,283 at the end of 1965. Statutory rationing was introduced in Greater Calcutta, Asansol, Durgapur, Siliguri, Delhi, Madras, Coimbatore, Visakhapatnam, Hyderabad, Secunderabad, Kanpur, Bombay, Poona, Nagpur and Sholapur. Consequently the issue of rice from Central Government's stocks had to be stepped up to 22.52 lakh tonnes in 1965 from 14.00 lakh tonnes in 1964. This also meant that Government had to acquire larger stocks of rice mainly through procurement from domestic production since the scope for importing larger quantum of rice is seriously limited in view of the inadequate supplies in the international market as also the shortage of foreign exchange. In pursuance of this policy, therefore, purchases of rice on behalf of the Central Government were made during 1964-65 in the States of Andhra Pradesh, Madhya Pradesh, Madras, Orissa and Punjab ; these purchases aggregated 15.62 lakh tonnes in 1964-65 (Nov.-Oct.) as compared to 6.21 lakh tonnes in 1963-64. In addition, all State Governments excepting Madhya Pradesh and Rajasthan made purchases of rice/paddy on their own account aggregating 13.38 lakh tonnes (in terms of rice) as against 3.95 lakh tonnes during 1963-64. These purchases on State Governments account are, however, intended for consumption within the respective States. The purchases of rice on behalf of both the Central and State Governments thus aggregated 29.00 lakh tonnes as compared to 10.16 lakh tonnes in 1963-64.

As the rice output during the year 1965-66 was substantially lower than that during the previous year, procurement operations were intensified in order to acquire adequate stocks for distribution in the deficit areas. The scope and intensity of the procurement schemes varied from State to State. While in most of the States the earlier schemes of procurement continue, the States of Kerala, Andhra Pradesh, Mysore, Madras, Madhya Pradesh, Bihar, Rajasthan and West Bengal have issued orders imposing a levy on producers. In the States of Assam, Orissa and Maharashtra, monopoly procurement of paddy from the cultivators has been introduced. A levy on millers and traders has been imposed in Andhra Pradesh, Gujarat, Uttar Pradesh, Madhya Pradesh, Rajasthan, Punjab, Bihar and West Bengal. However, the State Governments of Rajasthan and Andhra Pradesh

withdrew the paddy procurement schemes on January 22, 1966 and March 2, 1966 respectively. So far, about 24.70 lakh tonnes† of rice have been purchased on Central and State Governments accounts. Considering the significant decline in production, this record of procurement is noteworthy.

Another measure taken to augment the supplies was the stepping up of imports. The imports of rice were stepped up from 6.45 lakh tonnes in 1964 to 7.83 lakh tonnes in 1965. Of the rice imported in 1965, 2.86 lakh tonnes were from U.S.A. under P.L. 480 Agreement, 2.03 lakh tonnes from Burma and the balance from U.A.R., Pakistan, Cambodia and Thailand.

Reference may also be made to support prices for paddy. In accordance with the accepted policy of fixing support prices, the Government on the recommendation of the Agricultural Prices Commission announced the minimum prices of standard varieties of coarse paddy for the 1965-66 season; the prices thus fixed ranged from Rs. 35.00 to Rs. 40.00 per quintal. Further, the State Governments have been authorised to work out and announce the minimum support prices for other varieties of paddy.

Wheat

Production of wheat which had declined from 10.8 million tonnes in 1962-63 to 9.9 million tonnes in 1963-64, increased to 12.3 million tonnes in 1964-65 despite decrease in acreage. The increase in output was due to the increase in yield per acre of the order of 22.8 per cent over the previous year's level. No official estimate of production of wheat for the 1965-66 season is as yet available. However, the output is expected to show a decline of about 1.6 million tonnes over the previous year's level.

As regards prices, the All India index number of wholesale prices of wheat (1952-53=100) declined from 140.7 in March 1965 to 131.3 in June 1965 reflecting the impact of the good crop during 1964-65. Thereafter the index started moving up and reached 144.4 in August 1965. Prices turned easy again and the index stood at 135.7 in March 1966. On the basis of annual averages, wheat prices during 1965-66 showed a rise of 6.3 per cent on top of a rise of 31.5 per cent in 1964-65. The Agricultural Prices Commission which went into the question of fixation of maximum prices during 1965-66 did not consider such fixation desirable. The Government of India, however, left it to the discretion of the State Governments to fix maximum prices for wheat in their respective States. Only the Governments of Madhya Pradesh and Rajasthan fixed the maximum prices of wheat for 1965-66. However, the Rajasthan Government rescinded the Maximum Price Control Order, 1964 with effect from March 4, 1966.

With a view to stabilising prices and conserving supplies of wheat, the existing zonal arrangements were generally continued during 1965-66. The only major modification was that the Punjab, Uttar Pradesh, Union Territories of Himachal Pradesh and Delhi (excluding the rationed area specified under the Delhi Rationing Order 1965) were merged into a bigger zone.*

Further, purchases of wheat on Government account were intensified ; in Madhya Pradesh the State Government imposed a levy on all purchases of wheat made by traders in 22 specified wheat growing districts. Purchases of wheat during the period April 1965 to March 1966 on Central and State Governments accounts aggregated 4.63 lakh tonnes as against 0.9 lakh tonnes procured during the same period in 1964-65. Purchases of wheat on behalf of Central Government were made only in the Punjab.

The price support scheme for wheat was continued during 1964-65. The minimum support prices for red, white and superior varieties of wheat were fixed at Rs. 45.50, Rs. 49.50 and Rs. 53.50 per quintal respectively for the 1964-65 crop ; these prices were substantially higher than the previous years' support prices. For the 1965-66 crop, the minimum support prices were fixed at the same level as for the 1964-65 crop.

† As on June 30, 1966.
* With effect from April 21, 1966.

In order to augment supplies, imports of wheat were stepped up from 56.21 lakh tonnes in 1964 to 65.83 lakh tonnes in 1965 ; of these, 59.15 lakh tonnes were received from U.S.A. under the P.L. 480 Agreement. The issue price of wheat was raised from Rs. 48.00 per quintal to Rs. 50.00 per quintal with effect from November 15, 1965 owing to increase in the cost of imported wheat.

Other Cereals

During 1964-65 the production of other cereals (other than rice and wheat) at 25.3 million tonnes was higher by 1.9 million tonnes than in 1963-64. Production of jowar, bajra, maize and barley showed rises while that of small millets and ragi registered declines. Official estimates of production for 1965-66 are not yet available.

Table 2. Other Cereals

Year	Production (Million tonnes)	Imports (Thousand tonnes)
1950-51 ..	16.8†	370.9
1955-56 ..	19.5	—
1960-61 ..	23.7	52.4
1961-62 ..	23.2	19.1
1962-63 ..	24.3	—
1963-64 ..	23.4	—
1964-65 ..	25.3	96.0

Note : Production figures for 1962-63, 1963-64 and 1964-65 are partially revised estimates.
† 1949-50.

As in the case of rice and wheat, prices of coarse grains also recorded a rise during the year 1965-66. The All India index number of wholesale prices of jowar, bajra, maize, ragi and barley (1952-53 = 100) recorded over the year rises of 4.3 per cent, 9.3 per cent, 13.5 per cent, 36.8 per cent and 5.4 per cent, respectively@.

Purchases of coarse grains were also undertaken by Central and State Governments during the 1964-65 season (November-October) ; such purchases made in the States of Madhya Pradesh, Maharashtra, Mysore, Punjab, Rajasthan and Uttar Pradesh aggregated 4.48 lakh tonnes. During the 1965-66 season the purchase operations have been intensified and coarse grains are being purchased largely from producers either by a system of levy on acreage basis or through monopoly procurement in the States of Maharashtra, Madhya Pradesh and Mysore, and by requisition of stocks under Section 3(3a) of the Essential Commodities Act, 1955, in the Punjab. In Uttar Pradesh, a levy has been imposed on foodgrain dealers. In Rajasthan where procurement was being done through a system of levy on producers, the procurement order was withdrawn with effect from January 22, 1966. About 7.45 lakh tonnes of coarse grains have been purchased during the 1965-66 season (November-October) in the States of Andhra Pradesh, Madhya Pradesh, Maharashtra, Mysore, Punjab, Rajasthan and Uttar Pradesh*.

With a view to safeguarding the interests of the cultivators and providing an incentive to increase production, the price support schemes for jowar, bajra and maize were continued for the 1965-66 season. The minimum price for yellow variety of jower has been fixed at Rs. 38.00 per quintal with suitable adjustments for red and white varieties. The support prices of (F.A.Q.) bajra and maize have been fixed at Rs. 40.00 and Rs. 36.00 per quintal, respectively.

As regards the movement of coarse grains, the Agricultural Prices Commission recommended in July 1965 that no restrictions either on their movement or prices should be imposed and that no purchases be undertaken on behalf of Governments, except on a commercial basis during the 1965-66 season. If, however, this policy could not be adopted uniformly all over the country it was essential that the outflows and inflows of coarse grains be determined for each State by the Central Government. However, the Central Government, in consultation with the Chief Ministers of States, decided to continue the existing restrictions on the movement of coarse grains during 1965-66.

@ On the basis of annual averages.
* The position relates to June 30, 1966.

Pulses

Production of pulses rose from 10.1 million tonnes in 1963-64 to 12.4 million tonnes in 1964-65. Official estimates of production for 1965-66 are not yet available.

Table 3. Pulses

Year	Production (Million tonnes)
1949-50	8.2
1955-56	11.0
1960-61	12.7
1961-62	11.8
1962-63	11.4
1963-64	10.1
1964-65	12.4

Note : Production figures for 1962-63 and 1963-64 are based on partially revised estimates while those for 1964-65 are based on final estimates.

In contrast to the general trend, prices of pulses which had risen sharply by 43.2 per cent during 1964-65 tended to ease during the year 1965-66. The All India index number of wholesale prices for pulses moved up from 154.2 in April 1965 to 173.9 in November 1965 ; it started declining thereafter and stood at 151.4 in March 1966. Over the year, prices of pulses registered a decline of 2.1 per cent.@

As regards inter-State movement of pulses, there were no restrictions on their movement ; only in the case of gram the existing restrictions were continued during the year 1965-66. However, the movement of gram was made free within the States of Punjab, U.P. and Union Territories of Himachal Pradesh and Delhi with effect from April 21, 1966.

Cotton

Production of cotton during 1964-65 at 54.08 lakh bales recorded a decline of 1.6 per cent over the output of 1963-64. Official estimates of production for 1965-66 are not yet available. However, according to the latest trade estimate, the output is expected to be about 58 lakh bales as compared to the trade estimate of 60 lakh bales for 1964-65. Thus, in the final year of the Third Five-Year Plan, cotton production would be short of the target by about 12 lakh bales. The target for the Fourth Plan is tentatively fixed at 86 lakh bales. As extension of area under cotton cultivation to any sizeable extent may not be likely in view of the increasing demand for producing more food crops, stress is laid on the 'package' and intensive cultivation approach to raise the yield.

The decline in production in 1965-66 is attributed to widespread drought during the period of crop growth in the major producing regions. The deficient water supply due to inadequate rainfall, low discharge of water in rivers and improper feeding of canals adversely affected the crop. However, following beneficial rains in October there was some improvement in the crop prospects especially in the Gujarat and the Southern regions. Thus, two successively short crops in 1964-65 and 1965-66 brought once again to the fore the need for intensifying cotton cultivation with special emphasis on irrigation. The Package Programme for cotton was in operation during the 1965-66 season in the States of Andhra Pradesh, Gujarat, Madras, Maharashtra, Mysore, Punjab and Rajasthan, the total area covered upto December 1965 being about 4.7 lakh hectares as against the Third Plan target of 6.6 lakh hectares.

To make up for the shortfall in production and also to meet an anticipated increase in mill consumption, liberal imports were allowed during 1964-65. A total of 9.28 lakh bales were imported during 1964-65 as compared to 6.48 lakh bales in 1963-64. Almost 50 per cent of the imports were from the U.S. under P.L. 480 and Barter Agreements. Imports during the first 7 months of the 1965-66 season (September-August) totalled 2.71 lakh bales compared to 5.50 lakh bales during the corresponding period in 1964-65.

Exports of cotton during 1964-65 were lower at 2.43 lakh bales compared to 2.73 lakh bales in 1963-64 mainly because of a shortfall in the production of the Bengal Deshi variety. During 1965-66, as against the earlier apprehensions of a severe shortfall in the output of this variety, the latest trade estimates indi-

@ On the basis of annual averages.

Table 4. Cotton

(In thousand bales of 180 kgs. each)

Year (September-August)	Production	Imports	Exports	Consumption@	Stocks with mills and trade (end-August)
	1	2	3	4	5
1950-51	2874	800	178	3578	1518
1955-56	3949	603	603	4908	1593
1960-61	5293	1100	297	5574	2236
1961-62	4581	804	328	5958	1851
1962-63	5309[1]	860	334	5940	2564
1963-64	5494[1]	648	273	6352	2471
1964-65	5408[2]	928	243	6640	..
1965-66*	..	..	300	6070	..

@ Consumption by mills and extra factory consumption. * Estimated.
1. Partially revised estimates 2. Final estimates.
Source : Col. 1—Official estimates
Col. 2 to 5—Indian Central Cotton Committee.

cate a substantial production of over 5 lakh bales. Exports may, therefore, be higher at around 3 lakh bales in 1965-66 though the performance so far has not been encouraging owing presumably to high prices prevalent at the beginning of the season as also to subdued foreign demand. Upto end-March 1966 Bengal Deshi registered for exports totalled 1.33 lakh bales compared to 1.89 lakh bales in the corresponding period in 1964-65.

Cotton consumption by mills in 1964-65 at 63.70 lakh bales was higher by 2.88 lakh bales than in 1963-64. Consumption of Indian cotton formed 88 per cent of total consumption. During the 1965-66 season, burdened with heavy accumulation of cloth stocks, the textile mills cut down their production programme and consequently consumption of cotton in the beginning of the season was lower than their normal consumption. Restrictions on mill purchases imposed in November 1965 as also the financial stringency which the mills were experiencing at the beginning of the season were the other contributory factors. Thus, during the first 7 months of the 1965-66 season cotton consumption amounted to 32.52 lakh bales as compared to 37.62 lakh bales in the corresponding period of 1964-65. Consumption for the year as a whole is expected to be lower by 4 to 5 lakh bales than the 1964-65 level.

The cotton policy for the 1965-66 season announced on July 16, 1965 provided, among other things, for two major changes. Firstly, the basic variety for cotton trading was changed from Moglai Jarilla Fine 20 mm (25/32") to Vidarbha/MP Virnar Fine 21.5 mm (27/32"). Secondly, the floor and ceiling prices were raised ; the increase in the former varied from Rs. 21 to Rs. 43 per quintal and in the latter from Rs. 17 to Rs. 43. The increase in the floor and ceiling prices in the case of the basic variety works out to about 15 per cent and 10 per cent, respectively. The cotton policy also provided for the continuation of the quality survey reintroduced in the 1964-65 season. Floor prices for certain extra long staple varieties, which were so far exempted from the price control, were fixed for the first time.

Cotton prices were ruling distinctly firm right from the commencement of the 1965-66 season (September-August) on expectations of a severe shortfall in production. Prospects of larger imports were also bleak owing to the stringent foreign exchange situa-

tion. Thus, the All India index number of wholesale prices for raw cotton (1952-53 = 100), which had declined from 132 in March 1965 to 127 in August, moved up again to 132 in December. In the Bombay cotton futures market, the March 1966 contract moved up from Rs. 880.00 per 3 quintals on September 1, 1965 to Rs. 910.50 on October 14. This was only about Rs. 25 below the enhanced ceiling of Rs. 936.00. In the spot market all the popular varieties of the new crop, as and when they started moving into the market, were quoted at ceiling levels. With a view to checking the undue rise in the futures market, the Forward Markets Commission imposed on October 8, 1965 special margins on long open positions. The weekly price rise limit was also reduced to Rs. 5 when the contract ruled above Rs. 910 per 3 quintals. As a result, from October 14 onwards the March 1966 contract ruled within the level of Rs. 910. In the spot market, with a view to ensuring a steady flow of cotton supplies to the textile industry at reasonable prices, the Textile Commissioner imposed on November 18, 1965 controls over mill purchases and stocks of cotton. In terms of a directive issued by him, mills were allowed to purchase Indian cotton, during September-December 1965 to the extent of not more than 25 per cent of their 1964-65 consumption and during January-April 1966 not more than 35 per cent. Further, at no time the total stocks and outstanding purchases were to exceed 15 per cent of last year's consumption in the case of mills in Bombay and Ahmedabad and 25 per cent in the case of mills at other places.

However, towards the end of January 1966 cotton prices tended to sag following an upward revision of the trade estimate of production. Further, as the season advanced, arrivals improved while mill offtake remained stagnant both on account of the curbs on purchases and stringent monetary conditions. The decline was particularly marked in the case of medium and short staple varieties which had suffered in quality. In the case of Bengal Deshi—the exportable variety—the decline was even sharper, the fine variety of this cotton in Bombay falling by as much as Rs. 111 between December 8, 1965 and February 1, 1966. With a view to checking a further decline, the Textile Commissioner withdrew on February 1, 1966 all restrictions on the purchasing and holding of cotton by mills. The State Trading Corporation, at the instance of the Government announced on February 5, its willingness to purchase any cotton at 10 per cent below the ceiling prices. A proposal for setting up a cotton buffer stock agency was also put forth by the Government. As a result of these measures, the declining trend in prices was halted and prices ruled more or less steady till the end of March 1966. The basic variety Vidarbha MP/ Virnar fine 21.5 mm (27/32") which had declined to a low of Rs. 913 per 3 quintals on February 2 rose to Rs. 920 on March 30. The increase in the case of Bengal Deshi, with which the State Trading Corporation was primarily concerned, was higher ; Bengal Deshi (Fine) moved up from Rs. 630 on February 2 to Rs. 655 on March 30.

Jute

Production of jute during 1964-65 at 60.21 lakh bales registered a small decline of 2.7 per cent over that in 1963-64. In 1965-66, according to the Final estimate, production of jute declined sharply by about 26 per cent to 44.85 lakh bales, which was far short of the target of 62 lakh bales for the year. The production of mesta also declined from 18.74 lakh bales in 1963-64 to 15.83 lakh bales in 1964-65 and further to 12.44 lakh bales (Final estimate) during 1965-66. The decline in the production of both jute and mesta in the last two years of the Third Plan was due to adverse weather conditions.

Such a decline in production for the second season in succession necessitated the stepping up of imports during 1965-66. Licences were, therefore, issued for the import of a total quantity of 15.03@ lakh bales as compared to 6.78 lakh bales during the 1964-65 season. Total imports during the first eight months of the 1965-66 season (i.e. from July 1965 to February 1966) amounted to 5.78 lakh bales (the bulk of which were from Thailand) as compared to 2.05 lakh bales during the corresponding period of the previous season. Exports of raw jute during 1964-65 amounted

@ During the period July 1965 to March 1966.

Table 5. Jute

(In thousand bales of 180 kgs. each)

Year	Production			Imports	Consumption *a*	Exports	Stocks *b* (end-June)
	Jute	Mesta	Total				
	1	2	3	4	5	6	7
1950-51	3309§	..	3309	2598	5851	1	1021
1955-56	4232	1162	5394	1482	6916	—	1471
1960-61 ..	4134	1129	5263	416	6451	—	870
1961-62	6358	1878	8236	404	6703	2	2722
1962-63	5449	1697	7146	274	7610	116	3132
1963-64	6185	1874	8059	144	8044	114	2879
1964-65	6021	1583	7604	528	8346	190	2117
1965-66	4485	1244	5729	578*c*	..	50*d*	1200*e*

Note : 1 Data relating to imports for 1964-65 and 1965-66 include those from Thailand also.
2 Data on production upto 1961-62 are revised estimates, those for 1962-63, 1963-64 and 1964-65 are partially revised estimates while data for 1965-66 are final estimates.

a Includes village consumption. § Including Mesta.
b Trade estimates ; include stocks with the Jute Buffer Stock Association and other stockists.
c From July 1965 to February 1966.
d From July to December 1965.
e With mills and JBSA only—end-March 1966.

Source : Columns 1 to 3 official estimates, columns 4 to 7 Regional Office (Jute), Indian Council of Agricultural Research.

to 1.90 lakh bales; during the first six months of the 1965-66 season exports aggregated 0.50 lakh bales only. Mill consumption of raw jute was expected to rise from 81.46 lakh bales in 1964-65 to around 84 lakh bales in 1965-66. In view of the difficult supply position, however, member-mills of the I.J.M.A. introduced a voluntary cut of 10 per cent in the consumption of raw jute for a period of six months beginning from March 1966. This measure is expected to bring down mill requirements during 1965-66 to about 80 lakh bales.

The uptrend in raw jute prices witnessed towards the close of the 1964-65 season continued unabated during the major part of the 1965-66 season. The factors contributing to the firmness in prices, *inter alia*, were a sizeably lower crop in the face of increased consumption by mills and the suspension of imports from Pakistan following the outbreak of hostilities with that country in September 1965. A number of measures were taken to restrain the rise in prices. The maximum purchase quota system introduced in September 1964 under the Jute (Licensing and Control) Order, 1961 was continued during the 1965-66 season. In July 1965, the Jute Commissioner relaxed the formalities regarding the release of Jute Buffer Stock Association (JBSA) holdings to mills. Trading in hedge contracts in raw jute, which had not been permitted since September 1964, continued to remain suspended. Further, the Government of India took steps on January 27, 1966 to regulate non-transferable specific delivery contracts in raw jute. Along with this, the East India Jute and Hessian Exchange Ltd., issued a notification enforcing the margin system on the non-transferable specific delivery contracts and raised the margins on transferable specific delivery contracts in raw jute. The member mills of the I.J.M.A. on their part, entered into a gentlemen's agreement not to purchase jute at prices above specified levels. Further, to check the speculative rise in prices, purchases of raw jute by mills were channelled through the Jute Buffer Stock Association from the third week of December 1965. This system of centralized purchases had to be abandoned from February 10 because the practice of pay-

ing a premium over the J.B.S.A's ceiling price which was observed in stray transactions initially, soon became a normal feature. On the same day, however, the Indian Jute Mills Association advised member mills to reduce their consumption of fibre by 10 per cent from March 1, 1966 till the end of August 1966. Inspite of all these measures, the uptrend in prices continued, Assam Bottoms touching new peaks during the current season. The All India index number of wholesale prices of raw jute (1952-53 = 100) rose from 172 in March 1965 to 203 in May and, after receding to 195 in July, moved up again sharply to scale a high of 275 during March 1966. Thus raw jute prices in 1965-66 (average of April-March) were higher by about 33.2 per cent than the corresponding average of 1964-65.

Tea

The production of tea, which reached the record level of 372.5 million kgs. in 1964, declined by 2.0 per cent to 364.9 million kgs. in 1965. This somewhat lower output of tea during 1965 was largely due to a fall of 6.2 per cent in production in North India where the crop was affected by unfavourable weather conditions towards the end of the year. In South India, on the other hand, output of tea rose from 82.5 million kgs. in 1964 to 92.9 million kgs. in 1965.

Exports of tea during 1965 at 199.4 million kgs. were lower by 5.3 per cent as compared to the previous year.

Table 6. Tea

(Million kgs.)

Year	Production	Exports
1950	278.8	181.5
1955	308.4	166.8
1960	321.1	195.1
1961	354.4	206.3
1962 ..	346.7	214.0
1963	346.4	223.5
1964	372.5	210.5
1965	364.9+	199.4

+ Provisional.
Source : Tea Board.

Under the Tea Plantation Finance Scheme, which has been in operation since 1962, 236 applications for loans totalling Rs. 12 crores were received till the end of March 1966. Of these, 105 applications for loans totalling Rs. 4.18 crores were sanctioned by the Tea Board.

Coffee

The output of coffee during 1965-66 at 60 thousand tonnes is slightly lower than that in the preceding year and falls far short of the Third Plan target of 80 thousand tonnes.

A total quantity of about 37 thousand tonnes was released through the Coffee Pool for internal consumption during 1965 as against a little over 35 thousand tonnes in the previous year.

Table 7. Coffee

(Thousand tonnes)

Year	Production (1)	Consumption* (2)	Exports (3)
1950-51 ..	18.9	17.5	0.3
1955-56 ..	35.0	22.6	8.1
1960-61 ..	68.0	30.0	32.3
1961-62 ..	46.1	33.9	19.8
1962-63 ..	56.2	34.7	22.4
1963-64 ..	69.3	33.6	33.0
1964-65 ..	60.8+	35.2	23.0
1965-66 ..	60.0+	36.9	1.2@

* Data relate to calendar year.
\+ Estimated.
@ Upto the end of February 1966
Source : Coffee Board.

Exports of coffee in 1964-65 at 23 thousand tonnes were much lower than in the 1963-64 season, reflecting mainly the sharp decline in the 1964-65 crop. A total quantity of 28 thousand tonnes is allocated for exports from the 1965-66 crop. This would include about 1.5 thousand tonnes of additional quota allocated to India for the 1965-66 season under the International Coffee Agreement, bringing the total Indian exports to quota countries to about 22 thousand tonnes.

Under the Second Five-Year Coffee Development Plan, the Coffee Board sanctioned long term loans to the extent of Rs. 23.15 lakhs to 206 applicants during the period 1962-63 to 1965-66*.

Oilseeds

Production of major oilseeds increased from 7.04 million tonnes in 1963-64 to 8.58

* As on March 15, 1966.

million tonnes in 1964-65, due partly to favourable weather conditions and partly to an increase in area under groundnut, sesamum and linseed by 3.9 per cent, 4.5 per cent and 0.2 per cent respectively. Output of groundnut (nuts-in-shell) during 1964-65 at 6.18* million tonnes was the highest on record. Besides the increase in area and favourable weather conditions, the efforts made under the intensive cultivation and package programmes, especially in Maharashtra, also contributed to this increase. Despite a decline of 7 per cent in the area, production of rapeseed and mustard at 1.38 million tonnes recorded a substantial rise of more than 52 per cent in 1964-65 over 1963-64. Output of sesamum and linseed, at 0.47 million tonnes each, showed increases of 6 per cent and 23 per cent, respectively, over 1963-64. Production of castorseed, however, declined somewhat by 1.5 per cent due to shrinkage in area by 6 per cent.

Official estimates of production of oilseeds for 1965-66 are not yet available except for groundnut. According to the Final estimate for 1965-66, production of groundnut (nuts-in-shell) was 4.02 million tonnes which is lower by 31.7 per cent when compared with the Partially revised estimate for 1964-65. The decline in output is mainly attributed to late and insufficient rains in all the major producing areas. There was only a marginal decline of 0.6 per cent in the area under groundnut. Production of other oilseeds is estimated by the trade to be lower by 10 to 15 per cent than last year.

Table 8. Oilseeds

Year	Production† (Nov.-Oct.) (In million tonnes) (1)	Imports (April-March) (tonnes) (2)	Exports (April-March) (tonnes) (3)
1950-51 ..	5.16	..	..
1955-56 ..	5.73	..	..
1960-61 ..	6.98	16	49317
1961-62 ..	7.28	36	40130
1962-63	7.11	538	42396
1963-64 ..	7.04	3682	41097
1964-65 ..	8.58	6210	13801

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

Source : Indian Central Oilseeds Committee.

* Final estimate.

The Integrated Oilseeds Development Scheme launched in 1961-62 was in operation in 1964-65 in all the States except Assam. It is estimated that by 1964-65, an additional production of 7.92 lakh tonnes of groundnut was achieved through extensive measures under this scheme. The package programme for increasing groundnut production was in operation in nine States covering an area of 1.21 lakh hectares during 1964-65 as compared to the Third Plan target of 1.45 lakh hectares. In the package areas, the yield of groundnut is estimated to have increased by 20 to 30 per cent in rain-fed tracts and by 40 to 60 per cent in irrigated tracts. In addition, package programmes for rapeseed and mustard were also in operation in Rajasthan and Uttar Pradesh. Schemes for extension of castorseed cultivation were in operation in Gujarat, Madhya Pradesh, Madras and Punjab.

The Fourth Plan programme aims at increasing oilseeds production through package programmes, intensive cultivation schemes and double cropping on a total area of 3.09 million hectares, as a result of which an additional production of 28.4 lakh tonnes is expected.

During 1964-65 there was a general decline in the exports of oilseeds and oils due to restrictions on exports imposed by the Government in view of the steep rise in internal prices. A total quantity of 13.8 thousand tonnes of oilseeds was exported during the year as compared to 41.1 thousand tonnes in 1963-64. Imports of oilseeds—mostly rapeseed and mustard—in 1964-65 totalled 6,200 tonnes as compared to 3,680 tonnes in 1963-64.

The All India index number of wholesale prices of oilseeds (1952-53 = 100) moved up steadily from 195 in March 1965 to 261 in November 1965. After declining to 248 in February 1966, it moved up again to 258 in March 1966. Prices in 1965-66 (average of April-March) were higher by 20 per cent over the corresponding average of 1964-65. Groundnut prices also recorded a rise of the order of 20 per cent during 1965-66 (average of April-March) as compared to the level in 1964-65. This rise in prices was mainly due to the sharp decline in the output of groundnut during 1965-66 in the face of growing demand. The uptrend

in prices also reflected in part the impact of the continued ban on the movement, outside the State, of groundnut* and groundnut oil@ by Gujarat, which accounts for 25 to 30 per cent of total output of groundnut.

A number of measures were taken to halt the rising trend in prices. A substantial quantity of about 55 thousand tonnes of soyabean oil was imported from the U.S. under P.L. 480. With a view to reducing the pressure of demand on groundnut oil, permission to increase the proportion of soyabean oil from 20 per cent to 50 per cent in the manufacture of vanaspati was granted to manufacturers. The Reserve Bank of India directed on July 21, 1965 all scheduled banks to maintain an average aggregate level of credit against the security of groundnut during each two-month period, commencing from July-August 1965, not exceeding 100 per cent of the level of credit maintained in the corresponding two-month period of 1964. Restrictions were also imposed on advances against vanaspati and vegetable oils. The banks were also directed to maintain a minimum margin of 60 per cent in respect of credit limits against the security of vegetable oils including vanaspati. The Forward Markets Commission took the following steps to regulate futures trading in Bombay: (*i*) The futures contracts in groundnut during the 1964-65 season were subjected to overall ceiling limits. But no trading was reported as spot prices were higher than the ceilings imposed. During the 1965-66 season, trading in hedge contracts was not permitted in view of the shortfall in production of groundnut. (*ii*) With a view to checking possible diversion of speculative activity to non-transferable specific delivery contracts in groundnut and groundnut oil, trading in these contracts was allowed only by recognised associations and subject to the terms and conditions imposed by the Forward Markets Commission. (*iii*) Special margins were imposed on the futures contracts in linseed and castorseed in addition to the weekly fluctuation limits stipulated at the commencement of trading. Thus, on the linseed April 1966 contract, a second line of margin was imposed at prices exceeding Rs. 121.50 per quintal and a third and a fourth line of margin at prices exceeding Rs. 126.50 and Rs. 131.50, respectively. Margins were also imposed on the castorseed April 1966 contract on October 6 and 22 and on November 12. Despite these measures, however, prices continued to rise.

Sugar

Production of sugarcane (in terms of gur) during 1964-65 at 12.3 million tonnes reached an all-time high, registering an increase of 16.2 per cent over the previous year. The increase in output was due mainly to an increase of nearly 13 per cent in area under sugarcane and partly to favourable weather conditions. Official estimates of production for 1965-66 are not yet available. According to the All India Second estimate, the area under sugarcane for the year 1965-66 shows an increase of 7.5 per cent over the corresponding adjusted estimate for 1964-65.

Production of sugar during 1964-65 (November-October) reached a record level of 32.58 lakh tonnes, registering an increase of nearly 27 per cent over the 1963-64 level and exceeding the target for the year by 2.58 lakh tonnes. Output in the co-operative sector accounted for nearly 25 per cent of the total output. Production during 1965-66 season upto the end of March 1966 totalled 27.34 lakh tonnes as compared to 26.11 lakh tonnes during the corresponding period of 1964-65. The production of sugar for the season as a whole is likely to be around 35 lakh tonnes. Exports of sugar recorded a slight increase of 0.12 lakh tonnes to 2.62 lakh tonnes in 1964-65.

The control over price, distribution and movement of sugar imposed in April 1963 was continued during 1965-66. In view of the increased production during the 1964-65 season, the quotas of those States in which it was felt that the supplies were inadequate were increased on an *ad hoc* basis. With further easiness in the supply position, monthly quotas of sugar of the States were increased by 10 per cent from January 1966 raising the total monthly release to 2.26 lakh tonnes as against 2.06 lakh tonnes in May 1965. Internal consumption of sugar moved up by 1.34 lakh tonnes to 24.70 lakh tonnes during 1964-65.

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* Since July 1964.
@ Since August 1965.

Table 9. Sugar

(In lakh tonnes)

Year (Nov.-Oct.)	Production of sugarcane in terms of gur (million tonnes)	Production	Imports	Exports	Consumption	Stocks at the end of the year
	(1)	(2)	(3)	(4)	(5)	(6)
1950-51	5.7	11.34	0.57	—	10.98	1.80
1955-56	6.1	18.90	0.69	—	19.72	5.40
1960-61	11.1	30.29	—	2.47	21.27	12.60
1961-62	10.6	27.14	—	3.61	25.87	10.26
1962-63	9.5	21.52	—	5.14	24.88@	1.76*
1963-64	10.6	25.69	—	2.50	23.36@	1.59*
1964-65	12.3	32.58	—	2.62	24.70@	6.85*
1965-66 .. .. .. (upto 31st March 1966)	..	27.34	—	1.30	10.58	..

* Including stocks with the Export Agency.
@Including despatches to Nepal & Sikkim.
Source : Directorate of Sugar and Vanaspati, Ministry of Food and Agriculture, Government of India.

The ex-factory prices of sugar continued to be fixed by the Government. The index number of sugar prices, which remained at 151 till July 1965, moved up to 153 in August following the revision of the ex-factory prices. Prices were again revised in March 1966. The index at 163 in March 1966 registered an increase of 8 per cent over the March 1965 level.

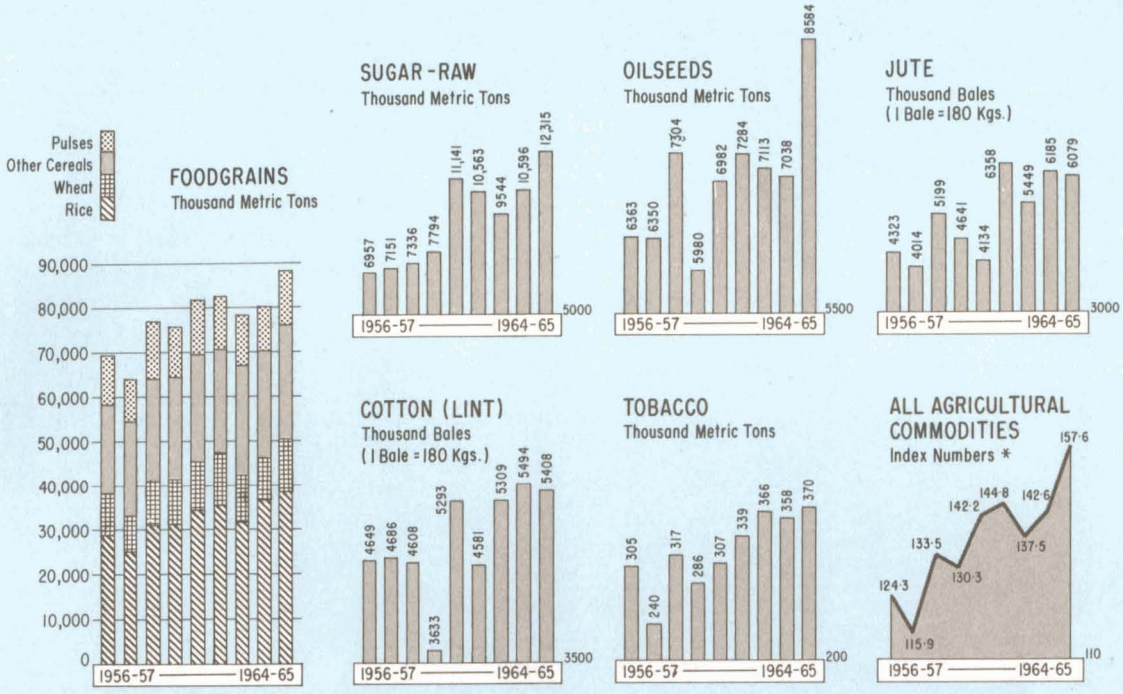
Keeping in view the recommendations of the Sugar Enquiry Commission@ regarding the measures necessary to increase sugar production, and with a view to providing incentive for early crushing, Government allowed a rebate of 50 per cent in basic excise duty on the production of sugar during the period October/November 1964 which was in excess of sugar produced by the factories during the corresponding period of 1962. Further, a rebate on basic excise duty varying between 20 and 50 per cent on a slab system has been allowed on production of sugar during the period January to June 1965 which is in excess of the production during the corresponding period in 1964. As regards sugarcane prices, the Government also fixed the basic minimum price of sugarcane for the year at Rs. 5.36 per quintal linked to a recovery of 10.4 per cent or below at factory gate with provision for increase of 4 paise per quintal for every 0.1 per cent rise in recovery over 10.4 per cent.

The Committee appointed by the Government in June 1963 under the chairmanship of Shri Gundu Rao to study the problems of uneconomic units in the sugar industry submitted its report in July 1965. The Committee has suggested, among other things,

@ Interim Report.

GRAPH 4

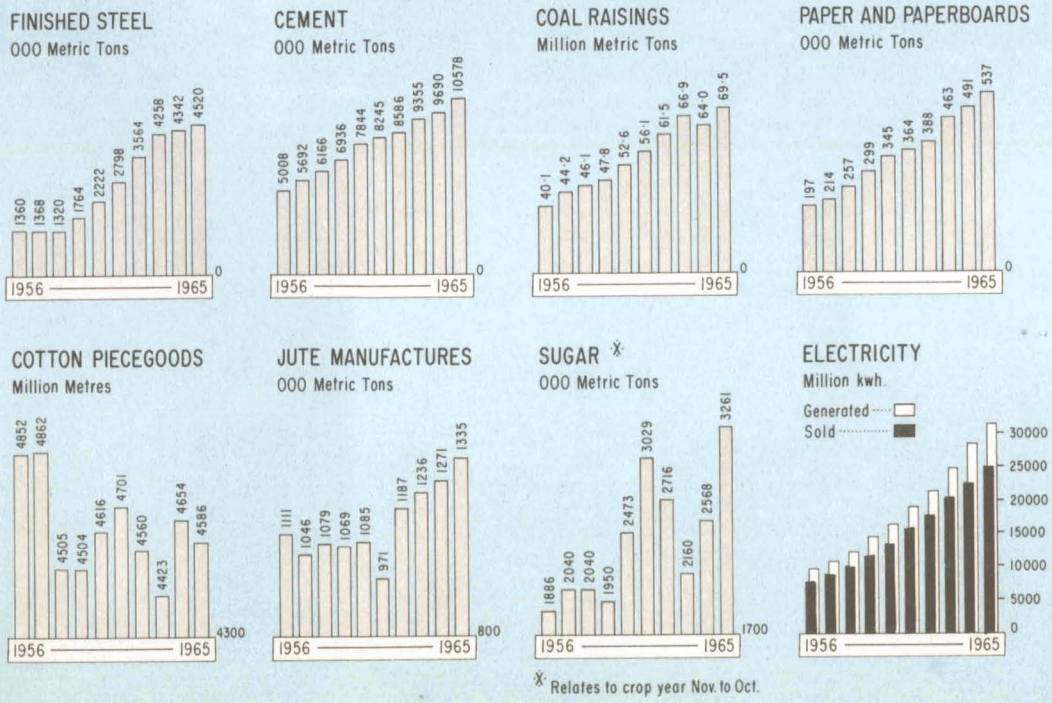
AGRICULTURAL PRODUCTION



* Base :— Agricultural year 1949-50 = 100. The indices for 1962-63 and 1963-64 are generally based on partially revised estimates while those for 1964-65 are generally based on final estimates. The indices for these years are, therefore, subject to revision.

GRAPH 5

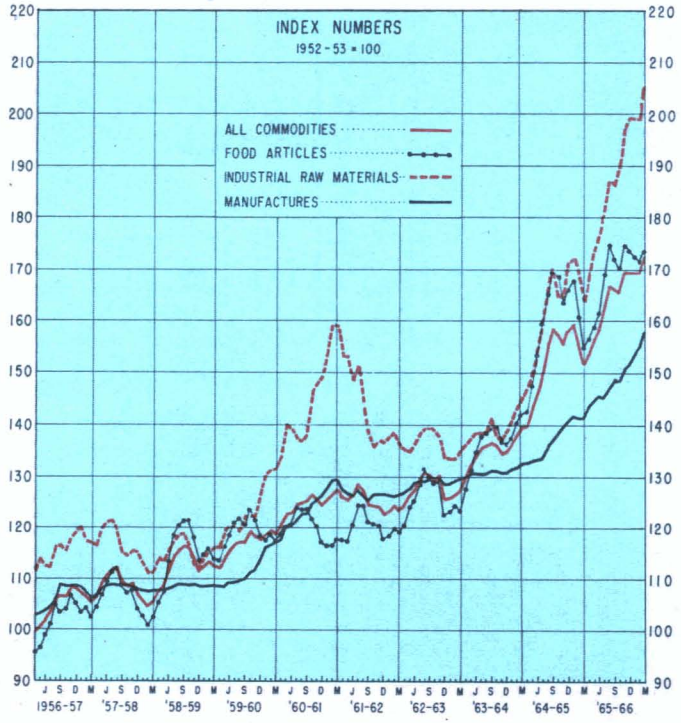
INDUSTRIAL PRODUCTION



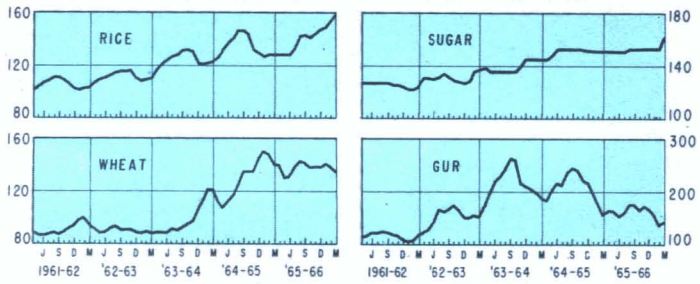
※ Relates to crop year Nov. to Oct.

GRAPH 6

WHOLESALE PRICES



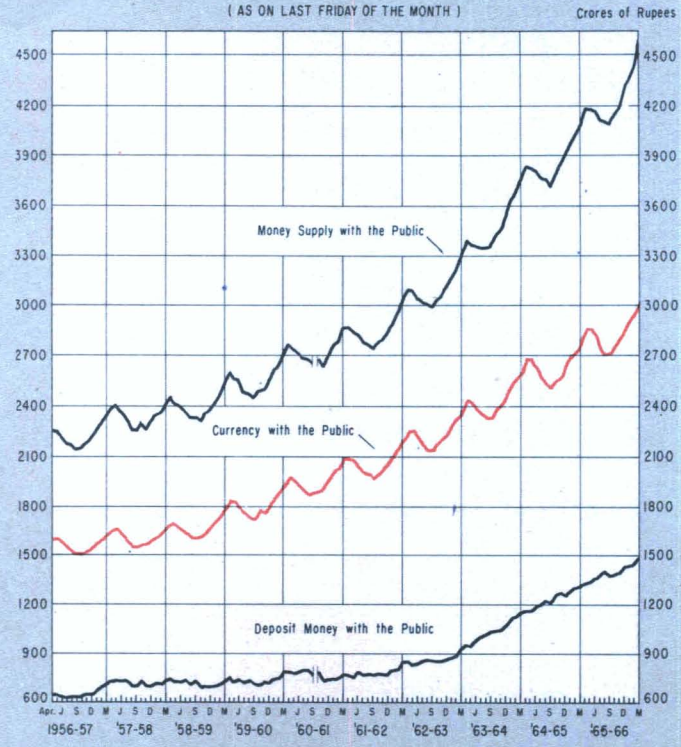
INDEX NUMBERS – IMPORTANT COMMODITIES - 1952-53 = 100



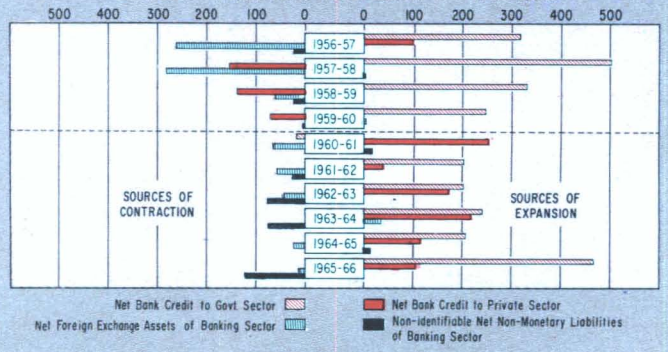
GRAPH 7

MONEY SUPPLY WITH THE PUBLIC

(AS ON LAST FRIDAY OF THE MONTH)



SOURCES OF VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC



the creation of a special fund for rehabilitation work, the establishment of agro-based complexes around sugar factories, the amalgamation of smaller units and the proper utilization of the various by-products.

The Sugar Enquiry Commission submitted its final report in October 1965. The main recommendations of the Commission include, among others, decontrol of sugar from the 1966-67 season supplemented by an adequate buffer stock policy which would maintain the prices within the range of prescribed minimum and maximum prices; these prices would be pre-determined on the basis of a 'pivot' price which will be a moving average of sugar prices in the preceding five or three years. Alternatively the present system of controls should continue with improvements in certain respects.

Tobacco

Despite a decline of 4 per cent in the acreage, the output of tobacco during 1964-65 moved up to 3.70 lakh tonnes registering an increase of 3.2 per cent over the 1963-64 level of output (3.58 lakh tonnes). Exports of unmanufactured and manufactured tobacco during 1964-65 were also higher at 81.0 million kgs. as against 66.4 million kgs. in 1963-64.

INDUSTRIAL

Cotton Textiles

The uptrend in the output of cotton textiles, noticed since 1962, was arrested in 1965, total production of cloth in both the mill and the decentralised sectors declining from 7,726 million metres in 1964 to 7,642 million metres in 1965 (or by 1.1 per cent) and that of yarn from 965 million kgs. to 939 million kgs. (or by 2.7 per cent). In 1964, cloth output had increased by 5.8 per cent and yarn output by 8.1 per cent over 1963. The 1965 cloth output was lower by as much as 10.1 per cent than the target of 8,504 million metres for the last year of the Third Plan.

Category-wise, the fall in production in the mill sector was confined to coarse and medium 'B' varieties. The other three varieties, *viz.* medium 'A', fine and superfine, in fact, registered increases in output in 1965 as compared to 1964. Although the actual output declined, the index of cotton textiles (*base* : 1956=100) remained unchanged at the 1964 level of 123.3; this is due to the differences in the weightage given to the different varieties. The fall in the cloth output occurred mainly in the last five months of 1965 and was brought about partly by voluntary reduction in production and partly by the imposition of power cuts, effective November 1965, in some of the States. The main factor accounting for the voluntary cut in output was the fall in offtake of cloth, both for domestic consumption and for export. For instance, deliveries of mill-cloth for civil consumption fell from 3,961 million metres in 1964 to 3,861 million metres in 1965 and deliveries for export from 580 million metres in 1964 to 540 million metres in 1965. The decline in offtake coupled with a higher level of production in the early part of the year led to accumulation of unsold stocks of cloth with mills which rose from 346 thousand bales in March 1965 to a peak of 429 thousand bales in October 1965. Since then, stocks declined almost continuously on an improvement in offtake and reduction in the level of output and stood at 275 thousand bales at the end of March 1966, *i.e.* 71 thousand bales lower than the level a year ago.

Exports of cotton piecegoods (mill sector), according to provisional figures, were lower in 1965 than in 1964. The decline was, however, made good by a rise in the exports of handloom piecegoods, ready-made garments, cotton hosiery and "other cotton manufactures." In terms of value total earnings from exports of cotton textiles were marginally higher at Rs. 72.9 crores than in 1964 (Rs. 72.6 crores). Continuation of import surcharge in the U.K., one of India's largest customers, larger exports in 1964 in excess of the quotas fixed by the U.K. for that year, increasing competition from China and Pakistan and exchange difficulties of some of the importing countries were the important factors accounting for the decline in exports.

Table 10. Cotton Textiles

(Cloth in Million Metres) (Yarn in Million Kgs.)

	Year	Production	Exports	Domestic consumption*	Year-end stocks (unsold)
		(1)	(2)	(3)	(4)
Cloth—Mill Sector	1951	3727	..	3096	..
	1956	4852	680	3818	372
	1961	4701	522	4106	291
	1962	4560	465	3852	432
	1963	4423	493	4117	186
	1964	4654	517	3961	224
	1965	4586	500	3861	293
Cloth—Decentralised Sector ..	1951	1013	..	..	..
	1956	1668	55+	..	..
	1961	2376	26+	..	..
	1962	2412	27+	..	..
	1963	2880	33+	..	..
	1964	3072	34+	..	..
	1965	3056	37+	..	..
Cloth—Total	1951	4740	753	3992@	..
	1956	6520	735	5847@	..
	1961	7077	548	6527@	..
	1962	6972	492	6482@	..
	1963	7303	526	6780@(1)	..
	1964	7726	551	7179@(1)	..
	1965	7642	537	7105@(2)	..
Cotton Yarn—Mill Sector	1951	591	..	124	..
	1956	758	..	200	5
	1961	862	7	290	7
	1962	860	10	295	10
	1963	893	14	317	9
	1964	965	13	338	12
	1965	939	13	337	16

* Represents deliveries for civil consumption. Figures for yarn relate to sale of yarn by mills to handlooms and powerlooms.

+ Relate to handlooms only.

@ Represents cloth available for home consumption, i.e. total cloth produced in the mill and decentralised sectors plus actual imports minus actual exports of cloth.

(1) Provisional.

(2) Estimated.

Source : Indian Textile Bulletin and Report of the Ministry of Commerce, 1965-66.

The statutory control on production and prices of certain varieties, which account for nearly 40 to 45 per cent of the total production of mill-cloth, is reported to have worked satisfactorily during the year. The Indian Cotton Mills' Federation withdrew, from July 1965, its scheme of voluntary control on prices of yarn.

Prices of cotton textiles showed a small increase over the year, the Economic Adviser's index number of wholesale prices (*base* : 1952-53=100) for cotton manufactures rising over the year ended March 26, 1966 by 5.6 per cent from 139.0 to 146.8. The price increase was confined largely to handloom cloth, the price index of which advanced by 15.2 per cent over the year from 149.2 to 171.9 at the end of March 1966. During the same period, the index for mill-cloth moved up by 2.6 per cent from 136.4 to 139.9.

The expansion programme of the industry made further progress during 1965. Fourteen new cotton spinning mills were set up with a capacity of 161,512 spindles, while an additional 360,320 spindles were installed in the existing cotton textile mills by way of expansion.

Jute Textiles

Production of jute manufactures, which had surpassed the Third Plan (1965-66) tar-

get of 13 lakh tonnes even in 1964, registered a further increase in 1965. The industry, which was working at maximum capacity, set a new record in 1965, production of jute goods totalling 13.90 lakh tonnes, compared to 13.24 lakh tonnes in 1964.

Table 11. Jute Textiles

(Thousand Tonnes)

Year	Production (1)	Exports (2)	Year-end Stocks (3)	Consumption* (4)
1951 ..	923.8	789.2	85.9	123.1
1956	1154.7	876.8	97.2	196.5
1961 ..	1009.7	759.8	55.6	278.1
1962 ..	1236.3	874.4	82.8	303.0
1963 ..	1289.1	890.0	112.3	333.0
1964 ..	1324.0	1000.0	105.0	378.1
1965 ..	1390.0	1000.0	122.0	377.7

Note: Production figures represent estimates of all-India production, whereas figures of 'Stocks' and 'Consumption' relate to I.J.M.A. mills and 2 non-member mills.

* Figures represent despatches for internal consumption.

The increased level of output was facilitated by a sustained demand for jute goods both for internal consumption as well as for export. As the jute industry is largely export-oriented, the pattern of production followed the export demand for the different varieties. Besides traditional varieties, efforts were made to increase output of diversified jute goods with export potential, which included carpet backing, cotton bagging, twine, carpets, etc. Output of sacking increased considerably from 548 thousand tonnes in 1964 to 611 thousand tonnes in 1965. Production of other varieties, including carpet backing, went up from 227 thousand tonnes in 1964 to 236 thousand tonnes in 1965. Output of hessian, however, declined by seven thousand tonnes to 543 thousand tonnes in 1965. The consumption of burlap in U.S.A. (which largely determines its hessian intake) dropped by 17 million yards to 860 million yards in 1965 ; some other major hessian importers also reduced their purchases during 1965 as compared to 1964.

Exports of jute goods during 1965 at 10 lakh tonnes were at the same level as in 1964; the Third Plan target for export of jute manufactures had been set at 9 lakh tonnes. Earnings from exports, however, were higher at Rs. 184 crores in 1965 as compared to Rs. 161 crores in 1964, the increase in earnings resulting from the higher unit values realised on exports. The unit value per tonne of exports of jute cloth during 1965 worked out at Rs. 2,281.53 as compared to Rs. 1,859.10 in 1964, and that per tonne of jute bags at Rs. 1,674.87 as compared to Rs. 1,175.67 in 1964. Measures taken with a view to promoting exports include (*i*) the introduction of the Tax Credit Scheme under which exporters of jute goods will qualify for tax credit certificates to the extent of 2 per cent on all exports made after February 28, 1965; effective October 1, 1965, the rate of tax credit in the case of carpet backing cloth exports was raised from 2 to 5 per cent, (*ii*) long-term trade agreements with specific provision for export of jute goods negotiated with the U.S.S.R. and the East European countries and (*iii*) the setting up of special sub-committees by the Indian Jute Mills' Association and the Calcutta Jute Fabrics Shippers' Association to deal with export promotion matters.

The domestic offtake of jute manufactures did not rise during 1965, and despatches of goods for internal consumption remained virtually unchanged at the last year's level of 378 thousand tonnes. The sharp drop in foodgrains output during the 1965-66 season as also the reduced tempo of industrial activity with consequent reduction in demand for packing materials accounted for the stagnation in internal consumption. However, the large-scale imports of foodgrains planned for 1966, the anticipated rise in production of sugar and the prospect of an increase in cement output following decontrol, all hold promise of an improved internal offtake during the current year.

Prices of jute goods, which had tended to be upwards in the latter half of 1964, registered a further steep rise in 1965-66. The index of jute manufactures rose by 30.3 per cent from 126.7 on March 27, 1965 to 165.1 on March 26, 1966, which is mainly attributed to a sharp rise in raw jute prices, which account for nearly 60 per cent of the cost of production of jute manufactures.

The programme of modernisation of jute mills made further progress during the year. About 27,600 fine side new spindles and 1,680 coarse side new spindles were installed by the industry. The modernisations, both in respect of the fine and coarse spindles, are now sufficient to feed 100 per cent of the installed hessian and sacking looms on single shift basis and upto 3.9 per cent of the fine side and 7.3 per cent of the coarse side requirements for a second shift also. In regard to broad looms, the installed modern spindles are adequate to feed these looms on three-shift basis.

Woollen Textiles

Output of woollen textiles, which suffered a sharp setback in 1964, declined further during 1965. The index of production of woollen textiles (*base*: 1956 = 100) dropped from 165.6 in 1963 to 128.1 in 1964 and further to 108.9 in 1965—a decline of 15.0 per cent in 1965 on top of a fall of 22.6 per cent in 1964. In terms of quantum of output, production of woollen/worsted yarn fell from 20.9 million kilograms in 1964 to 18.1 million kilograms in 1965 or by 13.4 per cent and that of fabrics (wearable) from 11.7 million metres to 9.9 million metres or by 15.4 per cent. Output of woollen fabrics increased from 13.4 million metres in 1960 to 18.1 million metres in 1963 but thereafter declined to 9.9 million metres by 1965. The fall in woollen textiles output during 1964 and 1965 was due to lower imports of raw materials as compared to previous years, in view of the country's difficult foreign exchange position ; as a result, most of the units in the industry worked considerably below their installed capacity.

No imports of woollen yarn, wool tops and wool fabrics were allowed in 1965. There were, however, small imports of wool tops, which were the spill-over of 1964. Total imports of raw wool, wool tops and shoddy wool dropped during 1964 and 1965, in terms of both quantity and value, from 22.5 million kgs. valued at Rs. 16.34 crores in 1963 to 15.16 million kgs. valued at Rs. 11.09 crores in 1964 and further to 14.79 million kgs. valued at Rs. 8.25 crores in 1965.

Exports of woollen manufactures also registered a fall from Rs. 7.57 crores in 1963 to Rs. 6.27 crores in 1964 and further to Rs. 5.85 crores in 1965. With a view to improving the quality of the products so as to make them more competitive in the overseas market, Government continued to allow, during 1965, imports of woollen machinery for purposes of rehabilitation and modernisation. Exporting mills, which agree to undertake exports against import of machinery allowed for modernisation, are being given priority.

As regards price control, prices of all types of grey worsted yarns for sale, produced out of raw materials imported under the import policy in respect of actual users, have been statutorily fixed. The worsted yarn is distributed to the various categories of producers in the decentralized sector (e.g. power looms, hosiery units and grey knitting processing units) under distribution schemes adopted for the purpose.

Prices of woollen manufactures continued to rise during 1965. The Economic Adviser's index number of wholesale prices (*base* : 1952-53 = 100) for woollen manufactures, which had risen from 162.4 at the end of March 1964 to 170.3 by the end of March 1965, rose further to 192.3 by the week ended March 26, 1966 — a rise of 12.9 per cent in 1965-66 on top of a rise of 19.6 per cent between March 1963 and March 1965.

Table 12. Woollen Textiles

(Yarn in Million Kgs.)
(Fabrics in Million Metres)

	Year	Production (1)	Exports* (2)
Woollen/Worsted Yarn	1951	7.7	
	1956	11.6	
	1961	14.8	
	1962	18.0	
	1963	22.7	
	1964	20.9	
	1965	18.1	
Woollen/Worsted Fabrics†	1951	11.1	
	1956	14.9	0.04
	1961	12.0	0.2
	1962	14.8	0.4
	1963	18.1	1.0
	1964	11.7	0.7
	1965	9.9	0.8@

* Figures relate to the financial year i.e. 1956 figure relates to 1956-57 and so on. † Production figures exclude (1) production of hosiery goods from 1958 onwards and (2) production of independent powerloom factories from 1961 onwards. From November 1962 production figures also exclude production of non-wearable woollen/worsted fabrics.

@ Figure relates to the first 8 months of 1965-66 (April to November).

Coal

The decline noticed in coal production in 1964 proved temporary, and the output showed a distinct uptrend in 1965. Total production (excluding lignite), which had dropped from 66.9 million tonnes in 1963 to 64.0 million tonnes in 1964, rose to 69.5 million tonnes in 1965 — an increase of 8.6 per cent over the year. Of the total output in 1965, the private sector accounted for 53.8 million tonnes or 77 per cent and the public sector for 15.7 million tonnes or 23 per cent. In 1964, the share of the private sector was 50.8 million tonnes or 79 per cent and that of the public sector 13.2 million tonnes or 21 per cent.

Table 13. Coal

(Million Tonnes)

Year	Production	Year-end stocks (at pit-heads)
1951	34.9	2.8
1956	40.1	2.8
1961	56.1	3.3
1962	61.5	3.5
1963	66.9	4.7
1964	64.0	5.0
1965	69.5	4.6

The uptrend in coal output in 1965 was facilitated by (*i*) a higher demand from the principal coal consuming industries like iron and steel and cement, following a substantial increase in their production during 1965 and (*ii*) a marked improvement in rail transport position as indicated by figures of loading from various coal-fields. The outlook for 1966 continues to be encouraging in view of anticipated further substantial increases in the output of steel and cement. The higher demand for coal was reflected in the gradual decline in the latter half of the year in the pit-head stocks, despite increased level of output. These stocks, which had increased from 4.7 million tonnes at the end of 1963 to 5.0 million tonnes at the end of 1964 (owing, among other things, to a switch-over from coal to furnace oil by some industries, and progressive dieselisation of railways), rose further to 5.3 million tonnes by the end of March 1965. The stocks remained around this level upto June, but declined thereafter more or less continuously and stood at 4.6 million tonnes at the end of 1965.

Coal prices, which have been under statutory control, were revised upwards four times during the year, (*i*) by 40 paise per tonne, effective May 11, 1965, to compensate for the payment of enhanced dearness allowance, (*ii*) by 6 paise per tonne, effective June 1, 1965, to compensate for the expenditure on the grant of annual increment to workers in terms of the Award of the Arbitrator, Colliery Disputes, (*iii*) by 40 paise per tonne, effective December 24, 1965, to enable the industry to pay bonus to the workers under the Payment of Bonus Act, 1965 and (*iv*) by a further 60 paise per tonne, effective February 3, 1966, for coal produced in the States of Bengal and Bihar, consequent on the increase in the rate of royalty payable by pre-1949 lessees. As a result of these revisions, the Economic Adviser's index of coal prices rose by 5 per cent over the year ended March 26, 1966 from 172.2 to 180.8. Price control over by-product hardcoke was removed, effective January 15, 1966, with a view to stepping up production to the current level of demand.

During 1965, coal exports were higher at 1.79 million tonnes, of which 1.58 million tonnes were exported to Pakistan and the balance to Burma, Nepal, Ceylon and Japan. Exports during 1964 had totalled 1.2 million tonnes and in 1963, 1.1 million tonnes. Effective September 1, 1965, all exports of coal by steamer have been canalised through the Minerals and Metals Trading Corporation. A development during the year was the inclusion of coal under the Tax Credit Certificate Scheme under which exporters of coal will qualify for tax credit certificates to the extent of 10 per cent on all exports made after February 28, 1965.

Iron Ore

The rising trend in iron ore production gathered fresh momentum during 1965 ; production, which had risen fractionally by

0.8 per cent to 14.90 million tonnes in 1964, went up sizeably by 12.8 per cent to 16.80 million tonnes during 1965. Including the Union Territory of Goa, total output was 23.4 million tonnes in 1965 as against 21.4 million tonnes in 1964.

Iron ore ranks high among India's exports. In 1965, India's exports of iron ore totalled 11.30 million tonnes valued at Rs. 39.90 crores as compared to 9.98 million tonnes valued at Rs. 35.35 crores in 1964, and only 3.33 million tonnes valued at Rs. 1.79 crores in 1961. Iron ore's share in total earnings from exports increased from 0.3 per cent in 1961 to 4.9 per cent in 1965. The Fourth Plan target for iron ore exports is placed at 25 million tonnes. Of the 11.30 million tonnes exported in 1965, the Minerals and Metals Trading Corporation's share was 6.04 million tonnes (Rs. 25.56 crores) as against 4.95 million tonnes (Rs. 21.85 crores) in the preceding year. The remaining quantity *viz.*, 5.26 million tonnes (Rs. 14.34 crores), was accounted for by private shippers.

Export demand continued to remain high during the year. The Corporation made special efforts to increase exports of low grade ore, which increased to 2.10 million tonnes as against 1.13 million tonnes in 1964. Full advantage, however, could not be taken due to many difficulties in organising supplies, transportation and port handling, non-availability of trucks on account of defence needs, etc. Japan continued to be India's biggest customer and increased her purchases during the year.

Table 14. Iron Ore

(Thousand Tonnes)

Year	Production*	Exports		Year-end Stocks
		Quantity	Value (Rs. lakhs)	
	(1)	(2)	(3)	(4)
1956 ..	4,980	1,828	931	1,546
1961 ..	12,276	3,332	1,793	3,378
1962 ..	13,368	3,694	1,923	2,516
1963 ..	14,784	8,086	3,213	2,089
1964 ..	14,904	9,980	3,535	1,404
1965 ..	16,802	11,300	3,990	1,929

* Excluding Goa, Daman and Diu.

Though total exports in 1965 were appreciably higher than in 1964 both in terms of quantity and value, the price realised per unit was lower than in 1964 due to competition from a large number of countries enjoying a freight advantage as also lower costs of production.

Contacts have been established in most of the Western European countries to build up markets for Indian ore. In order to facilitate quick movement and loading of iron ore, a number of measures were initiated which included, among others, construction of jetties and mechanical loading berths, laying of new railway lines, active assistance to private parties for the import of self-propelled barges, etc. Substantial increases in exports are expected at the ports of Vishakhapatnam, Goa, Madras and Calcutta. The Paradeep port is fast developing and Pondicherry port has been re-opened after 5 years.

Manganese Ore

Production of manganese ore, which had risen from 12.96 lakhs tonnes in 1963 to 14.05 lakh tonnes in 1964, rose further to 16.15 lakh tonnes in 1965. The rate of increase in output in 1965 was thus higher at 14.9 per cent, than in 1964 (8.4 per cent). The internal demand was increasing for both high-grade and low-grade ore, owing to higher steel production in the country, with the result that despite increased output, exports of manganese ore declined in 1965 to 10.8 lakh tonnes valued at Rs. 9.20 crores from 15.9 lakh tonnes valued at Rs. 13.52 crores in 1964 ; the relatively large fall in value resulted from the decline in the prices of manganese ore in the international markets. The fall in offtake for export was in respect of Japan, U.S.A., Belgium and the U.K. Effective July 1965, exports of manganese ore were canalised through the public sector agencies. The industry and the Minerals and Metals Trading Corporation are making vigorous efforts to organise larger production. In order to establish fullest liaison in regard to increased production, the MMTC has, in consultation with the industry, set up an Advisory Committee to assist the Corporation.

The Committee on Manganese Ore (Vasudeva Committee), appointed by the Govern-

ment of India in 1963, in its Report, submitted in October 1965, made a number of suggestions to improve the competitive position of the industry. The main recommendations are : (*i*) tax holiday should be granted to new mines for three years, (*ii*) depreciation allowance for mining machinery and equipment should be raised from 15 to 30 per cent, (*iii*) expenses incurred on prospecting and exploration should be treated as revenue expenditure and (*iv*) a pool of essential equipments like bulldozers, compressors, transport vehicles etc. should be kept at a central point and made available to mineowners on suitable terms, as all mineowners are not in a position to maintain such costly equipments. Another important recommendation was that the manganese-bearing areas, reserved for State exploitation, should be released for exploitation by the private sector if the State Governments do not have definite plans of development.

Table 15. Manganese Ore

(Thousand Tonnes)

Year	Production	Exports	
		Quantity	Value (Rs. lakhs)
	(1)	(2)	(3)
1961 ..	1236	996	11,00
1962 ..	1224	792	8,39
1963* ..	1296	914	8,18
1964* ..	1405	1590	1352
1965* ..	1615	1077	9,20

* Figures for 1963 to 1965 are inclusive of production in and exports from the Union Territory of Goa.

Mica

During 1965-66, India continued to be the principal supplier of world's mica requirements. Mica exports, which had increased from 299 lakh kgs. valued at Rs. 9.43 crores in 1963-64 to 319 lakh kgs. valued at Rs. 10.36 crores in 1964-65, registered a further substantial increase to 435 lakh kgs. valued at Rs. 12.11 crores in 1965-66. Production of mica (crude) also recorded a small increase in 1965, after sizeable declines in the preceding two years. Production amounted to 23.0 thousand tonnes in 1965 as against 22.8 thousand tonnes in 1964 and 25.1 thousand tonnes in 1963. In 1962, production was much higher at 28.4 thousand tonnes.

Table 16. Mica

Year	Production (Crude) (tonnes)	Exports	
		Quantity (lakh kgs.)	Value (Rs. lakhs)
	(1)	(2)	(3)
1956-57 ..	28,488	208	8,77
1961-62 ..	28,344	270	10,47
1962-63 ..	28,356	310	10,70
1963-64 ..	25,104	299	9,43
1964-65 ..	22,806	319	10,36
1965-66 ..	22,985	435	12,11

Note : Production relates to calendar years.

Mica exports were brought under the Export Trade Control from February 1964 and excepting certain varieties, all mica exports are subject to pre-shipment inspection. During 1964, Government had fixed the floor prices of certain varieties of mica with a view to avoiding uneconomic competition. The members of the trade, through the Mica Export Promotion Council, agreed on November 2, 1965, not to export even certain other varieties of mica, not covered by the floor price scheme, below a certain price for each of them. Thus, by the end of 1965, about 95 per cent (in value) of the total exports of mica were brought under the minimum price scheme.

Cement

The performance of the cement industry during the year was encouraging. The increase in output was more noticeable in the second half of 1965, when the monthly production averaged 9.03 lakh tonnes, as against an average of 8.60 lakh tonnes in the first half of 1965. The corresponding figures for 1964 were 8.16 lakh tonnes in the second half as against 7.98 lakh tonnes in the first half. The total output at 10.58 million tonnes during 1965 was 9.2 per cent higher than in 1964 (9.69 million tonnes). In 1964, cement output had shown a much smaller increase of 3.6 per cent only.

Table 17. Cement

(Thousand Tonnes)

Year	Installed Capacity	Production	Year-end Stocks
	(1)	(2)	(3)
1951 ..	3613	3252	..
1956 ..	5795	5008	110
1961 ..	9474	8245	169
1962 ..	9728	8586	148
1963 ..	10285	9355	122
1964 ..	10768	9690	146
1965 ..	11694	10578	162

Despite the increase in 1965, the output fell considerably short of the Third Plan target of 13 million tonnes. The improvement during the year was made possible by the increase in installed capacity and by fuller utilisation of existing capacity in some units. A notable development during the year was the removal, effective January 1, 1966, of the price and distribution control on cement. Consequent upon decontrol, the Cement Manufacturers' Organisation set up a new body, *viz.*, Cement Allocation and Co-ordinating Organisation, which took over the distribution function from the State Trading Corporation. As regards prices, the Government allowed the industry to raise the selling price of cement by Rs. 16 per tonne in respect of supplies to the private sector and by Rs. 10 in respect of supplies to the public sector. This price is to remain in force for a period of one year. It was also agreed that half of the supplies was to be made available to Government at the contract rate. Earlier in June 1965, the cement industry was granted an increase of Rs. 4.00 per tonne in the retention price and of Rs. 8.35 per tonne in the selling price to neutralise the increase in the cost of production and distribution arising from increases in power costs and railway freight, the Second Wage Board's Interim Award etc.

To facilitate further growth of the cement industry, the Government have also granted fiscal incentives in the form of (*i*) an increase in development rebate from 20 per cent to 35 per cent and (*ii*) grant of tax credit certificates at 25 per cent of central excise payable during the five financial years 1965-66 to 1969-70 in respect of excess production over the base year 1964-65.

The Cement Corporation of India, which was set up by the Government in January 1965, proposes to establish two plants with a million tonnes capacity each. At present, the Corporation is undertaking drilling operations for locating cement grade lime-stone with a view to setting up cement factories.

The output of asbestos cement products during 1965 rose by 12.4 per cent from 380 thousand tonnes in 1964 to 427 thousand tonnes. At present, there are 8 units in this industry with a total capacity of 416 thousand tonnes. Schemes covering additional capacity of 280 thousand tonnes have been approved/licensed and are under implementation.

Pig Iron and Ferro Alloys

Production of pig iron and ferro alloys, which had remained virtually unchanged in 1964 at the 1963 level of 6.74 million tonnes, rose in 1965 by 5.6 per cent to 7.12 million tonnes.

Table 18. Pig Iron and Ferro Alloys

(Thousand Tonnes)

Year	Production	Stocks with producers at the end of the year
1951	1829 (..)	61
1956	1990 (448)	39
1961	5059 (1083)	68
1962	5917 (1117)	54
1963	6742 (1386)	71
1964	6742 (1318)	61
1965	7119 (..)	93

Note: Figures in brackets represent production of foundry grade pig iron.

The Fourth Plan target of 4.5 million tonnes of foundry grade pig iron is proposed to be achieved by increased production from the schemes licensed in the private sector and also from the integrated steel works in the public sector. Possibilities for improving the pace of conversion of ore into pig iron and introduction of other technical improvements are being studied. Government is also considering the setting up of more blast-furnace complexes in the public sector to augment production.

It is estimated that the demand for pig iron by 1970-71 will not exceed 3.5 million tonnes. With marginal improvements in the technique of production, the existing integrated steel works are expected to yield 1.2 million tonnes. In addition, 0.88 million tonnes of pig iron are expected to be available from the Bokaro plant and 1 million tonnes from private sector steel plants. The other half million tonnes are expected to be produced by the new public sector steel plants.

It is proposed to meet the requirements of machinery and equipment for steel and pig iron plants from indigenous sources to the maximum extent possible. A report on the attaining of self-sufficiency in manufacturing these plants has been prepared by a technical committee headed by the Chairman of the Heavy Engineering Corporation and is now under the consideration of the Government.

A development during the year was the removal of control over price and distribution of pig iron throughout the country in August 1965.

Finished Steel

Production of finished steel, which had increased only nominally from 4.26 million tonnes in 1963 to 4.34 million tonnes in 1964, rose further to 4.52 million tonnes in 1965—a rise of 4.1 per cent in 1965, as against 1.5 per cent in 1964. The rate of increase was higher at 25.9 per cent and 27.3 per cent, respectively, in 1961 and 1962, but had declined to 19.5 per cent in 1963. Over the five-year period, 1960-65, finished steel production more than doubled from 2.22 million tonnes to 4.52 million tonnes. In the public sector, while steel production achieved almost the rated capacity in Rourkela and Durgapur, production exceeded the rated capacity at the Bhilai steel plant.

The total availability of finished steel in 1965-66 was estimated at 5.6 million tonnes, comprising indigenous production of 4.5 million tonnes and imports of 1.1 million tonnes.

Table 19. Finished Steel

(Thousand Tonnes)

Year	Production	Year-end stocks
1951	1034	130
1956	1270	115
1961	2798	208
1962	3564	187
1963	4258	161
1964	4342	166
1965	4520	156

The targets for the iron and steel development programme for the Fourth Five Year Plan are (*i*) 16.5 million tonnes of steel ingots to be rolled into finished steel ; (*ii*) 4.5 million tonnes of foundry grade pig-iron and (*iii*) 0.5 million tonnes of rolled tool, alloy and special steels. To achieve the capacity target for steel, it is proposed to expand the capacity of the existing steel plants to their maximum economic limit, and to set up a new integrated steel plant besides Bokaro—the fifth in the public sector.

The capacity for production of tool, alloy and special steel by the end of the Third Plan is expected to be 334,400 tonnes. To achieve the Fourth Plan production target of 500,000 tonnes, a total capacity of 550,000 tonnes will have to be created. Thus, the additional capacity required to be created in the Fourth Plan period would come to 215,600 tonnes. The possibilities of expansion of the Alloy and Special Steel Project at Durgapur and licensing additional capacity in the private sector are being studied by the Government. During the year, further steps

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were taken with a view to implementing the general policy of decontrol. These included removal of control over (*i*) price and distribution of pig iron (including ingot moulds and bottom plates), tinplates, bailing hoops and box strappings (including defectives in respect of all the three), (*ii*) distribution of hot rolled sheets and/or strips of 10-14 gauges and (*iii*) distribution of untested skelp and strips (mixed sizes) upto 312 mm. upto December 1966 only. During the year under review as a result of introduction of I.S.I. Certification Marks Schemes, prices of controlled categories were revised from April 1, 1965. Consequent on the increase of excise duties in the supplementary budget of August 1965, a revised schedule of prices was notified on August 20, 1965. Prices of decontrolled categories of steel showed a smaller rise over the year as compared to the increase recorded in 1964-65.

Mention may also be made of Government's decision to canalise through the Minerals and Metals Trading Corporaration all imports (excluding imports under U.S. Aid), of black sheets, galvanised sheets, skelp, hoops, strips and box strappings. Certain imports for Railways were exempted from canalisation.

Paper and Paper Boards

The output of paper and paper boards, which had increased by 6.0 per cent from 4.63 lakh tonnes in 1963 to 4.91 lakh tonnes in 1964, rose further by 9.4 per cent to 5.37 lakh tonnes in 1965.

Table 20. Paper and Paper Boards

(Thousand Tonnes)

Year	Installed capacity (1)	Production (2)	Year-end stocks (3)
1951 ..		134	
1956 ..	215	197	12
1961 ..	410	364	17
1962 ..	434	388	16
1963 ..	502	463	26
1964 ..	556	491	24
1965 ..	644	537	31

The expansion in the installed capacity in this industry in the last two years was at a much faster rate than that in actual output, owing to the completion of expansion schemes of some of the old units and the establishment of new units. Installed capacity, which had increased by 15.7 per cent to 5.02 lakh tonnes in 1963, rose by 10.8 per cent to 5.56 lakh tonnes in 1964 and further by 15.8 per cent to 6.44 lakh tonnes in 1965. With the large increase in installed capacity and slower pace of production, the rate of utilisation of capacity declined noticeably from 92 per cent in 1963 to 88 per cent in 1964 and further to 83 per cent in 1965. The slow pace of growth was attributed to shortage of raw materials, low returns and paucity of rupee finance. Also, there was lack of demand for certain types of paper such as "writing and printing paper except newsprint" and wrapping paper ; this was reflected in a sharp fall in the rate of growth of output of these items from 7.7 per cent in 1964 to 4.0 per cent in 1965.

Seven new units with a total capacity of 62,340 tonnes per annum started production during 1965, while about 4.62 lakh tonnes of additional licensed capacity was still to be implemented. The total capacity already licensed is about 11.28 lakh tonnes per annum which is higher than the Third Plan target for installed capacity of 8.20 lakh tonnes. Actual output of paper and paper boards at 5.4 lakh tonnes in 1965 was, however, much below the Third Plan target of 7 lakh tonnes.

The performance of the newsprint industry was discouraging. The capacity and production targets for newsprint in the last year of the Third Plan were envisaged at 1.50 lakh tonnes and 1.20 lakh tonnes, respectively. So far only one newsprint mill with a capacity of 30,000 tonnes per year has gone into production. Two new units with a total licensed capacity of 90,000 tonnes of newsprint per year have been licensed in the private sector, but the progress in their implementation is rather slow. To stimulate production, paper and newsprint industries have been included in the list of items eligible for tax credit certificates.

As regards prices, the wholesale price index (*base :* 1952-53 = 100) for "paper and newsprint", which declined by 4.0 per cent from

111.2 in March 1964 to 106.8 in March 1965, remained unchanged at that level during the year 1965-66.

Rubber Manufactures

Production of rubber goods, which had shown a smaller rise (5.9 per cent) during 1964 than in 1963 (10.3 per cent), went up by 10.0 per cent in 1965. The annual index of output of rubber manufactures (*base :* 1956 = 100), which had risen from 187.0 in 1963 to 198.1 in 1964, moved up further to 218.0 in 1965. Production of almost all major items of rubber manufactures showed a rise and the country has been able to achieve

Table 21. Rubber Products

(In thousands)

	Tyres (Automobile)		Tubes (Automobile)		Tyres (Cycle)		Tubes (Cycle)		Footwear@ (Rubber)	
	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1951 ..	870	—	821	—	3,941	—	6,327	—	230	—
1956 ..	938	23	918	30	6,320	—	6,373	290	361	53
1961 ..	1,562	27	1,484	37	11,346	399	12,848	399	451	59
1962 ..	1,710	30	1,643	38	11,940	315	11,562	536	498	64
1963 ..	1,926	38	2,029	36	14,186	331	13,343	260	466	56
1964 ..	2,090	61	2,208	93	16,157	302	15,194	216	470	64
1965 ..	2,355	65	2,366	76	18,108	243	17,914	228	531	66

@ Figures in lakh pairs.

self-sufficiency in respect of practically all the important items made out of rubber. Only certain specialised items are imported in very small quantities. The industry's consumption of natural rubber is outpacing indigenous production. Among the individual products, there was a perceptible improvement in the output of footwear, cycle tubes and automobile tyres ; on the other hand, the output of automobile tubes and cycle tyres increased at a lower rate than in 1964.

About 80 per cent of the total requirements of natural rubber and the entire requirements of SBR type of synthetic rubber and reclaimed rubber are being met at present from indigenous production, while the balance of requirements is being met by imports. Steps have been taken to establish capacity in the country for the manufacture of the main raw materials required by the industry.

A disquieting feature causing concern to the rubber industry was the steady rise in raw material costs. Over the year 1965-66, the wholesale price index (*base :* 1952-53 = 100) of natural rubber went up by 72.5 per cent. Though the price control on automobile tyres was withdrawn in December 1963, the industry is required to consult the Government before revising its prices. During the year, two upward revisions were effected in the prices of automobile tyres and tubes (one in April 1965 and the other in October 1965) with the result that the index for rubber tyres and tubes, which had fallen by 1.6 per cent to 100.5 during the year ended March 1965, rose sharply by 21.2 per cent to 121.8 by end-March 1966. Rubber shoe prices, on the other hand, fell by 7.0 per cent to 125.2 over the year.

Engineering and Metallurgical Industries

During 1965, the engineering industry made further progress, the output of some items, both mechanical (light and heavy) and electrical, registering impressive increases. The

performance of metallurgical industries, on the other hand, continued to be discouraging.

In the *light mechanical engineering* industries, the output of sewing machines, which had dropped by 26.3 per cent in 1964 owing mainly to labour disputes, spurted up by 65.5 per cent during 1965. Among other items in this group, there was a faster rate of growth in the output of ball and roller bearings (40.7 per cent as against 18.0 per cent during 1964). Production of conveyor beltings, bicycles and crown corks also rose by 22.8 per cent, 9.9 per cent and 12.9 per cent, respectively, although the rate of increase was smaller than in the preceding year (32.0 per cent, 19.1 per cent and 16.4 per cent).

Table 22. Light Mechanical Engineering Industries

Items	Units	1963 (1)	1964 (2)	1965 (3)
Ball and Roller Bearings	(Million Nos.)	5.0	5.9	8.3
Typewriters	('000 Nos.)	42.4	44.1	41.1
Conveyor Beltings	(Tonnes)	1,607	2,121	2,605@
Zip Fasteners	('000 metres)	3,407	3,323	3,216
Crown Corks	(Million Nos.)	770.4	896.4	1,011.6
Bicycles	('000 Nos.)	1,182	1,408	1,548
Sewing Machines	('000 Nos.)	346	255	422
Duplicators	(Nos.)	4,824	5,376	5,400
Stoves (Pressure Type)	('000 Nos.)	200.5	177.1	151.8

@ Provisional.

The rise in the output of these items was made possible in some of these industries by new capacity coming into operation during the year. Other items which recorded appreciable increases included watches, time-pieces, machine screws, bolts, nuts and rivets, etc. Manufacture of new items such as PVC fire resistant and anti-static conveyor beltings was taken up for the first time during the year. New units in respect of expanded metal, bicycle-tube valves, bicycle free-wheels, bicycle roller-chains etc., also went into production during the year. Production of new and additional data processing machines was also taken up. There was, however, a decline in the production of typewriters (6.8 per cent) and zip fasteners (3.2 per cent).

In the *heavy mechanical engineering* industries, automobiles output, which had considerably improved during 1964 (when the index of production rose by 28.3 per cent from 162.7 in 1963 to 208.8 in 1964), showed a further increase in 1965, but the rise was much smaller at 8.2 per cent, the index rising to 225.9. As compared to 1964, the growth rate was much smaller in passenger cars (6.9 per cent as against 47.8 per cent) and jeep and land rovers (1.0 per cent as against 28.4 per cent). Sustained efforts were successfully made by the industry as well as Government to raise the indigenous content of automobiles. The output of road rollers and railway wagons showed smaller increases of 6.8 per cent and 3.7 per cent, respectively, as compared to increases of 20.5 per cent and 27.4 per cent in 1964. Diesel engines output showed an increase of 26.0 per cent as against 20.3 per cent last year. The output of power driven pumps also showed a substantially larger increase of 27.1 per cent as against 4.5 per cent last year.

The production of almost all items of *industrial machinery* continued to register increases in 1965, the rise being perceptible in respect of cement machinery (the value of output being estimated at Rs. 3.23 crores as compared to

Table 23. Heavy Mechanical Engineering Industries

('000 numbers)

Items	1963	1964	1965
	(1)	(2)	(3)
Automobiles :			
(i) Passenger Cars	15.7	23.2	24.8
(ii) Commercial Vehicles	28.4	33.5	37.3
(iii) Jeeps and Land Rovers	8.1	10.4	10.5
Power Driven Pumps	160.8	168.0	213.6
Diesel Engines	64	77	97
Railway Wagons	19.0	24.2	25.1
Road Rollers@	876	1,056	1,128

@ Production figures in numbers.

Rs. 2.14 crores last year), building and construction machinery (Rs. 3.30 crores as compared to Rs. 2.41 crores), jute machinery (Rs. 4.00 crores as compared to Rs. 3.16 crores), boilers (Rs. 5.61 crores as compared to Rs. 4.68 crores) and sugar machinery (Rs. 8.33 crores as compared to Rs. 8.07 crores). The machine tools industry also made significant progress during the year ; the value of the output is expected to be of the order of Rs. 25.00 crores in 1965 as against Rs. 20.36 crores during 1964. There were 87 units manufacturing machine tools (both graded and ungraded quality) and most of them have been working almost to full capacity. Various expansion schemes were undertaken during the year. New units set up in Kerala and Hyderabad went into production during December 1965. The Heavy Engineering Corporation is setting up a unit for the manufacture of heavy machine tools, which is expected to start production in 1966. The production of some new items of machine tools, such as cylindrical grinders, automatic chucking-lathes and heavy duty copying lathes etc., is being taken up for the first time in the country by a few units in the private sector.

In the context of a difficult foreign exchange position, efforts continued to be made towards reaching a high indigenous content in the manufacture of industrial machinery. Thus, the indigenous production of textile finishing and wet processing machinery, such as calendering machines and printing machines, high-speed draw frames and speed frames, commenced during the year. In respect of jute machinery, the indigenous production of Second Drawing Frame and Finishing Drawing Frame, both for coarse and fine yarn, was started during the year. Similarly, units manufacturing sugar machinery and certain items of chemical machinery have attained a high indigenous content.

Most of the items in the *electrical engineering industries group* registered a substantial rise in output during 1965. The performance of these industries has been keeping pace with the continued broadening of demand for electrical equipments. The output of electric fans recorded a significant rise of 26.8 per cent as against a fractional rise of only 0.3 per cent in 1964. The output of power transformers, electric motors and radio receivers also went up during 1965 by 30.3 per cent, 29.1 per cent and 22.9 per cent, respectively, as compared to increases of 25.4 per cent, 10.9 per cent and 13.6 per cent in the previous year. The output of fluorescent lamps rose by 23.5 per cent in contrast to a decline of 5.6 per cent last year. The higher rate of growth in the output of most of these items was due partly to additions to the installed capacity and partly to increased utilisation of the existing capacity. The increase in the output of domestic refrigerators at 3.3 per cent was considerably smaller than that in the previous year (42.9 per cent). As against these increases, the output of miniature lamps and storage batteries declined by 10.9 per cent and 2.9 per cent, respectively.

Table 24. Electrical Engineering Industries

Items	Units	1963 (1)	1964 (2)	1965 (3)
Electric Lamps :				
(i) G. L. S. and Others ..	Million Nos. ..	66.5	66.7	67.1
(ii) Fluorescent Lamps ..	„ ..	3.6	3.4	4.2
(iii) Miniature Lamps ..	„ ..	37.2	32.1	28.6
Radio Receivers	'000 Nos. ..	418	475	584
Storage Batteries	'000 Nos. ..	691	767	745
Dry Cells	Lakh Nos. ..	2,761	2,866	3,007
Domestic Refrigerators	'000 Nos.	21	30	31
Power Transformers	Thousand k.v.a. ..	2,629	3,308	4,309
Electric Motors	'000 H.P. ..	1,188.0	1,317.6	1,701.6
Electric Fans	'000 Nos. ..	1,139	1,142	1,448

As in the preceding year, most of the items in the *metallurgical industries group* failed to show any improvement in output during 1965, except the aluminium industry which maintained its steady progress facilitated by substantial expansion and increased utilisation of installed capacity. The installed capacity in the aluminium industry increased from 53.5 thousand tonnes in 1964 to 88.5 thousand tonnes in 1965. The output rose by 9.2 per cent in the case of virgin aluminium metal (from 54.5 thousand tonnes in 1964 to 59.5 thousand tonnes in 1965), by 4.9 per cent in the case of aluminium sheets and circles (from 22.5 thousand tonnes to 23.6 thousand tonnes) and by 19.7 per cent in the case of aluminium wire rods for A.C. S.R. (from 20.3 thousand tonnes to 24.3 thousand tonnes). During 1966-67, an addition of 25,000 tonnes to the aluminium smelting capacity is expected with the completion of the second stage expansion of the smelters in Alwaye (5,000 tonnes) and Renukoot (20,000 tonnes). The demand for aluminium metal is estimated at 1.16 lakh tonnes at present and is expected to exceed 2.70 lakh tonnes by the end of the Fourth Plan. To meet the entire anticipated rising demand for this metal, further steps were taken to expand the capacity of existing smelters at Mettur, Renukoot, Hirakud and Asansol and to construct new smelters at Belgaum and West-Coast. Besides, the Government is taking a leading role in the development of aluminium industry and will be setting up in the public sector two aluminium smelters with a total capacity of 1.50 lakh tonnes, one each at Koyna (Maharashtra) and Korba (Madhya Pradesh). The first stages of both these smelters will be completed before the end of the Fourth Plan.

Production of virgin copper metal, which declined by 1.0 per cent to 9.5 thousand tonnes in 1964, declined further by 1.1 per cent to 9.4 thousand tonnes in 1965. The output of copper sheets and circles also recorded a further sharp fall of 23.8 per cent from 2.1 thousand tonnes in 1964 to 1.6 thousand tonnes in 1965. The Indian Copper Corporation, a company in the private sector, has made arrangements for replacing the existing smelter by a new smelter with a capacity of 16,500 tonnes per annum. The new smelter is expected to be ready before the end of the Fourth Plan. The Corporation has also set up an electrolytic refinery with a capacity of 8,400 tonnes for refining its own stock of fire-refined copper which is in production since June 1965.

Among other metals, production of virgin lead metal and 'brass sheets and circles' declined perceptibly from 3.6 thousand tonnes and 20.3 thousand tonnes in 1964 to 2.4 thousand tonnes and 13.3 thousand tonnes, respectively, in 1965 and that of zinc sheets and strips from 4.6 thousand tonnes to 4.4 thousand tonnes. In view of the strategic

importance of zinc to the defence effort and national economy, the Government acquired in October 1965 a private company (the Metal Corporation of India Limited) which was working the lead-zinc deposits of the Zawar areas. A new Government company *viz.*, Hindustan Zinc (P) Limited was formed in January 1966 for the management of the undertaking and it has taken over the responsibility for the completion of the project for production of zinc at Zawar Mines in Rajasthan. With a view to conserving foreign exchange, efforts are also being made to set up lead/zinc smelters based on imported ores/concentrates. In addition, intensive aeromagnetic survey of specially selected areas for exploring the availability of non-ferrous metal deposits was being undertaken.

An important development in respect of non-ferrous metals during 1965 was the passing of the Scarce Industrial Materials (Control) Order 1965 under which Government assumed powers to acquire available stocks of non-ferrous metals and regulate their consumption according to priorities so that defence efforts and essential industrial activity would not suffer. However, following devaluation and improved prospects for non-project assistance, the Government repealed the Scarce Industrial Materials (Control) Order on June 7, 1966.

Table 25. Metallurgical Industries

(Thousand Tonnes)

Items	1963 (1)	1964 (2)	1965 (3)
Virgin Metal :			
Aluminium	55.1	54.5	59.5
Copper	9.6	9.5	9.4
Lead	3.5	3.6	2.4
Semi-Manufactures:			
Aluminium Sheets and Circles ..	22.2	22.5	23.6
Aluminium Wire Rods for A.C.S.R.	20.0	20.3	24.3
Copper Sheets and Circles ..	3.4	2.1	1.6
Brass Sheets and Circles ..	22.6	20.3	13.3
Zinc Sheets and Strips ..	3.9	4.6	4.4

Chemicals and Chemical Products

The uptrend in the output of chemicals and chemical products continued during 1965, though the rate of rise of 5.4 per cent in output was much smaller than in 1964 (11.0 per cent). The output of some items including caustic soda, nitrogenous fertilisers and soda ash rose while that of phosphatic fertilisers, 'paints and varnishes,' sulphuric acid and soap registered a fall. Among other products of the industry, production of drugs and pharmaceuticals, several dyestuffs, coke oven by-products and coal tar distillation products, plastic raw materials, synthetic rubber and industrial alcohol was high, while that of certain organic pigments, copper oxchloride, zinc phosphide and pyrethrum-based formulation showed a fall. The slow progress of the chemical industry was due mainly to shortage of some imported raw materials and efforts are being made to promote import substitutes and to be self-reliant as early as possible, which will help in full utilisation of installed capacity. In certain sections, tempo of production was affected due to power cut (*e.g*, caustic soda) or poor offtake (*e.g.* some aromatic chemicals). It may be noted, however, that the exports of chemical industries have been steadily rising.

During the year, the wholesale price index (*base :* 1952-53 = 100) of chemicals as a group moved up further, due mainly to a steep rise in costs, from 124.7 at the end of March 1965 to 134.2 at the end of March 1966 or by 7.6 per cent as compared to a rise of 3.6 per cent during the preceding year. Group-wise, significant increases were registered by stable bleaching powder (18.2 per cent), sulphuric acid (17.7 per cent), soap (12.2 per cent), paints (11.4 per cent), alum (11.2 per cent), hydrochloric acid (11.1 per cent), dyeing materials (10.5 per cent), fertilisers (7.5 per cent) and general chemicals (6.8 per cent).

A development during the year was the announcement by the Government of India, on February 7, 1966 of a ban on import of a wide range of dyestuffs numbering over 900. It was decided to allow import of only 120 dyestuffs belonging to nine categories.

Table 26. Major Chemicals and Chemical Products

(Thousands Tonnes)

Year	Sulphuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous Fertilisers ('N' content)		Phosphatic Fertilisers (P_2O_5 content)		Soda Ash		Soap@	
	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1951 ..	109	—	15	—	34	—	11	—	10	—	48	—	85	—
1956 ..	168	7	40	1	42	2	79	1	14	1	86	2	112	7
1961 ..	422	14	120	4	59	6	79	8	62	8	177	23	149	6
1962 ..	469	24	127	3	65	4	84	10	75	12	223	12	152	6
1963 ..	568	23	152	3	74	6	89	3	97	12	267	8	159	5
1964 ..	679	24	184	4	76	8	86	3	118	7	282	13	166	4
1965 ..	677	30	215	7	72	8	88	1	113	7	322	7	164	4

@ Figures relate to production of organised sector.

Gold and Silver

The domestic output of gold, which had increased by 314 kgs. to 4,619 kgs. in 1964, declined to 4,062 kgs. in 1965.* Silver production, however, increased from 4,735 kgs. in 1964 to 5,235 kgs. in 1965.*

The ban on forward trading in both gold and silver continued during the year and the spot prices in the Bombay bullion market showed a continuation of the bullish tendency noticed in 1964-65. In fact, both gold and silver rose more steeply than in the preceding year and touched new peaks. Apart from the persistent inflationary trends in the economy, a virtual inelastic supply, paucity of floating stocks and the usual demand from the goldsmiths and industrial users, the demand from the holders of unaccounted incomes and a decline in supply owing to greater vigilance by the customs authorities contributed to the rise in bullion prices.

The price of 14-carat gold moved up from Rs. 71.75 per 10 grams at end-March 1965 to Rs. 77.00 by May 4, 1965, reflecting the seasonal demand being superimposed on the demand for conversion of unaccounted incomes into the 7 per cent Gold Bonds, 1980. After receding to Rs. 70.50 on May 22, it again forged ahead to a peak of Rs. 83.50 by June 25. Later, there was a two-way movement in prices on alternating reports of seizures of smuggled gold and larger arrivals of contraband gold and by October 9, the prices were at Rs. 72.75. Thereafter, however, the bullish trend re-emerged following the demand for the purpose of subscription to the National Defence Gold Bonds, 1980, announced by the Government on October 19, 1965 and due to the rising trend in silver prices and a new peak of Rs. 85.00 was reached on February 9, 1966. At the closing level of Rs. 83.75 on March 30, there was a net rise of Rs. 12.00 over the year on top of a rise of Rs. 8.50 in 1964-65.

The rise in silver was more steep, induced partly by the paucity of stocks and speculative activities. From Rs. 280.50 per kg. on March 31, 1965, the price rose to Rs. 308.00 on May 11, at the height of seasonal demand and, after receding to Rs. 290.50 by July 7, moved erratically until the first week of November but, thereafter, climbed up steadily to Rs. 406.00 on February 3, 1966. There was a small decline in March but even at Rs. 366.00 as at end-March 1966, there was a spectacular increase of Rs. 85.50 over the year as com-

* Provisional.

pared to only Rs. 20.50 during the preceding year.

Trends in National Income

Preliminary estimates for 1964-65 place National Income (or net national output at factor cost) at constant (1948-49) prices at Rs. 15,050 crores—a rise of 7.7 per cent over the level (Rs. 13,970 crores) attained in 1963-64; compared to the level of 1962-63, national income in 1963-64 had risen by 5.0 per cent only. Per capita national income (at constant prices) also rose from Rs. 301.1 in 1963-64 to Rs. 317.0 in 1964-65—a rise of 5.3 per cent; in 1963-64 per capita national income had increased by 2.6 per cent.

A notable feature of national income during 1964-65 was the substantial increase in the contribution of the agricultural sector. Income from agriculture increased by 8.9 per cent in 1964-65, as against 3.1 per cent in 1963-64, the share of agriculture in total national income rising from 42.7 per cent in 1963-64 to 43.2 per cent in 1964-65. Of the total increase of Rs. 1,080 crores in national income in 1964-65, 'agriculture, animal husbandry and ancillary activities' (including forestry and fishery) accounted for Rs. 530 crores, 'mining, manufacturing and small enterprises' for Rs. 110 crores, 'commerce, transport and communications' for Rs. 190 crores and 'other services'—professions and liberal arts, government service (administration), domestic service and house property—for Rs. 270 crores.

Expressed at current prices, national income in 1964-65 was estimated at Rs. 20,010 crores or Rs. 2,800 crores (16.3 per cent) higher than in 1963-64. Per capita income at current prices also rose from Rs. 370.9 in 1963-64 to Rs. 421.5 in 1964-65.

National income (at 1948-49 prices), which had risen at an annual average rate of 3.4 per cent during the First Plan period and 4.0 per cent in the Second Plan, increased at an annual rate of 4.3 per cent during the first four years of the Third Plan as against the target of 5 per cent per annum. A sector-wise analysis shows that income from the agricultural sector, which made an insignificant contribution of 0.4 per cent per annum to the growth of national income in the first three years of the Third Plan, increased substantially in 1964-65, the annual average rate of growth of this sector rising to 2.6 per cent per annum for the four-year period as a whole. The rate of growth in agriculture (2.6 per cent per annum), however, was lower than that in the First Plan (3.0 per cent) as well as that in the Second Plan (3.4 per cent). As against this, the remaining sectors showed a higher rate of growth in the first four years of the Third Plan, as compared to the First and the Second Plans. The annual average rate of growth in the sector 'mining, manufacturing and small enterprises' advanced from 3.5 per cent in the First Plan to 3.7 per cent in the Second Plan and further to 4.9 per cent in the first four years of the Third Plan. For the corresponding periods, the growth rates of the sector 'commerce, transport and communications' were 3.5 per cent, 4.6 per cent and 4.8 per cent, respectively, while those of the sector 'other services' were 4.5 per cent, 6.0 per cent and 8.0 per cent, respectively.

Taking the entire Plan period *i.e.* 1951-52 to 1964-65, national income (at constant prices) registered a rise of 70.1 per cent over the period. Sector-wise, income from agriculture rose by 49.8 per cent; income from mining, manufacturing and small enterprises by 72.3 per cent; income from commerce, transport and communications by 78.9 per cent; income from other services by 125.9 per cent. The pattern of contribution to national income by the various sectors has altered over the years. The share of the agricultural sector declined from 49.0 per cent in 1950-51 to 43.2 per cent in 1964-65, while the shares of other sectors have shown increases—mining, manufacturing and small enterprises from 16.7 per cent to 16.9 per cent, commerce, transport and communications from 18.8 per cent to 19.7 per cent, and other services from 15.7 to 20.9 per cent.

The per capita national income (at constant prices), which had recorded a rise of 8.2 per cent from Rs. 247.5 in 1950-51 to Rs. 267.8 in 1955-56 (First Plan), moved up by 9.5 per cent to Rs. 293.2 in 1960-61 (Second Plan). During the first four years of the Third Plan the per capita national income has risen by 8.1 per cent to Rs. 317.0 in 1964-65.

Table 27. Sector-wise Trends in National Income
(At 1948-49 prices)

(Rs. Abja*)

Group	YEAR							Annual Average Percentage Increase (+)/ Decrease (—) during		
	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65 +	The First Plan	The Second Plan	First Four Years of the Third Plan
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. Agriculture, animal husbandry and ancillary activities(a)	43.4 (49.0)	50.2 (47.9)	59.0 (46.3)	59.1 (45.3)	57.9 (43.5)	59.7 (42.7)	65.0 (43.2)	+3.0	+3.4	+2.6
II. Mining, manufacturing and small enterprises	14.8 (16.7)	17.6 (16.8)	21.1 (16.6)	22.1 (16.9)	23.0 (17.3)	24.4 (17.5)	25.5 (16.9)	+3.5	+3.7	+4.9
III. Commerce, transport and communications.	16.6 (18.8)	19.7 (18.8)	24.6 (19.3)	25.4 (19.4)	26.4 (19.8)	27.8 (19.9)	29.7 (19.7)	+3.5	+4.6	+4.8
IV. Other services (b) ..	13.9 (15.7)	17.3 (16.5)	23.1 (18.1)	24.7 (18.9)	26.6 (20.0)	28.7 (20.5)	31.4 (20.9)	+4.5	+6.0	+8.0
V. Net National Output at factor cost=National Income.	88.5	104.8	127.3	130.6	133.1	139.7	150.5	+3.4	+4.0	+4.3

* Abja = 100 crores = 1 billion. + Provisional.

Note : Figures in brackets represent proportionate contribution of each individual item to the net output during the respective years. (*a*) Including forestry and fishery. (*b*) Comprising professions and liberal arts, government service (administration), domestic service and house property.

Table 28. Trends in National Income

	YEAR							Annual Average Percentage Increase (+)/ Decrease (—) during		
	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65 +	The First Plan	The Second Plan	First four years of the Third Plan
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. Net output in Rs. abja*										
(*a*) At current prices	95.3 (+5.8)	99.8 (+3.9)	141.4 (+9.2)	148.0 (+4.7)	154.0 (+4.1)	172.1 (+11.8)	200.1 (+16.3)	+1.1	+6.9	+9.2
(*b*) At 1948-49 prices	88.5 (+0.3)	104.8 (+1.9)	127.3 (+7.3)	130.6 (+2.6)	133.1 (+1.9)	139.7 (+5.0)	150.5 (+7.7)	+3.4	+4.0	+4.3
II. Per capita net output Rs.										
(*a*) At current prices	266.5 (+4.1)	255.0 (+1.9)	325.7 (+6.9)	333.6 (+2.4)	339.4 (+1.7)	370.9 (+9.3)	421.5 (+13.6)	—0.7	+5.1	+6.8
(*b*) At 1948-49 prices	247.5 (—1.2)	267.8 (—)	293.2 (+5.0)	294.3 (+0.4)	293.4 (—0.3)	301.1 (+2.6)	317.0 (+5.3)	+1.6	+1.9	+2.0

* Abja = 100 crores = 1 billion. + Provisional.

Note : Figures in brackets relate to percentage variations over previous year.

CHAPTER III : MONEY MARKET AND BANKING

Money Rates:

In 1965-66, the money market experienced stringency during the greater part of the slack season, particularly towards the close while during the subsequent busy season, with a marked increase in deposits and smaller rise in credit than in the 1964-65 season, conditions were relatively comfortable. During the first two months of the slack season, the call rate among the selected scheduled banks remained high, moving between 6.9 and 9.0 per cent in Bombay and 7.0 and 8.8 per cent in Calcutta. The rate eased to 3.4 per cent in Bombay and 4.0 per cent in Calcutta in July 1965 but moved up again in August and, at the time of the Indo-Pakistani conflict, the rate rose to 9.4 per cent in Bombay and 9.7 per cent in Calcutta in the third week of September. With the cessation of hostilities, the rate eased somewhat and closed for the season at 5.2 per cent in Bombay and 5.8 per cent in Calcutta by the end of October, these levels being appreciably higher than those prevailing a year ago (1 per cent and 3.5 per cent, respectively). In the first month of the 1965-66 busy season *viz.*, November, the rate eased further to 4.9 per cent in Bombay and 4.3 per cent in Calcutta by the end of that month. During the second week of December 1965, however, the rate spurted to 7.3 per cent in Bombay and 9.9 per cent in Calcutta. Subsequently, the market turned easy and the rate was around 4 per cent in Bombay and moved between 3.7 per cent and 5.9 per cent in Calcutta till end-February. With the busy season reaching its peak, the rate rose to 6.2 per cent in Bombay and to 7.9 per cent in Calcutta during the third week of March. In the first week of April, there was a temporary spurt in the rate to 6.3 per cent in Bombay and 8.4 per cent in Calcutta. Thereafter the rate eased and closed for the season at 4.0 per cent in Bombay and 4.8 per cent in Calcutta, compared to 7.3 per cent in Bombay and 7.0 per cent in Calcutta a year ago.

The average discount rate on Treasury bills, which had moved up from 2.36 per cent from end-November 1964 to 3.50 per cent in March 1965, remained unchanged at that level until July 17, 1965 when the sales by weekly auctions as well as sales of intermediates were discontinued and, in their place, a new system of sales by tap throughout the week was introduced. The rate fixed was the same as that prevailing immediately prior to the change in the system of sales, *viz.*, 3.5 per cent, and this rate remained unchanged for the rest of the year under review. The hundi rate of the State Bank of India, which had been raised from 8½ per cent to 9¼ per cent on February 18, 1965, was further raised to 9¾ per cent on February 3, 1966.

Credit Controls :

The general credit control measures taken by the Reserve Bank have been referred to in Chapter I.

With a view to holding the price line in respect of essential commodities, the Bank also tightened its selective credit controls in respect of advances against foodgrains, oilseeds and vegetable oils. Ceilings were fixed for advances against (*i*) paddy and rice in May, (*ii*) groundnuts in July, and (*iii*) wheat and 'other foodgrains' in August, at the levels maintained in 1964, except in the case of paddy and rice in Andhra Pradesh and in the case of 'other foodgrains' in Maharashtra where the limits were fixed at 75 per cent of the 1964 levels. For the first time, ceilings were prescribed in August (at 90 per cent of the actual levels maintained in 1964) for advances against 'other oilseeds' (excluding groundnuts and cottonseed) and vegetable oils (including vanaspati), and margin requirements were imposed in August for advances against cotton and *kapas* to parties other than cotton mills. However, advances for importation of cotton subject to certain conditions, and advances in respect of the new crop (1965-66) cotton were exempted from the margin restrictions on September 4, 1965 and October 13, 1965, respectively. Margin and ceiling controls on advances against stocks of vegetable oils with manufacturers pending delivery to the Army Purchase Organisation were removed on

September 20, 1965. In view of the dislocation caused to trade and industry by the Indo-Pakistan conflict, restrictions on scheduled bank advances were relaxed on November 12, 1965 in respect of credit against stocks of certain foodgrains in the six border districts of Punjab. On October 1, 1965, the Reserve Bank introduced, as a temporary measure, a scheme of special accommodation to banks under the Bill Market Scheme for facilitating financial assistance to units of textile industry facing stock accumulation.

The base period for fixing the ceiling limits for advances in respect of (1) wheat, (2) 'other foodgrains,' (3) 'other oilseeds' and (4) vegetable oils (including vanaspati) was changed in December from Calendar year 1964 to August 1964-July 1965.

Banking Legislation

The Banking Laws (Application to Co-operative Societies) Bill, 1964, introduced in the Lok Sabha in December 1964, (referred to in the last Report) was enacted in September 1965, and the Act came into force on March 1, 1966. The Act amended the Reserve Bank of India Act, 1934 and the Banking Companies Act, 1949. The Act has also renamed the Banking Companies Act 1949 as the Banking Regulation Act 1949. The Act provides for the extension of certain provisions of these two Acts to State co-operative banks, central co-operative banks and the more important primary non-agricultural credit societies, including, in particular, urban co-operative banks with paid up capital and reserves of Rs. 1.00 lakh and above. Although the Banking Regulation Act confers on the Reserve Bank of India the powers to supersede, wind up, amalgamate or reconstruct banking companies, these powers are not applicable to the co-operative banks. These powers in relation to co-operative banks continue to rest in the Registrars of co-operative societies of their respective States.

The amendments made by the 1965 Act to the Reserve Bank of India Act make State co-operative banks eligible for inclusion in the Second Schedule with its attendant privileges and obligations. Further, all co-operative banks are now eligible to borrow in an emergency from the Reserve Bank under Section 18 of the Reserve Bank of India Act. The more important among the provisions of the Banking Regulation Act, which are applicable to co-operative banks, are those in regard to the maintenance of cash reserves, liquid assets, control on advances, licensing, inspection and issue of directives. Every co-operative bank, other than a scheduled State Co-operative bank, has to maintain a cash reserve of not less than 3 per cent of its total demand and time liabilities either with itself or in current account with the higher financing agencies. In addition, every co-operative bank is required to maintain liquid assets (including a minimum cash reserve of 3 per cent) of not less than 20 per cent of its total demand and time liabilities in India, for a period of two years—from the commencement of the Act or for such further period not exceeding one year as the Reserve Bank may allow in any particular case ; this requirement will be raised subsequently to 28 per cent including the minimum cash reserves mentioned above. Co-operative banks would not, however, experience any difficulty in complying with these requirements because their borrowings from higher financing agencies, which form a fairly significant proportion of their working funds, are excluded from the computation of demand and time liabilities. Under the Act, co-operative banks are prohibited from granting unsecured loans and advances to directors, but the Reserve Bank is empowered to allow primary co-operative banks to grant, if necessary, unsecured loans and advances to their directors on such terms and conditions as may be approved by it. The Reserve Bank can also now extend the various selective credit controls to the operations of co-operative banks under the powers taken to issue directives to all or any of them regarding the terms and conditions on which advances and guarantees may be given by them. All existing co-operative banks are required to apply to the Reserve Bank for a licence within a period of 3 months from the commencement of the Act; they will be permitted to carry on banking business if licences are granted to them or until they are informed by the Bank that a licence cannot be granted to them. A new co-operative bank will be required to obtain a licence before the commencement of the banking business. Co-

operative societies other than co-operative banks, primary agricultural credit societies, primary credit societies (as defined in the Act) and land mortgage banks, will not be allowed to carry on banking business beyond a period of one year from the commencement of the Act. Opening of branches by the State and primary co-operative banks will require a licence from the Reserve Bank. There are no restrictions on central co-operative banks opening branches in the areas of their operations. Further, the Reserve Bank which so far was carrying out inspections of State and central co-operative banks on an informal and voluntary basis, is now statutorily empowered to inspect them and to issue directives to them. The Reserve Bank may inspect primary co-operative banks either directly or cause the inspection of such banks to be made by the offices of State co-operative banks.

It was mentioned in the last Report that a study was being made of the data furnished by non-banking companies including financial institutions relating to or connected with the receipt of deposits from the public and other business allied to banking upto March 31, 1964, with a view to framing an appropriate policy for regulating their activities. The results of the study, which were published in the July 1965 issue of the Reserve Bank of India Bulletin revealed, among other things, a growing tendency on the part of such companies and institutions to receive deposits from the public, a large proportion of which had no fixed period of maturity and were withdrawable on demand or on the expiry of a specified period of notice. It was, therefore, considered necessary in the public interest and for the purpose of enabling the Bank to regulate the credit system of the country, to issue certain directions to (*i*) non-banking non-financial companies receiving deposits from the public, except those under certain exempted categories, and to (*ii*) non-banking companies which carry on as their principal business of hire-purchase transactions or the financing of such transactions. Accordingly, the Reserve Bank of India, in exercise of the powers conferred on it by Sections 45J, 45K and 45L of the Reserve Bank of India Act, 1934, issued on January 7, 1966 two directives one to non-financial non-banking companies (other than insurance companies and companies receiving deposits only from their members), and the other to financial non-banking companies which carry on or finance hire purchase business. Under these directives, all non-banking companies falling under the above-mentioned two groups are prohibited from accepting deposits repayable on demand or notice. In addition, while non-financial companies are prohibited from accepting deposits repayable in less than 12 months, hire-purchase companies are prohibited from accepting deposits repayable in less than 6 months. The directives also require (*i*) the disclosure of certain particulars in the advertisements issued by the non-banking companies soliciting deposits from the public, (*ii*) the furnishing of receipts to depositors and the maintenance of registers of deposits received by them and (*iii*) the inclusion of certain information relating to deposits in the report of the Board of Directors laid before the companies concerned in general meeting. Further, the hire-purchase companies are also required : (a) to maintain in India liquid assets in the form of cash with themselves, or in Post Office Savings Bank or in current account with a scheduled bank or in unencumbered securities in which a trustee is entitled to invest trust money a sum equivalent to not less than 9 per cent of their assets in India ; and (b) to secure that the amount of instalment receipts under hire-purchase contracts received by them during each half year of an accounting year is not less than 25 per cent of the outstanding amount as at the close of the previous accounting year.

The two directives have been amended subsequently on April 4, 1966. The amendments, among other things, (*a*) permit a company, which keeps its books of accounts at a place other than its registered office in accordance with the proviso to sub-section (*i*) of Section 209 of the Companies Act, 1956, to maintain the register of deposits at such a place instead of at the registered office, (*b*) require companies to furnish to the Bank audited balance sheets and interim accounts so long as they hold deposits, and (*c*) modify the definition of 'deposit' in respect of non-financial companies so as to exclude from its purview any money received from employees other than by way of security (security deposits being already exempted) as well as

any money received by a holding company from its subsidiary or by a subsidiary from its holding company or by a company from its holding company.

The three Orders dated May 7, 1965, referred to in the last Report, have also since been amended by three fresh Orders issued on April 18, 1966, in terms of which the forms of the various returns required to be furnished to the Reserve Bank by non-banking institutions including financial institutions have been amended. Among the main changes in the forms, mention may be made of the requirement that from the period ended March 31, 1966, the returns are to be certified by the company's auditor (s) before they are submitted to the Bank. The returns in Part 'A' (Questionnaire) and Part 'B' (Hire-purchase Business) of Form HF relating to hire-purchase business are now required to be furnished every half-year, while those in Part 'C' showing particulars of (1) liquid assets and (2) receipts under hire-purchase contracts, which have now been introduced, are to be furnished every quarter, commencing from March 1966.

A new Department, *viz.*, the Department of Non-Banking Companies, has been established by the Reserve Bank in Calcutta in March 1966, for administering the provisions of the Reserve Bank of India Act, 1934 (Chapter III B) relating to non-banking institutions receiving deposits and financial institutions.

Deposit Insurance Corporation

The number of insured banks declined to 108 at the end of March 1966 from 146 at the end of March 1965 mainly as a result of voluntary amalgamations under Section 44 A of the Banking Regulation Act, 1949 and transfers of deposit liabilities and equivalent assets to other insured banks. No new bank was registered as an insured bank during the year. Since its inception in 1962 to the end of March 1966, the Corporation has met claims aggregating Rs. 38.59 lakhs in respect of 9 banks. During the same period, repayments received by the Corporation in respect of the claims met totalled Rs. 14.01 lakhs and related to seven banks. As on the last Friday of September 1965, the latest date for which data are available, the total number of deposit accounts with insured banks was 115,76 lakhs of which 88,98 lakhs (or 76.9 per cent of the total number) having balances not exceeding Rs. 1,500 each were fully insured.

Export Credit and Guarantee Corporation

The business of the Export Credit and Guarantee Corporation recorded significant growth during the year which in turn enabled exporters to secure larger credit facilities than before. The Corporation offers export finance guarantees to banks and other financial institutions with a view to encouraging exporters to secure better credit facilities from financial institutions, both at the pre-shipment and post-shipment stages, in addition to insuring a wide range of risks on exports. As on March 31, 1966 as many as 1146 exporters were holding export risks insurance policies issued by the Corporation as compared to 988 a year ago ; the value of shipments covered by them rose from Rs. 17.16 crores to Rs. 22.18 crores, recording an increase of 29 per cent. Similarly the number of guarantees issued by the Corporation to banks went up from 269 to 299.

With the help of packing credit guarantee, exporters obtained bank finance to the extent of Rs. 31.60 crores during the year under review, as compared to Rs. 20.61 crores in the preceding year. The two post-shipment export credit guarantees, *viz.*, post-shipment export credit guarantee and export finance guarantee, which were introduced in 1964 and referred to in the last Report, also met with increasing response. The total number of these two guarantees in force at the end of 1965-66 was 28 as compared to 22 a year ago, while the gross amount of advances availed of under these guarantees during the year amounted to Rs. 1.84 crores, as against Rs. 0.48 crore in 1964-65.

At the end of the year, the Corporation introduced a fourth type of guarantee, namely, the export production finance guarantee. It is intended to help manufacturers/exporters of textiles, yarn and garments to obtain bank finance upto 50 per cent of the *f.o.b.* value of the firm contract of export sale or the export of goods, in cases where

the *f.o.b.* price is lower than the domestic price. It provides an unconditional indemnity to the financing bank to the extent of 66⅔ per cent of any loss incurred by the bank due to the insolvency of the manufacturer/exporter, or his protracted default. It covers all advances to manufacturers/exporters for the purpose of purchase, manufacture, processing and packing of goods against a firm contract of export sale or against satisfactory documentary evidence of goods having been exported or delivered for export. Thus, this guarantee is available to the bank both at the pre-shipment stage and at the post-shipment stage. The advance granted under this guarantee together with other advances obtained by the manufacturer/exporter may not exceed 100 per cent of the domestic value of the goods to be exported. The guarantee is available to a bank either to cover a single advance to manufacturer/exporter (specific), or to cover a series of advances over the period of time to one or more manufacturers/exporters (whole turnover). No policy was, however, issued under this guarantee upto the end of the year.

Under the scheme of 'Revolving Foreign Exchange Credit for Exporters' operated by the Corporation to assist exporters in securing essential raw materials from abroad, referred to in the last Report, the Corporation cleared 3 applications during the year for the issue of import licences for a total value of Rs. 15.57 lakhs, as against 2 applications for Rs. 3.5 lakhs in 1964-65.

Co-operative Credit—Institutional Developments

The main development in the sphere of co-operative credit during the year was the passing in September 1965 of the Banking Laws (Application to Co-operative Societies) Act, which extends to State co-operative banks, central co-operative banks and the primary non-agricultural credit societies with a paid-up capital and reserves of Rs. one lakh or more, all the provisions of the Reserve Bank of India Act and the Banking Companies Act except those relating to incorporation, management and liquidation which would continue to vest in the Registrars of Co-operative Societies (for details please see pages 62-63).

Among other important developments, mention may be made of the Annual Conference of Registrars of Co-operative Societies and State Ministers for Co-operation held at Bombay in October-November 1965. The State Ministers' Conference considered the Reports submitted by three Committees viz., the Mirdha Committee, the Committee on Fertilizers and the Committee of Direction on Co-operative Farming, and generally endorsed their recommendations. The Conference recommended that the crop loan system be commenced uniformly throughout the country from the kharif season 1966. It further suggested that under the crop loan system the scales of finance per acre should be on the basis of three components viz. (*i*) a cash component to take care of the outlay on cultivation according to the traditional methods, (*ii*) a kind component *i.e.* inputs like chemical fertilizers, pesticides, agricultural implements etc. for improved cultivation and (*iii*) a further component in cash for needs arising out of use of the kind component. The Conference also considered the proposal made by an Informal Group, set up by the Reserve Bank of India, to establish Agricultural Credit Corporations in five States where the co-operative credit structure is relatively less developed but felt that the establishment of such Corporations, even as a transitional measure, would be detrimental to the growth of the co-operative movement. It suggested that a meeting of the Government of India, the Reserve Bank of India and the concerned State Governments should be convened to consider as to how best co-operative credit could be increased in these areas. The programme of revitalisation of the primary credit structure was reviewed by the Conference and it was noted that all the State Governments have generally fixed the level of business necessary for making a society viable. Surveys to identify potentially viable societies on the basis of the business turnover have been completed in Assam, Gujarat, Kerala, Orissa, Uttar Pradesh, Punjab, Rajasthan, West Bengal and in the greater portion of Madhya Pradesh.

The question of extending the deposit insurance scheme to co-operative banks by amending the provisions of the Deposit Insurance Corporation Act is being examined in consultation with the State Governments.

The scheme will require some amendments to the co-operative laws of the States in order to vest in the Reserve Bank some statutory powers in respect of co-operative banks. Decisions of some of the State Governments in this respect are awaited.

The Standing Advisory Committee on Agricultural Credit was redesignated in April 1965 as the Standing Advisory Committee on Rural and Co-operative Credit to make it clear that the Committee would deal not merely with co-operative agricultural credit but also with co-operative credit which is not agricultural, and rural credit which may not be co-operative. The Committee met thrice during the year. The important subjects discussed related to (*i*) the implementation of crop loan system, (*ii*) the policy regarding medium-term loans for agricultural purposes and (*iii*) the constitution and operation of Agricultural Credit Relief and Guarantee Fund.

Trends in Co-operative Credit

There was a decline in the number of primary agricultural credit societies from 2.10 lakhs at the end of June 1964 to 2.08* lakhs at the end of June 1965 mainly due to continued efforts made to revitalise the primary credit structure by liquidation of dormant societies and amalgamation of weak societies. Membership of these societies, however, increased from 237 lakhs at the end of June 1964 to 262* lakhs at the end of June 1965. The short and medium-term credit dispensed by the primary agricultural credit societies increased from Rs. 297 crores during 1963-64 to Rs. 331* crores during 1964-65.

The outstanding amount of advances and bills purchased and discounted by the State co-operative banks as on March 25, 1966@ was Rs. 267.83 crores, showing a rise of Rs. 25.66 crores over the preceding year's level. Aggregate deposits (exclusive of inter-bank deposits and borrowings from the Reserve Bank and other banks) also increased by Rs. 3.94 crores to Rs. 62.31 crores. In order to meet the demand for credit during the year, these banks resorted to borrowings mainly from the Reserve Bank of India. Outstanding borrowings from the Reserve Bank as on March 25, 1966 at Rs. 165.85 crores were Rs. 15.95 crores higher than those a year before.

The financial accommodation provided by the Reserve Bank and the loan assistance given by the National Co-operative Development Corporation during 1965-66 are shown in Table 1. The gross amount of Reserve Bank advances to State co-operative banks rose during 1965-66 by Rs. 17.93 crores to Rs. 302.32 crores. The outstanding borrowings from the Reserve Bank as on March 31, 1966 at Rs. 162.33 crores showed a rise of Rs. 13.66 crores over the previous year.

In the sphere of *short-term finance*, the amount drawn by the State co-operative banks from the Reserve Bank of India during 1965-66 for seasonal agricultural operations and marketing of crops at the concessional rate (*i.e.* 2 per cent below the Bank rate) aggregated Rs. 249.37 crores, showing a fall of 1.5 per cent over the preceding year. The outstanding borrowings at the end of March 1966 were Rs. 144.72 crores as against Rs. 131.32 crores at the end of March 1965. The accommodation provided to the State co-operative banks at the Bank rate for general banking purposes under Section 17(4) (*a*) of the Reserve Bank of India Act during 1965-66 amounted to Rs. 37.23 crores as compared to Rs. 13.22 crores in 1964-65 ; there were no outstandings at the end of March 1966 on this account.

As regards financing production and marketing activities of handloom weavers' societies, it was decided that from 1965-66 onwards the State co-operative banks in the States of Andhra Pradesh, Gujarat, Madras and Maharashtra would be sanctioned credit limits on a reimbursement basis only and that the borrowings of the central co-operative banks should be matched by outstandings against societies and not by cash credit limits sanctioned as hitherto. The gross amount of credit drawn by the State co-operative banks for financing handloom weavers' co-operatives

* Provisional.

@ As on last Friday; the data relate to State co-operative banks maintaining accounts with the Reserve Bank of India.

Table 1. State Aid and Reserve Bank Credit to Co-operatives, 1965-66

(Lakhs of Rupees)

Purpose	Amount outstanding at the end of March 1965	Amount advanced during the year April 1965 to March 1966	Amount outstanding at the end of March 1966
RESERVE BANK CREDIT			
A. Loans to State Co-operative Banks—			
Short-term :			
I. Seasonal agricultural operations and marketing of crops (at 2% below Bank rate)	131,32	249,37	144,72
II. Production and marketing of handloom products (at 1½% below Bank rate)	4,94	5,55	5,57
III. Purchase and sale of yarn (at Bank rate)	73	3,11	39
IV. General banking purposes (at Bank rate)	58	37,23	—
Medium-term :			
I. Agricultural purposes (at 1½% below Bank rate)	11,05	7,06	11,65
II. Financing agriculturists for purchase of shares in co-operative sugar factories (at Bank rate)	5	—	—
B. Loans to State Governments for contribution to share capital of co-operative credit institutions*	29,88	2,52	29,41
C. Investment in debentures :			
I. Rural Debentures	4,28	1,28+	5,29
II. Ordinary Debentures	10,97	4,50+@@	15,45
III. Special Debentures	18	1+	19
State Aid (National Co-operative Development Corporation—Loan Assistance)			
I. Share capital contribution to co-operatives		2,91@	
II. Construction of godowns		1,64@	
III. Establishment of cold storages		19@	
IV. Cash credit accommodation to wholesale consumers' co-operatives		33@	
V. Purchase of trucks by consumers' co-operatives		5@	
VI. Purchase of transport vehicles by marketing/processing societies	26,09	20@	33,89@
VII. Share capital contribution to co-operative modern rice mills		—	
VIII. Construction of godowns and silos of co-operative modern rice mills		—	
IX. Co-operative rice mills (conventional)		4,08@	
X. Investment in debentures of central land mortgage banks	78	14+@@	92

* Rate of interest charged to State Governments in respect of these loans is nil per cent for the first two years, 2% during the next 3 years, 2½% for the next 4 years and 3% during the next 3 years.
\+ Purchased during the year. @@ Represents face value. @ Provisional.

under Section 17(2) (*bb*) or (4) (*c*) of the Reserve Bank of India Act at 1½ per cent below the Bank rate at Rs. 5.55 crores during 1965-66 showed an increase of 10 per cent over the preceding year, the amount outstanding at the end of March 1966 at Rs. 5.57 crores being Rs. 63 lakhs higher than at the end of March 1965. Accommodation provided to State co-operative banks on behalf of apex weavers' societies under Section 17(2) (*a*) or (4) (*c*) of the Reserve Bank of India Act at the Bank rate for purchase and sale of yarn during the year aggregated Rs. 3.11 crores showing a decline of 46 per cent over the preceding year, the amount outstanding at the end of March 1966 also being lower at Rs. 39 lakhs as compared to Rs. 73 lakhs a year ago.

The Intensive Agricultural District Programme, which was launched in 1960-61, was in operation in 15 districts covering 311 community development blocks by the end of 1964-65. Of the total gross cropped area in the districts at 82.04 lakh hectares, the area covered under the programme was 30.66 lakh hectares in 1964-65 as against 21.08* lakh hectares in 1963-64. By the end of 1964-65, the number of farm plans prepared was 11.63 lakhs as against 8.66 lakhs in 1963-64. The short-term loans advanced for agricultural purposes by co-operative societies in these districts rose from Rs. 16.93 crores in 1962-63 to Rs. 19.58 crores in 1963-64 *i.e.* an increase of 15.7 per cent. The total value of agricultural produce handled by co-operative marketing societies in these districts increased from Rs. 2.89 crores at the inception of the programme to Rs. 8.10 crores in 1963-64. The progress in linking of credit with marketing in these districts has been not up to expectations, the number of marketing societies effecting recoveries of loans from sale proceeds of produce sold through them having increased from 20 at the inception of the programme to 70 at the end of 1963-64 and the amount of loans recovered from Rs. 35.53 lakhs to Rs. 47.18 lakhs over the same period.

The Intensive Agricultural Areas Programme, a reference to which was made in the last year's Report, was initiated in 646 blocks in 75 districts for the intensive cultivation of paddy and 356 blocks in 54 districts for the intensive cultivation of millets at the end of March 1965. Likewise, the predominantly wheat-growing States have launched the programme for intensive cultivation of wheat in 200 blocks in 30 districts. The Reserve Bank, on the basis of special inspections of the central co-operative banks serving these areas, advised the Registrars of Co-operative Societies of the concerned States to take steps for the removal of operational deficiencies of the co-operative credit structure and for building up of owned resources of the institutions concerned so as to have adequate credit support to the programmes of increasing agricultural production. State level Conferences were held in eight States to ensure effective implementation of the Action Programme in general and introduction of the crop loan system in particular.

In the sphere of *medium-term credit*, State co-operative banks, as in the previous years, could not draw fully upon the limits sanctioned by the Reserve Bank. From this year the following relaxations were allowed in the terms and conditions governing the sanction of medium-term loans for the purchase of milch cattle : (1) the Reserve Bank will not insist on insurance of milch cattle ; (2) the loans will be advanced upto a period of five years instead of 3 years and (3) the borrowing members need not find any part of the money needed for the purchase of milch cattle from their own resources. The Registrars of Co-operative Societies were advised about the policy and the procedure that may be followed by the co-operative institutions in granting medium-term advances for agricultural purposes. It was pointed out that while security is important, eligibility for the loan should depend, on the one hand, on the likely need for credit for the outlay proposed and, on the other, on the repaying capacity of the borrower. During 1965-66, the gross amount drawn by the State co-operative banks at 1½ per cent below the Bank rate for agricultural purposes under Section 17(4AA) read with Section 46A(2) (*b*) of the Reserve Bank of India Act at Rs. 7.06 crores was lower by Rs. 31 lakhs than in the previous year ; the outstandings at the end of March 1966 were Rs. 11.65 crores as compared to Rs. 11.05 crores a year ago.

* Revised.

In the field of *long-term credit,* five central land mortgage banks (Andhra Pradesh, Maharashtra, Gujarat, Madras and Punjab) floated rural debentures of the order of Rs. 3.18 crores during 1965-66 as compared to Rs. 1.83 crores floated by seven banks during 1964-65. Of the Rs. 3.18 crores, the Gujarat Central Co-operative Land Mortgage Bank alone accounted for Rs. 2 crores. Subscriptions to all the five issues amounted to Rs. 2.40 crores of which Rs. 1.28 crores or 53 per cent came from the Reserve Bank of India and the balance (Rs. 1.12 crores) from individuals. As regards *ordinary debentures* floated by central land mortgage banks, a change was made in the Reserve Bank's policy in regard to its contribution to such debentures. Accordingly, the level of Reserve Bank's contribution which, since 1950, was upto a maximum of 20 per cent of each such issue or the shortfall in public subscription, whichever was lower, was reduced, effective from September 1965, to 10 per cent of the issue or the shortfall in public subscription, whichever was lower. During 1965-66, *ordinary debentures* for a total amount of Rs. 40.86 crores were issued by 14 central land mortgage banks as against Rs. 25.26 crores issued by ten central land mortgage banks in the preceding year. They were oversubscribed to the extent of Rs. 7.23 lakhs. Of the total subscriptions, the amount taken by co-operative institutions was Rs. 12.73 crores or 31.1 per cent. The contribution of the Reserve Bank at Rs. 4.60 crores constituted 11.2 per cent of the total subscriptions while that of the Life Insurance Corporation at Rs. 10.50 crores formed 25.7 per cent. It was noteworthy that State Governments had made substantial contribution to these debentures. The National Co-operative Development Corporation also invested an amount of Rs. 13.63 lakhs in the debentures of central land mortgage banks. Besides, *special development debentures* for an amount of Rs. 1.45 lakhs were issued by a central co-operative land mortgage bank during the year under review. The Reserve Bank subscribed to the issue to the extent of Rs. 1.09 lakhs. The remaining amount was subscribed by the State Government.

The Reserve Bank made a further contribution of Rs. 14 crores to the National Agricultural Credit (Long-term Operations) Fund during the year raising the amount to the credit of the Fund to Rs. 100 crores. During the year 1965-66, loans amounting to Rs. 2.52 crores were sanctioned to 12 State Governments for contribution to the share capital of co-operative credit institutions as compared to Rs. 4.37 crores sanctioned to 13 State Governments during the year 1964-65. Of this, Rs. 32 lakhs were sanctioned for 2 apex co-operative banks, Rs. 116 lakhs for 47 central co-operative banks and Rs. 59 lakhs for 1,520 primary agricultural credit societies including 31 large size societies and Rs. 45 lakhs for 4 central land mortgage banks. The outstandings on account of loans to State Governments for share capital contribution amounted to Rs. 29.41 crores as on March 31, 1966, showing a decline of Rs. 47 lakhs over the year.

During the year, the Reserve Bank made a contribution of rupees one crore to the National Agricultural Credit (Stabilization) Fund raising the amount to the credit of the Fund to Rs. 10 crores. With a view to ensuring that the co-operative banks also built up their stabilization funds, the Reserve Bank, in consultation with the Standing Advisory Committee on Rural and Co-operative Credit, advised them to contribute at least 15 per cent of their net profits annually to these funds. The State Governments have also been requested to contribute to the stabilization funds of apex and central co-operative banks the dividend in excess of 3 per cent earned on the share capital held by them in these banks. As a special measure, *ad hoc* Government contributions to the funds at the level of the apex banks are also proposed depending upon their stabilization requirements.

The Agricultural Refinance Corporation continued to sanction long-term financial assistance for the development of agriculture and allied activities. During 1965-66 the Corporation sanctioned refinance in respect of 26 schemes of development involving a total financial outlay of Rs. 15.47 crores out of which the Corporation's commitment amounted to Rs. 12.29 crores. Out of these 26 schemes, 12 are to be financed through 5 central land mortgage banks, the refinance to be provided being in the form of contribution to special development debentures to be floated by these banks and the remaining 14 schemes

through 4 scheduled banks. Of the schemes sanctioned, seven pertain to reclamation and development of land (3.6 lakh acres), one to soil conservation (2.3 lakh acres), two each to development of arecanut and coconut plantations (7,000 and 17,000 acres respectively), seven to development of poultry farming and the others to development of certain important plantation crops like tea, coffee and rubber. The States to benefit by these schemes are Andhra Pradesh, Assam, Delhi, Gujarat, Kerala, Madras, Maharashtra, Mysore and West Bengal. In respect of two schemes sanctioned by the Corporation earlier, *viz.*, those for reclamation and development of land under the Parambikulam-Aliyar Project in Madras State and the Ghod and Gangapur Projects in Maharashtra State, the Corporation approved certain changes therein like reduction of acreage, revision in the phasing of implementation and reduction of financial outlay. The changes were proposed by the respective State Governments on account of various difficulties encountered by them in the implementation of the schemes. Besides the schemes referred to above, the Corporation had under its consideration several other schemes of development which were at various stages of scrutiny.

As stated in the last year's Report, the sanctioned schemes are to be implemented over a period of years and the actual disbursements of refinance in any one year would be small in relation to the total commitments made. Thus, against the total sanction of refinance of the order of Rs. 26.51 crores since the inception of the Corporation, four financing institutions, *viz.*, two central land mortgage banks and two scheduled banks made drawals against refinance facilities sanctioned in their favour. In all, the total drawals made from the Corporation by the banks stood at Rs. 423.60 lakhs as on March 31, 1966.

Constant efforts are being made by the Corporation to expedite the implementation of sanctioned schemes and preparation and finalisation of new worthwhile schemes. The Corporation tried to bring individual planters and others into contact with such of the scheduled banks as were not unwilling to consider worthwhile schemes. Further, the Corporation took up the matter of providing technical help to the financing banks with the various Statutory Boards connected with the development of plantation crops and accordingly the Rubber Board and the Coffee Board agreed to give all help necessary in this connection to the financing banks and planters, free of cost. The Tea Board also agreed to give their views on the technical feasibility of schemes submitted to the Corporation.

During the year under review, the Corporation announced the following changes in its terms and conditions of sanction of refinance facilities : (i) the raising, effective June 1965, of minimum amount of refinance admissible to the central land mortgage banks in respect of each individual scheme from Rs. 1 lakh to Rs. 5 lakhs and (*ii*) the raising effective February 1965, of the rate of interest from 5½ per cent to 6 per cent on refinance facilities to co-operative financing agencies ; in the case of scheduled banks, the rate (subject to a minimum of 6 per cent) will be such as will restrict the margin to the financing bank to 2½ per cent.

The Corporation also felt that the liberalisations made by it in the procedure for providing refinance facilities to scheduled banks in respect of schemes for the development of plantation crops would benefit mainly the large planters and that, therefore, if refinance facilities were to be provided to small planters also, the problems faced by them deserved special consideration. Accordingly, study was made of the problems facing the small tea planters in the Northern as well as in the Southern part of India. This study covered the long-term requirements of the small planters for new planting, replanting, etc. as well as the finance needed by them for seasonal operations.

In the sphere of *co-operative marketing* further progress was recorded during the year. The value of agricultural produce marketed by the co-operatives during the year ending June 1965 was approximately Rs. 301 crores as against Rs. 224 crores during the year 1963-64. Significant progress was made in the field of co-operative marketing of foodgrains. The value of foodgrains marketed by co-operatives increased from Rs. 40 crores in 1963-64 to Rs. 99 crores in 1964-65, exceeding the target of Rs. 85 crores fixed for the year. At a meeting of the Chief Executive Officers of the apex marketing societies and

Joint Registrars of Co-operative Societies (Marketing) held in August 1965, it was decided that the marketing co-operatives should aim at handling foodgrains of the value of Rs. 200 crores during 1965-66 (July-June). This target was also generally endorsed by the Annual Conference of the Registrars of Co-operative Societies and the State Ministers of Co-operation held in Bombay during October-November 1965. The value of foodgrains marketed by co-operatives at the end of March 1966 was of the order of Rs. 71 crores. Steps were taken to ensure that the apex marketing societies act, on behalf of the co-operative marketing structure, as the main agency for dealing with the Food Corporation of India and other State trading agencies.

During 1965-66, the scheme of price fluctuation fund, a reference to which was made in the last year's Report, continued to be implemented with certain modifications. The financial assistance in terms of additional share capital contribution was made by State Governments to selected societies for intensive development of marketing of foodgrains and making outright purchases. This contribution would be made in instalments of Rs. 25,000 each, subject to certain conditions. During the year about 300 societies are expected to avail of such assistance. Another important step taken for the development of co-operative marketing relates to the establishment of promotional and assessment cells in the apex marketing societies. During the year under review, financial assistance was sanctioned for the establishment of these cells in the National Co-operative Agricultural Marketing Federation and the apex marketing societies of Assam, West Bengal, Bihar, Uttar Pradesh, Rajasthan, Punjab, Madhya Pradesh, Gujarat, Maharashtra, Mysore and Madras. These cells include, among others, experts on organisational and financial problems, grading and marketing techniques and co-operative processing. The cost of the staff employed in these cells at the national and State levels is being met fully by the National Co-operative Development Corporation on a tapering scale over a period of 5 years, outside the State plan ceilings. Efforts continued to be made to forge an organic link between co-operative credit and co-operative marketing. The total amount of credit recovered through the interlinking arrangement is estimated at Rs. 30 crores during the year 1964-65 as against about Rs. 15 crores in 1963-64.

In the co-operative *processing sector*, further progress was recorded by the co-operative sugar factories during 1965-66. The number of co-operative sugar factories increased from 57 to 73 of which 51 were in production during the 1965-66 season as against 50 in the preceding season and 48 in 1963-64 season. The production of these factories during 1964-65 season showed an increase of 34.3 per cent over the preceding season while the corresponding increase in the joint stock sector was 24.7 per cent. The total share capital of the 57 co-operative sugar factories amounted to Rs. 24.33 crores as on June 30, 1965 of which the contribution from State Governments was Rs. 9.36 crores. The total loans sanctioned by the Industrial Finance Corporation since its inception upto March 1966 to co-operative sugar factories amounted to Rs. 39.45 crores of which Rs. 23.42 crores were outstanding. The aggregate limits sanctioned to them by the State Bank of India reached a level of Rs. 9.74 crores during 1965-66 and the outstandings at the end of March 1966 amounted to Rs. 7.72 crores.

The National Co-operative Development Corporation continued to act as a promotional and financing agency for the development of co-operative agricultural marketing, co-operative agricultural processing, rural supplies through co-operatives and co-operative storage. The total financial assistance given by the Corporation aggregated Rs. 9.39 crores during 1965-66 as against Rs. 6.95 crores in the preceding year. Of this, Rs. 2.91 crores were advanced as share capital contribution to marketing and processing co-operatives, Rs. 1.83 crores for construction of godowns and cold storages, Rs. 33 lakhs as cash credit accommodation to wholesale consumers' co-operatives, Rs. 5 lakhs for purchase of trucks by consumers' co-operatives and Rs. 20 lakhs for purchase of transport vehicles by marketing/processing societies. Besides, the Corporation assisted co-operative rice mills to the tune of Rs. 4.08 crores.

Upto 1964-65, 802 processing units other than sugar factories were provided financial asistance by the National Co-operative Development and Warehousing Board/National

Co-operative Development Corporation. Another 105 units are likely to have been assisted during 1965-66. Besides, establishment of 470 conventional rice mills and 5 modern rice mills has been contemplated by the Corporation for assistance out of its own funds. Of these, 277 conventional rice mills were assisted in 1965-66 and the modern rice mills in 1964-65. The co-operative marketing and processing societies other than sugar factories continued to avail of credit limits from the State Bank of India. The limits sanctioned by the State Bank during the year 1965-66 were Rs. 136 lakhs and the amount outstanding at the end of the year was Rs. 32 lakhs.

The number of wholesale and retail consumers' stores organised under the Centrally sponsored scheme increased from 222 and 3,837 respectively at the end of December 1964 to 230 and 7,332 at the end of December 1965. The total share capital and working capital of the wholesale stores stood at Rs. 3.52 crores and Rs. 16.29 crores respectively in December 1965, as against Rs. 2.75 crores and Rs. 12.75 crores respectively in December 1964. To help the wholesale stores to meet their working capital requirements adequately, a scheme has been finalised under which advances upto 25 per cent made by the financing agencies to them will be guaranteed by the Government. Total turnover of the stores increased from Rs. 61 crores during January-December 1964 to Rs. 125 crores during January-December 1965. The share of controlled commodities to total goods sold has increased during the year from 62 per cent to 82 per cent. From the point of view of development of these stores in the long-term, the Annual Conference of State Ministers, November 1965, stressed the need for diversification of business both by wholesale and retail stores. The facilities and concessions to maintain the supply position continued to be given to the stores this year also. The Centrally sponsored scheme envisaged the organisation of State Federations of wholesale stores. Ten State Federations of wholesale stores were registered by December 1965 as against four by December 1964. A National Federation of State level consumer federations was also registered during the year. The main functions of this organization *inter alia* would be to import consumer goods on behalf of the consumers' co-operatives, to establish contacts with the textile mills and other big manufacturers in the country for arranging equitable distribution of supplies to the State federations and to take up large-scale processing and manufacturing of consumer goods. During the year, efforts were made to establish a healthy relationship between the consumers' co-operatives and the marketing societies. The wholesale stores entered into contracts with marketing societies in different parts of the country for the supply of pulses, spices, etc.

Another Centrally sponsored Scheme for distribution of consumer articles in rural areas through marketing societies and village co-operatives also showed progress. The number of marketing societies and village societies undertaking this work increased from 1,175 and 25,386 respectively, in 1963-64 to 1,200 and 40,000 in 1964-65. The value of consumer articles distributed through these societies increased from Rs. 76 crores to Rs. 102 crores during the same period.

Storage facilities provided by the Central Warehousing Corporation increased further during 1965-66. As at the end of March 1966, 82 warehouses were functioning with a total storage capacity of 3.0 lakh tonnes, of which 1.3 lakh tonnes was in owned accommodation. Apart from these, 18 special warehouses were functioning in the States of Madras and Andhra Pradesh for storage of foodgrains on behalf of the Food Corporation of India. The State Warehousing Corporations also made considerable progress. During the year ended March 1965, they set up 27 warehouses and 26 sub-warehouses, raising the progressive total to 444 warehouses, and 93 sub-warehouses. The total storage capacity was 5.6 lakh tonnes at the end of March 1965. Besides, construction was in progress at 47 centres for providing an additional storage capacity of 72 thousand tonnes.

CHAPTER IV : CAPITAL MARKET

The Gilt-edged Market

The gilt-edged market, which had evinced a generally easy tone during 1964-65 in the context of a dear money policy, continued to rule weak during 1965-66. Apart from declines in gilt-edged values resulting from the process of adjustment to the new pattern of higher interest rates, the market was also affected by the unusual stringency in the money market during the greater part of the year. The Reserve Bank's open market operations (excluding purchases from the State Bank of India on account of P.L. 480 funds) resulted in smaller net sales amounting to only Rs. 18.8 crores as compared to net sales of Rs. 98.6 crores during 1964-65 and Rs. 44.7 crores during 1963-64.

The easy tendency in gilt-edged became more pronounced following the announcement by the Central Government in June of their borrowing programme for the year consisting of two cash-cum-conversion loans *viz.*, the 4½ per cent Loan 1971 and the 5½ per cent Loan 1990, with yields of 4.60 per cent and 5.50 per cent, respectively, which were higher than those on existing issues of comparable maturity *viz.*, 4.41 and 4.82 per cent. There was a further downward tilt in gilt-edged values following the announcement in August by State Governments of their borrowing programme, the new 5½ per cent Loans 1977 issued by them giving yields ranging between 5.50 and 5.62 per cent as compared to yields ranging between 5.14 and 5.75 per cent on existing loans of comparable maturity.

The Reserve Bank's All-India Index of Government and Semi-Government Securities (*base:* 1961-62=100) showed a steady decline from 97.1 at end-March 1965 to 93.6 by end-March 1966, falling by 3.6 per cent over the year as against a decline of 1.8 per cent during 1964-65. Region-wise, Bombay witnessed a fall of 3.1 per cent, Calcutta 3.4 per cent and Madras 4.5 per cent as against 2.7 per cent, 2.1 per cent and 0.9 per cent, respectively, during 1964-65.

Loan-wise, the decline was more marked in the medium and long-dated loans. The 3 per cent Conversion Loan 1986 or later showed a decline over the year, of Rs. 4.00 to Rs. 53.75 on March 31, 1966. The long-dated 4 per cent Loan 1981 fell by Rs. 8.75 to Rs. 85.25 and the 4½ per cent Loan 1986 by Re. 1.00 to Rs. 98.00. In the medium-dated section, the 4 per cent Loan 1979 declined by Rs. 8.85 to Rs. 86.15 and the 3¾ per cent Loan 1974 by Rs. 2.30 to Rs. 89.70. Among the short-dateds, the decline in prices ranged from 5 p. in the case of the 3½ per cent Loan 1966 (which fell to Rs. 99.70) to 70 p. in the case of 4 per cent Loan 1970 (which fell to Rs. 97.85). As for the new loans floated during the year, the 5½ per cent Loan 1990 moved up by 10 p. to Rs. 100.10 while the 4½ per cent Loan 1971 eased by 5 p. to Rs. 99.45.

The declines in State loans were sharper. In the medium-dated section where the declines were more marked, the 4½ per cent Loan 1974 of Assam State fell by Rs. 11.75 over the year ended March 31, 1966 and the 4¼ per cent Loan 1972 of Madhya Pradesh by Rs. 5.25. Among short-dateds, the declines ranged between 15 p. in the case of the 4¼ per cent Loan 1970 of Madhya Pradesh and Rs. 4.90 in the case of the same issue of Maharashtra. The new 5½ per cent Loans 1977 were quoted at a discount over their issue prices, the discount ranging from Rs. 2.50 in the Maharashtra issue to Rs. 8.80 in the Madras and Andhra issues.

Reflecting mainly the slump in gilt-edged prices the yields rose substantially. Among the short-dated Central Government loans, the rise in the yield ranged from 0.22 point in the case of the 4 per cent Loan 1969 to 0.85 point in the case of the 3½ per cent Loan 1967. In the medium-dated section, the yield on the 3¾ per cent Loan 1974 rose by 0.47 point to 5.30 per cent whereas the yield on 2¾ per cent Loan 1976 recorded a rise of 1.19 points to 6.00 per cent. The increase in yields among long-dateds ranged from 0.09 point in the case of the 4½ per cent Loan 1986 to 0.87 point in the case of the 4 per cent Loan 1981. In the State list, among short-dated issues, the yields on the 4¼ per cent Loan 1970 of Madhya Pradesh and Maharashtra rose by 0.12 and 1.43 points to 4.86 per cent and

6.14 per cent respectively. In the medium-dated section, the yields on the 4¼ per cent Loan 1972 of Madhya Pradesh rose by 1.05 points to 5.70 per cent and on the 4½ per cent Loan 1974 of Assam by 1.94 points to 6.80 per cent.

Equities

In the industrial securities market, the bearish trend noticed since mid-May 1962 generally continued during the greater part of 1965-66 and, despite a modest recovery in the closing quarter, equities recorded widespread losses over the year.

The downtrend in share prices which was touched off by a rise in the Bank rate from 5 to 6 per cent effective February 17, 1965 and the imposition, on the same date, of a regulatory customs duty of 10 per cent on all imports with a few exceptions (referred to in last year's Report) continued till the end of May. During this period the sentiment of the market was adversely affected also by (*i*) border troubles with Pakistan, (*ii*) the postponement till the end of June, 1965 of the announcement of the new import policy for the half year April-September 1965 and (*iii*) apprehensions of likely drastic cuts in imports. The Reserve Bank's All-India Index of Variable Dividend Industrial Securities (*base :* 1961-62=100), which had closed at 81.6 at end-March 1965, receded to 79.4 by end-May.

During June, there was a temporary revival in share prices attributed to technical considerations as also to encouraging corporate news, reported sizeable purchases by the Life Insurance Corporation and the Government's decision contained in the Bonus Ordinance which made bonus payable retrospectively from 1964 instead of from 1962 as recommended by the Bonus Commission. The index of share prices recovered partially to 80.9 by the close of June. From June-end, however, there was a decline, equities touching a new low by the middle of December. The main factors responsible for this downtrend were (*i*) the continued deterioration in the foreign exchange situation, (*ii*) issue of a notification by the Reserve Bank on June 29 requiring every importer to deposit with an authorised dealer 25 per cent of the value of each shipment prior to the despatch of goods to India, (*iii*) the announcement on June 30 of the new import policy envisaging further curbs on imports, (*iv*) the recommendations in July of the Wage Board for the Iron and Steel Industry for a substantial increase in minimum wages, (*v*) the reported decision of the Committee of the National Development Council that both the Centre and the States should introduce supplementary budgets during the current financial year to raise additional resources to finance plan expenditure, (*vi*) the Indo-Pak armed conflict, (*vii*) the presentation on August 19 of the supplementary Central budget with proposals for additional taxation expected to yield Rs. 100 crores during the rest of the financial year and (*viii*) temporary suspension of foreign aid. Against the background of these bearish factors, the reported sizeable investments in industrial securities by the Life Insurance Corporation and intermittent purchases by the Unit Trust of India did not have much effect. The index of share prices receded continuously during this period from 80.9 at end-June to a low of 71.5 in the week ended December 18, 1965.

From mid-December, however, a revival in market sentiment was discernible, which was partly technical and partly attributed to (*i*) the news of the grant of rupee loans from counterpart funds to the Industrial Credit and Investment Corporation of India and the Industrial Development Bank of India totalling Rs. 35 crores, (*ii*) improved prospects of larger food imports and (*iii*) the signing of the Tashkent Declaration on January 10, 1966. There was some uneasiness in the latter half of January following the sudden demise of Shri Lal Bahadur Shastri, but market sentiment was aided by the policy statement of the new Prime Minister towards the close of January that private enterprise would continue to receive encouragement and assistance from the Government. The market was also favourably influenced by the U.S. Vice-President's announcement on February 17 of a $100 million aid to India for import of essential raw materials for industries. The Union budget proposals for 1966-67 contained some new imposts calculated to bring in net additional receipts of Rs. 92 crores to the Centre but it also contained some fiscal reliefs and incentives, particularly (*i*) the abolition of the notional capital gains tax on bonus shares issued to individual investors and of the 12.5

per cent bonus issue tax payable by companies and (*ii*) the exemption of the 7.5 per cent dividend tax on the equity distribution by companies upto 10 per cent of paid-up equity capital. Equities reacted bullishly, sentiment being aided by expectations of a spate of bonus issues and renewed optimism regarding foreign aid. The index of share prices recovered from 71.5 in mid-December to 74.1 in the week ended February 26, 1966 and further to 75.9 in the week ended March 26, 1966. But over the year 1965-66 as a whole, the index showed a decline of 7.0 per cent as compared to a decline of 5.9 per cent during 1964-65 and a rise of 4.6 per cent during 1963-64.

Region-wise, the largest decline was recorded by the Calcutta market (9.5 per cent) followed by Bombay (5.9 per cent), Madras (4.8 per cent), Delhi (4.1 per cent) and Ahmedabad (1.5 per cent).

In line with the general trend, most of the sub-groups showed losses over the year notable among them being jute textiles which declined by 23.9 per cent. Despite the creditable performance of the jute industry both in production and exports, the industry was faced with narrowing margins of profits. Howrah and Birla Jute declined from Rs. 14.50 and Rs. 33.19, respectively at end-March 1965 to Rs. 13.75 and Rs. 24.62 by the close of March 1966. Coal group fell by 14.1 per cent as the industry continued to be faced with rising costs of production. Burrakur Coal and Bengal closed lower at Rs. 14.00 and Rs. 177.00, respectively, as compared to the preceding year's closing levels of Rs. 15.12 and Rs. 225.00. The shares of the cotton textile industry, which was faced with the problem of reduced off-take and stocks accumulation, fell by 11.9 per cent. In Bombay, Kohinoor and Standard lost Rs. 63.50 and Rs. 37.00, respectively, over the year to close at Rs. 250.50 and Rs. 394.00. Sugar group showed a decline of 9.2 per cent ; despite record production, the sugar industry was confronted with reduced profit margins. A few sub-groups, however, showed rises over the year. Iron and steel, and cement shares, improved by 3.2 per cent each. In the former, besides the satisfactory working results of the main producers, sentiment was also helped by the agreement reached between the Government and the Indian Iron and Steel Company about the repayment of loan while Government's decision on decontrol of cement helped the sentiment in the latter. Among steel shares, Tata Steel firmed up from Rs. 143.00 to Rs. 159.75 by June-end in view of the satisfactory working results of the company, and, after reacting to Rs. 133.00XD following the declaration of dividend of Rs. 12.00 which fell short of market's expectations, recovered to close at Rs. 142.25. Indian Iron showed a net rise of Rs. 1.20 to Rs. 25.58. In the plantation group, rubber shares rose by 7.0 per cent in view of the bright prospects for the industry and better corporate outlook. The cash section continued to be weak generally despite selective support. Colour Chem fell by Rs. 32.50 to Rs. 235.00, Bombay Oxygen by Rs. 18.00 to Rs. 35.00 and Indian Rayon by Rs. 7.00 to Rs. 37.00. Anil Hardboard and Ceat Tyres, however, gained Rs. 5.00 and Rs. 4.00, respectively, at Rs. 130.00 and Rs. 81.00.

As regards fixed-interest-yielding industrial securities, the easiness noticed in these in the latter part of 1964-65 became more pronounced during 1965-66. The all-India index for preference shares (*base :* 1961-62=100) declined continuously from 100.4 at the close of March 1965 to 90.9 at the close of March 1966—a fall of 9.5 per cent as compared to a fall of 0.7 per cent in 1964-65 and a rise of 1.6 per cent in 1963-64. The index for debentures also moved down from 95.0 at the end of 1964-65 to 93.1 by the close of 1965-66, showing a net decline of 2.0 per cent as compared to a net decline of 0.6 per cent during 1964-65 and of 0.3 per cent during 1963-64.

During the year, there was a further levering up of yields on industrial securities reflecting the dear money conditions. Thus, the average yield on variable dividend industrial securities rose from 6.05 per cent to 6.64 per cent, that on preference shares from 6.72 per cent to 7.40 per cent and that on debentures from 5.78 per cent to 6.39 per cent.

Capital Issues

New issue activity remained subdued during 1965-66 with entrepreneurs continuing to experience difficulty in raising the necessary

resources. The magnitude of total capital issues (through prospectus and rights) was lower in 1965 than in 1964 due to a substantial decline in the amount issued for raising risk capital *viz.*, ordinary shares. On the other hand, the trend in favour of fixed-income yielding securities *viz.*, preference shares and debentures continued during the year. There was a marked fall in both the number and amount of ordinary capital issues as compared with the previous year, while those for both preference shares and debentures showed increases indicative of the continued investor preference for securities offering safety of capital and a fixed return. Preference shares and debentures issued during the year offered higher rates of return also. The rate of dividend offered on preference issues generally ranged between 9.3 to 9.5 per cent though there were instances of even 10 per cent having been offered. In the case of debentures also, there was a general trend to increase the rate of interest from 7 per cent to $7\frac{1}{2}$-$7\frac{3}{4}$ per cent and one issue was placed on the market at even 8 per cent. As between 'initial' and 'further' issues of capital, 'initial' issues *i.e.*, issues by new companies, suffered a sharp setback as reflected in a decline in both the number and magnitude of such issues during the year. As regards capital issues made through prospectus, although the net amount offered to the public was appreciably higher in 1965 than in 1964, there was a substantial decline in the amount of foreign participation. During the first quarter of 1966, new issue activity continued to remain subdued though towards the close there were some indications of a change in the investment climate following better prospects of an early resumption of foreign aid and the announcement of certain fiscal concessions in the 1966-67 Budget.

The public response to the issues continued to be poor, a few selected issues only being fully subscribed. In view of the uncertainty of raising capital successfully, entrepreneurs were particularly anxious to have their issues underwritten. Consequently, there was a spurt in underwriting activity, almost the entire amount offered to the public having been underwritten. As a result of poor public response, a large part of the underwritten amount had to be taken up by the underwriters themselves. The term-lending financial institutions (as also the LIC and the UTI) provided the bulk of the underwriting assistance. The financial institutions also made available larger loan finance to the private sector of industry.

Consents for the issue of capital, which indicate broadly the investment intentions of the private sector, showed a marked decline in 1965, total consents (including bonus and miscellaneous issues) for non-Government companies* being Rs. 166.5 crores during 1965 as against Rs. 224.8 crores in 1964. Consents for the issue of shares (other than bonus) and debentures, which had shown a continuous decline since 1963, fell further from Rs. 138.9 crores in 1964 to Rs. 86.3 crores in 1965. This fall of Rs. 52.6 crores was mainly accounted for by a greater decline (Rs. 39.4 crores) in the consents for 'further' issues relatively to the decline (Rs. 13.3 crores) in 'initial' issues'. Security-wise, the total consents for *ordinary* shares were almost halved from Rs. 101.8 crores in 1964 to Rs. 53.4 crores in 1965, with their percentage to total declining from 73.2 to 61.8. There was a marginal increase in the consents for the issue of *preference* shares to Rs. 11.9 crores but those for the issue of *debentures* were somewhat lower at Rs. 21.0 crores in 1965 as compared with Rs. 25.4 crores in 1964. As a proportion to total consents, however, both preference share and debenture issues showed significant increases, the former from 8.5 per cent to 13.8 per cent and the latter from 18.3 per cent to 24.4 per cent. As regards foreign participation, the number of consents involving foreign participation declined from 90 in 1964 to 72 in 1965 ; the amount involved in such consents was also lower at Rs. 93.0 crores as compared to Rs. 102.5 crores in 1964. The proportion of consents involving foreign participation was, however, higher at 55.9 per cent of total consents in 1965 as against 45.6 per cent in 1964. There was no significant change in the amount of consents for bonus issues ; such consents, which had declined sharply from Rs. 10.8 crores in 1963

* Total consents given to Government companies during 1965 amounted to Rs. 109·3 crores as against Rs. 167.5 crores in 1964, their share declining from 42.7 per cent to 39·6 per cent.

to Rs. 4.1 crores in 1964, increased only marginally to Rs. 4.9 crores in 1965. In the first quarter of 1966, however, available data indicate a marked rise in such consents following the removal, in the 1966-67 Budget, of the 12.5 per cent tax on bonus issues and of the capital gains tax on notional gains arising from the issue of bonus shares.

As regards capital actually raised against consents and under the Exemption Order, the total amount raised by non-Government companies through shares (other than bonus) and debentures in 1965 amounted to Rs. 98.7 crores—a level which was higher than that in 1964 (Rs. 94.1 crores) and that in 1963 (Rs. 94.2 crores) but lower than that in 1962 (Rs. 108.3 crores). The rise during 1965 was wholly on account of debentures and preference shares, while the amount raised through equity capital was substantially lower. Thus, while the capital raised through debentures increased from Rs. 11.1 crores in 1964 to Rs. 21.1 crores in 1965 and that through preference shares more than doubled from Rs. 4.8 crores to Rs. 9.8 crores, there was a marked decline in the amount of equity capital from Rs. 78.2 crores to Rs. 67.8 crores.

During the year, the Government took further measures calculated to improve the climate for investment and to revive the capital market. Mention was made in the last year's Report of the selective tax concessions to companies in specified basic and priority industries as well as the introduction of a scheme of tax-credit certificates as incentives to encourage equity investments in new industrial enterprises, higher production, exports, growth and expansion of specified industries. In the Supplementary Budget presented to Parliament in August 1965, the development rebate in respect of new plant and machinery installed after March 31, 1965, by specified industries was enhanced from 25 per cent to 35 per cent. In order to encourage the expansion of selected industries, the Government relaxed the industrial licensing procedures relating to expansion and diversification of production as well as for the establishment of new units.* The 1966-67 Budget also provided for further fiscal reliefs with a view to making the economic climate more favourable to investors. In addition to the abolition of bonus tax, referred to earlier, the company Sur-tax was reduced from 40 per cent to 35 per cent, while companies were also given exemption from the 7.5 per cent dividend tax in respect of their distribution upto 10 per cent of paid-up equity capital. Three more industries *viz.*, tea plantations, newsprint and printing machinery were also included in the list of priority industries entitled for special tax concessions. Apart from these measures, the resources of the specialised financial institutions *viz.*, the IDBI, the IFC and the ICICI were further augmented through the grant of loans from the Government so as to enable these institutions to meet the growing requirements of funds by industries.

Special Financial Institutions Providing Industrial Finance

Financial assistance in the form of loans, underwriting and direct subscription to shares and debentures sanctioned by the more important term-lending financial institutions *viz.*, the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFC), the Industrial Credit and Investment Corporation of India (ICICI) and the State Financial Corporations (SFCs) to private sector of industry, was appreciably higher during 1965-66 at Rs. 162.8 crores as compared with Rs. 91.7 crores in the previous year. Disbursements were also substantially higher at Rs. 98.8 crores in 1965-66 as against Rs. 70.0 crores in 1964-65. In keeping with its role as the apex term-lending institution, the IDBI's operations recorded considerable expansion during the year. The table 1 on the next page shows the total assistance† sanctioned and disbursed by these institutions to industrial concerns during 1964-65 (April-March) and 1965-66 (April-March).

Apart from these term-lending institutions whose activities have been detailed in the

* In May 1966, the Government decided to exempt 11 industries from the licensing provisions of the Industries (Development and Regulation) Act, 1951.

† Comprising loans, underwriting and direct subscription to shares and debentures and in the case of IDBI, refinance to banks and rediscounting of bills also. In the case of rediscounts, assistance disbursed has been taken as assistance sanctioned.

Table 1 (Rs. crores)

Name of Institution	Sanctioned	Disbursed	Sanctioned	Disbursed
	1964-65		1965-66	
Industrial Development Bank of India (IDBI)*	21.3	18.7	69.3	35.6
Industrial Finance Corporation (IFC)**	24.6 (7·0)	20.1 (2·5)	43.5 (4·1)	25.3 (3·1)
Industrial Credit & Investment Corporation of India (ICICI)	23.1 (10·9)	17.0 (8·0)	24.7 (12.2)	19.9 (12·6)
State Financial Corporations (SFCs)	22.7	14.2	25.3	18.0
Total	**91.7 (17.9)**	**70.0 (10.5)**	**162.8 (16.3)**	**98.8 (15.7)**

* Data for 1964-65 cover the operations of RCI for 5 months (prior to its merger with IDBI on September 1, 1964), the refinance operations of IDBI for the subsequent 7 months as well as the direct financial assistance of IDBI during the first 9 months since its inception on July 1, 1964. To avoid double counting, refinance extended to SFCs has been excluded throughout as this is already covered under their loans. No refinance was availed of by IFC and ICICI during the period. Refinance to commercial banks and co-operative banks has, however, been included. **Disbursements are inclusive of those on account of guarantees.

Figures in brackets relate to loans in foreign currency.

following paragraphs, there are other institutions like the L.I.C., U.T.I. and the State Industrial Development Corporations (SIDCs) providing assistance to industry either directly or indirectly through their operations. The SIDCs have been established by a number of State Governments in order to accelerate the tempo of industrial growth. In addition to granting loans, issuing guarantees and assisting in underwriting of shares and debentures, some of the SIDCs have been entrusted with the task of developing and managing industrial estates. A few of these can also engage in activities like the generation, transmission and sale of electricity in specified areas. The SIDCs thus combine in their operations the functions of entrepreneurs, financiers and welfare bodies. Most of these Corporations are of recent origin and are in a nascent stage. So far, eleven SIDCs have been set up in the States of Andhra Pradesh, Bihar, Gujarat, Kerala, Madras, Madhya Pradesh, Maharashtra, Mysore, Orissa, Punjab and Uttar Pradesh. Loans, underwriting and direct subscription to shares and debentures sanctioned and disbursed by SIDCs in 1965-66 amounted to Rs. 1.7 crores and Rs. 1.4 crores, respectively, as against Rs. 2.5 crores and Rs. 1.3 crores in 1964-65.

Industrial Development Bank of India: The Industrial Development Bank of India, established in July 1964 as an apex institution to co-ordinate the activities of other term-lending institutions and to provide direct financial assistance to industry, considerably strengthened its organisational set-up during the year. In the result, it was able to expand its activities appreciably. In particular, with the institution of appropriate machinery for the technical and financial appraisal of industrial projects and the evolution of procedures for joint consideration of applications with other financial institutions, the IDBI's operations gathered momentum during the year, especially, in the sphere of direct assistance. The table 2 on the next page summarises the operations of the Bank during 1965-66 and compares them with those during the period July 1964–March 1965.

During the year, the Bank sanctioned direct financial assistance (net) amounting to Rs. 57.6 crores, comprising 28 applications for underwriting of shares (including debentures and convertible notes) involving commitment of Rs. 10.5 crores, 18 applications for direct loans totalling Rs. 37.7 crores and 5 applications in respect of guarantee for loans and deferred payments of Rs. 9.4 crores. This assistance went to 38 industrial concerns, mostly for new projects. Industry-wise, they covered a wide range and included both traditional and new industries, such as cotton textiles, paper and pulp, cement, rayon yarn, petro-chemicals, alloy steels, manufacture of machinery and

Table 2 (Amount in crores of rupees)

	April 1965—March 1966			July 1964—March 1965		
	Assistance sanctioned		Assistance disbursed	Assistance sanctioned		Assistance disbursed
	No.	Amount	Amount	No.	Amount	Amount
1. Refinance	174 (172)	25.15 (24.13)	25.01	94 (90)	19.02 (17.60)	14.66
2. Direct Loans to Industrial Units	19 (18)	41.79 (37.74)	10.24	2 (2)	0.46 (0.46)	—
3. Underwriting of shares, debentures and convertible notes	28 (28)	10.75 (10.54)	2.81	18 (17)	3.08 (2.95)	0.17
4. Subscription to shares and bonds of financial institutions	8 (8)	1.84 (1.84)	1.84	4 (4)	1.25* (1.25)	1.25*
5. Rediscounting of Bills	15 (15)	16.75** (16.75)	1.79	—	—	—
Sub-Total	**244 (241)**	**96.28 (91.00)**	**41.69**	**118 (113)**	**23.81 (22.26)**	**16.08**
6. Guarantees of loans and deferred payments	5 (5)	10.10 (9.35)	—	1 (—)	1.00 (—)	—
Total	**249 (246)**	**106.38 (100.35)**	**41.69**	**119 (113)**	**24.81 (22.26)**	**16.08**

* Excluding purchase of shares of the Industrial Finance Corporation of India (IFC) of Rs. 4.17 crores, in terms of Section 4A of the IFC Act, as amended.

** Excluding a limit of Rs. 8.00 crores sanctioned for the period April 1, 1965 to September 30, 1965.

Note: Figures in brackets relate to effective sanctions i.e. gross sanctions *minus* sanctions which have lapsed.

metal products. The amount of direct assistance disbursed by the Bank since its inception by way of underwriting and loans amounted to Rs. 13.2 crores, of which Rs. 13.1 crores were disbursed during the year. In view of the large number of applications flowing into the Bank from industries of high priority and the special responsibility vested in the IDBI to develop its specialised fields of lending in new sophisticated sectors of industry, a shift of emphasis in policy was considered desirable. Accordingly, the Bank reviewed its policies with regard to the grant of financial assistance to industrial units as also refinance of loans given by banks and financial institutions. The Bank has decided to give preferential treatment generally to defence and export-oriented industries, industries producing essential consumer goods and those providing a basis for agricultural development as well as industrialisation.

Effective from March 5, 1965, the lending rate of the IDBI has been 8 per cent with a penalty charge of ½ per cent for default. In addition, a commitment charge is also levied.

Reference was made in the last year's Report to the scheme introduced on April 1, 1965 for rediscounting of usance bills, promissory notes arising out of sales of indigenous machinery on deferred payment basis in respect of specified industries *viz.*, cotton textiles, jute, silk and art silk, cement, sugar and paper machinery manufacturing industries. The working of the scheme was reviewed during the year and some important modifications were made with the object of reducing the cost and enlarging the volume of credit available to this sector of industry. Bills/promissory notes arising out of sales of indigenous agricultural implements by machinery manufacturers on a deferred payment basis were brought under the purview of the scheme. The rate of rediscount which is linked to the maturity period and the rate of discount charged to the machinery manufacturers varies between 5½% and 6½%. The list of eligible institutions under the scheme was also enlarged to include the Industrial Finance Corporation of India, all State Financial Corporations and six State co-operative banks in the States of Andhra Pradesh, Madhya

Pradesh, Madras, Maharashtra, Punjab and West Bengal, thus bringing the total number of eligible institutions to 82.* During the year, under the scheme, the Bank sanctioned credit limits to 15 eligible institutions for an aggregate amount of Rs. 16.8 crores, the amount of bills rediscounted being Rs. 1.8 crores.

Assistance from the IDBI to industrial units requiring medium-term loans for fuller utilisation of installed capacity and relatively quick increase in productive facility through expansion and modernisation as also for setting up new units, is provided through refinance of industrial loans granted by banks and other financial institutions. Commercial banks continued to maintain their predominant position in utilising the refinance facilities afforded under the scheme.

The total refinance made available since 1958 with the inception of the Refinance Corporation for Industry Ltd. (now merged with the IDBI from September 1, 1964) amounted to Rs. 102.2 crores in respect of 663 applications. The total disbursements so far amounted to Rs. 78.3 crores, of which a sum of Rs. 16.3 crores was repaid, the amount outstanding as on March 31, 1966 being Rs. 62.0 crores.

As regards refinancing of export credits, the provision that the export contract should be for a minimum amount of Rs. 1 lakh was removed in June 1965, with a view to extending the benefits of the scheme to exporters who ship goods even for small amounts. Refinance of export credit, it may be recalled, is being provided by the IDBI at a concessional rate of interest ; this rate has remained unaltered since December 1963 despite an increase in other lending rates. The concessional rate is $4\frac{1}{2}$ per cent, provided the banks charge to the borrower not more than 6 per cent ; the rate charged is 5 per cent in other cases. During 1965-66, two applications for refinance of export credits for Rs. 77.9 lakhs were sanctioned. A sum of Rs. 84.6 lakhs was disbursed during the year, the amount outstanding at the end of the year being Rs. 57.0 lakhs.

Under the scheme for the guarantee of loans to colliery units in the private sector, 10 applications for advances aggregating Rs. 56.2 lakhs were received during 1965-66 from three credit institutions and nine guarantees for Rs. 40.1 lakhs were issued. Since April 1963, (when the scheme was first introduced) upto the end of March 1966, 56 guarantee applications for advances aggregating Rs. 5.5 crores were received from 11 credit institutions, of which 47 guarantees for Rs. 3.7 crores were issued.

The IDBI also assisted the State Financial Corporations by subscribing to their share and bond issues during 1965-66. It subscribed a sum of Rs. 1.6 crores to the bonds of seven State Financial Corporations and Rs. 25 lakhs to the share capital of the Madras Industrial Investment Corporation. These operations were financed out of the borrowings from the National Industrial Credit (Long-term Operations) Fund. At the end of March 1966, the outstanding borrowings from the Fund amounted to Rs. 3.1 crores.

In the sphere of long-term finance to industry, the Bank continued to provide assistance to financial institutions through refinance and rediscounting of bills and to industrial concerns direct in the form of loans, underwriting and guarantees. Under the refinancing scheme, primary lenders bear full risk in financing an industrial concern, while in the sphere of direct lending by the IDBI, there is already an element of participation of *ad hoc* nature with other institutions. With a view to supplementing its refinance operations with a measure of risk-sharing with other institutions on a systematic basis, the IDBI introduced a Participation Scheme for this purpose, with effect from April 1, 1966. The financial institutions covered under the scheme for participation are those scheduled banks, State co-operative banks and term-lending institutions which are eligible for refinancing facilities. The eligible industries will normally be those falling within priority sectors of the economy. The maximum extent to which the IDBI will participate in a loan, with one or more financial institutions, will be 75 per cent thereof, the normal extent being lower, depending on the size of the loan, resources of the financing institution, period of loan, nature of industry,

* Two more State co-operative banks have since been included in the list of eligible institutions.

etc. In exceptional cases, the IDBI might consider participation upto 80 per cent. The IDBI would also be prepared to consider financing later maturities of loans, allowing the other participating institutions to take up earlier maturities. Where the IDBI participates in lending, refinancing facilities would not normally be extended to the institutions in respect of the portion financed by them. Normally loans for Rs. 25 lakhs and above in the case of State Financial Corporations and Rs. 50 lakhs and above in the case of banks and other financial institutions, will be eligible for participation. Interest is to be charged at a rate to be considered in each case with due regard to the prevailing lending rate of the IDBI for direct assistance and the lending rate of the other participating institutions. The IDBI would also be prepared to participate with financial institutions in the issue of guarantees for loans, deferred payment arrangements, etc., the minimum amount of guarantees eligible for participation being Rs. 50 lakhs in respect of SFCs and Rs. 1 crore in respect of banks and other financial institutions.

Industrial Finance Corporation of India: The total financial assistance sanctioned by the Industrial Finance Corporation of India during 1965-66 (April-March) was appreciably higher at Rs. 45.9 crores as compared to Rs. 27.8 crores in 1964-65. This was made up of rupee loans of Rs. 33.5 crores, foreign currency loans of Rs. 4.1 crores, underwriting of share capital and debenture issues to the extent of Rs. 5.8 crores and deferred payment guarantees of Rs. 2.5 crores. As regards loan assistance, the Corporation sanctioned 100 loans in rupee and foreign currency for an aggregate amount of Rs. 37.6 crores as against 74 loans for Rs. 20.8 crores in the previous year. Disbursements were also higher at Rs. 21.2 crores (comprising Rs. 18.1 crores in rupee loans and Rs. 3.1 crores of foreign currency loans) as against Rs. 17.6 crores in 1964-65 (Rs. 15.1 crores of rupee loans and Rs. 2.5 crores of foreign currency loans). The loan assistance approved related to the setting up of new units, expansion, diversification into new lines of production and renovation of existing units. The important industries to which loans were sanctioned were chemicals and fertilisers, sugar, paper, cotton textiles, engineering, cement and automobiles.

The underwriting assistance sanctioned by the Corporation was also higher (Rs. 5.8 crores) than in the previous year (Rs. 3.8 crores). During the year under review, the Corporation approved underwriting support for 35 equity issues for Rs. 2.6 crores, 20 preference issues for Rs. 1.4 crores and 5 debenture issues for Rs. 1.8 crores. During 1964-65, underwriting assistance for Rs. 3.8 crores comprised 28 equity issues for Rs. 1.7 crores, 19 preference share issues for Rs. 0.7 crore and 2 debenture issues for Rs. 1.4 crores.

The actual underwriting operations completed during the year aggregated Rs. 3.9 crores in respect of 25 issues made up of Rs. 1.7 crores of equity shares, Rs. 1.4 crores of preference shares and Rs. 0.8 crore of debentures. Of these, only one preference share issue was fully subscribed and the amount that devolved on the Corporation in respect of the remaining 24 issues was Rs. 3.2 crores (comprising Rs. 1.5 crores of equity, Rs. 1.1 crores of preference shares and Rs. 0.6 crore of debentures) representing 82.1 per cent of the total amount underwritten. The amount disbursed on account of underwriting during 1965-66 stood at Rs. 4.1 crores as against Rs. 2.5 crores in 1964-65. Since its inception, out of Rs. 15.7 crores underwritten by the Corporation in respect of 91 issues and placed in the market, Rs. 12.7 crores or about 81 per cent devolved on it.

During 1965-66, the Corporation sanctioned 6 applications for guaranteeing deferred payments of Rs. 2.5 crores in respect of imports of machinery and equipment as compared to Rs. 2.2 crores in respect of 5 applications in the previous year. The Corporation also issued letters of guarantee for deferred payments to the extent of Rs. 1.7 crores in respect of 4 cases that were sanctioned in the previous years, as compared to Rs. 0.7 crore in respect of 2 cases in 1964-65. There was no fresh sanction of guarantees for foreign loans. However, the Corporation executed guarantees for Rs. 5.7 crores on behalf of two concerns which were sanctioned this facility last year.

From its inception in 1948 upto March 31, 1966, the Corporation sanctioned Rs. 253.3 crores (net) of financial assistance in respect of 814 operations against which a sum of Rs. 175.7 crores or 69.4 per cent were disbursed.

In order to augment its resources for meeting the growing demand for assistance, the Corporation made a private issue of bonds for Rs. 2.0 crores in December 1965. The bonds carried interest at 5½ per cent and were issued at Rs. 99 per cent. As on March 31, 1966, the total outstanding bonds of the Corporation amounted to Rs. 33.5 crores and the outstanding borrowings from the Central Government and the Reserve Bank were Rs. 50.6 crores and Rs. 2.8 crores, respectively. The Corporation also received sanctions for two foreign currency loans from the Kreditanstalt—one for DM 15 million under the Third agreement and the other for DM 20 million under the Fourth agreement—bringing the total loans sanctioned thus far to DM 75 million. An agreement was also signed with the Agency for International Development (AID) of the U.S.A. for an amount of $ 10 million in respect of the third loan sanctioned in December 1964. No fresh loan was sanctioned by the AID during the year. The total amount of loans from AID stood at $ 40 million. The effective sub-loans sanctioned by the Corporation so far were $ 31.2 million from three AID loans, DM 70.5 million from the four Kreditanstalt loans and Fr. 11.8 million from the equipment credit of Fr. 50 million from Banque Francaise du Commerce Exterieur.

The Corporation continued to extend financial assistance to industrial co-operatives. The total net assistance sanctioned to 58 co-operative societies as on March 31, 1966 amounted to Rs. 41.6 crores, of which as much as Rs. 39.5 crores was in respect of 53 sugar co-operatives, Rs. 1.9 crores in respect of four co-operative spinning units and Rs. 0.2 crore in respect of a co-operative unit to be set up in Mysore State to manufacture vegetable oils. The total loans outstanding as on March 31, 1966 in respect of the co-operative societies aggregated Rs. 24.7 crores.

*State Financial Corporations**: All the States in the Indian Union with the exception of Madras and Nagaland, have at present each a State Financial Corporation established under the SFCs Act, 1951. In Madras State, the Madras Industrial Investment Corporation (MIIC) established by the State Government in 1949 under the Indian Companies Act, is functioning on the lines of a State Financial Corporation and Sections 37A and 38 of the SFCs Act (relating to inspection and submission of returns), have been made applicable to it. The credit requirements of industries in the Union Territories of Delhi and Himachal Pradesh are met by the Punjab State Financial Corporation, those of Tripura and Manipur by the Assam State Financial Corporation and of Goa, Daman and Diu by the Maharashtra State Financial Corporation. Proposals are also under consideration to extend the jurisdiction of the West Bengal and Gujarat SFCs to serve the needs of industries in the Union Territories of Andaman and Nicobar Islands and Dadra and Nagar Haveli, respectively.

A majority of the State Financial Corporations (including the MIIC) sanctioned larger loan assistance during 1965-66 than in the previous year. The increase in the loans sanctioned by Madras, Gujarat, Kerala, Rajasthan, Madhya Pradesh, Andhra Pradesh, Mysore and Jammu and Kashmir was partially offset by a decline in the case of Maharashtra, West Bengal, Uttar Pradesh and Orissa. The total loans sanctioned by all the fifteen Corporations aggregated Rs. 23.3 crores as compared with Rs. 20.0 crores in the previous year. Disbursements also rose substantially from Rs. 13.0 crores to Rs. 16.1 crores. The aggregate loans and advances outstanding as on March 25, 1966 amounted to Rs. 58.9 crores or Rs. 10.4 crores higher than a year before.

In pursuance of the Reserve Bank's policy of encouraging the SFCs to extend their activities to new fields, seven of these Corporations (including MIIC) have already started underwriting of shares of industrial concerns. The investments of these Corporations in shares taken up by them in fulfilment of their underwriting obligations (including direct

* Including the Madras Industrial Investment Corporation Ltd.

subscriptions by MIIC) as on March 25, 1966 amounted to Rs. 7.5 crores. Of this, the bulk of the investments (Rs. 6.5 crores) was accounted for by MIIC. As on March 25, 1966, Andhra Pradesh and Mysore SFCs also had investments in debentures of industrial concerns amounting to Rs. 33.6 lakhs. Underwriting assistance and direct subscription to shares and debentures sanctioned in 1964-65 and 1965-66 amounted to Rs. 2.8 crores and Rs. 1.9 crores, respectively, while disbursements amounted to Rs. 1.2 crores and Rs. 1.9 crores in the respective years.

In addition to MIIC, only one SFC, *viz.*, Andhra Pradesh has so far taken up the business of guaranteeing of deferred payments due from industrial concerns in connection with their purchase of capital goods within India ; as on March 31, 1966, the outstandings of such guarantees issued by this Corporation aggregated Rs. 58.6 lakhs in respect of 5 concerns. The outstanding amount of guarantees given by MIIC to machinery suppliers and counter guarantees to banks against deferred payments in regard to purchase of machinery amounted to Rs. 3.5 crores and Rs. 4.0 crores, respectively, as on March 25, 1966.

During 1965-66, some of the Corporations stepped up their lending rates, the effective rates charged by the various Corporations ranging between 8 per cent and 9 per cent.

Nine SFCs replenished their resources through the issue of bonds for a total sum of Rs. 7.0 crores as follows :

Table 3

Name of the Corporation	Date of issue	Details of issue	Rs. Issue Price	Amount (Rs. in lakhs) Offered	Retained
Andhra Pradesh	27- 5-1965	5¾% 1977	99.00	100.00	100.00
Gujarat	30-11-1965	5¾% 1977	99.00	50.00	50.87
Madhya Pradesh	29-11-1965	5¾% 1977	99.00	50.00	50.00
Maharashtra	15-11-1965	5¾% 1977	99.00	100.00	100.00
Orissa	25- 1-1966	5¾% 1978	99.00	50.00	50.00
Punjab (i)	24-5 -1965	5¾% 1977	99.00	50.00	52.50
(ii)	24-11-1965	5¾% 1977	99.00	75.00	80.50
Rajasthan	25- 5-1965	5¾% 1977	99.00	75.00	75.00
Uttar Pradesh	8-11-1965	5¾% 1977	99.00	50.00	50.00
West Bengal	27- 5-1965	5¾% 1977	99.00	100.00	100.00

The total amount of bonds issued by the fourteen Corporations and outstanding as on March 25, 1966 amounted to Rs. 32.7 crores. Two Corporations *viz.*, Gujarat and Rajasthan started accepting fixed deposits during the year, bringing the total number of Corporations accepting fixed deposits to seven. The other five are Andhra Pradesh, Assam, Kerala, Maharashtra and MIIC. The fixed deposits outstanding with these seven Corporations as on March 25, 1966 amounted to Rs. 12.0 crores, of which Rs. 10.7 crores were accounted for by MIIC. The MIIC has also issued cash certificates to the extent of Rs. 4.1 lakhs and accepted call deposits aggregating Rs. 4.5 lakhs.

In terms of Section 7(2)(*b*) of the SFCs Act, under which SFCs can borrow from the Reserve Bank against Government securities for periods upto eighteen months, the Reserve Bank had till the end of March 1966 sanc-

tioned borrowing limits to thirteen SFCs for Rs. 6.9 crores. The Bank also sanctioned limits totalling Rs. 2.1 crores to nine SFCs for borrowing for periods upto 90 days against Government securities. As on March 25, 1966, outstandings in respect of these borrowings by four SFCs amounted to Rs. 51.7 lakhs.

Nine Corporations *viz.*, Andhra Pradesh, Assam, Gujarat, Kerala, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh are acting as agents of their respective State Governments for routing concessional finance to small-scale industries under the State Aid to Industries Act or Rules. As on December 31, 1965, the loans disbursed by the nine Corporations under these arrangements amounted to Rs. 3.7 crores and loans outstanding to Rs. 2.5 crores. Three more State Governments *viz.*, Bihar, Madhya Pradesh and West Bengal have agreed to appoint the respective SFCs as their agents for the purpose, while a final decision in regard to the appointment of its Corporation by the Mysore Government is still awaited.

Industrial Credit and Investment Corporation of India Ltd: The financial assistance (gross) sanctioned by the Corporation in 1965 amounted to Rs. 24.2 crores or Rs. 1.5 crores more than in 1964. Of the Rs. 24.2 crores, rupee assistance (in the form of loans, underwriting and direct subscription to shares and debentures) accounted for Rs. 12.4 crores and foreign currency assistance for the balance of Rs. 11.8 crores. The increase in gross assistance sanctioned was mainly in rupee loans and guarantees which rose from Rs. 4.8 crores in 1964 to Rs. 6.5 crores in 1965. Loans in foreign currencies increased only slightly from Rs. 11.3 crores to Rs. 11.8 crores. Underwriting assistance declined from Rs. 6.2 crores to Rs. 5.6 crores. Total disbursements during 1965 were substantially higher at Rs. 19.2 crores as against Rs. 15.3 crores in 1964. The total financial assistance sanctioned* by the Corporation during the year ended March 1966 at Rs. 24.7 crores was somewhat higher than in 1964-65 (Rs. 23.1 crores), while total disbursements amounted to Rs. 19.9 crores in 1965-66 as compared to Rs. 17.0 crores in 1964-65.

In 1965, the Corporation completed 25 underwriting operations involving Rs. 6.1 crores, of which four for Rs. 0.8 crore were over-subscribed. In respect of the others, the Corporation was called upon to take up obligations amounting to Rs. 3.3 crores, representing 62 per cent of the underwriting commitment.

Since its inception in 1955, the Corporation has sanctioned Rs. 124.0 crores of net financial assistance to 390 companies of which 179 were new undertakings. This assistance was spread over a wide range of industries, among which metal products (ferrous), chemical and chemical products and machinery manufactures (other than electrical) accounted for nearly one-half of the total financial assistance. The actual disbursements amounted to Rs. 73.5 crores or about 59.3 per cent of total net sanctions. Out of the Rs. 27.3 crores sanctioned for underwriting upto the end of 1965, the Corporation completed 89 operations for Rs. 22.7 crores against which it was called upon to take up Rs. 11.7 crores in shares and debentures.

In order to meet the growing demand for assistance, the Corporation strengthened its equity base, by making a rights issue of Rs. 2.5 crores (one for every two shares held) in September 1965, which was over-subscribed. In order to supplement its foreign currency resources, the Corporation obtained in May 1965, a sixth line of credit for US $ 50 million from the World Bank bringing the total credit obtained from that institution to $ 140 million. Negotiations for a fifth line of credit from the Kreditanstalt fur Wiederaufbau (Reconstruction Loan Corporation) of the Federal Republic of Germany for DM 20 million were in progress. The Government of India also granted it a further loan of Rs. 5 crores out of P. L. 480 counterpart funds. The total resources of the Corporation as on December 31, 1965 amounted to Rs. 115.7 crores, of which Rs. 41.9 crores were in rupees and Rs. 73.8 crores in foreign currencies.

* Effective sanctions *i.e.* after excluding applications sanctioned but subsequently withdrawn in respect of loans, underwriting and direct subscription to shares and debentures.

The National Industrial Development Corporation Ltd: Since February 1963, when the Government directed the Corporation not to entertain fresh applications, the activities of the Corporation have been restricted to making disbursements of the remaining instalments of loans already sanctioned by it. As against Rs. 28.2 crores sanctioned to cotton textile, jute and machine tool industries for expansion, rehabilitation or modernisation, the amount disbursed increased from Rs. 16.3 crores as at March 31, 1965 to Rs. 17.1 crores as at March 31, 1966. The amount sanctioned to the cotton textile industry aggregated Rs. 19.7 crores against which an amount of Rs. 10.4 crores was disbursed, while for the jute textile industry Rs. 5.8 crores were disbursed against the sanctioned loans for Rs. 7.5 crores. In the case of machine tools industry, almost the entire amount was actually disbursed (Rs. 98 lakhs) against the sanctioned limit of Rs. 100 lakhs. In addition to the grant of long-term loans, the Corporation also made available to the cotton textile mills indigenous machinery of the value of Rs. 3.8 lakhs on hire-purchase basis.

During the year 1965-66, the Technological Consultancy Bureau of the Corporation undertook a number of important engineering assignments, particularly in respect of projects like machine tool plants, ball bearing plants and alkaloid plant. The Corporation was also entrusted with the preparation of a number of feasibility studies for certain Central and State authorities which include industries such as gears, power cables, pesticides, agricultural implements, pig-iron, cardboard, etc.

Unit Trust of India : The Unit Trust of India, established on February 1, 1964 completed two years of its existence. During the first year of its actual commencement of operations *i.e.* between July 1, 1964 and June 30, 1965, the total sale of units had amounted to Rs. 19.1 crores in respect of 1,34,724 applications, while repurchase of units by the Trust amounted to Rs. 41 lakhs or 2.1 per cent of the total amount raised by the sale of units during that year. During the second year of its operations commencing from July 1, 1965, there was a steady net accretion of funds through the sale of units to the tune of Rs. 2.2 crores in respect of 10,024 applications. Of the total number of applications received during 1965-66 (July-June), 9,994 applications were from individuals accounting for Rs. 2.1 crores. Repurchase of units during the year amounted to Rs. 1.1 crores representing 5.2 per cent of the aggregate funds subscribed by unit holders.

A statistical analysis of the sale transactions of the Trust upto December 1965 indicates that the bulk of the applications was from individuals for lots of one hundred or less units, thus indicating the predominance of investors from the middle income group. Occupational distribution of the unit holders shows that salary and wage earners formed the largest single group accounting for half the number of applications received.

The sale price of the unit which was initially fixed at Rs. 10.15 remained unchanged till February 22, 1966 since when it was raised by stages to Rs. 10.70 per unit by end-May 1966, the corresponding repurchase price being fixed at Rs. 10.20 per unit.

The Trust's operations for the year 1965-66 yielded a higher gross income of Rs. 1.8 crores as against Rs. 1.5 crores in the previous year. The gross income allocated to the unit capital worked out to Rs. 1.5 crores after allowing for the income accrued to the initial capital. Consequent on the increased earnings, the Trust also announced a higher income distribution to the unit holders at the rate of 70 paise per unit of Rs. 10 or 7 per cent per annum as compared with 6.1 per cent in 1964-65. Since income upto Rs. 1,000 from this source is free from income-tax, the gross rate for individuals, according to the Trust, works out to 8.97 per cent per annum.

The Trust continued to pursue its investment policy of affording the small investor a means of participation in the widening prosperity resulting from the steady industrialisation of the country with advantages of a minimum risk and a reasonable return. The Trust has invested its funds in the securities of old and well established industrial concerns engaged in diverse manufacturing activities. The total investments of the Trust as on April 5, 1966, aggregated Rs. 25.5 crores, of which ordinary shares of corporate enterprises accounted for Rs. 10.5 crores (41.3 per cent), preference shares for Rs. 2.5 crores (9.6 per

cent), debentures for Rs. 10.1 crores (39.6 per cent) and others for Rs. 2.4 crores (9.5 per cent). Besides, the Trust has provided underwriting facilities for new issues and offered firm commitments to invest upto the amounts underwritten. Underwriting assistance* sanctioned and disbursed in 1965-66 (April-March) amounted to Rs. 1·9 crores and Rs. 1.4 crores, respectively, as against Rs. 7.6 crores and Rs. 6.5 crores in 1964-65.

The Trust has taken steps to increase the sale of its units and make them popular among the public. Hitherto, units were being sold mainly through the offices of the State Bank and its subsidiaries and other commercial banks. With a view to popularising the units among the wider sections of the community, the Trust has now made arrangements for the sale of units through post offices from July 1, 1966. Also, in addition to the 'approved' brokers on the stock exchanges, the Trust has now appointed over 200 individual agents to canvass the sale of units and generally assist the investors in purchasing the units. Further, the sale of units was extended to non-residents during the year with the prior permission of the Reserve Bank.

The Unit Trust has initiated action to formulate other types of 'Savings Plans' with a view to catering to the diverse investment preferences of different categories of investors. To enable the Trust to promote these schemes, the Unit Trust of India Act, 1963 was amended and the Unit Trust of India (Amendment) Act, 1966 was passed by Parliament on February 15, 1966. In order to enable the Trust to make its units more attractive to buyers, Section 20A of the Amended Act provides for the Reserve Bank to pay to the Trust, from time to time, out of the amount payable to the Bank, any sum for meeting the losses, or additional amount required in connection with the variations made in the sale and repurchase prices of its units.

The Trust has announced a 'Reinvestment Plan' effective from July 1, 1966 which provides the existing unit holders with the facility of automatic reinvestment of the income distribution, due on the units held by them, in further units. The main advantage of the Plan is the opportunity it gives to the existing unit holders to bring about an automatic growth of their investments in such units. The Trust also offered for sale units at a price of Rs. 10 per unit for a limited period from July 1 to July 30, 1966.

Tea Garden Finance : Mention was made in last year's Report that some of the recommendations of the Tea Finance Committee, which submitted its report to the Government of India in December 1964, were accepted by the Government of India and that some others were under consideration. As regards the Committee's recommendation relating to the creation of a separate agency to provide long and medium-term finance to tea estates, the Government has taken a decision to set up a Tea Finance and Guarantee Corporation. The principal function of the proposed Corporation would be to extend guarantee to credits and loans made available by banks and other financial institutions to tea estates. With a view to providing an incentive to the tea industry for extending the area of new plantations and renovating old plantations, the Committee recommended the granting of development allowance eligible for deduction in the computation of taxable profits at 50 per cent of actual cost of planting tea bushes in new areas and 40 per cent of actual cost of replanting in existing plantations. However, the Government, in the Finance Act, 1965, provided for development allowance of 40 per cent of actual cost of planting tea bushes in new areas and 20 per cent of actual cost of replanting in existing areas. The allowance was enhanced to 50 per cent and 30 per cent, respectively, in the Finance Act, 1966.

The Tea Finance Scheme introduced in 1962 under the aegis of the Tea Board was further liberalised in the light of the recommendations of the Tea Finance Committee. In pursuance of the recommendations of the Committee, the effective rate of interest on loans to tea gardens from the Tea Board was reduced from 6½ per cent to 6 per cent. In addition, during the first five years, the rate of interest on loans will be 5 per cent and the balance due for the period at 6 per cent will be recovered during the next two years in equal instalments along with the interest due for those years at 6 per cent. 220 applications for loans amounting to Rs. 11.3 crores

* Figures for 1965-66 are provisional.

were accepted by the Tea Board under the Scheme upto the end of December 1965, the amount committed by payment of instalment being Rs. 7.8 crores.

The Tea Board's Tea Machinery Hire Purchase Scheme was also liberalised as recommended by the Tea Finance Committee by extending the period of repayment from 7 years to 10 years and making the Scheme applicable for purchasing certain types of second-hand machinery. The amount placed at the disposal of the Tea Board for executing the Scheme was increased from Rs. 3 crores to Rs. 4 crores by transferring Rs. 1 crore from the Irrigation Equipment Hire Purchase Scheme. 243 applications for the supply of machinery amounting to Rs. 3½ crores were sanctioned to estates by the Board under the Scheme upto the end of December 1965.

Financing of Small Industries

In the sphere of financing small-scale industries, assistance extended under the Credit Guarantee Scheme and by the State Bank and its subsidiaries was considerably increased during the year. The National Small Industries Corporation Ltd. also continued to assist small scale industries. In addition to these, Small Industries Corporations which have been set up in a number of States have been playing an increasingly important role. The main objects of these Corporations include aiding and promoting the interests of small-scale industries, administering industrial estates sponsored by the SIDCs, supplying machinery on hire-purchase and participating in equity capital in selected small-scale industrial units. These Corporations have been set up by State Governments as autonomous bodies under the Indian Companies Act on the advice of the Central Government.

The Government of India's Credit Guarantee Scheme for small-scale industries administered by the Reserve Bank since July 1960, made considerable progress during 1965-66. The Guarantee Organisation received as many as 13,255 applications for guarantee in respect of credit limits aggregating Rs. 55.8 crores during the year ended March 1966 as against 8,055 applications for Rs. 35.7 crores received during the year ended March 1965. The total number of applications for guarantee received since the inception of the scheme in July 1960 upto the end of March 1966 was 31,109 for an aggregate amount of Rs. 131.4 crores. Although the bulk of the applications continued to be received from the State Bank of India, the other specified credit institutions are also progressively availing themselves of the guarantee facility in respect of their advances to small-scale industries.

During the year, 20 claims for Rs. 3.4 lakhs were paid on invocation of guarantees, bringing the total number and amount of claims paid since the inception of the Scheme upto the end of March 1966 to 66 and Rs. 9.1 lakhs, respectively.

The Scheme is being periodically reviewed and liberalised in the light of the experience gained in its working. During the year, an overall review of its working was undertaken and certain recommendations were made to the Government of India for further liberalising the provisions of the scheme. The recommendations were under Government's consideration at the end of the year.

With a view to providing greater incentive to the credit institutions to lend to the small-scale industrial units located in the border districts of Punjab in which economic life had been disrupted by the recent hostilities with Pakistan, the Guarantee Organisation temporarily liberalised, with the approval of the Central Government, certain provisions of the Scheme in respect of advances granted to such units from October 16, 1965 upto the end of February 1966. The extent of guarantee cover in respect of such advances was enhanced and the maximum amount recoverable from the Guarantee Organisation in respect of any one advance was also increased from Rs. 1 lakh to Rs. 2½ lakhs.

Role of the State Bank of India and its subsidiaries in financing small-scale industries: The State Bank of India, under its liberalised scheme, continued to provide assistance to small industrial units on an increasing scale. The total assistance sanctioned by the Bank to small-scale industries under the scheme rose from Rs. 38.9 crores at the end of March 1965 to Rs. 56.3 crores at the end of March 1966. Of the total assistance sanctioned as at the end of March 1966, Rs. 51.9 crores represented limits sanctioned and in force for working capital requirements, of which Rs. 27.9 crores were outstanding.

The Bank also continued to provide medium-term credit facilities to small-scale industries for expansion and modernisation. The total medium-term loans sanctioned by the Bank stood at Rs. 2.0 crores in respect of 222 units as on March 31, 1966. Besides, under the Instalment Credit Scheme for facilitating purchase of equipment and machinery by small and medium-sized business concerns engaged in approved manufacturing operations, the Bank sanctioned Rs. 2.3 crores to 564 units. It also extended financial assistance to industrial co-operatives, the limits thus sanctioned aggregating Rs. 0.4 crore as on March 31, 1966.

Under the Guarantee Scheme of the National Small Industries Corporation Ltd., the Bank continued to provide facilities for working capital purposes. Total limits sanctioned under the scheme amounted to Rs. 10.4 lakhs as on March 31, 1966 covering advances to 20 units.

The Bank also extended indirect assistance to small-scale industries through the Small Industries Corporations functioning in various states. As on December 31, 1965, the limits sanctioned by the Bank to such Corporations aggregated Rs. 1.3 crores. It has also been granting advances to units in the Rural Industries Projects constituted by the State Governments. Upto March 31, 1966, 69 such units were sanctioned limits aggregating Rs. 22.1 lakhs.

The assistance provided by the subsidiaries of the State Bank to small-scale industries also recorded a further rise during 1965-66 The number of units assisted and the working capital limits sanctioned by the subsidiaries increased from 1,398 and Rs. 9.1 crores as at the end of March 1965 to 2,213 and Rs. 13.7 crores as at the end of March 1966. The amount outstanding also rose from Rs. 4.1 crores to Rs. 6.4 crores during the same period.

National Small Industries Corporation Ltd: The National Small Industries Corporation Ltd. continued to render assistance to small-scale industries by supplying to them machines on hire purchase basis and securing orders for their products from Government Departments or Railways. During 1964-65, the Corporation supplied machines valued at Rs. 3.6 crores to small-scale units as against machines valued at Rs. 5.4 crores during the preceding year ; the decline in this activity was primarily due to inadequacy of funds. The assistance by the Corporation in securing Government orders for the small units also showed a marked decline ; the orders secured during the year 1964-65 from the Director General of Supplies and Disposals were for Rs. 17.3 crores as compared to orders for Rs. 34.2 crores during the previous year. The Railways placed orders valued at Rs. 1.9 crores during the year, bringing their total orders to small units so far to Rs. 6.7 crores.

The Companies (Amendment) Act, 1965

Mention was made in the Report for 1963-64 of certain amendments to the Companies Act, 1956 as embodied in the Companies (Amendment) Act, 1963 with a view to removing certain defects and deficiencies noticed in its working besides taking into account the findings of the Vivian Bose Commission and the recommendations of the Daphtary-Sastri Committee. This process was carried further during the year with the enactment of the Companies (Amendment) Act, 1965. The main amendments are set out briefly below. All the sections of the Amending Act came into force with effect from October 15, 1965 with the exception of (1) Section 13* which amends Section 108 of the Companies Act, 1956 by restricting the period of currency of blank transfers of shares and (2) Section 46 which imposes certain restrictions on inter-company loans by amending Section 370 of the Principal Act, thus bringing it in line with the restrictions on inter-company investments under Section 372.

With a view to preventing the misuse of public funds by their diversion from the pursuit of one object to another, the Amendment Act provides that new companies formed after the Amendment shall specify in their Memorandum of Association the main objects of the company, and those ancillary or incidental for attainment thereof and other objects of the company. Such companies shall not commence any business in relation to the latter objects, nor the existing companies

* This Section came into effect on April 1, 1966.

in relation to any object hitherto not pursued unless the sanction of shareholders has been obtained by a special resolution. If the proposal is accepted by a simple majority of shareholders, the new business may be commenced with the sanction of the Central Government. An existing company, however, without shareholders' sanction by a special resolution, may commence new business if the proposed business is germane to the business it is carrying on.

In order to assist small companies working in India in collaboration with private foreign companies, the Amendment Act empowers the Central Government to exempt a private company from the provisions of Section 43A of the Companies Act (whereby it is converted into a public limited company under prescribed circumstances) if its shares are held by one or more foreign companies which according to the criteria laid down in the Indian Companies Act would be treated as private. Also, in order to remove the difficulty in the matter of quorum experienced by Section 43A companies, it has been provided that such public companies need not have more than two members who shall form a quorum for a meeting of the company and two directors for a meeting of the Board.

The Amendment Act also restricts the currency of blank transfers to a limited period in pursuance of the Vivian Bose Commission's recommendations. The Act requires that every instrument of transfer of shares shall be in the prescribed form which after being presented to the prescribed authority for endorsement of date should be delivered to the company before the closure of share transfer books for the first time after such presentation in the case of quoted shares and within two months from that date in the case of any other shares. The provisions of the Amendment Act will apply to blank transfer of shares other than those deposited as security with scheduled banks or with other banking companies or financial institutions notified by the Central Government. Applying for shares in a fictitious name or inducing a company to allot or register any transfer of shares to him or any other person in a fictitious name, has been rendered an offence punishable with imprisonment. The prospectus and share application forms shall contain a statement to this effect.

The Amendment Act also provides for the introduction of cost audit and, to facilitate this, empowers the Government to direct any class of companies engaged in production, processing, manufacturing or mining activity to maintain in their account books such particulars with regard to utilisation of material, labour or other items of cost as may be prescribed. The cost audit report shall be filed with the Company Law Board and a copy of the report shall be sent to the company. In addition to the new provision relating to cost audit, the normal auditing has been made stricter by requiring the statutory auditors to enquire (*a*) whether loans and advances are properly secured and whether the terms are not prejudicial to the interests of the company or its members, (*b*) whether transactions which are merely represented by book entries are not prejudicial to the interests of the company, (*c*) where the company is not an investment company, whether shares, debentures and other securities are sold at a price less than that at which purchased, (*d*) whether loans and advances made have been shown as deposits, (*e*) whether personal expenses have been charged to revenue account and (*f*) whether actual cash has been received for allotment and, if not, whether the position as stated in the account books and balance sheets is correct, regular and not misleading.

Under the provisions of the Amendment Act, a company is empowered to increase the number of directors to 12 and a director's fee to Rs. 250 for attending a Board or Committee meeting without Government approval. Besides, directors have been specifically empowered to inspect books of account and papers. Further, a part-time director who is neither in the whole time employment of the company nor a managing director may be paid remuneration if the Central Government approves. However, such remuneration paid shall not exceed one per cent of net profits of the company if the company has a managing or whole-time director, a managing agent or secretaries and treasurers or a manager, or three per cent of the net profits of the company in any other case. Payment of remuneration in excess of these limits may be

authorised in a general meeting with the approval of the Central Government. Additional payments made to directors for holding technical or other appointments in addition to directorships shall be taken into computation for applying the limits prescribed in the Companies Act, 1956 to director's remuneration, unless the services rendered are of a professional nature and the director is, in the opinion of the Government, duly qualified.

The Amendment Act lays down certain restrictions in respect of inter-company loans as recommended by the Daphtary-Sastri Committee. The Act provides that a public company or its subsidiary may lend money upto 10 per cent of its own subscribed capital and free reserves without any special resolution ; upto 20 per cent to companies under the same management and upto 30 per cent thereof to all companies not under the same management with prior special resolution ; but in excess of these limits the company shall not give loans without the sanction of the Central Government. Existing loans shall be brought within the prescribed limits within six months or such extended time as the Government may allow. Loans given by certain classes of companies *viz.*, financial institutions, insurance companies, etc. have, however, been excluded from the restrictive provision of this Section. It has, however, been noticed that the restriction placed by this Amendment would equally apply in respect of guarantees given and securities provided by such companies and would, therefore, act as serious hindrance to their normal functioning. It has, therefore, been decided to afford similar exemptions to guarantees given and securities provided by such companies. With this end in view, the Companies (Second Amendment) Bill, 1965, was introduced in the Lok Sabha on November 22, 1965.

In order to ensure that adequate information is disclosed in the case of take-over offer to shareholders so as to enable them to judge for themselves whether or not to accept the offer, the Amendment Act provides that any such offer shall be accompanied by the requisite information as prescribed by the Central Government and details of financial arrangements made for payment of consideration money for such shares.

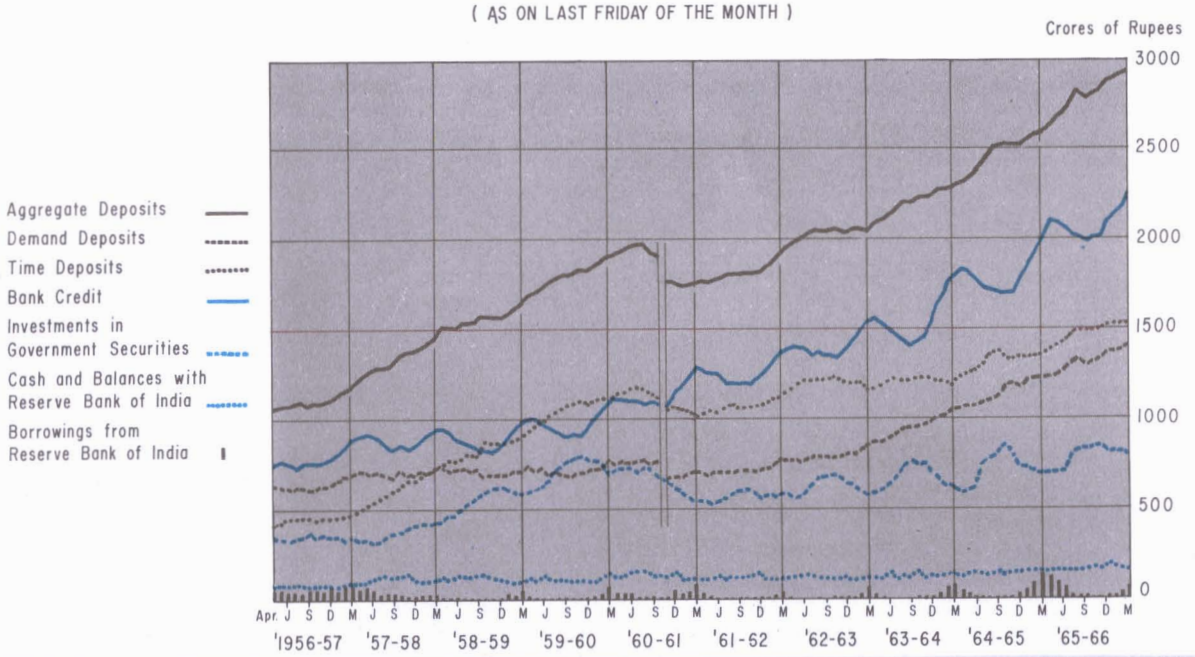
In order to forestall certain corporate malpractices, several amendments have been made. Thus, the Amendment Act casts the responsibility for corporate acts on a person who may not be on the Board but who may be directing operations. Towards this end, the definition of the term "Officer" has been enlarged to include any person in accordance with whose directions the Board is accustomed to act. Compensation to sole selling agents is restricted and in certain cases prohibited. Vouchers and papers like account books have to be preserved for eight years. Books of accounts and papers of a company amalgamated with another shall not be destroyed without the prior permission of the Central Government which may have such books inspected in locating past offences, if any. Companies in voluntary liquidation shall not be deemed to be dissolved until the Official Liquidator has scrutinised the books and made a report to the Court that its affairs have not been conducted against the interests of the shareholders or the public.

The Amendment Act includes a provision for the abolition of the Company Law Advisory Commission and provides for the appointment of an Advisory Committee for dealing with such matters arising out of the administration of the Act as may be referred to it by the Central Government or the Company Law Board.

GRAPH 8

LIABILITIES AND ASSETS OF SCHEDULED BANKS

(AS ON LAST FRIDAY OF THE MONTH)

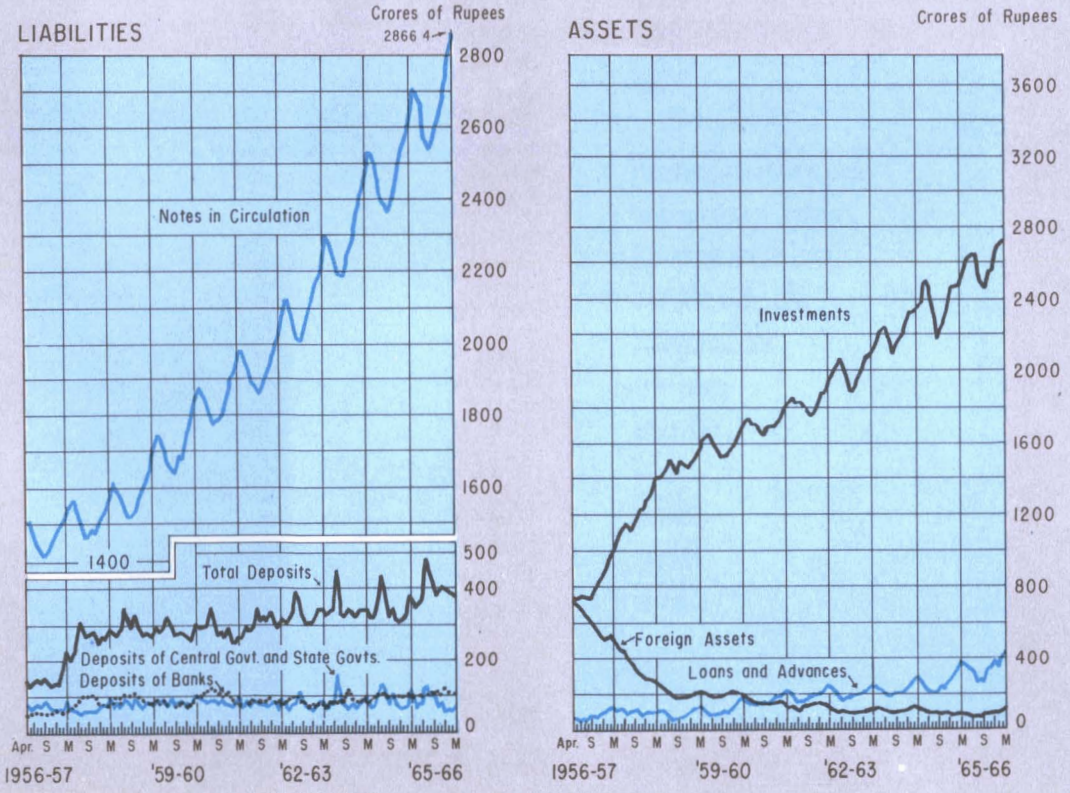


GRAPH 9

LIABILITIES AND ASSETS OF THE RESERVE BANK OF INDIA

ISSUE AND BANKING DEPARTMENTS COMBINED

(AS ON LAST FRIDAY OF THE MONTH)

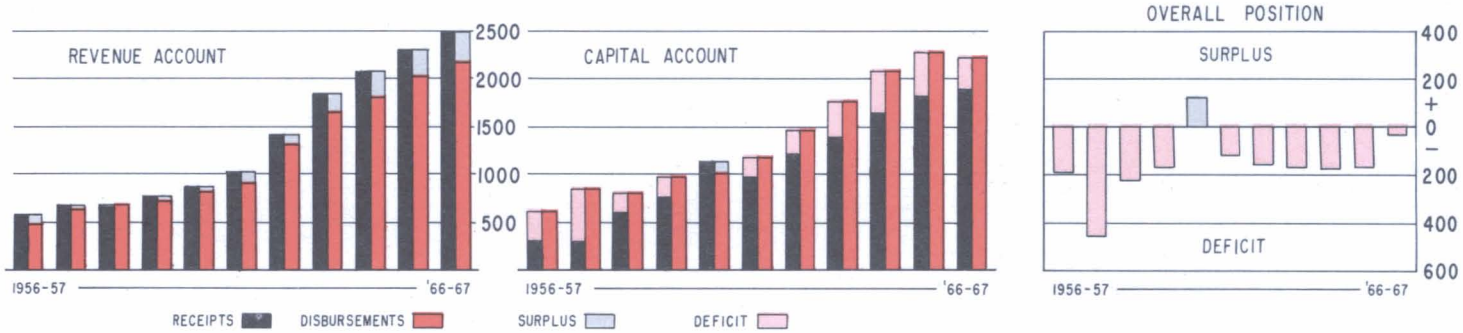


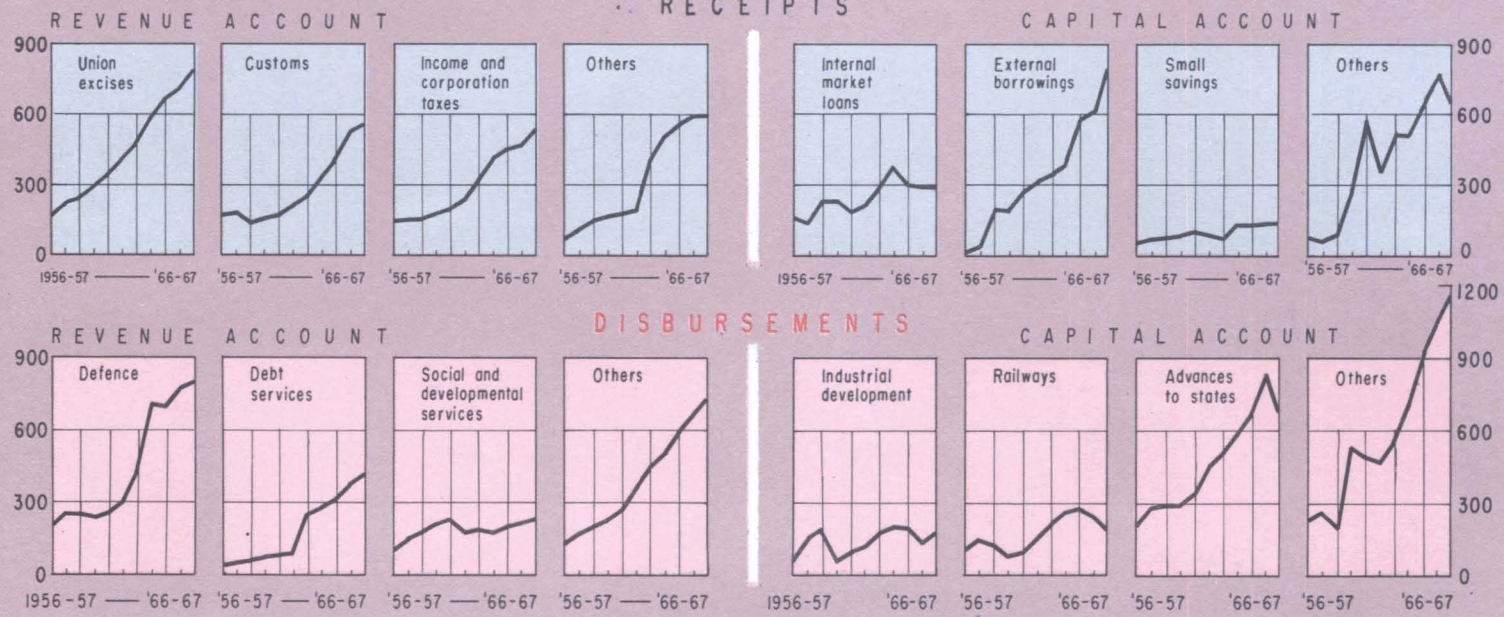
GRAPH 10

FINANCES OF THE GOVERNMENT OF INDIA

1956-57 —— 1966-67

(CRORES OF RUPEES)





CHAPTER V: BUDGETS AND PUBLIC DEBT

UNION GOVERNMENT BUDGET

The important feature of the Union Government budget for 1965-66—the last year of the Third Plan period—was that it provided for a small surplus for the first time in several years; but this, however, did not materialise owing to certain unforeseen developments subsequent to the presentation of the budget and as against a surplus of Rs. 3 crores originally envisaged in the budget, there was an overall deficit of Rs. 165 crores (revised estimates) which was only marginally lower than in 1964-65 (Rs. 172 crores). The surplus of Rs. 3 crores as budgeted originally was expected to emerge from (1) a surplus on revenue account of Rs. 230 crores, (2) deficit of Rs. 172 crores on capital account and (3) deficit of Rs. 55 crores on miscellaneous account. However, as the year progressed it became evident that the balance sought in the Centre's budget would not be realised owing to less buoyant revenues particularly of direct tax receipts, accompanied by a rise in expenditure on account of increased dearness allowances, border security, etc. Therefore, a Supplementary Budget estimated to yield an additional Rs. 100 crores to the Centre during the rest of the financial year was presented in August 1965, which raised the surplus on revenue account by Rs. 52 crores to Rs. 282 crores. Even so, later developments in the economy *viz.* the Indo-Pak conflict and the serious shortfall in agricultural production considerably diminished the prospects of attaining the budgetary surplus. On capital account, on the other hand, there was a widening of the original deficit of Rs. 172 crores to Rs. 455 crores, due mainly to loan disbursements to States by way of additional assistance for Plan schemes, for strengthening of their budgetary position etc., and partly to lower receipts.

For the budget year 1966-67—the first year of the Fourth Plan—the overall deficit is expected to be narrowed down considerably. The expenditure of the Central Government during 1966-67 is marked up by Rs. 152 crores on revenue account ; on capital account, however, the expenditure is held down by Rs. 53 crores. In the aggregate, expenditure is expected to go up by Rs. 99 crores only (without adjusting for purely book-keeping items). As against this, revenue receipts, including the effect of new taxes are expected to move up by Rs. 181 crores. Capital receipts would go up by Rs. 68 crores, due mainly to larger credit taken under external loans. While the revenue account for 1966-67 would show a surplus of Rs. 311 crores, the capital account is expected to result in a deficit of Rs. 334 crores, thus showing an overall deficit of Rs. 25 crores (after taking into account a deficit of Rs. 2 crores on miscellaneous transactions).

Budgetary Outgo

Recent trends in revenue and capital expenditure of the Government of India by major heads of account are presented in Table 1.

Expenditure on defence, which accounted for the large spurt in total outlays on revenue account, had shot up from Rs. 290 crores in 1961-62 to Rs. 704 crores in 1963-64, but declined marginally to Rs. 693 crores in 1964-65. However, in the revised estimates for 1965-66, expenditure under this head has been placed higher at Rs. 769 crores and it is expected to go up further by Rs. 29 crores to Rs. 798 crores in 1966-67. The rise of Rs. 76 crores in defence outlays in 1965-66 (R.E.) as compared to a marginal decline of Rs. 11 crores in 1964-65 may be attributed mainly to additional expenditure necessitated by the recent conflict with Pakistan. The increase in defence outlays (of Rs. 76 crores) in 1965-66 (R.E.) formed 36 per cent of the increase in total revenue expenditure. However, for 1966-67, the increase in expenditure on this item is expected to form only 19 per cent of the total increase. Defence outlays on capital account also showed a rising trend, although as between budget and revised estimates for 1965-66, there was a fall of Rs. 11 crores. Total defence expenditure on revenue and capital accounts combined rose from Rs. 312 crores in 1961-62 to Rs. 888 crores in 1965-66 (R.E.) and is placed still higher at Rs. 919 crores in 1966-67 (B.E.).

Expenditure on civil heads, which stood at Rs. 622 crores in 1961-62, rose steadily to

Rs. 1,372 crores in 1966-67 (B.E.), accounting for 58 to 63 per cent of the total revenue expenditure during this period. The increase in civil expenditure was brought about mainly by the mounting debt service charges, grants to States and Union Territory Governments, and social and developmental services. At Rs. 1,372 crores in 1966-67 (B.E.), civil expenditure would be Rs. 123 crores larger than that in 1965-66 (R.E.) while the increase between budget and revised estimates for 1965-66 would be Rs. 46 crores. The anticipated increase of Rs. 123 crores in civil expenditure during 1966-67 is the net result of increased expenditure on account of grants to States and Union Territory Governments (Rs. 61 crores), debt services (Rs. 42 crores), social and developmental services (Rs. 19 crores) and civil administration (Rs. 18 crores), counterbalanced to some extent by a decline of Rs. 36 crores under transfer of P.L. 480 grants to Special Development Fund for financing development projects in view of the smaller receipts of grants expected under this head.

The increase in expenditure under 'Grants-in-aid to States and Union Territories' in 1966-67 was due mainly to larger requirements of assistance for Centrally-aided Plan schemes. The rise in expenditure under 'Debt Services' was due to the provision made for new market loans to be raised and the full year's effect of the interest payable on the market loans floated during 1965-66, including the Defence Loans and the Defence Gold Bonds and the conversion of *ad hoc* Treasury bills of the value of Rs. 50 crores into dated securities on February 4, 1966. The increase in respect of contributions and miscellaneous adjustments was mainly due to the rise in Grants-in-aid to States and Union Territories following the acceptance of the recommendations of the Fourth Finance Commission ; the statutory grants to States were expected to rise from Rs. 64 crores in 1965-66 (R.E.) to Rs. 141 crores in 1966-67 (B.E.). The increase of Rs. 20 crores under 'Social and Developmental Services' is due to enhanced outlays on Atomic Energy, operation costs of the new schemes of Uranium Mining and Milling, grants to Council of Scientific and Industrial Research, provision for air-borne survey of mineral-bearing areas in the country, Medical Services, Public Health and Agriculture and expenditure on participation in Asian Fair, Trade Fair etc. as also Public Works. The expenditure under 'Civil Administration' was also placed higher by Rs. 18 crores to provide for additional battalions by States on behalf of the Centre, expansion of the Central Bureau of Investigation and provision for border security forces which were taken over from the State Governments.

Total disbursements on capital account of the Centre have been growing progressively in recent years. Direct capital outlays increased steadily from Rs. 530 crores in 1962-63 to Rs. 749 crores in 1963-64 and further to Rs. 775 crores in 1964-65 ; the revised estimates for 1965-66, however, placed capital outlays at Rs. 762 crores only. In the budget estimates for 1966-67, expenditure under this head was placed lower at Rs. 627 crores. Whereas during the years 1962-65, capital outlays largely contributed to the increase in total disbursements, in the subsequent years, substantial increase in loans and advances has been responsible for the rise ; in fact, capital outlays for 1965-66 and 1966-67 are placed lower than in 1964-65. A major portion of the capital outlays was absorbed by disbursements on developmental projects which increased by Rs. 151 crores to Rs. 502 crores in 1962-63, by Rs. 122 crores to Rs. 624 crores in 1963-64 and by Rs. 15 crores to Rs. 639 crores in 1964-65 ; in 1965-66 (R.E.) this expenditure was placed considerably lower at Rs. 567 crores. For the year 1966-67 developmental expenditure is anticipated to decline further by Rs. 40 crores to Rs. 527 crores. The revised estimates for 1965-66 showed a shortfall of Rs. 24 crores in developmental outlays over the budget estimates for that year. Investments in Government companies and corporations showed no significant variations in the revised estimates for 1965-66 over budget estimates. Heavy Electricals (Rs. 5 crores), Hindustan Organic Chemicals (Rs. 1.60 crores) and Pyrites and Chemicals (Rs. 1.35 crores) and Hindustan Shipyard (Rs. 70 lakhs) showed some reduction. These savings were offset by larger outlays on Heavy Engineering Corporation (Rs. 4.97 crores), Mining and Allied Machinery Corporation (Rs. 1.60 crores), Hindustan Zinc (Rs. 1.38 crores), Fertilizer Corporation (Rs. 3.45 crores) and purchase of shares of Jessop and Company (Rs. 2.81 crores). As regards capital outlay on non-

Table 1. Disbursements (By Main Heads)

(Crores of Rupees)

	1964-65	1965-66		1966-67
	(Accts.)	(B.E.)	(R.E.)	(B.E.)
	1	2	3	4
Total Revenue Expenditure	**1,807**	**1,952**	**2,018**	**2,170**
I. Defence (Net)	693	749	769	798
II. Civil	1,114	1,203	1,249	1,372
Of which				
Civil Administration	82	91	92	110
Debt Services	316	356	373	415
Social and Developmental Services	200	219	212	231
(of which Steel Surcharge)	(14)	(6)	(6)	(3)
Transfer of P. L. 480 Funds	122	60	60	24
Emergency Risks Insurance	2	—	16	7
Grants to States	269	327	335	396
All Others	123	150	161	189
Total Capital Disbursements	**2,076**	**2,100**	**2,260**	**2,207**
I. Capital Outlays*	775	763	762	627
Developmental	639	591	567	527
Non-Developmental	136	172	195	100
Of which Defence	113	130	119	121
Transfer of Development Assistance from U.S.A.	172	80	80	325
II. Loans and Advances to States	679	703	823	666
III. Other Loans and Advances	177	290	332	263
IV. All Others	446	344	343	631

* Excluding the notional adjustment on account of transfer of P.L. 480 Loans to Special Development Fund.

developmental schemes, expenditure on Government trading schemes showed a fall of Rs. 46 crores due largely to a decline in direct expenditure on the purchase of foodgrains by the Centre and non-utilisation of the provision for commercial imports of wheat from Australia. However, the saving under the above items was offset by a large increase of Rs. 77 crores under 'Currency and Mint'—Rs. 71.4 crores under India's subscription to I.M.F. and Rs. 5.5 crores for purchase of gold contributed to Gold Bonds. For the year 1966-67, developmental outlays were placed lower by Rs. 40 crores owing mainly to lower provision for Railway capital (Rs. 59 crores) and Posts and Telegraphs (Rs. 6 crores), grants for development (Rs. 6 crores), etc., counterbalanced to a large extent by the rise under Social and Developmental Services (Rs. 48 crores).

Centre's assistance to States and Union Territories by way of loans and grants for meeting the expenditure on Plan schemes, natural calamities, etc. had been rising rapidly in recent years. Loans and advances to States, which stood at Rs. 452 crores in 1961-62, rose to Rs. 835 crores in 1965-66 (R.E.) ; for

1966-67, however, they are placed lower at Rs. 676 crores. The enormous rise of Rs. 123 crores noticed between the budget and revised estimates for 1965-66 resulted mainly from additional assistance for Plan schemes (Rs. 40 crores), provision for strengthening of the budgetary position of States (Rs. 45 crores), ways and means advances recoverable during the year (Rs. 25 crores), provision for purchase and distribution of fertilizers, seeds and pesticides (Rs. 10 crores) and share in small savings collections (Rs. 5 crores). For the year 1966-67, loans and advances to States at Rs. 676 crores would, over the year, show a fall of Rs. 159 crores due to lesser provision of Central assistance for Plan schemes as well as for strengthening the budgetary position of States.

Resources transferred from the Centre to the States by way of share in tax collections and duties and of grants and loans have been steadily rising from year to year. These transfers, which aggregated to Rs. 1,413 crores during the First Plan period, more than doubled to Rs. 2,868 crores during the Second Plan period and again to Rs. 5,601 crores during the Third Plan period.

Shared taxes and grants have risen continuously following the recommendations of the successive Finance Commissions for higher Central assistance during the three plan periods. The Fourth Finance Commission, which was appointed to determine the devolution of shared taxes and grants-in-aid to States during the Fourth Plan period, recommended still higher share in Central taxes as well as higher grants-in-aid. The main recommendations of the Fourth Finance Commission are briefly outlined below.

The Commission recommended devolution of larger share under shared taxes, viz. estate duty, income-tax, Union excise duties and additional excise duties in lieu of sales tax, and also higher grants-in-aid, based on the revenue deficits of States. The Commission found that ten States would have revenue deficits aggregating Rs. 609.45 crores, for the financial years 1966-67 to 1970-71 and recommended annual grants amounting to Rs. 121.89 crores, equal to one-fifth of the deficit. As a result of the Fourth Finance Commission's recommendations, statutory grants-in-aid to States are expected to rise from Rs. 64 crores in 1965-66 (R.E.) to Rs. 141 crores in 1966-67 (B.E.). Total resources transferred in the form of shared taxes and grants were expected to show a substantial increase of Rs. 123 crores, reflecting the impact of the award of the Fourth Finance Commission. (For details please see Appendix I).

Resources

Revised Estimates for 1965-66 : The revised estimates for 1965-66 showed a nominal improvement in revenue receipts by Rs. 11 crores to Rs. 2,300 crores over the original estimates for that year (Table 2). The increase of Rs. 11 crores was entirely on account of non-tax revenue, tax revenue having declined sharply by Rs. 33 crores to Rs. 1,756 crores.

Non-tax revenue in 1965-66 (R.E.) improved by Rs. 44 crores to Rs. 544 crores over the budget estimates owing to a rise in: (1) net contribution of public undertakings (Rs. 1 crore), (2) administrative receipts (Rs. 2 crores), (3) interest receipts (Rs. 19 crores), (4) emergency risks insurance (Rs. 16 crores) and (5) others (Rs. 6 crores). The fall of Rs. 33 crores in tax receipts in the revised estimates for 1965-66 as compared to budget estimates was due to the wearing off of the buoyancy in tax revenue and was mainly confined to income-tax and corporation tax. Revenue from income-tax (adjusted for States' share) was estimated to have fallen by Rs. 33 crores to Rs. 137 crores in the revised estimates for 1965-66 and receipts from corporation tax by Rs. 42 crores to Rs. 330 crores. Other heads such as customs, excise, etc., however, showed an improvement. The increase in revenue from customs was mainly due to higher volume of imports of kerosene oil, other mineral oils, machinery, non-ferrous metals, chemicals, drugs and medicines. A part of the increase (Rs. 1 crore) was also due to the protective duty on crude petroleum levied with effect from February 1, 1966. The revenue from basic excise duties (accruing to the Centre) improved by Rs. 11 crores over the budget estimates (including the effect of the increase in excise duties provided for in the Finance (No. 2) Act, 1965). The increase under this head was the net result of

Table 2. Resources (By Main Groups)

(Crores of Rupees)

	1964-65	1965-66		1966-67
	(Accts.) 1	(B.E.) 2	(R.E.) 3	(B.E.) 4
Total Revenue Receipts	**2,081**	**2,289**	**2,300**	**2,481**
Tax Revenue	1,563	1,789	1,756	1,943
of which				
1. Income-tax	143	170	137	164
2. Corporation Tax	314	372	330	376
3. Customs	398	501	531	561
4. Union Excise	674	704	715	799
Non-Tax Revenue	518	500	544	538
of which				
1. Debt Services	257	297	316	361
2. Net Contribution of Public Undertakings	70	79	80	91
3. Administrative Receipts	49	44	46	45
4. P. L. 480 Grants	122	60	60	24
Total Capital Receipts	**1,645**	**1,929**	**1,805**	**1,873**
1. Market Borrowings				
Internal (Gross)	297	270	281	280
External (Gross)	570	669	617	785
2. Investments of U.S. Government Counterpart Funds (Net)	—2	191	150	—119
3. Small Savings (Net)	127	135	135	135
4. Prize Bonds	2	—15	—18	—2
5. All Others†	651	679	640	794

† Include unfunded debt, railway funds, reserve funds, repayment of loans by States, compulsory deposits, annuity deposits, etc.

variations in receipts from a number of items. The original budget presented in February 1965 took into account the effect of the budget proposals which were expected to result in a reduction of nearly Rs. 10 crores in the year. Subsequently, the rates of excise duty were again raised upward in terms of Finance (No. 2) Act, 1965, with effect from August 20, 1965 in respect of all petroleum products except light diesel oil, iron and steel products, copper and copper alloys and unwrought lead (fresh levy), while the duties on light diesel oil and internal combustion engines were reduced. The net result of these measures introduced in August 1965 was the expected additional revenue of Rs. 30.7 crores in 1965-66 (or Rs. 49.9 crores in a full year). The increase in the revised estimates under this item was due to larger production and clearances of petroleum products, tobacco, cement and sugar, partly counterbalanced by lower receipts from kerosene and iron and steel products.

Capital receipts for 1965-66 (R. E.), on the other hand, were placed lower by Rs. 124 crores at Rs. 1,805 crores, the decline being noticed under external borrowings (gross), investment of U.S. counterpart funds (net) and others. In the budget for 1965-66, credit for Rs. 669 crores was taken for loans from foreign countries and international organisations ; in the revised estimates, however, these borrowings were placed lower at Rs. 617 crores. As regards investment of U.S. counterpart funds, the budget for 1965-66 had assumed a net credit for Rs. 191 crores whereas in the revised estimates, they were placed lower at Rs. 150 crores, after taking into account the transfers from the State Bank of India and payment of arrears relating to last year as also payments for

certain non-food imports and the freight element paid in rupees on earlier shipments. The decline of Rs. 38 crores under "others" was spread over a large number of items, the more important of them being Railway Funds (Rs. 9 crores), Income-tax Annuity Deposits (Rs. 20 crores) and other reserve funds (Rs. 1 crore). On the other hand, repayment of loans by State Governments improved by Rs. 8 crores to Rs. 282 crores.

Budget Estimates for 1966-67 : For the year 1966-67 the total resources on revenue account are placed higher at Rs. 2,481 crores after taking into account the yield from additional taxation of Rs. 101.5 crores ; this shows an improvement of Rs. 181 crores over 1965-66 (R.E.). Tax revenue is expected to improve by Rs. 187 crores while non-tax revenue is expected to decline by Rs. 6 crores to Rs. 538 crores.

Under non-tax revenue, the major item accounting for the decline in 1966-67 will be P. L. 480 grants, owing to expectations of substantially lower receipts under this head (Rs. 24 crores compared to Rs. 60 crores in 1965-66 (R.E.)). Administrative receipts are also expected to decline by Rs. 1 crore. But these declines are expected to be offset to some extent by increases under net contribution of public undertakings (Rs. 11 crores) and debt services (Rs. 45 crores). The improvement under net contribution of public undertakings is on account of the expectation of higher contribution from Railways, Posts and Telegraphs and Currency and Mint while the gain under interest receipts is on account of higher interest receipts from States, other parties and on capital invested in Government commercial undertakings.

Total capital receipts are anticipated to show a rise of Rs. 68 crores over 1965-66 (R.E.) to Rs. 1,873 crores, because of the larger credit taken in respect of external borrowings and transfer to Special Development Fund. External borrowings (net) show an increase of Rs. 144 crores arising from expectations of larger accruals to the extent of Rs. 293 crores mainly under P.L. 480, largely offset by a decline in credits expected from U.S.S.R., U.K., West Germany, Yugoslavia, Austria, Netherlands, International Development Association and miscellaneous credits. Net external borrowings during 1966-67 are placed at Rs. 664 crores. As regards new domestic market loans, the budget assumes a credit of Rs. 280 crores compared to Rs. 281 crores in 1965-66 (R.E.). Net internal borrowings (*i.e.*, borrowings less repayments) during 1966-67, however, are expected to amount to Rs. 88 crores, compared to Rs. 126 crores in 1965-66 (R.E.). An increase of Rs. 206 crores in Special Development Fund is expected in 1966-67 from the level of Rs. 158 crores in 1965-66 (R.E.), mainly due to anticipated increase in assistance under P.L. 480. A feature of the 1966-67 budget is the proposal for the introduction of a new series of National Savings Certificates 'Bank Series' (issued through the State Bank and its subsidiaries) the interest on which will be accorded the same concessional treatment as the existing series of National Savings Certificates.

The financial effects of the various changes proposed in the tax structure during 1966-67 (for details see Appendix II) are summarised below :

Table 3. Tax Proposals

(Crores of Rupees)

Tax Proposals	Estimated Additional Revenue (+) or Loss (—)
I. **Direct**	
Income-Tax	+ 24.45
Corporation Tax	+ 36.07
Expenditure Tax	— 0.60
Gift Tax	— 1.71
Estate Duty	+ 0.01*
Others	+ 0.50
Total of I	**+ 58.72**
II. **Indirect**	
Union Excise	+ 42.27**
Customs	+ 0.52
Total of II	**+ 42.79**
III. Grand Total	**+101.51**

* Exclusive of Rs. 69 lakhs as States' share.
** Exclusive of Rs. 10.07 crores as States' share.

The increase of Rs. 24.5 crores (net) in revenue from income-tax is the result of the

following changes proposed in regard to personal taxation : (1) levy of a flat special surcharge of 10 per cent of the amount of income-tax and surcharge in respect of earned and unearned incomes, payable by all non-corporate assessees, (2) increase in the existing limits of total incomes not chargeable to tax by Rs. 500 to Rs. 3,500, (3) increase in the existing personal allowances on which tax relief is given to resident individuals and Hindu undivided families by Rs. 500 to Rs. 6,500 and (4) raising of the existing exemption limit for annuity deposits from Rs. 15,000 to Rs. 25,000. In regard to corporate taxation, the 10 per cent increase in the general rates of tax on corporate incomes is expected to net in on balance an additional sum of Rs. 36.1 crores. The proposals also include certain reliefs for promoting a favourable climate for the growth of the corporate sector, as for example, the removal of the existing tax of 12.5 per cent levied on domestic companies with reference to the amount of their bonus issues and the exemption from tax, of dividends upto 10 per cent of the paid-up equity capital.

As regards other personal taxes, the expenditure tax is abolished, as the yield from this source has not been commensurate with the burden it places on the administration. The net loss of revenue on this account for the year 1966-67 is placed at Rs. 60 *lakhs*. Similarly, the rates of gift tax are revised with a view to bringing them more closely in line with the rates of estate duty ; in this process the rates applicable to different slabs of value of gifts are reduced, involving a net loss of Rs. 1.7 crores. Thus, the proposals in respect of direct taxes included in the budget together will yield an additional revenue of Rs. 58.7 crores.

Under indirect taxation, the changes proposed in Union excise duties, together with corresponding increase in countervailing duties, are expected to show a net increase in revenue of Rs. 42.3 crores,* which is the net effect of : (i) enhancement of excise duty on crystal sugar from Rs. 28.65 to Rs. 37 per quintal (with corresponding increase in duty on Khandsari), (*ii*) increase of 25 to 30 per cent in the duty on cigars and cigarettes as well as unmanufactured tobacco, (*iii*) enhancement of duty on light diesel oil by Rs. 60 per kilo litre in order to bring it in line with duties on other petroleum products, so as to avoid undesirable mixtures, (*iv*) selective increases in duties on cotton yarn and cotton fabrics in order to restrain consumption of finer qualities of cloth, the production of which requires imported cotton; at the same time, duties on rayon and synthetic yarns are enhanced and (*v*) the raising of excise duties on sodium silicate and carbon dioxide.

After taking into account the effect of the new tax proposals, revenue collections retained by the Centre under excise duties are expected to rise by Rs. 84 crores to Rs. 799 crores, customs by Rs. 30 crores to Rs. 561 crores, corporation taxation by Rs. 46 crores to Rs. 376 crores and income-tax by Rs. 27 crores to Rs. 164 crores.

Subsequently on April 29, 1966 the Finance Minister announced a series of concessions. These relate to : (1) a reduction in the general rate of tax on closely held companies by 5 per cent from 65 per cent to 60 per cent. The reduced rate will apply to the slab of their income over Rs. 10 *lakhs*. (2) In regard to taxation of personal incomes, the increase in exemption limit of Rs. 500 from Rs. 6,000 to Rs. 6,500 in the case of resident Hindu undivided families and from Rs. 3,000 to Rs. 3,500 in the case of other resident non-corporate tax payers, proposed in the Finance Bill 1966, is enhanced further by Rs. 500 to Rs. 7,000 in respect of the former and to Rs. 4,000 in respect of the latter. The enhancement will have the effect of exempting from tax, an additional number of about 20 thousand persons in the lower income brackets. (3) The Annuity Deposit Scheme is simplified. A depositor can exercise option and deposit any amount of his choice up to the ceiling amount calculated at the specific rate. The existing provision under which the option has to be exercised in the first year, and for all times, is removed. If there is any shortfall in the deposit from the ceiling amount, the depositor will be liable to pay the additional amount as penal tax.

* Exclusive of Rs. 10.1 crores representing States' share in Union excise duties.

Some reliefs have also been given in excise duties to cotton textiles and paper board, mill board and straw board industries in the small-scale sector, while an increase has also been granted in the rate of tax credit to the export of jute carpet backing. As a result of these concessions, the estimated deficit for 1966-67 is expected to go up from Rs. 25 crores to Rs. 32 crores.

STATE GOVERNMENT BUDGETS

There was a marked deterioration in the overall budgetary position of States from a surplus of Rs. 39 crores in 1964-65 to a deficit of Rs. 79 crores in 1965-66 (B.E.). According to the revised estimates now available for 1965-66, the deficit is expected to widen substantially to Rs. 189 crores, owing mainly to increases in expenditure arising out of the Indo-Pakistani conflict and the failure of monsoons. As between budget and revised estimates for 1965-66, aggregate expenditure rose sharply by Rs. 305 crores ; revenue and capital receipts also recorded a substantial increase of Rs. 74 crores and Rs. 114 crores, respectively. The improvement in revenue receipts was mainly under States' own tax receipts, their share in Central taxes showing only a marginal increase. The increase in capital account was mainly because of loan assistance from the Centre. The net position on revenue account has remained unchanged with the deficit around Rs. 82 crores despite the increase in revenue receipts. This is due to the fact that both revenue and expenditure have gone up by more or less the same extent in the revised estimates for 1965-66, the increase in expenditure being mainly on account of civil administration and debt services. The capital account has recorded a sharp deterioration from a surplus of Rs. 9.5 crores in the budget estimates to a deficit of Rs. 109 crores in the revised estimates, due to a much sharper increase (of Rs. 232 crores) in disbursements than in receipts (Rs. 114 crores). As a result, the overall deficit widened from Rs. 79 crores in the budget estimates to Rs. 189 crores in the revised estimates.

For the year 1966-67, at existing levels of taxation, the States have budgeted for a combined overall deficit of Rs. 49 crores, which is only a little more than one-fourth of the overall deficit for 1965-66 (RE). The overall deficit of Rs. 49 crores is the net result of (*i*) a surplus of Rs. 11 crores on revenue account [in contrast to a deficit of Rs. 82 crores in 1965-66 (RE)], (*ii*) a smaller deficit of Rs. 66 crores on capital account as against Rs. 109 crores in 1965-66 (RE) and (*iii*) the deficit of Rs. 5.2 crores under miscellaneous transactions as against Rs. 2 crores in 1965-66 (RE). On the assumption that all the tax proposals would be implemented in the course of the year, the anticipated revenue surplus may go up by Rs. 15 crores to Rs. 26 crores and consequently the overall deficit is likely to be reduced from Rs. 49 crores to Rs. 35 crores. It may be mentioned in this connection that the net surplus on revenue account, which had shown a consistent improvement in 1962-63 and 1963-64, recorded a deterioration in 1965-66 (RE) mainly due to the growing burden of debt servicing charges and rapid growth in administrative expenditure.

State-wise, six States, *viz.*, Madhya Pradesh Andhra Pradesh, Mysore, Assam, Punjab, and Uttar Pradesh have budgeted for a surplus while Madras expects to have a balanced budget. As against these, the States of Bihar, Orissa and Rajasthan are expected to have deficits, even after taking into account the proposals for additional taxation. The additional taxation measures will balance the budget of Jammu and Kashmir. Though the Assam budget shows a small surplus, additional taxation is proposed to cover the additional expenditure likely to arise from the revision of pay scales. Despite larger loan assistance from the Centre and an increase in shared taxes following the recommendations of successive Finance Commissions, a number of States have been experiencing ways and means difficulties of a serious nature. The recommendations of the Fourth Finance Commission regarding devolution of resources to the States during the Fourth Plan period are expected to benefit the States substantially and ease their difficult financial position. As a result of these recommendations, the States are expected to receive Rs. 361 crores

as shared taxes and Rs. 400 crores as grants in 1966-67 (BE) as against Rs. 276 crores and Rs. 351 crores, respectively, in 1965-66 (RE).

Outlays

Aggregate outlays of the States (revenue and capital accounts combined), which had stood at Rs. 1,620 crores in 1960-61, have risen steadily since, by Rs. 170 crores in 1961-62, by Rs. 220 crores in 1962-63, by Rs. 317 crores in 1963-64, by Rs. 291 crores in 1964-65 and are expected to rise by Rs. 652 crores to Rs. 3,270 crores in 1965-66 (RE) (Table 4). In the aggregate, over the Third Plan period the total expenditure bill of the States increased by Rs. 1,650 crores (or by over 100 per cent) to Rs. 3,270 crores. Of this rise, as much as Rs. 994 crores or 60 per cent was on account of direct development outlays (revenue and capital accounts combined) and loans and advances by States, largely for agricultural and industrial development. The increase in direct development outlays over the Third Plan period as a whole formed about 40 per cent of the total increase in budgetary outlays. The direct development expenditure showed an increase of Rs. 112 crores in 1961-62, Rs. 75 crores in 1962-63, Rs. 98 crores in 1963-64, Rs. 166 crores in 1964-65 and Rs. 208 crores in 1965-66 (RE). The increase of Rs. 166 crores in development expenditure in 1964-65 accounted for 57 per cent of the increase in total disbursements ; however, in the subsequent year the proportion came down to 32 per cent.

For the year 1966-67, total disbursements have been pitched lower by Rs. 109 crores to Rs. 3,161 crores. However, direct development outlays on revenue account are expected to be higher by Rs. 90 crores, although on capital account, such outlays are expected to show a decline of Rs. 15 crores. The increase in development outlays on revenue account is mainly due to expenditure on maintaining the schemes and services started in the Third Plan. Of this, the increase under agriculture would be of the order of Rs. 18 crores, which is intended for continuing the schemes of agriculture and for new development schemes to increase production. Eight States *viz.* Andhra Pradesh, Assam, Bihar, Gujarat, Madhya Pradesh, Orissa, Punjab and West Bengal have made appreciably larger provision for agriculture. Education formed the largest single head under development expenditure, accounting for 57 per cent of the increase in development outlays (on revenue and capital accounts combined) as against 26 per cent in 1965-66 (RE). The increase in expenditure under this head in 1966-67 has been necessitated by new development schemes, larger educational grants, extension of technical and general education etc., in the States of Andhra Pradesh, Bihar, Kerala, Madras, Maharashtra, Mysore, Punjab and West Bengal. The increase under medical and public health (Rs. 21 crores), reported by almost all the States, is attributed to the extension of medical facilities like hospitals and for family planning schemes.

On capital account, the disbursements on development schemes showed a steady increase during the Third Plan period, rising by Rs. 21 crores in 1961-62, by Rs. 15 crores in 1962-63, by Rs. 20 crores in 1963-64, by Rs. 51 crores in 1964-65 and by Rs. 14 crores in 1965-66 (RE); for the budget year 1966-67, however, there is a decline of Rs. 15 crores to Rs. 400 crores. The largest single item of disbursement on development schemes was 'Buildings and Roads', the expenditure on which was anticipated to rise over the Third Plan period by Rs. 29 crores to Rs. 144 crores. In the revised estimates for 1965-66, the outlay on this item was placed at Rs. 137 crores showing a fall of Rs. 7 crores over the budget estimates ; this saving has been made possible on account of economy measures initiated in most of the States during the emergency. For the year 1966-67, expenditure on this item is placed still lower by Rs. 6 crores at Rs. 131 crores. Expenditure on irrigation and navigation (revenue and capital accounts combined), which increased by Rs. 103 crores to Rs. 215 crores over the Third Plan period would, however, decline by Rs. 37 crores to Rs. 178 crores in 1966-67. Expenditure on electricity schemes was around Rs. 28 crores during the first two years of the Third Plan, Rs. 34 crores in the third year and Rs. 41 crores in the fourth year ; in the revised estimates for 1965-66, the provision under this head aggregated Rs. 46 crores. In Uttar Pradesh, following the transfer of the Rihand Dam Power Project to the U.P. State Electricity Board with effect from April 1, 1965, the

Table 4. Disbursements (By Main Groups)

(Crores of Rupees)

	1964-65	1965-66		1966-67
	(Accts.)	(B.E.)	(R.E.)	(B.E.)
	1	2	3	4
I. Total Revenue Expenditure	**1,585**	**1,841**	**1,913**	**2,086**
(a) Development	**913**	**1,082**	**1,107**	**1,197**
(i) Education	320	366	374	417
(ii) Agriculture, etc.	122	147	157	178
(iii) Medical and Public Health	129	152	153	174
(iv) Community Development	4	91	87	78
(v) Civil Works	101	128	128	131
(vi) Irrigation	50	56	65	67
(vii) Others (Residual)	117	142	143	152
(b) Non-Development	**672**	**759**	**806**	**889**
(i) Collection of Taxes, etc.	72	79	81	93
(ii) Debt Services	207	256	276	340
(iii) Civil Administration	235	247	267	269
(iv) Others (Residual)	158	177	182	187
II. Total Capital Expenditure	**1,033**	**1,124**	**1,357**	**1,075**
1. Capital Outlay	**401**	**437**	**525**	**428**
(a) Development	**401**	**406**	**415**	**400**
(i) Multi-purpose River Valley Schemes	63	59	61	52
(ii) Irrigation and Navigation	121	137	149	111
(iii) Electricity Schemes	38	— 4	— 10	33
(iv) Buildings and Roads, etc.	129	144	137	131
(v) Industrial Development	32	46	48	51
(vi) Others (Residual)	18	24	30	22
(b) Non-Development	—	**31**	**110**	**28**
2. Loans and Advances	**364**	**416**	**516**	**370**
3. Other Expenditure	**268**	**271**	**316**	**277**
III. Grand Total (Revenue and Capital Accounts)	**2,618**	**2,965**	**3,270**	**3,161**

capital invested in the creation of the assets amounting to Rs. 51.23 crores was treated as an interest-bearing loan to the Board and corresponding amount (Rs. 51.23 crores) was taken as a reduction in expenditure under capital outlay on electricity schemes by Uttar Pradesh in 1965-66. This adjustment in Uttar Pradesh almost offset the provision of Rs. 46 crores by other States, with the result that the expenditure on electricity schemes of all the States taken together showed a saving of Rs. 5 crores. For 1966-67, excluding Uttar Pradesh, which has made no provision for electricity schemes, the total expenditure under this head has been placed at Rs. 39 crores.

Non-development outlay (on revenue and capital accounts combined) rose from Rs. 442 crores in 1960-61 to Rs. 627 crores in 1963-64;

in 1964-65, this item rose further to Rs. 672 crores, the entire increase (Rs. 45 crores) being under revenue account. However, for 1965-66 (RE) the increase of Rs. 244 crores in non-development outlays to Rs. 916 crores was reported both under revenue and capital accounts. This item is expected to go up marginally by Rs. 1 crore to Rs. 917 crores in 1966-67. Of the total increase in non-development expenditure between 1960-61 and 1966-67 (Rs. 475 crores), debt services* alone accounted for over 50 per cent and civil administration for over 20 per cent. Reflecting the rapid rise in the volume of public debt of States over the years, the magnitude of debt service charges grew at a fast rate, from Rs. 84 crores in 1960-61 to Rs. 207 crores in 1964-65, to Rs. 276 crores in 1965-66 (RE) and further to Rs. 340 crores in 1966-67 (BE). Expenditure on civil administration at Rs. 269 crores in 1966-67 (BE) showed an increase of Rs. 102 crores over the level in 1960-61, largely due to payment of higher dearness allowances and also due to the normal growth in civil expenses.

Loans and advances by States representing assistance to cultivators, electricity boards, port trusts, municipalities and other local bodies for development purposes increased from Rs. 180 crores in 1960-61 to Rs. 364 crores in 1964-65 and Rs. 516 crores in 1965-66 (RE). For the year 1966-67, disbursements under this head have been placed lower at Rs. 370 crores ; the major explanation for this reduction is that the provisions in 1966-67 are such as lie within the Plan ceiling provided by the Central Government.

Resources

Revised Estimates for 1965-66 and Budget Estimates for 1966-67 : Total resources of the State Governments on revenue account (tax and non-tax), which amounted to Rs. 1,012 crores in the last year of the Second Plan period, rose steadily to Rs. 1,831 crores at the end of the Third Plan ; during 1966-67—the first year of the Fourth Plan—these are expected to go up by Rs. 281 crores, (after taking into account the effect of this year's additional taxation) to Rs. 2,112 crores (Table 5).

Table 5. Resources (By Main Groups)

(Crores of Rupees)

	1964-65	1965-66		1966-67
	(Accts.) 1	(B.E.) 2	(R.E.) 3	(B.E.) 4
A. Revenue Account				
Total Revenue Receipts	**1,635**	**1,757**	**1,831**	**2,097** (2,112)
1. Tax Revenue	**1,022**	**1,037**	**1,084**	**1,265** (1,279)
(a) Share from the Centre*	258	273	275	347
(b) States' own resources	764	764	809	918 (932)
2. Non-tax Revenue	**613**	**720**	**747**	**832**
(a) Grants from the Centre	270	354	354	402
(b) Administrative Receipts	121	118	127	134
(c) Net Contribution from Public Enterprises	58	62	59	72
(d) Others (Residual)	164	186	207	224
B. Capital Account				
Total Capital Receipts	**1,038**	**1,134**	**1,248**	**1,009**
(a) Permanent Debt	101	100	113	93
(b) Loans from the Centre	676	753	816	627
(c) Others (Residual)	261	281	321	289
Grand Total (Revenue and Capital Accounts)	**2,673**	**2,891**	**3,079**	**3,106** (3,121)

Note: Figures in brackets indicate the position after taking into account additional tax proposals.
* Comprises share of income-tax , estate duty and Union excise duties.

* A part of the increase in debt service charges is also attributable to the change in accounting introduced in 1962-63, according to which interest payments are now shown on a gross basis.

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As between budget and revised estimates for 1965-66, total revenue receipts showed an improvement of Rs. 74 crores, the increase being shared by tax heads (Rs. 47 crores) and non-tax heads (Rs. 27 crores). Of the estimated increase of Rs. 266 crores in revenue receipts for 1966-67 (at the existing levels of taxation), as much as Rs. 181 crores or nearly 70 per cent of the increase was expected to accrue under tax heads, mainly from States' own tax resources. States' share in Central taxes is also placed higher by Rs. 72 crores at Rs. 347 crores for 1966-67, while non-tax heads are expected to rise by Rs. 85 crores (to Rs. 832 crores), of which as much as Rs. 48 crores or over 56 per cent was expected under grants from the Centre.

The tax revenue of States from their own resources has risen from Rs. 1,265 crores in the First Plan to Rs. 1,936 crores in the Second and further to Rs. 3,308 crores in the Third Plan at which level it records a rise of 162 per cent over the total of the First Plan. As regards individual tax heads, comparatively new taxes such as general sales tax, tax on motor spirit, motor vehicles tax, entertainment tax and electricity duties showed a consistent rise while the percentage share of collections under land revenue showed a fall from over 25 per cent of total revenue (own resources) in the First Plan period to about 17 per cent in the Third Plan. For the years 1965-66 and 1966-67, the increase in revenue collections was shared by almost all tax heads. General sales tax emerged as the most important source of revenue of States (till 1965-66) and took the place of land revenue which at one time was the main source of revenue for the States. Receipts under this head, at Rs. 322 crores in 1965-66 (RE) were larger by Rs. 27 crores than in 1964-65 and by Rs. 180 crores than in 1960-61. During the Second Plan period revenue from sales tax constituted 30 per cent of the total tax receipts of the States (own resources). Since then, the proportion rose to about 39 per cent each in 1964-65 and 1965-66 (RE). Collections from State excise, motor vehicles tax, entertainment tax, electricity duties, stamps and registration fees and taxes on motor spirit, which aggregated Rs. 172 crores in 1960-61, had steadily increased to above Rs. 300 crores by the end of the Third Plan period. Altogether, a rise of Rs. 109 crores (at existing levels of taxation) in the yield from State tax heads during the year 1966-67 is expected, as a result of two factors *viz.*, (*i*) proposed mid-year measures of additional taxation which are expected to yield Rs. 60 crores in a full year and (*ii*) an increase of Rs. 16 crores in collections under land revenue from Rs. 104 crores in 1965-66 (RE); this increase is estimated on the expectation of good agricultural crop this season. States' share of the divisible pool of taxes of the Centre which had remained at Rs. 258 crores in both the years 1963-64 and 1964-65, improved by Rs. 17 crores to Rs. 275 crores in 1965-66 (RE) ; for the year 1966-67, the same is expected to go up by Rs. 72 crores. Under non-tax revenue, grants-in-aid to States are expected to go up from Rs. 354 crores in 1965-66 (RE) to Rs. 402 crores in 1966-67. The substantial increase under States' share of Centre's divisible pool of taxes as well as under grants-in-aid to States (under non-tax revenue) in 1966-67 is the direct result of the recommendation of the Fourth Finance Commission. The Commission recommended a sum of nearly Rs. 610 crores as grants-in-aid to States for the Fourth Plan period as a whole for meeting the revenue gap in their budgets. It may be recalled in this connection that the Third Finance Commission had recommended (*i*) Rs. 260 crores as grants-in-aid to States for filling their revenue gap and (*ii*) Rs. 291 crores for meeting 75 per cent of the revenue component of States' plans, and the Government of India accepted only the first part of these recommendations.

Under non-tax revenue, apart from grants-in-aid, referred to earlier, the other two heads *viz.*, administrative receipts and net contributions of public undertakings are also expected to rise by Rs. 7 crores (to Rs. 134 crores) and Rs. 13 crores (to Rs. 72 crores), respectively, during 1966-67. The increase under the latter is mainly accounted for by irrigation (Rs. 6 crores) and electricity schemes (Rs. 7 crores).

The Centre's assistance to States by way of loans rose progressively from Rs. 346 crores in 1960-61 to Rs. 816 crores in 1965-66 (RE). As between the budget and revised estimates for 1965-66, loans from the Centre rose by Rs. 63 crores because of the assistance

given in respect of Plan schemes as also for strengthening the budgetary position of a number of States which had deteriorated in recent years. Assistance from the Centre for purchase and distribution of seeds, fertilizers and pesticides as also the rise in States' share in small savings collections had been partly responsible for the increase in the revised estimates under the above head. The States which benefited sizeably from the increase in Central assistance were Rajasthan (Rs. 26 crores), Orissa (Rs. 15 crores), Assam (Rs. 12 crores), Madhya Pradesh and Madras (Rs. 7 crores each) and Bihar and Andhra Pradesh (Rs. 5 crores each). Loans from the Centre during 1966-67 would show a decline of Rs. 189 crores. Total resources transferred by the Centre to States in the form of shared taxes* and grants and loans recorded a steady rise from Rs. 339 crores in 1956-57 to Rs. 742 crores in 1960-61 and further to Rs. 1,446 crores in 1965-66 (RE). For 1966-67, however, they are placed lower by Rs. 37 crores at Rs. 1,409 crores, due to expected reduction in loans from Rs. 819 crores in 1956-66 (RE) to Rs. 659 crores in 1966-67. Resources transferred from the Centre to States financed about 41 per cent of the total expenditure of States during the First Plan period, about 49 per cent during the Second Plan period and 52 per cent during the Third Plan period.

Table 6. Estimated Yield from Budget Proposals

	Yield (Lakhs of Rupees)
By States	
1. Assam	55.00
2. Bihar	200.00
3. Jammu and Kashmir ..	80.00
4. Madhya Pradesh	423.00
5. Orissa	280.00
6. Punjab	308.00
7. Rajasthan	112.00
Total ..	**14,58.00**
By Major Heads	
1. Motor Vehicles Tax	290.00
2. General Sales Tax	183.00
3. Sales Tax on Motor Spirit ..	40.00
4. Profession Tax	16.00
5. Electricity Duties	210.00
6. Urban Immovable Property Tax	20.00
7. Others	699.00
Total ..	**14,58.00**

Tax Proposals, 1966-67: Details of the proposals in regard to additional taxation by States during 1966-67 are given in Appendix III. The Table 6 presents the yield from additional taxation under major individual heads. As against a vigorous programme of mobilization of resources (amounting to Rs. 35 crores) by twelve States in 1963-64, tax efforts in the subsequent years have been modest. In 1964-65, seven States resorted to additional taxation for a sum of Rs. 6.6 crores and in 1965-66, three States for a sum of Rs. 4.14 crores.@ For the year 1966-67 seven States, *viz.*, Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Orissa, Punjab and Rajasthan have proposed additional taxation for a sum of Rs. 14.6 crores. The States have relied on motor vehicles tax as the most important source of revenue which is expected to yield as much as Rs. 2.90 crores or 20 per cent of the total anticipated yield of Rs. 14.6 crores. Also, the emphasis has been more on enhancement of existing levies than on imposition of new ones, the former contributing 90 per cent of the estimated yield of Rs. 14.6 crores. In *Assam*, the existing 40 per cent tax under Motor Vehicles Taxation Act has been raised to 50 per cent which is estimated to yield an additional sum of Rs. 55 *lakhs*. In *Bihar*, the existing rates under Motor Vehicles Tax Act and irrigation rates have been raised and are expected to yield additional Rs. 60 *lakhs* and Rs. 1.40 crores, respectively. *Jammu and Kashmir* has enhanced the existing rates in respect of sales tax ; this together with rationalisation of the passenger tax structure, abolition of toll on passenger buses, revision of licence fees etc., is estimated to yield in all, Rs. 80 *lakhs*. In *Madhya Pradesh*, the existing rates in respect of sales tax on certain luxury and semi-luxury articles and electricity tariff on high tension consumption have been enhanced which, together with other measures such as rationalisation under Motor Vehicles Tax Act and State trading in certain articles, are expected to yield additional Rs. 4.23 crores. In *Orissa*, the existing rates under entertainment tax, Motor Vehicles Taxation Act, general sales tax, tax on motor spirit etc., have been raised and these together with an additional levy on freights and fares are

* Comprising share of income-tax, estate duty and Union excise.

@ Besides, twelve States had made proposals in October-November 1965 which were expected to yield additional revenue of Rs. 15 crores in 1965-66 and Rs. 60 crores in a full year.

expected to yield additional Rs. 2.80 crores. In the *Punjab*, the enhancement of existing rates of sales tax on bricks and motor spirit, tariffs on power used for industrial purposes, goods tax in respect of public carriers, fees and other charges for services rendered by the State, etc., and certain new levies are together expected to yield an additional Rs. 3.08 crores. In *Rajasthan*, the enhancement of passenger and goods tax, the revision and rationalisation of tax under Motor Vehicles Taxation Act, and *ad hoc* increase in irrigation rate (by Rs. 5 per acre) and new levy of sales tax of 3 per cent on ghee are in the aggregate expected to yield additional Rs. 1.1 crores.

PUBLIC DEBT

Union Government

In the scheme of resource mobilisation for financing the development programmes, borrowing, both from internal and external sources, was assigned an increasingly important role in the three Five-Year Plans. As a result, the total outstanding debt liabilities of the Union Government increased rapidly from Rs. 2,865 crores at end-March 1951 to Rs. 11,383 crores by end-March 1966 —a rise of Rs. 8,518 crores or 297 per cent over the period of fifteen years. The rate of rise in debt, as may be seen from Table 7, was much faster during the Second and Third Plan periods. Thus, over the Third Plan, total debt rose by Rs. 4,839 crores as compared to an increase of Rs. 3,033 crores in the Second Plan and of only Rs. 646 crores in the First Plan. Total public debt (i.e., internal rupee loans, Treasury bills and external loans) which formed about 70 per cent of the total debt liabilities, was responsible for 60 per cent of the rise in total debt in the First Plan, 76 per cent in the Second Plan and 68 per cent in the Third Plan. Other debt liabilities of the Government comprising small savings and other obligations also increased, over the period of fifteen years, by Rs. 1,188 crores and Rs. 1,338 crores, respectively.

At the end of 1965-66 and 1966-67, the total of capital outlay and loans advanced by the Central Government was expected to exceed the total debt liabilities by Rs. 1,008 crores and Rs. 1,234 crores, respectively ; the excess would have been met, by and large, from accumulated revenue surpluses.

The trends in important individual constituents of the total debt liabilities of the Union Government are discussed below:

Table 7. Government of India's Debt Position

(Crores of Rupees)

	AS AT THE END OF MARCH								
	1951 (Accts.) 1	1956 (Accts.) 2	1961 (Accts.) 3	1962 (R.E.) 4	1963 (R.E.) 5	1964 (R.E.) 6	1965 (R.E.) 7	1966 (R.E.) 8	1967 (B.E.) 9
Public Debt									
1. Internal									
(a) Rupee Loans ..	1,438	1,509	2,571	2,684	2,847	3,110	3,263	3,431	3,519
(b) Treasury Bills ..	358	595	1,106	1,182	1,415	1,360	1,404	1,611	1,728
(c) Others* ..	226	225	297	296	306	311	320	375	376
Total (a+b+c) ..	**2,022**	**2,329**	**3,974**	**4,162**	**4,568**	**4,781**	**4,987**	**5,417**	**5,623**
2. External	**32**	**114**	**761**	**1,111**	**1,379**	**1,809**	**2,192**	**2,629**	**3,293**
Total Public Debt	**2,054**	**2,443**	**4,735**	**5,273**	**5,947**	**6,590**	**7,179**	**8,046**	**8,916**
Small Savings	337	576	973	1,069	1,146	1,251	1,397	1,525	1,660
Other Obligations** ..	474	493	835	769	924	1,088	1,548	1,812	1,820
Total Debt+	**2,865**	**3,511**	**6,544**	**7,111**	**8,017**	**8,929**	**10,124**	**11,383**	**12,396**

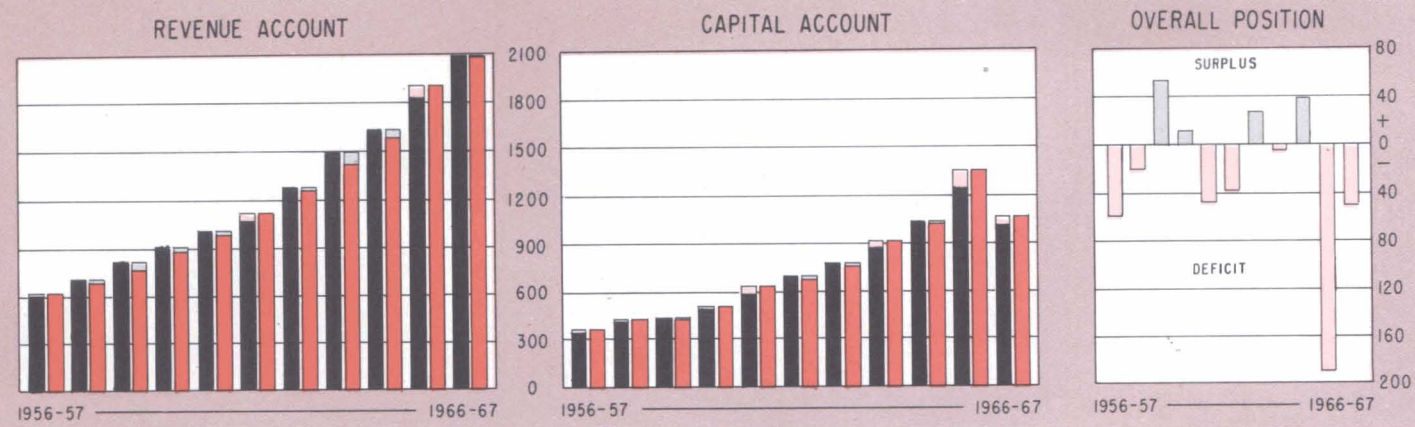
Note : Figures given here are based on budget documents. Actuals in respect of certain items such as market borrowings, small savings and Treasury bills are given later.

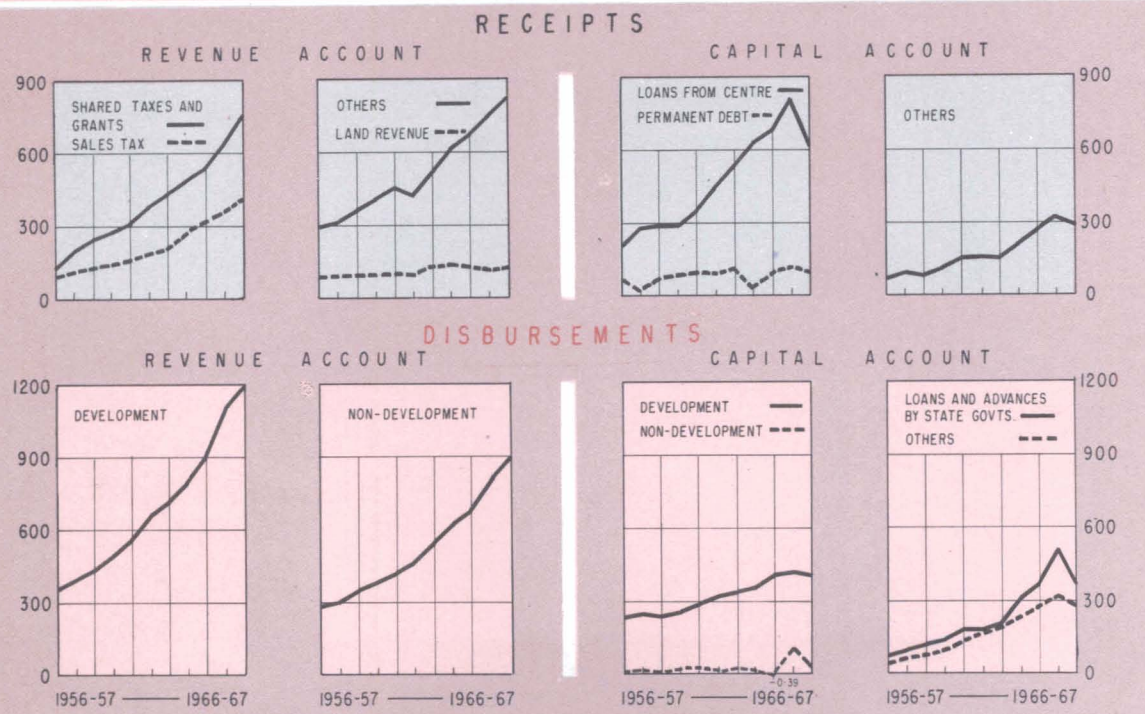
* Include special floating loan representing India's subscriptions to I. M. F., I. B. R. D. and I. D. A., loans in course of repayment, etc.

** Investments of P.L. 480 Funds, Service Funds, State Provident Funds, Deposits of Depreciation, Development and Reserve Funds etc. and Compulsory and Annuity Deposits.

\+ Of the total debt, an estimated amount of Rs. 300 crores is due from Pakistan on account of her share of pre-partition debt.

GRAPH 11





BUDGETARY POSITION OF STATE GOVERNMENTS

1956-57 TO 1966-67

(CRORES OF RUPEES)

RECEIPTS

DISBURSEMENTS

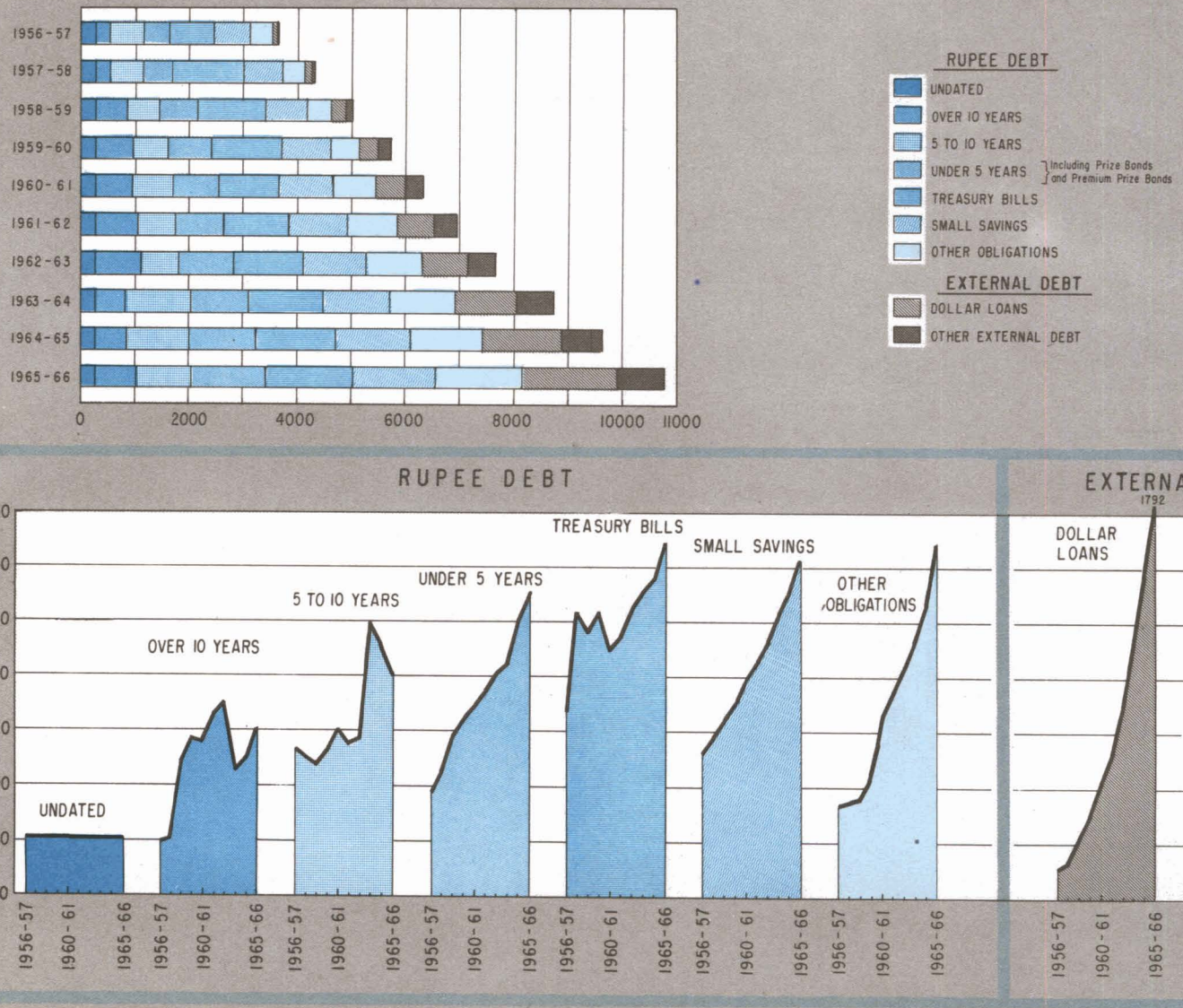
SURPLUS

DEFICIT

GRAPH 12

DEBT POSITION (PRELIMINARY) OF THE GOVERNMENT OF INDIA

(CRORES OF RUPEES)



External Loans : External loan liabilities of the Union Government, which stood at only Rs. 32 crores or formed 1.6 per cent of the total public debt in 1950-51, shot up to Rs. 2,629 crores or 32.7 per cent of total public debt in 1965-66. Of the increase of Rs. 2,597 crores over the three plans, as much as Rs. 1,868 crores or 72 per cent accrued over the Third Plan period. This may be attributed mainly to the successful efforts, in recent years, in increasing the pace of utilisation of foreign assistance. For the year 1965-66, the budget had taken credit of Rs. 669 crores for external loans. The revised estimate in this regard has now been placed at Rs. 617 crores raising the outstanding (after allowing for repayments due) to Rs. 2,629 crores as at end-March 1966. Of this, dollar loans continue to account for the largest share (Rs.1,774 crores or 67.5 per cent of the total), followed by loans from the U.K. (Rs. 267 crores or 10.2 per cent), the U.S.S.R. (Rs. 235 crores or 9.0 per cent) West Germany (Rs. 189 crores or 7.2 per cent), Japan (Rs. 57 crores or 2.2 per cent) and other foreign sources (Rs. 89 crores or 3.4 per cent). For the year 1966-67 gross external loans are placed at Rs. 785 crores or Rs. 168 crores more over 1965-66 (R.E.). Loans under U.S. PL 480 and from I. B. R. D. are expected to be substantially larger ; however, a part of this rise would be counterbalanced by smaller loans from the I.D.A., the U.S.S.R., the U.K., and West Germany. Allowing for repayments during the year, outstandings of external loans by end-March 1967 are anticipated to move up to Rs. 3,293 crores at which level it would be very close to the level of outstanding internal market loans.

Rupee Debt : Rupee debt or total internal debt of the Union Government rose steadily from Rs. 2,470 crores at end-March 1951 to Rs. 8,167 crores by end-March 1966—an increase of Rs. 5,697 crores over the fifteen-year period. Of the total outstanding rupee debt as on March 31, 1966, rupee loans accounted for 42 per cent, Treasury bills and other obligations for about 20 per cent each and small savings for 18 per cent. As compared to the position at end-March 1961, while the share of rupee loans declined by about 5 percentage points, that of other obligations increased by 5 percentage points.

Table 8. Rupee Debt

(Crores of Rupees)

	End-March					
	1961	1962	1963	1964	1965	1966@
Rupee Loans	2,571	2,688	2,841	3,114	3,268	3,425
Treasury Bills	1,106	1,175	1,300	1,382	1,444	1,612
Small Savings	982	1,069	1,144	1,271	1,399	1,527
Other Obligations	834	931	1,036	1,155	1,322	1,603
Total ..	**5,494**	**5,864**	**6,320**	**6,921**	**7,432**	**8,167**

@ Provisional figures.

Market Borrowings: The Central budget for 1965-66 had assumed a credit of Rs. 270 crores on account of domestic market loans. However, following the tight conditions in the money market, the actual borrowing programme had to be cut down substantially. Accordingly, two new loans, viz., a six-year 4½ per cent Loan, 1971 maturing on July 1, 1971 and a twenty-five-year 5½ per cent Loan, 1990 maturing on July 1, 1990 were announced on June 21, 1965 for raising a total sum of Rs. 250 crores. The 4½ per cent Loan, 1971 was issued at Rs. 99.50 per cent and the 5½ per cent Loan 1990 at par. Subscriptions were received on July 1 and 2, 1965 in the form of cash and of securities of the National Plan Bonds—Second series (3½ per cent 1965) which were due for repayment on July 1, 1965. Total subscriptions amounted to Rs. 250.98 crores—Rs. 124.41

crores in cash and the balance by conversion. Further, with a view to mobilising resources for national defence, the issue of two Defence Loans, *viz.*, a three-year 4¼ per cent National Defence Loan, 1968 and a seven-year 4¾ per-cent National Defence Loan, 1972 was announced on October 19, 1965. Subscriptions to these loans were received in cash at par between October 27, 1965 and March 31, 1966. Subscriptions to 4¼ per cent National Defence Loan, 1968 amounted to Rs. 10.43 crores and to the 4¾ per cent National Defence Loan, 1972 to Rs. 17.15 crores. Including these two loans, net market borrowings (gross borrowings less repayment of maturing loans) during the year works out to Rs. 104.3 crores as against Rs. 102.4 crores in 1964-65.

The budget for 1966-67 anticipates gross market borrowing at Rs. 280 crores—Rs. 10 crores more than budgeted last year. Net internal borrowings (*i.e.* borrowings less repayments due) during 1966-67 would amount to Rs. 86 crores as compared to Rs. 104.3 crores in 1965-66. On July 6, 1966, the Government of India announced the floatation of two cash-cum-conversion loans for a total sum of Rs. 260 crores *viz.*, (1) a further tranche of 4½ per cent Loan 1971 at an issue price of Rs. 99.25 per cent and (2) 5½ per cent Loan 1991 at Rs. 99 per cent. The loans were open for subscription from July 18 to July 20, 1966. The total subscription to the 4½ per cent Loan, 1971 (Re-issue) and 5½ per cent Loan, 1991 was Rs. 275.23 crores of which conversion amounted to Rs. 148.49 crores.

The new loan floatations during 1965-66 (Rs. 278.56 crores), subscriptions to 7 per cent Gold Bonds, 1980, Rs. 3.29 crores and the funding of *ad hoc* Treasury bills (Rs. 50 crores) on February 4, 1966, adjusted for repayment of maturing loans (Rs. 174.30 crores inclusive of Prize Bonds) has raised the outstanding rupee loans of the Government of India to Rs. 3,425 crores as at end-March 1966. As regards the maturity pattern of the rupee debt of the Central Government, the proportion of short-dateds (*i.e.*, maturing within 5 years), which had moved up by 4.6 per cent to 38.4 per cent during 1964-65, increased further by 2.1 per cent to 40.5 per cent during 1965-66, whereas that of medium-dateds (*i.e.*, maturing between 5 and 10 years), which had declined by 5.5 per cent to 34.5 per cent in 1964-65, came down further to 29.7 per cent in 1965-66. The share of rupee loans maturing after 10 years, which had shown sizeable fall from 30.6 per cent as on March 31, 1963 to 17.9 per cent as on March 31, 1964, rose marginally by 1.3 per cent to 19.2 per cent as on March 31, 1965 ; at the end of March 1966 it stood at 22.3 per cent of the total rupee debt. These changes are mainly attributed to shifting of loans from one maturity group to another as well as the new floatations. The share of undated loans (*i.e.* comprising 3 per cent Conversion Loan 1986 or later and 3 per cent Non-terminable Loan 1896-97) declined marginally during the year 1965-66 by 0.4 per cent to 7.5 per cent.

Treasury Bills : Despite conversion of *ad hoc* Treasury bills of Rs. 775 crores into dated securities so far under the process adopted in 1958-59 of gradually converting *ad hoc* Treasury bills held by the Reserve Bank of India into dated securities of appropriate maturities, the outstandings of Treasury bills increased by Rs. 1,247 crores between March 31, 1951 and March 31, 1966. A good part of this rise took place during the Second and Third Plan periods, which indicates the importance of Treasury bills as a method of financing expenditure.

During the year 1965-66, the outstandings of Treasury bills are estimated to have risen by Rs. 168 crores to Rs. 1,612 crores. Of these, the holdings of the Reserve Bank amounted to Rs. 1,388 crores or 86.1 per cent, State Governments and other approved bodies accounting for Rs. 142 crores or 8.8 per cent and the public accounting for Rs. 82 crores or 5.1 per cent. For the year 1966-67 the Central budget has taken credit for Rs. 117 crores from issue of Treasury bills and this would raise the outstandings to Rs. 1,728 crores.

An important change was introduced in the procedure of Treasury bills sale to the public, with effect from July 12, 1965. Instead of inviting tenders every week for specified sums, Treasury bills are now available to the public on tap throughout the week at a rate announced from time to time. The discount rate, to start with, was kept at 3.5 per cent per annum which was the last auction

rate for these bills ; this has not undergone any change so far. The change was introduced with a view to facilitating investment by commercial banks of the net accretion to their deposits and the return-flow of bank credit in Treasury bills during the slack season, in pursuance of the policy to keep a continued watch on the inflationary situation.

Small Savings : Small savings constitute an important form of national savings. As against Rs. 240 crores and Rs. 400 crores, respectively, contributed by small savings to resources during the first two plans, the Third Plan envisaged as much as Rs. 600 crores from small savings. The total net collections during this period are now estimated to have reached Rs. 563 crores. The trend in small savings collections in the first two years of the Third Plan was not encouraging, the net collections aggregating Rs. 87 crores in 1961-62 and Rs. 75 crores in 1962-63—a level much below the annual average target of Rs. 120 crores set originally. However, largely due to the levering up of the rate of interest and various promotional measures taken by the Government, small savings collections showed an improvement; net total collections have risen to Rs. 126 crores in 1963-64, to Rs. 128 crores in 1964-65 and further to as much as Rs. 146 crores (including accrued interest) in 1965-66—the final year of the Third Plan.

Table 9. Small Savings Collections (Net)

(Lakhs of Rupees)

	1961-62	1962-63	1963-64	1964-65	1965-66 (Prelimi-nary)	1966-67 (B.E.)
	(1)	(2)	(3)	(4)	(5)	(6)
1. Post Office Savings Bank Deposits* ..	35,55	6,65	39,19	42,56	85,06	65,00
2. National Defence Certificates†	43,08	53,91	64,94	63,22	29,29	26,35
3. Defence Deposit Certificates‡	4,71	8,79	14,04	14,79	4,59	8,65
4. Cumulative Time Deposits	3,24	5,36	8,21	7,46	9,67	12,00
5. Annuity Certificates	25	20	7	—3	—17	—
6. National Savings Certificates (I)					18,03	18,00
7. National Savings Certificates (BS.) ..						5,00
Total ..	**86,83**	**74,91**	**126,45**	**128,00**	**146,47**	**135,00**

Note : Repayments in respect of Post Office Cash Certificates and Defence Savings Certificates are not taken into account.

* Include Dead Savings Bank Account and interest credited to depositors' account from time to time.

† Represent 12-Year National Plan Savings Certificates upto November 15, 1962 which were substituted by National Defence Certificates since that date.

‡ Represent Treasury Savings Deposit Certificates upto November 10, 1962 which were replaced by Defence Deposit Certificates since that date.

During the earlier part of 1965-66, small savings collections had received a set-back due to competitive interest rates offered by the commercial banks and the private sector. There was an increase of Rs. 43 crores under Post Office Savings Bank Deposits, of Rs. 18 crores under National Savings Certificates (I)—a new series introduced since June 1, 1965 and of Rs. 2 crores under Cumulative Time Deposits, offset by decreases under National Defence Certificates (Rs. 34 crores) and Defence Deposit Certificates (Rs. 10 crores).

As regards Post Office Savings Bank Deposits, the net collections at Rs. 85.06 crores (including accrued interest of Rs. 18 crores) in 1965-66 show an increase of Rs. 42.50 crores over 1964-65. The increase is partly

due to additional deposits in the Security Deposit Accounts opened by intending purchasers of motor cars, scooters and commercial vehicles. The system of guarantee by commercial banks to be given to intending purchasers of motor vehicles was replaced during the course of the year by the requirement to keep Security Deposit Accounts with the Post Offices. The Post Office Security Deposit Accounts were made obligatory not only for future applicants for motor vehicles but also for applications already registered with the dealers, the bank guarantees furnished in the latter case being required to be replaced by Post Office Security Deposit Accounts. The rise is also due in part to the increase in accumulated interest consequent on the rise in the interest rate. The rate of interest on Post Office Savings Bank Deposits was increased by 1 per cent, with effect from April 1, 1965. The rate is now 4 per cent per annum in the case of individual and joint accounts and $3\frac{1}{2}$ per cent in the case of public accounts. The interest is free of income-tax. The maximum limit of holding for individual is Rs. 25,000 and for two persons jointly Rs. 50,000. The budget for 1966-67 has assumed a lower credit under Post Office Savings Bank Deposits, at Rs. 65 crores due to the absence of any possibility of significant accruals under Security Deposit Accounts as compared to 1965-66.

The new series of National Savings Certificates (First Issue), which was placed on sale with effect from June 1, 1965, has brought in Rs. 18 crores. These certificates are available at all Post Offices doing savings bank work with a limit of Rs. 25,000 to holdings by individuals and of Rs. 50,000 to holdings by two persons jointly. These certificates, after the maturity period of 10 years, yield Rs. 180 for every Rs. 100 invested, the yield working out to 8 per cent per annum simple or 6.05 per cent per annum compound. The accumulated interest will be subject to income-tax as earned income at the average rate applicable to the investor's other taxable income after excluding the interest on these certificates. Further, only individuals can make investment in these certificates and they can be encashed at any time after the expiry of two years from the date of issue. The 1966-67 budget has taken credit for Rs. 18 crores.

A new series of certificates *viz.*, National Savings Certificates (First Issue) Bank Series, which are identical with those of National Savings Certificates (First Issue) have been placed on sale from March 1, 1966 and are available at all offices of the State Bank of India, in India and its subsidiaries. The 1966-67 budget has assumed a credit of Rs. 5 crores on account of realisation from this issue.

The decline in net collections under National Defence Certificates and Defence Deposit Certificates, noticed above, is due, in part, to larger repayments of uncurrent certificates which are adjusted against these two current series and in part to diversion of savings to the issue of new series *viz.*, National Savings Certificates (First Issue) mentioned above.

Among the more important promotional measures taken during the year, apart from the issue of the two new series referred to above, mention may be made of the following.

(*i*) The Savings Mobilisation Board set up in October 1964, to promote savings and investment in all forms and to conduct publicity and propaganda for promotion of savings, produced considerable publicity material for promotion of savings securities and accounts.

(*ii*) The National Savings Central Advisory Board, as reconstituted with effect from September 1, 1965 under the Chairmanship of the Minister in the Ministry of Finance, met twice during the year to consider steps for augmenting small savings in the light of emergency. The Board also appointed a sub-committee to examine and report on the difficulties experienced in the working of Pay Roll Savings Scheme.

(*iii*) The Union Finance Minister made a special appeal to all chambers of commerce for promoting Pay Roll Savings Scheme which envisages enrolling regular savers from among employed persons, who voluntarily agree to deductions being made from their salaries for investment in small savings scheme. As on December 31, 1965, 21,747 savings groups were in operation in the country with

10,65,707 savers and monthly collection of Rs. 65.33 *lakhs*.

(*iv*) Various steps were taken to increase the number of authorised agents who canvass for and sell small savings securities, as also to train them.

(*v*) The rate of interest on Post Office Savings Bank accounts, as mentioned earlier, was raised to 4 per cent (3½ per cent for public and security accounts) with effect from April 1, 1965 along with raising of the limit of deposits on which interest could be earned to Rs. 25,000 for individual and Rs. 50,000 for joint accounts.

(*vi*) A new agency scheme *viz*., Authorised Agents (Bank) Scheme is proposed to be introduced under which the agents will be attached to offices of the State Bank of India and its subsidiaries for the sale of the Bank Series.

(*vii*) A committee has been appointed to examine and make recommendations in regard to reconstitution of the Post Office Savings Bank into a separate Government Savings Bank but continuing to utilise the agency of post offices in rural and semi-urban areas.

Gold Bonds : The first series of Gold Bonds *viz*. 6½ per cent Gold Bonds, 1977 were on sale from November 12, 1962 to February 28, 1963. Subscriptions to these were received in the form of gold, gold coins, and/or gold ornaments to be valued, after assay, at the international price of Rs. 53.58 per 10 grammes of .995 fineness. The interest on the Bonds was liable to tax but they were exempt from Wealth Tax and Capital Gains Tax. From April 1, 1965, the interest on these Bonds was raised to 7 per cent along with the issue of the second series of Gold Bonds. The gold acquired by the Government by the issue of the first series of Gold Bonds aggregated 16,088 kilogrammes valued at Rs. 8.62 crores. The Bonds are repayable in rupees on maturity.

On February 27, 1965, the Finance Minister announced the second series of gold bonds, namely, 7 per cent Gold Bonds, 1980 on the same terms and conditions as that for the first series. Subscriptions to these Bonds, which were received from March 2, 1965 to May 31, 1965, amounted to Rs. 3.29 crores, the gold subscribed being 6,146 kilogrammes.

Again, on October 19, 1965, the issue of another series of Gold Bonds called the National Defence Gold Bonds, 1980 was announced. Subscriptions to these Bonds, as on the previous occasions, were received in the form of gold, gold coins and gold ornaments from October 27, 1965 to May 31, 1966. Subscriptions upto March 31, 1966 aggregated 11,861 kilogrammes. The National Defence Gold Bonds, 1980, unlike the earlier two issues, will be repaid in the form of gold of .995 fineness on October 27, 1980. The holders of these Bonds will receive an annual payment at the rate of Rs. 2 per 10 grammes of gold of .995 fineness, on October 27 each year. Persons tendering gold in the form of ornaments will receive compensation at the rate of Rs. 3 per 10 grammes of .995 fineness as making charges. The annual payment as well as the compensation are exempt from income-tax, while the Bonds are exempt from Wealth Tax and Capital Gains Tax. Gifts, in a year, of Gold Bonds by initial subscribers to the extent of the value of Bonds for an aggregate weight of 5 kilogrammes of gold will be exempt from Gift Tax. Gifts by any other person, *i.e.*, other than the initial subscriber, will however, be subject to Gift Tax. The Bonds will also be exempt from Estate Duty on the first occasion on which they pass, on the death of a holder, to the extent of the value of Bonds for an aggregate weight of 50 kilogrammes.

In the revised estimates for 1965-66, a credit of Rs. 2.14 crores was taken representing the value of tenders which are expected to be assayed and for which Bonds would also be issued. The budget for 1966-67 has assumed a credit of Rs. 4 crores on this account.

Annuity Deposits : The annuity deposit scheme which came into force from October 1, 1964 was applicable to persons in the income brackets above Rs. 15,000 per annum. With effect from the assessment year 1967-68 as also in relation to advance annuity deposits to be made in 1966-67, the exemption limit in respect of making annuity deposits is raised from Rs. 15,000 to Rs. 25,000. However, if persons with incomes between Rs. 15,000 and Rs. 25,000 wish to have the

benefit of making annuity deposit, they will have the option to do so. Persons aged more than 70 are, however, exempted from the obligations of making such deposits. The normal rate of annuity deposits varies between 5 per cent and 12.5 per cent according to the slab of income.

National Defence Fund : The National Defence Fund was set up on October 27, 1962 to receive voluntary contributions in cash, gold or gold ornaments for the defence effort. As at end-March 1966, total contributions aggregated Rs. 76.78 crores including Rs. 16.15 crores since September 1, 1965. Besides cash, contributions in gold (including gold ornaments) and silver aggregated 24.66 lakh grammes and 15.62 lakh grammes, respectively.

State Governments

Between 1951-52 and 1965-66, the outstanding debt liabilities of the State Governments have risen from Rs . 445 crores to Rs. 5,381 crores—a more than twelve-fold increase over a period of fifteen years, reflecting mainly the growing requirements of States for financing planned development. The major source of loan assistance to the States during this period has been the Central Government. The States' indebtedness to the Centre, which at the end of March 1952 stood at Rs. 239 crores forming about 54 per cent of their total debt, rose steadily to Rs. 4,094 crores by end-March 1966 and accounted for nearly 76 per cent of total debt on that date ; thus, outstandings of Central loans to States have risen by as much as 17 times over this period. The increasing importance of loans from the Centre, in the matter of providing finance for the growing outlays by States, is also reflected in the growing share of Central loans in aggregate capital disbursements of States. In 1965-66, out of total capital disbursements* amounting to Rs. 942 crores, as much as 87 per cent was defrayed out of loans from the Centre ; in 1951-52, of the total capital disbursements of States at Rs. 151 crores, about 48 per cent was met by the loans granted by the Centre. The bulk of capital outlays of the States during the period has been absorbed by expenditure on social overheads like education, public health, agricultural improvement and research, construction of roads etc., which form the basic infra-structure of a developing economy. Hence, the servicing of the growing volume of the States' debt, both as regards repayment of principal and interest payment, has become a major drag on State resources in recent years.

It may be seen (Table 10 below) that permanent debt (comprising market loans and certain other categories of debt like Zamindari Abolition Compensation Bonds, etc.) is the next important item. It has risen from Rs. 493 crores to Rs. 815 crores or by about 67 per cent over the Third Plan period; over the year 1965-66 the rise was of the order of Rs. 93 crores. 'Other Debt', which includes loans from National Agricultural Credit (Long-term) Operations Fund of the Reserve Bank of India, loans from National Co-operative Development Corporation and Central Warehousing Corporation, loans from Khadi and Village Industries Commission, Employees' State Insurance Corporation, Life Insurance Corporation, etc. has also gone up by Rs. 135 crores over the Third Plan period and by Rs. 70 crores during 1965-66. Floating debt representing short-term accommodation from Reserve Bank, commercial banks, etc. which stood at Rs. 25 crores as at end-March 1963, has since risen to Rs. 70 crores by end-March 1965 and declined to Rs. 55 crores by end-March 1966.

According to the States' budgets for 1966-67, the total outstanding debt is expected to rise by Rs. 517 crores to Rs. 5,908 crores by end-March 1967. Of this rise, as much as Rs. 396 crores or 77 per cent would be on account of loans from the Centre and Rs. 77 crores or 15 per cent on account of permanent debt. As regards permanent debt, twelve States (*i.e.* excepting Bihar, Jammu and Kashmir and Maharashtra) have assumed aggregate gross credit of Rs. 91 crores. Allowing for a sum of Rs. 13 crores for repayment of maturing loans, the net borrowing would amount to Rs. 78 crores during 1966-67.

* Excluding appropriations to Contingency and other Funds, State trading transactions and all debt and deposit items except loans and advances by the States.

Table 10. Debt Position of States

(Crores of Rupees)

	End-March					
	1961	1962	1963	1964	1965	1966 (R.E.)
	1	2	3	4	5	6
Permanent Debt	493	570	653	649	722	815
Floating Debt	42	50	25	41	70	55
Loans from the Central Government	2,016	2,314	2,677	3,112	3,559	4,094
Other Debt	52	64	77	97	117	187
Unfunded Debt	135	150	163	183	203	231
Total	**2,737**	**3,148**	**3,595**	**4,082**	**4,671**	**5,381**

RAILWAY FINANCES

The financial results of the Railways for the year 1964-65 (the latest year for which final figures are available) have come quite close to the revised estimates for that year. Gross traffic receipts aggregated Rs. 660.85 crores as compared to the revised estimates of Rs. 660.00 crores. This marginal increase, which is more than accounted for by slightly larger goods and other sundry earnings, improved the net surplus to Rs. 13.18 crores from Rs. 12.49 crores in the revised estimates. On the side of expenditure, ordinary working expenses and dividend payments were higher by Rs. 0.77 crore and Rs. 0.41 crore, than the revised estimates of Rs. 432.68 crores and Rs. 92.02 crores, respectively, but these increases were largely offset by savings in miscellaneous expenditure and on open line works charged to revenue.

The revised estimates for 1965-66—the final year of the Third Plan—place gross traffic receipts at Rs. 741.80 crores which show a rise of Rs. 80.95 crores over the actuals for 1964-65 and Rs. 25.80 crores over the budget estimates for that year. Of the total traffic receipts of Rs. 741.80 crores, goods earnings are expected to amount to Rs. 462.00 crores as compared to the budget estimates of Rs. 441.90 crores. The increase in goods earnings is attributed to the expected increase of about 10 million tonnes in originating traffic in 1965-66, besides the increase in average lead of traffic and improvement in goods loadings. However, the rate of growth in passenger earnings is below the rate of growth envisaged in the budget estimates, due to the outbreak of hostilities between Pakistan and India in August-September and also perhaps because of the poor agricultural season. As a result, passenger earnings in 1965-66 at Rs. 220.50 crores (revised estimates) show a marginal shortfall of Rs. 1 crore from budget estimates. The overall increase of about Rs. 25.80 crores in gross receipts is, however, wholly absorbed by the rise in ordinary working expenses which are expected to rise from Rs. 457.84 crores (B.E.) to Rs. 482.04 crores (R.E.). The largest item of increase is the substantial addition to staff costs on account of the widening of the basis for grant of house rent allowance from July 1, 1965 (adding about Rs. 1.76 crores to the wage bill) and the grant of two further instalments of dearness allowance, first in April 1965 and the second announced in February 1966 (effective from December 1965), which together inflated the wage bill by another Rs. 15.66 crores. The additional expenditure on repairs and maintenance is estimated to amount to Rs. 3.35 crores, while the post-budget increase in prices, especially of coal and diesel oil, will have absorbed Rs. 6.83 crores. In the result,

after making a contribution of Rs. 85 crores to Depreciation Reserve Fund and Rs. 12 crores to Pension Fund (both as originally estimated) the net railway revenues work out to Rs. 146.24 crores, which is only slightly higher than the budget estimate. After providing for Rs. 103.75 crores (Rs. 0.35 crore more than the budget) for Dividend to General Revenues and Rs. 12.50 crores for payment to States in lieu of tax on passenger fares, the net surplus available for credit to the Development Fund works out to Rs. 29.99 crores which is higher by Rs. 0.75 crore than the original budget estimates for 1965-66.

Over the Third Plan period, gross traffic receipts of the railways rose by Rs. 285 crores or 62.4 per cent to Rs. 741.80 crores. Of this total rise (Rs. 285 crores), Rs. 88.91 crores or 31.2 per cent was on account of passenger earnings and Rs. 196.09 crores or 68.8 per cent was on account of goods and other earnings. On the expenditure side, total expenses rose, over the Plan period, by Rs. 226.63 crores or by 61.4 per cent to Rs. 595.56 crores. The rise in ordinary working expenses accounted for Rs. 168.89 crores or 74.5 per cent of the total rise, while appropriations to Depreciation Reserve and Pension Funds together were higher by Rs. 52 crores.

The budget for 1966-67 forecasts additional commitments of over Rs. 26 crores on account of (1) post-budget increases in costs, resulting from successive increases in the price of coal, additional levies on diesel oil, etc., (2) additional commitments of the order of Rs. 10.5 crores on account of larger wage bill resulting from the recent enhancement in dearness allowance rates and (3) increase in expenditure on repairs and maintenance. Besides these, an additional commitment of Rs. 22 crores has arisen following the acceptance of the recommendations of the Railway Convention Committee, 1965, for increased contribution to Depreciation Fund and higher rates of dividend on capital.

To meet a part of these additional expenditures, the budget for 1966-67 has embodied proposals for a modest levy of 3 per cent surcharge on goods rates and this is estimated to yield an additional revenue of Rs. 18.10 crores. As a result, the net surplus, which would now be available for transfer to the Development Fund and for meeting the annual development expenditure, is anticipated to improve sizeably to Rs. 22.20 crores.

The surcharge of 3 per cent on goods as proposed in the budget, however, is not applicable to iron and manganese ore meant for export and to commodities on which the rates are relatively high at present. Similarly, Defence and Posts and Telegraphs traffic will not be affected by this change. The present rates for coal and coke and salt are not considered economic for relatively long distance movements. With a view to bringing these rates closer to costs, upward adjustments in the tariff on these two commodities for long distances are proposed. The present rates for coal, coal shale, soft coke, lignite, etc. and for salt beyond 800 kilometres, will be enhanced gradually with the increase in distance, subject to a maximum of Rs. 4 per tonne in the case of coal and Rs. 3.50 per tonne in the case of salt (excluding the supplementary surcharge of 3 per cent). It has been pointed out that about 58 per cent of the total traffic in coal and about 42 per cent of the total traffic in salt which are carried only upto 800 kms. will not be affected by these adjustments. As regards small goods consignments, the existing 20 per cent surcharge on consignments weighing less than 10 quintals under 'A' scale of rates and on consignments weighing less than 4 quintals under 'B' scale of rates, is proposed to be extended to cover slightly bigger consignments, *viz.*, consignments weighing less than 50 quintals under 'A' class and consignments weighing less than 10 quintals under 'B' class. This adjustment is considered necessary, as the carriage of such small consignments is uneconomic and not compensated by the existing difference between the rates for 'wagon-load' and 'less than wagon-load' traffic. Simultaneously, in continuation of the process initiated in 1964, of downward adjustments in certain existing rates to reduce the disparity between the rates of high rated and low rated commodities, a reduction is proposed to be made in the rates on a number of commodities in common use including sugar, tea, biscuits, medicines, hydrogenated oil, etc. No increase is proposed in passenger fares and, in fact, a slight reduction in season ticket charges for journeys beyond 20 kms.

in all regions other than those around the cities of Madras, Bombay and Calcutta has been proposed.

The forecast for 1966-67—the first year of the Fourth Plan—places the gross traffic receipts at Rs. 795.33 crores (including the effect of new proposals of Rs. 18.10 crores), an increase of Rs. 53.53 crores over the revised estimates for 1965-66. The bulk of the increase is anticipated to accrue from goods earnings (which are placed at Rs. 506.53 crores) on the basis of an expected increase of about 11 million tonnes in originating traffic over 1965-66 and also on account of the proposed surcharge of 3 per cent on goods traffic. On the other hand, the tendency for passenger traffic to level off, noticed in 1965-66, is likely to continue in the budget year, due to a decline in agricultural output and incomes ; passenger earnings are, therefore, placed at Rs. 227.20 crores *i.e.*, only Rs. 6.70 crores higher than in 1965-66 (R.E.).

Of the total receipts of Rs. 795.33 crores in 1966-67, Rs. 506.53 crores or 63.7 per cent are expected from goods earnings, Rs. 227.20 crores or 28.6 per cent from passenger traffic and Rs. 61.60 crores or 7.7 per cent from other coaching and sundry earnings. Thus, the pattern of earnings from the three sources is more or less the same as in the previous year.

Total ordinary working expenses (after providing for recoveries) for 1966-67 estimated at Rs. 508.68 crores, are Rs. 26.64 crores higher than the revised estimates for 1965-66 due mainly to enhancements of dearness and house rent allowances to staff, announced in 1965-66 and partly to an increase provided under repairs and maintenance and the expected rise under fuel bill. Following the recommendation of the Railway Convention Committee, 1965, that the appropriation to Depreciation Reserve Fund from Railway revenues may be increased to an average of Rs. 130 crores per year during the Fourth Plan period, the appropriation for this Fund is raised by Rs. 15 crores to Rs. 100 crores in 1966-67. Appropriation to Pension Fund is also enhanced by Rs. 1.50 crores to Rs. 13.50 crores. In accordance with another recommendation of the Convention Committee to raise the rate of dividend from the existing 4.50 per cent to 5.50 per cent on capital invested in railways upto 1963-64 and from 5.75 per cent to 6 per cent on capital provided after March 31, 1964, the provision for payment of dividend to general revenues is raised to Rs. 133.49 crores. It may be noted that the payment of dividend at the enhanced rates combines the existing two separate payments of dividend and special appropriation of Rs. 12.50 crores for transfer to the States in lieu of the tax on Railway passenger fares. After allowing for these provisions, the net surplus that would accrue to the Railway Development Fund is placed at Rs. 22.19 crores as against the expected annual expenditure of about Rs. 30 crores chargeable to this Fund.

The capital budget (*i.e.* for works, machinery and plant and rolling stock including open line works) for 1966-67, (the first year of the Fourth Plan) apart from the expenditure on replacements financed from the Depreciation Reserve Fund, has been limited to Rs. 225 crores as against Rs. 314 crores in 1964-65 and Rs. 282.49 crores in 1965-66. As a result, drastic curtailment of the programme of new works in the budget year and rephasing the works in progress have been necessitated.

Railway Funds : The aggregate balances in the Railway Funds which comprise the Depreciation Reserve Fund, Revenue Reserve Fund, Development Fund and the Pension Fund (created in 1964-65) would amount to Rs. 194.23 crores showing an increase of Rs. 7.52 crores in the budget year. Over the Third Plan period, these funds have shown a net accrual of Rs. 94 crores as against net withdrawal of Rs. 71 crores during the Second Plan.

Railway Plan : Total outlay on Railway Development Programme in the Third Plan is now estimated at Rs. 1,677 crores which is 6 per cent higher than the revised target fixed at the time of the mid-term appraisal in 1963. In the context of steady rise in prices of basic materials, increase in taxes such as customs and excise duties and sales tax and rise in staff and labour costs, the Plan expenditure would have been much higher than 6 per cent now anticipated, but for the judicious rephasing of the Plan works by constant and critical review at frequent

intervals and the cut-back in the acquisition of rolling stock due to slower growth in demand for rail transport in the later years of the Plan.

The main features of progress of the Railways during the Third Plan period are: (1) The total traffic lifted is expected to increase from 156.2 million tonnes in 1960-61 to 204 million tonnes in 1965-66. Taking the 15-year period upto the end of the Third Plan, freight traffic, in terms of originating tonnage, has increased by about 120 per cent and in terms of tonne kilometres by about 160 per cent ; (2) Out of a total estimated expenditure of Rs. 1,677 crores on Railways during the Third Plan, foreign exchange expenditure was expected to be of the order of Rs. 245 crores compared to Rs. 320 crores during the Second Plan with a considerably lower total outlay ; this was mainly due to a significant rise in the manufacture of railway equipment and stores within the country ; (3) The Railways have achieved complete self-sufficiency in wagons and coach manufacture and in mechanical signalling equipment and laid the foundations for the manufacture of diesel and electric locomotives ; (4) Even with larger capital outlay in the Third Plan, the Railways' contribution to the resources of the Plan at Rs. 638 crores was substantially higher than the original target and (5) Construction of 2200 kms. of new railway line (as against the original target of 2600 kms.), progress in dieselisation and electrification schemes are the other features of progress of the Railways during the Third Plan.

Railway Convention, 1965: The Fourth Railway Convention Committee (consisting of 18 members drawn from both the Houses of Parliament) was constituted by the Government of India in May 1965, to review the rate of dividend payable by the Railways to General Revenues as well as other ancillary matters in connection with the Railway Finance *vis-a-vis* the General Finance and to make recommendations thereon by the end of November 1965. The Committee finalised its recommendations on November 25 and submitted the same to Government which accepted the recommendations in full. Among the recommendations approved by the Government, the two important ones relate to depreciation provision and dividend to General Revenues. The provision for depreciation is to be stepped up almost two-fold from Rs. 380 crores in the Third Plan period to Rs. 650 crores in the Fourth Plan period. As payment in lieu of passenger fare tax, the Convention Committee recommended that instead of a fixed amount of Rs. 12.50 crores per annum during 1961-66, an additional 1 per cent on the capital invested upto March 31, 1964 should be paid to General Revenues. Out of this amount a sum of Rs. 16.25 crores be passed on to the States as payment in lieu of passenger fare tax and the balance utilised to assist States in providing their portion of the resources required for financing railway safety works. The dividend rates are to be substantially increased to 5.5 per cent on capital provided upto March 31, 1964 and to 6 per cent on all capital provided after that date. These increases in dividend rate alone will result in an increase in Railway's contribution to General Revenues by about Rs. 7 crores in 1966-67, the benefit of which will almost wholly go to the States who will now receive, on an average, about Rs. 18 crores each year during the Fourth Plan period as against Rs. 12.50 crores per annum during 1961-66. A beginning is also to be made on the amortization of unproductive capital.

CHAPTER VI : TRADE AND TARIFF DEVELOPMENTS

Developments in Exchange Control

The main developments during the year in the sphere of exchange control were (1) the liberalisation (*a*) of the restrictions on travel abroad for business purposes, (*b*) of the releases of foreign exchange for educational purposes and (*c*) of the conditions for borrowings abroad by authorised dealers in India and (2) the introduction during the latter half of the year of the National Defence Remittance Scheme, with import entitlement benefits primarily with a view to encouraging the flow of foreign exchange into the country through normal banking channels.

The scheme of issuing blanket permits for release of exchange to recognised export houses set up for exploring new markets for non-traditional goods and whose average exports per annum were not less than Rs. 20 lakhs—which was introduced in July 1963 as an export promotion measure—was extended *in August 1965* to exporters of jute and tea whose annual average exports were not less than Rs. one crore and to exporters of other traditional items whose annual average exports exceeded Rs. 50 lakhs.

Beginning with August 1965, besides graduates with an Honours or Masters degree in Mathematics, B. Com. graduates with actuarial science were also permitted to remit fees for correspondence courses in actuarial science or for taking up examinations held in India by the Institute of Actuaries, London. This relaxation was extended in January 1966 to all candidates admitted for the permitted examinations. Beginning with February 1966, foreign exchange facilities were granted to a limited number of students for taking up specialised courses in selected branches of forestry provided they secured 60 per cent marks in the Diploma course in Forestry conducted by the Indian Forest College, Dehra Dun. From March 1966 onwards, foreign exchange facilities were also granted to candidates securing 60 per cent marks in their last medical examination and to M.B.B.S. degree holders having three years' experience for any regular graduate or post-graduate course at a medical college or institution abroad without insisting on the course being a specialised one.

A reference was made in the last Report to the imposition in October 1964 of a ceiling of Rs. 20 lakhs on short-term borrowings abroad by authorised dealers. On a review of this question in September 1965, authorised dealers were advised that loans and overdrafts from overseas branches or correspondents in excess of the limit would be permitted provided such borrowings were for financing their normal business operations in India by purchasing rupee funds from the Reserve Bank. However, such borrowings could be repaid only when (*a*) the authorised dealer concerned had no outstanding borrowings either from the Reserve Bank or other banks in India and (*b*) the local inter-bank call money rate was less than the Treasury Bill rate for the week. The latter stipulation was withdrawn later. Prior approval of the Reserve Bank was required for each remittance in repayment of such loans and overdrafts.

With a view to encouraging the flow of foreign exchange into the country through the medium of authorised dealers, the Government of India introduced *in October 1965* the National Defence Remittance Scheme. Under the scheme, Indian nationals receiving remittances from abroad in convertible currencies by way of gifts, remittances for family maintenance and transfer of capital without repatriation obligations were eligible for import licences of the value of 60 per cent of the rupee equivalent of the remittance received. The import licence was issued either to the recipient of the remittance or a party designated by him. The beneficiaries of such remittances would not be liable to income-tax thereon, nor would they be questioned by the income-tax authorities about the source of such funds. With effect from December 11, 1965, the benefits of the scheme were extended to all non-residents irrespective of nationality but subject to the condition that the proceeds of the remittance were credited to a "National Defence Remittance Scheme —Special Account" opened in their name with an authorised dealer in India. Although non-residents were not entitled to import

licences, they are permitted to transfer the bank certificates issued by the authorised dealers in respect of the remittances, to any person, firm or company resident in India. In January 1966, the benefits under the scheme were again extended to Indian companies holding foreign securities with the approval of the Reserve Bank and wishing to liquidate these holdings and repatriate the proceeds to India. Initially, the benefits under the scheme were to apply to inward remittances upto January 31, 1966, but this date was later extended twice first upto February 28, 1966 and then upto May 31, 1966.

Other important developments during the year were the following: *i*) Following the outbreak of the Indo-Pakistan conflict all foreign exchange transactions with Pakistan were suspended *in September 1965* and authorised dealers were instructed not to (*a*) operate on the non-resident accounts of Pakistani nationals, firms etc. without the prior approval of the Reserve Bank or (*b*) undertake any financing operations on behalf of Pakistani nationals, firms etc. *ii*) Under advice from the Bank of England, following the removal of Rhodesia from the list of Scheduled Territories, all sterling accounts of residents of Rhodesia were designated as External Accounts with immediate effect *in November 1965* and the authorised dealers were instructed accordingly. Later, in December 1965, import/export of all goods, whether directly or indirectly, into/from India from/to Rhodesia were banned by the Government of India. Further, all applications for remittances to Rhodesia were to be referred to the Reserve Bank for prior approval. *iii*) *In December 1965*, the Foreign Exchange Regulation Act (vii of 1947), together with all the rules and notifications issued thereunder, was extended to the Union Territories of Dadra and Nagar Haveli and *iv*) With the introduction of the new currency "Bahrain Dinar" in Bahrain, the Indian currency circulating there was withdrawn. The facility for converting into sterling or otherwise the Indian coins circulating in the rest of Persian Gulf area was abolished *in January 1966*.

Developments in Trade Policy

Trade policy was conditioned, as in the past few years, by the persistent pressure on the country's foreign exchange reserves. The main objectives of trade policy were, therefore, the maximisation of export earnings and the maintenance of imports at the barest minimum, consistent with the needs of development. Efforts to boost exports were pursued vigorously by the adoption of further measures such as tax concessions, liberal credit facilities, improved transport facilities etc. to increase the competitive capacity of India's exports and also by generally developing an export consciousness in the country. On the import side, while the austere import policy pursued for some time past was continued, increasing attention was given to rationalisation of imports and import substitution.

The policy of progressive relaxation of controls over exports was continued during the year. Thus, the controls over the exports of cord, rope, twine and thread made out of rayon and/or synthetic fibre or yarn and glycerine were removed during the year. It was, however, necessary to impose controls on the exports of certain commodities so as to conserve scarce supplies for domestic needs and to check the rise in internal prices. Thus, exports of copper and brass in the form of ingots, slabs, cakes, cast bars or scrap, zinc ores, mercury, cinchona bark and dioscorea roots were banned while exports of de-oiled groundnut cake (extraction), ferro-manganese/ferro-manganese slag were brought under control. Export quotas were curtailed for nux vomica seeds and raw goat skins. Exports of a few items like manganese ore, mill-scale scrap, ethyl alcohol and footwear (the uppers of which are wholly or partly of leather) were canalised through public sector agencies during the year in order to develop larger exports of these commodities (*vide* Appendix IVA). Barring some 30 items, exports of all items numbering over 10,000 are now freely allowed without any controls or licensing formalities.

Mention was made in the last year's Report of the tax-credit scheme for exports (announced in the Budget proposals for 1965-66) which was intended to compensate exporters for a variety of taxes for which relief from taxation on exports was not available and thus to make the exports more competitive in foreign markets. The details of the scheme were announced in July 1965 according to which tax credits ranging between 2 per cent

and 15 per cent were granted against 22 items. In October 1965, the scheme was extended to cover 6 more commodities (*vide* Appendix IV B).

With a view to enabling the Indian manufacturers in the hinterland to participate more effectively in the export effort, more rail freight concessions were granted. As against a flat concession of 25 per cent, a graded basis allowing larger concession for long distance traffic was introduced (*vide* Appendix IV B). The Freight Investigation Bureau of the Ministry of Transport continued to work in close liaison with the Ministry of Commerce and secured ocean freight concessions for a number of commodities.

Export credit facilities were liberalised further during the year. The Industrial Development Bank of India removed in June 1965 the lower limit of Rs. 1 lakh of export contract under its scheme for refinancing of medium-term export credits, with a view to allowing small exporters to get refinance facilities at concessional rates (*vide* Appendix IV B). The Reserve Bank liberalised in November 1965 the Bill Market Scheme to make refinance available at the Bank rate in respect of advances made by commercial banks to finance packing credit to exporters.

Quality Control and Preshipment Inspection were extended to several new industries and products, particularly chemicals, minerals and engineering goods, turmeric, tendu leaves, ginger, onions, garlic, table potatoes, pulses, frog-legs, coir mats and B Twill jute-bags. As a result, currently 80 per cent of India's export goods have been fully brought under quality control and preshipment inspection. A comprehensive programme for bringing leather, leather cloth, rubber and rubber products, paints and allied products, glass and glassware, ceramics, agro-chemicals, soaps, chemicals, carpet backing cloth, coir yarn, gum karaya and mushrooms under quality control and preshipment inspection has been drawn up.

A new export promotion council *viz.*, the 'Council for Handlooms' was set up at Madras during the year, bringing the total number of export promotion councils to 18. The Committee appointed to review the working of export promotion councils and also the progress made in developing exports of particular groups of commodities for which the respective councils were formed (*vide* the Report on Currency and Finance, 1964-65), submitted its report in May 1965. The more important recommendations of the Committee related to the *i*) creation of Commodity Boards for cashew, mica, shellac, spices and tobacco, *ii*) representation of various interests in the councils, *iii*) consumer oriented publicity, *iv*) setting up a machinery for settlement of disputes, etc. Most of the recommendations have been accepted by the Government.

A new organisation called the Indian Council of Arbitration was set up to propagate and popularise the idea of arbitration in disputes arising in international trade and business circles and to disseminate information relating to arbitration.

During the year, the Board of Trade reviewed the trend of exports from time to time and held discussions on several aspects of export promotion including the progress of quality control and preshipment inspection measures, participation of States in export promotion and review of export assistance schemes. It also appointed several committees to examine various problems concerning the country's foreign trade. Thus, for instance, it appointed a committee to examine collaboration agreements from the export angle, and another one on the rationalisation of imports and import substitution.

The Committee set up by the Government of India, in pursuance of the recommendations made by the Board of Trade at its meeting held in November 1963, to examine the manner in which a selective approach to export promotion can be evolved in order that competent and quality conscious exporters working in co-operation could specialise in particular commodities or with particular regions, submitted its report in May 1965. The Selectivity Committee recommended a three-tier system involving (*i*) the grouping of registered exporters into suitable panels, (*ii*) the formation of export houses to be recognised by the Government on the basis of well-defined criteria and (*iii*) the recognition of consortia of exporters

in a product or a group of products. The Committee also recommended the adoption of a selective approach for giving necessary encouragement to exporting units which have a genuine interest in the export trade and the capacity to undertake it. The Government have now revised the scheme for recognising export houses in the light of experience and taking into account the recommendations of the Selectivity Committee.

The Indian Institute of Foreign Trade continued its activities vigorously. It organised seminars relating to export houses and exports of cotton textiles, rayon and synthetic textiles, chemicals and allied products and spices; completed commodity studies on costume jewellery, razor blades, readymade garments, tobacco manufactures etc. and organised six training courses.

The Indian Council of Trade Fairs and Exhibitions expanded its work and assisted in the participation in international trade fairs held in Hungary, Poland, German Democratic Republic and New York World Fair 1964 (Second Session). Participation in the First Asian Trade Fair under the auspices of the ECAFE to be held at Bangkok in November/December 1966 and the Universal and International Exhibition to be held at Montreal in April-October 1967 is also contemplated.

During the year, activities of the State Trading Corporation (STC) showed an all-round improvement. The total volume of trade handled by the STC during 1965 amounted to Rs. 104.4 crores comprising Rs. 59.7 crores of direct and Rs. 44.7 crores of indirect trade as against a total turnover of about Rs. 75 crores in 1964. The Corporation took special interest in promoting exports of products of engineering and chemical industries. The Corporation also participated in a number of exhibitions/fairs in overseas countries as a part of its export promotion drive. In addition to the existing offices at Rotterdam and Prague, the Corporation established during the year a trading centre at Moscow and a bonded warehouse-cum-sales depot at Montreal to popularise Indian goods. With a view to arresting the downward trend in exports of certain commodities to specific destinations and to ensuring the import of essential commodities for economic development of the country, the Corporation entered into barter/parallel deals. Besides, the Corporation continued its buffer stock operations which were confined to tobacco, lemon-grass oil, jute and seedlac.

The activities of the Minerals and Metals Trading Corporation (MMTC) have considerably expanded during the year. During the year, exports of manganese ore, coal by sea and ferro-manganese were canalised through this Corporation. Exports of iron ore by the MMTC of which the Corporation is the sole exporter, barring exporting interests in Goa, increased to 6.04 million tonnes valued at about Rs. 26 crores in 1965 compared to 4.95 million tonnes valued at about Rs. 22 crores during 1964. Exports of manganese ore by the Corporation amounted to 1.3 million tonnes valued at Rs. 9.7 crores in 1965. The Corporation also imported some scarce industrial raw materials like certain categories of steel and non-ferrous metals.

The *import policy* during the year continued to be restrictive due to the persistent pressure on the country's foreign exchange reserves. On account of the uncertainty regarding the availability of aid, the import policy announcement for 1965-66 was postponed by three months, and the issue of fresh licences against free foreign exchange resources during April-June 1965 was severely restricted. However, the essential needs of the economy such as foodgrains, fertilisers and petroleum were provided for. The import policy announced in July was made applicable only for the remaining nine months of the year. Imports of about 60 items, including, among others, spare parts of oil crushing and refining machinery, petroleum and gas engines, motor vehicle parts, well-drilling equipment etc. all indigenously produced were completely banned and quotas for a few others reduced. For the actual users, issue of import licences to manufacturing units was to be increasingly based on merit. Licensing for the imports of specified items was to be decided on the basis of the recommendations of the sponsoring authorities out of the monetary ceilings allocated to these authorities for the purpose.

A notable feature of the import policy for 1965-66 was the procedural change introduced in July 1965 in respect of import entitlements under export incentive schemes. The entitlement licences were to be issued only on production of bank certificates evidencing the actual realisation of export proceeds while previously the entitlements were issued prior to the realisation of proceeds on production of an undertaking to repatriate the proceeds within six months.

With a view to regulating the flow of imports, the Reserve Bank issued a directive on June 29, 1965 calling upon all importers to deposit with banks authorised to deal in foreign exchange, prior to the shipment of goods, an amount equivalent to 25 per cent of the c.i.f. value of all imports of Rs. 5,000 or over. The deposits were returnable after the final remittance in respect of the relevant shipment or the expiry of two months from the date of deposit, whichever was later. The stipulation applied to all shipments (with certain exceptions) effected on or after July 1, 1965 by private sector as well as public sector undertakings and covered all areas including rupee payment areas. The scheme was, however, withdrawn on August 20, 1965 following the levy of increased import duties from that date. The import duty changes, besides raising additional revenue, were aimed at rationalising the tariff structure so as to suit the requirements of planned development and help import substitution.

With a view to providing for the import of certain essential raw materials and components that were in acute shortage, some of these were included under the list of items permitted against bank certificates, issued under the National Defence Remittance Scheme, details of which are mentioned on page 115. The items permitted to be imported under the Scheme, as announced in October 1965, included among others, pharmaceutical raw materials, chemicals, non-ferrous metals and motor vehicle parts, specified capital goods etc. The list was expanded in February to cover some additional items like sulphur, wood pulp, and raw wool.

Among other developments in the field of import control policy, the more important ones related to (*i*) Government's acceptance of the recommendations of the study team (headed by Shri Mathur) appointed to examine the functions and working of the Directorate General of Technical Development and to recommend steps to avoid delays and administrative failures, (*ii*) extension of the validity of the Imports and Exports Control Act and (*iii*) the setting up of an Import Substitution Committee.

Important among the recommendations of the Mathur Committee were : (*i*) Licensees should be allowed to place orders upto 75 per cent of the value of licences even during the first half of the year provided the payments within the first half of the year against the licence did not exceed 50 per cent of the total value of the licence. (*ii*) Licences upto Rs. 5,000 may be allowed to be utilised in one lot as at present. (*iii*) The import policy should provide for only two categories of items namely 'banned' and 'open' in the case of the small-scale industrial sectors, and the restricted category should be dispensed with. In the case of large-scale industrial sector, however, the restricted category would be continued but on a realistic and non-discriminatory basis. (*iv*) The need to obtain non-availability certificate from the Director General of Technical Development could be dispensed with.

The Imports and Exports Control Act, originally enacted in 1947, was extended for another five years upto March 1971.

Recognising the importance of systematic studies on the subject of import substitution and rationalisation of imports, a Committee was set up during the year with Dr. V.K.R.V. Rao as Chairman and including representatives of the Federation of Indian Chambers of Commerce and Industry and other interests to recommend how best such studies could be undertaken.

Details of the general import policy as well as important announcements in regard to selected individual items are set out in Appendix V.

Tariff Commission

In 1964-65, the Tariff Commission completed* seven tariff inquiries and two price inquiries. The tariff inquiries related to the continuance of protection to the industries manufacturing (1) automobile sparking plugs, (2) power and distribution transformers, (3) electric motors, (4) non-ferrous metals, (5) sheet glass, (6) ball bearings and (7) safety matches. The Commission recommended the continuance of protection for three more years at the existing rates of duty for three of the industries (the power and distribution transformer industry, electric motors industry and the non-ferrous metals industry), at enhanced rates for two of them (sheet glass and ball bearings industries) and at reduced rates for one industry (automobile sparking plugs). The Commission also recommended the widening of the scope of protection granted to the sheet glass and ball bearings industries to cover newer items like figured and wired plate glass and roller bearings along with ball bearings of dimensions hitherto not covered. The safety match industry having become strongly established and the imports of matches having been completely banned the Commission recommended the withdrawal of protection of safety matches industry. The Commission also recommended the withdrawal of protection of integral h.p. motors and their component parts manufactured by the electric motors industry.

In the light of the progress made by the seven protected industries mentioned above as also the absence of any unhealthy competition from imports and having regard to the fact that under the Finance Act (No. 2) of 1965, duties were already enhanced either to the level recommended by the Commission or more, the Government decided to withdraw protection to all these industries after December 31, 1965. The prevailing rates of customs duties were, however, to be continued as revenue duties instead of protective duties.

The price inquiries completed during the year related to the fixing of fair selling price for safety matches, and prices for preserved fruits and vegetables. As regards safety matches, the Commission recommended application of a uniform sales tax in all States subject to a ceiling of 4 per cent on the net value of matches to ensure a uniform selling price for matches. The Commission was also asked to examine whether there was a deliberate fragmentation of 'B' and 'C' class factories in order to avail of the lower slab excise rates and, if so, to suggest remedial measures and examine whether there was a case still for the continuance of the existing slabs in order to protect the small and medium factories. The Commission came to the conclusion that, since the existing slab rate acted as a disincentive for expansion of production, induced deliberate fragmentation and led to a mushroom growth of small scale units in class 'C', the present system of slab rates should be scrapped. The Commission suggested a revised schedule based on the cost of manufacture for the various classes and recommended the continuance of protection to small and medium sized units. The Government, while accepting the desirability of having a uniform selling price for matches, took the view that there were certain practical difficulties in ensuring uniform rates of sales tax and other local taxes and decided that it was not necessary to fix any ceiling ex-factory or wholesale prices. However, steps would be taken to keep prices under control, should there be any undue increase.

In respect of preserved fruits and vegetables, the Commission concluded that, since the prescription and enforcement of statutory prices were not feasible, the price indicators given in the Commission's report should be considered as fair wholesale selling prices to be observed on a voluntary basis as ceiling prices. If control in any other form was contemplated, the producers and sellers should be persuaded to publish their wholesale and retail prices so that the consumer would not be required to pay more than the list prices. In order to cover transport and distribution expenses the Commission recommended a margin of 20 per cent over fair ex-factory selling prices for fixing the retail prices. Since the prices suggested were not statutory, there would be scope for negotiation between

* An inquiry is treated as complete only after the Government's decision on the report has been published. Thus, the report on one of the industries though submitted by the Commission as early as 1963 is considered as having been completed only this year when the Government's decision on the report was released.

supply authorities and producers. The Commission which was asked to examine the necessity and justification for reviving the tinplate subsidy as a general scheme concluded that the revival of the tinplate subsidy was not justified. The Government accepted all the recommendations of the Commission for action to the extent possible.

Details of the Tariff Commission's recommendations and Government's action thereon are given in Appendix VI.

Trade Agreements

During the year, fresh trade agreements were signed with Argentina, Sudan, Uganda and Tanzania. Agreements on technical, economic and scientific co-operation were also signed by India with the Governments of Uganda and Tanzania. Existing agreements with the U.S.S.R., Hungary, Greece, France, Democratic People's Republic of Vietnam, Chile and Morocco were renewed. Further, annual trade plans under the existing agreements were finalised and revised schedules drawn up with the U.A.R., Ceylon, Czechoslovakia, Rumania, Hungary, U.S.S.R., Jordan, Tunisia, Iran, Iraq and Yugoslavia. An important feature of these annual trade plans as well as of revised trade schedules was that they provided for a significant rise in the existing level of trade with these countries. Besides, more of India's manufactured goods, particularly engineering goods found a special place in the schedules, though traditional items continue to predominate in export commodities. As at the end of March 1966 as many as 31* trade and payments agreements were in force with different countries.

Trade relations between India and the U.S.S.R. entered a new expansionary phase with the conclusion of a new five-year trade agreement with the U.S.S.R. which envisages doubling of the trade at Rs. 150 crores each way by the end of 1970 from the 1964 level of Rs. 75 crores each way. A special feature of the new agreement is that consistent with their policy of increasing purchases of manufactured goods from the developing countries, the U.S.S.R. agreed to import from India an increasing range of products of engineering goods and products of other industries such as linoleum and PVC cloth, paints and varnishes, plastic goods, steel and wooden furniture, leather goods, sport goods etc. besides the traditional items. The agreement also provided for the import, from the U.S.S.R. of machinery and equipment, spare parts and components for maintaining the production programme of various projects set up with Soviet assistance. The Soviet Union has also agreed to supply to India in increasing quantities essential raw materials for maintaining industrial production and economic growth of the country such as non-ferrous metals, newsprint, sulphur, fertilisers, etc. (for details see Appendix VII).

The Board of Trade and Development, a subsidiary of the United Nations Conference on Trade and Development (UNCTAD), to which reference was made in the last year's Report, held two sessions in 1965 and a third one in January 1966. At its first session, the Board constituted its Bureau and adopted its programme of work. It also appointed four committees *viz.*, Committee on Commodities, Committee on Manufactures, Committee on Shipping, and Committee on Invisibles and Financing, and laid down their terms of reference. India is a member of all the four Committees.

During the year, the Board considered the reports of the Committees on Commodities and on Manufactures. On the recommendation of the former, a United Nations Sugar Conference was convened in Geneva in September 1965 to negotiate a new comprehensive International Sugar Agreement. But due to the sharp divergence of opinion among the sugar exporting countries on the one hand and the sugar importing countries on the other, the Conference failed to take any decision on the Agreement. An important outcome of the Conference was the setting up by the sugar exporting countries of a Study

* These are with (1) Afghanistan, (2) Austria, (3) Bulgaria, (4) Ceylon, (5) Chile, (6) Czechoslovakia, (7) East Germany (German Democratic Republic), (8) France, (9) Greece, (10) Hungary, (11) Iran, (12) Iraq, (13) Italy, (14) Japan, (15) Jordan, (16) South Korea, (17) Morocco, (18) Pakistan, (19) Poland, (20) Rumania, (21) Sweden, (22) Switzerland, (23) Sudan, (24) Tunisia, (25) Tanzania, (26) U.A.R., (27) U.S.S.R., (28) Uganda, (29) Vietnam North, (30) West Germany (Federal Republic of Germany) and (31) Yugoslavia.

Group to examine the Australian suggestion for withholding five per cent of the exportable stocks from the market in 1966 in a bid to rally depressed prices. The Group was also to study the question of financing of stocks, export quotas and output restrictions and report to the Sugar Council before the second session of the Conference. On the recommendation of the Committee on Manufactures, the Board set up a Group on Preferences to pursue the question of granting and extending preferences in favour of developing countries and to study the methodological aspects and the best ways of implementing a non-reciprocal system of preferences. India is a member of this Group.

A significant achievement of the UNCTAD during the year was the adoption of the Convention on Transit Trade of landlocked countries by the United Nations Conference of Plenipotentiaries held in New York in June/July 1965.

At the 23rd session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) held at Geneva from March 24 to April 6, 1966, a waiver from the most favoured-nation rule (Article 1) was granted to Australia for its scheme of introducing preferential rates of duty on imports of manufactured and semi-manufactured products from less developed countries. The scheme is important not so much for the likely expansion in trade of developing countries—for this is expected to be small—but for the principle of putting the manufacturing industries of the developing countries in a better position to compete with major industrial countries. Approval was given to three new free trade areas *viz.*—U.K.-Ireland, Australia-New Zealand and British Guiana-Antigua-Barbados. The Session also approved full membership of the GATT for Switzerland and Yugoslavia which were hitherto provisional members.

India played an active role at the 22nd annual meeting of the ECAFE held at New Delhi in March/April 1966. The demands of the developing nations which were put forward by the Indian delegate were: (*i*) grant of preferences on a non-reciprocal basis in favour of developing countries, (*ii*) removal of all quota and non-tariff barriers and (*iii*) introduction of a system of repayment of credits in kind *i.e.* by export of goods to the industrialised countries. The developed countries were, however, noncommital on these issues. India, therefore, took the initiative in calling a preparatory meeting of the 77 developing countries to prepare concrete plans of action in different fields for consideration at the second UNCTAD to be held in 1967.

The Council of International Coffee Organisation at its session in December 1965 failed to agree on the claims by various countries, including India, for an upward revision of basic export quotas. Instead, it approved temporary concessions in the form of waivers to some of the member countries allowing for an expansion of quotas for the coffee year 1965-66; India's quota was increased by 3,000 tonnes to 23,371 tonnes.

CHAPTER VII : CURRENCY AND COINAGE

During 1965-66, currency in circulation increased sizeably by Rs. 271.4 crores (to Rs. 3,112 crores) as compared to Rs. 171.5 crores in 1964-65 and Rs. 230.2 crores in 1963-64. Component-wise, notes in circulation showed a sharper rise in 1965-66 than in 1964-65 while, on a similar comparison, the expansion in rupee coins was of a much smaller magnitude; the expansion under small coins was slightly higher than in the previous year. Important developments in the sphere of currency and coinage during the year included i) the introduction by Bahrain of a currency known as 'Dinar' in place of the special series of Indian notes circulating in that country and ii) the issue in India of two more coins in aluminium magnesium alloy *viz.*, two paise coin and one paisa coin.

Circulation of Notes and Coins

Circulation of Notes : The expansion of Rs. 259.5 crores (or 10.1 per cent) in notes in circulation during 1965-66, which raised the total circulation to Rs. 2,823* crores, was markedly higher than the increase of Rs. 152.9 crores (or 6.3 per cent) in 1964-65. Notes in circulation rose initially from Rs. 2,564 crores to Rs. 2,665 crores during April 1965 and, after falling to Rs. 2,495 crores during August, expanded steadily to close for the year at Rs. 2,823 crores. Notes of Rs. 100 denomination, which had contracted by Rs. 109 crores in the preceding year, recorded the largest rise of Rs. 276 crores during 1965-66, its share in the total notes and coins issued rising from 34.0 per cent to 39.9 per cent. This was followed by the Rs. 1,000 denomination with an expansion of Rs. 6 crores though its share in the total notes and coins remained unchanged at 1.4 per cent. The circulation of Rs. 10 denomination, which had expanded sharply by Rs. 226 crores in 1964-65, showed a small contraction of Rs. 2 crores during 1965-66, the share of this denomination in the total currency declining from 42.7 per cent to 39.2 per cent. The rest of the denominations *viz.*, Rs. 2, Rs. 5, Rs. 5,000 and Rs. 10,000 showed declines, their share in the total currency issued falling to 1.3 per cent, 7.9 per cent, 0.6 per cent and 0.2 per cent, respectively.

Circulation of Rupee Coins: The rise in the circulation of rupee coins, the bulk of which comprises one-rupee notes issued by the Government of India, was much smaller (Rs. 3.8 crores) than that in the preceding year (Rs. 11.5 crores). Towards the close of 1965-66, rupee coins in circulation amounted to Rs. 183.8 crores@, showing a rise of 2.1 per cent over the year as compared to an increase of 6.8 per cent in 1964-65.

Circulation of Small Coins: The expansion in circulation of small coins (Rs. 8.1 crores) during 1965-66 was higher than that in the preceding year (Rs. 7.1 crores), both decimal coins and old coins (anna-pie) sharing in the expansion. The rise in circulation of decimal coins was Rs. 7.69 crores during 1965-66 as compared to Rs. 7.54 crores in 1964-65. Denomination-wise, the rise was the largest in 50 paise coins (Rs. 1.83 crores) and was followed by 25 paise (Rs. 1.82 crores), 10 paise (Rs. 1.67 crores), 5 paise (Rs. 1.00 crore), 3 paise (Rs. 57 *lakhs*), 2 paise (Rs. 49 *lakhs*) and one paisa (Rs. 32 *lakhs*). The circulation of old coins (anna-pie) showed a net rise of Rs. 36 *lakhs* during 1965-66 as against a net decline in the preceding year. Coin-wise, the nickel half-rupee coins and nickel four-anna coins increased by Rs. 35 *lakhs* and Rs. 19 *lakhs* respectively, the increases being partly offset by declines in one-anna coins (Rs. 11 *lakhs*), two-anna coins (Rs. 5 *lakhs*) and half-anna coins (Rs. 2 *lakhs*).

Miscellaneous

Retirement of Indian Currency from Bahrain : The Government of Bahrain decided to introduce, with effect from October 16, 1965,

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* Net of Rs. 43 crores of Indian notes returned from circulation in Pakistan.

@ Since June 7, 1947, by which date all standard silver rupee coins had ceased to be legal tender, rupee coin in circulation in India has comprised of i) Government of India one rupee notes issued from July 1940, ii) quaternary silver rupees issued between December 1940 and June 1946, iii) nickel rupees issued from June 1947 and iv) pure nickel decimal rupees issued from July 2, 1962. Since June 1946, quaternary silver rupee coins are in the process of being withdrawn. Out of these coins amounting to Rs. 94 crores outstanding on the date of discontinuance of their issue, coins of the value of Rs. 63 crores had been retired upto March 31, 1966.

after prior consultation with the Government of India, a new local currency known as 'Bahrain Dinar' in that State in place of the special India notes and coins in circulation there. Accordingly, special Gulf Notes and Indian coins aggregating Rs. 7.86 crores were retired and repatriated to the Reserve Bank from Bahrain. India's liability to Bahrain for the currency so repatriated was to be met by payment of one third of the total liability or two million Pound sterling whichever was less, to Bahrain Government on or before 30th April, 1966. The balance of the liability was to be discharged in ten equal annual instalments. The payment of one third of the total liability was made by the Government of India on 30th April, 1966.

In the Gulf territories excepting Kuwait and Bahrain, however, the special India notes continue to circulate.

Issue of 2 Paise Coins : A new coin in the denomination of 2 paise in aluminium magnesium alloy with 3.5 to 4 per cent magnesium was issued from all offices of the Reserve Bank of India from October 1, 1965. The coin is eight scalloped in shape with unmilled rim and its weight is 1.00 gram.

Issue of One Paisa Coins : A new one paisa coin in aluminium magnesium alloy with 3.5 to 4 per cent magnesium was issued from all offices of the Reserve Bank of India from 1st January, 1966. The coin is square in shape with rounded corners and unmilled rim and its weight is 0.75 gram.

Lost, Destroyed and Mutilated Notes: During 1965-66, claims in respect of lost, destroyed and mutilated notes admitted at the Bank's offices amounted to Rs. 123 lakhs as compared to Rs. 90 lakhs in 1964-65 and payments made against these claims as well as those admitted in previous years stood at Rs. 114 lakhs as compared to Rs. 80 lakhs in the preceding year.

Note Forgeries : The total number of forged notes including Government of India one-rupee notes received by the Bank during the year was higher at 2,672 (valued at Rs. 42,279) as compared to 1,793 (valued at Rs. 26,211) in 1964-65.

Coinage : During 1965-66, 1,591 million pieces of decimal coins valued at Rs. 12.40 crores were minted as against 1,468 million pieces valued at Rs. 8.55 crores in 1964-65. The total mintage of decimal coins since the introduction of decimal coinage in 1956-57 totalled 12,034 million pieces amounting to Rs. 69 crores.

Withdrawal of Silver, Cupro-nickel and Copper Coins: Uncurrent coins of the total value of Rs. 40 lakhs and *current* coins of the value of Rs. 23 lakhs were withdrawn from circulation during the year as compared to those valued at Rs. 1.03 crores and Rs. 86 *lakhs*, respectively, during the previous year.

Counterfeit Coins: The number of counterfeit coins cut at treasuries and railway stations stood at 27 thousands—the lowest level since 1958-59—as compared to 46 thousands during 1964-65 and 68 thousands during 1963-64.

APPENDIX I. REPORT OF THE FINANCE COMMISSION, 1965
(SUMMARY)

General :

The Fourth Finance Commission which was constituted in May 1964 in terms of Article 280 of the Constitution, submitted its Report to the Government of India on August 12, 1965.† Unlike in respect of the previous three Finance Commissions, the terms of reference given to the Fourth Finance Commission were wider in scope. In addition to the matters on which the Commission was required to make recommendations under the provisions of sub-clauses (*a*) and (*b*) of clause (3) of Article 280 of the Constitution, viz., the principles governing the distribution of Income-tax, Union Excise Duties, Additional Excise Duties, Estate Duty and Grants in lieu of Railway Fares, it was called upon to study the combined incidence of Union excise duties and sales taxes of States on production, consumption and export of articles, the duties on which are to be shared between the Centre and the States and to recommend adjustments, if any, to be made in the State's share of Union excise duties in case the sales tax levied by a State exceeded a certain level specified by the Commission. Further, in regard to recommendations for grants-in-aid to the States, the Commission was required to take into consideration, among other things, additional expenditure which was likely to devolve upon States for debt servicing and the creation of a fund out of the excess of estate duty proceeds (on property other than agricultural land) over a limit (to be specified by the Commission), to be utilised for the payment of a State's debt to the Centre. The recommendations of the Commission are to cover a period of five years commencing from April 1, 1966. Table 1 summarises the financial results of the Commission's recommendations accepted by the Government.

TABLE 1

	Share of Income-tax*	Share of Union Excise Duties††	Grants-in-aid under Article 275 (1) (Substantive portion)	Share of Estate Duty**	Grants in lieu of tax on Railway passenger fares	Additional Duties of Excise in lieu of Sales Tax	
						Income to be assured	Distribution of balance
States' Shares	75%	20%		98%		97.45%	
1	2	3	4	5	6	7	8
Distribution	Per cent	Per cent	Lakhs of Rs.	Per cent	Per cent	Lakhs of Rs.	Per cent
Andhra Pradesh	7.37	7.77	13,51@	8.34	9.05	235.24	7.42
Assam	2.44	3.32	16,52	2.75	2.79	85.08	1.98
Bihar	9.04	10.03	—	10.76	9.99	130.16	6.17
Gujarat	5.29	4.80	—	4.78	7.11	323.45	7.43
Jammu and Kashmir	0.73	2.26	6,57	0.83	—	—	‡
Kerala	3.59	4.16	20,82	3.92	1.85	95.08	5.65
Madhya Pradesh	6.47	7.40	2,70	7.50	9.85	155.17	4.62
Madras	8.34	7.18	6,84	7.80	5.81	285.34	11.13
Maharashtra	14.28	8.23	—	9.16	8.98	637.77	19.87
Mysore	5.14	5.41	20,82@	5.46	3.98	100.10	5.21
Nagaland	0.07	2.21	7,07	0.09	0.01	—	‡
Orissa	3.40	4.82	29,18	4.07	2.12	85.10	2.58
Punjab	4.36	4.86	—	4.70	7.43	175.19	5.01
Rajasthan	3.97	5.06	6.73	4.67	6.40	90.10	3.17
Uttar Pradesh	14.60	14.98	9,85@	17.08	18.23	575.81	7.83
West Bengal	10.91	7.51	—	8.09	6.40	280.41	11.93
			140,61			3,254.00	

* The net proceeds of Income-tax, except those attributable to Central emoluments and Union territories are divisible between the Centre and the States. The Commission has retained the share attributable to Union territories at 2½ per cent of the net proceeds.

†† Representing net proceeds of Union excise duties on all commodities.

@ Inclusive of certain dearness allowance and pay scale increases which could not be included by the Commission.

** Applies only to tax apportioned to property other than immovable property.

‡ No guaranteed amount is payable to the States of Jammu and Kashmir and Nagaland ; however, 1½ per cent and 0.05 per cent, respectively, of the net proceeds will be paid to them.

† The Chairman of the Commission was Dr. P. V. Rajamannar. The previous three Finance Commissions were set up in 1951, 1956 and 1960 under the Chairmanship of Shri K. C. Neogy, Shri K. Santhanam and Shri A. K. Chanda, respectively.

Income-tax:

The Commission was required to make recommendations under Article 270 of the Constitution in regard to (*a*) the percentage share of net proceeds of income-tax to be assigned to the States, (*b*) the manner of distribution among the States of their share and (*c*) the percentage of net proceeds which shall represent proceeds attributable to the Union territories. As regards the share of net proceeds of taxes on income (other than agricultural income) to be assigned to the States almost all the States had made out a case for a substantial increase from the existing level of 66⅔ per cent. They argued that as a result of the change in the classification of the income-tax payable by the companies since the Finance Act, 1959, the rate of growth of the divisible pool had been adversely affected ; they had also pointed out that while collections from the corporation tax had increased over six times in the last 12 years, the growth in the divisible pool of income-tax had been less than 50 per cent. Some of the States reiterated their view that during normal times there was no need for the levy of any surcharge exclusively for the Union and that in case a surcharge were levied, it should, as a matter of course, be merged with the basic rates of income-tax after a period of three years. The Commission, after considering the views of the States as well as those of the Third Finance Commission and the forecasts of collections of income-tax revenue supplied by the Finance Ministry, came to the conclusion that some further increase in the States' share was justified. They have, therefore, recommended that 75 per cent of the divisible pool of income-tax should be assigned to the States for distribution among them.

In regard to the distribution of States' share *inter se*, of the various factors as bases for distribution put forward by the States, only two, viz., population and contribution, in the opinion of the Commission, were relevant. Further, the Commission was also of the opinion that a feeling of certainty and stability should be imparted as regards the principles governing the distribution of income-tax. Accordingly, it retained the formula recommended by the First and the Third Finance Commissions for determining the share of each State in the divisible pool of income-tax proceeds viz., 80 per cent on the basis of population and 20 per cent on the basis of collection.* The Commission has also retained, by applying the same principles of population and collection, the share of Union territories in the divisible pool of income-tax proceeds at 2.5 per cent.

Union Excise Duties:

The Commission grouped the Union excise duties currently in force, into six categories : (*i*) basic excise duties, (*ii*) cesses or excise duties levied on certain items such as copra, salt, iron ore, coal, oilseeds, dhoties, etc. under Special Acts, the proceeds of which are earmarked for specified uses, (*iii*) additional excise duties in lieu of sales tax on sugar, tobacco and textiles, (*iv*) additional excise duties on motor spirit, kerosene, refined diesel oils and vaporising oil, diesel oils not otherwise specified and furnace oil, (*v*) special excise duties on certain goods levied in the form of surcharges on basic duties and (*vi*) regulatory duties. The additional excise duties in lieu of sales tax on sugar, tobacco and textiles, fall in a distinct category as the net proceeds are wholly paid to the States after retaining a small portion representing the share attributable to Union territories, while the regulatory excise duties have not yet become important as no collections were made upto 1964-65.

The additional excise duties (item 4) are levied in order to give effect to the reductions in prices of petroleum products brought about from time to time and to adjust the benefits accruing to the oil distributing companies as a result of fluctuations in the "posted prices" of bulk refined products in the Persian Gulf and variations in freights on oil cargo to the Indian ports. These price reductions and cost and freight accumulations are mopped up and credited to the Government through the mechanism of these additional duties. The Commission, therefore, suggested that for the purpose of distribution of proceeds between the Centre and the States, the yield of the two levies viz., the basic and the additional excise duties be taken together and made shareable in the same manner as the proceeds of the basic excise duties.

With regard to the list of excisable commodities the proceeds of which are to be shared with the States, it may be recalled that the First Finance Commission had recommended the sharing of duties only on three commodities viz., tobacco, matches and vegetable products whereas the Second Finance Commission had expanded the list of shareable commodities to eight by adding sugar, tea, coffee, paper and vegetable non-essential oils but reduced the States' share from 40 per cent to 25 per cent. The Third Finance Commission further enlarged the list substantially to 35 commodities by including all the commodities on which duties collected in 1960-61 exceeded Rs. 50 lakhs ; the only exception was the duty on motor spirit in lieu of which it recommended a special purpose grant of an equivalent amount for the development of communications. The States had argued forcefully before the Fourth Finance Commission for an expansion of the coverage of shareable excise duties. They urged that it was necessary to include in the shareable list all excisable commodities with a view to (*a*) achieving co-ordination between the excise policies of the Union and the sales tax policies of the States, (*b*) ensuring greater evenness in the flow of resources to the States and (*c*) covering new products as diversification of the economy progresses. The Commission, therefore, recommended that all Union excise duties currently levied (excepting regulatory duties, special excises and duties and cesses earmarked for special purposes) as also those that might be levied in the next five years should be shared between the Union and the States. As regards the share of the States in the distributable excises, the Commission retained it at 20 per cent which would in effect amount to a distribution of 30 per cent if the Commission had confined itself to the net proceeds of the 35 commodities.

In regard to the sharing of the proceeds from excise duty among States, the previous Commission had accepted the principle of distribution partly on the basis of population and partly on the basis of financial backwardness without indicating the relative weightages to be assigned to these factors. The Fourth Finance Commission has, however, made a departure in regard to the principle governing the distribution and recommended that the share of the States should be determined on the basis of 80 per cent on population and 20 per cent on economic and social backwardness as indicated by the per capita gross value of agricultural production, per capita value added by manufacture, percentage of

* The Second Finance Commission had reduced the weightage given to collection and had recommended the distribution of income-tax proceeds among States on the basis of 90 per cent for population and 10 per cent for collection.

workers (as defined in the Census) to total population, etc. Thus the present Commission distinguishes between 'economic and social backwardness' of a State and its 'financial weakness', for according to the Commission, "it is possible that a State may be economically backward and poor in social service and yet it may have a fairly comfortable position on revenue account." The present Commission is of the view that financial weakness as a criterion would be more appropriate in determining the grants than in allocating shared taxes.

Additional Excise Duties in lieu of Sales Tax:

The present scheme under which the State Governments do not levy any sales tax on textiles, sugar and tobacco which are subject to additional excise duties (in lieu of sales tax, the proceeds thereof being distributable), owes its origin to the consensus of opinion that emerged at a meeting of the National Development Council held in December 1956 and has been in operation for almost eight years now.

From the inception of the scheme, the States have been assured that each of them would get by way of its share an amount not less than the revenue realised by it in 1956-57 i.e., the guaranteed amount. The Finance Commission was required to determine the basis for distribution of additional amounts over and above the guaranteed amounts. The Third Finance Commission had considered it equitable to distribute the excess partly on the basis of the percentage increase in the collections of sales tax in each State since the year 1957-58 (when the additional excise duties were imposed) and partly on the basis of population. The Fourth Finance Commission, however, considered that collections of sales tax in a State are a more direct indicator of the contribution made by each State to the divisible surplus than population and accordingly recommended that the excess over the total guaranteed amount may be assigned on the basis of the proportion of sales tax revenue realised in each State to the total sales tax collections in all the States taken together over the years 1961-62 to 1963-64. As the State of Jammu and Kashmir did not have any sales tax during the year 1956-57, the question of giving the guaranteed amount to that State did not arise and the Second and the Third Finance Commissions had fixed its share in the net proceeds at 1¼ and 1½ per cent, respectively. The Fourth Finance Commission has now recommended that of the net proceeds of additional excise duties in lieu of sales tax for the years 1966-67 to 1970-71, one per cent be assigned to the Union territories, one and a half per cent be paid to the State of Jammu and Kashmir, one-twentieth of one per cent be paid to the State of Nagaland and of the balance (97.45 per cent) of the net proceeds, the guaranteed amount of Rs. 3,254 *lakhs* be set apart and the rest distributed on the basis of the proportion which sales tax revenue collections in each State bear to total sales tax revenue in all States over the years 1961-62 to 1963-64.

Estate Duty :

The Commission has retained the principles governing the distribution of estate duty as recommended by the Second Finance Commission (and endorsed by the Third Finance Commission), except for raising the share of Union territories from 1 per cent to 2 per cent after taking into account population and value of immovable property assessed in these territories in recent years. According to the recommendations of the Second Finance Commission, the balance (after excluding the share of Union territories at one per cent) is apportioned between movable and immovable property in the ratio of the gross value of all such properties brought into assessment. The sum apportioned to immovable property is distributed among the States in proportion to the gross value of immovable property located in each State ; the remainder is distributed among the States in proportion to their population. As regards the creation of a fund out of excesses, if any, (over a limit to be specified by the Commission) of the net proceeds of estate duty on property other than agricultural land accruing to a State in any financial year (which would be earmarked for the repayment of States' debt to the Central Government), the Commission came to the conclusion that as collections were not significant at present (Rs. 7 crores under this head) it would not be of any practical value to create a fund by contributing a part of these proceeds.

Grant in lieu of Taxes on Railway Fares:

The Commission has not suggested any change in the principles governing at present the distribution among States of the grant payable to them under this head. However, in view of the fact that the period for the present *ad hoc* grant of Rs. 12.5 crores per annum to States in lieu of taxes on Railway passenger fares is to expire at the end of 1965-66 and the Railway Convention Committee's recommendations about the future quantum of grant have not then been made, the Commission has recommended that the percentage share of each State be based on the latest available statistics of railway route length in each State (under each gauge) and the average annual earnings from passenger traffic (excluding suburban traffic) for three years ending 1964 for which actuals are available. The percentage share of each State is shown in Table 1.

Co-ordination between Union Excise Duties and Sales Taxes:

In order to secure greater co-ordination between Union excise duties and sales taxes, the Commission was called upon to assess the effect of the combined incidence of a State's sales tax and Union excise duties on production, consumption and export of commodities or products, the duties on which are shareable with States and the adjustments, if any, to be made in the States' share of Union excise duties in case there is any increase in the State's sales tax on such commodities or products over a limit to be specified by the Commission. In this respect, the Commission observed that, in the absence of commodity-wise detailed cost analysis studies as well as the data on effective incidence of sales tax and Union excise duties on the commodities, it would not be possible to determine precisely the impact of any increase in these taxes on production, consumption or exports of such commodities or products. The Commission, therefore, came to the conclusion that for want of adequate data for determining the combined incidence of the two taxes and their economic effects, the question of fixing the ceiling and devising a formula for adjustment in the share of Union excise duties could not be considered. It suggested, however, that the procedure for framing a scheme of ceiling on sales tax rates and for its implementation should be the same as in the case of additional excise duties in lieu of sales tax i.e., by mutual agreement and understanding between the Centre and the States.

Grants-in-aid:

The Third Finance Commission had recommended an annual grants-in-aid of Rs. 52 crores for filling the revenue gap in the budgets of the State Governments

and Rs. 58.25 crores for meeting 75 per cent of the revenue component of the States' plans ; the latter recommendation was not accepted by the Government. The Fourth Finance Commission, however, has confined itself to non-Plan revenue expenditure vis-a-vis the revenue receipts anticipated in the coming five-year period on the basis of taxation levels in 1965-66, as it did not deem it appropriate to deal with the States' new Plan expenditure because the Planning Commission has been specially constituted to advise the Government of India and the State Governments in this regard.† They have, therefore, not recommended grants for meeting the gap in the revenue component of the Plan. On the other hand, they have included in the estimates of expenditure, the requirements of the States for payment of annual interest on loans outstanding and those likely to be raised in the Fourth Plan as well as provision for contribution to sinking funds for public loans (Table 2). After assessing revenue receipts and non-Plan expenditure of different States for 1966-67 to 1970-71 and the amounts accruing to them as their share of the various taxes and duties, ten States were found to have revenue deficit aggregating Rs. 609.45 crores for the financial years 1966-67 to 1970-71 and the Commission recommended annual grants, under Article 275 of the Constitution, amounting to Rs. 121.89 crores, equal to one-fifth of the deficit (Table 3). The Commission had excluded from its assessment of revenue expenditure certain increases in pay scales and dearness allowance to State Government employees and employees of local bodies and school teachers effected by the State Governments of Andhra Pradesh, Mysore and Uttar Pradesh through orders issued in July 1965. The Commission had recommended that the effect of these liabilities might also be taken into account in fixing the grants under article 275 of the Constitution. As a result, the grants recommended by the Commission for Andhra Pradesh and Mysore were increased by Rs. 6.29 crores and Rs. 2.58 crores, respectively, during each of the years from 1st April 1966 to 31st March 1971. Uttar Pradesh also qualified for a grant of Rs. 9.85 crores during each of these years.

TABLE 2

(Rs. crores)

States	Interest liability in respect of loans* outstanding at the end of the Third Plan	Interest liability in respect of loans likely to be raised in the Fourth Plan	Sinking Fund Provision (including 4th Plan Loans)
1. Andhra Pradesh	76.95	43.48	4.94
2. Assam	30.20	16.10	11.19
3. Bihar	86.08	41.31	9.04
4. Gujarat	50.81	25.30	28.41
5. Jammu and Kashmir	20.14	8.90	—
6. Kerala	40.48	22.00	3.63
7. Madhya Pradesh	73.53	37.97	7.19
8. Madras	79.13	41.61	8.90
9. Maharashtra ..	97.81	51.15	46.85
10. Mysore	58.66	29.92	15.00
11. Orissa	62.37	31.58	31.49
12. Punjab	75.53	29.99	12.15
13. Rajasthan ..	58.01	29.46	16.90
14. Uttar Pradesh ..	104.21	68.38	61.97
15. West Bengal ..	73.73	45.14	28.56
Total ..	**987.64**	**522.29**	**286.27**

* Public Loans, Central Loans and other loans.

TABLE 3

(Rs. crores)

States	Deficit** (5 times annual grant)
1. Andhra Pradesh	36.10
2. Assam	82.60
3. Jammu and Kashmir	32.85
4. Kerala	104.10
5. Madhya Pradesh	13.50
6. Madras	34.20
7. Mysore	91.20
8. Nagaland	35.35
9. Orissa	145.90
10. Rajasthan	33.65
Total	**609.45**

** After taking into account share of Union taxes and duties accruing to the States.

The Third Finance Commission, it may be recalled, had recommended payment to certain States of a sum of Rs. 36 crores (or Rs. 9 crores per year for a period of 4 years) as a special purpose grant for improvement of road communications. The Fourth Finance Commission was not in favour of any separate special purpose grants, though they have included certain special requirements in the forecast of expenditure.

† The Chairman of the Commission in his supplemental note, however, states that there is no legal warrant for excluding from the scope of the Commission all capital grants; even the capital requirements of a State may be properly met by grants-in-aid under article 275(1), made on the recommendations of the Finance Commission. It is the setting up of the Planning Commission that has restricted the scope and functions of the Finance Commission. In this connection, he has appealed for a review of the Union-State financial relationship in view of the setting up of the Planning Commission.

General Observations :

In its Report, the Commission has made many general observations on various issues and suggested the creation of an institutional device of consultations between the Union and the States on common financial interests, the establishment of a permanent organisation in the Ministry of Finance for making a continuous study of and bringing upto date information on various matters required by the Finance Commissions and the constitution of a competent body to study in detail the entire problem of indebtedness of States and allied aspects. The Commission has also drawn attention to the inadequacy and lack of uniformity of budgetary provisions of States for amortisation of market borrowings and has recommended an early inquiry through a representative expert body for deciding the principles of a scheme of amortisation of public borrowings by States whose recommendations shall form the basis on which all State Governments may recast their expenditure forecast for the next five years. Further, the Commission is in favour of conducting a survey for assessing the soundness of the present system of inter-governmental borrowing.

The Report of the Commission contains a minute of dissent by one member, (Shri Mohan Lal Gautam) regarding (a) non-inclusion in the estimates of revenue and expenditure of State Governments, of provisions for expenditure created by Government orders after June 1965 and (*b*) the basis of distribution of the balance of the proceeds of additional excise duties in excess of the guaranteed amounts. Besides, the Chairman (Dr. P. V. Rajamannar) and one of the members (Shri Bhabatosh Datta) have appended supplemental notes to the Report in which general questions of financial relationship between the Union and the States and the role of the Finance Commission vis-a-vis the Planning Commission have been raised ; the main points made by them relate to amendment of the Constitution (*a*) to clearly demarcate the functions of the Planning Commission and the Finance Commission, (*b*) to evolve a flexible system of devolution in order to avoid very large deficits as well as very large grants in the case of some States and (*c*) devising of some arrangements for continuous examination of the problem of incomes, both in its inter-regional and inter-temporal aspects.

Action taken by the Government on the Recommendations:

The Government of India have accepted the recommendations of the Commission subject to certain modifications. The Commission had excluded from its assessment of revenue expenditure, certain increases in pay scales and in dearness allowance to State Government employees and employees of Local Bodies and school teachers effected by the State Governments of Andhra Pradesh, Mysore and Uttar Pradesh through orders issued in July 1965. This was because either there was not sufficient time after receipt of these orders to re-assess the estimates already adopted or the proposals were not accompanied by basic particulars and other relevant data. The Commission's recommendation was that the effect of these liabilities might also be taken into account in fixing the grants under Article 275 to be included in the Order of the President. Accordingly, Government requested one of the members (Shri D. G. Karve) of the Commission to undertake an assessment of these liabilities, applying thereto the same criteria as were applied to similar liabilities by the Commission. As a result, these States were awarded additional grants as mentioned earlier. The Commission had also excluded from its assessment of revenue expenditure provisions for special requirements of hill districts in Assam, improvement and strengthening of police organisation in Madhya Pradesh and grants to panchayats in Mysore, as final orders on these proposals had not been issued. The Commission had recommended that if these proposals materialised before the Presidential orders on the Report, these might also be taken into account in determining the amounts of statutory grants-in-aid. As it would not be practicable to keep the order of the President under Article 275 pending or even open for an amendment later, until these liabilities mature into commitments, the Government have decided to take such liabilities into account while assessing the resources for the Plan of the respective States and their needs for purposes of Central assistance. As regards the general observations made by the Commission, these do not need any immediate decision and will be examined after the immediate action required on the Commission's Report is taken.

The Commission's recommendations fall into three categories ; those to be implemented by an order of the President, those to be implemented by law by Parliament and those to be implemented by executive orders. The recommendations under Articles 270 and 275(1) of the Constitution fall into the first category and the necessary orders would be submitted to the President for approval. The recommendations relating to the distribution of Union excise duties including additional duties and estate duty on property other than agricultural land fall in the second category. Necessary legislation would be promoted to implement them. The recommendations regarding the distribution of *ad hoc* grants to States in lieu of their share of tax on Railway fares will be implemented by executive order

APPENDIX II : UNION GOVERNMENT BUDGET PROPOSALS, 1966-67

The Union Government Budget proposals for 1966-67 were presented to the Parliament on February 28, 1966 in the form of the Finance Bill, 1966. The more important features of these proposals as finally adopted by the Parliament in the Finance Act, 1966, are briefly set out below :

A. DIRECT TAXES

I. Corporate Taxation:

(i) *Rates of income-tax :* The rate schedule of income-tax in the case of companies has been completely recast and simplified. Under the new rate schedule, the actual rates of income-tax in the case of various classes of companies have been set out directly without the provisions for rebates and reduction in rebates as under the Finance Act, 1965. Thus, (1) for domestic companies* in which the public are substantially interested, the tax rate will be 45 per cent of the total income where total income does not exceed Rs. 25,000 and 55 per cent where total income exceeds Rs. 25,000. (2) Among domestic companies in which public are not substantially interested and which are industrial companies, the rate of tax will be at 55 per cent on the first Rs. 10 lakhs of total income and at 60 per cent on the balance of total income. (3) In the case of such domestic companies in which public are not substantially interested and which are other than industrial companies the rate of tax will be 65 per cent of the total income. (4) In the case of foreign companies which have not made the prescribed arrangements for the declaration and payment of dividends within India, the rate of tax on income consisting of royalties and technical service fees received from an Indian concern, under agreements entered into, respectively, after March 31, 1961 and February 29, 1964 and where such agreements have been approved by Central Government, will be 50 per cent and on any other income at 70 per cent. While no increase is made in the tax rate on income from royalties etc. of foreign companies, the rate is higher by 2.5 per cent, as compared to that under Finance Act, 1965, on domestic companies in which public are substantially interested and whose total income does not exceed Rs. 25,000. In the case of other classes of companies the increase in tax rate is of the order of 5 per cent.

(ii) *Removal of tax on bonus issues:* The income-tax on domestic companies under the Finance Acts of earlier years at the rate of 12.5 per cent of the face value of bonus shares or bonus issued by them to their shareholders is discontinued for the assessment year 1966-67.

(iii) *Modification of the tax on dividend :* Income-tax at 7.5 per cent levied under the Finance Act, 1965, on the whole of the equity dividends declared or distributed during the previous year by domestic companies (other than those which are required under Section 104 of the Income-tax Act to distribute a specified percentage of their distributable income by way of dividends) is made applicable under the Finance Act, 1966, to that part of the dividend which exceeds 10 per cent of the paid-up equity capital on the first day of the previous year.

(iv) *Special rebate :* Under the Finance Acts of 1964 and 1965 special rebate was available to certain domestic companies on their profits from the business of generation or distribution of electricity or of construction, manufacture or production of any of the specified articles (listed in the Fifth Schedule to the Income-tax Act) relating to priority industries. With effect from the assessment year 1966-67, by a new provision in the Income-tax Act, such domestic companies which were eligible for the abovementioned rebate will be entitled to a deduction in the computation of their total income of an amount equal to 8 per cent of their profits. However, domestic companies in which public are substantially interested and whose total income does not exceed Rs. 25,000 will not be entitled to this deduction as the income-tax rate prescribed in the Act for such companies is 45 per cent as against the rate of 55 per cent for companies whose income exceeds Rs. 25,000.

(v) *Extension of the Fifth Schedule :* The list of articles and things relating to priority industries in the Fifth Schedule to the Income-tax Act is enlarged by addition of three new industries, namely, tea, newsprint and printing machinery. Consequently, these industries are made eligible for higher development rebate granted to priority industries for plant and machinery installed between April 1, 1965 and March 31, 1970.

(vi) *Concessional rate of tax on dividends, royalties and other income received by an Indian company in certain circumstances:* In the case of Indian companies, a concessional rate of tax of 25 per cent is provided in respect of any dividends received by them on shares in a foreign company (which has not made the prescribed arrangements for the declaration and payment of dividends within India) where such shares have been allotted to the Indian company in consideration for its agreeing to provide or having provided technical 'know how' or technical service to the foreign company ; the Indian company, however, must have obtained approval of the Central Government before the first day of October of the relevant assessment year for providing such technical assistance. The same concessional rate of 25 per cent is provided in respect of income received as royalty, commission, fees or any similar payment received by an Indian company from a foreign company in consideration for providing technical 'know how' whether the company is holding any shares in the foreign company or not.

(vii) *Reduction in the quantum of development rebate reserve in the case of shipowners:* Having regard to the fact that the profitability of the shipping industry is considerably lower than the general level of profitability in other industries, the quantum of the development rebate reserve required to be created by the shipowners is reduced from 75 per cent to 50 per cent of the amount of development rebate actually allowed. This provision will have effect in relation to ships acquired after February 28, 1966.

(viii) *Increase in the quantum of development allowance for the tea industry:* In order to provide further incentive to the tea industry for extending the area of new plantation and renovating the old plantations, the existing entitlement for deduction, in computation of taxable profits, of development allowance is increased from 40 per cent to 50 per cent of the actual cost of planting in new areas and from 20 per cent to 30 per cent of the actual cost for replanting of tea bushes in existing plantations. Further, this development allowance will

* Domestic companies i.e., Indian or foreign companies which have made the prescribed arrangements for the declaration and payment of dividends within India.

be granted in two stages, viz., in the first and the fourth year reckoned from the previous year in which the land was prepared for planting or replanting instead of the present practice of granting it only in the fourth year.

(ix) *Approved financial corporations:* In order to facilitate the building up of adequate financial resources by approved financial corporations engaged in providing long-term finance for industrial development in India, the limit on the deductible amount credited to reserve is increased from 10 per cent to 25 per cent of the total income, in case where the paid-up capital of the financial corporation does not exceed Rs. 3 crores.

(x) *Closely held companies:* Closely held companies (i.e. companies which do not fulfil the various tests, under Section 2(18) of the Income-tax Act, of a company in which the public are substantially interested) are required, subject to certain exemptions and exceptions, to make compulsory distribution of dividends upto the statutory percentage of their 'distributable income'. If they fail to do so, they are charged, under Section 104 of the Income-tax Act an additional income-tax at a specified percentage of their undistributed income. In order to rationalise and liberalise these tests, a few amendments are effected in the definition of a 'company in which public are substantially interested, and also in the provisions relating to closely held companies.

II. Personal Income Taxation:

(i) *Rates of income-tax (exclusive of surcharge) and limits of exemption and personal allowances:* While the rate schedule of income-tax for individuals, Hindu undivided families, unregistered firms and other assessees of these categories, for the assessment year 1966-67, will be the same, the exemption limit of small incomes as well as the amount of tax relief on account of personal allowances is raised. Thus, no income-tax will be payable on total income upto Rs. 7,000 by Hindu undivided families and upto Rs. 4,000 by other resident non-corporate assessees as against the corresponding exemption limits of Rs. 6,000 and Rs. 3,000 under the Finance Act, 1965.

(ii) *Surcharge on income-tax :* The surcharge on income-tax, on both earned and unearned income, will be levied in 1966-67 at the same rates as under the Finance Act, 1965. In addition to this, a special surcharge, for the purposes of the Union is levied at the rate of 10 per cent of the aggregate amount of the income-tax and the amount of surcharges, if any, in relation to earned and unearned incomes.

(iii) *Annuity Deposits:* With effect from the assessment year 1967-68 as also in relation to advance annuity deposits to be made during 1966-67, the exemption limit in respect of making annuity deposits is raised from Rs. 15,000 to Rs. 25,000. However, if persons with incomes between Rs. 15,000 and Rs. 25,000 wish to have the benefit of making annuity deposits, they will have the option to do so. Persons aged more than 70 are, however, exempted from the obligations of making such deposits. Further, the requirement of making deposits by specified dates is removed and depositors are allowed to make the deposits during the financial year at their own convenience. With effect from April 1, 1967, any shortfall from the full amount of Annuity Deposit will not be collected as arrears of income-tax as hitherto, but will be charged at the rates prescribed.

(iv) *Other amendments to the Income-tax Act :* (*a*) In consonance with the levy of 10 per cent special additional surcharge on non-corporate assessees and corresponding increases in the rates of tax in the case of companies, the existing limit of 25 per cent of the income is raised (by 10 per cent) to 27.5 per cent in the case of rebates claimed on account of interest earned on 'tax-free' securities, dividends attributable to agricultural income of the company, on donation made to National Defence Fund, charitable institutions, etc.

(*b*) In order to encourage small savings, the new series of certificates known as 'Bank Series' have been made eligible to receive the same concessions under the Income-tax Act as are presently available to the new series of National Savings Certificates (First Issue). Further, in order to facilitate investment in Central and State Government securities by resident individuals, whose income does not attract income-tax, it is provided that the interest on such securities will be paid without deduction of tax at source subject to certain conditions.

III. Taxation of Co-operative Societies:

The limit of total income on which no tax is chargeable in the case of co-operative society is raised from the existing Rs. 3,000 to Rs. 3,500 under the Finance Act, 1966. A special surcharge, for the purposes of the Union, calculated at the rate of 10 per cent on the aggregate of the amount of income-tax and surcharge on income-tax payable by a co-operative society is levied from the year 1966-67.

IV. Registered Firms and Local Authorities:

The incomes of registered firms and local authorities are subject, from the year 1966-67, to the special surcharge calculated at the rate of 10 per cent of the aggregate amount of income-tax and surcharge on income-tax payable by them.

V. Life Insurance Corporation:

The rate of income-tax on the profits and gains of the Life Insurance Corporation of India from its life insurance business is prescribed at 52.5 per cent as against the rate of 47.5 per cent under the Finance Act, 1965 in consonance with similar increase in respect of companies in which public are substantially interested.

VI. Surtax:

(i) *Rate of surtax :* The rate at which surtax is payable on net chargeable profits of companies is reduced from 40 per cent under the Finance Act, 1965 to 35 per cent for the year 1966-67.

(ii) *Rebate of surtax:* The existing provision in the Third Schedule to the Companies (Profits) Surtax Act, 1964 relating to the allowance of rebate equal to 20 per cent of the amount of surtax attributable to the profits derived by a company from the specified priority industries is removed in the light of the inclusion of a clause in the Income-tax Act for a general deduction of 8 per cent of such profits in the computation of total income of companies.

(iii) *Computation of chargeable profits:* A provision has been made in the Companies (Profits) Surtax Act, 1964, with retrospective effect from the commencement of the Act to the effect that the additional income-tax (payable by a closely held company which has failed to distribute dividends upto the statutory percentage of its distributable income) payable by a company under Section 104 of the Income-tax Act, will not be allowed

as a deduction in computing its chargeable profits for sur-tax. This provision is made with a view to simplifying calculations of surtax.

VII. Super Profits Tax:

Repeal of super profits tax : The Super Profits Tax Act, 1963 which was suspended from April 1, 1964 in view of the levy of surtax, is repealed with effect from April 1, 1966.

VIII. Estate Duty:

(i) *Changes in the rates:* The existing rates of estate duty applicable to the principal value of the estate in the selected slabs have been increased. Thus, in the slab between Rs. 1 lakh and Rs. 2 lakhs the rate is increased from 8 per cent to 10 per cent, between Rs. 3.5 lakhs and Rs. 5 lakhs from 15 per cent to 25 per cent and between Rs. 5 lakhs and Rs. 10 lakhs from 25 per cent to 30 per cent ; the rates in the other slabs remain unchanged.

(ii) *Increase in the statutory period for inclusion of gifted property in the estate:* At present, property gifted by a person within one year before his death is included in his dutiable estate. This period is now increased to two years in respect of the estate of persons who die on or after April 1, 1966. However, gifts made prior to April 1, 1965 will not be included in the estate of persons dying on or after April 1, 1966 but before April 1, 1967.

(iii) *Exemption from estate duty of the estate of police force killed while protecting the border of the country:* The Finance Act, 1966 provides for exemption from estate duty on property belonging to the deceased who was a member of the police force, including border security force and was killed in action in protecting the border ; this will have retrospective effect in respect of property passing on a death taking place on or after April 1, 1965. This exemption is similar to that already available to the armed forces of the Union.

IX. Expenditure Tax:

With effect from April 1, 1966, the Expenditure Tax Act, 1957 stands repealed.

X. Gift Tax :

(i) *Increase in the exemption limits:* The general exemption from gift-tax in respect of gifts made by a person during the year, which is limited to a maximum of Rs. 5,000 of the value of the gift at present, is raised to Rs. 10,000 from the assessment year 1966-67.

(ii) *Aggregation of the gifts made to the same donee:* The provision for aggregation of gifts made to the same donee during certain period under Section 6A of the Gift-tax Act, 1958 is omitted.

(iii) *Modification of the slab structure and gift-tax rates :* The slabs of the value of gifts and the rates of gift-tax are modified. The combined effect of these, taken together with the increase in the initial exemption from Rs. 5,000 to Rs. 10,000, will be that the incidence of gift-tax will be lower at all levels than at present.

(iv) *Exemption of non-residents from gift-tax under National Defence Remittance Scheme:* Exemption is granted to non-residents from gift-tax on gift, to any person resident in India, of foreign currency or other foreign exchange remitted to India from abroad in accordance with the Foreign Exchange Regulation Act, 1947 during the period October 26, 1965 to February 28, 1966 or such later date as may be notified by the Central Government.

XI. Central Sales Tax :

(i) *Increase in the rate of tax:* The rate of sales tax in respect of inter-State sales is increased from the present 2 per cent to 3 per cent, with effect from July 1, 1966 ; in case the rate of sales tax obtaining in the State in which goods are purchased is less than 3 per cent, the lower rate will be applicable.

(ii) *Goods of special importance in inter-State trade:* In respect of goods declared to be of special importance in inter-State commerce, such as coal, cotton, cotton yarn, hides and skins, iron and steel, jute and oilseeds, the present ceiling for the levy of local sales tax at 2 per cent is raised to 3 per cent. This will enable the States to refix the rates of local sales tax, within the increased ceiling, if they so desire, with effect from July 1, 1966.

XII. Capital Gains Tax:

(i) *Removal of capital gains tax on bonus shares:* Under the existing provisions of the Income-tax Act, the notional capital gains represented by the fair market value of the bonus shares allotted to an assessee is chargeable to income-tax. As per the new provisions for the assessment year 1966-67 or any subsequent year, capital gains in respect of bonus shares will be computed only when the bonus shares have actually been sold or otherwise transferred by an assessee.

(ii) *Capital gain on bank certificates under National Defence Remittance Scheme:* The right of obtaining an import licence against the bank certificate, under the National Defence Remittance Scheme, can be transferred by the holder of the certificate to any other person by selling or transferring the certificate to him otherwise. If the transfer is effected within the period of 12 months from the date of the receipt of bank certificate the gains arising from the transaction are, under the present law, chargeable to income-tax as 'short-term' capital gains, at the average rate of tax applicable to the total income of the transferor. In order to encourage remittances under the Scheme, it is now decided to tax such capital gains at the concessional rate applicable to long-term capital gains even though the transfer of the certificate was effected within twelve months from the date on which it was received from the bank.

XIII. Unit Trust of India Act, 1963:

The amendment to the above Act provides that dividends upto an amount of Rs. 1,000 received by an individual on units of the Unit Trust of India will be excluded in computing his total income under the Income-tax Act irrespective of the amount of his other income. In the case of non-residents if the income receivable by him from the Trust exceeds Rs. 1,000 in a financial year, deduction of income-tax shall be made by the Trust from the whole of the income distributed to him at the rate of 15 per cent of such income.

XIV. Tax Credit on Export:

Increase in the rate of tax credit to the export of jute carpet backing which will not take the total rate beyond 10 per cent.

B. INDIRECT TAXES

Items	Rate of Duty	Additional Revenue (+) or Loss (−) (Rupees Crores)
1	2	3
I. Union Excise Duties		
Changes in Existing Rates :		
A. *By Bill*		
(1) Sugar :		
— Sugar other than Khandsari or Palmyra	—Increase in the rate of basic duty from Rs. 22.15 to Rs. 30.50 per quintal.	+ 21.93
— Khandsari sugar	—Increase in the rate of basic duty from Rs. 11.00 to Rs. 15.00 per quintal@.	
(i) Produced with the aid of sulphitation plant	—Increase in the effective rate of duty from Rs. 9.90 to Rs. 14.00 per quintal.	
(ii) Produced without the aid of sulphitation plant	—Increase in the effective rate of duty from Rs. 7.70 to Rs. 11.00 per quintal.	
	(The additional excise duty (in lieu of sales tax) would continue to be payable at the existing rates (e.g. Rs. 6.50 per quintal for 'sugar other than Khandsari or Palmyra').	
(2) Unmanufactured Tobacco :		
(i) Flue-cured tobacco used in the manufacture of cigarettes.	—Increase in the rate of basic duty from Rs. 2.60 to Rs. 3.20 per Kg.	+3.60
(ii) Flue-cured tobacco used in the manufacture of smoking mixtures for pipes, etc.	—Increase in the rate of basic duty from Rs. 16.90 to Rs. 25.00 per Kg.	
(iii) Other than flue-cured tobacco used in the manufacture of cigarettes, etc.	—Increase in the rate of basic duty from Rs. 2.05 to Rs. 2.60 per Kg.	
(3) Cigars and Cheroots :		
— Cigars and cheroots of which the value per 100 exceeds Rs. 1.25 but does not exceed Rs. 5.00	—Increase in the rate of basic duty from Re. 0.75 to Re. 1.00 per 100.	+0.13
— Cigars and cheroots of which the value per 100 exceeds Rs. 5.00 but does not exceed Rs. 15.00	—Increase in the rate of basic duty from Rs. 3.00 to Rs. 4.00 per 100.	
— Cigars and cheroots of which the value per 100 exceeds Rs. 15.00 but does not exceed Rs. 25.00	—Increase in the rate of basic duty from Rs. 9.00 to Rs. 12.00 per 100.	
— Cigars and cheroots of which the value per 100 exceeds Rs. 25.00	—Increase in the rate of basic duty from Rs. 15.00 to Rs. 20.00 per 100.	

@ Compounded levy rates for Khandsari produced by units opting to work under special procedure are being suitably revised upward.

Items	Rate of Duty	Additional Revenue (+) or Loss (−) (Rupees Crores)
1	2	3
(*Notes :* 1. All cigars and cheroots were completely exempted from duty during the period from 28th February 1965 to 28th February 1966. 2. Additional excise duty (in lieu of sales tax) and special excise duty at the existing rates would also now become leviable in addition to the basic duty. 3. Cigars and cheroots, the value of which per hundred does not exceed Rs. 2.50 which are mostly consumed by lower income groups, will remain exempted).		
(4) Diesel Oil (Not otherwise specified)	—Increase in the rate of basic duty from Rs. 90.00 to Rs. 195.00 per tonne ; the effective rate of duty will, however, be Rs. 160.32 per tonne.	+5.35
(5) Optical Bleaching (Whitening Agents)	—Levy of basic duty at the rate of 15 per cent *ad valorem* to bring it on par with that on synthetic organic dyestuffs.	+0.40
(6) Carbonic Acid (Carbon dioxide)	—Basic duty at the rate of Re. 1.00 per Kg. in the place of the existing 50 per cent *ad valorem* ; the present total exemption from the levy for industrial and other purposes continues unchanged.	+0.40
(7) Surface-Active Agents (Synthetic detergents)	—Basic duty at the rate of 10 per cent *ad valorem*, which is analogous to that on household and laundry soap ; the effective rate will be 25 paise per Kg.	+0.18
(8) Rayon and Synthetic Fibres and Yarn :	—Increase in the rate of basic duty from Rs. 9.00 per Kg. to Rs. 12 per Kg.	+0.50
— Viscose rayon yarn :		
(i) Below 75 deniers	—Increase in the effective rate of basic duty from Rs. 6.00 to Rs. 6.50 per Kg.	
(ii) 75 deniers and above but below 100 deniers	—Increase in the effective rate of basic duty from Rs. 4.50 to Rs. 4.80 per Kg.	
(iii) 100 deniers and above but below 120 deniers	—Increase in the effective rate of basic duty from Rs. 4.00 to Rs. 4.25 per Kg.	
(iv) 120 deniers and above but below 150 deniers	—Increase in the effective rate of basic duty from Rs. 2.50 to Rs. 2.65 per Kg.	
(No change in effective rates for categories 150 deniers and above)		
— Other synthetic yarns :		
(i) Below 75 deniers	—Increase in the effective rate of basic duty from Rs. 9.00 to Rs. 9.75 per Kg.	
(ii) 75 deniers and above but not above 100 deniers	—Increase in the effective rate of basic duty from Rs. 7.50 to Rs. 8.00 per Kg.	
(iii) Above 100 deniers but below 150 deniers	—Increase in the effective rate of basic duty from Rs. 6.00 to Rs. 6.30 per Kg.	
(No change in rates for categories 150 deniers and above)		
(9) Cotton Twist, Yarn and Thread :		
—Tariff rates	—Increase in the tariff rates from Re. 0.50 to Re. 0.60 per Kg. in the case of less than 29 counts and from Re. 1.00 to Rs. 1.50 per Kg. in the case of 29 counts or more.	+7.23

Items	Rate of Duty	Additional Revenue (+) or Loss (—) (Rupees Crores)
1	2	3
— Effective rates	—There is no change in the effective rates for yarn and thread of count of groups in the range of 0-22. The changes in other count groups are as below :	

Count group		Rate of duty (basic) per Kg. (In Paise)			
		Existing		Proposed	
of or more	less than	In hank	Other forms	In hank	Other forms
22	29	Nil	30	5	40
29	34	5	40	25	60
34	40	10	45	40	75
40	51	25	60	65	100
51	—	50	90	90	125

— Compound levy rates for yarn contained in good fabrics	—Increase in the rate of compound levy from 7 to 10 paise per sq. metre for superfine fabrics, from 6 to 8.5 paise per sq. metre for fine fabrics and from 5 to 6 paise per sq. metre for Medium A fabrics; there is no change in rates for Medium B and coarse fabrics.	
(10) Cotton fabrics :		
— Tariff rates	—Increase in the tariff rates for cotton fabrics not otherwise specified, fine and superfine fabrics from 60 paise to 80 paise per sq. metre and in the case of medium and coarse fabrics from 40 paise to 60 paise per sq. metre.	+6.30
— Effective rates (Processing surcharge which is in addition to duty payable on grey fabrics)		
(i) Mercerised and water-proofed	—Increase in the effective rate of superfine, fine and Medium A from 20 paise to 30 paise per sq. metre and for Medium B and Coarse varieties from 10 paise to 15 paise per sq. metre.	
(ii) Processed in any other manner (Shrink-proofed, organdie processed, etc.)	—Increase in the effective rate for superfine, fine and Medium A from 30 paise to 45 paise per sq. metre and for Medium B and Coarse varieties from 20 paise to 30 paise per sq. metre.	
(11) Iron or Steel Products :		
— Flats	—Increase in the rate of basic duty from Rs. 50 (plus ingot duty) to Rs. 300 (plus ingot duty) per tonne.	Negligible@
— Pipes and tubes	—Increase in the rate of basic duty from 5 per cent *ad valorem* (plus pig iron/steel ingot duty) to 15 per cent *ad valorem* (plus pig iron/steel ingot duty).	
(12) Electric Wires and Cables :	—The tariff description of this item is recast with a view to rectifying certain anomalies. Except possibly marginally, no changes are involved in the effective rates of duty.	
	Total of A (By Bill) ..	**+46.02**

@ The effective rates are so regulated that there is no significant change in the existing duty incidence ; certain technical anomalies are rectified.

Items	Rate of Duty	Additional Revenue (+) or Loss (−) (Rupees Crores)
1	2	3
B. By Notification		
(13) Cigarettes :	—Increase in the rate of basic duty from 25 per cent to 30 per cent *ad valorem* for cigarettes of value upto Rs. 7.50 per 1,000, from 40 per cent to 45 per cent *ad valorem* for cigarettes of value between Rs. 7.50 and Rs. 25 per 1,000 and from 50 per cent to 55 per cent *ad valorem* for cigarettes of value exceeding Rs. 25 per 1,000.	+5.28
(14) Sodium Silicate :	—Increase in the effective rate of duty from Rs. 4.00 to Rs. 6.00 per quintal ; the tariff rate at Rs. 8.00 per quintal remains unchanged.	+0.40
(15) Paper Boards (Straw board and pulp board including grey board)	—Increase in the effective rate of duty, in respect of pre-9th November 1963 units, on the production above the exempted level of 125 tonnes ; the increase on the next 375 tonnes is from 10 paise to 20 paise per Kg.; on the subsequent 1,000 tonnes from 20 paise to 32 paise per Kg. and on the further 1,000 tonnes from 30 paise to 35 paise per Kg. (i.e., tariff rate).	+0.66
(16) Motor Vehicles :		
— Trailers	—Trailers manufactured in factories employing not more than 5 workers are exempted from duty completely.	—0.02
	Total of B (By notification) ..	**+6.32**
	Total of Union Excise Duties (A+B) —1 ..	**+52.34**
II. Customs Duties :	—(1) A levy of a special duty of customs at a flat rate of 10 per cent, of the duty otherwise leviable upto May 31, 1967. The provision for the imposition of regulatory duty of customs will be continued upto July 15, 1967. —(2) Revision of the rate of Central excise duty on tobacco (unmanufactured) and artificial silk yarn and thread ; the additional revenue yield expected is Rs. 2 lakhs and Rs. 50 lakhs, respectively.	+0.52
	Total Customs Duty-II	**+0.52**
	Total Yield from Indirect Taxes (I + II)	**+52.86**

APPENDIX III : STATE GOVERNMENTS' BUDGET PROPOSALS, 1966-67

The more important features of the tax proposals of the State Governments as indicated in the Finance Ministers' Budget speeches are summarised below.

ADDITIONAL TAXATION AND ADJUSTMENTS IN TAX STRUCTURE

	Estimated yield during 1966-67 (*Rs. lakhs*)
1. Assam	
Enhancement of Existing Levies :	
Motor Vehicles Tax	
Increase in the rate of taxation under the Assam Motor Vehicles Taxation Act by 50 per cent in the case of cycles and private vehicles constructed and used solely for the conveyance of passengers and their light luggages and 40 per cent in the case of other vehicles.	55.00
	55.00
2. Bihar	
Enhancement of Existing Levies :	
Irrigation Rates	
Increase in irrigation rates from Rs. 11 to Rs. 16 per acre.	140.00
Motor Tax	
Upward adjustment under 'Passengers Motor Tax Act'.	60.00
	200.00
3. Jammu and Kashmir	
A. *Enhancement of Existing Levies :*	
General Sales Tax	
Increase in the general sales tax rate from 5 per cent to 6 per cent. The rate of sales tax on some special goods will be raised from 8 per cent to 9 per cent.	
B. *Rationalisation of Tax Structure :*	80.00
Passenger Tax	
Toll on all passenger buses plying on all routes in the State is abolished. However, additional revenue is expected by effecting marginal adjustments in passenger tax.	
Licence Fees on Excise	
Licence fees on excise are revised with effect from April 1, 1966.	
	80.00

	Estimated yield during 1966-67 (*Rs. lakhs*)
4. Madhya Pradesh	
A. *New Levy :*	
Sales Tax	
Levy of a tax on sales of ghee at the rate of 2 per cent	*
B. *Enhancement of Existing Levies :*	
Tax on Professions and Trades	
Substitution of the Madhya Pradesh Finance Act, 1938 by a new Act with suitable enhancement in the existing rates of tax on professions, trades, callings and employment.	16.00
Motor Vehicles Tax	
Increase in the rate of tax on stage carriages from Rs. 36 to Rs. 42 per seat upto 25 seats and from Rs. 75 to Rs. 80 for each additional seat. ..	10.00
Electricity Tariff	
Enhancement by 10 per cent in the rate of electricity tariff on high tension consumption.	110.00
Sales Tax on Foodgrains	
Increase in the rate of tax on sale of foodgrains from 1 per cent to 2 per cent.	75.00
Motor Spirit Tax	
Enhancement in the rate of tax on sales of petrol from 10 paise to 12 paise per litre and on sales of aviation spirit and aviation turbine fuel from 3 paise to 5 paise per litre. ..	8.00
Revision of Court Fees under the Court Fees Act, 1870	
The present rates of court fees are raised suitably.	22.00
General Sales Tax	
Increase in the rate of tax from 7 per cent to 10 per cent on sales of certain luxury and semi-luxury goods like cosmetics, vacuum flasks, goods and utensils made of stainless steel, fireworks, cutlery, china-ware, glassware, sanitary goods and fittings, pile carpets, dyes and paints, electrical goods other than bulbs and torches, and from 6 per cent to 7 per cent on sales of bicycles, bricks and tiles, cement, hydrogenated vegetable oils, gur, utensils, chemicals and boot polish. Increase in the rate of tax on gold ornaments of personal wear and on cotton yarn from 1 per cent to 2 per cent. The rate of tax on readymade garments and cotton hosiery is also enhanced to 6 per cent.	22.00†

* Revenue effect is included under general sales tax.

† Inclusive of estimated yield on account of new levy proposed on sales of ghee.

	Estimated yield during 1966-67 (*Rs. lakhs*)
C. *Rationalisation of Tax Structure :*	
Motor Vehicles Tax	
Rationalisation of composition formula under the Madhya Pradesh Motor Vehicles (Tax on Goods) Act, 1962 taking into account the freight rates obtaining in the market. ..	70.00
D. *Others*	
State trading in certain minor forest produce besides tendu leaves ..	90.00
	423.00

5. Orissa

A. *New Levy :*	
Tax on Freights and Fares	
Levy of a tax on freights and fares	
B. *Enhancement of Existing Levies :*	
Entertainment Tax	
Increase in the rate of entertainment tax under the Orissa Entertainment Tax (Amendment and Validation) Bill.	
Tax on Petrol	
The rate of tax on petrol is raised from 9 paise per litre to 12 paise per litre.	
Motor Vehicles Tax	
Enhancement in the rates of motor vehicles tax on goods vehicles under the Motor Vehicles Tax (Amendment) Bill.	280.00
Electricity Duty	
Increase in either electricity duty or tariff on certain selected categories..	
Sales Tax	
Increase in the rates of sales tax from 1 per cent to 2 per cent on bullion and inferior kerosene oil, from 2 per cent to 5 per cent on matches, from 5 per cent to 7 per cent on paper, sanitary wares, plastic goods and ivory articles and from 7 per cent to 10 per cent on jewellery and perambulators.	
Royalty Rate on Iron-ore	
Increase in the rate of royalty on iron ore.	
	280.00

6. Punjab

	Estimated yield during 1966-67 (*Rs. lakhs*)
A. *New Levies :*	
Tax on Rice Purchase	
Inclusion of rice in Schedule 'C' of the Punjab General Sales Tax Act and levy of purchase tax thereon. ..	20.00
Vacant Urban Land Tax	
Levy of an annual tax on vacant urban lands.	20.00
B. *Enhancement of Existing Levies :*	
Goods Tax	
Increase in the rate of goods tax in respect of public carriers by 50 per cent from April 1, 1966. *	50.00
Sales Tax	
Increase in the rate of sales tax on sale of bricks which would be brought under the schedule of 'special goods'. The increase in price per thousand of bricks will be Rs. 1.33.	36.00
Tax on Motor Spirit	
Increase in the rate of sales tax on motor spirit from 7 paise per litre to 9 paise per litre.	32.00
Fees and Other Charges	
Enhancement of fees and other charges levied for services rendered by the State.	20.00
Electricity Duty	
Enhancement in the existing tariff on power of various categories used for industrial consumption.	100.00
C. *Rationalisation of Tax Structure :*	
Passengers and Goods Tax Act	
With a view to eliminating large scale evasion under the Punjab Passengers and Goods Tax Act, a more effective administration will be provided. For this purpose, it is necessary that Section 17 of the Act providing punishment by prosecution and Section 18 *ibid* providing composition should be amended / deleted to provide imposition of penalty by the Excise and Taxation Department.	30.00
	308.00

* This rate was enhanced by 100 per cent by notification issued on February 8, 1965. Considering the meritorious services of the truck operators during the Indo-Pakistan conflict, it was subsequently decided to remit the entire enhanced tax for the year 1965-66.

	Estimated yield during 1966-67 (*Rs. lakhs*)
7. Rajasthan	
A. *New Levy :*	
Sales Tax	
Levy of a 3 per cent tax on ghee and withdrawal of exemptions on ghani oils and ghee...	30.00*
B. *Enhancement of Existing Levies:*	
Irrigation Rates	
An *ad hoc* increase in the irrigation rates by Rs. 5 per acre on all crops other than cereals.	10.00
C. *Rationalisation of Tax Structure :*	
Passengers and Goods Tax Act	
It is proposed to introduce a Bill for amendment of the Rajasthan Passengers and Goods Tax Act, replacing an Ordinance	27.00
Motor Vehicles Tax	
Revision and rationalisation of the structure under the Motor Vehicle Taxation Act.	45.00
	112.00
Total Additional Taxation ..	**14,58.00**

* Subsequently, the Government announced reliefs regarding tax on animals etc., in fairs and withdrawal of tax on ghani oil. Thus, there will be a net *loss* of Rs. 10 *lakhs* under sales tax.

APPENDIX IV : IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, 1965-66

Item (1)	Month of announcement (2)	Details (3)
		A. Changes in Control
Cotton textiles	April 1965	The scheme for licensing of restricted varieties of cotton textiles for export to the U.S.A. during 1965-66 was announced. For purposes of licensing, the shipment period was fixed from April 1, 1965 to March 31, 1966. Established exporters were entitled for a quota of each of the restricted categories on the basis of 100 per cent of their past exports of each category during the 12 months basic period from April 1, 1964 to March 31, 1965. Initially every established exporter would be allotted 80 per cent of his entitlement quota under each category, at least half of which *i.e.*, 40 per cent should be covered by shipment during the first six months *i.e.*, by September 30, 1965 ; the shortfall, if any, in actual exports during this period, would lapse unless the exporter gives a bond to export the balance quantity before March 31, 1966 or pay a penalty at the rate of 5 paise per square yard.
,,	May 1965	The scheme for licensing of cotton textiles for export to the United Kingdom from the balance quota for 1965 was announced. Quotas were allotted category-wise under the (i) grey goods and (ii) finished cloth and made-up goods including ready-made garments, but excluding cotton carpets, cotton rugs, cotton durries, cotton shawls and all handloom manufactures. Quotas were fixed in respect of each of the categories within the overall balance quota. However, exports of certain categories of grey cloth, finished cloth and made-up goods including ready-made garments of specified variety were licensed freely. Under the scheme, shipment period was fixed upto November 30, 1965; licences issued for shipment upto May 31, 1965 were also covered by this period.
,,	June 1965	The manner in which the allotment of quotas mentioned above was to be regulated was specified.
,,	August 1965	Under the scheme mentioned above, export of cotton ready-made garments to the U.K. were freely licensed with effect from August 23, 1965 till the quotas were fully utilised. Price realisation conditions attached to all quotas/export licences granted so far were withdrawn.
,,	September 1965	With effect from September 6, 1965, exports of all permissible categories of cotton textiles to the U.K. were freely licensed upto October 31, 1965.@
,,	,,	With effect from September 22, 1965, exports of certain specified varieties of cotton textiles to Italy were brought under control, and the export quota for 1965 was fixed at 200 tonnes. Licenses were to be granted to the established shippers as well as new comers on the first-come-first-served basis.
,,	March 1966	With effect from March 24, 1966, control on exports of specified varieties of cotton textiles to Italy was lifted.
,,	,,	The scheme for licensing of restricted varieties of cotton textiles for export to the U.S.A. during the period April 1, 1966 to September 30, 1966 was announced. Reserved quotas under each restricted category would be allotted to established exporters on the basis of specified percentage of the total quantity shipped by each exporter under each of the category during the 12 months' basic period from April 1, 1964 to March 31, 1965 subject to the condition that each exporter shall execute a bond to export the quota fully by September 30, 1966 or to pay a penalty of 5 Paise per sq. yard on the shortfall. General quotas to both established exporters and new comers under each restricted category shall be allotted by the Cotton Textiles Export Promotion Council on terms and conditions as decided by the U.S.A. Textiles Licensing Advisory Committee.
Bleeding Madras	February 1966	Export quotas of Bleeding Madras fabrics were fixed for 1966-67 on the basis of actual shipments effected by an established shipper during 1965.
Handloom striped bed-spreads-Etawah Stripes	March 1966	Floor price restrictions on exports of Etawah stripes were removed with effect from March 30, 1966, however, exports continued to be subjected to quality control and preshipment inspection.

@ Subsequently the period was extended in three stages upto May 31, 1966.

Item (1)	Month of announcement (2)	Details (3)
Cotton yarn	December 1965	On December 1, 1965, Government announced their decision to license freely exports of cotton yarn to the U.K. upto March 31, 1966. In March 1966, it was decided to extend free licensing upto May 31, 1966.
Cord, rope, twine and thread made out of rayon and/or synthetic fibre or yarn.	April 1965	The ban on the exports of cord, rope, twine and thread made out of rayon and/or synthetic fibre or yarn was lifted with effect from April 7, 1965.
Hand-woven woollen carpets	June 1965	With effect from July 1, 1965, exports of hand-woven woollen carpets were brought under control and were allowed freely subject to the condition that price of such carpets should not be less than Rs. 15/- per square yard.
Woollen druggets and woollen chain stitched rugs	July 1965	With effect from July 20, 1965, exports of woollen druggets and woollen chain -stitched rugs were brought under control. However, exports of the same were allowed freely subject to the condition that the price of such woollen druggets and woollen chain-stitched rugs is not less than Rs. 15 per square yard.
		With effect from August 1, 1965, exports of woollen carpets, woollen druggets and woollen chain stitched rugs would not be allowed on consignment basis. Shipments were allowed either on firm sale contracts specifying quality and price or if irrevocable letter of credit to the extent of minimum of 90% of the invoice value were opened in favour of the exporter.
,,	December 1965	With effect from December 27, 1965, exports of woollen druggets only were exempted from the floor price regulation of Rs. 15 per square yard.
Raw goat skins-wet and salted	April 1965	Established shippers who could not utilise their quotas of raw goat skins against the 1964 quota by the end of March 1965 were allowed to complete their shipments by May 31, 1965.
,,	January 1966	Export quotas of raw goat skins-wet and salted of established exporters for 1966, were reduced from 50 per cent in 1965 to 45 per cent of their best year's exports during any of the calendar years 1954 to 1958. Established shippers whose basic exports are less than one lakh pieces were allowed to export upto 100 per cent of their exports while those whose basic exports are more than one lakh pieces were allowed a minimum quota of one lakh pieces. Established shippers who could not utilise their quotas of raw goat skins against the 1965 quota by the end of December 1965 were allowed to complete their shipments upto March 31, 1966.
Nux Vomica seeds	May 1965	During 1965-66, exports of Nux Vomica seeds were allowed only by the established shippers, upto 30 per cent of their best year's exports during any one of the three financial years ending March 1959.
,,	March 1966	During1966-67, exports ofNux Vomica seeds are allowed by established exporters only and their export quotas have been reduced from 30 per cent to 20 per cent of their best year's exports during any one of the three financial years ending March 1959.
Pepper	June 1965	With effect from June 9, 1965, exports of all varieties of pepper were brought under control. Ceilings were fixed for the export of pepper which would be operative from July 1,1965 to June 30, 1966. For fixation of quotas, established shippers were allowed to choose any one year from 1960 to 1964 as the basic period of their best performance year. However, till the allotment of quota to the individual shipper was completed under this scheme *i.e.*, upto August 15, 1965, individual shippers were allowed to export pepper freely on presentation of shipping bills but quantity shipped from 1st July 1965 and onwards was to be adjusted against the quota allotted to each shipper.
,,	August 1965	With effect from August 18, 1965, control on the exports of pepper was removed.
Wood and timber	July 1965	During 1965-66, exports of the following varieties of wood and timber were regulated in the manner prescribed in each case; (1) soft wood, (2) Assam and Tripura timber (3) Andaman timber and (4) hard wood.
,,	March 1966	Export of wood and timber during 1966-67 would broadly conform to the policy followed during 1965-66.

Item (1)	Month of announcement (2)	Details (3)
Manganese ore	July 1965	Exports of manganese ore were brought under control with effect from July 12, 1965. All exports of manganese ore other than that produced or acquired by Manganese Ores (India) Ltd. would be effected through the Minerals and Metals Trading Corporation effective from July 12, 1965.
Ferro-manganese/ferro-manganese slag	July 1965	Exports of ferro-manganese/ferro-manganese slag were brought under control, effective from July 24, 1965.
Glycerine	July 1965	With effect from July 15, 1965, the ban on the exports of glycerine other than refined glycerine was removed. Simultaneously, control on the exports of refined glycerine was also lifted.
Salts,	July 1965	With effect from August 1, 1965, exports of black salt were also brought under control ; with this, exports of all kinds of salt were brought under control and were canalised through the State Trading Corporation.
Bauxite	July 1965	Exports of bauxite would be canalised through the Minerals and Metals Trading Corporation effective August 1, 1965.
De-oiled groundnut cake (extractions)	July 1965	With effect from July 21, 1965, exports of de-oiled groundnut cake (extractions) were brought under control ; exports were, however, permitted freely upto September 30, 1965 and thereafter exports were allowed by the manufacturer-exporters only.
Footwear	July 1965	Exports of footwear, uppers of which are made wholly or partly of leather were brought under control and were canalised through the State Trading Corporation with effect from August 15, 1965.
Iron ore	August 1965	Exports of samples of iron ore not exceeding 30 tons at a time were allowed subject to the condition that the quantity involved is the minimum required for experimental purposes.
Coal and coke	September 1965	With effect from September 1, 1965, all exports of coal by steamer were canalised through the Minerals and Metals Trading Corporation.
Lemongrass oil	September 1965	The State Trading Corporation fixed the procurement price of lemongrass oil at Rs. 10.50 and Rs. 11.00 per kg. of lemongrass oil containing not less than 78 per cent and 82 per cent citral content, respectively. Exports continued to be canalised through the State Trading Corporation.
Mill scale scrap	September 1965	Exports of mill scale scrap were canalised through the Metal Scrap Trade Corporation effective from September 28, 1965.
Copper and brass	October 1965	With effect from October 7, 1965, exports of copper and brass in the form of ingots, slabs, cakes, cast bars or scrap were banned.
Chillies	October 1965	Exports of Chillies were brought under control with effect from October 26, 1965. Exports to Ceylon were allowed by established shippers and new comers against a limited quota to be determined in the case of established shippers on the basis of the best year's performance during the past seven years ending 1964-65. New comers are required to be registered with (1) Spices Export Promotion Council and (2) as sub-packers under the Chillies Trading and Marking Rules and should have exports to their credit upto Rs. 5 lakhs during any one of the last seven financial years.
,,	March 1966	In addition to the established shippers, specialised agencies approved by the Government were also allowed to export chillies to Ceylon.
Dioscorea roots	November 1965	Exports of dioscorea roots were banned with effect from November 13, 1965.
Antia fibre	November 1965	Exports of Antia fibre were brought under control with effect from November 19, 1965.
,,	December 1965	Exports of Antia fibre were banned with effect from December 7, 1965.
Deer musk	November 1965	Exports of deer musk were brought under control with effect from November 24, 1965.

Item (1)	Month of Announcement (2)	Details (3)
Zinc ores and zinc concentrates	December 1965	With effect from December 1, 1965, exports of zinc ores were banned while those of zinc concentrates were brought under control and were allowed subject to the condition that the corresponding quality of refined metals was brought back into India after processing abroad.
Ethyl alcohol	December 1965	Export of ethyl alcohol was freely licensed on presentation of shipping bills within the ceilings.
,,	March 1966	With effect from March 10, 1966, export of ethyl alcohol was canalised through the State Trading Corporation.
Mica	December 1965	Although the floor prices of mica exports were announced quite a long time ago (i.e. 15-2-1964, 10-12-1964 etc.) exports in regard to pre-restrictions commitments were allowed at the price negotiated between the buyer and seller if the evidence was produced that commitment was made prior to the date on which restriction was imposed. It was decided not to allow exports of mica under prerestrictions commitment category after March 15, 1966.
,,	January 1966	After April 1, 1966, the shipments of mica (other than the fabricated variety) would be permitted only after an irrevocable letter of credit to the extent of 100 per cent of the invoice value (as against 90 per cent fixed earlier) was opened in favour of the exporter. With effect from April 1, 1966, floor prices in respect of certain varieties of mica were also revised. Exports of mica scrap and mica waste would be allowed at or above the minimum f.o.b. price of Rs. 300 per metric tonne.
Lac	December 1965	Export of certain varieties of lac bearing private marks of machine made grades were exempted from price control and production of quality certificates.
Raw Silk	December 1965	Exports of a limited quantity of 20/22 denier filature raw silk produced by the Mysore Government Silk Filature Units were allowed on first-come-first-served basis.
Silk Waste	January 1966	Exports of specified varieties of silk waste were freely licensed while those of noils and noil droppings were allowed on merits. Exports of non-mulberry silk waste were, however, not allowed.
,,	March 1966	Exports of noils and noil droppings were freely licensed with effect from March 15, 1966.
Bananas	January 1966	Exports of bananas were freely licensed by all categories of shippers to all permissible destinations except to destinations in Persian Gulf. Exports to Persian Gulf were allowed only by (1) The Maharashtra State Co-operative Marketing Society (2) The Gujarat State Co-operative Fruit and Vegetable Marketing Federation and (3) established shippers who would be allotted quotas on the basis of 12½ per cent of exports made during the year ending June 30, 1961.
Mercury	February 1966	With effect from February 7, 1966, exports of mercury were banned.
Cinchona bark	March 1966	With effect from March 10, 1966, exports of cinchona bark were banned.
Flue cured Virginia tobacco	March 1966	Four new composite grades of flue-cured Virginia tobacco were introduced for 1965 and 1966 crops. These new grades of tobacco were freely licensed for export subject to the maximum/minimum prices, as specified against each grade.
Ferrous scrap and finished steel	April 1965	Export policy for the period April-September 1965 was announced. Export quotas of ferrous scrap would be allotted to the established exporters on the basis of their best performance year among the three years ending March 1965. Export licences on barter basis for the permissible varieties other than skull scrap, detinned scrap and tool steel scrap would be issued only to the extent of base quota entitlement. Against actual earnings of foreign exchange by export of ferrous scrap, exporters were allowed to apply for import of finished steel. Exports of No. 1, 2, 2A and 3 quality sheet cuttings, borings and turnings, detinned scrap, steel skull scrap, tool steel scrap and certain other specified varieties of scrap were allowed on barter basis as specified in each case. Exports of heavy melting scrap were not allowed. Any other exportable variety of scrap would be allowed without any quantitative restriction on cash basis

Item (1)	Month of Announcement (2)	Details (3)
Ferrous scrap and finished steel (contd.)		excepting fresh quality steel turnings and borings. Exports of rolled steel materials would also be allowed during the period. Two lists, one giving details of materials available freely for exports and the other giving details of materials available in limited quantities were announced. Items not included in these lists, however, were not generally allowed for exports.
,,	January 1966	The export policy in respect of ferrous scrap for the period October1965-March 1966 was announced. Export of ferrous scrap would be allowed during the period through the Metal Scrap Trade Corporation and export licence for the permissible varieties would be issued only to the Metal Scrap Trade Corporation in accordance with the Export Assistance Scheme for export of ferrous scrap. Exporters are allowed to import specified items of steel against actual earnings of foreign exchange by export of ferrous scrap made at an average f.o.b. price not below the minimum prescribed by the Iron and Steel Controller.

B. Other Export Promotion Measures

1. *Release of exchange for business travel :* The Reserve Bank Scheme for issue of blanket permits to export houses for the release of foreign exchange for travel abroad for export promotion purposes which was hitherto applicable to (1) recognised export houses set up to explore new markets for non-traditional commodities and (2) other large exporters of non-traditional goods (i.e. with average annual exports of not less than Rs. 20 lakhs) was extended during August 1965 to cover the following categories of exporters also. :

   (*a*) Exporters of jute and tea, if their annual exports averaged Rs. 100 lakhs and
   (*b*) Exporters of other traditional items if their average exports exceed Rs. 50 lakhs per annum.

2. *Fiscal Incentives :* On September 27, 1965, the Government of India have announced granting of tax credit certificates on the export of following items at the rates shown against each item effective October 1, 1965, in addition to those announced on July 17, 1965 (vide last year's Report).

	Commodities	Rate at which tax credit is granted
1.	Fresh Vegetables	10 per cent
2.	(*a*) Coir yarn (*b*) All sorts of leather and leather goods (excluding raw hides and raw skins) (*c*) De-oiled extractions of groundnut oil cakes	2 per cent
3.	(*a*) Coir ropes, coir mats and coir mattings (*b*) Guar splits	5 per cent
4.	Jute carpet backing cloth*	5 per cent (raised from previous 2 per cent)

*Tax credit of 2 per cent will apply to exports of jute carpet backing cloth made from March 1, 1965 to September 30, 1965 and 5 per cent for exports made on and after October 1, 1965. From May 1, 1966, the rate of tax credit was further raised to 10 per cent.

3. *Reduction in railway freight :* A general concession of 25 per cent in railway freight was introduced with effect from January 1, 1964 in respect of 68 commodities (including a number of engineering goods and cotton textiles). With effect from September 15, 1965, the concession was raised to 40 per cent for distance beyond 1000 kms to enable the Indian manufacturers in the hinterland to participate more efficiently in the export efforts. The25per cent concession would continue to apply to movements from 301 kms. to 1000 kms. From the same date a similar concession in freight rates was extended to 51 more commodities. Some of the important commodities added are : —leather and leather goods, glassware, rubber or synthetic rubber manufactures, woollen carpets and rugs, motor vehicle parts, sugar mill machinery, electric lamps, wires and cable etc. etc.

4. *Compulsory Quality Control and pre-shipment Inspection Scheme :* The scheme was extended to exports of (*a*) twelve minerals: some of which are iron ore, manganese ore, ferro-manganese including ferro manganese slag, bauxite, chrome ore including chrome concentrates etc., (*b*) coir door mats of the four types, namely, creel, fibre, bit and red. Apart from these, a variety of engineering and steel products like flash lights, enamelware, copper utensils, structural steel etc. have been covered under pre-shipment inspection rules. Similarly a large number of items of chemicals and other allied products for which a comprehensive programme has been drawn up would be brought under the purview of Compulsory Quality Control and Pre-shipment Inspection Scheme.

5. *Scheme for refinancing of medium term export credits :* With a view to extending the benefits of the scheme for refinancing of medium-term export credits to small exporters, the Industrial Development Bank of India liberalised the scheme in June 1965 by removing the restriction of the minimum requirement of Rs. one lakh of export contracts. Accordingly, exporters who would ship goods against contracts for amounts of less than Rs. one lakh would be eligible to refinancing facilities. The refinance would be charged at a concessional rate of 4½ per cent per annum by the IDBI, provided banks do not charge exporters more than 6 per cent interest. The liberalisation is thus expected to help small exporters in offering competitive terms to their customers abroad.

APPENDIX V : IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, 1965-66

Item	Month of Announcement	Details
(1)	(2)	(3)
		A. Import Policy : General
1. Import Policy for 1965-66	July 1965	The announcement of the import policy for 1965-66 was postponed for three months and pending announcement of the new policy, issue of fresh licences against free foreign exchange resources was restricted to the barest essentials. The salient features of the import policy for 1965-66 have been broadly described in Chapter VI of the Report. The more important of the details are set out below :— (1) *Policies for the main categories :* (a) *Policy in respect of established importers :* (i) Imposition of total ban on imports of about 60 items, including among others, spare parts of oil crushing and refining machinery, spare parts of petroleum and gas engines, motor vehicle parts, arms and ammunition, well-drilling equipment etc., all indigenously produced and reduction of quotas for certain other items, and (ii) quotas for the permissible items for the remainder of the year were fixed at three-fourths of the normal annual quotas. (b) *Policy in respect of actual users :* Issue of licences to manufacturing units was to be increasingly based on merits. Licensing for the import of specified items would be on the basis of the recommendations of the sponsoring authorities from out of the overall monetary ceilings allocated to these authorities. (c) *Policy in respect of export promotion licences :* Decision to grant entitlements only on production of banks' certificates evidencing realisation of export proceeds. (d) *Policy in respect of consumers' co-operatives:* The scheme for the licensing of specific goods to consumers' co-operative societies in force upto April 1963—March 1964 licensing period was replaced by a new scheme, allowing, within a limited ceiling, imports of a few selected consumer goods during 1965-66, through wholesale/central stores recognised by the Ministry of Community Development and Co-operation. (2) *Canalisation of certain imports :* Imports of specified items to be canalised through a Government approved agency like State Trading Corporation e.g., tin block and tin scrap, ball, roller and taper bearings, copra or coconut kernels, raw silk, mercury, micro-crystalline wax, white oil, caustic soda, soda ash, rock phosphate, mineral phosphates etc. (3) *Conditions regarding utilisation of annual licences :* Only fifty per cent of the value of the licences to be utilised upto January 31, 1966, in respect of licences valued over Rs. 5,000 issued to established importers, actual users, or under export promotion schemes for imports of goods against free resources. The restriction on utilisation was withdrawn on January 15, in respect of actual users' and export promotion licences and on January 22, 1966 in regard to established importer licences.
2. Advance Import Deposit scheme	June 1965	With a view to regulating the flow of imports, the Reserve Bank issued a directive calling upon all importers to deposit with banks authorised to deal in foreign exchange, prior to the shipment of the goods, an amount equivalent to 25 per cent of the c. i. f. value of all imports of Rs. 5,000 or over. The deposits were returnable after the final remittances in respect of the relevant shipment or the expiry of two months from the date of deposit, whichever was later. The stipulation applied to all shipments (with certain exceptions including, among others, capital goods against aid, deferred payment arrangements etc., capital goods imported against foreign private capital participation, cotton, cottonseed oil etc., imported under PL 480 arrangements and imports that do not require licences), effected after July 1, 1965 by the private sector as well as public sector undertakings and covered all areas including rupee payment areas.
	August 1965	The scheme was withdrawn with effect from August 20, 1965 with the levy of increased import duties which came into effect on that day.

Item (1)	Month of Announcement (2)	Details (3)
3. Issue of licences under N.D.R. Scheme	October 1965	Decision to grant licences for the import of specified goods against bank certificates evidencing the receipt of certain inward remittances upto 60 per cent of the value of the remittance received. The items permitted, included, among others, chemicals, pharmaceutical raw materials, motor vehicle parts, certain specified capital goods, non-ferrous metals etc. The scheme originally applicable to residents alone and remittances received upto January 31, 1966, was extended since to cover receipts of non-residents and companies also and the validity extended upto May 31, 1966. The list of items permitted against the scheme was also expanded since, to cover newer items like, sulphur, raw wool and wood pulp etc. In respect of remittances received into the accounts of non-residents, bank certificates for import licences were to be issued to residents authorised to use the certificates.
4. Open General Licence No. IV	April 1965	Enhancement of the value limit from Rs. 250 to Rs. 500 for the import of bona-fide technical and trade samples supplied free of charge.
		B. Policy in Regard to Important Individual Items
I. RAW MATERIALS AND COMPONENTS		
1. Newsprint	April 1965	(a) Standard newsprint and indigenous white printing paper :— (i) Newspapers consuming upto 100 metric tonnes of standard newsprint to be allowed to use 100 per cent imported newsprint. (ii) Newspapers consuming between 100 and 250 metric tonnes standard newsprint to be allowed 80 per cent imported newsprint and balance indigenous and (iii) Newspapers consuming 250 metric tonnes and above to be allowed 70 per cent imported newsprint and balance indigenous. (*b*) Glazed newsprint : All newspapers consuming glazed newsprint to be allowed to use 100 per cent imported newsprint.
	October 1965	Grant of permission to import water-lined newsprint against licences issued for newsprint provided it contains mechanical woodpulp amounting to not less than 70 per cent of the fibre content and its weight is not less than 50 grammes per square metre.
2. Iron and steel items	April 1965	Decision to permit specified industries to convert and import permissible items of iron and steel other than utensils gauge, stainless steel sheets of gauges 21 to 25 G licensable by the Iron and Steel Controller upto specified percentages of the face value of their licences issued for raw materials (other than iron and steel)/components for the period April 1964—March 1965. Hitherto iron and steel items were not permitted against licences for raw materials/components. The specified percentages will be applicable separately to first and second half of the annual licences issued for raw materials/components to specified industries for 1964-65.
3. Borax and boric acid	June 1965	Imposition of ban on import of borax and boric acid on account of increased indigenous availability. No licences to be issued for these items even under export promotion schemes.
4. Coal-tar dyes, dye intermediates and other raw materials for paints.	July 1965	Imposition of ban on import of certain organic pigment colours and solvent dyes from July 22, 1965 by all the categories of importers.
	August 1965	Imposition of ban on beta-oxynaphthoic acid (BON acid), a dye intermediate and certain other coal-tar dyes, organic pigment colours and solvent dyes with effect from August 9, 1965.
	February 1966	Imposition of ban on imports of coal-tar dyes other than the 111 varieties listed, in order to encourage import substitution.

Item (1)	Month of Announcement (2)	Details (3)
5. Oxalic acid	August 1965	Imposition of ban on the import of oxalic acid by all the categories of importers due to the increased availability of indigenous products.
6. Raw wool	August 1965	Imposition of ban on the import of raw wool below 56s quality by all categories of importers.
	September 1965	Relaxation of the ban imposed earlier on the import of raw wool below 56s quality by permitting the import by hair belting industry and by woollen carpet industry under the export promotion scheme.
7. Vanadium pentoxide catalyst	October 1965	Decision to ban import of vanadium pentoxide catalyst by all categories of importers including those under export promotion scheme with immediate effect.
8. Bromine	November 1965	Imposition of ban on the import of bromine by all the categories of importers including those under export promotion scheme.
9. Bismuth metal	January 1966	Imposition of ban on the import of bismuth metal for the manufacture of drugs and pharmaceuticals.
10. Petroleum jelly	January 1966	Imposition of ban on the import of petroleum jelly by all the categories of importers.
11. Delivery hose for trailer pumps and hose made of canvas impregnated with rubber.	January 1966	No licences to be issued for the import of these items on account of increased availability of indigenous products.
II. CONSUMER GOODS		
1. Dates	End March 1965	Decision to grant licences valid upto June 1965 to established importers who effected imports through ports on east coast and were not eligible for licences under the quotas for October 1964—September 1965 to import dates from Iraq on an ad hoc basis.
	September 1965	Decision to grant licences for import on an annual basis from Iraq to those established importers who had imported dates from Iraq between the basic years 1956-57 to 1961-62 during the licensing period October 1965—September 1966.
	December 1965	Decision to allow imports of dates from Iraq against licences either issued already or to be issued for import of fresh fruits from Pakistan on account of the ban imposed on trade with Pakistan.
	February 1966	Decision to grant licences for import of dates from Saudi Arabia, Muscat and other Persian Gulf Ports including Iran and Iraq on an annual basis during the licensing period October 1965—September 1966 without any restriction on the utilisation of the licences within the validity period.
2 Cinematograph films (exposed)	June 1965	Decision to issue supplementary licences to established importers for import of feature films exhibited in the competitive as well as non-competitive sections of the Third International Film Festival, 1965, held in India.
3. Gang condensers	July 1965	Decision to allow import of gang condensers upto 30 per cent of the face value of licences granted for import of radio components to the small scale industries manufacturing valves and janta radios for the period April 1964 to March 1965.
4. Artists' materials	August 1965	Decision to allow import of artists brushes including hog's hair brushes to established importers against a quota of 5 per cent of best year's imports.
		Decision to allow import of water and oil colours to established importers against a quota of 10 per cent of best year's imports.
5. X-ray films	September 1965	Decision to dispense with the restrictive condition regarding utilisation of annual licences.
6. Camphor	November 1965	Extension of the ban on imports of camphor by all categories of importers.

Item (1)	Month of Announcement (2)	Details (3)
II. CONSUMER GOODS—(Contd.)		
7. Dry fruits	December 1965	Suspension of the condition that 10 per cent of the dry fruits imported from Afghanistan should be exported in a processed form.
8. Books, periodicals and journals	January 1966	Decision to allow the established importers who had imported permissible magazines and journals in 1964-65 to import them in 1965-66 also against the supplementary licences issued for import of books.
9. Parts of watches	January 1966	The imposition of ban on imports of gold and other watch cases of the value less than Rs. 24 per dozen and parts of such watch cases except glass.
10. Chicory	February 1966	Decision to ban the import of any type of chicory including chicory powder by any category of importer. Chicory seeds would, however, be permitted for import in order to help development of chicory cultivation.
11. Buttons	February 1966	Decision to ban the import of buttons of all types including plastic buttons by any category of importer including those under the export promotion schemes. The import entitlements permissible under the export promotion scheme for buttons could be utilised for the import of raw materials for making buttons (acrylic plastic sheets or acrylic monomer).
12. Radio and transistor receivers, amplifiers and car radios	March 1966	Decision to grant actual user licences for imports of specified components and parts for the manufacture of valve type and janta radios, transistor radios, amplifiers and car radios on the basis of their actual production in 1964-65. All licences for components of radio receivers can be utilised upto 2½ per cent of their face value for servicing of radio receivers.
13. Paper	March 1966	Decision to permit imports of only certain categories of paper including, among others, newsprint and printing paper, filter paper, specialised tissues, and art paper etc. and imposition of ban on other varieties.
III. MACHINERY		
1. Machine tools	November 1965	Decision to ban the import of certain types of machine tools viz. sheet metal machinery, portable electric tools etc.
2. Refractories	November 1965	Decision to suspend issue of licences for the import of six types of refractories.
3. Textile machinery and apparatus	January 1966	Decision to allow imports of certain types of textile machinery subject to the proviso that the importers purchase indigenous machines equal in number to the imports.
		C. Specified Items from Certain Agreement Countries
1. Pakistan :		
Open general licence for import from Pakistan of : (i) Fish, salted and wet, (ii) fish not otherwise specified and (iii) hides and skins, raw or salted.	April 1965	Issue of Open General Licence No. LXXIX, valid till June 30, 1965.
2. Afghanistan :		
(a) Fruits of all sorts excluding coconut, cashewnut and dates, (b) asafoetida, (c) cumin seeds, (d) medicinal herbs and (e) hides and skins.	March 1966	Decision to issue permits for the import of specified items within a fixed monetary ceiling during the agreement period February 1, 1966 to January 31, 1967 by approved importers as well as newcomers. The latter, however, had to undertake to export non-traditional items of equal value to Afghanistan.

APPENDIX VI: TARIFF COMMISSION'S RECOMMENDATIONS, 1965-66

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
		A. Tariff Inquiries	
1. Automobile sparking plugs	Continuance of protection	Protection granted to the industry to be continued for a further period of three years ending December 31, 1968, but at reduced rates of duty, *viz.*, 67.5 per cent *ad valorem* (standard) and 60 per cent *ad valorem* (preferential), exclusive of the surcharge and the regulatory customs duty as against 77.5 per cent *ad valorem* (standard) and 70 per cent *ad valorem* (preferential), previously.	Not accepted. Government decided to discontinue protection to the industry after December 31, 1965 since (1) there was no likelihood of unhealthy competition from imports and (2) the rates of duties on the protected categories have gone up under the finance (No. 2) Act, 1965 beyond the level of protection recommended by the Commission. The present rates of duties would be continued as revenue duties.
2. Power and distribution transformers	,, ,,	Protection should be continued for a further period of three years ending December 31, 1968 at the existing rate of duty of 10 per cent *ad valorem* (exclusive of the surcharge and the regulatory customs duty) on transformers upto 50,000 KVA and 220 KV on the H. T. side and parts of such transformers, not otherwise specified, falling under I.C.T. item No. 72(39).	,, ,, ,,
3. Electric motors	,, ,,	(a) All integral h.p. motors and their component parts falling under sub-items (i) and (ii) of I.C.T. item No. 72(14)(a) and I.C.T. item No. 72(14)(b) may be deprotected and (b) protection to fractional h.p. motors and their component parts falling under sub-items (iii) and (iv) of I.C.T. item Nos. 72(14)(a), 72(14)(b) and 72(14) (c) to be continued for a further period of three years, ending December 31, 1968 at the prevailing rates of duty.	Decided to withdraw protection after December 31, 1965 to the entire industry since there was no likelihood of unhealthy competition from the imports and in view of the recent increase in the rates of duties on protected categories under the Finance (No. 2) Act, 1965. The present rates of duties would, however, be continued as revenue duties.
4. Non-ferrous metals	,, ,,	Protection granted to extruded copper rods and sections, extruded brass rods and sections, copper pipes and tubes, brass pipes and tubes and highly polished zinc sheets for making process blocks to be continued at the prevailing rates of duty for a further period of three years ending December 31, 1968.	Not accepted. Government decided to discontinue protection to the industry after December 31, 1965 since (1) there was no likelihood of unhealthy competition from imports and (2) the rates of duties on the protected categories have gone up under the Finance (No. 2) Act, 1965 beyond the level of protection recommended by the Commission. The present rates of duties would be continued as revenue duties.
5. Sheet glass and figured glass	Continuance of protection to varieties covered already and also to consider granting of protection to newer varieties such as figured and wired flat glass	Protection to be continued for a further period of three years ending December 31, 1968 and the existing rate of protective duty of 70 per cent *ad valorem* to be raised to 100 per cent *ad valorem*. The enhanced rates should apply to the newer varieties also. Since the production of the industry consisting at present of 6 units with an installed capacity of 20.13 million square metres is likely to outstrip demand when the two newly licensed units start production, the Commission has recommended that no further licences for expansion of capacity by the present units or establishment of new units should be granted.	,, ,, ,,

Industry	Purpose	Main Observations of the Commission	Government's action on the Recommendations
1	2	3	4
6. Ball bearings and roller bearings	Continuance of protection to ball bearings and to consider grant of protection to roller bearings	Protection to ball bearings and adapter ball bearings not exceeding 51 mm. bore diameter should continue until December 31, 1968 and the rate of duty should be raised from 100 to 125 per cent *ad valorem*. Protection should be granted also to ball bearing and adapter ball bearings of more than 51 mm. bore diameter and upto and including 100 mm. bore diameter and roller ball bearings upto and including 100 mm. bore diameter (excluding railway axle box bearings) at the rate of 125 per cent *ad valorem* for all of them. Air craft bearings will be outside the scheme of protection.	Not accepted, Government decided to discontinue protection to the industry after December 31, 1965 since (1) there was no likelihood of unhealthy competition from imports, and (2) the rates of duties on the protected categories have gone up under the Finance (No. 2) Act, 1965 beyond the level of protection recommended by the Commission. The present rates of duties would be continued as revenue duties.
7. Safety matches	Continuance of protection	Since the industry has become strongly established to meet the entire needs of the domestic consumers and further because the import of matches is banned the indefinite protection granted to the industry may be withdrawn.	Accepted. However, the existing rates of customs duties would be continued as revenue duties.
		B. Price Inquiries	
1. Safety matches	Fixation of fair selling prices	(i) To ensure uniform selling prices for matches, rates of sales tax leviable by all the State Governments should also be made uniform. Rates of sales tax in all States should, therefore, be restricted to a ceiling of 4 per cent on the net value (selling price less excise duty) of matches. (ii) Pending implementation of the recommendation about sales tax on matches in the States the Western India Match Co. may be allowed to charge different rates in the different States subject to an average of Rs. 7.62 per gross of 50's ordinary matches and a maximum of Rs. 7.68 as at present to set the pattern of wholesale prices for other factories. (iii) Since the existing slab rate of excise duty has acted as a disincentive for expansion of production and since the present excise differentials have induced not only a deliberate fragmentation of bigger units (to take advantage of the high duty concessions) but also a mushroom growth of small scale units bringing about unhealthy competition and entailing loss of excise revenue to the Government the present slab system of excise duty which is not justified even on the cost basis should be scrapped. (iv) Instead, the following revised scales of excise duty are recommended for the four classes of manufacturing units :	Not accepted. Due to practical difficulties in ensuring uniform sales tax and other local taxes and due to changing costs of raw materials and labour charges a rigid control on ex-factory and wholesale prices cannot be maintained over a long period and hence there was no need to fix any ceiling ex-factory or wholesale prices for matches. Should there be an undue increase steps will be taken to keep prices under control. The remaining recommendations of the Commission were accepted.

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
		For "A" class Rs. 4.60 per gross boxes For "B" class Rs. 4.40 „ „ „ For "C" class Rs. 4.10 „ „ „ For "D" class Rs. 3.75 „ „ „ The excise duty in the case of de-luxe special matches and other varieties may be levied at the standard rate.	
2. Preserved fruits and vegetables	Fixation of fair selling prices.	(i) As the prescription and enforcement of statutory prices is not feasible, the price indicators (given in the Commission's Report) should be considered as fair wholesale selling prices, which could be regarded by the industry as ceiling prices to be observed on a voluntary basis. If control in any other form is contemplated, producers should be persuaded to publish their wholesale as well as retail price lists, so that the consumer is not required to pay more than list prices.	Accepted.
		(ii) To take account of transport charges in distribution and retailers' expenses a margin of 20 per cent over the fair ex-factory selling prices will be enough for fixing fair retail prices.	Accepted.
		(iii) So long as the prices given in the Commission's Report are not made statutory prices, they should leave sufficient scope for negotiations between supply authorities and producers. These could be taken as guidelines for the consideration of tenders issued for meeting Government requirements.	Accepted.
		(iv) The price indicators (given in the Commission's Report) for selected products may be taken as a standard for fixing ceiling prices for identical products. Manufacturers should publish their wholesale and retail price lists and see that these are adhered to.	Accepted.

APPENDIX VII: INDIA'S TRADE AGREEMENTS, 1965-66

Country (1)	Date of Agreement (2)	Duration (3)	Commodity Details (4)	Other particulars (5)
1. Argentina	March 26, 1966	—	The agreement is still to be ratified by the contracting parties and the lists of items of imports and exports also are yet to be exchanged.	
2. Ceylon	February 19, 1966		*Imports :* Copra, coconut oil and natural rubber *Exports :* Dried fish, tamarind, sakkarai etc.	This is a trade arrangement for 1966 made under the trade agreement of October 28, 1961.
3. Chile	January 28, 1966	Valid upto December 31, 1966	*Imports:* Pulses, barley, canned foodstuffs, sulphur, iodine, copper, lead, pig iron, newsprint etc. *Exports:* Cashew kernels, spices, tea, coffee, tobacco unmanufactured, mica, manganese ore, shellac, coir manufactures, chemicals, drugs and medicines, leather and leather manufactures, jute manufactures, handicrafts, signalling equipment, railway rolling stocks and locomotives etc.	This is a further extension of trade agreement originally signed during 1960.
4. Czechoslovakia	February 26, 1966		*Imports:* Industrial raw materials, steel and components for collaboration projects, drugs, chemicals, newsprint etc. *Exports :* Tea, coffee, pepper, cashew kernels, jute manufactures, de-oiled cake, tanned and semi-tanned skins, textiles, tyres and tubes, light engineering products etc.	This is a trade plan for 1966 made in terms of trade and payments agreement concluded on November 7, 1963.
5. Democratic Peoples Republic of Vietnam (North Vietnam)	November 1, 1965	Valid for three years from September 22, 1965	*Imports :* Livestock and animal products, timber, wood oil, resin, saffron, dried fish, fruits, handicrafts, cement, graphite, limestone etc. *Exports :* Engineering goods, electrical goods, textiles, household and building requirements, tea, coffee, spices, jute goods, tobacco etc.	
6. France	June 16, 1965	Valid from January 1 to December 31, 1965	*Exports:* Cotton textiles, dried mushrooms, fruit juices, plastics, jute cloth and bags, coir manufactures, sewing machines etc.	This is a further extension of the trade agreement originally signed in 1959.
7. Greece	February 28, 1966	Valid upto December 31, 1966.	*Imports:* Olive oil, honey, wines, sulphur, agricultural machinery and tools, electric motors, diesel engines etc. *Exports :* Jute goods, tea, coffee, spices, hides and skins, shellac, cashew nuts etc.	This is a further renewal of the trade agreement originally signed in February 1958.
8. Hungary	February 23, 1966	Valid upto December 31, 1970	*Imports :* Machinery and equipment, machine tools, scientific equipment, heavy chemicals, pharmaceutical intermediates, drugs and medicines, X-ray films, rolled steel products, aluminium ingots, textiles etc. *Exports :* Tea, coffee, spices, mica, cotton textiles, garments, leather footwear,engineering goods, railway wagons, iron ore.	A trade arrangement for 3-year period 1966 to 1968 was formulated and the existing trade agreement has been extended by two years *i.e.* upto December 31, 1970.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity Details (4)	Other particulars (5)
9. Iran	April 24, 1965	Valid for one year upto March 1966.	*Imports :* Dry and fresh fruits, dates, resins, medicinal herbs, asafoetida, carpets and rugs, sulphur etc. *Exports :* Cotton textiles, woollen piece goods, rayon and art silk fabrics, jute goods, tea, coffee, spices, sugar, tobacco, engineering goods, leather manufactures, handicrafts, etc.	The agreement of 1962 was extended for one more year upto March 1966 and a trade arrangement for the year 1965-66 was concluded.
10. Iraq	August 16, 1965		*Imports :* Dates, goat skins, washed wool etc. *Exports :* Tea, engineering goods, chemicals, handicrafts, electrical goods, machines etc.	This is a trade arrangement under the trade agreement of December, 1962.
11. Jordan	March 9, 1966		*Imports :* Rock phosphate. *Exports :* Tea, jute goods, engineering items etc.	This is a trade arrangement for 1966 made in terms of trade agreement signed on July 18, 1963
12. Morocco		Valid upto August 1966	*Imports :* Rock phosphate and other phosphates and chemical products *Exports :* Textiles, (cotton, woollen, silk and rayon) jute manufactures, tea.	This is further extension of the agreement signed on August 3, 1962.
13. Rumania	March 2, 1966		*Imports:* Petroleum products, lubricating oils, fertilizers, oil prospecting and drilling equipment, machine tools, crawler tractors, caustic soda, soda ash, pharmaceutical intermediates and dye intermediates. *Exports :* Iron ore, cotton textiles, coffee, tea, pepper, jute bags and sacks, engineering goods including machine tools, spices, cashew kernels, jute, hides and skins etc.	This is a trade arrangement for 1966 made in terms of trade and payments agreement concluded on November 30, 1962. It provides for a 10% increase in total trade between India and Rumania.
14. Sudan	October 22, 1965	Valid upto October 31, 1966 and renewable from year to year by tacit consent of the two parties unless rescinded on giving three months notice	*Imports :* Raw cotton, gum arabic, hides and skins (heavy), ivory etc. *Export :* Drugs, pharmaceuticals, chemicals and allied products, engineering goods, cotton and woollen textiles, jute manufactures, plastics and sports goods, tea, coffee, spices etc.	The protocol to the agreement provides for the establishment of joint industrial ventures in either country and building up of technical cadres.
15. Tanzania	January 28, 1966	Valid for two years *i.e.* upto January 28, 1968.	*Imports :* Copra, cloves, raw cotton, sisal hemp and fibre, raw cashewnuts and other miscellaneous goods. *Exports :* Cotton textiles including made up textiles and garments, jute manufactures, various chemicals and pharmaceutical products, engineering goods including electrical goods and rolled steel products, other miscellaneous goods.	Provides for 66% increase in trade over the present level.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity Details (4)	Other particulars (5)
16. Tunisia	March 25, 1966		*Imports:* Rock phosphate and cork. *Exports :* Tea, Jute goods, pepper, textiles, diesel motors, pumps, electric motors, electric wiring accessories, etc.	This is an arrangement between State Trading Corporation of India and Office Du Commerce de le Tunisie for 1966 made in terms of the trade agreement of 1960.
17. Uganda (*i*) General Trade agreement	November 18, 1965		*Imports :* All commodities exportable from Uganda. *Exports :* All commodities exportable from India.	
(*ii*) Uganda Lint Marketing Board-STC agreement.	-do	Valid from December 1965; to be reviewed in June 1966	*Imports :* Raw cotton *Exports :* Cotton textiles, rayon silk fabrics, jute goods, etc.	
18. United Arab Republic	June 14, 1965	Valid from March 1, 1965 to February 28, 1966	*Imports:* Cotton, rice, rock phosphate, ammonium nitrate, cotton yarn above 80 counts, petroleum products, T.V. sets. *Exports :* Tea, Jute manufactures, spices, diesel engines, electric fans, tobacco, chemicals, cigarette paper and other paper products, tyres and tubes, coco-cola concentrates, steel bars and rod, cotton yarn (12-24 counts) etc.	This is a trade arrangement under trade agreement of July 8, 1953.
19. U.S.S.R.	January 7, 1966	Valid upto December 31, 1970	*Imports :* Machinery and equipment, spare parts and components for Soviet aided projects, non-ferrous metals, newsprint, sulphur, tinplates, fertilizers, etc. *Exports :* Tea, mica, goat skins, tobacco, leather footwear, chemical products, engineering goods, linoleum and p.v.c. cloth, paints and varnishes, steel and wooden furniture, plastic goods, cotton textiles, woollen textiles, sports goods etc.	This is an extension of the trade agreement of 1963 which was to expire at the end of 1968. The volume of trade between the two countries by 1970 is envisaged to be double the level of trade each way in 1964. New credit terms for 8 to 10 years were provided for import of machinery and equipment from the U.S.S.R. These were imported earlier on cash basis.
20. Yugoslavia	October 14, 1965		*Imports:* Petroleum products, caustic soda and soda ash, chemicals for textiles and leather industry, basic materials for dyes, pharmaceuticals, raw asbestos, tool and alloy steel, non-ferrous metals hydel and other thermal power plants, textile machinery, cables, machine tools, cranes etc. *Exports :* Tea, coffee, tobacco, spices, cashew kernels, oil cakes, shellac, hides and skins, cotton raw, wool, coir fibre and yarn, mica, iron ore, manganese ore, cotton and jute textiles, handicrafts, engineering goods etc.	This is a trade arrangement for the year 1966, concluded in terms of agreement, signed on October 13, 1962. Joint ventures in industry and trade and commerce are also envisaged.

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NOTES ON THE STATEMENTS

The annual series in the statements cover the financial years which run from April to March ; thus 1965-66 refers to the year from April 1, 1965 to March 31, 1966. In this issue, generally annual data for the years 1950-51, 1955-56, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65 and 1965-66 are presented. In statements giving monthly data, the latest thirteen months' figures only are presented. In the statements on industrial production, employment exchanges, consents for capital issues, capital raised by non-Government and Government companies, only calendar year figures are presented, as the statistics assembled at the respective sources are on that basis. Statistics relating to balance of payments are presented for the calendar year 1965. Statistics relating to agricultural production and the financial assistance sanctioned by the Industrial Finance Corporation of India are for the year ended June.

The following statements which used to appear in this Report have been excluded from this issue : (*i*) Liabilities and Assets (Annual and Monthly) of the Reserve Bank of India (Issue and Banking Departments combined), (*ii*) Advances of the Reserve Bank of India to Scheduled Banks and State Co-operative Banks Maintaining Accounts with the Reserve Bank of India, (*iii*) India's Balance of Payments—Current Account—Region-wise, Summary, (*iv*) Current Rates of Export Duties, and (*v*) Exports of Leather and Leather Manufactures to principal countries.

The new statements included in this issue are : (*i*) Selected Economic Indicators—Plan Period, (*ii*) Classification of Scheduled Banks' Advances according to Security and (*iii*) Exports of Cashew Kernel to principal countries.

The currency unit of the Indian Union is the Rupee. From April 1, 1957 India adopted the decimal coinage, the Rupee being divided into 100 equal parts, called 'naya Paisa'. With effect from June 1, 1964 the prefix 'naya' or 'naye' in the designation "naya Paisa" or "naye Paise" was dropped and in statements where small coin data are presented, the term "Paisa/Naya Paisa" is used. The abbreviations for "Rupees" and "Paise" are "Rs." and "P" respectively. The abbreviation "Kg." stands for kilogram.

From November 1, 1956 (on which date the States Reorganization Act, 1956 became effective) to April 30, 1960, the Indian Union consisted of fourteen States and a few centrally administered areas. One State, namely, the Bombay State was bifurcated on May 1, 1960 into (*i*) Maharashtra and (*ii*) Gujarat. On December 1, 1963, Nagaland was constituted as a State, bringing the total number of States in the Union to sixteen. The Federal Government is the Government of India, also called the Central Government.

From October 1, 1960 India adopted the metric system of units and measures and the data presented in the statements are in metric units. The data relating to earlier periods which were expressed in F.P.S. units have been converted into metric units using the following conversion factors :

1 fine ounce	= 0.0311035 kilogram
1 tola	= 0.0116638 kilogram
1 pound	= 0.4535924 kilogram
1 maund	= 37.3242 kilograms
1 ton	= 1.01605 metric tons or 10.1605 quintals
1 yard	= 0.9144 metre
1 sq. ft.	= 0.0929 sq. metre
1 acre	= 0.404686 hectare

Wherever necessary, each figure has been rounded off to the nearest final digit. For this reason, there may, in some statements, be an apparent slight discrepancy between the sum of the constituent items and the total as shown.

The following symbols have been used : . . = Figure is not available; — = Figure is nil or negligible.

A line drawn between the figures of two consecutive rows/columns indicates that the figures given after the line are not comparable with the preceding figures. In each case, a footnote is added to explain the non-comparability.

STATEMENT 1A—SELECTED ECONOMIC INDICATORS

Item	Unit/Base	1965										1966		
		March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
		1	2	3	4	5	6	7	8	9	10	11	12	13
I. Output and Prices														
(1) Industrial Production														
(*i*) Seasonally adjusted	1956 = 100	189.8	182.7	183.0	189.0	186.3	182.0	180.7	177.0*	188.4*	186.1*	181.0*	191.1*	186.5*
(*ii*) Unadjusted ..	„	191.9	180.4	180.9	184.1	190.3	184.6	181.7	175.3*	184.5*	193.6*	183.6*	186.3*	188.6*
(2) Wholesale Prices														
(*i*) All Commodities ..	1952-53 = 100	151.5	153.9	156.2	158.3	162.8	166.8	166.0	165.6	169.5	169.6	169.7	169.5	172.4
(*ii*) Food articles ..	„	154.4	156.3	158.7	161.3	168.9	174.7	172.0	170.2	174.5	173.2	172.3	171.2	173.2
(3) Consumer Prices (All-India) ..	1949 = 100	159	160	161	163	168	170	172	172	173	173	173	174	174
(4) Security Prices														
(*i*) Government and semi-Government securities	1961-62 = 100	97.6	96.5	95.8	95.5	95.1	94.9	94.7	94.4	94.2	93.8	93.5	93.6	93.6
(*ii*) Variable dividend industrial securities	„	82.6	81.1	80.2	80.3	79.7	77.9	76.5	75.5	73.9	71.9	73.5	73.5	75.4
(5) Gold and Silver (Bombay : Spot)														
(*i*) Gold (*a*)	Rs. per 10 gms.	69.79	73.24	74.81	79.36	80.09	76.86	74.59	75.17	75.97	78.06	79.45	83.11	82.62
(*ii*) Silver	Rs. per Kg.	276.92	291.04	299.58	297.63	293.54	302.18	299.00	299.61	304.21	315.13	340.50	378.61	362.23
(6) Number of Applicants														
(*i*) Placed in Employment	000's	45	43	47	48	49	48	49	47	52	54	43	45	46
(*ii*) On live registers ..	„	2,396	2,410	2,441	2,500	2,601	2,651	2,653	2,600	2,601	2,585	2,548	2,526	2,469
II. Money and Banking														
(7) Money supply with the public (*b*)	Crores of Rs.	4,080.2*	4,196.7*	4,193.4*	4,175.0*	4,115.3*	4,107.5*	4,093.0*	4,153.4*	4,195.6*	4,300.4*	4,363.0*	4,420.8*	4,529.8*
(*i*) Currency with the public	„	2,769.1*	2,870.9*	2,862.6*	2,822.5*	2,737.2*	2,701.9*	2,725.5*	2,770.0*	2,806.4*	2,865.1*	2,925.9*	2,968.0*	3,034.1*
(*ii*) Deposit money with the public	„	1,311.1	1,325.8	1,330.9	1,352.5	1,378.1	1,405.6	1,367.5	1,383.4	1,389.2	1,435.2	1,437.1	1,452.8	1,495.7

(8) Reserve Bank of India														
(*i*) Central Government's deposits ..	Crores of Rupees	90.9	53.6	64.1	65.6	119.4	94.9	93.4	56.8	80.2	50.4	53.2	51.8	51.4
(*ii*) State Governments' deposits	„	24.7	12.4	15.9	14.8	17.0	13.2	11.1	6.7	6.8	7.0	13.1	9.7	25.8
(*iii*) Investments ..	„	2,480.8	2,577.0	2,621.4	2,642.5	2,645.6	2,513.1	2,461.7	2,455.0	2,562.7	2,564.8	2,697.7	2,716.8	2,718.5
(*iv*) Other loans and advances (*c*) ..	„	306.4	261.0	236.6	218.3	177.2	183.9	186.7	185.1	186.9	206.9	205.1	217.2	244.6
(9) Foreign Exchange reserves	„	249.7	250.1	243.5	247.3	231.5	235.3	241.1	258.6	275.5	285.4	294.0	291.8	298.0
(10) A. Scheduled Banks														
(*i*) Aggregate deposits	„	2,583.3	2,637.3	2,666.8	2,708.2	2,788.3	2,835.6	2,789.6	2,815.2	2,825.1	2,886.3	2,896.7	2,928.8	2,949.9
(*ii*) Bank credit (*d*) ..	„	2,033.7	2,113.0	2,096.9	2,068.4	2,025.0	2,012.0	1,994.7	2,019.7	2,019.4	2,104.8	2,144.2	2,186.0	2,287.6
(*iii*) Investments in Government securities	„	718.2	719.6	721.4	726.8	835.8	857.2	843.9	858.3	866.5	828.0	829.2	825.2	810.7
(*iv*) Cash reserves ..	„	162.4	162.6	170.2	173.6	164.1	163.4	171.5	183.2	170.2	201.4	183.7	176.4	170.9
B. Cheque clearances	„	2,004	1,746	1,659	1,633	1,736	1,632	1,635	1,548	1,826	1,845	1,686	1,803	2,216
(11) Inter-bank call money rate (Bombay) (*e*) ..	Per cent per annum	7.64	7.89	8.40	7.31	4.09	4.95	7.87	6.38	4.74	5.90	3.99	4.04	6.09
(12) Yield on 3 per cent conversion loan of 1986 or later (*f*)	„	5.13	5.28	5.31	5.33	5.51	5.53	5.53	5.53	5.53	5.53	5.51	5.47	5.49
III. Debt position of Government of India														
(13) Rupee debt of the Government of India														
(*i*) Rupee loans(*g*) ..	Crores of Rupees	3,267.5(*h*)	3,247.3	3,247.4	3,248.9	3,345.1	3,347.3	3,347.5	3,347.7	3,357.3	3,362.7	3,372.4	3,424.0	3,424.9
(*ii*) Treasury bills outstandings	„	1,443.5	1,514.4	1,550.1	1,620.2	1,635.8	1,606.1	1,585.0	1,475.8	1,550.5	1,518.8	1,597.9	1,519.7	1,611.8
IV. Trade														
(14) Imports	„	104.6	90.7	107.5	145.2	119.6	115.4	122.6	94.4	133.6*	113.9*	92.4*	95.4*	113.2*
(15) Exports	„	76.6	57.0	61.7	67.1	61.5	67.3	70.8	66.7	74.6*	72.8*	65.8*	60.9*	77.0*
(16) Net balance of trade ..	„	—28.0	—33.7	—45.8	—78.2	—58.1	—48.1	—51.8	—27.8	—58.9*	—41.0*	—26.5*	—34.5*	—36.2*
(17) Number of wagons loaded														
(*i*) Broad gauge ..	000's	696	666	656	637	655	657	626	692	702	713	711	695	743
(*ii*) Metre gauge ..	„	358	340	337	309	309	310	300	316	323	352	365	346	374

Note : Figures for all the items relate to the month except those of the item 6(ii), 9 and 13 which relate to end of period and those of items 7, 8 and 10A, which relate to last Friday.

(*a*) Relate to 14 carat, quoted from August 28, 1963. (*b*) Revised series. (*c*) Loans and advances, other than those to Governments. (*d*) Excluding due from banks. (*e*) Data relate to local head offices of the banks and are exclusive of brokerage. (*f*) Running yield. (*g*) Includes the Hyderabad loans taken over by the Government of India under the States Reorganization Act, 1956, Premium Prize Bonds, 1963 issued from January 1963 and Premium Prize Bonds, 1964 issued from January 1964 but excludes National Defence Gold Bonds, 1980, A and B series. (*h*) Includes Five-Year Interest-free Prize Bonds issued from April 1960.

* Provisional.

STATEMENT 1B—SELECTED ECONOMIC INDICATORS—PLAN PERIODS

Item	Unit/Base	1950-51	1955-56	1960-61	1965-66
		1	2	3	4
I. Output and Prices					
1. Net National output					
(*i*) At current prices	Rs. abja=100 crores	95.3	99.8	141.4	200.1(*i*)*
(*ii*) At 1948-49 prices ..	,,	88.5	104.8	127.3	150.5(*i*)*
2. Industrial Production General Index (*a*)	1956=100	73.5(*b*)	91.9	130.1	184.4†
3. Agricultural Production ..	Year ended June 1950=100	95.6	116.8	142.2	157.6(*i*)*
4. Wholesale Prices					
(*i*) All commodities	1952-53=100	111.8(*c*)	92.5	124.9	165.1
(*ii*) Food Articles	,,	112.5(*c*)	86.6	120.0	168.9
5. Consumer Prices (All-India)	1949=100	101	96	124	169
6. Number of applicants on Live Register (*a*)	000's	330.7	692.0	1,606.2	2,585.5
II. Money and Banking					
7. Money Supply with the Public	Crores of Rs.	2,016.0	2,217.0	2,868.6	4,529.8*
(*i*) Currency	,,	1,406.5	1,571.0	2,098.0	3,034.1*
(*ii*) Deposit Money	,,	609.5	645.9	770.6	1,495.7
8. Reserve Bank of India					
(*i*) Loans and advances to :					
A. Scheduled banks ..	,,	12.4	65.1	94.5	73.5
B. State co-op. banks ..	,,	3.4	13.2	89.4	165.9
(*ii*) Investments	,,	585.8	726.0	1,813.1	2,718.5
9. Foreign Exchange Reserves (*d*)	,,	951.4	824.6	303.6	298.0
10. A. Scheduled banks					
(*i*) Aggregate deposits ..	,,	880.6(*e*)	1,043.2(*e*)	1,746.1	2,949.9
(*ii*) Bank credit	,,	546.9(*f*)	761.2(*f*)	1,319.5	2,287.6
(*iii*) Credit deposit ratio ..	Per cent	62.1	73.0	75.6	77.5
B. Cheque clearances (*g*) ..	Crores of Rs.	553.2	663.4	1,045.9	1,746.4
11. Inter-bank call Money rate (Bombay) (*h*) ..	Per cent per annum	0.74	2.75	4.24	6.26
III. Public Finance					
A. Budgetary Position of Government of India :					
12. Revenue Account					
(*i*) Revenue	Crores of Rs.	405.9	481.2	877.5	2,299.8
(*ii*) Expenditure	,,	346.6	440.7	826.2	2,017.7
13. Capital Account					
(*i*) Receipts	,,	104.4	281.0	1,127.0	1,804.8
(*ii*) Disbursements	,,	182.6	470.9	1,000.5	2,260.0
B. Debt position of Government of India:					
14. Total Debt	,,	2,501.6	3,196.4	6,255.1	10,796.0
(*i*) Internal	,,	2,469.5	3,082.8	5,494.1	8,166.8
(*ii*) External	,,	32.0	113.6	761.0	2,629.2
15. Small Savings					
(*i*) Net Receipts	Crores of Rs.	33.9	67.0	105.0	128.6
(*ii*) Outstandings	,,	336.2	580.0	982.4	1,527.1
IV. Trade					
16. Imports (*j*)	,,	650.2	774.2	1,121.6	1,350.4
17. Exports (*j*)	,,	600.6	608.9	642.1	805.3

Note: Figures for all the items relate to the year except those of items 6, 9, 14 and 15(ii) which relate to end of period and those of items 7, 8 and 10A which relate to last Friday.

(*a*) Relating to calendar year ; thus data for 1955-56 correspond to 1955. (*b*) Relating to 1951. (*c*) Derived figures. (*d*) Including gold valued at Rs. 18.21 per 10 grams upto October 5, 1956 and at Rs. 53.58 per 10 grams there after. (*e*) Relating to aggregate liabilities. (*f*) Including due from banks. (*g*) Average of monthly data. (*h*) Data relate to local head offices of selected banks and are exclusive of brokerage. (*i*) Relating to 1964-65. (*j*) With effect from April 1963, trade of Goa, Daman and Diu as well as Andaman and Nicobar Islands, land-borne trade with Nepal and exports by parcel post of pearls, precious stones etc., are included.

* Provisional.

† Average of monthly indices.

STATEMENT 2—NATIONAL INCOME BY INDUSTRIAL ORIGIN

(In Rs. abja)(*a*)

	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65 (*b*)
	1	2	3	4	5	6	7
A. AT CURRENT PRICES							
Agriculture							
1. Agriculture, animal husbandry and ancillary activities	47.8	43.9	66.8	67.7	67.9	79.4	100.0
2. Forestry	0.7	0.7	1.1	1.2	1.3	1.4	1.5
3. Fishery	0.4	0.6	1.0	0.7	0.8	0.9	1.2
4. **Total of agriculture**	**48.9**	**45.2**	**68.9**	**69.6**	**70.0**	**81.7**	**102.7**
Mining, manufacturing and small enterprises							
5. Mining	0.7	1.0	1.6	1.7	1.9	2.3	2.2
6. Factory establishments	5.5	7.8	13.2	15.4	16.8	18.5	20.7
7. Small enterprises	9.1	9.7	11.2	11.7	12.1	12.5	13.1
8. **Total of mining, manufacturing and small enterprises**	**15.3**	**18.5**	**26.0**	**28.8**	**30.8**	**33.3**	**36.0**
Commerce, transport and communication							
9. Communication (post, telegraph and telephone)	0.4	0.5	0.6	0.7	0.8	0.9	1.1
10. Railways	1.8	2.5	3.6	3.8	4.6	5.1	5.2
11. Organised banking and insurance	0.7	0.9	1.6	1.9	2.1	2.4	2.8
12. Other commerce and transport	14.0	14.9	17.6	18.4	19.0	19.7	20.5
13. **Total of commerce, transport and communication**	**16.9**	**18.8**	**23.4**	**24.8**	**26.5**	**28.1**	**29.6**
Other services							
14. Professions and liberal arts	4.7	5.6	7.4	7.9	8.4	9.0	9.6
15. Government services (administration)	4.3	5.7	9.0	10.0	11.3	12.8	14.8
16. Domestic service	1.3	1.4	1.9	2.1	2.2	2.3	2.5
17. House property	4.1	4.6	5.3	5.5	5.6	5.8	6.0
18. **Total of other services**	**14.4**	**17.3**	**23.6**	**25.5**	**27.5**	**29.9**	**32.9**
19. **Net domestic product at factor cost**	**95.5**	**99.8**	**141.9**	**148.7**	**154.8**	**173.0**	**201.2**
20. Net earned income from abroad	—0.2	0.0	—0.5	—0.7	—0.8	—0.9	—1.1
21. **Net national output at factor cost = National Income**	**95.3**	**99.8**	**141.4**	**148.0**	**154.0**	**172.1**	**200.1**
B. AT 1948-49 PRICES							
1. Agriculture, animal husbandry and ancillary activities (*c*)	43.4	50.2	59.0	59.1	57.9	59.7	65.0
2. Mining, manufacturing and small enterprises	14.8	17.6	21.1	22.1	23.0	24.4	25.5
3. Commerce, transport and communication	16.6	19.7	24.6	25.4	26.4	27.8	29.7
4. Other services (*d*)	13.9	17·3	23.1	24.7	26.6	28.7	31.4
5. **Net domestic product at factor cost**	**88.7**	**104.8**	**127.8**	**131.3**	**133.9**	**140.6**	**151.6**
6. Net earned income from abroad	—0.2	0.0	—0.5	—0.7	—0.8	—0.9	—1.1
7. **Net national output at factor cost = National income**	**88.5**	**104.8**	**127.3**	**130.6**	**133.1**	**139.7**	**150.5**

(*a*) Abja = 100 crores = 10^9. (*b*) Provisional. (*c*) Including forestry and fishery. (*d*) Comprising professions and liberal arts, Government services (administration), domestic service and house property.

Source : Estimates of National Income issued by the Central Statistical Organisation, Government of India.

STATEMENT 3—ESTIMATES OF AGGREGATE INVESTMENT

(In crores of rupees, at current prices)

	Saving	Net Capital Inflow	Investment (1 + 2)	Investment at 1948-49 prices	Investment as proportion (per cent) of National Income
	1	2	3	4	5
1950-51	541.9	—7.9	534.0	495.9	5.6
1951-52	529.4	+224.4	753.8	688.0	7.6
1952-53	408.3	—17.0	391.3	376.9	4.0
1953-54	565.0	—3.5	561.5	537.6	5.4
1954-55	764.2	+46.5	810.7	867.1	8.4
1955-56	970.5	+63.2	1,033.7	1,085.6	10.4
1956-57	1,076.4	+377.9	1,454.3	1,414.7	12.9
1957-58	797.8	+489.1	1,286.9	1,230.3	11.3
1958-59	931.4	+399.3	1,330.7	1,230.3	10.6
1959-60	1,102.0	+258.3	1,360.3	1,245.8	10.5
1960-61	1,371.9	+497.3	1,869.2	1,682.9	13.2
1961-62	1,373.8	+381.3	1,755.1	1,548.7	11.9
1962-63	1,498.4	+453.5	1,951 9	1,694 4	12.7

STATEMENT 4—VOLUME AND PATTERN OF SAVING

(In crores of rupees, at current prices)

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Government Sector	**95.9**	**187.0**	**102.1**	**92.6**	**93.4**	**111.4**	**176.7**	**156.7**	**138.0**	**202.8**	**239.4**	**353.8**	**410.1**
(*a*)	17.7	35.3	25.0	16.4	12.2	11.5	16.4	19.6	14.8	18.4	17.4	25.7	27.4
(*b*)	1.0	1.9	1.1	0.9	1.0	1.1	1.6	1.4	1.1	1.6	1.7	2.4	2.6
2. Domestic Corporate Sector	**35.0**	**63.6**	**1.1**	**25.9**	**50.3**	**60.0**	**58.5**	**18.0**	**32.4**	**57.6**	**106.7**	**97.8**	**104.7**
(*a*)	6.4	12.0	0.3	4.6	6.6	6.2	5.4	2.2	3.5	5.2	7.8	7.1	7.0
(*b*)	0.4	0.6	—	0.2	0.5	0.6	0.5	0.1	0.3	0.4	0.7	0.7	0.7
3. Household Sector (I+II)	**411.0**	**278.8**	**305.1**	**446.5**	**620.5**	**799.1**	**841.2**	**623.1**	**761.0**	**841.6**	**1,025·8**	**922.2**	**983.6**
(*a*)	75.9	52.7	74.7	79.0	81.2	82.3	78.2	78.2	81.7	76.4	74.8	67.2	65.6
(*b*)	4.3	2.8	3.1	4.3	6.5	8.0	7.4	5.5	6.0	6.5	7.3	6.2	6.4
(I) Rural Household Sector	**166.3**	**170.7**	**163.5**	**180.5**	**147.9**	**153.7**	**187.7**	**179.5**	**212.2**	**212.5**	**234.3**	**236.6**	**237.0**
(*a*)	29.3	31.3	39.8	31.3	20.9	16.7	17.0	22.3	21.9	18.6	16.2	16.6	15.2
(*b*)	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5
(*c*)	38.7	59.4	53.2	39.6	25.8	20.3	21.8	28.6	26.9	24.3	21.7	24.7	23.1
(II) Urban Household Sector	**244.7**	**108.1**	**141.6**	**266.0**	**472.6**	**645.4**	**653.5**	**443.6**	**548.8**	**629.1**	**791.5**	**685.6**	**746.6**
(*a*)	46.6	21.4	34.9	47.7	60.3	65.6	61.2	55.9	59.8	57.8	58.6	50.6	50.4
(*b*)	2.6	1.1	1.4	2.6	4.8	6.4	5.8	3.9	4.4	4.9	5.7	4.7	4.9
(*c*)	61.3	40.6	46.8	60.4	74.2	79.7	78.2	71.4	73.1	75.7	78.3	75.3	76.9
4. Total Saving (1+2+3)	**541.9**	**529.4**	**408.3**	**565.0**	**764.2**	**970.5**	**1,076.4**	**797.8**	**931.4**	**1,102.0**	**1,371.9**	**1,373.8**	**1,498·4**
5. Total Saving at 1948-49 prices*	**503.2**	**483.2**	**393.3**	**540.9**	**817.4**	**1,019.2**	**1,047.2**	**762.7**	**861.1**	**1,009.2**	**1,235.2**	**1,212.2**	**1,300.7**
(*b*)	5 7	5 3	4 2	5 4	8 0	9 7	9 5	7 0	7.4	8 5	9 7	9 3	9.7

* Saving in current prices is converted to 1948-49 prices by using the National Income deflator. (*a*) Proportion (per cent) of Total Saving. (*b*) Proportion (per cent) of National Income. (*c*) Proportion (per cent) of Saving of the Household Sector.

STATEMENT 5—VOLUME AND PATTERN OF SAVING OF THE HOUSEHOLD SECTOR

(In crores of rupees, at current prices)

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63
	1	2	3	4	5	6	7	8	9	10	11	12	13
A. Financial Assets (1 to 6)	**19.3**	**—21.6**	**42.6**	**83.0**	**307.8**	**385.6**	**320.0**	**323.6**	**341.4**	**388.1**	**436.0**	**476.6**	**492.3**
(a)	4.7	—7.8	14.0	18.6	49.6	48.3	38.1	51.9	44.9	46.1	42.5	51.7	50.0
(b)	0.2	—0.2	0.4	0.8	3.2	3.9	2.8	2.8	2.7	3.0	3.1	3.2	3.2
1. Currency	79.6	—114.6	—22.4	24.5	85.4	190.3	51.9	45.3	112.4	130.2	160.3	95.2	173.1
(a)	19.4	—41.1	— 7.4	5.5	13.8	23.8	6.2	7.3	14.8	15.5	15.6	10.3	17.6
(b)	0.8	— 1.1	— 0.2	0.2	0.9	1.9	0.5	0.4	0.9	1.0	1.1	0.6	1.1
2. Net Bank Deposits	—37.7	—44.8	28.1	— 8.4	32.2	0.2	5.0	55.3	28.0	62.8	— 6.0	111.1	49.2
(a)	— 9.1	—16.1	9.2	— 1.9	5.2	—	0.6	8.9	3.7	7.5	— 0.6	12.0	5.0
(b)	— 0.4	— 0.4	0.3	— 0.1	0.3	—	—	0.5	0.2	0.5	—	0.8	0.3
3. Insurance Policies	17.8	11.4	17.6	21.1	23.6	27.3	21.7	25.1	34.3	43.3	50.3	63.1	66.0
(a)	4.3	4.1	5.8	4.7	3.8	3.4	2.6	4.0	4.5	5.1	4.9	6.9	6.7
(b)	0.2	0.1	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.4
4. Provident Funds	31.8	34.1	42.9	78.0	87.2	86.2	93.0	102.8	107.3	112.6	150.6	150.9	166.7
(a)	7.7	12.2	14.1	17.5	14.0	10.8	11.1	16.5	14.1	13.4	14.7	16.4	16.9
(b)	0.3	0.3	0.4	0.8	0.9	0.9	0.8	0.9	0.8	0.9	1.1	1.0	1.1
5. Net Claims on the Government Sector	—105.1	69.5	—36.7	—56.6	41.0	30.7	63.9	41.4	20.1	—13.3	21.5	—21.3	—27.6
(a)	—25.6	24.9	—12.0	12.7	6.6	3.9	7.6	6.6	2.6	— 1.6	2.1	— 2.3	— 2.8
(b)	— 1.1	0.7	— 0.4	— 0.5	0.4	0.3	0.6	0.3	0.2	— 0.1	0.1	— 0.1	— 0.2
6. Corporate and Co-operative Shares and Securities	32.9	22.8	13.1	24.4	38.4	50.9	84.5	53.7	39.3	52.5	59.3	77.6	64.9
(a)	8.0	8.2	4.3	5.5	6.2	6.4	10.0	8.6	5.2	6.2	5.8	8.4	6.6
(b)	0.4	0.2	0.1	0.2	0.4	0.5	0.7	0.5	0.3	0.4	0.4	0.5	0.5
B. Physical Assets	**391.7**	**300.4**	**262.5**	**363.5**	**312.7**	**413.5**	**521.2**	**299.5**	**419.6**	**453.5**	**589.8**	**445.6**	**491.3**
(a)	95.3	107.8	86.0	81.4	50.4	51.7	61.9	48.1	55.1	53.9	57.5	48.3	50.0
(b)	4.1	3.0	2.7	3.5	3.3	4.1	4.6	2.7	3.3	3.5	4.2	3.0	3.2
C. Saving of the Household Sector (A+B)	**411.0**	**278.8**	**305.1**	**446.5**	**620.5**	**799.1**	**841.2**	**623.1**	**761.0**	**841.6**	**1,025.8**	**922.2**	**983.6**
D. Saving of the Household Sector at 1948-49 prices*	**381.7**	**254.4**	**293.9**	**427.5**	**663.7**	**839.1**	**818.3**	**595.8**	**703.6**	**770.7**	**923.6**	**813.8**	**853.9**
(b)	4.3	2.8	3.1	4.3	6.5	8.0	7.4	5.5	6.0	6.5	7.3	6.2	6.4

* Saving in current prices is converted to 1948-49 prices by using the National Income deflator. (a) Proportion (per cent) of Household sector's saving. (b) Proportion (per cent) of National Income.

STATEMENT 6—A. EMPLOYMENT EXCHANGE STATISTICS

Year/Month	Number of				
	Exchanges(*a*)	Registrations	Applicants placed in employment	Applicants on live registers(*a*)	Employers using the exchanges(*b*)	Vacancies notified
	1	2	3	4	5	6
1950	123	1,210,358	331,193	330,743	5,566	419,307
1955	136	1,584,024	169,735	691,958	4,880	280,523
1960	296	2,732,548	305,553	1,606,242	8,807	520,330
1961	325	3,230,314	404,077	1,832,703	10,397	708,379
1962	342	3,844,902	458,085	2,379,530	11,472	790,445
1963	353	4,151,781	536,277	2,518,463	12,723	908,980
1964	365	3,831,904	544,818	2,492,874	13,742	916,572
1965	376	3,957,605	570,191	2,585,473	13,938	946,082
March 1965	368	287,153	45,377	2,395,618	13,420	81,619
April „	368	320,430	42,669	2,410,004	13,782	75,036
May „	369	326,130	46,581	2,441,054	14,722	86,486
June „	376	381,486	48,204	2,500,446	15,186	86,417
July „	376	428,154	48,762	2,600,839	15,616	78,260
August „	376	363,428	47,545	2,651,333	14,935	79,766
September „	376	334,164	48,684	2,652,695	14,876	83,282
October „	376	269,577	47,338	2,600,066	12,561	76,725
November „	376	345,586	51,534	2,600,550	14,275	80,814
December „	376	343,865	54,140	2,585,473	12,636	77,763
January 1966	376	265,272	43,276	2,547,673	10,401	65,653
February „	376	285,548	44,801	2,526,385	11,999	66,099
March „	377	279,058	45,614	2,469,421	12,234	74,005

B. OCCUPATIONAL DISTRIBUTION OF APPLICANTS ON LIVE REGISTERS

At the end of	Number of Applicants on Live Registers										
	Total	Professional, technical and related workers	Administrative, executive and managerial workers	Clerical, sales and related workers	Agricultural, dairy and related workers	Miners, quarrymen and related workers	Workers in transport and communication occupations	Craftsmen and production process workers	Service workers (i.e. cooks, chowkidars, sweepers, etc.)	Labourers with work experience not elsewhere classified	Persons without professional or vocational training or previous work experience
	1	2	3	4	5	6	7	8	9	10	11
June 1964 ..	**2,542,283**(*c*)	151,360	3,030	69,328	10,591	5,289	45,974	188,987	87,137	106,720	1,870,095
December „ ..	**2,492,874**(*c*)	108,536	3,034	68,716	9,732	5,087	47,121	164,604	85,248	116,771	1,880,253
June 1965 ..	**2,500,446**	152,468	3,012	74,045	8,612	6,266	48,821	168,660	86,184	111,913	1,840,465
December „ ..	**2,585 473**	122,565	2,790	76,614	9,601	5,459	55,929	184,928	87,426	105,000	1,935,161

(*a*) At the end of period. (*b*) Annual figures are averages of months. (*c*) Including 3772 applicants who were on the Live Register of the Employment Exchange, Panjim (Goa) for which occupational break-up is not available.

Source : Indian Labour Journal and Ministry of Labour and Employment.

STATEMENT 7—INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural year ended June 1950=100)

Commodity/Group	Weight	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65
	1	2	3	4	5	6	7	8
Rice	35.3	87.9	114.2	137.7	142.4	127.4	146.6	153.9
Wheat	8.5	101.1	131.3	162.8	178.8	160.4	146.1	178.9
Jowar	5.0	89.8	96.7	141.1	115.4	138.3	131.3	141.0
Bajra	2.7	83.8	108.3	102.9	114.1	121.8	116.9	139.8
Maize	2.1	84.4	112.3	146.7	154.3	163.8	162.9	163.1
Total Cereals ..	**58.3**	**90.3**	**114.9**	**138.3**	**143.1**	**132.4**	**140.8**	**152.5**
Gram	3.7	98.0	138.9	160.4	148.5	137.2	115.5	148.0
Total Pulses	**8.6**	**91.7**	**118.4**	**129.0**	**121.5**	**116.9**	**102.8**	**125.8**
Total Foodgrains ..	**66.9**	**90.5**	**115.3**	**137.1**	**140.3**	**130.4**	**135.9**	**149.1**
Groundnuts	5.7	101.4	112.4	142.1	147.5	142.4	153.9	182.3
Total Oilseeds ..	**9.9**	**98.5**	**108.6**	**134.0**	**140.0**	**137.7**	**132.8**	**163.4**
Cotton	2.8	110.7	153.9	202.1	174.9	201.7	209.3	206.0
Jute	1.4	106.3	135.8	125.3	192.7	165.1	187.4	184.2
Mesta	0.3	100.0	174.7	168.8	280.8	250.4	276.5	234.4
Total Fibres	**4.5**	**108.6**	**149.7**	**176.0**	**187.5**	**193.6**	**207.0**	**201.1**
Tea	3.3	103.8	107.2	120.9	133.4	130.5	130.2(*a*)	141.6(*a*)
Coffee	0.2	112.3	196.1	246.4	229.6	280.2	341.5(*a*)	341.5(*a*)
Rubber	0.1	93.8	146.1	167.0	178.9	207.8	246.5	293.2
Total Plantation Crops	**3.6**	**104.0**	**113.2**	**129.2**	**140.0**	**141.0**	**145.2**	**156.9**
Sugarcane	8.7	113.7	119.8	183.9	173.5	156.8	173.9	202.1
Tobacco	1.9	97.3	112.9	114.3	126.2	132.2	129.7	132.2
Total Miscellaneous ..	**15.1**	**110.3**	**120.1**	**163.4**	**156.3**	**151.1**	**159.0**	**178.9**
Total Non-Foodgrains	**33.1**	**105.9**	**119.9**	**152.6**	**153.9**	**151.8**	**156.2**	**174.9**
All Commodities ..	**100.0**	**95.6**	**116.8**	**142.2**	**144.8**	**137.5**	**142.6**	**157.6**

Note : The indices for 1962-63 and 1963-64 are generally based on partially revised estimates while those for 1964-65 are generally based on final estimates. The indices for these years are, therefore, subject to revision.

(*a*) Based on provisional estimates.

Source : Ministry of Food and Agriculture.

STATEMENT 8—AREA AND PRODUCTION

Commodity	1950-51 (*a*)		1955-56		1960-61	
	Area (Hectares)	Production (Metric tons)	Area (Hectares)	Production (Metric tons)	Area (Hectares)	Production (Metric tons)
	1	2	3	4	5	6
FOODGRAINS						
Cereals						
1. Rice	30,519	23,542	31,521	27,557	34,128	34,574
2. Wheat	9,758	6,391	12,367	8,760	12,927	10,997
3. Jowar	15,513	5,870	17,362	6,726	18,412	9,814
4. Bajra	9,259	2,835	11,338	3,428	11,469	3,283
5. Maize	3,262	2,046	3,696	2,602	4,407	4,080
6. Ragi	2,206	1,544	2,307	1,846	2,515	1,838
7. Barley	3,181	2,251	3,418	2,816	3,205	2,819
8. Small millets	5,415	2,278	5,335	2,070	4,955	1,909
Total Cereals	**79,113**	**46,757**	**87,344**	**55,805**	**92,018**	**69,314**
Pulses						
9. Gram	8,295	3,726	9,779	5,418	9,276	6,250
10. Other Pulses	11,872	4,433	13,437	5,627	14,287	6,454
Total Pulses	**20,167**	**8,159**	**23,216**	**11,045**	**23,563**	**12,704**
Total Foodgrains (Cereals and Pulses)	**99,280**	**54,916**	**110,560**	**66,850**	**115,581**	**82,018**
NON-FOODGRAINS						
11. Sugarcane (*b*)	1,707	5,705	1,847	6,075	2,415	11,141
12. Oilseeds	10,727	5,158	12,085	5,734	13,770	6,982
(i) Groundnut (Nuts in shell)	4,494	3,481	5,133	3,862	6,463	4,812
(ii) Rape and mustard	2,071	762	2,556	860	2,883	1,347
(iii) Sesamum	2,204	445	2,293	467	2,169	318
(iv) Linseed	1,403	367	1,529	420	1,789	398
(v) Castorseed	555	103	574	125	466	107
13. Cotton (Lint) (*c*)	5,882	2,875	8,086	3,949	7,610	5,293
14. Jute (*c*)	571	3,309	704	4,232	629	4,134
15. Mesta (*c*)	..	..	231	1,162	274	1,129
16. Tea	317	279	321	308	331	321
17. Coffee	93	19	103	35	120	68
18. Rubber	69	16	84	24	130	26
19. Tobacco	357	261	410	303	401	307

Note : (1) Figures relate to the agricultural year ending June. Item 16 refers to the calendar year i.e., figures for 1950-51 relate to 1950 and so on ; however, area figures refer to the financial year ending March. Item 18 refers to the financial year ending March. (2) Figures for 1962-63 and 1963-64 are partially revised estimates while those for 1964-65 are final estimates. The available partially revised estimates for 1964-65 are shown in brackets. These figures are subject to revisions.

OF AGRICULTURAL COMMODITIES

(In thousands)

1961-62		1962-63		1963-64		1964-65		Target (Production) for the Third Five-Year Plan (1965-66) (Metric tons)
Area (Hectares)	Production (Metric tons)	Area (Hectares)	Production (Metric tons)	Area (Hectares)	Production (Metric tons)	Area (Hectares)	Production (Metric tons)	
7	8	9	10	11	12	13	14	15
34,694	35,663	34,934	31,914	35,622	36,889	36,076	38,732	45,722
13,570	12,072	13,657	10,829	13,496	9,861	13,453	12,078	15,241
18,249	8,029	18,021	9,621	17,956	9,135	18,012	9,811	..
11,278	3,645	10,800	3,892	10,785	3,734	11,712	4,465	..
4,507	4,312	4,607	4,578	4,584	4,553	4,591	4,558	..
2,511	2,030	2,316	1,891	2,400	1,962	2,429	1,921	..
3,312	3,150	3,022	2,423	2,775	2,037	2,668	2,478	..
4,868	2,050	4,693	1,860	4,580	2,017	4,555	1,977	..
92,989	**70,951**	**92,050**	**67,008**	**92,198**	**70,188**	**93,497**	**76,020**	**84,332**
9,566	5,785	9,177	5,343	9,376	4,499	9,011	5,763	..
14,677	5,970	14,782	6,097	14,679	5,556	14,975	6,615	..
24,243	**11,755**	**23,959**	**11,440**	**24,055**	**10,055**	**23,986**	**12,378**	**17,273**
117,232	**82,706**	**116,009**	**78,448**	**116,253**	**80,243**	**117,483**	**88,398**	**101,605**
2,455	10,563	2,280	9,544	2,257	10,596	2,544	12,315	10,161
14,772	7,284	14,794	7,113	14,710	7,038	14,849	8,584	9,957
6,889	4,994	6,864	4,821	6,809	5,215	7,072	6,176	..
3,168	1,346	3,108	1,294	3,023	903	2,814	1,375	..
2,252	372	2,488	464	2,395	439	2,503	466	..
1,977	463	1,899	433	2,006	379	2,011	466	..
486	109	435	101	477	102	449	101	..
7,978	4,581	7,845	5,309	8,160	5,494	8,154	5,408	6,915
917	6,358	851	5,449	868	6,185	841 (839)	6,079 (6,021)	6,249
425	1,878	379	1,697	393	1,874	359	1,589	1,310
333	354	334	347(*d*)	334	346(*d*)	338	372@	408
125	46	126	56	129	69	..	60	81
141	27	146	32	153	37	155	46	46
418	339	416	366	440	358	423	370	330

(*a*) Data regarding foodgrains relate to 1949-50 which was the base year in respect of foodgrains for the First Five Year Plan. (*b*) Yield in terms of gur. (*c*) Production in thousand bales of 180 Kilograms each. (*d*) Revised.

@ Provisional.

Sources : Ministry of Food and Agriculture and the Rubber, Tea and Coffee Boards.

STATEMENT—9A

	Industry	Unit	1955	1960	1961	1962	1963	1964	1965	Target for the third five-year plan (1965-66)
			1	2	3	4	5	6	7	8
1.	Coal, excluding lignite ..	000 Metric tons	3,88,44	5,26,20	5,61,00	6,15,48	6,69,24	6,39,96	6,94,57	9,86,00
2.	Iron ore (*a*)	,,	43,32	1,06,80	1,22,76	1,33,68	1,47,84	1,49,04	1,68,02	3,05,00
3.	Sugar (refined) (*b*) ..	,,	16,20	24,73	30,29	27,16	21,60	25,68	32,61	35,56
4.	Tea processing(*c*) ..	00,000 Kgs.	30,32	31,63	35,31	34,27	34,29	37,26	36,62	40,92
5.	Salt refining	00,000 Quintals	3,03	3,44	3,48	3,89	4,54	4,65	4,71	5,50
6.	Hydrogenated oil (vanaspati)	000 Quintals	26,50	33,77	33,91	36,95	38,35	35,87	42,62	50,90
7.	Cigarette manufacturing ..	00,00,000's	22,83	36,97	39,47	41,12	40,74	46,21	56,06	--
8.	Cotton textiles									
	(a) Spinning	00,000 Kgs.	73,95	78,79	86,23	85,96	89,26	96,48	93,92	1,02,05
	(b) Weaving									
	(i) Mill sector	00,000 Metres	4,65,84	4,61,62	4,70,14	4,56,03	4,42,29	4,65,35	4,58,60	5,30,35
	(ii) Decentralised sector	000,000 Metres	16,20	20,16	23,76	24,12	28,80	30,72	30,56	32,00
9.	Woollen textiles(*d*)									
	(i) Woollen/Worsted yarn	00,000 Kgs.	94	1,27	1,48	1,80	2,27	2,09	1,78	2,36
	(ii) Woollen/Worsted fabrics	00,000 Metres	1,24	1,40	1,32	1,83	2,04	1,17	99	3,20
10.	Jute manufactures(*e*)									
	(i) Hessian(*f*)	000 Metric Tons	4,08	4,30	3,56	4,82	5,28	5,36	5,29	13,00
	(ii) Sacking	,,	5,84	5,50	4,84	5,52	5,08	5,15	5,90	
11.	Footwear (Leather) ..	00,000 Pairs	55	92	1,06	1,18	1,35	1,38	1,59	14,00
12.	Paper and paper boards ..	000 Metric Tons	1,88	3,45	3,64	3,88	4,63	4,91	5,37	7,11
13.	Footwear (Rubber) ..	00,000 Pairs	3,49	4,46	4,51	4,98	4,66	4,70	5,31	..
14.	Tyres (Automobiles) ..	000's	8,82	13,62	15,62	17,10	19,26	20,90	23,55	45,00
15.	Sulphuric acid	000 Metric Tons	1,69	3,54	4,22	4,69	5,68	6,79	6,77	15,24
16.	Caustic soda	,,	35	98	1,20	1,27	1,52	1,84	2,15	3,46
17.	Bleaching powder(*g*) ..	Metric Tons	2,748	5,928	7,128	6,720	7,344	7,932	7,359	..
18.	Ammonium sulphate 'N' content	000 Metric Tons	80	77	79	84	89	86	88	8,16
19.	Paints and varnishes(*h*) ..	,,	40	52	59	65	74	76	72	1,42
20.	Matches(*i*)	000,000 Boxes(*j*)	44,33	48,23	56,24	52,82	49,69	50,40	53,27	42(*k*)
21.	Soap(*l*)	000 Metric Tons	1,01	1,43	1,49	1,52	1,59	1,66	1,64	2,25
22.	Rayon(*m*)	,,	14	45	52	62	69	78	78	64(*n*)
23.	Petroleum refinery products	,,	30,24	57,47	60,90	65,84	76,50	84,50	89,84	100,18
24.	Cement	,,	45,59	78,44	82,45	85,86	93,55	96,90	105,78	132,00
25.	Iron and Steel									
	(i) Pig iron and ferro-alloys	,,	17,96	42,29	50,59	59,17	67,42	67,42	71,19	15,30(*p*)
	(ii) Finished steel ..	,,	12,80	22,22	27,98	35,64	42,58	43,42	45,20	69,00
26.	Non-ferrous metals(*q*)									
	(i) Aluminium	Metric Tons	9,824	16,418	16,930	16,294	22,244	22,501	23,568	81,300
	(ii) Brass	,,	13,248	27,228	24,612	23,748	22,644	20,328	13,309	..
27.	Gold	Kilograms	6,576	4,992	4,872	5,076	4,296	4,608	4,063	..
28.	Enamelware	000 Pieces	1,57,16	1,41,49	2,34,82	2,88,28	3,30,95	3,59,99	3,59,44	..
29.	Diesel engines	Nos.	14,100	52,752	54,300	51,012	64,476	77,472	96,552	66,000
30.	Railway wagons	Nos. (*r*)	15,288	7,476	10,536	16,956	18,960	24,156	25,071	117,144(*s*)
31.	Motor vehicles	Nos.	23,088	52,116	54,312	57,744	52,200	67,092	72,585	1,00,000
32.	Bicycles	000's	491	10,50	10,49	11,16	11,82	14,08	15,48	20,00
33.	Electricity (*t*)	00,000 k.w.h.	8,46,84	16,43,28	19,11,12	21,47,28	24,79,08	28,52,76	31,37,74	45,00,00

Note : The industries/products have been reclassified according to the Standard Industrial and Occupational Classifications :

(*a*) Figures exclude the production in Goa. (*b*) Figures are in respect of cane sugar only ; annual figures relate to the crop year (November to October). (*c*) Monthly figures are exclusive of production in the Punjab (Kangra) and Himachal Pradesh. (*d*) Including figures for Jammu & Kashmir. (*e*) Relating to the production by mills in the membership of the Indian Jute Mills' Association and to one non-member mill. (*f*) Includes canvas. (*g*) From June 1962, production figures relate to stable variety only. (*h*) Data in respect of certain units are not included from January to May 1963. (*i*) Including figures for Jammu & Kashmir ; production statistics now relate to all the units in the industry for the whole series. (*j*) Boxes are of 60 sticks each upto 1960 and of 50 sticks each thereafter. (*k*) Million gross boxes. (*l*) Figures refer to the production of organised factories. (*m*) Total of viscose yarn, acetate yarn, staple fibre, cellophane and nylon mono-filaments ; data on vicose yarn and staple fibre are inclusive of saleable wastes. (*n*) Relates to filament. (*p*) Relates to pig iron for sale. (*q*) Production figures relate to sheets and circles only. (*r*) In terms of 4 wheelers with effect from January 1965. (*s*) Relates to 5-year period. (*t*) Including figures for Jammu & Kashmir and covering all power stations owned by public utility undertaking and two stations owned by industrial concerns.

INDUSTRIAL PRODUCTION

1964	1965											
December	January	February	March	April	May	June	July	August	September	October	November	December
9	10	11	12	13	14	15	16	17	18	19	20	21
56,80	55,88	54,81	60,27	59,69	58,29	57,50	57,53	55,52	58,60	54,27	60,06	62,15
13,43	13,66	13,22	13,08	12,68	13,13	12,43	13,26	13,75	15,24	15,15	15,56	16,86
5,46	6,17	5,83	5,74	3,57	1,28	34	20	21	24	66	2,28	5,76
1,27	52	43	58	1,92	3,02	4,30	5,10	5,30	5,86	5,30	3,18	1,12
12	15	22	44	76	98	1,26	34	11	11	13	9	12
3,96	4,38	3,98	3,78	3,60	3,54	3,28	3,28	3,20	3,16	3,04	3,38	4,01
4,63	4,64	4,64	4,67	5,16	4,18	4,38	4,63	4,62	4,54	4,29	5,06	5,25
8,73	8,29	7,66	7,99	8,00	7,97	7,83	8,32	7,93	7,80	6,98	7,48	7,69
40,90	39,84	37,28	39,15	39,23	38,99	38,47	40,81	38,56	37,79	33,95	36,78	37,73
2,88	2,68	2,80	2,19	2,45	2,56	2,69	2,77	2,54	1,99	2,49	2,73	2,67
17	16	16	16	15	15	15	16	15	13	13	14	13
9	8	8	8	7	8	9	9	10	9	8	8	7
43	43	40	46	43	41	42	47	45	46	42	47	48
50	49	46	52	51	51	52	52	48	49	44	48	48
14	13	11	12	13	13	16	13	12	17	9	13	17
43	42	40	44	42	42	42	47	45	46	47	48	54
52	50	45	44	42	41	45	42	42	45	35	46	55
2,12	1,96	1,86	2,14	2,05	2,08	1,95	2,18	2,10	1,96	1,53	1,82	1,91
60	60	57	59	52	59	58	59	45	56	67	54	52
17	17	16	20	18	18	16	18	19	18	18	18	19
711	604	567	652	706	536	637	600	546	735	603	619	554
9	8	7	8	6	7	7	7	7	6	7	8	7
6	6	6	6	6	6	6	6	6	6	6	5	5
4,68	4,33	4,12	4,46	4,21	4,04	4,73	4,84	4,57	4,78	3,82	4,55	4,83
14	14	13	15	15	13	13	13	14	14	14	13	14
6	6	5	6	7	7	7	7	7	7	7	7	7
7,13	6,90	6,68	7,89	5,94	7,40	7,85	7,87	7,96	7,78	7,85	8,13	7,60
8,95	8,61	8,00	8,95	8,41	9,14	8,48	8,82	8,93	8,19	9,62	9,13	9,50
6,20	6,10	5,16	5,98	5,20	5,43	5,86	6,19	6,34	6,20	6,13	6,23	6,37
3,91	3,82	3,73	4,38	3,46	3,54	3,51	3,87	3,87	3,64	3,72	3,74	3,91
2,140	1,899	1,714	1,984	1,979	2,000	2,000	2,000	2,043	1,875	1,673	2,000	2,400
1,857	1,556	1,490	1,266	1,326	1,400	1,249	1,347	1,042	934	646	492	561
397	375	370	402	360	307	333	323	235	361	332	338	327
33,73	26,82	27,65	28,35	29,05	32,10	31,95	31,83	31,90	31,60	29,79	30,03	28,37
7,559	7,378	6,890	8,175	7,574	7,383	7,415	8,675	7,846	7,684	7,610	9,260	10,661
1,860	2,080	2,045	2,285	2,096	2,082	2,060	2,168	1,970	1,722	1,710	2,372	2,481
6,024	6,737	6,817	7,609	4,964	5,922	5,935	5,666	5,612	5,520	4,975	6,411	6,417
1,44	1,20	1,17	1,44	1,29	1,31	1,39	1,33	1,09	1,32	1,16	1,30	1,48
2,55,39	2,50,68	2,34,72	2,56,78	2,51,14	2,62,04	2,62,92	2,66,77	2,65,23	2,68,03	2,71,22	2,71,03	2,77,18

Source : *Monthly Statistics of the Production of Selected Industries of India*, and Planning Commission, Government of India.

STATEMENT 9 B—INDEX NUMBERS

(1956=

Industry	Weight	1955	1960	1961	1962	1963	1964	1965 @	December 1964
		1	2	3	4	5	6	7	8
I. Mining and Quarrying	**7.47**	**97.1**	**137.2**	**147.3**	**161.5**	**175.9**	**169.1**	**184.3**	**180.4**
1. Coal	**7.09**	97.0	131.3	140.0	153.6	167.0	159.7	173.4	170.1
II. Manufacturing	**88.85**	**91.6**	**127.8**	**134.9**	**146.6**	**157.4**	**170.1**	**178.6**	**187.5**
2. Sugar	**4.52**	82.7	130.4	143.4	140.9	116.7	132.3	162.6	330.0
3. Tea	**7.42**	99.2	104.5	116.7	113.2	113.3	123.1	121.0	50.3
4. Salt	**0.64**	91.2	103.6	104.9	117.1	136.8	140.0	142.1	45.1
5. Cigarettes	**1.49**	86.8	140.6	150.0	156.3	154.9	175.7	213.1	211.2
6. Cotton textiles	**32.10**	95.4	103.0	108.5	109.4	115.6	123.3	123.3	134.3
(*a*) Spinning	**8 91**	95.8	111.3	119.6	122.0	125.5	135.5	136.2	149.8
(*b*) Weaving	**23.19**	95.3	99.9	104.3	104.6	111.8	118.6	118.3	128.3
(i) Mill sector	**16.94**	94.4	92.0	90.1	90.0	89.4	94.6	94.4	99.2
(ii) Decentralised sector (powerloom and handloom)	**6.25**	97.1	120.9	142.4	144.4	172.4	183.8	183.2	207.2
7. Woollen textiles	**1.10**	82.1	101.3	107.3	138.5	165.6	128.1	108.9	120.6
8. Textiles from silk and synthetic fibres	**2.94**	77.2	135.1	144.9	153.9	169.8	211.3	217.9	202.7
9. Jute manufactures	**5.62**	93.5	99.3	89.6	110.4	117.2	121.0	125.7	124.0
10. Paper and paper products	**1.39**	95.9	173.4	181.9	190.9	226.8	237.8	255.4	249.7
11. Rubber products	**3.04**	92.0	141.3	157.4	169.5	187.0	198.1	218.0	236.0
12. Chemical and chemical products	**3.58**	96.3	147.7	170.5	184.2	201.4	223.5	235.3	248.6
(*a*) Basic industrial chemicals	**0.97**	91.4	193.2	228.1	256.5	292.6	353.3	393.5	400.5
(i) Heavy inorganic chemicals	**0.61**	89.2	207.7	250.9	284.6	331.8	393.8	430.9	424.4
(*b*) Fertilisers	**0.60**	98.4	138.4	177.5	196.2	227.6	251.0	258.1	270.5
(*c*) Paints, varnishes & lacquers	**0.54**	99.5	131.0	142.2	162.9	181.2	180.0	169.9	189.1
(*d*) Soap	**0.72**	89.8	127.5	133.0	135.2	142.1	148.3	146.8	147.3
(*e*) Matches	**0.58**	100.0	108.8	126.8	119.2	112.0	113.9	120.2	129.0
13. Petroleum products	**3.79**	77.7	147.7	156.5	169.2	196.6	217.2	230.9	219.8
14. Cement	**1.24**	91.0	156.7	164.7	171.5	186.8	193.5	211.2	214.5
15. Basic metal	**9.25**	96.6	183.1	181.6	225.0	259.1	260.6	271.1	287.8
(*a*) Iron & steel basic industries	**7.48**	96.2	192.1	188.0	230.9	269.5	270.8	283.5	301.7
(i) Pig iron	**0.90**	97.6	212.9	254.4	295.6	336.7	336.2	354.5	371.7
(ii) Finished steel	**2.53**	94.2	163.5	205.8	262.1	314.5	319.3	332.4	345.3
(*b*) Aluminium manufacturing	**0.61**	101.1	177.7	206.3	277.2	382.5	385.9	416.5	380.0
16. Electric cables and wires	**0.72**	75.7	182.3	181.2	212.8	238.4	320.5	298.1	384.5
17. Railway wagons	**1.04**	95.4	46.6	65.7	105.9	118.3	150.8	156.5	139.3
18. Automobiles	**1.28**	71.8	162.2	169.0	179.7	162.4	208.8	225.9	224.9
III. Electricity, Gas and Steam									
19. Electricity	**3.68**	88.1	171.0	198.8	223.4	257.9	297.2	326.5	318.9
General Index	**100.00**	**91.9**	**130.1**	**138.3**	**150.5**	**162.5**	**174.7**	**184.4**	**191.8 (184.4)**

Note : Figures in brackets represent the indices adjusted for seasonal variations.

@ Averages of monthly indices.

OF INDUSTRIAL PRODUCTION

100)

1965											
January	February	March	April	May	June	July	August	Sept.	Octo-ber	Novem-ber	Decem-ber
9	10	11	12	13	14	15	16	17	18	19	20
178.1	**174.5**	**189.8**	**187.6**	**184.2**	**181.0**	**182.3**	**177.2**	**188.1**	**175.7**	**192.7**	**200.5**
167.4	164.2	180.5	178.8	174.6	172.2	172.3	166.3	175.5	162.5	179.9	186.1
182.8	**174.5**	**186.7**	**174.2**	**174.6**	**178.3**	**185.1**	**179.2**	**174.8**	**168.6**	**177.4**	**186.7**
373.0	352.2	346.7	215.7	77.6	20.8	12.1	12.5	14.3	39.7	138.1	348.2
20.7	17.0	23.1	76.0	119.7	170.4	201.9	210.0	232.2	210.3	125.9	44.3
53.9	79.1	159.0	273.3	353.2	456.7	124.3	41.4	39.6	48.6	31.2	44.6
211.9	211.8	213.0	235.3	190.7	199.9	211.1	210.8	206.9	195.7	231.0	239.5
129.0	124.8	120.5	124.2	125.5	125.6	132.4	124.6	114.6	112.2	122.2	123.9
144.2	133.8	140.9	140.1	139.4	135.9	144.7	139.0	135.9	120.0	128.3	132.2
123 1	121.4	112.7	118.0	120.1	121.6	127.7	119.1	106.4	109.2	119.8	120.8
97.5	91.8	96.1	96.6	96.5	95.0	101.3	95.6	92.9	83.4	91.5	94.5
192.8	201.4	157.6	176.3	184.2	193.5	199.3	182.7	143.2	179.1	196.4	192.1
113.3	111.0	114.6	106.5	110.2	111.9	119.4	116.3	105.1	99.9	104.0	94.5
194.6	199.9	213.9	217.0	221.4	245.5	252.4	218.9	220.8	200.6	203.2	226.4
126.2	117.1	135.1	129.3	127.2	128.2	134.1	125.3	124.6	111.8	122 7	126.5
244.3	225.3	253.4	239.3	241.9	242.4	266.6	255.9	263.8	264.1	268.0	299.8
218.4	205.7	232.5	224.7	224.1	220.7	239.2	232.5	217.7	166.5	208.6	225.7
239.8	226.6	251.6	233.6	232.7	229.8	237.5	237.2	234.3	232.7	227.5	240.6
391.5	378.3	412.2	389.4	387.6	382.2	397.3	387.5	388.6	397.6	390.5	419.3
417.1	401.1	460.7	426.2	432.3	412.4	432.7	420.5	425.7	459.2	433.2	449.9
271.9	245.4	293.5	237.8	268.1	256.5	250.6	271.1	251.3	258.2	232.8	260.0
181.2	172.4	178.1	175.1	171.9	166.9	189.9	183.4	176.2	169.5	144.1	129.5
150.0	138.2	156.9	162.8	141.1	138.2	141.4	146.2	147.1	145.6	144.0	150.0
117.1	111.5	120.7	113.9	109.4	128.0	131.1	123.7	129.5	103.5	123.1	130.7
212.7	206.2	243.2	183.3	228.2	242.1	242.9	245.6	239.8	242.0	250.8	234.5
206.3	191.7	214.5	201.6	219.1	203.3	211.3	214.0	196.2	230.5	218.8	227.6
282.4	258.3	290.8	249.6	253.1	259.5	278.3	282.8	267.7	270.5	272.5	288.0
297.0	268.6	307.9	257.8	259.4	268.6	291.7	295.2	279.5	285.9	288.7	301.9
365.0	308.5	357.4	309.5	323.1	350.8	370.4	379.1	370 1	366.5	373.6	380.3
337.3	329.3	386.4	305.6	312.9	309.7	341.2	341.9	321.6	327.9	329.8	345.4
409.2	368.4	384.2	404.2	423.4	428.9	407.3	459.7	415.2	399.7	408.4	489.0
376.6	324.5	345.7	259.5	278.5	279.9	328.4	297.3	294.6	263.9	265.6	262.2
155.8	153.2	171.2	157.0	156.0	154.3	162.4	147.6	129.0	128.1	177.7	185.8
251.6	254.6	284.1	185.4	221.1	221.6	211.6	209.6	206.1	185.8	239.4	239.6
313.0	293.1	320.6	313.6	327.2	328.3	333.1	331.2	334.7	338.6	338.4	346.1
187.2	**178.8**	**191.9**	**180.4**	**180.9**	**184.1**	**190.3**	**184.6**	**181.7**	**175.3**	**184.5**	**193.6**
(184.7)	**(183.5)**	**(189.8)**	**(182.7)**	**(183.0)**	**(189.0)**	**(186.3)**	**(182.0)**	**(180.7)**	**(177.0)**	**(188.4)**	**(186.1)**

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 10—STOCKS OF PRINCIPAL

At or about the end of	RAW MATERIALS						MANUFAC			
	Cotton (a) (b)		Jute (c)	Coal		Iron ore (d)	Sugar (Refined) (e)	Salt refining	Hydrogenated oil (Vanaspati)	Cigarettes
	Indian	Foreign		Pit head	Industries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quintals	Metric tons	Lakhs
	1	2	3	4	5	6	7	8	9	10
1950-51	..	..	566	2,663	2,355	..	..	..	..	..
1955-56	1,443	179	1,357	3,872	1,702	1,332	439	99	7,590	3,750
1960-61	961	404	930	5,567	2,192	2,603	605	134	9,459	5,940
1961-62	1,413	397	1,969	3,767	2,219	4,331	1,203	94	13,113	4,880
1962-63	1,217	242	2,528	4,086	3,611	2,124	1,020	132	9,594	4,700
1963-64	1,579	212	2,363	5,198	3,981	1,125	157	169	15,864	6,620
1964-65	1,616	240	1,691	5,260	2,936	1,485	152	211	13,467	8,400
December 1964 ..	1,333	340	1,917	5,006	3,251	1,404	658	243	6,611	8,650
January 1965 ..	1,281	388	1,959	4,993	2,945	1,424	1,050	224	9,908	8,450
February ,, ..	1,320	398	1,883	5,077	2,935	1,522	1,415	211	10,604	8,150
March ,, ..	1,462	401	1,691	5,260	2,936	1,485	1,698	211	13,467	8,400
April ,, ..	1,777	406	1,459	5,217	3,116	1,562	1,827	246	9,378	10,900
May ,, ..	1,881	411	1,250	5,226	3,227	1,644	1,702	302	8,335	9,970
June ,, ..	1,839	407	1,000	5,221	3,263	1,658	1,468	394	8,522	10,100
July ,, ..	1,724	387	701	5,015	3,256	1,695	1,270	397	7,891	9,850
August ,, ..	1,456	346	509	4,673	3,385	1,645	1,073	382	6,917	10,000
September ,, ..	1,187	343	492	4,738	3,751	1,735	850	363	8,361	8,700
October ,, ..	978	293	737	4,300	4,032	1,787	672	333	10,512	8,020
November ,, ..	995	253	941	4,368	4,268	1,822	686	303	8,753	7,690
December ,, ..	986	234	1,077	4,611	4,332	1,929	1,051	277	12,577	8,100

At or about the end of	MANUFAC-									
	Matches (h) (k)	Soap	Rayon (j)	Glass and glass products (Sheet glass only)	Cement (Producers)	Structural clay products (Refractories)	Pig iron (Producers) (l)	Finished steel (Producers)	Aluminium (Sheets & circles only)	Copper (Sheets and circles only)
	000,000 Boxes (i)	Metric tons	Metric tons	000 Sq. metres	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Metric tons	Metric tons
	24	25	26	27	28	29	30	31	32	33
1950-51	..	..	..	..	68	..	48	125	..	..
1955-56	33	3,373	655	598	98	57	51	109	..	183
1960-61	37	5,600	2,442	807	129	102	63	134	1,200	300
1961-62	18	4,650	2,635	297	167	95	29	183	827	695
1962-63	15	4,800	6,148	717	154	60	..	205	1,410	323
1963-64	33	4,800	11,580	1,318	120	144	80	150	869	223
1964-65	48	3,850	15,826	1,369	143	143	50	141	704	241
December 1964 ..	48	3,700	17,551	1,427	146	139	61	166	1,208	159
January 1965 ..	34	3,900	16,794	1,373	155	143	52	159	900	212
February ,, ..	17	3,690	15,891	1,437	158	143	48	165	729	190
March ,, ..	48	3,850	15,826	1,369	143	143	50	141	704	241
April ,, ..	53	4,100	15,858	1,186	154	143	50	133	811	262
May ,, ..	90	3,800	15,885	1,015	178	142	66	134	800	250
June ,, ..	69	3,750	15,755	917	196	140	73	137	850	275
July ,, ..	48	4,000	14,664	1,031	196	140	82	149	900	180
August ,, ..	44	3,850	12,438	1,015	171	140	81	152	932	180
September ,, ..	50	3,800	13,464	1,035	150	140	95	172	835	161
October ,, ..	81	3,700	14,656	1,128	171	130	93	156	747	182
November ,, ..	45	3,690	14,872	937	159	135	101	149	800	58
December ,, ..	30	3,650	11,424	1,040	162	135	87	148	900	132

(*a*) Mill stocks ; with effect from January 1965 stock of Cotton Spinning relates to unsold stock with mills relating to civil consumption ; 1 Bale = 177.8 Kilograms. (*b*) Annual figures relate to August falling within the financial year. (*c*) Relating to mills in the membership of Indian Jute Mills' Association. 1 Bale = 181.4 Kilograms. (*d*) From January 1964 onwards figures relate to stock (excluding Goa) at minehead only. (*e*) Annual figures relate to October falling within the financial year. (*f*) Relating to mills in the membership of the Indian Jute Mills' Association and one non-member mill. (*g*) Data in respect of certain units are not included from January to May 1963. (*h*) Including figures for Jammu and Kashmir. (*i*) Boxes are of 60 Sticks each upto February 1961 and of 50 sticks each thereafter. (*j*) Including viscose yarn, staple fibre, acetate yarn and cellophane from October 1960 and nylon monofilaments from April 1961. Figures of Viscose yarn and staple fibre are inclusive of saleable wastes. (*k*) Data for 1961-62, 1962-63 and 1963-64, relate to six A class units only. (*l*) Including Basic and Foundry and Direct castings. (*m*) Excluding stock of 'Miniature lamps'.

COMMODITIES WITH INDUSTRY

TURES

Cotton (*a*)		Jute (*f*)		Foot-wear (Leather)	Paper and paper boards	Foot-wear (Rubber)	Tyres (Automobiles)	Sulphuric acid	Caustic Soda	Bleaching powder	Ammonium sulphate ('N' content)	Paints and varnishes (*g*)
Spinning	Weaving	Hessian cloth bags	Sacking cloth bags									
Lakh Kgs.	Million metres	000 Metric tons	000 Metric tons	000 Pairs	Metric tons	Lakh Pairs	000's	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
11	12	13	14	15	16	17	18	19	20	21	22	23
186	305	..	..	..	..	..	..	..	..	..	..	..
59	199	30	56	1,511	12,215	52	23	6,846	1,148	181	6,558	2,665
89	207	25	47	1,961	18,833	55	30	11,500	10,905	233	10,855	4,539
78	262	16	29	2,056	18,117	57	55	16,937	3,642	160	5,343	5,450
87	290	30	45	2,439	25,439	57	59	28,960	2,750	196	8,650	4,195
118	146	43	47	2,230	21,564	53	77	22,502	3,310	145	1,983	5,822
178	267	48	42	2,188	24,300	76	96	27,637	5,227	184	1,845	6,200
124	224	38	37	2,345	23,615	64	61	23,841	3,821	194	2,677	7,735
105	218	45	42	2,499	25,487	65	90	25,322	3,975	178	1,615	5,615
111	238	46	43	2,305	23,385	67	100	26,647	4,748	162	1,953	6,000
145	267	48	42	2,188	24,300	76	96	27,637	5,227	184	1,845	6,200
157	281	42	47	2,200	23,873	79	94	33,375	5,608	288	1,699	5,900
170	274	41	47	2,044	24,312	74	96	32,000	6,213	285	573	6,000
178	296	42	50	2,293	24,528	70	95	20,697	4,690	182	1,603	8,333
183	292	46	51	2,484	25,421	68	103	24,678	5,031	219	1,856	6,500
187	318	45	53	2,750	29,455	66	110	24,401	6,486	106	1,743	7,000
217	387	39	55	2,763	31,820	73	93	24,902	5,332	167	1,540	7,700
199	341	38	46	2,410	30,139	69	100	27,779	7,343	244	1,270	7,200
167	328	41	43	2,669	30,290	78	96	30,526	7,837	224	1,390	7,389
159	293	43	51	2,923	31,050	66	65	30,084	7,060	95	893	7,501

TURES—(*Contd.*)

Brass (Sheets and circles only)	Hurricane lanterns	Enamelware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps (*m*)	Electric fans	Domestic refrigerators	Motor Vehicles	Bicycles (*h*)
Metric tons	000's	000 Pieces	Nos.	Nos.	Lakhs	000's	000's	000's	Nos.	Nos.	000's
34	35	36	37	38	39	40	41	42	43	44	45
..	..	..	..	..	..	..	..	..	..	..	..
1,470	448	953	1,612	4,448	27	23	2,217	56	556	948	28
2,000	211	539	2,128	..	35	27	1,531	58	1,033	1,918	114
1,987	341	1,125	3,656	..	42	28	1,448	56	1,730	1,690	278
2,366	194	560	2,118	3,973	58	23	1,811	63	780	2,204	69
2,158	474	897	3,309	6,224	29	32	2,699	270	2,376	2,997	91
2,116	320	933	2,449	15,755	77	32	2,514	204	6,612	1,818	77
1,665	431	981	2,234	17,676	62	32	1,923	175	3,384	2,621	39
1,914	360	950	2,267	20,071	58	36	2,111	204	7,284	2,891	18
2,248	307	905	2,130	22,989	45	30	2,585	209	6,712	3,640	59
2,116	320	933	2,449	15,755	77	32	2,514	204	6,612	1,818	77
1,945	300	965	1,865	23,857	43	27	2,461	170	5,683	2,196	80
950	310	995	2,021	18,485	36	27	3,001	135	4,338	2,847	83
2,000	327	987	3,374	24,985	62	24	3,133	130	3,256	2,966	70
1,213	180	974	4,089	8,541	39	30	3,250	157	3,865	2,907	16
1,159	231	980	4,141	29,718	43	29	3,315	152	4,453	2,818	72
1,404	280	992	5,348	28,239	40	28	3,062	142	5,486	2,783	73
916	280	864	4,204	26,271	45	25	3,249	151	5,888	2,905	69
363	388	907	2,198	28,476	54	26	3,117	167	6,300	3,069	77
1,006	263	946	2,028	37,952	40	29	3,765	208	6,497	3,378	36

Source : Ministry of Commerce and Industry, Indian Central Jute Committee, Ministry of Steel, Mines and Fuel, Ministry of Food and Agriculture, *Monthly Abstract of Statistics and Monthly Statistics of the production of Selected Industries of India.*

STATEMENT 11—CONSUMER PRICE INDEX NUMBERS (WORKING CLASS)

	1949 = 100							1960 = 100(*a*)										
	All-India	Cuttack	Gauhati	Jabalpur	Ludhiana	Madras city	Trichur	Ahmedabad	Ajmer	Bangalore	Bombay(*b*)	Calcutta	Delhi	Hyderabad	Jamshedpur	Kanpur	Nagpur(*b*)	Sholapur(*b*)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Annual Average																		
1950-51 ..	**101**	112	100	105	101	101	103	87	98	74	71	90	..	80	91	92	72	76
1955-56 ..	**96**	100	87	90	85	100	107	74	79	71	76	81	..	75	82	80	71	67
1960-61 ..	**124**	128	104	109	103	146	132	100	101	101	95	100	101(*c*)	100	100	101	98	94
1961-62 ..	**127**	134	107	115	106	149	136	103	105	106	98	102	104	104	102	102	95	92
1962-63 ..	**131**	142	112	133	112	150	137	105	106	109	100	108	108	108	105	105	96	102
1963-64 ..	**137**	151	112	143	119	153	146	110	108	114	104	114	114•	115	109	113	105	100
1964-65 ..	**157**	178	128	160	131	177	164	124	123	124	119	124	128	128	122	136	131	123
1965-66(*d*) ..	**169**	188	135	169	139	192	180	130	131	144	130	131	136	140	135	146	138	128
Monthly Indices																		
March 1965 ..	**159**	181	133	156	135	187	168	125	124	130	119	124	130	131	125	138	130	119
April ,, ..	**160**	181	131	160	136	187	173	125	125	130	121	124	131	132	124	136	134	120
May ,, ..	**161**	183	131	163	134	187	176	128	126	130	122	124	130	132	130	134	137	121
June ,, ..	**163**	188	134	164	137	187	178	127	127	135	124	127	132	133	133	142	137	122
July ,, ..	**168**	189	134	165	139	189	175	128	130	137	125	130	134	139	136	148	140	124
August ,, ..	**170**	188	138	164	139	189	175	131	131	143	128	130	137	139	140	150	143	127
September ,, ..	**172**	191	135	168	139	191	177	131	132	145	130	132	137	141	141	152	143	128
October ,, ..	**172**	191	137	169	137	191	178	130	133	149	131	134	135	142	141	151	135	131
November ,, ..	**173**	187	135	171	141	195	185	131	135	152	132	131	137	145	..	149	136	134
December ,, ..	**173**	190	135	174	140	198	188	132	135	153	134	131	138	147	..	149	137	133
January 1966 ..	**173**	191	136	173	141	198	187	131	134†	153	136	131	138	146	..	151	134	134
February ,, ..	**174**	187	137	176	141	195	186	130	..	151	137	136	138	144	..	146	136	134
March ,, ..	**174**	187	137	179	142	194	..	131	..	150	139	141	140	146	..	141	138	134

(*a*) Figures above the line are derived making use of the respective conversion factors.
(*b*) For the period 1961-62 to September 1965 the indices in the old series have been shifted arithmetically to 1960 base by using the conversion factor as revised by the Expert Committee appointed by the State Government during 1963.
(*c*) Average of the indices for January to March 1961.
(*d*) For Ajmer, Trichur and Jamshedpur the annual average relates to average of available monthly indices.

Source : Labour Bureau, Government of India.

† Provisional.

STATEMENT 12—INDEX NUMBERS OF WHOLESALE PRICES—BY GROUPS

(Annual and Monthly)

(1952-53 = 100)

Average of months/ weeks	All Commodities	Food articles	Liquor and tobacco	Fuel, power light and lubricants	Industrial raw materials	Manufactures		
						Total	Intermediate products	Finished products
Weight	**1000**	**504**	**21**	**30**	**155**	**290**	**41**	**249**
	1	2	3	4	5	6	7	8
1950-51@	**111.8**	112.5	98.4	92.6	130.9	103.3	112.4	101.8
1955-56	**92.5**	86.6	81.0	95.2	99.0	99.7	100.1	99.6
1960-61	**124.9**	120.0	109.9	120.0	145.4	123.9	130.6	122.8
1961-62	**125.1**	120.1	100.3	122.1	142.6	126.6	138.8	124.6
1962-63	**127.9**	126.1	100.9	124.4	136.5	128.8	139.5	127.0
1963-64	**135.3**	136.8	119.6	139.4	139.5	131.1	139.6	129.7
1964-65	**152.7**	159.9	131.2	144.9	162.7	137.3	152.4	134.8
1965-66	**165.1**	168.9	136.6	150.0	189.1	149.1	172.3	145.4
March 1965	**151.5**	154.4	138.6	148.2	163.8	141.1	155.6	138.6
April „	**153.9**	156.3	138.6	148.2	169.8	143.2	157.9	140.8
May „	**156.2**	158.7	138.7	146.7	173.9	144.7	160.4	142.1
June „	**158.3**	161.3	138.4	147.3	177.0	145.5	164.6	142.3
July „	**162.8**	168.9	139.3	147.7	182.2	145.2	169.1	141.3
August „	**166.8**	174.7	137.4	148.6	187.1	146.8	172.1	142.7
September „	**166.0**	172.0	138.2	149.5	186.8	148.2	172.0	144.3
October „	**165.6**	170.2	136.5	150.0	189.9	148.4	171.5	144.6
November „	**169.5**	174.5	136.4	150.8	197.3	150.4	176.9	146.1
December „	**169.6**	173.2	136.6	151.1	199.6	151.7	177.8	147.4
January 1966	**169.7**	172.3	135.7	152.0	199.3	153.7	180.9	149.3
February „	**169.5**	171.2	134.2	153.8	199.2	154.9	180.3	150.7
March „	**172.4**	173.2	128.8	155.6	207.1	157.3	183.9	152.9

@Derived figures.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 13—INDEX NUMBERS OF WHOLESALE

(Base : 1952-

Average of months/ week ended Saturday	General Index	Food Articles				Liquor and Tobacco		Fuel, Power, Light and Lubricants
		Total	Cereals	Pulses	Milk and ghee	Total	Tobacco	
Weight	**1000**	**504**	**192**	**43**	**84**	**21**	**20**	**30**
	1	2	3	4	5	6	7	8
1 1950-51 (*b*)	**111.8**	**112.5**	94.7	91.7	102.8	**98.4**	99.2	**92.6**
2 1955-56	**92.5**	**86.6**	75.5	62.2	89.6	**81.0**	79.6	**95.2**
3 1960-61	**124.9**	**120.0**	104.4	92.9	116.0	**109.9**	108.3	**120.0**
4 1961-62	**125.1**	**120.1**	102.3	91.9	116.4	**100.3**	96.8	**122.1**
5 1962-63	**127.9**	**126.1**	105.6	105.2	124.4	**100.9**	97.4	**124.4**
6 1963-64	**135.3**	**136.8**	116.3	115.4	128.2	**119.6**	116.8	**139.4**
7 1964-65	**152.7**	**159.9**	139.3	165.2	146.6	**131.2**	128.9	**144.9**
8 1965-66	**165.1**	**168.9**	148.1	161.7	164.8	**136.6**	134.2	**150.0**
9 April 3, 1965 ..	**152.1**	**154.3**	139.7	150.6	150.5	**138.4**	136.4	**146.4**
10 „ 10, „ ..	**153.6**	**156.1**	140.9	157.5	149.7	**138.4**	136.4	**146.4**
11 „ 17, „ ..	**154.4**	**157.4**	138.8	154.9	157.9	**138.4**	136.4	**146.5**
12 „ 24, „ ..	**155.5**	**157.3**	138.5	153.9	158.3	**139.0**	137.0	**146.3**
13 May 1, „ ..	**155.8**	**157.6**	137.1	155.2	159.7	**139.0**	137.0	**146.2**
14 „ 8, „ ..	**156.2**	**158.7**	137.1	154.5	162.9	**139.0**	137.0	**146.2**
15 „ 15, „ ..	**155.6**	**158.3**	136.4	151.7	162.0	**139.0**	137.0	**147.0**
16 „ 22, „ ..	**156.4**	**158.8**	136.4	152.6	167.4	**138.5**	136.4	**147.1**
17 „ 29, „ ..	**157.0**	**159.9**	137.1	152.8	166.8	**138.0**	135.9	**147.0**
18 June 5, „ ..	**157.5**	**160.8**	136.8	151.9	169.1	**138.0**	135.9	**147.2**
19 „ 12, „ ..	**158.1**	**161.0**	137.2	152.3	169.8	**138.0**	135.9	**147.3**
20 „ 19, „ ..	**158.4**	**162.0**	137.6	151.1	174.9	**138.6**	136.5	**147.2**
21 „ 26, „ ..	**158.3**	**161.3**	137.9	152.4	165.1	**138.9**	136.8	**147.3**
22 July 3, „ ..	**159.0**	**162.8**	138.6	154.6	168.6	**138.9**	136.8	**147.2**
23 „ 10, „ ..	**161.3**	**166.5**	140.4	157.3	181.7	**142.5**	140.7	**147.4**
24 „ 17, „ ..	**163.2**	**170.1**	143.8	167.3	184.2	**139.9**	137.9	**147.8**
25 „ 24, „ ..	**164.8**	**171.8**	147.3	172.6	173.7	**140.5**	138.6	**147.9**
26 „ 31, „ ..	**165.9**	**173.4**	148.4	172.4	176.2	**139.9**	137.9	**148.2**
27 August 7, „ ..	**166.4**	**174.1**	149.4	170.6	179.0	**138.6**	136.6	**148.1**
28 „ 14, „ ..	**167.3**	**175.2**	151.7	170.7	177.6	**138.0**	135.9	**148.1**
29 „ 21, „ ..	**166.9**	**174.5**	152.3	170.5	171.4	**138.0**	135.9	**149.3**
30 „ 28, „ ..	**167.2**	**175.1**	152.4	171.9	169.0	**136.9**	134.7	**149.2**
31 September 4, „ ..	**167.3**	**174.2**	152.2	170.8	164.2	**138.1**	136.0	**149.2**
32 „ 11, „ ..	**166.7**	**173.1**	151.5	168.7	169.8	**138.1**	136.0	**149.6**
33 „ 18, „ ..	**165.0**	**170.1**	150.3	168.8	165.8	**137.5**	135.4	**149.5**
34 „ 25, „ ..	**165.0**	**170.5**	149.3	169.5	171.6	**137.5**	135.4	**149.5**
35 October 2, „ ..	**164.8**	**170.0**	148.8	170.0	172.7	**137.5**	135.4	**150.0**
36 „ 9, „ ..	**165.2**	**170.1**	148.4	168.0	174.5	**135.8**	133.5	**149.9**
37 „ 16, „ ..	**165.9**	**170.4**	147.2	168.2	168.5	**135.8**	133.5	**150.0**
38 „ 23, „ ..	**165.4**	**169.7**	146.6	168.8	170.9	**135.8**	133.5	**150.1**
39 „ 30, „ ..	**166.4**	**170.8**	146.9	169.1	169.6	**135.8**	133.5	**150.2**
40 November 6, „ ..	**167.8**	**172.9**	148.0	172.8	168.3	**136.1**	133.8	**150.6**
41 „ 13, „ ..	**169.7**	**174.1**	148.9	174.3	161.5	**136.1**	133.8	**150.9**
42 „ 20, „ ..	**171.0**	**176.3**	153.3	174.6	160.2	**136.1**	133.8	**150.7**
43 „ 27, „ ..	**169.5**	**174.7**	153.3	174.0	160.4	**136.1**	133.8	**150.8**
44 December 4, „ ..	**169.2**	**173.4**	151.5	167.9	159.3	**136.1**	133.8	**150.9**
45 „ 11, „ ..	**170.0**	**173.6**	151.8	167.3	159.4	**136.7**	134.3	**150.9**
46 „ 18, „ ..	**170.0**	**173.4**	151.8	168.2	160.8	**136.1**	133.8	**151.0**
47 „ 25, „ ..	**169.0**	**171.9**	152.2	165.0	156.8	**136.1**	133.8	**151.7**
48 January 1, 1966	**168.3**	**171.0**	152.3	163.0	155.1	**135.1**	132.9	**151.8**
49 „ 8, „ ..	**169.3**	**172.4**	152.6	162.2	158.9	**135.8**	133.5	**152.0**
50 „ 15, „ ..	**169.8**	**173.0**	154.0	162.6	160.4	**135.4**	133.1	**152.0**
51 „ 22, „ ..	**170.5**	**173.6**	155.5	164.4	160.7	**135.4**	135.4	**152.0**
52 „ 29, „ ..	**169.2**	**170.9**	154.8	160.4	154.6	**135.4**	133.1	**152.2**
53 February 5, „ ..	**168.7**	**170.3**	155.3	156.4	157.4	**135.3**	133.0	**152.3**
54 „ 12, „ ..	**168.8**	**170.8**	155.4	153.4	157.3	**135.3**	133.0	**153.7**
55 „ 19, „ ..	**169.9**	**171.3**	156.2	148.5	161.6	**134.3**	132.0	**153.7**
56 „ 26, „ ..	**169.7**	**171.3**	156.5	149.7	161.1	**130.4**	127.9	**153.9**
57 March 5, „ ..	**170.4**	**171.3**	155.8	150.5	159.7	**130.3**	127.2	**155.4**
58 „ 12, „ ..	**171.1**	**171.2**	156.1	148.8	159.6	**128.6**	125.4	**155.5**
59 „ 19, „ ..	**173.9**	**174.7**	157.0	150.7	163.7	**128.9**	125.7	**155.6**
60 „ 26, „ ..	**174 0**	**175 5**	157 0	155 4	163.4	**127 5**	124.3	**155 6**

Note : Weights of sub-groups may not add to the total as only selected sub-groups are shown.
(*a*) Comprising hides raw, skins raw, lac and rubber etc. (*b*) Derived figures.

PRICES (GROUPS AND SUB-GROUPS), 1965-66

53 = 100)

Industrial Raw Materials					Manufactures						
Total	Fibres	Oil-seeds	Mine-rals	Others (*a*)	Total	Inter-mediate products	Finished Products				
							Total	Textiles	Chemi-cals	Machinery and transport equipment	
155	**61**	**60**	**2**	**32**	**290**	**41**	**249**	**147**	**20**	**31**	
9	10	11	12	13	14	15	16	17	18	19	
130.9	127.9	142.5	80.6	117.7	**103.3**	112.4	**101.8**	108.4	90.8	81.3	*1*
99.0	105.6	85.4	87.6	113.2	**99.7**	100.1	**99.6**	101.6	92.1	97.4	*2*
145.4	151.6	149.9	97.4	128.0	**123.9**	130.6	**122.8**	125.8	104.4	111.9	*3*
142.6	138.3	156.4	94.9	128.1	**126.6**	138.8	**124.6**	125.5	110.7	114.5	*4*
136.5	128.8	151.4	93.6	125.8	**128.8**	139.5	**127.1**	126.1	115.5	117.9	*5*
139.5	133.2	154.1	92.8	127.3	**131.1**	139.6	**129.7**	127.7	117.9	124.2	*6*
162.7	142.6	200.3	110.8	133.7	**137.3**	152.4	**134.8**	132.4	120.9	128.0	*7*
189.1	165.1	240.5	129.3	141.9	**149.1**	172.3	**145.4**	143.9	128.3	135.9	*8*
166.9	149.4	201.0	129.3	138.5	**142.0**	156.6	**139.7**	138.5	124.8	132.3	*9*
168.8	151.0	204.3	129.3	138.5	**142.9**	157.6	**140.5**	139.5	124.4	132.5	*10*
169.5	151.5	205.4	129.3	138.9	**143.2**	158.2	**140.7**	139.7	124.4	132.7	*11*
173.8	156.7	211.2	129.3	139.1	**144.6**	159.0	**142.3**	142.5	124.4	132.7	*12*
178.6	158.3	209.5	129.3	137.8	**145.2**	159.0	**142.9**	143.2	124.4	133.4	*13*
174.0	159.4	209.3	129.3	138.0	**144.7**	159.5	**142.3**	142.2	124.4	133.4	*14*
172.6	158.6	206.2	129.3	138.5	**144.0**	160.1	**141.3**	140.7	124.4	133.4	*15*
174.6	159.5	210.7	129.3	138.5	**144.8**	160.4	**142.2**	142.2	124.4	133.4	*16*
174.7	158.9	211.3	129.3	138.9	**144.7**	163.1	**141.7**	141.2	124.4	133.4	*17*
175.6	157.9	214.0	129.3	140.1	**144.7**	164.6	**141.4**	140.1	124.4	133.4	*18*
177.1	159.0	216.3	129.3	140.7	**145.6**	165.3	**142.3**	141.4	124.4	133.4	*19*
177.4	158.8	217.2	129.3	141.1	**144.7**	164.1	**141.5**	140.0	124.4	133.4	*20*
177.9	157.4	220.1	129.3	140.6	**145.0**	164.3	**141.8**	140.1	124.4	133.4	*21*
178.1	156.7	221.4	129.3	140.6	**144.7**	165.1	**141.4**	139.2	124.4	133.5	*22*
180.0	157.1	226.9	129.3	138.6	**144.9**	167.2	**141.2**	138.7	124.6	133.5	*23*
181.1	154.0	233.3	129.3	138.0	**144.9**	169.6	**140.9**	137.8	124.6	133.5	*24*
185.3	152.6	245.5	129.3	138.0	**145.3**	171.8	**140.9**	137.8	124.6	133.5	*25*
186.3	152.1	248.4	129.3	138.4	**145.7**	171.6	**141.4**	138.5	124.6	133.5	*26*
186.4	155.2	244.9	129.3	129.3	**146.4**	171.8	**142.3**	139.5	124.9	133.9	*27*
187.5	156.2	247.5	129.3	137.7	**146.8**	171.1	**142.8**	140.2	125.1	133.9	*28*
187.6	155.7	248.5	129.3	137.7	**146.7**	172.3	**142.4**	139.5	125.2	133.9	*29*
186.8	152.8	249.0	129.3	138.1	**147.3**	173.3	**143.1**	140.5	125.2	133.9	*30*
189.1	153.6	254.2	129.3	138.1	**147.6**	173.5	**143.4**	140.6	126.8	133.9	*31*
186.5	154.8	246.1	129.3	138.4	**149.0**	172.6	**145.1**	143.6	126.8	133.9	*32*
185.9	155.6	242.7	129.3	140.1	**148.4**	170.6	**144.7**	143.1	126.8	134.3	*33*
185.8	155.0	243.1	129.3	140.1	**147.8**	171.3	**144.0**	141.9	126.8	134.3	*34*
186.6	155.0	245.6	129.3	139.6	**147.7**	170.4	**143.9**	141.6	126.8	134.3	*35*
188.5	157.9	247.5	129.3	139.7	**148.1**	171.4	**144.2**	141.8	127.4	135.6	*36*
191.8	157.8	255.6	129.3	140.4	**148.1**	171.1	**144.4**	141.6	128.1	135.8	*37*
190.3	159.4	250.7	129.3	139.6	**148.4**	172.1	**144.5**	141.7	128.7	136.0	*38*
192.2	161.6	253.8	129.3	138.6	**148.8**	172.5	**144.9**	141.7	128.4	137.8	*39*
193.3	162.8	255.1	129.3	139.0	**149.5**	174.9	**145.3**	141.9	129.5	137.8	*40*
199.7	165.2	269.3	129.3	138.9	**150.5**	178.2	**146.0**	142.7	129.5	137.9	*41*
200.1	170.9	264.4	129.3	139.0	**150.7**	177.3	**146.4**	143.3	129.3	138.3	*42*
196.2	171.2	253.9	129.3	139.7	**150.5**	177.1	**146.2**	143.3	129.4	138.3	*43*
197.7	172.3	256.1	129.3	140.5	**151.1**	177.4	**146.8**	144.4	129.6	138.3	*44*
200.9	177.9	258.1	129.3	141.8	**151.7**	177.4	**147.5**	145.6	130.1	138.3	*45*
201.0	180.6	255.1	129.3	142.8	**151.8**	178.3	**147.5**	145.7	130.1	138.3	*46*
199.2	180.5	250.1	129.3	143.2	**151.9**	178.0	**147.6**	146.0	130.2	138.1	*47*
197.7	178.0	248.8	129.3	143.2	**151.9**	179.3	**147.4**	145.4	130.2	138.1	*48*
199.2	177.1	253.4	129.3	143.6	**152.3**	180.2	**147.7**	145.7	132.1	138.1	*49*
199.6	177.9	253.1	129.3	144.9	**152.6**	180.7	**148.0**	146.4	132.1	138.1	*50*
199.7	177.0	253.6	129.3	145.8	**153.9**	182.2	**149.3**	148.5	132.3	138.1	*51*
200.0	176.3	254.5	129.3	147.3	**154.1**	182.1	**149.4**	148.7	132.6	138.1	*52*
198.7	175.8	249.9	129.3	150.5	**154.0**	180.6	**149.7**	149.1	132.6	138.2	*53*
197.3	176.9	245.6	129.3	149.6	**154.1**	178.8	**150.1**	149.7	133.1	138.8	*54*
200.4	183.1	247.0	129.3	150.4	**155.5**	180.9	**151.3**	152.2	133.1	138.8	*55*
200.3	181.4	248.2	129.3	150.8	**155.0**	180.8	**150.8**	151.1	134.1	138.8	*56*
202.0	185.3	248.4	129.3	151.1	**156.3**	182.0	**152.1**	152.9	134.7	138.8	*57*
205.5	188.0	254.8	129.3	151.1	**157.3**	183.5	**153.0**	154.4	134.7	138.8	*58*
210.5	188.9	266.1	129.3	152.1	**158.0**	185.6	**153.4**	154.8	134.9	138.8	*59*
210.0	189.5	263.8	129.3	152.9	**157 3**	184.5	**152.8**	153.7	134.9	139.2	*60*

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 14—MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(1952-53 = 100)

Group/Commodity	Weight	Average for March								Percentage variation of						
		1951*	1956	1961	1962	1963	1964	1965	1966	(2) over (1)	(3) over (2)	(4) over (3)	(5) over (4)	(6) over (5)	(7) over (6)	(8) over (7)
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. All Commodities ..	**1,000**	**120.2**	**98.1**	**127.5**	**123.5**	**127.2**	**139.2**	**151.5**	**172.4**	**—18.4**	**+30.0**	**— 3.1**	**+ 3.0**	**+ 9.4**	**+ 8.8**	**+13.8**
(i) Agricultural Commodities†	**461**	120.6	95.7	126.2	119.2	121.1	138.4	154.0	178.0	*—20.6*	*+31.9*	*— 5.5*	*+ 1.6*	*+14.3*	*+11.3*	*+15.6*
II. Food Articles ..	**504**	**112.4**	**92.8**	**117.5**	**119.1**	**123.4**	**142.0**	**154.4**	**173.2**	**—17.4**	**+26.6**	**+ 1.4**	**+ 3.6**	**+15.1**	**+ 8.7**	**+12.2**
(a) *Foodgrains*@ ..	**235**	100	84	99	101	102	125	143	156	*—16.0*	*+17.9*	*+ 2.0*	*+ 1.0*	*+22.5*	*+14.4*	*+9.1*
(i) Cereals ..	**192**	100	86	100	102	102	123	140	156	*—14.0*	*+16.3*	*+ 2.0*	—	*+20.6*	*+13.8*	*+11.4*
1. Rice ..	**113**	100	86	101	103	110	122	128	158	*—14.0*	*+17.4*	*+ 2.0*	*+ 6.8*	*+10.9*	*+ 4.9*	*+23.4*
2. Wheat ..	**53**	100	85	91	94	87	120	141	136	*—15.0*	*+ 7.1*	*+ 3.3*	*— 7.4*	*+37.9*	*+17.5*	*— 3.5*
3. Jowar ..	**10**	93	102	110	120	106	134	190	193	*+ 9.7*	*+ 7.8*	*+ 9.1*	*—11.7*	*+26.4*	*+41.8*	*+ 1.6*
(ii) Pulses ..	**43**	102	77	93	94	100	134	159	151	*—24.5*	*+20.8*	*+ 1.1*	*+ 6.4*	*+34.0*	*+18.7*	*— 5.0*
1. Gram ..	**15**	90	66	90	82	86	123	156	141	*—26.7*	*+36.4*	*— 8.9*	*+ 4.9*	*+43.0*	*+26.8*	*— 9.6*
(b) Others																
(i) Fruits and vegetables	**23**	103	94	108	133	133	163	158	169	*— 8.7*	*+14.9*	*+23.1*	—	*+22.6*	*— 3.1*	*+ 7.0*
(ii) Milk and ghee ..	**84**	102	93	116	119	125	133	150	162	*— 8.8*	*+24.7*	*+ 2.6*	*+ 5.0*	*+ 6.4*	*+12.8*	*+ 8.0*
(iii) Edible oils ..	**47**	151	106	164	153	142	160	188	258	*—29.8*	*+54.7*	*— 6.7*	*— 7.2*	*+12.7*	*+17.5*	*+37.2*
(iv) Fish, eggs and meat	**17**	93	93	124	140	138	153	178	206	—	*+33.3*	*+12.9*	*— 1.4*	*+10.9*	*+16.3*	*+15.7*
(v) Sugar ..	**18**	104	95	127	124	137	145	151	163	*— 8.7*	*+33.7*	*— 2.4*	*+10.5*	*+ 5.8*	*+ 4.1*	*+ 7.9*
(vi) Gur ..	**30**	146	89	112	118	153	189	158	142	*—39.0*	*+25.8*	*+ 5.4*	*+29.7*	*+23.5*	*—16.4*	*—10.1*
(vii) Tea ..	**19**	157	139	208	163	184	180	177	191	*—11.5*	*+49.6*	*—21.6*	*+12.9*	*— 2.2*	*— 1.7*	*+ 7.9*
(viii) Coffee ..	**2**	93	80	88	89	98	105	113	130	*—14.0*	*+10.0*	*+ 1.1*	*+10.1*	*+ 7.1*	*+ 7.6*	*+15.0*
III. Liquor and Tobacco ..	**21**	**112.9**	**78.7**	**113.4**	**99.8**	**114.2**	**119.0**	**138.6**	**128.8**	**—30.3**	**+44.1**	**—12.0**	**+14.4**	**+ 4.2**	**+16.5**	**— 7.1**
(i) Tobacco ..	**20**	114	77	111	96	112	116	137	126	*—32.5*	*+44.2*	*—13.5*	*+16.7*	*+ 3.6*	*+18.1*	*— 8.0*

IV. Fuel, Power, Light and Lubricants	**30**	**97.5**	**96.8**	**121.9**	**122.5**	**135.7**	**140.4**	**148.2**	**155.6**	**— 0.7**	**+25.9**	**+ 0.5**	**+10.8**	**+ 3.5**	**+ 5.6**	**+ 5.0**
(i) Coal ..	**9**	100	101	141	145	158	166	172	181	*+ 1.0*	*+39.6*	*+ 2.8*	*+ 9.0*	*+ 5.1*	*+ 3.6*	*+ 5.2*
(ii) Mineral oil ..	**14**	88	95	112	111	132	134	136	145	*+ 8.0*	*+17.9*	*— 0.9*	*+18.9*	*+ 1.5*	*+ 1.5*	*+ 6.6*
(iii) Castor oil ..	**2**	171	79	109	105	95	103	129	164	*—53.8*	*+38.0*	*— 3.7*	*— 9.5*	*+ 8.4*	*+25.2*	*+27.1*
V. Industrial Raw Materials	**155**	**153.7**	**109.4**	**159.1**	**136.1**	**135.2**	**144.9**	**163.8**	**207.0**	**—28.8**	**+45.4**	**—14.5**	**— 0.7**	**+ 7.2**	**+13.0**	**+26.4**
(i) Fibres ..	**61**	170	113	177	128	134	136	147	188	*—33.5*	*+56.6*	*—27.7*	*+ 4.7*	*+ 1.5*	*+ 8.1*	*+27.9*
1. Cotton raw ..	**32**	144	107	111	112	117	120	131	128	*—25.7*	*+ 3.7*	*+ 0.9*	*+ 4.5*	*+ 2.6*	*+ 9.2*	*— 2.3*
2. Jute raw ..	**23**	204	122	271	148	152	151	172	275	*—40.2*	*+122.1*	*—45.4*	*+ 2.7*	*— 0.7*	*+13.9*	*+59.9*
(ii) Oilseeds ..	**60**	149	106	160	149	143	163	195	258	*—28.9*	*+50.9*	*— 6.9*	*— 4.0*	*+14.0*	*+19.6*	*+32.3*
1. Groundnuts ..	**27**	145	102	159	149	134	153	186	248	*—29.7*	*+55.9*	*— 6.3*	*—10.1*	*+14.2*	*+21.6*	*+33.3*
2. Linseed ..	**5**	157	123	141	138	125	142	183	259	*—21.7*	*+14.6*	*— 2.1*	*— 9.4*	*+13.6*	*+28.9*	*+41.5*
3. Castorseed ..	**2**	172	81	128	124	117	125	169	222	*—52.9*	*+58.0*	*— 3.1*	*— 5.6*	*+ 6.8*	*+35.2*	*+31.4*
(iii) Manganese ore ..	**0.5**	62	95	86	82	78	N.Q.	N.Q.	N.Q.	*+53.2*	*— 9.5*	*— 4.7*	*— 4.9*	—	—	—
(iv) Mica ..	**1**	103	93	99	99	99	107	149	149	*— 9.7*	*+ 6.5*	—	—	*+ 8.1*	*+39.3*	—
VI. Manufactures ..	**290**	**118.7**	**102.9**	**129.7**	**126.4**	**129.6**	**132.6**	**141.1**	**157.3**	**—13.3**	**+26.0**	**— 2.5**	**+ 2.5**	**+ 2.3**	**+ 6.4**	**+11.5**
(a) Intermediate products	**41**	132.5	110.5	137.3	135.6	136.2	143.6	155.6	183.9	*—16.6*	*+24.3*	*— 1.2*	*+ 0.4*	*+ 5.4*	*+ 8.4*	*+18.2*
(i) Cotton yarn ..	**15**	105	101	126	129	137	139	139	142	*— 3.8*	*+24.8*	*+ 2.4*	*+ 6.2*	*+ 1.5*	—	*+ 2.2*
(ii) Metals ..	**8**	121	124	149	147	162	175	232	290	*+ 2.5*	*+20.2*	*— 1.3*	*+10.2*	*+ 8.0*	*+32.6*	*+25.0*
1. Pig iron ..	**1**	78	117	163	183	183	210	210	262	*+50.0*	*+39.3*	*+12.3*	—	*+14.8*	—	*+24.8*
(iii) Linseed oil ..	**6**	162	136	154	137	111	132	161	244	*—16.0*	*+13.2*	*—11.0*	*—19.0*	*+18.9*	*+22.0*	*+51.6*
(b) Finished Products ..	**249**	116.5	101.6	128.4	124.9	128.5	130.8	138.6	152.9	*—12.8*	*+26.4*	*— 2.7*	*+ 2.9*	*+ 1.8*	*+ 6.0*	*+10.3*
(i) Cotton Manufactures	**91**	102	109	127	128	134	137	139	147	*+ 6.9*	*+16.5*	*+ 0.8*	*+ 4.7*	*+ 2.2*	*+ 1.5*	*+ 5.8*
(ii) Jute Manufactures	**37**	187	95	162	117	102	99	126	167	*—49.2*	*+70.5*	*—27.8*	*—12.8*	*— 2.9*	*+27.3*	*+32.5*
(iii) Metal Products ..	**12**	86	125	151	152	161	165	178	190	*+45.3*	*+20.8*	*+ 0.7*	*+ 5.9*	*+ 2.5*	*+ 7.9*	*+ 6.7*
1. Iron and steel manufactures ..	**11**	84	126	147	152	161	166	179	189	*+50.0*	*+16.7*	*+ 3.4*	*+ 5.9*	*+ 3.1*	*+ 7.8*	*+ 5.6*
(iv) Chemicals ..	**20**	96	92	105	113	117	120	125	135	*— 4.2*	*+14.1*	*+ 7.6*	*+ 3.5*	*+ 2.6*	*+ 4.2*	*+ 8.0*

* Derived figures. † Derived series ; weighted average of the indices of rice, wheat, jowar, bajra, barley, maize, ragi, gram, other pulses, potatoes, onions, oranges, bananas, cashewnuts, tea, coffee, spices and condiments, betelnuts, tobacco raw, cotton raw, jute raw, hemp raw, groundnuts, linseed, castor seed, gingelly seed. rape seed, cotton seed, copra, tanning materials, sugarcane, rubber, logs and timber and bamboos. @ Derived series. N.Q.=Not Quoted.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 15—ASSAYING AND REFINING OF GOLD AND SILVER AT THE INDIA GOVERNMENT MINTS

(Kilograms)

Year	Melting and assaying at			Refining at Bombay
	Bombay	Alipore	Total	
	1	2	3	4
		Gold		
1950-51	1,62	28,59(*a*)	**30,21**	217,37
1955-56	1,14	1,21	**2,35**	121,53
1960-61	1,05	33	**1,39**	199,70
1961-62	1,45	11	**1,56**	147,14
1962-63	1,40,80(*b*)	6,88(*b*)	**147,68**(*b*)	51,55
1963-64	88,97(*b*)	—	**88,97**(*b*)	46,68
1964-65	1,66(*b*)	—	**1,66**(*b*)	68,41(*d*)
1965-66	1,38,56(*b*)(*c*)	—	**1,38,56**(*b*)(*c*)	57,04(*d*)
		Silver		
1950-51	14,82	1,123,15(*a*)	**1,137,97**	192,50
1955-56	41	529,06	**529,47**	1,96
1960-61	9,01	614,32	**623,33**	1,37
1961-62	9,69	369,44	**379,12**	1,66
1962-63	5,00	340,91	**345,91**	—
1963-64	8,24	11,87	**20,11**	—
1964-65	9,66	1,67	**11,33**	—
1965-66	2,41	–	**2,41**	—

Note : The Calcutta and Alipore Mints did not undertake any refining work.

(*a*) Figures relate to the Calcutta Mint. (*b*) Including gold received against 7% Gold Bonds, 1977 and National Defence Fund. (*c*) Including gold received against 7% Gold Bonds, 1980 and National Defence Gold Bonds, 1980 and gold received from Alipore Mint. (*d*) Including confiscated gold received from Customs and Central Excise Department and State Governments.

STATEMENT 16—PRICES OF GOLD AND SILVER — BOMBAY(*a*)

Year/Month	Gold(*b*) (Rs. per 10 grams)			Silver (Rs. per kilogram)		
	Spot			Spot		
	Highest	Lowest	Average (*c*)	Highest	Lowest	Average (*c*)
	1	2	3	4	5	6
1950-51	102.99	89.81	97.28	170.40	149.07	159.37
1955-56	91.79	76.66	82.18	157.59	132.68	144.65
1960-61	124.40	107.12	114.91	209.30	181.00	193.64
1961-62	126.00	115.85	121.25	219.65	196.95	206.49
1962-63	129.90	86.00	117.71	242.00	187.80	218.69
1963-64	118.00	97.00	111.98	269.00	222.50	240.32
	69.75	58.00	61.85			
1964-65	72.75	63.25	68.84	281.50	244.00	261.17
1965-66	85.00	70.50	77.78	406.00	281.00	314.62
March 1965	71.75	67.75	69.79	281.50	268.50	276.92
April ,, ...	75.50	71.50	73.24	302.00	281.00	291.04
May ,, ...	77.25	70.50	74.81	308.00	292.00	299.58
June ,, ...	83.50	74.00	79.36	300.00	294.50	297.63
July ,, ...	81.25	78.75	80.09	296.50	290.50	293.54
August ,, ...	81.00	70.50	76.86	305.50	296.00	302.18
September ,, ...	77.50	71.75	74.59	305.00	291.00	299.00
October ,, ...	78.50	72.00	75.17	304.50	295.00	299.61
November ,, ...	78.00	74.25	75.97	312.50	296.50	304.21
December ,, ...	79.25	76.00	78.06	323.00	310.00	315.13
January 1966	80.75	78.50	79.45	363.00	320.50	340.50
February ,, ...	85.00	81.00	83.11	406.00	358.00	378.61
March ,, ...	84.00	81.00	82.62	368.00	357.00	362.23

Note : Import duty per 10 grams of gold (inclusive of surcharge of 5 per cent) was Rs. 11.25 upto May 1957 and Rs. 12.86 thereafter. Import duty per kilogram of silver (inclusive of surcharge of 5 per cent) was Rs. 8.44 upto May 2, 1956, Rs. 16.88 upto May 15, 1957 and Rs. 16.08 thereafter.

From October 1, 1960 spot prices of gold are quoted per 10 grams instead of per tola and those of silver are quoted per kilogram instead of per 100 tolas ; earlier prices are converted by using the conversion factor 1 tola = 11.6638 grams.

Spot prices of gold relate to Mysore Gold upto July 13, 1958, Abyssinian Gold from July 14, 1958 to July 31, 1959 and Gold Bullion thereafter. Dealer to dealer quotations are not available for Gold since June 23, 1963.

Spot prices of silver relate to 0.999 fineness upto December 13, 1953 and to below 0.996 fineness thereafter.

Forward trading in gold was banned throughout the country with effect from November 14, 1962 and that in silver from January 10, 1963.

(*a*) Including Nominal quotations also. (*b*) Relating to 14 carat, quoted from August 28, 1963. (*c*) Average of closing quotations for working days.

Source : Bombay Bullion Association Ltd.

STATEMENT 17—MONEY RATES

(Per cent per annum)

Year/Month	Bank Rate	STATE BANK OF INDIA				OTHER SELECTED MAJOR SCHEDULED BANKS								
		Hundi Rate	Advance Rate(1)	Call Loan		Call Money From Banks			Deposits upto 14 days from Banks(4)			Bazaar Bill Rate(5)		
				Scheduled Banks(2)	Co-operative Banks(3)	Bombay	Calcutta	Madras	Bombay	Calcutta	Madras	Bombay	Calcutta	Madras
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1955-56	3½	4½-5(*a*)	4	3½	3½	2.75	3.16	2.93	2.97	1.32	2.98	10⅛	10½-11	12
1960-61	4	5¼-6½(*b*)	4½-5(*c*)	4-6(*c*)	4-4½(*c*)	4.24	4.30	3.74	3.07	2.81	2.79	9.00-12.00	9.50-13.00	12.00-13.92
1961-62	4	6½	5	6	4½	4.24	4.14	4.07	3.00	3.00	3.00	10.50-12.00	12.50-13.50	13.92
1962-63	4-4½	6½-7(*d*)	5	6-6½(*e*)	4½	4.16	3.91	3.70	2.97	2.87	2.59	10.50-12.00	12.50-13.00	13.92-15.00
1963-64	4½	7¼(*f*)	5-6(*f*)	6½-6¾(*g*)	4¼-5(*f*)	3.87	4.09	4.11	2.95	2.97	3.00	12.00	13.00	15.00
1964-65	4½-6	7¼-9¼(*h*)	6-7(*i*)	6¾-7½(*j*)	5-6¾(*k*)	4.01	4.48	4.46	2.95	2.96	3.00	12.00	13.00-15.00	15.00-17.40
									7.93	5.01	5.51			
1965-66	6	9¼-9¾(*m*)	7-7½(*l*)	7½-9(*l*)	6¾-8(*l*)	6.26	6.81	6·06	8.34	8.30	7.63	12.00-15.00	15.00	17.40-19.80
March 1965	6	9¼	7	7½	6¾	7.64	7.32	7.11	8.04	9.00	7.16	12.00	15.00	17.40
April „	6	9¼	7	7½	6¾	7.89	7.49	7.18	7.80	8.80	@	12.00	15.00	17.40
May „	6	9¼	7	7½	6¾	8.40	8.20	7.84	9.14	@	8.50	12.00	15.00	17.40
June „	6	9¼	7	7½	6¾	7.31	8.54	6.02	8.25	8.58	@	12.00	15.00	17.40
July „	6	9¼	7	7½	6¾	4.09	4.87	4.47	4.83	6.03	@	12.00	15.00	17.40
August „	6	9¼	7	7½	6¾	4.95	4.06	5.20	6.33	@	@	12.00	15.00	17.40-19.20
September „	6	9¼	7	7½	6¾	7.87	9.06	6.87	9.61	@	@	12.00	15.00	19.20
October „	6	9¼	7	7½	6¾	6.38	7.01	5.09	10.85	@	@	12.00	15.00	19.20
November „	6	9¼	7	7½	6¾	4.74	5.05	4.18	@	@	5.88	12.00	15.00	19.20
December „	6	9¼	7	7½	6¾	5.90	8.26	5.81	@	9.64	7.14	12.00	15.00	19.20-19.80
January 1966	6	9¼	7½(*l*)	9(*l*)	8(*l*)	3.99	4.55	4.59	@	5.19	5.50	12.00-15.00	15.00	19.80
February „	6	9¼-9¾(*m*)	7½	9	8	4.04	5.55	4.74	@	5.86	6.50	15.00	15.00	19.80
March „	6	9¾	7½	9	8	6 09	7.73	5.47	7.50	7 08	7.00	15 00	15 00	19 80

Note : The Reserve Bank of India rate was raised from 3½ per cent (in operation since November 15, 1951) to 4 per cent on May 16, 1957, to 4½ per cent on January 3, 1963, to 5 per cent on September 26, 1964 and to 6 per cent on February 17, 1965. The entire borrowings of scheduled banks were charged at the Bank rate till October 1, 1960, when a new system of quotas (based on each bank's statutory reserves) and differential lending (slab) rates was introduced. On September 26, 1964 this was replaced by another system under which the effective lending rate was linked to the net liquidity position of the borrowing bank, the rate rising progressively with the impairment of its net liquidity position. Advances under the Rupee Export Bills Scheme are, however, charged at the Bank rate subject to the condition that the borrowing bank will not charge commission, interest or discount on all Rupee Export Bills with it, at a rate exceeding 1½ per cent per annum above the Bank Rate. State Co-operative Banks' borrowings from the Reserve Bank for general banking purposes under section 17(4)(*a*) are charged at the Bank rate ; their borrowings for financing *bonafide* commercial or trade transactions under Section 17(2)(*a*) or 17(4)(*c*) and for financing co-operative sugar factories under Section 17(2)(*b*) or 17(4)(*c*) are also charged at the Bank rate ; their borrowings for financing seasonal agricultural operations and marketing of crops under Section 17(4)(*a*), 17(2)(*b*) or 17(4)(*c*) are charged at a rate 2 per cent below the Bank rate and those for financing cottage industries (Handloom) under Section 17(2)(*bb*) or 17(4)(*c*) at a rate 1½ per cent below the Bank rate. The rate on medium term borrowings for agricultural purposes under Section 17(4AA) read with Section 46(A)(2)(*b*) was 2 per cent below the Bank rate till November 1, 1960, when it was changed to 1½ per cent below the Bank rate.

The rates given in this statement are the rates at which the banks are prepared to discount or rediscount bills of exchange, to give loans and advances or to accept deposits. The rates given in columns 6 to 11 are the weighted averages of the quotations, the weights being proportional to the amounts accepted during the period.

(1) The Bank's prime lending rate, which regulates all interest rates for the various categories and classes of advances granted by the Bank. (2) Prior to October 1, 1960 the rates relate to call loans above Rs. 5 lakhs, the loans below Rs. 5 lakhs were charged quarter per cent more during this period. (3) From January 1, 1966 the rates relate to call loans of Rs. 1 lakh and above ; loans below Rs. 1 lakh are charged half per cent less. (4) Data prior to October 1964 relate to deposits at notice of seven days. (5) Rate at which bills of small traders are reported to have been discounted by shroffs. These are unofficial quotations. Prior to December 1956 data relate to last Friday of the year; subsequent data provide ranges during the period.

(*a*) From March 7, 1956. (*b*) 6 per cent with effect from May 15, 1960 and 6½ per cent with effect from October 1, 1960. (*c*) With effect from October 1, 1960. (*d*) With effect from January 4, 1963. (*e*) With effect from November 15, 1962. (*f*) With effect from April 6, 1963. (*g*) 6¼ per cent with effect from January 29, 1964 and 6¾ per cent with effect from March 12, 1964. (*h*) 7¾ per cent with effect from October 1, 1964, 8¼ per cent with effect from January 1, 1965 and 9¼ per cent with effect from February 18, 1965 . (*i*) 6¼per cent with effect from October 1, 1964 and 7 per cent with effect from February 18, 1965. (*j*) 7½ per cent with effect from February 18, 1965. (*k*) 5½ per cent with effect from October 1, 1964, 5¾ per cent with effect from October 31, 1964 and 6¾ per cent with effect from February 18, 1965. (*l*) With effect from January 1, 1966. (*m*) With effect from February 3, 1966.

@ No transaction.

Source : State Bank of India and selected major scheduled banks.

STATEMENT 18—MONEY SUPPLY

Last Friday	CURRENCY WITH THE PUBLIC						
	Notes in circulation (*a*) (*b*)	Circulation of rupee coin (*a*) (*b*) (*c*)	Circulation of small coins (*b*) (*c*) (*d*)	Balances of Central and State Governments held at Treasuries (*e*)	Cash on hand with banks (*f*)	**Currency with the public (1+2+3 —4—5)**	Variations in currency with the public
	1	2	3	4	5	6	7
1950-51	1,238.60	135.68	75.76	4.42	39.10	**1,406.52**	+ 81.72
1955-56	1,424.23	123.58	65.79	1.14	41.45	**1,571.01**	+193.89
1960-61	1,941.57	141.69	71.02	6.44	49.79	**2,098.05**	+167.19
1961-62	2,027.13	150.18	78.33	2.05	52.43	**2,201.16**	+103.11
1962-63	2,198.79	156.17	84.39	4.96	54.93	**2,379.47**	+178.31
1963-64	2,410.83	168.47	90.26	3.04	60.96	**2,605.56**	+226.09
1964-65	2,563.69	179.99	97.40	2.51*	69.52	**2,769.06***	+163.49*
1965-66	2,823.19	183.82	105.47	2.11*	76.25	**3,034.12***	+265.06*
March 1965 ..	2,563.69	179.99	97.40	2.51*	69.52	**2,769.06***	+ 46.10*
April „ ..	2,665.02	180.70	98.36	1.99*	71.19	**2,870.90***	+101.84*
May „ ..	2,655.26	183.51	99.34	1.72*	73.84	**2,862.55***	— 8.35*
June „ ..	2,621.41	182.74	99.95	1.94*	79.68	**2,822.49***	— 40.06*
July „ ..	2,530.26	176.88	100.77	1.44*	69.27	**2,737.20***	— 85.29*
August „ ..	2,495.46	174.02	101.17	1.60*	67.14	**2,701.91***	— 35.29*
September „ ..	2,519.54	172.67	101.67	1.37*	67.00	**2,725.50***	+ 23.59*
October „ ..	2,569.23	173.83	102.09	1.17*	73.98	**2,770.01***	+ 44.51*
November „ ..	2,603.18	173.43	102.52	1.41*	71.27	**2,806.44***	+ 36.43*
December „ ..	2,675.29	176.26	102.78	1.36*	87.84	**2,865.14***	+ 58.70*
January 1966 ..	2,728.33	178.55	103.88	1.66*	83.16	**2,925.95***	+ 60.81*
February „ ..	2,758.64	181.14	104.61	1.40*	74.98	**2,968.01***	+ 42.06*
March „ ..	2,823.19	183.82	105.47	2.11*	76.25	**3,034.12***	+ 66.11*

Note : (1) No adjustments have been made for the net inward or outward movements of currency. (2) This statement has been recast to include circulation of small coins. As a result, the amount of currency with the public (col. 6) and the total money supply with the public (col. 12) given in this statement will not agree with the figures published in the corresponding statement of the Report on Currency and Finance upto 1960-61. (3) Under Column 8, demand deposits have been given instead of net demand liabilities as given upto 1960-61. The revised figures include (*i*) in respect of scheduled banks, non-bank demand deposits and non-deposit 'other liabilities' upto 1959-60 and non-bank demand deposits only thereafter, (*ii*) in respect of non-scheduled banks, non-bank demand deposits and (*iii*) in respect of State co-operative banks net demand liabilities i.e., non-bank demand deposits plus inter-bank deposits plus non-deposit 'other liabilities'. (4) Under column 9, data on 'other deposits' with the Reserve Bank have been revised to exclude balances held on Reserve Bank Employees' Provident Fund, Pension Fund, and Co-operative Guarantee Fund. As a result, data given in this statement will not agree with those published in the corresponding statement of the earlier issues of Report on Currency and Finance, upto 1962-63.

WITH THE PUBLIC

(In crores of rupees)

DEPOSIT MONEY					
Net demand deposits of banks (*g*)	Other deposits with the Reserve Bank (*h*)	**Deposit money with the public (8 + 9)**	Variations in deposit money	**Money supply with the public (6 + 10)**	**Variations in money supply with the public (7 + 11)**
8	9	10	11	12	13
585.03	24.44	**609.47**	+ 27.34	**2,015.99**	**+109.06**
636.90	9.04	**645.94**	+ 68.26	**2,216.95**	**+262.16**
757.10	13.46	**770.56**	+ 31.97**	**2,868.61**	**+199.16****
827.43	17.23	**844.66**	+ 74.10	**3,045.82**	**+177.21**
907.98	22.53	**930.51**	+ 85.85	**3,309.97**	**+264.15**
1,114.66	31.90	**1,146.56**	+216.05	**3,752.12**	**+442.15**
1,289.42	21.70	**1,311.13**	+164.57	**4,080.18***	**+328.05***
1,478.96	16.72	**1,495.68**	+184.55	**4,529.80***	**+449.62***
1,289.42	21.70	**1,311.13**	+ 10.24	**4,080.18***	**+ 56.33***
1,291.31	34.51	**1,325.82**	+ 14.69	**4,196.72***	**+116.54***
1,303.10	27.76	**1,330.86**	+ 5.04	**4,193.42***	**— 3.30***
1,332.17	20.34	**1,352.51**	+ 21.65	**4,175.00***	**— 18.42***
1,359.51	18.59	**1,378.10**	+ 25.59	**4,115.30***	**— 59.70***
1,386.28	19.31	**1,405.59**	+ 27.49	**4,107.51***	**— 7.79***
1,348.60	18.91	**1,367.51**	— 38.08	**4,093.02***	**— 14.50***
1,367.15	16.25	**1,383.40**	+ 15.89	**4,153.41***	**+ 60.39***
1,374.16	14.99	**1,389.15**	+ 5.75	**4,195.59***	**+ 42.18***
1,412.89	22.35	**1,435.24**	+ 46.09	**4,300.38***	**+104.79***
1,417.75	19.35	**1,437.10**	+ 1.86	**4,363.05***	**+ 62.67***
1,437.05	15.79	**1,452.84**	+ 15.74	**4,420.85***	**+ 57.80***
1,478.96	16.72	**1,495.68**	+ 42.84	**4,529.80***	**+108.95***

(*a*) Including *Hali Sicca* currency upto December 1957. (*b*) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment and Special Currency withdrawn (Rs. 4.28 crores in October 1965 and Rs. 3.57 crores in November 1965) from Bahrein beginning from October 16, 1965. Pending payment to the Bahrein Government on account of this withdrawal the net credit given to Bahrein Government against the curency withdrawn under other deposits has been ignored as it has no effect on money supply. (*c*) Estimated. (*d*) Figures are as on last day of the year/month. Excluding balances held in the small coin depots. Excludes balances held at treasuries also upto March 1962. (*e*) Figures are as on the last day of the year/month. Including small coins also. (*f*) Relating to scheduled, non-scheduled and State co-operative banks. (*g*) Relating to net demand deposits of scneduled and non-scheduled banks and to net demand liabilities of State co-operative banks. (*h*) Excluding balances held on I.M.F. Account No. 1, Reserve Bank Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund and some extra-ordinary items.

* Provisional. ** Derived from comparable estimates.

STATEMENT 19—SEASONAL VARIATIONS

	1955-56		1960-61		1961-62	
	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*
	1	2	3	4	5	6
A. MONEY SUPPLY WITH THE PUBLIC ..	**+ 9.3**	**+250.1**	**— 79.6**	**+235.1**	**— 97.9**	**+326.4**
1. Currency with the public@*	— 11.4	*+208.7*	— 89.4	*+205.2*	—101.1	*+257.8*
2. Other deposits with the Reserve Bank ..	— 1.4	*— 0.6*	+ 3.7	*— 5.8*	— 1.6	*+ 5.7*
3. Bank money	+ 22.1	*+ 42.0*	+ 6.1	*+ 35.7*	+ 4.8	*+ 63.0*
B. FACTORS AFFECTING MONEY SUPPLY						
1. Net Bank Credit to Government Sector (a+b)††	**+ 77.7**	**+108.1**	**—118.1**	**+108.5**	**— 63.8**	**+287.4**
(*a*) Reserve Bank's net credit to Government Sector (i-ii)	+ 24.1	*+145.7*	— 69.3	*+234.9*	—125.4	*+313.2*
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	+ 17.6	*+151.8*	— 75.6	*+215.2*	—110.2	*+296.0*
(ii) Government deposits with the Reserve Bank	— 6.5	*+ 6.1*	— 6.3	*— 19.7*	+ 15.2	*— 17.2*
(*b*) Banks' credit to Government Sector††	+ 53.6	*— 37.6*	— 48.8	*—126.4*	+ 61.6	*— 25.8*
2. Net Bank Credit to Private Sector (a+b)††	**— 66.1**	**+156.2**	**+ 49.7**	**+196.5**	**— 57.5**	**+102.5**
(*a*) Reserve Bank credit to private sector	+ 0.2	*+ 0.3*	+ 0.5	*+ 0.4*	+ 0.7	*+ 1.9*
(*b*) Banks' net credit to private sector (i-ii)	— 66.3	*+155.9*	+ 49.2	*+196.1*	— 58.2	*+100.6*
(i) Financial assets of banks ..	— 26.5	*+163.6*	+ 18.8	*+191.2*	— 31.2	*+199.9*
(ii) Non-monetary liabilities of banks††	+39.8	*+ 7.7*	— 30.4	*— 4.9*	+ 27.0	*+ 99.3*
3. Net Foreign Exchange Assets of Banking Sector (a+b)	**+ 15.2**	**— 2.8**	**— 33.2**	**— 53.2**	**+ 5.4**	**— 43.2**
(*a*) Net foreign exchange assets of the Reserve Bank	+ 4.3	*+ 16.0*	— 27.9	*— 47.0*	— 10.7	*— 33.2*
(*b*) Banks' net foreign exchange assets ..	+ 10.9	*— 18.8*	— 5.3	*— 6.2*	+ 16.1	*— 10.0*
4. Government's Net Currency Liabilities to the Public @ (Government Currency Liabilities—Treasury Balances)	**— 3.0**	**+ 11.6**	**— 1.0**	**+ 15.7**	**+ 0.8**	**+ 18.0**
5. Net Non-Monetary Liabilities of the Reserve Bank ** **(Increase—)**	**— 8.6**	**— 16.0**	**+ 20.3**	**— 41.8**	**+ 36.5**	**— 36.6**
6. Non-Identifiable Net Non-Monetary Liabilities of Banks ££ (Increase—)	**— 5.9**	**— 7.0**	**+ 2.7**	**+ 9.4**	**— 19.3**	**— 1.7**

Notes : (1) Slack season is from May to October and the busy season is from November to April. (2) No adjustments have been made for the net inward or outward movements of currency. (3) This Statement was recast in 1962 to include circulation of small coins. As a result the figures of currency with the public (item A(1)) and the total money supply with the public (item A) given in this Statement will not agree with the figures published in the corresponding Statement of the Report on Currency and Finance upto 1960-61. (4) Figures against items A(3) and B(2)(*b*) (ii) have been revised and relate to (i) in respect of scheduled banks, non-bank demand/time deposits and non-deposit 'other' demand/time liabilities upto 1959-60 and non-bank demand/time deposits only thereafter, (ii) in respect of non-scheduled banks, non-bank demand/time deposits and (iii) in respect of state co-operative banks, net demand/time liabilities, and as such are not comparable with figures published upto 1960-61. Figures for 1960-61 exclude estimated non-deposit 'other' demand/time liabilities of scheduled banks and are broadly comparable with those for the subsequent periods. Consequential changes are reflected in the totals. (5) The items under 'Factors Affecting Money Supply' have all been replaced by those appearing in the Statement 'Variations in Money Supply with the Public' and hence do not agree with those in the corresponding Statement of the Reports on Currency and Finance upto 1962-63.

* Excludes Rs. 43.17 crores of India notes returned from Pakistan and awaiting adjustment but allows for the withdrawal of special currency (Rs. 26.93 crores in April 1961, Rs. 6.72 crores in May 1961 and Rs. 0.55 crore in June 1961) from Kuwait and (Rs. 4.28 crores in October 1965 and Rs. 3.57 crores in November 1965) from Bahrein.

IN MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

1962-63		1963-64		1964-65		1965-66		Outstanding as on April 29, 1966
Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	
7	8	9	10	11	12	13	14	15
— 62.9	**+361.5**	**+ 29.9**	**+410.0**	**— 32.7**	**+389.0**	**— 43.3**	**+480.2**	**4,633.7**
— 70.7	*+258.9*	— 51.6	*+297.0*	—140.0	*+322.9*	—100.9	*+348.3*	3,118.3
— 5.2	*+ 11.3*	— 2.6	*+ 8.8*	— 7.9	*+ 12.3*	— 18.3	*+ 5.9*	22.1
+ 13.0	*+ 91.3*	+ 84.1	*+104.2*	+115.3	*+ 53.8*	+ 75.8	*+126.1*	1,493.2
+ 5.9	**+194.6**	**+126.9**	**+ 93.3**	**+117.3**	**+156.4**	**+109.5**	**+389.5**	**4,017.4**
—109.1	*+291.5*	— 19.6	*+241.0*	—142.6	*+309.0*	— 30.6	*+414.3*	3,145.2
—116.2	*+301.9*	— 28.1	*+244.5*	—101.2	*+267.3*	— 33.1	*+446.2*	3,240.5
— 7.1	*+ 10.4*	— 8.5	*+ 3.5*	+ 41.4	*— 41.7*	— 2.5	*+ 31.9*	95.4
+115.0	*— 96.9*	+146.5	*—147.6*	+259.9	*—152.6*	+140.2	*— 24.8*	872.2
— 69.3	**+246.5**	**—130.5**	**+359.8**	**—154.3**	**+303.5**	**—158.1**	**+189.4**	**998.5**
+ 2.2	*+ 2.1*	+ 5.9	*+ 3.9*	+ 10.1	*+ 6.2*	+ 3.5	*+ 2.3*	48.3
— 71.5	*+244.4*	—136.4	*+355.9*	—164.3	*+297.3*	—161.6	*+187.1*	950.1
+ 2.7	*+194.4*	— 64.6	*+334.5*	— 74.8	*+364.9*	— 56.2	*+291.1*	2,635.2
+ 74.2	*— 50.0*	+ 71.8	*— 21.5*	+ 89.6	*+ 67.5*	+105.4	*+104.0*	1,685.0
— 25.4	**+ 0.6**	**+ 17.9**	**+ 6.1**	**+ 4.7**	**— 21.2**	**— 42.7**	**+ 22.9**	**66.5**
— 32.8	*+ 20.4*	— 1.0	*+ 24.6*	— 12.2	*— 20.1*	— 41.1	*+ 15.4*	54.5
+ 7.4	*— 19.8*	+ 18.9	*— 18.5*	+ 16.9	*— 1.1*	— 1.6	*+ 7.5*	+12.0
— 0.2	**+ 10.6**	**+ 3.0**	**+ 18.2**	**+ 3.0**	**+ 13.6**	**— 2.3**	**+ 17.2**	**291.9**
+ 30.7	**— 49.2**	**+ 16.9**	**— 43.3**	**+ 1.0**	**— 51.5**	**+ 45.1**	**— 63.7**	**362.6**
— 4.6	**— 41.6**	**— 4.3**	**— 24.1**	**— 4.5**	**— 11.8**	**+ 5.2**	**— 75.0**	**378.0**

@ Including *Hali Sicca* currency upto December 1957.

†† In view of the change in arrangements for holding P. L. 480 funds from May 12, 1960 figures from 1960-61 onwards are not comparable with those for the earlier years as no adjustment is made on this count.

** Comprises (i) the sum of capital and reserves, (ii) contribution by the Reserve Bank to the National Agricultural Credit (Long-term Operations and Stabilisation) Funds, (iii) the difference of (a) other liabilities of the Reserve Bank (mainly bills payable, profits of the Bank accruing under various heads such as interest, discount, exchange, commission, etc.) and (b) other assets (mainly premises, furniture, fittings, stationery, debit balances under heads representing expenditure incurred by the Bank and items in course of collection, etc.), (iv) Reserve Bank Employees' Pension Fund, Provident Fund and Co-operative Guarantee Fund and (v) an offset of Rs. 43 crores to assets held against Indian currency returned by Pakistan awaiting adjustment.

££ Comprises mainly capital and reserves of banks and the difference of their (a) other liabilities (mainly bills payable and net credit balances on account of branch adjustments) and (b) other assets (mainly premises, furniture, fittings, net debit balances on account of branch adjustments and capitalised expenses and tangible assets like uncleared cheques, stamps in hand, etc.).

STATEMENT 20—VARIATIONS IN

	Out-standing as on March 30, 1951	Varia-tions during the First Plan	Out-standing as on March 30, 1956	Varia-tions during the Second Plan	Out-standing as on March 31, 1961
	1	2	3	4	5
A. MONEY SUPPLY WITH THE PUBLIC	**2,020.6†**	**+196.2**	**2,217.0**	**+ 703.7$**	**2,868.6**
1. Currency with the Public *@	1,404.8†	+166.2	1,571.0	+ 527.0	2,098.1
2. Other deposits with the Reserve Bank	24.4	— 15.4	9.0	+ 4.4	13.5
3. Bank money	591.4†	+ 45.4	636.9	+ 172.3$	757.1
B. FACTORS AFFECTING MONEY SUPPLY					
1. Net Bank Credit to Government Sector (*a*+*b*)†† ..	**807.5**	**+297.6**	**1,105.0**	**+1,383.5**	**2,488.5**
(*a*) Reserve Bank's net Credit to Government Sector (i-ii)	460.5	+246.2	706.7	+1,190.7	1,897.4
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	648.9	+187.2	836.1	+1,166.9	2,002.9
(ii) Government deposits with the Reserve Bank ..	188.4	— 59.0	129.4	— 23.8	105.5
(*b*) Banks' Credit to Government Sector††	347.0	+ 51.4	398.3	+ 192.8	591.1
2. Net Bank Credit to Private Sector (*a*+*b*)††	**257.5‡**	**+105.0**	**362.5**	**+ 23.3$**	**408.3**
(*a*) Reserve Bank's Credit to Private Sector	1.2	+ 4.8	6.1	+ 2.6	8.8
(*b*) Banks' net Credit to Private Sector (i-ii)	256.3‡	+100.1	356.4	+ 20.7$	399.5
(i) Financial assets of Banks	587.1‡	+235.6	822.7	+ 671.8	1,494.5
(ii) Non-monetary liabilities of banks††	330.8	+135.5	466.3	+ 651.1$	1,095.0
3. Net Foreign Exchange Assets of Banking Sector (*a*+*b*) ..	**860.0**	**— 95.8**	**764.2**	**— 663.5**	**178.4**
(*a*) Net foreign exchange assets of the Reserve Bank	877.9	— 96.4	781.5	— 674.2	185.0
(*b*) Banks' net foreign exchange assets	— 17.9	+ 0.6	— 17.3	+ 10.7	— 6.6
4. Government's Net Currency Liabilities to the Public@ (Government Currency Liabilities—Treasury Balances) ..	**241.4**	**— 52.4**	**189.0**	**+ 17.3**	**206.3**
5. Net Non-Monetary Liabilities of the Reserve Bank* (increase—)**	**68.3**	**— 19.5**	**87.8**	**— 84.7**	**250.2**
6. Non-Identifiable Net Non-Monetary Liabilities of Banks ££ (increase—)	**77.5‡**	**— 38.7**	**116.0**	**+ 28.0$**	**162.7**

Note: (1) No adjustments have been made for the net inward or outward movements of currency. (2) This statement was recast in 1962 to include circulation of small coins. As a result, the figures of currency with the public [Item A(1)], the total money supply with the public (item A) and Government's net currency liabilities [Item B(4)] given in this Statement will not agree with the figures published in the corresponding Statement of the Report on Currency and Finance upto 1960-61. (3) Figures against A(3) and B(2) (b) (ii) have been revised and relate to (i) in respect of scheduled banks, non-bank demand/time deposits and non-deposit 'other' demand/time liabilities upto 1959-60 and non-bank demand/time deposits only thereafter, (ii) in respect of non-scheduled banks, non-bank demand/time deposits and (iii) in respect of State co-operative banks, net demand/time liabilities, and as such are not comparable with figures published upto 1960-61. Figures for 1960-61 exclude estimated non-deposit 'other' demand/time liabilities of scheduled banks and are broadly comparable with those for the subsequent periods. Consequential changes are reflected in the totals. (4) Unlike in the corresponding Statement appearing in the previous issues of Report on Currency and Finance the item 'Government's net currency liabilities to the public' has been shown as a separate one and the item non-identifiable net non-monetary liabilities of 'banking sector' has been bifurcated into those (i) relating to Reserve Bank of India and (ii) relating to banks. (5) Figures against A(2) have been revised to exclude and those against B(5) to include balances held on Reserve Bank Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund. As a result, data given in this Statement will not agree with those published in the corresponding statement of the Reports on Currency and Finance upto 1962-63.

*** Comprises (i) the sum of capital and reserves, (ii) contribution by the Reserve Bank to the National Agricultural (Long-term Operations and Stabilisation) Funds and National Industrial Credit (Long-term Operations) Fund, (iii) the difference of (a) other liabilities of the Reserve Bank (mainly bills payable, profits of the Bank accruing under

MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

Variations during						Outstanding as on March 26,	Outstanding as on March 25,
1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1965	1966
6	7	8	9	10	11	12	13
+199.2	**+177.2**	**+264.2**	**+442.2**	**+328.1**	**+449.6**	**4,080.2**	**4,529.8**
+167.2	+ 103.1	+ 178.3	+ 226.1	+163.5	+265.1	2,769.1	3,034.1
— 3.5	+ 3.8	+ 5.3	+ 9.4	— 10.2	— 5.0	21.7	16.7
+ 35.5	+ 70.3	+ 80.6	+206.7	+174.8	+189.5	1,289.4	1,479.0
— 17.3	**+202.5**	**+201.8**	**+242.2**	**+207.1**	**+466.5**	**3,342.1**	**3,808.7**
+136.6	+159.3	+207.4	+194.8	+127.8	+370.7	2,586.7	2,957.4
+135.9	+141.0	+207.5	+207.7	+143.3	+332.2	2,702.4	3,034.6
— 0.7	— 18.3	+ 0.1	+ 12.9	+ 15.5	— 38.4	115.6	77.2
—153.9	+ 43.2	— 5.6	+ 47.4	+ 79.3	+ 95.9	755.4	851.3
+252.9	**+ 36.7**	**+171.7**	**+217.1**	**+113.8**	**+101.6**	**947.5**	**1,049.1**
+ 0.3	+ 2.7	+ 3.3	+ 11.5	+ 14.1	+ 7.0	40.4	47.4
+252.6	+ 34.0	+168.4	+205.6	+ 99.7	+ 94.5	907.1	1,001.6
+237.8	+136.7	+213.6	+247.8	+232.7	+281.4	2,325.2	2,606.6
— 14.8	+102.7	+ 45.2	+ 42.2	+133.0	+186.9	1,418.1	1,605.0
— 62.6	**— 57.0**	**— 42.6**	**+ 35.1**	**— 19.1**	**— 23.8**	**94.9**	**71.1**
— 51.6	— 66.5	— 27.3	+ 31.0	— 27.8	— 35.4	94.5	59.1
— 11.0	+ 9.5	— 15.3	+ 4.1	+ 8.7	+ 11.6	+ 0.4	+ 12.0
+ 9.9	**+ 20.2**	**+ 9.1**	**+ 20.1**	**+ 19.2**	**+ 12.3**	**274.9**	**287.2**
— 0.2	**+ 3.3**	**— 31.1**	**— 25.9**	**— 36.3**	**— 19.4**	**340.1**	**359.5**
+ 16.5	**— 28.5**	**— 44.7**	**— 46.5**	**+ 43.3**	**— 87.6**	**239.1**	**327.0**

various heads such as interest, discount, exchange, commission, etc.) and (b) other assets (mainly premises, furniture, fittings, stationery, debit balances under heads representing expenditure incurred by the Bank and items in course of collection, etc.), (iv) Reserve Bank Employees' Pension Fund, Provident Fund and Co-operative Guarantee Fund and (v) an offset of Rs. 43 crores to assets held against Indian currency returned by Pakistan awaiting adjustment.

££ Comprises mainly capital and reserves of banks and the difference of their (a) other liabilities (mainly bills payable and net credit balances on account of branch adjustments) and (b) other assets (mainly premises, furniture, fittings, net debit balances on account of branch adjustments and capitalised expenses and tangible assets like uncleared cheques, stamps in hand, etc.)

* Excludes Rs. 43.17 crores of India notes returned from Pakistan and awaiting adjustment but allows for the withdrawal of special currency, Rs. 4.28 crores in October 1965 and Rs. 3.57 crores in November 1965, from Bahrein beginning from October 16, 1965.

@ Including *Hali Sicca* currency upto December 1957.

†† In view of the change in arrangements for holding P.L. 480 Funds from May 12, 1960, figures from 1960-61 onwards are not comparable with those for the earlier years, as no adjustment is made on this count.

† Adjusted for change in coverage due to inclusion in 1952 of non-scheduled banks operating exclusively in the then Part B States.

$ Worked out by using the net demand/time deposits of scheduled banks including non-deposit other liabilities also for March 1961.

‡ Adjusted for foreign bills, data relating to which were obtained only since May 14, 1954.

STATEMENT 21—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (ISSUE DEPARTMENT)

(In lakhs of rupees)

	LIABILITIES			ASSETS			
	Notes in circulation	Notes held in the Banking Department	**Total liabilities (total notes issued) or assets**	Gold coin and bullion (*a*)	Foreign securities	Rupee coin (*b*)	Government of India rupee securities
	1	2	3	4	5	6	7
As at the close of last Friday							
1950-51	1,247,41	11,72	**1,259,13**	40,02	678,15	54,34	486,63
1955-56	1,466,64	11,77	**1,478,41**	40,02	656,42	103,16	678,82
1960-61	1,984,74	7,84	**1,992,59**	117,76	123,01	119,62	1,632,20
1961-62	2,070,30	25,37	**2,095,67**	117,76	113,86	116,91	1,747,14
1962-63	2,241,96	8,56	**2,250,52**	117,76	105,08	116,26	1,911,42
1963-64	2,454,00	19,80	**2,473,80**	117,76	112,46	109,11	2,134,47
1964-65	2,606,86	40,03	**2,646,89**	133,76	77,46	97,75	2,337,92
1965-66	2,866,36	24,86	**2,891,21**	115,89	95,05	94,00	2,586,27
1965-66 (Weekly)							
As at the close of **1965**							
April 2, ...	2,640,49	35,43	**2,675,92**	133,76	77,46	97,01	2,367,69
„ 9, ...	2,719,25	18,97	**2,738,21**	133,76	77,46	94,77	2,432,23
„ 16, ...	2,734,03	8,65	**2,742,68**	133,76	77,46	94,86	2,436,61
„ 23, ...	2,712,70	31,24	**2,743,94**	133,76	72,46	96,57	2,441,15
„ 30, ...	2,708,19	36,19	**2,744,38**	133,76	72,46	97,06	2,441,10
May 7, ...	2,760,46	10,17	**2,770,63**	133,76	72,46	93,59	2,470,83
„ 14, ...	2,769,57	14,65	**2,784,22**	133,76	72,46	92,39	2,485,61
„ 21, ...	2,729,78	20,08	**2,749,85**	133,76	72,46	93,02	2,450,61
„ 28, ...	2,698,43	52,66	**2,751,09**	133,76	70,00	94,26	2,453,07
June 4, ...	2,719,37	29,07	**2,748,45**	133,76	70,00	91,62	2,453,07
„ 11, ...	2,734,40	18,79	**2,753,19**	133,76	70,00	91,36	2,458,07
„ 18, ...	2,706,41	28,47	**2,734,88**	133,76	70,00	93,05	2,438,07
„ 25, ...	2,664,58	37,30	**2,701,88**	133,76	70,00	95,05	2,403,07
July 2, ...	2,677,50	13,35	**2,690,85**	133,76	68,35	94,01	2,394,72
„ 9, ...	2,689,34	20,95	**2,710,29**	133,76	68,35	93,46	2,414,72
„ 16, ...	2,655,29	21,99	**2,677,29**	133,76	68,35	95,45	2,379,72
„ 23, ...	2,607,31	23,11	**2,630,43**	133,76	68,35	98,60	2,329,72
„ 30, ...	2,573,43	44,25	**2,617,68**	133,76	68,35	100,84	2,314,72

August	6,	..	..	..	2,617,38	23,03	**2,640,41**	133,76	68,35	98,58	2,339,72
„	13,	..	..	..	2,614,38	26,62	**2,641,01**	133,76	68,35	99,17	2,339,72
„	20,	..	..	..	2,580,58	17,33	**2,597,92**	133,76	68,35	101,08	2,294,72
„	27,	..	..	..	2,538,63	46,90	**2,585,52**	133,76	68,35	103,69	2,279,72
September	3,	..	..	..	2,554,12	30,13	**2,584,26**	133,76	68,35	102,42	2,279,72
„	10,	..	..	..	2,591,95	16,31	**2,608,26**	133,76	68,35	101,43	2,304,72
„	17,	..	..	..	2,580,40	29,39	**2,609,79**	133,76	70,63	102,96	2,302,44
„	24,	..	..	..	2,562,71	34,23	**2,596,94**	133,76	70,63	105,10	2,287,44
October	1,	..	..	..	2,586,64	29,60	**2,616,24**	133,76	70,63	104,41	2,307,44
„	8,	..	..	..	2,640,66	13,41	**2,654,07**	133,76	70,63	102,24	2,347,44
„	15,	..	..	..	2,624,67	30,27	**2,654,94**	133,76	70,63	103,11	2,347,44
„	22,	..	..	..	2,620,83	24,78	**2,645,61**	133,76	70,63	103,78	2,337,44
„	29,	..	..	..	2,612,40	33,30	**2,645,70**	133,76	72,63	103,87	2,335,44
November	5,	..	..	..	2,653,46	29,94	**2,683,40**	133,76	72,63	101,57	2,375,44
„	12,	..	..	..	2,674,30	14,11	**2,688,41**	133,76	72,63	101,57	2,380,45
„	19,	..	..	..	2,661,48	13,34	**2,674,81**	133,76	72,63	102,98	2,365,44
„	26,	..	..	..	2,646,35	29,83	**2,676,18**	133,76	75,05	104,34	2,363,03
December	3,	..	..	..	2,679,12	24,57	**2,703,69**	133,76	75,05	101,84	2,393,03
„	10,	..	..	..	2,726,33	10,48	**2,736,82**	133,76	75,05	99,96	2,428,04
„	17,	..	..	..	2,715,71	22,01	**2,737,72**	133,76	75,05	100,85	2,428,06
„	24,	..	..	..	2,703,21	35,46	**2,738,67**	133,76	75,05	101,80	2,428,07
„	31,	..	..	..	2,718,46	19,91	**2,738,38**	133,76	75,05	101,49	2,428,08
1966											
January	7,	..	..	..	2,771,32	14,37	**2,785,69**	133,76	75,05	98,81	2,478,08
„	14,	..	..	..	2,791,84	8,11	**2,799,95**	133,76	75,05	98,06	2,493,08
„	21,	..	..	..	2,775,62	25,11	**2,800,74**	133,76	75,05	98,85	2,493,08
„	28,	..	..	..	2,771,50	29,59	**2,801,09**	133,76	80,05	99,20	2,488,08
February	4,	..	..	..	2,804,74	34,11	**2,838,86**	133,76	85,05	96,64	2,523,41
„	11,	..	..	..	2,840,96	21,43	**2,862,40**	133,76	85,05	95,18	2,548,41
„	18,	..	..	..	2,826,91	16,07	**2,842,98**	133,76	85,05	95,76	2,528,41
„	25,	..	..	..	2,801,81	42,07	**2,843,87**	133,76	85,05	96,66	2,528,41
March	4,	..	..	..	2,852,68	27,91	**2,880,59**	115,89	95,05	93,38	2,576,27
„	11,	..	..	..	2,890,42	13,57	**2,903,99**	115,89	95,05	91,77	2,601,27
„	18,	..	..	..	2,873,72	16,19	**2,889,91**	115,89	95,05	92,69	2,586,27
„	25,	..	..	..	2,866,36	24,86	**2,891,21**	115,89	95,05	94,00	2,586,27

(*a*) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 18.21 per 10 grams upto October 5, 1956 and at Rs. 53.58 per 10 grams thereafter.

(*b*) Including Government of India one rupee notes issued from July 1940.

STATEMENT 22—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (BANKING DEPARTMENT)

(In lakhs of rupees)

	LIABILITIES									ASSETS									
	DEPOSITS							Other liabilities (*a*)	Total liabilities or assets			LOANS AND ADVANCES TO					Bills purchased and discounted	Investments	Other assets
	Central Government	State Governments	Scheduled banks	State Co-operative banks	Other banks	Others	Total			Notes and coins	Balances held abroad (*b*)	Central Government	State Governments (*c*)	Scheduled banks	State co-operative banks	Others (*d*)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
As at the close of last Friday																			
1950-51 ..	162,04	26,40		59,28		72,31	**320,03**	33,10	**353,13**	11,89	206,03	1,56			16,75		8,21	99,20	9,50
1955-56 ..	67,34	62,03		53,24		16,68	**199,30**	59,46	**258,77**	11,92	89,72	—			79,94		12,23	47,19	17,77
1960-61 ..	76,46	28,99		70,85		87,96	**264,25**	221,39	**485,64**	7,94	13,24	39,02			185,50		39,17	180,95	19,82
1961-62 ..	71,30	15,89		72,73		152,36	**312,27**	231,84	**544,12**	25,42	15,84	80,89			177,69		46,60	163,43	34,24
1962-63 ..	55,83	31,42	74,91	2,49	4	172,39	**337,09**	263,18	**600,27**	8,62	11,30	54,76		71,28	134,35	1,68	66,00	216,87	35,40
1963-64 ..	84,15	15,97	76,66	2,34	4	161,71	**340,88**	282,76	**623,64**	19,87	13,82	70,62		84,16	133,98	2,82	64,60	203,63	30,13
1964-65 ..	90,91	24,72	95,67	3,06	3	155,87	**370,27**	329,46	**699,72**	40,14	8,25	—	73,97	153,02	149,90	3,46	86,51	142,82	41,65
1965-66 ..	51,44	25,76	99,77	4,07	2	193,85	**374,91**	349,28	**724,19**	24,93	14,87	—	211,21	73,52	165,85	5,20	53,01	132,25	43,34
1965-66 (Weekly)																			
As at the close of **1965**																			
April 2, ..	62,54	24,27	94,99	3,82	3	170,50	**356,15**	340,63	**696,78**	35,54	14,69	—	81,86	162,92	147,17	5,26	131,67	74,97	42,70
„ 9, ..	54,69	13,77	89,70	4,73	3	171,04	**333,96**	315,45	**649,41**	19,05	9,49	—	102,22	120,70	138,01	5,48	113,58	94,12	46,74
„ 16, ..	50,23	10,59	90,77	4,19	6	169,89	**325,72**	334,75	**660,46**	8,74	7,17	—	108,97	128,23	134,74	5,51	88,24	132,03	46,83
„ 23, ..	49,52	16,40	93,99	3,95	2	168,14	**332,02**	343,66	**675,68**	31,35	6,75	—	113,29	119,23	130,04	5,45	85,17	137,50	46,90
„ 30, ..	53,60	12,38	93,72	2,68	4	180,67	**343,10**	341,05	**684,15**	36,29	10,90	—	105,71	126,18	129,53	5,31	84,96	135,87	49,41
May 7, ..	52,04	18,20	94,25	2,86	3	178,52	**345,91**	337,19	**683,10**	10,24	10,11	—	98,55	164,45	128,00	5,59	71,29	145,17	49,71
„ 14, ..	51,87	18,16	100,03	4,09	2	178,38	**352,54**	335,77	**688,31**	14,74	8,79	—	104,74	163,89	126,87	5,84	61,45	143,87	58,12
„ 21, ..	67,38	17,98	91,13	2,95	3	175,66	**355,13**	333,12	**688,25**	20,17	10,72	—	106,50	124,76	126,40	5,95	57,11	178,37	58,27
„ 28, ..	64,12	15,93	101,66	2,94	3	174,87	**359,54**	332,02	**691,56**	52,75	7,35	—	112,19	102,84	128,07	5,70	55,35	168,30	59,01
June 4, ..	73,28	13,10	89,59	3,86	3	171,16	**351,01**	330,06	**681,07**	29,16	3,54	—	121,49	107,81	130,28	4,81	57,18	167,74	59,06
„ 11, ..	75,11	14,17	94,95	3,72	6	170,47	**358,48**	314,58	**673,06**	18,89	2,67	—	127,14	106,37	133,61	5,01	57,01	163,23	59,12
„ 18, ..	52,99	14,80	98,28	4,07	3	181,19	**351,37**	333,07	**684,43**	28,54	9,47	—	110,86	84,92	138,78	6,13	42,64	204,00	59,08
„ 25, ..	65,64	14,78	99,55	4,72	5	179,71	**364,44**	345,22	**709,66**	37,36	7,32	—	104,78	63,67	150,04	4,56	42,74	239,39	59,79
July 2, ..	109,59	16,71	102,94	10,58	4	230,50	**470,37**	279,75	**750,11**	13,43	4,85	—	79,08	68,47	169,58	4,44	58,86	302,98	48,43
„ 9, ..	77,42	17,19	104,33	9,64	8	228,41	**437,08**	275,74	**712,81**	21,05	4,46	—	74,26	54,99	167,77	4,21	56,72	281,13	48,21
„ 16, ..	65,28	17,49	125,11	6,13	5	243,51	**457,56**	255,44	**713,00**	22,09	9,40	—	86,78	26,48	166,02	4,39	59,91	296,22	41,71
„ 23, ..	87,71	16,57	108,80	4,59	6	243,22	**460,96**	258,81	**719,77**	23,21	7,24	—	91,58	15,51	164,27	4,78	60,66	315,90	36,62
„ 30, ..	119,45	17,05	99,51	2,76	7	237,89	**476,73**	256,59	**733,32**	44,39	7,43	—	86,05	9,49	162,18	5,53	50,86	330,83	36,56

August	6,	..	92,74	13,69	91,49	2,74	3	236,89	**437,59**	257,50	**695,08**	23,12	7,72	—	95,77	6,13	163,78	4,79	57,52	302,97	33,28
,,	13,	..	71,28	21,40	98,25	2,65	3	235,66	**429,28**	258,79	**688,07**	26,72	7,81	—	76,98	3,83	165,12	5,00	67,54	302,91	32,14
,,	20,	..	89,37	10,61	107,65	2,95	5	234,46	**445,11**	258,98	**704,08**	17,41	7,93	—	87,40	1,92	165,21	5,12	67,79	319,21	32,08
,,	27,	..	94,91	13,24	101,94	4,63	3	229,48	**444,23**	273,32	**717,55**	47,05	8,40	—	100,15	9,81	168,82	5,27	112,96	233,42	31,67
September	3,	..	158,25	13,31	97,19	2,59	8	190,21	**461,63**	270,23	**731,86**	30,22	12,86	—	81,68	24,63	170,48	5,80	140,46	234,12	31,60
,,	10,	..	109,55	11,16	97,73	2,48	4	190,28	**411,23**	272,58	**683,81**	16,38	16,14	—	97,11	21,49	170,05	6,00	164,33	158,88	33,44
,,	17,	..	67,66	19,66	102,98	2,63	6	192,03	**385,01**	265,69	**650,70**	29,46	15,20	—	70,27	17,38	170,66	6,14	149,41	160,35	31,83
,,	24,	..	93,43	11,06	104,24	2,81	2	191,18	**402,75**	270,37	**673,11**	34,31	12,78	—	82,51	8,94	171,46	6,35	149,84	174,27	32,65
October	1,	..	124,24	6,30	110,24	2,95	2	192,32	**436,08**	258,69	**694,76**	29,71	8,58	—	112,18	16,04	173,70	4,21	163,26	153,05	34,03
,,	8,	..	62,82	2,33	92,61	2,54	2	191,41	**351,74**	267,49	**619,23**	13,50	9,25	—	140,18	13,09	174,14	4,35	122,28	108,47	33,96
,,	15,	..	53,15	8,09	101,68	2,45	2	191,07	**356,47**	271,37	**627,85**	30,34	10,42	—	137,74	4,34	174,68	4,62	125,71	107,68	32,32
,,	22,	..	63,18	3,22	98,91	3,12	3	189,57	**358,04**	273,70	**631,74**	24,84	11,82	—	149,85	3,19	176,32	5,00	112,61	116,98	31,13
,,	29,	..	56,85	6,67	108,24	2,95	2	204,78	**379,51**	278,06	**657,57**	33,45	11,37	—	159,40	3,37	176,18	5,59	116,51	119,52	32,19
November	5,	..	50,61	12,30	103,69	2,55	2	214,33	**383,50**	272,44	**655,95**	30,03	11,07	—	169,81	3,69	178,98	4,35	89,73	134,40	33,90
,,	12,	..	52,46	7,25	104,14	2,55	3	208,89	**375,32**	287,21	**662,53**	14,19	11,86	—	147,10	2,32	178,57	5,35	70,62	198,28	34,25
,,	19,	..	79,19	6,53	104,44	2,92	2	210,16	**403,25**	290,09	**693,35**	13,42	12,17	—	157,07	2,42	179,37	4,55	71,60	217,99	34,75
,,	26,	..	80,15	6,84	101,92	2,88	2	208,23	**400,05**	295,82	**695,87**	29,93	9,90	—	168,26	1,58	180,44	4,88	66,22	199,66	35,00
December	3,	..	133,22	4,02	106,90	2,31	2	211,00	**457,46**	288,84	**746,30**	24,67	10,13	—	174,57	27,58	182,75	5,01	112,08	170,89	38,63
,,	10,	..	113,54	2,21	95,55	2,63	2	243,99	**457,94**	288,06	**745,99**	10,58	10,71	—	192,62	21,66	181,81	4,24	131,06	154,40	38,92
,,	17,	..	77,78	9,97	108,33	2,67	3	209,57	**408,34**	292,88	**701,23**	22,09	10,69	—	166,25	10,43	183,31	4,89	109,42	155,22	38,92
,,	24,	..	72,73	8,14	113,84	2,78	3	212,12	**409,65**	295,45	**705,10**	35,55	11,82	—	177,72	5,05	182,31	4,21	111,39	137,29	39,76
,,	31,	..	50,40	7,05	120,11	3,13	3	215,94	**396,67**	299,84	**696,51**	20,04	10,27	—	182,68	19,39	183,30	4,20	100,15	136,73	39,77
1966																					
January	7,	..	53,65	10,65	104,15	2,66	3	216,74	**387,87**	305,31	**693,18**	14,46	10,87	—	160,07	20,99	179,04	4,69	99,63	162,71	40,73
,,	14,	..	53,13	10,87	107,74	2,88	2	214,12	**388,77**	310,91	**699,68**	8,20	10,78	—	157,82	19,78	184,62	5,11	87,69	184,39	41,31
,,	21,	..	51,80	14,98	115,46	3,01	2	214,06	**399,35**	318,29	**717,64**	25,20	13,98	—	158,74	30,20	178,50	4,38	63,25	202,64	40,77
,,	28,	..	53,16	13,06	107,60	2,61	2	212,95	**389,40**	318,70	**708,09**	29,72	11,87	—	155,18	19,03	181,38	4,71	55,15	209,61	41,44
February	4,	..	49,33	10,22	100,35	2,54	2	211,56	**374,02**	325,21	**699,23**	34,19	10,78	—	173,56	17,14	179,88	5,02	43,84	193,41	41,39
,,	11,	..	54,33	9,94	107,69	2,39	2	212,08	**386,46**	321,14	**707,60**	21,52	10,62	—	179,43	36,94	179,30	4,98	40,82	192,30	41,70
,,	18,	..	54,14	9,56	104,78	3,20	3	212,07	**383,78**	323,17	**706,95**	16,16	10,41	—	187,79	37,16	176,66	4,87	33,97	198,27	41,64
,,	25,	..	51,78	9,71	110,34	3,79	3	210,63	**386,29**	329,63	**715,92**	42,16	10,42	—	189,35	35,85	177,14	4,20	25,70	188,43	42,68
March	4,	..	53,82	3,39	108,93	4,89	2	214,53	**385,59**	332,19	**717,77**	27,98	15,17	—	204,39	82,50	175,74	4,68	47,87	116,41	43,03
,,	11,	..	58,04	2,51	106,79	4,48	2	212,31	**384,15**	333,62	**717,77**	13,64	14,54	—	218,22	106,65	174,62	4,81	61,62	80,40	43,28
,,	18,	..	53,77	24,81	107,95	4,43	2	193,35	**384,34**	339,15	**723,48**	16,27	15,33	—	194,52	102,94	169,07	5,42	55,52	121,07	43,35
,,	25,	..	51,44	25,76	99,77	4,07	2	193,85	**374,91**	349,28	**724,19**	24,93	14,87	—	211,21	73,52	165,85	5,20	53,01	132,25	43,34

(*a*) Including (*i*) paid-up capital of Rs. 5 crores, (*ii*) reserve fund of Rs. 5 crores upto June 28, 1957 and Rs. 80 crores from July 5, 1957, (*iii*) National Agricultural Credit (Long-term Operations) Fund of Rs. 10 crores from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957, Rs. 25 crores from July 4, 1958, Rs. 30 crores from July 3, 1959, Rs. 40 crores from July 1, 1960, Rs. 50 crores from June 30, 1961, Rs. 61 crores from July 6, 1962, Rs. 73 crores from July 5, 1963, Rs. 86 crores from July 3, 1964 and Rs. 100 crores from July 2, 1965, (*iv*) National Agricultural Credit (Stabilization) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957, Rs. 3 crores from July 4, 1958, Rs. 4 crores from July 3, 1959, Rs. 5 crores from July 1, 1960, Rs. 6 crores from June 30, 1961, Rs. 7 crores from July 6, 1962, Rs. 8 crores from July 5, 1963, Rs. 9 crores from July 3, 1964 and Rs. 10 crores from July 2, 1965 and (*v*) National Industrial Credit (Long-term Operations) Fund of Rs. 10 crores from July 3, 1964 and Rs. 15 crores from July 2, 1965. (*b*) Including cash and short-term securities. (*c*) Including temporary overdrafts to State Governments from August 23, 1957. (*d*) Including loans and advances to Industrial Development Bank of India from the National Industrial Credit (Long-term Operations) Fund with effect from the week ended January 1, 1965.

STATEMENT 23—RESERVE BANK OF INDIA AND CO-OPERATIVE CREDIT*

(In lakhs of rupees)

Year	Short-term loans to State Co-operative Banks											
	For seasonal agricultural operations and marketing of crops [17(4)(*a*), (2)(*b*) or (4)(*c*)] at 2 per cent below Bank rate@		For financing Intensive Agricultural District programme [17(2)(*b*), 17(4) (*a*) or (4)(*c*)]at 2 per cent below Bank rate		For non-agricultural purposes							
					For financing handloom weavers' societies				For general banking purposes [17(4)(*a*)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17(2)(*b*) or(4)(*c*)] at Bank rate	
					For purchase of yarn [17(2)(*a*) or (4)(*c*)] at Bank rate		For production and marketing activities [17(2)(*bb*) or (4)(*c*)] at 1½ per cent below Bank rate					
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51	537.30	339.20	—	—	—	—	—	—	42.20	2.30	—	—
1955-56	2299.78	1233.48	—	—	—	—	—	—	38.60	13.00	—	—
1960-61	13166.16	7914.42	—	—	42.50	12.50	239.88	240.70	319.20	9.00	469.90	—
1961-62	15072.42	10671.22	97.00	80.00	173.90	65.00	354.30	335.63	983.00	18.50	2032.00	18.00
1962-63	18297.39	11730.52	155.30	178.50	238.00	77.75	451.66	443.59	1040.00	48.00	1475.00	19.00
1963-64	27148.31	11790.76	304.84	258.66	291.00	79.00	487.69	486.68	1474.50	70.00	—	—
1964-65	24819.19	12805.55	474.55	326.44	580.00	73.00	506.09	493.78	1322.00	58.00	—	—
1965-66	24657.38	14310.60	279.84	161.09	311.00	39.00	554.82	556.65	3723.00	—	—	—

* Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets.
@With effect from November 15, 1951. Prior to this date, the rate of interest was 1½ per cent below Bank rate.

Year	Medium-term loans to State Co-operative Banks for agricultural purposes [17 (4AA)] at 2 per cent below Bank rate before National Agricultural Credit (Long-term Operations) Fund was constituted		National Agricultural Credit (Long-term Operations) Fund								Ordinary debentures of Land Mortgage Banks	
			Medium-term loans to State Co-operative Banks for agricultural purposes [17(4AA) read with 46A(2)(*b*)] at 2 per cent below Bank rate**		Medium-term loans to State Co-operative Banks for financing small and medium cultivators to enable them to purchase shares in co-operative sugar factories [17(4AA) read with 46A(2)(*b*)] at Bank rate		Long-term loans to State Governments for contribution to the share capital of co-operative credit societies [17(4AA) read with 46A(2)(*a*)]		Rural debentures of Land Mortgage Banks [17(4AA) read with 46A(2)(*d*)]			
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Purchases	Outstandings	Purchases	Outstandings
	13	14	15	16	17	18	19	20	21	22	23	24
1950-51	—	—	—	—	—	—	—	—	—	—	12.00	18.13
1955-56	30.75	40.52	10.59	10.59	—	—	—	—	—	—	9.50	73.38
1960-61	—	—	467.90	763.19	—	—	274.58	1995.17	33.17	107.15	2.90	66.81
1961-62	—	—	711.33	1081.50	10.00	10.00	542.65	2436.80	70.81	177.96	72.20	139.02
1962-63	—	—	348.85	918.86	8.81	15.97	491.34	2714.53	106.92§	284.88§	167.16	290.18
1963-64	—	—	448.24	863.62	—	9.87	330.81†	2831.63	74.48§	359.36§	334.46	616.26
1964-65	—	—	737.38	1105.02	—	4.89	418.25	2987.85	86.16	445.53§	481.20	1097.46
1965-66	—	—	706.30	1165.44	—	—	252.82	2941.31	128.03	547.77	449.77	1545.23

** Rate of interest of loans sanctioned with effect from November 1, 1960 raised to 1½ per cent below Bank rate.
§ Include special development debentures.
† Of this Rs. 2,765 lakhs pertain to the amount sanctioned in 1962-63.

STATEMENT 24—RESERVE BANK OF INDIA AND INDUSTRIAL FINANCE

(In lakhs of rupees)

As at the end of	A. Long-term Finance to						
	Industrial Finance Corporation		State Financial Corporations		Industrial Development Bank of India		
	Shares(*a*)	Bonds	Shares	Bonds	Shares	Bonds	Others(*b*)
	1	2	3	4	5	6	7
1950-51	102.70	—	—	—			
1955-56	102.70	200.00	170.00	—			
1960-61	102.70	200.00	235.00	—			
1961-62	142.70	200.00	245.00	6.75			
1962-63	142.70	220.00	243.00	18.75			
1963-64	142.70	220.00	243.00	18.75			
1964-65	—	220.00	243.00	20.85	1,000.00	—	124.93
1965-66	—	220.00	243.00	20.85	1,000.00	—	308.87

Note : Consequent on the merger of the Refinance Corporation for Industry with the Industrial Development Bank of India as from September 1, 1964, the shares held by the Reserve Bank of India of the paid-up value of Rs. 100 lakhs have been paid up by the Industrial Development Bank of India.

(*a*) From August 1, 1964 all the shares of the Industrial Finance Corporation of India held by the Reserve Bank have been transferred to the Industrial Development Bank of India.

(*b*) Relates to the data on long-term finance to Industrial Development Bank, for the purpose of purchase of or subscription to stocks, shares, bonds, debentures issued by Industrial Finance Corporation, S. F. C.'s or any other notified financial institution or for purposes of any other business of Industrial Development Bank.

Outstanding as on last Friday	B. Medium-term Finance to		C. Short-term Finance to
	Industrial Finance Corporation [Under Section 17 (4B)(*b*) of the Reserve Bank of India Act]	State Financial Corporations including M.I.I.C. [Under Section 17(4A) of the Reserve Bank of India Act]	State Financial Corporations including M.I.I.C. [Under Section 17(4)(*a*) of the Reserve Bank of India Act]
	8	9	10
1960-61	51.00		13.00
1961-62	—		34.00
1962-63	—	5.00	71.33
1963-64	124.00	94.00	63.65
1964-65	—	191.00	52.10
1965-66	82.00	77.00	51.69
March 1965 ..	—	191.00	52.10
April „ ..	120.50	246.20	39.61
May „ ..	235.50	160.60	48.71
June „ ..	15.50	182.50	41.12
July „ ..	128.25	155.00	52.51
August „ ..	107.75	150.00	52.01
September „ ..	223.75	130.00	64.25
October „ ..	157.00	145.00	39.26
November „ ..	16.00	147.00	50.34
December „ ..	—	93.00	38.79
January 1966 ..	29.75	98.00	55.59
February „ ..	—	69.00	42.34
March „ ..	82.00	77.00	51.69

Note : Outstandings in respect of medium-term finance to Industrial Development Bank of India under Section 17(4H)(*b*) of the Reserve Bank of India Act and short-term finance to Industrial Finance Corporation under Section 17 (4B)(*a*) and Industrial Development Bank of India under Section 17 (4H)(*a*) of the Reserve Bank of India Act are nil.

STATEMENT 25—REMITTANCES THROUGH THE RESERVE BANK OF INDIA

Telegraphic Transfers Issued and Paid

(In crores of rupees)

Year/Half year	TOTAL		BOMBAY		CALCUTTA		NEW DELHI		KANPUR		MADRAS		BANGALORE (*a*)		NAGPUR (*b*)	
	Issued	Paid	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1950-51	**791.6**	**1,018.6**	229.1	*346.4*	325.3	*368.9*	105.4	*84.4*	53.3	*64.5*	78.5	*154.4*				
1955-56	**1,079.8**	**1,075.7**	192.0	*462.7*	585.5	*240.4*	150.8	*149.0*	43.6	*67.2*	82.9	*145.8*	25.1	*10.7*		
1960-61	**2,811.0**	**2,647.3**	445.7	*698.6*	989.2	*1,236.3*	383.1	*418.4*	108.1	*75.6*	164.5	*171.7*	56.3	*18.2*	664.3	*28.5*
1961-62	**3,120.6**	**2,890.6**	385.3	*809.8*	1,082.4	*1,409.0*	417.9	*361.7*	116.7	*85.1*	180.0	*201.3*	59.1	*11.1*	879.2	*12.5*
1962-63	**3,882.2**	**3,246.7**	506.4	*726.2*	1,391.6	*1,695.0*	458.4	*442.9*	123.7	*96.3*	222.4	*241.7*	60.8	*13.0*	1,118.9	*31.6*
1963-64	**4,444.3**	**3,339.8**	536.0	*593.3*	1,541.8	*1,854.0*	525.0	*429.8*	148.8	*97.3*	206.5	*276.2*	63.5	*15.2*	1,422.7	*74.0*
1964-65	**5,305.4**	**3,994.5**	702.8	*645.2*	1,922.2	*2,365.4*	612.5	*479.8*	165.4	*118.0*	212.4	*308.9*	71.6	*21.5*	1,618.5	*55.8*
1965-66	**6,187.6**	**4,559.5**	841.4	*702.4*	2,265.0	*2,777.3*	726.8	*455.6*	165.7	*129.7*	258.5	*391.5*	67.8	*19.7*	1,862.4	*83.3*
April 1964 to September 1964	**2,598.4**	**1,936.1**	291.7	*320.7*	909.7	*1,197.5*	307.5	*207.5*	100.1	*41.1*	120.0	*142.8*	39.1	*10.2*	830.3	*16.5*
October 1964 to March 1965 ..	**2,706.9**	**2,058.4**	411.1	*324.5*	1,012.4	*1,167.9*	305.0	*272.3*	65.3	*77.0*	92.4	*166.1*	32.5	*11.3*	788.2	*39.3*
April 1965 to September 1965	**3,157.5**	**2,309.1**	402.1	*353.0*	1,158.8	*1,441.2*	358.9	*226.4*	97.8	*55.3*	120.1	*181.6*	30.4	*8.1*	989.4	*43.5*
October 1965 to March 1966 ..	**3,030.1**	**2,250.4**	439.3	*349.4*	1,106.2	*1,336.1*	367.9	*229.2*	67.9	*74.4*	138.4	*209.9*	37.4	*11.6*	873.0	*39.8*

Note : Figures relate to the Indian Union. (*a*) Opened in July 1953. (*b*) Opened in September 1956.

STATEMENT 26—BORROWINGS BY SCHEDULED BANKS FROM THE RESERVE BANK OF INDIA AT VARIOUS RATES OF INTEREST

(In lakhs of rupees)

Average of Fridays	Outstandings under Section 17(4) (*a*), 17(4)(*c*), and 17(3A) of the Reserve Bank of India Act, 1934					Weighted average rate of borrowings (Per cent)
	Total	At 6%	At 6½%	At 7%	Over 7%	
1965-66* ..	**55,69**	18,39	13,47	3,30	20,53	7.08
March 1965	**145,18**	43,65	3,83	47,35	50,35	7.07
April ,,	**131,45**	23,91	34,57	16,72	56,26	7.22
May ,,	**138,99**	24,19	17,53	2,06	95,20	7.86
June ,,	**90,69**	27,62	51,87	2,38	8,83	6.55
July ,,	**34,99**	34,43	2	50	4	6.02
August ,,	**5,42**	5,36	—	—	6	6.03
September ,,	**18,11**	14,12	1,84	2,06	9	6.18
October ,,	**8,01**	8,01	—	—	—	6.00
November@ ,,	**2,81**	2,81	—	—	—	6.00

Average of Fridays	Outstandings under Section 17(4)(*a*), 17(4)(*c*) and 17(3A) of the Reserve Bank of India Act, 1934							Weighted average rate of borrowings (Per cent)
	Total	At6%	At7%	At8%	At9%	At10%	Over 10%	
1965-66** ..	**37,13**	33,28	88	1,65	58	18	56	6.28
November 1965†	**1,58**	1,58	—	—	—	—	—	6.00
December ,,	**16,82**	13,88	17	1,37	—	3	1,37	6.78
January 1966	**22,50**	22,48	1	—	—	—	—	6.00
February ,,	**31,77**	31,77	—	—	—	—	—	6.00
March ,,	**91,40**	77,77	3,75	5,72	2,59	75	82	6.33

Note : Data upto September 25, 1964 are as under slab-rate system. Effective from September 26, 1964, the slab-rate system was replaced by a new system under which borrowings of scheduled banks were linked to the net liquidity ratio. For further details, please refer to Chapter III of this Report and also pp. 13-14 and Statement 25 of the Report on Currency and Finance, 1964-65. The weighted average rates of borrowings for the earlier years were: 1960-61—5.12% (average of 23 weeks), 1961-62—4.81%, 1962-63—5.19%, 1963-64—5.15% and 1964-65—5.18%.

* Average of 34 weeks. @ Average of 3 weeks. ** Average of 18 weeks. † Relates to week ended November 26, 1965.

STATEMENT 27—SAVINGS DEPOSITS WITH SCHEDULED BANKS

(In lakhs of rupees)

Last Friday	All Scheduled Banks	Indian Scheduled Banks	Foreign Banks
	1	2	3
1955-56	**169,43**	155,01	14,41
1960-61	**281,81**	256,16	25,65
1961-62	**333,70**	302,47	31,23
1962-63	**392,57**	355,46	37,11
1963-64	**476,61**	434,01	42,61
1964-65	**579,21**	529,18	50,03
1965-66	**716,48**	655,29	61,20
March 1965	**579,21**	529,18	50,03
April ,, ...	**594,34**	543,61	50,73
May ,, ...	**601,64**	550,36	51,28
June ,, ...	**614,07**	561,95	52,12
July ,, ...	**628,24**	575,11	53,13
August ,, ...	**630,25**	576,75	53,50
September ,, ...	**636,72**	582,55	54,16
October ,, ...	**647,70**	592,47	55,23
November ,, ...	**652,70**	597,22	55,48
December ,, ...	**673,14**	615,83	57,31
January 1966	**681,29**	623,56	57,73
February ,, ...	**705,29**	644,53	60,77
March ,, ...	**716,48**	655,29	61,20

STATEMENT 28—RESERVES OF SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS WITH THE RESERVE BANK OF INDIA

(In lakhs of rupees)

Last Week	All Scheduled Banks		Indian Scheduled Banks		Foreign Banks		State Co-operative Banks	
	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess
	1	2	3	4	5	6	7	8
1950-51 ..	**36,57**	**21,78**	29,22	16,78	7,35	5,00	**35**	**15**
1955-56 ..	**40,09**	**8,81**	32,30	6,59	7,79	2,22	**47**	**59**
1960-61 ..	**62,69**	**12,67**	54,02	11,01	8,67	1,67	**1,02**	**74**
1961-62 ..	**67,49**	**6,07**	58,63	4,41	8,86	1,66	**1,10**	**98**
1962-63 ..	**66,36**	**7,61**	57,86	5,77	8,50	1,84	**1,17**	**1,21**
1963-64 ..	**74,33**	**10,55**	65,18	9,59	9,15	96	**1,34**	**80**
1964-65 ..	**83,72**	**11,97**	73,27	9,68	10,44	2,30	**1,59**	**1,60**
1965-66 ..	**95,70**	**15,69**	83,98	12,82	11,72	2,87	**1,76**	**3,08**
March 1965	**83,72**	**11,97**	73,27	9,68	10,44	2,30	**1,59**	**1,60**
April ,,	**87,09**	**11,67**	76,47	9,20	10,62	2,47	**1,66**	**1,40**
May ,,	**87,44**	**11,35**	76,62	9,09	10,82	2,26	**1,62**	**1,25**
June ,,	**88,85**	**12,85**	77,82	10,59	11,03	2,26	**1,86**	**2,73**
July ,,	**92,02**	**12,65**	80,14	9,65	11,88	3,00	**1,81**	**1,59**
August ,,	**92,64**	**10,86**	80,79	7,58	11,85	3,27	**1,73**	**1,37**
September ,,	**91,35**	**15,76**	79,77	13,25	11,57	2,51	**1,74**	**1,24**
October ,,	**92,51**	**11,65**	80,84	10,12	11,68	1,53	**1,68**	**85**
November ,,	**92,74**	**11,84**	81,16	9,86	11,58	1,98	**1,64**	**1,00**
December ,,	**93,14**	**20,37**	81,88	17,84	11,26	2,53	**1,68**	**1,45**
January 1966	**94,01**	**7,17**	82,62	4,97	11,40	2,19	**1,73**	**79**
February ,,	**95,67**	**11,47**	84,05	9,43	11,62	2,04	**1,75**	**1,71**
March ,,	**95,70**	**15,69**	83,98	12,82	11,72	2,87	**1,76**	**3,08**

STATEMENT 29—SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

	No. of reporting banks	Demand liabilities				Time liabilities				Aggregate deposits (3+7) (d)	Borrowings from	
		Deposits		Borrowings from banks (a)	Others (b)	Deposits		Borrowings from banks (a)	Others(c)		Reserve Bank (e)	State Bank of India and /or a notified bank†
		Inter-bank	Others			Inter-bank	Others					
	1	2	3	4	5	6	7	8	9	10	11	12
As at the close of last Friday												
1950-51	93			23,62	592,55			8	288,06	**880,61**	12,41	..
1955-56	89			4,87	630,80			3,01	412,35	**1,043,15**	65,08	19,71
1960-61	89	55,68	719,72	14,01	52,11	14,29	1,026,34	11,07	22,45	**1,746,06**	94,53	18,52
1961-62	83	53,50	788,76	19,03	54,01	14,84	1,133,11	13,28	11,88	**1,921,87**	53,04	17,59
1962-63	79	56,24	867,11	22,18	57,07	20,77	1,175,14	15,76	10,51	**2,042,26**	71,28	22,47
1963-64	78	65,18	1,071,10	31,43	66,85	21,05	1,214,00	12,26	11,37	**2,285,10**	84,16	26,91
1964-65	76	75,69	1,239,35	20,40	71,78	25,39	1,343,95	16,06	14,15	**2,583,30**	153,02	57,85
1965-66	76	80,49	1,427,03	39,58	75,23	41,54	1,522,90	26,75	17,82	**2,949,93**	73,52	52,35
1965-66 (Weekly) Friday figures 1965												
April 2, ...	76	86,30	1,262,63	21,10	66,29	27,23	1,344,16	16,90	14,59	**2,606,79**	162,92	58,05
,, 9, ...	76	81,02	1,242,70	28,98	74,17	32,35	1,368,29	18,79	14,41	**2,611,00**	120,70	57,04
,, 16, ...	76	75,85	1,245,11	29,16	75,04	36,04	1,375,23	18,51	14,25	**2,620,34**	128,23	55,47
,, 23, ...	76	75,59	1,262,01	30,27	79,30	35,58	1,384,26	21,81	14,11	**2,646,27**	119,23	57,08
,, 30, ...	76	72,95	1,240,52	23,41	80,31	38,78	1,396,82	23,99	15,03	**2,637,34**	126,18	52,48
May 7, ...	76	71,86	1,235,63	22,63	73,27	45,49	1,388,92	22,94	14,50	**2,624,55**	164,45	52,73
,, 14, ...	76	72,22	1,246,39	25,06	68,75	40,14	1,397,81	21,93	14,77	**2,644,20**	163,89	53,15
,, 21, ...	76	73,15	1,244,94	33,25	73,92	42,65	1,410,57	21,80	14,39	**2,655,50**	124,76	50,98
,, 28, ...	76	75,43	1,254,38	30,92	77,10	43,80	1,412,45	20,54	14,12	**2,666,84**	102,84	50,38
June 4, ...	76	72,07	1,247,32	30,57	74,45	46,59	1,414,30	23,18	14,71	**2,661,62**	107,81	50,42
,, 11, ...	76	70,38	1,244,63	32,59	74,95	43,92	1,425,37	24,33	14,57	**2,670,00**	106,37	48,92
,, 18, ...	76	73,07	1,256,72	36,96	76,47	44,46	1,432,60	26,81	14,50	**2,689,31**	84,92	47,51
,, 25, ...	76	79,89	1,275,12	37,67	78,68	50,49	1,433,04	30,62	14,26	**2,708,15**	63,67	48,02

July	2,	..	..	76	86,71	1,290,04	40,45	74,47	54,69	1,440,56	29,26	14,89	**2,730,60**	68,47	49,11
„	9,	..	..	76	78,45	1,285,60	42,58	74,94	63,17	1,445,04	28,19	14,18	**2,730,64**	54,99	49,35
„	16,	..	..	76	74,91	1,297,95	36,97	75,58	67,12	1,459,78	23,75	14,19	**2,757,72**	26,48	48,90
„	23,	..	..	76	77,48	1,309,86	31,56	75,82	67,46	1,472,21	26,50	13,81	**2,782,07**	15,51	49,90
„	30,	..	..	76	72,82	1,307,50	27,02	76,94	70,07	1,480,80	25,65	13,75	**2,788,30**	9,49	50,53
August	6,	..	..	76	70,69	1,296,09	23,76	77,71	66,05	1,491,62	24,02	15,10	**2,787,71**	6,13	50,33
„	13,	..	..	76	70,06	1,302,24	24,57	76,92	65,97	1,499,28	24,79	14,84	**2,801,52**	3,83	49,96
„	20,	..	..	76	73,50	1,308,88	26,98	82,35	69,21	1,504,10	27,70	14,36	**2,812,98**	1,92	49,27
„	27,	..	..	76	71,83	1,337,17	24,53	77,10	65,03	1,498,43	27,18	13,85	**2,835,60**	9,81	48,89
September	3,	..	..	76	66,80	1,284,86	18,98	73,10	61,18	1,497,31	27,89	15,40	**2,782,17**	24,63	50,12
„	10,	..	..	76	66,41	1,283,57	21,53	73,94	61,70	1,497,46	29,57	15,07	**2,781,03**	21,49	48,58
„	17,	..	..	76	68,87	1,295,98	26,68	74,73	61,75	1,491,25	29,36	14,51	**2,787,22**	17,38	48,34
„	24,	..	..	76	65,47	1,300,24	29,46	76,89	63,63	1,489,37	28,19	14,40	**2,789,62**	8,94	47,48
October	1,	..	..	76	64,88	1,284,31	33,40	77,64	62,99	1,488,51	28,61	15,87	**2,772,82**	16,04	47,41
„	8,	..	..	76	66,98	1,304,40	33,01	81,96	61,46	1,485,02	29,52	15,57	**2,789,41**	13,09	47,96
„	15,	..	..	76	67,81	1,319,05	33,18	76,17	60,96	1,490,00	31,56	15,74	**2,809,05**	4,34	47,48
„	22,	..	..	76	69,08	1,313,33	31,04	76,56	61,36	1,494,04	30,36	16,55	**2,807,37**	3,19	48,52
„	29,	..	..	76	68,75	1,320,51	32,46	83,26	59,39	1,494,74	28,14	16,56	**2,815,24**	3,37	50,08
November	5,	..	..	76	69,70	1,313,25	34,91	76,95	61,27	1,501,15	28,01	18,02	**2,814,39**	3,69	49,58
„	12,	..	..	76	71,28	1,309,67	31,86	78,56	60,05	1,504,87	26,40	17,75	**2,814,54**	2,32	49,08
„	19,	..	..	76	68,18	1,316,97	30,96	76,74	58,48	1,500,91	26,36	17,36	**2,817,88**	2,42	49,08
„	26,	..	..	76	68,71	1,327,82	28,75	75,69	58,06	1,497,25	26,82	17,54	**2,825,07**	1,58	49,55
December	3,	..	..	76	68,64	1,311,52	20,77	75,09	56,33	1,484,49	27,04	18,51	**2,796,01**	27,58	50,89
„	10,	..	..	76	68,12	1,293,71	27,98	75,91	50,18	1,491,69	23,96	18,38	**2,785,40**	21,66	51,56
„	17,	..	..	76	71,42	1,310,53	30,28	78,73	49,57	1,500,96	22,14	18,38	**2,811,48**	10,43	51,09
„	24,	..	..	76	75,15	1,324,78	28,63	80,67	48,27	1,511,63	21,80	18,21	**2,836,41**	5,05	51,47
„	31,	..	..	76	93,06	1,366,54	31,32	83,11	46,80	1,519,80	25,10	19,35	**2,886,34**	19,39	49,65
1966															
January	7,	..	..	76	75,41	1,347,46	29,16	78,88	44,28	1,517,34	22,67	18,06	**2,864,80**	20,99	54,76
„	14,	..	..	76	76,89	1,338,25	29,58	80,52	43,16	1,516,40	19,33	17,23	**2,854,64**	19,78	53,42
„	21,	..	..	76	75,27	1,346,84	32,92	79,89	45,90	1,520,33	17,53	16,89	**2,867,18**	30,20	53,06
„	28,	..	..	76	76,78	1,369,59	33,08	79,20	44,71	1,527,11	17,19	17,07	**2,896,70**	19,03	52,73
February	4,	..	..	76	77,90	1,364,08	32,24	76,07	45,49	1,529,83	16,86	18,92	**2,893,91**	17,14	52,68
„	11,	..	..	76	72,79	1,362,06	30,81	75,79	42,90	1,538,31	18,54	18,81	**2,900,37**	36,94	52,41
„	18,	..	..	76	73,95	1,375,12	35,02	81,21	47,86	1,541,13	18,60	17,59	**2,916,25**	37,16	51,65
„	25,	..	..	76	76,18	1,389,17	34,07	84,77	47,78	1,539,66	22,83	17,81	**2,928,84**	35,85	53,80
March	4,	..	..	76	73,45	1,381,01	29,27	75,58	35,47	1,543,21	23,03	18,62	**2,924,23**	82,50	56,44
„	11,	..	..	76	72,57	1,375,82	29,29	74,17	39,73	1,539,88	21,92	18,65	**2,915,70**	106,65	55,57
„	18,	..	..	76	77,83	1,394,58	31,69	75,40	39,51	1,527,51	26,39	18,11	**2,922,09**	102,94	51,24
„	25,	..	..	76	80,49	1,427,03	39,58	75,23	41,54	1,522,90	26,75	17,82	**2,949,93**	73,52	52,35

STATEMENT 29—SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Contd.*)

(Amount in lakhs of rupees)

	Cash in hand and balances with Reserve Bank								Bank Credit					
									Advances		Bills purchased and discounted			
	Cash in hand	Balances with Reserve Bank	Total	*Percentage of (15) to (10) (f)*	Balances with other banks in current account	Money at call and short notice	Investments in Government securities (*g*)	*Percentage of (19) to (10) (f)*	Loans, cash credits and overdrafts (*k*)	Due from banks	Inland	Foreign (*i*)	Total (*k*)	*Percentage of (25) to (10) (f)*
	13	14	15	16	17	18	19	20	21	22	23	24	25	26
As at the close of last Friday														
1950-51	34,95	58,36	**93,30**	*10.6*	..	..	..	..	533,66(*h*)		13,26(*j*)		**546,93**	*62.1*
1955-56	35,84	48,90	**84,73**	*8.1*	10,81	6,31	359,90	*34.5*	612,45		102,02	46,77	**761,25**	*73.0*
1960-61	45,56	71,02	**116,58**	*6.7*	17,85	20,78	558,58	*32.0*	1,110,96	16,78	159,35	49,23	**1,319,54**	*75.6*
1961-62	48,86	74,59	**123,46**	*6.4*	17,77	37,55	601,39	*31.3*	1,178,38	11,69	180,69	48,53	**1,407,61**	*73.2*
1962-63	51,73	73,97	**125,71**	*6.2*	21,86	38,78	592,76	*29.0*	1,309,28	14,28	222,56	56,17	**1,588,01**	*77.8*
1963-64	58,18	89,42	**147,60**	*6.5*	23,34	36,89	639,69	*28.0*	1,520,15	17,17	231,31	65,00	**1,816,46**	*79.5*
1964-65	66,72	95,73	**162,45**	*6.3*	24,22	36,76	718,18	*27.8*	1,698,12	24,27	261,51	74,07	**2,033,70**	*78.7*
1965-66	73,28	97,57	**170,85**	*5.8*	30,02	57,51	810,69	*27.5*	1,945,94	19,77	269,60	72,05	**2,287,60**	*77.6*
1965-66 (Weekly) Friday figures 1965														
April 2,	67,84	91,68	**159,52**	*6.1*	26,59	38,94	718,28	*27.6*	1,718,41	24,58	274,15	76,27	**2,068,82**	*79.4*
„ 9,	66,33	97,64	**163,97**	*6.3*	25,11	48,46	717,57	*27.5*	1,719,80	23,77	282,26	76,24	**2,078,30**	*79.6*
„ 16,	77,49	100,88	**178,37**	*6.8*	24,33	49,60	718,13	*27.4*	1,728,72	22,22	289,07	75,20	**2,092,99**	*79.9*
„ 23,	70,97	98,67	**169,64**	*6.4*	24,98	52,47	718,82	*27.2*	1,731,71	22,79	284,69	76,33	**2,092,73**	*79.1*
„ 30,	68,08	93,48	**161,56**	*6.1*	24,60	45,35	719,65	*27.3*	1,751,60	25,71	284,24	77,18	**2,113,02**	*80.1*
May 7,	70,01	95,37	**165,38**	*6.3*	26,03	42,02	718,36	*27.4*	1,758,10	24,23	278,78	77,23	**2,114,11**	*80.5*
„ 14,	77,25	94,25	**171,50**	*6.5*	26,17	44,71	718,29	*27.2*	1,759,94	23,98	283,11	78,21	**2,121,26**	*80 2*
„ 21,	71,26	93,11	**164,37**	*6.2*	25,43	52,86	721,19	*27.2*	1,747,17	23,02	281,63	76,55	**2,105,35**	*79.3*
„ 28,	70,87	99,31	**170,18**	*6.4*	25,26	47,70	721,45	*27.1*	1,745,67	21,55	274,33	76,91	**2,096,91**	*78.6*
June 4,	72,19	90,79	**162,98**	*6.1*	25,93	47,71	721,88	*27.1*	1,760,07	30,55	259,05	76,10	**2,095,22**	*78.7*
„ 11,	71,63	95,12	**166,74**	*6.3*	25,43	52,29	722,94	*27.1*	1,773,46	28,65	246,56	74,21	**2,094,23**	*78.4*
„ 18,	72,83	96,19	**169,02**	*6.3*	26,10	58,57	724,02	*26.9*	1,774,48	30,19	232,18	73,62	**2,080,28**	*77.4*
„ 25,	76,81	96,83	**173,64**	*6.4*	26,20	67,73	726,81	*26.8*	1,781,04	27,64	212,65	74,75	**2,068,44**	*76.4*
July 2,	75,38	99,55	**174,94**	*6.4*	27,01	59,99	731,24	*26.8*	1,825,79	22,11	183,61	75,13	**2,084,54**	*76.3*
„ 9,	72,16	104,94	**177,10**	*6.5*	25,41	68,54	747,39	*27.4*	1,819,43	21,91	173,85	78,02	**2,071,30**	*75.9*
„ 16,	72,74	102,77	**175,51**	*6.4*	25,51	68,19	765,61	*27.8*	1,813,54	17,34	164,23	79,35	**2,057,12**	*74.6*
„ 23,	69,24	113,96	**183,20**	*6.6*	24,67	67,10	814,76	*29.3*	1,794,85	18,03	159,52	80,18	**2,034,55**	*73.1*
„ 30,	66,60	97,53	**164,13**	*5.9*	23,30	65,32	835,85	*30.0*	1,790,73	17,81	154,72	79,57	**2,025,02**	*72.6*

August	6,	..	..	..	68,69	95,62	**164,31**	*5.9*	24,66	56,64	832,89	*29.9*	1,801,48	16,65	154,12	80,08	**2,035,68**	*73.0*
,,	13,	..	..	..	67,99	96,80	**164,79**	*5.9*	25,68	56,05	831,57	*29.7*	1,792,72	18,37	151,76	80,28	**2,024,77**	*72.3*
,,	20,	..	..	..	68,83	106,30	**175,13**	*6.2*	27,57	64,70	848,12	*30.2*	1,780,40	17,04	150,03	80,40	**2,010,83**	*71.5*
,,	27,	..	..	..	64,82	98,61	**163,42**	*5.8*	25,16	64,95	857,17	*30.2*	1,781,54	17,24	149,34	81,17	**2,012,04**	*71.0*
September	3,	..	..	..	67,29	103,73	**171,02**	*6.2*	23,39	49,95	855,51	*30.7*	1,797,61	17,66	150,18	78,16	**2,025,96**	*72.8*
,,	10,	..	..	..	64,41	95,12	**159,53**	*5.7*	25,53	54,62	832,72	*29.9*	1,797,70	18,29	148,08	75,19	**2,020,97**	*72.7*
,,	17,	..	..	..	65,58	102,40	**167,98**	*6.0*	27,11	60,62	830,50	*29.8*	1,796,98	17,89	141,09	72,33	**2,010,40**	*72.1*
,,	24,	..	..	..	64,65	106,90	**171,55**	*6.2*	25,66	65,25	843,92	*30.3*	1,785,15	16,32	137,89	71,63	**1,994,67**	*71.5*
October	1,	..	..	..	58,33	112,08	**170,41**	*6.2*	26,02	72,30	851,09	*30.7*	1,800,83	17,54	146,02	74,01	**2,020,87**	*72.9*
,,	8,	..	..	..	72,56	97,81	**170,37**	*6.1*	25,87	72,45	853,36	*30.6*	1,799,54	18,28	154,41	74,20	**2,028,15**	*72.7*
,,	15,	..	..	..	69,86	102,48	**172,33**	*6.1*	26,30	73,19	850,66	*30.3*	1,790,24	13,36	155,15	76,06	**2,021,45**	*72.0*
,,	22,	..	..	..	64,53	95,41	**159,94**	*5.7*	25,81	73,80	868,92	*31.0*	1,784,89	18,49	159,89	77,20	**2,021,98**	*72.0*
,,	29,	..	..	..	71,22	111,94	**183,16**	*6.5*	25,31	74,87	858,25	*30.5*	1,781,32	16,88	161,82	76,51	**2,019,65**	*71.7*
November	5,	..	..	..	69,49	103,48	**172,97**	*6.2*	23,96	78,19	859,79	*30.6*	1,771,29	19,49	168,09	76,06	**2,015,44**	*71.6*
,,	12,	..	..	..	69,01	101,82	**170,83**	*6.1*	24,53	74,33	857,51	*30.5*	1,778,20	18,68	172,47	72,68	**2,023,36**	*71.9*
,,	19,	..	..	..	69,54	113,25	**182,79**	*6.5*	24,29	71,78	859,10	*30.5*	1,773,73	17,98	174,55	72,26	**2,020,54**	*71.7*
,,	26,	..	..	..	68,74	101,47	**170,21**	*6.0*	24,64	68,58	866,54	*30.7*	1,775,60	19,26	171,97	71,80	**2,019,37**	*71.5*
December	3,	..	..	..	69,15	109,88	**179,03**	*6.4*	25,17	56,23	845,28	*30.2*	1,798,13	21,85	185,69	71,78	**2,055,60**	*73.5*
,,	10,	..	..	..	68,34	97,05	**165,39**	*5.9*	25,09	57,37	829,75	*29.8*	1,798,66	20,79	196,94	69,30	**2,064,90**	*74.1*
,,	17,	..	..	..	70,72	101,66	**172,38**	*6.1*	26,19	58,25	825,11	*29.4*	1,793,65	18,38	197,91	68,36	**2,059,92**	*73.3*
,,	24,	..	..	..	67,07	110,21	**177,28**	*6.2*	28,96	59,91	840,53	*29.6*	1,792,66	16,97	205,51	67,95	**2,066,11**	*72.8*
,,	31,	..	..	..	84,98	116,45	**201,43**	*7.0*	45,82	59,55	828,00	*28.7*	1,826,32	16,91	211,43	67,04	**2,104,78**	*72.9*
1966																		
January	7,	..	..	..	68,63	112,01	**180,63**	*6.3*	30,38	62,36	834,23	*29.1*	1,823,88	16,68	215,88	67,82	**2,107,58**	*73.6*
,,	14,	..	..	..	77,11	108,22	**185,32**	*6.5*	29,00	52,73	829,91	*29.1*	1,835,25	16,96	220,82	68,58	**2,124,64**	*74.4*
,,	21,	..	..	..	74,52	108,31	**182,83**	*6.4*	28,30	62,01	826,66	*28.8*	1,837,09	17,69	216,12	70,26	**2,123,47**	*74.1*
,,	28,	..	..	..	80,25	103,47	**183,73**	*6.3*	27,13	61,40	829,21	*28.6*	1,849,36	19,31	221,39	73,43	**2,144,17**	*74.0*
February	4,	..	..	..	76,61	106,70	**183,31**	*6.3*	26,74	61,07	826,03	*28.5*	1,861,73	20,57	219,52	74,12	**2,155,36**	*74.5*
,,	11,	..	..	..	75,83	104,47	**180,30**	*6.2*	26,97	57,81	823,66	*28.4*	1,871,38	21,76	219,45	71,69	**2,162,52**	*74.6*
,,	18,	..	..	..	75,45	99,44	**174,89**	*6.0*	26,77	71,96	824,38	*28.3*	1,870,14	18,99	223,23	74,27	**2,167,64**	*74.3*
,,	25,	..	..	..	72,17	104,26	**176,43**	*6.0*	28,38	65,14	825,23	*28.2*	1,880,87	21,01	229,46	75,70	**2,186,03**	*74.6*
March	4,	..	..	..	72,18	111,22	**183,41**	*6.3*	28,00	57,55	819,85	*28.0*	1,922,52	22,40	237,92	70,31	**2,230,76**	*76.3*
,,	11,	..	..	..	75,33	105,40	**180,73**	*6.2*	27,79	52,45	816,91	*28.0*	1,937,11	18,27	245,66	70,19	**2,252,96**	*77.3*
,,	18,	..	..	..	73,23	104,99	**178,22**	*6.1*	28,79	48,58	809,73	*27.7*	1,956,16	18,85	251,98	69,07	**2,277,20**	*77.9*
,,	25,	..	..	..	73,28	97,57	**170,85**	*5.8*	30,02	57,51	810,69	*27.5*	1,945,94	19,77	269,60	72,05	**2,287,60**	*77.6*

Note : Compiled from the information supplied under Section 42(2) of the Reserve Bank of India Act. This statement has been recast to show separate figures of inter-bank transactions in respect of deposits and advances, which are available since November 25, 1960. The figures of assets and liabilities include changes consequent on the following transfers of P. L. 480 deposits with the State Bank of India to the Reserve Bank of India: (i) Rs. 12 crores each month from July 1960 to June 1961, (ii) Rs. 10 crores each month from November 1962 to March 1963, (iii) Rs. 6 crores each month from November 1963 to March 1964 and (iv) Rs. 8 crores each month from November 1964 to March 1965.

(*a*) Including borrowings from State Bank upto April 10, 1952. (*b*) Figures above the line include demand deposits. (*c*) Figures above the line include time deposits. (*d*) Figures above the line relate to aggregate liabilities. From July 1, 1965, includes advance deposits for imports against which the banks are not required to maintain statutory cash balances with the Reserve Bank of India. The scheme is not applicable to shipments made after August 19, 1965, consequent on the withdrawal of the scheme. (*e*) As available in the Reserve Bank records. (*f*) Ratios above the line relate to aggregate liabilities. (*g*) At book value ; including Treasury Bills and Treasury Deposit Receipts. (*h*) Includes inland bills purchased and money at call and short notice. (*i*) Called for from May 14, 1954. (*j*) Relates to inland bills discounted only. (*k*) Figures above the line include due from banks also.

† Includes borrowings from the Industrial Development Bank of India from January 2, 1965.

STATEMENT 30—CLASSIFICATION OF SCHEDULED BANKS'

Nature of Security	Outstandings as on March 1965	April 1965	May 1965	June 1965	July 1965	August 1965
	1	2	3	4	5	6
Seasonal Advances						
1. Paddy and Rice	16,69	20,08	20,01	18,50	16,84	14,04
2. Wheat	3,32	2,17	3,13	7,45	12,27	10,98
3. Other Foodgrains	6,39	13,07	17,26	19,26	19,56	20,43
4. Sugar and Gur	95,24	110,36	112,58	105,67	89,58	76,92
5. Groundnuts	14,30	13,74	12,26	9,68	7,27	4,96
6. Cotton and Kapas	133,48	146,60	146,52	134,77	124,43	111,79
7. Raw Jute	36,35	35,41	31,81	28,63	24,43	21,59
8. Tea	42,63	43,67	45,84	47,84	52,09	52,80
9. Others	47,28	61,04	64,55	62,74	58,64	53,06
Non-Seasonal Advances						
Manufactures and Minerals						
10. Cotton Textiles	172,27	176,85	171,11	166,91	169,69	175,72
11. Jute Textiles	36,85	37,62	37,98	35,87	37,02	37,20
12. Iron & Steel and Engineering Products	268,65	262,71	267,32	270,11	280,15	285,28
13. Others	271,27	282,12	279,37	283,80	291,85	297,80
Others						
14. Shares of Joint Stock Companies ..	95,92	96,01	91,31	91,90	89,92	90,90
15. Debentures of Joint Stock Companies	21,63	23,76	23,04	24,44	24,60	25,43
16. Government and Other Trustee Securities	27,44	27,20	25,64	25,34	23,81	29,38
17. Gold & Silver Bullion and Ornaments	21,38	20,38	20,06	20,07	20,27	20,44
18. Assets of Industrial Concerns ..	137,17	143,82	143,40	139,83	147,88	151,34
19. Others	270,65	278,85	281,01	275,58	283,82	284,19
Total Secured Advances	**1,718,91**	**1,795,46**	**1,794,20**	**1,768,39**	**1,774,12**	**1,764,25**
Total Unsecured Advances	**303,86**	**307,19**	**299,40**	**301,76**	**253,86**	**248,56**

Note : 1. The data for this statement are obtained directly from the offices of scheduled banks in India.
2. The data are exclusive of 'Due from banks'.

ADVANCES ACCORDING TO SECURITY

(In lakhs of rupees)

the last Friday of								*Slack season contraction*		*Busy season expansion*	
September 1965	October 1965	November 1965	December 1965	January 1966	February 1966	March 1966	April 1966	*1964*	*1965*	*1964-65*	*1965-66*
7	8	9	10	11	12	13	14	15	16	17	18
13,12	14,76	16,63	15,95	14,70	14,26	30,21	49,97	*—16,15*	*— 5,32*	*+15,94*	*+35,21*
9,70	13,66	13,95	15,54	12,44	7,27	7,39	8,94	*— 2,49*	*+11,49*	*+ 17*	*— 4,72*
15,37	14,55	15,47	13,11	14,48	14,06	14,63	19,68	*— 6,11*	*+ 1,48*	*+ 5,97*	*+ 5,13*
67,81	52,02	43,60	56,06	75,81	94,91	117,65	135,52	*—63,38*	*—58,34*	*+90,79*	*+83,50*
2,80	2,73	7,62	14,54	18,16	16,94	16,12	14,62	*—12,13*	*—11,01*	*+12,72*	*+11,89*
96,50	86,09	86,23	104,88	113,60	122,29	136,56	138,16	*—57,31*	*—60,51*	*+71,22*	*+52,07*
21,78	19,79	21,95	25,37	27,21	27,64	29,07	29,09	*—10,43*	*—15,62*	*+ 7,46*	*+ 9,30*
52,43	52,30	47,67	44,38	43,82	45,32	44,56	47,62	*+ 9,98*	*+ 8,63*	*— 3,49*	*— 4,68*
46,89	40,52	40,30	43,73	46,94	48,73	55,98	71,19	*—35,92*	*—20,52*	*+33,83*	*+30,67*
182,89	187,25	185,53	185,32	181,66	176,95	176,96	170,68	*+ 6,10*	*+10,40*	*+24,89*	*—16,57*
36,76	43,37	45,68	43,01	42,66	42,35	41,57	43,35	*+ 8,27*	*+ 5,75*	*— 2,28*	*— 2*
295,25	307,25	307,45	321,85	322,17	322,79	330,52	318,74	*+15,02*	*+44,54*	*+29,42*	*+11,49*
300,26	304,18	300,70	308,84	307,99	306,62	309,95	298,63	*+16,62*	*+22,06*	*+11,68*	*— 5,55*
87,02	86,21	85,87	87,55	86,20	86,46	86,69	89,33	*— 8,01*	*— 9,80*	*+3,94*	*+ 3,12*
27,16	25,83	27,37	29,28	28,80	28,67	30,91	28,47	*— 1,72*	*+ 2,07*	*+ 73*	*+ 2,64*
28,89	27,06	26,23	25,21	24,42	22,32	22,44	22,22	*+ 8,77*	*— 14*	*— 9,26*	*— 4,84*
20,91	20,88	21,05	20,86	20,53	20,90	20,21	19,73	*+ 2,09*	*+ 50*	*— 15*	*— 1,15*
153,33	157,29	158,16	158,99	161,49	174,84	172,13	169,83	*+13,14*	*+13,47*	*+28,78*	*+12,54*
284,08	286,07	287,43	302,61	304,29	309,77	320,74	336,27	*— 6,28*	*+ 7,22*	*+46,71*	*+50,20*
1,742,95	**1,741,81**	**1,738,89**	**1,817,08**	**1,847,37**	**1,883,09**	**1,964,29**	**2,012,04**	*—139,94*	*— 53,65*	*+369,07*	*+270,23*
252,11	**276,73**	**278,69**	**284,71**	**296,01**	**300,98**	**318,78**	**318,18**	*+12,20*	*—30,46*	*+20,08*	*+41,45*

STATEMENT 31—CHEQUE CLEARANCES

Period	Total		Ahmedabad		Amritsar		Bangalore*		Bombay*	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	1	2	3	4	5	6	7	8	9	10
1950-51	**2,178**	**553,18**	79	18,79	27	3,25	58	5,91	809	239,79
1955-56	**3,107**	**663,35**	144	27,32	37	3,60	78	8,82	1,123	255,94
1960-61	**4,567**	**1,045,89**	244	47,07	57	6,44	126	18,84	1,615	376,22
1961-62	**4,996**	**1,133,90**	279	55,84	59	6,74	139	22,33	1,718	412,55
1962-63	**5,259**	**1,249,11**	283	57,51	60	7,27	152	25,06	1,769	441,27
1963-64	**5,566**	**1,400,71**	305	63,53	68	8,93	170	29,31	1,831	498,51
1964-65	**5,914**	**1,536,35**	330	74,02	77	10,30	181	33,92	1,923	542,53
1965-66	**6,327**	**1,746,38**	331	76,77	76	10,06	195	40,68	2,029	624,48
March 1965 ..	**6,939**	**2,004,05**	393	90,12	89	12,04	216	48,03	2,240	698,81
April „ ..	**6,150**	**1,738,61**	341	83,21	75	10,17	194	38,72	1,922	614,38
May „ ..	**6,161**	**1,659,39**	398	82,20	78	10,17	185	34,54	1,929	592,98
June „ ..	**6,147**	**1,632,82**	365	78,72	80	11,14	182	37,78	2,004	566,31
July „ ..	**6,529**	**1,736,35**	358	78,48	88	11,81	205	39,97	2,113	611,99
August „ ..	**6,024**	**1,631,60**	269	75,00	79	10,31	184	37,08	1,857	575,53
September „ ..	**6,149**	**1,635,10**	346	64,91	43	5,12	195	39,27	1,985	565,60
October „ ..	**5,927**	**1,547,62**	307	65,74	68	7,81	187	35,96	1,955	549,07
November „ ..	**6,602**	**1,826,05**	307	72,25	86	10,94	202	44,58	2,116	664,18
December „ ..	**6,318**	**1,844,63**	297	79,28	82	11,44	198	40,96	1,924	651,04
January 1966 ..	**6,048**	**1,685,83**	274	68,45	83	11,75	185	37,96	1,975	612,00
February „ ..	**6,608**	**1,802,81**	306	81,06	77	10,49	197	40,28	2,211	670,81
March „ ..	**7,260**	**2,215,71**	406	91,94	69	9,61	227	61,08	2,359	819,88

Period	Jabalpur		Kanpur*		Lucknow		Madras*		Madurai	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	23	24	25	26	27	28	29	30	31	32
1950-51			53	11,35	23	2,24	264	36,01	10	1,38
1955-56			76	12,44	32	2,54	351	35,55	16	1,75
1960-61			93	18,32	41	4,19	410	55,45	26	3,77
1961-62	9@	1,45@	100	19,31	43	4,58	438	59,37	31	4,92
1962-63	9	2,23	106	20,75	44	4,89	447	64,69	31	5,16
1963-64	12	2,75	109	23,28	45	5,09	483	73,38	35	5,91
1964-65	13	2,87	112	23,51	52	5,97	498	83,55	36	5,74
1965-66	15	3,30	119	26,35	53	7,40	510	102,09	41	6,47
March 1965	15	4,68	122	26,40	73	8,89	584	111,26	40	6,52
April „	15	5,23	124	27,08	55	7,45	499	92,81	43	6,90
May „	14	2,72	123	29,39	53	5,74	488	86,50	39	6,43
June „	13	2,88	116	25,76	51	6,97	499	88,19	38	6,50
July „	15	4,20	122	26,32	56	7,21	545	112,75	43	7,34
August „	14	1,73	118	24,68	53	6,19	498	89,49	38	6,05
September „	16	1,54	109	21,12	57	7,00	503	105,93	41	6,05
October „	14	3,96	104	22,86	48	6,88	471	93,17	39	6,10
November „	15	3,31	125	27,09	57	7,31	525	108,36	43	6,62
December „	16	2,90	125	28,61	45	6,86	520	109,73	40	6,20
January 1966	15	3,30	116	27,21	51	7,74	452	99,24	37	5,98
February „	16	2,86	120	27,20	51	8,36	509	104,14	42	6,50
March „	17	4,96	124	28,82	60	11,07	608	134,80	47	6,94

Note : Annual figures are averages of months.
* Managed by Reserve Bank of India. @ Average of nine months.

(ANNUAL AND MONTHLY)

(Number in thousands; amount in lakhs of rupees)

CALCUTTA*		COCHIN		COIMBATORE		DELHI		HYDERABAD		JAIPUR	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
11	12	13	14	15	16	17	18	19	20	21	22
541	198,86			17	3,01	103	12,48	9	3,01		
688	251,17	13	3,39	24	3,93	195	21,29	17	3,35	13	1,72
803	348,50	21	6,42	39	7,32	324	34,30	55	9,37	21	2,95
879	354,12	27	6,01	42	8,47	337	37,88	61	10,99	23	3,38
918	388,75	26	7,49	44	8,97	353	42,20	71	13,31	26	4,32
906	417,76	29	8,88	52	10,44	368	45,07	85	17,02	28	4,86
944	449,91	31	9,43	52	11,15	371	45,81	100	20,51	32	5,47
1,018	487,93	32	13,29	59	12,25	381	53,27	96	20,27	39	6,60
1,090	591,57	32	11,28	63	13,99	429	59,46	124	27,17	40	7,32
981	501,74	28	8,81	51	13,83	394	54,36	100	21,29	39	7,61
976	460,08	30	10,03	56	12,30	419	53,61	96	20,89	37	6,69
980	463,60	32	12,73	63	13,88	381	51,03	94	19,35	37	7,83
1,039	468,95	36	14,22	67	14,17	333	56,98	93	19,16	41	7,23
1,026	466,48	33	12,04	61	11,67	388	51,11	95	20,60	40	6,17
1,048	501,30	31	12,63	60	11,42	332	43,47	102	19,25	37	5,35
906	437,45	32	14,04	57	10,80	338	45,27	90	19,10	32	4,91
1,102	515,56	36	15,37	65	13,06	391	55,33	104	21,16	38	6,14
1,066	523,79	34	16,65	65	11,87	387	59,48	101	21,81	38	6,46
934	449,68	30	13,61	51	10,96	374	53,74	85	17,42	38	5,93
1,037	483,86	32	13,48	60	12,24	412	53,44	99	21,13	39	6,22
1,124	582,64	36	15,86	52	10,87	426	61,46	99	22,09	46	8,64

MANGALORE		NAGPUR*		NEW DELHI*		POONA		SIMLA		SURAT		OTHER CENTRES	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
33	34	35	36	37	38	39	40	41	42	43	44	45	46
6	88	21	2,34	56	4,10	29	1,91	7	45			67	7,42
10	1,05	30	4,05	106	10,93	39	2,66	5	27			112	11,58
18	2,54	37	6,21	223	49,53	65	5,48	5	54	43	5,05	302	37,38
18	2,66	41	6,09	235	52,13	73	6,55	5	60	45	6,08	395	51,85
20	2,88	44	7,07	254	63,02	83	7,90	6	69	49	7,29	464	66,38
21	3,42	50	8,88	280	75,45	89	9,35	6	76	55	8,51	538	79,64
23	3,89	53	9,79	307	82,59	99	11,10	6	93	59	9,46	616	93,92
24	4,22	64	12,05	351	96,18	100	12,39	6	90	64	11,94	722	117,49
27	4,95	67	14,79	360	115,95	107	13,89	6	1,02	73	11,30	750	124,62
26	4,52	63	13,79	337	84,26	99	12,73	6	91	61	11,25	697	117,56
24	4,35	56	10,15	326	91,32	95	11,63	6	82	67	12,15	665	114,70
20	3,50	53	11,62	332	91,26	80	9,33	6	73	60	10,74	660	112,95
24	4,07	65	11,85	359	98,85	112	11,78	7	85	66	12,42	740	115,74
21	3,45	58	10,11	340	95,41	100	11,58	7	88	65	11,79	681	104,27
22	3,27	63	10,26	334	89,46	95	10,87	6	79	51	9,21	671	101,27
23	3,88	64	9,87	333	87,45	100	12,27	7	1,01	66	10,16	686	99,87
26	4,33	65	12,19	364	90,14	104	13,62	8	1,32	61	12,42	764	120,75
24	3,85	66	13,22	359	103,36	102	13,66	6	81	65	12,99	761	119,69
25	4,33	63	11,41	354	95,03	102	13,40	6	92	65	12,61	733	123,18
25	4,74	60	11,39	363	91,34	99	10,29	5	79	67	13,15	781	129,04
31	6,32	89	18,80	414	136,23	117	17,49	6	94	78	14,35	825	150,90

STATEMENT 32—NON-SCHEDULED BANKS :

LIABI

Last Friday	Number of reporting banks (*a*)	Total (*b*)	CAPITAL AND RESERVES			Aggregate deposits (9+12)
			Total	Paid-up capital (*c*)	Reserves	
	1	2	3	4	5	6
1955-56	378	**84,56**	**12,15**	7,82	4,33	**66,81**
1960-61	256	**54,16**	**6,95**	4,33	2,62	**42,73**
1961-62	212	**48,44**	**5,96**	3,60	2,36	**37,61**
1962-63	211	**47,47**	**6,08**	3,59	2,49	**37,31**
1963-64	183	**40,81**	**5,55**	3,12	2,43	**30,45**
1964-65	103	**34,73**	**4,36**	2,39	1,97	**26,93**
1965-66	33	**28,00**	**1,95**	1,05	90	**23,91**
December 1964	115	**36,36**	**4,99**	2,79	2,20	**28,20**
January 1965	106	**26,58**	**4,25**	2,40	1,85	**19,93**
February „	109	**35,37**	**4,73**	2,65	2,08	**27,11**
March „	103	**34,73**	**4,36**	2,39	1,97	**26,93**
April „	97	**34,12**	**4,33**	2,33	2,00	**26,84**
May „	92	**33,49**	**4,15**	2,23	1,92	**26,89**
June „	92	**33,71**	**4,19**	2,25	1,94	**27,10**
July „	79	**32,96**	**3,82**	2,01	1,81	**26,02**
August „	69	**31,40**	**3,47**	1,80	1,67	**25,41**
September „	72	**29,92**	**3,43**	1,75	1,68	**23,84**
October „	72	**30,36**	**3,39**	1,70	1,69	**23,76**
November „	35	**28,05**	**2,06**	1,11	95	**23,82**
December „	33	**27,53**	**1,97**	1,07	90	**23,34**
January 1966	33	**27,46**	**1,98**	1,07	91	**23,60**
February „	33	**27,72**	**1,94**	1,04	90	**23,69**
March „	33	**28,00**	**1,95**	1,05	90	**23,91**

(For foot-notes, please see end of the Statement.)

LIABILITIES AND ASSETS IN INDIA

(Amount in lakhs of rupees)

LITIES

DEPOSITS						Due to other banks	Other liabilities
DEMAND			TIME				
Total	Inter-bank	Others	Total	Inter-bank	Others		
7	8	9	10	11	12	13	14
24,90	42	24,48	**42,71**	38	42,33	2,29	2,51
11,58	15	11,43	**31,76**	46	31,30	1,37	2,50
10,23	19	10,04	**27,91**	34	27,57	1,49	2,85
10,82	29	10,53	**27,26**	48	26,78	82	2,49
9,68	19	9,49	**21,38**	42	20,96	1,95	2,25
9,38	18	9,20	**17,91**	18	17,73	1,19	1,89
8,37	13	8,24	**15,77**	10	15,67	53	1,38
9,67	19	9,48	**18,94**	22	18,72	80	1,96
5,49	7	5,42	**14,62**	11	14,51	55	1,67
9,42	19	9,23	**18,09**	21	17,88	1,15	1,98
9,38	18	9,20	**17,91**	18	17,73	1,19	1,89
9,41	17	9,24	**17,75**	15	17,60	83	1,80
9,31	13	9,18	**17,84**	13	17,71	46	1,73
9,41	15	9,26	**17,95**	11	17,84	37	1,79
8,89	28	8,61	**17,53**	12	17,41	1,01	1,71
8,56	12	8,44	**17,13**	16	16,97	63	1,61
7,85	12	7,73	**16,22**	11	16,11	87	1,55
7,82	12	7,70	**16,18**	12	16,06	1,34	1,64
7,98	14	7,84	**16,11**	13	15,98	57	1,35
8,08	12	7,96	**15,49**	11	15,38	45	1,54
8,34	12	8,22	**15,48**	10	15,38	18	1,48
8,27	11	8,16	**15,63**	10	15,53	54	1,34
8,37	13	8,24	**15,77**	10	15,67	53	1,38

STATEMENT 32—NON-SCHEDULED BANKS:

ASS

Last Friday	Total (b)	Cash in hand and Balances with Reserve Bank			Balances with Agent of Reserve Bank and other banks in current account	Money at call and short notice	Bank	
		Total	Cash in hand	Balances with Reserve Bank			Total	Advances
	15	16	17	18	19	20	21	22
1955-56	**84,40**	**4,67**	4,66	1	2,37	76	**41,71**	38,54
1960-61	**53,99**	**3,22**	3,21	1	2,55	55	**29,11**	27,82
1961-62	**48,36**	**2,96**	2,95	1	2,46	1,18	**25,38**	24,40
1962-63	**47,37**	**2,52**	2,51	1	3,65	1,80	**20,88**	19,70
1963-64	**40,68**	**2,10**	2,08	2	2,11	1,59	**20,20**	19,18
1964-65	**34,62**	**1,78**	1,75	3	1,71	1,39	**17,48**	16,51
1965-66	**27,92**	**1,76**	1,75	1	1,84	41	**13,18**	12,33
December 1964 ..	**36,22**	**1,97**	1,95	2	2,08	1,44	**16,10**	15,23
January 1965 ..	**26,46**	**1,39**	1,32	7	1,41	76	**13,32**	12,41
February „ ..	**35,22**	**1,96**	1,94	2	2,02	1,17	**16,53**	15,59
March „ ..	**34,62**	**1,78**	1,75	3	1,71	1,39	**17,48**	16,51
April „ ..	**33,91**	**2,11**	2,10	1	1,86	71	**17,11**	16,20
May „ ..	**33,36**	**1,92**	1,90	2	3,14	1,03	**14,59**	13,73
June „ ..	**33,57**	**1,86**	1,82	4	3,09	71	**14,80**	13,94
July „ ..	**32,89**	**1,77**	1,74	3	1,68	91	**14,49**	13,66
August „ ..	**31,28**	**1,39**	1,37	2	2,05	61	**14,02**	13,12
September „ ..	**29,83**	**1,41**	1,40	1	1,45	49	**14,24**	13,44
October „ ..	**30,26**	**1,71**	1,69	2	1,45	42	**15,92**	15,20
November „ ..	**28,00**	**1,63**	1,62	1	1,46	28	**15,09**	14,40
December „ ..	**27,48**	**1,82**	1,80	2	1,88	33	**14,70**	13,69
January 1966 ..	**27,41**	**1,77**	1,76	1	1,56	40	**14,31**	13,54
February „ ..	**27,63**	**1,77**	1,75	2	1,81	29	**13,16**	12,35
March „ ..	**27,92**	**1,76**	1,75	1	1,84	41	**13,18**	12,33

Note : Compiled from the information supplied in Form XII under the Banking Regulation Act, 1949. Data from September 1961, being on revised basis, are not strictly comparable with those for the earlier period.

LIABILITIES AND ASSETS IN INDIA—(*Contd.*)

(Amount in lakhs of rupees)

ETS

CREDIT		INVESTMENTS					16	21	25
Bills purchased and discounted	Due from banks	**Total**	Central Government (*d*)	State Governments	Others	Other assets	*As percentage of aggregate deposits*		
23	24	25	26	27	28	29	30	31	32
3,17	6	**30,32**	16,65	7,97	5,70	4,51	*7.0*	*62.4*	*45.4*
1,29	2	**14,80**	4,63	6,14	4,03	3,74	*7.5*	*68.1*	*34.6*
98	3	**12,73**	3,53	6,06	3,14	3,62	*7.9*	*67.5*	*33.8*
1,18	1	**14,95**	3,41	6,44	5,10	3,56	*6.8*	*56.0*	*40.1*
1,02	3	**11,38**	3,17	4,61	3,60	3,27	*6.9*	*66.3*	*37.4*
97	—	**9,42**	2,50	4,02	2,90	2,84	*6.6*	*64.9*	*35.0*
85	—	**7,75**	1,88	3,73	2,14	2,98	*7.4*	*55.1*	*32·4*
87	1	**10,13**	2,49	4,35	3,29	4,49	*7.0*	*57.1*	*35.9*
91	—	**7,72**	1,52	3,29	2,91	1,86	*7.0*	*66.8*	*38.7*
94	—	**9,69**	2,49	4,10	3,10	3,85	*7.2*	*61.0*	*35.7*
97	—	**9,42**	2,50	4,02	2,90	2,84	*6.6*	*64.9*	*35.0*
91	—	**9,37**	2,46	3,97	2,94	2,75	*7.9*	*63.7*	*34.9*
86	—	**9,52**	2,56	3,86	3,10	3,16	*7.1*	*54.3*	*35.4*
86	—	**9,45**	2,54	3,76	3,15	3,66	*6.9*	*54.6*	*34.9*
83	—	**9,12**	2,17	3,66	3,29	4,92	*6.8*	*55.7*	*35.0*
90	—	**8,79**	2,16	3,77	2,86	4,42	*5.5*	*55.2*	*34.6*
80	—	**8,49**	2,09	3,72	2,68	3,75	*5.9*	*59.7*	*35.6*
72	—	**8,38**	2,05	3,84	2,49	2,37	*7.2*	*67.0*	*35.3*
69	—	**7,97**	2,03	3,76	2,18	1,57	*6.8*	*63.4*	*33.5*
1,01	—	**7,07**	1,66	3,20	2,21	1,68	*7.8*	*63.0*	*30.3*
77	—	**7,51**	1,88	3,68	1,95	1,86	*7.5*	*60.6*	*31.8*
81	—	**7,61**	1,87	3,70	2,04	2,99	*7.5*	*55.6*	*32.1*
85	—	**7,75**	1,88	3,73	2,14	2,98	*7.4*	*55·1*	*32·4*

(*a*) At the end of period; relate to functioning banks from November 1965. (*b*) As the data relate only to areas to which the Banking Regulation Act extended, the total liabilities do not agree with the total assets. (*c*) Excluding banks incorporated outside Indian Union. (*d*) Including Treasury Bills and Treasury Deposit Receipts.

STATEMENT 33—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in lakhs of rupees)

	Number of reporting banks	DEMAND AND TIME LIABILITIES											Borrowings from Reserve Bank (*d*)	Borrowings from State Bank and/or a notified bank		
		Aggregate deposits (*a*) (5+10)	DEMAND					TIME						Total	Demand	Time
			Total	Deposits		Borrowings from banks	Others (*b*)	Total	Deposits		Borrowings from banks	Others (*c*)				
				Inter-bank	Others				Inter-bank	Others						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
As at the close of last Friday																
1950-51 ..	7	**17,77**	**9,81**			1,04	8,77	**10,11**			1,11	9,00	3,42(*h*)			
1955-56 ..	17	**28,49**	**12,30**			37	11,93	**16,56**			—	16,56	13,20	**16**	16	—
1960-61 ..	20	**34,93**	**25,95**	9,45	15,61	—	89	**37,33**	14,93	19,32	—	3,07	89,40	**1,44**	26	1,18
1961-62 ..	19	**38,29**	**29,02**	9,93	18,08	40	62	**36,99**	14,36	20,22	—	2,42	123,39	**1,47**	37	1,10
1962-63 ..	19	**42,65**	**30,34**	10,62	18,66	—	1,05	**41,01**	15,01	23,99	—	2,01	134,35	**5,46**	3,81	1,65
1963-64 ..	18	**49,97**	**34,06**	10,43	22,31	—	1,32	**50,17**	18,86	27,67	—	3,64	133,98	**5,57**	5,25	32
1964-65 ..	18	**58,37**	**40,88**	15,84	23,56	—	1,48	**56,42**	18,90	34,82	—	2,70	149,90	**25,69**	10,00	15,69
1965-66 ..	18	**62,31**	**43,69**	15,34	25,87	—	2,48	**66,38**	28,61	36,44	—	1,33	165,85	**18,96**	4,48	14,48
1965-66 (Weekly) Friday figures																
1965																
April 2, ..	18	**60,92**	**44,36**	16,70	25,92	—	1,74	**56,64**	19,30	35,00	—	2,35	147,17	**23,18**	10,80	12,38
„ 9, ..	18	**61,40**	**44,86**	17,59	25,50	—	1,77	**61,04**	20,64	35,90	—	4,50	138,01	**19,96**	7,78	12,18
„ 16, ..	18	**60,44**	**43,30**	16,86	24,68	—	1,75	**60,39**	21,51	35,76	—	3,12	134,74	**19,25**	7,47	11,78
„ 23, ..	18	**60,47**	**43,13**	16,11	25,26	—	1,76	**62,26**	23,10	35,21	—	3,97	130,04	**19,82**	8,04	11,78
„ 30, ..	18	**60,48**	**41,85**	15,24	24,50	30	1,80	**61,26**	22,55	35,97	—	2,74	129,53	**20,75**	9,47	11,28
May 7, ..	18	**59,91**	**40,87**	15,28	23,54	20	1,85	**62,85**	23,90	36,37	—	2,59	128,00	**21,49**	9,40	12,09
„ 14, ..	18	**59,48**	**40,11**	14,67	23,42	20	1,82	**63,33**	24,77	36,06	—	2,50	126,87	**21,46**	9,43	12,03
„ 21, ..	18	**60,74**	**41,48**	14,85	24,11	49	2,04	**63,34**	24,31	36,63	—	2,40	126,40	**20,91**	8,88	12,03
„ 28, ..	18	**59,38**	**39,77**	14,71	23,00	30	1,76	**62,11**	23,42	36,38	—	2,31	128,07	**21,12**	9,13	11,99
June 4, ..	18	**58,58**	**38,72**	14,66	22,03	20	1,83	**62,68**	23,85	36,55	—	2,28	130,28	**19,31**	14,20	5,11
„ 11, ..	18	**60,73**	**40,64**	15,02	23,54	15	1,94	**63,25**	23,81	37,19	—	2,25	133,61	**19,38**	16,64	2,74
„ 18, ..	18	**59,99**	**39,56**	14,67	22,81	29	1,78	**63,66**	24,28	37,18	—	2,21	138,78	**21,47**	18,65	2,82
„ 25, ..	18	**60,29**	**48,84**	21,68	24,31	1,05	1,81	**64,40**	25,84	35,99	—	2,57	150,04	**18,50**	15,76	2,74
July 2, ..	18	**62,47**	**49,71**	21,82	25,74	10	2,04	**69,39**	30,30	36,73	—	2,35	169,58	**16,43**	7,75	8,68
„ 9, ..	18	**63,83**	**48,14**	19,93	25,73	29	2,19	**70,26**	29,92	38,10	—	2,24	167,77	**15,02**	7,20	7,82
„ 16, ..	18	**63,43**	**46,23**	18,40	24,42	1,31	2,11	**71,03**	29,72	39,01	—	2,30	166,02	**11,88**	5,32	6,57
„ 23, ..	18	**63,41**	**44,28**	16,53	24,64	95	2,16	**72,05**	30,06	38,77	—	3,22	164,27	**11,18**	3,32	7,87
„ 30, ..	18	**63,11**	**43,73**	17,04	24,37	33	1,99	**72,02**	29,94	38,73	—	3,35	162,18	**11,70**	3,94	7,76

August	6,	..	18	**62,61**	**43,26**	16,89	24,14	31	1,92	**71,78**	30,48	38,47	—	2,82	163,78	**10,72**	3,64	7,08
„	13,	..	18	**62,02**	**43,08**	16,22	24,22	62	2,02	**70,94**	30,31	37,80	—	2,82	165,12	**10,96**	3,21	7,75
„	20,	..	18	**61,87**	**43,17**	15,50	25,01	64	2,02	**69,77**	30,30	36,86	—	2,61	165,21	**10,65**	3,67	6,99
„	27,	..	18	**61,98**	**40,67**	14,13	24,52	—	2,01	**71,03**	31,15	37,45	—	2,42	168,82	**11,19**	4,03	7,16
September	3,	..	18	**62,22**	**40,79**	14,41	24,38	—	2,00	**69,22**	28,99	37,84	—	2,39	170,48	**11,56**	4,22	7,35
„	10,	..	18	**61,80**	**40,78**	14,44	24,21	—	2,14	**69,50**	29,48	37,59	—	2,42	170,05	**12,14**	4,79	7,35
„	17,	..	18	**61,53**	**41,02**	13,96	24,25	70	2,12	**69,54**	29,80	37,28	—	2,46	170,66	**11,72**	4,28	7,44
„	24,	..	18	**61,96**	**41,39**	14,09	24,49	76	2,05	**70,87**	30,93	37,47	—	2,47	171,46	**11,00**	3,41	7,59
October	1,	..	18	**62,14**	**39,91**	13,18	24,27	10	2,36	**68,65**	28,63	37,88	—	2,14	173,70	**11,51**	3,92	7,59
„	8,	..	18	**62,04**	**39,48**	13,34	23,66	42	2,06	**69,77**	29,13	38,39	—	2,26	174,14	**11,46**	4,22	7,24
„	15,	..	18	**62,06**	**39,33**	12,77	23,53	1,07	1,96	**70,85**	29,84	38,53	—	2,47	174,68	**10,64**	3,78	6,85
„	22,	..	18	**62,12**	**38,30**	12,53	23,67	31	1,79	**70,50**	29,71	38,45	—	2,34	176,32	**12,15**	4,54	7,61
„	29,	..	18	**63,20**	**38,97**	12,65	24,26	3	2,04	**70,26**	28,98	38,95	—	2,33	176,18	**11,77**	4,18	7,59
November	5,	..	18	**61,93**	**39,55**	12,65	24,15	71	2,04	**67,97**	27,73	37,78	—	2,46	178,98	**11,39**	3,80	7,59
„	12,	..	18	**62,21**	**38,54**	12,18	23,97	27	2,11	**68,56**	27,92	38,24	—	2,40	178,57	**11,25**	3,53	7,72
„	19,	..	18	**62,00**	**39,05**	12,93	23,47	45	2,20	**67,44**	26,40	38,53	—	2,51	179,37	**10,04**	2,42	7,62
„	26,	..	18	**60,39**	**38,77**	13,75	22,72	27	2,04	**67,54**	27,34	37,67	—	2,54	180,44	**10,22**	2,61	7,61
December	3,	..	18	**60,21**	**38,22**	12,78	23,26	—	2,18	**66,38**	26,96	36,96	—	2,46	182,75	**10,80**	3,25	7,55
„	10,	..	18	**61,06**	**37,50**	11,97	23,35	—	2,19	**66,94**	26,85	37,71	—	2,38	181,81	**10,89**	3,43	7,46
„	17,	..	18	**61,82**	**38,17**	12,32	23,86	3	1,96	**66,62**	26,16	37,97	—	2,49	183,31	**11,07**	3,61	7,46
„	24,	..	18	**62,25**	**38,89**	12,97	23,79	22	1,91	**68,43**	27,44	38,46	—	2,53	182,31	**11,39**	3,80	7,59
„	31,	..	18	**63,55**	**38,79**	12,12	24,20	41	2,07	**70,91**	29,25	39,36	—	2,31	183,30	**10,72**	4,65	6,07
1966																		
January	7,	..	18	**63,41**	**40,89**	13,31	24,45	1,20	1,94	**75,17**	33,79	38,96	—	2,43	179,04	**12,21**	5,17	7,04
„	14,	..	18	**63,81**	**38,84**	12,08	24,46	37	1,93	**71,04**	29,08	39,34	—	2,62	184,62	**12,58**	5,53	7,05
„	21,	..	18	**63,84**	**39,29**	12,48	24,83	—	1,98	**74,35**	32,69	39,01	—	2,64	178,50	**12,53**	4,40	8,13
„	28,	..	18	**64,36**	**39,94**	12,77	24,62	—	2,54	**72,57**	29,90	39,74	—	2,93	181,38	**13,53**	5,40	8,13
February	4,	..	18	**62,19**	**38,66**	13,24	23,10	—	2,32	**73,31**	31,70	39,10	—	2,52	179,88	**12,78**	3,66	9,13
„	11,	..	18	**63,67**	**38,42**	12,02	24,15	—	2,25	**74,45**	32,21	39,52	—	2,73	179,30	**12,78**	3,49	9,29
„	18,	..	18	**63,29**	**39,20**	12,54	24,52	—	2,14	**78,02**	36,46	38,77	—	2,79	176,66	**13,23**	3,94	9,29
„	25,	..	18	**63,48**	**39,82**	13,33	24,49	10	1,91	**75,06**	33,09	38,99	—	2,98	177,14	**14,15**	4,60	9,55
March	4,	..	18	**60,59**	**40,47**	15,20	23,22	—	2,05	**68,04**	29,50	37,37	—	1,17	175,74	**17,51**	4,98	12,53
„	11,	..	18	**60,32**	**41,47**	15,27	23,94	—	2,26	**66,71**	28,91	36,38	—	1,42	174,62	**18,57**	4,09	14,48
„	18,	..	18	**62,45**	**42,22**	14,24	25,80	—	2,18	**67,65**	29,27	36,65	—	1,73	169,07	**18,92**	4,44	14,48
„	25,	..	18	**62,31**	**43,69**	15,34	25,87	—	2,48	**66,38**	28,61	36,44	—	1,33	165,85	**18,96**	4,48	14,48

STATEMENT 33—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA—(*Contd.*)

(Amount in lakhs of rupees)

	ASSETS												
	Cash in hand and balances with Reserve Bank			Balances with other banks in current account	Investments in Government securities (*e*)	Money at call and short notice	Bank credit				*17*	*21*	*23*
							Total (*f*)	Advances		Bills purchased and discounted	*As percentage of Aggregate deposits (g)*		
	Total	Cash in hand	Balances with Reserve Bank					Loans, cash credits and overdrafts	Due from banks				
	17	18	19	20	21	22	23	24	25	26	*27*	*28*	*29*
As at the close of last Friday													
1950-51 ..	**1,08**	58	50				**13,86**	10,67		3,19	—	—	*78.0*
1955-56 ..	**2,02**	95	1,07	1,59	13,76	2,99	**25,35**	19,25		6,10	*7.1*	*48.3*	*89.0*
1960-61 ..	**2,60**	1,01	1,59	4,39	21,78	10,15	**62,08**	61,99	62,40	9	*7.4*	*62.3*	*177.7*
1961-62 ..	**2,35**	61	1,73	3,62	23,27	10,57	**160,97**	160,93	2	4	*6.1*	*60.8*	*420.4*
1962-63 ..	**2,87**	69	2,18	3,83	26,09	16,00	**182,90**	182,85	2	6	*6.7*	*61.2*	*428.8*
1963-64 ..	**2,57**	70	1,87	3,12	28,64	20,14	**197,36**	197,32	5	4	*5.1*	*57.3*	*394.9*
1964-65 ..	**3,46**	1,05	2,41	4,72	30,72	18,02	**242,17**	242,09	2	8	*5.9*	*52.6*	*414.9*
1965-66 ..	**5,03**	1,22	3,81	5,75	34,97	14,11	**267,83**	267,66	7	16	*8.1*	*56.1*	*429.8*
1965-66 (Weekly) Friday figures 1965													
April 2, ..	**3,79**	98	2,82	5,38	30,72	23,67	**242,17**	242,09	1	8	*6.2*	*50.4*	*397.5*
„ 9, ..	**3,52**	94	2,58	5,49	30,72	24,85	**263,43**	263,38	1	5	*5.7*	*50.0*	*429.0*
„ 16, ..	**3,78**	1,11	2,67	4,53	30,73	24,45	**233,49**	233,43	1	6	*6.3*	*50.8*	*386.3*
„ 23, ..	**4,26**	1,02	3,24	4,95	30,75	22,94	**233,76**	233,72	1	4	*7.0*	*50.9*	*386.6*
„ 30, ..	**4,01**	1,01	3,00	5,51	30,76	22,07	**231,18**	231,14	5	3	*6.6*	*50.9*	*382.3*
May 7, ..	**3,98**	1,06	2,92	5,66	30,77	21,96	**229,57**	229,55	3	3	*6.6*	*51.4*	*383.2*
„ 14, ..	**4,76**	1,05	3,71	5,02	30,77	20,22	**228,51**	228,48	3	3	*8.0*	*51.7*	*384.2*
„ 21, ..	**3,73**	1,02	2,71	5,73	30,95	21,41	**228,73**	228,69	3	4	*6.1*	*51.0*	*376.6*
„ 28, ..	**3,48**	1,01	2,48	5,45	30,90	18,99	**228,79**	228,76	3	3	*5.9*	*52.0*	*385.3*
June 4, ..	**3,38**	1,01	2,37	6,37	30,84	18,86	**236,13**	236,09	3	4	*5.8*	*52.7*	*403.1*
„ 11, ..	**3,72**	99	2,73	6,50	30,84	18,65	**231,85**	231,81	1	4	*6.1*	*50.8*	*381.8*
„ 18, ..	**4,75**	96	3,79	5,94	30,84	18,30	**236,96**	236,92	1	4	*7.9*	*51.4*	*395.0*
„ 25, ..	**5,00**	1,05	3,96	6,49	30,84	18,66	**248,68**	248,65	1	3	*8.3*	*51.2*	*412.4*
July 2, ..	**11,81**	95	10,86	8,08	30,84	29,58	**254,38**	254,35	4	3	*18.9*	*49.4*	*407.2*
„ 9, ..	**10,49**	96	9,54	8,88	30,86	32,55	**271,21**	271,17	4	4	*16.4*	*48.4*	*424.9*
„ 16, ..	**6,60**	1,00	5,60	3,00	30,93	29,69	**266,41**	266,37	4	4	*10.4*	*48.8*	*420.0*
„ 23, ..	**4,82**	99	3,82	5,35	30,88	27,54	**266,31**	266,18	4	13	*7.6*	*48.7*	*420.0*
„ 30, ..	**3,44**	93	2,52	4,15	30,99	25,39	**256,83**	256,80	4	3	*5.5*	*49.1*	*407.0*

August	6, ..	**3,52**	1,05	2,47	5,21	31,05	24,36	**255,05**	255,00	4	5	*5.6*	*49.6*	*407.4*
„	13, ..	**3,37**	98	2,39	4,29	31,07	23,55	**254,83**	254,81	4	2	*5.4*	*50.1*	*410.9*
„	20, ..	**3,80**	1,02	2,78	4,39	31,07	21,68	**253,88**	253,87	4	1	*6.1*	*50.2*	*410.4*
„	27, ..	**5,59**	95	4,64	5,42	32,37	17,01	**257,01**	256,88	4	13	*9.0*	*52.2*	*414.7*
September	3, ..	**3,55**	1,00	2,56	5,05	32,68	18,41	**257,85**	257,82	4	3	*5.7*	*52.5*	*414.4*
„	10, ..	**3,25**	1,01	2,24	4,40	32,70	19,01	**257,77**	257,74	6	3	*5.3*	*52.9*	*417.1*
„	17, ..	**3,50**	98	2,52	4,21	32,71	18,31	**257,07**	257,04	4	3	*5.7*	*53.2*	*417.8*
„	24, ..	**3,33**	94	2,39	4,54	30,85	18,07	**259,04**	258,97	4	6	*5.4*	*49.8*	*418.1*
October	1, ..	**3,24**	82	2,42	4,41	32,86	17,69	**259,30**	259,25	2	5	*5.2*	*52.9*	*417.3*
„	8, ..	**3,39**	1,05	2,34	4,72	32,86	17,98	**259,02**	258,98	2	4	*5.5*	*53.0*	*417.5*
„	15, ..	**3,29**	98	2,30	4,03	32,87	17,95	**259,11**	259,08	2	3	*5.3*	*52.9*	*417.5*
„	22, ..	**3,31**	99	2,32	4,24	32,87	17,33	**260,43**	260,41	8	2	*5.3*	*52.9*	*419.3*
„	29, ..	**3,91**	1,06	2,85	4,65	32,87	16,23	**261,12**	261,10	8	2	*6.2*	*52.0*	*413.2*
November	5, ..	**3,23**	97	2,26	4,95	32,87	16,23	**262,30**	262,27	7	3	*5.2*	*53.1*	*423.6*
„	12, ..	**3,07**	94	2,13	4,61	32,87	15,86	**261,73**	261,69	7	4	*4.9*	*52.8*	*420.7*
„	19, ..	**3,38**	93	2,45	4,09	32,91	14,93	**251,93**	251,90	8	3	*5.5*	*53.1*	*406.4*
„	26, ..	**3,57**	91	2,65	4,14	33,39	15,58	**262,30**	262,25	9	4	*5.9*	*55.3*	*434.4*
December	3, ..	**3,28**	1,09	2,19	4,58	33,39	15,85	**261,93**	261,87	9	6	*5.4*	*55.5*	*435.0*
„	10,	**3,49**	1,01	2,48	4,44	33,47	15,92	**262,78**	262,72	9	6	*5.7*	*54.8*	*430.4*
„	17, ..	**3,30**	1,02	2,28	4,26	33,55	15,72	**258,02**	257,96	9	6	*5.3*	*54.3*	*417.4*
„	24, ..	**3,53**	1,03	2,50	5,70	33,56	15,95	**264,97**	264,89	9	8	*5.7*	*53.9*	*425.7*
„	31, ..	**4,39**	1,06	3,33	4,44	34,78	18,89	**269,04**	268,96	9	8	*6.9*	*54.7*	*423.3*
1966														
January	7, ..	**3,32**	95	2,37	4,15	34,80	17,71	**275,23**	275,14	10	9	*5.2*	*54.9*	*434.1*
„	14, ..	**3,38**	1,00	2,38	4,06	34,80	17,12	**273,66**	273,57	8	10	*5.3*	*54.5*	*428.9*
„	21, ..	**3,45**	1,06	2,39	4,37	34,82	15,11	**275,52**	275,44	8	8	*5.4*	*54.5*	*431.6*
„	28, ..	**3,59**	1,15	2,44	4,41	34,82	15,30	**277,10**	277,02	8	8	*5.6*	*54.1*	*430.6*
February	4, ..	**3,18**	1,04	2,14	4,34	34,83	12,93	**281,37**	281,28	6	9	*5.1*	*56.0*	*452.4*
„	11, ..	**3,29**	1,08	2,21	4,48	34,84	13,35	**280,02**	279,94	6	8	*5.2*	*54.7*	*439.8*
„	18, ..	**4,26**	1,26	3,00	4,36	34,84	13,24	**282,76**	282,67	1	10	*6.7*	*55.0*	*446.8*
„	25, ..	**4,36**	1,06	3,30	4,52	34,84	13,57	**281,49**	281,36	1	13	*6.9*	*54.9*	*443.4*
March	4, ..	**5,13**	1,10	4,03	4,95	34,84	12,86	**276,12**	276,01	3	11	*8.5*	*57.5*	*455.8*
„	11, ..	**5,17**	1,21	3,95	5,37	34,84	13,08	**274,54**	274,41	7	13	*8.6*	*57.8*	*455.2*
„	18, ..	**5,02**	1,17	3,86	5,17	34,85	14,03	**270,37**	270,23	7	14	*8.0*	*55.8*	*432.9*
„	25, ..	**5.03**	1,22	3,81	5,75	34,97	14,11	**267,83**	267,66	7	16	*8.1*	*56.1*	*429.8*

Note : Compiled from information supplied under Section 44 of the Reserve Bank of India Act. This statement has been recast to show separate figures of inter-bank transactions in respect of deposits and advances.

(*a*) Figures above the line relate to aggregate liabilities. (*b*) Figures above the line correspond to the total of columns 4, 5 and 7. (*c*) Figures above the line correspond to the total of columns 9, 10 and 12. (*d*) As available in the Reserve Bank records except for the years 1950-51 and 1955-56, for which data are those furnished by the State Co-operative Banks. (*e*) At book value ; includes Treasury bills and Treasury Deposit Receipts. (*f*) Figures above the line include 'Due from banks' also. (*g*) Ratios above the line relate to aggregate liabilities. (*h*) As on March 31, 1951.

STATEMENT 34—SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

(Amount in lakhs of rupees)

Season	Net demand deposits	Net time deposits	**Aggregate Deposits (1+2)**	Borrowings from Reserve Bank	Cash and balances with the Reserve Bank	*Cash ratio (a) at the end of the period*	Investments in Government securities (*b*)	*Investment ratio (c) at the end of the period*	Bank credit (*d*)	*Credit deposit ratio (e) at the end of the period*
	1	2	3	4	5	6	7	8	9	10
Slack 1950 ..	+ 11,68	+ 4	+ **11,72**	— 8,22	+ 26,99	*13.0*	+ 37,86(*f*)	*43.1*(*g*)	— 74,43(*g*)	*47.7*(*g*)
Busy 1950-51 ..	— 4,74	+ 22,30	+ **17,56**	+ 9,24	— 25,21	*9.9*	— 65,91(*f*)	*34.8*(*g*)	+163,43(*g*)	*65.4*(*g*)
Slack 1955 ..	+ 20,97	+ 37,84	+ **58,82**	— 21,37	+ 12,41	*9.1*	+ 47,71	*38.4*	— 31,55	*58.0*
Busy 1955-56 ..	+ 36,95	+ 5,00	+ **41,95**	+ 50,35	— 6,74	*8.1*	— 36,93	*33.4*	+164,49	*71.2*
Slack 1960 ..	+ 7,41	— 30,68	— **23,26**	— 27,02	+ 4,17	*7.6*	— 52,33	*36.2*	— 20,31	*58.2*
Busy 1960-61 ..	+ 52,68	— 43,34	+ **9,34**	+ 21,53	— 23,24	*6.3*	—126,32	*29.4*	+198,53	*68.3*
Slack 1961 ..	+ 9,98	+ 33,86	+ **43,85**	— 31,67	+ 10,31	*7.3*	+ 62,59	*34.5*	— 76,50	*67.6*
Busy 1961-62 ..	+ 58,85	+ 98,30	+**157,16**	+ 6,17	— 44	*6.7*	— 25,00	*30.5*	+203,87	*72.6*
Slack 1962 ..	+ 14,05	+ 70,09	+ **84,13**	— 3,30	— 6,85	*6.1*	+111,93	*34.7*	— 42,10	*67.5*
Busy 1962-63 ..	+ 87,03	— 51,36	+ **35,68**	+ 21,82	+ 4,19	*6.2*	— 97,69	*29.4*	+203,25	*76.1*
Slack 1963 ..	+ 84,50	+ 63,52	+**148,02**	— 29,41	+ 42,98	*7.7*	+145,60	*34.0*	—120,90	*65.7*
Busy 1963-64 ..	+ 100,34	— 15,83	+ **84,51**	+ 43,27	— 29,44	*6.1*	—145,43	*26.5*	+376,24	*79.5*
Slack 1964 ..	+ 119,78	+90,89	+**210,67**	— 43,34	+ 11,88	*6.1*	+258,50	*34.5*	—138,77	*67.4*
Busy 1964-65 ..	+ 43,48	+ 62,93	+**106,41**	+124,50	+ 7,62	*6.1*	—153,83	*27.3*	+407,40	*80.1*
Slack 1965 ..	+ 79,99	+ 97,92	+**177,90**	—122,81	+ 21,60	*6.5*	+138,60	*30.5*	— 93,37	*71.7*
Busy 1965-66 ..	+120,74	+ 92,88	+**213,63**	+ 28,47	+ 5,45	*6.2*	— 27,34	*27.4*	+308,56	*76.9*
Outstanding as on April 29, 1966 ..	**1,441,25**	**1,587,62**	**3,028,87**	**31,84**	**188,61**		**830,91**		**2,328,21**	

Note : The slack season is from May to October and the busy season is from November to April. In analysing the figures relating to aggregate liabilities/deposits and investments in Government securities, note should be taken of the impact of the new arrangement for the holding of P.L. 480 funds, effective from May 12, 1960; for further details regarding these transfers, reference may be made to the foot-notes to Statement 29—Scheduled Banks : Business in India. Figures above the line in Columns 1, 2 and 3 relate to net demand/net time/aggregate liabilities. The ratios above the line in Columns 6, 8 and 10 relate to aggregate liabilities. Figures of bank credit (column 9) below the line are exclusive of 'due from banks'.

(*a*) Percentage of cash and balances with the Reserve Bank of India to aggregate deposits. (*b*) At book value ; includes treasury bills and treasury deposit receipts. (*c*) Percentage of investments in Government securities to aggregate deposits. (*d*) Includes foreign bills purchased and discounted in India from May 14, 1954. (*e*) Percentage of bank credit to aggregate deposits. (*f*) Based on Form XII figures submitted by scheduled banks. (*g*) Excluding foreign bills purchased and discounted in India and including money at call and short notice.

STATEMENT 35—STATE FINANCIAL CORPORATIONS—LIABILITIES AND ASSETS

(In lakhs of rupees)

	LIABILITIES						
	As on Last Friday of March						
	1956	1961	1962	1963	1964	1965	1966
	1	2	3	4	5	6	7
1. *Capital and Reserves :*							
Paid-up Capital	10,28	15,23	15,82	15,32	15,32	15,54	16,35
Reserve Fund	1	11	13	13	17	17	22
Provision for bad and doubtful debts and other reserves	—	9	13	26	49	77	1,02
2. Bonds and Debentures ..	—	7,17	13,54	18,29	20,64	25,61	32,70
3. Borrowings from Reserve Bank of India	—	13	34	76	1,61	2,41	1,33
4. Other liabilities	40	7,07	10,26	13,00	23,57	29,78	38,50
Total	**10,70**	**29,80**	**40,22**	**47,76**	**61,80**	**74,28**	**90,12**

	ASSETS						
	As on Last Friday of March						
	1956	1961	1962	1963	1964	1965	1966
	8	9	10	11	12	13	14
1. Cash in hand and balances with banks	3,60	4,56	7,43	4,12	2,97	3,39	4,36
2. Investments in Government securities	3,94	4,60	4,55	4,61	4,11	3,73	3,76
3. Loans and advances ..	2,72	17,12	23,16	31,83	40,23	48,53	58,95
4. Debentures	14	14	14	22	22	37	34
5. Other assets	30	3,38	4,94	6,98	14,27	18,26	22,71
Total	**10,70**	**29,80**	**40,22**	**47,76**	**61,80**	**74,28**	**90,12**

Note : There were 12 State Financial Corporations as on the last Friday of March 1956 and 15 as on last Friday of March 1961 to March 1966.

STATEMENT 36—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

Corporation	Capital as at the end of March 1966	Outstandings of bonds issued as at the end of March 1966	Loans sanctioned* during						Loans disbursed during						Loans outstanding as at the end of March						Total assets as at the end of March 1966
			1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1961	1962	1963	1964	1965	1966	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1. Madras ..	2,35	2,36	1,12	1,79	3,25	1,08	3,60	4,55	71	1,30	2,62	1,51	1,44	2,89	3,89	4,83	6,95	7,80	8,33	10,03	19,44
2. Punjab ..	1,00	4,00	1,28	1,44	2,33	1,84	2,63	2,41	57	89	1,26	1,32	1,42	1,63	1,71	2,39	3,34	4,28	5,21	6,30	6,47
3. Maharashtra	1,00	5,78	1,76	1,79	2,06	3,21	4,09	2,36	83	1,35	1,65	2,08	2,29	2,46	1,99	3,02	4,08	5,82	7,44	9,16	10,26
4. Gujarat ..	1,00	1,56	38	72	49	75	1,03	1,58	19	35	37	52	72	1,01	19	54	1,04	1,40	1,88	2,59	3,71
5. Kerala ..	1,00	1,09	42	27	55	31	9	1,28	23	25	32	36	22	45	1,38	1,47	1,62	1,72	1,76	1,97	2,30
6. West Bengal	1,00	4,04	30	1,25	1,96	1,71	2,23	1,97	21	76	89	1,30	1,36	1,15	1,56	2,13	2,87	3,96	5,00	5,76	6,65
7. Assam ..	1,00	2,82	68	63	96	1,19	43	46	56	60	66	66	95	34	1,54	2,02	2,52	3,03	3,71	3,67	4,50
8. Uttar Pradesh	1,00	1,45	78	35	77	1,20	1,35	75	35	23	26	54	79	82	1,03	1,12	1,21	1,58	2,12	2,67	3,32
9. Bihar ..	1,00	1,50	51	62	76	35	39	31	36	44	52	42	20	24	1,49	1,81	2,12	2,42	2,43	2,50	2,82
10. Rajasthan ..	1,00	1,25	27	58	90	69	73	1,23	10	37	42	62	63	62	54	85	1,18	1,65	2,10	2,52	3,11
11. Madhya Pradesh ..	1,00	1,99	37	1,47	2,75	47	52	1,97	7	34	94	53	48	1,41	44	71	1,51	1,91	2,18	3,39	4,17
12. Andhra Pradesh ..	1,50	2,05	56	99	81	2,38	1,05	2,21	27	54	47	82	1,17	1,55	82	1,25	1,62	2,19	3,02	4,24	6,72
13. Orissa ..	1,00	1,00	58	39	35	63	59	32	20	26	32	42	47	47	18	43	71	1,06	1,48	1,88	2,39
14. Mysore ..	1,00	1,91	44	55	29	68	1,11	1,45	21	35	60	52	75	79	34	68	1,24	1,67	2,27	2,82	2,97
15. Jammu & Kashmir ..	50	—	4	6	16	6	11	40	2	4	2	9	9	24	2	6	8	16	24	44	64
Total ..	**16,35**	**32,80**	**9,49**	**12,90**	**18,39**	**16,55**	**19,95**	**23,25**	**4,88**	**8,07**	**11,32**	**11,71**	**12,98**	**16,07**	**17,12**	**23,31**	**32,09**	**40,65**	**49,17**	**59,94**	**79,47**

* Includes in respect of some corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the Corporation.

Source : State Financial Corporations.

STATEMENT 37—LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(In lakhs of rupees)

	LIABILITIES							
	As on last Friday of March							
	1951	1956	1961	1962	1963	1964	1965	1966
	1	2	3	4	5	6	7	8
1. Capital issued and paid-up	5,00	5,00	5,00	6,84	7,00	7,00	8,35	8,35
2. Reserve fund:								
(i) Special reserve fund under Sec. 32-A (1) of the I.F.C. Act	—	14	36	41	47	50	58	70
(ii) Other reserves	1	6	70	1,34	1,75	2,39	3,45	4,52
3. Reserve for doubtful debts ..	—	20	15	14	14	14	14	14
4. Provision for taxation	—	10	50	59	59	85	1,12	1,17
5. Bonds and debentures	5,30	7,81	22,24	22,24	28,24	28,24	31,48	33,48
6. Borrowings from the Reserve Bank of India (*a*) ..	—	61	51	—	—	1,24	—	82
7. Borrowings from Government (*b*) ..	—	—	15,25	17,75	23,75	29,75	37,60	50,94
8. Guarantees and Underwriting Agreements per contra	—	—	4,77	10,40	12,46	16,87	19,33	23,66
9. Other liabilities ..	37	80	1,60	1,63	2,68	5,82	8,60	11,57
Total	**10,68**	**14,70**	**51,09**	**61,34**	**77,09**	**92,80**	**110,65**	**135,36**

	ASSETS							
	As on last Friday of March							
	1951	1956	1961	1962	1963	1964	1965	1966
	9	10	11	12	13	14	15	16
1. Cash in hand and with bankers ..	47	2	3,00	2,91	3,59	3	1,19	2,05
2. Investments in :								
(i) Government securities ..	4,58	—	—	—	—	—	—	—
(ii) Shares/Stocks(*c*)	—	—	95	88	1,37	2,97	5,43	8,01
(iii) Bonds/Debentures (*d*) ..	—	—	—	—	1,72	3,44	2,54	3,96
(iv) Others (*e*) ..	—	—	—	—	—	—	21	21
3. Loans and advances	5,21	14,01	40,74	45,48	55,63	67,70	78,86	95,43
4. Guarantees and Underwriting Agreements per contra	—	—	4,77	10,40	12,46	16,87	19,33	23,66
5. Other assets ..	41	67	1,62	1,67	2,31	1,79	3,09	2,05
Total	**10,68**	**14,70**	**51,09**	**61,34**	**77,09**	**92,80**	**110,65**	**135,36**

(*a*) Under Section 21(3) (*b*) of the Industrial Finance Corporation Act, 1948 (as amended). (*b*) Under Section 21(4) of the Industrial Finance Corporation Act, 1948 (as amended). (*c*) Under Section 23 (1) (*h*) of the Industrial Finance Corporation Act, 1948 (as amended). (*d*) Under Section 23(1) (*h*) and 23(1) (*i*) of the Industrial Finance Corporation Act, 1948 (as amended). (*e*) Subscription to initial capital of Unit Trust of India under Section 20 of the Industrial Finance Corporation Act, 1948 (as amended).

Source : Industrial Finance Corporation of India.

STATEMENT 38—INDUSTRIAL FINANCE CORPORATION OF INDIA

INDUSTRY-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

(In lakhs of rupees)

Name of Industry	Year ended June													
	1951		1956		1961		1962		1963		1964		1965	
	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Sugar	—	—	7,15.00@	*47.3*	4,80.00@	*22.6*	7,52.00@	*30.7*	6.05.00	*15.1*	1,30.00	*3.4*	2,81.44	*8.4*
Textiles	58.50	*24.5*	1,98.00	*13.1*	2,16.87	*10.2*	1,90.00	*7.8*	6,12.92	*15.2*	6,37.85	*16.7*	6,54.56	*19.5*
Artificial Fibres	—	—	—	—	—	—	70.00	*2.9*	31.00	*0.8*	18.98	*0.5*	30.12	*0.9*
Wood and Cork	—	—	—	—	80.92	*3.8*	—	—	—	—	8.00	*0.2*	36.50	*1.1*
Paper	3.00	*1.3*	1,10.00	*7.3*	3,50.00	*16.5*	15.00	*0.6*	1,76.66	*4.4*	1,22.44	*3.2*	2,23.40	*6.7*
Rubber	—	—	—	—	1,72.00	*8.1*	—	—	50.00	*1.2*	84.00	*2.1*	1,76.02	*5.3*
Basic Industrial Chemicals	25.00	*10.5*	3,06.00	*20.2*	24.05	*1.1*	6.38.00	*26.1*	4,39.32	*10.9*	5,78.75	*15.1*	3,39.60	*10.2*
Miscellaneous Chemicals					125.50	*5.9*	10.00	*0.4*	87.33	*2.3*	1,21.87	*3.2*	1,56.25	*4.7*
Vegetable and Animal Oil and Fats	—	—	—	—	4.50	*0.2*	22.50	*0.9*	—	—	—	—	—	—
Glass	20.00	*8.4*	4.00	*0.3*	97.00	*4.6*	—	—	8.00	*0.2*	1,45.05	*3.8*	—	—
Pottery	—	—	—	—	1,45.00	*6.8*	13.00	*0.5*	10.00	*0.3*	40.00	*1.0*	37.50	*1.1*
Cement	50.00	*20.9*	25.00	*1.7*	50.00	*2.4*	95.00	*3.9*	15.00	*0.4*	3,00.00	*7.8*	1,88.50	*5.6*
Iron and Steel	—	—	—	—	—	—	—	—	1,60.00	*4.0*	60.00	*1.7*	1,46.00	*4.4*
Non-ferrous Metals	—	—	—	—	1,30.00	*6.1*	—	—	6,76.52	*16.8*	3,83.45	*10.0*	—	—
Metal Products	—	—	55.00	*3.6*	60.00	*2.8*	96.00	*3.9*	2,65.46	*6.6*	7,15.35	*18.7*	3,54.23	*10.6*
Machinery	7.00	*2.9*	10.00	*0.7*	70.00	*3.3*	75.00	*3.1*	1,32.39	*3.3*	1,79.39	*4.7*	3,31.68	*9.9*
Electrical Machinery & Equipment	20.50	*8.6*	19.00	*1.3*	54.75	*2.6*	3,13.53	*12.8*	1,03.04	*2.6*	1,52.22	*4.0*	1,15.86	*3.5*
Motor Vehicles and Ancillaries ..	50.00	*20.9*	21.00	*1.4*	—	—	14.00	*0.6*	1,49.43	*3.7*	87.00	*2.3*	1,12.51	*3.4*
Bicycles	—	—	—	—	—	—	—	—	11.00	*0.3*	4.50	*0.1*	—	—
Electricity, Gas and Steam ..	—	—	—	—	—	—	1,09.28	*4.5*	—	—	—	—	1,01.28	*3.0*
Petroleum Products (Oil Refineries)	—	—	—	—	—	—	—	—	—	—	46.18	*1.2*	—	—
Shipping	—	—	—	—	—	—	—	—	—	—	—	—	7.00	*0.2*
Miscellaneous Industries* ..	4.95	*2.1*	50.00	*3.3*	60.75	*2.9*	32.00	*1.3*	480.50	*11.9*	12.35	*0.3*	52.00	*1.5*
TOTAL ..	**2,38.95**	*100.0*	**15,13.00**	*100.0*	**21,21.34**	*100.0*	**24,45.31**	*100.0*	**40,13.57**	*100.0*	**38,27.38**	*100.0*	**33,44.45**	*100.0*

Note : Data for the years upto 1961-62 relate only to loans sanctioned while for the subsequent years they relate to total financial assistance comprising direct loans, guarantees for loans and deferred payments, direct subscription to shares and debentures and underwritings.

* Such as mining and quarrying, hotels, rail-road equipment, miscellaneous manufacturing industries, etc. @ Relates to food manufacturing industries (Except beverage industries).

Source : Annual Reports of Industrial Finance Corporation of India.

STATEMENT 39—CONSENTS FOR CAPITAL ISSUES

(Amount in crores of rupees)

Classification	Applications(*a*)		Consents											
							Further							
	Total		Total		Initial (*b*)		Others (*b*)		Debentures		Miscellaneous (Loans, etc.) (*c*)		Bonus	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
A. Non-Government Companies														
Industrial	134	144.69	132	144.67	43	41.42	34	20.45	18	21.02	20	57.21	17	4.56
Non-Industrial	32	23.10	22	21.83	—	—	6	3.38	—	—	9	18.08	7	0.37
Of which :														
(*i*) Agriculture and allied activities	8	0.78	5	0.63	—	—	—	—	—	—	1	0.50	4	0.13
(*ii*) Financial	12	14.84	9	13.84	—	—	6	3.38	—	—	1	10.23	2	0.23
(*iii*) Trade and transport	11	7.48	8	7.36	—	—	—	—	—	—	7	7.35	1	0.01
(*iv*) Others	1	@	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1965	**166**	**167.79**	**154**	**166.50**	**43**	**41.42**	**40**	**23.83**	**18**	**21.02**	**29**	**75.29**	**24**	**4.93**
Total for 1964	**221**	**228.02**	**201**	**224.80**	**52**	**54.71**	**62**	**58.85**	**21**	**25.37**	**36**	**81.79**	**30**	**4·08**
Total for 1963	**377**	**251.38**	**344**	**237.57**	**116**	**85.00**	**110**	**41.08**	**16**	**15.39**	**47**	**85.35**	**55**	**10.75**
Total for 1962	**410**	**227.39**	**397**	**219.45**	**115**	**66.60**	**138**	**53.14**	**16**	**43.30**	**33**	**42.89**	**95**	**13.51**
Total for 1961	**351**	**202.06**	**335**	**185.06**	**110**	**56.43**	**106**	**55.03**	**16**	**21.24**	**34**	**42.02**	**69**	**10.34**
Total for 1960	**290**	**151.96**	**277**	**150.13**	**85**	**50.22**	**126**	**44.06**	**18**	**19.66**	**29**	**35.42**	**19**	**0.77**
B. Government Companies														
Industrial	35	147.62	35	88.03	4	3.90	25	73.64	1	3.00	5	7.48	—	—
Non-Industrial	18	24.74	18	21.25	4	8.30	11	5.09	—	—	3	7.86	—	—
Of which :														
(*i*) Agriculture and allied activities	5	6.22	5	4.73	1	3.00	4	1.73	—	—	—	—	—	—
(*ii*) Financial	9	9.66	9	8.31	3	5.30	6	3.01	—	—	—	—	—	—
(*iii*) Trade and transport	4	8.86	4	8.21	—	—	1	0.35	—	—	3	7.86	—	—
(*iv*) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1965	**53**	**172.36**	**53**	**109.28**	**8**	**12.20**	**36**	**78.74**	**1**	**3.00**	**8**	**15.34**	—	—
Total for 1964	**45**	**186.53**	**45**	**167.47**	**8**	**16.10**	**31**	**135.39**	(*d*)	**1.00**	**6**	**14.98**	—	—
Total for 1963	**58**	**358.27**	**58**	**306.75**	**13**	**41.90**	**38**	**182.33**	—	—	**7**	**82.41**	(*d*)	**0.11**
Total for 1962	**50**	**434.80**	**50**	**162.05**	**6**	**5.90**	**39**	**153.08**	**1**	**1.00**	**4**	**2.07**	—	—
Total for 1961	**23**	**82.53**	**23**	**62.96**	**9**	**5.15**	**13**	**56.81**	**1**	**1.00**	—	—	—	—
Total for 1960	**37**	**140.50**	**37**	**139.50**	**12**	**49.74**	**14**	**74.41**	—	—	**11**	**14.72**	(*d*)	**0.63**

Note: Figures are taken from the *Quarterly Statistics on the Working of Capital Issues Control* and do not take into account supersessions and amendments made subsequently. The number of consents involving more than one type of issue is shown against the type of issue having major amount and the amounts for various types of issues under their respective heads. This statement excludes consents for creation of charge forming part of an amount already consented to.

(*a*) Figures relate only to applications disposed of and not to applications received. (*b*) Includes ordinary and preference shares. (*c*) Loans raised by companies by creating a charge or lien on their assets. (*d*) Formed part of a "further" issue of shares and loans.

@ Rs. 15,000.

Source: Office of the Controller of Capital Issues.

STATEMENT 40—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1962 (Further revised)					1963 (Further revised)				
	Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**	Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**
	Public	Private	Public	Private		Public	Private	Public	Private	
	1	2	3	4	5	6	7	8	9	10
										A. Non-Government
Initial (*a*)										
Ordinary	26.10	1.54	0.57	3.25	**31.45**	27.30	1.83	0.62	2.44	**32.19**
Preference	1.05	—	—	0.01	**1.06**	1.43	—	—	0.03	**1.46**
Further (*b*)										
Ordinary	29.41	1.43	5.41	8.21	**44.47**	21.53	0.47	3.39	9.86	**35.25**
Preference	1.06	—	0.21	0.14	**1.41**	1.69	—	0.17	0.39	**2.25**
Debentures ..	29.73	0.17	—	—	**29.90**	22.70	0.30	—	—	**23.00**
	87.36	3.13	6.19	11.61	**108.29**	74.65	2.60	4.17	12.73	**94.15**
Bonus	11.40	2.47	—	—	**13.87**	11.13	0.57	—	—	**11.70**
Miscellaneous (loans, etc.)	18.62	5.20	—	—	**23.82**	16.24	—	—	—	**16.24**
Total	**117.38**	**10.80**	**6.19**	**11.61**	**145.97**	**102.02**	**3.16**	**4.17**	**12.73**	**122.08**
										B. Government
Initial (*a*)										
Ordinary	2.11	3.18	—	—	**5.29**	1.35	3.54	—	—	**4.89**
Preference	0.28	—	—	—	**0.28**	0.34	—	—	—	**0.34**
Further (*b*)										
Ordinary	1.04	122.81	0.01	0.07	**123.92**	3.24	142.68	—	—	**145.92**
Preference	—	0.01	—	—	**0.01**	—	0.10	—	—	**0.10**
Debentures ..	1.00	1.00	—	—	**2.00**	—	—	—	—	—
	4.42	126.99	0.01	0.07	**131.50**	4.94	146.32	—	—	**151.25**
Bonus	—	—	—	—	—	—	—	—	—	—
Miscellaneous (loans, etc.)	0.55	—	—	—	**0.55**	0.17	4.08	—	—	**4.25**
Total	**4.97**	**126.99**	**0.01**	**0.07**	**132.05**	**5.11**	**150.39**	—	—	**155.50**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1962, 1963, 1964 and 1965 respectively, against consents granted during that year as well as earlier years. Data are consolidated by the Controller of Capital Issues based on the reports received from the companies/Registrars of companies upto March 31, 1966. These do not take into account the capital raised by companies for which no reports were received. Figures given in columns 3 & 4, 8 & 9, 13 & 14 and 18 & 19 are based on the returns received from the Registrars of companies.

AND GOVERNMENT COMPANIES

(In crores of rupees)

1964 (Revised)					1965 (Preliminary)				
Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**	Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**
Public	Private	Public	Private		Public	Private	Public	Private	
11	12	13	14	15	16	17	18	19	20
Companies									
37.97	0.33	1.23	3.00	**42.52**	27.18	0.18	0.45	3.44	**31.25**
2.41	—	—	0.06	**2.46**	2.11	—	—	0.13	**2.24**
22.91	0.09	3.61	9.06	**35.67**	22.98	0.52	5.01	8.00	**36.51**
1.98	—	0.18	0.18	**2.35**	5.10	—	2.12	0.39	**7.61**
10.97	0.10	—	—	**11.07**	21.11	—	0.01	—	**21.12**
76.24	0.52	5.02	12.30	**94.07**	78.48	0.69	7.58	11.97	**98.72**
2.03	0.11	—	—	**2.14**	5.40	0.49	—	—	**5.90**
9.16	—	—	—	**9.16**	9.74	—	—	—	**9.74**
87.43	**0.63**	**5.02**	**12.30**	**105.38**	**93.62**	**1.19**	**7.58**	**11.97**	**114.35**
Companies									
9.01	8.04	—	0.49	**17.53**	0.24	25.18	0.66	—	**26.07**
—	—	—	—	—	—	—	—	—	—
2.99	140.16	—	—	**143.15**	2.71	73.72	1.09	0.44	**77.96**
—	—	—	—	—	0.50	—	—	—	**0.50**
—	0.49	—	—	**0.49**	—	0.25	—	—	**0.25**
12.00	148.68	—	0.49	**161.17**	3.45	99.14	1.75	0.44	**104.78**
—	—	—	—	—	—	—	—	—	—
3.73	8.07	—	—	**11.80**	7.15	—	—	—	**7.15**
15.73	**156.75**	—	**0.49**	**172.97**	**10.59**	**99.14**	**1.75**	**0.44**	**111.92**

(*a*) Issues of new companies. (*b*) Issues of existing companies.

Source : Office of the Controller of Capital Issues.

STATEMENT 41—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1965-66

(In rupees)

Loans	As on			Average (*a*) for					1965-66		Difference of March 1966 over March 1965
	Jan. 3, 1963	Sept. 26, 1964	Feb. 17, 1965	March 1965	June 1965	Sept. 1965	Dec. 1965	March 1966	Highest	Lowest	
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½% 1965(*b*) ..	99.50	100.00	100.00	99.97	99.95				99.95	99.95	
3½% 1966 ..	99.70	100.00	100.00	99.89	99.80	99.60	99.30	99.62	99.80	99.30	—0.27
3 % 1966-68	96.40	98.35	98.35	97.93	97.57	97.62	97.61	98.28	98.50	97.35	+0.35
3½% 1967 ..	98.55	99.80	99.65	99.38	98.58	98.70	98.47	98.50	98.85	98.05	—0.88
3½% 1967 ..	99.05	99.90	99.90	99.80	99.29	99.27	99.15	99.15	99.70	99.00	—0.65
3¾% 1968 ..	99.35	99.95	99.80	99.70	98.76	99.20	99.20	99.20	99.25	98.70	—0.50
3½% 1968 ..	98.00	99.00	99.00	98.83	98.50	98.50	98.00	97.93	98.50	97.75	—0.90
4 % 1969 ..		99.50	99.35	98.97	98.51	98.40	98.40	98.43	98.55	98.25	—0.54
3½% 1969 ..	97.55	97.95	97.25	96.95	96.00	95.87	95.85	96.14	96.25	95.80	—0.81
4 % 1970 ..		99.00	99.00	98.65	98.15	97.72	97.75	97.76	98.50	97.50	—0.89
3 % 1970-75	87.15	90.15	90.20	88.91	88.42	87.52	84.47	84.31	88.45	83.55	—4.60
Between 5 and 10 years											
4½% 1971(*c*) ..						99.50	99.50	99.48	99.55	99.45	
4 % 1972 ..	99.30	98.75	98.80	98.49	96.42	96.33	95.80	95.49	97.50	94.75	—3.00
4¼% 1972 ..		100.10	100.05	99.75	98.85	98.55	96.20	96.32	99.75	95.75	—3.43
4 % 1973 ..	99.25	98.70	98.80	98.50	96.38	96.03	95.01	95.12	98.00	93.25	—3.38
4¼% 1973 ..		99.95	100.05	99.74	98.50	98.40	96.25	95.75	99.50	95.75	—3.99
3¾% 1974 ..	98.30	96.60	96.60	94.30	89.55	89.53	89.39	89.70	90.00	88.10	—4.60
Between 10 and 15 years											
2¾% 1976 ..	83.50	83.25	83.25	83.25	80.00	80.00	80.00	75.00	83.25	75.00	—8.25
7 % 1977 .. (Gold Bonds)(*d*)		118.10	117.00	116.87	117.00	111.00	110.04	110.20	117.00	106.50	—6.67
4 % 1979 ..	98.35	98.00	96.50	96.50	89.00	87.93	87.25	85.89	96.50	85.60	—10.61
7 % 1980 .. (Gold Bonds)(*e*)						111.70	109.69	109.74	115.00	108.75	
4 % 1980 ..	98.25	98.05	96.50	94.29	89.10	87.13	86.35	85.81	90.15	83.90	—8.48
Over 15 years											
4 % 1981 ..	98.55	98.35	97.25	96.00	89.25	87.67	86.99	84.99	96.00	84.40	—11.01
4½% 1985 ..	100.00	100.15	100.10	100.00	99.25	99.25	95.21	95.00	100.00	94.00	—5.00
4½% 1986 ..		100.25	100.00	100.00	98.50	98.50	98.50	98.50	100.00	98.50	—1.50
4¾% 1989 ..		100.00	100.00	99.62	98.91	96.09	95.97	95.91	99.70	95.85	—3.71
5½% 1990(*c*) ..						100.10	100.10	100.10	100.15	100.00	
Non-terminable											
3 % 1986 or later ..	63.00	63.50	62.00	58.41	56.32	54.25	54.26	54.62	58.20	54.25	—3.79
3 % 1896-97	69.75	62.50	62.50	62.50	54.80	54.50	52.50	53.00	62.50	52.50	—9.50

Note : The maturity classification is as of March 31, 1966 and on the assumption of the earlier date of redemption.

(*a*) Average of closing quotations for working days. (*b*) Redeemed on July 1, 1965. (*c*) Quoted from July 1, 1965. (*d*) Prior to April 1, 1965 the rate of interest was 6½+ per cent per annum. (*e*) Quoted from July 6, 1965.

Source : Bombay Stock Exchange.

STATEMENT 42—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on			Average for					Annual Average		Difference of March 1966 over March 1965
	Jan. 3, 1963	Sept. 26, 1964	Feb. 17, 1965	March 1965	June 1965	Sept. 1965	Dec. 1965	March 1966	1965-66	1964-65	
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½% 1965(*a*) ..	3.71	3.50	3.50	3.60	4.64				3.90	3.50	
3½% 1966 ..	3.59	3.50	3.50	3.58	3.69	3.99	4.72	4.65	4.00	3.54	+1.07
3 % 1966-68	4.04	3.85	4.06	4.40	4.96	5.38	6.15	6.30	5.39	3.93	+1.90
	(3.73)	(3.44)	(3.49)	(3.62)	(3.79)	(3.84)	(3.91)	(3.72)	(3.82)	(3.48)	(+0.10)
3½% 1967 ..	3.85	3.58	3.65	3.78	4.22	4.24	4.51	4.67	4.37	3.62	+0.89
3½% 1967 ..	3.98	3.79	3.79	3.84	4.10	4.16	4.30	4.39	4.21	3.78	+0.55
3¾% 1968 ..	3.88	3.76	3.81	3.85	4.20	4.07	4.10	4.14	4.10	3.82	+0.29
3½% 1968 ..	3.90	3.78	3.81	3.85	4.01	4.05	4.30	4.40	4.12	4.09	+0.55
4 % 1969 ..		4.12	4.17	4.27	4.42	4.48	4.51	4.54	4.48	4.03	+0.27
3½% 1969 ..	3.93	3.98	4.20	4.28	4.60	4.70	4.79	4.79	4.68	4.03	+0.51
4 % 1970 ..		4.19	4.20	4.30	4.43	4.56	4.58	4.61	4.52	4.21	+0.31
3 % 1970-75	5.02	4.91	5.01	5.32	5.55	5.88	6.83	7.04	6.11	4.91	+1.72
	(4.32)	(4.12)	(4.15)	(4.32)	(4.41)	(4.56)	(5.02)	(5.09)	(4.68)	(4.13)	(+0.77)
Between 5 and 10 years											
4½% 1971(*b*) ..						4.60	4.60	4.61	4.60		
4 % 1972 ..	4.09	4.19	4.19	4.24	4.59	4.63	4.75	4.83	4.66	4.18	+0.59
4¼% 1972 ..		4.24	4.24	4.29	4.43	4.49	4.91	4.91	4.64	4.26	+0.62
4 % 1973 ..	4.09	4.18	4.18	4.22	4.56	4.62	4.81	4.81	4.64	4.17	+0.59
4¼% 1973 ..		4.26	4.24	4.29	4.48	4.49	4.84	4.95	4.63	4.25	+0.66
3¾% 1974 ..	3.94	4.18	4.19	4.50	5.21	5.25	5.31	5.30	5.25	4.19	+0.80
Between 10 and 15 years											
2½% 1976 ..	4.36	4.58	4.64	4.65	5.11	5.16	5.21	5.99	5.27	4.62	+1.34
7 % 1977 ..		4.68	4.75	4.75	5.18	5.77	5.85	5.82	5.61	4.71	+1.07
(Gold Bonds)(*c*)											
4 % 1979 ..	4.14	4.19	4.34	4.33	5.11	5.24	5.34	5.51	5.22	4.21	+1.18
7 % 1980 ..						5.84	6.02	6.00	5.92		
(Gold Bonds)(*d*)											
4 % 1980 ..	4.14	4.17	4.31	4.52	5.04	5.26	5.36	5.44	5.23	4.22	+0.92
Over 15 years											
4 % 1981 ..	4.11	4.14	4.23	4.34	4.98	5.15	5.23	5.46	5.08	4.17	+1.12
4½% 1985 ..	4.50	4.49	4.49	4.50	4.56	4.56	4.88	4.90	4.66	4.49	+0.40
4½% 1986 ..		4.47	4.50	4.50	4.61	4.61	4.61	4.62	4.61	4.49	+0.12
4¾% 1989 ..		4.75	4.75	4.78	4.83	5.04	5.04	5.05	4.98	4.75	+0.27
5½% 1990(*b*) ..						5.49	5.49	5.49	5.49		
Non-Terminable											
3 % 1986 or later(*e*) ..	4.76	4.72	4.84	5.13	5.33	5.53	5.53	5.49	5.46	4.80	+0.36
3 % 1896-97(*e*)	4.31	4.80	4.80	4.80	5.47	5.50	5.71	5.66	5.53	4.77	+0.86

Note : The maturity classification is as of March 31, 1966 and on the assumption of the earlier date of redemption. Yields are gross, i.e., not allowing for income-tax and are based on prices quoted at Bombay. In the case of two dated loans the yields to the later date of redemption are shown in brackets.

(*a*) Redeemed on July 1, 1965. (*b*) Quoted from July 1, 1965. (*c*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*d*) Quoted from July 6, 1965. (*e*) Flat yield.

STATEMENT 43—ALL-INDIA AND REGIONAL INDICES (ANNUAL

(Base : 1961-62
(Compiled by the Department of Statistics

		Government and Semi-Government Securities				Debentures			
		All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras
		1	2	3	4	5	6	7	8
	Last week of								
1	1964-65	97.1	96.6	96.9	97.8	95.0	94.9	94.4	99.7
2	1965-66	93.6	93.6	93.6	93.4	93.1	94.5	91.3	98.5
	1965-66 Weekly Week ended								
	1965								
3	April 3, ..	96.7	96.2	95.9	97.6	94.8	94.8	94.1	99.7
4	„ 10, ..	96.5	96.0	95.7	97.4	94.6	94.9	93.8	99.7
5	„ 17, ..	96.5	95.8	96.2	97.4	94.4	94.9	93.3	99.7
6	„ 24, ..	96.4	95.8	96.3	96.9	94.3	94.9	93.3	99.7
7	May 1, ..	96.0	95.7	95.8	96.3	94.3	94.8	93.3	99.7
8	„ 8, ..	95.8	95.7	95.4	95.8	94.3	94.7	93.4	99.7
9	„ 15, ..	95.7	95.7	95.4	95.8	94.3	94.7	93.5	99.7
10	„ 22, ..	95.7	95.7	95.4	95.8	94.3	94.7	93.4	99.7
11	„ 29, ..	95.7	95.6	95.4	95.8	94.3	94.7	93.4	99.7
12	June 5, ..	95.6	95.5	95.3	95.4	94.4	94.9	93.4	99.7
13	„ 12, ..	95.5	95.5	95.4	95.2	94.4	94.9	93.4	99.7
14	„ 19, ..	95.5	95.5	95.3	95.2	94.3	94.8	93.4	99.7
15	„ 26, ..	95.4	95.4	95.4	95.2	94.3	94.8	93.4	99.7
16	July 3, ..	95.3	95.2	95.2	95.2	94.3	94.8	93.4	99.7
17	„ 10, ..	95.1	95.0	95.0	95.1	94.3	94.8	93.4	99.7
18	„ 17, ..	95.0	94.9	95.0	94.9	94.3	94.8	93.4	99.0
19	„ 24, ..	95.0	94.9	95.0	94.9	94.1	94.8	92.9	99.0
20	„ 31, ..	95.0	94.8	95.0	94.8	94.0	94.8	92.7	99.0
21	August 7, ..	95.0	94.8	94.9	94.8	93.9	94.6	92.7	99.0
22	„ 14, ..	94.9	94.8	94.8	94.8	93.9	94.6	92.8	99.0
23	„ 21, ..	94.9	94.8	94.8	94.8	93.8	94.5	92.7	99.0
24	„ 28, ..	94.9	94.8	94.8	94.7	93.7	94.6	92.5	99.0
25	September 4, ..	94.8	94.7	94.8	94.8	93.7	94.7	92.4	99.0
26	„ 11, ..	94.8	94.6	94.7	94.8	93.9	94.7	92.6	99.0
27	„ 18, ..	94.6	94.3	94.7	94.7	94.0	94.7	92.9	98.8
28	„ 25, ..	94.6	94.3	94.7	94.6	94.0	94.7	92.9	98.8
29	October 2, ..	94.5	94.2	94.6	94.4	94.1	94.6	93.1	98.8
30	„ 9, ..	94.5	94.3	@	94.4	94.0	94.5	@	98.8
31	„ 16, ..	94.4	94.3	94.6	94.2	94.0	94.5	93.2	98.8
32	„ 23, ..	94.4	94.2	94.5	94.2	94.0	94.5	93.2	98.8
33	„ 30, ..	94.4	94.3	94.5	94.1	94.0	94.5	93.1	98.8
34	November 6, ..	94.3	94.2	94.5	94.1	93.8	94.5	92.7	98.8
35	„ 13, ..	94.2	94.1	94.4	94.1	93.7	94.5	92.4	98.8
36	„ 20, ..	94.2	94.1	94.4	94.1	93.7	94.5	92.4	98.7
37	„ 27, ..	94.2	94.1	94.3	94.1	93.7	94.5	92.4	98.4
38	December 4, ..	94.0	93.8	94.0	94.1	93.6	94.4	92.3	98.4
39	„ 11, ..	93.9	93.5	94.0	94.0	93.7	94.5	92.3	98.4
40	„ 18, ..	93.8	93.5	93.9	93.9	93.6	94.4	92.3	98.4
41	„ 25, ..	93.6	93.5	93.7	93.5	93.6	94.4	92.3	98.4
	1966								
42	January 1, ..	93.6	@	93.6	@	93.6	@	92.3	@
43	„ 8, ..	93.5	93.5	93.5	93.3	93.6	94.3	92.3	98.5
44	„ 15, ..	93.5	93.4	93.5	93.3	93.6	94.3	92.3	98.5
45	„ 22, ..	93.5	93.4	93.5	93.3	93.6	94.3	92.3	98.5
46	„ 29, ..	93.5	93.5	93.5	93.3	93.6	94.3	92.3	98.5
47	February 5, ..	93.5	93.6	93.5	93.4	93.6	94.4	92.3	98.5
48	„ 12, ..	93.6	93.6	93.5	93.4	93.6	94.4	92.3	98.5
49	„ 19, ..	93.6	93.6	93.6	93.4	93.6	94.4	92.3	98.5
50	„ 26, ..	93.6	93.6	93.6	93.4	93.7	94.5	92.3	98.5
51	March 5, ..	93.6	93.6	93.6	93.4	93.7	94.5	92.3	98.5
52	„ 12, ..	93.6	93.7	93.6	93.4	93.7	94.6	92.3	98.5
53	„ 19, ..	93.6	93.7	93.7	93.5	93.6	94.8	92.0	98.5
54	„ 26, ..	93.6	93.6	93.6	93.4	93.1	94.5	91.3	98.5

Note : The old series has been replaced by a revised series. For details of the revised series a reference may be made to pp. 1506-1529 of the October 1965 issue of the *Reserve Bank of India Bulletin*. Linking of the old series with the revised series may be done by multiplying the All-India main group indices under the old series with the following factors : (*a*) Government and Semi-Government Securities—0.9867, (*b*) Debentures—0.9733, (*c*) Preference Shares—1.2418 and (*d*) Variable Dividend Industrial Securities—0.5252.

@ Market closed during the week.

AND WEEKLY) OF SECURITY PRICES

=100)
of the Reserve Bank of India)

Preference Shares					Variable Dividend Industrial Securities						
All-India	Bombay	Calcutta	Madras	Ahmedabad	All-India	Bombay	Calcutta	Madras	Ahmedabad	Delhi	
9	10	11	12	13	14	15	16	17	18	19	
100.4	102.1	101.1	89.7	97.5	81.6	85.6	81.2	78.9	69.6	89.7	*1*
90.9	91.1	93.6	84.1	84.7	75.9	80.6	73.5	75.1	68.6	86.0	*2*
100.1	101.6	100.9	89.7	97.5	80.9	84.9	80.6	78.4	68.6	88.6	*3*
99.7	101.2	100.6	89.3	97.5	81.1	85.7	80.3	78.3	69.4	88.8	*4*
99.5	101.1	100.2	89.2	97.5	81.1	85.6	80.3	78.2	69.8	89.2	*5*
99.3	101.0	100.0	88.7	97.3	81.2	85.8	80.2	78.0	70.4	89.1	*6*
99.0	100.6	99.6	88.6	97.0	80.8	85.4	79.9	77.7	69.8	89.7	*7*
98.5	99.9	99.2	88.7	97.0	80.8	85.4	79.6	77.7	70.0	89.5	*8*
98.3	99.8	98.8	88.7	96.3	80.3	84.9	79.2	77.4	69.6	89.2	*9*
98.2	99.1	99.1	89.0	95.9	79.7	84.2	78.4	77.0	69.3	88.6	*10*
97.8	98.2	98.9	89.0	96.0	79.4	84.2	77.8	76.7	69.6	88.7	*11*
97.8	98.3	98.7	89.0	96.0	79.7	84.8	77.9	76.5	70.7	88.9	*12*
97.5	98.2	98.5	88.4	94.4	80.2	85.6	78.0	76.5	71.7	89.7	*13*
97.1	98.1	98.4	88.4	91.3	80.3	85.8	78.1	76.5	72.4	89.5	*14*
97.1	98.2	98.4	88.4	91.3	80.9	86.8	78.5	76.5	74.2	89.3	*15*
97.1	98.1	98.3	88.1	92.1	80.5	85.9	78.3	76.3	73.3	89.0	*16*
96.9	98.1	97.9	87.6	91.9	79.9	85.0	77.9	76.0	71.9	89.0	*17*
96.6	98.1	97.3	87.1	91.9	79.4	84.6	77.6	75.8	71.3	88.5	*18*
96.4	97.9	97.0	87.2	91.6	79.4	84.6	77.0	75.8	72.2	88.0	*19*
95.8	96.5	96.9	87.2	91.7	79.1	84.4	76.4	75.8	71.8	87.5	*20*
95.6	96.5	96.7	86.9	91.8	78.7	83.9	76.0	75.7	71.2	87.1	*21*
95.5	96.4	96.5	86.6	91.6	78.1	83.2	75.4	75.5	70.7	86.6	*22*
95.4	96.2	96.5	86.8	91.5	77.4	81.8	75.3	75.4	69.6	86.0	*23*
95.3	95.9	96.5	87.0	91.5	77.2	81.8	75.1	75.2	69.1	86.3	*24*
95.1	95.9	96.3	86.4	91.5	77.1	81.7	75.1	75.1	68.6	86.6	*25*
94.9	95.7	96.1	86.3	91.4	76.5	81.0	74.8	74.8	67.5	86.4	*26*
94.5	94.5	96.1	86.2	91.2	76.2	80.5	74.7	74.3	66.3	86.9	*27*
94.3	94.2	96.2	86.1	91.2	76.2	80.7	74.5	73.8	67.0	86.7	*28*
94.0	94.2	95.4	85.5	91.2	75.9	80.3	74.2	73.7	66.4	86.6	*29*
94.0	94.1	@	85.4	91.2	75.6	80.0	@	73.5	65.6	86.5	*30*
93.9	93.9	95.5	85.4	90.7	75.3	79.6	73.6	73.4	66.0	86.3	*31*
93.6	93.7	95.6	85.3	89.8	75.2	79.5	73.4	73.2	66.4	86.2	*32*
93.4	93.5	95.6	84.6	89.7	75.3	79.9	73.4	73.1	66.6	86.3	*33*
92.9	93.2	95.4	84.7	86.6	75.1	79.7	73.0	72.9	66.8	85.8	*34*
92.4	92.9	94.9	84.7	85.1	74.4	78.9	72.2	72.9	66.3	84.7	*35*
92.1	92.6	94.2	84.6	85.2	73.5	77.8	71.4	72.8	65.2	84.0	*36*
91.9	92.3	94.1	84.7	85.4	72.8	76.8	71.0	72.7	63.9	83.1	*37*
91.8	92.2	94.1	84.7	85.2	72.4	76.3	70.8	72.7	63.5	82.7	*38*
91.6	91.8	94.2	84.7	85.2	71.6	75.5	69.9	72.5	62.7	81.5	*39*
91.4	91.6	94.1	84.5	85.1	71.5	75.4	69.5	72.5	62.9	80.9	*40*
91.3	91.6	93.6	84.8	85.1	72.0	76.3	69.8	72.5	63.9	81.9	*41*
91.2	@	93.4	@	@	72.2	@	70.2	@	@	82.5	*42*
91.1	91.5	93.4	84.1	85.1	73.8	78.5	71.8	73.0	65.7	84.1	*43*
91.1	91.5	93.5	84.1	85.1	74.0	78.7	71.9	73.0	65.7	83.6	*44*
91.1	91.3	93.6	84.1	85.1	73.9	78.6	71.8	73.0	65.2	83.5	*45*
91.1	91.3	93.7	84.0	85.1	73.8	78.4	72.0	73.0	64.8	83.6	*46*
91.1	91.3	93.7	83.9	84.5	73.4	78.0	71.7	73.0	63.9	83.3	*47*
91.0	91.2	93.8	83.8	84.0	73.0	77.5	71.4	72.8	63.6	82.8	*48*
90.9	91.2	93.6	83.8	84.0	73.4	77.8	71.6	73.3	64.1	83.5	*49*
90.8	91.2	93.2	83.8	84.0	74.1	78.6	72.0	73.8	65.2	84.8	*50*
90.8	91.2	93.3	83.8	84.0	74.6	79.0	72.9	73.8	65.7	85.5	*51*
91.0	91.2	93.6	84.3	84.5	75.4	79.9	73.3	74.1	68.1	85.6	*52*
90.9	91.1	93.7	84.1	84.6	75.8	80.6	73.6	75.0	67.9	85.9	*53*
90.9	91.1	93.7	84.1	84.7	75.9	80.6	73.5	75.1	68.6	86.0	*54*

STATEMENT 44—INDEX NUMBERS OF

(Base : 1961-62
(Compiled by the Department of Statistics

Average of weeks	GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES			SUB-GROUP INDICES OF JOINT STOCK				
	Government and Semi-Government Securities	Debentures	Preference Shares (Fixed Dividend)	Variable Dividend	Government of India	State Governments	Semi-Government Institutions	Plantations	Coal and other Mining	Sugar	Textiles other than Jute	Jute Textiles
	1	2	3	4	5	6	7	8	9	10	11	12
1964-65	98.2	95.7	101.5	86.1	98.0	99.4	98.6	99.9	96.5	99.8	98.3	97.2
1965-66	94.6	93.9	94.4	76.7	94.4	95.7	95.5	99.9	96.2	97.2	93.0	96.6
March 1965 ..	97.6	95.2	100.8	82.6	97.3	99.2	97.9	99.9	96.5	99.4	96.3	97.3
April ,, ..	96.5	94.5	99.7	81.1	96.1	98.3	97.4	99.9	96.5	99.6	95.8	95.0
May ,, ..	95.8	94.3	98.4	80.2	95.4	97.5	96.9	99.9	96.5	99.6	95.6	96.3
June ,, ..	95.5	94.4	97.3	80.3	95.1	97.1	96.9	99.9	96.5	98.2	95.9	96.9
July ,, ..	95.1	94.2	96.5	79.7	94.7	96.7	96.7	99.9	96.5	96.6	95.7	96.9
August ,, ..	94.9	93.8	95.5	77.9	94.6	96.3	96.4	99.9	96.2	96.6	93.6	96.9
September ,, ..	94.7	93.9	94.7	76.5	94.5	95.7	95.6	99.9	96.0	96.6	92.3	96.9
October ,, ..	94.4	94.0	93.8	75.5	94.3	95.0	95.6	99.9	96.0	96.6	91.4	96.9
November ,, ..	94.2	93.7	92.3	73.9	94.2	94.7	94.1	99.9	96.0	96.6	91.2	96.9
December ,, ..	93.8	93.6	91.6	71.9	93.7	94.5	94.1	99.9	96.0	96.6	91.2	96.9
January 1966 ..	93.5	93.6	91.1	73.5	93.3	94.2	94.0	99.9	96.0	96.6	91.1	96.8
February ,, ..	93.6	93.6	90.9	73.5	93.4	94.2	94.0	99.9	96.0	96.6	91.1	96.6
March ,, ..	93.6	93.5	90.9	75.4	93.5	94.2	94.0	99.9	96.0	96.6	90.7	96.6
Percentage variation of March 1966 over March 1965	*—4.1*	*—1.8*	*—9.8*	*—8.7*	*—3.9*	*—5.0*	*—4.0*	—	*—0.5*	*—2.8*	*—5.8*	*—0.7*

Average of Weeks	SUB-GROUP INDICES OF VARIABLE										
	Tea Plantations	Coffee Plantations	Rubber Plantations	Coal	Other Mining	Edible and Vegetable oils	Sugar	Cotton Textiles	Jute Textiles	Silk, Woollen and Rayon Textiles	Iron and Steel
	31	32	33	34	35	36	37	38	39	40	41
1964-65	84.7	107.4	115.0	80.2	64.1	103.5	86.9	81.8	90.5	70.1	99.4
1965-66	79.5	107.5	111.1	71.4	49.6	97.9	80.0	69.8	70.6	62.6	95.9
March 1965	83.9	111.8	116.7	78.1	56.3	103.8	86.1	77.5	86.0	67.4	96.2
April ,, ...	83.1	109.1	116.2	77.6	57.4	101.9	83.6	76.0	83.5	66.2	96.1
May ,, ...	81.6	109.2	112.4	75.8	53.3	100.4	81.8	74.8	80.0	65.3	98·0
June ,, ...	80.5	109.9	107.8	75.0	52.5	101.6	82.0	75.0	77.5	67.7	101.6
July ,, ...	80.0	111.2	107.4	74.3	52.4	98.4	82.1	74.0	75.9	66.7	100.2
August ,, ...	80.4	108.8	108.8	74.4	52.3	97.3	81.7	72.0	72.9	63.9	97.5
September ,, ...	80.8	108.1	109.3	74.1	49.8	96.4	80.3	70.2	69.7	62.2	95.7
October ,, ...	79.9	108.3	107.4	71.8	49.2	95.8	80.0	68.5	66.7	60.9	95.4
November ,, ...	78.9	110.1	108.2	67.8	47.0	96.7	79.6	66.0	64.3	58.7	93.4
December ,, ...	76.9	105.9	107.9	66.3	46.8	95.1	77.6	63.4	60.9	56.5	89.8
January 1966	75.9	103.7	108.6	66.5	47.0	96.5	78.0	65.1	65.0	59.5	92.7
February ,, ...	77.2	99.8	118.7	66.6	43.6	97.6	76.5	64.5	64.7	60.2	92.8
March ,, ...	79.4	104.7	122.4	66.4	43.2	97.6	76.8	66.8	64.4	62.7	97.0
Percentage variation of March 1966 over March 1965 ..	*—5.4*	*—6.4*	*+4.9*	*—15.0*	*—23.3*	*—6.0*	*—10.8*	*—13.8*	*—25.1*	*—7.0*	*+0.8*

SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

= 100)
of the Reserve Bank of India)

OF DEBENTURES COMPANIES			SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)														
Metals and Engineering	Electricity Generation and Supply	Others	Plantations	Coal and other Mining	Sugar	Cotton Textiles	Jute Textiles	Silk, Woollen and Rayon Textiles	Iron and Steel	Non-ferrous Metals (Basic)	Engineering	Chemicals	Cement	Paper	Electricity Generation and Supply	Trading	Shipping and other Transport
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
95.5	96.1	94.4	86.5	100.4	95.9	103.8	111.9	101.1	97.4	112.5	100.3	105.7	99.8	112.0	94.9	93.5	92.4
94.4	94.1	93.2	81.8	97.9	92.7	97.8	104.7	92.0	86.2	111.9	94.8	98.5	92.9	106.5	81.8	87.5	87.2
95.4	95.6	94.1	83.7	99.1	98.8	104.0	110.1	99.0	94.9	113.7	99.1	104.7	101.9	110.7	94.1	94.0	90.8
94.8	94.3	93.6	83.3	99.7	96.9	103.3	107.5	97.4	94.0	114.0	98.3	102.8	101.8	111.3	91.0	93.3	90.8
94.6	92.9	93.7	83.2	99.4	93.4	102.7	106.6	91.7	92.3	116.5	97.8	100.9	99.3	109.3	88.2	92.0	90.8
94.5	92.9	93.8	83.2	98.3	93.2	102.6	106.6	90.5	88.1	119.6	97.3	100.2	96.6	109.2	86.0	90.4	90.4
94.5	92.9	93.6	82.8	98.7	93.1	102.0	106.0	91.8	87.2	117.4	95.9	99.8	93.0	108.1	85.0	89.5	92.3
94.5	92.6	93.4	82.1	98.7	93.7	100.6	105.8	92.6	87.3	108.5	94.7	99.2	91.9	107.4	84.4	88.3	92.3
94.5	94.0	93.3	82.1	98.7	92.8	99.9	105.5	92.6	86.4	108.5	94.9	98.9	90.2	107.3	81.2	86.9	92.3
94.5	94.7	93.5	81.4	98.7	91.8	98.0	105.3	91.9	85.6	109.5	94.3	98.7	90.4	104.0	80.0	86.8	92.3
94.4	94.8	92.9	81.6	98.5	91.8	94.6	104.1	90.8	83.2	109.2	92.8	98.1	90.8	104.2	79.7	85.4	86.4
94.2	95.0	92.7	81.6	97.3	91.7	93.1	103.3	91.2	82.8	109.4	92.6	96.3	89.8	104.1	77.4	84.3	79.6
94.2	95.0	92.6	80.3	97.1	91.7	92.6	101.6	91.0	82.6	109.7	92.8	95.7	89.9	103.7	76.2	84.1	79.0
94.2	95.2	92.6	80.1	95.7	91.6	92.1	101.7	90.4	81.7	110.2	93.0	96.0	90.4	103.9	76.5	83.9	79.0
93.5	95.2	92.7	80.1	93.9	91.5	91.4	101.8	92.0	81.8	108.9	93.5	95.2	89.9	105.1	75.3	84.2	79.1
—2.0	*—0.4*	*—1.5*	*—4.3*	*—5.2*	*—7.4*	*—12.1*	*—7.5*	*—7.1*	*—13.8*	*—4.2*	*—5.7*	*—9.1*	*—11.8*	*—5.1*	*—20.0*	*—10.4*	*—12.9*

DIVIDEND INDUSTRIAL SECURITIES

Non-Ferrous Metals (Basic)	Transport Equipment	Electrical Machinery, Appliances etc.	Machinery other than Transport and Electrical	Foundries and Engineering Workshops	Metal Products	Basic Industrial Chemicals	Other Chemical Products	Cement	Paper and Paper Products	Rubber & Rubber Products	Electricity Generation and Supply	Trading	Shipping and other Transport	Banks	Insurance	Investment
42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
87.1	89.1	82.4	92.5	93.5	83.4	69.9	76.0	92.6	87.5	67.7	110.0	84.7	108.5	96.8	107.0	88.3
75.8	79.4	72.6	81.4	81.1	72.6	59.2	71.9	85.6	74.8	60.7	107.6	75.4	95.8	96.4	116.3	80.2
83.3	85.7	79.6	86.8	88.9	79.0	64.3	73.7	88.2	81.2	67.0	111.6	83.1	96.8	100.0	110.5	87.9
81.3	85.1	77.7	85.1	88.2	77.1	61.2	72.7	87.1	78.6	64.7	109.8	81.0	97.3	98.4	112.4	86.8
79.1	83.6	78.1	84.7	87.1	76.4	60.2	71.8	86.3	77.6	63.6	109.5	79.7	97.8	97.7	118.2	84.3
79.6	83.4	76.5	84.3	86.6	75.9	63.0	73.4	85.8	77.5	62.6	109.8	79.2	101.4	95.6	121.2	83.4
78.6	82.6	76.4	84.7	85.8	75.8	63.1	74.1	84.2	76.8	62.9	110.2	78.7	102.3	97.9	117.1	78.8
74.1	80.6	74.7	82.8	82.5	74.1	61.4	72.0	82.9	76.0	61.4	110.1	76.9	99.3	97.3	115.7	78.8
72.2	79.4	71.5	80.7	79.7	71.1	58.7	71.2	85.8	74.7	61.4	109.1	75.7	95.2	96.0	113.6	79.4
72.4	78.2	70.4	80.2	77.0	69.8	58.2	71.7	84.9	73.0	62.1	107.8	74.4	94.1	95.7	114.9	78.6
74.4	75.8	68.5	78.8	76.5	67.9	56.8	70.6	85.3	72.2	61.0	106.4	73.2	93.1	95.4	116.3	77.0
72.9	73.7	66.8	76.2	74.2	68.8	54.8	69.1	84.9	71.7	53.9	104.4	70.4	90.1	94.0	114.6	77.8
75.1	75.9	68.6	79.0	76.8	70.9	56.9	70.5	86.2	72.8	56.5	105.5	71.4	90.2	95.2	114.6	78.5
74.3	76.4	68.8	79.3	77.9	71.1	56.4	71.5	85.7	72.4	58.6	103.7	71.9	89.2	96.2	115.8	79.5
75.2	77.3	72.5	80.4	80.0	72.1	59.4	73.8	88.2	73.4	59.1	104.3	72.1	99.2	96.2	121.3	80.3
—9.7	*—9.8*	*—8.9*	*—7.4*	*—10.0*	*—8.7*	*—7.6*	*+0.1*	*—*	*—9.6*	*—11.8*	*—6.5*	*—13.2*	*+2.5*	*—3.8*	*+9.8*	*—8.6*

STATEMENT 45—YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Statistics

Average of months/ month			ALL— Variable Dividend									
			Debentures (Total)	Preference Shares (Total)	Total	Agriculture and Allied Activities				Mining and Quarrying		
						Total (a)	Tea plantations	Coffee plantations	Rubber plantations	Total	Coal	Other mining
			1	2	3	4	5	6	7	8	9	10
1	1960-61	..	4.11	5.32	4.88	5.80	6.01	5.12	6.33	5.31	4.56	5.82
2	1961-62	..	4.15	5.64	4.67	5.74	5.94	4.74	6.56	5.15	4.13	5.85
3	1962-63	..	4.35	5.87	4.85	6.27	6.45	5.44	7.54	4.93	4.01	5.59
4	1963-64	..	4.65	5.88	4.90	5.91	6.17	3.84	6.32	4.66	4.37	4.87
5	1964-65	..	5.54	6.42	5.58	6.31	6.47	4.71	6.07	4.85	4.99	4.74
6	1965-66	..	6.10	7.15	6.53	7.08	6.94	7.17	6.85	5.80	6.15	5.56
7	March 1965	..	5.78	6.72	6.05	6.73	6.65	7.01	6.33	5.17	5.17	5.17
8	April ,,	..	5.96	6.80	6.15	6.84	6.79	6.89	6.38	5.19	5.17	5.20
9	May ,,	..	5.91	6.93	6.22	6.79	6.69	6.70	6.54	5.26	5.36	5.19
10	June ,,	..	5.92	6.97	6.24	6.93	6.86	6.85	6.75	4.90	4.73	5.02
11	July ,,	..	5.97	7.02	6.33	6.98	6.85	6.96	7.24	4.95	4.79	5.07
12	August ,,	..	6.06	7.01	6.43	6.99	6.84	7.01	7.10	5.34	5.55	5.19
13	September ,,	..	6.07	7.09	6.50	7.05	6.86	7.10	7.15	5.69	6.29	5.27
14	October ,,	..	6.06	7.14	6.59	7.15	6.95	7.06	7.26	5.88	6.68	5.31
15	November ,,	..	6.13	7.24	6.74	7.31	7.13	7.63	7.16	6.20	6.95	5.67
16	December ,,	..	6.16	7.33	6.92	7.42	7.23	7.66	7.12	6.37	7.03	5.90
17	January 1966	..	6.24	7.41	6.79	7.44	7.26	7.77	7.00	6.34	7.12	5.79
18	February ,,	..	6.34	7.41	6.79	7.23	7.10	7.47	6.25	6.70	7.07	6.44
19	March ,,	..	6.39	7.40	6.64	6.85	6.73	7.00	6.24	6.80	7.01	6.65

Average of months/ month			ALL— Variable Dividend							
			Processing and Manufacturing (Contd.)			Other Industries				
			Others			Total (a)	Electricity generation and supply	Trading	Shipping and other transport	Construction
			Total(a)	Cement	Paper					
			23	24	25	26	27	28	29	30
1	1960-61	..	4.90	5.21	4.76	6.05	6.28	8.38	5.17	4.49
2	1961-62	..	4.52	4.77	4.54	5.28	5.42	6.74	4.40	3.98
3	1962-63	..	4.59	5.00	3.87	5.30	5.60	6.62	4.20	3.83
4	1963-64	..	4.92	5.41	4.32	5.56	5.86	7.26	4.81	3.62
5	1964-65	..	5.31	5.79	4.23	6.43	6.20	7.45	6.46	5.17
6	1965-66	..	5.94	6.63	4.50	7.68	7.41	9.01	7.42	5.77
7	March 1965	..	5.48	6.11	3.90	7.21	7.03	7.97	7.52	5.30
8	April ,,	..	5.57	6.20	4.02	7.36	7.15	8.07	7.54	5.73
9	May ,,	..	5.68	6.30	4.13	7.45	7.17	8.18	7.55	5.84
10	June ,,	..	5.78	6.41	4.15	7.46	7.16	8.30	7.49	5.97
11	July ,,	..	5.96	6.64	4.33	7.48	7.14	8.42	7.39	5.91
12	August ,,	..	6.03	6.72	4.44	7.55	7.14	8.91	7.39	5.96
13	September ,,	..	5.87	6.66	4.47	7.58	7.31	9.27	6.98	5.90
14	October ,,	..	5.96	6.74	4.63	7.67	7.43	9.38	7.01	5.82
15	November ,,	..	6.04	6.73	4.99	7.81	7.52	9.58	7.31	5.77
16	December ,,	..	6.20	6.87	4.89	8.03	7.65	9.96	7.70	5.71
17	January 1966	..	6.03	6.73	4.65	8.04	7.67	10.08	7.76	5.64
18	February ,,	..	6.14	6.86	4.72	7.97	7.82	9.02	7.65	5.62
19	March ,,	..	6.03	6.74	4.56	7.74	7.76	8.97	7.24	5.42

Note : Tax-free yields of taxable securities are calculated, deducting income-tax at maximum rate and surcharge.
(*a*) Including miscellaneous. (*b*) Including edible and vegetable oils.

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

of the Reserve Bank of India) (Per cent per annum)

INDIA

Industrial Securities

Processing and Manufacturing

Total	**Foodstuffs, Textiles, etc.**					**Metals and Chemicals**						
	Total (*a*) (*b*)	Sugar	Cotton textiles	Jute textiles	Silk and woollen	**Total** (*a*)	Iron and steel	Transport equipment	Electrical machinery	Machinery other than transport and electrical	Basic industrial chemicals	
11	12	13	14	15	16	17	18	19	20	21	22	
4.35	**4.26**	5.80	3.47	6.15	3.17	**4.18**	4.25	3.38	5.03	4.07	3.59	*1*
4.24	**4.16**	5.62	3.72	5.14	2.92	**4.22**	4.69	3.77	4.46	3.46	3.64	*2*
4.48	**4.33**	6.18	4.33	3.87	3.50	**4.65**	5.31	4.56	4.32	3.54	4.74	*3*
4.48	**4.17**	5.14	4.16	4.44	3.33	**4.73**	5.24	4.10	4.91	3.80	4.86	*4*
5.19	**5.06**	4.72	5.12	6.35	3.58	**5.32**	5.81	4.23	5.71	4.37	5.41	*5*
6.12	**6.08**	6.07	6.04	6.66	4.58	**6.30**	6.44	5.98	7.03	5.73	6.97	*6*
5.63	**5.50**	5.78	5.42	6.44	3.53	**5.93**	6.45	5.28	6.26	4.85	6.52	*7*
5.72	**5.65**	5.92	5.48	6.73	4.17	**5.94**	6.38	5.23	6.42	4.99	6.55	*8*
5.82	**5.80**	5.96	5.65	6.91	4.63	**5.93**	6.27	5.48	6.45	5.09	6.62	*9*
5.84	**5.86**	5.88	5.71	7.03	4.43	**5.85**	6.00	5.49	6.49	5.19	6.55	*10*
5.95	**5.93**	5.86	5.82	7.04	4.42	**5.97**	6.10	5.46	6.47	5.38	6.69	*11*
6.05	**6.02**	5.94	5.94	6.78	4.54	**6.11**	6.24	5.42	6.62	5.60	6.57	*12*
6.09	**6.04**	6.01	6.06	6.32	4.62	**6.31**	6.45	5.56	6.89	5.86	6.71	*13*
6.18	**6.12**	6.12	6.15	6.27	4.63	**6.42**	6.54	5.48	7.25	5.97	6.87	*14*
6.34	**6.32**	6.23	6.29	6.66	4.89	**6.55**	6.61	5.85	7.49	6.17	7.10	*15*
6.54	**6.51**	6.34	6.48	7.04	5.05	**6.79**	6.84	6.90	7.77	6.29	7.68	*16*
6.34	**6.29**	6.02	6.36	6.42	4.70	**6.61**	6.68	6.68	7.72	6.04	7.51	*17*
6.36	**6.26**	5.89	6.37	6.35	4.59	**6.64**	6.72	7.02	7.63	6.11	7.55	*18*
6.22	**6.15**	6.71	6.11	6.42	4.26	**6.46**	6.52	7.20	7.20	6.05	7.22	*19*

INDIA—(*Contd.*) **REGIONAL**

Industrial Securities—(*Contd.*)

Financial				**Variable Dividend Industrial Securities**				
Total	Banks	Insurance	Investment Trusts	Bombay	Calcutta	Madras	Delhi	
31	32	33	34	35	36	37	38	
6.31	5.93	7.56	6.85	4.51	5.16	5.23	5.25	*1*
5.84	5.42	7.07	6.72	4.45	4.70	5.38	4.93	*2*
5.91	5.66	6.58	6.54	4.79	4.67	5.84	4.70	*3*
6.57	6.41	7.27	6.48	4.84	4.82	5.62	5.55	*4*
7.29	7.00	8.57	6.99	5.58	5.50	6.16	6.54	*5*
8.04	7.87	8.96	7.86	6.59	6.40	7.02	7.63	*6*
7.64	7.48	8.44	7.28	6.18	5.90	6.49	7.48	*7*
7.73	7.64	8.38	7.10	6.24	6.03	6.61	7.52	*8*
7.74	7.68	8.16	7.30	6.30	6.10	6.71	7.47	*9*
7.89	7.75	8.67	7.40	6.24	6.17	6.82	7.50	*10*
7.93	7.65	9.13	7.73	6.33	6.22	6.95	7.40	*11*
8.01	7.69	9.19	8.11	6.46	6.33	6.96	7.40	*12*
8.15	7.86	9.34	8.07	6.63	6.33	6.95	7.42	*13*
8.19	7.92	9.22	8.25	6.71	6.43	7.04	7.40	*14*
8.21	8.00	9.10	8.14	6.78	6.64	7.19	7.95	*15*
8.24	8.02	9.21	8.03	6.99	6.81	7.30	8.16	*16*
8.17	7.91	9.19	8.14	6.84	6.66	7.30	8.02	*17*
8.12	7.88	9.12	8.06	6.89	6.62	7.24	7.86	*18*
8.08	7.89	8.82	8.05	6.71	6.51	7.13	7.48	*19*

STATEMENT 46—PRICES OF

Scrip	End December 1957	May 1962	June 1963	December 1964	March 1965
	1	2	3	4	5
Iron and Steel					
1. Indian Iron	18.70*	26.20*	22.38	26.02	24.38
2. Tata Ordinary	160.50*	148.25*	134.75	147.50	143.00
Cotton Textiles					
3. Ambica	582.00	1,417.00*	1,061.00	828.00	687.00
4. Bombay Dyeing	49.80@	69.60	57.00	57.80	57.60
5. Buckingham	155.00	265.00	261.00	277.00	262.00
6. Century	382.00	663.50*	508.50	579.00	541.00
7. Kohinoor	259.50	303.00	302.00	322.00	314.00
8. Madura	33.75	36.75	31.25	35.25	31.25
9. New Shorrock	897.00	1,620.00*	1,250.00	807.50*	660.00
Jute Textiles					
10. Anglo-India	146.50	252.00	224.00	186.00*	181.00£
11. Birla	14.75	35.75*	28.00	39.19	33.19
12. Howrah	13.44	22.87	18.87	15.75	14.50£
Banks					
13. Central (F50)	52.30	62.00	55.30	52.30*	51.00
14. India (F 100)	132.25*	111.50*	109.00	101.75	98.50
Coal					
15. Bengal	228.00*	392.00*	270.00	228.00	225.00£
16. Burrakur	22.00	20.37	16.50	15.75	15.12
Tea Plantations					
17. Hasimara	21.12	31.56	12.56*	12.06	12.00£
18. Periakaramalai	4.05*	3.41	3.05	3.72	3.86
Engineering					
19. Alcock	221.25	331.00*	274.00	297.00	276.00
20. Ashok Leyland	4.45	8.75*	7.35	7.40*	6.23*
21. Guest, Keen, Williams	29.12	41.75*	31.75	22.75*	21.62
22. Jessop & Co.	22.12*	24.12*	23.31	25.62	25.44
23. Hindustan Motors	5.69	20.06	15.62	16.94	16.34
24. Sandvik Asia			176.00	172.00	147.00
25. Tata Locomotives	137.25	368.75*	251.00*	272.00*	253.00
26. Texmaco	15.60*	26.00	23.65	25.55	24.20
Electricity					
27. Andhra Valley	1,117.50*	1,015.00	1,015.00	1,215.00	1,217.50
28. Tata Power	1,155.00*	1,103.75	1,058.75	1,257.50	1,243.75
Chemicals					
29. Amar Dye Chem.	100.00	333.75*	157.50	142.50*	137.50
30. Atul	176.50*	500.50*	319.00*	284.50	240.50
31. Chemicals and Fibres					
32. Colour Chem.		500.00*	336.25	307.50	267.50
33. Tata Chem.	12.80*	16.68*	16.60	18.16	18.16
Miscellaneous					
34. Belapur Sugar	252.00*	233.00	173.00	229.50	192.00
35. Deccan Sugar	7.85*	10.10	9.75	10.65*	10.00
36. Cochin Malabar	4.25*	7.00	5.95	6.07	6.00
37. Consolidated Coffee	28.00*	18.35	17.60	25.65	24.90
38. Ouchterlony Valley	4.85	3.80	3.65	3.37	2.80
39. A. C. C.	151.00*	160.00	138.50	153.00*	148.00
40. India Cement	4.70*	6.13*	5.49	5.15	4.93
41. Dunlop Rubber	19.75*	44.44*	30.87	30.87*	25.62*
42. Orient Paper	24.25	44.20*	34.35	33.00	34.30
43. West Coast Paper	65.00	180.00*	127.50	174.50	144.50
44. National Rayon	211.25	545.00*	302.00	370.50*	399.50
45. Travancore Rayons	10.65	40.00	22.75	17.75	16.95
46. Aluminium Industries	13.00*	24.00*	16.80*	24.12	18.00*
47. Bombay-Burmah (Old)	520.00	683.00*	60.00*@	55.50	47.50
48. Hindustan Lever	19.76	50.50*	33.75	28.10	25.50
49. Tata Oil	35.00	81.00	56.70*	48.50*	45.25
50. Scindia Steam	17.08*	12.76	10.36	15.68	12.80
51. Rohtas Industries	16.00	16.50	10.75	9.62	8.87
52. Premier Construction	154.00	167.00*	132.50	230.50	236.00
53. Voltas	112.75	298.50	228.00	271.50	250.00

* Exright/bonus. @ Split shares. £ Nominal.

SELECTED INDUSTRIAL SHARES

(Prices in rupees)

of June 1965	September 1965	December 1965	March 1966	1965-66 Highest	1965-66 Lowest	Percentage variation of (9) over (1)	Percentage variation of (9) over (5)	
6	7	8	9	10	11	12	13	
25.76	24.80	23.06	25.58	26.04	22.10	+ 64.2	+ 4.9	1
157.50	139.00	136.50	142.25	159.75	133.00	+ 34.3	— 0.5	2
746.00	683.00	636.00	768.50	788.00	589.50	+ 76.1	+ 11.9	3
55.80	54.60	51.00	60.10	62.00	50.00	+ 20.7	+ 4.3	4
248.00	244.00	235.00	212.00	262.00	212.00	+ 36.8	— 19.1	5
543.00	516.00	485.50	547.50	558.50	465.00	+191.6	+ 1.2	6
293.00	269.00	246.00	250.50	318.00	234.00	— 3.5	— 20.2	7
32.50	32.37	33.25	29.10	33.50	28.50	— 13.8	— 6.9	8
700.00	622.50	608.75	682.50	747.50	572.50	+ 20.2	+ 3.4	9
181.00	127.00	106.00	117.00£	181.00£	104.00	— 4.2	— 35.4	10
26.69	23.53	22.75	24.62	33.56	20.87	+140.9	— 25.8	11
14.12	12.75	12.62	13.75	15.25	11.94	+ 2.3	— 5.2	12
51.00	47.00	47.00	49.00	52.00	46.75	+ 11.0	— 3.9	13
100.00	96.50	98.50	94.00	101.00	94.00	— 18.4	— 4.6	14
209.00	202.00	166.00	177.00£	225.00£	165.00	— 16.5	— 21.3	15
14.34	13.55	12.37	14.00£	15.25	12.37	— 36.4	— 7.4	16
12.00	11.75	10.00	9.69	12.25	9.06	— 8.2	— 19.2	17
3.55	3.80	3.50	4.34	4.34	3.45	+ 7.2	+ 12.4	18
286.00	240.00*	227.00	252.00	292.00	212.00	+ 39.6	— 2.6	19
6.00	6.10	5.85	5.58	6.35*	5.55	+ 80.2	— 10.4	20
21.56	18.31	17.12	17.75	21.81	16.00	+ 15.8	— 17.9	21
22.00	23.62	21.06	20.62	25.81	20.62	+ 37.4	— 18.9	22
16.69	15.28	14.31	15.62	16.87	13.75	+174.5	— 4.4	23
154.00*	142.00	140.00	145.50	160.00	133.00		+ 6.4	24
246.25	207.25	203.00	218.75	259.75	193.25	+138.2	— 13.5	25
22.40	22.10	20.45	19.10	24.60	18.80	+ 22.4	— 21.1	26
1,226.25	1,242.50	1,197.50	1,180.00	1,255.00	1,162.50	+ 5.6	— 3.1	27
1,296.25	1,307.50	1,256.25	1,237.50	1,315.00	1,200.00	+ 7.1	— 0.5	28
143.75	135.00	123.75	136.25	146.25	122.50	+ 98.4	— 0.9	29
263.00	214.00	211.75	215.50	273.00	198.00	+ 98.5	— 10.4	30
15.88	13.76	13.24	18.00	18.00	12.40			31
285.00	217.50	210.00	235.00	290.00	202.50		— 12.2	32
19.40	18.40	17.68	19.20	19.68	17.04	+ 62.8	+ 5.7	33
188.50	180.50	168.00	177.50	196.00	154.00	— 29.6	— 7.6	34
9.80	9.32	8.50	8.40	10.15	8.40	+ 24.8	— 16.0	35
5.40	5.50	5.75	6.75	7.05	5.40	+ 58.8	+ 12.5	36
25.50	25.15	26.15	28.25	28.25	24.55	+ 0.9	+ 13.5	37
2.95	3.07	3.06	3.43	3.43	2.80	— 29.3	+ 22.5	38
148.00	146.75	146.75	139.50	153.50	139.00	— 1.5	— 5.7	39
5.07	5.10	4.92	4.92	5.18	4.70	+ 30.1	— 0.2	40
24.56	26.19	20.87	20.50	27.50	19.94	+133.3	— 20.0	41
33.50	30.00	27.20	31.75	35.50	25.10	+ 45.6	— 7.4	42
155.00	142.00	149.00	153.00	156.00	136.50	+162.1	+ 5.9	43
407.50	379.00	375.00	427.50	434.00	348.00	+158.1	+ 7.0	44
17.10	14.70	12.25	17.90	17.90	12.10	+ 68.1	+ 5.6	45
18.50	17.85	17.20	17.15*	20.00	17.05*	+121.6	+ 8.9	46
47.20	41.80	40.10	45.25	48.20	39.00	+ 8.8	— 4.7	47
24.00	20.72*	19.00	19.52	25.75	17.76	+ 60.3	— 16.1	48
45.50	42.50	44.00	46.00	50.00	42.00	+102.9	+ 1.7	49
14.32	13 36	12.24	12.36	14.88	10.96	— 27.6	— 3.4	50
8.59	7.75	7.50	7.66	9.62	7.06	— 52.1	— 13.6	51
199.00*	200.50	216.50	278.00	285.00	175.00	+246.4	+ 50.7	52
237.00	186.00*	188.00	200.00	253.50	180.50	+105.5	— 7.3	53

Source : Stock Exchanges.

STATEMENT 47—BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
I. Revenue Account										
A. Revenue (*a*)	405.86	481.19	877.46	1,036.79	1,427.53	1,846.14	2,080.59	2,289.30(*b*)	2,299.75	2,481.12(*c*)
B. Expenditure (*d*) ..	346.64	440.74	826.21	911.94	1,314.13	1,658.60	1,806.69	1,9 2.47	2,017.66	2,169.90
C. *Surplus* (+) *or deficit* (—)	*+59.22*	*+40.45*	*+51.25*	*+124.85*	*+113.40*	*+187.54*	*+273.90*	*+336.83*	*+282.09*	*+311.22*
II. Capital Account										
A Receipts (*e*)	104.45	280.95	1,127.00(*f*)	957.34(*f*)	1,204.25(*f*)	1,380.85(*f*)	1,645.04(*f*)	1,928.75	1,804.80(*f*)	1,873.08
B. Disbursements	182.59	470.92	1,000.53	1,171.61	1,454.38	1,759.95	2,076.31	2,100.34	2,260.05	2,206.81
C. *Surplus* (+) *or deficit* (—)	*—78.14*	*—189.97*	*+126.47*	*—214.27*	*—250.13*	*—379.10*	*—431.27*	*—171.59*	*—455.25*	*—333.73*
III. Miscellaneous (Net) (*g*) ..	*+15.26*	*—10.35*	*—60.87*	*— 25.09*	*— 19.41*	*+ 24.70*	*— 14.47*	*— 54.86*	*+ 8.16*	*— 1.99*
IV. Overall Surplus (+) or Deficit (—) (IC+IIC+III)	**— 3.66**	**—159.87**	**+116.85**	**—114.51**	**—156.14**	**—166.86**	**—171.84**	**+110.38**	**—165.00**	**— 24.50**
Financed by :										
A. Treasury bills (*h*) [Increase (—)]	— 16.10	—123.38	+141.31	—118.69	—174.57	—157.41	—111.56	+ 3.00	—217.00	— 25.00
B. Cash balances [Decrease (—)]	+ 12.44	— 36.49	— 24.46	+ 4.18	+ 18.43	— 9.45	— 60.28	+107.38	+ 52.00	+ 0.50
(i) Opening balance ..	149.50	32.23	69.67	45.22	49.40	67.75	58.30	50.00	— 1.98	50.02
(ii) Closing balance ..	161.94	— 4.26	45.21	49.40	67.83	58.30	— 1.98	157.38(*b*)	50.02	50.52

Note : Accounts are provisional. Budget estimates for 1966-67 relate to those presented to the *Lok Sabha.*

(*a*) Excluding States' share of excise duties and other taxes. (*b*) Including Rs. 106.25 crores of additional taxation effected through Finance (No. 2) Act, 1965 and also Rs. 1.2 crores representing the yield from the levy on crude petroleum with effect from February 1, 1966. (*c*) Including the effect of budget proposals; subsequent modifications in tax proposals have not been taken into account. (*d*) Excluding the payment of States' share of excise duties and additional excise duties. (*e*) Excluding Treasury bill receipts. (*f*) Excludes *ad hoc* Treasury bills of Rs. 150 crores in 1959-60, Rs. 50 crores each in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64 and Rs. 50 crores each in 1964-65 and 1965-66 (Revised) funded in December 1959, January 1961, February 1962, December 1962, January 1964, January 1965 and February 1966, respectively. (*g*) Includes remittances, transfer of cash between England and India and Reserve Bank deposits. (*h*) Mostly sold to the Reserve Bank.

STATEMENT 48—CONSOLIDATED BUDGETARY POSITION OF STATES*

(In crores of rupees)

	1951-52 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
I. Revenue Account										
A. Revenue (*a*)	396.4	554.3	1,011.8	1,073.5	1,283.9	1,490.2	1,635.0	1,757.5	1,831.0	2,097.1 (2,111.7)
B. Expenditure (*a*)	392.6	604.1	987.4	1,121.3	1,260.9	1,412.5	1,584.7	1,841.2	1,913.2	2,085.7
C. *Surplus* (+) *or Deficit* (—)	*+3.8*	*—49.8*	*+24.4*	*—47.8*	*+23.0*	*+77.7*	*+50.3*	*—83.7*	*—82.2*	*+11.4* (*+26.0*)
II. Capital Account										
A. Receipts (*b*)	135.0	382.0	580.0	699.9	778.2	864.8	1,038.2	1,133.6	1,247.8	1,009.2
B. Disbursements	188.7	335.9	632.9	668.5	749.1	914.3	1,033.0	1,124.1	1,356.5	1,075.0
C. *Surplus* (+) *or Deficit* (—)	*—53.7*	*+46.1*	*—52.9*	*+31.4*	*+29.1*	*—49.5*	*+ 5.2*	*+ 9.5*	*—108.7*	*—65.8*
III. Miscellaneous (Net) (*c*)	*+ 1.6*	*+ 4.1*	*—19.9*	*—21.1*	*—24.6*	*—33.6*	*—16.7*	*— 4.9*	*+ 2.0*	*+ 5.2*
IV. Overall Surplus (+) or Deficit (—)	**—48.3**	**+ 0.4**	**—48.4**	**—37.5**	**+27.5**	**— 5.4**	**+38.8**	**—79.1**	**—188.9**	**—49.2** (**—34.6**)
Financed by :										
A. Increase (+) or Decrease (—) in Cash Balances (*d*)	**—10.8**	**+10.0**	**+ 3.7(*e*)**	**— 0.9**	**+11.4**	**—18.3**	**+26.4**	**—68.9**	**—96.2**	**—45.6**
(1) Opening balance	+61.5	+93.8	— 4.6	— 0.9	— 1.8	+16.7	— 9.6	—12.4	+ 5.4	—90.9
(2) Closing balance	+50.7	+103.8	— 0.9	— 1.8	+ 9.6	— 1.6	+16.8	—81.3	—90.8	—137.5(*f*)
B. Purchase (+) or Sale (—) of Securities ..	**—37.6**	**— 9.6(*g*)**	**—52.1**	**—36.6**	**+16.1**	**+12.9**	**+12.4**	**—10.2**	**—92.7**	**+ 1.0**

Note : The figures for the year 1951-52 do not include the then Part C States (viz., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56, figures have been taken from the "Combined Finance and Revenue Accounts of the Central and State Governments" published by the Comptroller and Auditor General. The figures of purchase and sale of securities upto 1956-57 relate to the then Part A and Part B states. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the composite state of Bombay till 1959-60 and now a part of Gujarat State and also include Jammu and Kashmir. The figures for 1966-67 (B.E.) are before tax changes; the position after tax changes as proposed by the Governments of Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Orissa, Punjab and Rajasthan is shown in brackets. The closing and opening cash balances for 1962-63 and 1963-64, respectively, differ owing to "cash in transit" in the case of Rajasthan.

(*a*) Transfers from and to funds are excluded from revenue and expenditure, respectively. (*b*) Excluding net purchase or sale of securities. (*c*) Consists of remittances. (*d*) Including overdraft. (*e*) For the purpose of arriving at this figure, the opening balance for 1960-61, given in the budget papers of Maharashtra (which represents the figures for the composite State of Bombay) has been adjusted to exclude the amount transferred to Gujarat. (*f*) Including the effect of additional taxation in the case of Jammu and Kashmir (Rs. 80 lakhs) and Orissa (Rs. 2.8 crores). (*g*) As separate figures of Cash Balance Investment Accounts are not available, total Suspense Account has been included under this head.

* Excluding figures for Nagaland.

STATEMENT 49—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revence Account) (In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
REVENUE										
I. Taxes on Income and Expenditure (1+2+3)	**125.70**	**113.23**	**191.97**	**228.84**	**312.39**	**414.02**	**457.27**	**543.38**	**467.41**	**540.22**
Taxes on income other than corporation tax	132.73	131.35	167.38	165.39	185.96	258.60	266.55	291.50	260.00	294.45
Less States' share	47.52	55.16	87.37	93.85	95.27	119.29	123.77	121.27	123.34	130.45
1. Net receipts	85.21	76.19	80.01	71.54	90.69	139.31	142.78	170.23	136.66	164.00
2. Corporation tax	40.49	37.04	111.05	156.46	221.50	274.59	314.05	371.60	330.00	376.07
3. Expenditure tax			0.91	0.84	0.20	0.12	0.44	1.55	0.75	0.15
II. Taxes on Property and Capital Transactions (1+2+3+4+5)	**3.81**	**2.55**	**13.49**	**14.21**	**16.15**	**17.02**	**16.49**	**21.98**	**22.67**	**21.17**
Estate duty		1.81	3.09	4.21	3.94	4.67	5.43	7.40	7.00	8.10
Less States' share		1.86	2.91	3.88	3.88	4.22	6.78	7.17	6.79	7.80
1. Net receipts		— 0.05	0.18	0.33	0.06	0.45	— 1.35	0.23	0.21	0.30
2. Tax on wealth			8.15	8.26	9.54	10.20	10.50	13.50	14.00	14.00
3. Gift tax			0.89	1.01	0.97	1.12	2.22	3.10	3.00	1.29
4. Stamps and registration	1.81	1.72	3.68	4.05	5.00	4.94	4.97	4.94	5.26	5.38
5. Land revenue	2.00	0.88	0.59	0.56	0.58	0.31	0.15	0.21	0.20	0.20
III. Taxes on Commodities and Services (1+2+3+4)	**227.49**	**295.69**	**524.68**	**632.32**	**732.44**	**943.29**	**1,089.04**	**1,224.01**	**1,265.93**	**1,381.14**
Customs										
Imports	107.70	127.98	154.61	198.22	238.42	334.25	404.64	505.53(*a*)	538.79	567.40
Exports	47.36	37.76	13.12	12.69	9.60	3.37	2.43	2.20	2.05	2.07
Other revenue	6.37	4.22	8.21	7.82	7.50	8.01	4.22	3.30	4.16	3.33
Less refunds	4.28	3.26	5.91	6.48	9.56	10.89	13.79	10.00	13.80	12.28
1. Net receipts	157.15	166.70	170.03	212.25	245.96	334.74	397.50	501.03	531.20	560.52
Union excise duties	67.54	145.25	416.35	489.31	598.83	729.58	801.51	845.11(*a*)	861.35	1,022.04
(Of which additional excise duties)			(33.60)	(38.96)	(44.75)	(43.11)	(44.49)	(46.96)	(46.96)	(48.00)
Less States' share	—	16.57	75.10	80.65	124.91	135.99	127.34	140.85	145.92	222.82
2. Net receipts	67.54	128.68	341.25	408.66	473.92	593.59	674.17	704.26	715.43	799.22
Tax on railway passenger fares			15.89							
Less States' share			13.79							
3. Net receipts			2.10							
4. Other taxes and duties	2.80	0.31	11.30	11.41	12.56	14.96	17.37	18.72	19.30	21.40
IV. Total Tax Revenue (I+II+III)	**357.00**	**411.47**	**730.14**	**875.37**	**1,060.98**	**1,374.33**	**1,562.80**	**1,789.37(*a*)**	**1,756.01**	**1,942.53(*b*)**
V. Administrative Receipts	**12.53**	**17.08**	**59.32**	**53.92**	**63.44**	**48.13**	**49.05**	**43.75**	**45.94**	**44.57**
VI. Net Contribution of Public Undertakings (1+2+3+4)	**23.16**	**28.92**	**53.00**	**65.69**	**56.07**	**70.25**	**70.18**	**79.20**	**80.29**	**90.61**
1. Railways	6.50	5.80	4.77	20.66	20.37	24.82	23.25	27.16	26.14	32.61
2. Posts and Telegraphs	3.98	3.47	0.46	0.77	0.77	1.22	1.44	1.84	—	4.17
3. Currency and Mint	9.71	19.75	47.95	42.75	32.21	40.68	39.01	45.29	45.51	47.12
(Profits of the Reserve Bank of India)	(9.91)	(20.00)	(40.00)	(42.50)	(43.50)	(40.00)	(48.00)	(48.00)	(48.00)	(50.00)
4. Others (*c*)	2.97	—0.10	—0.18	1.51	2.72	3.53	6.48	4.91	8.64	6 71

VII.	**Other Revenue(*d*) .. ..**	**13.17**	**23.72**	**35.00**	**41.81**	**247.04**	**353.43**	**398.56**	**376.98**	**417.51**	**403.41**
VIII.	**Total Revenue (IV+V+VI+VII)**	**405.86**	**481.19**	**877.46**	**1,036.79**	**1,427.53**	**1,846.14**	**2,080.59**	**2,289.30(*a*)**	**2,299.75**	**2,481.12**
					EXPENDITURE						
IX.	Collection of Taxes, Duties and other Principal Revenue(*e*)	10.24	12.51	22.43	21.16	23.47	23.93	26.30	28.88	29.64	30.84
X.	Civil Administration(*f*) ..	21.29	33.57	58.66	59.17	75.18	77.51	81.87	91.36	92.21	110.08
XI.	Defence Services (net)	164.13	172.23	247.55	289.54	425.30	704.15	692.85	748.74	769.06	797.67
XII.	Debt Services(*g*)	37.36	43.14	77.09	82.85	245.43	278.35	316.41	356.11	372.61	414.83
XIII.	Pensions, Superannuation and Privy Purses (including allowances)	6.99	8.97	10.04	10.24	10.63	10.30	10.42	10.99	10.80	10.84
XIV.	Extraordinary Charges(*h*) ..	0.07	—	3.68	13.63	64.22	82.34	127.08	65.72	81.40	37.26
XV.	Miscellaneous(*i*)	44.28	48.82	117.82	57.10	81.31	71.21	73.87	93.91	106.01	131.64
XVI.	Social and Developmental Services(*j*)	39.50	82.41	236.40	176.29	186.09	172.44	199.88	219.46	211.87	231.45
XVII.	Contributions and Miscellaneous adjustments between Union and State Governments(*k*) ..	15.59	35.87	48.55	198.01	198.45	233.40	272.90	331.80	339.77	401.33
XVIII.	Other Expenditure(*l*)	7.19	3.22	3.99	3.95	4.05	4.98	5.11	5.50	4.29	3.96
XIX.	**Total Expenditure .. ..**	**346.64**	**440.74**	**826.21**	**911.94**	**1,314.13**	**1,658.60**	**1,806.69**	**1,952.47**	**2,017.66**	**2,169.90**
	Surplus(+) or Deficit(—) ..	*+59.22*	*+40.45*	*+51.25*	*+124.85*	*+113.40*	*+187.54*	*+273.90*	*+336.83*	*+282.09*	*+311.22*

Note : (1) The figures of total revenue and expenditure as given in the Statement differ from those in the Budget papers as receipts from forests, opium and currency and mint are shown on a net basis and States' share of Union excise duties and additional duties of excise are excluded. Owing to changes in accounting classification, the figures from 1962-63 onwards, particularly in respect of items VII, X, XII and XVI are not comparable with those for earlier years. Budget estimates for 1966-67 relate to those presented to the *Lok Sabha*. (2) From 1957-58, figures under revenue and expenditure include self-balancing items in respect of grants under P. L. 480 and Steel Equalisation Funds ; from 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds.

(*a*) Total tax revenue for the year 1965-66 (B.E.) includes additional revenue of Rs. 106.25 crores (Rs. 80.33 crores under Customs and Rs. 25.92 crores under Union Excise duties) effected through the Finance (No. 2) Act, 1965 as also Rs. 1.20 crores under Customs from the levy on crude petroleum with effect from February 1, 1966. (*b*) Including the effect of the tax proposals ; subsequent modifications in tax proposals have not been taken into account. (*c*) Including forests, opium, irrigation, electricity, road and water transport schemes, and from 1962-63, dividends due from commercial and other undertakings. (*d*) Includes recoveries of interest from State Governments and Commercial Departments, adjusted as reduction of interest charges till 1961-62. (*e*) Excludes forests, opium and States' share of Union excise duties and additional excise duties. (*f*) Comprises General Administration, Audit, Administration of Justice, Jails, Police, Tribal Areas and External Affairs ; with effect from 1961-62, expenditure relating to Tribal Areas is adjusted under the relevant major heads closely connected with the object of the expenditure. From 1962-63, this includes miscellaneous departments of administrative nature and Supplies and Disposals. (*g*) Includes appropriation for reduction or avoidance of debt. From 1962-63, these also include interest charges on capital advanced to Commercial Departments like Railways and Posts and Telegraphs which were hitherto booked in the accounts in reduction of receipts. (*h*) Includes provision for grants to States for G. M. F. schemes, relief in natural calamities etc. From 1954-55 these items are transferred to miscellaneous expenditure under appropriate ministries ; from 1961-62 these figures are shown against item XVII. Since 1957-58 it includes provision for transfer to the Special Development Fund of grants received under P. L. 480. From 1962-63 it includes Emergency Risks (Goods and Factories) Insurance Funds. (*i*) Includes certain grants to States ; from 1961-62 these grants are shown against item XVII. (*j*) Comprises irrigation and multi-purpose river schemes, ports and pilotage, lighthouses and lightships, scientific departments, education, medical, public health, agriculture, rural development, animal husbandry, co-operation, industries (and supplies upto 1961-62), aviation, broadcasting, civil works, post-war reconstruction and electricity schemes, community development projects, national extension service, labour and employment, overseas communications service and miscellaneous departments. (*k*) Includes grants-in-aid to States ; all grants to States are grouped together under this item from 1961-62. (*l*) Comprises famine, stationery and printing, civil defence and pre-partition payments.

STATEMENT 50—REVENUE FROM UNION EXCISE DUTIES

(In lakhs of rupees)

Commodity	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63(*a*) (Accounts)	1963-64 (*b*) (*a*) (Accounts)	1964-65 (*a*) (Accounts)	1965-66 (*a*) (Revised)	1966-67 (*a*) (*c*) (Budget)
	1	2	3	4	5	6	7	8	9
Basic duties on :									
Motor spirit	2,08	23,05	40,46	45,51	51,56	67,55	73,77(*d*)	88,16(*d*)	90,86(*d*)
Kerosene	28	2,43	8,29	12,84	16,55	35,74	39,67	46,00	77,44
Sugar	6,46	18,58	44,19	47,23	60,18	52,11	51,05	54,90	78,93
Matches	8,07	10,08	18,08	18,48	21,91	20,84	22,82	23,30	24,00
Steel ingots	54	69	13,14	15,51	4,61	20	28	28	28
Tyres and tubes	4,04	5,53	13,54	14,50	17,04	23,82	25,33	24,60	24,60
Tobacco	31,99	36,46	53,73	56,45	64,43	80,66	89,68	96,80	106,89
Vegetable products	2,19	3,82	5,63	6,06	7,81	14,54	12,92	8,00	8,00
Coffee	1,17	93	1,35	1,92	1,83	2,07	2,28	2,40	2,40
Tea	3,36	3,17	7,47	10,57	10,21	15,76	17,06	15,70	15,70
Cotton fabrics	9,26	28,18	45,94	47,51	58,37	57,36	55,66	47,00	50,30
Artificial silk fabrics		2,18	2,05	2,91	1,12	1,80	1,77	1,81	1,81
Cement		2,22	18,45	18,32	21,38	26,62	27,31	29,80	32,00
Soap		1,55	2,38	2,46	3,02	5,01	4,38	4,62	4,62
Woollen fabrics		53	90	1,35	1,93	2,10	1,48	1,90	1,90
Electric fans		27	1,17	1,20	1,52	1,50	1,91	1,62	1,62
Electric bulbs		25	68	88	1,29	1,69	1,55	1,82	1,82
Electric batteries		73	1,88	1,79	2,23	2,87	3,23	3,17	3,17
Paper		2,68	8,38	11,51	13,33	18,08	17,94	16,90	18,36
Paints and varnishes		1,01	1,40	2,12	2,62	4,09	4,66	4,32	4,32
Vegetable non-essential oils		29	11,69	10,47	10,54	1,42	1,08	1,00	1,00
Refined diesel oils and vapourizing oils		16	36,38	43,36	46,99	67,23	82,07(*d*)	95,78(*d*)	1,58,00(*d*)
Industrial fuel oils		47	13,01	14,49	18,89	27,33	27,19(*d*)	36,40(*d*)	38,83(*d*)
Rayon and synthetic fibres and yarn			2,82	5,58	9,71	15,16	19,91	13,20	12,50
Motor vehicles			8,03	10,30	11,22	14,86	18,03	17,00	15,98
Asphalt and bitumen			2,93	2,52	2,40	2,92	3,32	5,10	6,05
Aluminium			1,17	1,04	1,69	2,57	2,95	3,50	4,25
Tin plate			1,36	1,61	1,96	2,11	2,16	2,47	3,50
Internal combustion engines			1,53	1,34	1,27	1,86	2,34	2,05	2,05
Electric motors			80	1,03	1,26	1,91	2,31	2,22	2,22
Pig iron			97	1,11	1,36	1,66	4,08	4,42	6,22

Coal cess	1,62	2,38	5,40	9,98	12,26	14,15	13,03	13,75	15,00
All petroleum products n.o.s.					62	40	51	1,40	2,00
Soda ash			2	30	41	49	51	55	55
Caustic soda			2	41	51	65	80	80	80
Synthetic organic dye stuff			9	2,15	2,03	1,93	2,50	2,50	2,50
Cosmetics			7	1,21	1,34	1,71	2,08	1,92	1,92
Patent and proprietary medicines ..			26	4,19	5,06	5,62	6,50	7,00	7,00
Plastics			8	1,11	1,57	2,48	5,41	5,10	5,10
Cotton yarn			13	4,98	8,38	12,67	25,13	25,00	30,98
Woollen yarn			2	1,02	1,91	3,52	2,52	4,00	4,00
Glass and glassware			11	2,01	2,72	3,12	3,08	3,04	3,04
Chinaware			3	84	1,11	1,33	1,37	1,40	1,40
Copper			7	1,75	1,83	2,11	2,19	6,08	6,08
Refrigerators and air-conditioning machinery			2	86	1,49	1,77	2,27	2,80	2,80
Wireless receiving sets			6	1,25	1,21	1,92	2,30	2,33	2,33
Jute manufactures					5,28	6,50	6,87	6,75	6,75
Iron and steel products					24,29	38,13	46,19	62,83	70,00
Electric wires and cables					2,57	3,59	4,94	5,25	5,25
Miscellaneous	44	1,60	9,51	9,62	14,66	18,49	17,94	12,55	14,23
Total gross revenue	**71,50**	**149,24**	**385,69**	**453,65**	**559,48**	**694,02**	**766,33**	**821,29**	**981,35**
Less : Refunds and drawbacks ..	3,96	3,99	2,94	3,30	5,40	7,55	9,31	6,90	7,33
Total net revenue	**67,54**	**145,25**	**382,75**	**450,35**	**554,08**	**686,47**	**757,02**	**814,39**	**974,02**
Additional duties on :									
Sugar			10,91	11,22	15,03	14,90	14,68	15,60	16,50
Textiles			17,01	19,46	20,34	20,78	20,74	22,50	22,15
Tobacco			5,68	8,28	9,38	7,67	9,29	9,10	9,62
Total additional duties			**33,60**	**38,96**	44,75	43,35	**44,71**	**47,20**	**48,27**
Less : Refunds, etc.						24	22	24	25
Net additional duties			**33,60**	**38,96**	**44,75**	**43,11**	**44,49**	**46,96**	**48,02**
Grand total—union excise duties	**67,54**	**145,25**	**416,35**	**489,31**	**598,83**	**729,58**	**801,51**	**861,35**	**1,022,04**
Less : States' share of excise duties ..		16,57	75,10	80,65	124,91	135,99	127,34	145,92	222,82
Net receipts	**67,54**	**128,68**	**341,25**	**408,66**	**473,92**	**593,59**	**674,17**	**715,43**	**799,22**

(*a*) Includes special duties of excise also. (*b*) Figures are provisional. (*c*) Including the effect of budget proposals. (*d*) Including regulatory duty of excise.

STATEMENT 51—CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
RECEIPTS										
Loans										
Internal (*a*)	30.34	103.68	180.70(*i*)	202.55(*i*)	278.94(*i*)(*j*)	367.10(*i*)(*j*)	296.67(*i*)	270.00	280.98(*i*)	280.00
External	7.75	2.67	264.71	314.33	339.57	384.57	569.73	668.86	616.90	784.85
Special Floating Loan	—	—	3.45	3.45	3.45	3.45	3.45	—	53.57	2.22
Inter-State Debt Settlement ..	—	0.78	—	—	1.76	0.05	—	—	—	—
Treasury Deposit Receipts (*b*) ..	— 7.13									
Prize Bonds (*b*) (*c*)			15.63	3.47	4.23	4.10	2.01	—15.00	—18.00	— 2.00
Gold Bonds					3.39	5.22	0.01	—	5.39	4.00
Small Savings (*b*)	33.52	66.51	103.77	87.75	74.09	126.99	127.43	135.00	134.90	135.00
Other Unfunded debt (*b*) ..	8.30	16.89	43.99	40.13	41.84	51.34	49.65	55.90	56.48	59.09
Compulsory Deposits (*b*) ..						30.12	1.61	— 3.07	— 1.60	— 1.00
Income-tax Annuity Deposits(*b*)							40.28	65.00	45.40	35.01
Investment of U. S. Government Counter-part Deposit Funds (*b*)			240.41	54.13	48.07	87.38	— 1.57	191.00	150.00	—119.00
Railway Funds (*b*)	17.55	6.92	— 3.76	—14.44	15.27	32.80	12.24	37.87	29.09	7.22
Other Reserve Funds (Interest-bearing) (*b*)	0.16	1.02	6.57	12.26	11.75	14.59	7.65	11.18	9.95	20.73
Appropriation for Reduction or Avoidance of Debt	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Deposits under Income-tax Act (*b*)	—33.21	—1.33	0.32	— 0.22	— 3.93	— 0.37	— 0.06	0.06	— 0.07	0.03
Repayments of Loans by States	8.08	25.22	95.48	133.91	144.75	179.34	216.02	273.69	281.64	288.00
Special Development Fund (*d*) ..	—	40.50	104.52	106.15	156.04	151.21	106.82	157.63	158.12	364.08
Contingency Fund (*b*)	15.00	—	—	—	— 0.01	— 2.30	— 1.09	—	3.40	—
Other Items (*b*) (*e*)	19.09	13.09	66.21	8.87	80.04	—59.74	209.19	75·63(*k*)	— 6.35	9.85
Total Receipts (excluding Treasury Bills (*f*))	**104.45**	**280.95**	**1,127.00**	**957.34**	**1,204.25**	**1,380.85**	**1,645.04**	**1,928.75**	**1,804.80**	**1,873.08**

DISBURSEMENTS

Capital outlay										
Non-Developmental										
Defence	4.19	17.59	33.39	22.95	48.61	111.97	112.95	130.05	119.33	120.60
Payment of Commuted value of Pensions	—6.57	—9.01	— 4.04	—3.93	— 3.45	— 3.69	— 5.44	— 5.31	— 2.32	— 4.44
State Trading Schemes	—2.26	—29.59	33.95	2.24	—22.19	13.38	41.25	46.76	1.04	—25.11
Currency, Mint and Security Printing Press	3.26	8.76	6.48	6.92	8.85	11.56	— 7.30	4.22	81.45	12.98
Others (*g*)	15.01	3.67	65.84	56.93	78.16	56.91	166.21	75.46	74.99	320.52
**Total Non-Developmental	**13.63**	**—8.58**	**135.62**	**85.11**	**109.98**	**190.13**	**307.67**	**251.18**	**274.49**	**424.55**
Developmental										
Railways	25.41	67.52	89.48	144.90	214.89	260.52	275.37	240.00	239.89	180.60
Posts and Telegraphs	7.07	9.03	11.26	11.25	20.96	31.48	30.54	32.83	29.99	24.25
Civil Aviation	1.82	1.95	3.46	3.01	2.93	2.71	3.45	5.99	4.00	5.03
Irrigation and Multi-purpose River Schemes	2.56	2.98	1.31	2.06	3.16	8.81	14.04	21.32	20.05	16.54
Civil Works	9.11	24.55	38.92	41.63	48.48	81.25	80.40	87.71	76.50	61.38
Industrial Development ..	8.90	11.07	91.27	110.68	171.35	200.21	194.75	131.61	131.40	177.72
Other Heads (*h*)	2.53	18.84	34.18	37.68	40.42	38.80	40.11	71.97	65.26	€2.31
**Total Developmental	**57.40**	**135.94**	**269.88**	**351.21**	**502.19**	**623.78**	**638.66**	**591.43**	**567.09**	**527.83**
**Total Capital Outlay	**71.03**	**127.36**	**405.50**	**436.33**	**612.17**	**813.91**	**946.33**	**842.61**	**841.58**	**952.38**
Discharge of Permanent Debt										
Internal	41.74	69.04	109.19	137.62	182.30	175.97	189.04	155.00	155.00	191.60
External	4.11	3.22	17.71	65.62	46.30	63.73	84.42	97.29	96.44	120.59
Discharge of Special Floating Debt	—	—	1.71	—	—	—	0.85	3.43	—	3.43
Inter-State Debt Settlement ..	—	0.68	—	1.79	—	0.90	—	—	—	—
Advances to States	61.46	241.24	338.63	452.42	511.09	583.60	678.71	703.46	823.38	665.93
Advances to States from Special Development Fund		5.47						8.61	11.19	9.88
Other Loans and Advances (*b*) ..	4.25	23.91	127.79	77.83	102.52	121.84	176.96	289.94	332.46	263.00
**Total Disbursements	**182.59**	**470.92**	**1,000.53**	**1,171.61**	**1,454.38**	**1,759.95**	**2,076.31**	**2,100.34**	**2,260.05**	**2,206.81**
Surplus(+) *or Deficit*(—) ..	*—78 14*	*—189 97*	*+126 47*	*—214 27*	*—250.13*	*—379.10*	*—431.27*	*—171.59*	*—455.25*	*—333 73*

Note : (1) Figures of receipts and disbursements will not tally with those in the budget papers as certain adjustments have been made here. (2) Accounts are provisional. (3) Receipts and disbursements include a formal adjusting item in respect of loan assistance from the U.S. Government which is transferred to the Special Development Fund by debit to Capital. (4) Treasury bill receipts and miscellaneous items such as remittances, etc., have been excluded from this statement. (5) Subsequent modifications in budget proposals for 1966-67 have not been taken into account.

(*a*) Excluding 15-Year Annuity Certificates which are included under Small Savings. (*b*) Figures are net. (*c*) Figures for the period April 1, 1960 to June 30, 1962 relate to Five-Year Interest-Free Prize Bonds 1965. Sales of these Bonds were discontinued from July 1, 1962 and a new series called Premium Prize Bonds, 1963 was issued from January 1, 1963 to December 31, 1963 and Premium Prize Bonds, 1964 from January 1, 1964 to December 31, 1964. (*d*) Receipts comprise the sale proceeds of American (loan) wheat, wheat received under Colombo Plan, assistance under Indo-U.S. Technical Assistance Agreement and other aid. (*e*) Residual item. (*f*) Mostly sold to the Reserve Bank of India. (*g*) Includes transfer of sale proceeds of American (Loan) Wheat, contingency fund and payment to displaced persons, etc. (*h*) Includes grants to States for development purposes, Ports, etc. (*i*) Excludes the conversion of *ad hoc* Treasury bills of Rs. 150 crores in 1959-60, Rs. 50 crores each in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64 and Rs. 50 crores each in 1964-65 and 1965-66 (Revised). (*j*) Includes receipts from 4¼ per cent National Defence Bonds, 1972 which were on tap from November 10, 1962 to April 29, 1963. (*k*) Includes sale proceeds of American and Lease-Lend Surpluses.

STATEMENT 52—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS

(On Revenue Account)

(In lakhs of rupees)

	REVENUE						EXPENDITURE			
	Tax Revenue									
	Taxes on income (*a*)	Taxes on property and capital transactions (*b*)	Taxes on commodities and services (*c*)	**Total tax revenue**	**Non-tax revenue** (*d*)	**Total revenue**	Non-developmental (*e*) (*g*)	Social and developmental services (*f*)(*g*)	**Total expenditure**	*Surplus*(+) *or deficit* (—)
	1	2	3	4	5	6	7	8	9	10
Andhra Pradesh										
1963-64 (Accounts)	9,22	25,12	50,59	**84,93**	**46,79**	**131,72**	47,85	73,22	**121,07**	*+10,65*
1964-65 (Accounts)	9,53	24,11	53,90	**87,54**	**50,26**	**137,80**	47,01	86,35	**133,36**	*+ 4,44*
1965-66 (Revised)	9,50	16,81	58,70	**85,01**	**62,71**	**147,72**	61,58	99,65	**161,23**	*—13,51*
1966-67 (Budget)	9,61	22,04	67,63	**99,28**	**69,59**	**168,87**	61,37	107,19	**168,56**	*+31*
Assam										
1963-64 (Accounts)	7,18	4,01	14,90	**26,09**	**20,77**	**46,86**	18,97	32,68	**51,65**	*—4,79*
1964-65 (Accounts)	7,07	5,01	16,00	**28,08**	**27,59**	**55,67**	23,70	37,57	**61,27**	*—5,60*
1965-66 (Revised)	7,56	6,14	18,61	**32,31**	**38,32**	**70,63**	28,62	48,77	**77,39**	*—6,76*
1966-67 (Budget)	7,85	6,55	22,01	**36,41**	**42,93**	**79,34**	28,12	50,37	**78,49**	*+85*
Bihar										
1963-64 (Accounts)	10,32	17,75	41,87	**69,94**	**27,30**	**97,24**	34,99	49,57	**84,56**	*+12,68*
1964-65 (Accounts)	11,75	17,76	44,86	**74,37**	**33,86**	**108,23**	35,75	51,17	**86,92**	*+21,31*
1965-66 (Revised)	11,83	18,03	49,81	**79,67**	**41,42**	**121,09**	52,12	67,80	**119,92**	*+ 1,17*
1966-67 (Budget)	14,66	18,43	61,59	**94,68**	**43,16**	**137,84**	52,40	69,57	**121,97**	*+15,87*
Gujarat										
1963-64 (Accounts)	5,76	9,29	39,83	**54,88**	**29,04**	**83,92**(*h*)	43,64	41,39	**85,03**	*—1,11*
1964-65 (Accounts)	5,91	11,33	45,93	**63,17**	**33,42**	**96,59**(*h*)	43,71	49,21	**92,92**	*+3,67*
1965-66 (Revised)	5,89	9,03	49,90	**64,82**	**40,16**	**104,98**(*h*)	48,89	58,09	**106,98**	*—2,00*
1966-67 (Budget)	6,90	10,19	56,98	**74,07**	**37,11**	**111,18**(*h*)	50,50	61,33	**111,83**	*—65*
Jammu & Kashmir										
1963-64 (Accounts)	90	90	4,49	**6,29**	**17,23**	**23,52**	11,32	11,57	**22,89**	*+63*
1964-65 (Accounts)	87	1,09	4,48	**6,44**	**16,66**	**23,10**	12,92	12,42	**25,34**	*—2,24*
1965-66 (Revised)	87	74	5,02	**6,63**	**20,77**	**27,40**	17,03	16,19	**33,22**	*—5,82*
1966-67 (Budget)	96	96	7,73(*i*) (6,93)	**9,65**(*i*) **(8,85)**	**27,73**	**37,38**(*i*) **(36,58)**	18,17	21,40	**39,57**	*—2,19* (*—2,99*)
Kerala										
1963-64 (Accounts)	6,56	3,97	29,66	**40,19**	**24,17**	**64,36**	19,63	43,39	**63,02**	*+1,34*
1964-65 (Accounts)	6,48	6,53	33,00	**46,01**	**28,17**	**74,18**	20,39	47,78	**68,17**	*+6,01*
1965-66 (Revised)	6,47	7,69	36,00	**50,16**	**30,54**	**80,70**	23,84	57,93	**81,77**	*—1,07*
1966-67 (Budget)	6,78	5,79	39,79	**52,36**	**49,03**	**101,39**	29,47	68,11	**97,58**	*+3,81*
Madhya Pradesh										
1963-64 (Accounts)	7,81	13,45	36,49	**57,75**	**42,85**	**100,60**	37,17	56,15	**93,32**	*+7,28*
1964-65 (Accounts)	8,04	14,21	42,52	**64,77**	**40,92**	**105,69**	38,12	63,12	**101,24**	*+4,45*
1965-66 (Revised)	8,04	11,14	49,03	**68,21**	**49,76**	**117,97**	48,95	72,12	**121,07**	*—3,10*
1966-67 (Budget)	8,57	14,08	57,86	**80,51**	**50,42**	**130,93**	52,05	80,72	**132,77**	*—1,84*

Madras												
1963-64 (Accounts)	..	..	..	11,07	14,63	55,90	**81,60**	**45,53**	**127,13**	45,59	81,77	**127,36**	*—23*
1964-65 (Accounts)	..	..	..	11,48	15,49	65,73	**92,70**	**52,43**	**145,13**	51,13	91,42	**142,55**	*+2,58*
1965-66 (Revised)	..	..	..	11,36	15,63	71,81	**98,80**	**56,61**	**155,41**	58,46	104,82	**163,28**	*—7,87*
1966-67 (Budget)	..	..	..	12,28	16,80	88,16	**117,24**	**61,07**	**178,31**	67,05	110,95	**178,00**	*+31*
Maharashtra												
1963-64 (Accounts)	..	..	..	15,65	17,49	96,03	**129,17**	**54,44**	**183,61**	85,70	79,24	**164,94**	*+18,67*
1964-65 (Accounts)	..	..	..	17,65	16,84	107,47	**141,96**	**56,47**	**198,43**	99,02	100,31	**199,33**	*—90*
1965-66 (Revised)	..	..	..	16,79	15,48	118,60	**150,87**	**64,69**	**215,56**	109,47	128,10	**237,57**	*—22,01*
1966-67 (Budget)	..	..	..	18,90	16,95	152,78	**188,63**	**68,10**	**256,73**	136,45	119,75	**256,20**	*+53*
Mysore												
1963-64 (Accounts)	..	..	..	6,57	11,91	34,55	**53,03**	**35,50**	**88,53**	31,64	53,59	**85,23**	*+3,30*
1964-65 (Accounts)	..	..	..	7,35	11,13	37,23	**55,71**	**39,86**	**95,57**	35,58	57,08	**92,66**	*+2,91*
1965-66 (Revised)	..	..	..	7,48	9,85	42,19	**59,52**	**45,56**	**105,08**	42,90	69,82	**112,72**	*—7,64*
1966-67 (Budget)	..	..	..	7,68	10,57	51,69	**69,94**	**68,62**	**138,56**	53,92	82,11	**136,03**	*+2,53*
Orissa												
1963-64 (Accounts)	..	..	..	4,19	4,56	19,98	**28,73**	**37,44**	**66,17**	26,56	42,33	**68,89**	*—2,72*
1964-65 (Accounts)	..	..	..	4,31	4,74	21,75	**30,80**	**41,03**	**71,83**	30,94	45,12	**76,06**	*—4,23*
1965-66 (Revised)	..	..	..	4,28	4,70	23,75	**32,73**	**48,96**	**81,69**	36,56	51,90	**88,46**	*—6,77*
1966-67 (Budget)	..	..	..	4,47	5,07	26,89	**36,43**(*i*)	**63,55**	**99,98**(*i*)	41,14	58,80	**99,94**	*+4*
							(33,63)		**(97,18)**				*(—2,76)*
Punjab												
1963-64 (Accounts)	..	..	..	6,03	13,28	39,29	**58,60**	**46,90**	**105,50**	44,43	48,30	**92,73**	*+12,77*
1964-65 (Accounts)	..	..	..	6,16	12,96	46,28	**65,40**	**49,07**	**114,47**	48,55	52,86	**101,41**	*+13,06*
1965-66 (Revised)	..	..	..	5,95	11,91	49,40	**67,26**	**54,73**	**121,99**	52,14	62,43	**114,57**	*+7,42*
1966-67 (Budget)	..	..	..	6,44	12,89	57,01	**76,34**	**59,41**	**135,75**	59,42	71,05	**130,47**	*+5,28*
Rajasthan												
1963-64 (Accounts)	..	..	..	4,79	9,31	26,06	**40,16**	**25,71**	**65,87**	29,00	37,64	**66,64**	*—77*
1964-65 (Accounts)	..	..	..	4,94	10,68	28,38	**44,00**	**28,73**	**72,73**	34,19	42,91	**77,10**	*—4,37*
1965-66 (Revised)	..	..	..	4,92	10,00	32,68	**47,60**	**48,97**	**96,57**	46,11	54,55	**100,66**	*—4,09*
1966-67 (Budget)	..	..	..	5,22	10,93	38,36	**54,51**	**40,80**	**95,31**	42,67	54,57	**97,24**	*—1,93*
Uttar Pradesh												
1963-64 (Accounts)	..	..	..	17,48	32,16	63,23	**112,87**	**68,54**	**181,41**	82,97	87,10	**170,07**	*+11,34*
1964-65 (Accounts)	..	..	..	18,00	30,08	67,37	**115,45**	**81,08**	**196,53**	90,35	102,91	**193,26**	*+3,27*
1965-66 (Revised)	..	..	..	18,04	34,57	75,44	**128,05**	**91,18**	**219,23**(*j*)	101,41	123,71	**225,12**	*—5,89*
1966-67 (Budget)	..	..	..	19,75	39,18	93,24	**152,17**	**99,56**	**251,73**	116,48	135,56	**252,04**	*—31*
West Bengal												
1963-64 (Accounts)	..	..	..	14,89	13,30	66,64	**94,83**	**28,93**	**123 76**	55,06	60,00	**115,06**	*+8,70*
1964-65 (Accounts)	..	..	..	15,72	15,89	74,41	**106,02**	**33,01**	**139,03**	60,33	72,81	**133,14**	*+5,89*
1965-66 (Revised)	..	..	..	15,59	15,68	81,40	**112,67**	**52,26**	**164,93**	77,77	91,46	**169,23**	*—4,30*
1966-67 (Budget)	..	..	..	14,88	16,46	94,75	**126,09**	**51,35**	**177,44**	79,67	105,39	**185,06**	*—7,62*
Total												
1963-64 (Accounts)	..	..	..	128,42	191,13	619,51	**939,06**	**551,13**	**1,490 20**	614,52	797,94	**1,412,46**	*+77,74*
1964-65 (Accounts)	..	..	..	135,26	197,85	689,31	**1,022,42**	**612,57**	**1,634,98**	671,69	913,04	**1,584,73**	*+50,25*
1965-66 (Revised)	..	..	..	134,57	187,40	762,34	**1,084,31**	**746,64**	**1,830,95**	805,85	1,107,34	**1,913,19**	*—82,24*
1966-67 (Budget)	..	..	..	144,95	206,89	916,47	**1,268,31**	**832,43**	**2,100,74**	888,88	1,196,87	**2,085,75**	*+14,99*
						(915.67)	**(1,264,71)**		**(2,097,14)**				*(+11,39)*

Note: Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. Budget estimates for 1966-67 are before tax changes except in the case of Jammu & Kashmir and Orissa ; the position before tax changes in these two States is shown in brackets. (*a*) Includes States' shares of income-tax, agricultural income-tax and profession tax. (*b*) Covers estate duty, land revenue, urban immovable property tax, stamps and registration and includes forward contracts tax in the case of Punjab. (*c*) Comprises excise duties, sales taxes, entertainment tax, electricity duties, motor vehicles taxes and other taxes and duties. (*d*) Includes administrative receipts, net contribution of public enterprises, grants-in-aid and other contributions from the Centre, etc. and excludes transfers from Reserve Funds. (*e*) Covers collection of taxes, duties and other principal revenues, debt services, civil administration, miscellaneous, famine and other non-development expenditure. (*f*) Includes education, medical and public health, agriculture, veterinary and co-operation, irrigation, electricity schemes, rural and community development projects, civil works, industries and supplies and other development expenditure. (*g*) The classification of development and non-development expenditure has been done on the basis of broad budget heads. (*h*) Excludes receipts from Special Revenue Reserve Fund of Rs. 585 lakhs for 1963-64 (Accounts), Rs. 561 lakhs for 1964-65 (Accounts), Rs. 526 lakhs for 1965-66 (Revised) and Rs. 433 lakhs for 1966-67 (Budget). (*i*) Includes yield from additional taxation. The figures in brackets indicate position before tax changes. (*j*) Excludes receipts from Revenue Reserve Fund of Rs. 589 lakhs.

STATEMENT 53—REVENUE AND EXPENDITURE OF STATES*

(On Revenue Account) (In lakhs of rupees)

	1951-52 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
					REVENUE					
TAX REVENUE										
Taxes on Income	**57,05**	**63,08**	**100,47**	**104,26**	**105,77**	**128,42**	**135,26**	**133,55**	**134,57**	**144,95 (145,11)**
Share of income-tax	52,65	55,28	90,58	94,37	95,24	118,10	123,59	122,95	123,16	132,91
Agricultural income-tax	4,33	7,67	9,49	9,44	9,59	9,26	10,73	9,84	10,66	10,58
Profession tax	7	13	40	45	94	1,06	94	76	75	1,46
Taxes on Property and Capital Transactions	**75,40**	**111,04**	**144,41**	**148,75**	**179,12**	**191,13**	**197,85**	**194,93**	**187,40**	**206,89 (207,09)**
Estate duty		1,86	2,89	3,89	3,87	4,22	6,76	6,03	6,96	7,54
Land revenue	47,99	78,01	97,19	95,23	120,07	123,42	119,79	117,05	104,25	120,48
Stamps and registration	25,56	29,08	43,33	46,57	52,21	61,41	68,55	67,43	72,28	74,13
Urban immovable property tax	1,85	2,10	1,00	3,06	2,97	2,08	2,75	4,42	3,91	4,74
Taxes on Commodities and Services	**148,60**	**182,01**	**379,90**	**409,58**	**509,06**	**619,51**	**689,31**	**708,98**	**762,34**	**915,67§ (927,09)**
Union excise	70	16,57	75,11	80,65	124,92	136,04	127,24	144,32	144,90	206,33
State excise	49,41	45,09	53,11	58,58	62,81	72,89	84,54	82,53	91,08	99,03
General sales tax	54,40	80,06	142,44	163,14	187,52	245,41	295,09	287,58	322,35	370,77
Sales tax on motor spirit	4,53	1,54	16,30	18,30	21,35	22,90	23,33	28,27	30,64	37,09
Motor vehicles taxes	10,09	15,88	34,10	37,93	46,29	57,40	59,33	60,86	63,92	69,82
Tax on railway fares (*a*)			13,79							
Entertainment tax	6,39	7,34	13,11	15,10	18,21	22,56	25,11	24,69	26,84	30,01
Electricity duties	3,39	5,82	12,51	14,89	19,48	27,29	33,43	34,04	35,21	44,36
Other taxes and duties (*b*)	19,69	9,71	19,43	20,99	28,48	35,02	41,24	46,69	47,40	58,26
Total Tax Revenue	**281,05**	**356,14**	**624,78**	**662,58**	**793,95**	**939,06**	**1,022,42**	**1,037,46**	**1,084,31**	**1,264,71 (1,279,29)**
NON-TAX REVENUE										
Administrative Receipts (*c*)	**38,13**	**61,86**	**139,53**	**85,50**	**93,22**	**108,87**	**121,13**	**118,46**	**126,56**	**133,54**
Net Contributions of Public Enterprises (*d*)	**24,92**	**31,41**	**47,44**	**46,52**	**57,34**	**63,48**	**57,54**	**62,39**	**59,30**	**72,30**
Forests	12,61	15,92	32,55	34,31	37,96	40,16	41,28	36,24	40,18	37,88
Irrigation (*e*)	8,03	6,89	7,60	6,24	9,72	10,13	9,62	13,53	10,43	16,01
Electricity schemes	3,41	7,46	3,45	2,37	2,74	8,04	2,60	5,70	3,62	10,45
Road and water transport	77	1,45	5,74	5,56	5,66	5,22	4,68	5,85	4,66	6,05
Industries and others	10	—31	—1,90	—1,95	1,26	—6	—64	1,07	41	1,91
Other Revenue (*f*)	**26,94**	**51,87**	**78,43**	**83,99**	**129,97**	**150,05**	**163,54**	**184,70**	**206,53**	**224,35**
Grants-in-aid and other Contributions	**25,36**	**52,98**	**121,63**	**194,88**	**209,38**	**228,73**	**270,36**	**354,45**	**354,25**	**402,24**
Total Non-tax Revenue	**115,35**	**198,13**	**387,03**	**410,90**	**489,91**	**551,13**	**612,57**	**720,00**	**746,64**	**832,43**
Total Revenue	**396,40**	**554,27**	**1,011,81**	**1,073,49**	**1,283,86**	**1,490,20**	**1,634,98**	**1,757,46**	**1,830,95**	**2,097,14 (2,111,72)**

		EXPENDITURE							
Social and Developmental Services (*g*)									
Education	60,30	104,16	195,39	234,56	250,52	279,09	319,45	365,87	373,57	416,54
Medical and Public Health	29,22	47,18	80,84	93,95	106,77	117,36	129,14	151,74	152,58	174,07
Agriculture, Veterinary and Co-operation	25,90	39,02	65,95	75,77	85,50	98,45	121,59	146,72	156,49	177,69
Irrigation (*h*)	17,62	23,47	31,36	35,52	39,93	45,57	49,93	56,41	65,14	66,69
Electricity Schemes (*h*)	4,61	8,37	5,35	3,06	2,42	4,19	3,61	4,48	4,79	6,14
Rural and Community Development Projects	82	26,89	52,31	57,59	62,08	65,03	74,35	90,49	87,02	77,94
Civil Works	40,93	68,28	67,40	84,45	88,86	88,87	100,58	127,84	128,40	131,02
Industries and Supplies	5,81	3,54	21,82	23,82	26,19	27,08	27,73	31,94	31,22	26,15
Other developmental expenditure (*i*)	11,00	17,00	49,21	51,51	57,79	72,30	86,66	106,45	108,13	120,63
Total Expenditure on Social and Developmental Services	**196,21**	**337,91**	**569,63**	**660,23**	**720,06**	**797,94**	**913,04**	**1,081,94**	**1,107,34**	**1,196,87**
Non-Developmental Expenditure (*g*)										
Collection of taxes, duties and other principal revenues (*j*)	26,94	46,02	66,19	62,18	58,65	64,17	71,52	79,42	81,32	92,68
Debt services (*k*)	8,49	18,82	84,38	99,66	152,54	198,39	207,29	256,35	276,13	340,25
Civil Administration (*l*)	106,65	122,40	167,00	185,36	202,25	209,99	234,70	247,01	267,13	268,76
Miscellaneous (*m*)	17,53	31,02	42,93	50,24	68,59	75,79	94,65	106,62	103,21	107,66
Famine	3,99	16,61	21,50	22,53	15,60	15,87	15,52	13,79	20,31	19,11
Other non-developmental expenditure (*n*)	32,82	31,32	35,74	41,07	43,19	50,31	48,01	56,03	57,75	60,42
Total Non-Developmental Expenditure	**196,42**	**266,19**	**417,74**	**461,04**	**540,82**	**614,52**	**671,69**	**759,22**	**805,85**	**888,88**
Total Expenditure	**392,63**	**604,09**	**987,37**	**1,121,27**	**1,260,88**	**1,412,46**	**1,584,73**	**1,841,16**	**1,913,19**	**2,085,75**
Surplus (+) *or deficit* (—)	*+3,77*	*—49,82*	*+24,44*	*—47,78*	*+22,99*	*+77,74*	*+50,25*	*—83,70*	*—82,24*	*+11,39* (*+25,97*)

Note : Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. The figures for the year 1951-52 do not include the then Part C States (viz. Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since separate revenue budgets for these states are available only from 1952-53. For 1955-56, figures have been taken from the "Combined Finance and Revenue Accounts of the Central and State Governments" published by the Comptroller and Auditor General. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the composite State of Bombay till 1959-60 and now a part of the Gujarat State and also include Jammu and Kashmir. Figures for 1966-67 (Budget) are before tax changes ; the position after tax changes as proposed by the Governments of Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Orissa, Punjab and Rajasthan is shown in brackets.

(*a*) From 1961-62, receipts from tax on Railway passenger fares have been excluded from tax revenue and included under "Grants-in-aid and other Contributions." (*b*) Includes sugarcane cess, purchase tax on sugar, tax on passengers and goods, tobacco duties, tax on prize competition and betting, inter-State transit duties, tax on raw jute, etc. (*c*) Includes receipts from civil works and receipts of the various departments such as education, medical, public health, etc., and certain grants from the Central Government; from 1961-62, these grants have been shown under "Grants-in-aid and other Contributions." (*d*) The contribution of public enterprises to revenue is not as given in the budgets and does not constitute a commercial surplus but represents excess of revenue over working expenses. (*e*) Irrigation works for which capital accounts are not kept are taken on a gross basis. (*f*) Comprises receipts on account of debt services, which from 1962-63 also include recoveries of interest from commercial departments hitherto adjusted in reduction of expenditure, stationery and printing and miscellaneous receipts ; excludes transfers from reserve funds. (*g*) The classification of development and non-development expenditure has been done on the basis of broad budget heads. (*h*) Including interest on capital outlay ; consequently the figures shown under debt services are underestimates. (*i*) Includes expenditure on scientific and miscellaneous departments, aviation and ports and pilotage ; from 1962-63 expenditure on miscellaneous departments of an administrative nature has been shown under civil administration. (*j*) Excludes forests. (*k*) Includes appropriation for reduction or avoidance of debt ; figures from 1962-63 include interest charges on capital advanced to Commercial Departments, hitherto booked in the accounts as reduction of expenditure. (*l*) Comprises general administration, administration of justice, jails and convict settlements and police. (*m*) Covers expenditure on displaced persons, grants and other contributions to local bodies and private parties, irrecoverable loans and advances, advanced technical training, scholarships, etc. (*n*) Includes pensions, stationery and printing and extra ordinary charges, dividends in respect of all investments in autonomous undertakings, but excludes transfers to funds.

* Excluding figures for Nagaland. § Inclusive of additional taxation of Orissa of Rs. 2.8 crores,

STATEMENT 54—CAPITAL BUDGET OF STATES*

(In lakhs of rupees)

	1951-52	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66		1966-67
	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Budget)	(Revised)	(Budget)
	1	2	3	4	5	6	7	8	9	10
					RECEIPTS					
Permanent debt	11,81	74,19	93,77	92,98	104,46	38,12	100,51	99,48	113,22	92,67
Floating debt (*a*)	3,75	—38	15,89	8,54	—25,58	17,84	29,38	1,24	—12,95	—19,00
Loans from the Centre	73,96	261,89	345,67	451,35	525,71	623,06	675,50	752,67	815,79	626,81
Other loans (*b*)			11,75	16,13	19,33	23,78	30,49	30,24	111,53	41,89
Unfunded debt (*a*)	2,57	8,68	15,69	14,05	13,79	20,93	22,75	26,63	27,73	30,27
Loans and advances repaid to State Governments (*c*)	24,33	26,97	48,49	53,56	62,25	86,91	76,10	120,37	107,92	124,45
Deposits and advances and other items(*a*) (*d*)	18,57	10,64(*f*)	48,78	63,31	78,25	54,14	103,52	102,96	84,52	112,12
A. Total Receipts	**134,99**	**381,99**	**580,04**	**699,92**	**778,22**	**864,78**	**1,038,25**	**1,133,59**	**1,247,76**	**1,009,21**
CAPITAL OUTLAY										
Development					**DISBURSEMENTS**					
Multi-purpose river valley schemes	27,59	55,71	46,46	56,36	54,57	55,40	62,89	58,87	61,41	51,85
Irrigation and navigation	24,00	64,39	80,65	83,85	94,96	105,02	121,25	136,90	149,46	111,44
Schemes of agricultural improvement and research	12	4,07	3,69	4,72	3,31	10,32	9,92	14,20	19,26	16,45
Electricity schemes	19,94	42,87	25,42	25,69	25,44	29,34	37,49	—3,56	—10,21	32,88
Road transport	1,63	2,35	4,82	3,71	5,04	6,74	4,67	4,81	4,57	—70
Buildings, roads and water works	21,04	29,79	114,78	116,20	121,64	117,23	128,82	144,43	136,51	131,17
Industrial development	5,81	7,07	15,49	23,02	22,73	22,89	32,07	46,23	48,20	50,48
Others	16	13	2,28	1,60	2,51	3,13	3,95	4,21	5,78	5,88
Total Development	**100,29**	**206,38**	**293,59**	**315,15**	**330,20**	**350,07**	**401,07**	**406,09**	**414,98**	**399,45**
Non-Development										
State trading	25,09	—12,40	10,17	—9,55	12,34	—12,82	—7,43	16,72	99,37	15,73
Compensation to landholders on the abolition of Zamindari	2,03	2,65	14,06	14,36	11,93	25,20	6,99	14,60	10,92	12,29
Other Financial transactions	16	2,16	19	29	6	15	5	11	10	13
Total Non-Development	**27,28**	**—7,60**	**24,42**	**5,10**	**24,33**	**12,53**	**—39**	**31,43**	**110,39**	**28,15**
Total Capital Outlay (*e*)	**127,57**	**198,78**	**318,01**	**320,25**	**354,53**	**362,60**	**400,68**	**437,52**	**525,37**	**427,60**
Discharge of permanent debt	1,01	14,77	17,78	16,94	21,27	43,78	29,61	11,52	11,55	13,01
Repayment of loans to the Centre	11,37	25,62	114,25	149,32	163,24	187,76	228,65	248,51	283,76	232,23
Repayment of other loans (*b*)			2,81	2,77	5,62	5,85	10,54	10,14	20,20	32,00
Loans and advances by State Governments	48,77	96,75	180,08	179,28	204,49	314,35	363,55	416,40	515,61	370,12
B. Total Disbursements	**188,72**	**335,92**	**632,93**	**668,56**	**749,15**	**914,34**	**1,033,03**	**1,124,09**	**1,356,49**	**1,074,96**
C. *Surplus (+) or Deficit (—) on Capital Account (A—B)*	*—53,73*	*+46,07*	*—52,89*	*+31,36*	*+29,07*	*—49,56*	*+5,22*	*+9,49*	*—108,73*	*—65,75*

Note : Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. The figures for 1951-52 do not include the then Part C States (viz. Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56, figures have been taken from the "Combined Finance and Revenue Accounts of Central and State Governments" published by the Comptroller and Auditor General. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the Composite State of Bombay till 1959-60 and now a part of Gujarat State and also include Jammu and Kashmir. Figures for 1960-61 (Accounts) exclude Rs. 66.62 crores in the case of Uttar Pradesh Government representing the value of assets of electricity schemes transferred to the State Electricity Board ; this item has been treated in the budget papers as a loan to the State Electricity Board and shown as recovery of capital expenditure on electricity schemes. (*a*) Figures are net. (*b*) This is a new item opened from 1957-58 to show loans from National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development Corporation and Central Warehousing Corporation, loans from Khadi and Village Industries Commission, Employees' State Insurance Corporation, Life Insurance Corporation, State Bank of India, etc. (*c*) Include inter-State Debt settlement (net). (*d*) Excluding sale or purchase of securities but including Contingency Fund transactions (net). (*e*) Excludes appropriations to Contingency Fund and other funds which are adjusted under the item 'Deposits and advances and other items'. (*f*) Exclusive of suspense account.

* Excluding figures for Nagaland.

STATEMENT 55—RAILWAY FINANCES

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Budget)	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5	6	7	8	9	10
I. Capital-at-Charge	**827.04**	**968.98**	**1,520.87**	**1,682.98**	**1,896.81**	**2,159.63**	**2,435.12**	**2,651.55**	**2,675.01**	**2,855.61**
II. Gross Traffic Receipts	**263.01**	**316.29**	**456.80**	**500.50**	**566.79**	**632.21**	**660.85**	**716.00**	**741.80**	**795.33**
(*a*) Passenger	97.84	107.71	131.59	150.88	169.19	185.15	199.28	221.50	220.50	227.20
(*b*) Other coaching	16.64	20.87	27.21	29.10	32.54	34.12	34.65	34.60	39.40	39.60
(*c*) Goods	143.01	180.28	286.14	306.90	349.52	395.30	409.82	441.90	462.00	506.53
(*d*) Other earnings*	5.52	7.43	11.86	13.62	15.54	17.64	17.11	18.00	19.90	22.00
III. Total Expenses (1+2+3+4+5)	**215.45**	**265.95**	**368.93**	**400.75**	**443.47**	**487.02**	**542.73**	**570.86**	**595.56**	**639.65**
1. Ordinary Working Expenses	**180.23**	**212.95**	**313.15**	**325.33**	**362.38**	**392.13**	**433.45**	**457.84**	**482.04**	**508.69**
(*a*) Administration	23.36	31.52	37.51	37.60	40.90	43.98	49.28	52.52	55.75	58.05
(*b*) Repairs and maintenance	57.11	78.67	99.75	100.45	112.84	122.55	139.38	146.37	154.29	164.62
(*c*) Operating staff	35.41	49.73	63.44	64.38	72.26	76.65	89.47	96.02	102.64	108.70
(*d*) Operation (fuel)	30.72	23.58	62.80	68.35	75.73	86.61	92.08	94.74	99.31	103.78
(*e*) Operation (other than staff and fuel)	13.35	10.19	18.30	18.20	21.27	22.45	23.74	23.79	24.87	25.43
) Miscellaneous	19.39	14.97	23.84	26.50	28·10	27.25	24.87	25.50	27.19	28.31
(*g*) Labour welfare	3.19	5.03	9.68	10.24	11.90	13.57	16.19	19.93	19.31	20.80
(*h*) Suspense	—2.30	—0.74	—2.17	—0.39	—0.62	—0.93	—1.54	—1.03	—1.33	—1.01
2. Depreciation	**30.00**	**45.00**	**45.00**	**65.00**	**67.00**	**80.00**	**83.00**	**85.00**	**85.00**	**100.00**
3. Payments to Worked Lines	**0.25**	**0.26**	**0.09**	**0.18**	**0.14**	**0.14**	**0.16**	**0.16**	**0.20**	**0.17**
4. Miscellaneous Expenses	**4.97**	**7.74**	**10.69**	**10.24**	**13.95**	**14.75**	**14.62**	**15.86**	**16.32**	**17.29**
(*a*) Open line works	3.93	5.97	11.50	9.60	10.95	11.44	10.62	11.00	11.30	12.00
(*b*) Others (net)	1.04	1.77	—0.81	0.64	3.00	3.31	4.00	4.86	5.02	5.29
5. Appropriation to Pension Fund	—	—	—	—	—	—	**11.50**	**12.00**	**12.00**	**13.50**
IV. Net Revenue (II—III)	**47.56**	**50.34**	**87.87**	**99.75**	**123.32**	**145.19**	**118.11**	**145.14**	**146.24**	**155.69**
V. Dividend to General Revenues	**32.51**	**36.12**	**55.86**	**62.85**	**68.76**	**83.45**	**92.43**	**103.40**	**103.75**	**133.50@**
VI. Payment to General Revenues in lieu of Tax on Railway Passenger fares	—	—	—	**12.50**	**12.50**	**12.50**	**12.50**	**12.50**	**12.50**	
VII. Surplus (IV—V—VI)	**15.05**	**14.22**	**32.01**	**24.40**	**42.06**	**49.24**	**13.18**	**29.24**	**29.99**	**22.19**
VIII. Appropriations to :										
(*a*) Development fund	10.00	7.08	32.01	24.40	42.06	49.24	13.18	29.24	29.99	22.19
(*b*) Revenue reserve fund	5.05	7.14	—	—	—	—	—	—	—	—

* Include suspense.

@ In accordance with the 1965 Convention, the payment of dividend with effect from 1966-67 will combine the two separate payments that were hitherto being made as dividend and as a special payment in lieu of tax on passenger fares.

STATEMENT 56—DEBT, LIABILITIES, CAPITAL OUTLAY AND LOANS

	As at the end of				
	1950-51	1955-56	1960-61	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5
Debt and Liabilities of the Government of India					
I. Public debt					
A. Debt Raised in India					
(*a*) **Permanent Debt :**					
(1) Current Loans	1,438.46	1,508.63	2,555.72	3,419.86	3,509.87
(2) Prize Bonds	—	—	15.63	11.46	9.46
(3) Loans in course of Repayment	6.49	12.22	22.73	34.19	36.58
Total	**1,444.95**	**1,520.85**	**2,594.08**	**3,465.51**	**3,555.91**
(*b*) **Floating Debt :**					
(1) Treasury Bills	358.02	595.25	1,106.29	1,610.52	1,727.52
(2) Special Floating Loan	212.60	212.60	274.18	340.70	339.49
(3) Treasury Deposit Receipts and other Floating Loans	6.73	0.06	—	—	—
Total	**577.35**	**807.91**	**1,380.47**	**1,951.22**	**2,067.01**
Total Debt Raised in India	**2,022.30**	**2,328.76**	**3,974.55**	**5,416.73**	**5,622.92**
B. Debt Raised Outside India					
(1) England@					
— Loans	—	—	106.52	266.63	282.57
— Others	12.37	2.61	15.45	0.13	0.13
(2) U.S.A.					
— Loans	—	91.72	210.84	755.79	918.04
— U.S. Export Import Bank	—	—	25.41	111.71	112.86
— P. L. 480	—	—	77.88	528.36	852.78
(3) U.S.S.R.	—	—	57.48	235.43	255.15
(4) Canada	—	—	14.07	18.43	25.52
(5) Federal Republic of Germany	—	—	103.19	189.36	202.08
(6) Japan	—	—	9.93	56.98	79.94
(7) International Bank for Reconstruction and Development	19.66	19.30	140.19	178.17	210.80
(8) International Development Association	—	—	—	199.55	273.80
(9) Other Countries	—	—	—	88.64	79.77
Total Debt Raised Outside India	**32.03**	**113.63**	**760.96**	**2,629.18**	**3,293.44**
Total Public Debt I (A+B)	**2,054.33**	**2,442.39**	**4,735.51**	**8,045.91**	**8,916.36**
II. Other Liabilities					
A. Unfunded Debt :					
(*i*) Small Savings Schemes (including Annuity Certificates)	336.87	575.77	973.44	1,524.70	1,659.70
(*ii*) Other Unfunded Debt	111.15	182.98	551.37	1,244.69	1,228.18
Total A	**448.02**	**758.75**	**1,524.81**	**2,769.39**	**2,887.88**
B. Reserve Funds and Deposits :					
(*i*) Bearing Interest	260.85	188.96	142.19	286.75	300.60
(*ii*) Not bearing Interest	102.20	120.97	141.73	280.58	290.76
Total B	**363.05**	**309.93**	**283.92**	**567.33**	**591.36**
Total Other Liabilities II (A+B)	**811.07**	**1,068.68**	**1,808.73**	**3,336.72**	**3,479.24**
Total Debt & Liabilities (I+II)	**2,865.40**	**3,511.07**	**6,544.24**	**11,382.63**	**12,395.60**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	—300.00	—300.00	—300.00	—300.00	—300.00
Net Liabilities of the Central Government	**2,565.40**	**3,211.07**	**6,244.24**	**11,082.63**	**12,095.60**

ADVANCED BY THE GOVERNMENT OF INDIA

(In crores of rupees)

	As at the end of				
	1950-51	1955-56	1960-61	1965-66 (Revised)	1966-67 (Budget)
	1	2	3	4	5
I. Capital Outlay					
A. Outlay on Departmental Undertakings :					
(1) Railways	817.93	959.87	1,512.57	2,675.01	2,855.61
(2) Posts & Telegraphs	49.98	89.26	139.99	264.66	288.91
(3) Atomic Energy Development	—	0.56	15.34	70.86	122.13
(4) Mints	1.95	3.09	4.13	4.58	4.86
(5) Others*	24.87	11.52	10.60	24.22	34.39
Total A	**894.73**	**1,064.30**	**1,682.63**	**3,039.33**	**3,305.90**
B. Investments in Autonomous Corporations, Companies, etc.					
(a) Government Companies and Corporations :					
(1) Hindustan Steel	—	0.04	300.00	528.00	528.00
(2) Oil and Natural Gas Commission	—	—	17.10	105.92	114.62
(3) Heavy Engineering Corporation	—	—	6.65	90.57	89.65
(4) National Coal Development Corporation	—	—	26.98	61.08	73.08
(5) Damodar Valley Corporation	4.86	22.66	36.67	52.15	54.63
(6) Air Corporations	—	12.24	35.40	48.60	48.60
(7) Fertilizer Corporation of India	—	17.04	39 64	51 50	51.50
(8) Heavy Electricals	—	—	22.91	25.00	25.00
(9) Neyveli Lignite Corporation	—	—	48.29	79.43	79.43
(10) Others*	4.57	17.83	58.19	276.15	368.05
Total (a)	**9.43**	**69.81**	**591.83**	**1,318.40**	**1,432.56**
(b) Financial Institutions :					
(1) International Monetary Fund	201.00	201.00	296.28	353.18	353.18
(2) International Bank for Reconstruction and Development	36.93	36.93	36.93	36.93	36.93
(3) International Development Association	—	—	4.42	19.22	19.22
(4) Reserve Bank of India	11.12	11.12	11.12	11.12	11.12
(5) Life Insurance Corporation	—	—	5.00	5.00	5.00
(6) Industrial Finance Corporation	1.00	1.00	1.00	1.40	1.40
(7) Others*	—	0.09	3.20	3.97	8.40
Total (b)	**250.05**	**250.14**	**357.95**	**430.82**	**435.25**
(c) Other Companies, Corporations etc.	**0.25**	**0.80**	**9.97**	**30.38**	**31.90**
Total B (a+b+c)	**259.73**	**320.75**	**959.75**	**1,779.60**	**1,899.71**
C. Other Capital Outlay :					
(1) Defence Services	260.93	314.43	454.34	870.86	991.46
(2) Others*	72.62	166.73	493.49	973.49	1,063.79
Total C	**333.55**	**481.16**	**947.83**	**1,844.35**	**2,055.25**
Total Capital Outlay I (A+B+C)	**1,488.01**	**1,866.21**	**3,590.21**	**6,663.28**	**7,260.86**
II. Loans Advanced by the Government of India					
(1) State Governments	195.58	819.39	1,909.63	3,958.83	4,320.44
(2) Union Territory Governments	—	13.36£	—	41.32	57.64
(3) Foreign Governments,	0.01	0.11	29.17	41.08	44.71
(4) Government Servants	0.51	4.15	5.32	12.55	14.75
(5) Other Parties	24.58	105.88	590.36	1,373.56	1,630.74
Total Loans Advanced by the Government of India	**220.68**	**942.89**	**2,534.48**	**5,427.34**	**6,068.28**
Total Capital Outlay and Loans Advanced (I+II)	**1,708.69**	**2,809.10**	**6,124.69**	**12,090.62**	**13,329.14**
Excess (—) or Shortfall (+) of Debt and Liabilities over Capital Outlay and Loans Advanced	**—856.71**	**—401.97**	**—119.55**	**+1,007.99**	**+1,233 54**

@ Excludes a sum of Rs. 20.62 crores representing unexpired liability for British Government 5 per cent War Loan 1929-47, the liability for which remains suspended. * Residual. £ Erstwhile Part C States.

STATEMENT 57—DEBT POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

End of March	Rupee loans (*a*)	*Percentage to Col. 9*	Treasury bills	*Percentage to Col. 9*	Small Savings (*b*)	*Percentage to Col. 9*	Other obligations (*c*)	*Percentage to Col. 9*	**Total Internal debt**	*Percentage increase (+) or decrease (—) over the previous year*	**External Debt**		**Total Debt**
											Dollar loans	**Total**	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1951	1,438.46	*58.2*	364.75(*d*)	*14.8*	336.20	*13.6*	330.12	*13.4*	**2,469.53**	*+2.1*	19.66	**32.03**	**2,501.56**
1956	1,508.67	*48.9*	595.31(*d*)	*19.3*	580.04	*18.8*	398.73	*12.9*	**3,082.75**	*+8.1*	111.02	**113.63**	**3,196.38**
1961	2,571.33(*e*)	*46.8*	1,106.30	*20.1*	982.37	*17.9*	834.14(*f*)	*15.2*	**5,494.14**	*+6.8*	468.39	**760.96**	**6,255.10**
1962	2,688.45(*e*)	*45.8*	1,174.98	*20.0*	1,069.20	*18.2*	931.38(*f*)	*15.9*	**5,864.01**	*+6.7*	650.95	**1,110.55**	**6,974.56**
1963	2,840.94(*e*)	*44.9*	1,299.55	*20.6*	1,144.11	*18.1*	1,035.81(*f*)	*16.4*	**6,320.41**	*+7.8*	869.46	**1,379.03**(*g*)	**7,699.44**
1964	3,113.92(*e*)	*45.0*	1,381.95	*20.0*	1,270.56	*18.4*	1,154.58(*f*)	*16.7*	**6,921.01**	*+9.5*	1,145.89	**1,809.08**(*g*)	**8,730.09**
1965	3,267.53(*e*)	*44.0*	1,443.52	*19.4*	1,398.56	*18.8*	1,322.37(*f*)	*17.8*	**7,431.98**	*+7.4*	1,452.84	**2,192.23**(*g*)	**9,624.21**
1966	3,424.92(*e*)	*41.9*	1,611.82	*19.7*	1,527.12	*18.7*	1,602.92(*f*)	*19.6*	**8,166.78**	*+9.9*	1,792.01	**2,629.18**(*g*)	**10,795.96**

(*a*) Figures from 1957 include Hyderabad State loans, the liability of which was taken over by the Central Government under Section 82 (1) of the States Reorganisation Act, 1956 ; the figures from 1961 to 1965 include those of Five-Year Intrest-free Prize Bonds issued from April 1, 1960 and those from 1963 include those of Premium Prize Bonds, 1963, issued from January 1963 and from 1964 Premium Prize Bonds, 1964, issued from January 1964. (*b*) Figures have been revised based on the data available in the latest returns received from the Accountant General, Post and Telegraphs, Simla. (*c*) Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (?) balances of special loans, (3) balances of State Provident Funds and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund, etc., (4) unclaimed balances in respect of Three-Year Interest-free Defence Bonds and Five-Year Interest-free Prize Bonds and (5) outstandings of Compulsory Deposits and Income-tax Annuity Deposits. (*d*) Including Treasury Deposit. receipts. (*e*) Includes further issues of Rs. 300 crores created in July 1958, Rs. 150 crores in December 1959, Rs. 50 crores, each in January 1961, February 1962 and December 1962, Rs. 75 crores in January 1964 and Rs. 50 crores each in January 1965 and February 1966. (*f*) Includes investment of Rs. 240 crores, Rs. 300 crores, Rs. 355 crores, Rs. 408 crores, Rs. 441 crores and Rs. 578 crores of U.S. Government Counterpart Deposit Funds in 'Special Securities' for the years 1961, 1962, 1963, 1964, 1965 and 1966, respectively. (*g*) Includes outstandings of the 'Defence Certificates' which are being issued in foreign countries.

STATEMENT 58—MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS (*a*)

(In crores of rupees)

End of March	Undated	*Percentage to total*	Over 10 years	*Percentage to total*	Between 5 and 10 years	*Percentage to total*	Under 5 years	*Percentage to total*	**Total (*b*)**
	1	2	3	4	5	6	7	8	9
1951	257.85	*17.9*	519.33	*36.1*	342.51	*23.8*	318.77	*22.2*	**1,438.46**
1956	257.85	*17.1*	241.17	*16.0*	616.52	*40·9*	393.13	*26.1*	**1,508.67**
1961	257.85	*10.0*	690.45	*26.9*	756.41	*29.4*	866.62(*c*)	*33.7*	**2,571.33**(*c*)
1962	257.84	*9.6*	806.43	*30.0*	698.96	*26.0*	925.21(*c*)	*34.4*	**2,688.45**(*c*)
1963	257.84	*9.1*	869.67(*e*)	*30.6*	711.51	*25.0*	1,001.91(*c*) (*d*)	*35.3*	**2,840.94**(*c*) (*d*) (*e*)
1964	257.84	*8.3*	558.45(*e*)	*17.9*	1,245.28	*40.0*	1,052.34(*c*) (*d*)	*33.8*	**3,113.92**(*c*)(*d*) (*e*)
1965	257.84	*7.9*	625.84(*e*)	*19.2*	1,127.71	*34.5*	1,256.14(*c*) (*d*)	*38.4*	**3,267.53**(*c*) (*d*)(*e*)
1966	257.84	*7.5*	765 28(*e*) (*f*)	*22.3*	1,015.77	*29.7*	1,386 03(*d*)	*40 5*	**3,424 92**(*d* (*e*)(*f*)

Note : The statement excludes outstandings in respect of National Defence Gold Bonds (A and B series), 1980.

(*a*) Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification ; for loans not redeemed on the earlier date, later date has been taken. Includes Hyderabad State loans from 1957 onwards, the liability for which was taken over by Central Government on October 31, 1956 under Section 82(1) of the States Reorganisation Act; the total amount outstanding of Hyderabad loans was Rs. 34.74 crores for 1961, Rs. 28.15 crores for 1962 and 1963, Rs. 19.42 crores for 1964 and Rs. 15.56 crores for 1965 and 1966. (*b*) Figures are actuals as available with the Reserve Bank of India and differ from those in Statement 56 which are revised estimates for all years. (*c*) Including 5 year Interest-Free Prize Bonds issued from April 1960. (*d*) Including Premium Prize Bonds, 1963 and Premium Prize Bonds, 1964 issued from January 1963 and January 1964 respectively. (*e*) Including 7 per cent Gold Bonds, 1977 issued from November 12, 1962. (*f*) Including 7 per cent Golds Bonds, 1980, issued from March 2, 1965.

STATEMENT 59—DEBT POSITION OF STATES*

(In lakhs of rupees)

	At the end of							
	1951-52	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66(*b*)
	1	2	3	4	5	6	7	8
I. Public debt								
(i) Permanent debt	133,71	264,48	493,12(*c*)	569,53(*c*)	653,22	648,60	722,09	814,96
(ii) Floating debt	15,66	8,20	41,75	50,27	24,68	40,91	70,29	55,11
(iii) Loans from Central Government	238,54	876,07	2,015,81	2,314,24	2,676,97(*d*)	3,111,79(*d*)	3,558,71(*d*)	4,093,56(*d*)
(iv) Other debt (*a*)	—	—	51,57	63,60	77,34	96,89	116,85	186,86
II. Unfunded debt	57,37	83,19	134,93	150,01	162,71	183,42	203,19	230,66
III. Gross Total Debt	**445,28**	**1,231,94**	**2,737,17**	**3,147,65**	**3,594,92**	**4,081,61**	**4,671.13**	**5,381,16**

Note : The figures in this statement are based on actual returns furnished by the States. The data for 1951-52 and 1955-56 exclude the then Part C States which had a separate Capital Account only from 1954-55. Figures from 1956-57 onwards relate to reorganised States and include Jammu and Kashmir from 1957-58.

(*a*) Includes Loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Khadi and Village Industries Commission, Employees' State Insurance Corporation, Central Warehousing Corporation, Life Insurance Corporation, State Bank of India, etc., (*b*) Data relate to Revised Estimates for all the States except Assam and Jammu and Kashmir for which they are based on Budget papers. (*c*) Excludes the amounts provisionally allocated to Kerala on the population ratio. (*d*) Excluding the share of outstanding prepartition loans amounting to Rs. 195 lakhs in respect of West Bengal. * Excluding Nagaland.

STATEMENT 60—SMALL SAVINGS

Year/Month		CURRENT INVESTMENTS—									
		Post Office Savings Bank Deposits (*a*)				15-Year Annuity Certificates (*b*)		Cumulative Time Deposits (*c*)		12-Year National Defence Certificates (*d*)	
		Gross receipts	Repay-ments	Net receipts	Out-stand-ings	Net receipts	Out-stand-ings	Net receipts	Out-stand-ings	Net receipts	Out-stand-ings
		1	2	3	4	5	6	7	8	9	10
1	1950-51 ..	100,73	84,05	16,69	187,28						
2	1955-56 ..	157,33	120,85	36,48	298,47	41	95				
3	1960-61 ..	236,88	191,78	45,12	440,78	47	3,38	1,82	2,63		
4	1961-62 ..	250,50	214,95	35,55	476,33	25	3,63	3,24	5,87		
5	1962-63 ..	244,85	238,20	6,65	482,98	20	3,83	5,36	11,23	53,59	53,59
6	1963-64 ..	264,27	225,08	39,19	522,17	7	3,90	8,21	19,44	106,46	160,05
7	1964-65 ..	293,68	251,12	42,56	564,73	— 3	3,87	7,46	26,90	99,54	259,59
8	1965-66* ..	355,65	288,50	67,15	631,88	—17	3,70	9,67	36,57	72,65	332,24
9	March 1965 ..	51,60	24,94	26,66	564,73	— 3	3,87	80	26,90	11,95	259,59
10	April „ ..	26,20	25,69	51	565,24	—	3,87	54	27,44	4,70	264,29
11	May „ ..	25,24	26,08	— 84	564,40	— 1	3,86	69	28,13	5,43	269,72
12	June „ ..	27,83	26,53	1,30	565,70	— 3	3,83	74	28,87	5,21	274,93
13	July „ ..	35,36	23,53	11,83	577,53	—	3,83	85	29,72	7,35	282,28
14	August „ ..	51,06	23,65	27,41	604,94	— 1	3,82	80	30,52	5,09	287,37
15	September „ ..	24,61	22,49	2,12	607,06	— 1	3,81	75	31,27	4,54	291,91
16	October „ ..	21,71	20,53	1,18	608,24	— 3	3,78	75	32,02	6,73	298,64
17	November „ ..	24,94	22,94	2,00	610,24	— 1	3,77	85	32,87	8,00	306,64
18	December „ ..	25,40	23,47	1,93	612,17	— 1	3,76	95	33,82	5,96	312,60
19	January 1966	22,99	22,00	99	613,16	— 2	3,74	81	34,63	5,50	318,10
20	February „ ..	27,73	24,56	3,17	616,33	— 1	3,73	87	35,50	5,79	323,89
21	March* „ ..	42,58	27,03	15,55	631,88	— 3	3,70	107	36,57	8,35	332,24

Note : (1) Outstandings relate to end of period and include Indian Union's share of pre-partition liabilities and repayments include those from the pre-partition holdings of Indian investors. (2) This statement does not include the outstandings of 'Defence Certificates' which are being issued in foreign countries.

(*a*) Including Dead Savings Bank Account ; Receipts and outstandings include interest credited to depositors' account from time to time. (*b*) Relates to first series issued from July 1954 to December 1957 and to second series issued from January 1958 ; Outstandings include both the series. (*c*) Includes Five-year, Ten-year and Fifteen-year Cumulative Time Deposits ; the first two commenced from January 2, 1959 and the last from June 1962. (*d*) Issued from November 15, 1962. (*e*) Issued from November 10, 1962. (*f*) Issued from June 1, 1965. (*g*) Includes Twelve-

(ANNUAL AND MONTHLY)

(In lakhs of rupees)

EXISTING SERIES				OLD SERIES (DISCHARGES); OUTSTANDINGS AS AT THE END OF THE PERIOD						TOTAL		
4½% 10-Year Defence Deposit Certificates (*e*)		10-year National Savings Certificates (First issue) (*f*)		National Savings Certificates (*g*)	10-year National Plan Certificates (*h*)	Post Office Cash and Defence Savings Certificates (*i*)	10-Year Treasury Savings Deposit Certificates		12-Year National Plan Savings Certificates (*l*)	Net receipts	Outstandings	
Net receipts	Outstandings	Net receipts	Outstandings				3½% (*j*)	4% (*k*)				
11	12	13	14	15	16	17	18	19	20	21	22	
				123,25		20,36	5,31			33,89	336,20	*1*
				219,08	16,38	3,91	41,25			66,97	580,04	*2*
				152,43	18,84	1,43	38,80	37,34	286,74	104,98	982,37	*3*
				135,63	17,91	1,02	27,50	53,35	347,96	86,83	1,069,20	*4*
8,56	8,56			117,56	16,91	82	20,38	60,70	367,55	74,91	1,144,11	*5*
20,57	29,13			100,02	15,97	74	14,47	60,08	344,59	126,45	1,270,56	*6*
20,19	49,32			82,72	12,20	73	9,98	59,17	329,35	128,00	1,398,56	*7*
10,58	59,90	18,03	18,03	63,91	6,81	74	6,04	57,12	310,18	128,56	1,527,12	*8*
98	49,32			82,72	12,20	73	9,98	59,17	329,35	35,72	1,398,56	*9*
1,04	50,36			80,86	11,86	72	9,62	58,97	327,57	2,24	1,400,80	*10*
1,37	51,73			79,45	11,49	70	9,30	58,76	325,88	2,62	1,403,42	*11*
88	52,61	93	93	77,91	11,03	71	8,98	58,59	324,27	4,94	1,408,36	*12*
1,10	53,71	1,22	2,15	76,30	10,51	70	8,64	58,40	322,54	17,95	1,426,31	*13*
88	54,59	1,61	3,76	74,63	10,01	72	8,25	58,23	320,81	31,34	1,457,65	*14*
95	55,54	1,48	5,24	73,24	9,53	72	7,92	58,05	319,23	5,87	1,463,52	*15*
87	56,41	1,95	7,19	71,88	9,06	73	7,61	57,90	317,80	7,74	1,471,26	*16*
82	57,23	2,32	9,51	70,48	8,60	74	7,25	57,72	316,03	9,82	1,481,08	*17*
76	57,99	2,32	11,83	68,56	8,08	74	6,93	57,57	314,62	7,59	1,488,67	*18*
52	58,51	1,78	13,61	67,34	7,66	75	6,66	57,44	313,36	6,29	1,494,96	*19*
86	59,37	1,80	15,41	66,07	7,25	73	6,35	57,28	312,04	8,99	1,503,95	*20*
53	59,90	2,62	18,03	63,91	6,81	74	6,04	57,12	310,18	23,17	1,527,12	*21*

year, Seven-year and Five-year National Savings Certificates, the last being discontinued with effect from July 1, 1953 and others from June 1, 1957. (*h*) Issued from May 10, 1954 to May 30, 1957. (*i*) Includes Defence Savings Bank Deposits upto 1954-55. (*j*) Issued from February 1, 1951 to May 31, 1957. (*k*) Issued from June 1, 1957 and discontinued from November 10, 1962. (*l*) Issued from June 1, 1957 and discontinued from November 15, 1962.

* Figures are provisional ; constituent items, therefore, do not necessarily add up to the totals. The latest data available, which are also provisional, place net receipts from Small Savings at about Rs. 146.47 crores (including accrued interest) for 1965-66.

Source : Accountant General, Posts and Telegraphs.

STATEMENT 61—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1965-66

Description of loan	Amount of issue* (Rs. crores)	Period of maturity (No. of years)	Issue price (Rs.)	Redemption yield at issue price (Per cent)	Amount subscribed (Rs. crores)	Subscriptions accepted (Rs. crores)				Amount repayable in cash in respect of maturing loans (Rs. crores)	Net borrowings (Rs. crores) (6-10)
						Cash	Conversion		Total		
							Description of loan	Amount			
	1	2	3	4	5	6	7	8	9	10	11
					1960-61						
Central Government	175.00				196.47	121.84		74.63	196.47	38.79	+ 83.05
State Governments	75.00				85.47	73.28		6.44	79.71	6.56	+ 66.72
Total	250.00				281.94	195.12		81.07	276.18	45.35	+149.77
					1961-62						
Central Government	193.59				205.85	108.54		97.31	205.85	42.56	+ 65.98
State Governments	80.00				92.17	82.04		5.01	87.06	7.87	+ 74.17
Total	273.59				298.03	190.58		102.33	292.91	50.44	+140.14
					1962-63						
Central Government	250.00				261.07	107.41		153.66	261.07	30.29	+ 77.12
State Governments	93.50				109.03	95.93		4.73	100.67	10.93	+ 85.00
Total	343.50				370.10	203.34		158.39	361.74	41.22	+162.12
					1963-64						
Central and State Governments (Combined)	225.00				369.27	211.25		158.02	369.27	63.99	+147.26
					1964-65						
Central Government	150.00				295.51	153.72		141.79	295.51	51.30	+102.42
State Governments	100.00				109.95	101.82		3.88	105.69	17.13	+ 84.69
Total	250.00				405.46	255.54		145.67	401.20	68.43	+187.11

1965-66

Central Government											
4½% Loan 1971	250.00	6	99.50	4.60	139.83	69.92	3½% National Plan Bonds, 1965 (2nd Series)	69.90	139.83		
5½% Loan 1990		25	100.00	5.50	111.15	54.49	„	56.66	111.15	47.73	+104.26
4¼% National Defence Loan, 1968 ..		3	100.00	4.25	10.43	10.43			10.43		
4¾% National Defence Loan, 1972 ..		7	100.00	4.75	17.15	17.15			17.15		
Total of Central Government	**250.00**				**278.56**	**151.99**		**126.57**	**278.56**	**47.73**	**+104.26**
State Governments											
5½% Andhra Pradesh S. D. Loan 1977	9.00	12	99.50	5.56	9.33	9.33			9.33		
5½% Assam Loan 1977	3.00	12	99.00	5.62	3.14	3.14			3.14		
5½% Bihar S. D. Loan 1977	4.00	12	99.00	5.62	4.40	4.40			4.40		
5½% Gujarat S. D. Loan 1977 ..	7.00	12	100.00	5.50	7.71	7.71			7.71		
5½% Kerala S. D. Loan 1977	4.00	12	99.00	5.62	4.25	4.25			4.25		
5½% Madhya Pradesh S. D. Loan 1977	5.00	12	99.00	5.62	4.84	4.84			4.84		
5½% Madras S. D. Loan 1977 ..	14.00	12	99.50	5.56	14.45	14.45			14.45	—	+106·52
5½% Maharashtra S. D. Loan 1977 ..	15.00	12	100.00	5.50	16.39	16.39			16.39		
5½% Mysore S. D. Loan 1977 ..	5.00	12	99.00	5.62	5.30	5.30			5.30		
5½% Orissa Government Loan 1977	8.00	12	99.00	5.62	8.37	8.37			8.37		
5½% Punjab Loan 1977	5.00	12	99.00	5.62	5.11	5.11			5.11		
5½% Rajasthan S. D. Loan 1977 ..	5.00	12	99.00	5.62	5.14	5.14			5.14		
5½% Uttar Pradesh S. D. Loan 1977 ..	10.00	12	99.50	5.56	11.04	11.04			11.04		
5½% West Bengal Loan 1977	7.00	12	99.50	5.56	7.05	7.05			7.05		
Total of State Governments	**101.00**				**106.52**	**106.52**			**106.52**	—	**+106.52**
Total of Central and State Governments	**351.00**				**385.08**	**258.51**		**126.57**	**385.08**	**47.73**	**+210.78**

Note : (1) Figures in columns 5, 6, 9 and 11 have been revised to include the receipts from Prize Bonds for each of the years from 1960-61 to 1964-65. (2) The statement excludes (i) 7% Gold Bonds, 1980, the subscriptions received being 61, 46, 162 gms. of gold amounting to Rs. 3,29 lakhs, valued @ Rs. 53.58 per 10 gms. ; (ii) National Defence Gold Bonds, 1980 (A and B series), the contributions for which being 118, 98, 808 gms. of gold as on 31st March 1966 ; (iii) Special issues of the value of Rs. 50 crores created in February 1966 against cancellation of *Ad hoc* Treasury Bills of equal amount and held in the Reserve Bank of India S. G. L. Account as part of the Banks Investments Account, and (iv) issues and repayments of 3¼% U.P. Encumbered Estates Act Bonds, 2½% U. P. Zamindari Abolition Compensation Bonds, U. P. Zamindari Abolition Rehabilitation Grant Bonds, 2½% Rajasthan Jagir Resumption Compensation and Rehabilitation Grant Bonds, 2½% Rajasthan Zamindari and Biswedari Abolition Compensation Bonds, 2½% Rajasthan Jagir Resumption Compensation and Additional Rehabilitation Bonds, 2½% Bihar Zamindari Abolition Compensation Bonds, 2¾% Mysore Inams Abolition and Compensation Bonds, and 3% Bombay Land Tenure Abolition Acts Compensation Bonds, (Maharashtra, Gujarat and Mysore), and only issues of West Bengal Estates Acquisition Compensation Bonds and only repayments in respect of 3% Bombay Land Tenure Abolition Acts Compensation Bonds (former State of Bombay), the total issues and repayments of these bonds during 1965-66 amounting to Rs. 3.94 crores and Rs. 6.79 crores, respectively.

* Inclusive of conversions.

STATEMENT 62—CENTRAL AND STATE GOVERNMENT LOANS (OUTSTANDINGS AS ON MARCH 31, 1966)

(In thousands of rupees)

	Amount outstanding
Central Government Loans	
3½% Bonds, 1966	82,65,41
3 % Funding Loan, 1966-68	1,10,11,78
3½% National Plan Bonds (Third series), 1967	1,97,40,92
3¾% National Plan Bonds (Fourth series), 1967	56,99,30
3¾% National Plan Bonds (Fifth series), 1968	1,56,64,22
3½% Loan, 1968	70,00,00
4¼% National Defence Loan, 1968	10,39,43
3½% Bonds, 1969	1,90,85,42
4 % Loan, 1969	2,02,93,68
4 % Loan, 1970	1,78,24,46
3 % First Development Loan, 1970-75	1,15,05,82
4½% Loan, 1971	1,64,77,92
4 % Loan, 1972	1,54,70,47
4¼% National Defence Bonds, 1972	28,22,34
4¾% National Defence Loan, 1972	16,57,98
4 % Loan, 1973	94,51,44
4 % Loan, 1973 (*Ad hoc* Issue)	3,00,00,00
4¼% Loan, 1973	1,59,08,07
3¾% Loan, 1974	86,63,53
2¾% Loan, 1976	14,77,48
4 % Loan, 1979	81,06,39
4 % Loan, 1980	98,05,17
4 % Loan, 1981	65,96,55
4½% Loan, 1985	1,14,03,37
4½% Loan, 1986	1,03,09,83
4¾% Loan, 1989	1,40,26,47
5½% Loan, 1990	1,36,16,14
3 % Bhopal Loan, 1966-76	1,21,73
4 % Hyderabad Development Loan, 1967	2,12,46
4 % Hyderabad Development Loan, 1968	2,18,02
2¾% Hyderabad Loan, 1974	4,40,00
2¾% Hyderabad Loan, 1975	6,85,71
3 % Conversion Loan, 1986 or later	2,48,90,69
3 % Non-terminable Loan, 1896-97	8,93,33
7 % Gold Bonds, 1977@	8,61,78
7 % Gold Bonds, 1980	3,25,07
Premium Prize Bonds, 1963	5,83,55
Premium Prize Bonds, 1964	3,36,50
	34,24,92,43
Loans not bearing interest	
Central Government Loans*	16,73,84
Hyderabad Loans	78,73
TOTAL	**34,42,45,00**
State Government Loans	
ANDHRA PRADESH	
4 % Andhra State Development Loan, 1967	5,00,16
4 % Andhra State Development Loan, 1968	6,56,15
4 % Andhra State Development Loan, 1969	9,85,51
4¼% Andhra State Development Loan, 1970	5,48,92
4 % Andhra State Development Loan, 1971	6,57,75
4¼% Andhra State Development Loan, 1972	11,01,81
4½% Andhra State Development Loan, 1974	10,99,84
4¾% Andhra State Development Loan, 1976	12,04,22
5½% Andhra Pradesh State Development Loan, 1977	9,33,21
TOTAL	**76,87,58**

Note : (1) The liability for Hyderabad State Loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States Reorganization Act. The Outstanding balances of Hyderabad Loans in O.S. currency have been converted into India Government Currency at the rate of I.G. Rs. 6 = O.S. Rs. 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangement with the Reserve Bank of India. (3) The statement excludes National Defence Gold Bonds, 1980, A and B series, the total contributions being 27,35,253 gms. and 10,16,619 gms. respectively of gold for the two series, amounting to Rs. 147 lakhs and Rs. 54 lakhs respectively, valued at the rate of Rs. 53.58 per 10 gms.

* Includes outstanding in respect of 5-Year Interest-Free Prize Bonds. @ Prior to April 1, 1965 the rate of interest was 6½ per cent per annum.

STATEMENT 62—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1966)

(In thousands of rupees)

		Amount outstanding
State Government Loans—(*Contd.*)		
ASSAM		
4 %	Assam Loan, 1971	2,76,40
4½%	Assam Loan, 1974	3,01,83
4¾%	Assam Loan, 1976	3,11,91
5½%	Assam Loan, 1977	3,13,52
	TOTAL	**12,03,67**
BIHAR		
2½%	Bihar Z.A.C. Bonds	13,72,55
4 %	Bihar State Development Loan, 1967	1,54,02
4 %	Bihar State Development Loan, 1968	2,13,41
4 %	Bihar State Development Loan, 1969	3,22,43
4¼%	Bihar State Development Loan, 1970	2,76,71
4 %	Bihar State Development Loan, 1971	3,33,22
4½%	Bihar State Development Loan, 1972	3,40,85
4½%	Bihar State Development Loan, 1974	4,31,75
4¾%	Bihar State Development Loan, 1976	4,36,02
5½%	Bihar State Development Loan, 1977	4,40,25
		43,21,22
	Loans not bearing interest	47,81
	TOTAL	**43,69,03**
GUJARAT		
4 %	Gujarat State Development Loan, 1969	5,08,02
4½%	Gujarat State Development Loan, 1972	5,70,17
4½%	Gujarat State Development Loan, 1974	6,25,27
4¾%	Gujarat State Development Loan, 1976	7,76,37
3 %	Bombay Land Tenure Abolition Acts, (Gujarat) Compensation Bonds	67,67
5½%	Gujarat State Development Loan, 1977	7,71,45
	TOTAL	**33,18,96**
KERALA		
4 %	Travancore-Cochin State Development Loan, 1968	2,22,08
4 %	Kerala State Development Loan, 1969	4,09,41
4¼%	Kerala State Development Loan, 1970	3,27,43
4 %	Kerala State Development Loan, 1971	4,47,08
4½%	Kerala State Development Loan, 1972	4,10,08
4½%	Kerala State Development Loan, 1974	4,21,16
4¾%	Kerala State Development Loan, 1976	4,44,60
5½%	Kerala State Development Loan, 1977	4,24,82
		31,06,95
	Loans not bearing interest	5,48
	TOTAL	**31,12,44**
MADHYA PRADESH		
4 %	Madhya Pradesh State Development Loan, 1967	1,63,12
4 %	Madhya Pradesh State Development Loan, 1968	1,58,42
4 %	Madhya Bharat State Development Loan, 1968	1,11,26
4 %	Madhya Pradesh State Development Loan, 1969	5,16,80
4¼%	Madhya Pradesh State Development Loan, 1970	2,21,34
4 %	Madhya Pradesh State Development Loan, 1971	5,28,25
4½%	Madhya Pradesh State Development Loan, 1972	5,04,45
4½%	Madhya Pradesh State Development Loan, 1974	5,06,29
4¾%	Madhya Pradesh State Development Loan, 1976	5,24,20
5½%	Madhya Pradesh State Development Loan, 1977	4,82,55
		37,16,70
	Loans not bearing interest	4,82
	TOTAL	**37,21,52**

STATEMENT 62—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1966)

(In thousands of rupees)

		Amount outstanding
State Government Loans—(*Contd.*)		
MADRAS		
4 %	Madras Loan, 1967	10,47,17
4 %	Madras Loan, 1968	13,83,56
4 %	Madras Loan, 1969	12,20,72
4¼ %	Madras Loan, 1970	5,55,57
4 %	Madras Loan, 1971	8,72,75
4¼ %	Madras State Development Loan, 1972	10,44,00
4½ %	Madras Loan, 1974	13,26,03
4¾ %	Madras Loan, 1976	14,32,46
5½ %	Madras State Development Loan, 1977	14,42,94
		1,03,25,20
	Loans not bearing interest	40,02
	TOTAL	**1,03,65,22**
MAHARASHTRA		
4 %	Bombay State Development Loan, 1967	9,41,35
4 %	Maharashtra State Development Loan, 1969	10,98,87
4¼ %	Bombay State Development Loan, 1969	6,47,37
4¼ %	Bombay State Development Loan, 1970	6,48,62
4 %	Bombay State Development Loan, 1970	7,70,10
4¼ %	Bombay State Development Loan, 1971	4,31,45
4 %	Bombay State Development Loan, 1971	6,58,14
4¼ %	Maharashtra State Development Loan, 1972	10,77,36
4½ %	Maharashtra State Development Loan, 1974	13,64,97
4¾ %	Maharashtra State Development Loan, 1976	15,01,25
4 %	Saurashtra State Development Loan, 1967	3,45,38
4 %	Saurashtra State Development Loan, 1968	2,62,56
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Bombay)	1,16,71
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds (Maharashtra)	40,69
5½ %	Maharashtra State Development Loan, 1977	16,38,11
		1,15,77,93
	Loans not bearing interest	41,03
	TOTAL	**1,16,18,96**
MYSORE		
4 %	Mysore State Development Loan, 1967	3,54,94
4 %	Mysore State Development Loan, 1968	4,11,11
4 %	Mysore State Development Loan, 1969	4,37,73
4¼ %	Mysore State Development Loan, 1969	3,34,36
4¼ %	Mysore State Development Loan, 1970	5,51,62
4 %	Mysore State Development Loan, 1971	5,43,46
4¼ %	Mysore State Development Loan, 1972	7,54,18
4½ %	Mysore State Development Loan, 1974	6,59,08
4¾ %	Mysore State Development Loan, 1976	7,01,13
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds (Mysore)	7,47
2¾ %	Mysore I. A. C. Bonds	11,33
5½ %	Mysore State Development Loan, 1977	5,29,77
		52,96,19
	Loans not bearing interest	14,08
	TOTAL	**53,10,27**

STATEMENT 62—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1966)

(In thousands of rupees)

State Government Loans—(*Concld.*)		Amount outstanding
ORISSA		
4 %	Orissa Government Loan, 1968	3,09,34
4 %	Orissa Government Loan, 1969	4,40,78
4¼%	Orissa Government Loan, 1970	3,28,60
4 %	Orissa Government Loan, 1971	3,82,58
4¼%	Orissa State Development Loan, 1972	5,89,07
4½%	Orissa Government Loan, 1974	7,71,63
4¾%	Orissa Government Loan, 1976	8,75,64
5½%	Orissa Loan, 1977	8,36,20
	TOTAL	**45,33,83**
PUNJAB		
4 %	Punjab Government Loan, 1968	2,03,86
4 %	Punjab Government Loan, 1971	2,18,87
4¼%	Punjab State Development Loan, 1972	3,13,03
4½%	Punjab Loan, 1974	3,64,88
5½%	Punjab Loan, 1977	5,10,72
	TOTAL	**16,11,37**
RAJASTHAN		
4 %	Rajasthan State Development Loan, 1968	3,14,19
4 %	Rajasthan State Development Loan, 1969	5,09,25
4¼%	Rajasthan State Development Loan, 1970	2,79,88
4 %	Rajasthan State Development Loan, 1971	3,84,19
4¼%	Rajasthan State Development Loan, 1972	4,49,20
4½%	Rajasthan State Development Loan, 1974	4,94,74
4¾%	Rajasthan State Development Loan, 1976	5,24,15
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	41,66
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	12,89,36
2½%	Rajasthan J. R. A. R. Bonds	1,61,34
5½%	Rajasthan State Development Loan, 1977	5,13,64
	TOTAL	**49,61,58**
UTTAR PRADESH		
3 %	United Province Loan, 1961-66	1,51,58
4 %	Uttar Pradesh State Development Loan, 1967	8,61,93
4 %	Uttar Pradesh State Development Loan, 1968	7,90,64
4 %	Uttar Pradesh State Development Loan, 1969	7,43,18
4¼%	Uttar Pradesh State Development Loan, 1970	7,37,74
4 %	Uttar Pradesh State Development Loan, 1971	8,28,76
4¼%	Uttar Pradesh State Development Loan, 1972	6,23,08
4½%	Uttar Pradesh State Development Loan, 1974	9,39,40
4¾%	Uttar Pradesh State Development Loan, 1976	11,08,86
3¼%	U. P. E. E. Act Bonds	59,21
2½%	U. P. Z. A. Compensation Bonds	43,15,04
2½%	U. P. Z. A. C. R. G. Bonds	35,23,36
5½%	Uttar Pradesh State Development Loan, 1977	11,01,94
		1,57,84,71
	Loans not bearing interest	14,79
	TOTAL	**1,57,99,50**
WEST BENGAL		
4 %	West Bengal Government Loan, 1967	7,58,72
4 %	West Bengal Government Loan, 1968	7,11,46
4 %	West Bengal Government Loan, 1969	7,05,32
4¼%	West Bengal Government Loan, 1970	5,10,50
4 %	West Bengal Government Loan, 1971	7,69,69
4¼%	West Bengal State Development Loan, 1972	7,30,71
4½%	West Bengal Loan, 1974	7,03,28
4¾%	West Bengal Loan, 1976	7,00,09
5½%	West Bengal Loan, 1977	7,04,61
	West Bengal Estates Acquisition Compensation Bonds	6,72
		63,01,12
	Loans not bearing interest	2,10
	TOTAL	**63,03,22**
	TOTAL OF ALL STATES	
	Loans bearing interest	8,37,47,01
	Loans not bearing interest	1,70,13
	TOTAL	**8,39,17,15**

STATEMENT 63—GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1965-66

(In lakhs of rupees)

Week ended	Sales to Public							Average rate of discount for auction sales (per cent per annum) (b)	Sold in favour of the Reserve Bank of India(c)	Total amount outstanding at the end of the period
	Amount offered	Amount tendered	Amount sold(a)	Sales of intermediate Treasury bills	Total sales (3+4)	Amount discharged	Amount outstanding			
	1	2	3	4	5	6	7	8	9	10
1965										
April 2,	2,00	2,00	2,00	45	**2,45**	2,05	38,92	*3.5*	94,20	1,447,32
9,	2,00	2,00	2,00	1,86	**3,86**	3,20	39,58	*3.5*	236,93	1,487,98
16,	2,00	2,00	2,00	40	**2,40**	2,00	39,98	*3.5*	294,17	1,497,12
23,	2,00	2,00	2,00	2,76	**4,76**	3,56	41,20	*3.5*	196,81	1,501,50
30,	2,00	2,00	2,00	1,20	**3,20**	2,81	41,59	*3.5*	44,75	1,514,36
May 7,	2,00	2,00	2,00	1,70	**3,70**	2,82	42,48	*3.5*	166,53	1,550,09
14,	2,00	2,00	2,00	2,56	**4,56**	3,11	43,92	*3.5*	142,25	1,565,72
21,	2,00	2,00	2,00	3,34	**5,34**	2,22	47,05	*3.5*	21,02	1,558,16
28,	2,00	2,00	2,00	1,10	**3,10**	3,97	46,18	*3.5*	27,06	1,549,58
June 4,	2,00	2,00	2,00	2,31	**4,31**	4,88	45,61	*3.5*	2,07	1,545,95
11,	2,00	2,00	2,00	5,80	**7,80**	2,64	50,78	*3.5*	32,18	1,557,47
18,	2,00	2,20	2,00	2,80	**4,80**	2,75	52,83	*3.5*	122,54	1,582,80
25,	2,00	2,25	2,00	6,03	**8,03**	2,53	58,33	*3.5*	150,85	1,589,69
July 2,	—	—	—	5,99	**5,99**	2,45	61,87	—	130,92	1,579,95
9,	2,00	2,00	2,00	11,94	**13,94**	3,86	71,96	*3.5*	198,74	1,601,85
16,					**23,69**(*d*)	2,40	93,24	*3.5*	295,31	1,604,28
23,					**41,60**	4,76	130,08	*3.5*	157,51	1,611,81
30,					**26,97**	3,20	153,85	*3.5*	33,36	1,634,19
August 6,					**8,66**	3,70	158,80	*3.5*	156,90	1,629,51
13,					**9,77**	4,06	164,51	*3.5*	171,06	1,664,03
20,					**7,83**	5,85	166,50	*3.5*	43,68	1,663,68
27,					**5,28**	3,10	168,68	*3.5*	49,02	1,587,82
September 3,					**5,38**	4,31	169,75	*3.5*	25,79	1,612,61
10,					**2,63**	7,80	164,58	*3.5*	4,90	1,555,15
17,					**3,10**	4,65	163,03	*3.5*	41,90	1,562,96
24,					**11,18**	8,18	166,03	*3.5*	96,62	1,571,73

October	1, ...	**5,71**	7,34	164,40	*3.5*	153,60	1,592,04
	8, ...	**4,74**	12,60	156,54	*3.5*	115,92	1,502,10
	15, ...	**13,33**	23,69	146,18	*3.5*	304,44	1,500,87
	22, ...	**25,56**	42,38	129,35	*3.5*	170,17	1,496,70
	29, ...	**15,79**	26,18	118,96	*3.5*	22,13	1,475,08
November	5, ...	**4,89**	8,66	115,19	*3.5*	192,26	1,506,67
	12, ...	**5,88**	9,77	111,30	*3.5*	243,89	1,575,61
	19, ...	**13,12**	7,83	116,58	*3.5*	38,14	1,575,35
	26, ...	**10,14**	5,28	121,44	*3.5*	44,00	1,555,19
December	3, ...	**3,37**	5,38	119,43	*3.5*	28,93	1,556,32
	10, ...	**3,16**	2,63	119,96	*3.5*	8,73	1,560,68
	17, ...	**2,03**	3,10	118,89	*3.5*	31,64	1,549,35
	24, ...	**4,25**	11,18	111,96	*3.5*	91,97	1,537,73
	31, ...	**4,90**	5,71	111,14	*3.5*	115,44	1,518,79
1966							
January	7, ...	**12,89**	4,74	119,29	*3.5*	183,54	1,594,56
	14, ...	**1,55**	12,27	108,57	*3.5*	324,43	1,603,83
	21, ...	**18,11**	26,62	100,07	*3.5*	183,94	1,609,10
	28, ...	**5,26**	15,79	89,54	*3.5*	24,24	1,600,68
February	4, ...	**8,19**	4,89	92,84	*3.5*	144,21	1,555,93
	11, ...	**3,87**	5,88	90,83	*3.5*	263,22	1,573,25
	18, ...	**7,00**	13,12	84,71	*3.5*	27,81	1,556,80
	25, ...	**4,29**	10,14	78,86	*3.5*	23,56	1,530,52
March	4, ...	**5,94**	3,37	81,43	*3.5*	3,33	1,507,49
	11, ...	**3,68**	3,16	81,95	*3.5*	1,12	1,500,40
	18, ...	**2,96**	2,03	82,88	*3.5*	53,73	1,523,42
	25, ...	**2,10**	4,25	80,73	*3.5*	99,65	1,524,95

Note : The sale of Treasury bills by weekly auctions and of intermediate Treasury bills is discontinued with effect from 12th July 1965. Thereafter they are sold on tap throughout the week. Total sales relate to weekly auction sales and sales of intermediate Treasury bills upto the week ended July 9, 1965, to intermediate Treasury bills and sales on tap for the week ended July 16, 1965, and to sales on tap thereafter.

(*a*) Represents transactions relating to the particular issue of Treasury bills during the period. (*b*) Relates to rate of discount for sales on tap from the week ended July 16, 1965. (*c*) Includes creation/renewal of *ad hoc* Treasury bills and sales to State Governments and approved bodies. (*d*) Includes the sale of intermediate Treasury bills for Rs. 105 lakhs.

STATEMENT 64—GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL AND MONTHLY)

(In lakhs of rupees)

Period	Amount offered	Amount tendered	Amount sold	Sales of intermediate Treasury bills	**Total sales (3+4)**	*Average rate of discount for auction sales (Per cent per annum)(a)*	Sold in favour of the Reserve Bank of India[(b)	Total amount outstanding at the end of the period(c)(d)
	1	2	3	4	5	6	7	8
1950-51							1,394,35	358,02
1955-56	55,50	86,25	55,50		**55,50**	*2.52*	1,994,09	595,25
1960-61	100,00	108,74	100,00	15,72	**115,72**	*2.65*	4,532,92	1,106,30
1961-62	96,00	100,16	96,00	35,59	**131,59**	*2.58*	4,270,22	1,174,98
1962-63	96,00	107,45	96,00	68,06	**164,06**	*2.42*	4,798,97	1,299,55
1963-64	100,00	111,56	100,00	122,22	**222,22**	*2.35*	5,248,72	1,381,95
1964-65	96,00	130,94	96,00	217,11	**313,11**	*2.72*	5,833,45	1,443,52
1965-66	28,00	28,45	28,00	50,86	**422,51**(*e*)	*3.50*	5,939,98	1,611,82
March 1965 ..	8,00	8,96	8,00	5,23	**13,23**	*3.50*	372,06	1,443,52
April „ ..	10,00	10,00	10,00	6,23	**16,23**	*3.50*	774,46	1,514,36
May „ ..	8,00	8,00	8,00	9,11	**17,11**	*3.50*	357,15	1,550,09
June „ ..	8,00	8,45	8,00	18,55	**26,55**	*3.50*	428,73	1,620,22
July „ ..	2,00	2,00	2,00	16,98	**112,24**(*e*)	*3.50*	694,47	1,635,80
August „ ..					**31,74**	*3.50*	437,85	1,606,09
September „ ..					**25,11**	*3.50*	287,14	1,585,02
October „ ..					**60,60**	*3.50*	633,23	1,475,76
November „ ..					**35,54**	*3.50*	528,88	1,550,51
December „ ..					**15,66**	*3.50*	264,01	1,518,79
January 1966 ..					**39,18**	*3.50*	718,68	1,597,90
February „ ..					**25,20**	*3.50*	456,58	1,519,71
March „ ..					**17,37**	*3.50*	358,81	1,611,82

Note : Sale of Treasury bills to the public was suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and from April 6, 1956 to July 28, 1958. Sale of Treasury bills by weekly auctions and of intermediate Treasury bills is discontinued with effect from July 12, 1965. Thereafter they are sold on tap throughout the week. Total sales relate to weekly auction sales and sales of intermediate Treasury bills upto the week ended July 9, 1965, to intermediate Treasury bills and sales on tap for the week ended July 16, 1965, and to sales on tap thereafter.

(*a*) Relates to rate of discount for sales on tap from the week ended July 16, 1965. (*b*) Including creation/renewal of *ad hoc* Treasury bills and sales to State Governments and approved bodies. (*c*) Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) *ad hoc* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U. K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) *ad hocs* created since 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. The outstandings of *ad hocs* under (iii) and (iv) above amounted to Rs. 274.51 crores at the end of 1950-51, Rs. 487.52 crores at the end of 1955-56, Rs. 886.37 crores at the end of 1960-61, Rs. 912.41 crores at the end of 1961-62, Rs. 1,048.41 crores at the end of 1962-63, Rs. 1,099.42 crores at the end of 1963-64, Rs. 1,142.41 crores at the end of 1964-65 and Rs. 1,388.41 crores at the end of 1965-66. (*d*) Excludes *ad hoc* Treasury bills for Rs. 300 crores funded in July 1958, Rs. 150 crores in December 1959 and Rs. 50 crores each in January 1961, February 1962 and December 1962, Rs. 75 crores in January 1964 and Rs. 50 crores each in January 1965 and February 1966. (*e*) Includes Sales of Treasury bills on tap from the week ended July 16, 1965.

STATEMENT 65—INDIA'S OVERALL BALANCE OF PAYMENTS, 1965 (PRELIMINARY)

A. CURRENT ACCOUNT

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			October-December 1965			January-December 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise (*a*)															
A. Private	190.7	156.7	+ *34.0*	207.1	164.4	+ *42.7*	206.1	165.4	+ *40.7*	178.0@	123.5	+ *54.5*	781.9	610.0	+ *171.9*
B. Government	0.2	187.8	— *187.6*	0.6	193.5	— *192.9*	—	193.3	— *193.3*	—	211.7	— *211.7*	0.8	786.3	— *785.5*
2. Non-monetary gold movement	16.0	—	+ *16.0*	—	—	—	—	—	—	—	—	—	16.0	—	+ *16.0*
3. Foreign Travel (*b*) ..	0.8	2.1	— *1.3*	0.4	4.0	— *3.6*	0.4	2.5	— *2.1*	0.3	2.3	— *2.0*	1.9	10.9	— *9.0*
4. Transportation(*c*) ..	13.7	7.7	+ *6.0*	14.0	6.4	+ *7.6*	13.5	6.4	+ *7.1*	12.5	8.3	+ *4.2*	53.7	28.8	+ *24.9*
5. Insurance (*c*)	1.7	1.3	+ *0.4*	1.9	1.1	+ *0.8*	1.7	2.0	— *0.3*	2.1	2.3	— *0.2*	7.4	6.7	+ *0.7*
6. Investment Income (*d*)	3.4	32.2	— *28.8*	2.8	31.7	— *28.9*	3.0	31.1	— *28.1*	1.9	35.3	— *33.4*	11.1	130.3	— *119.2*
7. Government, not included elsewhere (*e*) ..	22.8	4.5	+ *18.3*	7.8	3.8	+ *4.0*	8.1	3.6	+ *4.5*	18.4	4.3	+ *14.1*	57.1	16.2	+ *40.9*
8. Miscellaneous (*f*) ..	8.4	12.5	— *4.1*	9.5	11.7	— *2.2*	8.3	12.6	— *4.3*	10.6	15.7	— *5.1*	36.8	52.5	— *15.7*
9. Transfer Payments															
(i) Official (*g*) ..	30.3	1.2	+ *29.1*	2.9	0.1	+ *2.8*	4.0	0.7	+ 3.3	8.8	8.7*	+ *0.1*	46.0	10.7*	+ *35.3*
(ii) Private (*h*) ..	12.9	5.3	+ *7.6*	15.0	4.4	+ *10.6*	15.7	3.9	+ *11.8*	13.6	3.8	+ *9.8*	57.2	17.4	+ *39.8*
10. **Total Current Transactions**	**300.9**	**411.3**	—*110.4*	**262.0**	**421.1**	—*159.1*	**260.8**	**421.5**	—*160.7*	**246.2**	**415.9**	—*169.7*	**1069.9**	**1669.8**	— *599.9*
Errors and Omissions ..			+ *8.3*			— *10.0*			— *8.0*			+ *56.2*			+ *46.5*

(*a*) Exports f.o.b. ; imports c.i.f. Beginning with April-June 1965, the data on government imports exclude freight on P.L. 480 imports initially borne by India but subsequently refunded by U.S. authorities.

(*b*) Data for receipts are incomplete. (*c*) Receipts cover estimated amounts for reimbursements of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports, etc., and payments include operating expenses abroad of Indian steamship companies and some freight and insurance payments. It may be noted that these items are more or less complete on the receipts side, but in regard to payments, only a portion of the expenditure is entered here. Payments for imports are recorded on a c.i.f., basis and therefore they include all but a portion of expenditure on account of 'Transportation' and 'Insurance'.

(*d*) Receipts include interest on investments of the Reserve Bank of India and payments cover remittances of profits, interest and dividends accruing to foreigners including interest and commitments charges on borrowings from the I.M.F.

(*e*) The receipts include diplomatic expenditures of foreign Governments in India including the U.S. Embassy expenditures in India from the rupee proceeds of sales of U.S. surplus agricultural commodities under P.L. 480 agreements. Beginning with April-June 1965, the data for receipts exclude refund of freight on P. L. 480 imports initially borne by India but subsequently refunded by U.S. authorities. The payment figure represents disbursements of the Government, for example, for the upkeep of its organisations abroad.

(*f*) Covers receipts and payments mainly for services, for example, for film rentals, technicians and agency services.

(*g*) Represents contra-entries for imports financed by aid received under the Colombo plan, P.L. 480 assistance programme and Indo-American Technical Co-operation Agreement, receipts of cash grants mainly from the Ford Foundation and, in addition, receipts and payments of pensions on Government account and contributions to international organisations.

(*h*) Comprises unilateral transfers like maintenance remittances, receipts of missionaries, remittances of savings, migrants' transfers etc., and in addition receipts and payments of pensions, retirement benefits etc., on private account.

@ Beginning with the quarter October-December 1965, the basis for the recording of the exports data was changed from shipments approved during a month to actual shipments in respect of which documents were negotiated during a month. Consequently, compared with the earlier practice there is a considerable lag in recording of exports, which gets reflected in the short falls in the absolute levels.

* Includes Rs. 8.3 crores paid to the I.B.R.D. as our contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 65—INDIA'S OVERALL BALANCE OF PAYMENTS, 1965 (PRELIMINARY)

B. CAPITIAL ACCOUNT

Net Credit (+) , Net Debit (—)

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			October-December 1965			January-December 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	Net	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Private (*a*)															
1. Long-term ..	7.8	4.6	+ *3.2*	6.1	12.4	— *6.3*	8.6	10.8	— *2.2*	8.3	7.2	+ *1.1*	30.8	35.0	— *4.2*
2. Short-term ..	1.3	2.3	— *1.0*	1.6	3.1	— *1.5*	1.7	0.6	+ *1.1*	1.5	1.4	+ *0.1*	6.1	7.4	— *1.3*
II. Banking (*b*) ..	8.9	8.0	+ *0.9*	7.0	9.9	— *2.9*	19.0	7.5	+ *11.5*	6.5	11.7	— *5.2*	41.4	37.1	+ *4.3*
III. Official (*c*)															
1. Loans (*d*) ..	213.8	35.7	+*178.1*	166.3	—	+*166.3*	123.3	—	+*123.3*	151.6	—	+*151.6*	655.0	35.7	+*619.3*
2. Amortisation(*e*) ..	—	31.4	— *31.4*	0.8	12.3	— *11.5*	—	22.1	— *22.1*	0.8	18.3	— *17.5*	1.6	84.1	— *82.5*
3. Miscellaneous (*f*)	26.1	61.2	— *35.1*	48.8	26.2	+ *22.6*	77.5	26.5	+ *51.0*	53.1	25.4	+ *27.7*	205.5	139.3	+ *66.2*
4. Reserves(*g*) ..	3.4	16.0	— *12.6*	16.1	13.7	+ *2.4*	7.9	1.8	+ *6.1*	1.0	45.3	— *44.3*	28.4	76.8	— *48.4*
IV Total Capital and Monetary Gold ..	**261.3**	**159.2**	+*102.1*	**246.7**	**77.6**	+*169.1*	**238.0**	**69.3**	+*168.7*	**222.8**	**109.3**	+*113.5*	**968.8**	**415.4**	+*553.4*

(*a*) Non-banking. Includes drawings and repayments on account of I. B. R. D. loans and other foreign Government loans to private sector in India since April 1964. (*b*) Excluding R. B. I. (*c*) Including R. B. I. (*d*) Credits represent utilisation of various loans and credits obtained by the official sector from the I. B. R. D., I. D. A. and foreign governments as well as rupee loans out of P. L. 480 and P. L. 665 counterpart funds and drawings from the I. M. F. The entries on the debits side relate to the repurchase of rupees from the I. M. F. (*e*) Debits relate mainly to repayments of loans from the I. B. R. D., and from foreign governments ; credits represent capital repayments by the U. K. of excess pension fund under the Pension Resettlement Arrangements of March 1955, repayment of partition debt by Burma and repayments of the loan extended to Burma in 1957. (*f*) Covers capital receipts and payments on official account other than loans and amortisation transactions, for example, changes in P. L. 480 and P. L. 665 balances and the rupee liabilities of the R. B. I. to non-resident official and semi-official institutions including rupee balances held with the R. B. I. by the East European countries under the payments agreements, technical credit advances to and repayments thereof by the East European Countries and the loan from Kuwait consequent to the withdrawal of Indian Currency from Kuwait and repayments thereof. (*g*) Represents changes in the foreign exchange assets of the R. B. I. and Government and the gold holdings of the former.

STATEMENT 66—INDIA'S BALANCE OF PAYMENTS, 1965 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			January-September 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	61.6	46.1	*+15.5*	63.5	45.9	*+17.6*	73.7	37.3	*+36.4*	198.8	129.3	*+69.5*
(*b*) Government ..	0.1	27.5	*—27.4*	—	29.9	*—29.9*	—	27.6	*—27.6*	0.1	85.0	*—84.9*
2. Non-Monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	0.1	0.6	*— 0.5*	0.1	0.9	*— 0.8*	0.1	0.9	*— 0.8*	0.3	2.4	*— 2.1*
4. Transportation	5.6	2.1	*+ 3.5*	5.2	2.3	*+ 2.9*	5.6	1.9	*+ 3.7*	16.4	6.3	*+10.1*
5. Insurance	1.0	0.9	*+ 0.1*	1.0	0.8	*+ 0.2*	0.9	1.4	*— 0.5*	2.9	3.1	*— 0.2*
6. Investment Income ..	2.5	6.6	*— 4.1*	2.4	10.6	*— 8.2*	2.3	8.7	*— 6.4*	7.2	25.9	*—18.7*
7. Government, not included elsewhere	2.2	1.8	*+ 0.4*	1.7	1.5	*+ 0.2*	0.8	1.4	*— 0.6*	4.7	4.7	—
8. Miscellaneous	4.7	4.8	*— 0.1*	5.2	5.2	—	5.3	4.9	*+ 0.4*	15.2	14.9	*+ 0.3*
9. Transfer payments												
(*a*) Official	0.2	0.1	*+ 0.1*	0.4	0.1	*+ 0.3*	—	0.1	*— 0.1*	0.6	0.3	*+ 0.3*
(*b*) Private	6.2	2.9	*+ 3.3*	6.3	2.8	*+ 3.5*	6.3	2.7	*+ 3.6*	18.8	8.4	*+10.4*
10. **Total Current Transactions**	**84.2**	**93.4**	**— 9.2**	**85.8**	**100.0**	**—14.2**	**95.0**	**86.9**	**+ 8.1**	**265.0**	**280.3**	**—15.3**

* Exports f.o.b.; imports c.i.f.

STATEMENT 66—INDIA'S BALANCE OF PAYMENTS, 1965 PRELIMINARY—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			January-September 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise *												
(*a*) Private	48.4	31.0	*+17.4*	49.9	46.9	*+ 3.0*	46.6	59.0	*—12.4*	144.9	136.9	*+ 8.0*
(*b*) Government ..	0.1	86.8	*—86.7*	0.1	90.7	*—90.6*	—	94.5	*—94.5*	0.2	272.0	*—271.8*
2. Non-monetary gold movement	16.0	—	*+16.0*	—	—	—	—	—	—	16.0	—	*+16.0*
3. Foreign Travel	0.6	0.9	*— 0.3*	0.3	0.6	*— 0.3*	0.3	1.0	*— 0.7*	1.2	2.5	*— 1.3*
4. Transportation ..	2.8	2.2	*+ 0.6*	2.7	1.6	*+ 1.1*	2.4	1.7	*+ 0.7*	7.9	5.5	*+ 2.4*
5. Insurance	0.1	0.2	*— 0.1*	0.2	0.1	*+ 0.1*	0.2	0.4	*— 0.2*	0.5	0.7	*— 0.2*
6. Investment Income ..	0.4	12.1	*—11.7*	0.1	13.1	*—13.0*	0.4	10.7	*—10.3*	0.9	35.9	*—35.0*
7. Government, not included elsewhere	19.9	0.7	*+19.2*	4.9	0.5	*+ 4.4*	5.2	1.0	*+ 4.2*	30.0	2.2	*+27.8*
8. Miscellaneous	1.9	2.7	*— 0.8*	2.6	2.0	*+ 0.6*	2.5	2.2	*+ 0.3*	7.0	6.9	*+ 0.1*
9. Transfer Payments												
(*a*) Official	30.0	—	*+30.0*	2.5	—	*+ 2.5*	4.0	—	*+ 4.0*	36.5	—	*+36.5*
(*b*) Private	5.8	1.1	*+ 4.7*	7.9	0.7	*+ 7.2*	8.6	0.3	*+ 8.3*	22.3	2.1	*+20.2*
10. **Total Current Transactions** ..	**126.0**	**137.7**	**—11.7**	**71.2**	**156.2**	**—85.0**	**70.2**	**170.8**	**—100.6**	**267.4**	**464.7**	**—197.3**

* Exports f.o.b.; imports. c.i.f.

STATEMENT 66—INDIA'S BALANCE OF PAYMENTS, 1965 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			January-September 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	15.6	*27.5*	*—11.9*	15.0	26.8	*—11.8*	17.3	27.1	*— 9.8*	47.9	81.4	*—33.5*
(*b*) Government ..	—	*22.5*	*—22.5*	0.4	25.2	*—24.8*	—	22.4	*—22.4*	0.4	70.1	*—69.7*
2. Non-Monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	—	0.3	*— 0.3*	—	0.5	*— 0.5*	—	0.5	*— 0.5*	—	1.3	*— 1.3*
4. Transportation ..	1.0	1.6	*— 0.6*	0.9	1.3	*— 0.4*	1.0	1.2	*— 0.2*	2.9	4.1	*— 1.2*
5. Insurance	0.1	0.1	—	0.1	0.1	—	0.1	0.1	—	0.3	0.3	—
6. Investment Income ..	0.1	4.0	*— 3.9*	0.1	2.9	*— 2.8*	0.1	4.5	*— 4.4*	0.3	11.4	*—11.1*
7. Government, not included elsewhere	0.1	1.1	*— 1.0*	0.5	1.0	*— 0.5*	0.8	0.5	*+ 0.3*	1.4	2.6	*— 1.2*
8. Miscellaneous ..	0.9	2.0	*— 1.1*	0.9	2.1	*— 1.2*	0.8	1.4	*— 0.6*	2.6	5.5	*— 2.9*
9. Transfer Payments ..												
(*a*) Official	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Private	0.5	0.8	*— 0.3*	0.4	0.6	*— 0.2*	0.4	0.6	*— 0.2*	1.3	2.0	*— 0.7*
10. **Total Current Transactions**	**18.3**	**59.9**	**—41.6**	**18.3**	**60.5**	**—42.2**	**20.5**	**58.3**	**—37.8**	**57.1**	**178.7**	**—121.6**

* Exports f.o.b.; imports c.i.f.

STATEMENT 66—INDIA'S BALANCE OF PAYMENTS, 1965 PRELIMINARY—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			January-September 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	65.1	52.1	*+13.0*	78.7	44.8	*+33.9*	68.5	42.0	*+26.5*	212.3	138.9	+73.4
(*b*) Government ..	—	51.0	*—51.0*	0.1	47.7	*—47.6*	—	48.8	*—48.8*	0.1	147.5	*—147.4*
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0.1	0.3	*— 0.2*	—	2.0	*— 2.0*	—	0.1	*— 0.1*	0.1	2.4	*— 2.3*
4. Transportation	4.3	1.8	*+ 2.5*	5.2	1.2	*+ 4.0*	4.5	1.6	*+ 2.9*	14.0	4.6	*+ 9.4*
5. Insurance	0.5	0.1	*+ 0.4*	0.6	0.1	*+ 0.5*	0.5	0.1	*+ 0.4*	1.6	0.3	*+ 1.3*
6. Investment Income ..	0.3	3.1	*— 2.8*	0.1	0.9	*— 0.8*	0.2	1.8	*— 1.6*	0.6	5.8	*— 5.2*
7. Government, not included elsewhere ..	0.6	0.9	*— 0.3*	0.7	0.8	*— 0.1*	0.7	0.7	—	2.0	2.4	*— 0.4*
8. Miscellaneous	0.8	3.0	*— 2.2*	0.8	2.4	*— 1.6*	— 0.3	4.1	*— 4.4*	1.3	9.5	*— 8.2*
9. Transfer Payments ..												
(*a*) Official	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Private	0.4	0.5	*— 0.1*	0.4	0.3	*+ 0.1*	0.4	0.3	*+ 0.1*	1.2	1.1	*+ 0.1*
10. **Total Current Transactions**	**72.1**	**112.8**	*—40.7*	**86.6**	**100.2**	*—13.6*	**74.5**	**99.5**	*—25·0*	**233.2**	**312.5**	*—79.3*

* Exports f.o.b.; imports c.i.f.

STATEMENT 66—INDIA'S BALANCE OF PAYMENTS, 1965 (PRELIMINARY)— (*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In crores of rupees)

Item	January-March 1965			April-June 1965			July-September 1965			January-September 1965		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise												
(*a*) Private	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Government ..	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	—	—	—	—	—	—	—	—	—	—	—	—
4. Transportation	—	—	—	—	—	—	—	—	—	—	—	—
5. Insurance	—	—	—	—	—	—	—	—	—	—	—	—
6. Investment Income ..	0.1	6.4	— *6.3*	0.1	4.2	— *4.1*	—	5.4	— *5.4*	0.2	16.0	—*15.8*
7. Government, not included elsewhere ..	0.1	—	+ *0.1*	—	—	—	0.6	—	+ *0.6*	0.7	—	+ *0.7*
8. Miscellaneous	—	—	—	—	—	—	—	—	—	—	—	—
9. Transfer Payments												
(*a*) Official	0.1	1.1	— *1.0*	—	—	—	—	0.6	— *0.6*	0.1	1.7	— *1.6*
(*b*) Private	—	—	—	—	—	—	—	—	—	—	—	—
10. **Total Current Transactions**	**0.3**	**7.5**	— *7.2*	**0.1**	**4.2**	— *4.1*	**0.6**	**6.0**	— *5.4*	**1.0**	**17.7**	—*16.7*

STATEMENT 67—INDIA'S FOREIGN EXCHANGE RESERVES

(In lakhs of rupees)

End of	Assets†	Movement (Increase +, Decrease −)
	1	2
1950-51	951,41	+ 28,55
1955-56*	824,61	+ 10,47
1960-61*	303,61	— 59,25
1961-62@*	297,31	— 6,30
1962-63@	295,10	— 2,21
1963-64*	305,81	+ 10,71
1964-65@*	249,68	— 56,13
1965-66@*	297,98	+ 48,30
March 1965@*	249,68	+ 11,54
April „ @	250,10	+ 42
May „	243,46	— 6,64
June „ @	247,27	+ 3,81
July „ @	231,50	— 15,77
August „	235,29	+ 3,79
September „	241,14	+ 5,85
October „ @	258,57	+ 17,43
November „	275,48	+ 16,91
December „	285,44	+ 9,96
January 1966	294,03	+ 8,59
February „	291,81	— 2,22
March „ @*	297,98	+ 6,17

† Include (*i*) 7.1 million ounces of gold till January 7, 1965, 7.4 million ounces till January 21, 1965, 7.7 million ounces till February 18, 1965, 8.0 million ounces till February 27, 1966 and 7.0 million ounces thereafter, gold being valued at Rs. 21.24 per tola till October 5, 1956 and at Rs. 53.58 per 10 grammes as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956, (*ii*) foreign assets of the Reserve Bank of India and (*iii*) Government balances held abroad.

@ Include borrowings from the I.M.F. of Rs. 119,05 lakhs in 1961-62, Rs. 11,90 lakhs in 1962-63, Rs. 47,62 lakhs in March 1965 and in 1964-65, Rs. 11.90 lakhs each in April, June, July and October 1965, Rs. 17,86 lakhs in March 1966 and Rs. 65,46 lakhs in 1965-66.

* After providing for repayments to the I. M. F. of Rs. 7,10 lakhs in 1955-56, Rs. 10,71 lakhs in 1960-61, Rs. 60,70 lakhs in 1961-62, Rs. 23,80 lakhs in 1963-64, Rs. 35,71 lakhs in March 1965, Rs. 47,61 lakhs in 1964-65, Rs. 35,71 lakhs in March 1966 and in 1965-66.

STATEMENT 68—INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Year/Month	Merchandise			Treasure (Gold)		
	Imports (—)	Exports (+)	**Balance of trade**	Imports (—)	Exports (+)	**Balance of trade**
	1	2	3	4	5	6
1950-51	650,22	600,64	**— 49,58**	21	4	**—17**
1955-56	774,25	608,90	**—165,35**	10	1	**—9**
1960-61	1,121,62	642,07	**—479,55**	86	—	**—86**
1961-62	1,091,63	660,58	**—431,05**	1,45	—	**—1,45**
1962-63	1,131,48	685,32	**—446,16**	1,67	—	**—1,67**
1963-64	1,290,45	793,24	**—497,21**	90	—	**—90**
1964-65	1,313,61	816,11	**—497,50**	69	—	**—69**
1965-66*	1,350,44	805,28	**—545,16**			
March 1965	104,62	76,60	**—28,02**	3	—	**—3**
April „	90,67	57,01	**—33,66**	3	—	**—3**
May „	107,49	61,69	**—45,80**	4	—	**—4**
June „	145,24	67,05	**—78,19**	5	—	**—5**
July* „	119,63	61,53	**—58,10**			
August* „	115,35	67,29	**—48,06**			
September* „	122,60	70,79	**—51,81**			
October* „	94,42	66,67	**—27,75**			
November* „	133,57	74,63	**—58,94**			
December* „	113,86	72,84	**—41,02**			
January* 1966	92,35	65,84	**—26,51**			
February* „	95,39	60,89	**—34,50**			
March* „	113,20	77,02	**—36,18**			

Note : Total sea, air and land trade but excludes trade with Sikkim and Bhutan. With effect from April 1963 trade of Goa, Daman and Diu, as well as Andaman and Nicobar Islands, land-borne trade with Nepal and exports by parcel post of pearls, precious stones, etc. are included. Transit and transhipment trade, and ships' stores are excluded and includes silver under merchandise. Imports are based on general system of recording and include parcel post and dutiable articles of passengers' baggage and letter post. Excludes certain consignments of food grains on Government account awaiting adjustment. Exports include re-exports and parcel post but exclude passengers' baggage and letter post. Imports are on *c.i.f.* basis and exports on *f.o.b.* basis inclusive of export duty. * Provisional.

Source : *Monthly Statistics of the Foreign Trade of India* and the supplements thereto and Monthly Press Notes issued by the Department of Commercial Intelligence and Statistics.

STATEMENT 69—DIRECTION OF INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Year/Quarter	ALL COUNTRIES			AFRICA								
				TOTAL			UNITED ARAB REPUBLIC			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	1	2	3	4	5	6	7	8	9	10	11	12
1960-61	**1,121,62**	**642,32**	**—479,30**	**70,68**	**48,99**	**—21,70**	16,42	13,41	— 3,01	54,26	35,58	—18,68
1961-62	**1,090,06**	**660,34**	**—429,72**	**64,09**	**56,28**	**— 7,80**	12,04	12,92	+ 87	52,04	43,37	— 8,66
1962-63	**1,131,48**	**685,48**	**—445,99**	**56,31**	**49,75**	**— 6,56**	9,77	13,05	+ 3,27	46,54	36,70	— 9,84
1963-64	**1,222,85**	**793,24**	**—429,61**	**50,77**	**46,36**	**— 4,41**	15,25	12,54	— 2,71	35,52	33,81	— 1,71
1964-65	**1,349,03**	**816,30**	**—532,73**	**65,81**	**46,23**	**—19,58**	17,35	14,24	— 3,12	48,46	32,00	—16,46
1965-66	**1,391,97**	**806,08**	**—585,89**	**55,84**	**61,85**	**+ 6,01**	19,99	27,07	+ 7,08	35,85	34,78	— 1,07
April-June 1964 ..	**340,75**	**196,41**	**—144,33**	**16,12**	**9,51**	**— 6,61**	3,94	1,81	— 2,12	12,19	7,70	— 4,48
July-September „ ..	**331,46**	**202,48**	**—128,98**	**14,26**	**10,07**	**— 4,19**	1,21	2,75	+ 1,53	13,05	7,33	— 5,73
October-December „ ..	**342,85**	**215,47**	**—127,38**	**11,04**	**13,61**	**+ 2,58**	2,60	4,82	+ 2,22	8,44	8,80	+ 36
January-March 1965 ..	**333,97**	**201,94**	**—132,03**	**24,39**	**13,04**	**—11,35**	9,61	4,86	— 4,74	14,78	8,17	— 6,61
April-June 1965 ..	**343,40**	**185,18**	**—158,23**	**16,52**	**14,39**	**— 2,13**	4,37	7,10	+ 2,73	12,15	7,29	— 4,86
July-September „ ..	**357,76**	**199,58**	**—158,18**	**9,00**	**12,56**	**+ 3,56**	1,13	5,06	+ 3,94	7,87	7,49	— 38
October-December „ ..	**345,77**	**216,30**	**—129,47**	**9,00**	**20,23**	**+11,23**	1,99	8,35	+ 6,36	7,01	11,88	+ 4,87
January-March 1966 ..	**345,04**	**205,02**	**—140,02**	**21,33**	**14,67**	**— 6,66**	12,50	6,55	— 5,95	8,82	8,12	— 71

Year/Quarter	NORTH AMERICA									LATIN AMERICA			OTHER AMERICAN COUNTRIES		
	TOTAL			CANADA			U.S.A.								
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1960-61 ..	**347,41**	**120,15**	**—227,27**	19,86	17,62	— 2,24	327,56	102,53	—225,03	**1,75**	**16,78**	**+15,04**	**3,02**	**1,32**	**— 1,70**
1961-62 ..	**274,09**	**133,34**	**—140,75**	18,55	17,60	— 94	255,54	115,74	—139,80	**3,18**	**15,22**	**+12,04**	**2,32**	**1,42**	**— 90**
1962-63 ..	**363,71**	**136,52**	**—227,19**	16,87	22,19	+ 5,32	346,84	114,33	—232,51	**1,74**	**16,94**	**+15,21**	**2,12**	**3,22**	**+ 1,09**
1963-64 ..	**473,94**	**151,08**	**—322,86**	23,97	21,19	— 2,78	449,97	129,89	—320,08	**1,27**	**19,08**	**+17,81**	**36**	**1,66**	**+ 1,30**
1964-65 ..	**536,99**	**164,34**	**—372,65**	26,52	17,46	— 9,06	510,48	146,89	—363,59	**4,69**	**14,63**	**+ 9,95**	**7**	**1,64**	**+ 1,57**
1965-66 ..	**555,86**	**168,10**	**—387,76**	30,51	20,33	—10,19	525,34	147,77	—377,57	**3,35**	**10,44**	**+ 7,09**	**25**	**1,62**	**+ 1,37**
April-June 1964	**139,42**	**40,38**	**— 99,04**	4,46	3,57	— 89	134,95	36,80	— 98,15	**1,24**	**3,56**	**+ 2,31**	**5**	**40**	**+ 35**
July-September „	**130,05**	**37,36**	**— 92,69**	9,67	4,95	— 4,72	120,38	32,41	— 87,97	**79**	**4,63**	**+ 3.85**	**2**	**40**	**+ 38**
October-December „	**156,43**	**42,91**	**—113,53**	6,90	4,01	— 2,88	149,54	38,89	—110,64	**1,10**	**3,16**	**+ 2,06**	—	**43**	**+ 43**
January-March 1965	**111,10**	**43,70**	**— 67,40**	5,49	4,92	— 57	105,61	38,78	— 66,83	**1,56**	**3,28**	**+ 1,73**	—	**41**	**+ 41**
April-June 1965	**135,35**	**41,11**	**— 94,24**	4,43	5,40	+ 97	130,91	35,71	— 95,21	**1,18**	**3,89**	**+ 2,71**	—	**35**	**+ 35**
July-September „	**148,02**	**42,58**	**—105,44**	8,88	4,94	— 3,94	139,14	37,65	—101,49	**1,24**	**3,00**	**+ 1,76**	—	**44**	**+ 44**
October-December „	**126,66**	**42,95**	**— 83,71**	4,41	5,54	+ 1,13	122,25	37,41	— 84,84	**60**	**2,52**	**+ 1,92**	—	**46**	**+ 46**
January-March 1966	**145,83**	**41,46**	**—104,37**	12,80	4,45	— 8,34	133,03	37,00	— 96,03	**32**	**1,02**	**+ 69**	**25**	**37**	**+ 12**

STATEMENT 69—DIRECTION OF INDIA'S FOREIGN TRADE—(*Contd.*)

(In lakhs of rupees)

Year/Quarter	E. C. A. F. E. COUNTRIES (INCLUDING CHINA)														
	TOTAL			AUSTRALIA			JAPAN			MALAYASIA			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
1960-61 ..	**179,35**	**142,72**	**—36,63**	17,79	22,39	+ 4,60	60,78	35,27	—25,51	23,94	13,27	—10,68	76,84	71,80	— 5,04
1961-62 ..	**192,92**	**136,58**	**—56,34**	24,17	15,95	— 8,22	59,45	40,54	—18,91	21,91	15,24	— 6,67	87,38	64,84	—22,54
1962-63 ..	**199,80**	**128,33**	**—71,47**	24,28	18,71	— 5,57	64,86	33,42	—31,44	18,82	16,13	— 2,69	91,84	60,07	—31,77
1963-64 ..	**189,18**	**185,02**	**— 4,15**	17,92	17,65	— 28	65,87	58,85	— 7,02	17,43	30,38	+12,95	87,95	78,15	— 9,80
1964-65 ..	**202,12**	**176,89**	**—25,23**	24,65	19,99	— 4,66	78,19	60,90	—17,30	14,28	15,07	+ 79	84,99	80,93	— 4,06
1965-66 ..	**215,43**	**158,63**	**—56,80**	24,13	17,54	— 6,60	79,19	56,98	—22,21	12,77	12,25	— 51	99,34	71,87	—27,48
April-June 1964..	**50,27**	**46,98**	**— 3,29**	4,90	4,36	— 53	19,11	18,94	— 17	3,95	4,61	+ 66	22,31	19,07	— 3,25
July-September „ ..	**48,55**	**39,34**	**— 9,22**	10,40	4,94	— 5,46	16,07	11,81	— 4,26	3,60	4,08	+ 48	18,48	18,50	+ 2
October-December „ ..	**45,76**	**45,74**	**— 2**	4,49	5,72	+ 1,23	21,66	13,81	— 7,84	3,71	3,14	— 57	15,91	23,07	+ 7,17
January-March 1965..	**57,54**	**44,83**	**—12,71**	4,87	4,97	+ 10	21,36	16,33	— 5,03	3,02	3,24	+ 22	28,29	20,29	— 8,00
April-June 1965..	**60,37**	**37,02**	**—23,34**	6,32	4,76	— 1,56	20,91	12,56	— 8,35	4,07	3,23	— 84	29,06	16,47	—12,59
July-September „ ..	**56,19**	**37,34**	**—18,85**	7,72	3,74	— 3,97	21,60	12,92	— 8,68	4,09	2,92	— 1,17	22,79	17,76	— 5,03
October-December „ ..	**48,09**	**38,28**	**— 9,80**	3,81	5,24	+ 1,43	19,60	12,51	— 7,08	1,97	3,12	+ 1,16	22,71	17,41	— 5,29
January-March 1966..	**50,78**	**45,98**	**— 4,80**	6,28	3,79	— 2,49	17,08	18,99	+ 1,91	2,63	2,98	+ 35	24,79	20,23	— 4,56

Year/Quarter	OTHER ASIAN AND OCEANIAN COUNTRIES AND ANTARCTIC AND ARCTIC REGIONS			EAST EUROPEAN COUNTRIES											
				TOTAL			CZECHOSLOVAKIA			U.S.S.R.			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
1960-61 ..	**27,35**	**22,95**	**— 4,40**	**44,31**	**49,56**	**+ 5,25**	8,76	7,30	— 1,46	15,87	28,81	+12,94	19,68	13,45	— 6,23
1961-62 ..	**33,28**	**24,84**	**— 8,44**	**87,62**	**63,80**	**—23,83**	15,02	8,10	— 6,92	39,94	32,20	— 7,74	32,66	23,49	— 9,16
1962-63 ..	**24,86**	**23,65**	**— 1,21**	**110,11**	**92,36**	**—17,75**	19,71	11,24	— 8,47	58,64	38,25	—20,39	31,77	42,88	+11,11
1963-64 ..	**32,03**	**29,98**	**— 2,05**	**129,26**	**108,91**	**—20,34**	17,33	16,16	— 1,17	68,46	52,10	—16,36	43,46	40,65	— 2,82
1964-65 ..	**23,42**	**26,91**	**+ 3,49**	**144,99**	**143,88**	**— 1,11**	19,83	15,92	— 3,91	78,78	77,92	— 85	46,38	50,03	+ 3,65
1965-66 ..	**15,89**	**28,92**	**+13,03**	**155,99**	**156,55**	**+ 56**	21,15	15,82	— 5,33	82,53	92,97	+10,44	52,31	47,77	— 4,55
April-June 1964..	**7,07**	**7,15**	**+ 8**	**32,07**	**34,80**	**+ 2,73**	4,80	4,62	— 18	18,17	18,65	+ 49	9,10	11,53	+ 2,43
July-September „ ..	**6,29**	**5,68**	**— 60**	**38,52**	**34,17**	**— 4,35**	5,91	3,09	— 2,82	19,90	19,26	— 65	12,71	11,83	— 88
October-December „ ..	**5,42**	**6,44**	**+ 1,02**	**37,22**	**35,26**	**— 1,95**	4,40	2,83	— 1,57	21,60	20,44	— 1,17	11,22	12,00	+ 78
January-March 1965..	**4,64**	**7,63**	**+ 2,99**	**37,17**	**39,64**	**+ 2,47**	4,72	5,39	+ 67	19,10	19,58	+ 48	13,34	14,68	+ 1,33
April-June 1965..	**5,08**	**6,48**	**+ 1,40**	**33,35**	**37,24**	**+ 3,88**	4,67	4,24	— 43	18,10	19,52	+ 1,42	10,59	13,48	+ 2,89
July-September „ ..	**7,22**	**6,66**	**— 57**	**36,64**	**36,40**	**— 24**	5,52	2,71	— 2,81	17,97	23,65	+ 5,67	13,15	10,05	— 3,09
October-December „ ..	**1,60**	**7,48**	**+ 5,87**	**44,07**	**38,64**	**— 5,43**	5,15	3,68	— 1,47	26,48	23,88	— 2,60	12,44	11,08	— 1,36
January-March 1966..	**1,98**	**8,31**	**+ 6,33**	**41,93**	**44,28**	**+ 2,35**	5,82	5,19	— 62	19,97	25,92	+ 5,94	16,14	13,16	— 2,98

STATEMENT 69—DIRECTION OF INDIA'S FOREIGN TRADE (*Concld.*)

(In lakhs of rupees)

Year/Quarter	EUROPEAN COMMON MARKET COUNTRIES											
	TOTAL			FEDERAL REPUBLIC OF GERMANY			ITALY			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	58	59	60	61	62	63	64	65	66	67	68	69
1960-61	**195,89**	**51,75**	**—144,13**	122,52	19,87	—102,65	25,97	9,27	—16,69	47,40	22,61	—24,79
1961-62	**191,15**	**51,82**	**—139,33**	122,88	20,63	—102,25	26,33	9,16	—17,17	41,93	22,03	—19,91
1962-63	**158,05**	**48,82**	**—109,22**	98,66	16,27	— 82,39	22,21	9,57	—12,64	37,18	22,99	—14,20
1963-64	**141,01**	**62,19**	**— 78,82**	90,46	20,15	— 70,31	17,42	11,34	— 6,08	33,14	30,70	— 2,44
1964-65	**172,44**	**57,02**	**—115,42**	109,34	17,69	— 91,64	22,62	10,04	—12,58	40,48	29,29	—11,19
1965-66	**204,94**	**55,30**	**—149,64**	136,92	18,17	—118,75	19,17	8,45	—10,72	48,85	28,67	—20,17
April-June 1964 ..	**39,86**	**15,57**	**— 24,29**	26,36	5,02	— 21,34	4,41	3,28	— 1,13	9,09	7,27	— 1,82
July-September „ ..	**43,45**	**14,60**	**— 28,85**	26,37	4,70	— 21,66	6,50	2,19	— 4,31	10,58	7,71	— 2,88
October-December „ ..	**42,93**	**13,65**	**— 29,28**	26,16	4,18	— 21,98	6,17	2,18	— 3,99	10,60	7,29	— 3,31
January-March 1965 ..	**46,20**	**13,20**	**— 33,00**	30,45	3,79	— 26,66	5,54	2,39	— 3,15	10,21	7,02	— 3,19
April-June 1965 ..	**43,20**	**12,73**	**— 30,47**	28,64	4,33	— 24,30	4,58	1,85	— 2,73	9,98	6,55	— 3,43
July-September „ ..	**52,31**	**13,96**	**— 38,35**	32,61	4,61	— 28,00	5,92	1,68	— 4,24	13,78	7,67	— 6,11
October-December „ ..	**68,30**	**14,88**	**— 53,42**	50,37	4,84	— 45,53	4,90	2,44	— 2,46	13,03	7,61	— 5,43
January-March 1966 ..	**41,13**	**13,72**	**— 27,41**	25,31	4,40	— 20,91	3,77	2,48	— 1,29	12,05	6,85	— 5,21

Year/Quarter	EUROPEAN FREE TRADE AREA COUNTRIES									OTHER EUROPEAN COUNTRIES		
	TOTAL			U.K.			OTHERS					
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	70	71	72	73	74	75	76	77	78	79	80	81
1960-61	**247,50**	**178,47**	**—69,03**	217,15	172,48	—44,68	30,35	5,99	—24,36	**4,35**	**9,63**	**+ 5,28**
1961-62	**236,10**	**167,97**	**—68,13**	200,15	160,94	—39,21	35,95	7,04	—28,92	**5,30**	**9,08**	**+ 3,78**
1962-63	**211,85**	**170,85**	**—40,99**	185,56	163,22	—22,34	26,29	7,63	—18,66	**2,93**	**15,03**	**+ 12,10**
1963-64	**202,19**	**175,53**	**—26,67**	171,46	163,67	— 7,79	30,73	11,86	—18,87	**2,85**	**13,43**	**+ 10,59**
1964-65	**194,69**	**177,34**	**—17,35**	163,65	167,30	+ 3,65	31,04	10,04	—21,00	**3,81**	**7,41**	**+ 3,60**
1965-66	**181,60**	**156,38**	**—25,23**	149,11	146,42	— 2,69	32,49	9,95	—22,54	**2,82**	**8,30**	**+ 5,48**
April-June 1964 ..	**53,56**	**36,81**	**—16,74**	46,71	34,18	—12,53	6,85	2,63	— 4,21	**1,10**	**1,25**	**+ 16**
July-September „ ..	**48,31**	**54,10**	**+ 5,78**	40,81	51,37	+10,56	7,50	2,72	— 4,78	**1,21**	**2,12**	**+ 91**
October-December „ ..	**42,30**	**52,12**	**+ 9,82**	35,25	49,59	+14,34	7,05	2,53	— 4,52	**64**	**2,14**	**+ 1,50**
January-March 1965 ..	**50,52**	**34,31**	**—16,20**	40,88	32,16	— 8,71	9,64	2,15	— 7,49	**86**	**1,89**	**+ 1,04**
April-June 1965 ..	**47,46**	**31,16**	**—16,30**	40,83	28,77	—12,05	6,63	2,39	— 4,25	**89**	**80**	**— 8**
July-September „ ..	**46,26**	**44,12**	**— 2,14**	38,72	41,11	+ 2,39	7,53	3,01	— 4,52	**88**	**2,52**	**+ 1,64**
October-December „ ..	**46,79**	**47,76**	**+ 97**	37,14	45,56	+ 8,42	9,64	2,20	— 7,45	**66**	**3,09**	**+ 2,43**
January-March 1966 ..	**41,10**	**33,34**	**— 7,76**	32,42	30,98	— 1,44	8,68	2,36	— 6,32	**40**	**1,89**	**+ 1,50**

Note: The scope and coverage of the statement are the same as those for Statement 68. Trade statistics are classified according to countries to which imports and exports are credited *i.e.* imports to the country of consignment and exports to the country of final destination and these countries are classified according to different economic regions. Total figures shown in this statement may not agree with those in Statement 68 which takes into account of recent revisions for which complete details are not available. Revisions in the total figures are carried out by the D. G. C. I. & S. as and when details become available in respect of short shipments for exports and Government imports under the note pass system for imports. Details of exports from and imports into Goa, Daman and Diu are included in trade figures from April 1963.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 70—INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

Commodity	April 1960-March 1961	April 1961-March 1962	April 1962-March 1963	April 1963-March 1964	April 1964-March 1965	April 1965-March 1966	April-June 1964	July-Sept. 1964	Oct.-Dec. 1964	Jan.-March 1965	April-June 1965	July-Sept. 1965	Oct.-Dec. 1965	Jan.-March 1966
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Food	**214,06**	**147,07**	**179,41**	**214,40**	**322,72**	**340,82**	**79,67**	**72,25**	**95,55**	**75,25**	**84,93**	**76,38**	**69,56**	**109,95**
1. Cereals and Cereal Preparations	**181,38**	**116,90**	**144,26**	**179,60**	**282,14**	**309,11**	**68,74**	**64,81**	**86,54**	..	**76,35**	**70,04**	**62,14**	..
(i) Wheat	**153,20**	**93,87**	**113,09**	**134,84**	**241,92**	**264,73**	56,75	57,30	76,43	..	62,33	47,33	52,49	..
(ii) Rice	**22,44**	**18,73**	**27,01**	**37,50**	**40,17**	**37,71**	10,47	4,66	8,87	..	11,26	16,93	8,42	..
(iii) Others	**5,74**	**4,30**	**4,16**	**7,26**	..	..	1,53	2,85	1,24	..	2,76	5,78	1,23	..
2. Cashewnuts	**9,61**	**6,70**	**9,12**	**10,93**	**16,44**	**15,06**	3,89	2,82	2,83	6,90	2,65	3,07	3,74	5,61
3. Spices	**1,83**	**1,67**	**1,77**	**73**	**43**	**60**	14	14	8	6	21	10	12	18
4. Others	**21,24**	**21,80**	**24,26**	**23,14**	**23,71**	**16,05**	6,89	4,47	6,10	6,25	5,71	3,18	3,57	3,59
II. Beverages and Tobacco	**79**	**1,65**	**1,66**	**1,11**	**77**	**56**	**10**	**6**	**50**	**10**	**13**	**26**	**7**	**10**
1. Tobacco unmanufactured	**23**	**1,14**	**1,37**	**83**	**39**	**2**	3	—	36	1	—	—	—	2
III. Crude Materials, Inedible except Fuels	**155,36**	**129,89**	**127,20**	**124,45**	**128,34**	**121,55**	**26,46**	**30,41**	**32,03**	**39,44**	**33,59**	**33,39**	**22,30**	**32,28**
1. Hides and skins (raw)	**2,47**	**2,24**	**2,76**	**3,36**	**3,12**	**2,36**	94	67	66	85	1,08	51	37	39
2. Copra	**11,63**	**9,42**	**9,97**	**8,79**	**6,44**	**6,26**	1,54	1,68	1,79	1,42	98	1,82	2,02	1,44
3. Crude rubber	**10,78**	**10,10**	**10,23**	**9,75**	**5,43**	**4,90**	2,07	1,58	89	89	1,97	1,99	62	32
4. Cotton raw other than linters	**81,74**	**62,66**	**56,92**	**48,98**	**58,08**	**46,20**	10,34	14,12	14,13	19,49	13,78	14,06	4,45	13,91
5. Jute raw including cuttings and waste	**7,64**	**6,27**	**3,35**	**2,06**	**7,33**	**5,60**	65	62	1,95	4,11	3,45	1,38	41	37
6. Wool raw and other animal hair	**10,41**	**12,18**	**12,15**	**15,72**	**9,64**	**5,12**	2,41	2,55	2,30	2,38	2,12	1,59	62	80
7. Others	**30,69**	**27,02**	**31,83**	**35,79**	**38,30**	**51,12**	8,50	9,20	10,31	10,30	10,20	12,04	13,82	15,05
IV. Mineral Fuels, Lubricants and Related Materials	**69,52**	**95,86**	**87,97**	**104,49**	**68,67**	**68,35**	**21,30**	**21,57**	**9,70**	**16,10**	**19,25**	**18,42**	**13,82**	**16,86**
1. Petroleum crude and partly refined(*a*)	**17,36**	**42,36**	**30,15**	**46,17**	**27,23**	**34,87**	8,51	10,31	1,76	6,65	11,64	6,95	5,46	10,82
2. Kerosene	**22,80**	**27,91**	**32,33**	**25,38**	**41,33**	**33,29**	5,26	3,54	3,07	9,44	3,45	3,78	3,64	5,97
3. Other petroleum products	**29,27**	**25,38**	**25,18**	**32,84**			7,51	7,68	4,83		4,13	7,67	4,64	
4. Others	**9**	**21**	**30**	**10**	**12**	**18**	3	4	4	1	3	1	8	6
V. Animal and Vegetable Oils and Fats	**4,60**	**8,62**	**5,63**	**4,87**	**5,62**	**15,35**	**1,24**	**1,81**	**89**	**1,69**	**3,12**	**7,41**	**2,54**	**2,27**

VI. Chemicals	**85,70**	**89,76**	**100,52**	**95,88**	**94,54**	**104,85**	**25,86**	**21,46**	**26,11**	**21,11**	**25,65**	**27,36**	**30,17**	**21,67**
1. Chemical element & compounds	**39,34**	**35,59**	**38,07**	**32,11**	**34,04**	**35,79**	8,79	8,38	8,56	8,30	9,84	10,11	8,96	6,87
2. Dyeing, tanning & colouring materials	**12,91**	**14,46**	**12,15**	**8,04**	**9,22**	**6,58**	2,62	2,23	2,03	2,34	1,91	1,90	1,51	1,26
3. Medicinal and pharmaceutical products	**10,50**	**11,30**	**9,28**	**8,64**	**8,21**	**8,76**	1,96	2,17	1,73	2,34	2,15	2,42	2,58	1,61
4. Fertilizers, manufactured	**9,61**	**12,22**	**26,73**	**34,52**	**28,96**	**38,90**	8,69	5,32	10,24	4,71	8,49	8,57	13,44	8,40
5. Others	**13,34**	**16,19**	**14,29**	**12,57**	**14,12**	**14,82**	3,79	3,36	3,55	3,42	3,26	4,36	3,67	3,54
VII. Manufactured Goods	**234,16**	**221,16**	**203,95**	**200,41**	**218,58**	**215,85**	**56,15**	**52,49**	**54,69**	**55,25**	**55,30**	**65,35**	**55,37**	**39,83**
1. **Paper and Paper Boards & Manufactures Thereof**	**12,10**	**15,95**	**13,64**	**12,55**	**13,15**	**13,38**	**3,20**	**2,96**	**3,35**	**3,63**	**3,00**	**3,35**	**3,50**	**3,53**
(i) Newsprint	**5,95**	**9,71**	**7,63**	**6,93**	**7,40**	**6,18**	1,51	1,47	2,10	2,31	1,35	1,72	1,31	1,81
2. Art silk yarn & thread	**13,65**	**12,82**	**12,88**	**10,45**	**12,72**	**4,95**	3,36	3,54	3,11	2,72	1,63	1,45	90	97
3. Iron and steel	**122,54**	**107,81**	**89,01**	**93,15**	**104,96**	**97,76**	25,60	25,02	28,42	25,93	22,88	28,62	27,48	18,78
4. Non-ferrous metals	**47,31**	**49,46**	**55,14**	**55,06**	**57,92**	**68,35**	15,88	13,14	13,45	15,45	20,83	23,82	14,35	9,35
5. Metal manufactures	**22,94**	**17,95**	**20,94**	**15,82**	**16,99**	**18,11**	4,12	4,53	3,90	4,44	3,57	4,59	5,64	4,30
6. Others	**15,62**	**17,17**	**12,34**	**13,38**	**12,83**	**13,30**	3,99	3,31	2,46	3,07	3,39	3,52	3,50	2,89
VIII. Machinery and Transport Equipment	**332,98**	**367,52**	**387,38**	**436,98**	**477,74**	**489,47**	**122,88**	**121,61**	**114,64**	**118,61**	**114,40**	**120,91**	**141,42**	**112,73**
1. Machinery other than electric	**203,37**	**236,99**	**250,55**	**281,12**	**313,05**	**332,44**	76,20	80,42	75,65	80,78	76,59	78,40	100,31	77,15
2. Electric machinery, apparatus and appliances	**57,22**	**65,91**	**64,78**	**84,80**	**91,22**	**87,13**	25,60	22,16	22,08	21,39	21,13	21,55	23,85	20,59
3. **Transport Equipment**	**72,39**	**64,62**	**72,05**	**71,06**	**73,47**	**69,90**	**21,08**	**19,04**	**16,91**	**16,44**	**16,68**	**20,96**	**17,26**	**14,99**
(i) Railway vehicles	**25,37**	**15,50**	**27,07**	**27,17**	**23,25**	**24,87**	7,12	6,06	5,93	4,14	5,13	9,01	4,76	5,97
(ii) Others	**47,02**	**49,12**	**44,99**	**43,89**	**50,22**	**45,02**	13,96	12,98	10,98	12,30	11,55	11,95	12,50	9,02
IX. Miscellaneous Manufactured Articles	**17,40**	**21,69**	**30,73**	**33,54**	**22,70**	**18,62**	**5,40**	**6,63**	**5,35**	**5,32**	**4,96**	**5,02**	**4,72**	**3,92**
GRAND TOTAL(*b*)	**1,121,62**	**1,090,06**	**1,131,48**	**1,222,85**	**1,349,03**	**1,391,97**	**340,75**	**331,46**	**342,85**	**333,97**	**343,40**	**357,76**	**345,77**	**345,04**

Note: The scope and coverage of the statement are the same as those for Statement 68. Total figures shown in this statement may not agree with those in Statement 68 which takes account of recent revisions for which complete details are not available. Details of imports into Goa, Daman and Diu are included from April 1963. From April 1965 data are based on the Revised Indian Trade Classification. The data on the imports of foodgrains for 1964-65 and 1965-66 are as furnished by the Department of Food and do not strictly conform to the specified commodity descriptions of the Revised Indian Trade Classification.

(*a*) Excluding natural gasolene from April 1965.

(*b*) Includes 'Miscellaneous Transactions and Commodities' and excludes value of articles under reference for the period 1965-66.

Source: *Monthly Statistics of the Foreign Trade of India* issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 71—INDIA'S EXPORTS (*a*) OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

Commodity	April 1960 to March 1961	April 1961 to March 1962	April 1962 to March 1963	April 1963 to March 1964	April 1964 to March 1965	April 1965 to March 1966	April-June 1964	July-Sept. 1964	Oct.-Dec. 1964	Jan.-March 1965	April-June 1965	July-Sept. 1965	Oct.-Dec. 1965	Jan.-March 1966
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Food	**198,05**	**214,02**	**233,95**	**249,87**	**261,27**	**241,39**	**52,47**	**71,85**	**77,95**	**59,00**	**45,26**	**64,07**	**72,75**	**59,31**
1. Cashew kernel	**18,91**	**18,17**	**19,36**	**21,41**	**29,03**	**27,40**	6,81	7,52	7,23	7,48	7,52	6,82	6,91	6,15
2. Coffee	**7,22**	**9,02**	**7,61**	**8,31**	**13,42**	**12,94**	5,42	4,41	2,67	92	3,66	4,79	1,87	2,61
3. Tea (Black)	**122,61**	**121,40**	**128,22**	**122,22**	**123,51**	**102,68**	11,36	44,24	47,18	20,72	6,84	33,81	39,00	23,03
4. Spices (*b*)	**16,62**	**17,51**	**13,79**	**16,02**	**16,73**	**23,09**	3,62	2,74	4,57	5,81	5,00	3,86	5,60	8,62
5. Oilcakes	**14,30**	**17,32**	**31,79**	**35,37**	**39,76**	**34,64**	8,76	7,85	9,11	14,04	9,08	6,05	8,71	10,80
6. Sugar (*c*)	**3,28**	**15,33**	**17,93**	**27,10**	**21,43**	**11,84**	..	..	..	..	..	..	..	..
7. Others	**15,11**	**15,27**	**15,26**	**19,45**	**17,40**	**28,80**	3,91	2,76	4,30	6,43	8,28	7,77	7,82	4,93
II. Beverages and Tobacco	**15,77**	**14,99**	**18,88**	**22,52**	**25,78**	**21,70**	**10,34**	**7,91**	**3,06**	**4,47**	**10,52**	**5,34**	**3,02**	**2,81**
1. Tobacco unmanufactured	**14,61**	**14,05**	**18,00**	**21,09**	**24,38**	**19,58**	10,01	7,61	2,66	4,10	10,09	4,89	2,65	1,94
2. Others	**1,16**	**94**	**88**	**1,43**	**1,40**	**2,12**	33	30	40	37	43	45	37	87
III. Crude Materials, Inedible except fuels	**112,06**	**118,38**	**111,08**	**131,98**	**137,47**	**135,07**	**34,23**	**29,89**	**36,34**	**37,01**	**32,66**	**30,28**	**32,49**	**39,64**
1. Hides & skins (raw)	**9,46**	**8,22**	**10,71**	**9,60**	**9,05**	**9,55**	2,16	2,14	2,08	2,66	2,34	2,07	2,28	2,86
2. Wool & other animal hair	**7,72**	**9,20**	**6,64**	**7,61**	**9,00**	**7,46**	2,71	2,14	2,35	1,80	1,80	1,73	1,61	2,31
3. Cotton (raw and waste)	**11,56**	**20,35**	**17,04**	**16,84**	**14,22**	**13,09**	4,14	3,17	2,96	3,95	4,33	3,61	2,50	2,65
4. Mica	**10,15**	**9,66**	**10,36**	**9,20**	**9,74**	**11,27**	1,75	2,51	2,86	2,62	2,76	2,89	2,62	3,00
5. Iron ore (including concentrates)	**17,03**	**17,41**	**19,83**	**36,40**	**37,39**	**42,10**	8,90	7,19	9,30	11,99	8,63	7,67	10,84	14,96
6. Manganese ore (including concentrates)	**14,06**	**10,44**	**7,88**	**8,26**	**13,13**	**11,05**	3,09	3,81	4,62	1,62	2,43	2,29	2,77	3,56
7. Lac	**6,32**	**4,61**	**4,80**	**4,62**	**3,94**	**4,27**	1,20	1,09	94	72	81	1,10	1,17	1,19
8. Others	**35,76**	**38,49**	**33,82**	**39,46**	**41,00**	**36,29**	10,28	7,84	11,24	11,65	9,56	8,92	8,70	9,11

IV. Mineral Fuels, Lubricants and Related Materials	**7,41**	**5,90**	**6,48**	**9,76**	**12,29**	**9,32**	**3,40**	**2,45**	**3,27**	**3,17**	**2,17**	**2,03**	**2,17**	**2,95**
V. Animal and Vegetable Oils and Fats	**9,80**	**6,49**	**13,65**	**20,60**	**7,38**	**4,55**	**2,,99**	**1,77**	**1,76**	**86**	**1,74**	**1,42**	**77**	**62**
1. Vegetable oils	**8,54**	**5,82**	**13,10**	**19,93**	**7,05**	**4,09**	2,83	1,71	1,69	82	1,63	1,23	56	53
2. Others	**1,26**	**67**	**56**	**68**	**34**	**46**	16	6	6	5	11	18	21	10
VI. Chemicals	**7,19**	**7,82**	**7,84**	**6,92**	**10,26**	**11,48**	**2,18**	**2,53**	**2,66**	**2,89**	**2,52**	**2,77**	**3,02**	**3,16**
VII. Manufactured Goods	**263,34**	**269,78**	**266,69**	**319,38**	**326,73**	**343,21**	**82,49**	**77,33**	**81,65**	**85,26**	**81,55**	**84,47**	**91,10**	**86,08**
1. Leather and leather manufactures	**24,97**	**24,45**	**22,63**	**26,38**	**27,35**	**28,46**	7,34	6,67	6,43	6,77	7,22	6,29	6,87	7,89
2. Cotton textiles	**57,55**	**48,26**	**46,21**	**54,34**	**64,16**	**63,29**	17,94	14,39	15,09	16,73	15,95	12,84	18,48	16,01
3. Jute Manufactures (*d*) ..	**135,15**	**144,79**	**155,66**	**157,42**	**168,45**	**182,85**	40,37	39,75	43,68	44,65	41,51	49,37	48,37	43,60
4. Woollen carpets and rugs ..	**4,79**	**4,28**	**4,33**	**5,26**	**5,37**	**4,52**	1,41	1,41	1,29	1,25	1,00	1,02	1,35	1,16
5. Art silk manufactures ..	**3,94**	**7,42**	**8,33**	**10,43**	**6,45**	**1,27**	2,02	1,90	1,64	88	32	32	28	36
6. Cement	**64**	**90**	**28**	**67**	**30**	**41**	17	4	4	5	10	5	14	11
7. Iron and steel	**9,76**	**9,68**	**2,28**	**3,61**	**10,34**	**12,61**	2,62	2,34	2,38	3,01	3,52	2,53	2,88	3,68
8. Others	**29,97**	**33,30**	**30,51**	**65,24**	**44,32**	**49,80**	10,62	10,83	10,95	11,91	11,93	12,05	12,55	13,27
VIII. Machinery and Transport Equipment (*e*)	**7,19**	**4,74**	**6,47**	**7,06**	**9,17**	**11,19**	**1,99**	**2,28**	**2,20**	**2,71**	**2,66**	**3,00**	**2,91**	**2,62**
Total Exports (*f*)	**642,32**	**660,34**	**685,48**	**793,24**	**805,24**	**817,14**	**196,41**	**202,48**	**215,47**	**190,88**	**185,18**	**199,58**	**216,30**	**216,08**

Note : The scope and coverage of the statement are the same as those for Statement 68. Total figures shown in this statement may not agree with those in Statement 68, which takes account of recent revisions for which complete details are not available. Exports of Goa, Daman and Diu are included from April 1963. From April 1965, data are based on the Revised Indian Trade Classification.

(*a*) Including re-exports. (*b*) Of this, the exports of pepper (black) amounted to Rs. 8,50 lakhs in 1960-61, Rs. 8,08 lakhs in 1961-62, Rs. 6,57 lakhs in 1962-63, Rs. 5,89 lakhs in 1963-64, Rs. 6,72 lakhs in 1964-65 and Rs. 10,85 lakhs in 1965-66. (*c*) Values of raw sugar for the years 1964-65 and 1965-66 are based on the provisional declarations made by the exporter *viz.*, The Indian Sugar Mills Association to the Customs at the time of exports, instead of the average of Daily London Prices as in previous years. (*d*) Includes yarn and thread. (*e*) Of these, selected engineering goods (sewing machines, electric fans, diesel engines, dry batteries and bicycles) amounted to Rs. 1,79 lakhs in 1960-61, Rs. 2,04 lakhs in 1961-62, Rs. 2,20 lakhs in 1962-63, Rs. 2,29 lakhs in 1963-64, Rs. 3,77 lakhs in 1964-65 and Rs. 4,40 lakhs in 1965-66. (*f*) Include miscellaneous commodities but exclude value of articles under reference (1965-66).

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 72—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
Africa						
U.A.R.	7,17	8,59	8,89	9,64	6,90	7,82
Sudan	2,66	3,15	2,20	1,81	1,56	1,46
North America						
Canada	4,42	3,71	3,50	3,19	3,45	2,16
U.S.A.	5,27	6,34	6,33	5,76	5,28	3,38
Latin America						
Chile	34	35	18	5	5	3
E. C. A. F. E. Countries						
Afghanistan	87	79	1,06	1,28	1,27	1,50
Australia	1,05	1,23	2,45	1,92	2,75	1,88
Iran	3,23	2,62	3,78	2,10	1,81	2,51
New Zealand	36	28	32	20	27	17
Other Asian and Oceanian Countries and Antarctic and Arctic Regions						
Bahrein	27	22	15	16	20	21
Iraq	1,14	1,30	1,26	1,44	63	1,02
Jordan	37	58	26	46	63	54
Kuwait	46	54	45	47	26	31
Qatar and Trucial Oman	53	61	38	45	79	97
East European Countries						
Bulgaria	—	7	—	16	43	15
Czechoslovakia	—	5	10	67	29	22
German Democratic Republic	2	12	14	19	35	37
Poland	—	11	45	69	43	88
U.S.S.R.	7,95	8,70	10,62	10,72	15,42	12,36
European Common Market Countries						
Federal Republic of Germany	1,31	1,14	1,32	1,26	1,66	1,31
Netherlands	80	95	1,84	1,79	1,85	1,52
European Free Trade Area Countries						
U.K.	77,53	73,36	75,64	70,38	72,70	55,28
Other European Countries						
Irish Republic	4,07	3,47	4,59	4,32	3,09	3,98
Turkey	1,53	2,19	1,22	43	—	3
Other Countries	1,26	93	1,09	2,68	1,44	2,62
Total	**1,22,61**	**1,21,40**	**1,28,22**	**1,22,22**	**1,23,51**	**1,02,68**

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 73—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
North America						
Canada	69	74	60	69	94	90
U.S.A.	12,54	10,55	10,87	11,93	14,67	14,74
E. C. A. F. E. Countries						
Australia	60	65	68	72	1,07	82
Japan	8	11	15	19	28	27
Hongkong	15	18	15	18	23	24
East European Countries						
German Democratic Republic	20	70	1,51	1,23	1,52	1,32
U.S.S.R.	2,25	2,79	2,14	3,38	6,89	6,34
European Common Market Countries						
Federal Republic of Germany	35	44	44	55	30	30
France	3	6	22	12	23	23
Netherlands	11	19	22	19	28	27
European Free Trade Area Countries						
U.K.	1,34	1,26	94	1,07	1,74	1,23
Other Countries	57	50	1,44	1,16	88	74
Total	**18,91**	**18,17**	**19,36**	**21,41**	**29,03**	**27,40**

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 74—EXPORTS OF TOBACCO (UNMANUFACTURED) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
Africa						
U.A.R.	25	—	8	—	27	39
E. C.A. F. E. Countries						
Japan	—	12	11	54	1,18	39
Malaysia (*a*)	35	58	36	50	34	43
Nepal	—	—	—	—	36	15
Other Asian and Oceanian Countries and Antarctic and Arctic Regions						
Aden	49	51	35	50	70	76
East European Countries						
U.S.S.R.	68	1,10	3,32	4,86	8,62	5,79
German Democratic Republic	—	1	1,18	72	58	57
Yugoslavia	—	2	99	1,34	47	—
Poland	—	27	34	1,03	5	9
European Common Market Countries						
Belgium	31	33	34	46	37	44
Netherlands	24	26	29	35	23	29
European Free Trade Area Countries						
U.K.	10,87	9,85	9,62	9,75	9,90	9,36
Other Countries	1,42	99	1,01	96	1,06	92
Total (*b*)	**14,61**	**14,04**	**17,99**	**21,01**	**24,13**	**19,58**

(*a*) Figures upto 1964-65 relate to Malaya and Singapore.

(*b*) Total figures in this statement may not tally with those for this item shown in Statement 71—'India's Exports of Principal Commodities', as the latter takes into account the revisions carried out by the D.G.C.I. & S.

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 75—EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
Gunny Bags						
Africa						
U.A.R.	4,32	1,97	2,05	1,48	5,60	11,39
Kenya	66	78	54	37	61	47
Other East African countries (*a*)	58	72	24	14	44	31
Nigeria	1,73	3,65	3,25	50	1,37	38
Sudan	1,40	3,47	2,50	2,44	2,04	2,34
Tanganyika	34	42	66	39	30	43
Rhodesia, Malawi, Zambia	37(*b*)	1,25(*b*)	58(*b*)	18(*b*)	1,22(*b*)	26 / — / 18
North America						
U.S.A.	4,82	7,33	4,84	4,85	5,77	8,02
Latin America						
Chile	1,05	1,40	1,05	1,06	91	1,06
Cuba	7,13	4,73	3,21	3,91	1,65	29
Peru	1,40	81	1,14	66	93	98
E.C.A.F.E. Countries						
Burma	77	1,22	99	20	2,83	82
Cambodia	77	94	83	78	1,85	91
Hongkong	60	13	3	3	4	17
Indonesia	1,24	3,37	3,23	1,69	11	40
Iran	5	18	31	27	60	9
Philippines	64	22	17	26	27	9
Thailand	2,34	1,60	1,05	21	1,43	—
Australia	9,11	5,30	5,08	3,86	5,84	4,39
New Zealand	1,81	2,22	1,33	1,50	1,37	2,09
Other Asian And Oceanian Countries And Antarctic And Arctic Regions						
Iraq	7	23	30	8	25	34
East European Countries						
Czechoslovakia	—	42	48	34	58	63
U.S.S.R.	2,09	4,00	3,65	7,87	13,76	19,19
European Common Market Countries						
Federal Republic of Germany	71	72	64	1,25	43	77
Belgium	1,17	96	57	41	42	42
Netherlands	38	30	99	85	23	31
European Free Trade Area Countries						
U.K.	2,00	2,07	1,15	1,23	1,55	73
Other European Countries						
Turkey	38	12	1,14	60	19	19
Other Countries	9,37	10,37	9,35	9,96	7,14	8,80
Total (*c*)	**57,30**	**60,90**	**51,35**	**47,37**	**59,73**	**66,45**
Gunny Cloth						
Africa						
Rhodesia, Malawi, Zambia	38	41	38	36	45	28 / — / 7
U.A.R.	62	97	71	40	51	1,07
North America						
Canada	7,42	7,65	8,94	9,53	8,31	9,96
U.S.A.	39,74	43,94	55,56	60,36	60,93	63,69
Latin America						
Argentina	4,34	4,77	8,38	9,86	7,29	4,08
Uruguay	34	44	75	59	1,00	84
E.C.A.F.E. Countries						
Australia	3,18	3,11	3,68	3,82	3,90	4,47
New Zealand	84	69	72	84	80	1,02
Iran	52	64	87	70	65	1,02
East European Countries						
Czechoslovakia	7	55	32	49	81	74
Hungary	43	74	41	15	40	12
U.S.S.R.	1,58	1,66	1,89	3,88	4,07	6,23
Yugoslavia	17	95	57	13	47	50
European Common Market Countries						
Federal Republic of Germany	1,74	1,59	86	58	28	32
European Free Trade Area Countries						
U.K.	6,22	4,86	5,80	5,29	5,16	6,85
Other European Countries						
Turkey	95	1,10	2,56	1,31	85	79
Other Countries	5,53	5,28	8,14	7,16	5,94	6,87
Total (*c*)	**74,07**	**79,35**	**1,00,54**	**1,05,45**	**1,01,82**	**1,08,92**

(*a*) Data upto 1964-65 relate to Mozambique. (*b*) Relating to Rhodesia and Niasaland Federation. (*c*) Total figures in this statement may not tally with figures for the item 'Jute manufactures' shown in Statement 71 — 'India's Exports of Principal Commodities' owing to slight difference in coverage.

Source: Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 76—EXPORTS OF SUGAR (*a*) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
North America						
Canada	—	54	4,76	3,03	34	1,37
U.S.A	—	10,97	4,06	10,34	6,08	4,52
E.C.A.F.E. Countries						
Ceylon	67	8	53	21	17	19
Hongkong	—	—	58	—	66	11
Japan	15	28	1,33	4,65	4,64	6
South Vietnam	—	—	34	92	1,39	27
Nepal	—	—	—	—	57	54
Malayasia (*b*)	1,75	2,84	3,17	5,69	1,21	1,42
Other Asian and Oceanian Countries and Antarctic and Arctic Regions						
Aden	36	1	30	—	—	1
European Common Market Countries						
Italy	—	—	—	—	1,37	—
European Free Trade Area Countries						
U.K.	3	—	91	64	1,77	3,08
Other Countries	38	62	2,05	1,39	1	27
Total (*c*)	**3,34**	**15,34**	**18,03**	**26,87**	**18,21**	**11,84**

(*a*) Comprises refined and unrefined beet sugar and cane, inedible and edible molasses and other sugars and syrups not elsewhere stated. (*b*) Figures upto 1964-65 relate to Malaya and Singapore. (*c*) Total figures in this statement may not tally with those for this item shown in Statement 7I—'India's Exports of Principal Commodities' as the latter takes into account the revisions carried out by the D.G.C.I. & S.

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 77—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
E.C.A.F.E. Countries						
Japan	—	14	41	2,67	1,16	54
East European Countries						
Bulgaria	—	12	1	45	62	42
Czechoslovakia	9	9	1,31	2,81	4,41	3,54
German Democratic Republic	63	1,13	1,94	2,85	4,43	4,22
Hungary	1	1,46	3,74	3,95	4,22	3,15
Poland	1,32	84	3,59	3,88	5,91	4,47
U.S.S.R.	—	—	—	17	1,66	3,02
Yugoslavia	29	28	1,36	1,74	2,46	76
European Common Market Countries						
France	—	1	81	42	43	—
Federal Republic of Germany	76	58	1,48	91	65	80
European Free Trade Area Countries						
U.K.	10,77	12,27	15,84	13,37	13,10	12,96
Other Countries	43	39	1,30	2,15	71	76
Total	**14,30**	**17,32**	**31,79**	**35,37**	**39,76**	**34,64**

Source : Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 78—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6
Africa						
Kenya	2,40	2,44	2,07	1,58	1,45	1,71
Nigeria	1,64	1,05	72	73	1,01	1,61
Sudan	4,25	2,72	2,95	1,65	1,22	2,01
Tanganyika	1,37	1,67	1,19	1,21	1,30	2,56
North America						
Canada	1,45	1,66	1,68	1,58	1,15	1,67
U. S. A.	1,73	1,35	6,04	3,46	8,15	6,30
E. C. A. F. E. Countries						
Afghanistan	2,16	1,15	1,73	1,39	1,56	1,40
Burma	1,47	72	91	81	9	31
Ceylon	3,04	3,11	1,67	3,88	2,08	1,42
Indonesia	1,02	2,00	25	11	88	—
Australia	4,45	2,61	3,19	2,85	2,66	1,99
New Zealand	1,20	1,13	1,43	1,50	1,35	1,50
Malayasia(*a*)	3,85	3,35	2,64	3,41	2,29	2,09
Other Asian and Oceanian Countries and Antarctic and Arctic Regions						
Aden	2,25	2,24	1,47	1,37	1,66	1,66
East European Countries						
U. S. S. R.		3	22	16	1,09	4,39
European Common Market Countries						
France	—	3	21	70	65	23
Netherlands	55	21	7	2	6	21
Federal Republic of Germany	49	28	30	42	35	90
European Free Trade Area Countries						
U. K.	15,27	11,42	11,03	15,40	15,22	13,43
Other Countries	8,77	9,06	6,44	7,00	8,91	16,63
Total(*b*)	**57,36**	**48,23**	**46,21**	**49,23**	**52,83**	**62,01**

(*a*) Figures upto 1964-65 relate to Malaya and Singapore. (*b*) Total figures in this statement will not tally with the figures for the item 'Cotton Textiles' shown in Statement 71 — 'India's Exports of Principal Commodities' owing to slight differences in coverage.

Source: Monthly Statistics of the Foreign Trade of India issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 79—INDEX NUMBERS OF EXPORTS

(1958=100)

Commodity head	UNIT VALUE						VOLUME					
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**106**	**102**	**101**	**106**	**111**	**111**	**97**	**109**	**121**	**122**	**122**	**113**
1. Fish and fish preparations	101	91	121	123	125	155	79	74	58	80	94	73
2. Fruits and vegetables	108	109	101	107	130	128	114	111	126	131	134	123
3. Coffee	77	67	83	77	95	101	131	187	128	150	196	178
4. Tea and mate	104	100	99	90	99	98	87	90	96	91	94	86
5. Spices	149	125	111	120	140	177	126	159	141	149	136	148
6. Oilseed cake	108	113	121	123	134	139	178	206	353	386	386	335
II. Beverages and Tobacco	**114**	**112**	**97**	**109**	**100**	**112**	**85**	**82**	**119**	**122**	**159**	**119**
III. Crude Materials, Inedible except Fuels	**103**	**104**	**103**	**89**	**87**	**87**	**106**	**111**	**105**	**142**	**155**	**150**
7. Hides and skins, undressed	143	127	126	128	127	112	95	95	119	107	98	120
8. Wool and other animal hair	105	104	106	113	115	104	79	95	67	70	82	75
9. Raw cotton, other than linters	109	111	99	98	102	126	50	85	81	81	68	54
10. Cotton, waste		116	109	99	95	88		86	74	79	64	51
11. Crude minerals excluding coal, petroleum, etc.	100	99	98	98	104	107	108	105	108	96	101	108
12. Metalliferous ores and metal scrap	92	96	89	71	69	68	140	125	118	237	286	288
13. Animal and vegetable crude materials	103	104	115	113	120	133	116	113	95	104	107	103
IV. Mineral Fuels and Lubricants, etc.	**93**	**92**	**84**	**83**	**98**	**100**	**82**	**66**	**85**	**96**	**134**	**96**
14. Coal and coke	96	90	87	90	116	137	62	48	58	45	70	37
V. Animal and Vegetable Oils and Fats	**96**	**92**	**91**	**91**	**119**	**138**	**124**	**86**	**183**	**272**	**76**	**40**
VI. Chemicals	**172**	**204**	**175**	**157**	**130**	**152**	**94**	**87**	**102**	**94**	**171**	**171**
VII. Manufactured Goods Classified Chiefly by Materials	**118**	**118**	**114**	**113**	**116**	**129**	**102**	**105**	**109**	**121**	**137**	**122**
15. Leather and manufactures thereof	121	113	110	114	112	115	112	123	112	126	133	134
16. Textile yarn and thread	114	132	132	125	128	126	82	88	96	111	93	99
17. Cotton fabrics of standard type	115	114	109	112	123	103	108	91	92	95	103	132
18. Fabrics of jute	130	136	139	138	131	154	97	99	123	130	142	121
19. Fabrics of synthetic fibre and spun glass	32	27	33	36	34	30	187	269	334	383	254	213
20. Bags and sacks for packing	131	143	120	112	119	148	104	101	101	101	139	108
21. Floor coverings	107	121	125	122	124	133	97	79	77	93	93	76
VIII. Machinery and Transport Equipment	**91**	**88**	**74**	**90**	**76**	**73**	**239**	**263**	**351**	**358**	**676**	**845**
IX. Miscellaneous Manufactured Articles	**109**	**104**	**101**	**124**	**126**	**136**	**126**	**115**	**130**	**168**	**172**	**187**
GENERAL	**110**	**109**	**106**	**105**	**107**	**113**	**100**	**105**	**112**	**126**	**135**	**124**
TERMS OF TRADE	**115**	**111**	**113**	**108**	**108**	**109**	**128**	**115**	**117**	**107**	**108**	**124**

Source : Department of Commercial Intelligence and Statistics.

STATEMENT 80—INDEX NUMBERS OF IMPORTS

(1958=100)

Commodity head	UNIT VALUE						VOLUME					
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**95**	**90**	**88**	**88**	**100**	**94**	**104**	**79**	**97**	**104**	**139**	**203**
1. Dairy products, eggs and honey	80	58	62	47	57	61	106	225	201	251	261	170
2. Cereals and cereal preparations	91	91	87	88	99	93	107	71	90	99	141	223
3. Fruits and vegetables	127	114	117	128	135	146	92	73	89	83	110	89
II. Beverages and Tobacco	**98**	**104**	**114**	**127**	**118**	**93**	**41**	**77**	**74**	**43**	**33**	**31**
III. Crude Materials, Inedible except Fuels	**90**	**94**	**93**	**96**	**110**	**122**	**123**	**172**	**170**	**159**	**142**	**124**
4. Copra	110	99	103	97	99	125	101	91	93	87	62	48
5. Wool and other animal hair	93	91	92	93	117	95	101	121	119	153	74	49
6. Raw cotton other than linters	82	89	88	96	110	117	326	230	211	167	173	129
7. Crude fertilisers	91	92	96	91	95	144	154	173	187	219	248	182
IV. Mineral Fuels and Lubricants, etc.	**96**	**99**	**86**	**81**	**78**	**75**	**95**	**128**	**135**	**170**	**116**	**120**
8. Petroleum crude, etc.	89	80	83	77	77	75	63	146	100	166	98	128
9. Petroleum products	100	124	88	85	79	76	124	108	165	173	132	111
V. Animal and Vegetable Oils and Fat	**98**	**95**	**86**	**89**	**97**	**112**	**107**	**204**	**149**	**124**	**132**	**312**
VI. Chemicals	**91**	**82**	**63**	**55**	**57**	**62**	**145**	**166**	**244**	**246**	**244**	**259**
10. Chemical elements and compounds	95	86	80	74	77	85	144	144	166	152	159	148
11. Dyeing, tanning and colouring materials	103	100	109	86	77	86	143	165	127	107	137	87
12. Fertilisers manufactured	72	58	43	40	40	52	180	250	772	837	773	911
VII. Manufactured Goods classified chiefly by Materials	**101**	**100**	**98**	**98**	**98**	**103**	**122**	**114**	**109**	**107**	**121**	**112**
13. Paper, paperboard, etc.	95	92	95	88	88	92	150	206	170	163	180	176
14. Textile yarn and thread	93	83	72	65	62	48	111	115	130	118	148	89
15. Iron and steel	96	98	94	94	90	94	128	106	94	98	122	106
16. Copper	133	124	128	137	157	212	122	139	146	144	115	116
17. Aluminium	99	98	89	78	97	97	129	135	197	136	124	108
18. Zinc	126	108	101	115	158	160	119	112	146	140	117	131
19. Manufactures of metals	118	120	144	138	126	149	90	73	67	59	68	63
VIII. Machinery and Transport Equipment	**98**	**105**	**111**	**128**	**118**	**135**	**134**	**134**	**135**	**133**	**161**	**146**
20. Machinery other than electric	99	105	107	127	116	136	145	158	165	156	195	175
21. Electric machinery, etc.	93	152	141	191	207	143	123	85	90	89	87	124
22. Transport equipment	98	90	116	108	106	128	119	101	91	95	107	92
IX. Miscellaneous Manufactured Articles	**96**	**104**	**101**	**101**	**113**	**122**	**102**	**114**	**146**	**206**	**115**	**90**
GENERAL	**96**	**98**	**94**	**97**	**99**	**104**	**128**	**121**	**131**	**135**	**146**	**154**

Source : Department of Commercial Intelligence and Statistics.

STATEMENT 81—STERLING TRANSACTIONS OF THE RESERVE BANK OF INDIA(*a*)

Year/Month	Purchases(*b*)		Sales(*c*)		Net Purchases (+)/Sales(—)	
	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)
	1	2	3	4	5	6
1950-51	218,049	290,73	88,822	118,53	+129,227	+172,20
1955-56	107,245	143,01	68,404	91,29	+38,841	+51,72
1960-61	31,310	41,74	62,112	82,88	—30,802	—41,14
1961-62	38,509	51,35	78,874	105,26	—40,365	—53,91
1962-63	58,345	77,79	73,746	98,42	—15,401	—20,63
1963-64	71,363	95,15	22,034	29,41	+49,329	+65,74
1964-65	41,180	54,91	68,627	91,59	—27,447	—36,68
1965-66	122,183	162,91	81,972	109,41	+40,211	+53,50
March 1965	7,075	9,43	3,620	4,83	+3,455	+4,60
April „	3,220	4,29	14,001	18,68	—10,781	—14,39
May „	4,800	6,40	11,127	14,85	—6,327	—8,45
June „	3,670	4,89	15,584	20,79	—11,914	—15,90
July „	3,041	4,05	16,427	21,92	—13,386	—17,87
August „	5,485	7,31	3,218	4,29	+2,267	+3,02
September „	12,150	16,20	5,746	7,67	+6,404	+8,53
October „	3,724	4,97	1,156	1,54	+2,568	+3,43
November „	10,199	13,60	4,136	5,52	+6,063	+8,08
December „	10,911	14,54	2,357	3,14	+8,554	+11,40
January 1966	21,072	28,10	3,555	4,74	+17,517	+23,36
February „	16,482	21,98	2,039	2,72	+14,443	+19,26
March „	27,429	36,57	2,626	3,50	+24,803	+33,07

(*a*) Cover only the transactions with the authorised dealers in India.
(*b*) Cover spot purchases and purchases against forward contracts.
(*c*) Cover spot sales and deliveries against forward sale contracts.

STATEMENT 82—EXTERNAL ASSISTANCE : AUTHORISED AND UTILISED

(Crores of Rupees)

	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (1—2)	Aid authorised during the Second Plan	Total available for utilisation after 31st March 1956 (3+4)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (5—6)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (7+8)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (9—10)
	1	2	3	4	5	6	7	8	9	10	11
I. Loans											
A. Repayable in Foreign Currencies											
(1) From International Institutions	**57.2**	**33.8**	**23.4**	**261.2**	**284.6**	**222.8**	**61.8**	**423.1**	**484.9**	**324.9**	**160.0**
(i) I.B.R.D.	**57.2**	**33.8**	**23.4**	**261.2**	**284.6**	**222.8**	**61.8**	**144.5**	**206.3**	**123.4**	**82.9**
(ii) I.D.A.	—	—	—	—	—	—	—	**278.6**	**278.6**	**201.5**	**77.1**
(2) From Foreign Countries											
(i) U.S.A. ..	**90.3**	**90.3**	—	**108.5**	**108.5**	**36.8**	**71.7**	**791.7**	**863.4**	**639.5**	**223.9**
(1) Wheat loan of 1951 ..	90.3	90.3	—	—	—	—	—	—	—	—	—
(2) Eximbank loans for import of machinery and capital goods	—	—	—	102.6*	102.6	30.9	71.7	92.4	164.1	130.5	33.6
(3) U.S. banks' loans to Air India	—	—	—	5.9	5.9	5.9	—	17.5	17.5	9.8	7.7
(4) A.I.D. loans	—	—	—	—	—	—	—	679.3	679.3	498.1	181.2
(5) Boeing Company's loans to Air India	—	—	—	—	—	—	—	2.5	2.5	1.1	1.4
(ii) Canada	—	—	—	**15.7**	**15.7**	**15.7**	—	**31.0**	**31.0**	**11.6**	**19.4**
(1) Wheat loans	—	—	—	15.7	15.7	15.7	—	—	—	—	—
(2) Candu Atomic Power Project	—	—	—	—	—	—	—	16.3	16.3	1.7	14.6
(3) Rana Pratap Sagar Hydro-electric Project ..	—	—	—	—	—	—	—	3.5	3.5	3.2	0.3
(4) Indian Aluminium Company Extension-I ..	—	—	—	—	—	—	—	0.4	0.4	0.4	—
(5) Diesel Locos for Indian Railways	—	—	—	—	—	—	—	3.4	3.4	3.4	—
(6) Binani Zinc Smelter ..	—	—	—	—	—	—	—	0.7	0.7	0.6	0.1
(7) Indian Aluminium Co. Extension-II	—	—	—	—	—	—	—	0.4	0.4	0.3	0.1
(8) Wind Tunnel Project ..	—	—	—	—	—	—	—	1.9	1.9	1.2	0.7
(9) Amco Furnace for Durgapur Alloy Steel Project	—	—	—	—	—	—	—	0.9	0.9	0.4	0.5
(10) Kotah Hydro-electric Project	—	—	—	—	—	—	—	3.5	3.5	0.4	3.1

(iii) U.K.	—	—	—	**122.6**	**122.6**	**121.8**	**0.8**	**242.0**	**242.8**	**170.4**	**72.4**
(1) Lazard Bros.' Credit (Durgapur)	—	—	—	15.3	15.3	15.3	—	—	—	—	—
(2) Credit of June 1958 (Durgapur)	—	—	—	20.0	20.0	20.0	—	—	—	—	—
(3) Credit of December 1958 ..	—	—	—	38.0	38.0	38.0	—	—	—	—	—
(4) Credit of June 1959 (Oil pipeline)	—	—	—	4.0	4.0	3.2	0.8	—	0.8	0.8	—
(5) General credit of November 1959	—	—	—	25.3	25.3	25.3	—	—	—	—	—
(6) General credit of August 1960	—	—	—	13.3	13.3	13.3	—	—	—	—	—
(7) General credit of December 1960	—	—	—	6.7	6.7	6.7	—	—	—	—	—
(8) General credit of May 1961	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(9) Credit of May 1961 (Third Plan)	—	—	—	—	—	—	—	40.0	40.0	37.3	2.7
(10) General credit of November 1961	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(11) General credit of May 1962 ..	—	—	—	—	—	—	—	13.3	13.3	10.4	2.9
(12) Credit of May 1962 (Durgapur Extension)	—	—	—	—	—	—	—	29.3	29.3	15.5	13.8
(13) General credit of September 1962	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(14) Credit of September 1962 (Third Plan)	—	—	—	—	—	—	—	17.3	17.3	9.8	7.5
(15) Credit of April 1963 (Steel)	—	—	—	—	—	—	—	4.7	4.7	4.3	0.4
(16) General credit of August 1963	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(17) General credit of October 1963 (Kipping Loan—I) ..	—	—	—	—	—	—	—	5.3	5.3	2.2	3.1
(18) General credit of March 1964	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(19) Credit of March 1964 (Bhopal)	—	—	—	—	—	—	—	3.3	3.3	1.3	2.0
(20) Credit of March 1964 (Third Plan)	—	—	—	—	—	—	—	6.7	6.7	1.7	5.0
(21) General credit of July 1964	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(22) Second credit of September 1964 (Third Plan)	—	—	—	—	—	—	—	2.0	2.0	—	2.0
(23) Third credit of September 1964 (Third Plan)	—	—	—	—	—	—	—	2.0	2.0	—	2.0
(24) Fourth credit of September 1964 (Third Plan)	—	—	—	—	—	—	—	1.4	1.4	—	1.4
(25) Fifth credit of September 1964 (Third Plan)	—	—	—	—	—	—	—	1.7	1.7	0.4	1.3
(26) Sixth credit of September 1964 (Third Plan)	—	—	—	—	—	—	—	4.3	4.3	—	4.3

STATEMENT 82—EXTERNAL ASSISTANCE: AUTHORISED AND UTILISED—(*Contd.*)

(Crores of Rupees)

	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (1—2)	Aid authorised during the Second Plan	Total available for utilisation after 31st March 1956 (3+4)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (5—6)	Aid authorised during the Third Plan	Total available for utilisation after March (7+8) 1961	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (9—10)
	1	2	3	4	5	6	7	8	9	10	11
U.K. (*Contd.*)											
(27) Credit of September 1964 (Bhopal Loan—II)	—	—	—	—	—	—	—	2.7	2.7	0.2	2.5
(28) General credit of September 1964 (Kipping Loan—II) ..	—	—	—	—	—	—	—	5.3	5.3	—	5.3
(29) General credit of January 1965	—	—	—	—	—	—	—	6·7	6.7	6.2	0·5
(30) Credit of January 1965 (Third Plan)	—	—	—	—	—	—	—	0.7	0.7	0.2	0.5
(31) General credit of June 1965	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(32) General credit of October 1965	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(33) General credit of December 1965 (Kipping Loan—III) ..	—	—	—	—	—	—	—	5.3	5.3	0.1	5.2
(34) Food Emergency Loan of February 1966	—	—	—	—	—	—	—	10.0	10.0	—	10.0
(iv) West Germany	—	—	—	**134.2**	**134.2**	**120.0**	**14.2**	**308.1**	**322.3**	**219.7**	**102.6**
(1) Credit of February 1958 (Rourkela)	—	—	—	75.5@	75.5	61.3	14.2@	—	14.2	13.3	0.9
(2) DM 168 million credit of Jan. 1959	—	—	—	19.1	19.1	19.1	—	—	—	—	—
(3) DM 125.1 million credit of May 1960	—	—	—	14.2	14.2	14.2	—	—	—	—	—
(4) DM 125.1 million credit of Nov. 1960	—	—	—	14.2	14.2	14.2	—	—	—	—	—
(5) DM 98 million credit of Jan. 1961 (Refinancing) ..	—	—	—	11.2	11.2	11.2	—	—	—	—	—
(6) DM 230 million credit of April 1961 (Refinancing) ..	—	—	—	—	—	—	—	27.4	27.4	27.4	—
(7) DM 100 million credit of April 1961	—	—	—	—	—	—	—	11.9	11.9	11.9	—
(8) DM 170 million credit of Sept. 1961	—	—	—	—	—	—	—	20.2	20.2	20.2	—
(9) DM 85 million credit of May 1962 (Refinancing)	—	—	—	—	—	—	—	10.1	10.1	10.1	—
(10) DM 100 million credit of June 1962	—	—	—	—	—	—	—	11.9	11.9	11.9	—
(11) DM 370 million credit of Dec. 1962	—	—	—	—	—	—	—	44.1	44.1	40.1	4.0
(12) DM 61.4 million credit of April 1963 (Refinancing) ..	—	—	—	—	—	—	—	7.3	7.3	7.3	—

(13) DM 400 million credit of April 1963 (Rourkela Expansion)	—	—	—	—	—	—	—	47.6	47.6	33.1	14.5
(14) DM 336.6 million credit of November 1963	—	—	—	—	—	—	—	40.1	40.1	17.9	22.2
(15) DM 380 million credit of Sept. 1964	—	—	—	—	—	—	—	45.2	45.2	15.3	29.9
(16) DM 343.6 million credit of Dec. 1965	—	—	—	—	—	—	—	40.9	40.9	11.2	29.7
(17) DM 12 million credit of March 1966	—	—	—	—	—	—	—	1.4	1.4	—	1.4
(v) Japan	—	—	—	**26.8**	**26.8**	**16.0**	**10.8**	**138.1**	**148.9**	**88.2**	**60.7**
(1) 18 billion yen credit of Feb. 1958	—	—	—	23.0	23.0	16.0	7.0	—	7.0	7.0	—
(2) Loan for Orissa Iron Ore Project	—	—	—	3.8	3.8	—	3.8	—	3.8	2.0	1.8
(3) 34.2 billion yen credit as amended in May 1963	—	—	—	—	—	—	—	45.2	45.2	45.1	0.1
(4) Suppliers' credit for textile machinery (1962)	—	—	—	—	—	—	—	4.8	4.8	4.8	—
(5) 23.4 billion yen credit of Oct. 1963	—	—	—	—	—	—	—	30.9	30.9	21.0	9.9
(6) 21.6 billion yen credit of Sept. 1964	—	—	—	—	—	—	—	28.6	28.6	6.3	22.3
(7) 21.6 billion yen credit of June 1965	—	—	—	—	—	—	—	28.6	28.6	2.0	26.6
(vi) U.S.S.R.	**64.8**	—	**64.8**	**319.0**	**383.8**	**74.8**	**309.0**	**100.5**	**409.5**	**207.3**	**202.2**
(1) Credit for Bhilai Steel Plant	64.8	—	64.8	—	64.8	64.5	0.3	—	0.3	0.3	—
(2) Credit for industrial enterprises	—	—	—	59.5	59.5	8.1	51.4	—	51.4	36.4	15.0
(3) Credit for manufacture of drugs	—	—	—	9.5	9.5	—	9.5	—	9.5	9.4	0.1
(4) Credit for Barauni Oil Refinery	—	—	—	11.9	11.9	0.4	11.5	—	11.5	10.9	0.6
(5) Credit for Third Plan—I	—	—	—	178.6†	178.6	1.8	176.8	—	176.8	131.8	45.0
(6) Credit for Third Plan—II	—	—	—	59.5†	59.5	—	59.5	—	59.5	18.5	41.0
(7) Credit for Bokaro Steel Plant	—	—	—	—	—	—	—	100.5	100.5	—	100.5
(vii) Switzerland	—	—	—	**6.5**	**6.5**	—	**6.5**	**18.0**	**24.5**	**6.0**	**18.5**
(1) Credit for Third Plan—I	—	—	—	6.5	6.5	—	6.5	—	6.5	3.0	3.5
(2) Credit for Third Plan—II	—	—	—	—	—	—	—	10.4	10.4	3.0	7.4
(3) Credit for Third Plan—III	—	—	—	—	—	—	—	7.6	7.6	—	7.6
(viii) France	—	—	—	—	—	—	—	**57.1**	**57.1**	**21.0**	**36.1**
(1) Credit for Third Plan—I	—	—	—	—	—	—	—	14.3	14.3		
(2) Credit for Third Plan—II	—	—	—	—	—	—	—	9.5	9.5		
(3) Credit for Third Plan—III	—	—	—	—	—	—	—	9.5	9.5	20.9	21.9
(4) Credit for Third Plan—IV	—	—	—	—	—	—	—	9.5	9.5		
(5) Credit to I.F.C.	—	—	—	—	—	—	—	4.8	4.8	0.1	4.7
(6) Credit for Third Plan—V	—	—	—	—	—	—	—	9.5	9.5	—	9.5

STATEMENT 82—EXTERNAL ASSISTANCE: AUTHORISED AND UTILISED—(*Concld.*)

(Crores of Rupees)

	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (1—2)	Aid authorised during the Second Plan	Total available for utilisation after 31st March 1956 (3+4)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (5—6)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (7+8)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (9—10)
	1	2	3	4	5	6	7	8	9	10	11
(ix) Italy	—	—	—	—	—	—	—	**81.3**	**81.3**	**11.6**	**69.7**
(1) E.N.I. credit of $45 million (August 1961)	—	—	—	—	—	—	—	21.4	21.4	7.9	13.5
(2) Montecatini credit for Aluminium Plant	—	—	—	—	—	—	—	4.2	4.2	3.7	0.5
(3) Suppliers' credit of $45 million (1963-64)	—	—	—	—	—	—	—	21.4	21.4	—	21.4
(4) Suppliers' credit of $36 million (1964-65)	—	—	—	—	—	—	—	17.2	17.2	—	17.2
(5) Suppliers' credit of $36 million (1965-66)	—	—	—	—	—	—	—	17.1	17.1	—	17.1
(x) Poland	—	—	—	**14.3**	**14.3**	—	**14.3**	**27.0**	**41.3**	**11.4**	**29.9**
(1) Credit of May 1960	—	—	—	14.3	14.3	—	14.3	1.0	15.3	11.0	4.3
(2) Credit of November 1962	—	—	—	—	—	—	—	15.5	15.5	0.4	15.1
(3) Credit of January 1965	—	—	—	—	—	—	—	10.5	10.5	—	10.5
(xi) Yugoslavia	—	—	—	**19.0†**	**19.0**	—	**19.0**	**2.4**	**21.4**	**9.7**	**11.7**
(xii) Czechoslovakia	—	—	—	**23.1†**	**23.1**	—	**23.1**	**40.0**	**63.1**	**12.6**	**50.5**
(1) First Credit of November 1959 (Third Plan)	—	—	—	23.1	23.1	—	23.1	—	23.1	12.6	10.5
(2) Second credit of May 1964 (Third Plan)	—	—	—	—	—	—	—	40.0	40.0	—	40.0
(xiii) Austria	—	—	—	—	—	—	—	**8.5**	**8.5**	**4.7**	**3.8**
(1) Credit for capital goods—I	—	—	—	—	—	—	—	2.4	2.4	2.2	0.2
(2) Credit for capital goods—II	—	—	—	—	—	—	—	1.8	1.8	1.4	0.4
(3) Credit for capital goods—III	—	—	—	—	—	—	—	1.9	1.9	1.1	0.8
(4) Credit for capital goods—IV	—	—	—	—	—	—	—	1.9	1.9	—	1.9
(5) Suppliers' credit	—	—	—	—	—	—	—	0.5	0.5	—	0.5
(xiv) Belgium	—	—	—	—	—	—	—	**11.4**	**11.4**	**4.9**	**6.5**
(1) Suppliers' credit—I	—	—	—	—	—	—	—	4.8	4.8	4.8	—
(2) Suppliers' credit—II	—	—	—	—	—	—	—	4.7	4.7	0.1	4.6
(3) Suppliers' credit—III	—	—	—	—	—	—	—	1.9	1.9	—	1.9
(xv) Netherlands	—	—	—	—	—	—	—	**21.9**	**21.9**	**9.5**	**12.4**
(1) General purpose loan	—	—	—	—	—	—	—	14.5	14.5	9.5	5.0
(2) Financial (Export) credit	—	—	—	—	—	—	—	7.4	7.4	—	7.4
(xvi) Sweden	—	—	—	—	—	—	—	**2.2**	**2.2**	—	**2.2**
(xvii) Denmark Second Danish credit	—	—	—	—	—	—	—	**1.4**	**1.4**	—	**1.4**
Total A	**212.3**	**124.1**	**88.2**	**1050.9**	**1139.1**	**607.9**	**531.2**	**2305.7**	**2836.9**	**1753.0**	**1083.9**

B. Repayable in rupees											
(i) Denmark											
First Danish credit	—	—	—	—	—	—	—	**1.0**	**1.0**	**0.6**	**0.4**
(ii) U.S.A.	**14.6**	**2.3**	**12.3**	**230.4**	**242.7**	**116.8**	**125.9**	**48.6**	**174.5**	**155.8**	**18.7**
(1) Loans from D.L.F.	—	—	—	194.1	194.1	76.9	117.2	48.6	165.8	147.4	18.4
(2) Asian Economic Development Fund credit for Orissa Iron Ore Project	—	—	—	8.7	8.7	—	8.7	—	8.7	8.4	0.3
(3) Loans under T.C.A. (excluding P.L. 665)	14.6	2.3	12.3	27.6	39.9	39.9	—	—	—	—	—
Total B	**14.6**	**2.3**	**12.3**	**230.4**	**242.7**	**116.8**	**125.9**	**49.6**	**175.5**	**156.4**	**19.1**
Total—I (A+B)†† ..	**226.9**	**126.4**	**100.5**	**1281.3**	**1381.8**	**724.7**	**657.1**	**2355.3**	**3012.4**	**1909.4**	**1103.0**
II. Grants											
(i) U.S.A.@@	**91.8**	**44.3**	**47.5**	**54.6**	**102.1**	**85.6**	**16.5**	**20.0**	**36.5**	**30.7**	**5.8**
(1) T.C.A. (Excluding P.L. 665)	86.2	42.0	44.2	44.1	88.3	76.2	12.1	15.9	28.0	24.4‡	3.6
(2) Ford Foundation	5.6	2.3	3.3	10.5	13.8	9.4	4.4	4.1	8.5	6.3	2.2
(ii) Colombo Plan Countries ..	**45.5**	**25.2**	**20.3**	**61.4**	**81.7**	**71.0**	**10.7**	**58.6**	**69.3**	**53.6**	**15.7**
(1) Canada	32.3	19.7	12.6	57.1	69.7	60.3	9.4	55.1	64.5	50.5	14.0
(2) Australia	11.1	5.2	5.9	2.2	8.1	7.4	0.7	2.2	2.9	2.2	0.7
(3) New Zealand	1.7	0.3	1.4	1.7	3.1	2.9	0.2	0.7	0.9	0.4	0.5
(4) United Kingdom	0.4	—	0.4	0.4	0.8	0.4	0.4	0.6	1.0	0.5	0.5
(iii) West Germany	—	—	—	**2.1**	**2.1**	**0.6**	**1.5**	—	**1.5**	**1.4**	**0.1**
(iv) Norway	**0.7**	**0.7**	—	**1.9**	**1.9**	**1.9**	—	**2.0**	**2.0**	**2.0**	—
(v) U.S.S.R.	—	—	—	**1.2**	**1.2**	**1.2**	—	—	—	—	—
Total II††	**138.0**	**70.2**	**67.8**	**121.2**	**189.0**	**160.3**	**28.7**	**80.6**	**109.3**	**87.7**	**21.6**
III. Other Assitance											
(1) P.L. 480 imports	—	—	—	1113.0	1113.0	515.5	568.1†††	450.6	1018.7	853.0	107.6†††
(2) P.L. 665 imports	16.9	5.1	11.8	15.0	26.8	26.8	—	—	—	—	—
(3) Third country currency assistance from the U.S.A. ..	—	—	—	2.7	2.7	2.5	0.2	—	0.2	0.2	—
Total III	**16.9**	**5.1**	**11.8**	**1130.7**	**1142.5**	**544.8**	**568.3**	**450.6**	**1018.9**	**853.2**	**107.6**
Grand Total (I+II+III) ..	**381.8**	**201.7**	**180.1**	**2533.2**	**2713.3**	**1429.8**	**1254.1**	**2886.5**	**4140.6**	**2850.3**	**1232.2**

Notes : (1) The data presented here are not comparable with those incorporated in the balance of payments because of the differences in source, coverage etc.
(2) Assistance under P.L. 480 and P.L. 665 are shown here on a gross basis representing the rupees deposited against the value of goods received from time to time.

* Of this, Rs. 23.8 crores are earmarked for the use of projects included in the Third Plan.
@ Undisbursed amount in the case of West German Rourkela credit has been raised by 5 per cent to take into account the revaluation of DM in March 1961. To the same extent loan authorisation figure has also been raised.
† Earmarked for the use of projects included in the Third Plan.
†† Excludes loans and grants received by Government of India out of P.L. 480 (Title I) and P.L. 665 Funds.
@@ Excludes grants under P.L. 480 Titles II and III as they do not strictly form a part of the assistance for plan projects and programmes.‡ Upto December 31, 1965.
††† The old P.L. 480 agreements having expired and taking into account rupees which were not deposited in respect of them due to non-imports etc., the value of undisbursed amount as at the end of March 1961 is reduced by Rs. 29.4 crores to Rs. 568.1 crores and that at the end of March 1966 reduced by Rs. 58.1 crores to Rs. 107.6 crores.

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
I. Railway Development												
1. I.B.R.D.												
(*a*) Railways—I	Public	15.6	15.6	—	—	—	—	—	—	—	—	—
(*b*) Railways—II	,,	—	—	—	42.8	42.8	42.8	—	—	—	—	—
(*c*) Railways—III	,,	—	—	—	40.5	40.5	40.5	—	—	—	—	—
(*d*) Railways—IV	,,	—	—	—	23.8	23.8	23.8	—	—	—	—	—
(*e*) Railways—V	,,	—	—	—	33.3	33.3	6.9	26.4	—	26.4	26.4	—
(*f*) Railways—VI	,,	—	—	—	—	—	—	—	23.8	23.8	23.8	—
2. I.D.A.												
(*a*) Railways—VII	Public	—	—	—	—	—	—	—	32.1	32.1	32.1	—
(*b*) Railways—VIII	,,	—	—	—	—	—	—	—	29.5	29.5	29.5	—
3. D.L.F./A.I.D.												
(*a*) Railways—I	Public	—	—	—	14.3	14.3	12.5	1.8	—	1.8	1.8	—
(*b*) Railways—II	,,	—	—	—	16.7	16.7	16.7	—	—	—	—	—
(*c*) Railways —III	,,	—	—	—	23.8	23.8	—	23.8	—	23.8	22.5	1.3
(*d*) Railways—IV	,,	—	—	—	—	—	—	—	20.5	20.5	20.4	0.1
(*e*) Railways—V	,,	—	—	—	—	—	—	—	7.6	7.6	6.5	1.1
(*f*) Railways—VI	,,	—	—	—	—	—	—	—	3.4	3.4	2.8	0.6
(*g*) Railways—VII	,,	—	—	—	—	—	—	—	1.8	1.8	—	1.8
4. U. S. Eximbank												
(*a*) Diesel Loco Works—I	Public	—	—	—	—	—	—	—	9.0	9.0	8.5	0.5
(*b*) Diesel Loco Works—II	,,	—	—	—	—	—	—	—	8.1	8.1	7.3	0.8
5. Canada Credit for Diesel Locos for Indian Railways	,,	—	—	—	—	—	—	—	3.4	3.4	3.4	—
Total—I		**15.6**	**15.6**	**—**	**195.2**	**195.2**	**143.2**	**52.0**	**139.2**	**191.2**	**185.0**	**6.2**
II. Power Projects												
1. I.B.R.D.												
(*a*) D.V.C.—I	Public	8.0	8.0	—	—	—	—	—	—	—	—	—
(*b*) D.V.C.—II	,,	5.0	2.0	3.0	—	3.0	3.0	—	—	—	—	—
(*c*) D.V.C.—III	,,	—	—	—	10.5	10.5	8.7	1.8	—	1.8	1.8	—
(*d*) Trombay—I	Private	6.6	2.1	4.5	—	4.5	4.1	0.4	—	0.4	0.4	—

(*e*) Trombay—II	Private	—	—	—	4.6	4.6	4.3	0.3	—	0.3	0.3	—
(*f*) Koyna	Public]	—	—	—	8.9	8.9	4.4	4.5	—	4.5	4.5	—
(*g*) Kothagudem—II	„	—	—	—	—	—	—	—	6.7	6.7	2.5	4.2
(*h*) Power transmission	„	—	—	—	—	—	—	—	33.3	33.3	—	33.3
2. I.D.A.												
(*a*) Durgapur Power Extension	Public	—	—	—	—	—	—	—	8.8	8.8	5.7	3.1
(*b*) Koyna Power Project	„	—	—	—	—	—	—	—	8.3	8.3	5.2	3.1
(*c*) Kothagudem Power Project	„	—	—	—	—	—	—	—	9.5	9.5	6.4	3.1
3. D.L.F./A.I.D.												
(*a*) Power Development	Public	—	—	—	4.8	4.8	4.8	—	—	—	—	—
(*b*) Chandrapura—I	„	—	—	—	14.3	14.3	—	14.3	—	14.3	12.6	1.7
(*c*) Sharavathi—I	„	—	—	—	4.0	4.0	—	4.0	—	4.0	3.0	1.0
(*d*) Barauni	„	—	—	—	1.8	1.8	—	1.8	—	1.8	1.7	0.1
(*e*) Durgapur	„	—	—	—	9.5	9.5	—	9.5	—	9.5	7.7	1.8
(*f*) Ahmedabad Electricity Co.	Private	—	—	—	1.9	1.9	—	1.9	—	1.9	1.8	0.1
(*g*) Kanpur	Public	—	—	—	0.7	0.7	—	0.7	—	0.7	0.7	—
(*h*) Barapani	„	—	—	—	1.2	1.2	—	1.2	—	1.2	0.8	0.4
(*i*) Talcher	„	—	—	—	—	—	—	—	15.7	15.7	10.4	5.3
(*j*) Birsinghpur	„	—	—	—	—	—	—	—	4.0	4.0	2.4	1.6
(*k*) Sharavathi—II	„	—	—	—	—	—	—	—	8.8	8.8	5.9	2.9
(*l*) Cambay Power	„	—	—	—	—	—	—	—	16.0	16.0	15.2	0.8
(*m*) Bandel Power	„	—	—	—	—	—	—	—	18.1	18.1	15.8	2.3
(*n*) Pambakakki	„	—	—	—	—	—	—	—	9.6	9.6	8.2	1.4
(*o*) Trombay Power	Private	—	—	—	—	—	—	—	8 5	8.5	7.8	0.7
(*p*) Delhi Power	Public	—	—	—	—	—	—	—	7.6	7.6	2.8	4.8
(*q*) Satpura Power	„	—	—	—	—	—	—	—	12.0	12.0	5.5	6.5
(*r*) Ramagundam	„	—	—	—	—	—	—	—	4.0	4.0	0.8	3.2
(*s*) Chandrapura—II	„	—	—	—	—	—	—	—	7.6	7.6	3.7	3.9
(*t*) Tarapur Nuclear Power	„	—	—	—	—	—	—	—	38.1	38.1	14.0	24.1
(*u*) Sharavathi—III	„	—	—	—	—	—	—	—	1.5	1.5	—	1.5
4. Canada												
(*a*) Ranapratap Sagar Hydro Electric Project	Public	—	—	—	—	—	—	—	3.5	3.5	3.2	0.3
(*b*) Candu Atomic Power Project	„	—	—	—	—	—	—	—	16.3	16.3	1.7	14.6
(*c*) Kotah Hydro-Electric Project	„	—	—	—	—	—	—	—	3.5	3.5	0.4	3.1
Total—II		**19.6**	**12.1**	**7.5**	**62.2**	**69.7**	**29.3**	**40.4**	**241.4**	**281.8**	**152.9**	**128.9**
III. Steel and Steel Projects												
1. I.B.R.D.												
(*a*) I.I.S.Co.—I	Private	13.9	2.7	11.2	—	11.2	11.2	—	—	—	—	—
(*b*) I.I.S.Co.—II	„	—	—	—	9.5	9.5	8.3	1.2	—	1.2	1.2	—
(*c*) I.I.S.Co.—III	„	—	—	—	—	—	—	—	9.3	9.3	2.3	7.0

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
III. Steel & Steel Projects												
1. I.B.R.D. (*Contd.*)												
(*d*) T.I.S. Co.—I	Private	—	—	—	35.7	35.7	35.7	—	—	—	—	—
(*e*) T.I.S. Co.—II	,,	—	—	—	15.5	15.5	15.5	—	—	—	—	—
2. U.S.S.R.												
(*a*) Bhilai	Public	64.8	—	64.8	—	64.8	64.5	0.3	—	0.3	0.3	—
(*b*) Bokaro	,,	—	—	—	—	—	—	—	100.5	100.5	—	100.5
3. West Germany												
(*a*) Rourkela Credit	Public	—	—	—	75.5‡	75.5	61.3	14.2‡	—	14.2	13.3	0.9
(*b*) Credit for Rourkela expansion of April 1963	,,	—	—	—	—	—	—	—	47.6	47.6	33.1	14.5
(*c*) Rourkela Services (DM 56 million)	,,	—	—	—	—	—	—	—	6.7	6.7	4.5	2.2
(*d*) Credit to Mysore Alloy Steel (DM 60 million)	,,	—	—	—	—	—	—	—	7.1	7.1	1.6	5.5
(*e*) Rourkela Expansion (DM 14 million)	,,	—	—	—	—	—	—	—	1.7	1.7	—	1.7
4. D.L.F./A.I.D.												
(*a*) Steel loan—I	Public	—	—	—	8.5	8.5	7.4	1.1	—	1.1	1.1	—
(*b*) Steel loan—II	Pub./Prvt.	—	—	—	10.4	10.4	9.2	1.2	—	1.2	1.2	—
(*c*) Steel loan—III	,,	—	—	—	9.3	9.3	5.7	3.6	—	3.6	3.6	—
(*d*) Steel loan—IV	,,	—	—	—	11.9	11.9	—	11.9	—	11.9	11.9	—
5. U.K.												
(*a*) Lazard Bros.' Credit (Durgapur)	Public	—	—	—	15.3	15.3	15.3	—	—	—	—	—
(*b*) Credit of June 1958 (Durgapur)	,,	—	—	—	20.0	20.0	20.0	—	—	—	—	—
(*c*) Credit of May 1962 (Durgapur extension)	,,	—	—	—	—	—	—	—	29.3	29.3	15.6	13.7
(*d*) Credit of April 1963 (Steel)	Pub./Prvt.	—	—	—	—	—	—	—	4.7	4.7	4.3	0.4

6. Canada												
Amco Furnace for Durgapur steel Project	Public	—	—	—	—	—	—	—	0.9	0.9	0.4	0.5
Total—III		**78.7**	**2.7**	**76.0**	**211.6**	**287.6**	**254.1**	**33.5**	**207.8**	**241.3**	**94.4**	**146.9**
IV. Orissa Iron Ore Project												
(*a*) U.S.A.	Public	—	—	—	8.8	8.8	—	8.8	—	8.8	8.5	0.3
(*b*) Japan	„	—	—	—	3.8	3.8	—	3.8	—	3.8	2.0	1.8
Total—IV		—	—	—	**12.6**	**12.6**	—	**12.6**	—	**12.6**	**10.5**	**2.1**
V. Ports Development												
1. I.B.R.D.												
(*a*) Calcutta Port—I and II	Public	—	—	—	13.8	13.8	4.8	9.0	10.0	19.0	13.7	5.3
(*b*) Madras Port	„	—	—	—	5.2	5.2	2.0	3.2	—	3.2	2.7	0.5
2. I.D.A.												
Credit for Bombay Port	„	—	—	—	—	—	—	—	8.6	8.6	1.6	7.0
Total—V		—	—	—	**19.0**	**19.0**	**6.8**	**12.2**	**18.6**	**30.8**	**18.0**	**12.8**
VI. Transport and Communications												
(*a*) I.B.R.D. Loan to Air India	Public	—	—	—	2.7	2.7	2.7	—	—	—	—	—
(*b*) U.S. Banks' loans to Air India	„	—	—	—	5.9	5.9	5.9	—	17.5	17.5	9.8	7.7
(*c*) D.L.F. loan for Road Transport	Private	—	—	—	6.2	6.2	0.4	5.8	—	5.8	5.8	—
(*d*) U.S. Eximbank loans to Air India	Public	—	—	—	—	—	—	—	6.8	6.8	6.8	—
(*e*) Boeing Co.'s loans to Air India	„	—	—	—	—	—	—	—	2.5	2.5	1.1	1.4
(*f*) **I.D.A.**												
(i) Credit for construction of National Highways	Public	—	—	—	—	—	—	—	28.6	28.6	24.6	4.0
(ii) Expansion of P.T.T. Services-I	„	—	—	—	—	—	—	—	20.0	20.0	16.9	3.1
(iii) Expansion of P.T.T.Services-II	„	—	—	—	—	—	—	—	15.7	15.7	9.7	6.0
(*g*) Canadian loan for Wind Tunnel Project	„	—	—	—	—	—	—	—	1.9	1.9	1.2	0.7
Total—VI		—	—	—	**14.8**	**14.8**	**9.0**	**5.8**	**93.0**	**98.8**	**75.9**	**22.9**

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
VII. Industrial Development												
1. I.B.R.D.												
(*a*) I.C.I.C.I.—I	Private	4.7	—	4.7	—	4.7	3.7	1.0	—	1.0	1.0	—
(*b*) I.C.I.C.I.—II	,,	—	—	—	4.8	4.8	0.4	4.4	—	4.4	4.3	0.1
(*c*) I.C.I.C.I.—III	,,	—	—	—	9.5	9.5	—	9.5	—	9.5	9.0	0.5
(*d*) I.C.I.C.I.—IV	,,	—	—	—	—	—	—	—	9.5	9.5	7.9	1.6
(*e*) I.C.I.C.I.—V	,,	—	—	—	—	—	—	—	14.3	14.3	8.0	6.3
(*f*) I.C.I.C.I.—VI	,,	—	—	—	—	—	—	—	23.8	23.8	0.2	23.6
(*g*) Development of Coal Industry	,,	—	—	—	—	—	—	—	13.8	13.8	13.5	0.3
2. I.D.A.												
(*a*) Industrial Imports Credit—I	Private	—	—	—	—	—	—	—	42.9	42.9	42.6	0.3
(*b*) Industrial Imports Credit—II	,,	—	—	—	—	—	—	—	47.6	47.6	7.4	40.2
3. U.K.												
(*a*) Credit of December 1958	Pub/Prvt.	—	—	—	38.0	38.0	38.0	—	—	—	—	—
(*b*) Credit of June 1959 (Oil-pipeline)	Public	—	—	—	4.0	4.0	3.2	0.8	—	0.8	0.8	—
(*c*) General Credit of November 1959	Pub/Prvt.	—	—	—	25.3	25.3	25.3	—	—	—	—	—
(*d*) General Credit of August 1960	,,	—	—	—	13.3	13.3	13.3	—	—	—	—	—
(*e*) General Credit of December 1960	,,	—	—	—	6.7	6.7	6.7	—	—	—	—	—
(*f*) General Credit of May 1961	,,	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(*g*) Credit of May 1961 (Third Plan)	,,	—	—	—	—	—	—	—	40.0	40.0	37.3	2.7
(*h*) General Credit of November 1961	,,	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(*i*) General Credit of May 1962	,,	—	—	—	—	—	—	—	13.3	13.3	10.4	2.9
(*j*) General Credit of September 1962	,,	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(*k*) Credit of September 1962 (Third Plan)	,,	—	—	—	—	—	—	—	17.3	17.3	9.8	7.5

(*l*) General Credit of August 1963	Pub/Prvt.	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(*m*) General Credit of October 1963 (Kipping Loan-I)	Private	—	—	—	—	—	—	—	5.3	5.3	2.2	3.1
(*n*) General Credit of March 1964	Pub/Prvt.	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(*o*) Credit of March 1964 (Bhopal)	Public	—	—	—	—	—	—	—	3.3	3.3	1.3	2.0
(*p*) Credit of March 1964 (Third Plan)	Pub/Prvt.	—	—	—	—	—	—	—	6.7	6.7	1.7	5.0
(*q*) General Credit of July 1964	,,	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(*r*) Second Credit of September 1964 (Third Plan)	,,	—	—	—	—	—	—	—	2.0	2.0	—	2.0
(*s*) Third Credit of September 1964 (Third Plan)	,,	—	—	—	—	—	—	—	2.0	2.0	—	2.0
(*t*) Fourth Credit of September 1964 (Third Plan)	,,	—	—	—	—	—	—	—	1.4	1.4	—	1.4
(*u*) Fifth Credit of September 1964 (Third Plan)	,,	—	—	—	—	—	—	—	1.7	1.7	0.4	1.3
(*v*) Sixth Credit of September 1964 (Third Plan)	,,	—	—	—	—	—	—	—	4.3	4.3	—	4.3
(*w*) Credit of September 1964 (Bhopal—II)	Public	—	—	—	—	—	—	—	2.7	2.7	0.2	2.5
(*x*) General Credit of September 1964 (Kipping Loan—II)	Private	—	—	—	—	—	—	—	5.3	5.3	—	5.3
(*y*) General Credit of January 1965	Pub/Prvt.	—	—	—	—	—	—	—	6.7	6.7	6.2	0.5
(*z*) Credit of January 1965 (Third Plan)	Public	—	—	—	—	—	—	—	0.7	0.7	0.2	0.5
(*aa*) General Credit of June 1965	Pub/Prvt.	—	—	—	—	—	—	—	6.7	6.7	6.7	—
(*ab*) General Credit of October 1965	Pub/Prvt.	—	—	—	—	—	—	—	13.3	13.3	13.3	—
(*ac*) General Credit of December 1965 (Kipping Loan—III)	Private	—	—	—	—	—	—	—	5.3	5.3	0.1	5.2
4. West Germany												
(*a*) DM 168 million credit of January 1959	Pub/Prvt.	—	—	—	19.1	19.1	19.1	—	—	—	—	—
(*b*) DM 125.1 million credit of May 1960	,,	—	—	—	14.2	14.2	14.2	—	—	—	—	—
(*c*) DM 125.1 million credit of November 1960	,,	—	—	—	14.2	14.2	14.2	—	—	—	—	—

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
4. West Germany (*Contd.*)												
(*d*) DM 100 million credit of April 1961	Pub/Prvt.	—	—	—	—	—	—	—	11.9	11.9	11.9	—
(*e*) DM 170 million credit of September 1961	„	—	—	—	—	—	—	—	20.2	20.2	20.2	—
(*f*) DM 100 million credit of June 1962	„	—	—	—	—	—	—	—	11.9	11.9	11.9	—
(*g*) DM 314 million credit of December 1962†	„	—	—	—	—	—	—	—	37.4	37.4	35.6	1.8
(*h*) DM 262.6 million credit of November 1963†	„	—	—	—	—	—	—	—	31.3	31.3	16.3	15.0
(*i*) DM 290 million credit of September 1964†	„	—	—	—	—	—	—	—	34.5	34.5	4.6	29.9
(*j*) DM 250 million credit of December 1965†	„	—	—	—	—	—	—	—	29.8	29.8	—	29.8
5. U.S.S.R.												
(*a*) Industrial Enterprises	Public	—	—	—	59.5	59.5	8.1	51.4	—	51.4	36.4	15.0
(*b*) Barauni Oil Refinery	„	—	—	—	11.9	11.9	0.4	11.5	—	11.5	10.9	0.6
(*c*) Drugs credit	„	—	—	—	9.5	9.5	—	9.5	—	9.5	9.4	0.1
(*d*) Credit for Third Plan—I	„	—	—	—	178.6*	178.6	1.8	176.8	—	176.8	131.8	45.0
(*e*) Credit for Third Plan—II	„	—	—	—	59.5*	59.5	—	59.5	—	59.5	18.5	41.0
6. U.S.A.												
(*i*) **D.L.F./A.I.D.**												
(*a*) Automobile, Jute and Cement Industry	Pub/Prvt.	—	—	—	16.6	16.6	15.1	1.5	—	1.5	1.5	—
(*b*) Machinery and Capital Equipment—I	Private	—	—	—	7.1	7.1	5.1	2.0	—	2.0	2.0	—
(*c*) Machinery and Capital Equipment—II	„	—	—	—	11.9	11.9	—	11.9	—	11.9	11.9	—

(*d*) Trombay Fertiliser Project	Private	—	—	—	14.3	14.3	—	14.3	—	14.3	13.6	0.7
(*e*) I.F.C.—I	,,	—	—	—	4.8	4.8	—	4.8	—	4.8	4.6	0.2
(*f*) I.C.I.C.I.	,,	—	—	—	—	—	—	—	2.4	2.4	1.7	0.7
(*g*) Non-ferrous metals	Pub/Prvt.	—	—	—	—	—	—	—	9.5	9.5	9.5	—
(*h*) N.S.I.C.	Private	—	—	—	—	—	—	—	4.8	4.8	4.2	0.6
(*i*) Patherdih Coal Washery	Public	—	—	—	—	—	—	—	2.0	2.0	1.7	0.3
(*j*) Premier Automobiles—I	Private	—	—	—	—	—	—	—	3.4	3.4	3.3	0.1
(*k*) Premier Automobiles—II	,,	—	—	—	—	—	—	—	1.4	1.4	1.4	—
(*l*) Non-project Imports—I	Pub/Prvt.	—	—	—	—	—	—	—	95.2	95.2	95.1	0.1
(*m*) I.F.C.—II	Private	—	—	—	—	—	—	—	9.5	9.5	2.4	7.1
(*n*) Hindustan Motors	,,	—	—	—	—	—	—	—	7.5	7.5	7.0	0.5
(*o*) Napco Bevel Gear	,,	—	—	—	—	—	—	—	1.1	1.1	1.1	—
(*p*) D.C.M. Tyre Cord	,,	—	—	—	—	—	—	—	4.7	4.7	3.7	1.0
(*q*) Telco—I	,,	—	—	—	—	—	—	—	6.5	6.5	6.5	—
(*r*) Non-project Imports—II	Pub/Prvt.	—	—	—	—	—	—	—	114.3	114.3	114.2	0.1
(*s*) Central Ropeway 'F' Project	Public	—	—	—	—	—	—	—	3.7	3.7	3.0	0.7
(*t*) Dudga Coal Washery	,,	—	—	—	—	—	—	—	2.4	2.4	2.1	0.3
(*u*) National Engineering Industries	Private	—	—	—	—	—	—	—	2.1	2.1	—	2.1
(*v*) Non-project Imports—III	Pub/Prvt.	—	—	—	—	—	—	—	107.1	107.1	94.6	12.5
(*w*) Commodity Assistance Programme	,,	—	—	—	—	—	—	—	23.8	23.8	20.4	3.4
(*x*) Telco—II	Private	—	—	—	—	—	—	—	5.6	5.6	1.7	3.9
(*y*) Trombay Methanol Fertiliser	,,	—	—	—	—	—	—	—	3.7	3.7	2.8	0.9
(*z*) Consultancy Services	Pub/Prvt.	—	—	—	—	—	—	—	1.0	1.0	0.1	0.9
(*aa*) I.F.C.—III	Private	—	—	—	—	—	—	—	4.8	4.8	—	4.8
(*ab*) Hindustan Motors—II	,,	—	—	—	—	—	—	—	11.0	11.0	—	11.0
(*ac*) Hindustan Motors—III	,,	—	—	—	—	—	—	—	1.4	1.4	0.1	1.3
(*ad*) Commodity Assistance Programme	Pub/Prvt.	—	—	—	—	—	—	—	90.5	90.5	34.0	56.5
(*ii*) **Eximbank Loans**	,,	—	—	—	102.6@	102.6	30.9	71.7	68.5	140.2	107.9	32.3
(*iii*) **T.C.A. loans (excluding P.L. 665)**	Public	14.6	2.3	12.3	27.6	39.9	39.9	—	—	—	—	—
7. Japan												
(*a*) Credit of 18 billion yen (February 1958)	Pub/Prvt.	—	—	—	23.0	23.0	16.0	7.0	—	7.0	7.0	—
(*b*) Credit of 34.2 billion yen as amended in May 1963	,,	—	—	—	—	—	—	—	45.2	45.2	45.1	0.1

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
7. Japan (*Contd.*)												
(*c*) Suppliers' credit for Textile Machinery (1962)	Private	—	—	—	—	—	—	—	4.8	4.8	4.8	—
(*d*) Credit of 23.4 billion yen (October 1963)	Pub/Prvt.	—	—	—	—	—	—	—	30 9	30.9	21.0	9.9
(*e*) Credit of 21.6 billion yen (September 1964)	„	—	—	—	—	—	—	—	28.6	28.6	6.3	22.3
(*f*) Credit of 21.6 billion yen (June 1965)	„	—	—	—	—	—	—	—	28.6	28.6	2.0	26.6
8. France												
(*a*) Credit of $ 30 million (Third Plan—I)	Pub/Prvt.	—	—	—	—	—	—	—	14.3	14.3		
(*b*) Credit of $ 20 million (Third Plan—II)	„	—	—	—	—	—	—	—	9.5	9.5		
(*c*) Credit of $ 20 million (Third Plan—III)	„	—	—	—	—	—	—	—	9.5	9.5	20.9	21.9
(*d*) Credit of $ 20 million (Third Plan—IV)	„	—	—	—	—	—	—	—	9.5	9.5		
(*e*) Credit to I.F.C. of $ 10 million	Private	—	—	—	—	—	—	—	4.8	4.8	0.1	4.7
(*f*) Credit of $ 20 million (Third Plan—V)	Pub/Prvt.	—	—	—	—	—	—	—	9.5	9.5	—	9.5
9. Italy												
(*a*) E.N.I. credit of $ 45 million	Pub/Prvt.	—	—	—	—	—	—	—	21.4	21.4	7.9	13.5
(*b*) Montecatini credit for Aluminium Plant	„	—	—	—	—	—	—	—	4.2	4.2	3.7	0.5
(*c*) Suppliers' credit of $ 45 million	„	—	—	—	—	—	—	—	21.4	21.4	—	21.4
(*d*) Suppliers' credit of $ 36 million	„	—	—	—	—	—	—	—	17.2	17.2	—	17.2
(*e*) Suppliers' credit of $ 36 million	„	—	—	—	—	—	—	—	17.1	17.1	—	17.1

10. Czechoslovakia												
(*a*) First credit of November 1959	Public	—	—	—	23.1*	23.1	—	23.1	—	23.1	12.6	10.5
(*b*) Second credit of May 1964	Pub/Prvt.	—	—	—	—	—	—	—	40.0	40.0	—	40.0
11. Yugoslavia	,,	—	—	—	19.1*	19.1	—	19.1	2.4	21.5	9.7	11.8
12. Poland												
(*a*) First credit for Third Plan	Pub/Prvt.	—	—	—	14.3	14.3	—	14.3	1.0	15.3	11.0	4.3
(*b*) Second credit for Third Plan	Public	—	—	—	—	—	—	—	15.5	15.5	0.4	15.1
(*c*) Third credit for Third Plan	,,	—	—	—	—	—	—	—	10.5	10.5	—	10.5
13. Switzerland												
(*a*) Credit for Third Plan—I	Pub/Prvt.	—	—	—	6.5	6.5	—	6.5	—	6.5	3.0	3.5
(*b*) Credit for Third Plan—II	,,	—	—	—	—	—	—	—	10.4	10.4	3.0	7.4
(*c*) Credit for Third Plan—III	,,	—	—	—	—	—	—	—	7.6	7.6	—	7.6
14. Canada												
(*a*) Indian Aluminium Co. Ext.—I	Private	—	—	—	—	—	—	—	0.4	0.4	0.4	—
(*b*) Indian Aluminium Co. Ext.—II	,,	—	—	—	—	—	—	—	0.4	0.4	0.3	0.1
(*c*) Binani Zinc Smelter	,,	—	—	—	—	—	—	—	0.7	0.7	0.6	0.1
15. Austria												
(*a*) Credit for Capital goods—I	Pub/Prvt.	—	—	—	—	—	—	—	2.4	2.4	2.2	0.2
(*b*) Credit for capital goods—II	,,	—	—	—	—	—	—	—	1.8	1.8	1.4	0.4
(*c*) Credit for capital goods—III	,,	—	—	—	—	—	—	—	1.9	1.9	1.1	0.8
(*d*) Suppliers' credit	,,	—	—	—	—	—	—	—	0.5	0.5	—	0.5
(*e*) Credit for capital goods—IV	,,	—	—	—	—	—	—	—	1.9	1.9	—	1.9
16. Belgium												
(*a*) Suppliers' credit—I	Pub/Prvt.	—	—	—	—	—	—	—	4.8	4.8	4.8	—
(*b*) Suppliers' credit—II	,,	—	—	—	—	—	—	—	4.7	4.7	0.1	4.6
(*c*) Suppliers' credit—III	,,	—	—	—	—	—	—	—	1.9	1.9	—	1.9
17. Netherlands												
(*a*) General Purpose Loan	Pub/Prvt.	—	—	—	—	—	—	—	14.5	14.5	9.5	5.0
(*b*) Financial (Export) credit	,,	—	—	—	—	—	—	—	7.4	7.4	—	7.4
18. Denmark												
(*a*) First credit	Pub/Prvt.	—	—	—	—	—	—	—	1.0	1.0	0.6	0.4
(*b*) Second credit	,,	—	—	—	—	—	—	—	1.4	1.4	—	1.4
19. Sweden	Pub/Prvt.	—	—	—	—	—	—	—	2.2	2.2	—	2.2
Total—VII		**19.3**	**2.3**	**17.0**	**739.0**	**756.0**	**255.4**	**500.6**	**1526.6**	**2027.2**	**1283.6**	**743.6**

STATEMENT 83—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In crores of rupees)

	Sector	Aid authorised upto the end of the First Plan	Aid utilised upto the end of the First Plan	Aid undisbursed as at the end of the First Plan (2—3)	Aid authorised during the Second Plan	Total available for utilisation after March 1956 (4+5)	Utilisation during the Second Plan	Aid undisbursed as at the end of March 1961 (6—7)	Aid authorised during the Third Plan	Total available for utilisation after March 1961 (8+9)	Estimated utilisation during the Third Plan	Aid undisbursed as at the end of March 1966 (10—11)
	1	2	3	4	5	6	7	8	9	10	11	12
VIII. Agricultural Development												
(i) I.B.R.D. loan for Agriculture	Public	3.4	3.4	—	—	—	—	—	—	—	—	—
(ii) I.D.A.												
(*a*) U.P. Tube-wells	,,	—	—	—	—	—	—	—	2.9	2.9	2.9	—
(*b*) Salandi Irrigation	,,	—	—	—	—	—	—	—	3.8	3.8	0.8	3.0
(*c*) Shetrunji Irrigation	,,	—	—	—	—	—	—	—	2.1	2.1	1.6	0.5
(*d*) Punjab Drainage	,,	—	—	—	—	—	—	—	4.8	4.8	4.4	0.4
(*e*) Sone Irrigation	,,	—	—	—	—	—	—	—	7.1	7.1	5.5	1.6
(*f*) Purna Irrigation	,,	—	—	—	—	—	—	—	6.2	6.2	4.5	1.7
(iii) U.K. food emergency loan of February 1966	Pub/Prvt.	—	—	—	—	—	—	—	10.0	10.0	—	10.0
(iv) W. German fertiliser loan of DM 12 million (March 1966)	,,	—	—	—	—	—	—	—	1.4	1.4	—	1.4
(v) A.I.D. fertiliser loan of February 1966	,,	—	—	—	—	—	—	—	23.8	23.8	2.8	21.0
Total—VIII		**3.4**	**3.4**	—	—	—	—	—	**62.1**	**62.1**	**22.5**	**39.6**
IX. Wheat Loans												
(i) U.S.A.	Public	90.3	90.3	—	—	—	—	—	—	—	—	—
(ii) Canada	,,	—	—	—	15.7	15.7	15.7	—	—	—	—	—
Total—IX		**90.3**	**90.3**	—	**15.7**	**15.7**	**15.7**	—	—	—	—	—
Grand Total		**226.9**	**126.4**	**100.5**	**1270.1**	**1370.6**	**713.5**	**657.1**	**2288.7**	**2945.8**	**1842.8**	**1103.0**

Notes : (1) Loans and credits are classified purpose-wise and sector-wise on a rough basis. (2) West German credits of DM 98.4 million (Rs. 11.2 crores) of January 1961, DM 230 million (Rs. 27.4 crores) of April 1961, DM 85 million (Rs. 10.1 crores) of May 1962, DM 61.4 million (Rs. 7.3 crores) of April 1963, DM 90 million (Rs. 10.7 crores) of January 1965 and DM 93.6 million (Rs. 11.1 crores) of June 1965 authorised for the purpose of meeting repayment liabilities arising out of Rourkela credit have been excluded.

‡ Undisbursed amount in the case of West German Rourkela credit has been raised by 5 per cent to take into account the revaluation of DM in March 1961. To the same extent the loan authorisation figure has also been raised.

@ Of this, Rs. 23.8 crores are earmarked for the use of the projects included in the Third Plan.

* Earmarked for the use of the projects included in the Third Plan.

† Excluding (a) credits, shown under item III. 'Steel and Steel Projects' and item VIII. 'Agricultural Development', and (b) refinancing credits.

STATEMENT 84—INLAND AND FOREIGN BILLS PURCHASED AND DISCOUNTED BY SCHEDULED BANKS

(Amount in crores of rupees)

As on the last Friday of	No. of reporting Banks	Inland Bills			Foreign Bills				Total Inland and Foreign Bills purchased and discounted
		Purchased	Discounted	Total	Export Bills drawn in India (in approved currencies)	Import Bills drawn on and payable in India (in approved currencies)	Other Foreign Bills purchased and discounted	Total	
	1	2	3	4	5	6	7	8	9
1955 ..	87	38.91	30.76	**69.67**	32.13	16.01	..	**48.14**	**117.81**
1960 ..	93	73.44	35.05	**108.49**	37.53	15.03	..	**52.56**	**161.05**
1961 ..	82	86.77	56.92	**143.69**	31.03	11.86	0.42	**43.31**	**187.00**
1962 ..	79	89.32	68.12	**157.44**	39.90	14.06	1.23	**55.19**	**212.63**
1963 ..	78	115.97	75.85	**191.82**	43.85	16.22	1.26	**61.33**	**253.15**
1964 ..	76	137.41	74.25	**211.66**	55.01	19.78	1.44	**76.23**	**287.89**
1965 ..	76	140.97	69.65	**210.62**	50.05	15.66	1.71	**67.42**	**278.04**
1963									
March ..	78	107.99	113.58	**221.57**	38.13	17.94	1.51	**57.58**	**279.15**
June ..	79	87.09	62.52	**149.61**	38.03	14.19	1.40	**53.62**	**203.23**
September ..	80	92.73	72.94	**165.67**	38.50	12.65	1.53	**52.68**	**218.35**
December ..	78	115·97	75·85	**191·82**	43·85	16·22	1·26	**61·33**	**253·15**
1964									
March ..	77	120.98	108.02	**229.00**	44.21	21.25	1.73	**67.19**	**296.19**
June ..	77	106·66	63·67	**170·33**	44·50	18·68	2·56	**65·74**	**236·07**
September ..	76	110.66	60.64	**171.30**	49.02	19.46	2.37	**70.85**	**242.15**
December ..	76	137.41	74.25	**211.66**	55.01	19.78	1.44	**76.23**	**287.89**
1965									
March ..	76	143.57	117.39	**260.96**	52.37	20.20	1.72	**74.29**	**335.25**
June ..	76	129.74	82.69	**212.43**	48.79	24.88	1.30	**74.97**	**287.40**
September	76	106.38	31.48	**137.86**	47.89	22.16	1.37	**71.42**	**209.28**
December ..	76	140.97	69.65	**210.62**	50.05	15.66	1.71	**67.42**	**278.04**

Note : The data for the period upto and including 1963 are based on quarterly returns received from banks on Form XI, while for the subsequent period upto June 1965 they are based on Form XIII returns (monthly) and thereafter they are based on Form XII (monthly).

STATEMENT 85—TOTAL NOTES AND COINS ISSUED (DENOMINATION-WISE)

(In lakhs of rupees)

End of March	Small coins	*Percentage to total*	One rupee			*Percentage to total*	Rs. 2	*Percentage to total*	Rs. 5	*Percentage to total*	Rs. 10	*Percentage to total*	Rs. 100	*Percentage to total*	Rs. 1000 (*a*)	*Percentage to total*	Rs. 5000 (*a*)	*Percentage to total*	Rs. 10000 (*a*)	*Percentage to total*	**Total**
			Notes	Coins	**Total**																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1956 ..	65,87	*3.9*	74,95	62,21	**137,16**	*8.1*	31,92	*1.9*	176,76	*10.5*	609,88	*36.2*	591,00	*35.1*	55,17	*3.3*	9,78	*0.6*	6,28	*0.4*	**1,683,81**
1961 ..	71,08	*3.2*	113,43	43,13	**156,55**	*7.0*	37,83	*1.7*	203,40	*9.1*	814,40	*36.5*	864,73	*38.8*	54,31	*2.4*	16,18	*0.7*	12,09	*0.5*	**2,230,58**
1962 ..	78,36	*3.3*	122,98	42,17	**165,15**	*7.0*	37,38	*1.6*	201,71	*8.6*	840,42	*35.8*	932,91	*39.7*	62,82	*2.7*	21,73	*0.9*	10,09	*0.4*	**2,350,57**
1963 ..	84,41	*3.4*	129,24	41,92	**171,17**	*6.8*	37,65	*1.5*	212,80	*8.5*	936,79	*37.3*	999,51	*39.8*	48,95	*1.9*	12,44	*0.5*	8,02	*0.3*	**2,511,74**
1964 ..	90,30	*3.3*	142,01	41,54	**183,55**	*6.7*	38,00	*1.4*	229,16	*8.3*	1,030,82	*37.4*	1,109,33	*40.3*	50,29	*1.8*	14,34	*0.5*	8,85	*0.3*	**2,754,63**
1965 ..	97,44	*3.3*	152,79	41,54	**194,33**	*6.6*	49,10	*1.7*	271,18	*9.2*	1,256,57	*42.7*	1,000,61	*34.0*	39,79	*1.4*	23,22	*0.8*	8,07	*0.3*	**2,940,31**
1966 ..	105,51	*3.3*	157,01	41,90	**198,90**	*6.2*	43,19	*1.3*	253,42	*7.9*	1,254,93	*39.2*	1,276,19	*39.9*	45,70	*1.4*	17,76	*0.6*	6,02	*0.2*	**3,201,62**

Note : Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan. In compiling the statement circulation of old Re. 1, Rs. 2½, Rs. 20, Rs. 50, and Rs. 500 notes and adjustments in respect of inter-office remittances are not taken into account.

(*a*) Relating to the new high denomination notes issued from April 1954.

STATEMENT 86—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (DENOMINATION-WISE)

[**Absorption (+) or Return(—)**]

(In thousands of rupees)

Year	Half Rupee (*a*)	Four Anna (*b*)	Two Anna (*c*)	One Anna	Half Anna (*d*)	Single Pice (*e*)	Half Pice	Pie	Fifty Paise/ Naye Paise	Twenty-Five Paise/ Naye Paise	Ten Paise/ Naye Paise	Five Paise/ Naye Paise	Three Paise	Two Paise/ Naye Paise	One Paisa/ Naya Paisa	**Total**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1950-51 ..	—1,00,54	—97,53	—60,09	—65,54	—3,78	+7,73	—7	+3								**—3,19,79**
1955-56 ..	+35,13	+59,81	+11,61	+23,74	+6,58	+9,69	—1	—1								**+1,46,54**
1960-61 ..	+8,34	—23,45	—3,41,40	—1,00,14	—46,59	—2,48	—2	—13	+71,19	+2,85,11	+1,89,45	+1,17,64		+68,56	+62,26	**+2,88,34**
1961-62 ..	—9,77	+5,37	—53,64	—43,47	—9,93	—1,31	—	—14	+2,03,37	+2,47,08	+1,85,18	+1,06,12		+51,82	+57,07	**+7,37,75**
1962-63 ..	—48,06	—26,42	—18,64	—56,99	—5,96	—2,38	—	—	+2,35,88	+1,83,08	+1,51,52	+ 94,26		+52,31	+57,25	**+6,15,85**
1963-64 ..	—61,41	—30,58	—11,62	—1,12,83	—5,05	—3,82	—	—	+2,19,65	+1,88,10	+1,65,75	+1,08,50		+72,15	+61,12	**+5,89,96**
1964-65 ..	+7,37	+75	—8,29	—34,06	—3,45	—1,14	—	—	+1,74,99	+1,74,38	+1,70,35	+1,07,65	+21,93	+55,12	+49,20	**+7,14,80**
1965-66 ..	+34,84	+18,57	—4,72	—10,54	—1,75	—9	—	—	+1,82,62	+1,81,81	+1,66,99	+ 99,82	+56,80	+49,18	+32,11	**+8,05,64**

(*a*) Since the inauguration of the Reserve Bank in 1935, silver Half Rupees have been included in statistics relating to small coin ; includes pure nickel Half Rupees introduced in May 1946. (*b*) Including pure nickel Four Anna introduced in May 1946. (*c*) Including nickel Two Anna introduced in 1917-18. (*d*) Nickel Half Anna introduced in January 1942. (*e*) Including Single Pice with a circular hole issued from February 1943.

STATEMENT 87—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (METAL-WISE)

[Absorption (+) or Return (—)]

(In lakhs of rupees)

	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6	7	8
I. Quaternary Silver								
Half Rupee	—1,51	—61	—10	— 4	— 3	— 2	— 2	—
Quarter Rupee ..	—1,34	—48	—23	— 2	— 2	— 1	— 1	—
Total	**—2,85**	**—1,09**	**—33**	**— 6**	**— 5**	**— 3**	**— 3**	**—**
II. Pure Nickel								
Half Rupee ..	+50	+96	+18	— 6	—45	—60	+ 9	+35
Quarter Rupee ..	+41	+1,09	+ 2	+ 8	—24	—30	+ 2	+19
Fifty Paise/Naye Paise			+71	+2,03	+2,36	+2,20	+1,75	+1,83
Twenty-five Paise/Naye Paise			+2,85	+2,47	+1,83	+1,88	+1,74	+1,82
**Total ..	+91	+2,05	+3,76	+4,52	+3,50	+3,18	+3,61	+4.18**
III. Cupro-Nickel								
Quarter Rupee ..	— 4	— 2	— 2	—	—	—	—	—
Ten Paise/Naye Paise			+1,89	+1,85	+1,52	+1,66	+1,70	+1,67
Five Paise/Naye Paise			+1,18	+1,06	+94	+1,09	+1,08	+1,00
**Total	— 4	— 2	+3,05	+2,91	+2,46	+2,75	+2,78	+2,67**
IV. Cupro-Nickel/Nickel-Brass								
Two Anna	—60	+12	—3,41	—54	—19	—12	— 8	— 5
One Anna	—66	+24	—1,00	—43	—57	—1,13	—34	—11
Half Anna	— 4	+ 7	— 47	—10	— 6	— 5	— 3	— 2
**Total	—1,30	+43	—4,88	—1,07	—82	—1,30	—45	—18**
V. Cupro-Nickel/Aluminium								
Two Paise/Naye Paise			+69	+52	+52	+72	+55	+49
VI. Copper/Bronze								
Single Pice ..	+ 8	+10	— 2	— 1	— 2	— 4	— 1	—
Half Pice ..	—	—	—	—	—	—	—	—
Pie	—	—	—	—	—	—	—	—
**Total	+ 8	+10	—2	—1	—2	—4	—1	—**
VII. Bronze/Nickel-Brass/ Aluminium								
One Paisa/Naya Paisa			+62	+57	+57	+61	+49	+32
VIII. Aluminium								
Three Paise							+22	+57
IX. Total Small Coins (*a*)	**—3,20**	**+1,47**	**+2,88**	**+7,38**	**+6,16**	**+5,90**	**+7,15**	**+8,06**

(*a*) Including negligible amounts of standard silver small coins returned from circulation.

STATEMENT 88—LOST, DESTROYED AND MUTILATED NOTES, 1965-66

	No. of claims admitted	No. of pieces	Amount of claims admitted (Rs.)	Amount paid against claims(*a*) (Rs.)
	1	2	3	4
Lost or wholly destroyed notes	—	—	—	3,800
Half notes	1	—	500	500
Mutilated Notes :				
Registered (Denominations above Rs. 100) ..	124	283	3,08,000	3,10,000
Unregistered (Denominations of Re. 1 to Rs. 100)	1,43,046	11,94,740	97,33,666	88,57,864
Government of India new one rupee notes ..		23,18,591	23,01,153	22,04,208

(*a*) Includes amount paid during 1965-66 in respect of claims admitted in previous years.

STATEMENT 89—NOTE FORGERIES (*a*)

Year	Re. 1 (Government of India notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Total	
						Number	Value (Rs.)
	1	2	3	4	5	6	7
1950-51 ..	2,400	84	1,676	2,783	182	**7,125**	**56,978**
1955-56 ..	6,136	152	813	2,220	175	**9,496**	**50,205**
1960-61 ..	391	607	241	878	277	**2,394**	**39,290**
1961-62 ..	1,057	637	232	951	238	**3,115**	**36,801**
1962-63 ..	502	890	226	343	263	**2,224**	**33,142**
1963-64 ..	71	838	784	292	8,932	**10,917**	**9,01,787**
1964-65 ..	80	458	365	729	161	**1,793**	**26,211**
1965-66 ..	288	518	679	901	285	**2,672** (*b*)	**42,279** (*b*)

(*a*) Relates to notes received during the year. (*b*) Includes one forged note of Rs. 50 received at Kanpur.

STATEMENT 90—MINTAGE OF INDIA RUPEES AND SMALL COINS

(In lakhs of rupees)

	Rupee Coins			Small Coins			
	Bombay	Alipore	**Total**	Bombay	Hyderabad	Alipore	**Total**
	1	2	3	4	5	6	7
1950-51	2,80	—	**2,80**	1,08	—	5	**1,12**
1955-56	—	—	—	5	—	2,55	**2,60**
1960-61	—	—	—	2,20	20	3,22	**5,63**
1961-62	—	2	**2**	3,55	43	4,80	**8,77**
1962-63	—	33	**33**	4,38	50	5,37	**10,25**
1963-64	—	—	—	4,24	51	4,79	**9,54**
1964-65	1,00*	1,00*	**2,00***	3,54@	41	4,60@	**8,55@**
1965-66	—	—	—	4,56	74	7,10@	**12,40@**

* Pure Nickel Jawaharlal Nehru Commemorative decimal rupee coins. @ Including Pure Nickel Jawaharlal Nehru Commemorative 50 Paise Coins.

STATEMENT 91—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1965-66

(Figures in thousands)

Denomination	Bombay		Hyderabad		Alipore		**Total**	
	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)
	1	2	3	4	5	6	7	8
Pure Nickel 50 Paise/Naye Paise	3,02,21	1,51,10	—	—	4,01,48@	2,00,74@	**7,03,69**	**3,51,84**
Pure Nickel 25 Paise/Naye Paise	3,52,48	88,12	—	—	9,53,36	2,38,34	**13,05,84**	**3,26,46**
Cupro-Nickel 10 Paise/Naye Paise	8,28,10	82,81	5,21,70	52,17	11,71,65	1,17,16	**25,21,45**	**2,52,14**
Cupro-Nickel 5 Paise/Naye Paise	9,79,65	48,98	—	—	10,80,95	54,05	**20,60,60**	**1,03,03**
Aluminium 3 Paise	21,69,60	65,09	—	—	20,71,80	62,15	**42,41,40**	**1,27,24**
Cupro-Nickel/Aluminium Magnesium Alloy 2 Paise/Naye Paise	9,67,70	19,35	—	—	18,62,87	37,26	**28,30,57**	**56,61**
Nickel Brass/Bronze/Aluminium Magnesium Alloy 1 Paisa/Naya Paisa	15,40	15	22,26,40	22,26	5,50	6	**22,47,30**	**22,47**
Total ..	**56,15,14**	**4,55,61**	**27,48,10**	**74,43**	**75,47,61**	**7,09,76**	**1,59,10,85**	**12,39,81**

@ Pure Nickel Jawaharlal Nehru Commemorative 50 Paise Coins.

STATEMENT 92—WITHDRAWAL OF SILVER, CUPRO-NICKEL, COPPER AND ALUMINIUM COINS, 1965-66

(In rupees)

	Amount withdrawn
I. Uncurrent Coin	
Silver Rupees	
Standard Silver Rupee Coins	5,856.00
Silver Rupee Coins (Queen Victoria, 1840)	6.00
Other uncurrent rupee coin (Shroff marked, soldered, etc.)	514.00
Small Silver Coins	
Silver ½ Rupees	36.50
Silver ¼ Rupees	47.25
Silver ⅛ Rupees	112.00
Nickel and Nickel-Alloy Coins	
Cupro-Nickel -/2/- pieces (*a*) (*b*)	6,70,316.47
Cupro-Nickel -/1/- pieces (*a*) (*c*)	30,37,439.18
Cupro-Nickel -/½/- pieces (*a*) (*b*)	1,60,309.40
Copper and Bronze Coins	
Single Pice (*c*)	1,38,350.30
Pie Pieces (*d*)	42.39
Total of Uncurrent Coin	**40,13,029.49**
II. Current Coin	
Quaternary Silver Coins	
Quaternary Whole Rupees	2,90,965.00
Quaternary Half Rupees	1,09,398.50
Quaternary Quarter Rupees	95,644.50
Nickel, Nickel-Alloy and Aluminium Coins	
Nickel Rupees	9,89,995.00
Nickel ½ Rupees	1,95,868.00
Nickel ¼ Rupees	2,35,818.75
Pure Nickel 50 Paise/Naye Paise	1,51,248.50
Pure Nickel 25 Paise/Naye Paise	1,13,642.00
Cupro-Nickel 10 Paise/Naye Paise	81,418.00
Cupro-Nickel 5 Paise/Naye Paise	41,657.88
Cupro-Nickel 2 Paise/Naye Paise	29,049.67
Aluminium 3 Paise	348.25
Copper and Bronze Coins	
1 Paisa/Naya Paisa	12,271.67
Total of Current Coin	**23,47,325.72**

(*a*) Includes withdrawn nickel-brass coins. Nickel-brass Two Anna coin was demonetised with effect from 1st January, 1959 *vide* Government of India Notification No. S. O. 1437, dated 18th July, 1958. Nickel-brass One Anna and Half Anna coins were demonetised with effect from 1st January, 1960 *vide* Government of India Notification No. S.O. 1374, dated 15th June 1959. (*b*) Demonetised with effect from 1st October, 1960 *vide* Government of India Notification No. F. 2(4)-/C&C/60, dated 2nd March, 1960. (*c*) Demonetised with effect from 1st January, 1964 *vide* Government of India Notification No. F.2 (3)-/C&C/63, dated 1st July, 1963. (*d*) Demonetised with effect from 1st January 1959 *vide* Government of India Notification No. S.O. 1437, dated 18th July, 1958.

STATEMENT 93—NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND RAILWAY STATIONS

	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
	1	2	3	4	5	6	7	8
Silver Coins								
Rupee	9,200	5,056	2,060	1,480	558	687	455	358
Half Rupee	8,252	4,214	2,403	1,542	671	385	194	192
Quarter Rupee ..	13,642	4,871	2,515	992	667	373	482	307
One-eighth Rupee ..	4	—	—	—	—	—	—	—
Total	**31,098**	**14,141**	**6,978**	**4,014**	**1,896**	**1,445**	**1,131**	**857**
Nickel, Copper & Aluminium coins								
Rupee	4,429	3,637	2,060	2,981	2,778	1,612	559	414
Half Rupee	12,886	5,438	10,626	14,103	12,396	7,301	5,804	3,771
Quarter Rupee ..	23,073	8,010	11,071	4,302	4,261	3,503	4,150	1,481
Two Anna	1,70,327	1,24,845	1,83,667	47,835	37,098	26,268	19,142	10,257
One Anna	23,820	8,430	40,787	9,696	9,635	22,274	8,868	868
Half Anna	1,771	1,158	12,824	1,173	1,098	805	202	55
Single Pice ..	—	—	10	20	675	—	—	—
Fifty Naye Paise/Paise			15	1,102	1,979	2,629	3,485	7,230
Twenty-five Naye Paise/Paise			580	761	1,983	1,765	2,195	2,246
Ten Naye Paise/Paise			160	97	676	241	153	153
Five Naye Paise/Paise			14	9	101	6	48	27
Three Paise								5
Two Naye Paise/Paise			—	2	32	15	1	3
One Naya Paisa/Paisa			17	10	146	—	—	1
Total	**2,36,306**	**1,51,518**	**2,61,831**	**82,091**	**72,858**	**66,419**	**44,607**	**26,511**

STATEMENT 94—DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1966

Denomination	Gross weight	Composition (Proportion of Metals)	Diameter	Edge	Shape
	1	2	3	4	5
Quaternary Alloy Rupee ..	180 Grains	Silver 50 per cent and rest base metal	1.2″	Milled and security edged	Round coin
,, ,, Half Rupee ..	90 ,,	,,	0.95″	,,	,,
,, ,, Quarter Rupee ..	45 ,,	,,	0.75″	,,	,,
Pure Nickel Rupee (*a*) ..	180 ,,	Nickel 100 per cent	1.1″	,,	,,
,, ,, Half Rupee (*a*) ..	90 ,,	,,	0.95″	Milled	,,
,, ,, Quarter Rupee (*a*) ..	45 ,,	,,	0.75″	,,	,,
Cupro-Nickel Four Anna ..	105 ,,	75 per cent Copper and 25 per cent Nickel	0.925″ Across flats 1.000″ Across corners	Plain	Scalloped coin
DECIMAL COINS(*a*)					
Pure Nickel Decimal Rupee coin ..	10.00 Grams	Nickel 100 per cent	28 Millimetres	Milled and security edged	Round coin
Pure Nickel Jawaharlal Nehru Commemorative Decimal Rupee coin	10.00 ,,	,,	,,	Milled with a serrated or upright milling the serrations numbering two hundred.	,,
Pure Nickel Fifty Paise/Naye Paise ..	5.00 ,,	,,	24 Millimetres	Milled	,,
Pure Nickel Jawaharlal Nehru Commemorative 50 Paise	5.00 ,,	,,	,,	Milled with serrations numbering hundred and fifty.	,,
Pure Nickel Twenty-five Paise/Naye Paise	2.50 ,,	,,	19 Millimetres	Milled	,,
Cupro-Nickel Ten Paise/Naye Paise ..	5.00 ,,	75 per cent Copper & 25 per cent Nickel	23 Millimetres (Outer)	Plain	Scalloped coin
,, ,, Five Paise/Naye Paise ..	4.00 ,,	,,	22 ,,	,,	Square coin with rounded corners
,, ,, Two Paise/Naye Paise ..	3.00 ,,	,,	18 ,,	,,	Scalloped coin
Aluminium Three Paise ..	1.25 ,,	Aluminium with 3.5 to 4 per cent Magnesium	19.55 Millimetres Across flats 22.00 Millimetres Across corners	,,	Hexagonal shape with rounded corners
Aluminium Two Paise ..	1.00 ,,	,,	20.00 Millimetres (Outer)	,,	Scalloped coin
Aluminium One Paisa ..	0.75 ,,	,,	17.00 Millimetres Between opposite corners 14.70 Across flats	,,	Square coin with rounded corners
Bronze One Naya Paisa ..	1.50 ,,	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	16 Millimetres	,,	Round coin
Nickel-Brass One Paisa/Naya Paisa ..	1.50 ,,	78 to 83 per cent Copper, 17 to 20 per cent Zinc and 9/10th to 1—4/10th per cent Nickel.	16 Millimetres	,,	,,

(*a*) These coins are being currently issued ; the issue of the remaining coins has been discontinued.

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Printed by Rev. Theodore A. Pereira at The Examiner Press, 35, Dalal Street, Bombay, and Published by Shri P. V. Ranganathan, Director of Publications and Press Relations, for the Reserve Bank of India, Bombay.