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 1968-69

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

PRICE: { **Inland Rs. 10.00 (Postage extra)**
Foreign $ 2.00 (Post free)

TO OUR READERS

In the Report on Currency and Finance for 1967-68, the attention of our readers was drawn to the question of reviewing the scope and contents of the Bank's three annual publications, namely, the Annual Report of the Central Board of Directors, the Report on Trend and Progress of Banking in India and the Report on Currency and Finance. We are grateful for the response we have had from several of our readers. Most of them, including some distinguished scholars, have expressed themselves in favour of the Report on Currency and Finance being continued in its present form as providing a useful and reliable record of developments in the economy not easily obtainable elsewhere. Accordingly, this Report is being published in the accustomed form. A change made this year is the addition of a chapter reviewing major developments in world trade and payments. We regret the publication of this Report has been delayed for unavoidable reasons.

339.5009/RBI
1302

CONTENTS

PART I

Page

CHAPTER I : INDIAN ECONOMY DURING 1968-69

Output, Prices and Policy measures 1-15

Agricultural Output 1-2

Industrial Output 2-7

Prices 7-12

Food Articles 10

Industrial Raw Materials 11

Liquor and Tobacco and Fuel, Power, Light and Lubricants 12

Manufactures 12

Consumer Prices 12

Policy Measures 12-15

Monetary And Banking Development 15-27

Seasonal Monetary and Banking Trends 16-18

Busy Season 1968-69 18-20

Overall Banking Trends 1968-69 20

Credit Policy 21-23

Securities Markets 23-26

Gold and Silver 26-27

Budgetary Trends 27-35

Central Government—Budget Estimates for 1969-70 29-32

State Government Budgets 1968-69 (Revised Estimates) 32-34

Plan Outlays and Additional Mobilisation 34-35

Balance of Payments 35-44

Foreign Exchange Reserves 35

Overall Trends 35-36

Imports 37

Exports 37

Invisibles 37-38

Capital Transactions 38

Regional Trends 38-40

Foreign Investment Policy 40

External Assistance 40-44

CHAPTER II : WORLD TRADE AND PAYMENTS

	Page
International Payments Situation	45-52
World Reserves	45-46
Overall Balance of Payments	46-47
Payments Position of U.K. and U.S.A.	47-48
Other Industrial Countries	48-50
Corrective Measures and Schemes	50-51
Role of the I.M.F.	51-52
International Monetary Reform	52-58
Salient Features of SDRs	52-53
Some Issues	53-54
Development Finance	54-56
Flow of Bilateral Aid to Developing Countries	56-57
Commission on International Development	57
Commission's Recommendations	57-58
World Trade	58-64
Liberalisation of Trade Policies	61
UNCTAD and its Committees	61-62
Asian Economic Co-operation	62-64

PART II

CHAPTER III: OUTPUT AND PRICE TRENDS

	Page
AGRICULTURAL	65-82
New Agricultural Strategy	67
Rice	67-69
Wheat	69-71
Other Cereals	71-72
Pulses	72
Cotton	72-75
Jute	75-77
Oilseeds	77-79
Sugar	79-80
Coffee	81
Tea	81
Tobacco	82

	Page
INDUSTRIAL	82-105
Trends in National Income, Savings and Investment	82-84
Basic Industries	84-89
Coal	84-85
Iron Ore	85-86
Cement	86-87
Pig Iron & Ferro Alloys	87-88
Finished Steel	88-89
Capital Goods Industries	89-93
Engineering and Metallurgical Industries	89-93
Engineering Industries	89-91
Metallurgical Industries (Other than Steel)	92-93
Intermediate Goods Industries	93-98
Jute Textiles	93-95
Rubber Manufactures	95-96
Chemicals & Chemical Products	96-98
Consumer Goods Industries	99-105
Cotton Textiles	99-102
Woollen Textiles	102-103
Paper and Paper Boards	103-104
Gold and Silver	104-105
CHAPTER IV : MONEY MARKET AND BANKING	
Money Rates	106
Credit Controls	106-109
Banking Legislation	109-110
National Credit Council	110
Non-Banking Companies ; Regulation of Deposits	110
Survey of deposits with Non-Banking Companies	111
Deposit Insurance Corporation	111
Export Credit and Guarantee Corporation	111-112
Co-operative Credit	112-126
Institutional Developments	112-116
Trends in Co-operative Credit	116-126
CHAPTER V : CAPITAL MARKET	
General	127
The Gilt-edged Market	127-128

Page

Industrial Securities Market 128-130

Capital Issues 130

Relaxation of Control Over Capital Issues 131

Special Financial Institutions Providing Industrial Finance 131-139

Financing of Small Industries 139-141

Company Legislation 141

Companies at work 141-142

CHAPTER VI : BUDGETS AND PUBLIC DEBT

Union Government Budget 143-154

1968-69 Revised Estimates 143-147

1969-70 Budget Estimates 147-149

Resources Transferred from Centre to States 149-154

State Government Budgets 154-160

Revised Estimates : 1968-69 156-157

Budget Estimates : 1969-70 157-159

Disbursements 159-160

Public Debt 160-169

Union Government 160-163

Marketable Rupee loans (Long-term).. 163

Market Borrowings, 1968-69 163

Maturity Pattern 163-164

Net Absorption of Government Securities, 1968-69 164

Market Borrowings, 1969-70 164

Page

Marketable Rupee loans (Short-term) 164-166

Five-Year Fixed Deposits 166-168

State Governments 168-169

Loans from Central Government 168

State Governments' Debt Position 168

Permament Debt 169

Market Borrowings during 1968-69 169

Market Borrowings during 1969-70 169

Railway Finances 170-173

Actuals for 1967-68 170

Revised Estimates for 1968-69 170-171

Budget Estimates 1969-70 171-172

Balances in Funds 172

Railway Plan 172-173

CHAPTER VII : TRADE, TARIFFS AND EXCHANGE CONTROL

Development in Trade Policy 174-176

Tariff Commission 176-177

Trade Agreements and Trade and Payments Arrangements 177-178

Developments in Exchange Control 178-181

CHAPTER VIII : CURRENCY AND COINAGE

Circulation of Notes and Coins 182

Miscellaneous 182-183

APPENDICES

			Page
(1)	Appendix	I—Union Government Budget Proposals, 1969-70 ..	185-192
(2)	Appendix	II—Comparative Incidence of Tax On A Married Individual with More Than One Dependant Child ..	193
(3)	Appendix	III—Working of Public Sector Undertakings of Central Government	193
(4)	Appendix	IV—Individual State Governments' Budgetary Position, 1969-70	194-200
(5)	Appendix	V—Lottery Schemes of the State Governments	201
(6)	Appendix	VI—Important Export Control/Promotion Announcements, 1968-69	202-206
(7)	Appendix	VII—Important Announcements in Regard to Import Control Policy, 1968-69	207-213
(8)	Appendix	VIII—Tariff Commission's Recommendations, 1968-69 ..	214-217
(9)	Appendix	IX—Trade Agreements and Trade and Payments Arrangements entered into by India during 1968-69 ..	218-223
(10)	Appendix	X—Fourth Five-Year Plan 1969-74-Draft-A Summary	224-239
		Annexure to the Appendix on Fourth Five-Year Plan	240-246
(11)	Appendix	XI—Report of the Fifth Finance Commission—A summary	247-264

GRAPHS

		Facing Page
1.	Selected Economic Indicators	44
2.	Index Numbers of Agricultural Productivity in India	45
3.	Per Capita Net National Product	45
4.	Net Domestic Product by Industry of Origin	45
5.	Agricultural Production	82
6.	Industrial Production	82
7.	Wholesale Prices	83
8.	Money Supply with the Public	83
9.	Liabilities and Assets of Scheduled Commercial Banks	142
10.	Liabilities and Assets of the Reserve Bank of India	142
11.	Finances of the Government of India	143
12.	Budgetary Position of State Governments	158
13.	Debt Position of the Government of India	159

PART I

CHAPTER I: INDIAN ECONOMY DURING 1968-69

The developments in the Indian economy during 1968-69 were characterised by maintenance of a high level of foodgrains output, a considerable recovery in industrial output and a striking improvement in foreign exchange reserves. National income at 1960-61 prices recorded an increase of 3 per cent on the top of 8.9 per cent rise in 1967-68. On the demand side, though the rate of expansion in monetary resources at 11.3 per cent was about the same as in the previous year, it was higher than the growth rate in real national income. The price situation except for seasonal variations, was generally stable through most of the year, but showed signs of deterioration towards the end of the year. The emphasis of both economic and fiscal policies continued to be on providing a stimulus to industrial recovery and acceleration of the process of economic growth. The Reserve Bank's monetary and credit policies were geared to the attainment of these broad objectives. Steps were also taken, in pursuance of the policy of social control of banking, to direct the flow of credit in a larger measure to priority sectors such as agriculture, small-scale industries and exports. The banks were also advised to think of ways of deploying their liquid resources either by exceeding the targets fixed for priority sectors or by developing credit to areas of activity which were so far neglected by banks.

OUTPUT, PRICES AND POLICY MEASURES

Agricultural Output

In 1968-69, owing to drought conditions in some parts of the country and unseasonal rains and floods in other parts, foodgrains production was only marginally lower at 94 million tonnes as compared with the record production of 95.1 million tonnes in 1967-68. However, output of rice registered an increase of 5.7 per cent to 39.8 million tonnes in 1968-69. Production of wheat increased further by 12.8 per cent to 18.7 million tonnes as a result of significant increase in the area under high-yielding varieties. The output of other cereals, however, declined by 12.6 per cent to 25.2 million tonnes. This decrease was shared by all the coarse grains among which barley recorded a decline of 30.8 per cent. Production of pulses also declined by 13.9 per cent to 10.4 million tonnes.

Of the major commercial crops, only sugarcane showed a sizeable increase in production during 1968-69. Production of cotton, jute and groundnut have recorded declines. Official estimates of cotton production for 1968-69 are not yet available ; the all-India fourth estimate for area under cotton shows a decline of 4.9 per cent over the corresponding adjusted estimate for the previous year due to unfavourable weather conditions. According to trade estimates, output of cotton in 1968-69 was 4.4 per cent lower than in the previous year. Production of raw jute in 1968-69 at 30.52 lakh bales recorded a sharp decline of 51.7 per cent from the level reached in 1967-68. The output of mesta, however, is estimated at 12.51 lakh bales showing a marginal increase over the previous year. The combined output of jute and mesta at 43.03 lakh bales during 1968-69 will thus be one of the lowest reached in recent years. The fall in the area and the low level of production during 1968-69 were due partly to diversion of area to paddy and other crops and partly to adverse weather conditions in April-May and floods during July and October 1968 in Bengal and Assam.

As regards oilseeds official estimates of production of all oilseeds during 1968-69 are not yet available. The all-India final estimate for 1968-69 has placed the production of groundnut, sesamum and castorseed at 44.75 lakh tonnes, 4.15 lakh tonnes and 1.11 lakh tonnes, respectively, as against

last year's partially revised estimate of 57.31 lakh tonnes, 4.45 lakh tonnes and 1.21 lakh tonnes. The overall output of all major oilseeds is estimated to show a substantial decline as compared to 1967-68.

The production of sugarcane increased by 22.7 per cent to 12 million tonnes (in terms of gur), during 1968-69. Production of coffee which had declined by 10 per cent in 1967-68 to 70.5 thousand tonnes from the record level of 78.3 thousand tonnes reached in 1966-67 is estimated to have recorded a marginal decline to 70 thousand tonnes in 1968-69. Production of tea which had increased by 1.7 per cent in 1967 rose further by 4.1 per cent in 1968 to reach a level of 398.2 million kgs. The output of tobacco during 1967-68 at 3.44 lakh tonnes was lower by 2.3 per cent than in 1966-67 (3.52 lakh tonnes) due partly to a decrease of 4 per cent in acreage and partly to unfavourable seasonal conditions.

INDUSTRIAL OUTPUT

Increased supplies of industrial raw materials of agricultural origin and rising consumer demand, both stemming from the improved performance of agriculture in the previous year (1967-68), imparted a stimulus to industrial production during 1968-69. In 1968, industrial output recorded an increase of 6.3 per cent in contrast to the declines of 0.7 per cent and 0.8 per cent in 1967 and 1966, respectively. Although this rate of growth is impressive, it is still below the growth rates of 9.1 per cent and 8.6 per cent achieved in 1965 and 1964, respectively. Table 1 presents the trends in quarterly averages of the General Index of Industrial Production (Base : 1960=100) since the beginning of 1964 and Table 2 gives the monthly General Index of Industrial Production during the eight years 1961 to 1968.

Table 1. Quarterly Growth Rates in Index Numbers of Industrial Production

(Revised Series : 1960 = 100)

Year	Quarter	General Index (Seasonally adjusted)	Percentage change	
			Over the Previous Quarter	Over the corresponding Quarter of the Previous Year
1964 ..	January—March	137.8	+ 1.5	+11.3
	April—June	137.3	— 0.4	+ 8.0
	July—September	143.7	+ 4.7	+ 8.9
	October—December	144.6	+ 0.6	+ 6.5
1965 ..	January—March	153.8	+ 6.4	+11.6
	April—June	154.6	+ 0.5	+12.6
	July—September	153.6	— 0.6	+ 6.9
	October—December	152.6	— 0.7	+ 5.5
1966 ..	January—March	149.0	— 2.4	— 3.1
	April—June	153.7	+ 3.2	— 0.6
	July—September	153.3	— 0.3	— 0.2
	October—December	153.5	+ 0.1	+ 0.6
1967 ..	January—March	151.2	— 1.5	+ 1.5
	April—June	152.6	+ 0.9	— 0.7
	July—September	152.7	+ 0.1	— 0.4
	October—December	151.1	— 1.0	— 1.6
1968 ..	January—March	159.2	+ 5.4	+ 5.3
	April—June	157.7	— 0.9	+ 3.3
	July—September	161.4	+ 2.3	+ 5.7
	October—December	164.9	+ 2.2	+ 9.1

Table 2. Index Numbers of Industrial Production

(Base : 1960 = 100)

Month	Seasonally Adjusted Index								Percentage Variations of						
	1961	1962	1963	1964	1965	1966	1967	1968	(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
January	105.2	114.2	124.9	136.7	150.2	142.6	153.0	155.0	+ 8.6	+ 9.4	+ 9.4	+ 9.9	− 5.1	+ 7.3	+ 1.3
February	107.7	114.4	123.3	138.2	154.1	153.1	149.2	166.8	+ 6.2	+ 7.8	+12.1	+11.5	− 0.6	− 2.5	+11.8
March	107.2	116.7	122.9	138.6	157.1	151.4	151.3	155.9	+ 8.9	+ 5.3	+12.8	+13.3	− 3.6	− 0.1	+ 3.0
April	108.6	118.1	125.7	138.8	152.5	153.1	147.4	154.9	+ 8.7	+ 6.4	+10.4	+ 9.9	+ 0.4	− 3.7	+ 5.1
May	108.2	120.8	129.4	133.9	154.9	152.7	155.6	157.1	+11.6	+ 7.1	+ 3.5	+15.7	— 1.4	+ 1.9	+ 1.0
June	109.5	120.5	126.2	139.1	156.5	155.4	154.9	161.1	+10.0	+ 4.7	+10.2	+12.5	− 0.7	− 0.3	+ 4.0
July	108.5	120.9	133.1	145.6	156.5	152.6	149.2	162.9	+11.4	+10.1	+ 9.4	+ 7.5	− 2.5	− 2.2	+ 9.2
August	111.8	123.7	130.8	138.5	150.9	153.1	151.5	161.1	+10.6	+ 5.7	+ 5.9	+ 9.0	+ 1.5	− 1.0	+ 6.3
September	113.0	119.8	131.7	147.1	153.3	154.2	157.4	160.2	+ 6.0	+ 9.9	+11.7	+ 4.2	+ 0.6	+ 2.1	+ 1.8
October	110.7	118.8	137.2	144.7	148.0	153.5	154.2	165.5	+ 7.3	+15.5	+ 5.5	+ 2.3	+ 3.7	+ 0.5	+ 7.3
November	108.9	126.0	133.2	141.8	153.9	148.9	148.0	166.1	+15.7	+ 5.7	+ 6.5	+ 8.5	− 3.2	− 0.6	+12.2
December	110.4	122.6	136.9	147.2	155.9	158.1	151.2	163.1	+11.1	+11.7	+ 7.5	+ 5.9	+ 1.4	− 4.4	+ 7.9
General Index—Annual Average	**109.2**	**119.7**	**129.7**	**140.9**	**153.7**	**152.4**	**151.4**	**160.9**	+ 9.6	+ 8.4	+8.6	+ 9.1	− 0.8	− 0.7	+ 6.3

It is seen from Table 1 that the peak level in the quarterly average of the General Index was reached at 154.6 in the second quarter of 1965, and the declining trend which set in thereafter continued almost upto the last quarter of 1967 when the Index stood at 151.1 recording a fall of 2.3 per cent over the peak level. The first quarter of 1968 clearly marked the resumption of an upward trend in industrial output when the quarterly average Index of Industrial Production reached the level of 159.2 recording over the year a growth rate of 5.3 per cent. After a slight set-back in the second quarter, when the growth rate eased to 3.3 per cent, the pace of recovery quickened with the growth rate edging upto 5.7 per cent in the third quarter of 1968 and further to 9.1 per cent in the fourth quarter.

The process of recovery in output, which began with improved supplies of agricultural raw materials following bumper agricultural output in 1967-68, was reinforced by : (i) a sizeable pick-up in home demand following substantial rise in national income (increase of 8.9 per cent in 1967-68 compared with 0.9 per cent in 1966-67) ; (ii) measures taken by the Reserve Bank and the I.D.B.I., such as liberalisation of short and medium-term credit to stimulate domestic sales and exports of industrial products ; (iii) placement of advance orders by Government for the requirements of some Government undertakings ; and (iv) a sharp rise in exports of engineering goods estimated at over Rs. 85 crores during 1968-69, (more than double of those exported in 1967-68). Certain other incentives (referred to in detail elsewhere in the Report) such as relaxation of price controls on cotton textiles and removal of price controls on paper, as also price increases granted to coal and steel industries, to compensate for increases in costs which had taken place earlier also helped in creating a favourable climate for the expansion of industrial output.

Table 3 gives a classification of the weightage of industries falling within the different ranges of growth rates with a view to assessing the extent of the recovery in industrial production.

Table 3. Classification of Industries by their Growth Rates

Annual Rates of Growth (per cent)	Percentage Weight in the Index Number of Industrial Production of Industries showing specified Rates of Growth	
	1967	1968
Increase		
Less than 6	16.66	23.81
6 — 10	6.50	24.56
10 — 20	9.76	20.72
20 and above	3.44	4.96
	36.36	74.05
Decline		
Less than 6	37.46	4.43
6 — 10	9.77	9.86
10 — 20	5.71	6.14
20 and above	8.22	3.04
	61.16	23.47
Total Weights	**97.52***	**97.52***

* The balance of 2.48 percentage points is explained by the non-availability of the required Index Numbers for certain items.

On the whole, industries accounting for about three-fourths of the weightage in the index number of industrial production have shown increases in their ouput over the 1967 levels. In 1967, about 61 per cent of the industries recorded absolute declines while in 1968 this proportion was 23 per cent of the total.

The industries which showed a welcome recovery in 1968 can be classified into two categories, viz., (a) those which showed increases in 1968 after recording declines in 1967, and (b) those which showed increases of 6 per cent or more in 1968 as against increases of less than 6 per cent in 1967. Important among industries belonging to the first category are cotton spinning and weaving, sugar, industrial machinery, motor vehicles, iron and steel basic industries and mining and quarrying. Among the industries which have accelerated their growth rate in

1968, manufacture of prime movers, boilers and steam generating plants, paper and paper products, dyestuff and dyes and manufacture of batteries stand out. Some of the industries belonging to the chemicals group including fertilizers, non-ferrous metals like aluminium, brass and copper manufacturing and electricity generation continued to record high growth rates.

Important among the industries which are still lagging behind are mining, earth moving and construction machinery, machinery components and accessories, commercial, office and household machines and railroad equipment. Besides, there are a few industries which have recorded declines in output in 1968 though their performance during the period of recession was much better. All these belong to the heavy electricals group such as manufacture of machinery apparatus and supplies for setting up of new plants for the generation, storage, transmission and transformation of electrical energy, manufacture of electrical motors and furnaces and manufacture of electrical cables and insulated wires.

Group-wise, the largest increase was recorded by basic industries (9.9 per cent) followed by intermediate goods industries (6.2 per cent), consumer goods industries (5.0 per cent) and capital goods industries (2.8 per cent). In 1967, the small increase in basic industries (2.0 per cent) and intermediate goods industries (2.1 per cent) was more than offset by declines in the other two groups, namely, capital goods and consumer goods industries, leading to a small decline in the overall output.

Table 4. Annual Percentage Changes in the Index of Industrial Production

(Base : 1960 = 100)

Revised Classification

Period	All industries (100.00)	Basic industries* (25.11)	Capital goods industries* (11.76)	Intermediate goods industries* (25.88)	Consumer goods industries* (37.25)
1961	+ 9.2	+12.7	+18.0	+ 5.8	+ 6.6
1962	+ 9.6	+13.8	+29.7	+ 7.4	+ 1.3
1963	+ 8.4	+14.3	+11.1	+ 8.2	+ 2.2
1964	+ 8.6	+ 3.8	+21.2	+ 7.6	+ 7.4
1965	+ 9.1	+ 8.0	+18.5	+ 6.0	+ 7.5
1966	— 0.8	+ 5.2	—14.0	— 2.4	+ 3.0
1967	— 0.7	+ 2.0	— 2.3	+ 2.1	— 4.3
1968	+ 6.3	+ 9.9	+ 2.8	+ 6.2	+ 5.0

* For industries comprising these groups, please see Statement No. 10 on Index of Industrial Production.

Among *basic* industries, substantial increases in output were noticed for the second year in succession in 1968, in brass manufacturing (43 per cent) and copper smelting and rolling mills (23 per cent). These increases were, however, in the nature of recovery in the output of these two industries from the low levels to which they had reached in 1966. This is evident from the fact that even after the impressive increase recorded in 1967 and 1968, the average index for 1968 for both the industries were below their respective levels in 1964. In aluminium manufacturing, the order of increase in output was lower in 1968 (18 per cent) compared with 1967 (24 per cent). The lower increase

this year is largely attributed to slack demand conditions following slackening of output in electrical engineering industries which consume about 50 per cent of the aluminium output. Generation of electricity increased at a higher rate (16 per cent) than in 1967 (11 per cent) due to increase in installed generating capacity. In chemicals, output of organic chemicals increased by 7 per cent in 1968 in contrast to a decline of 14 per cent in 1967, and output of inorganic chemicals rose at a higher rate in 1968 (11 per cent) than in 1967 (7 per cent). The recovery in the output of organic chemicals was brought about by improved supplies of raw materials for alcohol-based industries following larger sugarcane crop and liberal imports of alcohol. The expansion of output in inorganic chemicals was facilitated by rise in demand for output of some inorganic chemicals by major consumers, notably cotton textiles, soap, paper and fertilizer industries. Output of cement, and iron and steel, which had been affected in 1967 by sluggish demand conditions, showed improvement in 1968. Cement output showed a larger increase in 1968 (6 per cent) than in 1967 (2 per cent) reflecting a gradual pick-up in construction activities. The modest increase of 4 per cent in output of iron and steel basic industries is significant in contrast to a decline of 8 per cent in 1967 ; the increase in output in 1968 was partly due to a perceptible increase in exports of many iron and steel items and partly due to revival of activity in some of the engineering industries. The improvement in steel output was reflected in higher demand for iron ore and coal as a result of which the index for mining and quarrying went up by 5 per cent in 1968 in contrast to a decline, though fractional in 1967.

In *Capital Goods Industries*, production of 'hand tools and small tools' and 'prime movers, boilers and steam generating plants' showed larger increases in 1968 (18 per cent and 31 per cent) than in 1967 (12 per cent and 4 per cent). Output of industrial machinery and motor vehicles which had been affected by sluggish demand conditions in 1967, showed a marked recovery with increase of 19 per cent and 13 per cent, respectively, in 1968, as against declines of 8 per cent and 3 per cent recorded in 1967. Increase in output of motor vehicles, especially trucks, seems to have been brought about by the liberal credit facilities available for their purchase and the growing transport requirements in the wake of improved agricultural crops. Some other industries in this group which had been maintaining steady growth rates in 1967 showed deterioration in output in 1968. Thus, output of electrical transformers recorded a decline of 8 per cent in 1968 against a rise of 10 per cent in 1967, that of electric motors showed a decline of 8 per cent in 1968 against a rise of 4 per cent in 1967 and of electric cables and wires, a decline of 7 per cent in 1968 as against a rise of 6 per cent in 1967. The declines in output in these industries in 1968 in contrast to increases recorded in 1967, were due to the reduced demand for the products of these industries.

In *Intermediate Goods Industries*, substantial increase in output was registered by rubber tyres and tubes (23 per cent) due to buoyant demand experienced by this industry. The demand for tyres was buoyant and despite maximum utilisation of capacity by the producers, the tyres were at one time reported to be in short supply ; Government, therefore, removed in January 1968 the tyre industry from the banned list for the purposes of licensing of fresh capacity. Significant increases in output were also recorded by batteries (19 per cent), petroleum refinery products, synthetic fibres and woollen worsted yarn (11 per cent each), dyestuff and dyes (10 per cent) and synthetic resins and plastics (9 per cent). The increased output of batteries and petroleum products was attributed to buoyancy of demand, that in dyestuff and dyes due partly to recovery in the output of its major consumer—cotton textiles—and partly to import substitution. Improved supplies of raw materials brought about the expansion of output in synthetic resins and plastics. The index for cotton spinning went up by 6 per cent in 1968 in contrast to a decline of 0.5 per cent in 1967, reflecting the improvement registered in 1968 in the demand for the industry's output. Some other industries from this group registered declines in output in 1968 in contrast to increases in output recorded in 1967. For example, output of paints, varnishes and lacquers and jute manu-

Table 5. Capacity Utilisation in Selected Industries

(Percentages of Output to Installed Capacity)

(Production—Capacity Ratios)

Industry	1966	1967	1968
BASIC INDUSTRIES			
Cement	88	88	80
Electricity generated@	92	86	85
Pig Iron	125	122	125
Finished Steel	82	66	66
Aluminium (Sheets and Circles)	69	73	57
Copper and Brass (Sheets and Circles)	14	21	30
Soda Ash	96	90	99
Heavy structurals*	64	23	15
Steel Pipes and Tubes	94	54	61
Steel castings	44	41	37
Nitrogenous Fertilizers (Ammonium Sulphate N content)	71	52	57
CAPITAL GOODS INDUSTRIES			
Railway Wagons	56	44	..
Power Transformers	220	104	81
Electrical Motors	146	146	74
INTERMEDIATE GOODS INDUSTRIES			
Storage Batteries	107	100	92
Automobile (Tyres)	90	90	114
Cotton Yarn@	85	82	85
Jute Textiles@	84	86	82
CONSUMER GOODS INDUSTRIES			
Radio Receivers	145	155	113
Bicycles	97	104	88
Sewing Machines £	88	78	105
Vanaspati	61	66	80
Cloth (Mill made)@	86	84	89
Electrical Lamps@@	115	121	143
Electrical Fans	85	87	81
Domestic Refrigerators£	153	149	194

@ In respect of the following industries, as the capacity figures are not available in terms of production units, capacity utilisation ratios are derived from their output per respective machinery installed. Further, for comparison purposes, these ratios have been converted into index numbers, taking the year of maximum utilisation in recent years (1960) as the base. Thus, the figures in the Table represent these index numbers for the following items :

Item	*Index Numbers based on*	*Base year*
Cotton yarn	Kgs. per spindle	1964
Cotton cloth	1,000 metres per loom	1961
Jute textiles	Metric ton per loom	1965
Electricity	Kilowatt hour to K.W.	1965

* Production data for 1968 relate to first seven months only.
£ Production data for 1968 relate to first nine months only.
@@ Data relate to Incandescent Filament Lamps only.

factures declined by 16 per cent and 7 per cent respectively in 1968 as against increases of 19 per cent and 4 per cent in 1967. The declines in output of these industries in 1968 resulted from the shortage of raw materials.

In *Consumer Goods Industries*, the largest increase in output was noticed in communication equipment (60 per cent) followed by woollen worsted fabrics, (23 per cent), hydrogenated oil (21 per cent), motor cycles and bicycles (16 per cent), fine and pharmaceutical chemicals (14 per cent), electrical appliances and paper and paper products (10 per cent each). The buoyancy of demand accounted for the expansion of output in communication equipment, electrical appliances and motor cycles and bicycles. Improved supplies of raw materials brought about the expansion of output of hydrogenated oil. Similarly, reflecting the improvement in the supply of raw cotton, the index for cotton weaving recorded an increase of 7 per cent in 1968 in contrast to a decline of 3 per cent noticed in 1967. Similarly, the index for cigarette manufacturing went up by 11 per cent in 1968 in contrast to a decline of 6 per cent in 1967. Significant increases in output were also observed in matches (10 per cent) and soaps and other washing and cleaning compounds (8 per cent). On the other hand, declines in output in 1968 in contrast to increases in 1967 were noticed in glass and glass products and manufacture of pottery, china and earthenware (21 per cent each).

Capacity Utilisation : The improvement in overall industrial production occurred through better capacity utilisation (Table 5). In the case of several industries in the *consumer goods* group such as domestic refrigerators, sewing machines, electrical lamps, cloth (mill sector) and vanaspati, there was conspicuous improvement in utilisation of industrial capacity. However, some of the *basic* and *capital goods* industries like finished steel, heavy structurals, steel castings and steel pipes and tubes continued to present a picture of significant under-utilisation. There are also a few other industries like fertilizers, non-ferrous metals, some items of chemicals which showed large under-utilisation but in respect of these industries as also in the case of iron and steel large capacity has been built and additions to capacity are still being made to meet the long-term requirements of the economy. With the growth process gathering momentum, this capacity will be increasingly utilised. There are, however, certain categories of industries such as steel castings, steel pipes and heavy structurals, electric cables and machine tools, where large capacity was licensed and built. These industries were still facing the problem of demand. The rate of utilisation of capacity in some of the basic industries such as steel and some of the engineering industries was also affected by industrial disputes which were especially evident in the eastern part of the country during the year. The number of man-days lost through strikes and lock-outs in 1968 was 13.83 million and although this showed a decline as compared with 1967 (17.14 million), it was much larger than the annual average of man-days lost between 1961 and 1965 (5.8 million).

PRICES

The declining trend in commodity prices which was in evidence in the latter half of 1967-68 after the uninterrupted rise in the previous four years, was arrested during the year under review. Over the year 1968-69 (April-March) the General Index showed an increase of 5.2 per cent.

Price movements during the year fall into three phases : a rising phase from end-March to end-September 1968, a declining phase from end-September 1968 to February 1, 1969, and a second rising phase from February 1, 1969 to end-March 1969. In the first phase of rising prices, the General Index rose from 201.1 on March 30, 1968 to 222.1 on September 28, 1968 registering an increase of 10.4 per cent. This was followed by a decline of 7.7 per cent from the year's peak level at 222.1 on September 28, 1968 to 205.1 on February 1, 1969. Thereafter, the General Index again showed an upward trend and registered a rise of 3.1 per cent from 205.1 on February 1, 1969 to 211.5 on March 29, 1969. In sum, the general price level at the end of the financial year 1968-69 was 5.2 per

cent higher than at the beginning of the year and this was in contrast to the decline, although only marginal of 0.9 per cent between the beginning and end of 1967-68 (Table 6).

The major contribution to the rise in the overall index in 1968-69 was made by "Industrial Raw Materials" which recorded a rise of 23.8 per cent as against a fall of 15.9 per cent in 1967-68. "Manufactures" which rose by 6.3 per cent during 1968-69 as compared with a fall of 2.9 per cent during 1967-68 made the next significant contribution to the price rise. The groups "Liquor and Tobacco" and "Fuel, Power, Light and Lubricants" which have relatively small weightages in the index, registered increases of 62.7 per cent and 3.7 per cent respectively, on top of increases of 22.3 per cent and 10.3 per cent in the previous year (Table 6). The only group which showed a decline was "Food Articles". The decline of 1.9 per cent in this group, though marginal, had come in contrast to the increases of 3.9 per cent, 24.3 per cent and 14.1 per cent in 1967-68, 1966-67 and 1965-66, respectively. For the first time in twelve years, prices of "Food Articles" imparted a restraining influence on the general price level.

A significant feature of price trends during the year was that although the lean season increase in prices was only about the same as in the previous lean season, the post harvest fall in prices was much less than in the preceding year. The weekly General Index of Wholesale Prices (*Base :* 1952-53=100) moved up from 201.1 on March 30, 1968 to 207.6 on June 1, 1968 and after a temporary decline between the second week of June 1968 and mid-July 1968, further moved upto 222.1 on September 28, 1968. Thereafter, the Index started declining and touched a low of 205.1 on February 1, 1969. From the second week of February 1969, however, the trend was reversed and the Index rose to close for the year at 211.5 on March 29, 1969. Thus while the lean season rise upto the peak level reached on September 28, 1968 was 10.4 per cent as compared with 11.8 per cent upto the peak level rise in the previous lean season, the seasonal fall upto end-March 1969 was only 4.8 per cent as against that of 11.3 per cent in 1967-68.

Table 6. Index Numbers of Wholesale Prices
(Base : 1952-53 = 100)

	Weight	END OF MARCH			% VARIATION OF		% VARIATION OF ANUNAL AVERAGES*	
		1967	1968	1969	2 over 1	3 over 2	1967-68 over 1966-67	1968-69 over 1967-68
		1	2	3	4	5	6	7
I. All commodities	**1,000**	**202.9**	**201.1**	**211.5**	**— 0.9**	**+ 5.2**	**+11.1**	**— 1.1**
1. Food Articles	504	217.9	226.5	222.1	+ 3.9	— 1.9	+21.2	— 4.5
(a) Cereals	193	194.2	201.5	193.6	+ 3.8	— 3.9	+20.8	— 4.3
(b) Pulses	42	234.4	222.6	188.6	— 5.0	—15.3	+41.0	—28.4
2. Liquor and Tobacco ..	21	128.0	156.5	254.7	+22.3	+62.7	+ 4.8	+55.3
3. Fuel, Power, Light and Lubricants	30	172.9	190.7	197.7	+10.3	+ 3.7	+ 8.7	+ 4.3
4. Industrial Raw Materials	155	236.3	198.7	245.9	—15.9	+23.8	— 3.6	+ 1.0
5. Manufactures	290	167.5	162.6	172.9	— 2.9	+ 6.3	+ 1.5	+ 1.9
(a) Intermediate Products	41	221.7	199.1	210.0	—10.2	+ 5.5	+ 3.5	— 4.5
(b) Finished Products ..	249	158.6	156.6	166.8	— 1.3	+ 6.5	+ 1.2	+ 3.3

* Based on revised Index Numbers.

Food Articles

Prices of "Food Articles" remained for the greater part of the year stable and showed a nominal fall of 1.9 per cent as compared with the increases of 3.9 per cent during 1967-68, 24.3 per cent in 1966-67 and 14.1 per cent in 1965-66 (Table 7). Thus, the year 1968-69 marked the end of a continuously rising phase observed in the prices of "Food Articles" since 1956-57. Among major cereals, the fall was observed only in respect of rice (6.9 per cent), while wheat, jowar and bajra registered increases of 0.4 per cent, 5.6 per cent and 19.7 per cent, respectively. This was in contrast to a rise of 14.4 per cent in rice prices and decreases of 2.3 per cent, 6.9 per cent and 17.3 per cent in the case of wheat, jowar and bajra, respectively, during the previous year. The decline in rice prices was in response to a good crop for the second year in succession. The index of rice prices which opened the year at 207.7 on March 30, 1968 had risen to 222.8 by August 10, 1968. Thereafter, except for a temporary rise to 223.0 on October 5, 1968 the index was on a downward trend, as the new rice crop started arriving in the market and by February 22, 1969, the index touched a low of 185.8. Rice prices edged up thereafter, to close the year at 193.4 at end-March 1969. The price index for wheat fell from 185.8 on March 30, 1968 to a low of 169.4 on May 18, 1968, but moved up thereafter to 198.1 on September 14, 1968. The fall in wheat prices which occurred after mid-September 1968 was rather brief, lasting only upto the second week of December, 1968 when the index touched 188.0. Thereafter, the index rose gradually to touch 195.4 on January 18, 1969, and after remaining at around the same level upto early March 1969, eased subsequently to close the year at 186.5 on March 29, 1969. Over the year, wheat prices showed a rise of 0.4 per cent as against a fall of 2.3 per cent in the previous year. On the other hand, prices of jowar and bajra recorded substantial increases reflecting their reduced output. Taking food articles other than cereals, the items which showed price declines were pulses, (15.3 per cent) sugar (0.8 per cent) and gur (46.2 per cent). Prices of pulses declined due to a large carry-over of stocks with the trade from the previous harvesting season although output during 1968-69 was lower than in the previous year. Prices of sugar and gur declined owing to the increase of about 23 per cent in the output of sugarcane. Prices of 'edible oils' on the other hand showed a sharp increase of 23.5 per cent as against a decline of 27.7 per cent in the previous year, due mainly to a serious short-fall in the output of groundnuts during 1968-69.

Table 7. Index Numbers of Wholesale Prices of Food Articles

(Base : 1952-53 = 100)

	Weight	END OF MARCH			% VARIATION OF		% VARIATION OF ANNUAL AVERAGES*	
		1967	1968	1969	2 over 1	3 over 2	1967-68 over 1966-67	1968-69 over 1967-68
		1	2	3	4	5	6	7
Food Articles	**504**	**217.9**	**226.5**	**222.1**	**+ 3.9**	**— 1.9**	**+21.2**	**— 4.5**
1. Cereals	193	194.2	201.5	193.6	+ 3.8	— 3.9	+20.8	— 4.3
(a) Rice	113	181.6	207.7	193.4	+14.4	— 6.9	+19.3	+ 0.6
(b) Wheat	53	190.1	185.8	186.5	— 2.3	+ 0.4	+27.3	— 8.3
(c) Jowar	10	215.3	200.4	211.7	— 6.9	+ 5.6	+14.3	— 5.6
(d) Bajra	5	252.8	209.0	250.2	—17.3	+19.7	+16.0	— 6.2
2. Pulses	42	234.4	222.6	188.6	— 5.0	—15.3	+41.0	—28.4
3. Milk and Ghee	84	199.2	219.5	238.9	+10.2	+ 8.8	+18.8	+ 5.5
4. Edible oils	47	313.6	226.8	280.0	—27.7	+23.5	— 6.1	—12.3
5. Sugar	18	174.0	199.6	198.0	+14.7	— 0.8	+12.7	+ 8.0
6. Gur	30	276.3	444.6	239.2	+60.9	—46.2	+117.1	— 8.2

* Based on revised Index Numbers.

Industrial Raw Materials

During 1968-69, the prices of "Industrial Raw Materials" registered a rise of 23.8 per cent as against a fall of 15.9 per cent in 1967-68 (Table 8). All the important commodities in this group registered increases ranging between 14.1 per cent and 58.0 per cent. Raw cotton showed a rise of 14.1 per cent, on top of a 9.2 per cent rise in the previous year, following a sharp fall in its output and late arrival of imports of cotton under P.L. 480. The higher consumption of cotton by mills owing to larger off-take of cloth also contributed to this rise. Raw jute registered the largest rise in price among raw materials—an increase of 58.0 per cent in 1968-69 as compared with a fall of 14.0 per cent in the previous year. The rise in prices of raw jute was brought about by a serious shortfall in supply following a decline in its output from 74.5 lakh bales (raw jute and mesta) in 1967-68 to about 43 lakh bales in 1968-69 as a result of (i) damage to crops due to drought conditions early in the sowing season and subsequently by floods and heavy rains in Eastern regions and (ii) diversion of area from jute to paddy and other crops. Following a sharp decline in oilseeds output during the year prices of oilseeds rose by 22.2 per cent in 1968-69 as against a fall of 28.5 per cent in 1967-68. The output of groundnuts declined substantially during 1968-69 owing to unfavourable seasonal conditions in some areas during the period of growth of crop as a result of which prices of groundnuts registered a rise of 42.2 per cent during the year as against a fall of 36.2 per cent in 1967-68. Vanaspati prices were revised upwards a number of times during the year owing to the high prices of groundnut oil. Uncertainties over the imports of soyabean oil also contributed to the firm trend in groundnut oil prices.

Table 8. Index Numbers of Wholesale Prices of Industrial Raw Materials and Manufactures

(Base : 1952-53 = 100)

	Weight	END OF MARCH			% VARIATION OF		% VARIATION OF ANNUAL AVERAGES*	
		1967	1968	1969	2 over 1	3 over 2	1967-68 over 1966-67	1968-69 over 1967-68
	1	2	3	4	5	6	7	
Industrial Raw Materials	**155**	**236.3**	**198.7**	**245.9**	**—15.9**	**+23.8**	**— 3.6**	**+ 1.0**
1. Fibres	61	192.5	185.4	246.6	— 3.7	+33.0	— 5.2	+22.2
(a) Cotton Raw ..	32	149.6	163.3	186.4	+ 9.2	+14.1	+14.0	+ 9.8
(b) Jute Raw	23	252.2	216.8	342.6	—14.0	+58.0	—20.7	+40.6
2. Oilseeds	60	315.0	225.2	275.2	—28.5	+22.2	— 5.1	—13.5
(a) Groundnuts	27	298.4	190.3	270.6	—36.2	+42.2	—16.0	— 9.5
Manufactures	**290**	**167.5**	**162.6**	**172.9**	**— 2.9**	**+ 6.3**	**+ 1.5**	**+ 1.9**
1. Intermediate Products ..	41	221.7	199.1	210.0	—10.2	+ 5.5	+ 3.5	— 4.5
2. Finished Products ..	249	158.6	156.6	166.8	— 1.3	+ 6.5	+ 1.2	+ 3.3
(a) Cotton Manufactures	91	153.9	157.4	159.9	+ 2.3	+ 1.6	+ 4.0	+ 1.4
(b) Jute Manufactures ..	37	146.1	130.2	175.2	—10.9	+34.6	—13.9	+24.6
(c) Oilcakes	10	290.8	244.5	261.2	—15.9	+ 6.8	+ 3.5	—10.0

* Based on revised Index Numbers

Liquor and Tobacco and Fuel, Power, Light and Lubricants

The group "Liquor and Tobacco" registered an increase of 62.7 per cent in prices during 1968-69 compared with an increase of 22.3 per cent in the previous year. There was a rise of about 70.6 per cent in the prices of tobacco, which was partly due to a significant increase in the export demand for tobacco following the imposition of a ban by the U.K. on the imports of tobacco from Rhodesia and partly due to the increase in the excise duties on cigarettes in the 1968-69 budget. The group "Fuel, Power, Light and Lubricants" recorded a marginal rise of 3.7 per cent as compared with the rise of 10.3 per cent in 1967-68. There was an enhancement of excise duty on motor spirit from Rs. 550 per kilolitre to Rs. 620 per kilolitre and in the case of superior kerosene from Rs. 165.25 per kilolitre to Rs. 205.25 per kilolitre.

Manufactures

The price index of "Manufactures" rose by 6.3 per cent in 1968-69 as compared with a decline of 2.9 per cent in 1967-68 (Table 8). Both the components of manufactures, viz., 'intermediate products' and 'finished products' registered increases, their respective order of increase being 5.5 per cent and 6.5 per cent during 1968-69 as against the declines of 10.2 per cent and 1.3 per cent in the previous year. Among "intermediate products", notable increases were recorded by linseed oil (25.5 per cent), coir yarn (4.2 per cent), copper (4.8 per cent) and cotton yarn (3.7 per cent). These increases were partly offset by the fall in the prices of brass (7.7 per cent) and tin (6.2 per cent).

Among 'finished products', prices of cotton and jute manufactures and oilcakes showed increases of the order of 1.6 per cent, 34.6 per cent and 6.8 per cent respectively, consequent upon increases recorded in the prices of their respective raw materials which are of agricultural origin. The prices of some other finished goods also rose during 1968-69, notable among these were chemicals (10.2 per cent), metal products (4.4 per cent) and machinery and transport equipment (2.0 per cent). On the other hand, the prices of woollen manufactures and silk and rayon manufactures registered declines of 3.8 per cent and 3.6 per cent, respectively.

Consumer Prices

The All-India Consumer Price Index for Working Class (*base :* 1949=100) reflected the restraining influence of foodgrains prices on the general price level during the year. Thus, although the index rose from 213 in March 1968 to 219 in October 1968, it started declining thereafter and reached a low of 205 in February 1969. Thereafter, in sympathy with the rising trend in the wholesale prices it started edging up and reached 207 in March 1969. Over the year as a whole (March 1968 to March 1969), the Consumer Price Index registered a decline of 2.8 per cent as contrasted with a rise of 6.5 per cent during the previous year.

Regional data with base : 1949=100 are available only in respect of three centres. Of these, Cuttack and Madras registered declines of 2.8 per cent and 0.9 per cent respectively while Jabalpur showed an increase of 2.8 per cent. The data with 1960 as the base, available in respect of other centres indicate that while declines ranging between 0.6 per cent and 2.4 per cent were registered by Kanpur, Calcutta and Jamshedpur, increases ranging from 2.4 per cent to 7.3 per cent were shown by Sholapur, Delhi, Bombay, Ahmedabad, Nagpur, Ajmer, Bangalore and Hyderabad.

Policy Measures

During 1968-69 the policy measures earlier taken to reinforce the technological base for accelerating productivity in agriculture were pursued vigorously. The target of area to be covered by the High-Yielding Varieties Programme (HYVP) during the year was set at 8.5 million hectares as against the achievement of 6.04 million hectares in the previous year. There was a doubling of the area to be covered under the multiple cropping programme to 6.07 million hectares. The targets for the year also envisaged a higher consumption of fertilizers at 1.98 million tonnes as against the actual consumption of

1.54 million tonnes in 1967-68. In the case of commercial crops like cotton, oilseeds, etc., the special programmes initiated earlier were also continued during the year. The institutional investment on minor irrigation works during the year was Rs. 100 crores as compared with Rs. 70 crores in 1967-68.

In the last year's Report, mention was made to the policy of ensuring remunerative prices to producers of foodgrains. The procurement prices for 1968-69 were kept more or less at the preceding year's levels. The Agricultural Prices Commission had recommended somewhat lower prices for foodgrains procurement in 1968-69 as compared with the prices fixed in 1967-68. The high level of procurement prices coupled with the intensive procurement drive did not allow the foodgrains prices to fall at a steep rate during the marketing season as had happened in the previous year. Effective arrangements were made by the Government for the purchase of all quantities of foodgrains offered for sale. The target for procurement during the 1968-69 season was fixed at 7.9 million tonnes consisting of 3.5 million tonnes of rice, 0.8 million tonnes of kharif coarse grains and 3.6 million tonnes of wheat. Rice procurement during the season till mid-August 1969 aggregated 3.08 million tonnes and procurement of kharif coarse grains during the same period was 0.47 million tonnes. Procurement of wheat during the 1969-70 marketing season (April-March) till mid-August 1969 amounted to 2.38 million tonnes.

Taking into account the requirements for public distribution and for building up a buffer stock, imports of foodgrains in 1969 are placed at 4.3 million tonnes. Actual imports during 1969 (till August) amounted to 3.0 million tonnes as against 4.7 million tonnes during the corresponding period of last year. The zonal restrictions on movement of foodgrains were reviewed in September 1968 and it was decided, in view of drought conditions in Rajasthan, to reimpose the restrictions on the movement of coarse cereals from that State. However, in the context of easy availability in some States such as Uttar Pradesh, Bihar and Mysore, movement restrictions on coarse cereals were lifted in December 1968 and January 1969. Movement of wheat from Uttar Pradesh to Delhi was permitted in January 1969. Restrictions on export of coarse cereals from Madhya Pradesh were also withdrawn in February 1969. Effective April 16, 1969, the Government announced the enlargement of the northern wheat zone and the formation of five other zones.

The stocks of foodgrains with the Centre and State Governments stood at the close of 1968 at 3.9 million tonnes, of which 2.8 million tonnes were treated as buffer stock and the balance as operational stock meant for meeting normal public distribution requirements. By end-July 1969, the stocks aggregated 5.3 million tonnes.

The Food Corporation of India substantially expanded its activities both in respect of areas of operation and commodities handled. The Corporation purchased 19.8 lakh tonnes of rice, 18.8 lakh tonnes of wheat, 4.3 lakh tonnes of other cereals and 0.9 lakh tonnes of gram/gramdal during the last kharif (November 1967-October 1968) and rabi (April 1968-March 1969) seasons. It had also purchased 23 thousand tonnes of groundnut oil during 1967-68. Total purchases of rice/paddy and other kharif cereals by the Corporation during the first 10 months of 1968-69 kharif season aggregated 21.24 lakh tonnes and 1.28 lakh tonnes respectively. Purchases of wheat during the first five months of the 1969-70 marketing season (April-March) amounted to 20.28 lakh tonnes.

The storage capacity owned by the Corporation stood at 16.89 lakh tonnes. It has also almost completed the programme of construction of godowns with a capacity of 75 thousand tonnes in Punjab and Haryana. Further construction of godowns of 7.30 lakh tonnes capacity in the States where it is operating, is under execution. The total storage capacity of godowns purchased/constructed by the Government including that of the Food Corporation of India was 24.37 lakh tonnes at the end of 1968.

The pressure on the system of public distribution eased considerably during 1968-69. The offtake of foodgrains declined from

13.2 million tonnes in 1967 to 10.6 million tonnes in 1968. Statutory rationing was discontinued in 5 urban centres during 1968 and in three more centres during 1969 and in respect of other centres the quantum of ration was raised. The number of ration/fair price shops declined from 1.40 lakh at the end of 1967 to 1.38 lakh at the end of 1968, and there was a corresponding reduction of population covered by formal or informal rationing from 277 million to 259 million.

In regard to sugar, the basic minimum price of sugarcane which was revised in August 1967 to Rs. 7.37 per quintal linked to a recovery of 9.4 per cent or less, with a provision for an increase of 5.36 paise per quintal for every increase of 0.1 per cent in recovery above 9.4 per cent, was continued during the year. The policy of partial decontrol introduced in August 1967 was also continued for 1968-69. However, the proportion of production to be acquired by Government at a fixed levy price during 1968-69 was raised to 70 per cent from 60 per cent in 1967-68, the balance being allowed to be sold by the factories at free market prices subject to regulation of releases by Government.

In view of the steep decline in raw jute output during 1968-69 and a sharp upward trend in raw jute prices, the Government took several steps to check the speculative rise in prices and to regulate the purchase and use of raw jute by mills. The system of minimum purchase quotas reintroduced in 1967-68 in order to support raw jute prices was discontinued from May 1968 and maximum monthly purchase quotas were issued by the Jute Commissioner during 1968-69. Further, ready purchases were restricted to 25 per cent of the quota. The Jute Buffer Stock Association decided to release its entire stock in four monthly equal instalments from May 1968 onwards. The IJMA asked its member mills to curtail voluntarily raw jute consumption by 10 per cent. To check excessive speculation, the East India Jute and Hessian Exchange Ltd., imposed in August 1968 restrictions on trading in raw jute and jute goods. In September 1968, the Forward Markets Commission imposed deterrent special margins on transferable and non-transferable specific delivery contracts on both raw jute and jute goods. In December 1968 the Government took powers under the amended Jute (Licensing and Control) Order, 1961 to control the pattern of jute goods production so as to augment the production of items with good export demand and restrict the output of those which were lagging in exports or were meant for domestic sale. Raw jute supplies were also sought to be augmented by permitting import of raw jute. Bulk consumers such as the Food Corporation of India, the DGSD and the cement industry were urged to stagger their offtake of jute bags.

In regard to raw cotton, the minimum support prices for the 1968-69 season were fixed by revising them upward by 2 to 5 per cent over the previous year's support prices. Import of raw cotton during 1968-69 season was placed at 3.47 lakh bales as against 7.56 lakh bales during the previous season. The reduced imports during 1968-69 season were due to initial delay in authorisation of P.L. 480 cotton imports.

As regards industries, the accent of policy continued to be on stimulating a faster recovery from the recession to which industrial production was subject in the earlier years. The policy of delicensing introduced in 1966 was continued. Three more industries, namely, the manufacture of steel ingots and billets by concast plants, the manufacture of barium salts and compounds and the vanaspati industry were delicensed under the Industries (Development and Regulation) Act.* In May 1968, price controls on all varieties of paper and paper products were removed. In the same month, the decontrolled part of cloth production by textile mills was raised from 60 per cent to 75 per cent. The budget for 1969-70 conferred priority status on jute and cotton textile industries for the purpose of higher development rebate.

With a view to compensating some industries for unavoidable increases in costs of production, the Government granted increases in

* In May 1969, the Government announced that the cement industry would be decontrolled with effect from January 1, 1970.

their prices. In the case of coal, the increase of Rs. 3.25 per tonne would apply to coking coal to be supplied to the steel plants, coal washeries, etc. Of this, an increase of Rs. 2.50 per tonne became effective from July 1, 1968 and this included an excise duty of Re. 0.75 per tonne to be set aside for the purpose of conserving and developing coking coal. A further increase of Re. 0.75 per tonne was to be allowed after the scheme for coal sampling mutually acceptable to coal and steel industries has been enforced. In regard to steel, increases permitted in respect of all categories of steel averaged Rs. 57 per tonne. As mentioned in last year's Report, an increase of 2 per cent was permitted in the prices of controlled varieties of cloth.

Among the measures adopted during the year to achieve the maximum degree of import substitution, the important ones include (1) substitution of imported raw materials, components and spare parts with indigenously manufactured materials and components of same specifications or of comparable specifications, (2) reduction in consumption of imported raw materials and components per unit of production, (3) acceleration of phased manufacturing programmes to achieve a greater indigenous content in the shortest possible time, and (4) a more rigorous scrutiny of requests for capital goods imports with a view to ensuring that plants and equipments which are already being produced in the country or are likely to be produced in future are not allowed to be imported. The Government of India also asked the larger units of industries both in the public and private sectors to make a quick review of the imports already authorised but not irrevocably committed so that stores which could be had from indigenous sources were not allowed to be imported.

MONETARY AND BANKING DEVELOPMENTS

The rate of expansion in money supply with the public which had gone down continuously since 1965-66—from 11 per cent in 1965-66 to 9.3 per cent in 1966-67 and 8.1 per cent in 1967-68, declined further to 8.0 per cent in 1968-69. In absolute terms, money supply with the public expanded by Rs. 429 crores in 1968-69 as compared with Rs. 400 crores in 1967-68 and Rs. 421 crores in 1966-67. Unlike in the past few years the expansion was more marked in the currency component (Rs. 306 crores) than in demand deposits (Rs. 123 crores). The expansion in total monetary resources (comprising currency with the public and aggregate deposits with banks) at Rs. 846 crores was, however, substantially larger than in the previous year (Rs. 644 crores) reflecting a considerably larger increase of Rs. 416 crores in time deposits with banks as compared with the increase of Rs. 244 crores in the previous year.

The rate of expansion in monetary resources during 1968-69 at 11.3 per cent was higher than the rate of growth in real national product and towards the end of the year there was some pressure on prices. In the previous year this rate of monetary expansion had slowed down to 9.4 per cent from 11.1 per cent in 1966-67 and with the spurt in real national income a considerable easing of the pressure on prices was witnessed.

The sharp increase in time deposits at the rate of 19.7 per cent during 1968-69 as against 13.1 per cent, 16.3 per cent, and 13.1 per cent in 1967-68, 1966-67 and 1965-66, respectively, is partly attributable to the vigorous branch expansion programmes of the commercial banks in compliance with the targets indicated by the Reserve Bank. The efforts of the banks to attract new classes of depositors and to encourage the spread of the banking habit also contributed to the accelerated growth of time deposits.

The constituents of money supply variations and the principal factors accounting for the variations during 1968-69 are indicated in Table 9 :

The major expansionary factor in money supply during 1968-69 was the large increase in Government's net indebtedness to the banking system. Net bank credit to Government rose by Rs. 443 crores as against Rs. 246 crores in 1967-68. The

Table 9 Variations in Money Supply—Financial Year

(Crores of Rupees)

Item	1966-67	1967-68	1968-69
	1	2	3
1. Currency with public ..	+163	+179	+306
2. Deposit Money ..	+258	+221	+123
3. Money Supply ..	+421	+400	+429
Factors Affecting Money Supply:			
A. Net Bank Credit to Government Sector ..	+294*	+246	+443
B. Net Bank Credit to Private Sector ..	+225	+178	+ 86
C. Net Foreign Exchange Assets	− 16@	+ 13	+ 89**
D. Government's net Currency Liabilities ..	+ 23	+ 7	+ 23
E. Net Non-monetary Liabilities of the Banking System (Increase −)£	−105	− 44	−212**

* Excluding the effect of revaluation of certain assets of the Reserve Bank following the devaluation of the rupee.

@ Ignoring the effect of revaluation of foreign assets of the Reserve Bank following devaluation.

** Excluding the changes due to revaluation of gold held in the Issue Department of the Reserve Bank with effect from February 1, 1969.

£ Comprising mainly capital and reserves and the difference between other liabilities (mainly bills payable, accrued profits, etc.) and other assets (such as premises, debit balances under branch adjustments and items in course of collection).

increase in the volume of commercial banks' credit to the private sector (comprising loans and advances and holdings of private securities) at Rs. 421.0 crores in 1968-69 was larger than in 1967-68 (Rs. 377.6 crores). The volume of credit to the private sector from the co-operative banks increased by Rs. 78.2 crores as against Rs. 47.4 crores in the previous year. The total volume of bank credit to the private sector including Reserve Bank credit to private sector (which mainly represents Reserve Bank's subscriptions to debentures of land mortgage banks and shares of term lending institutions) increased by Rs. 503 crores in 1968-69 as against Rs. 421 crores in 1967-68. But the expansionary impact of this larger bank credit to the private sector was largely offset by the much higher rate of increase in accruals to commercial banks' time deposits (Rs. 392.4 crores in 1968-69 as against Rs. 237.7 crores in 1967-68). The time deposits with co-operative banks increased by Rs. 24.1 crores in 1968-69 as against Rs. 5.9 crores in 1967-68. Thus the increase in *net* bank credit to the private sector (i.e. increase in bank credit to the sector minus increase in time deposits) was smaller at Rs. 86 crores as compared with Rs. 178 crores in the previous year. The other contributory factor to the expansion in money supply during the year was the increase in net foreign exchange assets of the banking sector by Rs. 89 crores (Rs. 13 crores last year). Another expansionary factor was the increase of Rs. 23 crores (Rs. 7 crores last year) in the circulation of one rupee coins and notes and small coins, the issue of which represents Government's currency liabilities to the public. The expansionary effect of the above factors on money supply was offset to a substantial extent by the increase of Rs. 212 crores in the net non-monetary liabilities of the banking system (Rs. 44 crores in 1967-68).

Seasonal Monetary and Banking Trends

The contraction in money supply at Rs. 130.4 crores in the 1968 slack season (May-October) was twice as much as in the slack season of 1967 (Rs. 63 crores). This larger slack season contraction during 1968 came about mainly because of the contraction of Rs. 174 crores in net bank credit to private sector which, in turn, reflected a larger accretion of Rs. 230 crores to banks' time deposits (as against Rs. 133 crores in the 1967 slack season). The increase in net bank credit to Government was also much smaller at Rs. 36 crores as against Rs. 105 crores in the 1967 slack season. But in the busy season of 1968-69 (November-April) the expansion in money supply was as large as Rs. 606 crores (Rs. 546 crores in the previous busy season), consisting of an

increase of Rs. 410 crores in currency with the public and Rs. 196 crores in deposit money. The main factor responsible for the expansion was the sharp increase of Rs. 324 crores (as against Rs. 66 crores in the previous busy season) in net bank credit to Government. The volume of commercial and co-operative bank credit to the private sector increased by Rs. 461.9 crores in 1968-69 busy season as against Rs. 517.9 crores in the previous busy season. But consequent on the larger accretion to banks' time deposits (Rs. 200.1 crores in the 1968-69 busy season as against Rs. 105.9 crores in the 1967-68 season), the expansionary effect of bank credit to the private sector on money supply was only Rs. 261.7 crores in the 1968-69 busy season as against Rs. 412.0 crores in the last busy season. The other expansionary factors were (1) a rise of Rs. 117 crores in net foreign exchange assets of banks; (excluding the effect, as explained earlier, of the formal revaluation of gold held in the Issue Department of the Reserve Bank) and (2) increase of Rs. 32 crores in Government's net currency liabilities to the public. The increase of Rs. 131 crores in net non-monetary liabilities of the banking system during the same period, however, moderated the expansionary effect of the abovementioned factors.

Credit trends during the slack season of 1968 have to be interpreted against the background of the policy of selective liberalisation of bank credit initiated in August 1967 and carried further in the 1967-68 busy season.

Consequent on the policy of selective liberalisation and preferential refinancing facilities, the outstanding level of scheduled commercial banks' borrowings from the Reserve Bank of India at the beginning of the 1968 slack season at Rs. 112 crores was Rs. 69 crores higher than the level a year ago. The contraction of credit during the 1968 slack season was also substantially lower (Rs. 43 crores) as compared with the slack season of 1967 (Rs. 102 crores). The smaller contraction of credit in the 1968 slack season was to some extent due to the larger magnitude of financing of food procurement operations during the season. Excluding advances for food procurement operations, the contraction in bank credit would be Rs. 66 crores in the 1968 slack season as against Rs. 89 crores in the slack season of the previous year.

Table 10 Scheduled Commercial Bank Data—Slack Season

(Variations)

(Crores of Rupees)

Item	1966	1967	1968
	1	2	3
1. Aggregate Deposits	+264.9	+194.0	+238.8
(*a*) Demand	+ 84.8	+ 63.5	+ 12.3
(*b*) Time	+180.1	+130.5	+226.5
2. Borrowings from R.B.I.	— 29.8	— 36.1	— 81.8
3. Borrowings from State Bank and/or notified banks	+ 0.4	+ 2.5	— 9.2
4. Bank Credit	—85.7	—101.8	—42.9
5. Investments in Government Securities	+298.2	+218.2	+133.8
6. Cash Reserves	+ 10.3	+ 23.5	+ 30.2

Security-wise, advances against seasonal commodities showed a smaller contraction (Rs. 173 crores) in the 1968 slack season as compared with the slack season of 1967 (Rs. 202 crores). This decline was Rs. 210 crores smaller than the expansion of credit against the seasonal commodities in the 1967-68 busy season. The main commodities which showed a larger decline in seasonal advances as compared with 1967 were, sugar (Rs. 105 crores in 1968 as against Rs. 67 crores in 1967), paddy and rice (Rs. 37 crores in 1968 as against Rs. 12 crores in 1967) and "other foodgrains" (Rs. 11 crores in 1968 as against Rs. 5 crores in 1967). But the seasonal expansion in advances against these commodities in the 1967-68 busy season were also relatively larger. The increase in advances against sugar in the 1967-68 busy season was Rs. 123 crores (as against Rs. 25 crores in 1966-67 busy season) against paddy and rice was Rs. 63 crores (as against Rs. 0.1 crore in 1966-67 busy season) and that against "other foodgrains," Rs. 30 crores (as against Rs. 10.0 crores in 1966-67 busy season). The principal com-

modities accounting for a smaller contraction in seasonal advances during the 1968 slack season as compared with the slack season of 1967 were, cotton and kapas, and wheat. The advances against cotton and kapas showed a contraction of Rs. 49 crores in the 1968 slack season as against a contraction of Rs. 65 crores in the slack season of 1967. Seasonal advances against wheat showed an expansion of Rs. 70 crores in 1968 as against an expansion of Rs. 8 crores in the previous year's slack season. The increase in non-seasonal advances at Rs. 110 crores was about the same as in the 1967-68 busy season (Rs. 112 crores) and was relatively larger than in the slack season of 1967 (Rs. 78 crores). While advances against iron and steel and engineering products, jute textiles and assets of industrial concerns showed larger increases than in the busy season of 1967-68, those against cotton textiles and "others" showed smaller increases. Total secured advances of commercial banks showed a decline of only half as much as the decline in the slack season of 1967 (Rs. 63 crores in 1968 slack season as against Rs. 124 crores in the 1967 slack season), while unsecured advances rose by Rs. 33 crores as against Rs. 28 crores in the 1967 slack season and only Rs. 3 crores in the 1967-68 busy season.

The growth in deposits of scheduled commercial banks in the slack season of 1968 was substantially larger (Rs. 239 crores) as compared with the increase during the 1967 slack season (Rs. 194 crores). Nearly 95 per cent of the deposit increase during the season was on account of time deposits whereas in the 1967 slack season time deposits accounted for two-thirds of the increase. Despite the relatively larger increase in deposits during the season, the credit-deposit ratio showed a smaller decline than in the 1967 slack season because of the smaller contraction in credit during the 1968 slack season. The ratio declined from 79.4 per cent at end-April 1968 to 73.7 per cent at end-October 1968 showing a fall of 5.7 percentage points. In the 1967 slack season the ratio had shown a larger decline of 6.8 percentage points to 70.3 per cent at end-October 1967.

As regards cash reserves, the banks started the slack season with a cash ratio of 6.0 per cent at end-April 1968, but with an addition of Rs. 30 crores to their cash reserves during the season, the cash ratio rose at the end of the season (end-October 1968) to 6.3 per cent. The rise in cash ratio despite the higher level of repayments to the Reserve Bank (Rs. 82 crores in the 1968 slack season as against Rs. 36 crores in the 1967 slack season) was possible because of the larger accretion to deposits and a smaller increase in investments in Government securities (Rs. 134 crores) as compared with the increase in such investments in the 1967 slack season (Rs. 218 crores). The investment-deposit ratio thus declined from 31.4 per cent at end-October 1967 to 26.8 per cent at end-October 1968.

The reduction in the Bank rate effected in March 1968, the continuation of the liberal refinancing facilities at concessional rates available from the Reserve Bank, and the high rate of growth in bank deposits resulted in generally lower rates in the inter-bank call money market during the 1968 slack season as compared with the rates in the 1967 slack season. The call money rate in Bombay, which remained till about mid-May around the busy season's closing level of 4.5 per cent eased in stages to 3.2 per cent by mid-July. Subsequently the rate rose towards the close of August, and reached nearly 4 per cent in the first half of September. But at the end of the season it stood at 3.5 per cent. The rates in 1968 were consistently lower than the rates in the corresponding weeks of the 1967 slack season (which was about 5 to 6 per cent till mid-June and around 4 per cent thereafter). In Calcutta, the rates fluctuated between a low of 3.1 per cent on July 19, and a high of 4.8 per cent on September 13, 1968. In the previous slack season the rate had fluctuated between a low of 3.1 per cent and a high of 6.2 per cent.

Busy Season—1968-69

During the busy season of 1968-69 the total expansion of scheduled commercial bank credit (Rs. 427 crores) was considerably smaller than the expansion in the busy season of 1967-68 (Rs. 510 crores) and was only slightly higher than the expansion in the 1966-

67 busy season (Rs. 426 crores). But the smaller expansion in bank credit during 1968-69 busy season was largely due to the changes in the quantum of commercial banks' credit for financing food procurement operations, following the extension of a loan from the Government of India to the Food Corporation of India, which took over in March 1969 the functions of the Government's Food Department in the matter of procurement and holding of stocks of foodgrains; this loan enabled the Food Corporation to reduce a sizeable part of its borrowings from commercial banks during the period. Thus, if food procurement advances are excluded, the expansion in credit during the 1968-69 busy season would be higher (Rs. 419 crores) than in the busy season of 1967-68 (Rs. 409 crores) but lower than that of 1966-67 (Rs. 422 crores).

Table 11. Scheduled Commercial Bank Data—Busy Season

(Variations)

(In crores of Rs.)

Item	1966-67	1967-68	1968-69
	1	2	3
1. Aggregate Deposits ..	+169.1	+219.1	+325.0
(*a*) Demand Deposits	+110.4	+122.2	+145.2
(*b*) Time Deposits ..	+ 58.7	+ 96.9	+179.8
2. Borrowings from R.B.I.	+ 40.8	+105.3	+ 70.7
3. Borrowings from State Bank and/or notified banks	+ 6.5	− 0.6	+ 3·7
4. Bank credit	+426.1	+509.5	+426.6
5. Investments in Government Securities ..	−198.1	−182.3	− 43.2
6. Cash Reserves ..	+ 12.3	− 4.2	+ 20.3

The credit expansion during the 1968-69 busy season started on a low tempo and only gathered momentum in the latter half of the season. The expansion in bank credit during the initial months upto end-January 1969 at Rs. 112 crores was even less than half of the increase in the corresponding period of the previous busy season (Rs. 235 crores). Both seasonal and non-seasonal secured advances were slow in picking up momentum. Thus, in the season as a whole secured advances showed only an expansion of Rs. 339 crores as against an expansion of Rs. 495 crores in the previous year's busy season, the share of seasonal advances in the expansion being Rs. 231 crores as against Rs. 383 crores in the busy season. The lower expansion in seasonal advances was due mainly to a sharp contraction (of Rs. 33 crores) in advances against wheat as against an expansion (of Rs. 12 crores) recorded during the previous busy season. Advances against paddy and rice and other foodgrains showed an expansion of Rs. 50 crores as against an expansion of Rs. 93 crores, in the previous busy season. Advances against sugar expanded by only Rs. 99 crores as against Rs. 123 crores in 1967-68 busy season. Tea advances showed a larger contraction than in the previous busy season. With the exception of groundnuts which alone showed a larger expansion than in the previous year, all other seasonal securities recorded a smaller expansion than in the previous busy season. Non-seasonal (secured) advances expanded by Rs. 107 crores as against Rs. 112 crores in the previous busy season. Among these, advances against iron and steel and engineering products recorded a *contraction* of Rs. 13 crores as against an *expansion* of Rs. 6 crores in the previous year and advances against cotton textiles recorded a substantially smaller increase (Rs. 1 crore) as against the increase of Rs. 23 crores in the previous year. However, jute textiles showed a contrary trend, the advances having increased by Rs. 6 crores as against a fall of Rs. 4 crores last year. The only other item among secured advances that showed a notably larger increase than in the previous busy season was industrial assets. In contrast to the trend of secured advances,unsecured advances showed a marked expansion of Rs. 56 crores as against an expansion of only Rs. 3 crores in the 1967-68 busy season.

During the 1968-69 busy season, with a smaller credit expansion and a substantially larger increase in deposits (Rs. 325 crores in 1968-69 as against Rs. 219 crores in 1967-68), there was a considerable improvement in the overall resources position of scheduled com-

mercial banks. Of the increase in deposits, time deposits accounted for Rs. 180 crores (Rs. 97 crores in the 1967-68 busy season) and demand deposits Rs. 145 crores (Rs. 122 crores in the 1967-68 busy season). The credit-deposit ratio at the end of the season was 78.0 per cent as against 79.4 per cent at the end of the previous busy season. Banks' borrowings from the Reserve Bank as well as dis-investment of Government securities were smaller than in the 1967-68 busy season. Borrowings from the Reserve Bank rose only by Rs. 71 crores as against Rs. 105 crores in the previous busy season while dis-investments were Rs. 43 crores as against Rs. 182 crores in the previous busy season. The cash ratio was also higher and stood at 6.3 per cent at the end of the season as compared with 6.0 per cent at the end of the previous busy season.

Reflecting the comfortable resources position of the commercial banks during the season and the availability of liberal refinancing facilities from the Reserve Bank, the call money rates during the 1968-69 busy season ruled generally low. The call money rate at Bombay was about 3.3 per cent during November and December 1968 as against 3.6 to 4.5 per cent in November and December 1967. The rate rose steadily in the next two months reaching 5 per cent on March 14 but came down again to 4 per cent at the close of the season as against 5 per cent during February to April 1967. In Calcutta, the call money rates ruled around 3.7 per cent in November 1968 whereas in November 1967 the rates were relatively higher, ranging from 3.5 per cent to 5 per cent. There was a steady increase in the rate after November 1968 and it reached a peak of 6.1 per cent on March 21, 1969 but from the second week of April 1969 there was a fall as in Bombay and the closing rate was 3.79 per cent at end-April 1969 as against 4.37 per cent at end-April 1968.

Overall Banking Trends—1968-69

Over the financial year 1968-69 as a whole, the resources position of scheduled commercial banks was relatively more comfortable than in the previous year. Aggregate deposits showed an increase of Rs. 482 crores during the year as compared with Rs. 431 crores in 1967-68. Of the total increase in deposits, time deposits accounted for 81 per cent whereas in the previous year the time deposits had accounted for only 55 per cent of the total increase. The increase in bank credit during the year was higher than that in 1967-68 but substantially lower than the increase in 1966-67. Although the credit-deposit ratio at the end of the year (end-March 1969) at 78.3 per cent was 0.4 per cent lower than the ratio at end-March 1968, the average credit-deposit ratio in the year as a whole was relatively higher than in the previous year. Banks' investments in Government securities increased by Rs. 88 crores in 1968-69 as compared with the increase of Rs. 74 crores in 1967-68. But the larger growth in deposits during the busy season resulted in lower investment-deposit ratio of 24.3 per cent at the end of March 1969 as compared with 25.1 per cent at end-March 1968 and 26.1 per cent at end-March 1967. Cash and balances with the Reserve Bank showed a larger increase during the year than in 1967-68 and cash ratio at the end of the year was 6.3 per cent which was the same as the cash ratio at the end of March 1967 but higher than the ratio (5.7 per cent) at end-March 1968. Borrowings from the Reserve Bank increased by Rs. 2 crores in 1968-69 as against a decline of Rs. 36 crores in 1967-68 and an increase of Rs. 66 crores in 1966-67.

Table 12 Scheduled Commercial Bank Data—Financial Year

(Crores of Rupees)

Item	1966-67	1967-68	1968-69
	1	2	3
1. Aggregate Deposits ..	+475.7	+430.5	+482.2
(a) Demand	+222.8	+194.6	+ 89.8
(b) Time	+252.9	+235.9	+392.4
2. Borrowings from R.B.I.	+ 66.2	− 35.8	+ 1.8
3. Borrowings from State Bank and/or notified banks	+ 9.7	+ 8.8	− 4.2
4. Bank credit	+405.5	+339.4	+363.3
5. Investments in Government Securities ..	+ 82.1	+ 74.2	+ 87.6
6. Cash Reserves	+ 44.8	+ 5.7	+ 53.6

Credit Policy

During the year under review, the policy of selective liberalisation of credit initiated in 1967 was not only continued but the scope of liberalisation was further widened taking into account the need for helping the recovery of industrial production, the growth in exports and speedier development of agriculture and small-scale industries. In view of the easy money conditions which emerged towards the close of the year, the Reserve Bank advised the banks to deploy their resources either by larger lendings to the priority sectors (agriculture, small-scale industries and exports) or by developing credit to areas of activity which were so far neglected by banks. The Bank also indicated that the conditions were opportune for banks to extend their activities as widely as possible so as to cover a larger area of economic activity with institutional credit. In order to stimulate the flow of financial assistance to the priority sectors, exemptions from certain operational norms and procedures were also granted during the year.

The Reserve Bank liberalised its Bill Market Scheme relating to packing credit advances in May 1968 in order to help exporters of cashewnuts, jute goods and also exporters of cotton textiles to the United Kingdom. In June 1968 the benefits of the modifications were extended to exporters of hides and skins and allied products and in July 1968 to exporters of coffee. As a further step the Bank announced waiving of the requirement of prior authorisation in regard to the sanctioning of fresh credit limits of Rs. 1 crore or more in respect of exports. The Bank also granted certain exemptions in respect of operational norms in order to encourage the flow of credit particularly to the small-scale sector and agriculture. In June 1968, the banks were advised to make credit available for productive purposes to deserving borrowers of small means on the basis of the integrity and creditworthiness of the borrower concerned even on an unsecured basis. In August 1968 the banks were advised that advances against book-debts not outstanding for more than 6 months and due by companies could be excluded for the purpose of the norm regarding unsecured advances and guarantees prescribed by the Bank in May 1967. In August again, performance guarantees given by banks on behalf of small-scale industries were granted exemption for the purpose of the above norm. Certain exemptions were given from the norm of 5 per cent of total deposits relating to term loans. Thus, in May 1968 the loans for medium or long-term purposes for agricultural development, which are refinanced by the Agricultural Refinance Corporation were allowed to be excluded while computing the above norm. Similar concession was extended in June 1968 to the term advances granted to small-scale industries which were covered by the Credit Guarantee Scheme. Again in August 1968 medium-term advances granted for agricultural development purposes which would result in the creation of tangible assets capable of being identified and inspected even if such advances were not refinanced by the Agricultural Refinance Corporation were excluded for the purpose of the above norm. Further in October 1968, such of the medium and long-term advances granted for financing of schemes for the development of dairy farming, poultry farming and fisheries as were refinanced by the Agricultural Refinance Corporation were also exempted for the purpose of the norm. To enlarge the flow of credit to small-scale industries the Bank extended in September 1968 the refinancing facilities under Section 17(4) (c) of the Reserve Bank of India Act, 1934 during the busy season to commercial bank advances to co-operative banks for purposes of enabling the latter to make advances to small-scale industries. As a further incentive to the credit institutions to render more assistance to small-scale industries, the Reserve Bank announced in September 1968 that the guarantee commission payable by the credit institutions would be reduced from one-fourth of one per cent to one-tenth of one per cent per annum with effect from October 1, 1968 provided that the credit institutions agreed to bring under the Guarantee Scheme all their eligible advances to small-scale industries sanctioned or renewed on or after October 1, 1968.

On the eve of the busy season of 1968-69, in October 1968, the Governor of the Reserve Bank had a meeting with the Chairmen and Chief Executives of the major banks to review the credit and deposit trends and to outline

the Bank's credit policy for the ensuing season. As the considerations underlying the grant of special facilities by the Reserve Bank in respect of credit for exports, for the engineering and metallurgical industries, agriculture and small-scale industries as well as for food procurement and allied operations continued to be valid, the Governor indicated that there would be no radical change in the credit policy which was in force since the previous busy season. However, certain changes were made in the method of calculating the incremental amounts in respect of advances to the three priority sectors for the purposes of concessional refinance from the Bank. Whereas, prior to October 1968 only the total net increment in advances to all the three priority sectors taken together was eligible for concessional refinance, from October 1968, such increments in respect of each of the three sectors taken separately became eligible for refinance at the concessional rate of 4½ per cent. Banks were also informed that the policy of providing discretionary accommodation at Bank rate to individual banks facing liquidity strain owing to operation of special factors would be continued.

The definition of advances to agriculture eligible for refinance from the Reserve Bank at the Bank rate/concessional rate was widened to include not only advances for distribution of inputs such as chemical fertilizers and pesticides but also loans to farmers for crop finance (other than plantations) by way of medium-term credit for capital investments purposes such as wells, pump sets, tractors, etc. and finance for fisheries, dairies, poultry farms, cold storage, etc. Simultaneously, the norm governing the average credit-deposit ratio which was earlier fixed at 75 per cent was raised to 80 per cent. As a measure of export promotion, packing credit advances were also excluded from total credit in calculating the credit-deposit ratio; export bills purchased and discounted were already given such an exemption. The Governor also indicated that in the context of reviving new investment in industry, the Reserve Bank would not be averse to a higher percentage of medium and long-term lending by banks beyond 5 per cent of their total deposits if their overall resources position permitted them to expand their term credit to industry. Banks were in addition asked to pay special attention to the credit needs of the cotton textile industry which had special problems of its own.

In January 1969, the Bank introduced a significant procedural change in order to facilitate the extension of pre-shipment export credit by banks. Under the new scheme called Pre-shipment Credit Scheme, refinance in respect of packing credit for exports are given under the amended Section 17 (3A) of the Reserve Bank of India Act, 1934 and not under Section 17(4)(*c*) as earlier. The change has meant that banks could now avail of refinance from the Reserve Bank against packing credit by giving declarations of having extended pre-shipment advances and they are not required to produce eligible usance promissory notes of individual parties.

In a mid-season review of credit trends and policies, the Governor indicated in his meeting with the Chairmen and Chief Executives of the major banks in February 1969 that in the light of prices, production and credit trends in the economy, no change was called for in the policy which was announced in October 1968. But the Bank announced a simplification of the system of refinance so as to avoid complicated calculations and procedural difficulties. Thus, a uniform rate of 4½ per cent per annum irrespective of a bank's net liquidity ratio was to be charged on refinance upto the total of a bank's short-term advances to agriculture and those to small-scale industries which are guaranteed by the Credit Guarantee Organization, and not merely in respect of the increment in such advances over the base period. But along with this extension of the facility of concessional refinance to the total outstanding eligible advances to agriculture and small-scale industries the earlier arrangement for providing a relief in the net liquidity calculation in respect of the increases in the advances to these two sectors as well as the increases in refinance for food procurement operations over a base period was discontinued. After February 1969 only increments in advances for exports over a base period were taken into account for relief in the net liquidity ratio. The Governor also indicated to the banks that in view of the easy money condi-

tions, the banks should consider ways of deploying their resources either by exceeding the targets fixed for lending to priority sectors or by extending credit to areas of activity which were hitherto neglected by banks. The desirability of paying greater attention to the financing of retail trade particularly in non-urban areas was referred to in this connection.

In respect of selective credit controls, these were relaxed in appropriate cases in the earlier part of the year in view of improved supply position and a fall in prices of certain agricultural commodities following the bumper crop of 1967-68. But in the latter part of the year under review, the controls had to be tightened on account of the pressures on prices following shortfalls in the production of some commercial crops like jute and oilseeds.

In view of the improved supply position of groundnut and raw cotton in 1967-68, the Bank relaxed the control on advances against oilseeds and vegetable oils in January 1968. The control was further relaxed in May 1968 by reducing the margin in the case of advances against oilseeds and vegetable oils. The control on advances against raw cotton was relaxed in April 1968 by reducing the margin and raising the ceiling limits. The margin for cotton mills was further reduced in June 1968. In view of the comfortable supply position and the consequent fall in the prices of "other foodgrains" (excluding paddy and rice and wheat), the control on these was also relaxed in May 1968. In the case of wheat, the margin was reduced and the ceiling was raised in August 1968. By October, there were signs of a rising trend in the prices of oilseeds, vegetable oils and raw jute. In view of this, the Bank tightened its control in respect of these commodities. Control on advances against raw jute and jute goods was reimposed in October 1968. On the other hand, in view of the expectation of an improvement in supply position and fall in prices of raw cotton, in November 1968 the Bank completely removed the margin and ceiling control on advances against raw cotton to cotton mills. The control on advances against paddy and rice was also somewhat relaxed in March 1969 following an improvement in supply position of paddy and rice.

During the year, the Industrial Development Bank of India also took two significant measures to stimulate industrial recovery and promote exports. In December 1968, the I.D.B.I. introduced a scheme under which it would enter into participation arrangements with approved commercial banks for providing direct term finance and guarantee facilities to industrial concerns in the public as well as the private sector exporting capital and engineering goods and services on a deferred payment basis. In January 1969, the I.D.B.I. extended the coverage of the facilities under its rediscounting scheme to include the sales of indigenous machinery and capital goods on deferred payment basis to public sector undertakings also, such as autonomous bodies like electricity undertakings, transport corporations and Government companies. Simultaneously, it also reduced the cost of credit under the scheme by lowering the margin which banks can charge over the I.D.B.I's rate from 2 per cent to 1 per cent.

SECURITIES MARKETS

The firm trend in the Government Securities market noticed last year continued during 1968-69 reflecting the impact of easier monetary policy and comfortable resources position of commercial banks. The Reserve Bank's open market policy was also operated in a way to infuse a degree of confidence in the market and strengthen the undertone of trading. Consequently, the Reserve Bank through its open market operations, was in a position to effect substantially larger net sales in 1968-69 than in 1967-68, without in any way affecting Government security prices.

The Reserve Bank's all-India Index of Government and semi-Government Securities (base: 1961-62 = 100) rose steadily from 97.1 at end-March 1968 to 98.7 on February 1, 1969 and closed at that level at end-March 1969. Over the year 1968-69, the index showed a rise of 1.6 per cent on top of a rise of 2.6 per cent last year.

The Central Government floated new loans in two phases viz. the 5½ per cent Loan, 1995 for Rs. 175 crores on May 11, 1968 and the 4¼ per cent Loan, 1975 for Rs. 135 crores on July 26, 1968. Both the loans issued at par were fully subscribed and the total subscription aggregated Rs. 321 crores. Fifteen State Governments also completed their borrowing programme for 1968-69 by issuing from September 2 to September 7, 1968, 12-Year 5¾ per cent 1980 Loans for an aggregate amount of Rs. 116.50 crores at issue prices varying from Rs. 97.50 to Rs. 99.50 per cent.

Equity prices in 1968-69 staged a sustained recovery and ruled firm during the greater part of the year. The Reserve Bank's all-India Index of Variable Dividend Industrial Securities (base: 1961-62=100) rose from 77.5 at end-March 1968 to 87.9 during the week ended March 29, 1969 recording a gain of 13.4 per cent during 1968-69 as against a decline of 4.4 per cent in 1967-68.

The improvement in the share prices during the year reflected the optimism generated by certain tax concessions granted to the corporate sector in the budgets for 1968-69 and 1969-70 and better performance of the corporate sector. A preliminary study of the dividend announcements made by 639 public limited companies in the private corporate sector indicated that there was substantial improvement in the number of companies declaring dividend. Of the 639 companies studied, 132 companies increased their dividends as against 118 in the preceding year ; the number of companies which maintained dividend at the previous year's level was also higher at 227 as against 200 in the preceding year. The companies which declared lower dividend as also those declaring 'nil' dividend were lower at 88 and 192, respectively, as compared with 113 and 208 in 1967-68. The position in regard to the actual dividend rate did not change, the largest number continuing to be in the range of 6 to 10 per cent with 11 to 15 per cent coming a close second as in 1967-68 among the dividend paying companies.

After the presentation of the Union Budget for 1968-69 which granted certain tax concessions to the corporate sector and the reduction in the Bank rate on March 2, 1968 the stock markets became buoyant. Sentiment was also favourably influenced by the Aid-India Consortium's appreciation of India's requirements of foreign aid and the announcement of the production and export-oriented import policy for 1968-69. This post-budget recovery continued till the end of June 1968, the Reserve Bank's all-India Index of Variable Dividend Industrial Securities moving up from 77.5 by end-March 1968 to 81.0 during the week ended June 29, 1968.

This recovery in equity prices was, however, temporarily arrested in July and the stock markets turned easy mainly on account of inadequate rains in some parts and floods in other parts of the country causing widespread damage to standing crops. Other factors which were responsible for the easiness were (*i*) reports of Government's decision to grant a less than expected increase in the retention price of steel and (*ii*) skip-over of dividend by a leading iron and steel manufacturing company for the year ending March 1968. The index of share prices declined gradually from 81.0 on June 29 to 80.4 during the week ended July 27, 1968. During August, the share markets staged a modest recovery, the index rising to 81.4 during the week ended August 31, 1968. This recovery however, proved short-lived. The equities were again on the downtrend during September, the index declining from 81.4 during the week ended August 31 to 79.1 by September 28, 1968.

From October onwards an uptrend in equity prices set in and sizeable gains were recorded over a wide front. The Reserve Bank's all-India Index of Variable Dividend Industrial Securities which stood at 79.5 for the week ended October 5, 1968 rose almost continuously to touch a high level of 89.8 for the week ended March 8, 1969, and after a temporary reaction closed for the year at 87.9 by March 29, 1969.

The uptrend in share prices was assisted by the abatement of recessionary trends and inflationary pressures, and improvement in economic outlook. The revival of confidence and consequent rise in investment demand also imparted firmness to the market. Besides, the market sentiment was favourably influenced by the Union Budget for 1969-70

which reduced export duties on jute goods and tea with a view to stimulating exports and raised the income-tax exemption limit in respect of dividend income from Rs. 500 to Rs. 1000 to stimulate investment in industrial securities. Other factors which aided the sentiment were (*a*) encouraging export performance particularly of engineering and textile goods, (*b*) continuation of liberalised credit policy for the priority sectors by the Reserve Bank, (*c*) announcement by the International Development Association in January 1969 of $125 million credit to India for facilitating imports of components and materials of machinery required by industry and agriculture, (*d*) further relaxation of curbs on the issue of capital by companies announced in February 1969 and (*e*) encouraging corporate news.

In the sphere of capital issues an important event during 1968-69 was the announcement in February 1969 of major relaxations in the control on capital issue activity. Controls on issue of capital by public limited companies except mainly for bonus issues and issues at premium have been relaxed and so long as they conform to certain stipulated financial criteria and limits regarding rates of dividend and interest on preference shares and debentures, companies need only file a statement of the proposals with the Controller of Capital Issues thirty days before the date of the proposed offer of capital.

New issue activity was sluggish during 1968-69 in contrast to the modest improvement recorded in the preceding year. Total issues through both prospectus and rights declined from Rs. 82.3 crores in 1967-68 to Rs. 54.2 crores in 1968-69 mainly due to lower level of equity issues, both in number and amount. Their proportion to total capital issues was lower at 41 per cent in 1968-69 as against 59 per cent in the previous year while the proportion of preference and debenture issues rose to 17 and 42 per cent, from 12 and 29 per cent, respectively, in the previous year. The prospectus issues, 76 in number, announced by 62 companies accounted for Rs. 44.4 crores or 82 per cent of the total capital issues in 1968-69 as against 91 issues of 69 companies accounting for Rs. 66.6 crores or 81 per cent in the preceding year. It may be seen from Table 13 that of the total amount of capital issued through prospectuses the existing companies accounted for 93 per cent and the new companies for 7 per cent during 1968-69 as compared with 96 per cent and 4 per cent, respectively, in 1967-68. Public response to capital issues as observed from replies to questionnaires issued to individual companies which entered the capital market during 1968 continued to be selective and the trend was similar to that in the previous year in as much as the proportion of the amount underwritten devolving on the underwriters was nearly at the same level. The entrepreneurs continued to rely substantially on the support of the term-lending institutions.

Table 13 Capital Issues through Prospectuses (Shares excluding bonus issues and Debentures) by Existing and New Companies

(Amount in Rs. Crores)

	1966-67		1967-68		1968-69†	
	No. of companies	Amount	No. of companies	Amount	No. of companies	Amount
Existing Companies	60	44.84 (96.7)	62	63.62 (95.6)	56	41.14 (92.7)
New Companies*	8	1.51 (3.3)	7	2.95 (4.4)	6	3.26 (7.3)
Total	**68**	**46.35**	**69**	**66.57**	**62**	**44.40**

Figures in brackets show percentages to total.
† Preliminary.
* A company is classified as new if it has entered the capital market within twelve months of its establishment.
Source : Prospectuses and announcements made by the companies.

During the year 1968, capital raised by non-Government companies amounted to Rs. 84.3 crores as against Rs. 84.8 crores in the previous year.

Consents/no objections granted by the Controller of Capital Issues to non-Government public limited companies for the issue of shares (other than bonus) and debentures during 1968 declined substantially and at Rs.87.4crores was a little over half the amount consented to in the previous year at Rs. 150.6 crores. Consents granted to non-Government Companies to issue bonus shares at Rs. 33.6 crores were lower than that in the previous year (Rs. 47.8 crores).

GOLD AND SILVER

The year 1968-69 witnessed two significant developments in the bullion market. The Gold Control, which since January 1963 was administered under the Defence of India Rules, 1962 (Part XIIA), has been brought on a permanent statutory footing from September 1, 1968 with the passing of the Gold (Control) Act, 1968. In regard to silver, an Ordinance, amending the Sea Customs Act, 1962, was promulgated on January 3, 1969 with a view to curbing the large-scale unauthorised exports of the metal. As regards trading in the Bombay bullion market, the prices of both the metals scaled new peaks though not simultaneously. The price of gold after remaining more or less steady in the early part of the year reached a new high of Rs. 181 per 10 grammes on March 22, 1969 owing mainly to the pressure of increasing internal demand and partly to spurt in prices of gold in the international markets. On the other hand, silver ruled very firm in the early part of the year touching a new record of Rs. 633 per kg. on September 19, 1968 ; but thereafter it tended to ease and closed at Rs. 511 per kg. by the end of the year showing a loss of Rs. 122 per kg. over the peak level.

The Gold (Control) Act, 1968*, besides retaining the main provisions of the earlier gold control regulations, as modified in November 1966, has incorporated the following new provisions designed to plug the loopholes in the gold control rules : (*i*) a licensed dealer or refiner has to declare all gold articles and ornaments belonging to him notwithstanding the exemption limits allowed for the general public, (*ii*) an explanation has been added to the definition of the term "ornaments" with a view to excluding crude manufactures of gold from the facility available in law for the acquisition, possession etc. of genuine ornaments, (*iii*) in order to ensure that the members of the public get quality goods from the dealers it is provided that every licensed dealer shall stamp every piece of article or ornament prepared by him, certifying the purity of gold, (*iv*) in order to avoid trafficking in smuggled gold, it is laid down that an artisan employed by a dealer shall work only at the dealer's premises and not outside, and (*v*) certificates are now granted to the goldsmiths on a permanent basis instead of annual certificates given hitherto.

During the year, steps to prevent smuggling of foreign goods including bullion into the country were further strengthened. With a view to facilitating the detection and confiscation of certain notified goods smuggled into the country and preventing smuggling of silver out of the country, the Customs (Amendment) Ordinance, 1969 was promulgated on January 3, 1969. The notifications issued under this Ordinance provide for, in respect of notified goods including silver, intimation of place of storage, furnishing details of notified goods, maintenance of accounts, transport and sale under cover of vouchers and reasonable precautions before acquisition.

The quotation per 10 grammes of standard gold fluctuated between Rs. 159.75 and Rs. 165.75 during the first quarter of 1968-69.

* On April 30, 1969, the Supreme Court of India, while upholding the constitutional validity of the Gold (Control) Act 1968, had declared invalid some sections relating particularly to (a) delegation of powers to Gold Control Administrator, (b) conditions for issue of licences to dealers and (c) possession of primary gold by dealers. These sections were suitably amended by the Government of India through issue of an Ordinance which was later replaced by an Act. The basic structure of gold control therefore did not undergo any change.

Thereafter, there was a declining trend and the price dropped to Rs. 152 by end-September. After a steady spell with an easy undertone that prevailed during October-December 1968, the price firmed up during the quarter January-March 1969 on paucity of supplies following rumours of refusal to extend licence to private refiners for refining gold. Seasonal and speculative demand in the wake of restricted inflow due to higher cost of smuggled imports also aided the sentiment. In the result, the quotation scaled an all-time high of Rs. 181 per 10 grammes on March 22, 1969 (the level a year ago was Rs. 164.50). This uptrend persisted till the close of the year. Over the year, gold advanced by Rs. 14 per 10 grammes.

Following the introduction of a two-tier system of gold prices in the wake of world monetary crisis in March 1968, the gold prices in the London market stood at $38 per ounce on April 1, 1968. Throughout the year the free market price commanded a high premium over the official or monetary price and rose to $ 43.75 by March 10, 1969 in the London market ; on that day the price in Paris shot up to $ 48.43 per ounce. Towards the close of the year there was a slight abatement of the pressure on gold prices and the quotation stood slightly lower at $ 43.10, commanding a premium of $8.10 or 23 per cent over the official price.

The price of silver rose from Rs. 535 per kg. at end-March 1968 to Rs. 570 by April 23, 1968 and fluctuated between Rs. 518 and Rs. 590 till August 1968. From the second week of August, the rising trend gathered momentum owing to increased demand for unauthorised exports of the metal, buoyancy in international prices and firm upcountry advices. As a consequence, the price moved to the highest level of Rs. 633 per kg. touched so far, on September 19, 1968. Since the second week of October 1968, however, prices were on the declining trend as a result of lack of support from illegal exporters, lower advices from the overseas markets and the proposal to amend the Customs Act in order to curb smuggling. The Ordinance promulgated on January 3, 1969 further weakened the undertone and the price fell from Rs. 563 on January 3 to Rs. 529 on January 4, 1969. The quotation at Rs. 511 per kg. on March 29, 1969 registered a net decline of Rs. 24 per kg. over the year.

Silver prices in the international markets moved rather erratically but closed lower on balance. The ready price in London which stood at 228 pence per ounce at end-March 1968 moved up almost continuously to reach a high of 259 pence per ounce on June 12, 1968. Following slackening of demand and heavy arrivals of silver in the main international markets an easy trend ensued, the price reaching a low of 185 pence per ounce on October 17, 1968. Despite some short-lived spurts thereafter the undertone of the market remained easy and the quotation closed for the year at 183 pence per ounce, showing a loss of 76 pence per ounce over the June 12, 1968 level.

BUDGETARY TRENDS

In the wake of the revival of the economy, the trend of deceleration in the rate of growth of Government revenues noticed since 1965-66 was arrested during 1968-69. The rate of growth of combined revenue receipts of the Central and State Governments which had slipped from 11 per cent during 1965-66 to 9 per cent during 1966-67 and further to 8 per cent during 1967-68 remained at the same level during 1968-69 (revised estimates). The combined capital receipts of the Centre and States increased at a faster pace during 1968-69 (10 per cent) than during the preceding year (1 per cent). However, growth in expenditure commitments continued to outstrip the increase in resources. Apart from the rising scale of Plan outlays and the steady increase in the cost of servicing the growing debt (both internal and external), two other major factors contributing to the increasing expenditure commitments, particularly of the States, were the additional commitments on account of upward revision of emoluments of Government employees and the increase in expenditure on relief operations in States affected by floods and drought. Public

sector outlay on the annual plans was stepped up from Rs. 2,137 crores in 1966-67 to Rs. 2,215 crores in 1967-68 and further to Rs. 2,252 crores in 1968-69 (revised estimates). The interest burden of the Centre and States (excluding inter-Governmental adjustments) rose from Rs. 521 crores in 1966-67 to Rs. 594 crores in 1967-68 and further to Rs. 641 crores in 1968-69 (revised estimates). The Central Government enhanced the dearness allowances of Government employees during 1968-69 at an estimated cost of Rs. 50 crores in a full year. The upward revision in the emoluments of employees effected by certain State Governments involved an increase in the pay bill, estimated at Rs. 75 crores. Finally, provision of relief on account of floods and drought is estimated to have cost the State Governments Rs. 94 crores during 1968-69 as against Rs. 86 crores in 1967-68.

In an effort to keep down the level of non-developmental outlays, the Government of India carried a step further during the year under review its policy of abolition/reduction in food subsidies initiated in January 1968 (referred to in last year's Report). The cost of food subsidy during 1968-69 (revised estimates) was only Rs. 26 crores as against Rs. 95 crores during 1967-68. In the case of the States, however, expenditure on food subsidies went up from Rs. 9 crores in 1967-68 to Rs. 21 crores during 1968-69 (revised estimates). On the whole, the combined revenue expenditure of Central and State Governments increased by 13 per cent during 1968-69 (revised estimates) as compared with an increase of 10 per cent during 1967-68 (when deliberate measures were adopted to restrain the growth in both developmental and non-developmental outlays) and of about 13 per cent each during 1965-66 and 1966-67. Capital disbursements rose by 8 per cent during 1968-69 (revised estimates) in contrast to a decline of 3 per cent during 1967-68.

The actual overall budgetary deficit* of Central and State Governments were Rs. 301 crores in 1966-67 and Rs. 244 crores in 1967-68. While the deficit of the Central Government declined from Rs. 295 crores in 1966-67 to Rs. 206 crores in 1967-68, that of State Governments rose from Rs. 6 crores in 1966-67 to Rs. 38 crores in 1967-68. Reflecting the increasing tempo of disbursements relatively to the growth in receipts, the revised estimates for the fiscal year 1968-69 placed the overall deficit (for Central and States combined) at Rs. 413 crores (Rs. 260 crores for the Central and Rs. 153 crores for the State Governments) as compared to Rs. 364 crores (Rs. 289 crores for the Central and Rs. 75 crores for the State Governments) in the budget estimates. Actual budgetary deficit for the year is not yet available. However, the overall deficit as measured by the net increase in Reserve Bank credit to Central and State Governments was Rs. 242 crores in 1968-69 as compared to Rs. 166 crores in 1967-68.

The budget of the Government of India for 1968-69 had been framed with the objective of providing further stimulus for the revival of the economy. To subserve this objective several fiscal concessions were given and the additional tax effort was kept at a modest level. Moreover, care was taken to see that necessary expenditure particularly in critical areas was not unduly curtailed.

The aggregate receipts of the Centre both on revenue and capital accounts which were anticipated in the 1968-69 budget at Rs. 4,825 crores improved by Rs. 110 crores to Rs. 4,935 crores in the revised estimates. The improvement was the net result of an increase of Rs. 122 crores in capital receipts and a decline of Rs. 12 crores in revenue receipts. Among the major items of capital receipts, repayment of loans by States and other third parties accounted for an increase of Rs. 186 crores in the revised estimates for 1968-69 over budget estimates, internal market loans (net) for an increase of Rs. 18 crores, small savings (net) for Rs. 5 crores and State Provident Fund (net) for Rs. 13 crores. As against these, gross external loans (including P. L. 480 loans and deposits) fell short of budget estimates by Rs. 235 crores. On revenue account, among the major tax heads, receipts from Union excise duties exceeded

* The overall deficits refer to the conventional budgetary deficits measured in terms of net increase in outstanding Treasury bills of the Central Government, change in the cash balances of Centre and States, net liquidation of securities in the cash balance investment account and net transfers from Revenue Reserve Fund.

budget expectations by Rs. 17 crores and those from Corporation tax by Rs. 2 crores. These were more than offset by the steep decline of Rs. 94 crores under customs, owing mainly to a fall in imports from the level anticipated, and of Rs. 20 crores under taxes on income other than corporation tax, wholly due to payment to States of arrears in respect of past years on account of their share of income tax. Altogether the tax revenue of the Centre fell short of budget anticipations by Rs. 88 crores. An improvement of Rs. 76 crores in non-tax revenue (of which Rs. 47 crores were in respect of interest receipts) partly offset the decline in tax revenues.

The aggregate disbursements of the Centre on revenue and capital accounts increased from Rs. 5,114 crores in the budget estimates for 1968-69 to Rs. 5,195 crores in the revised estimates. As compared to the budget estimates, the Centre stepped up the provision for loans and advances to States and Union territories by Rs. 59 crores and to other third parties by as much as Rs. 133 crores. The increase in the former reflected mainly the provision of additional loan assistance to States affected by natural calamities while increase in the latter was a sequel to stepping up of loans to the Food Corporation of India. The provision of grants-in-aid to States and Union territories in the revised estimates for 1968-69 also exceeded budget estimates by Rs. 59 crores, partly as a result of the decision of the Central Government to provide additional grants (of about Rs. 50 crores) to certain States towards amortisation of market loans. In regard to direct disbursements of the Centre, the total expenditure of the Government on defence and on administrative services exceeded budget estimates by Rs. 37 crores and Rs. 13 crores, respectively. In contrast to these increases in disbursements, there was a substantial saving of Rs. 194 crores in the net disbursements on State trading schemes partly as a result of lower level of food imports than expected. The Centre's developmental outlays (excluding grants and loans) on revenue and capital accounts were also scaled down from the budgeted level by about Rs. 10 crores ; the revised outlay of Rs. 848 crores on revenue and capital accounts for 1968-69 was, however, higher than the actual outlay of Rs. 711 crores for 1967-68. Finally, there was also a saving of Rs. 22 crores on account of interest from the levels budgeted.

After taking into account the likely growth in receipts in relation to expenditure the budget had anticipated an overall deficit of Rs. 289 crores, a surplus of Rs. 131 crores on revenue account and a deficit of Rs. 420 crores on capital account.

The overall deficit in the revised estimates for 1968-69 at Rs. 260 crores was Rs. 29 crores less than the budgeted deficit. The decline was the combined result of a steep reduction in the revenue surplus from Rs. 131 crores in the budget estimates to Rs. 3 crores in the revised estimates and a decline in the capital deficit from Rs. 420 crores to Rs. 263 crores. The Finance Minister had made the following observation at the time of presenting the budget in respect of the magnitude of overall deficit : "Insofar as Plan outlays are concerned it is clear that any further reduction can only lead to dislocation of the progress of continuing schemes even in critical areas such as agricultural development, fertiliser production and family planning where we are poised for substantial achievements. We have also to keep in mind the problem of unemployment among technicians which is already a matter of concern. Besides, it would be shortsighted to retard the process of recovery by putting an undue curb on governmental spending". He added, "the other alternative was to put up proposals for massive mobilisation of resources. It is my judgement that this would hurt the economy and retard the process of growth".

Central Government : Budget Estimates for 1969-70 : While the recessionary trends in the economy showed noticeable abatement during 1968-69, the recovery was far from complete, as some industries still experienced excess capacity and deficient demand, and further, investment activity continued to be sluggish. In this context, the budget for 1969-70 while considering that the general economic conditions were propitious for resuming the thread of progress which was interrupted in the previous years emphasised the need for promoting industrial recovery.

Table 14 Combined Receipts and Disbursements of Central and State Governments

(Amounts in crores of Rupees)

Year	Revenue Account				Capital Account			Aggregate Receipts on Revenue and Capital Accounts	Aggregate Disbursements on Revenue and Capital Accounts	Overall Surplus (+) or Deficit (—)	National Income @	Column (2) as % of column (11)	Column (8) as % of column (11)	Column (9) as % of column (11)
	Revenue Receipts	Tax Revenue	Revenue Expenditure	Surplus (+) or Deficit (—) on Revenue Account	Capital Receipts *	Disbursements **	Surplus (+) or Deficit (—) on Capital Account							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1960-61														
Centre ..	877	730	826	+ 51	1156	1090	+ 66	2033	1916	+117		5.5	15.3	14.4
States ..	833	625	808	+ 25	348	421	— 73	1181	1229	— 48		4.7	8.9	9.2
Total ..	**1710**	**1355**	**1634**	**+ 76**	**1504**	**1511**	**— 7**	**3214**	**3145**	**+ 69**	**13308**	**10.2**	**24.2**	**23.6**
1961-62														
Centre ..	1037	875	912	+125	1022	1262	—240	2059	2174	—115		6.2	14.6	15.5
States ..	809	662	857	— 48	398	387	+ 11	1207	1244	— 37		4.7	8.6	8.8
Total ..	**1846**	**1537**	**1769**	**+ 77**	**1420**	**1649**	**—229**	**3266**	**3418**	**—152**	**14063**	**10.9**	**23.2**	**24.3**
1962-63														
Centre ..	1428	1061	1314	+114	1230	1499	—269	2658	2813	—155		7.1	17.8	18.9
States ..	996	794	973	+ 23	415	411	+ 4	1411	1384	+ 27		5.3	9.5	9.9
Total ..	**2424**	**1855**	**2287**	**+137**	**1645**	**1910**	**—265**	**4069**	**4197**	**—128**	**14891**	**12.4**	**27.3**	**28.8**
1963-64														
Centre ..	1846	1374	1659	+187	1415	1769	—354	3261	3428	—167		8.0	19.0	20.0
States ..	1152	939	1074	+ 78	430	513	— 83	1582	1587	— 5		5.5	9.3	9.3
Total ..	**2998**	**2313**	**2733**	**+265**	**1845**	**2282**	**—437**	**4843**	**5015**	**—172**	**17119**	**13.5**	**28.3**	**29.3**
1964-65														
Centre ..	2080	1563	1806	+274	1717	2162	—445	3797	3968	—171		7.8	18.9	19.8
States ..	1253	1022	1203	+ 50	591	603	— 12	1844	1806	+ 38		5.1	9.2	9.0
Total ..	**3333**	**2585**	**3009**	**+324**	**2308**	**2765**	**—457**	**5641**	**5774**	**—133**	**20080**	**12.9**	**28.1**	**28.8**
1965-66														
Centre ..	2320	1784	2000	+320	1705	2198	—493	4025	4198	—173		8.7	19.6	20.4
States ..	1371	1118	1413	— 42	778	803	— 25	2149	2216	— 67		5.4	10.4	10.8
Total ..	**3691**	**2902**	**3413**	**+278**	**2483**	**3001**	**—518**	**6174**	**6414**	**—240**	**20586††**	**14.1**	**30.0**	**31.2**

Table 14 Combined Receipts and Disbursements of Central and State Governments—*Concld.*

(Amounts in crores of Rupees)

Year	Revenue Account				Capital Account			Aggregate Receipts on Revenue and Capital Accounts	Aggregate Disbursements on Revenue and Capital Accounts	Overall Surplus (+) or Deficit (—)	National Income @	Column (2) as % of column (11)	Column (8) as % of column (11)	Column (9) as % of column (11)
	Revenue Receipts	Tax Revenue	Revenue Expenditure	Surplus (+) or Deficit (—) on Revenue Account	Capital Receipts *	Disbursements **	Surplus (+) or Deficit (—) on Capital Account							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1966-67														
Centre ..	2473	1934	2244	+229	2473	2997	—524	4946	5241	—295		8.2	20.9	22.2
States ..	1553	1306	1612	— 59	600	547	+ 53	2153	2159	— 6		5.5	9.1	9.1
Total ..	**4026**	**3240**	**3856**	**+170**	**3073**	**3544**	**—471**	**7099**	**7400**	**—301**	**23647††**	**13.7**	**30.0**	**31.3**
1967-68 ..														
Centre ..	2554	1937	2450	+104	2251	2561	—310	4805	5011	—206		6.9	17.2	17.9
States ..	1807	1486	1814	— 7	861	892	— 31	2668	2706	— 38		5.3	9.5	9.7
Total ..	**4361**	**3423**	**4264**	**+ 97**	**3112**	**3453**	**—341**	**7473**	**7717**	**—244**	**27922††**	**12.2**	**26.7**	**27.6**
1968-69 (R.E.)														
Centre ..	2714	1999	2711	+ 3	2221	2484	—263	4935	5195	—260				
States ..	2019	1647	2131	—112	1213	1254	— 41	3232	3385	—153				
Total ..	**4733**	**3646**	**4842**	**—109**	**3434**	**3738**	**—304**	**8167**	**8580**	**—413**	N.A.			
1969-70† (B.E.)														
Centre ..	2957	2196	2921	+ 36	2347	2637	—290	5304	5558	—254				
States ..	2099	1786	2345	—246	1303	1324	— 21	3402	3669	—267				
Total ..	**5056**	**3982**	**5266**	**—210**	**3650**	**3961**	**—311**	**8706**	**9227**	**—521**	N.A.			

Notes : 1. Excluding Union Territories for which data are not available.

2. Revenue receipts and expenditure of States have been adjusted for grants by Centre to States and interest paid by States on loans from Centre. Capital receipts and disbursements of States have been adjusted for net loans by Centre to States. For the purpose of adjusting inter—Governmental transfers the figures used are those as given in the States' budget papers. However in the case of interest payments by States to the Centre, the figures have been taken from Combined Finance and Revenue Accounts for the period 1960-61 to 1963-64 and from State budget papers from 1964-65 onwards.

3. Tax revenue of the Centre is exclusive of the share transferred to States which is included in the States' tax revenue.

* Excludes Treasury bills.

** Adjusted for miscellaneous transactions.

@ Revised series at current prices.

† Includes the effects of budget proposals.

†† Provisional.

N.A. Not available.

The Central budget for 1969-70 estimates aggregate receipts on revenue and capital accounts at Rs. 5,208 crores (at 1968-69 rates of taxation) showing an increase of Rs. 273 crores over the aggregate receipts for 1968-69 (revised estimates). The estimated aggregate disbursements for 1969-70 at Rs. 5,558 crores show a larger increase of Rs. 363 crores over 1968-69 (revised estimates).

The major part of the improvement in receipts is expected under revenue receipts, tax receipts alone accounting for a rise of as much as Rs. 101 crores. With the exception of customs duties, receipts in respect of which are expected to decline as a result of an anticipated increase in import substitution, all the other major tax heads are estimated to show increases over 1968-69 (revised estimates). On capital account, gross external loans (including P. L. 480 loans and deposits) are placed higher than in 1968-69 (revised estimates) by Rs. 81 crores and net internal market loans higher by Rs. 24 crores. Net receipts from small savings and net accretion to Provident Fund are expected to be higher by Rs. 10 crores and Rs. 16 crores, respectively than in 1968-69 (revised estimates).

The increased provision of Rs. 363 crores for disbursements in 1969-70 over the 1968-69 revised level was necessitated, among others, by the enhancement of statutory grants-in-aid to States under Article 275 (1) of the Constitution by Rs. 36 crores as recommended by the Fifth Finance Commission in its *Interim* Report, increase in Plan provision in the Central budget from Rs. 1,818 crores (including Rs. 625 crores of Plan assistance to States) in 1968-69 (revised estimates) to Rs. 1,903 crores (including Rs. 615 crores of Plan assistance to States) in 1969-70, and provision of Rs. 35 crores for committed (non-Plan) expenditure on completed Central and Union territory Plan Schemes. An increase of Rs. 58 crores in the provision on defence, Rs. 41 crores for debt services and Rs. 12 crores on administrative expenditure also account for the expected increase in disbursements in 1969-70 over 1968-69 (revised estimates). Further, State trading operations are expected to result in a net inflow of only Rs. 36 crores in 1969-70 as compared to a net inflow of Rs. 115 crores in 1968-69 (revised estimates). Loans and advances to States and Union territories are expected to be lower by Rs. 121 crores, than in 1968-69 (revised estimates), partly as a result of reduction in the provision of loan assistance for famine and flood relief. Likewise loans to third parties have also been scaled down by Rs. 137 crores from the 1968-69 (revised) level. It has been decided to entrust, with effect from April 1, 1969, the Food Corporation of India, with the handling of transactions in foodgrains—both imports and internal procurement and distribution. This is mainly responsible for the lower net receipts under State trading operations, referred to earlier. Although it is proposed to add 1.5 million tonnes during 1969-70 to the estimated stock of foodgrains of 3.5 million tonnes at the end of March 1969, the provision for loans to the Food Corporation in 1969-70 is only Rs. 25 crores as against Rs. 190 crores in 1968-69 (revised estimates). It is expected that the bulk of the financial requirements of the Corporation for building-up stocks will be met by commercial banks.

In regard to additional taxation, the Finance Minister felt that there were limits beyond which resources cannot be raised in the short run without impairing the functioning of the economy. The tax measures, among other things, were designed to mop up a part of the additional income generated in the rural sector. The measures are expected to yield Rs. 122 crores of which Rs. 96 crores will accrue to the Centre. Taking the impact of the additional taxes into account, the receipts are expected to be Rs. 5,304 crores. With the total disbursements budgeted at Rs. 5,558 crores, the overall deficit is estimated at Rs. 254 crores—Rs. 6 crores lower than in 1968-69 (revised estimates). Taking everything into account it was felt that a budgetary deficit in 1969-70 of roughly the same magnitude as in 1968-69, was likely to reconcile best the concern for price stability and maintenance of a climate for growth.

State Government Budgets : *1968-69* (Revised Estimates) : The aggregate receipts of States on revenue and capital accounts at Rs. 4,161 crores in the revised estimates for

1968-69 exceeded the budget estimates by Rs. 388 crores. Aggregate disbursements at Rs. 4,314 crores in 1968-69 (revised estimates) showed a larger increase of Rs. 466 crores over the anticipated level.

The improvement in receipts was mainly a sequel to increase in resources transferred from the Centre in the form of shared taxes, grants and loans. Revenue receipts increased by Rs. 91 crores over the budgeted level and of this Rs. 81 crores was due to States' share in Central taxes and grants-in-aid. States' own tax and non-tax revenues recorded negligible increase of Rs. 5 crores each. States' capital receipts improved by Rs. 297 crores, as a result of an increase of Rs. 215 crores in loans from the Centre and Rs. 82 crores in States' own capital resources. Of the increase in loans from the Centre, Rs. 63 crores was a result of stepping up by the Centre of provision for loans for relief from natural calamities and Rs. 77 crores due to grant of ***ad hoc*** loans to certain States to enable them to clear their overdrafts with the Reserve Bank of India.

Of the increase of Rs. 466 crores in total disbursements in the revised estimates over the budget estimates, revenue expenditure accounts for an increase of Rs. 193 crores ; this is made up of an increase of Rs. 73 crores in developmental expenditure and of Rs. 120 crores in non-developmental expenditure ; the bulk (Rs. 72 crores) of the increase in non-developmental expenditure was for financing famine relief. Capital disbursements increased by Rs. 273 crores of which Rs. 57 crores was in developmental outlays, Rs. 17 crores in non-developmental outlays and Rs. 102 crores in loans and advances by State Governments.

Reflecting the larger increase in aggregate disbursements than in aggregate receipts, the overall deficit of States widened from Rs. 75 crores in the budget estimates to Rs. 153 crores in the revised estimates. The deficit on revenue account increased substantially from Rs. 9 crores in the budget estimates to Rs. 112 crores in the revised estimates ; however, the deficit on capital account narrowed from Rs. 66 crores to Rs. 41 crores. In view of the continued strain on resources, a number of States had to resort to overdrafts from the Reserve Bank of India during 1968-69 as in previous years. As on March 31, 1969 the States' overdrafts aggregated Rs. 145 crores. This was much larger when compared to the position a year earlier when the total of overdrafts were of the order of Rs. 32 crores. However, it is to be noted that the comparatively low level of overdrafts at the end of March 1968 was due to *ad hoc* assistance from the Centre of the order of Rs. 61 crores. Such assistance was not made available in March 1969. It may further be added that to some extent the overdraft position at the end of March 1969 was of a temporary and technical nature. On the whole, the incidence of overdrafts in 1969 has not shown much improvement compared to the previous year. By end June 1969 mainly with the assistance from Central Government these overdrafts were cleared.

Aggregate receipts (on revenue and capital accounts) for 1969-70 are estimated at Rs. 4,220 crores, at 1968-69 rates of taxation, higher than in the revised estimates for 1968-69 by Rs. 59 crores. The aggregate disbursements at Rs. 4,534 crores are also higher by about Rs. 220 crores than in the revised estimates for 1968-69. Consequently, the overall deficit of Rs. 315 crores for 1969-70 is almost twice the amount for 1968-69 (revised estimates). The overall deficit for 1969-70 comprises a deficit of Rs. 293 crores on revenue account and of Rs. 22 crores on capital account. Taking into account the additional yield of Rs. 22 crores from taxes proposed by eight States and the additional revenue of Rs. 26 crores accruing to States out of Centre's budget proposals, the overall deficit is expected to be reduced to Rs. 267 crores.

It may be mentioned that Andhra Pradesh, Uttar Pradesh and West Bengal which had presented provisional budgets earlier have since presented final budgets for 1969-70; besides Madhya Pradesh has also presented a revised budget for 1969-70. Consequently, the overall deficits of State Governments for 1969-70 work out to Rs. 355 crores. However, the budgetary position may change as a result of the recommendations embodied

in the final Report of the Fifth Finance Commission which was submitted on July 31, 1969.

The Government have accepted the recommendations of the Commission in regard to devolution of taxes and duties and grants-in-aid under Article 275(1) of the Constitution. (A summary of the Report is given in Appendix). The proportions to be shared in respect of income-tax and Union excise duties remain unchanged at the levels recommended by the Fourth Finance Commission. The Commission has, however, enlarged the size of the divisible pool of income-tax by including advance tax collections. The divisible pool of Union excise duties is also widened for the two years 1972-73 and 1973-74 by including special excise duties. According to the final recommendations of the Commission the quantum of grants-in-aid for 1969-70 gets reduced from Rs. 176.81 crores (as recommended by it in its *interim* Report) to Rs. 152.73 crores.

Plan Outlays and Additional Mobilisation

The budgets of the Centre and States for 1969-70 give an indication of the efforts initiated by them towards the implementation of the Fourth Five-Year Plan, the revised draft Report of which was published in April 1969. The Plan (draft) envisages a total outlay of Rs. 24,398 crores comprising an outlay of Rs. 14,398 crores in the public sector and an investment of Rs. 10,000 crores in the private sector during the Fourth Plan period (April 1969 to March 1974). Of the public sector outlay Rs. 8,332 crores will be Centre's outlay, (including Union Territories) and Rs. 6,066 crores States' outlay. Of the total outlay in the public sector, Rs. 10,839 crores are expected to be financed from budgetary resources (at 1968-69 rates of taxation), Rs. 9,382 crores by the Centre and Rs. 1,457 crores by States. The magnitude of additional mobilisation (to be done through taxation and surplus of public enterprises) is placed at Rs. 2,709 crores of which the Centre is expected to raise Rs. 1,600 crores and the States Rs. 1,109 crores ; the quantum of deficit financing is estimated at Rs. 850 crores.

The Central budget for 1969-70, makes a Plan provision of Rs. 1,738 crores ; in addition there will be an outlay of Rs. 165 crores to be financed from the internal resources of the Central public sector undertakings. Thus the total Plan outlay will be Rs. 1,903 crores (an increase of Rs. 85 crores over the likely actuals for 1968-69). Of the total, Rs. 615 crores represents Centre's assistance for State Plans. States have provided in their budgets for 1969-70 for an aggregate Plan outlay of Rs. 947 crores (including Rs. 615 crores of Centre's Plan assistance), as against the likely actuals of Rs. 1,059 crores in 1968-69. The aggregate outlay on the annual Plan (1969-70) of the Centre and States thus adds up to Rs. 2,235 crores which forms 15 per cent of the estimated public sector outlay over the Fourth Plan period.

The additional tax measures in the 1969-70 Union budget are expected to bring in Rs. 122 crores of revenue in a year. The magnitude of additional tax mobilisation by the Union during 1969-70 is much higher than that in 1968-69 (Rs. 41 crores), 1967-68 (Rs. 104 crores) and 1966-67 (Rs. 112 crores). In addition, changes in telephone and telegraph tariffs were also introduced in the budget and these are expected to bring in an additional revenue to the posts and telegraphs department of Rs. 6 crores in a year. The estimated additional yield from proposals for revision of postal and telegraph tariffs in 1968-69 and 1967-68 were Rs. 26 crores and Rs. 4 crores, respectively.

The tax measures suggested by State Governments in 1969-70 (budget) are expected to yield Rs. 22 crores in a year. Thus, the measures taken by the Central and State Governments (including changes in postal tariff) are estimated to yield Rs. 150 crores in a year or over Rs. 750 crores in five years as against the target of Rs. 2,709 crores visualised in the draft Plan document.

Centre's tax proposals for 1969-70 are designed to (1) provide a measure of relief where necessary, particularly in the interest of exports, savings and modernisation of key industries ; (2) remove anomalies ; (3) provide a further measure of rationalisation

and simplification ; (4) plug the loop-holes which make for tax avoidance or evasion ; (5) spread the burden of taxation more evenly by bringing within the tax net, commodities or incomes which are hitherto not taxed or taxed lightly in relation to essentiality of consumption or capacity to pay and (6) generally make the tax system more responsive to the needs of economic growth.

The main proposal in regard to personal income tax is the stepping up of marginal rates in certain income ranges (Rs. 10,001—Rs. 20,000). Tax concessions, mainly through the widening of the coverage of 'priority' industries for the purpose of higher rate of development rebate (to cotton and jute textiles) and extension of tax holiday provision for new undertakings for a period of another five years have been announced. The incentives for savings in certain forms are further liberalised. Agricultural property (with suitable exemptions to genuine agriculturists) hitherto exempt, is brought within the ambit of the Wealth Tax Act and the penal provisions under this Act are further tightened. The main features of the proposals under excise duties comprise (*i*) imposition of duty on fertilizers ; (*ii*) conversion of rates on some items including sugar, from specific to *ad valorem* ; (*iii*) increase in the rate of duty on a few items including cigarettes, jute manufactures, motor spirit and superior kerosene and (*iv*) relief to some items notably textiles. In regard to customs duties, the main proposals relate to the abolition or further reduction in export duties on a few items (including jute goods and tea).

Eight out of sixteen States have proposed measures of additional mobilisation of resources. The additional yield from the measures proposed by these States will amount to Rs. 22 crores during 1969-70. Details by items of tax are, however, available only in respect of five States. Sales tax is expected to bring in Rs. 4.0 crores, cess on commercial crops Rs. 2.0 crores and revision of irrigation rates Rs. 1.2 crores. Among other measures proposed, the more important are revision of passenger and goods rates, levy on motor vehicles and education cess.

Eight States (Kerala, Haryana, Maharashtra. Tamil Nadu, Punjab, Rajasthan, Uttar Pradesh and West Bengal) had introduced lottery schemes in their States in 1968-69. According to data available the receipts (gross) from this source amounted to Rs. 9.9 crores in 1968-69. The budget estimates for 1969-70 place the yield from this source at Rs. 21.5 crores ; it may be mentioned that three more States viz., Assam, Jammu & Kashmir and Madhya Pradesh have proposed to introduce this scheme in 1969-70.

BALANCE OF PAYMENTS

Foreign Exchange Reserves

On the external payments front, the situation was less difficult than in the last year following the improved domestic supply position. Over the year 1968-69 the foreign exchange reserves increased by Rs. 38.1 crores, after repurchasing Rs. 58.5 crores from the I.M.F. and refunding Rs. 11.3 crores of the special deposits placed by the I.B.R.D. under the debt relief arrangement. Last year, on the other hand, reserves, which had shown a rise of Rs. 60.2 crores, had benefited from a net purchase of Rs. 24.4 crores from the I.M.F. and special deposits of Rs. 34.6 crores by the I.B.R.D. towards debt relief. Exclusive of these transactions and the depreciation of sterling assets, following the devaluation of the pound, in 1967, the increase in reserves during 1968-69 would amount to Rs. 107.9 crores as against a rise of Rs. 11.8 crores last year. The marked improvement in reserves during 1968-69 was the result of both a sizeable reduction in the free foreign exchange outlay on imports, particularly the outlay on foodgrain imports, and an increase in exports. The improved domestic supply position, following the better performance in agriculture helped reduce the outlay on imports of foodgrains and agricultural raw materials and increase the export availabilities of important agriculture-based exports.

Overall Trends

The discussion in the following paragraphs relates to trends during the calendar year 1968,

as detailed balance of payments data for the financial year as a whole are not yet available. The foreign exchange reserves moved up by Rs. 14.8 crores during the year, while they had increased by Rs. 40.9 crores in 1967. However, if transactions with the I.M.F. and I.B.R.D. and the depreciation in sterling assets in 1967 are excluded the reserves would show a *rise* of Rs. 87.4 crores in 1968 as compared with a *fall* of Rs. 38.9 crores in 1967. The favourable swing in the external payments position between 1967 and 1968 was mostly a reflection of the narrowing down of the trade deficit; this was due to both a reduction in imports and an increase in exports. A sizeable part of the fall in imports resulted from the decline in aid-financed imports but there was a noticeable reduction in the free foreign exchange outlay as well. This together with the marked increase in exports, particularly to countries other than East European rupee payment countries, helped to relieve the pressure on the reserves. External assistance, comprising grants, loans and commodity assistance, continued to be a contributory factor in alleviating the pressure on the reserves; the quantum of aid utilised, however, was less than in the previous year.

Over the year 1968, the deficit on current account narrowed by Rs. 342.8 crores to Rs. 498.2 crores and the entire improvement reflected the sharp reduction in the adverse trade balance from Rs. 850.4 crores to Rs. 476.5 crores (Table 15). Invisible transactions, including official transfer payment transactions, on the other hand, resulted in a *deficit* of Rs. 21.7 crores as against a *surplus* of Rs. 9.4 crores last year. The net outflow by way of unidentified transactions (covered by "errors and omissions") also increased over the year by Rs. 50.5 crores to Rs. 143.6 crores. Nevertheless, taking the current account together with the "errors and omissions", the total deficit at Rs. 641.8 crores, was smaller than that recorded last year by Rs. 292.3 crores. As in the preceding year, the total deficit was more than matched by the net inflow from capital transactions, which amounted to Rs. 656.6 crores. However, as the net inflow was on a much smaller scale than before, the accretion to the reserves amounted to only Rs. 14.8 crores as against Rs. 51.6 crores last year.

Table 15 India's Balance of Payments (Preliminary)

(Rupees Crores)

		January-March 1968	April-June 1968	July-September 1968	October-December 1968	January-December 1968	January-December 1967
A.	**Current Account**						
	Imports c.i.f.						
	(a) Private	173.9	185.5	169.1	144.0	672.5	841.3
	(b) Government	305.6	330.8	250.8	266.5	1153.7	1239.7
	Total Imports (a + b)	479.5	516.3	419.9	410.5	1826.2	2081.0
	Exports f.o.b.	326.0	333.5	339.7	350.5	1349.7	1230.6
	Trade Balance	**−153.5**	**−182.8**	**− 80.2**	**−60.0**	**−476.5**	**−850.4**
	Non-monetary Gold Movement (net)	—	—	—	—	—	—
	Official Transfer Payments (net)	− 3.3	+ 4.1	+ 18.3	− 7.2	+ 11.9	+ 33.7
	Other Invisibles (net)	− 22.0	+ 3.3	− 11.1	− 3.8	− 33.6	− 24.3
	Current Account (net)	**−178.8**	**−175.4**	**− 73.0**	**− 71.0**	**−498.2**	**−841.0**
B.	**Errors and Omissions**	**− 23.7**	**− 61.9**	**− 5.8**	**− 52.2**	**−143.6**	**− 93.1**
C.	**Capital Account**						
	Private Capital (net)	**+ 5.4**	**− 2.3**	**− 3.0**	**− 9.9**	**− 9.8**	**+ 0.5**
	(a) Long-term	+ 4.8	− 2.8	− 4.3	− 10.7	− 13.0	+ 7.9
	(b) Short-term	+ 0.6	+ 0.5	+ 1.3	+ 0.8	+ 3.2	− 7.4
	Banking Capital (net)	**+ 18.3**	**+ 13.9**	**− 2.9**	**− 16.4**	**+ 12.9**	**+ 21.2**
	Official Capital (net)	**+220.7**	**+227.0**	**+110.5**	**+ 95.3**	**+653.5**	**+ 964.0**
	(a) Loans	+190.8	+190.2	+128.2	+127.3	+636.5	+1051.6
	(b) IMF Drawings	− 43.2	—	—	− 30.0	− 73.2	+ 62·0
	(c) Amortisation	− 46.5	− 31.5	− 38.4	− 50.3	−166.7	−153.7
	(d) Miscellaneous	+119.6	+ 68.3	+ 20.7	+ 48.3	+256.9	+ 4.1
	Capital Account (net)	**+244.4**	**+238.6**	**+104.6**	**+ 69.0**	**+656.6**	**+985.7**
D.	**Movement in Reserves*** (A + B + C) (Increase +, Decrease −)	**+ 41.9**	**+ 1.3**	**+ 25.8**	**— 54.2**	**+ 14.8**	**+ 51.6**

* Movement in reserves during 1967 excludes changes due to depreciation.

Imports

Following the increase in the domestic output of foodgrains and agricultural raw materials, mainly raw jute, raw cotton and vegetable oils during 1967-68, there was a reduction in the import of these items. In addition, imports of machinery and transport equipment, iron and steel, non-ferrous metals and chemicals also declined reflecting in part the impact of the rise in the rupee costs of imports following the devaluation of the rupee and in part the progress made in the field of import substitution. Imports of fertilisers and mineral oils, however, registered a rise offsetting in part the fall in the other items. On balance, the aggregate import bill at Rs. 1826.2 crores was lower than last year by Rs. 254.8 crores or 12 per cent.

Sector-wise, imports on both private and Government accounts declined, with the former accounting for a little more than 60 per cent of the aggregate fall. A sizeable part of the decline in the aggregate import bill reflected the fall in aid-financed imports, particularly import of foodgrains. On private account, barring imports of mineral oil, which increased by Rs. 4.9 crores, practically all the other items registered a fall, the more significant among them being machinery and transport equipment (Rs. 33.6 crores), raw jute (Rs. 31.9 crores), non-ferrous metals (Rs. 26.4 crores), chemicals (Rs. 25.1 crores), vegetable oils (Rs. 19.2 crores), iron and steel (Rs. 18.5 crores) and raw cotton (Rs. 4.4. crores). On Government account, while import of foodgrains declined by Rs. 97.8 crores, the other imports taken together increased by Rs. 11.8 crores due to the rise in imports of fertilisers (Rs. 16.6 crores) and communication stores (Rs. 13.9 crores), which was offset in part by the fall in other items.

Exports

Exports, which had registered a rise in 1967, increased further by Rs. 119.1 crores or 10 per cent in 1968 to Rs. 1349.7 crores. The spurt in exports reflected larger domestic availabilities, the stimulus derived from various promotional measures taken by the Government and the vigorous efforts made by industrialists and businessmen for gaining access to markets abroad. An encouraging feature of the performance during the year is that while exports to both East European rupee payment countries and the other countries showed rise, the increase in regard to the latter accounted for about 75 per cent of the overall rise in exports.

Commodity-wise, practically the entire rise in exports was brought about by non-traditional items, mainly engineering goods (Rs. 34.4 crores), iron ore (Rs. 26.0 crores), iron and steel (Rs. 27.8 crores) and other miscellaneous items (Rs. 28.2 crores). Exports of traditional items in the aggregate, continued to be around the levels attained last year but as between the different items there were noticeable changes. There was a decline in the exports of tea (Rs. 19.7 crores) and jute manufactures (Rs. 25.9 crores) which was mostly offset by the increase in a few other items, particularly, cashew kernels (Rs. 15.9 crores), cotton manufactures (Rs. 9.8 crores), oil cakes (Rs. 6.4 crores) and vegetable oils (Rs. 6.9 crores).

Invisibles

Official transfer payment transactions resulted in a smaller surplus of Rs. 11.9 crores as against Rs. 33.7 crores last year. The entire reduction in the surplus reflected the shortfall in receipts by way of grants from Canada; last year the whole of the surplus was brought about by the grants received under Canadian Special Food Assistance Programme. The deficit on account of other invisible transactions widened over the year by Rs. 9.3 crores to Rs. 33.6 crores as a result of the increase in payments. Gross payments at Rs. 430.5 crores were higher by Rs. 14.2 crores due to the larger outgo by way of transportation and investment income account payments. Over the year, the outgo on transportation account increased by Rs. 10.4 crores due to larger remittances on account of operating expenses abroad of Indian steamship and airline companies and charter hire payments, while that on investment income account went up by Rs. 7.0 crores owing to the rise in interest payments on loans and credits; remittances of profits and dividends taken together, however, were somewhat lower than in the preceding year. Gross receipts

at Rs. 396.9 crores showed a moderate improvement of Rs. 4.9 crores, due largely to the spurt in unilateral transfers from abroad.

Capital Transactions

The net inflow of capital at Rs. 656.6 crores was very much smaller than that recorded last year. Private capital transactions, which were more or less in balance last year resulted in a net outflow of Rs. 9.8 crores owing to the change over in long-term capital movements from a net *inflow* of Rs. 7.9 crores to a net *outflow* of Rs. 13.0 crores. The entire net outflow on this account represented larger amortisation payments, which far exceeded the drawings on loans; last year the flows had the opposite effect with drawings on loans in excess of repayments. Short-term capital movements, which comprised mainly of changes in inter-company account balances, registered a small net *inflow* of Rs. 3.2 crores as against a net *outflow* of Rs. 7.4 crores last year. Banking capital movements continued to register a net inflow, but at Rs. 12.9 crores it was only a little more than half the net inflow recorded last year. As in the preceding year there was a sizeable reduction in authorised dealers' foreign currency assets, but this was to a large extent offset by the reduction in their foreign currency liabilities. Last year, on the other hand, the net inflow comprised mostly of reduction in their foreign currency assets; there was also an increase in their foreign currency liabilities but this was again more than offset by the reduction in their rupee liabilities.

The net inflow to the official sector declined over the year by Rs. 310.5 crores to Rs. 653.5 crores due mainly to the shortfall in receipts by way of drawings on external assistance loans. The utilisation of these loans amounted to Rs. 641.4 crores as against Rs. 1052.3 crores last year. The fall in utilisation during the year was almost wholly due to the absence of drawings on P.L. 480 counterpart fund loans; last year drawings on these loans were quite sizeable and accounted for about one-third of total drawings. The utilisation of foreign currency loans was also somewhat lower than in the preceding year. In addition, unlike last year, when the net inflow to the official sector was augmented by a net *purchase* from the I.M.F., amounting to Rs. 62.0 crores, this year, there was a net *repurchase* amounting to Rs. 73.2 crores, which adversely affected the net inflow to the official sector. The net outgo by way of amortisation payments at Rs. 166.7 crores was higher than in the preceding year by Rs. 13.0 crores, but the entire increase was on account of debt serviced in rupees; in fact, there was a moderate reduction in the outgo financed in foreign currencies. Miscellaneous official capital transactions, which benefited mainly from the increase in rupee liabilities arising out of U.S. P.L. 480 Title I transactions, however, registered a sizeable net inflow amounting to Rs. 256.9 crores as against a nominal net inflow of Rs. 4.1 crores recorded last year.

Regional Trends

Region-wise, there was an improvement in the current account position with the sterling area as well as the non-sterling area (Table 16). While the surplus with the sterling area increased further by Rs. 77.4 crores to Rs. 111.7 crores, the deficit with the non-sterling area narrowed down by Rs. 264.0 crores to Rs. 560.6 crores. The deficit with international institutions, which amounted to Rs. 49.3 crores, declined marginally over the year.

The improvement in the regional position on current account was mainly a reflection of the improvement in the balance of trade. Imports from the sterling area declined by Rs. 60.6 crores, which more than offset the fall in exports amounting to Rs. 7.9 crores. Consequently, the trade surplus with the sterling area improved further by Rs. 52.7 crores. As regards the non-sterling area, there was a fall of Rs. 194.2 crores in imports and a rise of Rs. 127.0 crores in exports, which together reduced the adverse trade balance by Rs. 321.2 crores. However, there was an increase in imports from the "rest of the non-sterling area", but this was more than made good by the increase in exports to this region and consequently the trade deficit was norrowed down.

Invisible transactions, including official transfer payment transactions, with the sterling area, which resulted in a *surplus* of Rs. 22.9 crores as against a *deficit* of Rs. 1.8 crores, contributed further to the improvement in the current account position with this area.

Table 16. Regional Balance of Payments on Current Account (Preliminary)

(Rupees Crores)

	January-March 1968	April-June 1968	July-September 1968	October-December 1968	January-December 1968	January-December 1967
	1	2	3	4	5	6
Sterling Area						
Imports—c.i.f.	81.7	78.0	74.7	65.6	300.0	360.6
Exports—f.o.b.	93.5	89.8	104.7	100.8	388.8	396.7
Trade balance	+ 11.8	+ 11.8	+ 30.0	+ 35.2	+ 88.8	+ 36.1
Non-monetary gold movement (net)	—	—	—	—	—	—
Official transfer payments (net)	— 0.2	—0.1	— 0.5	+ 3.3	+ 2.5	— 0.6
Other invisibles (net)	+ 6.3	+ 1.9	+ 6.5	+ 5.7	+ 20.4	— 1.2
Current account (net)	**+ 17.9**	**+ 13.6**	**+ 36.0**	**+ 44.2**	**+111.7**	**+ 34.3**
Dollar Area						
Imports—c.i.f.	196.1	211.4	136.1	136.9	680.5	874.9
Exports—f.o.b.	60.6	64.7	67.5	69.5	262.3	243.8
Trade balance	—135.5	—146.7	— 68.6	— 67.4	—418.2	—631.1
Non-monetary gold movement (net)	—	—	—	—	—	—
Official transfer payments (net)	—	+ 4.4	+ 19.4	+ 1.4	+ 25.2	+ 50.8
Other invisibles (net)	+ 3.1	+ 13.7	+ 1.6	+ 3.6	+ 22.0	+ 60.9
Current account (net)	**—132.4**	**—128.6**	**— 47.6**	**— 62.4**	**—371.0**	**—519.4**
O.E.C.D. Countries						
Imports—c.i.f.	65.9	66.4	52.6	49.2	234.1	293.6
Exports—f.o.b.	31.7	30.6	34.5	35.0	131.8	100.1
Trade balance	— 34.2	— 35.8	— 18.1	— 14.2	—102.3	—193.5
Non-monetary gold movement (net)	—	—	—	—	—	—
Official transfer payments (net)	—	— 0.1	— 0.5	—	— 0.6	+ 0.6
Other invisibles (net)	— 9.1	— 10.8	— 10.6	— 10.5	— 41.0	— 42.4
Current account (net)	**— 43.3**	**— 46.7**	**— 29.2**	**— 24.7**	**—143.9**	**—235.3**
Rest of Non-sterling Area						
Imports—c.i.f.	135.8	160.5	156.5	158.8	611.6	552.0
Exports—f.o.b.	140.2	148.4	133.0	145.2	566.8	490.0
Trade balance	+ 4.4	— 12.1	— 23.5	—13.6	— 44.8	— 62.0
Non-monetary gold movement (net)	—	—	—	—	—	—
Official transfer payments (net)	— 0.1	—	— 0.1	—	— 0.2	—
Other invisibles (net)	— 12.6	+ 6.1	+ 0.7	+ 5.1	— 0.7	— 8.1
Current account (net)	**— 8.3**	**— 6.0**	**— 22.9**	**— 8.5**	**— 45.7**	**— 70.1**
International Institutions						
Imports—c.i.f.	—	—	—	—	—	—
Exports—f.o.b.	—	—	—	—	—	—
Trade balance	—	—	—	—	—	—
Non-monetary gold movement (net)	—	—	—	—	—	—
Official transfer payments (net)	— 3.0	— 0.1	—	— 11.9	— 15.0	— 17.3
Other invisibles (net)	— 9.7	— 7.6	— 9.3	— 7.7	— 34.3	— 33.4
Current account (net)	**— 12.7**	**— 7.7**	**— 9.3**	**— 19.6**	**— 49.3**	**— 50.7**

With the non-sterling area, however, the surplus on account of these transactions, which was adversely affected by the fall in receipts by way of official grants from Canada and U.S. Embassy expenditures financed out of P.L. 480 counterpart funds, dwindled from Rs. 61.9 crores to Rs. 4.7 crores offsetting in part the gain from the improvement in the trade balance with this region.

Foreign Investment Policy

During the year there was some streamlining of the procedures relating to foreign investments in India. In order to minimise the delays in processing and deciding on applications for foreign collaboration, the Government set up a Foreign Investment Board@ to facilitate disposal of applications without undue delay so that as far as possible the final decision of the Government is conveyed to the applicants within a period of three months. The Board is empowered to deal with all matters relating to private foreign investments and collaboration in cases in which total equity capital does not exceed Rs. 2 crores and where the foreign investment does not exceed 40 per cent of the issued equity capital. To speed up the disposal of cases, the Board has delegated its powers to its sub-committee to deal with cases where the total investment in a company does not exceed Rs. 1 crore and foreign capital participation is upto 25 per cent. In cases which involve a total equity investment above Rs. 2 crores and foreign capital participation is in excess of 40 per cent, the clearance of the Cabinet Committee is needed. In cases which involve only foreign technical collaboration the final decision would rest with the concerned administrative ministries. The Government have also drawn up three lists of industries: (i) where foreign investment will be permitted with or without technical collaboration, (ii) where only foreign technical collaboration will be permitted and (iii) where no foreign technical or financial collaboration is considered necessary. These are illustrative lists subject to revision from time to time. The lists also indicate the royalty range permissible in different industries.

The Government has stated that, in future, clauses restricting exports would not be permitted in collaboration agreements except in cases where the restrictions relate to exports only to the country of the foreign collaborator or countries where the foreign collaborator has joint ventures in the same field of production. The existing restrictive policy in respect of foreign collaboration in low-priority or non-essential fields of production or in trading activity is subject to relaxation provided foreign collaboration is mainly directed towards increasing exports.

The Government liberalised during the year its policy towards investments in India by non-resident persons of Indian origin. Such participation would be subject to the conditions that neither the capital invested nor the profits earned would be repatriated abroad (for details *vide* Chapter VII page 179).

The total value of consents granted by the Controller of Capital Issues for non-resident participation in the share capital (including bonus issues), debentures and loans of the Indian joint stock companies amounted to Rs. 34.1 crores during 1968-69 as compared to Rs. 46.3 crores during 1967-68. There was an increase of Rs. 3.0 crores and Rs. 4.3 crores in bonus and initial issues, respectively while further issues and loans declined by Rs. 14.4 crores and Rs. 5.3 crores, respectively. The number of collaboration agreements approved during 1968-69 were higher at 158 as compared to 140 in 1967-68.

External Assistance

Authorisations of external assistance, which declined sharply (by 55 per cent) in 1967-68, increased markedly by $ 316 million or 33 per cent to $ 1,271 million during 1968-69. Loans and grants authorised during the year were higher than last year by $ 480 million and $ 65 million respectively, which together more than made good the sharp drop of $ 229 million in the P.L. 480 assistance authorised during the year. Loan authorisations by members of the Aid-India Consortium nearly doubled from $ 594 million in 1967-68 to $ 1,087 million in

@ The Foreign Investment Board has a Chairman who is the Secretary in the Ministry of Finance and members comprising the secretaries of the Economic Ministries concerned with foreign investment and collaboration and of the Planning Commission, the Director General, Council of Scientific and Industrial Research and the Director General, Technical Development.

1968-69, due to larger authorisations by the U.S.A. (of $347 million) and fresh authorisations totalling $ 205 million by the I.D.A., France, Sweden and Italy from whom there were no authorisations in the preceding year. Assistance authorised by countries outside the Consortium, however, declined by $ 13 million.

The utilisation of external assistance, which had shown an improvement in 1967-68, went down considerably during the year following the sharp drop in authorisations last year and the consequent tapering of aid in the pipeline. Utilisation of aid during 1968-69 amounted to $ 1,083 million as against $ 1,570 million in 1967-68. About one-half of this decline represented the fall in imports, particularly of foodgrains, under the P.L. 480 Title I programme following the relatively better domestic supply situation. Aid in the pipeline as at the end of March 1969 amounted to $ 2,719 million (Table 17).

Table. 17 External Assistance*

($ million)

	Loans**	Grants	P.L. 480 Aid@	Total (1+2+3)
	1	2	3	4
1. Amount undisbursed as at the end of March 1966 ..	**2,242**	**115**	**226**	**2,583**
2. Authorisations during				
(a) 1966-67	1,471	106	524	2,101
(b) 1967-68	609	22	324	955
(c) 1968-69	1,089	87	95	1,271
Total 2	**3,169**	**215**	**943**	**4,327**
3. Utilisation during				
(a) 1966-67	904	126	480	1,510
(b) 1967-68	1,075	81	414	1,570
(c) 1968-69	889	81	113	1,083
Total 3	**2,868**	**288**	**1,007**	**4,163**
4. Amount undisbursed as at the end of March 1969 ..	**2,524£**	**42**	**153@@**	**2,719**

* Excludes (a) Grants under U.S. P.L. 480 Titles II and III and (b) Special deposits placed by the I.B.R.D with the Reserve Bank of India during 1967-68. Loan of $ 15 million given to the Government out of the IBRD deposits is included under loans in 1968-69.

** Includes authorisations and utilisation of P.L. 480 Convertible Local Currency Credits.

@ Represents the rupee deposits against import of goods under U.S. P.L. 480 Title I programme ; disbursements out of these funds by way of loans and grants, are, therefore, excluded from columns 1 and 2.

£ Adjusted for the devaluation of Pound Sterling and Danish Kroner in November 1967.

@@ Adjusted for the lapsed agreements by $ 9 million.

Of the total assistance authorised in 1968-69, loans accounted for 86 per cent, P.L. 480 aid* and grants for 7 per cent each. Except for an amount of $ 2 million authorised by Norway, the entire loan assistance during the year was authorised by members of the Aid-India Consortium.

A large part of the loans during 1968-69 was authorised, as in the preceding year, in the form of non-project aid. Authorisations of non-project loan assistance (excluding debt refinancing credits) during 1968-69 amounted to $ 850 million or 78 per cent of the total loans authorised, which was about the same

* Excluding P.L. 480 Convertible Local Currency Credits, which are covered under loans.

proportion as last year. A major part of the loans authorised by the U.S.A., Canada and West Germany and the entire amount of loans authorised by the I.D.A., the U.K., Japan, Netherlands, Denmark and Austria was in the form of non-project assistance. Debt refinancing credits authorised during the year amounted to $ 45 million or 4 per cent of the total loans authorised; last year its share was somewhat higher at 7 per cent. A very welcome feature of the assistance provided this year by way of debt refinancing credits is that France, Italy, and Belgium have for the first time made available these credits for meeting a part of the debt service payments due to them.

The year under review witnessed some softening of the terms of assistance, particularly in respect of the assistance authorised by France, Japan, Sweden and Belgium. French Treasury loans—both project and non-project—authorised during the year carried a lower rate of interest (3.5 per cent per annum) than the earlier non-project loan authorised in July 1966, which carried an interest rate of 5¼ per cent per annum. Further, the French Treasury loans (other than the Refinancing Credit of $5 million which was of a twelve-year maturity period) authorised in 1968-69 also had a longer maturity period (20 years) than that authorised in July 1966 (about 10 years). Japan effected a marginal reduction in the interest rate from 5½ to 5¼ per cent per annum and increased slightly the maturity period of the eighth yen credit authorised in February 1969. Swedish credits authorised during the year provided for a longer grace period than hitherto (10 years as against 5 years previously) and longer maturity periods (about 25 years as against 20 years previously). In respect of one loan authorised during the year by Belgium, the grace and maturity periods were extended from 5 to 7 years and from 19 to 24 years respectively. There was, however, no change in the interest rate charged, on both Swedish and Belgian credits ; this continued to be same as in the preceding year viz., 2 per cent and 3 per cent per annum respectively.

There was, however, some marginal increase in the interest rates in respect of loans authorised during the year by the U.S. Agency for International Development. The interest rate on U.S. AID loans during the initial grace period, which had remained at 1 per cent since June 1965, was raised to 2 per cent. The interest rate payable after the grace period continued to remain at 2½ per cent in respect of all loans authorised upto end-July 1968 and in respect of a project loan to Trombay Fertilisers signed in December 1968. But in respect of a non-project loan and P.L. 480 Convertible Local Currency Credit authorised in December 1968, the interest rate applicable after the grace period was raised from 2½ to 3 per cent per annum. In regard to P. L. 480 assistance, the proportion made available by way of Convertible Local Currency Credits introduced for the first time in the June 1967 Agreement was doubled from 20 to 40 per cent in the December 1968 Agreement, reducing thereby the quantum of assistance that could be had against rupee deposits. Nevertheless, in general, the terms and conditions governing U.S. assistance compare favourably with those pertaining to the assistance provided by the majority of other donors. Indeed, it is noteworthy to mention here that barring IDA and certain Canadian loans, the U.S. AID loans are the only ones which have the largest maturity (about 40 years).

Cumulatively, external assistance authorised from August 15, 1947 to March 31, 1969 amounted to $ 16,546 million, of which 68 per cent ($ 11,207 million) was in the form of loans, 26 per cent ($ 4,301 million) in the form of P. L. 480/665 and Third Country Currency Assistance from the U.S.A. and the balance of 6 per cent ($ 1,038 million) by way of grants. A little over 80 per cent ($ 13,614 million) of this amount was utilised by the end of March 1969; of this $ 8,664 million by way of loans, $ 3,954 million by way of P.L. 480 and similar assistance and $ 996 million in the form of grants (Table 18).

The U.S.A. accounted for about 52 per cent of the total authorisations and about 56 per cent of the total utilisation. The I.B.R.D. and I.D.A. accounted for about 12 per cent of the total authorisations and about 13 per cent of the total utilisation. Other countries that provided sizeable assistance were the U.S.S.R., West Germany and the United Kingdom in that order (Table 19).

Table 18. Aggregate External Assistance

($ million)

	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
	1	2	3	4
Authorisations				
1. Upto the Second Plan	3,145	545	2,411	6,101
2. During Third Plan	4,893	278	947	6,118
3. During 1966-67	1,471	106	524	2,101
4. During 1967-68	609	22	324	955
5. During 1968-69	1,089	87	95	1,271
Total ..	**11,207**	**1,038**	**4,301**	**16,546**
Utilisation				
1. Upto Second Plan	1,788	485	1,155	3,428
2. During Third Plan	4,008	223	1,792	6,023
3. During 1966-67	904	126	480	1,510
4. During 1967-68	1,075	81	414	1,570
5. During 1968-69	889	81	113	1,083
Total ..	**8,664**	**996**	**3,954**	**13,614**

Note: Please refer to footnotes to Table 17.

Table 19. Aggregate External Assistance—Source-wise

($ million)

	Authorised upto March 1969				Utilised upto March 1969			
	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
I.B.R.D./I.D.A.	2,033	—	—	**2,033 (12.2)**	1,796	—	—	**1,796 (13.2)**
U.S.A.	3,888	362	4,301	**8,551 (51.7)**	3,269	352	3,954	**7,575 (55.6)**
U.S.S.R	1,362	14	—	**1,376 (8.3)**	778	13	—	**791 (5.8)**
West Germany	1,107	14	—	**1,121 (6.8)**	966	13	—	**979 (7.2)**
United Kingdom	1,041	10	—	**1,051 (6.4)**	915	9	—	**924 (6.8)**
Japan	463	1	—	**464 (2.8)**	387	1	—	**388 (2.9)**
Others	1,313	637	—	**1,950 (11.8)**	553	608	—	**1,161 (8.5)**
Total ..	**11,207**	**1,038**	**4,301**	**16,546 (100.0)**	**8,664**	**996**	**3,954**	**13,614 (100.0)**

Note : Please refer to footnotes to Table 17. Figures in brackets represent percentages to the total.

About one-half of the total U. S. assistance has been under the P.L. 480 Title I programme. Authorisations under this programme during 1968-69 amounted to $ 167 million, a major portion of which was allocated for the purchase of wheat ($133 million) and the balance for the purchase of inedible tallow ($ 13 million), cotton ($ 12 million), dairy products ($1 million), and tobacco ($1 million) ; an amount of $7½ million was also provided to finance a part of ocean freight costs. A part ($ 72 million) of this assistance was provided, as in the previous year, on credit terms. Exclusive of these credits, the total P.L. 480 assistance authorised upto the end of March 1969, amounted to $ 4,227 million. The rupee counterpart funds accruing from the import of commodities under the programme have been allocated in the following manner:

Allocation of P.L. 480 Counterpart Funds

	Amount ($ million)	Percentage to the total
1. Loans to the Government of India	2,557	60.5
2. Grants to the Government of India	839	19.8
3. Loans to private enterprises under the Cooley Amendment	277	6.6
4. For the use of the U.S. Government	554	13.1
Total	**4,227**	**100.0**

Thus, between August 1956, when the first P.L. 480 Agreement was signed and March 31, 1969, total assistance authorised by the U.S.A. under the programme amounted to $4,389 million, comprising $4,227 million against rupee deposits and $162 million on credit terms.

Besides the larger quantum of assistance provided this year, another encouraging feature of the external assistance programme is the continued recognition on the part of donors of the debt service burden confronting the country and their continued response to I.B.R.D.'s initiative in securing debt relief. Almost all members of the Aid-India Consortium provided assistance either in the form of fresh refinancing credits, postponement of payments due, rescheduling of debt or cancellation of interest, such relief together amounting to $93 million (*vide* details below).

Debt Relief Assistance for 1968-69

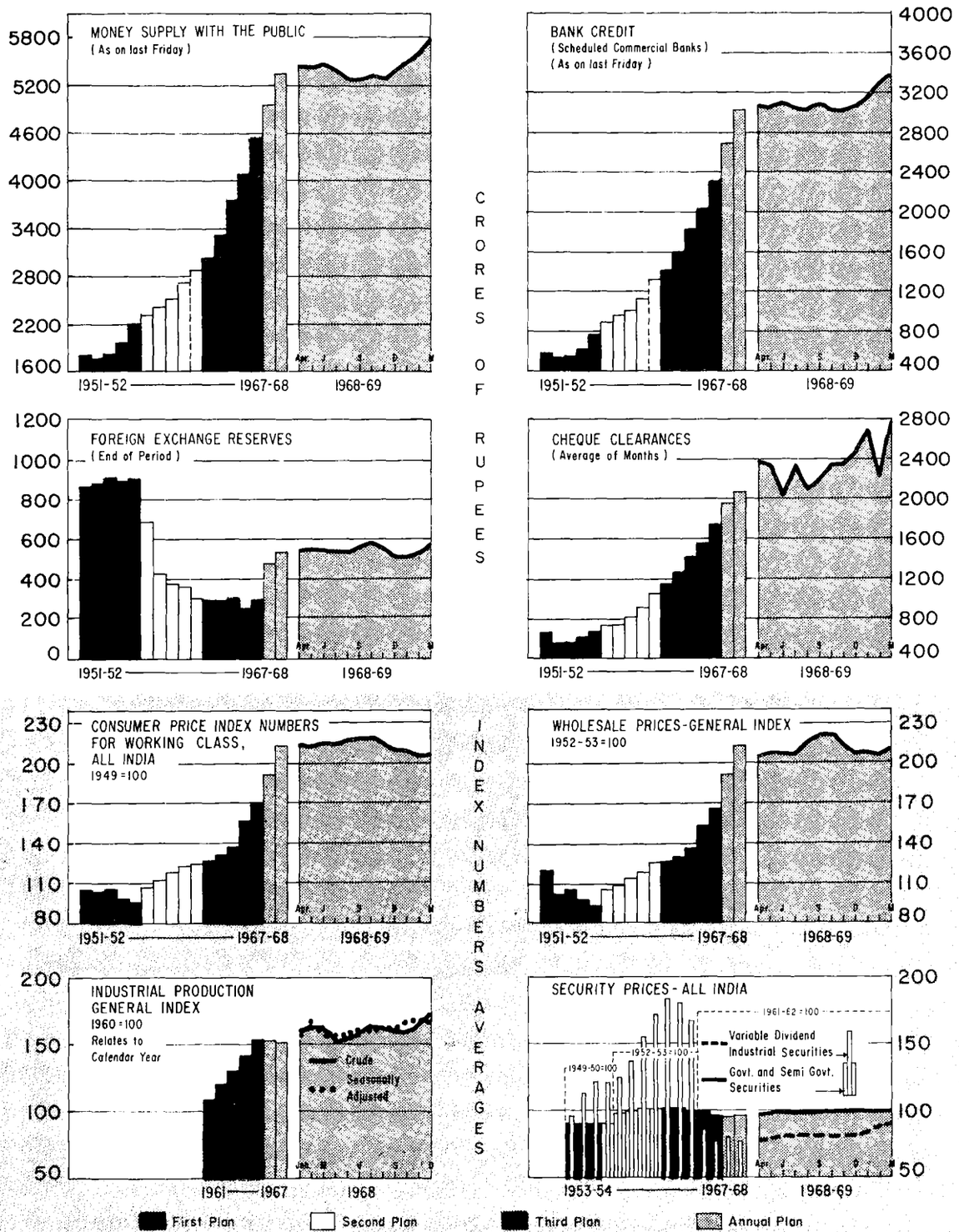
	(Million $)
A. By way of refinancing credits	
1. Austria	0.9
2. Belgium	1·1
3. France	5.0
4. Germany (West)	14.4*
5. Italy	5.5
6. United Kingdom ..	18.0
Total A	**44.9**
B. By way of postponement of payments	
1. I.B.R.D.	15.0
2. U.S.A.	8.7
3. Canada	0·9
Total B	**24.6**
C. By way of rescheduling of payments	
Japan	16.8
Total C	**16.8**
D. By way of grants (interest relief)	
1. Canada	1.1
2. Germany (West) ..	4.8
Total D	**5.9**
E. Interest reduction	
1. Austria	0.5
2. Netherlands ..	0.6
Total E	**1.1**
**Grand Total .. **	**93.3***

* Excludes cash assistance amounting to $ 8.0 million

For the year 1969-70, the Aid-India Consortium at its meeting held in Paris in May 1969 agreed to provide non-project assistance amounting to $700 million, of which $100 million would be in the from of debt relief. It also recognised the need for project assistance of $400 million.

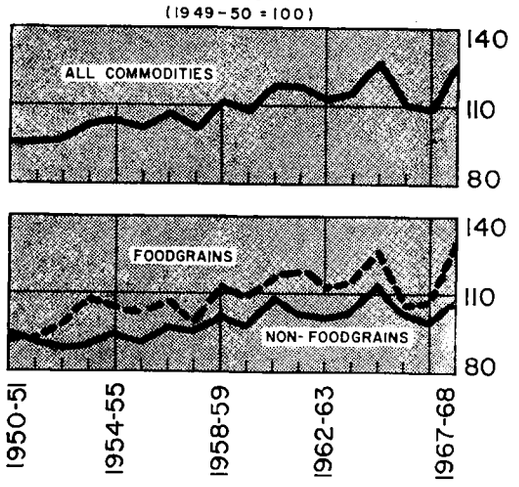
GRAPH I

SELECTED ECONOMIC INDICATORS



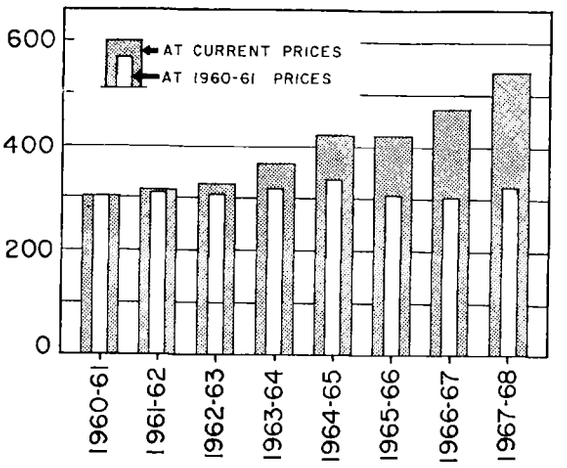
GRAPH 2

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



GRAPH 3

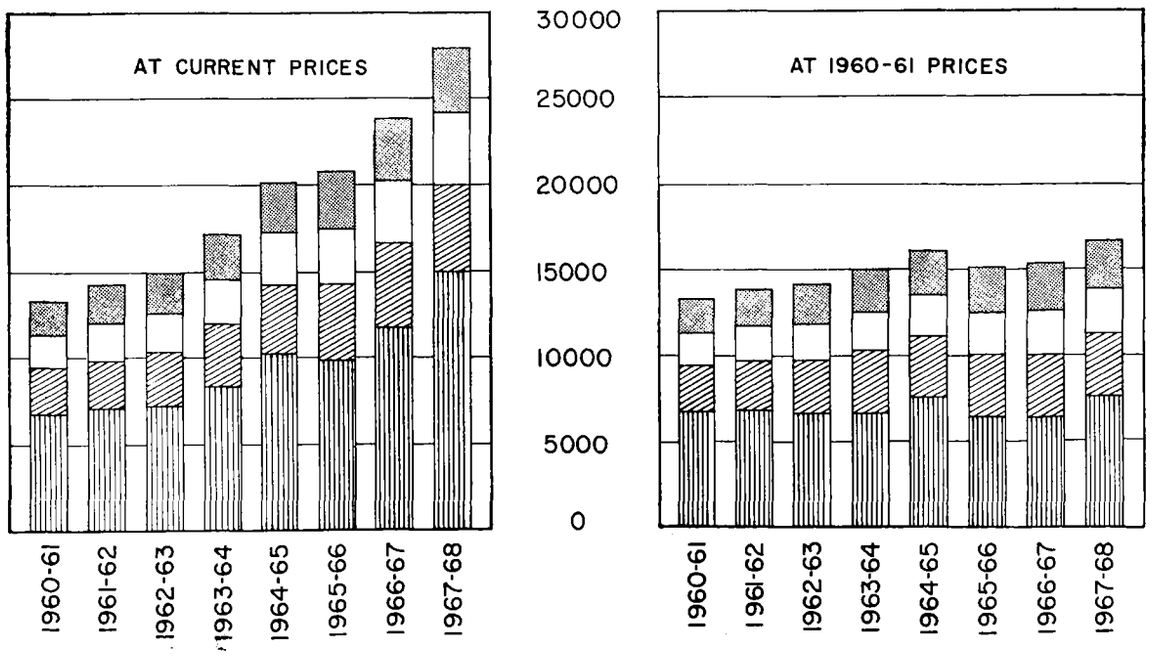
PER CAPITA
NET NATIONAL PRODUCT
(RUPEES)



GRAPH 4

NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN
(CRORES OF RUPEES)

Banking and Insurance, Real Estate, Public Administration, Defence and Other Services.
Transport and Communication, Trade, Storage, Hotels, Etc.
Mining and Quarrying, Manufacturing, Construction, Electricity, Gas and Water Supply.
Agriculture, Forestry and Logging and Fishing.



CHAPTER II. WORLD TRADE & PAYMENTS

INTERNATIONAL PAYMENTS SITUATION

In the year under review the international monetary system experienced several crises that reflected basically the strains and imbalances in major economies that have developed over the past decade. There were strong pressures on the reserve currencies, the dollar and the pound sterling, leading to the "gold rush" and crises in foreign exchange markets. The persistent imbalance in the U.S. payments position placed the dollar under severe strain and resulted in a massive switch into gold, until the central bank gold pool arrangements were dissolved in March 1968 and the two-tier price system for gold was established. The political and economic disturbances in France brought pressures on the franc during the year and these were accentuated by the growing belief that the Deutsche mark would be revalued. The pound, in which confidence was not fully restored after its devaluation in November 1967, suffered whenever other currencies were subject to pressure. The net impact of the pressures on the key currencies was that speculative funds moved on a large scale into West Germany creating further pressures on the franc* and the pound.

The developments in 1968 are a continuation of the under-current of strain which has characterised the international monetary system since 1958. The general quiet on the international payments front following the 1949 devaluations and the period of comparative "reserve ease" were the result of (i) a steady rise in reserves outside the U.S., (ii) a substantial rise in South African gold production and (iii) moderate U.S. balance of payments deficits. Evidence of the ease in regard to international payments was found in the dismantling of European trade restrictions and finally in the establishment by the then OEEC countries of *de facto* currency convertibility in 1958. Thereafter, however, the international payments position worsened gradually and since 1965 has assumed serious dimensions. A development of importance to the international payments system and flowing directly from the introduction of currency convertibility in 1958 was the linking of the long-term capital markets of industrial countries as also money markets through the Euro-dollar funds. This led to a revival of capital movements among the industrial countries, which have assumed massive proportions in recent years and affected the smooth functioning of the international monetary system from time to time. For instance, the massive movement particularly of short-term capital, from the U.S. to Europe causes persistent balance of payments problem for the former, while making it difficult for the latter to contain domestic inflationary pressures as these movements put a constraint on the freedom of manoeuvre for monetary policy of the recepient country's central bank. These speculative capital movements created difficulties even for surplus countries thereby forcing them to take precautionary measures to protect their reserves. This aggravated the shortage of international liquidity arising from negligible additions to official gold stocks during 1958-68 and the weakening of confidence in reserve currencies particularly since 1964. In the result the operation of the international monetary system within the framework of the Fund is faced with many problems, the most important being the problem of international liquidity or imbalances in international payments.

World Reserves

Total world reserves which aggregated $ 66.4 billion at the end of 1963 rose to $ 76.5 billion at the end of 1968. During this period, world gold stocks moved up somewhat till 1965 and thereafter recorded a net decline. Taking the four-year period as a whole the net decline in gold holdings was $ 1.3 billion and was caused by the

* Effective August 10, 1969 the French franc was devalued by 11.1 per cent. (in terms of U.S. dollar by 12.5 per cent).

enormous increase in the private demand for gold for industrial uses, for hoarding and for speculative purposes. Between the fourth quarter of 1967 and mid-March 1968 official gold stocks dwindled by about $ 3 billion. The share of gold in total world reserves has declined progressively from over 60 per cent at the end of 1963 to about 51 per cent at the end of 1968. The other components of world reserves, viz., foreign exchange holdings and reserve positions in the Fund, however, recorded a substantial rise between 1963 and 1968 ; the former increased by $ 8.9 billion to $ 31.1 billion and the latter by $ 2.5 billion to $ 6.5 billion. But even this rise is more apparent than real because the overwhelming proportion of the increase in countries' foreign exchange holdings represented their drawings on short-term central bank credits and swap arrangements rather than the accumulation of these currencies as a result of balance of payments deficits of the concerned countries.

Two important aspects of the developments in world reserves between end-1963 and June 1969 have been the improvement in the distribution pattern of these reserves and the shift in the relative importance of the components of the reserves. Less developed countries improved their share in world reserves from 14.4 per cent in December 1963 to 19.2 per cent in June 1969. In absolute terms also the addition to their reserves (of $ 5.0 billion) was slightly larger than that of the developed countries (of $ 4.7 billion) though within the less developed group, the bulk of the accretion to reserves was confined to those countries possessing marketable mineral resources, particularly oil and copper. Similarly, among the developed countries, large net increases in reserves were confined to Germany ($ 2.5 billion), Italy ($ 1.5 billion) Japan ($ 1.1 billion) and South Africa ($ 0.9 billion), while sizeable net declines were recorded in the case of France ($ 1.3 billion), the U.S.A. ($ 0.7 billion) and the U.K. ($ 0.6 billion).

There has been some change in the relative importance of the components of reserves also. Thus, whereas the less developed countries made a net addition of $ 685 million to their extremely low level of gold holdings, the developed countries as a group lost nearly $ 2.0 billion of their monetary gold stocks. Within the latter group, while the U.S.A. and the U.K. suffered a heavy loss in their gold holdings (of $ 4.4 billion and $ 1.0 billion, respectively), the gold holdings of the E.E.C. countries and South Africa increased during the same period by $ 2.0 billion and $ 0.8 billion, respectively. A few notable changes have taken place in foreign exchange holdings as well. Over the period under review, while the holdings of traditional reserve currencies i.e., U.S. dollars and U.K. pounds have gone up by only $ 0.3 billion and $ 2.9 billion respectively, the holdings of other currencies have increased by as much as $ 5.5 billion. Even this small rise in the reserve currency holding was not a genuine one as it was more than accounted for by the "swap" and short-term credit arrangements entered into by the central banks of the industrial countries to lend support to each other's currency.

Overall Balance of Payments

The changes in the distribution pattern of world reserves as also their composition were due to differences in the payments position between the reserve currency countries and other industrial countries among the developed countries as well as between the developed and the developing countries. The industrial countries, whose overall balance of payments position showed only a nominal deficit of $ 0.3 billion at the end of 1963, incurred a large deficit of $ 2.2 billion in 1968. Within this group of countries, there were wide differences, with large deficits concentrated in the two reserve centres, the U.S.A. and the U.K., and large surpluses confined to the E.E.C. countries. Thus, the U.K.'s overall deficit widened from $ 0.5 billion in 1963 to $ 3.0 billion in 1968. The U.S. payments position also showed a sizeable deterioration, its overall deficit rising from $ 2.3 billion in 1963 to $ 3.4 billion in 1967. It was replaced by a small surplus of $ 1.4 billion in 1968, but the entire favourable swing from 1967 to 1968 reflected a large net capital inflow into the U.S.A. following the introduction of a more restrictive balance of payments programme at the beginning of 1968 and the large Euro-dollar borrowing after the tightening of the U.S. monetary policy. The E.E.C.

countries, on the other hand, enjoyed consistent surpluses throughout the period 1963-67; in 1968 however, these countries incurred a large deficit (of $ 2.1 billion) for the first time in many years. But this was entirely attributable to the worsening of their capital account position. This deterioration during 1968 largely reflected a deliberate policy of encouraging export of long-term capital to wipe out huge current account surpluses as also speculative inflows of short-term capital from several countries, particularly France and Belgium.

In so far as the primary producing countries are concerned, their surplus, after declining sharply from $ 1.7 billion in 1963 to a mere $ 0.3 billion in 1965, rose again to $ 2.3 billion in 1968. Within this group, the relatively more developed countries faired better as their surplus almost doubled over the period to $ 1.5 billion in 1968 ; but these countries also received a set-back in their external payments position from 1965 to 1967 due to the reduced inflow of foreign capital following the restrictions imposed by the U.S.A. and the U.K. As regards the less developed countries in this group, though they were largely insulated from the effects of the restrictive measures on capital flows, their payments position continued to remain weak almost throughout the period due to reduced demand for their export products following the economic slow-down in major industrial countries. In the result they were forced to seek increased assistance from the Fund (particularly under its facility of compensatory financing of export fluctuations) and other official agencies.

Payments Position of U.K. and U.S.A.

The international payments disturbances of the last few years, which have put the world payments system to its severest test, were thus primarily confined to a few major industrial countries, particularly the reserve currency countries i.e., the U.K. and U.S.A. It is well known that the rest of the world could augment its holdings of dollars and pound sterling when the U.S.A. and the U.K. ran an over-all deficit with the rest of the world. These two countries have traditionally been supplying reserves to the rest of the world by running a surplus on their current account and exporting capital and have thus been contributing to the growth of international liquidity. This role of the U.K. and U.S.A. has received a set-back in recent years because of the persistent deficits and consequent weakening of the international confidence in these two currencies.

It might be recalled that in 1966 the U.K. had brought its payments problem under control through drastic measures on the home and external fronts. But in the very next year its payments deficit again widened substantially to £ 515 million in 1967 from £ 97 million in 1966, its imports rising at a much faster rate than its exports which were impeded by rising costs and prices. Besides, special factors such as the Middle East crisis of June 1967, the consequent embargo by Arab countries on oil shipment to the U.K., the threat of withdrawal of sterling balances by some of the Arab countries and lastly the dock strikes in the U.K. further accentuated the pressure on the pound sterling, leading to its devaluation by 14.3 per cent in November 1967. Notwithstanding the various follow-up measures to consolidate the benefits of devaluation and the stern budgetary measures of March 1968, the U.K. recorded an overall balance of payments deficit of £ 458 million in 1968. The deficit would have been larger still but for the deferment of a payment of £ 72 million on the post-war North American loans. While the U.K. exports responded fairly well to the devaluation of sterling, the trade deficits continued to be large due to the growing demand for imports. In such a situation confidence in sterling remained at a low ebb and sterling was rendered vulnerable even to developments which did not originate in the U.K. Thus, the gold rush of March 1968 and the French Franc and the Deutsche mark crisis of November 1968 started another run on sterling. A number of steps were taken following the November 1968 crisis to restrict domestic consumption demand. These included the imposition of a 10 per cent surcharge on purchase tax and excise duties, the introduction of an import deposit scheme applicable to nearly two-fifths of the U.K.'s imports and the tightening of bank credit.

The U.S.A., being the important reserve currency country, should generally be running a surplus on current account so that its

export of capital could be maintained. However, since 1964 there has been a deterioration in the current account position of the U.S.A. The surplus on current account declined sharply from $ 7.8 billion in 1964 to $ 1.3 billion in 1968, entirely due to the very rapid rise in imports resulting from domestic inflation, the investment boom and the Viet-Nam war, and this weakened the confidence in the international position of dollar and gave rise to speculation against it. In order to meet the situation, the U.S. took several measures to halt the domestic inflation. On the monetary front, the discount rate was raised by the Federal Reserve Board from 4 per cent to 4.5 per cent effective November 20, 1967. This was followed by a more restrictive open market policy and in December 1967, by an increase in the member banks' reserve requirements. As the speculative attacks on the dollar in the closing weeks of 1967 resulted in a heavy loss of monetary gold, the U.S. announced a drastic set of corrective measures in January 1968, which included controls on direct investment abroad and on remittances of earnings of direct investment enterprises, as well as a programme to reduce U. S. Government expenditure abroad. Further, the discount rate was raised twice—in March and April 1968*. Subsequently, in June 1968, legislation was enacted providing for a 10 per cent surcharge on income taxes and a curb on Government expenditure. In 1968, the U. S. balance of payments on a liquidity basis** showed a nominal surplus of $ 158 million. However, the trade account showed a further deterioration ; with a much larger increase in imports (23%) than in exports (10%), the trade surplus virtually disappeared. This was offset by a very large inflow of foreign private capital as a result of the placement of new issues of U. S. corporate securities in Europe, purchase by non-residents of U. S. corporate securities and large credits to U. S. residents, mainly in Euro-dollars. Thus the pressures which developed in respect of these two reserve currencies and the consequent restrictive measures initiated by the countries concerned, added to the problem of international liquidity and thereby accentuated payments imbalances.

Other Industrial Countries

Among the other industrial countries mention may be made of France whose payments position deteriorated and of Germany, Italy and Japan who gained reserves. The payments position of France which had been in surplus for several years past was seriously affected during 1968 and the first half of 1969 leading to a speculative outflow of capital, consequent loss in reserves and the imposition of exchange control on capital transactions and of quota restrictions on imports. In order to protect its reserves, France utilised its swap lines of credit with the U. S. and took advantage of its gold tranche and automatic drawing rights in the I.M.F. Despite a tightening of exchange control and the repeated raising of the discount rate in the following months, the pressures on the franc persisted. From early May to mid-July 1968 France's gold and foreign exchange reserves declined by about $ 2 billion. To meet the situation, France entered into fresh swap arrangements, totalling $ 1,300 million with the Common Market central banks, the Federal Reserve System and the B.I.S. on July 11, 1968. The Bank of France raised its discount rate from 3.5 per cent to 5 per cent in July 1968.@ There was, however, another speculative flare up in March 1969, largely due to apprehensions of a possible devaluation of the franc. The immediate cause was the negotiations between the trade unions, employers and the French Government on wage increases during the year. The series of French franc crises in 1968-69 resulted in a large outflow of capital from France, causing a serious depletion of its reserves. The imposition of exchange control was far from effective in stopping the capital outflow. Although the existing level of reserves and the available credits to support the franc were large enough to meet any ordinary payments deficit, the recurrence of exchange crises made it impossible for France to defend the parity of the franc and France devalued the franc by 11.1 per cent effective August 10, 1969.

The trends in the payments position of West Germany, Italy and Japan were in con-

* By April 1969, the discount rate had risen to 6 per cent.

** It is the net sum of transactions in merchandise trade, services and transfers, U.S. private capital, U.S. Government grants and capital, foreign non-liquid capital and unidentified transactions.

@ Subsequently, it was raised thrice to reach 8 per cent level in October 1969.

trast to the experience of the U.S., U.K. and France and suggest that these countries, which accumulated enormous surpluses, have been hesitant to play the role generally expected of a surplus country in the context of an international monetary system based on a gold exchange standard and fixed par values. West Germany's economy had shown substantial recovery in 1967, and there was a large increase in its trade surplus from DM 7.96 billion in 1966 to DM 16.86 billion in 1967. In 1968, West Germany's current balance disclosed a substantially enhanced trade surplus of DM 18.37 billion. During this year, while West German imports increased sharply in response to the domestic economic recovery that had begun towards the middle of 1967, exports also moved up under the impetus of a large increase in the foreign demand for West German goods. The large current account surplus, however, was to some extent offset by a long-term capital outflow. The size and persistence of the trade surplus, nervertheless, gave rise to apprehensions that if the outflow of long-term capital did not continue at a much higher rate, the basic balance would swing into a large surplus. These fears, alongside the difficulties of the leading currencies, were the main factors responsible for the rumours of a revaluation of the Deutsche mark. The speculative demand for the Deutsche mark, which increased suddenly in August 1968, assumed serious proportions in November and huge amounts of short-term funds (an estimated DM 9 billion in three weeks) moved into West Germany largely from France and also from the U. K. and other countries. The general view among the industrial countries was that the problem of the Deutsche mark was basically one of undervaluation and that it pointed to the need for its revaluation. West Germany held that such a policy would penalise it for maintaining monetary stability, while other countries were inflating their economies. West Germany decided, however, to impose a 4% tax on exports for a sixteen-month period ; a corresponding reduction was made in border taxes on imports. A 100 per cent reserve requirement against additional foreign deposits with West German commercial banks was also introduced. Despite these measures, there was a further large inflow of speculative funds into Germany, particularly before and after the resignation of President de Gaulle, which subsided and reversed only after May 9, 1969, when the West German Government announced that Deutsche mark would definitely not be revalued. And finally, West Germany allowed on September 30, 1969 the Deutsche mark to "float" with the obvious intention that this step would lead to its revaluation by natural market processes. Ultimately the Deutsche mark was revalued effective 26th October 1969 by 9.3 per cent (in terms of U. S. dollar by 8.5 per cent).

Like West Germany, Japan and Italy also registered a marked improvement in their external payments position during 1968, which was accompanied by high rates of economic growth. Under the stimulus of rising foreign demand, particularly from the U.S.A., *Japan's* exports increased very sharply (by 24 per cent) during 1968, while its imports rose by only 11 per cent. The current account position improved from a *deficit* of $ 0.2 billion in 1967 to a *surplus* of $ 1 billion in 1968 and this was reflected in Japan's gold and foreign exchange reserves, which rose over the year by $ 867 million to $ 2,906 million as at the end of 1968. In the first half of 1969, they rose by a further $ 223 million. There was a similar improvement in *Italy's* current account position, following a 17 per cent rise in exports as against a rise of only 4 per cent in its imports, and the continued buoyancy of its tourist earnings. Nevertheless, its gold and foreign exchange reserves declined during 1968 by $ 121 million to $ 5,342 million. This decline was almost entirely attributable to the Government's deliberate policy of promoting capital exports to offset the huge current account surplus. In the first half of 1969, however, there was a sharp fall in reserves ($ 193 million) largely due to an outflow of funds caused by domestic political uncertainties and the existence of high interest rates abroad. The Italian authorities, therefore, took several measures in March-April 1969 to restrain this outflow. On March 22, banks were ordered to repatriate their foreign assets before June 30 while restrictions were also imposed on banks' participation in consortia for the placement of foreign securities. These restrictive measures culminated in the raising of the Italian discount rate on August 14, 1969 from 3.5

per cent to 4 per cent—for the first time in over a decade.

Corrective Measures and Schemes

The emergence of inadequacy of reserves and the consequent imbalances in international payments during 1958-68 brought in their wake a number of devices or supplementary arrangements for the supply of liquidity to ensure that the international monetary system continued to work. Many of these devices were evolved outside the framework of the IMF by the major industrial countries of Europe and North America.

The earliest of the schemes was what was till recently known as the central bank gold pool which came into being in 1961 in the wake of serious disturbances in the world gold markets in October 1960. The central banks of major industrial countries of Europe and the Federal Reserve Bank of New York reached an agreement for joint action to stabilise the price of gold and to consider from time to time methods by which effective monetary control, with particular reference to the price of gold, might be maintained. Over the years, however, an increasing proportion of gold supplies has been going into non-monetary uses including speculative hoarding. In fact so great has been the demand from these sources that there was a steady drain on the U. S. gold stocks. In early 1968 anticipations of a change in the U. S. gold policy gave rise to severe speculative pressures leading to a very large outflow of gold from the gold pool. The gold pool countries met at Washington on March 16 and 17, and agreed upon a series of steps to bring normalcy to the gold markets. They announced their determination to maintain the existing official price of gold and decided that henceforth officially held gold should be used only to effect transfers among monetary authorities and that gold should no longer be supplied to private markets from official holdings. Moreover, as the existing stocks of monetary gold were deemed sufficient in view of the prospective establishment of the Special Drawing Rights facility in the I.M.F., they felt it was no longer necessary to buy gold from the market. It was also decided not to sell gold to other monetary authorities to replace the gold taken from their reserves to be sold in private markets. These arrangements resulted in a two-tier price system for gold—a fixed official price of gold for monetary transactions among Governments and central banks and a floating price for private transactions in the international gold markets.

There have also been other arrangements made either directly by the central banks of the industrial countries or indirectly under the auspices of the Bank for International Settlements (BIS) which are largely bilateral financing or reciprocal assistance plans—generally known as the "Basle Swaps". Under these arrangements countries agree to hold or invest in each other's currency upto agreed limits so that each participant possesses a good supply of other currencies by way of reserve. The rapid growth of these swaps and related credit arrangements among central banks during 1961-68 becomes clear from the fact that the aggregate credit limits rose from $ 1.7 billion at the end of 1961 to $ 19.8 billion at the end of 1968. The swap arrangements, though they contribute to the liquidity of the participants by increasing their borrowing potential and reinforcing the reserves of the drawing countries, are of limited importance because (*a*) these can be used only for particular purposes, (*b*) their duration is generally limited to three to six months subject to renewal and (*c*) the area of their application is limited to industrial countries.

An extension of the network of swap facilities was the establishment in Septemper 1968 of a special arrangement to cushion the impact of fluctuations in sterling balances. Whenever the pound sterling was under pressure, some overseas sterling area countries became less willing to hold large proportions of their official reserves in London and this tendency accentuated the pressures on the pound. In order to enable the U.K. to meet such contingencies, the major industrial countries and the BIS agreed to provide the U.K. with a medium-term stand-by credit of $ 2 billion repayable between 1973 and 1978. At the same time the U.K. concluded agreements with individual sterling area countries, agreeing to maintain the dollar value of the eligible part of the official sterling reserves. While arrangements of this kind

might contribute to the continuance of foreign exchange holdings and thus ease the pressure on a reserve currency, they do not ensure that the growing liquidity needs of the world can be adequately met. At best such arrangements could be regarded as realistic responses to situations which pose a threat to the international financial system.

Role of the IMF

The role of the Fund in the provision of liquidity so as to ensure a proper functioning of the world monetary system has become increasingly important over the years—both in regard to magnitude and direction. The Fund was called upon from time to time to replenish its own resources so that it could provide on an increasing scale the financial assistance required by the growth of the world economy. This the Fund could do by means of (*a*) quota increases, (*b*) borrowing arrangements and (*c*) gold sales. In order to meet the growing demands on Fund's resources, members' quotas in the Fund were raised twice, in 1959 and 1966, raising the aggregate quotas from $ 9.2 billion in 1958 to $ 21.2 billion in 1968. The Fund had also entered into the "General Arrangements to Borrow" (G.A.B.) in 1962, under which ten industrial countries provided the Fund with stand-by credits of $ 6 billion to enable it to meet the liquidity needs of the world. The GAB, though it strengthens the Fund's potential to counteract payments imbalances, differs from quota increases in that the former is provided not for general Fund purposes but only to meet a particular contingency. Besides, unlike quota increases, the GAB does not bring about any expansion in the drawing facilities of members. As regards gold sales, the Fund made use of this source first on two occasions—once in 1957 for acquiring US dollars and again in 1961 for obtaining other currencies—and then almost regularly every year since 1964.

The nature and scale of assistance provided by the Fund to member countries to enable them to meet payments imbalances become clear from the gross purchases by members of currencies from the Fund which increased from $ 1.9 billion in 1964 to $ 3.6 billion in 1968 — almost a two-fold increase over a period of four years. What is more important is the fact that the gross purchases from the Fund were largely by two reserve currency countries, the U.K. and the U.S.A. and latterly France. Gross purchases by these countries, which amounted to about $ 1.5 billion in 1964, increased to $ 2.3 billion in 1968 reflecting the serious imbalances in the payments position of these countries. The currencies purchased from the Fund during the period were mainly those of industrial Europe — which amounted to $ 1.4 billion in 1964 and to about $ 2.2 billion in 1968 — indicating the strong payments position of Europe and the large reserve gains accruing to it over the past few years.

The payments problems of the developing countries, particularly primary producers, arising from fluctuations in their export earnings received greater attention from the IMF and special schemes were devised not only to compensate the fluctuations but also to stabilise the prices of some primary commodities. The Fund has two schemes of financial assistance for stabilisation operations concerning primary commodities, viz., the Compensatory Financing Scheme in operation since 1963 and the International Buffer Stock Financing Scheme approved in June 1969. The operations of both are interrelated. The Compensatory Financing Scheme provides for drawings from the Fund if the export proceeds over the last 12-month period fall short of the estimated medium-term trend of exports centered round the short-fall year. Ordinarily compensatory drawings cannot exceed 25 per cent of a member's quota in any 12-month period and the total amount outstanding cannot exceed 50 per cent of its quota. The amount drawn under the scheme is additional to a member's ordinary drawing rights in the Fund and these drawings have to be repaid within an outer limit of three to five years. According to the scheme for financing international buffer stocks, approved by the Fund in June 1969, drawings may be made upto amounts equivalent to 50 per cent of the quota provided that drawings under the Compensatory Financing facility and the Buffer Stock facility taken together do not exceed 75 per cent of the member's quota. Repurchase has to be made within three to five years or earlier in the event of the

buffer stock distributing cash to its members. No annual limit is applied to drawings under the buffer stock facility, as under the other scheme, as it may inflict hardship on countries which need this facility and may, in the process, place obstacles in the way of adopting a buffer stock scheme. The Fund is of the view that over the whole range of primary commodities, instances may arise where a better approach to stabilization of earnings would be through national stock management or temporary restrictions on supply. Such measures do not give rise to the need for full and direct compensation in foreign exchange, but they might put additional strains on the domestic economy and hence on the balance of payments, depending on the off-setting action taken elsewhere in the economy and the extent of payments made to domestic producers. The Fund would in consultation with the member determine in each case the amount of financial assistance considered appropriate in the circumstances, which could be granted within the framework of normal credit tranche policies.

The Fund, while increasing its role over the years in the provision of liquidity to correct imbalances in international payments, has continued its efforts since 1964 to find a more lasting solution to the problem of reserve formation. Simultaneously, the problem of world liquidity and the need to find a long-term solution to it was widely discussed among academic circles and administrators. The various ways in which liquidity could be increased was studied initially by the Group of Ten. As there was the danger that the problem would be viewed primarily in the context of the needs of industrial countries and as the developing countries have also a vital stake in the problem, it was felt that the problem should be dealt with in the forum of the IMF. So it was that ideas relating to reserve formation crystallised within the Fund.

INTERNATIONAL MONETARY REFORM

The approval in principle of the scheme for reserve creation at the Fund's annual meeting at Rio de Janeiro in September 1967 and the decision to activate the scheme beginning 1970 reached at the Fund's annual meeting in September 1969, are milestones in the Fund's efforts to deal with the problem of imbalances in international payments. The scheme for deliberate creation of an international reserve asset in the form of Special Drawing Rights (SDRs) is a major and historic step in the evolution of international monetary co-operation and is thus the result of considerable thinking on the suitable form of reserve creation beginning with Lord Keynes' proposals at Bretton Woods for an International Clearing Union. The SDRs represent an important mechanism for augmenting liquidity in the light of emerging requirements, without depending upon the supplies of monetary gold or on the deficits of the reserve currency countries. Moreover, SDRs represent the first serious effort to move away from gold as the core of the international monetary system, by providing for fiduciary reserve creation. Viewed in the context of international problems and policies over the past decade, SDRs are expected to assist materially in the smooth functioning of the international monetary system.

Salient Features of SDRs

The salient features of the SDRs as an international reserve asset are noteworthy. SDRs represent an asset which gives the participant access to foreign exchange resources at will and are thus an addition to unconditional liquidity. In many respects SDRs will be a reserve asset in the same sense as monetary gold now is. They have an absolute gold value guarantee. They will not be traded directly in any foreign exchange market but will be transferred between central banks to acquire for the transferor the currency required for settlement of transactions. Thus SDRs will take their place beside gold in the international monetary system. The scheme of SDRs ensures that due restraint is exercised in the creation and use of SDRs. These will be allocated to members in proportion to their quotas and decision to activate the asset would require an 85 per cent majority of those who have accepted the scheme. The participants would undertake an obligation to provide their currency in exchange for SDRs when called upon to do

so. There are some restraints on the ability of the participating countries to use these assets. The holder of SDRs cannot transfer them for the purpose of acquiring another asset. The holder country, as long as it uses on an average over a basic period of, say, five years no more than 70 per cent of the SDRs allocated to it by the Fund, would have no reconstitution obligation. These restraints do not invalidate the essential features of SDRs as a reserve asset, as these rules are not obligations to repay ; nor do they reduce the general automatic use of the assets.

The scheme for deliberate creation of reserve assets (SDRs) has necessitated amendments to the Fund's Articles of Agreement and also the Fund's existing rules and procedures. The amendments begin with a new introductory Article which establishes the fact that the Fund will divide its operations into two parts : the first one, the General Account, will comprise the transactions of the Fund as they have been upto now, and the other, the Special Drawing Account, will cover the new facility. This is followed by a considerable number of changes in the existing articles. The most important changes embodied in the amendments relate to : (*i*) the majorities required for certain important Fund decisions; (*ii*) the formal status of the drawing rights in the present Fund and (*iii*) modification of the procedure for formal interpretations of Articles. Changes in quotas resulting from a general review now require an 85 per cent rather than an 80 per cent majority. The same majority applies to certain questions related to quotas such as whether members would be allowed to pay less than the standard 25 per cent in gold. The 85 per cent majority is also introduced in respect of provisions relating to a uniform proportionate change of par values ; such decisions are, henceforth, to be taken by the Board of Governors. Under the new provisions drawing rights in the gold tranche which were until now practically automatic become legally automatic ; the provisions make explicit the fact that in view of the introduction of SDRs the use of the Fund's resources must be temporary in character; this implies that the use of the Fund's resources outside the gold tranche will no longer be automatic and unconditional. The procedure for formal interpretation of Articles has been modified by constituting a standing Committee on Interpretation of the Board of Governors. The decisions of this Committee are final unless reversed by the Board of Governors by an 85 per cent majority.

In accordance with the decisions taken at the recent annual meeting of the Fund, the first basic period for the creation of SDRs will cover three years commencing from January 1970. The total amount for which SDRs will be created for the first basic period is $ 9.5 billion made up of $ 3.5 billion in the first year, $ 3.0 billion in the second and $ 3.0 billion in the third. These will be allocated to participants on the basis of their existing quotas in the Fund and the amount that would be allocated to India in the first year works out to about $ 131 million out of $ 3.5 billion to be created in the first year.

Some Issues

The SDRs would no doubt provide a workable mechanism for the creation of a supplement to existing reserve assets. But the smooth operation of the mechanism will depend on a number of factors. While the devising of SDRs is a major step in the creation of liquidity, it does not relieve the participants of their responsibility to take appropriate measures to bring about adjustments in their payments positions, surpluses or deficits. No international monetary system can continue indefinitely to operate while imbalances continue. It is essential therefore to view the supply of liquidity in conjunction with the process of payments adjustment. Shortage of liquidity may render difficult orderly adjustment of the balance of payments, just as too much liquidity may render the adjustment process too slow, leading to delay in the initiation of corrective measures which in turn may affect the pattern of international payments. The basis of the smooth working of any international monetary system is, therefore, the adjustment process with liquidity as an important adjunct. In the absence of an automatic mechanism to determine the pace and extent of adjustment, the working of the international monetary system depends largely on the economic

and financial behaviour of member countries—both surplus and deficit countries. The whole issue underlying the adjustment process is the conflict between domestic economic objectives and considerations of external equilibrium, and this calls for an international understanding on aims of policy and co-ordination of national economic policies so as to give due weight to external payments. Another problem for which a satisfactory solution needs to be found is speculative capital movements, which have become a source of disturbances in the international monetary system since 1958. Yet another issue which requires attention is the need for development capital of developing countries and possible ways in which the flow of development assistance could be enlarged and reoriented.

Following the strains in the international monetary system a number of suggestions have been made for facilitating balance of payments adjustments through changes in exchange rates so that the system might function better with more room for rate changes than is possible under the present system of par values. These suggestions relate mainly to fluctuating rates, widening of the margin for fluctuation in par values together with provision for gradual changes in the exchange rates. Whatever the merits and demerits of each of these, it has to be recognised that the par value system was intended to create an environment of stability, that stability, as the Fund has often stressed, does not mean rigidity of rates and that the rate of exchange for each currency is an international concern and is to be viewed not in isolation but in the context of other parities. Any changes that might be made should therefore aim at preserving the essential characteristics of the par value system. These various aspects are to be studied further in the Fund.

DEVELOPMENT FINANCE

The International Bank for Reconstruction and Development (World Bank) and its two affiliates, the International Development Association (I.D.A.) and the International Finance Corporation (I.F.C.) have been playing an important role in the provision of development finance to the less developed member countries. Loans, credits and investments by these institutions have helped the developing countries in building up their infra-structures, which are the basic development essentials, in the form of power, ports, roads, transportation, communications, water supply, agriculture, forestry, livestock, industry and, of late, education. While the World Bank's loans are mainly on commercial terms, the credits extended by the I.D.A. to its poorer members are on much easier terms, as they carry a nominal service charge of three-fourths of one per cent per annum and are repayable over a period of 50 years including the grace period of 10 years. The I.F.C., though it shares the aims of the I.B.R.D. and the I.D.A., differs from them in regard to its operations in that it provides risk finance by putting up equity as well as long-term loan finance without insisting upon Government guarantee.

These three institutions together had made funds of the order of $ 11 billion available to 88 member countries as at the end of 1964-65. In the subsequent three years, however, due to the persistent balance of payments difficulties of the U.S.A. and the U.K. and the disturbances in the world currency and gold markets, the World Bank group experienced extreme shortage of financial resources. This was true particularly of the I.D.A., whose loanable resources had been exhausted and had not been replenished. In the result the operations of the World Bank group declined progressively upto the end of 1967-68. Thus, the World Bank's loans after reaching a peak of $ 1,023 million in 1964-65 dropped to an annual average of $ 854 million during the following three years (1965-66 to 1967-68). I.D.A.'s credits, which had aggregated $ 309 million in 1964-65, declined to an all-time low of $ 107 million in 1967-68 despite the fact that during this period the World Bank had transferred to it $ 85 million as grant out of its own net income in order to enable it to carry on its credit operations. The I.F.C. also faced a shortage of funds but its difficulties were overcome by the amendment of its Articles of Agreement which enabled the I.F.C. to borrow $ 100 million from the World Bank and thus increase its new commitments from about $ 26 million in 1964-65 to $ 51 million in 1967-68.

In order to impart a measure of dynamism to its loan operations in the ensuing five

years the World Bank, under the leadership of its new President, drew up a programme in 1968. The programme aims at increasing the Bank group's lending operations during 1968-73 to twice as much as in the preceding 5 years and the proposed increase in lending is to be accompanied by a shift in geographic and purpose allocation. Thus, while lending to Asia is to increase substantially, it is to be doubled in the case of Latin America and trebled in respect of Africa. The programme also aims at increasing the emphasis on loans for agriculture, education and family planning programmes, with targets of a three-fold increase in loans for educational development and a five-fold increase in respect of agricultural development. The Bank proposes to take the initiative in the field of control of population growth by offering to finance the facilities required for carrying out family planning programmes and by itself joining other agencies engaged in research for effective methods of family planning. In order to finance the expanded lending programme, the Bank proposes to tap surplus funds available in the conventional as well as new capital markets of the world.

The loan operations of the Bank group during the year 1968-69—the first year of the new programme of lending—reflected the impact of the new policy. The new commitments by the Bank and its two affiliates reached a record level of $ 1,877 million in 1968-69; this was higher by 87 per cent than in the previous year and 67 per cent above the annual average for the previous five years. Institution-wise commitments during 1968-69 were as follows : (*i*) I.B.R.D.: 84 loans accounting for $ 1,399 million (in 1967-68, 44 loans for $ 847 million) ; (*ii*) I.D.A. : 38 credits for $ 385 million (18 credits for $ 107 million) and (*iii*) I.F.C. : 27 commitments for $ 93 million (16 commitments for $ 51 million). Further, as envisaged, the Bank loans and I.D.A. credits for agriculture during 1968-69 were 198 per cent above the 1964-68 average and those for education were up by 156 per cent. Moreover, there was a significant change in the pattern of regional distribution of loans and credits. During 1968-69, the share of Africa was 116 per cent higher than the average for 1964-68, that of Asia and the Middle East was up by 62 per cent and the share of Latin American countries was higher by 52 per cent. The finance for enhanced loan operations was raised by borrowing $ 1,224 million in the world's capital markets—the highest borrowing in any one year in the Bank's history.

Besides providing development finance to the developing countries, the Bank has continued to take interest in the operations of nine Consultative Groups formed by it to co-ordinate assistance to the developing countries and to facilitate its more effective channeling and use. Further, the Bank continued its efforts to encourage the flow of private capital to the developing countries. In this connection, reference may be made to the Convention on the Settlement of Investment Disputes, which came into force in October 1966. An International Investment Centre established by the IBRD provides facilities for the settlement, through conciliation or arbitration, of disputes between countries and foreign investors. So far 50 States have become parties to the Convention. There are also plans on hand for a Multilateral Scheme for insuring private investors against other than commercial business risks.

In regard to developing countries, particularly primary producing countries, the World Bank's approach is in terms of financing various types of development projects for developing new industries designed to reduce the country's excessive dependence on primary commodities. Recently, on the basis of a detailed study made by the Fund-Bank Staff of the different facets of the commodity problem, the World Bank has taken certain decisions on ways and means by which the Bank could most effectively assist in achieving feasible solutions to the commodity problem. These decisions relate to the provision of financial assistance to schemes which are designed to assist in strengthening the exports of commodities from primary producing countries. The financial assistance which the Bank has now decided to provide relates to (*a*) diversification of production and of exports of developing countries, (*b*) improvement of the competitive position of primary products and (*c*) commodity price stabilization.

The Bank would now be prepared to assist projects which involve withdrawal of factors of production from a product now in surplus or likely to be in surplus and their conversion to alternative uses. The Bank's assistance to these conversion projects would be limited to financing of investment which would provide alternative employment to factors employed in production of surplus commodities. The Bank, however, would finance such activities through regional co-operation among developing countries where the benefits from it would flow to all producers. In addition, it would assist developing countries in financing suitable industrial projects, specially those processing locally produced primary products as well as new industries which require access to more than a single national market. The World Bank assistance for improving the competitiveness of primary products will be in the form of intensifying its lending and in this context it will examine, with the producing countries, the financial requirements involved in reducing the costs of primary products facing the threat of substitutes and the likely profitability of such investments in the light of available alternatives. On measures concerning stabilization of prices of primary commodities such as national and international commodity stocks as well as other international commodity arrangements, the World Bank is of the view that their financing could be from normal commercial channels and from international agencies, as, for example, under the IMF Scheme for financing buffer stocks referred to earlier in the chapter. The Bank would now consider development loans and credits to member countries to take into account requirements of finance for long-term external borrowing by such countries, arising from their participation in the financing of appropriate commodity stock schemes. This help will enable these countries to meet their obligations to finance buffer stock arrangements in special cases where they are unable to use their own resources or where their needs are in excess of Fund assistance because of their debt position and borrowing needs. Thus the approach of the World Bank is to supplement, on considerations of long-term finance and economic development, the help which the Fund can give for short-term purposes.

Flow of Bilateral Aid to Developing Countries

The persistence of balance of payments difficulties of the U.S.A. and U.K., the two countries which account for the bulk of development finance, affected the flow of official capital to the developing countries. The most serious setback in 1969 came from the U.S.A., when the U.S. President requested the approval of the Congress for only $ 2.2 billion by way of foreign aid, which is the lowest on record since the U.S. foreign aid programme began 22 years ago. Simultaneously, there has been an increase in the external debt service burden, which has become acute as the net flow of capital to developing countries tended to decline. These developments have occurred at a time when development assistance on an expanded scale is urgently necessary to enable the developing countries to consolidate the gains they have made in recent years. The levelling off of the flow of development finance, coupled with the adverse impact on the export earnings of the less developed countries arising from fluctuations in the pace of economic activity of the industrial countries, has not only strained the payments position of these countries but has had a dampening effect on their economic activity as many of these countries were forced to limit their demand for imports in order to protect their external payments positions.

The 1960's were designated by the United Nations as the 'First Development Decade' and an agreed target had been set for the growth rate of the underdeveloped countries from 2.5 per cent in 1960 to 5-6 per cent by 1970. This target has no doubt been attained, as the overall growth rate for this group of countries had reached 6 per cent in 1967 and was at least 5 per cent during 1968. But if the growth in population of 2.5 per cent per annum is taken into account, the per capita income growth rate for all developing countries as a group averaged only 2.5 per cent during the First Development Decade so far. Within this group, there were further differences, as the growth rate averaged a little less than 2 per cent in Latin America, 1 per cent in Africa and about half of one per cent in South Asia.

The United Nations had also set another target viz., that the richer nations should

devote to overseas aid for the less developed countries, amounts equal to not less than 1 per cent of their national income. During the Development Decade so far, though the net flow of all financial resources from the developed* to developing countries has grown in absolute terms from $ 8.1 billion in 1960 to $ 12.9 billion in 1968, as a proportion of the donors' combined national income, it declined from 0.89 per cent to 0.77 per cent in 1968. This was despite the fact that during this period the richer countries added to their national incomes a sum of over $ 500 billion—this addition itself being far greater than the total national incomes of the developing countries of Asia, Africa and Latin America. Another feature of aid flows is the hardening, in recent years, of the terms on which official aid is being provided. In the last few years, while the aid from 'soft' donors like the U.S.A., U.K. and France has remained unchanged or declined, the aid on 'harder terms' from donors like Italy, Japan and Germany has increased substantially. Further, there has been a sharp drop in the proportion of grants to total aid and an equally sharp rise in the proportion of export credits linked to market interest rates. This phenomenon is partly attributable to the faster increase in private capital flows which are often costlier than official aid. According to the D.A.C.'s Report for 1968, official economic assistance dropped by nearly $ 200 million in 1968, though loans on market terms increased by $ 150 million. Thus the proportion of official aid, which was 65 per cent of total capital flows in 1966, fell to 60 per cent in 1967 and 54 per cent in 1968. On the other hand, private capital flows to the developing countries have risen substantially, though the upward trend in such flows has tended to be erratic from year to year and was largely confined to the relatively better-off countries among the less developed group. Besides, there has been a growing tendency among the donor countries to tie the aid to projects and/or to countries.

The stagnation in the flow of aid funds, the shift to harder terms of aid and the increased proportion of private capital have all given rise to the debt service problem. During the first seven years of the Development Decade (1961-67), the proportion of gross official flows absorbed by debt service has risen from 6.5 per cent to 11 per cent, while debt service on official and private aid taken together absorbed over $ 4 billion in 1967, or more than a quarter of total gross flows of aid in that year. The problem of debt service payments would have been much more serious but for the fact that, of late, there have been some international debt relief operations in which both the I.M.F. and the I.B.R.D. have played an important role, particularly in the negotiations with the creditor countries. Nearly $ 1.5 billion of developing countries' debt service payment was rescheduled in the four years ended 1968.

Commission on International Development

In order to enlarge the flow of development finance—bilateral and multilateral—and also to evolve a long-term strategy for aid in future, the World Bank set up a Commission on International Development in August 1968 under the Chairmanship of Mr. Lester B. Pearson, former Prime Minister of Canada. The Commission was requested to review the impact of external assistance on the development of poorer nations over the past two decades and to identify the reasons for its success or failure. The Commission was also requested to consider the methods of extending assistance and orders of magnitude necessary for ensuring sustained growth in less developed countries, and to examine the courses of action, which the less developed countries need to take to facilitate their economic growth. Although the Commission was appointed by the World Bank, it was to function independently of the World Bank and its member governments.

Commission's Recommendations

The Commission, which submitted its Report to the World Bank President in September 1969, has made a series of far-reaching recommendations for increasing the flow of resources in the seventies from developed to developing countries and for improving trade prospects of the developing countries.

* That is O.E.C.D. Development Assistance Committee (D.A.C.) members, which account for over 95 per cent of total assistance received by the developing countries.

The Commission has recommended that official development assistance be raised to 0.7 per cent of each donor country's Gross National Product by 1975 and in no case later than 1980. Recognising the weakening of international efforts for the aid programme, the Commission has proposed the linking of increased aid to better performance and joint reviews of plans for the future in order to enable the developing countries to achieve a growth rate of at least 6 per cent against the previous average of 5 per cent.

To ensure continuity in the flow of aid, the Commission has recommended that aid funds should be made available for periods of at least 3 years. One of the interesting recommendations of the Commission is that the World Bank lending should be made available to the developing countries suffering from a growing debt burden at a subsidised rate of interest. For this, the Report states, a fund should be created through transfer to the Bank of an amount equal to half the payments of interest due from developing countries to developed countries as a result of official bilateral loans.

The Commission has also recommended a substantial increase in the resources of the IDA and for this purpose it has suggested that the negotiations for the third replenishment of IDA's resources should cover the five-year period 1971-75 at the rate of $ 1 billion in 1972 increasing to $ 1.5 billion per annum by 1975. The Commission suggests that developed countries could make available to IDA part of the SDRs allocated to them by the I.M.F. Stressing the inter-relationship of aid, trade and investment, the Commission has recommended that advanced countries should change their trade policies, which obstruct the growth of developing countries' export earnings. The Commission would also like the regional development banks to facilitate the financing of export credits by the developing countries, without which they cannot compete in the capital goods markets. Besides, the Commission is of the view that the multilateral component of official aid should rise from 10 per cent to a minimum of 20 per cent by 1975.

On the question of the external debt problem in countries with sound development programmes, the Commission has recommended more liberal use of long-term debt rescheduling and refinancing, which in its opinion should be treated as a legitimate form of aid. Other recommendations of the Commission include reduction in the interest rate, lengthening of the maturity periods and the progressive untying of aid. The Commission has requested the World Bank President to call a conference of heads of international and national agencies and of representatives of donor and receipient countries in 1970 to discuss the creation of a co-ordinating machinery capable of relating aid and development to other areas of foreign economic policy, moving towards standard assessment of development performance, producing regular estimates of aid requirements and providing balanced and impartial views on aid policies and programmes.

WORLD TRADE

The development decade of the sixties witnessed a fairly high rate of growth in world trade. Between 1958 and 1968 the value of world trade† rose from $ 95 billion to $ 212 billion, *i.e.* at a compound annual rate of 8.3 per cent. The growth rate of less developed countries, however, was smaller at 6.3 per cent as compared with 9.1 per cent for developed countries.

The growth in world trade followed a considerable increase in the tempo of economic activity. The index of industrial production (1963 = 100) for all countries excluding Eastern Europe and China rose from 73 in 1958 to 133 in 1968, the highest rise being recorded by Japan (from 45 to 190) followed by Italy (from 60 to 136). These gains in production were accompanied by substantial increases in the exports of both these countries. From about 6 per cent in 1958 Japan's share of the total value of world exports of manufactures rose to about 11 per cent in 1968 and the share of Italy went up from about

† The World Total excludes Soviet Area countries and Cuba. The sources for the data in this section are : (i) International Financial Statistics (ii) Monthly Bulletin of Statistics, United Nations and (iii) The National Institute Economic Review, London.

4 per cent to 7 per cent. The shares of the USA and the UK on the other hand, fell from 23 per cent and 18 per cent to 20 per cent and 11 per cent respectively.

While prices of exports of manufactures (1963 = 100) rose from 97 to 106 for all industrial countries, they rose from 96 to 113 in the USA, 93 to 104 in the UK and 91 to 103 in West Germany. In contrast the corresponding price indices in both Japan and Italy showed a fall over the period (from 107 to 100 for Japan and from 106 to 96 in the case of Italy).

Between 1963 and 1968 prices of several primary commodities showed a decline. The export price index for all primary commodities rose from 100 in 1963 to 104 in 1966 and fell again to 100 in 1968. The index for food after touching 105 in 1966 fell to 102. In respect of non-food items the fall was steeper — from 104 in 1966 to 95 in 1968. Among individual commodities, while wheat prices did not show much change between 1963 and 1968, prices of tea, sugar, rubber and wool fell. Coffee prices after a steep rise in 1964 fell subsequently but the 1968 prices were higher than those in 1963. Cocoa prices fell between 1963 and 1965 but registered substantial increases in the subsequent three years. Cotton prices after a steady decline since 1963 recovered sizeably in 1968. In jute after a rise between 1963 and 1966 prices fell slightly subsequently ; the level in 1968 was higher than in 1963 but much lower than that reached in 1961.

Although over the decade the value of world trade witnessed an uptrend, the year to year increase showed considerable variations. While small increases were recorded between 1962 and 1963 and again between 1966 and 1967, large increases were achieved between 1959 and 1960, 1963 and 1964 and between 1967 and 1968. The rise in 1968 was due to the upsurge of world economic activity in that year and represented a turn around in the cyclical situation. The slowdown of economic activity, which set in about the middle of 1966, resulted in a virtual stagnation in the growth of world trade in the latter part of 1967. This development reflected both a slackening of the rise in imports in industrial countries and the resultant deterioration in the foreign exchange positions of many primary producing countries. The revival of activity in industrial countries from about the middle of 1967 resulted in a sharp increase in international trade in 1968 which substantially benefited the export receipts of primary producing countries. In terms of value, world trade rose by 11 per cent between 1967 and 1968; the rise is estimated to have been 12 per cent in terms of volume.

The early part of the upswing, which started in the fourth quarter of 1967, was mainly the result of a sizeable increase in imports into North America (USA and Canada). Between the second half of 1967 and first half of 1968 North American imports rose at an annual rate of 30 per cent as against 1 per cent between the second half of 1966 and the first half of 1967. This reflected the overheating of the US economy, the strikes and threats of strikes in the US and the large increases in imports of cars and parts under the Automotive Trade Agreement with Canada.

In the second half of 1968 imports into North America slackened as strikes or threat of strikes in the US subsided. At the same time imports of industrial Europe which included EEC and EFTA countries excluding Portugal generally increased further. The sharp advance of economic activity in Germany in 1968 was reflected in the dramatic spurt in import demand ; other EEC countries' sales in the German market rose by 10 per cent between the second half of 1967 and first half of 1968 and by 27 per cent in the last quarter of 1968 as compared with the last quarter of the previous year.

The brisk business conditions generally evident in the EEC brought about a relatively large rise in the export markets of Belgium-Luxemburg, Italy and the Netherlands, their total exports showing a higher rate of growth in 1968 than for exports from industrial countries as a group. In Italy the economic growth in 1968 was largely the result of expanding export markets ; while in the first half of 1968 sluggish growth in domestic demand resulted in a break in the import expansion, the trend was reversed in the second half which witnessed a spurt in exports coupled with a marked recovery in imports.

As regards the U.K., the rapid expansion of export markets together with a sizeable rise in domestic demand speeded up the pace of production, and imports in the first two quarters of 1968 rose broadly in line with the growth in domestic production. After November 1968, however, imports fell probably as a result of the imposition of the import deposits scheme in November 1968 as well as the US dock strike.

In Japan as against only a 4 per cent rise in imports between the second half of 1967 and first half of 1968, the rise was more marked in the second half of 1968 (17 per cent). The renewed rise in imports was stimulated by the resumption of rapid growth in production.

Exports of industrial countries showed an upsurge between 1967 and 1968, the largest rise being recorded by Japan (24 per cent) and Canada (19 per cent) both of which benefited by the booming US market. The increase in exports of the US, in comparison, was considerably smaller (10 per cent) and that of the UK smaller still (7 per cent).

The expansion of demand and output in the industrial countries, which gathered strength in the second half of 1967, had a pronounced impact on the value of exports of primary producing countries whose exports rose in 1968 by about 8 per cent over the previous year. The rise in exports coupled with a better crop situation in certain areas resulted in a better rate of output growth of primary producing countries in 1968 as compared with the three preceding years. A major factor contributing to the relatively faster growth of exports of primary producing countries in 1968 was the spurt in import demand in the US and West Germany which together accounted for about 25 per cent of all industrial countries' imports from primary producing countries and for a considerably larger share of their imports from less developed countries.

The lower demand and output in industrial countries between 1966 and 1967 and the subsequent revival in 1968 had their impact on the primary producing countries in varying degrees depending upon the commodity composition of their exports for some and the reliance on certain geographic markets among the industrial countries for others. While the recession in Germany and slowdown in the U.S. severely affected exports of Africa, South and South East Asia and the Western Hemisphere in 1967, their impact on exports from the Middle East and Far East were not significant due to their favourable commodity composition.

The rise in export earnings of primary producing countries in 1968 as compared to the previous year was the result of the sizeable increase in demand from industrial countries for commodities such as petroleum products and copper. While the continued tension in the Middle East resulted in a strong demand and higher prices for petroleum products thereby benefiting the Middle East and certain African countries, the high copper prices resulting from the strike in the US copper industry helped to increase sizeably the export earnings of the African copper producers. The Far East Asian countries gained substantially in the marked increase in imports of light manufactures into the U.S.

In contrast goods of agricultural origin and forest products did not fare too well. Although exports of most of the tropical staple products showed a rise in 1968, conditions were not favourable for temperate agricultural products. Export earnings from meat, wool, coarse grains and dairy products declined. From the point of view of South and South East Asian regions, as against an unfavourable demand for some of their major exports such as jute and tea, there was a sharp increase in the value of trade in oilseeds and vegetable oils in 1968 over 1967. Trade in textiles also showed an expansion. The outstanding development in most of the countries in South Asia was, however, the sharp improvement in foodgrain supply resulting from a good harvest of rice and other foodgrains which enabled them—particularly India and Ceylon—to reduce their imports substantially.

The higher agricultural output and consequent growth in real gross national product provided a stimulus to higher activity in non-agricultural sectors. The real GNP rose by 8 per cent between 1967 and 1968 in Ceylon and Pakistan. In India between end-March

1967 and end-March 1968 real national income rose by 9 per cent while industrial production rose by 6 per cent in 1968 as against no increase between 1966 and 1967. Although there was an improvement in 1968 in the terms of trade of primary producing countries more favourable terms of trade were experienced mainly by countries exporting commodities such as copper and cocoa.

Liberalisation of Trade Policies

The GATT continued to play an important role in liberalising trade policies. The agreements reached in the Kennedy Round Trade Conference (1964-67) on reduction of tariff obstacles were implemented, some with effect from January 1, 1968 and others from July 1, 1968. Although the concessions gained by less developed countries were not substantial, some of the tariff reductions at India's request have been given effect to in full without being phased. Also the efforts of India in securing tariff concessions for exports of Indian handicraft products and handloom cloth and silk fabrics have met with success. Australia has added several additional items to the preferential quota list in 1968 apart from increasing the quota limits in respect of certain items. It now allows duty free preferential entry to Indian handicraft products as well as handloom silk and cotton fabrics without any limit. The Australian Tariff Board has also recommended that wet blue goat and kid skins leather be classified along with rough and semi-tanned leather and allowed duty free.

In the EEC countries the preferential duty free admission upto a specified value limit has been allowed for handloom cloth and silk fabrics and quotas have been secured for cotton textiles within the framework of the Cotton Textiles Agreement. Further, the Community has eliminated the duty of 9 per cent on imports of East India kips. It has also continued the tariff suspensions for certain products notably tea and certain other tropical products. The tariff on pepper meant for non-industrial use has been reduced from 17 per cent to 10 per cent ; it has been abolished altogether on pepper for industrial purposes. Imports of coir products into the Federal Republic of Germany are allowed without quantitative restrictions from June 1, 1968. The Nordic countries have allowed the import of cotton fabrics free of customs duties with effect from July 1, 1968. They have also removed the quantitative restrictions on almost all items of export interest to India and other developing countries. In the US, the reductions in the tariff as a result of the Kennedy round are favourable to certain categories of handloom fabrics *vis-a-vis* similar mill-made textiles.

UNCTAD and its Committees

Reference was made in last year's Report to the deliberations of UNCTAD II held in New Delhi. The Conference agreed on specific courses of action in the immediate future in respect of tobacco, sugar, natural rubber, oilseeds and oils and on the creation of an inter-governmental consultation machinery with a view to achieving practical results on other commodities such as tea, iron ore, manganese ore, pepper, mica and shellac which are particularly of interest to India. Several of these issues were remitted for further study and consideration either to UNCTAD's existing Committees and Boards or fresh bodies.

The Committee on Commodities recommended acceptance by governments of guidelines on orderly marketing of rubber viz. that full account should be taken of the supply and demand situation when marketing programmes are developed and before new capacities are created or existing capacities expanded. All marketing practices such as dumping and subsidies which would tend to create excessive instability were to be avoided along with misleading advertising. The Committee also endorsed the recommendations of the Permanent Group on synthetics and substitutes on cotton which aimed at improving the competitive position of cotton and at achieving a balanced supply of all fibres.

As regards tea, UNCTAD II had requested the *ad hoc* meeting on tea which was to be convened under the aegis of FAO, to identify the problems faced by tea so as to determine the techniques appropriate for dealing with them and to agree on suitable remedial measures. The Third FAO *ad hoc* Consultations held in Kampala in January 1969 *inter alia*

took into account the above recommendation of UNCTAD II. It decided to set up an *ad hoc* Working Committee to draft specific proposals for immediate action for promoting consumption and export of tea, and for removing deficiencies in the marketing structures, as well as for interim regulations of tea exports for consideration by the various governments. Reference may also be made to the meeting of the FAO Working Party which met at Mauritius in August 1969 when it proposed that a reduction of 90 million lbs. in exports would help restore health to tea prices in international trade. Bilateral consultations between Ceylon and India have also taken place since UNCTAD II, which have led to a broad agreement on tea promotion, research, price stabilisation, market survey and the proposal to form an Indo-Ceylon Consortium.

In respect of jute, UNCTAD II recommended that the study group on jute and allied fibres should urgently explore the possibility of setting up an appropriate buffer stock scheme for jute. Accordingly the Advisory Working Party on Jute Stabilization Reserves of the FAO held its first session in November 1968. At this meeting it was generally agreed that international buffer stock arrangements based on the operation of buffer stocks located in the individual producing countries under informal international guidence was the most workable alternative.

A noteworthy development in the field of international commodity agreements since UNCTAD II was the signing of agreements in respect of coffee, sugar and grains. In respect of coffee the fresh International Coffee Agreement concluded in February 1968 replacing the 1962 Agreement came into force on October 1, 1968. India is a party to the Agreement. It provides for establishing a Diversification Fund to assist countries to convert to more productive uses resources now being used to produce surplus coffee. The Agreement provides for improved methods of control over coffee imports and exports so as to ensure compliance with quota regulations of the International Coffee Organisation. It directs members to refrain from applying governmental measures which discriminate in favour of processed coffee. It may be noted here that since August 1968 prices of coffee are reported to have fallen affecting mainly the African robusta producers who face a bumper crop this year with a surplus of about 3 to 4 million bags. Although various proposals have been brought before the Executive Committee of the International Coffee Organization to improve conditions until producers control their production and exports, the crisis is likely to continue.

The International Sugar Agreement negotiated at the UN Sugar Conference came into effect in January 1969 for a period of five years. It deals with supplies to the free market only and is designed to bring world production and consumption into closer balance at prices substantially above the low levels of 1968. An important aspect of the Agreement is the provision for a Special Hardship Fund of 150,000 tons for developing countries and special recognition of the needs of less developed exporting countries.

The International Grains Arrangement (to which reference was made in last year's report) which came into force on July 1, 1968 for a period of three years consisted of two parts viz., the Wheat Trade Convention and the Food Aid Convention. While the Wheat Trade Convention provides for regulation of wheat trade within a specified price range and imposes certain obligations on both the exporting and importing member countries, the Food Aid Convention stipulates that participating countries should contribute wheat or its cash equivalent as aid to the developing countries to an amount of 4.5 million metric tons annually. The obligation of a country contributing wholly or partly in cash is calculated by evaluating its tonnage contribution at $ 1.73 a bushel.

Asian Economic Co-operation

An event of importance since UNCTAD II has been the Third Ministerial Conference on Asian Economic Co-operation held at Bangkok in December 1968, in pursuance of the resolution adopted at the Tokyo Session of the ECAFE in April 1967. The Conference reviewed the progress achieved in the programme of regional economic co-operation and decided to set up a Council of Ministers for Asian Economic Co-operation. The

decisions taken at the Conference are embodied in the resolution on "Strategy for Integrated Regional Co-operation" which invited member and associate member states of the region to take action *inter alia*, on the following : (1) to formulate plans for increasing exports to and imports from regional countries, (2) to consider the setting up of payments and clearing unions so as to provide such payment support as may be considered necessary for schemes of trade expansion, (3) to encourage complementarity in and augmentation of industrial and agricultural production in selected sectors of the region, (4) to develop intra-regional shipping services, and (5) to establish an Asian Statistical Institute for training and research in statistics.

The ECAFE at its 25th Session drew the attention of members to the role of the Commission in the field for regional economic co-operation as envisaged at the Third Ministerial Conference on Asian Economic Co-operation. One of the resolutions adopted by the Commission urged developed and developing countries to formulate and implement appropriate measures that will help in accomplishing the expectations and growth targets of the Second Development Decade. Further it endorsed fully the formation of the Asian Coconut Community. A third resolution welcomed the proposal of the Third Ministerial Conference on Asian Economic Co-operation to establish a co-ordinating body for countries bordering on the Indian Ocean, similar to the ECAFE Committee for co-ordination of joint prospecting for Mineral Resources in Asian Offshore Areas. A fourth resolution requested the Executive Secretary to take steps for establishing the Asian Handicrafts Centre.

The Commission also reviewed the work of the Committee on Trade contained in the report of the Committee's twelfth session held at Bangkok in January 1969, and shared the Committee's concern over the depressed prices of most major export commodities of the region. It recognised the pressing need for the developing countries to diversify their economies. The establishment of the Asian Coconut Community was welcomed as a forerunner of similar co-operative endeavours for other products such as rice, rubber, jute, pepper, shellac and cotton.

The Commission concurred with the Committee's view that regional trade liberalisation arrangements had become vital for accelerating the economic growth of member countries; the establishment of a Task Force in the ECAFE secretariat to accelerate the preparatory work was, therefore, welcomed. It looked forward to the completion of studies on structures and flows of commodity trade undertaken by the Task Force. The consolidated lists of products of export interest to member countries were circulated to all member countries in the region with a request for information on trade barriers imposed by importing countries on these products. This step would be followed by bilateral and multilateral negotiations among interested countries for the purpose of liberalising trade and might lead to the formation of a scheme of regional preferences among developing member countries.

It was also thought that further preparatory work should take into account the six point programme of trade liberalisation viz. (1) collection of comprehensive data to facilitate intra-regional trade, (2) increased production to meet import needs of the region, (3) adoption of a system of preference for imports from the countries of the region, (4) improvement of transport and communication in the region, (5) adoption of protectionist policies by member countries to increase national production and (6) setting up of a regional payments arrangement to facilitate trade expansion.

Asian Development Bank. The activities of the Asian Development Bank, established in 1966 for fostering economic growth and co-operation in the region of Asia and the Far East, gathered some momentum in 1968. Early in the year it completed the Asian Agricultural Survey commenced in 1967. The Bank also approved the undertaking of a Regional Transport Survey. Two Special Funds for concessional lending to developing member countries were established through contributions, during the year, made by the Governments of Japan and Canada. The ordinary resources available to the Bank for financing development in member countries

have been enlarged by the participation of commercial banks in three of the loans made by the Bank in 1968.

As regards technical assistance, agreements entered into during the year supplemented similar agreements previously reached to contribute grant resources to the Bank for financing such activities. The progress in the Bank's efforts for access to important capital markets in the U.S. has also been satisfactory.

During the year the Bank continued to follow previously established broad guidelines in its approach to lending operations and in matters such as interest rates, commitment charge and procurement and consultant policies decisions were taken for future guidance. Seven loans were extended by the Bank in 1968 amounting in aggregate to U.S. $ 41.6 million, the projects covered by these loans being the financing of industrial enterprises in Thailand, modernisation of tea factories in Ceylon, the Seoul-Inchon expressway in the Republic of Korea, Penang water supply in Malaysia, feasibility study of North South Freeway in the Republic of China, financing small and medium-scale industries in the private sector in Pakistan and manufacture of Dimethyl terephthalate by the Chinese Petroleum Corporation. In addition four technical assistance proposals were sanctioned for the formulation of feasibility reports or detailed project reports for later consideration for possible Bank lending and seven technical assistance proposals were approved for non-loan purposes. The total cost of these eleven projects spread over seven of the Bank's developing members viz. Republic of China, Nepal, Philippines, Indonesia, Republic of Korea, Laos and Republic of Viet Nam will amount to U.S. $ 1.1 million.

PART II

CHAPTER III—OUTPUT AND PRICE TRENDS

AGRICULTURAL

Agricultural production during 1968-69 is expected to be marginally lower than in 1967-68 because of the relatively unfavourable monsoon over some parts of the country. All the major crops—foodgrains, oilseeds and fibres have recorded declines and only surgarcane has recorded an appreciable increase. According to final estimates for 1968-69, foodgrains output, despite increases of 5.7 per cent and 12.8 per cent in rice and wheat, respectively, was lower by 1.1 per cent at 94.0 million tonnes as compared with the partially revised estimate of 95.1 million tonnes for the preceding year. The shortfall in foodgrains production was mainly accounted for by coarse cereals and pulses which declined by 12.6 per cent and 13.9 per cent, respectively. Among oilseeds, groundnut declined by 21.9 per cent, sesamum by 6.9 per cent, and castorseed by 8.1 per cent. Among fibres, raw jute declined by as much as 51.7 per cent while raw cotton, according to trade estimate, showed a fall of 4.4 per cent. Sugarcane, however, increased by 22.7 per cent.

Imports of foodgrains which were scaled down to 5.7 million tonnes in 1968 (January-December) from 8.7 million tonnes in 1967 are likely to be still lower in 1969. Taking into account the requirements for public distribution and for building up a buffer stock, imports of foodgrains during 1969 are placed at 4.3 million tonnes. During 1969 so far (upto August), foodgrains imports amounted to 3.0 million tonnes as compared with 4.7 million tonnes during the corresponding period of the previous year.

The procurement drive which was intensified during 1967-68 with a view to taking full advantage of the increased production as well as to avoid an undue fall in prices, particularly in surplus areas, was continued during 1968-69 also with the same vigour. As against the total procurement of 6.4 million tonnes during 1967-68, the targets of procurement for the kharif (November 1968 to October 1969) and rabi (April 1969 to March 1970) marketing seasons have been fixed at 3.5 million tonnes of rice, 3.6 million tonnes of wheat and 0.8 million tonnes of coarse grains. Procurement of foodgrains till mid-August 1969 amounted to 3.08 million tonnes of rice, 2.38 million tonnes of wheat and 0.47 million tonnes of coarse grains. The systems of procurement followed during 1967-68 were generally continued during 1968-69. Monopoly procurement was followed in Assam and Orissa in respect of paddy/rice and in Maharashtra in respect of paddy/rice and jowar. The system of levy on producers was in force in Andhra Pradesh, Bihar, Kerala, Gujarat and West Bengal for paddy, in Madhya Pradesh for wheat, in Uttar Pradesh for paddy and wheat and in Mysore for paddy and kharif coarse grains. Levy on licensed millers/traders was continued in Andhra Pradesh, Bihar, Haryana, Punjab, Madhya Pradesh and West Bengal for rice and in Uttar Pradesh for rice, jowar, bajra and maize. In Punjab and Haryana, pre-emptive purchases of wheat were being made.

The pressure on public distribution system eased considerably during 1968-69 consequent on the improvement in the open market availabilities. The offtake of foodgrains declined from 13.2 million tonnes in 1967 to 10.6 million tonnes in 1968. Statutory rationing was discontinued in Siliguri, Kanpur, Delhi, Hyderabad and Secunderabad during 1968, and in Nagpur and Sholapur with effect from May 1, 1969 and in Poona from July 1, 1969. The number of fair price shops and ration shops, therefore, declined from 1.40 lakhs at the end of 1967 to 1.38 lakhs at the end of 1968, and further to 1.35 lakhs by end-July 1969; the total population covered under statutory rationing at the end of 1968 was about 25.4 million and

that under informal rationing 233.2 million, making a total of 259 million as against 277 million at the end of 1967.

Table 1. Foodgrains

Year	Total production (Million tonnes)	Total imports (Thousand tonnes)	Total procurement (Thousand tonnes)
	(1)	(2)	(3)
1950-51 ..	54.9*	2,059	2,761
1955-56 ..	66.9	711	15
1960-61 ..	82.0	5,137	1,275
1961-62 ..	82.7	3,496	539
1962-63 ..	80.2	3,640	479
1963-64 ..	80.6	4,556	750
1964-65 ..	89.0+	6,266	1,430
1965-66 ..	72.0+	7,462	4,031
1966-67 ..	74.2+	10,358	4,009
1967-68 ..	95.1+	8,672	4,462
1968-69 ..	94.0‡	5,694	6,782

Note : Production figures relate to agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
* Data relates to 1949-50.
+ Partially revised estimates.
‡ Final estimate.

As a result of intensified procurement operations coupled with the reduced pressure on public distribution system, the stock position of foodgrains improved considerably from a low level of 1.9 million tonnes at the beginning of 1968 to a level of 3.9 million tonnes at the beginning of 1969. By March 1969, the stocks aggregated 4.5 million tonnes and by July 1969 they had further moved up to 5.3 million tonnes.

Reflecting the impact of increased availability, foodgrains prices, ruled generally easy during 1968-69. The all-India index number of wholesale prices of foodgrains (*base:* 1952-53=100) which was 204.4 during April 1968 ruled around that level till July and rose to 215.8 during September; thereafter, it declined steadily reaching 191.1 during March 1969. Over the year (April-March), the index declined by 6.5 per cent as against a rise of 2.9 per cent observed in the last year. The continuous rise in prices of foodgrains witnessed since 1962-63 has thus been reversed and for the first time in the past seven years the foodgrains index showed a decline.

Zonal restrictions on movement of foodgrains were reviewed in March and September 1968. Mention has already been made in last year's Report about the changes made in zonal restrictions in March 1968 which *inter alia* provided for the constitution of a bigger northern zone and lifting of movement restrictions on maize, bajra and jowar from the States of Punjab, Haryana and Rajasthan. However, in view of the drought conditions in Rajasthan it was decided to reimpose restrictions on the movement of coarse cereals from Rajasthan in September 1968, but because of easy availability, movement restrictions on coarse cereals were lifted from Uttar Pradesh in December 1968, and from Bihar and Mysore (bajra and maize) in January 1969. Restrictions on export of coarse cereals from Madhya Pradesh were also withdrawn in February 1969. Movement of wheat from Uttar Pradesh to Delhi was permitted in January 1969. Effective April 16, 1969, the Government announced enlargement of the northern wheat zone and the formation of five other zones. Details of these are given in the review relating to wheat.

The Food Corporation of India substantially expanded its activities both in respect of areas of operation and the commodities handled. The Corporation is now functioning in all the States except Maharashtra, Jammu and Kashmir and Nagaland. Its operations cover, besides all cereals, a number of pulses, groundnut and groundnut oil. The Corporation has also played an important role in modernising food-processing through installation of modern rice mills and manufacture and distribution of wheat products. The Corporation has undertaken to instal in a phased programme 24 modern rice mills by the end of 1970-71. The installation of two such mills has been completed and they have already started working. The Corporation purchased about 44 lakh tonnes of foodgrains comprising 19.8 lakh tonnes of rice, 18.8 lakh tonnes of wheat, 4.3 lakh tonnes of other

cereals and 0.9 lakh tonnes of gram/gramdal during the last kharif (November 1967 to October 1968) and rabi (April 1968 to March 1969) seasons. It also purchased 23,000 tonnes of groundnut oil during 1967-68. Total purchases of rice/paddy and other kharif cereals by the Corporation during the first ten months of the 1968-69 kharif season aggregated 21.24 lakh tonnes and 1.28 lakh tonnes, respectively; purchases of wheat during the first five months of the 1969-70 marketing season (April-March) amounted to 20.28 lakh tonnes.

The total quantity of foodgrains, both indigenous and imported, handled increased significantly from 39.08 lakh tonnes valued at Rs. 241.87 crores in 1966-67 (April-March) to 58.58 lakh tonnes valued at about Rs. 438 crores in 1967-68 (April-March). With the transfer of all clearance work of imported foodgrains and fertilizers in the country to the Corporation, the value of foodgrains and other goods handled by the Corporation would increase further.

The storage capacity owned by the Food Corporation of India at the end of December 1968 stood at 16.89 lakh tonnes. The Corporation has also almost completed the programme of construction of godowns of 75,000 tonnes in Punjab and Haryana. Further construction of godowns of 7.30 lakh tonnes capacity in the States where the Corporation is operating, is under execution. The total storage capacity of godowns purchased/constructed by the Government including that of the Food Corporation of India at the end of 1968 was 24.37 lakh tonnes.

New Agricultural Strategy

The agricultural development programmes initiated under the New Agricultural Strategy were stepped up during 1968-69. The main plank of this strategy is the High-Yielding Varieties Programme which was initiated in the kharif season of 1966 covering 1.89 million hectares. For 1967-68 the target was 6.07 million hectares and the achievement was 6.04 million hectares. For 1968-69, the target for coverage under high-yielding varieties has been fixed at 8.50 million hectares. The achievement during the current kharif season is estimated at 3.64 million hectares. Taking into account the anticipated achievement during the rabi season, the overall target is likely to be achieved. For 1973-74—end of the Fourth Plan, a target of 24.1 million hectares has been fixed.

Sustained efforts were made to augment irrigation facilities during 1968-69. Total institutional investment on minor irrigation works during 1968-69 is expected to be Rs. 100 crores as against Rs. 70 crores during the previous year. The number of diesel and electric pumping sets installed is expected to increase from 14.24 lakhs in 1967-68 to 16.70 lakhs in 1968-69, that of private tubewells and filter points from 1.95 lakhs to 2.71 lakhs and of State tubewells from 14,000 to 16,000 during the same period. The gross irrigated area under minor irrigation is likely to increase from the estimated 19 million hectares in 1968-69 to 22.2 million hectares in 1973-74. Multiple cropping programme was taken up from 1967-68. As against the target of 3 million hectares, the achievement under this programme was 3.64 million hectares. The target for 1968-69 is fixed at 6.07 million hectares and for 1973-74 at 15.07 million hectares. The supply of inputs such as fertilisers, improved seeds and pesticides was considerably stepped up to ensure the success of the programme. Supply of fertilisers which is an important factor in the programme, increased significantly. The consumption of nitrogenous fertilisers in terms of N increased from 10.35 lakh tonnes in 1967-68 to 14 lakh tonnes in 1968-69. The consumption of phosphatic fertilisers in terms of P_2O_5 rose from 3.35 lakh tonnes in 1967-68 to 4 lakh tonnes in 1968-69. The consumption of potassic fertilisers in terms of K_2O increased from 1.70 lakh tonnes in 1967-68 to 1.80 lakh tonnes in 1968-69. For 1973-74, a consumption target of 66 lakh tonnes of fertilisers has been fixed comprising 37 lakh tonnes of N, 18 lakh tonnes of P_2O_5 and 11 lakh tonnes of K_2O.

Rice

The output of rice increased by 5.7 per cent from 37.6 million tonnes in 1967-68 to 39.8 million tonnes in 1968-69 owing partly to the increase in area and partly to the improvement in average yield brought about by

Table 2. Aspects of Agricultural Development

Item	Unit	1960-61 (Actuals)	1965-66 (Actuals)	1968-69 (Estimated)	1973-74 (Targets/ Estimates)
		(1)	(2)	(3)	(4)
Production					
1. Foodgrains	Million tonnes	82	72	98*	129
2. Sugarcane (in terms of gur)	-do-	11.2	12.1	12.0*	15
3. Oilseeds	-do-	7	6.3	8.5*	10.5
4. Cotton	Million bales	5.3	4.8	6.0*	8
5. Jute	-do-	4.1	4.5	6.2*	7.4
6. Tea	Thousand tonnes	321	365	418	450
7. Tobacco	-do-	307	298	380	480
Area Covered					
8. High-Yielding Varieties Programme	Million hectares	..	..	8.5	24.1
9. Plant Protection	Million hectares	6.5	16.6	54	80
Consumption of Fertilisers					
10. Nitrogenous (N)	Thousand tonnes	210	550	1,400	3,700
11. Phosphatic (P_2O_5)	-do-	70	130	400	1,800
12. Potassic (K_2O)	-do-	26	80	180	1,100
Gross Area Irrigated					
13. Major and Medium	Million hectares	13.1	15.2	17	21.2
14. Minor	-do-	14.8	17.0	19	22.2
Others					
15. Agricultural pumpsets energised	Thousand numbers	191.8	513.4	1,069	1,240

* Base level

Source : Draft Fourth Five Year Plan, 1969-74, Planning Commission, Government of India.

various developmental measures and somewhat favourable weather conditions in parts of the country. The increase in production has been shared mainly by West Bengal (1.0 million tonnes) and Orissa (0.9 million tonnes).

Rice prices displayed an easy trend during the 1968-69 season (November-October) due mainly to the rise in production in 1968-69. The all-India index number of wholesale prices of rice (*base:* 1952-53=100) declined from 221.5 in August 1968 to 187.1 in February 1969 and though the index firmed up subsequently to 218.1 in August reflecting the usual seasonal uptrend, it was lower by 1.5 per cent than the corresponding level a year ago.

There was no change till May 3, 1969 in the issue prices of different varieties of rice fixed on January 1, 1968 ranging from Rs. 96 (coarse/common variety) to Rs. 135 (basmati

Table 3. Rice

Year	Production (Million tonnes)	Procurement (Thousand tonnes)	Imports (Thousand tonnes)
	(1)	(2)	(3)
1950-51 ..	23.5*	2,750	359
1955-56 ..	27.6	15	269
1960-61 ..	34.6	880	699
1961-62 ..	35.7	519	384
1962-63 ..	33.2	479	390
1963-64 ..	37.0	744	483
1964-65 ..	39.0+	1,299	645
1965-66 ..	30.7+	2,951	783
1966-67 ..	30.4+	3,100	787
1967-68 ..	37.6+	2,785	453
1968-69 ..	39.8‡	3,365	446

Note : Production figures relate to the agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.

* Data relates to 1949-50.

\+ Partially revised estimates.

‡ Final estimate.

variety) per quintal. Effective May 4, 1969, the issue prices fixed ranged from Rs. 100 (coarse/common variety) to Rs. 135 (basmati variety) per quintal. Procurement prices during 1968-69 in different States continued to be the same as in the last year, *viz.*, paddy—Rs. 45.00-56.25 per quintal and rice—Rs. 72.69-99.00 per quintal.

Procurement operations were continued during 1968-69 in surplus as well as in deficit States. For 1968-69, a procurement target of 3.5 million tonnes has been fixed. Till mid-August 1969 procurement of rice, both on Central and State Governments' accounts, aggregated 3.08 million tonnes as against 3.26 million tonnes during the whole of 1967-68 season. Purchases of rice/paddy on behalf of the Central Government were undertaken in Andhra Pradesh, Haryana, Madhya Pradesh, Orissa and Punjab and the quantity of rice procured aggregated 0.90 million tonnes as against 0.91 million tonnes during the whole of 1967-68 season. The State Governments also purchased rice/paddy on their own account and the quantity procured aggregated 2.19 million tonnes as against 2.35 million tonnes during the entire 1967-68 season. Zonal arrangements in respect of rice obtaining in 1967-68 were generally continued during 1968-69 also.

Efforts to augment the domestic supply through purchases abroad were continued. During 1969, till August-end, imports of rice aggregated 2.80 lakh tonnes as compared to 1.61 lakh tonnes during the corresponding period last year and 4.46 lakh tonnes during the whole of 1968.

Offtake of rice from Central Reserve Depots including supplies to State Governments during the first seven months of 1969 aggregated 8.43 lakh tonnes as against 7.85 lakh tonnes during the corresponding period of last year and 1.27 million tonnes during the whole of 1968.

Wheat

The ouput of wheat increased in 1968-69 to 18.7 million tonnes from 16.5 million tonnes in 1967-68 — a rise of 12.8 per cent. The increase in production has been accounted for by almost all the States, especially Punjab (1.2 million tonnes), and is ascribable partly to the increase in area and partly to the improvement in yield following the introduction of high-yielding varieties and increased use of other inputs.

Table 4. Wheat

Year	Production (Million tonnes)	Procurement (Thousand tonnes)	Imports (Thousand tonnes)
	(1)	(2)	(3)
1950-51 ..	6.4*	1,133	1,329
1955-56 ..	8.8	—	442
1960-61 ..	11.0	395	4,386
1961-62 ..	12.1	20	3,092
1962-63 ..	10.8	—	3,250
1963-64 ..	9.9	5	4,073
1964-65 ..	12.3+	90	5,621
1965-66 ..	10.4+	375	6,583
1966-67 ..	11.4+	219	7,832
1967-68 ..	16.5+	779	6,400
1968-69 ..	18.7‡	2,352	4,766

Note : Production figures relate to the agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
* Data relates to 1949-50.
+ Partially revised estimates.
‡ Final estimate.

Prices of wheat declined by 8.3 per cent during the 1968-69 marketing season (April-March). During 1969-70 marketing season, the all-India index number of wholesale prices of wheat (*base :* 1952-53=100) after an initial decline from 190.2 in March 1969 to 177.5 in May 1969, rose to 195.4 in August 1969; this level was 7.8 per cent higher than the corresponding level a year ago.

The zonal arrangements in operation during 1968-69 marketing season were reviewed in April 1969. In view of the expectation of a bumper crop of wheat for the second year in succession (since materialised), the Central Government announced, effective April 16, 1969,

the enlargement of the northern wheat zone covering the States of Jammu and Kashmir, Punjab, Haryana, Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan and West Bengal (excluding statutorily rationed areas of Calcutta) and the Union Territories of Himachal Pradesh, Delhi and Chandigarh. In addition to the northern wheat zone, five more zones have been formed. They are : (i) The State of Maharashtra and the area comprising Goa in the Union Territory of Goa, Daman and Diu ; (ii) the State of Gujarat and the areas comprising Daman and Diu in the Union Territory of Goa, Daman and Diu, and the Union Territory of Dadra and Nagar Haveli ; (iii) the southern zone comprising the States of Andhra Pradesh, Tamil Nadu, Mysore and Kerala and the Union Territory of Pondicherry; (iv) the States of Assam and Nagaland and the Union Territories of Manipur and Tripura ; and (v) Orissa.

In the context of substantial increase in the production of wheat and with a view to building an adequate buffer stock and avoiding any undue fall in prices, procurement of wheat was undertaken on a massive scale. For the 1969-70 marketing season (April-March), the Government have almost doubled the procurement target of wheat. On the recommendation of the Agricultural Prices Commission a procurement target of 3.6 million tonnes of wheat has been fixed. Till mid-August, 1969 procurement of wheat amounted to 2.38 million tonnes, as against the total quantity of 2.28 million tonnes procured during the 1968-69 marketing season. Purchases of wheat for Central Pool were made in the States of Haryana, Punjab, Rajasthan, Uttar Pradesh and the Union Territories of Chandigarh and Delhi, and till mid-August 1969, 1.96 million tonnes of wheat were purchased for the Central Pool in these States/Union Territories as against 1.78 million tonnes in the entire 1968-69 marketing season. Purchases were also made by the State Governments of Haryana, Bihar, Madhya Pradesh, Jammu and Kashmir and Punjab on their own account. Procurement by the States on their own account totalled 0.40 million tonnes as against 0.49 million tonnes in the entire 1968-69 marketing season.

The procurement prices of all varieties of wheat other than indigenous red wheat have been fixed at an uniform rate of Rs. 76 per quintal for the 1969-70 marketing season. The procurement prices for indigenous red variety have been fixed by the State Governments ranging between Rs. 71.00 and Rs. 74.00 per quintal. The procurement prices for the 1968-69 marketing season were Rs. 76.00 per quintal for the common white and the Mexican varieties and Rs. 81.00 per quintal for the superior farm variety.

In order to augment supplies to meet the internal distribution and the buffer stock requirements, during 1969, a total quantity of 2.54 million tonnes of wheat has been imported till August 1969, as against 4.09 million tonnes imported during the corresponding period of last year and 4.8 million tonnes (including 3.6 million tonnes under P.L. 480) during the whole of 1968. In view of the increasing overall availability, the offtake of wheat from Central Reserve Depots including supplies to State Governments were lower during 1969. During the first seven months of 1969 the offtake aggregated 2.75 million tonnes as against 3.36 million tonnes during the corresponding period of 1968 and 5.7 million tonnes during the whole of 1968.

The issue prices of imported wheat fixed at Rs. 67.00 per quintal from January 1, 1968 continued to be in force till June 16, 1968. With the procurement of large quantities of indigenous wheat from the record crop of 1967-68, new issue prices were fixed for indigenous wheat. As the bulk of the procured wheat was of the Red Mexican variety which it was not possible to sell at an economic price because of its low marketability, the issue prices of wheat were fixed on the basis of pooling of imported and indigenous wheat of similar colour. The issue prices of different varieties of wheat fixed with effect from 17th June 1968 were Rs. 70.00 per quintal for imported red and indigenous red, Rs. 90.00 per quintal for imported white and indigenous common white and Rs. 95.00 per quintal for imported and indigenous superior varieties. The issue price of imported white and indigenous common white varieties of wheat, however, were reduced

from Rs. 90.00 to Rs. 85.00 per quintal with effect from December 16, 1968. Effective May 4, 1969 a common issue price at Rs. 78 per quintal has been fixed for both imported and indigenous wheat.

Other Cereals

Production of other cereals (other than rice and wheat) declined by 3.6 million tonnes or by 12.6 per cent to 25.2 million tonnes during 1968-69 over the output of 28.8 million tonnes during 1967-68. The decline was recorded by all the coarse grains ; bajra declined by 26.7 per cent, ragi by 12.5 per cent, maize by 9.1 per cent, small millets by 5.4 per cent, jowar by 2.4 per cent and barley by 30.8 per cent. Imports of other foodgrains during 1969 were kept at a low level and upto August 1969, these amounted to only 1.43 lakh tonnes as against a total quantity of 4.82 lakh tonnes of milo (including 17,000 tonnes of corn) imported from U.S.A. under P.L. 480 during 1968.

Table 5. Other Cereals

Year	Production (Million tonnes)	Procurement (Thousand tonnes)	Imports (Thousand tonnes)
	(1)	(2)	(3)
1950-51 ..	16.8*	—	371
1955-56 ..	19.5	—	—
1960-61 ..	23.7	—	52
1961-62 ..	23.2	—	19
1962-63 ..	24.6	—	—
1963-64 ..	23.7	1	—
1964-65 ..	25.2+	41	—
1965-66 ..	21.2+	705	96
1966-67 ..	24.1+	690	1,739
1967-68 ..	28.8+	898	1,819
1968-69 ..	25.2‡	1,065	482

Note : Production figures relate to the agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
* Data relates to 1949-50.
\+ Partially revised estimates.
‡ Final estimate.

Prices of all coarse grains, except ragi, declined during the year 1968-69 (April-March). While the average all-India index number of wholesale prices (*base:* 1952-53 = 100) of jowar, bajra, maize and barley declined by 5.3 per cent, 6.4 per cent, 28.7 per cent and 31.5 per cent, respectively, those of ragi increased by 4.7 per cent over the previous year.

Procurement target of kharif coarse grains for 1968-69 has been fixed at 0.8 million tonnes. During 1968-69, purchases of coarse grains on behalf of both the Central and State Governments were made in Punjab, Madhya Pradesh, Mysore, Maharashtra and Uttar Pradesh, and till mid-August 1969, the quantity procured aggregated 0.47 million tonnes as against 0.81 million tonnes (both kharif and rabi) procured during the entire 1967-68 season. The procurement prices of jowar, bajra, maize and ragi during 1968-69 have been fixed at the same level as last year, *i.e.*, Rs. 47.00-56.00 per quintal for jowar and Rs. 47.00-55.00 per quintal for bajra, maize and ragi. The issue price of imported milo was increased from Rs. 48 per quintal to Rs. 51 per quintal effective December 16, 1968. The offtake of coarse grains from Central Reserve Depots including supplies to State Governments was much lower during 1969. Till July-end 1969, only 1.54 lakh tonnes have been issued from the Central Reserve Depots as against 4.41 lakh tonnes issued during the corresponding period last year and 6.90 lakh tonnes during the whole of 1968.

It may be recalled that movement of barley was made free throughout the country and movement of jowar, bajra and maize was allowed from the producing States of Punjab, Haryana and Rajasthan on March 28, 1968. However, following the Chief Ministers' Conference held in September 1968, in which zonal arrangements were reviewed, restrictions were re-imposed on the movement of coarse cereals from Rajasthan owing to drought conditions in that State. Movement restrictions on coarse cereals were lifted from Uttar Pradesh on December 19, 1968, from Bihar on January 18, 1969 and from Mysore (maize and bajra) on January 17, 1969 because of easy availability of coarse cereals. Movement

restrictions on export of coarse cereals from Madhya Pradesh were also removed on February 6, 1969.

Pulses

Production of pulses recorded a decline of 1.7 million tonnes or 13.9 per cent to 10.4 million tonnes in 1968-69.

Prices of pulses* which had risen further by 41.0 per cent during 1967-68 declined during 1968-69 by 28.2 per cent. The all-India index number of wholesale prices of pulses (*base :* 1952-53=100) declined from 226 in March 1968 to 187 in July 1968. There was a temporary rise during August-September 1968 but the index again declined reaching 178 in February 1969. In March 1969, the index stood somewhat higher at 185 but still it was 18.1 per cent lower than the level of March 1968.

In contrast to the 1967-68 season, when purchases of pulses, mainly gram, were made both on the Central and State Governments' accounts, and a total quantity of 0.94 lakh tonnes was procured from 1967-68 crop, this year only a small quantity of about 2,000 tonnes of gram has been purchased till mid-August 1969.

As in the previous year, the ban on the exports of foodgrains continued. However, export of 50,000 tonnes of pulses was permitted through the State Trading Corporation during the 1968-69 financial year.

Table 6. Pulses

Year (July-June)	Production (Million tonnes)
1950-51	8.2*
1955-56	11.0
1960-61	12.7
1961-62	11.8
1962-63	11.5
1963-64	10.1
1964-65	12.4+
1965-66	9.8+
1966-67	8.3+
1967-68	12.1+
1968-69	10.4‡

* Data relates to 1949-50.
\+ Partially revised estimates.
‡ Final estimate.

Cotton

Official estimates of cotton for the 1968-69 season are not yet available but the all-India fourth estimate for area shows a decline of 4.9 per cent as compared with the corresponding adjusted estimate for the previous season, due to unfavourable weather conditions. The crop is, therefore, likely to be lower. According to trade estimates it will be around 59 lakh bales as against the trade estimate of 61.70 lakh bales in 1967-68. For the final year of the Fourth Plan, a target of 80 lakh bales has been fixed.

Efforts to increase yield through intensive cultivation were continued during the 1968-69 season. During the year it was planned to cover 10.31 lakh hectares under the package programmes in the different States, of which, 4.75 lakh hectares were to be covered under the Centrally Sponsored Package Programmes. So far, an area of 8.79 lakh hectares has been covered under the above programmes during the year. The Centrally Sponsored Scheme for the production of extra-long staple Sea Island Andrews Cotton launched during 1967-68 in the States of Andhra Pradesh and Mysore was continued during 1968-69 over an area of 804 hectares.

During 1968-69 season, though opening stocks were marginally higher, the low production combined with the slow pace of imports rendered the cotton supply position tight. Imports during the 1968-69 season (September-August) were estimated at 3.47 lakh bales as against 7.56 lakh bales imported in the last season. Imports in the 1968-69 season were lower due to the delay in the authorisation for imports of U.S. cotton under P.L. 480. The U.S. Government authorised India to purchase 1 lakh American bales of cotton (equivalent to 1.25 lakh bales of 180 kgs. each) only on April 25, 1969, and the purchases were to be effected by end-June 1969. Another agreement for import of an additional 1.25 lakh bales of U.S. cotton (of 180 kgs. each) under P.L. 480 was signed towards the end of May 1969.

* Average of April-March.

Exports of cotton (which comprise mainly Bengal Deshi variety) have tended to decline due to the falling output and rising internal consumption. During 1968-69, cotton registered for exports totalled 1.73 lakh bales as against the actual export of 2.18 lakh bales last year; the fall in exports was due to the very low output of Bengal Deshi which was estimated by the trade at around 3.62 lakh bales as against last year's output of 4.35 lakh bales.

Table 7. 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)	(6)
1950-51	2874	800	178	3648	1518
1955-56	3949	603	603	4978	1593
1960-61	5293	1100	297	5644	2236
1964-65	5668†	853	240	6711	3037
1965-66	4762†	526	182	6157	2055
1966-67	4973†	780	222	6103	1924*
1967-68	5562††	756	218	6506	2402*
1968-69	5900@@	347**	173**	6590@@	..

@ Consumption by mills and extra-factory consumption.
@@ Provisional (Trade Estimate).
* Estimated by the Office of the Textile Commissioner, Bombay.
** Estimated by East India Cotton Association.
† Partially revised estimates.
†† Final estimate.
Source : Regional Office, Cotton Development, Ministry of Food, Agriculture, Community Development and Co-operation (Department of Agriculture), Government of India.

During 1968-69, consumption of cotton by mills in the first nine months amounted to 46.12 lakh bales as against 45.87 lakh bales in the previous season. Recent indications are that mill demand is rising aided by larger export orders for yarn, revival in the local piece-goods markets and concessions granted to benefit the weaker units in the 1969-70 Budget. The Cotton Advisory Board, therefore, estimates the consumption higher at about 62.50 lakh bales during 1968-69 season as against the actual consumption of 61.66 lakh bales during 1967-68. The closing stocks, thus, are likely to be lower than in the previous season.

Cotton prices continued to move up almost unabated during the 1968-69 season. The all-India index number of raw cotton (*base :* 1952-53=100) moved up from 173 in August 1968 to 179 in November 1968. Though the index declined to 176 in December it again moved up to 196 in August 1969. As compared with last year, the index was higher by 13.7 per cent.

In the Bombay cotton market, spot@ prices, except for some easiness during October-December 1968, ruled generally firm during 1968-69. Prices for the new crop opened higher due to keen mill demand and reports that the U.A.R. had increased its cotton export prices by 14-17 per cent. Prices of most varieties, however, eased between October 7 and December 19, 1968 due to increased arrivals, bright crop prospects, slack mill demand and on fears of reduced mill consumption following the 16 per cent

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

power cut imposed by the Government of Maharashtra. About the middle of December, adverse weather conditions led to a downward revision of the crop estimate by the trade. The Government of India had also in early December refused the East India Cotton Exchange, permission to resume hedge trading in cotton during the current season. Since then, prices have ruled firm. The main factors for this firmness were the lower production estimate and lagging imports. Higher mill and spinner demand induced by hopes of relief to the cotton industry in the 1969-70 Budget (since materialised) as also reports of large yarn export orders, delay in the authorisation for import of U.S. cotton under P.L. 480 and reports of damage to crop in South India were other contributory factors. M. G. Khandesh Virnar 22mm (28/32") fine rose from Rs. 1200 per three quintals on June 29, 1968 to Rs. 1333 on September 23 and after remaining steady till the end of September declined to Rs. 1139 on December 19. Thereafter, it rose almost continuously to Rs. 1391 on August 30, 1969. M. G. Cambodia (B) 25mm (1") fine also rose from Rs. 1465 on June 29, 1968 to Rs. 1848 on September 23, declined to Rs. 1551 on January 31, 1969 and again rose to Rs. 1678 on May 23. However, due to prospects of arrivals of U.S. P.L. 480 cotton, prices declined and closed at Rs. 1636 on August 30.

Table 8. Spot Prices of Cotton (Selected Varieties) in the Bombay Market

(Rs.)

Variety	Unit	Minimum support price 1968-69	September 23, 1968	December 19, 1968	August 30, 1969
		(1)	(2)	(3)	(4)
M. G. Khandesh Virnar 22mm (28/32") (fine)	Three Quintals	912	1333	1139	1391
M.G. A. K. 235 & 277 22mm (28/32") (fine)	,,	939	N.Q.	1139	1366
M. G. Cambodia (B) 25mm (1") (fine)	,,	1122	1848	1569	1636

N.Q. = Not quoted.

The Government of India announced its cotton policy for the 1968-69 season (September-August) on August 31, 1968. No change was made in the policy of decontrol of prices which had worked satisfactorily in the previous season. However, the support prices for different varieties of indigenous cotton were fixed at levels ranging from 2 to 5 per cent higher than those fixed for the previous season. Due to an easy tone in prices of most varieties during October and November 1968, the Reserve Bank of India on November 26, removed completely the control on bank advances to cotton mills against the security of cotton and kapas. In case of parties other than cotton mills, the minimum margin was continued at 25 per cent of the value of stocks but the limits on advances to them were fixed on a six-monthly basis instead of quarterly basis. Accordingly, the ceiling on advances to parties other than mills, during the six-month period November 1968 to April 1969 was fixed at a level which was not to exceed 110 per cent of the peak level of such advances reached in the corresponding six-month period in 1967-68. The ceiling for the subsequent six-month period from May 1969 to October 1969 was fixed at 100 per cent of the peak level of such advances reached in the corresponding period of 1968. However, due to the continuous rise in prices after mid-December 1968, the Reserve Bank of India on May 3, 1969 increased the minimum margin on commercial bank advances against cotton to parties other than mills and growers' co-operative societies, to 50 per

cent and also provided that in respect of limits granted before May 5, 1969, this margin shall be effective not later than May 20, 1969. The ceiling on such advances during the six-month period May-October 1969 has been reduced to 85 per cent of the peak level of such credit reached in the corresponding period of 1968. The restrictions on mills from holding stocks of indigenous cotton beyond 3½ months' average consumption in case of those situated in Bombay and Ahmedabad, 5 months' for mills situated at distant places like Assam or which export 20 per cent or more of their production or are meeting the demands of Defence, and 4½ months' consumption for mills situated elsewhere, were continued during 1968-69 season. From June 18, 1969, these restrictions were further tightened by one month except in the case of mills exporting 20 per cent or more of their packed production, which were permitted to continue to hold 5 months' stocks. In view of the difficulties experienced by the genuine trade, it was decided in October 1968 to allow trading in non-transferable specific delivery contracts in all varieties of cotton with a delivery period of upto 3 months and later in December 1968 the period was extended to 6 months. In regard to transferable specific delivery contracts, such contracts in respect of Bengal Deshi "for export" were permitted in December 1968 at the East India Cotton Association Ltd., Bombay, but the Association considered them unworkable and did not commence trading in them. Hedge contracts continued to be prohibited.

Jute

According to the final estimate for the 1968-69 season, area under jute declined by 39.9 per cent to 5.29 lakh hectares and production by 51.7 per cent to 30.52 lakh bales. Area under mesta is estimated (second estimate) 14.8 per cent lower at 2.62 lakh hectares. Output of mesta, however, is tentatively estimated at 12.51 lakh bales showing a marginal increase over the previous year. The combined output at 43.03 lakh bales will thus be one of the lowest reached in recent years and it would be nowhere near the target of 90.42 lakh bales. The heavy shortfalls in area and the low level of production during 1968-69 were due partly to diversion of acreage to paddy and other crops and partly to adverse weather conditions in April-May and floods in Bengal and Assam during July and October 1968.

During 1968-69, the area cultivated with improved seeds was 7.66 lakh acres or about 57 per cent of the total area sown, as against a target of 8.25 lakh acres. Fertilizers were applied to only 2.7 lakh acres or 17.2 per cent of the sown area. For 1969-70, the Indian Jute Development Council has fixed a production target of 77.5 lakh bales (64.5 lakh bales of jute and 13.0 lakh bales of mesta). To achieve this target, it is proposed to raise the area under the special package programme from 7,000 acres to 45,000 acres of which 50 per cent is proposed to be brought under irrigation with the help of ground and sprinkler irrigation. Under the normal jute development programme, it is proposed to bring 3.60 lakh acres under improved seeds, 1.05 lakh acres under line sowing and 8.10 lakh acres under fertilisers through the existing extension organizations of the various State Governments. For the final year of the Fourth Plan, a target of 74 lakh bales has been fixed for jute and 17 lakh bales for mesta making a total of 91 lakh bales.

Due to larger sown area and congenial weather conditions at the time of sowing, a bumper crop of around 78-80 lakh bales is expected during 1969-70. To forestall any resulting decline in prices, the State Trading Corporation has been asked to undertake buffer stock operations and purchase around 12 lakh bales. The minimum support price has been maintained at the previous season's level, *i.e.*, Rs. 107.17 per quintal for Bottom Grade of Assam Variety of Jute delivered at Calcutta.

Due to the increased production in 1967-68, imports during that year were reduced drastically to 0.17 lakh bales from 16.53 lakh bales in the previous season. The position, however, was reversed in the 1968-69 season. Imports upto April 1969 totalled 6.29 lakh bales as against only 0.16 lakh bales during the corresponding period of last season. The 1968-69 season also started with higher opening stocks estimated at 19.15 lakh bales. But in view of

the shortfall in the domestic production, the total supply would be only around 70 lakh bales as against 93.81 lakh bales in the 1967-68 season.

During 1968-69, export commitments to the U.S.S.R under the 1968 Trade Plan Provision, aggregated 0.95 lakh bales. Exports of raw jute during 1967-68 amounted to 1.01 lakh bales. Mill consumption during 1967-68 improved only marginally by 1.07 lakh bales to 73.08 lakh bales but in 1968-69, it is expected to fall steeply by over 10.50 lakh bales to 62.50 lakh bales due to the voluntary cut in consumption effected by IJMA mills and the issue of maximum purchase quotas by the Jute Commissioner. Consumption by IJMA mills during the 1968-69 season totalled only 53.70 lakh bales as against 60.53 lakh bales in the previous season.

Prices of raw jute which ruled easy during the major part of 1967-68 season started firming up since end-April 1968 on apprehensions of a meagre crop in 1968-69. Due to the steep fall in domestic production, prices ruled firm almost throughout the 1968-69 season. The all-India index number of wholesale prices of raw jute (*base :* 1952-53=100) which stood at 214 in March 1968, moved up to 244 in June 1968 and further to 345 in December; subsequently, though the index declined to 310 in June 1969, as compared with last year, it was still higher by 27 per cent.

In Calcutta, prices of raw jute (basis Assam Bottoms) which were ruling firm since March-end 1968 moved up further by stages to reach the highest level of the season at Rs. 210.32 per quintal on December 24, 1968 ; this level was almost twice the minimum support level of Rs. 107.17. Though prices ruled at high levels since then, they did not rise further due to increased imports and subsequent releases of raw jute by the Jute and Jute Goods Buffer Stock Association (J.& J.G.B.S.A.) and lower maximum purchase quotas issued by the Jute Commissioner. During the period July 1, 1968 to March 5, 1969, prices increased by Rs. 77.70 to Rs. 208.98 as against a fall of Rs. 21.44 in the corresponding period last season. Since March 5, 1969, prices tended to decline due to reports of larger sown area, beneficial rains and consequent expectations of a bumper and early crop in the 1969-70 season. Prices firmed up in June due to relaxation of production restrictions, higher purchase quota, reports of floods in Assam and dry spell in West Bengal. As on June 28, though Assam Bottoms was quoted at Rs. 200.94 per quintal, *i.e.*, higher by Rs. 69.66 than the corresponding level a year before, the outlook for prices in 1969-70 continues to remain easy.

The policy measures which were oriented to stem the downtrend in prices during the 1967-68 season were reversed and the emphasis during the 1968-69 season was on checking the continued uptrend in prices. The minimum support price which was increased by Rs. 13.40 to Rs. 107.17 per quintal (basis Assam Bottoms) for the 1967-68 season was continued for the 1968-69 season as well. However, in order to provide incentives for production of superior grades, higher price differentials for superior varieties were fixed. The system of minimum purchase quotas reintroduced in 1967-68 (after 3 seasons) was discontinued from May 1968 and maximum monthly purchase quotas were issued by the Jute Commissioner during 1968-69. Further, ready purchases were restricted to 25 per cent of quota. The Jute Buffer Stock Association which had earlier, as a price support measure, purchased 6.72 lakh bales, decided to release its entire stock in four equal monthly instalments from May 1968 onwards. The IJMA asked its member mills to curtail voluntarily consumption by 10 per cent. To check excessive speculation leading to spiralling prices, the East India Jute and Hessian Exchange Ltd., in August 1968 imposed penal curbs on futures trading in raw jute and jute goods. Limits on weekly price fluctuations imposed in the previous month were continued ; rates of margin were increased and free trading limits reduced. In September 1968, the Forward Markets Commission imposed deterrent special margins on transferable and non-transferable specific delivery contracts for both raw jute and jute goods. The Reserve Bank, on October 26, 1968 fixed ceiling and prescribed minimum margins

Table 9. Jute

(In thousand bales of 180 kgs. each)

Year (July-June)	Production			Imports	Consumption *a*	Exports	Stocks *b*
	Jute	Mesta	Total				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950-51	3309*c*	..	3309*c*	2598	5851	1	1021
1955-56	4232	1162	5394	1482	6916	..	1471
1960-61	4134	1129	5263	416	6451	..	869
1964-65	6021	1583	7604	528	8344	101	2016
1965-66	4471	1285	5756	1210	7863	101	1169
1966-67	5358	1221	6579	1653	7403	202	1865
1967-68	6320	1130	7450	17	7510	101	1915
1968-69	3052	1251*d*	4303	629*e*	6452*f*	94*f*	N.A.

N.A. = Not available.
a — Includes village consumption.
b — Includes stocks with the JBSA and other stockists.
c — Including mesta.
d — Tentative estimate for mesta by the Regional Office (Jute Development).
e — Upto April 1969.
f — Estimated.

Note : Production data for 1964-65 to 1967-68 are partially revised estimates and for 1968-69 final estimates.

Source : Columns 1-3, Crop Estimates. Columns 4-7, Regional Office (Jute Development), Ministry of Food, Agriculture, Community Development and Co-operation, (Department of Agriculture), Government of India.

for bank advances against raw jute to parties other than jute mills. In December 1968, the Jute (Licensing and Control) Order, 1961 was amended under the Essential Commodities Act, 1955 to confer powers on the Central Government to control the production of jute textiles to the availability of raw jute. The Government was also reported to have decided to permit import of more jute. At the same time the Food Corporation of India and the Director General, Supplies and Disposals, were asked to stagger their offtake of bags. The cement industry was also urged to use second-hand bags. To ease the pressure on local jute stocks, the minimum purchase quotas issued for February and March 1969 specified a compulsory purchase of 75,000 bales of imported fibre from the J. & J.G.B.S.A. with an option to mills to draw upon such stocks to the maximum extent of their quotas. Despite these measures, the 1968-69 season witnessed an acute shortage in jute fibre supply and substantial rise in prices of raw jute. In view of the prospects of a bumper crop in 1969-70 and to meet the increased internal demand for bags, the restrictions on production of standard jute goods introduced in December 1968 were relaxed from June 1, 1969.

Oilseeds

The all-India final estimate has placed the production of groundnut, sesamum and castorseed during 1968-69 at 4.48 million tonnes, 0.41 million tonnes and 0.11 million tonnes showing declines of 21.9 per cent, 6.9 per cent and 8.1 per cent, respectively over the partially revised estimate of 1967-68. The decline in production is attributed partly to the decline in area and partly to unfavourable weather conditions during the period of crop growth. Official estimates

of production for rapeseed and mustard and linseed are not yet available. The all-India second estimate for 1968-69 has placed the area under rapeseed and mustard and linseed at 1.34 million hectares and 1.03 million hectares showing a rise of 3.2 per cent and 6.6 per cent, respectively, over the corresponding adjusted estimate of 1967-68. The overall output of all the five major oilseeds, however, is expected to show a substantial decline as compared to 1967-68.

Table 10. Oilseeds

Year (November-October)	Production (Million tonnes)	Imports (April-March) (tonnes)	Exports (April-March) (tonnes)
	(1)	(2)	(3)
1950-51 ..	5.16	..	..
1955-56 ..	5.73	..	..
1960-61 ..	6.98	16	49,317
1965-66 ..	6.35*	6,998	435
1966-67 ..	6.42*	4,438	327
1967-68 ..	8.24@	5,165	10,176

Note : Production relates to groundnut, sesamum, rapeseed and mustard, linseed and castorseed. Imports and exports relate to all oilseeds.
* Partially revised estimates.
@ Final estimate.

Source : Regional Office, Oilseeds Development, Government of India.

The oilseeds development programmes such as the Centrally Sponsored Scheme, the State Sponsored Package Programme and Integrated Oilseeds Development Scheme were continued. Under the Centrally Sponsored Scheme, an area of 4 lakh hectares under groundnut was covered in eight States and an estimated additional production of 2.76 lakh tonnes was achieved during 1967-68. The Scheme was extended to three more States during 1968-69 and covered a total area of 6.28 lakh hectares.

The total area brought within the purview of the Package Programme, went up by 0.25 lakh hectares to 1.84 lakh hectares in 1968-69.† This was, however, considerably below the target of 2.88 lakh hectares laid down under the Scheme. All States except Assam and Jammu & Kashmir were covered by the Integrated Oilseeds Development Scheme during 1967-68. An area covering 22.44 lakh hectares under groundnut and 6.46 lakh hectares under other oilseeds was brought under the programme during 1967-68 and an estimated additional production of 5.26 lakh tonnes and 1.31 lakh tonnes, respectively, was achieved. During 1968-69,† the Scheme has covered an area of 15.50 lakh hectares under groundnut and 2.09 lakh hectares for other oilseeds. A production target of 10.5 million tonnes of oilseeds is envisaged at the end of the Fourth Plan period through better agronomic practices and effective use of irrigation.

The decline in oilseeds prices witnessed during 1967-68 was not maintained during 1968-69. The all-India index number of wholesale prices of oilseeds (*base:* 1952-53=100) which stood at 274.2 in October 1968 declined to 247.7 in December 1968 following the arrival of the new crop but as the season advanced, it firmed up to 335.2 in August 1969 ; this level was higher by 34.6 per cent than the level a year ago.

In view of the comfortable supply position of oilseeds and vegetable oils during the 1967-68 season, Government permitted the export of HPS groundnut kernels within a limited ceiling from October 1967 to September 1968. In September 1968, Government permitted for a further period of one year the export of both HPS groundnut kernels and HPS groundnut-in-shell with a limited ceiling. The ban on the export of rapeseed and mustard, groundnut and mustard oils and vanaspati was also lifted in 1968 and exports within limited ceilings were permitted. Export of sesamum, kardiseed and nigerseed was delicensed in May 1968 and that of HPS groundnut kernels and HPS groundnut-in-shell in March 1969. During 1967-68 (April-March), a total quantity of 10,176 tonnes of oilseeds valued at Rs. 16.4 million and 7,272 tonnes of vegetable oils valued at Rs. 24.5 million were exported. A quantity of 52,000 tonnes of soyabean oil used in the manufacture of vanaspati was imported during 1967-68. The levy on groundnut oil in operation in Gujarat was suspended initially from March 10 to June 1, 1968 and thereafter from time to time till November 30, 1968. The levy

† Figures relate only to the kharif season.

for the 1968-69 season was imposed from December 1, 1968 at 15 per cent as against 20 per cent during 1967-68.

On apprehensions of a lower output of oilseeds during the 1968-69 season and also in view of rise in prices of oilseeds and vegetable oils, the Reserve Bank of India, effective November 8, 1968, raised the minimum margin requirements on commercial banks' advances against all oilseeds (excluding cottonseed) and vegetable oils (including vanaspati) from 35 per cent to 45 per cent. For registered oil mills and vanaspati manufacturers, the margins were increased from 25 per cent to 35 per cent. The minimum margin on advances against official warehouse receipts in respect of oilseeds was retained at 25 per cent. The minimum margin for advances in respect of solvent extraction units and for integral oil expeller mills with solvent extraction plants was retained at 25 per cent. On May 22, 1969, the minimum margin requirements for the above items were further raised from 45 per cent, 35 per cent and 25 per cent to 50 per cent, 40 per cent and 35 per cent, respectively. The margin of 25 per cent in respect of advances to solvent extraction units and integral oil mills with solvent extraction units, however, continued. The ceiling restrictions were also correspondingly tightened. Thus, the ceiling for two-month periods commencing May-June 1969 on advances against groundnut, other oilseeds and vegetable oils (including vanaspati) was reduced from 100 per cent to 80 per cent of the corresponding level of such advances in 1967.

Trading in hedge contracts in groundnut and groundnut oil which was suspended by the Forward Markets Commission since 1964-65 continued to remain suspended during the 1968-69 season also. Trading in non-transferable specific delivery contracts, however, continued to be permitted through recognised Associations. In respect of other oilseeds where futures trading was permitted by the F.M.C., it was subjected to the imposition of margins, fixation of ceilings on the outstanding long position, *etc.*, with a view to curb excessive speculation.

Sugar

The all-India final estimate of sugarcane for 1968-69 places the area under sugarcane at 2.5 million hectares and production (in terms of gur) at 12.0 million tonnes showing increases of 20.2 per cent in area and 22.7 per cent in production over 1967-68.

Production of sugar during the 1968-69 season (October-September),* upto August 31, 1969, aggregated 35.36 lakh tonnes as against 22.48 lakh tonnes during the whole of 1967-68 season; the entire season's production is expected to be around 35.60 lakh tonnes. Exports of sugar have been declining since 1966-67. During the first nine months of the 1968-69 season, exports of sugar amounted to only 0.76 lakh tonnes as against 1.39 lakh tonnes during the entire 1967-68 season.

In the draft Fourth Five-Year Plan, the target for 1973-74 for sugarcane has been set at 15 million tonnes (in terms of gur) and that for sugar at 47 lakh tonnes.

The policy of partial decontrol adopted by the Government in August 1967 was continued in 1968-69 season also. However, the percentage of production to be acquired by Government at a fixed levy price was raised from 60 per cent to 70 per cent leaving the balance 30 per cent to be sold in the free market subject to regulation of releases by Government. In view of the higher sugar output in 1968-69 season, the monthly levy quota was raised from 1.26 lakh tonnes in January 1969 to 1.51 lakh tonnes in April, to 1.58 lakh tonnes in May and to 1.89 lakh tonnes in September. The open market quota was also raised from 70,000 tonnes in January 1969 to 85,000 tonnes in March, to 90,000 tonnes in May, to 95,000 tonnes in June and to 1.00 lakh tonnes in September. Despatches of sugar from factories, both for internal consumption and exports, during the first nine months of the 1968-69 season (October-September) totalled 19.58 lakh tonnes as compared with 17.40 lakh tonnes during the corresponding period last season and 23.50 lakh tonnes during the entire 1967-68 season. The minimum price of sugarcane for 1968-69 season was continued at

* On September 30, 1967, the Government of India notified the sugar year as beginning on the 1st day of October and ending on the 30th day of September next following.

Rs. 7.37 per quintal linked to a recovery of 9.4 per cent with the same premium for increase in recovery as in 1967-68, *viz.*, 5.36 paise per quintal for every increase of 0.1 per cent for recovery above 9.4 per cent. The reduced excise duty of Rs. 28.65 per quintal was also continued upto February 28, 1969. In the 1969-70 budget, the excise duty on sugar was changed from the specific rate of Rs. 28.65 per quintal into an *ad valorem* rate of 23 per cent. However, in view of the difficulties caused by frequent fluctuations in the price of free market sugar, the Government of India fixed the tariff value of free sale sugar at Rs. 200 per quintal for the purpose of assessment of the *ad valorem* duty with effect from June 16, 1969. The tariff value was reduced to Rs. 190 from July 21, 1969 and further to Rs. 160 from August 21, 1969. As in 1967-68, the ex-factory prices of sugar were fixed on the basis of the five zones and the schedules of cost recommended by the Sugar Enquiry Commision.

Under the system of partial decontrol covering releases of quota for controlled distribution through fair price shops and for sale in the open market, two sets of prices started operating, *viz.*, controlled or levy prices and open market prices.

The ex-factory prices of sugar fixed by the Government for different States were revised during 1968-69 season from time to time; the latest revision was made on July 29, 1969 and the price of ISS D-29 grade of sugar, with reference to which the price differentials of various grades of sugar are specified, was fixed at levels ranging from Rs. 141.30 to Rs. 175.28 per quintal. The all-India index number of wholesale prices of sugar (*base:* 1952-53=100) which stood at 199.6 in October 1968 came down to 197.8 in March 1969 but again rose to 198.0 in April and stood at that level in August. As compared to the level a year ago, the index was lower by about 1 per cent.

In the open market, prices ruled easy during the major part of the 1968-69 season. In October 1968, the price of C-30 variety in Bombay declined sharply on bearish outlook, reaching Rs. 282 per quintal at the end of the month. From November, prices showed a generally upward trend owing to pressure of demand and after the introduction of the Union Budget for 1969-70 on February 28, 1969 which provided for the conversion of the specific excise duty on sugar to an *ad valorem* rate of 23 per cent, the price shot up to Rs. 372 per quintal. But following the announcement on March 19, 1969 of release of higher monthly levy and open market quotas, the price dropped to Rs. 338 per quintal on March 22, 1969. Thereafter, prices ruled distinctly easy, the bearish sentiment deriving in a large measure from higher sugar production in the 1968-69 season. In the last week of September, the price ruled at Rs. 210-211 per quintal.

Table 11. Sugar

(In lakh tonnes)

Year (October-September)	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
1965-66	12.1	35.41	—	3.92	27.92	12.16
1966-67	9.5	21.51	—	2.35	25.95	5.37
1967-68	9.8	22.48	—	1.39	22.11	4.35
1968-69	12.0	35.36 (up to August 31, 1969)	—	0.76 (up to June 30, 1969)	18.82 (upto June 30, 1969)	..

* November-October.
Source : Directorate of Sugar and Vanaspati, Government of India.

Coffee

The production of coffee during 1967-68 declined to 70,500 tonnes from the level of 78,300 tonnes in the previous year, registering a fall of 10 per cent. During 1968-69 also the crop is expected to be lower at 70,000 tonnes.

The total quantity of coffee released from the pool for internal consumption during 1968 was 35,822 tonnes as against 36,485 tonnes during 1967.

Table 12. Coffee

(Thousand tonnes)

Year	Production	Consumption*	Exports**
	(1)	(2)	(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 ..	61.0	35.2	23.0
1965-66 ..	63.9	36.9	28.8
1966-67 ..	78.3	35.5	35.0
1967-68 ..	70.5	36.5	29.8
1968-69 ..	70.0@	35.8	32.0@@

* Coffee released for consumption during the calendar years.
** Export of coffee during the season.
@ Subject to revision.
@@ Allocation.
Source: Coffee Board.

Export of coffee during 1967-68 at 29,755 tonnes showed a sharp decline of 15 per cent over the previous year. For 1968-69, a higher quantity of 32,000 tonnes has been allotted for export. For the coffee year 1968-69 (October-September) the International Coffee Organization has allotted to India a quantity of 21,686 tonnes for export to quota countries.

The coffee development plan initiated in 1956 by the Coffee Board continued to be in operation. During the three years 1966-67 to 1968-69, a sum of Rs. 27.8 lakhs was sanctioned for intensive cultivation. The total loans sanctioned since 1956-57 under this head aggregated Rs. 85.6 lakhs. A new scheme of granting long term loans to registered growers in all acreage groups for replanting has also come into operation since the end of 1967-68.

Tea

Production of tea during 1968 amounted to 398.2 million kgs. registering an increase of 4.1 per cent over the previous year. The quantity of tea exported, however, declined by 2.1 per cent from 213.7 million kgs. in 1967 to 209.3 million kgs. in 1968.

Table 13. Tea

(Million kgs.)

Year	Production	Exports
	(1)	(2)
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	366.4	199.4
1966	376.0	179.2
1967	382.5	213.7
1968	398.2*	209.3*

* Provisional.

Source : Tea Board.

During 1968-69, the index of wholesale prices of tea which declined gradually from 215.8 in July 1968 to 177.4 in April 1969, went up to 226.3 in June 1969. However, as compared with the level a year ago, the index was lower by 10.6 per cent.

Under the Tea Plantation Scheme which has been in operation since 1962, 323 applications for loans totalling Rs. 19.05 crores were received till the end of March 1969. Of these, 152 applications for loans aggregating Rs. 6.81 crores were sanctioned by the Tea Board.

Tobacco

The output of tobacco during 1967-68 at 3.44 lakh tonnes was lower by 2.3 per cent than in 1966-67 (3.52 lakh tonnes) due partly to the decrease of 4 per cent in acreage and partly to unfavourable seasonal conditions. The wholesale price index (1952-53=100) of raw tobacco showed a substantial rise of 67.5 per cent in 1968-69 (March-February seasonal average) as against a fall of 1.3 per cent during 1967-68. The steep rise in tobacco prices was attributed mainly to lower production, decline in stocks and increased internal demand during the year.

Exports of unmanufactured and manufactured tobacco which were at 56.8 million kgs. during 1967-68, declined to 54.0 million kgs. in 1968-69.

INDUSTRIAL

During the fiscal year 1968-69, national income at 1960-61 prices is estimated to have risen by about 3 per cent. The foodgrains output is estimated to be marginally lower at 94 million tonnes because of adverse weather conditions. Among major foodgrains, while rice output was maintained at last year's level, output of wheat is estimated to have registered a sizeable increase reflecting the encouraging result of new agricultural strategy. Agricultural production is, however, expected to register a marginal decline, mainly as a result of declines in the output of important raw materials, namely, raw cotton, raw jute and oilseeds.

There was a rise of 6 per cent in industrial production during the calendar year 1968 in contrast to near-stagnation witnessed in the two years 1966 and 1967. The recovery was aided by the improved availability of raw materials for agriculture-based industries and significant increases in consumer demand and in exports. In *basic industries*, output of coal, iron ore, cement, pig iron and finished steel showed a significant recovery largely due to rise in consumer demand. Increase in export demand also partly contributed to the rise in output of iron ore, pig iron and finished steel. Among the *capital goods* industries, recovery was noticed in respect of industrial machinery, automobiles and diesel engines. However, many items like railway wagons, construction machinery and machine tools continued to lag behind, and added to these, heavy electricals like power transformers and electrical motors have shown declines in output during 1968 after recording increases during the previous year. In *intermediate goods industries*, output of rubber manufactures and chemical industries registered sizeable increases due to better consumer demand. Output of jute manufactures declined due to decline in raw jute output in 1968-69 season. Among *consumer goods industries*, output of cotton and woollen textiles increased in response to improvement in raw materials supply and also in offtake for both internal consumption and exports.

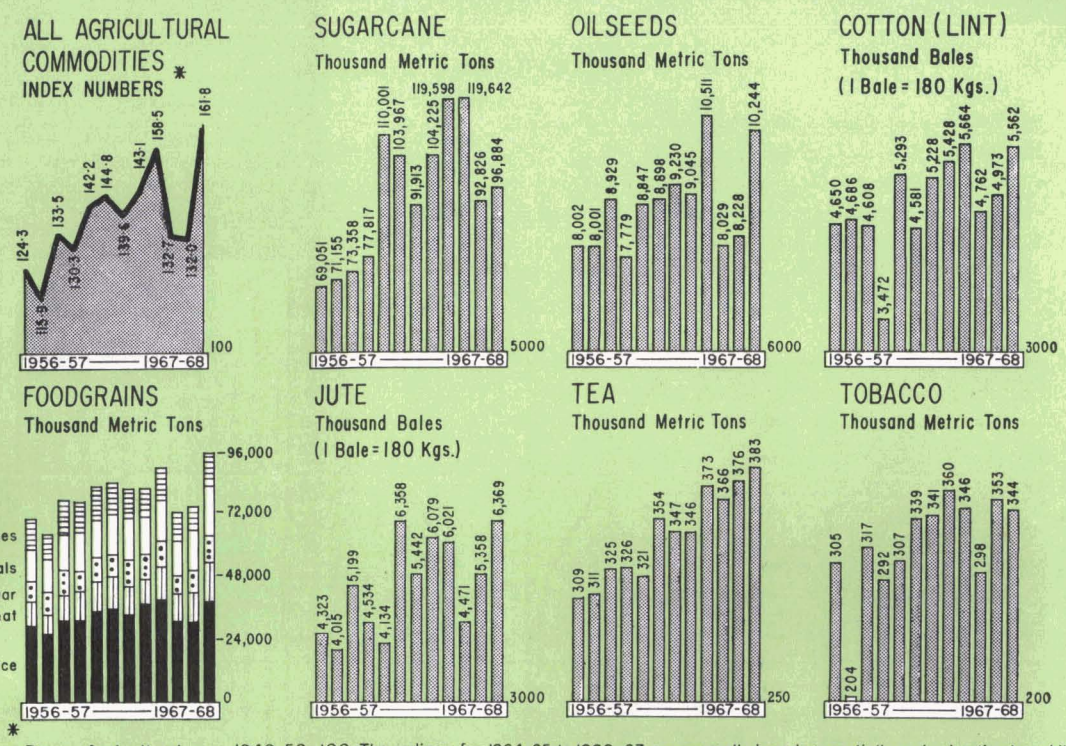
As for price trends, the foodgrains prices recorded a decline of 6.2 per cent during the year as against an increase of 2.9 per cent in 1967-68. Rice prices declined by 6.9 per cent while wheat prices showed a nominal increase of 0.4 per cent. Among agricultural raw materials, oilseeds, raw cotton and raw jute recorded steep increases of 22.2 per cent, 14.1 per cent and 58.0 per cent, respectively, reflecting shortfalls in their production during the year. Major manufactured items such as cotton textiles, jute textiles, oilcakes, with the notable exception of woollen manufactures, recorded increases in prices mainly as a result of sharp rise in the prices of raw materials.

Trends in National Income, Savings and Investment

According to C.S.O's provisional estimates, national income (i.e., net national product

GRAPH 5

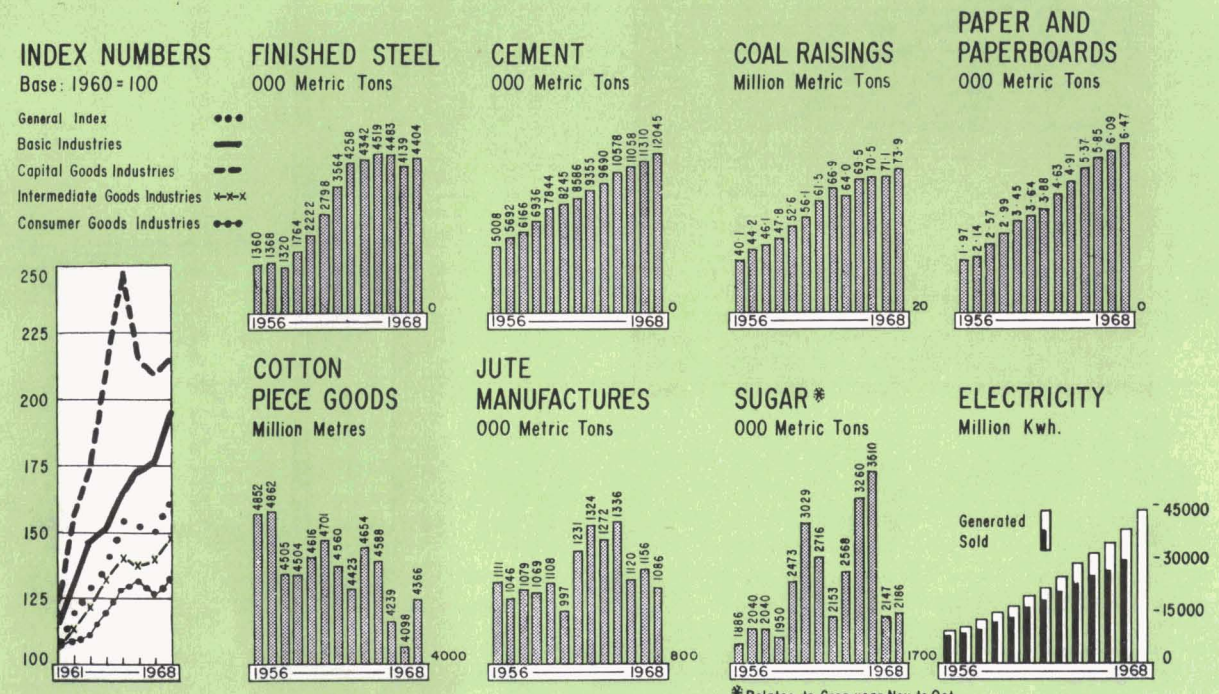
AGRICULTURAL PRODUCTION



* Base: Agricultural year 1949-50=100. The indices for 1964-65 to 1966-67 are generally based on partially revised estimates while those for 1967-68 are generally based on final estimates. The indices for these years are, therefore, subject to revision.

GRAPH 6

INDUSTRIAL PRODUCTION

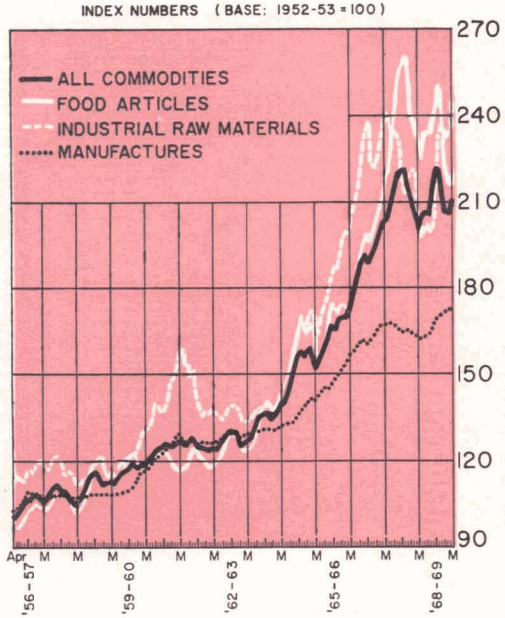


*Relates to Crop year Nov. to Oct.

GRAPH 7

WHOLESALE PRICES

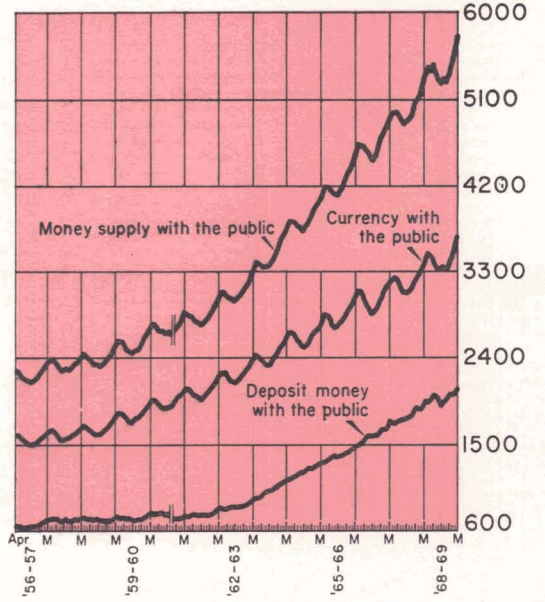
INDEX NUMBERS (BASE: 1952-53 = 100)



GRAPH 8

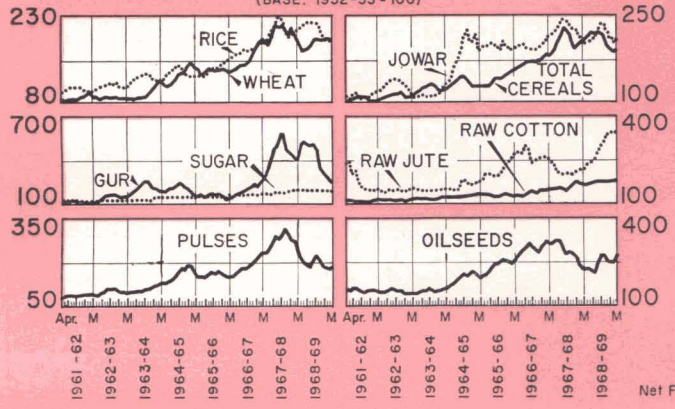
MONEY SUPPLY WITH THE PUBLIC

(AS ON LAST FRIDAY OF THE MONTH) Crores of Rupees

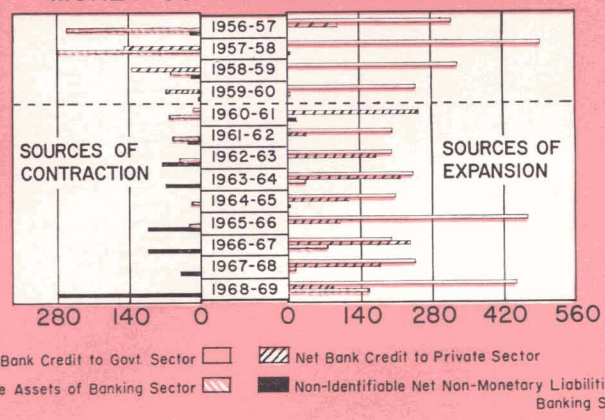


INDEX NUMBERS - IMPORTANT COMMODITIES

(BASE: 1952-53 = 100)



SOURCES OF VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC



at factor cost) for 1967-68 at constant prices (1960-61) aggregated Rs. 16,525 crores, recording an increase of 8.9 per cent over the 1966-67 level of Rs. 15,173 crores.* Expressed at current prices, national income in 1967-68 stood at Rs. 27,922 crores, registering a rise of 18.1 per cent over the previous year. During 1966-67, while national income at constant prices had registered a marginal increase of 0.9 per cent, at current prices it had recorded a rise of 14.9 per cent (see Table below).

Table 14. Sector-wise Trends in net national product (Revised Series)
At 1960-61 Prices

(National/Sectoral Incomes in Rs. crores)
(Per Capita Income in Rupees)

Group	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66†	1966-67†	1967-68†
1. Agriculture, forestry, logging and fishing ..	6822	6891 (+ 1.0)	6704 (— 2.7)	6898 (+ 2.9)	7519 (+ 9.0)	6421 (—14.6)	6411 (— 0.2)	7560 (+17.9)
2. Mining and quarrying, large scale manufacturing, small scale manufacturing, construction and electricity, gas and water supply	2688	2885 (+ 7.3)	3098 (+ 7.4)	3393 (+ 9.5)	3593 (+ 5.9)	3651 (+ 1.6)	3670 (+ 0.5)	3689 (+ 0.5)
3. Transport and communication and trade, storage, hotels and restaurants	1883	2014 (+ 7.0)	2130 (+ 5.8)	2296 (+ 7.8)	2432 (+ 5.9)	2478 (+ 1.9)	2527 (+ 2.0)	2609 (+ 3.2)
4. Banking and insurance, real estate and ownership of dwellings, public administration and defence and other services	1987	2101 (+ 5.7)	2245 (+ 6.9)	2413 (+ 7.5)	2546 (+ 5.5)	2649 (+ 4.0)	2725 (+ 2.9)	2834 (+ 4.0)
5. **Net national product@ at factor cost .. ..**	**13308**	**13795 (+ 3.7)**	**14067 (+ 2.0)**	**14889 (+ 5.8)**	**15945 (+ 7.1)**	**15045 (— 5.6)**	**15173 (+ 0.9)**	**16525 (+ 8.9)**
6. Per capita net national product	306.7	310.7 (+ 1.3)	308.8 (— 0.6)	319.2 (+ 3.4)	333.6 (+ 4.5)	307.3 (— 7.9)	302.4 (— 1.6)	321.3 (+ 6.2)
(At Current Prices)								
**Net National Product at factor cost .. .. ..

Consequent upon the sharp increase in the contribution made by the 'agricultural' group, the relative share of the group in the net domestic product at 1960-61 prices increased from 41.8 per cent in 1966-67 to 45.3 per cent in 1967-68. The relative shares of all other groups declined during the year. (See Table below).

Table 15. Net domestic product by industry of origin at 1960-61 Prices
Percentage distribution

Industry	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66*	1966-67*	1967-68*
1. Agriculture, forestry, logging and fishing ..	51.0	49.6	47.3	46.0	46.8	42.3	41.8	45.3
2. Mining and quarrying, large scale manufacturing, small scale manufacturing, construction and electricity, gas and water supply	20.1	20.8	21.9	22.6	22.3	24.0	23.9	22.1
3. Transport and communication and trade, storage, hotels and restaurants	14.1	14.5	15.0	15.3	15.1	16.3	16.5	15.6
4. Banking and insurance, real estate and ownership of dwellings, public administration and defence and other services	14.8	15.1	15.8	16.1	15.8	17.4	17.8	17.0
Total ..	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Figures for 1965-66, 1966-67 and 1967-68 are provisional.

Real national income per capita, which had declined by 7.9 per cent in 1965-66 and by 1.6 per cent in 1966-67, recorded an increase of 6.2 per cent in 1967-68 from Rs. 302.4 to Rs. 321.3. At current prices, the increase in per capita income works out to 15.2 per cent, from Rs. 471.2 in 1966-67 to Rs. 542.9 in 1967-68.

As for trends in savings and investment, the rate of domestic savings in the economy, according to the Annual Plan for 1968-69, had declined from about 10.3 per cent in 1965-66 to 8.2 per cent in 1966-67 and further to 7.8 per cent in 1967-68 but improved to 8.8 per cent in 1968-69. The rate of investment, which had declined from over 13 per cent in 1965-66 to 11.3 per cent in 1967-68, remained stationary around 11.3 per cent in 1968-69 also.

I. BASIC INDUSTRIES

(i) Coal

The output of coal (including lignite) during 1968 is estimated to have increased by 3.2 per cent to 73.39 million tonnes from 71.11 million tonnes in 1967. Of the total increase, about one million tonnes (from 15.95 million tonnes to 16.89 million tonnes) was accounted for by coking coal. The increase in coal output was attributed to revival of demand from the principal coal-consuming industries like steel, cement and textiles whose output also revived during the year. Increased exports also contributed to the rise in output. Total despatches during the calendar year 1968 aggregated 64.91 million tonnes as against 63.54 million tonnes in 1967. Exports of coal during 1968 aggregated 5.2 lakh tonnes as against 3.6 lakh tonnes in 1967. Rail facilities for coal transport were by and large satisfactory during the year. The stocks at the end of December 1968 at pit-heads were estimated at 6.0 million tonnes as against 5.6 million tonnes at the end of 1967.

Of the total output in 1968, the private sector, according to provisional figures, accounted for 53.70 million tonnes or 73.1 per cent and the public sector for 19.74 million tonnes or 26.9 per cent. In 1967, the private sector's contribution was 76.2 per cent and public sector's 23.8 per cent.

Table 16. Coal (Including Lignite)

(Million tonnes)

Year	Production	Year-end stocks (at Pit-heads)
1	2	3
1951	34.9	2.8
1956	40.1 (+3.0)@	2.8
1961	56.1 (+8.0)@	3.3
1962	61.5 (+9 6)	3.5
1963	66.9 (+8.8)	4.7
1964	64.0 (−4.3)	5.0
1965	69.5 (+8.6)	4.6
1966	70.5 (+1.4)	5.4
1967	71.1 (+0.9)	5.6
1968	73.4* (+3.2)	6.0

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

@ Represent annual average percentage changes over the previous year in the Table.

* Revised

With a view to compensating the producers of coking coal for the rise in production costs, particularly due to implementation of the Wage Board recommendations, Government announced in July 1968 an increase of Rs. 1.75 per tonne in the price of coking coal with an understanding to increase the price by another 75 paise after the scheme for coal sampling mutually acceptable to the coal and steel industries had been enforced. Simultaneously, Government imposed an excise duty of 75 paise per tonne on coking coal to build up a fund for the conservation and development of the coking coal industry. This would mean that steel plants, coal washeries and cokeries would pay Rs. 2.50 more per tonne for coking coal (including excise duty) and Rs. 3.25 per tonne when the sampling scheme is put into force. Similarly, prices of non-coking coal supplied to Railways were revised during the year. Prices of selected grade coals were raised by Rs. 2 per tonne and for grade I Re. 1 per tonne in West Bengal and Bihar. The price of grade II coal was negotiated separately and resulted in a reduction of Rs. 2.04 per tonne from the previous price. For outlying coal fields also price increase of Rs. 2 per tonne for selected grade and Re. 1 for grade I, with no increase for grades II and III, was subsequently agreed. The new price structure became effective from July 1, 1968.

Consequent upon the revision of prices, the Economic Adviser's Index Number of Wholesale Prices for coal (*Base :* 1952-53= 100) rose from 239.2 in the week ended March 30, 1968 to 241.7 in the week ended July 6, 1968. The index again moved up to 245.2 in July 27, 1968 and remained at that level till the end of the year under review. Over the year ended March 29, 1969, the index recorded an increase of 2.5 per cent as against an increase of 26.7 per cent recorded in 1967.

(ii) Iron Ore

The rising trend in the production of iron ore, which was interrupted in 1967 due to lower consumption by steel plants, was resumed in 1968. Output rose from 25.8 million tonnes in 1967 to 26.7 million tonnes in 1968 or by 3.5 per cent. Orissa, Goa, Bihar and Madhya Pradesh continued to be the chief producers accounting for more than 80 per cent of all-India output.

During 1968, despite increasing international competition, exports of iron ore registered a sharp increase both in volume and value. The volume rose from 13.5 million tonnes in 1967 to 15.7 million tonnes in 1968 (16.3 per cent), while the value rose from Rs. 75.6 crores to Rs. 87.5 crores (15.7 per cent). The export duty on iron ore was reduced in September 1968—the reduction ranging between 33⅓ per cent and 46 per cent for varying ore content. According to the revised scheme, all ore having an iron ore content of 60 to 63 per cent will be charged export duty at Rs. 6.0 per tonne as against Rs. 9.0 ; per tonne those having an iron ore content of 58 to 60 per cent will be charged at Rs. 5.0 per tonne as against Rs. 7.50 per tonne ; and those having an iron ore content of 58 per cent or below will be charged at Rs. 4.0 per tonne as against Rs. 7.0 per tonne charged hitherto. The Minerals and Metals Trading Corporation is the sole agency for the export of iron ore except in Goa where it operates side by side with the private shippers. The Corporation's share in the total exports increased to 8.6 million tonnes during 1968 from 8.5 million tonnes in 1967.

Table 17. Iron Ore

(Million tonnes)

Year	Production*	Percentage variation over the previous year	EXPORTS		Year-end Stocks
			Quantity	Value (Rs. crores)	
	1	2	3	4	5
1956	4.98	—	1.8	9.3	1.5
1961	12.28	+29.3@	3.3	17.9	3.4
1962	13.37	+ 8.9	8.8	33.5	2.5
1963	14.93	+11.7	9.3	35.4	2.1
1964	14.90 (21.4)	− 0.2	10.0	35.4	1.4
1965	16.90 (23.7)	+13.4 (+10.7)	11.3	39.4	1.9
1966	19.97 (26.8)	+18.2 (+13.1)	13.3	58.9	3.2
1967	18 91 (25.8)	− 5.3 (− 3.7)	13.5	75.6	3.8
1968†	20.47 (26.7)	+ 8.2 (+ 3.5)	15.7	87.5	3.6

* Excluding Goa, Daman and Diu.
@ Represents annual average percentage changes over the previous year in the Table.
† Provisional.
Note : Figures in brackets relate to output inclusive of the Union Territory of Goa.

In exports earning, iron ore accounts for more than 6 per cent of the total value. Japan continues to be the biggest buyer absorbing more than 70 per cent of India's iron ore exports. Though the increased steel production by Japan and European countries created greater opportunity for increasing exports, the continued closure of Suez Canal, the limitations on the availability of sized ore, inadequate port capacity and stiff competition from other producing countries continued to inhibit progress.

(iii) Cement

The deceleration in the rate of growth of cement production witnessed in 1966 and 1967 in the wake of fall in demand appeared to have been arrested in 1968. Total output of cement went up from 11.31 million tonnes in 1967 to 11.94 million tonnes in 1968, showing an increase of 5.6 per cent in 1968 compared with an increase of only 2.3 per cent in 1967. The rise in installed capacity in 1968 was also of a much higher order than in 1967. Thus installed capacity at the end of 1968 stood at 15.0 million tonnes, showing an increase of 17 per cent over the level at the end of 1967. The rise in installed capacity in 1967 was only 1.6 per cent.

Table 18. Cement

(Thousand tonnes)

Year	Installed capacity	Production	Year-end Stocks
1	2	3	4
1951	3,613	3,252	..
1956	5,795	5,008 (+10.8)@	110
1961	9,474	8,245 (+12.9)@	169
1962	9,728	8,586 (+ 4.1)	148
1963	10,285	9,355 (+ 9.0)	122
1964	10,768	9,690 (+ 3.6)	146
1965	11,694	10,578 (+ 9.2)	162
1966	12,581	11,058 (+ 4.5)	204
1967	12,781	11,310 (+ 2.3)	221
1968	14,960	11,943* (+ 5.6)	274

Note : Figures in brackets indicate the percentage variations over the preceding years.
@ Represent annual average percentage changes over the previous year in the Table.
* Revised.

On account of faster growth in capacity creation in cement industry, the capacity utilisation ratio came down from about 88 per cent in 1967 to 80 per cent in 1968. Despite an improvement in demand, the industry

continued to carry high stocks. Thus, year-end stocks, which had gone up from 204,000 tonnes at the end of 1966 to 221,000 tonnes at the end of 1967, rose further to 274,000 tonnes at the end of 1968. As proportion of output, the stock level increased from 2 per cent in 1967 to about 2.3 per cent in 1968, due to the slower rate of increase in offtake than in output.

Following the reimposition of distribution control on cement from January 1968, the administration of the control was entrusted to the Cement Corporation of India. However, subsequently, on account of some legal difficulties a Cement Controller was appointed to look after the distribution of cement. The country was divided into four regions for the purposes of administering the distribution control and each region was put under the charge of a Regional Cement Officer. During the year under review, certain changes were introduced in the framework of distribution control keeping in view the developing supply-demand relationship in different regions. The objectives of these changes were mainly to prevent certain units from exploiting the likely deficit in supply in certain centres, and to enable certain units to market their products over a larger area when these units found it difficult to dispose of their output locally. As for price, a three-tier retention price formula was in operation during 1968-69 in the industry. The uniform f.o.r. price system also continued. This ensures delivery of cement at all rail stations in the country at a uniform price.*

Export of cement, which has been organised through the State Trading Corporation, amounted to 1,94,473 tonnes by the end of 1968 earning Rs. 2.4 crores.

The Economic Adviser's Index Number of Wholesale Prices for cement (*Base :* 1952-53=100) increased from 192.4 at end-March 1968 to 202.9 at end-March 1969, recording a rise of 5.5 per cent. In 1967-68, the index had remained unchanged at the level of 192.4 throughout the previous year since the controlled prices had remained unchanged.

(iv) Pig Iron and Ferro Alloys

Production of pig iron and ferro alloys, which had declined by 2.5 per cent to 7.02 million tonnes in 1967 from 7.20 million tonnes in 1966, increased by 3.1 per cent to 7.24 million tonnes in 1968. The increase in output was partly due to a substantial increase in exports and partly to pick-up in the output of finished steel in the wake of a revival of activity in the engineering sector.

Table 19. Pig Iron and Ferro Alloys

(Thousand tonnes)

Year	Production		Stocks of *pig iron* with the producers at end of the year
	Pig Iron and Ferro Alloys	Saleable Pig Iron	
1951 ..	1829	350	61
1956 ..	1990 (+1.8)@	448 (+5.6)@	39
1961 ..	5101 (+31.2)@	1083 (+28.4)@	68
1962 ..	5917 (+16.0)	1117 (+3.1)	54
1963 ..	6742 (+13.9)	1184 (+6.0)	71
1964 ..	6742 (—)	1125 (−4.9)	61
1965 ..	7123 (+5.9)	N.A.	87
1966 ..	7196 (+1.0)	1050 (—)	226
1967 ..	7021 (− 2.5)	1100 (+4.7)	121
1968* ..	7242 (+ 3.1)	1460 (+32.7)	61

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

@ Represent annual average percentage changes over the previous year in the Table.

* provisional.

Production of saleable pig iron increased from 1.10 million tonnes in 1967 to 1.46 million tonnes in 1968. The increase would have been greater but for the closure of one of the blast furnaces at Bhilai for capital repairs for about six months. Comparative shortage was experienced in this foundry

* However, Government decided, in April 1969, to fix a uniform ceiling price of Rs. 100 per tonne. Government also announced its intention to remove all controls over the price and distribution of cement with effect from January 1, 1970. After the industry is decontrolled from 1970, the existing arrangement relating to freight pooling would be discontinued. Subsidy in respect of exports will also cease thereafter.

grade pig iron towards the latter part of the year.* Another reason for shortage was the export commitment of the Hindustan Steel Ltd.

To augment production, work on the sixth Blast Furnace complex under the Bhilai Plant comprising the first phase of the expansion was started in advance and is in progress. Exports during the first eight months of 1968-69 aggregated 0.50 million tonnes as against 0.63 million tonnes during the fiscal year 1967-68.

(v) Finished Steel

The declining trend in the output of finished steel noticed since 1966 was arrested in 1968. Steel output which had declined from 4.48 million tonnes in 1966 to 4.14 million tonnes in 1967 improved to 4.40 million tonnes in 1968, showing an increase of 5.3 per cent as against a decline of 7.7 per cent in 1967 and of 0.8 per cent in 1966. Even then, output in 1968 stood below the levels of 1965 and 1966. The increase in production was partly attributable to revival of activity in the engineering sector and partly to sizeable increase in exports. The increase of about 27 lakh tonnes in the finished steel output was entirely due to the Rourkela and Bhilai plants of Hindustan Steel Ltd., which have shown remarkable improvements in their output levels.

Though imports of all items of steel taken together have shown an increase from 0.48 million tonnes in 1967-68 to 0.55 million tonnes in 1968-69, those of tool and alloy steel items have registered a decline during the same period from 55 thousand tonnes to 41 thousand tonnes indicating an increase in the indigenous availability of these items.

Both on account of increased production and slow pace of recovery of the enginering sector, the overall availability of steel during 1968 was comfortable. However, during the latter part of 1968, shortages were experienced in respect of flat products and semis like billets. Besides, scarcity conditions also developed in respect of skelp/strips consumed by the tube industries. In respect of all these scarce commodities, Government, in consultation with the Joint Plant Committee, evolved a scheme for their equitable distribution. The J.P.C., in turn, carried out the allocation of B.P., G.P. and G.C. sheets to the various sponsoring authorities for distribution to actual users on the basis of allocations made earlier and planning there against on producers. In respect of skelp and strips for the tube industries, distribution was with reference to the installed capacity and export performance of individual tube manufacturing units. Incidentally, the supply position of skelp and strips improved considerably from early 1969 due to commissioning of the Durgapur Skelp Mill. Besides, in October 1968 Government prepared a phased programme of distribution in respect of all scarce categories of steel. The programme which was valid for initial period of six months envisaged placing 20 per cent of estimated output of scarce steel at the disposal of main producers to be divided equally for supplying to stockists in respect of their old pending orders and to the producers' own stock yards.

Table 20. Finished Steel

(Thousand tonnes)

Year	Production	Year-end Stocks
1951	1034	130
1956	1270 (+ 4.6)+	115
1961	2798 (+24.1)+	208
1962	3564 (+27.4)	187
1963	4258 (+19.5)	161
1964	4342 (+ 2.0)	166
1965	4519 (+ 4.1)	148
1966	4483 (— 0.8)	192
1967	4139 (— 7.7)	274
1968	4363* (+ 5.3)	237

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

† Represent annual average percentage changes over the previous year in the Table.

* Revised.

* To meet this shortage, the Joint Plant Committee evolved in April 1969 an equitable system of distribution of the available pig iron among all the units, reserving a small quantity to meet the needs of priority industries and new foundry.

The J. P. C., in consultation with Government, allowed an average increase of Rs. 57 per tonne in the prices of all categories of steel, effective July 31, 1968, so as to compensate the producers for the increased production costs, which were in turn due to increases in prices of coal and other raw materials and also in wage bills.

A noteworthy development concerning the steel industry during the year under review was its export performance. During the year 1968-69, exports of all items of steel are estimated at 0.95 million tonnes as against 0.60 million tonnes during the previous year. In fact, iron and steel items taken together have made the largest contribution to our foreign exchange earnings in the non-traditional sector in 1968-69. The major items exported were structurals, bars and rods and rails. Exports have been made not only to developing areas, such as South-East Asia, West Asia (including Iran) and Africa but also to the well-developed regions like Australia, New Zealand and the U.S.S.R. The public sector units played a significant role in the export performance. Out of the total estimated value of iron and steel exports of Rs. 63 crores during 1968-69, two-thirds (Rs. 44 crores) are estimated to have been contributed by Hindustan Steel Limited.

In pursuance of the policy of relaxation of controls, the manufacture of steel ingots and billets by concast plants was exempted in June 1968 from licensing restrictions under the Industries (Development and Regulation) Act.

II CAPITAL GOODS INDUSTRIES

Engineering and Metallurgical Industries

(i) Engineering Industries

The performance of the engineering sector during 1968 was encouraging due to the recovery of output in some engineering industries and notable export performance in many. The 'heavy mechanical engineering' group was in the grip of severe recessionary conditions during the years 1965 to 1967, resulting in heavy stock accumulation, sharp declines in output and increased underutilisation of rated capacity. Within the 'heavy mechanical' group, some industries like commercial vehicles and some items of industrial machinery made significant recovery during 1968. But the 'heavy electrical engineering' industries like 'power transformers' and 'electric motors', which were by and large unaffected by recession during earlier years, suffered during 1968 due to the financial stringency experienced by the State Electricity Boards. The 'light engineering industries,' both mechanical and electrical, were not so severely affected by recession, and during 1968, almost all of them made a steady advance. In their cases, there has been since long a total ban on imports. Besides, the liberalised licensing provisions permitting diversification in specified industries and excess production to the extent of 25 per cent over the licensed capacity as well as liberal licensing of raw materials for 'priority' industries helped many of these considerably. The slackness in domestic demand for many of the 'heavy engineering' products was offset to a significant extent by increase in exports.

Among 'light mechanical engineering' industries, the output of almost all commodities recorded increases during 1968. The output of 'ball and roller bearings,' 'bicycles' and 'stoves (non-pressure type)' registered substantial increases of 15.8 per cent, 12.4 per cent and 8.5 per cent respectively during the year on top of the respective increases of 9.8 per cent, 4.5 per cent and 37.9 per cent recorded in 1967. The output of "duplicators" and "crown corks" also recorded increases during the year though of a lower order of 7.6 per cent and 5.8 per cent respectively, but these increases came over and above the substantial rises of 47.8 per cent and 16.5 per cent respectively in the previous year. The production of "sewing machines," "rubber ply transmission and conveyor beltings" and "H.T. bolts and nuts" also witnessed increases of the order of 14.2 per cent, 11.7 per cent and 9.5 per cent respectively as compared with the declines of 10.9 per cent, 4.7 per cent and 27.7 per cent respectively in the previous year. The only major industry which registered a decline in output during 1968 was "typewriters," the decline being by 4.0 per cent as against a substantial increase of 13.3 per cent during 1967.

Table 21. Output of Light Mechanical Engineering Industries

Items	Unit	1965	1966	1967	1968*
	1	2	3	4	5
Ball and Roller Bearings	Million Nos.	8.3	9.2 (+10.8)	10.1 (+ 9.8)	11.7 (+15.8)
Typewriters	'000 Nos.	41.1	41.5 (+1.0)	47.0 (+13.3)	45.1 (− 4.0)
Rubber ply Transmission and conveyor Beltings	Tonnes	5,136	6,096 (+18.7)	5,808 (− 4.7)	6,485 (+11.7)
Bicycles	'000 Nos.	1,540	1,631 (+ 5.9)	1,704 (+4.5)	1,915 (+12.4)
Sewing Machines	,,	421	411 (− 2.4)	366 (−10.9)	418 (+14.2)
Duplicators	Nos.	5,412	3,240 (−40.1)	4,788 (+47.8)	5,150@ (+ 7.6)
Stoves (Non-Pressure type)	'000 Nos.	278.6	284.6 (+ 2.2)	392.4 (+37.9)	425.8 (+ 8.5)
Crown Corks	Million Nos.	1,022.4	1,134.0 (+10.9)	1,321.2 (+16.5)	1,398.0@ (+ 5.8)
H. T. Bolts and Nuts	Tonnes	5,277.9@	5,220.1@ (—1.1)	3,776.4@ (−27.7)	4,135.0@ (+ 9.5)

@ Taken from the Reports of Ministry of Industrial Development, Internal Trade and Company Affairs.
Note : Figures in brackets represent percentage changes over the preceding years.
* Provisional.

Among the 'heavy mechanical engineering' industries, production of automobiles increased by 12.1 per cent in 1968 as against a fall of 2.8 per cent in 1967. Within the automobiles group, output of 'passenger cars' was not affected by recessionary conditions of recent years since these have always been experiencing buoyant demand conditions. Thus, passenger cars output registered an increase of 14.7 per cent in 1968 over and above the increase of 20.7 per cent recorded in 1967. Production of 'commercial vehicles' and 'jeeps and land rovers' also registered increases of 8.6 per cent and 16.1 per cent respectively in 1968 as compared with the declines of 10.0 per cent and 42.9 per cent respectively in the last year. Under the impact of the new production strategy in the agricultural sector, the demand for 'diesel engines' has been on the increase in recent years. Therefore, output of diesel engines showed increases in both the years 1967 and 1968. The growth in 1968 was of a substantially higher order than what is revealed in the table presented below on account of the transfer of many units from the organised industry sector to small-scale sector for which no statistics are available.

Table 22. Output of Heavy Mechanical Engineering Industries

Items	Unit	1965	1966	1967	1968*
	1	2	3	4	5
Automobiles—					
(*i*) Passenger Cars	'000 Nos.	24.8	27.6 (+11.3)	33.3 (+20.7)	38.2 (+14.7)
(*ii*) Commercial Vehicles	,,	37.3	35.0 (− 6.2)	31.5 (−10.0)	34.2 (+ 8.6)
(*iii*) Jeeps and Land Rovers	,,	10.5	9.8 (− 6.7)	5.6 (−42.9)	6.5 (+16.1)
Heavy Structurals	'000 Tonnes	102.0@	82.0@ (— 19.6)	48.2@ (−41.2)	40.0@ (−17.0)
Diesel Engines	'000 Nos.	97	114 (+17.5)	118 (+ 3.5)	119 (+ 0.8)
Railway Wagons+	,,	35.4	16.7 (−52.8)	18.3 (+ 9.6)	16.6 (− 9.3)
Road Rollers	Nos.	1,128	1,080 (− 4.3)	624 (−42.2)	144 (−76.9)
Machine Tools	Rs. crores	28.1	33.7 (+19.9)	31.0 (− 8.0)	25.3 (−18.4)

@ Taken from the Reports of Ministry of Industrial Development, Internal Trade and Company Affairs.
\+ Relate to both Private and Public sectors.
* Provisional.
Note : Figures in brackets represent percentage changes over the preceding years.

Many items of 'industrial machinery' recovered from the declining trends observed during the previous year. Among these 'jute machinery,' 'cement machinery' and 'sugar mill machinery' have shown substantial increases. Consequently, C.S.O.'s index number of production in respect of the group 'industrial machinery' registered 19 per cent expansion in output during 1968 as against a fall of about 8 per cent in previous year.

Output of 'road rollers' went down heavily by 76.9 per cent in 1968 over and above the decline of 42.2 per cent in 1967 owing to the continued slackness in demand and the closure of one unit throughout the year. Output of 'railway wagons' registered a decline of 9.3 per cent in 1968 as compared with an increase of 9.6 per cent in the previous year. Output of 'heavy structurals' also declined during the year 1968 by 17.0 per cent on top of the sharp fall of 41.2 per cent registered in the previous year.

'Machine tool' industry which was severely affected by recession does not seem to have recovered even in 1968. Thus, there was a fall of about 18.4 per cent in the output of 'Machine tools' during 1968 over and above a fall of 8.0 per cent in the previous year.

The group "electrical engineering" industries was by and large unaffected by the recessionary conditions of earlier years, but during 1968, the heavy electrical group like 'power transformers' and 'electric motors received a setback. Thus, output of 'power transformers' and 'electric motors' declined during the year by 8.2 per cent and 7.8 per cent respectively while the same had increased by 9.6 per cent and 4.3 per cent respectively in the last year.

Almost all the items under the 'electrical engineering' group continued to make steady advance. The output of 'radio receivers' and 'domestic refrigerators' increased by 60.2 per cent and 30.0 per cent respectively in the year 1968 over and above the increases of 19.8 per cent and 5.3 per cent respectively last year. Increases in production were also registered in the case of 'storage batteries' (8.6 per cent) and 'electric fans' (7.1 per cent) as compared with large increases of 11.0 per cent and 7.1 per cent, respectively, last year. Production of 'dry cells' increased by 28.7 per cent during the year as against a fall of 3.4 per cent last year. Output of 'electric lamps' registered an increase of 10.9 per cent during the year as against a fall of 0.9 per cent in the year 1967. Among this group, production of 'G. L.S. and other lamps' increased by 14.5 per cent as against a fall of 1.7 per cent last year. In the case of 'fluorescent lamps', output increased by 40.7 per cent on top of an increase of 31.7 per cent last year. Production of 'miniature lamps', on the other hand, declined again by 4.2 per cent after the decline of 3.4 per cent last year.

Table 23. Output of Electrical Engineering Industries

Items	Unit	1965	1966	1967	1968*
	1	2	3	4	5
Electrical Lamps					
(*i*) G. L. S. and others	Million Nos.	67.0	75.1 (+12.1)	73.8 (− 1.7)	84.5 (+14.5)
(*ii*) Fluorescent Lamps	,,	4.3	4.1 (− 4.7)	5.4 (+31.7)	7.6 (+40.7)
(*iii*) Miniature Lamps	,,	28.2	29.5 (+ 4.6)	28.5 (− 3.4)	27.3 (−4.2)
Radio Receivers	'000 Nos.	583	713 (+22.3)	854 (+19.8)	1,368 (+60.2)
Storage Batteries	,,	745	720 (− 3.4)	799 (+11.0)	868 (+ 8.6)
Dry Cells	Million Nos.	300.7	328·6 (+ 9.3)	317.3 (— 3.4)	408.5 (+28.7)
Domestic Refrigerators	'000 Nos.	31	38 (+22.6)	40 (+ 5.3)	52 (+30.0)
Power Transformers	Thousand K.V.A.	4,316	4,792 (+11.0)	5,254 (+ 9.6)	4,823 (− 8·2)
Electric Motors	'000 H.P.	1,699.2	1,988.4 (+17.0)	2,073.6 (+ 4.3)	1,912.2 (− 7.8)
Electric Fans	'000 Nos.	1,448	1,289 (−11.0)	1,381 (+ 7.1)	1,479 (+ 7.1)

Note : Figures in brackets represent percentage changes over the preceding years. * Provisional.

(ii) *Metallurgical Industries (Other than Steel):*

In the group, 'metallurgical industries' (other than steel), most of the industries registered increases in their production during 1968. 'Copper sheets and circles' and 'brass sheets and circles' registered sizeable increases of 80.0 per cent and 39.3 per cent respectively on top of increases of 100.0 per cent and 48.3 per cent in the last year. Output of 'aluminium wire rods for A.C.S.R.', 'zinc sheets and strips' and 'aluminium sheets and circles' also showed marked increases of 34.3 per cent, 12.2 per cent and 9.0 per cent respectively as compared with the increases of 18.4 per cent, 8.9 per cent and 5.2 per cent respectively during the year 1967. In respect of virgin metals, production of 'aluminium' increased by 24.6 per cent as against an increase of 47.6 per cent last year. Output of 'copper' showed an increase of 6.7 per cent as compared with a decline of 5.3 per cent last year. An exception to the general trend was the production of 'lead' this year which went down heavily by 36.0 per cent while it had remained stable last year. The fall in production is explained by the fall in the lead content of the ore presently being mined at Zawar Mines.

Table 24. Output of Metallurgical Industries

(Thousand tonnes)

Items	1965	1966	1967	1968@
	(1)	(2)	(3)	(4)
Virgin Metals :				
Aluminium	61.6	65.3 (+ 6.0)	96.4 (+47.6)	120.1 (+24.6)
Copper	9.4	9.4 (—)	8.9 (— 5.3)	9.5 (+ 6.7)
Lead	3.2	2.5 (—21.9)	2.5 (—)	1.6 (—36.0)
Semi-manufactures :				
Aluminium sheets and circles	24.5	30.5 (+24.5)	32.1 (+ 5.2)	35.0 (+ 9.0)
Aluminium wire rods for A.C.S.R.	20.5	29.3 (+42.9)	34.7 (+18.4)	46.6 (+34.3)
Copper sheets and circles*	1.5	0.5 (—66.7)	1.0 (100.0)	1.8 (+80.0)
Brass sheets and circles*	13.4	6.0 (—55.2)	8.9 (+48.3)	12.4 (+39.3)
Zinc sheets and strips	4.4	4.5 (+ 2.3)	4.9 (+ 8.9)	5.5 (+12.2)

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

Exports of Engineering Products

Exports of engineering goods totalled Rs. 84.00 crores ($ 112.0 million) in 1968-69 as compared with Rs. 41.47 crores ($ 55.3 million) in 1967-68 representing an increase of $ 56.7 million over 1967-68. Exports of all the three categories, viz., light mechanical engineering, heavy mechanical engineering and electrical engineering goods registered sizeable increases during the year. Exports of light engineering goods went up from Rs. 19.8 crores to Rs. 33.6 crores, while those of heavy mechanical engineering and electrical engineering goods increased from Rs. 14.8 crores and Rs. 6.8 crores to Rs. 34.3 crores and

Rs. 16.1 crores respectively during the year. The rising trend in exports reflected in a large measure the efforts at diversification of markets made by manufacturers to find outlets for their products as an answer to sluggish domestic demand. They won global contracts such as Korean contract for wagons, Sudanese contract for transmission line towers and conductors, Kuwaiti contract for power cables, power station equipment and transmission line towers, Philippine contract for heavy cranes and Burma contract for luxury coaches.

Further, various export promotion measures taken by Government by way of release of foreign exchange for specified purposes, import replenishment, priority allotment of scarce raw materials from sources of choice, concessional prices for some raw materials, rail freight concessions, draw-backs of import and excise duties, contributed to the success of the export efforts.

III INTERMEDIATE GOODS INDUSTRIES

(i) Jute Textiles

Output of jute goods, which had recorded a marginal increase in 1967, recorded absolute decline in 1968. This was due to an acute shortage of fibre following shortfall in jute crop during the 1968-69 (July-June) season. Actual output in 1968 was 10,86,000 tonnes—a decline of 70,000 tonnes—over the output of 11,56,000 tonnes in 1967. In 1967, output had recorded an increase of 36,000 tonnes over the 1966 output of 11,20,000 tonnes. Thus, jute goods output has been stagnating around the level of 1.1 million tonnes during the last three years 1966 to 1968.

A redeeming feature of the output pattern in 1968 was that though the overall output showed a decline, output of carpet backing—a promising export variety—recorded an increase of 46,500 tonnes in 1968. It is significant to note that, in response to the increasing export demand, the output of this variety has nearly doubled during the period of four years from the level of 95,000 tonnes in 1964 to 1,71,000 tonnes in 1968. As regards production of other varieties, output of both hessian and sacking—the major varieties—declined in 1968 compared with 1967. Hessian output declined by 65,000 tonnes from 4,63,000 tonnes in 1967 to 3,98,000 tonnes in 1968. Similarly, sacking output declined by 53,000 tonnes from 4,81,000 tonnes in 1967 to 4,28,000 tonnes in 1968. Output of 'other goods' recorded a small increase of 2,000 tonnes from 87,000 tonnes in 1967 to 89,000 tonnes in 1968.

Table 25. Jute Textiles*

(Thousand tonnes)

Year	Production	Exports	Year-end-Stocks	Consumption@
	1	2	3	4
1951 ..	889	789	86	123
1956 ..	1,111 (+ 5.0)£	877	97	197
1961 ..	997 (−2.1)£	760	56	278
1962 ..	1,231 (+23.5)	874	83	303
1963 ..	1,324 (+ 7.6)	875	112	333
1964 ..	1,272 (− 3.9)	931	105	378
1965 ..	1,336 (+ 5.0)	929	122	378
1966 ..	1,120 (−16.2)	746	123	405
1967 ..	1,156 (+ 3.3)	769	129	388
1968† ..	1,086 (− 6.2)	671	126	435

Figures in brackets represent percentage changes over the preceding years.

* Production figures relate to the production by mills in the membership of Indian Jute Mills Association (IJMA) and also to one non-member mill, but stocks and consumption figures relate to IJMA mills only.

@ Figures represent despatches for internal consumption.

£ Represent annual average percentage changes over the previous year in the Table.

† provisional.

Total exports of jute goods, which had improved only marginally in 1967, suffered a sharp set-back in 1968. Thus, from a level of 7,46,000 tonnes in 1966, exports went up to 7,69,000 tonnes in 1967 but slumped to 6,71,000 tonnes in 1968. *Prima facie*, shortage of raw jute was partly responsible for reduced exports, for while output declined by 6.2 per cent, exports declined by 12.7

per cent in 1968. Higher raw material prices and the resulting lack of competitiveness with Pakistan, also contributed to the diversion of foreign demand to Pakistan. Thus, while India's share in world exports of jute goods declined from 62.7 per cent in 1967 to 55.4 per cent in 1968 (January-September), during the same period the share of Pakistan went up from 30.3 per cent to 36.6 per cent. Increasing use of synthetics, larger resort to bulk handling methods and establishment of jute goods mills in a few importing countries were some of the other factors which accentuated the declining trend in exports. However, an encouraging feature of exports was the increase in exports of carpet backing from a level of 1,42,000 tonnes in 1967 to 1,80,000 tonnes in 1968. In response to the changing pattern of foreign demand, the industry has been taking steps to sustain the rise in export of carpet backing cloth. Thus, about 1,300 looms representing an investment of about seven crores of rupees were installed during 1968. The present carpet backing loomage is 5,200 and is moving up at the rate of about 130 looms per month. Government, on its part, took steps to arrest the declining trend in exports of jute goods. Thus, export duty on jute goods was reduced in the Budget proposals for 1969-70 by Rs. 300 per tonne in respect of hessian and by Rs. 100 per tonne in respect of sacking. The export duty of Rs. 250 per tonne on wool sacks and of Rs. 200 per tonne on cotton bagging was completely abolished. Simultaneously, with a view to curbing internal consumption of jute goods to make larger share of output available for exports as also to make up the shortfall in revenues resulting from reduction in export duties, increases in basic excise duty on jute goods were announced in the Budget for 1969-70. The basic excise duty on hessian has been raised from Rs. 450 per tonne to Rs. 550 per tonne and that on other jute manufactures from Rs. 250 per tonne to Rs. 350 per tonne.

Domestic offtake of jute goods, which suffered a slight set-back in 1967 following stagnant agricultural output in 1966-67, picked up considerably during 1968 as a sequel to increasing packaging requirements for the bumper agricultural output of 1967-68. The recovery in industrial output in general and spurt in output of sugar, cement and fertilizers in particular also contributed to increased internal offtake. Thus, despatches of jute goods for internal consumption which had declined from 4,05,000 tonnes in 1966 to 3,88,000 tonnes in 1967 increased to 4,35,000 tonnes in 1968.

Prices of jute manufactures which had recorded declines for two years in succession in 1966-67 and 1967-68 due to satisfactory supply of raw material at reasonable prices increased sharply during 1968-69 mainly due to reduced raw jute output in 1968-69 and consequent sharp increases in raw jute prices. Prices of jute goods started rising gradually from April 1968, in sympathy with steadily rising raw jute prices due to continued drought at the time of sowing which indicated reduced crop. The pressure on prices was aggravated by the heavy floods in October 1968 which washed away a portion of the standing crop and reduced the overall output. Thus, the Economic Adviser's Index Number of Wholesale Prices for jute manufactures (*base :* 1952-53=100) which stood at 130.2 in the week ended March 30, 1968 shot up to 183.6 in the week ended November 23, 1968 and continued to rule around this level almost till the end of 1968. From January 1969, prices eased a little and the index came down to 175.2 in the week ended March 29, 1969. Thus, over the year, the index recorded a rise of 35 per cent in contrast to declines of about 11 per cent each in the two years 1966-67 and 1967-68.

An important development during the year was the issue by the Union Government of a fresh order to amend the Jute (Licensing & Control) Order, 1961. The new order, issued under the Essential Commodities Act, 1955, is called the Jute (Licensing and Control) Amendment Order, 1968. The new order empowers Government to control production of jute textiles. The amendment was necessitated by the contingency of the Central Government having to regulate and control, through the Jute Commissioner, the production of jute goods according to the availability of raw jute in the difficult situation that arose in the 1968-69 season from the extreme shortage and high prices of raw jute. In terms of the new order, the Jute Commissioner may direct any manufacturer, or class of

manufacturers or the manufacturers generally, to produce or not to produce such classes or specifications of jute textiles as may be specified in the order and prescribe the maximum or minimum quantities of jute textiles which each such manufacturer or class of manufacturers, or manufacturers generally, shall produce during such period as may be specified.

(ii) Rubber Manufactures

Output of rubber products registered a sharp increase during 1968 on top of a significant increase recorded during the previous year. The C.S.O.'s annual index of output of rubber products (*base :* 1960=100), which rose from 160.2 in 1966 to 171.4 in 1967 advanced further to 202.1 in 1968, recording an increase of 17.9 per cent as against 7.0 per cent in 1967. Among the main items of production, output of automobile tyres increased sizeably by 26.3 per cent in 1968 (against 5.3 per cent last year). Moderate increases in output were recorded in the case of automobile tubes (8.5 per cent), cycle tyres (10.2 per cent) and rubber footwear (4.0 per cent). During the previous year, the output of these had increased by 24.7 per cent, 13.7 per cent and 5.4 per cent respectively. Output of cycle tubes, however, declined for the second year in succession, decline being 5.6 per cent in 1968—same as in 1967.

Table 26. Rubber Products

(In thousands)

Year	Tyres (Automobiles)		Tubes (Automobiles)		Tyres (Cycles)		Tubes (Cycles)		Footwear* (Rubber)	
	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1951 ..	870	—	821	—	3,941	—	6,327	—	230	—
1956 ..	923 (+13.8)@	23	918 (+12.3)@	30	6,320 (+15.9)@	—	6,373 (+20.3)@	290	361 (+ 5.0)@	53
1961 ..	1,562 (+14.7)@	27	1,484 (+15.8)@	37	11,346 (+ 4.8)@	399	12,848 (+ 1.4)@	399	451 (+ 1.1)@	59
1962 ..	1,710 (+ 9.5)	30	1,643 (+10.7)	38	11,940 (+ 5.2)	315	11,562 (—10.0)	536	498 (+10.4)	64
1963 ..	1,926 (+12.6)	38	2,029 (+23.5)	36	14,186 (+18.8)	331	13,343 (+15.4)	260	466 (— 6.4)	56
1964 ..	2,090 (+ 8.5)	61	2,209 (+ 8.9)	93	16,156 (+13.9)	302	15,194 (+13.9)	216	470 (+ 0.9)	64
1965 ..	2,354 (+12.6)	65	2,365 (+ 7.1)	76	18,132 (+12.2)	244	17,923 (+18.0)	226	530 (+12.8)	66
1966 ..	2,351 (— 0.1)	75	2,208 (— 6.6)	96	19,639 (+ 8.3)	395	20,449 (+14.1)	831	522 (— 1.5)	60
1967 ..	2,476 (+ 5.3)	50	2,754 (+24.7)	104	22,338 (+13.7)	563	19,300 (— 5.6)	962	550 (+ 5.4)	64
1968† ..	3,126 (+26.3)	58	2,988 (+ 8.5)	82	24,619 (+10.2)	466	18,210 (— 5.6)	811	572 (+ 4.0)	63

* Figures in lakh pairs.
@ Represent annual average percentage changes over the previous year in the Table.
† Provisional
Note: Figures in brackets indicate the percentage variation over the preceding years.

As noted in the last year's Report, the rubber goods manufacturing industry, covering a wide range of items like automobile tyres and tubes, bicycle tyres, and tubes, footwear, fan and V belts, etc., has achieved self-sufficiency practically in all the items. In addition, it has also been able to earn substantial foreign exchange through exports. Thus, exports of rubber manufactures including crude rubber increased from Rs. 3.23 crores ($ 4.3 million) in January-November 1967 to Rs. 4.15 crores ($ 5.5 million) in January-November 1968.

The main problem facing the industry is the acute shortage of rubber, both natural and synthetic. Sustained effort is being made to meet the requirements of raw material from indigenous sources. At present 80 per cent of the requirement of natural rubber, and 75 per cent of the requirement of carbon Black and entire requirement of S.B.R. synthetic rubber, reclaim rubber, etc., are being met from indigenous sources. While the production of these raw materials increased by 100 per cent since 1960-61, the import bill has come down to 30 per cent of the level in that year. During the year under review, there was a considerable increase in the production of rayon tyre code, carbon black and natural rubber leading to a sizeable saving in foreign exchange.

As the minimum and maximum price for various grades of natural rubber fixed by the Government on the recommendations of Tariff Commission turned out to be uneconomical, Government decided on November 16, 1968 to remove the maximum prices of rubber and at the same time, to regulate the stock level and prices of natural rubber by suitable operations of import mechanism. In order to overcome the serious shortage in respect of natural rubber and to regulate the distribution of available stocks, tyres and tubes of all categories of automobiles including buses, jeeps, vans, trucks and tractor trollies were declared essential commodities. Last year, tyres and tubes of cars and tractors only were declared essential commodities. Besides, after examining the Tariff Commission's recommendations on fair price of raw rubber, Government appointed a Committee to go into the economics of small holdings upto 4 hectares under rubber plantation and to suggest measures to improve their efficiency and to contribute to the stability of this sector. The Committee's Report is under the consideration of Government.

Letters of Intent for additional capacity of automobile tyres and tubes to the extent of 14.5 lakh numbers have also been issued to cover part of the additional requirement during the Fourth Plan period.

As regards prices, the Economic Adviser's Index Number of Wholesale Prices (*base :* 1952-53=100) for 'rubber tyres and tubes', which had remained at 131.0 throughout the previous year, rose to 139.5 by the end of November 1968, and remained at that level till end-March 1969, showing an increase of 6.5 per cent over the year. The index for 'rubber shoes', however, remained at the last year's level of 150.9.

(iii) Chemicals and Chemical Products

Output of chemicals and chemical products as revealed by the C.S.O.'s index (*base :* 1960=100) registered a sizeable increase of 14.6 per cent in 1968 as compared with a marginal increase of 2.3 per cent in 1967. Output of some of the major ingredients of this group like sulphuric acid, caustic soda, nitrogenous fertilisers (N content), soda ash and soap showed increases during the year ranging between 9.6 per cent and 33.4 per cent while that of paints and varnishes and phosphatic fertilisers (super phosphate) registered declines of 21.2 per cent and 12.3 per cent respectively.

Increased output of industrial chemicals like caustic soda, soda ash and sulphuric acid was brought about by a revival in the production of their consuming industries like cotton textiles, paper and pulp and soap and also increased demand from fertilisers and man-made fibres industries.

Production of chemical fertilisers showed a substantial increase in 1968. Thus, production of all varieties of nitrogenous fertilisers (N content) together rose from 3,29,000 tonnes in 1967 to 4,39,000 tonnes in 1968. In line with this, production of 'Ammonium

Sulphate N content' also increased from 82,000 tonnes in 1967 to 1,11,000 tonnes in 1968. The consumption target of nitrogenous fertilizers for 1968-69 is placed at 1.7 million tonnes of nutrients as against the actual consumption of 1.2 million tonnes during 1967-68. In order to step up the output of fertilizers, already eight projects have been licensed and are under implementation; of these six are in the public sector and two in the private sector. In addition, two projects in the public/co-operative sectors and about seven projects in private sector have also been approved in principle. The licensed capacity of projects under construction and approved in principle amounts to 2.675 million tonnes in terms of nitrogen. Government has also imported about 1.1 million tonnes (as against 8.7 lakh tonnes previous year) of nitrogenous fertilizers during 1968-69.

Production of phosphatic fertilizers (P_2O_5 content) registered a substantial fall of 17,000 tonnes to 1,21,000 tonnes from 1,38,000 tonnes last year due to the shortage of raw materials. Production of phosphatic fertilisers has shown a continuous rising trend since 1961 except for a marginal decline in 1965. Total consumption of phosphatic fertilisers is placed around 6,50,000 tonnes of nutrients during 1968-69 as against 5,49,000 tonnes last year. Imports of phosphatic fertilisers are placed at Rs. 213 crores ($ 284 million) during the Fourth Plan period.

Exports of chemicals and allied products covered by the Basic Chemicals, Pharmaceuticals and Soaps Export Promotion Council recorded an increase of 27 per cent from Rs. 9.36 crores in 1967-68 to Rs. 11.85 crores in 1968-69. The factors responsible for the sizeable increase in exports were (i) efforts put in by the Basic Chemicals, Pharmaceuticals and Soaps Export Promotion Council to win over certain tenders issued, particularly, by the Governments of Qatar, Sudan, etc., (ii) various new facilities extended by the Government against the export of pharmaceuticals, as a result of which exports of drugs and pharmaceuticals showed a marked increase from Rs. 3.64 crores to Rs. 4.72 crores, and (iii) entry into the export field of two public sector undertakings, viz., Indian Drugs and Pharmaceuticals, Ltd. and Hindustan Antibiotics.

During the year, more items of chemicals and allied products, viz., 'solid woven impregnated cotton belting', 'solid woven impregnated hair belting' 'vaccum flasks' and 'sodium citrate' were brought under the purview of the Export (Quality and Control and Inspection) Act, 1963.

A development of great significance in the field of chemicals industry is the emergence of petro-chemical complexes producing a wide range of products such as butadiene, diacetone, P. F. and U. F. moulding powders, and plastic raw materials (such as PVC resin, polyethylene and polystyrene). The two naptha cracker plants already set up in the country, both in the Bombay region, are tiding over their teething troubles and their output of different products is expected to stabilise fairly soon.

Over the financial year, the Economic Adviser's Index Number of Wholesale Prices for chemicals (*base :* 1952-53=100) recorded a substantial rise of 10.2 per cent from 149.5 at the end of March 1968 to 164.7 at the end of March 1969 on top of the increases of 1.4 per cent in 1967-68 and 9.3 per cent in 1966-67. This sizeable increase of 10.2 per cent during 1968-69 was owing to (i) Government's decision to allow an increase in the controlled prices of soap, (ii) replacement of protective duty on dyestuffs by revenue duty according to the recommendations of the Tariff Commission, and (iii) conversion of the specific duties on alkalis like soda ash, caustic soda and sodium silicate and also on soap to *ad valorem* duties in the 1969-70 budget proposals. Significant increases in prices were registered during the period by 'Sodium Hydro Sulphite' (51.7 per cent), and 'Alum' (20.0 per cent), while certain other items showed comparatively smaller increases in prices, these being 'soap' (8.9 per cent), 'drugs and medicines' (8.2 per cent) and paints (5.3 per cent). The Economic Adviser's Index Number of Wholesale Prices (*base :* 1952-53=100) for fertilisers registered an increase of 10.8 per cent during the period, that is, from 121.6 at the end of March 1968 to 134.7 at the end of March 1969.

Table 27. Major Chemicals and Chemical Products

(Thousand tonnes)

Year	Sulphuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous Fertilisers (N content)			Phosphatic Fertilisers (Super Phosphate) (P_2O_5 content)		Soda Ash		Soap*	
							Production								
	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year end Stocks	Total **	Ammonium Sulphate	Year end Stocks †	Production	Year end Stocks	Production	Year end Stocks	Production	Year end Stocks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1951	109	—	15	—	34	—	—	11	—	10	—	48	—	85	—
1956	168 (+10.8)@	7	40 (+33.3)@	1	42 (+4.7)@	2	80 (..)	79 (+123.6)@	1	14 (+ 8.0)@	—	86 (+15.8)@	2	112 (+ 6.4)@	7
1961	422 (+30.2)@	14	120 (+40.0)@	4	59 (+ 8.1)@	6	135 (+13.8)@	79 (—)	8	62 (+68.6)@	8	177 (+21.2)@	23	149 (+ 6.6)@	6
1962	469 (+11.1)	24	127 (+ 5.8)	3	65 (+10.2)	4	164 (+21.5)	84 (+6.3)	10	75 (+21.0)	12	223 (+26.0)	12	152 (+ 2.0)	6
1963	568 (+21.1)	23	152 (+19.7)	3	74 (+13.8)	6	220 (+34.1)	89 (+ 6.0)	3	97 (+29.3)	12	268 (+20.2)	8	164 (+ 7.9)	5
1964	680 (+19.7)	24	184 (+21.1)	4	72 (— 2.7)	8	226 (+ 2.7)	86 (— 3.4)	3	118 (+21.6)	7	282 (+ 5.2)	13	158 (— 3.7)	4
1965	685 (+ 0.7)	30	215 (+16.8)	7	71 (— 1.4)	8	240 (+ 6.2)	88 (+ 2.3)	1	114 (— 3.4)	7	322 (+14.2)	9	169 (+ 7.0)	4
1966	690 (+ 0.7)	28	230 (+ 7.0)	15	67 (— 5.6)	5	265 (+10.4)	85 (— 3.4)	5	119 (+ 4.4)	11	350 (+ 8.7)	15	181 (+ 7.1)	3
1967	804 (+16.5)	30	251 (+ 9.1)	17	80 (+19.4)	7	329 (+24.2)	82 (— 3.5)	2	138 (+16.0)	15	356 (+ 1.7)	10	177 (— 2.2)	3
1968‡	967 (+20.3)	49	319 (+27.1)	10	63 (—21.2)	4	439 (+33.4)	111 (+35.4)	5	121 (—12.3)	5	397 (+11.5)	12	194 (+ 9.6)	4

* Figures of the production of organised factories.

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

† Relate to Ammonium Sulphate.

@ Represent annual average percentage changes over the previous year in the Table.

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

‡ Provisional.

IV. CONSUMER GOODS INDUSTRIES

(i) Cotton Textiles :

The declining trend in the output of cotton textiles noticed since 1965 was reversed in 1968. This was mainly brought about by the improved supply position of raw cotton. Total production of cloth had reached the highest level at 7,726 million metres in 1964 and thereafter it declined gradually to 7,278 million metres in 1967, but in 1968 the output improved to 7,896 million metres, thus establishing a new peak. The decline in cloth output between 1965 and 1967 was due to a fall in output in the mill sector, while output in the decentralised sector had been, except for a nominal decline in 1965, continuously on the increase. Thus, output of cloth in the mill sector, which had attained the record level of 4,654 million metres in 1964, gradually declined to 4,098 million metres in 1967 but staged a recovery in 1968 climbing to 4,366 million metres and showing a rise of 6.5 per cent over the previous year in contrast to a decline of 3.3 per cent in 1967. Output of cloth in the decentralised sector attained a new high in 1968 with output reaching 3,530 million metres showing an increase of 350 million metres or 11.0 per cent ; in 1967, output had increased only marginally by 84 million metres or by 2.7 per cent. It is significant that the share of the decentralised sector in the total cloth production was about 45 per cent in 1968, as against 34 per cent in 1961. Output of yarn in the mill sector went up by 64 million kgs. from 897 million kgs. in 1967 to 961 million kgs. in 1968 or an increase of 7.3 per cent.

Table 28. Cotton Textiles

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

	Year	Production	Exports	Domestic Consumption*	Year-end Stocks (Unsold)
		(1)	(2)	(3)	(4)
Cloth—Mill Sector	1951	3,727	..	3,096	..
	1956	4,852 (+ 6.0)£	680	3,818	372
	1961	4,701 (— 0.6)£	522	4,106	291
	1962	4,560 (— 3.0)	465	3,852	432
	1963	4,423 (— 3.0)	493	4,117	186
	1964	4,654 (+5.2)	517	3,961	224
	1965	4,588 (— 1.4)	507	3,861	293
	1966	4,239 (— 7.6)	424	3,897	199
	1967	4,098 (— 3.3)	410	3,669	177
	1968@	4,366 (+ 6.6)	475	3,881	189
Cloth—Decentralised Sector	1951	1,013	..	..	..
	1956	1,668 (+12.9)£	55	..	..
	1961	2,376 (+ 8.5)£	26	..	..
	1962	2,412 (+ 1.5)	27	..	..
	1963	2,880 (+19.4)	33	..	..
	1964	3,072 (+ 6.7)	34	..	..
	1965	3,060 (— 0.4)	40	..	..
	1966	3,096 (+ 1.2)	37	..	..
	1967	3,180 (+ 2.7)	29[1]	..	..
	1968@	3,530** (+11.0)	16[1]	..	..

Table 28. Cotton Textiles—*Contd.*

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

	Year	Production	Exports	Domestic Consumption*	Year-end Stocks (Unsold)
		(1)	(2)	(3)	(4)
Cloth—Total	1951	4,740	753	3,992	..
	1956	6,520 (+ 7.5)£	735	5,847	..
	1961	7,077 (+ 1.7)£	548	6,527	..
	1962	6,972 (— 1.5)	492	6,482	..
	1963	7,303 (+ 4.7)	526	6,780	..
	1964	7,726 (+ 5.8)	551	7,179	..
	1965	7,648 (— 1.0)	547	7,097	..
	1966	7,335 (— 4.1)	461	6,874	..
	1967	7,278 (— 0.8)	439	6,832	..
	1968@	7,896 (+ 8.5)	491	7,405	..
Cotton Yarn—Mill Sector	1951	591	..	124	..
	1956	758 (+ 5.7)£	..	200	5
	1961	862 (+ 2.7)£	7	290	7
	1962	860 (— 0.2)	10	295	10
	1963	893 (+ 3.8)	14	317	9
	1964	965 (+ 8.1)	13	338	12
	1965	939 (— 2.7)	13	337	16
	1966	901 (— 4.0)	16	342	8
	1967	897 (— 0.6)	11	350	18
	1968@	961 (+ 7.3)	17	389	13

Note : Export figures for decentralised sector relate to handlooms only.

Figures in brackets represent percentage changes over the preceding years.

* Represents deliveries for civil consumption. Figures for yarn relate to sale of yarn by mills to handlooms and powerlooms. Domestic consumption figure for cloth-total, 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.

@ Provisional.

1 Relate to January-November.

£ Represent annual average percentage changes over the previous year in the Table.

** Revised

The data regarding domestic offtake of cloth are available only in respect of the mill sector and these indicate substantial recovery in the offtake in 1968 for internal consumption. Thus, deliveries of mill cloth for civil consumption which had declined from 3,897 million metres in 1966 to 3,669 million metres in 1967 improved to 3,881 million metres in 1968—an increase of 5.8 per cent, in contrast to a decline of 5.9 per cent in 1967.

After two years of continuous decline, exports of cotton textiles, both in terms of value and quantity, staged an improvement in 1968. Exports of all cotton manufactures—cloth, yarn, apparel and other made-up items—shared this improvement. The estimated value of exports amounted to $ 125.8 million, as against $ 108.5 million in 1967 and $ 114.3 million in 1966. The recovery in exports was due to the determined efforts made by the industry and Government to recapture lost ground in the exports of cotton textiles. In terms of quantity, deliveries of cloth for export which had attained the level of 580 million metres in 1964 came down gradually to 429 million metres in 1967 but edged up in 1968 to 480 million metres. Exports of mill-made piecegoods aggregated 475 million square metres, a rise of 65 million square metres or 16 per cent over the previous year in refreshing contrast to a drop of 14 million square metres or 3.3 per cent in 1967. Exports were also distinctly better than in 1966, though still below the 1965 level. The per unit realisation at U.S. Cents 18.55 per sq. metre, however, was lower than both in 1967 at U.S. Cents 19.14 per sq. metre, and in 1966 at U.S. Cents 18.84 per sq. metre. Exports of cotton yarn which had declined from 16.2 million kgs. in 1966 to 11.0 million kgs. in 1967 more than recovered the lost ground by recording a total of 16.5 million kgs. The major markets for cotton yarn were Burma, Ceylon, Indonesia and the U.K.

Region-wise details of exports of cotton piecegoods show that exports were well maintained in the Asian Zone. Shipments to Aden and Persian Gulf Ports were steady. The offtake by Indonesia exceeded the previous year's figure. Exports to Ceylon, however, displayed a marked fall. In the African Zone, Sudan increased its offtake compared with 1967. However, the offtake by the other African markets continued to trail below the levels achieved in 1967. The African markets, having developed their local textile industry, have ceased to be interested in the traditional grey qualities. In Europe, increases in shipments were noticed for many countries. In the U.K., exports reached the level of 157.5 million sq. metres compared with 148.2 million sq. metres in 1967. In West Europe, offtake by the E.E.C. countries increased substantially from 2.0 million sq. metres in 1967 to 15.5 million sq. metres in 1968. In East Europe, the Soviet Union increased her offtake from 5.4 million sq. metres in 1967 to 16.1 million sq. metres in 1968. In the American Zone, shipments to U.S.A. improved from 41.3 million sq. metres in 1967 to 54.9 million sq. metres in 1968. Canadian offtake in 1968 was lower than in 1967.

Due to continuing consumer resistance, prices of cotton manufactures showed only a modest increase over the year despite the widening of the proportion of cloth output for the free market from 60 per cent to 75 per cent in May 1968. The Economic Adviser's Index Number of Wholesale Prices for cotton manufactures (*base :* 1952-53 = 100) rose from 157.4 in the week ended March 30, 1968 to 159.9 in the week ended March 29, 1969, recording a smaller increase of 1.6 per cent over the year compared with 2.3 per cent in 1967-68, 4.8 per cent in 1966-67 and 5.6 per cent in 1965-66.

Mention was made in the previous year's Report about the establishment of the National Textile Corporation. The Corporation is engaged in the study of the Report of Authorised Controllers in respect of about a dozen mills which have been taken over by Government under the Industries (Development & Regulation) Act, 1951, with a view to determining their long-term future under the Cotton Textile Companies Act, 1967. Besides the problem of closed/mismanaged mills, there is the long-term problem of modernisation and rehabilitation which is engaging the attention of both the industry and Government. In this context, the recent decision by Government to accord priority status to the industry for the purposes of higher develop-

1302

ment rebate, as also the credit measures taken by the Reserve Bank of India and the Industrial Development Bank of India, should be noted.

(ii) Woollen Textiles

The downward trend in the output of woollen textiles, noticed since 1964, was reversed in 1968. Thus, the C.S.O.'s index of production for woollen textiles (*base :* 1960=100), which had declined from 195.0 in 1963 to 122.5 in 1967, moved up to 144.2 in 1968, showing a rise of 17.7 per cent as against a decline of 5.5 per cent recorded in 1967. Production of woollen worsted yarn increased to 18.6 million kgs. in 1968 from 16.7 million kgs. in 1967 or by 11.4 per cent. Similarly, output of fabrics (wearable) moved up from 8.9 million metres in 1967 to 11.8 million metres in 1968, recording an impressive rise of 32.6 per cent as against a decline of 5.3 per cent in 1967. This recovery was partly attributed to pick up in domestic demand and partly to improvement in exports.

The industry's exports (including the exports of raw wool) had touched a record figure of Rs. 21 crores in 1967-68. For the year 1968-69, the exports are estimated to have moved up further to Rs. 24 crores. Within the group, while exports of raw wool which form about one-fifth of the industry's exports are on the decline, increases have occurred in the exports of woollen hosiery, carpets and woollen/worsted fabrics. The overseas demand for woollen hosiery has been steadily widening ; exports of these garments during the year amounted to Rs. 2 crores. Further, during the year two firms were allowed to set up ready-made garments factory on a large scale in collaboration with a Swiss concern with the export obligation of a substantial quantum.

The industry is to a considerable extent dependent on imports of raw materials. Imports of raw wool and shoddy aggregated 12.25 million kgs. in 1967-68. During 1968-69, upto October 1968, imports totalled 7.53 million kgs. Apart from these, the industry is allowed to import synthetic fibres and tow to a limited extent against its members' own actual users licences/ allocations and under replenishment scheme against exports.

Table 29. Woollen Textiles

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

Year	Production	Exports
	1	2
Woollen/Worsted Yarn		
1951	7.7	
1956	11.6 (+10.1)@	
1961	14.6 (+5.2)@	
1962	18.0 (+23.3)	
1963	22.7 (+26.1)	
1964	20.9 (− 7.9)	
1965	18.1 (—13.4)	
1966	16.6 (− 8.3)	
1967	16.7 (+0.6)	
1968*	18.6** (+11.4)	
Woollen/Worsted Fabrics (Wearable)		
1951£	11.1	—
1956£	14.9 (+ 6.8)@	0.03
1961	12.0 (—)£	0.2
1962	14.8 (+23.3)	0.4
1963	18.1 (+22.3)	1.1
1964	11.7 (−35.4)	0.7
1965	9.9 (+15.4)	1.1
1966	9.4 (− 5.1)	0.9
1967	8.9 (— 5.3)	0.9
1968*	11.8 (+32.6)	0.9§

* Figures are provisional.
** Revised
Note: Figures in brackets indicate the percentage variations over the preceding years.
@ Represent annual average percentage changes over the previous year in the Table.
£ Data for 1951 and 1956 are not comparable with 1961 onwards as data for these two years include some varieties other than wearable. Hence percentage change in 1961 over 1956 is not given.
§ Relates to woolen fabrics for January-September 1968.

The Economic Adviser's Index Number of Wholesale Prices for woollen manufactures (*base :* 1952-53=100) declined from 207.3 in the last week of March 1968 to 199.4 in the last week of March 1969, showing a fall of 3.8 per cent; this is mainly explained by a fall of 7 per cent in the prices of raw wool; and this was in turn due to comfortable supply position of raw materials including synthetics.

(iii) Paper and Paper Boards

During 1968, output of paper and paper boards (excluding newsprint) continued to expand at an increasing rate. It stood at 609,000 tonnes in 1967, but rose to 647,000 tonnes in 1968, registering an increase of 6 per cent as against 4 per cent in the previous year.

An important development in respect of this industry during the year was the removal of price control on all varieties of paper, effective May 6, 1968. Because of the unremunerative nature of prices, fresh investment had failed to come forth as a result of which the installed capacity remained almost static for a number of years despite the bright prospects of demand both from domestic and external markets. The basic ex-factory price for writing and printing paper during the period of price control was Rs. 1320 per tonne which was substantially lower than the c.i.f. price of comparable variety of paper imported from abroad, which was about Rs. 1680 per tonne. The production costs within the country certainly did not permit for such a large disparity. After decontrol and by the end of March 1969, prices of paper had increased by about 15 per cent.

Though, at present, there appears to be near-balance between supply and demand, there is the likelihood of a shortage of about 2 lakh tonnes emerging by the end of the Fourth Plan (1973-74). In order to avoid such a shortfall, Government is considering a series of proposals made by the Development Council for Paper and Paper Boards. The proposals are mainly in the nature of fiscal and credit concessions for the industry. Besides, on account of the lack of encouraging response from the private sector in setting up new plants so far, Government has decided to set up two pulp/paper units in the public sector by the proposed Paper Corporation. Two feasibility reports for such plants—one each in M.P. and Assam—have been prepared and are under the examination of the Government. This year, a mill has also been established in Gujarat in the private sector with an annual capacity of 30,000 tonnes of pulp, which would be available for small paper units for making speciality paper which otherwise have to depend on imported pulp. This is likely to save foreign exchange to the tune of Rs. 3 crores every year. Since nearly 80 per cent of the country's newsprint requirements are met by imports, it is also proposed to establish another newsprint mill (in addition to NEPA mills) in the public sector in Kerala with a capacity of 75,000 tonnes per annum.

Table 30. Paper and Paper Boards (excluding newsprint)

(Thousand tonnes)

Year	Installed Capacity	Production	Year-end Stocks
	1	2	3
1951 ..	..	134	..
1956 ..	215	196 (+9.3)@	12
1961 ..	410	364 (+17.1)@	17
1962 ..	434	388 (+ 6.6)	16
1963 ..	502	463 (+19.3)	26
1964 ..	556	491 (+ 6.0)	24
1965 ..	644	537 (+ 9.4)	31
1966 ..	644	585 (+ 8.9)	43
1967 ..	701	609 (+ 4.1)	31
1968* ..	733	647 (+ 6.2)	35

* Figures are provisional.

Note : Figures in brackets indicate the percentage variations over the preceding years.

@ Represent annual average percentage changes over the previous year in the Table.

Exports of paper and paper boards registered a substantial increase from Rs. 2.35 crores in (January-November) 1967 to Rs. 4.37 crores in (January-November) 1968. This was in no small a measure due to raising the cash subsidy provided by Government from 10 per cent to 15 per cent on exports. The paper industry would have done much better in the field of exports but for (i) severe competition from China, Japan and Hongkong ; (ii) Burma starting the printing of all the school and college books and exercise books locally, thus affecting Indian exports to this market indirectly and (iii) the continued dislocation in India's trade with Pakistan.

The Economic Adviser's Index Number of Wholesale Prices for "paper and newsprint" (*Base :* 1952-53=100) registered an increase of 14.7 per cent from 106.8 at end-March 1968 to 122.5 at end-March 1969 consequent upon the removal of statutory price control on all varieties of paper. The Index for "paper and newsprint," which was static at 106.8 from end-March 1968 to end June 1968, jumped to 122.5 in the first week of July 1968 and remained constant at that level till end-March 1969. During 1967-68, the price index had remained by and large steady.

Gold and Silver

The declining trend in the domestic output of gold from 4,063 kgs. in 1965 to 3,161 kgs. in 1967 was reversed in 1968 with production recovering to 3,588 kgs. during the year. The increase in output during 1968 was attributed mainly to the improvement in the average grade of ore from 6.48 grams per tonne in 1967 to 6.76 grams per tonne in 1968. The production of silver, however, declined sizeably from 3,471 kgs. in 1967 to 2,802 kgs. in 1968.

Though the 1968 gold crisis in the international markets did not seem to have any direct impact on the course of Indian bullion markets, both the precious metals ruled firm with quotations reaching new peaks. The price of gold, mainly under the impact of continued internal demand, ruled generally firm with the quotation for standard gold, in the Bombay bullion market, touching Rs. 181 per ten grams on March 22, 1969. As regards silver, the price trend was bullish for the major part of the year due to large unauthorised exports and the price at Rs. 633 per kg. reached a new peak on September 19, 1968. Towards the close of the year, silver suffered a setback, with the result, over the year, the quotation registered a decline of Rs. 24 per kg.

The increased demand for gold in evidence since the removal of purity restrictions on manufacture of gold ornaments in November 1966 continued unabated as reflected in the firm price trend during the year. During the first quarter of 1968-69, the quotation per 10 grams of standard gold in the Bombay bullion market moved within the range of Rs. 159.75 to Rs. 165.75 mainly under the impact of seasonal demand. But with the end of the marriage season, an easy trend ensued and the price steadily declined to Rs. 157 by end-July 1968. In the face of sluggish demand coupled with large inflow of smuggled gold, the price continued to decline further until it dipped to Rs. 152, by end-September. Between October and December, there was no further decline in price although the undertone of the market remained easy. Thereafter, the price spurted up on paucity of supplies aided by rumours that the Government refused to extend the licence to private refiners for refining gold and that all future refining would be carried out by the mint. The quotation moved between Rs. 161 and Rs. 174 per 10 grams till end-February 1969. This uptrend was further accentuated by the increased seasonal and speculative demand. The higher cost of smuggled gold caused by record rise in international prices also influenced the uptrend. In the result, the price touched an all-time high of Rs. 181 per 10 grams on March 22, 1969, as compared with Rs. 164.50 a year ago. The price of Rs. 176 at end-March 1969 showed a gain of Rs. 14 per 10 grams over the year.

The firm trend in silver noticed in 1967-68 continued in early 1968-69. The price of silver spurted from Rs. 535 per kg. at end-March 1968 to Rs. 570 per kg. on April 23, 1968 in the wake of buoyancy in the international prices of silver. The reported in-

crease in demand for unauthorised exports before the onset of monsoon, imparted further strength to the domestic price which touched Rs. 590 per kg. on May 8, 1968. Subsequently, however, an easy trend set in due partly to stricter vigilance by the preventive authorities and partly to the approaching monsoon which usually renders smuggling difficult. Consequently, the price moved down to Rs. 518 by June 24, but again, thereafter, a bullish trend emerged mainly on reports of official purchases of silver through the State Bank of India with the price ruling around Rs. 550 per kg. till the middle of August. Since the second half of August, the bullish trend became more pronounced owing to increased demand for unauthorised exports, firmness in foreign markets and enquiries from upcountry centres. In the result, the price climbed to Rs. 633 per kg. on September 19, 1968 (on this day, the spot prices of silver in London and New York were Rs. 540 and Rs. 533, respectively). Subsequently, however, the persistent weaker advices from overseas markets, lack of support from unauthorised exporters and reports on the proposal to amend the Customs Act to prevent smuggling activity, dampened the sentiment. The price ruled easy in the range of Rs. 607 and Rs. 547 per kg. till end-December 1968. The Ordinance promulgated on January 3, 1969 imposing stringent regulatory provisions in regard to possession, transport and sales of silver, etc., in coastal areas, gave a severe setback and the price dropped on that day from Rs. 563 per kg. to Rs. 529 per kg. The easy trend was interrupted in the latter half of the month on bear covering and poor inflow in the face of increasing demand. Subsequently, under the impact of lower advices from foreign markets and strict vigilance by the Customs authorities, the easy trend again gathered momentum and the price ruled between Rs. 534 and Rs. 510 per kg. till the close of the year. Over the year, silver suffered a net loss of Rs. 24 per kg.

CHAPTER IV—MONEY MARKET AND BANKING

Money Rates@

As outlined in Chapter I, with the continued availability of liberal refinancing facilities from the Reserve Bank and the substantial accretion to bank deposits, the resources position of banks was fairly comfortable during the financial year as a whole inspite of the increased expansion in bank credit. The increase in deposits during the slack season was higher by Rs. 45 crores as compared with that in the slack season of 1967, though the contraction in bank credit was Rs. 59 crores lower than in the slack season of 1967. However, during the busy season of 1968-69, the deposit accretion was Rs. 106 crores higher than in the busy season of 1967-68 while the expansion in bank credit was Rs. 83 crores lower than in the busy season of 1967-68. As a result of the relatively liquid position of the banks the inter-bank call money rates in both Bombay and Calcutta were generally lower during the year as compared with the rates in the corresponding months of the previous year. In the first six to seven weeks of the slack season, the inter-bank call money rates continued to rule at the high levels of the previous busy season. In Bombay, the call rate was around 4.50 per cent during May 1968 as against 6.00 per cent in May 1967 and eased gradually thereafter reaching the slack season's low of 3.23 per cent by the third week of July 1968 as against about 4 per cent in July 1967. From then on, except for a temporary rise to 4.00 per cent during mid-September 1968 this rate ruled between 3.23 and 3.96 per cent to close at 3.51 per cent at the end of the season as against a peak of 4.69 per cent during mid-September and a closing rate of 3.65 per cent during the slack season of 1967. In the busy season of 1968-69 the slack season trend in the call money rate continued till almost the middle of January after which it rose steadily, reaching a high of 5.00 per cent on March 14, and remaining at that level till the beginning of April. Thereafter, there was a steady downtrend, the rate at the end of the season being 4 per cent again as against 4 to 5 per cent in the corresponding months of 1967-68 busy season which closed finally at 4.48 per cent. In Calcutta also, as in Bombay, the call money rate was quoted in the first few weeks of the slack season at rates around the previous busy season's closing level of 4.37 per cent reaching 4.74 per cent during the first week of June 1968 as against 5.46 per cent and a peak of 6.24 per cent in the previous year's slack season. Later, the rate toned down falling steadily till July-end reaching the season's low of 3.08 per cent during the third week of July 1968 as against nearly 4 per cent in July 1967. It fluctuated widely thereafter between 3.17—4.75 per cent till the end of the slack season closing finally at 4.07 per cent (at the end of October 1968) while the rates during these months in the 1967 slack season oscillated between 4 to 5 per cent reaching a peak of 6.06 per cent in the first week of September. During the busy season of 1968-69 the rate was 3.70 per cent during the first week of November but fluctuated widely thereafter ranging between 3.98 and 4.28 per cent. During March again there was a steady uptrend, the rate closing finally at 3.79 per cent at the end of the busy season. In the busy season 1967-68, however, the market had opened on a higher note of 5.18 per cent and then moved rather erratically ranging between 3.5 and 5.5 per cent closing finally at 4.37 per cent at the end of the season.

Credit Controls

The general credit policy of the Reserve Bank has been reviewed in Chapter I. As regards selective credit controls, in view of the satisfactory situation in regard to supply and prices in respect of agricultural commodities and against the background of a generally liberal credit policy, the controls applicable to foodgrains, cotton and oils and oilseeds were relaxed. Banks were, however, advised

@ Based on the trend of weekly rates published in the Weekly Statistical Supplement to the Reserve Bank of India Bulletin.

to take sufficient care to ensure that these relaxations did not lead to any encouragement of speculative activities. An exception to the general tone of liberalisation was raw jute which was brought under control in view of the shortfall in supply and rise in prices.

(i) Foodgrains

In view of the comfortable supply position in respect of 'other foodgrains,' i.e. other than paddy and rice and wheat, and the fall in prices particularly of gram, other pulses and coarse grains, the Bank relaxed its control in May 1968 on advances against 'other foodgrains.' The minimum margin for advances other than warehouse advances was reduced from 50 per cent fixed in August 1965 to 35 per cent while that for warehouse advances was lowered from 40 per cent to 25 per cent. In respect of offices or branches opened before January 1, 1966, banks were to maintain during each two-month period commencing from May-June 1968, a general ceiling of average aggregate level which would not in respect of offices and branches in (1) Maharashtra, (2) Madhya Pradesh, (3) Uttar Pradesh and (4) all other States taken together, exceed 100 per cent each of the average aggregate level of credit maintained by such offices or branches in the corresponding two-month periods during the year 1967 or 1964-65 (May-April) whichever was higher. Within the general ceilings, secondary levels for non-warehouse advances were stipulated for the four categories of States on the same basis. In addition to this, a limit of Rs. 50,000 per office was permitted in respect of offices/branches opened on or after January 1, 1966.

In August 1968, control on advances against wheat was also relaxed mainly with a view to facilitating the marketing of the 1967-68 bumper wheat crop. The minimum margin for advances other than warehouse advances against wheat was reduced from 50 per cent fixed in August 1965 to 35 per cent. The margin was brought down from 40 per cent to 25 per cent in respect of advances against warehouse receipts, and the same margin prescribed for advances (i) to the authorised agents of Food Corporation of India and (ii) by offices/branches in the State of Kerala to the authorised wholesale and fair price shop dealers in Kerala. The ceiling was raised to 110 per cent of the aggregate outstanding level of advances maintained by each bank in the corresponding two-month periods in 1967 or 100 per cent of 1964-65 (August-July), whichever was higher. Separate ceilings applicable for each two-month period commencing from August-September were fixed for advances in respect of offices and branches in the North Wheat Zone comprising Punjab, Haryana, Chandigarh, Delhi, Jammu & Kashmir and Himachal Pradesh and in respect of all other States and Union Territories (other than those included in the North Wheat Zone) taken together. A uniform additional limit of Rs. 50,000 was allowed for offices opened on or after January 1, 1966.

The Bank exempted the advances granted to rice mills in the six districts of North Bihar from the purview of credit controls in December 1968 owing to the fall in prices of paddy and rice and their inability to obtain adequate bank finance for purchase and storage of paddy and rice in those areas. Similar exemption was allowed in January 1969 in respect of advances to rice mills of West Bengal. The overall supply position of rice was, by and large, expected to be satisfactory, since the output of rice during the current year (1968-69) was expected to be of the same order as in the previous year. Since the bulk of the available surplus continued to be procured by the State Governments, the Food Corporation of India and their approved agents, only a small proportion would be available for purchase and distribution by the trade. Considering these factors, relaxation in the framework of the control on advances against paddy and rice was effected in March 1969. The minimum margin was lowered from 50 per cent to 35 per cent in the case of advances other than warehouse advances and from 40 per cent to 25 per cent in the case of warehouse advances. Commencing from the two-month period (March-April 1969), the ceiling was fixed at 100 per cent of the outstanding level during the corresponding period in 1968 or at 80 per cent of the level in 1964-65 (March-February) whichever was higher. Advances to rice mills situated in

Bihar, Uttar Pradesh and West Bengal were exempted from the margin as well as the ceiling controls. Earlier, the exemption was granted only to rice mills in the six northern districts of Bihar and in West Bengal. The definition of new offices for the purpose of additional limit of Rs. 50,000 per office was revised to cover offices/branches opened on or after January 1, 1966.

In view of the improved supply position of maize in the producing areas, the control on advances against 'other foodgrains' was amended in February 1969 to exempt wholly the advances against maize extended to starch manufacturing units, from the purview of the relevant control.

(ii) Oilseeds and Vegetable Oils including Vanaspati

Early in the year, in view of the improved supply position in respect of oilseeds and oils during 1967-68 and the decline in the prices of major oilseeds and oils, the Bank relaxed its control on advances against oilseeds and vegetable oils including vanaspati in May 1968. The minimum margin in respect of all oilseeds excluding cottonseeds was reduced from 35 per cent to 25 per cent for advances against official warehouse receipts and also for advances to registered oil mills. In respect of advances against oilseeds to others, the margin was lowered from 50 per cent to 35 per cent. In respect of advances against the security of vegetable oils including vanaspati the margin for advances to vanaspati manufacturers and registered oil mills was brought down from 35 per cent to 25 per cent and for advances to others from 60 per cent to 35 per cent. The margin in respect of credit limits both in respect of oilseeds and vegetable oils granted to the solvent extraction units and/or the integral oil expeller mills with solvent extraction plants, remained unaltered at 25 per cent. The ceiling for 'other oilseeds' (i.e. other than groundnuts, gingellyseeds and cottonseeds) was raised from 75 per cent of 1964-65 level to 100 per cent of the corresponding level of 1967 with separate ceilings for warehouse and non-warehouse advances. The ceilings for advances against groundnuts, gingellyseeds and vegetable oils was to continue unchanged at 100 per cent of the level in 1967 stipulated in January 1968. In July 1968, bank advances against the receipts of warehouses established by Central and State Warehousing Corporations on or after January 1, 1961 and advances against the receipt of warehouses established before that date but which had increased their original capacity since January 1, 1961 by not less than 100 per cent by their own fresh or additional constructions but not by acquisition of warehouses already existing, were exempted from the ceiling controls.

In the course of the year, however, the necessity to tighten the control on advances against oilseeds and vegetable oils (including vanaspati) arose on account of the rise in prices of oilseeds and oils and the anticipated shortfall in the output of oilseeds. The margin on advances against all oilseeds (excluding cottonseeds) was raised in November 1968 from 35 per cent to 45 per cent in the case of parties other than registered oil mills, the margin in respect of which was increased from 25 per cent to 35 per cent. The margin for advances against official warehouse receipts and to solvent extraction units or integral oil expeller mills with solvent extraction plants, however, was to continue at 25 per cent. Similarly, the margin against vegetable oils (including vanaspati) was raised to 35 per cent for vanaspati manufacturers and registered oil mills, and 45 per cent for others. As in the case of oilseeds, the margin in respect of solvent extraction units and/or the integral oil expeller mills with solvent extraction plants was allowed to remain unaltered at 25 per cent.

(iii) Raw Cotton and Kapas

On account of the improved supply position of indigenous cotton and kapas, the Bank relaxed in April 1968, the ceiling control in respect of advances by scheduled commercial banks against indigenous cotton and kapas commencing from April-June 1968. Accordingly, the ceiling on average aggregate level of credit was raised to 110 per cent of the peak level of credit actually maintained during the corresponding three-month period in 1967 and a uniform margin of 25 per cent of the relative value of stocks was prescribed

for all parties. In the case of each of the State co-operative banks other than those operating in Union Territories, the ceiling on advances up to the end of June 1968 was stepped up from 10 per cent to 20 per cent of its total liabilities and in the case of a State co-operative bank in a Union Territory or a central co-operative bank, the ceiling was raised from 20 per cent to 40 per cent of its total liabilities as on the last Friday of October 1967, respectively. In June 1968, the minimum margin for advances to cotton textile mills by scheduled commercial banks against indigenous cotton and kapas was lowered from 25 per cent to 20 per cent.

With a view to mitigating the hardships experienced by the cotton textile mills in obtaining adequate bank credit, the control on advances against indigenous cotton and kapas to cotton mills was removed in November 1968. For parties other than cotton mills, the minimum margin continued at 25 per cent and the ceiling on advances was fixed on a six-monthly basis. The ceiling for the six-month period November 1968-April 1969 was fixed at 110 per cent of the peak level of credit maintained during the corresponding period in 1967-68 and for the subsequent six-month period May-October 1969, it was fixed at 100 per cent of the peak level in the corresponding period of 1968.

The control in respect of the minimum margins on advances by State and Central co-operative banks against indigenous cotton and kapas granted to co-operative cotton mills without securing the guarantee of the concerned State Governments in regard to the repayment of the principal and payment of interest by the borrowing mills, was also relaxed. Thus, the minimum margin on such advances was reduced from 25 per cent to 20 per cent of the relative stock if the security was by way of pledge of such stock and from 40 per cent to 30 per cent in the case of hypothecation of stocks. In December 1968, the control on advances to co-operative cotton mills was removed. The percentage of aggregate level of credit which was earlier related to banks' total liabilities in India as on last Friday of October 1967 was related to the last Friday of October 1968.

(iv) **Raw Jute**

Anticipated shortfall in the output of raw jute induced speculative purchases of raw jute as well as jute goods, and consequently, a sharp rise in prices of jute and jute goods. Government, therefore took several measures to curb the rise in prices of raw jute and jute goods. The Reserve Bank reintroduced in October 1968 (after a lapse of about 7 years) the selective credit control on scheduled commercial banks' advances against raw jute and jute goods. A minimum margin of 35 per cent was prescribed for advances to traders and balers against raw jute and 50 per cent against Pucca Delivery Orders for jute goods granted to parties other than (i) the exporters against export contracts registered with the Export Contract Registration Committee and (ii) those having sales commitments to Director General of Supplies and Disposals. Further, in respect of advances against raw jute, a ceiling of 120 per cent of the peak level of advances during October-December 1967 was fixed for the three-month period of October-December 1968 for parties other than jute mills. The ceiling for each three-month period, thereafter was fixed at 100 per cent of the peak level during the corresponding three-month period in 1968.

No changes were effected in the control over advances against sugar and gur during the year 1968-69.

Banking Legislation

The Banking Laws (Amendment) Act 1968 came into force on February 1, 1969. The main features of the amending legislation were outlined in last year's Report when the bill was introduced in the Lok Sabha on December 23, 1967.

In keeping with the spirit of the provisions of Section 3 of the Amending Act some of the banks reconstituted their Boards of Directors and/or appointed whole-time Chairmen even before the Amending Act came into force. As it was felt that some of the banking companies might find it difficult to comply with the provisions of Section 3 of the Amending Act within the stipulated time, the Government of India in exercise of the powers con-

ferred by Section 53 of the Banking Regulation Act 1949 issued on the recommendations of the Reserve Bank a notification on February 1, 1969 exempting banking companies with deposits of less than Rs. 10 crores as on the date of the notification from the requirement for reconstituting the Board of Directors (Section 10A of the Banking Regulation Act) and banks having deposits of less than Rs. 25 crores as on the date of the notification from the requirement of appointment of whole-time Chairmen (Section 10B of the Banking Regulation Act) till February 1, 1970. In the light of representations received and having regard to the nature of the relative transactions and other relevant considerations, the Bank issued a General Order on February 1, 1969 specifying therein that for the purpose of Section 20 of the Banking Regulation Act 1949 (outlining the restrictions applicable to loans and advances by banking companies) 'loans and advances' shall not include (i) those against Government securities, life insurance policies or fixed deposits and (ii) loans and advances to the Agricultural Finance Corporation Ltd.

National Credit Council

A mention was made in last year's report about the setting up of the National Credit Council and its constitution and functions. Since its inception, the Council met three times and outlined the guidelines for bank lending and the steps to be taken by banks for more effective mobilisation of savings from the public. At the first meeting of the Council which was held on March 16, 1968, the various problems relating to credit planning were discussed and a Standing Committee with the Governor of the Reserve Bank as its Chairman was appointed to study specific issues and to formulate concrete proposals on the same. At the second meeting of the Council held on July 24, 1968, the Report of the Standing Committee was considered. The Council concurred with the Committee's views that commercial banks should step up the financing of agriculture and small-scale industries. As regards long-term issues, the Council set up five Study Groups for a further study of (*i*) the problem of deposit mobilisation by commercial and co-operative banks ; (*ii*) the extent to which the credit needs of the industry and trade were likely to be inflated and how this trend could be checked ; (*iii*) the organisational framework for implementation of objectives of social control ; (*iv*) the need for adopting an area/project approach in implementing schemes for extending credit to agriculture and extending this to rural electrification and minor irrigation projects and (*v*) bank finance for road transport operators. The third meeting of the Council held on March 21, 1969 considered the reports of the Study Groups set up on deposit mobilisation and credit facilities for road transport operators.

With a view to providing a forum for exchange of views among all the interests concerned in the matter of agricultural finance and encouraging commercial banks to increase their involvement in agricultural finance, the Reserve Bank of India organised in December 1968 a Seminar on Financing of Agriculture by Commercial Banks.

Non-Banking Companies : Regulation of Deposits

It was mentioned in last year's Report that in order to obviate the difficulties of the industrial undertakings in implementing, within the specified time limit, the provisions of the October 1966 directives, certain modifications were made in August 1967. Some representations were received during the year from mill companies in the cotton textile industry seeking extension of time limit (December 31, 1968) for adjustment of the deposits held by them in excess of the ceiling of 25% of the aggregate of their paid-up capital and free reserves. On a general review of the position, the Bank issued a notification on March 6, 1969 in terms of which cotton mill companies were granted, notwithstanding the fact that they were not in a position to satisfy the requirements relating to the minimum dividend record or the availability of adequate unencumbered fixed assets, one more year's time until December 31, 1969 for adjustment of the deposits in excess of the ceiling prescribed. The companies are, however, precluded from receiving fresh deposits or from renewing the existing deposits if the deposits already held by them are in excess of the ceiling prescribed.

Survey of Deposits with Non-banking Companies

The results of the survey of deposits with non-banking companies based on the returns submitted by them as on March 31, 1967 revealed that the total deposits accepted by 2390 companies amounted to Rs. 244 crores and exempted unsecured loans mostly from Government, managing agents, secretaries and treasurers, directors and shareholders to Rs. 187 crores. However, for purposes of comparison with earlier years, deposits or loans from Government and USAID which might not have been included in the earlier returns will have to be excluded. Some adjustment may also have to be made for non-reporting of deposits by some of the companies after March 1966. With these adjustments, the deposits and exempted unsecured loans together may be estimated at about Rs. 360 to Rs. 380 crores indicating a substantial increase because of restrictions on bank credit in force at that time and the absence of any ceiling on the acceptance of public deposits by non-banking companies prior to January 1, 1967. It is possible that the rate of growth of deposits in the non-banking sector has since slowed down.

Deposit Insurance Corporation

The number of insured banks declined to 88 as at the end of March 1969 from 90 as at the end of March 1968 as a result of transfers of deposit liabilities and equivalent assets of two banks to other insured banks. The liability of the Corporation under Section 16 of the Deposit Insurance Corporation Act, 1961 was not however, attracted in respect of the two banks that were deregistered. No new bank was registered as an insured bank during the year. The aggregate claims met by the Corporation since its inception in 1962 remained at the end of March 1969 as at the end of the previous year at Rs. 56.85 lakhs in respect of 11 banks. However, the reimbursement received by the Corporation (since inception) from the concerned banks increased to Rs. 35.72 lakhs, including the receipt of Rs. 2.18 lakhs during the year.

There was no change during the year either in the limit of insurance cover which continues since January 1968 at Rs. 5000 in respect of amounts due to any one depositor at a registered commercial bank or in the rate of premium that continues from the beginning at 5 paise per hundred rupees per annum.

Over the year ended the last Friday of September 1968, the latest date for which data are available the percentages of insured deposits to total assessable deposits and of fully protected deposit accounts to total number of deposit accounts increased sharply to 50.4 and 90.9 from 26.2 and 76.4 respectively, as a result mainly of the increase in the limit of insurance cover from Rs. 1500 to Rs. 5000 with effect from January 1, 1968.

The Deposit Insurance Corporation (Amendment) Bill, 1967 which was introduced in Parliament on July 17, 1967 was passed by the *Lok Sabha* and *Rajya Sabha* and received the assent of the President on December 27, 1968. The main feature of the amendment is the extension of the scheme of Deposit Insurance to eligible co-operative banks, *viz.*, State co-operative banks, central co-operative banks and primary co-operative banks with paid-up capital and reserves of Rs. 1 lakh and over. The Amendment Act will be brought into force, in stages, when State Governments and Union Territories amend their co-operative laws so as to confer certain powers on the Reserve Bank in the matter of liquidation and construction and management of the co-operative banks stipulated in the Act. The State Governments of Andhra Pradesh, Bihar, Gujarat, Jammu & Kashmir, Madhya Pradesh, Mysore, Nagaland, Orissa, Rajasthan, Uttar Pradesh and the Union Territories of Andaman & Nicobar, Goa, Daman & Diu, Himachal Pradesh and Manipur have so far agreed in principle to carry out the necessary amendments to their co-operative laws.

Export Credit and Guarantee Corporation

The year 1968-69 witnessed an impressive increase in the business of the Corporation. The value of risks covered during the year under its policies to exporters and various guarantees to the banks and financing institutions amounted to Rs. 197.71 crores as compared with Rs. 123.20 crores during 1967-68. Out of this, the risks covered under the shipments policies to exporters were Rs. 75.64 crores (as against Rs. 57.01 crores during 1967-68) and financial guarantees were Rs. 122.07 crores as against Rs. 66.19 crores during 1967-68. The pre-

Progress of ECGC's Business during the Year

(Amount in crores of rupees)

	Policies				Bank finance availed of during	
	Issued during		In force at the end of			
	1967-68 (Number)	1968-69	1967-68 (Number)	1968-69	1967-68 (Amounts)	1968-69
Standard Policies	1139	1389	1918	2320	12.46	20.44
Packing Credit guarantees	506	888	443	826	64.25	110.00
Post shipment guarantees	16	45	13	39	1.11	4.41
Export Finance guarantees	7	15	7	13	0.41	0.48
Export production finance guarantees	8	38	7	37	0.06	4.04
Export performance guarantees	4	45	4	29	0.36	3.14
TOTAL	1680	2420	2392	3264	78.65	142.51

mium earnings during 1968-69 amounted to Rs. 51.51 lakhs as compared with Rs. 26.73 lakhs during 1967-68 and the Corporation paid Rs. 6.90 lakhs as claims during the year as against Rs. 5.74 lakhs paid during the previous year.

There were substantial increases in the number of exporters covered by its policies especially, the packing credit and post-shipment guarantees and the availment of bank finance with the help of the policies and guarantees issued by the Corporation as would be seen from the table below. The more recent schemes namely export production finance and export performance guarantees also gathered momentum as will be evident from the above table.

In order to bring the ECGC cover in line with that provided by similar organisations elsewhere in the world and thereby enable Indian exporters to offer more competitive terms than hitherto when selling abroad, the ECGC announced during the year, an increase in the percentage of risk covered under its insurance policies as well as two of the financial guarantees. In respect of insurance policies, the risk covered would be 90 per cent with effect from April 1, 1969 for both commercial and political risks as against 80 per cent for commercial and 85 per cent for political risks hitherto. In respect of financial guarantees the ECGC cover to banks was increased from 66⅔ per cent to 90 per cent for packing credit guarantees, covering small merchants whose exports amounted to two lakhs in a year and from 66⅔ per cent to 80 per cent in regard to post shipment export guarantee covering exporters of engineering and metallurgical products.

Co-operative Credit

Among the important developments in the sphere of co-operative credit during the year, mention may be made of the interim recommendations of the All-India Rural Credit Review Committee, the passing of the Bill providing for the establishment of Agricultural Credit Corporations in certain States by Parliament and the expansion of the list of approved cottage and small scale industries eligible for financial accommodation under Section 17(2)(*bb*) of the Reserve Bank of India Act on the basis of one of the recommendations of the Working Group on Industrial Financing which submitted the first part of its Report.

Institutional Developments

A reference was made in the Report for the year 1966-67 to the appointment of the All-India Rural Credit Review Committee in July 1966 by the Reserve Bank. The Committee made certain interim recommendations which were subsequently accepted by the Government. These related to (*i*) the establishment of Small Farmers' Development Agencies, (*ii*) the setting up of a Rural Electrification Corporation, and (*iii*) the role of the Agricultural Refinance Corporation. The Committee pointed out that there was a significant section of cultivators whose holdings were small and who were unable to benefit from the new agricultural strategy because of inadequate resources. If assured of these,

they can pass from the stage of subsistence agriculture to commercialised farming. The Committee has, therefore, recommended the establishment of a country-wide net work of pilot projects in the form of small farmers' development agencies for assisting the small farmers. Such agencies are to be established in about 30 selected districts in different States. The principal function of the agency will be to identify the problems of small but potentially viable farmers in its area and ensure the availability of inputs, services and credit through the existing institutions—public, co-operative and private—as also local authorities such as the Zilla Parishad. The agency will provide grants to the central co-operative bank, the agricultural credit societies and the co-operative land development bank in the area to serve as an incentive for financing such farmers and to help them build up special funds for covering the risks apprehended in such financing. In addition, the agency will make available a subsidy to these institutions for strengthening their staff position, both managerial and supervisory. The agency will also draw up model plans for investment and production activities to be undertaken by small farmers operating under different sets of conditions. In framing its policies and procedures, the agency will be guided by a local committee consisting of officers of the development departments and the representatives of the local co-operative and Panchyati Raj institutions.

The second recommendation of the All-India Rural Credit Review Committee relates to the setting up of a Rural Electrification Corporation, as an autonomous body under the Union Ministry of Irrigation and Power, to bridge an estimated gap of Rs. 300 crores in the resources available for rural electrification during the Fourth Plan. The nucleus of the funds of the Corporation will be contributed by the Union Government. The Corporation will use its resources for (i) financing rural electrification schemes in priority areas in the States, (ii) subscribing to Special Rural Electrification Bonds to be issued by State Electricity Boards and (iii) providing block capital loans to a number of rural electric co-operatives which are to be organised in different States. The Committee has recommended the adoption of a 'Project' approach i.e. examining the schemes to be financed by it with respect to their economic viability and co-ordinating them with the programme of project-wise establishment of tube wells and other works of minor irrigation.

Thirdly, the Committee has assigned a promotional role of growing importance to the Agricultural Refinance Corporation not only in providing refinance facilities to co-operative and commercial banks but also in ensuring that, in financing investment by the cultivator, technical feasibility and economic viability are looked into and that a project approach is adopted on an increasing scale, so that the services and supplies required for investment are forthcoming. The Committee has also stressed the necessity for the Corporation to strengthen its organizational machinery in step with the increase in its business and envisaged that, in consultation with the Reserve Bank, it will evolve, for the benefit of co-operative and commercial banks, a framework of policies and procedures for financing agricultural development on sound lines. Further, steps should also be taken, according to the Committee, for increasing, with the prior approval of the Government of India and the Reserve Bank, the categories of institutions eligible for availing facilities from the Agricultural Refinance Corporation.

Another major development during the year was the passing of the bill by the Parliament in December 1968 providing for the establishment of Agricultural Credit Corporations, as a transitional measure, in the States of Assam, Bihar, Orissa, Rajasthan and West Bengal and the Union Territories of Manipur and Tripura in which co-operative credit structure is weak. Action for setting up of the Corporations was initiated by the Union Government and the State Governments concerned.

The conference of State Chief Ministers and Ministers for Co-operation held at Madras on June 12, 1968 emphasized the need for consolidation of the co-operative movement, its speedy revitalisation covering both primary societies and central banks in areas where the structure is weak and a re-orientation of the procedures and practices in the co-operative organization so as to serve small farmers and the weaker sections of the rural community by shifting the emphasis of the

loaning programme from the present asset—nexus to production-potential and repaying capacity generated by the loans. The conference suggested a number of measures for curbing the growth of vested interests such as exclusion of money lenders, traders and other middlemen from the membership of co-operatives, reservation of seats for small farmers and members of weaker sections on the board of management of co-operatives, restrictions on holding office simultaneously in more than two institutions and for more than two terms in the same institution, regulation of the loans issued to the office-bearers etc. The conference also felt that efforts should be made to diversify the sources of co-operative credit and suggested that, wherever necessary, production-credit should be provided by marketing and processing societies, which in turn should be eligible for concessional finance from the Reserve Bank. The conference recommended the grant of loans to the non-defaulting members irrespective of the overdues position of the society and called for the undertaking of pilot studies in the provision of integrated agricultural credit covering short, medium and long-term loans through a single agency.

Another important development during the year was the appointment of the Working Group by the Government of India in August 1968 to consider all aspects of financing fertiliser marketing activities and more particularly the adequacy of credit facilities provided by the Reserve Bank of India to the co-operative sector and the extent to which co-operatives should rely on the State Bank/commercial banks and Central Government for supplementary credit facilities. One of the important recommendations made by the Group is that the Reserve Bank of India may take over the full responsibility for provision of marketing credit for fertilisers. As a corollary, the Group has suggested that the Reserve Bank should act as the co-ordinating agency to ensure that the credit needs of all fertiliser marketing agencies undertaking fertiliser marketing as a commercial activity are met either through its own credit limits or through credit limits provided by the State Bank and other commercial banks. In this context, it may be added that the Group has called for every attempt being made to build up various marketing agencies other than departmental agencies and give them all possible assistance so that the State Government will have only the primary obligation to promote agricultural development in less developed areas in the State. The other recommendation made by the Group is that the responsibility for the non-commercial transactions in fertilisers should be shared by both Central and State Governments in the ratio of 75:25; however, the total short-term loans from the Centre to a State Government should not exceed 50 per cent of the value of fertilisers purchased by the latter. The period of credit should, in the case of non-commercial transactions, be 9 months with a provision for renewal for 3 months for at least 25 per cent of the stocks in years of drought. Primary societies earning sufficient margin from the fertiliser trade should contribute at the rate of $\frac{1}{2}$ per cent of their annual fertiliser turnover to the share capital of district marketing societies which, in turn, should pass on the same to the apex marketing federation. If the apex marketing federation is in a position to provide 25 per cent margin, the State Bank or a commercial bank should not insist on a guarantee from the State Government.

The crop loan system has been adopted by all the States though there has been a gap, wide in certain States, between what is contemplated under the system and what is actually practised. One of the essential requirements under the system is the preparation of normal credit statements containing all relevant particulars of members and the credit limit recommended in respect of each of them for both *Kharif* and *Rabi* seasons and forwarding them to the central co-operative bank well ahead of the financing season. It is, however, found that the practice has not been introduced at all by some central banks while, in others, the practice is not introduced properly. Secondly, there should not normally be any difference between the scales applicable to tenants and owners of land under the crop loan system, as the loans are not security-based. However, it was found that, in some districts, tenants were not being financed at all. Thirdly, seasonality in both lending and recovery was not followed in some States while, in others, adequate time-lag between the recovery of old dues and the issue of fresh loans was not maintained. Fourthly, the condition recommended in the Action Pro-

gramme regarding minimum repayment performance, viz. 50 per cent to 75 per cent of demand, on the part of the societies before becoming eligible for fresh finance, was not adhered to in some of the States. Lastly, linking of credit with markeiing was generally absent in all the States, except in areas where cash crops are grown. Thus, the crop loan system is not being implemented in the form in which it was envisaged, in most parts of the country.

The Working Group on Industrial Financing through co-operative banks appointed by the Reserve Bank of India in June 1967 submitted the first part of its Report in August 1968. A special meeting of the Reserve Bank's Standing Advisory Committee on Rural and Co-operative Credit, convened in September 1968 to consider the report, generally approved the recommendations of the Working Group relating to organisation and financing of industrial co-operatives. On the organisational side, the Group has recommended a programme of reorganisation of industrial co-operative societies making them viable units with adequate business potential and application of the same criteria to new societies before their registration. The Group has also called for arrangements in central and State co-operative banks to formulate policies and the removal of restrictive provisions in the bye-laws of urban co-operative banks to enable them to play a prominent role in financing small-scale industrial units. The Registrars of co-operative societies were advised accordingly about these recommendations in October 1968. On the financial side, the Group was in favour of strengthening the capital structure of industrial co-operative societies, financing their block and working capital requirements through a scheme of rural debentures and an expansion of the list of approved cottage and small scale industries for financial accommodation under section 17(2) (*bb*) of the Reserve Bank of India Act. In particular, the Group recommended provision of loans by the Reserve Bank of India to State Governments, from the National Agricultural Credit (Long-term Operations) Fund to enable them to contribute to the share capital of industrial co-operative societies, other than procesing societies, the membership of which is drawn from the weaker sections of the community as also to the share capital of selected urban co-operative banks. It has also suggested that the Reserve Bank should take up the question of extending the scope of the provision of medium-term loans to State co-operative banks from the National Agricultural Credit (Long-term Operations) Fund for enabling members of co-operative processing societies to purchase shares in such societies. For financing the block capital requirements of co-operative processing societies, it has called for devising a scheme of rural debentures and contribution to such debentures by the Reserve Bank as part of its investments till the Reserve Bank of India Act is suitably amended to provide such contribution from the National Agricultural Credit (Long-term Operations) Fund. The Reserve Bank has since accepted the suggestion about widening the list of industries approved for financing under Section 17(2)(*bb*) of the Act and would now finance 22 broad groups of cottage and small scale industries in addition to the weaving industry and powerlooms in the co-operative sector. The other recommendations of the Group have generally been accepted by the Reserve Bank except in regard to the amendment to the Reserve Bank of India Act for enabling it to contribute to rural debentures issued by or on behalf of processing societies and to extend loans to State Governments for subscribing to the share capital of selected urban co-operative banks and industrial co-operative societies (other than processing societies) whose membership is drawn from the weaker sections of the community. The action to be initiated in regard to the implementation of the recommendations accepted by the Reserve Bank is under consideration.

The number of co-operative banks coming under the purview of the Banking Regulation Act 1949 (as applicable to co-operative societies) declined further from 1,449 at the end of March 1968 to 1,368 at the end of March 1969, the latter number comprising 28 State co-operative banks (of which 14 are scheduled co-operative banks), 367 central co-operative banks and 973 primary co-operative banks. During the period under review, licences to commence banking business under Section 22 of the Banking Regulation Act, 1949 (as applicable to co-operative societies) were granted to one central co-operative bank

and three primary co-operative banks, raising the total number of banks licensed to 14.

According to the draft of the Fourth Five-Year Plan, agricultural co-operatives on the one hand and consumer co-operatives on the other will occupy a central position in the strategy of co-operative development during the period. The aim will be to institutionalise, to the greatest possible extent, the services required by the farmer. In the process of such institutionalisation, the co-operative form of organisation will have ample opportunities not only to expand but to establish itself as viable and efficient with the active assistance from the Government in important aspects such as finance, organisation and trained personnel. During the Fourth Plan, one of the main endeavours will be to orient the policies and procedures of credit co-operatives and land development banks in favour of small cultivators.

The Plan envisages that, as a result of re-organisation, the number of primary agricultural credit societies which stood at 1.8 lakhs at the end of 1966-67 (and which includes a number of non-viable credit societies) will dwindle to about 1.2 lakhs of potentially viable societies through a process of amalgamation. The draft has indicated the necessity to undertake programmes directed towards rehabilitation and reorganisation of weak district central co-operative banks and the need for systematic efforts both by the State Governments and the co-operative banks to reduce the overdues substantially. Stressing the importance of bringing about a substantial increase in deposits at various levels, the draft has called upon the State Governments to undertake necessary enabling legislation to amend the Co-operative Societies Act, so that the Deposit Insurance Scheme could be extended to the deposits of co-operative banks. Co-operative banks are to be encouraged and assisted to open more branches in rural areas for facilitating the flow of credit, rendering services more efficiently and for tapping larger savings. If these programmes are implemented effectively, it should be possible, according to the draft, for the co-operatives to aim at disbursing short and medium-term credit of the order of Rs. 750 crores in 1973-74.

It is also proposed to accelerate considerably the pace of expansion of land development banking so that adequate support may be forthcoming for schemes of basic importance to agriculture such as land reclamation, soil conservation, land shaping and construction of surface works, tube wells and other works of minor irrigation throughout the country. A loaning programme of Rs. 700 crores by these banks through the resources mobilised by themselves as well as those made available by the Government is envisaged. The Agricultural Refinance Corporation will be able to provide refinance of the order of Rs. 200 crores during the course of the Plan for a larger number of schemes distributed in different States.

Trends in Co-operative Credit

As a result of the continued efforts by the State Governments to implement the policy of revitalisation and reorganisation of primary credit societies to form viable units, the number of primary agricultural credit societies declined further during the year ended June 1968 to 1.75 lakhs* from 1.79 lakhs** as at end-June 1967. Membership of these societies, however, increased during the period from 267 lakhs** to 283 lakhs.* The short and medium-term credit advanced by these societies during the year amounted to Rs. 405 crores* as against Rs. 366 crores** during 1966-67.

The outstanding amount of advances and bills purchased and discounted by the State co-operative banks, scheduled as well as non-scheduled, as on March 28, 1969 was Rs. 450.28 crores@ showing a rise of Rs. 83.11 crores over the level as on March 29, 1968. Aggregate deposits (exclusive of inter-bank deposits and borrowings from the Reserve Bank and other banks) increased by Rs. 19.14 crores to Rs. 102.14 crores. To meet the demand for credit, State co-operative banks resorted to borrowings mainly from the Reserve Bank.

---

* Provisional.
** Revised.
@ Data relate to State co-operative banks maintaining accounts with the Reserve Bank.

Details of financial accommodation provided by the Reserve Bank of India to State co-operative banks are presented in Table 1. The limits sanctioned to them rose to Rs. 414.63 crores † during 1968-69, from Rs. 410.42 crores **† during 1967-68. The gross amount drawn by State co-operative banks from the Reserve Bank stood higher at Rs. 484.71 crores during the year, as compared with Rs. 429.48 crores** during the previous year. The outstanding borrowings from the Reserve Bank also moved up from Rs. 196.73 crores** as at the end of the previous year to Rs. 244.18 crores as at the end of March 1969.

In the sphere of *short-term finance*, the amount drawn by the State co-operative banks from the Reserve Bank during the year ended March 1969 for seasonal agricultural operations and marketing of crops at the concessional rate (i.e. 2 per cent below the Bank rate) aggregated Rs. 403.11 crores as against Rs. 356.79** crores during the previous year showing a rise of 13 per cent. The outstanding borrowings at end of March 1969 were also higher at Rs. 208.86 crores as against Rs. 159.10** crores at the end of March 1968. There was no major change in the policy concerning the sanctioning of short-term credit limits to State co-operative banks for financing these operations during the year. The option given to A and B class central co-operative banks to have the credit limits sanctioned without a guarantee from the State Government was continued. The condition of maintenance of non-overdue cover in respect of borrowings from Reserve Bank of India was strictly insisted upon and the State co-operative banks were advised to scrupulously ensure the observance of this condition during 1968-69. The Reserve

Table 1—Reserve Bank Credit To Co-operatives, 1968-69

(Lakhs of Rupees)

Purpose	Amount outstanding at the end of March 1968	Amount advanced during April 1968 to March 1969	Amount outstanding at the end of March 1969
	1.	2.	3.
A. Loans to State Co-operative Banks :			
Short-term			
1. Seasonal agricultural operations and marketing of crops (at 2% below Bank rate)@@	1,59,10@	4,03,11	2,08,86
2. Production and marketing of handloom products (at 1½% below Bank rate)	5,61*	8,45**	5,96**
3. Purchase and sale of yarn (at Bank rate)	24	73	32
4. General banking purposes (at Bank rate)	2,26	24,94	47
5. Purchase and distribution of fertilisers (at Bank rate)	10,04	38,30	10,46
Medium-term			
1. Agricultural purposes (at 1½% below Bank rate)	11,94	9,03	13,01
2. Financing agriculturists for purchase of shares in co-operative sugar factories (at Bank rate)	10	4	13
3. Conversion of short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate)	7,44	11	4,97
B. Loans to State Governments for contribution to share capital of co-operative credit institutions †	31,70	3,78	31,19
C. Investment in Debentures			
1. Rural Debentures	7,74	65	8,39
2. Ordinary Debentures	22,16	3,74	25,84
3. Special Debentures	20	—	20
D. Total	2,58,53@	4,92,88	3,09,80

@ Revised. @@ Includes special credit limits sanctioned for cotton and kapas.
* Includes Rs. 17 lakhs advanced to one State co-operative bank under Section 17(4)(*a*).
** Includes Rs. 33 lakhs advanced to one State co-operative bank under Section 17(4)(*a*).
† Rate of interest charged to State Governments in respect of these loans is nil for the first two years, 2% during next 3 years, 2½% for the next 4 years and 3% for the next 3 years.

† Excludes limits sanctioned for general banking purposes.
** Revised.

Bank continued to prescribe, in suitable cases, a minimum involvement to be maintained by central co-operative banks, either individually or jointly with their State co-operative banks, in short-term agricultural credit. The additional credit requirements of central co-operative banks for financing the high yielding varieties programme continued to be included in the normal credit limits sanctioned to them. Sanction of special credit limits to State co-operative banks, at 2 per cent below bank rate, for financing the marketing of cotton and kapas continued during 1968-69. Limits aggregating Rs. 11.10 crores were sanctioned to one State co-operative bank. The drawals amounted to Rs. 9.35 crores and, as at end—March 1969, the outstandings were Rs. 4.72 crores.

In regard to *handloom finance*, the Bank had, as mentioned in the previous Report, relaxed the normal credit limit for a society to one-fourth of the value of cloth produced on its account during the previous calendar year, plus reasonable increase in production expected during the current calendar year. This was, however, subject to the proviso that sales during the previous year were at least two-thirds of the production. The limits were reduced proportionately whenever sales were less. This policy was allowed to continue during 1968-69. However, as mentioned in the last year's Report, in view of the difficulties experienced by the societies in complying with the requirements of the change over, the Reserve Bank renewed the credit limit (on per active loom basis) sanctioned to the society for 1965-66, if it became eligible during 1967-68 for a lower credit limit on the basis of the production-oriented pattern of financial assistance. Since it was felt that, in spite of such concession, it would not be possible for many societies to bring about an adjustment in their operations on the new pattern, and as fears were expressed that a large number of them would have to face reduction in the credit limits during 1968-69, it was decided, on the recommendation of the All-India Handloom Board, to phase the reduction in credit limits so that one-third of the difference between the eligibility for credit limits as per the old pattern and the new pattern could be adjusted during 1968-69 and the remainder during 1969-70. It was also decided that all limits sanctioned to weavers' co-operative societies from April 1, 1970 would be only on the basis of the production-oriented pattern of financing. A mention was made in the last year's Report regarding the Reserve Bank agreeing, as a temporary measure, to treat certain items of assets of societies as cover for borrowings from it in lieu of the prescribed margin of ten per cent. One of the forms in which the required margin could be furnished by the society is the amount of rebate claims due from Government on the basis of a certificate given by the Co-operative Department. Since, it was observed that, in several States, the rebate claims were not settled expeditiously resulting in the amounts representing such claims being shown on a continuing basis for fulfilling margin requirements, the Registrars and the apex and primary weavers' societies were advised that this item may have to be excluded from the list of items of assets that can be shown as cover for the borrowings from the central co-operative banks if the rebate claims in favour of the societies continue to be delayed by the Government. In case of apex weavers' societies, however, the rebate claims due from Government are not an eligible item of assets for being shown as part of the cover for their borrowings from the Reserve Bank and margin money.

As per the recommendations of the Standing Finance Committee of the All-India Handloom Board, the Reserve Bank approved weavers' co-operative societies employing powerlooms as one of the cottage and small scale industries for the purpose of section 17(2)(*bb*) of the Reserve Bank of India Act for financing their production and marketing activities at a concessional rate of interest, i.e. 1½ per cent below the Bank rate, provided the rate of interest charged to the ultimate borrower is not unreasonably high. Concessional finance as above has also been made available to silk and woollen handloom weavers' co-operatives ; the basis for assessing the credit requirements, margins to be maintained etc. are the same as those applicable to handloom weavers' societies.

During 1968-69, the gross drawals of State co-operative banks for financing handloom weavers' co-operatives under section 17(2)(*bb*) or (4)(*c*) as well as special credit limits sanctioned under section 17(4)(*a*) of the Reserve Bank of India Act at 1½ per cent

below the Bank rate were Rs. 8.45 crores as against Rs. 8.71 crores during the previous year. The amount outstanding at the end of the year stood at Rs. 5.96 crores. Accommodation provided to State co-operative banks on behalf of the apex weavers' societies under section 17(2)(*a*) or (4)(*c*) of the Reserve Bank of India Act at Bank rate for purchase and sale of yarn during the year aggregated Rs. 0.73 crore as against Rs. 1.73 crores during the previous year. The amount outstanding at the end of the year was Rs. 0.32 crore.

The drawals by State co-operative banks at Bank rate for general banking purposes under section 17(4)(*a*) of the Reserve Bank of India Act amounted to Rs. 24.94 crores as against Rs. 15.09 crores during the previous year. The amount outstanding against this account at the end of March 1969 stood at Rs. 0.47 crore as against Rs. 2.26 crores at the end of the previous year.

In the sphere of *co-operative marketing* efforts were mainly directed during 1968-69 towards consolidation of existing co-operative marketing societies. Organisation of new societies was taken up mainly in areas coming up under new irrigation projects where new wholesale mandi centres have developed. The marketing structure at the primary level consisted of 3,300 primary marketing societies as on June 30, 1968 covering nearly all the important secondary markets in the country. Of these 2,451 were State-partnered. The super-structure of co-operative marketing societies consisted of 158 district level marketing societies, 20 State level apex co-operative marketing societies and one National Co-operative Agricultural Marketing Federation. In addition, there were two fruit and vegetable federations at the State level and one inter-State arecanut federation.

The value of agricultural produce marketed by co-operatives which was Rs. 338** crores during the co-operative year 1966-67 increased to Rs. 462* crores during the year 1967-68. The increase was mainly due to favourable wheat crop in the Punjab and sugarcane crop in Uttar Pradesh and elsewhere. During 1967-68, co-operatives handled foodgrains worth Rs. 163 crores as against Rs. 148** crores handled during 1966-67. The State Governments and the Food Corporation of India continued to associate marketing co-operatives with their foodgrains procurement operations. Amongst the commercial crops, sugarcane is the most important commodity marketed/processed by co-operatives accounting for Rs. 180 crores during 1967-68, followed by cotton accounting for Rs. 55 crores. The co-operatives handled agricultural produce worth about Rs. 80 crores during 1967-68 as compared to Rs. 11 crores in 1966-67 in inter-state trade, in which they have entered recently. The export of agricultural produce directly by the co-operatives amounted to Rs. 1.60 crores during 1967-68 as against Rs. 1.94 crores during 1966-67. In addition to these, co-operatives assisted other authorised agencies in the export of agricultural produce by supplying processed commodities. The co-operative sugar factories delivered 0.11 million tonnes of raw sugar in 1967-68 for export. The coffee co-operative processing societies delivered coffee worth Rs. 1.86 crores during 1967-68 as against Rs. 82 lakhs in 1966-67, to the Coffee Board for export purposes.

With the modification of the scheme for the creation of price fluctuation fund, a reference to which was made in the Report for 1966-67, there has been a significant increase in the outright purchases made by co-operative marketing institutions. Thus, outright purchases amounting to Rs. 7.47 crores made in 1965-66 rose to Rs. 9.75 crores in 1967-68. Efforts were continued to be made to forge an organic link between co-operative credit and marketing. By the end of 1967-68, more than 75 per cent of primary agricultural credit societies were affiliated to marketing societies. Over 10 per cent of the loans issued by primary credit societies were recovered by marketing/processing societies, Maharashtra and Gujarat accounting for the bulk of the recoveries.

In most of the States, the co-operatives continued to play a major role in the distribution of agricultural inputs particularly fertilisers. During 1967-68, the co-operatives handled fertilisers worth about Rs. 183.23 crores as against Rs. 114.36** crores in 1966-

* Provisional.
** Revised.

67. The number of retail depots for the distribution of chemical fertilisers was 40503 at the end of 1967-68. The Reserve Bank of India continued to provide finance at Bank rate for procurement, stocking and distribution of chemical fertilisers by co-operatives with 10 per cent margin on Government guarantee. During 1968-69, the Bank sanctioned credit limits amounting to Rs. 42.50 crores to 8 State co-operative banks for this purpose as against Rs. 40 crores in 1967-68. The drawals by State co-operative banks for the purpose amounted to Rs. 38.30 crores as against Rs. 32.17 crores in 1967-68. The amount outstanding at the end of the year was Rs. 10.46 crores. One of the important recommendations of the Venkatappaiah Committee on Fertiliser Credit appointed by the Fertiliser Association of India related to the provision of share capital/loan by the State Governments to the co-operative marketing structure to enable it to meet the requirements of margin money essential for availing commercial bank finance for the distribution of fertilisers. To help the State Governments in providing share capital/loan assistance to the societies, a centrally sponsored scheme for margin money has been agreed to, to be included in the Fourth Plan with an outlay of Rs. 12 crores. The National Co-operative Development Corporation will provide the requisite financial assistance to the State Governments to the maximum of 50 per cent of the margin money requirements of the co-operatives. The remaining amount will be provided by the co-operative distribution system.

In the sphere of *medium-term credit*, there was no change in the policy governing the sanction of medium-term loans by the Reserve Bank of India during 1968-69. The Bank has been emphasising from time to time the need for rationalising the medium-term policy and procedure, so as to ensure that the loans would not be utilised as a 'ways and means' advance. In pursuance of this, the Bank indicated to co-operative banks the guidelines for adopting a rational and purposeful policy in granting medium-term loans. During the year ended March 1969, medium-term credit limits aggregating Rs. 13.76 crores were sanctioned as against loans of Rs. 22.10 crores sanctioned during the year ended March 1968 at $1\frac{1}{2}$ 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. The aggregate drawals during the year 1968-69 amounted to Rs. 9.03 crores as against Rs. 8.46 crores during the previous year. The outstanding loans were Rs. 13.01 crores and Rs. 11.94 crores as on March 31, 1969 and March 31, 1968, respectively. Under the same provision of the Act, which permits the Reserve Bank to advance loans to co-operative banks for other purposes connected with agricultural activities, one State co-operative bank drew a sum of Rs. 4 lakhs at Bank rate, for financing the purchase of shares in co-operative sugar factories during the year.

The Reserve Bank of India made a further contribution of Rs. 8 crores to the National Agricultural Credit (Stabilisation) Fund during 1968-69, raising the total amount standing to the credit of the Fund to Rs. 33 crores as at the end of June 1968. During 1968-69, stabilisation loans to the extent of Rs. 3.45 crores were sanctioned by the Bank to three State co-operative banks (Andhra Pradesh, Rajasthan and West Bengal) for converting short-term loans into medium-term loans in the areas affected by drought conditions. Drawals on the loan amounted to Rs. 0.11 crore during the year and the outstandings were Rs. 4.97 crores as on March 31, 1969.

In the field of *long-term credit*, the ordinary debenture programme of central land development banks for 1968-69 was fixed at Rs. 86 crores. The three public sector institutions agreed to contribute to these debentures, as in 1967-68, to the extent of Rs. 20 crores as under : the Life Insurance Corporation Rs. 10.50 crores, the State Bank of India Rs. 4.50 crores and the Reserve Bank of India Rs. 5 crores. This support was, as in the previous year, subject to the condition that at least 80 per cent of the loans, backed by unencumbered mortgages shown as cover for the series, should have been advanced for productive purposes. The Government of India had agreed to provide Rs. 15 crores to the State Governments for contributing to the debentures floated by central land development banks during 1968-69, on the usual condition that the State Government concern-

ed provided a more or less matching contribution and the land development bank also showed, as cover, unencumbered mortgages representing loans for at least an equal amount for certain specified purposes such as sinking of new wells and purchase of pumpsets.

In view of the fact that along with the increase in the volume of loan operations of the banks, their overdues in several cases had increased sharply, greater emphasis was laid on their qualitative performance while allotting the size of the programme of each bank and the extent of support to be provided by the public sector institutions. Accordingly, banks were grouped on the basis of their recovery performance. The relatively developed banks whose recovery performance, at the primary level, had exceeded 90 per cent of the demand during 1967-68 were categorised as 'A' (Andhra Pradesh, Madras and Punjab) and were allowed a substantial increase in the debenture programme over that allotted for 1967-68. The support from the Government of India and the three public sector institutions for this category of banks was fixed at 40 per cent of the floatations. Those banks whose recovery performance during 1967-68 fell short of 90 per cent were placed in 'B' group (Bombay, Gujarat, Madhya Pradesh, Mysore and Uttar Pradesh). Their programme for the year was pegged at the previous year's achievements and the support for these banks was placed at 30 per cent of the programme. As regards the relatively under-developed banks (Haryana, Orissa, Bihar, Rajasthan, Kerala, Himachal Pradesh, West Bengal, Jammu and Kashmir and Pondicherry) which were put in Group 'C' and whose approved programme for 1967-68, was less than Rs. 3 crores in each case, special consideration was shown and the support was retained at 60 per cent of the programme as in the previous year.

However, a sum of Rs. 3.80 crores was held in reserve, to be subsequently allotted among the banks in Group B if they brought down their overdues to 10 per cent of the demand by the end of 1967-68. Similarly, banks in Group 'C' were also allowed a modest increase in their loan programmes for the year keeping in view their operational efficiency. As in the previous years, the Reserve Bank of India's contribution was to the extent of short-fall in public subscription or the pre-determined share, whichever was less, but it was agreed that any savings in a particular series would be made available for contribution to the next series within the year, provided that the total did not exceed the share fixed for the year. The commercial banks which had contributed about Rs. 18 crores during the previous year agreed to enhance their contribution to Rs. 22 crores during 1968-69 which resulted in an upward revision of the debenture programme fixed for the year. During 1968-69, 17 central land development banks floated ordinary debentures for a total sum of Rs. 96.87 crores as against Rs. 71.18 crores floated by them in the previous year. Total subscriptions to these issues amounted to Rs. 100.64 crores. Of the total, the amount subscribed by the commercial banks was Rs. 22.86 crores. The Central Government contributed Rs. 14.58 crores, the State Governments Rs. 17.50 crores, the Life Insurance Corporation Rs. 10.78 crores, cooperatives Rs. 22.95 crores, the Reserve Bank of India Rs. 4.36 crores, the State Bank of India Rs. 4.35 crores and others Rs. 3.26 crores. Rural debentures for a total sum of Rs. 1.35 crores were floated during 1968-69 by 5 central land development banks (Gujarat, Madras, Mysore, Punjab and Haryana) as compared with Rs. 3.26 crores floated by 10 central land development banks during the previous year. Subscriptions to these issues of all the banks amounted to Rs. 1.22 crores of which Rs. 65.33 lakhs or 53 per cent came from the Reserve Bank of India and the balance from individuals. Special development debentures for Rs. 18,420 were issued by one central land development bank (Kerala) during the year as against Rs. 4.07 crores issued by seven central land development banks during the previous year. The whole amount was subscribed by the State Government.

During 1968-69, the Reserve Bank made a further contribution of Rs. 12 crores to the National Agricultural Credit (Long-term Operations) Fund, as against the previous year's contribution of Rs. 16 crores, raising the amount to the credit of the Fund to Rs. 143 crores. During the year, loans sanctioned to 12 State Governments for

contribution to the share capital of co-operative credit institutions amounted to Rs. 4.05 crores (excluding renewals of Rs. 7 lakhs) as against loans amounting to Rs. 7.32 crores sanctioned to 15 State Governments in 1967-68. Of this, Rs. 0.20 crore was sanctioned to 1 State co-operative bank, Rs. 2.24 crores to 59 central co-operative banks, Rs. 1.19 crores to 1571 primary agricultural credit societies and Rs. 0.42 crore to 5 central land development banks. The outstandings on account of loans advanced to State Governments for share capital contribution amounted to Rs. 31.19 crores as at the end of March 1969 showing a decline of Rs. 51 lakhs over the previous year. During the year, the terms and conditions governing the loans to be made by the Reserve Bank to the State Governments from the Fund remained unchanged except in one procedural aspect. Hitherto, any amount other than any normal instalment refunded by a State Government used to be adjusted towards the first or the subsequent instalment of the relative loan or advance that might have become due, or might thereafter become due, for repayment. Hereafter, any repayments, including the refund of unutilised amounts by a State Government, other than the normal instalment will be adjusted towards the last instalment of the relative loan. As regards eligibility for loans from the Fund, a primary agricultural credit society, which is viable or potentially viable, would be eligible for share capital contribution from the State Government upto a limit of Rs. 10,000 without matching contribution by its members.

During the year under review, the Agricultural Refinance Corporation sanctioned refinance in respect of 130 schemes of development involving a total financial outlay of Rs. 103.18 crores, out of which the Corporation's commitments amounted to Rs. 91.61 crores. Since its inception in July 1963, the Corporation has approved 225 schemes involving a financial outlay of Rs. 179.02 crores and sanctioned refinance for them to the tune of Rs. 153.81 crores.

The disbursement made by the Corporation during the year amounted to Rs. 14.62 crores as at the end of March 1969 and the total disbursement since its inception stood at Rs. 25.02 crores.

A few changes in the policy and procedure of the Corporation were made during the year. The facility granted by the Corporation to State Governments, whereby it agreed to accept in respect of minor irrigation schemes sanctioned during the co-operative year 1967-68, a reduced contribution of not less than 10 per cent by State Governments to the special development debentures to be floated by the central land development banks instead of the usual 25 per cent, was further extended for one year i.e. upto 30th June 1969. The Corporation also agreed to provide through the central land development banks and scheduled commercial banks refinance facilities in respect of the loans advanced by them to the farmers for the expenditure to be incurred by them by way of charges paid to the Electricity Boards or deposits kept with them for obtaining electric connections through low as well as high tension lines to enable the farmers to energise their wells. This facility is, however, restricted to a ceiling of Rs. 3,000 per connection and is subject to the entire loan amount including the loan advanced for the construction of a well, installation of a pumpset etc. as also for payment of the deposit to the Electricity Board being within the repaying capacity of the borrower. At the instance of the Corporation, the Reserve Bank of India relaxed the norm of 5 per cent fixed for the term lendings of commercial banks to their deposits by excluding the medium or long-term loans for agricultural development which are subsequently refinanced by the Corporation from the purview of the norm. The Corporation made some relaxations with a view to widening the scope of refinancing facilities available to scheduled commercial banks in respect of schemes of agricultural development proposed on an area development basis for financing cultivators in compact areas for purchase of pumpsets or other agricultural machinery etc. Thus, in order to expedite disbursement of loans/refinance, the Corporation decided not to insist on detailed reports on the property of each borrower under *a scheme* involving a large number of cultivators. Only a composite certificate will have to be obtained from the bank's solicitors/legal advisers in the form prescribed by the Corporation to

the effect that the title in each case is marketable and free from any encumbrance or any defect whatsoever. Further, with a view to augmenting the facilities for storage of agricultural produce in the country, the Corporation has recently announced its willingness to refinance loans made by scheduled commercial banks and State co-operative banks for construction of modern godowns and silos. Again, the Corporation has decided to extend refinance facilities to all schemes of agricultural development including development of plantation estates, mechanization of farms and development of land for growing other crops. The Corporation has also decided not to insist on compactness of the area of a scheme in the cases of farmers availing of medium and long-term loans for purchase of farm equipments including pumpsets, tractors etc. through various offices/branches of the scheduled commercial banks not situated in the compact area, provided that adequate steps for supervision over the utilization of loans are taken by the bank and the equipment purchased by the farmers such as pumpsets, tractors etc. would result in increased agricultural production. The earlier decision of the Corporation to finance cultivators through a sugar factory has now been extended to cover co-operative marketing/processing societies also.

In the *co-operative processing sector* with the licensing of two more co-operative sugar factories (in Maharashtra) during 1968-69, the number of co-operative sugar factories registered/licensed so far rose to 79. Besides, eight co-operative sugar factories have been granted expansion in their cane crushing capacity. This brings the total licensed capacity in the co-operative sector to 1.53 million tonnes accounting for 35.9 per cent of the total licensed capacity for the sugar industry. During 1967-68, 58 co-operative sugar factories produced 0.71 million tonnes of sugar representing 31.4 per cent of the national production (2.25 million tonnes) as against 0.66 million tonnes of sugar produced by 55 factories representing 30.9 per cent of the national production in the previous year. During the season 1968-69, upto March 7, 1969, co-operative sugar factories produced 0.70 million tonnes of sugar as against 0.55 million tonnes produced in the corresponding period of the last year representing an increase of about 27 per cent. The total share capital of these factories amounted to Rs. 37.47 crores as on December 31, 1968 of which the contribution from State Governments was Rs. 14.04 crores. Upto March 31, 1969, the Industrial Finance Corporation sanctioned loans to 65 co-operative sugar factories of the order of Rs. 56.03 crores.

The Life Insurance Corporation has, of late, also started participating in the block loans to the newly licensed co-operative sugar factories, normally at the rate of Rs. 40 lakhs per factory. However, in such cases the quantum of loans provided by the Industrial Finance Corporation gets reduced from the earlier limit of Rs. 120 lakhs by a corresponding amount. The Industrial Finance Corporation as well as the Life Insurance Corporation sanction loans on 50:50 guarantee of the Central and State Governments. During 1968-69, the Industrial Finance Corporation sanctioned loans to 4 newly licensed co-operative sugar factories and the Life Insurance Corporation agreed to sanction loans to the extent of Rs. 40 lakhs each in respect of two of the factories. The total limits sanctioned to co-operative sugar factories by the State Bank of India during the year amounted to Rs. 14.09 crores and the outstandings at the end of March 1969 amounted to Rs. 9.36 crores.

Other important commodities processed by co-operatives were foodgrains, cotton, oilseeds, fruits and vegetables, plantation crops, jute etc. By the end of 1967-68, financial assistance had been provided under Plan schemes and a special scheme sponsored by the National Co-operative Development Corporation, for setting up 800 paddy processing units of the conventional type. The total paddy processing capacity created in the co-operative sector is about 2.5 million tonnes per annum, accounting for nearly 13 per cent of the marketable surplus of rice in the country. As regards cotton, there were 237 ginning and pressing units in the co-operative sector, as at end-March 1968. During 1966-67, co-operatives ginned 0.6 million bales of raw cotton and pressed 0.8 million bales of ginned cotton accounting for nearly 13 per cent of the national production so far as ginning is concerned and 16 per

cent in the case of pressing. Out of the 63 co-operative spinning mills licensed in the co-operative sector upto end-March 1969, 26 mills with 4.76 lakh spindles belonged to the cotton growers and the remaining 37 with 7.45 lakh spindles to the weavers. Of the 26 cotton growers co-operative spinning mills licensed, four were dropped and one was bifurcated during 1967-68. The 23 existing mills raised Rs. 3.79 crores as share capital from their grower members and the State Governments contributed Rs. 3.70 crores. During 1967-68, 16 of them applied to the Industrial Finance Corporation for block loans, out of which 7 mills were sanctioned block loans to the extent of Rs. 4.07 crores. For processing of oil seeds, establishment of 187 oil mills and 54 groundnut decorticators was taken up till the end of March 1968 and another 10 were organised during 1968-69. Co-operatives have made a beginning in secondary and tertiary stages in groundnut processing. Four co-operatives have set up solvent extraction plants and one of them has a composite plant for solvent extraction of oil cake, manufacture of vanaspati and soap. By the end of December 1968, 35 co-operative fruit and vegetable processing units were organised under the Plan programmes. During 1967-68, they processed 28,298 quintals of fruits and vegetables valued at Rs. 47 lakhs. Co-operatives processed 8 lakh kg. of tea and 5272 tonnes of coffee in 1967-68. The work of fertilisers mixing has also been taken up by a number of co-operatives in various States in view of the advantages of mechanically prepared granular mixtures over the manually prepared mixtures. A scheme for the setting up of granular plants prepared by the National Co-operative Development Corporation is getting increasing response from the co-operative institutions. In the development of sugar by-product industries also, co-operatives have shown interest. Three out of the nine co-operative distilleries were in production during 1967-68 and their licensed capacity rose from 47.40 lakh gallons per annum to 76.40 lakh gallons per annum during the year.

The National Co-operative Development Corporation continued to render financial assistance to different types of co-operatives through State Governments and to undertake promotional activities in regard to co-operative marketing, processing, storage etc. The financial assistance provided by the Corporation during 1968-69 amounted to Rs. 7.50 crores—Rs. 5.91 crores as loan and Rs. 1.59 crores as grants. During the year, the Corporation granted loans to State Governments as follows : for contribution to share capital of co-operative sugar factories, Rs. 0.99 crore ; for co-operative rice mills (conventional) Rs. 0.79 crore ; for establishment of other processing units and modernisation of rice mills, Rs. 1.91 crores ; for contribution to share capital of co-operative marketing societies, Rs. 0.66 crore ; for construction of godowns by co-operatives, Rs. 0.47 crore ; for establishment of co-operative cold storages, Rs. 0.20 crore ; and for setting up granular fertiliser mixing units, Rs. 0.73 crore (Table 2). Centrally aided State Plan Schemes received the bulk of grants from the Corporation (Rs. 1.39 crores).

Upto the end of March 1968, the Corporation organised/assisted a total of 1510 processing units other than co-operative sugar factories. During 1968-69, the assistance was provided to 14 more units which included rice mills (6), oil mills (3), fruit and vegetable processing units (2), groundnut decorticator (1), and others (2).

During 1968-69, the Corporation provided financial assistance for the establishment of 9 granular (mechanically prepared) fertiliser mixing units as against 2 units assisted during 1967-68. In the field of production/processing of seeds, 4 more seed producers' processing-cum-sale societies were organised/assisted during the year under the Corporation's sponsored scheme. Four marketing societies were provided financial assistance for the establishment of small scale workshops for fabrication of agricultural implements and 2 units were assisted for formulation of pesticides/insecticides during 1968-69. It also provided assistance for construction of 497 godowns.

With a view to developing co-operative processing on an area-wise basis, the State Governments were advised by the Corporation to undertake advance locational planning in respect of primary processing units for cotton and oil seeds (mainly groundnut),

Table 2—State aid to Co-operatives, 1968-69 (National Co-operative Development Corporation)

(Lakhs of Rupees)

	Purpose	Amount outstanding at the end of March 1968	Amount advanced during the year 1968-69*	Amount outstanding at the end of March 1969*
1.	Share capital contribution to co-operative marketing societies ..		66	
2.	Construction of godowns		47	
3.	Establishment of cold storages		20	
4.	Cash credit accommodation to wholesale consumers' co-operatives		—	
5.	Purchase of transport vehicles by consumers' co-operatives. ..		—	
6.	Purchase of transport vehicles by marketing/processing societies ..		11	
7.	Share capital contribution to co-operative modern rice mills ..		—	
8.	Construction of godowns and silos of co-operative modern rice mills		—	
9.	Co-operative rice mills (conventional)		79	
10.	Loans for strengthening of agricultural credit stabilisation funds of State co-operative banks	4964	—	5258
11.	Loans for establishment of formulation units of insecticides/ pesticides by marketing societies		2	
12.	Loans for organisation of seed producers' processing-cum-sale societies		3	
13.	Loans for establishment of units for fabrication of agricultural implements by marketing societies		—	
14.	Loans for establishment of processing units and modernisation of rice mills		191	
15.	Loans for setting up granular fertiliser mixing units		73	
16.	Share capital contribution to co-operative sugar factories ..		99	
17.	Investment in debentures of central land mortgage banks ..	96	—	96

* Provisional.

keeping in view the scope for integrated development of processing of these commodities. Several State Governments have, accordingly, drawn up area-wise plans in selected districts for the development of paddy, cotton and groundnut processing. To encourage the co-operatives to establish service centres for agricultural machinery and for providing tractors and other machinery on hire to the cultivators, the Corporation sponsored during 1968-69, a pilot scheme for providing necessary financial assistance to the State Governments concerned. Under this scheme, 7 societies were provided assistance in 1968-69 for setting up such centres.

In the sphere of *consumer co-operatives*, consolidation and strengthening of the co-operatives already organised under the Centrally Sponsored Scheme continued to receive support during 1968-69. By the end of June 1968, the structure of consumer co-operatives comprised over 14,000 primary consumer stores, 351 wholesale stores and 14 State Co-operative Consumers' Federations and a National Co-operative Consumers' Federation at the apex level. The share and working capital of the wholesale stores stood at Rs. 9.15 crores and Rs. 27.20 crores respectively, as at the end of June 1968, as against Rs. 7.21 crores and Rs. 21.74 crores

respectively, as at the end of June 1967. Under the Guarantee Scheme, a reference to which was made in previous Reports, consumers' stores obtained loans for working capital requirements from the banks to the extent of Rs. 15.60 crores : Rs. 13.60 crores to 110 wholesale societies ; Rs. 1.50 crores to 5 State Federations of consumer co-operative stores and Rs. 0.50 crore to The National Co-operative Consumers' Federation. Loans and advances sanctioned by banks to 64 societies to the extent of Rs. 10.33 crores have been renewed under the scheme. The value of consumer goods sold by the wholesale stores recorded a decline from Rs. 173.65 crores during 1966-67 to Rs. 171.10 crores during 1967-68, due to the reduction in the supply of controlled sugar and other controlled commodities and downward trend of the prices of agricultural commodities. There is a growing recognition of the need for a link between marketing co-operatives and the consumer co-operatives, to enable the former to find an assured market for their commodities through the chain of consumer stores. Steps are being taken to strengthen this link.

The Centrally Sponsored Scheme for distribution of consumer articles in rural areas through village and marketing co-operatives continued during the year 1967-68. The value of consumer articles distributed in 1967-68 was estimated at Rs. 250 crores as compared to Rs. 245 crores in 1966-67.

The Central Warehousing Corporation continued to make available increasing storage facilities during the year under review. As at the end of March 1969, the Corporation had 87 warehouses with a total storage capacity of 0.63 million tonnes, as against 80 warehouses with a storage capacity of 0.36 million tonnes as at the end of March 1968. Besides, there were 21 special warehouses of the Corporation with a storage capacity of 0.49 million tonnes. The number of warehouses including subware houses of the State Warehousing Corporations declined from 588 as at end-March 1968 to 563* as at end-March 1969, following the closure of uneconomic units as also those opened specially for the storage of procured foodgrains of the Food Corporation of India. The storage capacity of the warehouses of these Corporations, however, expanded from 0.74** million tonnes at the end of March 1968 to 1.0* million tonnes at the end of March 1969. The increase in storage capacity was due to a rise in hired capacity as well as the completion of construction of owned godowns. Besides this, the storage capacity in the co-operative sector, for the country as a whole, is estimated to be of the order of 2.6 million tonnes by the end of 1968-69. Co-operatives have also taken up establishment of cold storages for perishable commodities. Of the 93 cold storages with a capacity of 0.11 million tonnes proposed by co-operatives, 40 units with a capacity of 0.06 million tonnes have been constructed.

---

* Provisional.
** Revised.

CHAPTER V: CAPITAL MARKET

General :

The gilt-edged market continued to maintain its uptrend during 1968-69 and equity prices staged a significant recovery. The capital issues activity however, recorded a decline and consents granted for issue of shares and debentures were also substantially lower. The control over capital issues was further relaxed. The capital raised by non-Government companies was almost of the same magnitude as in the previous year. The magnitude of financial assistance sanctioned by the term-lending institutions rose substantially, the increase in financial assistance sanctioned to small-scale industries being particularly marked. In the sphere of company legislation, the Companies (Amendment) Bill 1968 as finally passed by Parliament was enacted as the Companies (Amendment) Act 1969 in May 1969.

The Gilt-edged Market :

In the gilt-edged market, the uptrend noticed since the beginning of 1966-67 was continued during 1968-69. The Reserve Bank's All-India Index of Government and semi-Government securities (*base* : 1961-62 = 100) rose steadily from 97.1 at the end of March 1968 to 98.7 by end-March 1969 showing an increase of 1.6 per cent on top of a rise of 2.6 per cent last year. The bullish tone during the year was sustained by the easier monetary policy as reflected in the cut in the Bank rate effective March 2, 1968 and the comfortable resources position of commercial banks. The firmness in the market is also attributable to the Bank's open market operations which have helped to infuse a degree of confidence in the market and strengthen the undertone of trading ; over the year the operations resulted in net sales of Government securities.

The Central and State Governments completed their borrowing programmes for the year 1968-69. The Centre did it in two phases by issuing on May 11, 1968, the 5½ per cent Loan, 1995 for Rs. 175 crores and on July 26, 1968, the 4¼ per cent Loan, 1975 for Rs. 135 crores. Both the loans were issued at par and were fully subscribed with total subscriptions amounting to Rs. 321 crores, of which conversion accounted for Rs. 184 crores and cash for Rs. 137 crores. Fifteen State Governments also issued 12-Year 5¾ per cent 1980 Loans for an aggregate amount of Rs. 116.50 crores at issue prices varying from Rs. 97.50 to Rs. 99.50 per cent between September 2 and September 7, 1968. The new State loans were over-subscribed ; the total subscriptions retained amounted to Rs. 127.85 crores, of which Rs. 10.52 crores were in the form of conversion.

Loan-wise, price increases were noticed both in the Central and State Government securities. The Reserve Bank's index of Government of India securities increased from 97.4 at end-March 1968 to 98.7 by end-March 1969 and that of State Government securities went up from 96.2 to 98.8. In the Central list, the rise in prices was more marked in the medium-long dated securities. Among the short-dateds, the 3 per cent Loan, 1970-75 showed the largest gain of Rs. 2.10 at Rs. 98.00, other increases ranged between 15 p. in the case of the 4 per cent Loan, 1969 to 75 p. in the case of the 3½ per cent Loan, 1969. Among the medium-shorts, the maximum gain of Rs. 6.50 was recorded in the 2¾ per cent Loan, 1976 which rose to Rs. 88.25. The 3¾ per cent Loan, 1974 showed an increase of Rs. 1.70 at Rs. 97.80. In the medium-longs, the largest gain of Rs. 3.80 was noticed in the 4 per cent Loan, 1979 which rose to Rs. 97.05, whereas the 5 per cent Loan, 1982 showed the smallest gain of Rs. 1.05 at Rs. 101.85. The long-dateds section noticed increases in all the issues except the 5½ per cent Loan, 1992 which showed a decline of 25 p. The rise in other issues ranged from 10 p. in the case of the 3 per cent Loan, 1986 or later to Rs. 2.25 in the case of the 3 per cent Non-terminable Loan. Both the 5¼ per cent Loan, 1995

and the 4¼ per cent Loan, 1975—new loans issued at par—also gained Re. 1 and 15 p. respectively.

With the general firmness in the gilt-edged market, Central Government loans witnessed a decline in yields except in the case of the 5½ per cent Loan, 1992, which showed an increase of 0.03 point (to 5.43 per cent). Among the short-dated loans, the fall in yields ranged from 0.07 point each in the case of the 4 per cent Loan, 1970 and the 4 per cent Loan, 1972 (to 4.06 per cent and 4.08 per cent, respectively) to 0.95 point (to 3.05 per cent) in the case of the 4 per cent Loan, 1969. In the medium-short dateds, the fall was noticed by 0.30 point (to 4.20 per cent) in the case of the 3¾ per cent Loan, 1974 to 0.94 point (to 4.52 per cent) in the case of the 2¾ per cent Loan, 1976. Among the medium-long dateds, the fall varied from 0.11 point (to 4.81 per cent) in the case of the 5 per cent Loan, 1982 to 0.43 point (to 4.37 per cent) in the case of the 4 per cent Loan, 1979. Among the long-dateds, the fall in yields ranged between 0.01 point (to 5.32 per cent) in the case of the 5½ per cent Loan, 1991 to 0.20 point (to 5.06 per cent) in the case of the 3 per cent Non-terminable Loan.

In the States list, a majority of the loans registered increases in prices. The gains in the short-dateds ranged between 25 p. each in the case of the 4¼ per cent Loan, 1969 of Bombay and the 4 per cent Loan, 1969 of Maharashtra (which rose to Rs. 99.90 and Rs. 99.60, respectively) and Rs. 7.50 in the case of the 4¼ per cent Loan of 1972 of Uttar Pradesh (which moved up to Rs. 98.50). Among the few short-dated loans which showed declines over the year, the fall ranged from Rs. 2.70 in the case of the 4½ per cent Loan, 1974 of Bihar (which fell to Rs. 96.50) to Rs. 4.80 in the case of the same issue of Punjab (which declined to Rs. 94.40). In the medium-short dateds, the rise in prices varied between Re. 0.75 in the case of the 5¾ per cent Loan 1979 of Haryana (which rose to Rs. 97.75) to Rs. 8.10—being the maximum gain in States list—in the case of the 4¾ per cent Loan 1976 of West Bengal (which moved up to Rs. 98.75). Among the new 5¾ per cent Loan 1980, the increase in prices varied between 70 p. in the case of Gujarat issue to Rs. 1.50 in the case of Haryana issue, whereas declines ranged between 5 p. in the case of Punjab issue to 35 p. in the case of Bihar issue.

Reflecting the mixed trend in prices of State loans, the yield pattern moved both ways. Among the short-dated issues, the rise in yields ranged from 0.01 point (to 4.65 per cent) in the case of the 4½ per cent Loan, 1974 of Assam to 1.06 points (to 5.70 per cent) in the same issue of Punjab, while declines ranging from 0.05 point (to 4.45 per cent) in the case of the 4¼ per cent Loan, 1969 of Bombay to 1.87 points (to 4.72 per cent) in the case of the 4¼ per cent Loan, 1972 of Uttar Pradesh were noticed. Among the medium-dateds, the rise in yields was in the range of 0.01 point (to 5.35 per cent) in the case of the 4¾ per cent Loan, 1976 of Assam to 0.09 point (to 6.50 per cent) in the same issue of Bihar, whereas declines ranged from 0.13 point each in the case of the 5¾ per cent Loan, 1979 of Gujarat and Kerala (to 5.74 per cent and 6.01 per cent, respectively) to 1.23 points (to 4.95 per cent) in the case of the 4¾ per cent Loan, 1976 of West Bengal.

Industrial Securities Market

The equity prices recorded a gradual rise during the greater part of 1968-69 as against the decline observed in the preceding year. The recovery in share prices commenced since the end of February 1968 subsequent to concessions granted to the corporate sector in the Union Budget for 1968-69 to stimulate production and exports and reduction in the Bank Rate from 6 per cent to 5 per cent in early March 1968. Except for a short spell of easiness early in the year the recovery continued and towards the end of 1968-69 the stock exchanges were in an ebullient mood. The Reserve Bank's All-India Index of Variable Dividend Industrial Securities (*Base:* 1961-62 = 100) rose from 77.5 during the week ended March 30, 1968 to 87.9 during the week ended March 29, 1969, showing a net increase of 13.4 per cent as against a decline of 4.4 per cent recorded during 1967-68. The prices of fixed-interest bearing industrial securities—preference shares and debentures—were slightly higher during 1968-69 than in the previous year.

The uptrend in equity prices, interrupted between March 9, 1968 and April 13, 1968 due to rush for gold in the world's free markets and the consequent uncertainties regarding reserve currencies in the international financial markets, continued till the end of June 1968. In addition to the concessions granted to the corporate sector in the Union Budget for 1968-69 and the reduction in the Bank Rate, some of the other important factors which assisted the uptrend were (i) the Aid-India Consortium's appreciation of India's requirements of foreign aid, (ii) the announcement of the import policy for 1968-69 designed to encourage exports and production and (iii) a reduction of ½ per cent in the refinancing rates of I.D.B.I. from May 11, 1968. The Reserve Bank's Index of equity prices rose from 77.5 to 81.0 between the weeks ended March 30 and June 29, 1968.

The gradual recovery in equity prices showed fluctuations within a narrow range during July-September 1968. The equity price index after declining to 80.4 during the week ended July 27, rose to 81.4 till August 31 and declined thereafter to 79.1 by September 28, 1968. Market sentiment was affected, among other things, by (i) the reports of less than expected increase in the steel prices, (ii) reports of damage to standing crops caused by droughts or floods in different parts of the country, (iii) disappointing reports about the working of certain leading companies, and (iv) the apprehensions of decline in production due to reduction in supply of power to industries in the Bombay-Poona region.

From October 1968 onwards the equity prices resumed their earlier uptrend and the index consistently moved up from 79.5 to a higher level of 89.8 between October 5, 1968 and March 8, 1969 and closed at 87.9 by March 29, 1969. The buoyancy in equity prices reflected the gradual revival of confidence, rising investment demand, relative price stability in commodity markets, rising industrial production and expectations of further improvement in the economy during 1969. The sentiment was also assisted by the Union Budget for 1969-70 which provided such incentives as reduction of export duties on jute goods and tea with a view to stimulating exports, inclusion of jute and cotton textile industries in the list of priority industries for the purpose of development rebate and raising of income-tax exemption limit in respect of dividend income from Rs. 500 to Rs. 1000. The other encouraging factors were, (*a*) expectations of a high level of agricultural production, (*b*) reports of rising exports, (*c*) continuation of the liberalised credit policy for the priority sectors by the Reserve Bank of India, (*d*) announcement by the International Development Association in January 1969 of $ 125 million credit to India for imports of components and materials for machinery, and (*e*) announcement in February 1969 of further relaxation of curbs on the issue of capital by companies.

Among stock exchanges, according to the regional equity index, Bombay Stock Exchange recorded the highest gains (16.0 per cent), followed by Calcutta (12.5 per cent), Ahmedabad (10.9 per cent), Madras (7.3 per cent) and Delhi (6.8 per cent) during 1968-69.

The improvement in equity prices was shared by the major sub-groups. The maximum increase was registered by the sub-group 'edible and vegetable oils' which rose by 48.9 per cent following Government's permission to raise the prices of their products to compensate for the rising prices of oilseeds. Equity prices of 'rubber and rubber products' also climbed up by 41.0 per cent. Paper shares evoked interest after the announcement of decontrol of paper prices in May 1968 and recorded an increase of 38.7 per cent. Other sub-groups which showed substantial increases were 'other mining' (37.6 per cent), 'shipping and other transport' (33.6 per cent), 'basic industrial chemicals' (27.7 per cent), 'other chemicals' (28.6 per cent), and 'sugar' (21.5 per cent). Insurance shares also recorded a notable rise (24.5 per cent). The sub-groups 'machinery other than transport and electrical' and 'coal' which had declined substantially in the last year also rose by 14.8 per cent and 14.4 per cent, respectively. Equities of 'banks', 'cotton textiles' and 'jute textiles' were moderately higher.

A few sub-groups, however, registered small declines during 1968-69. 'Foundries and

engineering workshops' dropped by 5.3 per cent. In the plantations group, coffee plantations declined by 4.5 per cent and tea plantations by 2.8 per cent.

As regards fixed interest-yielding industrial securities both debentures and preference shares recorded increases in contrast to the easiness noticed in the year 1967-68. The All-India Index of debentures (*Base :* 1961-62=100) rose by 1.7 per cent from 91.7 at the end of March 1968 to 93.3 at the end of March 1969. The All-India Index for preference shares registered an increase of 1.2 per cent from 85.8 at the close of March 1968 to 86.8 at the close of March 1969.

During the year, the average yield (gross) on the variable dividend industrial securities declined from 8.22 per cent during 1967-68 to 6.81 per cent during 1968-69 and that on debentures from 8.37 per cent to 7.96 per cent; but on preference shares it increased fractionally from 9.85 per cent to 9.97 per cent probably due to rise in the rate of dividend offered on the preference shares from 9.3 per cent to 9.5 per cent.

Capital Issues

New capital issues activity both through prospectus and rights slackened during April 1968-March 1969 in contrast to the modest improvement recorded in the previous year. The decline was both in number and value of equity issues. The preference and debenture issues were also at a lower level during 1968-69. The prospectus issues, though lower in amount, accounted for slightly higher percentage share in the total capital issues in 1968-69 than in the previous year. The share of equity, however, was lower while those of preference and debenture issues were higher. The amount of capital raised by non-Government companies in 1968 was almost at the same level as in 1967.

The amount offered to the public for subscription through the prospectus issues recorded a small decline from Rs. 43.0 crores in 1967-68 to Rs. 39.8 crores in 1968-69 but its share in the prospectus issues rose substantially from 64.6 per cent to 89.5 per cent, while that of foreign participation declined steeply from 17.9 per cent to 2.6 per cent. The share of promoters also decreased from 8.4 per cent in the preceding year to 6.0 per cent in 1968-69. The rate of dividend offered on the majority of preference shares was in the range of 9.3 per cent to 9.5 per cent, although four companies offered 10 per cent dividend. The rate of interest offered on debentures was maintained at 7.75 per cent except one where it was 9 per cent.

Public response to capital issues during 1968 as observed from replies to questionnaires sent to individual companies continued to be selective. According to data available in respect of 45 issues, 15 were over-subscribed, 4 fully subscribed and the remaining 26 under-subscribed. The amount devolving on the underwriters was 39 per cent of the amount underwritten, almost at the same level as in the previous year. The promoters continued to rely heavily on financial institutions for underwriting support for their public issues.

Consents/No Objections granted by the Controller of Capital Issues to non-Government companies during 1968 for the issue of shares (other than bonus) and debentures at Rs. 87.4 crores were substantially lower than the amount consented during the previous year (Rs. 150.6 crores). Consents for initial issues amounted to Rs. 36.7 crores and further issues by existing companies Rs. 50.7 crores. Consents were granted to non-Government companies for issue of bonus shares worth Rs. 33.6 crores as against Rs. 47.8 crores in 1967.

Total capital (excluding bonus and miscellaneous issues) raised by non-Government companies during 1968 amounted to Rs. 84.3 crores as against Rs. 84.8 crores in 1967. The capital raised through equities declined from Rs. 55.6 crores in 1967 to Rs. 46.3 crores in 1968, whereas capital raised through preference shares and debentures increased from Rs. 7.6 crores and Rs. 21.6 crores to Rs. 9.9 crores and Rs. 28.1 crores, respectively. The capitalisation through bonus shares registered a sharp decline from Rs. 84.1 crores to Rs. 27.9 crores. Miscellaneous issues, on the other hand, increased from Rs. 2.7 crores to Rs. 5.8 crores (Table 1).

Table 1. Capital Consents and Capital Raised by Non-Government Companies

(Rs. crores)

Year	Capital consents/no objection certificates		Capital Raised			
	Shares (other than bonus) and debentures*	Bonus shares	Shares (other than bonus) and debentures	Bonus shares	Miscellaneous loans, etc.	Total (3+4+5)
	1	2	3	4	5	6
1967	150.6	47.8	84.8	84.1	2.7	171.6
1968	87.4	33.6	84.3	27.9	5.8	118.0

* Excluding private limited companies, banks, insurance companies and provident societies incorporated as companies.

Note: Data for 1968 are provisional.

Relaxation of Control Over Capital Issues

The Government announced a major relaxation in capital issues control in February 1969 through the Capital Issues (Exemption) Order 1969. According to the new Exemption Order, public limited companies issuing capital exceeding Rs. 25 lakhs during a period of twelve months would be required to file a statement of their capital issue proposals with the Controller of Capital Issues at least thirty days before the date of the proposed offer of capital. Such proposals would be exempted from the Capital Issues Control if they conform to certain stipulated financial criteria regarding debt-equity ratio, the equity-preference ratio, issue of capital at par, issue of preference shares and debentures carrying rates of dividend and interest, respectively, not exceeding certain notified limits. These limits are 9.5 per cent dividend for preference shares and 7.75 per cent interest for debentures. These may be varied from time to time by notifications. For the facility of subscribers to the share capital of a company, a new criterion has been added to the effect that the subscription to the shares, if phased in calls, should be got fully paid up within a period of five years from the date of the offer.

Private limited companies, banking and insurance companies and Government companies except where an offer of shares for subscription by the public is involved, and public limited companies so long as they issue capital not exceeding Rs. 25 lakhs during a period of twelve months have been exempted from the Capital Issues Control earlier.

Under the Capital Issues (Exemption) Order 1969, Government have retained control over bonus issues of all companies without any lower exemption limit and issues of capital at a premium by public limited companies.

Special Financial Institutions Providing Industrial Finance

The special term-lending institutions sanctioned higher financial assistance to the industrial sector during April 1968-March 1969 in the context of recovery in industrial production. The term-lending institutions, *viz.* the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI), the State Financial Corporations (SFCs) and the State Industrial Development Corporations (SIDCs) sanctioned, in aggregate, substantially higher financial assistance at Rs. 137.4 crores during 1968-69 as compared with Rs. 87.0 crores in the previous year (Table 2). The loan assistance rose notably by Rs. 46.9 crores to Rs. 122.0 crores in 1968-69 from Rs. 75.1 crores in the preceding year and direct subscriptions to shares and debentures and the amount underwritten increased to Rs. 15.4 crores from Rs. 11.9 crores. Total disbursements were, however, lower at Rs. 85.1 crores in 1968-69 as against Rs. 105.0 crores in 1967-68.

The IDBI enlarged the scope of its activities by introducing in December 1968 the scheme of direct export financing in partici-

Table 2. Assistance Sanctioned and Disbursed by Financial Institutions to the Industrial Sector during 1967-68 (April-March) and 1968-69 (April-March)

(Rs. crores)

	Loans				Underwriting and Direct Subscriptions to Shares and Debentures				Total Assistance			
	1968-69		1967-68††		1968-69		1967-68††		1968-69		1967-68††	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
	1	2	3	4	5	6	7	8	9	10	11	12
I.D.B.I.	47.1*	27.4*	26.6*	39.0*	2.6	0.9	0.9	2.6	49.7	28.3	27.5	41.6
I.F.C.I.	24.5† (5.4)	17.7** (2.4)	19.0† (1.0)	22.1** (4.2)	3.1	1.7	1.0	1.8	27.6† (5.4)	19.4 (2.4)	20.0† (1.0)	23.9 (4.2)
I.C.I.C.I.	29.5† (27.3)	11.4 (8.7)	9.7† (6.0)	15.8 (10.0)	7.5	4.9	5.5	4.5	37.0† (27.3)	16.3 (8.7)	15.2† (6.0)	20.3 (10.0)
S.F.Cs.	19.3	17.9**	18.8	15.5**	0.3	0.5	1.2	0.8	19.6	18.4	20.0	16.3
S.I.D.Cs.@@ ..	1.6	1.5	1.0	1.1	1.9	1.2	3.3	1.8	3.5	2.7	4.3	2.9
Total	**122.0 (32.7)**	**75.9 (11.1)**	**75.1 (7.0)**	**93.5 (14.2)**	**15.4**	**9.2**	**11.9**	**11.5**	**137.4 (32.7)**	**85.1 (11.1)**	**87.0 (7.0)**	**105.0 (14.2)**
U.T.I.	—	—	—	—	10.3	10.4	8.3	9.5	10.3	10.4	8.3	9.5
L.I.C.	3.3	3·9	2.9	10.8	14.4	11·6	10.3	10.8	17·7	15·5	13.2	21.6
Grand Total .. .	**125.3**	**79.8**	**78.0**	**104.3**	**40.1**	**31.2**	**30.5**	**31.8**	**165.4**	**111.0**	**108.5**	**136.1**

* Comprising direct loans, refinance to banks and rediscounts; refinance to S.F.Cs. is excluded to avoid double counting since this is covered under loans of S.F.Cs.
† Excludes guarantee assistance. ** Including disbursements on account of guarantees.
@@ Data relate to ten S.I.D.Cs. †† Revised
Notes: Figures in brackets relate to foreign currency loans. Data for 1968-69 are provisional.

Source : IDBI.

pation with the banks. In May 1968 it reduced the rates of interest for rediscounting of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis. This scheme for rediscounting of bills arising out of sales of indigenous machinery was also extended in January 1969 to purchaser-users in the public sector. Apart from the term-lending institutions, the Life Insurance Corporation and the Unit Trust of India assisted the industry substantially through their investment and underwriting operations. The Government's Credit Guarantee Scheme for small industries and the State Bank's "Liberalised Scheme" recorded further progress in providing credit facilities to industries during 1968-69. The guarantee commission charged under the Credit Guarantee Scheme was reduced during the year.

Industrial Development Bank of India : The Industrial Development Bank of India sanctioned higher financial assistance during April 1968-March 1969 than in 1967-68 and enlarged its sphere of operations by the introduction of a new scheme for providing direct finance to exporters in participation with the banks. It also reduced its rates for rediscounting of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis and widened the scope of the scheme to cover purchaser-users in the public sector. The financial assistance sanctioned (excluding guarantees) by Industrial Development Bank of India during 1968-69 at Rs. 60.9 crores was substantially larger than Rs. 36.0 crores during 1967-68. The sanctions under all the categories of assistance except subscriptions to shares and bonds of financial institutions recorded increases during the year.

Table 3. Summary of Operations of the IDBI

(Amount in crores of rupees)

	April 1968—March 1969				April 1967—March 1968			
	Assistance Sanctioned (Effective)		Assistance Disbursed	Assistance outstanding as on March 31, 1969	Assistance Sanctioned (Effective)		Assistance Disbursed	Assistance outstanding as on March 31, 1968
	No. of applications	Amount	Amount	Amount	No. of applications	Amount	Amount	Amount
	1	2	3	4	5	6	7	8
1. Direct loans to industrial units ..	19	20.26	9.02	61.72	7	11.13	19.33	53.59
2. Underwriting of shares and debentures of industrial units ..	12	2.58	0.82	12.85	7	0.92	2.60	12.03
3. Refinance (including export credit) ..	295	21.80	12.78	64.21*	82	7.25	13.74	71.35*
4. Rediscounting** ..	17†	13.49	11.58	23.69	13†	11.77	10.08	15.85
5. Subscription to shares and bonds of financial institutions@ ..	4	2.79	2.79	17.85	7	4.89	4.89	15.06
Total of 1 to 5 ..	**347**	**60.92**	**36.99**	**180.32**	**116**	**35.96**	**50.64**	**167.88**
6. Guarantees ..	1	0.01	—	—	3	6.72	—	—
Total ..	**348**	**60.93**	**36.99**	**180.32**	**119**	**42.68**	**50.64**	**167.88**

* Including refinance assistance sanctioned by the Refinance Corporation for Industry Ltd. upto the end of August 1964.

** While sanctions/outstandings relate to face value of bills, disbursals are exclusive of discount.

@ Excluding purchase of shares of the IFCI but inclusive of assistance to the ICICI.

† Refers to the number of banks.

Note : Data for 1968-69 are provisional.

Source: I.D.B.I.

But the amount of assistance disbursed declined to Rs. 37.0 crores from Rs. 50.6 crores in the previous year. Guarantees sanctioned for loans and deferred payments declined to Rs. 0.01 crore during 1968-69 as compared with Rs. 6.7 crores in 1967-68.

The IDBI has, since its inception, sanctioned assistance (excluding guarantees) amouting to Rs. 256.9 crores and disbursed Rs. 207.3 crores. Assistance outstanding as on March 31, 1969 amounted to Rs. 180.3 crores. Guarantees for loans and deferred payments were sanctioned for Rs. 24.3 crores upto the end of March 1969.

The direct financial assistance sanctioned in the form of loans and underwriting of shares and debentures rose to Rs. 22.8 crores covering 23 industrial units in 1968-69 from Rs. 12.0 crores for 13 industrial units during 1967-68. The bulk of the direct financial assistance, as in the previous years, was sanctioned for new industrial projects and included a wide range of industries, such as cotton textiles, paper and paper products, chemicals, fertilisers, cement, iron and steel, non-ferrous metals (basic) industries, etc. Disbursement of direct assistance, however, showed a decline from Rs. 21.9 crores in 1967-68 to Rs. 9.8 crores in 1968-69 comprising Rs. 9.0 crores by way of loans and Rs. 0.8 crore by way of underwriting of shares and debentures.

The scheme of refinancing of industrial loans was further liberalised by the I.D.B.I. in 1968-69 by reducing the minimum amount of loans eligible for refinance from Rs. 1

lakh to Rs. 20,000 in respect of small-scale units and from Rs. 5 lakhs to Rs. 2 lakhs in other cases. The scope of refinance in respect of loans to small industries and other loans upto Rs. 5 lakhs was raised from 80 per cent to 100 per cent. Further, as a measure of support to the transport industry, it was decided to extend refinance facilities in respect of loans for Rs. 20,000 and above to small road transport operators. For such loans which were not eligible for guarantee cover under the Government of India's Credit Guarantee Scheme the refinance rate was 6 per cent, but it would be reduced to 5½ per cent if the lending institutions charged interest not exceeding 8¼ per cent. With a view to offering relief to cotton textile industry, the IDBI also allowed, effective from May 10, 1968 refinancing facilities on advances already disbursed to cotton textile mills, provided they related to sums spent by mills on the acquisition of fixed assets during the last 3 years, a longer period also being considered in specially deserving cases.

There was an increase in the number of fresh applications received for refinance from 154 in 1967-68 to 349 in 1968-69 as well as in the amount of refinance applied for from Rs. 15.3 crores to Rs. 17.8 crores. The amount of refinance sanctioned at Rs. 21.8 crores during the year under review was nearly three times that of Rs. 7.3 crores in the previous year. Sanctions of refinance to State Financial Corporations also increased to Rs. 8.4 crores in respect of 249 applications from Rs. 3.6 crores in respect of 54 applications. Refinance sanctioned for medium-term export credit rose markedly to Rs. 7.3 crores in respect of 10 applications from Rs. 0.3 crore for 3 applications. But the amount disbursed under refinance assistance declined from Rs. 13.7 crores in 1967-68 to Rs. 12.8 crores in 1968-69. At the same time, repayments in respect of refinance increased from Rs. 12.9 crores to Rs. 19.5 crores. The refinance assistance outstanding as on March 31, 1969 stood at Rs. 64.2 crores as compared with Rs. 71.3 crores a year earlier.

With a view to assisting the exporters who have secured large export contracts for supply of capital and engineering goods on deferred payment basis, the IDBI introduced a new scheme of direct financial assistance to exporters, effective from December 6, 1968. In terms of this scheme the IDBI in appropriate cases would enter into participation arrangements with eligible commercial banks for providing term-finance and guarantee facilities to industrial units—both in the public and private sectors—for exporting capital and engineering goods and services on deferred payment basis. Under the scheme the IDBI will not only provide export credits both in the pre-shipment and post-shipment stages to eligible exporters for periods over 6 months but also give performance and financial guarantees on behalf of exporters. All licensed scheduled banks in India which are authorised dealers in foreign exchange are eligible to participate in the scheme. Normally the IDBI would charge, on its portion of the export credit, a rate of 4½ per cent and the participating bank would charge its own rate on its portion subject to the prevailing ceiling rate for the export credit prescribed by the Reserve Bank. The IDBI under this scheme received (upto 31st March 1969) 12 proposals relating to the exports of transmission line towers, copper conductors, ACSR conductors, railway track accessories, trucks and spares, etc. Of these proposals, 10 proposals of the value of about Rs. 76 crores were cleared in principle till March 1969.

Under the scheme for the guarantee of loans to private sector coal industry, administered by the IDBI on behalf of Central Government, 8 applications for renewal of guarantees for Rs. 0.2 crore were received and guarantees were issued in all these cases during 1968-69. Since the inception of the scheme in April 1963 to March 1969 IDBI received 72 guarantee applications (including renewals for advances) amounting to Rs. 6.3 crores from 11 credit institutions of which 64 guarantees for Rs. 4.2 crores (including renewals of 25 guarantees for Rs. 0.6 crore) were issued.

The IDBI's rediscount rates for bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis were reduced by ½ per cent all along the line, i.e. to 5½ per cent, 5 per cent and 4½ per cent per annum for bills/promissory notes

maturing over a period of 3, 5 and 7 years, respectively, with effect from May 10, 1968; the approved institutions were, however, allowed to retain in their discount rates the same margin of not more than 2 per cent above the IDBI's respective rediscount rates. Subsequently in January 1969, in order to reduce the cost of such credit and bring it in better alignment with the prevailing interest and other charges payable on term-loans granted by commercial banks, the maximum discount rate chargeable by the approved banks under the scheme was also lowered by 1 per cent all along the line. This scheme which was earlier restricted to purchaser-users in the private sector was extended to cover purchaser-users in the public sector and autonomous bodies such as electricity undertakings, transport corporations and government companies.

Many small purchasers spread all over the country could not find it easy to establish direct contact with the manufacturers to avail of the benefits of the deferred payment facilities under the scheme. Hence these facilities were extended to authorised selling agents/distributors of the machinery maufacturers in respect of their sales of machinery to purchaser-users on deferred payment basis, where such agents/distributors had already paid to the manufacturers for the machinery under sale. Similarly, the facilities under the scheme were also extended to selling agents/distributors/dealers in respect of sales of agricultural machinery and equipment by the manufacturers. The scheme was further extended to cover sales of agricultural machinery and equipment by the manufacturers to the farming enterprises which provide mechanised services to other small farmers.

Bills of the face value of Rs. 13.5 crores in respect of 17 banks were rediscounted by the IDBI in 1968-69 as against bills of Rs. 11.8 crores in respect of 13 banks in 1967-68. Since the inception of the scheme in April 1965, bills of an amount of Rs. 32.9 crores have been rediscounted of which Rs. 23.7 crores were outstanding at the end of March 1969.

The rate of rediscount for promissory notes arising out of conditional sales and re-sales or on hire-purchase basis of new trucks, jeeps and passenger buses to road transport operators in the private sector was also reduced by the IDBI from 6 per cent to 5½ per cent from June 1968.

The IDBI continued to subscribe to share capital and bonds issued by State Financial Corporations and debenture issues of the Industrial Credit and Investment Corporation. It disbursed Rs. 2.5 crores to ICICI during 1968-69 and subscribed an amount of Rs. 0.3 crore to the bonds of three State Financial Corporations (West Bengal, Bihar and Madhya Pradesh). Since its inception the total assistance disbursed by the IDBI in subscribing to bonds and shares of financial institutions amounted to Rs. 6.3 crores (excluding purchase of shares of the IFCI for Rs. 4.2 crores and debentures of the ICICI for Rs. 11.6 crores).

The principal sources of funds of the IDBI were borrowings from the Union Government and the Reserve Bank which amounted to Rs. 25.0 crores and Rs. 0.3 crore, respectively, during 1968-69. Repayments received from refinance assistance amounted to Rs. 19.9 crores during the year and that in respect of rediscounting and direct loans Rs. 5.6 crores and Rs. 0.9 crore, respectively. As at the end of March 1969, total borrowings from the Government and the Reserve Bank of India stood at Rs. 177.5 crores (including Rs. 33.5 crores drawn by the Refinance Corporation for Industry Ltd.) and Rs. 6.3 crores respectively.

Industrial Finance Corporation of India: The financial assistance sanctioned* by the Industrial Finance Corporation during 1968-69 (April-March) rose to Rs. 28.0 crores from Rs. 23.1 crores in the previous year. The assistance sanctioned in 1968-69 comprised rupee loans of Rs. 19.1 crores, foreign currency loans of Rs. 5.4 crores, underwriting of shares and debentures of Rs. 3.1 crores and deferred payment guarantees of Rs. 0.4 crore. The Corporation has since its inception upto

* Including guarantee assistance.

March 31, 1969 sanctioned net financial assistance to the extent of Rs. 320.9 crores in respect of 948 operations, against which a sum of Rs. 277.6 crores has been disbursed.

The Corporation sanctioned 65 rupee and foreign currency loans aggregating Rs. 24.5 crores in 1968-69 as against 45 loans for Rs. 19.0 crores during the previous year. The amount disbursed against loans, however, was lower at Rs. 17.7 crores than Rs. 22.1 crores in the preceding year. Loan applications received were related to the establishment of new units and existing units planning for expansion, diversification into new lines of production and renovation. The industries assisted by the Corporation included among others, jute manufactures, sugar, textiles, chemicals, rubber products, paper and engineering industries. Loans amounting to about Rs. 5 crores were sanctioned for the modernisation and diversification of the jute industry.

There was no change in the rates of interest charged on rupee and foreign currency loans which continued to rule at $8\frac{1}{2}$ per cent and 9 per cent, respectively, with the usual rebate of $\frac{1}{2}$ per cent for punctual payment of instalments of principal and interest.

The underwriting assistance sanctioned by the Corporation rose from Rs. 1.0 crore in 1967-68 to Rs. 3.1 crores in 1968-69. During this period, the underwriting operations were completed in respect of 14 issues underwritten by the Corporation to the extent of Rs. 2.3 crores. Of these, one equity issue was over-subscribed, the amount devolving on the Corporation in respect of the remaining 13 issues was Rs. 1.7 crores (Rs. 0.2 crore of equity, Rs. 0.4 crore of preference shares and Rs. 1.1 crores of debentures). Since its inception, out of the amount of Rs. 22.8 crores underwritten by the Corporation an amount of Rs. 18.6 crores devolved on it in respect of 151 issues.

The Corporation sanctioned in 1968-69 two applications for guaranteeing deferred payments to the extent of Rs. 0.43 crore in respect of machinery and equipment to be imported from abroad as against Rs. 3.1 crores during the previous year. Besides, it issued letter of guarantee for Rs. 0.42 crore in respect of an application sanctioned in the previous year.

The industrial co-operatives continued to receive special financial assistance from the Corporation. Total net assistance sanctioned to 80 co-operative societies as on March 31, 1969 aggregated Rs. 63.3 crores of which loans of Rs. 56.0 crores were sanctioned in favour of 65 sugar co-operatives. Loans outstanding as on March 31, 1969 due from co-operative sugar factories stood at Rs. 28.4 crores.

For replenishment of its resources, during October 1968, the Corporation made a cash-cum-conversion issue of bonds for Rs. 8 crores. The bonds carried a rate of interest of $5\frac{3}{4}$ per cent per annum at an issue price of Rs. 98 with a maturity of 12 years. The issue was fully subscribed. The outstandings of bonds issued and of borrowings from Central Government as on March 31, 1969 amounted to Rs. 47.2 crores and Rs. 81.5 crores, respectively.

The Corporation was allocated a seventh loan of DM 5 million from the Kreditanstalt Fur Wiederaufbau under an inter-Governmental agreement signed in July 1968. Thus, as on March 31, 1969 the seven lines of credit sanctioned by the KFW aggregated DM 97.5 million. From these credits, sub-loans to the extent of DM 71.5 million had been sanctioned for industrial projects. Besides this credit, the Corporation also had an equipment credit of 15 million French francs from the Banque Francaise du Commerce Exterieur, Paris, out of which effective sub-loans sanctioned to industrial concerns as on 31st March 1969 amounted to 13.8 million francs.

The Industrial Credit and Investment Corporation of India Ltd. : The Industrial Credit and Investment Corporation of India sanctioned during 1968-69 financial assistance* of Rs. 38.4 crores which was more than twice the amount of Rs. 17.4 crores sanctioned in

* Including guarantee assistance.

1967-68. The assistance sanctioned in 1968-69 consisted of the loans in foreign currencies amounting to Rs. 27.3 crores, rupee loans of Rs. 2.2 crores, guarantees of Rs. 1.4 crores and underwriting of and direct subscription to shares and debentures amounting to Rs. 7.5 crores. But actual disbursements declined from Rs. 20.3 crores in 1967-68 to Rs. 16.3 crores (Rs. 8.7 crores in foreign currencies, Rs. 2.7 crores by way of rupee loans and Rs. 4.9 crores by way of investments in shares and debentures) in 1968-69.

The ICICI since its inception in 1955 upto the end of March 1969 sanctioned to 505 companies aggregate assistance amounting to Rs. 240.7 crores made up of foreign currency loans of Rs. 138.3 crores, rupee loans of Rs. 42.6 crores, guarantees of Rs. 6.8 crores and underwriting of and direct subscription to shares and debentures of Rs. 53 crores. The amount disbursed till the end of March 1969 was Rs. 159.0 crores (Rs. 92.3 crores in foreign currencies, Rs. 35.5 crores by way of rupee loans and Rs. 31.2 crores by way of investments in shares and debentures).

The total resources (net of repayments and cancellations) of the ICICI at the end of March 1969 amounted to Rs. 167.9 crores of which Rs. 61.5 crores were rupee resources and Rs. 106.4 crores foreign currency resources. Apart from the share capital, the resources of ICICI comprised borrowings from Industrial Development Bank of India, the International Bank for Reconstruction and Development, the Agency for International Development of the Government of U.S.A. (formerly Development Loan Fund) and the Kreditanstalt Fur Wiederaufbau of the Government of Federal Republic of Germany.

The Corporation earned income from interest, dividends, underwriting commission and other sources amounting to Rs. 8.4 crores in 1968 (Rs. 7.9 crores in 1967). Profits before tax amounted to Rs. 2.7 crores (Rs. 2.7 crores in 1967) and the dividend was maintained at 9 per cent, same as in the last year.

State Financial Corporations : The 18 State Financial Corporations (including Madras Industrial Investment Corporation Ltd.—MIIC) sanctioned loans amounting to Rs. 19.3 crores during 1968-69 as against Rs. 18.8 crores in the preceding year. Disbursements were higher at Rs. 17.9 crores than Rs. 15.5 crores in 1967-68. Loans outstanding as at the end of March 1969 amounted to Rs. 91.6 crores.

The financial assistance in the form of underwriting of shares of the industrial units was also provided by 9 SFCs. The investments of SFCs in shares through direct subscriptions and in fulfilment of their underwriting obligations stood at Rs. 9.6 crores of which MIIC held Rs. 7.6 crores as at the end of March 1969.

Guarantees for deferred payments by industrial units for the purchase of indigenous capital goods were issued by the MIIC and 5 SFCs (Andhra Pradesh, Gujarat, Maharashtra, Mysore and Bihar). The outstandings against such guarantees amounted to Rs. 4.7 crores as at the end of March 1969 while the amount of Rs. 2.8 crores was outstanding against counter-guarantees given by the MIIC in respect of loans raised from banks.

The lending rates of 14 SFCs were reduced during the year particularly on loans to small-scale industries, subsequent to the reduction of the Bank Rate from 6 per cent to 5 per cent with effect from March 2, 1968 and in the light of the concessional rates of refinance of $4\frac{1}{2}$ per cent and $5\frac{1}{2}$ per cent announced by the IDBI. The lending rates of 3 other SFCs on loans to small-scale industries were already within 8 per cent. The revised effective rates of interest of SFCs on loans to small-scale industries and others ranged from 7 per cent to 8 per cent and 8 per cent to 9 per cent, respectively.

The paid-up capital of 3 SFCs (Himachal Pradesh, Uttar Pradesh and MIIC) was raised by Rs. 58.4 lakhs during 1968-69. The total paid-up capital of all the 18 Corporations thus aggregated Rs. 20.0 crores at the end of March 1969.

The operations of the State Financial Corporations were mainly financed through the issue of bonds, by obtaining refinance from the IDBI, borrowing from the Reserve

Bank of India and State Governments and acceptance of deposits. Eight SFCs issued bonds for a total amount of Rs. 7.3 crores during the year. The total amount of bonds outstanding as at the end of March 1969 was Rs. 48.6 crores. During 1968-69, 16 SFCs got refinance assistance from IDBI and the amount of Rs. 19.8 crores was outstanding in respect of such refinance at the end of March 1969. Deposits with 11 SFCs as at the end of March 1969 aggregated Rs. 13.3 crores, of which fixed deposits of Rs. 10.3 crores were with MIIC. The Reserve Bank sanctioned borrowing limits of Rs. 3.9 crores against *ad hoc* bonds to 7 SFCs during the year under review. The outstanding borrowings of SFCs against *ad hoc* bonds together with their borrowings for periods not exceeding 90 days against Government securities amounted to Rs. 2.4 crores. Borrowings by 8 SFCs (Delhi, Gujarat, Kerala, Mysore, Punjab, Uttar Pradesh, West Bengal and MIIC) from their respective State Governments aggregated Rs. 3.0 crores as at the end of March 1969.

Ten SFCs acted as agents of their respective State Governments for routing concessional finance to small-scale industries under the State Aid to Industries Act/Rules. Loans amounting to Rs. 3.0 crores were outstanding under these arrangements on March 31, 1969.

National Industrial Development Corporation Ltd. The NIDC maintained a steady growth in 1968-69 in its consultant engineering services rendered through its Technological Consultancy Bureau in existence since the last nine years. It continued to act as an agency of the Government of India for the grant of loans to cotton textile and jute industries for purposes of rehabilitation and modernisation of machinery and machine tool units for their expansion and rehabilitation.

The value of consultant engineering services rendered by NIDC rose to Rs. 40 lakhs during 1968-69 from Rs. 21.5 lakhs in the previous year. In the past two years, the United Nations and other international agencies, some foreign governments and entrepreneurs have extended recognition to the consultant engineering services of NIDC. The value of foreign exchange earned from these services during 1968-69 were estimated at about Rs. 6 lakhs.

Total disbursements by the Corporation to cotton textile, jute industries and machine tool units amounted to Rs. 18.5 crores upto March 31, 1969 as against the sanctioned amount of Rs. 27.7 crores for loan applications received since its inception to February 1963. Of Rs. 18.5 crores disbursed so far, Rs. 25 lakhs were disbursed during 1968-69.

Unit Trust of India: Unit Trust of India maintained during 1968-69 (July-June) the progress in the sale of units achieved in the previous year. Sales during the year amounted to Rs. 17.2 crores as against Rs. 15.3 crores in the preceding year. Repurchases were also slightly higher at Rs. 1.7 crores as against Rs. 1.2 crores. Units sold and outstanding as on June 30, 1969 aggregated Rs. 56.6 crores and the total number of unit holders was over 2,62,000.

As on March 31, 1969 total investments of the Trust amounted to Rs. 63.1 crores. Of the total investments, ordinary shares of corporate enterprises accounted for Rs. 22.9 crores (36.3 per cent), debentures for Rs. 24.9 crores (39.4 per cent), preference shares for Rs. 8.6 crores (13.6 per cent). Investments in government securities and bonds of financial corporations and Electricity Boards aggregated Rs. 2.1 crores (3.3 per cent). The balance of Rs. 4.7 crores represented advance deposits for debentures and preference shares which the Trust had agreed to underwrite, application money for purchase of shares, treasury bills and advance call deposits.

Sales promotion in the mofussil received growing attention of the Trust. The number of 'approved' agents for sale of units to the investing public increased to over 1,700 from 1,000 in the previous year. The number of approved stock-brokers also increased from 265 to over 280. Besides the Trust's office in Bombay, Calcutta, Madras and Delhi, all branches of the numerous leading banks which have contributed to the initial capital of the Trust and more than 15,000 post offices throughout the country continued to act as Trust's agents for sales of units.

With a view to improving services rendered to unit holders, the issue of income distribution warrants and the work relating to Reinvestment Plan were decentralised among the Trust's zonal offices during the year.

The gross income of the Trust for the year ended June 30, 1969 amounted to Rs. 4.8 crores as against Rs. 3.7 crores in the preceding year. Of this, the gross income allocated to the unit capital worked out to Rs. 4.4 crores. After deduction of expenses of Rs. 22 lakhs from the income allocated to the unit capital, a balance of Rs. 4.2 crores was available for distribution to the unit holders. The Board of Trustees has decided to distribute as dividend a sum of 71 paise per unit.

State Industrial Development Corporations: State Industrial Development Corporations have been set up in 14 States (viz. Andhra Pradesh, Bihar, Gujarat, Haryana, Kerala, Madhya Pradesh, Tamil Nadu, Maharashtra, Mysore, Orissa, Punjab, Uttar Pradesh, West Bengal and Jammu and Kashmir). The Corporations in Maharashtra and Gujarat are statutory bodies while in other States they have been established under the Companies Act, 1956. These Corporations are empowered to undertake a wide range of functions but in practice their activity is related to needs of industrialisation of the States concerned. Thus, in Gujarat and Maharashtra, the Corporations are engaged in developing land and providing infra-structure facilities like electricity, water supply, drainage, roads and other incentives besides financial assistance to entrepreneurs to establish industries in areas far away from the metropolitan centres. The Corporations in Andhra Pradesh, Kerala, Madhya Pradesh, Mysore and Punjab participate in industrial projects jointly with private entrepreneurs and assist private sector industrial projects by granting loans, directly participating in capital or through underwriting or extending deferred payment guarantees for purchases of machinery. In the States like Bihar and Orissa, Corporations themselves promote, set up and manage industrial projects in the public sector, besides extending financial assistance to few projects in the private sector.

Financing of Small Industries :

A substantial progress was recorded in sanctioning assistance under the Government of India's Credit Guarantee Scheme for small-scale industries administered by the Reserve Bank since July 1960. The Guarantee Organisation received 36,234 applications for guarantees for a total amount of Rs. 206.3 crores during 1968-69 as against 21,285 applications for Rs. 101.6 crores in the previous year. Guarantees were issued in respect of 32,923 applications for an aggregate amount of Rs. 163.1 crores during 1968-69 as against 21,511 guarantees for Rs. 100.9 crores in 1967-68. Out of the guarantees issued during the year 1968-69, 14,772 guarantees amounting to Rs. 102.1 crores were in respect of industrial units engaged in the manufacture of chemicals and chemical products, metal products, machinery including electrical machinery, apparatus, appliances and supplies, transport equipment and parts and basic metal industries as against 11,329 guarantees aggregating Rs. 60.2 crores in the previous year. These industries accounted for 45.2 per cent and 62.6 per cent of the number and amount of guarantees issued, respectively, during 1968-69. Since the introduction of the scheme in July 1960 till the end of March 1969, 1,06,037 applications were received for a total amount of Rs. 510.0 crores and guarantees were issued in respect of 95,986 applications for a total sum of Rs. 423.7 crores.

The number and amount of claims paid on account of invocation of guarantees were 39 and Rs. 3.9 lakhs, respectively, during 1968-69. The total number and amount of such claims paid since the inception of the scheme upto the end of March 1969 aggregated 128 and Rs. 15.3 lakhs, respectively.

With the approval of Government of India the scope of the Credit Guarantee Scheme was extended to automobile servicing and repairing workshops in May 1968 and subsequently in October 1968 to units engaged in servicing and repairing of machinery of any type used for production of tractors, pumpsets, tube-wells, boilers, electric motors, air conditioning and refrigeration equipment, road rollers and other

road repair equipment, radio receivers, electric sound systems and different kinds of electrical equipment and cine projectors and photographic equipment.

The list of approved credit institutions eligible for guarantee was expanded by including two more scheduled commercial banks which raised the total number of such institutions to 454 during the year. Upto the end of March 1969, 76 institutions have availed of the guarantee facilities.

Under the Credit Guarantee Scheme credit institutions were required to pay to the Guarantee Organisation guarantee commission at the rate of $\frac{1}{4}$ of one per cent per annum on the amount of guarantee issued. With a view to encouraging the credit institutions to render more assistance to small-scale industries, the rate of guarantee fee was reduced from $\frac{1}{4}$ to 1/10 of one per cent effective from October 1, 1968, the concession being restricted to those credit institutions which agreed to cover under the scheme all their eligible advances to small-scale industries sanctioned or renewed on or after October 1, 1968. Upto the end of March 1969, 29 scheduled commercial banks including State Bank of India and its 7 subsidiaries, 15 State Financial Corporations and 2 co-operative banks had decided to cover all their eligible advances to small-scale industries under the scheme. Consequent upon the various measures taken by the Reserve Bank and IDBI for increasing credit to the small-scale industrial sector and reduction in the guarantee commission, there has been a considerable rise in the applications for guarantees.

Role of the State Bank and its Subsidiaries in Financing Small-Scale Industries : The State Bank of India substantially stepped up financial assistance to small-scale industries (i.e. small-scale industrial units, small-scale industrial co-operatives and units in Rural Industries Projects) under its 'Liberalised Scheme.' The number of units assisted and the limits for working capital sanctioned to them rose from 12,820 and Rs. 83.2 crores as on March 31, 1968 to 16,249 and Rs. 124.2 crores as on March 31, 1969. The amount of outstanding advances stood at Rs. 65.8 crores at the end of March 1969 as compared with Rs. 46.0 crores at the end of March 1968. The seven subsidiaries of the bank also sanctioned higher limits aggregating Rs. 37.6 crores to 5,854 units at the end of March 1969 compared with Rs. 25.0 crores to 4,211 units at the end of March 1968.

Table 4.

(Amounts in rupees crores)

Schemes of Assistance	1968-69		1967-68	
	State Bank	Subsidiaries	State Bank	Subsidiaries
1. **Working Capital Limits**				
No of units assisted	3,429	1,643	1,678	1,078
Amount Sanctioned	41.06	12.57	16.25	6.38
Amount outstanding as at the end of the year ..	65.79	16.81	45.99	10.97
2. **Medium-term Credit**				
No. of units assisted	423	59	162	..
Amount Sanctioned	3.55	0.86	1.86	0.05
Amount outstanding as at the end of the year ..	4.79	0.42	3.06	0.15
3. **Instalment Credit**				
No. of units assisted	954	265	..	3
Amount sanctioned	1.60	0.88	1.44	0.23
Amount outstanding as at the end of the year ..	3.49	0.83	3.03	0.44

The total amount of medium-term credit sanctioned by the bank and its subsidiaries to small scale industries for expansion and modernisation purposes was Rs. 9.7 crores in respect of 985 units as on March 31,1969; instalment credit facilities sanctioned aggregated Rs. 8.0 crores in respect of 1,764 units. The outstandings in respect of medium-term loans and instalment credit as on March 31, 1969 were Rs. 5.2 crores and Rs. 4.3 crores, respectively.

National Small Industries Corporation : The Corporation assisted small-scale industries in various ways. It supplied them machines on hire-purchase basis, secured orders for their products from Government departments and

railways and gave marketing assistance. During 1967-68 it supplied to small-scale industries on hire-purchase basis machines valued at Rs. 3.3 crores as against Rs. 2.8 crores during the previous year. The total amount due from hirers of machines as on March 31, 1968 was Rs. 14.7 crores. To encourage the decentralisation of industry, the Corporation conducted intensive campaigns in industrially less developed areas. In response to this campaign, applications worth over Rs. 32 crores were received from less developed areas, of which applications worth Rs. 18 crores were accepted. The value of contracts secured from the Central Government Purchasing Agencies by the Corporation for the small-scale units aggregated to Rs. 128.7 crores upto September 30, 1967. The marketing division continued the scheme for distribution of radio valves and transistors manufactured by Bharat Electronics Ltd. to small-scale radio manufacturers. During 1967-68 orders for radio valves and transistors valued at Rs. 0.8 crore were booked and orders worth Rs. 0.7 crore executed.

Company Legislation :

A reference was made in the last year's Report to the Companies (Amendment) Bill 1968. This Bill was introduced in the *Lok Sabha* on May 10, 1968 and seeks to abolish from April 3, 1970 the system of management of companies by Managing Agents and Secretaries and Treasurers. The Bill also seeks to ban contributions by companies to any political party or to any individual or body for political purpose so as to ensure healthy growth of democracy in the country.*

As on April 1, 1968, the number of companies managed by managing agents was 674. Of this, 251 belonged to the five notified industries viz., cotton textiles, cement, jute textiles, paper and pulp and sugar, which will cease to have managing agents by April 2, 1970, in terms of the Government's earlier notification of December 21, 1966 under Section 324 of the Companies Act, 1956 (vide last year's Report). The remaining 423 companies will gradually cease to be managed by managing agents in course of time unless the amending bill referred to above is passed into law specifying an earlier date for their termination.*

The Central Laws (extension to Jammu and Kashmir) Bill, 1967 was passed by Parliament in May 1968 with a view to making the provisions of the Companies Act, 1956 applicable to all categories of companies in the State of Jammu & Kashmir. It is now termed as the Central Laws (Extension to Jammu & Kashmir) Act, 1968 which became effective from August 15, 1968. Consequently, a separate office of the Registrar of Companies and Official Liquidator has started functioning in Srinagar.

During the year, the Monopolies and Restrictive Trade Practices Bill, 1967 was before the Joint Select Committee of the two Houses of Parliament. The Committee has since completed its deliberations.

Companies at work :

As at the end of September 1968, there were 27,567 companies limited by shares at work with a paid-up capital of Rs. 3,561.3 crores. Of these, 244 were Government companies with a paid-up capital of Rs. 1,625.3 crores. The remaining 27,323 companies accounting for Rs. 1,936 crores of paid-up capital were non-Government companies. Of the 27,323 non-Government companies, 21,142 companies accounting for Rs. 431 crores of paid-up capital were private limited companies while 6,181 companies were public limited companies with paid-up capital of Rs. 1,505 crores. In the case of Government companies, private limited companies were more significant both in number (174) and in paid-up capital (Rs. 1,524 crores).

The following table shows the position of companies at work between March 1964 and September 1968 :

* The Companies (Amendment) Bill as passed by Parliament received the assent of the Vice-President acting as President on May 28, 1969, and was enacted as 'The Companies (Amendment) Act, 1969.'

COMPANIES AT WORK

(Paid-up capital in crores of rupees)

Year ending	Public Limited Companies				Private Limited Companies				Public Limited and Private Limited Companies			
	Government@		Non-Government		Government@		Non-Government		Government@		Non-Government	
	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital
31-3-1964 ..	50	39.4	6,474	1278.6	126	921·4	19,282	361.3	176	960.8	25,756	1639.9
31-3-1965 ..	54	51.7	6,450	1353.1	129	1066.0	19,588	383.8	183	1117.7	26,038	1736.9
31-3-1966* ..	60	58·4	6,368	1376.9	152	1182·9	20,066	402.8	212	1241.3	26,434	1779.7
31-3-1967* ..	65	77.1	6,267	1426.3	167	1314.4	20,385	409.0	232	1391.5	26,652	1835.3
31-3-1968* ..	69	97.6	6,206	1489.8	172	1434.8	20,891	423.2	241	1532.4	27,097	1913.0
30-9-1968* ..	70	100.9	6,181	1505.3	174	1524.4	21,142	430.7	244	1625.3	27,323	1936.0

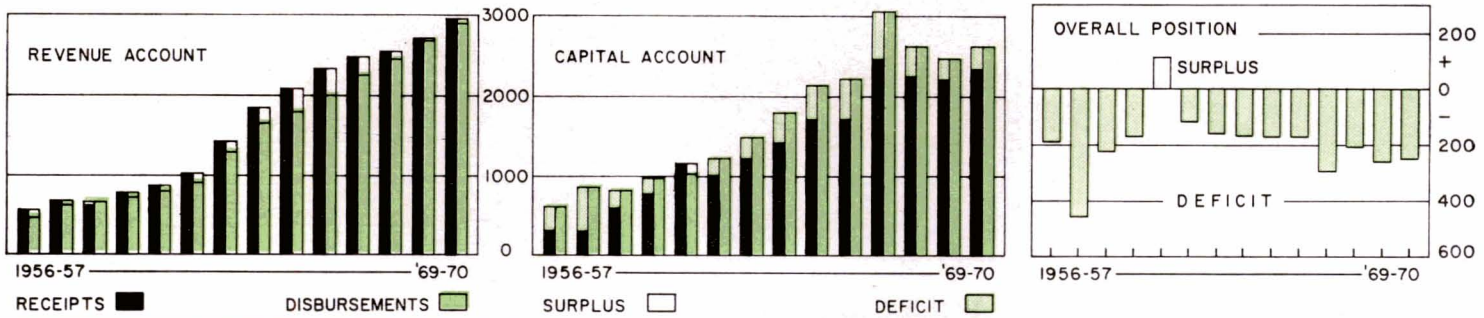
@ As defined in Section 617 of the Companies Act, 1956.
* Data for these years are provisional.

GRAPH II

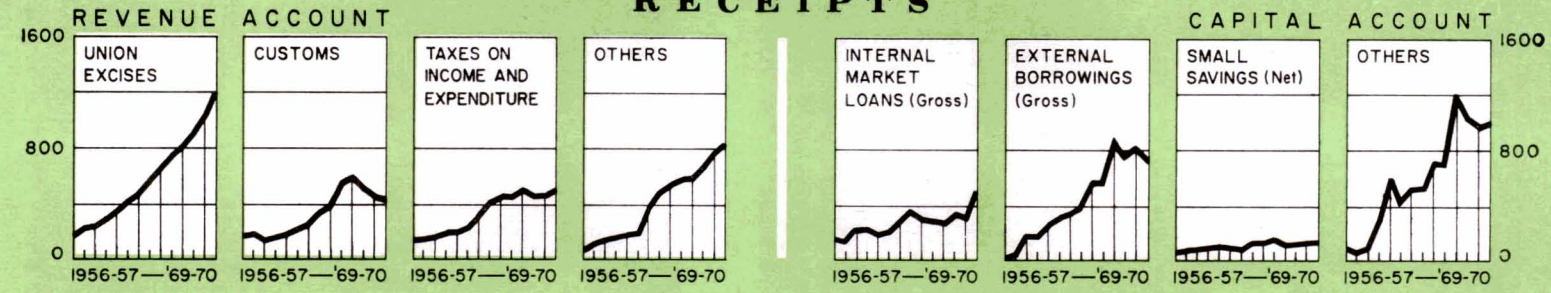
FINANCES OF THE GOVERNMENT OF INDIA

1956-57 — 1969-70

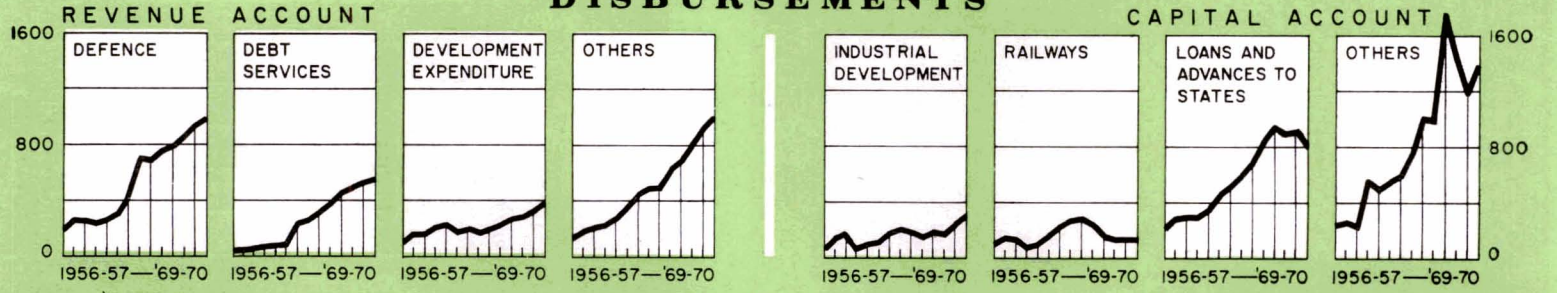
(CRORES OF RUPEES)



RECEIPTS



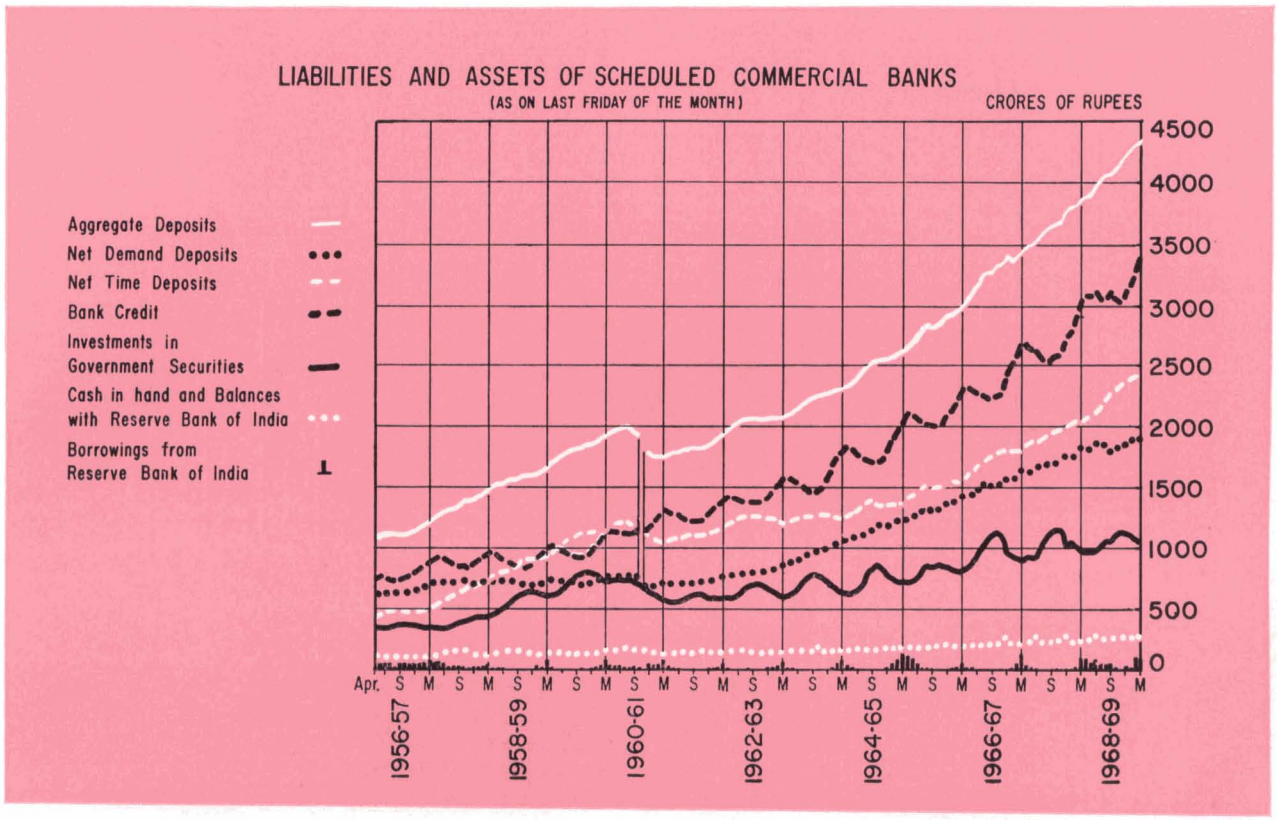
DISBURSEMENTS



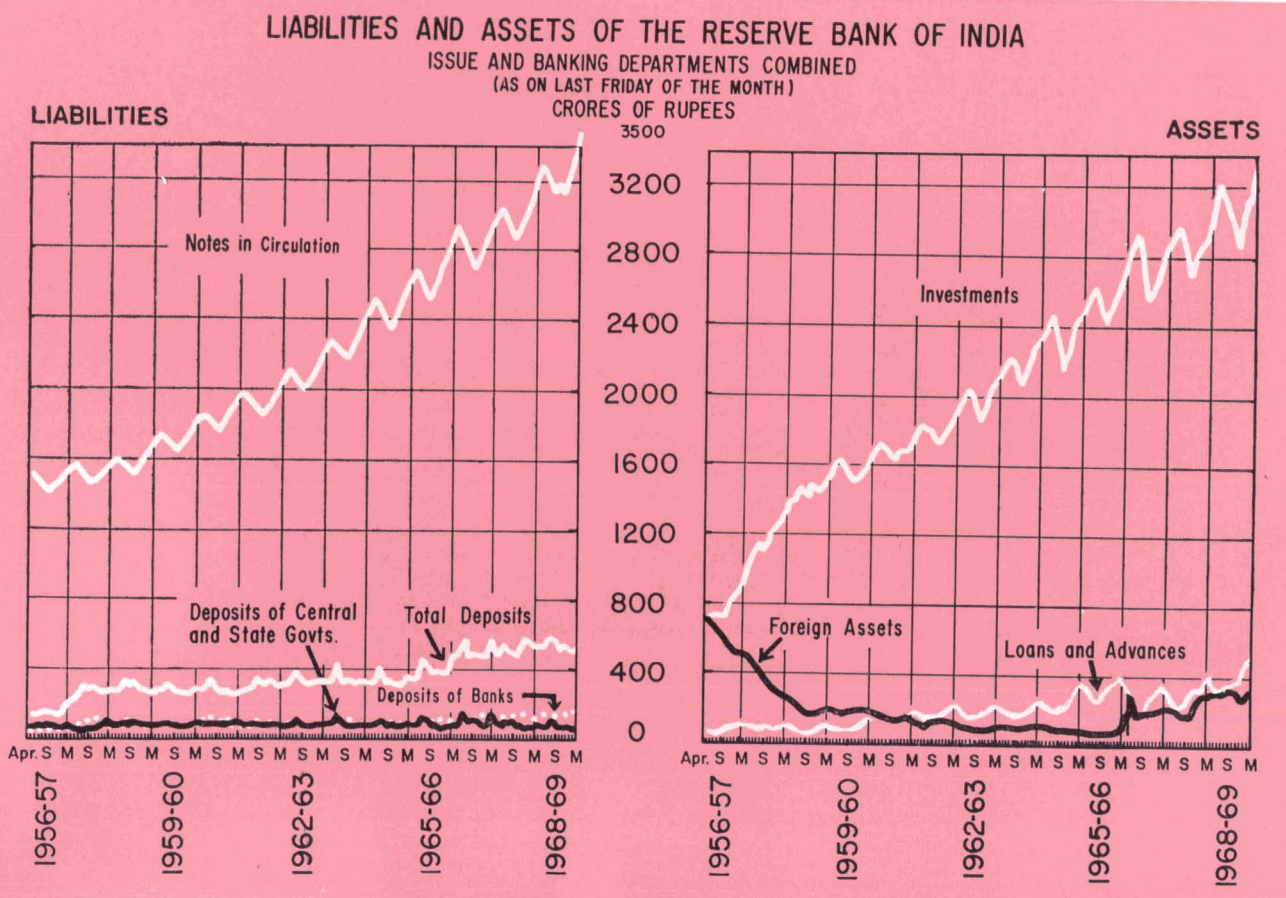
1968-69 : REVISED ESTIMATES

1969-70 : BUDGET ESTIMATES

GRAPH 9



GRAPH 10



CHAPTER VI : BUDGETS AND PUBLIC DEBT

UNION GOVERNMENT BUDGET

Overall Position : The budget estimates for 1968-69 had placed total receipts and disbursements on revenue and capital accounts at Rs. 4,825 crores and Rs. 5,114 crores, respectively. In the revised estimates, receipts improved by Rs. 110 crores to Rs. 4,935 crores while disbursements recorded a smaller increase of Rs. 81 crores to Rs. 5,195 crores. Consequently, the overall deficit* which was placed at Rs. 289 crores in the budget for 1968-69 is now placed at Rs. 260 crores in the revised estimates. The overall deficit of Rs. 260 crores in the revised estimates is made up of a surplus of Rs. 3 crores on revenue account (as compared to Rs. 131 crores in the budget estimates) and a deficit of Rs. 263 crores on capital account (as compared to Rs. 420 crores in the budget estimates). The actual budgetary deficit for 1968-69 is not yet available. However, the overall deficit as measured by the net increase in Reserve Bank credit to Central Government was Rs. 128.63 crores in 1968-69 as compared to Rs. 103.64 crores in 1967-68. A shortfall in revenue receipts, relatively to budget anticipation, owing wholly to a decline in customs receipts, coupled with a steep increase in revenue expenditure mainly under defence, administrative services and grants to States contributed to the deterioration on revenue account. On capital account, although loans and advances disbursed by the Centre exceeded budget expectations, there was a decline in capital outlay on both developmental and non-developmental items. Moreover, there was an increase in capital receipts. In the result the capital deficit was lower than the budget estimates.

In 1969-70 (budget estimates) the combined receipts on revenue and capital accounts (at 1968-69 rates of taxation) are placed at Rs. 5,208 crores and combined disbursements on revenue and capital accounts at Rs. 5,558 crores. The overall deficit of Rs. 350 crores (at 1968-69 rates of taxation) is Rs. 90 crores more than the overall deficit of Rs. 260 crores in 1968-69 (revised estimates) ; the overall deficit of Rs. 350 crores is made up of a deficit of Rs. 60 crores on revenue account and Rs. 290 crores on capital account. With the revival in the economy and the expectation of larger production of excisable commodities estimates of revenue receipts (at 1968-69 rates of taxation) are placed higher by Rs. 147 crores than the revised estimates for 1968-69 ; tax receipts would contribute Rs. 101 crores to this increase. At the same time expenditure on revenue account is also stepped up by Rs. 210 crores. Total capital disbursements will be Rs. 153 crores more than the revised estimates for 1968-69. The increased commitments on capital account will be partly offset by an improvement of Rs. 126 crores in capital receipts. Consequently, the deficit on capital account of Rs. 290 crores is placed at Rs. 27 crores more than in 1968-69 (revised estimates).

The tax changes are expected to contribute an additional amount of Rs. 122 crores of which Rs. 96 crores will accrue to the Centre ; as a result, the revenue deficit will be converted into a surplus of Rs. 36 crores. Taking into account the capital deficit of Rs. 290 crores the overall deficit for 1969-70 works out to Rs. 254 crores.

1968-69 Revised Estimates:

Budgetary Resources : As compared to the budget estimates revenue receipts accruing to the Centre at Rs. 2,714 crores revealed a decline of Rs. 12 crores. The decline was more than offset by a substantial improvement of Rs. 122 crores in receipts on capital account (at Rs. 2,221 crores) (Table 1).

* The overall deficit is as measured by net increase in Treasury bills outstanding and change in cash balances.

Table 1.—Resources By Main Items—Centre

(In crores of rupees)

	1967-68 Accounts	1968-69 Budget	1968-69 Revised	1969-70 Budget At existing rates of taxation	1969-70 Budget Inclusive of the effect of tax proposals
Revenue Account					
1. **Revenue Collected by Centre**	**2,970**	**3,164**	**3,205**	**3,353**	**3,480 (3,475)†**
2. Tax Revenue Collected by Centre ..	2,353	2,525	2,490	2,592	2,719 (2,714)†
3. Tax Revenue Retained by Centre ..	1,937	2,087	1,999	2,100	2,200 (2,196)†
Of which :					
(a) Income Tax	151	163	143	163	178
(b) Corporation Tax	310	320	322	330	326
(c) Customs	513	539	445	426	435
(d) Union Excise	914	1,012	1,029	1,119	1,199 (1,195)†
4. Non-tax Revenue	617	639	715	761	761
Of which :					
(a) Interest Receipts	425	449	496	540	540
(b) Net Contribution of Public Enterprises	102	107	106	115	115
5. Total Revenue retained by Centre (3+4)	2,554	2,726	2,714	2,861	2,961 (2,957)†
Capital Account					
Total Receipts*	**2,251**	**2,099**	**2,221**	—	**2,347**
Of which :					
Borrowings					
(1) Internal Gross	352	300	321	—	500
(Net)	(95)	(61)	(79)	—	(103)
(2) External Gross	789	1,019	869	—	850
(Net)	(601)	(825)	(699)	—	(642)
Of which :					
(a) P.L. 480 Rupee Loans	250	175	180	—	60
(b) P.L. 480 Dollar Credit	31	69	60	—	115
(c) Other External Loans	508	775	629	—	675
(3) P.L. 480 Deposit (Net)	94	25	—60	—	40
(4) Small Savings (Net)	123	120	125	—	135
(5) State Provident Funds (Net)	75	34	47	—	63
(6) Public Provident Fund	—	10	2	—	5
(7) Repayment of Loans by States and Union Territories	378	425	575	—	540
(8) Repayment of Loans by Other Parties	116	124	160	—	205

* Excluding Treasury bills.
† Figures relate to position after taking into account subsequent modifications in budget proposals.

Revenue Receipts : The small deterioration in revenue receipts was the net result of a fall of Rs. 88 crores in tax receipts, offset largely by an increase of Rs. 76 crores in non-tax receipts. Under the tax heads, customs recorded a sizeable decline of Rs. 94 crores of which Rs. 92 crores was under import duties as a result mainly of a fall in imports from the levels anticipated. Collections of income tax other than corporation tax exceeded budget anticipation by Rs. 18 crores as a sequel to larger adjustments of advance tax paid during the earlier years and larger collections from deduction at source. However, the share payable to the States increased by Rs. 38 crores over budget estimates, owing mainly to an adjustment of an amount of Rs. 22 crores on account of short payments during 1966-67 and 1967-68 ; consequently income tax receipts accruing to the Centre declined by Rs. 20 crores relatively to budget estimates.

Collections on account of Union excise duties at Rs. 1,320 crores were Rs. 34 crores more than budget anticipation (Rs. 1,286 crores). This improvement resulted from larger production and clearances mainly under cigarettes, petroleum products and rayon and synthetic fibres and yarn ; the collections under iron and steel, aluminium and cement fell short of budget anticipations. At the same time, the share of excise duties payable to States also exceeded budget anticipations by Rs. 17 crores mainly because of adjustments on account of short payments (Rs. 13 crores) relating to earlier years ; in the result, excise revenue retained by the Centre showed a smaller increase of Rs. 17 crores. The yield from corporation tax showed a nominal improvement of Rs. 2 crores over budget estimates.

Of the increase of Rs. 76 crores in non-tax revenue receipts, Rs. 47 crores was on account of interest receipts from States and other parties and Rs. 18 crores on account of transfer from National Defence Fund in the capital account to revenue account.

Capital Receipts : On capital account, the main items contributing to the increase in receipts of Rs. 122 crores over budget estimates were (*a*) repayment of loans by States and others, (*b*) internal market loans, including small savings collections, (*c*) State provident funds and (*d*) miscellaneous capital receipts. Repayment of loans by States and others to Centre were higher than anticipated by Rs. 150 crores and Rs. 36 crores, respectively. Gross receipts from internal market loans amounted to Rs. 321 crores as compared to Rs. 300 crores budgeted—an improvement of Rs. 21 crores. Net receipts (*i.e.* after allowing for repayment) at Rs. 79 crores were higher than in budget by Rs. 18 crores. Net receipts from small savings (Rs. 125 crores) and net accretion to State provident funds (Rs. 47 crores) also exceeded budget expectation by Rs. 5 crores and Rs. 13 crores, respectively. Finally, there was an improvement of as much as Rs. 170 crores in net accretion to the various deposit accounts of the Centre.

As against these improvements, there was a shortfall under external loan assistance relatively to budget anticipation. Gross receipts from external loans other than P.L. 480 at Rs. 629 crores showed a fall of Rs. 146 crores from the amount budgeted (Rs. 775 crores) ; P.L. 480 loans at Rs. 240 crores were also lower by Rs. 4 crores. In respect of P.L. 480 deposits, in contrast to expectation of a net accretion of Rs. 25 crores there was a net disinvestment of Rs. 60 crores *i.e.* a deterioration of Rs. 85 crores. Altogether, gross external loans (including P.L. 480 loans and deposits) fell short of budget expectation by Rs. 235 crores ; net receipts of Rs. 639 crores were short by Rs. 211 crores. Also, the response to the Public Provident Fund Scheme instituted in July 1968 fell far short of expectation. The revised estimates place receipts under the scheme at only Rs. 2 crores as against Rs. 10 crores for which credit was taken in budget estimates.

Budgetary Outlays : The total disbursements of Rs. 5,195 crores in the revised estimates for 1968-69 comprised Rs. 2,711 crores of revenue expenditure and Rs. 2,484 crores of capital expenditure. As compared to budget estimates revenue expenditure was higher by Rs. 116 crores while capital expenditure was lower by Rs. 35 crores* (Table 2).

* This takes into account the changes in miscellaneous transactions which resulted in a net outgo of Rs. 4 crorers.

Table 2.—Disbursements By Main Items—Centre

(In crores of rupees)

	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
Revenue Account				
Total Expenditure	**2,450**	**2,595**	**2,711**	**2,921**
A. Defence (Net)	862	894	944	986
B. Civil	1,588	1,701	1,767	1,935
Of which :				
(1) Development outlays	282	338	327	373
(2) Debt Services	501	550	528	569
(3) Administrative Services	136	140	153	165
(4) Grants to States and Union Territories	474	478	537	596
Capital Account				
Total Disbursements	**2,625**	**2,511**	**2,472**	**2,625**
Of which :				
(1) Capital outlay	816	761	551	769
(a) Developmental	465	547	544	674
(b) Non-developmental	351	214	7	95
Of which :				
(i) Defence	106	121	108	124
(ii) State Trading Schemes	80	79	—115	—36
(2) Loans and advances to :				
(a) States and Union Territories	892	856	915	794
(b) Other third parties	472	461	594	457

Revenue Account : The increase in revenue account occurred both under defence and civil heads of expenditure. Defence expenditure increased by Rs. 50 crores mainly as a result of increases in allowances to certain categories of Service personnel and increase in dearness allowance sanctioned with effect from September 1, 1968, and of larger materialisation of supplies of stores than anticipated. Under the civil heads, grants-in-aid to States and Union territories were stepped up by Rs. 58 crores. A part of the increase was due to additional grants to certain States for amortisation of their market loans (for details see page 149). Expenditure on other miscellaneous items increased by Rs. 27 crores, mainly on account of subsidy to Food Corporation of India (Rs. 20 crores). As against these increases there was a reduction of Rs. 11 crores under developmental heads ; expenditure on export promotion was lower by Rs. 6 crores. The provision of Rs. 528 crores in the revised estimates for debt services was lower by Rs. 22 crores than the budget estimates (Rs. 550 crores) ; this decline reflected mainly the effect of lowering of discount rate on Treasury bills, the interest rate on Post Office Savings Bank Deposits and

of the relief in interest payments on certain foreign loans.

Capital Account : On capital account, substantial saving to the tune of Rs. 210 crores under capital outlay was largely offset by an increase of Rs. 171 crores in disbursements of loans and advances and discharge of permament debt.

The saving in capital outlay occurred both on developmental (Rs. 3 crores) and non-developmental (Rs. 207 crores) heads. The substantial improvement on non-developmental items was mainly on account of a net saving of Rs. 194 crores under schemes of Government trading. The budget for 1968-69 had provided for a net expenditure of Rs. 79 crores under this item while revised estimates take credit for a net receipt of Rs. 115 crores. This was a sequel partly to lower imports of foodgrains than envisaged. The provision for defence capital outlays was reduced by Rs. 13 crores from Rs. 121 crores in the budget to Rs. 108 crores in the revised estimates.

In contrast to the lower capital outlay, disbursements of loans and discharge of debt were higher by Rs. 171 crores than in the budget. Loans and advances to States and Union territories were Rs. 59 crores more than the original provision of Rs. 856 crores. This followed mainly the provision of larger loan assistance to certain States affected by natural calamities. Loans to other parties increased by Rs. 133 crores over the budget provision. Loans to Food Corporation of India alone accounted for an increase of Rs. 150 crores. Loans to other Government companies and corporations to meet their increased working capital requirements were also stepped up. These increases were partly offset by a reduction in loans to certain other third parties.

1969-70 Budget Estimates

Resources : The budgeted receipts of Rs. 5,208 crores for 1969-70 (at 1968-69 rates of taxation) on revenue and capital accounts are higher than in 1968-69 (revised estimates) by Rs. 273 crores. Revenue receipts at Rs. 2,861 crores are expected to show an increase of Rs. 147 crores and capital receipts at Rs. 2,347 crores, an increase of Rs. 126 crores.

Revenue Receipts : As compared to the revised estimates of 1968-69, tax receipts (at 1968-69 rates of taxation) are expected to show an improvement of Rs. 101 crores and non-tax revenue an increase of Rs. 46 crores. Among the major tax items, Union excise duties account for an increase of Rs. 90 crores, corporation tax for Rs. 8 crores and income-tax other than corporation tax for Rs. 20 crores ; these increases are, to an extent, offset by shortfall in customs revenue by Rs. 19 crores. The higher anticipated collection of Union excise duties is based on the expected larger production and clearance of a number of excisable goods, especially petroleum products, iron and steel products, sugar, etc. The decline in customs duties is largely under import duties and is attributed to the anticipated increase in import substitution of high duty items like petroleum and iron and steel products. Of the increase of Rs. 46 crores in non-tax revenue, interest receipts alone account for an improvement of Rs. 44 crores. Net contribution of public undertakings (at Rs. 115 crores) is expected to show an improvement of Rs. 9 crores of which Rs. 5 crores is on account of surplus profits of Reserve Bank of India ; this increase will, however, be offset by an expected shortfall of Rs. 9 crores under other items. Including the effect of additional tax measures, total revenue (at Rs. 2,957 crores) will be higher than in revised estimates for 1968-69, by Rs. 243 crores and tax revenue (at Rs. 2,196 crores) by Rs. 197 crores. Of the increase in latter, Union excise duties will account for Rs. 166 crores, income-tax for Rs. 35 crores and corporation tax for Rs. 4 crores ; the yield from customs duties will be lower by Rs. 10 crores.

Capital Receipts : Total capital receipts at Rs. 2,347 crores will be higher by Rs. 126 crores than in the revised estimates for 1968-69. Gross receipts from internal market borrowings are placed at Rs. 500 crores—an increase of Rs. 179 crores over 1968-69 (revised estimates). Since repayment at Rs. 397 crores also will be higher than in 1968-69 by Rs. 155 crores, net receipts on account of internal market loans, at Rs. 103 crores are expected

to be Rs. 24 crores more than in 1968-69.* The budget also takes credit for improvements of Rs. 10 crores under net small savings collections (Rs. 135 crores), Rs. 16 crores under State provident funds (net) and Rs. 10 crores on account of repayments of loans by States, Union territories and other parties.

Gross external loans (including P.L. 480 loans) are placed at Rs. 850 crores, as compared to Rs. 869 crores in the revised estimates for 1968-69—a decline of Rs. 19 crores. There is an increase of Rs. 55 crores in P.L. 480 dollar credits and of Rs. 46 crores in other foreign currency loans. These increases are more than offset by a decline of Rs. 120 crores in P.L. 480 rupee loans. The increase in P.L. 480 dollar loans may be a sequel to the raising of the dollar component of payment which is treated as long-term loan, for food imports under P.L. 480 from 20 per cent to 40 per cent. In regard to P.L. 480 deposits, a net accrual of Rs. 40 crores is anticipated in contrast to net disinvestment of Rs. 60 crores in 1968-69 (revised estimates)—an improvement of Rs. 100 crores. Inclusive of P.L. 480 deposits, total gross external loans at Rs. 890 crores for 1969-70 would be higher by Rs. 81 crores than in 1968-69. Allowing for an increase of Rs. 38 crores in repayment obligations (at Rs. 208 crores), net receipts on account of total external loans (at Rs. 682 crores) are expected to show an increase of Rs. 43 crores over the revised estimates of 1968-69.

Outlays : The provision in 1969-70 for aggregate disbursements on revenue and capital accounts at Rs. 5,558 crores† is Rs. 363 crores higher than in 1968-69 (revised estimates); revenue expenditure (at Rs. 2,921 crores) will be higher by Rs. 210 crores and capital disbursements (at Rs. 2,637 crores) by Rs. 153 crores.

Revenue Account : Of the increase of Rs. 210 crores on revenue account, civil expenditure will account for Rs. 168 crores and defence expenditure for Rs. 42 crores. Development expenditure at Rs. 373 crores is stepped up by Rs. 46 crores. Among development items, expenditure on education and scientific departments at Rs. 141 crores will be higher by Rs. 16 crores and expenditure connected with export promotion measures at Rs. 44 crores higher by Rs. 10 crores. Expenditure on debt servicing (at Rs. 569 crores) will claim Rs. 41 crores more than the revised estimates ; grants-in-aid to States and Union territories at Rs. 596 crores will be higher by Rs. 59 crores. Excluding the adjustment for additional grants given to certain States in 1968-69 for amortisation of State market loans, total grants to States and Union territories at Rs. 596 crores will show an increase of Rs. 109 crores over the revised estimates of 1968-69. This follows mainly the decision to enhance the grant component of Central Plan assistance to States from the existing 20 to 25 per cent on an average to 30 per cent and the stepping up of Statutory grants payable to certain States for 1969-70 by Rs. 36 crores consequent upon the acceptance of the *interim* recommendations of the Fifth Finance Commission.

Capital Account : In 1969-70 budget total capital outlay (at Rs. 769 crores) is stepped up by Rs. 218 crores from the revised estimates of 1968-69. This increase is shared by both developmental heads (Rs. 130 crores) and non-developmental heads (Rs. 88 crores). Among items of developmental outlays, outlay on industrial development (Rs. 333 crores) has been raised by Rs. 87 crores and on civil works (Rs. 74 crores) by Rs. 17 crores. In respect of non-developmental outlays, the outlay on defence has been increased by Rs. 16 crores to Rs. 124 crores. State trading operations are expected to result in a net receipt of Rs. 36 crores as against net receipt of Rs. 115 crores in 1968-69 (revised estimates). Transactions in respect of foodgrains will result in a net receipt of Rs. 5 crores only as against Rs. 64 crores in 1968-69 (revised estimates). With effect from April 1, 1969, it has been decided to entrust the handling of both imports and indigenous procurement of foodgrains to the Food Corporation of India. The actual despatch of consignments would be on the basis of the allotment orders issued by the Department of Food. The liability of the Government would be confined to the reimbursement of the net loss incurred by the Corporation ; the loss reimbursible to the Corporation in 1969-70

* The loans floated in 1969-70 by the Centre have yielded net receipts of Rs. 142 crores, i.e. Rs. 39 crores higher than the budget anticipation.

† This takes into account the net changes in miscellaneous transactions.

is estimated at Rs. 20 crores, same as in 1968-69 (revised estimates).

The budget provides for Rs. 794 crores as loans to States and Union territories—a reduction of Rs. 121 crores in comparison with that of 1968-69 (revised estimates). Loans to States at Rs. 767 crores are expected to be lower by Rs. 124 crores while an increase of Rs. 3 crores under loans to Union territories (at Rs. 27 crores) is expected. The steep reduction in loan assistance to States is mainly the result of enhancement of grant component of Central Plan assistance from 20-25 per cent on an average to 30 per cent and of change in the pattern of assistance for investment in the land mortgage banks; the Central Government will hereafter make such investments directly instead of routing them through the State Governments as hitherto. Loans to other third parties (at Rs. 457 crores) also will show a decline of Rs. 137 crores, loans to Food Corporation of India will be Rs. 25 crores as against Rs. 190 crores in the revised estimates for 1968-69.

Resources transferred from Centre to States

Additional Grants-in-aid during 1968-69 : During the course of 1968-69, the Central Government decided to pay additional grants-in-aid to six States towards amortisation of State market loans in terms of one of the recommendations of the Fourth Finance Commission. The Fourth Finance Commission had departed from the views of the earlier Commissions in regard to the amortisation of market loans and stated categorically that both interest liability as well as amortisation of market loans must form part of revenue liabilities of State Governments. Therefore, the Commission accepted as a legitimate item of revenue expenditure the provision included in the forecasts which State Governments had submitted to it, on account of amortisation of market loans in making recommendations for grants-in-aid under Article 275(1). Since, however, only a few States made substantial provision for this purpose in their forecasts, the Commission recommended that States which had not made adequate provisions in this behalf should be given an opportunity to recast their expenditure forecasts. On this basis the Central Government decided to make additional grants during 1968-69 totalling Rs. 50.10 crores for the period 1966-67—1968-69 (at the rate of Rs. 16.70 crores per year) to six States, namely, Andhra Pradesh, Kerala, Madhya Pradesh, Mysore, Rajasthan and Tamil Nadu—the States which had not made adequate provisions for amortisation of loans in their forecasts submitted to the Fourth Finance Commission. Of the additional grants of Rs. 50.10 crores, Rs. 16.70 crores—representing the amount due for 1968-69 — is being paid in cash as Plan grant ; the balance of Rs. 33.40 crores (representing payments due for 1966-67 and 1967-68) is being paid in the form of non-plan grants. There is no actual payment involved in the latter as the Centre is merely converting loans granted to these States as grants. The act of conversion will, however, imply saving to the State Governments in respect of repayment of principal as well as interest to the Centre.

Shared Taxes and Grants-in-aid during 1969-70 : For 1969-70, the share of State Governments in Central taxes and the quantum of statutory grants-in-aid are fixed in accordance with the recommendations embodied in the *interim* Report of the Fifth Finance Commission,* submitted in October 1968 and accepted by the Government. In its *interim* Report, the Commission recommended the distribution during 1969-70 of States' share of incom-tax, excise duties, basic and additional, the net proceeds of estate duty and grants in lieu of tax on Railway passenger fares on the existing basis. The recommendations in regard to estate duty and grants in lieu of tax on passenger fares are final. In regard to other shareable taxes, the recommendations are provisional and are subject to such adjustments as may be necessary on the basis of the final Report. In regard to grants-in-aid under Article 275(1) the Commission enhanced the amount payable during 1969-70 to certain States as a result of which, the total Statutory grants-in-aid payable to States will increase by Rs. 36 crores from Rs. 141 crores to Rs. 177 crores ; the recommendation in this respect, too, is subject to adjustments on the basis of final Report.

* The Commission has since submitted the final Report on July 31, 1969 a summary of which is given in Appendix XI.

The Commission submitted its final Report on July 31, 1969. The Government have accepted the recommendations of the Commission in regard to devolution of taxes and duties and grants-in-aid under Article 275(1) of the Constitution. (A summary of the Report is given in Appendix XI). The proportions to be shared in respect of income-tax and Union excise duties remain unchanged at the levels recommended by the Fourth Finance Commission. The Commission has, however, enlarged the size of the divisible pool of income-tax by including advance tax collections. The divisible pool of Union excise duties is also widened for the two years 1972-73 and 1973-74 by including special excise duties. According to the final recommendations of the Commission the quantum of grants-in-aid for 1969-70 gets reduced from Rs. 176.81 crores (as recommended by it in its *interim* Report) to Rs. 152.73 crores.

Plan Assistance : From 1969-70, a change has been introduced in the pattern of distribution of Central Plan assistance to States and Union territories. Henceforth, the Centre will make available Plan assistance in the form of block grants and loans instead of tied grants and loans as hitherto. Also, the grant component of total plan assistance is to be enhanced from the existing 20-25 per cent, on an average, to 30 per cent.

Resources to be transferred during 1969-70 : A total provision of Rs. 1,927 crores is made in the Central budget for transfer to States and Union territories during 1969-70, in the form of shared taxes, grants-in-aid and loans as against Rs. 1,975 crores in 1968-69 (revised estimates). Of this, shared taxes account for Rs. 518 crores, grants for Rs. 611 crores and loans and advances for Rs. 798 crores. The States' share in Central taxes is placed Rs. 27 crores higher than in 1968-69 (revised estimates). Grants to States at Rs. 611 crores are expected to be higher than in the revised estimates for 1968-69 by Rs. 47 crores. If allowance is made for additional grants to certain States during 1968-69 for amortisation of market loans, the actual increase in grants in 1969-70 will be Rs. 97 crores. There is an increase of Rs. 36 crores on account of additional statutory grants-in-aid in terms of the *interim* recommendations of the Fifth Finance Commission and of Rs. 70 crores on account of the enhancement of the grant component of assistance, referred to already.

Assistance in the form of loans to States and Union territories at Rs. 798 crores is expected to be Rs. 122 crores lower than that in 1968-69 (revised estimates). The decline is a sequel partly to the enhancement of the grant component of the assistance and partly to a reduction in the provision of loans for relief from natural calamities. If allowance is made for repayment of loans by States to Centre, net loan assistance by Centre to States is expected to be Rs. 258 crores in 1969-70 as compared with Rs. 345 crores in 1968-69 (revised estimates) (Table 3).

Table 3.

(Amount in crores of rupees)

	1961-62	1965-66	1966-67	1967-68	1968-69 (Revised Estimates)	1969-70 (Budget Estimates)
1. Shared taxes	178	276	373	416	491	518@
2. Grants	215	374	449	529	564	611
3. Loans	452	836	935	908	920	798
4. Repayment of loans to the Centre	134	276	281	378	575	540
5. Net loans (3—4)	318	560	654	530	345	258
6. Total Gross Resources transferred (1+2+3)	845	1,486	1,757	1,853	1,975	1,927
7. Total Net Resources transferred (1+2+5)	711	1,210	1,476	1,475	1,400	1,387
8. Items 1 and 2 as percentage of revenue collections of the Centre	32.3	25.0	28.8	31.8	32.9	32.5
9. Item 2 as percentage of revenue colections of the Centre	17.7	14.4	15.7	17.8	17.6	17.6
10. Item 5 as percentage of capital receipts of the Centre*	35.8	39.2	29.8	28.3	21.7	14.3

@ Inclusive of effect of additional tax measures.

* Capital receipts are net of repayment of loans by States and Union territories to the Centre and exclusive of receipts from Treasury bills.

Of the total assistance to be provided by the Centre to States in the form of grants and loans, Rs. 649 crores or 46.1 per cent represent assistance for the State Plans (Rs. 615 crores) and for the Union territories' Plan (Rs. 34 crores). In 1968-69, Plan assistance to States (Rs. 625 crores) and Union territories (Rs. 33 crores) accounted for 44.3 per cent of the total Central assistance in the form of grants and loans.

Total resources to be transferred in the form of shared taxes and grants would account for 32.5 per cent of the revenue collections (*i.e.* inclusive of share of States) of the Central Government in 1969-70 as against 32.9 per cent in 1968-69 (revised estimates). Net loans to States and Union territories as a proportion of capital receipts of the Centre would be 14.3 per cent as against 21.7 per cent in 1968-69 (revised estimates).

Additional Tax Measures : The measures of additional taxation originally proposed in the budget (after allowing for loss on account of concessions in export duties) were expected to bring in Rs. 127 crores of additional revenue in a year. Of this Rs. 27 crores would have accrued to States as their share in the divisible pool ; the additional revenue that would have accrued to the Centre was placed at Rs. 100 crores. The additional revenue that would accrue to the Centre and the States will, however, be reduced by Rs. 4 crores and Rs. 1 crore, respectively, as a result of concessions subsequently announced by the Finance Minister. The financial effect of the tax proposals is summarised in Table 4. (Details are provided in Appendix I). In addition, proposals in regard to changes in certain telegraphic and telephone rates are expected to provide Rs. 6.46 crores to the Posts and Telegraphs Department.

A major change in personal income tax is the upward revision of basic rate of tax on incomes in the slab of Rs. 10,001 — Rs. 15,000 from 15 per cent to 17 per cent and in the slab of Rs. 15,001 — Rs. 20,000 from 20 per cent to 23 per cent. This, together with the surcharge of 10 per cent (which is payable at all levels of income), will raise the marginal rate for these slabs of income from 16.5 per cent and 22.0 per cent to 18.7 per cent and 25.3 per cent, respectively. The marginal rates of tax on other slabs remain unchanged. Still, the present method of computing tax liability is such that the actual tax payable in each bracket of incomes over Rs. 20,000 will be uniformly higher by Rs. 275.

Table 4. Budget Proposals—Centre

(In crores of rupees)

	Additional Revenue (+) or Estimated loss (—) in a full year
A. Taxes on Income and Wealth	
1. Personal	+17.30
Of which States' share ..	2.50
2. Corporation	— 3.80
3. Total of A	+ 13.50
4. States' share in 3	2.50
B. Taxes on Commodities and Services	
1. Excise duties	+104.57@ (99.54)
Of which States' share ..	24.62 (23.52)
2. Customs duties	
(a) Import duties	+ 6.20
(b) Countervailing duties ..	+26.00
(c) Export duties	—23.00
3. Total Customs	+ 9.20
4. Total of 'B' (1+3)	+113.77 (108.84)
5. States' share in 4	24.62 (23.52)
C. Total (A+B)	**+127.27@ (122.34)**
D. States' share (A4+B5)	**27.12 (26.02)**
E. Net additional revenue to the Centre	**+100.15* (96.32)**
F. Posts and Telegraphs	**+ 6.46**

@ The yield would be reduced by Rs. 4.93 crores as a result of subsequent modifications. The position after allowing for these modifications is indicated in brackets.

* The additional yield from the changes in Posts and Telegraphs rates has been accounted for in reckoning the total internal resources of public undertakings. The net addition to the Centre's resources from the budget proposals is, therefore, only Rs. 100.15 crores (Rs. 96.32 crores after allowing for subsequent modifications).

As against this increase in the rates of income tax, certain reliefs have been granted. For instance, allowance given to salary earners on account of expenditure on maintenance of car owned by them, is raised from Rs. 150 per month to Rs. 200 per month for assessees with annual salary income of upto Rs. 15,000. Further, the exemption limit in respect of dividend income has been raised from Rs. 500 to Rs. 1,000 with effect from assessment year 1970-71. Deductions in respect of life insurance premia have been made more broad-based. With effect from the assessment year 1970-71, premia paid on an insurance policy effected by an individual assessee on the life of his children (major or minor) will be eligible for deduction in computing the taxable income of the assessee ; hitherto such deduction was permitted only for premia paid on insurance policy effected in the name of the assessee or his spouse. Similarly, in the case of Hindu undivided family deduction will be allowed not only on premia paid on the life of any male member of the family or the wife of a male member as hitherto but also on premia paid on policies on the life of any female member of the family. Further, in the case of authors, playwrights, artists etc., the existing provisions governing deductions of insurance premia from taxable income have been liberalised (See Appendix). Such assessees will also be allowed from the assessment year 1970-71 an exemption from tax of 25 per cent of the income derived from foreign countries in exercise of their professions, and received in India in foreign exchange.

In the field of corporate taxation, an important measure relates to the provision allowing deduction from taxable income of an Indian company, 40 per cent of income received by it by way of royalties and fees from any person doing business in India for providing technical know-how etc. to him. To be eligible for the relief, the technical services should be given under an agreement entered into on or after April 1, 1969 and approved by the Government of India. Among other changes, the more important ones are extension of tax holiday concessions for a further period of 5 years upto March 31, 1976 and inclusion of cotton and jute textile industries in the list of priority industries for the purpose of higher rate of development rebate.

In the case of registered firms, the tax exemption limit has been reduced from Rs. 25,000 to Rs. 10,000 and the income in the slab Rs. 10,001 — Rs. 25,000 subjected to tax at 4 per cent.

In respect of tax on net wealth, hitherto exempt agricultural wealth is sought to be brought within the scope of Wealth Tax Act from the assessment year 1970-71. Specified agricultural property held by individuals and Hindu undivided families (comprising agricultural land including standing trees thereon and also building on such land or in the vicinity of such land owned and occupied or used by the cultivators) will be aggregated with the value of their non-agricultural property and the aggregate net wealth will be subject to wealth tax at prescribed rates.

At present the rates range from 0.5 per cent to 3 per cent of net wealth arranged according to slabs. The present exemption limit under the Wealth Tax Act is Rs. 1 lakh of net wealth for individuals and Rs. 2 lakhs of net wealth for Hindu undivided family. In addition to the present exemption limit, an exemption for agricultural land upto the value of Rs. 1.5 lakhs is to be provided. This would mean that a farmer who owns agricultural land worth Rs. two and a half lakhs (or a Hindu undivided family which owns agricultural land worth Rupees three and a half lakhs) and does not have any non-agricultural property, will remain outside the scope of wealth tax. Further, in respect of persons who own a residential house in an urban area with a population exceeding 10,000 persons at present, value of such house upto a maximum of Rs. one lakh is exempt from wealth tax. If persons dwelling in city possessing a residential house also own agricultural land, the value of exemption for agricultural land in their case is to be reduced to the extent the exemption is given for the urban residential house. For instance, for a person who owns a residential house having a value of Rs. 50,000, exemption in respect of his agricultural land will be reduced by the value of the residential house, *i.e.* exemption in this case will be Rs. 1.5 lakhs less Rs. 50,000 or Rs. 1,00,000.

It is proposed to exempt certain assets such as (*a*) the value of standing crops and grass

on agricultural land and (*b*) the value of tools, implements and equipment (such as tractors) used for cultivation. The value of agricultural property will be determined on the same basis and principles as given in the Wealth Tax Act for the valuation of any other property. The additional revenue expected from this measure is put at Rs. 5 crores a year (no revenue gain is expected in the current year). It is proposed to transfer the proceeds to States as grants-in-aid.

Another measure in regard to wealth tax relates to tightening of the penal provisions in the Act. For instance, the penalty for failure to furnish the return of wealth is to be enhanced from the minimum of 2 per cent and a maximum of 50 per cent of *wealth tax* for every month during which the default continued, to a minimum of ½ per cent of the amount of net *wealth assessed* and a maximum of an amount equal to the net *wealth assessed.* The penalty for failure to produce accounts and documents called for is also to be raised from minimum of 10 per cent and maximum of 50 per cent of the amount of the *wealth tax* to a minimum of 1 per cent of net *wealth assessed* and a maximum of an amount equal to the net *wealth assessed.*

The changes in regard to Union excise duties (after allowing for the loss of revenue from subsequent concessions) are expected to yield an additional revenue of Rs. 100 crores. New items which are brought within the excise net include fertilizers, prepared and preserved foods, domestic electrical appliances, pilfer proof caps, unexposed cinematograph films and wool tops. Another important change effected is the conversion of existing specific rates to *ad valorem* rates on sugar, cement, vegetable products, electric fans, lighting bulbs and tubes, caustic soda, soda ash and silicate and certain costlier varieties of cotton fabrics. Further, rates of duty are raised on cigarettes, motor spirit, superior kerosene, jute manufactures and cellulosic and non-cellulosic staple fibre. In regard to cotton textiles, a number of concessions were announced (involving a loss of revenue of Rs. 15.3 crores) so as to provide a measure of relief to handloom and powerloom sectors and to weaker cotton mills. A part of the loss is to be recouped by stepping up the rates of duty on certain varieties of fine and superfine cloth and all varieties of printed fabrics other than controlled ones and by the levy of an *ad valorem* duty of 15 per cent on selected varieties of fabrics such as suitings, tapestry, furnishing fabrics etc. Other commodities on which rates were reduced include confectionery (other than chocolates), certain components used in the manufacture of radios, embroidery, scrap-based steel ingots and cinema films in black and white and nylon yarn in lower deniers ; duty on colour films and nylon yarn of higher deniers is raised.

In the field of customs duties, certain concessions in *export* duties were announced which would result in a loss of Rs. 23 crores to the Exchequer. These concessions include abolition of duty on certain varieties of jute manufactures (namely, wool sacks and cotton bagging), degreased raw wool and tea packed in metal containers and reduction of duties on certain other varieties of jute manufactures, tea and mica. Under import duties, increase in duty on lubricating oil and motor cars and revision in the basis of valuation of dry fruits and seedless dates are expected to yield an additional revenue of Rs. 6 crores ; further, imposition of countervailing import duties on certain items notably fertilizers is expected to fetch an additional revenue of Rs. 26 crores.

Subsequent to the presentation of the budget, the Finance Minister announced certain tax concessions under Union excise duties which are estimated to result in a loss of Rs. 4.93 crores. Among other things, the proposal to levy excise duty on power-driven pumps, which was expected to yield Rs. 2 crores, was dropped. Further, certain modifications were effected in regard to tax on prepared and preserved foods, by excluding all nuts and most of the vegetable products from the purview of the levy and also by exempting all dutiable fruit products cleared by any manufacturer upto a value of Rs. 50,000 annually ; this measure involved a loss of Rs. 90 lakhs. Additional tax concessions were granted to the cotton textile industry ; these were estimated to result in a loss of Rs. 1.90 crores. These concessions consisted of (*i*) reduction of the *ad valorem* duty on costly cotton fabrics from the level of 15 per cent proposed in the budget to 7½ per cent in respect of all varieties (except cotton blankets) whose value does not exceed Rs. 2.50 per sq. metre and in the case of cotton blankets

if the value does not exceed Rs. 4 per sq. metre and *(ii)* reduction of excise duty on cotton yarn of specified counts. Moreover, with a view to giving some relief to the powerloom sector it was decided to reduce the duty on specific varieties of cotton textiles manufactured in the powerloom sector. Other tax changes effected in the field of excise duty relate to concessions granted to the small manufacturers of rayon filament yarn and reduction of duty on cement.

STATE GOVERNMENT BUDGETS

Overall Position : In the budget estimates for 1968-69, States had taken credit for receipts on revenue and capital accounts of Rs. 3,773 crores ; this did not include the proceeds of market loan raised by Maharashtra (Rs. 20 crores) during the year as the State did not take any credit for the item in its budget. Disbursements on revenue and capital accounts were anticipated at Rs. 3,848 crores, resulting in an estimated overall deficit* of Rs. 75 crores—Rs. 9 crores on revenue account and Rs. 66 crores on capital account. In the revised estimates receipts improved by Rs. 388 crores to Rs. 4,161 crores while disbursements also increased by Rs. 466 crores to Rs. 4,314 crores. The improvement in resources however, was on account of the increased quantum of resources transferred from Centre to States as a result of larger devolution of States' share in Central taxes (resulting partly from payment of arrears), payment of additional grants-in-aid to certain States (not originally envisaged in the budget) towards amortisation of State market loans and stepping up of non-plan loans by the Centre, including *ad hoc* loans to State Governments for clearing their overdrafts with the Reserve Bank. The main factors contributing to the increase were enhancement of dearness allowances as well as upward revision of pay scales of State Government employees and increased expenditure for relief in certain States affected by floods and drought. The Plan outlay of the States for 1968-69 also increased from the budgeted level of Rs. 1,025 crores to Rs. 1,059 crores. As a sequel to the larger increase in disbursements than in receipts, the overall deficit is placed at Rs. 153 crores in the revised estimates (Rs. 112 crores on revenue account and Rs. 41 crores on capital account) as compared to Rs. 75 crores in the budget estimates (Rs. 9 crores on revenue account and Rs. 66 crores on capital account). The actual budgetary deficit for 1968-69 is not yet available. However, the overall deficit as measured by the net increase in Reserve Bank credit to State Governments was Rs. 113.26 crores in 1968-69 as compared to Rs. 62.13 crores in 1967-68.

For 1969-70, States have taken credit for total receipts of Rs. 4,220 crores comprising Rs. 2,700 crores on revenue account (at 1968-69 rates of taxation) and Rs. 1,520 crores on capital account. As compared to the revised estimates for 1968-69, receipts are expected to be higher by Rs. 59 crores and disbursements higher by Rs. 221 crores.

As compared to the revised estimates, the revenue receipts (at 1968-69 rates of taxation) are expected to increase by Rs. 134 crores while the revenue expenditure is expected to go up by Rs. 316 crores. The revenue account is thus likely to show a deficit of Rs. 293 crores as against a deficit of Rs. 112 crores in 1968-69 (revised estimates). While the capital receipts anticipated during 1969-70 will fall short of the revised figures for 1968-69 by Rs. 75 crores, the provision made for capital disbursements is smaller by Rs. 95 crores than the revised estimates for 1968-69. The capital account of the States for 1969-70 is thus expected to show a smaller deficit of Rs. 22 crores as against a deficit of Rs. 41 crores in 1968-69 (revised).

Taking revenue and capital accounts together the overall deficit for all States at 1968-69 rates of taxation is placed at Rs. 315 crores.†

* The overall deficit is as measured by change in cash balances and withdrawals from Cash Balance Investment Account and Revenue Reserve Funds.

† The overall deficit does not include the proceeds of market loans to be floated by Bihar.

Except Andhra Pradesh all the other States have presented deficit budgets. The overall deficit of the States ranges from Rs. 1 crore (Haryana) to Rs. 37 crores (Uttar Pradesh). Andhra Pradesh has presented a balanced budget by taking credit for Rs. 77.45 crores under statutory grants-in-aid as against Rs. 16.81 crores in terms of the *interim* Report of the Fifth Finance Commission. Seven States have proposed additional tax measures estimated to yield Rs. 22 crores during 1969-70. The additional yield from the proposals would cover only a part of the overall deficits in the respective States. Thus, the overall deficit of Jammu & Kashmir would be reduced from Rs. 9.2 crores to Rs. 8.2 crores, of Kerala from Rs. 20.0 crores to Rs. 17.7 crores, of Madhya Pradesh from Rs. 23.1 crores to Rs. 17.8 crores, of Maharashtra from Rs. 2.2 crores to Rs. 1.1 crores, of Orissa from Rs. 25.9 crores to Rs. 23.1 crores, of Rajasthan from Rs. 21.7 crores to Rs. 18.2 crores and of Tamil Nadu from Rs. 25.1 crores to Rs. 19.5 crores. Taking into account the additional yield of Rs. 22 crores from the tax proposals of the States and Rs. 26 crores that would accrue to States as a result of Centre's tax proposals for 1969-70, the overall deficit of States would be reduced to Rs. 267 crores from Rs. 315 crores.

Andhra Pradesh, Uttar Pradesh and West Bengal had presented *interim* (vote on account) budgets earlier. They have subsequently presented final budgets. These States have not proposed additional tax measures. In the case of Andhra Pradesh, the final budget discloses an overall deficit of Rs. 20 crores. The overall deficits of Uttar Pradesh and West Bengal are estimated higher at Rs. 40 crores and Rs. 66 crores, respectively, than in their *interim* budgets (Rs. 37 crores and Rs. 13 crores). Madhya Pradesh has presented a revised budget for 1969-70. In this budget, the State has made some modifications in its proposals for additional taxation introduced earlier, as a result of which the yield from additional taxation is now estimated at Rs. 1.6 crores only as against Rs. 5.4 crores originally anticipated. The overall deficit of Madhya Pradesh (taking into account the additional proposals contained in the revised budget) is now estimated at Rs. 30 crores as against the earlier estimate of Rs. 18 crores.

In view of the widening of the deficits of these four States, from levels originally budgeted, the overall deficit for all the States would now work out to Rs. 355 crores. Net receipts from market loans floated by States on September 1, 1969 were Rs. 83 crores, an increase of Rs. 28 crores over the amount (Rs. 55 crores) for which credit had been taken in the budget estimates. As a result, the overall deficit will be reduced to Rs. 327 crores.

However, the overall budgetary position may change as a result of the acceptance by the Government of India of final recommendations of the Fifth Finance Commission in regard to the devolution of taxes and duties and grants-in-aid under Article 275(1) of the Constitution. (For a summary of the Report please see Appendix XI). The quantum of total grants-in-aid payable to States for 1969-70 gets reduced from Rs. 176.81 crores (13 States) as recommended by the Commission in its *interim* Report to Rs. 152.73 crores (10 States). This reduction is likely to be more than offset by the expected increased devolution of income tax during 1969-70, in view of the Commission's recommendations for including advance income tax collections in the divisible pool of income tax from 1969-70 and its recommendations for payment in 1969-70 of States' share in advance income tax collections in 1967-68. Therefore, the overall budgetary deficit of States as a whole may show a decline compared to the budget anticipation. However, the impact of these changes on the budgetary position of individual States will not be uniform as the Commission has reduced the quantum of grants to some States and raised in other cases. Further, in determining the individual State's share in divisible taxes and duties, the Commission has given greater weightage to population and "needs" than that under the earlier Commission.

In regard to grants, Bihar, Madhya Pradesh and Uttar Pradesh which have taken credit for Rs. 3.42 crores, Rs. 9.36 crores and Rs. 9.85 crores, respectively, in their 1969-70 budgets on the basis of the Commission's *interim* Report, will not be eligible for grants in terms of the final recommendations. In its final report the Commission has reduced for 1969-70 the quantum of grants which it had recommended in its

interim Report in the case of Andhra Pradesh (from Rs. 16.81 crores to Rs. 15.54 crores), Kerala (from Rs. 20.82 crores to Rs. 9.9 crores), Mysore (from Rs. 20.82 crores to Rs. 6.48 crores), Orissa (from Rs. 29.18 crores to Rs. 24.51 crores) and Tamil Nadu (from Rs. 6.84 crores to Rs. 6.61 crores). As against this, the Commission has raised the quantum of grants payable in 1969-70 to Assam (from Rs. 19.90 crores to Rs. 20.80 crores), Jammu and Kashmir (from Rs. 12.02 crores to Rs. 16.81 crores), Rajasthan (from Rs. 9.67 crores to Rs. 12.36 crores) and West Bengal (from Rs. 7.24 crores to Rs. 22.29 crores).

Taking shared taxes and grants under Article 275(1) of the Constitution together, the aggregate transfer from the Centre in 1969-70 is likely to be lower than the budget anticipation in the case of Kerala, Madhya Pradesh, Mysore and Orissa ; consequently, their budgetary deficit may increase, other things remaining unchanged. In the case of other States, the quantum of transfers in the form of shared taxes and duties and statutory grants is likely to be higher than the credit taken in their budget estimates and hence, their budgetary deficit may show a decline.

Revised Estimates : 1968-69

Resources : Of the increase of Rs. 388 crores in the receipts of States in the revised estimates for 1968-69 over the budget estimates, revenue receipts accounted for an increase of Rs. 91 crores and capital receipts for an increase of Rs. 297 crores (Table 5). States' own revenue did not contribute to any significant extent to the improvement in revenue receipts ; their tax and non-tax revenues increased only by Rs. 5 crores each to Rs. 1,157 crores and to Rs. 460 crores, respectively, in comparison with the budget estimates. Among States' own revenues, State excise duties increased by Rs. 12 crores from Rs. 141 crores to Rs. 153 crores while land revenue collections declined by Rs. 7 crores from Rs. 109 crores to Rs. 102 crores. Under States' own non-tax revenue, interest receipts and lotteries recorded increases of Rs. 13 crores (from Rs. 179 crores to Rs. 192 crores) and Rs. 7 crores (from Rs. 3 crores to Rs. 10 crores), respectively. On the other hand, loss on departmental undertakings (at Rs. 35 crores) was larger by Rs. 13 crores, and administrative receipts (at Rs. 160 crores) were lower by Rs. 3 crores in the revised estimates.

Table 5—Resources by Main Groups—States

(In crores of rupees)

	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
A. Revenue Account				
Total Revenue Receipts (1+2)	**2,324**	**2,475**	**2,566**	**2,700**
1. Tax Revenue	**1,472**	**1,572**	**1,631**	**1,698**
(a) Share from the Centre@	407	420	474	484
(b) States' own resources	1,065	1,152	1,157	1,214
2. Non-tax Revenue	**852**	**903**	**935**	**1,002**
(a) Grants from the Centre	453	448	475	553
(b) Administrative receipts	160	163	160	164
(c) Net contribution of Departmental Undertakings	—27	—22	—35	—56
(d) Others	266	314	335	341
B. Capital Account				
Total Capital Receipts	**1,348**	**1,298**	**1,595**	**1,520**
(a) Permanent debt (gross)	133	116	132	151
(b) Loans from the Centre (gross)	858	721	936	784
(c) Others	357	461	527	585
C. GRAND TOTAL (Revenue & Capital Accounts) (A+B)	**3,672**	**3,773***	**4,161**	**4,220***

@ Comprises share of income tax, estate duty and Union excise duties.
* Exclude receipts from States' additional tax proposals and States' share in the additional tax measures undertaken by the Centre.

The share of States in Central taxes and grants-in-aid, in comparison with the budget estimates, increased by Rs. 81 crores in the revised estimates, of which Rs. 54 crores was under shared taxes and Rs. 27 crores under grants-in-aid. The increase in the former was partly due to adjustment of an amount of Rs. 35 crores on account of short-payment of excise duties and income tax in earlier years. The increase in the latter reflected mainly the impact of the decision to make additional grants to certain States towards amortisation of State market loans and the stepping up of grants to States affected by natural calamities. As much as Rs. 215 crores of the increase in capital receipts was in the form of loans from the Centre (including *ad hoc* loans to the tune of Rs. 77 crores to some States to enable them to clear their overdrafts with the Reserve Bank). Among States' own capital resources, net market loans (at Rs. 65 crores) increased by Rs. 15 crores, and deposits and advances (at Rs. 222 crores) by Rs. 58 crores.

Disbursements : The increase of Rs. 467 crores in total disbursements of States in the revised estimates for 1968-69 over the budget estimates was made up of an increase of Rs. 193 crores in revenue expenditure and of Rs. 273 crores in capital expenditure.

On revenue account, developmental expenditure (at Rs. 1,432 crores) and non-developmental expenditure (at Rs. 1,245 crores) accounted for increases of Rs. 73 crores and Rs. 120 crores, respectively, over budget estimates. Expenditure on education (at Rs. 595 crores) claimed the bulk (Rs. 52 crores) of the increase in developmental expenditure. The major part of the rise in non-developmental expenditure was on account of relief, the expenditure on this item being Rs. 94 crores against Rs. 22 crores provided in the budget, in States affected by floods (Gujarat and West Bengal), drought (Rajasthan, Andhra Pradesh and Mysore) and cyclone (Orissa and Andhra Pradesh). Expenditure in the revised estimates on civil administration (at Rs. 358 crores) showed a rise of Rs. 22 crores reflecting the impact of the revision of pay and allowances of the staff. Interest payments by States, on Central loans in the main, amounted to Rs. 336 crores in the revised estimates as against Rs. 323 crores provided in the budget. In the revised estimates there occurred a fall of Rs. 7 crores on food subsidy from the budgeted amount of Rs. 28 crores.

Out of a rise of Rs. 273 crores in capital disbursements (at Rs. 1,637 crores) in the revised estimates as compared with the budgeted amount (Rs. 1,364 crores), Rs. 57 crores was on developmental capital outlay (chiefly on multi-purpose river valley schemes, irrigation and navigation) and Rs. 17 crores on non-developmental items (mainly State trading). Repayment of loans to the Centre (at Rs. 554 crores) and loans and advances disbursed by the State Government (at Rs. 467 crores) showed increases of Rs. 100 crores and Rs. 102 crores, respectively, over the budgeted level. Of the increases in loan disbursements by the States, loans to cultivators (at Rs. 118 crores) accounted for Rs. 42 crores and to State Electricity Boards (at Rs. 208 crores) for Rs. 39 crores.

Budget Estimates : 1969-70

Resources : As compared to the revised estimates of 1968-69 the total receipts on revenue account at Rs. 2,700 crores are expected to go up by Rs. 134 crores. States' own tax revenues at Rs. 1,214 crores at 1968-69 levels of taxation are expected to be Rs. 57 crores higher than in the revised estimates of 1968-69 ; the increases are expected mainly under (*a*) sales tax (Rs. 29 crores), (*b*) State excise duty and (*c*) stamps and registration (Rs. 6 crores each), (*d*) motor vehicles tax (Rs. 5 crores) and (*e*) tax on passengers and goods (Rs. 4 crores). As compared to the revised estimates of 1968-69 the increase in the States' share of Central taxes (excluding the share in the additional mobilisation) is expected to be Rs. 10 crores. This is the net result of increases of Rs. 16 crores under their share in Union excise duties and Rs. 1 crore in estate duty and a decline of Rs. 7 crores in their share in income-tax. (As stated earlier, the revised figure of Union excise duties for 1968-69 included Rs. 13 crores of adjustment on account of short payments for 1962-63 to 1966-67; the share in income tax for 1968-69 (revised estimates) also included Rs. 22 crores

Table 6—Disbursements by Main Groups—States

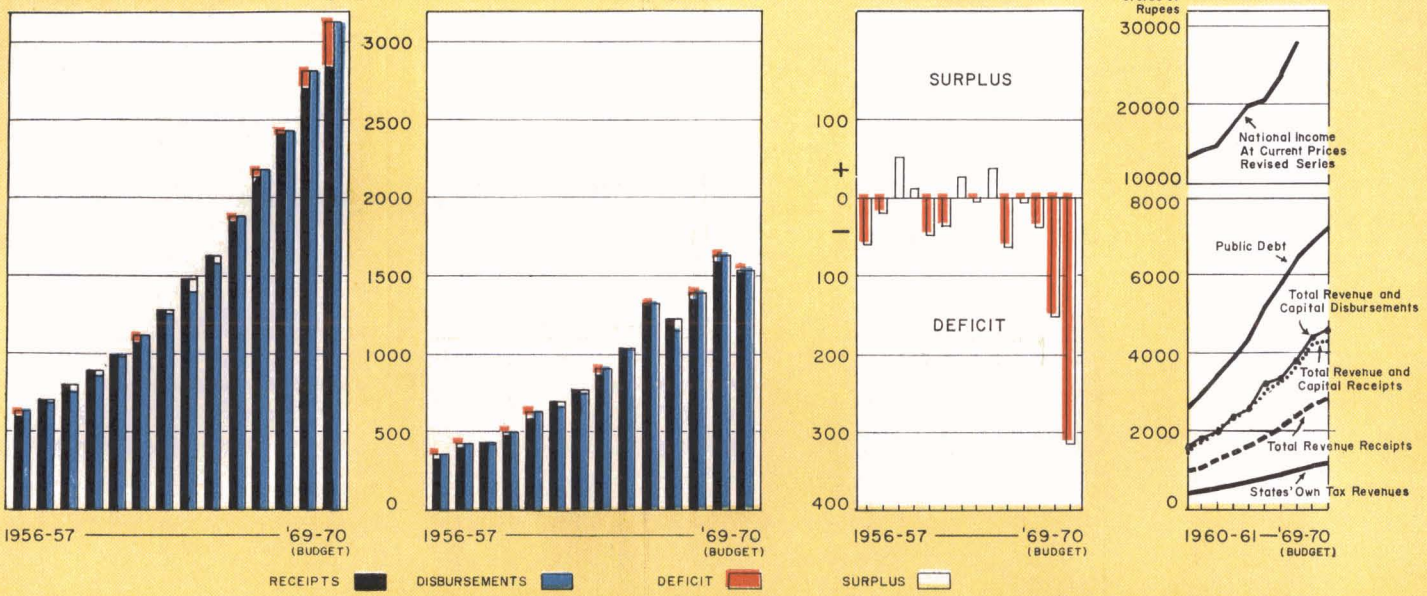
(In crores of rupees)

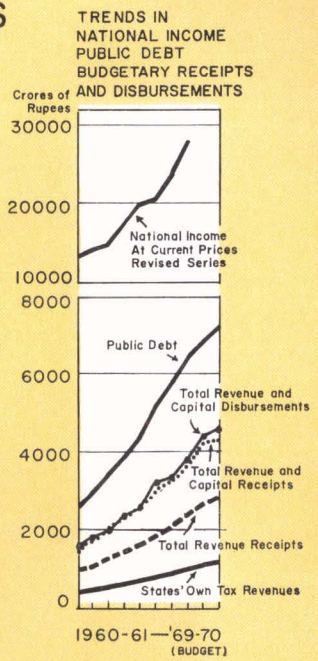
	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
I. Total Revenue Expenditure				
(including transfers to Local Bodies) (a+b)	**2,334**	**2,484**	**2,677**	**2,993**
(a) Development	**1,276**	**1,359**	**1,432**	**1,634**
(i) Education	512	543	595	687
(ii) Agriculture and Animal Husbandry	160	168	172	186
(iii) Medical and Public Health	201	225	231	286
(iv) Co-operation and Rural and Community Development	96	98	101	106
(v) Civil Works	150	149	155	175
(vi) Irrigation (Non-commercial)	29	30	36	35
(vii) Industries	32	37	35	39
(viii) Others	96	109	107	120
(b) Non-development	**1,058**	**1,125**	**1,245**	**1,359**
(i) Collection of Taxes, Duties, etc.	101	111	119	135
(ii) Interest on Debt	271	323	336	371
(iii) Civil Administration	328	336	358	399
(iv) Famine	87	22	94	57
(v) Others	271	333	338	397
II. Total Capital Disbursements (1 to 5)	**1,393**	**1,364**	**1,637**	**1,542**
1. Capital Outlay (a+b)	**484**	**439**	**513**	**470**
(a) Development	**426**	**433**	**490**	**453**
(i) Multi-purpose River Valley Schemes	70	77	103	83
(ii) Irrigation and Navigation	115	113	127	124
(iii) Electricity Schemes	30	28	27	30
(iv) Buildings, Roads and Water Works	106	126	122	128
(v) Industrial Development	78	68	95	68
(vi) Others	27	21	16	20
(b) Non-Development	**58**	**6**	**23**	**17**
2. Discharge of Permanent Debt	58	66	67	96
3. Repayment of Loans to the Centre	371	454	554	567
4. Loans and Advances by State Governments	456	365	467	354
5. Other Loans	24	40	36	55
III. GRAND TOTAL (Revenue and Capital Accounts) (I+II)	**3,727**	**3,848**	**4,314**	**4,535**

GRAPH 12

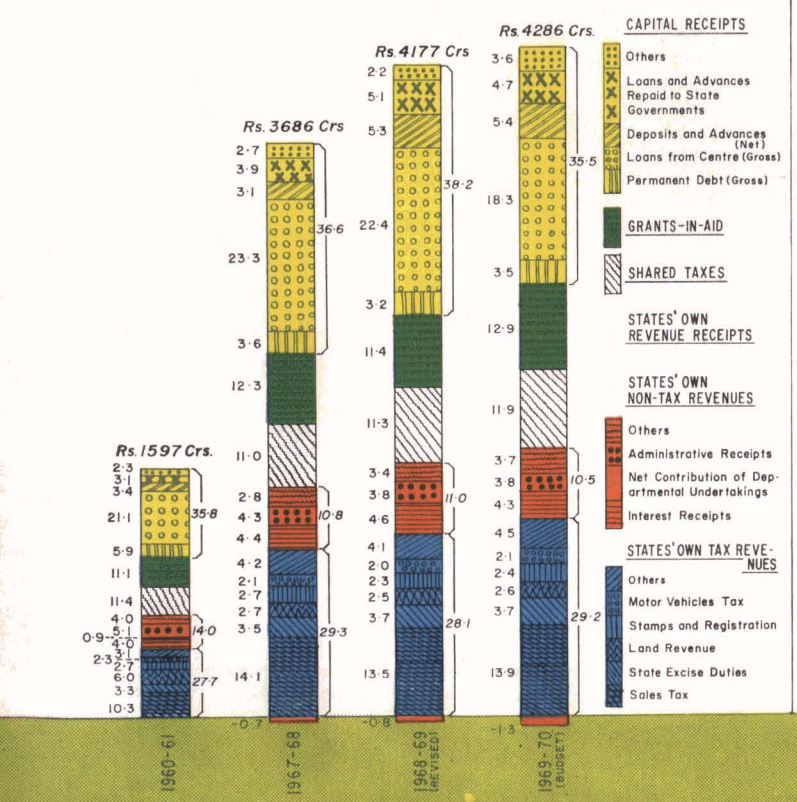
BUDGETARY POSITION OF STATE GOVERNMENTS

(CRORES OF RUPEES)

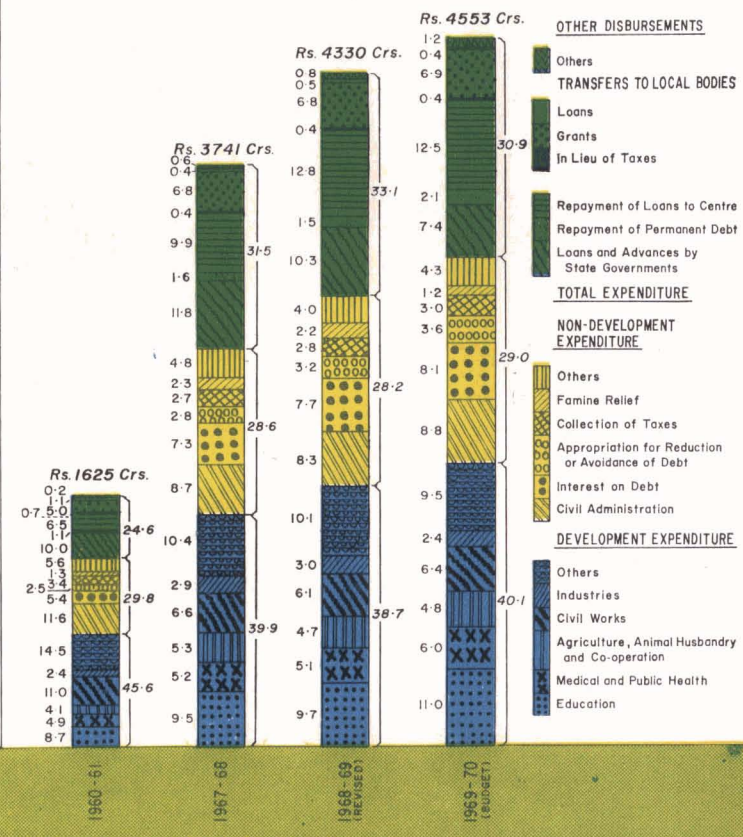




AGGREGATE BUDGETARY RECEIPTS



AGGREGATE BUDGETARY DISBURSEMENTS

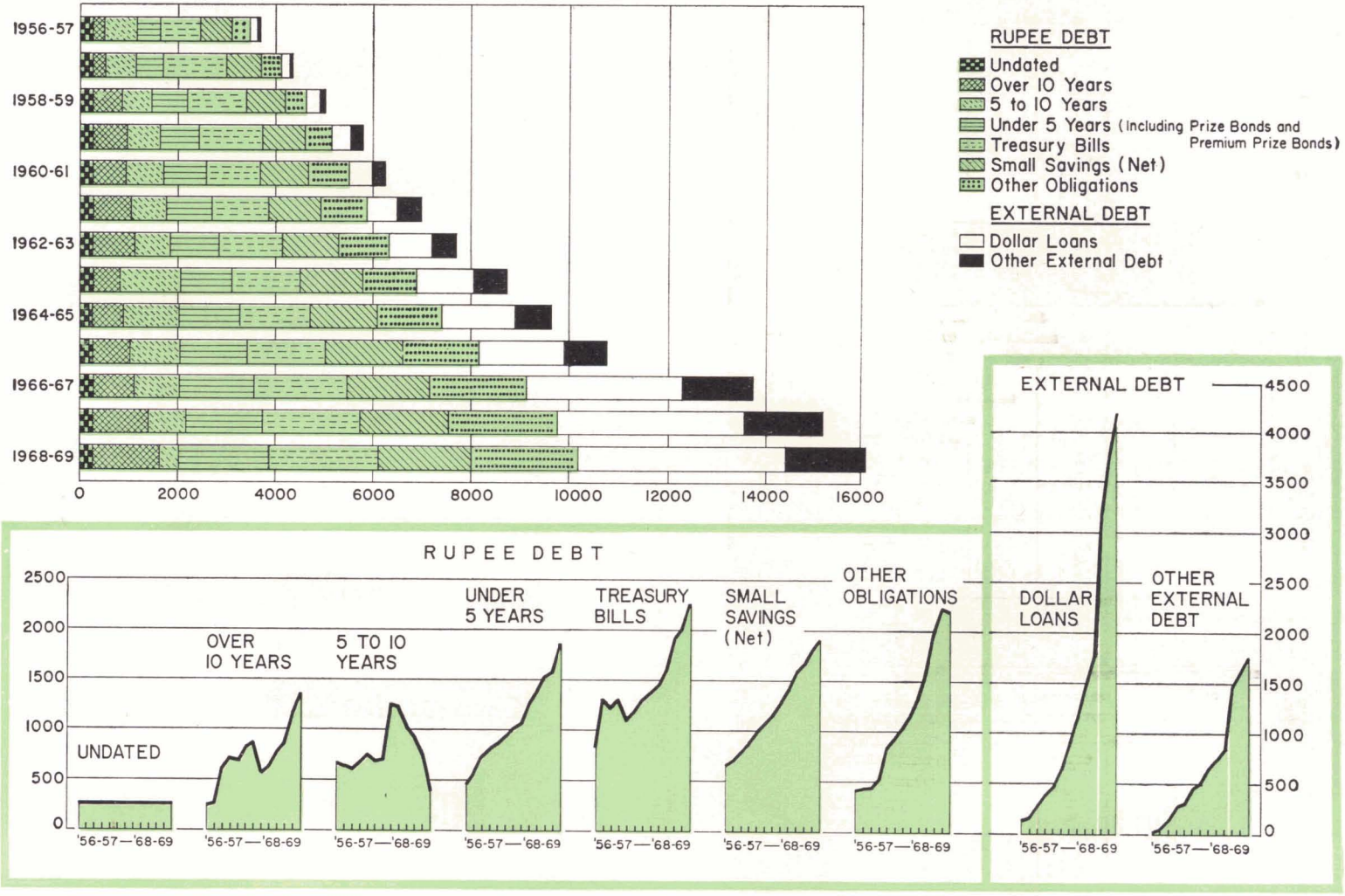


Note: Figures given alongside the bars indicate percentages to aggregate budgetary receipts and disbursements

GRAPH 13

DEBT POSITION OF THE GOVERNMENT OF INDIA 'at the end of March of each year'

(CRORES OF RUPEES)



on account of short payments for years 1966-67 and 1967-68).

In comparison with the revised estimates of 1968-69, non-tax revenues at Rs. 1,002 crores are expected to increase by Rs. 67 crores. Grants from Centre at Rs. 553 crores are expected to increase by as much as Rs. 78 crores mainly as a result of enhancement of the grant component of Central Plan assistance to States ; further, Andhra Pradesh has taken credit in its budget for a larger amount (Rs. 77.4 crores) on account of statutory grants-in-aid from Centre than that (Rs. 16.8 crores) recommended by the Fifth Finance Commission in its *interim* Report. Administrative receipts (at Rs. 164 crores) are also placed at Rs. 4 crores more than in 1968-69 (revised estimates). As against these, losses on account of States' departmental undertakings (such as commercial irrigation, multi-purpose river valley schemes, etc.) are expected to go up from Rs. 35 crores in the revised estimates of 1968-69 to Rs. 56 crores.

Capital receipts during 1969-70 are estimated lower at Rs. 1,520 crores compared with Rs. 1,595 crores in 1968-69 (revised). Loans (gross) from the Centre at Rs. 784 crores are expected to be Rs. 152 crores lower. It may be noted that the revised estimates for 1968-69 in respect of loans from the Centre are inclusive of *ad hoc* loans of Rs. 77 crores ; no credit for such *ad hoc* loans is taken in 1969-70 budget. The lower level of Central loans is largely due to the decision to enhance the grant component of Central Plan assistance, referred to earlier. Besides, loan assistance on account of relief from natural calamities (at Rs. 35 crores) is also expected to be lower than the revised estimates of 1968-69. Net receipts from market loans (at Rs. 55 crores)* show a decline of Rs. 10 crores ; on the other hand, net receipts from floating and unfunded debts (at Rs. 88 crores) are expected to increase by Rs. 55 crores.

Disbursements

On the disbursements side, the provision for Plan outlay has been reduced from Rs. 1,059 crores in 1968-69 (revised estimates) to Rs. 947 crores in 1969-70. The increase of Rs. 221 crores in disbursements is, therefore, almost wholly on account of non-Plan developmental and non-developmental expenditure. Larger provision has been made for both development (Rs. 2,087 crores as against Rs. 1,922 crores in the revised estimates) and non-development expenditure (Rs. 1,376 crores as against Rs. 1,268 crores in the revised estimates) in revenue account; important developmental items for which provision has been stepped up over the 1968-69 (revised estimates) levels are education (by Rs. 92 crores from Rs. 595 crores) and medical and public health (by Rs. 55 crores from Rs. 231 crores). Expenditure on non-developmental items at Rs. 1,376 crores is higher than the revised estimates for 1968-69 (Rs. 1,268 crores mainly on account of increases under interest on debt (by Rs. 35 crores from Rs. 336 crores) and civil administration (by Rs. 41 crores from Rs. 358 crores); provision for famine relief, however, is lower at Rs. 57 crores compared with Rs. 94 crores in 1968-69 (revised).

The provision for capital disbursements for 1969-70 is somewhat lower at Rs. 1,542 crores than in the revised estimates of 1968-69 (Rs. 1,637 crores). The reduction in disbursements is mainly on account of reduced capital outlays on multi-purpose river valley schemes (at Rs. 83 crores as against Rs. 103 crores), industrial development (at Rs. 68 crores as against Rs. 95 crores) and loans and advances by State Governments (Rs. 354 crores as against Rs. 467 crores). The reduced outlays under these heads are partly offset by increases in provision for discharge of permanent debt (Rs. 96 crores as against Rs. 67 crores), repayment of loans to Central Government (Rs. 567 crores as against Rs. 554 crores) and repayment of other loans (Rs. 55 crores as against Rs. 36 crores).

Seven States, viz. Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Tamil Nadu, have proposed measures of additional taxation in 1969-70, the first year of the Fourth Plan, which are expected to yield Rs. 22 crores during 1969-70 and Rs. 23 crores in a full year. (The five-year target for additional mobilisa-

* This is exclusive of market loan by Bihar as the budget for Bihar has not taken credit under this head.

tion through taxation, surplus of public enterprises and other measures by State Governments according to the Plan document (draft) is Rs. 1,109 crores). Details of additional measures proposed by Tamil Nadu and Jammu and Kashmir Governments (expected to yield about Rs. 7 crores) are not available in their budget documents. Proposals by other States (expected to yield Rs. 15 crores) comprise modification in sales tax rates and coverage (Rs. 4 crores), increase in cess on commercial crops (Rs. 2 crores), revision of rates in respect of land revenue, irrigation charges, tax on passengers and goods and State excise (Rs. 1 crore each). The proposed measures also envisage upward revision of education fees and cess on education, stamp duty etc. Three States viz., Assam, Jammu and Kashmir and Madhya Pradesh have decided to introduce lottery schemes during 1969-70 from which an income of about Rs. 1 crore is expected (in the other eight States viz., Haryana, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal where the scheme is already in existence, the anticipated yield for 1969-70 is placed at Rs. 21.5 crores).

Subsequently, on August 14, 1969 Gujarat introduced proposals for additional taxation estimated to yield Rs. 43 lakhs in 1969-70 and Rs. 95 lakhs in a full year. The additional yield of Rs. 43 lakhs is made up of Rs. 35 lakhs from proposals to enhance the passenger tax on road transport and Rs. 8 lakhs from modification in the slabs of rates of entertainment tax. The full-year yields from these measures are estimated at Rs. 75 lakhs and Rs. 20 lakhs, respectively.

Table 7. Estimated Yield from State Budget Proposals

	Additional Yield during the year 1969-70 (Rs. Lakhs)
By States	
1. Kerala	225
2. Madhya Pradesh	535†
3. Maharashtra	109
4. Orissa	275
5. Rajasthan	355
6. Jammu and Kashmir	100
7. Tamil Nadu	560
Total	**2159***
By Major Heads	
Sales Tax	397
Land Revenue	127
Irrigation and Water Rates	120
Cess on Commercial crops	195
Agricultural Income Tax	10
Stamp Duty	48
Motor Vehicles Tax	35
State Excise	70
Tax on Passengers and Goods	125
Lotteries	70
Others	962@
Total	**2159***

† Revised budget provided for only Rs. 1,55 lakhs.
* Full year yield is estimated at Rs. 23,08 lakhs excluding the proposals of Gujarat.
@ Includes yield from additional measures to be proposed by Jammu & Kashmir (Rs. 90 lakhs) and Tamil Nadu (Rs. 560 lakhs) for which details are not available.

PUBLIC DEBT

Union Government

The outstanding public debt* of the Government of India, according to the revised estimates, amounted to Rs. 12,727 crores at the end of March 1969. At this level, the outstanding public debt showed an increase of Rs. 1,121 crores over the year. The increase of Rs. 1,121 crores (9.7 per cent) during 1968-69 was higher than the increase of Rs. 856 crores (7.0 per cent) in the preceding year. During 1969-70, the public debt is estimated to rise further by Rs. 1,094 crores, raising the outstanding amount to Rs. 13,821 crores at the end of March 1970 (Table 8).

All the constituents of public debt participated in the increase during 1968-69. However, external debt recorded the largest increase of Rs. 798 crores. Internal loans

* Public debt comprises (i) permanent debt i.e. loans raised in the market in India as well as long-term securities issued to the Reserve Bank of India in conversion of *ad hoc* Treasury bills, (ii) floating debt, namely, Treasury bills and special floating loans representing the liability assumed in respect of special rupee securities (non-negotiable and non-interest bearing) issued in payment of India's subscription to the International Monetary Fund, International Bank for Reconstruction and Development and the International Development Association as well as contribution towards the share capital of the Asian Development Bank and (iii) external debt. Excepting special floating loans all the other items of public debt are marketable.

Table 8.—Public Debt and Other Liabilities of the Government of India

(Amount in crores of rupees)
(As at the end of March)

	1951	1956	1961	1966	1967	1968	1969 (Revised Estimates)	1970 (Budget Estimates)
A. Public Debt (1 + 2)	2,054	2,443	4,736	8,026	10,850	11,606	12,727	13,821
1. Internal Debt (a + b)	2,022	2,329	3,975	5,415	6,217	6,477	68,00	72,51
(a) Permanent Debt (i+ii) ..	1,445	1,521	2,595	3,462	3,608	3,778	3,928	4,027
(*i*) Current loans	1,439	1,509	2,556	3,417	3,565	3,722	3,879	3,985
(*ii*) Others*	6	12	39	45	43	56	49	42
(b) Floating Debt (*i* + *ii*) ..	577	808	1,380	1,953	2,609	2,699	2,872	3,224
(*i*) Treasury bills	365**	595**	1,106	1,612	1,920	2,009	2,184	2,535
(*ii*) Special floating loans@	212	213	274	341	689	690	688	689
2. External Debt†	32	114	761	2,611	4,633	5,129	5,927	6,570
B. Other Liabilities (1 + 2)	810	1,072	1,817	3,331	3,568	3,931	4,123	4,344
1. Unfunded Debt (a + b + c + d)	447	762	1,533	2,770	2,961	3,311	3,393	3,591
(a) Small Savings	336	580	982	1,549	1,667	1,789	1,907	2,042
(b) State Provident Funds ..	95	165	289	527	574	649	696	758
(c) P.L. 480 Deposits	—	—	240	561	559	652	593	633
(d) Other unfunded debt†† ..	16	17	22	133	161	221	197	158
2. Reserve Funds and Deposits††† ..	363	310	284	561	607	620	730	753
C. Aggregate Liabilities (A + B) ..	2,864	3,515	6,553	11,357	14,418	15,537	16,850	18,163
D. Amount due from Pakistan on account of pre-partition debt	300	300	300	300	300	300	300	300
E. Net Liabilities (C − D)	2,564	3,215	6,253	11,057	14,118	15,237	16,550	17,863

* Comprise balances of expired loans and from 1961 Prize Bonds and Premium Prize Bonds. Annuity Certificates are excluded from here and shown under small savings.

** Include Treasury Deposit Receipts.

@ These represent the liability in respect of special rupee securities issued in payment of subscription to I.M.F., I.B.R.D. and I.D.A. and contribution towards share capital of A.D.B.

† The outstanding external debt (other than P.L. 480 Loans) has been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian Rupee.

†† Include mainly Postal Insurance and Life Annuity Fund, Hindu Family Annuity Fund and (from 1966) Compulsory Deposits and Income Tax Annuity Deposits.

††† Include Depreciation and Reserve Funds of Railways and Posts and Telegraphs, Deposit of Local Funds, Civil Deposits, etc.

Sources : Explanatory Memorandum on the Budget of the Central Government (for 1951, 1956, 1961, 1969 and 1970), Finance Accounts of the Central Government (for 1966 and 1967) and Return on Public and Unfunded Debt of Central Government (for 1968), except in respect of the following items :

(i) Small Savings—Accountant General, Posts and Telegraphs upto 1968 and Explanatory Memorandum for subsequent years.

(ii) Reserve Funds and Deposits—Explanatory Memorandum of the Central Budget throughout.

increased by Rs. 323 crores of which Rs. 150 crores was in respect of permanent debt and Rs. 173 crores in respect of floating debt. The increase in the latter was the net result of a rise of Rs. 175 crores in Treasury bills* and a decline of Rs. 2 crores in special floating loans. At the end of March 1969 external debt formed 46.6 per cent of the total public debt having risen from 44.1 per cent at the end of March 1968. Internal debt as a proportion of total public debt declined from 55.8 per cent to 53.4 per cent.

In addition to public debt, there are non-marketable liabilities of the Government of India. These include unfunded debt comprising mainly small savings, State Provident Funds, P.L. 480 deposits, income-tax annuity deposits, Public Provident Fund, etc. and balances in the various reserve funds and deposit accounts such as depreciation and other reserve funds of departmental undertakings like railways and posts and telegraphs, deposits of local funds, civil deposits, emergency risk (goods and factories) insurance funds, etc. The outstandings of these liabilities stood at Rs. 4,123 crores at the end of March 1969 showing an increase of Rs. 192 crores over the year. Such liabilities are expected to rise further by Rs. 221 crores to Rs. 4,344 crores by the end of March 1970. Of the outstanding other liabilities at the end of March 1969 of Rs. 4,123 crores, small savings accounted for Rs. 1,907 crores, State provident funds for Rs. 696 crores and P.L. 480 deposits for Rs. 593 crores ; these three items together constituted more than three-fourths of the other liabilities at the end of March 1969.

Taking public debt and other liabilities together, the aggregate liabilities of the Government of India at end-March 1969 amounted to Rs. 16,850 crores, higher than the level a year ago by Rs. 1,313 crores (about 8 per cent); the aggregate liabilities are expected to rise further by Rs. 1,313 crores to Rs. 18,163 crores by the end of March 1970. Public debt, as a proportion of total liabilities increased from 74.7 per cent, at the end of March 1968 to 75.5 per cent at the end of March 1969, and is expected to rise further to 76.1 per cent by the end of March 1970.

Liabilities of the Government of India include Rs. 300 crores representing the amount due from Pakistan as its share in pre-partition debt. Excluding this, the net liabilities of the Government of India amounted to Rs. 16,550 crores at the end of March 1969 and are estimated at Rs. 17,863 crores at the end of March 1970. As against the net liabilities, assets of the Government of India in the form of capital outlay and loans and advances to State and Union Territory Governments, foreign governments and other third parties stood at Rs. 16,909 crores at the end of March 1969, exceeding the net liabilities on the same date by Rs. 359 crores. The outstandings of capital outlay and advances are expected to exceed net liabilities by Rs. 314 crores at the end of March 1970.

Individual items of public debt and of other liabilities like small savings, State Provident Fund and Public Provident Fund are discussed (on the basis of actual data wherever available) in some detail in the following paragraphs.

External Debt : The net addition to the outstanding external debt (including P.L. 480 loans) during 1968-69 was Rs. 798 crores raising the outstanding at the end of March 1969 to Rs. 5,927 crores. More than one-half (Rs. 3,279 crores) of this represented debt due to the United States of America (including loans from the Export-Import Bank); the outstanding P.L. 480 debt at Rs. 1,495 crores (Rs. 1,435 crores of Rupee loans and Rs. 60 crores of dollar loans) formed nearly 46 per cent of the debt due to the United States of America at the end of March 1969. Of the remaining external debt amounting to Rs. 2,648 crores, United Kingdom accounted for Rs. 609 crores, International Development Association for Rs. 559 crores, the Federal Republic of Germany for Rs. 377 crores, the Soviet Union for Rs. 351 crores, International Bank for Reconstruction and Development for Rs. 277

* On the basis of actuals at the end of March 1969, the increase in outstanding Treasury bills during the year amounted to Rs. 231 crores (see page 164).

crores, Japan Rs. 220 crores and other foreign sources Rs. 255 crores.

For 1969-70, the budget assumes a credit of Rs. 850 crores(gross) on account of foreign loans (including P. L. 480 loans) ; allowing for repayments, net foreign loans are expected to be Rs. 642 crores. Of the gross loans of Rs. 850 crores, an amount of Rs. 82 crores is expected by way of fresh credits still to be negotiated with individual countries. In respect of the balance, Rs. 458 crores is expected from the United States of America (including Export-Import Bank and P.L. 480 loans), Rs. 80 crores from International Development Association, Rs. 66 crores from Soviet Union, Rs. 35 crores from United Kingdom, Rs. 25 crores from Canada, Rs. 24 crores from West Germany and Rs. 80 crores from other foreign countries.

Internal Debt : The outstanding rupee debt with the public comprising long-term loans and Treasury bills increased by Rs. 382 crores during 1968-69 from Rs. 5,745 crores at the end of March 1968 to Rs. 6,127 crores at the end of March 1969 ; of the increase, long-term loans accounted for Rs. 151 crores and Treasury bills for Rs. 231 crores.

Marketable Rupee Loans (Long-term)

During 1968-69 the outstanding marketable rupee debt (long-term) increased by about Rs. 151 crores. This increase is the net result of (1) net receipts from loans floated in the market during the year (Rs. 81.4 crores), (2) funding of Rs. 75 crores of Treasury bills held by the Reserve Bank into long-term loans and (3) repayment of Rs. 5.8 crores on account of Premium Prize Bonds, 1963.

Market Borrowings, 1968-69

The budget of the Central Government for 1968-69 had taken credit for Rs. 301 crores (gross) on account of internal market loans. On May 11, 1968, the Government issued the 5½ per cent Loan, 1995 at par for Rs. 175 crores. Facility for conversion was offered in respect of the 3¾ per cent National Plan Bonds, Fifth Series (1968) at par. Total subscriptions amounted to Rs. 178.6 crores—Rs. 116.8 crores in conversion and Rs. 61.7 crores in cash. After allowing for repayment in cash of the matured loan (Rs. 39.8 crores), net receipts from this borrowing programme amounted to Rs. 21.9 crores. Government of India announced on July 5, 1968, the issue of a 7-year Cash-cum-Conversion 4¼ per cent Loan, 1975, at par for Rs. 135 crores. The maturing 3½ per cent Loan, 1968 was offered for conversion at par. The subscription list opened on July 26 and closed on the same day. Total subscriptions amounted to Rs. 142.1 crores—Rs. 76.2 crores in cash and Rs. 65.9 crores in conversion ; cash repayment of unconverted portion of the maturing loan amounted to Rs. 4.1 crores. This borrowing programme yielded a net receipt of Rs. 72.1 crores. Gross receipts from both the issues aggregated Rs. 320 crores and the net receipts Rs. 94.0 crores. Allowing for repayments on account of 4¼ per cent National Defence Loan, 1968 (Rs. 10.4 crores) and the 4 per cent Hyderabad Development Loan, 1968 (Rs. 2.2 crores) which matured in September/October 1968, the net market borrowings during 1968-69 aggregated Rs. 81.4 crores as against Rs. 61 crores envisaged in the budget.

Conversion of ad hoc Treasury bills into long-term loans : Since 1958-59, the Government have been converting *ad hoc* treasury bills into marketable long-term securities. During 1968-69 *ad hoc* Treasury bills of the value of Rs. 75 crores (same as during 1967-68) held by the Reserve Bank of India, in the Issue Department were converted into re-issues of 3¾ per cent Loan, 1974 (Rs. 25 crores), 4¼ per cent Loan, 1975 (Rs. 25 crores) and 4 per cent Loan, 1979 (Rs. 25 crores). Including Rs. 300 crores funded in 1958-59 the total amount of *ad hoc* Treasury bills converted into long-term loans so far stands at Rs. 975 crores.

Maturity Pattern

The maturity-wise break-up of the rupee loans as of March 31, 1969 revealed that the proportion of medium-term loans (maturing between 5 and 10 years) to total declined over the year by 10 percentage points to 10 per cent at the end of March 1969. The proportion of short-term loans

(maturing within 5 years) and long-term loans (maturing after 10 years) increased by 6 percentage points and 4 percentage points to 48 per cent and 35 per cent, respectively. The proportion of undated loans remained unchanged at 7 per cent.

Net Absorption of Government Securities, 1968-69

Net borrowings from the market of Rs. 81 crores by the Central Government during 1968-69 were lower than the net borrowings of Rs. 94 crores during 1967-68 ; State Governments borrowed a net amount of Rs. 70 crores from the market during 1968-69 against Rs. 68 crores during 1967-68 (see page 169). The aggregate net borrowings of Centre and States at about Rs. 152 crores in 1968-69 were lower than their aggregate net borrowings of Rs. 162 crores in the preceding year. There was a substantial increase in the net open market sales of securities by the Reserve Bank of India to the public ; these net sales rose from Rs. 50 crores in 1967-68 to Rs. 88 crores in 1968-69. In the result, the net absorption of Central and State Government securities by the public (*i.e.* excluding Reserve Bank of India and Governments) increased sizeably from Rs. 145 crores in 1967-68 to Rs. 186 crores in 1968-69. It may be noted here that over the years there has been a steady increase in the magnitude of net absorption of Government securities by the public. This had averaged Rs. 58 crores per annum during the First Plan quinquennium. The annual average amount of net absorption of Government securities increased to Rs. 92 crores during the Second Five Year Plan period and further to Rs. 107 crores during the Third Plan period ; during the three annual plan years 1966-67 to 1968-69 the annual average was Rs. 167 crores.

Market Borrowings, 1969-70

The budget for 1969-70 has taken credit for a larger gross market borrowings of Rs. 500 crores (as against actuals of Rs. 320 crores in 1968-69). Repayments (including Premium Prize Bonds) falling due during the year at Rs. 397 crores are larger than those in 1968-69 (Rs. 245 crores). Net of repayments, internal market loans at Rs. 103 crores in 1969-70 would be Rs. 22 crores more than the actual borrowings in 1968-69. The Government of India issued on April 30, 1969 a 5½ per cent Loan, 1999 at par for an amount of Rs. 250 crores. Securities of the 4 per cent Loan, 1969 amounting to Rs. 203 crores were allowed to be converted into the new loan at par. Total subscriptions amounted to Rs. 275 crores (10 per cent in excess of the amount floated)—Rs. 107 crores in cash and Rs. 168 crores by way of conversion ; the entire amount was retained. After providing for repayment in cash (Rs. 35 crores) of unconverted portion of the maturing 4 per cent Loan, 1969 net amount of borrowing in the first phase amounted to Rs. 72 crores. Further, Government announced on June 10, 1969 the floatation of a 7-year 4¼ per cent Loan, 1976 for Rs. 250 crores at par. The 3½ per cent Bonds, 1969 maturing on July 1, 1969 amounting to Rs. 191 crores were offered for conversion at par, into the new loan. The subscription list for this issue opened on July 1, 1969 and closed the same day on the loan being over-subscribed. Total subscriptions amounted to Rs. 260.2 crores—Rs. 98.7 crores in cash and Rs. 161.5 crores by way of conversion; the entire amount was retained. After providing for repayment in cash (Rs. 29 crores), of the unconverted portion of the 3½ per cent Bonds, 1969 the second phase of the borrowing yielded a net amount of Rs. 70 crores. The net market loan receipts of the Centre in 1969-70 from both the borrowing programmes, have thus aggregated Rs. 142 crores as against Rs. 103 crores for which credit is taken in the budget.

Marketable Rupee Loans (Short-term)

Treasury Bills : The outstanding Treasury bills of the Government of India increased by Rs. 231 crores to Rs. 2,244 crores during 1968-69. This increase was almost two and half times the increase in the preceding year. The rise during 1968-69 was made up of an increase of Rs. 184 crores in the holdings of the Reserve Bank of India and of Rs. 47 crores in the holdings of State Governments and other approved bodies. As at the end of March 1969, the Reserve Bank of India held Rs. 2,093 crores (93.3 per cent) and

State Governments and other approved bodies Rs. 151 crores (6.7 per cent) of the total outstandings. During 1969-70, the outstanding Treasury bills are expected to rise by Rs. 350 crores.$

Non-marketable liabilities: The trends in small savings, State Provident Funds and Public Provident Funds which constitute the more important items of non-marketable liabilities of the Government are reviewed below :

Small Savings : Net receipts from small savings which had declined from Rs. 151 crores in 1965-66 to Rs. 118 crores in 1966-67 improved to Rs. 122 crores during 1967-68. For 1968-69, the Central budget had taken credit for Rs. 120 crores under small savings, excluding collections on account of Five-Year Fixed Deposit Scheme, introduced in March 1968. In the revised estimates for 1968-69, net receipts from small savings were placed higher at Rs. 125 crores (including Rs. 1.5 crores from the Five-Year Fixed Deposit Scheme) ; preliminary actuals, however, place the net receipts at Rs. 110.2 crores. In the Central budget, net collections for 1969-70 are estimated at Rs. 135 crores (including collections on account of Five-Year Fixed Deposits) (Table 9).

Table 9. Small Savings Collections (Net)

(In lakhs of rupees)

	First Plan	Second Plan	1961-62	1965-66	Third Plan	1967-68	1968-69 (Revised Estimates)	1968-69 (Preliminary Actuals)	1969-70 (Budget)
1. Post Office Savings Bank Deposits*	111,19	142,31	35,55	88,69	212,64	58,45	60,00	50,47	68,00
2. National Defence Certificates†	95,76	220,07	43,08	29,78	254,93	40,21	39,32	32,96	40,95
3. Defence Deposit Certificates@	35,94	34,89	4,71	4,59	46,92	1,76	1,38	— 3	80
4. Cumulative Time Deposits	—	2,63	3,24	9,77	34,04	12,05	15,00	16,38	16,00
5. Annuity Certificates	95	2,43	25	—17	32	—27	—25	—22	—25
6. National Savings Certificates (First Issue)	—	—	—	18,11	18,11	10,23	7,95	9,01	7,95
7. National Savings Certificates (Bank Series)	—	—	—	—	—	6	10	3	5
8. Five-Year Fixed Deposits	—	—	—	—	—	—	1,50	1,57£	1,50
Total	**243,84**	**402,33**	**86,83**	**150,77**	**566,96**	**122,49**	**125,00**	**110,17**	**135,00**
(Annual Average)	(48,77)	(80,47)			(113,39)				

Note : For details see Statement 67.

* 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. Figures given are net of repayments in the old (Post Office) series *viz.* National Savings Certificates, 10-year National Plan Certificates, 12-year National Plan Savings Certificates and Post Office Cash and Defence Savings Certificates.

@ Represent Treasury Savings Deposit Certificates upto November 10, 1962 which were substituted by Defence Deposit Certificates since that date. Figures are net of repayments on account of 10-year Treasury Savings Deposit Certificates.

£ Relate only to collection at Post Offices ; information on receipts at Offices of State Bank and its subsidiaries is not available.

$ This corresponds to the overall deficit in the Central budget for 1969-70 at 1968-69 rate of taxation. Taking into account the effect of Centre's budget proposals the overall deficit will be reduced to Rs. 254 crores ; consequently the expansion in Treasury bill will be Rs. 254 crores.

The decline in net receipts during 1968-69 over 1967-68 was in Post Office Savings Bank Deposits as well as in the certificates ; the cumulative time deposits showed an increase.

The budget as well as the revised estimates for 1968-69, placed net receipts from Post Office Savings Bank Deposits at Rs. 60 crores (including accrued interest of Rs. 25.5 crores). According to preliminary data, actual collections amounted to Rs. 50.5 crores (including estimated accrued interest of Rs. 25 crores) which were lower than the actuals for 1967-68 by Rs. 8 crores. The budget for 1969-70 takes credit for a larger net collection of Rs. 68.0 crores (including accrued interest of Rs. 26.0 crores).

Collections under National Defence Certificates (adjusted for repayment of all uncurrent postal certificate series and premature encashment of current series) amounted to Rs. 33.0 crores in 1968-69 (preliminary actuals; the revised estimates were put at Rs. 39.3 crores). These were lower than the collections during the previous year by Rs. 7.2 crores. The net collections during 1969-70 are expected to be larger at Rs. 41.0 crores. Receipts from National Savings Certificates, including 'Bank series' also declined from Rs. 10.3 crores in 1967-68 to Rs. 9.0 crores (preliminary actuals) in 1968-69; revised estimates of receipts for 1968-69 were Rs. 8.1 crores. The estimate of receipts for 1969-70 is Rs. 8.0 crores.

There was a net outgo of Rs. 0.03 crore during 1968-69 (preliminary actuals) under Defence Deposit Certificates (after adjusting for encashment on account of uncurrent Treasury Savings Deposit Certificates) as against net receipt of Rs. 1.8 crores in 1967-68; the revised estimates for 1968-69 took credit for net receipts of Rs. 1.4 crores. The collections in 1969-70, after providing for repayment of uncurrent series, are estimated at Rs. 0.8 crore.

The net receipts on account of Cumulative Time Deposits during 1968-69 amounted to Rs. 16.4 crores (preliminary actuals) compared with Rs. 12.0 crores in 1967-68; according to revised estimates for 1968-69, net receipts were expected to be Rs. 15.0 crores. Of the net receipts of Rs. 16.4 crores during 1968-69, Rs. 7.5 crores came from the five-year accounts and Rs. 6.7 crores from ten-year accounts while the fifteen-year accounts brought in only Rs. 2.2 crores. The five-year accounts showed the largest increase in net receipts over the previous year. Thus, of the increase of Rs. 4.4 crores in net receipts in 1968-69 over the net receipts in 1967-68, the five-year accounts accounted for Rs. 2.5 crores; the increases in ten-year and fifteen-year accounts were Rs. 1.5 crores and Rs. 0.4 crore, respectively. Net receipts under the Cumulative Time Deposits in 1969-70 are estimated at Rs. 16.0 crores.

Five-Year Fixed Deposits

Reference was made in last year's Report to the introduction on March 15, 1968, of a Five-Year Fixed Deposit Scheme. Deposits under the Scheme are accepted at post offices doing savings bank work and (from May 1, 1968) also at the offices of the State Bank of India and its subsidiaries. The deposits carry interest (free from income tax) at 5 per cent per annum (simple), payable along with deposits on maturity; the deposits are wholly exempt from wealth tax.

The revised estimate for 1968-69 took credit for Rs. 1.5 crores as receipts under the scheme. Figures of actuals (preliminary) showed that the net receipts at post offices amounted to Rs. 1.6 crores during 1968-69; data in respect of receipts at State Bank of India and its subsidiaries are not available. For 1969-70, the anticipated amount is placed at Rs. 1.5 crores.

Incentives for Small Savings : Reference was made in the last year's Report to the various measures introduced by the Government to promote small savings collections. Further measures adopted during 1968-69 in this behalf are detailed below :

(i) It was decided to introduce an agency system for mobilisation of savings through the Five-Year Fixed Deposit Scheme. Agents will be paid a commission of $1\frac{1}{4}$ per cent on the business effected by them.

(ii) Holders of Cumulative Time Deposit Accounts whose deposits mature for repay-

ment on or after June 1, 1968 have been given option to retain their deposits with the Post Office Savings Bank for a period not exceeding 2 years from the date of maturity of such deposits; interest on the maturity value of their deposits will be paid at rates applicable to Post Office Savings Bank Deposits ($3\frac{1}{2}$ per cent per annum).

(iii) The terms of withdrawals from Cumulative Time Deposit Accounts were liberalised. Effective April 1, 1969, holders of Cumulative Time Deposit Accounts were given the option of repaying withdrawals, if any, from the accounts in convenient monthly instalments instead of the obligation of repayment in one lump sum as hitherto.

(iv) In future, joint accounts can be opened in Post Office Savings Banks in the name of three adults, instead of two; however, the maximum limit for deposit in joint accounts remains unchanged at Rs. 50,000.

(v) The minimum amount of deposit in a Post Office Savings Bank account eligible for earning interest was lowered from Rs. 25 to Rs. 10.

(vi) The definition of "guardian" in the Post Office Savings Bank Rules, 1965, has been amended to include 'mother' to enable her to open and operate an account on behalf of her minor children even when the father is alive.

(vii) Arrangements have been made to relay through the commercial broadcasting system of the All-India Radio the message of small savings so as to reach the masses in the rural areas.

(viii) The National Savings Advisory Board was reconstituted on September 1, 1968 for a period of one year under the Chairmanship of the Deputy Finance Minister. Following the recommendation of this Board, a Committee, known as the National Savings Movement Re-organisation Committee has been set up to consider the respective roles of the Central National Savings Organisation and the State Complementary Organisations and for suggesting methods of co-ordination between them as also to consider how the movement could be made more broad-based and revitalised.

(ix) Further efforts were made during the year to enlarge enrolment under the Pay Roll Savings Scheme. Under this Scheme, savings groups are formed in offices, establishments, factories, etc. Deduction is made from salaries/wages paid to the members of these groups, with their prior consent for investment in small savings instruments*.

(x) The total number of clearing houses functioning in India as on March 31, 1969 rose to 96 from 91 as on March 31, 1968, with the opening of five more clearing houses during 1968-69. Of these 7 are managed by the Reserve Bank of India, 70 by the State Bank of India, and 19 by its subsidiaries.

As at the end of March 1968, the 91 clearing houses had a membership of 1,176 (comprising offices of scheduled commercial banks and co-operative banks) and a sub-membership of 158 (comprising 81 post office savings banks, 51 co-operative banks, 17 scheduled and 9 non-scheduled commercial banks). Five post office savings banks were enrolled as sub-members during 1968-69 raising their number to 86 at the end of March 1969. Efforts are being made to enroll more post office savings banks as sub-members.

State Provident Funds : Net receipts on account of State Provident Funds which had risen sharply from Rs. 47 crores in 1966-67 to Rs. 75 crores in 1967-68 declined to Rs. 47 crores in 1968-69. Net receipts during 1967-68 were exceptionally large, since a part (Rs. 24 crores) of the enhanced dearness allowances granted to Central Government employees during the year was credited to their Provident Fund balances, instead of being paid in cash. The outstanding balances in the Fund stood at Rs. 696 crores at the end of March 1969 and is expected to rise further by Rs. 62 crores to Rs. 758 crores by the end of March 1970.

* According to the Annual Report of the Ministry of Finance for 1968-69, the number of such groups increased from 25,387 at the end of August 1967 to 29,179 at the end of September 1968. Membership of these groups increased from 13.15 lakhs to 15.18 lakhs during the same period and monthly collections from Rs. 99 lakhs to Rs. 1.22 crores.

Public Provident Fund Scheme : A reference was made in the last year's Report to the setting up of the Public Provident Fund on July 1, 1968 with a view to providing a medium of savings with tax concessions, for self-employed persons like artists, lawyers, doctors, etc. on the lines of provident fund schemes for employed persons. The Central budget for 1968-69 had taken a credit for Rs. 10 crores on account of receipt under this scheme; the revised estimates placed the collections lower at Rs. 2 crores. According to figures of preliminary actuals, collections are placed at only Rs. 1.02 crores. The Central budget for 1969-70 anticipates Rs. 5 crores from the Scheme.

State Governments' Debt Position

The outstanding debt liabilities of the State Governments increased during 1968-69 (revised estimates) by Rs. 454 crores (6.7 per cent) to Rs. 7,247 crores as compared with an increase of Rs. 667 crores (10.9 per cent) to Rs. 6,793 crores in 1967-68 (Table 10).

Table 10. Debt Position of States

(In lakhs of rupees)
(As at the end of March)

	1952	1956	1961	1965	1966	1967	1968	1969	1970 (Budget)
Permanent Debt	133,71	264,48	493,12	721,60	823,73	925,77	1,006,42	1,069,12	1,101,00
Of which loans from the market@	*131,26*	*262,79*	*421,75*	*625,45*	*729,04*	*8,201,24*	*890,79*	*958,54*	*1,020,53*
Floating Debt	15,66	8,20	41,75	70,29	170,15	84,27	102,96	57,62	99,00
Loans from the Central Government	238,54	876,07	2,015,81†	3,558,74†	4,100,92†	4,686,61†	5,197,33†	5,568,49†	5,807,00
Other Debt	—	—	51,57	116,85	155,23	163,23	179,07	193,58	210,00
Unfunded Debt	57,37	83,19	134,93	203,17	194,82	265,80	306,79	358,11	431,00
Of which State Provident Funds	*40,59*	*65,42*	*112,78*	*174,73*	*183,40*	*208,29*	*243,31*	*286,51*	*356,03*
Total	**445,28**	**1,231,94**	**2,737,17**	**4,670,66**	**5,444,86**	**6,125,68**	**6,792,57**	**7,246,91**	**7,648,00**

@ Including expired loans.
† Excluding the share of outstanding pre-partition loans amounting to Rs. 195 lakhs in respect of West Bengal.

Loans from Central Government

As in earlier years, a substantial part (over three-fourths) of the increase in total debt of States during the year occurred under loans from the Central Government; these increased by Rs. 371 crores to Rs. 5,568 crores as at the end of March 1969. For the year 1969-70, the States have budgeted for net loan receipts from the Centre of Rs. 238.5 crores as against Rs. 371.2 crores in 1968-69 (preliminary actuals). By the end of March 1970, outstanding amount of loans from the Centre is expected to be Rs. 5,807 crores.

Permanent Debt.

The outstanding permanent debt of State Governments comprising market loans and bonds issued in connection with the abolition of Zamindari/Jagirdari stood at Rs. 1,069 crores as at the end of March 1969, showing an increase of Rs. 63 crores during the year 1968-69. By the end of March 1970, the outstanding of permanent debt is expected to increase to Rs. 1,101 crores.

Market Borrowings during 1968-69

The borrowing operations of the States for 1968 consisted of the issue, on September 2, 1968, of 12-year $5\frac{3}{4}$ per cent loans for an aggregate amount of Rs. 116.5 crores by 15 State Governments. The issue prices of these loans ranged between Rs. 97.5 and Rs. 99.5 per Rs. 100 (nominal) giving yields ranging from 5.81 per cent to 6.05 per cent. Maturing loans of 12 State Governments amounting in all to Rs. 57.8 crores were offered for conversion into the new loans of the respective States. Total subscriptions received aggregated Rs. 134.7 crores—Rs. 124.2 crores in cash and Rs. 10.5 crores by way of conversion of maturing loans. The loan notifications provided for retention by State Governments of an amount upto 10 per cent of excess over the notified amount. Accordingly, the amount retained was Rs. 128.1 crores. Allowing for repayment in cash of unconverted portion of maturing loans (Rs. 47.3 crores), net receipts from market loans amounted to Rs. 70.3 crores in 1968-69 as against Rs. 68.1 crores in 1967-68.

Market Borrowings during 1969-70

On August 11, 1969, fifteen State Governments (including Bihar) announced the issue of $5\frac{3}{4}$ per cent 12-year loans for an aggregate amount of Rs. 155 crores. The issue prices of the loans ranged from Rs. 99.50 to Rs. 100 per Rs. 100 (nominal) giving yields ranging from 5.75 per cent to Rs. 5.81 per cent. Maturing loans of 12 State Governments with an outstanding amount of Rs. 88 crores were offered for conversion into the new loans of the respective States. The loans opened for subscriptions on September 1, 1969 and closed on the same day; all the loans were over-subscribed. The total subscriptions amounted to Rs. 184 crores —Rs. 138 crores in cash and Rs. 46 crores by way of conversion. The amount retained was upto 10 per cent of the excess over the notified amount i.e. Rs. 171 crores (Rs. 125 crores in cash and Rs. 46 crores by way of conversion). Net receipts from market loans after repayment in cash of maturing loans (Rs. 42 crores) work out to Rs. 83 crores as against Rs. 67 crores anticipated. The corresponding figure for 1968-69 was Rs. 70 crores.

Unfunded Debt : The outstanding amount of unfunded debt comprising State Provident Funds, State Insurance Fund, etc., rose during 1968-69 by Rs. 51 crores to Rs. 358 crores by the end of March 1969, as compared to an increase of Rs. 41 crores in 1967-68. By the end of March 1970, the outstanding in this category is expected to be Rs. 431 crores.

Floating Debt : The outstanding amount of floating debt which represents mainly short-term accommodation from the Reserve Bank declined by Rs. 45 crores to Rs. 58 crores at the end of March 1969; the amount is likely to rise to Rs. 99 crores by the end of March 1970.

Other Debt : The other debt of State Governments comprises loan 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. During 1968-69, the outstanding of other debt registered an increase of Rs. 15 crores to Rs. 194 crores. According to revised estimates of State budgets for 1968-69, of the net receipts during 1968-69 of Rs. 15 crores, loans from National Agricultural Credit (Long-term Operations) Fund and State Bank of India accounted for Rs. 1 crore each and loan from Life Insurance Corporation for Rs. 7 crores. Net receipts on account of other debt for 1969-70 are placed at Rs. 16 crores, raising the outstanding to Rs. 210 crores by the end of March 1970.

RAILWAY FINANCES

The revival in the economy which had set in 1967-68 has reacted well on the Railway finances in subsequent years. For instance, rate of increase in gross traffic receipts which had declined from an annual average of 10 per cent during the Third Five-Year Plan to around 5 per cent in 1966-67 and 1967-68, increased to 10 per cent in 1968-69 (revised estimates). The working expenses which had increased at an average annual rate of 9 per cent in the Third Five-Year Plan period, 8 per cent in 1966-67 and 12 per cent in 1967-68, showed an increase of 9 per cent in 1968-69 (revised estimates). For 1969-70, gross traffic receipts are expected to increase by 5 per cent and working expenses by only 4 per cent. The budget for 1969-70 anticipates a *surplus* of Rs. 1.9 crores as against deficits of Rs. 10.0 crores in 1968-69 (revised estimates), Rs. 31.5 crores in 1967-68 and Rs. 18.3 crores in 1966-67.

Reflecting mainly the strained resources position as well as the need to rephase the physical programmes in the light of emerging traffic requirements, delay in the procurement of materials, etc., the annual capital expenditure of the Railways on works, machinery and rolling stocks since 1966-67 has been on a much reduced scale than in 1965-66. The capital expenditure which had amounted to Rs. 364 crores in 1965-66 declined sharply to Rs. 278 crores in 1966-67 and further to Rs. 258 crores in 1967-68. The revised estimates for 1968-69 place such expenditure somewhat lower than in 1967-68 at Rs. 257 crores; for 1969-70 it is estimated to be still lower at Rs. 255 crores.

A large part of the capital expenditure was financed from General Revenues representing capital investment of Central Government on the Railways. The amount provided by General Revenues, however, declined from Rs. 245 crores (67 per cent of the total capital expenditure) in 1965-66 to Rs. 161 crores (58 per cent) in 1966-67, to Rs. 136 crores (53 per cent) in 1967-68, to Rs. 134 crores (52 per cent) in 1968-69 and an estimated Rs. 133 crores (52 per cent) in 1969-70; in addition to direct investment, Central Government also provided loans amounting to Rs. 11 crores in 1967-68, Rs. 16 crores in 1968-69 and an estimated Rs. 19 crores in 1969-70 to finance capital expenditure of Railways.

With a view to mobilising resources for financing the Railways' development programmes, the Railway budgets for 1966-67, 1967-68 and 1968-69 had embodied proposals for upward revision of fares and freights, estimated to yield in a full year Rs. 18 crores, Rs. 47 crores and Rs. 28 crores, respectively; no revision of fares or freights is proposed in the budget for 1969-70.

Actuals for 1967-68

The actual deficit for 1967-68 at Rs. 31.53 crores turned out to be larger than the revised deficit of Rs. 22.59 crores. As against total gross traffic receipts of Rs. 829.55 crores in the revised estimates, actual receipts were only Rs. 818.14 crores resulting in a shortfall of Rs. 11.41 crores. The fall in earnings as compared to the revised estimates was shared by goods traffic (Rs. 6.2 crores), passenger traffic (Rs. 2.6 crores) and other earnings (Rs. 2.6 crores). On the expenditure side, a decline of over Rs. 1 crore each was experienced in ordinary working expenses and in miscellaneous expenses. In respect of items such as provision for depreciation, payment to General Revenues and Pension Fund, there occurred no changes in the actuals as compared to the revised estimates. The actual deficit thus increased by Rs. 8.94 crores over the revised estimates for 1967-68 to Rs. 31.53 crores.

Revised Estimates for 1968-69

The revised estimates for 1968-69 show a deterioration of Rs. 11 crores in the net position of Railways compared with the budget estimates because the rise in disbursements (at Rs. 21.33 crores) turned out to be relatively more than that in gross receipts (Rs. 9.65 crores). Gross traffic receipts which were placed at Rs. 892.50 crores in the budget improved to Rs. 902.15 crores in the revised estimates. Goods earnings (Rs. 566 crores) were higher by Rs. 21 crores; this rise is attributable to an increase in originating traffic

from 7 million tonnes (budget estimates) to 8 million tonnes (revised estimates) and to an increase by 10 per cent in coal freight beyond 800 kilometres effected in November 1968. This improvement in goods traffic occurred despite unusually long interruptions in rail communications due to floods in Rajasthan, Gujarat, Assam and Orissa as well as the strike of firemen of Southern and South Central Railways (July 1968) and the go-slow attitude of some of the running staff of the Eastern Railway (September 1968). Other coaching earnings also improved from Rs. 43 crores to Rs. 46 crores. These increases were offset to the extent of Rs. 14 crores by lower passenger earnings (Rs. 12 crores) and other earnings (Rs. 2 crores).

The revised estimates at Rs. 761 crores reveal an increase of Rs. 28.65 crores in expenses (before adjusting for recoveries) on staff, repairs, maintenance and fuel over the budget expectation. An additional cost of Rs. 15.75 crores on staff was on account of (a) the enhancement of dearness allowance granted with effect from September 1, 1968 (Rs. 6.91 crores), (b) revision of rates of travelling and running allowances from March 1968 (Rs. 3.92 crores) and (c) the merger of a part of the dearness allowance with pay from December 1, 1968 (Rs. 4.92 crores). The increase in establishment expenses was, however, partly offset by an economy of Rs. 4.50 crores due to posts left unfilled. The costs of repairs and of maintenance (Rs. 210.13 crores), mainly for the restoration of damage to Railway property due to floods, and of fuel charges (Rs. 137.07 crores) were more by Rs. 6.09 crores and Rs. 5.95 crores, respectively, than anticipated. With a view to reducing the gap between receipts and expenditure, the annual appropriation to Depreciation Reserve Fund was reduced to Rs. 95 crores from the budget provision of Rs. 100 crores.

In the result, the nominal surplus in the budget for 1968-69 estimated at Rs. 1 crore (after taking credit for Rs. 28.4 crores from the additional proposals for revision of fares and freight) turned into a deficit of Rs. 10.01 crores in the revised estimates.

The capital expenditure on works, machinery and rolling stock amounted to Rs. 257 crores in 1968-69 (revised estimates) showing a shortfall of Rs. 15 crores relatively to the budget estimates. Of the total expenditure, Rs. 134 crores (52 per cent) were financed from General Revenues and the balance of Rs. 123 crores from Railways' own resources.

Budget Estimates for 1969-70

The budget for 1969-70 places the gross traffic receipts higher by Rs. 44.6 crores than the revised estimates for 1968-69 at Rs. 946.8 crores. An anticipated improvement in additional goods traffic to 9 million tonnes, as against 8 million tonnes in 1968-69, is expected to raise the revenue from goods freight from Rs. 566 crores in 1968-69 (revised estimates) to Rs. 600 crores. Passenger traffic which had shown a drop in 1968-69 (revised estimates) is expected to revive at an annual growth rate of 3 per cent; this will result in higher receipts of Rs. 273 crores against Rs. 266 crores in 1968-69 (revised). Other coaching receipts and other earnings are also expected to be larger by about Rs. 1.5 crores and Rs. 2.2 crores, respectively, as compared to the revised estimates in 1968-69.

Ordinary working expenses estimated at Rs. 665.35 crores in 1969-70 show an increase of Rs. 25.35 crores over the revised estimates for 1968-69. Of the increase, a major portion (Rs. 22.65 crores), is due to higher establishment charges and covers provision for annual increments, payments of dearness allowance and running allowance at enhanced rates and the full-year impact of the merger of a part of dearness allowance with pay (effected in December 1968). Additional provision in the budget over the provision in 1968-69 (revised estimates) includes, among others, Rs. 5.83 crores for repairs and maintenance, Rs. 4.32 crores for fuel, Rs. 0.91 crore for miscellaneous expenses and Rs. 0.99 crore for staff welfare.

Appropriations to Depreciation Reserve Fund and Pension Fund at Rs. 95 crores and Rs. 10 crores, respectively, are expected at the same level as in 1968-69 (revised estimates). Dividend to General Revenues is stepped up by Rs. 7.68 crores from Rs. 151.33 crores in 1968-69 revised estimates to Rs. 159.01 crores in 1969-70, reflecting the increase in the capital-

at-charge. The budget for 1969-70 is expected to result in a nominal surplus of Rs. 1.91 crores against a deficit of Rs. 10.01 crores in 1968-69 revised estimates.

Balances in Funds

The deficits in 1966-67 (Rs. 18.3 crores), in 1967-68 (Rs. 31.53 crores) and in 1968-69 revised estimates (Rs. 10.01 crores) were met entirely out of withdrawals from the Revenue Reserve Fund; the Fund had a balance of Rs. 1.29 crores at the end of 1968-69 as compared to Rs. 63.2 crores at the end of 1965-66. The balances in other funds at the end of 1968-69 were expected to be Rs. 86.01 crores (Depreciation Reserve Fund), nil (Development Fund) and Rs. 62.55 crores (Pension Fund) as compared to Rs. 52.85 crores, Rs. 30.09 crores and Rs. 25.17 crores, respectively, at the end of 1965-66. Since the Development Fund is exhausted, the works chargeable to this Fund have been financed out of loans obtained from General Revenues in 1967-68 and 1968-69 and the same is expected in 1969-70; the Development Fund will owe Rs. 45.80 crores to the General Revenues at the end of 1969-70.

Railway Plan

The capital expenditure on works has been pruned in recent years in view of the tight financial position of the Railways and foreign exchange constraints. There has been a rephasing of works to suit the traffic requirements, delay in procurement of materials, imported as well as indigenous, lower volume of manufacture and deliveries of rolling stock and heavier issues to works from stocks procured in earlier years. The expenditure on works, machinery and rolling stock was reduced from Rs. 364 crores in 1965-66 to Rs. 258 crores in 1967-68. For 1968-69, as against a budget estimate of Rs. 272 crores, Rs. 257 crores was provided in the revised estimate. For the budget year 1969-70, works expenditure is placed at Rs. 255 crores. Among the items of capital expenditure there has been a large cut on rolling stock. The expenditure on carriages and wagons which was Rs. 95.98 crores in 1965-66 was cut down to Rs. 75.17 crores in 1966-67, Rs. 74.32 crores in 1967-68 and Rs. 72.49 crores in 1968-69, (revised estimates). For 1969-70 a provision of Rs. 76.09 crores is made for this purpose.

The capital expenditure of Rs. 255 crores for 1969-70 is proposed to be financed out of Railways' own resources to the extent of Rs. 103.7 crores as against Rs. 107.1 crores in 1968-69, revised estimates, and the balance of Rs. 151.3 crores (including Rs. 18.7 crores of loans) is to be covered by General Revenues as against Rs. 149.9 crores (including Rs. 15.9 crores of loans) in 1968-69 (revised estimates).

According to the Fourth Five-Year Plan document (Draft) of the Planning Commission the strategy of development for Railways during the Fourth Plan is expected to realise a fuller utilisation of assets already created or acquired. Fuller utilisation of capacity and increase in productivity of manpower resources is expected to contribute substantially towards economy of scale. To improve efficiency of operation, the newly created Marketing and Sales Organisation in each zonal railway has undertaken the task of securing high-rated traffic and of providing an increasingly customer-oriented service by extending container services. Further, several engineering and traffic surveys have been undertaken by the Railways in respect of various proposals for increasing line capacity, marshalling facilities, construction of new rail links and conversion of metre gauge to broad gauge. The Railways are also examining the question of rationalising the fare and freight structure on the basis of several cost studies, the results of which are now available.

Table 11. Capital Outlay on Railways (including Current Depreciation)

(In crores of rupees)

	1951-52 (Actuals)	1955-56 (Actuals)	**Total First Plan**	1956-57 (Actuals)	1960-61 Actuals)	**Total Second Plan**	1961-62 (Actuals)	1965-66 (Actuals)	**Total Third Plan**	1966-67 (Actuals)	1967-68 (Actuals)	1968-69 (Budget)	1968 69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Capital Outlay met out of General Revenues* ..	**23.31**	**68.27**	**143.16**	**107.37**	**89.48**	**549.27**	**144.90**	**245.10**	**1,140.78**	**160.70**	**135.94**	**143.00**	**134.08**	**132.60**
II. Capital Outlay met out of Railways' Funds (a+b+c+d) ..	**47.37**	**63.98**	**280.07**	**71.57**	**99.84**	**494.42**	**88.98**	**118.57**	**545.07**	**117.67**	**122.29**	**129.00**	**122.94**	**122.40**
(a) Depreciation Reserve Fund	35.87	45.89	**206.49**	43.68	64.04	**320.42**	58.24	78.91	**360.30**	79.69	93.82	100.00	94.36	95.00
(b) Development Fund ..	7.70	12.14	**50.53**	19.84	24.30	**121.45**	21.14	28.91	**131.41**	27.95	19.15†	20.00†	19.59†	19.00†
(c) Revenue Reserve Fund ..	—0.18	—0.02	**—0.24**	—	—	—	—	—	—	—	—	—	—	—
(d) Open Line Works (Revenue)	3.98	5.97	**23.29**	8.05	11.50	**52.55**	9.60	10.75	**53.36**	10.03	9.32	9.00	8.99	8.40
III. Total Capital Outlay on Railways (including current depreciation) (I+II) ..	**70.68**	**132.25**	**423.23**	**178.94**	**189.32**	**1,043.69**	**233.88**	**363.67**	**1,685.85**	**278.37**	**258.23**	**272.00**	**257.02**	**255.00**

* Includes Rs. 2.39 crores in 1966-67, Rs. 2.15 crores in 1967-68, Rs. 1.36 crores in 1968-69 (budget), Rs. 1.18 crores in 1968-69 (revised) and Rs. 28 lakhs in 1969-70 (budget) withdrawn from Revenue Reserve Fund for amortization of the unproductive capital in the Railway Undertaking.

† Expenditure charged to this Fund is to be met by loans from General Revenues—Rs. 11.2 crores in 1967-68, Rs. 20.2 crores in 1968-69 (budget), Rs. 15.9 crores in 1968-69 (revised) and Rs. 18.7 crores in 1969-70 (budget).

Source : Explanatory Memoranda on Railway Budgets.

CHAPTER VII : TRADE, TARIFFS AND EXCHANGE CONTROL

Developments in Trade Policy

The trade policy remained broadly unchanged though suitable modifications were introduced to expand and diversify exports. The import policy while liberalising imports of spares and raw materials for priority industries linked the issue of import licences to export performance.

With a view to imparting a competitive edge to Indian exports, the export duties on a number of items including those on iron ore, tea, mica loose splittings, jute hessian and sacking were reduced ; duties on jute woolsacks, cotton bagging, tea packed in metal containers, light and pinhead black pepper, raw wool and certain other commodities were completely abolished (*vide* Statement 92). The basic principle of cash assistance for selected non-traditional exports remained unchanged. The scheme of recognition of export houses by the Government was extended to cover business houses handling traditional products. The recognised export houses would be eligible for Government assistance from the Marketing Development Fund for a wide range of their activities ; the scale of assistance was also liberalised. The Government agreed to grant loans amounting to Rs. 5 crores to equip the jute industry for modernisation and diversification. With a view to promoting exports of capital goods and machinery on deferred payments basis, the Industrial Development Bank of India announced a scheme for providing direct financial assistance in association with commercial banks. The Union Budget for 1969-70 provided for the inclusion of cotton and jute textile industries in the list of priority industries for the purpose of development rebate at a higher rate of 35 per cent. Important indigenous raw materials required for the export production of engineering and plastic goods were made available at international prices. Details of the various schemes are given in Appendix VI-B.

Besides extending the coverage of quality control and pre-shipment inspection, steps were taken to strengthen the inspection system and to create quality consciousness among exporters by introducing in-process quality control for certain categories of engineering goods and chemical products. During the year, the items brought under the purview of the scheme include, among others, solid woven impregnated cotton belting, vacuum flasks, sodium citrate, expanded metal steel sheet, stainless steel utensils, bicycles and their components, human hair and hair products, all types of coir door mats and specified varieties of jute cloth and bags. The preliminary work for the introduction of compulsory quality control and preshipment inspection scheme for a number of items such as curry powder, crude drugs and medicinal plants, certain seeds, specified types of goat skins and chemicals was completed.

In conformity with the export promotion policy and consistent with the needs of the economy there was progressive relaxation during the year of the control over exports of some items like HPS groundnut kernels and HPS groundnuts in shell, potatoes, chilly powder, jute caddies, etc., while several other items, such as, synthetic musk, raw human hair, cement, knitwear (woollen and mixed) were brought under control (*vide* Appendix VI).

The Board of Trade, reconstituted in January 1968, held four meetings during the year. It reviewed the progress of exports during the post-devaluation period and recommended a series of steps to arrest the downward trend of exports following devaluation. The other subjects discussed by the Board included : (*i*) export of non-traditional items—measures, performance and targets relating to engineering goods, chemicals and allied products, (*ii*) expansion of trade with other developing countries with special reference to Tripartite Arrangement, (*iii*) role of Export Houses, (*iv*) problems of textile industry and (*v*) performance of State Trading Corporation. In addition to the two committees set up on Micro-Macro Planning and on Export Policy Resolution, referred

to in the last year's Report, two committees were set up on Development of Export Possibility of Agricultural Products and on Export Packaging. The draft report of the committee on Export Policy Resolution is under consideration of the Government ; the work of the other committees is in progress.

The Indian Institute of Foreign Trade pursued vigorously its activities in the sphere of training, general research and marketing research. The year 1968-69 witnessed a considerable expansion in its training and research activities. The Institute organised a number of training programmes at various centres in India to impart intensive training in subjects like 'Foreign Trade,' 'Export Technique,' 'Overseas Salesmanship', etc. The Institute also conducted a special training programme in International Marketing for Senior Officers of Indian Industry and Trade and nominees of developing countries of Asia and Africa. In the field of general research, two projects *viz.* (*i*) joint industrial ventures and (*ii*) customs valuation techniques in selected developed and developing countries were completed while work on other projects was in progress. Apart from organising a number of seminars the Institute undertook overseas market surveys, commodity studies and export potential surveys of some of the States.

The State Trading Corporation (STC) continued to play an important role in the diversification of the country's export trade, exploring new markets, promoting long term exports of new items, while maintaining exports of traditional items, and generally assisting private trade in exporting difficult-to-sell items. The total trade handled by the STC in 1968-69 aggregated Rs. 167 crores as against Rs. 141 crores in 1967-68. The export turnover of the STC was substantially higher at Rs. 49 crores as compared with Rs. 24 crores during the last year.

Exports by the STC fell broadly under railway equipment, agricultural products, chemicals and mineral products, engineering goods and consumer goods. The Corporation secured fresh orders for railway equipment valued approximately at Rs. 11 crores from Hungary, Ceylon, Thailand, South Korea, Burma, Nigeria and Ghana. A protocol was also signed with Messrs. Machinoimport of the USSR in March 1968 for supply of 54,000 wagons to the USSR during the period 1969-76. Among agricultural products, the Corporation made a break-through into Japan for bananas with a trial order and developed a new market in West Germany for mango pulp and mango slice. Assistance to small industries was continued to enable them to market their products abroad. On the import side, the Corporation handled imports of various items of engineering goods, chemicals, copra, soyabean oil and inedible tallow. Imports of the three major commodities canalised through the Corporation *viz.*, newsprint, art silk yarn and raw wool were being handled effectively to ensure regular supplies during the year at competitive prices.

The Minerals and Metals Trading Corporation (MMTC) expanded its trading activities during the year. The total export turnover of the MMTC during 1968 was Rs. 77 crores as against Rs. 69 crores in 1967. Exports of iron ore by the Corporation during the year amounted to 8.6 million tonnes valued at Rs. 57 crores compared to 8.5 million tonnes valued at Rs. 54 crores in 1967. Although the closure of the Suez Canal was a major handicap to exports of maganese ore to Europe, the MMTC still maintained its exports at 1.1 million tonnes valued at Rs. 11 crores during 1968. Exports of ferro-manganese showed a substantial increase during the year, from 18 thousand tonnes in 1967 to 63 thousand tonnes. A three-year long-term contract was concluded in August 1968 for the export of 2.6 lakh tonnes of coal and coke to Burma during 1969. The Corporation also imported steel, pig iron and non-ferrous metals like copper, zinc, tin, etc.

The *import policy* for the year 1968-69 announced on April 1, 1968, while continuing the liberalised scheme for the import requirements of priority industries, linked the issue of import licences to export performance. Industrial units* exporting 10 per cent of their

* Excluding (1) Fertilisers, (2) Pesticides, (3) Industrial and mining machinery, (4) Cement, (5) Tea, (6) Jute textiles, (7) Coffee, (8) Sugar and (9) Cotton textiles.

production in 1967-68 were given facilities to import their requirements from sources of their own choice ; moreover, their applications for expansion of production capacity and for imports needed to effect such expansion were to be considered favourably. Further, an obligation was imposed on 10 specified priority industries@ with export potential to export at least 5 per cent of their production. Failing this, they were likely to forfeit the facilities of preferred sources of supply for imported inputs and of expansion of production capacity. They would also face a probable cut in their import replenishments. The policy aimed at controlling inventory building by strengthening the link between inventories, consumption of inputs and import licensing. Priority industries were to be issued import licences for replenishment of raw materials and components consumed by them during a period of three to six months preceding their applications for import. Fresh import licences were to be issued only if the unutilised value of licences on hand was less than the replenishment claimed on the basis of consumption. Industrial units wanting to import plant and equipment of the value exceeding Rs. 7.5 lakhs and steel castings and forgings of the value of Rs. 50,000 or above were required to advertise their requirements in detail in the Indian Trade Journal before they applied for import licences. Imports of 260 items were banned in view of their indigenous availability, while imports of 197 items were allowed on a restricted scale to actual users. Quotas of established importers were reduced in respect of 12 items.

Imports of sulphate of potash, sodium nitrate and raw films (35 mm. excluding sound negative) were canalised through the STC. Subsequently, imports of sulphur and X-ray films were canalised through the STC, in May and August 1968, respectively.

An open general licence was issued in September 1968 for the imports of (i) cashewnuts, (ii) wattle extract, wattle and other bark for tanning and (iii) hides and skins, raw or salted, where the value of hides and skins was more than that of wool/hair thereon, from any country except South Africa/South West Africa, Rhodesia and Portugal for shipment on or before March 31, 1969. Other dyeing and tanning substances allowed under the earlier open general licence were not covered under this new open general licence ; in November 1968 actual users were allowed to import these items.

In December 1968 licensees for capital goods were allowed to import restricted spare parts required for the maintenance of machinery against licences for such machinery, for the value not exceeding 5 per cent of the licence or Rs. 20,000 whichever was less. In addition, the initial validity period of CG/HEP licences, other than those issued against tied credits or foreign aid was reduced from two years to twelve months.

The Union Budget for 1969-70 raised the import duties on motor cars, imported completely assembled, from 60 per cent *ad valorem* to 100 per cent *ad valorem* and on lubricating oil from 15 per cent to 27.5 per cent *ad valorem*. The duty on dry fruits and seedless dates was changed from a specific to an *ad valorem* basis. (Details of the general import policy and announcements in regard to selected individual items are given in Appendix VII).

Tariff Commission

In 1968-69, the Tariff Commission completed†† three tariff inquiries pertaining to continuance of protection to (i) automobile industry, (ii) dyestuff industry and (iii) aluminium industry, and two price inquiries relating to (1) caustic soda and allied products and (2) agricultural tractors.

The Government accepted the Commission's recommendation that the automobile industry should continue to remain under protection through quantitative restrictions on imports and that the progress of the automobile industry should be reviewed again

@ (1) Bicycles, (2) Certain parts of bicycles, (3) Diesel engines—stationary type, (4) Certain small tools, (5) Coated and bonded abrasives, (6) Storage and dry batteries, (7) Wire ropes, (8) Certain automobile ancillaries, (9) Drugs and pharmaceuticals and (10) Paints, varnishes and enamels.

†† An inquiry is considered to be complete only after Government's decision on the report is published.

by the Tariff Commission, after a period of five years, i.e., in 1973. The Government, however, reserved the right to license a new unit of economic size for the manufacture of passenger cars so as to introduce an element of competition which would result in improvement in quality and/or reduction in price.

As regards the aluminium industry, the Government accepted the Commission's recommendation that protection granted to ingots, bars, sheets and circles, strips and foils, etc. should be continued at the existing rates of duty for a further period of three years ending December 31, 1971.

Regarding protection to dyestuff industry, the Commission recommended that protection granted to finished dyestuffs need not be continued beyond December 31, 1968 ; however, since quantitative control over imports is likely to continue, the industry may be deemed to be protected and therefore be subjected to periodical reviews. The Commission further recommended that its proposed scheme of protection for intermediates should be kept in force upto December 31, 1971 subject to half yearly reviews. The Government has accepted these recommendations.

In connection with the price inquiry relating to caustic soda and allied products the Government held that as the prevailing market prices corresponded more or less to the fair selling prices recommended by the Commission, it was not necessary to control prices at this stage. As regards agricultural tractors, the Government did not accept the Commission's recommendation that the ex-factory selling prices of tractors should be fixed for each of the producers and that freight from factory to the dealers' point, together with packing, forwarding and insurance charges should be charged separately to customers. The Government held that selling prices should be fixed on an f.o.r. destination basis as before and not on an ex-works basis ; further, the Government held that there should be uniform price for a particular make of tractor throughout the country so that the consumers residing at place far away from the producing centres are not placed at a disadvantage. As regards the basis for the fixation of fair ex-works prices, the Government did not accept the recommendation of the Commission to provide a return of 15 per cent on the capital employed as against the normal practice of allowing a return of 12 per cent. The Government also considered that replacement ratio adopted by the Commission for expected deletions of components of CKD packs was higher than average replacement ratio already effected by all the manufacturing units. In the case of manufacturing units importing components and raw materials from the U.K., some adjustment in the prices was necessary because of the change in the exchange rate following the devaluation of the pound sterling. In the light of these factors, the Government fixed the maximum selling prices f.o.r. destination (rail head) different from those recommended by the Commission.

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

Trade Agreements and Trade and Payments Arrangements

Trade agreements and trade and payments arrangements continued to play a significant role in expanding India's foreign trade and forging closer economic ties.

A trade agreement was signed with Thailand for the first time. The existing agreements with France and Greece were renewed and the annual trade arrangements with Iran and Iraq were finalised. The trade agreement with Indonesia which was signed on December 28, 1966 was ratified by both the Governments and would now be valid upto October 25, 1970.

Fresh trade and payments arrangements were finalised with Democratic People's Republic of Korea, Bulgaria, German Democratic Republic, Poland and Socialist Republic of Rumania. The existing trade and payments arrangements were renewed with Socialist Federal Republic of Yugoslavia, Czechoslovak Socialist Republic, North Vietnam and Sudan. Annual trade plans, in accordance with the existing trade and payments arrangements were signed with Afghanistan,

Democratic People's Republic of Korea, United Arab Republic, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Rumania, Union of Soviet Socialist Republics and Yugoslavia.

Details in respect of the trade agreements/ arrangements entered into during 1968-69 are furnished in Appendix IX.

A Development Credit Agreement was signed in September 1968, with Norway, under which Norway has agreed to provide credit for procurement of machinery, equipment, spare parts for vessels and shore installations to further the development of the Indian fishing industry.

Developments in Exchange Control

The major developments in the sphere of exchange control during the year related to export promotion, pursuit of studies abroad, investments by non-residents of Indian origin, booking of passage for travel abroad and delegation of powers to authorised dealers. In keeping with the objective of liberalising exchange facilities for export promotion, (i) the minimum annual export turnover prescribed for the issue of blanket exchange permits was reduced, (ii) registered Export Houses, irrespective of their past performance, were made eligible for the grant of blanket permits, (iii) the purpose for which blanket permits could be utilised was liberalised, (iv) exporters were permitted to receive advance remittances from overseas buyers and (v) the conditions governing release of exchange for export promotion tours to new firms entering the export field were relaxed. As regards studies abroad, (i) exchange facilities were granted for post-graduate diploma courses in non-technical subjects and for courses in Management or Administration by B.Sc. and engineering graduates, (ii) the minimum marks stipulated were relaxed in the case of students with teaching or research experience and (iii) the validity period of the foreign exchange permits was changed from one year to the total duration of the course. Non-residents of Indian origin were permitted to invest in public or private limited companies irrespective of whether the companies are engaged in industry, trade or business. Further, as an experimental measure, for a period of three years, they were also permitted to invest in partnership and proprietorship concerns subject to certain conditions. Airline/steamer companies were allowed to book passages in the case of certain categories of travellers without prior permission of the Bank. As an experimental measure, P form clearance facilities were granted in certain cases, provided the host abroad agreed to meet the total cost including passage both ways. Powers were delegated to authorised dealers for undertaking certain types of transactions so as to minimise the inconvenience and delay. These developments are detailed below.

Export Promotion : In *April 1968*, the minimum annual export turnover prescribed for the issue of blanket exchange permit to exporters was reduced from Rs. 20 lakhs to Rs. 5 lakhs in the case of non-traditional goods. For traditional goods, the separate minimum annual turnover prescribed earlier for tea and jute goods (Rs. 100 lakhs) and all other items (Rs. 50 lakhs) was abolished and a uniform minimum annual turnover of Rs. 25 lakhs was made applicable to all traditional goods. The registered Export Houses were also made eligible for the grant of blanket exchange permits irrespective of their past performance. Further, the purpose for which the exchange authorised under blanket permits could be utilised was liberalised in that it could now be used not only for travel abroad but also for a few additional purposes, such as, conducting market studies, advertising abroad, participation in overseas exhibitions, trade fairs etc. For meeting these additional requirements, the value of blanket permits has been enhanced by 50 per cent. In view of the difficulties experienced by exporters in raising funds locally for export financing, they have now been permitted to receive advance remittances from overseas buyers/agents provided the rate of interest payable does not exceed 8 per cent and that the shipments are effected within one year from the date of receipt of the advance.

In keeping with the objective of liberalising exchange facilities for export promotion tours, the official recommendation required to be furnished by new firms, entering

the export field, in support of their applications for release of exchange was discontinued in *May 1968* and these firms are now required to produce evidence to show that the proposed visit abroad is likely to result in new or additional exports.

Education : The minimum marks prescribed for the release of exchange to holders of engineering degree proceeding abroad for taking up degree courses in *engineering or other technical subjects* was raised from 55 per cent to 60 per cent in *April 1968*. Engineering graduates with 60 per cent marks were also made eligible for the grant of exchange facilities for taking up diploma courses in technical subjects. Beginning with *September 1968*, however, the minimum marks stipulation was dispensed with in the case of candidates who have secured the first or second rank in their degree examination.

The foreign exchange facilities granted hitherto to students with 60 per cent marks in Honours or Master's degree examination for taking up degree courses in *non-technical subjects* were extended in *April 1968* to cover post-graduate diploma courses in non-technical subjects at any university or institution. The minimum marks stipulation was, however, dispensed with in *May 1968* in the case of students who had secured the first or second rank in the Honours or Master's degree examination. The requirement of 60 per cent marks was further relaxed again in *May 1968* in the case of all studies, whether technical or non-technical and whether it leads to a degree or diploma, provided the candidates have secured 50 per cent marks in their degree examination and have at least two years' teaching or research experience or five years' experience in an industry related to the proposed course of study abroad.

In *July 1968* the foreign exchange facilities for taking up degree courses in *Management or Administration*, which were hitherto granted to candidates with 60 per cent marks in Honours or Master's degree examination, were extended to B.Sc. degree holders and engineering degree holders with 60 per cent marks. Holders of diplomas, which have been recognised as equivalent to a degree for recruitment to Central Government services, were made eligible in *March 1969* for grant of foreign exchange facilities on lines similar to those extended to corresponding degree holders.

In order to avoid inconvenience to parties making remittances against permits issued to students for their studies abroad, it was decided in *January 1969* to discontinue issuing permits valid for one year at a time and instead issue permits valid for the total duration of the course. Authorised dealers were empowered to effect remittances during the validity period of the permit provided the necessary documentary evidence in regard to progress made by the student is furnished by the remitter.

Investments by non-residents of Indian origin : In *May 1968* it was decided to permit withdrawals from the National Defence Remittance Scheme Special Accounts held by non-residents of Indian origin for purposes of extending loans to or for investment in interest bearing deposits with public or private limited companies on the following conditions, namely, (*a*) the rate of interest payable on the loan or deposit does not exceed 12 per cent per annum and (*b*) the borrowing company would give an undertaking to the effect that the interest and principal amount will be credited back to the respective Special Accounts and that the loan or deposit will not contravene the requirements notified from time to time by the Non-Banking Companies Department of the Bank.

Hitherto, investments by non-residents of Indian origin in public or private limited companies were permitted only in those companies which are engaged in industry and not in trade or business. This stipulation was withdrawn in *November 1968* and investments are now permitted irrespective of whether the companies are engaged in industry, trade or business ; the restriction on the repatriation of dividends and sale proceeds of investments would, however, continue. In *December 1968*, it was decided to permit, as an experimental measure for a period of three years, investments by non-residents of Indian origin in partnership and proprietorship concerns subject to the condition that neither the capital invested nor the

profits earned would be allowed to be repatriated abroad and that this would be credited to the non-resident blocked account of the investor until such time he takes up Indian citizenship. This facility was also extended to funds held in National Defence Remittance Scheme Special Accounts—subject to the same conditions except that profits and sale proceeds will have to be credited to the respective Special Accounts.

Booking of Passage : Airline/steamer companies and Travel Agents were authorised in *June 1968* to book, without obtaining prior approval of the Bank, passages in respect of certain categories of travellers, such as (*a*) wife and children proceeding abroad to join the head of family employed abroad provided the passage fare has been paid abroad, (*b*) Indian nationals employed abroad returning to their country of employment after a visit to India, provided passage fare has been paid abroad, (*c*) members of families of airline/steamship company staff who are posted for duty abroad for at least one year, (*d*) persons holding letters of appointment from foreign Governments provided Prepaid Ticket Advice has been received from abroad in respect of the passage and (*e*) employees posted for duty at overseas branches of Indian banks and insurance companies and members of their families.

In *March 1969* it was decided to grant, as an experimental measure, depending on the bonafides of the case, 'P' form clearance for visits abroad based on hospitality extended by persons who are not close relatives and by friends provided the host abroad not only agrees to meet the cost of the stay abroad but also remits the cost of passage both ways. The 'P' form clearance under this arrangement would be restricted to one month and to the country in which the host is residing.

Delegation of Powers : With a view to minimising inconvenience and delay, further powers were delegated to the authorised dealers in *September 1968* for undertaking certain types of transactions without obtaining the prior approval of the Bank. Accordingly, the amounts upto which they could make remittances, without prior approval for payment of subscriptions or membership fees by firms or companies and other corporate bodies and for meeting legal expenses in connection with dishonoured export bills were raised from £15/- per annum to £ 100/- per annum and from Rs. 500/- to to Rs. 1,000/- respectively. Authorised dealers were also allowed to effect remittances not exceeding £ 15/-towards foreign university admission fees and a similar amount on account of examinations held in India for securing admission in foreign institutions. They have also been permitted to grant loans or overdrafts upto Rs. 20,000/- to their non-resident constituents who are Indian nationals or persons of Indian origin provided the advances are fully secured by deposits or rupee securities acquired by the constituents out of their remittances from abroad.

Others : The other developments during the year were the following : (*a*) North Korea, which was excluded from the list of bilateral account countries in 1964, was again included in the bilateral account group in *April 1968* following the extension of the trade agreement with that country for a period of two years beginning with January 1968, (*b*) The forward sales of exchange against imports on a deferred payments basis, which were hitherto subject to the condition that deliveries should correspond to the instalments falling due under the relative letters of credit or guarantees approved by the Bank, were liberalised in *June 1968* and authorised dealers were permitted to make forward sales for the aggregate amount of the payments to be made under the relative letters of credit or guarantees, (*c*) In order to meet rising cost of living in foreign countries the scales at which exchange is released for business travel abroad were revised upwards in *June 1968*. These revised scales were also made applicable to journalists proceeding abroad and others going abroad for conferences or on study tours. (*d*) Following the introduction of the Import Deposit Scheme in the U.K., the period of realisation of 50 per cent of the invoice value of goods exported from India to the U.K., which come under the purview of the Scheme, was extended, as

a temporary measure in *January 1969* to eight months so as to enable the exporters to grant credit facilities to U.K. importers for a period longer than usual ; the remaining 50 per cent is to be received within the stipulated six month period. Authorised dealers were permitted to purchase sterling represented by the 50 per cent value covered by this relaxation for delivery upto eight months forward. To enable the authorised dealers to offer this facility the Bank agreed to buy sterling from them for delivery within eight months at the same rate as applicable to purchases for delivery within six months.

CHAPTER VIII—CURRENCY AND COINAGE

During 1968-69, currency in circulation showed a much larger expansion of Rs. 325.9 crores to Rs. 3,794.1 crores than the increase of Rs. 181.2 crores last year. Of the increase of Rs. 325.9 crores, notes in circulation accounted for Rs. 303 crores and rupee coin for Rs. 23 crores, while small coins recorded a small decline of *Rs. 4 lakhs*. The decline in circulation of small coins was due to demonetisation of quaternary coins from April 1, 1968. During the year, new ten rupee notes and new ten and twenty paise coins were issued.

Circulation of Notes and Coins

Circulation of Notes : Notes in circulation recorded a larger expansion of Rs. 302.7 crores or 9.6 per cent to Rs. 3,453.5 crores during 1968-69 than the increase of Rs. 174.2 crores or 5.9 per cent in the previous year. The seasonal variations in notes in circulation were more marked this year than in 1967-68. Thus, between May and November 1968, notes in circulation declined by as much as Rs. 151 crores as compared to a fall of Rs. 98 crores in the same period of last year. Again, the seasonal expansion of Rs. 340 crores between December 1968 and March 1969 was substantially larger than Rs. 233 crores between December 1967 and March 1968. During the year, notes of the denomination of Rs. 2, Rs. 5, Rs. 10, Rs. 100 and Rs. 1,000 showed a rise in circulation while those of Rs. 5,000 and Rs. 10,000 which are used mostly for inter-bank transactions declined. The percentage share of each of the denominations in the total value of notes and coins in circulation did not change much except that while the share of Rs. 10 notes declined by 2.4 per cent to 34.6 per cent, that of Rs. 100 notes rose by 2.8 per cent to 45.8 per cent in 1968-69.

Circulation of Rupee Coins : Circulation of rupee coins*, the bulk of which comprises one-rupee notes issued by the Government of India, expanded by Rs. 23.3 crores (or by 11.7 per cent) to Rs. 222.1 crores in 1968-69 in contrast to a small decline of Rs. 0.8 crore (or 0.4 per cent) in the preceding year.

Circulation of Small Coins : The circulation of small coins showed a small decline of *Rs. 4 lakhs* to Rs. 118.47 crores during 1968-69 in contrast to a rise of Rs. 6 crores in 1967-68 and of Rs. 7 crores in 1966-67. The increase in circulation of decimal coins was more than offset by the decline in circulation of quaternary coins which were demonetised from April 1, 1968.

Miscellaneous

Issue of New 10-Rupee Notes : A new series of Bank notes of Rs. 10 denomination was put into circulation from August 5, 1968. This new series has been so designed as to enable the members of the public to distinguish the ten rupee denomination easily from all other denominations. The paper used and the size of the new notes are the same as the existing 10-rupee notes with Asoka Pillar design which continue to be legal tender. On the obverse of the new note, in the central panel below the letterings "RESERVE BANK OF INDIA" and "GUARANTEED BY THE CENTRAL GOVERNMENT" in English, the Hindi equivalents "भारतीय रिज़र्व बैंक" and "केन्द्रीय सरकार द्वारा प्रत्याभूत" have also been reproduced. Below this, a bold denominational figure in white Arabic numerals 10 is flanked by "I PROMISE TO PAY THE BEARER THE SUM OF RUPEES TEN" in English on the left and "मैं धारक को दस रुपये अदा करनेका वचन देता हूँ" in Hindi, on the right. On the reverse of the note the denominational renderings in the various regional languages are reproduced more prominently in white. "भारतीय रिज़र्व बैंक" in Hindi appears below the curved panel containing the lettering "RESERVE BANK OF INDIA" in English. The colour of the obverse is blue black with brown, orange and green in the undertints. The colour of the reverse is blue black with hues of brown and orange in the undertints.

* Rupee coins in circulation now comprise Government of India one-rupee notes, pure nickel rupee coins, pure nickel decimal rupee coins and pure nickel Jawaharlal Nehru Commemorative decimal rupee coins.

Issue of New 10 Paise and 20 Paise Coins in Aluminium Bronze Alloy : With a view to conserving the use of nickel, which is in short supply throughout the world, new coins in the denominations of 10 paise and 20 paise in aluminium bronze alloy were issued to the public on December 23, 1968. The composition of the new coins is 92 per cent copper, 6 per cent aluminium and 2 per cent nickel. The new 10 paise coin is slightly lighter (weighing 4.25 grammes) but has the same shape and size as the cupro-nickel 10 paise coin. The new 20 paise coin is circular in shape weighing 4.50 grammes and is smaller in size than the 50 paise coin but is larger than the 25 paise coin. The obverse face of the coin bears the Lion Capital of Asoka Pillar with the words "भारत" in Hindi and "India" in English inscribed thereon on either side. The reverse face of the coin bears the year of coinage and the value of the coin in international numerals and the words "पैसे" in Hindi and "Paise" in English inscribed thereon. In addition, the lotus flower is depicted in the centre. It also has serrations round the edge.

Issue of Commemorative Notes and Coins : During the year, the Indian Coinage Act, 1906 was amended, enabling the Government to issue coins in denominations upto rupees one hundred. This followed a decision to issue a commemorative silver coin of the denomination of rupees ten under an FAO sponsored plan for the international issue of a coin to highlight the theme of Food and Agriculture. It has also been decided to bring out in October 1969 on the occasion of Mahatma Gandhi Centenary, a commemorative ten-rupee coin and coins of the denominations of Re 1, 50 paise and 20 paise, as well as a whole series of Currency and Bank Notes in the denominations of Re 1, Rs. 2, Rs. 5, Rs. 10 and Rs. 100 with a portrait of Mahatma Gandhi.

Coinage : During 1968-69, 1,365 million pieces of decimal coins of various denominations valued at Rs. 5.86 crores were minted as against 1,845 million pieces valued at Rs. 8.45 crores minted in the previous year. The total mintage of decimal coins since their introduction in 1956-57 amounts to 16,940 million pieces valued at Rs. 91.16 crores. Pure nickel half-rupee Bhutan coins (Tickchung) valued at Rs. 11.18 lakhs were also minted in 1968-69.

Withdrawal of Silver, Cupro-nickel, Copper and Aluminium Coins : Uncurrent coins of the total value of Rs. 9.4 *lakhs* and current coins of the value of Rs. 4.9 crores were withdrawn during the year.

Lost, Destroyed and Mutilated Notes : During 1968-69, 1,62,358 claims in respect of lost, destroyed and mutilated notes involving an amount of Rs. 177.1 lakhs were admitted as compared with 1,15,257 claims for an amount of Rs. 153.6 lakhs admitted in the preceding year. The payments made against these claims as well as those admitted in the preceding year stood at Rs. 158.3 lakhs as compared with Rs. 133.0 lakhs in the previous year.

Note Forgeries : The total number of forged notes including Government of India one-rupee notes, received by the Bank during the year was much larger at 6,000 compared with 4,947 in 1967-68, but the value of these notes at Rs. 71,625 was smaller compared with Rs. 74,369 in the preceding year.

Counterfeit Coins : The number of counterfeit coins cut at treasuries and railway stations during 1968-69 was much higher at 18,444 than 9,514 in 1967-68 and 7,489 in 1966-67.

APPENDICES

APPENDIX I—UNION GOVERNMENT BUDGET PROPOSALS, 1969-70@

A. DIRECT TAXES

1. CORPORATE TAXATION :

(*i*) *Extension of 'tax holiday' concession.* (See the text portion)

(*ii*) *Treatment of public companies whose shares are listed in a recognised stock exchange in India as widely-held companies :*

The Indian Income Tax Act makes a distinction in tax treatment between widely-held companies (domestic companies in which the public are substantially interested) and closely-held companies (i.e., domestic companies in which the public are not substantially interested). Under the existing rules, closely-held companies are, subject to certain exceptions, liable to income tax on their income at rates which are higher than in the case of widely-held companies. Subject to certain exceptions, they are also required to pay an additional income-tax in case they fail to distribute dividends upto the statutory percentage of their distributable income.

At present a public company has to satisfy the following time-consuming tests for being treated as a widely-held company. (a) Not less than 50 per cent of its equity capital should have been beneficially held throughout the relevant accounting year by Government, a statutory corporation, any other company in which the public are substantially interested or by members of the public. (b) The shares in the company were dealt with in any recognised stock exchange in India at any time during the relevant accounting year and were freely transferable. (c) The company's affairs or shares carrying more than 50 per cent of its total voting power were, at no time during the relevant accounting year, controlled or held by 5 or fewer persons.

As a measure of simplification, it is proposed to provide that a public company whose equity shares are listed in a recognised stock exchange in India in accordance with the Securities Contract Regulation Act, 1956 and the rules made thereunder, will be treated as a company in which the public are substantially interested. This will be effective from the assessment year 1970-71.

(*iii*) *Treatment of cotton and jute textile industries as priority industries for the purpose of development rebate :* (See the text portion)

(*iv*) *Exemption from tax of Indian companies on 40 per cent of their income by way of royalties and technical service fees received in India.* (See the text portion)

(*v*) *Removal of ceiling on aggregate liability to income tax and surtax in the case of widely-held companies :*

The Companies (Profits) Surtax Act contains a provision which prescribes, in the case of a widely-held domestic company, a ceiling over its aggregate liability to income tax and surtax at 70 per cent of its total income. This provision was meaningful at the time it was introduced in 1965 when the rate of surtax on the net chargeable profits of companies was 40 per cent and domestic companies were also liable to an additional income tax with reference to their distribution of equity dividends. With the reduction in the rate of surtax from 35 per cent to 25 per cent made in the Finance Act of 1968 and also with the discontinuance of the levy of additional income tax on domestic companies with reference to their distribution of equity dividends, the aggregate liability of a widely-held domestic company, to income tax and surtax can in no case go beyond 60.95 per cent for a company engaged in a priority industry and 66.25 per cent in other cases. The ceiling of 70 per cent of total income is therefore, misleading and the provision relating to the ceiling is proposed to be deleted.

2. PERSONAL INCOME TAXATION :

(*i*) *Increase in the rates of basic income tax :* (See the text portion)

(*ii*) *Exemption of dividend income upto Rs. 1,000 from income tax:* (See the text portion)

(*iii*) *Tax relief on savings through life insurance etc. :* (See the text portion)

(*iv*) *Tax relief to Authors, Playwrights, Artists, etc. :*

The amount of savings through life insurance, provident fund (including, Public Provident Fund) and cumulative time deposits eligible for deduction from the taxable income of authors, playwrights, artists, etc. is at present one third of their professional income plus 30 per cent of any other income or Rs. 25,000 whichever is less. The qualifying amount of savings through these media available to other individuals is 30 per cent or Rs. 15,000 whichever is less. The higher ceiling is available only if he/she has effected an insurance policy on his/her life or on the life of his/her spouse before March 1, 1964 which is in force.

It is proposed to remove the existing condition in respect of authors, playwrights, artists, etc. viz. that they should have a life insurance policy effected before March 1, 1964 in order to be eligible for tax relief on savings upto the higher limit. From the assessment year 1969-70 therefore, they will be eligible for tax relief on their savings through life insurance, provident funds or post office cumulative time deposits even if the life insurance policy is effected after March 1964. The tax relief will be admissible even if there is no life insurance policy but the savings have been effected through other specified media.

Twenty five per cent of the income derived by authors, artists, etc. from foreign countries in exercise of their profession, and received in India in foreign exchange, will be allowed as a deduction in the computation of the taxable income from the assessment year 1970-71.

(*v*) *Increase in standard deduction for maintenance of motor car :* (See the text portion)

@ The Finance Bill embodying the tax proposals has been passed with certain modifications. The modifications are indicated at appropriate places.

3. SIMPLIFICATION OF TAX ON CO-OPERATIVES :

Co-operative societies are at present exempt from tax on the whole of their income from specified business activities (referred to later). They are also exempt from tax on any other business income except from insurance business, upto Rs. 15,000. A society whose chargeable income (as computed after deducting incomes exempt from tax including Rs. 15,000 referred to above) does not exceed Rs. 4,000 is not liable to tax.

From the assessment year 1970-71, the exemption limit is proposed to be raised from Rs. 15,000 to Rs. 20,000 and the benefit of this exemption is extended to incomes derived from insurance business. Consequently, the present exemption from tax of co-operatives having a chargeable income not exceeding Rs. 4,000 is proposed to be discontinued.

The existing and proposed rate structure of tax in the case of co-operatives is given below.

Existing rates		Proposed from 1969-70 (Financial year)	
When chargeable income exceeds Rs. 4,000	Rate†	Chargeable income	Rate†
Re. 1 to Rs. 5,000	5%	Re. 1 to Rs. 10,000	15%
Rs. 5,001 to Rs. 10,000	10%	Rs. 10,001 to 20,000	25%
Rs. 10,001 to Rs. 15,000	15%	Above Rs. 20,000	40%
Rs. 15,001 to Rs. 20,000	20%		
Rs. 20,001 to Rs. 25,000	25%		
Above Rs. 25,000	40%		

† In addition a Union surcharge of 10 per cent is payable.

The incidence of tax on the proposed basis on a gross total income upto Rs. 30,000 will be the same or marginally less than under the existing law. The incidence will be marginally higher for gross total income above Rs. 30,000, the additional tax payable being not more than Rs. 275. Income of co-operatives from banking, cottage industry, marketing, processing (without the aid of power) etc. of agricultural produce of members, income from letting of godowns and warehouses for storage and processing and from interest and dividends received from other co-operatives continue to be wholly exempt from tax as hitherto.

4. REGISTERED FIRMS :

The initial slab of income exempt from tax in the case of registered firms is proposed to be reduced from the existing Rs. 25,000 to Rs. 10,000. On this slab of income (Rs. 10,001 to Rs. 25,000) tax at the rate of 4 per cent will be imposed with effect from the financial year 1969-70. The rates of ordinary surcharge (at 10 per cent of the basic income tax in the case of a firm deriving income mainly from a profession and at 20 per cent in the case of others) as well as the special surcharge of 10 per cent of the aggregate amount of basic tax and the ordinary surcharge, will apply to the new slab also. On the income slabs above Rs. 25,000 the existing rates (ranging from 6 per cent to 20 per cent) will continue to apply.

As a result of this change, the incidence of tax including surcharges, on a firm with a total income of Rs. 25,000 and above will increase by Rs. 726 in the case of a firm deriving income mainly from profession and Rs. 792 in the case of other firms. The partners will, however, recoup a part of the additional tax as it is allowed as a deduction in computing their individual shares in the income of the firm.

5. AMENDMENTS TO WEALTH TAX ACT:

(*i*) *Wealth Tax on agricultural property :* (See the text portion)

(*ii*) *Penalties under the Wealth Tax Act :* (See the text portion)

6. CHANGES IN PAYMENT OF ADVANCE TAX :

The existing scheme of payment of advance tax is proposed to be modified with a view to simplifying and rationalising the scheme and reducing the burden of compliance on small income tax payers.

Advance tax is payable by tax payers whose current income liable to tax, exceeds specified limits. This limit is at present Rs. 27,500 in the case of a registered firm, Rs. 2,500 in the case of a company, local authority or a non-resident and Rs. 6,500 in the case of others. The limit is proposed to be raised to Rs. 30,000 for registered firms, Rs. 5,000 for non-residents and Rs. 10,000 for others ; the limit remains unchanged at Rs. 2,500 in the case of companies and local authorities.

The advance tax calculated on the total income is now allowed to be reduced by the amount of the tax deductible at source on the net amount of income subject to such deduction (e.g. interest, dividends, etc.). It is now proposed to allow the full amount of tax actually deductible on the gross income. This will obviate excess payment of advance tax. For example, in the case of an Indian company which earns a business income of Rs. 1 lakh and an additional net interest income of Rs. 20,000 (an interest receipt of Rs. 50,000 offset by an interest payment of Rs. 30,000) an amount of Rs. 4,000 is now deducted at the rate of 20 per cent on the net interest of Rs. 20,000. According to the proposal tax at 20 per cent will be deducted from total advance tax payable in respect of gross interest of Rs. 50,000. The advance tax payable will be reduced by Rs. 6,000 on account of this proposal.

Under the present scheme a tax payer whose accounting year ends before December 31, is allowed four instalments to pay the advance tax while others are required to pay it in three instalments. It is proposed to make it payable in three equal instalments in all cases. The due dates will be 15th of June, September and December in the case of incomes for which accounting year is the calendar year* and 15th of September, December and March in other cases.

* Subsequently the Finance Minister proposed to make a provision in the Bill enabling the Central Board of Direct Taxes to allow the last instalment of advance tax to be paid on 15th March instead of on the 15th December in the case of certain classes of assessees whose accounting year is the calendar year.

Under the existing law, there is no obligation on the tax payer to pay a higher amount of advance tax than demanded though he has the option to pay less if the tax on current income is less than demanded. According to the new provision, where the advance tax estimated by a tax payer is more than one-third of what is demanded from him, he will be required to pay the higher amount of advance tax before such of the due dates of instalments as have not expired. In case the advance tax paid by the tax payer on his estimate as stated above, is less than 75 per cent of the assessed tax, he will be liable to pay simple interest at 9 per cent per annum on the amount by which the advance tax actually paid falls short of the full amount of the assessed tax. He will also be liable to pay a penalty ranging from one-tenth to a maximum of 1½ times the amount by which the advance tax demanded falls short of 75 per cent of the assessed tax.

These penal provisions will be effective from April 1, 1970 while the other changes will have effect from April 1, 1969.

7. PAYMENT OF BUSINESS AND PROFESSIONAL EXPENDITURE EXCEEDING RS. 2,500 IN CROSSED CHEQUE OR DRAFT.

The Finance Act, 1968 introduced a provision requiring business and professional payments exceeding Rs. 2,500 at a time in crossed bank cheque or draft except in special cases notified in the Income-tax Rules. (e.g. (1) payment made to a person residing in a place where there is no banking facility, (2) payment to Reserve Bank of India, State Bank of India, other banking institutions, agricultural credit societies, Life Insurance Corporation of India, Unit Trust of India and specified financial institutions, (3) payment to cultivator, grower or producer of the agricultural products, etc.). In order to secure smooth operation of this provision, it is provided that with effect from April 1, 1969 where a tax payer makes a payment in amounts exceeding Rs. 2,500 by crossed cheque or draft, no person shall be allowed to raise, in any suit or other proceeding, a plea based on the ground that the payment was not made or tendered in cash or in any other manner.

B. INDIRECT TAXES

	Existing Rates			Proposed Rates			Additional revenue(+) or loss(—) (Rs. lakhs)
	Basic	Additional	Special	Basic	Additional	Special	
I. Union Excise Duties							
A. *New Levies*							
1. Fertilisers, all sorts				10% *ad valorem*	..	..	+22,00
2. Power-driven pumps*				20% *ad valorem*	..	..	+ 2,00
3. Prepared or preserved food@ (on 10 items to be notified)				10% *ad valorem*	..	..	+ 1,50
4. Domestic electrical appliances				10% *ad valorem*	..	..	+ 2,00
5. Cinematograph films (unexposed)				2 paise per metre	..	..	+ 10
6. Pilfer proof caps				1 paisa each	..	..	+ 50
7. Wool tops { Ceiling				Rs. 5.00 per kg.			
{ Effective				10 paise per kg.	..	..	+ 6
Total of A				.. .. ..	..	..	**+28,16**
B. *Increase in existing duties*							
1. Cigarettes—Ceiling rates—*ad valorem*	100%	25%	20% of basic	125%	25%	20% of basic	+15,84
—Effective rates							
(a) Where value for 1000 does not exceed Rs. 7.50	35.0%	5.0%	7.0%	40.0%	5.0%	8.0%	
(b) Where value for 1000 is between Rs. 7.50 and Rs. 25.00 ..	65.0%	11.0%	13.0%	72.5%	14.0%	14.5%	
(c) Where value for 1000 exceeds Rs. 25.00 ..	95.0%	20.0%	19.0%	107.5%	23.0%	21.5%	
2. Motor Spirit ..	Rs. 550 per kilo litre			Rs. 620 per kilo litre			+14,00
3. Superior kerosene ..	Rs. 165.25 per kilo litre			Rs. 205.25 per kilo litre			+14,40
4. Rubber products (Rationalisation of duty)							+ 60
5. Rayon and synthetic fibres & yarn.§ (It is proposed to raise duty on cellulosic and non-cellulosic (terene) fibre, viscose and acetate filament yarn and to reduce duty on nylon yarn)							+ 5,47

* This proposal was dropped subsequently.

@ During the course of the discussion on the Finance Bill the Finance Minister announced (*i*) the exclusion of all nuts, most of the vegetable products and a number of fruit products from the purview of this levy and (*ii*) exemption of all dutiable fruit products cleared by any manufacturer upto a value of Rs. 50,000 annually which would involve in a revenue loss of Rs. 90 lakhs.

§ Some concessions to small manufacturers of rayon filament yarn involving a revenue loss of Rs. 29 lakhs were announced on April 29, 1969.

	Existing Rates		Proposed Rates		Additional revenue(+) or loss (—) (Rs. lakhs)
	Basic	Special	Basic	Special	
6. Artificial silk fabrics					
(The revenue effect is consequent on the inclusion of embroidered fabrics under this item in the tariff description)					+55
7. Jute manufactures					
(a) Hessian	Rs. 450 per tonne	10% of basic	Rs. 550 per tonne	10% of basic	+4,95
(b) Others	Rs. 250 per tonne		Rs. 350 per tonne		
8. Wireless receiving sets					
(It is proposed to extend the levy on wireless sets to bigger manufacturers who produce sets priced upto Rs. 165 (at the point of sale to consumer) and who were hitherto exempted, while continuing the exemption in respect of small manufacturers)	—	—	Rs. 7.50 per set	Rs. 2.50 per set	+60
Total of B					**+56,41**
C. *Reduction in existing duties*					
1. Confectionery (other than chocolates)	80 paise per kg.		30 paise per kg.		—80
2. Glass and glass ware					
(It is proposed to exempt glass shells used in electric bulbs and fluorescent tubes and make good the loss by substituting *ad valorem* rates on these items)					—17
3. Steel ingots and iron & steel products—					
(It is proposed to exempt steel ingots and products manufactured out of scrap to the extent of the ingot duty of Rs. 75 per tonne as a measure of relief to the owners of electric arc furnaces who use mostly bazar scrap on which duty has been paid at some stage or other.)					—1,00
4. Parts of wireless receiving sets					
(a) Electronic valves and tubes	Rs. 3 per unit		Rs. 1.50 per unit		
(b) Transistors and semi-conductor diodes	Re. 1 per unit		50 paise per unit		—1,20
(These parts would continue to be exempted from duty if used in electronic equipments other than wireless receiving sets)					
5. Cinematograph film (exposed)					
(The estimated revenue loss is the net result of grant of some relief to black and white cinematograph films of certain specifications and raising of the incidence on colour films of certain specifications.)					—18

	Additional revenue(+) or loss(—) (Rs. lakhs)
6. Cotton yarn	— 2,60
(While keeping the present ceiling rates of duty unchanged it is proposed to grant an overall relief in the effective rates of duty on yarn used by sectors other than composite mills, in hank and others by doing away with the distinction between sized and unsized yarn†	
In respect of compounded rates of duty on yarn contained in composite mill fabrics, a reduction of 2 paise per square metre is offered in respect of superfine and fine yarn. However, cotton fabrics to be assessed to duty at *ad valorem* rates are being exempted from cotton yarn duty.	
As regards rates of duty on yarn contained in fents, those on superfine fabrics have been revised upwards by 80 paise per kg. to Rs. 2.00 while on fine and medium—B fabrics, reductions of 10 paise and 14 paise, respectively, per kg. are effected)	
7. Cotton fabrics	— 20
(*i*) It is proposed to include in the tariff description embroidery and textile fabrics impregnated, etc. having cotton fabrics as base fabric and,	
(*ii*) *ad valorem* rate of duty at 12.5 per cent basic excise and 2.5 per cent additional excise in lieu of sales tax have been fixed for 9 specified types of cotton fabrics such as coating, suiting, tussors, corduroy, gaberdine, tapestry, etc.* These are being exempted from paying cotton yarn duty.	
The estimated loss of Rs. 20 lakhs arising from these proposals is the net result of a loss of Rs. 370 lakhs due to change in fabric duty offset by an anticipated gain in revenue of Rs. 350 lakhs from increase in powerloom compounded duty (+ Rs. 50 lakhs) and transfer of revenue from embroidery (+ Rs. 70 lakhs) and fabrics impregnated or coated (+ Rs. 230 lakhs).	
8. Textile fabrics (impregnated)	— 2,45
(The loss is due to the proposal to amend the tariff description of this item to exclude impregnated fabrics and this is expected to be offset by gain under cotton fabrics and artificial silk fabrics.)	
9. Embroidery	— 1,75
(This item is also proposed to be deleted from the Central Excise Tariff and is being included under the tariff description relating to cotton fabrics, silk fabrics, woollen fabrics and artificial silk fabrics respectively.)	
Total of C	**—10,35**

† Reductions in duty on cotton yarns of lower counts were announced on April 29, 1969.

* The Finance Minister announced the reduction of *ad valorem* duty from 15 per cent to 7½ per cent in respect of some varieties of cotton fabrics which, together with the reduction in duty on cotton yarn, would result in a revenue loss of Rs. 1,90 lakhs.

	Existing Rates			Proposed Rates			Additional revenue(+) or loss(—) (Rs. lakhs)
	Basic	Additional	Special	Basic per cent *ad valorem*	Additional per cent *ad valorem*	Special	
D. *Proposal for changing 'specific' rates to 'ad valorem' levies*							
1. Sugar							
(i) Other than khandsari or palmyra							
Ceiling rates per quintal	Rs. 30.50	Rs. 6.50		19.0	4.0		+27,75
Effective rates ,,	Rs. 22.15	Rs. 6.50					
(ii) Khandsari							
Ceiling rates per quintal	Rs. 15.00	Rs. 6.50		10.0	4.0		
(a) Produced with the aid of sulphitation plant—							
Effective rates (per quintal)	Rs. 15.00	Rs. 6.50		10.0	2.5		
(b) Produced without the aid of sulphitation plant—							
Effective rates (per quintal)	Rs. 15.00	Rs. 2.50		10.0	2.5		
2. Vegetable products							
Ceiling rate per quintal	Rs. 32.00			10.0			+ 2,60
Effective rate ,, ,,	Rs. 20.00			5.0			
3. Soda ash per quintal	Rs. 2.00			5.0			
4. Caustic soda ,, ,,	Rs. 4.00			5.0			
5. Sodium silicate { Ceiling rate ,, ,,	Rs. 8.00			25.0			
{ Effective rate,, ,,	Rs. 6.00						
6. Soap							
(i) Produced with the aid of power							
(a) Household and laundry ,,	Rs. 18.00			6.5			
(b) Other sorts ,,	Rs. 38.00			9.5			
(ii) Produced without the aid of power							
(a) Plain bars not less than 454 grams in weight ,, ,,	Rs. 13.25 (exempted)			6.5 (exempted)			
(b) Others ,, ,,	Rs. 15.50 (exempted)						
7. Cement* (per tonne)	Rs. 23.60	Rs. 4.72		21.0	20 per cent of basic		
8. Electric lighting bulbs and fluorescent lighting tubes (i) Vacuum and gas filled bulbs							
(a) not exceeding 100 watts	Re. 0.10 each			11.0			
(b) between 100 and 300 watts	Re. 0.40 each						
(c) exceeding 300 watts	Re. 0.80 each						
(ii) Fluorescent tubes	Rs. 1.31 per metre			22.0			
(iii) Sodium and mercury vapour discharge lamps	5% *ad valorem*			6.0			
(iv) All sorts (not otherwise specified)	15 per cent *ad valorem*			16.0			
9. Electric fans							
(i) Table, cabin, carriage, etc. fan not exceeding 40.6 c.m.	Rs. 7.50 each			6.0			
(ii) Others	Rs. 15.00 each			8.5			
Total of D							**+30,35**
GRAND TOTAL of Union Excise							**+104,57†**

* In the case of cement, a reduction was announced on April 29, 1969 so that the cumulative incidence of the basic and special excise duty is 23.76 per cent as against the budget proposal of 25.2 per cent.

† Various concessions announced by the Finance Minister later would result in a reduction in revenue of Rs. 5,09 lakhs.

II. Customs Duties

	Existing effective duty	Proposed effective duty	Additional yield (+) or loss (—) (Rs. lakhs)
1. *Import Tariff*			
(i) Lubricating oil—increase in basic import duty, by notification	15 per cent	27½ per cent	+ 2,60
(ii) Motor cars imported „ „ „ „ (completely assembled)	60 per cent	100 per cent	+ 60
(iii) Various specific rates of duty on dry fruits other than dates to be replaced by *ad valorem* rate and the tariff values in respect of certain dry fruits to be abolished by amendment of the Indian Tariff Act.			+ 3,00
Total Import Tariff			**+ 6,20**
2. *Relief in Export Tariff* (by notification)			
(i) Jute manufactures			—11,75
(a) Hessian cloth and bags excluding carpet backing and jute specialities	Rs. 500 per tonne	Rs. 200 per tonne	
(b) Wool sacks	Rs. 250 per tonne	nil	
(c) Cotton bagging	Rs. 200 per tonne	nil	
(d) Sacking (cloth and bags) not other-wise specified	Rs. 250 per tonne	Rs. 150 per tonne	
(e) Certain types of yarn, twist, rope, twine and miscellaneous manufactures	Rs. 250 per tonne	Rs. 150 per tonne	
(ii) Tea			—10,55
(a) In consumer packs, packed in metal container	10 per cent or Rs. 2.76 per kg. whichever is less	nil	
(b) In consumer packs, packed in other than metal container	15 per cent or Rs. 2.76 per kg. whichever is less	5 per cent subject to a maximum of Rs. 1.70 per kg.	
(c) Other than in consumer packs	20 per cent reduced by 35 paise per kg. subject to a maximum of Rs. 2.65 per kg.	15 per cent reduced by 55 paise per kg. subject to a maximum of Rs. 1.70 per kg.	
(iii) Degreased raw wool	10 per cent	nil	— 30
(iv) Mica loose splitting of grades numbers 5½ and 6	40 per cent	20 per cent	— 40
Total Export Tariff			**—23,00**
3. *Additional (Countervailing) duties consequent on changes in Central Excise duties*			
(i) Manure			+25,00
(ii) Kerosene			+ 75
(iii) Motor spirit			+ 45
(iv) Synthetic fibre			+ 1,00
(v) Synthetic yarn			— 1,20
Total Countervailing duties			**+26,00**
Net Customs duties			**+ 9,20**

C. REVISION OF TELEPHONE AND TELEGRAPH TARIFF@

	Existing tariff (Rs.)	Proposed tariff (Rs.)	Additional revenue(+) or loss (—) (Rs. lakhs)
A. *Telephones*			
1. Direct Exchange lines within the local area :			
(i) Measured rental rate systems			
a) Calcutta, Bombay, Madras and Delhi	75 per quarter	90 per quarter	
b) Other Exchanges	60 per quarter	75 per quarter	
ii) Flat rate rental systems for exchanges providing 24 hours' service	300 per annum or 27 per month	340 per annum or 30 per month	
2. Casual Connections			
i) Measured rate system			
a) upto 10 days	25	30	
b) 11 to 30 days	50	60	
c) 31 to 60 days	100	120	
ii) Flat rate systems — per day	2.50	3.00	+ 5,89
ii) Flat rate systems — with a minimum of	25.00	30.00	
3. Directory enquiry service	—	rates as for one local call.	
4. Additional charges for particular person, fixed time and subscription fixed time trunk calls are reduced from 50 paise to 25 paise in the lowest slab and increased in the upper slab, the increase ranging from 50 paise to Rs. 4. There is no change in the basic trunk charge.			
5. Leased speech circuits			
i) upto 200 miles	200 per mile per annum	125 per kilometre per annum.	
ii) beyond 200 miles	150 per mile per annum		
B. *Telegraphs*			
1. Inland telegrams.			
a) Greeting telegrams—for the first 8 words — Ordinary	1.00	1.20	
a) Greeting telegrams—for the first 8 words — Express	2.00	2.40	
The rates for each additional word remains unchanged.			
b) Revisions in multiple (non-press) telegram rates			
c) Revisions in multiple press telegrams			
2. Phonogram fee (booking of telegrams on telephone)	nil	0.20	
3. Charges for telegrams booked on telex	nil	0.20	
4. Cancellation of telegrams (a) before transmission, will cost 25 paise more and (b) in the course of or after transmission, 50 paise more than at present			
5. Inspection of telegrams—per message	0.50	1.00	
6. Certified copies of telegrams —a) for the first 100 words	0.25	1.00	
b) for every additional 100 words or parts thereof	0.25	0.50	
7. Fee for searching a) either the sent or received telegram of one telegraph office for one day	2.00	3.00	
b) both the sent and received telegram of one telegraph office for one day	3.00	5.00	+ 57
8. Late fee (for each closed office)	1.00	1.50	
9. Charges for S. V. H. telegrams	as for an express telegram	as for an ordinary telegram	
10. Telegraph/teleprinter circuits			
a) to the press	30.00 per mile per annum	20.00 per kilometre per annum	
b) Others—for the first 25 miles	60.00 „ „	30.00 „ „	
for the next 475 miles	45.00 „ „		
beyond 500 miles	30.00 „ „		
11. Teleprinter machine and telex service			
a) Rent for teleprinter machine (T/P)	1500.00 per annum	1800.00 per annum	
b) Rental for telex service i) with teleprinter machine	1500.00 „ „	1800.00 „ „	
ii) where T/P machine is provided by the subscriber himself	200.00 „ „	280.00 „ „	
c) Call charges for telex service			
i) Local calls for every 3 minutes or part thereof	0.50 per call	0.60 per call	
ii) Long distance per call per unit period	0.50 per call	0.60 per call	
Total Revenue (A + B)			**+ 6,46**

@ On April 29, 1969, the Finance Minister announced a reduction in the postage rate of registered newspapers weighing upto 60 grams from 5 paise to 2 paise per copy and a rise in the fee for registration of postal articles from 70 paise to 75 paise to offset the loss.

APPENDIX II—COMPARATIVE INCIDENCE OF TAX ON A MARRIED INDIVIDUAL WITH MORE THAN ONE DEPENDENT CHILD

(Amount in Rupees)

Income	Tax including surcharge at the rates applicable during the financial year 1968-69	*Tax as percentage of income*	Tax including surcharge proposed in the Finance Bill, 1969	*Proposed tax as percentage of income*	Increase in tax (4—2)
1	2	3	4	5	6
5,000	11	*0.22*	11	*0.22*	—
7,500	286	*3.81*	286	*3.81*	—
10,000	561	*5.61*	561	*5.61*	—
12,500	974	*7.79*	1,029	*8.23*	55
14,000	1,221	*8.72*	1,309	*9.35*	88
15,000	1,386	*9.24*	1,496	*9.97*	110
16,000	1,606	*10.04*	1,749	*10.93*	143
18,000	2,046	*11.37*	2,255	*12.53*	209
20,000	2,486	*12.43*	2,761	*13.81*	275
25,000	4,136	*16.54*	4,411	*17.64*	275
40,000	11,836	*29.59*	12,111	*30.28*	275
70,000	30,536	*43.62*	30,811	*44.02*	275
100,000	51,986	*51.99*	52,261	*52.26*	275
200,000	128,986	*64.49*	129,261	*64.63*	275
300,000	208,736	*69.58*	209,011	*69.67*	275
500,000	373,736	*74.75*	374,011	*74.80*	275

Source : Memorandum Explaining the Provisions in the Finance Bill, 1969.

APPENDIX III—WORKING OF PUBLIC SECTOR UNDERTAKINGS OF CENTRAL GOVERNMENT

In a Memorandum circulated along with the budget papers for 1969-70, details regarding the working of Central Government public sector enterprises (industrial and commercial) during 1967-68 and the measures taken to improve the operational efficiency of the undertakings are given. According to this Memorandum, the investments of the Central Government in industrial and commercial undertakings, numbering over 80 are presently of the order of Rs. 3,500 crores. Of this, investments in 55 running concerns (including the Hindustan Steel Limited) account for Rs. 3,200 crores or a little over 90 per cent. The working results of the running concerns for 1967-68 showed a net loss of Rs. 35 crores, after providing for depreciation (which forms part of the internal resources of the public enterprises) interest on loans and taxes. Twenty-four enterprises—mainly Hindustan Steel Ltd., and four engineering enterprises. viz. Heavy Engineering Corporation, Bharat Heavy Electricals Ltd., Heavy Electricals (India) Ltd. and Mining and Allied Machinery Corporation Ltd.,—incurred a net loss of Rs. 83 crores. The remaining 31 companies showed a net profit of over Rs. 48 crores; substantial contribution to the net profit was made by a few enterprises like Indian Oil Corporation Ltd., Fertilizer Corporation of India, Oil and Natural Gas Commission, Bharat Electronics Ltd. etc. Full details of the working results for 1968-69 are not available. According to information published in the Explanatory Memorandum on Central Budget for 1969-70, the contribution of 21 companies by way of dividend/profits expected to accrue to the Central Government in 1968-69 is placed at about Rs. 9 crores, of which over one half is expected from the Indian Oil Corporation. However, during 1968-69, the Government had to make a provision of Rs. 40 crores to meet the cash losses of the public sector undertakings.

The loss in the working of public sector enterprises is attributed mainly to the under-utilisation of capacity particularly in the steel and engineering sectors as a result, among other things, of non-materialisation of certain projections of demand which were made when the projects were set up ; the recent recessionary trends in the economy accentuated the situation. It is expected that, with the recovery of the economy, the position would improve. Meanwhile, measures have been taken to bring about a better utilisation of capacity through diversification of production, promotion of exports and co-ordination with the requirements of other public enterprises. A number of measures have also been taken by the Government to bring about improvements in the managerial and operational efficiency of the enterprises. The objectives underlying these measures are (1) to enable the undertakings to work with greater autonomy through sufficient delegation of powers to the enterprises, (2) to assist the enterprises to secure suitable managerial talent, (3) to lay down guidelines for improving management technique in all its various aspects and (4) to provide an effective machinery for periodical review and appraisal of the performance of the enterprises so that defects may be remedied as speedily as possible.

APPENDIX IV—INDIVIDUAL STATE GOVERNMENTS' BUDGETARY POSITION (1969-70)

Andhra Pradesh sought a Vote on Account for a period of six months in the financial year 1969-70 pending the publication of the final report of the Fifth Finance Commission and finalisation of Central assistance for the Fourth Plan. The overall position of Andhra Pradesh shows strain for the second year in succession. The revised estimates for 1968-69 place the deficit at Rs. 50.24 crores (which forms 15.4 per cent of total disbursements of Rs. 326.19 crores) as against a surplus of Rs. 4.93 crores in 1967-68 ; the budget for 1969-70 shows an overall deficit of Rs. 60.64 crores (which forms 15.7 per cent of total disbursements of Rs. 385.90 crores). The overall budgetary position for 1969-70 excludes the anticipated additional grant of Rs. 60.64 crores from the Centre consequent to the award of the Fifth Finance Commission. The major reasons for the rather large deficits in 1968-69 and 1969-70 are : (i) the provision to meet the increased dearness allowance sanctioned to Government employees in 1968-69 and 1969-70, (ii) provision in 1969-70 for implementing the recommendations of One Man Pay Commission, (iii) larger provisions in 1968-69 and 1969-70 (Rs. 47.81 crores and Rs. 51.31 crores, respectively as against Rs. 38.47 crores in 1967-68) for grants to local bodies, (iv) provision in 1969-70 for implementing the recommendations of the Education Commission (1964-66) in regard to the improvement of salaries payable to teachers, and (v) extension of free secondary school education. The losses on account of departmental undertakings have also contributed to the deficits. Commercial irrigation including multi-purpose river valley schemes and electricity schemes account for a loss of Rs. 24.03 crores in 1969-70 budget estimates as against a loss of Rs. 18.74 crores in 1968-69, revised estimates and a loss of Rs. 19.16 crores in 1967-68. The State's resources have been augmented to the extent of Rs. 3.30 crores as a result of the addition to the Statutory grant of Rs. 13.51 crores under the recommendations of the Fifth Finance Commission in its interim report. While the State proposed additional measures estimated to yield Rs. 3.00 crores in 1968-69, no measures have been proposed in 1969-70.

The overall deficit for Assam is placed at Rs. 34.41 crores for 1969-70 (which forms 19.3 per cent of total disbursements of Rs. 178.06 crores) as against a deficit of Rs. 7.50 crores in 1968-69, revised estimates (which forms 5.1 per cent of total disbursements of Rs. 146.64 crores). The deficit for 1968-69 is understated to the extent of Rs. 13 crores because the State has not provided for repayment of a loan which was due to the Centre. The budgetary position in 1968-69 is aided by the *ad hoc* loans amounting to Rs. 11.75 crores received from Centre. The estimates for 1969-70 include the addition to the Statutory grants (Rs. 3.38 crores) recommended by the Fifth Finance Commission in its interim report. The deterioration in the financial position of the State is due to several factors including the rising expenditure mainly on police and education and large provision for repayment of loans to Centre. For instance, as against loans from Centre amounting to Rs. 44.26 crores in 1969-70, the State would have to repay to the Centre Rs. 51.63 crores. The State proposes to start a lottery scheme in 1969-70 ; however, no estimate of the yield is available. No other additional measures are proposed to meet the gap.

Bihar has presented a budget with an overall deficit of Rs. 30.73 crores for 1969-70 (which forms 9.8 per cent of total disbursements of Rs. 312.03 crores) as against an overall deficit of Rs. 18.44 crores in 1968-69, revised estimates (which forms 6.9 per cent of total disbursements of Rs. 267.78 crores). The budgetary position for 1969-70 reflects in the main, the additional commitment on account of the dearness allowance, implementation of the recommendation of the Education Commission (in regard to the improvement of salaries payable to teachers and improvement and expansion of primary education), the maintenance expenditure on account of the annual plans and the rise in interest liabilities on loans obtained from Centre. There is a small budgetary support in 1969-70 as under the interim report of the Fifth Finance Commission the State is given Rs. 3.42 crores of Statutory grants. (The State was not eligible for any Statutory grants earlier). The State has not proposed any additional measures ; a Finance Committee has been appointed to suggest measures for mobilising additional resources.

Gujarat anticipates an overall deficit of Rs. 30.25 crores in 1969-70 (which forms 11.9 per cent of total disbursements of Rs. 254.64 crores) as against a deficit of Rs. 10.88 crores in 1968-69, revised estimates (which forms 4.8 per cent of total disbursements of Rs. 228.32 crores). The deficits are due in the main to large provision for payment of interest on loans obtained from Centre (Rs. 12.01 crores in 1969-70 and Rs. 10.01 crores in 1968-69, revised estimates, as against Rs. 9.29 crores in 1967-68) and the impact of the revision of the pay scales consequent to the recommendations of the State Pay Commission (which is estimated to cost Rs. 7.5 crores in 1969-70). The State has not proposed any additional measures to bridge the gap.

Haryana has a small overall deficit of Rs. 1.25 crores in 1969-70 (which forms 1.1 per cent of total disbursements of Rs. 111.73 crores) as against a surplus of Rs. 1.20 crores in 1968-69, revised estimates. The financial position in 1969-70 has been adversely affected by the full-year impact of the increases in dearness allowance granted in 1968 and the revision of pay scales of Government employees which would cost about Rs. 2 crores in 1969-70. There is an additional burden of Rs. 4 crores in respect of the plan schemes of 1968-69 which has become committed expenditure in 1969-70. Another reason for the set back in the financial position is that Government funds are tied up in State trading operations. The State proposes to obtain bank credit against hypothecation of stocks in 1969-70 to strengthen its ways and means position. The State has not proposed any additional measures to meet the gap in resources.

Jammu and Kashmir anticipates an overall deficit of Rs. 9.20 crores in 1969-70 (which forms 11.1 per cent of total disbursements of Rs. 82.76 crores) as against a balanced budget in 1968-69, revised estimates. The budgetary position of the State in 1969-70 has been affected by the large provision of Rs. 7.20 crores towards interest on loans obtained from Centre (as against Rs. 0.50 crore in 1968-69, revised estimates). Provision for food subsidy in 1969-70 amounts to Rs. 7.20 crores as against Rs. 9.77 crores in 1968-69, revised estimates. On the other hand the State's financial position has been strengthened to some extent by the additional Statutory grant (Rs. 5.45 crores) recommended by the Fifth Finance Commission in its interim report. The State proposes to raise Rs. 1 crore through additional measures in 1969-70. The details of additional measures are not available. It is, how-

ever, mentioned that the State would start a lottery scheme in the current year which is estimated to yield Rs. 0.10 crore in 1969-70. The deficit is expected to be financed to the extent of Rs. 2.17 crores by withdrawal from cash balance ; the State has left an uncovered gap in resources amounting to Rs. 6.03 crores.

Kerala has presented a budget with an overall deficit of Rs. 20.03 crores for 1969-70 (which forms 10.1 per cent of total disbursements of Rs. 198.20 crores) as against a deficit of Rs. 7.72 crores in 1968-69 (which forms 4.1 per cent of total disbursements of Rs. 186.90 crores). The food subsidy provision amounts to Rs. 3.11 crores in 1968-69, revised estimates and Rs. 3.01 crores in 1969-70, budget estimates. Increases in dearness allowance are estimated to cost an additional Rs. 2.5 crores in 1969-70. The increase in expenditure on education was about Rs. 7 crores in 1968-69 over the expenditure of Rs. 41 crores in 1967-68. In 1969-70, a further increase of about Rs. 4 crores under this head is expected. The increase is mainly to provide for the back log of necessary facilities. A loss in revenue of Rs. 1.3 crores is also expected as a result of abolition of school fees at secondary stage. The budget for 1969-70 does not make provision for the additional commitment that may arise on the proposed revision of pay scales of State Government employees on the basis of the recommendation of the State Pay Commission.

The State has proposed additional measures estimated to yield Rs. 2.25 crores in 1969-70. The upward revision of rates of single point tax on commodities are estimated to yield Rs. 0.50 crore per annum. The proposed increase in rates would raise the yield from general sales tax in Kerala from Rs. 22.77 crores in 1969-70, budget estimates to Rs. 23.27 crores. The rationalisation of the collection of tax on passengers and goods and the rationalisation of the rates of stamp duties (non-judicial) are expected to result in an additional Rs. 0.50 crore and Rs. 0.40 crore, respectively ; as a result the yields from the tax on passengers and goods and stamp duties would correspondingly go up from Rs. 1.40 crores in 1969-70 budget estimates to Rs. 1.90 crores and from Rs. 5.46 crores to Rs. 5.86 crores. The rates of registration fee for motor vehicles are proposed to be raised taking the yield up by Rs. 0.15 crore from Rs. 5.73 crores in 1969-70 budget estimates to Rs. 5.88 crores. The State also proposes to levy an education cess of 2.5 per cent of the annual rental value of properties and buildings which is estimated to yield annually Rs. 0.50 crore. Besides the State proposes to prescribe a fee of Re. 1 for admission of pupils in all schools, and to all standards except in Standard 1 to IV which is estimated to yield Rs. 0.20 crore.

Madhya Pradesh anticipates an overall deficit of Rs. 23.12 crores in 1969-70 (which forms 7.5 per cent of total disbursements of Rs. 306.76 crores) as against a surplus of Rs. 1.87 crores in 1968-69, revised estimates. The budgetary position in 1968-69 has been aided by the *ad hoc* loan of Rs. 3.33 crores received from Centre. The deterioration in 1969-70 is due to the full year provision of additional dearness allowance of Rs. 12 crores (since half of it is credited to the provident fund, additional liability would only be Rs. 6 crores) maintenance of plan schemes completed in earlier years and larger provision of Rs. 49.54 crores in 1969-70 for repayment of loans obtained from Centre (as against Rs. 36.24 crores in 1968-69, revised estimates). On the other hand the State has received an additional Rs. 6.66 crores under Statutory grants recommended by the Fifth Finance Commission. The budget, however, does not provide for the increase in dearness allowance sanctioned with effect from 1-3-1969 and merger of part of dearness allowance as pay which together are estimated to cost Rs. 4.65 crores in 1969-70. The State has proposed additional measures estimated to yield Rs. 5.35 crores to cover the overall gap.

The State proposes to raise the rate of sales tax on food grains from 2 to 4 per cent which is estimated to yield Rs. 1.20 crores in 1969-70 and Rs. 1.60 crores in a full year : as a result the yield from general sales tax would go up from Rs. 22.74 crores in the budget for 1969-70 to Rs. 23.94 crores. The tax on land growing commercial crops (which now includes only 5 crops) is proposed to be extended to include 8 more crops ; and the tax of Rs. 2 per acre is also proposed to be raised to Rs. 4 per acre. The measure is expected to yield Rs. 1.20 crores per annum. The State which has only non-commercial irrigation works proposes to raise existing rates of irrigation of Rs. 7.50 to Rs. 10 per acre for irrigation of wheat and rice and Rs. 20 per acre for irrigation of sugar cane. While no details of new rates or increases proposed are given, the yield from the revision is estimated to be Rs. 1.20 crores. As a result of the upward revision of irrigation rates the receipts from non-commercial irrigation works which are estimated to be Rs. 2.20 crores in 1969-70 would go up to Rs. 3.40 crores. Rates charged for water supply for domestic, industrial and other purposes are also proposed to be raised which are estimated to yield Rs. 0.50 crore. The existing rates of fees under motor vehicles tax are to be raised ; the revision would raise the yield from motor vehicles tax from Rs. 3.44 crores in 1969-70 to Rs. 3.54 crores. Other measures proposed include State trading in minor forest produce estimated to yield Rs. 0.55 crore and institution of State lottery estimated to yield Rs. 0.60 crore.

Maharashtra initially sought a Vote on Account for the first four months of 1969-70 because the Fourth Plan of the State was not finalised. The budget provisions therefore included only standing charges and provision for continuing schemes. The budget presented subsequently envisages an overall deficit of Rs. 2.14 crores for 1969-70 (which forms Rs. 0.4 per cent of total disbursements of Rs. 541.32 crores) as against an overall deficit of Rs. 13.41 crores in 1968-69, revised estimates (which forms 2.5 per cent of total disbursements of Rs. 544.13 crores). The overall deficit of Rs. 2.14 crores in 1969-70 excludes the share of the State (Rs. 3.03 crores) in the additional taxation proposed by the Centre which was included in the Additional Budget Estimates presented in June 1969. The overall position for 1969-70 is affected by the sharp increases under several items of expenditure. The expenditure on education increased from Rs. 14.53 crores in 1967-68 to Rs. 32.59 crores in 1968-69, revised estimates and further to Rs. 39.44 crores in 1969-70, budget estimates on account of payment of grants to secondary schools under the revised grants-in-aid formula and the payment of advance dearness allowance grants to colleges. The revision of pay scales of Government employees in 1969-70 is estimated to cost an additional Rs. 14.39 crores. State trading pertaining to civil supplies and fertiliser distribution resulted in an outlay of Rs. 31.2 crores in 1968-69, revised estimates ; this has since been financed by cash credit accommodation from the State Bank of India. In 1969-70 budgetary resources to the tune of Rs. 9.57 crores are tied-up in schemes for civil supplies, purchase and distribution of fertilisers ; and the State proposes to obtain fresh cash credit accommodation for it. The State has proposed additional measures estimated to yield Rs. 1.09 crores in 1969-70 (Rs. 2.18 crores in a full year). The upward revision of rates of sales tax is estimated to yield Rs. 0.60 crore in 1969-70 (Rs. 1.20 crores during

a full year). The proposed increase in rates would raise the yield from general sales tax in Maharashtra from Rs. 78.01 crores in 1969-70, budget estimates to Rs. 78.61 crores. The increase in rate of tax on passengers and goods is estimated to bring in Rs. 0.49 crore during 1969-70 (Rs. 0.98 crore in a full year) raising the yield under this head from Rs. 12.30 crores in 1969-70 budget estimates to Rs. 12.79 crores.

Mysore anticipates an overall deficit of Rs. 31.60 crores in 1969-70 (which forms 10.2 per cent of total disbursements of Rs. 309.69 crores) as against a deficit of Rs. 0.19 crore in 1968-69, revised estimates (which forms 0.1 per cent of total disbursements of Rs. 293.37 crores). The budgetary position in 1968-69 has been aided by an *ad hoc* loan of Rs. 14 crores received from the Centre. The substantial deterioration in 1969-70 is due chiefly to increase of Rs. one crore on account of the revised grants-in-aid code to educational institutions, large provision for repayment of Central loans (Rs. 42.62 crores in 1969-70 as against Rs. 34.01 crores in 1968-69, revised estimates) and the additional maintenance expenditure of Rs. 9 crores on account of the three annual plans. The budget for 1969-70 does not include the additional cost of increase in dearness allowance sanctioned with effect from 1-4-1969 which is estimated to cost Rs. 4.5 crores in 1969-70. The State has not proposed any additional measures to cover the deficit ; a Taxation Enquiry and Resources Committee is currently examining measures to raise resources in the State. A part of the gap in resources of Rs. 31.60 crores in 1969-70 would be met from withdrawal of cash balance (Rs. 1.66 crores).

Orissa has presented a budget with an overall deficit of Rs. 25.93 crores (which forms 15.7 per cent of total disbursements of Rs. 165.17 crores) as against a deficit of Rs. 0.28 crore in 1968-69, revised estimates (which forms 0.2 per cent of total disbursements of Rs. 181.32 crores). The overall position in 1968-69 has been aided by an *ad hoc* loan of Rs. 12 crores which the State expected to receive from the Central Government. The deterioration in the financial position of the State in 1969-70 is due mainly to full year impact of the enhancement of dearness allowance rates in 1968-69, the increase in interest on loans obtained from Centre (which increased from Rs. 13.07 crores in 1967-68 to Rs. 15.30 crores in 1968-69, revised estimates and Rs. 16.44 crores in 1969-70, budget estimates). The budget deficit for 1969-70 is understated somewhat as there is no provision for reduction or avoidance of debt (the appropriation for 1968-69 was Rs. 6.17 crores). Apart from the reasons mentioned above the estimates for the current year show deterioration also because there is expected to be a net outflow on account of Central loans. The State would have to repay the Centre Rs. 27.54 crores in 1969-70 (as against Rs. 32.54 crores in 1968-69, revised estimates) ; loans received from Centre are estimated to be Rs. 26.43 crores in 1969-70 as against Rs. 57.03 crores in 1968-69, revised estimates which include an *ad hoc* loan of Rs. 12 crores. The overall deficit of Rs. 25.93 crores in 1969-70, is proposed to be met to the extent of Rs. 2.75 crores through additional taxation and Rs. 0.25 crore through reduction of cash balance.

The State proposes to rationalise the system of assessment of agricultural income tax which is estimated to result in a revenue of Rs. 0.10 crore and raise the yield to Rs. 0.17 crore. The increase in the rate of cess, increase in cess revenue due to settlement operations and *salami* for leasing Government lands are estimated to contribute an additional revenue of Rs. 0.77 crore ; as a result the receipts under land revenue are estimated to go up to Rs. 1.33 crores in 1969-70, budget estimates. The State excise policy is proposed to be reoriented with a view to mobilize additional resources ; as a result the revenue from State excise is estimated to go up by Rs. 0.70 crore to Rs. 4.26 crores in 1969-70, budget estimates. The State proposes to levy a tax on passengers carried by road which is estimated to yield Rs. 0.26 crore per annum. Other measures proposed are (the yield is given in brackets) : rationalisation of rates of stamp duties (Rs. 0.08 crore) ; revision of rates of sales tax and sales tax on motor spirit (Rs. 0.12 crore) ; revision of rates of motor vehicles tax (Rs. 0.10 crore) ; levy of toll on lower reach of the express way (Rs. 0.20 crore); additional income from forests (Rs. 0.12 crore) ; and additional income from royalty on minerals (Rs. 0.30 crore).

The State has instituted an enquiry regarding additional resource mobilisation. A sub-committee of Planning Advisory Committee consisting of M.P.s and M.L.A.s of Orissa has been asked to examine the matter.

Punjab has presented a budget with an overall deficit of Rs. 10.29 crores (which forms 6.0 per cent of total disbursements of Rs. 171.58 crores) as against an overall surplus of Rs. 3.21 crores in 1968-69, revised estimates. The deterioration is mainly on account of full year impact of increase in dearness allowance and the revision of pay scales of State Government employees on the basis of the recommendations of the State Pay Commission which is estimated to cost an additional Rs. 6.5 crores and the committed expenditure on account of the annual plans. A part of the overall deficit is proposed to be financed by withdrawing Rs. 0.84 crore from the cash balance investment account. The State has not proposed any additional measures since a Taxation Enquiry and Resources Committee is currently examining the tax structure of the State.

Rajasthan anticipates an overall deficit of Rs. 21.72 crores (which forms 9.3 per cent of total disbursements of Rs. 233.49 crores) as against a deficit of Rs. 0.13 crore in 1968-69, revised estimates. The budgetary position in 1968-69 was considerably aided by an *ad hoc* loan of Rs. 36 crores from Centre. The upward revision of dearness allowance and pay and increased grants-in-aid to local bodies to cover payment of arrears of pay fixation of teachers in revised scales and dearness allowance at revised rates have added to the financial burden. The additional obligation on account of increase in dearness allowance and pay revision is expected to cost Rs. 5 crores in 1969-70. Interest charges on loans obtained from the Centre have gone up by Rs. 2.57 crores in 1968-69 from Rs. 15.57 crores in 1967-68 to Rs. 18.14 crores in 1968-69 ; the same are expected to increase by Rs. 3.38 crores to 21.52 crores in 1969-70. On the other hand, the budgetary support through additional Statutory grant of Rs. 2.94 crores (making the total Rs. 9.67 crores) in 1969-70 has been offset by the fall in land revenue receipts for the second year in succession (Rs. 7.58 crores in 1969-70, Rs. 5.95 crores in 1968-69, revised estimates as against Rs. 9.72 crores in 1967-68) due to drought and fall in State excise duties by Rs. 1.80 crores (from Rs. 9.00 crores in 1968-69, revised estimates to Rs. 7.20 crores) due to the decision to close the liquor shops for two days in a week in 1969-70 in pursuance of the prohibition policy of the State. The State expects to cover only a part of the overall deficit of Rs. 21.72 crores for 1969-70 through additional measures estimated to yield Rs. 3.55 crores and withdrawal of Rs. 0.38 crore from cash balance.

The State proposes to raise the rates of surcharge on land revenue on a progressive basis. The rate of

surcharge would increase with the amount of land revenue payable. The proposed rates are : where the amount of land revenue payable is less than Rs. 50 no surcharge would be payable ; where the amount of land revenue payable is between Rs. 50-100 the surcharge would be 50 per cent of land revenue ; where the amount of land revenue is between Rs. 100-150 the surcharge would be 75 per cent ; and where the amount of land revenue is Rs. 150 or more the surcharge would be 100 per cent ; in the case of holdings above 30 standard acres rate of surcharge would be 150 per cent. The revision of the rates of surcharge is expected to bring in an additional Rs. 0.50 crore and raise the yield from land revenue to Rs. 8.08 crores in 1969-70. The State also proposes to levy a cess for its own retention on land on which commercial crops are grown. About 13 commodities are enumerated ; and land on which they are grown would be subject to cess. The rates of cess are six rupees per acre on irrigated land and Rs. two per acre on unirrigated land ; the cess is estimated to yield Rs. 0.75 crore per annum. The rate of sales tax on beer is to be raised from 12 to 15 per cent and the rate on foreign and Indian made foreign liquor from 15 to 25 per cent ; country liquor and *bhang* which are exempt from tax are to be subjected to tax at rates of 10 and 7 per cent, respectively. These measures are estimated to yield Rs. 0.80 crore. Other changes are also proposed in regard to sales tax ; sales tax at the rate of 2 per cent is proposed on sweets sold by *Halwais* whose turnover exceeds Rs. 30,000 ; a sales tax of 10 per cent is to be levied on pure silk fabrics ; explosives used in mining are to be subjected to 10 per cent sales tax, the rate applicable to other explosives, instead of the present 3 per cent tax which has led to evasion : the rate of tax on imitation jewellery is to be raised from 5 to 7 per cent ; *khandsari* sugar which was not subject to tax is to be subjected to tax at the rate of 7 per cent ; leather cloth, rubberised or synthetic water proof fabrics which are at present exempt are to be taxed at 7 per cent and the residuary rate on commodities which are not specifically enumerated in the sales tax schedule is to be raised to 7 per cent instead of 6 per cent. The changes in sales tax are estimated to yield Rs. 0.75 crore. Finally, the State proposes to improve the disposal of assessments and appeals and to strengthen the anti-evasion machinery which is expected to bring in a further revenue of Rs. 0.75 crore.

Apart from the additional measures, the State proposes to give up the concessional system of recovery of betterment levy in instalments (since the irrigation potential was not fully developed in Bhakra Project Area, betterment levy at Rs. 11 per acre was being realised annually on the matured area in the Bhakra Project area) and collect the instalment according to the provisions of the original Act. Special efforts are also to be made to realise the arrears of betterment levy in the Chambal Project area. The procedure for assessment and collection of the levy in all project areas is to be streamlined and tightened. These measures are expected to bring in an additional Rs. 0.50 crore in 1969-70.

Tamil Nadu has presented a budget with an overall deficit of Rs. 25.12 crores for 1969-70 (which forms 6.2 per cent of total disbursements of Rs. 402.30 crores) as against an overall deficit of Rs. 7.45 crores in 1968-69, revised estimates (which forms 1.8 per cent of total disbursements of Rs. 403.76 crores). The overall position in 1968-69 has been aided by the special grant of Rs. 18.15 crores for the amortization of the open market loans of the State Government. The increased deficit in 1969-70 is due mainly to increases granted in dearness allowance ; increase in interest charges on borrowing (from Rs. 22.84 crores in 1967-68 to Rs. 26.41 crores in 1968-69, revised estimates and to Rs. 29.56 crores in 1969-70, budget estimates) and the expenditure on food subsidy (Rs. 8.22 crores in 1968-69, revised estimates and Rs. 8.79 crores in 1969-70). The net loans from Centre in 1969-70 i.e. gross loans minus repayment is expected to be Rs. 8.72 crores in 1969-70 as against Rs. 1.03 crores in 1968-69, revised estimates. In providing for the repayment, the State has assumed that the Centre would agree to re-scheduling of the repayment of a maturing loan of Rs. 13.5 crores over a period of five years and has accordingly provided for only Rs. 2.7 crores towards repayment.

The State expects to meet a portion of the overall deficit in 1969-70 through additional measures (Rs. 5.60 crores) the details for which are not available and withdrawal from cash balance (Rs. 0.55 crore).

Uttar Pradesh has presented a budget with an overall deficit of Rs. 36.57 crores (which forms 6.6 per cent of total disbursements of Rs. 558.06 crores) as against a deficit of Rs. 14.37 crores in 1968-69, revised estimates (which forms 2.7 per cent of total disbursements of Rs. 528.32 crores). The deficit in 1968-69, revised estimates is attributable in part to increase in capital expenditure on irrigation works, disbursements of more loans to cultivators for purchase of seeds, fertilisers and minor irrigation works and the extra loan to the State Electricity Board for energising 5,000 additional pumping sets and tube wells under drought programme. The budget for 1969-70 seeks a Vote on Account for five months ; hence, it provides only for meeting expenditure on existing services and current schemes including plan schemes. The deficit in 1969-70 is partly due to additional dearness allowance granted to Government employees, increase in emoluments of staff in primary schools, junior high schools and aided secondary schools (the estimated cost was Rs. 6 crores in 1968-69 and is expected to be Rs. 8 crores in 1969-70). The overall deficit in 1969-70 is also due to the committed expenditure on annual plans and large provisions for interest payments. Interest payments have gone up from Rs. 32.99 crores in 1967-68, to Rs. 38.84 crores in 1968-69, revised estimates and are further expected to rise to Rs. 41.96 crores in 1969-70. Under most of the expenditure heads—developmental as well as non-developmental—increased provisions over 1968-69, revised estimates have been made in 1969-70. The budget provisions for 1969-70 do not include outlays on new plan schemes included in the programme for the first year of the Fourth Five Year Plan. The overall deficit is, therefore, somewhat understated.

The State met its overall deficit of Rs. 14.37 crores in 1968-69 out of its opening cash balance of Rs. 15.32 crores, leaving a cash balance of Rs. 0.95 crore. In 1969-70, withdrawal from cash balance would be Rs. 0.95 crore to meet the overall deficit ; the remaining gap in resources of Rs. 35.62 crores is left uncovered. The State had appointed a Taxation Enquiry Committee to examine the possibilities of raising resources for the plan. The Committee has submitted its report and the recommendations are under study by the Government.

West Bengal sought a Vote on Account for four months pending the presentation of demand for grants for a whole year at a subsequent stage. The State anticipates an overall deficit of Rs. 12.73 crores in its budget for 1969-70 (which forms 3.9 per cent of total disbursements of Rs. 322.62 crores) as against a deficit of Rs. 28.42 crores in 1968-69, revised estimates (which forms 8.2 per cent of total disbursements of Rs. 347.95 crores). The budgetary position in 1969-70 received support through the Statutory grant of Rs. 7.24 crores

recommended by the Fifth Finance Commission. (The State did not receive any grant under the recommendations of the Third and Fourth Finance Commissions). The continuing deficits are mainly on account of increases in dearness allowance and grants to local bodies for meeting a part of increase in dearness allowance sanctioned, payment of arrear interest charges to the Centre (during 1968-69) and lower net loans Rs. 17.07 crores from Centre in 1969-70 as against Rs. 30.85 crores in 1968-69, revised estimates and Rs. 29.55 crores in 1967-68.

The State has not proposed any additional measures in 1969-70 to meet the overall deficit of Rs. 12.73 crores.

APPENDIX TABLE I

STATE GOVERNMENTS' BUDGET PROPOSALS, 1969-70

	Estimated Yield during 1969-70 (Rs. lakhs)
1. Jammu & Kashmir	
(*i*) *Lotteries*	
The income from State managed lotteries	10.00
(*ii*) *Others*	90.00*
	100.00
2. Kerala	
(*i*) *Sales Tax*	
Increase in rates (single point) on	
(a) Upholstered furniture and stainless steel products from 5% to 7%	
(b) Cashewnut with or without shell from 4% to 5%	
(c) Chemical fertilisers including bone meal from 2% to 3% ..	
(d) Folding umbrellas and soaps from 5% to 6%	50.00
(e) Rubber from 2% to 3%	
(f) Cotton yarn other than handspun yarn from 1% to 2%	
(g) Coconut and copra from 2% to 3%. (A rebate of 1% will be allowed to local millers in the purchase tax payable on coconut and copra)	
(*ii*) *Stamp Duties*	
Rationalisation of (non-judicial) stamp duties	40.00
(*iii*) *Motor Vehicles Taxation*	
Revision of registration fee for vehicles and re-fixation of seating capacity of stage carriages for purposes of levy of the tax ..	15.00
(*iv*) *Tax on Passengers and Goods*	
Rationalisation of the tax on passengers and goods	50.00
(*v*) *Others*	
Levy of an education cess at the rate of 2.5% of the annual rental value of properties and buildings. Besides a fee of Re. 1 will be prescribed for admission of pupils without any exemption in each standard excluding lower primary standards (i.e. I to IV)	70.00
	225.00
3. Madhya Pradesh	
(*i*) *Sales Tax*	
Increase in the rate of sales tax on foodgrains and pulses from 2% to 4%	120.00@
(*ii*) *Cess on Commercial Crops*	
(a) Increase in the rate of tax on land growing commercial crops (cotton, groundnut, opium, sugarcane and tobacco) from Rs. 2 to Rs. 4 per acre	120.00
(b) Extension of this tax to lands growing crops like linseed, potato, sunhemp, mustard, etc. at the rate of Rs. 4 per acre	
(*iii*) *Irrigation Rates*	
Enhancement of irrigation rates	120.00
(*vi*) *Motor Vehicles Tax*	
Revision of fees under motor vehicles tax	10.00
(*v*) *Others*	
(a) State trading in minor forest produce	55.00
(b) The income from State managed lotteries	60.00
(c) Increase in metered and unmetered water rates for supply of water from Government water works for domestic, non-domestic and industrial consumption and public taps in cities.	50.00
	535.00
4. Maharashtra	
(*i*) *Sales Tax*	
Revision of rate of sales tax : *from 11 to 12 per cent on*	
(a) Motor vehicles including motor cars, motor taxi-cabs, motor cycles, motor cycle combinations, motor scooters, motorettes, motor omnibuses, motor vans and motor lorries and chasis of motor vehicles but excluding tractors, whether on wheels or tracts	
(b) Components and spare parts of motor vehicles specified in the above entry and other articles (including rubber and other tyres and tubes and batteries) used as parts and accessories of such vehicles,	
(c) Clocks, time pieces and watches and parts thereof *from 10 to 12 per cent on*	
(d) Photographic and other cameras and enlargers, lenses, paper, films and plates required for use therewith and spare parts and accessories thereof,	
(e) Arms including rifles, revolvers, pistols and ammunition therefor and spare parts thereof,	

* Details not available.

@ Estimated yield during a full year is Rs. 160 lakhs.

		Estimated Yield during 1969-70 (Rs. lakhs)
(f)	Binoculars, telescopes, opera glasses and spare parts thereof,	
(g)	Cigarette cases and lighters,	
(h)	Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses and films (other than the films declared tax-free under entry 18-A in schedule A to the Bombay Sales Tax Act, 1959) required for use therewith and spare parts and accessories thereof,	45.00(b)
(i)	Dictaphone and other similar apparatus for recording sound and spare parts and accessories thereof,	
(j)	Gramophones of every description (other than those specified in entry 62 or 65 of schedule C to the Bombay Sales Tax Act, 1959) and component parts thereof and gramophone records (not being linguaphone language records, that is to say gramophone records for teaching languages),	
(k)	Sound transmitting equipment including telephones, loudspeakers, and electrically operated gramophone record changers and spare parts of such equipment (but excluding sound amplifying apparatus carried on the person and adopted for use as a hearing aid),	
(l)	Tabulating, calculating, cash registering, indexing, card punching, franking and addressing machines and spare parts of such machines,	
(m)	Typewriting and duplicating machines and teleprinters and tape recorders including tape for use in connection therewith and spare parts thereof,	
(n)	Increase in the rate of sales tax on aviation spirit from 5 paise to 7 paise per litre.	15.00(b)
(*ii*)	*Tax on Passengers and Goods* Increase in rate of tax on passengers carried by road in stage carriages which are not exclusively plying within municipal limits from 20 to 22 per cent	49.00(b)
		109.00(b)
5.	**Orissa**	
(*i*)	*Sales Tax* Revision of rates of sales tax and sales tax on motor spirit ..	12.00
(*ii*)	*Motor Vehicles Tax* Revision of rates of motor vehicles tax	10.00

(b) Estimated yield during a full year will be twice the amount mentioned.

		Estimated Yield during 1969-70 (Rs. lakhs)
(*iii*)	*Land Revenue* Enhancement in the rate of cess on land revenue, *'Salami'* for leasing Government lands and increase in cess revenue due to settlement operations	77.00
(*iv*)	*Stamps and Registration* Rationalisation of rates of stamp duties	8.00
(*v*)	*Tax on Passengers and Goods* Imposition of tax on passenger fares	26.00
(*vi*)	*State Excise Duties* Reorientation of the excise policy	70.00
(*vii*)	*Agricultural Income Tax* Rationalisation of the system of assessment of agricultural income	10.00
(*viii*)	*Others*	
(a)	Additional income from forests	12.00
(b)	Additional income from royalty on minerals	30.00
(c)	Levy of toll on lower reach of Express-way	20.00
		275.00
6.	**Rajasthan**	
(*i*)	*Land Revenue* The rates of surcharge on land revenue are to be raised on a progressive basis. The rates of surcharge would increase with the amount of land revenue payable. The proposed rates are : where the amount of land revenue payable is less than Rs. 50 no surcharge would be payable, where the amount of land revenue payable is between Rs. 50-100 the surcharge would be 50 per cent of land revenue ; where the amount of land revenue is between Rs. 100—150 the surcharge would be 75 per cent ; and where the amount of land revenue is Rs. 150 or more the surcharge would be 100 per cent ; in the case of holdings above 30 standard acres rate of surcharge would be 150 per cent	50.00
(*ii*)	*Sales Tax*	
(a)	Enhancement in the rate of sales tax on beer from 12 per cent to 15 per cent and on foreign and Indian made foreign liquor from 15% to 25%, country liquor and *bhang* which are exempt from tax at present are to be taxed at 10 per cent and 7 per cent, respectively.	80.00

		Estimated Yield during 1969-70 (Rs. lakhs)
(b)	Sales tax at the rate of 2 per cent on sweets sold by *Halwais* whose turnover exceeds Rs. 30,000 ;	
(c)	Levy of sales tax at the rate of 10% on pure silk fabrics ;	
(d)	Increase in the rate of sales tax on explosives used in mining from concessional rate of 3% to 10% ;	
(e)	Levy of sales tax at the rate of 10% on palm oil, refined coconut oil, pure silk and pure silk goods, furs, leather goods except footwear, articles of foam rubber, glazed tiles, laminated sheets, perambulators and picnic sets ;	
(f)	Increase in the rate of tax on imitation jewellery from 5% to 7% ;	35.00
(g)	Levy of sales tax on certain categories of *khandsari* sugar at the rate of 7% ;	
(h)	Leather cloth, rubberised or synthetic water proof fabrics and book binding cotton fabrics which are at present exempt are to be taxed at 7% ; and	
(i)	Repeal of sales tax on motor spirit and bringing motor spirit under the purview of general sales tax and converting specific rates into *ad valorem* rates,	
(j)	Increase in the rates of sales tax on commodities not specifically prescribed in the sales tax schedule from 6% to 7%	40.00
(*iii*)	*Cess on Commercial Crops* Levy of a cess on land growing commercial crops (13 crops are enumerated for the purpose) at the rate of Rs. 6/- per acre on irrigated land and Rs. 2/- per acre on unirrigated land	75.00
(*iv*)	*Others* Initiation of steps to improve the disposal of assessments and appeals and to strengthen the anti-evasion machinery	75.00
		355.00
7.	**Tamil Nadu**	**560.00***
	TOTAL :	**2159.00(c)**

* Details not available.

(c) Estimated yield during a full year will be Rs. 23.08 crores.

APPENDIX V—LOTTERY SCHEMES OF THE STATE GOVERNMENTS

Features of the Lottery Schemes floated by States

The Governments of Haryana, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal have floated the lottery schemes and have taken credit for the receipts from such floatation in their respective budgets. The States of Assam, Jammu & Kashmir and Madhya Pradesh intend to float their own lottery schemes during the course of the current financial year. The object of the schemes is to raise resources. Some States notably Uttar Pradesh earmark the funds realised in a district in the State for spending therein for developmental purposes.

The lottery schemes are floated under the authority of the Finance Departments of the State Governments and the rules and regulations pertaining to the schemes are in the form of a notification. No legislative approval is obtained.

The scheme is divided into different draws (usually the period is two months) and for each draw several series of tickets are issued. The tickets in each series may number one lakh or ten lakhs. The value of a ticket for the lottery, is Re. 1/- (Haryana, Kerala, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh, or Rs. 2 (Rajasthan and West Bengal). The tickets are bound in the form of a single book containing 20 or 100 tickets. Maharashtra and Tamil Nadu have been selling them loose. Other States issue books with counterfoils. The ticket books are printed in alphabetical order according to the estimated requirements for each lottery.

Tickets are distributed through authorised agents who are allowed 12½ to 25 per cent discount on the face value of the tickets. Tickets issued to the agents are considered sold and are not returnable. The State Governments also sell the tickets directly to the public.

The number and amount of prizes for each draw are separately determined and announced. Generally, each series of about 10 lakh tickets or several series of one lakh tickets of each draw has a first, second, third and other prizes. The prize amount constitutes 20 to 35 per cent of the total value of tickets sold for each draw. The first prize is generally about a little over one lakh of rupees. Maharashtra and Punjab offer a first prize of more than two lakhs of rupees for each series on a one rupee ticket. The States of Rajasthan and West Bengal offer similar prizes but on tickets which are priced at Rupees two. Uttar Pradesh offers a first prize of Rs. 5 lakhs on a one rupee ticket for the draw. Each ticket is entitled to only one prize, the highest that is drawn against it. The prize amount, generally should be claimed within 30 days and in case of dispute the legal jurisdiction is the State which issues the tickets.

The date of draw is indicated on the ticket and the draw is held in public on that day under the supervision of a Committee. The procedure for the draw is generally to draw discs from drums (the number of drums would vary with the number of letters and digits in the tickets). The systems in vogue for the conduct of draw more or less follow the prize bond draws conducted by the Government of India.

Details about receipts from State lotteries and expenditure on conducting them are available in the case of seven States. Uttar Pradesh budget does not give any details. Total receipts from State lotteries are estimated to be Rs. 21.52 crores in 1969-70, as against Rs. 9.92 crores in 1968-69, revised estimates and Rs. 0.20 crore in 1967-68 (when only Kerala had the scheme). The expenditure including the prize amounts is estimated to be Rs. 8.75 crores in 1969-70, Rs. 3.16 crores in 1968-69, revised estimates and Rs. 0.05 crore in 1967-68. The net realisation from lottery schemes amounts to Rs. 0.15 crore in 1967-68, Rs. 6.76 crores in 1968-69, revised estimates and Rs. 12.77 crores in 1969-70, budget estimates.

APPENDIX VI—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, 1968-69

A. Changes in Control

Item (1)	Month of announcement (2)	Details (3)
Cotton textiles	June 1968	Control was lifted on exports of cotton textiles other than mill-made varieties during the licensing periods 1967-68/1968 to Austria, West Germany, France, Italy, Belgium, Netherlands and Luxemburg.
,,	September 1968	The schemes for licensing of mill-made cotton textiles including cotton yarn for export to Austria, and mill-made cotton textiles excluding cotton yarn to France, Italy, Belgium, Netherlands and Luxemburg during the licensing periods 1968-69/1969 were announced, while the scheme for licensing of cotton textiles for export to West Germany was extended for a further period of three months to December 1968.
	,,	The scheme for licensing of restricted varieties of cotton textiles for export to the U.S.A. during the licensing year October 1, 1968 to September 30, 1969 was announced. For the purpose of licensing, the shipment period was divided into two half yearly periods, i.e., October 1, 1968 to March 31, 1969 and April 1, 1969 to September 30, 1969. Licences under the scheme would be issued on the basis of the quota certificates issued by the Cotton Textiles Export Promotion Council. Reserved quotas to established exporters under each category would be allotted on the basis of specified percentage of the total quantity shipped by each exporter under the corresponding category from April 1, 1967 to March 31, 1968 against quota issued for shipment within that period. Fifty per cent of these quotas would be allotted in the first instance for shipment upto March 31, 1969. Balance quotas for the year would be allotted later in accordance with the decision of the U.S.A. Textile Licensing Advisory Committee.
,,	October 1968	The scheme for licensing of cotton yarn and cotton textiles (specified 18 categories) for export to the U.K. during the licensing year December 1, 1968 to November 30, 1969 was announced. For the purpose of licensing, the shipment period was divided into two six monthly periods i.e., December 1, 1968 to May 31, 1969 and June 1, 1969 to November 30, 1969. Licences for cotton textiles would be issued on the basis of the quota certificates issued by the Cotton Textiles Export Promotion Council. Exports of cotton yarn shall be subject to the procedure of allocation of necessary quotas on first-come-first-served basis subject to the condition that as soon as the ceiling laid down is reached, export thereunder would be stopped. The Cotton Textiles Export Promotion Council would distribute to established exporters 80 per cent of half the annual quota level under different categories during the first half of the licensing period. Later in November 1968, the Government announced the mode of distribution of the balance 20 per cent of half the annual quota to established exporters.
Handloom cloth of lungi design	September 1968	Exports of handloom cloth of lungi design having bleeding properties or of non-fast colour and garments made therefrom were licensed freely with effect from September 11, 1968.
Cotton rags	October 1968	Exports of cotton rags were brought under control with effect from October 8, 1968. Control was lifted on exports of cotton rags with effect from October 18, 1968.
Knitwear	March 1969	Exports of knitwear (woollen and mixed) were brought under control and were canalised through the State Trading Corporation.
Oilseeds	May 1968	With effect from May 9, 1968 control on exports of niger seed, kardi seed and sesame seed was lifted.
	,,	Exports of mustard seeds and rape seeds were licensed freely within the ceiling during the period April 1968-March 1969.
Groundnut kernels and groundnuts in shell	September 1968	Exports of H.P.S. groundnut kernels and H.P.S. groundnuts in shell were allowed within a limited ceiling during the period October 1968-September 1969 on first-come-first-served basis.
,,	March 1969	Control was lifted on exports of H.P.S. groundnut kernels and H.P.S. groundnuts in shell with effect from March 12, 1969.

Item (1)	Month of announcement (2)	Details (3)
Groundnut oil	April 1968	Exports of refined groundnut oil would be licensed freely within a limited ceiling during the period April 1968—September 1969.
De-oiled groundnut cake (extractions)	February 1969	Exports of de-oiled groundnut cake (extractions) were canalised through the Groundnut Extractions Development Association with effect from February 21, 1969.
Vanaspati	April 1968	Exports of vanaspati would be allowed within a limited ceiling during the period April 1968-September 1969 on first-come-first-served basis.
Vegetable oils	February 1969	With effect from February 14, 1969 control on exports of kardi seed oil, niger seed oil and sesame seed oil was lifted.
Raw goat skins	January 1969	Export quotas during 1969 for raw goat skins—wet and salted for established shippers were reduced from 25 per cent to 20 per cent on the basis of the best year's performance during any one of the five years ending 1958. Established shippers whose basic exports were less than 40,000 pieces were allowed to export 100 per cent of their basic exports while those whose best year's exports were more than 40,000 pieces were allowed a minimum of 40,000 pieces. Small quota holders whose entitlement worked out to 40,000 pieces or less during the year were allowed to combine with other quota holders to enable them to utilise their quotas in a profitable manner.
Skins of ordinary leopard	June 1968	Control on exports of skins of ordinary leopard (panther) was lifted with effect from June 15, 1968.
Human hair	April 1968	Exports of raw human hair and single drawn human hair were banned effective April 25, 1968. However, exports of double drawn human hair and waste human hair would be allowed if made through the State Trading Corporation.
Goat hair	July 1968	Exports of angora goat hair and mohair hitherto under control were banned with effect from July 6, 1968.
Deer musk	May 1968	Exports of deer musk were allowed on merits within a limited ceiling during April 1968-March 1969. Allocations under the ceiling were made to such exporters who fetch maximum unit value.
Synthetic musk	October 1968	With effect from October 5, 1968 exports of synthetic musk were brought under control.
Peacock feather and articles made thereof	May 1968	Exports of peacock feather and articles made thereof were allowed by established shippers only within a limited ceiling during April 1968-March 1969.
Monkeys	May 1968	Ban on exports of Golden/Lakhimpur/Malabar/Nilgiri/Travancore langur was lifted with effect from May 7, 1968. Exports of all other types of monkeys/langurs other than common langur and rhesus monkeys were banned.
Tigers, leopards and panthers	June 1968	Exports of tigers and tiger cubs, leopards and panthers hitherto under control were banned with effect from June 15, 1968.
Lynx	February 1969	Ban was imposed on export of lynx with effect from February 22, 1969.
Deer stag and elk horns	December 1968	With effect from December 27, 1968, exports of deer stag (sambhar) and elk horns (natural) were brought under control.
Seaweeds	October 1968	Exports of sargassum and gelidium varieties of seaweeds were banned with effect from October 17, 1968.
Buffalo meat	October 1968	With effect from October 15, 1968 exports of buffalo meat were brought under control. Control was lifted on exports of buffalo meat with effect from October 23, 1968.
Uncrushed bones of elephant and fish bones	July 1968	Removal of control on exports of uncrushed bones of elephant and fish bones with effect from July 16, 1968.

Item (1)	Month of announcement (2)	Details (3)
Tobacco	May 1968	The minimum floor prices for different grades of flue-cured virginia, sun-cured virginia, sun-cured 'natu' (country) and sun-cured jutty tobacco were revised with effect from May 15, 1968.
,,	February 1969	Fixation of minimum prices for export of various grades of sun-cured virginia, sun-cured natu (country) and sun-cured jutty tobacco for the calendar year 1969 was made on the same lines as in the previous year. The minimum floor prices for different grades of the flue-cured virginia tobacco were revised again for the 1968, 1967 and earlier crops.
Chilly powder	July 1968	Removal of control on exports of chilly powder with effect from July 26, 1968.
Potatoes	May 1968	Control was lifted on exports of potatoes with effect from May 23, 1968.
Jute caddies	July 1968	Control was lifted on exports of jute caddies with effect from July 6, 1968.
Wheat bran	May 1968	During the year April 1968-March 1969 exports of wheat bran were licensed freely within a limited ceiling to all categories of exporters on shipping bills against evidence of firm sale contracts.
Suji and rawa	December 1968	With effect from December 13, 1968 exports of suji and rawa were banned.
Flour made from pulses, lentils, grams and beans	December 1968	With effect from December 13, 1968 exports of flour made from pulses, lentils, grams and beans were banned.
Aluminium	August 1968	Exports of aluminium metal and/or semis were allowed freely without any quantitative restrictions upto December 1968 by primary producers of aluminium subject to certain specified conditions.
,,	January 1969	The existing policy for export of aluminium metal and/or semis would be continued beyond December 1968 and during the year 1969-70.
Cadmium	January 1969	Ban on exports of cadmium metal was removed with effect from January 24, 1969.
Silver and silver manufactures	January 1969	Exports of silver salts were brought under control with effect from January 29, 1969.
,,	February 1969	Manufactures and products wholly or mainly of silver and silver salts with more than 50 per cent of silver contents were licensed for export subject to the condition that the f.o.b. value of the article after deducting the value of any non-silver metal or material used in it is not less than 105 per cent of the value of silver content in it.
Ferro chrome and silico chrome	February 1969	Exports of ferro chrome and silico chrome were brought under control and were allowed on merits in consultation with the concerned authorities with effect from March 12, 1969.
Coaltar and mixtures	July 1968	Exports of coaltar and mixtures containing coaltar were allowed on merits in consultation with the concerned authorities.
Wood and timber	March 1969	The existing policy for export of wood and timber would continue during the year 1969-70.

Item (1)	Month of announcement (2)	Details (3)
Motor vehicle parts	July 1968	Control on exports of motor vehicle parts of indigenous origin was removed. However, the exports of complete motor vehicles both imported and of indigenous origin would be subject to export control.
Cement	March 1969	Exports of cement were brought under control and were canalised through the State Trading Corporation with effect from March 31, 1969.
Ferrous scrap	May 1968	The policy for the export of ferrous scrap during 1968-69 was announced. The Metal Scrap Trade Corporation Ltd. would continue to export specified categories of ferrous scrap under certain conditions and such exports would be exempted from export licence. However, exports of heavy melting scrap and stainless steel scrap would not be allowed.
Finished steel, billets and pig iron	May 1968	Exports of specified categories of finished steel, billets and pig iron were allowed during 1968-69 on the recommendations of the Steel Exporters' Association, provided the f.o.b. realization was not below the floor prices as might be fixed from time to time by the Steel Exporters' Association.
O. G. L. No. 2	August 1968	The value limit for exports under O.G.L. No. 2 of samples of permissible items other than iron ore and handloom fabrics was raised from Rs. 125 to Rs. 300.

B. Other Export Promotion Measures

1. *Indo-Ceylon agreement on joint marketing of tea :* The Government of Ceylon ratified the Indo-Ceylon agreement on joint marketing of tea in the world markets in June 1968. The agreement concluded in Colombo in January 1968, provides for joint action by the two countries in the field of promotion, marketing and research for improving the economic viability of their respective tea industries and active participation between the two countries in blending, packaging and export of tea with a view to obtaining a better share of the price paid for tea by ultimate consumers in importing countries. For the purposeful implementation of the joint programme of action, the agreement envisages the setting up of a corporation or consortium of firms with interests of India and Ceylon equally represented to undertake marketing of national packs and joint blends in the markets with promising prospects of success in the developed as well as in the developing countries.

2. *Replantation Subsidy to tea estates :* The Government announced in September 1968 a Replantation Subsidy Scheme to assist tea industry for undertaking phased programmes of replanting of tea bushes over 50 years old. The rate of subsidy is Rs. 3,500 per hectare in the plains and Rs. 4,500 per hectare in the hills replanted according to the scheme.

3. *Loan assistance to jute industry :* To enable the jute industry to modernise and diversify production, the Government of India announced the granting of loan assistance of Rs. 5 crores.

4. *Export Credit (Interest Subsidy) Scheme :* In pursuance of the Government decision, the Reserve Bank of India announced in June 1968 details of an Export Credit (Interest Subsidy) Scheme. Commercial banks would be entitled for interest subsidy at the rate of 1.5 per cent per annum under specified conditions in respect of export credit made available by them at 6 per cent with effect from March 3, 1968.

5. *Extension of time limit for realisation of proceeds of export to U. K. of commodities subject to the import deposit scheme introduced by U. K. :* The U. K. Government introduced the import deposit scheme in November 1968 under which importers in the U. K. would be required to place six month interest free deposits with customs of 50 per cent of the value of their imports. To enable Indian exporters to grant necessary credit facilities to their U. K. buyers of commodities covered by this scheme, the Reserve Bank of India decided, as a temporary measure, to extend the time limit for realization of proceeds of such exports to eight months from the date of shipment. However, the relaxation would be applicable to 50 per cent of the invoice value of the shipment, while the normal period of six months would be applicable to the remaining 50 per cent.

6. *Scheme for direct advances to exporters :* With a view to assisting Indian exporters of capital goods in securing large export orders on deferred payment basis, the Industrial Development Bank of India announced a scheme in December 1968 under which in association with approved commercial banks, it would provide term finance and guarantee facilities to industrial firms, exporting capital goods, engineering goods and related services.

7. *Export Credit and Guarantee Corporation—liberalisation measures :* During April 1969, the ECGC announced the liberalisation of the terms of its cover under policies as well as under two of its financial guarantees. The corporation raised the percentage of risks covered under its insurance policies from 80 and 85 per cent for commercial and political risks to 90 per cent. The ECGC also enhanced the cover to banks from 66.67 to 90 per cent in respect of packing credit guarantees covering small merchant exporters whose exports are upto Rs. 2 lakhs in a year and from 66.67 to 80 per cent in respect of post shipment export credit guarantees covering exports of engineering and metallurgical products.

8. *Export Houses :* With a view to facilitating the development of business houses specialising in export trade, the scheme of recognition of Export Houses was revised and brought in force with effect from July 1, 1968. Under the new scheme recognition has been extended to business houses handling traditional products, which were excluded from the purview of the earlier scheme. Under the revised scheme, companies registered under the Companies Act and co-operative societies and federations with sound financial base and experience in the field of export trade and with minimum annual export performance of Rs. 25 lakhs in case of non-traditional products and Rs. 2 crores in the case of traditional products could be recognised as Export Houses. They would be eligible for Government assistance from the Marketing Development Fund for a wide range of their activities.

9. *Scheme for supplying raw materials for the plastic industries at international prices :* The scheme for the supply of certain categories of indigenous plastic raw materials, viz., plastic polyethylene moulding powder and PVC resins at international prices to manufacturers of plastic products against their exports was revised during January 1969. Under the revised scheme, the manufacturer-exporters of plastic products would be eligible for the supply of a few more additional items of indigenous raw materials and these raw materials could be obtained even from those indigenous producers who do not carry any export obligation.

10. *Inclusion of cotton and jute textiles in the list of priority industries :* The Union Budget for 1969-70 provided for the inclusion of cotton and jute textiles in the list of priority industries. This would help these industries to develop and modernise their productive capacity since they would be eligible for the development rebate at the rate of 35 per cent.

APPENDIX VII : IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, 1968-69

Item (1)	Month of Announcement (2)	Details (3)
		A. Import Policy : General
Import policy : April 1968-March 1969	April 1968	The salient features of the import policy for 1968-69 have been described in Chapter VI of this Report. The important details are set out below : (i) Units in the priority industries* which had exported at least 10 per cent of their production in 1967-68 were given facilities to import their requirements from sources of their own choice. In addition, their applications for expansion of production capacities and for imports needed to effect such expansion were to be considered favourably. (ii) These facilities were also extended to non-priority industries, where the end products were covered by the import policy for registered exporters, provided their exports during 1967-68 amounted to 10 per cent and more of their production. (iii) From the priority sector ten industries** were selected on the basis of their export potential. The units engaged in these industries had to export at least 5 per cent of their production failing which they were liable to cuts in their import entitlements, denial of facilities of preferred source of supply of raw materials and of expansion of capacity. This penalty, however, did not apply to small scale units and units which had been in production for less than five years. (iv) The units in the 59 priority industries could obtain import licences for raw materials and components by way of replenishment of the imported inputs consumed by them in successive periods of not less than three months and not more than six months. There were no last dates for submission of applications and import licences were to be issued, as and when asked for, on the above basis, provided unutilised balances of licences already held by them did not exceed the extent of replenishment claimed on the date of application. Licences for spare parts were issued separately on an annual basis. (v) Imports of 260 items were banned in view of their indigenous availability. (vi) Imports of 197 items were allowed on a restricted scale to actual users. (vii) In respect of 12 items, import quotas for established importers were reduced. (viii) Industrial units wanting to import plant and equipment of the value exceeding Rs. 7.5 lakhs and steel castings and forgings of the value of Rs. 50,000 and above were required to advertise their requirements in detail in the Indian Trade Journal before they applied for import licences. (ix) Imports of three more items viz. sulphate of potash, sodium nitrate and raw films (35 mm. excluding sound negative) were canalised through the State Trading Corporation.
Import of spare parts by units engaged in industries other than priority industries	May 1968	It was decided to grant consolidated import licences for raw materials, components and spares, to units engaged in industries other than the priority industries, both in the large and the small scale sectors.
Import of spare parts for textile machinery, etc.	May 1968	Import of spare parts of foreign made textile machinery as appearing in the manufacturers' catalogue was allowed to actual users provided these items were not banned elsewhere under the Import Trade Control Policy. The import of medicinal liquid paraffin of USP/BP specifications was allowed to actual users on a restricted basis. Textile finishing oils, textile fibre oils and batching oils for fibres were not allowed to be imported.

* By a Public Notice issued on April 1, 1968, it was provided that these provisions would not apply to 9 industries viz. (1) Fertilizers, (2) Pesticides, (3) Industrial and mining machinery, (4) Cement, (5) Tea, (6) Jute textiles, (7) Coffee, (8) Sugar and (9) Cotton textiles.

** (1) Bicycles, (2) Certain parts of bicycles, (3) Diesel engines—stationary type, (4) Certain small tools, (5) Coated and bonded abrasives, (6) Storage and dry batteries, (7) Wire ropes, (8) Certain automobile ancillaries, (9) Drugs and pharmaceuticals and (10) Paints, varnishes and enamels.

Item (1)	Month of Announcement (2)	Details (3)
Import of raw materials, components and spares to SSI Units	October 1968	It was decided to consider applications for the import of raw materials, components and spares from small scale industrial units engaged in the manufacture of radio receivers, transistor radio receivers, amplifiers, car radios and microphones.
	November 1968	The import policy for spare parts for actual users was liberalised by raising the maximum value limit for import of restricted spare parts by units in the priority industries from Rs. 10,000 to Rs. 1 lakh. The ceiling on a single item was also raised from Rs. 1,000 to Rs. 2,000. For units engaged in industries other than priority, the maximum value limit for the import of restricted spare parts was increased from Rs. 4,000 to Rs. 10,000.
Import of spare parts against licences for capital goods (machinery and equipment)	December 1968	It was announced that licensees for capital goods would be allowed to import restricted spare parts required for the maintenance of machinery against licences for such machinery, for the value not exceeding 5 per cent of the licence or Rs. 20,000 whichever was less. Further, the value of any single spare part of the restricted category was not to exceed Rs. 2,000. Earlier, only permissible types of spare parts were allowed to be imported to the extent of 10 per cent of the value of the licence.
Period of validity and revalidation of CG/HEP licences	December 1968	The initial validity period of capital goods/heavy electrical plant (CG/HEP) licences other than those issued against tied credit or foreign aid was reduced from 2 years to 12 months. If a firm order has been placed and accepted by the foreign supplier during the initial validity period of 12 months but the shipment is not effected during this period, the request for the grant of an extension of one year beyond the overall validity period of 2 years would not be granted.
		2. Changes in Import duties
Import duty on zinc concentrates	July 1968	Import duty of 15 per cent on zinc concentrates was abolished effective July 17, 1968.
Import duty changes in the Union Budget	February 1969	The Union Budget for 1969-70 raised the import duties on motor cars, imported completely assembled, from 60 per cent *ad valorem* to 100 per cent *ad valorem* and on lubricating oil from 15 per cent to 27.5 per cent *ad valorem*. The duty on dry fruits and seedless dates was changed from specific to *ad valorem* basis.
		3. Open General Licence
Open General Licence No. LXXXV	September 1968	An Open General Licence was issued for the import of (a) cashewnuts, (b) wattle extract, wattle and other bark for tanning and (c) hides and skins, raw or salted, where the value of hides and skins is more than that of wool/hair thereon, from any country except South Africa/South West Africa, Rhodesia and Portugal for shipment on or before March 31, 1969. The earlier Open General Licence which expired on September 30, 1968 allowed besides these items, the import of other dyeing and tanning substances. In November 1968 it was decided to allow actual users import of other dyeing and tanning materials which were taken off the Open General Licence in September 1968.
		4. Import Policy for Iron and Steel and Ferro-alloys
Iron and Steel and Ferro-Alloys	May 1968	It was decided to consider applications for import of steel and ferro-alloys from actual users only ; no imports were allowed for the established importers. Most of the features of the general import policy for 1968-69 were made applicable to the imports of iron and steel and ferro-alloys. Thus, the new licences for iron and steel were to be issued to units engaged in priority industries by way of replenishment of imported materials consumed by them within a given period. The issue of import licences was also linked to export performance. The units engaged in the priority industries

Item (1)	Month of Announcement (2)	Details (3)
		whose export performance during 1967-68 had been 10 per cent or more of their production were to be given preferential treatment in the matter of source of supply and facilities for expansion of production capacity. It was further decided to meet in full and to the extent possible from preferred sources, the requirements of units engaged in priority industries whose export performance exceeded 5 per cent of their production. Further, the requirements of units which failed to achieve minimum export performance, although they were in production for five years or more, were not to be met from preferred sources ; these units were also liable to cuts in the event of inadequate availability of foreign exchange. Units engaged in non-priority industries whose export performance during 1967-68 had been 10 per cent or more of their production were to be treated on par with similar priority industries. Besides, imports of certain items were allowed on the production of non-availability certificates from certain specified indigenous producers.
	August 1968	Import of high carbon steel plain discs of sizes 17″, 19″, 21″, 23″ and 25″ required for the manufacture of tractor was disallowed. Thus, with the already existing ban on the import of discs of 16″, 18″, 20″, 22″, 24″ and 26″, the import of high carbon steel plain discs of sizes 16″ to 26″ was banned.
	November 1968	Import of pure iron was allowed to actual users.
	January 1969	The ceiling on import of steel reed wires and all metal reed wires by manufacturers who have flattening equipments was raised from 20 per cent to 50 per cent, the balance, as earlier, being permitted in the form of wire rods.
	February 1969	In view of increased availability of galvanised plain sheets from Hindusthan Steel Ltd., it was decided to allow actual users, holding valid import licences for galvanised plain sheets, to convert their import licences to orders on Hindusthan Steel Ltd., by surrender of the import licence for equivalent quantity.
		5. Import policy for Newsprint
Newsprint	April 1968	While the overall quota (entitlement) comprising of imported and indigenous newsprint was liberalised on a graduated basis, some reduction was made in the proportion of imported newsprint to overall quota. In the case of newspapers and periodicals with an annual entitlement of over 2,000 metric tonnes, the proportion of imported newsprint was reduced from 70 per cent to 60 per cent. Newspapers and periodicals with an annual entitlement of 5 metric tonnes or less were allotted imported newsprint in sheets and their basic quota was not to include the additional 10 per cent given to them for conversion of reels into sheets. New daily newspapers were allowed an initial quota to develop or build up an average circulation upto a maximum limit of 10,000 copies per day during the first 3 months but during this period imported newsprint was authorised from the State Trading Corporation's stocks only.
	July 1968	It was decided to allocate additional quantity of newsprint to the printers and/or publishers of newspapers and periodicals for the purpose of bringing out special supplement during the Gandhi Centenary celebrations. The additional quota of newsprint equal to the requirement for publication of two issues was to be utilised during any of the years April 1968-March 1969 and April 1969-March 1970.
	September 1968	In order to meet the needs of increased circulation in connection with the mid-term elections, it was decided to allocate additional quota of newsprint to newspapers published in States where elections were being conducted.
		6. Canalisation of imports
Sulphur	May 1968	It was decided to canalise the import of sulphur through the State Trading Corporation. However, actual users manufacturing fertilizers were also allowed to import sulphur for a quantity of 5,000 tons and above.

Item (1)	Month of Announcement (2)	Details (3)
X-ray films	August 1968	Decision was taken to canalise the import of X-ray films through the State Trading Corporation.
		B. Policy for Registered Exporters
(*a*) Gems and Jewellery	May 1968	For the purpose of grant of licences against export of gems and jewellery items, the registered exporter was entitled to receive the imported materials in his own name. The condition of actual use of the imported material was not to apply except in respect of the items of machinery, testing apparatus, tools and implements required for this industry.
	September 1968	The policy was extended to the exports of synthetic/imitation stones, provided the value of synthetic/imitation stones did not exceed 10 per cent of the f.o.b. value of the jewellery, excluding the value of metal.
(*b*) Import replenishment for material sold as ship stores	June 1968	It was decided that any material, the export of which otherwise qualifies for grant of replenishment licence under the import policy for registered exporters, sold to a foreign company as ship stores would be considered as eligible for grant of replenishment licence provided the supplies of such materials as ship stores were made through the normal shipping bill procedure and the prescribed documentary evidence was produced along with the application for replenishment of licence.
	August 1968	It was decided to grant replenishment licences against supplies made to ships owned by foreign companies other than through the shipping bill procedure provided exporters making such supplies got themselves registered with the concerned licensing authorities.
(*c*) Handloom fabrics	July 1968	Decision was taken to issue import licences in favour of merchant-exporters under the import policy for registered exporters against the exports of handloom fabrics provided the goods were manufactured elsewhere on the exporters' account and an undertaking was given not to sell or otherwise dispose of the goods imported.
(*d*) Import of polyethelene moulding powder	August 1968	It was decided not to issue import licences for import of polyethelene to registered exporters against the export of frozen fish and frozen frog legs, but supply of polyethelene could be obtained at international prices from indigenous producers in accordance with the scheme announced by the Ministry of Finance.
(*e*) Electrical typewriters	September 1968	It was decided to allow import of electrical typewriters by manufacturer-exporters with an annual export of over Rs. 10 lakhs. Import was allowed within the machinery entitlement of the applicant and was restricted to not more than two electrical typewriters, two calculating machines, electrically operated and one photocopying machine once in a year. The import was for actual use only.
(*f*) Wool	October 1968	It was decided to allow the import of raw wool, waste wool, shoddy wool and woollen rags under the import policy for registered exporters.
(*g*) Testing instruments and equipment for packing and tagging	November 1968	It was decided to allow registered exporters to import permissible types of testing instruments within the limit fixed for the import of jigs, tools and equipment for packing and tagging.
(*h*) Plastic	February 1969	In view of arrangements made for the supply of raw materials for export production of plastics from indigenous sources at international prices, it was decided to consider requests for import of these raw materials from registered exporters or their nominees only if they failed to get these materials from specified indigenous manufacturers.

Item (1)	Month of Announcement (2)	Details (3)
(*i*) Natural fibre products	February 1969	Registered exporters of natural fibre products such as ropes, twines and cordage of sisal/manila were allowed import of sisal fibre/waste and manila fibre tow/waste upto 45 per cent of f.o.b. export value.
		C. Commodities
(a) Chemicals		
(*i*) Lindane	May 1968	Import of 'Lindane' (falling under insecticides, fungicides and weedicides) was banned.
(*ii*) Caffeine and its salts: Phenacetine, Saccharine, Santonin, Sulphanilamide	May 1968	Import earlier allowed to actual users on a restricted basis, was now banned.
(*iii*) Naphthalene	May 1968	Import allowed to actual users on a restricted basis, was now allowed without any restriction.
(*iv*) Thymol	August 1968	Import was allowed to actual users on a restricted basis.
(*v*) Styphenic acid	August 1968	Import was allowed to actual users on a restricted basis.
(*vi*) Orange oil	September 1968	Import of which was earlier banned, was allowed to actual users for export production only.
(*vii*) Benzophenone	September 1968	Import was banned.
(*viii*) Acetic acid	October 1968	Acetic acid was allowed to be imported by small scale units only upto 5 per cent of the face value of the licence or Rs. 2,500 whichever was less.
(*ix*) Nickel Silver section	October 1968	It was decided to allow actual users the import of nickel silver section for the manufacture of spectacle frames.
(*x*) Polytetra fluoroethylene resins	October 1968	It was decided to allow against import licence, the import of Polytetra fluoroethylene resins (filled, unfilled or pigmented) and products thereof.
(*xi*) Dyes intermediates	November 1968	(i) 'Diphenylamine' which could earlier be imported for export production was allowed to be imported by actual users. (ii) Acetic Anhydride import of which was allowed to actual users on a restricted basis could be imported by actual users without restriction.
(*xii*) Cadmium, etc.	January 1969	It has been decided to allow actual users to import (i) Cadmium on a restricted basis (ii) Sodium nitrite and (iii) Phosphorus (yellow and white) ; the last item was earlier allowed on a restricted basis.
(*xiii*) Acetylene black (Soot)	January 1969	Actual users were allowed to import Acetylene black (soot) for manufacture of dry battery cells.
(b) Fruits		
1. Fruits, asafoetida, cumin seeds and medicinal herbs from Iran	May 1968	It was decided to grant licences to established importers for the import of fruits, dried or salted or preserved, dates, medicinal herbs and asafoetida and certain other specified items from Iran within a monetary ceiling prescribed for each item, during April-September 1968.

Item (1)	Month of Announcement (2)	Details (3)
	September 1968	Decision was taken to grant licences to established importers for the import of fruits, dried, salted or preserved, dates, red oxide, medicinal herbs, asafoetida and other specified items from Iran within the prescribed monetary limits fixed for each item for the licensing period October 1968—March 1969. The basic period was from 1951-52 to 1965-66.
2. Fruits, asafoetida, cumin seeds, medicinal herbs from Afghanistan	July 1968	The approved registered importers were allowed to import permissible commodities from Afghanistan within a limited available monetary ceiling; a ban was imposed on imports of these commodities in December 1967 when 80 per cent of the ceiling for imports was consumed.
	August 1968	Approved importers were allowed to import : (i) permissible fresh and dry fruits of Afghan origin within a 'quantitative' ceiling as against a 'monetary' ceiling in the past ; (ii) asafoetida, cumin seeds and medicinal herbs could be imported by approved importers without any ceiling and (iii) hides and skins continued to be under Open General Licence. In September 1968, it was decided to allow, besides approved importers, exporters who undertook to export non-traditional items to Afghanistan to import these commodities.
3. Import of dates from Iraq	October 1968	A decision was taken to grant licences on a quota of 65 per cent for import of dates from Iraq to established importers having past imports of dates from that country.
	January 1969	A decision was taken to grant supplementary licences for import of dates from Iraq to the extent of 50 per cent of the value of the main licences granted to eligible importers.
4. Import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq.	October 1968	It was decided to grant licences for the import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq on a quota of 50 per cent on an annual basis during October 1968—September 1969 licensing period.
(c) Miscellaneous		
1. (*i*) Coated or uncoated arc welding electrodes (*ii*) Iron or steel coated and uncoated rods, wire, foils and strip for gas welding and brazing (*iii*) Rubber spray hoses for industrial and agricultural purposes (*iv*) Rubber hose pipes and rubber hoses n.o.s. and rubber washers for boilers	May 1968	Imports allowed to actual users on a restricted basis, were banned.
2. Electric exploders	May 1968	It was decided to grant actual users' licences on the recommendations of the Chief Inspector of Mines, Dhanbad.
3. Gum and Benzoin (ras and cowrie) but excluding dammer and resin	June 1968	Import was allowed to actual users for export production only.

Item (1)	Month of Announcement (2)	Details (3)
4. Import of Polyethelene moulding powder	August 1968	Imports of high and low density polyethelene moulding powder were allowed to actual users for export production only.
5. Cinnamon	September 1968	Import was allowed to actual users upto 2½ per cent of licence value or Rs. 1,250 whichever was less.
6. Copper flexible pipes or tubes for passing gas or fluid under pressure	September 1968	Import was allowed to actual users upto 5 per cent of licence value or Rs. 2,500 whichever was less.
7. Milk powder	October 1968	It was decided not to allow the import of milk powder either to the manufacturer-exporter or the nominee-manufacturer on the basis of an actual user licence held by them for this item.
8. Replacement of printing machinery	October 1968	It was decided to consider actual user application from existing units for replacement or balancing purposes only for import from West Germany of printing machinery and attachments other than mechanical composing machines against monetary ceiling allocated under the West German Commodity Credit. It was also decided to consider applications from newspaper establishments and quality printers for the import of second hand printing machines.
9. Tractors for agriculturists	October 1968	It was decided to allow import of a limited number of agricultural tractors received as gifts by agriculturists for their own use.
10. Raw materials for the manufacture of dental materials	November 1968	It was decided to permit actual users to import specified raw materials required for the manufacture of dental materials.
11. Rough blanks other than bifocal blanks	December 1968	It was decided to consider applications from actual users for import of 'Rough blanks other than bifocal blanks' to the extent of only 25 per cent of actual user's entitlement for raw materials under the import policy for April 1968—March 1969.

APPENDIX VIII : TARIFF COMMISSION'S RECOMMENDATIONS*, 1968-69

Industry (1)	Purpose (2)	Main Observations of the Commission (3)	Government's Action on the Recommendations (4)
		A. Tariff Inquiries	
1. Automobile	Continuance of protection	(i) Protective rates of duty on components may be withdrawn and revenue rates of duty imposed instead.	Accepted. The Government decided to maintain the duty at the existing rate as revenue duty.
		(ii) Since the automobile ancillary industry is an important adjunct of the main automobile industry and has begun to grow steadily more recently, a review of this industry may be made after a period of two years.	Accepted.
		(iii) The automobile industry should remain under protection until such time as it can stand on its own legs.	Accepted. The Government further considered that the progress of the automobile industry should be reviewed again by the Tariff Commission, after a period of five years, i.e. in 1973.
		(iv) Until the economic level of production is reached by the present manufacturers it would not be advisable to license any additional unit. (One member, however, considered that since the existing units do not hold any hopes of the reduction in costs, new entrants promising to reduce the cost should be allowed).	The Government considered that a new unit of economic size for the manufacture of passenger cars may be licensed to enable the advantage of 'transfer line' production and economies of scale to be availed of and to introduce an element of competition with its resultant benefits in the shape of better quality and cheaper prices.
		(v) While issuing licences for expansion of capacity, care should be taken to see that the capacity is well balanced and is capable of economic production.	The Government have taken note of this recommendation.
2. Aluminium	Continuance of protection	(i) Protection granted to ingots, bars, etc. covered by I.C.T. item No. 66(1) and sheets and circles, strips and foils covered by I.C.T. item No. 66(*a*) should be continued for a further period of three years ending December 31, 1971, at the existing rates of duty.	Accepted.
		(ii) The Government should ensure that India may not export aluminium and also simultaneously negotiate for imports. Exports should not, therefore, be encouraged until such time as the domestic requirements can be fully met from indigenous production. Greater care is needed in estimating requirements of aluminium in order to avoid unnecessary imports.	The Government have taken note of these recommendations. Detailed studies on the likely demand for aluminium have been carried out in connection with the Fourth Five Year Plan. Since it takes time to develop export market and since there is a good potential for export in the long run, it may be necessary to retain the leeway obtained in this direction by continuing to export a portion of production even when indigenous production were to fall short of domestic requirements on short term assessments.
		(iii) The main consideration in the matter of installation of capacity for fabrication should be of economies of production and a suitable balance should be maintained between the capacity of fabrication by the primary producers and the rest.	The Government have noted this recommendation.

*These refer only to inquiries completed during the year. An inquiry is treated as complete only after the Government's decision on the report is published.

Industry (1)	Purpose (2)	Main Observations of the Commission (3)	Government's Action on the Recommendations (4)
3. Dyestuff	Continuance of protection	(i) Finished dyestuffs have now reached a stage where they can dispense with tariff protection. Therefore, protection granted to the dyestuff industry covered by I.C.T. items Nos. 30(a)(b)(i), 30(1)(b)(ii), 30(15) and 30(16) need not be continued beyond December 31, 1968. However, since in the foreseeable future quantitative control over imports is likely to continue, the industry may be deemed to be protected within the meaning of Section 11(a) of the Tariff Commission Act 1951 and may be subjected to periodical reviews. (ii) Protective duties on beta-amino-anthraquinone, benzanthrone and bon acid (beta oxy naphthoic acid) should be fixed at the level of 50 per cent *ad valorem* preferential and 60 per cent *ad valorem* standard. (iii) Protective duties on nine intermediates, namely, ortho anisidine, phenyl peri acid, j. acid, ortho toluidine, 4-chloro-2-nitro aniline, diethyl meta amino phenol, para anisidine, para toluidine and diamino stilbine disulfonic acid should be fixed at 90 per cent *ad valorem* preferential and 100 per cent *ad valorem* standard. (iv) The concessional rate of duty on six intermediates, namely, anthraquinone,aceto-acet-o-anilide, aceto-acet-o-toluidine, tobias acid, aceto-aceto-chloro-anilide and C acid (2 chloro-5 toluidine-4 sulphonic acid or 6 chloro-m-toluidine-4-sulphonic acid) should be withdrawn and protective duties of 50 per cent *ad valorem* preferential and 60 per cent standard may be levied on them. (v) The existing revenue duties of 50 per cent *ad valorem* preferential and 60 per cent *ad valorem* standard on 35 intermediates given should be converted into equivalent protective duties. (vi) The scheme of protection recommended for intermediates (under items iii, iv and v above) may be kept in force upto December 31, 1971 subject to half-yearly reviews of the quality, prices and availability of indigenously manufactured intermediates with special reference to the requirements of the small scale sector of the dyestuff industry. (vii) In order to avoid further increase in the prices of imported intermediates, the existing duty concession of 27½ per cent *ad valorem* (standard) and 17½ per cent *ad valorem* (preferential) may be allowed to continue on the 13 intermediates till December 31, 1971. However, if production of any intermediate starts within this period the industry may seek removal of the concessional rate of duty on it.	Accepted.

Industry (1)	Purpose (2)	Main Observations of the Commission (3)	Government's Action on the Recommendations (4)
		(viii) In order to reduce the prices of penultimate intermediates the import duty on the primary and secondary intermediates should be charged at a concessional rate of 27½ per cent *ad valorem* (standard) till December 31, 1971. However, if indigenous production of any of these intermediates commences within this period, the industry can approach the Commission for removal of the concessional rate.	Accepted.
		(ix) In order to attain self-sufficiency in the manufacture of important intermediates, immediate steps should be taken to establish capacity for production of these intermediates; all possible assistance should be provided to the dyestuff industry in the form of adequate supply of raw materials and ancillary chemicals of standard quality at reasonable prices so as to enable the industry to attain self-sufficiency in the normal course. (x) The Government should also give all possible assistance and encouragement in increased exports of dyes and streamline procedural formalities especially those relating to import entitlements and cash assistance. (xi) While giving licences for the manufacture of new items of dyes and intermediates the twin objectives of fostering healthy competition without at the same time losing sight of the criterion of economic size of production may be kept in view.	The Government have noted these recommendations.
		B. Price Inquiries	
1. Caustic soda and allied products	Fixation of fair selling prices	(i) The fair selling price ex-works of caustic lye (100 per cent NaOH content) may be fixed at Rs. 780 per tonne. (ii) The fair selling price ex-works of solid caustic soda (pure) would be Rs. 940 per tonne. For caustic soda of technical grade, the fair selling price as derived would be Rs. 900 per tonne. (iii) The fair selling price ex-works for caustic soda flakes for technical grade would be Rs. 980 per tonne ; the price for higher purity would be adjusted suitably. (iv) No selling prices need be fixed for chlorine gas, liquid chlorine and hydrochloric acid. (v) The fair selling prices for stable bleaching powder in packings of 100 kgs., 50 kgs., 25 kgs., 12.5 kgs., 3 kgs., 1.5 kgs. and 0.5 kg. would work out to Rs. 87.55, Rs. 45.90, Rs. 27.55, Rs. 15.45, Rs. 5.10, Rs. 3.00 and Rs. 1.60, respectively. (vi) The above mentioned selling prices may continue for a period of three years with effect from the date they are brought in force subject to the condition that should there be any substantial increase in the costs of production during the price period, the industry may approach Government for revision of the selling prices.	The Government have given careful consideration to the recommendations (i), (ii), (iii), (v) and (vi) relating to selling prices. Having regard to the facts that the production has caught up with the demand and that the prevailing market prices,which are not uniform, correspond more or less to the fair selling prices recommended by the Commission, the Government considered, that at this stage, it was not necessary to control the prices and the situation might be watched. The Government have taken note of the other recommendation.

Industry (1)	Purpose (2)	Main Observations of the Commission (3)	Government's Action on the Recommendations (4)
2. Agricultural tractors	Fixation of fair selling prices	(i) The selling prices of tractors should be fixed ex-factory for each of the producers and freight to the dealers' point, together with packing, forwarding and insurance charges should be charged separately to the customers.	Not accepted. The Government felt that selling prices should be fixed on f.o.r. destination basis as before and not on ex-works basis since it was considered that there should be uniform price for a particular make of tractor throughout the country so that the consumers residing at places far away from the producing centres are not placed at a disadvantage. Moreover, if the prices were fixed on ex-works basis and the manufacturers permitted to charge extra for freight, packing, insurance, etc. there would be difficulty in verifying the correctness of the ultimate prices to the consumers charged by the dealers.
		(ii) The return on investment should be 15 per cent on capital employed comprising the average net fixed assets and working capital.	Not accepted. Since the normal practice is to allow a return of only 12 per cent on the capital employed the Government did not feel that there was adequate justification for allowing a higher rate of return in the case of the tractor industry.
		(iii) The Commission recommended the following fair ex-works retail prices for two years ending March 31, 1969: Rs. (a) Hindustan 50 H.P. .. 23,370 (b) Massey Ferguson .. 21,270 (c) International .. 20,230 (d) Escort 37 H.P. .. 17,690 (e) Eicher 27 H.P. .. 17,480 (f) Hindustan 35 H.P .. 15,680 (g) Escort 27 H.P. .. 14,700	The Government considered that the average replacement ratio in respect of deletions already effected by all the manufacturing units was much less than the ratio adopted by the Commission in fixing prices. In respect of manufacturing unit importing the components and raw materials from the U.K., the Commission had calculated the cost on the basis of exchange rate prior to the devaluation of pound sterling in November 1967. The maximum selling prices f.o.r. destination (rail head) of various makes of agricultural tractors manufactured in the country with immediate effect and until further orders, were fixed as under :— Rs. (a) Hindustan 50 H.P. 22,350 (b) TAFE 35 H.P. 21,140 (c) International 35 H.P. 19,570 (d) Escort 37 H.P. 17,910 (e) Eicher 27 H.P. 17,480 (f) Hindustan 35 H.P. 15,710 (g) Escort 27 H.P. 13,840
		(iv) For the next two years the change in the c.i.f. cost of ckd packs due to a change in the rates charged by the collaborators and/or fresh deletion, effected should be adjusted against the recommended prices of tractors.	The Government had taken note of the recommendation and action would be taken to implement it to the extent practicable.

APPENDIX IX : TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING 1968-69

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Afghanistan	July 28, 1968	August 1, 1968 to July 31, 1969	*Imports :* Dry and fresh fruits, asafoetida, cumin seeds, hides and skins, medicinal herbs, cotton and wool. *Exports* : Cotton and woollen textiles, silk, art silk and rayon fabrics, jute manufactures, handloom fabrics, tea, coffee, spices, fish, vegetable oils, tobacco raw, chemical and chemical preparations, pharmaceuticals, engineering goods, electrical goods, household and building requirements, hardware, rubber manufactures, leather manufactures, handicrafts and cottage industry products, sugar, automobiles and their spares, tractors, bulldozers, compressors, wood working machinery, lathes, road rollers, refrigerators, generators portable and fixed, radio receivers, telephone and telegraph apparatus and equipment, cranes, drugs, medicines and antibiotics, etc.	This trade arrangement for 1968-69 is in accordance with the provisions of the Treaty of 1950 between the Royal Afghan Government and the Government of India.
Bulgaria	October 18, 1968	January 1, 1969 to December 31, 1973	*Imports :* Capital goods, machinery and equipment, urea, caprolactum, dye and dye intermediates, various other organic and inorganic chemicals and allied products, tool alloy and special steel, other rolled and steel products including sheets, black galvanized, plates, wire rods and skelp, drugs in bulk and intermediates thereof, zinc, lead, tractors, etc. *Exports :* Tea, coffee, spices, H.P.S. groundnuts, de-oiled groundnut cakes, mica and micanite products, Bengal Deshi cotton, jute manufactures, cotton textiles, tanned hides and skins, finished leather, leather footwear including chappals and uppers, coir yarn, rubber tyres and tubes and high pressure hoses, rolled steel products, ropes and nets, various engineering goods, tippers, trucks, buses, railway wagons and other commercial vehicles, castor oil and linseed oil, copper concentrates, etc.	This trade and payments agreement was signed on October 18, 1968; a trade plan for the year 1969 was also signed on the same date.
Czechoslovakia	January 22, 1969	January 1, 1969 to December 31, 1969	*Imports :* Printing and polygraphic machinery and spare parts thereof, ball roller and taper bearings including bearings for axle boxes, components, spares, tyres and raw materials for 50 H.P./30 H.P. tractors under collaboration scheme, motor cycles and scooters, components, raw materials and spare parts under collaboration scheme, machine tools including wood and metal working machinery and welding sets, capital goods, rolled steel products, plates, sheets including bitumen drum sheets, etc., tool alloy	This is an extension of the trade and payments agreement signed on November 7, 1963; a trade plan for the year 1969 was also finalised on January 22, 1969.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Czechoslovakia (Concld.)			and special steel, seamless pipes, tubes and casings, newsprint, tractors complete, spares, etc., raw materials for Heavy Equipment Plant, Hyderabad, High Pressure Boiler Plant, Tiruchi and Heavy Machine Tool Plant, Ranchi, maintenance equipments for Machine Tool Plants. *Exports :* Tea, coffee, tobacco, cashew kernels, groundnuts H. P. S., de-oiled cakes, vegetable oils, iron ore, manganese ore, raw skins, tanned and semi-tanned hides and skins, automobile tyres and tubes, jute manufactures, woollen hosiery, fabrics and readymade garments, cotton yarn, linoleum and P.V.C. products, sanitary fittings, M.S. pipes and pipe fittings, hand and small tools, cutting tools including diamond tools, auto ancillaries, textile machinery, other engineering goods, etc.	
Democratic Peoples' Republic of Korea (North Korea)	December 9, 1968	January 1, 1969 to December 31, 1970	*Imports :* Zinc (electrolytic) and other non-ferrous metals, anthracite, special steel including high speed steel, stainless steel, carbon tool steel, alloy tool steel, structural alloy steel, etc., graphite, flourspar (permissible types), hops, peppermint oil, etc. *Exports :* Jute manufactures, shellac, hydrogenated vegetable oil, tanned and semi-tanned hides and skins, manganese ore, mica, chrome (low grade), soft and hard coke, various chemical products, tyres and tubes, aluminium ingots, rolled steel products, capital goods and equipments, various engineering goods including automobile and railway bearings, etc.	This is a trade and payments arrangement which replaces the earlier trade arrangement signed on June 2, 1961; a trade plan for 1969 was also finalised on December 9, 1968.
Democratic Peoples Republic of Vietnam (North Vietnam)	November 26, 1968	Valid upto September 21, 1971	*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.	This is a further extension of the trade and payments agreement originally signed in December 1956.
France	March 11, 1969	January 1, 1969 to December 31, 1969	The agreement does not contain any indicative list of items of exports from either country.	This is a further renewal of the trade agreement originally signed in 1959. During the meetings of the Indo-French Economic Commission held in Delhi in March 1969, the agreement was renewed for the period January 1, 1969 to December 31, 1969.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
German Democratic Republic	January 23, 1969	February 1, 1969 to December 31, 1971	*Imports :* Alloy, tool and special steel, rolled steel products, ball bearings, steel tubes, high purity metals, printing machinery, machine tools, metal and wood working and welding sets (permissible types), agricultural tractors, spare parts and implements thereof, capital goods and equipments thereof, optical and scientific instruments, instruments and apparatus for laboratories, cinematographic films raw, various organic and inorganic chemicals, muriate of potash (industrial and fertilizer grades), etc. *Exports :* Tea, coffee, tobacco, cashew kernels, de-oiled cakes, bones crushed, iron ore, mica and mica products, tanned and semi-tanned hides and skins, jute manufactures, cotton textiles and synthetic fabrics, engineering goods, aluminium ingots, wire rods and billets, etc.	A long term trade and payments agreement as well as a trade plan for 1969 were signed on January 23, 1969. The earlier agreement signed on September 12, 1964, has been extended upto January 31, 1969.
Greece	July 31, 1968	January 1, 1968 to December 31, 1968	*Imports :* Dried figs, dried fruits, grapes, olives, olive oil, saffron, activated carbon, marbles, emery and corundum, exposed cinematographic films, etc. *Exports :* Jute products, coffee, tea, spices including pepper, rubber manufactures, gums other than gum arabic, raw goat skins and sheep skins known as Amritsar papras, leather, cotton piecegoods, shellac, cashewnuts and cashew-shell oil, mica, tobacco, bicycles, sewing machines, electrical goods, handicrafts, artware, handloom cloth and carpets, etc.	This is an extension of the trade agreement originally signed on February 14, 1958. The list of items in the agreement are of an indicative nature and the agreement does not involve any export/import commitment from either side.
Hungary	October 28, 1968	January 1, 1969 to December 31, 1969	*Imports :* Bearings, ball, roller and taper, steel and steel products, seamless steel pipes, high pressure gas cylinders, machine tools, capital goods, machinery and equipment, wheels, tyres and axles, aluminium billets and wire rods, switch board and measuring instruments, laboratory and testing equipment, controlling, measuring and precision instruments, optical and surveying instruments, aerial ropeways equipment under collaboration scheme, components and semi-products for tele-communication and allied industries, dye intermediates, drugs and medicines in bulk and pharmaceutical intermediates, fertilizers such as urea and others, chemicals such as sodium nitrite and nitrate liquid bromine, acetic anhydride and monochloro acetic acid, aluminium fluoride, D.M.T., synthetic rubber, zinc dust, etc.	This is a trade plan for 1969 concluded in terms of the trade and payments agreement dated November 22, 1963. The agreement is yet to be renewed beyond December 31, 1968.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Hungary (Concld.)			*Exports :* Tea, coffee, tobacco, pepper and spices, de-oiled groundnut cake meal, other deoiled cakes, iron ore, manganese ore, tanned and semi-tanned hides and skins, coir yarn and manufactures, jute manufactures, cotton waste, cotton raw (Bengal Deshi), cotton and woollen textiles including hosiery, knitted wear and readymade garments, railway wagons, engineering goods, etc.	
Iran	September 10, 1968	Valid upto September 10, 1969	*Imports :* Dry fruits, dates, asafoetida, gums, red oxide, medicinal herbs and plants, etc. *Exports :* Tea, machinery and engineering goods, iron and steel products, railway materials and equipment, chemicals, drugs and pharmaceuticals, animal and marine products, agricultural products, mining products, plastic and sport goods, cotton and woollen textiles, household and building materials, spices, preserved fruits and vegetable products, etc.	This is the trade arrangement for 1968-69 in terms of the trade agreement signed on March 11, 1964.
Iraq	September 17, 1968	October 1, 1968 to August 31, 1969	*Imports :* Dates, washed wool, goat skins, etc. *Exports :* Tea, jute manufactures, steel goods, electric goods, machine equipment, metal products, batteries and bicycles.	This is a trade arrangement concluded in terms of the trade agreement signed on December 13, 1962.
Poland	October 31, 1968	January 1, 1969 to December 31, 1973	*Imports :* Fishing vessels, ships equipment, machine tools, metal and wood working, welding sets, etc., drilling rigs etc., accessories and spare parts, ball roller and taper bearings, textile machinery including automatic looms, accessories and spare parts, agricultural tractors, spares and components, wheel sets, sheets, tyres and axles for railways, capital goods, rolled steel products including mild steel plates, sheets/black and galvanized/tin plates and special tool and alloy steel, dye intermediates, intermediates for pharmaceutical industry, drugs and medicines in bulk, sera and vaccines, organic and inorganic chemicals including caprolactum, aniline oil, phenol, technical urea, caustic potash, ammonium bicarbonate, potassium chlorate and others, fertiliser grade urea, sulphur, zinc spelter and electrolytic zinc, etc. *Exports :* Tea, coffee, black pepper, de-oiled groundnut and other cakes, animal feed compounds, HPS groundnuts, castor oil, iron ore, mica and mica based products, coir yarn and strings, jute manufactures, cotton textiles, cotton waste, textile machinery and accessories, machine tools, rolled steel products, wire ropes, gorgings and castings, steel pipes including high pressure steel pipes, hand tools and small tools, engineering goods, tyres and tubes, etc.	This is a trade and payments agreement; a trade plan for 1969 in terms of the above agreement was signed on November 6, 1968.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Socialist Republic of Romania	April 4, 1968	April 4, 1968 to December 31, 1970	*Imports :* Oils prospecting and drilling equipment, spare parts including drilling equipment for prospecting and geological survey, capital goods, machinery and equipment for various industries, tractors, ball, roller and taper bearings, petroleum products including lubricating oils, urea, etc. *Exports :* Coffee, pepper and other spices, hides and skins (tanned and semi-tanned), iron ore, ferro manganese and other ferro alloys, steel pipes, rolled steel products, wire ropes, manganese ore, mica, cotton textiles, jute bags and sacks, various engineering goods, etc.	This new long term trade and payments agreement is in supersession of the earlier agreement signed on November 30, 1962 and valid upto December 31, 1968. A trade plan for 1969 was finalised on October 23, 1968, in terms of the above long term trade and payments agreement.
Socialist Federal Republic of Yugoslavia	February 26, 1969	April 1, 1969 to March 31, 1970	*Imports :* Lead, zinc, mercury, ferro alloys, lubricating oils, steel products, pesticides, wood pulp and finished machinery and equipment. *Exports :* Tea, coffee, pepper, jute products, de-oiled cakes, tobacco, iron ore and machine tools, tyres and tubes, engineering products, plastic goods, tinned fruits and juices, tinned fish and shrimps, handicrafts including cotton handlooms, sports goods, readymade garments, knitwear, etc.	This is an extension of the trade and payments agreement originally signed on October 13, 1962, which was extended from time to time upto March 31, 1969.
Sudan	July 10, 1968	January 1, 1968 to June 30, 1969	*Imports :* Cotton, gum arabic and other items by mutual agreement. *Exports :* Tea, jute manufactures, textiles, spices, oil perfumes, other items such as tobacco and cigarettes, sandalwood, steel bars, rods, rounds and structurals, oil mill machinery, commercial motor vehicles, components and spares and ancillaries, diesel engines and pumps, machine tools, sewage and water treatment plants, sewing machines, electric wires and cables, electric fans, electric lamps and light fittings and wiring accessories, dry and storage batteries, bicycles and components, railway track material (other than rails), builders hardware and various ferrous and non-ferrous metal manufactures, plastic, rubber and leather products, *e.g.* rubber hoses, tyres and tubes (bicycles and automobiles), footwear, toys, haircombs and other plastic goods.	In the present arrangement the period is changed from the calendar year basis to July-June basis by extending the current arrangement period by six months. The arrangements are renewed annually within the framework of the trade and payments agreement signed between the two countries in October 1965.
Thailand	December 13, 1968	December 13, 1968 to December 12, 1969	The agreement is general in nature. The exchange of commodities and goods between the two countries is not specified.	This is the first trade agreement signed between the two countries.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
United Arab Republic	June 26, 1968	July 1, 1968 to June 30, 1969	*Imports :* Cotton, rice and rock phosphate, etc. *Exports :* Tea, jute manufactures, basic pig iron, rolled mild steel, steel wires, mild steel fabricated products, ferrous castings and forgings, hand tools, wire strand and rope, tobacco, cotton yarn, commercial grade aluminium ingots, coffee, pepper and spices, chemicals and dyestuffs excluding lead and zinc oxide, naphthalene, titanium oxide, ammonia and ethyl alcohol, mercury compounds, benzene, paper and paper products, flourescent and incandescent electrical lamps, fittings, fixtures and accessories, truck chassis buses and automative spare parts, bicycles and spares, shellac, diesel engines and centrifugal and turbine pumps, components and accessories, dry batteries and components, other engineering goods (as listed), tyres and tubes, drugs and pharmaceuticals, ferro manganese, silk fabrics, industrial oils, soft drink concentrates, stationery excluding stencil paper and carbon papers, iron ore, bentils, palmyra fibre, bamboo, cane and coir products, coal, mica and other miscellaneous items by mutual agreement.	This is a trade arrangement for 1968-69 signed between the two countries after the expiry of the trade plan which was in operation till June 30, 1968. The current trade plan is valid upto June 30, 1969. This trade arrangement is within the framework of the Indo-UAR trade agreement of July 8, 1953.
U.S.S.R.	December 20, 1968	January 1, 1969 to December 31, 1969	*Imports :* Machine tools and metal working machinery, power and electrotechnical equipment for Pathratu Harduaganj, Balimela and other projects, machinery and equipment for Heavy electrical Ltd., Hardwar, lifting and transport equipment, cranes and hoisting equipment, steel mill rolls and partially machined rolls, ball and roller bearings, printing machinery and polygraphic equipment, construction and earth moving equipment such as excavators, dumpers and spares for the equipment, wheel tractors including Byclarus T40, DT-14B tractors, components, crawler tractors, harvestor combines for agricultural purposes, dredgers, marine diesel engines, air craft including helicopters, asbestos raw, ferro-alloys, tin plates, zinc, ammonium sulphate, urea, muriate of potash, wood pulp, newsprint, sulphur, drugs and medicines in bulk, books, periodicals, gramophone records and postage stamps, etc. *Exports :* Mica, raw wool, raw jute, goat skins raw, semi-tanned and tanned, tobacco, essential oil, castor oil, coffee, tea, spices, cashew kernels, de-oiled cakes, opium raw, leather shoes, chappals, jute bags and cloth, readymade garments, woollen knitwear, drugs and pharmaceuticals, rolled steel products, railway wagons, automobile tyres and tubes, etc.	This is a trade plan for 1969 in terms of the trade and payments agreement concluded on June 10, 1963 which is valid upto December 31, 1970.

APPENDIX X—FOURTH FIVE-YEAR PLAN 1969-74—DRAFT

A SUMMARY

The new Draft of the Fourth Five-Year Plan (1969-74) was presented to Parliament on April 21, 1969. This replaces the earlier Draft Outline which was placed before Parliament on August 29, 1966.* In the following pages, an attempt is made to summarise the new draft report of the Fourth Plan. Section I highlights the experience of the Third Plan. This is followed by two sections dealing with approach and broad objectives of the Fourth Plan and long-term perspective for the period ending with 1980-81. Sections IV and V give a brief description of outlays and resources, while Section VI discusses the various targets and programmes of development envisaged under the Plan. Food and nutrition policy, irrigation and power, and industry and minerals are reviewed in sections VII, VIII and IX. The next five sections deal with village and small industries, transport and communications, education and manpower, scientific research and other programmes, while the final section deals with plan implementation.

I. Third Plan Appraisal :

During the Third Plan, national income (revised series) at 1960-61 prices rose by 20 per cent in the first four years and registered a decline of 5.7 per cent in the last year. Per capita real income in 1965-66 was about the same as it was in 1960-61, the results of the meagre growth rate of national income having been almost completely neutralised by the 2.5 per cent rate of growth of population.

The performance of agriculture during the first three years of the Third Plan was not satisfactory. In 1964-65, however, with an improvement in weather conditions, a record harvest was raised. Agricultural production fell sharply in the subsequent year. The slow rate of growth in agricultural production not only depressed the rate of growth of the economy but also necessitated a very large increase in imports of foodgrains and other agricultural commodities.

Production of organised industry increased by 8 to 10 per cent during the first four years of the Third Plan. In 1965-66, with the dislocation caused by the Indo-Pakistan conflict and the consequent disruption in the flow of foreign aid, the growth of industrial production slowed down to 4.3 per cent. Over the Third Plan as a whole, the growth rate turned out to be 7.9 per cent compared to the target of 11 per cent.

Upto 1962-63, the rise in wholesale prices was moderate. In subsequent years it became sharper. Thus the general index of wholesale prices in 1965-66 was 32 per cent higher than in 1960-61, mainly due to the rise in the prices of food articles. The consumer price index (1949 = 100) advanced from 124 in 1960-61 to 169 in 1965-66.

Strains began to develop on the balance of payments at the very beginning of the Third Plan. There was a sizeable unfavourable balance on invisible items even in the early years. In the face of rising food and other imports and insufficient increase in exports the situation worsened and the country had to seek larger and larger foreign assistance. A growing trade deficit and mounting debt obligations characterized the situation. Despite larger utilisation of foreign aid, there was frequent recourse to borrowing from the International Monetary Fund. The temporary suspension of foreign aid in 1965 put further strain on the already difficult foreign exchange position. This was aggravated by the increased import of foodgrains.

Despite larger outlays, actual developments have often fallen short of targets. In many key sectors, delays in construction, revision of cost estimates and the failure to utilise capacity fully have added to the difficulties. Many of the projects undertaken in the public sector represent new and complex ventures and, to an extent, initial difficulties are only to be expected. But even after allowing for this, the concern for speed, economy and efficiency has not been as pervasive as it ought to be.

Against these short-comings, the Third Plan recorded some notable achievements. In particular, a number of circumstances have changed the situation during recent years. Successful research in plant breeding using foreign genetic material has resulted in the establishment of high-yielding varieties of cereal seeds. With a new awareness of the importance of irrigation, intensive use of subsoil water in many areas has emerged. There has been much greater demand and increasing use of chemical fertilisers, insecticides and other inputs. Higher prices have made farmers in most parts of the country readily receptive to new practices and inputs. Thus the possibility of an upward surge in agricultural production seems to have been established.

In the sphere of industry, a notable feature has been a continuous increase and diversification of production capacity which has gone on in spite of fluctuations and the near stagnation of recent years. Many industries such as machine tools, aluminium and steel, electrical and transport equipment, fertilisers, drugs and pharmaceuticals, petroleum products, cement, minerals and a variety of consumer goods have increased their production capacities. There has also been a large increase in the manufacturing capacity for power generators. All this has contributed to the strengthening of the industrial structure and a valuable potential for sustained industrial progress in the future has been created.

Further, varied experiences of the Third Plan have helped a good deal in the framing of a correct approach to the Fourth Plan. The record of past years shows that the basic strategy of Indian Planning as defined at the beginning of the Second Plan is not at fault. At the same time, the difficulties into which the economy has run emphasise the need for firmer policy direction and the use of a number of supplementary measures and instruments to carry out the necessary adjustments. The most important lesson is the need to adopt measures which will maintain relatively stable conditions while development proceeds. In the Indian situation at present the supplies and prices of agricultural commodities, particularly of food, play a crucial role in attaining stability.

II. Approach & Broad Objectives:

In formulating the Fourth Plan, note has been taken of the successes and failures so far, the observed continuing trends in the economy and the specific experience of recent years. The most important lesson is that the current tempo of economic activity is insufficient to provide productive employment to all, extend the base of social services and bring about significant improvement in living standards of the people. As the continuity of even a moderate rate of growth is likely to be threatened if instability emerges, the Fourth Plan pro-

* A summary of this was published in the Report on Currency and Finance 1966-67.

poses to introduce safeguards against the fluctuations of agricultural production as well as the uncertainties of foreign aid. Together with programmes of increased agricultural production the Plan provides for the building up of sizeable buffer-stocks to even out the supplies of foodgrains and other measures to stabilise foodgrain prices and the price level in general.

As regards the financing of the Plan, emphasis is being placed on additional mobilisation of internal resources in a manner which will not give rise to inflationary pressures. Dependence on foreign aid will be greatly reduced in the course of the Fourth Plan. It is planned to do away with P.L. 480 imports at the end of the next two years. A sustained increase of exports by about 7 per cent a year is another essential element of strategy in the Fourth Plan to secure balance on foreign account and approach speedily towards the goal of self-reliance. As a result of these measures the total investment outlays proposed in the Plan are going to be modest. But it is hoped that the tempo of economic activity will be stepped up significantly in the initial years of the Plan even with these outlays. The prospect depends essentially on the extent of internal effort made in saving and investment and on the operational efficiency and economic discipline displayed by official and non-official agencies and establishments. In this context special attention needs to be paid to the public sector, the performance of which has not reached the expected level. So only limited increase in public sector industrial activity has been proposed in the Plan. Increasing the efficiency and profitability of public enterprises becomes thus an urgent necessity.

The Plan, thus, proposes to step up the tempo of activity to the extent compatible with maintaining stability and progress towards self-reliance. While continuing with effort in intensive, irrigated agriculture and basic modern industry it proposes to pay special attention to certain fields of productive activity particularly in agriculture and related primary production which have been relatively neglected. It proposes to chart the course of industrial development so as to provide for future technological advance and at the same time to bring about dispersal of industrial activity and enterprise. The plan proposes detailed action through regional and local planning to help the very large numbers of the smaller and weaker producers and increase immediate employment and future employment potential. It suggests steps to even out supplies of foodgrains and to stabilise prices through buffer stocks and through operation by public agencies in certain sensitive trading areas. It looks to the monopoly legislation and appropriate fiscal policy to reduce concentration of economic power. It expects that social control of banking will help in this and also contribute towards diffusion of enterprise and strengthening of weak producing units.

III. The Long-Term Perspective:

The Fourth Plan document presents a revised perspective of long-term growth. Taking into account the setbacks of the recent past and the relatively slower growth in the next five years, a reasonable target of growth in the Fifth Plan and upto 1980-81* would be around 6 per cent per annum. With this revised perspective the Third Plan target of real income for 1975-76 will be reached only three to four years later. Per capita income in 1980-81 would be about 55 per cent higher than in 1967-68.

The projected evolution of the economy over the next 12 years viewed in terms of broad aggregates can be seen from Table 1. In order to reach the target

Table 1.—Projection of Net Domestic Product and Expenditure 1967-68 to 1980-81

(Rs. 100 crores at 1967-68 prices)

Sr. No.		1967-68	1973-74	1978-79	1980-81	Index of Growth 1980-81 over 1967-68
1.	Net domestic product at factor cost ..	281.9	384.7	518.7	582.2	207
2.	Net domestic product at market prices ..	306.7	422.4	572.8	644.4	210
3.	Net imports of goods and services	7.8	3.0	(—) 1.5	(—)3.0	—
4.	Net domestic expenditure	**314.5**	**425.4**	**571.3**	**641.4**	**204**
	of which					
	(*i*) Investment	32.5	53.0	86.2	102.5	315
	(*ii*) Government consumption	28.0	39.0	53.7	61.3	219
	(*iii*) Private consumption	254.0	333.4	431.4	477.6	188
5.	Per capita private consumption (Rs.).. ..	494	559	648	692	140
6.	Projected population (in million)	514	996	666	690	134

Note : The estimate of net imports in 1973-74 given in this table allows for possible slippage in export promotion and import substitution implied in the detailed projections.

* The projections are presented upto 1980-81 so that the detailed investment planning in the Fifth Plan will take fully into account the need for advance preparation in respect of additional output in long gestation sectors to be realised in the early years of the Sixth Plan.

level of income in 1980-81 and sustain a growth rate of at least 6 per cent a year beyond that year, it is essential to raise the ratio of net investment to net national product from the current level of about 12 per cent and the planned 13.8 per cent in 1973-74 to 17 to 18 per cent by 1980-81. The targets of income and investment are sought to be achieved without requiring any significant increase in foreign aid beyond the Fifth Plan. This implies (*a*) the internal savings of the economy after 1978-79 should be sufficient to finance not only the investment but also the payment liabilities on foreign debt ; and (*b*) the growth of imports and exports is so managed that after 1978-79, the economy has a foreign trade surplus (inclusive of invisibles) equivalent to at least the interest payment to foreign creditors. The internal savings would be adequate for this purpose if a marginal savings rate of the order of 28 per cent were sustained throughout the period. The foreign exchange aspects of the problem could be taken care of by exports growing at 7 per cent a year, and non-food imports at 5 per cent a year (with food imports being altogether eliminated during the course of the Fourth Plan).

With savings rising considerably faster than income, aggregate consumption necessarily has to increase at a relatively slow rate. Aggregate consumption in 1980-81 is estimated to be about 80 per cent higher than in 1968-69, implying a rate of growth of 5 per cent per year compared to 6 per cent growth rate of aggregate income. The public consumption expenditure is estimated to rise somewhat faster than total income with emphasis on public expenditure on items like education, health and social services. Allowing for population growth and the objective of promoting greater equality of opportunity and paying special attention to the poor, 8 to 9 per cent rate of expansion in public expenditure on the social services should be provided for. Other elements in public consumption, namely, defence and non-development outlays, on the other hand, are projected to grow at 4 to 5 per cent per year. In the course of the next twelve years private consumption can thus be raised by approximately 80 per cent in the aggregate and somewhat less than 40 per cent in per capita terms. The average per capita private consumption, valued at 1967-68 prices, would reach Rs. 690 by 1980-81. The consumption levels of the poor segment of the population would naturally be much lower than the average.

On the basis of production targets for various sectors, judged after a careful examination to be feasible, the economy can achieve an average annual increase of about 5.5 per cent in total production during the Fourth Plan. The demand for farm products is estimated to rise at the rate of about 4.5 per cent per annum during the period. Agricultural production will have to increase somewhat faster (5 per cent per year) than demand during the Fourth Plan so that the dependence on imported foodgrains may be eliminated. The requisite rate of expansion in agricultural output over the next decade or more is appreciably higher than has been achieved in the past. However, in view of various favourable factors in agriculture and a higher emphasis on improving the efficiency of water distribution and management an overall rate of growth of agricultural production of 4.5 per cent per annum would seem a fairly realistic goal.

On a rough estimate, an overall rate of expansion of 9 per cent in the net output of mining and manufacturing industries and construction would appear to be consistent with the projected growth in aggregate income and agricultural production. The pattern of industrial expansion over the next decade or so should continue to be guided by the necessity of meeting the requirements by domestic production of a wide range of manufactures which admit of economic production. Quantitatively the most significant branches of industry which need attention from this view point are fertilisers and fertiliser raw materials, metals, petroleum products and machinery. In all these areas a sizeable proportion of country's total requirements is currently met by imports. Domestic production in all these branches will have to increase considerably faster than the expected growth of internal demand both with a view to reducing the imports and to take advantage, in some cases, of prospective export opportunities. A broad picture of the projected patterns of imports and exports is given in Annexure Tables I and II.

The achievement of the projected growth rate of the economy with a 5 per cent growth in non-food imports depends crucially on the success in achieving the key industrial targets. The principal imports will be fertiliser materials (rock-phosphate and sulphur), non-ferrous metals other than aluminium and crude oil. In all these cases India does not either have adequate indigenous resources or no economical indigenous substitutes exist. Much of the increased requirements will necessarily have to be imported. Essentially the same considerations apply in respect of specialised items of industrial raw materials and machinery which cannot yet be produced economically within the country.

India is still one of the minor trading nations of the world. Its share is less than one per cent of the total world exports. The projected value of exports in 1980-81 would still represent no more than 2 per cent of the present value of world export trade. While this rate of expansion of exports cannot be considered as too high, to sustain it over a long period would require a bold approach to the problem, a considerable diversification of the pattern of our exports, and a concern for quality and price competitiveness of Indian goods entering the world market. Of the projected increase in commodity exports, it is postulated that nearly 65 per cent would be obtained by the expansion of trade in minerals and manufactures. The share of tea and jute manufactures, two of India's major traditional export items, is expected to be reduced from 29 per cent of total exports in 1968-69 to 17 per cent in 1980-81. The major directions of future diversification will lie in metals and metal manufactures (including machinery, equipment and engineering goods), iron ore, chemicals and allied products. The relatively rapid growth of demand for oil-cakes and fish and fish preparations in the world, however, offers a promising avenue for expansion.

The objective of self-reliant growth also requires that the supply of domestic savings be increased to a level adequate to finance projected investment and to pay at least interest on foreign debt. In order to reach the projected level of income in 1980-81 and to sustain at least 6 per cent rate of development thereafter, the net investment in the economy will on a provisional estimate be required to reach Rs. 8,600 crores by 1978-79 and Rs. 10,250 crores by 1980-81. Given the objective of dispensing with net aid after 1980-81 the volume of domestic savings will have to increase from Rs. 2,200 crores in 1967-68 to approximately Rs. 8,800 crores in 1978-79 and Rs. 10,500 crores by 1980-81. This means diverting approximately 28 per cent of the increase in national income for savings throughout the next 12 years. The average rate of savings will rise from about 8 per cent in 1967-68 to nearly 12.6 per cent in 1973-74 and 18 per cent by 1980-81. Estimates of the increase in savings likely to be generated by 1980-81 in the normal course, after taking into account additional taxation proposed during the Fourth Plan, are summarised in Table 2.

TABLE 2— Ratio of Net Domestic Savings to National Income by Sectors: 1967-68 to 1980-81

Sr. No.	Sectors	1967-68	1973-74	1980-81
1.	Households ..	6.1	7.7	8.9
2.	Corporations ..	1.1	1.1	1.4
3.	Public Savings ..	0.8	3.8	6.2
4.	Total Domestic Savings	8.0	12.6	16.5

IV. Outlays :

A total outlay of Rs. 24,398 crores is envisaged for the Fourth Plan, of which public sector outlay will amount to Rs. 14,398 crores while the investment in the private sector is anticipated to be Rs. 10,000 crores. In the public sector Rs. 12,252 crores have been provided for investment and Rs. 2,146 crores for current outlay. The total investment for the creation of productive assets aggregates to Rs. 22,252 crores. The distribution of the public and private sector outlays by major heads of development is shown in Table 3 while comparative picture of the proposed public sector outlay in the Fourth Plan with the expenditure in the Third Plan and Annual Plans (1966-69) under each head of development is shown in Annexure Table III. The distribution of outlay between the centre, centrally sponsored schemes, States and union territories under major heads of development is shown in Annexure Table IV.

The outlay under Agriculture does not fully reflect the anticipated step-up inasmuch as it does not take into account the substantial investment to be made in this sector by financial institutions, namely, Agricultural Refinance Corporation, Agro-Industries Corporations, Rural Electrification Corporation, co-operative institutions, land development banks and central co-operative banks. The investment in agriculture to be financed by these institutions from resources other than plan outlay would amount to Rs. 1,015 crores.

The Five-Year Plans of States comprise a very large part of the National Plan as also of the public sector plan. The outlays in different sectors of development in the State Plans during the previous Plans and those projected for the Fourth Plan are indicated in Annexure Table V.

Table 3.—Fourth Plan—Outlay and Investment : Public and Private Sectors

(Rs. Crores)

Sr. No.	Heads of Development	Public Sector				Private Sector		Public and Private Sectors		
		Total outlay	Current outlay	Investment	Percentage distribution of total outlay	Investment	Percentage distribution	Total Investment (4+6)	Total outlay (2+6)	Percentage distribution
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Agriculture and allied sectors ..	2217	550	1667	15.4	1800	18.0	3467	4017	16.5
2.	Irrigation and flood control ..	964	14	950	6.7	..	..	950	964	3.9
3.	Power	2085	..	2085	14.4	50	0.5	2135	2135	8.7
4.	Village and small industries ..	295	111	184	2.1	500	5.0	684	795	3.3
5.	Industry and minerals ..	3090	35	3055	21.5	2150	21.5	5205	5240	21.5
6.	Transport and communications	3173	40	3133	22.0	1010	10.1	4143	4183	17.2
7.	Education	802	539	263	5.6	50	0.5	313	852	3.5
8.	Scientific research	134	41	93	0.9	..	..	93	134	0.5
9.	Health	437	305	132	3.0	..	..	132	437	1.8
10.	Family Planning	300	250	50	2.1	..	..	50	300	1.2
11.	Water supply and sanitation ..	339	2	337	2.4	..	..	337	339	1.4
12.	Housing and urban development	171	..	171	1.2	2680	26.8	2851	2851	11.7
13.	Welfare of backward classes ..	134	134	..	0.9	..	..	..	134	0.5
14.	Social welfare	37	37	..	0.3	..	..	..	37	0.2
15.	Labour welfare and craftsmen training	37	18	19	0.3	..	..	19	37	0.2
16.	Other programmes	183	70	113	1.2	..	..	113	183	0.7
17.	Inventories	..	..	..	..	1760	17.6	1760	1760	7.2
18.	**Total**	**14398**	**2146**	**12252**	**100.0**	**10000***	**100.0**	**22252**	**24398**	**100.0**

* Exclusive of transfers of public funds.

One notable feature of the present plan is the change in the principles of allocation and the pattern of Central assistance to the States. Thus it was decided that after providing for the requirements of the States of Assam, Nagaland and Jammu and Kashmir, the Central assistance to the remaining States for the Fourth Plan be distributed to the extent of 60 per cent on the basis of their population, 10 per cent on their per capita income if below the national average, and 10 per cent on the basis of tax effort in relation to per capita income, and that other 10 per cent be allotted in proportion to the commitments in respect of major continuing irrigation and power projects. The remaining 10 per cent will be distributed among the States so as to assist them in tackling certain special problems like those relating to metropolitan areas, floods, chronically drought affected areas and tribal areas. Previously, Plan schemes under different heads of development had their own patterns of assistance and the States could draw their grants or loans accordingly. Outlays under certain heads of development as also some of the specified schemes were earmarked and could not be diverted to other heads or schemes. In future there will be no such schematic patterns. Assistance will be given to the States through block grants and loans. In order to ensure that the overall priorities of the Plan are adhered to, outlays under certain heads or sub-heads of development and specified schemes will, however, be earmarked and will not be diverted to other heads or schemes. As a result of these changes the States will now have much greater initiative in the formulation of schemes and programmes. The decision that 60 per cent of the assistance should be distributed on the basis of population and that the States in which per capita incomes were below the national average should get another 10 per cent of the total assistance is a step towards the reduction of regional imbalances.

Regarding centrally sponsored schemes the plan has laid down that in future only those schemes will be taken up which (*a*) relate to demonstrations, pilot projects, surveys and research ; (*b*) have a regional or inter-state character ; (*c*) require lump sum provisions to be made until they could be broken down territorially; and (*d*) have an overall significance from the all-India angle. The position was reviewed in the light of the above considerations and a greatly reduced list of centrally sponsored schemes was approved by the Committee of the National Development Council. These schemes would hereafter be wholly financed by the Central Government.

V. Resources for the Plan:

The estimates of resources for the Fourth Plan as given in the draft, show that aggregate resources of the Centre and the States amount to Rs. 11,832 crores and Rs. 2,566 crores, respectively, bringing the total resources to Rs. 14,398 crores. At 1968-69 rates of taxation, fares and freights and other service charges, the total budgetary resources of the Centre are estimated at Rs. 9,382 crores and of the States Rs. 1,457 crores (Table 4).

The scale of resource mobilisation envisaged will materialise only if appropriate policy decisions are taken well in time and the Nation's development programmes effectively implemented to secure the overall and the sectoral rates of growth.

Additional resources for the Fourth Plan are expected to amount to about Rs. 2,700 crores. Of this, the State Governments have indicated their intention to raise about Rs. 1,100 crores. An amount of Rs. 1,600 crores is to be mobilised by the Central Government. This figure is net of the States' share of additional taxation at the Centre, which may amount to Rs. 200 crores. The exact amount will depend upon the type and quantum of fresh taxes levied by the Centre from year to year. No credit has been taken for this amount in the States' resources as it is not clear at this stage if it will constitute a net addition to resources for the State Plans.

The measures suggested for mobilising additional resources include efficient and profitable operation of public undertakings, a more effective drive for small savings, particularly in rural areas, and additional taxation, especially of agricultural incomes and urban property values. In practice, the specific measures along the lines suggested will have to be fashioned by different governmental authorities, keeping in view their feasibility, revenue potential and their economic effects. The broad areas to which the specific measures could be directed are : electricity tariffs, irrigation rates and return on investment in other public undertakings. Efforts could also be made to mobilise additional resources in the rural sector by floating rural debentures or adopting similar devices for financing agro-industries, irrigation schemes, rural electrification, housing and the provision of drinking water, benefiting the rural population directly. It is also suggested to raise more resources from the agricultural sector for financing its development by imposing an additional burden on the well-to-do farmers. The enhancement of commodity taxation has been proposed for raising additional revenues, as also to restrain conspicuous consumption by the affluent sections of society, generate exportable surpluses and bring about desirable allocation of productive resources. Taxation of income and wealth can, besides yielding larger revenue, be more effective in preventing the growth of disparities in income and wealth. Further, taxation of unearned increments in land values can provide the means to finance programmes of urban development, including low income housing, slum clearance, improvements in transport and water supply and drainage. Finally, while tax incentives have no doubt a positive role to play in planning for development, their withdrawal, when the purpose served by them is not commensurate with the revenue loss, can be a means of mobilising additional resources.

Firm estimates of private savings are not available. On average calculation the private sector is expected to generate savings amounting to Rs. 13,900 crores during the Fourth Plan. The household and co-operative sectors will contribute Rs. 12,040 crores and the balance of Rs. 1,860 crores will be contributed by the corporate sector. The Central and State Governments will draw on this pool of private savings as much as Rs. 3,930 crores for the public sector plan. Private savings thus available for private investment would amount to Rs. 9,970 crores. Adding to it the net amount of foreign funds directly flowing to the private sector, the total resources available for private investment would aggregate to Rs. 10,000 crores (Table 5).

The estimates of budgetary receipts corresponding to external assistance indicated in Table 4 and the net inflow of foreign funds for private sector represent only a part of the economy's requirements of foreign exchange resources. The total requirements of foreign exchange are larger, amounting to Rs. 10,050 crores comprising Rs. 9630 crores for total imports, Rs. 140 crores net outgo on invisible account and Rs. 280 crores for repayment to I.M.F. In addition, Rs. 2,280 crores will be required for debt service payments. The break-up of total imports valued at about Rs. 9,630 crores is Rs. 7,830 crores for maintenance imports or imports of

Table 4.—Estimates of Resources for the Third and Fourth Plans ; Public Sector

(Rs. Crores)

Sr. No.	Item	Third Plan						Fourth Plan		
		Original scheme of financing			Actuals					
		Centre	States	Total	Centre	States	Total	Centre	States	Total
1.	Budgetary Resources* (2+3+6 to 12)	3314	1436	4750	3500	1521	5021	6868	1114	7982
2.	Balance from current revenues at base year** rates of taxation	410	140	550	(-) 642	223	(-)419	2355	100a	2455
3.	Surplus of public enterprises at base year** fares, freights and tariffs (4+5)	400	150	550	331	104	435	1175	555	1730
4.	Railways	100	..	100	62	..	62	265	..	265
5.	Others	300	150	450	269	104	373	910	555	1465
6.	Retained profits of Reserve Bank$	..	..	..	..	..	..	133	32b	165
7.	Market borrowings of Central and State Governments (net) ..	475	325	800	307	516	823	750	416	1166
8.	Additional taxation including measures to increase the surplus of public enterprises £ ..	1100	610	1710	2277	615	2892	..	..	..
9.	Small savings	213	387	600	213	352	565	274	526	800
10.	Annuity deposits, compulsory deposits, prize bonds and gold bonds	..	..	..	117	..	117	(-)104	..	(-)104
11.	State provident funds	183	82	265	236	100	336	343	297	640
12.	Miscellaneous capital receipts (net)†	533	(-) 258	275	661	(-)389	272	1942	(-)812c	1130c
13.	Loans from LIC and state enterprises' market borrowings (gross)$ (14+15+16)	..	..	..	..	..	..	..	343	343
14.	LIC loans to state Governments for housing and water supply+	..	..	..	..	..	..	..	96	96
15.	Market borrowings of state enterprises$	..	..	..	..	..	..	..	116	116
16.	LIC loans to state enterprises $	..	..	..	..	..	..	..	131	131
17.	Budgetary receipts corresponding to external assistance (net) (18+19)	2200	..	2200	2423	..	2423	2514	..	2514
18.	Other than P.L. 480	2200	..	2200	1339	..	1339	2134d	..	2134d
19.	P. L. 480 assistance				1084	..	1084	380	..	380
20.	Total Budgetary Resources (1+13+17)	5514	1436	6950	5923	1521	7444	9382	1457	10839
21.	Additional Resource mobilisation	..	..	..	..	..	..	1600e	1109	2709
22.	Deficit financing	524	26	550	1004	129	1133	850	..	850
23.	Aggregate Resources (20+21 +22)	6038	1462	7500	6927	1650	8577	11832	2566	14398
24.	Assistance for state plans ..	(-)2375	2375	..	(-)2515	2515	..	(-)3500	3500	..
25.	Net Resources — plan outlay (23+24)	3663	3837	7500	4412	4165	8577	8332	6066	14398

* For Third Plan, resources are inclusive of negotiated loans from LIC and state enterprises' market borrowings.
** 1960-61 as the base year for Third Plan and 1968-69 for Fourth Plan.
$ For Fourth Plan only.
£ For Third Plan only.
† Includes Steel Equalisation Fund for Third Plan.
a This estimate pertains to four states only and assumes that other states will balance their non-plan revenue budgets.
b Reserve Bank loans to State Governments for participation in share capital of co-operatives.
c Inclusive of local bodies' contribution of Rs. 50 crores and loan repayments by State Government enterprises.
d Net of loan repayments only. Interest payments have been allowed for in calculating the balance from current revenues.
e Net of States' share.

Table 5—Resources Available for Private Investment : Fourth Plan

Sr. No.	Item	Investment (Rs. crores)
1.	Private savings	13,900
2.	Corporate savings	1,860
3.	Household and Co-operative savings ..	12,040
4.	Central and State Government draft on private savings	3,930
5.	Private savings available for private investments (1 — 4)	9,970
6.	Gross loans and investment from abroad	300
7.	Repayment of foreign loans	270
8.	Net inflow of foreign funds	30*
9.	Total resources available for private investment (5 + 8)	10,000

* Net of loan repayments only. Interest payments have been taken into account under item 1.

raw materials and components required for stepping up the rate of growth of industrial and agricultural production, Rs. 1,300 crores to finance project imports or imports of plant and machinery for expansion or creation of additional capacity in selected lines and Rs. 500 crores towards cost of food imports during the first two years of the Plan. The import policy during the Fourth Plan will thus have to be so framed as to eliminate all non-essential imports while ensuring the availability of items not produced indigenously in sufficient quantity.

The total requirement of Rs. 10,050 crores of foreign exchange exclusive of debt servicing during the Fourth Plan will have to be met out of the net receipts from external assistance plus export earnings. In accordance with the policy objectives of the Plan, the aggregate external assistance, net of debt servicing, required during the Fourth Plan is estimated to be Rs. 1,750 crores. This will be available only if gross aid utilisation in the economy is of the order of Rs. 4,030 crores comprising of PL 480 food aid of Rs. 380 crores and the project and non-project aid of Rs. 3,650 crores.

The balance of foreign exchange requirement amounting to Rs. 8,300 crores will have to be met out of export earnings. This will require export earning to go up from the expected level of Rs. 1,340 crores in 1968-69 to around Rs. 1,908 crores in 1973-74, or at a compound rate of about 7 per cent per annum. This rate of growth does not appear to be beyond reach if proper re-orientation in policies and institutional arrangements for export promotion is brought about. To achieve this growth rate during the Plan, policy measures will have to be devised to generate export surpluses, improve competitive capacity of exports and remove disabilities from which exporters suffer. To enable exporters to develop export markets on a sustained basis, it would be necessary to provide a measure of stability in export policies. There should be a degree of flexibility to permit adjustments according to fresh developments, but this need not affect the core of the policies set out.

VI. Targets and Programmes of Development :

On the basis of the programme of investment proposed for the Fourth Plan and the level of outputs expected to be reached in different sectors by 1973-74, it is estimated that the overall rate of growth during the Fourth Plan will be about five and a half per cent a year.

The targets arrived at and results anticipated in selected fields are indicated in Annexure Table VI.

In the agricultural sector, the Fourth Plan has two main objectives. The first objective is to provide the conditions necessary for a sustained growth of about 5 per cent per annum over the next decade. The second objective is to enable as large a section of the rural population as possible, including the small cultivator and the farmer in dry areas, to participate in development and share its benefits. Thus the developmental programmes in agriculture have been drawn up into two categories, namely, those which aim at maximising production and those which aim at remedying imbalances.

The production targets for foodgrains and commercial crops are shown in Table 6.

Table 6—Targets of Production

Sr. No.	Commodity	Unit	Base level production (1968-69)	Estimated production 1973-74
1.	Foodgrains	Million tonnes	98	129
2.	Oilseeds	-do-	8.5	10.5
3.	Sugarcane (Gur)	-do-	12	15
4.	Cotton	Million bales	6	8
5.	Jute	-do-	6.2	7.4
6.	Tobacco	Million kgs.	380	480
7.	Coconut	Million nuts	5600	6600
8.	Arecanut	Thousand tonnes	126	150
9.	Cashewnut	-do-	160	236
10.	Pepper	-do-	23	42
11.	Lac	-do-	35	52
12.	Tea	-do-	418	450

Since there is very limited scope for bringing additional land under cultivation, the strategy for realising the production targets is primarily dependent on intensive agriculture and consists of the following key elements :

(1) Continued expansion of irrigation facilities and re-orientation of irrigation practices ; optimum use of water and in particular integrated use of ground and surface water ; improvement in the utilisation of existing irrigation potential through special programmes ; and measures to increase intensity of cropping ; (2) expansion in the supply of fertilisers, plant protection materials, farm machinery and credit ; (3) full exploitation of the possibilities of raising yields opened by the new seed varieties in the case of cereals ; (4) intensive

efforts in selected suitable areas for raising the yield levels of major commercial crops ; and (5) improvement in the agricultural marketing system in the interests of the producer along with assurance of minimum prices for major agricultural commodities.

One of the main objectives of the Fourth Plan, in the agricultural sector, is to enable the small farmers to participate in development and share its benefits. This is sought to be achieved by various measures, both general and specific. The general measures, which extend to the country as a whole, are complementary in character and pertain to a number of spheres including minor irrigation, agricultural credit and animal husbandry. A large amount of public investment is proposed for community works as tanks and tubewells of benefit to small farmers who would not be able individually to provide themselves with these facilities. Such minor irrigation works may be constructed by the State Governments, Panchayati Raj institutions or other appropriate authorities. As regards agricultural credit, it is proposed to take a number of steps for reorienting the general loaning policies and procedures of co-operative institutions in favour of the small farmers. It is also envisaged that the Agricultural Refinance Corporation will provide assistance for schemes on an area basis designed to enable the small farmers as well to take advantage of agricultural, dairying, poultry and other programmes. The problems of small farmers will be identified and input services and credit will be assured to them in 20 selected districts through a Small Farmers' Development Agency to be set up in each of these districts.

Among other programmes for agricultural development, mention may be made of Land Development Banks, the Agricultural Refinance Corporation and the Agro-Industries Corporation, operations of which will be considerably expanded. In States where co-operative credit societies are weak, Agricultural Credit Corporations are proposed to be set up. A Fertiliser Credit Guarantee Corporation will be set up to facilitate the flow of finance for distribution of fertilisers and allied inputs.

In the sphere of development and application of scientific research to agriculture, it is proposed to strengthen the Indian Council of Agricultural Research and the nine agricultural universities already established. Four new universities are contemplated in the Fourth Plan. The various undergraduate and postgraduate colleges of agricultural sciences will be helped to improve their facilities. Farmers' education and training is being given a new orientation consistent with the requirements of a complex and technology-based production programme.

In order to bring about a rapid development of improved agricultural implements the Fourth Plan provides for the establishment of Agro-Industries Corporations in the remaining States (already set up in 12 States). The corporations will supply agricultural machinery on hire-purchase and provide the technical and other services which go with such supply.

In the Fourth Plan, the high-yielding varieties programme is of crucial importance. Nearly two-thirds of the additional production of foodgrains is expected by the extension of this programme from the base level of 8.5 million hectares to 24.1 million hectares. The multiple-cropping programme will be extended to cover an additional area of 9.0 million hectares. Programmes of problem-oriented research will be given priority in achieving the targets in commercial crops like cotton, jute, oilseeds, sugarcane and potato.

In the sphere of animal husbandry, fisheries and forests the main objectives are : (1) to increase the supply of protective foods such as milk, (2) to improve the output of certain animal products like wool, (3) to enable the small farmer and the landless labourer to undertake animal husbandry activities, (4) to increase marine production by about 0.44 million tonnes and inland fish production by about 33,000 tonnes and (5) to achieve self-sufficiency in forest products as early as possible, especially in major forest-based industries such as pulp, paper, newsprint, wood panel products and matches. Loans and other facilities will be provided for these purposes and efforts will be made to ensure that, besides the public sector outlays, investment in these spheres is facilitated from various institutional sources like Agricultural Refinance Corporation, Industrial Development Bank of India, etc.

Growth with stability being the key-note of the Fourth Plan, agricultural co-operatives on the one hand and consumer co-operatives on the other will occupy a central position in the strategy of co-operative development. Agricultural financing will be institutionalised to the maximum extent possible and direct loans by the Government will be reduced to the minimum. In line with this objective, co-operatives will be strengthened to ensure the disbursement of short and medium-term credit amounting to Rs. 750 crores at the end of the Plan.

One of the most important tasks before the co-operative credit movement is the re-organisation and rationalisation of the structure at the primary level. It is proposed to devise measures whereby the primary societies within the jurisdiction of District Central Co-operative Banks may be financed directly by the concerned apex co-operative banks.

As deposit mobilisation is necessary to mop up a part of the increased income in the rural areas for productive investment, the co-operative credit structure has to take effective measures to increase its deposits. Co-operative banks will, therefore, be encouraged and assisted to open more branches in rural areas for facilitating the flow of credit, for rendering service more efficiently and for tapping larger savings.

In the Fourth Plan, it is proposed to accelerate considerably the pace of expansion of land development banking so that adequate support may be forthcoming for schemes of basic importance to agriculture throughout the country such as land reclamation, soil conservation, land shaping, and construction of surface works, tubewells and other works of minor irrigation.

One of the main endeavours in the Fourth Plan will be to re-orient the policies and procedures of credit co-operatives and land development banks in favour of small cultivators. In pursuance of this approach, the loaning policies of these institutions will be sought to be modified so that if the resources available to a particular society are inadequate to meet the requirements of all its members, it will seek to ensure that the needs of the small cultivators are adequately met on a priority basis. Secondly, the larger cultivators will be called upon to contribute a relatively higher proportion of their borrowings towards share capital. Thirdly, the long-term loans from land development banks to small cultivators will be so phased that the repaying programme is within their capacity.

Steps will also be taken to strengthen the co-operative marketing structure especially at the primary level. Co-operatives will aim at handling in the last year of the Fourth Plan, 8 million tonnes of foodgrains, 36

million tonnes of sugarcane, 0.6 million tonnes of groundnut, 10,000 tonnes of fruit and vegetables and 1.8 million bales of cotton. Towards this end efforts will be made to strengthen the Food Corporation, the State Trading Corporation and the co-operative marketing organization in order to ensure that the purchase operations benefit primary producers. Storage and warehousing facilities will be expanded. An outlay of Rs. 45 crores has been included for providing an additional capacity of 3 million tonnes of foodgrains to build up a buffer stock of 5 million tonnes.

One of the significant developments contemplated in the Fourth Plan relates to the involvement of the co-operative form of organisation in the programme of rural electrification. Pilot rural electric co-operatives are to be set up in five States. Provision in regard to loans for these co-operatives has been made as part of the funds allotted to the Rural Electrification Corporation. Among the objectives of the co-operatives are the supply of electricity for agricultural and agro-industrial purposes and the encouragement of active participation of the people by giving them some degree of control on electricity supply.

VII. Food & Nutrition Policy :

Food policy has a crucial role in the Fourth Plan. The main objectives will be (1) to ensure that consumer prices are stabilised and, in particular, that the interests of the low-income consumers are safeguarded ; (2) to ensure that the producers get reasonable prices and continue to have adequate incentives for increasing production and (3) to build up an adequate buffer stock of foodgrains. With a view to building up a buffer stock of adequate size, the requisite financial provision has been made in the Plan—partly by way of Plan outlays for purchases and storage of buffer stocks and partly by way of provision of margin money to the Food Corporation of India for having recourse to bank finance.

The Fourth Plan aims to have an integrated nutrition programme. In known areas of acute malnutrition special programmes designed to tackle the problems of pre-school children and expectant and nursing mothers will be implemented and will become an important item in the activities of *Balwadis*. The availability of *Bal Ahar* will be stepped up from its current level of about 26,500 tonnes to about 60,000 tonnes per annum. The number of school children covered is expected to increase from 10 million to 15 million.

VIII. Irrigation, Flood Control and Power :

It is proposed, during the Fourth Plan, to bring about an additional utilisation of 5 million hectare metres of water under major, medium and minor schemes, bringing the total utilisation to 25.5 million hectare metres or 46 per cent of the usable flow of 56 million hectare metres.

The objectives of the Fourth Plan include the integrated use and efficient management of water resources, both surface and ground ; extension of irrigation, major, medium and minor ; and, in regard to new projects, the choice wherever practicable—subject to the constraint of resources in the States sector—of those areas which are relatively deficient in assured rainfall as well as irrigation. Existing canals and tubewells, wherever necessary, will be remodelled or supplemented by construction of subsidiary irrigation works. Due care also needs to be given to the proper maintenance of existing works to prolong their life.

Programmes of minor irrigation will be dovetailed with rural electrification schemes for energising clusters of wells or tubewells. The focus of rural electrification will be the pumpset that is to be energised rather than the village which is to be electrified. Among the new trends in the minor irrigation programme are the reduction of subsidies, stress on state or community works for helping the small farmer, larger provision of institutional finance for private works and building up of organization in States and at the Centre to survey and develop ground water schemes. There will be emphasis on proper maintenance of pumping machinery and the irrigation tanks.

The total area liable to floods has been estimated at 16 million hectares. At the beginning of the Fourth Plan, 6.2 million hectares had been saved from flooding. It is now proposed to start a scientific flood forecasting system, so that timely warnings may reduce loss of life and damage.

The progress in the generation of electricity has been significant during the three Annual Plans. This appreciable addition, coupled with a slower rate of growth in demand, has made the power position at the beginning of the Fourth Plan, on the whole satisfactory except for marginal shortages in some areas. Within the outlay for the continuing generation schemes, the states would be able to add 6.00 million kW. to their installed capacity. In the State plans, a large provision Rs. 587 crores—has been made for transmission and distribution programmes in view of the persisting imbalance between generating capacity and the transmission and distribution facilities. Emphasis has been laid on inter-state and inter-regional lines so that the power system in each region can be operated on an integrated basis. The regional power systems are proposed to be inter-linked to form an all-India grid within the Plan period.

Rural electrification has received an important place in the power programmes of the country. Energisation of irrigation pump-sets forms an important programme under rural electrification. By 1968-69 about 10.69 lakh pumps are estimated to be in operation as against about 5.13 lakh sets in 1966 and 1.92 lakh sets in 1961. The provision of Rs. 313 crores for rural electrification made in the present Plan is intended largely for the energisation of irrigation pump-sets. The number of pump-sets covered by the programme is estimated to be 7·4 lakhs. Within this investment, States may also electrify localities and supply power for domestic and industrial purposes. A Rural Electrification Corporation, with a Plan outlay of Rs. 45 crores, is proposed to be set up in the public sector for financing selected programmes in States. This Corporation is expected to attract additional funds estimated at over Rs. 105 crores. This is expected to provide finance for energising an additional 5 lakh pump-sets.

At present the financial working of most of the electricity boards is not satisfactory. In some States, large part of the electricity generated is sold to bulk consumers below the cost of generation. The rise in the cost of materials, lubricants, fuel and wages has further increased the operation and maintenance expenditure of the Boards. In the Fourth Plan, the main endeavour of the Boards should be to build up sufficient surpluses for re-investment in further growth by improved efficiency in operation, fuller utilisation of available capacity and rationalising tariffs.

Other programmes which have been included and for which provision has been made in the Plan are: (1) preliminary survey of hydro-power generation sites ;

(2) research work connected with power generation, transmission and distribution ; (3) power equipment testing centres ; (4) consultancy service for development and (5) training of thermal power station operating personnel.

IX. Industry and Minerals :

The Fourth Plan envisages an investment of approximately Rs. 5,200 crores in organised industry and mining. The major portion of the outlay in the public sector is intended for the completion of projects already under implementation and projects on which investment decisions have been taken. New projects are envisaged in high priority fields like fertilisers, pesticides, petrochemicals, non-ferrous metals, and development of iron ore, pyrites and rock-phosphate resources.

The industrial programmes and policies for the Fourth Plan have been conceived keeping in view the need to correct imbalances in the industrial structure and to bring about conditions within which the maximum utilisation of capacity already built up is achieved. At the same time conditions have to be brought about for a vigorous growth in industrial output and capacity without any undue burden on balance of payments. Thus the broad objectives of investment in industry will be (1) completing investments in relation to which commitments have already been made, (2) increasing existing capacities to levels required for present and future development and (3) taking advantage of internal developments or availabilities to build new industries or new basis for industries.

The policy of investment will be directed in such a manner as to encourage the emergence of new entrepreneurship and greater dispersal of the ownership and control of industries. Import control and control on commodities in short supply will continue to operate. However, within the framework of control in strategic areas the market will be allowed much fuller play. Under the industrial licensing policy envisaged for the Fourth Plan period all basic and strategic industries involving significant investments and foreign exchange should be carefully planned and subjected to industrial licensing. Industries requiring only marginal assistance by way of foreign exchange for capital equipment may be exempted from the need to secure industrial licences. Industries which do not call for foreign exchange for import of capital equipment or raw materials should be exempted from the requirement of industrial licensing. Definite targets are proposed to be fixed only for a limited number of high priority industries. To ensure the fulfilment of these targets, full provision will be made for finance, supplies and other facilities. Care has to be taken to ensure that foreign collaboration is resorted to only for meeting a critical gap in industry and does not inhibit the maximum utilisation of domestic know-how and services. It is necessary to subject every proposal for foreign collaboration to fairly rigid tests. Import of foreign know-how particularly in sophisticated industrial fields would continue to be required. Even here, it would be essential to make simultaneous efforts for the adaptation of such know-how through indigenous effort and to improve on it to avoid the need for future purchases. In order to identify the fields in which foreign collaboration is required and to streamline the procedure for acceptance or otherwise of foreign collaboration proposals, a Foreign Investment Board has been set up. Broad guidelines regarding the terms on which foreign collaboration might be permitted have been indicated.

A new Textile Corporation for reconstructing and modernising viable mills taken over by Government and a Paper Corporation for expanding production of paper and newsprint will be set up.

X. Village and Small Industries :

The objectives of the programmes in the Fourth Plan as regards small industries are to improve progressively their production techniques so as to enable them to produce quality goods and to bring them to a viable level ; to promote decentralisation and dispersal of industries ; and to promote agro-based industries. In order to achieve these aims, it would be necessary to improve skills and provide a combination of incentives and disincentives for securing decentralisation and dispersal of small industries. Fiscal and other measures are required to enable these industries to stand competition with large industries. Since a large number of industries are proposed to be delicensed during the Fourth Plan period, greater emphasis will have to be placed on a variety of positive measures of assistance including liberal credit facilities, adequate supply of scarce raw materials, provision of technical assistance and improved appliances, tax concessions and differential excise duties. Outside the designated field for small industries, the small and large industrial sectors would be developed wherever possible, as complementary to each other so as to facilitate growth of ancillary industries.

As regards the traditional sector represented by khadi and village industries, the problem is that at their present technological level, these industries will not be able to sustain themselves without appropriate fiscal support. The financial as well as fiscal incentives to be given to establish medium and large industries would be available to small industries as well. There are a number of industries, especially agro-industries, based on skills, demand and raw materials which are largely local. These can be helped to be established by means of fiscal and technological support and organisation of credit facilities. Besides, in many rural areas, there is growing demand for repair and service facilities for agricultural machinery and other appliances ; this offers considerable scope for the establishment of small workshops and the employment of technically trained persons. The Co-operative form of organisation will be encouraged wherever appropriate.

In sanctioning loans under the State Aid to Industries Acts and Rules, it is envisaged that State Governments and Union Territories would give preference to the requirements of entrepreneurs in semi-urban areas including rural and backward areas, units engaged in export, handicraft artisans, technically qualified persons and industrial co-operatives. Others will be assisted to obtain their requirements from financial and banking institutions which are expected to provide larger credit to small industries. For units engaged in production of priority items—such as can be exported or help replace imports—efforts will be made to ensure regular and adequate supplies of imported and scarce indigenous raw materials, including intermediates.

The Small Scale Industries Development Organization including the Small Industries Service Institutes will be strengthened with technical staff and provided with the requisite equipment. The State Industries Directorates and Small Industries Corporations will also be adequately strengthened. The scheme for supply of machines on hire-purchase terms by the National Small Industries Corporation and states' small industries corporations will be expanded.

XI. Transport and Communications :

In the Fourth Plan the railway development programme provides for anticipated increase in freight and passenger traffic. Equipment and operations will be modernised to improve efficiency of the system and reduce costs. The pace of conversion from metre gauge to broad gauge will be accelerated in areas of rapid economic development and high traffic potential. The total originating freight traffic in 1968-69 might amount to 203 million tonnes and in 1973-74 it would be about 290 million tonnes. Dieselisation is proposed to be extended from 19,200 route kilometres to about 22,000 route kilometres in 1973-74. Electric traction will be extended from 2900 route kilometres to about 4600 route kilometres in 1973-74. It is proposed to electrify or dieselise fully the high density routes which are at present under mixed traction. In the Fourth Plan, a programme of converting 1500 kilometres of metre gauge lines into broad gauge lines will be taken up as part of long-term plan. Doubling of track is proposed to be provided on 1800 kilometres. A limited programme of new lines will be taken up, mainly to meet the needs of basic and heavy industries and of traffic in minerals like coal and iron ore.

To bring about improvements in the existing network of national highways, it is proposed to complete all the missing road links and improve all the low-grade sections. Of the 17 major missing bridges on the national highway system, 16 will be completed and work on the one remaining will be in progress by the end of the Plan. The programme provides for reconstruction of weak bridges and culverts and widening of important sections of the national highways to two lanes. It should be possible to increase the length of surfaced roads from about 3.17 lakh kilometres at the end of 1968-69 to about 3.67 lakh kilometres at the end of the Fourth Plan. Special emphasis is being laid on the development of rural roads. State Governments have agreed to set apart about 25 per cent of the total outlay on road development for rural roads. The total goods traffic by road transport is expected to increase from about 40 billion tonne kilometres in 1968-69 to about 84 billion tonne kilometres in 1973-74. The passenger traffic is expected to increase from about 92 billion passenger kilometres in 1968-69 to about 140 billion passenger kilometres in 1973-74.

In order to cater for the estimated increase in traffic, it is reckoned that the number of trucks on the road will need to be increased from about 3 lakhs in 1968-69 to about 4.7 lakhs at the end of 1973-74. The number of buses will need to be increased from about 80,000 to about 1.15 lakhs. The production of commercial vehicles is estimated to increase from 35,000 in 1968-69 to 85,000 in the last year of the Plan. In the Fourth Plan, the expansion of road transport will, however, be largely in the private sector.

During the Fourth Plan, the traffic handled by major ports will increase from about 55 million tonnes to about 90 million tonnes. Special facilities will be developed to handle bulk commodities like petroleum products, iron ore and fertilisers. The Mangalore and Tuticorin ports projects and the Haldia dock system are proposed to be completed. The dock expansion scheme and the oil dock in Madras, started in the Third Plan, will also be completed. Among the new major port development schemes, mention may be made of the installation of modern ore handling facilities at Mormugao and Madras harbours, construction of an outer harbour at Visakhapatnam for handling deep-draft ore carriers and construction of a satellite port for Bombay at Nheva Sheva.

As regards shipping, a provision of Rs. 125 crores has been made for acquisition of ships during the Fourth Plan period. By the end of the Plan, it might be possible to reach about 3.5 million g.r.t. of shipping tonnage. It is expected that Indian shipping would cater to about 40 per cent of the country's overseas trade at the end of the Fourth Plan as against 15 per cent at present.

During the period of the Fourth Plan, aircrafts of much bigger size and with greater speed than in use at present are expected to be introduced. The Plan envisages improvement of facilities at the four international airports at Bombay, Calcutta, Delhi and Madras, so as to make them suitable for operation of heavier and larger capacity aircrafts. The Plan also provides for the development of various airports for domestic air services. The available capacity of Indian Airlines is expected to increase from 224 million tonne kilometres in 1968-69 to 392 million tonne kilometres in 1973-74, while that of Air India is expected to rise from 437 million tonne kilometres in 1968-69 to 990 million tonne kilometres by 1973-74.

As regards tourism, the broad approach in the Plan is to expand and improve tourist facilities with a view to promoting 'destinational' traffic as distinct from 'transit' traffic. The programme of the Central Department of Tourism mainly provides for loans to the hotel industry in the private sector, loans for the purchase of tourist vehicles by private operators, and integrated development of selected centres. The programme of the India Tourism Development Corporation provides for construction of hotels, motels and cottages, renovation and expansion of tourist bungalows and setting up of transport units and duty-free shops.

An outlay of Rs. 520 crores is proposed for development of communications. During the Fourth Plan period, an addition of about 7.6 lakh telephone connections is envisaged. The Plan provides for about 31,000 new post offices. The Hindustan Teleprinters Ltd. is expected to have a manufacturing capacity of 8500 teleprinter units per annum by the end of the Plan as against a likely production of 4800 units in 1968-69.

XII. Education and Manpower :

In the Fourth Plan priority will be given to the expansion of elementary education and the emphasis will be on the provision of facilities for backward areas and communities and for girls. Other items of importance will be expansion and improvement of science education and teachers' training ; improvement of standards of post-graduate education and research ; development of Indian languages and book production, especially text-books ; and the consolidation of technical education and its closer linking with the needs of industry and its orientation towards self-employment. Increased efforts will be made to involve people in educational programmes and to mobilise public support. Emphasis will be laid on the development of youth services. It is proposed to effect economies by utilisation of existing facilities to the maximum possible extent ; stream-lining of the planning, implementing and evaluating machinery ; progressive elimination of wastage and stagnation ; the use of educational technologies—part-time and correspondence courses ; modern media of communication, optimum size of institutions—which promote expansion and development with minimum investment and without lowering standards ; and undertaking new tasks only after careful preparation through pilot projects. Such activities as do not require much finances, but have a

large multiplier effect, will be encouraged. Educational programmes will be increasingly related to social and economic objectives.

In the field of pre-school education, Government effort will be confined mainly to certain strategic areas such as training of teachers, evolving suitable teaching techniques, production of teaching materials and teachers' guides. The target of enrolment for elementary education at the end of the Fourth Plan is placed at 86.80 million pupils while that for secondary education is 10.40 million pupils. Thus in the Fourth Plan, it is expected to enrol 3.8 million additional pupils in classes IX-XI. The main effort in the Fourth Plan will be to enrich the content and improve the quality of secondary education.

The major task in the field of post-elementary education is to provide a large variety of vocational courses for children who do not intend to continue their general education beyond the elementary stage. Girls' education will be given special consideration during the Fourth Plan.

In regard to post-graduate courses emphasis will be on increasing the facilities for post-graduate education and research and on qualitative improvement. The centres of advanced study, which are intended to encourage the pursuit of excellence, will be developed further. It is also proposed to assist a few other promising university departments to grow as advanced centres. A national council will be established to promote research in social sciences. Science education will be further expanded and improved at elementary, secondary and university stages.

Important among the schemes for the development of languages in the Fourth Plan are the setting up of Institutes of Languages for inter-linguistic research, training of translators and encouraging the production of appropriate literature. A number of State Governments propose to set up autonomous book production corporations.

Youth services will be developed, both for students and non-students. It is proposed to set up a National Youth Organisation to advise Government on the development of Youth Services.

By the end of the Fourth Plan, the number of medical colleges is expected to increase to 103, with an admission capacity of 13,000. It is estimated that the stock of doctors will increase to 1.38 lakhs in 1973-74 from 1.02 lakhs in 1968-69. It is expected that by the end of the Fourth Plan a doctor population ratio of 1:4300 will be reached as against 1:5200 in 1968-69.

On the basis of the present intake, the stock of agricultural and veterinary graduates should increase to 71,000 and 15,200, respectively, in 1973-74. Provision is also being made to create suitable training facilities to meet the requirements for agricultural technicians of various type such as tractor operators and tractor mechanics.

As regards engineering education, the existing facilities should be sufficient to meet the Fourth and the Fifth Plan requirements. No shortages are expected. The problem will be primarily of effective deployment and better utilisation of persons trained.

XIII. Scientific Research :

The Council of Scientific and Industrial Research which was established for the main purpose of promotion, guidance and co-ordination of scientific and industrial research will select for purposeful research and development such projects of promise as are likely to lead to industrial production. A closer link between national laboratories and industrial undertakings needs to be established.

The atomic energy programmes provide for building of nuclear power stations, development of ancillary technologies based on indigenous resources and production of special materials, fuels and equipment. The Fourth Plan Programme of the Department under Research and Development Sector includes completion of the nuclear power projects at Ranapratap Sagar and Kalpakkam (Stage I) using increasingly larger components of indigenous materials and expertise. Other important activities during this period will be the setting up of a reactor research centre with prototype fast breeder reactor at Kalpakkam and a variable energy cyclotron for nuclear research at Calcutta. The reactor research centre will intensify efforts on thorium utilisation. Advanced rockets would be developed for space research, particularly dealing with meteorology and diverse fields of equatorial economy. Work will be taken up on the establishment of a launching station on the east coast for medium altitude space research. Work on the application of radiation in food preservation, biological research, medical research and treatment and in industrial processes is also being conducted under the aegis of DAE, as well as other Ministries. Development work on such applications will be conducted in a co-ordinated manner.

The Survey of India will continue the existing work on the systematic preparation of maps as a pre-requisite for formulating schemes of hydel power, irrigation, flood control, mineral development and utilisation of forest resources.

XIV. Other Important Programmes :

In the Fourth Plan, emphasis will be on strengthening the primary health centres in order that a basic health service may be available in the rural areas. Service will also be available for mass campaigns to eradicate communicable diseases.

Family Planning programme is given high priority in the Plan. As against Rs. 24.86 crores expenditure during the Third Plan, the Fourth Plan provides for an outlay of Rs. 300 crores— Rs. 225 crores for services at rural and urban centres and the balance for training and publicity. Efforts so far have reduced the birth rate from 41 per thousand during the two decades ending 1965-66 to 39 recently. The target is to further reduce it to 32 by 1973-74 and to 25 in the next 10-12 years. To achieve this, group acceptance of small-sized family, personal knowledge about family planning and ready availability of supplies and services are necessary.

In the Fourth Plan investment in housing is expected to rise to about Rs. 2700 crores. The emphasis will be on holding land prices, financial assistance to co-operative and private efforts and assuming legal powers for reconditioning of slums.

The Fourth Plan outlay on water supply and sanitation schemes is Rs. 339 crores. In metropolitan areas water supply scheme would, as far as possible, be accompanied by sewerage and drainage schemes. In the remaining urban areas priority will be given to the completion of spill-over schemes. A number of new schemes will be taken up in areas endemic to water-borne diseases. The bulk of the provision of about Rs. 100 crores for

rural water supply will be utilized in areas of acute scarcity.

In the field of social security, it is proposed to cover under Employees' State Insurance Scheme all centres with industrial concentration of 500 or more insurable workers, shops and commercial establishments as also non-power factories employing 10 or more persons.

XV. Implementation :

Five-Year Plans, however carefully prepared and however firmly based, can be affected by unexpected events and by changes in the politico-economic situation. While the Five Year Plan will continue to form the main base, it is necessary to prepare a more elaborate Plan for each year which will be the operative Plan. The main purpose of the Annual Plan would be to maintain the development effort during the year along the lines indicated in the Five Year Plan. The Annual Plan would look to any adjustments in relative emphasis and size of outlays which become necessary and possible in view of the emergent economic situation. It should provide details of the year's programmes in the light of immediate past performance, physical availabilities and financial resources. The system of performance programme budgeting, being introduced in the Central Government, should, through an appropriate linking of the physical and financial aspects of each programme, help in strengthening the Annual Plan formulation process. This would not only ensure effective control of programmes by budget allocations but would also facilitate an integration of the planning and budgetary processes. It is expected that there will be an effective spread of the system to the state and local levels in the Fourth Plan period. It is also necessary to provide for a continuous review of the progress of the economy and a running evaluation of the process of implementation. The Administrative Reforms Commission has recommended the creation of a Plan Appraisal and Evaluation Wing in the Planning Commission. It will help the Commission to identify lags and bottlenecks and initiate corrective measures.

In the States, Plan documents have been generally drawn upon the lines suggested by the Planning Commission. So every State will have to undertake an analysis of fiscal and regulatory policies, administrative organisation, and institutional framework at various levels. For this purpose it is important to strengthen the State organisations for planning. The natural corollary of beginning to plan realistically and from the bottom is to recognize that planning is not something that comes from outside or above but what each State, district, locality and community does to develop its own resources and potentialities. This emphasises wide diffusion of initiative, decision-making and participation. It also implies a parallel shouldering of responsibilities.

Implementation of plans is intimately associated with better organisation and operation of the general administrative machinery. The two broad aspects of special importance to planning are (i) the need to incorporate in the administration, including that of the public sector undertakings, the technician, the specialist and the expert in an appropriate manner and (ii) to induce in the expert or the technician a proper appreciation of the administrative and economic aspects of the problems that he handles.

While Government has to ensure that the general policies pursued by the public sector organisations are in conformity with the national objectives and declared policies, the enterprises have to be given sufficient freedom in day-to-day operations so that the management can run the organisations in accordance with commercial principles. This will help in increasing their profitability and efficiency.

Annexure Table I.—Projected Value of Imports : 1973-74 to 1980-81

(Rs. Crores)

Sr. No.	Group of Commodities	1967-68	1973-74	1978-79	1980-81
	(1)	(2)	(3)	(4)	(5)
1.	Metals including metalliferous ores and scrap	200	235	280	340
2.	Machinery and transport equipment and metal products ..	510	770	1050	1130
3.	Crude oil and petroleum products	125	175	245	290
4.	Fertilisers and fertiliser raw materials	212	360	450	500
5.	Others	494	490	525	540
6.	Total non-food imports	**1541**	**2030**	**2550**	**2800**
7.	Foodgrains	**518**	—	—	—
8.	Total imports	2059	2030	2550	2800

Annexure Table II.—Estimates of Exports by Major Groups : 1968-69 to 1980-81

(Rs. Crores)

Sr. No.	Group of Commodities	1967-68	1968-69	1973-74	1978-79	1980-81	Annual rate of growth (%) 1968-69 to 1980-81
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Agriculture and allied products	445	475	667	910	1024	6.6
2.	Tea	180	180	205	228	240	2.5
3.	All other products	265	295	462	682	784	8.5
4.	Minerals	119	130	193	273	315	7.7
5.	Iron ore	75	86	145	215	252	9.4
6.	Manufactures	581	675	959	1365	1566	7.3
7.	Cotton textiles and jute manufactures ..	294	276	336	369	384	2.8
8.	All other manufactures	287	399	623	996	1182	9.5
9.	Other exports (unspecified)	54	60	81	102	115	5.6
10.	Total exports	1199	1340	1900	2650	3020	7.0

Annexure Table III.—Public Sector Outlays in the Fourth Plan and Expenditure in the Third Plan and Annual Plans (1966-69)

(Rs. Crores)

Sr. No.	Heads of Development	Third Plan	1966-69 (Estimated)	Fourth Plan
	(1)	(2)	(3)	(4)
1.	Agriculture and Allied Sectors	1089.0	1166.6	2217.5
2.	Irrigation and Flood Control	663.7	457.1	963.8
3.	Power	1252.3	1182.2	2084.5
4.	Village and Small Industries	240.8	144.1	294.7
5.	Industry and Minerals	1726.3	1575.0	3089.9
6.	Transport and Communications	2111.7	1239.1	3173.1
7.	Education	588.7	322.4	801.6
8.	Scientific Research	71.4	51.1	134.0
9.	Health	225.9	140.1	437.5
10.	Family Planning	24.9	75.2	300.0
11.	Water Supply and Sanitation	105.7	100.6	338.9
12.	Housing and Urban and Regional Development	127.5	63.4	170.7
13.	Welfare of Backward Classes	99.1	68.5	134.3
14.	Social Welfare	19.4	12.1	37.2
15.	Labour Welfare and Craftsmen Training	55.8	35.5	37.1
16.	Other Programmes	175.0	123.5	182.8
17.	**Total**	**8577.2**	**6756.5***	**14397.6**

* The actual expenditure is likely to be lower.

Annexure Table IV.—Distribution of Public Sector Outlays : Centre, Centrally Sponsored, States and Union Territories—Fourth Plan

(Rs. Crores)

Sr. No.	Heads of Development	Centre	Centrally Sponsored	Union Territories	States	Total
	(1)	(2)	(3)	(4)	(5)	(6)
1.	Agriculture and Allied Sectors	694.3	100.0	69.8	1353.4	2217.5
2.	Irrigation and Flood Control	23.5	..	11.8	928.5	963.8
3.	Power	252.0	14.0	74.2	1744.3	2084.5
4.	Village and Small Industries	145.0	5.1	10.2	134.4	294.7
5.	Industry and Minerals	2910.0	..	3.5	176.4	3089.9
6.	Transport and Communications	2610.0	40.0	85.7	437.4	3173.1
7.	Education	231.0	28.0	50.3	492.3	801.6
8.	Scientific Research	134.0	..	..	..	134.0
9.	Health	53.5	176.5	19.3	188.2	437.5
10.	Family Planning	..	300.0	..	..	300.0
11.	Water Supply and Sanitation	0.3	2.0	33.3	303.3	338.9
12.	Housing and Urban and Regional Development	34.0	..	20.6	116.1	170.7
13.	Welfare of Backward Classes	0.5	59.5	4.2	70.1	134.3
14.	Social Welfare	23.3	2.0	1.8	10.1	37.2
15.	Labour Welfare and Craftsmen Training ..	9.2	..	2.8	25.1	37.1
16.	Other Programmes	86.0[1]	..	10.4	86.4[2]	182.8
17.	**Total**	**7206.6**	**727.1**	**397.9**	**6066.0**	**14397.6**

[1] Break-up is as follows : Rehabilitation (Rs. 66.0 crores), Statistics (Rs. 4.4 crores), Information and Publicity (Rs. 5.0 crores), Expansion of Printing Capacity (Rs. 10.0 crores) and Research Programmes Committee (Rs. 0.6 crore).

[2] Inclusive of outlays for special and backward areas, information and publicity, state capital projects, evaluation etc.

Annexure Table V.—State Plan Outlays by Major Heads of Development

(Rs. Crores)

Sr. No.	Heads of Development	Third Plan	Annual Plans 1966-69	Fourth Plan
1.	Agriculture and allied sectors	972	779	1354
2.	Irrigation and flood control	655	448	929
3.	Power	1139	970	1744
4.	Industry and minerals	203	146	311
5.	Transport and communications	294	210	437
6.	Social services	844	456	1205
7.	Other programmes	58	43	86
8.	**Total**	**4165**	**3052***	**6066**

* Actuals for 1966-67 and anticipated for 1968-69.

Annexure Table VI. Selected Targets and Estimates : Fourth Plan

Sr. No.	Item	Unit	1968-69 estimated	1973-74 targets/ estimates
1.	High yielding varieties (area covered)	Million hectares	8.5	24.1
	Consumption of fertilisers			
2.	Nitrogenous (N)	Thousand tonnes	1400	3700
3.	Phosphatic (P_2O_5)	Thousand tonnes	400	1800
4.	Potassic (K_2O)	Thousand tonnes	180	1100
5.	Area irrigated (gross) major and medium	Million hectares	17	21.2
6.	Steel ingots	Million tonnes	6.5	10.8
7.	Alloy and special steel	Thousand tonnes	43	270
8.	Aluminium	Thousand tonnes	120	220
9.	Machine tools	Rs. crores	25	65
10.	Sulphuric acid	Thousand tonnes	1020	3500
11.	Refining capacity in terms of crude throughput	Million tonnes	16.13*	26
12.	Petroleum crude	Million tonnes	5.8	9.7
13.	Cement	Million tonnes	12.5	18
	Cloth			
14.	Mill-made	Million metres	4400	5100
15.	Man-made fibre fabrics	Million metres	975	1500
16.	Handloom, powerloom and khadi	Million metres	3400	4250
	Minerals			
17.	Iron ore	Million tonnes	26	53.4
18.	Coal excluding lignite	Million tonnes	69.5	93.5
	Power			
19.	Installed capacity	Million kW.	14.5	22
	Transport			
20.	Railway freight carried	Million tonnes	203	265
21.	Surfaced roads	Thousand kms.	317	367
22.	Students in schools	Million Nos.	75.2	97.2
23.	Hospital beds	Thousand Nos.	255.7	281.6
24.	Doctors practising	Thousand Nos.	102.5	137.9
	Family Planning Centres			
25.	Rural	Numbers	4840	5225
26.	Urban	Numbers	1856	1856

* Relates to calendar year.

ANNEXURE TO THE APPENDIX ON FOURTH FIVE YEAR PLAN

Outline of Fourth Five Year Plan of the State Governments

Pattern of State Plan Outlays

The draft Fourth Plan makes a provision of Rs. 6,066 crores for State Plan outlays constituting 42·1 per cent of total outlay of Rs. 14,398 crores in the public sector as against the actual State Plan outlays of Rs. 4,165 crores during the Third Plan which constituted 48·6 per cent of the total outlays of Rs. 8,577 crores in the public sector. The sector-wise pattern of State Plan outlays as envisaged by the draft Fourth Plan along with outlays during the Third Plan and the three annual plans are presented in Appendix Table I.

As can be seen from the Table, sector-wise pattern of outlays broadly follows the Third Plan. Agriculture and irrigation account for 37.6 per cent of the proposed State Plan outlays during the Fourth Plan as against 39 per cent during the Third Plan and 40.2 per cent during the last three years (1966-69) of annual plans. It may be noted that the large cut-back on social services to 14.9 per cent during the period of the annual plans from 20.3 per cent in the Third Plan has since been restored in the Fourth Plan period when such provision accounts for 19.9 per cent of the proposed Plan outlays.

State-wise Pattern of Plan outlays

The State-wise pattern of proposed Plan outlays during the Fourth Plan shows considerable differences in relative importance of different heads of development in the Plans of individual States. (Appendix Table II) The provision made for agriculture and allied sectors accounts for 22.3 per cent of total Plan outlays of the States ; in the case of Rajasthan, however, allocation for this item accounts for only 10.1 percent of its Plan outlays. On the other hand, 31.9 per cent of Plan outlays in the case of Rajasthan is accounted by irrigation and flood control as against 15.3 per cent in the total Plans outlays of the States. Bihar (24.3 per cent). Gujarat (23.8 per cent) and Mysore (21.4 per cent) are the other States in whose case Plan provision for irrigation and flood control exceeds one-fifth of the total. Taking agriculture and irrigation together, allocation in respect of Nagaland (25.9 per cent of total Plan outlays) and Tamil Nadu (28.8 per cent) is less than 30 per cent and is much below the corresponding proportion of 37.6 per cent in total State Plan outlays. The allocation for power in total State Plan outlays is 28.8 per cent. In the case of Punjab (42.7 per cent), Uttar Pradesh (38.7 per cent), Haryana (35.2 per cent) and Rajasthan (33.0 per cent) provision for power is notably above the proportion in total State Plan outlays. In the total Plan outlays of the States allocation of 7.2 per cent is made for transport and communications : in the case on Nagaland (26.7 per cent), Assam (17.5 per cent) and Jammu and Kashmir (17.3 per cent) the per cent provision for these services is well above the provision in total State Plan outlays. Allocation of more than one-fifth of Plan outlay is made for social services in respect of West Bengal (32.6 per cent), Tamil Nadu (27.9 per cent) Nagaland (25.0 per cent), Madhya Pradesh (24.0 per cent), Assam, Maharashtra (22.7 per cent each) and Andhra Pradesh (21.7 per cent) ; this is in excess of the corresponding provision of 19.9 per cent in total State Plan outlays and is well above the provision of 14.2 per cent—the lowest among all the States—in the Plan of Uttar Pradesh.

Pattern of Financing

In the original scheme of financing the Third Plan, aggregate resources for State Plans were estimated at Rs. 3,837 crores comprising Rs. 2,375 crores (61.9 per cent) of Central assistance and Rs. 1,462 crores (38.1 per cent) of States' resources. The actual resources for the Third Plan, however, have turned out to be Rs. 4,165 crores as a result of increase in Central assistance to Rs. 2,515 crores (60.4 per cent) and States' resources to Rs. 1,650 crores (39.6 per cent) as shown in Appendix Table III.

The actuals for the Third Plan show an improvement of Rs. 188 crores in States' resources over the amount anticipated in the original scheme of financing. Apart from deficit financing which made available additional funds of the order of Rs. 103 crores improvement occurred under net market loans (Rs. 191 crores), balance from current revenues (Rs. 83 crores), State provident funds (Rs. 18 crores) and additional resource mobilisation (Rs. 5 crores) making available additional resources to the tune of Rs. 400 crores than estimated in the original scheme. A sizeable part of this improvement was offset by deterioration (Rs. 212 crores)—under miscellaneous capital receipts (Rs. 131 crores), contribution of public enterprises (Rs. 46 crores) and share in small savings (Rs. 35 crores)—leaving a net improvement of Rs. 188 crores. As a result of this improvement in States' resources the contribution of the States towards financing their Plan at 39.6 per cent was higher than envisaged (38.1 per cent) in the original scheme of financing.

The pattern of financing the State Plans envisaged for the Fourth Plan raises States' contribution further to 42.3 per cent (39.8 per cent during annual plans). States' resources comprise additional resource mobilisation (18.3 per cent of total resources), contribution of public enterprises (9.1 per cent), small savings (8.7 per cent), net market loans (6.9 per cent), negotiated loans and market borrowings by public enterprises (6.2 per cent), State provident funds (4.9 per cent) and balance from current revenues (1.6 per cent). States' resources would have been higher but for an anticipated net outgo of Rs. 811.8 crores (13.4 per cent of total resources) under miscellaneous capital receipts.

Balance from Current Revenues

Balance from current revenues (excluding additional taxation) for the Fourth Plan at Rs.100.3 crores is considerably low as compared to the amount realised during the Third Plan (Rs. 223 crores). Moreover, even this low amount may not materialise during the Fourth Plan if some of the assumptions made for working out the balance from current revenues turn out to be incorrect. It is assumed for instance, that there will be neither food subsidies nor salary increases. This assumption has already proved invalid as the States of Assam, Jammu and Kashmir, Kerala and Tamil Nadu have provided for expenditure on food subsidy in their budgets for 1969-70 ; salary increases have also been granted in several States. Further, excepting the States of Haryana, Kerala, Maharashtra and Mysore which are expected to show positive balance from current revenues, other States expect to balance their non-Plan revenue accounts with the help of devolution from the Centre on the basis of final recommendations of the Fifth Finance Commission and, if necessary, by further

effort on their part over and above what is already indicated by them. Non-materialisation of these expectations may reduce the balance from current revenues.

Contribution of Public Enterprises and Share in Small Savings

The contribution of public enterprises is placed at Rs. 555 crores for the Fourth Plan as against Rs. 104 crores in the Third Plan. Of the estimated contribution of Rs. 555 crores, State Electricity Boards are anticipated to contribute Rs. 513 crores (92.4 per cent) taking into account anticipated increase in the generation and sale of power by them ; other State undertakings are estimated to contribute the balance of Rs. 42 crores. The share of States in small savings at Rs. 526.1 crores (total collections are estimated at Rs. 800 crores for the Fourth Plan) and State provident funds at Rs. 296.9 crores during the Fourth Plan are considerably higher than the corresponding figures of Rs. 352 crores and Rs. 100 crores during the Third Plan.

Miscellaneous Capital Receipts

Miscellaneous capital receipts are anticipated to show a net outgo of Rs. 811.8 crores ; net outgo under this item was Rs. 389 crores during the Third Plan. It may be mentioned that net outgo under miscellaneous capital receipts during the Fourth Plan is after taking credit for (i) transfer from current revenues of Rs. 850 crores of appropriation for reduction or avoidance of debt, (ii) Rs. 50 crores to be raised by local authorities for urban development schemes and (iii) Rs. 100 crores of further mobilisation of resources by some States.

Additional Resource Mobilisation: Guidelines

The State Governments are expected to raise Rs. 1,108.7 crores (40.9 per cent of the total additional mobilisation of Rs. 2,709 crores) through additional measures during the Fourth Plan as against Rs. 615 crores raised during the Third Plan. Broad guidelines which are indicated in the draft Fourth Plan in regard to mobilisation of additional resources by the States are mentioned below :

(i) Steps may be taken by the State Governments to raise the rate of return from electricity undertakings to at least 11 per cent as recommended by the Committee on the Working of State Electricity Boards (Venkataraman Committee). Further, graduation or differentiation in tariffs may be introduced so as to charge higher price from the better-off consumers.

(ii) The recommendations of the Committee to suggest Ways and Means of Improving Financial Returns from Irrigation Projects (Nijalingappa Committee) may be implemented. The Committee suggested that irrigation rates should be fixed at 25 to 40 per cent of the net additional benefit to farmers from irrigated crops or at 5 to 12 per cent of the gross income from irrigated crops if the former is not possible ; it also recommended that compulsory surcharge and betterment levy should be imposed. Implementation of these recommendations would reduce the loss to the States (estimated at Rs. 103 crores in 1969-70, budget estimates) from commercial irrigation and multi-purpose river valley schemes.

(iii) Measures may be taken by the States to raise the return on capital employed in industrial and commercial undertakings (other than public utilities) to 15 per cent.

(iv) State Governments may float rural debentures to finance schemes like irrigation, agro-industries, housing, rural electrification etc.

(v) Mobilisation of resources from the agricultural sector may be undertaken. For this purpose the following alternatives are suggested : imposition of a progressive tax on agriculturists' income at rates comparable with the Union tax on non-agricultural incomes or levy of surcharge at progressive rates on land revenue by size of holding or type of crops.

(vi) Commodity taxes may be levied to (a) restrain conspicuous consumption, (b) generate exportable surpluses, (c) bring about desirable allocation of productive resources, (d) mop up producers' surpluses etc. Rates of sales tax, wherever these are low, should be raised to bring about inter-State uniformity and raise additional revenue.

(vii) Taxes may be levied on land values which have risen in and around developing urban areas.

(viii) The State Governments may withdraw those incentives in case of which purpose served by them is not commensurate with the loss of revenue to the States.

Central Assistance

Although the absolute amount of Central assistance proposed for the Fourth Plan of States at Rs. 3,500 crores shows an increase over the Central assistance provided during the Third Plan (Rs. 2,515 crores), as proportion of States' Plan outlays at 57.7 per cent it will be lower than corresponding proportion during the Third Plan (60.4 per cent) and during the period of three annual Plans (58.9 per cent). State-wise distribution of the proposed Central assistance for the Fourth Plan along with the Central assistance provided during the Third Plan and the period of annual Plans is presented in Appendix Table IV.

The States of Nagaland and Jammu and Kashmir are not expected to contribute any resources for financing their Plans ; thus the size of their Plan outlays will be equal to the amount of Central assistance. In the case of Assam and Rajasthan the Central assistance is expected to finance 97.6 per cent and 92.1 per cent, respectively, of their Plan outlays. Other States in respect of which the proportion of Central assistance to State Plan outlays is anticipated to exceed the average for all States (57.7 per cent), are Orissa (88.6 per cent), Bihar (76.5 per cent), Madhya Pradesh (73.6 per cent), West Bengal (69.0 per cent), Kerala (67.7 per cent) and Andhra Pradesh (66.6 per cent).

It will be noted that as compared to the Third Plan there is a marked increase in the proportion of Central assistance to State Plan outlays in respect of Orissa (88.6 per cent for Fourth Plan against 61.0 per cent during Third Plan), Assam (97.6 per cent against 75.5 per cent), West Bengal (69.0 per cent against 51.6 per cent), Rajasthan (92.1 per cent against 76.6 per cent) and Bihar (76.5 per cent against 65.1

per cent). On the other hand, there is a notable decline in corresponding proportion in the case of Tamil Nadu, Punjab, Gujarat, Maharashtra, Uttar Pradesh and Mysore.

Principles of Allocation and Pattern of Central Assistance

It would be worthwhile to mention here some important changes that have taken place in the principles of allocation and pattern of Central assistance both in respect of State plan schemes and Centrally sponsored schemes. Since a number of State Governments suggested that distribution of Central assistance to States for plan schemes should be based on certain objective criteria the question of determining objective criteria was placed before the Committee of Chief Ministers of the National Development Council. The principles for allocation decided by the National Development Council are that after providing for the requirements of the States of Assam, Nagaland and Jammu and Kashmir, the Central assistance to the remaining States for the Fourth Plan be distributed to the extent of 60 per cent on the basis of their population, 10 per cent on their per capita income if below the national average, and 10 per cent on the basis of tax effort in relation to per capita income, and that another 10 per cent be allotted in proportion to the commitments in respect of major continuing irrigation and power projects. The remaining 10 per cent, it was decided, should be distributed among the States so as to assist them in tackling certain special problems, like those relating to metropolitan areas, floods, chronically drought affected areas and tribal areas.

It is also decided to discontinue the schematic pattern of assistance prevailing hitherto under which (i) Plan schemes under different heads of development carried their own grant and loan components and (ii) outlays under certain schemes were earmarked and could not be diverted to other heads. Commencing from 1969-70 the States will be given assistance through block grants and loans ; the control over overall priorities will be retained through earmarking outlays under certain heads.

The changes in the principles of allocation of Central assistance are expected (*a*) to provide greater initiative to the State Governments in the formulation of their Plan schemes and programmes ; (b) to reduce regional imbalances through distribution of 10 per cent of assistance to States with per capita incomes below the national average and (*c*) to reduce the uncertainties which have till now attended the process of fixing the size of the five year and annual Plans of the States. Thus with pre-determined Central assistance, efforts of an individual State in marshalling its own sources will be a factor determining the size of its Plan.

As regards Centrally sponsored schemes there were several problems such as unequal benefit to the States from similar schemes, financial burden on account of committed expenditure (i.e. after a scheme is completed during a particular Plan period it ceases to be Plan scheme qualifying for Central assistance in the subsequent plan period), anomalies in respect of pay scales etc. It has been decided to take up in future schemes which satisfy following criteria as Centrally sponsored schemes. Only such schemes will be taken up as Centrally sponsored schemes which :

(i) relate to demonstrations, pilot projects, surveys and research ;

(ii) have a regional or inter-State character ;

(iii) require lump sum provisions until they could be broken down territorially ; and

(iv) have an overall significance from the all-India angle.

In the light of these considerations the National Development Council approved a greatly reduced list of Centrally sponsored schemes which would be hereafter wholly financed by the Central Government

TABLE 1

STATE PLAN OUTLAYS BY MAJOR HEADS OF DEVELOPMENT

(Amounts in crores of rupees)

Heads of Development	Third Plan	Per cent to Total	Annual Plans (1966-69)	Per cent to Total	Fourth Plan	Per cent to Total
1. Agriculture and Allied Sectors	972	23.3	779	25.5	1354	22.3
2. Irrigation and Flood Control	655	15.7	448	14.7	929	15.3
3. Power	1139	27.3	970	31.8	1744	28.8
4. Industry and Minerals	203	4.9	146	4.8	311	5.1
5. Transport and Communications	294	7.1	210	6.9	437	7.2
6. Social Services	844	20.3	456	14.9	1205	19.9
7. Other Programmes	58	1.4	43	1.4	86	1.4
TOTAL	**4165**	**100.0**	**3052**	**100.0**	**6066**	**100.0**

Source : Planning Commission, Government of India, Fourth Five Year Plan 1969-74 Draft.

TABLE II

FOURTH FIVE-YEAR PLAN OUTLAYS—STATES

(Amounts in lakhs of rupees)

Heads of Development	Andhra Pradesh	Assam	Bihar	Gujarat	Haryana	Jammu & Kashmir	Kerala	Madhya Pradesh	Maharashtra	Mysore	Nagaland	Orissa	Punjab	Rajasthan	Tamil Nadu	Uttar Pradesh	West Bengal	**Total**
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1. Agriculture and Allied Sector	6865 (19.0)	5184 (23.0)	9759 (22.1)	8227 (18.3)	3432 (18.0)	3045 (21.0)	5780 (22.4)	10125 (28.4)	19235 (23.7)	8800 (26.9)	906 (25.9)	4545 (25.2)	5449 (20.1)	2410 (10.1)	11250 (22.4)	22018 (23.2)	8307 (25.9)	**135337 (22.3)**
2. Irrigation and Flood Control	6650 (18.4)	2756 (12.2)	10730 (24.3)	10700 (23.8)	3117 (16.4)	1331 (9.2)	3328 (12.9)	6150 (17.3)	12443 (15.3)	7000 (21.4)	—	2100 (11.6)	2728 (10.1)	7630 (31.9)	3200 (6.4)	10500 (11.0)	2490 (7.8)	**92853 (15.3)**
3. Power ..	10555 (29.3)	3037 (13.5)	11960 (27.1)	11000 (24.4)	6700 (35.2)	3669 (25.3)	7625 (29.5)	6046 (17.0)	22225 (27.4)	8750 (26.8)	196 (5.6)	4455 (24.7)	11600 (42.7)	7876 (33.0)	15100 (30.1)	36818 (38.7)	6820 (21.3)	**174432 (28.8)**
4. Industry and Minerals	1800 (5.0)	1983 (8.8)	1531 (3.5)	1650 (3.7)	920 (4.8)	928 (6.4)	2205 (8.5)	1475 (4.1)	2050 (2.5)	1800 (5.5)	520 (14.9)	1730 (9.6)	1615 (6.0)	540 (2.3)	3880 (7.7)	4477 (4.7)	1970 (6.1)	**31074 (5.1)**
5. Transport and Communications	2270 (6.3)	3951 (17.5)	2368 (5.3)	3450 (7.6)	1565 (8.2)	2511 (17.3)	1965 (7.6)	2820 (7.9)	6702 (8.3)	1250 (3.8)	935 (26.7)	1500 (8.3)	1555 (5.7)	970 (4.0)	2426 (4.8)	5550 (5.8)	1950 (6.1)	**43738 (7.2)**
6. Social Services	7825 (21.7)	5121 (22.7)	7758 (17.6)	6675 (14.8)	3231 (17.0)	2297 (15.8)	4902 (19.0)	8525 (24.0)	18415 (22.7)	5000 (15.3)	875 (25.0)	3495 (19.4)	4098 (15.1)	4370 (18.3)	14006 (27.9)	13477 (14.2)	10453 (32.6)	**120523 (19.9)**
7. Other Programmes	90 (0.3)	518 (2.3)	55 (0.1)	3320 (7.4)	84 (0.4)	719 (5.0)	35 (0.1)	455 (1.3)	110 (0.1)	110 (0.3)	68 (1.9)	225 (1.2)	95 (0.3)	100 (0.4)	338 (0.7)	2260 (2.4)	61 (0.2)	**8643 (1.4)**
8. **Total** ..	**36055 (100.0)**	**22550 (100.0)**	**44161 (100.0)**	**45022 (100.0)**	**19049 (100.0)**	**14500 (100.0)**	**25840 (100.0)**	**35596 (100.0)**	**81180 (100.0)**	**32710 (100.0)**	**3500 (100.0)**	**18050 (100.0)**	**27140 (100.0)**	**23896 (100.0)**	**50200 (100.0)**	**95100 (100.0)**	**32051 (100.0)**	**606600 (100.0)**

Note: Figures in brackets are percentages to Total—Item 8.
Source : Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Draft.

TABLE III

PATTERN OF FINANCING THE PLAN—STATES

(Amounts in crores of rupees)

	Third Plan				Annual Plans (1966-69)†		Fourth Plan	
	Original Scheme of Financing		Actuals					
	Amount	Per cent to total	Amount	Per cent to total	Amount	Per cent to total	Amount	Per cent to total
I. State budgetary resources (other than additional taxation, negotiated loans and market borrowings) (1 to 6)	**826.0**	**21.5**	**906.0**	**21.7**	**877.0**	**29.8**	**1082.0**	**17.8**
1. Balance from current revenues*	140.0	3.6	223.0	5.3	144.0	4.9	100.3	1.6
2. Contribution of public enterprises	150.0	3.9	104.0	2.5	188.0	6.4	555.0	9.1
(*a*) *State Electricity Boards*							513.0	8.4
(*b*) *Road Transport Corporations*							24.3	0.4
(*c*) *Others*							17.7	0.3
3. Loans from market by State Governments (net)	325.0	8.5	516.0	12.4	321.0	10.9	415.5	6.9
4. Share of small savings	387.0	10.1	352.0	8.4	233.0	7.9	526.1	8.7
5. State provident funds	82.0	2.1	100.0	2.4	103.0	3.5	296.9	4.9
6. Miscellaneous capital receipts (net)	(-)258.0	(-)6.7	(-)389.0(*a*)	(-)9.3	(-)112.0(*b*)	(-)3.8	(-)811.8	(-)13.4
II. Additional Resource Mobilisation	**610.0**	**15.9**	**615.0**	**14.8**	**303.0(*c*)**	**10.3**	**1108.7**	**18.3**
III. Negotiated Loans and State Enterprises' Market borrowings (gross)							**375.3**	**6.2**
State Governments' Loans from								
(*a*) *Life Insurance Corporation of India*							95.9	1.6
(*b*) *Reserve Bank of India for participation in share capital of co-operatives*							32.6	0.5
State Enterprises								
(*a*) *Market borrowings (gross)*							115.5	1.9
(*b*) *Loans from Life Insurance Corporation of India (gross)*							131.3	2.2
IV. Deficit Financing	**26.0**	**0.7**	**129.0**	**3.1**	**(—)8.0**	**(—)0.3**	**—**	**—**
V. States' Total Resources (I to IV)	**1462.0**	**38.1**	**1650.0**	**39.6**	**1172.0**	**39.8**	**2566.0**	**42.3**
VI. Central Assistance	**2375.0**	**61.9**	**2515.0**	**60.4**	**1773.0**	**60.2**	**3500.0**	**57.7**
VII. Aggregate Resources for State Plans (V+VI)	**3837·0**	**100.0**	**4165.0**	**100.0**	**2945.0**	**100.0**	**6066.0**	**100.0**

† The figures for 1966-68 are based on latest estimates ; and those for 1968-69 relate to original scheme of financing.

* Balance from current revenues are estimated at 1960-61 rates of taxation for the Third Plan, at 1965-66 rates of taxation for the Annual Plans (1966-69) and at 1968-69 rates of taxation for the Fourth Plan.

(*a*) As five States will have an overall non-plan deficit of Rs. 100.1 crores (Assam Rs. 53.4 crores, Jammu & Kashmir Rs. 8.2 crores, Nagaland Rs. 12.7 crores, Orissa Rs. 23.4 crores and Rajasthan Rs. 2.4 crores) even after using up the entire proceeds of additional resource mobilisation, their contribution for the plan is assumed to be nil. Credit has been taken for Rs. 100.1 crores under this head on the assumption that they will make further efforts to meet the overall deficit.

(*b*) After allowing for *ad hoc* loans from the Centre to States amounting to Rs. 216 crores in 1966-67 and 1967-68.

(*c*) Inclusive of share in additional taxation by the Centre. This is estimated at Rs. 142 crores for the three years.

Source : Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Draft

TABLE IV

PATTERN OF FINANCING THE PLAN—CENTRE

(Amounts in crores of rupees)

	THIRD PLAN				ANNUAL PLANS (1966-69)†		FOURTH PLAN (Projections)	
	Original Scheme of Financing		Actuals					
	Amount	Per cent to total	Amount	Per-cent to total	Amount	Per-cent to total	Amount	Per-cent to total
I. Budgetary resources (other than additional taxation) (1 to 8)	**2214**	**36.7**	**1223**	**17.6**	**1527**	**27.7**	**6868**	**58.0**
1. Balance from current revenues*	410	6.8	—642	—9.3	218	4.0	2355	19.9
2. Contribution of public enterprises (a+b)	400	6.6	331	4.8	160	2.9	1175	9.9
(a) *Railways*	100	1.6	62	0.9	—119	—2.2	265	2.2
(b) *Others*	300	5.0	269	3.9	279	5.1	910	7.7
3. Retained profits of Reserve Bank							133	1.1
4. Loans from market (net)	475	7.9	307	4.4	316	5.7	750	6.4
5. Small Savings (net of States' share)	213	3.5	213	3.1	115	2.1	274	2.3
6. State Provident Funds (net)	183	3.1	236	3.4	172	3.1	343	2.9
7. Annuity deposits, compulsory deposits, prize bonds and gold bonds (net)			117	1.7	43	0.8	(—)104	(—)0.9
8. Miscellaneous capital receipts (net)	533	8.8	661	9.5	503@	9.1	1942	16.4
II. External Assistance (net) (a+b)	**2200**	**36.4**	**2423**	**35.0**	**2655**	**48.1**	**2514**	**21.3**
(a) *Other than PL 480*	2200	36.4	1339	19.3	1671	30.3	2134	18.1
(b) *PL 480 assistance*			1084	15.7	984	17.8	380	3.2
III. Additional Resource Mobilisation	**1100**	**18.2**	**2277**	**32.9**	**604**	**10.9**	**1600**	**13.5**
IV. Deficit Financing	**524**	**8.7**	**1004**	**14.5**	**731**	**13.3**	**850**	**7.2**
V. Aggregate Resources (I to IV)	**6038**	**100.0**	**6927**	**100.0**	**5517**	**100.0**	**11832**	**100.0**
VI. Assistance for State Plans	**2375**	**39.3**	**2515**	**36.3**	**1773**	**32.1**	**3500**	**29.6**
VII. Net Resources (V—VI)	**3663**	**60.7**	**4412**	**63.7**	**3744**	**67.9**	**8332**	**70.4**

† The figures for 1966-68 are based on latest estimates ; and those for 1968-69 relate to original scheme of financing.
* Balance from current revenues are estimated at 1960-61 rates of taxation for the Third Plan, at 1965-66 rates of taxation for Annual Plans (1966-69) and at 1968-69 rates of taxation for the Fourth Plan.
@ After allowing for *ad hoc* loans to states amounting to Rs. 216 crores in 1966-67 and 1967-68.

Source : Planning Commission, Government of India, Fourth Five Year Plan, 1969-74 Draft.

TABLE V

OUTLAY AND CENTRAL ASSISTANCE FOR STATE PLANS

(Amounts in crores of rupees)

States	Third Plan			Annual Plans (1966-69)			Fourth Plan		
	Total Outlay	Central Assistance	Central Assistance as per cent of Total Outlay	Total Outlay	Central Assistance	Central Assistance as per cent of Total Outlay	Total Outlay	Central Assistance	Central Assistance as per cent of Total Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Andhra Pradesh	344.78	220.5	64.0	232.02	161.6	69.6	360.55	240.0	66.6
2. Assam	132.24	99.9	75.5	87.11	85.8	98.5	225.50	220.0	97.6
3. Bihar	331.74	215.9	65.1	223.23	155.2	69.5	441.61	338.0	76.5
4. Gujarat	237.68	111.6	47.0	207.14	76.4	36.9	450.22	158.0	35.1
5. Haryana	@	@		72.82	46.4	63.7	190.49	78.5	41.2
6. Jammu & Kashmir	61.24	61.5	100.4	62.09	60.0	96.6	145.00	145.0	100.0
7. Kerala	181.59	121.7	67.0	139.75	89.7	64.2	258.40	175.0	67.7
8. Madhya Pradesh	288.35	219.5	76.1	172.64	141.9	82.2	355.96	262.0	73.6
9. Maharashtra	433.60	166.8	38.5	408.67	111.0	27.2	811.80	245.5	30.2
10. Mysore	250.69	156.5	62.4	179.77	109.2	60.7	327.10	173.0	52.9
11. Nagaland	10.80	10.8	100.0	16.70	16.7	100.0	35.00	35.0	100.0
12. Orissa	224.06	136.7	61.0	131.58	80.7	61.3	180.50	160.0	88.6
13. Punjab	254.23	134.4	52.9	112.77	51.8	45.9	271.40	101.0	37.2
14. Rajasthan	210.69	161.4	76.6	135.65	119.4	88.0	238.96	220.0	92.1
15. Tamil Nadu	342.33	186.8	54.6	249.95	121.0	48.4	502.00	202.0	40.2
16. Uttar Pradesh	560.25	356.2	63.6	456.03	259.4	56.9	951.00	526.0	55.3
17. West Bengal	300.48	155.1	51.6	163.83	112.7	68·8	320.51	221.0	69.0
TOTAL	4164.75	2515.3	60.4	3051.75	1798.9	58.9	6066.00	3500.0	57.7

@ Included under Punjab.

Notes : 1. Plan outlay figures are actuals for Third Plan, 1966-67 (Rs. 991.4 crores) and 1967-68 (Rs. 1001.5 crores) ; anticipated expenditure for 1968-69 (Rs. 1058.9 crores). The actuals for 1968-69 may turn out to be lower.

2. Figures of Central assistance are allocations for 1966-69.

Source : Planning Commission, Government of India, Fourth Five Year Plan 1969-74 Draft.

APPENDIX XI—REPORT OF THE FIFTH FINANCE COMMISSION

—A SUMMARY—

The Fifth Finance Commission was apppointed by the Government of India under Article 280 of the Constitution of India with Shri Mahavir Tyagi as the Chairman in February 1968. The Commission had made an *interim* report in October 1968 ; on July 31, 1969, it submitted its final report to the President.

Terms of Reference.—In addition to (*i*) the distribution of the net proceeds of income tax and Union excise duties between the Centre and the States, (*ii*) the principles governing the distribution among States of their share in these taxes, (*iii*) distribution among States of the net proceeds of additional excise duties and estate duty as well as the grant in lieu of tax on railway passenger fares and (*iv*) the quantum of grants-in-aid payable to States under Article 275 (1) of the Constitution, the Fifth Finance Commission was required to examine and make recommendations in regard to :

(*a*) the desirability or otherwise of maintaining the existing arrangements in regard to additional excise duties levied in lieu of sales tax and the scope for extension of such arrangements to other items,

(*b*) the scope for raising revenue (*i*) by levying those taxes and duties enumerated in Article 269 of the Constitution which are not levied at present and (*ii*) from other sources of revenue available to the States and,

(*c*) the problem of unauthorised overdrafts of certain States with the Reserve Bank of India.

The recommendations of the Commission were to cover a period of five years from 1969-70 to 1973-74. The Commission was also required to make *interim* recommendations in regard to as many matters mentioned in the terms of reference, as possible and in particular, in respect of the financial year 1969-70.

The *interim* report* of the Commission was submitted in October 1968. In this report, for the year 1969-70, the Commission recommended provisionally the continuance of the basis recommended by the earlier Commission in respect of devolution of the net proceeds of income tax. Union excise duties and additional excise duties. The recommendations which the Commission made in the *interim* report in regard to distribution of estate duty on property other than agricultural land and the grant in lieu of tax on railway passenger fares were final. So were their recommendations in regard to the problem of unauthorised overdrafts of certain States with the Reserve Bank of India and the procedure to be followed for avoiding such overdrafts. The Government of India had already accepted all the recommendations made in the *interim* report except those relating to the unauthorised overdrafts which were under consideration.

The Final Report—Summary of Main Recommendations.—The Commission submitted its final report to the President on July 31, 1969. In this report, the Commission has made final recommendations in respect of all the items referred to it, except those relating to estate duty, grant in lieu of tax on railway passenger fares and problem of States' overdrafts on which it had already recommended in its *interim* report. This note presents a summary of the recommendations of the Commission embodied in its final report. The recommendations made in the *interim* report in respect of estate duty and grant in lieu of tax on railway passenger fares which were final are also briefly mentioned. The recommendations of the Commission in respect of income tax, Union excise duties and additional excise duties, estate duty and grant in lieu of tax on railway passenger fares are set out in Section II and those in respect of grants-in-aid in Section III. Section IV summarises the Commission's suggestions in regard to the scope for raising additional revenues. Action taken by the Government of India on the recommendations is indicated in Section V.

In evolving its scheme of devolution to cover the budgetary deficits of States, as assessed by it, the Commission agreed with the views of the earlier Commissions that as far as possible, these should be covered by devolution of taxes rather than by grants.

The Commission has accordingly enlarged the divisible pool of income tax by adding advance tax collections and of excise duties by including (from 1972-73) special excise duties ; both advance income tax collections and special excise duties had hitherto remained outside the divisible pool. The States' shares in the divisible pool, however, are retained at 75 per cent (income tax) and 20 per cent (excise duties). For the determination of the share of each State in the shareable portion of income tax and Union excise duties, it has modified the principles embodied in the recommendations of previous Finance Commissions, with a view to giving relatively greater weightage to population and increasing the relative shares of States which have low per capita income and are economically more backward. Accordingly, in respect of income tax 90 per cent of the share of each State has been fixed on the basis of population (against 80 per cent recommended by the Third and Fourth Finance Commissions; the Second Finance Commission had recommended 90 per cent weightage to population); the remaining 10 per cent being on the basis of assessments in each State (instead of collections as recommended by earlier Commissions).

In regard to Union excise duties, the weightage given to population—80 per cent—is the same as embodied in the report of the Fourth Finance Commission. Of the remaining 20 per cent, two-thirds is reserved exclusively for States whose per capita income is lower than the all-State per capita income and the balance is to be distributed among all States according to an integrated index of backwardness based on six criteria. The Fourth Finance Commission had recommended distribution of the entire remaining 20 per cent on the basis of social and economic backwardness. It had specified seven factors for determining social and economic backwardness ; some of the factors being different under the two Commissions. In regard to distribution of additional excise duties, the Commission has given equal weightage to population and sales tax collections unlike the previous Commission which gave the weightage only to sales tax collections.

---

* For a summary of the *interim* report, see Reserve Bank of India Bulletin, December 1968.

The Commission has reduced the quantum of statutory grants to about Rs. 638 crores for the period 1969-70 to 1973-74 from Rs. 703 crores (for the period 1966-67 to 1970-71) recommended by the Fourth Finance Commission ; the number of States eligible for grants is also less (10 against 11 under the Fourth Finance Commission); unlike the Fourth Finance Commission which fixed an equal amount of grants for each of the five years 1966-67 to 1970-71, the Fifth Finance Commission has recommended grants on a sliding scale, the quantum diminishing from about Rs. 153 crores in 1969-70 to Rs. 102 crores in 1973-74. It may be recalled that in the *interim* report the Commission had raised the quantum of grants for 1969-70 from Rs. 140.61 crores (recommended by the Fourth Finance Commission for 11 States) to Rs. 176.81 crores (for 13 States).

The Commission has not recommended extension of the scheme of additional excise duties in lieu of sales tax (now applicable to sugar, tobacco and textiles) to other commodities. The Commission is not even in favour of the continuance of the existing scheme in view of the States' opposition to it unless the Government of India arrive at a general agreement with States for the continuance with suitable modifications. In regard to mobilisation of additional resources, the Commission has felt that there is no further scope for levying taxes enumerated in Article 269 of the Constitution except in regard to a tax on advertisements in newspapers. Finally, the Commission has made recommendations for raising additional revenues mainly by taxation of agricultural sector, revision of rates of State excise duties, irrigation rates and power tariff and by collection of tax arrears and interest dues.

Effect of Recommendations: The report was placed before the Parliament (*Lok Sabha*) by the Government on August 26, 1969 along with the action taken by them in this behalf. The Government of India have accepted the recommendations of the Commission in respect of devolution of taxes and duties and grants-in-aid under Article 275 (1) of the Constitution ; other matters are under examination. On the basis of the recommendations, the aggregate amount of transfers for the years 1969-70 to 1973-74 is estimated by the Commission at Rs. 4266.30 crores (comprising an estimated Rs. 3628.45 crores by way of share of taxes and duties and Rs. 637.85 crores as grants-in-aid under Article 275) as compared with Rs. 2885.86 crores (comprising an estimated Rs. 2182.81 crores of shared taxes and Rs. 703.05 crores of grants-in-aid) for the period 1966-67 to 1970-71 estimated by the Fourth Finance Commission on the basis of their recommendations (Table 1). The estimated transfers by way of taxes and duties are at 1968-69 rates of taxation ; hence, share in additional taxation which the Central Government may undertake in respect of income tax and Union excise duties during the period 1969-70 to 1973-74 is excluded. The magnitude of transfers each year in respect of shared taxes and duties will depend upon the actual receipts from these taxes. The actual amounts transferred from the Centre to States by way of devolution of taxes and grants in terms of earlier Finance Commissions' recommendations are shown Plan-wise, in Table 2.

II

DEVOLUTION OF TAXES AND DUTIES

Income Tax

Advance Tax Collections (upto 1968-69): So far, advance income tax collections did not form part of the divisible pool of income tax in the year in which they were made. These became part of the divisible pool only in the year in which they got adjusted as normal (ordinary) collections on completion of the assessment. Some of the State Governments pleaded before the Fifth Finance Commission for inclusion of advance tax collections in the divisible pool in the same year in which they were made. The Commission took up the matter with the Comptroller and Auditor General and Government of India. On re-examination, the Government of India agreed that the advance tax collections made in a financial year may be taken into account in determining the net proceeds of that year without waiting for completion of assessments. Accordingly, a supplementary reference was made in May 1969 to the Commission requiring it to make recommendations regarding (i) the distribution of advance tax already collected and not included in the net proceeds of income tax of the years upto 1966-67, (ii) changes in the distribution of net proceeds for the years 1967-68 and 1968-69 inclusive of advance tax collections and (iii) the distribution of the net proceeds of taxes on income in each of the financial years 1969-70 to 1973-74 as determined on the revised basis.

The total unadjusted amount of advance tax collections upto 1966-67 amounted to Rs. 387.74 crores ; allowing for the amount of Union surcharge (which does not form part of the divisible pool) which was estimated at Rs. 16.62 crores, the balance of Rs. 371.12 crores of unadjusted amount of advance tax collections was treated as constituting the divisible pool in this regard. Of this amount, the Commission fixed two and a half per cent (Rs. 9.28 crores) as the share attributable to Union territories (as constituted prior to the Punjab Re-organisation Act, 1966). The Commission further recommended that 75 per cent (Rs. 270 crores approximately) of the balance be treated as States' share and that the States' share may be distributed among them on the basis of percentages recommended by the Fourth Finance Commission (for the distribution of income tax) with appropriate adjustments for the re-organised States of Punjab, Haryana and Union territories covered under the Punjab Reorganisation Act. As regards the years 1967-68 and 1968-69 the Commission has retained the percentage at 75 per cent as recommended by the Fourth Finance Commission; divisible portion of net proceeds of income tax, however, will be inclusive of advance tax collections. The States' share in advance tax collections for 1967-68 and 1968-69 would be paid to them in the years 1969-70 and 1970-71, respectively. The payment of the un-adjusted amount of advance tax collections upto 1966-67 is to be made in three equal annual instalments during the years 1971-72 to 1973-74

Share in Income Tax : For the period 1969-70 to 1973-74 the Commission has raised the share of Union territories in the net proceeds of income tax to 2.6 per cent (from 2.5 per cent recommended by the previous Finance Commission). In regard to States' share of the divisible pool the share had been fixed at 50 per cent by the First Finance Commission ; this was progressively raised to 60 per cent by the Second, to 66-2/3 per cent by the Third and to 75 per cent by the Fourth Finance Commission. States pleaded before the Fifth Finance Commission for further raising their share, the suggested percentages varying from 80 to 100 per cent of the divisible pool. The Commission however, has retained it at 75 per cent. The inclusion of advance tax collections, will however, enlarge the size of the divisible pool of income tax.

Principles of Distribution : The Commission considered *de novo* principles governing the distribution among States *inter se* of shares assigned to them. The Commission found sharp divergence in the views ex-

pressed before it by the States in this regard ; these varied from a suggestion that the entire amount be distributed on the basis of population to a suggestion for a substantial increase in the weightage given to the factor of collection. The Commission has given 90 per cent weightage to the factor of population and 10 per cent to the factor of assessments in recommending each State's share. The percentage share of each State is shown in Table 3.

Relative Weightage to the Factors of Population and Collection : It may be recalled that in fixing each State's share under the First Finance Commission, the factors of population and collection were given 80 per cent and 20 per cent weightage, respectively. The Second Finance Commission was in favour of completely abandoning the collection factor which, in its opinion, was not an equitable basis of distribution. However, it recommended distribution of 10 per cent of the States' share of the divisible pool on the basis of collections and 90 per cent on the basis of population to avoid sudden break with the recommendations of the previous Finance Commission. The Third Finance Commission however reverted to the relative proportions recommended by the First Finance Commission in respect of population and collection. The Fourth Finance Commission retained weightages given by the Third Finance Commission to the factors of population and collection. Having regard to considerations of equity and objective of securing a more balanced correspondence between needs and resources of States in widely varying circumstances, the Fifth Finance Commission has raised the percentage assigned to the factor of population to the same level as recommended by the Second Finance Commission. In its view, population was a general measure of need.

Measure of Contribution—Assessments : The Fifth Finance Commission has made a significant departure from the previous Commissions in that it has adopted assessments as a measure of contribution in place of collections adopted by the previous Finance Commissions. In the opinion of the Fifth Finance Commission, collections as an index of contribution has several drawbacks. For instance, it fails to make any allowance for incomes originating outside the States ; moreover, in view of deductions of tax at source in respect of dividend and interest income etc., adoption of collections as a basis tends to favour States having metropolitan and industrial centres. On careful consideration of the relevant issues, the Commission has adopted figures of income tax assessments in each State after allowing for reductions on account of appellate orders, references, revisions, rectifications, etc., as a measure of contribution.

Union Excise Duties

Share of States : Under the permissive provisions of Article 272 of the Constitution, the proceeds of Union (basic) excise duties which are levied and collected by the Government of India are being shared with the States; in respect of special excise duties, regulatory duties and duties and cesses levied under special acts no sharing arrangements exist at present.

In their memoranda submitted to the Finance Commission the State Governments generally asked for increase in their share from the existing 20 per cent of excise duties collections to 30 to 50 per cent. Many States pleaded for the inclusion of special excise duties (at present retained entirely by the Centre) in the divisible pool. The Commission, after taking into account the anticipated revenue resources and expenditure of the Government of India and the States during the quinquennium 1969-70 to 1973-74, has recommended continuance of the States' share in Union (basic) excise duties at 20 per cent ; the percentage remains unchanged since the Third Finance Commission.*

Special Excise Duties (1972-73 and 1973-74): At the same time, the Commission has somewhat enlarged the size of the divisible pool by recommending inclusion of the proceeds of special excise duties in the divisible pool for the two years 1972-73 and 1973-74 ; proceeds of regulatory duties and duties and cesses levied under Special Acts, however, are kept out of the divisible pool. The Fourth Finance Commission which had gone into the question of inclusion of special excise duties decided that on practical consideration it would be desirable to keep these outside the sharing scheme. At the same time it suggested that in future resort by the Government of India to special excise duties should not be the rule but an exception. The Fifth Finance Commission was of the opinion that if these duties are continued on a long-term basis it would be desirable to include them in the divisible proceeds.† At the same time it did not consider it necessary to recommend inclusion of these duties in the divisible pool for the first three years 1969-70 to 1971-72. Taking into account its recommendations regarding payment of unadjusted amount of advance income tax collections to the States on the one hand and growing requirements of the States on the other, in the opinion of the Commission, further increase in devolution may be necessary from 1972-73 ; hence, the Commission has recommended inclusion of the special excise duties in the divisible pool for the last two years i.e. 1972-73 and 1973-74, if such duties are continued till that year.

Principles Governing Distribution of Union Excise Duties : In considering the question of distribution among States, the Commission was guided by the view that the main purpose of devolution is to augment the resources of the States in an equitable manner to enable them to meet their growing needs. In its view, the needs of the States depend mainly on the size of their population, their relative income, resources and their levels of economic development. The Commission was not in favour of giving any weightage to the factor of contribution since it did not consider this as an appropriate factor in distribution of a tax that is shared on a discretionary basis. Nor did it consider the factor of consumption appropriate for this purpose

*The number of articles covered by the sharing scheme was three under the First Finance Commission, eight under the Second Finance Commission, all commodities (other than motor spirit) with a yield of Rs. 50 lakhs or more in 1960-61 under the Third Finance Commission and all commodities irrespective of the size of the yield under the Fourth Finance Commission. The percentage recommended by the First Finance Commission was 40. The Second Finance Commission reduced it to 25 and the Third Finance Commission to 20 ; it has remained unchanged at 20 since then.

†Under the Finance Act, 1963, a special duty of excise ranging from 10 to 33-1/3 per cent of the basic duty has been levied on certain articles chiefly tobacco, motor spirit, diesel oil, cement, tyres and tubes, motor vehicles, rayon, synthetic fibres and yarn, aluminium, plastic and paper. The Special duty on articles like vegetable products, cycle tyres and tubes, tin plates, petroleum products, cotton yarn, etc. has since been withdrawn. The duty on tea has also been withdrawn with effect from October 1, 1968. In the 1969-70 budget, Rs. 78.83 crores are expected from special excise duties.

since it would operate to the disadvantage of less urbanised States. The Commission considered that distribution should be based mainly on population together with some other criteria to take into account lower potential for raising resources and relative backwardness in economic and social development of States. The Commission thought that the States having lower level of per capita income tend to have lower potential for raising resources and are therefore, placed at a disadvantage as compared to States with higher levels of per capita income. The Commission accordingly, felt that it would be reasonable to distribute a portion of divisible resources among States having per capita income lower than that of the average for all States.

In the scheme of State-wise distribution, weightage assigned to the factor of population by the Commission is 80 per cent—the same as given by the Fourth Finance Commission.* Of the remaining 20 per cent, the Commission has recommended that two-thirds be distributed among States whose per capita income is below the average per capita income of all States ; the share of each State being determined in proportion to the shortfall of the State's per capita income from all States' average multiplied by the population of the State.** The balance of one-third (out of 20 per cent) has been distributed among all States on the basis of an integrated index of backwardness. The percentage share of each State in the divisible pool of Union excise duties is shown in Table 4. For working out the index of backwardness, the Commission has considered six factors, *viz.*, (i) scheduled tribes population, (ii) number of factory workers per lakh of population, (iii) net irrigated area per cultivator, (iv) length of railways and surfaced roads per 100 square kilometers, (v) shortfall in number of school-going children as compared to those of school-going age, and (vi) number of hospital beds per 1,000 population.† The Commission has however, not published the Table on an integrated index of backwardness. Table 5 gives the relative position of each State in respect of the six factors selected by the Commission.

Additional Duties of Excise in lieu of Sales Tax

Additional duties of excise in lieu of sales tax are levied by the Central Government at present on sugar, textiles†† and tobacco. In addition to making recommendations on principles governing the distribution of the net proceeds of additional duties of excise, the Commission was required to examine the desirability or otherwise of maintaining the existing arrangements and the scope for extending such arrangements to other items or commodities.

Views of Representatives on the Existing Scheme : The Commission examined in detail the desirability of maintaining the existing scheme. The main grievances of the States against the scheme were that, in the past, the Government of India did not raise the rate of additional excise duties although it had raised basic excise duty rates and also, that it imposed special excise duties on certain articles ; the present scheme according to the States has deprived them of a potential source of revenue. However, some of the States were willing to agree to the continuance of the present scheme provided certain modifications so as to enhance the yield adequately were introduced. The other States were not in favour of continuing the scheme even with such modifications.

The Chambers of Commerce were generally satisfied with the existing arrangements and were in favour of continuing the scheme ; in fact, some even suggested its extension to other commodities like kerosene, matches, tea, etc. To meet the grievances of States, they suggested conversion of the existing specific rates of additional duty into *ad valorem* rates wherever possible and periodical revision of rates in other cases. The representatives of the Government of India also expressed the view that on the whole the arrangement worked satisfactorily and that the grievances of States in this behalf could be gone into by the Government of India.

The Commission was impressed by the views expressed by the States. In this connection, it has noted that between 1957-58 and 1967-68, revenue from basic and special excise duties on tobacco, sugar and textiles (commodities covered by the scheme of additional excise duties) increased by more than 70 per cent, whereas the revenue from additional excise duties on these items rose by 45 per cent during the same period. The Commission was also impressed by the fact that the rates of sales tax levied by some of the States on comparable items like kerosene, matches, tea, coffee, etc., are generally higher than the incidence of additional excise duties (on tobacco, textiles and sugar) and that if the States were free to levy sales tax on these items, many of them would have been able to realise more tax revenue from them than they actually received under the additional excise duties levied by the Central Government. The Commission agreed that the rationale of the scheme and the advantages which it is expected to bring hold good even now. However, in view of the opposition of States, it has suggested that it would not be desirable to continue the scheme, unless the Government of India, in consultation with the State Governments can arrive at a general agreement for its continuance with suitable modifications ; in view of this suggestion, the Commission did not make recommendations in regard to the extension of the existing arrangements to other items or commodities. However, the Commission made recommendations in regard to the distribution of the net proceeds of additional excise duties in case the existing arrangements are to continue. The Commission has recommended that while the existing arrangements are continued, the rates of duties may be made *ad valorem* as far as possible, and may be revised periodically to secure reasonable incidence having regard to prevailing prices and general level of sales tax on similar items levied by the States.

Principles of Distribution : From the net proceeds of the additional excise duties, a part is reserved for Union territories, Jammu & Kashmir and Nagaland. Out of the balance a specified amount (called the guaran-

*The First Finance Commission had recommended distribution of the whole of States' share on the basis of population. The Second Finance Commission had recommended distribution of 90 per cent on the basis of population and the balance was to be used for adjustments. The Third Finance Commission recommended distribution of a major portion on the basis of population and the balance on the basis of relative financial weakness disparity in the levels of development, etc., without assigning weightage to the respective factors.

**For the purpose of its recommendations for the period 1969-70 to 1973-74, the Commission has utilised the figures of per capita income of States for the years 1962-63 to 1964-65 made available to it by the Central Statistical Organization, Government of India.

†The Fourth Finance Commission had specified seven factors for working out social and economic backwardness, *viz*, (*i*) per capita gross value of agricultural production, (*ii*) per capita value added by manufacture, (*iii*) percentage of workers (as defined in the Census) to the total population (*iv*) percentage of enrolment in classes 1 to V to the population in age group 6-11, (*v*) population per hospital bed, (*vi*) percentage of rural population to total population and (*vii*) percentage of scheduled castes and tribes to total population.

††Include cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics.

teed amount which is roughly equal to the revenue realised by each State from sales tax on these items in 1956-57 when the sales tax was replaced by additional excise duties) is paid to States. The excess over the guaranteed amount is distributed among them according to percentages recommended by the Finance Commissions. This Finance Commission has raised the share attributable to Union territories and Nagaland from 1 per cent and 0.05 per cent, to 2.05 per cent and 0.09 per cent, respectively, but has reduced the share payable to Jammu and Kashmir from 1.50 per cent to 0.83 per cent. The revised percentages have been fixed on the basis of the respective population figures ; the earlier percentages, the Commission felt had been fixed on an *ad hoc* basis. This Finance Commission like the previous two Commissions, was not in favour of re-opening the question of determining the guaranteed amounts. However, the guaranteed amount recommended by the Commission (Rs. 32.40 crores) is lower than that fixed by the previous two Commissions (Rs. 32.54 crores). This is a sequel to the reduction in the combined share of Punjab and Haryana following the inclusion of Chandigarh under Union territories under the Punjab Re-organisation Act, 1966.

In respect of distribution of the excess over the guaranteed amount, it may be recalled that, the Fourth Finance Commission had recommended distribution on the basis of the proportion of sales tax revenue in each State (over the years 1961-62 to 1963-64) to total sales tax collections in all the States taken together. This had been based on the Commission's view that the amounts of sales tax collections were more directly indicative of the contribution made by each State to the divisible surplus than the factor of population. The Fifth Finance Commission however, thought that the factor of sales tax collections has certain limitations—difference in rates from State to State, larger realisation in richer States on account of higher consumption in these States, of luxuries and semi-luxuries, which attract higher rates of sales tax, etc. Although the Commission felt that consumption is theoretically the best criterion for distribution, data available in this regard were not adequate. It concluded, therefore, that consumption figures cannot provide a satisfactory basis of distribution. Taking all factors into account, the Commission came to the conclusion that the excess over the guaranteed amount should be distributed partly on the basis of population and partly on the basis of sales tax collections (excluding inter-State sales tax) during the years 1965-66 to 1967-68 ; equal weightage is given to both the factors. Table 6 gives the guaranteed amount for each State and the percentage share in the balance of net proceeds.

Estate Duty : The share of Union territories in the net proceeds of estate duty has been raised from two per cent to three per cent. The revised percentage of estate duty attributable to Union territories has been fixed after taking into account the increase in the population of these territories, consequent on the inclusion of Chandigarh under the Punjab Reorganisation Act, 1966, as well as the gross value of immovable property located therein and brought into assessment in the five years ending 1966-67. The principles governing the distribution of the balance among States will be the same as recommended by the earlier Commission. Thus, of the balance, the amount attributable to immovable property would be distributed among States in proportion to the gross value of immovable property located in each State and brought into assessment. The sum apportioned to property other than immovable property would be distributed among the States in proportion to the population of each State. Although both the Fourth and Fifth Finance Commissions adopted population figures according to the 1961 Census, the percentage share for each State as recommended by the Fifth Finance Commission is higher than that recommended by the Fourth Finance Commission except for Haryana and Punjab the combined share of which is lower (Table 7). This is because of the inclusion of Chandigarh (which formed part of Punjab State prior to reorganisation) in Union territories.

Grant in lieu of Tax on Railway Passenger Fares : In regard to allocation among States of the grant in lieu of tax on railway passenger fares also, the principles remain the same as recommended by the Fourth Commission. The percentage share for each State (Table 8) has been worked out by allocating among States the passenger earnings of each railway zone (exclusive of earnings of suburban services) on the basis of route length of railway located in each State separately for each gauge, on the basis of statistics for the three years ending 1966-67. The amount of grant to be distributed among States according to existing arrangements is Rs. 16.25 crores per annum (upto 1970-71).

III

GRANTS-IN-AID UNDER ARTICLE 275 OF THE CONSTITUTION

One of the terms of reference of the Finance Commission was to make recommendations regarding the principles which should govern the grants-in-aid and the sums to be paid by way of grants-in-aid under Article 275 of the Constitution to States which are in need of assistance for purposes other than the Five-Year Plans. In making its recommendations, the Commission was required to take into consideration, *inter alia*, (*a*) revenue resources of States at 1968-69 rates of taxation for the five years 1969-70 to 1973-74, (*b*) revenue requirements of States to meet expenditure on administration, interest charges, maintenance expenditure on completed plan schemes, and (*c*) also the scope for better fiscal management and economy consistent with efficiency which may be effected in States' expenditure.

Estimates of States' Revenue and Expenditure : In the forecasts of revenue receipts and expenditure submitted to the Finance Commission, the State Governments estimated aggregate budgetary deficits (to be covered by devolution of taxes and grants) to be of the order of Rs. 7,368 crores in five years 1969-70 to 1973-74. The Commission felt that in considering the question of grants, the emphasis must significantly shift from budgetary needs to broad fiscal needs as suggested by the Second Finance Commission. For the purpose of assessing the needs of each State for meeting revenue expenditure, the States' estimates were scrutinised by the Commission. While assessing the needs of States, the Commission segregated items like (i) working expenses and receipts in respect of departmental commercial schemes, (ii) receipts of interest and dividends and (iii) interest payments and amortisation charges for separate assessment; the Commission in estimating major items of receipts and expenditure, adopted suitable rates of growth on the basis of past trends, future scope and other relevant matters as explained by the States.

Assumptions and Adjustments : In assessing the revenue resources of States the Commission took full credit for interest due from State Electricity Boards. In the case of Assam and Rajasthan credit was taken only for half the interest due in view of the high operating costs in these States. The Commission assumed that tax arrears in States over a stipulated level would be realised during the period 1969-70 to 1973-74. The Commission allowed expenditure on account of existing schemes of food subsidies and subsidies for

rural electrification schemes but disallowed fresh expenditure in future arising out of enlargement of the scope of these subsidies. In regard to dearness allowances and revision of pay scales, provision was made for implementation of commitments already made but provision for increase in dearness allowance in future was disallowed. The Commission re-assessed the requirement of States for meeting the cost of relief expenditure on account of natural calamities and fixed the average annual amount for the five-year period 1969-70 to 1973-74 at Rs. 14.47 crores (Table 10) as against Rs. 15.69 crores per annum fixed by the Fourth Finance Commission for the period 1966-67 to 1970-71.

The Commission considered in detail the net expenditure of States on account of interest charges and returns on investments in departmental and other concerns. In general, the Commission did not allow for interest charges on debt to the extent it is covered by corresponding assets in the form of capital outlay on departmental undertakings (like irrigation, road transport, etc.), investment in corporations, companies and industrial concerns and loans and advances. The Commission allowed full recovery of interest on loans to State Electricity Boards. In regard to loans to other parties, it assumed that recovery of interest would be at a rate equivalent to the average rate of interest payable by the State on its own borrowings. In the case of capital outlay on multi-purpose rivervalley schemes and irrigation (commercial) the Commission assumed that within the next five years it would be possible for the State Governments to take steps to improve the returns for covering the working expenses and interest at the rate of 2-1/2 per cent on the investment. As regards other departmental schemes and investments, the Commission assumed that, on the whole, there would be no net loss and that these schemes and investments taken together will yield returns and dividends which would atleast cover interest charges on the capital employed. In respect of interest on the loans which are not covered by assets in the form of loans to other parties or investment in commercial schemes, the Commission allowed the amount limited to a maximum of 50 per cent of the States' own revenues as assessed by the Commission. The Commission, however, disallowed provision for interest on *ad hoc* loans from Central Government for clearing overdrafts with the Reserve Bank of India. The principles enumerated above were applied both to interest on debt outstanding at the end of 1968-69 as well to interest on fresh borrowings during 1969-70 to 1973-74.

In regard to the provision for amortization of debt there was difference of opinion among the members. The Chairman and one of the members were not in favour of allowing provision for amortization. Their views were in accordance with those of the Second and Third Finance Commissions; these Commissions, it will be recalled were not in favour of making provision for amortization where such provision was to come out of devolution and grants under Article 275. The other three members of the Commission took the view as did the Fourth Finance Commission, that amortization provision should be allowed. But whereas the Fourth Finance Commission allowed full provision as indicated by States in their forecasts, the amount allowed by the Fifth Commission was limited only to provision in respect of debt (existing as well as fresh) not covered by revenue yielding investments and loans. As against a five-year provision of Rs. 1222 crores made by States in their forecasts for amortization of loans the Commission allowed, by a majority, provision of Rs. 59.66 crores (Table 10).

In respect of States other than those in whose case estimated devolution was expected to result in surplus the requirements of revenue were examined in greater detail. The Commission took into account several factors (in their assessment) such as relative tax effort (in relation to per capita income), levels of revenue expenditure and special factors (such as border areas, proportion of scheduled tribes, sparseness of population etc). In the case of some of these States the Commission allowed for a substantially higher level of expenditure (on education and other social services) as compared to other States, covered in their scrutiny.

On the basis of the re-assessment in the foregoing manner, of the forecasts submitted by the State Governments and taking into account the estimated devolution of taxes as well as grant in lieu of tax on railway passenger fares and proceeds of additional excise duties that would accrue to States on the basis of the recommendations embodied in the report, eight States (Table below) were expected to have surpluses aggregating Rs. 1273.38 crores during the five-year period.

State	Estimated surplus (Rs. crores)
Bihar	199.46
Gujarat	158.99
Haryana	79.88
Madhya Pradesh	15.09
Maharashtra	419.29
Mysore	2.58
Punjab	117.22
Uttar Pradesh	280.87
Total	1273.38

Among these States Haryana, Maharashtra and Punjab would, in the Commission's view, be having a revenue surplus even without taking into account the recommended devolution of taxes. The Commission has not recommended any grants-in-aid to seven out of the eight States (i.e. except Mysore) under Article 275 of the Constitution. In the case of Mysore, the average amount of devolution of taxes during the five-year period would be less than the average annual amount of devolution and grants which it would have received on the basis of the recommendations of the Fourth Finance Commission. The Commission therefore, considered it desirable to give some further assistance to the State, on a diminishing basis so that it can make suitable adjustments in its financial arrangements. For Mysore and other nine States (Andhra Pradesh, Assam, Jammu and Kashmir, Kerala, Nagaland, Orissa, Rajasthan, Tamil Nadu and West Bengal) which in the Commission's view will be left with revenue deficits after taking into account devolution of taxes, the Commission recommended grants-in-aid, under Article 275 of the Constitution, aggregating Rs. 637.85 crores for the five-year period 1969-70 to 1973-74.

The total amount of grants recommended by the Fifth Finance Commission in five years is less than the amount recommended by the Fourth Finance Commission (Rs. 703.05 crores for 11 States) for the five-year period 1966-67 to 1970-71. The Commission has specified the amount payable for each year, the quantum diminishing from Rs. 152.73 crores in 1969-70 to Rs. 102.41 crores in 1973-74 (Table 9). This is a departure from the recommendations of the First,

Third and Fourth Finance Commissions* which had specified payment of an equated amount in each of the years covered by the respective Commissions. The Second Finance Commission also recommended payment of a uniform amount for each of the years covered by it, except in the case of 4 States (Assam, Bihar, Orissa and West Bengal) for which the quantum of grants was raised for each of the last two years to compensate for the lapse of grants under Article 273 (grants in lieu of jute export duty).

IV

SCOPE FOR RAISING ADDITIONAL REVENUES

The terms of reference to the Commission included an examination of the scope for raising revenue from taxes and duties (mentioned in Article 269 of the Constitution) and from resources available to the State Governments.

Taxes and Duties under Article 269 of the Constitution : Article 269 of the Constitution pertains to duties and taxes levied and collected by the Government of India but assigned to the States. The Article mentions the following seven items :

(*a*) Duties in respect of succession to property other than agricultural land ;

(*b*) Estate duty in respect of property other than agricultural land ;

(*c*) Terminal taxes on goods or passengers carried by railway, sea or air ;

d) Taxes on railway fares and freights ;

(*e*) Taxes other than stamp duties on transactions in stock exchanges and futures markets ;

(*f*) Taxes on the sale or purchase of newspapers and on advertisements published therein ;

(*g*) Taxes on the sale or purchase of goods other than newspapers where such sale or purchase takes place in the course of inter-State trade or commerce.

Existing position : Of these items, estate duty on property other than agricultural land is being levied since 1953 and the net proceeds are being distributed among States in accordance with the principles recommended by the Finance Commissions. In respect of tax on sales and purchases of goods, other than newspapers in course of inter-State trade or commerce, the Central Government had passed the Central Sales Tax Act, 1956 permitting States to levy the tax at rates prescribed by it from time to time (the present ceiling rate is 3 per cent) and retain the proceeds ; all States except Jammu and Kashmir at present levy Central sales tax. The Centre had also introduced a tax on railway passenger fares in 1957 but abolished it in 1961 and merged the tax with the basic fares. In lieu of the tax, the Centre is providing grant to States (the present amount is Rs. 16.25 crores per annum) which is distributed among States in accordance with the principles recommended by Finance Commissions. In regard to terminal tax on goods or passengers carried by railway, sea or air, a terminal tax on passengers carried by railway from or to a place of pilgrimage is being levied under the provision of Terminal Tax Passengers Act, 1956.

Possible new levies-assessment : The Commission examined the scope for raising revenue from each of the items enumerated in Article 269 except estate duty in respect of non-agricultural property and inter-State sales tax. In the opinion of the Commission there was scope for a tax on advertisements published in newspapers ; in the absence of requisite data, the Commission could not estimate the likely revenue. The Commission has, therefore, suggested that the Government of India may examine the question of the levy, its rate structure, exemptions to be given (with a view to providing relief to smaller newspapers) and other relevant matters. It, however, was not in favour of the levy of tax on sale or purchase of newspapers because of its likely adverse effect on readership (which is already low compared to several other countries) and low order of likely revenue. It was also not in favour of imposition of remaining taxes enumerated in Article 269 on various grounds such as low revenue potential, administrative difficulties, likely adverse impact of a levy on the economy etc. The Commission's views in respect of these taxes are set out below.

Other levies not favoured : In view of the levy of estate duty in respect of non-agricultural property, the Commission did not see any particular advantage in levying succession duty in respect of non-agricultural property also. The Commission was not in favour of a terminal tax on goods carried by railways for reasons of administrative convenience. It was also not in favour of terminal tax on passengers carried by railways as the estimated yield from the levy would be negligible and moreover there would be administrative difficulties and inconvenience in collecting the revenue. The Commission was against the levy of tax on passengers carried by sea, on grounds of negligible yield from such a levy, and the levy on goods carried by sea, in view of its likely larger impact on shipping cargo traffic. The Commission felt that a tax on passengers carried by air may not be expedient ; moreover the yield from such levy may not be significant. A levy on terminal tax on air cargo would not be advisable, according to the Commission at this stage when air traffic in cargo is still not sufficiently developed.

According to the Commission there is no scope, at present, for imposing tax on railway passenger fares in view of its likely adverse effect on the economy and the unsatisfactory state of railway finances ; the Commission has, however, recommended that the question may be reviewed by the Government of India if and when the railway finances show an improvement. For the same reason, the Commission was also not in favour of a tax on railway freights. Such a tax, the Commission has stated would increase cost of transport, which is not desirable in the interest of general economic policy and it would also necessitate a corresponding tax on road freights. Finally, the Commission also disfavoured the levy of a tax (other than stamp duties) on transactions in stock exchanges and futures markets in view of their low revenue potential.

Scope for Additional Revenue from Sources Assigned to State Governments : The Commission then explored the possibilities of raising additional revenues from h e list of taxation reserved for State Governments under

*The First and Third Commissions had also recommended payment of specific-purpose grants to certain States under Article 275(1) of the Constitution, the former for development of primary education and the latter for development of communications. The First Commission had recommended grant, for the purpose, of varying amounts for different years whereas the Third Finance Commission fixed a uniform amount for each of the years covered by it.

the Constitution (Seventh Schedule, List II). In their Memoranda submitted to the Commission, a few States (Haryana, Madhya Pradesh, Jammu and Kashmir, Rajasthan and Orissa) conceded that there was some scope for raising taxes. Some others referred to the action taken (Bihar, Kerala, Punjab and Uttar Pradesh) or proposed (Mysore) to appoint Taxation Enquiry Committees for the purpose. Some others stated that they have already fully exploited all the sources of revenue available to them and that there was hardly any fresh avenue left. A few also referred to the unhelpful attitude of the Government of India in regard to the increase/reimposition of taxes on certain items (royalty on crude oil and other minerals, carriage tax on tea and tobacco); a suggestion was also made to increase stamp duties, under Article 268 of the Constitution, on bills of exchange, cheques etc.

The Commission felt that a full examination of the question would involve its embarking upon an enquiry which can be adequately undertaken only by a Taxation Enquiry Commission. The material supplied by the States to the Commission was insufficient. In view of this as also the limited time at its disposal, the Commission confined its comments/suggestions only to a few general features.

At the outset, the Commission examined the tax effort of each State by taking into account total tax revenue as well as revenue from major individual items of taxes. To measure tax effort, the Commission related per capita tax revenues of each State to State per capita income.* The tax effort as measured by the ratio of per capita State's own revenue to the State's per capita income showed wide divergences from State to State. In the case of States having per capita income below the all-State average, the ratio varied from 8.73 per cent for Kerala to 4.27 per cent for Orissa. For States with per capita income above all-State average, the range was between 8.44 per cent (Punjab) and 5.23 per cent (Assam). The Commission also referred to the existence of substantial differences between tax efforts of States which are similarly situated as regards their per capita income and economic structure ; for instance among States with higher per capita income, the tax income ratio was more than 8 per cent in Maharashtra and Punjab while the ratio in West Bengal with a similar industrial base was only 6.21 per cent. The Commission therefore felt that it would be possible for many States to raise additional resources by studying the tax system and rates adopted by the more highly taxed States in their own income groups.

In regard to individual tax items, the Commission confined its suggestions to taxation of agriculture, excise and sales taxation. In the opinion of the Commission, total contribution of Rs. 113 crores to tax revenue from land revenue and agricultural income tax was *prima facie* unsatisfactory. The Commission observed that the prosperous part of the agricultural sector is definitely undertaxed and this disparity is likely to become more pronounced with growth in agricultural income. In the Commission's view there is a good scope for progressive land taxation ; this is indicated by data available on distribution of cultivated area by holding-size (1961 Census of land holdings) which showed 31 per cent of cultivated land being in holdings exceeding 25 acres. The revenue potential of the tax is also indicated by statistics of revenue collection obtained by the Commission from revenue departments of States. Moreover, in the opinion of the Commission benefits of improvement in farming techniques, organisation, etc., go to big farmers with large marketable surplus. Besides, the Commission argued, a number of services such as rural electrification, pesticides, fertilizers, etc., have been supplied to the agriculturists at subsidised rates. If charging of differential prices to more prosperous farmers is not practicable, supply of subsidised services provides another justification for levy of a tax on the income of prosperous agriculturists according to the Commission.

The Commission felt that levy of effective income tax is the best way to secure a share of the increased margins in the agricultural sector. It also favoured a single income tax levied on both agricultural and non-agricultural income, which, in its opinion will have the advantage of united system leaving no scope for evasion of tax through showing greater income in under-taxed or non-taxed sections.

In the Commission's view the argument regarding unsuitability of agricultural income tax on the ground that the Indian farmer is neither used to keep detailed accounts, nor to face inquires, relating to price, production and expenditure, may not be applicable if the agricultural income tax is confined to more prosperous farmers. At any rate, it felt yield from this tax has been greatly underestimated. Some State Governments stated before the Commission that they cannot levy agricultural income tax due to administrative and other reasons. In that case, as an alternative the Commission has suggested levy of progressive surcharges on land holdings.

The Commission has referred to the loss—either partially or wholly—in revenue from land revenue incurred by several States as a result of various concessions/exemptions given by them in the last few years. These exemptions—which vary from State to State—will cost the States, according to the Commission Rs. 78 crores during the Fourth Plan period. Referring to the economic justification for exemptions, namely that the smaller farmers are living below the subsistence level and that they have no taxable surplus, the Commission has observed that in a country with low national income, trying simultaneously to develop its economy and to provide for better social welfare, it may not be possible to avoid taxation of persons with low incomes. A part of land revenue may be justified on the ground that the State has to incur considerable expenditure for maintaining up-to-date records of land rights. The Commission has observed that there is enough evidence to show that the cultivator greatly values this service and regards land revenue receipts as evidence in his possession of his title to the land. It has also referred to the observation embodied in the Report of the Uttar Pradesh Taxation Enquiry Committee that none of the farmers giving evidence before the Committee had demanded the abolition of land revenue.

Given the importance of land revenue in the tax structure of States, the Commission examined the question of changing the present system of levy so as to make it more equitable among different areas, keeping in view at the same time the changes in the value of money or the profitability of crops. Periodical revisions of land revenue settlements, according to the Commission, are cumbersome and unduly costly ; such costly procedure may be worthwhile only in areas which have not been properly settled yet. While concurring with the suggestion of the (All-India) Taxation Enquiry Commission (1953-54) for levy of surcharges in areas where

*The figures of tax revenues and per capita income used by the Commission in its assessment relate to the year 1967-68 and the average for three years 1962-63 to 1964-65, respectively. Data on State income subsequent to 1964-65 were not available.

the land revenue burden is low, the Finance Commission has also suggested an examination of the feasibility of effecting some *ad hoc* increases in surcharges periodically to bring them in line with price and productivity increases ; further, the Commission has suggested that the rates of tax could also be increased on lands used for non-agricultural purposes, including industrial and commercial uses, particularly in larger urban centres and developing industrial areas.

In regard to State excise duty the Commission has suggested that State Governments which have adopted the policy of prohibition may review its working and may continue it only if it is serving its real purpose. For other States, the Commission has suggested an examination of their excise arrangements to ensure maximum and stable revenue and minimum evasion.

In respect of sales tax major complaint of some of the State Governments was that they could not raise rates of tax due to low rates prevailing in neighbouring States. The Commission has suggested co-ordination in tax policies and and felt it would be useful if the Government of India can also give its support and assistance for this purpose. In view of the evidence of evasion of sales tax as revealed by the Uttar Pradesh and Kerala Taxation Enquiry Committees, the Commission felt that additional revenue can be obtained through improvement in administrative efficiency. The Commission has further suggested that the Government of India and State Governments may consider what measures could be devised to prevent evasion of sales tax arising from manipulation by traders to hide the real nature of sales transactions.

The Commission examined the scope for collection of arrears. On the basis of details furnished by the State Governments to the Commission, arrears amounted to Rs. 186 crores.* Arrears on account of land revenue and sales tax which accounted for nine-tenths of the total arrears, increased from Rs. 106 crores in 1963-64 to Rs. 146 crores in 1967-68. Further, in the case of land revenue, the arrears, were consistently more than 30 per cent of current dues in the case of a few States. In the case of sales tax, arrears formed more than one-fifth of the current dues in a few States. It is likely, the Commission agreed, that a large part of the arrears may not be recoverable and some of them may be the subject of appeal or revision proceedings. All the same, the Commission felt that the magnitude of arrears can be brought down considerably by State Governments.

In order to make certain levies more acceptable to the people who pay them, the Commission has recommended the practice of earmarking the proceeds for purposes of special interest to those on whom the incidence of such levies fall. The Commission has referred to the practice already adopted by certain States in this behalf and has suggested to other States the possibility of taking similar action.

In regard to mobilisation of non-tax revenue, the Commission has suggested, among other things, measures to raise irrigation rates and power tariffs, expedite collection of arrears of interest dues, etc.

The Commission has noted the loss incurred on multipurpose river valley schemes and commercial irrigation. The loss on multipurpose river valley schemes after taking into account interest liability amounted to Rs. 24 crores in 1967-68. In respect of commercial irrigation gross receipts did not cover even working expenses and the loss in 1967-68 after providing for interest charges was Rs. 52 crores. The Commission has referred to the various reasons for the net loss in irrigation schemes—low water rates, inability or unwillingness to revise them, faulty planning, bad water management etc. The Commission hoped that the State Governments concerned would examine the importance of such factors in the case of their schemes and take appropriate remedial measures so as to improve the return from these schemes. In this connection, the Commission has stated that according to a statement prepared by the Ministry of Irrigation and Power, Government of India, it would be possible to raise an estimated sum of Rs. 187 crores a year if water rates on rice, wheat, and sugarcane were increased to 12 per cent of the gross benefit as recommended by the Nijalingappa Committee.

In regard to power tariffs, the Commission has referred to the undertaking given by the States to the World Bank to take measures for an upward revision of rates in accordance with the recommendations of the Committee on the Working of State Electricity Boards (Venkataraman Committee). In spite of this, the Commission has noted that some Boards do not have enough surplus to pay the interest due on loans given by States to them; with some more effort and improved management, the Commission opines, the Boards would be able to attain much better results. In view of the disparity in rates charged for different purposes (particularly the low rates charged for industrial users and agriculturists) the Commission has suggested that efforts may be made to reduce the disparity of rates between neighbouring States by consultations between States on a regional basis.

V

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE FINANCE COMMISSION

The report of the Commission was unanimous except for a minute containing dissenting opinion by the Chairman and one member of the Commission (referred to earlier) in regard to provision for amortisation of States' debt in determining their needs for statutory grants. The Government of India have accepted the recommendations relating to sharing of (*a*) income tax, (*b*) Union excise duties, (*c*) additional excise duties, and (*d*) payment of grants-in-aid under Article 275(1) of the Constitution. It had already accepted the recommendations (embodied in the *interim* report) in respect of distribution of estate duty and grant in lieu of tax on railway passenger fares and made necessary provisions in the Central budget for 1969-70. Necessary adjustments in the devolution of taxes and grants-in-aid to States for 1969-70 will be made consequent on the acceptance of the recommendations embodied in the final report.

In regard to the Commission's recommendations for a review of the existing arrangements in regard to the levy of additional excise duties in lieu of sales tax, the Government propose to place the matter before the National Development Council. Governments will examine the question of levy of tax on advertisements and related matters such as the rate structure, exemptions etc., suggested by the Commission. The Commission's suggestions in respect of raising revenue by States from sources assigned to them will also be examined in consultation with the State Governments. According to the Commission's assessments the recommended devolutions of taxes will, as already indicated, result in revenue surpluses for certain States. The Government propose to discuss the utilisation of these surpluses with the Planning Commission and the concerned States. The Commission's recommendation in regard to unauthorised overdrafts of certain States with the Reserve Bank of India is being examined ; no decision has yet been announced in this respect.

*In some cases the arrears were as at the end of March 1969 and in other cases they were as at the end of March 1968.

Table 1—Transfer of Funds to States by way of Share of Taxes and Duties and Grants under Article 275 (as estimated by the Finance Commissions)

(Amount in crores of Rupees)

States	Shared Taxes and Duties (Estimates)*		Grants-in-Aid under Article 275		Total Transfers (Estimates)	
	Fourth Finance Commission (1966-67 to 1970-71)	Fifth Finance Commission (1969-70 to 1973-74)	Fourth Finance Commission (1966-67 to 1970-71)	Fifth Finance Commission (1969-70 to 1973-74)	Fourth Finance Commission (1966-67 to 1970-71) (2+4)	Fifth Finance Commission (1969-70 to 1973-74) (3+5)
1	2	3	4	5	6	7
Andhra Pradesh	166.63	274.27	67.55	65.01	234.18	339.28
Assam	62.36	93.24	82.60	101.97	144.96	195.21
Bihar	197.46	407.38	—	—	197.46	407.38
Gujarat	121.55	182.75	—	—	121.55	182.75
Haryana	39.19**	59.61	—	—	39.19	59.61
Jammu and Kashmir	33.25	33.16	32.85	73.68	66.10	106.84
Kerala	84.51	143.78	104.10	49.65	188.61	193.43
Madhya Pradesh	148.53	274.02	13.50	—	162.03	274.02
Maharashtra	260.38	383.66	—	—	260.38	383.66
Mysore	111.32	179.43	104.10	17.99	215.42	197.42
Nagaland	23.11	2.77	35.35	77.95	58.46	80.72
Orissa	85.95	146.01	145.90	104.67	231.85	250.68
Punjab	57.51**	89.16	—	—	57.51	89.16
Rajasthan	96.76	170.16	33.65	51.49	130.41	221.65
Tamil Nadu	173.12	272.29	34.20	22.82	207.32	295.11
Uttar Pradesh	323.77	620.12	49.25	—	373.02	620.12
West Bengal	197.41	296.64	—	72.62	197.41	369.26
Total	**2182.81**	**3628.45**	**703.05**	**637.85**	**2885.86**	**4266.30**

Note : The estimates for 1966-67 to 1970-71 (Col. 2) exclude effect of additional taxation in respect of shared taxes during the period. The estimates for 1969-70 to 1973-74 (Col. 3) are based at 1968-69 rates of taxation; effect of fresh taxation to be undertaken in later years is excluded.

* Includes share of grant in lieu of tax on railway passenger fares.

**The share of composite Punjab has been allocated on population basis between Punjab, Haryana and Union territory of Chandigarh.

Source : Report of Fifth Finance Commission.

Table 2—Resources Transferred to States in Terms of Recommendations of Finance Commissions

(Amount in crores of Rupees)

	Shared Taxes	Grants-in-aid under Article 275(1) +	Shared Taxes plus Grants-in-aid (2+3)	Annual Average of Shared Taxes plus Grants-in-aid	Total Revenues of the Centre (before transfer of States' share)	Shared Taxes as a percent of Total Revenues of the Centre (2 as percent of 6)	Shared Taxes plus Grants-in-aid as a per cent of Total Revenues of the Centre (4 as percent of 6)
1	2	3	4	5	6	7	8
First Plan (1951-52 to 1955-56)	344.73	41.48 (5)	386.21	77.24	2577.18	13.4	15.0
Second Plan (1956-57 to 1960-61)	710.92	165.59 (11)	876.51	175.30	4273.79	16.6	20.5
Third Plan (1961-62 to 1965-66)	1258.38†	289.93 (10)	1548.31	309.66	9907.32	12.7	15.6
Annual Plans (1966-67 to 1968-69)	1327.79††	421.83 (11)	1749.62	583.21	9020.53	14.7	19.4
Fourth Plan (1969-70 to 1973-74)	3628.45*	637.85 (10)	4266.30	853.26	..	..	..

Note : Figures in brackets indicate the number of States getting grants-in-aid under Article 275(1).

\+ Includes grants-in-aid under Article 273 for the First and Second Plans.

† Includes Rs. 62.50 crores grant in lieu of tax on railway passenger fares.

†† Includes Rs. 48·52 crores grant in lieu of tax on railway passenger fares.

* The figure is as estimated by the Finance Commission and includes share of grant in lieu of tax on railway passanger fares.

Source : (i) Reserve Bank of India Bulletins. (ii) Report of the Fifth Finance Commission.

Table 3—States' Share in Income Tax as Recommended by Finance Commissions

(Percentages)

	Second Finance Commission	Third Finance Commission	Fourth Finance Commission	Fifth Finance Commission
States' share in Divisible Pool	**60.00**	**66.67**	**75.00**	**75.00**
States :				
1. Andhra Pradesh	8.12	7.71	7.37	8.01
2. Assam	2.44	2.44	2.44	2.67
3. Bihar	9.94	9.33	9.04	9.99
4. Gujarat	†	4.78	5.29	5.13
5. Haryana	*	*	*	1.73
6. Jammu and Kashmir	1.13	0.70	0.73	0.79
7. Kerala	3.64	3.55	3.59	3.83
8. Madhya Pradesh	6.72	6.41	6.47	7.09
9. Maharashtra	15.97	13.41	14.28	11.34
10. Mysore	5.14	5.13	5.14	5.40
11. Orissa	3.73	3.44	3.40	3.75
12. Punjab	4.24‡	4.49‡	4.36‡	2.55
13. Rajasthan	4.09	3.97	3.97	4.34
14. Tamil Nadu	8.40	8.13	8.34	8.18
15. Uttar Pradesh	16.36	14.42	14.60	16.01
16. West Bengal	10.08	12.09	10.91	9.11
17. Nagaland	—	—	0.07	0.08
Total	**100.00**	**100.00**	**100.00**	**100.00**

Notes: 1. Recommendations of the Second Finance Commission covered the period 1957-58 to 1961-62, Third Finance Commission 1962-63 to 1965-66 and Fourth Finance Commission 1966-67 to 1968-69; Fifth Finance Commission covers period 1969-70 to 1973-74. The shares of States recommended by the First Finance Commission (1952-53 the to 1956-57) are not indicated as the States are not comparable owing to reorganisation of States in 1956.

2. Amount attributable to Union territories was raised from 1 per cent to 2.50 per cent by the Third Finance Commission and to 2.60 per cent by the Fifth Finance Commission.

† Included under Maharashtra.

* Included under Punjab.

‡ Includes Haryana and Chandigarh (Union territory).

Source: Reports of the Finance Commissions.

Table 4—States' Share in Union Excise Duties as Recommended by Finance Commissions

(Percentages)

	Second Finance Commission	Third Finance Commission	Fourth Finance Commission	Fifth Finance Commission
States' share in Divisible Pool	**25.00**	**20.00**	**20.00**	**20.00**
States:				
1. Andhra Pradesh	9.38	8.23	7.77	7.15
2. Assam	3.46	4.73	3.32	2.51
3. Bihar	10.57	11.56	10.03	13.81
4. Gujarat	†	6.45	4.80	4.17
5. Haryana	*	*	*	1.49
6. Jammu and Kashmir	1.75	2.02	2.26	1.12
7. Kerala	3.84	5.46	4.16	4.28
8. Madhya Pradesh	7.46	8.46	7.40	8.48
9. Maharashtra	12.17	5.73	8.23	7.93
10. Mysore	6.52	5.82	5.41	4.65
11. Orissa	4.46	7.07	4.82	4.72
12. Punjab	4.59‡	6.71‡	4.86‡	2.17
13. Rajasthan	4.71	5.93	5.06	5.28
14. Tamil Nadu	7.56	6.08	7.18	6.50
15. Uttar Pradesh	15.94	10.68	14.98	18.82
16. West Bengal	7.59	5.07	7.51	6.84
17. Nagaland	—	—	2.21	0.08
Total	**100.00**	**100.00**	**100.00**	**100.00**

Notes: 1. Recommendations of the Second Finance Commission covered the period 1957-58 to 1961-62, Third Finance Commission 1962-63 to 1965-66 and Fourth Finance Commission 1966-67 to 1968-69 ; Fifth Finance Commission covers the period 1969-70 to 1973-74. The shares of States recommended by the First Finance Commission (1952-53 to 1956-57) are not indicated as the States are not comparable owing to reorganisation of States in 1956.

2. The number of divisible commodities was eight under the Second Finance Commission, all commodities (other than motor spirit) with a yield of Rs. 50 lakhs or more in 1960-61 under Third Finance Commission and all exciseable commodities under Fourth and Fifth Finance Commissions; in addition special excise duties will form part of the divisible pool in 1972-73 and 1973-74.

† Included under Maharashtra.

* Included under Punjab.

‡ Includes Haryana and Chandigarh (Union territory).

Source : Reports of the Finance Commissions.

Table 5—Economic Indicators for Distribution of States' Share of Union Excise Duties*

States	Factory workers per lakh of population 1966	Net irrigated area per cultivator (Hectares)	Number of hospital beds per thousand of population as on 1-4-1968	Scheduled Tribes population (1961 Census) (Lakhs)	Length of railways and surfaced roads as on 31-3-1967			School-going children in age group 6 to 11 years (1967-68)	
					Railways per 100 Sq. Km.	Surfaced road per 100 Sq. Km.	Total	Estimated population of children (thousands)	Enrolment of children in classes I to V (thousands)
	1	2	3	4	5	6	7	8	9
1. Andhra Pradesh	639	0.398	0.612	13.24	17	10	27	5212	3694
2. Assam	583	0.184	0.381	20.65	18	4	22	2142	501
3. Bihar	453	0.192	0.305	42.05	30	8	38	7599	4110
4. Gujarat	1735	0.786	0.428	27.54	29	8	37	3473	2676
5. Haryana	809	0.704	0.431	—	32	13	45	1426	834
6. Jammu and Kashmir	237	0.250	1.016	—	—	1	1	494	337
7. Kerala	1036	0.307	0.988	2.13	23	50	73	2629	3156
8. Madhya Pradesh	575	0.092	0.380	66.78	12	6	18	5356	2918
9. Maharashtra	2068	0.141	0.787	23.97	17	10	27	6254	5635
10. Mysore	899	0.168	0.814	1.92	14	18	32	3722	3052
11. Nagaland	N. A.	0.062	1.750	3.44	1	2	3	56	62
12. Orissa	345	0.224	0.362	42.24	11	6	17	2658	1925
13. Punjab	794	1.412	0.655	—	42	12	54	2095	1333
14. Rajasthan	328	0.249	0.515	23.51	16	5	21	3448	1920
15. Tamil Nadu	1098	0.372	0.692	2.52	28	31	59	4551	4732
16. Uttar Pradesh	500	0.319	0.411	—	29	9	38	11424	9180
17. West Bengal	2166	0.321	0.872	20.54	35	18	53	5788	3878
All States	**943**	**0.269**	**0.568**	**290.53**	**19**	**10**	**29**	**68327**	**49943**

Notes : Col. (4)—There are no Scheduled Tribes in Haryana, Jammu and Kashmir, Punjab and Uttar Pradesh.
Col. (8) and (9)—The pupils in classes I to V also include those who are above or below the age group of 6 to 11 years. Hence the enrolment in certain cases exceeds the corresponding population.
— *Means* negligible. N.A. = Not Available.

* Table 49 Appendix V of the Report of the Fifth Finance Commission.

Sources : Col. (1)—Pocket Book of Labour Statistics (1968)—Labour Bureau, Department of Labour and Employment.
Col. (2)—Directorate of Economics and Statistics, Ministry of Food and Agriculture, Community Development and Co-operation.
Col. (3)—Information on Subsidiary Points submitted by the State Governments.
Col. (4)—Census of India—1961.
Col. (5)—Ministry of Railways (Railway Board).
Col. (6)—Basic Road Statistics of India (1968), Ministry of Transport and Shipping.
Col. (8) and (9)—Selected Educational Statistics, Ministry of Education.

Table 6—States' Share in Additional Excise Duties as Recommended by Finance Commissions

States	Second Finance Commission		Third Finance Commission		Fourth Finance Commission	Fifth Finance Commission	
	Guaranteed Amount (Rs. lakhs)	Percentages£	Guaranteed Amount (Rs. lakhs)	Percentages£	Percentages£	Guaranteed Amount (Rs. lakhs)	Percentages£
	1	2	3	4	5	6	7
1. Andhra Pradesh	235.00	7.81	235.24	7.75	7.42	235.24	8.13
2. Assam	85.00	2.73	85.08	2.50	1.98	85.08	2.47
3. Bihar	130.00	10.04	130.16	10.00	6.17	130.16	8.40
4. Gujarat	†	†	323.45	5.40	7.43	323.45	6.33
5. Haryana	*	*	*	*	*	65.49	1.70
6. Kerala	95.00	3.15	95.08	4.25	5.65	95.08	4.84
7. Madhya Pradesh	155.00	7.16	155.17	7.00	4.62	155.17	6.34
8. Maharashtra	960.00	17.52	637.77	10.60	19.87	637.77	13.89
9. Mysore	100.00	5.13	100.10	5.25	5.21	100.10	6.00
10. Orissa	85.00	3.20	85.10	4.50	2.58	85.10	3.13
11. Punjab	175.00‡	5.71‡	175.19‡	5.25‡	5.01‡	96.07	2.98
12. Rajasthan	90.00	4.32	90.10	4.00	3.17	90.10	4.42
13. Tamil Nadu	285.00	7.74	285.34	9.00	11.13	285.34	9.63
14. Uttar Pradesh	575.00	17.18	575.81	15.50	7.83	575.81	12.99
15. West Bengal	280.00	8.31	280.41	9.00	11.93	280.41	8.75
Total	**3250.00**	**100.00**	**3254.00**	**100.00**	**100.00**	**3240.37**	**100.00**

Notes: (1) Recommendations of the Second Finance Commission covered the period 1957-58 to 1961-62, Third Finance Commission 1962-63 to 1965-66 and Fourth Finance Commission 1966-67 to 1968-69; Fifth Finance Commission covers the period 1969-70 to 1973-74. The shares of States recommended by the First Finance Commission (1952-53 to 1956-57) are not indicated as the States are not comparable owing to reorganisation of States in 1956.

(2) The guaranteed amount in terms of the Fourth Finance Commission was the same as in terms of the Third Finance Commission.

(3) The share of Union territories was 1 per cent in terms of the Second, Third and Fourth Finance Commissions and has been raised to 2.05 per cent by the Fifth Finance Commission. The share of Jammu and Kashmir was raised from 1.25 per cent under the Second Finance Commission to 1.50 per cent by the Third Finance Commission but reduced to 0.83 per cent by the Fifth Finance Commission. The share of Nagaland was raised from 0.05 per cent recommended by the Fourth Finance Commission to 0.09 per cent by the Fifth Finance Commission.

£ Relate to States' share in excess over guaranteed amount.
† Included under Maharashtra.
* Included under Punjab.
‡ Includes Haryana and Chandigarh (Union territory).

Source : Reports of the Finance Commissions.

Table 7—States' Share in Estate Duty as Recommended by Finance Commissions

(Percentages)£

States	Second Finance Commission	Third Finance Commission	Fourth Finance Commission	Fifth Finance Commission
	1	2	3	4
1. Andhra Pradesh	8.76	8.34	8.34	8.37
2. Assam	2.53	2.75	2.75	2.76
3. Bihar	10.86	10.78	10.76	10.80
4. Gujarat	†	4.78	4.78	4.80
5. Haryana	*	*	*	1.76
6. Jammu and Kashmir	1.24	0.83	0.83	0.83
7. Kerala	3.79	3.92	3.92	3.93
8. Madhya Pradesh	7.30	7.51	7.50	7.53
9. Maharashtra	13.52	9.16	9.16	9.20
10. Mysore	5.43	5.46	5.46	5.48
11. Orissa	4.10	4.08	4.07	4.08
12. Punjab	4.52‡	4.71‡	4.70‡	2.59
13. Rajasthan	4.47	4.67	4.67	4.68
14. Tamil Nadu	8.40	7.80	7.80	7.83
15. Uttar Pradesh	17.71	17.10	17.08	17.15
16. West Bengal	7.37	8.11	8.09	8.12
17. Nagaland	—	—	0.09	0.09
Total	**100.00**	**100.00**	**100.00**	**100.00**

Notes: 1. Recommendations of the Second Finance Commission covered the period 1957-58 to 1961-62, Third Finance Commission 1962-63 to 1965-66 and Fourth Finance Commission 1966-67 to 1968-69; Fifth Finance Commission covers the period 1969-70 to 1973-74. The shares of States recommended by the First Finance Commission (1952-53 to 1956-57) are not indicated as the States are not comparable owing to reorganisation of States in 1956.

2. The amount attributable to Union territories was 1.0 per cent as recommended by the Second and Third Finance Commissions. It was raised to 2 per cent by the Fourth Finance Commission and to 3 per cent by the Fifth Finance Commission.

£ Relate to distribution among States of the sum apportioned to property other than immovable property.

† Included under Maharashtra.

* Included under Punjab.

‡ Includes Haryana and Chandigarh (Union territory).

Source : Reports of the Finance Commissions.

Table 8—States' Share in Grant in lieu of Tax on Railway Passenger Fares as Recommended by Finance Commissions

(Percentages)

States	Fourth Finance Commission (1966-71)	Fifth Finance Commission (1969-74)
1. Andhra Pradesh	9.05	8.56
2. Assam	2.79	2.88
3. Bihar	9.99	10.86
4. Gujarat	7.11	6.91
5. Haryana	†	2.46
6. Jammu and Kashmir	—	0.01
7. Kerala	1.85	1.78
8. Madhya Pradesh	9.85	9.92
9. Maharashtra	8.98	9.12
10. Mysore	3.98	3.83
11. Orissa	2.12	2.36
12. Punjab	7.43	4.76
13. Rajasthan	6.40	6.43
14. Tamil Nadu	5.81	5.54
15. Uttar Pradesh	18.23	19.06
16. West Bengal	6.40	5.51
17. Nagaland	0.01	0.01
Total	**100.00**	**100.00**

† Included under Punjab.

Note : The grant replaced the amount payable to States from the proceeds of tax on railway passenger fares which was imposed in 1956-57 but was repealed in 1961. The grants payable in lieu of the tax was Rs. 12.50 crores per annum upto 1965-66 and Rs. 16.25 crores per annum from 1966-67 (upto 1970-71). The Third Finance Commission fixed the share of each State in terms of amounts. The Fourth and Fifth Finance Commissions fixed the percentage share of States.

Source : Reports of the Fourth and Fifth Finance Commissions.

Table 9—Grants-in-aid under Article 275(1) to States under the Recommendations of the Finance Commissions

(Amount in crores of Rupees)

States	Second Finance Commission (1957-62)	Third Finance Commission (1962-66)		Fourth Finance Commission (1966-71)	Fifth Finance Commission (1969-74)						
		Others	For improvement of communications		Total of the sum to be paid in five years	1969-70 Interim Report	1969-70 Final Report	1970-71	1971-72	1972-73	1973-74
	1	2	3	4	5	6	7	8	9	10	11
1. Andhra Pradesh	20.00	36.00	2.00	67.55	65.01	16.81	15.54	14.27	13.00	11.73	10.47
2. Assam ..	22.50	21.00	3.00	82.60	101.97	19.90	20.80	20.60	20.39	20.19	19.99
3. Bihar ..	21.16	—	3.00	—	—	3.42	—	—	—	—	—
4. Gujarat ..	—	17.00	4.00	—	—	—	—	—	—	—	—
5. Jammu and Kashmir ..	15.00	6.00	2.00	32.85	73.68	12.02	16.81	15.77	14.74	13.70	12.66
6. Kerala ..	8.75	22.00	3.00	104.10	49.65	20.82	9.93	9.93	9.93	9.93	9.93
7. Madhya Pradesh	15.00	5.00	7.00	13.50	—	9.36	—	—	—	—	—
8. Mysore ..	30.00	25.00	2.00	104.10	17.99	20.82	6.48	5.04	3.60	2.16	0.71
9. Nagaland ..	—	—	—	35.35	77.95	10.88	17.40	16.49	15.59	14.69	13.78
10. Orissa ..	17.20	46.00	7.00	145.90	104.67	29.18	24.51	22.72	20.94	19.14	17.36
11. Punjab ..	11.25	—	—	—	—	—	—	—	—	—	—
12. Rajasthan ..	12.50	18.00	3.00	33.65	51.49	9.67	12.36	11.33	10.30	9.27	8.23
13. Tamil Nadu ..	—	12.00	—	34.20	22.82	6.84	6.61	5.59	4.56	3.54	25.2
14. Uttar Pradesh	—	—	—	49.25	—	9.85	—	—	—	—	—
15. West Bengal	23.84	—	—	—	72.62	7.24	22.29	18.41	14.52	10.64	6.76
Total ..	**197.20***	**208.00**	**36.00**	**703.05**	**637.85**	**176.81**	**152.73**	**140.15**	**127.57**	**114.99**	**102.41**

* Includes grants-in-aid in lieu of jute export duty (Rs. 9.45 crores)—payable to Assam (Rs. 2.25 crores), Bihar (Rs. 2.16 crores), Orissa (Rs. 0.45 crore) and West Bengal (Rs. 4.59 crores).

Source : Reports of the Finance Commissions.

Table 10—Provision Allowed by the Fifth Finance Commission for expenditure on (i) Relief on account of Natural Calamities and (ii) Amortisation or Repayment of Debt.

(Amount in crores of Rupees)

	Provision for relief on account of Natural Calamities (Annual Average Provision)	Provision for Amortisation or Repayment of Debt (Total for Five—Year Period)
	1	2
1. Andhra Pradesh	0.75	1.20
2. Assam	0.48	3.34
3. Bihar	1.50	12.02
4. Gujarat	0.80	0.69
5. Haryana	1.55	1.73
6. Jammu and Kashmir	0.40	0.24
7. Kerala	0.10	4.78
8. Madhya Pradesh	0.80	9.12
9. Maharashtra	0.86	1.32
10. Mysore	0.44	0.78
11. Nagaland	—	0.01
12. Orissa	1.25	4.96
13. Punjab	0.41	0.37
14. Rajasthan	1.08	5.68
15. Tamil Nadu	0.50	1.12
16. Uttar Pradesh	0.94	2.45
17. West Bengal	2.61	9.85
Total	**14.47**	**59.66**

Source : Report of the Fifth Finance Commission.

Table 11—Per Capita Income in 1960-61 to 1964-65 by States*

(At current prices)

(Rupees)

States	Per Capita‡				
	1960-61	1961-62	1962-63	1963-64	1964-65
	1	2	3	4	5
1. Andhra Pradesh	314	341	338	381	438
2. Assam	349	353	349	388	441
3. Bihar	216	220	232	265	299
4. Gujarat	380	412	413	451	523
5. Haryana	359	372	381	481	504
6. Jammu and Kashmir	267	263	267	298	341
7. Kerala	278	295	303	328	393
8. Madhya Pradesh	274	282	280	323	373
9. Maharashtra	419	405	429	478	526
10. Mysore	292	316	327	372	420
11. Orissa	226	233	261	309	347
12. Punjab	383	400	421	480	575
13. Rajasthan	271	294	289	297	356
14. Tamil Nadu	344	361	365	401	434
15. Uttar Pradesh	244	254	258	287	374
16. West Bengal	386	392	420	476	498
All States (excluding Nagaland)	**304**	**315**	**325**	**364**	**418**

‡ Based on Population Projections as on 1st October of the years.

* Table 5 Appendix V of the Report of the Fifth Finance Commission.

Source : Central Statistical Organisation, Cabinet Secretariat. The estimates have been worked out by adopting the concept of 'income originating' within the geographical boundaries of India.

Table 12—State Incomes for 1962-63 to 1964-65 (average), Tax Revenues in 1967-68 and Tax Revenues as proportion of the State Incomes†

States	State Incomes for 1962-63 to 1964-65 (average)		Tax Revenues* in 1967-68		Percentage of Tax Revenues to State Incomes (col. 3 to col. 1)
	Total amount (Rs. crores)	Per capita (Rs.)	Total amount (Rs. crores)	Per capita‡ (Rs.)	
	1	2	3	4	5
Punjab	595	492	50.20	37.46	8.44
Maharashtra	2019	478	168.28	36.50	8.34
West Bengal	1742	465	108.11	26.30	6.21
Gujarat	1025	462	71.90	29.59	7.01
Haryana	367	445	26.34	28.95	7.18
Tamil Nadu	1408	400	109.54	29.37	7.78
Assam	503	393	26.31	18.66	5.23
Andhra Pradesh	1460	386	79.48	19.67	5.44
Mysore	936	373	63.10	23.28	6.74
Kerala	616	341	53.79	27.44	8.73
Madhya Pradesh	1126	325	63.54	16.94	5.64
Rajasthan	683	314	46.60	19.50	6.82
Uttar Pradesh	2398	306	123.09	14.60	5.13
Orissa	568	306	24.25	12.12	4.27
Jammu and Kashmir	111	302	7.58	19.44	6.83
Bihar	1308	265	64.29	12.06	4.91
Nagaland	N.A.	N.A.	0.23	5.75	N.A.
Total	**16865**	**369**	**1086.63**	**21.92**	**6.44**

† Table 12 Appendix V of the Report of the Fifth Finance Commission.
* Exclude transfer of taxes from the Centre but includes receipts from inter-State sales tax, road tolls (Jammu and Kashmir) and royalty on mineral oil (Assam and Gujarat).
‡ Based on population estimate for March, 1967 as worked out in the Central Statistical Organisation.
Sources: (i) Central Statistical Organisation for State incomes and per capita incomes.
(ii) State budgets for tax revenues.
N.A. = Not Available.

Table 13—Per Capita Tax Revenues in 1967-68 as Percentage of Per Capita Incomes for 1962-63 to 1964-65 (average)*

(Percentages)

States	Taxes on Land†	Taxes on Land as percentage of States' Agricultural incomes	State Excise	Taxes on Transport‡	General Sales Tax	Total Tax Revenues
	1	2	3	4	5	6
Punjab	0.28	0.52	2.30	0.90	1.90	7.61
Maharashtra	0.40	1.20	0.19	1.21	2.95	7.63
West Bengal	0.51	1.48	0.69	0.74	1.43	5.66
Gujarat	0.59	1.43	0.06	1.08	2.61	6.23
Haryana	0.35	0.63	1.54	0.95	1.38	6.51
Tamil Nadu	0.46	1.18	0.05	1.47	2.75	7.34
Assam	1.16	2.21	0.53	0.77	1.33	4.35
Andhra Pradesh	0.51	0.95	1.03	0.77	1.78	5.10
Mysore	0.91	1.89	0.70	1.14	2.69	6.24
Kerala	0.77	1.76	1.39	1.41	3.05	8.05
Madhya Pradesh	0.60	1.16	0.97	0.68	1.57	5.21
Rajasthan	1.35	2.49	1.04	0.77	2.21	6.21
Uttar Pradesh	0.99	1.78	0.78	0.56	1.34	4.77
Orissa	0.27	0.52	0.47	0.51	1.21	3.96
Jammu and Kashmir	0.49	1.00	1.48	3.07	0.85	6.44
Bihar	0.24	0.52	0.76	0.40	1.40	4.55
Nagaland	..	..	..	..	..	..
All States	**0.62**	**1.34**	**0.71**	**0.89**	**1.95**	**5.36**

* Table 15 Appendix V of the Report of the Fifth Finance Commission.
† Include agricultural income tax and land revenue but excludes royalty on mineral oil.
‡ Include taxes on motor vehicles, passengers and goods and road tolls.

Source : Per capita income and income from agriculture—Central Statistical Organisation.

PART III—STATEMENTS

SUMMARY CONTENTS

		STATEMENT NO.	PAGE NO.
1.	Notes on the Statements		S5
2.	Population	2	S8-S9
3.	Output and Prices	3-18	S10-S31
4.	Money and Banking	19-37	S32-S66
5.	Capital Market	38-51	S67-S84
6.	Public Finance	52-71	S85-S120
7.	Trade and Balance of Payments	72-92	S121-S164
8.	Currency and Coinage	93-102	S165-S171

CONTENTS

		Page No.
1.	Selected Economic Indicators	S6-S7
	Population	
2.	Estimated Mid-year Population	S8-S9
	Output and Prices	
3.	Net Domestic Product by Industry of Origin	S10-S11
4.	Estimates of (Net) Saving of the Government and the Domestic Corporate Sectors	S12-S13
5.	Saving of the Household Sector in the Form of Financial Assets	S12-S13
6.	A. Employment Exchange Statistics	S14
	B. Occupational Distribution of Applicants on Live Registers	S14
7.	Index Numbers of Agricultural Production	S15
8.	Area and Production of Agricultural Commodities	S16-S17
9.	Industrial Production	S18-S19
10.	Index Numbers of Industrial Production	S20-S21
11.	Stocks of Principal Commodities with Industry	S22-S23
12.	Consumer Price Index Numbers (Working Class)	S24
13.	Consumer Price Index Numbers for Urban Non-manual Employees	S25
14.	Index Numbers of Wholesale Prices by Groups and Sub-groups (Annual, Monthly and Weekly)	S26-S27
15.	Movements in Price Indices of Selected Commodities	S28-S29
16.	Index Numbers of Wholesale Prices—Selected Items—Seasonally Adjusted Series	S30
17.	Assaying and Refining of Gold and Silver at the India Government Mints	S31
18.	Prices of Gold and Silver—Bombay	S31
	Money and Banking	
19.	Money Supply with the Public	S32-S33
19A.	Seasonal Variations in Money Supply with the Public	S34-S35
19B.	Variations in Money Supply with the Public	S36-S37
20.	Monetary Resources	S38
21.	Money Supply with the Public and Selected Items of Liabilities and Assets of Scheduled Commercial Banks—Seasonally Adjusted Series	S38
22.	Money Rates	S39
23.	Liabilities and Assets (Annual and Weekly) of the Reserve Bank of India (Issue Department)	S40-S41
24.	Liabilities and Assets (Annual and Weekly) of the Reserve Bank of India (Banking Department)	S42-S43
25.	Reserve Bank of India and Co-operative Credit	S44
26.	Reserve Bank of India and Industrial Finance	S45
27.	Remittances Through the Reserve Bank of India	S46
28.	Borrowings by Scheduled Commercial Banks from the Reserve Bank of India at Various Rates of Interest	S46
29.	Seasonal Trends in Selected Items of Scheduled Commercial Banks' Liabilities and Assets	S47
30.	All Scheduled Banks : Business in India (Annual and Weekly)	S48-S51

CONTENTS—(*Contd.*)

		PAGE NO.
31.	Scheduled Commercial Banks : Business in India (Annual and Weekly) ..	S52-S55
32.	Classification of Scheduled Commercial Banks' Advances (According to Security)	S56-S57
33.	Cheque Clearances (Annual and Monthly)	S58-S59
34.	Non-Scheduled Commercial Banks : Liabilities and Assets in India	S60-S61
35.	State Co-operative Banks Maintaining Accounts with the Reserve Bank of India	S62-S65
36.	Savings Deposits with Commercial Banks	S66
37.	Reserves of Scheduled Commercial Banks and State Co-operative Banks with the Reserve Bank of India	S66

Capital Market

38.	State Financial Corporations—Liabilities and Assets	S67
39.	Operations of State Financial Corporations	S68
40.	Liabilities and Assets of the Industrial Finance Corporation of India ..	S69
41.	Industrial Finance Corporation of India—Industry-wise Distribution of Financial Assistance Sanctioned	S70
42.	Liabilities and Assets of the Industrial Development Bank of India ..	S71
43.	Assistance Sanctioned and Disbursed by Financial Institutions	S71
44.	Prices (in Bombay) of Government of India Securities, 1968-69	S72
45.	Average Yields on Government of India Securities	S73
46.	All-India and Regional Indices (Annual and Weekly) of Security Prices ..	S74-S75
47.	Index Numbers of Security Prices—All-India (Annual and Monthly) ..	S76-S77
48.	Gross Yields on Industrial Securities—All-India and Regional (by Groups and Sub-groups)	S78-S79
49.	Prices of Selected Industrial Shares	S80-S81
50.	Capital Raised by Non-Government and Government Companies ..	S82-S83
51.	Consents for Capital Issues	S84

Public Finance

52.	Budgetary Position of the Government of India	S85
53.	Revenue and Expenditure of the Government of India (on Revenue Account)	S86-S87
54.	Revenue from Union Excise Duties	S88-S89
55.	Capital Budget of the Government of India	S90-S91
56.	Railway Finances	S92
57.	Consolidated Budgetary Position of States	S93
58.	Budgetary Position of Individual State Governments (on Revenue Account)	S94-S97
59.	Revenue and Expenditure of States (on Revenue Account)	S98-S99
60.	Capital Budget of States	S100
61.	Debt Position of the Government of India	S101
62.	Debt, Liabilities, Capital Outlay and Loans Advanced by the Government of India	S102-S103
63.	Market Borrowings of the Government of India and State Governments, 1968-69	S104-S106
64.	Maturity Pattern of the Government of India Rupee Loans	S107
65.	Debt Position of States	S107
66.	Ownership of Central and State Government Securities	S108-S109

CONTENTS—(*Concld.*)

		PAGE NO.
67.	Small Savings (Annual and Monthly)	S110-S111
68.	Government of India Treasury Bills (Weekly), 1968-69	S112
69.	Government of India Treasury Bills (Annual and Monthly)	S113
70.	Five-Year Plans	
	A. Plan Provision and Actual Outlay for Public Sector (by Heads of Development)	S114
	B. Financing of Plan Outlays in the Public Sector	S114-S115
71.	Central and State Government Loans (Outstandings as on March 31, 1969)	S116-S120

Trade and Balance of Payments

72.	India's Overall Balance of Payments, 1968 (Preliminary)	
	A. Current Account	S121
	B. Capital Account	S122
73.	India's Balance of Payments, 1968 (Preliminary)—Current Account—Region-wise	S123-S127
74.	India's Foreign Exchange Reserves	S128
75.	India's Foreign Trade	S129
76.	India's Exports of Principal Commodities	S130-S131
77.	India's Imports of Principal Commodities	S132-S133
78.	Direction of India's Foreign Trade	S134-S136
79.	Exports of Tea (Black) to Principal Countries	S137
80.	Exports of Cashew Kernel to Principal Countries	S138
81.	Exports of Tobacco (Unmanufactured) to Principal Countries	S138
82.	Exports of Jute Goods (Bags and Cloth) to Principal Countries	S139
83.	Exports of Sugar to Principal Countries	S140
84.	Exports of Oilcakes to Principal Countries	S140
85.	Exports of Cotton Piecegoods to Principal Countries	S141
86.	Index Numbers of Exports	S142
87.	Index Numbers of Imports	S143
88.	Sterling Transactions of the Reserve Bank of India	S144
89.	Inland and Foreign Bills Purchased and Discounted by Scheduled Commercial Banks	S145
90.	External Assistance : Authorised and Utilised	S146-S147
91.	Purpose-wise Distribution of Foreign Loans/Credits	S148-S161
92.	Commodities Subject to Export Duty during 1968-69	S162-S164

Currency and Coinage

93.	Total Notes and Coins issued (Denomination-wise)	S165
94.	Movements in Circulation of India Small Coins (Denomination-wise)	S165
95.	Movements in Circulation of India Small Coins (Metal-wise)	S166
96.	Lost, Destroyed and Mutilated Notes, 1968-69	S167
97.	Note Forgeries	S167
98.	Mintage of India Rupees and Small Coins	S168
99.	Mintage of India Small Coins by Denominations, 1968-69	S168
100.	Withdrawal of Silver, Cupro-nickel, Copper and Aluminium Coins, 1968-69	S169
101.	Number of Counterfeit Coins Cut at Treasuries and Railway Stations	S170
102.	Description of Coins in Active Circulation at the end of March, 1969	S171

NOTES ON THE STATEMENTS

The annual series in the statements cover the financial years which run from April to March; thus 1968-69 refers to the year from April 1, 1968 to March 31, 1969. In this issue, generally annual data for the years 1950-51, 1955-56 and 1960-61 to 1968-69 are presented. In the statements giving monthly data, generally the latest thirteen months' figures are presented.

The statements on Industrial Production, Employment Exchanges, Consents for Capital Issues and Capital Raised by Non-Government and Government Companies are presented on calendar year basis as the statistics assembled at the respective sources are on that basis. Statistics on Balance of Payments are presented for the calendar year 1968. Data relating to (i) Agricultural Production and (ii) Financial Assistance Sanctioned by the Industrial Finance Corporation of India are for the year ended June. In respect of (i) Estimated Mid-year Population and (ii) Liabilities and Assets of the Industrial Development Bank of India, the data presented are as at the end of June.

The statement on Index Numbers of Industrial Production with base 1956=100 has been deleted from this year. The statement on these Index Numbers with base 1960=100 has been recast and the industries have been shown under four main-groups *viz.*, (i) Basic Industries, (ii) Capital Goods Industries, (iii) Intermediate Goods Industries and (iv) Consumer Goods Industries.

The currency unit of the Indian Union is the Rupee. From April 1, 1957 India adopted the decimal coinage, the Rupee being divided into 100 equal parts, each called 'naya Paisa'. With effect from June 1, 1964, the prefix 'naya' or 'naye' in the designation 'naya Paisa' or 'naye Paise' was dropped and in statements where small coin data are presented, the term 'Paisa/naya Paisa' is used. The abbreviations for 'Rupees' and 'Paise' are 'Rs.' and 'P.' respectively. The abbreviation 'Kg.' stands for kilogram.

Indian rupee was devalued on June 6, 1966 changing its par value from Rs. 4·76 per U.S. dollar to Rs. 7·50 per U.S. dollar and from Rs. 13·33 to 1 pound sterling to Rs. 21 to 1 pound sterling. Later the pound sterling was devalued on November 18, 1967 and the present par value of the rupee is Rs. 18 to 1 pound sterling.

From November 1, 1956 (on which date the States Re-organisation Act, 1956 became effective) to April 30, 1960, the Indian Union consisted of fourteen States and a few centrally administered areas. 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 and on November 1, 1966, the Punjab State was bifurcated into (i) Punjab and (ii) Haryana bringing the total number of States in the Union to seventeen. 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 1—SELECTED ECONOMIC INDICATORS

Item	Unit/Base	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
		1	2	3	4	5	6	7	8	9	10	11
I. Population (*a*)	Millions	361·09	397·48	439·23	453·06	463·90	475·16	486·83	498·88	511·31	524·08	537·18
II. Output and Prices												
1. Net National Product(*b*)												
(*i*) At current prices	Rs. crores			133,08	140,63	148,91	171,19	200,80	205,86	236,47	279,22	..
(*ii*) At 1960-61 prices	,,			133,08	137,95	140,67	148,89	159,45	150,45	151,73	165,25	..
2. Industrial Production General Index(*c*)	1960=100	54·8(*j*)	72·7	100·0	109·2	119·7	129·7	140·9	153·7	152·4	151·4	160·9
3. Agricultural Production	Year ended June 1950=100	95·6	116·8	142·2	144·8	139·6	143·1	158·5	132·7	132·0	161·8	..
4. Wholesale Prices												
(*i*) All commodities	1952-53=100	111·8(*k*)	92·5	124·9	125·1	127·9	135·3	152·7	165.1	191·3	212.4	210·2
(*ii*) Food Articles	,,	112.5(*k*)	86.6	120·0	120·1	126·1	136·8	159·9	168·8	199·9	242.2	231.3
5. Consumer Prices-All—India												
(*i*) Working class	1949=100	101	96	124	127	131	137	157	169	191	213	212@
(*ii*) Urban Non-manual Employees	1960=100			100£	104	108	113	124	132	146	159	(174) 161
6. Security Prices(*d*)												
(*i*) Government and semi-Government securities	1961-62=100	100·0	90·9	101·0	100·9	100·1	99·4	98·2	94·6	94·3	95·5	98·3
(*ii*) Variable dividend industrial securities	,,	124·2	121·6	171·7	183·7	179·5	167·1	86·1	76·7	80·2	76·7	81·7
7. Gold and Silver (Bombay: Spot)												
(*i*) Gold(*e*)	Rs. per 10 gms.	97·28	82·18	114·91	121·25	117·71	111·98 / 61·85	68·84	77·78	83·85	156·97	160·45
(*ii*) Silver	Rs. per Kg.	159·37	144·65	193·64	206·49	218·69	240·32	261·17	314·62	358·88	430·09	556·67
8. Number of applicants(*c*)												
(*i*) Placed in employment	000's	331	170	306	404	458	536	545	570	507	431	424
(*ii*) On live registers	,,	331	692	1,606	1,833	2,380	2,518	2,493	2,585	2,622	2,740	3,012
III. Money and Banking												
9. Money supply with the public	Crores of Rs.	2,016·0	2,217·0	2,868·6	3,045·8	3,310·0	3,752·1	4,080·3	4,529·4	4,950·0	5,350.1	5,779·2
(*i*) Currency with the public	,,	1,406·5	1,571·0	2,098·0	2,201·2	2,379·5	2,605·6	2,769·0	3,034·3	3,196·8	3,376·1	3,682·0
(*ii*) Deposit money with the public	,,	609·5	645·9	770·6	844·7	930·5	1,146·6	1,311·2	1,495·1	1,753·2	1,974·0	2,097·3
10. Reserve Bank of India												
(*i*) Central Government's deposits	,,	162·0	67·3	76·5	71·3	55·8	84·2	90·9	51·4	116·9	52·7	59·9
(*ii*) State Governments' deposits	,,	26·4	62·0	29·0	15·9	31·4	16·0	24·7	25·8	38·9	13·7	18·1
(*iii*) Investments	,,	585·8	726·0	1,813·2	1,910·6	2,128·3	2,338·1	2,480·7	2,718·5	2,923·0	3,003·4	3,335·6
(*iv*) Other loans and advances(*f*)	,,	16·8	79·9	185·5	177·7	207·3	221·0	306·4	244·6	317·4	311·0	360·9
of which :												
1. Scheduled commercial banks	,,					71·3	84·2	153·0	73·5	139·7	103·9	105·6
2. State co-operative banks	,,					134·4	134·0	149·9	165·8	170·7	197·7	246·6
11. Foreign exchange reserves	,,	1,029·2	902·4	303·6	297·3	295·1	305·8	249·7	298·0	478·4(*p*)	538·6	576·7

12. A. Scheduled commercial banks													
(*i*) Aggregate deposits ..	Crores of Rs.	880·6(*l*)	1,043·2(*l*)	1,746·1	1,921·9	2,042·3	2,285·1	2,583·3	2,949·8	3,425·5	3,856·0	4,338·2
(*ii*) Bank credit	,,	546·9(*m*)	761·2(*m*)	1,319·5	1,407·6	1,588·0	1,816·5	2,033·7	2,288·1	2,693·5	3,033·0	3,396·3
(*iii*) Investments in Government securities ..	,,	..	359·9	558·6	601·4	592·8	639·7	718·2	810·7	892·8	967·0	1,054·6
(*iv*) Cash reserves ..	,,	93·3	84·7	116·6	123·5	125·7	147·6	162·4	170·8	215·6	221·3	274·8
(*v*) Credit deposit ratio	Per cent	62·1	73·0	75·6	73·2	77·8	79·5	78·7	77·6	78·6	78·7	78·3
B. Cheque clearances(*g*) ..	Crores of Rs.	553·2	663·4	1,045·9	1,133·5	1,249·1	1,400·7	1,536·4	1,746·4	1,973·8	2,073·7	2,354·4
13. Inter-bank call money rate (Bombay) (*h*)	Per cent per annum	0·74	2·75	4·24	4·24	4·16	3·87	4·01	6·26	5·16	4·95	3·75
14. Yield on 3 per cent conversion loan 1986 or later(*i*)	,,	3·15	3·74	4·06	4·16	4·49	4·66	4·80	5·46	5·57	5·45	4·99
IV. Public Finance													
A. Budgetary position of Government of India													
15. Revenue Account													
(*i*) Receipts	Crores of Rs.	405·9	481·2	877·5	1,036·8	1,427·5	1,846·1	2,080·6	2,320·4	2,473·2	2,553·6	2,714·4
(*ii*) Expenditure	,,	346·6	440·7	826·2	911·9	1,314·1	1,658·6	1,806·7	2,000·6	2,244·5	2,449·6	2,710·8
16. Capital Account													
(*i*) Receipts	,,	106·0	288·4	1,155·8	1,022·5	1,230·4	1,415·0	1,717·2	1,705·2	2,473·2	2,250·6	2,221·5
(*ii*) Disbursements	,,	184·2	478·3	1,029·3	1,236·7	1,480·5	1,794·1	2,148·5	2,222·4	3,059·9	2,625·3	2,472·5
B. Debt position of Government of India:													
17. Total debt	,,	2,501·6	3,196·4	6,255·1	6,974·6	7,699·4	8,730·1	9,624·2	10,756·5	13,749·0	15,155·0	16,126·4
(*i*) Internal	,,	2,469·5	3,082·8	5,494·1	5,864·0	6,320·4	6,921·0	7,432·0	8,165·9	9,125·4	9,754·2	10,199·3
of which :													
1. Rupee Loans	,,	1,438·5	1,508·7	2,571·3	2,688·4	2,840·9	3,113·9	3,267·5	3,424·9	3,556·8	3,732·3	3,883·4
2. Treasury Bills outstanding	,,	364·8†	595·3†	1,106·3	1,175·0	1,299·6	1,382·0	1,443·5	1,611·8	1,919·6	2,013·4	2,244·3
3. Small savings												
(*i*) Net Receipts ..	,,	33·9	67·0	105·0	86·8	74·9	126·4	128·0	150·8	117·6	122·4	83·5
(*ii*) Outstandings	,,	336·2	580·0	982·4	1,069·2	1,144·1	1,270·6	1,398·6	1,549·3	1,666·9	1,789·3	1,872·9
(*ii*) External	,,	32·0	113·6	761·0	1,110·6	1,379·0	1,809·1	2,192·2	2,590·6	4,623·6(*q*)	5,400·8	5,927·1
V. Trade													
18. Imports	,,	650·2	774·2	1,121·6	1,091·6	1,131·5	1,222·8	1,349·0	1,408·5	227·1(*r*) 1,704·4	1,986·4	1,785·8
19. Exports	,,	600·6	608·9	642·1	660·6	685·3	793·2	816·3	805·6	126·6(*r*) 967·4	1,198·7	1,353·5
20. Net Balance of trade	,,	—49·6	—165·4	—479·6	—431·0	—446·2	—429·6	—532·7	—602·9	—100·5(*r*) —737·0	—787·7	—432·4
21. Number of wagons loaded ..													
(*i*) Broad guage	000's	10,472(*n*)	4,907	6,164	6,334	7,050	7,533	7,542	8,168	8,226	8,271	8,557
(*ii*) Metre gauge ..	,,		2,938	3,593	3,536	3,578	3,754	3,784	3,972	3,770	3,662	3,692

Note : Figures for all the items relate to the year except those of items 8 (*ii*), 11, and 17 (excluding 17(*i*) 3(*i*)) which relate to the end of the period and those of items 9, 10 and 12A which relate to last Friday. (*a*) The figures for 1950-51 and 1960-61 relate to Census of 1951 and 1961 respectively and those for other years relate to the estimated mid-year population; the data for 1961-62 correspond to mid-year 1962 and so on. (*b*) Revised estimates. (*c*) Relating to calendar year; thus data for 1955-56 correspond to 1955. (*d*) Data for the year 1950-51 relate to the base 1938 = 100 ; for 1955-56 to the base 1949-50=100 and for the years from 1960-61 to 1963-64 to the base 1952-53=100. (*e*) Relate to 14-carat from August 28, 1963 to November 9, 1966 and to Standard Gold from July 10, 1967. (*f*) Loans and advances, other than those to the Governments. (*g*) Average of monthly data. (*h*) Data relate to local head offices of the banks and are exclusive of brokerage. (*i*) Running yield. (*j*) Relate to the year 1951. (*k*) Derived figures. (*l*) Relating to aggregate liabilities. (*m*) Including due from banks. (*n*) In terms of metre gauge. (*p*) Gold has been valued at Rs. 53.58 per 10 grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter, following the change in the par value of the rupee. (*q*) Outstanding foreign loans (other than P.L. 480 Loans) have been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian rupee. (*r*) Figures above the line relate to the pre-devaluation period and those below the line to the post-devaluation period. £ Relates to the period January to March 1961. @ Estimated. The figure in bracket is an average of eight months from August 1968 and relates to the new series with 1960=100 as base. † Including Treasury Deposit receipts.

STATEMENT 2—ESTIMATED MID-YEAR POPULATION

(In millions)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
	1	2	3	4	5	6	7	8	9	10	11
All-India*	**442·65**	**453·06**	**463·90**	**475·16**	**486·83**	**498·88**	**511·31**	**524·08**	**537·18**	**550·57**	**564·23**
Andhra Pradesh	36·21	36·88	37·59	38·32	39·08	39·88	40·70	41·55	42·42	43·32	44·23
Assam	11·99	12·33	12·69	13·06	13·45	13·86	14·29	14·74	15·20	15·68	16·17
Bihar	46·80	47·85	48·94	50·08	51·26	52·49	53·77	55·09	56·44	57·83	59·25
Gujarat	20·82	21·38	21·96	22·56	23·19	23·84	24·50	25·19	25·89	26·61	27·34
Haryana	7·67	7·90	8·14	8·40	8·66	8·93	9·21	9·50	9·80	10·10	10·40
Jammu & Kashmir	3·58	3·62	3·67	3·73	3·78	3·83	3·88	3·94	3·99	4·05	4·11
Kerala	17·04	17·46	17·90	18·35	18·82	19·30	19·79	20·30	20·81	21·34	21·88
Madhya Pradesh	32·63	33·43	34·26	35·12	36·02	36·93	37·86	38·82	39·80	40·81	41·84
Madras	33·87	34·42	35·00	35·60	36·22	36·86	37·50	38·17	38·86	39·56	40·26
Maharashtra	39·88	40·89	41·94	43·03	44·16	45·32	46·48	47·67	48·90	50·15	51·42
Mysore	23·76	24·30	24·86	25·45	26·05	26·68	27·32	27·98	28·67	29·36	30·07
Nagaland	0·37	0·38	0·38	0·39	0·40	0·40	0·41	0·42	0·43	0·43	0·44
Orissa	17·67	18·06	18·45	18·87	19·30	19·74	20·20	20·67	21·16	21·66	22·16
Punjab	11·25	11·59	11·95	12·32	12·70	13·10	13·51	13·94	14·37	14·81	15·26
Rajasthan	20·35	20·93	21·53	22·16	22·81	23·48	24·17	24·87	25·59	26·32	27·07
Uttar Pradesh	74·28	75·89	77·57	79·32	81·13	83·00	84·92	86·89	88·91	90·98	93·08
West Bengal	35·24	36·18	37·15	38·17	39·23	40·32	41·44	42·59	43·77	44·98	46·22
Union Territories	*9·09*	*9·40*	*9·72*	*10·06*	*10·40*	*10·77*	*11·15*	*11·55*	*11·96*	*12·38*	*12·82*

STATEMENT 2—ESTIMATED MID-YEAR POPULATION—(*Concld.*)

(In millions)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	12	13	14	15	16	17	18	19	20	21
All-India*	**578·13**	**592·21**	**606·43**	**620·70**	**634·91**	**648·92**	**662·54**	**675·50**	**687·48**	**698·67**
Andhra Pradesh	45·15	46·08	47·02	47·97	48·90	49·81	50·69	51·53	52·31	53·06
Assam	16·69	17·21	17·74	18·28	18·82	19·38	19·93	20·44	20·92	21·38
Bihar	60·70	62·24	63·75	65·27	66·79	68·29	69·76	71·15	72·43	73·67
Gujarat	28·09	28·84	29·60	30·37	31·13	31·89	32·62	33·32	33·97	34·59
Haryana	10·72	11·04	11·35	11·67	12·00	12·33	12·64	12·95	13·23	13·50
Jammu & Kashmir	4·16	4·22	4·27	4·32	4·38	4·43	4·48	4·53	4·58	4·62
Kerala	22·42	22·96	23·50	24·06	24·60	25·12	25·62	26·11	26·55	26·98
Madhya Pradesh	42·88	43·94	45·02	46·09	47·16	48·22	49·24	50·21	51·11	51·98
Madras	40·96	41·66	42·38	43·09	43·78	44·41	45·02	45·60	46·13	46·66
Maharashtra	52·70	53·99	55·29	56·60	57·89	59·14	60·36	61·51	62·58	63·61
Mysore	30·80	31·53	32·27	33·01	33·75	34·48	35·18	35·85	36·47	37·06
Nagaland	0·45	0·46	0·47	0·47	0·48	0·49	0·50	0·50	0·51	0·52
Orissa	22·67	23·18	23·70	24·22	24·74	25·24	25·72	26·19	26·61	27·03
Punjab	15·72	16·18	16·65	17·12	17·60	18·08	18·55	18·99	19·40	19·80
Rajasthan	27·83	28·59	29·36	30·14	30·91	31·68	32·44	33·15	33·81	34·44
Uttar Pradesh	95·21	97·37	99·54	101·73	103·90	106·05	108·13	110·12	111·95	113·72
West Bengal	47·49	48·78	50·08	51·38	52·69	54·01	55·29	56·50	57·63	58·37
Union Territories	*13·28*	*13·74*	*14·21*	*14·68*	*15·16*	*15·66*	*16·15*	*16·61*	*17·04*	*17·45*

* Includes Sikkim.

Source : Office of the Registrar General, India.

STATEMENT 3—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66 (a)	1966-67 (a)	1967-68 (a)
	1	2	3	4	5	6	7	8
A — AT CURRENT PRICES (In Rs. Crores)								
1. Agriculture	65,71	67,69	69,06	80,18	98,45	94,35	113,01	144,80
2. Forestry and logging	1,74	1,98	2,06	2,47	2,60	2,87	3,17	3,44
3. Fishing	77	86	86	95	1,08	1,24	1,37	1,49
Sub-Total	**68,22**	**70,53**	**71,98**	**83,60**	**102,13**	**98,46**	**117,55**	**149,73**
4. Mining and quarrying	1,44	1,49	1,78	2,04	2,04	2,34	2,52	2,83
5. Large-scale manufacturing	10,71	11,76	12,98	15,18	16,86	18,22	20,14	20,50
6. Small-scale manufacturing	7,85	8,64	9,42	10,82	11,82	12,25	13,23	14,56
7. Construction	6,20	6,53	7,01	7,92	8,94	10,03	10,63	11,23
8. Electricity, gas and water supply	68	77	87	1,09	1,27	1,50	1,74	1,97
Sub-Total	**26,88**	**29,19**	**32,06**	**37,05**	**40,93**	**44,34**	**48,26**	**51,09**
9. Transport and communication	5,82	6,55	7,36	8,06	8,77	9,58	10,51	11,02
(i) Railways	2,52	2,81	3,13	3,53	3,60	4,00	4,14	4,13
(ii) Communication	63	72	80	91	1,00	1,13	1,36	1,43
(iii) Transport by other means	2,67	3,02	3,43	3,62	4,17	4,45	5,01	5,46
10. Trade, storage, hotels and restaurants	13,01	13,89	14,94	17,06	20,69	22,29	26,36	30,20
Sub-Total	**18,83**	**20,44**	**22,30**	**25,12**	**29,46**	**31,87**	**36,87**	**41,22**
11. Banking and insurance	1,58	1,83	2,24	2,49	2,88	3,35	3,53	3,97
12. Real estate and ownership of dwellings	3,86	4,03	4,47	5,28	5,63	5,85	6,22	6,52
13. Public administration and defence	5,38	5,93	6,68	7,78	8,90	9,92	11,12	12,05
14. Other services	9,05	9,66	10,26	10,99	12,36	13,74	15,47	17,29
Sub-Total	**19,87**	**21,45**	**23,65**	**26,54**	**29,77**	**32,86**	**36,34**	**39,83**
15. **Total net domestic product**	**133,80**	**141,61**	**149,99**	**172,31**	**202,29**	**207,53**	**239,02**	**281,87**
16. Net factor income from abroad	—72	—98	—1,08	— 1,12	— 1,49	— 1,67	— 2,55	— 2,65
17. **Net national product at factor cost**	**133,08**	**140,63**	**148,91**	**171,19**	**200,80**	**205,86**	**236,47**	**279,22**
18. Gross national product at market prices	149,92	159,54	170,86	196,79	229,82	238,85	273,38	..
19. Gross national product at factor cost	140,44	148,74	158,21	181,13	211,98	217,99	250,02	293,77

STATEMENT 3—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN—(*Concld.*)

	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66 (*a*)	1966-67 (*a*)	1967-68 (*a*)
	1	2	3	4	5	6	7	8
B—AT 1960-61 PRICES (In Rs. Crores)								
1. Agriculture	65,71	66,27	64,41	66,10	72,26	61,08	60,95	72,47
2. Forestry and logging	1,74	1,84	1,87	2,05	2,02	2,20	2,21	2,20
3. Fishing	77	80	76	83	91	93	95	93
Sub-Total	**68,22**	**68,91**	**67,04**	**68,98**	**75,19**	**64,21**	**64,11**	**75,60**
4. Mining and quarrying	1,44	1,52	1,72	1,89	1,80	2,04	2,13	2,16
5. Large-scale manufacturing	10,71	11,78	12,91	14,21	15,43	15,67	15,79	15,62
6. Small-scale manufacturing	7,85	8,49	8,86	9,49	10,07	9,89	10,03	10,49
7. Construction	6,20	6,27	6,61	7,27	7,45	7,60	7,36	7,04
8. Electricity, gas and water supply	68	79	88	1,07	1,18	1,31	1,39	1,58
Sub-Total	**26,88**	**28,85**	**30,98**	**33,93**	**35,93**	**36,51**	**36,70**	**36,89**
9. Transport and communication	5,82	6,27	6,73	7,24	7,53	7,98	8,13	8,50
(i) Railways	2,52	2,70	2,87	3,11	3,14	3,40	3,34	3,39
(ii) Communication	63	69	76	85	88	96	1,00	1,07
(iii) Transport by other means	2,67	2,88	3,10	3,28	3,51	3,62	3,79	4,04
10. Trade, storage, hotels and restaurants	13,01	13,87	14,57	15,72	16,79	16,80	17,14	17,59
Sub-Total	**18,83**	**20,14**	**21,30**	**22,96**	**24,32**	**24,78**	**25,27**	**26,09**
11. Banking and insurance	1,58	1,79	1,92	2,06	2,10	2,14	2,09	2,10
12. Real estate and ownership of dwellings	3,86	3,95	4,12	4,37	4,43	4,50	4,64	4,80
13. Public administration and defence	5,38	5,88	6,60	7,52	8,31	8,79	9,06	9,55
14. Other services	9,05	9,39	9,81	10,18	10,62	11,06	11,46	11,89
Sub-Total	**19,87**	**21,01**	**22,45**	**24,13**	**25,46**	**26,49**	**27,25**	**28,34**
15. **Total net domestic product**	**133,80**	**138,91**	**141,77**	**150,00**	**160,90**	**151,99**	**153,33**	**166,92**
16. Net factor income from abroad	—72	—96	—1,10	— 1,11	— 1,45	— 1,54	— 1,60	— 1,67
17. **Net national product at factor cost**	**133,08**	**137,95**	**140,67**	**148,89**	**159,45**	**150,45**	**151,73**	**165,25**
18. Gross national product at factor cost	140,44	145,79	149,52	158,03	169,30	160,53	162,33	176,22

Note : The estimates of net national product (national income) have been revised recently by the Central Statistical Organisation. For details regarding the improvements and methodological changes in the revised series against the conventional series at 1948-49 prices, reference may be made to the 'Brochure on Revised Series of National Product for 1960-61 to 1964-65' brought out by Central Statistical Organisation.

(*a*) Provisional.

Source : Estimates of National Product (revised series) issued by Central Statistical Organisation, Government of India.

STATEMENT 4—ESTIMATES OF (NET) SAVING OF THE

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
	1	2	3	4	5	6	7
Saving of the Government Sector	95.9	187.0	102.1	92.6	93.4	111.4	176.7
Proportion (per cent) to national Income	*1.0*	*1.9*	*1.1*	*0.9*	*1.0*	*1.1*	*1.6*
Saving of the Domestic Corporate Sector	35.0	63.6	1.1	25.9	50.3	60.0	58.5
Proportion (per cent) to National Income	*0.4*	*0.6*	—	*0.2*	*0.5*	*0.6*	*0.5*

STATEMENT 5—SAVING OF THE HOUSEHOLD

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
**A. Saving of the Household Sector in Financial Assets [(i) to (vi)] (Gross) .. .. ..

GOVERNMENT AND THE DOMESTIC CORPORATE SECTORS

(In Crores of rupees, at current prices)

1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
8	9	10	11	12	13	14	15	16
156.7	138.0	202.8	239.4	348.4	410.8	538.3	535.6	654.0
1.4	*1.1*	*1.6*	*1.8*	*2.5*	*2.8*	*3.1*	*2.7*	*3.2*
18.0	32.4	57.6	106.7	111.6	135.0	141.6	92.9	93.3
0.1	*0.3*	*0.4*	*0.8*	*0.8*	*0.9*	*0.8*	*0.5*	*0.5*

SECTOR IN THE FORM OF FINANCIAL ASSETS

(In Crores of rupees, at current prices)

1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
395.8	**433.2**	**542.9**	**578.1**	**635.0**	**674.3**	**939.0**	**939.4**	**1168.3**
3.5	3.4	**4.2**	4.1	**4.5**	**4.5**	**5.5**	**4.7**	**5.7**
45.3	112.4	130.2	160.3	99.2	172.2	218.8	136.0	287.3
0.4	*0.9*	*1.0*	*1.1*	*0.7*	*1.1*	*1.3*	*0.7*	*1.4*
11.7	*26.0*	*24.0*	*27.7*	*15.6*	*25.5*	*23.3*	*14.5*	*24.6*
93.3	95.9	183.3	93.2	219.9	189.3	316.3	359.1	439.4
0.8	*0.8*	*1.4*	*0.7*	*1.6*	*1.3*	*1.9*	*1.8*	*2.1*
24.0	*22.1*	*33.8*	*16.1*	*34.7*	*28.0*	*33.7*	*38.2*	*37.6*
36.5	30.9	48.2	57.1	73.0	70.2	93.7	97.4	97.6
0.3	*0.2*	*0.4*	*0.4*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*
7.5	*7.1*	*8.9*	*9.9*	*11.5*	*10.4*	*10.0*	*10.4*	*8.4*
72.2	68.0	79.1	109.3	113.5	128.8	155.4	181.5	198.2
0.7	*0.5*	*0.6*	*0.8*	*0.8*	*0.9*	*0.9*	*0.9*	*1.0*
18.6	*15.7*	*14.6*	*18.9*	*17.9*	*19.1*	*16.5*	*19.3*	*17.0*
94.8	86.7	49.6	98.9	45.7	54.0	108.9	108.1	92.6
0.8	*0.7*	*0.4*	*0.7*	*0.3*	*0.3*	*0.6*	*0.5*	*0.4*
24.4	*20.0*	*9.1*	*17.1*	*7.1*	*8.2*	*11.6*	*11.5*	*7.9*
53.7	39.3	52.5	59.3	83.7	59.8	45.9	57.3	53.2
0.5	*0.3*	*0.4*	*0.4*	*0.6*	*0.4*	*0.3*	*0.3*	*0.3*
13.8	*9.1*	*9.6*	*10.3*	*13.2*	*8.8*	*4.9*	*6.1*	*4.5*
64.3	**102.7**	**161.9**	**142.2**	**131.3**	**181.0**	**240.2**	**190.6**	**204.9**
0.6	**0.8**	**1.3**	**1.0**	**0.9**	**1.2**	**1.4**	**1.0**	**1.0**
38.0	67.9	120.5	99.2	87.6	133.2	201.4	129.7	155.5
0.3	*0.5*	*1.0*	*0.7*	*0.6*	*0.9*	*1.2*	*0.7*	*0.8*
59.1	*66.1*	*74.4*	*69.8*	*66.7*	*73.5*	*83.9*	*68.0*	*75.9*
4.1	1.5	2.6	4.2	5.7	0.8	8.2	8.2	14.3
0.1	—	—	—	—	—	—	—	—
6.4	*1.5*	*1.6*	*3.0*	*4.3*	*0.5*	*3.4*	*4.3*	*7.0*
22.2	33.3	38.8	38.8	38.0	47.0	30.6	52.7	35.1
0.2	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*	*0.2*	*0.3*	*0.2*
34.5	*32.4*	*24.0*	*27.2*	*29.0*	*26.0*	*12.7*	*27.7*	*17.1*
331.5	**330.5**	**381.0**	**435.9**	**503.7**	**493.3**	**698.8**	**748.8**	**963.4**
2.9	**2.6**	**2.9**	**3.1**	**3.6**	**3.3**	**4.1**	**3.7**	**4.7**

STATEMENT 6A—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
1966	396	3,871,162	507,342	2,622,460	12,908	852,467
1967	399	3,911,748	430,588	2,740,435	11,420	699,039
1968	405	4,039,516	424,227	3,011,642	11,840	714,006
March 1968	399	261,094	34,400	2,703,497	10,423	53,470
April ,, ...	402	302,264	31,811	2,718,824	11,727	67,666
May ,, ...	403	341,108	34,306	2,754,634	12,976	70,014
June ,, ...	403	416,800	31,923	2,879,741	12,437	62,706
July ,, ...	404	445,478	35,944	3,008,687	13,615	64,774
August ,, ...	404	381,945	37,622	3,064,342	12,345	56,524
September ,, ...	404	336,127	34,648	3,086,821	11,906	54,460
October ,, ...	405	290,378	35,301	3,033,731	11,360	60,250
November ,, ...	405	336,621	39,340	3,049,823	12,288	61,965
December ,, ...	405	310,517	38,366	3,011,642	10,973	53,054
January 1969	407	322,149	37,798	3,023,796	11,922	61,448
February ,, ...	407	241,865	32,740	2,993,940	10,512	51,071
March ,, ...	409	267,541	35,306	2,940,881	10,820	56,913

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 1967 ..	**2,715,901**	194,938	3,958	103,669	9,488	2,603	63,318	199,996	104,008	110,552	1,923,371
December ,, ..	**2,740,435**	193,065	4,250	114,504	9,934	2,812	73,135	210,786	108,559	109,688	1,913,702
June 1968 ..	**2,879,741**	244,013	4,638	125,338	10,803	5,616	73,465	208,811	117,619	105,596	1,983,842
December ,, ..	**3,011,642**	252,426	5,721	131,701	12,160	6,591	80,892	245,856	118,169	105,625	2,052,501

(a) At the end of period. (b) Annual figures are averages of months.

Source : Indian Labour Journal and Ministry of Labour, Employment and Rehabilitation.

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	1965-66	1966-67	1967-68
	1	2	3	4	5	6	7	8	9	10	11
Rice	35.3	87.9	114.2	137.7	142.4	132.6	147.0	155.1	121.8	120.9	150.4
Wheat	8.5	101.1	131.3	162.8	178.8	159.6	145.9	182.1	154.5	168.8	245.5
Jowar	5.0	89.8	96.7	141.1	115.4	140.1	132.2	140.1	108.2	132.6	145.3
Bajra	2.7	83.8	108.3	102.9	114.1	123.9	121.3	139.3	114.3	139.7	160.4
Maize	2.1	84.4	112.3	146.7	154.3	164.8	163.2	166.6	169.8	174.6	223.9
Total Cereals	**58.3**	**90.3**	**114.9**	**138.3**	**143.1**	**135.9**	**141.4**	**153.7**	**124.2**	**129.5**	**165.1**
Gram	3.7	98.0	138.9	160.4	148.5	137.6	115.5	148.5	108.0	93.0	155.1
Total Pulses	**8.6**	**91.7**	**118.4**	**129.0**	**121.5**	**117.9**	**102.9**	**126.3**	**98.4**	**85.3**	**125.0**
Total Foodgrains ..	**66.9**	**90.5**	**115.3**	**137.1**	**140.3**	**133.6**	**136.5**	**150.2**	**120.9**	**123.8**	**159.9**
Groundnut	5.7	101.4	112.4	142.1	147.5	149.4	156.3	178.3	128.1	133.6	176.6
Total Oilseeds (*b*) ..	**9.9**	**98.5**	**108.6**	**134.0**	**140.0**	**142.6**	**134.5**	**164.9**	**125.4**	**125.7**	**159.6**
Cotton	2.8	110.7	153.9	202.1	174.9	199.8	208.6	217.6	183.0	191.1	213.1
Jute	1.4	106.3	135.8	125.3	192.7	165.0	184.3	182.4	135.5	162.4	193.1
Mesta	0.3	100.0	174.7	168.8	280.8	260.7	283.7	236.8	192.3	182.6	169.0
Total Fibres	**4.5**	**108.6**	**149.7**	**176.0**	**187.5**	**193.0**	**206.0**	**207.9**	**168.8**	**181.6**	**203.9**
Tea	3.3	103.8	107.2	120.9	133.4	130.5	130.4	140.2	137.9	141.5	144.0
Coffee	0.2	112.3	196.1	246.4	230.4	237.7	255.5	269.0	281.6(*a*)	345.1(*a*)	251.3(*a*)
Rubber	0.1	93.8	146.1	167.0	180.0	209.4	239.0	286.0	328.5	328.5(*a*)	328.5(*a*)
Total Plantation Crops ..	**3.6**	**104.0**	**113.2**	**129.2**	**140.1**	**138.6**	**140.4**	**151.4**	**151.2**	**158.0**	**155.1**
Sugarcane (*c*)	8.7	113.7	119.8	183.9	173.5	152.5	172.6	200.2	201.3	158.1	165.7
Tobacco	1.9	97.3	112.9	114.3	126.2	129.3	136.4	131.0	112.8	133.9	130.3
Total Miscellaneous ..	**15.1**	**110.3**	**120.1**	**163.4**	**156.3**	**148.2**	**160.0**	**178.4**	**174.3**	**151.4**	**160.8**
Total Non-Foodgrains ..	**33.1**	**105.9**	**119.9**	**152.6**	**153.9**	**151.6**	**156.5**	**175.4**	**156.4**	**148.5**	**165.7**
All Commodities ..	**100.0**	**95.6**	**116.8**	**142.2**	**144.8**	**139.6**	**143.1**	**158.5**	**132.7**	**132.0**	**161.8**

Note : The indices for 1964-65 to 1966-67 are generally based on Partially Revised Estimates, while those for 1967-68 are generally based on Final Estimates. The indices for these years are, therefore, subject to revision.

(*a*) Based on provisional estimates. (*b*) Comprising groundnut, rape and mustard, sesamum, linseed and castor-seed. (*c*) Yield in terms of gur.

Source: Ministry of Food, Agriculture, Community Development and Co-operation.

STATEMENT 8—AREA AND PRODUCTION

Commodity	1950-51(*a*)		1955-56		1960-61		1961-62	
	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
	1	2	3	4	5	6	7	8
FOODGRAINS								
Cereals								
1. Rice(*b*)	30,519	23,542	31,521	27,557	34,128	34,574	34,694	35,663
2. Wheat	9,758	6,391	12,367	8,760	12,927	10,997	13,570	12,072
3. Jowar	15,513	5,870	17,362	6,726	18,412	9,814	18,249	8,029
4. Bajra	9,259	2,835	11,338	3,428	11,469	3,283	11,278	3,645
5. Maize	3,262	2,046	3,696	2,602	4,407	4,080	4,507	4,312
6. Ragi	2,206	1,544	2,307	1,846	2,515	1,838	2,511	2,030
7. Barley	3,181	2,251	3,418	2,816	3,205	2,819	3,312	3,150
8. Small millets ..	5,415	2,278	5,335	2,070	4,955	1,909	4,868	2,050
Total Cereals	**79,113**	**46,757**	**87,344**	**55,805**	**92,018**	**69,314**	**92,989**	**70,951**
Pulses								
9. Gram	8,295	3,726	9,779	5,418	9,276	6,250	9,566	5,785
10. Other Pulses	11,872	4,433	13,437	5,627	14,287	6,454	14,677	5,970
Total Pulses	**20,167**	**8,159**	**23,216**	**11,045**	**23,563**	**12,704**	**24,243**	**11,755**
Total Foodgrains (Cereals and Pulses)	**99,280**	**54,916**	**110,560**	**66,850**	**115,581**	**82,018**	**117,232**	**82,706**
NON-FOODGRAINS								
11. Sugarcane								
(*i*) Cane	1,707	57,051	1,847	60,543	2,415	110,001	2,455	103,967
(*ii*) Gur		5,705		6,075		11,141		10,563
12. Oilseeds	16,609	6,171	20,171	7,125	21,380	8,847	22,750	8,898
(*i*) Groundnut (Nuts in shell)	4,494	3,481	5,133	3,862	6,463	4,812	6,889	4,994
(*ii*) Rape and mustard	2,071	762	2,556	860	2,883	1,347	3,168	1,346
(*iii*) Sesamum ...	2,204	445	2,293	467	2,169	318	2,252	372
(*iv*) Linseed	1,403	367	1,529	420	1,789	398	1,977	463
(*v*) Castorseed ..	555	103	574	125	466	107	486	109
(*vi*) Cottonseed ..	5,882	1,013	8,086	1,391	7,610	1,865	7,978	1,614
13. Cotton (Lint)(*c*) ..		2,875		3,949		5,293		4,581
14. Jute(*c*)	571	3,309	704	4,232	629	4,134	917	6,358
15. Mesta(*c*)	..	..	231	1,162	274	1,129	425	1,878
16. Tea	317	279	321	308	331	321	333	354
17. Coffee	93	19	103	35	120	68	125	46
18. Rubber	69	16	84	24	130	26	141	27
19. Tobacco	357	261	410	303	401	307	418	339

Note : (1) The absolute figures of area and production from year to year are not strictly comparable due to changes in coverage and methods of estimation. (2) Figures relate to the agricultural year ending June. Item 16 refers to the calendar year, i.e., figures for 1950-51 relate to 1950 and so on; however, area figures refer to financial year ending March. Item 17 refers to calendar year. Item 18 refers to the financial year ending March. (3) Figures for 1964-65, 1965-66 and 1966-67 are partially revised estimates while those for 1967-68 are final estimates.

OF AGRICULTURAL COMMODITIES

(In thousands)

1962-63		1963-64		1964-65		1965-66		1966-67		1967-68	
Area (Hect-ares)	Produc-tion (Tonnes)	Area (Hect-ares)	Produc-tion (Tonnes)	Area (Hec-tares)	Produc-tion (Tonnes)	Area (Hect-ares)	Produc-tion (Tonnes)	Area (Hect-ares)	Produc-tion (Tonnes)	Area (Hect-ares)	Produc-tion (Tonnes)
9	10	11	12	13	14	15	16	17	18	19	20
35,695	33,217	35,809	36,998	36,364	39,034	35,273	30,655	35,251	30,438	36,722	37,858
13,590	10,776	13,499	9,853	13,460	12,290	12,656	10,424	12,838	11,393	14,917	16,568
18,414	9,748	18,376	9,198	17,938	9,749	17,504	7,527	18,054	9,224	18,630	10,107
10,962	3,959	11,103	3,878	11,726	4,454	11,563	3,655	12,239	4,468	12,539	5,132
4,643	4,607	4,582	4,561	4,618	4,658	4,765	4,760	5,074	4,894	5,577	6,275
2,484	2,041	2,471	2,021	2,437	1,898	2,256	1,176	2,316	1,631	2,351	2,031
3,019	2,420	2,774	2,038	2,684	2,523	2,633	2,377	2,825	2,348	3,326	3,469
4,772	1,855	4,621	2,022	4,513	1,952	4,444	1,656	4,584	1,488	4,756	1,912
93,579	**68,623**	**93,235**	**70,569**	**93,740**	**76,558**	**91,094**	**62,230**	**93,181**	**65,884**	**98,818**	**83,352**
9,193	5,362	9,354	4,502	8,896	5,785	7,993	4,206	8,003	3,622	8,236	6,042
15,072	6,166	14,832	5,571	14,897	6,653	14,087	5,594	14,118	4,725	14,430	6,194
24,265	**11,528**	**24,186**	**10,073**	**23,793**	**12,438**	**22,080**	**9,800**	**22,121**	**8,347**	**22,666**	**12,236**
117,844	**80,151**	**117,421**	**80,642**	**117,533**	**88,996**	**113,174**	**72,030**	**115,302**	**74,231**	**121,484**	**95,588**
2,242	91,913	2,249	104,225	2,562	119,598	2,780	119,642	2,301	92,826	2,037	96,884
	9,286		10,524		12,031		12,100		9,501		9,959
23,065	9,230	23,044	9,045	23,381	10,511	22,870	8,029	22,831	8,228	23,552	10,244
7,283	5,064	6,886	5,298	7,216	5,888	7,428	4,230	7,299	4,411	7,553	5,829
3,127	1,303	3,046	915	2,881	1,466	2,884	1,276	3,006	1,228	3,204	1,482
2,552	492	2,412	439	2,513	493	2,480	425	2,794	416	2,687	422
1,904	430	1,995	379	2,060	503	1,727	335	1,495	260	1,671	398
469	99	484	102	440	108	409	80	401	110	390	107
7,730	1,842	8,221	1,912	8,271	2,053	7,942	1,683	7,836	1,803	8,047	2,006
	5,228		5,428		5,664		4,762		4,973		5,562
847	5,442	869	6,079	839	6,021	757	4,471	797	5,358	885	6,369
395	1,743	401	1,897	360	1,583	339	1,285	322	1,221	314	1,130
333	347	334	346	338	373	342	366	345	376	348	383
126	56	129	69	130	61	129	64	..	78	..	71
146	32	153	37	155	46	165	51	171	55	..	..
405	341	441	360	394	346	372	298	424	353	398	344

(*a*) Data regarding foodgrains relate to 1949-50 which was the base year in respect of foodgrains for the First Five-Year Plan. (*b*) Production in terms of cleaned rice. (*c*) Production in thousand bales of 180 Kgs. each.

Source: Ministry of Food, Agriculture, Community Development and Co-operation and the Tea, Coffee and Rubber Boards.

STATEMENT 9—INDUSTRIAL

Industry	Unit	1955	1960	1961	1962	1963	1964	1965	1966	1967
		1	2	3	4	5	6	7	8	9
I. Basic Industries										
1. Coal, including Lignite	000 Metric tons	3,88,44	5,26,20	5,61,00	6,15,48	6,69,24	6,39,96	6,94,56	7,05,36	7,11,48
2. Iron ore (*a*)	,,	43,32	1,06,80	1,22,76	1,33,68	1,49,28	1,49,04	1,68,96	1,99,68	1,89,12
3. Salt refining	00,000 Quintals	3,03	3,44	3,48	3,89	4,54	4,65	4,70	4,52	4,49
4. Sulphuric acid	000 Metric tons	1,69	3,54	4,22	4,69	5,68	6,80	6,85	6,90	8,04
5. Caustic soda	,,	35	98	1,20	1,27	1,52	1,84	2,15	2,30	2,51
6. Cement	,,	45,59	78,44	82,45	85,86	93,55	96,90	1,05,78	1,10,58	1,13,10
7. Ammonium sulphate 'N' content	,,	80	77	79	84	89	86	88	85	82
8. Pig iron and ferro-alloys(*b*)	,,	17,96	42,64	51,01	59,17	67,42	67,42	71,23	71,96	70,21
9. Finished steel	,,	12,80	22,22	27,98	35,64	42,58	43,42	45,19	44,83	41,39
10. Bleaching powder (*c*)	Metric tons	2,748	5,928	7,128	6,720	6,972	7,932	7,356	10,812	9 ,252
11. Gold	Kilograms	6,576	4,992	4,872	5,076	4,308	4,608	4,068	3,732	3,156
12. Aluminium (*d*)	Metric tons	9,824	16,418	16,930	16,294	22,324	22,613	24,533	30,503	32,089
13. Brass (*d*)(*e*)	,,	13,248	27,228	24,612	23,748	22,980	20,496	13,428	5,976	8,856
14. Electricity (*f*)	00,000 k.w.h.	8,46,84	16,43,28	19,11,12	21,47,28	24,79,08	28,52,76	31,37,76	34,14,84	37,91,16
II. Capital Goods Industries										
15. Diesel engines	Nos.	14,100	52,752	54,300	51,012	64,584	78,360	96,744	1,14,180	1,18,188
16. Railway wagons (*g*)	,,	15,288	10,440	16,560	24,936	30,012	34,032	35,436	16,668	18,348
17. Motor vehicles	,,	23,088	52,116	54,312	57,744	52,296	67,140	72,588	72,408	70,356
18. Electric motors	'000	..	1,22	1,36	1,61	1,82	2,09	2,66	3,05	3,11
19. Power transformers	'000 k.v.a.	..	12,82	17,96	23,06	26,29	33,12	43,16	47,92	52,54
20. Machine tools	Rs. lakhs	..	6,69	8,52	11,82	17,99	23,74	28,06	33,68	31,02
III. Intermediate Goods Industries										
21. Cotton spinning	00,000 Kgs.	73,95	78,79	86,23	85,96	89,26	96,48	93,92	90,10	89,65
22. Woollen/worsted yarn	,,	94	1,27	1,46	1,80	2,27	2,09	1,81	1,66	1,67
23. Jute Manufactures (*h*)	000' M. tons	10,27†	11,08	9,97	12,31	13,24	12,72	13,36	11,20	11,56
(*i*) Hessian (*i*)	,,	4,08	4,30	3,56	4,82	5,28	5,36	5,29	4,27	4,63
(*ii*) Sacking	,,	5,84	5,50	4,84	5,52	5,08	5,15	5,90	5,03	4,81
24. Tyres (Automobiles)	000's	8,82	13,62	15,62	17,10	19,26	20,90	23,54	23,51	24,76
25. Paints and varnishes	000' M. tons	40	52	59	65	74	72	71	67	80
26. Petroleum refinery products	,,	30,24	57,47	60,90	65,84	76,50	84,29	91,19	1,12,56	1,34,62
27. Synthetic fibres (*j*)	,,	14	45	52	62	69	78	78	82	95
IV. Consumer Goods Industries										
28. Sugar (refined) (*k*)	000' M. tons	16,20	24,73	30,29	27,16	21,53	25,68	32,60	35,10	21,47
29. Tea (*l*)	00,000 Kgs.	30,32	32,11	35,44	34,67	34,64	37,25	36,64	36,46	37,44
30. Hydrogenated oil (Vanaspati)	000 Quintals	26,50	33,77	33,91	36,95	38,35	35,87	42,92	35,85	39,29
31. Cigarette manufacturing	00,00,000's	22,83	36,97	39,47	41,12	40,06	46,20	54,03	58,23	54,51
32. Cotton 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	4,58,75	4,23,89	4,09,75
(*ii*) Decentralised Sector	000,000 ,,	16,20	20,16	23,76	24,12	28,80	30,72	30,60	30,96	31,80
33. Woollen/worsted fabrics (*m*)	000 ,,	..	76,04	66,50	81,40	1,80,60	1,17,18	98,66	93,89	89,23
34. Footwear (Leather)	00,000 Pairs	55	92	1,06	1,18	1,35	1,38	1,57	1,69	1,79
35. Footwear (Rubber)	,,	3,49	4,46	4,51	4,98	4,66	4,70	5,30	5,22	5,50
36. Paper and paper boards	000 Metric tons	1,88	3,45	3,64	3,88	4,63	4,91	5,37	5,85	6,09
37. Matches	Million sticks	..	28,93,68	28,12,20	26,41,20	24,84,60	25,21,20	26,74,20	27,42,60	25,85,76
38. Soap (*n*)	000 M. tons	1,01	1,43	1,49	1,52	1,64	1,58	1,69	1,81	1,77
39. Enamelware	000 Pieces	1,57,16	1,41,49	2,34,82	2,88,28	3,32,33	3,41,65	4,07,92	3,25,42	2,99,08
40. Bicycles	000's	4,91	10,50	10,49	11,16	11,66	13,80	15,40	16,31	17,04

Note: The industries/products have been classified according to the National Standard Industrial and Occupational Classifications.

(*a*) Figures exclude the production in Goa. (*b*) Including Direct Castings. (*c*) From January 1962 onwards figures relate to stable variety only. (*d*) Figures relate to sheets and circles only. (*e*) Including strips from November 1967 onwards. (*f*) Covers all power stations owned by public utility undertakings and two stations owned by Industrial Concerns. (*g*) In terms of 4-wheelers and relate to both private and public sectors from 1960. (*h*) Relating to production by mills in the membership of Indian Jute Mills' Association and to one non-member mill. From 1960 onwards the figures include Carpet Sacking Cloth. (*i*) Includes canvas. (*j*) Inclusive of saleable waste. Data relate to Viscose yarn, Acetate yarn, Staple fibre and Cellophane only. (*k*) Figures relate to the crop-year (November to October) and are in respect of cane sugar only. (*l*) Figures relate to black tea only. (*m*) Figures relate to wearables only. (*n*) Figures relate to the production of organised factories. † In terms of thousand tons. ‡ Provisional.

PRODUCTION

1968‡	Dec. 1967	1968 Jan.	Feb.	March	April	May	June	July‡	Aug.‡	Sept.‡	Oct.‡	Nov.‡	Dec.‡
10	11	12	13	14	15	16	17	18	19	20	21	22	23
7,39,00	62,50	64,18	63,92	64,30	63,40	65,11	59,63	60,20	59,20	58,70	60,12	60,12	60,12
2,04,64	15,74	16,43	16,49	16,80	16,10	17,77	16,68	17,84	16,38	16,84	17,77	17,77	17,77
5,04	7	10	23	55	70	97	1,25	37	17	16	19	15	20
9,67	88	80	77	76	76	71	79	80	74	90	78	78	1,08
3,19	23	25	34	25	21	25	24	26	27	27	27	28	30
1,19,44	9,64	10,07	9,76	10,15	9,99	9,94	9,45	8,92	9,19	9,53	10,54	10,33	11,57
1,11	8	8	8	10	7	6	9	9	9	11	11	11	12
72,42	6,30	6,32	5,87	6,36	5,90	5,80	5,67	5,94	5,75	5,77	6,12	6,29	6,63
44,04	3,56	3,48	3,42	3,56	3,33	3,34	3,46	3,69	3,76	3,48	3,88	4,30	4,34
10,508	8,20	8,98	9,21	6,58	6,31	8,60	8,19	8,37	8,68	7,27	9,31	12,41	11,17
3,589	2,90	290	263	296	286	276	314	344	357	307	270	298	288
34,961	2,956	3,056	2,762	2,878	2,889	3,097	2,693	3,154	3,273	2,650	2,656	2,868	2,985
12,414	1,154	1,097	1,069	869	733	855	935	1,128	1,050	1,142	1,150	1,150	1,236
43,80,84	3,32,72	3,47,87	3,34,66	3,53,98	3,51,71	3,73,66	3,62,51	3,72,24	3,70,85	3,71,06	3,72,80	3,77,70	3,91,80
1,19,085	9,430	9,676	10,751	9,926	10,135	9,300	8,551	9,682	9,763	10,291	9,302	10,925	10,783
16,580	1,689	1,459	1,374	1,441	1,106	976	1,418	1,263	1,298	1,353	1,656	1,692	1,544
78,776	6,800	6,584	6,893	7,812	5,217	5,914	6,332	6,825	6,672	6,638	6,423	6,799	6,667
..	22	26	23	26	24	22	24	21	20	19	..	..	..
48,23	4,26	5,56	4,52	4,44	3,32	3,42	3,56	2,96	3,40	3,35	4,74	4,52	4,44
25,27	2,65	1,76	2,49	3,43	1,46	1,78	1,83	1,99	2,14	2,04	1,99	2,16	2,20
96,09	7,73	8,00	7,87	7,92	7,88	7,94	7,93	8,46	8,18	8,05	7,60	8,07	8,19
1,85	14	14	14	14	14	14	15	16	16	17	17	17	17
10,86	1,01	98	99	1,00	94	1,00	92	97	90	83	82	76	75
3,98	40	38	38	38	35	36	32	33	32	31	29	28	28
4,28	41	41	41	41	38	41	38	40	36	33	31	24	24
31,25	2,23	2,01	2,14	2,11	2,50	2,54	2,57	2,74	2,95	2,68	2,62	3,17	3,22
63	6	7	6	7	5	5	5	5	4	5	5	4	5
1,49,48	11,24	11,61	11,33	12,20	12,80	13,00	12,95	12,63	12,32	12,32	12,38	12,51	13,43
1,04	7	9	8	9	8	8	8	8	9	9	9	9	10
21,86	5,00	5,84	4,81	3,01	1,02	15	5	11	18	22	44	1,55	4,48
33,66	1,29	62	53	1,00	2,37	3,01	4,09	4,84	4,95	3,99	4,26	2,91	1,09
47,41	4,22	4,34	4,41	4,35	3,86	4,26	3,71	3,70	3,21	3,26	4,32	3,65	4,34
60,38	4,75	4,88	4,75	4,63	4,72	5,00	4,86	5,39	5,47	5,35	4,98	5,31	5,04
4,36,64	35,31	37,42	36,13	36,52	36,57	36,93	35,92	38,23	37,05	36,71	33,45	35,67	36,02
33,17	2,82	2,83	2,98	2,48	2,85	3,10	2,80	3,23	3,09	3,04	3,02	2,91	84
1,18,41	8,47	7,53	6,97	7,69	6,01	7,24	10,14	11,66	10,09	9,87	13,78	13,73	13,70
1,83	19	14	16	17	15	13	17	16	15	15	14	15	16
5,72	64	44	52	50	43	47	53	48	46	47	45	49	48
6,47	54	52	53	55	53	54	53	52	53	54	57	53	58
28,33,82	1,63,68	1,90,12	2,09,42	2,29,55	2,36,88	2,73,77	2,91,31	2,78,72	2,48,60	1,75,06	2,10,33	2,49,91	2,40,15
1,94	15	15	15	15	20	15	15	15	15	15	18	18	18
2,61,57	20,00	21,00	23,02	24,46	24,46	22,00	18,92	16,56	21,35	24,50	19,80	23,00	22,50
19,15	1,43	1,36	1,53	1,55	1,61	1,65	1,58	1,62	1,30	1,63	1,68	1,85	1,79

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 10—INDEX NUMBERS

Base: 1960 =

Industry	Weight	1961	1962	1963	1964	1965	1966	1967	1968†
		1	2	3	4	5	6	7	8
I. Basic Industries	**25.11**	**112.7**	**128.2**	**146.5**	**152.1**	**164.3**	**172.9**	**176.4**	**193.9**
1. Mining and quarrying	**9.72**	105.4	115.2	123.2	119.4	131.7	136.1	135.8	142.0
2. Heavy inorganic chemicals	**0.69**	121.4	141.3	165.2	191.0	213.8	227.8	243.2	270.2
3. Fertilizers	**0.46**	138.9	167.8	223.9	241.5	252.3	277.7	341.8	448.9
4. Cement	**1.17**	105.1	109.5	119.3	123.5	134.8	141.0	143.9	152.3
5. Iron and steel basic industries	**6.23**	121.0	147.1	175.2	178.6	185.3	193.6	177.7	185.4
6. Aluminium manufacturing	**0.57**	110.6	140.0	203.3	204.7	225.9	273.2	339.8	400.5
7. Electricity	**5.37**	116.3	130.7	150.9	173.6	190.9	207.8	230.7	266.6
II. Capital Goods Industries	**11.76**	**118.0**	**153.0**	**170.0**	**206.1**	**244.2**	**210.1**	**205.2**	**210.9**
1. Prime Movers, boilers and steam generating plants	**0.59**	130.3	218.4	244.0	353.5	438.6	364.6	377.7	494.5
2. Industrial machinery	**0.93**	111.0	127.6	146.8	157.3	153.6	135.8	125.6	149.1
3. Machinery components and accessories	**1.06**	121.2	144.7	204.5	243.1	428.8	378.6	367.8	337.2
4. Electrical cables and insulated wires	**0.68**	104.2	131.3	151.1	171.8	198.3	195.9	206.7	191.5
5. Railroad equipment (*a*)	**3.50**	126.2	184.3	203.0	243.2	259.2	181.4	142.6	130.7
6. Motor vehicles	**2.51**	104.2	109.2	98.6	125.6	136.0	136.2	131.8	149.5
III. Intermediate Goods Industries	**25.88**	**105.8**	**113.6**	**122.9**	**132.2**	**140.1**	**136.7**	**139.6**	**148.2**
1. Cotton spinning	**11.79**	108.4	109.3	113.2	122.3	120.9	117.3	116.7	124.1
2. Spinning, weaving and finishing of jute manufactures	**3.97**	89.1	110.8	118.8	115.1	120.3	100.4	104.1	96.4
3. Wood and cork except manufacture of furniture	**0.80**	95.5	109.9	120.6	128.4	235.2	205.1	218.1	233.9
4. Tyres and tubes	**1.48**	114.2	124.5	142.0	155.2	173.5	174.1	185.4	227.6
5. Synthetic fibres	**0.64**	116.2	137.7	153.8	173.0	174.0	181.4	207.3	230.4
6. Dye-stuff and dyes	**0.61**	102.7	105.7	91.6	127.9	141.8	161.7	164.8	181.1
7. Petroleum refinery products	**1.34**	106.0	114.6	133.1	146.7	158.7	195.9	234.2	260.1
8. Structural clay products	**0.77**	118.5	133.0	135.7	134.1	124.1	169.0	214.0	232.9
9. Non-metallic mineral products (n.e.c.)	**1.10**	102.6	114.0	144.7	168.7	193.7	148.1	130.3	128.2
10. Fittings, fixtures and fasteners	**0.85**	107.3	115.3	138.4	178.0	197.2	205.7	149.7	101.9
IV. Consumer Goods Industries	**37.25**	**106.6**	**108.0**	**110.4**	**118.6**	**127.5**	**131.3**	**125.6**	**131.9**
1. Flour milling and grinding	**1.49**	100.7	120.9	142.6	157.8	127.6	185.2	131.6	125.4
2. Sugar, factories and refineries (sugar refined)	**3.58**	110.0	108.1	89.2	101.4	124.7	129.8	84.0	84.5
3. Hydrogenated oil (Vanaspati)	**1.09**	100.4	109.4	113.6	106.2	127.1	106.2	116.4	140.4
4. Tea (*b*)	**5.12**	111.6	108.3	108.4	118.1	114.1	113.5	116.6	104.9
5. Cigarettes	**2.15**	106.7	111.2	108.4	125.0	146.1	157.5	147.4	163.3
6. Cotton weaving	**9.39**	100.3	98.2	95.8	100.9	100.0	92.9	90.1	96.2
7. Paper and paper products	**1.61**	105.8	109.4	130.2	137.3	147.2	160.0	167.1	185.0
8. Fine and pharmaceutical chemicals	**2.21**	114.6	121.5	131.7	135.2	133.7	155.9	136.0	154.4
9. Soaps and other washing and cleaning compounds	**0.95**	104.5	107.9	116.0	112.4	121.0	127.6	143.3	154.5
10. Matches	**0.50**	97.1	91.3	85.9	87.1	110.9	94.8	89.4	97.9
11. Glass and glass products	**0.57**	104.6	112.8	121.9	119.7	131.1	141.7	153.5	120.9
12. Metal products (n.e.c)	**1.30**	108.0	96.4	101.6	106.6	195.7	195.0	195.2	196.0
13. Commercial office and household machines	**0.53**	128.4	126.2	121.3	105.5	137.6	151.8	147.2	143.2
14. Electrical appliances	**0.56**	108.2	120.6	127.6	123.8	152.5	145.8	154.5	170.5
15. Communication equipment	**0.61**	121.6	127.9	155.8	176.2	217.4	265.6	318.3	510.1
16. Motor cycles and Bicycles	**0.62**	107.8	111.8	117.4	143.7	164.7	175.7	190.2	220.1
General Index	**100.00**	**109.2**	**119.7**	**129.7**	**140.9**	**153.7**	**152.4**	**151.4**	**160.9**

Note: The series on Index Numbers of Industrial Production with 1956 = 100 as base have been replaced by a revised series with 1960 = 100 as base. For details regarding the scope and construction of the revised series, a reference may be made to the Supplement to July and August 1967 issue of the "Monthly Statistics of the Production of Selected Industries of India" published by Central Statistical Organisation.

Figures in brackets represent the indices adjusted for seasonal variations. Weights of individual industries may not add to that of the group as only selected industries are shown. The index numbers for the four groups of industries *viz.*, (*i*) Basic Industries, (*ii*) Capital Goods Industries, (*iii*) Intermediate Goods Industries and (*iv*) Consumer Goods Industries have been derived by combining the index numbers for the individual industries, constituting each group, using the respective weights.

(*a*) Relate to both private and public sectors from 1964. (*b*) From 1964 production data relate to those collected by the Tea Board. † Provisional

OF INDUSTRIAL PRODUCTION

100)

Decem-ber 1967	1968 January	Feb-ruary	March	April	May	June	July	August†	Septem-ber†	Octo-ber†	Novem-ber†	Decem-ber†
9	10	11	12	13	14	15	16	17	18	19	20	21
188.0	**191.3**	**187.2**	**196.6**	**187.1**	**194.6**	**187.8**	**192.1**	**190.6**	**187.7**	**196.1**	**199.8**	**209.1**
143.1	147.7	148.4	150.4	144.3	149.9	133.4	149.2	134.0	135.7	139.2	134.4	144.4
261.5	265.4	291.8	268.3	231.9	248.7	246.6	265.4	270.2	279.1	286.2	286.7	300.7
426.7	453.2	421.4	513.7	389.8	352.1	408.6	403.2	400.0	447.8	491.8	542.3	565.4
147.5	154.0	149.3	155.3	152.8	152.0	144.5	136.5	140.6	145.8	161.2	158.1	177.0
187.9	177.9	171.4	184.2	166.3	174.5	178.9	180.4	192.7	176.8	190.8	203.7	207.7
399.4	439.7	391.2	411.7	436.9	406.3	375.4	262.4	371.2	359.5	387.5	421.5	440.4
243.0	254.0	244.4	258.5	256.8	272.9	262.7	264.1	270.8	271.0	272.2	275.8	286.1
208.0	**201.6**	**235.9**	**230.7**	**175.6**	**181.4**	**206.0**	**212.7**	**214.0**	**211.3**	**206.9**	**220.4**	**226.4**
283.9	242.2	537.2	615.9	485.1	492.9	443.3	582.4	709.4	504.5	396.8	447.2	488.1
154.8	123.9	214.5	169.5	148.6	143.0	159.2	131.6	137.2	172.7	128.3	136.1	127.1
372.7	329.5	385.5	395.0	273.9	269.1	319.8	335.4	341.1	337.9	326.7	362.4	379.6
203.0	199.6	196.7	213.3	193.5	202.1	196.0	208.9	173.4	163.0	152.1	200.2	202.3
150.4	137.0	134.8	137.0	106.6	102.4	133.8	121.7	120.0	125.8	147.9	156.6	145.1
152.1	147.6	155.0	176.0	116.9	133.0	143.5	157.1	153.6	152.8	147.9	156.6	153.5
145.2	**144.8**	**145.4**	**149.3**	**145.8**	**147.9**	**146.8**	**152.3**	**148.3**	**145.5**	**141.0**	**153.0**	**157.4**
120.9	125.6	123.3	124.2	122.7	122.4	122.0	129.7	125.8	124.2	117.4	125.2	126.9
108.7	104.8	106.4	107.1	100.4	106.2	97.5	102.3	95.4	88.8	86.8	80.7	79.7
210.0	224.1	236.5	261.5	207.9	204.9	197.2	183.9	200.3	205.7	230.1	278.9	272.2
204.7	182.7	192.1	188.4	219.8	222.7	224.2	241.8	256.6	229.7	223.1	273.3	276.7
183.0	233.8	223.5	238.6	222.1	220.7	214.7	218.4	230.6	229.2	232.3	238.2	257.3
217.6	182.7	152.9	192.5	153.1	145.0	171.3	191.4	187.2	184.2	184.6	201.4	226.1
234.7	242.5	236.7	254.8	267.2	271.4	270.4	263.7	257.3	257.2	258.5	261.3	280.4
247.7	229.7	256.4	247.2	263.6	239.8	232.2	202.3	204.6	205.9	212.0	241.3	262.5
117.5	126.3	124.1	115.3	110.6	127.6	127.4	131.8	127.0	105.3	126.8	157.9	158.5
133.8	98.5	105.2	117.8	103.7	105.5	118.5	86.0	91.5	104.8	80.9	100.4	110.1
134.6	**134.6**	**133.8**	**126.4**	**121.4**	**121.7**	**128.6**	**140.5**	**136.3**	**132.3**	**132.3**	**133.4**	**141.4**
111.9	152.7	133.1	122.1	123.6	109.0	118.2	130.5	92.5	118.9	135.3	132.9	135.7
231.6	270.6	223.1	139.7	47.3	7.1	2.5	5.1	8.5	10.3	20.4	72.0	207.6
150.1	154.2	156.9	154.6	137.2	151.6	131.9	131.5	113.9	115.9	153.4	129.8	154.3
48.3	23.1	19.9	37.4	88.7	112.6	152.8	181.0	185.1	149.0	159.4	108.9	40.7
154.0	158.5	154.1	150.2	153.1	162.1	157.9	174.9	177.5	173.8	161.6	172.4	163.6
93.8	100.2	96.6	97.7	97.5	98.0	94.9	94.9	97.1	96.2	87.4	93.4	94.3
180.0	177.3	177.8	193.4	180.5	187.3	187.8	187.9	187.1	188.3	191.9	184.4	196.3
79.6	103.1	167.6	130.5	133.5	142.2	129.5	178.1	184.2	192.7	175.4	156.7	156.9
150.3	145.4	149.2	148.9	141.8	147.4	145.4	149.2	149.4	148.0	166.8	180.3	181.6
67.9	78.8	86.8	95.2	98.2	113.5	120.8	115.6	103.1	72.6	87.2	103.6	99.6
146.2	124.2	125.2	120.8	122.8	121.6	113.6	121.4	124.2	119.8	114.0	113.4	122.6
238.8	200.8	186.9	196.7	202.0	191.8	202.9	201.4	175.2	197.5	213.5	204.5	200.3
143.7	124.7	127.6	157.7	164.0	158.7	177.2	171.6	159.0	112.7	103.8	123.3	137.2
161.3	152.9	167.9	163.4	174.7	171.6	174.9	193.8	168.3	150.2	162.4	180.7	194.1
422.1	376.9	403.5	452.4	425.9	417.5	451.3	593.9	561.2	574.7	503.5	598.6	762.0
191.9	180.1	205.2	212.4	228.1	222.9	219.7	131.3	149.1	222.7	228.0	236.8	253.4
159.3	**159.4**	**162.2**	**162.2**	**150.6**	**153.8**	**157.8**	**165.0**	**162.1**	**159.1**	**159.3**	**165.3**	**172.5**
(151.2)	**(155.0)**	**(166.8)**	**(155.9)**	**(154.9)**	**(157.1)**	**(161.1)**	**(162.9)**	**(161.1)**	**(160.2)**	**(165.5)**	**(166.1)**	**(163.1)**

Source: Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 11—STOCKS OF PRINCIPAL

At or about the end of	RAW MATERIALS						MANUFAC-			
	Cotton (a)(b)		Jute (c)	Coal including Lignite		Iron Ore (d)	Sugar (Refined) (e)	Salt refining	Hydro-genated oil (Vanas-pati)	Ciga-rettes
	Indian	Foreign		Pit head	Indus-tries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quin-tals	Metric tons	Lakhs
	1	2	3	4	5	6	7	8	9	10
1950-51	..	..	566	2,663	2,355	..	..	..	..	..
1955-56	1,443	179	1,357	3,872	1,702	1,332	439	99	7,590	3,750
1960-61	961	404	930	5,567	2,192	2,603	605	134	9,459	5,940
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
1965-66	1,456	346	1,154	4,871	3,921	2,290	672	249	8,252	8,410
1966-67	1,420	221	1,248	6,008	3,370	3,454	956	256	10,057	5,520
1967-68	935	377	1,427	5,813	3,118	3,839	245	187	9,848	4,940
December 1967 ...	679	298	1,376	5,578	3,338	3,820	693	241	9,373	4,650
January 1968 ..	742	278	1,434	5,773	3,458	3,798	1,101	211	10,107	5,310
February „ ..	793	274	1,496	6,008	3,391	3,816	1,395	188	10,202	2,530
March „ ..	928	355	1,427	5,813	3,118	3,839	1,506	187	9,848	4,940
April „ ..	1,056	366	1,300	6,006	3,234	3,688	1,389	212	6,727	4,300
May „ ..	1,212	379	1,079	6,411	3,279	3,764	1,162	257	6,343	4,350
June „ ..	1,235	388	920	6,632	3,203	3,762	968	339	8,854	6,100
July „ ..	1,180	402	760	6,623	3,232	3,797	798	334	6,583	6,150
August „ ..	1,093	386	639	6,427	3,111	3,699	637	316	6,473	6,380
September „ ..	988	393	562	6,147	3,302	3,729	434	123	4,793	11,560
October „ ..	838	358	504	5,767	3,282	3,674	296	258	7,837	7,470
November „ ..	751	342	537	5,935	3,430	3,652	280	224	10,710	6,710
December „ ..	842	295	604	5,985	3,344	3,582	578	195	10,259	6,760

At or about the end of	MANUFAC-									
	Mat-ches	Soap	Synthe-tic fibres (i)	Glass and glass pro-ducts (sheet glass only)	Cement (Pro-ducers)	Structural clay pro-ducts (Refra-ctories)	Pig iron (Pro-ducers) (j)	Fini-shed Steel (Pro-ducers)	Alumi-nium (Sheets and circles only)	Copper (Sheets and circles only)(k)
	Million sticks	Metric tons	Metric tons	000 Sq. metres	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Metric tons	Metric tons
	24	25	26	27	28	29	30	31	32	33
1950-51	..	..	..	..	68	..	48	125	..	..
1955-56	3,373	655	598	98	57	51	109	..	183	
1960-61	5,600	2,442	807	129	102	63	134	1,200	300	
1961-62	4,650	2,627	297	167	95	29	183	827	695	
1962-63	4,800	6,145	717	154	60	..	205	1,410	323	
1963-64	4,800	11,579	1,318	120	144	80	150	869	223	
1964-65	3,850	15,817	1,369	143	143	50	141	704	241	
1965-66 2,035	3,450	8,452	2,478	133	140	85	146	1,300	59	
1966-67 2,490	3,200	4,513	2,000	198	124	194	218	807	41	
1967-68 1,962	3,560	3,179	1,150	216	123	97	236	1,780	132	
December 1967 .. 1,977	3,450	3,720	1,600	221	125	121	274	1,420	121	
January 1968 .. 1,302	3,460	3,433	1,000	245	124	119	272	1,737	135	
February „ .. 905	3,580	2,836	1,200	252	125	90	258	1,812	123	
March „ .. 1,962	3,560	3,179	1,150	216	123	97	236	1,780	132	
April „ .. 1,740	3,590	3,013	1,200	258	107	118	233	1,873	137	
May „ .. 2,244	3,580	2,434	1,200	256	103	121	218	1,669	125	
June „ .. 1,724	3,570	2,790	1,200	261	100	115	239	1,798	120	
July „ .. 2,016	3,580	2,4 '2	1,100	262	100	109	236	1,751	120	
August „ .. 2,246	3,560	2,807	651	271	99	93	216	1,773	139	
September „ .. 1,516	3,560	2,911	850	244	99	66	232	2,084	93	
October „ .. 2,079	3,540	2,723	900	275	93	66	227	2,249	124	
November „ .. 2,499	3,580	2,449	680	226	99	62	247	2,090	104	
December „ .. 2,401	3,560	2 603	850	274	105	61	237	1,585	118	

Note : The Industries/products have been classified according to the National Standard Industrial and Occupational Classifications.

(*a*) Mill Stock ; 1 Bale = 180 Kilograms. (*b*) Annual figures relate to August falling within the financial year. (*c*) Relating to mills in the membership of Indian Jute Mills' Association; 1 Bale = 180 Kilograms. (*d*) From January 1964 onwards figures relate to stock at minehead only ; figures for Goa are excluded. (*e*) Annual figures relate to October falling within the financial year. (*f*) Stock relates to unsold Stock with Mills relating to civil consumption

COMMODITIES WITH INDUSTRIES

TURES

Cotton (*a*)		Jute (*g*)		Foot-wear (Leat-her)	Paper and paper boards	Foot-wear (Rub-ber)	Tyres (Auto-mobi-les)	Sul-phuric acid	Caus-tic soda	Bleach-ing powder	Ammo-nium sulphate ('N' content)	Paints and var-nishes
Spinning (*f*)	Weaving	Hessian cloth bags (*h*)	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
145	267	48	42	2,188	24,300	76	96	27,637	5,227	184	1,845	6,200
110	206	46	51	2,766	29,700	61	80	28,676	6,922	161	900	7,258
78	175	44	61	2,579	30,629	58	74	26,500	15,000	1,135	5,309	6,000
269	386	47	59	2,640	31,500	54	76	30,500	16,000	504	4,218	5,000
177	177	48	59	2,883	30,535	64	50	30,000	16,500	138	2,474	6,700
135	180	53	54	2,867	34,200	54	69	32,000	13,000	187	1,953	6,080
144	185	50	50	3,003	32,100	55	77	31,000	15,000	260	3,080	6,200
269	386	47	59	2,640	31,500	54	76	30,500	16,000	504	4,218	5,000
282	370	48	54	2,812	30,000	55	78	30,500	15,000	206	2,862	3,000
265	383	49	50	2,721	33,000	55	68	46,821	14,387	168	3,521	3,200
270	404	49	46	3,080	32,500	59	76	49,206	16,343	175	5,852	2,700
270	404	49	53	3,467	31,200	64	81	48,500	14,000	304	5,068	3,089
236	406	49	58	4,185	32,000	72	79	48,500	15,000	265	5,089	3,500
228	414	46	63	4,351	33,000	76	60	48,500	14,900	147	4,160	4,500
213	..	45	67	3,711	32,700	69	73	48,500	10,519	306	4,185	3,800
222	..	48	61	4,149	34,000	70	77	48,500	10,321	264	3,177	4,000
..	..	48	56	4,407	35,000	62	58	48,500	9,887	226	5,256	4,000

TURES—(*Contd.*)

Brass (Sheets and circles only) (*k*)	Hurri-cane lan-terns	Enamel ware	Diesel engi-nes	Sewing machi-nes	Dry cells	Storage batte-ries	Elec-tric lamps (*l*)	Elec-tric fans	Domes-tic refri-gera-tors	Motor vehi-cles	Bicy-cles
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
280	425	797	2,667	40,549	66	23	2,519	165	4,693	1,455	49
740	627	900	3,975	28,607	83	24	3,594	152	7,056	2,057	97
1,492	110	2,130	9,065	21,653	93	27	2,500	142	4,692	1,457	90
1,818	14	500	6,667	21,339	73	27	3,150	152	8,532	2,426	102
1,474	160	550	5,526	20,685	80	30	2,842	170	8,778	2,435	183
1,443	190	2,284	7,729	5,563	69	28	2,778	169	9,058	2,467	85
1,492	110	2,130	9,065	21,653	93	27	2,500	142	4,692	1,457	90
1,644	180	2,150	8,784	19,263	93	26	2,428	110	4,690	1,709	91
1,745	190	2,300	8,081	17,964	108	28	1,949	92	3,967	2,240	83
1,700	160	2,000	3,468	20,211	84	23	2,434	94	4,736	2,900	88
1,710	140	2,000	4,075	24,420	100	30	2,339	112	6,582	3,385	101
1,699	140	156	5,279	25,442	102	27	2,415	155	9,068	3,373	80
1,603	170	180	3,345	21,369	110	26	2,635	136	1,984	2,899	199
1,600	1,720	150	2,869	22,129	81	24	2,726	140	10,86	1,958	88
1,613	2,090	150	2,472	20,924	88	30	2,654	123	11,192	2,599	118
1,713	2,100	200	1,921	23,480	87	32	1,961	112	11,867	3,646	132

with effect from January 1965. (*g*) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill. (*h*) Includes canvas. (*i*) Comprises Viscose yarn, Acetate yarn, Staple fibre and Cellophane. Data are inclusive of saleable wastes. (*j*) Includes Basic and Foundry and Direct Castings. (*k*) Figures include strips since November 1967. (*l*) Excluding stock of 'Miniature lamps'.

Source : Ministry of Food, Agriculture, Community Development and Co-operation, Ministry of Mines and Metals and ***Monthly Statistics of the Production of Selected Industries of India.***

STATEMENT 12—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 City	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	104(*c*)	101	100(*c*)	100	101(*c*)	100	100	101	96(*c*)	99(*c*)
1961-62 ..	**127**	134	107	115	106	149	136	103	105	106	104	102	104	104	102	102	97	99
1962-63 ..	**131**	142	112	133	112	150	137	105	106	109	106	108	108	108	105	105	98	109
1963-64 ..	**137**	151	112	143	119	153	146	110	108	114	108	114	114	115	109	113	106	106
1964-65 ..	**157**	178	128	160	131	177	164	124	123	124	119	124	128	128	122	136	131	123
1965-66 ..	**169**	188	135	169	139	192	180	130	132	144	130	131	136	140	136	146	138	128
1966-67 ..	**191**	213	158	207	175	207	199	148	156	159	147	148	152	158	158	153	148	150
1967-68 ..	**213**	244	194	231	199	217	214	168	176	172	162	163	172	167	183	174	164	165
1968-69 ..	**212**	245	219(*e*)	218	209(*f*)	215	225(*g*)	165	178	180	167	170	178	173	171	174	165	167
	(174)(*d*)																	
Monthly Indices																		
March 1968 ..	**213**	248	213	214	200	217	216	158	170	172	165	167	173	164	168	174	158	166
April ,, ..	**214**	243	229	213	205	218	216	161	174	174	169	168	174	162	171	174	164	165
May ,, ..	**212**	244	234	213	206	215	217	160	173	177	165	169	174	163	173	171	165	166
June ,, ..	**214**	245	233	215	204	214	216	161	173	178	167	169	174	166	175	171	166	164
July ,, ..	**213**	242	227	217	205	211	223	162	172	179	166	172	178	169	175	172	161	164
August ,, ..	**216**†	241	224	221	209	215	230	166	176	180	166	174	180	175	178	176	165	166
	(178)																	
September ,, ..	**218**†	244	227	229	215	220	232	172	183	184	167	174	183	182	178	180	165	168
	(179)																	
October ,, ..	**219**†	249	220	229	216	220	234	174	184	186	166	176	185	183	176	181	172	170
	(180)																	
November ,, ..	**214**†	248	215	224	213	217	231	170	185	184	167	174	183	180	173	177	168	169
	(176)																	
December ,, ..	**208**†	251	207	215	211	215	228	165	180	181	166	168	177	174	167	172	163	166
	(171)																	
January 1969 ..	**207**†	249	198	212		214	225	162	181	179	167	166	175	172	164	172	167	168
	(170)																	
February ,, ..	**205**†	245	195	211		212		163	176	180	166	164	175	172	161	171	165	166
	(169)																	
March ,, ..	**207**†	241		220		215		164	178	180	170	164	178	176	164	173	165	170
	(170)																	

Note : A new series of All-India Index has been introduced on base 1960 = 100 with effect from August 1968 and are shown in brackets. The All-India Index of interim series on base 1949=100 have been simultaneously discontinued.

(*a*) Figures above the line are derived making use of the respective conversion factors. (*b*) For the period from January 1961 to September 1965, the indices in the old series have been shifted arithmetically to 1960 base by using appropriate conversion factors taking into account the corrections carried out by the Maharashtra Government in the light of the recommendations of the Expert Committee. The figures for 1965-66 are averages worked out from estimated figures for April to September 1965 and figures on original base for October 1965 to March 1966. (*c*) Average of the indices from January to March 1961. † Estimated on the basis that 100 of the new series equals 121.54 of the interim series. (*d*) Average of 8 months from August 1968. (*e*) Average of 11 months. (*f*) Average of 9 months. (*g*) Average of 10 months. @ Series discontinued.

Source : Labour Bureau, Government of India.

STATEMENT 13—CONSUMER PRICE INDEX NUMBERS FOR URBAN NON-MANUAL EMPLOYEES

(Base : 1960=100)

	All-India	Bombay	Delhi-New Delhi	Calcutta	Madras	Hyderabad Secunderabad	Bangalore	Lucknow	Ahmedabad	Jaipur	Patna	Srinagar	Trivandrum	Cuttack Bhubaneswar	Bhopal	Chandigarh	Shillong
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Annual Averages																	
1960-61*	**100**	99	100	98	103	101	102	100	100	101	99	105	103	100	102	101	101
1961-62	**104**	103	105	102	106	104	106	102	103	105	102	105	105	107	109	105	103
1962-63	**108**	107	111	107	111	107	111	105	105	108	106	111	110	113	111	108	107
1963-64	**113**	114	116	112	116	111	115	110	112	115	111	120	115	122	115	114	114
1964-65	**124**	125	125	118	125	122	124	125	125	126	124	128	122	135	128	124	121
1965-66	**132**	132	131	126	133	133	133	132	132	133	139	134	131	142	133	129	123
1966-67	**146**	142	142	139	147	147	145	146	146	150	160	143	146	154	144	143	134
1967-68	**159**	153	154	152	154	155	156	159	160	162	179	160	165	164	166	155	155
1968-69	**161**	156	162	156	154	159	160	156	162	168	174	167	168	167	166	164	163
Monthly Indices																	
March 1968	**158**	152	158	154	154	155	157	156	154	160	172	164	168	163	161	156	157
April ,, ...	**159**	155	159	153	154	154	157	155	156	163	172	165	168	163	160	159	159
May ,, ...	**160**	155	159	154	154	154	158	154	157	163	174	166	168	164	160	158	161
June ,, ...	**160**	157	161	156	154	156	158	155	157	165	174	166	167	167	162	158	163
July ,, ...	**161**	155	162	158	153	157	158	157	160	167	174	166	166	167	167	161	164
August ,, ...	**163**	159	164	160	153	160	160	157	164	171	178	164	167	168	171	164	165
September ,, ...	**165**	159	165	160	155	163	164	160	166	174	176	169	169	169	173	166	166
October ,, ...	**164**	156	165	160	155	164	165	160	167	173	178	168	169	170	171	166	167
November ,, ...	**162**	156	164	157	154	163	163	157	164	171	174	169	169	172	166	167	165
December ,, ...	**160**	153	161	155	154	160	161	154	161	168	174	168	168	171	163	166	161
January 1969	**160**	154	162	154	154	159	161	154	162	168	171	168	168	166	163	165	160
February ,, ...	**160**	153	161	154	154	159	159	155	161	167	173	169	166	165	164	165	160
March ,, ...	**161**	155	165	154	154	162	160	157	163	168	176	170	166	164	166	169	163

* Relates to the period January to March 1961.

Source : Central Statistical Organisation.

STATEMENT 14—INDEX NUMBERS OF WHOLESALE PRICES BY GROUPS AND SUB-GROUPS

(Annual, Monthly and Weekly)
Base : 1952-53 = 100

Average of months/ weeks/week ended Saturday	General Index	Food Articles				Liquor and Tobacco		Fuel, power, light and lubricants	Industrial Raw Materials					Manufactures					
		Total	Cereals	Pulses	Milk and ghee	Total	Tobacco		Total	Fibres	Oilseeds	Minerals	Others (*a*)	Total	Intermediate products	Finished Products			
																Total	Textiles	Chemicals	Machinery and transport equipment
Weight	**1000**	**504**	**192**	**43**	**84**	**21**	**20**	**30**	**155**	**61**	**60**	**2**	**32**	**290**	**41**	**249**	**147**	**20**	**31**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1950-51(*b*)	**111.8**	**112.5**	94.7	91.7	102.8	**98.4**	92.6	**92.6**	**130.9**	127.9	142.5	80.6	117.7	**103.3**	112.4	**101.8**	108.4	90.8	81.3
1955-56	**92.5**	**86.6**	75.5	62.2	89.6	**81.0**	79.6	**95.2**	**99.0**	105.6	85.4	87.6	113.2	**99.7**	100.1	**99.6**	101.6	92.1	97.4
1960-61	**124.9**	**120.0**	104.4	92.9	116.0	**109.9**	108.3	**120.0**	**145.4**	151.6	149.9	97.4	128.0	**123.9**	130.6	**122.8**	125.8	104.4	111.9
1961-62	**125.1**	**120.1**	102.3	91.9	116.4	**100.3**	96.8	**122.1**	**142.6**	138.3	156.4	94.9	128.1	**126.6**	138.8	**124.6**	125.5	110.7	114·5
1962-63	**127.9**	**126.1**	105·6	105·2	124·4	**100.9**	97·4	**124.4**	**136.5**	128·8	151·4	93·6	125·8	**128.8**	139·5	**127.1**	126.1	115.5	117·9
1963-64	**135.3**	**136.8**	116.3	115.4	128.2	**119.6**	116.8	**139.4**	**139.5**	133.2	154.1	92.8	127.3	**131.1**	139.6	**129.7**	127.7	117.9	124.2
1964-65	**152.7**	**159.9**	139.3	165.2	146.6	**131.2**	128.9	**144.9**	**162.7**	142.6	200.3	110.8	133.7	**137.3**	152.4	**134.8**	132.4	120.9	128.0
1965-66	**165.1**	**168.8**	148.0	161.7	164.8	**136.6**	134.2	**153.0**	**189.1**	165.1	240.5	129.3	141.9	**149.2**	172.3	**145.4**	143.9	128.3	135.9
1966-67	**191.3**	**199.9**	174.4	196.9	185.8	**130.3**	125.5	**169.7**	**228.7**	191.7	300.4	135.9	169.8	**163.0**	204.5	**156.1**	153.1	144.4	149.8
1967-68	**212.4**	**242.2**	210.7	277.6	220.8	**136.6**	130.2	**184.1**	**219.1**	181.8	285.1	148.3	170.5	**165.5**	211.7	**157.9**	151.6	150.5	155.0
1968-69	**210.2**	**231.3**	201.7	198.9	233.0	**212.1**	206.8	**192.5**	**222.7**	222.1	246.5	143.5	184.5	**168.6**	202.2	**163.1**	159.9	155.1	157.6
March 1968 ..	**200.1**	**224.6**	202.2	226.2	220.5	**155.1**	146.8	**190.9**	**198.2**	185.3	223.8	146.3	178.1	**162.6**	199.2	**156.5**	151.5	149.6	156.9
April ,, ..	**205.0**	**233.0**	202.5	213.1	228.8	**160.9**	152.5	**190.5**	**201.9**	191.1	228.0	146.3	177.0	**162.8**	198.0	**157.0**	151.8	150.4	156·0
May ,, ..	**206.1**	**234.2**	203.2	197.0	232.8	**167.7**	159.7	**190.2**	**202.9**	198.4	223.8	145.2	175.9	**163.3**	195.7	**158.0**	153.6	150.4	155.9
June ,, ..	**205.9**	**234.5**	205.7	195.2	232.7	**172.1**	164.3	**190.1**	**199.2**	199.4	212.8	139.9	177.5	**163.7**	194.7	**158.7**	154.7	151.1	156·1
July ,, ..	**205.7**	**233.5**	205.7	195.2	232.1	**180.6**	173.4	**191.1**	**199.1**	201.3	210.3	139.9	177.9	**164.8**	195.2	**156.8**	156.5	151.7	156.0
August ,, ..	**215.8**	**244.4**	209.1	206.9	244.3	**193.8**	187.3	**192.5**	**219.9**	213.6	249.1	139.9	182.3	**167.8**	200.7	**162.3**	159.0	151.9	156.0
September ,, ..	**221.4**	**250.2**	213.8	224.6	248.6	**203.5**	197.6	**193.8**	**233.2**	220.9	275.9	139.9	182.3	**169.2**	205.2	**163.3**	159.4	152.7	157.2
October ,, ..	**220.5**	**246.5**	212.3	220.0	245.2	**208.7**	203.1	**193.3**	**236.5**	230.2	274.2	149.9	183.4	**170.3**	204.8	**164.6**	161.7	152.8	157.3
November ,, ..	**212.1**	**229.3**	200.7	205.6	229.2	**216.7**	211.6	**193.1**	**234.9**	238.9	261.3	144.6	183.7	**171.6**	204.9	**166.2**	164.3	154.6	158.1
December ,, ..	**206.5**	**217.9**	192.2	187.7	220.2	**248.6**	245.4	**192.7**	**231.5**	241.6	247.7	146.2	187.2	**171.8**	204.8	**166.4**	164.6	155.7	158.9
January 1969 ..	**207.2**	**217.3**	192.1	186.6	219.9	**264.0**	261.8	**193.0**	**234.5**	241.3	252.3	143.3	194.0	**172.5**	206.7	**166.9**	163.9	162.6	160.0
February ,, ..	**205.8**	**214.6**	190.7	177.9	227.3	**270.2**	268.4	**192.7**	**233.4**	241.8	247.8	143.3	196.5	**172.5**	206.4	**166.9**	164.5	162.6	160.0
March ,, ..	**210.5**	**220.1**	192.4	185.2	234.3	**258.8**	256.3	**196.8**	**245.5**	246.3	274.7	143.3	196.0	**173.1**	209.8	**167.1**	164.2	164.3	160.0
April 6, 1968 ..	**203.3**	**229.8**	201.3	218.6	224.1	**158.7**	150.1	**190.6**	**201.6**	189.2	228.0	146.3	179.1	**162.7**	200.1	**156.6**	151.3	150.5	156.0
,, 13, ,, ..	**205.7**	**234.4**	201.9	217.9	236.2	**159.3**	150.7	**190.6**	**201.6**	190.1	228.8	146.3	176.1	**162.9**	198.9	**157.6**	151.8	150.4	156.0
,, 20, ,, ..	**205.7**	**234.1**	203.2	209.4	232.4	**162.2**	153.8	**190.5**	**202.0**	191.3	228.3	146.3	176.2	**162.8**	197.6	**157.1**	151.9	150.4	156.0
,, 27, ,, ..	**205.5**	**233.8**	203.4	206.6	222.5	**163.5**	155.2	**190.3**	**202.4**	193.8	226.8	146.3	176.5	**162.6**	195.4	**157.2**	152.3	150.3	156.0
May 4, ,, ..	**204.8**	**232.1**	202.1	198.7	224.3	**165.7**	157.6	**190.3**	**202.8**	197.1	223.9	146.3	177.8	**162.6**	195.3	**157.3**	152.8	149.9	156.0
,, 11, ,, ..	**206.4**	**235.2**	202.7	195.3	236.3	**167.5**	159.4	**190.2**	**202.3**	197·9	221.7	146.3	177.8	**163.1**	195.2	**157.8**	153.7	149.9	155.9
,, 18, ,, ..	**206.7**	**235.0**	203.1	196.5	239.7	**168.5**	160.6	**190.3**	**203.3**	199.1	225.3	144.0	173.8	**163.7**	195.8	**158.5**	154.0	150.9	155.9
,, 25, ,, ..	**206.4**	**234.5**	204.8	197.5	230.8	**169.1**	161.1	**190.1**	**203.1**	199.4	224.1	144.0	174.3	**163.8**	196.3	**158.4**	153.9	150.9	155.9

June	1,	1968	..	**207.6**	**237.0**	205.7	198.3	241.7	**169.3**	161.4	**190.2**	**202.3**	200.9	218.9	139.9	178.0	**163.8**	195.7	**158.6**	154.5	150.9	155.9
,,	8,	,,	..	**207.4**	**236.5**	206.4	198.0	241.7	**170.7**	162.9	**190.2**	**202.3**	200.9	218.9	139.9	178.0	**164.1**	195.5	**158.9**	155.0	151.1	156.1
,,	15,	,,	..	**206.2**	**234.6**	205.6	196.4	234.8	**172.3**	164.6	**190.0**	**200.3**	201.0	218.3	139.9	178.6	**164.1**	195.3	**159.0**	155.0	151.1	156.1
,,	22,	,,	..	**204.2**	**232.3**	205.4	193.4	223.4	**172.3**	164.6	**190.0**	**196.7**	197.8	208.4	139.9	176.3	**163.3**	195.3	**158.3**	154.0	151.1	156.1
,,	29,	,,	..	**203.8**	**232.0**	205.3	189.9	221.8	**175.7**	168.1	**189.9**	**194.5**	196.3	202.6	139.9	179.5	**163.4**	193.0	**158.5**	154.9	151.5	156.1
July	6,	,,	..	**203.8**	**231.5**	204.0	181.0	231.4	**175.4**	167.9	**190.4**	**194.5**	197.2	201.8	139.9	179.5	**164.0**	194.0	**159·1**	155.4	151.5	156.0
,,	13,	,,	..	**205.6**	**232.9**	205.5	185.0	231.7	**177.0**	169.5	**190.9**	**199.4**	201.7	209.5	139.9	179.9	**165.0**	195.2	**160.0**	157.0	151.8	156.0
,,	20,	,,	..	**205.7**	**232.5**	206.4	190.7	227.2	**182.8**	175.7	**191.6**	**200.3**	202.6	212.6	139.9	176.5	**165.0**	195.2	**160.0**	157.0	151.8	155.8
,,	27,	,,	..	**207.5**	**235.4**	207.0	191.0	238.2	**187.1**	180.3	**191.6**	**202.3**	203.8	217.2	139.9	175.5	**165.0**	196.3	**159.8**	156.6	151.8	156.0
August	3,	,,	..	**210.7**	**238.1**	208.4	195.0	237.0	**184.9**	178.0	**191.9**	**211.1**	208.9	231.2	139.9	182.0	**166.8**	197.6	**161.8**	158.9	151.9	156.0
,,	10,	,,	..	**213.7**	**241.4**	209.1	201.4	241.8	**193.7**	187.4	**192.3**	**217.0**	213.5	241.6	139.9	182.3	**167.6**	199.4	**162.3**	159.3	151.9	156.0
,,	17,	,,	..	**217.0**	**245.9**	209.5	210.3	244.4	**195.3**	189.0	**192.6**	**222.8**	214.5	255.7	139.9	182.4	**167.8**	201.5	**162.3**	158.7	151.9	156·0
,,	24,	,,	..	**218.3**	**248.4**	209.7	214.2	253.1	**196.8**	190.6	**192.8**	**222.3**	214.0	254.9	139.9	182.3	**168.0**	201.5	**162.4**	158.9	151.9	156.0
,,	31,	,,	..	**218.8**	**247.7**	209.0	213.5	245.3	**197.9**	191.7	**193.0**	**226.4**	217.0	262.2	139.9	182.4	**168.6**	203.5	**162.8**	159.4	151.9	156.0
September	7,	,,	..	**219.7**	**248.3**	211.0	218.6	251.6	**200.3**	192.3	**193.8**	**229.5**	218.9	268.8	139.9	181.8	**169.1**	204.5	**163.3**	159.9	152.3	156.9
,,	14,	,,	..	**221.7**	**250.4**	217.1	227·9	240.6	**201.8**	195.9	**194.4**	**234.2**	218.6	281.0	139.9	182.1	**169.3**	206.5	**163.1**	159.3	152.3	156.9
,,	21,	,,	..	**222.0**	**251.4**	214.8	227.7	249.8	**204.9**	199.2	**193.9**	**234.0**	222.1	277.0	139.9	182.1	**168.8**	205.3	**162.8**	158.7	152.3	157.0
,,	28,	,,	..	**222.1**	**250.8**	212.4	224.2	252.2	**206.4**	200.8	**193.8**	**234.9**	223.9	276.7	139.9	183.2	**169.3**	204.4	**163.6**	159.5	152.7	157.3
October	5,	,,	..	**220.2**	**247.6**	215.3	217.7	248.5	**206.4**	200.8	**193.6**	**233.3**	227.7	268.4	149.9	183.5	**169.4**	203.8	**163.7**	160.3	152.3	157.2
,,	12,	,,	..	**220.5**	**246.6**	212.6	221.9	242.5	**208.0**	202.5	**193.3**	**236.0**	225.6	277.4	149.9	183.3	**170.5**	205.5	**164.8**	162.1	152.7	157.2
,,	19,	,,	..	**221.1**	**247.7**	210.5	221.1	249.9	**209.9**	204.6	**193.3**	**236.5**	231.9	272.5	149.9	183.3	**170.2**	204.6	**164.6**	161.7	152.7	157.2
,,	26,	,,	..	**219.8**	**244.2**	210.6	219.2	239.7	**210.1**	204.6	**193.5**	**239.5**	233.8	278.3	144.9	183.3	**170.2**	205.1	**164.4**	161.4	152.7	157.2
November	2,	,,	..	**215.5**	**235.7**	205.5	216.1	227.4	**209.9**	204.6	**193.4**	**238.7**	237.9	272.3	143.6	183.3	**170.5**	205.5	**164.7**	162.1	153.2	157.7
,,	9,	,,	..	**213.9**	**233.1**	204.0	209.5	231.4	**210.1**	204.6	**193.3**	**236.0**	237.7	265.6	144.9	183.1	**171.0**	204.8	**165.5**	163.3	152.9	157.7
,,	16,	,,	..	**212.2**	**229.8**	201.4	205.3	230.4	**214.1**	208.8	**193.3**	**234.8**	238.1	261.3	144.9	184.7	**171.5**	205.0	**166.0**	164.1	155.6	157.7
,,	23,	,,	..	**210.3**	**225.5**	197.4	201.1	234.2	**219.5**	214.6	**193.0**	**234.0**	242.0	255.6	144.9	183.9	**172.3**	204.9	**167.0**	165.5	155.6	158.6
,,	30,	,,	..	**208.2**	**222.2**	195.4	195.9	222.7	**229.6**	225.3	**192.7**	**231.1**	238.7	251.7	144.9	183.6	**171.7**	204.1	**166.4**	164.3	155.6	158.6
December	7,	,,	..	**207.1**	**219.5**	193.3	189.0	223.9	**237.3**	233.5	**192.6**	**231.1**	243.7	245.8	144.9	185.1	**172.1**	204.4	**166.8**	165.2	155.6	158.9
,,	14,	,,	..	**205.5**	**217.3**	192.2	185.7	220.9	**245.1**	241.7	**192.6**	**228.1**	239.1	241.7	144.9	186.9	**171.4**	204.0	**166.0**	164.1	155.6	158.9
,,	21,	,,	..	**207.0**	**218.3**	192.1	187.5	220.6	**253.2**	250.4	**192.7**	**232.7**	240.1	251.9	144.9	187.8	**171.7**	205.3	**166.2**	164.2	155.6	158.9
,,	28,	,,	..	**206.3**	**216.4**	191.2	188.6	215.4	**258.6**	256.1	**192.8**	**233.2**	243.4	249.3	149.9	189.1	**172.0**	205.4	**166.6**	164.8	156.0	158.9
January	4,	1969	..	**207.4**	**217.6**	191.4	187.5	218.4	**258.6**	256·1	**192.9**	**234.9**	244.6	251.9	143.3	190.2	**172.7**	206.2	**167.1**	164.4	162.6	160.0
,,	11,	,,	..	**207.3**	**217.6**	192.2	187.1	218.8	**264.7**	262.6	**193.0**	**234.0**	241.2	253.3	143.3	190.1	**172.4**	206.4	**166.8**	163.9	162.6	160.0
,,	18,	,,	..	**206.8**	**216.4**	192.8	186.8	215.2	**266.3**	264.2	**193.0**	**234.3**	239.0	252.5	143.3	197.3	**172.5**	207.5	**166.8**	163.9	162.6	160.0
,,	25,	,,	..	**207.3**	**217.5**	192.0	185.1	227.1	**266.3**	264.2	**192.9**	**234.5**	239.8	251.6	143.3	198.2	**172.2**	206.7	**166.6**	163.5	162.6	160.0
February	1,	,,	..	**205.1**	**213.8**	191.1	175.9	224.2	**272.2**	270.5	**192.8**	**231.9**	240.7	243.6	143.3	196.2	**172.3**	205.1	**166.9**	164.1	162.6	160.0
,,	8,	,,	..	**205.8**	**215.2**	190.4	177.2	231.0	**270.4**	268.7	**192.5**	**231.4**	240.6	243.4	143.3	196.7	**172.6**	206.3	**167.0**	164.7	162.6	160.0
,,	15,	,,	..	**205.3**	**213.9**	190.8	178.2	225.2	**270.4**	268.7	**192.6**	**232.9**	240.8	247.4	143.3	196.6	**172.2**	206.1	**166.6**	164.1	162.6	160.0
,,	22,	,,	..	**207.0**	**215.3**	190.6	180.3	228.9	**267.6**	265.7	**192.7**	**238.1**	245.0	256.7	143.3	196.4	**172.9**	207.9	**167.2**	165.1	162.7	160.0
March	1,	,,	..	**209.1**	**218.2**	190.9	180.8	236.3	**262.3**	260.0	**193.1**	**242.5**	246.0	267.4	143.3	195.8	**173.2**	208.2	**167.5**	165.1	162.7	160.0
,,	8,	,,	..	**210.4**	**219.3**	191.8	181.7	232.4	**261.2**	258.9	**198.6**	**246·1**	246·4	276.9	143.3	196.0	**173.3**	209.6	**167.4**	164.4	164.7	160.0
,,	15,	,,	..	**211.5**	**221.4**	193.2	187.1	234.4	**257.8**	255.3	**198.6**	**246.9**	245.7	278.4	143.3	196.7	**173.3**	210.8	**167.1**	164.1	164.7	160.0
,,	22,	,,	..	**210.3**	**219.5**	192.5	187.8	229.7	**257.8**	255.3	**197.7**	**246.0**	246.9	275.3	143.3	195.7	**173.0**	210.3	**166.9**	163.9	164.7	160.0
,,	29,	,,	..	**211.5**	**222.1**	193.6	188.6	238.9	**254.7**	236.1	**197.7**	**245.9**	246.6	275.2	143.3	195.8	**172.9**	210.0	**166.8**	163.5	164.7	160.0

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.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 15—MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(1952-53 = 100)

Group/Commodity	Weight	Average of months											Percentage Variation of					
		1950-51*	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	(2) over (1)	(3) over (2)	(8) over (3)	(9) over (8)	(10) over (9)	(11) over (10)
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
I. All Commodities	**1,000**	**111.8**	**92.5**	**124.9**	**125.1**	**127.9**	**135.3**	**152.7**	**165·1**	**191.3**	**212.4**	**210.2**	*—17·3*	*+35·0*	*+32·2*	*+15·9*	*+11·0*	*— 1·0*
(*a*) Agricultural Commodities†	**461**	110.0	88.0	123.8	122.9	123.3	131.5	155.8	169.3	199.0	221.0	217.0	*—20·0*	*+40·7*	*+36·8*	*+17·5*	*+11·1*	*— 1·8*
II. Food Articles	**504**	**112.5**	**86.6**	**120.0**	**120.1**	**126.1**	**136.8**	**159.9**	**168.8**	**199.9**	**242.2**	**231.3**	*—23·0*	*+38·6*	*+40·7*	*+18·4*	*+21·2*	*— 4·5*
(*a*) Foodgrains	**235**	94.2	73.1	102.3	100.4	105.5	116.1	144.0	150.5	178.5	222.8	201.2	*—22·4*	*+39·9*	*+47·1*	*+18·6*	*+24·8*	*— 9·7*
(i) Cereals	**192**	95	76	104	102	106	116	139	148	174	211	202	*—20·0*	*+36·8*	*+42·3*	*+17·6*	*+21·3*	*— 4·3*
1. Rice	**113**	94	78	108	105	111	125	134	141	173	206	208	*—17·0*	*+38·5*	*+30·6*	*+22·7*	*+19·1*	*+ 1·0*
2. Wheat	**53**	95	72	90	91	90	99	130	138	158	202	185	*—24·2*	*+25·0*	*+53·3*	*+14·5*	*+27·8*	*— 8·4*
3. Jowar	**10**	91	67	122	112	130	116	189	197	199	227	214	*—26·4*	*+82·1*	*+61·5*	*+ 1·0*	*+14·1*	*— 5·7*
(ii) Pulses	**43**	92	62	93	92	105	115	165	162	197	278	199	*—32·6*	*+50·0*	*+74·2*	*+21·6*	*+41·1*	*—28·4*
1. Gram	**15**	80	49	87	83	89	100	158	151	198	258	178	*—38·8*	*+77·6*	*+73·6*	*+31·1*	*+30·3*	*—31·0*
(*b*) Others																		
(i) Fruits and vegetables	**23**	106	101	119	138	136	141	179	176	203	218	232	*— 4·7*	*+17·8*	*+47·9*	*+15·3*	*+ 7·4*	*+ 6·4*
(ii) Milk and ghee	**84**	103	90	116	116	124	128	147	165	186	221	233	*—12·6*	*+28·9*	*+42·2*	*+12·7*	*+18·8*	*+ 5·4*
(iii) Edible oils	**47**	147	85	150	157	151	151	200	234	304	285	250	*—42·2*	*+76·5*	*+56·0*	*+29·9*	*— 6·2*	*—12·3*
(iv) Fish, eggs and meat	**17**	96	96	124	135	144	150	171	200	225	235	224	—	*+29·2*	*+61·3*	*+12·5*	*+ 4·4*	*— 4·7*
(v) Sugar	**18**	99	94	127	125	131	139	151	153	163	184	199	*— 5·1*	*+35·1*	*+20·5*	*+ 6·5*	*+12·9*	*+ 8·2*
(vi) Gur	**30**	194	86	136	116	153	218	210	162	211	458	420	*—55·7*	*+58·1*	*+19·1*	*+30·2*	*+117·1*	*— 8·3*
(vii) Tea	**19**	170	170	205	193	175	196	187	194	197	218	196	—	*+20·6*	*— 5·4*	*+ 1·5*	*+10·7*	*—10·1*
(viii) Coffee	**2**	80	81	86	88	92	99	110	116	140	127	149	*+ 1·3*	*+ 6·2*	*+34·9*	*+20·7*	*— 9·3*	*+17·3*
III. Liquor and Tobacco	**21**	**98.4**	**81.0**	**109.9**	**100.3**	**100.9**	**119.6**	**131.2**	**136.6**	**130.3**	**136.6**	**212.1**	*—17·7*	*+35·7*	*+24·3*	*— 4·6*	*+ 4·8*	*+55·3*
(*a*) Tobacco	**20**	93	80	108	97	97	117	129	134	126	130	207	*—14·0*	*+35·0*	*+24·1*	*— 6·0*	*+ 3·2*	*+59·2*
IV. Fuel, Power, Light and Lubricants	**30**	**92.6**	**95.2**	**120.0**	**122.1**	**124.4**	**139.4**	**144.9**	**153.0**	**169.7**	**184.1**	**192.5**	*+ 2·8*	*+26·0*	*+27·5*	*+10·9*	*+ 8·5*	*+ 4·6*
(*a*) Coal	**9**	100	101	140	142	151	162	169	176	185	220	244	*+ 1·0*	*+38·6*	*+25·7*	*+ 5·1*	*+18·9*	*+10·9*

(*b*) Mineral oil	14	85	95	109	111	113	134	134	139	146	156	160	+11·8	+14·7	+27·5	+ 5·0	+ 6·8	+ 2·6
(*c*) Castor oil	2	114	59	104	106	97	95	122	146	234	213	167	—48·2	+76·3	+40·4	+60·3	— 9·0	—21·6
V. Industrial Raw Materials ..	**155**	**130.9**	**99.0**	**145.4**	**142.6**	**136.5**	**139.5**	**162.7**	**189.1**	**228.7**	**219.1**	**222.7**	—24·4	+46·9	+30·1	+20·9	— 4·2	+ 1·6
(*a*) Fibres	61	128	106	152	138	129	133	143	165	192	182	222	—17·2	+43·4	+ 8·6	+16·4	— 5·2	+22·0
(i) Cotton raw	32	117	97	112	109	113	119	126	129	139	159	174	—17·1	+15·5	+15·2	+ 7·8	+14·4	+ 9·4
(ii) Jute raw	23	134	117	210	178	147	148	164	219	266	211	297	—12·7	+79·5	+ 4·3	+21·5	—20·7	+40·8
(*b*) Oil seeds	60	142	85	150	156	151	154	200	240	300	285	246	—40·1	+76·5	+60·0	+25·0	— 5·0	—13·7
(i) Groundnut	27	134	79	146	155	140	144	186	223	288	242	219	—41·0	+84·8	+52·7	+29·1	—16·0	— 9·5
(ii) Linseed	5	146	95	126	143	139	142	190	227	329	345	237	—34·9	+32·6	+80·2	+44·9	+ 4·9	—31·3
(iii) Castorseed	2	123	63	124	126	126	123	152	188	275	265	193	—48·8	+96·8	+51·6	+46·3	— 3·6	—27·2
(*c*) Manganese ore ..	0.5	57	81	89	85	79	72	74	N.Q.	118	116	100	+42·1	+ 9·9			— 1·4	—13·8
(*d*) Mica	1	93	89	102	99	99	100	124	149	149	164	164	— 4·3	+14·6	+46·1	—	+10·1	—
VI. Manufactures	**290**	**103.3**	**99.7**	**123.9**	**126.6**	**128.8**	**131.1**	**137.3**	**149.2**	**163.0**	**165.5**	**168.6**	— 3·5	+24·3	+20·4	+ 9·2	+ 1·5	+ 1·9
(*a*) Intermediate products ..	41	112.4	100.1	130.6	138.8	139.5	139.6	152.4	172.3	204.5	211.7	202.2	—10·9	+30·5	+31·9	+18·7	+ 3·5	— 4·5
(i) Cotton yarn	15	93	95	128	128	134	137	139	139	156	171	168	+ 2·2	+34·7	+ 8·6	+12·2	+ 9·6	— 1·8
(ii) Metals	8	98	112	147	150	140	167	206	272	302	305	302	+14·3	+31·3	+85·0	+11·0	+ 1·0	— 1·0
1. Pig iron	1	78	117	164	177	183	189	210	232	262	279	299	+50·0	+40·2	+41·5	+12·9	+ 6·5	+ 7·2
(iii) Linseed oil	6	148	99	126	143	133	126	170	212	318	295	225	—33·1	+27·3	+68·3	+50·0	— 7·2	—23·7
(*b*) Finished products ..	249	101.8	99.6	122.8	124.6	127.1	129.7	134.8	145.4	156.1	157.9	163.1	— 2·2	+23·3	+18·4	+ 7·4	+ 1·2	+ 3·3
(i) Cotton manufactures	91	92	105	128	128	131	136	137	142	151	157	159	+14·1	+21·9	+10·9	+ 6·3	+ 4·0	+ 1·3
(ii) Jute manufactures ..	37	133	96	131	122	111	100	114	146	152	130	163	—27·8	+36·5	+11·5	+ 4·1	—14·5	+25·4
(iii) Metal products ..	12	86	118	148	152	160	163	170	185	193	211	221	+37·2	+25·4	+25·0	+ 4·3	+ 9·3	+ 4·7
1. Iron and steel manufactures ..	11	85	119	148	152	160	163	171	185	192	212	221	+40·0	+24·4	+25·0	+ 3·8	+10·4	+ 4·2
(iv) Chemicals	20	91	92	104	111	115	118	121	128	144	150	155	+ 1·1	+13·0	+23·1	+12·5	+ 4·2	+ 3·3

*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, groundnut, linseed, castor seed, gingelly seed, rape seed, cotton seed, copra, tanning materials, sugarcane, rubber, logs and timber and bamboos. N.Q. = Not Quoted.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 16—INDEX NUMBERS OF WHOLESALE PRICES—SELECTED ITEMS—SEASONALLY ADJUSTED SERIES

(Base : 1952-53 = 100)

		All commodities	FOOD ARTICLES					INDUSTRIAL RAW MATERIALS				
			Total	CEREALS			Pulses	Total	Cotton raw	Jute raw	Oilseeds	
				Total	Rice	Wheat					Total	Groundnuts
		1	2	3	4	5	6	7	8	9	10	11
March	1968	**204.1** (200.1)	**234.3** (224.6)	**205.1** (202.2)	211.4 (205.6)	188.7 (190.7)	241.2 (226.2)	**199.6** (198.2)	163.5 (164.8)	206.7 (214.0)	**232.0** (223.8)	191.4 (189.1)
April	,,	**209.4** (205.0)	**240.1** (233.0)	**208.5** (202.5)	216.8 (211.5)	187.5 (181.6)	230.8 (213.1)	**204.3** (201.9)	165.9 (164.0)	223.9 (231.5)	**234.7** (228.0)	192.1 (187.9)
May	,,	**208.0** (206.1)	**237.6** (234.2)	**207.8** (203.2)	218.3 (216.9)	185.0 (171.9)	211.7 (197.0)	**203.3** (202.9)	170.3 (169.1)	240.0 (242.6)	**225.1** (223.8)	183.3 (183.7)
June	,,	**205.7** (205.9)	**232.9** (234.5)	**205.8** (205.7)	217.4 (220.8)	179.3 (172.5)	204.1 (195.2)	**198.6** (199.2)	171.8 (170.6)	245.0 (244.0)	**212.6** (212.8)	169.0 (173.5)
July	,,	**201.1** (205.7)	**225.2** (233.5)	**201.4** (205.7)	211.5 (219.3)	176.8 (175.0)	191.0 (195.2)	**195.7** (199.1)	173.0 (170.9)	256.3 (249.4)	**203.1** (210 3)	166.9 (176.9)
August	,,	**210.1** (215.8)	**233.1** (244.4)	**199.9** (209.1)	210.2 (221.5)	179.1 (181.3)	203.2 (206.9)	**215.3** (219.9)	176.2 (172.6)	282.5 (279.6)	**236.9** (249.1)	211.7 (229.8)
September	,,	**218.7** (221.4)	**242.2** (250.2)	**206.5** (213.8)	209.5 (220.4)	192.1 (192.2)	221.3 (224.6)	**237.2** (233.2)	177.1 (176.4)	300.4 (290.3)	**270.9** (275.9)	254.3 (259.3)
October	,,	**217.0** (220.5)	**240.4** (246.5)	**211.6** (212.3)	217.3 (219.4)	189.8 (191.4)	204.2 (220.0)	**238.0** (236.5)	179.9 (177.2)	325.6 (313.0)	**271.2** (274.2)	255.1 (254.2)
November	,,	**211.3** (212.1)	**228.6** (229.3)	**202.6** (200.7)	206.3 (203.4)	189.0 (189.9)	191.3 (205.6)	**236.0** (234.9)	175.9 (178.6)	342.5 (334.6)	**263.0** (261.3)	242.5 (230.0)
December	,,	**208.8** (206.5)	**222.8** (217.9)	**196.6** (192.2)	198.7 (190.8)	184.6 (189.0)	183.2 (187.7)	**231.1** (231.5)	172.5 (175.7)	343.3 (345.4)	**252.1** (247.7)	230.6 (213.9)
January	1969	**208.9** (207.2)	**222.2** (217.3)	**193.6** (192.1)	195.0 (188.4)	184.5 (193.3)	181.7 (186.6)	**231.7** (234.5)	173.6 (176.9)	335.0 (342.5)	**251.1** (252.3)	225.4 (220.8)
February	,,	**209.1** (205.8)	**220.5** (214.6)	**191.3** (190.7)	191.6 (187.0)	186.0 (193.3)	179.6 (177.9)	**235.1** (233.4)	174.0 (175.9)	332.9 (343.4)	**255.3** (247.8)	231.1 (226.6)
March	,,	**214.8** (210.5)	**229.7** (220.1)	**195.0** (192.4)	195.3 (189.9)	188.0 (190.2)	197.2 (185.2)	**247.2** (245.5)	181.6 (182.0)	335.9 (347.2)	**284.7** (274.7)	270.8 (267.2)

Note: Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.
Figures in brackets relate to the respective unadjusted indices.

STATEMENT 17—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	162	2,859(*a*)	**3,021**	21,737
1955-56	114	121	**235**	12,153
1960-61	105	33	**139**	9,970
1961-62	145	11	**156**	14,714
1962-63	14,080(*b*)	688(*b*)	**14,768**(*b*)	5,155
1963-64	8,897(*b*)	—	**8,897**(*b*)	4,668
1964-65	166(*b*)	—	**166**(*b*)	6,841(*d*)
1965-66	13,856(*b*)(*c*)	—	**13,856**(*b*)(*c*)	5,704(*d*)
1966-67	5,927(*e*)	—	**5,927**(*e*)	5,052(*d*)
1967-68	6(*e*)	—	**6**(*e*)	5,541(*d*)
1968-69	2,025(*b*)(*c*)	3,77	**2,402**(*b*)(*c*)	11,354(*d*)
		Silver		
1950-51	1,482	1,12,315(*a*)	**1,13,797**	19,250
1955-56	41	52,906	**52,947**	196
1960-61	901	61,432	**62,333**	137
1961-62	969	36,944	**37,912**	166
1962-63	500	34,091	**34,591**	—
1963-64	824	1,187	**2,011**	—
1964-65	966	167	**1,133**	—
1965-66	241	—	**241**	—
1966-67	2,915	—	**2,915**	—
1967-68	4,097	—	**4,097**	—
1968-69	13,366	352	**13,718**	—

Note : The Calcutta and Alipore Mints did not undertake any refining work.

(*a*) Figures relate to the Calcutta Mint. (*b*) Including gold received against 7% Gold Bonds, 1977 and National Defence Fund. (*c*) Including gold received against 7% Gold Bonds, 1980, National Defence Gold Bonds, 1980 and gold received from Alipore Mint. (*d*) Including confiscated gold received from Customs, Central Excise Department and State Governments. (*e*) Including gold received against National Defence Fund and National Defence Gold Bonds, 1980.

STATEMENT 18—PRICES OF GOLD AND SILVER—BOMBAY(*a*)

Year/Month	Gold (Rs. per 10 grams)			Silver (Rs. per kilogram)		
	Spot			Spot		
	Highest	Lowest	Average(*b*)	Highest	Lowest	Average(*b*)
	1	2	3	4	5	6
1950-51	102.99	89.81	97.28	170.40	149.07	159.37
1955-56	91.79	76.66	82.18	157.59	132.68	144.65
1960-61	124.40	107.12	114.91	209.30	181.00	193.64
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
1966-67	92.75	76.00	83.85	385.00	336.00	358.88
1967-68	168.00	146.00	156.97	565.00	346.00	430.09
1968-69	181.00	150.50	160.45	633.00	508.00	556.67
March 1968	168.00	154.50	158.54	537.00	516.00	523.96
April „	165.00	159.75	162.37	570.00	535.00	553.71
May „	165.75	161.00	163.84	590.00	536.00	561.15
June „	163.00	160.00	161.69	548.00	518.00	530.72
July „	161.50	157.00	160.10	557.00	525.00	542.02
August „	162.00	155.00	158.84	585.00	543.00	559.02
September „	157.00	152.00	154.46	633.00	580.00	614.00
October „	154.00	152.00	152.95	607.00	547.00	580.77
November „	156.50	153.00	154.78	602.00	559.00	581.06
December „	160.00	150.50	152.80	584.00	551.00	570.56
January 1969	164.25	161.00	162.76	563.00	529.00	546.54
February „	174.00	163.00	168.18	535.00	508.00	516.75
March „	181.00	165.00	174.25	528.00	511.00	519.59

Note : From October 1, 1960 spot prices of gold are quoted per 10 grams instead of per tola and those of silver are quoted per kilogram instead of per 100 tolas ; earlier prices are converted by using the conversion factor 1 tola = 11.6638 grams.

Spot prices of gold relate to Mysore Gold upto July 13, 1958, Abyssinian Gold from July 14, 1958 to July 31, 1959, Gold Bullion from August 1, 1959 to August 27, 1963, 14-Carat Gold upto November 9, 1966 and Standard Gold from July 10, 1967. Dealer to dealer quotations are not available for Gold since June 23, 1963.

Spot prices of silver relate to 0.999 fineness upto December 13, 1953 and to below 0.996 fineness thereafter. Forward trading in gold was banned throughout the country with effect from November 14, 1962 and that in silver from January 10, 1963.

(*a*) Including Nominal quotations also. (*b*) Average of closing quotations for working days.

Source: Bombay Bullion Association Ltd.

STATEMENT 19—MONEY SUPPLY

Last Friday		CURRENCY WITH THE PUBLIC					
		Notes in circulation (*a*) (*b*)	Circulation of rupee coin (*a*) (*c*)	Circulation of small coins (*c*) (*d*)	Cash on hand with banks (*e*)	**Currency with the public** (1+2+3—4)	Variations in currency with the public
		1	2	3	4	5	6
1950-51		1,238·60	135·68	75·76	39·10	**1,406·52**	+ 81·72
1955-56		1,424·23	123·58	65·79	41·45	**1,571·01**	+193·89
1960-61		1,941·57	141·69	71·02	49·79	**2,098·05**	+167·19
1961-62		2,027·13	150·18	78·33	52·43	**2,201·16**	+103·11
1962-63		2,198·79	156·17	84·39	54·93	**2,379·47**	+178·31
1963-64		2,410·83	168·47	90·26	60·96	**2,605·56**	+226·09
1964-65		2,563·69	179·99	97·40	69·52	**2,769·05**	+163·49
1965-66		2,823·19	183·82	105·47	76·09	**3,034·28**	+265·23
1966-67		2,976·60	199·60	112·47	90·14	**3,196·80**	+162·52
1967-68		3,150·79	198·82	118·51	92·05	**3,376·08**	+179·28
1968-69		3,453·50	222·08	118·47	112·11	**3,681·95**	+305·87
March	1968	3,150·79	198·82	118·51	92·05	**3,376·08**	+ 65·61
April	,,	3,264·72	201·94	118·92	101·08	**3,484·50**	+108·42
May	,,	3,251·39	206·36	118·39	101·83	**3,474·31**	— 10·19
June	,,	3,255·47	203·18	117·81	128·52	**3,447·94**	— 26·37
July	,,	3,156·38	196·76	117·11	96·55	**3,373·70**	— 74·24
August	,,	3,116·66	193·00	116·85	103·08	**3,323·42**	— 50·28
September	,,	3,143·50	192·41	116·72	98·57	**3,354·07**	+ 30·65
October	,,	3,166·09	195·70	116·66	119·58	**3,358·87**	+ 4·80
November	,,	3,113·72	192·01	116·54	105·12	**3,317·14**	— 41·73
December	,,	3,177·99	194·72	116·82	117·29	**3,372·24**	+ 55·10
January	1969	3,257·90	195·96	117·28	105·77	**3,465·37**	+ 93·13
February	,,	3,352·98	219·64	117·81	109·65	**3,580·79**	+115·42
March	,,	3,453·50	222·08	118·47	112·11	**3,681·95**	+101·16

Note: (1) No adjustments have been made for the net inward or outward movements of currency. (2) Data from August 1967 onwards do not include the adjustment on account of Balances held at Treasuries. (3) This statement has been recast to include circulation of small coins. As a result the amount of currency with the public (col. 5) and the total money supply with the public (col. 11) given in this statement will not agree with the figures published in the corresponding statement of the Report on Currency and Finance upto 1960-61. (4) Under Column 7, demand deposits have been given instead of net demand liabilities as given upto 1960-61. The revised figures include (i) in respect of scheduled commercial banks, non-bank demand deposits and non-deposit 'other liabilities' upto 1959-60 and non-bank demand deposits only thereafter, (ii) in respect of non-scheduled commercial banks, non-bank demand deposits and (iii) in respect of State Co-operative banks net demand liabilities, i.e., non-bank demand deposits plus inter bank deposits plus non-deposit 'other liabilities'. (5) Under Column 8, data on 'other deposits' with the Reserve Bank have been revised to exclude balances held on Reserve Bank Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund. As a result, data given in this statement will not agree with those published in the corresponding statement of the earlier issues of the Report on Currency and Finance upto 1962-63.

WITH THE PUBLIC

(In crores of rupees)

DEPOSIT MONEY					
Net demand deposits of banks	Other deposits with the Reserve Bank (*f*)	**Deposit money with the public** (7 + 8)	Variations in deposit money	**Money supply with the public** (5 + 9)	**Variations in money supply with the public**
7	8	9	10	11	12
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**
1,289·52	21·70	**1,311·23**	+164·67	**4,080·28**	**+328·16**
1,478·38	16·72	**1,495·10**	+183·87	**4,529·39**	**+449·11**
1,711·75	41·41	**1,753·16**	+258·06	**4,949·96**	**+420·57**
1,917·66	56·32	**1,973·99**	+220·83	**5,350·07**	**+400·11**
2,016·43	80·88	**2,097·30**	+123·31	**5,779·25**	**+429·18**
1,917·66	56·32	**1,973·99**	+107·95	**5,350·07**	**+173·55**
1,898·00	65·34	**1,963·34**	— 10·65	**5,447·84**	**+ 97·77**
1,878·55	58·49	**1,937·04**	— 26·30	**5,411·35**	**— 36·49**
1,968·47	60·29	**2,028·76**	+ 91·72	**5,476·71**	**+ 65·36**
1,958·44	56·81	**2,015·25**	— 13·51	**5,388·95**	**— 87·76**
1,912·27	54·98	**1,967·26**	— 47·99	**5,290·67**	**— 98·28**
1,843·74	54·35	**1,898·09**	— 69·17	**5,252·16**	**— 38·51**
1,904·06	54·45	**1,958·51**	+ 60·42	**5,317·38**	**+ 65·22**
1,900·61	62·02	**1,962·63**	+ 4·12	**5,279·77**	**— 37·61**
1,935·09	81·63	**2,016·72**	+ 54·09	**5,388·96**	**+109·19**
1,959·73	74·98	**2,034·71**	+ 17·99	**5,500·08**	**+111·12**
1,950·36	69·38	**2,019·75**	— 14·96	**5,600·53**	**+100·45**
2,016·43	80·88	**2,097·30**	+ 77·55	**5,779·25**	**+178·72**

(*a*) Including *Hali Sicca* Currency upto December 1957. (*b*) Net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (*c*) Estimated. (*d*) Figures are as on last day of the year/month. Excluding balances held in small coins depots. Excludes balances held at treasuries also upto March 1962. (*e*) Relating to scheduled commercial, non-scheduled commercial and state co-operative banks. (*f*) Excluding balances held on I.M.F. Account No. 1, Reserve Bank of India Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund and some extra ordinary items.

**Derived from comparable estimates.

STATEMENT 19A—SEASONAL VARIATIONS

	1955-56		1960-61		1961-62		1962-63	
	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*
	1	2	3	4	5	6	7	8
A. MONEY SUPPLY WITH THE PUBLIC ..	**+ 9.3**	**+250.1**	**— 79.6**	**+235.1**	**— 97.9**	**+326.4**	**— 62.9**	**+361.5**
1. Currency with the public	— 11·4	*+208·7*	— 89·4	*+205·2*	—101·1	*+257·8*	— 70·7	*+258·9*
2. Other deposits with the Reserve Bank ..	— 1·4	*— 0·6*	+ 3·7	*— 5·8*	— 1·6	*+ 5·7*	— 5·2	*+ 11·3*
3. Bank money	+ 22·1	*+ 42·0*	+ 6·1	*+ 35·7*	+ 4.8	*+ 63·0*	+ 13·0	*+ 91·3*
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**	**+ 5.9**	**+194.6**
(*a*) Reserve Bank's net credit to Government Sector (i–ii)	+ 24·1	*+145·7*	— 69·3	*+234·9*	—125·4	*+313·2*	—109·1	*+291·5*
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	+ 17·6	*+ 151·8*	— 75·6	*+215·2*	—110·2	*+296·0*	—116·2	*+301·9*
(ii) Government deposits with the Reserve Bank	— 6·5	*+ 6·1*	— 6·3	*— 19·7*	+ 15·2	*— 17·2*	— 7·1	*+ 10·4*
(*b*) Banks' credit to Government Sector‡	+ 53·6	*— 37·6*	— 48·8	*—126·4*	+ 61·6	*— 25·8*	+115·0	*— 96·9*
2. Net Bank Credit to Private Sector (*a*+*b*)‡	**— 66.1**	**+156.2**	**+ 49.7**	**+196.5**	**— 57.5**	**+102.5**	**— 69.3**	**+246.5**
(*a*) Reserve Bank credit to private sector	+ 0·2	*+ 0·3*	+ 0·5	*+ 0·4*	+ 0·7	*+ 1·9*	+ 2·2	*+ 2·1*
(*b*) Banks' net credit to private sector (i–ii)	— 66·3	*+ 155·9*	+ 49·2	*+196·1*	— 58·2	*+100·6*	— 71·5	*+244·4*
(i) Financial assets of banks ..	— 26·5	*+ 163·6*	+ 18·8	*+191·2*	— 31·2	*+199·9*	+ 2·7	*+194·4*
(ii) Non-monetary liabilities of banks‡*	+ 39·8	*+ 7·7*	— 30·4	*— 4·9*	+ 27·0	*+ 99·3*	+ 74·2	*— 50·0*
3. Net Foreign Exchange Assets of Banking Sector (*a*+*b*)	**+ 15.2**	**— 2.8**	**— 33.2**	**— 53.2**	**+ 5.4**	**— 43.2**	**— 25.4**	**+ 0.6**
(*a*) Net foreign exchange assets of the Reserve Bank†	+ 4·3	*+ 16·0*	— 27·9	*— 47·0*	— 10·7	*— 33·2*	— 32·8	*+ 20·4*
(*b*) Banks' net foreign exchange assets @@	+ 10·9	*— 18·8*	— 5·3	*— 6·2*	+ 16·1	*— 10·0*	+ 7·4	*— 19·8*
4. Government's net Currency Liabilities to the Public £	**— 3.0**	**+ 11.6**	**— 1.0**	**+ 15.7**	**+ 0.8**	**+ 18.0**	**— 0.2**	**+ 10.6**
5. Net Non-Monetary Liabilities of the Reserve Bank†† (Increase —)**	**— 8.6**	**— 16.0**	**+ 20.3**	**— 41.8**	**+ 36.5**	**— 36.6**	**+ 30.7**	**— 49.2**
6. Non-identifiable Net Non-Monetary Liabilities of Banks ££ (Increase —)	**— 5.9**	**— 7.0**	**+ 2·7**	**+ 9.4**	**— 19.3**	**— 1·7**	**— 4.6**	**— 41.6**

Note : Slack season is from May to October and the busy season is from November to April.

‡ In view of the change in arrangements for holding P. L. 480 Funds from May 12, 1960, figures from 1960-61 onwards are not comparable with those for the earlier years as no adjustment is made on this count.

* Relate to (*i*) Net Time liabilities upto 1959-60 and to Net Time Deposits thereafter in respect of Scheduled commercial banks, (*ii*) Net Time Deposits of Non-scheduled commercial banks and (*iii*) Net Time liabilities of State co-operative banks.

£ Data from August 1967 onwards do not include the adjustment on account of balances held at Treasuries.

† Consequent on the revaluation of the gold reserves of the Issue Department effective from February 1, 1969, the net foreign exchange assets and the net non-monetary liabilities of the Reserve Bank rose by Rs. 66·64 crores each.

@@ Converted into Indian rupee at post-devaluation rates from June 6, 1966.

IN MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

1963-64		1964-65		1965-66		1966-67		1967-68		1968-69		Outstanding as on April 25, 1969
Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	
9	10	11	12	13	14	15	16	17	18	19	20	21
+ **29.9**	+**410.0**	— **32.7**	+**388.7**	— **43.0**	+**481.8**	—**125.7**	+**455.6**	— **63.3**	+**546.0**	—**130.4**	+**606.3**	**5,923.7**
— *51·6*	+*297·0*	—140·0	+*322·9*	—100·9	+*349·3*	—219·7	+*338·5*	—134·7	+*381·1*	—125·6	+*409·7*	*3,768·8*
— *2·6*	+ *8·8*	— *7·9*	+ *12·3*	— *18·3*	+ *5·9*	+ *8·8*	— *0·5*	+ *1·7*	+ *33·2*	— *10·8*	+ *40·6*	95·1
+ 84·1	+*104·2*	+*115·3*	+ *53·5*	+ 76·1	+*126·5*	+ 85·3	+*117·6*	+ 69·8	+*131·6*	+ 6·1	+*155·7*	2,059·8
+**126.9**	+ **93.3**	+**117.6**	+**156.4**	+**109.5**	+**389.4**	+ **26.9**	+**143.3**	+**105.2**	+ **66.0**	+ **36.2**	+**324.4**	**4,719.4**
— *19·6*	+*241·0*	—142·3	+*309·0*	— *30·6*	+*414·3*	—267·6	+*338·9*	—115·0	+*247·4*	—100·7	+*361·0*	3,609·2
— 28·1	+*244·5*	—100·9	+*267·3*	— 33·1	+*446·1*	—249·4	+*320·8*	—139·6	+*260·7*	—121·8	+*363·6*	3,674·8
— *8·5*	+ *3·5*	+ 41·4	— *41·7*	— *2·5*	+ *31·9*	+ 18·2	— 18·0	— 24·7	+ *13·4*	— 21·1	+ *2·5*	65·6
+146·5	—*147·6*	+259·9	—*152·6*	+140·2	— *24·8*	+294·5	—*195·6*	+220·1	—*181·3*	+137·0	— *36·7*	1,110·2
—**130.5**	+**359.8**	—**156.2**	+**302.9**	—**154.7**	+**191.8**	—**204.9**	+**357.2**	—**147.3**	+**415.9**	—**174.3**	+**263.8**	**1,512.6**
+ *5·9*	+ *3·9*	+ 9·8	+ *6·1*	+ 3·5	+ *2·3*	+ 5·0	+ *2·9*	+ 11·0	+ *3·9*	+ 2·9	+ *2·0*	76·0
—136·4	+*355·9*	—166·1	+*296·8*	—158·1	+*189·5*	—210·0	+*354·3*	—158·3	+*412·0*	—177·1	+*261·7*	1,436·5
— 64·6	+*334·5*	— 76·5	+*365·2*	— 53·8	+*294·8*	— 29·6	+*409·4*	— 25·4	+*517·9*	+ 52·9	+*461·9*	4,027·0
+ 71·8	— *21·5*	+ 89·6	+ *68·4*	+104·3	+*105·2*	+180·4	+ *55·0*	+133·0	+*105·9*	+230·0	+*200·1*	2,590·5
+ **17.9**	+ **6.1**	+ **4.7**	— **21.2**	— **42.7**	+ **25.8**	+ **54.6**	+ **8.4**	— **44.1**	+ **99.6**	+ **9.4**	+**184.0**	**381.3**
— 1·0	+ *24·6*	— 12·2	— *20·1*	— 41·1	+ *15·4*	+ 30·5	+ *29·4*	— 42·3	+*110·4*	+ 9·4	+*174·2*	366·1
+ 18·9	— *18·5*	+ 16·9	— *1·1*	— 1·6	+ *10·4*	+ 24·1	— *21·0*	— 1·8	— *10·8*	—	+ *9·9*	+ 15·2
+ **3.0**	+ **18.2**	+ **3.0**	+ **13.6**	— **2.3**	+ **18.3**	— **0.5**	+ **21.8**	— **0.5**	+ **7.1**	— **8.5**	+ **32.0**	**344.4**
+ **16.9**	— **43.3**	+ **1.0**	— **51.5**	+ **45.1**	— **63.7**	+ **12.1**	— **55.8**	— **45.1**	+ **37.0**	+ **2.7**	—**144.6**	**556.3**
— **4.3**	— **24.1**	— **2.8**	— **11.5**	+ **2.0**	— **79.9**	— **13.7**	— **19.2**	+ **68.4**	— **79.5**	+ **3.9**	— **53.4**	**477.7**

** Comprises (*i*) the sum of capital and reserves, (*ii*) contribution by the Reserve Bank to the National Agricultural Credit (Long-term Operations and Stabilisation) Funds, and National Industrial Credit (Long-term Operations) Fund, (*iii*) the difference of (*a*) other liabilities of the Reserve Bank (mainly bills payable, profits of the Bank accruing under various heads such as interest, discount, exchange, commission, etc.) and (*b*) other assets (mainly premises, furniture, fittings, stationery, debit balances under heads representing expenditure incurred by the Bank and items in course of collection, etc.), (*iv*) Reserve Bank of India Employees' Pension Fund, Provident Fund and Co-operative Guarantee Fund and (*v*) an offset of Rs. 43 crores to assets held against Indian currency returned by Pakistan awaiting adjustment.

££ Comprises mainly capital and reserves of banks and the difference of their (*a*) other liabilities (mainly bills payable and net credit balances on account of branch adjustments) and (*b*) other assets (mainly premises, furniture, fittings, net debit balances on account of branch adjustments and capitalised expenses and tangible assets like uncleared cheques, stamps in hand, etc.).

For further details, refer to the footnotes to Statement 19.

STATEMENT 19B—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	Varia-tions during the Third Plan	Out-standing as on March 25, 1966
	1	2	3	4	5	6	7
A. MONEY SUPPLY WITH THE PUBLIC	**2,020.6†**	**+196.2**	**2,217.0**	**+703.7‡**	**2,868.6**	**+1,660.8**	**4,529.4**
1. Currency with the Public	1,404.8†	+166.2	1,571.0	+527.0	2,098.1	+936.2	3,034.3
2. Other deposits with the Reserve Bank	24.4	− 15.4	9.0	+ 4.4	13.5	+ 3.2	16.7
3. Bank money	591.4†	+ 45.4	636.9	+172.3‡	757.1	+721.3	1,478.4
B. FACTORS AFFECTING MONEY SUPPLY							
1. Net Bank Credit to Government Sector (*a*+*b*)	**807.5**	**+297.6**	**1,105.0**	**+1,383.5**	**2,488.5**	**+1,320.6**	**3,809.1**
(*a*) Reserve Bank's net credit to Government Sector (i–ii)	460.5	+246.2	706.7	1,190.7	1,897.4	+1,060.2	2,957.6
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	648.9	+187.2	836.1	1,166.9	2,002.9	+1,031.9	3,034.8
(ii) Government deposits with the Reserve Bank	188.4	− 59.0	129.4	− 23.8	105.5	− 28.3	77.2
(*b*) Banks' Credit to Government Sector	347.0	+ 51.4	398.3	+192.8	591.1	+260.4	851.5
2. Net Bank Credit to Private Sector (*a* + *b*)	**257.5††**	**+105.0**	**362.5**	**+ 23.3‡**	**408.3**	**+642.2**	**1,050.5**
(*a*) Reserve Bank's Credit to Private Sector	1.2	+ 4.8	6.1	+ 2.6	8.8	+ 38.4	47.2
(*b*) Banks' net Credit to Private Sector (i–ii)	256.3††	+100.1	356.4	+ 20.7‡	399.5	+603.8	1,003.3
(i) Financial assets of Banks	587.1††	+235.6	822.7	+671.8	1,494.5	+1,113.9	2,608.4
(ii) Non-monetary liabilities of Banks	330.8	+135.5	466.3	+651.1‡	1,095.0	+510.0	1,605.0
3. Net Foreign Exchange Assets of Banking Sector (*a*+ *b*)	**860.0**	**− 95.8**	**764.2**	**−663.5**	**178.4**	**−107.3**	**71.1**
(*a*) Net foreign exchange assets of the Reserve Bank	877.9	− 96.4	781.5	−674.2	185.0	−125.9	59.1
(*b*) Banks' net foreign exchange assets**	− 17.9	+ 0.6	− 17.3	+ 10.7	− 6.6	+ 18.6	+ 12.0
4. Government's Net Currency Liabilities to the Public	**241.4**	**− 52.4**	**189.0**	**+ 17.3**	**206.3**	**+ 80.9**	**287.2**
5. Net Non-Monetary Liabilities of the Reserve Bank (Increase −)	**68.3**	**− 19.5**	**87.8**	**− 84.7**	**250.2**	**−109.3**	**359.5**
6. Non-identifiable Net Non-Monetary Liabilities of Banks (Increase −)	**77.5††**	**− 38.7**	**116.0**	**+ 28.0‡**	**162.7**	**−166.2**	**328.9**

** Converted into Indian rupee at post-devaluation rates from June 6, 1966.

† Adjusted for change in coverage due to inclusion in 1952 of Non-scheduled commercial banks operating exclusively in the then Part B States.

MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

Variations during									Out-standing as on March 29, 1968	Out-standing as on March 28, 1969
1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69		
8	9	10	11	12	13	14	15	16	17	18
+199.2	**+177.2**	**+264.2**	**+442.2**	**+328.2**	**+449.1**	**+420.6**	**+400.1**	**+429.2**	**5,350.1**	**5,779.3**
+167.2	+103.1	+178.3	+226.1	+163.5	+265.2	+162.5	+179.3	+306.0	3,376.1	3,681.9
− 3.5	+ 3.8	+ 5.3	+ 9.4	− 10.2	− 5.0	+ 24.7	+ 14.9	+ 24.6	56.3	80.9
+ 35.5	+ 70.3	+ 80.6	+206.7	+174.9	+188.9	+233.4	+205.9	+ 98.7	1,917.7	2,016.4
− 17.3	**+202.5**	**+201.8**	**+242.2**	**+207.2**	**+466.7**	**+ 198.6**	**+245.9**	**+443.4**	**4,253.4**	**4,696.9**
+136.6	+159.3	+207.4	+194.8	+127.9	+370.6	+ 119.7	+166.5	+346.9	3,243.6	3,590.5
+135.9	+141.0	+207.5	+207.7	+143.4	+332.2	+ 198.3	+ 77.2	+358.4	3,310.1	3,668.5
− 0.7	− 18.3	+ 0.1	+ 12.9	+ 15.5	− 38.4	+ 78.6	− 89.4	+ 11.6	66.4	78.0
−153.9	+ 43.2	− 5.6	+ 47.4	+ 79.3	+ 96.0	+ 78.9	+ 79.4	+ 96.6	1,009.8	1,106.4
+252.9	**+ 36.7**	**+171.7**	**+217.1**	**+117.0**	**+ 99.9**	**+ 225.0**	**+177.8**	**+ 86.2**	**1,453.4**	**1,539.7**
+ 0.3	+ 2.7	+ 3.3	+ 11.5	+ 13.7	+ 7.3	+ 26.7	− 3.6	+ 3.6	70.5	74.1
+252.6	+ 34.0	+168.4	+205.6	+103.3	+ 92.6	+ 198.3	+181.4	+ 82.8	1,382.9	1,465.7
+237.8	+136.7	+213.6	+247.8	+236.6	+279.3	+ 459.8	+425.0	+499.2	3,493.2	3,992.4
− 14.8	+102.7	+ 45.2	+ 42.2	+133.3	+186.6	+ 261.5	+243.6	+416.5	2,110.2	2,526.7
− 62.6	**− 57.0**	**− 42.6**	**+ 35.1**	**− 19.1**	**− 23.8**	**+ 77.6**	**+ 12.6**	**+155.9**	**161.3**	**317.2**
− 51.6	− 66.5	− 27.3	+ 31.0	− 27.8	− 35.4	+ 65.5	+ 26.1	+151.3	150.7	302.0
− 11.0	+ 9.5	− 15.3	+ 4.1	+ 8.7	+ 11.6	+ 12.0	− 13.3	+ 4.6	+ 10.7	+ 15.2
+ 9.9	**+ 20.2**	**+ 9.1**	**+ 20.1**	**+ 19.2**	**+ 12.3**	**+ 23.1**	**+ 7.0**	**+ 23.3**	**317.3**	**340.6**
− 0.2	**+ 3.3**	**− 31.1**	**− 25.9**	**− 36.3**	**− 19.4**	**− 74.4**	**+ 11.8**	**−167.9**	**422.1**	**590.0**
+ 16.5	**− 28.5**	**− 44.7**	**− 46.5**	**+ 40.1**	**− 86.6**	**− 29.4**	**− 55.0**	**−111.7**	**413.4**	**525.1**

‡ Worked out by using the net demand/time deposits of scheduled commercial 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.

For further details refer to the footnotes to Statements 19 and 19A.

STATEMENT 20—MONETARY RESOURCES

(In crores of rupees)

Last Friday		Total monetary resources (*a*) (1)	Variations over the previous year/month. (2)
1950-51		2,336.36	+ 134.68
1955-56		2,688.19	+ 302.19
1960-61		3,963.58	+ 422.75
1961-62		4,243.49	+ 279.91
1962-63		4,552.90	+ 309.41
1963-64		5,037.25	+ 484.35
1964-65		5,498.69	+ 461.44
1965-66		6,134.44	+ 635.75
1966-67		6,816.51	+ 682.07
1967-68		7,460.27	+ 643.76
1968-69		8,305.99	+ 845.72
March	1968	7,460.27	+ 145.91
April	,,	7,608.25	+ 147.98
May	,,	7,599.57	— 8.68
June	,,	7,682.46	+ 82.89
July	,,	7,657.16	— 25.30
August	,,	7,614.80	— 42.36
September	,,	7,635.25	+ 20.45
October	,,	7,707.81	+ 72.56
November	,,	7,716.96	+ 9.15
December	,,	7,867.58	+ 150.62
January	1969	7,995.25	+ 127.67
February	,,	8,130.90	+ 135.65
March	,,	8,305.99	+ 175.09

(*a*) Comprising money supply with the public, net time deposits with commercial banks (relate to net time liabilities in respect of scheduled commercial banks upto 1959-60) and net time liabilities of State Co-operative Banks.

STATEMENT 21—MONEY SUPPLY WITH THE PUBLIC AND SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED COMMERCIAL BANKS—SEASONALLY ADJUSTED SERIES

(In crores of rupees)

		Money Supply with the public	Scheduled Commercial Banks				
			Net Demand Deposits	Net Time Deposits	Cash in hand	Investments in Government securities	Bank credit
		1	2	3	4	5	6
March	1968	5212·7	1810·3	2063·2	92.9	1059·2	2860·1
April	,,	5266·1	1813·7	2071·8	98.9	1049.1	2907.9
May	,,	5291·1	1824·8	2090·4	98·2	1046·7	2957·5
June	,,	5379·0	1859·1	2109·2	109·0	1036·7	3042·2
July	,,	5393·5	1846·4	2140·6	100·8	993·1	3076·4
August	,,	5388·7	1826·7	2183·9	105.1	983·9	3144·8
September	,,	5411·9	1795·7	2242·4	103·1	977·3	3220.4
October	,,	5455·9	1849·4	2258·6	112·7	992.7	3179·5
November	,,	5415·3	1856·0	2313·1	104.6	1031·6	3165·4
December	,,	5429·1	1844·8	2351·7	100.1	1133·0	3116·4
January	1969	5511·2	1901·5	2384·3	104·6	1119.4	3148·7
February	,,	5573·5	1895·9	2418.6	110.2	1144·0	3233·3
March	,,	5629·4	1896·0	2464.5	113·7	1155·7	3202·9

Note: Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.

STATEMENT 22—MONEY RATES

(Per cent per annum)

Year/Month	Bank Rate	STATE BANK OF INDIA: Hundi Rate	STATE BANK OF INDIA: Advance Rate (1)	STATE BANK OF INDIA: Call Loan: Scheduled Commercial Banks (2)	STATE BANK OF INDIA: Call Loan: Co-operative Banks (3)	OTHER SELECTED MAJOR SCHEDULED COMMERCIAL BANKS: Call Money from Banks: Bombay	Call Money from Banks: Calcutta	Call Money from Banks: Madras	Deposits upto 14 Days from Banks (4): Bombay	Deposits upto 14 Days from Banks (4): Calcutta	Deposits upto 14 Days from Banks (4): Madras	Bazar Bill Rate (5): Bombay	Bazar Bill Rate (5): Calcutta	Bazar Bill Rate (5): 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*)	6¼-6¾(*g*)	4½-5(*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
1966-67	6	9¾	7½	9	8	5.16	5.51	4.57	8.81	6.39	6.91	15.00	15.00	19.80
1967-68	6-5	9¾-9½(*n*)	7½-7(*n*)	9-8½(*n*)	8-7½(*n*)	4.95	4.80	4.09	5.69	7.17	6.25	15.00	15.00 / 13.50	19.80 / 21.60
1968-69	5	9½	7	8½	7½	3.75	4.05	4.06	4.00	4.95	3.75	15.00	13.50	21.60 / 21.00
March 1968 ..	6-5	9¾-9½(*n*)	7½-7(*n*)	9-8½(*n*)	8-7½(*n*)	4.65	5.22	6.57	4.50	@	@	15.00	13.50	21.60
April ,, ..	5	9½	7	8½	7½	4.48	4.63	6.26	@	@	@	15.00	13.50	21.60
May ,, ..	5	9½	7	8½	7½	4.32	4.20	5.19	@	@	@	15.00	13.50	21.60 / 21.00
June ,, ..	5	9½	7	8½	7½	4.13	4.37	4.27	@	@	@	15.00	13.50	21.00
July ,, ..	5	9½	7	8½	7½	3.42	3.44	3.81	@	@	3.75	15.00	13.50	21.00
August ,, ..	5	9½	7	8½	7½	3.28	4.04	3.04	@	@	3.75	15.00	13.50	21.00
September ,, ..	5	9½	7	8½	7½	3.81	4.43	3.87	@	4.95	@	15.00	13.50	21.00
October ,, ..	5	9½	7	8½	7½	3.61	3.91	3.41	@	@	@	15.00	13.50	21.00
November ,, ..	5	9½	7	8½	7½	3.27	3.71	3.00	4.00	@	@	15.00	13.50	21.00
December ,, ..	5	9½	7	8½	7½	3.25	3.94	3.45	@	@	@	15.00	13.50	21.00
January 1969 ..	5	9½	7	8½	7½	3.69	3.73	4.02	@	@	@	15.00	13.50	21.00
February ,, ..	5	9½	7	8½	7½	4·03	4·09	4·14	@	@	@	15·00	13·50	21·00
March ,, ..	5	9½	7	8½	7½	4·96	5·55	4·54	@	@	@	15·00	13·50	21·00

Note : The Reserve Bank of India rate was changed from 3½ per cent (in operation since November 15, 1951) to 4 per cent on May 16, 1957, to 4½ per cent on January 3, 1963, to 5 per cent on September 26, 1964, to 6 per cent on February 17, 1965 and to 5 per cent from the close of business on March 2, 1968.

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*) 6¼ per cent with effect from October 1, 1964 and 7 per cent with effect from February 18, 1965. (*j*) 7¾ 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. (*n*) With effect from March 12, 1968.

@ No transaction.

Source : State Bank of India and selected major scheduled commercial banks.

STATEMENT 23—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
1966-67	3,019,77	45,53	**3,065,30**	115,89	186,42	78,07	2,684,92
1967-68	3,193,96	47,75	**3,241,71**	115,89	166,42	78,96	2,880,44
1968-69	3,496,67	39,53	**3,536,20**	182,53	216,42	75,77	3,061,48
1968-69 (Weekly)							
As at the close of 1968							
April 5, ...	3,300,41	17,85	**3,318,25**	115,89	166,42	75,27	2,960,67
„ 12, ...	3,351,88	15,94	**3,367,82**	115,89	166,42	74,29	3,011,22
„ 19, ...	3,337,48	17,41	**3,354,90**	115,89	166,42	75,20	2,997,38
„ 26, ...	3,307,89	32,68	**3,340,57**	115,89	166,42	75,87	2,982,39
May 3, ...	3,326,90	10,70	**3,337,60**	115,89	166,42	72,83	2,982,46
„ 10, ...	3,388,76	25,73	**3,414,49**	115,89	206,42	69,18	3,023,00
„ 17, ...	3,356,12	28,23	**3,384,35**	115,89	206,42	69,00	2,993,04
„ 24, ...	3,312,73	23,22	**3,335,95**	115,89	206,42	70,59	2,943,04
„ 31, ...	3,294,56	42,22	**3,336,78**	115,89	206,42	71,42	2,943,05
June 7, ...	3,373,09	15,40	**3,388,48**	115,89	206,42	68,12	2,998,05
„ 14, ...	3,374,81	14,80	**3,389,61**	115,89	206,42	69,25	2,998,05
„ 21, ...	3,326,19	21,46	**3,347,65**	115,89	206,42	72,29	2,953,05
„ 28, ...	3,298,64	31,41	**3,330,05**	115,89	206,42	74,70	2,933,05
July 5, ...	3,332,74	20,60	**3,353,34**	115,89	206,42	72,98	2,958,05
„ 12, ...	3,321,34	23,42	**3,344,76**	115,89	206,42	74,40	2,948,05
„ 19, ...	3,263,14	24,85	**3,287,99**	115,89	206,42	77,63	2,888,05
„ 26, ...	3,199,55	26,90	**3,226,44**	115,89	206,42	81,08	2,823,05

August	2,	..	..	..	3,191,37	35,14	**3,226,51**	115,89	206,42	81,15	2,823,05
„	9,	..	..	..	3,259,54	29,97	**3,289,52**	115,89	206,42	79,16	2,888,05
„	16,	..	..	..	3,246,04	14,50	**3,260,53**	115,89	206,42	80,17	2,858,05
„	23,	..	..	..	3,193,85	24,31	**3,218,17**	115,89	206,42	82,81	2,813,05
„	30,	..	..	..	3,159,83	60,32	**3,220,16**	115,89	206,42	84,80	2,813,05
September	6,	..	..	..	3,220,93	36,52	**3,257,45**	115,89	206,42	82,09	2,853,05
„	13,	..	..	..	3,232,18	25,92	**3,258,10**	115,89	206,42	82,74	2,853,05
„	20,	..	..	..	3,191,70	18,77	**3,210,47**	115,89	206,42	85,11	2,803,05
„	27,	..	..	..	3,186,67	24,05	**3,210,72**	115,89	206,42	85,36	2,803,05
October	4,	..	..	..	3,228,49	20,18	**3,248,67**	115,89	206,42	83,31	2,843,05
„	11,	..	..	..	3,249,90	17,37	**3,267,26**	115,89	226,42	81,90	2,843,05
„	18,	..	..	..	3,219,97	17,40	**3,237,37**	115,89	226,42	82,01	2,813,05
„	25,	..	..	..	3,209,26	28,25	**3,237,51**	115,89	226,42	82,15	2,813,05
November	1,	..	..	..	3,166,32	52,20	**3,218,53**	115,89	226,42	83,17	2,793,05
„	8,	..	..	..	3,235,74	20,69	**3,256,43**	115,89	226,42	81,07	2,833,05
„	15,	..	..	..	3,218,59	24,52	**3,243,11**	115,89	226,42	82,75	2,818,05
„	22,	..	..	..	3,179,98	30,14	**3,210,13**	115,89	226,42	84,77	2,783,05
„	29,	..	..	..	3,156,89	54,26	**3,211,14**	115,89	226,42	85,78	2,783,05
December	6,	..	..	..	3,232,14	15,18	**3,247,32**	115,89	226,42	81,91	2,823,10
„	13,	..	..	..	3,259,72	16,95	**3,276,67**	115,89	226,42	81,26	2,853,10
„	20,	..	..	..	3,234,48	33,32	**3,267,80**	115,89	206,42	82,39	2,863,10
„	27,	..	..	..	3,221,16	47,40	**3,268,56**	115,89	206,42	83,15	2,863,10
1969											
January	3,	..	..	..	3,262,23	34,53	**3,296,76**	115,89	206,42	81,34	2,893,10
„	10,	..	..	..	3,339,03	20,73	**3,359,76**	115,89	191,42	79,34	2,973,10
„	17,	..	..	..	3,344,49	15,70	**3,360,19**	115,89	191,42	79,77	2,973,11
„	24,	..	..	..	3,312,30	24,42	**3,336,73**	115,89	191,42	81,31	2,948,11
„	31,	..	..	..	3,301,07	36,17	**3,337,24**	115,89	171,42	81,82	2,968,11
February	7,		..	..	3,400,25	22,42	**3,422,66**	182,53	171,42	77,24	2,991,47
„	14,	..	..	..	3,424,99	17,40	**3,442,40**	182,53	171,42	76,98	3,011,47
„	21,	..	..	..	3,393,04	30,75	**3,423,79**	182,53	171,42	78,37	2,991,47
„	28,	..	..	..	3,396,15	27,43	**3,423,58**	182,53	171,42	78,16	2,991,47
March	7,	..	..	..	3,494,64	14,59	**3,509,23**	182,53	196,42	73,81	3,056,48
„	14,	..	..	..	3,520,11	13,81	**3,533,93**	182,53	196,42	73,50	3,081,48
„	21,	..	..	..	3,495,28	40,17	**3,535,45**	182,53	196,42	75,02	3,081,48
„	28,	..	..	..	3,496,67	39,53	**3,536,20**	182,53	216,42	75,77	3,061,48

(*a*) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 18.21 per 10 grams upto October 5, 1956, at Rs. 53.58 per 10 grams upto January 31, 1969 and at Rs. 84.39 per 10 grams thereafter. (*b*) Including Government of India one rupee notes issued from July 1940.

STATEMENT 24—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	Notes and coins	Balances held abroad (b)	LOANS AND ADVANCES TO					Bills purchased and discounted	Investments	Other assets
	Central Government	State Governments	Scheduled commercial banks	Scheduled state co-operative banks	Non-scheduled state co-operative banks	Other banks	Others	Total					Central Government	State Governments (c)	Scheduled commercial banks	State co-operative banks	Others (d)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
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
1966-67 ..	116,90	38,90	127,82	5,84	63	11	278,97	**569,17**	416,32	**985,49**	45,65	48,21	—	70,66	139,72	170,68	7,01	228,13	238,13	37,31
1967-68 ..	52,71	13,74	130,53	5,72	79	9	329,68	**533,27**	426,18	**959,45**	47,89	128,53	—	119,73	103,91	197,67	9,40	168,88	123,00	60,45
1968-69 ..	59,91	18,12	186,43	6,88	52	46	297,05	**569,38**	571,91	**1,141,29**	39,65	103,37	—	151,82	105,65	246,56	8,73	170,58	274,07	40,86
1968-69 (Weekly) As at the close of **1968**																				
April 5, ..	89,97	6,47	119,27	6,59	1,22	9	329,78	**553,39**	403,81	**957,21**	17,93	137,52	—	190,77	74,86	182,08	11,43	160,04	120,69	61,89
,, 12, ..	51,21	3,64	136,04	6,79	76	4	328,09	**526,58**	395,89	**922,47**	15,99	139,61	—	172,32	97,63	176,87	11,55	116,64	130,42	61,42
,, 19, ..	52,78	4,13	138,79	7,26	73	9	326,59	**530,36**	412,59	**942,95**	17,49	147,39	—	161,76	105,17	172,26	11,33	64,95	200,38	62,22
,, 26, ..	77,10	7,07	130,96	6,60	63	5	325,91	**548,32**	420,72	**969,04**	32,79	147,47	—	152,99	112,07	168,16	8,47	69,86	214,44	62,78
May 3, ..	56,08	4,71	140,01	6,43	66	10	324,47	**532,47**	418,01	**950,48**	10,77	154,66	—	163,43	116,95	166,34	8,47	75,01	191,25	63,58
,, 10, ..	50,93	7,37	135,34	6,11	66	6	327,51	**527,98**	411,14	**939,13**	25,80	116,30	—	129,85	148,37	163,99	8,49	69,14	208,47	68,73
,, 17, ..	96,14	4,92	140,23	6,50	74	6	323,39	**571,99**	421,36	**993,34**	28,31	121,64	—	128,35	114,23	161,16	8,59	82,63	277,36	71,07
,, 24, ..	90,28	4,51	139,10	5,23	62	6	321,12	**560,92**	420,29	**981,21**	23,30	125,45	—	125,88	57,07	159,45	9,13	87,23	322,49	71,22
,, 31, ..	84,24	7,49	136,74	7,21	1,14	10	321,90	**558,82**	419,04	**977,86**	42,37	107,81	—	103,07	73,21	160,69	9,69	88,97	319,77	72,27
June 7, ..	54,26	9,53	140,37	8,32	75	55	319,53	**533,31**	421,05	**954,36**	15,49	116,26	—	61,83	129,81	157,53	10,21	132,01	257,72	73,51
,, 14, ..	71,01	6,82	138,10	8,01	1,10	16	318,18	**543,37**	423,23	**966,60**	14,87	121,38	—	67,14	125,29	155,35	10,55	140,27	257,15	74,61
,, 21, ..	88,41	5,65	147,26	6,33	1,28	20	323,17	**572,30**	431,23	**1,003,54**	21,55	122,63	—	84,84	111,51	155,45	10,33	125,96	296,41	74,86
,, 28, ..	58,30	7,94	151,41	10,72	82	42	324,59	**554,20**	435,89	**990,10**	31,46	107,72	—	54,29	103,48	171,36	9,42	186,13	251,46	74,77
July 5, ..	55,23	14,31	139,51	7,69	1,16	19	388,91	**606,99**	368,90	**975,90**	20,66	105,55	—	61,06	97,19	167,89	9,42	150,71	306,55	56,87
,, 12, ..	58,08	6,07	150,32	6,70	97	18	387,92	**610,23**	362,92	**973,16**	23,49	101,61	—	61,68	98,54	165,00	9,37	148,55	313,20	51,72
,, 19, ..	73,87	7,72	149,86	6,78	96	27	386,36	**625,82**	368,34	**994,16**	24,92	96,36	—	62,14	81,17	168,53	9,34	139,08	370,45	42,18
,, 26, ..	62,36	7,69	134,51	7,41	75	18	386,06	**598,96**	369,27	**968,23**	26,98	95,40	—	56,94	64,74	170,39	9,38	149,08	356,10	39,22

August	2,	..	69,19	10,56	150,90	6,18	87	17	385,69	**623,56**	379,93	**1,003,49**	35,24	94,07	—	55,96	69,52	179,71	9,66	168,84	352,62	37,87
„	9,	..	52,47	18,20	135,67	5,96	89	13	381,54	**594,86**	367,09	**961,95**	30,06	95,20	—	42,11	97,52	181,04	9,43	153,88	316,20	36,48
„	16,	..	53,93	13,96	142,52	6,08	1,01	17	392,09	**609,75**	362,14	**971,90**	14,57	97,13	—	46,05	86,15	181,92	9,53	141,06	359,76	35,72
„	23,	..	64,78	12,12	146,78	5,89	1,05	17	323,39	**554,17**	371,99	**926,17**	24,38	98,21	—	47,29	61,51	187,04	9,55	139,07	325,33	33,78
„	30,	..	99,15	10,36	150,05	6,65	91	24	322,26	**589,62**	367,91	**957,53**	60,46	99,31	—	50,43	56,07	193,35	9,66	128,95	324,86	34,45
September	6,	..	98,64	13,41	132,94	6,10	80	16	357,72	**609,76**	375,41	**985,17**	36,61	107,24	—	70,33	79,83	202,44	10,74	158,44	285,51	34,02
„	13,	..	83,75	13,48	144,38	7,17	67	14	327,24	**576,83**	363,14	**939,97**	26,01	115,72	—	55,61	91,63	207,77	10,92	168,30	229,58	34,41
„	20,	..	76,16	11,51	141,53	6,36	68	12	322,36	**558,72**	367,58	**926,30**	18,85	124,54	—	59,43	50,72	210,13	9,85	178,10	240,97	33,72
„	27,	..	102,28	7,82	153,31	6,72	66	17	321,96	**592,93**	381,61	**974,54**	24,20	123,77	—	74,22	68,65	215,61	9,99	182,44	240,28	35,39
October	4,	..	53,65	5,24	152,27	5,85	66	17	325,30	**543,14**	368,70	**911,84**	20,24	125,30	—	104,43	39,58	218,38	10,17	223,69	134,62	35,43
„	11,	..	59,41	5,21	148,65	7,02	1,23	17	322,84	**544,53**	380,69	**925,22**	17,43	107,89	—	117,76	64,42	222,29	9,49	215,92	134,39	35,63
„	18,	..	51,15	5,44	144,34	5,89	58	16	330,93	**538,48**	380,10	**918,58**	17,49	107,11	—	121,50	20,03	226,30	9,59	197,80	184,21	34,55
„	25,	..	58,67	4,41	135,58	5,60	57	30	322,19	**527,32**	388,00	**915,32**	28,33	102,40	—	130,11	30,25	230,03	9,64	226,19	123,99	34,39
November	1,	..	58,54	10,36	148,68	6,85	65	16	331,72	**556,96**	399,45	**956,40**	52,33	103,20	—	90,34	18,34	229,98	9,73	230,65	186,32	35,52
„	8,	..	53,79	6,51	147,76	5,95	66	10	331,48	**546,26**	406,11	**952,37**	20,75	103,81	—	107,46	33,12	235,92	10,48	259,86	145,34	35,63
„	15,	..	57,92	6,63	146,95	7,20	64	13	329,88	**549,34**	399,59	**948,93**	24,59	101,53	—	119,99	23,70	236,68	9,82	252,18	144,03	36,43
„	22,	..	55,99	5,49	166,96	6,08	83	31	329,62	**565,28**	401,52	**966,80**	30,22	111,37	—	124,23	19,84	241,85	8,33	260,46	133,85	36,65
„	29,	..	55,80	7,87	154,29	6,41	92	18	332,83	**558,31**	405,19	**963,50**	54,40	91,52	—	122,44	15,44	246,15	9,93	280,01	105,69	37,92
December	6,	..	57,50	10,47	141,48	6,84	81	12	339,54	**556,75**	402,68	**959,43**	15,27	96,95	—	55,68	57,41	254,44	10,27	196,68	234,87	37,85
„	13,	..	55,32	7,35	147,61	5,58	78	10	310,08	**526,82**	406,29	**933,12**	17,03	62,37	—	62,08	61,57	262,55	9,81	200,94	218,22	38,55
„	20,	..	57,90	5,97	149,52	7,66	74	13	323,71	**545,62**	412,34	**957,96**	33,41	74,69	—	82,36	42,20	271,11	10,12	199,08	206,33	38,67
„	27,	..	63,85	6,45	156,13	7,50	2,29	17	323,08	**559,47**	417,96	**977,44**	47,48	80,87	—	81,97	45,04	277,75	8,76	216,62	179,04	39,93
1969																						
January	3,	..	54,76	14,73	150,90	6,10	1,01	19	328,63	**556,34**	422,37	**978,70**	34,61	73,49	—	52,15	57,00	276,80	8,82	220,33	215,44	40,08
„	10,	..	54,81	8,66	148,26	6,46	86	16	324,95	**544,17**	418,95	**963,12**	20,84	84,35	—	62,36	72,25	274,57	8,79	239,18	163,02	37,77
„	17,	..	53,95	7,55	158,45	7,74	72	23	320,39	**549,02**	438,01	**987,03**	15,79	87,08	—	64,57	45,47	272,70	8,63	234,31	220,56	37,92
„	24,	..	62,65	9,34	152,18	6,60	58	25	320,59	**552,19**	441,26	**993,46**	24,51	91,03	—	63,37	31,93	269,25	8,61	223,11	243,19	38,44
„	31,	..	57,74	7,61	158,12	6,57	79	31	293,56	**524,69**	449,74	**974,43**	36,34	94,95	—	73,70	33,37	269,70	8,99	201,84	215,75	39,80
February	7,	..	52,89	4,97	143,76	7,15	59	20	291,19	**500,75**	520,49	**1,021,24**	22,51	109,45	—	92,24	57,72	266,64	8,07	221,59	202,71	40,29
„	14,	..	57,13	7,06	145,91	6,72	62	37	289,02	**506,82**	523,43	**1,030,25**	17,50	108,33	—	100,27	107,25	264,45	7,75	201,38	183,06	40,26
„	21,	..	58,01	8,22	159,21	5,82	74	19	287,90	**520,09**	524,24	**1,044,34**	30,87	112,37	—	109,03	102,17	264,05	7,88	179,63	197,40	40,94
„	28,	..	54,85	6,44	151,02	6,28	1,11	23	291,06	**510,99**	537,39	**1,048,39**	27,59	117,11	—	116,26	119,19	264,14	8,32	188,60	165,25	41,94
March	7,	..	90,20	9,81	141,51	7,00	83	20	288,75	**538,30**	529,88	**1,068,17**	14,70	111,34	—	149,36	204,06	262,97	9,32	152,35	121,77	42,30
„	14,	..	66,06	11,38	158,94	6,86	48	63	285,86	**530,21**	531,81	**1,062,02**	13,93	109,14	—	132,36	240,64	261,32	9,40	145,70	107,15	42,38
„	21,	..	94,54	16,10	145,41	8,37	54	17	289,12	**554,25**	538,74	**1,092,99**	40,28	110,74	—	144,61	238,63	254,53	9,31	142,42	109,91	42,57
„	28,	..	59,91	18,12	186,43	6,88	52	46	297,05	**569,38**	571,91	**1,141,29**	39,65	103,37	—	151,82	105,65	246,56	8,73	170,58	274,07	40,86

(*a*) Including (*i*) Paid-up capital of Rs. 5 crores, (*ii*) reserve fund of Rs. 5 crores upto June 28, 1957, Rs. 80 crores upto January 31, 1969 and Rs. 150 crores thereafter, (*iii*) National Agricultural Credit (Long-term Operations) Fund of Rs. 10 crores from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957, Rs. 25 crores from July 4, 1958, Rs. 30 crores from July 3, 1959, Rs. 40 crores from July 1, 1960, Rs. 50 crores from June 30, 1961, Rs. 61 crores from July 6, 1962, Rs. 73 crores from July 5, 1963, Rs. 86 crores from July 3, 1964, Rs. 100 crores from July 2, 1965, Rs. 115 crores from July 1, 1966, Rs. 131 crores from June 30, 1967 and Rs. 143 crores from July 5, 1968, (*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, Rs. 10 crores from July 2, 1965, Rs. 16 crores from July 1, 1966, Rs. 25 crores from June 30, 1967 and Rs. 33 crores from July 5, 1968 and (*v*) National Industrial Credit (Long-term Operations) Fund of Rs. 10 crores from July 3, 1964, Rs. 15 crores from July 2, 1965, Rs. 20 crores from July 1, 1966, Rs. 30 crores from June 30, 1967 and Rs. 55 crores from July 5, 1968. (*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 25—RESERVE BANK OF INDIA AND CO-OPERATIVE CREDIT*

(In lakhs of rupees)

Year	Short-term loans to State Co-operative Banks											
	For seasonal agricultural operations and marketing of crops [17(4)(*a*), (2)(*b*) or (4)(*c*)] at 2 per cent below Bank rate@		For financing the purchase and distribution of chemical fertilizers [17(4)(*c*)] at Bank rate		For non-agricultural purposes							
					For financing handloom weavers' societies				For general banking purposes [17(4)(*a*)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17(2)(*b*) or (4)(*c*)] at Bank rate	
					For purchase of yarn [17(2)(*a*) or (4)(*c*)] at Bank rate		For production and marketing activities [17(2)(*bb*) or (4)(*c*)] at 1½ per cent below Bank rate					
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51	537.30	339.20							42.30	2.30		
1955-65	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	15169.42	10751.22			173.90	65.00	354.30	335.63	983.00	18.50	2032.00	18.00
1962-63	18452.69	11909.02			238.00	77.75	451.66	443.59	1040.00	48.00	1475.00	19.00
1963-64	27453.15	12049.42			291.00	79.00	487.69	486.68	1474.50	70.00	—	—
1964-65	25293.73	13131.99			580.00	73.00	506.09	493.78	1322.00	58.00	—	—
1965-66	24937.22	14471.69			311.00	39.00	554.82	556.65	3723.00	—	—	—
1966-67	30506.50†	14914.02†			58.00	24.00	503.63††	501.63††	2381.00	59.00	—	—
1967-68	35679.02£	15910.10£	3216.64	1004.38	173.25	24.00	871.36††	560.61††	1509.00	226.00	—	—
1968-69	40311.16££	20885.58££	3829.62	1046.49	73.10	31.60	845.43†††	596.46†††	2493.50	47.00	—	—

Year	National Agricultural Credit (Long-term Operations) Fund											
	National Agricultural Credit (Stabilisation) Fund, Loans to State Co-operative Banks for conversion of short-term loans into medium term loans in areas affected by drought [46(B)(2)] at 1½ per cent below Bank rate		Medium-term loans to State Co-operative Banks for agricultural purposes [17(4AA) read with 46A (2)(*b*)] at 1½ per cent below Bank rate @@		Medium-term loans to State Co-operative Banks for financing small and medium cultivators to enable them to purchase shares in co-operative sugar factories [17(4AA) read with 46A (2)(*b*)] at Bank rate		Long-term loans to State Governments for contribution to the share capital of co-operative credit societies [17(4AA) read with 46(A)2(*a*)] $		Rural debentures of land Mortgage Banks§ [17(4AA) read with 46A(2)(*d*)]		Ordinary debentures of Land Mortgage Banks	
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Purchases	Outstandings	Purchases	Outstandings
	13	14	15	16	17	18	19	20	21	22	23	24
1950-51											12.00	18.13
1955-56			41.34	51.11							9.50	73.38
1960-61			467.90	763.19			274.58	1995.17	33.17	107.15	2.90	66.81
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	614.26
1964-65			737·38	1105·02	—	4·89	418·25	2987.85	86.16	445·53	481.20	1095.46
1965-66			706.30	1165.44	—	—	252.82	2941.31	129.12	547.77	449.77	1545.23
1966-67	468.31	341.86	746.18	1221.04	5.00	5.00	227.10	2821.49	164.16	711.93	437.14	1976.37
1967-68	642.76	744.18	846.01	1193.86	10.00	10.00	736.08	3169.89	108.46	793.62	247.47	2216.34
1968-69	11.00	496.62	903.08	1300.97	4.00	12.90	378.48	3119.16	65.33	858.95	374.38	2584.74

Note: Advances to Central Land Mortgage banks under Section 17(4AA) read with Section 46A(2)(*c*) are nil.

*Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets.@ With effect from November 15, 1951. Prior to this date the rate of interest was 1½ per cent below Bank rate. From 1961-62 figures are inclusive of finance for Intensive Agricultural District Programme.†† Includes Rs. 17 lakhs under Section 17(4)(*a*).@@ Rate of interest of loans sanctioned prior to November 1, 1960 was 2 per cent below Bank rate. Includes Rs. 30.75 lakhs and Rs. 40.52 lakhs representing the amount drawn and outstandings respectively at the end of 1955-56 prior to constitution of the Fund. $ Rate of interest charged to State Governments is 'nil' per cent for the first two years, 2 per cent during the next three years, 2½ per cent for the next four years and 3 per cent during the next three years. ** Of this Rs. 27.65 lakhs pertain to the amount sanctioned in 1962-63. §Include special development debentures from 1962-63. † Include finance for High Yielding Varieties Programme.

£ Include Rs. 633.00 lakhs of drawals and Rs. 558.00 lakhs as outstandings for Cotton and Kapas.

££ Includes Rs. 935.50 lakhs and Rs. 472.00 lakhs under drawals and outstandings for Cotton and Kapas.

††† Includes Rs. 33.00 lakhs under Section 17(4)(*a*).

STATEMENT 26—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
1966-67	—	220.00	243.00	20.85	1,000.00	—	517.90
1967-68	—	220.00	243.00	20.85	2,000.00	—	597.38
1968-69	—	220.00	243.00	17.85	2,000.00	—	626.71

Note : Consequent on the merger of the Refinance Corporation for Industry with the Industrial Development Bank of India as from September 1, 1964, the shares held by the Reserve Bank of India of the paid-up value of Rs. 100 lakhs have been paid up by the Industrial Development Bank of India. (*a*) From August 1, 1964, all the shares of the Industrial Finance Corporation of India held by the Reserve Bank of India have been transferred to the Industrial Development Bank of India. (*b*) Relates to the data on long-term finance to Industrial Development Bank, for purposes of purchase of or subscription to stocks, shares, bonds, debentures issued by Industrial Finance Corporation, S.F.Cs. or any other notified financial institution or for purposes of any other business of Industrial Development Bank.

Outstanding as on last Friday	B. Medium-Term Finance to		C. Short-Term Finance to State Financial Corporations including M.I.I.C. [Under Section 17 (4)(*a*) of the Reserve Bank of India Act]
	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]	
	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
1966-67	—	132.75	50.05
1967-68	86.00	180.16	76.05
1968-69	—	222.40	24.00
March 1968	86.00	180.16	76.05
April „	—	160.16	82.05
May „	92.75	199.60	68.05
June „	—	231.35	102.05
July „	—	250.85	78.05
August „	—	270.91	78.05
September „	37.25	304.53	40.64
October „	—	311.28	28.00
November „	154.50	185.27	27.00
December „	—	196.27	59.05
January 1969	88.75	124.52	59.00
February „	81.50	112.37	21.00
March „	—	222.40	24.00

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 27—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)		PATNA (c)	
	Issued	*Paid*	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	17	18
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*		
1966-67	**6,490.4**	**4,736.0**	892.6	*798.9*	2,358.1	*2,775.9*	755.1	*414.0*	290.7	*132.9*	343.8	*521.3*	69.8	*27.1*	1,780.4	*65.9*		
1967-68	**7,536.0**	**5,603.9**	1,071.0	*960.7*	2,712.9	*3,144.9*	955.2	*685.2*	212.2	*135.0*	374.8	*580.8*	82.1	*24.0*	2,127.8	*73.3*		
1968-69	**9,195.2**	**7,385.1**	1,012.9	*1,030.5*	3,584.4	*3,904.1*	1,713.5	*1,328.3*	202.4	*176.9*	431.8	*642.3*	97.8	*46.7*	2,128.0	*244.9*	24·4	*11·2*
April 1967 to Sept. 1967	**3,746.0**	**2,808.1**	613.9	*533.7*	1,270.5	*1,670.8*	365.0	*272.9*	138.1	*47.5*	169.5	*252.6*	38.1	*9.2*	1,151.1	*21.5*		
Oct. 1967 to March 1968	**3,789.9**	**2,795.8**	457.1	*426.9*	1,442.5	*1,474.1*	590.2	*412.4*	74.1	*87.6*	205.3	*328.2*	44.0	*14.8*	976.7	*51.8*		
April 1968 to Sept. 1968	**4,450.5**	**3,613.0**	458.0	*468.9*	1,817.6	*1,922.3*	799.5	*779.3*	105.6	*79.1*	201.4	*302.7*	46.5	*22.1*	1,021.7	*37.9*	0.2	*0.9*
Oct. 1968 to March 1969	**4,744.7**	**3,772.1**	554.9	*561.7*	1,766.9	*1,981.9*	914.0	*549.0*	96.8	*97.9*	230.3	*339.7*	51.2	*24.6*	1,106.3	*207.0*	24.1	*10.4*

Note : Figures relate to the Indian Union. (*a*) Opened in July 1953. (*b*) Opened in September 1956. (*c*) Opened in September 1968.

STATEMENT 28—BORROWINGS BY SCHEDULED COMMERCIAL 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
	Total	At 4½%	At 5% †	At 6%	At 8%	At 9%	At 10%	Above 10%	
	1	2	3	4	5	6	7	8	9
1968-69	**81,91**	..	..	..	..	..	..	..	..
March 1968	**1,11,25**	52,43	47,61	7,64	3,41	—	13	4	4·93
April ,, ...	**97,43**	50,83	41,34	—	5,22	—	3	3	4·90
May ,, ...	**1,01,97**	61,07	40,30	—	54	—	—	5	4·72
June ,, ...	**1,17,52**	71,72	45,79	—	2	—	—	—	4·70
July ,, ...	**85,41**	52,10	33,31	—	—	—	—	—	4·69
August ,, ...	**74,15**	57,34	16,78	—	4	—	—	—	4·61
September ,, ...	**72,71**	66,54	6,17	—	—	—	—	—	4·54
October ,, ...	**38,57**	35,46	2,30	—	81	—	—	—	4·60
November ,, ...	**22,09**	..	..	..	..	..	..	..	..
December ,, ...	**51,55**	..	..	..	..	..	..	..	..
January 1969	**48,00**	..	..	..	..	..	..	..	..
February ,, ...	**96,58**	..	..	..	..	..	..	..	..
March ,, ...	**1,97,24**	..	..	..	..	..	..	..	..

Note : Upto September 25, 1964, interest was charged under the slab-rate system. Effective from September 26, 1964, the slab-rate system was replaced by a new system under which borrowings of Scheduled commercial banks are linked to the net Liquidity ratio. From October 29, 1966, the existing system has been modified. For further details please refer to the earlier issues of the Report.

† Bank rate was lowered to 5% with effect from the close of business on March 2, 1968.

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%, 1964-65—5·18%, 1965-66—6·87%, 1966-67—6·27% and 1967-68—5·49%.

STATEMENT 29—SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED COMMERCIAL BANKS' LIABILITIES AND ASSETS

(Amount in lakhs of rupees)

Season		Net demand deposits	Net time deposits	**Aggregate Deposits (1+2)**	Borrowings from Reserve Bank	Cash and balances with the Reserve Bank	*Cash ratio (a) at the end of the period*	Investments in Government securities (*b*)	*Investments ratio (c) at the end of the period*	Bank credit (*d*)	*Credit deposit ratio (e) at the end of the period*
		1	2	3	4	5	6	7	8	9	10
Slack	1950 ..	+ 11,68	+ 4	**+ 11,72**	— 8,22	+26,99	*13.0*	+ 37,86(*f*)	*43.1*(*f*)	— 74,43(*g*)	*47.7*(*g*)
Busy	1950-51 ..	— 4,74	+ 22,30	**+ 17,56**	+ 9,24	—25,21	*9.9*	— 65,91(*f*)	*34.8*(*f*)	+163,43(*g*)	*65.4*(*g*)
Slack	1955 ..	+ 20,97	+ 37,84	**+ 58,82**	— 21,37	+12,41	*9.1*	+ 47,71	*38.4*	— 31,55	*58.0*
Busy	1955-56 ..	+ 36,95	+ 5,00	**+ 41,95**	+ 50,35	— 6,74	*8.1*	— 36,93	*33.4*	+164,49	*71.2*
Slack	1960 ..	+ 7,41	— 30,68	**— 23,26**	— 27,02	+ 4,17	*7.6*	— 52,33	*36.2*	— 20,31	*58.2*
Busy	1960-61 ..	+ 52,68	— 43,34	**+ 9,34**	+21,53	—23,24	*6.3*	—126,32	*29.4*	+198.53	*68.3*
Slack	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*	+138,61	*30.5*	— 93,37	*71.7*
Busy	1965-66 ..	+120,60	+ 93,32	**+213,92**	+ 28,48	+ 5,44	*6.2*	— 27,34	*27.4*	+309,53	*76.9*
Slack	1966 ..	+ 84,80	+180,08	**+264,88**	— 29,79	+10,31	*6.0*	+298,15	*34.3*	— 85,67	*68.1*
Busy	1966-67 ..	+110,42	+ 58,69	**+169,11**	+ 40,77	+12,25	*6.1*	—198,07	*26.9*	+426,14	*77.1*
Slack	1967 ..	+ 63,51	+130,47	**+193,98**	— 36,06	+23,52	*6.4*	+218,23	*31.4*	—101,81	*70.3*
Busy	1967-68 ..	+122,17	+ 96,93	**+219,10**	+105,31	— 4,19	*6.0*	—182,30	*25.0*	+509,47	*79.4*
Slack	1968 ..	+ 12,28	+226,54	**+238,83**	— 81,82	+30,16	*6.3*	+133,82	*26.7*	— 42,85	*73.7*
Busy	1968-69 ..	+145,16	+179,80	+324,96	+ 70,73	+20,25	*6.3*	— 43,17	*23.8*	+426,61	*78.0*
Outstanding as on April 25, 1969 ..		**1,979,45**	**2,460,57**	**4,440,02**	**100,98**	**280,92**		**1,057,58**		**3,461,05**	

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 31—Scheduled Commercial Banks : Business in India. Figures above the line in columns 1, 2 and 3 relate to net demand/net time/aggregate liabilities. The ratios above the line in columns 6, 8 and 10 relate to aggregate liabilities. Figures of bank credit (column 9) below the line are exclusive of 'due from banks.'

(*a*) Percentage of cash and balances with the Reserve Bank of India to aggregate deposits. (*b*) At book value ; includes Treasury Bills and Treasury Deposit Receipts. (*c*) Percentage of investments in Government securities to aggregate deposits. (*d*) Includes foreign bills purchased and discounted in India from May 14, 1954. (*e*) Percentage of bank credit to aggregate deposits. (*f*) Based on Form XII figures submitted by Scheduled commercial banks. (*g*) Excluding foreign bills purchased and discounted in India and including money at call and short notice.

STATEMENT 30—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

	No. of reporting banks	Demand liabilities (*a*)				Time liabilities (*a*)				Aggregate deposits (3+7)	Borrowings from Reserve Bank (*b*)			Borrowings from State Bank of India and/or a notified bank (*c*) and State Governments (*d*)
		Deposits		Borrowings from banks	Others	Deposits		Borrowings from banks	Others		Against usance bills and/or promissory notes	Others	Total	
		Inter-bank	Others			Inter-bank	Others							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
As at the close of last Friday														
1966-67	87	125,82	1,674,78	17,03	97,00	60,64	1,814,98	21,10	26,21	**3,489,76**	218,23	75,60	**293,82**	102,30
1967-68	85	117,55	1,872,61	26,13	103,86	66,25	2,050,73	10,81	26,31	**3,923,34**	224,37	48,90	**273,27**	99,83
1968-69	87	133,52	1,966,27	25,71	115,87	77,21	2,458,29	9,51	26,85	**4,424,55**	277,21	72,85	**350,06**	95,93
1968-69 (Weekly) Friday Figures 1968														
April 5,	85	128,23	1,847,04	25,54	100,49	83,76	2,073,51	11,05	28,59	**3,920,55**	197,40	31,85	**229,26**	95,26
„ 12,	85	122,88	1,824,42	29,33	101,35	82,85	2,083,04	9,77	28,47	**3,907,46**	211,28	35,11	**246,38**	96,98
„ 19,	85	119,59	1,848,62	28,10	106,45	82,85	2,094,37	10,05	27,87	**3,942,99**	224,28	25,11	**249,39**	94,02
„ 26,	85	112,15	1,852,55	29,00	112,33	81,92	2,098,23	10,39	26,86	**3,950,78**	226,10	27,76	**253,86**	91,71
May 3,	85	113,59	1,835,39	29,17	107,71	79,52	2,100,37	10,04	29,16	**3,935,77**	226,86	27,18	**254,04**	90,49
„ 10,	85	111,11	1,820,12	31,19	107,97	72,64	2,108,02	9,37	28,21	**3,928,15**	238,83	44,17	**283,00**	90,19
„ 17,	85	110,93	1,839,53	36,63	103,52	69,11	2,122,99	9,08	28,07	**3,962,52**	222,28	25,24	**247,52**	84,99
„ 24,	85	110,71	1,859,69	39,89	109,34	68,64	2,119,95	9,24	27,49	**3,979,63**	172,33	15,70	**188,03**	86,90
„ 31,	85	111,66	1,835,08	37,83	109,22	72,09	2,128,70	13,26	29,60	**3,963,78**	177,32	25,75	**203,07**	85,46
June 7,	85	118,21	1,833,82	33,45	98,47	65,26	2,131,92	10,21	29,51	**3,965,74**	220,46	36,81	**257,26**	86,17
„ 14,	85	120,61	1,844,36	38,85	107,15	68,85	2,141,58	9,86	28,89	**3,985,94**	228,09	26,10	**254,18**	83,22
„ 21,	85	123,14	1,866,40	45,92	102,86	75,29	2,143,32	10,65	28,51	**4,009,72**	197,28	42,18	**239.47**	81,16
„ 28,	85	142,49	1,906,36	45,75	122,84	69,27	2,141,54	13,17	31,57	**4,047,89**	203,87	46,16	**250,02**	82,77
July 5,	85	128,68	1,884,27	49,79	123,08	73,94	2,161,03	12,78	28,54	**4,045,29**	220,65	24,84	**245,49**	76,03
„ 12,	85	120,14	1,892,67	49,57	118,52	89,59	2,169,47	12,78	27,80	**4,062,13**	230,00	16,45	**246,45**	75,86
„ 19,	86	114,28	1,902,56	45,42	116,00	90,08	2,194,45	10,06	27,26	**4,097,01**	213,05	19,89	**232,94**	76,13
„ 26,	86	114,24	1,910,46	38.07	121,93	91,42	2,203,91	10,61	26,47	**4,114,37**	200,96	18,89	**219,85**	77,86

August	2,	..	..	86	109,82	1,894,63	44,44	119,14	82,76	2,206,24	9,90	28,91	**4,100,87**	212,59	18,57	**231,16**	77,20
„	9,	..	..	86	107,60	1,874,94	45,34	115,69	77,25	2,213,67	14,87	28,12	**4,088,61**	239,37	23,47	**262,85**	80,61
„	16,	..	..	86	107,22	1,884,41	49,14	110,79	79,28	2,221,95	14,58	27,37	**4,106,36**	235,54	17,83	**253,36**	77,41
„	23,	..	..	86	109,13	1,893,80	50,14	98,03	82,68	2,226,05	14,94	27,07	**4,119,85**	218,97	14,43	**233,39**	79,06
„	30,	..	..	86	111,36	1,867,66	51,97	97,92	83,64	2,258,82	14,60	26,55	**4,126,48**	211,40	20,44	**231,85**	80,18
September	6,	..	..	86	103,59	1,867,03	41,74	98,58	84,13	2,260,39	15,12	28,45	**4,127,42**	214,75	50,15	**264,90**	79,98
„	13,	..	..	86	107,74	1,838,90	53,46	104,80	72,95	2,275,24	16,08	27,88	**4,114,14**	238,05	43,85	**281,90**	76,10
„	20,	..	..	86	103,84	1,839,16	48,96	101,02	81,40	2,284,89	16,39	26,92	**4,124,06**	217,50	25,53	**243,02**	77,73
„	27,	..	..	86	105,61	1,802,11	48,19	99,36	76,45	2,319,05	18,79	27,46	**4,121,16**	223,75	42,58	**266,33**	81,68
October	4,	..	..	86	109,94	1,857,18	54,47	104,16	75,63	2,285,96	14,63	29,58	**4,143,14**	199,38	40,43	**239,81**	83,63
„	11,	..	..	86	111,07	1,836,27	57,65	108,53	74,78	2,322,09	17,17	27,80	**4,158,35**	240,29	24,98	**265,27**	80,79
„	18,	..	..	86	108,28	1,836,79	57,30	111,24	84,43	2,328,94	14,66	28,59	**4,165,73**	205,35	21,47	**226,82**	83,44
„	25,	..	..	86	104,16	1,862,86	53,18	113,48	80,73	2,325,29	17,46	28,31	**4,188,14**	206,68	34,11	**240,79**	80,54
November	1,	..	..	86	103,16	1,851,01	50,37	111,80	84,51	2,339,86	17,56	29,84	**4,190,87**	204,82	20,04	**224,86**	80,52
„	8,	..	..	86	104,37	1,838,47	54,25	111,73	82,07	2,350,89	17,57	29,73	**4,189,36**	212,30	29,69	**241,99**	78,01
„	15,	..	..	86	106,17	1,847,20	50,19	106,96	88,33	2,363,03	17,75	29,31	**4,210,23**	217,64	14,79	**232,42**	77,18
„	22,	..	..	85	108,42	1,855,41	54,12	113,44	88,17	2,372,95	13,78	28,99	**4,228,37**	221,34	11,00	**232,34**	80,23
„	29,	..	..	85	107,33	1,856,38	49,06	112,42	90,03	2,371,44	12,23	28,80	**4,227,83**	214,04	15,27	**229,31**	81,83
December	6,	..	..	85	101,83	1,826,15	43,54	97,88	84,67	2,388,08	12,08	30,94	**4,214,22**	230,01	46,18	**276,19**	80,07
„	13,	..	..	85	105,34	1,822,61	48,49	99,63	91,31	2,402,01	18,43	30,38	**4,224,62**	263,58	21,43	**285,01**	76,61
„	20,	..	..	85	114,14	1,855,96	49,80	108,91	96,49	2,411,58	17,48	30,08	**4,267,55**	253,54	15,86	**269,41**	76,98
„	27,	..	..	85	130,34	1,887,68	51,09	113,38	99,25	2,408,23	18,10	28,88	**4,295,91**	255,86	21,73	**277,58**	76,59
1969																	
January	3,	..	..	85	127,87	1,884,21	53,11	115,06	92,72	2,421,18	15,48	29,76	**4,305,39**	263,19	29,18	**292,37**	76,02
„	10,	..	..	85	113,94	1,875,77	56,33	110,17	88,31	2,423,97	7,45	28,33	**4,299,74**	285,09	21,76	**306,85**	79,46
„	17,	..	..	85	115,25	1,882,88	62,85	112,13	91,28	2,428,49	8,42	27,19	**4,311,37**	245,72	31,67	**277,39**	82,02
„	24,	..	..	85	112,26	1,911,57	56,24	115,19	88,73	2,419,33	7,82	26,23	**4,330,90**	238,46	22,99	**261,46**	80,18
„	31,	..	..	85	112,67	1,916,01	51,52	112,99	89,32	2,420,58	8,58	27,14	**4,336,59**	237,84	24,09	**261,93**	80,53
February	7,	..	..	85	110,33	1,889,62	54,81	117,39	80,89	2,447,96	7,98	27,51	**4,337,58**	246,70	38,06	**284,76**	80,52
„	14,	..	..	85	110,34	1,899,92	55,12	120,32	76,41	2,452,52	7,58	26,25	**4,352,44**	283,84	48,61	**332,45**	86,30
„	21,	..	..	85	112,55	1,924,31	54,70	125,84	79,72	2,450,84	7,47	26,49	**4,375,15**	293,38	33,44	**326,82**	89,06
„	28,	..	..	85	116,93	1,902,26	42,74	126,96	78,71	2,455,82	7,54	28,30	**4,358,08**	291,42	51,96	**343,38**	94,33
March	7,	..	..	85	124,19	1,887,08	29,21	123,72	74,29	2,449,45	8,91	28,10	**4,336,52**	338,58	88,71	**427,29**	93,43
„	14,	..	..	87	120,85	1,922,15	29,37	121,94	74,89	2,455,78	10,35	27,56	**4,377,93**	416,89	83,86	**500,75**	96,17
„	21,	..	..	87	129,73	1,947,69	25,91	119,13	74,55	2,457,72	9,05	27,08	**4,405,41**	427,93	63,72	**491,65**	95,50
„	28,	..	..	87	133,52	1,966,27	25,71	115,87	77,21	2,458,29	9,51	26,85	**4,424,55**	277,21	72,85	***350,06**	95,93

STATEMENT 30—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(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 (17) to (10)*	Balances with other banks in current account	Money at call and short notice	Investments in Government securities(*e*)	*Percentage of (21) to (10)*	Loans, cash credits and overdrafts	Due from Banks	Inland	Foreign	**Total (23+25+26)**	*Percentage of (27) to (10)*
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
As at the close of last Friday														
1966-67	87,69	133,46	**221,15**	*6.3*	53,32	39,00	923,04	*26.5*	2,277,88	260,63	361,48	116,14	**2,755,51**	*79.0*
1967-68	89,94	137,37	**227,31**	*5.8*	39,97	46,36	1,000,88	*25.5*	2,555,95	274,32	411,27	131,03	**3,098,25**	*79.0*
1968-69	109,59	172,43	**282,02**	*6.4*	54,47	55,41	1,097,08	*24.8*	2,884,50	370,73	437,76	164,46	**3,486,72**	*78.8*
1968-69 (Weekly) Friday Figures 1968														
April 5, ...	95,54	150,90	**246,44**	*6.3*	44,37	54,04	1,019,11	*26.0*	2,558,85	259,36	421,51	133,61	**3,113,97**	*79.4*
,, 12, ...	101,62	145,30	**246,92**	*6.3*	41,89	54,87	1,001,93	*25.6*	2,567,87	255,30	430,43	133,97	**3,132,27**	*80.2*
,, 19, ...	101,16	142,20	**243,37**	*6.2*	40,85	59,77	1,001,74	*25.4*	2,574,76	247,96	429,77	133,79	**3,138,32**	*79.6*
,, 26, ...	98,98	138,21	**237,19**	*6.0*	39,03	50,55	1,000,98	*25.3*	2,581,85	244,47	426,66	135,02	**3,143,52**	*79.6*
May 3, ...	103,30	150,24	**253,54**	*6.4*	38,24	51,00	1,000,22	*25.4*	2,590,93	245,05	429,47	134,93	**3,155,33**	*80.2*
,, 10, ...	102,30	141,96	**244,27**	*6.2*	41,24	50,08	1,001,57	*25.5*	2,600,19	238,75	415,38	140,73	**3,156,30**	*80.4*
,, 17, ...	103,55	142,41	**245,96**	*6.2*	39,29	55,50	994,62	*25.1*	2,581,62	235,77	420,48	153,30	**3,155,40**	*79.6*
,, 24, ...	99,95	144,33	**244,28**	*6.1*	40,12	60,85	1,002,67	*25.2*	2,562,19	241,15	389,43	141,01	**3,092,63**	*77.7*
,, 31, ...	99,58	139,67	**239,25**	*6.0*	39,51	57,30	999,81	*25.2*	2,606,29	240,34	368,34	141,68	**3,116,31**	*78.6*
June 7, ...	98,65	151,65	**250,30**	*6.3*	40,36	47,87	992,72	*25.0*	2,653,16	240,70	354,36	144,70	**3,152,22**	*79.5*
,, 14, ...	99,99	138,98	**238,98**	*6.0*	40,07	58,46	998,69	*25.1*	2,634,16	241,43	369,66	136,81	**3,140,64**	*78.8*
,, 21, ...	100,20	144,37	**244,57**	*6.1*	43,01	67,86	1,006,68	*25.1*	2,609,76	249,51	376,30	134,91	**3,120,97**	*77.8*
,, 28, ...	126,12	154,03	**280,14**	*6.9*	53,59	59,08	1,009,72	*24.9*	2,685,03	267,30	348,14	131,39	**3,164,57**	*78.2*
July 5, ...	100,34	151,33	**251,67**	*6.2*	42,63	65,35	1,022,06	*25.3*	2,684,12	264,93	350,81	133,41	**3,168,34**	*78.3*
,, 12, ...	98,67	154,25	**252,91**	*6.2*	40,54	73,09	1,028,85	*25.3*	2,671,85	268,27	345,31	136,15	**3,153,31**	*77.6*
,, 19, ...	97,80	149,67	**247,48**	*6.0*	37,94	66,58	1,067,15	*26.0*	2,658,36	270,43	337,89	131,86	**3,128,11**	*76.4*
,, 26, ...	94,85	148,14	**242,99**	*5.9*	36,20	63,74	1,053,80	*25.6*	2,623,20	278,06	343,04	135,37	**3,101,62**	*75.4*

August	2,	..	..	95,01	162,54	**257,54**	*6.3*	37,16	61,74	1,066,23	*26.0*	2,626,35	285,52	355,25	137,20	**3,118,80**	*76.0*
,,	9,	..	..	99,35	142,35	**241,70**	*5.9*	37,38	59,01	1,089,42	*26.6*	2,622,06	289,81	356,38	140,04	**3,118,49**	*76.3*
,,	16,	..	..	101,68	146,00	**247,69**	*6.0*	35,98	63,87	1,091,29	*26.6*	2,630,37	282,31	341,06	141,48	**3,112,91**	*75.8*
,,	23,	..	..	99,78	153,07	**252,85**	*6.1*	39,48	67,30	1,096,72	*26.6*	2,608,10	295,27	341,30	141,93	**3,091,34**	*75.0*
,,	30,	..	..	100,82	150,93	**251,75**	*6.1*	37,33	70,69	1,097,26	*26.6*	2,606,19	303,65	343,89	145,70	**3,095,78**	*75.0*
September	6,	..	..	100,31	144,19	**244,50**	*5.9*	39,04	64,11	1,075,78	*26.1*	2,661,95	310,98	351,07	145,25	**3,158,27**	*76.5*
,,	13,	..	..	98,67	149,35	**248,02**	*6.0*	38,93	65,27	1,079,71	*26.2*	2,636,43	313,81	348,68	145,20	**3,130,30**	*76.1*
,,	20,	..	..	98,17	143,31	**241,48**	*5.9*	37,35	70,98	1,095,56	*26.6*	2,634,45	322,42	357,46	150,82	**3,142,73**	*76.2*
,,	27,	..	..	96,32	149,31	**245,63**	*6.0*	39,60	70,98	1,095,29	*26.6*	2,639,76	324,47	362,72	153,86	**3,156,34**	*76.6*
October	4,	..	..	122,63	146,76	**269,39**	*6.5*	40,88	80,18	1,099,33	*26.5*	2,642,64	328,85	369,94	152,66	**3,165,24**	*76.4*
,,	11,	..	..	112,26	153,23	**265,48**	*6.4*	39,66	87,18	1,116,62	*26.8*	2,610,97	330,62	360,26	150,01	**3,121,24**	*75.1*
,,	18,	..	..	108,22	149,24	**257,46**	*6.2*	39,51	93,90	1,125,51	*27.0*	2,608,32	334,61	356,33	156,10	**3,120,75**	*74.9*
,,	25,	..	..	117,80	149,10	**266,89**	*6.4*	42,72	83,14	1,137,60	*27.2*	2,574,64	343.49	353,90	158,94	**3,087,49**	*73.7*
November	1,	..	..	104,88	149,04	**253,92**	*6.1*	41,19	87,41	1,146,52	*27.4*	2,574,53	339,59	352,44	161,36	**3,088,33**	*73.7*
,,	8,	..	..	105,12	149,60	**254,72**	*6.1*	39,96	90,58	1,141,19	*27.2*	2,564,78	339,18	354,69	161,81	**3,081,28**	*73.6*
,,	15,	..	..	103,25	154,09	**257,34**	*6·1*	39,15	93,71	1,153,46	*27.4*	2,576,22	338,11	325,07	158,20	**3,059,49**	*72.7*
,,	22,	..	..	103,87	165,90	**269,76**	*6.4*	40,68	93,60	1,177,76	*27.8*	2,554,73	336,48	330,04	156,57	**3,041,34**	*71.9*
,,	29,	..	..	102,90	156,28	**259,18**	*6.1*	38,98	93,42	1,166,86	*27.6*	2,571,50	338,56	330,96	155,96	**3,058,42**	*72.3*
December	6,	..	..	103,49	155,59	**259,08**	*6.2*	38,96	112,45	1,128,14	*26.8*	2,603,80	341,17	316,26	156,49	**3,076,56**	*73.0*
,,	13,	..	..	102,59	155,27	**257,86**	*6.1*	42,05	123,52	1,121,15	*26.5*	2,583,97	344,09	346,57	156,00	**3,086,53**	*73.1*
,,	20,	..	..	97,51	152,05	**249,55**	*5.8*	41,38	134,45	1,134,62	*26.6*	2,602,19	345,53	349,66	154,50	**3,106,36**	*72.8*
,,	27,	..	..	114,74	161,68	**276,42**	*6.4*	59,32	134,68	1,122,33	*26.1*	2,619,18	349,06	361,08	155,67	**3,135,93**	*73.0*
1969																	
January	3,	..	..	109,27	160,88	**270,15**	*6.3*	55,54	97,48	1,155,40	*26.8*	2,659,30	352,69	367,61	156,95	**3,183,86**	*74.0*
,,	10,	..	..	100,97	156,52	**257,49**	*6.0*	46,45	88,81	1,151,01	*26.8*	2,648,19	346,50	396,34	160,21	**3,204,75**	*74.5*
,,	17,	..	..	105,64	157,88	**263,53**	*6.1*	47,21	93,59	1,151,83	*26.7*	2,666,10	340,50	345,11	160,71	**3,171,92**	*73.6*
,,	24,	..	..	104,31	157,99	**262,30**	*6.1*	46,63	85,52	1,146,90	*26.5*	2,674,09	337,22	353,31	157,85	**3,185,25**	*73.6*
,,	31,	..	..	103,26	155,72	**258,98**	*6.0*	44,77	82,58	1,136,91	*26.2*	2,672,20	338,65	387,03	159,49	**3,218,72**	*74.2*
February	7,	..	..	104,75	151,74	**256,49**	*5.9*	44,00	79,45	1,132,09	*26.1*	2,713,51	338,18	386,69	159,40	**3,259,60**	*75.2*
,,	14,	..	..	104,15	151,19	**255,33**	*5.9*	45,74	82,99	1,126,77	*25.9*	2,738,71	336,51	387,82	158,39	**3,284,92**	*75.5*
,,	21,	..	..	105,17	155,35	**260,52**	*6.0*	46,95	75,61	1,125,10	*25.7*	2,754,51	336,20	410,17	161,11	**3,325,79**	*76.0*
,,	28,	..	..	107,03	157,17	**264,20**	*6.1*	48,96	72,39	1,110,95	*25·5*	2,803,46	337,94	418,45	164,23	**3,386,14**	*77.7*
March	7,	..	..	113,44	153,52	**266,95**	*6.2*	50,97	49,80	1,105,94	*25.5*	2,827,35	338,81	473,16	159,79	**3,460,30**	*79.8*
,,	14,	..	..	112,00	153,82	**265,82**	*6.1*	48,94	53,55	1,106,20	*25.3*	2,827,70	382,05	490,40	162,42	**3,480,52**	*79.5*
,,	21,	..	..	111,86	146,52	**258,38**	*5.9*	51,42	54,09	1,099,23	*25.0*	2,842,70	375,50	522,73	165,18	**3,530,60**	*80.1*
,,	28,	..	..	109,59	172,43	**282,02**	*6.4*	54,47	55,41	1,097,08	*24.8*	2,884,50	370,73	437,76	164,46	**3,486,72**	*78.8*

Note : The data on Scheduled State co-operative banks are included from August 12, 1966. (*a*) Data do not include borrowings of any Scheduled State co-operative bank from State Government and any reserve fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank. (*b*) As available in the Reserve Bank records in the case of scheduled commercial banks and as reported by the banks in the case of Scheduled State co-operative banks. (*c*) Includes borrowings from the Industrial Development Bank of India and the Agricultural Refinance Corporation. (*d*) Borrowings from State Governments relate to Scheduled State co-operative banks only. (*e*) At book value; including Treasury Bills and Treasury Deposit Receipts, etc. For further details reference may be made to the footnotes to Statement 31.

STATEMENT 31—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

	No. of reporting banks	Demand liabilities				Time liabilities				Borrowings from Reserve Bank (*e*)			
		Deposits		Borrowings from banks (*a*)	Others (*b*)	Deposits		Borrowings from banks (*a*)	Others (*c*)	Aggregate deposits (3+7) (*d*)	Against usance bills and/or promissory notes	Others	Total	Borrowings from 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	13	14
As at the close of last Friday														
1950-51	93			23,62	592,55			8	288,06	**880,61**	—	**12,41**	12,41	..
1955-56	89			4,87	630,80			3,01	412,35	**1,043,15**	27,43	37,65	**65,08**	19,71
1960-61	89	55,68	719,72	14,01	52,11	14,29	1,026,34	11,07	22,45	**1,746,06**	45,39	49,15	**94,53**	18,52
1961-62	83	53,50	788,76	19,03	54,01	14,84	1,133,11	13,28	11,88	**1,921,87**	40,73	12,31	**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**	53,30	17,99	**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**	47,59	36,58	**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**	52,97	100,05	**153,02**	57,85
1965-66	76	80,46	1,426,86	39,59	75,22	41,50	1,522,97	26,75	17,82	**2,949,83**	43,25	30,26	**73,52**	52,39
1966-67	75	111,28	1,649,72	16,38	91,94	33,02	1,775,79	19,59	24,41	**3,425,51**	73,18	66,54	**139,72**	62,09
1967-68	73	97,65	1,844,32	26,13	100,07	30,53	2,011,66	10,81	24,25	**3,855,98**	63,85	40,06	**103,91**	70,94
1968-69	73	110,73	1,934,11	25,45	111,05	32,15	2,404,07	9,51	25,65	**4,338,18**	43,50	62,15	**105,65**	66,70
1968-69 (Weekly) Friday figures														
1968														
April 5, ...	73	105,23	1,817,44	25,54	96,59	44,68	2,033,33	11,05	26,53	**3,850,78**	49,16	25,70	**74,86**	64,94
,, 12, ...	73	100,83	1,795,28	29,33	97,55	43,59	2,041,96	9,77	26,41	**3,837,24**	68,46	29,17	**97,63**	67,09
,, 19, ...	73	96,09	1,819,25	28,10	102,74	44,33	2,052,76	10,05	25,80	**3,872,01**	86,07	19,10	**105,17**	65,26
,, 26, ...	73	92,10	1,822,01	29,00	109,03	43,92	2,054,23	10,39	24,79	**3,876,24**	90,30	21,77	**112,07**	63,04
May 3, ...	73	92,81	1,806,05	29,17	103,70	42,23	2,054,81	10,04	27,10	**3,860,86**	95,25	21,69	**116,95**	62,89
,, 10, ...	73	93,73	1,789,95	31,19	104,11	35,01	2,062,45	9,37	26,15	**3,852,40**	110,11	38,25	**148,37**	62,34
,, 17, ...	73	92,15	1,810,69	36,63	100,20	31,67	2,076,36	9,08	26,01	**3,887,05**	95,45	18,78	**114,23**	57,20
,, 24, ...	73	91,87	1,830,32	39,89	105,93	31,71	2,073,53	9,24	25,45	**3,903,85**	48,67	8,39	**57,07**	59,46
,, 31, ...	73	94,44	1,805,95	37,83	105,51	36,45	2,081,00	13,26	27,58	**3,886,95**	56,13	17,08	**73,21**	57,12

June	7,	..	..	73	98,09	1,803,35	33,45	94,79	29,15	2,085,05	10,21	27,48	**3,888,39**	101,03	28,77	**129,81**	58,27
,,	14,	..	..	73	101,94	1,813,95	38,85	103,32	31,34	2,094,82	9,86	26,83	**3,908,77**	107,50	17,79	**125,29**	55,22
,,	21,	..	..	73	101,83	1,835,90	45,92	99,08	35,90	2,096,49	10,65	26,45	**3,932,39**	77,02	34,49	**111,51**	52,30
,,	28,	..	..	73	111,80	1,874,80	45,75	118,02	30,51	2,094,25	13,17	29,51	**3,969,05**	67,01	36,48	**103,48**	55,53
July	5,	..	..	73	105,31	1,854,45	49,79	118,55	34,85	2,114,10	12,78	26,48	**3,968,55**	81,14	16,05	**97,19**	50,28
,,	12,	..	..	73	98,00	1,862,48	49,57	113,83	49,83	2,123,14	12,78	25,74	**3,985,62**	91,33	7,21	**98,54**	50,04
,,	19,	..	..	74	94,31	1,873,73	45,42	111,41	51,25	2,146,52	10,06	25,21	**4,020,25**	70,91	10,25	**81,17**	49,32
,,	26,	..	..	74	93,22	1,880,46	38,07	118,23	51,81	2,156,20	10,61	24,44	**4,036,66**	56,22	8,51	**64,74**	50,76
August	2,	..	..	74	91,36	1,865,45	44,44	115,50	42,68	2,158,03	9,90	26,87	**4,023,48**	61,62	7,90	**69,52**	49,09
,,	9,	..	..	74	90,50	1,845,44	45,34	111,97	36,61	2,165,88	14,87	26,09	**4,011,32**	85,16	12,37	**97,52**	52,38
,,	16,	..	..	74	88,74	1,854,38	48,23	107,22	38,52	2,173,77	14,58	25,85	**4,028,15**	79,37	6,78	**86,15**	50,53
,,	23,	..	..	74	91,12	1,863,14	49,18	94,46	41,71	2,177,91	14,94	25,54	**4,041,05**	58,03	3,48	**61,51**	53,30
,,	30,	..	..	74	92,48	1,836,77	51,97	94,52	42,47	2,211,88	14,60	25,00	**4,048,65**	47,22	8,85	**56,07**	53,11
September	6,	..	..	74	87,12	1,835,24	41,74	95,13	42,86	2,215,38	15,12	26,96	**4,050,62**	40,90	38,93	**79,83**	51,45
,,	13,	..	..	74	91,29	1,807,67	53,46	101,49	32,06	2,229,60	16,08	26,39	**4,037,27**	59,31	32,32	**91,63**	50,39
,,	20,	..	..	74	87,02	1,809,73	48,96	97,80	40,12	2,239,24	16,39	25,42	**4,048,96**	36,18	14,54	**50,72**	50,72
,,	27,	..	..	74	89,28	1,773,84	48,19	96,20	35,84	2,272,88	18,79	25,98	**4,046,71**	36,64	32,01	**68,65**	55,04
October	4,	..	..	74	93,93	1,828,05	54,47	100,61	35,27	2,240,86	14,63	28,09	**4,068,92**	9,87	29,71	**39,58**	56,58
,,	11,	..	..	74	96,33	1,805,93	57,65	104,79	33,95	2,277,04	17,17	26,31	**4,082,97**	50,33	14,08	**64,42**	54,38
,,	18,	..	..	74	92,44	1,808,36	57,30	107,36	43,57	2,283,37	14,66	27,10	**4,091,73**	10,72	9,31	**20,03**	56,39
,,	25,	..	..	74	88,18	1,834,29	53,18	110,03	39,54	2,280,77	17,46	26,82	**4,115,06**	8,84	21,41	**30,25**	53,82
November	1,	..	..	74	86,74	1,822,49	50,37	108,43	43,83	2,293,91	17,56	28,34	**4,116,39**	9,11	9,23	**18,34**	53,27
,,	8,	..	..	74	86,59	1,809,65	54,25	108,39	41,78	2,305,07	17,57	28,21	**4,114,71**	14,60	18,52	**33,12**	52,51
,,	15,	..	..	74	88,19	1,818,24	50,19	103,72	47,77	2,317,02	17,75	27,78	**4,135,26**	18,51	5,19	**23,70**	51,65
,,	22,	..	..	73	91,11	1,826,84	54,12	110,07	47,04	2,326,99	13,78	27,46	**4,153,83**	17,56	2,28	**19,84**	53,73
,,	29,	..	..	73	89,73	1,827,52	49,06	109,13	48,64	2,325,60	12,23	27,27	**4,153,12**	9,63	5,81	**15,44**	55,31
December	6,	..	..	73	87,78	1,794,16	43,54	94,75	42,60	2,342,29	12,08	29,39	**4,136,44**	20,89	36,52	**57,41**	53,63
,,	13,	..	..	73	90,74	1,793,44	48,39	96,22	48,71	2,356,23	18,43	28,82	**4,149,68**	50,15	11,42	**61,57**	49,68
,,	20,	..	..	73	96,36	1,826,87	49,80	105,85	54,36	2,365,45	17,48	28,52	**4,192,32**	34,81	7,39	**42,20**	51,12
,,	27,	..	..	73	111,73	1,858,23	51,09	109,48	57,21	2,362,72	18,10	27,32	**4,220,95**	32,13	12,91	**45,04**	49,52
1969																	
January	3,	..	..	73	107,83	1,854,69	53,11	110,53	50,66	2,375,98	15,48	28,17	**4,230,67**	38,47	18,53	**57,00**	49,55
,,	10,	..	..	73	97,77	1,844,33	56,33	105,92	46,61	2,377,97	7,45	26,75	**4,222,30**	61,71	10,54	**72,25**	52,94
,,	17,	..	..	73	99,74	1,852,07	62,85	108,34	49,54	2,382,19	8,42	25,97	**4,234,25**	25,38	20,09	**45,47**	55,34
,,	24,	..	..	73	97,73	1,881,41	56,24	111,08	46,68	2,371,94	7,82	25,08	**4,253,35**	18,75	13,18	**31,93**	53,54
,,	31,	..	..	73	97,74	1,887,01	51,52	109,13	43,20	2,374,57	8,58	25,98	**4,261,58**	18,77	14,60	**33,37**	53,94
February	7,	..	..	73	95,17	1,860,47	54,81	113,75	38,37	2,397,34	7,98	26,35	**4,257,81**	29,96	27,76	**57,72**	53,43
,,	14,	..	..	73	94,20	1,871,19	55,12	116,32	32,59	2,402,81	7,58	25,09	**4,274,00**	68,14	39,11	**107,25**	59,80
,,	21,	..	..	73	96,03	1,895,74	54,70	122,13	35,48	2,401,55	7,47	25,33	**4,297,29**	78,08	24,10	**102,17**	61,21
,,	28,	..	..	73	97,05	1,873,23	42,26	123,08	33,68	2,406,05	7,54	27,13	**4,279,28**	75,40	43,78	**119,19**	67,05
March	7,	..	..	73	104,84	1,858,36	28,93	120,21	29,59	2,399,85	8,91	26,94	**4,258,21**	124,18	79,88	**204,06**	63,02
,,	14,	..	..	73	101,76	1,890,97	29,11	118,03	31,33	2,400,17	10,35	26,37	**4,291,14**	170,63	70,01	**240,64**	64,78
,,	21,	..	..	73	110,32	1,915,38	25,65	114,72	29,42	2,402,67	9,05	25,89	**4,318,05**	187,87	50,76	**238,63**	65,89
,,	28,	..	..	73	110,73	1,934,11	25,45	111,05	32,15	2,404,07	9,51	25,65	**4,338,18**	43,50	62,15	**105,65**	66,70

STATEMENT 31—SCHEDULED COMMERCIAL BANKS : BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(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 (17) to (10) (f)*	Balances with other banks in current account	Money at call and short notice	Investments in Government Securities (*g*)	*Percentage of (21) to (10) (f)*	Loans, cash credits and overdrafts(*k*)	Due from banks	Inland	Foreign (*i*)	**Total (23+25+26) (*k*)**	*Percentage of (27) to (10) (f)*
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
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	..	..	73,25	97,55	**170,80**	*5.8*	30,11	57,51	810,69	*27.5*	1,945,78	19,77	269,65	72,71	**2,288,14**	*77.6*
1966-67	..	..	86,84	128,77	**215,62**	*6.3*	47,95	31,58	892,80	*26.1*	2,216,16	26,58	361,25	116,14	**2,693,55**	*78.6*
1967-68	..	..	89,04	132,30	**221,34**	*5.7*	38,19	41,37	967,03	*25.1*	2,490,83	17,99	411,13	131,03	**3,032,99**	*78.7*
1968-69	..	..	108,70	166,16	**274,85**	*6.3*	50,72	49,91	1,054,61	*24.3*	2,794,20	31,86	437,66	164,46	**3,396,32**	*78.3*
1968-69 (Weekly) Friday Figures 1968														
April 5,	..	..	94,56	144,34	**238,89**	*6.2*	41,53	45,89	985,06	*25.6*	2,492,36	14,74	421,38	133,61	**3,047,34**	*79.1*
,, 12,	..	..	100,73	139,75	**240,48**	*6.3*	38,96	46,17	967,87	*25.2*	2,503,05	15,69	430,32	133,97	**3,067,34**	*79.9*
,, 19,	..	..	100,39	136,12	**236,51**	*6.1*	38,47	52,56	967,59	*25.0*	2,507,71	13,10	429,61	133,79	**3,071,10**	*79.3*
,, 26,	..	..	98,13	132,37	**230,50**	*6.0*	36,94	43,57	966,93	*25.0*	2,515,74	12,10	426,53	135,02	**3,077,29**	*79.4*
May 3,	..	..	102,34	144,64	**246,98**	*6.4*	35,91	46,59	966,08	*25.0*	2,525,83	13,28	429,33	134,93	**3,090,09**	*80.0*
,, 10,	..	..	101,43	136,40	**237,83**	*6.2*	39,26	45,54	967,42	*25.1*	2,534,65	11,51	415,23	140,72	**3,090,60**	*80.2*
,, 17,	..	..	102,62	136,29	**238,91**	*6.2*	37,36	49,06	960,47	*24.7*	2,517,31	11,31	420,34	153,30	**3,090,94**	*79.5*
,, 24,	..	..	99,06	138,98	**238,04**	*6.1*	38,28	53,67	968,54	*24.8*	2,500,32	14,56	389,18	141,01	**3,030,51**	*77.6*
,, 31,	..	..	98,44	134,12	**232,56**	*6.0*	37,06	49,89	965,67	*24.8*	2,545,47	17,25	368,08	141,68	**3,055,24**	*78.6*
June 7,	..	..	97,62	145,83	**243,44**	*6.3*	37,61	39,98	958,59	*24.6*	2,592,58	15,32	354,12	144,70	**3,091,39**	*79.5*
,, 14,	..	..	99,12	133,51	**232,62**	*6.0*	37,56	50,20	964,56	*24.7*	2,575,08	15,47	369,41	136,81	**3,081,30**	*78.8*
,, 21,	..	..	99,26	139,44	**238,70**	*6.1*	39,80	60,34	972,51	*24.7*	2,551,05	15,66	376,06	134,91	**3,062,02**	*77.9*
,, 28,	..	..	125,25	144,25	**269,50**	*6.8*	48,83	50,61	975,64	*24.6*	2,623,51	14,64	347,98	131,39	**3,102,89**	*78.2*
July 5,	..	..	99,40	144,72	**244,12**	*6.2*	39,89	59,45	988,03	*24.9*	2,622,84	13,79	350,73	133,40	**3,106,97**	*78.3*
,, 12,	..	..	97,78	148,58	**246,36**	*6.2*	38,04	67,95	994,35	*25.0*	2,612,01	16,52	345,21	136,15	**3,093,37**	*77.6*
,, 19,	..	..	96,90	143,80	**240,70**	*6.0*	36,07	62,19	1,032,97	*25.7*	2,598,93	16,06	337,83	131,86	**3,068,62**	*76.3*
,, 26,	..	..	94,08	141,02	**235,10**	*5.8*	33,88	60,02	1,019,62	*25.3*	2,563,32	17,27	342,99	135,37	**3,041,68**	*75.4*

August	2,	..	..	94,04	156,71	**250,75**	*6.2*	34,38	58,12	1,032,44	*25.7*	2,565,42	19,63	355,19	137,20	**3,057,82**	*76.0*
,,	9,	..	..	98,45	136,83	**235,28**	*5.9*	34,69	55,02	1,055,33	*26.3*	2,563,32	19,26	356,33	140,04	**3,059,69**	*76.3*
,,	16,	..	..	100,80	140,48	**241,28**	*6.0*	33,59	59,67	1,057,19	*26.2*	2,571,72	18,41	341,04	141,48	**3,054,24**	*75.8*
,,	23,	..	..	98,88	147,59	**246,47**	*6.1*	36,45	62,87	1,062,62	*26.3*	2,550,28	17,18	341,27	141,93	**3,033,48**	*75.1*
,,	30,	..	..	99,86	145,35	**245,21**	*6.1*	34,90	67,02	1,063,40	*26.3*	2,548,26	19,97	343,79	145,70	**3,037,76**	*75.0*
September	6,	..	..	99,39	138,67	**238,05**	*5.9*	36,71	59,39	1,040,44	*25.7*	2,603,77	21,86	351,02	145,25	**3,100,04**	*76.5*
,,	13,	..	..	97,77	144,41	**242,17**	*6.0*	36,53	60,19	1,044,41	*25.9*	2,580,06	19,74	348,65	145,20	**3,073,91**	*76.1*
,,	20,	..	..	97,34	138,25	**235,59**	*5.8*	35,26	65,86	1,059,73	*26.2*	2,577,08	25,28	357,41	150,82	**3,085,32**	*76.2*
,,	27,	..	..	95,27	143,96	**239,23**	*5.9*	37,44	66,14	1,059,30	*26.2*	2,582,84	24,96	362,62	153,86	**3,099,33**	*76.6*
October	4,	..	..	121,39	141,60	**263,00**	*6.5*	38,37	75,67	1,063,35	*26.1*	2,586,76	26,56	369,85	152,66	**3,109,27**	*76.4*
,,	11,	..	..	111,44	148,09	**259,53**	*6.4*	37,11	83,50	1,080,61	*26.5*	2,557,38	25,47	360,21	150,01	**3,067,61**	*75.1*
,,	18,	..	..	107,18	143,83	**251,01**	*6.1*	37,93	88,36	1,088,71	*26.6*	2,554.51	25,05	356,28	156,10	**3,066,89**	*75.0*
,,	25,	..	..	116,70	143,97	**260,67**	*6.3*	40,30	78,24	1,100,75	*26.8*	2,521,67	30,69	353,83	158,94	**3,034,44**	*73.7*
November	1,	..	..	104,04	143,97	**248,00**	*6.0*	38,83	81,96	1,109,68	*27.0*	2,523,36	25,83	352,35	161,36	**3,037,07**	*73.8*
,,	8,	..	..	104,17	144,65	**248,82**	*6.0*	37,86	87,64	1,104,28	*26.8*	2,512,63	24,53	354,64	161,81	**3,029,07**	*73.6*
,,	15,	..	..	102,47	148,77	**251,24**	*6.1*	37,35	89,64	1,116,54	*27.0*	2,523,52	24,76	325,04	158,20	**3,006,77**	*72.7*
,,	22,	..	..	103,08	160,45	**263,52**	*6.3*	38,87	89,51	1,140,84	*27.5*	2,501,31	19,97	330,01	156,57	**2,987,89**	*71.9*
,,	29,	..	..	102,09	151,03	**253,12**	*6.1*	37,55	90,28	1,129,94	*27.2*	2,516,55	19,70	330,92	155,96	**3,003,43**	*72.3*
December	6,	..	..	102,58	151,02	**253,60**	*6.1*	36,90	75,53	1,124,72	*27.2*	2,545,99	21,99	316,23	156,49	**3,018,71**	*73.0*
,,	13,	..	..	101,77	150,70	**252,47**	*6.1*	39,91	85,74	1,117,48	*26.9*	2,524,33	24,01	346,53	156,00	**3,026,86**	*72.9*
,,	20,	..	..	96,63	146,70	**243,33**	*5.8*	39,58	96,53	1,130,12	*27.0*	2,540,38	23,29	349,60	154,50	**3,044,50**	*72.6*
,,	27,	..	..	113,84	155,83	**269,66**	*6.4*	56,32	96,75	1,117,15	*26.5*	2,552,27	26,60	361,05	155,67	**3,068,99**	*72.7*
1969																	
January	3,	..	..	108,29	154,79	**263,08**	*6.2*	53,78	92,08	1,117,47	*26.4*	2,590,22	27,31	367,58	156,95	**3,114,75**	*73.6*
,,	10,	..	..	100,07	150,86	**250,93**	*5.9*	43,82	82,87	1,113,08	*26.4*	2,576,98	25,44	396,29	160,21	**3,133,49**	*74.2*
,,	17,	..	..	104,74	152,11	**256,85**	*6.1*	45,31	87,93	1,114,06	*26.3*	2,595,79	22,78	345,07	160,71	**3,101,58**	*73.2*
,,	24,	..	..	103,43	152,53	**255,96**	*6.0*	43,74	80,10	1,109,13	*26.1*	2,603,04	22,32	353,25	157,85	**3,114,13**	*73.2*
,,	31,	..	..	102,33	150,46	**252,80**	*5.9*	42,23	77,39	1,099,13	*25.8*	2,599,94	23,55	386,96	159,49	**3,146,39**	*73.8*
February	7,	..	..	103,76	146,08	**249,84**	*5.9*	41,33	73,90	1,094,31	*25.7*	2,638,45	24,96	386,63	159,40	**3,184,49**	*74.8*
,,	14,	..	..	103,25	145,74	**248,99**	*5.8*	43,16	77,60	1,089,48	*25.5*	2,663,70	24,36	387,75	158,39	**3,209,83**	*75.1*
,,	21,	..	..	104,21	149,94	**254,15**	*5.9*	44,69	69,30	1,086,85	*25.3*	2,678,81	24,78	410,13	161,11	**3,250,05**	*75.6*
,,	28,	..	..	105,98	152,06	**258,04**	*6.0*	45,15	67,89	1,071,59	*25.0*	2,724,06	26,39	418,40	164,23	**3,306,69**	*77.3*
March	7,	..	..	112,43	147,98	**260,41**	*6.1*	48,34	45,97	1,066,48	*25.0*	2,745,41	28,84	473,08	159,79	**3,378,28**	*79.3*
,,	14,	..	..	111,05	148,31	**259,35**	*6.0*	46,01	47,85	1,064,49	*24.8*	2,742,25	29,10	490,28	162,42	**3,394,95**	*79.1*
,,	21,	..	..	110,97	140,77	**251,74**	*5.8*	47,61	48,74	1,056,83	*24.5*	2,756,60	29,40	522,66	165,18	**3,444,43**	*79.8*
,,	28,	..	..	108,70	166,16	**274,85**	*6.3*	50,72	49,91	1,054,61	*24.3*	2,794,20	31,86	437,66	164,46	**3,396,32**	*78.3*

Note : Compiled from the information supplied under Section 42(2) of the Reserve Bank of India Act. This statement has been recast to show separate figures of inter-bank transactions in respect of deposits and advances, which are available since November 25, 1960. The figures of assets and liabilities include changes consequent on the following transfers of P. L. 480 deposits with the State Bank of India to the Reserve Bank of India : (*i*) Rs. 12 crores each month from July 1960 to June 1961, (*ii*) Rs. 10 crores each month from November 1962 to March 1963, (*iii*) Rs. 6 crores each month from November 1963 to March 1964, (*iv*) Rs. 8 crores each month from November 1964 to March 1965 and (*v*) Rs. 5 crores in November 1965 and Rs. 4 crores each month from December 1965 to March 1966.

(*a*) Including borrowings from State Bank upto April 10, 1952. (*b*) Figures above the line include demand deposits. (*c*) Figures above the line include time deposits. (*d*) Figures above the line relate to aggregate liabilities. (*e*) As available in the Reserve Bank records. (*f*) Ratios above the line relate to aggregate liabilities. (*g*) At book value ; including Treasury Bills and Treasury Deposit Receipts. (*h*) Includes inland bills purchased and money at call and short notice. (*i*) Called for from May 14, 1954. (*j*) Relates to inland bills discounted only. (*k*) Figures above the line include due from banks also.

† Includes borrowings from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from April 1, 1966.

STATEMENT 32—CLASSIFICATION OF SCHEDULED COMMERCIAL BANKS'

Nature of Security	Outstandings as on March 1968	April 1968	May 1968	June 1968	July 1968	August 1968
	1	2	3	4	5	6
Seasonal Advances	**605,69**	**662,46**	**665,47**	**697,62**	**663,78**	**599,27**
1. Paddy and Rice	62,45	70,15	73,36	77,89	61,58	56,03
2. Wheat	20,93	25,53	40,46	99,04	119,73	113,56
3. Other Foodgrains	37,15	49,48	45,37	48,04	60,80	51,69
4. Sugar and gur	154,69	156,28	136,95	119,56	98,41	77,20
5. Groundnuts	11,41	10,37	9,53	6,36	4,61	3,68
6. Cotton and Kapas	149,47	164,12	169,29	166,37	152,03	135,91
7. Raw Jute	43,97	44,90	42,13	38,07	31,65	27,29
8. Tea	53,40	56,01	55,86	60,72	62,86	66,89
9. Others	72,22	85,62	92,52	81,57	72,11	67,02
Non-Seasonal Advances	**2,055,00**	**2,038,62**	**2,024,59**	**2,042,03**	**2,017,66**	**2,068,09**
Manufactures and Minerals						
10. Cotton Textiles	223,60	223,64	209,26	210,35	214,88	227,51
11. Jute Textiles	51,91	50,17	48,99	49,05	50,29	53,28
12. Iron & Steel and Engineering products	483,94	471,64	472,60	477,64	472,11	486,10
13. Others	474,61	465,76	472,37	476,55	468,56	483,37
Others						
14. Shares of Joint Stock Companies	81,39	82,22	81,18	81,74	80,13	79,36
15. Debentures of Joint Stock Companies	30,02	28,67	27,05	26,92	26,47	25,16
16. Government and other Trustee Securities	23,73	22,21	21,15	20,09	18,52	20,32
17. Gold and Silver Bullion and Ornaments	28,42	27,59	27,23	28,32	28,90	29,86
18. Assets of Industrial Concerns	181,82	185,59	188,08	190,60	188,16	190,01
19. Others	475,56	481,13	476,68	480,77	469,64	473,12
Total Secured Advances	**2,660,69**	**2,701,08**	**2,690,06**	**2,739,65**	**2,681,44**	**2,667,36**
Total Unsecured Advances	**369,01**	**368,68**	**361,19**	**359,71**	**362,46**	**376,35**

Note : 1. The data for this statement are obtained directly from the offices of scheduled commercial banks in India.
2. The data are exclusive of 'Due from banks'.

ADVANCES ACCORDING TO SECURITY

(In lakhs of rupees)

the last Friday of								*Slack Season Variations*		*Busy Season Variations*	
Septem-ber 1968	October 1968	Novem-ber 1968	Decem-ber 1968	January 1969	February 1969	March 1969	April 1969	*1967*	*1968*	*1967-68*	*1968-69*
7	8	9	10	11	12	13	14	15	16	17	18
557,14	**489,11**	**455,92**	**486,18**	**529,30**	**635,92**	**641,64**	**718,59**	*—201,71*	*—173,35*	*+383,35*	*+229,48*
36,76	33,53	40,66	51,44	46,20	69,85	53,69	72,62	*—12,32*	*—36,62*	*+62,91*	*+39,09*
116,68	95,31	93,74	84,04	51,60	76,89	44,30	61,88	*+7,61*	*+69,78*	*+12,46*	*—33,43*
47,79	38,60	31,59	33,65	39,46	46,58	36,38	49,40	*—4,72*	*—10,88*	*+29,86*	*+10,80*
61,32	46,51	30,80	33,92	65,54	92,14	128,56	149,05	*—72,90*	*—109,77*	*+127,48*	*+102,54*
3,37	3,24	5,47	11,53	19,17	18,62	17,64	14,99	*—17,54*	*—7,13*	*+8,15*	*+11,75*
124,26	114,68	102,38	116,48	143,28	162,09	179,34	182,78	*—65,05*	*—49,44*	*+83,47*	*+68,10*
27,94	26,78	28,28	29,70	27,64	27,06	26,17	27,77	*—13,83*	*—18,12*	*+19,23*	*+99*
74,83	73,55	72,54	69,96	71,27	67,12	66,26	64,93	*+15,33*	*+17,54*	*—1,87*	*—8,62*
64,19	56,91	50,46	55,46	65,14	75,57	89,30	95,17	*—38,29*	*—28,71*	*+41,66*	*+38,26*
2,147,81	**2,149,07**	**2,138,46**	**2,172,02**	**2,175,67**	**2,211,97**	**2,276,65**	**2,256.31**	*+78,12*	*+110,45*	*+111,90*	*+107,24*
234,64	238,43	231,96	231,18	233,56	237,31	240,66	239,22	*+14,75*	*+14,79*	*+22,58*	*+79*
57,78	59,60	59,57	64,09	65,43	66,18	68,26	65,76	*+3,26*	*+9,43*	*—3,71*	*+6,16*
507,02	502,73	504,64	506,57	503,95	503,19	501,99	489,24	*+47,59*	*+31,09*	*+5,99*	*+13,49*
499,24	505,62	500,20	505,80	506,46	514,78	551,68	537,80	*+25,67*	*+39,86*	*+36,79*	*+32,18*
79,75	81,43	81,65	82,02	82,57	82,98	84,26	84,50	*—7,71*	*—79*	*+2,07*	*+3,07*
25,26	22,73	22,05	22,24	22,48	25,58	25,35	25,17	*—2,13*	*—5,94*	*—2,24*	*+2,44*
26,01	21,77	19,53	19,36	18,02	19,57	20,29	19,91	*+3,07*	*—44*	*—2,68*	*—1,86*
30,79	31,19	32,61	32,72	33,06	33,24	33,35	32,90	*+2,35*	*+3,60*	*+1,24*	*+1,71*
191,90	194,94	192,74	193,08	196,97	196,92	194,92	199,62	*+48*	*+9,35*	*+29*	*+4,68*
495,42	490,63	493,51	514,96	513,17	532,22	555,89	562,19	*—9,21*	*+9,50*	*+51,57*	*+71,56*
2,704,95	**2,638,18**	**2,594,38**	**2,658,20**	**2,704,97**	**2,847,89**	**2,918,29**	**2,974,90**	*—123,59*	*—62,90*	*+495,25*	*+336,72*
398,45	**401,95**	**407,15**	**414,50**	**424,48**	**443,34**	**457,62**	**457,43**	*+27,79*	*+33,27*	*+3,49*	*+55,48*

STATEMENT 33—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
1966-67	..	..	**6,970**	**1,973,76**	328	91,36	86	12,27	214	50,46	2,321	728,32
1967-68	..	..	**7,226**	**2,073,67**	331	96,63	88	13,93	233	52,89	2,355	751,43
1968-69	..	..	**7,726**	**2,354,40**	396	124,03	97	16,19	253	59,40	2,493	835,59
March	1968	..	**7,802**	**2,434,60**	355	117,44	75	15,04	256	68,50	2,427	836,22
April	,,	..	**7,612**	**2,367,30**	330	119,28	87	14,99	256	64,70	2,426	853,37
May	,,	..	**7,786**	**2,334,46**	413	131,52	98	16,68	248	50,44	2,545	852,28
June	,,	..	**6,956**	**2,039,28**	350	109,45	86	14,95	217	48,48	2,285	723,57
July	,,	..	**8,213**	**2,335,98**	383	118,50	104	16,55	260	57,56	2,738	822,44
August	,,	..	**7,041**	**2,089,04**	277	96,31	90	14,30	243	56,36	2,207	709,25
September	,,	..	**7,288**	**2,195,42**	323	120,61	88	14,20	237	52,46	2,482	814,24
October	,,	..	**7,513**	**2,350,57**	297	113,43	96	16,17	263	55,39	2,412	812,61
November	,,	..	**7,892**	**2,348,44**	435	124,51	107	18,20	257	56,06	2,493	827,62
December	,,	..	**7,789**	**2,464,19**	426	122,95	101	17,27	251	58,30	2,477	886,66
January	1969	..	**8,773**	**2,718,53**	541	156,83	114	19,33	284	68,80	2,757	967,76
February	,,	..	**7,488**	**2,228,22**	470	132,00	96	16,10	240	56,18	2,320	767,01
March	,,	..	**8,360**	**2,781,36**	501	143,03	96	15,57	279	88,08	2,776	990,31

Period			Kanpur*		Lucknow		Madras*		Madurai		Mangalore	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
			25	26	27	28	29	30	31	32	33	34
1950-51	..	..	53	11,35	23	2,24	264	36,01	10	1,38	6	88
1955-56	..	..	76	12,44	32	2,54	351	35,55	16	1,75	10	1,05
1960-61	..	..	93	18,32	41	4,19	410	55,45	26	3,77	18	2,54
1961-62	..	..	100	19,31	43	4,58	438	59,37	31	4,92	18	2,66
1962-63	..	..	106	20,75	44	4,89	447	64,69	31	5,16	20	2,88
1963-64	..	..	109	23,28	45	5,09	483	73,38	35	5,91	21	3,42
1964-65	..	..	112	23,51	52	5,97	498	83,55	36	5,74	23	3,89
1965-66	..	..	119	26,35	53	7,40	510	102,09	41	6,47	24	4,22
1966-67	..	..	122	30,31	58	8,27	561	120,84	43	7,23	26	5,01
1967-68	..	..	130	33,81	62	9,25	591	128,36	49	8,61	26	5,00
1968-69	..	..	137	39,11	64	10,62	636	145,29	49	9,16	28	5,64
March	1968	..	140	34,72	70	11,64	716	133,89	52	9,55	30	4,85
April	,,	..	142	38,77	60	11,04	653	140,62	54	10,13	28	5,93
May	,,	..	146	40,92	75	9,15	621	136,59	52	9,36	28	6,01
June	,,	..	125	33,42	73	10,04	572	126,14	56	8,58	26	5,50
July	,,	..	139	39,23	69	9,47	699	150,11	50	9,23	28	5,68
August	,,	..	127	38,42	62	8,30	548	136,94	50	8,76	26	5,08
September	,,	..	121	33,24	54	9,26	622	136,64	45	8,95	24	4,42
October	,,	..	129	38,19	57	10,37	654	142,83	12	10,51	23	5,24
November	,,	..	148	39,34	58	9,82	642	132,87	47	8,36	28	5,20
December	,,	..	141	39,28	62	14,47	601	139,65	50	8,54	29	5,23
January	1969	..	161	46,42	75	14,07	787	153,79	58	10,39	32	6,73
February	,,	..	130	38,75	61	9,88	549	134,91	51	8,62	27	5,83
March	,,	..	137	43,37	67	11,53	680	212,38	59	8,46	32	6,83

Note : Annual figures are averages of months.

(ANNUAL AND MONTHLY)

(Number in thousands ; Amount in lakhs of rupees)

CALCUTTA*		COCHIN		COIMBATORE		DELHI		HYDERABAD		JAIPUR		JABALPUR	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
11	12	13	14	15	16	17	18	19	20	21	22	23	24
541	198,86			17	3,01	103	12,48	9	3,01				
688	251,17	13	3,39	24	3,93	195	21,29	17	3,35	13	1,72		
803	348,50	21	6,42	39	7,32	324	34,30	55	9,37	21	2,95		
879	354,12	27	6,01	42	8,47	337	37,88	61	10,99	23	3,38	9@	1,45@
918	388,75	26	7,49	44	8,97	353	42,20	71	13,31	26	4,32	9	2,23
906	417,76	29	8,88	52	10,44	368	45,07	85	17,02	28	4,86	12	2,75
944	449,91	31	9,43	52	11,15	371	45,81	100	20,51	32	5,47	13	2,87
1,018	487,93	32	13,29	59	12,25	381	53,27	96	20,27	39	6,60	15	3,30
1,071	489,27	33	15,26	62	13,33	408	61,65	109	22,36	42	7,53	16	3,92
1,057	491,13	35	15,52	73	13,27	419	66,17	119	25,26	46	8,86	16	3,70
1,029	520,95	32	20,45	82	16,37	453	74,73	133	31,54	52	11,92	17	4,16
1,080	595,14	34	14,95	88	15,29	468	73,49	120	26,78	56	11,06	19	4,13
1,020	524,43	33	15,94	103	15,45	468	72,73	125	28,58	53	12,79	17	4,92
981	515,90	34	18,92	83	14,78	508	75,98	144	33,08	52	11,30	17	4,74
929	454,77	31	20,08	73	13,95	427	67,05	116	28,24	43	10,58	15	4,13
1,088	516,68	33	21,53	88	16,17	488	74,53	147	34,11	53	11,35	19	3,56
1,017	503,29	33	19,58	82	15,37	428	66,63	120	24,73	50	10,26	17	3,58
1,025	506,66	26	16,24	76	16,56	412	61,41	124	29,41	46	10,50	16	3,20
980	509,49	34	20,94	65	17,03	398	76,50	126	32,47	50	11,31	16	3,59
1,087	539,69	35	21,68	79	15,90	462	81,29	114	32,31	58	10,71	18	3,45
1,070	547,73	32	22,13	80	15,63	463	76,69	131	32,32	54	12,31	17	3,96
1,064	574,46	29	24,06	89	19,21	525	92,18	129	38,51	57	14,59	21	5,92
1,035	482,42	31	22,67	77	16,40	451	77,62	129	27,79	48	11,60	17	5,11
1,057	575,83	34	21,59	90	20,04	409	74,12	194	36,96	55	15,74	16	3,73

NAGPUR*		NEW DELHI*		PATNA*		POONA		SIMLA		SURAT		OTHER CENTRES	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
35	36	37	38	39	40	41	42	43	44	45	46	47	48
21	2,34	56	4,10	9	91	29	1,91	7	45			58	6,51
30	4,05	106	10,93	12	1,34	39	2,66	5	27			100	10,24
37	6,21	223	49,53	18	2,82	65	5,48	5	54	43	5,05	285	34,56
41	6,09	235	52,13	19	2,94	73	6,55	5	60	45	6,08	376	48,91
44	7,07	254	63,02	19	3,75	83	7,90	6	69	49	7,29	445	62,63
50	8,88	280	75,45	22	4,02	89	9,35	6	76	55	8,51	516	75,62
53	9,79	307	82,59	24	5,07	99	11,10	6	93	59	9,46	592	88,85
64	12,05	351	96,18	28	6,56	100	12,39	6	90	64	11,94	694	110,94
68	12,81	402	117,17	28	6,77	112	15,37	7	96	71	13,67	783	139,63
71	13,37	410	131,48	33	8,74	114	16,73	7	1,08	77	15,97	883	162,51
78	16,00	453	168,55	36	12,01	136	21,14	7	1,24	87	17,16	978	193,15
76	14,38	482	201,39	36	15,93	137	20,52	7	1,00	91	16,97	987	191,71
83	19,43	449	172,12	37	15,45	134	20,85	7	1,32	89	18,63	955	185,83
75	15,88	446	156,56	40	12,70	132	20,64	7	1,09	91	19,04	949	180,89
61	13,24	381	132,54	32	11,91	120	18,27	7	1,04	81	6,94	854	176,41
73	14,69	486	170,92	41	11,89	147	21,09	8	1,21	94	19,41	977	190,06
86	15,07	425	148,81	38	12,29	130	19,63	8	1,24	53	10,99	926	163,86
76	13,61	380	125,20	35	10,84	137	21,11	7	1,16	80	16,84	854	168,66
78	15,10	561	213,56	36	11,49	134	22,64	8	1,44	92	17,72	991	192,55
74	15,62	478	164,77	37	11,28	114	18,05	8	1,96	83	18,28	1,032	191,46
77	14,76	429	171,79	32	10,42	148	22,46	6	1,54	88	18,20	1,023	221,89
92	18,82	518	194,92	37	13,46	165	24,16	7	1,21	105	20,83	1,126	232,10
75	15,77	436	156,19	31	10,88	139	21,59	6	68	90	18,48	977	191,72
86	19,99	451	215,26	37	11,47	131	23,23	7	97	99	20,51	1,067	222,37

* Managed by the Reserve Bank of India. @ Average of nine months.

STATEMENT 34—NON-SCHEDULED COMMERCIAL BANKS: LIABILITIES AND ASSETS IN INDIA

(Amount in lakhs of rupees)

Last Friday	No. of functioning banks (a)	LIABILITIES													
		Total (b)	Capital and Reserves			Aggregate deposits (9+12)	Deposits						Due to other banks	Other liabilities
			Total	Paid-up capital (c)	Reserves		Demand			Time				
							Total	Inter-bank	Others	Total	Inter-bank	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1955-56	378	**84,56**	**12,15**	7,82	4,33	**66,81**	**24,90**	42	24,48	**42,71**	38	42,33	2,29	2,51
1960-61	256	**54,16**	**6,95**	4,33	2,62	**42,73**	**11,58**	15	11,43	**31,76**	46	31,30	1,37	2,50
1961-62	212	**48,44**	**5,96**	3,60	2,36	**37,61**	**10,23**	19	10,04	**27,91**	34	27,57	1,49	2,85
1962-63	211	**47,47**	**6,08**	3,59	2,49	**37,31**	**10,82**	29	10,53	**27,26**	48	26,78	82	2,49
1963-64	183	**40,81**	**5,55**	3,12	2,43	**30,45**	**9,68**	19	9,49	**21,38**	42	20,96	1,95	2,25
1964-65	103	**34,73**	**4,36**	2,39	1,97	**26,93**	**9,38**	18	9,20	**17,91**	18	17,73	1,19	1,89
1965-66	33	**28,09**	**1,95**	1,05	90	**23,82**	**8,30**	17	8,13	**15,79**	10	15,69	43	1,62
1966-67	24	**27,57**	**1,86**	98	88	**23,75**	**9,14**	14	9,00	**14,85**	10	14,75	23	1,49
1967-68	19	**29,10**	**1,74**	89	85	**25,16**	**10,29**	22	10,07	**15,13**	4	15,09	67	1,27
1968-69	17	**30,73**	**1,74**	83	91	**26,89**	**11,97**	25	11,72	**15,24**	7	15,17	48	1,30
December 1967	22	**29,82**	**1,90**	96	94	**25,58**	**9,94**	18	9,76	**15,88**	6	15,82	72	1,38
January 1968	20	**30,67**	**1,80**	92	88	**26,86**	**11,62**	15	11,47	**15,42**	3	15,39	52	1,31
February „	19	**29,07**	**1,74**	88	86	**25,58**	**10,50**	11	10,39	**15,23**	4	15,19	36	1,24
March „	19	**29,10**	**1,74**	89	85	**25,16**	**10,29**	22	10,07	**15,13**	4	15,09	67	1,27
April „	19	**29,51**	**1,75**	89	86	**25,64**	**10,43**	14	10,29	**15,41**	6	15,35	38	1,54
May „	19	**29,39**	**1,75**	89	86	**25,39**	**10,15**	47	9,68	**15,86**	15	15,71	28	1,35
June „	19	**30,08**	**1,78**	89	89	**26,24**	**10,44**	21	10,23	**16,08**	7	16,01	44	1,34
July „	18	**29,16**	**1,70**	83	87	**25,33**	**10,10**	11	9,99	**15,43**	9	15,34	76	1,17
August „	17	**28,49**	**1,69**	83	86	**24,88**	**9,72**	8	9,64	**15,31**	7	15,24	62	1,15
September „	17	**29,31**	**1,69**	83	86	**24,93**	**10,66**	26	10,40	**14,61**	8	14,53	95	1,40
October „	17	**28,91**	**1,69**	83	86	**24,71**	**9,74**	20	9,54	**15,32**	15	15,17	57	1,59
November „	17	**29,67**	**1,69**	82	87	**25,75**	**10,30**	15	10,15	**15,70**	10	15,60	56	1,42
December „	17	**31,36**	**1,69**	83	86	**26,53**	**10,83**	21	10,62	**16,03**	12	15,91	1,49	1,32
January 1969	17	**30,12**	**1,71**	83	88	**26,52**	**10,58**	17	10,41	**16,28**	17	16,11	28	1,27
February „	17	**30,29**	**1,71**	83	88	**26,69**	**10,63**	18	10,45	**16,42**	18	16,24	30	1,23
March „	17	**30,73**	**1,74**	83	91	**26,89**	**11,97**	25	11,72	**15,24**	7	15,17	48	1,30

STATEMENT 34—NON-SCHEDULED COMMERCIAL BANKS: LIABILITIES AND ASSETS IN INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday			ASSETS														*16*	*21*	*25*
			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 Credit			Due from banks	Investments				Other assets	*As percentage of aggregate deposits*	
				Total	Cash in hand	Balances with Reserve Bank			Total	Advances	Bills purchased and discounted		Total	Central Government (*d*)	State Governments	Others			
			15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
1955-56	..	..	**84,40**	**4,67**	4,66	1	2,37	76	**41,71**	38,54	3,17	6	**30,32**	16,65	7,97	5,70	4,51	*7.0*	*62.4*	*45.4*
1960-61	..	..	**53,99**	**3,22**	3,21	1	2,55	55	**29,11**	27,82	1,29	2	**14,80**	4,63	6,14	4,03	3,74	*7.5*	*68.1*	*34.6*
1961-62	..	..	**48,36**	**2,96**	2,95	1	2,46	1,18	**25,38**	24,40	98	3	**12,73**	3,53	6,06	3,14	3,62	*7.9*	*67.5*	*33.8*
1962-63	..	..	**47,37**	**2,52**	2,51	1	3,65	1,80	**20,88**	19,70	1,18	1	**14,95**	3,41	6,44	5,10	3,56	*6.8*	*56.0*	*40.1*
1963-64	..	..	**40,68**	**2,10**	2,08	2	2,11	1,59	**20,20**	19,18	1,02	3	**11,38**	3,17	4,61	3,60	3,27	*6.9*	*66.3*	*37.4*
1964-65	..	..	**34,62**	**1,78**	1,75	3	1,71	1,39	**17,48**	16,51	97	—	**9,42**	2,50	4,02	2,90	2,84	*6.6*	*64.9*	*35.0*
1965-66	..	..	**28,01**	**1,63**	1,62	1	2,07	36	**14,14**	13,28	86	—	**7,76**	1,88	3,73	2,15	2,05	*6.8*	*59.4*	*32.6*
1966-67	..	..	**27,46**	**2,04**	2,04	—	2,14	61	**14,05**	13,26	79	—	**6,73**	1,68	3,39	1,66	1,89	*8.6*	*59.2*	*28.3*
1967-68	..	..	**29,05**	**1,73**	1,72	1	1,87	86	**14,21**	13,39	82	—	**7,69**	1,44	4,75	1,50	2,69	*6.9*	*56.5*	*30.6*
1968-69	..	..	**30,66**	**2,08**	2,07	1	2,11	18	**15,10**	14,23	87	—	**8,38**	99	5,76	1,63	2,81	*7.7*	*56.2*	*31.2*
December	1967	..	**29,75**	**1,60**	1,58	2	2,12	1,63	**12,81**	12,12	69	—	**7,38**	1,16	4,66	1,56	4,21	*6.3*	*50.1*	*28.9*
January	1968	..	**30,61**	**1,61**	1,61	—	2,53	41	**12,62**	11,79	83	—	**7,28**	1,13	4,66	1,49	6,16	*6.0*	*47.0*	*27.1*
February	,,	..	**29,03**	**1,61**	1,60	1	2,07	80	**12,29**	11,52	77	—	**6,82**	86	4,47	1,49	5,44	*6.3*	*48.0*	*26.7*
March	,,	..	**29,05**	**1,73**	1,72	1	1,87	86	**14,21**	13,39	82	—	**7,69**	1,44	4,75	1,50	2,69	*6.9*	*56.5*	*30.6*
April	,,	..	**29,42**	**1,73**	1,72	1	2,75	1,16	**12,40**	11,60	80	—	**8,21**	1,44	4,79	1,98	3,17	*6.7*	*48.4*	*32.0*
May	,,	..	**29,34**	**1,94**	1,91	3	1,71	78	**13,44**	12,75	69	—	**8,32**	1,04	5,33	1,95	3,15	*7.6*	*52.9*	*32.8*
June	,,	..	**30,04**	**2,12**	2,07	5	2,06	48	**12,79**	12,07	72	—	**8,79**	1,05	5,54	2,20	3,80	*8.1*	*48.7*	*33.5*
July	,,	..	**29,09**	**1,36**	1,36	—	1,49	1,02	**11,98**	11,37	61	—	**8,45**	1,00	5,43	2,02	4,79	*5.4*	*47.3*	*33.4*
August	,,	..	**28,44**	**1,95**	1,92	3	1,75	34	**12,41**	11,56	85	—	**8,00**	99	5,41	1,60	3,99	*7.8*	*49.9*	*32.2*
September	,,	..	**29,24**	**1,95**	1,95	—	1,57	28	**12,61**	11,73	88	—	**7,96**	99	5,33	1,64	4,87	*7.8*	*50.6*	*31.9*
October	,,	..	**28,95**	**1,42**	1,42	—	1,55	22	**13,13**	12,30	83	—	**7,92**	1,00	5,37	1,55	4,71	*5.7*	*53.1*	*32.1*
November	,,	..	**29,60**	**1,89**	1,88	1	1,60	21	**13,27**	12,49	78	—	**7,95**	1,00	5,64	1,31	4,68	*7.3*	*51.5*	*30.9*
December	,,	..	**31,28**	**2,07**	2,06	1	2,11	21	**12,94**	12,14	80	—	**7,99**	99	5,70	1,30	5,96	*7.8*	*48.8*	*30.1*
January	1969	..	**30,07**	**2,07**	2,07	—	1,94	13	**12,98**	12,11	87	22	**8,30**	99	5,72	1,59	4,43	*7.8*	*48.9*	*31.3*
February	,,	..	**30,24**	**2,18**	2,18	—	1,83	19	**13,30**	12,34	96	—	**8,27**	98	5,73	1,56	4.47	*8.2*	*49.8*	*31.0*
March	,,	..	**30,66**	**2,08**	2,07	1	2,11	18	**15,10**	14,23	87	—	**8,38**	99	5,76	1,63	2,81	*7.7*	*56.2*	*31.2*

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.

(*a*) Relate to reporting banks upto October 1965. (*b*) As the data relate only to areas to which the Banking Regulation Act extended, the total liabilities do not agree with the total assets. (*c*) Excluding banks incorporated outside Indian Union. (*d*) Including Treasury Bills and Treasury Deposit Receipts.

STATEMENT 35—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	Borrowings from State Bank and/or a notified bank and State Governments (*d*)		
		Aggregate Deposits (*a*) (5+10)	DEMAND					TIME								
			Total	Deposits		Borrowings from banks	Others (*b*)	Total	Deposits		Borrowings from banks	Others (*c*)		Total	Demand	Time
				Inter-bank	Others				Inter-bank	Others						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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	88,29	**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	122,77	**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	134,18	**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	133,51	**5,57**	5,25	32
1964-65 ..	18	**58,44**	**40,98**	15,81	23,60	—	1,57	**56,73**	19,19	34,84	—	2,70	149,81	**21,59**	9,60	11,99
1965-66 ..	18	**62,28**	**43,40**	15,10	25,82	—	2,48	**66,39**	28,60	36,46	—	1,33	166,78	**19,15**	4,67	14,48
1966-67 ..	19	**77,85**	**53,68**	15,14	32,33	64	5,57	**77,52**	28,25	45,52	1,51	2,23	169,31	**40,45**	18,75	21,70
1967-68 ..	20	**83,00**	**63,28**	20,40	38,04	—	4,83	**83,45**	36,40	44,96	—	2,09	197,60	**30,02**	8,62	21,40
1968-69 ..	24	**102,14**	**70,86**	23,22	42,04	26	5,34	**107,50**	46,13	60,10	—	1,26	245,13	**35,51**	8,14	27,36
1968-69 (Weekly) Friday Figures 1968																
April 5, ..	20	**86,47**	**68,57**	23,75	40,29	—	4,54	**88,03**	39,75	46,19	—	2,09	182,09	**31,45**	9,10	22,35
,, 12, ..	20	**86,77**	**66,80**	22,70	39,67	—	4,43	**89,11**	39,92	47,10	—	2,09	176,13	**31,04**	8,69	22,35
,, 19, ..	20	**87,39**	**68,11**	24,09	39,68	—	4,33	**88,96**	39,16	47,71	—	2,09	171,43	**29,78**	7,52	22,26
,, 26, ..	20	**91,22**	**65,71**	20,62	41,13	1	3,95	**90,83**	38,64	50,10	—	2,10	168,67	**29,38**	7,71	21,67
May 3, ..	20	**91,27**	**66,14**	21,76	39,80	—	4,58	**91,48**	37,93	51,47	—	2,09	165,09	**28,22**	6,43	21,79
,, 10, ..	20	**92,02**	**62,98**	18,01	40,53	2	4,42	**91,91**	38,33	51,49	—	2,09	162,35	**28,47**	6,68	21,79
,, 17, ..	20	**91,67**	**62,59**	19,50	39,15	—	3,95	**92,80**	38,19	52,53	—	2,09	161,68	**28,41**	6,62	21,79
,, 24, ..	20	**91,86**	**63,40**	19,45	39,90	—	4,05	**91,70**	37,68	51,96	—	2,07	158,95	**28,21**	7,85	20,36
,, 31, ..	20	**93,85**	**62,94**	17,92	40,76	3	4,23	**91,51**	36,38	53,09	—	2,04	158,08	**29,10**	7,20	21,90
June 7, ..	20	**93,89**	**66,06**	20,71	41,02	5	4,28	**91,79**	36,86	52,87	—	2,06	153,72	**28,82**	6,88	21,94
,, 14, ..	20	**93,61**	**64,49**	19,22	40,77	2	4,48	**93,20**	38,28	52,84	—	2,09	151,60	**28,92**	6,98	21,94
,, 21, ..	20	**94,16**	**67,35**	21,89	41,18	—	4,27	**95,22**	40,15	52,98	—	2,09	148,66	**29,79**	7,88	21,90
,, 28, ..	20	**100,38**	**83,44**	31,44	46,51	—	5,50	**95,49**	39,53	53,87	—	2,09	167,21	**28,35**	6,77	21,58
July 5, ..	20	**95,95**	**71,96**	24,16	42,60	—	5,20	**95,29**	39,86	53,35	—	2,08	167,01	**27,02**	5,29	21,73
,, 12, ..	20	**96,06**	**71,29**	22,83	43,15	—	5,31	**95,53**	40,54	52,91	—	2,09	163,96	**27,09**	5,45	21,64
,, 19, ..	20	**95,22**	**66,80**	20,59	40,99	—	5,21	**95,92**	39,60	54,23	—	2,09	167,44	**28,08**	6,44	21,64
,, 26, ..	20	**96,21**	**67,99**	21,69	42,00	—	4,30	**96,67**	40,39	54,21	—	2,06	170,41	**28,52**	6,73	21,79

August	2, ..	20	**96,06**	**64,84**	19,06	41,53	2	4,23	**97,56**	40,96	54,53	—	2,07	176,82	**31,42**	7,90	23,52
,,	9, ..	20	**95,05**	**63,01**	17,66	40,92	4	4,39	**97,67**	41,48	54,13	—	2,06	179,96	**31,54**	8,08	23,46
,,	16, ..	20	**95,91**	**65,63**	19,05	41,38	97	4,23	**97,72**	41,64	54,53	—	1,55	181,56	**30,28**	6,73	23,55
,,	23, ..	20	**96,48**	**65,89**	18,64	41,99	1,02	4,24	**97,97**	41,91	54,50	—	1,56	186,40	**29,30**	5,62	23,68
,,	30, ..	20	**95,23**	**65,91**	19,89	41,91	5	4,07	**97,01**	42,12	53,31	—	1,58	183,81	**30,61**	6,93	23,68
September	6, ..	20	**93,92**	**64,11**	17,47	42,49	6	4,10	**95,15**	42,20	51,43	—	1,52	199,65	**32,49**	8,39	24,10
,,	13, ..	20	**93,99**	**62,87**	16,94	41,92	5	3,97	**95,43**	41,84	52,07	—	1,52	205,29	**29,67**	5,57	24,10
,,	20, ..	20	**92,04**	**61,26**	17,42	39,91	3	3,91	**95,92**	42,23	52,13	—	1,56	207,51	**30,96**	6,86	24,10
,,	27, ..	20	**91,39**	**59,52**	16,88	38,78	2	3,84	**95,68**	41,52	52,61	—	1,55	214,16	**30,70**	6,50	24,20
October	4, ..	20	**91,01**	**60,24**	16,52	39,53	2	4,18	**94,30**	41,26	51,48	—	1,55	216,56	**31,12**	6,92	24,20
,,	11, ..	20	**92,53**	**60,93**	15,42	41,10	4	4,37	**94,74**	41,75	51,44	—	1,55	217,19	**30,47**	6,32	24,15
,,	18, ..	20	**91,15**	**60,30**	16,46	39,25	4	4,55	**95,26**	41,81	51,90	—	1,55	224,83	**30,91**	7,08	23,83
,,	25, ..	20	**90,53**	**60,23**	16,41	39,74	—	4,08	**94,49**	42,14	50,79	—	1,56	229,49	**30,72**	6,74	23,98
November	1, ..	20	**93,40**	**62,13**	16,93	41,18	2	4,01	**95,42**	41,64	52,22	—	1,56	227,12	**31,18**	7,32	23,87
,,	8, ..	20	**92,93**	**63,18**	18,32	40,82	6	3,98	**94,91**	41,23	52,11	—	1,58	231,92	**29,44**	5,59	23,84
,,	15, ..	20	**92,96**	**63,11**	18,49	40,68	6	3,88	**95,37**	41,49	52,28	—	1,60	234,76	**29,45**	5,61	23,84
,,	22, ..	20	**92,23**	**61,76**	17,76	39,97	6	3,98	**95,85**	42,00	52,26	—	1,60	240,78	**30,53**	6,59	23,94
,,	29, ..	20	**93,06**	**63,00**	18,14	40,91	5	3,89	**95,99**	42,26	52,15	—	1,59	243,45	**30,75**	8,13	22,63
December	6, ..	20	**95,74**	**61,78**	14,47	43,50	6	3,76	**96,79**	42,93	52,24	—	1,62	251,39	**30,77**	7,89	22,88
,,	13, ..	20	**94,24**	**61,24**	15,12	41,93	16	4,03	**97,40**	43,46	52,31	—	1,63	260,63	**31,35**	8,39	22,96
,,	20, ..	20	**92,47**	**61,77**	18,41	39,61	7	3,69	**97,48**	42,99	52,87	—	1,62	269,83	**30,39**	7,26	23,14
,,	27, ..	24	**97,38**	**66,30**	19,22	42,19	6	4,83	**99,99**	43,13	55,19	—	1,67	274,16	**32,13**	8,63	23,50
1969																	
January	3, ..	24	**96,93**	**68,59**	20,80	42,06	6	5,67	**99,73**	43,16	54,87	—	1,70	276,15	**31,82**	7,99	23,84
,,	10, ..	24	**100,24**	**66,70**	16,84	44,52	3	5,30	**100,22**	42,79	55,72	—	1,71	274,20	**31,87**	8,39	23,47
,,	17, ..	24	**99,58**	**64,48**	16,26	43,28	2	4,92	**100,47**	42,84	56,30	—	1,34	271,01	**32,19**	7,35	24,85
,,	24, ..	24	**99,84**	**62,89**	15,34	42,40	—	5,15	**101,84**	43,14	57,44	—	1,26	268,50	**32,47**	7,39	25,08
,,	31, ..	24	**97,88**	**62,31**	15,51	41,88	—	4,92	**104,49**	47,21	56,00	—	1,28	267,58	**32,44**	7,35	25,09
February	7, ..	24	**102,63**	**62,53**	15,87	41,90	—	4,75	**105,62**	43,61	60,73	—	1,28	265,66	**33,21**	8,57	24,64
,,	14, ..	24	**101,70**	**63,00**	16,76	41,24	—	5,00	**106,73**	44,99	60,47	—	1,27	263,96	**32,73**	7,99	24,75
,,	21, ..	24	**101,13**	**62,86**	17,06	40,99	1	4,80	**106,79**	45,40	60,15	—	1,24	262,44	**34,07**	9,28	24,80
,,	28, ..	24	**101,88**	**67,17**	20,56	41,26	48	4,86	**108,08**	46,21	60,62	—	1,25	262,40	**33,80**	8,55	25,25
March	7, ..	24	**101,18**	**65,83**	20,15	40,88	29	4,51	**107,42**	45,88	60,29	—	1,25	261,34	**37,60**	11,68	25,91
,,	14, ..	24	**102,18**	**64,80**	19,46	40,59	26	4,49	**107,36**	44,52	61,59	—	1,25	260,89	**37,33**	12,30	25,02
,,	21, ..	24	**102,71**	**66,70**	19,91	41,68	26	4,85	**108,48**	46,21	61,03	—	1,25	253,75	**35,50**	10,50	25,00
,,	28, ..	24	**102,14**	**70,86**	23,22	42,04	26	5,34	**107,50**	46,13	60,10	—	1,26	245,13	**35,51**	8,14	27,36

STATEMENT 35—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA—(*Concld.*)

(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 (24+26) (*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	**3,47**	1,05	2,41	4,94	30,72	17,99	**241,77**	241,69	2	8	*5.9*	*52.6*	*413.7*
1965-66	**5,03**	1,22	3,82	5,57	35,17	13,71	**267,86**	267,69	7	16	*8.1*	*56.5*	*430.1*
1966-67	**6,37**	1,26	5,11	9,56	32,48	8,70	**67,88**	67,62	255,39	26	*8.2*	*41.7*	*87.2*
1967-68	**6,96**	1,28	5,68	5,11	36,55	6,25	**77,33**	77,14	289,84	19	*8.4*	*44.0*	*93.2*
1968-69	**8,14**	1,35	6,79	5,38	45,09	6,60	**105,63**	105,45	344,65	18	*8.0*	*44.2*	*103.4*
1968-69 (Weekly) Friday Figures													
1968													
April 5, ..	**8,67**	1,35	7,32	6,16	36,76	10,15	**78,67**	78,49	277,53	19	*10.0*	*42.5*	*91.0*
,, 12, ..	**7,44**	1,24	6,20	5,93	36,76	10,81	**76,91**	76,76	272,38	15	*8.6*	*42.3*	*88.6*
,, 19, ..	**7,89**	1,19	6,71	5,71	36,85	8,98	**79,09**	78,89	267,49	20	*9.0*	*42.2*	*90.5*
,, 26, ..	**7,61**	1,23	6,38	5,22	36,75	8,67	**77,96**	77,79	265,14	16	*8.3*	*40.3*	*85.5*
May 3, ..	**7,56**	1,32	6,24	5,62	36,84	6,31	**79,13**	78,96	263,53	18	*8.3*	*40.4*	*86.7*
,, 10, ..	**7,28**	1,22	6,06	4,70	36,85	6,46	**78,20**	78,02	260,42	18	*7.9*	*40.1*	*85.0*
,, 17, ..	**8,07**	1,31	6,76	4,64	36,85	8,36	**77,27**	77,08	258,00	18	*8.8*	*40.2*	*84.3*
,, 24, ..	**7,57**	1,25	6,32	4,56	36,83	8,40	**74,93**	74,65	258,33	28	*8.2*	*40.1*	*81.6*
,, 31, ..	**7,90**	1,49	6,41	5,94	36,83	8,88	**74,15**	73,87	256,86	28	*8.4*	*39.2*	*79.0*
June 7, ..	**7,91**	1,40	6,51	6,09	36,83	8,85	**73,52**	73,24	258,69	28	*8.4*	*39.2*	*78.3*
,, 14, ..	**7,38**	1,21	6,17	5,54	36,84	9,22	**70,00**	69,72	257,42	28	*7.9*	*39.4*	*74.8*
,, 21, ..	**7,22**	1,30	5,93	6,08	36,88	8,33	**67,31**	67,03	265,65	27	*7.7*	*39.2*	*71.5*
,, 28, ..	**11,71**	1,20	10,51	10,50	36,80	10,25	**73,07**	72,89	281,37	18	*11.7*	*36.7*	*72.8*

July	5, ..	**8,74**	1,31	7,43	6,83	36,69	8,18	**73,27**	73,16	277,70	12	*9.1*	*38.2*	*76.4*
,,	12, ..	**7,61**	1,22	6,39	7,75	37,14	7,66	**67,56**	67,43	277,08	13	*7.9*	*38.7*	*70.3*
,,	19, ..	**7,77**	1,25	6,51	5,12	36,83	6,93	**67,14**	67,04	279,22	10	*8.2*	*38.7*	*70.5*
,,	26, ..	**8,85**	1,11	7,74	5,68	36,93	5,75	**68,02**	67,94	285,67	8	*9.2*	*38.4*	*70.7*
August	2, ..	**7,81**	1,27	6,54	5,70	36,54	6,25	**68,97**	68,88	291,58	8	*8.1*	*38.0*	*71.8*
,,	9, ..	**7,44**	1,25	6,19	5,31	36,84	6,57	**66,64**	66,54	295,96	10	*7.8*	*38.8*	*70.1*
,,	16, ..	**7,52**	1,26	6,25	4,91	36,85	6,78	**66,48**	66,42	289,48	6	*7.9*	*38.5*	*69.5*
,,	23, ..	**7,61**	1,21	6,40	5,68	36,85	6,98	**65,52**	65,44	303,74	8	*7.9*	*38.3*	*68.0*
,,	30, ..	**7,68**	1,31	6,37	5,15	36,61	6,06	**65,73**	65,60	310,27	13	*8.1*	*38.4*	*69.0*
September	6, ..	**7,63**	1,29	6,34	4,86	38,32	7,32	**65,85**	65,75	315,98	9	*8.1*	*40.8*	*70.1*
,,	13, ..	**6,76**	1,24	5,52	4,81	38,27	7,64	**63,64**	63,58	321,25	6	*7.2*	*40.7*	*67.7*
,,	20, ..	**6,77**	1,14	5,64	4,65	38,81	7,66	**64,88**	64,78	324,68	9	*7.4*	*42.2*	*70.5*
,,	27, ..	**7,48**	1,34	6,13	4,10	38,97	7,13	**65,03**	64,88	328,31	15	*8.2*	*42.6*	*71.2*
October	4, ..	**7,48**	1,65	5,83	4,83	38,90	5,80	**63,71**	63,55	331,21	16	*8.2*	*42.7*	*70.0*
,,	11, ..	**7,06**	1,18	5,88	5,13	38,93	5,45	**61,35**	61,25	334,87	9	*7.6*	*42.1*	*66.3*
,,	18, ..	**7,30**	1,41	5,89	4,21	39,71	7,75	**61,36**	61,25	340,14	11	*8.0*	*43.6*	*67.3*
,,	25, ..	**7,13**	1,46	5,67	5,13	39,76	7,30	**60,44**	60,31	344,47	13	*7.9*	*43.9*	*66.8*
November	1, ..	**6,84**	1,15	5,69	4,41	39,75	8,11	**58,61**	58,49	348,57	13	*7.3*	*42.6*	*62.8*
,,	8, ..	**7,07**	1,32	5,74	4,40	39,84	5,50	**59,56**	59,47	351,15	10	*7.6*	*42.9*	*64.1*
,,	15, ..	**6,93**	1,15	5,78	3,69	39,85	6,95	**59,92**	59,86	352,44	6	*7.4*	*42.9*	*64.5*
,,	22, ..	**7,03**	1,13	5,90	4,27	39,85	6,99	**60,65**	60,57	358,21	8	*7.6*	*43.2*	*65.8*
,,	29, ..	**7,06**	1,15	5,90	3,21	39,85	5,93	**62,60**	62,50	363,15	10	*7.6*	*42.8*	*67.3*
December	6, ..	**6,27**	1,20	5,07	3,71	39,85	6,08	**66,09**	66,00	365,19	9	*6.6*	*41.6*	*69.0*
,,	13, ..	**6,25**	1,13	5,11	3,95	40,71	8,50	**67,88**	67,80	370,24	8	*6.6*	*43.2*	*72.0*
,,	20, ..	**7,15**	1,18	5,97	3,49	40,85	8,32	**72,56**	72,46	375,33	9	*7.7*	*44.2*	*78.5*
,,	27, ..	**8,78**	1,39	7,39	4,91	41,73	9,63	**82,49**	82,39	373,66	10	*9.0*	*42.8*	*84.7*
1969														
January	3, ..	**8,23**	1,42	6,81	3,84	41,73	7,56	**85,09**	85,00	378,65	9	*8.5*	*43.0*	*87.8*
,,	10, ..	**7,73**	1,38	6,35	4,57	41,78	8,19	**90,72**	90,62	370,93	10	*7.7*	*41.7*	*90.5*
,,	17, ..	**7,89**	1,41	6,48	4,29	41,63	7,70	**89,62**	89,53	367,31	9	*7.9*	*41.8*	*90.0*
,,	24, ..	**7,47**	1,42	6,06	4,56	41,62	7,60	**88,13**	88,01	367,45	12	*7.5*	*41.7*	*88.3*
,,	31, ..	**7,25**	1,37	5,88	4,67	41,77	6,77	**89,12**	89,00	368,64	12	*7.4*	*42.7*	*91.0*
February	7, ..	**7,75**	1,42	6,33	4,58	41,76	7,13	**92,36**	92,24	366,03	12	*7.6*	*40.7*	*90.0*
,,	14, ..	**7,41**	1,35	6,07	4,62	41,27	7,19	**92,42**	92,29	364,77	13	*7.3*	*40.6*	*90.9*
,,	21, ..	**7,46**	1,44	6,02	4,05	42,23	7,67	**94,91**	94,82	362,04	9	*7.4*	*41.8*	*93.8*
,,	28, ..	**7,48**	1,50	5,98	5,37	43,35	6,72	**98,72**	98,63	361,50	9	*7.3*	*42.6*	*96.9*
March	7, ..	**7,84**	1,48	6,35	4,94	43,44	5,30	**99,60**	99,46	362,33	14	*7.7*	*42.9*	*98.4*
,,	14, ..	**7,42**	1,42	6,00	4,40	44,23	6,70	**100,71**	100,54	358,66	17	*7.3*	*43.3*	*98.6*
,,	21, ..	**7,64**	1,36	6,28	5,22	44,92	6,46	**101,22**	101,10	351,83	12	*7.4*	*43.7*	*98.6*
,,	28, ..	**8,14**	1,35	6,79	5,38	45,09	6,60	**105,63**	105,45	344,65	18	*8.0*	*44.2*	*103.4*

(*a*) Figures above the line relate to aggregate liabilities. (*b*) Figures above the line correspond to the total of columns 4, 5 and 7. (*c*) Figures above the line correspond to the total of columns 9, 10 and 12. (*d*) Includes borrowing from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from March 1, 1966. Borrowings from State Governments relate to Scheduled State Co-operative banks only and are included from August 12, 1966. (*e*) At book value; includes Treasury Bills and Treasury Deposit Receipts. (*f*) Figures above the line include 'Due from Banks' also. (*g*) Ratios above the line relate to aggregate liabilities. (*h*) As on March 31, 1951.

@Include advances of Scheduled State Co-operative banks to Central Co-operative banks and Primary Co-operative banks from week ended August 12, 1966 ; prior to this date these advances were included under 'Loans, cash-credits and overdrafts'.

STATEMENT 36—SAVINGS DEPOSITS WITH COMMERCIAL BANKS

(In lakhs of rupees)

Last Friday	All Scheduled Commercial Banks (2 + 3)	Indian Scheduled Commercial Banks	Foreign Banks	Non-Scheduled Commercial Banks
	1	2	3	4
1955-56	**169,43**	155,01	14,41	
1960-61	**281,81**	256,16	25,65	
1961-62	**333,70**	302,47	31,23	5,88
1962-63	**392,57**	355,46	37,11	5,60
1963-64	**476,61**	434,01	42,61	4,85
1964-65	**579,21**	529,18	50,03	4,51
1965-66	**716,48**	655,29	61,20	4,54
1966-67	**835,77**	766,28	69,50	5,27
1967-68	**962,45**	884,20	78,25	5,90
1968-69	**1,104,55**	1,017,48	87,07	6,58
March 1968	**962,45**	884,20	78,25	5,90
April ,, ...	**971,68**	892,97	78,71	6,06
May ,, ...	**986,91**	906,79	80,12	6,21
June ,, ...	**1,014,90**	932,70	82,19	6,34
July ,, ...	**1,033,13**	950,55	82,58	5,98
August ,, ...	**1,042,04**	958,77	83,26	5,86
September ,, ...	**1,048,06**	963,45	84,61	5,90
October ,, ...	**1,046,73**	961,96	84,77	5,91
November ,, ...	**1,054,15**	968,42	85,73	5,94
December ,, ...	**1,066,89**	980,73	86,16	6,10
January 1969	**1,081,31**	993,55	87,76	6,25
February ,, ...	**1,093,30**	1,004,89	88,41	6,42
March ,, ...	**1,104,55**	1,017,48	87,07	6,58

Note : Figures in column 4 above the line are based on the returns submitted in Form XII.

STATEMENT 37—RESERVES OF SCHEDULED COMMERCIAL BANKS AND STATE CO-OPERATIVE BANKS WITH THE RESERVE BANK OF INDIA

(In lakhs of rupees)

Last Week	All Scheduled Commercial Banks		Indian Scheduled Commercial Banks		Foreign Banks		State Co-operative Banks	
	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess
	1	2	3	4	5	6	7	8
1950-51	**36,57**	**21,78**	29,22	16,78	7,35	5,00	**35**	**15**
1955-56	**40,09**	**8,81**	32,30	6,59	7,79	2,22	**47**	**59**
1960-61	**62,69**	**12,67**	54,02	11,01	8,67	1,67	**1,02**	**74**
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**	**1,66**
1965-66	**95,70**	**15,69**	83,98	12,82	11,72	2,87	**1,72**	**3,18**
1966-67	**109,79**	**15,66**	97,30	12,88	12,49	2,78	**3,57**	**2,23**
1967-68	**122,99**	**17,23**	109,88	15,06	13,11	2,17	**4,80**	**1,69**
1968-69	**138,99**	**20,01**	124,65	18,23	14,34	1,78	**5,18**	**2,84**
March 1968	**122,99**	**17,23**	109,88	15,06	13,11	2,17	**4,80**	**1,69**
April ,, ...	**125,37**	**13,42**	112,11	12,11	13,26	1,31	**4,52**	**2,31**
May ,, ...	**126,24**	**13,90**	112,49	11,27	13,74	2,63	**4,47**	**2,50**
June ,, ...	**127,56**	**15,01**	113,94	12,62	13,62	2,39	**4,68**	**5,20**
July ,, ...	**130,73**	**20,12**	116,68	18,39	14,05	1,73	**4,67**	**2,33**
August ,, ...	**130,74**	**20,98**	116,31	18,76	14,42	2,23	**4,71**	**2,38**
September ,, ...	**130,94**	**15,87**	116,76	14,13	14,17	1,74	**4,51**	**2,44**
October ,, ...	**133,02**	**14,69**	118,33	12,71	14,69	1,98	**4,46**	**2,07**
November ,, ...	**134,92**	**15,89**	119,97	14,11	14,95	1,78	**4,53**	**2,28**
December ,, ...	**136,34**	**21,29**	121,56	16,15	14,77	5,14	**4,57**	**3,33**
January 1969	**137,93**	**17,69**	122,73	15,29	15,20	2,40	**4,60**	**2,29**
February ,, ...	**139,15**	**17,34**	124,44	15,47	14,71	1,87	**4,73**	**2,23**
March ,, ...	**138,99**	**20,01**	124,65	18,23	14,34	1,78	**5,18**	**2,84**

STATEMENT 38—STATE FINANCIAL CORPORATIONS—LIABILITIES AND ASSETS

(In lakhs of rupees)

As on last Friday of March	LIABILITIES							
	Capital and Reserves			Bonds and debentures	Fixed deposits (*a*)	Borrowings from Reserve Bank of India	Other borrowings	Other liabilities
	Paid-up capital	Reserve fund	Provision for bad and doubtful debts and other reserves					
	1	2	3	4	5	6	7	8
1956	10,28	1	—	—	—	—	—	40
1961	15,23	11	9	7,17	3,54	13	1,00	2,53
1962	15,82	13	13	13,54	5,33	34	1,02	3,91
1963	15,32	13	26	18,29	6,52	76	2,54	3,94
1964	15,32	17	49	20,64	9,59	1,61	4,78	9,20
1965	15,54	17	77	25,61	10,02	2,41	7,88	11,88
1966	16,35	22	1,02	32,70	12,03	1,33	11,85	14,62
1967	17,80	27	1,50	41,20	13,77	1,78	14,50	15,49
1968	19,43	28	2,06	42,88	15,07	2,58	16,88	15,13
1969	20,01	30	2,80	48,62	13,25	2,41	23,32	14,59

As on last Friday of March	**Total Liabilities or Assets**	ASSETS					
		Cash in hand and balances with banks	Investments in Government securities	Investments in shares	Loans and advances	Debentures	Other assets
	9	10	11	12	13	14	15
1956	**10,70**	3,60	3,94	—	2,72	14	30
1961	**29,80**	4,56	4,60	1,19	17,12	14	2,19
1962	**40,22**	7,43	4,55	2,16	23,16	14	2,78
1963	**47,76**	4,12	4,61	2,72	31,83	22	4,26
1964	**61,80**	2,97	4,11	4,58	40,23	22	9,69
1965	**74,28**	3,39	3,73	5,59	48,53	37	12,67
1966	**90,12**	4,36	3,76	7,49	58,95	34	15,22
1967	**106,31**	6,24	3,74	8,58	71,36	31	16,08
1968	**114,31**	5,68	3,69	9,08	80,00	53	15,33
1969	**125,30**	6,03	2,37	9,61	91,70	51	15,08

Note : There were 12 State Financial Corporations as on the last Friday of March 1956, 15 as on last Friday of March 1961 to March 1967 and 18 as on last Friday of March 1968 and 1969. (*a*) Including cash certificates and call deposits of one Corporation from 1960-61 onwards.

STATEMENT 39—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees

Corporation	Capital as at the end of March 1969	Outstandings of bonds issued as at the end of March 1969	Total assets as at the end of March 1969	Loans sanctioned(*a*) during								
				1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11	12
1. Madras	2,90	4,86	23,80	1,12	1,79	3,25	1,08	3,60	4,70	2,18	1,60	1,46
2. Punjab	75	1,41	3,49	1,28	1,44	2,33	1,84	2,63	2,41	2,54	99	99
3. Maharashtra	1,50	8,99	15,85	1,76	1,79	2,06	3,22	4,09	2,36	3,66	3,41	4,31
4. Gujarat	1,00	2,17	7,28	38	72	49	75	1,03	1,58	1,84	2,34	3,47
5. Kerala	1,00	2,10	4,70	42	27	55	31	9	1,28	97	1,02	1,14
6. West Bengal	1,00	4,54	8,60	30	1,25	1,96	1,71	2,24	1,96	1,20	75	75†
7. Assam	1,00	2,82	4,63	68	63	96	1,19	43	46	48	31	45
8. Uttar Pradesh	1,85	1,48	4,98	78	35	77	1,20	1,34	75	60	85	1,83
9. Bihar	1,00	1,60	3,83	51	62	76	35	39	31	54	61	64
10. Rajasthan	1,00	2,25	4,45	27	58	90	69	73	1,23	96	99	70
11. Madhya Pradesh	1,00	4,24	6,54	37	1,47	2,75	47	52	1,97	1,43	1,00	62
12. Andhra Pradesh	1,50	3,05	9,70	56	99	81	2,38	1,05	2,21	1,55	1,24	1,03
13. Orissa	1,00	1,85	2,94	58	39	24	63	59	32	67	39	57
14. Mysore	1,00	3,35	5,90	44	55	29	65	1,03	1,18	77	1,02	1,73
15. Jammu & Kashmir	77	55	1,44	4	6	15	3	8	37	48	60	77
16. Delhi	50	42	1,51								43	88
17. Haryana	1,00	2,78	6,32								1,15	1,00
18. Himachal Pradesh	25	1	32								6	32
Total	**20,02**	**48,47**	**116,28**	**9,49**	**12,90**	**18,27**	**16,50**	**19,84**	**23,09**	**19,87**	**18,76**	**22,66**

Corporation	Loans disbursed during									Loans outstanding as at the end of March								
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1961	1962	1963	1964	1965	1966	1967	1968	1969
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1. Madras	71	1,30	2,62	1,51	1,44	2,89	3,27	83	1,38	3,89	4,83	6,95	7,80	8,33	10,03	12,52	12,38	13,76
2. Punjab	57	89	1,26	1,32	1,42	1,63	1,72	71	71	1,71	2,39	3,34	4,28	5,21	6,30	7,32	2,84	2,84
3. Maharashtra ..	83	1,35	1,65	2,09	2,29	2,46	2,46	3,30	3,00	1,99	3,02	4,08	5,78	7,44	9,08	10,44	12,41	14,20
4. Gujarat	19	35	37	52	73	1,02	1,08	1,33	2,46	19	54	90	1,28	1,80	2,54	3,13	3,90	5,57
5. Kerala	23	25	32	36	22	45	59	78	1,01	1,38	1,47	1,62	1,72	1,76	1,95	2,30	2,90	3,79
6. West Bengal ..	21	76	90	1,30	1,36	1,15	1,20	58	76	1,56	2,13	2,87	3,96	5,00	5,76	6,27	6,31	6,63
7. Assam	56	60	66	66	95	34	30	36	25	1,54	2,02	2,52	3,03	3,71	3,67	3,74	3,92	4,02
8. Uttar Pradesh ..	35	23	26	54	79	82	65	61	76	1,03	1,12	1,21	1,58	2,11	2,68	3,07	3,30	3,74
9. Bihar	36	44	52	42	20	24	23	43	48	1,49	1,81	2,12	2,34	2,31	2,33	2,31	2,53	3,20
10. Rajasthan	10	37	42	62	63	62	80	88	62	54	85	1,18	1,65	2,10	2,52	3,07	3,70	3,88
11. Madhya Pradesh ..	7	34	94	53	48	1,41	1,38	84	43	44	71	1,51	1,91	2,18	3,39	4,61	5,38	5,63
12. Andhra Pradesh ..	27	54	47	82	1,17	1,55	1,71	1,39	1,31	82	1,25	1,62	2,19	3,02	4,24	5,54	6,54	7,49
13. Orissa	20	26	32	42	47	47	54	42	41	18	43	78	1,06	1,48	1,88	2,33	2,65	2,93
14. Mysore	21	35	60	51	75	79	91	86	1,39	34	68	1,24	1,57	2,17	2,82	3,59	4,28	5,35
15. Jammu & Kashmir	2	4	2	9	9	25	46	54	59	2	6	8	16	24	44	75	1,03	1,25
16. Delhi(*b*)								28	41								1,12	1,43
17. Haryana(*b*) ..								1,14	1,27								4,70	5,65
18. Himachal Pradesh(*b*)								2	7								14	21
**Total .. .. ..

STATEMENT 40—LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(In lakhs of rupees)

As on last Friday of March	LIABILITIES									
	Capital issued and paid-up	Reserve Fund		Reserve for doubtful debts	Provision for taxation	Bonds and debentures	Borrowings from the Reserve Bank of India (*a*)	Borrowings from Government (*b*)	Guarantees and Underwriting Agreements per contra	Other liabilities
		Special reserve fund under Sec. 32-(A)(1) of the I. F. C. Act	Other reserves							
	1	2	3	4	5	6	7	8	9	10
1951	5,00	—	1	—	—	5,30	—	—	—	37
1956	5,00	14	6	20	10	7,81	61	—	—	80
1961	5,00	36	70	15	50	22,24	51	15,25	4,77	1,60
1962	7,00	41	1,34	14	59	22,24	—	17,75	10,40	1,47
1963	7,00	47	1,75	14	59	28,24	—	23,75	12,46	2,68
1964	7,00	50	2,39	14	85	28,24	1,24	29,75	16,87	5,82
1965	8,35	58	3,45	14	1,12	31,48	—	37,60	19,33	8,60
1966	8,35	70	4,52	14	1,17	33,48	82	50,94	23,66	11,57
1967	8,35	84	5,60	14	2,78	39,61	—	67,69	35,13	23,05
1968	8,35	97	6,75	39	3,37	43,30	86	72,69	31,39	26,08
1969	8,35	1,00	7,84	64	5,31	47,24	—	81,47	28,44	27,91

As on last Friday of March	ASSETS								
	Total Liabilities or Assets	Cash in hand and with banks	Investments in				Loans and advances	Guarantees and Underwriting Agreements per contra	Other assets
			Government securities	Shares/ Stocks (*c*)	Bonds/ Debentures (*d*)	Others (*e*)			
	11	12	13	14	15	16	17	18	19
1951	**10,68**	47	4,58	—	—	—	5,21	—	41
1956	**14,70**	2	—	—	—	—	14,01	—	67
1961	**51,09**	3,00	—	95	—	—	40,74	4,77	1,62
1962	**61,34**	2,91	—	88	—	—	45,48	10,40	1,67
1963	**77,09**	3,59	—	1,37	1,72	—	55,63	12,46	2,31
1964	**92,80**	3	—	2,97	3,44	—	67,70	16,87	1,79
1965	**110,65**	1,19	—	5,43	2,54	21	78,86	19,33	3,09
1966	**135,36**	2,05	—	8,01	3,96	21	95,43	23,66	2,05
1967	**183,18**	8,73	—	10,41	5,06	21	118,53	35,13	5,12
1968	**194,15**	7,99	—	10,47	5,38	21	133,25	31,39	5,45
1969	**208,20**	11,00	—	10,32	6,03	21	143,33	28,44	8,87

(*a*) Under Section 21(3)(*a*)/(3)(*b*) of the Industrial Finance Corporation Act, 1948 (as amended). (*b*) Under Section 21(4) of the Industrial Finance Corporation Act, 1948 (as amended). (*c*) Under Section 23(1) (*h*) of the Industrial Finance Corporation Act, 1948 (as amended). (*d*) Under Sections 23(1)(*h*) and (23) (1) (*i*) of the Industrial Finance Corporation Act, 1948 (as amended). (*e*) Subscription to initial capital of Unit Trust of India under Section 20 of the Industrial Finance Corporation Act, 1948 (as amended).

Source : Industrial Finance Corporation of India.

STATEMENT 41—INDUSTRIAL FINANCE CORPORATION OF INDIA

INDUSTRY-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

(In lakhs of rupees)

Industry	Year ended June																	
	1956		1961		1962		1963		1964		1965		1966		1967		1968	
	Amount	% to total	Amount	% to total	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	15	16	17	18
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*	2,88·06	*6·6*	2,10·00	*9·3*	11,10·00	*41·5*
Textiles	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*	2,65·08	*6·1*	63·61	*2·8*	2,59·52	*9·7*
Artificial Fibres ..	—	—	—	—	70·00	*2·9*	31·00	*0·8*	18·98	*0·5*	30·12	*0·9*	2,00·48	*4·6*	—	—	—	—
Wood and Cork ..	—	—	80·92	*3·8*	—	—	—	—	8·00	*0·2*	36·50	*1·1*	—	—	—	—	—	—
Paper	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*	3,39·47	*7·8*	1,53·25	*6·8*	7·55	*0·3*
Rubber Products ..	—	—	1,72·00	*8·1*	—	—	50·00	*1·2*	84·00	*2·1*	1,76·02	*5·3*	—	—	31·72	*1·4*	1,50·17	*5·6*
Basic Industrial Chemicals†	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*	2,60·03	*6·0*	8,41·75	*37·3*	10·00	*0·4*
Miscellaneous Chemicals	—	—	1,25·50	*5·9*	10·00	*0·4*	87·33	*2·3*	1,21·87	*3·2*	1,56·25	*4·7*	3,79·45	*8·7*	10·00	*0·4*	5,00·88	*18·7*
Vegetable & Animal Oil & Fats ..	—	—	4·50	*0·2*	22·50	*0·9*	—	—	—	—	—	—	7·00	*0·2*	—	—	—	—
Glass	4·00	*0·3*	97·00	*4·6*	—	—	8·00	*0·2*	1,45·05	*3.8*	—	—	14·17	*0·3*	—	—	—	—
Pottery	—	—	1,45·00	*6·8*	13·00	*0·5*	10·00	*0·3*	40·00	*1·0*	37·50	*1·1*	—	—	55·94	*2·5*	—	—
Cement	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*	3,78·39	*8·7*	77·23	*3·4*	1,90·00	*7·1*
Iron and Steel ..	—	—	—	—	—	—	1,60·00	*4·0*	60·00	*1·7*	1,46·00	*4·4*	5,26·00	*12·1*	2,12·90	*9·4*	—	—
Non-ferrous Metals ..	—	—	1,30·00	*6·1*	—	—	6,76·52	*16·8*	3,83·45	*10·0*	—	—	40·00	*0·9*	71·60	*3·2*	48·62	*1·8*
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*	8,31·25	*19·1*	1,78·84	*7·9*	1,47·71	*5·5*
Machinery	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*	4,95·17	*11·4*	1,19·07	*5·3*	72·72	*2·7*
Electrical Machinery and Equipments ..	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*	1,72·05	*4·0*	59·66	*2·6*	38·64	*1·4*
Motor Vehicles and Ancillaries ..	21·00	*1·4*	—	—	14·00	*0·6*	1,49·43	*3·7*	87·00	*2·3*	1,12·51	*3·4*	1,09·19	*2·5*	63·78	*2·8*	87·15	*3·3*
Bicycles	—	—	—	—	—	—	11·00	*0·3*	4·50	*0·1*	—	—	—	—	—	—	—	—
Electricity, Gas and Steam††	—	—	—	—	1,09·28	*4·5*	—	—	—	—	1,01·28	*3·0*	10·00	*0·2*	40·00	*1·8*	—	—
Petroleum Products (Oil Refineries) ..	—	—	—	—	—	—	—	—	46·18	*1·2*	—	—	—	—	—	—	—	—
Shipping	—	—	—	—	—	—	—	—	—	—	7·00	*0·2*	—	—	—	—	—	—
Others	50·00	*3·3*	60·75	*2·9*	32·00	*1.3*	4,80·50	*11·9*	12·35	*0·3*	52·00	*1·5*	36·75	*0·8*	66·07	*2·9*	50·00	*1·9*
Total	**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*	**43,52·54**	*100·0*	**22,55·42**	*100·0*	**26,72·96**	*100·0*

Note : Data for the years upto 1961-62 relate only to loans sanctioned while for the subsequent years they relate to total financial assistance comprising direct loans, guarantees for loans and deferred payments, direct subscription to shares and debentures and underwritings. @ Relates to food manufacturing industries (except beverage industries). † Including Fertilizers. †† Including Light and Power.

Source : Annual Reports of the Industrial Finance Corporation of India.

STATEMENT 42—LIABILITIES AND ASSETS OF THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(In lakhs of rupees)

As at the end of June	LIABILITIES					
	Capital issued and paid-up	Reserves and reserve fund	Borrowings		Other liabilities	Total liabilities or assets
			From Reserve Bank of India	From Government of India		
	1	2	3	4	5	6
1965	10,00	81	2,17	55,00	1,67	**69,65**
1966	10,00	2,09(*a*)	3,84	92,90	61	**109,44**
1967	20,00	4,16(*b*)	5,24	127,50	1,54	**158,44**
1968	20,00	6,96(*b*)	6,09	152,50	2,93	**188,48**

As at the end of June	ASSETS					
	Investments in		Loans and advances to		Bills of exchange and promissory notes discounted or re-discounted	Other assets*
	Government securities	Others	Scheduled banks, State co-operative banks and other financial institutions	Industrial concerns		
	7	8	9	10	11	12
1965	11,15	6,76	50,22	—	9	1,43
1966	7,72	13,57	63,93	19,89	2,31	2,02
1967	7,39	26,02	73,18	40,60	8,27	2,98
1968	15,61	31,03	64,60	57,40	16,75	3,09

Note : Data relate to General Fund and Development Assistance Fund. (*a*) Inclusive of unappropriated profit at Rs. 3 lakhs. (*b*) Inclusive of unappropriated profit in the Development Assistance Fund at Rs. 40 lakhs for 1966-67 and at Rs. 88 lakhs for 1967-68. * Including cash on hand and balances with banks.

Source : Annual Reports of the Industrial Development Bank of India.

STATEMENT 43—ASSISTANCE SANCTIONED AND DISBURSED BY FINANCIAL INSTITUTIONS

(In crores of rupees)

	Loans				Underwriting and direct subscriptions to shares and debentures		Total Assistance	
	Total		Foreign Currency loans (*a*)					
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
	1	2	3	4	5	6	7	8
Total for the Second Plan(*b*)	**105.2**	**70.1**			**15.8**	**6.3**	**121.0**	**76.4**
Total for the Third Plan ..	**434.2**	**271.1**	**80.6**	**44.3**	**139.2**	**92.8**	**573.4**	**363.9**
1966-67								
Total	**109.3**	**91.5**	**12.1**	**21.5**	**30.6**	**27.7**	**139.9**	**119.2**
IDBI	55.2(*c*)	43.4(*c*)	—	—	2.7	6.4	**57.9**	**49.8**
IFCI	13.5	19.1(*d*)	5.8	8.6	2.3	3.4	**15.8**	**22.5**
ICICI	5.7	5.2	6.3	12.9	6.2	4.5	**11.9**	**9.7**
SFCs	20.2	17.6(*d*)	—	—	1.5	0.6	**21.7**	**18.2**
SIDCs	1.3	1.3	—	—	1.3	1.2	**2.6**	**2.5**
Sub-total	**95.9**	**86.6**	**12.1**	**21.5**	**14.0**	**16.1**	**109.9**	**102.7**
UTI	—	—	—	—	5.2	3.0	**5.2**	**3.0**
LIC	13.4	4.9	—	—	11.4	8.6	**24.8**	**13.5**
Sub-total	**13.4**	**4.9**	—	—	**16.6**	**11.6**	**30.0**	**16.5**
1967-68 Total	**69.7**	**89.5**	**7.0**	**14.2**	**29.3**	**27.9**	**99.0**	**117.4**
IDBI	26.7(*c*)	39.0(*c*)	—	—	1.2	2.6	**27.9**	**41.6**
IFCI	18.7	17.9(*d*)	1.0	4.2	1.1	1.8	**19.8**	**19.7**
ICICI	3.7	5.8	6.0	10.0	5.6	4.6	**9.3**	**10.4**
SFCs	17.0	15.5(*d*)	—	—	1.1	0.8	**18.1**	**16.3**
SIDCs	0.8	0.5	—	—	1.6	1.6	**2.4**	**2.1**
Sub-total	**66.9**	**78.7**	**7.0**	**14.2**	**10.6**	**11.4**	**77.5**	**90.1**
UTI†	—	—	—	—	8.4	5.7	**8.4**	**5.7**
LIC	2.8	10.8	—	—	10.3	10.8	**13.1**	**21.6**
Sub-total	**2.8**	**10.8**	—	—	**18.7**	**16.5**	**21.5**	**27.3**

Note : Data for Second Plan period do not cover the SIDCs. In respect of the Third Plan period and also 1966-67 and 1967-68, only six SIDCs are covered.

(*a*) Data from 1966-67 are on post-devaluation basis. (*b*) Data for the Second Plan which relate to the operations of RCI., the IFCI., the ICICI. and the SFCs. are not strictly comparable with those for the subsequent periods. (*c*) Comprising direct loans, refinance to banks and re-discounts ; refinance to SFCs. is excluded to avoid double-counting since this is covered under loans of SFCs. (*d*) Including disbursements on account of guarantees. † Provisional.

Source : The Life Insurance Corporation of India and Annual Reports of the Industrial Development Bank of India.

STATEMENT 44—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1968-69

(In rupees)

Loans	As on			Average(*a*) for					1968-69		Difference of March 1969 over March 1968
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	March 1968	June 1968	Sept. 1968	Dec. 1968	March 1969	Highest	Lowest	
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½ % 1968(*b*) ..	99.00	99.00	99.75	99.75	99.83				99.85	99.75	
3¾ % 1968(*c*) ..	99.95	99.80	100.00	100.00					100.00	100.00	
4¼ % 1968(*d*) ..			100.25	100.25	100.25	100.00			100.25	100.00	
3½ % 1969 ..	97.95	97.25	99.15	99.19	99.44	100.00	100.00	100.00	100.00	99.25	+0.81
4 % 1969 ..	99.50	99.35	99.75	99.95	100.00	100.10	100.15	100.15	100.15	100.00	+0.20
4 % 1970 ..	99.00	99.00	99.55	99.65	99.78	99.99	100.00	100.00	100.05	99.60	+0.35
3 % 1970-75	90.15	90.20	95.25	95.43	95.99	96.04	95.97	98.00	98.10	95.75	+2.57
4½ % 1971 ..			100.55	100.66	101.05	101.05	101.00	101.05	101.10	100.60	+0.39
4 % 1972 ..	98.75	98.80	99.15	99.34	99.80	99.80	99.95	99.80	99.95	99.40	+0.46
4¼ % 1972 ..	100.10	100.05	100.15	100.05	100.72	100.67	100.60	100.53	101.10	100.05	+0.48
4½ % 1972 ..			100.55	100.55	101.05	101.05	101.00	101.10	101.15	100.50	+0.55
4¾ % 1972 ..			101.75	101.87	102.30	102.25	102.10	102.50	102.50	102.00	+0.63
4 % 1973 ..	98.70	98.80	99.00	99.04	99.77	99.78	99.80	99.90	99.95	99.20	+0.86
4¼ % 1973 ..	99.95	100.05	100.10	100.10	100.55	100.56	100.60	100.70	100.80	100.10	+0.60
Between 5 and 10 years											
3¾ % 1974 ..	96.60	96.60	94.35	95.55	97.52	97.76	97.57	97.80	98.00	96.10	+2.25
4¼ % 1975(*e*)						100.20	100.20	100.15	100.20	100.00	
2¾ % 1976 ..	83.25	83.25	81.75	81.75	84.00	87.25	88.25	88.25	88.25	81.75	+6.50
7 % 1977 .. (Gold Bonds)(*f*)	118.10	117.00	115.25	115.32	115.50	115.50	115.50	115.50	115.75	115.25	+0.18
Between 10 and 15 years											
4 % 1979 ..	98.00	96.50	93.25	93.25	96.48	97.06	97.20	97.05	97.30	93.25	+3.80
4 % 1980 ..	98.05	96.50	93.00	93.98	96.57	97.00	96.95	96.75	97.00	94.10	+2.77
7 % 1980 .. (Gold Bonds)			116.00	116.00	116.26	116.00	116.00	116.00	116.50	115.95	—
4 % 1981 ..	98.35	97.25	92.20	92.95	95.61	96.57	96.60	96.25	97.00	93.50	+3.30
5 % 1982 ..			101.00	100.93	100.80	101.56	101.75	101.85	101.90	100.80	+0.92
Over 15 years											
4½ % 1985 ..	100.15	100.10	96.60	97.17	99.04	99.10	98.80	99.10	99.10	97.10	+1.93
4½ % 1986 ..	100.25	100.00	96.60	97.02	99.00	98.97	98.98	98.85	99.00	97.10	+1.83
4¾ % 1989 ..	100.00	100.00	97.50	97.91	98.30	99.00	99.00	99.00	99.05	98.20	+1.09
5½ % 1990 ..			101.55	102.26	103.45	103.50	103.55	103.55	103.55	102.35	+1.29
5½ % 1991 ..			101.15	101.96	102.40	102.52	102.46	102.40	103.20	102.30	+0.44
5½ % 1992 ..			101.00	101.20	101.30	101.35	101.35	101.05	101.35	101.00	—0.15
5½ % 1995(*g*) ..					100.16	100.15	100.26	100.90	101.05	100.00	
Non-terminable											
3 % 1986 or later	63.50	62.00	57.00	59.33	60.00	60.01	60.03	60.08	60.30	59.00	+0.75
3 % 1896-97	62.50	62.50	53.20	53.60	59.48	59.44	59.25	59.25	59.50	57.00	+5.65

Note : The maturity classification is as of March 31, 1969 and of the assumption of the earlier date of redemption. (*a*) Average of closing quotations for working days. (*b*) Redeemed on August 26, 1968. (*c*) Redeemed on May 12, 1968. (*d*) Redeemed on October 27, 1968. (*e*) Quoted from July 30, 1968. (*f*) Prior to April 1, 1965, the rate of interest was 6½ per cent per annum. (*g*) Quoted from May 11, 1968.

Source : Bombay Stock Exchange.

STATEMENT 45—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on			Average for					Annual average		Difference of March 1969 over March 1968
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	March 1968	June 1968	Sept. 1968	Dec. 1968	March 1969	1968-69	1967-68	
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½% 1968(*a*)	3.78	3.81	4.04	4.08	4.39					4.52	
3¾% 1968(*b*)	3.76	3.81	3.75	3.75						4.53	
4¼% 1968(*c*)			3.85	3.82	3.54	4.25				4.14	
3½% 1969 ..	3.98	4.20	4.16	4.15	4.06	3.50	3.50	3.50	3.81	4.66	—0.65
4 % 1969 ..	4.12	4·17	4·22	4·04	4·00	3·83	3·61	2·96	3·85	4·40	—1·08
4 % 1970 ..	4.21	4.22	4.23	4.17	4.12	4.01	4.00	4.00	4.07	4.48	—0.17
3 % 1970-75	4.90	5.01	4.97	4.91	4.84	5.04	5.33	4.32	4.89	5.92	—0.59
	(4.12)	(4.15)	(3.72)	(3.69)	(3.63)	(3.64)	(3.67)	(3.34)	(3.59)	(4.18)	(—0.35)
4½% 1971 ..			4.32	4.28	4.12	4.10	4.08	4.01	4.11	4.44	—0.27
4 % 1972 ..	4.19	4.19	4.21	4.16	4.06	4.06	4.02	4.06	4.06	4.56	—0.10
4½% 1972 ..	4.24	4.24	4.21	4.24	4.07	4.08	4.08	4.09	4.10	4.48	—0.15
4½% 1972 ..			4.36	4.36	4.21	4.20	4.20	4.14	4.21	4.42	—0.22
4¾% 1972 ..			4.33	4.30	4.16	4.14	4.16	4.00	4.15	4.41	—0.30
4 % 1973 ..	4.18	4.18	4.22	4.21	4.05	4.05	4.05	4.02	4.07	4.61	—0.19
4½% 1973 ..	4.26	4.24	4.23	4.23	4.13	4.12	4.10	4.07	4.12	4.48	—0.16
Between 5 and 10 years											
3½% 1974 ..	4.18	4.19	4.79	4.57	4.22	4.19	4.24	4.21	4.22	4.94	—0.36
4½% 1975(*d*)						4.22	4.21	4.22	4.22		
2¾% 1976 ..	4.58	4.64	5.45	5.46	5.16	4.68	4.57	4.62	4.84	5.64	—0.84
7 % 1977 .. (Gold Bonds)(*e*)	4.68	4.76	5.02	5.01	4.95	4.91	4.86	4.82	4.90	5.20	—0.19
Between 10 and 15 years											
4 % 1979 ..	4.18	4.33	4.78	4.78	4.41	4.34	4.33	4.36	4.39	5.00	—0.42
4 % 1980 ..	4.17	4.31	4.76	4.65	4.37	4.32	4.34	4.37	4.38	4.92	—0.28
7 % 1980 .. (Gold Bonds)			5.23	5.23	5.17	5.17	5.14	5.11	5.16	5.39	—0.12
4 % 1981 ..	4.14	4.23	4.79	4.72	4.45	4.35	4.36	4.40	4.41	4.93	—0.32
5 % 1982 ..			4.90	4.91	4.92	4.85	4.82	4.81	4.86	4.99	—0.10
Over 15 years											
4½% 1985 ..	4.49	4.49	4.79	4.74	4.58	4.58	4.60	4.58	4.61	5.02	—0.16
4½% 1986 ..	4.48	4.50	4.78	4.75	4.58	4.59	4.59	4.60	4.60	5.04	—0.15
4¾% 1989 ..	4.75	4.75	4.94	4.91	4.88	4.83	4.83	4.83	4.85	5.04	—0.08
5½% 1990 ..			5.38	5.33	5.23	5.23	5.22	5.22	5.23	5.43	—0.11
5½% 1991 ..			5.41	5.35	5.32	5.31	5.31	5.32	5.32	5.46	—0.03
5½% 1992 ..			5.43	5.41	5.40	5.40	5.40	5.42	5.40	5.48	+0.01
5¼% 1995(*f*)					5.49	5.49	5.48	5.44	5.47		
Non-terminable											
3 % 1986 or later (*g*)	4.72	4.84	5.26	5.06	5.00	5.00	5.00	4.99	4.99	5.45	—0.07
3 % 1896-97(*g*)	4.80	4.80	5.64	5.60	5.04	5.05	5.06	5.06	5.08	5.67	—0.54

Note : The maturity classification is as of March 31, 1969 and of the assumption of the earlier date of redemption. Yields are gross, i.e., not allowing for income-tax and are based on prices quoted at Bombay. In the case of two dated loan, the yield to the later date of redemption is shown in brackets.

(*a*) Redeemed on August 26, 1968. (*b*) Redeemed on May 12, 1968. (*c*) Redeemed on October 27, 1968. (*d*) Quoted from July 30, 1968. (*e*) Prior to April 1, 1965, the rate of interest was 6½ per cent per annum. (*f*) Quoted from May 11, 1968. (*g*) Flat yield.

STATEMENT 46—ALL-INDIA AND REGIONAL INDICES (ANNUAL

(Base : 1961-62

				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
3	1966-67		..	94.6	94.7	94.6	94.5	91.8	91.3	91.4	98.7
4	1967-68		..	97.1	97.8	97.8	96.0	91.7	91.5	91.2	98.1
5	1968-69		..	98.7	99.1	98.7	98.3	93.4	93.9	92.3	99.1
	1968-69 Weekly										
	Week ended										
	1968										
6	April	6,	..	97.2	97.9	97.9	96.0	91.7	91.6	91.2	98.1
7	,,	13,	..	97.3	97.9	98.0	96.2	91.8	91.7	91.2	98.1
8	,,	20,	..	97.4	98.0	98.0	96.3	91.8	91.8	91.2	98.1
9	,,	27,	..	97.5	98.0	98.0	96.6	91.8	91.7	91.2	98.1
10	May	4,	..	97.5	98.0	98.0	96.9	91.7	91.6	91.2	98.1
11	,,	11,	..	97.4	97.8	97.9	96.7	91.8	91.8	91.2	98.1
12	,,	18,	..	97.5	97.9	98.0	96.7	91.8	91.8	91.2	98.1
13	,,	25,	..	97.6	98.1	98.0	96.8	91.8	91.8	91.2	98.1
14	June	1,	..	97.7	98.2	98.2	96.8	91.8	91.8	91.1	98.1
15	,,	8,	..	97.7	98.2	98.3	96.8	91.8	91.8	91.1	98.1
16	,,	15,	..	97.8	98.3	98.3	96.8	91.8	91.8	91.1	98.1
17	,,	22,	..	97.8	98.3	98.4	96.8	91.8	91.9	91.1	98.1
18	,,	29,	..	98.0	98.4	98.4	97.5	92.2	92.8	91.1	98.1
19	July	6,	..	98.1	98.4	98.4	97.5	92.5	93.3	91.1	98.1
20	,,	13,	..	98.2	98.4	98.4	97.9	92.5	93.6	91.1	98.1
21	,,	20,	..	98.2	98.5	98.6	97.9	92.6	93.6	91.1	98.1
22	,,	27,	..	98.3	98.5	98.6	97.9	92.5	93.6	91.1	98.1
23	August	3,	..	98.3	98.6	98.6	97.9	92.5	93.6	91.1	98.0
24	,,	10,	..	98.3	98.7	98.4	97.9	92.6	93.6	91.2	98.0
25	,,	17,	..	98.4	98.7	98.6	97.9	92.6	93.6	91.1	98.0
26	,,	24,	..	98.4	98.7	98.7	97.9	92.6	93.6	91.1	98.0
27	,,	31,	..	98.4	98.7	98.7	97.9	92.6	93.6	91.1	98.0
28	September	7,	..	98.4	98.7	98.7	97.9	92.6	93.6	91.1	98.0
29	,,	14,	..	98.4	98.7	98.7	98.0	92.6	93.6	91.1	98.0
30	,,	21,	..	98.4	98.7	98.7	98.0	92.6	93.6	91.1	98.0
31	,,	28,	..	98.5	98.7	98.7	98.2	92.6	93.6	91.1	98.0
32	October	5,	..	98.5	98.7	*	98.3	92.6	93.6	*	98.0
33	,,	12,	..	98.5	98.7	98.7	98.3	92.6	93.6	91.1	98.0
34	,,	19,	..	98.5	98.7	98.7	98.3	92.6	93.6	91.1	98.0
35	,,	26,	..	98.5	98.7	98.7	98.3	92.6	93.6	91.1	98.0
36	November	2,	..	98.5	98.7	98.8	98.3	92.6	93.6	91.1	98.0
37	,,	9,	..	98.5	98.7	98.7	98.2	92.6	93.6	91.1	98.0
38	,,	16,	..	98.5	98.7	98.7	98.2	92.7	93.7	91.2	98.0
39	,,	23,	..	98.5	98.7	98.7	98.2	92.8	93.9	91.3	99.0
40	,,	30,	..	98.5	98.7	98.7	98.3	92.8	93.9	91.3	99.0
41	December	7,	..	98.5	98.7	98.7	98.3	92.8	93.9	91.3	99.0
42	,,	14,	..	98.5	98.7	98.6	98.3	93.0	93.9	91.5	99.1
43	,,	21,	..	98.5	98.7	98.7	98.3	93.0	93.9	91.6	99.1
44	,,	28,	..	98.5	98.7	98.7	*	93.0	93.9	91.6	*
	1969										
45	January	4,	..	98.6	98.7	98.7	98.3	93.0	93.9	91.6	99.1
46	,,	11,	..	98.6	98.8	98.7	98.3	93.0	93.8	91.6	99.1
47	,,	18,	..	98.6	98.8	98.7	98.3	93.0	93.8	91.6	99.1
48	,,	25,	..	98.6	98.8	98.7	98.3	93.0	93.9	91.6	99.1
49	February	1,	..	98.7	99.0	98.7	98.3	93.2	93.9	91.8	99.1
50	,,	8,	..	98.7	99.0	98.8	98.3	93.2	93.9	91.9	99.1
51	,,	15,	..	98.7	99.0	98.9	98.3	93.3	93.9	91.9	99.1
52	,,	22,	..	98.7	99.0	98.9	98.3	93.3	94.0	92.0	99.1
53	March	1,	..	98.7	99.0	98.9	98.3	93.3	94.0	92.0	99.1
54	,,	8,	..	98.7	99.0	98.7	98.3	93.3	94.0	91.9	99.1
55	,,	15,	..	98.7	99.0	98.7	98.3	93.3	94.0	91.9	99.1
56	,,	22,	..	98.7	99.1	98.7	98.3	93.3	94.0	92.0	99.1
57	,,	29.	..	98.7	99.1	98.7	98.3	93.4	93.9	92.3	99.1

* Market closed during the week.

AND WEEKLY) OF SECURITY PRICES

= 100)

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*
88.6	88.6	91.5	81.2	81.7	81.1	88.3	78.9	77.6	72.9	95.7	*3*
85.7	87.3	86.3	80.3	81.7	77.5	85.5	73.8	73.7	68.0	96.3	*4*
87.1	90.0	85.1	80.1	87.6	87.9	99.2	83.0	79.1	75.4	102.9	*5*
85.8	87.4	86.4	80.0	82.0	77.1	85.2	73.6	73.6	67.7	93.8	*6*
85.8	87.3	86.5	80.2	81.9	77.1	85.5	73.6	73.5	66.9	93.6	*7*
85.8	87.3	86.5	80.3	82.0	77.5	86.0	74.3	73.4	66.3	93.0	*8*
85.9	87.4	86.4	80.4	82.0	77.6	85.8	75.0	73.3	65.7	91.9	*9*
85.9	87.6	86.3	80.6	82.0	77.4	85.3	75.1	73.1	65.3	91.0	*10*
86.0	87.9	86.3	80.8	82.0	78.3	86.4	76.5	73.1	65.6	92.3	*11*
86.0	87.8	86.1	80.9	82.0	79.1	87.3	77.7	73.3	65.9	93.5	*12*
85.9	87.8	85.9	80.7	82.0	80.0	89.0	78.1	73.2	67.7	94.4	*13*
85.9	87.8	85.8	80.6	82.0	81.3	90.8	79.5	73.8	69.0	97.0	*14*
85.9	87.9	85.7	80.8	82.0	80.6	89.4	78.9	73.5	68.4	96.4	*15*
85.9	87.9	85.7	81.0	82.0	80.3	89.0	78.2	73.2	68.3	95.9	*16*
85.9	87.9	85.7	81.1	82.0	80.9	89.9	79.1	73.1	69.6	96.0	*17*
86.0	88.2	85.6	80.7	82.0	81.0	89.8	79.3	72.9	69.9	96.0	*18*
85.8	87.9	85.6	80.5	82.0	80.6	89.1	78.9	72.7	68.1	95.8	*19*
85.7	87.9	85.4	80.5	82.0	80.5	89.2	78.5	72.6	68.1	95.3	*20*
85.6	87.5	85.3	80.7	82.0	80.5	89.0	78.7	72.7	68.0	94.1	*21*
85.6	87.6	85.1	80.7	82.0	80.4	88.3	79.1	72.9	67.0	93.0	*22*
85.9	87.8	85.4	80.7	82.0	80.5	88.4	79.0	73.4	67.1	92.9	*23*
86.0	88.0	85.5	80.7	82.0	80.6	88.5	79.2	73.4	67.1	92.4	*24*
86.1	88.1	85.5	81.0	82.0	81.1	89.2	79.0	74.2	68.1	93.3	*25*
86.1	88.2	85.4	81.3	82.0	81.3	89.8	79.2	73.8	68.4	93.7	*26*
86.2	88.4	85.4	81.2	82.0	81.4	90.2	78.9	73.8	68.0	93.8	*27*
86.2	88.5	85.3	81.2	82.0	81.1	90.1	78.5	74.0	66.8	93.3	*28*
86.2	88.8	85.3	80.5	82.0	80.5	89.4	77.8	73.9	65.4	93.4	*29*
86.3	88.9	85.4	80.7	81.8	79.4	88.2	76.6	73.6	64.5	91.8	*30*
86.3	88.9	85.6	80.4	81.6	79.1	88.1	76.0	73.4	64.5	90.4	*31*
86.3	89.0	*	80.2	81.5	79.5	88.9	*	73.5	64.8	91.2	*32*
86.3	89.0	85.6	80.3	81.5	79.7	88.9	76.9	73.7	64.2	91.9	*33*
86.3	89.1	85.5	80.2	81.4	79.9	88.9	77.4	74.0	64.1	92.3	*34*
86.4	89.1	85.7	80.2	81.4	80.1	89.2	77.4	74.2	64.9	92.3	*35*
86.2	88.6	85.6	80.3	81.4	80.2	89.1	77.5	74.2	65.4	92.7	*36*
86.2	88.7	85.6	80.4	81.4	80.7	89.8	78.2	74.5	66.2	94.2	*37*
86.4	89.2	85.6	80.7	81.1	80.6	89.8	78.2	74.6	65.8	94.3	*38*
86.3	89.2	85.3	80.7	81.3	80.4	89.5	77.7	74.5	65.8	94.4	*39*
86.2	89.0	85.3	80.7	81.3	80.4	89.7	77.4	74.0	66.5	95.6	*40*
86.2	89.0	85.4	80.5	81.3	80.9	90.7	77.4	73.7	67.8	96.4	*41*
86.2	88.8	85.4	80.5	81.3	80.9	91.0	77.2	73.7	67.7	96.3	*42*
85.9	88.4	85.2	80.3	81.3	80.8	90.8	76.9	73.4	68.2	95.8	*43*
85.8	88.2	85.1	*	81.3	80.7	90.4	77.0	*	68.2	96.8	*44*
85.7	88.1	85.0	80.3	81.3	81.4	91.2	78.1	73.7	68.8	97.4	*45*
85.8	88.0	85.3	80.4	81.4	82.4	91.6	79.9	74.3	70.0	98.5	*46*
85.8	88.1	85.3	80.4	81.3	84.5	93.6	82.6	75.7	71.6	101.1	*47*
85.8	88.3	85.2	79.8	81.3	86.0	95.4	84.5	76.7	71.4	103.1	*48*
85.7	88.4	84.9	79.5	81.3	86.8	96.3	85.2	76.6	72.2	104.1	*49*
86.0	89.1	85.1	79.5	81.3	88.3	98.5	86.4	76.9	73.0	104.4	*50*
86.2	89.5	85.1	79.6	81.3	88.1	98.8	85.5	77.5	73.1	104.1	*51*
86.2	89.6	85.0	80.2	81.3	88.3	99.4	85.2	78.0	73.5	104.3	*52*
86.5	89.9	84.8	80.3	83.2	89.2	100.2	86.1	78.8	75.0	105.6	*53*
86.8	90.1	84.5	80.4	86.6	89.8	100.5	86.5	79.4	76.4	105.7	*54*
86.8	90.0	84.6	80.1	86.8	88.7	99.3	85.2	79.5	75.3	104.1	*55*
86.9	90.0	84.8	80.1	87.1	88.1	99.1	83.8	79.3	75.6	103.2	*56*
87.1	90.0	85.1	80.1	87.6	87.9	99.2	83.0	79.1	75.4	102.9	*57*

STATEMENT 47—INDEX NUMBERS OF

(Base : 1961-62

Average of weeks	GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES			SUB-GROUP INDICES OF JOINT STOCK				
	Government and Semi-Government Securities	Debentures	Preference shares (Fixed Dividend)	Variable Dividend	Government of India	State Governments	Semi-Government Institutions	Plantations	Coal and Other mining	Sugar	Textiles other than Jute	Jute Textiles
	1	2	3	4	5	6	7	8	9	10	11	12
1964-65	98.2	95.7	101.5	86.1	98.0	99.4	98.6	99.9	96.5	99.8	98.3	97.2
1965-66	94.6	93.9	94.4	76.7	94.4	95.7	95.5	99.9	96.2	97.2	93.0	96.6
1966-67	94.3	91.8	90.0	80.2	94.2	95.0	93.7	99.8	96.0	96.6	90.7	94.5
1967-68	95.5	91.5	87.1	76.7	95.6	95.2	94.3	99.9	95.1	96.2	90.7	95.4
1968-69	98.3	92.6	86.1	81.7	98.4	97.9	96.5	99.5	93.7	96.9	92.6	96.1
March 1968 ..	96.8	91.7	85.8	77.8	97.1	95.8	94.2	99.9	93.7	96.2	90.5	95.6
April „ ..	97.3	91.8	85.8	77.3	97.6	96.5	94.4	99.9	93.7	96.5	90.5	95.6
May „ ..	97.5	91.8	86.0	78.7	97.7	96.8	94.9	99.9	93.7	97.0	90.9	95.6
June „ ..	97.8	91.9	85.9	80.8	98.0	97.3	95.6	99.9	93.7	97.0	91.6	95.6
July „ ..	98.2	92.5	85.7	80.5	98.4	97.6	95.7	99.9	93.7	97.0	92.8	95.6
August „ ..	98.4	92.6	86.1	81.0	98.5	98.1	95.8	99.3	93.7	97.0	92.8	95.6
September „ ..	98.4	92.6	86.3	80.0	98.6	98.1	95.8	99.3	93.7	97.0	92.8	95.6
October „ ..	98.5	92.6	86.3	79.8	98.7	98.1	95.9	99.3	93.7	97.0	92.8	95.6
November „ ..	98.5	92.7	86.3	80.4	98.6	98.1	96.4	99.3	93.7	97.0	93.0	96.3
December „ ..	98.5	93.0	86.0	80.8	98.6	98.2	97.7	99.3	93.7	97.0	93.2	97.1
January 1969 ..	98.6	93.0	85.8	83.6	98.6	98.2	98.7	99.3	93.7	96.9	93.3	97.1
February „ ..	98.7	93.2	86.0	87.9	98.7	98.5	98.8	99.3	93.7	96.8	93.5	97.1
March „ ..	98.7	93.3	86.8	88.7	98.7	98.7	98.8	99.3	93.7	96.8	93.5	97.1
Percentage variation of March 1969 over March 1968	*+2.0*	*+1.7*	*+1.2*	*+14.0*	*+1.*	*+3.0*	*+4.9*	*—0.6*	—	*+0.6*	*+3.3*	*+1.6*

Average of weeks	SUB-GROUP INDICES OF VARIABLE-										
	Tea Plantations	Coffee Plantations	Rubber Plantations	Coal	Other Mining	Edible and Vegetable oils	Sugar	Cotton Textiles	Jute Textiles	Silk, Woollen and Rayon Textiles	Iron and Steel
	31	32	33	34	35	36	37	38	39	40	41
1964-65	84.7	107.4	115.0	80.2	64.1	103.5	86.9	81.8	90.5	70.1	99.4
1965-66	79.5	107.5	111.1	71.4	49.6	97.9	80.0	69.8	70.6	62.6	95.9
1966-67	80.8	120.6	148.7	65.8	46.4	104.9	77.7	66.5	61.8	71.7	105.3
1967-68	79.8	132.2	143.9	53.2	37.5	114.2	74.1	61.5	48.6	75.8	106.3
1968-69	80.6	126.4	140.9	56.0	41.4	133.9	89.5	61.2	47.6	85.9	107.2
March 1968 ..	82.2	132.3	139.7	51.3	35.6	108.9	80.5	61.4	50.0	80.4	109.9
April „ ..	82.9	130.9	139.3	51.5	36.7	112.5	81.6	59.4	48.5	80.8	108.7
May „ ..	82.9	131.1	139.4	53.7	37.0	116.2	84.9	59.0	49.0	82.7	107.6
June „ ..	82.2	130.0	141.1	55.8	37.0	126.2	85.7	60.7	50.5	84.3	113.2
July „ ..	81.9	129.1	141.1	56.6	37.5	121.0	84.4	60.3	49.6	84.9	107.4
August „ ..	81.9	127.3	137.0	57.2	39.6	121.1	86.5	60.8	48.4	86.1	101.3
September „ ..	80.3	123.6	135.4	57.3	41.9	130.4	89.1	59.4	46.6	86.4	98.2
October „ ..	80.0	123.3	138.5	56.6	41.5	134.2	89.8	58.9	44.6	85.1	98.9
November „ ..	79.8	124.7	137.2	55.8	41.9	137.9	89.7	59.7	43.4	84.3	103.6
December „ ..	79.0	122.7	136.6	52.9	42.8	138.4	91.6	60.3	42.6	85.2	107.8
January 1969 ..	78.2	122.6	141.2	55.3	43.7	147.0	94.4	62.1	44.3	86.9	111.5
February „ ..	78.0	124.3	148.2	60.0	47.5	156.3	98.0	65.5	50.4	89.2	114.6
March „ ..	79.9	126.3	153.8	58.7	49.0	162.2	97.8	67.2	52.1	94.1	112.5
Percentage variation of March 1969 over March 1968	*—2.8*	*—4.5*	*+10.1*	*+14.4*	*+37.6*	*+48.9*	*+21.5*	*+9.4*	*+4.2*	*+17.0*	*+2.4*

SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

=100)

OF DEBENTURES COMPANIES			SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)														
Metals and Engineering	Electricity Generation and Supply	Others	Plantations	Coal and other Mining	Sugar	Cotton Textiles	Jute Textiles	Silk, Woollen and Rayon Textiles	Iron and Steel	Non-ferrous Metals (Basic)	Engineering	Chemicals	Cement	Paper	Electricity Generation and Supply	Trading	Shipping and Other Transport
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
95.5	96.1	94.4	86.5	100.4	95.9	103.8	111.9	101.1	97.4	112.5	100.3	105.7	99.8	112.0	94.9	93.5	92.4
94.4	94.1	93.2	81.8	97.9	92.7	97.8	104.7	92.0	86.2	111.9	94.8	98.5	92.9	106.5	81.8	87.5	87.2
91.6	92.1	91.0	79.7	89.5	89.5	90.3	100.8	91.9	82.1	100.4	92.8	96.2	86.6	102.3	81.8	82.8	84.6
91.3	92.1	90.6	77.5	86.1	86.8	86.6	93.6	91.4	80.1	93.3	88.6	95.1	85.8	101.0	83.2	79.9	84.0
91.8	93.1	91.8	79.1	83.4	86.7	85.5	88.3	92.8	81.2	97.4	86.5	96.6	84.8	97.4	86.7	77.6	86.9
91.4	92.3	90.9	77.7	83.5	84.4	85.1	88.7	92.3	80.6	93.7	87.9	93.8	85.5	98.1	83.4	78.4	83.3
91.5	92.4	90.9	77.4	83.0	84.3	85.0	89.4	90.9	81.0	94.3	87.9	93.4	86.0	98.8	82.9	77.8	84.2
91.4	92.4	90.9	78.1	83.6	85.5	85.2	89.3	91.0	81.2	96.1	87.5	93.4	85.6	98.2	83.9	78.1	85.3
91.4	92.2	91.0	78.5	83.8	86.2	85.3	89.3	90.6	81.5	95.5	87.2	93.9	84.6	97.0	84.7	77.5	88.1
91.5	93.0	91.9	80.1	84.3	86.1	84.8	88.7	90.3	81.0	97.1	87.3	94.3	84.3	96.5	84.9	77.6	87.8
91.8	93.1	91.9	80.7	84.3	86.5	86.0	89.3	91.1	80.6	97.1	87.0	95.5	85.1	95.8	88.3	78.2	87.8
91.8	93.2	91.9	79.9	83.8	87.0	86.5	89.0	91.5	81.2	96.8	86.8	96.1	84.3	96.3	89.1	78.4	87.8
91.7	93.2	91.9	79.2	83.4	87.2	86.2	88.9	92.0	81.2	97.0	87.0	96.2	84.4	96.9	89.2	78.4	87.4
91.8	93.2	92.0	79.1	82.3	87.3	85.8	88.8	92.8	80.6	97.9	86.7	98.0	84.7	98.8	87.4	77.9	87.0
91.9	94.0	92.1	77.8	82.2	88.0	85.5	88.1	93.0	80.3	96.8	85.9	100.2	84.8	99.0	86.9	77.4	86.7
91.7	94.4	92.1	79.4	82.9	87.7	84.6	86.9	93.3	80.2	98.1	85.4	101.1	84.7	97.3	87.4	76.4	86.6
92.7	94.4	92.2	79.6	82.9	87.7	85.1	86.4	95.1	81.2	99.5	84.8	98.6	84.3	97.8	88.0	76.0	86.6
92.7	94.4	92.3	79.6	84.3	87.3	85.8	85.8	101.3	84.2	101.8	84.8	99.1	84.8	97.0	87.4	76.7	86.6
+1.4	*+2.3*	*+1.5*	*+2.4*	*+1.0*	*+3.4*	*+0.8*	*—3.3*	*+9.8*	*+4.5*	*+8.6*	*—3.5*	*+5.7*	*—0.8*	*—1.1*	*+4.8*	*—2.2*	*+4.0*

DIVIDEND INDUSTRIAL SECURITIES																	
Non-ferrous Metals (Basic)	Transport Equipment	Electrical Machinery, Appliances etc.	Machinery other than Transport and Electrical	Foundries and Engineering Workshops	Metal Products	Basic Industrial Chemicals	Other Chemical Products	Cement	Paper and Paper Products	Rubber and Rubber Products	Electricity Generation and Supply	Trading	Shipping and other Transport	Banks	Insurance	Investments
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
92.0	81.2	78.3	85.1	79.4	79.6	67.0	86.0	98.0	77.9	69.5	104.9	79.2	115.3	96.3	136.2	85.9
89.5	71.0	74.7	71.1	64.0	67.8	64.4	93.0	101.4	76.0	78.3	104.7	76.4	136.1	89.8	131.9	85.3
96.8	75.9	87.5	68.8	59.4	63.2	72.9	113.0	94.2	87.3	105.7	109.5	82.9	190.1	90.7	150.0	85.6
92.8	71.4	75.5	67.7	62.5	65.0	65.8	97.5	97.7	74.4	86.5	103.9	76.2	150.1	89.7	132.6	85.2
91.2	70.4	79.3	67.0	60.7	63.1	65.7	101.9	94.7	74.3	90.5	102.6	77.8	159.8	86.3	136.8	84.4
94.9	71.6	86.0	66.8	60.9	64.2	66.9	105.0	94.5	79.9	96.5	103.2	79.1	172.3	86.6	139.9	85.4
99.1	74.6	87.4	68.3	60.4	64.3	67.7	106.3	93.5	87.5	101.0	105.3	81.4	186.6	87.5	145.2	85.1
95.5	73.5	88.8	66.9	60.1	65.6	69.2	109.1	93.0	85.7	101.6	108.5	81.5	192.9	88.1	148.5	85.2
95.5	76.3	89.2	67.6	60.7	66.0	70.7	113.3	93.8	84.7	104.2	110.2	81.4	202.6	88.3	144.9	85.6
92.8	75.9	85.0	66.6	58.7	62.7	70.5	113.1	94.3	83.2	102.7	111.6	82.4	200.1	89.0	146.6	84.7
91.7	75.0	84.9	65.2	57.1	62.8	71.3	114.6	93.8	83.5	101.7	109.4	83.3	195.8	90.3	148.4	85.0
91.3	74.7	85.6	65.6	57.4	61.4	72.6	113.9	93.9	86.0	103.9	109.7	83.5	188.9	92.0	148.7	83.9
93.0	74.9	84.9	66.1	56.7	59.7	74.1	111.4	90.9	84.7	105.6	111.2	83.5	187.8	92.4	153.8	82.4
98.3	77.5	90.2	69.4	59.0	60.9	77.8	115.0	90.6	91.6	112.6	112.6	83.3	190.1	94.0	158.5	85.0
107.5	82.5	94.5	77.5	62.2	63.4	83.2	124.8	96.7	99.7	123.4	114.2	87.4	198.5	96.6	163.0	89.5
108.9	83.1	93.1	77.7	59.2	63.4	84.0	125.4	100.0	103.2	122.0	114.7	89.3	200.6	97.0	165.1	90.0
+17.3	*+16.4*	*+23.3*	*+14.8*	*—5.3*	*—2.5*	*+27.7*	*+28.6*	*+2.4*	*+38.7*	*+41.0*	*+10.4*	*+17.2*	*+33.6*	*+8.1*	*+24.5*	*+5.6*

STATEMENT 48—GROSS YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

Average of months/ month				ALL-Variable Dividend										
				Debentures		Preference Shares (Total)	Total	Agriculture and Allied Activities				Mining and Quarrying		
				Redemption yield	Running yield			Total (a)	Tea plantations	Coffee plantations	Rubber plantations	Total	Coal	Other mining
				1	2	3	4	5	6	7	8	9	10	11
1	1964-65			6.78	6.46	8.26	6.96	8.25	8.38	6.88	7.76	8.46	9.00	6.11
2	1965-66			7.36	6.68	8.92	8.11	8.93	8.73	8.75	8.28	8.96	9.85	5.08
3	1966-67			7.97	6.85	9.38	7.71	8.77	9.05	7.94	7.66	8.92	9.70	5.51
4	1967-68			8.37	6.87	9.85	8.22	9.56	10.12	8.31	8.16	9.47	10.59	4.57
5	1968-69			7.96	7.16	9.97	6.81	9.01	9.52	7.40	6.85	7.91	8.22	6.56
6	March	1968	..	8.33	6.87	9.96	7.91	9.40	10.00	7.54	8.68	8.55	9.58	4.07
7	April	,,	..	8.02	7.20	9.94	7.89	9.39	9.84	7.71	8.75	8.94	10.08	3.93
8	May	,,	..	8.01	7.19	9.91	7.57	9.39	9.89	7.69	8.93	8.41	9.40	4.06
9	June	,,	..	7.97	7.17	9.92	7.40	9.20	9.63	7.81	8.92	8.12	9.03	4.17
10	July	,,	..	7.93	7.15	10.00	7.29	9.10	9.54	8.12	7.51	8.16	8.95	4.70
11	August	,,	..	7.94	7.15	9.97	6.90	8.88	9.43	7.82	6.44	8.75	8.74	8.80
12	September	,,	..	7.95	7.15	9.96	6.70	9.13	9.70	7.88	6.43	8.34	8.37	8.23
13	October	,,	..	7.96	7.16	9.97	6.67	9.10	9.74	7.65	6.21	8.54	8.63	8.16
14	November	,,	..	7.97	7.16	9.98	6.61	9.25	9.78	6.80	6.29	7.96	7.95	8.03
15	December	,,	..	7.97	7.16	9.99	6.55	9.17	9.55	6.94	6.33	7.42	7.33	7.83
16	January	1969	..	7.98	7.17	10.02	6.26	8.71	9.12	6.95	5.78	7.02	6.87	7.64
17	February	,,	..	7.90	7.15	10.03	6.01	8.47	9.12	6.78	5.35	6.49	6.44	6.71
18	March	,,	..	7.90	7.14	9.98	5.93	8.27	8.86	6.68	5.24	6.78	6.84	6.51

Average of months/ month				ALL-Variable Dividend										
				Processing and Manufacturing (*Contd.*)								Other Industries		
				Metals and Chemicals (*Contd.*)				Others				Total (a)	Electricity generation and supply	Trading	Shipping and other transport
				Foundries and Engineering works	Metal products	Basic industrial chemicals	Other chemical products	Total (a)	Cement	Paper and paper products	Rubber and rubber products				
				25	26	27	28	29	30	31	32	33	34	35	36
1	1964-65			7.97	5.82	5.13	6.96	6.97	8.38	6.16	4.99	8.12	8.19	8.05	7.02
2	1965-66			8.36	7.84	6.94	7.90	7.83	9.53	7.00	5.69	9.44	9.13	9.20	10.30
3	1966-67			7.30	7.19	6.70	6.20	8.01	9.27	6.77	7.32	9.43	9.82	8.88	9.65
4	1967-68			6.21	7.43	7.37	8.22	8.13	10.11	6.83	7.13	10.18	10.04	10.11	10.09
5	1968-69			3.67	4.82	5.15	6.68	7.26	10.52	3.96	6.26	9.13	9.45	8.96	8.53
6	March	1968	..	5.50	7.74	6.96	7.60	7.87	10.28	5.88	7.11	10.01	10.01	9.95	9.71
7	April	,,	..	5.78	6.76	6.85	6.79	7.99	10.75	5.77	6.94	10.05	10.13	10.05	9.45
8	May	,,	..	5.89	5.16	6.39	6.77	7.57	10.67	4.61	6.61	9.79	10.01	9.68	8.98
9	June	,,	..	5.04	5.26	5.85	6.93	7.40	10.95	3.66	6.52	9.58	9.81	9.23	8.61
10	July	,,	..	5.14	5.28	5.18	6.89	7.43	10.92	3.79	6.58	9.30	9.52	8.92	8.44
11	August	,,	..	4.27	5.28	4.95	6.56	7.28	10.68	3.79	6.29	9.05	9.34	8.89	8.09
12	September	,,	..	2.77	5.53	4.96	6.57	7.35	10.30	4.40	6.46	8.76	9.36	8.82	7.78
13	October	,,	..	2.69	5.69	4.93	6.64	7.41	10.46	4.47	6.41	8.82	9.52	8.69	8.05
14	November	,,	..	2.67	5.90	4.75	6.72	7.39	10.47	4.26	6.44	8.91	9.42	8.70	8.54
15	December	,,	..	2.65	5.64	4.69	6.94	7.34	10.87	3.48	6.50	8.95	9.31	8.86	8.49
16	January	1969	..	2.43	2.47	4.57	6.84	7.10	10.63	3.32	5.79	8.87	9.13	8.84	8.76
17	February	,,	..	2.27	2.37	4.32	6.27	6.51	9.87	3.05	5.21	8.77	8.96	8.57	8.62
18	March	,,	..	2.41	2.43	4.38	6.27	6.38	9.70	2.96	5.34	8.68	8.96	8.33	8.60

(a) Including 'Others.'

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

INDIA

Industrial Securities

Processing and Manufacturing

Total	**Foodstuffs, Textiles, etc.**						**Metals and Chemicals**						
	Total (*a*)	Edible and vegetable oil	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	**Total** (*a*)	Iron and steel	Non-ferrous metals (Basic)	Transport equipment	Electrical machinery, appliances, etc.	Machinery other than transport and electrical	
12	13	14	15	16	17	18	19	20	21	22	23	24	
6.58	**6.81**	7.41	8.08	6.77	9.21	5.59	**6.19**	7.18	5.14	6.10	6.11	7.29	*1*
7.80	**8.08**	8.14	9.67	8.22	8.33	7.24	**7.49**	7.60	6.56	7.46	7.64	8.78	*2*
7.34	**7.25**	7.75	9.45	7.18	6.89	7.50	**7.19**	6.96	6.24	7.70	7.43	9.57	*3*
7.75	**7.81**	8.46	9.86	8.11	6.15	7.70	**7.55**	7.01	6.95	7.83	8.09	9.71	*4*
6.22	**6.56**	8.63	8.62	6.88	2.71	7.00	**5.48**	5.00	5.13	6.57	5.76	5.20	*5*
7.42	**7.55**	8.66	9.17	8.10	4.89	6.82	**7.12**	6.83	6.33	7.23	7.79	7.85	*6*
7.37	**7.47**	8.28	8.98	8.22	3.60	7.05	**7.05**	7.00	6.44	7.22	7.73	8.17	*7*
7.01	**7.21**	7.94	8.65	7.94	3.29	6.97	**6.61**	6.91	5.24	6.92	7.36	7.95	*8*
6.84	**7.09**	8.06	8.72	7.73	3.19	7.01	**6.37**	6.68	4.83	6.70	7.41	7.85	*9*
6.75	**7.04**	9.44	8.89	7.52	3.15	7.17	**6.20**	6.20	5.00	6.85	7.50	7.75	*10*
6.30	**6.82**	9.47	8.75	7.20	3.18	7.14	**5.40**	4.24	4.92	6.71	5.37	6.93	*11*
6.09	**6.46**	9.41	8.58	6.69	2.62	7.09	**5.25**	4.35	5.13	6.79	4.83	4.64	*12*
6.05	**6.40**	9.23	8.55	6.66	2.16	7.12	**5.21**	4.37	5.38	6.75	4.86	3.23	*13*
5.99	**6.30**	9.05	8.58	6.51	2.11	7.04	**5.17**	4.27	5.49	6.60	4.97	3.30	*14*
5.93	**6.21**	9.00	8.33	6.37	2.11	6.93	**5.13**	4.09	5.51	6.60	5.13	3.30	*15*
5.62	**6.03**	8.26	7.96	6.13	2.38	6.93	**4.66**	4.00	4.90	6.32	4.75	3.31	*16*
5.36	**5.90**	7.88	8.41	5.88	2.35	6.89	**4.40**	3.90	4.40	5.95	4.63	2.96	*17*
5.28	**5.82**	7.54	9.03	5.73	2.33	6.70	**4.32**	3.93	4.29	5.38	4.62	2.96	*18*

INDIA (*Concld.*) **REGIONAL**

Industrial Securities (*Concld.*)

Financial				**Variable Dividend Industrial Securities**					
Total	Banks	Insurance	Investment	Bombay	Calcutta	Madras	Ahmedabad	Delhi	
37	38	39	40	41	42	43	44	45	
9.06	8.90	10.54	8.64	7.06	6.88	7.15	5.95	7.18	*1*
9.56	9.27	11.46	9.34	8.26	7.82	8.75	7.13	8.12	*2*
9.21	9.19	9.35	9.19	7.90	7.48	8.02	6.68	7.53	*3*
10.48	10.16	13.61	9.58	8.51	7.73	8.34	7.40	8.22	*4*
9.72	9.83	10.25	9.05	7.32	5.69	7.85	6.73	6.53	*5*
10.21	10.10	12.24	9.31	8.29	7.17	8.18	7.37	7.88	*6*
10.39	10.45	11.73	9.36	8.34	7.01	8.31	7.50	8.19	*7*
10.36	10.50	11.44	9.25	7.99	6.54	8.24	7.43	8.10	*8*
10.28	10.43	11.27	9.18	7.90	6.25	8.18	7.14	7.99	*9*
10.07	10.24	10.58	9.19	7.91	6.04	8.18	6.91	7.64	*10*
9.96	10.13	10.43	9.09	7.42	5.64	7.88	6.79	6.42	*11*
9.84	9.97	10.34	9.12	7.19	5.49	7.82	6.75	6.39	*12*
9.64	9.70	10.19	9.08	7.18	5.46	7.77	6.81	6.12	*13*
9.55	9.50	10.18	9.29	7.12	5.48	7.71	6.68	5.79	*14*
9.49	9.48	9.77	9.36	7.01	5.47	7.88	6.47	5.67	*15*
9.21	9.30	9.24	8.89	6.85	5.07	7.62	6.22	5.51	*16*
8.92	9.07	8.94	8.40	6.49	4.92	7.38	6.06	5.31	*17*
8.96	9.13	8.92	8.42	6.42	4.84	7.17	5.97	5.25	*18*

STATEMENT 49—PRICES OF

Scrip	December 1957	May 1962	June 1963	December 1964	December 1965	December 1966	December 1967 (End)
	1	2	3	4	5	6	7
Iron and Steel ..							
1. Indian Iron	18.70*	26.20*	22.38	26.02	23.06	29.34	14.98
2. Tata Ordinary	160.50*	148.25*	134.75	147.50	136.50	145.50	96.40
Cotton Textiles							
3. Ambica	582.00	1,417.00*	1,061.00	828.00	636.00	535.50	571.00
4. Bombay Dyeing	49.80@	69.60	57.00	57.80	51.00	47.90	44.00
5. Buckingham	155.00	265.00	261.00	277.00	235.00	118.00	92.50
6. Century	382.00	663.50*	508.50	579.00	485.50	564.00	503.00
7. Kohinoor	259.50	303.00	302.00	322.00	246.00	226.00	166.00
8. Madura	33.75	36.75	31.25	35.25	33.25	17.75*	15.60
9. New Shorrock	897.00	1,620.00*	1,250.00	807.50*	608.75	557.50	399.00
Jute Textiles							
10. Anglo-India	146.50	252.00	224.00	186.00*	106.00	112.00	83.00
11. Birla	14.75	35.75*	28.00	39.19	22.75	24.05	22.70
12. Howrah	13.44	22.87	18.87	15.75	12.62	12.25	9.35
Banks							
13. Central (F 50)	52.30	62.00	55.30	52.30*	47.00	48.50	45.00
14. India (F 100)	132.25*	111.50*	109.00	101.75	98.50	101.00	91.00
Coal							
15. Bengal	228.00*	392.00*	270.00	228.00	166.00	150.00	132.00
16. Burrakur	22.00	20.37	16.50	15.75	12.37	10.50	9.15
Tea Plantations							
17. Hasimara	21.12	31.56	12.56*	12.06	10.00	7.69	6.56
18. Periakaramalai	4.05*	3.41	3.05	3.72	3.50	3.70*	3.58
Engineering							
19. Alcock	221.25	331.00*	274.00	297.00	227.00*	166.00	92.00
20. Ashok Leyland	4.45	8.75*	7.35	7.40*	5.85*	6.00	5.05
21. Guest, Keen, Williams ..	29.12	41.75*	31.75	22.75*	17.12	17.30	13.30
22. Jessop & Co.	22.12*	24.12*	23.31	25.62	21.06	18.94	14.12
23. Hindustan Motors	5.69	20.06	15.62	16.94	14.31	16.08	13.70
24. Sandvik Asia			176.00	172.00	140.00*	166.50	171.00
25. Tata Locomotives	137.25	368.75*	251.00*	272.00*	203.00	219.00	197.50
26. Texmaco	15.60*	26.00	23.65	25.55	20.45	17.60	13.25
Electricity							
27. Andhra Valley	1,117.50*	1,015.00	1,015.00	1,215.00	1,197.50	1,112.50	120.50@
28. Tata Power	1,155.00*	1,103.75	1,058.75	1,257.50	1,256.25	1,187.50	124.00@*
Chemicals							
29. Amar Dye Chem.	100.00	333.75*	157.50	142.50*	123.75	142.50	130.00
30. Atul	176.50*	500.50*	319.00*	284.50	211.75	218.00	231.00
31. Chemicals and Fibres					13.24	31.50	39.25
32. Colour Chem.		500.00*	336·25	307.50	210.00	188.75*	135.50
33. Tata Chem.	12.80*	16.68*	16.60	18.16	17.68	19.12*	20.72
Miscellaneous							
34. Belapur Sugar	252.00*	233.00	173.00	229.50	168.00	179.00	95.00
35. Deccan Sugar	7.85*	10.10	9.75	10.65*	8.50	6.20	6.15
36. Cochin Malabar	4.25*	7.00	5.95	6.07	5.75	6.90*	5.70
37. Consolidated Coffee	28.00*	18.35	17.60	25.65	26.15	26.60	22.95
38. Ouchterlony Valley	4.85	3.80	3.65	3.37	3.06	3.32	3.06
39. A.C.C.	151.00*	160.00	138.50	153.00*	146.75	142.00*	130.50
40. India Cement	4.70*	6.13*	5.49	5.15	4.92	5.32	5.00
41. Dunlop India	19.75*	44.44*	30.87	30.87*	20.87*	20.10*	22.20
42. Orient Paper	24.25	44.20*	34.35	33.00	27.20	32.90	16.20
43. West Coast Paper	65.00	180.00*	127.50	174.50	149.00	171.50	115.50
44. National Rayon	211.25	545.00*	302.00	370.50*	375.00	442.50	422.00
45. Travancore Rayon	10.65	40.00	22.75	17.75	12.25	12.35	11.80
46. Aluminium Industries	13.00*	24.00*	16.80*	24.12	17.20*	17.00	10.55
47. Bombay-Burmah (Old)	520.00	683.00*	60.00*@	55.50	40.10	45.80*	40.10
48. Hindustan Lever	19.76	50.50*	33.75	28.10	19.00*	18.48	18.52
49. Tata Oil	35.00	81.00	56.70*	48.50*	44.00	50.00	42.25
50. Scindia Steam	17.08*	12.76	10.36	15.68	12.24	14.88	14.68
51. Rohtas Industries	16.00	16.50	10.75	9.62	7.50	7.74	6.46
52. Premier Construction	154.00	167.00*	132.50	230.50	216.50*	231.00	183.00
53. Voltas	112.75	298.50	228.00	271.50	188.00*	214.00	215.50

* Exright/bonus. @ Split shares £ Nominal.

SELECTED INDUSTRIAL SHARES

(Prices in rupees)

of					1968-69		*Percentage variation of Col 12. over*	
March 1968	June 1968	September 1968	December 1968	March 1969	Highest	Lowest	(1)	(8)
8	9	10	11	12	13	14	15	16
16.46	16.20	13.80	15.90	15.92	17.60	13.26	+104.4	− 3.3
96.70	106.75	93.60	98.90	103.25	107.25	92.50	+ 36.5	− 6.8
609.00	651.00	518.50	562.00	669.00	717.00*	511.50*	+145.2	+31.8
39.00	37.70	36.25	38.00	41.00	43.00	34.60	+ 18.6	+ 5.1
100.00	90.00	102.00	94.50	91.50	102.00	90.00	+ 18.1	− 8.5
559.50	631.50	631.00	623.50	679.50	697.50	556.00	+403.8	+36.6
183.50	242.50	228.00	230.50	234.00	258.00	180.50	− 7.1	+27.5
16.85	16.90	18.35	18.75	20.12	21.60	16.60	+ 19.2	+19.4
374.00	408.00	414.00	432.00	447.00	461.00	359.00	+ 74.9	+19.5
85.50£	74.00	66.50	66.50	90.00	97.00	64.50	− 26.3	+ 5.3
24.75	27.30	25.30	27.50	31.15	33.75	24.05	+280.8	+25.9
8.70£	8.00	9.75	8.35	8.50£	9.80	7.25	− 36.8	− 2.3
44.00	45.00	46.25	49.50	52.50	52.50	43.00	+ 19.0	+19.3
87.50	88.00	92.00	97.00	99.00	101.00	86.00	− 14.1	+13.1
145.00	180.00	198.00	193.00	200.00	216.00	143.00	− 5.6	+37.9
8.95£	12.31	12.00	11.00	12.10£	12.75	8.85	− 26.7	+35.2
5.90£	6.65	5.81	5.81	4.87	6.87	4.84	− 53.9	−17.5
3.88	4.00	3.65	3.73	3.70	4.05	3.65	+ 9.8	− 4.6
98.00	94.00	85.00	84.00	112.00	127.00	81.00	− 6.9	+14.3
5.00	4.85	4.80	5.08	5.80	5.85	4.70	+ 87.1	+16.0
12.75	13.50	13.55	12.90	14.60	15.35	12.15	— 4.8	+14.5
14.62	15.62	15.75	15.19	13.44	17.50	12.62	− 10.5	− 8.1
15.42	17.52	17.18	16.88	17.22	19.66	14.50	+242.3	+26.2
170.50	174.00	149.00	156.00	172.00	181.00	145.00	—	+ 0.9
208.25	227.00	204.50	209.75	229.00	243.00	193.50	+190.8	+10.0
11.50	12.15	11.25	11.60	12.30	13.55	10.90	− 21.2	+ 7.0
116.50	121.50	130.00	130.00	135.00	136.50	114.00	+ 20.8	+15.9
120.00	124.50	130.00	130.50	138.25	136.50	115.50	+ 21.5	+15.2
133.75	122.50	118.75	126.25	150.00	161.25	116.25	+118.4	+12.1
171.00	217.50	187.00	215.00	250.00	254.75	166.00	+130.2	+46.2
46.50	47.25	45.00	43.50	42.50	63.50	40.00	—	− 8.6
141.25	153.75	157.50	172.50	245.00	245.00	136.25	—	+73.5
21.48	21.84	24.60	28.00	27.30	29.90	21.44	+230.9	+65.3
129.50	111.50	123.00	128.00	139.50	146.00	99.50	+ 10.8	+ 7.7
6.50	7.10	8.30	7.93	8.35	8.95	6.55	+ 86.0	+28.5
6.00	5.90	5.35	5.28	5.40	6.00	4.95	+ 52.5	−10.0
22.30	22.10	22.12	21.62	24.62	24.62	21.50	+ 31.9	+10.4
3.00	2.80	2.59	2.63	2.60	3.00	2.53	— 46.4	−13.3
119.00	118.75*	113.00	116.75	120.00	126.75	110.00	+ 1.9	+ 3.9
5.70	6.23	5.90	5.65	6.30	6.40	5.35	+ 66.7	+10.5
24.90	27.05	26.80	26.95	32.10	36.50	24.65	+356.6	+28.9
16.90	25.00	26.30	26.85	28.50	30.25	16.80	+161.2	+68.6
110.00	144.00	144.50	151.00	186.00	189.50	110.00	+324.9	+69.1
470.00	486.00	486.00	476.50	480.00	523.00	449.00	+250.6	+ 2.1
13.80	14.42	13.55	13.55	17.25	17.25	13.30	+102.5	+25.0
10.60	9.50	8.20	6.88	7.70	11.00	6.80	− 0.5	−27.4
40.25	40.30	40.85	38.10	40.00	44.00	37.50	+ 20.2	− 0.6
19.52	21.52	21.24	21.00	23.64	24.44	19.52	+142.7	+21.1
44.00	52.50	49.00	54.80	70.50	71.70	44.50	+266.8	+60.2
14.12	16.52	18.16	17.16	18.40	19.48	14.00	+ 7.7	+30.3
6.56	6.74	6.28	6.10	6.96	7.70	5.94	− 56.5	+ 6.1
186.00	211.00	209.00	190.00	197.00	221.00	177.00	+194.6	+ 5.9
200.00	210.00	218.00	225.50	228.00	234.50	194.50	+181.1	+14.0

Source : Stock Exchanges.

STATEMENT 50—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1965 (Further revised)					1966 (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	26.41	0.18	0.45	3.44	**30.47**	21.11	0.15	0.74	2.86	**24.87**
Preference	2.13	—	—	0.13	**2.26**	2.17	—	0.13	0.08	**2.38**
Further (*b*)										
Ordinary	26.19	0.58	5.01	8.00	**39.77**	14.85	0.02	6.52	9.62	**31.00**
Preference	5.99	—	2.12	0.39	**8.50**	4.42	—	0.40	0.25	**5.06**
Debentures	21.61	—	0.01	—	**21.62**	15.32	—	—	—	**15.32**
	82.32	0.75	7.58	11.97	**102.62**	57.87	0.17	7.79	12.81	**78.64**
Bonus	5.66	0.58	—	—	**6.23**	73.25	17.87	—	—	**91.12**
Miscellaneous (loans, etc.)	16.64	—	—	—	**16.64**	19.21	0.50	—	—	**19.71**
Total	**104.62**	**1.33**	**7.58**	**11.97**	**125.50**	**150.33**	**18.54**	**7.79**	**12.81**	**189.47**
										B. Government
Initial (*a*)										
Ordinary	0.24	25.18	0.66	—	**26.07**	0.19	14.19	—	0.15	**14.53**
Preference	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary	2.71	75.66	1.09	0.44	**79.90**	5.08	90.17	0.43	0.83	**96.52**
Preference	0.50	—	—	—	**0.50**	—	—	—	—	—
Debentures	—	0.25	—	—	**0.25**	—	—	—	—	—
	3.45	101.09	1.75	0.44	**106.72**	5.27	104.37	0.43	0.98	**111.05**
Bonus	0.11	—	—	—	**0.11**	—	—	—	—	—
Miscellaneous (loans, etc.)	7.15	—	—	—	**7.15**	7.58	—	—	—	**7.58**
Total	**10.70**	**101.09**	**1.75**	**0.44**	**113.98**	**12.85**	**104.37**	**0.43**	**0.98**	**118.62**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1965, 1966, 1967 and 1968 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, 1969. 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)

1967 (Revised)					1968 (Preliminary)				
Capital paid-up during the year against consents (*c*)		Capital raised under exemption order		**Total Capital raised (i.e. paid-up)**	Capital paid-up during the year against consents(*c*)		Capital raised under exemption order(*c*)		**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									
14.37	—	0.56	2.25	**17.19**	9.81	0.20	0.44	2.13	**12.58**
1.65	—	—	0.01	**1.67**	0.37	—	0.11	0.01	**0.49**
21.64	0.53	5.02	11.26	**38.45**	19.22	—	5.36	9.11	**33.69**
4.03	—	1.24	0.59	**5.85**	8.28	—	0.52	0.67	**9.47**
21.61	—	—	—	**21.61**	28.05	—	—	—	**28.05**
63.30	0.53	6.83	14.11	**84.77**	65.74	0.20	6.42	11.91	**84.27**
70.44	13.69	—	—	**84.13**	22.69	5.16	—	—	**27.86**
2.74	—	—	—	**2.74**	5.76	—	—	—	**5.76**
136.49	**14.22**	**6.83**	**14.11**	**171.65**	**94.19**	**5.37**	**6.42**	**11.91**	**117.89**
Companies									
12.87	1.04	—	1.50	**15.41**	—	0.07	0.62	81.95	**82.65**
—	—	—	—	—	—	—	—	—	—
0.51	31.07	4.75	38.27	**74.60**	0.21	—	14.68	72.16	**87.05**
—	—	—	—	—	—	—	—	—	—
3.50	—	—	—	**3.50**	0.50	—	—	—	**0.50**
16.88	32.11	4.75	39.76	**93.51**	0.71	0.07	15.30	154.11	**170.19**
—	—	—	—	—	—	—	—	—	—
16.74	—	—	—	**16.74**	—	—	—	—	—
33.62	**32.11**	**4.75**	**39.76**	**110.25**	**0.71**	**0.07**	**15.30**	**154.11**	**170.19**

(*a*) Issues of new companies. (*b*) Issues of existing companies. (*c*) Including capital raised under "No objection" orders.

Source : Office of the Controller of Capital Issues.

STATEMENT 51—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
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Non-Government Companies														
Industrial	177	70.01	171	67.70	4	17.45	18	10.39	—	—	5	8.26	144	31.60
	(55)	(61.00)	(55)	(61.00)	(13)	(9.10)	(18)	(15.26)	(13)	(23.76)	(11)	(12.89)		
Non-Industrial	48	13.47	46	12.94	2	10.20	1	0.04	—	—	1	0.74	42	1.96
	(3)	(1.57)	(3)	(1.57)	(—)	(—)	(1)	(0.93)	(1)	(0.30)	(1)	(0.34)		
Of which :														
(i) Agriculture and allied activities	10	0.97	10	0.94	—	—	—	—	—	—	—	—	10	0.94
	(1)	(0.34)	(1)	(0.34)							(1)	(0.34)		
(ii) Financial	8	10.69	7	10.19	1	10.00	1	0.04	—	—	—	—	5	0.15
(iii) Trade and Transport	24	1.52	23	1.51	1	0.20	—	—	—	—	1	0.74	21	0.58
(iv) Others	6	0.29	6	0.29	—	—	—	—	—	—	—	—	6	0.29
	(2)	(1.23)	(2)	(1.23)			(1)	(0.93)	(1)	(0.30)				
Total for 1968	**225**	**83.48**	**217**	**80.63**	**6**	**27.65**	**19**	**10.43**	—	—	**6**	**9.00**	**186**	**33.56**
	(58)	(62.57)	(58)	(62.57)	(13)	(9·10)	(19)	(16.19)	(14)	(24.06)	(12)	(13.23)		
Total for 1967	**389**	**104.17**	**379**	**102.99**	**5**	**17.86**	**25**	**24.26**	**2**	**8.10**	**6**	**4.93**	**341**	**47.85**
	(87)	(131.63)	(87)	(131.63)	(22)	(34.49)	(32)	(33.96)	(18)	(32.00)	(15)	(31.19)		
Total for 1966	**796**	**278.70**	**785**	**277.54**	**28**	**24.84**	**46**	**23.13**	**14**	**18.06**	**39**	**64.51**	**658**	**147.00**
Total for 1965	**166**	**167.79**	**154**	**166.50**	**43**	**41.42**	**40**	**23.83**	**18**	**21.02**	**29**	**75.29**	**24**	**4.93**
Total for 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	2	2.30	2	2.30	—	—	2	2.30	—	—	—	—	—	—
Non-Industrial	1	3.50	1	3.50	—	—	—	—	1	3.50	—	—	—	—
Of which :														
(i) Agriculture and allied activities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Financial	1	3.50	1	3.50	—	—	—	—	1	3.50	—	—	—	—
(iii) Trade and Transport	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iv) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1968	**3**	**5.80**	**3**	**5.80**	—	—	**2**	**2.30**	**1**	**3.50**	—	—	—	—
Total for 1967	**6**	**2.39**	**6**	**2.39**	**1**	**0.60**	**3**	**1.28**	**1**	**0.50**	—	—	**1**	—
Total for 1966	**57**	**183.79**	**57**	**181.74**	**5**	**21.83**	**44**	**127.98**	**2**	**4.50**	**6**	**27.43**	—	—
Total for 1965	**53**	**172.36**	**53**	**109.28**	**8**	**12.20**	**36**	**78.74**	**1**	**3.00**	**8**	**15.34**	—	—
Total for 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.

Figures relating to issue of Capital under 'No objection' category are given separately in brackets.

(*a*) Figures relate only to applications disposed of and not applications received. (*b*) Includes ordinary and preference shares. (*c*) Loans raised by companies by creating a charge or lien on their assets. (*d*) Formed part of a "further" issue of shares and loans.

Source: Office of the Controller of Capital Issues.

STATEMENT 52—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 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8	9	10	11	12	13
I. Revenue Account													
A. Revenue (*a*) ..	405·86	481·19	877·46	1,036·79	1,427·53	1,846·14	2,080·59	2,320·39	2,473·22	2,553·64	2,725·80	2,714·40	2,961·57(*g*)
B. Expenditure (*b*) ..	346·64	440·74	826·21	911·94	1,314·13	1,658·60	1,806·69	2,000·63	2,244·46	2,449·65	2,594·88	2,710·77	2,921·38
C. *Surplus* (+) *or Deficit* (—)	*+59·22*	*+40·45*	*+51·25*	*+124·85*	*+113·40*	*+187·54*	*+273·90*	*+319·76*	*+228·76*	*+ 103·99*	*+130·92*	*+ 3·63*	*+40·19*(*g*) (*+36·36*)
II. Capital Account													
A. Receipts (*c*) (*d*) ..	106·03	288·37	1,155·80	1,022·47	1,230·37	1,415·00	1,717·23	1,705·49	2,473·17	2,250·64	2,098·85	2,221·46	2,346·70
B. Disbursements ..	184·17	478·34	1,029·33	1,236·74	1,480·50	1,794·10	2,148·50	2,222·42	3,059·94	2,625·26	2,511·37	2,472·47	2,624·53
C. *Surplus* (+) *or Deficit* (—)	*—78·14*	*—189·97*	*+126·47*	*—214·27*	*—250·13*	*—379·10*	*—431·27*	*—516·93*	*—586·77*	*—374·62*	*—412·52*	*—251·01*	*—277·83*
III. Miscellaneous (Net) (*e*)	**+15·26**	**—10·35**	**—60·87**	**—25·09**	**—19·41**	**+24·70**	**—14·47**	**+24·39**	**+62·72**	**+64·34**	**—7·67**	**—12·29**	**—12·21**
IV. Overall Surplus (+) or Deficit (—) (IC+IIC +III)	**—3·66**	**—159·87**	**+116·85**	**—114·51**	**—156·14**	**—166·86**	**—171·84**	**—172·78**	**—295·29**	**—206·29**	**—289·27**	**—259·67**	**— 249·85**(*g*) (*— 253·68*)
Financed by :													
A. Treasury bills (*f*) [Increase (—)] ..	—16·10	—123·38	+141·31	—118·69	—174·57	—157·41	—111·56	—218·32	—357·73	—164·86	—290·00	—246·00	—250·00
B. Cash balances [Decrease (—)] ..	+12·44	—36·49	—24·46	+4·18	+18·43	—9·45	—60·28	+45·54	+62·44	—41·43	+0·73	—13·67	+0·15
(i) Opening balance..	149·50	32·23	69·67	45·22	49·40	67·75	58·30	—2·00	43·63	106·00	51·07	64·57	50·90
(ii) Closing balance..	161·94	—4·26	45·21	49·40	67·83	58·30	—1·98	43·54	106·07	64·57	51·80	50·90	51·05

Note : Accounts are provisional. Budget estimates for 1969-70 relate to those presented to the *Lok Sabha*. Figures in brackets show the position after taking into account the modifications in excise duties announced later.

(*a*) Excluding States' share of excise duties and other taxes. (*b*) Excluding the payment of States' share of excise duties and additional excise duties. (*c*) Excluding Treasury bill receipts. (*d*) Excludes *ad hoc* Treasury bills of Rs. 50 crores each in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64, Rs. 50 crores each in 1964-65, 1965-66 and 1966-67 and Rs. 75 crores each in 1967-68 and 1968-69 (R.E.) funded in January 1961, February 1962, December 1962, January 1964, January 1965, February 1966, February 1967, February 1968 and February 1969, respectively. (*e*) Includes remittances, transfer of cash between England and India and Reserve Bank deposits. (*f*) Mostly sold to the Reserve Bank of India. (*g*) Inclusive of the effect of Budget proposals.

STATEMENT 53—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revenue 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 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8	9	10	11	12	13
REVENUE													
I. Taxes on Income and Expenditure (1+2+3)	**125.70**	**113.23**	**191.97**	**228.84**	**312.39**	**414.02**	**457.27**	**453.72**	**500.56**	**461.43**	**483.53**	**465.52**	**503.94**
Taxes on income other than corporation tax	132.73	131.35	167.38	165.39	185.96	258.60	266.55	271.80	308.68	325.62	319.65	338.00	362.30
Less: States' share	47.52	55.16	87.37	93.85	95.27	119.29	123.77	123.34	137.09	174.52	156.50	194.51	184.57
(1) Net receipts	85.21	76.19	80.01	71.54	90.69	139.31	142.78	148.46	171.59	151.10	163.15	143.49	177.73
(2) Corporation tax	40.49	37.04	111.05	156.46	221.50	274.59	314.05	304.84	328.90	310.33	320.35	322.00	326.20
(3) Expenditure tax			0.91	0.84	0.20	0.12	0.44	0.42	0.07	—	0.03	0.03	0.01
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**	**19.83**	**20.13**	**18.19**	**19.48**	**21.09**	**20.86**
Estate Duty		1.81	3.09	4.21	3.94	4.67	5.43	6.66	6·26	6·37	7.50	7·00	7·50
Less: States' share		1.86	2.91	3.88	3.88	4.22	6.78	6.79	4.55	6.58	6.81	5.54	7.11
(1) Net receipts		—0.05	0.18	0.33	0.06	0.45	—1.35	—0.13	1.71	—0.21	0.69	1.46	0.39
(2) Tax on wealth			8.15	8.26	9.54	10.20	10.50	12.05	10.58	10.67	11.00	11.00	12.00
(3) Gift tax			0.89	1.01	0.97	1.12	2.22	2.27	1.75	1.30	1.75	1.75	1.50
(4) Stamps and registration	1.81	1.72	3.68	4.05	5.00	4.94	4.97	5.38	5.91	6.30	5.86	6.57	6.77
(5) Land revenue(*a*)	2.00	0.88	0.59	0.56	0.58	0.31	0.15	0.26	0.18	0.13	0.18	0.31	0.20
III. Taxes on Commodities and Services (1+2+3+4+5+6)	**227.49**	**295.69**	**524.68**	**632.32**	**732.44**	**943.29**	**1,089.04**	**1,311.07**	**1,413.27**	**1,457.05**	**1,583.85**	**1,512.19**	**1,675.58**
Customs													
Imports	107.70	127.98	154.61	198.22	238.42	334.25	404.64	547.69	479.21	408.08	455.56	372.94	388.10
Exports	47.36	37.76	13.12	12.69	9.60	3.37	2.43	2.14	122.91	130.42	106.11	103.41	80.25
Other revenue	6.37	4.22	8.21	7.82	7.50	8.01	4.22	4.91	4.91	6.88	5.50	5.75	5.75
Less: Refunds	4.28	3.26	5.91	6.48	9.56	10.89	13.79	15.77	21.66	32.03	27.90	37.10	38.90
(1) Net receipts	157.15	166.70	170.03	212.25	245.96	334.74	397.50	538.97	585.37	513.35	539.27	445.00	435.20
Union excise duties	67.54	145.25	416.35	489.31	598.83	729.58	801.51	897.92	1,033.78	1,148.52	1,286.08	1,320.45	1,526.20
(Of which additional excise duties)			(33.60)	(38.96)	(44.75)	(43.11)	(44.49)	(46.93)	(50.16)	(48.42)	(53.18)	(53.93)	(56.67)
Less: States' share	—	16.57	75.10	80.65	124.91	135.99	127.34	145.92	230.91	234.64	274.37	290.93	327.02
(2) Net receipts	67.54	128.68	341.25	408.66	473.92	593.59	674.17	752.00	802.87	913.88	1,011.71	1,029.52	1,199.18
(3) Sales tax(*a*)	—	—	5.19	5.99	6.65	9.01	11.23	12.54	15.97	19.02	21.07	23.28	25.96
(4) State excise(*a*)	2.06	0.07	1.83	2.02	2.26	1.62	1.44	1.67	2.49	3.74	3.97	4.66	4.94
(5) Tax on vehicles(*a*)	0.24	0.05	0.53	0.60	0.69	1.12	1.18	1.26	1.37	1.55	1.61	1.67	1.81
(6) Other taxes and duties(*a*)	0.50	0.19	5.85(*d*)	2.80	2.96	3.21	3.52	4.63	5.20	5.51	6.22	8.06	8.49
IV. Total Tax Revenue	**357.00**	**411.47**	**730.14**	**875.37**	**1,060.98**	**1,374.33**	**1,562.80**	**1,784.62**	**1,933.96**	**1,936.67**	**2,086.86**	**1,998.80**	**2,200.38 (2,196.55†)**
V. Interest Receipts (1+2+3+4+5)	**2.13**	**2.84**	**14.81**	**12.22**	**153.23**	**243.54**	**257.28**	**307.67**	**377.48**	**425.38**	**449.19**	**496.03**	**540.07**
(1) State and Union Territory Governments(*b*)					68.52	118.91	114.53	151.75	184.68	200.02	205.00	227.00	249.00
(2) Railways					60.89	71.13	81.68	90.38	101.63	111.23	121.48	122.02	128.74
(3) Posts and Telegraphs					4.90	6.10	7.27	5.42	9.36	12.44	9.70	9.28	10.17
(4) Other commercial departments					1.29	0.83	1.46	1.17	4.64	6.58	113.01	137.73	152.16
(5) Other interest receipts				12.22	17.63	46·57	52.34	58.95	77.17	95.11			
VI. Administrative Receipts	**12.53**	**17.08**	**59.32**	**53.92**	**63.44**	**48.13**	**49.05**	**40.95**	**47.94**	**56.83**	**52.99**	**58.38**	**59.91**
VII. Net Contribution of Public Undertakings	**23.16**	**28.92**	**53.00**	**65.69**	**56.07**	**70.25**	**70.18**	**78.86**	**87.33**	**102.22**	**106.58**	**106.29**	**114.86**
(1) Railways	6.50	5.80	4.77	20.66	20.37	24.82	23.25	25.90	30.76	30.30	30.52	29.32	30.27
(2) Posts and Telegraphs	3.98	3.47	0.46	0.77	0.77	1.22	1.44	1.15	—	5.55	3.12	2.68	3.00

(3) Currency and mint	9.71	19.75	47.95	42.75	32.21	40.68	39.01	46.48	48.08	56.14	61.60	62.19	68.50
(Profits of Reserve Bank of India)	(9.91)	(20.00)	(40.00)	(42.50)	(43.50)	(40.00)	(48.00)	(48.00)	(50.00)	(60.00)	(65.00)	(65.00)	(70.00)
(4) Dividend from commercial undertakings					3.74	4.37	6.89	6.65	7.86	10.13	10.83	12.10	12.54
(5) Others(*c*)	2.97	—0.10	—0.18	1.51	—1.02	—0.84	—0.41	—1.32	0.63	0.10	0.51	—	0.55
VIII. Other Non-tax Revenue ..	**11.04**	**20.88**	**20.19**	**29.59**	**93.81**	**109.89**	**141.28**	**108.29**	**26.51**	**32.54**	**30.18**	**54.90**	**46.35**
IX. Total Non-tax Revenue ..	**48.86**	**69.72**	**147.32**	**161.42**	**366.55**	**471.81**	**517.79**	**535.77**	**539.26**	**616.97**	**638.94**	**715.60**	**761.19**
X. Total Revenue (IV+IX)	**405.86**	**481.19**	**877.46**	**1,036.79**	**1,427.53**	**1,846.14**	**2,080.59**	**2,320.39**	**2,473.22**	**2,553.64**	**2,725.80**	**2,714.40**	**2,961.57** (2,957.74†)
						EXPENDITURE							
XI. Development Expenditure (*e*) (Other than grants to State and Union Territory Governments)	**39.50**	**82.41**	**236.40**	**181.79**	**200.29**	**179.66**	**201.98**	**234.79**	**275.46**	**282.53**	**338.31**	**327.19**	**372.61**
Of which :													
(1) Education and scientific departments..	7.58	23.15	64.54	49.01	55.38	62.75	75.52	87.24	96.37	112.24	131.90	125.56	141.37
(2) Medical and public health	1.99	3.82	13.67	9.91	10.33	11.38	12.32	15.11	17.47	19.05	25.74	23.37	27.26
(3) Agriculture and allied services ..	2.70	17.13	43.50	12.90	14.68	13.73	16.19	15.15	18.26	23.22	26.36	22.75	28.64
(4) Export promotion				5.50	14.20	7.22	2.10	19.89	42.55	22.68	40.00	34.00	44.00
XII. Non-Development Expenditure	**291.57**	**322.53**	**541.46**	**535.17**	**918.81**	**1,248.97**	**1,336.03**	**1,441.77**	**1,563.20**	**1,693.60**	**1,778.29**	**1,846.92**	**1,952.59**
(1) Collection of taxes and duties and other principal revenues(*f*)	10.24	12.51	22.43	21.16	23.47	23.93	26.30	30.07	32.20	35.20	39.90	40.11	44.59
(2) Administrative services(*g*) ..	21.29	33.57	58.66	59.17	75.18	77.51	81.87	95.40	122.97	136.48	140.41	152.82	164.83
Of which :													
(i) General administration	8.89	12.70	16.61	19.22	19.15	19.24	20.56	23.88	26.93	30.40	26.63	27.79	27.51
(ii) Police	3.04	4.17	11.74	18.76	23.44	25.07	25.27	31.83	47.98	61.27	62.48	71.91	74.71
(3) Defence expenditure (Net)	164.13	172.23	247.55	289.54	425.30	704.15	692.85	762.18	797.80	862.21	894.46	943.63	985.78
(4) Debt services(*h*) ..	37 36	43.14	77.09	82.85	245.43	278.35	316.41	370.62	463.45	501.43	550.32	527.69	568.82
(5) Other expenditure(*i*)	58.53	61.01	135.53	79.42	146.01	161.60	214.38	178.74	140.91	152.10	146.64	173.64	179.84
(6) Other miscellaneous adjustments between Centre and States and Union Territory Governments ..	0.02	0.07	0.20	3.03	3.42	3.43	4.22	4.76	5.87	6.18	6.56	9.03	8.73
XIII. Grants to State and Union Territory Governments(*j*)	**15.57**	**35.80**	**48.35**	**194.98**	**195.03**	**229.97**	**268.68**	**324.07**	**405.80**	**473.52**	**478.28**	**536.66**	**596.18**
Of which :													
Statutory Grants ..			36.50	39.50	61·43	61·75	63.50	63.75	140.61	140.61	140.61	140.61	176.81
XIV. Total Expenditure (XI+XII+XIII) ..	**346.64**	**440.74**	**826.21**	**911.94**	**1,314.13**	**1,658.60**	**1,806.69**	**2,000.63**	**2,244.46**	**2,449.65**	**2,594.88**	**2,710.77**	**2,921.38**
Surplus (+) or Deficit(—)	*+59.22*	*+40.45*	*+51.25*	*+124.85*	*+113.40*	*+187.54*	*+273.90*	*+319.76*	*+228.76*	*+103.99*	*+130.92*	*+3.63*	*+ 40.19*

Note : (1) The figures of total revenue and expenditure as given in this statement differ from those in the budget papers as receipts from forests, opium and currency and mint, etc., are shown on a net basis and states' share of Union excise duties and additional duties of excise are excluded. Owing to changes in accounting classification, the figures from 1962-63 onwards, particularly in respect of Interest Receipts under Revenue Receipts and Development and Non-Development Expenditure under Revenue Expenditure are not comparable with those for earlier years. Budget estimates for 1969-70 relate to those presented to the *Lok Sabha* and include the effects of budget proposals in respect of Receipts. (2) From 1960-61, figures include self-balancing items in respect of grants under P.L. 480 and Steel Equalization Fund ; from 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds. (*a*) Relates to taxes levied and collected in the Union territories of Delhi and Chandigarh. (*b*) Figures upto 1961-62 exclude interest receipts from State Governments and Commercial departments since they were adjusted in reduction in expenditure. (*c*) Include forests, opium, irrigation, electricity and road and water transport schemes. (*d*) Including net receipts from Tax on Railway Passenger fares; from 1961-62, these appear under grants. (*e*) Comprises multipurpose river schemes, ports and pilotage, light houses and light ships, scientific departments, education, medical, public health, agriculture, rural development, animal husbandry, Co-operation, industries (and supplies upto 1961-62), aviation, broadcasting, civil works, post war reconstruction departments, community development projects, National extension service, labour and employment, overseas communications service and miscellaneous departments and export promotion (from 1961-62). (*f*) Excludes forests, opium and States' shares of Union excise duties and additional excise duties. (*g*) Comprise general administration, audit, administration of justice, jails, police, tribal areas and external affairs; with effect from 1961-62 expenditure relating to tribal areas is adjusted under the relevant major heads closely connected with the object of expenditure. From 1962-63, this includes miscellaneous departments of administrative nature and supplies and disposals. (*h*) Include 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. (*i*) Comprises famine relief, staticnery and printing, civil defence and pre-partition payments. Since 1960-61 it includes provision for transfer to the Special Development Fund of grants received under P.L. 480. From 1962-63, it includes Emergency Risks (Goods and Factories), Insurance Funds and certain grants to States. This item also includes (for 1950-51) provision for grants to States, for Grow More Food Schemes, relief in natural calamities, etc. From 1954-55, these grants are transferred to miscellaneous expenditure under appporiate Ministries ; from 1961-62, these figures are shown against Grants to State and Union Territory Governments. (j) Prior to 1961-62, grants other than statutory grants to States were shown under appropriate heads of expenditure.

† Figures in brackets show the position after taking into account the modifications in excise duty rates announced later.

STATEMENT 54—REVENUE FROM UNION EXCISE DUTIES

(In lakhs of rupees)

Commodity	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1961-62 (Accounts)	1962-63 (Accounts)	1963-64 (Accounts)	1964-65 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Revised)	1969-70 (*b*) (Budget)
	1	2	3	4	5	6	7	8	9	10	11	12
Basic duties on :												
Motor spirit	2,08	23,05	40,46	45,51	51,56	67,55	73,77(*a*)	84,28(*a*)	87,54(*a*)	109,06(*a*)	123,00	144,00
Refined diesel oils and vapourizing oils		16	36,38	43,36	46,99	67,23	82,07(*a*)	106,02(*a*)	142,67(*a*)	169,65	202,00	222,00
Industrial fuel oils		47	13,01	14,49	18,89	27,33	27,19(*a*)	36,66(*a*)	38,25(*a*)	45,24	47,00	52,00
Kerosene	28	2,43	8,29	12,84	16,55	35,74	39,67	44,25	49,05	64,65	71,00	92,40
Sugar	6,46	18,58	44,19	47,23	60,18	52,11	51,05	53,69	89,78	60,45	48,87	81,81
Matches	8,07	10,08	18,08	18,48	21,91	20,84	22,82	23,24	25,75	25,70	29,00	30,50
Tyres and tubes	4,04	5,53	13,54	14,50	17,04	23,82	25,33	29,58	36,65	37,88	44,80	47,30
Tobacco	31,99	36,46	53,73	56,45	64,43	80,66	89,68	98,88	114,98	140,26	170,47	190,91
Vegetable products	2,19	3,82	5,63	6,06	7,81	14,54	12,92	7,65	8,20	7,83	9,20	12,60
Coffee	1,17	93	1,35	1,92	1,83	2,07	2,28	2,11	2,44	2,81	3,24	3,42
Tea	3,36	3,17	7,47	10,57	10,21	15,76	17,06	17,21	14,45	26,69	27,98	27,75
Cotton fabrics	9,26	28,18	45,94	47,51	58,37	57,36	55,66	50,49	56,66	51,12	59,50	61,75
Artificial silk fabrics		2,18	2,05	2,91	1,12	1,80	1,77	1,84	2,40	3,85	2,35	3,05
Cement		2,22	18,45	18,32	21,38	26,62	27,31	30,73	32,17	32,13	33,60	36,00
Soap		1,55	2,38	2,46	3,02	5,01	4,38	4,73	5,18	5,61	6,30	6,90
Woollen fabrics		53	90	1,35	1,93	2,10	1,48	1,30	1,31	1,28	1,64	1,70
Electric fans		27	1,17	1,20	1,52	1,50	1,91	1,98	2,03	1,98	2,16	2,34
Electric bulbs and tubes		25	68	88	1,29	1,69	1,55	1,75	1,87	1,98	3,00	3,43
Electric batteries and parts thereof		73	1,88	1,79	2,23	2,87	3,23	3,51	4,43	4,84	6,00	6,60
Paper		2,68	8,38	11,51	13,33	18,08	17,94	18,09	18,14	19,64	21,08	22,15
Paints and varnishes		1,01	1,40	2,12	2,62	4,09	4,66	4,10	5,06	5,01	5,40	6,00
Vegetable non-essential oils		29	11,69	10,47	10,54	1,42	1,08	90	78	89	1,25	1,35
Rayon and synthetic fibres and yarn			2,82	5,58	9,71	15,16	19,91	20,01	22,51	40,02	53,60	64,17
Motor vehicles			8,03	10,30	11,22	14,86	18,03	20,09	22,48	21,05	24,50	25,40
Asphalt, bitumen and tar			2,93	2,52	2,40	2,92	3,32	5,54	4,81	3,80	4,60	5,00
Aluminium			1,17	1,04	1,69	2,57	2,95	3,73	4,53	10,90	12,00	13,60
Tin plates			1,36	1,61	1,96	2,11	2,16	1,96	2,06	2,03	2,20	2,60
Internal combustion engines			1,53	1,34	1,27	1,86	2,34	2,18	1,67	1,07	1,32	1,43
Electric motors			80	1,03	1,26	1,91	2,31	2,79	3,49	3,80	4,20	4,50
Iron in any crude form			97	1,11	1,36	1,66	4,08	4,70	4,45	4,40	4,00	4,50
Steel ingots	54	69	13,14	15,51	4,61	20	28	70,86	53	55	1,00	10
Iron and steel products					24,29	38,13	46,19		68,46	64,89	67,50	78,00

Coal and coke	1,62	2,38	5,40	9,98	12,26	14,15	13,03	14,08	15,14	15,38	16,70	17,80
Petroleum products n.o.s.					62	40	51	1,36	2,21	4,41	7,30	8,00
Soda ash			2	30	41	49	51	60	61	65	75	80
Caustic soda			2	41	51	65	80	84	89	1,03	1,25	1,35
Synthetic organic dye-stuffs			9	2,15	2,03	1,93	2,50	2,94	3,80	3,52	4,20	4,60
Cosmetics			7	1,21	1,34	1,71	2,08	2,41	2,76	3,20	3,50	3,78
Patent and proprietary medicines			26	4,19	5,06	5,62	6,50	7,23	8,33	9,40	10,75	12,00
Plastic material and synthetic resins			8	1,11	1,57	2,48	5,41	5,75	6,63	9,95	15,60	18,18
Cotton yarn			13	4,98	8,38	12,67	25,13	25,63	30,87	37,21	38,00	37,40
Woollen yarn			2	1,02	1,91	3,52	2,52	2,04	2,76	3,92	4,80	5,00
Glass and glassware ..			11	2,01	2,72	3,12	3,08	3,58	4,02	4,44	4,60	4,69
Chinaware and porcelainware			3	84	1,11	1,33	1,37	1,43	1,80	2,33	2,25	2,50
Copper and copper alloys			7	1,75	1,83	2,11	2,19	4,63	4,79	4,01	4,40	4,50
Refrigerators and air-conditioning appliances ..			2	86	1,49	1,77	2,27	2,93	3,87	3,89	6,00	6,80
Wireless receiving sets ..			6	1,25	1,21	1,92	2,30	2,76	3,25	3,18	3,40	3,00
Jute manufactures ..					5,28	6,50	6,87	7,17	7,05	10,91	14,85	20,35
Electric wires and cables ..					2,57	3,59	4,94	4,56	5,48	6,11	7,00	8,00
Miscellaneous	44	1,60	9,51	9,62	14,66	18,49	17,94	15,43	15,69	21,43	35,46	64,02
Total gross revenue	**71,50**	**149,24**	**385,69**	**453,65**	**559,48**	**694,02**	**766,33**	**860,21**	**994,73**	**1,116,03**	**1,274,57**	**1,478,03**
Less : Refunds and drawbacks	3,96	3,99	2,94	3,30	5,40	7,55	9,31	9,22	11,11	15,93	8,05	8,50
Total net revenue	**67,54**	**145,25**	**382,75**	**450,35**	**554,08**	**686,47**	**757,02**	**850,99**	**983,62**	**1,100,10**	**1,266,52**	**1,469,53**
Additional duties on :												
Sugar			10,91	11,22	15,03	14,90	14,68	16,38	19,56	13,99	14,76	15,60
Textiles			17,01	19,46	20,34	20,78	20,74	20,52	19,81	19,55	21,11	22,01
Tobacco			5,68	8,28	9,38	7,67	9,29	10,25	11,11	15,08	18,26	19,31
Total additional duties .. .			**33,60**	**38,96**	**44,75**	**43,35**	**44,71**	**47,15**	**50,48**	**48,62**	**54,13**	**56,92**
Less : Refunds, etc. ..						24	22	22	32	20	20	25
Net additional duties .. .			**33,60**	**38,96**	**44,75**	**43,11**	**44,49**	**46,93**	**50,16**	**48,42**	**53,93**	**56,67**
Grand total—Union excise duties	**67,54**	**145,25**	**416,35**	**489,31**	**598,83**	**729,58**	**801,51**	**897,92**	**1,033,78**	**1,148,52**	**1,320,45**	**1,526,20**
Less : States' share of excise duties		16,57	75,10	80,65	124,91	135,99	127,34	145,92	230,91	234,63	290,93	327,02
Net receipts	**67,54**	**128,68**	**341,25**	**408,66**	**473,92**	**593,59**	**674,17**	**752,00**	**802,87**	**913,89**	**1,029,52**	**1,199,18**

Note : Includes special duties of excise from 1962-63. (*a*) Including regulatory duty of excise. (*b*) The figures show the effect of all the proposed changes in the excise duties for the full year, as envisaged in the budget presented to the *Lok Sabha* on February 28, 1969.

STATEMENT 55—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 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8	9	10	11	12	13
RECEIPTS													
Loans	38.09	106.35	390.40	462.17	542.16	690.72	696.03	766.25	794.60	860.25	1,075.50	949.50	1,175.00
(i) Internal (*a*)	30.34	103.68	180.70	202.55(*f*)	282.33(*f*)	372.32(*f*)	296.68(*f*)	283.84(*f*)	278.55(*f*)	351.90(*f*)	300.50	320.96(*f*)	500.00
(ii) External—Other than P.L. 480	7.75	2.67	209.70	259.62	259.83	318.40	399.35	482.41	516.05	508.35	775.00	628.54	675.00
P.L. 480 Assistance	..	..	295.42	108.84	127.81	153.55	168.81	213.06	347.34	374.14	269.00	180.45	215.11
(i) Dollar credit	..	..	..	..	..	..	..	..	..	30.58	69.00	60.00	115.00
(ii) Rupee loans	..	..	55.01	54.71	79.74	66.17	170.38	80.00	350.00	250.00	175.00	180.00	60.00
(iii) Deposits (*b*)	..	..	240.41	54.13	48.07	87.38	—1.57	133.06	—2.66	93.56	25.00	—59.55	40.11
Prize bonds (*b*) (*c*)	..	..	15.63	3.47	4.23	4.10	2.01	—18.40	..	—1.24	—5.00	—4.00	—3.00
Small Savings (*b*)	33.52	66.51	103.77	87.75	74.09	126.99	127.43	151.19	118.15	123.13	120.00	125.00	135.00
Public Provident Funds											10.00	2.00	5.00
Income-tax Annuity Deposits (*b*) ..							40.28	37.34	27.63	34.50	—9.00	—4.00	—10.25
Compulsory Deposits (*b*)						30.12	1.61	—1.61	—0.75	—0.39	—0.25	—0.25	—25.00
State Provident Funds (*b*)	8.54	16.19	43.23	39.11	43.32	49.94	49.13	54.80	47.92	75.42	33.75	47.25	62.71
Other unfunded debt (*b*)	—0.24	0.70	0.76	1.02	—1.48	1.40	0.52	1.26	1.37	25.84	1.69	—21.89	—9.58
Railway funds (*b*)	17.55	6.92	—3.76	—14.44	15.27	32.80	12.24	13.95	—3.05	—26.45	12.39	—0.11	12.91
Other Reserve funds—interest bearing (*b*)	0.16	1.02	6.57	12.26	11.75	14.59	7.65	8.16	5.17	—3.24	—4.67	—1.30	—0.44
Repayment of loans by State and Union Territory Governments ..	8.08	25.22	95.48	133.91	144.75	179.34	216.02	276.25	281.30	378.04	425.00	575.00	540.00
Repayment of loans by other parties	1.58	8.10	30.51	66.92	26.12	35.05	73.04	97.24	137.25	116.40	124.00	160.00	205.00
Special Development funds (*d*) ..	..	40.50	104.52	106.15	156.04	151.21	106.82	—110.50	454.46	180.37	4.06	1.79	1.62
Others (*b*) (*e*)	—1.25	16.86	73.27	15.31	86.31	—54.81	215.64	216.50	261.78	113.87	42.38	212.02	42.62
Total Receipts (excluding Treasury Bills) (*b*)	**106.03**	**288.37**	**1,155.80**	**1,022.47**	**1,230.37**	**1,415.00**	**1,717.23**	**1,705.49**	**2,473.17**	**2,250.64**	**2,098.85**	**2,221.46**	**2,346.70**

DISBURSEMENTS

I. Capital Outlay (A+B)	**71.03**	**127.36**	**405.50**	**436.33**	**612.17**	**813.91**	**946.33**	**775.74**	**1,295.95**	**816.58**	**761.48**	**551.41**	**769.59**
A. Developmental Capital Outlay (1+2)	**57.40**	**135.94**	**269.88**	**343.48**	**495.11**	**613.59**	**632.08**	**579.02**	**513.09**	**465.33**	**547.30**	**544.82**	**673.85**
1. Development capital outlay other than Development Grants ..	**55.98**	**122.86**	**259.25**	**332.49**	**479.73**	**595.69**	**609.49**	**536.93**	**472.05**	**429.32**	**520.07**	**520.99**	**667.57**
Railways	25.41	67.52	89.48	144.90	214.89	260.52	275.37	245.09	160.70	135.93	143.00	134.09	132.60
Posts & Telegraphs	7.07	9.03	11.26	11.25	20.96	31.48	30.54	31.38	29.77	26.44	30.46	30.45	34.16
Industrial Development ..	8.90	11.07	91.27	110.68	171.35	200.21	194.75	150.39	194.21	178.44	227.86	245.50	332.67
Irrigation and Multi-purpose River Schemes	2.56	2.98	1.31	2.06	3.16	8.81	14.04	20.41	16.65	17.08	19.02	21.71	21.35
Civil Works	9.11	24.55	38.92	41.63	48.48	81.25	80.40	71.85	56.06	48.58	59.01	56.56	73.83
Others	2.93	7.71	27.01	21.97	20.89	13.42	14.39	17.81	14.66	22.85	40.72	32.68	72.96
2. Development Grants	**1.42**	**13.08**	**10.63**	**10.99**	**15.38**	**17.90**	**22.59**	**42.09**	**41.04**	**36.01**	**27.23**	**23.83**	**6.28**
B. Non-Developmental Capital Outlay	**13.63**	**—8.58**	**135.62**	**92.85**	**117.06**	**200.32**	**314.25**	**196.72**	**782.86**	**351.25**	**214.18**	**6.59**	**95.74**
Defence	4.19	17.59	33.39	22.95	48.61	111.97	112.95	122.58	110.79	106.22	120.80	107.75	124.22
Currency, Mint and Security Printing Press	3.26	8.76	6.48	6.92	8.85	11.56	—7.30	80.30	218.33	13.93	13.72	12.91	6.00
State Trading Schemes	—2.26	—29.59	33.95	2.24	—22.19	13.38	41.25	—84.19	101.93	79.52	78.74	—114.64	—36.13
(i) Purchase and sale of foodgrains								—86.73	51.17	69.07	101.45	—64.10	—5.36
(ii) Purchase and sale of Fertilizers								4.43	59.09	30.36	—7.37	—36.77	—12.50
(iii) Others								—1.89	—8.33	—19.91	—15.34	—13.77	—18.27
Others (*g*)	8.44	— 5.34	61.80	60.74	81.79	63.41	167.35	78.03	351.81	151.58	0.92	0.57	1.65
II. Loans and advances	**67.29**	**278.72**	**496.93**	**597.17**	**639.73**	**740.49**	**928.71**	**1,211.20**	**1,419.12**	**1,363.77**	**1,316.42**	**1,509.43**	**1,250.34**
(1) Loans to State and Union Territory Governments	61.46	241.24	338.63	452.42	511.09	583.60	678.71	828.92	930.89	891.94	855.68	915.16	793.74
(2) Loans to States from Special Development Fund		5.47						11.19	11.85				
(3) Other loans and advances ..	5.83	32.01	158.30	144.75	128.64	156.89	250.00	371.09	476.38	471.83	460.74	594.27	456.60
III. Discharge of Permanent Debt ..	**45.85**	**72.26**	**126.90**	**203.24**	**228.60**	**239.70**	**273.46**	**235.48**	**344.87**	**444.91**	**433.47**	**411.63**	**604.60**
(i) Internal loans	41.74	69.04	109.19	137.62	182.30	175.97	189.04	154.96	182.79	257.13	239.00	242.00	397.00
(ii) External loans	4.11	3.22	17.71	65.62	46.30	63.73	84.42	80.52	162.08	187.78	194.47	169.63	207.60
Total Capital Disbursements (I+II+III)	**184.17**	**478.34**	**1,029.33**	**1,236.74**	**1,480.50**	**1,794.10**	**2,148.50**	**2,222.42**	**3,059.94**	**2,625.26**	**2,511.37**	**2,472.47**	**2,624.53**
Surplus (+) or Deficit (—)	*—78.14*	*—189.97*	*+126.47*	*—214.27*	*—250.13*	*—379.10*	*—431.27*	*—516.93*	*—586.77*	*—374.62*	*—412.52*	*—251.01*	*— 277.83*

Note : 1. Figures of receipts and disbursements will not tally with those in the budget papers as certain adjustments have been made here. 2. Accounts are provisional. 3. Figures given in this statement are not comparable with those published in the Currency Report upto 1967-68 on account of the following changes in presentation. On the receipts side, repayment of loans by third parties is shown separately and not adjusted against loans to third parties as done previously ; on the other hand receipts from "Special Floating Loan" and "Inter-State Debt settlement" which were shown gross are shown on net basis and included under item 'Others.' On the disbursement side 'Other Loans and Advances' which were shown on net basis hitherto are shown on gross basis and discharge of 'Special Floating Loan' and 'Inter-state Debt Settlement' are adjusted against receipts. 4. Figures relating to capital receipts 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. 5. Treasury bill receipts and miscellaneous items such as remittances, etc., have been excluded from this statement.

(*a*) Excluding 15-Year Annuity Certificates which are included under Small Savings, but including gold bonds. (*b*) Figures are net. (*c*) Figures for the period April 1, 1960 to June 30, 1962 relate to Five-Year Interest Free Prize Bonds, 1965. Sales of these bonds were discontinued from July 1, 1962 and a new series called Premium Prize Bonds, 1963 was issued from January 1 to December 31, 1963 and Premium Prize Bonds, 1964 from January 1 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*) Includes special floating loan, inter-state debt settlement, Treasury Deposit Receipts for 1950-51, appropriation for reduction or avoidance of debt, Deposits under Income Tax Act, Contingency funds, etc. (*f*) Excludes the conversion of *ad hoc* Treasury Bills of Rs. 50 crores in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64, Rs. 50 crores each in 1964-65 to 1966-67 and Rs. 75 crores in 1967-68 and 1968-69. (*g*) Include transfer of sale proceeds of American (Loan) Wheat and payment to displaced persons, etc.

STATEMENT 56—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 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Budget) (a)	1968-69 (Revised)	1969-70 (Budget)
		1	2	3	4	5	6	7	8	9	10	11	12	13
I.	**Capital-at-Charge**	**827.04**	**968.98**	**1,520.87**	**1,682.98**	**1,896.81**	**2,159.63**	**2,435.12**	**2,680.32**	**2,841.57**	**2,978.03**	**3,134.57**	**3,115.86**	**3,248.46**
II.	**Gross Traffic Receipts**	**263.01**	**316.29**	**456.80**	**500.50**	**566.79**	**632.21**	**660.85**	**733.57**	**768.78**	**818.14**	**892.50**	**902.15**	**946.80**
1.	Passenger	97.84	107.71	131.59	150.88	169.19	185.15	199.28	219.17	229.34	252.64	278.00	266.00	273.00
2.	Other coaching	16.64	20.87	27.21	29.10	32.54	34.12	34.65	39.40	39.03	39.46	43.00	46.00	47.50
3.	Goods	143.01	180.28	286.14	306.90	349.52	395.30	409.82	465.49	481.62	502.79	545.00	566.00	600.00
4.	Other earnings (*b*)	5.52	7.43	11.86	13.62	15.54	17.64	17.11	9.51	18.79	23.25	26.50	24.15	26.30
III.	**Total Expenses (1+2+3+4+5)**	**215.45**	**265.95**	**368.93**	**400.75**	**443.47**	**487.02**	**542.73**	**598.73**	**654.67**	**708.14**	**739.50**	**760.83**	**785.88**
1.	**Ordinary Working Expenses**	**180.23**	**212.95**	**313.15**	**325.33**	**362.38**	**392.13**	**433.45**	**485.85**	**525.61**	**588.22**	**614.01**	**640.00**	**665.35**
	(*a*) Administration	23.36	31.52	37.51	37.60	40.90	43.98	49.27	55.61	60.46	66.41	70.11	71.99	75.38
	(*b*) Repairs and maintenance	57.11	78.67	99.75	100.45	112.84	122.55	139.38	157.58	169.95	190.14	200.68	210.13	215.82
	(*c*) Operating staff	35.41	49.73	63.44	64.38	72.26	76.65	89.47	102.54	112.00	123.85	129.19	134.66	143.06
	(*d*) Operation (fuel)	30.72	23.58	62.80	68.35	75.73	86.61	92.07	101.05	110.17	127.83	131.69	137.07	141.58
	(*e*) Operation (other than staff and fuel)	13.35	10.19	18.30	18.20	21.27	22.45	23.74	25.61	26.37	30.96	31.22	33.43	34.02
	(*f*) Miscellaneous	19.39	14.97	23.84	26.50	28.10	27.25	24.87	26.35	28.26	28.23	29.08	31.42	33.26
	(*g*) Labour welfare	3.19	5.03	9.68	10.24	11.90	13.57	16.19	18.62	20.12	22.03	23.58	23.27	24.26
	(*h*) Suspense	—2.30	—0.74	—2.17	—0.39	—0.62	—0.93	—1.54	—1.51	—1.72	—1.23	—1.54	—1.97	—2.03
2.	**Depreciation**	**30.00**	**45.00**	**45.00**	**65.00**	**67.00**	**80.00**	**83.00**	**85.00**	**100.00**	**95.00**	**100.00**	**95.00**	**95.00**
3.	**Payments to Worked Lines**	**0.25**	**0.26**	**0.09**	**0.18**	**0·14**	**0.14**	**0.16**	**0.19**	**0.15**	**0.15**	**0.17**	**0.25**	**0.17**
4.	**Miscellaneous Expenses**	**4.97**	**7.74**	**10.69**	**10.24**	**13.95**	**14.75**	**14.52**	**15.59**	**15.31**	**14.77**	**15.32**	**15.58**	**15.36**
	(*a*) Open line works	3.93	5.97	11.50	9.60	10.95	11.44	10.62	10.74	10.03	9.32	9.00	8.99	8.40
	(*b*) Others (net)	1.04	1.77	—0.81	0.64	3.00	3.31	3.90	4.85	5.28	5.45	6.32	6.59	6.96
5.	**Appropriation to Pension Fund (*c*)**	—	—	—	—	—	—	**11.60**	**12.10**	**13.60**	**10.00**	**10.00**	**10.00**	**10.00**
IV.	**Net Revenue (II-III)**	**47.56**	**50.34**	**87.87**	**99.75**	**123.32**	**145.19**	**118.11**	**134.84**	**114.11**	**110.00**	**153.00**	**141.32**	**160.92**
V.	**Dividend to General Revenues(*d*)**	**32.51**	**36.12**	**55.86**	**62.85**	**68.76**	**83.45**	**92.43**	**103.78**					
VI.	**Payment to General Revenues in lieu of Tax on Railway Passenger fares**	—	—	—	**12.50**	**12.50**	**12.50**	**12.50**	**12.50**	**132.39**	**141.53**	**152.00**	**151.33**	**159.01**
VII.	**Surplus (+) or Deficit (—) (IV—V—VI)**	**+15.05**	**+14.22**	**+32.01**	**+24.40**	**+42.06**	**+49.24**	**+13.18**	**+18.56**	**—18.27**	**—31.53**	**+1.00**	**—10.01**	**+1.91**
VIII.	**Appropriation to :**													
	1. Development fund	10.00	7.08	32.01	24.40	42.06	49.24	13.18	18.56	—	—	1.00	—	1.91
	2. Revenue Reserve fund	5.05	7.14	—	—	—	—	—	—	—18.27	—31.53	—	—10.01	—

(*a*) Includes the effect of budget proposals. (*b*) Include Suspense. (*c*) Created in 1964-65.

(*d*) In accordance with the recommendation of the Railway Convention 1965, the payment of dividend with effect from 1966-67 combines the two separate payments that were till then being made as dividend and as special payment in lieu of tax on passenger fares. According to the new arrangement dividend to General revenues is at 5.50 % on capital-at-charge on 31-3-1964 and 6% on fresh capital thereafter. Out of the 1% dividend payable on capital invested upto 31-3-1964, a sum of Rs. 16.25 crores is for transfer to the States in lieu of tax on passenger fares and the balance is to assist the States to finance safety works.

STATEMENT 57—CONSOLIDATED BUDGETARY POSITION OF STATES*

(In crores of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5
I. Revenue Account					
A. Revenue (*a*)	1,014.4	2,324.7	2,474.9 (2,492.4)	2,565.6	2,699.8 (2,721.4)
B. Expenditure (*a*)	990.4	2,333.9	2,483.6	2,677.1	2,993.0
C. *Surplus* (+) *or Deficit* (—)	+ *24.0*	— *9.2*	— *8.7* (+ *8.8*)	—*111.5*	—*293.2* (—*271.6*)
II. Capital Account					
A. Receipts (*b*)	571.1	1,347.7	1,296.9	1,595.4	1,519.8
B. Disbursements	623.4	1,393.4	1,364.3	1,637.1	1,541.3
C. *Surplus* (+) *or Deficit* (—)	— *52.3*	— *45.7*	— *67.4*	— *41.7*	— *21.5*
III. Remittances (Net)	**— 19.9**	**+ 16.7**	**+ 1.3**	**+ 0.5**	**— 0.4**
IV. Overall Surplus (+) or Deficit (—) (IC+IIC+III)	**— 48.2**	**— 38.2**	**— 74.8** **(— 57·3)**	**—152.7**	**—315.1** **(—293.5)** (*e*)
Financed by :					
V. Increase (+) or Decrease (—) in Cash Balances (*c*)	+ 3.7(*d*)	**— 18.7**	**— 65.7**	**—122.7**	**—314.2**
A. Opening Balance	— 4.6	— 0.5	— 73.9	— 19.2	—141.9
B. Closing Balance	— 0.9	— 19.2	— 139.6	—141.9	—456.1
VI. Purchase (+) or Sale (—) of Securities	**— 51.9**(*f*)	**— 19.5**(*f*)	**— 9.1**(*f*)	**— 30.0**(*f*)	**— 0.9**

Note : (1) Data presented here are not strictly comparable with those published in the previous issues of the Report upto 1967-68 owing to changes in classification of data under certain heads. (2) The figures for 1968-69 (B.E.) and 1969-70 (B.E.) are before tax changes ; the position after taking into account tax changes and economies in expenditure is shown in brackets.

(*a*) Transfers from and to revenue reserve funds are excluded from revenue and expenditure, respectively. (*b*) Excluding net purchase and sale of securities. (*c*) Including overdraft. (*d*) For the purpose of arriving at this figure, the opening balance for 1960-61, given in 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. (*e*) If the share of States in the additional tax measures undertaken by the Centre is taken into account overall deficit for 1969-70 would be further reduced by Rs. 27.1 crores to Rs. 266.4 crores. (*f*) Include withdrawals from special revenue reserve funds which amounted Rs. 0.8 crore in 1960-61 (Accounts) Rs. 3.4 crores in 1967-68 (Accounts), Rs. 2.1 crores in 1968-69 (Budget and Revised) and addition to revenue reserve fund investment account Rs. 9.5 crores in 1960-61 (Accounts). * Excluding figures for Nagaland and Union Territories.

STATEMENT 58—BUDGETARY POSITION OF

(On Revenue

	REVENUE						
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			
	Tax Revenue	Non-tax Revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and Others	Total (4+5)	Total Revenue (3+6)
	1	2	3	4	5	6	7
Andhra Pradesh							
1967-68 (Accounts) ..	78,00	15,90	**93,90**	31,59	29,92	**61,51**	**155,41**
1968-69 (Revised) ..	91,03	19,92	**110,95**	32,15	30,49	**62,64**	**173,59**
1969-70 (Budget) ..	95,39	16,76	**112,15**	36,48	95,10	**131,58**	**243,73**
Assam							
1967-68 (Accounts) ..	24,08	6,70	**30,78**	11,95	39,99	**51,94**	**82,72**
1968-69 (Revised) ..	24,73	7,45	**32,18**	14,31	41,78	**56,09**	**88,27**
1969-70 (Budget) ..	26,40	7,55	**33,95**	14,20	45,88	**60,08**	**94,03**
Bihar							
1967-68 (Accounts) ..	63,65(*a*)	21,00(*e*)	**84,65**	33,16	29,31	**62,47**	**147,12**
1968-69 (Revised) ..	71,52(*a*)	20,48(*e*)	**92,00**	44,63	19,78	**64,41**	**156,41**
1969-70 (Budget) ..	75,13(*a*)	22,08(*e*)	**97,21**	44,80	26,82	**71,62**	**168,83**
Gujarat							
1967-68 (Accounts) ..	69,02(*b*)	25,46	**94,48**	22,70	22,16	**44,86**	**139,34**
1968-69 (Revised) ..	73,64(*b*)	25,65	**99,29**	23,23	22,22	**45,45**	**144,74**
1969-70 (Budget) ..	77,82(*b*)	27,57	**105,39**	26,19	22,05	**48,24**	**153,63**
Haryana							
1967-68 (Accounts) ..	26,53	12,62	**39,15**	7,20	6,26	**13,46**	**52,61**
1968-69 (Revised) ..	33,13	15,70	**48,83**	7,50	7,14	**14,64**	**63,47**
1969-70 (Budget) ..	33,94	16,52	**50,46**	8,54	7,30	**15,84**	**66,30**
Jammu and Kashmir							
1967-68 (Accounts) ..	4,78	7,37	**12,15**	6,08	20,02	**26,10**	**38,25**
1968-69 (Revised) ..	5,98	8,10	**14,08**	7,33	25,35	**32,68**	**46,76**
1969-70 (Budget) ..	6,69	8,18	**14,87**	7,49	24,99	**32,48**	**47,35**
Kerala							
1967-68 (Accounts) ..	53,61	19,67	**73,28**	16,23	31,62	**47,85**	**121,13**
1968-69 (Revised) ..	55,86	19,80	**75,66**	18,05	33,90	**51,95**	**127,61**
1969-70 (Budget) ..	59,48	20,37	**79,85**	18,87	32,00	**50,87**	**130,72**
Madhya Pradesh							
1967-68 (Accounts) ..	63,55	37,93	**101,48**	27,58	31,85	**59,43**	**160,91**
1968-69 (Revised) ..	69,41	41,04	**110,45**	33,10	21,32	**54,42**	**164,87**
1969-70 (Budget) ..	71,99	41,56	**113,55**	33,27	32,65	**65,92**	**179,47**
Maharashtra							
1967-68 (Accounts) ..	168,17	47,02	**215,19**	50,56	27,39	**77,95**	**293,14**
1968-69 (Revised) ..	183,73	64,75	**248,48**	58,09	30,26	**88,35**	**336,83**
1969-70 (Budget) ..	204,11	60,44	**264,55**	57,93(*c*)	24,28	**82,21**	**346,76**

INDIVIDUAL STATE GOVERNMENTS

Account)

(In lakhs of rupees)

EXPENDITURE							
Transfers to Local Bodies			Others			Total Expenditure	*Surplus (+) or Deficit (—)*
Developmental	Non-Developmental	**Total (8+9)**	Developmental	Non-developmental	**Total (11+12)**	**(10+13)**	
8	9	10	11	12	13	14	15
34,22	4,25	**38,47**	57,07	65,41	**122,48**	**160,95**	*—5,54*
43,28	4,53	**47,81**	64,73	97,62	**162,35**	**210,16**	*—36,57*
46,09	5,22	**51,31**	95,20	106,77	**201,97**	**253,28**	*— 9,55*
1,56	97	**2,53**	52,63	35,39	**88,02**	**90,55**	*— 7,83*
1,71	1,48	**3,19**	54,52	36,73	**91,25**	**94,44**	*— 6,17*
1,70	1,43	**3,13**	56,40	42,81	**99,21**	**102,34**	*— 8,31*
14,06	1,52	**15,58**	64,02	82,59	**146,61**	**162,19**	*—15,07*
17,57	1,55	**19,12**	69,09	73,18	**142,27**	**161,39**	*— 4,98*
26,59	2,10	**28,69**	81,61	89,64	**171,25**	**199,94**	*—31,11*
32,65	7,41	**40,06**	40,78	56,41	**97,19**	**137,25**	*+ 2,09*
38,01	8,26	**46,27**	42,55	60,24	**102,79**	**149,06**	*— 4,32*
38,09	7,93	**46,02**	47,32	81,50	**128,82**	**174,84**	*—21,21*
1	—	**1**	22,79	23,32	**46,11**	**46,12**	*+ 6,49*
2	19	**21**	30,89	28,90	**59,79**	**60,00**	*+ 3,47*
2	20	**22**	37,33	30,20	**67,53**	**67,75**	*— 1,45*
—	—	—	23,23	12,76	**35,99**	**35,99**	*+ 2,26*
—	—	—	24,94	23,04	**47,98**	**47,98**	*— 1,22*
—	—	—	28,00	28,54	**56,54**	**56,54**	*— 9,19*
88	—	**88**	78,89	39,82	**118,71**	**119,59**	*+ 1,54*
1,02	—	**1,02**	87,77	43,35	**131,12**	**132,14**	*— 4,53*
1,28	—	**1,28**	93,80	47,05	**140,85**	**142,13**	*—11,41*
1,50	1,90	**3,40**	89,27	77,71	**166,98**	**170,38**	*— 9,47*
1,49	2,38	**3,87**	100,13	66,68	**166,81**	**170,68**	*— 5,81*
1,39	2,41	**3,80**	119,31	79,45	**198,76**	**202,56**	*—23,09*
53,43	18,49	**71,92**	88,51	133,96	**222,47**	**294,39**	*— 1,25*
60,21	15,89	**76,10**	103,50	156,61	**260,11**	**336,21**	*+ 62*
57,37	19,57	**76,94**	116,33	190,49	**306,82**	**383,76**	*—37,00*

STATEMENT 58—BUDGETARY POSITION OF

(On Revenue

	REVENUE						
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			
	Tax Revenue	Non-tax Revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and Others	Total (4+5)	Total Revenue (3+6)
	1	2	3	4	5	6	7
Mysore							
1967-68 (Accounts) ..	61,89	24,72	**86,61**	21,73	34,68	**56,41**	**143,02**
1968-69 (Revised) ..	72,19	32,22	**104,41**	25,47	35,71	**61,18**	**165,59**
1969-70 (Budget) ..	78,24	31,55	**109,79**	25,49	39,99	**65,48**	**175,27**
Orissa							
1967-68 (Accounts) ..	23,81	11,69	**35,50**	16,52	41,02	**57,54**	**93,04**
1968-69 (Revised) ..	24,32	14,63	**38,95**	19,94	43,22	**63,16**	**102,11**
1969-70 (Budget) ..	23,78	11,54	**35,32**	19,87	43,07	**62,94**	**98,26**
Punjab							
1967-68 (Accounts) ..	50,19	19,48	**69,67**	10,57	11,05	**21,62**	**91,29**
1968-69 (Revised) ..	63,68	23,91	**87,59**	12,81	10,05	**22,86**	**110,45**
1969-70 (Budget) ..	63,93	22,56	**86,49**	12,74	11,15	**23,89**	**110,38**
Rajasthan							
1967-68 (Accounts) ..	46,10(*b*)	18,91	**65,01**	17,96	29,26	**47,22**	**112,23**
1968-69 (Revised) ..	46,48(*b*)	18,08	**64,56**	21,54	33,69	**55,23**	**119,79**
1969-70 (Budget) ..	49,61(*b*)	22,04	**71,65**	21,90	40,08	**61,98**	**133,63**
Tamil Nadu £							
1967-68 (Accounts) ..	104,35	39,47	**143,82**	33,59	28,77	**62,36**	**206,18**
1968-69 (Revised) ..	108,80	51,36	**160,16**	38,77	49,02	**87,79**	**247,95**
1969-70 (Budget) ..	115,10	44,03	**159,13**	38,97	31,14	**70,11**	**229,24**
Uttar Pradesh							
1967-68 (Accounts) ..	122,84(*a*)	65,58	**188,42**	61,06(*d*)	49,62	**110,68**	**299,10**
1968-69 (Revised) ..	121,66(*a*)	63,68	**185,34**	72,45(*d*)	48,99	**121,44**	**306,78**
1969-70 (Budget) ..	119,20(*a*)	60,10	**179,30**	72,78(*d*)	47,33	**120,11**	**299,41**
West Bengal							
1967-68 (Accounts) ..	104,95	25,18	**130,13**	38,76	20,30	**59,06**	**189,19**
1968-69 (Revised) ..	110,84	32,91	**143,75**	44,49	22,10	**66,59**	**210,34**
1969-70 (Budget) ..	112,93	36,19	**149,12**	44,55	29,17	**73,72**	**222,84**
Total							
1967-68 (Accounts) ..	**1,065,52**	**398,70**	**1,464,22**	**407,24**	**453,22**	**860,46**	**2,324,68**
1968-69 (Revised) ..	**1,157,00**	**459,68**	**1,616,68**	**473,86**	**475,02**	**948,88**	**2,565,56**
1969-70 (Budget) ..	**1,213,74**	**449,04**	**1,662,78**	**484,07**	**553,00**	**1,037,07**	**2,699,85** (2,721,44)

Note : (1) Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. Figures for 1969-70 (B.E.) are those before tax changes. The position after taking into account tax changes and economies in expenditure is shown in brackets. (2) Data presented in this statement are not strictly comparable with the data published in the Report on Currency and Finance upto 1967-68 owing to changes in classification of data under certain heads. For details regarding the coverage of the various items included under each head, a reference may be made to Statement 59.

INDIVIDUAL STATE GOVERNMENTS—(*Concld.*)

Account)

(In lakhs of rupees)

EXPENDITURE							
TRANSFERS TO LOCAL BODIES			OTHERS			**Total Expenditure**	*Surplus (+) or Deficit (—)*
Developmental	Non-Developmental	**Total (8+9)**	Developmental	Non-developmental	**Total (11+12)**	**(10+13)**	
8	9	10	11	12	13	14	15
6,86	2,46	**9,32**	68,27	51,96	**120,23**	**129,55**	*+13,47*
8,72	3,07	**11,79**	81,65	72,16	**153,81**	**165,60**	*—1*
11,17	4,37	**15,54**	97,20	75,76	**172,96**	**188,50**	*—13,23*
7,49	1,13	**8,62**	40,97	47,62	**88,59**	**97,21**	*— 4,17*
8,76	1,24	**10,00**	46,51	58,33	**104,84**	**114,84**	*—12,73*
8,73	1,30	**10,03**	55,54	44,97	**100,51**	**110,54**	*—12,28*
			43,51	38,06	**81,57**	**81,57**	*+ 9,72*
72	47	**1,19**	54,11	44,52	**98,63**	**99,82**	*+10,63*
83	52	**1,35**	64,12	47,61	**111,73**	**113,08**	*— 2,70*
10,24	77	**11,01**	59,50	56,76	**116,26**	**127,27**	*—15,04*
12,71	80	**13,51**	61,68	77,94	**139,62**	**153,13**	*—33,34*
13,31	74	**14,05**	70,21	79,27	**149,48**	**163,53**	*—29,90*
38,59	3,53	**42,12**	86,55	77,62	**164,17**	**206,29**	*—11*
40,05	4,51	**44,56**	95,18	91,27	**186,45**	**231,01**	*+16,94*
42,40	4,64	**47,04**	105,10	97,11	**202,21**	**249,25**	*—20,01*
			147,23	131,09	**278,32**	**278,32**	*+20,78*
			159,36	145,78	**305,14**	**305,14**	*+ 1,64*
			184,27	158,22	**342,49**	**342,49**	*—43,08*
8,90	4,27	**13,17**	102,34	80,74	**183,08**	**196,25**	*— 7,06*
10,07	5,01	**15,08**	110,86	119,55	**230,41**	**245,49**	*—35,15*
10,59	5,27	**15,86**	122,58	104,05	**226,63**	**242,49**	*—19,65*
210,39	**46,70**	**257,09**	**1,065,56**	**1,011,22**	**2,076,78**	**2,333,87**	*— 9,19*
244,34	**49,38**	**293,72**	**1,187,47**	**1,195,90**	**2,383,37**	**2,677,09**	*—111,53*
259,56	**55,70**	**315,26**	**1,374,32**	**1,303,44**	**2,677,76**	**2,993,02**	*—293,17* (*—271,58*)

(*a*) Includes cess and purchase tax on sugar cane. (*b*) Includes sales tax on motor spirit. (*c*) To ensure uniformity the estimate in the Additional Budget in regard to the share of the State (Rs. 3.03 crores) in additional measures proposed by the Centre in 1969-70 is excluded. (*d*) Includes agricultural income tax. (*e*) Include interest on capital advanced to Damodar Valley Corporation. £ Expenditure on State lotteries has been transferred from capital account and included under "miscellaneous" to make the data comparable with other States which show such expenditure on revenue account.

STATEMENT 59—REVENUE AND

(On Revenue

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5
REVENUE					
I. TAX REVENUE (A+B)	**613,30**	**1,472,76**	**1,571,79**	**1,630,86**	**1,697,81**
A. State Tax Revenue	**430,93**	**1,065,52**	**1,151,66**	**1,157,00**	**1,213,74**
1. Taxes on land and income	**100,27**	**109,95**	**122,57**	**115,84**	**117,65**
Agricultural income tax	9,49	11,82	10,86	11,59	11,94
Land revenue (*a*)	90,37	95,83	109,41	101,80	103,57
Surcharge on cash crops	—	30	27	30	—
Profession tax	41	2,00	2,03	2,15	2,14
2. Taxes on property	**46,24**	**100,59**	**99,29**	**101,54**	**106,12**
Stamps and registration (*a*)	43,53	98,01	95,85	98,39	104,20
Urban immovable property tax (*a*)	2,71	2,58	3,44	3,15	1,92
3. Taxes on commodities and services	**284,42**	**854,98**	**929,80**	**939,62**	**989,97**
General sales tax	119,96	377,56	394,37	394,18	415,26
Central sales tax	22,49	97,80	117,77	115,46	119,47
Sales tax on motor spirit	16,33	33,74	46,82	45,14	47,03
Motor vehicles tax (*a*)	33,94	75,56	79,86	83,76	88,50
Tax on passengers and goods	5,83	37,89	45,08	44,93	49,34
Entertainment tax (*a*)	9,81	25,80	29,71	27,85	30,53
State excise (*a*)	53,07	130,56	141,18	153,28	159,02
Electricity duties	12,52	48,02	52,42	52,64	55,93
Other taxes and duties (*b*)	10,47	28,05	22,59	22,38	24,89
B. Share in Central Taxes	**182,37**	**407,24**	**420,13**	**473,86**	**484,07**
Income tax	90,57	174,42	149,37	186,41	179,06
Estate duty	2,89	6,57	7,02	5,85	7,06
Union excise	75,11	226,25	263,74	281,60	297,95
Tax on railway fares	13,80	—	—	—	—
II. NON-TAX REVENUE (C+D)	**401,11**	**851,92**	**903,13**	**934,70**	**1,002,04**
C. State Non-tax Revenue	**223,64**	**398,70**	**454,77**	**459,68**	**449,04**
Administrative receipts (*c*)	81,37	159,66	163,44	160,49	164,44
Net contribution of departmental undertakings @	14,25	−26,93	−22,26	−35,12	−56,01
i) Forest	31,35	51,93	50,59	51,09	47,54
ii) Multi-purpose river valley schemes	− 3,72	−26,82	−28,81	−33,01	−38,06
iii) Irrigation (Commercial)	−15,37	−50,60	−48,20	−58,17	−64,85
iv) Electricity schemes	− 1,91	2,54	6,22	7,64	68
v) Road and water transport schemes	5,73	2,47	2,38	1,65	1,45
vi) Industries	− 1,44	− 2,00	6	−74	−13
vii) Milk supply schemes (*d*)	−39	− 4,45	− 4,50	− 3,58	− 2,64
Irrigation (Non-commercial)	3,27	5,44	6,96	5,57	6,02
Receipts from other public undertakings (*e*)	15,41	35,76	60,65	60,30	60,06
Interest receipts (*f*)	64,31	161,53	179,19	192,37	184,64
Royalty on minerals and mineral concession fees	3,29	17,46	22,40	22,50	24,23
State lotteries £	—	20	2,65	9,92	21,52
Other State non-tax revenue (*g*)	41,74	45,58	41,74	43,65	44,14
D. Grants-in-aid and other Contributions (*h*)	**177,47**	**453,22**	**448,36**	**475,02**	**553,00**
TOTAL REVENUE (I + II)	**1,014,41**	**2,324,68**	**2,474,92 (2,492,40)**	**2,565,56**	**2,699,85 (2,721,44)**

EXPENDITURE OF STATES*

Account)

(In lakhs of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5
EXPENDITURE					
III. Total Expenditure of State Governments (other than transfers to local bodies) (E+F)	**908,38**	**2,076,78**	**2,214,35**	**2,383,37**	**2,677,76**
E. Total Development Expenditure	**448,28**	**1,065,56**	**1,139,17**	**1,187,47**	**1,374,32**
Education	141,01	356,31	385,29	422,25	500,55
Medical and public health	79,71	193,85	215,19	218,78	271,30
Agriculture	34,85	121,79	128,22	129,48	138,53
Animal husbandry	12,81	31,57	33,87	33,88	40,21
Co-operation	15,05	25,64	25,42	28,50	32,24
Rural and community development	48,32	53,02	51,91	51,49	51,91
Civil works	63,61	138,66	136,63	142,50	161,52
Industries	23,23	31,73	36,51	35,09	38,67
Irrigation (Non-commercial)	11,62	22,67	22,87	25,03	25,90
Other development expenditure (*i*)	18,07	90,32	103,26	100,47	113,49
F. Total Non-development Expenditure	**460,10**	**1,011,22**	**1,075,18**	**1,195,90**	**1,303,44**
Collection of taxes and duties (*j*)	56,47	100,77	111,28	118,76	134,62
Interest on debt	86,74	271,29	322,56	335,55	370,69
Appropriation for reduction or avoidance of debt	41,35	104,93	131,23	140,27	165,00
Civil administration (*k*)	187,64	327,31	335,57	357,20	397,77
Famine	21,16	86,33	21,98	93,71	56,62
Miscellaneous (*l*)	28,47	47,45	58,96	61,29	89,40
Food subsidy	—	8,74	28,28	21,23	19,13
Other non-development expenditure (*m*)	38,27	64,40	65,32	67,89	70,21
IV. Transfers to Local Bodies	**81,98**	**257,09**	**269,27**	**293,72**	**315,26**
For developmental purposes	67,66	210,39	219,36	244,34	259,56
For non-developmental purposes	14,32	46,70	49,91	49,38	55,70
TOTAL EXPENDITURE	**990,36**	**2,333,87**	**2,483,62**	**2,677,09**	**2,993,02**
Surplus (+) or deficit (—)	*+24,05*	*— 9,19*	*— 8,70* (*+8,78*)	*—111,53*	*—293,17* (*—271,58*)

Note : 1. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation. Figures for 1968-69 (B.E.) and 1969-70 (B.E.) are before tax changes. The position after taking into account tax changes and economies in expenditure is shown in brackets.

2. Data presented in this statement are not strictly comparable with data published in the Report on Currency and Finance upto 1967-68 owing to changes in classification of data under certain heads.

3. Data for 1960-61 are primarily obtained from "Combined Finance and Revenue Accounts of Central and State Governments", published by the Comptroller and Auditor General. However, details under certain heads have been obtained from State budgets to ensure comparability of data with later years.

4. The classification of Development and Non-Development Expenditure has been done on the basis of broad budget heads.

(*a*) Receipts under these heads are shown after deduction of transfers to local bodies. (*b*) Comprise tax on prize competitions, betting tax, cinematograph tax, show tax, tax on raw jute, tobacco duties, surcharge and cess on sugar cane and purchase tax on sugar cane, etc. (*c*) Including receipts under various heads such as education, medical and public health, civil works, etc. (*d*) To ensure uniformity recoveries and pexenditure on Milk Schemes presented by some States on capital account have been transferred to revenue account and included under this group. (*e*) Comprise interest receipts on loans and advances by State Governments to State Electricity Boards and Road Transport Corporations and dividends. (*f*) Excludes interest on loans and advances by State Governments to State Electricity Boards and Road Transport Corporations. (*g*) Comprises Stationery and printing and miscellaneous receipts but excludes transfers from revenue reserve funds. (*h*) Includes miscellaneous adjustments between Centre and States. (*i*) Includes expenditure on scientific departments, labour and employments, aviation, ports and pilotage and capital outlay on irrigation, etc., within the Revenue Account. (*j*) Includes transfers to funds *viz.*, State Road Fund, etc. (*k*) Comprises general administration, administration of justice, jails and convict settlements, police and miscellaneous departments. (*l*) Includes expenditure on displaced persons, irrecoverable loans and advances, technical training, scholarships, etc., but excludes taxes transferred to local bodies. (*m*) Includes pensions, stationery and printing, extraordinary charges, expenditure connected with national emergency, etc. @ The net contribution of departmental undertaking does not constitute a commercial surplus but represents excess of revenue over working expenses including interest on capital outlay. £ Include receipts from State lotteries shown by Tamil Nadu under unfunded debt.

* Excluding figures for Nagaland and Union Territories.

STATEMENT 60—CAPITAL BUDGET OF STATES*

(In lakhs of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5
			RECEIPTS		
Permanent debt	93,77	132,70	116,40	131,77	150,73
Floating debt (net)	15,66	27,18	2,00	—17,86	9,24
Loans from the Centre	336,65	857,85	721,17	936,24	783,77
Other loans (*a*)	11,85	38,22	53,74	51,16	66,89
Unfunded debt (net) (*b*)	15,69	40,23	44,11	50,82	78,95
Loans and advances repaid to State Governments	49,06	143,14	195,22	212,93	199,06
Inter-State debt settlement (net)	— 54	— 5	— 6	—	14
Contingency Fund (net)	—5,44	— 7,66	—	8,10	—
Deposits and advances (net) (*c*)	54,42	116,04	164,28	222,22	231,02
TOTAL RECEIPTS	**571,12**	**1,347,65**	**1,296,86**	**1,595,38**	**1,519,80**
			DISBURSEMENTS		
Capital Outlay (A + B) (*d*)	**317,64**	**484,22**	**439,17**	**512,56**	**469,65**
A. Development	**293,57**	**426,18**	**433,12**	**489,28**	**452,83**
Multi-purpose river valley schemes	46,46	70,26	76,87	102,65	83,10
Irrigation and navigation	80,65	114,62	113,43	126,55	124,13
Schemes of agricultural improvement and research	3,69	17,29	11,80	10,92	10,06
Electricity schemes	25,42	30,11	28,39	26,68	30,30
Road transport	4,82	4,67	4,59	36	5,45
Buildings, roads and water works	114,76	105,91	126,11	121,98	128,15
Industrial development	15,49	78,43	67,59	95,44	67,97
Others	2,28	4,89	4,34	4,70	3,67
B. Non-development	**24,07**	**58,04**	**6,05**	**23,28**	**16,82**
State trading (*e*)	9,82	53,11	— 7,22	15,89	7,50
Compensation to landholders on the abolition of Zamindari	14,06	4,81	13,06	7,13	9,06
Other financial transactions	19	12	21	26	26
Discharge of permanent debt	17,78	57,62	65,93	66,95	96,30
Repayment of loans to the Centre	105,11	370,94	453,50	553,80	566,73
Repayment of other loans	2,82	24,63	40,07	36,54	54,79
Loans and advances by State Governments	180,09	455,96	365,61	467,19	353,82
TOTAL DISBURSEMENTS	**623,44**	**1,393,37**	**1,364,28**	**1,637,04**	**1,541,29**
Surplus (+) or Deficit (—) on Capital account	*—52,32*	*—45,72*	*—67,42*	*—41,66*	*—21,49*

Note: (1). Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. (2) The figures for 1960-61 in the case of Uttar Pradesh exclude Rs. 66·6 crores 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. (3) Data presented here are not strictly comparable with the data published in the Report upto 1967-68 owing to changes in classification of data under certain heads. (4) Data for 1960-61 are primarily obtained from Combined Finance and Revenue Accounts of Central and State Governments, published by Comptroller and Auditor General. However, details under certain heads have been obtained from State budgets to ensure comparability of data with later years. (*a*) Include loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Life Insurance Corporation of India, State Bank of India and Khadi and Village Industries Board. (*b*) Excludes receipts from and expenditure on State lotteries in the case of Tamil Nadu as these have been transferred to revenue account to make the data consistent with other States which show such receipts on revenue account. (*c*) Excluding sale or purchase of securities. (*d*) Excludes appropriations to Contingency Fund. (*e*) Excludes recoveries and expenditure on milk schemes which have been transferred to revenue account and included under net contribution of departmental undertakings. *Excluding figures for Nagaland and Union Territories.

STATEMENT 61—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** (*d*)	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1951 ..	1,438.46	*58.2*	364.75 (*e*)	*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(*e*)	*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	*46.8*	1,106.30	*20.1*	982.37	*17.9*	834.14	*15.2*	**5,494.14**	+ *6.8*	468.39	**760.96**	**6,255.10**
1962 ..	2,688.45	*45.8*	1,174.98	*20.0*	1,069.20	*18.2*	931.38	*15.9*	**5,864.01**	+ *6.7*	650.95	**1,110.55**	**6,974.56**
1963 ..	2,840.94	*44.9*	1,299.55	*20.6*	1,144.11	*18.1*	1,035.81	*16.4*	**6,320.41**	+ *7.8*	869.46	**1,379.03**	**7,699.44**
1964 ..	3,113.92	*45.0*	1,381.95	*20.0*	1,270.56	*18.4*	1,154.58	*16.7*	**6,921.01**	+ *9.5*	1,145.89	**1,809.08**	**8,730.09**
1965 ..	3,267.53	*44.0*	1,443.52	*19.4*	1,398.56	*18.8*	1,322.37	*17.8*	**7,431.98**	+ *7.4*	1,452.84	**2,192.23**	**9,624.21**
1966 ..	3,424.92	*41.9*	1,611.82	*19.7*	1,549.33	*19.0*	1,579.82	*19.3*	**8,165.89**	+ *9.9*	1,748.02	**2,590.62**	**10,756.51**
1967 ..	3,556.76	*39.0*	1,919.55	*21.0*	1,666.90	*18.3*	1,982.19	*21.7*	**9,125.40**	+*11.8*	3,175.01	**4,623.55*(*f*)**	**13,748.95**
1968 ..	3,732.26	*38.3*	2,013.41	*20.6*	1,789.34	*18.3*	2,219.22	*22.8*	**9,754.23**	+ *6.9*	3,790.46	**5,400.78***	**15,155.01**
1969 ..	3,883.37	*38.1*	2,244,34	*22.0*	1,872.89†	*18.4*	2,198.74	*21.6*	**10,199.34**	+ *4.6*	4,187.93	**5,927.10**	**16,126.44**

(*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 Interest-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. Figures from 1961 onwards also include *ad hoc* Treasury bills converted into permanent debt. For details, see Statement 69. (*b*) Figures have been revised based on the data available in the latest returns received from the Accountant General, Posts and Telegraphs, New Delhi. (*c*) Includes (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) 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 Compulsary Deposits and Income-tax Annuity Deposits ; but excludes outstandings of 'Reserve Funds and Deposits.' Figures from 1961 to 1969 also include investment of Rs. 240 crores, Rs. 300 crores, Rs. 355 crores, Rs. 408 crores, Rs. 441 crores, Rs. 561 crores, Rs. 535 crores, Rs. 630 crores, and Rs. 593 crores, respectively, of U.S. Government Counterpart Deposit Funds in "Special Securites." (*d*) Figures from 1963 onwards include outstandings of the 'Defence Certificates' which are being issued in foreign countries. (*e*) Including Treasury Deposit receipts. (*f*) The outstanding foreign loans (other than P.L. 480 loans) have been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian rupee. † Excludes an amount of Rs. 25 crores towards interest accrued on Post Office Savings Bank Deposits. * Revised.

STATEMENT 62—DEBT, LIABILITIES, CAPITAL OUTLAY AND LOANS

	As at the end of							
	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68 (Revised)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8
Debt and Liabilities of the Government of India								
I. Public Debt								
A. Debt Raised in India								
(*a*) **Permanent Debt**								
1. Current Loans	1,438.46	1,508.63	2,555.72	3,417.28	3,552.58	3,722.33	3,879.02	3,985.22
2. Prize Bonds	—	—	15.63	11.35	10.35	8.56	4.71	1.71
3. Loans in course of Repayment	6.49	12.22	22.73	33.72	42.78	45.00	43.84	40.64
Total	**1,444.95**	**1,520.85**	**2,594.08**	**3,462.35**	**3,605.71**	**3,775.89**	**3,927.57**	**4,027.57**
(*b*) **Floating Debt**								
1. Treasury Bills	358.02	595.25	1,106.29	1,611.82	1,918.82	2,089.55	2,184.41	2,534.41
2. Special Floating Loan ..	212.60	212.60	274.18	340.70	689.29	690.28	687.85	689.33
3. Treasury Deposit Receipts and other Floating Loans	6.73	0.06	—	—	—	—	—	—
Total	**577.35**	**807.91**	**1,380.47**	**1,952.52**	**2,608.11**	**2,779.83**	**2,872.26**	**3,223.74**
Total A	**2,022.30**	**2,328.76**	**3,974.55**	**5,414.87**	**6,213.82**	**6,555.72**	**6,799.83**	**7,251.31**
B. Debt Raised Outside India								
1. England†								
Loans	—	—	106.52	263.41	481.72	572.73	609.32	620.77
Others	12.37	2.61	15.45	0.04	0.06	0.05	0.04	0.04
2. U.S.A.								
Loans	—	91.72	210.84	749.50	1,415.98	1,507.79	1,667.98	1,915.38
U.S. Export Import Bank	—	—	25.41	101.30	153.24	132.91	115.95	103.11
P.L. 480	—	—	77.88	528.36	877.60	1,226.93	1,435.28	1,492.17
P.L. 480—Local convertible currency credit ..	—	—	—	—	—	45.00	60.00	175.00
3. U.S.S.R.	—	—	57.48	243.47	364.90	349.66	351.16	372.34
4. Canada	—	—	14.07	17.95	38.12	50.15	73.03	95.80
5. Federal Republic of Germany	—	—	103.19	206.25	345.61	368.07	377.31	377.47
6. Japan	—	—	9.93	62.29	122.09	171.25	219.85	213.94
7. International Bank for Reconstruction and Development	19.66	19.30	140.19	179.77	274.02	261.94	276.53	265.39
8. International Development Association	—	—	—	171.09	416.05	565.74	559.16	638.85
9. Other Countries	—	—	—	67.19	134.16	148.56	181.49	299.24£
Total B	**32.03**	**113.63**	**760.96**	**2,590.62**	**4,623.55**	**5,400.78**	**5,927.10**	**6,569.50**
Total Public Debt (A + B) ..	**2,054.33**	**2,442.39**	**4,735.51**	**8,005.49**	**10,837.37**	**11,956.50**	**12,726.93**	**13,820.81**
II. Other Liabilities								
A. Unfunded Debt								
1. Small Savings Schemes (including Annuity Certificates) of which ..	336.87	575.77	973.44	1,541.99	1,666.99	1,768.98	1,907.16	2,042.16
(i) Post Office Savings Bank Deposits	188.46	293.62	431.05	644.75	704.75	751.44	819.90	887.90
(ii) Post Office Certificates	142.28	239.36	459.43	732.50	779.80	821.41	875.11	924.01
2. Other Unfunded Debt ..	111.15	182.98	551.37	1,221.59	1,268.29	1,504.27	1,485.54	1,548.53
Total A	**448.02**	**758.75**	**1,524.81**	**2,763.58**	**2,935.28**	**3,273.25**	**3,392.70**	**3,590.69**
B. Reserve Funds and Deposits								
1. Bearing Interest	260.85	188.96	142.19	275.03	240.80	241.96	231.03	243.28
2. Not bearing Interest ..	102.20	120.97	141.73	285.02	341.82	387.52	498.55	510.00
Total B	**363.05**	**309.93**	**283.92**	**560.05**	**582.62**	**629.48**	**729.58**	**753.28**
Total (A + B).. ..	**811.07**	**1,068.68**	**1,808.73**	**3,323.63**	**3,517.90**	**3,902.73**	**4,122.28**	**4,343.97**
Total Debt and Liabilities (I+II)	**2,865.40**	**3,511.07**	**6,544.24**	**11,329.12**	**14,355.27**	**15,859.23**	**16,849.21**	**18,164.78**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	−300.00	−300.00	−300.00	−300.00	−300.00	−300.00	−300.00	−300.00
Net Liabilities of the Central Government	**2,565.40**	**3,211.07**	**6,244.24**	**11,029.12**	**14,055.27**	**15,559.23**	**16,549.21**	**17,864.78**

† Excludes a sum of Rs. 20.62 crores representing unexpired liability for British Government 5% War Loan 1929-47, the liability for which remains suspended. £ Include Rs. 81.52 crores of new credits for which country-wise breakdown is not available.

ADVANCED BY THE GOVERNMENT OF INDIA

(In crores of rupees)

	As at the end of							
	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68 (Revised)	1968-69 (Revised)	1969-70 (Budget)
	1	2	3	4	5	6	7	8
I. Capital Outlay								
A. Outlay on Departmental Undertakings								
1. Railways	817.93	959.87	1,512.57	2,672.02	2,847.15	2,983.27	3,103.80	3,236.40
2. Posts and Telegraphs	49.98	89.26	139.99	264.98	292·58	325.71	351.69	385.85
3. Atomic Energy Development	—	0.56	15.34	68.55	125.13	163.04	189.87	208.42
4. Mints	1.95	3.09	4.13	4.44	4.65	4.79	5.20	5.70
5. Electricity Schemes	0.02	0.43	2.88	1.05	1.62	4.48	8.84	45.75
6. Undertakings of Industrial and Economic Development	22.84	7.74	1.91	5.38	7.12	6.52	6.07	8.11
7. Others*	2.01	3.35	5.81	13.56	15.41	16.49	22.64	28.49
Total A	**894.73**	**1,064.30**	**1,682.63**	**3,029.98**	**3,293.66**	**3,504.30**	**3,688.11**	**3,918.72**
B. Investments in Autonomous Corporations, Companies, etc.								
(a) Government Companies and Corporations								
(1) Hindustan Steel	—	0.04	300.00	528.00	528.00	552.00	557.00	557.00
(2) Bokaro Steel	—	—	—	19.80	37.99	94.99	202.99	372.99
(3) Food Corporation of India	—	—	—	9.00	14.37	14.96	26.69	44.99
(4) Others*	9.43	69.77	291.83	783.90	881.55	964.26	1,042.07	1,150.82
Total	**9.43**	**69.81**	**591.83**	**1,340.70**	**1,461.91**	**1,626.21**	**1,828.75**	**2,125.80**
(b) Financial Institutions								
(1) International Monetary Fund	201.00	201.00	296.28	353.18	527.05	527.05	527.05	527.05
(2) International Bank for Reconstruction & Development	36.93	36.93	36.93	36.93	56.73	56.73	56.73	56.73
(3) International Development Association	—	—	4.42	19.22	29.16	29.16	29.16	29.16
(4) International Finance Corporation	—	—	2.11	2.11	2.11	2.11	2.11	2.11
(5) Asian Development Bank	—	—	—	—	6.98	13.95	20.93	27.91
(6) Reserve Bank of India	11.12	11.12	11.12	5.93	5.93	5.93	5.93	5.93
(7) Life Insurance Corporation	—	—	5.00	5.00	5.00	5.00	5.00	5.00
(8) Others*	1.00	1.09	2.09	1.86	1.86	1.90	1.92	2.72
Total	**250.05**	**250.14**	**357.95**	**424.23**	**634.82**	**641.83**	**648.83**	**656.61**
(c) Other Companies, Corporations, etc.	**0.25**	**0.80**	**9.97**	**32.89**	**30.58**	**35.80**	**36.76**	**37.25**
Of which : Oil India	—	—	8.00	26.50	26.50	26.50	26.50	26.50
Total B (a + b + c)	**259.73**	**320.75**	**959.75**	**1,797.82**	**2,127.31**	**2,303.84**	**2,514.34**	**2,819.66**
C. Other Capital Outlay								
1. Defence Services	260.93	314.43	454.34	874.13	989.09	1,098.24	1,199.37	1,323.59
2. Public Works (including roads)	21.02	83.19	180.37	424.96	476.82	523.47	565.68	621.68
3. Government Trading Schemes								
(*i*) Purchase of foodgrains	−3.98	18.63	137.21	89.73	232.65	222.17	96.75	71.63
(*ii*) Other Schemes	11.29	−13.11	15.12	19.54	48.24	41.20	40.24	29.23
4. Others*	44 29	78.02	160.79	348.50	448.41	492.89	562.18	644.72
Total C	**333.55**	**481.16**	**947.83**	**1,756.86**	**2,195.21**	**2,377.97**	**2,464.22**	**2,690.85**
Total Capital Outlay (A + B + C)	**1,488 01**	**1,866.21**	**3,590.21**	**6,584.66**	**7,616.18**	**8,186.11**	**8,666.67**	**9,429.23**
II. Loans Advanced by the Government of India								
1. State Governments	195.58	819.39	1,909.63	3,970.57	4,600.42	5,083.12	5,508.50	5,737.55
2. Union Territory Governments	—	13.36‡	—	40 61	56.62	77.95	99 61	124.30
3. Foreign Governments	0.01	0.11	29.17	27.65	41.32	47.15	45 66	64.62
4. Government Servants	0.51	4.15	5.32	11.63	14.45	26.54	24 28	22.86
5. Other Parties	24.58	105.88	590.36	1,329.11	1,696 10	2,020 48	2,564 09	2,798.15
Total	**220.68**	**942.89**	**2,534.48**	**5,379.57**	**6,408.91**	**7,255.24**	**8,242.14**	**8,747.48**
Total Capital Outlay and Loans Advanced (I + II)	**1,708.69**	**2,809.10**	**6,124.69**	**11,964.23**	**14,025.09**	**15,441.35**	**16,908.81**	**18,176.71**
Excess (+) or shortfall (−) of Debt and Liabilities (net) over Capital Outlay and Loans Advanced	**+856.71**	**+401 97**	**+119 55**	**−935.11**	**+ 30.18**	**+117.88**	**−359.60**	**−311.93**

* Residual ‡ Erstwhile Part 'C' States.

STATEMENT 63—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1968-69

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	250.00				278.56	151.99		126.57	278.56	47.73	+104.26
State Governments	101.00				106.52	106.52		—	106.52	—	+106.52
Total	351.00				385.08	258.51		126.57	385.08	47.73	+210.78
1966-67											
Central Government	260.00				275.29	126.76		148.55	275.29	46.87	+ 79.89
State Governments	93.50				98.33	98.11		0.22	98.33	1.34	+ 96.77
Total	353.50				373.62	224.87		148.77	373.62	48.21	+176.66

1967-68

Central Government

4½% Loan, 1972	350.00	5	100.00	4.50	100.14	35.20	3½% N. P. Bonds, 1967	64.94	100.14	37.22	+ 93.78
5% Loan, 1982		15	100.00	5.00	100.15	15.44	3¾% N. P. Bonds, 1967	84.70	100.15		
5½% Loan, 1992		25	100.00	5.50	150.20	80.35		69.84	150.20		
Total of Central Government ..	**350.00**				**350.48**	**131.00**		**219.48**	**350.48**	**37.22**	**+ 93.78**
State Governments											
5¾% Andhra Pradesh S. D. Loan, 1979	10.00	12	97.00	6.11	11.02	10.80	4% A.P.S.D. Loan, 1967	0.22	11.02		
5¾% Assam Loan, 1979	2.50	12	97.00	6.11	2.57	2.57		—	2.57		
5¾% Bihar S. D. Loan, 1979 ..	5.00	12	97.00	6.11	5.02	4.94	4% Bihar S. D. Loan, 1967	0.08	5.02		
5¾% Gujarat S. D. Loan, 1979 ..	10.00	12	99.00	5.87	11.00	11.00		—	11.00		
5¾% Haryana S. D. Loan, 1979 ..	2.75	12	97.00	6.11	2.83	2.83		—	2.83		
5¾% Kerala S. D. Loan, 1979 ..	4.50	12	97.00	6.11	4.96	4.96		—	4.96		
5¾% Madhya Pradesh S. D. Loan, 1979	5.50	12	97.00	6.11	5.57	5.35	4% M.P.S.D. Loan, 1967	0.22	5.57		
5¾% Madras Loan, 1979	17.00	12	98.00	5.99	18.04	16.96	4% Madras Loan, 1967	1.08	18.04		
5¾% Maharashtra S. D. Loan, 1979	20.00	12	99.00	5.87	20.04	16.44	4% Bombay S. D. Loan, 1967 4% Saurashtra S. D. Loan, 1967	3.60	20.04	44.06	+ 68.13
5¾% Mysore S. D. Loan, 1979 ..	6.50	12	97.00	6.11	6.55	6.08	4% Mysore S.D. Loan, 1967	0.47	6.55		
5¾% Orissa Government Loan, 1979	4.00	12	97.00	6.11	4.40	4.40		—	4.40		
5¾% Punjab Loan, 1979	3.00	12	97 00	6.11	3.01	3.01		—	3.01		
5¾% Rajasthan S.D. Loan, 1979 ..	4.00	12	97.00	6.11	4.10	4.10		—	4.10		
5¾% Uttar Pradesh S. D. Loan, 1979	12.00	12	98·00	5·99	12.34	11.13	4% U.P.S.D. Loan, 1967	1.21	12.34		
5¾% West Bengal Loan, 1979 ..	8.00	12	98.00	5.99	8.11	7.63	4% W.B. Loan, 1967	0.48	8.11		
Total of State Governments	**114.75**				**119.56**	**112.19**		**7.37**	**119.56**	**44.06**	**+ 68.13**
Total of Central and State Governments	**464.75**				**470.04**	**243.19**		**226.85**	**470.04**	**81.28**	**+161.91**

1968-69

Central Government

5½% Loan, 1995	175.00	27	100.00	5.50	178.56	61.72	3¾% N. P. Bonds (5th Series) 1968	116.84	178.56	60.45	+ 77.50
4¼% Loan, 1975	135.00	7	100.00	4.25	142.12	76.23	3½% Loan, 1968	65.88	142.12		
Total of Central Government	**310.00**				**320.67**	**137.95**		**182.72**	**320.67**	**60.45**	**+ 77.50**

STATEMENT 63—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1968-69—(*Concld.*)

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
					1968-69—(*Concld.*)						
State Governments											
5¾% Andhra Pradesh S. D. Loan, 1980	11.00	12	98.00	5.99	13.01	11.39	4% Andhra Pradesh S.D. Loan, 1968	0.69	**12.07**		
5¾% Assam S. D. Loan, 1980 ..	2.50	12	97.50	6.05	2.62	2.62		—	**2.62**		
5¾% Bihar S. D. Loan, 1980 ..	3.50	12	97.50	6.05	4.43	3.43	4% Bihar S. D. Loan, 1968	0.41	**3.84**		
5¾% Gujarat S. D. Loan, 1980 ..	11.75	12	99.50	5.81	13.69	13.01		—	**13.01**		
5¾% Haryana S. D. Loan, 1980 ..	2.75	12	98.00	5.99	3.12	3.03		—	**3.03**		
5¾% Kerala S. D. Loan, 1980 ..	5.00	12	98.00	5.99	5.29	5.10	4% Travancore-Cochin Loan, 1968	0.19	**5.29**		
5¾% Madhya Pradesh S. D. Loan, 1980	5.50	12	98.00	5.99	6.06	5.62	4% Madhya Pradesh S. D. Loan, 1968; 4% Madhya Bharat S.D. Loan, 1968	0.43	**6.06**	47.25	+ 70.31
5¾% Madras S. D. Loan, 1980 ..	18.00	12	98.00	5.99	20.12	17.97	4% Madras Loan, 1968	1.80	**19.76**		
5¾% Maharashtra S. D. Loan, 1980	20.00	12	99.50	5.81	22.09	21.82	4% Saurashtra S. D. Loan, 1968	0.27	**22.09**		
5¾% Mysore S. D. Loan, 1980 ..	6.00	12	98.00	5.99	6.72	5.87	4% Mysore S.D. Loan, 1968	0.73	**6.60**		
5¾% Orissa S. D. Loan, 1980 ..	4.50	12	98.00	5.99	5.06	4.50	4% Orissa Govt. Loan, 1968	0.46	**4.96**		
5¾% Punjab S. D. Loan, 1980 ..	3.00	12	98.00	5.99	3.48	2.66	4% Punjab Loan, 1968	0.66	**3.31**		
5¾% Rajasthan S. D. Loan, 1980 ..	5.00	12	98.00	5.99	5.71	4.77	4% Rajasthan S. D. Loan, 1968	0.93	**5.71**		
5¾% Uttar Pradesh S. D. Loan, 1980	10.00	12	98.00	5.99	14.58	8.89	4% Uttar Pradesh S. D. Loan, 1968	2.13	**11.02**		
5¾% West Bengal S. D. Loan, 1980	8.00	12	98.00	5.99	8.72	6.90	4% West Bengal Loan, 1968	1.83	**8.72**		
Total of State Governments ..	**116.50**				**134.69**	**117.56**		**10.52**	**128 08**	**47.25**	**+ 70.31**
Total of Central and State Governments	**426.50**				**455.36**	**255.51**		**193.25**	**448 76**	**107.70**	**+147 81**

Note: (1) Figures in columns 5, 6, 9 and 11 include Prize Bonds. (2) The statement excludes (i) for 1965-66 and 1966-67 the contributions in respect of the National Defence Gold Bonds, 1980 (A & B series); the contributions to these bonds which were on sale between October 1965 and May 1966, were received in the form of gold, (ii) issues and repayments of Assam State Acquisition Zamindaris Act, 1951 Compensation 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, 2¼% 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, Jenmikaram Payment (Abolition) Bonds, Kerala, Madras Land Reforms (Fixation of ceiling on land) Act, 1961, 3% Maharashtra Agriculture Land (Ceiling on Holdings) Act, 1961, Compensation Bonds and the Hyderabad (Abolition of cash grants) Act, 1952 Compensation Bonds and only repayments in respect of 3% Bombay Land Tenure Abolition Acts Compensation Bonds (former State of Bombay) and 3¼% U.P. Encumbered Estates Act Bonds; the total issues and repayments of these bonds amounted to Rs. 3.11 crores and Rs. 6.34 crores respectively in 1967-68 and Rs. 3.04 crores and Rs. 5.37 crores respectively in 1968-69 and (iii) Rs. 75 crores of *ad hoc* Treasury Bills funded in February 1968 and in February 1969.

* Inclusive of conversion.

STATEMENT 64—MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS

(In crores of rupees)

End of March	Undated	*Percentage to total*	Over 10 years	*Percentage to total*	Between 5 and 10 years	*Percentage to total*	Under 5 years	*Percentage to total*	**Total**
	1	2	3	4	5	6	7	8	**9**
1951	257.85	*17.9*	519.33	*36.1*	342.51	*23.8*	318.77	*22.2*	**1,438.46**
1956	257.85	*17.1*	241.17	*16.0*	616.52	*40.9*	393.13	*26.1*	**1,508.67**
1961	257.85	*10.0*	690.45	*26.9*	756.41	*29.4*	866.62	*33.7*	**2,571.33**
1962	257.84	*9.6*	806.43	*30.0*	698.96	*26.0*	925.21	*34.4*	**2,688.45**
1963	257.84	*9.1*	869.67	*30.6*	711.51	*25.0*	1,001.91	*35.3*	**2,840.94**
1964	257.84	*8.3*	558.45	*17.9*	1,245.28	*40.0*	1,052.34	*33.8*	**3,113.92**
1965	257.84	*7.9*	625.84	*19.2*	1,127.71	*34.5*	1,256.14	*38.4*	**3,267.53**
1966	257.84	*7.5*	765.28	*22.3*	1,015.77	*29.7*	1,386.03	*40.5*	**3,424.92**
1967	257.84	*7.2*	858.49	*24.1*	916.35	*25.8*	1,524.08	*42.9*	**3,556.76**
1968	257.84	*6.9*	1,156.82	*31.0*	749.88	*20.1*	1,567.72	*42.0*	**3,732.26**
1969	257.84	*6.6*	1,360.75	*35.0*	388.40	*10.0*	1,876.38	*48.3*	**3,883.37**

Note : Maturity classification is as of 31st March every year. Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification; for loans not redeemed on the earlier date, later date has been taken.

Including (i) Hyderabad State Loans from 1957, (ii) for the years 1961 to 1965, 5-Year Interest-free Prize Bonds issued from April 1960, (iii) Premium Prize Bonds, 1963 and Premium Prize Bonds, 1964 issued from January 1963 and January 1964 respectively, (iv) 7 per cent (6½ per cent prior to April 1, 1965) Gold Bonds, 1977 issued from November 12, 1962, (v) 7 per cent Gold Bonds 1980, issued from March 2, 1965 and (vi) National Defence Gold Bonds (A and B Series) 1980 from 1967-68; the total contributions being 82,00,288 gms. and 47,10,739 gms. respectively of gold for the two series. The value of these amount to Rs. 4,39.37 lakhs and Rs. 2,52·40 lakhs, respectively, at the rate of Rs. 53·58 per 10 gms.

STATEMENT 65—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	1966-67	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11
I. Public Debt											
(i) Permanent debt ..	133,71	264,48	493,12(*b*)	569,53(*b*)	653,22	648,60	721,60	823,73	925,77	1,006,42	1,069,12
(ii) Floating debt ..	15,66	8,20	41,75	50,27	24,68	40,91	70,29	170,15	84,27	102,96	57,62
(iii) Loans from Central Government ..	238,54	876,07	2,015,81	2,314,24	2,676,97(*c*)	3,111,79(*c*)	3,558,74(*c*)	4,100,92(*c*)	4,686,61(*c*)	5,197,33(*c*)	5,568,49(*c*)
(iv) Other debt (*a*) ..	—	—	51,57	63,60	77,34	96,89	116,85	155,23	163,23	179,07	193,58
II. Unfunded debt ..	57,37	83,19	134,93	150,01	162,71	183,42	203,17	194,82	265,80	306,79	358,11
III. Gross Total Debt ..	**445,28**	**1,231,94**	**2,737,17**	**3,147,65**	**3,594,92**	**4,081,61**	**4,670,66**	**5,444,86**	**6,125,68**	**6,792,57**	**7,246,91**

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 and Nagaland from 1965-66.

(*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*) Excludes the amounts provisionally allocated to Kerala on the population ratio. (*c*) Excluding the share of outstanding prepartition loans amounting to Rs. 195 lakhs in respect of West Bengal. (*d*) Data relate to Revised Estimates for all the States except Haryana, Jammu and Kashmir, Punjab, Tamil Nadu and West Bengal for which they are based on Budget papers.

STATEMENT 66—OWNERSHIP OF CENTRAL AND

	Central and State Government Securities							
	Dec. 31, 1957	Per cent to the total	March 31, 1961	Per cent to the total	March 31, 1966	Per cent to the total	March 31, 1968	Per cent to the total
	1	2	3	4	5	6	7	8
I. Governments (a+b)	**218·0**	**10·9**	**267·6**	**9·6**	**349·4**	**8·9**	**343·8**	**7·8**
(a) Central Government	7·5	0·4	3·5	0·1	1·5	0·1	1·8	—
(b) State Governments (i+ii+iii+iv)	210·5	10·5	264·1	9·5	347·9	8·8	342·0	7·8
(i) Cash Balance Investment Account	82·1	4·1	111·3	4·0	79·3	2·1	73·7	1·7
(ii) Sinking Fund Investment Account	40·8	2·0	83·6	3·0	167·0	4·2	172·8	3.9
(iii) Zamindari Abolition Fund Account	0·9	0·1	5·8	0·2	17·5	0·4	16·9	0·4
(iv) Others	86·7	4·3	63·4	2·3	84·1	2·1	78·6	1·8
II. Reserve Bank of India (Own account)[1]	**311·8**	**15·6**	**707·1**	**25·4**	**1,218·0**	**30·8**	**1328·5**	**30·1**
III. Commercial and Co-operative Banks (a+b+c)	**477·6**	**23·9**	**601·1**	**21·6**	**854·8**	**21·6**	**1,029·5**	**23·3**
(a) Scheduled Commercial Banks	447·1	22·4	552·0	19·8	799.4	20.2	964.6	21·9
(b) Non-Scheduled Commercial Banks[2]	12·3	0·6	10·8	0·4	5·3	0·1	6·5	0·1
(c) Co-operative Banks[3]	18·2	0·9	38·3	1·4	50·1	1·3	58·4	1·3
IV. Insurance (a+b+c)	**269·8**	**13·5**	**386·0**	**13·9**	**550·4**	**13·9**	**617·2**	**14·0**
(a) Life Insurance Corporation	246·1	12·3	357·0	12·8	524·7	13·3	594·0	13·5
(b) General Insurance Companies	10·4	0·5	10·0	0·4	10·1	0·3	9·9	0•2
(c) Employees' State Insurance Corporation	13·3	0·7	19·0	0·7	15·6	0·3	13·3	0·3
V. Provident Funds (a+b+c+d)	**109·8**	**5·5**	**217·5**	**7·8**	**531·3**	**13·4**	**723·9**	**16·5**
(a) Employees' Provident Fund Scheme	38·3	1·9	81·0	2·9	217·9	5·5	292·9	6·6
(b) Coal Mines Provident Fund Scheme	10·5	0·5	22·2	0·8	44·4	1·1	49·6	1·2
(c) Assam Tea Plantation Provident Fund Scheme[4]	..	..	..	..	..	..	12·7	0·3
(d) Other Provident Funds[5]	61·0	3·1	114·3	4·1	269·0	6·8	368·7	8·4
VI. Industrial Finance and State Financial Corporations	**3·2**	**0·2**	**4·8**	**0·2**	**3·9**	**0·1**	**3·7**	**0·1**
VII. Reserve Bank of India—held on account of Others[6]	**27·4**	**1·4**	**38·5**	**1·4**	**39·0**	**1·0**	**34·4**	**0·8**
VIII. Non-residents[7]	**33·5**	**1·7**	**34·3**	**1·2**	**19·4**	**0·5**	**18·6**	**0·4**
IX. Others (Residual)	**543·1**	**27·2**	**526·9**	**18·9**	**387·0**	**9·8**	**308·6**	**7·0**
Of which break-down figures are available in respect of (a+b+c+d)[8]	—	—	358·4	12·8	169·6	4·3	158·0	3·6
(a) Joint Stock Companies	—	—	36·6	1·3	12·8	0·3	10·4	0·2
(b) Local Authorities	—	—	61·3	2·2	43·6	1·1	37·3	0·8
(c) Trusts (both Public & Private)[9]	—	—	182·3	6·5	57·1	1·4	59·5	1·3
(d) Individuals	—	—	78·2	2·8	56·1	1·4	50·8	1·2
TOTAL	**1,994·2**	**100·0**	**2,783·8**	**100·0**	**3,953·2**	**100·0**	**4,408·2**	**100·0**

* Excluding Treasury Bills, Small Savings, Prize Bonds and outstanding balances of expired loans ; the amount represents the face value of securities. 1. Excluding a special issue of the 4 per cent loan 1973 for Rs. 300 crores created in July 1958 which was wholly taken over by the Reserve Bank of India against cancellation of **ad hoc** Treasury bills and held in the Issue Department as cover against note issue. 2. Data for 1957, 1966 and 1968 are as per the Survey of Investments of banks conducted by the Bank ; figures for 1961 are based on the returns submitted by non-scheduled banks in Form XIII under Section 27(i) of the Banking Companies Act. 3. Data for 1957 relate to State Co-operative Banks and Central Co-operative Land Mortgage Banks only. Figures from 1961 relate to State Co-operative Banks, Central Co-operative and Central Co-operative Land Mortgage Banks. 4. Available from March 1967 only. 5. Investments of a number of large factories and other establishments covered under the Employees' Provi-

STATE GOVERNMENT SECURITIES*

(Amount in crores of rupees)

Central Government Securities								State Government Securities							
Dec. 31, 1957	Per cent to the total	March 31, 1961	Per cent to the total	March 31, 1966	Per cent to the total	March 31, 1968	Per cent to the total	Dec. 31, 1957	Per cent to the total	March 31, 1961	Per cent to the total	March 31, 1966	Per cent to the total	March 31, 1968	Per cent to the total
9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
189·7	**11·2**	**216·5**	**9·6**	**217·6**	**7·0**	**176·1**	**5·2**	**28·3**	**9·6**	**51·1**	**9·7**	**131·8**	**15·7**	**167·7**	**16·9**
7·4	0·4	3·5	0·2	0·8	—	1·1	—	—	—	—	—	0·7	0·1	0·7	0·1
182·2	10·8	213·0	9·4	216·8	7·0	175·0	5·2	28·3	9·6	51·1	9·7	131·1	15·6	167·0	16·8
69·8	4·1	88·6	3·9	59·0	1·9	47·6	1·4	12·3	4·2	22·7	4·3	20·3	2·4	26·1	2·6
32·3	1·9	65·1	2·9	81·1	2·6	65·4	1·9	8·4	2·8	18·5	3·5	85·9	10·3	107·4	10·8
0·9	0·1	5·6	0·2	17·3	0·6	12·9	0·5	—	—	0·2	—	0·2	—	4·0	0·4
79·2	4·7	53·7	2·4	59·4	1·9	49·1	1·4	7·5	2·6	9·7	1·8	24·7	2·9	29·5	2·9
310·7	**18·3**	**704·9**	**31·2**	**1,213·7**	**39·0**	**1,324·2**	**38·8**	**1·1**	**0·4**	**2·2**	**0·4**	**4·3**	**0·5**	**4·3**	**0·4**
396·9	**23·3**	**449·3**	**19·9**	**596·0**	**19·1**	**685·7**	**20·1**	**80·8**	**27·4**	**151·8**	**28·7**	**258·8**	**30·9**	**343·8**	**34·6**
380·6	22·4	427·6	19·0	579·1	18·6	671·3	19·7	66·6	22·6	124·4	23·5	220·3	26·3	293·3	29·6
6·3	0·3	4·6	0·2	1·6	0·1	1·3	0·1	6·0	2·0	6·2	1·2	3·7	0·4	5·2	0·5
10·0	0·6	17·1	0·7	15·3	0·4	13·1	0·3	8·2	2·8	21·2	4·0	34·8	4·2	45·3	4·5
223·5	**13·1**	**267·2**	**11·9**	**337·2**	**10·8**	**384·4**	**11·2**	**46·3**	**15·7**	**118·8**	**22·5**	**213·2**	**25·5**	**232·8**	**23·5**
201·3	11·8	243·9	10·8	320·4	10·3	370·4	10·8	44·8	15·2	113·1	21·4	204·3	24·4	223·6	22·6
9·1	0·5	8·2	0·4	7·7	0·2	7·0	0·2	1·2	0·4	1·8	0·3	2·4	0·3	2·9	0·3
13·1	0·8	15·1	0·7	9·1	0·3	7·0	0·2	0·3	0·1	3·9	0·8	6·5	0·8	6·3	0·6
109·5	**6·4**	**217·0**	**9·7**	**529·7**	**17·0**	**718·9**	**21·0**	**0·2**	**0·1**	**0·5**	**0·1**	**1·6**	**0·2**	**5·0**	**0·5**
38·2	2·2	80·6	3·6	216·3	6·9	291·5	8·5	0·1	—	0·4	0·1	1·6	0·2	1·4	0·2
10·4	0·6	22·1	1·0	44·4	1·4	49·4	1·4	0·1	—	0·1	—	—	—	0·2	—
..	..	..	..	..	..	9·3	0·3	..	..	..	..	..	..	3·4	0·3
61·0	3·6	114·3	5·1	269·0	8·6	368·7	10·8	—	—	—	—	—	—	—	—
1·4	**0·1**	**0·5**	**—**	**0·2**	**—**	**0·2**	**—**	**1·9**	**0·6**	**4·3**	**0·8**	**3·7**	**0·5**	**3·5**	**0·4**
23·0	**1·3**	**29·7**	**1·3**	**29·1**	**0·9**	**24·5**	**0·7**	**4·4**	**1·5**	**8·8**	**1·7**	**9·9**	**1·2**	**9·9**	**1·0**
33·4	**2·0**	**34·2**	**1·5**	..	..	..	..	**0·1**	—	**0·1**	—	..	..	..	..
411·4	**24·2**	**336·4**	**14·9**	**192·2**	**6·2**	**102·5**	**3·0**	**131·7**	**44·7**	**190·5**	**36·1**	**214·2**	**25·6**	**224·7**	**22·7**
..	..	292·9	13·0	110·7	3·6	94·0	2·8	..	..	65·5	12·4	58·9	7·0	64·0	6·4
..	..	26·2	1·2	7·6	0·2	6·0	0·2	..	..	10·4	2·0	5·2	0·6	4·4	0·4
..	..	50·5	2·2	25·3	0·8	18·9	0·6	..	..	10·8	2·0	18·3	2·2	18·4	1·9
..	..	159·0	7·1	44·4	1·4	42·3	1·2	..	..	23·3	4·4	12·7	1·5	17·2	1·7
..	..	57·2	2·5	33·4	1·1	26·8	0·8	..	..	21·0	4·0	22·7	2·7	24·0	2·4
1,699·5	**100·0**	**2,255·7**	**100·0**	**3,115·7**	**100·0**	**3,416·5**	**100·0**	**294·7**	**100·0**	**528·1**	**100·0**	**837·5**	**100·0**	**991·7**	**100·0**

dent Funds Act, 1952, which have been permitted to run their own Scheme of Provident Fund on certain conditions, the most important of which is that investments shall exclusively be made in Central Government Securities. 6. Include (i) Administrator's Safe Custody Deposit Account, (ii) Employees' Security Deposit Account and (iii) Imperial Bank of India Share Capital Compensation Account. 7. The holdings of non-residents in State Government loans at the end of December 1955 were Rs. 10 lakhs ; since later figures are not available, they are assumed constant for December 1957 and 1961. The break-up of holdings of non-residents as between Central and State Government Securities is not available for 1966 and 1968. 8. Figures cover holdings on behalf of their constituents, of 25 selected scheduled commercial banks in 1961, 71 in March 1966 and 70 in March 1968. Information on the holdings of these categories was not called for in 1957. 9. Excluding investments of trustees of provident funds.

STATEMENT 67—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	45,10	440,78	47	3,38	1,82	2,63		
4. 1961-62	250,52	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	378,53	289,84	88,69	653,42	—17	3,70	9,77	36,67	73,51	333,10
9. 1966-67	395,26	337,66	57,60	711,02	—29	3,41	12,85	49,52	67,75	400,85
10. 1967-68	448,94	390,49	58,45	769,47	—27	3,14	12,05	61,57	70,06	470,91
11. 1968-69	439,50	414,03	25,47	794,93†	—22	2,92	16,38	77,95	57,09	528,00
12. March 1968 ..	87,68	38,52	49,16	769,47	— 2	3,14	1,38	61,57	9,79	470,91
13. April „ ..	35,41	43,12	— 7,71	761,76	— 3	3,11	34	61,91	3,47	474,38
14. May „ ..	37,11	39,76	— 2,65	759,11	—	3,11	83	62,74	4,07	478,45
15. June „ ..	39,05	35,69	3,36	762,47	— 3	3,08	1,21	63,95	4,29	482,74
16. July „ ..	41,78	33,31	8,47	770,94	— 2	3,06	1,52	65,47	5,58	488,32
17. August „ ..	36,05	30,86	5,19	776,13	— 3	3,03	1,60	67,07	3,68	492,00
18. September „ ..	26,76	26,67	9	776,22	—	3,03	1,31	68,38	2,27	494,27
19. October „ ..	30,62	31,42	—80	775,42	— 2	3,01	1,53	69,91	4,37	498,64
20. November „ ..	38,56	37,02	1,53	776,95	— 2	2,99	1,79	71,70	4,79	503,43
21. December „ ..	33,13	32,28	85	777,80	— 3	2,96	1,81	73,51	4,42	507,85
22. January 1969 ..	36,24	35,69	55	778,35	— 2	2,94	1,51	75,02	5,64	513,49
23. February „ ..	32,79	31,61	1,18	779,53	—	2,94	1,29	76,31	5,41	518,90
24. March „ ..	52,00	36,60	15,40	794,93	— 2	2,92	1,64	77,95	9,10	528,00

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.

(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				3½% (*j*)	4% (*k*)		Net receipts	Outstandings	
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	18,11	18,11	63,70	6,84	74	6,04	57,12	309,99	150,77	1,549,33	8.
7,54	67,44	15,92	34,03	45,99	2,37	73	2,82	55,35	293,37	117,57	1,666,90	9.
7,08	74,52	10,23	44,26	29,60	95	66	1,45	51,40	281,40	122,44	1,789,34	10.
5 38	79,90	9,01	53,27	14,73	60	75	1,16	46,28	272,40	83,55	1,872,89*	11.
51	74,52	90	44,26	29,60	95	66	1,45	51,40	281,40	57,26	1,789,34	12.
50	75,02	54	44,80	28,53	90	65	1,42	50,93	280,61	—5,32	1,784,02	13.
56	75,58	68	45,48	27,33	86	63	1,40	50,47	279,77	91	1,784,93	14.
39	75,97	83	46,31	26,22	82	62	1,34	50,15	279,01	7,75	1,792,68	15.
49	76,46	96	47,27	24,92	77	62	1,31	49,62	278,24	14,32	1,807,00	16.
32	76,78	72	47,99	23,59	73	65	1,28	49,27	277,59	9,11	1,816,11	17.
14	76,92	47	48,46	22,47	72	65	1,26	48,89	276,87	2,03	1,818,14	18.
56	77,48	65	49,11	21,12	72	63	1,24	48,50	276,19	3,83	1,821,97	19.
44	77,92	91	50,02	19,75	68	57	1,23	47,98	275,30	6,55	1,828,52	20.
56	78,48	70	50,72	18,39	67	46	1,21	47,58	274,50	5,61	1,834,13	21.
54	79,02	86	51,58	17,04	70	57	1,19	47,11	273,79	6,67	1,840,80	22.
44	79,46	90	52,48	16,05	72	69	1,17	46,74	273,12	7,31	1,848,11	23.
44	79,90	79	53,27	14,73	60	75	1,16	46,28	272,40	24,78	1,872,89	24.

(*e*) Issued from November 10, 1962. (*f*) Issued from June 1, 1965. (*g*) Includes Twelve-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. † Excludes an amount of Rs. 25 crores towards interest accrued. * Excludes '5-Year Fixed Deposits' introduced from March 15, 1968; the collections by Post Offices alone upto end of March 1969 amounted to Rs. 1,58 lakhs and the outstandings amounted to Rs. 1,57 lakhs.

Source : Accountant General, Posts and Telegraphs.

STATEMENT 68—GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1968-69

(In lakhs of rupees)

Week ended	Transactions with the Public					Sold in favour of Reserve Bank	Sales to State Governments and approved bodies	Total amount outstanding at the end of the period
	Sales of Treasury Bills on Tap		Amount discharged	Amount outstanding at the end of the period	*Rate of discount for tap sales (Per cent per annum)*			
	Against maturing Treasury bills	Against cash						
	1	2	3	4	5	6	7	8
1968								
April 5, ...	68	16,56	21,61	155,48	*3.0*	275,00	65,80	1,980,70
„ 12, ...	44	3,82	13,03	146,71	*3.0*	452,90	10,20	1,991,42
„ 19, ...	2,34	9,60	27,24	131,40	*3.0*	280,69	4,75	2,011,22
„ 26, ...	7,57	8,47	18,60	128,85	*3.0*	5,00	13,65	2,015,56
May 3, ...	1,02	8,86	8,98	129,75	*3.0*	55,00	1,30	1,989,46
„ 10, ...	3,10	10,94	10,26	133,54	*3.0*	505,00	21,05	2,064,52
„ 17, ...	5,17	15,42	17,33	136,80	*3.0*	30,00	15,45	2,078,99
„ 24, ...	2,46	13,76	8,40	144,62	*3.0*	1,82	1,04	2,084,76
„ 31, ...	1,39	9,68	7,96	147,72	*3.0*	—	12,25	2,092,22
June 7, ...	64	8,65	11,57	145,44	*3.0*	30,00	23,40	2,142,73
„ 14, ...	1,14	8,92	3,97	151,53	*3.0*	—	55	2,149,37
„ 21, ...	2,80	15,28	8,88	160,72	*3.0*	25,00	1,10	2,131,54
„ 28, ...	10	8,13	2,60	166,35	*3.0*	225,00	4,96	2,121,27
July 5, ...	1,00	20,79	16,64	171,50	*3.0*	265,00	33,05	2,189,67
„ 12, ...	35	13,44	4,26	181,04	*3.0*	452,90	10,10	2,199,10
„ 19, ...	1,78	46,60	11,94	217,48	*3.0*	280,69	8,75	2,239,54
„ 26, ...	8,15	16,33	16,04	225,92	*3.0*	5,00	6,20	2,140,53
August 2, ...	1,16	10,10	9,88	227,29	*3.0*	—	9,10	2,149,70
„ 9, ...	1,36	9,69	14,05	224,29	*3.0*	490,00	35,55	2,191,20
„ 16, ...	4,46	11,07	20,59	219,23	*3.0*	45,00	7,73	2,193,42
„ 23, ...	2,86	12,28	16,22	218,14	*3.0*	1,82	3,34	2,114,63
„ 30, ...	1,85	14,08	11,07	222,99	*3.0*	—	8,85	2,116,08
September 6, ...	25	10,70	9,29	224,65	*3.0*	—	51,85	2,146,20
„ 13, ...	1,41	8,80	10,01	224,85	*3.0*	—	19,23	2,105,08
„ 20, ...	2,95	19,70	18,13	229,37	*3.0*	—	6,85	2,075,34
„ 27, ...	4	7,93	10,16	227,18	*3.0*	100,00	2,41	2,070,60
October 4, ...	62	8,23	20,12	215,92	*3.0*	200,00	17,85	1,979,14
„ 11, ...	18	27,45	13,54	230,00	*3.0*	452,90	7,95	1,991,07
„ 18, ...	2,00	32,70	48,38	216,32	*3.0*	300,69	2,85	1,991,49
„ 25, ...	8,24	29,81	24,48	229,88	*3.0*	5,00	15,15	1,954,00
November 1, ...	1,20	20,43	11,26	240,25	*3.0*	50,00	34,30	2,039,58
„ 8, ...	2,09	9,58	11,05	240,88	*3.0*	435,00	44,90	2,054,55
„ 15, ...	3,78	19,68	15,53	248,80	*3.0*	30,00	13,02	2,052,77
„ 22, ...	2,48	29,10	15,14	265,24	*3.0*	1,82	11,49	2,032,36
„ 29, ...	4,24	2,47	15,92	256,02	*3.0*	—	17,80	2,002,09
December 6, ...	24	10,34	10,95	255,66	*3.0*	115,00	32,20	2,097,07
„ 13, ...	91	11,11	10,21	257,46	*3.0*	15,00	85	2,095,50
„ 20, ...	2,93	27,52	22,65	265,25	*3.0*	—	3,10	2,099,55
„ 27, ...	—	9,77	7,96	267,07	*3.0*	—	2,41	2,076,36
1969								
January 3, ...	62	31,85	8,86	290,70	*3.0*	270,00	51,85	2,203,98
„ 10, ...	7	12,29	27,62	275,43	*3.0*	482,90	1,90	2,212,67
„ 17, ...	1,38	19,34	34,69	261,47	*3.0*	360,69	4,40	2,260,26
„ 24, ...	9,16	28,16	38,05	260,74	*3.0*	5,00	13,95	2,258,33
„ 31, ...	1,40	10,46	21,62	250,98	*3.0*	50,00	10,15	2,224,42
February 7, ...	1,73	15,48	11,68	256,52	*3.0*	405,00	6,85	2,161,90
„ 14, ...	3,70	7,76	25,45	242,53	*3.0*	30,00	2,52	2,137,42
„ 21, ...	1,96	8,88	29,57	223,81	*3.0*	1,82	5,26	2,112,47
„ 28, ...	4,24	4,18	6,71	225,52	*3.0*	—	4,28	2,075,66
March 7, ...	5	9,64	10,58	224,63	*3.0*	90,00	14,15	2,056,72
„ 14, ...	81	3,52	12,02	216,94	*3.0*	15,00	29,05	2,077,22
„ 21, ...	2,88	5,68	30,45	195,05	*3.0*	—	12,66	2,064,90
„ 28, ...	—	6,85	18,82	183,08	*3.0*	170,00	37,66	2,254,18

STATEMENT 69—GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL AND MONTHLY)

(In lakhs of rupees)

Period	Transactions with the Public									Sold in favour of Reserve Bank of India (*c*)	Sales to State Governments and approved bodies	Total Amount outstanding at the end of the period (*d*)(*e*)
	Amount offered	Amount tendered	Amount sold by tender	Sales of Intermediate Treasury bills	Sales of Treasury Bills on tap: Against maturing Treasury bills	Sales of Treasury Bills on tap: Against cash	**Total Sales**(*a*) (3+4+5+6)	Amount discharged	*Average rate of discount for auction sales (per cent per annum)* (*b*)			
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51										1,394,35		358,02
1955-56	55,50	86,25	55,50				**55,50**	54,50	*2.52*	1,994,09		595,25
1960-61	100,00	108,74	100,00	15,72			**115,72**	112,82	*2.65*	4,532,92		1,106,30
1961-62	96,00	100,16	96,00	35,59			**131,59**	131,93	*2.58*	4,270,22		1,174,98
1962-63	96,00	107,45	96,00	68,06			**164,06**	163,19	*2.42*	4,798,97		1,299,55
1963-64	100,00	111,56	100,00	122,22			**222,22**	220,38	*2.34*	5,248,72		1,381,95
1964-65	96,00	130,94	96,00	217,11			**313,11**	307,68	*2.72*	5,833,45		1,443,52
1965-66	28,00	28,45	28,00	50,86	47	343,18	**422,51**	284,52	*3.50*	5,205,86	734,12	1,611,82
1966-67					3,58	652,56	**656,14**	664,21	*3.50*	6,013,65	1,193,39	1,919,55
1967-68					40,51	693,20	**733,70**	646,94	*3.48*	6,157,65	1,323,10	2,013,41
1968-69					113,98	744,29	**858,27**	840,73	*3.00*	6,921,65	796,32	2,244,34
March 1968					4,33	24,20	**28,54**	53,28	*3.02*	245,00	59,49	2,013,41
April „					11,67	42,99	**54,66**	86,03	*3.00*	923,59	78,65	2,002,04
May „					12,50	53,54	**66,04**	47,39	*3.00*	591,82	50,84	2,092,22
June „					4,68	40,98	**45,66**	27,02	*3.00*	280,00	30,01	2,121,27
July „					12,44	102,86	**115,30**	55,86	*3.00*	1,003,59	62,10	2,144,16
August „					10,67	51,75	**62,42**	68,15	*3.00*	536,82	61,02	2,104,11
September „					5,12	51,44	**56,56**	55,18	*3.00*	100,00	79,89	2,064,87
October „					11,55	102,56	**114,11**	102,47	*3.00*	958,59	43,80	1,953,22
November „					12,78	74,10	**86,88**	62,42	*3.00*	516,82	121,52	2,003,17
December „					4,56	74,09	**78,65**	56,56	*3.00*	130,00	38,56	2,088,93
January 1969					12,02	84,98	**97,00**	125,66	*3.00*	1,168,59	82,25	2,224,42
February „					11,64	36,32	**47,95**	73,40	*3.00*	436,82	18,92	2,075,66
March „					4,36	28,68	**33,04**	80,57	*3.00*	275,00	128,77	2,244,34

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.

(*a*) 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. (*b*) Relates to rate of discount for sales on tap from the week ended July 16, 1965. The rate of discount is 3 per cent per annum effective from March 4, 1968. (*c*) Including creation/renewal of *ad hoc* Treasury bills and sales to State Governments and approved bodies upto July 9, 1965. (*d*) Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) *ad hoc* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U. K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) *ad hocs* created since 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. The outstandings of *ad hocs* under (iii) and (iv) above amounted to Rs. 274.51 crores at the end of 1950-51, Rs. 487.52 crores at the end of 1955-56, Rs. 886.37 crores at the end of 1960-61, Rs. 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, Rs. 1,388.41 crores at the end of 1965-66, Rs. 1,594.41 crores at the end of 1966-67, Rs. 1,600.41 crores at the end of 1967-68 and Rs. 1,836.41 crores at the end of 1968-69. (*e*) Excludes *ad hoc* Treasury bills for Rs. 300 crores funded in July 1958, Rs. 150 crores in December 1959, Rs. 50 crores each in January 1961, February 1962 and December 1962, Rs. 75 crores in January 1964, Rs. 50 crores each in January 1965, February 1966 and February 1967 and Rs. 75 crores each in February 1968 and February 1969.

STATEMENT 70—FIVE YEAR PLANS

A Plan Provision and Actual outlay for Public Sector (By Heads of Development)

(In crores of rupees)

Heads of Development	FIRST PLAN		SECOND PLAN		THIRD PLAN		ANNUAL PLANS		DRAFT FOURTH PLAN
	1951-56		1956-61		1961-66		1966-69		1969-74
	Plan Provision	Actual outlay	Plan Provision	Actual outlay	Plan Provision	Actual outlay	Plan Provision	Anticipated expenditure	Plan Provision
	1	2	3	4	5	6	7	8	9
Agriculture and Community Development	361	290	568	549	1068	1089	1037	1167	2217
Irrigation and Power	561	583	913	882	1662	1916	1490	1639	3049
Industry and Mining	173	97	890	1125	1784	1967	1670	1719	3385
Transport and Communications	497	518	1385	1261	1486	2112	1273	1239	3173
Social Services and Miscellaneous	477	472	1044	855	1500@	1493	1195	992	2574
Total	**2069**	**1960**	**4800**	**4672**	**7500**	**8577**	**6665**	**6756***	**14398**

@ Include Rs. 200 crores as inventories.
* The actual expenditure is likely to be lower.

B Financing of Plan Outlays in the Public Sector

(In crores of rupees)

	First Five Year Plan 1951-52 to 1955-56		Second Five Year Plan 1956-57 to 1960-61		Third Five Year Plan 1961-62 to 1965-66		Annual Plans			Draft Fourth Five Year Plan 1969-70 to 1973-74
							1966-67 and 1967-68		1968-69	
	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Latest Estimates	Original Estimates	Estimates
	1	2	3	4	5	6	7	8	9	10
A. Mainly through own resources	**740** (35.7)	**752** (38.4)	**1350** (28.1)	**1230** (26.3)	**2810** (37.5)	**2908** (33.9)	**1753** (40.5)	**872** (20.0)	**745** (31.9)	**7059** (49.0)
1. Balance from current revenues, at pre-Plan rates of taxation	570	382	350	11	550	— 419	680	176	186	2455
2. Additional taxation, including measures to increase the surplus of public enterprises	a	255b	850b	1052b	1710	2892	611	458	449	2709c

3. Retained profits of Reserve Bank	—	—	—	—	—	—	—	—	—	165d
4. Surplus of Public Sector Undertakings, exclusive of yield from measures adopted for raising additional resources for the Plan ..	**170**	**115**	**150**	**167**	**550**	**435**	**462**	**238**	**110**	**1730**
(a) Railways	170e	115e	150e	167e	100	62	5	—50	—69	265
(b) Others	f	f	f	f	450	373	457	288	179	1465g
B. Mainly through domestic borrowings	**808** (39.1)	**1019** (52.0)	**2650** (55.2)	**2393** (51.2)	**2490** (33.2)	**3246** (37.9)	**1001** (23.1)	**1701** (39.1)	**716** (30.6)	**4825** (33.5)
1. Loans from the public, including State enterprises' borrowings from the market and L. I. C. (net)	115h	204h	700h	756h i	800	823	413	479	158	1509 j
2. Small Savings	225	243	500	422	600	565	271	228	120	800
3. Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds..	—	—	—	—	—	117	55	57	—14	—104
4. State Provident Funds k	45	92		175	265	336	171	194	81	640
5. Steel Equalisation Fund (net)	—	—	250	40	105	34	63	327	64	1130
6. Miscellaneous Capital Receipts (net) ..	133	147		46	170	238				
7. Deficit Financing l	290	333	1200	954	550	1133	28	416	307	850
C. Total Domestic Resources (A + B)	**1548** (74.8)	**1771** (90.4)	**4000** (83.3)	**3623** (77.5)	**5300** (70.7)	**6154** (71.8)	**2754** (63.6)	**2573** (59.1)	**1461** (62.5)	**11884** (82.5)
D. External Assistance	**521** (25.2)	**189** (9.6)	**800** (16.7)	**1049** (22.5)	**2200** (29.3)	**2423** (28.2)	**1574m** (36.4)	**1779n** (40.9)	**876n** (37.5)	**2514** (17.5)
E. TOTAL RESOURCES (C+D)	**2069** (100.0)	**1960** (100.0)	**4800** (100.0)	**4672** (100.0)	**7500** (100.0)	**8577** (100.0)	**4328** (100.0)	**4352** (100.0)	**2337** (100.0)	**14398** (100.0)

a Included under items A_1 and A_4.
b Excluding yield from changes in railway fares and freights.
c Inclusive of the anticipated yield from the floatation of rural debentures and other measures for mobilising private savings.
d In the earlier Plans, the retained profits of Reserve Bank as well as the outlays financed from these profits were kept outside Plan resources and outlay.
e Inclusive of yield from changes in railway fares and freights.
f Included under items A_1 and B_6.
g Repayments by enterprises in respect of loans from the market and the Life Insurance Corporation (LIC) have been netted under this item whereas such repayments in the earlier Plan periods were netted under B_1.
h Market borrowings by Central and State Governments.
i Includes investments by the State Bank of India out of P. L. 480 funds.
j Inclusive of State Governments' borrowings of Rs. 96 crores (gross) from the LIC for water supply and housing. In the earlier Plans, the L.I.C. loans for water supply were included under miscellaneous capital receipts whereas the LIC loans for housing and outlays financed from such loans were kept outside Plan resources and outlay. Loans from L I C and borrowings by State enterprises are on a gross basis; the repayments are, as stated in foot note g, netted under item A_4 (b).
k For the First and the Second Plans the figures relate to unfunded debt.
l The figures of deficit financing shown for the Third Plan period and thereafter refer to changes in Government indebtedness (both long-term and short-term) to the Reserve Bank. For earlier Plans they indicate budget deficits. On a comparable basis, actual deficit financing during the First and the Second Plan periods works out to Rs. 260 crores and Rs. 1170 crores, respectively.
m At the new exchange rate, it would be Rs. 1906 crores.
n At the new rate of exchange.

Note: Figures in brackets are percentages to total.

Source: Planning Commission.

STATEMENT 71—CENTRAL AND STATE GOVERNMENT LOANS, (OUTSTANDINGS AS ON MARCH 31, 1969)

(In thousands of rupees)

Central Government Loans	Amount outstanding
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	3,32,09,60
4½% Loan, 1972	1,00,13,43
4 % Loan, 1972	1,54,70,47
4¼% National Defence Bonds, 1972	28,22,34
4¾% National Defence Bonds, 1972	17,16,34
4 % Loan, 1973	94,51,44
4 % Loan, 1973 (*Ad hoc* issue)	3,00,00,00
4¼% Loan, 1973	1,59,08,07
3¾% Loan, 1974	1,86,63,53
4¼% Loan, 1975	1,67,11,56
2¾% Loan, 1976	14,77,48
4 % Loan, 1979	1,06,06,39
4 % Loan, 1980	98,05,17
4 % Loan, 1981	65,96,55
5 % Loan, 1982	1,50,14,55
4½% Loan, 1985	1,14,03,37
4½% Loan, 1986	1,03,09,83
4¾% Loan, 1989	1,40,26,47
5½% Loan, 1990	1,36,16,14
5½% Loan, 1991	1,08,03,26
5½% Loan, 1992	1,50,20,21
5½% Loan, 1995	1,78,55,82
2¾% Hyderabad Loan, 1974	4,40,00
2¾% Hyderabad Loan ,1975	6,85,71
3 % Conversion Loan, 1986 or later	2,48,90,27
3 % Non-terminable Loan, 1896-97	8,93,32
7 % Gold Bonds, 1977@	8,61,79
7 % Gold Bonds, 1980	3,25,54
National Defence Gold Bonds, 1980 (A & B Series)	6,91,77
Premium Prize Bonds, 1964	3,36,79
	38,83,36,59
Loans not bearing interest	
Central Government Loans*	24,98,11
Hyderabad Loans	36,90
TOTAL	**39,08,71,60**

Note : (1) The liability for Hyderabad State Loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States Re-organization Act. The outstanding balance of Hyderabad Loans in O.S. currency has been converted into India Government Currency at the rate of I.G. Rs. 6 = O.S. Rs. 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangements with the Reserve Bank of India.

* 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 71—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1969)

(In thousands of rupees)

State Government Loans		Amount outstanding
ANDHRA PRADESH		
4 %	Andhra State Development Loan, 1969	9,85,51
4½%	Andhra State Development Loan, 1970	5,48,92
4 %	Andhra State Development Loan, 1971	6,57,75
4½%	Andhra State Development Loan, 1972	11,01,81
4½%	Andhra State Development Loan, 1974	10,99,84
4¾%	Andhra State Development Loan, 1976	12,04,23
5½%	Andhra Pradesh State Development Loan, 1977	9,33,45
5½%	Andhra Pradesh State Development Loan, 1978	8,22,90
5¾%	Andhra Pradesh State Development Loan, 1979	11,01,24
5¾%	Andhra Pradesh State Development Loan, 1980	12,08,18
		96,63,84
	Loans not bearing interest	24,66
	TOTAL	**96,88,50**
ASSAM		
4 %	Assam Loan, 1971	2,76,40
4 %	Assam Loan, 1974	3,01,83
4¾%	Assam Loan, 1976	3,11,91
5½%	Assam Loan, 1977	3,13,52
5½%	Assam Loan, 1978	3,00,01
5¾%	Assam Loan, 1979	2,56,61
5¾%	Assam Loan, 1980	2,61,84
	Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	19,54
	TOTAL	**20,41,66**
BIHAR		
2½%	Bihar Z.A.C. Bonds	15,06,58
4 %	Bihar State Development Loan, 1969	3,22,43
4½%	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
5½%	Bihar State Development Loan, 1978	4,05,14
5¾%	Bihar State Development Loan, 1979	5,01,60
5¾%	Bihar State Development Loan, 1980	3,75,58
		53,70,14
	Loans not bearing interest	26,33
	TOTAL	**53,96,47**
GUJARAT		
4 %	Gujarat State Development Loan, 1969	4,83,30
4½%	Gujarat State Development Loan, 1972	5,42,87
4½%	Gujarat State Development Loan, 1974	5,95,81
4¾%	Gujarat State Development Loan, 1976	7,40,94
5½%	Gujarat State Development Loan, 1977	7,36,77
5½%	Gujarat State Development Loan, 1978	7,47,55
5¾%	Gujarat State Development Loan, 1979	10,83,84
5¾%	Gujarat State Development Loan, 1980	13,08,16
3 %	B.L.T.A.A. (Gujarat) Compensation Bonds	94,07
4½%	Gujarat Agricultural Land Ceiling Act, 1960, Compensation Bonds	
	TOTAL	**63,33,32**

STATEMENT 71—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1969)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
HARYANA		
5¾%	Haryana State Development Loan, 1979	2,82,87
5¾%	Haryana State Development Loan, 1980	3,02,93
	TOTAL	**5,85,80**
KERALA		
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
4¼%	Kerala State Development Loan, 1972	4,10,08
4½%	Kerala State Development Loan, 1974	4,21,16
4¾%	Kerala State Development Loan, 1976	4,44,92
5½%	Kerala State Development Loan, 1977	4,24,86
5½%	Kerala State Development Loan, 1978	4,28,22
5¾%	Kerala State Development Loan, 1979	4,96,57
5¾%	Kerala State Development Loan, 1980	5,21,28
	Janmikaram Payment (Abolition) Bonds	6,82
		43,37,83
	Loans not bearing interest	25,45
	TOTAL	**43,63,28**
MADHYA PRADESH		
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
4¼%	Madhya Pradesh State Development Loan, 1972	5,04,45
4½%	Madhya Pradesh State Development Loan, 1974	5,06,29
4¾%	Madhya Pradesh State Development Loan, 1976	5,24,20
5½%	Madhya Pradesh State Development Loan, 1977	4,86,28
5½%	Madhya Pradesh State Development Loan, 1978	5,12,38
5¾%	Madhya Pradesh State Development Loan, 1979	5,56,41
5¾%	Madhya Pradesh State Development Loan, 1980	5,68,51
		49,24,93
	Loans not bearing interest	27,02
	TOTAL	**49,51,95**
MADRAS		
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	14,33,13
5½%	Madras State Development Loan, 1977	14,45,10
5½%	Madras Loan, 1978	13,27,28
5¾%	Madras Loan, 1979	17,94,32
5¾%	Madras Loan, 1980	18,80,50
	Madras Land Reforms Act, 1961, Compensation Bonds	1,03,33
		1,30,02,73
	Loans not bearing interest	1,73,44
	TOTAL	**1,31,76,17**

STATEMENT 71—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1969)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holding) Act, 1961, Compensation Bonds	31,23
4 %	Maharashtra State Development Loan, 1969	10,81,23
4½ %	Bombay State Development Loan, 1969	6,22,98
4¼ %	Bombay State Development Loan, 1970	6,29,66
4 %	Bombay State Development Loan, 1970	7,42,53
4½ %	Bombay State Development Loan, 1971	4,10,36
4 %	Bombay State Development Loan, 1971	6,46,34
4½ %	Maharashtra State Development Loan, 1972	10,30,35
4½ %	Maharashtra State Development Loan, 1974	13,44,25
4¾ %	Maharashtra State Development Loan, 1976	14,68,60
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Bombay)	1,13,78
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Maharashtra)	47,89
5½ %	Maharashtra State Development Loan, 1977	16,11,12
5¾ %	Maharashtra State Development Loan, 1978	15,13,18
5¾ %	Maharashtra State Development Loan, 1979	19,16,46
5¾ %	Maharashtra State Development Loan, 1980	22,08,82
		1,54,53,79
	Loans not bearing interest	22,08
	TOTAL	**1,54,75,87**
MYSORE		
4 %	Mysore State Development Loan, 1969	4,37,73
4½ %	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
4½ %	Mysore State Development Loan, 1972	7,54,18
4½ %	Mysore State Development Loan, 1974	6,59,08
4¾ %	Mysore State Development Loan, 1976	7,01,13
2¾ %	Mysore I.A.C. Bonds	10,73
5½ %	Mysore State Development Loan, 1977	5,29,77
5½ %	Mysore State Development Loan, 1978	4,13,12
5¾ %	Mysore State Development Loan, 1979	6,54,89
5¾ %	Mysore State Development Loan, 1980	6,59,86
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Mysore)	6,04
		62,55,98
	Loans not bearing interest	14,19
	TOTAL	**62,70,17**
ORISSA		
4 %	Orissa Government Loan, 1969	4,40,78
4½ %	Orissa Government Loan, 1970	3,28,60
4 %	Orissa Government Loan, 1971	3,82,58
4½ %	Orissa State Development Loan, 1972	5,89,12
4½ %	Orissa Government Loan, 1974	7,71,63
4¾ %	Orissa Government Loan, 1976	8,76,22
5½ %	Orissa Government Loan, 1977	8,37,22
5½ %	Orissa Government Loan, 1978	6,21,80
5¾ %	Orissa Government Loan, 1979	4,39,59
5¾ %	Orissa Government Loan, 1980	4,97,70
		57,85,23
	Loans not bearing interest	18,30
	TOTAL	**58,03,53**

STATEMENT 71—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1969)

(In thousands of rupees)

State Government Loans—(*Concld.*)		Amount outstanding
PUNJAB		
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	5,10,82
5½%	Punjab Loan, 1978	4,01,66
5¾%	Punjab Loan, 1979	3,00,62
5¾%	Punjab Loan, 1980	3,32,56
		24,42,45
	Loans not bearing interest	52,26
	TOTAL	**24,94,71**
RAJASTHAN		
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	5,24,28
2½%	Rajasthan J.R.A.R. Bonds	3,25,97
5½%	Rajasthan State Development Loan, 1977	5,14,36
5½%	Rajasthan State Development Loan, 1978	5,03,83
5¾%	Rajasthan State Development Loan, 1979	4,09,90
5¾%	Rajasthan State Development Loan, 1980	5,49,18
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	7,53,48
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	35,74
		57,33,99
	Loans not bearing interest	2,37
	TOTAL	**57,36,36**
UTTAR PRADESH		
4 %	Uttar Pradesh State Development Loan, 1969	7,30,82
4¼%	Uttar Pradesh State Development Loan, 1970	7,26,14
4 %	Uttar Pradesh State Development Loan, 1971	8,14,67
4¼%	Uttar Pradesh State Development Loan, 1972	6,12,61
4½%	Uttar Pradesh State Development Loan, 1974	9,12,05
4¾%	Uttar Pradesh State Development Loan, 1976	10,74,89
5½%	Uttar Pradesh State Development Loan, 1977	10,71,62
5½%	Uttar Pradesh State Development Loan, 1978	10,96,03
5¾%	Uttar Pradesh State Development Loan, 1979	12,33,56
5¾%	Uttar Pradesh State Development Loan, 1980	10,94,22
3½%	U.P.E.E. Act Bonds	26,48
3½%	U.P. Land Ceiling Compensation Bonds	45,74
2½%	U.P.Z.A. Compensation Bonds and U.P. Urban Areas Zamindari Abolition Compensation Bonds	41,92,94
2¼%	U.P.Z.A.C.R.G. Bonds	28,53,30
		1,64,85,08
	Loans not bearing interest	1,04,58
	TOTAL	**1,65,89,66**
WEST BENGAL		
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
4½%	West Bengal Loan, 1976	7,00,09
5½%	West Bengal Loan, 1977	7,04,91
5½%	West Bengal Loan, 1978	6,02,42
5¾%	West Bengal Loan, 1979	8,10,97
5¾%	West Bengal Loan, 1980	8,72,23
	West Bengal Estates Acquisition Compensation Bonds	64,38
		71,74,51
	Loans not bearing interest	9,98
	TOTAL	**71,84,50**
TOTAL OF ALL STATES		
	Loans bearing interest	**10,55,91,28**
	Loans not bearing interest	5,00,66
	TOTAL	**10,60,91,94**

STATEMENT 72—INDIA'S OVERALL BALANCE OF PAYMENTS, 1968 (PRELIMINARY)

A. CURRENT ACCOUNT

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	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	326·0	173·9	*+152·1*	333·5	185·5	*+148·0*	339·7	169·1	*+170·6*	350·5	144·0	*+206·5*	1349·7	672·5	*+677·2*
B. Government	—	305·6	*—305·6*	—	330·8	*—330·8*	—	250·8	*—250·8*	—	266·5	*—266·5*	—	1153·7	*—1153·7*
2. Non-monetary Gold Movement ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel (*b*) ..	1·0	4·4	*— 3·4*	1·1	3·0	*— 1·9*	1·4	3·7	*— 2·3*	1·0	2·6	*— 1·6*	4·5	13·7	*— 9·2*
4. Transportation (*c*) ..	23·8	16·3	*+ 7·5*	23·9	16·1	*+ 7·8*	26·2	17·8	*+ 8·4*	24·8	17·3	*+ 7·5*	98·7	67·5	*+31·2*
5. Insurance (*c*)	3·2	2·1	*+ 1·1*	3·2	2·1	*+ 1·1*	3·3	2·0	*+ 1·3*	3·0	2·2	*+ 0·8*	12·7	8·4	*+ 4·3*
6. Investment Income (*d*)	6·0	61·9	*—55·9*	5·1	57·1	*—52·0*	6·8	57·1	*—50·3*	7·2	57·1	*—49·9*	25·1	233·2	*—208·1*
7. Government, not included elsewhere (*e*) ..	15·2	7·5	*+ 7·7*	19·5	5·4	*+14·1*	6·3	5·1	*+ 1·2*	9·5	4·6	*+ 4·9*	50·5	22·6	*+27·9*
8. Miscellaneous (*f*) ..	12·4	18·3	*— 5·9*	19·5	15·8	*+ 3·7*	20·3	17·8	*+ 2·5*	16·0	16·0	—	68·2	67·9	*+ 0·3*
9. Transfer Payments (*i*) Official (*g*)	—	3·3	*— 3·3*	4·5	0·4	*+ 4·1*	19·4	1·1	*+18·3*	4·8	12·0@	*— 7·2*	28·7	16·8	*+ 11·9*
(*ii*) Private (*h*)	31·0	4·1	*+26·9*	35·2	4·7	*+30·5*	33·1	5·0	*+28·1*	37·9	3·4	*+34·5*	137·2	17·2	*+120·0*
10. **Total Current Transactions**	**418·6**	**597·4**	**—178·8**	**445·5**	**620·9**	**—175·4**	**456·5**	**529·5**	**—73·0**	**454·7**	**525·7**	**—71·0**	**1775·3**	**2273·5**	**—498·2**
Errors and omissions ..			*—23·7*			*—61·9*			*— 5·8*			*—52·2*			*—143·6*

(*a*)Exports f.o.b.; imports c.i.f. (*b*) Data for credits are incomplete. (*c*) Credits cover estimated amounts for reimbursements of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports etc., and debits include operating expenses abroad of Indian steamship and airline companies, surplus earnings remitted by foreign shipping and airline companies and some freight and insurance payments. (*d*) Credits include interest on investment of the Reserve Bank of India and debits cover remittances of profits, dividends and interest accruing to foreigners including interest and commitment charges on borrowings from the I.M.F. (*e*) Credits include diplomatic expenditure of foreign Governments in India including the U.S. embassy expenditure in India met from the rupee proceeds of sales of U.S. surplus agricultural commodities under P.L. 480 agreements. Debits represent disbursements of the Government mainly for the upkeep of its organisations abroad. (*f*) Covers credits and debits on account of miscellaneous services such as technicians and agency services etc. (*g*) Credits represent contra entries for imports financed by aid received under Colombo Plan, Indo-American Technical Co-operation Agreement etc. and cash grants mainly from Ford Foundation and under P.L. 480 assistance programme. In addition, the item also covers receipts and payments of pensions on Government Account and contribution to international organisations. (*h*) Comprises unilateral transfers like maintenance remittances, receipts of missionaries, remittances of savings, migrants transfers etc. and in addition,receipts and payments of pensions, retirement benefits etc. on private account. Credits include contra entries for imports under P.L. 480 Titles II and III programme. @ Includes Rs. 11·2 crores paid to the I.B.R.D. as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 72—INDIA'S OVERALL BALANCE OF PAYMENTS, 1968 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	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*)	**17·1**	**11·7**	**+ 5·4**	**10·3**	**12·6**	**— 2·3**	**7·4**	**10·4**	**— 3·0**	**8·4**	**18.3**	**— 9·9**	**43·2**	**53·0**	**— 9·8**
1. Long-term	14·9	10·1	*+ 4·8*	8·6	11·4	*— 2·8*	5·5	9·8	*— 4·3*	7·1	17·8	*—10·7*	36·1	49·1	*—13·0*
2. Short-term	2·2	1·6	*+ 0·6*	1·7	1·2	*+ 0·5*	1·9	0·6	*+ 1·3*	1·3	0·5	*+ 0·8*	7·1	3·9	*+ 3·2*
II. Banking (*b*)	**32·4**	**14·1**	**+18·3**	**16·2**	**2·3**	**+13·9**	**8·5**	**11·4**	**— 2·9**	**2·2**	**18·6**	**—16·4**	**59·3**	**46·4**	**+12·9**
III. Official (*c*)	**333·6**	**154·8**	**+178·8**	**334·4**	**108·7**	**+225·7**	**188·5**	**103·8**	**+84·7**	**283·6**	**134·1**	**+149·5**	**1140·1**	**501·4**	**+638·7**
1. Loans (*d*)	192·2	44·6	*+147·6*	191·7	1·5	*+190·2*	130·0	1·8	*+128·2*	127·5	30·2	*+ 97·3*	641·4	78·1	*+563·3*
2. Amortisation (*e*) ..	0·3	46·8	*—46·5*	0·8	32·3	*—31·5*	0·9	39·3	*—38·4*	1·2	51·5	*—50·3*	3·2	169·9	*—166·7*
3. Miscellaneous (*f*) ..	129·6	10·0	*+119·6*	108·5	40·2	*+68·3*	52·3	31·6	*+20·7*	65·7	17·4	*+48·3*	356·1	99·2	*+256·9*
4. Reserves (*g*) ..	11·5	53·4	*—41·9*	33·4	34·7	*— 1·3*	5·3	31·1	*—25·8*	89·2	35·0	*+54·2*	139·4	154·2	*—14·8*
IV. Total Capital and Monetary Gold	**383·1**	**180·6**	**+202·5**	**360·9**	**123·6**	**+237·3**	**204·4**	**125·6**	**+78·8**	**294·2**	**171·0**	**+123·2**	**1242·6**	**600·8**	**+641·8**

(*a*) Non-banking. Includes drawings and repayments on account of IBRD loans and other foreign Government loans to private sector in India.
(*b*) Excluding R.B.I
(*c*) Including R.B.I.
(*d*) Credits represent utilisation of various loans and credits obtained by the official sector from the IBRD, IDA and foreign Governments as well as rupee loans out of P.L 480 and PL 665 counterpart funds and drawings from the IMF. The entries on the debits side relate to the repurchase of rupees from the IMF and credits extended to foreign Governments.
(*e*) Debits comprise repayment of loans from the IBRD, IDA and from foreign Governments ; credits represent repayment of loan extended to Burma and Ceylon.
(*f*) Covers capital receipts and payments on official account other than loans and amortisation transactions, for example, changes in PL 480 and PL 665 balances and the rupee liabilities of the RBI to non-resident official and semi-official institutions including rupee balances held with the RBI by the East European countries under payments agreements, technical credit advances to and repayments thereof by the East European countries and transactions with Kuwait, Bahrain and Qatar and Trucial States consequent to the withdrawal of Indian currency from these countries.
(*g*) Represents changes in the foreign exchange assets of the R.B.I. and Government and the gold holdings of the former.

STATEMENT 73—INDIA'S BALANCE OF PAYMENTS, 1968 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	93·5	35·2	*+58·3*	89·8	37·7	*+52·1*	104·7	39·7	*+65·0*	100·8	33·8	*+67·0*	388·8	146·4	*+242·4*
(*b*) Government ..	—	46·5	*—46·5*	—	40·3	*—40·3*	—	35·0	*—35·0*	—	31·8	*—31·8*	—	153·6	*—153·6*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·4	0·6	*— 0·2*	0·5	0·9	*— 0·4*	0·4	1·0	*— 0·6*	0·3	0·7	*— 0·4*	1·6	3·2	*— 1·6*
4. Transportation ..	8·8	5·2	+ 3·6	8·0	4·6	*+ 3·4*	8·8	5·0	*+ 3·8*	8·6	3·7	*+ 4·9*	34·2	18·5	*+15·7*
5. Insurance	1·6	1·4	+ 0·2	1·6	1·5	+ 0·1	1·7	1·5	+ 0·2	1·4	1·5	*— 0·1*	6·3	5·9	*+ 0·4*
6. Investment Income ..	2·2	9·1	*— 6·9*	1·9	17·4	*—15·5*	2·4	9·5	*— 7·1*	1·9	13·0	*—11·1*	8·4	49·0	*—40·6*
7. Government, not included elsewhere	3·2	2·5	*+ 0·7*	3·8	2·5	*+ 1·3*	2·1	2·3	*— 0·2*	2·0	1·8	*+ 0·2*	11·1	9·1	*+ 2·0*
8. Miscellaneous ..	7·0	5·0	*+ 2·0*	10·0	5·7	+ 4·3	7·2	4·9	*+ 2·3*	7·0	4·4	*+ 2·6*	31·2	20·0	*+11·2*
9. Transfer Payments ..															
(*i*) Official	—	0·2	*— 0·2*	—	0·1	*— 0·1*	—	0·5	*— 0·5*	3·4	0·1	*+ 3·3*	3·4	0·9	*+ 2·5*
(*ii*) Private	9·2	2·3	*+ 6·9*	11·7	3·0	*+ 8·7*	11·5	3·4	*+ 8·1*	11·7	2·1	*+ 9·6*	44·1	10·8	*+33·3*
10. Total Current Transactions	**125·9**	**108·0**	**+17·9**	**127·3**	**113·7**	**+13·6**	**138·8**	**102·8**	**+36·0**	**137·1**	**92·9**	**+44·2**	**529·1**	**417·4**	**+111·7**

* Exports f.o.b. ; Imports c.i.f.

STATEMENT 73—INDIA'S BALANCE OF PAYMENTS, 1968 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	60·6	48·7	*+11·9*	64·7	44·7	*+20·0*	67·5	35·4	*+32·1*	69·5	29·3	*+40·2*	262·3	158·1	*+104·2*
(*b*) Government ..	—	147·4	*—147·4*	—	166·7	*—166·7*	—	100·7	*—100·7*	—	107·6	*—107·6*	—	522·4	*—522·4*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·4	1·4	*— 1·0*	0·4	0·7	*— 0·3*	*0·5*	1·6	*— 1·1*	0·4	0·8	*— 0·4*	1·7	4·5	*— 2·8*
4. Transportation	4·4	5·3	*— 0·9*	4·5	5·6	*— 1·1*	6·5	7·3	*— 0·8*	5·3	8·0	*— 2·7*	20·7	26·2	*— 5·5*
5. Insurance	0·2	0·4	*— 0·2*	0·3	0·4	*— 0·1*	0·3	0·3	—	0·3	0·4	*— 0·1*	1·1	1·5	*— 0·4*
6. Investment Income ..	2·9	21·4	*—18·5*	2·2	21·5	*—19·3*	3·7	22·8	*—19·1*	4·5	25·2	*—20·7*	13·3	90·9	*—77·6*
7. Government, not included elsewhere ..	8·7	1·5	*+ 7·2*	12·8	0·8	*+12·0*	0·9	0·9	—	4·6	1·0	*+ 3·6*	27·0	4·2	*+22·8*
8. Miscellaneous	2·5	4·7	*— 2·2*	5·0	2·9	*+ 2·1*	8·8	4·0	*+ 4·8*	5·1	3·8	*+ 1·3*	21·4	15·4	*+ 6·0*
9. Transfer Payments															
(*i*) Official	—	—	—	4·4	—	*+ 4·4*	19·4	—	*+19·4*	1·4	—	*+ 1·4*	25·2	—	*+25·2*
(*ii*) Private	19·3	0·6	*+18·7*	20·9	0·5	*+20·4*	18·2	0·4	+17·8	22·9	0·3	*+22·6*	81·3	1·8	*+79·5*
10. Total Current Transactions	**99·0**	**231·4**	**—132·4**	**115·2**	**243·8**	**—128·6**	**125·8**	**173·4**	**—47·6**	**114·0**	**176·4**	**—62·4**	**454·0**	**825·0**	**—371·0**

* Exports f.o.b. ; Imports c.i.f.

STATEMENT 73—INDIA'S BALANCE OF PAYMENTS, 1968 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	31·7	35·0	*— 3·3*	30·6	36·0	*— 5·4*	34·5	27·8	*+ 6·7*	35·0	28·8	*+ 6·2*	131·8	127·6	*+ 4·2*
(*b*) Government ..	—	30·9	*—30·9*	—	30·4	*—30·4*	—	24·8	*—24·8*	—	20·4	*—20·4*	—	106·5	*—106·5*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·1	0·4	*— 0·3*	0·1	0·7	*— 0·6*	0·5	0·8	*— 0·3*	0·2	0·6	*— 0·4*	0·9	2·5	*— 1·6*
4. Transportation	1·7	3·3	*— 1·6*	1·7	3·7	*— 2·0*	1·8	3·2	*— 1·4*	1·8	2·4	*— 0·6*	7·0	12·6	*— 5·6*
5. Insurance	0·3	0·2	*+ 0·1*	0·2	0·1	*+ 0·1*	0·3	0·1	*+ 0·2*	0·2	0·1	*+ 0·1*	1·0	0·5	*+ 0·5*
6. Investment Income ..	0·3	7·0	*— 6·7*	0·3	7·8	*— 7·5*	0·2	7·7	*— 7·5*	0·1	9·8	*— 9·7*	0·9	32·3	*—31·4*
7. Government, not included elsewhere ..	0·8	0·9	*— 0·1*	0·7	0·8	*— 0·1*	1·0	0·7	*+ 0·3*	0·9	0·7	*+ 0·2*	3·4	3·1	*+ 0·3*
8. Miscellaneous	1·4	3·1	*— 1·7*	1·8	3·4	*— 1·6*	2·2	5·1	*— 2·9*	2·0	4·0	*— 2·0*	7·4	15·6	*— 8·2*
9. Transfer Payments															
(*i*) Official	—	—	—	0·1	0·2	*— 0·1*	—	0·5	*— 0·5*	—	—	—	0·1	0·7	*— 0·6*
(*ii*) Private	1·8	0·6	*+1·2*	1·6	0·7	*+ 0·9*	1·8	0·8	*+ 1·0*	2·5	0·6	*+ 1·9*	7·7	2·7	*+ 5·0*
10. Total Current Transactions	**38·1**	**81·4**	**—43·3**	**37·1**	**83·8**	**—46·7**	**42·3**	**71·5**	**—29·2**	**42·7**	**67·4**	**—24·7**	**160·2**	**304·1**	**—143·9**

* Exports f.o.b. ; Imports c.i.f.

STATEMENT 73—INDIA'S BALANCE OF PAYMENTS, 1968 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	140·2	55·0	*+85·2*	148·4	67·1	*+81·3*	133·0	66·2	*+66·8*	145·2	52·1	*+93·1*	566·8	240·4	*+326·4*
(*b*) Government ..	—	80·8	*—80·8*	—	93·4	*—93·4*	—	90·3	*—90·3*	—	106·7	*—106·7*	—	371·2	*—371·2*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·1	2·0	*— 1·9*	0·1	0·7	*— 0·6*	—	0·3	*— 0·3*	0·1	0·5	*— 0·4*	0·3	3·5	*— 3·2*
4. Transportation	8·9	2·5	*+ 6·4*	9·7	2·2	*+ 7·5*	9·1	2·3	*+ 6·8*	9·1	3·2	*+ 5·9*	36·8	10·2	*+26·6*
5. Insurance	1·1	0·1	*+ 1·0*	1·1	0·1	*+ 1·0*	1·0	0·1	*+ 0·9*	1·1	0·2	*+ 0·9*	4·3	0·5	*+ 3·8*
6. Investment Income ..	0·6	14·5	*—13·9*	0·7	2·1	*— 1·4*	0·5	7·3	— 6·8	0·7	0·9	*— 0·2*	2·5	24·8	—22·3
7. Government, not included elsewhere ..	2·3	2·6	*— 0·3*	1·8	1·3	*+ 0·5*	2·0	1·2	*+ 0·8*	1·9	1·1	*+ 0·8*	8·0	6·2	*+ 1·8*
8. Miscellaneous	1·5	5·5	*— 4·0*	2·4	3·8	*— 1·4*	1·9	3·8	*— 1·9*	1·8	3·8	*— 2·0*	7·6	16·9	*— 9·3*
9. Transfer Payments															
(*i*) Official	—	0·1	*— 0·1*	—	—	—	—	0·1	*— 0·1*	—	—	—	—	0·2	*— 0·2*
(*ii*) Private	0·7	0·6	*+ 0·1*	1·0	0·5	*+ 0·5*	1·6	0·4	*+ 1·2*	0·5	0·4	*+ 0·1*	3·8	1·9	*+ 1·9*
10. Total Current Transactions	**155·4**	**163·7**	**— 8·3**	**165·2**	**171·2**	**— 6·0**	**149·1**	**172·0**	**—22·9**	**160·4**	**168·9**	**— 8·5**	**630·1**	**675·8**	**—45·7**

* Exports f.o.b. ; Imports c.i.f.

STATEMENT 73—INDIA'S BALANCE OF PAYMENTS, 1968 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In crores of rupees)

Item	January-March 1968			April-June 1968			July-September 1968			October-December 1968			January-December 1968		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(a) Private	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Government ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Transportation ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Investment Income ..	—	9·9	— *9·9*	—	8·3	— *8·3*	—	9·8	— *9·8*	—	8·2	— *8·2*	—	36·2	—*36·2*
7. Government, not included elsewhere.. ..	0·2	—	+ *0·2*	0·4	—	+ *0·4*	0·3	—	+ *0·3*	0·1	—	+ *0·1*	1·0	—	+ *1·0*
8. Miscellaneous	—	—	—	0.3	—	+ *0·3*	0·2	—	+ *0.2*	0·1	—	+ *0·1*	0·6	—	+ *0·6*
9. Transfer Payments ..															
(i) Official	—	3·0	— *3·0*	—	0.1	— *0·1*	—	—	—	—	11·9	—*11·9*	—	15·0	—*15·0*
(ii) Private	—	—	—	—	—	—	—	—	—	0·3	—	+ *0·3*	0·3	—	+ *0·3*
Total Current Transactions	**0·2**	**12·9**	**—12·7**	**0·7**	**8·4**	**— 7·7**	**0·5**	**9·8**	**— 9·3**	**0·5**	**20·1**	**—19.6**	**1·9**	**51·2**	**—49·3**

STATEMENT 74—INDIA'S FOREIGN EXCHANGE RESERVES

End of	In Rupees Lakhs					In Millions of U.S. Dollars				
	Gold[1]	Foreign Exchange[2]	Total Reserves (1 + 2)	Variations[3] over the previuos year/month	Transactions with I. M. F.	Gold	Foreign Exchange[2]	Total Reserves (7 + 8)	Variations[3] over the previous year/month	Transactions with I. M. F.
					Drawings / Repurchases					Drawings / Repurchases
	(1)	(2)	(3)	(4)	(5) / (6)	(7)	(8)	(9)	(10)	(11) / (12)
1950-51	117,76	911,39	1029,15	+ 28,55	— / —	247	1,915	2,162	+ 60	— / —
1955-56	117,76	784,59	902,35	+ 10,47	— / 7,10	247	1,649	1,896	+ 22	— / 15.0
1960-61	117,76	185,85	303,61	— 59,25	— / 10,71	247	391	638	— 124	— / 22.5
1961-62	117,76	179,55	297,31	— 6,30	119,05 / 60,70	247	378	625	— 13	250.0 / 127.5
1962-63	117,76	177,34	295,10	— 2,21	11,90 / —	247	373	620	— 5	25.0 / —
1963-64	117,76	188,05	305,81	+ 10,71	— / 23,80	247	395	642	+ 22	— / 50.0
1964-65	133,76	115,92	249,68	— 56,13	47,62 / 47,61	281	244	525	— 117	100.0 / 100.0
1965-66	115,89	182,09	297,98	+ 48,30	65,46 / 35,71	243	383	626	+ 101	137.5 / 75.0
1966-67	182,53	295,91	478,44	+180,46	89,29 / 43,09	243	395	638	+ 12	187.5 / 57.5
1967-68	182,53	356,02	538,55	+ 60,11	67,58 / 43,23	243	475	718	+ 80	90.0 / 57.5
1968-69	182,53	394,17	576,70	+ 38,15	— / 58,50	243	526	769	+ 51	— / 78.0
March 1968	182,53	356,02	538,55	— 6,98	— / 43,23	243	475	718	— 9	— / 57.5
April „	182,53	361,95	544,48	+ 5,93	— / —	243	483	726	+ 8	— / —
May „	182,53	371,15	553,68	+ 9,20	— / —	243	495	738	+ 12	— / —
June „	182,53	357,32	539,85	— 13,83	— / —	243	477	720	— 18	— / —
July „	182,53	356,75	539,28	— 57	— / —	243	476	719	— 1	— / —
August „	182,53	352,88	535,41	— 3,87	— / —	243	471	714	— 5	— / —
September „	182,53	383,14	565,67	+ 30,26	— / —	243	511	754	+ 40	— / —
October „	182,53	399,29	581,82	+ 16,15	— / —	243	533	776	+ 22	— / —
November „	182,53	367,40	549,93	— 31,89	— / —	243	490	733	— 43	— / —
December „	182,53	328,99	511,52	— 38,41	— / 30,03	243	439	682	— 51	— / 40.0
January 1969	182,53	325,72	508,25	— 3,27	— / 22,87	243	435	678	— 4	— / 30.5
February „	182,53	349,06	531,59	+ 23,34	— / —	243	466	709	+ 32	— / —
March „	182,53	394,17	576,70	+ 45,11	— / 5,60	243	526	769	+ 60	— / 7.5

1) Gold has been valued at Rs. 53.58 per 10 grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter.
2) Includes foreign assets of the Reserve Bank and Government balances held abroad.
3) Movement in reserves : increase (+) / decrease (—).

STATEMENT 75—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	1,222,85	793,24	**—429,61**	90	—	**— 90**
1964-65	1,349,03	816,30	**—532,73**	69	—	**— 69**
1965-66	1,408,52	805,64	**—602,88**	37	—	**— 37**
1966-67	227,06	126,56	**—100,50**	5	—	**— 5**
	1,704,42	967,44	**—736,98**	31	—	**— 31**
1967-68	1,986,38	1,198,69	**—787,69**	..	..	..
1968-69†	1,785,84	1,353,48	**—432,36**	..	..	..
March 1968	241,39	98,89	**—142,50**	..	..	..
April ,,	194,75	103,71	**— 91,04**	..	..	..
May ,,	183,35	110,47	**— 72,88**	..	..	..
June† ,,	154,87	96,92	**— 57,95**			
July† ,,	163,84	113,17	**— 50,67**			
August† ,,	141,04	133,15	**— 7,89**			
September† ,,	133,08	117,85	**— 15,23**			
October† ,,	130,58	123,95	**— 6,63**			
November† ,,	137,07	112,04	**— 25,03**			
December† ,,	149,92	110,77	**— 39,15**			
January† 1969	142,43	115,73	**— 26,70**			
February† ,,	132,94	101,94	**— 31,00**			
March† ,,	133,98	116,90	**— 17,08**			

Note : Total sea, air and land trade, on private and Government accounts. With effect from April 1963, trade of Goa, Daman and Diu as well as Andaman and Nicobar Islands, land-borne trade with Nepal and exports by parcel post of pearls, precious stones are included. Direct transit trade, transhipment trade, ships' stores and passengers' baggage are excluded. Data include silver (other than current coins), notes and coins withdrawn from circulation or not yet issued, indirect transit trade and trade by parcel post. Exports include re-exports and exports by letter post. Imports include dutiable articles by letter post and defence stores and exclude certain consignments of foodgrains and stores on Government account awaiting adjustment. Imports and exports are based on general system of recording ; imports are on *c.i.f.* basis and exports on *f.o.b.* basis inclusive of export duty. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

† Provisional.

Source : Monthly Statistics of the Foreign Trade of India and the Supplements thereto and Monthly Press Notes issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 76—INDIA'S EXPORTS

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
	1	2	3	4	5	6
I. Food	**198,05**	**214,02**	**233,95**	**249,87**	**261,27**	**240,74**
1. Cashew kernel	18,91	18,17	19,36	21,41	29,03	27,40
2. Coffee	7,22	9,02	7,61	8,31	13,42	12,94
3. Tea (Black)	122,61	121,40	128,22	122,22	123,51	102,68
4. Spices (*a*)	16,62	17,51	13,79	16,02	16,73	23,09
5. Oilcakes	14,30	17,32	31,79	35,37	39,76	34,64
6. Sugar (*b*)	3,28	15,33	17,93	27,10	21,43	11,19
7. Others	15,11	15,27	15,26	19,45	17,40	28,80
II. Beverages amd Tobacco	**15,77**	**14,99**	**18,88**	**22,52**	**25,78**	**21,69**
1. Tobacco unmanufactured	14,61	14,05	18,00	21,09	24,38	19,58
2. Others	1,16	94	88	1,43	1,40	2,11
III. Crude Materials, Inedible except fuels	**112,06**	**118,38**	**111,08**	**131,98**	**137,47**	**135,04**
1. Hides and skins (raw)	9,46	8,22	10,71	9,60	9,05	9,55
2. Wool and other animal hair	7,72	9,20	6,64	7,61	9,00	7,46
3. Cotton (raw and waste)	11,56	20,35	17,04	16,84	14,22	13,09
4. Mica	10,15	9,66	10,36	9,20	9,74	11,27
5. Iron ore (including concentrates)	17,03	17,41	19,83	36,40	37,39	39,36
6. Manganese ore (including concentrates)	14,06	10,44	7,88	8,26	13,13	11,05
7. Lac	6,32	4,61	4,80	4,62	3,94	4,27
8. Others	35,76	38,49	33,82	39,46	41,00	39.00
IV. Mineral Fuels, Lubricants and Related Materials	**7,41**	**5,90**	**6,48**	**9,76**	**12,29**	**9,31**
V. Animal and Vegetable oils and Fats	**9,80**	**6,49**	**13,65**	**20,60**	**7,38**	**4,55**
1. Vegetable oils	8,54	5,82	13,10	19,93	7,05	4,09
2. Others	1,26	67	56	68	34	46
VI. Chemicals	**7,19**	**7,82**	**7,84**	**6,92**	**10,26**	**11,10**
VII. Manufactured goods	**263,34**	**269,78**	**266,69**	**319,38**	**326,73**	**343,26**
1. Leather and leather manufactures	24,97	25,45	22,63	26,38	27,35	28,45
2. Cotton textiles	57,55	48,26	46,21	54,34	64,16	63,29
3. Jute Manufactures (*c*)	135,15	144,79	155,66	157,42	168,45	182,84
4. Woollen carpets and rugs	4,79	4,28	4,33	5,26	5,37	4,52
5. Art silk manufactures	3,94	7,42	8,33	10,43	6,45	1,27
6. Cement	64	90	28	67	30	41
7. Iron and steel	9,76	9,68	2,28	3,61	10,34	12,39
8. Others	26,54	29,00	26,97	61,27	44,32	50,08
VIII. Machinery and Transport Equipment (*d*)	**7,19**	**4,74**	**6,47**	**7,06**	**9,17**	**11,19**
Total Exports (*e*)	**642,32**	**660,34**	**685,48**	**793,24**	**816,30**	**805,64**

Note : Exports include Re-exports. The scope and coverage of the statement are the same as those for Statement 75. Total figures shown in this statement may not agree with those in Statement 75, which takes account of recent revisions for which complete details are not available. Exports of Goa, Daman and Diu are included from April 1963. From April 1965, data are based on the Revised Indian Trade Classification. @ Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) 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, Rs. 10,85 lakhs in 1965-66, Rs. 1,63 lakhs in April-May 1966, Rs. 10,00 lakhs in June 1966 to March 1967, Rs. 12,98 lakhs in 1967-68 and Rs. 9,71 lakhs in 1968-69. (*b*) Value of raw sugar for the years from 1964-65 onwards are based on the provisional declarations made by the

OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

April-May 1966	June 1966@ to March 1967	April 1967 to March 1968	April 1968 to March 1969	April-June 1967	July-September 1967	October-December 1967	January-March 1968	April-June 1968	July-September 1968	October-December 1968	January-March 1969
7	8	9	10	11	12	13	14	15	16	17	18
33,33	**303,98**	**362,17**	**364,27**	**62,97**	**98,30**	**114,50**	**86,39**	**74,76**	**110,71**	**97,45**	**81,35**
5,62	**37,14**	**43,03**	**60,93**	11,49	9,82	10,60	11,12	17,30	15,84	13,16	14,63
2,46	**12,08**	**18,18**	**17,96**	5,57	7,42	3,30	1,89	7,13	7,07	1,52	2,24
8,12	**146,71**	**179,12**	**154,94**	14,67	57,35	74,44	32,66	18,61	64,54	49,30	22,49
2,71	**25,25**	**27,24**	**25,14**	4,92	5,75	6,30	10,27	6,05	4,21	7,91	6,97
6,33	**40,56**	**45,47**	**49,47**	11,88	8,14	10,51	14,94	15,00	9,32	11,69	13,46
4,77	**10,63**	**16,44**	**10,37**	6,66	2,01	1,13	6,64	2,06	4	1,33	6,94
3,33	**31,62**	**32,69**	**45,45**	7,80	7,81	8,23	8,86	8,60	9,70	12,54	14,61
5,48	**14,17**	**35,60**	**33,80**	**15,82**	**8,05**	**5,62**	**6,11**	**17,32**	**7,69**	**2,59**	**6,20**
5,32	**13,27**	**34,85**	**33,16**	15,63	7,85	5,42	5,94	17,17	7,49	2,44	6,07
16	**90**	**75**	**64**	19	20	20	17	15	20	15	14
23,45	**172,18**	**194,42**	**212,00**	**49,20**	**41,41**	**47,49**	**56,32**	**51,56**	**47,12**	**52,76**	**60,56**
1,31	**14,08**	**7,39**	**5,04**	3,27	2,05	66	1,41	91	1,16	1,68	1,30
90	**6,65**	**6,58**	**5,83**	1,70	1,80	1,48	1,60	1,71	1,23	1,54	1,35
2,09	**14,24**	**19,40**	**15,74**	5,91	4,62	2,77	6,10	4,36	5,10	2,47	3,81
1,48	**11,97**	**15,04**	**13,46**	3,69	3,65	3,93	3,77	3,25	3,76	3,37	3,08
8,41	**56,95**	**74,77**	**88,40**	15,78	12,73	22,24	24,03	22,28	16,02	24,15	25,94
2,06	**11,12**	**11,10**	**13,46**	2,92	2,34	3,64	2,19	3,26	3,23	3,40	3,57
37	**5,09**	**5,15**	**5,03**	1,38	1,08	1,17	1,52	1,14	1,22	1,25	1,41
6,81	**52,07**	**54,98**	**65,04**	14,55	13,14	11,60	15,69	14,65	15,38	14,89	20,11
1,50	**10,30**	**9,15**	**12,10**	**2,21**	**2,31**	**2,07**	**2,56**	**3,78**	**2,90**	**2,60**	**2,82**
54	**2,25**	**4,16**	**11,95**	**45**	**45**	**1,30**	**1,96**	**5,97**	**3,15**	**1,17**	**1,66**
51	**2,06**	**3,96**	**11,71**	43	45	1,23	1,85	5,90	3,05	1,14	1,63
3	**19**	**20**	**24**	1	—	6	12	7	10	3	4
1,71	**12,30**	**15,74**	**23,82**	**2,82**	**3,95**	**5,60**	**3,37**	**4,61**	**6,60**	**6,35**	**6,26**
55,27	**408,55**	**510,94**	**603,22**	**122,11**	**129,52**	**137,01**	**122,31**	**129,98**	**159,79**	**157,66**	**155,78**
6,17	**51,32**	**53,45**	**72,67**	12,18	15,50	14,11	11,65	19,87	15,51	18,82	18,47
9,85	**61,57**	**79,44**	**87,97**	17,56	19,83	20,74	21,30	19,14	23,65	23,54	21,65
27,12	**208,32**	**234,09**	**218,01**	61,59	61,01	59,39	52,10	48,27	57,51	54,58	57,65
81	**6,78**	**9,54**	**10,69**	2,14	2,23	2,41	2,75	2,33	3,01	2,70	2,65
24	**52**	**58**	**1,07**	11	17	16	14	22	28	34	24
4	**14**	**57**	**2,26**	5	12	18	22	54	46	67	58
2,14	**22,20**	**54,84**	**78,96**	12,20	12,71	15,46	14,46	14,92	23,80	22,81	17,42
8,90	**57,70**	**78,44**	**131,58**	16,27	17,93	24,56	19,69	24,69	35,56	34,20	37,12
1,78	**13,50**	**21,79**	**44,72**	**3,86**	**7,03**	**4,91**	**5,99**	**9,01**	**13,53**	**10,95**	**11,23**
126,56	**967,44**	**1,198,69**	**1,360,02**	**269,30**	**303,04**	**330,05**	**296,30**	**307,94**	**364,34**	**346,73**	**341,01**

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. (*c*) Includes yarn and thread. (*d*) Of these selected engineering goods (sewing machines, electric fans, diesel engines, dry batteries and bicycles) amount 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, Rs. 4,40 lakhs in 1965-66, Rs. 70 lakhs in April-May 1966, Rs. 4,52 lakhs in June 1966 to March 1967, Rs. 6,02 lakhs in 1967-68 and Rs. 5,94 lakhs in 1968-69. (*e*) Include miscellaneous commodities but exclude value of articles under reference for 1968-69.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 77—INDIA'S IMPORTS OF

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
	1	2	3	4	5	6
I. Food	**214,06**	**147,07**	**179,41**	**214,40**	**322,72**	**354,08**
1. **Cereals and Cereal Preparations**	**181,38**	**116,90**	**144,26**	**179,60**	**282,14**	**322,00**
(i) Wheat	**153,20**	**93 87**	**113,09**	**134,84**	**241,92**	**264,74**
(ii) Rice	**22,44**	**18,73**	**27,01**	**37,50**	**40,17**	**41,90**
(iii) Others	**5,74**	**4,30**	**4,16**	**7,26**	**5**	**15,36**
2. Cashewnuts	**9,61**	**6,70**	**9,12**	**10,93**	**16,44**	**15,06**
3. Spices	**1,83**	**1,67**	**1,77**	**73**	**43**	**60**
4. Others	**21,24**	**21,80**	**24,26**	**23,14**	**23,71**	**16,42**
II. Beverages and Tobacco	**79**	**1,65**	**1,66**	**1,11**	**77**	**56**
1. Tobacco unmanufactured	**23**	**1,14**	**1,37**	**83**	**39**	**2**
III. Crude Materials, Inedible except Fuels	**155,36**	**129,89**	**127,20**	**124,45**	**128,34**	**123,09**
1. Hides and skins (raw)	**2,47**	**2,24**	**2,76**	**3,36**	**3,12**	**2,36**
2. Copra	**11,63**	**9,42**	**9,97**	**8,79**	**6,44**	**6,26**
3. Crude rubber	**10,78**	**10,10**	**10,23**	**9,75**	**5,43**	**4,90**
4. Cotton raw other than linters	**81,74**	**62,66**	**56,92**	**48,98**	**58,08**	**46,20**
5. Jute raw including cuttings and waste	**7,54**	**4,88**	**2,96**	**2,06**	**7,33**	**9,16**
6. Wool raw and other animal hair	**10,41**	**12,18**	**12,15**	**15,72**	**9,64**	**5,12**
7. Others	**30,78**	**28,41**	**32,22**	**35,79**	**38,30**	**49,10**
IV. Mineral Fuels, Lubricants and Related Materials	**69,52**	**95,86**	**87,97**	**104,49**	**68,67**	**68,42**
1. Petroleum crude and partly refined (*a*)	**17,36**	**42,36**	**30,15**	**46,17**	**27,23**	**34,87**
2. Other petroleum products	**52,07**	**53,29**	**57,51**	**58,22**	**41,33**	**33,35**
3. Others	**9**	**21**	**30**	**10**	**12**	**20**
V. Animal and Vegetable Oils and Fats	**4,60**	**8,62**	**5,63**	**4,87**	**5,62**	**13,62**
VI. Chemicals	**85,70**	**89,76**	**100,52**	**95,88**	**94,54**	**104,98**
1. Chemical elements and compounds	**39,34**	**35,59**	**38,07**	**32,11**	**34,04**	**35,86**
2. Dyeing, tanning and colouring materials	**12,91**	**14,46**	**12,15**	**8,04**	**9,22**	**6,58**
3. Medicinal and pharmaceutical products	**10,50**	**11,30**	**9,28**	**8,64**	**8,21**	**8,73**
4. Fertilizers, manufactured	**9,61**	**12,22**	**26,73**	**34,52**	**28,96**	**38,97**
5. Others	**13,34**	**16,19**	**14,29**	**12,57**	**14,12**	**14,84**
VII. Manufactured Goods	**234,16**	**221,16**	**203,95**	**200,41**	**218,58**	**216,33**
1. Paper and Paper Boards & Manufactures thereof	**12,10**	**15,95**	**13,64**	**12,55**	**13,15**	**13,48**
(i) Newsprint	**5,95**	**9,71**	**7,63**	**6,93**	**7,40**	**6,18**
2. Art silk yarn and thread	**13,65**	**12,82**	**12,88**	**10,45**	**12,72**	**4,95**
3. Iron and Steel	**122,54**	**107,81**	**89,01**	**93,15**	**104,96**	**97,94**
4. Non-ferrous metals	**47,31**	**49,46**	**55,14**	**55,06**	**57,92**	**68,45**
5. Metal manufactures	**22,94**	**17,95**	**20,94**	**15,82**	**16,99**	**18,17**
6. Others	**15,62**	**17,17**	**12,34**	**13,38**	**12,83**	**13,32**
VIII. Machinery and Transport Equipment	**332,98**	**367,52**	**387,38**	**436,98**	**477,74**	**492,14**
1. Machinery other than electric	**203,37**	**236,99**	**250,55**	**281,12**	**313,05**	**333,80**
2. Electric machinery, apparatus and appliances	**57,22**	**65,91**	**64,78**	**84,80**	**91,22**	**87,80**
3. Transport equipment	**72,39**	**64,62**	**72,05**	**71,06**	**73,47**	**70,55**
(i) Railway vehicles	**25,37**	**15,50**	**27,07**	**27,17**	**23,25**	**24,98**
(ii) Others	**47,02**	**49,12**	**44,99**	**43,89**	**50,22**	**45,56**
IX. Miscellaneous Manufactured Articles	**17,40**	**21,69**	**30,73**	**33,54**	**22,70**	**18,69**
GRAND TOTAL (*b*)	**1,121,62**	**1,090,06**	**1,131,48**	**1,222,85**	**1,349,03**	**1,408,53**

Note : The scope and coverage of the statement are the same as those for Statement 75. Total figures shown in this statement may not agree with those in Statement 75 which takes account of recent revisions for which complete details are not available. Revisions in the total figures are carried out by D. G. C. I. & S. as and when details become available in respect of Government imports under the note pass system for imports. Details of imports into Goa, Daman and Diu are included from April 1963. From April 1965 data are based on the Revised Indian Trade Classification. The data on the imports of foodgrains from 1964-65 onwards are as furnished by the Department of Food and do not strictly conform to the specified commodity descriptions of the Revised Indian Trade Classification.

PRINCIPAL COMMODITIES

(In lakhs of rupees)

April-May 1966	June 1966@ -March 1967	April 1967-March 1968	April 1968-March 1969	April-June 1967	July-September 1967	October-December 1967	January -March 1968	April-June 1968	July-September 1968	October-December 1968	January -March 1969
7	8	9	10	11	12	13	14	15	16	17	18
73,78	**564,73**	**579,20**	**403,06**	**145,67**	**155,19**	**149,09**	**129,25**	**137,67**	**108,36**	**65,45**	**91,58**
64,41	**522,35**	**518,20**	**336,62**	**131,33**	**141,68**	**136,21**	**108,98**	**125,30**	**97,24**	**47,41**	**66,67**
44,76	**329,21**	**378,47**	**259,49**	83,81	109,29	100,47	84,90	100,43	79,88	19,24	59,94
8,28	**66,41**	**54,76**	**57,47**	14,63	14,45	11,31	14,38	9,79	15,02	27,16	5,50
11,38	**126,73**	**84,97**	**19,67**	32,90	17,94	24,44	9,70	15,08	2,34	1,01	1,23
2,95	**18,38**	**25,08**	**31,38**	6,38	2,32	3,88	12,50	6,91	3,29	8,12	13,06
6	**23**	**1,00**	**62**	9	43	11	38	10	8	11	34
6,36	**23,77**	**34,91**	**34,43**	7,88	10,76	8,89	7,39	5,36	7,75	9,82	11,51
3	**48**	**1,84**	**1,14**	**62**	**91**	**11**	**19**	**25**	**17**	**47**	**25**
—	24	1,44	44	51	80	1	11	—	5	34	4
18,90	**173,89**	**191,00**	**189,88**	**64,12**	**51,13**	**33,83**	**41,92**	**59,85**	**40,54**	**42,24**	**47,25**
18	**1,50**	**1,29**	**1,71**	47	32	28	21	45	27	46	53
62	**3,22**	**4,42**	**2,60**	47	59	1,63	1,73	16	41	1,14	90
41	**11,03**	**4,42**	**4,89**	1,69	1,26	80	66	59	45	1,66	2,19
6,00	**50,43**	**83,48**	**90,18**	35,68	23,49	6,29	18,03	39,30	25,63	10,91	14,34
20	**20,25**	**1,77**	**9,31**	1,50	10	9	9	3	11	4,69	4,48
53	**10,96**	**11,82**	**11,23**	4,13	3,97	1,81	1,90	2,22	3,37	3,17	2,48
10,96	**76,49**	**83,79**	**69,94**	20,17	21,39	22,92	19,30	17,09	10,32	20,22	22,32
6,92	**54,51**	**74,94**	**84,18**	**14,99**	**17,01**	**29,71**	**13,23**	**35,38**	**14,32**	**18,34**	**16,15**
2,86	**33,24**	**59,73**	**54,31**	11,30	12,14	25,95	10,33	26,48	9,10	9,85	8,88
4,06	**21,10**	**15,10**	**29,43**	3,62	4,85	3,76	2,87	8,84	5,19	8,46	6,93
—	**18**	**11**	**45**	7	2	1	2	5	3	2	34
96	**13,24**	**34,42**	**19,30**	**7,76**	**14,47**	**4,65**	**7,54**	**4,00**	**3,71**	**6,79**	**4,79**
17,50	**169,26**	**272,64**	**281,37**	**55,56**	**65,20**	**68,38**	**83,50**	**71,04**	**85,58**	**78,83**	**45,92**
4,66	**46,72**	**77,37**	**82,70**	19,31	22,10	17,28	18,68	23,44	28,32	17,12	13,82
95	**7,42**	**7,75**	**8,90**	2,62	1,73	1,81	1,59	2,30	2,83	1,84	1,93
1,58	**14,93**	**17,52**	**17,50**	5,35	4,29	3,92	3,96	3,63	4,22	4,89	4,75
8,06	**77,08**	**139,02**	**137,59**	19,91	29,43	38,23	51,46	32,39	42,13	45,98	17,08
2,25	**23,10**	**30,98**	**34,68**	8,37	7,65	7,14	7,83	9,28	8,08	8,99	8,33
25,21	**207,58**	**254,53**	**250,20**	**84,65**	**63,97**	**53,70**	**52,20**	**65,69**	**59,68**	**58,33**	**66,50**
2,04	**18,48**	**17,65**	**18,26**	6,38	3,12	3,29	4,86	6,72	4,12	3,10	4,33
1,03	**10,75**	**9,44**	**12,95**	3,56	70	1,53	3,65	5,48	2,63	1,92	2,92
91	**5,41**	**3,72**	**4,06**	1,17	72	1,25	58	1,04	1,08	1,00	95
11,71	**79,12**	**106,29**	**86,15**	35,72	25,47	23,28	21,83	23,05	22,48	17,51	23,11
6,61	**45,18**	**88,68**	**88,78**	30,50	25,02	18,14	15,02	22,97	22,05	21,85	21,91
2,18	**13,85**	**14,18**	**13,52**	4,11	3,45	3,15	3,47	3,66	3,34	3,39	3,12
1,76	**45,54**	**24,00**	**39,42**	6,76	6,20	4,60	6,44	8,24	6,63	11,47	13,07
71,83	**464,18**	**503,13**	**516,41**	**135,31**	**109,52**	**117,36**	**140,94**	**156,34**	**113,89**	**123,73**	**122,46**
52,20	**326,95**	**336,56**	**369,99**	93,21	70,64	79,82	92,90	109,93	80,55	92,19	87,31
13,69	**84,36**	**85,64**	**81,07**	25,33	20,05	19,77	20,49	28,39	16,74	16,40	19,54
5,93	**52,88**	**80,93**	**65,36**	16,77	18,84	17,78	27,55	18,02	16,59	15,14	15,61
1,73	**13,71**	**22,72**	**15,63**	4,52	4,94	5,65	7,60	4,38	4,46	3,52	3,27
4,20	**39,16**	**58,21**	**49,73**	12,25	13,90	12,12	19,95	13,64	12,13	11,62	12,34
2,91	**18,95**	**27,71**	**24,72**	**8,58**	**7,01**	**5,24**	**6,86**	**6,77**	**5,74**	**5,45**	**6,77**
227,06	**1,704,42**	**2,007,61**	**1,858,87**	**526,73**	**489,66**	**465,57**	**525,66**	**541,87**	**438,10**	**408,12**	**470,79**

@ Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Excluding natural gasolene from April 1965. (*b*) Includes 'Miscellaneous Transactions and Commodities' and excludes value of articles under reference for the period 1968-69.

Source : *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 78—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	1,408,53	805,64	—602,89	55,82	61,84	+ 6,02	19,96	27,06	+ 7,10	35,86	34,78	— 1,08
1966-67	227,06	126,56	—100,50	11,24	8,81	— 2,42	3,80	3,12	— 68	7,44	5,69	— 1,74
	1,704,42	967,44	—736,98	75,05	63,11	—11,94	16,80	21,87	+ 5,07	58,24	41,23	—17,01
1967-68	2,007,61	1,198,69	—808,92	94,32	70,18	—24,15	26,90	21,53	— 5,37	67,43	48,65	—18,78
1968-69	1,858,87	1,360,02	—498,85	148,22	72,80	—75,42	41,41	21,82	—19,59	106,81	50,98	—55,83
April-June 1967	526,73	269,30	—257,43	32,05	13,47	—18,58	10,93	4,92	— 6,01	21,12	8,55	—12,57
July-September .. .. ,,	489,66	303,04	—186,62	19,52	20,18	+ 66	4,00	7,03	+ 3,03	15,52	13,15	— 2,36
October-December .. .. ,,	465,57	330,05	—135,52	14,45	21,56	+ 7,11	3,31	5,29	+ 1,98	11,13	16,27	+ 5,13
January-March 1968	525,66	296,30	—229,36	28,30	14,96	—13,34	8,65	4,29	— 4,36	19,66	10,68	— 8,98
April-June .. .. ,,	541,87	307,94	—233,93	36,94	16,23	—20,71	10,86	4,18	— 6,68	26,07	12,05	—14,03
July-September .. .. ,,	438,10	364,34	— 73,76	40,90	17,20	—23,70	16,89	4,43	—12,46	24,01	12,77	—11,24
October-December .. .. ,,	408,12	346,73	— 61,39	29,44	20,27	— 9,17	7,01	6,07	— 94	22,44	14,20	— 8,24
January-March 1969	470,79	341,01	—129,78	40,94	19,10	—21,84	6,65	7,13	+ 48	34,29	11,97	—22,32

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	565,60	168,04	—397,58	30,52	20,29	—10,24	535,08	147,75	—387,33	3,35	10,46	+ 7,11	1	1,61	+1,60
1966-67	89,66	29,53	— 60,14	3,69	3,81	+ 11	85,97	25,72	— 60,25	39	44	+ 5	—	22	+ 21
	711,79	204,45	—507,34	85,41	24,98	—60,42	626,38	179,47	—446,92	15,16	9,25	—5,91	58	2,08	+1,49
1967-68	874,92	237,20	—637,72	98,28	29,77	—68,51	776,64	207,43	—569,21	13,86	5,45	—8,41	2,20	1,91	— 30
1968-69	673,78	263,97	—409,80	98,72	29,71	—69,01	575,06	234,27	—340,79	16,83	3,65	—13,18	1,00	2,04	+1,05
April-June 1967	224,98	54,65	—170,33	25,73	6,89	—18,85	199,25	47,76	—151,49	2,66	1,20	—1,46	1,04	40	— 64
July-September ,,	229,67	59,77	—169,90	34,82	7,53	—27,29	194,84	52,24	—142,61	4,39	1,52	—2,87	48	44	— 5
October-December ,,	211,57	61,47	—150,10	15,70	7,10	— 8,59	195,87	54,37	—141,50	5,88	1,14	—4,74	68	52	— 16
January-March 1968	208,71	61,31	—147,39	22,02	8,24	—13,78	186,68	53,07	—133,61	93	1,59	+ 66	—	55	+ 55
April-June ,,	221,96	56,74	—165,22	9,81	6,11	— 3,70	212,15	50,63	—161,52	3,34	73	—2,61	57	43	— 14
July-September ,,	175,54	65,29	—110,25	46,46	7,48	—38,98	129,08	57,81	— 71,27	2,03	1,27	— 76	2	65	+ 63
October-December ,,	145,53	66,98	— 78,55	16,95	8,29	— 8,66	128,58	58,69	— 69,89	2,92	84	—2,08	23	45	+ 22
January-March 1969	130,74	74,96	— 55,78	25,50	7,83	—17,67	105,26	67,14	— 38,12	8,54	81	—7,73	17	52	+ 34

STATEMENT 78—DIRECTION OF INDIA'S FOREIGN TRADE—(*Contd.*)

(In lakhs of rupees)

Year/Quarter	E.C.A.F.E. COUNTRIES (INCLUDING CHINA)														
	TOTAL			AUSTRALIA			JAPAN			MALAYSIA(*a*)			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
1960-61	**179,35**	**142,72**	**— 36,63**	17,79	22,39	+ 4,60	60,78	35,27	— 25,51	23,94	13,27	—10,68	76,84	71,80	— 5,04
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	**219,40**	**158,97**	**— 60,43**	24,18	17,54	— 6,63	79,33	57,12	— 22,22	12,77	12,66	— 11	103,12	71,65	—31,47
1966-67	**38,04**	**26,06**	**— 11,98**	4,82	2,62	— 2,20	14,04	10,70	— 3,33	1,59	1,71	+ 12	17,60	11,03	— 6,57
	276,91	**202,11**	**— 74,80**	50,40	22,00	—28,41	85,30	90,59	+ 5,29	9,98	7,80	— 2,17	131,23	81,72	—49,51
1967-68	**288,88**	**270,84**	**— 18,04**	64,96	27,98	—36,97	108,43	135,92	+ 27,49	9,30	6,91	— 2,39	106,19	100,03	— 6,16
1968-69	**278,27**	**344,41**	**+ 66,14**	25,72	25,50	— 22	115,30	158,33	+ 43,04	7,72	7,10	— 62	129,53	153,49	+23,95
April-June 1967	**70,63**	**64,76**	**— 5,87**	9,24	7,92	— 1,32	26,48	32,56	+ 6,08	2,94	2,05	— 89	31,96	22,23	— 9,73
July-September ,,	**81,31**	**60,05**	**— 21,26**	26,20	6,04	—20,17	27,97	27,13	— 84	2,53	1,81	— 73	24,60	25,09	+ 48
October-December ,,	**61,84**	**73,38**	**+ 11,54**	13,27	6,53	— 6,74	22,79	37,51	+ 14,72	1,71	1,65	— 6	24,07	27,68	+ 3,62
January-March 1968	**75,11**	**72,66**	**— 2,45**	16,24	7,50	— 8,74	31,20	38,73	+ 7,53	2,12	1,41	— 71	25,55	25,03	— 53
April-June ,,	**68,79**	**77,04**	**+ 8,25**	6,47	5,80	— 67	34,86	38,18	+ 3,32	1,98	1,58	— 40	25,48	31,49	+ 6,01
July-September ,,	**62,13**	**87,33**	**+ 25,20**	4,88	7,62	+ 2,74	32,79	33,90	+ 1,11	1,02	1,66	+ 64	23,44	44,15	+20,71
October-December ,,	**80,63**	**87,08**	**+ 6,45**	9,75	6,63	— 3,12	26,26	40,37	+ 14,10	1,44	1,96	+ 52	43,18	38,12	— 5,06
January-March 1969	**66,72**	**92,96**	**+ 26,24**	4,62	5,45	+ 83	21,39	45,89	+ 24,49	3,28	1,90	— 1,38	37,43	39,73	+ 2,30

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	**15,86**	**28,89**	**+13,03**	**156,68**	**156,58**	**— 10**	21,15	15,83	— 5,32	83,17	92,99	+ 9,82	52,36	47,76	— 4,60
1966-67	**1,90**	**4,29**	**+ 2,40**	**32,67**	**28,06**	**— 4,61**	5,17	3,42	— 1,75	17,22	14,84	— 2,38	10,27	9,80	— 47
	15,29	**34,76**	**+19,47**	**180,42**	**183,07**	**+ 2,65**	25,35	23,19	— 2,17	88,39	101,51	+13,12	66,67	58,37	— 8,30
1967-68	**39,71**	**44,57**	**+ 4,86**	**222,20**	**225,94**	**+ 3,73**	27,34	29,17	+ 1,82	111,22	121,79	+10,57	83,64	74,98	— 8,65
1968-69	**33,41**	**67,23**	**+33,82**	**301,04**	**266,51**	**—34,53**	35,27	31,77	— 3,50	185,51	148,31	—37,20	80,26	86,42	+ 6,16
April-June 1967..	**6,09**	**10,83**	**+ 4,74**	**57,48**	**61,05**	**+ 3,57**	8,53	9,16	+ 63	27,51	33,15	+ 5,64	21,45	18,74	— 2,71
July-September ,, ..	**7,21**	**8,42**	**+ 1,21**	**37,19**	**62,16**	**+24,97**	5,43	6,03	+ 60	13,49	38,90	+25,41	18,26	17,23	— 1,03
October-December ,,	**18,67**	**11,70**	**— 6,97**	**49,17**	**47,24**	**— 1,93**	4,49	6,34	+ 1,85	27,72	23,48	— 4,24	16,97	17,42	+ 46
January-March 1968..	**7,75**	**13,63**	**+ 5,88**	**78,37**	**55,49**	**—22,88**	8,90	7,64	— 1,26	42,51	26,27	—16,24	26,96	21,58	— 5,38
April-June ,, ..	**17,89**	**15,17**	**— 2,72**	**73,24**	**69,49**	**— 3,75**	11,07	10,50	— 57	42,19	35,44	— 6,75	19,98	23,55	+ 3,57
July-September ,, ..	**4,93**	**19,34**	**+14,41**	**55,72**	**65,98**	**+10,26**	8,01	6,44	— 1,57	29,63	41,71	+12,08	18,08	17,83	— 25
October-December ,,	**6,01**	**17,24**	**+11,22**	**51,97**	**64,59**	**+12,62**	7,22	7,05	— 17	26,01	35,66	+ 9,65	18,74	21,88	+ 3,14
January-March 1969..	**4,57**	**15,48**	**+10,91**	**120,11**	**66,44**	**—53,67**	8,97	7,78	— 1,19	87,68	35,49	—52,19	23,46	23,17	— 29

STATEMENT 78—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	**206,39**	**55,29**	**−151,10**	137,15	18,16	−118,99	19,86	8,46	−11,41	49,38	28,68	−20,70
1966-67	**28,00**	**8,84**	**−19,16**	16,69	2,86	−13,83	2,96	1,52	− 1,44	8,35	4,47	− 3,88
	252,75	**75,31**	**−177,44**	136,56	21,53	−115,04	35,26	13,10	−22,16	80,93	40,69	−40,24
1967-68	**256,13**	**89,31**	**−166,82**	143,93	22,28	−121,65	34,27	17,81	−16,46	77,94	49,22	−28,72
1968-69	**233,65**	**111,48**	**−122,17**	119,74	26,50	−93,24	49,50	18,06	−31,44	64,41	66,91	+ 2,50
April-June 1967 ..	**71,52**	**17,79**	**−53,73**	42,47	4,60	−37,87	9,63	3,56	− 6,06	19,43	9,63	− 9,80
July-September ,, ..	**57,03**	**20,96**	**−36,07**	30,18	5,45	−24,73	7,19	3,77	− 3,42	19,66	11,74	− 7,91
October-December ,, ..	**58,45**	**27,49**	**−30,96**	33,33	5,83	−27,50	8,46	5,28	− 3,18	16,66	16,39	− 27
January-March 1968 ..	**69,13**	**23,07**	**−46,06**	37,96	6,41	−31,55	8,99	5,20	− 3,79	22,18	11,46	−10,72
April-June ,, ..	**68,13**	**24,79**	**−43,34**	33,77	6,72	−27,05	13,10	3,96	− 9,14	21,26	14,10	− 7,16
July-September ,, ..	**55,92**	**30,29**	**−25,63**	31,48	8,03	−23,46	12,34	4,54	− 7,80	12,10	17,72	+ 5,62
October-December ,, ..	**52,85**	**28,80**	**−24,05**	26,41	5,87	−20,54	12,00	5,51	− 6,50	14,44	17,43	+ 2,99
January-March 1969 ..	**56,75**	**27,60**	**−29,15**	28,08	5,89	−22,19	12,06	4,05	− 8,00	16,61	17,66	+ 1,05

Year/Quarter	EUROPEAN FREE TRADE 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	**182,59**	**155,66**	**−26,93**	150,09	145,71	− 4,38	32,50	9,96	−22,55	**2,82**	**8,30**	**+ 5,48**
1966-67	**24,92**	**19,61**	**− 5,31**	19,63	18,13	− 1,51	5,28	1,48	− 3,80	**25**	**70**	**+ 45**
	171,36	**184,72**	**+13,36**	134,55	173,84	+39,29	36,81	10,88	−25,93	**5,12**	**8,59**	**+ 3,47**
1967-68	**208,70**	**243,05**	**+34,35**	162,65	229,05	+66,40	46,05	14,00	−32,05	**6,66**	**10,24**	**+ 3,58**
1968-69	**170,46**	**217,00**	**+46,53**	127,87	201,51	+73,65	42,60	15,49	−27,11	**2,21**	**10,93**	**+ 8,72**
April-June 1967 ..	**59,01**	**43,92**	**−15,09**	45,27	40,37	− 4,90	13,74	3,55	−10,20	**1,26**	**1,23**	**− 2**
July-September ,, ..	**50,53**	**66,44**	**+15,92**	40,57	63,37	+22,80	9,96	3,07	− 6,89	**2,34**	**3,09**	**+ 75**
October-December ,, ..	**42,53**	**82,04**	**+39,51**	31,13	77,75	+46,62	11,40	4,29	− 7,11	**2,33**	**3,52**	**+ 1,19**
January-March 1968 ..	**56,63**	**50,65**	**− 5,99**	45,69	47,56	+ 1,87	10,95	3,09	− 7,86	**74**	**2,40**	**+ 1,66**
April-June ,, ..	**50,17**	**45,67**	**− 4,49**	35,52	42,42	+ 6,90	14,65	3,25	−11,39	**84**	**1,65**	**+ 81**
July-September ,, ..	**40,38**	**74,14**	**+33,76**	30,68	69,98	+39,31	9,71	4,16	− 5,55	**52**	**2,84**	**+ 2,32**
October-December ,, ..	**38,12**	**56,91**	**+18,79**	29,67	52,30	+22,62	8,45	4,61	− 3,83	**42**	**3,58**	**+ 3,15**
January-March 1969 ..	**41,80**	**40,27**	**− 1,53**	32,00	36,81	+ 4,81	9,80	3,46	− 6,34	**43**	**2,86**	**+ 2,43**

Note : The scope and coverage of the statement are the same as those for statement 75. 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 75 which takes into account recent revisions for which complete details are not available. Revision in the total figures are carried out by the D.G.C.I. & S. as and when details become available in respect of short shipments for exports and Government imports under the note pass system for imports. Details of exports from and imports into Goa, Daman and Diu are included in trade figures from April 1963. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter.

Source : *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 79—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
Africa										
U.A.R.	7,17	8,59	8,89	9,64	6,90	7,82	2,23	9,66	9,20	6,32
Sudan	2,66	3,15	2,20	1,81	1,56	1,46	80	3,67	5,85	5,96
North America										
Canada	4,42	3,71	3,50	3,19	3,45	2,16	18	3,25	3,25	2,83
U.S.A.	5,27	6,34	6,33	5,76	5,28	3,38	25	6,21	6,83	5,64
Latin America										
Chile	34	35	18	5	5	3	2	4	7	5
E.C.A.F.E. Countries										
Afghanistan	87	79	1,06	1,28	1,27	1,50	53	2,18	3,25	5,79
Australia	1,05	1,23	2,45	1,92	2,75	1,88	12	4,23	4,22	3,62
Iran	3,23	2,62	3,78	2,10	1,81	2,51	11	2,43	2,97	3,71
New Zealand	36	28	32	20	27	17	1	48	36	36
Other Asian and Oceanian Countries and Antarctic and Arctic Regions										
Bahrein	27	22	15	16	20	21	3	22	25	42
Iraq	1,14	1,30	1,26	1,44	63	1,02	8	1,02	1,82	3,64
Jordan	37	58	26	46	63	54	8	86	1,12	1,18
Kuwait	46	54	45	47	26	31	2	37	12	23
Qatar and Trucial Oman	53	61	38	45	79	97	17	1,32	1,42	1,96
East European Countries										
Bulgaria	—	7	—	16	43	15	1	27	1	1
Czechoslovakia	—	5	10	67	29	22	23	28	24	20
German Democratic Republic	2	12	14	19	35	37	3	1,45	71	36
Poland	—	11	45	69	43	88	2	1,01	1,69	1,32
U.S.S.R.	7,95	8,70	10,62	10,72	15,42	12,36	86	15,49	19,80	19,29
European Common Market Countries										
Federal Republic of Germany	1,31	1,14	1,32	1,26	1,66	1,31	15	1,22	2,82	3,85
Netherlands	80	95	1,84	1,79	1,85	1,52	16	2,36	3,41	2,64
European Free Trade Area Countries										
U.K.	77,53	73,36	75,64	70,38	72,70	55,28	1,60	80,42	99,81	76,46
Other European Countries										
Irish Republic	4,07	3,47	4,59	4,32	3,09	3,98	13	4,27	5,73	5,21
Turkey	1,53	2,19	1,22	43	—	3	—	2	—	—
Other Countries	1,26	93	1,09	2,68	1,44	2,62	30	3,98	4,17	3,91
Total	**122,61**	**121,40**	**128,22**	**122,22**	**123,51**	**102,68**	**8,12**	**146,71**	**179,12**	**154,94**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 80—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
North America										
Canada	69	74	60	69	94	90	15	1,14	1,68	2,24
U.S.A.	12,54	10,55	10,87	11,93	14,67	14,74	2,54	16,89	23,74	28,97
E.C.A.F.E. Countries										
Australia	60	65	68	72	1,07	82	11	1,39	1,51	2,06
Japan	8	11	15	19	28	27	3	44	30	49
Hongkong	15	18	15	18	23	24	2	50	41	64
East European Countries										
German Democratic Republic	20	70	1,51	1,23	1,52	1,32	23	1,59	1,52	1,70
U.S.S.R.	2,25	2,79	2,14	3,38	6,89	6,34	2,15	10,66	9,20	19,23
European Common Market Countries										
Federal Republic of Germany	35	44	44	55	30	30	3	32	34	63
France	3	6	22	12	23	23	2	32	31	36
Netherlands	11	19	22	19	28	27	3	36	44	53
European Free Trade Area Countries										
U.K.	1,34	1,26	94	1,07	1,74	1,23	17	2,24	2,36	2,10
Other Countries	57	50	1,44	1,16	88	74	14	1,29	1,22	1,99
Total	**18,91**	**18,17**	**19,36**	**21,41**	**29,03**	**27,40**	**5,62**	**37,14**	**43,03**	**60,93**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source: Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 81—EXPORTS OF TOBACCO (UNMANUFACTURED) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
Africa										
U.A.R.	25	—	8	—	27	39	8	11	3,30	87
E.C.A.F.E. Countries										
Japan	—	12	11	54	1,18	39	48	41	2,47	2,88
Malaysia (*a*)	35	58	36	50	34	43	3	24	2	4
Nepal	—	—	—	—	36	15	3	15	38	32
Other Asian and Oceanian Countries and Antarctic and Arctic Regions										
South Yemen People's Republic	49	51	35	50	70	76	5	69	80	1,01
East European Countries										
U.S.S.R.	68	1,10	3,32	4,86	8,62	5,79	30	1,57	3,06	3,21
German Democratic Republic	—	1	1,18	72	58	57	—	91	96	78
Yugoslavia	—	2	99	1,34	47	—	—	12	2	—
Poland	—	27	34	1,03	5	9	—	—	3	14
European Common Market Countries										
Belgium	31	33	34	46	37	44	—	72	58	69
Netherlands	24	26	29	35	23	29	3	16	36	37
European Free Trade Area Countries										
U.K.	10,87	9,85	9,62	9,75	9,90	9,36	4,15	7,12	20,40	19,51
Other Countries	1,42	99	1,01	96	1,06	92	17	1,07	2,49	3,35
Total (*b*)	**14,61**	**14,04**	**17,99**	**21,01**	**24,13**	**19,58**	**5,32**	**13,27**	**34,85**	**33,16**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter.

(*b*) Total figures in this statement may not tally with those for this item shown in Statement 76—'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 82—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	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
Africa					**Gunny Bags**					
U.A.R.	4,32	1,97	2,05	1,48	5,60	12,24	18	6,81	2,11	2,20
Kenya	66	78	54	37	61	48	7	64	42	19
Other East African countries (*a*)	58	72	24	14	44	31	1	8	16	—
Nigeria	1,73	3,65	3,25	50	1,37	38	9	43	34	4
Sudan	1,40	3,47	2,50	2,44	2,04	2,34	—	4,35	5,48	2,74
TanzaniaRepublic (*b*)	34	42	66	39	30	44	1	8	17	9
Rhodesia						26	—	—	—	—
Malawi	37(*c*)	1,25(*c*)	58(*c*)	18(*c*)	1,22(*c*)	—	—	5	2	2
Zambia						18	—	10	2	1
North America										
U.S.A.	4,82	7,33	4,84	4,85	5,77	8,03	1,28	3,64	4,18	4,80
Latin America										
Chile	1,05	1,40	1,05	1,06	91	1,06	2	1,10	31	21
Cuba	7,13	4,73	3,21	3,91	1,65	29	—	—	—	—
Peru	1,40	81	1,14	66	93	98	—	2,16	1,13	34
E.C.A.F.E. Countries										
Burma	77	1,22	99	20	2,83	82	—	—	—	—
Cambodia	77	94	83	78	1,85	91	—	19	—	—
Hongkong	60	13	3	3	4	18	—	4	80	4
Indonesia	1,24	3,37	3,23	1,69	11	40	2	91	2,09	66
Iran	5	18	31	27	60	9	—	34	36	18
Philippines	64	220	107	26	27	11	1	5	5	54
Thailand	2,34	1,60	1,05	21	1,43	—	—	—	—	—
Australia	9,11	5,32	5,38	3,86	5,84	4,39	67	3,65	4,58	2,01
New Zealand	1,81	2,2	1,3	1,50	1,37	2,10	52	1,44	1,55	39
Other Asian anticOceanian Countrie and Antarctic and Arctic Regions										
Iraq	7	23	30	8	25	34	—	1	12	25
East European Countries										
Czechoslovakia.	—	42	48	34	58	65	5	2,10	42	1
U.S.S.R.	2,09	4,00	3,65	7,87	13,76	19,25	3,49	18,18	13,13	19,41
European Common Market countries										
Fedederal Rebublic of Germany	71	72	64	1,25	43	78	1	68	1,39	49
Belgium	1,17	96	57	41	42	42	4	70	98	24
Netherlands	38	30	99	85	23	33	2	47	56	41
European Free Trade Area Countries										
U.K.	2,00	2,07	1,15	1,23	1,55	73	9	49	74	18
Other European Countries										
Turkey	38	12	1,14	60	19	19	1	—	2	2
Other Countries	9,37	10,37	9,35	9,96	7,14	8,85	1,43	11,16	20,28	5,87
Total (*d*)	**57,30**	**60,90**	**51,35**	**47,37**	**59,73**	**67,55**	**8,02**	**59,85**	**61,44**	**41,34**
Africa					**Gunny Cloth**					
Rhodesia						28	—	—	—	—
Malawi	38(*c*)	41(*c*)	38(*c*)	36(*c*)	45(*c*)	—	—	5	6	21
Zambia						7	11	39	49	4
U.A.R.	62	97	71	40	51	1,07	—	38	1,22	95
North America										
Canada	7,42	7,65	8,94	9,53	8,31	9,96	2,04	12,82	14,18	14,85
U.S.A.	39,74	43,94	55,56	60,36	60,93	63,69	11,73	89,81	102,67	112,21
Latin America										
Argentina	4,34	4,77	8,38	9,86	7,29	4,08	5	1,77	32	46
Uruguay	34	44	75	59	1,00	84	10	63	39	31
E.C.A.F.E. Countries										
Australia	3,18	3,11	3,68	3,82	3,90	4,47	95	6,69	8,63	7,17
New Zealand	84	69	72	84	80	1,02	22	1,38	1,51	1,97
Iran	52	64	87	70	65	1,02	22	1,85	1,65	2,38
East European Countries										
Czechoslovakia	7	55	32	49	81	74	15	1,93	1,38	1,43
Hungary	43	74	41	15	40	12	1	26	18	6
U.S.S.R.	1,58	1,66	1,89	3,88	4,07	6,23	86	6,69	8,63	7,66
Yugoslavia	17	95	57	13	47	50	15	58	42	20
European Common Market Countries										
Federal Republic of Germany	1,74	1,59	86	58	28	32	6	35	60	64
European Free Trade Area Countries										
U.K.	6,22	4,86	5,80	5,29	5,16	6,85	37	6,20	8,75	3,95
Other European Countries										
Turkey	95	1,10	2,56	1,31	85	79	2	4	3	—
Other Countries	5,53	5,28	8,14	7,16	5,94	6,87	1,04	8,17	12,54	14,01
Total (*d*)	**74,07**	**79,35**	**100,54**	**105,45**	**101,82**	**108,92**	**18,08**	**139,99**	**163,66**	**168,49**

Note : From April 1965, data are based on the Revised Indian Trade Classification. The figures upto 1964-65 are, therefore, not strictly comparable with those for the subsequent years. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period. (*a*) Data upto 1964-65 relate to Mozambique. (*b*) Figures upto 1965-66 relate to Tanganyika only. (*c*) Relating to Rhodesia and Niasaland Federation. (*d*) Total figures in this statement may not tally with figures for the item 'Jute manufactures' shown in Statement 76—'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 83—EXPORTS OF SUGAR (*a*) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
North America										
Canada	—	54	4,76	3,03	34	1,37	55	77	3,28	—
U.S.A.	—	10,97	4,06	10,34	6,08	4,52	2,02	2,31	8,09	7,90
E.C.A.F.E. Countries										
Ceylon	67	8	53	21	17	19	3	15	1	1
Hongkong	—	—	58	—	66	11	—	14	—	—
Japan	15	28	1,33	4,65	4,64	6	—	60	17	—
South Vietnam	—	—	34	92	1,39	27	—	32	—	—
Nepal	—	—	—	—	57	54	4	15	20	25
Malaysia (*b*)	1,75	2,84	3,17	5,69	1,21	1,42	65	1,61	—	—
Other Asian and Oceanian Countries and Antarctic And Arctic Regions										
South Yemen People's Republic	36	1	30	—	—	1	—	1	—	—
European Common Market Countries										
Italy	—	—	—	—	1,37	—	—	—	—	—
European Free Trade Area Countries										
U.K.	3	—	91	64	1,77	3,08	1,35	1,38	4,58	2,20
Other Countries	38	62	2,05	1,39	1	92	13	3,19	12	3
Total (*c*)	**3,34**	**15,34**	**18,03**	**26,87**	**18,21**	**12,49**	**4,77**	**10,63**	**16,44**	**10,37**

Note: Indian Rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Comprises refined and unrefined beet sugar and cane, inedible and edible molasses and other sugars and syrups not elsewhere stated. (*b*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter. (*c*) Total figures in this statement may not tally with those for this item shown in Statement 76—'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 84—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
E.C.A.F.E. Countries										
Japan	—	14	41	2,67	1,16	54	2	3,89	59	3,96
East European Countries										
Bulgaria	—	12	1	45	62	42	43	64	61	1,18
Czechoslovakia	9	9	1,31	2,81	4,41	3,54	1,27	4,18	7,88	6,57
German Democratic Republic	63	1,13	1,94	2,85	4,43	4,22	70	2,98	6,13	4,88
Hungary	1	1,46	3,74	3,95	4,22	3,15	1,30	4,24	5,99	4,96
Poland	1,32	84	3,59	3,88	5,91	4,47	91	5,72	9,24	11,82
U.S.S.R.	—	—	—	17	1,66	3,02	15	65	3,43	5,36
Yugoslavia	29	28	1,36	1,74	2,46	76	13	63	38	2,47
European Common Market Countries										
France	—	1	81	42	43	—	—	21	—	—
Federal Republic of Germany	76	58	1,48	91	65	80	18	1,20	62	9
European Free Trade Area Countries										
U.K.	10,77	12,27	15,84	13,37	13,10	12,96	1,17	14,20	9,20	7,11
Other Countries	43	39	1,30	2,15	71	76	7	2,02	1,40	1,06
Total	**14,30**	**17,32**	**31,79**	**35,37**	**39,76**	**34,64**	**6,33**	**40,56**	**45,47**	**49,47**

Note : Indian Rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source : *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligenc and Statistics, Government of India.

STATEMENT 85—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67		1967-68	1968-69
							April-May	June-March		
	1	2	3	4	5	6	7	8	9	10
Africa										
Kenya	2,40	2,44	2,07	1,58	1,45	1,08	21	92	61	52
Nigeria	1,64	1,05	72	73	1,01	1,45	29	1,35	1,25	21
Sudan	4,25	2,72	2,95	1,65	1,22	1,97	27	2,92	5,10	4,38
Tanzania Republic(*a*)	1,37	1,67	1,19	1,21	1,30	2,02	24	1,32	1,04	1,03
North America										
Canada	1,45	1,66	1,68	1,58	1,15	1,64	42	2,32	1,66	1,73
U.S.A.	1,73	1,35	6,04	3,46	8,15	5,95	74	6,81	6,08	8,78
E. C. A. F. E. Countries										
Afghanistan	2,16	1,15	1,73	1,39	1,56	1,31	30	76	1,14	60
Burma	1,47	72	91	81	9	30	9	4	—	11
Ceylon	3,04	3,11	1,67	3,88	2,08	1,35	34	1,95	62	1,10
Indonesia	1,02	2,00	25	11	88	—	—	2	2,13	1,49
Australia	4,45	2,61	3,19	2,85	2,66	1,86	20	1,99	2,42	2,64
New Zealand	1,20	1,13	1,43	1,50	1,35	1,29	16	1,13	1,24	99
Malaysia(*b*)	3,85	3,35	2,64	3,41	2,29	1,80	24	1,33	1,48	1,35
Other Asian and Oceanian Countries and Antarctic and Arctic Regions										
South Yemen People's Republic	2,25	2,24	1,47	1,37	1,66	1,50	15	1,38	1,60	2,28
East European Countries										
U.S.S.R.		3	22	16	1,09	4,08	47	3,06	41	5,85
European Common Market Countries										
France	—	3	21	70	65	23	8	25	6	1,44
Netherlands	55	21	7	2	6	18	1	4	4	14
Federal Republic of Germany	49	28	30	42	35	73	4	35	5	1,24
European Free Trade Area Countries										
U.K.	15,27	11,42	11,03	15,40	15,22	12,10	2,17	11,50	24,67	18,58
Other Countries	8,77	9,06	6,44	7,00	8,61	14,86	2,10	12,14	14,92	16,97
Total (*c*)	**57,36**	**48,23**	**46,21**	**49,23**	**52,83**	**55,69**	**8,52**	**51,58**	**66,50**	**71,43**

Note: From April 1965, data are based on the Revised Indian Trade Classification. The figures upto 1964-65 are, therefore, not strictly comparable with those for the subsequent years. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Figures upto 1965-66 relate to Tanganyika only. (*b*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter (*c*) Total figures in this tatement will not tally with the figures for the item 'Cotton Textiles' shown in Statement 76—'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 86—INDEX NUMBERS OF EXPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX									QUANTUM INDEX								
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67(a)	1967-68	1968-69	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67(a)	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
I. Food	**106**	**102**	**101**	**106**	**106**	**111**	**167**	**168**	**166**	**97**	**109**	**121**	**122**	**128**	**113**	**114**	**112**	**114**
1. Fish and fish preparations	101	91	121	123	125	155	282	283	291	79	74	58	80	94	73	109	109	132
2. Fruits and vegetables	108	109	101	107	130	128	219	206	235	114	111	126	131	134	123	118	118	146
3. Coffee	77	67	83	77	95	101	133	124	129	131	187	128	150	197	178	151	204	194
4. Tea and mate	104	100	99	90	99	98	143	149	131	87	90	96	91	92	86	90	89	87
5. Spices	149	125	111	120	141	177	257	236	229	126	159	141	149	135	148	135	131	124
6. Oilseed cake	108	113	121	123	103	139	203	206	198	178	206	353	386	518	335	321	296	336
II. Beverages and Tobacco	**114**	**112**	**97**	**109**	**100**	**112**	**147**	**207**	**214**	**85**	**82**	**119**	**122**	**158**	**119**	**64**	**106**	**97**
III. Crude Materials, Inedible except Fuels	**103**	**104**	**103**	**89**	**87**	**87**	**125**	**125**	**123**	**106**	**111**	**105**	**142**	**152**	**150**	**160**	**150**	**167**
7. Hides and skins, undressed	143	127	126	128	126	112	231	158	148	95	95	119	107	98	120	113	65	49
8. Wool and other animal hair	105	104	106	113	115	104	135	110	98	79	95	67	70	83	75	62	63	63
9. Raw cotton, other than linters	109	111	99	98	102	126	165	154	182	50	85	81	81	68	54	52	68	45
10. Cotton, waste		116	109	99	96	88	119	133	131		86	74	79	63	51	55	44	42
11. Crude minerals excluding coal, petroleum, etc.	100	99	98	98	105	107	167	173	160	108	105	108	96	99	108	90	91	93
12. Metalliferous ores and metal scrap	92	96	89	71	69	68	102	107	107	140	125	118	237	275	288	308	305	364
13. Animal and vegetable crude materials	103	104	115	113	120	133	174	175	159	116	113	95	104	104	103	119	104	136
IV. Mineral Fuels and Lubricants, etc.	**93**	**92**	**84**	**83**	**99**	**100**	**170**	**144**	**137**	**82**	**66**	**85**	**96**	**128**	**96**	**88**	**66**	**91**
14. Coal and coke	96	90	87	90	115	137	203	205	186	62	48	58	45	68	37	21	16	26
V. Animal and Vegetable Oils and Fats	**96**	**92**	**91**	**91**	**118**	**138**	**217**	**203**	**178**	**124**	**86**	**183**	**272**	**76**	**40**	**16**	**25**	**81**
VI. Chemicals	**172**	**204**	**175**	**157**	**130**	**152**	**262**	**244**	**273**	**94**	**87**	**102**	**94**	**170**	**171**	**136**	**146**	**196**
VII. Manufactured Goods classified chiefly by Materials	**118**	**118**	**114**	**113**	**119**	**129**	**209**	**198**	**197**	**102**	**105**	**109**	**121**	**126**	**122**	**108**	**118**	**140**
15. Leather and manufactures thereof	121	113	110	114	112	115	203	160	158	112	123	112	126	133	134	169	182	250
16. Textile yarn and thread	114	132	132	125	128	126	177	189	189	82	88	96	111	93	99	92	71	107
17. Cotton fabrics of standard type	115	114	109	112	123	103	156	161	169	108	91	92	95	102	132	103	106	112
18. Fabrics of jute	130	136	139	138	138	154	247	230	247	97	99	123	130	126	121	117	122	117
19. Fabrics of synthetic fibre and spun glass	32	27	33	36	34	30	36	54	49	187	269	334	383	251	213	92	34	93
20. Bags and sacks for packing	131	143	120	112	123	148	229	207	197	104	101	101	101	115	108	74	70	50
21. Floor coverings	107	121	125	122	124	133	205	194	205	97	79	77	93	93	76	85	91	98
VIII. Machinery and Transport Equipment	**91**	**88**	**74**	**90**	**77**	**73**	**73**	**81**	**87**	**239**	**263**	**351**	**358**	**655**	**845**	**1266**	**1393**	**2956**
IX. Miscellaneous Manufactured Articles	**109**	**104**	**101**	**124**	**126**	**136**	**193**	**195**	**197**	**126**	**115**	**130**	**168**	**170**	**187**	**177**	**218**	**279**
GENERAL	**110**	**109**	**106**	**105**	**107**	**113**	**169**	**169**	**166**	**100**	**105**	**112**	**126**	**132**	**124**	**119**	**122**	**142**
TERMS OF TRADE	**115**	**111**	**113**	**108**	**108**	**109**	**113**	**124**	**118**	**128**	**115**	**117**	**107**	**111**	**124**	**125**	**136**	**106**

(a) These indices are based on the averages of the index numbers for the ten months from June 1966 to March 1967. Consequent to devaluation of the Indian rupee on June 6, 1966, the figures for April and May 1966, have not been taken into account as they are not comparable with the post-devaluation figures.

Source : Department of Commercial Intelligence and Statistics.

STATEMENT 87—INDEX NUMBERS OF IMPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX									QUANTUM INDEX								
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67 (a)	1967-68	1968-69	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67 (a)	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
I. Food	**95**	**90**	**88**	**88**	**100**	**94**	**140**	**157**	**158**	**104**	**79**	**97**	**104**	**139**	**203**	**231**	**207**	**143**
1. Dairy products, eggs and honey	80	58	62	47	57	61	104	127	99	106	225	201	251	261	170	181	161	217
2. Cereals and cereal preparations	91	91	87	88	99	93	137	154	154	107	71	90	99	141	223	261	226	147
3. Fruits and vegetables	127	114	117	128	135	146	224	216	241	92	73	89	83	110	89	79	104	110
II. Beverages and Tobacco	**98**	**104**	**114**	**127**	**118**	**93**	**143**	**204**	**178**	**41**	**77**	**74**	**43**	**33**	**31**	**22**	**43**	**33**
III. Crude Materials, Inedible except Fuels	**90**	**94**	**93**	**96**	**110**	**122**	**188**	**165**	**175**	**123**	**172**	**170**	**159**	**142**	**124**	**138**	**145**	**135**
4. Copra	110	99	103	97	99	125	135	173	171	101	91	93	87	62	48	27	24	15
5. Wool and other animal hair	93	91	92	93	117	95	149	140	128	101	121	119	153	74	49	79	76	79
6. Raw cotton other than linters	82	89	88	96	110	117	162	141	166	326	230	211	167	173	129	120	193	178
7. Crude fertilizers	91	92	96	91	95	144	176	242	206	154	173	187	219	248	182	288	341	269
IV. Mineral Fuels and Lubricants, etc.	**96**	**99**	**86**	**81**	**78**	**75**	**100**	**100**	**110**	**95**	**128**	**135**	**170**	**116**	**120**	**92**	**99**	**101**
8. Petroleum crude, etc.	89	80	83	77	77	75	91	97	107	63	146	100	166	98	128	130	170	140
V. Animal and Vegetable Oils and Fats	**98**	**95**	**86**	**89**	**97**	**112**	**148**	**131**	**127**	**107**	**204**	**149**	**124**	**132**	**312**	**251**	**581**	**346**
VI. Chemicals	**91**	**82**	**63**	**55**	**57**	**62**	**89**	**84**	**79**	**145**	**166**	**244**	**246**	**244**	**259**	**367**	**490**	**546**
9. Chemical elements and compounds	95	86	80	74	77	85	113	121	137	144	144	166	152	159	148	174	227	212
10. Dyeing, tanning and colouring materials	103	100	109	86	77	86	130	124	138	143	165	127	107	137	87	77	71	74
11. Fertilizers manufactured	72	58	43	40	40	52	79	71	66	180	250	772	837	773	911	1506	2304	2538
VII. Manufactured Goods classified chiefly by Materials	**101**	**100**	**98**	**98**	**98**	**103**	**163**	**172**	**182**	**122**	**114**	**109**	**107**	**121**	**112**	**82**	**79**	**74**
12. Paper, paper board, etc.	95	92	95	88	88	92	137	154	139	150	206	170	163	180	176	196	139	159
13. Textile yarn and thread	93	83	72	65	62	48	54	52	50	111	115	130	118	148	89	88	52	60
14. Iron and steel	96	98	94	94	90	94	163	169	174	128	106	94	98	122	106	59	64	51
15. Copper	133	124	128	137	157	212	416	319	343	122	139	146	144	115	116	77	82	84
16. Aluminium	99	98	89	78	97	97	144	158	166	129	135	197	136	124	108	175	186	45
17. Zinc	126	108	101	115	158	160	223	217	219	119	112	146	140	117	131	83	108	149
18. Manufactures of metals	118	120	144	138	126	149	225	210	195	90	73	67	59	68	63	39	35	36
VIII. Machinery and Transport Equipment	**98**	**105**	**111**	**128**	**118**	**135**	**216**	**165**	**185**	**134**	**134**	**135**	**133**	**161**	**146**	**103**	**121**	**112**
19. Machinery other than electric	99	105	107	127	116	136	228	155	188	145	158	165	156	195	175	124	155	141
20. Electric machinery, etc.	93	152	141	191	207	143	232	182	213	123	85	90	89	87	124	98	94	78
21. Transport equipment	98	90	116	108	106	128	165	202	155	119	101	91	95	107	92	64	64	71
IX. Miscellaneous Manufactured Articles	**96**	**104**	**101**	**101**	**113**	**122**	**157**	**47**	**102**	**102**	**114**	**146**	**206**	**115**	**90**	**87**	**347**	**143**
GENERAL	**96**	**98**	**94**	**97**	**99**	**104**	**150**	**136**	**141**	**128**	**121**	**131**	**135**	**146**	**154**	**149**	**166**	**151**

(a) These indices are based on the averages of the index numbers for the ten months from June 1966 to March 1967. Consequent to the devaluation of Indian rupee on June 6, 1966, the figures for April and May 1966, have not been taken into account as they are not comparable with the post-devaluation figures.

Source : Department of Commercial Intelligence and Statistics.

STATEMENT 88—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
1966-67	125,893	247,60	84,494	143,45	+ 41,398	+104,15
1967-68	76,318	155,24	50,862	101,42	+ 25,456	+ 53,82
1968-69	163,055	296,55	171,976	310,54	— 8,921	— 13,99
March 1968	17,069	33,36	2,920	5,27	+ 14,149	+ 28,09
April ,,	9,877	19,44	4,265	7,70	+ 5,612	+ 11,74
May ,,	11,082	21,18	4,755	8,59	+ 6,327	+ 12,59
June ,,	10,818	19,47	14,005	25,29	— 3,187	— 5,82
July ,,	12,500	22,50	13,370	24,14	— 870	— 1,64
August ,,	15,011	27,02	8,543	15,43	+ 6,468	+ 11,59
September ,,	29,738	53,54	31,985	57,76	— 2,247	— 4,22
October ,,	9,414	17,07	11,930	21,54	— 2,516	— 4,47
November ,,	8,998	16,22	21,175	38,24	— 12,177	— 22,02
December ,,	10,359	18,65	18,923	34,17	— 8,564	— 15,52
January 1969	10,427	18,77	15,080	27,23	— 4,653	— 8,46
February ,,	12,972	23,35	10,720	19,36	+ 2,252	+ 3,99
March ,,	21,859	39,35	17,225	31,10	+ 4,634	+ 8,25

Note : Indian rupee was devalued on June 6, 1966. Pound Sterling was devalued on November 18, 1967. The figures from June 1966 and November 1967 respectively are not comparable with those for the earlier period. (*a*) Excluding Government transactions. (*b*) Cover spot purchases and deliveries against forward purchase contracts. (c) Cover spot sales and deliveries against forward sale contracts.

STATEMENT 89—INLAND AND FOREIGN BILLS PURCHASED AND DISCOUNTED BY SCHEDULED COMMERCIAL BANKS

(Rs. crores)

As on the last Friday of	No. of reporting banks	Inland Bills			Foreign Bills				Total Inland and Foreign Bills purchased and discounted
		Purchased	Discounted	Total	Export Bills drawn in India (in approved currencies)	Import Bills drawn on and repayable in India (in approved currencies)	Other Foreign Bills purchased and discounted	Total	
	1	2	3	4	5	6	7	8	9
1960 ..	93	73.44	35.05	**108.49**	37.53	15.03	..	**52.56**	**161.05**
1961 ..	80	86.70	56.95	**143.65**	33.09	11.87	0.42	**45.38**	**189.03**
1962 ..	80	89.32	68.12	**157.44**	39.86	14.06	1.34	**55.26**	**212.70**
1963 ..	79	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**
1966 ..	76	183.07	75.33	**258.40**	82.75	29.15	5.90	**117.80**	**376.20**
1967 ..	73	184.06	66.13	**250.19**	91.64	21.00	3.78	**116.42**	**366.61**
1968 ..	73	201.38	160.06	**361.44**	132.48	17.61	5.15	**145.24**	**506.68**
1966									
March ..	76	154.83	114.74	**269.57**	53.21	16.68	2.83	**72.72**	**342.29**
June ..	76	142.41	113.09	**225.50**	63.20	17.94	3.11	**84.25**	**339.75**
September ..	76	148.83	62.86	**211.69**	90.78	18.40	3.47	**112.65**	**324.34**
December ..	76	183.07	75.33	**258.40**	82.75	29.15	5.90	**117.80**	**376.20**
1967									
March ..	75	201.34	160.97	**362.31**	76.54	34.91	4.55	**116.00**	**478.31**
June ..	74	166.94	54.93	**211.87**	68.74	31.37	4.00	**104.11**	**315.98**
September ..	73	167.22	53.00	**220.22**	82.48	28.70	6.06	**117.24**	**337.46**
December ..	73	184.06	66.13	**250.19**	91.64	21.00	3.78	**116.42**	**366.61**
1968									
March ..	73	198.03	210.08	**408.11**	98.85	25.99	5.98	**130.82**	**538.93**
June ..	73	173.41	168.51	**341.92**	106.08	20.72	5.16	**131.96**	**473.88**
September ..	74	210.86	146.36	**357.22**	131.55	17.52	5.21	**154.28**	**511.50**
December ..	73	201.38	160.06	**361.44**	132.48	17.61	5.15	**155.24**	**516.68**

Note : The data for the year 1960 are based on Quarterly returns on Form XI and thereafter on Form XIII (Monthly) upto June 1965. The subsequent data are based on Form XII (Monthly) which was earlier numbered as Form XIII.

STATEMENT 90—EXTERNAL ASSISTANCE: AUTHORISED AND UTILISED

(In Crores of Rupees)

	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
	Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12
I. Loans												
A. Repayable in Foreign Currencies												
1. From International Institutions												
(1) I.B.R.D.	317.7	135.8	256.6	123.4	73.5	22.5 (—)	18.8	11.2	24.5 (2.3)	22.8	30.5	89.1
(2) I.D.A.	—	275.8	—	200.6	75.2	229.5 (—)	—	93.8	128.5 (10.9)	161.1	57.5	88.4
2. From Foreign Countries												
(1) Austria	—	8.5	—	4.7	3.8	3.5 (—)	3.4	0.7	3.6 (0.3)	3.2	3.0	3.7
(2) Belgium	—	11.4	—	4.9	6.5	—	2.8	9.4	—	1.9	1.6	18.9
(3) Canada	15.7	30.9	15.7	11.5	19.4	40.7 (0.9)	52.2	25.3	11.1 (1.2)	17.9	29.0	90.7
(4) Denmark	—	1.4	—	—	1.4	2.1 (2.1)	3.0	4.0	2.1 (0.3)	2.9	1.5	5.8
(5) France	—	70.5	—	21.0	49.5	22.5 (—)	—	45.0	6.9 (—)	33.8	13.7	91.1
(6) Germany (West)	133.1	308.0	119.9	219.7	101.5	45.0 (—)	46.9	43.1	61.3 (4.1)	67.6	58.2	105.4
(7) Italy	—	80.9	—	11.6	69.3	25.5 (—)	—	4.1	0.1 (0.1)	1.5	—	137.1
(8) Japan	26.8	138.0	16.0	88.3	60.5	31.9 (—)	34.4	21.2	26.7 (6.0)	40.2	55.4	57.1
(9) Norway	—	—	—	—	—	—	—	1.6	—	—	—	1.6
(10) Netherlands	—	22.8	—	9.5	13.3	8.2 (—)	8.2	6.8	6.2 (0.6)	8.4	4.7	24.6
(11) Sweden	—	2.2	—	—	2.2	3.5 (—)	—	10.9	1.4 (—)	1.3	2.1	13.0
(12) Switzerland	6.5	16.3	—	6.0	16.8	—	—	—	7.0 (1.1)	3.1	2.2	13 6
(13) United Kingdom	122.7	242.0	121.9	170.4	72.4	63.0 (29.3)	61.5	64.8	88.2 (4.0)	80.6	54.9	80.6
(14) United States of America												
(*a*) Wheat loan of 1951	90.3	—	90.3	—	—	—	—	—	—	—	—	—
(*b*) Eximbank loans for machinery and equipment	102.6**	90.2	30.9	130.5	31.4	9.6 (—)	1.5	33.7	31.2 (4.9)	20.4	5.2	34.6
(*c*) U.S. banks' loans to Air India	5.9	17.5	5.9	9.8	7.7	6.5 (—)	—	24.2	11.3 (1.5)	1.2	5.1	27.1
(*d*) Boeing Company's loans to Air India	—	2.5	—	1.1	1.4	0.6 (—)	—	2.1	2·1 (—)			
(*e*) A.I.D. Loans	—	663.0	—	497.5	165.5	173.6 (61.1)	145.5	360.9	166.2 (20.8)	244.2	183.8	369.5
(*f*) P.L. 480 Convertible Currency Credits	—	—	—	—	—	—	67.6	53.7	—	30.8	73.1	17.4
(15) Bulgaria	—	—	—	—	—	—	11.2	—	—	—	—	11.2
(16) Czechoslovakia	21.0†	40.0	—	12.6	48.4	—	—	—	12.6 (0.8)	7.4	16.1	39.7
(17) Hungary	—	—	—	—	—	25.0 (—)	—	—	—	—	—	25.0
(18) Poland	13.7	22.4	—	11.3	24.8	—	—	—	0.9 (0.1)	1.8	1.4	34.9
(19) U.S.S.R.	383.8†	100.5	74.8	207.3	202.2	258.4 (—)	—	—	33.6 (4.4)	46.4	56.5	437.8
(20) Yugoslavia	15.6†	2.4	—	9.7	8.3	60.0 (—)	—	—	4.4 (2.1)	3.4	3.6	60.4
Total A	**1255.4**	**2283.0**	**732.0**	**1751.4**	**1055.0**	**1031.6 (93.4)**	**457.0**	**816.5**	**629.9 (65.5)**	**801.9**	**659.1**	**1878.3**

B. Repayable in Rupees												
1. Denmark	—	0.9	—	0.6	0.3	—	—	—	0.4 (0.1)	—	—	—
2. U.S.A.												
(*a*) D.L.F./A.I.D. Loans ..	190.5	45.1	76.9	147.2	11.5	18.0 (—)	—	—	8.8 (1.6)	3.9	7.4	15.0
(*b*) Asian Economic Development Fund Credit for Orissa Iron Ore Project ..	8.7	—	—	8.4	0.3	—	—	—	0.3 (—)	0.2	—	—
(*c*) T.C.A. Loans	42.2	—	42.2	—	—	—	—	—	—	—	—	—
Total B	**241.4**	**46.0**	**119.1**	**156.2**	**12.1**	**18.0 (—)**	**—**	**—**	**9.5 (1.7)**	**4.1**	**7.4**	**15.0**
Total I (A+B)†† ..	**..1496.8**	**2329.0**	**851.1**	**1907.6**	**1067.1**	**1049.6 (93.4)**	**457.0**	**816.5**	**639.4 (67.2)**	**806.0**	**666.5**	**1893.3**
II. Grants												
(1) Australia	13.3	12.3	12.6	7.0	6.0	8.9 (—)	7.5	3.1	15.9 (—)	7.8	3.1	2.1
(2) Canada	89.4	85.1	80.0	54.4	40.1	57.7 (—)	7.1	52.8	66.5 (3.1)	45.5	48.1	18.8
(3) Czechoslovakia	—	0.4	—	0.4	—	—	—	—	—	—	—	—
(4) Germany (West)	2.1	0.6	0.6	2.0	0.1	1.8 (—)	0.6	3.6	1.6 (—)	0.6	3.6	0.4
(5) Japan	0.3	0.2	0.4	0.1	—	—	—	—	—	—	—	—
(6) New Zealand	3.4	0.9	3.2	0.5	0.6	0.1 (—)	—	—	0.3 (—)	0.1	—	0.6
(7) Norway	2.5	2.6	2.5	2.6	—	2.2 (—)	—	—	0.6 (—)	0.5	0.5	0.6
(8) Sweden	—	3.8	—	3.5	0.3	2.0 (—)	—	—	2.2 (—)	0.1	—	0.1
(9) United Kingdom ..	0.8	1.0	0.5	0.8	0.5	0.1 (—)	0.1	4.8	0.1 (—)	0.5	4.6	0.5
(10) U.S.A.@@	146.4	21.8	129.8	31.1	7.3	3.9 (0.8)	0.6	1.1	4.4 (0.6)	4.3	1.3	7.1
(11) U.S.S.R.	1.2	3.8	1.2	3.8	—	2.5 (—)	0.8	—	1.0 (—)	1.1	—	1.2
Total II††..	**259.4**	**132.5**	**230.8**	**106.2**	**54.9**	**79.2 (0.8)**	**16.7**	**65.4**	**92.6 (3.7)**	**60.5**	**61.2**	**31.4**
III. Other Assistance												
1. P. L. 480 ££	..1113.0	450.6	515.5	852.9	107.7***	306.8 (149.3)	242.9	71.6	324.0 (62.1)	310.9	84.6	114.6***
2. P. L. 665 ££	.. 31.9	—	31.9	—	—	—	—	—	—	—	—	—
3. Third country currency assistance from the U.S.A.	2.8	—	2.5	0.3	—	—	—	—	—	—	—	—
Total III	**..1147.7**	**450.6**	**549.9**	**853.2**	**107.7**	**306.8 (149.3)**	**242.9**	**71.6**	**324.0 (62.1)**	**310.9**	**84.6**	**114.6**
Grand Total (I+II+III)	**..2903.9**	**2912.1**	**1631.8**	**2867.0**	**1229.7**	**1435.6 (243.5)**	**716.6**	**953.5**	**1056.0 (133.0)**	**1177.4**	**812.3**	**2039.3**

Notes : 1. The data presented here are not comparable with those incorporated in the balance of payments statistics because of differences in sources, coverage etc.

2. Rescheduling of part of the amortisation payments by Japan amounting to Rs. 1.9 crores, Rs. 4.6 crores and Rs. 12.6 crores during 1966-67, 1967-68 and 1968-69 respectively are not covered here. Also, the figures for 1968-69 do not cover postponement of amortisation payments by I.B.R.D. (Rs. 11.3 crores), Canada (Rs. 0.7 crore) and the U.S.A. (Rs. 4.5 crores) and of interest payment by the U.S.A. (Rs. 2.0 crores).

3. Authorisations under group I 'Loans' are shown net of de-obligations/cancellations.

@ Figures for April 1 to June 5, 1966 are expressed in rupees at the pre-devaluation rate of exchange and for the subsequent period at the post-devaluation rate of exchange. Figures in brackets represent amounts authorised/utilised during the pre-devaluation period.

* Undisbursed balance as at the end of June 5, 1966 has been raised by 57.5 per cent on account of the devaluation of the rupee on June 6, 1966. Consequent on the devaluation of the Pound Sterling and Danish Kroner in November 1967, the undisbursed balance has been correspondingly reduced.

** Of this, Rs. 23.8 crores are earmarked for projects included in the Third Plan.

† Earmarked for projects included in the Third Plan.

†† Exclude loans and grants received by Government of India out of P. L. 480 Title I and P. L. 665 funds.

@@ Exclude grants under P. L. 480 Titles II and III as they are not a part of the assistance for the plan projects and programmes.

££ Assistance under P.L. 480 and P.L. 665 is shown on a gross basis by way of the rupee values of imports under the programmes. Convertible currency credits under P. L. 480 Title I during 1967-68 and 1968-69 are shown under 'Loans Repayable in Foreign Currencies' and not included here.

*** The undisbursed balance as at the end of March 1966 and March 1969 has been reduced by Rs. 87.5 crores and Rs. 7.1 crores to Rs. 107.6 crores and Rs. 114.6 crores, respectively on account of lapsed agreements.

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
1		2	3	4	5	6	7	8	9	10	11	12	13
I. Transport and Communications													
1. I.B.R.D.													
(a) Railways—I ..	Public	15.6	—	15.6	—	—	—	—	—	—	—	—	—
(b) Railways—II ..	,,	42.9	—	42.9	—	—	—	—	6.0	—	—	6.0	—
(c) Railways—III ..	,,	40.5	—	40.5	—	—	—	—	0.4	—	—	0.4	—
(d) Railways—IV ..	,,	23.8	—	23.8	—	—	—	—	1.6	—	—	1.6	—
(e) Railways—V ..	,,	33.3	—	6.9	26.4	—	—	—	0.2	—	—	0.2	—
(f) Railways—VI ..	,,	—	23.8	—	23.8	—	—	—	0.8	—	—	0.8	—
(g) Air India ..	,,	2.7	—	2.7	—	—	—	—	—	—	—	—	—
(h) Calcutta Port—I & II	,,	13.8	9.0	4.8	13.7	4.3	—	—	—	4.1 (0.4)	1.9	0.5	—
(i) Madras Port ..	,,	5.0	—	2.0	2.8	0.2	—	—	—	0.4 (—)	—	—	—
2. I. D. A.													
(a) Railways—VII ..	Public	—	32.2	—	32.2	—	—	—	—	—	—	—	—
(b) Railways—VIII ..	,,	—	29.5	—	29.5	—	—	—	—	—	—	—	—
(c) Road Project ..	,,	—	28.3	—	24.6	3.7	—	—	—	3.1 (1.4)	1.9	—	—
(d) Expansion of P.T.T. Services—I ..	,,	—	19.8	—	16.9	2.9	—	—	—	4.1 (0.2)	0.4	—	—
(e) Expansion of P.T.T. Services—II ..	,,	—	15.7	—	9.7	6.0	—	—	—	8.8 (1.2)	—	—	—
(f) Railways—IX ..	,,	—	—	—	—	—	51.0 (—)	—	—	19.8 (—)	20.4	10.8	—
(g) Bombay Port—I ..	,,	—	7.8	—	1.6	6.2	—	—	—	2.4 (0.9)	1.9	2.5	2.4
3. D.L.F./A.I.D.													
(a) Railways—I ..	Public	14.3	—	12.6	1.7	—	—	—	—	—	—	—	—
(b) Railways—II ..	,,	16.7	—	16.7	—	—	—	—	—	—	—	—	—
(c) Railways—III ..	,,	23.8	—	—	22.4	1.4	—	—	—	0.8 (0.2)	0.4	0.3	0.6
(d) Railways—IV ..	,,	—	20.5	—	20.4	0.1	—	—	—	0.1 (—)	0.1	—	—
(e) Railways—V ..	,,	—	7.5	—	6.5	1.0	—	—	—	0.9 (—)	0.5	0.2	—
(f) Railways—VI ..	,,	—	3.4	—	2.8	0.6	—	—	—	0.7 (0.2)	0.2	—	—
(g) Railways—VII ..	,,	—	1.8	—	—	1.8	—	—	—	—	2.4	0.4	—
(h) Road Transport ..	,,	6.2	—	0.4	5.8	—	—	—	—	—	—	—	—
4. U.S. Eximbank													
(a) Diesel Loco Works—I	Public	—	9.1	—	8·6	0.5	—	—	—	0.4 (0.1)	0.3	—	—
(b) Diesel Loco Works—II	,,	—	8.1	—	7.3	0.8	—	—	—	0.4 (0.1)	0.8	—	—
(c) Diesel Loco Works—III ..	,,	—	—	—	—	—	9.6 (—)	—	—	2.0 (—)	4.8	2.8	—
(d) Air India—I ..	,,	—	2.3	—	2.3	—	—	—	—	—	—	—	—
(e) Air India—II ..	,,	—	4.5	—	4.5	—	—	—	—	—	—	—	—
(f) Air India—III ..	,,	—	—	—	—	—	—	—	18.7	—	—	0.7	18.0
5. U.S Banks' Loans to Air India	,,	5.9	17.5	5.9	9.8	7.7	6.5 (—)	—	24.2	11.3 (1.5)	1.2	5.1	27.1
6. Boeing Company's Loans to Air India	,,	—	2.5	—	1.1	1.4	0.6 (—)	—	2.1	2.1 (—)			

7 Canada													
(a) Diesel Locos for Railways	Public	—	3.4	—	3.4	—	—	—	—	—	—	—	—
(b) Wind Tunnel Project	,,	—	1.8	—	1.2	0.6	—	—	—	0.4 (0.1)	0.2	0.1	0.2
(c) Diesel Locos for Calcutta Port ..	,,	—	—	—	—	—	0.9 (0.9)	—	—	1.1 (—)	0.2	—	0.1
(d) Diesel Locos for Railways	,,	—	—	—	—	—	4.9 (—)	—	—	—	4.5	0.3	0.1
8. West Germany													
(a) Railways	Public	—	5.5	—	0.4	5.1	3.0 (—)	—	—	0.2 (0.2)	3.4	1.1	6.2
(b) Ships	Pub./Prvt.	—	27.0	—	12.0	15.0	—	—	—	17.5 (—)	6.1	—	—
Total—I		**244.5**	**281.0**	**174.8**	**291.4**	**59.3**	**76.5 (0.9)**	**—**	**54.0**	**80.6 (6.5)**	**51.6**	**33.8**	**54.7**
II. Power Projects													
1. I.B.R.D.													
(a) D.V.C.—I	Public	8.0	—	8.0	—	—	—	—	0.4	—	—	0.4	—
(b) D.V.C.—II	,,	5.0	—	5.0	—	—	—	—	—	—	—	—	—
(c) D.V.C.—III ..	,,	10.5	—	8.7	1.8	—	—	—	0.8	—	—	0.8	—
(d) Trombay—I ..	Private	6.6	—	6.2	0.4	—	—	—	—	—	—	—	—
(e) Trombay—II ..	,,	4.6	—	4.3	0.3	—	—	—	—	—	—	—	—
(f) Koyna	Public	8.9	—	4.3	4.6	—	—	—	0.2	—	—	0.2	—
(g) Kothagudem—II ..	,,	—	6.7	—	2.5	4.2	—	—	—	2.7 (0.1)	1.4	0.7	1.8
(h) Power Transmission	,,	—	27.6	—	—	27.6	—	—	—	3.5 (—)	8.9	8.9	22.2
2. I.D.A.													
(a) D.V.C.—IV	Public	—	8.0	—	5.7	2.3	—	—	—	1.5 (0.3)	0.8	0.5	0.6
(b) Koyna Power ..	,,	—	8.3	—	4.3	4.0	—	—	—	1.4 (—)	0.5	1.4	3.1
(c) Kothagudem Power	,,	—	9.5	—	6.4	3.1	—	—	—	2.0 (—)	1.6	1.3	—
(d) Beas Project ..	,,	—	—	—	—	—	17.3 (—)	—	—	3.0 (—)	3.4	0.9	10.0
3. D.L.F./A.I.D.													
(a) Power Development	Public	4.8	—	4.8	—	—	—	—	—	—	—	—	—
(b) Chandrapura—I ..	,,	13.3	—	—	12.6	0.7	—	—	—	0.4 (0.1)	0.7	—	—
(c) Sharavathi—I ..	,,	3.2	—	—	3.0	0.2	—	—	—	0.2 (—)	0.1	—	—
(d) Barauni	,,	1.7	—	—	1.7	—	—	—	—	—	—	—	—
(e) Durgapur	,,	8.6	—	—	7.7	0.9	—	—	—	—	0.1	1.2	0.1
(f) Ahmedabad Electricity Company ..	Private	1.8	—	—	1.8	—	—	—	—	—	—	—	—
(g) Kanpur	Public	0.7	—	—	0.7	—	—	—	—	—	—	—	—
(h) Barapani	,,	0.9	—	—	0.9	—	—	—	—	—	—	—	—
(i) Talcher	,,	—	15.1	—	10.4	4.7	—	—	—	2.6 (0.7)	0.7	0.9	2.8
(j) Birsinghpur	,,	—	3.6	—	2.4	1.2	—	—	—	1.1 (—)	0.5	0.3	—
(k) Sharavathi—II ..	,,	—	7.2	—	5.9	1.3	—	—	—	0.9 (—)	0.7	0.2	0.2
(l) Cambay Power ..	,,	—	16.0	—	15.2	0.8	—	—	—	—	0.6	0.2	0.5
(m) Bandel Power ..	,,	—	18.1	—	15.8	2.3	—	—	—	0.3 (0.1)	1.8	0.7	0.8
(n) Pambakakki	,,	—	9.4	—	8.2	1.2	—	—	—	0.5 (0.1)	0.1	—	1.2
(o) Trombay Power ..	Private	—	8.4	—	7.8	0.6	—	—	—	0.6 (0.1)	0.3	0.1	—
(p) Delhi Power ..	Public	—	7.3	—	2.8	4.5	—	—	—	4.2 (0.5)	0.9	0.1	1.5
(q) Satpura Power ..	,,	—	10.1	—	5.5	4.6	—	—	—	2.9 (1.1)	1.6	0.3	1.8
(r) Ramagundam ..	,,	—	3.8	—	0.8	3.0	—	—	—	1.6 (0.2)	1.1	0.7	1.1
(s) Chandrapura—II ..	,,	—	5.9	—	3.7	2.2	—	—	—	1.7 (0.2)	0.7	0.4	0.6
(t) Tarapur Nuclear Power	,,	—	35.7	—	14·0	21.7	—	—	—	18.0 (3.2)	3.5	3.6	7.3
(u) Sharavathi—III ..	,,	—	0.9	—	—	0.9	—	—	—	0.1 (—)	0.4	0.1	0.8
(v) Dhuvaran Power ..	,,	—	—	—	—	—	11.8 (11.8)	—	—	—	—	0.1	18.5
(w) Beas Project ..	,,	—	—	—	—	—	18.0 (—)	—	—	1.6 (—)	0.7	4.5	11.2

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12	13
4. Canada													
(a) Ranapratap Sagar Hydro-Electric Power Project	Public	—	3.5	—	3.2	0.3	—	—	—	0.2 (—)	0.1	—	0.1
(b) Candu Atomic Power Project	,,	—	16.3	—	1.7	14.6	—	—	—	6.7 (0.6)	7.9	5.5	2.6
(c) Kotah Hydro-Electric Power Project ..	,,	—	3.5	—	0.4	3.1	—	—	—	1.9 (0.3)	0.7	0.3	1.9
(d) Rajasthan Atomic Power Project—II ..	,,	—	—	—	—	—	26.7 (—)	—	—	—	0.3	3.8	22.6
(e) Idikki Hydro-Electric Project	,,	—	—	—	—	—	—	13.5	—	—	—	—	13.5
(f) Candu Atomic Power Project (Additional) ..	,,	—	—	—	—	—	—	—	4.5	—	—	—	4.5
5. France													
Nasik Thermal Power Station	Public	—	9.5	—	—	9.5	—	—	—	2.6 (—)	5.1	—	7.3
Total—II		**78.6**	**234.4**	**41.3**	**152.2**	**119.5**	**73.8 (11.8)**	**13.5**	**5.9**	**62.2 (7.6)**	**45.2**	**38.1**	**138.6**
III. Steel and Steel Projects													
1. I.B.R.D.													
(a) I.I.S. Co.—I	Private	13.9	—	13.9	—	—	—	—	—	—	—	—	—
(b) I.I.S. Co—II ..	,,	9.5	—	8.3	1.2	—	—	—	—	—	—	—	—
(c) I.I.S. Co.—III ..	,,	—	9.3	—	2.2	7.1	—	—	—	3.2 (0.3)	2.2	0.7	4.9
(d) T.I.S. Co.—I ..	,,	35.7	—	35.7	—	—	—	—	—	—	—	—	—
(e) T.I.S. Co.—II ..	,,	15.5	—	15.5	—	—	—	—	—	—	—	—	—
(f) I.I.S. Co.—IV ..	,,	—	—	—	—	—	22.5 (—)	—	—	—	0.2	0.6	21.7
2. U.S.S.R.													
(a) Bhilai	Public	64.7	—	64.5	0.2	—	—	—	—	—	—	—	—
(b) Bokaro	,,	—	100.5	—	—	100.5	8.4 (—)	—	—	3.9 (—)	20.6	47.5	94.6
3. West Germany													
(a) Rourkela (DM 660 million) ..	Public	74.5	—	61.3	13.2	—	—	—	—	—	—	—	—
(b) Rourkela Expansion—I (DM 400 million) ..	,,	—	47.6	—	33.1	14.5	—	—	—	8.4 (0.6)	5.6	6.1	2.4
(c) Rourkela Services (DM 56 million) ..	,,	—	6.7	—	4.5	2.2	—	—	—	1.1 (0.2)	0.2	0.2	1.9
(d) Mysore Alloy Steel—I (DM 60 million) ..	,,	—	7.1	—	1.6	5.5	—	—	—	4.6 (1.2)	2.7	— 0.1	0.8

(e) Rourkela Expansion—II (DM 14 million) ..	Public	—	1.7	—	—	1.7	—	—	—	—	—	—	2.6
(f) Rourkela Expansion—III (DM 10 million) ..	,,	—	1.2	—	—	1.2	—	—	—	—	—	—	1.9
(g) Mysore Alloy Steel—II (DM 13 million) ..	,,	—	1.5	—	0.1	1.4	—	—	—	0.7 (—)	0.5	0.3	0.7
(h) Mysore Alloy Steel—III (DM 8.8 million) ..	,,	—	1.0	—	—	1.0	—	—	—	—	—	1.3	0.3
(i) Mysore Alloy Steel—IV (DM 7·1 million) ..	,,	—	0·8	—	—	0.8	—	—	—	—	—	—	1·3
4. D.L.F./A.I.D.													
(a) Steel loan—I ..	Public	8.5	—	7.4	1.1	—	—	—	—	—	—	—	—
(b) Steel loan—II ..	,,	10.4	—	9.2	1.2	—	—	—	—	—	—	—	—
(c) Steel loan—III ..	,,	9.3	—	5.6	3.7	—	—	—	—	—	—	—	—
(d) Steel loan—IV ..	,,	11.9	—	—	11.9	—	—	—	—	—	—	—	—
5. U.K.													
(a) Lazard Bros' Credit (Durgapur)	Public	15.3	—	15.3	—	—	—	—	—	—	—	—	—
(b) Credit of June 1958 (Durgapur)	,,	20.0	—	20.0	—	—	—	—	—	—	—	—	—
(c) Credit of May 1962 (Durgapur Extension)	,,	—	29.3	—	15.5	13.8	—	—	—	4.4 (0.8)	2.1	0.6	11.9
(d) Credit of April 1963 (Steel)	,,	—	4.7	—	4.3	0.4	—	—	—	0.4 (—)	0.2	—	—
6. Canada													
(a) Amco Furnace for Durgapur Steel Project ..	Public	—	0.9	—	0.4	0.5	—	—	—	0.5 (0.1)	0.1	—	0.1
TOTAL—III ..		**289.2**	**212.3**	**256.7**	**94.2**	**150.6**	**30.9 (—)**	—	—	**27.2 (3.2)**	**34.4**	**57.2**	**145.1**
IV. Orissa Iron Ore Project													
1. U.S.A.	Public	8.7	—	—	8.4	0.3	—	—	—	0.3 (—)	0.2	—	—
2. Japan	Private	3.8	—	—	2.0	1.8	—	—	—	0.9 (—)	—	—	1.9
TOTAL—IV ..		**12.5**	—	—	**10.4**	**2.1**	—	—	—	**1.2 (—)**	**0.2**	—	**1.9**
V. Industrial Development													
1. I.B.R.D.													
(a) I.C.I.C.I.—I	Private	4.7	—	3.7	1.0	—	—	—	—	—	—	—	—
(b) I.C.I.C.I.—II ..	,,	4.6	—	0.4	4.2	—	—	—	—	—	—	—	—
(c) I.C.I.C.I.—III ..	,,	9.2	—	—	8.9	0.3	—	—	—	0.3 (—)	0·1	—	—
(d) I.C.I.C.I.—IV ..	,,	—	9.1	—	7.9	1.2	—	—	—	1.3 (0.2)	0.4	—	—
(e) I.C.I.C.I.—V ..	,,	—	12.8	—	8.0	4.8	—	—	—	5.6 (1.0)	1.4	—	—
(f) I.C.I.C.I.—VI ..	,,	—	23.8	—	0.2	23.6	—	—	—	3.0 (0.3)	6.3	7.9	19.9
(g) Development of Coal Industry	Public	—	13.7	—	13.5	0.2	—	—	0.8	0.4 (—)	—	0.8	—
(h) I.C.I.C.I.—VII ..	Private	—	—	—	—	—	—	18.8	—	—	—	—	18.8
2. I.D.A.													
(a) Industrial Imports Credit—I	Public	—	42.9	—	42.6	0.3	—	—	—	0.3 (0.3)	—	—	—
(b) Industrial Imports Credit—II	,,	—	47.6	—	7.4	40.2	—	—	—	58.2 (6.4)	1.4	—	—
(c) Industrial Imports Credit—III	,,	—	—	—	—	—	112.5 (—)	—	—	19.8 (—)	92.7	—	—
(d) Industrial Imports Credit—IV	,,	—	—	—	—	—	48.7 (—)	—	—	—	31.5	17.2	—
(e) Industrial Imports Credit—V	,,	—	—	—	—	—	—	—	93.8	—	—	21.6	72.2

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12	13
3. U.K.													
(a) Credit of December 1958	Pub./Prvt.	38.0	—	38.0	—	—	—	—	—	—	—	—	—
(b) Credit of June 1959 (Oil-pipeline) ..	,,	4.0	—	3.2	0.8	—	—	—	—	—	—	—	—
(c) General Credit of November 1959 ..	,,	25.3	—	25.3	—	—	—	—	—	—	—	—	—
(d) General Credit of August 1960	,,	13.3	—	13.3	—	—	—	—	—	—	—	—	—
(e) General Credit of December 1960 ..	,,	6.7	—	6.7	—	—	—	—	—	—	—	—	—
(f) General Credit of May 1961	,,	—	13.3	—	13.3	—	—	—	—	—	—	—	—
(g) Credit of May 1961 (Third Plan) ..	Public	—	40.0	—	37.3	2.7	—	—	—	1.9 (0.5)	2.0	—	—
(h) General Credit of November 1961 ..	Pub./Prvt.	—	6.7	—	6.7	—	—	—	—	—	—	—	—
(i) General Credit of May 1962		—	13.3	—	10.4	2.9	—	—	—	2.6 (0.3)	1.8	—	—
(j) General Credit of September 1962 ..	,,	—	6.7	—	6.7	—	—	—	—	—	—	—	—
(k) Credit of September 1962 (Third Plan) ..	Public	—	17.3	—	9.8	7.5	—	—	—	5.0 (0.4)	3.2	1.6	1.0
(l) General Credit of August 1963 ..	Pub./Prvt.	—	13.3	—	13.3	—	—	—	—	—	—	—	—
(m) General Credit of October 1963 (Kipping Loan—I) ..	Private	—	5.3	—	2.2	3.1	—	—	—	1.2 (0.2)	0.5	0.6	2.0
(n) General Credit of March 1964	Pub./Prvt.	—	6.7	—	6.7	—	—	—	—	—	—	—	—
(o) Credit of March 1964 (Bhopal)	Public	—	3.3	—	1.3	2.0	—	—	—	2.4 (0.4)	0.3	0.1	—
(p) Credit of March 1964 (Third Plan)	,,	—	6.7	—	1.7	5.0	—	—	—	2.3 (0.2)	1.3	1.3	2.3
(q) General Credit of July 1964	Pub./Prvt.	—	13.3	—	13.3	—	—	—	—	—	—	—	—
(r) Second Credit of September 1964 (Third Plan)	Private	—	2.0	—	—	2.0	—	—	—	1.6 (—)	1.0	0.3	0.1
(s) Third Credit of September 1964 (Third Plan)	,,	—	2.0	—	—	2.0	—	—	—	0.6 (—)	0.3	0.7	1.3

(t) Fourth Credit of September 1964 (Third Plan)	Private	—	1.4	—	—	1.4	—	—	—	0.5 (—)	0.1	0.4	0.9
(u) Fifth Credit of September 1964 (Third Plan)	Public	—	1.7	—	0.4	1.3	—	—	—	0.6 (—)	0.8	0.3	0.3
(v) Sixth Credit of September 1964 (Third Plan)	,,	—	4.3	—	—	4.3	—	—	—	1.2 (—)	2.9	1.9	0.2
(w) Credit of September 1964 (Bhopal—II) ..	Public	—	2.7	—	0.2	2.5	—	—	—	1.9 (0.2)	1.3	0.4	0.1
(x) General Credit of September 1964 (Kipping Loan—II)	Private	—	5.3	—	—	5.3	—	—	—	1.1 (0.2)	3.0	1.2	2.2
(y) General Credit of January 1965	Pub./Prvt.	—	6.7	—	6.2	0.5	—	—	—	0.4 (—)	0.3	—	—
(z) Credit of January 1965 (Third Plan)	Public	—	0.7	—	0.2	0.5	—	—	—	—	0.1	0.5	—
(aa) General Credit of June 1965	Pub./Prvt.	—	6.7	—	6.7	—	—	—	—	—	—	—	—
(ab) General Credit of October 1965	,,	—	13.3	—	13.3	—	—	—	—	—	—	—	—
(ac) General Credit of December 1965 (Kipping Loan—III)	Private	—	5.3	—	0.1	5.2	—	—	—	2.6 (0.1)	3.3	0.4	1.4
(ad) Credit of April 1966 (Bhopal)	Public	—	—	—	—	—	6.5 (6.5)	—	—	0.3 (—)	3.7	3.7	1.3
(ae) Credit of April 1966 (Sindri Fertilizers) ..	,,	—	—	—	—	—	0.2 (0.2)	—	—	—	—	—	0.3
(af) General Credit of May 1966	Pub./Prvt.	—	—	—	—	—	13.3 (13.3)	—	—	21.0 (—)	—	—	—
(ag) Credit of May 1966 (Bhopal)	Public	—	—	—	—	—	4.0 (4.0)	—	—	—	—	2.6	2.8
(ah) Credit of May 1966 (Kipping Loan—IV)	Private	—	—	—	—	—	5.3 (5.3)	—	—	—	1.4	3.3	2.6
(ai) Second Non-Project Credit of December 1966 $	Public	—	—	—	—	—	10.8 (—)	—	—	10.8 (—)	—	—	—
(aj) Credit of June 1967 (Kipping Loan—V) ..	Private	—	—	—	—	—	—	14.7	—	—	—	2.4	10.2
(ak) Credit of July 1967 $	Public	—	—	—	—	—	—	0.8	—	—	0.8	—	—
(al) General Credit of December 1967	Pub./Prvt.	—	—	—	—	—	—	21.6	—	—	20.9	0.7	—
(am) Barclays Bank Ltd. ..	Public	—	—	—	—	—	5.3 (—)	—	—	—	—	—	4.6
(an) General Credit of June 1968	Pub./Prvt.	—	—	—	—	—	—	—	15.3	—	—	15.3	—
(ao) Capital Investment Loan of December 1968	,,	—	—	—	—	—	—	—	15.3	—	—	—	15.3
(ap) Non-Project Loan of December 1968 ..	,,	—	—	—	—	—	—	—	12.6	—	—	—	12.6
(aq) Mixed Project Loan of December 1968 ..	,,	—	—	—	—	—	—	—	3.6	—	—	—	3.6
(ar) General Purpose Loan of December 1968 ..	,,	—	—	—	—	—	—	—	2.7	—	—	2.7	—
(as) I.C.I.C.I. loan of December 1968 ..	Private	—	—	—	—	—	—	—	1.8	—	—	—	1.8

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDIT—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12	13
4. West Germany													
(a) DM 168 million credit of January 1959 ..	Pub./Prvt.	19.0	—	19.0	—	—	—	—	—	—	—	—	—
(b) DM 125.1 million credit of May 1960 ..	,,	14.2	—	14.2	—	—	—	—	—	—	—	—	—
(c) DM 125.1 million credit of November 1960	,,	14.2	—	14.2	—	—	—	—	—	—	—	—	—
(d) DM 100 million credit of April 1961 ..	,,	—	11.9	—	11.9	—	—	—	—	—	—	—	—
(e) DM 170 million credit of September 1961 ..	,,	—	20.3	—	20.3	—	—	—	—	—	—	—	—
(f) DM 100 million credit of June 1962 ..	,,	—	11.9	—	11.9	—	—	—	—	—	—	—	—
(g) DM 314 million credit of December 1962 (1962-63)†	,,	—	37.3	—	35.7	1.6	—	—	—	1.6 (0.3)	0.2	0.1	0.5
(h) DM 118.5 million credit of November 1963 (1963-64)†	,,	—	14.1	—	6.2	7.9	—	—	—	7.0 (0.6)	2.7	0.6	1.7
(i) DM 162.9 million credit of September 1964 (1964-65)†	,,	—	19.4	—	2.2	17.2	—	—	—	14.5 (0.5)	4.5	1.9	6.0
(j) DM 210 million credit of December 1965 (1965-66)†	,,	—	25.0	—	—	25.0	—	—	—	3.5 (0.5)	4.2	9.4	21.9
(k) DM 224 million credit of February 1967 (1966-67)†	,,	—	—	—	—	—	42.0 (—)	—	—	—	25.8	8.0	8.2
(l) DM 221 million credit of October 1967 (1967-68)	,,	—	—	—	—	—	—	41.5	—	—	6.3	12.4	22.8
(m) DM 172 million credit of July 1968 (1968-69)	,,	—	—	—	—	—	—	—	32.3	—	—	6.1	26.2
5. U.S.S.R.													
(a) Industrial Enterprises	Public	59.6	—	8.1	36.5	15.0	—	—	—	0.7 (0.1)	0.7	0.6	21.6
(b) Barauni Oil Refinery	,,	11.9	—	0.4	10.9	0.6	—	—	—	0.5 (0.1)	0.1	—	0.3
(c) Drugs Credit ..	,,	9.5	—	—	9.4	0.1	—	—	—	—	0.1	—	—
(d) Credit for Third Plan—I	,,	178.6**	—	1.8	131.8	45.0	—	—	—	11.7 (2.8)	8.5	3.4	45.7
(e) Credit for Third Plan—II	,,	59.5**	—	—	18.5	41.0	—	—	—	16.8 (1.4)	3.0	4.8	39.2
(f) Credit for Fourth Plan	,,	—	—	—	—	—	250.0 (—)	—	—	—	13.4	0.2	236.4

6. U.S.A.														
(i) D.L.F./A.I.D.														
(a) Automobile, Jute and Cement Industry ..	Public	16.6	—	15.1	1.5	—	—	—	—	—	—	—	—
(b) Machinery and Capital Equipment—I ..	,,	7.2	—	5.1	2.1	—	—	—	—	—	—	—	—
(c) Machinery and Capital Equipment—II ..	,,	11.9	—	—	11.9	—	—	—	—	—	—	—	—
(d) Trombay Fertilizer Project	Private	14.1	—	—	13.6	0.5	—	—	—	0.6 (0.4)	—	—	—
(e) I.F.C.—I	,,	4.6	—	—	4.6	—	—	—	—	—	—	—	—
(f) I.C.I.C.I.	,,	—	2.1	—	1.6	0.5	—	—	—	0.6 (0.2)	—	—	—
(g) Non-ferrous metals ..	Public	—	9.5	—	9.5	—	—	—	—	—	—	—	—
(h) N.S.I.C.	Private	—	4.2	—	4.1	0.1	—	—	—	—	—	—	0.1
(i) Patherdih Coal Washery	Public	—	1.9	—	1.7	0.2	—	—	—	—	0.3	—	—
(j) Premier Automobiles—I	Private	—	3.4	—	3.4	—	—	—	—	—	—	—	—
(k) Premier Automobiles—II	,,	—	1.4	—	1.4	—	—	—	—	—	—	—	—
(l) Non-Project Imports—I	Public	—	95.1	—	95.1	—	—	—	—	—0.1 (—)	0.1	—	—
(m) I.F.C.—II	Private	—	8.9	—	2.4	6.5	—	—	—	4.2 (0.5)	2.0	1.2	2.5
(n) Hindustan Motors ..	,,	—	7.5	—	7.0	0.5	—	—	—	0.7 (0.1)	—	—	—
(o) Napco Bevel Gear ..	,,	—	1.1	—	1.1	—	—	—	—	—	—	—	—
(p) D.C.M. Tyre Cord ..	,,	—	3.8	—	3.6	0.2	—	—	—	0.2 (—)	—	—	0.1
(q) Telco—I	,,	—	6.5	—	6.5	—	—	—	—	—	—	—	—
(r) Non-Project Imports--II	Public	—	113.6	—	113.6	—	—	—	—	—	—	—	—
(s) Central Ropeway 'F' Project	,,	—	3.7	—	3.0	0.7	—	—	—	0.3 (—)	—	0.2	0.5
(t) Dugda Coal Washery	,,	—	2.4	—	2.1	0.3	—	—	—	0.1 (—)	—	0.1	0.3
(u) National Engineering Industries	Private	—	2.0	—	—	2.0	—	—	—	0.4 (—)	2.7	0.1	—
(v) Non-Project Imports—III	Public	—	106.9	—	94.6	12.3	—	—	—	14.5 (7.6)	0.7	—0.3	0.1
(w) Non-Project Imports—IV	,,	—	23.7	—	20.4	3.3	—	—	—	4.4 (0.2)	0.9	—0.2	—
(x) Telco—II	Private	—	5.6	—	1.7	3.9	—	—	—	2.3 (0.9)	2.7	0.6	—
(y) Trombay Methanol Fertilizer	Public	—	3.3	—	2.8	0.5	—	—	—	0.5 (0.1)	0.2	—0.2	—
(z) Consultancy Services	,,	—	0.5	—	0.1	0.4	—	—	—	—	0.1	0.1	0.4
(aa) Hindustan Motors—II	Private	—	10.9	—	—	10.9	—	—	—	6.1 (—)	7.0	0.7	3.4
(ab) Hindustan Motors—III	,,	—	1.4	—	0.1	1.3	—	—	—	0.2 (—)	0.9	0.1	0.8
(ac) Non-Project Imports—V	Public	—	90.2	—	34.0	56.2	—	—	—	35.0 (2 2)	51.4	0.8	0.1
(ad) Non-Project Imports—VI	,,	—	—	—	—	—	47.6 (47.6)	—	—	32.1 (—)	41.9	0.8	0.1
(ae) Non-Project Imports—VII	,,	—	—	—	—	—	112.5 (—)	—	—	3.7 (—)	89.8	18.9	0.1
(af) Operation Hard-Rock	,,	—	—	—	—	—	1.7 (1.7)	—	—	—	0.3	1.0	1.3
(ag) Non-Project Imports—VIII	,,	—	—	—	—	—	—	37.5	—	—	—	32.7	4.8
(ah) Non-Project Imports—IX	,,	—	—	—	—	—	—	99.0	—	—	27.9	61.9	9.2
(ai) Trombay Fertilizers ..	,,	—	—	—	—	—	—	—	27.7	—	—	—	27.7

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDIT—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12	13
(aj) Production Loan—I ..	Public	—	—	—	—	—	—	—	168.7	—	—	57.2	111.5
(ak) Production Loan—II	,,	—	—	—	—	—	—	—	145.5	—	—	—	145.5
(ii) Eximbank Loans													
(a) Eximbank Loan—I ..	Pub./Prvt.	71.4	—	28.1	43.3	—	—	—	—	—	—	—	—
(b) Eximbank Loan—II	,,	23.8@@	—	—	23.8	—	—	—	—	—	—	—	—
(c) Eximbank Loan—III	,,	—	11.9	—	11.9	—	—	—	—	—	—	—	—
(d) Eximbank Loan—IV	,,	—	11.9	—	3.4	8.5	—	—	—	5.8 (1.0)	6.1	1.0	—
(e) Eximbank Loan—V ..	,,	—	—	—	—	—	—	—	15.0	—	—	—	15.0
(f) National Rayons ..	Private	0.8	—	0.6	0.2	—	—	—	—	—	—	—	—
(g) Hindustan Aluminium—I	,,	6.5	—	2.1	4.3	0.1	—	—	—	0.1 (0.1)	—	—	—
(h) Hindustan Aluminium—II	,,	—	2.4	—	2.2	0.2	—	—	—	0.3 (0.1)	—	—	—
(i) Hindustan Aluminium—III	,,	—	5.2	—	1.4	3.8	—	—	—	4.0 (1.7)	0.9	0.1	—
(j) Orient Paper Mills ..	,,	—	8.8	—	8.6	0.2	—	—	—	0.3 (0.1)	—	—	—
(k) Union Carbide ..	,,	—	3.6	—	3.1	0.5	—	—	—	0.4 (—)	0.5	—	—
(l) Bharat Forage ..	,,	—	1.8	—	1.5	0.3	—	—	—	0.2 (—)	0.2	0.1	—
(m) Sundatt Cotton Seed Ltd.	,,	0.1	—	0.1	—	—	—	—	—	—	—	—	—
(n) Coromandal Fertilizers	,,	—	12.9	—	3.2	9.7	—	—	—	11.3 (1.2)	3.2	—	—
(o) Mysore Acetate and Chemicals	,,	—	1.0	—	0.4	0.6	—	—	—	0.9 (—)	—	—	—
(p) Chemicals and Plastics	,,	—	1.5	—	0.3	1.2	—	—	—	1.5 (0.3)	0.2	—	—
(q) Central Pulp Mills ..	,,	—	3.3	—	—	3.3	—	—	—	2.5 (0.1)	2.2	0.2	0.1
(r) Herdilla Chemicals ..	,,	—	1.6	—	—	1.6	—	—	—	1.0 (—)	1.2	0.3	—
(s) Indian Aluminium ..	,,	—	—	—	—	—	—	1.5	—	—	—	—	1.5
(iii) T.C.A. Loans (excluding P.L.665) ..	Public	42.2	—	42.2	—	—	—	—	—	—	—	—	—
7. Japan													
(a) Credit of 18 billion Yen (February 1958) ..	Pub./Prvt.	23.0	—	16.0	7.0	—	—	—	—	—	—	—	—
(b) Credit of 34.2 billion Yen as amended in May 1963	,,	—	45.1	—	45.1	—	—	—	—	—	—	—	—

(c) Suppliers' credit for Textile Machinery (1962)	Private	—	4.8	—	4.8	—	—	—	—	—	—	—	—
(d) Credit of 23.4 billion Yen (October 1962)	Pub./Prvt.	—	30.9	—	21.0	9.9	—	—	—	7.5 (2.8)	0.8	—	5.7
(e) Credit of 21.6 billion Yen (September 1964)	,,	—	28.6	—	6.3	22.3	—	—	—	9.3 (2.7)	6.8	10.6	6.9
(f) Credit of 21.6 billion Yen (June 1965) ..	,,	—	28.6	—	2.1	26.5	—	—	—	9.0 (0.5)	9.9	7.4	15.2
(g) Credit of 15.2 billion Yen (December 1966)	,,	—	—	—	—	—	31.9 (—)	—	—	—	22.7	8.5	0.7
(h) Credit of 14 billion Yen (September 1967)	,,	—	—	—	—	—	—	29.2	—	—	—	23.7	5.5
(i) Credit of 10.1 billion Yen (February 1969)	Public	—	—	—	—	—	—	—	21.2	—	—	—	21.2
8. France													
(a) Credit of $ 30 million (Third Plan—I) ..	Pub./Prvt.	—	14.3	—	18.2	5.7	—	—	—	1.2 (—)	3.9	—	3.8
(b) Credit of $ 20 million (Third Plan—II) ..	,,	—	9.6	—									
(c) Credit of $ 20 million (Third Plan—III)	,,	—	9.5	—	2.7	16.3	—	—	—	0.8 (—)	17.4	7.5	—
(d) Credit of $ 20 million (Third Plan—IV) ..	,,	—	9.5	—									
(e) Credit of $10 million to I.F.C. ..	,,	—	4.8	—	0.1	4.7	—	—	—	—	—	1.1	6.3
(f) Credit of $ 20 million (Third Plan—V) ..	,,	—	9.5	—	—	9.5	—	—	—	—	—	—	15.0
(g) Credit of $ 17 million	,,	—	—	—	—	—	12.7 (—)	—	—	—	7.4	2.2	3.1
(h) Credit of $ 13 million	,,	—	—	—	—	—	9.8 (—)	—	—	—	—	—	9.8
(i) Credit to Oil and Natural Gas Commission	Public	—	3.8	—	—	3.8	—	—	—	2.3 (—)	—	—	3.7
(j) Credit of $ 15 million (April 1968)	Pub./Prvt.	—	—	—	—	—	—	—	11.3	—	—	—	11.3
(k) Credit of $ 15 million (April 1968)	,,	—	—	—	—	—	—	—	11.3	—	—	0.1	11.2
(l) Non-project Credit of January 1969 ..	Public	—	—	—	—	—	—	—	7.5	—	—	—	7.5
(m) Project Credit of January 1969	,,	—	—	—	—	—	—	—	11.2	—	—	—	11.2
9. Italy													
(a) E. N. I. Credit of $ 45 million (1962-63) ..	Public	—	21.4	—	7.9	13.5	—	—	—	—	—	—	21.2
(b) Montecatini Credit for Madras Aluminium ..	,,	—	3.8	—	3.7	0.1	—	—	—	0.1 (0.1)	—	—	—
(c) Suppliers' Credit of $ 45 million (1963-64)	,,	—	21.5	—	—	21.5	—	—	—	—	—	—	33.8
(d) Suppliers' Credit of $ 36 million (1964-65)	,,	—	17.1	—	—	17.1	—	—	—	—	—	—	27.0
(e) Suppliers' Credit of $ 36 million (1965-66)	,,	—	17.1	—	—	17.1	—	—	—	—	—	—	27.0
(f) Suppliers' Credit of $ 32 million (1966-67)	,,	—	—	—	—	—	24.0 (—)	—	—	—	—	—	24.0

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDIT—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
1		2	3	4	5	6	7	8	9	10	11	12	13
10. Norway													
Development Credit of September 1968 ..	Public	—	—	—	—	—	—	—	1.6	—	—	—	1.6
11. Czechoslovakia													
(a) First Credit of November 1959	Public	21.0**	—	—	12.6	8.4	—	—	—	5.0 (0.5)	5.0	0.6	2.4
(b) Second Credit of May 1964	,,	—	40.0	—	—	40.0	—	—	—	7.6 (0.3)	2.4	15.5	37.3
12. Yugoslavia													
(a) Credit for capital goods—I	Public	15.6**	2.4	—	9.7	8.3	—	—	—	4.4 (2.1)	3.4	3.6	0.4
(b) Credit for capital goods—II	,,	—	—	—	—	—	60.0 (—)	—	—	—	—	—	60.0
13. Poland													
(a) Credit for Third Plan—I	Public	13.7	1.0	—	10.9	3.8	—	—	—	0.8 (0.1)	0·9	1.3	2.9
(b) Credit for Third Plan—II	,,	—	15.5	—	0.4	15.1	—	—	—	0.1 (—)	0.9	—	22.8
(c) Credit for Third Plan—III	,,	—	5.9	—	—	5.9	—	—	—	—	—	0.1	9.2
14. Switzerland													
(a) First Credit Tranche—I	Pub./Prvt.	6.5	—	—	3.0	3.5	—	—	—	7.0 (1.1)	3.1	2.2	13.6
(b) First Credit Tranche—II	,,	—	8.7	—	3.0	5.7	—	—	—				
(c) Second Credit ..	,,	—	7.6	—	—	7.6	—	—	—				
15. Canada													
(a) Indian Aluminium Co. Expansion—I	Private	—	0.4	—	0.4	—	—	—	—	—	—	—	—
(b) Indian Aluminium Co. Expansion—II ..	,,	—	0.4	—	0.2	0.2	—	—	—	0.1 (—)	0.1	0.1	—
(c) Credit for Industrial Raw Materials February 1967	Pub./Prvt.	—	—	—	—	—	8.2 (—)	—	—	—	3.8	2.7	1.7
(d) Binani Zinc Smelter ..	Private	—	0.7	—	0.6	0.1	—	—	—	0.2 (0.1)	—	—	—
(e) Indian Aluminium Co. Expansion—III ..	Private	—	—	—	—	—	—	3.8	—	—	—	—	3.8
(f) Industrial Commodities Loan of October 1967	Pub./Prvt.	—	—	—	—	—	—	6.9	—	—	—	4.5	2.4

(g) Geological Survey of India	Public	—	—	—	—	—	—	6.3	—	—	—	—	6.3
(h) Non-project Non-Commodity Loan ..	Pub./Prvt.	—	—	—	—	—	—	14.7	—	—	—	4.6	10.1
(i) Industrial Commodities Loan of December 1968	,,	—	—	—	—	—	—	—	10.4	—	—	—	10.4
16. Austria													
(a) Credit for Capital Goods—I (1962-63) ..	Pub./Prvt.	—	2.3	—	2.2	0.1	—	—	—	—	—	—	0.2
(b) Credit for Capital Goods—II (1963-64)	,,	—	1.9	—	1.4	0.5	—	—	—	0.5 (0.1)	0.2	—	—
(c) Credit for Capital Goods—III (1964-65)	,,	—	1.9	—	1.1	0.8	—	—	—	0.4 (0.1)	0.3	0.3	0.2
(d) Suppliers' Credit (1965-66)	Private	—	0.5	—	—	0.5	—	—	—	—	—	—	0.8
(e) Credit for Capital Goods—IV (1965-66)	Pub./Prvt.	—	1.9	—	—	1.9	—	—	—	2.3 (0.1)	0.5	0.1	0.1
(f) Credit for Capital Goods—V (1966-67)$	,,	—	—	—	—	—	2.8 (—)	—	—	—	1.6	0.4	0.8
(g) Credit for Capital Goods—VI (1967-68)$	,,	—	—	—	—	—	—	1.6	—	—	—	0.8	0.8
(h) Suppliers' Credit (1967-68)	Private	—	—	—	—	—	—	0.8	—	—	—	—	0.8
17. Belgium													
(a) Suppliers' Credit—I	Private	—	4.8	—	4.8	—	—	—	—	—	—	—	—
(b) Suppliers' Credit—II	,,	—	4.7	—	0.1	4.6	—	—	—	—	—	—	7.3
(c) Suppliers' Credit—III	,,	—	1.9	—	—	1.9	—	—	—	—	—	—	2.9
(d) Credit of April 1967	Pub./Prvt.	—	—	—	—	—	—	0.9	—	—	0.9	—	—
(e) Credit of December 1967	,,	—	—	—	—	—	—	1.9	—	—	1.0	0.8	0.1
(f) Non-project Credit, 1968-69	Public	—	—	—	—	—	—	—	1.1	—	—	—	1.1
(g) Suppliers' Credit —IV	Private	—	—	—	—	—	—	—	7.5	—	—	—	7.5
18. Netherlands													
(a) General Purpose Loan (November 1963 as amended)	Pub./Prvt.	—	14.5	—	9.5	5.0	—	—	—	6.2 (0.6)	1.4	—	—
(b) Financial (Export) Credit (Third Plan) ..	,,	—	7.4	—	—	7.4	—	—	—	—	2.9	—	8.7
(c) Second General Purpose Loan (January 1967)	,,	—	—	—	—	—	5.4 (—)	—	—	—	4.1	1.3	—
(d) Suppliers' Credit (1965-66)	,,	—	0.9	—	—	0.9	—	—	—	—	—	—	1.5
(e) Financial (Export) Credit (1966-67) ..	,,	—	—	—	—	—	2.8 (—)	—	—	—	—	—	2.8
(f) General Purpose Loan (November 1967) ..	,,	—	—	—	—	—	—	5.4	—	—	—	3.4	2.0
(g) Financial (Export) Credit (1967-68) ..	,,	—	—	—	—	—	—	2.8	—	—	—	—	2.8
(h) General Purpose Loan (July 1968)	,,	—	—	—	—	—	—	—	6.8	—	—	—	6.8

STATEMENT 91—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations			Utilisation			Aid undisbursed as at the end of March 1969*
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1966-67@	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11	12	13
19. Denmark													
(a) First Credit ..	Public	—	0.9	—	0.6	0.3	—	—	—	0.4 (0.1)	—	—	—
(b) Second Credit ..	Pub./Prvt.	—	1.4	—	—	1.4	—	—	—	0.9 (0.3)	0.8	0.1	0.2
(c) Third Credit	Public	—	—	—	—	—	—	—	4.0	—	—	0.1	3.9
20. Sweden ..													
(a) First Credit	Pub./Prvt.	—	2.2	—	—	2.2	—	—	—	1.3 (—)	0.9	1.1	0.1
(b) Second Credit ..	,,	—	—	—	—	—	3.5 (—)	—	—	0.1 (—)	0.4	1.0	2.0
(c) Third Credit	,,	—	—	—	—	—	—	—	4.4	—	—	—	4.4
(d) Fourth Credit ..	,,	—	—	—	—	—	—	—	6.5	—	—	—	6.5
21. Hungary													
(a) Credit for import of capital goods ..	Public	—	—	—	—	—	12.5 (—)	—	—	—	—	—	12.5
(b) Suppliers' Credit ..	,,	—	—	—	—	—	12.5 (—)	—	—	—	—	—	12.5
22. Bulgaria													
Credit for capital goods ..	Public	—	—	—	—	—	—	11.2	—	—	—	—	11.2
Total—V		**751.3**	**1473.0**	**257.6**	**1270.1**	**696.6**	**846.5 (78.6)**	**320.9**	**639.9**	**404.8 (45.4)**	**599.2**	**418.5**	**1489.9**
VI. Agricultural Development													
1. I.B.R.D. loan for Agriculture	Public	3.4	—	3.4	—	—	—	—	—	—	—	—	—
2. I.D.A.													
(a) U.P. Tube-Wells ..	Public	—	2.9	—	2.9	—	—	—	—	—	—	—	—
(b) Salandi Irrigation ..	,,	—	3.6	—	0.8	2.8	—	—	—	—	3.0	1.3	0.1
(c) Shetrunji Irrigation ..	,,	—	1.6	—	1.6	—	—	—	—	—	—	—	—
(d) Punjab Drainage ..	,,	—	4.8	—	4.4	0.4	—	—	—	0.5 (0.1)	—	—	—
(e) Sone Irrigation ..	,,	—	7.1	—	5.5	1.6	—	—	—	2.2 (0.1)	0.4	—	—
(f) Purna Irrigation ..	,,	—	6.2	—	4.5	1.7	—	—	—	1.4 (—)	1.2	—	—
3. U.K. Food Emergency Loan of February 1966	Public	—	10.0	—	—	10.0	—	—	—	7.8 (0.7)	4.9	0.4	1.8
4. West German Fertilizer Loan of D.M. 12 million	,,	—	1.4	—	—	1.4	—	—	—	2.2 (—)	—	—	—
5. A.I.D. Fertilizer Loan of February 1966	,,	—	23.8	—	2.8	21.0	—	—	—	30.0 (3.5)	1.1	—	—

6. AID Fertilizer Commodity Loan of July 1968 ..	Public	—	—	—	—	—	—	—	17.2	—	—	0·6	16.6
7. Italian Fertilizer Loan of August 1966	,,	—	—	—	—	—	1.5 (—)	—	—	—	1.5	—	—
8. Canadian Fertilizer Loan of July 1967	,,	—	—	—	—	—	—	7.0	—	—	—	6.3	0.7
9. Canadian Fertilizer Loan of December 1968 ..	,,	—	—	—	—	—	—	—	10.4	—	—	0.8	9.6
10. Japanese Food Production Loan of July 1967	,,	—	—	—	—	—	—	5.2	—	—	—	5.2	—
Total—VI		**3.4**	**61.4**	**3.4**	**22.5**	**38.9**	**1.5 (—)**	**12.2**	**27.6**	**44.1 (4.4)**	**12.1**	**14.6**	**28.8**
VII. Food Aid													
1. U.S. Wheat Loan ..	Public	90.3	—	90.3	—	—	—	—	—	—	—	—	—
2. Canadian Wheat Loan—I	,,	11.5	—	11.5	—	—	—	—	—	—	—	—	—
3. Canadian Wheat Loan—II	,,	4.2	—	4.2	—	—	—	—	—	—	—	—	—
4. Danish Food Assistance Loan—I	,,	—	—	—	—	—	2.1 (2.1)	—	—	1.2 (—)	2.1	—	—
5. Danish Food Assistance Loan—II	,,	—	—	—	—	—	—	3.0	—	—	—	1.3	1.7
6. Austrian Food Assistance Loan	Pub./Prvt.	—	—	—	—	—	—	0.7	—	—	—	0.7	—
7. P.L. 480 Convertible Currency Credits ..	,,	—	—	—	—	—	—	67.6	53.7	—	30.8	73·1	17.4
Total—VII		**106.0**	**—**	**106.0**	**—**	**—**	**2.1 (2.1)**	**71.3**	**53.7**	**1.2 (—)**	**32.9**	**75.1**	**19.1**
VIII. Miscellaneous													
1. Exim Bank Loan to East India Hotels	Private	—	0.3	—	0.2	0.1	—	—	—	0·1 (0.1)	—	—	—
2. AID Loan for Indian Higher Education ..	,,	—	—	—	—	—	—	9.0	—	—	—	0.6	8.4
3. AID Loan for Indian Family Planning Programme	,,	—	—	—	—	—	—	—	2.0	—	—	—	2.0
Total—VIII		**—**	**0.3**	**—**	**0.2**	**0.1**	**—**	**9.0**	**2.0**	**0.1 (0·1)**	**—**	**0.6**	**10.4**
GRAND TOTAL		**1485.5**	**2262.4**	**839.8**	**1841.0**	**1067.1**	**1031.3 (93.4)**	**426.9**	**783.1**	**621.4 (67.2)**	**775.6**	**637.9**	**1888.5**

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, DM 93.6 million (Rs. 11.1 crores) of June 1965 and DM 29 million (Rs. 5.4 crores) of October 1967 authorised for the purpose of meeting repayment liabilities arising out of Rourkela Credit and also DM 57.7 million (Rs. 10.8 crores) authorised by West Germany during 1968-69 have been excluded. Similarly refinancing credits amounting to Rs. 17.6 crores and Rs. 0.7 crore authorised by U.K. and Austria, respectively in 1966-67, Rs. 24.4 crores and Rs. 0.4 crore authorised by them in 1967-68 and Rs. 13.5 crores by U.K., Rs. 0.7 crore by Austria, Rs. 3.8 crores by France, Rs. 4.1 crores by Italy and Rs. 0.8 crore by Belgium during 1968-69 have been excluded.

(3) Authorisations are shown net of de-obligations/cancellations.

@ Figures for April 1 to June 5, 1966 are expressed in rupees at the pre-devaluation rate of exchange and for the subsequent period at the post-devaluation rate of exchange. Figures in brackets represent amounts authorised/utilised during the pre-devaluation period.

* Undisbursed balance as at the end of June 5, 1966 has been raised by 57.5 per cent on account of the devaluation of the rupee on June 6, 1966. Consequent on the devaluation of the Pound Sterling and Danish Kroner in November 1967, the undisbursed balance has been correspondingly reduced.

$ Excluding amounts authorised for meeting debt service liabilities.

† Excluding (a) credits shown under item I "Transport and Communications", item III "Steel and Steel Projects" and item VI "Agricultural Development" and (b) refinancing credits.

** Earmarked for projects included in the Third Plan.

@@ Earmarked for projects included in the Third Plan.

STATEMENT 92—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1968-69

Item	Rate of Duty as on March 31, 1969	Changes		Effective Date
		From	To	
1. Jute manufactures@				
(a) Hessian (other than carpet backing and jute specialities)	Rs. 200 per tonne	Rs. 500 per tonne	Rs. 200 per tonne	March 1, 1969
(b) Sacking (cloth, bags, twist, yarn, rope and twine)				
(i) Sacking excluding jute wool sacks	Rs. 150 per tonne	Rs. 250 per tonne	Rs. 150 per tonne	March 1, 1969
(ii) Jute wool sacks	Nil	Rs. 250 per tonne	Completely exempted	March 1, 1969
(c) Cotton bagging	Nil	Rs. 200 per tonne	Completely exempted	March 1, 1969
(d) Carpet backing	Rs. 600 per tonne	No change.		May 25, 1967
(e) Jute canvas, jute webbing, jute tarpaulin cloth and manufactures thereof	Rs. 500 per tonne	Rs. 600 per tonne	Rs. 500 per tonne	June 19, 1968
(f) Teased fibre made out of old bags and cuttings, jute caddies and jute waste, jute rags and jute string cuttings	Nil	20 per cent *ad valorem*	Completely exempted	July 8, 1968
(g) All other descriptions not otherwise specified	Rs. 150 per tonne	Rs. 600 per tonne Rs. 250 per tonne	Rs. 250 per tonne Rs. 150 per tonne	June 19, 1968 March 1, 1969
2. Tea	15 per cent *ad valorem* less 55 paise per kg. or Rs. 1.70 per kg. whichever is less	20 per cent *ad valorem* less 24 paise per kg. or Rs. 2.76 per kg. whichever is less	20 per cent *ad valorem* less 35 paise per kg. or Rs. 2.65 per kg. whichever is less	October 1, 1968
		20 per cent *ad valorem* less 35 paise per kg. or Rs. 2.65 per kg. whichever is less	15 per cent *ad valorem* less 55 paise per kg. or Rs. 1.70 per kg. whichever is less	March 1, 1969
Package tea				
(i) Packed in metal containers aggregate weight of each not exceeding 1kg.	Nil	10 per cent *ad valorem* or Rs. 2.76 per kg. whichever is less	Completely exempted	March 1, 1969
(ii) Packed in other than metal containers aggregate weight of each not exceeding 1 kg.	5 per cent *ad valorem* or Rs. 1.70 per kg. whichever is less	15 per cent *ad valorem* or Rs. 2.76 per kg. whichever is less	5 per cent *ad valorem* or Rs. 1.70 per kg. whichever is less	March 1, 1969
3. Coffee	50 paise per kg.	No change		June 6, 1966
4. Black pepper				
(i) Light black pepper	Nil	90 paise per kg.	Completely exempted	April 1, 1969
(ii) Pinhead black pepper	Nil	50 paise per kg.	Completely exempted	April 1, 1969
(iii) Other varieties	Rs. 1.25 per kg.	No change		June 6, 1966
5. Tobacco unmanufactured	20 per cent *ad valorem*	No change		June 6, 1966

6. Raw wool					
(i)	Degreased wool	Nil	10 per cent *ad valorem*	Completely exempted	March 1, 1969
(ii)	Other wool	Nil	10 per cent *ad valorem*	Completely exempted	April 3, 1969
7. Raw cotton					
(i)	Assam/Comilla cotton, yellow pickings and zoda cotton, pickings and sweepings	Rs. 550 per tonne	No change		October 14, 1966
(ii)	Bengal Deshi	Rs. 700 per tonne			
(iii)	Cotton linters	25 per cent *ad valorem*			
8. Cotton waste					
(i)	Soft cotton waste	25 per cent *ad valorem*	No change		August 17, 1966
(ii)	Other varieties	40 per cent *ad valorem*	No change		June 15, 1966
9. Mica					
(i)	Mica loose splittings of grade Nos. 5½ and 6	20 per cent *ad valorem*	40 per cent *ad valorem*	20 per cent *ad valorem*	March 1, 1969
(ii)	Other mica	40 per cent *ad valorem*	No change		June 15, 1966
10. Hides and skins and leather, tanned and untanned, all varieties excluding leather manufactures					
(i)	Snake skins	25 per cent *ad valorem*	No change		February 7, 1968
(ii)	Other varieties (excluding (a) finished leather of goat, sheep and bovine animals and of their young ones (b) tanned hides of bovine animals but excluding calf skin)	10 per cent *ad valorem*	No change		June 6, 1966
11. Coir fibre and yarn					
	Coir fibre	25 per cent *ad valorem*	No change		July 15, 1966
	Coir yarn	15 per cent *ad valorem*	No change		February 7, 1968
12. Oil cakes					
(i)	De-oiled groundnut oil cake	Rs. 125 per tonne	No change		June 6, 1966
(ii)	De-oiled groundnut meal (solvent extracted variety containing less than one per cent oil)	Rs. 125 per tonne			

STATEMENT 92—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1968-69—(*Concld*)

Item	Rate of Duty as on March 31, 1969	Changes		Effective Date
		From	To	
13. Manganese ore				
(i) (a) Manganese ore of 10 per cent or more but not more than 48 per cent of manganese content	Rs. 12.50 per tonne			May 25, 1967
(b) Manganese ore having more than 48 per cent of manganese content	Rs. 20 per tonne		No change	August 2, 1966
(ii) Manganese ore of less than 10 per cent of manganese content	Rs. 7 per tonne			July 24, 1967
14. Manganese dioxide	20 per cent *ad valorem*		No change	August 2, 1966
15. Iron ore				
(a) Lumpy iron ore				
(i) Lumpy iron ore having 63 per cent or more of iron content	Rs. 10.50 per tonne		No change	July 24, 1967
(ii) Lumpy iron ore having 60 per cent or more but less than 63 per cent of iron content	Rs. 6 per tonne	Rs. 9 per tonne	Rs. 6 per tonne	August 31, 1968
(iii) Lumpy iron ore having 58 per cent or more but less than 60 per cent of iron content	Rs. 5 per tonne	Rs. 7.50 per tonne	Rs. 5 per tonne	August 31, 1968
(iv) Lumpy iron ore having less than 58 per cent of iron content	Rs. 4 per tonne	Rs. 7.50 per tonne	Rs. 4 per tonne	August 31, 1968
(b) Iron ore fines (including blue dust)				
(i) Iron ore fines (including blue dust) where the iron content is less than 62 per cent	Rs. 3 per tonne		No change	July 24, 1967
(ii) Others where the iron content is 62 per cent or more	Rs. 4 per tonne		No change	May 25, 1967
16. Sillimanite	20 per cent *ad valorem*		No change	August 2, 1966
17. Steatite (talc)	20 per cent *ad valorem*		No change	August 2, 1966
18. Kyanite	Rs. 40 per tonne		No change	August 2, 1966
19. Chrome concentrates	Rs. 15 per tonne		No change	August 2, 1966

@ The export duty on jute specialities was abolished effective February 7, 1968. Jute specialities were defined subsequently on June 19, 1968 to include (1) polythene laminated or extrusion coated or paper-cum-polythene lined jute fabrics and bags made therefrom (whose FAS value (*a*) is not less than Rs. 2,500 per tonne in respect of sacking-based cloth and bags and (*b*) is not less than Rs. 3,000 per tonne in respect of other bags and cloth) and (2) other jute manufactures (whose FAS value is not less than Rs. 1,500 per tonne) excluding carpet backing, jute webbing, jute canvas, jute tarpaulin cloth and manufactures thereof.

Note : The rate of duty on mercury remains unchanged at Rs. 300 per flask of 34.02 kgs. effective October 8, 1952. However, exports of mercury were banned with effect from February 7, 1966.

STATEMENT 93—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**
1967	112,51	*3·3*	172,48	42,04	**214,52**	*6·3*	41,76	*1·2*	262,44	*7·7*	1,310,34	*38·6*	1,372,40	*40·4*	54,13	*1·6*	20,01	*0·6*	6,24	*0·2*	**3,394,35**
1968	118,55	*3·3*	171,59	42,09	**213,68**	*6·0*	47,70	*1·3*	258,08	*7·2*	1,323,23	*37·0*	1,537,77	*43·0*	45,71	*1·3*	24,99	*0·7*	8,26	*0·2*	**3,577,96**
1969	118,54	*3·0*	197,22	39,83	**237,05**	*6·1*	57,06	*1·5*	271,79	*7·0*	1,348,76	*34·6*	1,786,47	*45·8*	51,59	*1·3*	19,01	*0·5*	7,73	*0·2*	**3,898,00**

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 94—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (DENOMINATION-WISE)

[Absorption (+) or Return (—)]

(In thousands of rupees)

Year	Half Rupee (*a*)	Four Anna (*b*)	Two Anna (*c*)	One Anna	Half Anna (*d*)	Single Pice (*e*)	Half Pice	Pie	Fifty Paise/ Naye Paise	Twenty-five Paise/ Naye Paise	Twenty Paise	Ten Paise/ Naye Paise (*h*)	Five Paise/ Naye Paise (*g*)	Three Paise	Two Paise/ Naye Paise (*f*)	One Paisa/ Naya Paisa (*f*)	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1950-51 ..	—1,00,54	—97,53	—60,09	—65,54	—3,78	+7,73	—7	+3									**—3,19,79**
1955-56 ..	+35,13	+59,81	+11,61	+23,74	+6,58	+9,69	—1	—1									**+1,46,54**
1960-61 ..	+8,34	—23,45	—3,41,40	—1,00,14	—46,59	—2,48	—2	—13	+71,19	+2,85,11		+1,89,45	+1,17,64		+68,56	+62,26	**+2,88,34**
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**
1966-67 ..	—4,70	+1,45	—3,61	—5,02	—1,22	—1	—	—	+1,66,54	+1,71,42		+1,70,15	+20,49	+95,03	+63,89	+25,33	**+6,99,74**
1967-68 ..	—12,50	—11,70	—2,72	—3,74	—85	—	—	—	+1,51,53	+1,39,75		+1,69,71	+40,76	+57,91	+53,15	+24,16	**+6,05,46**
1968-69 ..	—2,50,74	—1,91,33	—2,44	—3,56	—62	—	—	—	+82,70	+27,72	+20,08	+91,11	+1,10,47	+40,07	+45,71	+29,28	**—1,55**

(*a*) Since the inauguration of the Reserve Bank in 1935, silver Half Rupee have been included in statistics relating to small coins ; includes pure Nickel Half Rupee introduced in May 1946. (*b*) Including pure Nickel Four Anna introduced in May 1946. (*c*) Including nickel Two Anna introduced in 1917-18. (*d*) Nickel Half Anna introduced in January 1942. (*e*) Including Single Pice with a circular hole issued from February 1943. (*f*) Including Aluminium Coins from 1965-66 onwards. (*g*) Including Aluminium Coins from 1967-68. (*h*) Including Aluminium-Bronze coins for 1968-69.

STATEMENT 95—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	1966-67	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11
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**	—	**−1**	—	—
II. Pure Nickel											
Half Rupee	+50	+96	+18	−6	−45	−60	+9	+35	−4	−12	−2,51
Quarter Rupee	+41	+1,09	+2	+8	−24	−30	+2	+19	+2	−12	−1,91
Fifty Paise/Naye Paise			+71	+2,03	+2,36	+2,20	+1,75	+1,83	+1,67	+1,52	+83
Twenty-five Paise/Naye Paise			+2,85	+2,47	+1,83	+1,88	+1,74	+1,82	+1,71	+1,40	+28
Total	**+91**	**+2,05**	**+3,76**	**+4,52**	**+3,50**	**+3,18**	**+3,61**	**+4,18**	**+3,35**	**+2,67**	**−3,32**
III. Cupro-Nickel											
Quarter Rupee	−4	−2	−2	—	—	—	—	—	—	—	—
Ten Paise/Naye Paise			+1,89	+1,85	+1,52	+1,66	+1,70	+1,67	+1,70	+1,70	+91
Total	**−4**	**−2**	**+1,87**	**+1,85**	**+1,52**	**+1,66**	**+1,70**	**+1,67**	**+1,70**	**+1,70**	**+91**
IV. Cupro-Nickel/Nickel-Brass											
Two Anna	−60	+12	−3,41	−54	−19	−12	−8	−5	−4	−3	−2
One Anna	−66	+24	−1,00	−43	−57	−1,13	−34	−11	−5	−4	−4
Half Anna	−4	+7	−47	−10	−6	−5	−3	−2	−1	−1	−1
Total	**−1,30**	**+43**	**−4,88**	**−1,07**	**−82**	**−1,30**	**−45**	**−18**	**−10**	**−7**	**−7**
V. Cupro-Nickel/Aluminium											
Five-Paise/Naye Paise			+1,18	+1,06	+94	+1,09	+1,08	+1,00	+20	+41	+1,10
Two-Paise/Naye Paise			+69	+52	+52	+72	+55	+49	+64	+53	+46
Total			**+1,86**	**+1,58**	**+1,47**	**+1,81**	**+1,63**	**+1,49**	**+84**	**+94**	**+1,56**
VI. Aluminium/Bronze											
Twenty Paise											+20
VII. Copper/Bronze											
Single Pice	+8	+10	−2	−1	−2	−4	−1	—	—	—	—
Half Pice	—	—	—	—	—	—	—	—	—	—	—
Pie	—	—	—	—	—	—	—	—	—	—	—
Total	**+8**	**+10**	**−2**	**−1**	**−2**	**−4**	**−1**	—	—	—	—
VIII. Bronze/Nickel-Brass/ Aluminium											
One Paisa/Naya Paisa			+62	+57	+57	+61	+49	+32	+25	+24	+29
IX. Aluminium											
Three Paise							+22	+57	+95	+58	+40
X. Total Small Coins (*a*)	**−3,20**	**+1,47**	**+2,88**	**+7,38**	**+6,16**	**+5,90**	**+7,15**	**+8,06**	**+7,00**	**+6,05**	**−2**

(*a*) Including negligible amounts of standard silver small coins returned from circulation.

STATEMENT 96—LOST, DESTROYED AND MUTILATED NOTES, 1968-69

	No. of claims admitted	No. of pieces	Amount of claims admitted (Rs.)	Amount paid against claims (Rs.)(*a*)
	1	2	3	4
Lost or wholly destroyed notes	1	2	2,000	100
Half notes	—	—	—	—
Mutilated notes :				
Registered (Denominations above Rs. 100) ..	128	184	2,48,000	2,38,000
Unregistered (Denominations of Re. 1 to Rs. 100)	1,62,229	17,07,089	1,51,09,994	1,35,00,125
Government of India new one rupee notes		23,67,467	23,46,771	20,94,893

(*a*) Includes amount paid during 1968-69 in respect of claims admitted in previous years.

STATEMENT 97 — 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*)
1966-67	383	652	1,245	717	234	**3,233**(*c*)	**40,482**(*c*)
1967-68	285	1,967	1,188	981	524	**4,947**(*c*)	**74,369**(*c*)
1968-69	51	627	990	4,097	234	**6,000**(*d*)	**71,625**(*d*)

(*a*) Relates to notes received during the year. (*b*) Includes one forged note of Rs. 50 received at Kanpur. (*c*) Includes two forged notes of Rs. 1,000 each received at Calcutta. (*d*) Includes one forged note of Rs. 1,000 received at Nagpur.

STATEMENT 98—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@**
1966-67	—	—	—	3,04@	69	4,11@	**7,85@**
1967-68	—	—	—	3,59	81	4,06	**8,45**
1968-69	—	—	—	2,31	88	2,66	**5,86**

* Pure Nickel Jawaharlal Nehru commemorative decimal rupee coins.
@ Including Jawaharlal Nehru commemorative 50 Paise Coins.

STATEMENT 99—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1968-69

(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	6,268	31,34	—	—	8,820	44,10	**150,88**	**75,44**
Pure Nickel 25 Paise	—	—	—	—	1,480	3,70	**1,480**	**3,70**
Aluminium-Bronze 20 Paise	30,350	60,70	—	—	2,500	5,00	**32,850**	**65,70**
Cupro-Nickel/Aluminium-Bronze 10 Paise	13,630	13,63	14,940	14,94	31,030	31,03	**59,600**	**59,60**
Cupro-Nickel/Aluminium Magnesium Alloy 5 Paise	117,225	58,61	86,880	43,44	246,010	123,00	**450,115**	**225,06**
Aluminium 3 Paise	103,455	31,04	65,870	19,76	100,630	30,19	**269,955**	**80,99**
Cupro-Nickel/Aluminium Magnesium Alloy 2 Paise	110,090	22,02	—	—	105,815	21,16	**215,905**	**43,18**
Nickel Brass/Bronze/Aluminium Magnesium Alloy 1 Paisa	135,090	13,51	103,170	10,32	82,080	8,21	**320,340**	**32,03**
Total ..	**516,108**	**230,85**	**270,860**	**88,46**	**578,365**	**266,40**	**1,365,333**	**585,70**

STATEMENT 100—WITHDRAWAL OF SILVER, CUPRO-NICKEL, COPPER AND ALUMINIUM COINS, 1968-69

(In rupees)

	Amount withdrawn
I. Uncurrent Coins	
Silver Rupees	
Standard Silver Rupee Coins(*a*)	3,608.12
Other uncurrent rupee coins	290.00
Quaternary Silver Coins (*b*)	
Quaternary Whole Rupees	65,617.00
Quaternary Half Rupees	41,138.00
Quaternary Quarter Rupees	37,320.00
Small Silver Coins	
Silver ½ Rupees	47.00
Silver ¼ Rupees	51.50
Silver ⅛ Rupees	9.87
Nickel and Nickel-Alloy Coins	
Cupro-Nickel -/8/- pieces	259.50
Cupro-Nickel -/4/- pieces (*b*)	8,960.50
Cupro-Nickel -/2/- pieces (*c*) (*d*)	2,45,023.12
Cupro-Nickel -/1/- pieces (*c*) (*e*)	4,02,808.47
Cupro-Nickel -/½/- pieces (*c*) (*d*)	1,28,158.00
Copper and Bronze Coins	
Single Pice (*e*)	1,730.47
Half Pice (*f*)	38.00
Total of Uncurrent Coins	**9,35,059.55**
II. Current Coins	
Nickel, Nickel-Alloy and Aluminium Coins	
Nickel Rupees	1,78,33,427.00
Nickel ½ Rupees	1,72,26,772.00
Nickel ¼ Rupees	1,14,84,999.25
Pure Nickel 50 Paise/Naye Paise	98,220.50
Pure Nickel 25 Paise/Naye Paise	1,54,816.75
Cupro-Nickel 10 Paise/Naye Paise	1,16,761.00
Cupro-Nickel 5 Paise/Naye Paise	22,47,186.70
Cupro-Nickel 2 Paise/Naye Paise	1,42,601.52
Nickel Brass 1 Paisa/Naya Paisa	2,125.02
Aluminium 5 Paise	2,700.60
Aluminium 3 Paise	6,003.24
Aluminium 2 Paise	3,356.14
Aluminium 1 Paisa	795.00
Copper and Bronze Coins	
One Naya Paisa	3,482.05
Total of Current Coins	**4,93,23,246.77**
Unspecified Copper Coins	213.20

(*a*) Include coins of other denominations. (*b*) Demonetised with effect from 1st April, 1968 *vide* Government of India Notification No. S. O. 3789, dated 16th October, 1967. (*c*) Includes withdrawn Nickel-Brass coins. Nickel-Brass Two Anna 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. (*d*) Demonetised with effect from 1st October, 1960 *vide* Government of India Notification No. F2(4)-/C & C/60, dated 2nd March, 1960. (*e*) Demonetised with effect from 1st January, 1964 *vide* Government of India Notification No. F.2. (3)-/C & C/63 dated 1st July, 1963. (*f*) Demonetised with effect from 1st January, 1959 *vide* Government of India Notification No. S. O. 1437 dated 18th July, 1958.

STATEMENT 101—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	1966-67	1967-68	1968-69
	1	2	3	4	5	6	7	8	9	10	11
Silver coins											
Rupee	9,200	5,056	2,060	1,480	558	687	455	358	246	42	39
Half Rupee ..	8,252	4,214	2,403	1,542	671	385	194	192	247	91	82
Quarter Rupee ..	13,642	4,871	2,515	992	667	373	482	307	433	187	31
One-eighth Rupee ..	4	—	—	—	—	—	—	—	—	—	—
Total	**31,098**	**14,141**	**6,978**	**4,014**	**1,896**	**1,445**	**1,131**	**857**	**926**	**320**	**152**
Nickel, Nickel-Alloy, Copper, Aluminium and Bronze Coins											
Rupee	4,429	3,637	2,060	2,981	2,778	1,612	559	414	269	182	941
Half Rupee ..	12,886	5,438	10,626	14,103	12,396	7,301	5,804	3,771	894	1,373	7,039
Quarter Rupee ..	23,073	8,010	11,071	4,302	4,261	3,503	4,150	1,481	727	764	2,502
Two Anna	1,70,327	1,24,845	1,83,667	47,835	37,098	26,268	19,142	10,257	2,322	3,610	2,847
One Anna	23,820	8,430	40,787	9,696	9,635	22,274	8,868	868	1,247	1,564	1,391
Half Anna	1,771	1,158	12,824	1,173	1,098	805	202	55	68	112	54
Single Pice	—	—	10	20	675	—	—	—	—	—	—
Pie pieces	—	—	—	—	—	—	—	—	—	—	2
Decimal Rupee ..									1	8	—
Fifty Naye Paise/ Paise			15	1,102	1,979	2,629	3,485	7,230	482	697	1,844
Twenty-five Naye Paise/Paise ..			580	761	1,983	1,765	2,195	2,246	453	770	1,534
Ten Naye Paise/ Paise			160	97	676	241	153	153	78	66	99
Five Naye Paise/ Paise			14	9	101	6	48	27	14	43	29
Three Paise ..								5	3	5	9
Two Naye Paise/ Paise			—	2	32	15	1	3	5	—	1
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**	**6,563**	**9,194**	**18,292**

STATEMENT 102—DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1969

Denomination	Gross Weight	Composition (Proportion of Metals)	Diameter	Edge	Shape
	1	2	3	4	5
Pure Nickel Rupee (*a*) ..	180 Grains	Nickel 100 per cent	1.1″	Milled and security edged	Round coin
,, ,, Half Rupee (*a*) ..	90 ,,	,,	0.95″	Milled	,,
,, ,, Quarter Rupee (*a*) ..	45 ,,	,,	0.75″	,,	,,
		DECIMAL COINS			
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 Fifty 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 and 25 per cent Nickel	23 Millimetres (Outer)	Plain	Scalloped coin
,, ,, Five Paise/Naye Paise(*a*) ..	4.00 ,,	,,	22 ,,	,,	Square coin with rounded corners
,, ,, Two Paise/Naye Paise(*a*) ..	3.00 ,,	,,	18 ,,	,,	Scalloped coin
Aluminium Bronze Twenty Paise ..	4.50 ,,	92 per cent Copper, 6 per cent Aluminium and 2 per cent Nickel	22 Millimetres (Outer)	Milled with serrations numbering 114	Round coin
Aluminium Bronze Ten Paise ..	4.25 ,,	,,	23 Millimetres across scallops	Plain	Scalloped coin
Aluminium Five Paise ..	1.50 ,,	Aluminium with 3.5 to 4 per cent Magnesium	22 Millimetres across corners, 19 Millimetres across flats	Unmilled rim	Square coin with rounded corners
Aluminium Three Paise ..	1.25 ,,	,,	19.55 Millimetres across flats, 22 Millimetres across corners	Plain	Hexagonal shape with rounded corners
Aluminium Two Paise ..	1.00 ,,	,,	20 Millimetres (Outer)	,,	Scalloped coin
Aluminium One Paisa ..	0.75 ,,	,,	17 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	,,	,,	,,

(*a*) The issue of these coins has been discontinued.

INDEX

A

	Page
Advances of scheduled banks	20
Advances against cotton and kapas	23, 74, 108
Advances against foodgrains—control on	23, 107
Advances against groundnuts	19, 23, 79
Advances against oilseeds	23, 108
Advances against paddy and rice	19
Advances against seasonal commodities	17
Advances against sugar and gur	19
Advances against vanaspati and vegetable oils	23, 108
Advances against wheat and other Foodgrains	19
Advances to vanaspati manufacturers	23, 79, 108
Agricultural Credit Corporation	112, 113
Agricultural output	1
Agricultural Strategy	67
Agricultural Prices Commission	13, 70
Agricultural Refinance Corporation	112, 122
Aid India Consortium—Assistance from	40, 44
All India Rural Credit Review Committee — recommendations	112
Annuity Deposits certificate	165
Asian Economic Co-operation	62
Asian Development Bank	62

B

	Page
Balance of payments	35-44, 46
Balance of payments—Capital Transactions	36, 38
Balance of payments—Current Account	36, 39
Balance of payments—exports	36
Balance of payments—external assistance	36
Balance of payments—foreign investment policy	40
Balance of payments—imports	35
Balance of payments—invisibles	36
Balance of payments—overall trends	35
Balance of payments—regional trends	38
Banking Regulation Act	110
Banking trends	15
Banks borrowings from the Reserve Bank	20
Bank credit to Government	15
Banks' credit to private sector	16
Banks' deposits	17
Banks' investments in Government Securities	17
Bank Rate—Concessional rate	18
Banking Laws Amendment Bill, 1968	109
Banking Legislation	109
Basic Industries	84-89
Bill Market Scheme	21
Board of Trade—activities of	174
Bonus Issues	26
Borrowings from Reserve Bank by Co-operative banks	116
Budgets—State Governments	32, 154
Budget—Union Government	24, 143
Budgetary position—overall	24, 143
Budgetary Outlays	28, 145
Budgetary Resources	28, 147
Budgetary Trends	27, 143
Busy season 1968-69	18

C

	Page
Call money rate	18, 20
Capacity Utilization—Industrial	7, 8
Capital account—balance of payments	36
Capital goods industries, production	6, 7, 89-93
Capital issues	25, 130
Capital issues, foreign participations	40
Capital issues under Exemption Order	131
Capital Issues Control—Relaxation	131
Capital expenditure, Union Government	146
,, ,, State Governments	159
Capital Receipts	145
Capital Transactions	38
Castorseed production	65, 77
Cement production	6, 86
Cement Corporation of India	87
Cement—Imposition of controls	87
Cement—prices	87
Central Assistance to States	150
Central Government loans, floatation	160
Central Government loans, yields	128
Central Warehousing Corporation	126
Cereals—production and prices	10, 65
Chemicals and Chemical products	6, 12
Coal production	84
Coffee	81
Coffee Development Plan	81
Coffee exports	81
Coffee production	81
Coffee Pool	81
Coins—circulation of	182
Coins—counterfeit	183
Coins—withdrawal	183
Company Legislation	141
Company Act 1956	141
Commission on International Development	57
Consumers' Co-operatives	125
Consumer goods industries production	7, 99
Co-operatives—issue of debentures	117
Co-operative Credit, institutional developments	112
Co-operative Credit, trends in	112,116,120
Co-operative marketing	119
Co-operatives, financial assistance from Reserve Bank	86,87,116
Co-operative Credit—short-term finance	116
,, ,, —handloom finance	118
,, ,, —medium-term credit	120
,, ,, —*long-term finance*	120
Co-operative processing	123
Co-operative sugar factories	123
Compensatory financing scheme	51
Corporation Tax	151
Corrective Measures and Schemes	50
Cotton, consumption by mills	73
Cotton exports	73
Cotton imports	37, 44, 73
Cotton policy	74
Cotton prices	11, 14, 73
Cotton production	1, 65, 68, 72
Cotton textiles—exports	37, 101
Cotton textiles—production	6, 99
Cotton textiles—prices	12, 101
Cotton textiles—stocks	99
Cotton Textiles Agreement	61
Cotton Textiles Companies Act	101
Counter part funds	44
Credit controls	23, 74, 77, 79, 106-109

C—(*Contd.*)

	Page
Credit Controls—Foodgrains	106
,, ,, —Oilseeds, Vegetable oils	106
,, ,, —Vanaspati	108
,, ,, —Raw Cotton and kapas	106
,, ,, —Raw Jute	109
Credit—deposit ratio	18
Credit Guarantee Scheme for Financing Small Industries	132
Credit Guarantee Organisation	22
Credit Policy	1, 21, 139
Crop loan system	114
Cumulative Time Deposits	165
Customs duties	151

D

Debentures issued by co-operatives	117
Debt position, State Governments	168
Debt position, Union Government	160
Defence Deposit Certificates	165
Defence Outlays	146
Deficits Budgetary	28
Deposits—control on acceptance by non-banking companies	110
Deposits of co-operatives, insurance of	111
Deposit Insurance Corporation—Working of	110
Deposit Insurance Corporation (Amendment) Bill 1967	111
Deposit liabilities of scheduled banks	17
Deposits at Post Office Savings Bank	165
Developments in Trade Policy	174
Development expenditure of States	28
Development expenditure of Union Government	28
Development Finance	54
Direct taxes—Union Government	151
Dollar area—India's deficit with	39
Developments in Exchange Control	178
Deposits—time	15
Devaluation—sterling, franc	47, 48

E

East India Cotton Exchange	74
E.C.A.F.E.	62
Economic Development Review	1-44
Electrical Engineering Industries	91
Engineering and Metallurgical Industries	89
Equities Market	25
European Economic community	61
Exchange control developments	178
Excise duties	151
Expenditure, State Governments	159
Expenditure, Union Government	146
Exports—Committee on Development of Export Possibility of Agricultural Products	175
Exports—Committee on Export Packaging	175
Export Credit and Guarantee Corporation	111
Export Credit Guarantee	112
Exports	37, 174
Export Finance	132
Export of coffee	81
Export of cotton	73
Export of cotton textiles	37, 101
Export of groundnuts	78
Export of iron ore	37, 86
Export of jute	77
Export of jute manufactures	37, 93
Export of oilseeds	78

E—(*Contd.*)

	Page
Export of sugar	80
Export of tea	37, 81
Export of tobacco	82
Export of vegetable oils	37
Export of woollen textiles	102
Export of Coal	84
Export—deferred payments	134
Export of Engineering Goods	37, 92
Export Performance Guarantee	111
External assistance	40, 44
External borrowings	162
Export—cashew-kernels	37

F

F.A.O.	61
Fair Price Shops	14, 65
Fertiliser Association of India	120
Fertiliser Credit Committee	120
Financing of small-scale industries	139-141
Finished Steel	88
Flow of Bilateral Aid to Developing Countries	56
Food Aid Convention	62
Food Corporation of India	13, 66
Foodgrains distribution	14, 65
Foodgrains Buffer Stock	65
Foodgrains imports	13, 65, 66
Foodgrains—output	1, 65, 66
Foodgrains—price trends	9, 10, 66
Foodgrains—procurement	65, 66
Foreign Exchange Assets of the Banking System	16
Foreign Exchange Reserves	35
Foreign Investment Board	40
Foreign Investment Policy	40
Foreign loans	162
Forward trading in—Jute	76
Forward market Commission	14, 76
Futures trading in oilseeds	79

G

General Agreement to Borrow	51
General Agreement on Trade and Tariff	61
Gilt-edged market	127
Gold and Silver	26
Gold Control Act 1968	26
Gold prices	26
Gold rush	45
Government (Central) Assistance to States	150
Government imports	37
Government indebtedness to the banking System	15
Government loans, floatation	24
Government of India, resources	28, 147
Government securities, investment in by scheduled banks	16
Government securities prices	24
Government net Currency liabilities to public	16
Groundnut—control on advances against	79
Groundnut—Exports	79
Groundnut—forward trading	79
Groundnut production	1, 55, 77
Groundnut prices	11
Guarantee scheme for financing small scale industries	132, 139
Gur prices	10

H

	Page
Handloom Finance	118
Hand-loom Weavers Co-operative Societies	118
Heavy Mechanical Engineering Industries	90
High Yielding Varieties Programme	12, 67

I

	Page
IBRD—assistance from	35, 54
IDA—assistance from	25, 41, 54
Iron ore, production, exports etc,	85
I.J.M.A.	76
IMF—loans from	35, 38
I.M.F.—Role of	51
Imports	37
Import Policy	175
Import duties	176
Imports of cotton	37,44,72,73
Imports of foodgtains	37, 65, 66
Imports of jute	37
Imports of rice	65, 68
Imports of steel	37
Import of soyabean oil	37
Imports of wheat	44, 69
Imports of wool	103
Imports on Government account	37
Imports on private account	37
Import fertilisers	37
Income-tax	25
Indian Institute of Foreign Trade	175
Indian Coinage Act—Amendment	183
Indirect taxes	151
Industrial co-operatives, assistance from	
Industrial Finance Corporation	136
Industrial Credit and Investment Corporation	136
Industrial Development Bank of India	23, 54, 132
Industrial Finance—Institutions providing	131
Industrial Finance Corporation of India	135
Industrial output	2, 82
Industrial production—Index	23
Industrial raw materials—prices of	9, 11
Industrial Securities Market	24, 128
Integrated Oilseeds Development Scheme	78
Inter bank call money rate	18, 20
Intermediate goods Industries	6, 93-98
International Coffee Organisations	62
International Monetary System	45
International Monetary Reform	52
International Payments Situation	45
International Buffer Stock Finance Scheme	51
International Sugar Agreement	62
International Grains Arrangements	62
Invisibles	37

J

	Page
Jowar prices and output	10, 71
Jowar, price support	65
Jute goods—exports	37, 93
Jute goods prices	12, 94
Jute goods production	1, 68, 93
Jute raw—exports	77
Jute raw—imports	77
Jute raw—prices	11, 14, 76
Jute raw—production	65, 68, 77
Jute raw—quotas for purchases by mills	77
Jute raw—regulation of forward trading	76
Jute (Licensing and control order 1961)	94
Jute Textiles	93
Jute and Jute Goods Buffer Stock Association	14, 76
Jute Stabilisation Reserves	62

K

	Page
Kennedy Round Trade Conference	61

L

	Page
Liberalisation of Trade Policies	61
Liquidity position of Banks	19
Liquor and Tobacco and Fuel Power, etc.—prices of	12
Loans—State Governments	168
Loans—Union Government	160

M

	Page
Manufactures, prices, etc.	12
Market borrowings, Central Government	163
Market borrowings, State Governments	169
Metallurgical industries	92
Minting of small coins	183
Minerals and Metal Trading Corporation	85, 175
Money market	106,126
Money Rates	106
Money Supply	1, 15
Money Supply—casual factors	16
Monopoly Procurement of Paddy	13, 65
Monetary and Banking Development	15

N

	Page
National Agricultural Credit (Long-term Operations) Fund	115, 121
National Agricultural Credit (Stabilisation) Fund	120
National Co-operative Consumers' Federation	125
National Co-operative Development Corporation	120, 123
National Credit Council	110
National Defence Certificates	165
National Defence Remittance Scheme	179
National Income trends in	1,82-84
National Industrial Development Corporation	138
National Plan Bonds	160
National Co-operative Agricultural Marketing Federation	119
National Small Industries Corporation	140
National Small Savings Certificates	165
National Textile Corporation	101
New Agricultural Strategy	67
Non-Banking Companies Regulation of Deposits	110
Non-Project Assistance	41
Non-tax revenue	147
Note Circulation	182
Note Forgeries	183
Notes, lost, destroyed and mutilated	183

O

	Page
O.E.C.D.	39
Oilseeds	1, 65, 78
Oilseeds—advances against	23, 79, 108
Oilseeds—exports	78
Oilseeds—package programme for production	78
Oilseeds—price trends	78
Oilseeds—production	78
Open market operations	23
Other cereals	1, 71
Outlays—State Governments	154
Outlays—Union Government	143
Output Agricultural	1
,, Industrial	2
,, Prices and Policy Measures	1-15
Overall Balance of Payments	46

P

	Page
Package Programme for Cotton	72
Paddy and rice fixation of support price	69
Paper and paper board—production and prices	103
Plan Outlays	27, 34
Payments Position—U.K. & USA	47
Payments—Other Industrial Countries	47
P. L. 480	38, 44
Pig Iron and Ferro alloys	87
Pig-Iron—Production, exports etc.	87
Policy Measures—Agricultural and Industrial	14
Post Office Savings Bank deposits	165
Pre-shipment Credit Scheme	22
Prices—Consumer	12
,, General	1, 7
,, Wholesale	9
,, Bajra	10
,, Cement	87
,, Cereals	10
,, Chemicals	12, 96
,, Coal	15, 85
,, Cotton (raw)	11, 73
,, Cotton textiles	12
,, Equities	24
,, Edible oil	10
,, Food articles	9, 10, 66
,, Groundnuts	11
,, Gur	10
,, Intermediate Products	93-98
,, Industrial raw materials	9, 11
,, Jowar	10
,, Jute (raw)	11, 14, 76
,, Jute goods	12, 94
,, Liquor, Tobacco, Fuel and Power	9, 12
,, Manufactures	9, 12
,, Oilseeds	11, 78
,, Paper and paper board	103
,, Pulses	10, 72
,, Rice	10, 68
,, Rubber manufactures	95
,, Steel	15, 89
,, Sugar	10, 80
,, Tobacco	9, 82
,, Wheat	10, 69
,, Woollen textiles	103
Price support for jowar	65
Price support for jute	14
,, ,, for cotton	14
Price support for wheat	70
Priority Sectors	22
Price Policy	12
Price Policy-Wheat	70
Primary Agricultural Credit Societies	116
Procurement—Monopoly	13, 65
Procurement and purchase of Foodgrains by Government	13, 65
Production—Agricultural commodities	65
,, Capital goods	67
,, Castorseeds	65, 77
,, Cement	6, 86
,, Cereals	65
,, Chemicals	6, 96, 97
,, Coal	84
,, Coffee	81
,, Consumer goods	7
,, Cotton (raw)	1,65,68,72,73
,, Cotton textiles	99
,, Fertilisers	96, 97
,, Finished Steel	88
,, Food articles	1,65,66,68
,, Groundnut	1, 65, 77
,, Industrial	2, 4
Production—Iron Ore	85
,, Jute (raw)	1,11,65,68,77
,, Jute textiles	93
,, Metallurgical industries	92
,, Oilseeds	1, 68, 78
,, Pig-iron and ferro allowys	87
,, Pulses	1, 65, 72
,, Rice	67
,, Rubber manufactures	95
,, Steel	88
,, Sugar	80
,, Sugarcane	1,2,65,68,80
,, Tea	2, 68, 81
,, Tobacco	2, 68, 82
,, Wheat	1, 69
,, Woollen Textiles	102
Public debt Union Government	160
Public debt State Governments	168
Public Provident Fund Scheme	168
Pulses, output and prices	65, 72

P—(*Contd.*)

R

	Page
Railway Finances	170
Railways Funds	172
Railway Plan	172
Rationing Statutory	14, 65
Rediscounting of bills, scheme for	132
Reserve Bank of India—Bank Rate	18
Reserve Bank of India—borrowings by scheduled banks	20
Reserve Bank Credit to Government	16
Reserve Bank of India financial accommodation to co-operatives	116
Reserve Bank of India financing of Small Scale Industries	132, 139
Reserve Bank holdings of Treasury bills	163
Reserve Bank—loans to State Financial Corporations	137
Reserve Bank of India open market operations	23
Reserve Bank—Overdrafts by States	168
Resources, State Governments	30, 156
Revenue Receipts	30, 145
Revenue Account	30, 146
Rice— control on advances against	19
,, Imports	65, 68
,, Output	1, 67
,, Prices	68
,, Procuremnt	13, 65, 68
,, Zone	69
Rubber manufactures production prices and Exports	95, 96
Rupee Coin—circulation of	182
Rupee debt	163
Rupee Export Bills, Re-finance at the Bank Rate	21
Rural Electrification Corporation	112

S

	Page
Scheduled Commercial Banks borrowing from the Reserve Bank of India	17, 20
Scheduled Commercial Banks' deposits	15
,, ,, interest rates	18
,, ,, Investment in Government Securities	17
Seasonal Monetary and Banking Trends	16
S.D.R.	53

Page

S—(*Contd.*)

Security Market 23,27,127-130
Selective credit controls .. 23,74,77,79,106-109
Share prices 24
Shares—yield on 24
Silver prices 104
Silver production 104
Silver Ordinance 26
Slack season 17
Small Coins—Circulation of 182
Small Farmens' Development Agencies .. 112
Small Savings 165
Small Scale Industries financing of 139-141
Small Scale Industries, Credit Guarante Scheme for 132-139
Social Control 1,109
Soyabean Oil 11
Standing Finance Committee-All India Handloom Board 118
Standing Advisory Committee on Rural and Co-operative Credit 114
State Ministers' Conference 113
State Bank of India, assistance to small scale industries 132-140
State Co-operative Banks 116
State Co-op. Consumers' Federation .. 125
State Financial Corporations—working of .. 137
State Assistance from the centre 150
State Governments, budgets 154
State Governments—debt position 168
State Governments expenditure 159
State Governments Loans 168
State Governments—Overdraft 168
State Governments, resources 156
State Governments tax proposals 154
State Governments holding of Treasury bills 165
State Industrial Development Corporations 138-139
State Trading Corporation 72,174,175
State Warehousing Corporations 126
Steel Imports 37,88
,, Price 15,89
,, Production 89
,, plants 88
Sterling Area—Balance of payments position with 38
Stock of Food-grains 13,65
Strategy for Integrated Regional Co-operation 63
Sugar 80
,, partial decontrol 79
,, control on distribution 79
,, exports of 80
,, production 80
,, ,, in the Co-operative Sector 123
,, ,, measures to rise 79
,, prices 19
Sugarcane production 1,2,65,68,80
Sugarcane price 14,80
Survey of Deposits with Non-Banking Cos.. 110
Synthetic Fibres 6

T

Tariff Commission 176
Tax revenue—State Governments 28,29,154
Taxation Corporation 151
,, Direct 151
,, Indirect 151
,, personal 151

Page

T—(*Contd.*)

Taxation proposals—State Governments .. 154
Taxation proposals—Union Government .. 151
Tea 81
Tea exports 37,81
Tea Plantation Finance Scheme 82
Tea production 2,68,81
Tobacco exports 82
Tobacco, liquor, price, trends 9,12,82
Tobacco production 2,68,82
Trade agreements 177
,, policy 174
Transport Equipment 12
Treasury bills 163,164
Trends in Co-operative Credit 116

U

U. N. Conference on Trade and Development 61
Unit Trust of India 138
Union Government Budget 1968-69 .. 24, 143
Union Government, public debt 160
U.S. aid 42

V

Vegetable Oils—controls on advances against 23,79,108
Vanaspati-prices 11

W

Wheat—control on advances against .. 19,23
,, imports 44,69,70
,, prices 10,69,70
,, price support for 70
,, production 1, 69
,, Purchases under P.L. 480 Agreement 70
,, Zonal System 66,69,70
Wheat- Procurement 13,65,69,70
Wheat Trade Convention 62
Wholesale prices 9
Woollen Textiles 102
Working Group on Industrial Financing 112,114
World Reserves 45
World Trade 44-64

Y

Yields on Central Government loans .. 128
,, Industrial Securities 128
,, State Govt. Loans 128

Z

Zonal restrictions—food-grains 13,66
Zonal System for distribution of wheat .. 66,69,70
Zone for rice 69

Printed by Rev. Theodore A. Pereira at the Examiner Press, 35, Dalal Street, Bombay and Published by Shri U. S. Navani, Director of Publications and Press Relations, for the Reserve Bank of India, Bombay.