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

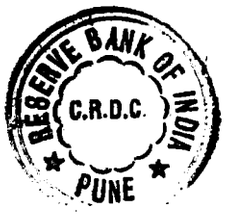
REPORT ON CURRENCY AND FINANCE

1971-72



RESERVE BANK OF INDIA

BOMBAY



329.5059/RBI
505

PRICE { Inland Rs. 18
Foreign $ 4

Printed by Shri J. S. Khamesra at G. Claridge & Co. Ltd., Bombay and published by Shri U. S. Navani, Director of Publications for the Reserve Bank of India, Bombay.

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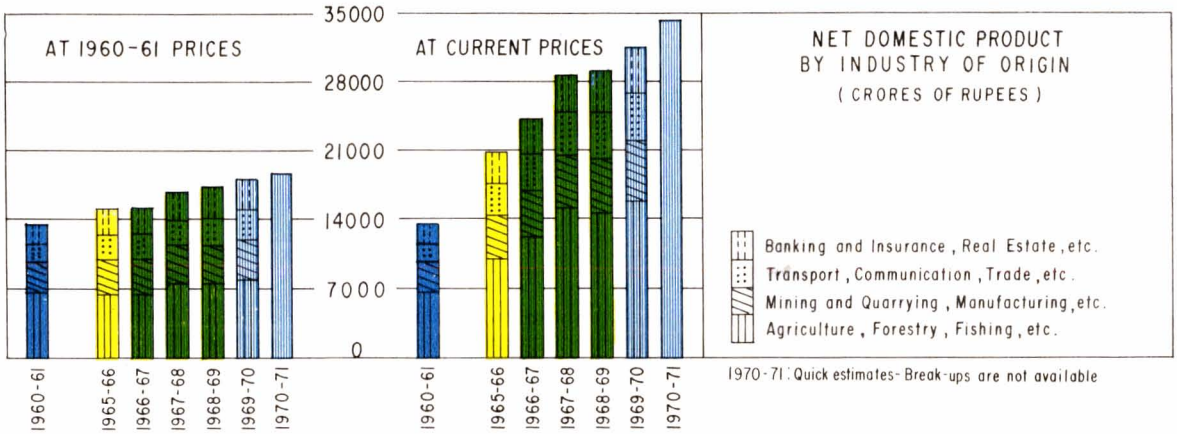
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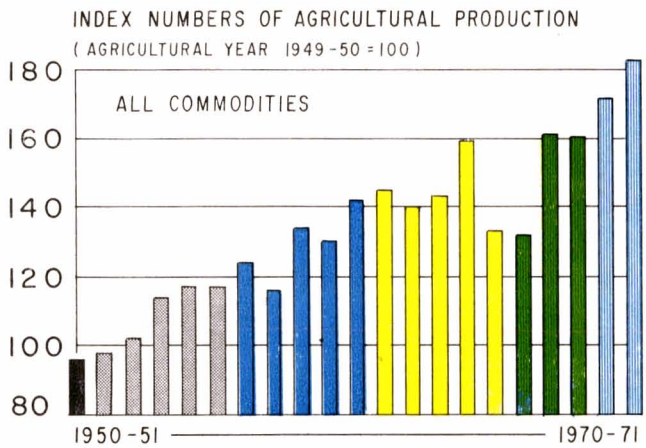
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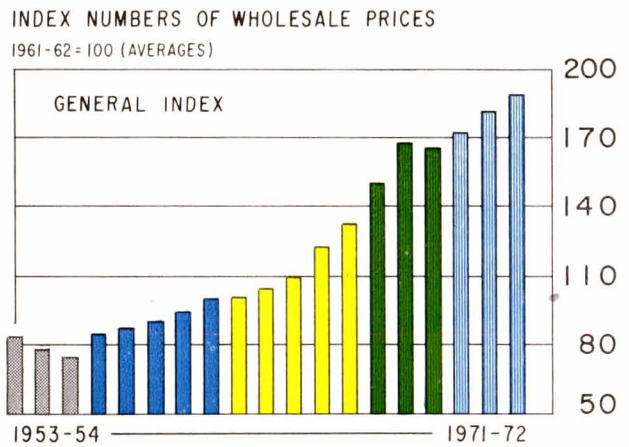
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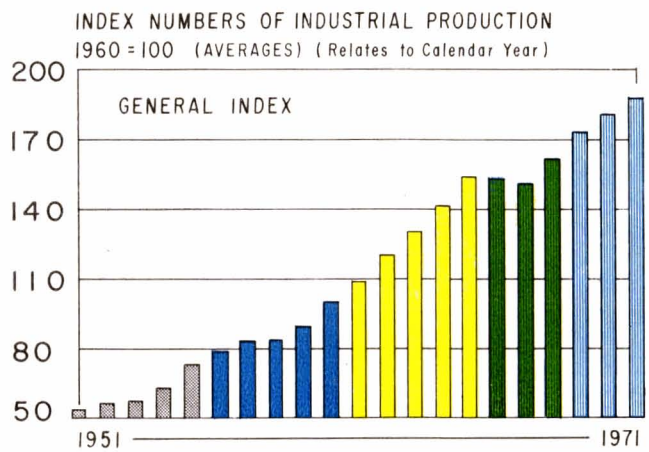
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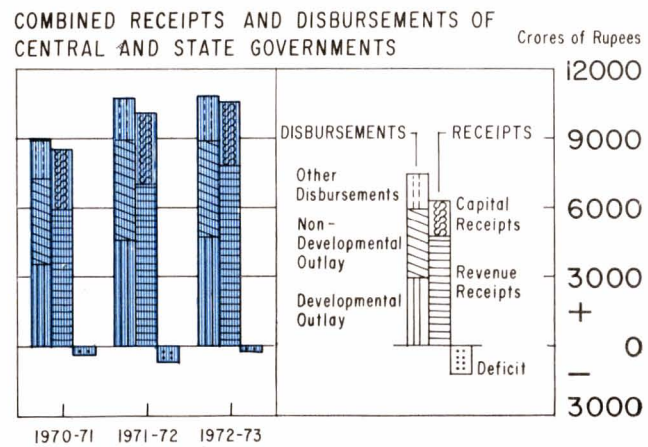
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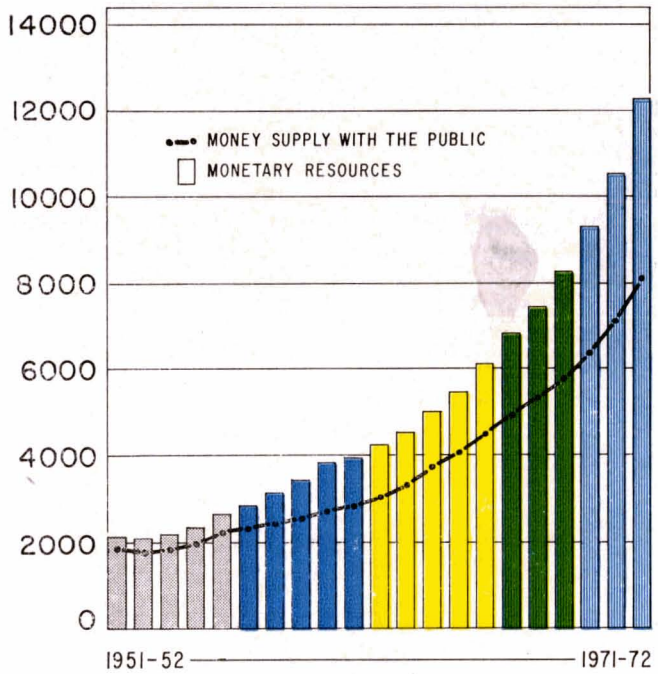


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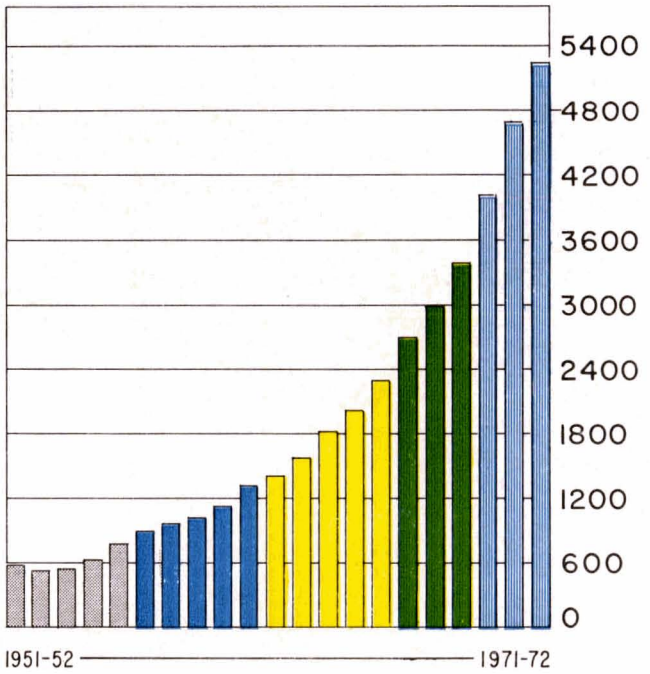
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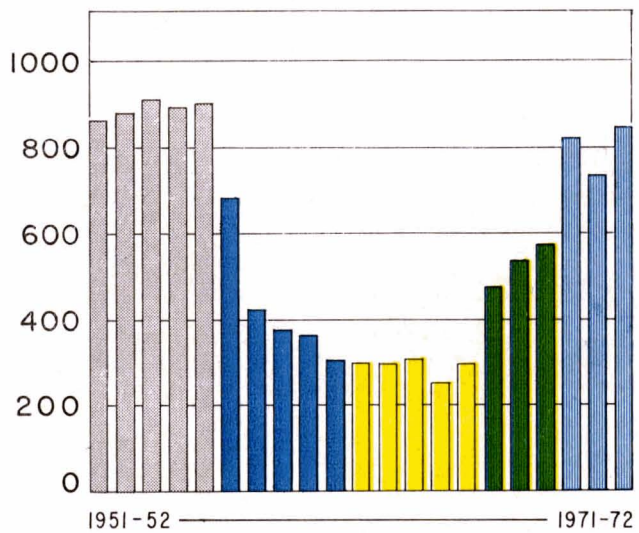
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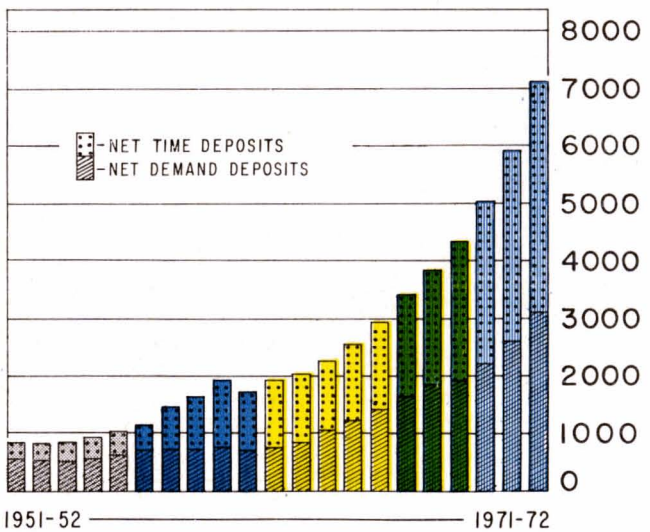
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(As on last Friday)



First Plan | Second Plan | Third Plan | Annual Plan | Fourth Plan

CHAPTER I—INTRODUCTION

The period covered in this Report, July 1971 to June 1972, was one which witnessed far-reaching political and economic changes, both in the Indian sub-continent and outside. Even in the months prior to this period, the Indian scene had been changing at a fast pace. But events moved much faster and more drastically in this year, culminating in the emergence of Bangladesh as an independent country. Only some of the consequences of these changes were felt immediately; some others are still in the process of becoming manifest in both social and economic spheres. The political changes mentioned above imposed heavy burdens on the economy, first in the shape of inflow of refugees who at one stage numbered nearly 10 million; secondly, in rapid increases in defence and war involvements; and thirdly, in the disruption of aid and trade relationships. This last element was further compounded by the major readjustments of political relations amongst the principal world powers and breakdown of the international monetary system.

Much the most significant of these power realignments was the *detente* between the United States and China resulting, among other things, in the latter's entry into the United Nations. The Moscow Agreement between the US and the USSR further changed political relations both in Europe and West Asia. An event of significance to India was the decision of the UK to enter the European Economic Community in early 1973. These events have altered totally the political circumstances in which developing countries like India have to function and progress. In the monetary sphere, convertibility of the US dollar was suspended in August 1971 and its value allowed to depreciate until its formal devaluation under the Smithsonian Agreement of December 1971. There were devaluations in Pakistan, Nepal and Ceylon amongst India's neighbours in the subsequent period. In late June 1972 the pound sterling was left to float and exchange controls were imposed by the UK virtually putting an end to the sterling area. With the uncertainties mounting in respect of currency values and South Africa's policy of withholding gold supplies, international prices of gold reached unprecedented levels. UNCTAD III met in Santiago, Chile, and carried forward the debate on readjustment of policies to benefit trade and development.

Even a few of these changes should normally have sufficed to induce far-reaching repercussions on the internal and international balances of the Indian economy. Coming as they did together, their impact could have been shattering. But as things turned out, the Indian economy continued to be in good shape until fairly recently; it is only in the last few months that the lagged effects of some of these factors have become apparent.

Before we turn to these, it is helpful to take a quick look at some of the underlying changes that have occurred, or were occurring, in the Indian economy even before 1971-72. Developments since the great droughts of 1965-66 and 1966-67 and devaluation of June 1966 comprise partly the recovery of the economy from the very low *levels* of aggregate output, investment and consumption reached at the end of the Third Plan period; but the more important elements of change related to the *structure* of the economy rather than the aggregate magnitudes.

Viewed in summary fashion, the changes that have qualitative significance are the following : (*a*) There have been major technological changes in the agricultural sector and though fluctuations in agricultural output have not been obviated, they occur at a higher "trend level of output" (which in respect of foodgrains is around 106 million tonnes, at present). Contrariwise, no major structural change has occurred in the industrial sector in the last five years except to the extent of emergence of some new petro-chemical products. Virtually all the problems of the machinery and engineering industries persist

and dependence of the private industrial sector on the public sector's investment outlay, both for capacity utilisation and for establishment of new units, has become more obvious. There has, however, been an improvement in the technical and managerial potential of the industrial sector.

(*b*) A combination of subdued investment expenditure and enlarged supply of consumer goods (from the agricultural sector) not only moderated the increases in domestic prices, but also helped in improving India's foreign exchange position. This improvement was accompanied on the imports side by a virtual cessation of food imports; and on the exports side by rapid growth in the exports of ores, engineering goods and machinery. In the event, India had built up its foreign exchange reserves and patterns of imports and exports had become more sensitive to further growth and diversification of the economy.

(*c*) The slower increase in domestic investment, which partly explains the comfortable balance of payments position at the beginning of 1971-72, was evident in both the public sector and private industrial sectors. It is, however, difficult to gauge fully the measure of change in investment that had occurred in the agricultural sector. By and large, both fixed and working capital investments in agriculture had risen with the adoption of the new agricultural techniques in different parts of the country as indicated by increased demand for tractors, pump sets, electrical motors and so forth as well as fertilizers, pesticides and improved varieties of seeds. Likewise, there are indications that since 1967-68, inventory investments in the economy have increased, probably more than making up the serious depletion of stocks in the mid-sixties.

(*d*) In terms of overall savings and investment, net domestic saving continues to be the main source for net domestic investment. Foreign resources amount only to a little over one-seventh of aggregate investment in the economy. More importantly, households — that is, all entities outside the public and corporate sectors — constitute the main source of domestic savings. And even more significantly, households savings in the form of monetary assets have tended to become a larger proportion of the total than before. This has been apparent in the rapid growth of savings and time deposits held in banks, as also in life insurance and provident fund contributions. While growth in these items has undoubtedly been stimulated by the expansion of primary and governmental holding, there is little doubt that institutional changes have also had a role to play in this matter. The rapid increase particularly in the last three years in commercial banking facilities, insurance and provident fund coverages, postal savings facilities and more recently bank nationalisation — all these have not only made it easier for people to hold their savings in a financial form, but have also provided a measure of Government backing to them. Clearly, these institutional changes have come to stay and should be expected to continue to exert an influence on the pattern of community's savings.

(*e*) Despite larger supplies of wage-goods and slower additions to development expenditures than envisaged in the Fourth Plan, price increases have not been avoided, though they have been moderated very considerably. Concurrently with increases in output and prices, there has been a rapid enlargement of aggregate monetary resources (currency plus demand deposits plus time deposits) in the economy. Between 1966-67 and 1971-72, aggregate monetary resources rose by over Rs. 6,000 crores or by an average annual rate of 13.3 per cent. In the process, the proportion of currency in aggregate monetary resources has come down from over 45 per cent to less than 39 per cent; and the marginal ratio of currency to aggregate monetary resources amounted only to about 24 per cent in 1971-72. While these magnitudes will be different when related to money supply with the public, the direction of change will be the same. Thus, not only has the community's preference for liquid assets showed a marked

change, but it seems to have shifted somewhat in favour of liquid assets yielding a return.

(*f*) The increase in aggregate monetary resources in recent years has been faster than the increase in net domestic product (or net national income) at current prices. Whether this is an evidence of greater administrative control on prices or of lower income velocity of monetary resources, it is difficult to say; but there is little doubt that part of the explanation lies in the latter element. Because of this, it has become even more than usually difficult to establish any precise correlation between changes in prices and those in aggregate monetary resources.

(*g*) Notwithstanding continuing increase in tax revenues, there has been no significant increase in the proportion of public investment financed by public saving. Indeed, it is more correct to say that this proportion has tended to become smaller over the years. In consequence, additions to public investment outlay have come to depend on larger drafts on household savings than formerly. This draft is almost wholly *via* the financial institutions, including the Reserve Bank of India. The direct flow of household savings into the bond market is virtually nil; and in respect of the market for equity capital it is very small. In both these markets, institutions such as the IDBI, LIC, commercial banks, Employees' Provident Fund, Unit Trust and so forth, have become the principal operators. And for the supply of equity capital, private corporations have had to rely more on conversion of reserves and investments by term-lending institutions than on new subscriptions by households. The growing dependence of private sector investment on the resources of public sector financial institutions implies that the authorities are in a better position to influence not only the short-term but also the long-term interest rates in the economy.

(*h*) As in other areas, in respect of the tax structure also, certain features have become more pronounced over the years. Direct taxes have not exhibited much income elasticity and increases in rates do not any longer offer much scope for enlarging tax yields. Likewise, in the field of indirect taxes, the ease with which they are shifted makes them partly the instrument of cost-inflation. With the public sector itself being a large consumer of goods and services in the economy, this has meant that the *real* transfer of resources to the public sector secured by additional commodity taxation has become smaller per unit of normal tax.

(*i*) Finally, in consequence of price increases and price support policies, there has been a shift in relative prices in favour of agricultural producers. There has been an enlargement of agricultural incomes and very likely an increase in income inequalities in the rural areas. Likewise the tendency of domestic prices to keep rising has reduced both the incentive effect of several of the measures taken to promote exports and the deterrent effects of tariffs and other restrictions on imports. It is of course true that inflationary developments outside India have moderated somewhat the repercussions of domestic price increases on balance of payments; but the point remains that the changes which have already occurred could accentuate the pressure on foreign exchange reserves as domestic investment picks up and competition from third countries becomes more intense in India's export markets.

It is against this background that the events of 1971-72 have been surveyed in this Report. Since subsequent chapters deal with each aspect of the economy in detail, only certain main developments may be summarised here. Until December 1971 the economic situation showed no significant evidence of strains caused by the refugee influx and war with Pakistan. Current spending in the economy was more or less matched by the large stocks of agricultural commodities inherited by the economy from the unusually good crop of 1970-71 and by intensive utilisation of whatever aid funds were available. Since, except in a few cases, spare industrial capacity was available, the special needs of defence could also be met by additional production. As new demands on the

public sector arose, supplementary measures of taxation and borrowing were utilised to transfer a part of the plentiful monetary resources in the private sector to Government. The extraordinary sense of national priorities during that period, combined with a satisfactory enough *kharif* crop, discouraged speculative activity and promoted relative price stability. In the event, between end-June and end-December 1971, the general price index had gone up by hardly 1.0 per cent, despite an increase of Rs. 320 crores (5.6 per cent) in the net indebtedness of Government to the banking sector and Rs. 726 crores (6.5 per cent) in aggregate monetary resources. Also foreign exchange reserves improved somewhat, consequent to some extent on the disruption of jute exports from the present Bangladesh. While these were evidences of proper economic management at a time of large unexpected strains, they probably also affected the development programme as a result of the diversion of steel, transport facilities and chemicals for defence purposes. The effects of unutilised purchasing power built up during this period were to be experienced later.

Subsequent to January 1972, some of the potential demand that had been created in the earlier period has been activated and superimposed on supply shortages; though the 1972 *rabi* crop of wheat was of record dimensions, market arrivals of total foodgrains, inclusive of releases from the stocks of the Food Corporation of India, during the early part of the year turned out to be less than adequate. The actual budget deficit of the Central and State Governments together was also larger than expected. Since this increase was due more to increased expenditure than reduced receipts of the Government sector, there should, in principle, have been an increase in utilisation of productive capacity and secondary investments in the private sector. But available data so far do not indicate that this has been the sequence of developments. While there has been a rise in the index of industrial production for the first few months of 1972, the major part of the increase occurred in the cotton textile and jute industries, which have substantial weights in the industrial production index. Production trends in the capital goods industries have not been particularly impressive; one way or another Government expenditures were more in the nature of consumer outlays and transfers to households than of investment.

Further, a variety of price policies pursued by the Government have tended to protect agricultural incomes. While these could be justified in terms of promotion of new technology and redistribution of the benefits of development, they also have the effect of keeping food and other agricultural prices high even where supply conditions favour a reduction. In the past two months, the picture has been further complicated by inadequate rainfall in several parts of the country, with deleterious effects on the prospects for the *kharif* crop of 1972. As will be explained later, several measures have been initiated to deal with the situation; but in the meantime prices have increased rapidly and shortages have developed in respect of several commodities. Simultaneously, the economy remains highly liquid, with a rapid accretion of deposit resources and only moderate return of currency to the Reserve Bank. As mentioned earlier, the trends in production during the first three months of 1972 were encouraging, but it is not clear if they have been maintained subsequently when, power shortages combined with transport bottlenecks to hamper industrial production.

Notwithstanding all of these changes, for the fiscal year 1971-72, both domestic savings and investment constituted larger proportions of net domestic product at market prices (see Table 4 in Chapter II). Again, as will be explained later, much of this was in the form of larger money savings by the household sector, with both Government and corporate sectors drawing on the households to supplement their own savings. Precise information on the sectoral distribution of these larger investments is not yet available but investment projects utilising aid funds were amongst those which accounted for some of the increased outlay. Presumably

also there were larger investments in construction activity, both public and private. It is not possible to assess whether there were marked differences in this regard between the pre-December 1971 and post-December 1971 periods; also since these increases in savings and investments were in respect of the fiscal year and not the July 1971 — June 1972 period covered in the Report, they should be cautiously interpreted. But it is worth noting that all of these trends are in accord with the underlying changes in the economy which were listed earlier.

Finally, there has been no great pressure on the rupee during 1971-72 despite all of the internal changes described above. While the import surplus during the year was larger than in 1970-71, the bulk of it was financed by aid funds rather than any drawals of reserves. In regard to exports, available evidence is somewhat confusing and it is not yet clear what the increase compared to the past was. But both jute exports and cotton textiles did well enough to suggest that the increase probably compared favourably with that in the previous year. Thus the stability on the balance of payments side continues alongside of some improvement in domestic investment. This final result is partly in keeping with the earlier years' experience; but partly it is a reflection of the weakness exhibited by such major currencies as the US dollar and the pound sterling, as well as the steep increase in the international price of gold. These probably helped in preventing any build-up of pressures on the rupee in the so-called free markets.

On the question of domestic prices, it is possible that the additional releases from stocks envisaged for the next few months will arrest the rate of their increase; however, this has to be achieved in the context of an economy which is already highly liquid and tending to become even more so on account of deficit financing likely to be undertaken. Increases in real output postulated under the Plans, will, in any event, need some additions to the monetary resources. Precisely what these requirements are likely to be have to be carefully estimated; and the extent of recourse to deficit financing limited by these estimates — unless entirely new tendencies in the public's demand for cash balances become manifest in the near future.

CHAPTER II—NATIONAL INCOME, SAVING AND INVESTMENT

National Income

Though the quick estimates worked out by the Central Statistical Organisation (CSO) of real national income in 1971-72 are not yet known, available direct and indirect evidence suggests that its annual growth may turn out to be somewhat lower than anticipated. According to the Economic Survey of the Ministry of Finance, Government of India, national income during 1971-72 was expected to rise by 4 per cent; subsequent developments suggest that the actual growth rate was less than this.

Several factors—most of them of an unpredictable and uncontrollable nature—appear to have affected the pace of growth in 1971-72. The performance of the agricultural sector was affected by unfavourable weather conditions —drought and floods in several States. Real income from agriculture had in the first two years of the Fourth Plan, expanded at over 5 per cent a year or higher than the average rate envisaged in the Plan; but it did not register the same order of increase in 1971-72 due largely to the setback in foodgrains output. Among other important sectors, the growth of income originating from 'mining and quarrying, (registered) manufacturing sector, electricity, gas etc., was also well below the annual rate of growth of over 9 per cent postulated in the Fourth Plan. Industrial production data for 1971-72 indicate that income from this sector was probably slightly higher than in the previous year.

Assuming a realised growth rate of 4 per cent, total national income in 1971-72 would be Rs. 19,505 crores (1960-61 prices) and Rs. 36,800 crores (at current prices). Taking this and the increases in national income of 5.3 per cent in 1969-70 and 4.7 per cent in 1970-71 into account, the growth rate in the next two years of the Fourth Plan period would have to be around 7 per cent to realise the original five-year target.

II

Saving and Investment

Increase in Consumption

While the rate of growth in national income in real terms in 1971-72 (April-March) was lower than that in 1970-71 (April-March), aggregate domestic saving appears to have improved somewhat; though the rate of

Table 1—Household Sector's Saving in the form of Financial Assets (Gross), at Current Prices
(Provisional)

(Rs. crores)

	Financial Year (April-March)			
	1968-69	1969-70	1970-71	1971-72
Financial Assets (1 to 6)	1,385	1,610	2,035	2,430
	(4.4)	(4.7)	(5.4)	(5.9)
(1) Currency	260	320	345	405
	(0.8)	(0.9)	(0.9)	(1.0)
(2) Deposits	525	590	890	1,160
	(1.7)	(1.7)	(2.3)	(2.8)
(3) Insurance	184	190	225	245
	(0.6)	(0.6)	(0.6)	(0.6)
(4) Provident Funds	266	350	395	420
	(0.8)	(1.0)	(1.1)	(1.0)
(5) Claims on Government	65	70	85	110
	(0.2)	(0.2)	(0.2)	(0.3)
(6) Corporate and Co-operative Shares and Debentures including Units of the Unit Trust of India	85	90	95	90
	(0.3)	(0.3)	(0.3)	(0.2)

Note : Figures in brackets represent per cent to Net Domestic Product at market prices.

growth of saving has been less than in the previous year (largely because of a decline in public saving), the proportion of national income saved has been larger. This is elaborated in the paragraphs below.

Household Sector Saving: Financial Assets

Table 1 shows the pattern of household saving in financial assets. It will be seen that gross saving in the financial form is estimated to have been 5.9 per cent of Net Domestic Product (NDP) in 1971-72; it thus increased from 4.4 per cent in 1968-69 and 5.4 per cent in 1970-71. Improvement in this regard is attributable in the main to sustained increase in real national income and *per capita* income (about 1.5 per cent a year) since 1968-69, substantial widening of institutional facilities to mobilise savings, and vigorous efforts of deposit-mobilisation undertaken during these years.

Deposits and Currency

Among the financial assets, savings in the form of commercial bank deposits and currency expanded at a rapid rate, by over 100 per cent during these four years. As a result, the proportion of savings in these forms to gross financial savings of households steadily increased from about 45 per cent in 1968-69 to over 55 per cent in 1971-72. Of these two, savings in the form of bank deposits grew at a faster rate.

While the demand for currency is mainly for transaction purposes, some demand for it as a saving asset particularly when banking facilities and habits are yet to become widespread, should also be expected. With the extension of banking facilities, naturally there has been some shift from currency holdings to deposits. Though the ratio of saving in the form of currency to national income seems to have marginally increased during these years, the household sector seems to have preferred other financial assets to currency, at least during 1970-71 and 1971-72. This is revealed by some decline in the ratio of saving in the form of currency to total financial saving by households.

Insurance and Provident Funds

The other two important forms of savings are life insurance premia and provident funds contributions. Savings in these forms have marginally improved in relation to national income in recent years. A sharp increase of nearly 26 per cent in new business contracted by the Life Insurance Corporation during 1970-71 (as against 11.5 per cent in the previous year), and of another 26.7 per cent in 1971-72, and a gradual improvement in yields on its investments were some of the factors causing a rise in such savings. In regard to provident funds, in addition to substantial upward revisions granted in pay and dearness allowances of employees, other factors which contributed to their growth were the widening of coverage, enhanced rate of contribution by more establishments, and improvement in the return on their investible funds as a result of investments in bank deposits and/or time deposits of post offices. The share of savings through these two media in gross financial savings of the household sector, however, has gradually declined from about one-third in 1969-70 to over one-quarter in 1971-72, essentially due to the increase in bank deposits mentioned above.

Small Saving Collections

Under the item 'Claims on Government' shown in the table, small saving collections from the households as well as direct investment in Government securities which is made by the household sector are included. Total net collections under 'small savings' which were around Rs. 120 crores a year during 1966-67 to 1969-70, jumped to Rs. 188 crores in 1970-71 and further to about Rs. 210 crores in 1971-72. Certain institutions such as the provident funds are allowed to invest in selected small savings media; some improvement in small saving collections particularly during 1970-71 and 1971-72 is attributable to such investments. Making allowance for this factor, it appears that the household sector has increased its direct investments in small savings greatly.

Other financial assets are shares and securities of co-operative and corporate sectors; saving in these forms is not significant. In this category is also included the net purchases of units of the Unit Trust of India by the household sector. Available data indicate that net purchases of units (which have been broadly around Rs. 15 crores to Rs. 20 crores a year in the last four years) have been declining, particularly since 1969-70.

Other Financial Assets

To sum up, the tentative estimates indicate that the ratio of saving in financial assets by household sector to NDP has steadily increased; such savings formed less than 4.4 per cent of NDP in 1968-69; it had gone up to over 5.9 per cent in 1971-72; such a steady improvement in saving in financial assets is a necessary concomitant of a policy to mobilise resources in a planned economy. The pattern of asset preference of the household sector indicates that any substantial improvement in saving would increasingly take the form of commercial bank deposits, life insurance business, provident fund contributions and small saving collections.

The estimated savings of the private corporate sector (including co-operatives) form a very small portion of total saving in the economy. Firm data for estimating saving by non-financial corporate and co-operative sectors are available upto 1969-70 only.* With the recovery from industrial recession, profits of the corporate sector improved moderately in 1968-69 and markedly in 1969-70. Available data for 1970-71 in respect of large public limited companies show further improvement in profits and savings of the selected companies.† On the whole, the available evidence suggests that after a sharp rise in the ratio of corporate saving to NDP from 0.2 per cent in 1968-69 to 0.5 per cent in 1970-71, it could be expected to have remained around that level in 1971-72 as well.

Saving of the Corporate Sector

Public Sector's Saving

Much of the major part (95 per cent) of public sector saving comes from the revenue budgets of Central and State Governments, their departmental undertakings, and local authorities. Despite their large capital investment and volume of transactions, non-departmental undertakings (such as Hindustan Steel) contribute a meagre 5 per cent of the total. These details are shown in Table 2 below. Estimates for the Central Government are as worked out by the Ministry of Finance**; saving estimates of State Governments and local authorities have been based on partial data and are, therefore, very tentative.

Of the two components of Central Government saving, savings of Government administration are estimated to have dropped sharply from around Rs. 225 crores in 1970-71 to less than Rs. 100 crores in 1971-72, in spite of substantial resource

Saving of Central Government

* See the Studies on company finances in the Reserve Bank of India Bulletin, April and May 1972 and Statistical Statements relating to Co-operative Movement in India (published by the Reserve Bank of India).

† *Vide* Reserve Bank of India Bulletin, February 1972.

** Economic Classification of Central Government Budget.

Table 2—Public Sector Saving at Current Prices

(Rs. crores)

	Financial Year (April-March)			
	1968-69	1969-70	1970-71	1971-72 (Provisional)
(i) Central Government (including Departmental Undertakings)	222	327	312	211
(ii) State Governments and Local Authorities	344	308	389	366
(iii) Non-departmental, financial and non-financial undertakings	— 6	20	41	43
Total (i+ii+iii)	560	655	742	620

mobilisation through additional taxation. The Central Government's revenue receipts are estimated to have increased by over one-fifth during 1971-72, at more than double their average rate of rise during the previous three years. However, current expenditure rose even faster than receipts—by about 28 per cent—thereby affecting the saving-income ratio of the Central Government administration; this ratio declined from 7.2 per cent in 1970-71 to an estimated 2.5 per cent in 1971-72.

Savings of departmental commercial undertakings continued to show improvement in absolute terms, from Rs. 33 crores in 1968-69 to Rs. 56 crores in 1970-71 and further to an estimated Rs. 82 crores in 1971-72. Aided by revision in fares and freights of railways, and rates of the Posts and Telegraph Department, the proportion of net profits of departmental undertakings to their total receipts is estimated to have steadily improved from 5.8 per cent in 1968-69 to 7.7 per cent in 1971-72.

Saving of State Governments

Saving of State Governments is also estimated to have declined in 1971-72. Although total revenue receipts increased at a higher rate (20 per cent) in 1971-72 than that in 1970-71 (11 per cent), expenditure on current account increased by 23 per cent against 10 per cent in 1970-71.

Saving of Non-Departmental Undertakings

Of the other components of public savings, while savings of the Reserve Bank of India increased from Rs. 34 crores in 1968-69 to Rs. 60 crores in 1970-71 and are expected to be higher (at Rs. 65 crores) in 1971-72, Central Government commercial undertakings dis-saved (in net terms) throughout the last four years, the dis-saving (after providing for depreciation) being in the range of Rs. 30 crores to Rs. 50 crores a year. In the three years upto 1970-71, heavy losses have been reported by some large public undertakings like the Hindustan Steel, Heavy Engineering Corporation, Heavy Electricals (India) Ltd., Neyveli Lignite, Indian Drugs & Pharmaceuticals Ltd. etc. The number of undertakings which made profits during 1970-71 was four more than in the previous year, while loss-making concerns also increased by two. The performance of public sector undertakings is believed to have deteriorated further in 1971-72 in relation to the previous year, primarily due to reportedly heavier losses by the Hindustan Steel—the largest of the public undertakings.

Total Domestic Saving

Table 3 shows the total net domestic saving. Of this, net financial saving of households is estimated to be 4.8 per cent of NDP in 1971-72 as compared to 3.8 per cent in 1970-71. In addition, the household sector saves in the form of physical assets; no reliable data are available on the basis of which estimates of this item can be made for recent years. However, assuming that such savings may have been around 3.2 per cent of NDP in 1971-72—that is, the same level as in the previous years—total net domestic saving would amount to 10 per cent of NDP in 1971-72 as against 9.4 per cent in 1970-71.

The estimates shown here are not strictly comparable with those given in the Fourth plan document, as the concept of saving (and investment) used there is wider and includes not only net saving but also depreciation reserves available for investment. Inclusion of the latter element would affect savings (as well as investment) estimates for the public and private corporate sectors.

Aggregate Investment in the Economy

Inflow of External Resources

Estimates of aggregate investment in the economy have been derived by adding the net inflow of external resources to net domestic saving. The balance of payments statistics that are available upto 1970-71 show that net inflow of external resources as a proportion of NDP declined from 1.3 per cent in 1968-69 to less than 1 per cent in 1969-70; in 1970-71, it is estimated to have moved up, though not to the level reached in 1968-69. No direct estimate of net inflow of external resources is possible for 1971-72. To get a rough picture in this behalf several sources have been used; and broadly, net

Table 3—Estimates of Domestic Saving (Net)*

(Provisional)

(at current prices)

(Rs. crores)

		Financial Year (April-March)			
		1968-69	1969-70	1970-71	1971-72
1.	Public Sector	560 (1.8)	655 (1.9)	742 (1.9)	620 (1.5)
2.	Corporate Sector	60 (0.2)	120 (0.4)	195 (0.5)	215 (0.5)
3.	Household Sector in the form of Financial Assets (Net)	950 (3.0)	1,065 (3.1)	1,455 (3.8)	1,970 (4.8)
4.	Household Sector's saving in the form of physical assets (assumed)	1,000 (3.2)	1,100 (3.2)	1,200 (3.2)	1,300 (3.2)
5.	Net Domestic Saving (excluding household sector's saving in the form of physical assets) (1+2+3)	1,570 (5.0)	1,840 (5.4)	2,392 (6.2)	2,805 (6.8)
6.	Net Domestic Saving (including household sector's saving in the form of physical assets) (4+5)	2,570 (8.2)	2,940 (8.6)	3,592 (9.4)	4,105 (10.0)

Note : Figures within brackets are percentages to Net Domestic Product at market prices.

* i.e. excluding depreciation.

inflow is estimated to have been about Rs. 200 crores higher than in the previous year. On this basis, the ratio of net inflow of foreign resources to NDP rises from about 1.1 per cent in 1970-71 to around 1.5 per cent in 1971-72. Thus, the picture that emerges in respect of aggregate domestic net investment, based on the availability of domestic saving and external resources, shows that progressively the level of investment has risen from 9.3 per cent of NDP in 1969-70 to 10.5 per cent in 1970-71 and further to 11.5 per cent in 1971-72. Both the components of resources—domestic as well as foreign—have contributed to the estimated increase in investment; the share of foreign resources in total investment has increased from about 8 per cent in 1969-70 to over 13 per cent in 1971-72.

Table 4 shows the trends in ratios of net domestic saving, and net investment to Net Domestic Product at market prices for 1968-69 to 1971-72. The estimates in this respect as implied in the Fourth Plan document@ and in the Mid-Term Plan Appraisal docu-

@ In the Fourth Plan document, the ratios were calculated in relation to national income.

Table 4

(Per cent of Net Domestic Product at market prices)

		1968-69	1968-69	1969-70	1970-71	1971-72	1973-74
		Mid-Term Plan Appraisal Estimate£	(Provisional)				Mid-Term Plan Appraisal Estimate£
1.	Net Domestic Saving	8.4	8.2	8.6	9.4	10.0	10.2 (11.9)
2.	Net Inflow of foreign resources	1.1	1.3	0.7	1.1	1.5	0.9 (1.2)
3.	Aggregate net investment (1+2)	9.5	9.5	9.3	10.5	11.5	11.1 (13.1)

Note : Figures within brackets show ratios implied in the original projection of the Fourth Five-Year Plan.

£ Regarding conceptual differences underlying these figures, see paragraphs on Total Domestic Saving on the previous page.

ment of the Planning Commission are also shown in the table.

III

Sectoral Investment

A sectoral breakdown of the aggregate investment data given above is not possible at this stage in the absence of adequate details of sectoral flow of resources. However, broad indications in regard to investment activities in different sectors as observed from indirect evidences are discussed below.

Public Sector Investment

Investment in the public sector serves as a catalytic agent and affects related activities in the economy. The estimates of public sector's plan outlay in 1971-72 (given below) shows a rise not only in absolute terms but also in relation to total domestic expenditure at market prices (i.e. Net Domestic Product at market prices plus net inflow of foreign resources).

Table 5—Public Sector Plan Outlay

(Amounts in crores of rupees)

Financial Year (April-March)	Plan outlay (at current prices)	Percentage to domestic expenditure
1968-69	2,361	7.5
1969-70	2,182	6.3
1970-71 (Expected) ..	2,642	6.9
1971-72 (,,) ..	3,158	7.6
1972-73 (,,) ..	3,973	...

The estimates of investment in the public sector are not available. However, capital formation included in the budget of the Central Government is given in Table 6.

Table 6—Capital Formation through Central Government Budget, at Current Prices

(Rs. crores)

	Financial Year (April-March)				
	1968-69	1969-70	1970-71	1971-72 (R.E.)	1972-73 (B.E.)
1. Gross Capital formation	276	393	519	611	724
(a) Fixed Capital formation	449	430	485	592	757
(b) Inventories	—173	— 37	34	19	— 33
2. Net Capital formation (i.e. excluding expenditure on renewals and replacements)	193	318	428	516	604
3. Financial Assistance for Capital formation	1,384	1,219	1,285*	1,565	1,717
(a) To States, Union Territories, etc.	761	775	837	1,007	1,043
(b) To non-departmental commercial undertakings ..	623	444	448	558	674
(i) Financial	—	42	70	71	103
(ii) Others	—	402	378	487	571
4. Investment in Central Government's Non-departmental Industrial and Commercial Undertakings†	642	526	707	...	...
(a) Gross Fixed Assets	421	422	415	—	—
(b) Inventories	221	104	292	—	—

* Excluding compensation paid to nationalised banks.

† From Annual Reports prepared by the Bureau of Public Enterprises, Ministry of Finance.

Source : An Economic Classification of Central Government Budget, Ministry of Finance, Government of India.

Gross fixed capital formation showed a modest rise of about Rs. 50 crores in 1970-71 over 1969-70 level, and is expected to rise by another Rs. 110 crores in 1971-72; a further increase of over Rs. 165 crores to Rs. 757 crores is budgeted for 1972-73. Fluctuations in inventories have been generally small in recent years when compared to a sharp decline (of Rs. 173 crores) therein during 1968-69. Net capital formation (i.e. excluding expenditure on renewals and replacements) is estimated to have been about Rs. 90 crores higher in 1971-72 than that in 1970-71; a rise of the same order is expected in 1972-73.

In addition to spending on direct capital formation, the Central budget provides for financial assistance for capital formation to State Governments, local authorities, non-departmental undertakings etc. This amount progressively increased from Rs. 1,219 crores in 1969-70 to nearly Rs. 1,565 crores (R.E.) during 1971-72; in 1971-72 there was a sharp rise of Rs. 280 crores in such assistance.

Central Government Public Undertakings

Gross fixed capital formation in industrial and commercial undertakings of Central Government remained stable around Rs. 420 crores a year during 1968-69 to 1970-71. Inventories, which had risen by Rs. 220 crores in 1968-69 and by over Rs. 100 crores in 1969-70, increased by nearly Rs. 300 crores in 1970-71; inventories of undertakings other than FCI showed a rising trend from less than Rs. 70 crores in 1968-69 to about Rs. 160 crores in 1970-71. Firm data to estimate investment in these undertakings in 1971-72 are not available. However, on the basis of such data as are obtainable, it would seem that gross investment in these undertakings might have been about Rs. 800 crores in 1971-72—i.e. nearly Rs. 100 crores more than that in 1970-71.

Investment by State Governments, Local Authorities and their undertakings

In the case of State Governments, taking into account the trend in their capital outlay on developmental and non-developmental schemes and on a broad judgement of the investment component of current expenditure, an idea of the trend could be obtained. It appears that their investment outlay expressed as a percentage of aggregate domestic expenditure (at market prices), remained stable around 2.8 per cent in 1971-72. No data regarding investment by State Governments' public undertakings and local authorities are available.

Investment by Private Corporate Sector

In respect of investment in the private corporate sector, it is possible to ascertain the funds flowing from the financial intermediaries to this sector with a fair degree of accuracy. Other 'sources' of funds such as current provisions, borrowings from Government, trade dues and other liabilities, loans and advances are difficult to estimate with equal precision at this stage. Table 7 gives these broad estimates of sources and uses (cash assets, fixed capital formation and inventories).*

Thus, on the basis of identifiable sources of funds, for 1971-72, the amount of capital formation tentatively comes to Rs. 893 crores as compared to Rs. 863 crores estimated for 1970-71. According to the estimates thus worked out, it appears that in absolute terms, gross capital formation has steadily risen during the Fourth Plan. Capital formation expressed as per cent of domestic expenditure, however, would seem to have remained broadly stable at a level higher than that obtaining in 1968-69. The step-up in gross capital formation in 1969-70 was essentially due to inventory build-up.

* As resources available through non-banking deposits are excluded, investment estimates given here would indicate the lower limit.

Table 7—Investment: Private Non-financial Corporate Sector, at current prices

(Provisional)

(Rs. crores)

	Financial Year (April-March)					Financial Year (April-March)			
	LIABILITIES					ASSETS			
	1968-69	1969-70	1970-71	1971-72		1968-69	1969-70	1970-71	1971-72
1. Capital raised (including debentures)..	96	89	87	78	Bank Deposits and Cash	58	25	42	48
Less : Intra-sector flows (about 1/5th of column 1)	19	18	17	16	Gross fixed assets and inventories ..	574	848	863	893
	77	71	70	62					
2. Retained Profits	52	104	174	186					
3. Borrowings from banks	210	335	240	220					
4. Loans from Term-lending institutions..	18	33	41	43					
5. Depreciation Reserves	275	330	380	430					
	632	873	905	941		632	873	905	941

Sources of Funds

In financing this gross investment, the share of internal resources (depreciation reserves and retained profits) has progressively increased from about less than one-half in 1968-69 to around two-thirds in 1971-72. Capital raised (through shares and debentures on a calendar year basis) shows a decline since 1968-69. Net direct loans (disbursements less repayments) to industrial concerns other than for exports from term-lending institutions (Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India Ltd., and State Financial Corporations) steadily increased during the Fourth Plan. However, the proportion of total investment in the sector financed by them is not very substantial. Broadly, such assistance would not have financed more than 5 per cent of gross capital formation in this sector during 1971-72. The increase in aggregate bank credit extended by scheduled commercial banks was of the order of Rs. 478 crores in 1971-72 (financial year). If allowance is made for credit to public sector undertakings and co-operatives, priority sectors including that provided for food procurement etc., the residual sector (mainly the private corporate sector) might have received further credit of about Rs. 220-240 crores a year during 1970-71 and 1971-72. In relation to the gross capital formation, the proportion of bank credit seems to have marginally declined during 1971-72 when compared with that in the previous year.

CHAPTER III—OUTPUT AND PRICE TRENDS

There was deceleration in the growth rate of both the agricultural and industrial sectors. Agricultural output on the whole is likely to show a much smaller rise during the year as compared to a striking increase of 6.7 per cent during the previous year. The setback to the growth rate in agriculture was attributed to adverse weather conditions during the *kharif* season. Largely because of a decline of about 2.7 million tonnes in bajra, the output of coarse grains has failed to keep pace with the trends in major cereals. Coupled with the shortfalls in pulses, indications are that the foodgrains output may be about 2 million tonnes lower than last year's level of 107.8 million tonnes.

On the whole, the supply position nevertheless of foodgrains in the country during 1971-72 remained generally comfortable. This was made possible by the bumper harvest of 1970-71, intensified procurement operations and consequential build-up of sizable stocks with Government. Over the year ending June 1972, stocks with Government improved by about 0.5 million tonnes to 8.9 million tonnes, despite additional pressure on supplies caused by the influx of refugees from Bangladesh, as also scaling down of imports (from 3.6 million tonnes in 1970 to 2.1 million tonnes in 1971).

Industrial Output

On the other hand, there was a further slackening in the tempo of industrial growth. The overall growth rate of 6.4 per cent and 7.1 per cent observed during the years 1968 and 1969 in the C.S.O.'s Index of Industrial Production (Base : 1960=100) declined to 4.8 per cent in 1970 and further to 2.9 per cent in 1971. However, during the first quarter of 1972 (January-March) the index recorded an increase of 6.8 per cent as compared to 1.7 per cent of first quarter of 1971.

Slackness in industrial growth since the beginning of 1970 was attributed to various factors, such as (i) paucity of certain industrial raw materials, particularly steel, non-ferrous metals, cotton and oilseeds; (ii) power and

Graph 1

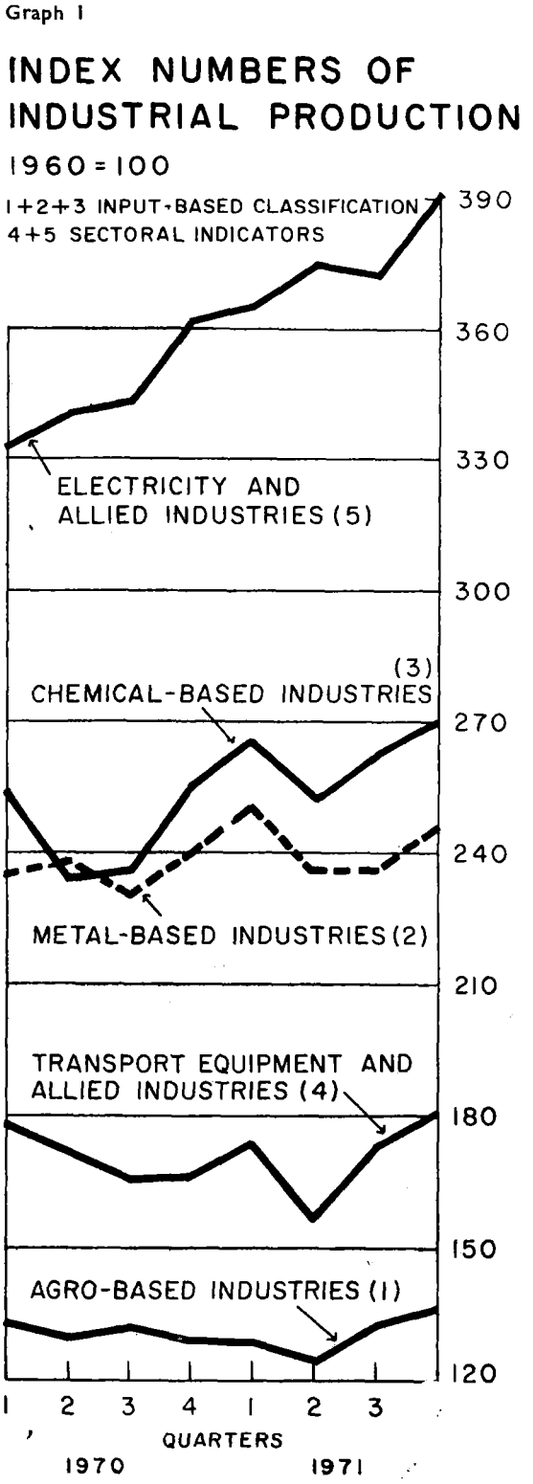


Table 1—Trends in Industrial Production
(Variations (%) over corresponding period of previous year)

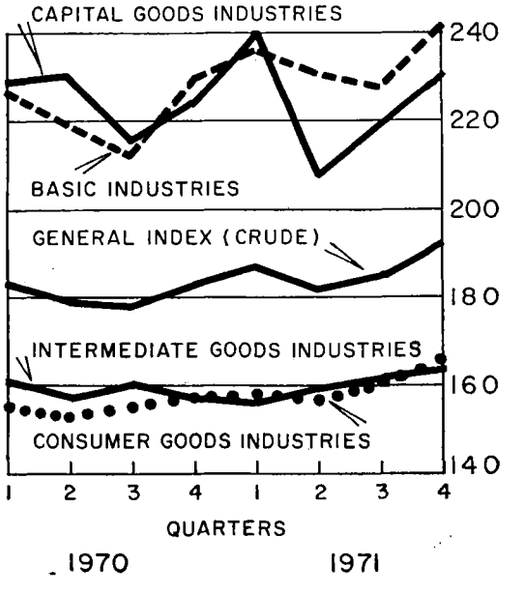
	Weights	1969	1970	1971
General Index (Crude)	100.0	+ 7.1	+ 4.8	+ 2.9
Use-based Classification				
Basic industries	25.11	+ 8.9	+ 4.5	+ 5.5
Capital goods industries	11.76	+ 1.8	+ 5.2	— 0.1
Intermediate goods industries	25.88	+ 4.2	+ 3.2	+ 1.0
Consumer goods industries	37.25	+10.2	+ 6.1	+ 3.5
(*a*) Consumer durable goods	5.68	+12.9	+ 6.7	+ 2.0
(*b*) Consumer non-durable goods	31.57	+ 9.3	+ 4.1	+ 7.9
Input-based Classification				
Agro-based industries	44.08	+ 5.5	+ 4.5	— 0.2
Metal-based industries	16.55	+ 5.8	+ 5.7	+ 2.6
Chemical-based industries	8.94	+10.3	+ 8.0	+ 7.5
Sectoral Indicators				
Transport equipment and allied industries ..	10.90	+ 0.4	+ 0.1	+ 0.4
Electricity and allied industries	8.42	+14.2	+11.5	+ 9.1

transport bottlenecks affecting especially coal and cement industries; (iii) continued unsatisfactory labour relations in some critical sectors like steel, automobiles and allied industries, and (iv) relatively slower rate of growth in public sector investment which has affected capital goods industries in particular. Besides, in a large number of industries, such as soda ash, caustic soda, paper and newsprint, automobiles and agricultural tractors, output growth would have been still better but for capacity constraints.

Graph 2

INDEX NUMBERS OF INDUSTRIAL PRODUCTION
1960 = 100

USE – BASED CLASSIFICATION



Group-wise, almost all major industrial groups, whether classified according to *uses or inputs*, contributed to the deceleration in the overall growth rate during 1970 and 1971. The only group to experience an improvement in the growth rate in 1971 was that of *basic* industries. The average index of this group for 1971 showed an increase of 5.5 per cent as compared with a 4.5 per cent increase during 1970, reflecting an improvement in the output of such industries as basic chemicals, non-ferrous metals, cement and fertilizers. *Capital goods* industries declined albeit nominally by 0.1 per cent compared with an increase of 5.2 per cent in 1970. *Intermediate goods* industries recorded an increase of 1.0 per cent as compared with an increase of 3.2 per cent recorded during 1970. Growth rate in *consumer goods* industries at 3.5 per cent, was perceptibly lower than 6.1 per cent recorded in the previous year. Among the *consumer goods* industries, the decline was particularly sharp in the sub-group *consumer durables* (from 6.7 per cent to 2.0 per cent), while *consumer non-durable goods* achieved an advance in the growth rate (from 4.1 per cent to 7.9 per cent).

Input-wise, while *metal-based* and *chemical-based* industries registered lower growth rates from 5.7 per cent and 8.0 per cent, respectively, in 1970 to 2.6 per cent and 7.5 per cent in

1971; *agro-based* industries experienced a marginal decline of 0.2 per cent compared to an increase of 4.5 per cent during 1970, reflecting largely the absolute decline recorded by cotton textiles.

Price Situation

Over the year 1971-72 (end June to end June) the general price level showed a rise of 6.8 per cent compared with an increase of 3.1 per cent recorded in the preceding year. The Economic Adviser's Index Number of Wholesale Prices (Base : 1961-62=100), which stood at 186.1 at end-June 1971, steadily moved up to 192.8 in the beginning of September 1971. This was followed by a slight seasonal easiness and the index declined to 184.2 in the beginning of December 1971. Thereafter, it resumed the uptrend and reached the year's peak level of 199.6 in the third week of June 1972 but eased slightly to 198.8 on June 24, 1972.

Group-wise, all the constituents with the exception of 'Industrial Raw Materials' experienced price spurts. Index Numbers of 'Food Articles' advanced by 10.9 per cent as compared with a marginal rise of 1.2 per cent in the previous year. The major industrial commodities grouped under three constituents, namely, 'Chemicals,' 'Machinery and Transport Equipment' and 'Manufactures' registered price increases ranging between 2.8 per cent and 5.9 per cent as compared with increases ranging between 5.3 per cent and 8.6 per cent in 1970-71. In contrast, 'Industrial Raw Materials' recorded a decline of 3.7 per cent on top of a fall of 5.0 per cent that occurred during 1970-71.

Commodity-wise, trends in individual commodity prices have reflected either shortages or surpluses in relation to demand. In the group 'Food Articles,' the rise in foodgrains prices was mainly due to firmness in the prices of jowar, bajra, pulses and sugar emanating from apprehensions about lower output during 1971-72. Foodgrain prices ruled generally firm during the year. Though the overall availability of foodgrains was comfortable, the supply shortages in individual commodities such as coarse grains, pulses and sugar following declines in their output and such factors as intensive procurement and relatively high level of procurement prices particularly for wheat, kept up the wholesale price index of foodgrains at levels higher than what was warranted by the overall demand-supply position. Reflecting the moderate growth in output in relation to rising demand, rice prices too hardened. The all-India index number of wholesale prices for foodgrains (Base: 1961-62=100) moved up from 207.0 on June 26, 1971 to 237.0 by June 24, 1972 showing a rise of 14.5 per cent as compared with a decline of 2.4 per cent during 1970-71. Within the group, prices of rice (10.1 per cent), wheat (3.8 per cent), jowar (20.9 per cent), bajra (45.1 per cent) and pulses (26.8 per cent) registered increases. In 1970-71, these constituents with the exception of jowar and pulses had experienced declines in their prices. On the other hand, the decline in 'Industrial Raw Materials' was brought about by a conspicuous decline in raw cotton prices. Anticipations of a bumper cotton output during 1971-72 coupled with unwillingness of mills to extend their commitments imparted easiness to raw cotton prices. In respect of oilseeds, following a setback in the output of groundnuts during 1971-72, the oilseed prices recorded an increase of 3.3 per cent as against a fall of 16.5 per cent last year. An increase in raw jute prices was attributed to buoyancy in both the domestic and external demand for jute manufactures.

The increase in the prices of 'Manufactures' was shared by both 'intermediate products' and 'finished products.' Among 'finished products,' cotton manufactures and jute manufactures showed moderate increases during the year, following the buoyancy in export demand for these products. Supply shortages of iron and steel pushed up the prices of iron and steel manufactures.

The firmness in the general price level during the year under review was also reflected in the All-India Consumer Price Index for the industrial workers (Base: 1960=100) which recorded a rise of 5.8 per cent during July 1971–June 1972 as compared to an increase of 1.1 per cent during the corresponding period of 1970-71.

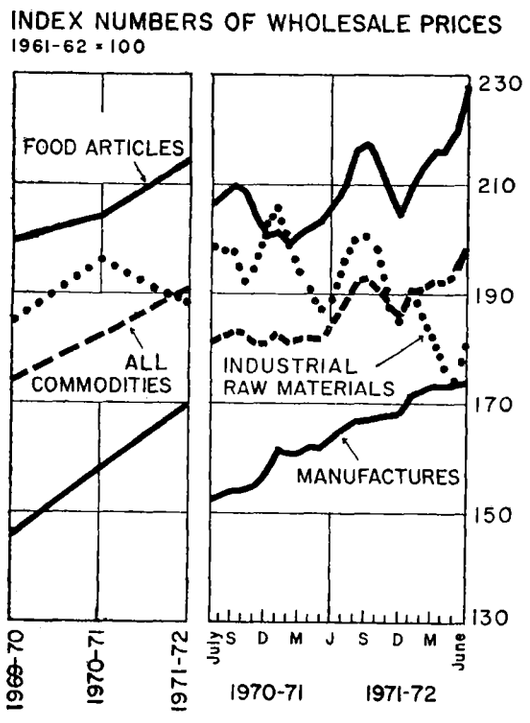
Table 2—Trends in Index Numbers of Wholesale Prices

(Base : 1961-62=100)

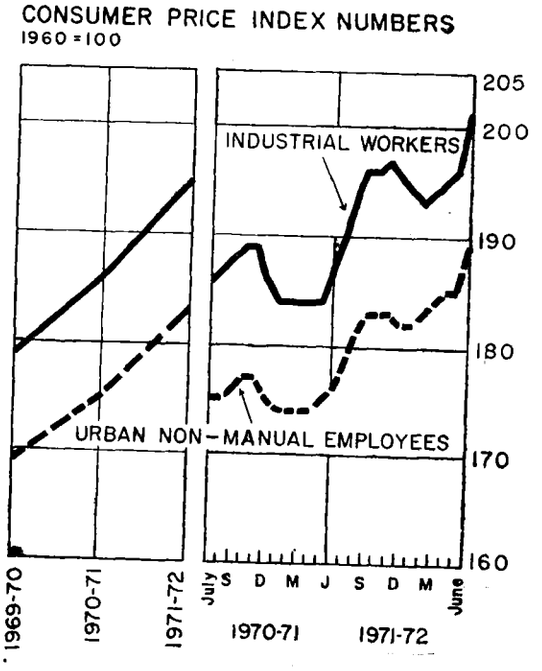
	Weights*	End-June 1970	End-June 1971	End-June 1972	Percentage Variation: End-June 1971 over end-June 1970	Percentage Variation: End-June 1972 over end-June 1971
All Commodities	1,000	180.5	186.1	198.8	+ 3.1	+ 6.8
Food Articles	413	204.3	206.8	229.4	+ 1.2	+10.9
Foodgrains	(35.8)	212.1	207.0	237.0	— 2.4	+14.5
(i) Rice	(16.2)	209.2	204.8	225.4	— 2.1	+10.1
(ii) Wheat	(7.8)	205.9	199.9	207.4	— 2.9	+ 3.8
(iii) Jowar	(2.2)	188.8	191.9	232.0	+ 1.6	+20.9
(iv) Bajra	(1.1)	187.6	139.5	202.4	—25.6	+45.1
Pulses	(6.5)	240.0	247.8	314.2	+ 3.3	+26.8
Edible oils	(13.0)	239.5	198.1	205.7	—17.3	+ 3.8
Sugar	(8.9)	157.5	155.9	198.7	— 1.0	+27.5
Liquor and Tobacco	25	184.5	194.4	215.5	+ 5.4	+10.9
Fuel, Power, Light and Lubricants	61	159.8	172.5	177.1	+ 7.9	+ 2.7
Industrial Raw Materials	121	201.3	191.2	184.2	— 5.0	— 3.7
Cotton Raw	(18.5)	191.0	229.8	157.9	+20.3	—31.3
Jute Raw	(9.6)	159.6	152.0	157.3	— 4.8	+ 3.5
Oilseeds	(43.3)	244.3	204.0	210.8	—16.5	+ 3.3
Groundnuts	(20.8)	240.1	192.9	203.4	—19.7	+ 5.4
Chemicals	7	185.1	195.0	200.5	+ 5.3	+ 2.8
Machinery and Transport Equipment	79	145.7	156.6	165.9	+ 7.5	+ 5.9
Manufactures	294	151.7	164.8	173.7	+ 8.6	+ 5.3
(i) Intermediate Products	(19.5)	174.9	193.0	203.7	+10.3	+ 5.5
(ii) Finished Products	(80.5)	146.0	158.0	166.4	+ 8.2	+ 5.3
Cotton Manufactures	(26.8)	140.0	159.4	164.5	+13.9	+ 3.2
Jute Manufactures	(8.1)	166.5	191.2	195.5	+14.8	+ 2.2
Chemical Products	(9.2)	143.9	149.7	154.5	+ 4.0	+ 3.2
Iron and Steel Manufactures	(12.2)	160.8	177.6	193.9	+10.4	+ 9.2
Paper Products	(3.3)	121.3	124.7	137.3	+ 2.8	+10.1

* Figures in brackets refer to the percentage distribution of the weightage assigned to the respective main groups.

Graph 3



Graph 4



AGRICULTURE

The prospects of agricultural production during 1971-72 were generally satisfactory despite adverse weather conditions in different parts of the country during the *kharif* season. Total foodgrains production during the year is likely to be lower by about 2 million tonnes than the level of 107.8 million tonnes in 1970-71.

Food Situation

During the year, there was considerable pressure on supplies caused by the influx of refugees from Bangladesh. Nevertheless, a steady improvement in output during the past few years brought about a change in outlook in regard to overall availability. Table 3 presents some basic data in this regard. The main features to be observed from these data are : a sustained increase in procurement, particularly of wheat, contraction in the quantum of public distribution, slashing of imports, and a sizeable increase in the stocks with Government.

Graph 5

PRODUCTION OF FOODGRAINS

'000 TONNES

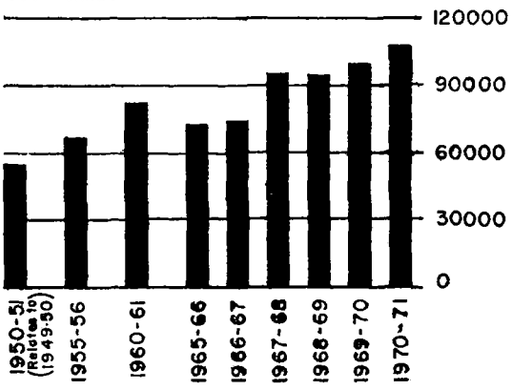


Table 3—Basic Data Relating to Foodgrains Availability

(Million tonnes)

Year (July-June)	Gross production	Procurement	Imports	Public distribution	Stocks	Net availability	*Per capita* net availability per day (in grams)
1950-51	54.9*	4.7 (9.2)	2.1	7.7	0.7	52.4	395
1955-56	66.9	Neg. (0.02)	0.7	1.6	0.9	62.7	431
1960-61	82.0	1.3 (1.6)	5.1	4.9	2.8	75.6	468
1965-66	72.3	4.0 (5.6)	7.5	10.1	2.1	73.5	404
1966-67	74.2‡	4.0 (5.4)	10.4	14.1	2.2	73.9	396
1967-68	95.1‡	4.5 (4.7)	8.7	13.2	1.9	86.7	452
1968-69	94.0†	6.8 (7.2)	5.7	10.1	4.1	85.8	437
1969-70	99.5†	6.5 (6.4)	3.9	9.5	4.4	89.5	445
1970-71	107.8†	6.7 (6.2)	3.6	8.8	5.6	94.1	457
1971-72	106.0@	8.9 (8.4)	2.1	7.7	7.9	N.A.	N.A.

Notes : (1) Production figures relate to agricultural year July-June. Imports, procurement, public distribution figures are for calendar years. Thus, 1950-51 figures correspond to those of 1950 and so on, for subsequent years. Stocks are also at the end of the calendar years.

(2) Figures in brackets refer to procurement as percentage of gross production.
(3) Net availability = Net production + imports + change in Government stocks.
(4) Net production is defined as 87.5 per cent of gross production, the balance being provided for feed, seed and wastage.

* Data relate to 1949-50.
‡ Partially revised estimates.
† Final estimates.
@ Provisional.

Thus, total procurement of foodgrains improved substantially from 6.7 million tonnes in 1970 to 8.9 million tonnes in 1971. As a result of increased open market availability, offtake from the public distribution system declined from 8.8 million tonnes in 1970 to 7.7 million tonnes in 1971. In fact, for the first time since Independence, domestic procurement of foodgrains exceeded the quantum of public distribution during the same year. Imports have been reduced from 3.6 million tonnes to 2.1 million tonnes. Moreover, all concessional imports under P.L. 480 have been stopped from January 1972. Yet stocks with Government improved to 8.9 million tonnes by the end of June 1972 as against 8.4 million tonnes at the end of June 1971. The target of building up of buffer stocks of 5.0 million tonnes by the end of the Fourth Plan has already been achieved and Government have since raised the target to 7.0 million tonnes.

For the 1971-72 crop, a procurement target of 4.3 million tonnes for rice and an indicative target of 0.5 million tonnes for coarse grains have been fixed. While no procurement target has been fixed for the 1971-72 wheat crop, the Agricultural Prices Commission has placed the possible procurement of wheat from the 1971-72 crop at 6.5 million tonnes. During the 1971-72 *kharif* marketing season (November-October) till June 1972, 3.1 million tonnes of rice and about 0.2 million tonnes of *kharif* coarse grains had been procured. Procurement of *rabi* foodgrains for the 1972-73 marketing season commenced from April 1 and till end-June, 5.0 million tonnes of wheat and 0.1 lakh tonnes of *rabi* coarse grains were procured.

Procurement and Zonal Systems

The different systems of procurement followed by various States during 1971-72 were the same as those followed in the previous year (*vide* this Report for 1970-71, p. 70).

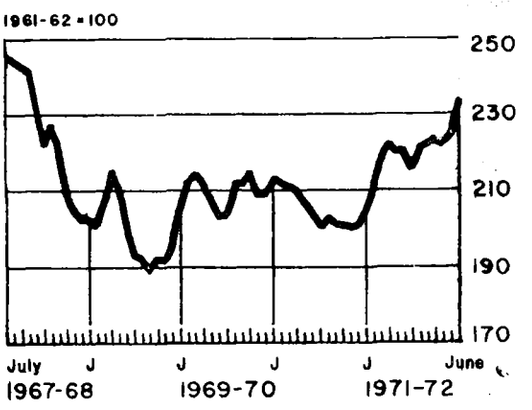
As for State-wise zonal system, during 1971-72, there was no change in respect of rice nor in the all-India wheat zone (except the statutorily rationed areas of West Bengal). Regarding coarse grains and pulses, Andhra Pradesh banned the export of coarse grains from August 23, 1971 and Assam banned the export of pulses from October 29, 1971.

Rationing Statutory and Informal

Statutory rationing in respect of rice and jowar in Bombay, and all foodgrains in Calcutta and the Asansol-Durgapur industrial zone was continued during 1971-72. However, effective September 6, 1971, statutory rationing of *suji* was lifted in West Bengal, and distribution of wheat in the statutory rationed areas in West Bengal was also liberalised. The total number of fair price/ration shops functioning in the country declined from 1.22 lakhs as at the end of 1970 to 1.21 lakhs as at the end of 1971. The total population covered under statutory and informal rationing was about 15.2 million and 292.4 million at the end of 1971 as against 15.4 million and 284.5 million, respectively, at the end of 1970. No change was made in the issue prices of foodgrains during 1971-72, the prices being Rs. 78 per quintal for wheat and Rs. 100 to Rs. 128 per quintal for rice.

Graph 6

INDEX NUMBERS OF WHOLESALE PRICES FOODGRAINS



The ge neral ban on exports of foodgrains was continued during 1971-72 as well. However, the State Trading Corporation (STC) and the National Agricultural Co-operative Marketing Federation exported, during 1971, 13,000

tonnes of superior *Basmati* rice and 21,500 tonnes of pulses, respectively, as against 27,300 tonnes and 25,900 tonnes in 1970. Besides, during 1971-72, Government exported, as a gift, 7.5 lakh tonnes of foodgrains to Bangladesh.

Food Corporation of India

The Food Corporation of India (FCI) expanded its activities further during 1971-72.

Operations during 1971-72

The Corporation procured from the 1970-71 crop 8.1 million tonnes of foodgrains, comprising 5.1 million tonnes of wheat, 2.6 million tonnes of rice and 0.4 million tonnes of coarse grains. Out of the 1971-72 crop, the FCI procured till June 1972, 5.0 million tonnes of wheat, 2.5 million tonnes of rice and 0.2 million tonnes of coarse cereals. Imports of foodgrains by the Corporation during 1971 totalled 2.1 million tonnes. The FCI distributed during 1971, 6.4 million tonnes of foodgrains, including foodgrains supplied to the Defence Services. The Corporation also supplied, apart from wheat and rice, other essential consumer goods to the Department of Rehabilitation and various State Governments with a view to meeting the requirements of refugees from Bangladesh.

Open Market Sales

On January 24, 1972, the FCI entered the open market for the first time as a selling agency and opened on March 24, 1972, its first commodity sales centre in Bombay. By June 26, 1972, the Corporation had opened seven more centres in different cities and it proposes to set up such sales centres in all the State capitals as well as in important cities.

Storage Facilities

With the increased volume of internal procurement and maintenance of sizeable buffer stock, the need for additional storage facilities was particularly felt during the 1971-72 *rabi* season in the major producing areas of Punjab, Haryana and Uttar Pradesh. The total storage capacity with the FCI increased from 7.2 million tonnes in 1970-71 to 8.3 million tonnes in 1971-72. Of this capacity, 4.0 million tonnes was owned by the FCI while the remaining 4.3 million tonnes was hired from Central and State Warehousing Corporations, State Governments and private parties. The non-availability of steel constituted the major bottleneck in the construction of new storage capacity and, therefore, the Corporation has finalised a new design involving the minimum use of steel. The construction of new storage godowns by the Corporation is being carried out in accordance with the recommendations of the Expert Committee on Storage set up by the Planning Commission (The Report of the Committee was submitted in September 1971). The Corporation has also finalised an agreement with the World Bank for financing the construction of 10 *silos*, each with a capacity of 20,000 tonnes, and conventional godowns with one lakh tonnes capacity. *Silos* are to be located in Punjab, Rajasthan and Uttar Pradesh.

The Corporation has completed its programme of setting up 24 modern rice mills of four tonnes capacity each in different parts of the country. In addition to this, a two-tonne rice mill is being installed in Manipur.

Balahar Programme

For the purpose of distributing a free mid-day meal to the school children under the CARE programme, the Corporation produced 13,165 tonnes of *Balahar* in 1971-72, as against 9,750 tonnes in 1970-71. Production of fortified *atta* by the FCI during 1971-72 was, however, lower at 9,756 tonnes as against 30,361 tonnes last year. The FCI also proposes to undertake pre-cooked nutritious food preparations suitable for feeding children, from a combination of cereals and protein-rich materials from oilseeds. For this purpose, four extruders are to be installed with UNDP assistance in Assam, Kerala, Madhya Pradesh and Orissa.

It is also proposed to remodel a solvent extraction plant at Ujjain, which is in the process of being taken over by the FCI from the Madhya Pradesh Industrial Development Corporation to produce edible groundnut flour for the *Balahar* programme. The dry maize milling plant at Faridabad was commissioned in March 1972, while the dal mill

at Lucknow was to go into production by July 1972. The rice bran solvent extraction plant at Sembanarkoil in Tamil Nadu was expected to go into limited production from September 1972. It is also proposed to set up at Faridabad, in co-operation with UNICEF, a soyabean processing plant for production of food products.

the HYVP coverage for paddy are also being gradually overcome with the release of suitable high-yielding varieties which contain superior grain quality and are also resistant to pests and diseases. Furthermore, the Government have also embarked on a Mini-Kit Programme under which in the ensuing rice season about 18,000–20,000 farmers will be supplied with

Table 4—Progress of New Agricultural Strategy

Programme	Units	1969-70	1970-71	1971-72 (Estimates)	Likely achievement by the end of Fourth Plan*
Gross Area covered					
High-yielding varieties	Million hectares	11.4	14.6	17.9	25.0
Multiple cropping @	,,	1.5	1.8	1.8	9.0
Plant protection	,,	34.6	52.0	58.0	70.0
Soil conservation @	,,	1.1	1.3	1.4	5.7
Consumption of Fertilizers	Million tonnes (nutrients)	2.0	2.2	2.6	3.9
Nitrogenous (N)	,,	1.4	1.5	1.7	2.6
Phosphatic (P_2O_5)	,,	0.4	0.5	0.6	0.8
Potassic (K_2O)	,,	0.2	0.2	0.3	0.5
Gross Area Irrigated					
Major and medium (gross potential)	Million hectares	19.1	19.8	20.4	22.5
Major and medium (gross utilisation)	,,	17.1	17.7	18.4	N.A.
Minor@	,,	1.2	1.5	1.6	7.2
Others					
Institutional investment on minor irrigation ..	Rs. Crores	120.0	120.0	130.0	N.A.
Public sector outlay on minor irrigation ..	,,		96.3†	105.2	N.A.
Agricultural pumpsets energised	'000 Nos.	1,354	1,629	1,929	2,650
Private tubewells installed	,,	90	100	100	N.A.
Indigenous production of tractors	,,	17.1	20.0	35.0	60.0

* Mid-Term Appraisal.

@ Additional during the year.

† Actual expenditure.

New Agricultural Strategy

The major programmes initiated under the new agricultural strategy since 1966-67 were further intensified during the year under review. Table 4 summarises the statistical position regarding the achievement under each of the programmes.

While considerable progress has been achieved in areas covered under high-yielding varieties programme (HYVP), the progress has not been uniform crop-wise (Table 5). During the year, three new high-yielding varieties of wheat, three varieties of rice and a few new strains of bajra, maize and pulses were released. The initial problems that inhibited the success of

HYVP

Table 5—Crop-wise Coverage Under HYVP

(Million hectares)

Crop	1968-69 (Actuals)	1970-71 (Estimated)	1971-72 (Estimated)	1973-74 (Target)
Rice ..	2.6	5.5	7.2	10.1
Maize ..	0.4	0.5	0.5	1.2
Jowar ..	0.7	0.9	0.9	3.2
Bajra ..	0.7	1.8	1.8	2.8
Wheat ..	4.8	5.9	7.5	7.7
TOTAL ..	9.2	14.6	17.9	25.0

mini-kits containing 2 kgs. of seed each of two new varieties considered most suitable for the particular situation or area.

Multiple Cropping

With a view to accelerating the multiple cropping programme, pilot projects under a Centrally sponsored scheme were initiated during 1971-72 and 44 such projects were sanctioned by the Central Government in various States/Union Territories (except Bihar, West Bengal and Manipur). Under these projects, special attention is being given to adaptive research trials, water use and management, provision of credit, inputs and marketing facilities, etc.

Minor Irrigation

In the sphere of minor irrigation, special attention was given to strengthening the organisational arrangements for better planning and implementation of the programme. Accordingly, it was decided to amalgamate the ground water wing of the Geological Survey of India with the Central Ground Water Board so as to create a unified organisation for ground water assessment at the national level. Institutional investment in minor irrigation including public sector outlay on the minor irrigation works, has increased. The public sector outlay was mainly utilised for such public and community works as would benefit the weaker sections of the rural community and also for subscribing to debenture issues of the institutional agencies. Two credit projects involving World Bank participation (one each in Haryana and Tamil Nadu) with a minor irrigation component of Rs. 2.7 crores and Rs. 17.0 crores, respectively, were approved in 1971-72 in addition to the two projects, one in Gujarat and the other in Andhra Pradesh, already in operation. Negotiations have been completed for similar credit projects in Maharashtra and Mysore. The World Bank credit is channelled through the Agricultural Refinance Corporation and land development banks.

In order to promote a practical and operationally feasible pattern of community minor irrigation works, particularly for the benefit of small and scattered holdings, suggestions were made to the State Governments to (i) provide promotional subsidy in case the cultivators agree to jointly own and share a dugwell or a tubewell and (ii) persuade the State Agro-Industries Corporations and similar other bodies to organise groups of farmers and provide them with pumpsets on rental basis. Besides, a number of water and soil management pilot projects are being set up in those areas where the percentage of unutilised irrigation potential is comparatively high.

Command Area Development Programme

Under the Command Area Development Programme which envisages development of regulated markets at suitable centres and building roads to link up such markets with the surrounding areas, schemes for five more command areas, in addition to the five projects sanctioned in the previous two years, were sanctioned in 1971-72, viz., Kangsabati (West Bengal), Tawa (Madhya Pradesh), Kaveri (Tamil Nadu), Jayakwadi Stage I (Maharashtra) and Pochampad (Andhra Pradesh). A sum of Rs. 13.2 crores has been sanctioned for these ten command areas and out of this sum, Rs. 4.6 crores have already been released to the respective State Governments. Under the desert development programme, pilot projects involving schemes of soil conservation, afforestation, minor irrigation, etc., have been taken up in the arid areas of Haryana, Maharashtra and Rajasthan.

Soil Conservation and Land Reclamation

Soil conservation programmes were further intensified. During 1971-72, an area of 1.4 million hectares was expected to be treated as against 1.3 million hectares during 1970-71. Under the Centrally sponsored scheme, the main programme of water management in the catchments of 21 major river valley projects was further intensified with the coverage of an additional 1.1 lakh hectares. Under a pilot project for reclamation of ravine land, as against a total of 1,200 hectares of ravine land reclaimed during 1970-71, an area of 2,000 hectares was likely to be reclaimed during 1971-72. Under the land reclamation scheme, about 56,000 hectares appeared to have benefited during 1971-72. Schemes to reclaim and develop an area of 68,000 hectares with

financial assistance of Rs. 47.0 crores from the ARC are already under implementation.

Consumption of Fertilizers

The availability of main agricultural inputs, viz., fertilizers, improved seeds and pesticides, continued to be satisfactory during the year. As part of their promotional activities, the Government organised several audio-visual media demonstrations and regional seminars to popularise and encourage balanced use of fertilizers. Measures were also taken to step up the flow of credit for fertilizer distribution agencies and to the farmers, as also to strengthen the arrangements for soil testing and construction of fertilizer godowns. The Central Government have provided a sum of Rs. 80.0 crores for grant of short-term loans to the State Governments for the purpose of stocking and distribution of fertilizers and other inputs. The introduction of guarantee cover in April 1971 for bank credit extended to small farmers and fertilizer dealers and its liberalisation subsequently are intended to encourage commercial banks to extend loans more liberally to farmers and fertilizer dealers. For the current year, production target for rural compost was fixed at 169.5 million tonnes—15.2 million tonnes more than the actual production in the previous year. The coverage under green manuring was fixed at 10.8 million hectares in 1971-72 as against 8.1 million hectares during 1970-71. Besides, 4.5 million tonnes of urban compost was made available for distribution during this year as against 4.2 million tonnes made available last year.

Quality Seeds

As regards quality seeds, not only there was self-sufficiency but a small quantity was also exported during the year. The National Seeds Corporation continued to function both as a promotional agency as also an agency for production and marketing of seeds. The Corporation has also taken up seed multiplication of arhar, urad, moong and cowpea, with a view to raising the production of pulses. The Tarai Development Corporation expanded its programme of seed production and sales. In *kharif* 1971, seed production was taken up over an area of 5,080 hectares as against 3,960 hectares during 1970. In *rabi* 1971-72, 5,480 hectares were brought under wheat seed. An *ad hoc* Central Seed Certification Board, a sub-committee of the Central Seed Committee, has been set up following the decision taken last year. The Board has drawn up preliminary models for setting up State Certification Agencies. Five States, viz., Andhra Pradesh, Gujarat, Kerala, Maharashtra and Tamil Nadu, have already set up these agencies.

Plant Protection Measures

In the sphere of plant protection programme, aerial spraying operations were extended to 10.0 lakh hectares in 1971-72 as compared to 6.8 lakh hectares in the previous year. Under the Centrally sponsored scheme of eradicating pests and diseases in endemic areas by aero-chemical operations, the target of 6.4 lakh hectares is likely to be achieved during 1971-72 as against 5.2 lakh hectares covered in 1970-71.

Agricultural Machinery and Implements

The demand for agricultural machinery and implements has been steadily rising. As the indigenous production of tractors is inadequate to meet the domestic demand, a decision was taken in 1969-70 to import 35,000 tractors. As against this, 25,390 tractors were imported up to the end of October 1971. Agro-Industries Corporations which have been set up in all the States (except Nagaland and Meghalaya) continued distribution of tractors and other agricultural implements through outright sale and hire-purchase schemes. To cater to the needs of the small and medium farmers who cannot get the benefits of farm mechanisation with their limited resources, the Corporations have been directed to set up agricultural machinery hiring centres and a network of sub-centres and workshops, especially in the rural areas.

Farm Credit

The institutionalisation of agricultural credit in accordance with the " multi-agency approach " made further progress during the year. Besides the co-operatives, commercial banks, the Agricultural Refinance Corporation (ARC), the Agricultural Finance Corporation

(AFC), and the Agro-Industries Corporations (AICs) also continued to provide substantial credit for financing agriculture. The details of institutional finance for agriculture are discussed in Chapter IV.

Rural Development and Employment Programmes

During 1971-72, significant progress was made under certain special programmes, such as Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labour (MFAL), Integrated Dry Land Agricultural Development (Dry Farming), Drought Prone Areas Programme (formerly known as Rural Works Programme), Crash Scheme for Rural Employment and Agro-Service Centres. In addition, a scheme on a pilot basis for Tribal Development in selected areas was taken up during 1971-72.

Small Farmers Development Agency

All the forty-six Small Farmers Development Agency projects have been approved and registered during the year under review. Till January 1972, a sum of Rs. 7.4 crores was released to these agencies and 12.1 lakhs of small farmers have been identified of whom 5 lakhs were brought into the co-operative fold.

Marginal Farmers and Agricultural Labour Projects

The 41 MFAL projects taken up in 1970-71 were registered by the end of January 1972 and a sum of Rs. 4 crores was released for them. In these areas, 6.2 lakh participants were identified for giving assistance. The MFAL projects helped in disbursement of Rs. 145 lakhs as short-term loan, Rs. 26 lakhs as medium-term loan and Rs. 20 lakhs as long-term loan to the identified participants.

Schemes for Dry Land and Drought Prone Areas

The Centrally sponsored scheme for Integrated Dry Land Agricultural Development, undertaken from 1970-71, made further progress during the year. Fifteen new projects with an area of about 800 hectares under each project, have been sanctioned in 1971-72, in addition to the nine projects each with an area of 1,000 hectares sanctioned last year. During the year under review, the Drought Prone Areas Programme has been sanctioned in 54 districts with an outlay of Rs. 30.5 crores. Nine hundred and ninety minor irrigation schemes, 47 soil conservation schemes, 352 afforestation schemes and 631 road works were in progress during the year. These programmes have generated about 237 lakh man-days of employment till the first week of December 1971.

Other Development Schemes

Under the crash programme for rural employment, implemented from October 1971, projects worth Rs. 47 crores have so far been sanctioned and employment of about 361 lakh man-days is estimated to have been created. For a full year, 875 lakh man-days of employment is expected to be created. The original programme of setting up 5,000 agro-service centres during the Fourth Plan has now been pruned to 2,500 centres. Under the scheme, so far 96 agro-service centres have been set up in Bihar, Haryana, Madhya Pradesh and Uttar Pradesh. With a view to bringing the tribal areas in the country within the mainstream of economic development, six pilot tribal development projects in Andhra Pradesh, Bihar, Madhya Pradesh and Orissa have been taken up. Under these projects, a core programme of economic development would be identified and put through in a concentrated way to be supplemented in due course with an additional programme of a network of communications, linking the areas with State/National highways and providing social services like drinking water facilities, education, health, etc. An amount of Rs. 1.5 crores has been earmarked for the core programme of each project for the remaining period of the Fourth Plan. All the six agencies have been registered as societies and an amount of Rs. 5 lakhs to each one of them has been released on an *ad hoc* basis to ensure speedy implementation of the projects.

National Commission on Agriculture

The National Commission on Agriculture set up in October 1970 to enquire into the progress, problems and potential in Indian

agriculture, has so far submitted six interim reports to the Government covering such aspects as (i) multiplication and distribution of quality seeds pertaining to high-yielding varieties and hybrids of cereals, (ii) distribution of fertilizer, (iii) agricultural research extension and training, (iv) credit services for small and marginal farmers and agricultural labourers, (v) milk production through small and marginal farmers and agricultural labourers, and (vi) establishment of agro-meteorological divisions in agricultural universities.

FOODGRAINS

Trends in production, imports, exports etc. of selected foodgrain crops are indicated in Table 6.

Table 6—Trends in Principal Foodgrain Crops

Year	Production (Million tonnes)				Yield (Kgs. per hectare)				Procurement (Million tonnes)			Imports (Million tonnes)		
	Rice	Wheat	Coarse grains	Pulses	Rice	Wheat	Coarse grains	Pulses	Rice	Wheat	Coarse grains	Rice	Wheat	Coarse grains
1950-51 ..	23.5*	6.4*	16.8*	8.2*	771*	655*	433*	405*	2.8 (13.6)	1.1 (17.0)	0.8 (5.2)	0.3	1.4	0.4
1955-56 ..	27.6	8.8	19.5	11.0	874	708	449	476	Neg. (0.1)	—	—	0.3	0.4	—
1960-61 ..	34.6	11.0	23.7	12.7	1,013	851	528	539	0.9 (2.6)	0.4 (3.6)	—	0.7	4.4	0.1
1965-66 ..	30.6	10.4	21.4	9.9	862	827	483	438	3.0 (9.8)	0.4 (3.8)	0.7 (3.3)	0.8	6.6	0.1
1969-70 ..	40.4†	20.1†	27.3†	11.7†	1,073	1,209	578	531	3.7 (8.9)	2.4 (11.9)	0.4 (1.5)	0.5	3.1	0.3
1970-71 ..	42.4†	23.3†	30.5†	11.6†	1,134	1,299	662	516	3.1 (7.3)	3.1 (13.4)	0.5 (2.0)	0.2	3.4	—
1971-72 ..	NA	NA	NA	NA	NA	NA	NA	NA	3.5‡ (8.0)	5.2‡ (20.0)	0.3‡ (1.0)	0.2	1.8	—

* Data relate to 1949-50. † Final estimate. ‡Provisional.

Note: Production data relate to agricultural year (July-June). Imports and procurement are for calendar years, i.e., 1950-51 for 1950, 1955-56 for 1955, etc.

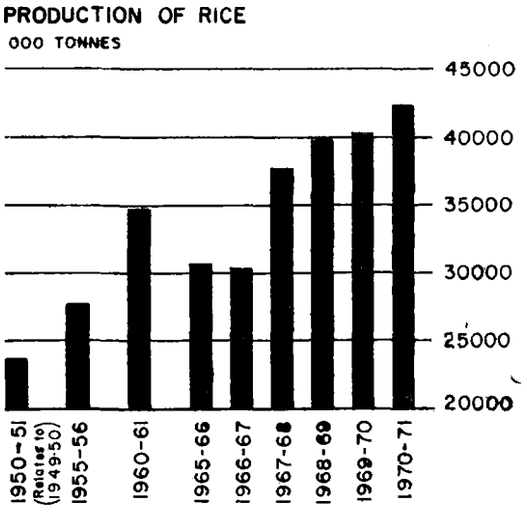
Rice

The all-India second estimate for 1971-72 placed the area under rice at 34.9 million hectares showing a nominal rise of 1.8 per cent over the corresponding adjusted estimate of 1970-71. Official estimates of rice production for 1971-72 are not available.

Procurement of paddy/rice carried out during the 1970-71 marketing season (November-October) in all the States/Union territories except in Gujarat and Rajasthan, aggregated 3.2 million tonnes as against the target of 4.7 million tonnes fixed by Government. Of the 3.2 million tonnes, 2.1 million tonnes were

delivered to the Central Pool from the procurement made in Andhra Pradesh, Haryana, Madhya Pradesh, Orissa, Punjab, Tamil Nadu and Uttar Pradesh. As regards State-wise performance in procurement during 1970-71, only Madhya Pradesh and Punjab had exceeded their procurement targets (by 34 per cent

Graph 7



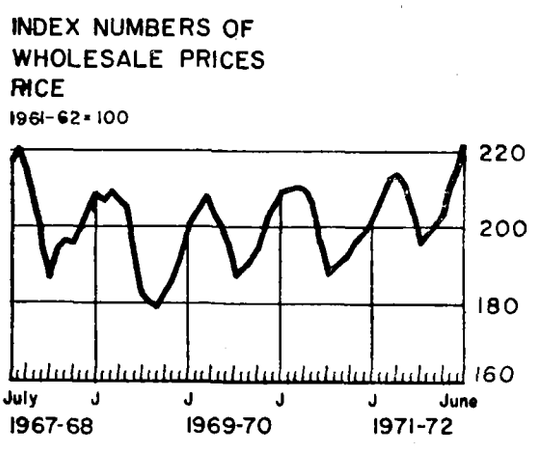
and 31 per cent, respectively). Among other States, while Haryana, Maharashtra and Uttar Pradesh were nearer to their targets, Mysore and Tamil Nadu showed substantial shortfalls.

During the 1971-72 season, as against a target of 4.3 million tonnes, procurement of rice till June 1972 aggregated 3.1 million tonnes. Rice imports during 1971 from Burma, Thailand and the U.A.R. at 2.4 lakh tonnes were a little higher than 2.1 lakh tonnes in 1970. During the first six months of the calendar year 1972, 70,000 tonnes of rice were imported under the bilateral contracts entered into during 1971.

Distribution of rice through the public distribution system showed a small rise of 90,000 tonnes to 31.4 lakh tonnes during 1971 mainly on account of the influx of refugees from Bangladesh. Total rice stocks with the Central and State Governments at the end of June 1972 stood at 2.5 million tonnes—the same as at the end of June 1971.

The minimum support price for standard paddy fixed at Rs. 46.00 per quintal during the 1970-71 season was continued during the 1971-72 season. There was also no change in the procurement prices of rice which continued at Rs. 74.30-99.00 per quintal. However, due to an upward revision by Re. 1 per quintal in Jammu & Kashmir and Tamil Nadu during 1971-72, procurement prices of paddy were marginally higher in the range of Rs. 47-58 per quintal, as against the previous season's level of Rs. 46-58.

Graph 8



Except for a seasonal decline between October and December 1971, rice prices ruled distinctly firm throughout 1971 and the first half of 1972. The all-India index number of wholesale prices of rice (base: 1961-62=100) moved up steadily from 189.8 in January 1971 to 214.4 in September and after declining to 196.3 by December, rose again to 220.0 by June 1972—a net rise of 9.1 per cent over the June 1971 level. Region-wise, price variations* over the year, were substantial in both the deficit as well as surplus States

* Separate indices of rice prices at different centres constituting the all-India index are not available for the full year at the time of going to press. Therefore, for reviewing regional variations in rice prices over the year, wholesale price quotations of rice at important centres in different States are used.

and even within a State as may be seen from below:

State	No. of centres	% increase : June 24, 1972 over June 26, 1971
Andhra Pradesh ..	5	7.8 to 27.5
Bihar	9	8.4 to 24.0
Gujarat	3	6.9 to 25.5
Madhya Pradesh ..	6	9.5 to 32.9
Mysore	5	2.7 to 19.4
Orissa	4	15.3 to 32.9
Uttar Pradesh ..	14	0.8 to 23.8

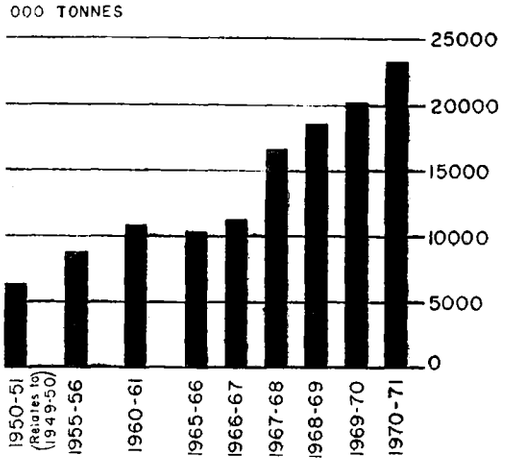
Despite the Government's effort to insulate the surplus areas from deficit areas through restrictions on inter-State movement, there has been a sharp rise in prices in surplus States. This is presumably due to the large procurement operations in these States. In deficit States also, the rise in prices was equally sharp; the offtake from the public distribution system seemed to have some moderating effect on the price rise in the deficit States.

Wheat

Despite uneven rains in the major wheat-producing areas of Punjab, Haryana and Uttar Pradesh, wheat production during 1971-72 is likely to rise for the sixth year in succession. The increase is attributable to larger acreage under the HYV and to a mass campaign for late sowings of wheat under the Emergency Production Programme initiated during December 1971 in Punjab, Haryana and Rajasthan.

Graph 9

PRODUCTION OF WHEAT



Total procurement during the 1971-72 marketing season (April-March) at 5.1 million tonnes exceeded the target of 4.0 million tonnes. While the share of Haryana and Punjab in the aggregate procurement of wheat declined from 15.1 per cent and 74.2 per cent in 1970-71 to 13.9 per cent and 57.6 per cent, respectively, in 1971-72, that of Uttar Pradesh increased from 10.1 per cent in 1970-71 to 22.4 per cent in 1971-72. Though no definite target for the 1972-73 season has been fixed for procurement of wheat, it is envisaged at 6.5 million tonnes; procurement till June 1972 aggregated 5 million tonnes.

In view of the Government's policy to purchase any quantity of wheat of fair average quality offered for sale at procurement prices, the minimum support prices were not announced for the 1972-73 season. Procurement prices of wheat for the season were continued at the previous season's level of Rs. 76 per quintal for all varieties except the indigenous red and Rs. 71-74 per quintal for the indigenous red variety, despite the Agricultural Prices Commission's (APC) recommendations to lower these prices to Rs. 72 and Rs. 66, respectively.

Issue prices of wheat were also continued at the previous year's level of Rs. 78 per quintal although the APC had recommended that wheat supplied to roller flour mills should be issued at Rs. 80 with an explicit understanding that the incidence would not be passed on to the consumers.

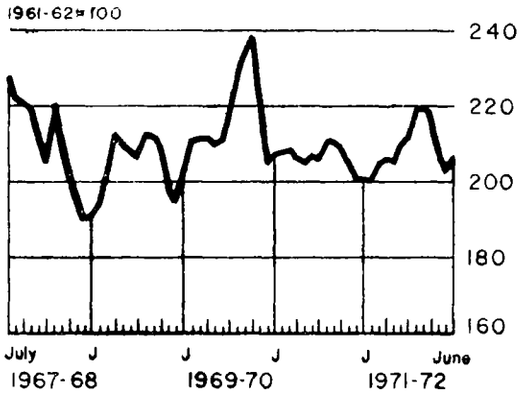
Wheat imports declined from 3.4 million tonnes in 1970 to 1.8 million tonnes in 1971. As in the previous year, about two-thirds of the imports were from the U.S.A.—1.2 million tonnes under the P.L. 480 and about 24,000 tonnes as commercial purchases. The balance of the imports was received from Australia and Canada, partly as commercial purchases and partly as

gifts. Imports during the first six months of 1972 aggregated 0.3 million tonnes as a sequel to Government's decision to stop concessional imports under P.L. 480 from January 1972.

Wheat released under the public distribution system declined from 5.4 million tonnes in 1970 to 4.5 million tonnes in 1971 due mainly to increased availability in the open market. Wheat stocks with the Central and State Governments improved steadily during 1971 to reach a peak of 5.8 million tonnes at the end of July 1971. There was a seasonal decline thereafter, up to April 1972 ; the stocks at 6.1 million tonnes at the end of June 1972 showed a rise of 0.9 million tonnes over June 1971 level.

Graph 10

INDEX NUMBERS OF WHOLESALE PRICES WHEAT



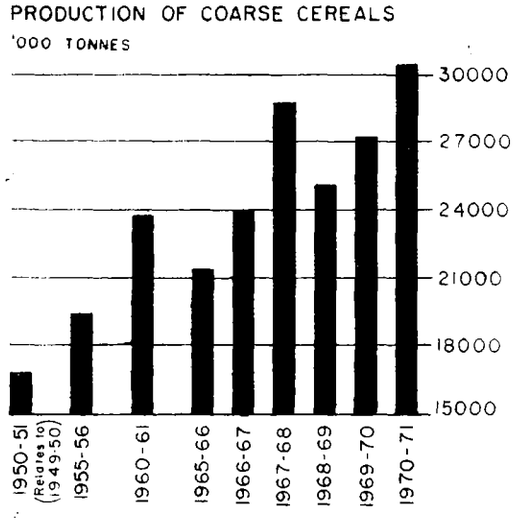
Wheat prices after a seasonal decline in the early part of the season (April-March) tended to be on the whole steady till October but firmed up thereafter due partly to railroad transport bottlenecks arising out of Indo-Pakistan hostilities. The all-India index number of wholesale prices of wheat (base: 1961-62 =100) declined from 209.5 in March 1971 to 200.2 in June and after moving in a narrow range till October, firmed up to 218.9 by January 1972 and ruled at this level in February. Thereafter, with the progress of *rabi* harvesting, the index started declining and reached 203.0 in May. In June, the index tended to firm up again and reached 207.2. This level was higher by 3.5 per cent as compared to June 1971 level. The all-India wheat index does not fully reflect the rise in wheat prices at different centres, because in respect of one-third of the centres covered by the all-India index, the wholesale issue rate (ex-godown) as fixed by the Central / State Governments has been taken for purposes of compilation of the index. Wholesale prices* of wheat at important centres in various States show that over the year (June 24, 1972 over June 26, 1971) the percentage increases in wheat prices of different varieties ranged up to 8.5 per cent in Punjab, 6.2 per cent to 18.8 per cent in Haryana, 2.6 per cent to 8.2 per cent in Madhya Pradesh and up to about 15.0 per cent at a large number of centres in Uttar Pradesh.

Coarse Cereals

Official estimates of production of coarse cereals during 1971-72 are available only in respect of bajra. Bajra output fell sharply from 8.0 million tonnes in 1970-71 to 5.2 million tonnes in 1971-72—a decline of 33.3 per cent. In respect of other coarse cereals, while area under jowar and barley showed nominal increases of 0.1 and 0.3 per cent, respectively, those under maize, ragi and small millets showed declines ranging up to 7.4 per cent.

Graph 11

PRODUCTION OF COARSE CEREALS



* *Bi-weekly Bulletin on Wholesale and Retail Prices of Foodgrains*, Ministry of Agriculture, Government of India.

During the 1970-71 marketing season (November-October), as against the target of 0.8 million tonnes, procurement of *kharif* coarse cereals aggregated 0.5 million tonnes of which 0.4 million tonnes were delivered to the Central Pool. During 1971-72, till June 1972, 0.2 million tonnes of *kharif* coarse grains were procured. Among *rabi* coarse cereals, the FCI purchased 11,000 tonnes of barley during 1971-72 (April-March) and 7,000 tonnes of barley in 1972-73 up to June.

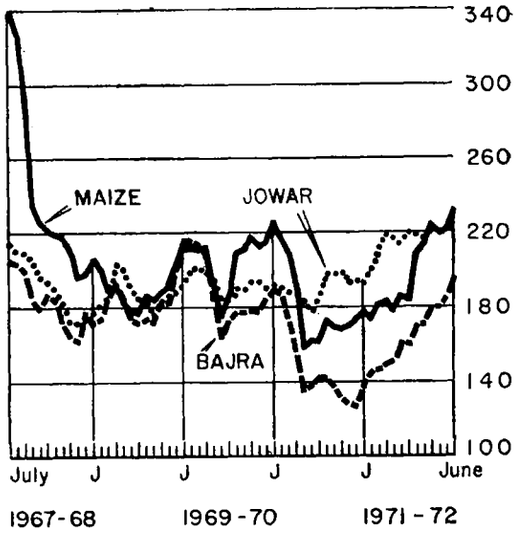
The minimum support prices and procurement prices of coarse grains during 1971-72 were maintained at the previous season's level of Rs. 45 and Rs. 55, per quintal, respectively.

Offtake of coarse grains from the public distribution system declined from 0.4 million tonnes in 1970 to 0.1 million tonnes in 1971. Total stocks of coarse grains with the Central and State Governments improved from 0.4 million tonnes as at end-December 1970 to 0.5 million tonnes at end-December 1971. Stocks at the end of June 1972 stood at 0.3 million tonnes.

Graph 12

INDEX NUMBERS OF WHOLESALE PRICES COARSE CEREALS

1961-62 = 100



State-wise, the rise in jowar prices* was particularly sharp in Rajasthan (43 to 56 per cent) and Uttar Pradesh (19 to 54 per cent). At the other end, in Mysore (excepting at Bangalore), the major jowar producer, the rise was much smaller, viz., 7-8 per cent. The rise in bajra prices was steep in the two major producing States, Rajasthan (73 per cent) followed by Gujarat (48 to 56 per cent). In Mysore, the rise was smaller at 15 per cent.

Pulses

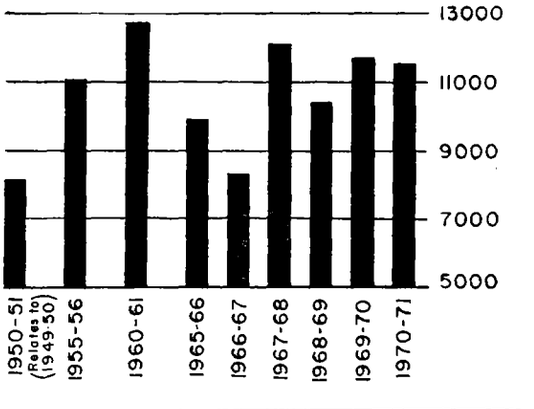
According to the all-India estimates for 1971-72, area under tur and other *kharif* pulses showed declines of 9.6 per cent and 11.3 per cent, respectively, while those of gram and other rabi pulses showed increases of 2.6 per cent and 0.9 per cent, respectively, over the corresponding adjusted estimates of 1970-71. Although official estimate for production of pulses is not yet available, according to trade estimates, it is likely to register a decline for the second year in succession.

Prices of pulses firmed up further during 1971-72 due mainly to a decline in output in the face of rising demand. Thus, the all-India index number of wholesale prices of pulses (base: 1961-62=100) moved up from 242.4 in June 1971 to 290.5 by November. The index moved thereafter between 294.5 and 279.4 till April 1972, but rose sharply to 311.0 by June 1972. At this level, the index showed

Graph 13

PRODUCTION OF PULSES

'000 TONNES

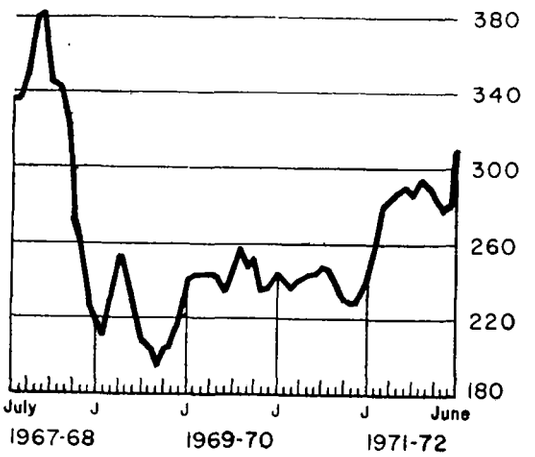


Bi-weekly Bulletin on Wholesale and Retail Prices of Foodgrains, Ministry of Agriculture, Government of India.

Graph 14

INDEX NUMBERS OF WHOLESALE PRICES PULSES

1961-62 = 100



a rise of 28.3 per cent over the June 1971 level.

NON-FOODGRAINS

Among cash crops, cotton and jute have achieved significant improvement in output over the levels in the previous year. The increase in tea, however, was marginal. Among major oilseeds, groundnut production recorded a decline. The fall in sugarcane crop has affected sugar output during the current year. The overall availability of key cash crops is portrayed in Table 7.

Table 7—Availability[1] of Cash Crops

Crop year	1969-70	1970-71	1971-72*
Raw Cotton (Lakh bales of 180 kgs. each)			
Production[2]	60.7	57.0	74.0
Imports	9.1	8.5	6.4
Availability	93.2	83.1	97.8
Raw Jute[3] (Lakh bales of 180 kgs. each)			
Production	67.9	61.9	68.4
Imports	—	—	—
Availability	75.9	75.9	84.9
Major Oilseeds[4] (Million tonnes)			
Production	7.7	9.2	8.32
Sugarcane[5] (Million tonnes)			
Production	13.8	13.2	12.82

* Provisional.

1. Availability is defined as production + imports + opening stocks. 2. Trade estimates. 3. Including mesta. 4. Groundnut, rapeseed/mustard, linseed, sesamum and castorseed. 5. In terms of gur.

As for prices, while the comfortable supply of raw cotton brought down cotton prices steeply by 30 per cent, sugar prices increased by 27 per cent in anticipation of supply shortages. Oilseeds prices moved up by 3.4 per cent as against a fall of 17.9 per cent witnessed during last year. Despite the improved supply position, raw jute prices moved up by 4 per cent due to a pick up in jute manufacturing activity following good export demand for jute manufactures as well as for raw jute.

Trends in production, consumption, exports, imports, etc., of selected non-foodgrains commodities are indicated in Table 8.

Cotton

The official estimate of production of cotton for the 1971-72 season is not yet available. According to the all-India fourth estimate for 1971-72, the area under cotton at 7.6 million hectares showed a nominal increase of 1.5 per cent over the corresponding adjusted estimate for the previous season. Trade circles place the total outturn of the current crop (including non-commercial crop) substantially higher at 74 lakh bales as against 57 lakh bales in the last season. The sharp increase in production is mainly the result of larger crop,

Graph 15

PRODUCTION OF COTTON

'000 BALES OF 180 KGS. EACH

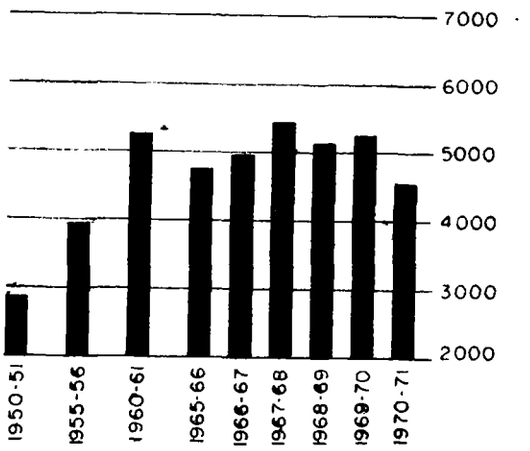


Table 8 : Trends in Non-foodgrains Commodities

Commodity year as indicated	Cotton (September-August)						Jute and Mesta (July-June)						Oilseeds (November-October)			
	Production ('000 bales of 180 kgs. each)	Yield per hectare (Kgs.)	Imports ('000 bales of 180 kgs. each)	Exports ('000 bales of 180 kgs. each)	Consumption[1] ('000 bales of 180 kgs. each)	Stocks ('000 bales of 180 kgs. each)	Production ('000 bales of 180 kgs. each)	Yield per hectare (Kgs.)	Imports ('000 bales of 180 kgs. each)	Exports ('000 bales of 180 kgs. each)	Consumption[2] ('000 bales of 180 kgs. each)	Stocks[9] ('000 bales of 180 kgs. each)	Production[11] (Million tonnes)	Yield per hectare (Kgs.)	Imports ('000 tonnes)[12]	Exports ('000 tonnes)[12]
1950-51 ..	2,875	88	800	178	3,648	1,518	3,309	1,043	2,598	—	5,851	1,021	5.16	481	—	—
1955-56 ..	3,949	88	603	603	4,978	1,593	5,394	1,039	1,482	—	6,916	1,471	5.73	474	—	—
1960-61 ..	5,293	125	1,100	297	5,644	2,236	5,263	1,049	416	—	6,451	869	6.98	507	Neg.	49.32
1965-66 ..	4,582	104	526	182	6,157	1,956	5,778	937	1,209	100	7,861	1,169	6.40	419	7.00	0.44
1968-69 ..	5,1443	122	429	190	6,539	2,339	3,8373	856	609	54	6,050	800	6.853	473	5.18	37.95
1969-70 ..	5,2553	122	911	207	6,711	1,7558	6,7853	1,121	—	84	6,400	1,400	7.733	522	4.02	32.38
1970-71 ..	4,5564	108	845	177	6,288	1,7408	6,1933	1,032	—	48	6,549	1,650	9.2314	600	35.58	28.10
1971-72 ..	7,4006 (5,700)		5985	2127	6,600	N.A.	6,8384	1,105	—	36610	7,765	1,623	5.7115		9.9113	3.3513

Commodity year as indicated	Sugar (October-September)						Tea (January-December)		Coffee (October-September)		
	Production of sugarcane in terms of gur (Million tonnes)	Production of Sugar (Lakh tonnes)	Imports (Lakh tonnes)	Exports (Lakh tonnes)	Consumption (Lakh tonnes)	Stocks (Lakh tonnes)	Production (Million kgs.)	Exports (Million kgs.)	Production ('000 tonnes)	Exports[21] ('000 tonnes)	Consumption[20] ('000 tonnes)
1950-51	5.716	11.316	0.57	—	10.98	1.80	278	182	18.9	0.3	17.5
1955-56	6.116	18.916	0.69	—	19.72	5.40	308	184	35.0	8.1	22.6
1960-61	11.116	30.316	—	2.47	21.27	12.60	321	196	68.0	32.3	30.0
1965-66	12.816	35.416	—	3.92	27.92	12.16	366	197	63.9	28.8	36.9
1968-69	12.83	35.6	—	0.79	26.09	13.06	402	208	73.4	32.0	35.8
1969-70	13.83	42.7	—	2.17	32.61	20.90	396	169	63.6	31.2	39.1
1970-71	13.24	37.4	—	3.9518	40.2518	14.1018	421	208	109.8	44.810	33.6
1971-72	12.817	30.75	—	1.0019	39.0019	5.1019	433	21318	69.018	40.022	37.9

1 Consumption by mills and extra factory consumption.

2 Includes village consumption.

3 Partially revised.

4 Final estimate.

5 Up to June 30, 1972.

6 Trade estimate. Figure in bracket represents trade estimate for 1970-71.

7 Up to July 1, 1972.

8 Stocks with the trade estimated.

9 Stocks with mills and other stockists.

10 Up to March 1972.

11 Comprises groundnut, rapeseed/mustard, sesamum, castorseed and linseed.

12 Figures of imports and exports relate to all oilseeds. Data till 1968-69 are for fiscal years (April-March) and those for 1969-70 onwards are for July-June.

13 July to December 1971.

14 Partially revised estimate for groundnut and final estimates for other major oilseeds.

15 Final estimate of groundnut only.

16 November-October.

17 Trade estimate.

18 Provisional.

19 Estimated.

20 Calendar year ; represent coffee released from the Pool for internal consumption.

21 Quantity sold for exports out of each season's crop.

22 Allocation.

particularly in Gujarat, Maharashtra and Punjab.

The cotton production target for the 1971-72 season was fixed at 6.5 million bales, the same as for the preceding season. As in the past, emphasis was laid on raising yield per hectare through intensive cultivation (package programmes). As against the target of 7.65 lakh hectares to be covered under the package programmes during 1971-72, 5.91 lakh hectares were actually covered—2.92 lakh hectares under Central package and 2.99 lakh hectares under State package programmes. Mass plant protection campaigns were also organised over an area of 1.54 lakh hectares in scanty rainfall areas of Madhya Pradesh, Maharashtra and Mysore. Besides, an area of 2.53 lakh hectares was covered by aerial spraying programme.

With a view to attaining self-sufficiency in cotton as early as possible, new programmes were initiated during 1971 to popularise the use of pure seeds and new varieties, application of recommended doses of fertilizers and adoption of plant protection measures. Under the Centrally sponsored scheme for Intensive Cotton District Programme, the Government identified 13 major cotton growing districts—six predominantly irrigated and seven rainfed—in nine States for raising cotton production rapidly and substantially. The total area proposed to be covered under this scheme was fixed at 5.20 lakh hectares.

The high-yielding variety, Hybrid-4, which resembles certain superior imported varieties of cotton and also gives an additional yield of about 2½ bales per hectare compared to traditional strains, was cultivated on an increased area in the States of Gujarat, Maharashtra, Madhya Pradesh and Mysore. An area of 38,400 hectares was covered under this variety during 1971-72. Besides, 1,015 hectares were covered under seed production programme. This programme is at present being implemented in the State sector. Further, under the Co-ordinated Cotton Development Schemes, 39.74 lakh hectares were covered under improved seeds in different States, while areas covered under fertilizers and plant protection measures were 16.41 lakh hectares and 15.51 lakh hectares, respectively.

The 1971-72 season commenced with a carry-over stock of 17.4 lakh bales as against the previous year's level of 17.6 lakh bales. With the total outturn of the current crop placed at 74 lakh bales by trade, (including non-commercial production of about 3 lakh bales) and likely imports at 6.4 lakh bales, the overall availability of raw cotton during the current season is estimated at 97.8 lakh bales, i.e., 14.7 lakh bales more than in the previous season. As regards offtake, mill consumption during 1971-72, according to trade circles, is expected to be higher at 61.8 lakh bales as against 59.2 lakh bales last season. With the increases expected in extra-factory consumption at 4.3 lakh bales and likely exports at 2.8* lakh bales, total offtake would aggregate 68.9 lakh bales as against 64.7 lakh bales in the previous season.

In view of larger production of Bengal Deshi estimated at 6.11 lakh bales (as against 4.9 lakh bales in 1970-71), Government announced a higher export quota of 2.8 lakh bales for the current season, as against 2 lakh bales in the 1970-71 season. Bengal Deshi registered for export up to July 1, 1972 aggregated 2.12 lakh bales as against 1.65 lakh bales in the corresponding period last year.

In order to prevent cotton prices from falling to unremunerative levels, Government abolished the limits on stocks with the mills and slashed down programmed imports from 10 lakh bales to 6.4 lakh bales, while the Reserve Bank relaxed its control in respect of advances against cotton. (For details please see paragraphs in Chapter IV dealing with credit policy).

Since the trade and mills failed to lift adequate stocks of cotton from the market, Government directed the Cotton Corporation of India (CCI) to make large-scale purchases. Accordingly, the CCI purchased cotton at different centres in almost all cotton producing States as a price support measure. During the current season, the CCI mopped

* Excluding exports to Bangladesh.

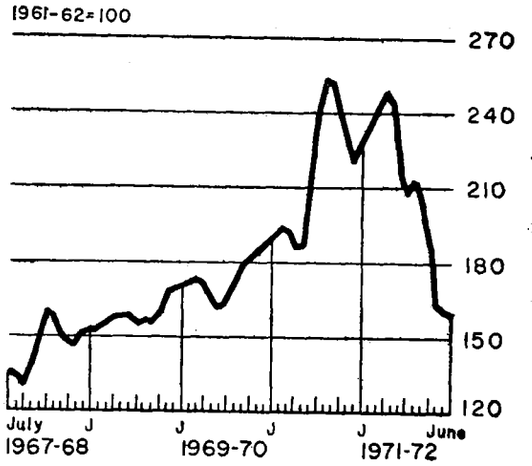
up about 5 lakh bales of cotton valued at around Rs. 50 crores.

The Agricultural Prices Commission has not recommended any minimum support prices for cotton for the 1971-72 season. However, the Union Government announced in April, purchase prices of kapas for Punjab, Madhya Pradesh, Gujarat and Maharashtra which were higher than the prevailing market quotations.

An important development during the year was the passing of the Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971 to procure raw cotton in the State on a monopoly basis. The monopoly procurement commenced from August 1, 1972. The Maharashtra State Cotton Control Advisory Board, constituted under the monopoly procurement scheme in the State, announced its recommendations in July 1972 regarding the prices at which the State Co-operative Marketing Federation would purchase *kapas* from August 1.

Graph 16

INDEX NUMBERS OF WHOLESALE PRICES RAW COTTON



Cotton prices which ruled at substantially high levels in the previous season, declined steadily and touched the lowest levels of the season in June 1972. The fall was due to larger output resulting in heavy arrivals in the terminal markets. The all-India index number of wholesale prices of raw cotton (base: 1961-62=100), after a temporary rise from 241.2 in August 1971 to 248.8 in September, tended to decline. This downtrend became pronounced in March 1972 and despite the corrective measures adopted to stabilise the prices, the index fell to 158.6 by June 1972, thus showing a fall of 34.2 per cent over the August 1971 level. In the corresponding period last year, the index showed a rise of 18.3 per cent.

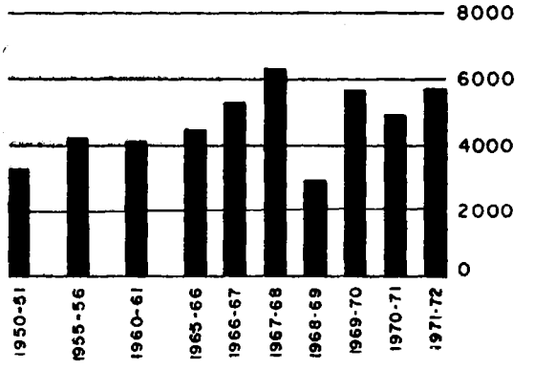
Jute

The all-India final estimates for 1971-72 place production of raw jute at 57.1 lakh bales, as against the 1970-71 partially revised estimate of 49.4 lakh bales. The increase in production was the net result of substantially larger output in West Bengal and Assam owing to increase in both area and yield, partially offset by a decline in output in Bihar where the crop was damaged by floods. Mesta output in 1971-72 (final estimates) is placed lower at 11.3 lakh bales, as against the previous season's partially revised estimate of 12.6 lakh bales. The decrease in mesta crop was accounted for mainly by Bihar, Maharashtra and West Bengal and was due to decrease in area as well as in yield owing to unfavourable weather conditions during the

Graph 17

PRODUCTION OF RAW JUTE

'000 BALES OF 180 KGS. EACH



year. The aggregate production of raw jute and mesta at 68.4 lakh bales in 1971-72 is far short of the target of 84 lakh bales

69 lakh bales of jute and 15 lakh bales of mesta) for 1971-72.

The developmental efforts aimed at increasing the production of raw jute and improving the quality of the fibre were intensified during the year. Under the Centrally sponsored special package programme, about 108,900 hectares (i.e., about 10 per cent of the total area under jute and mesta cultivation) were covered in 1971-72, 90,900 hectares under jute and 18,000 hectares under mesta, as against 37,421 hectares under jute and 6,718 hectares under mesta in 1970-71. Line sown area has been estimated at about 35,000 hectares during 1971-72. A gross area of about 16,000 hectares (i.e., 1.4 per cent of total area under jute and mesta) was covered in 1971-72 under aerial spraying of urea in different jute-growing States; the area covered in 1970-71 was about 10,000 hectares. According to a new programme of ground spraying of urea in non-packag areas, introduced in 1971-72, 75,048 hectares were brought under foliar spraying of urea.

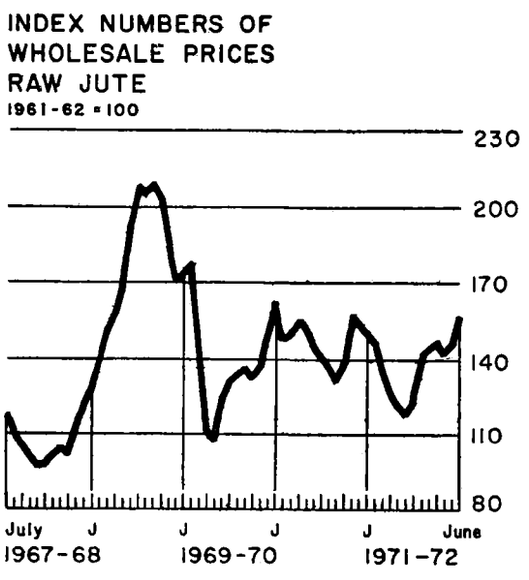
With the opening stocks of 16.5 lakh bales and a larger estimated production of 68.4 lakh bales, the available supplies of jute and mesta during 1971-72 (July-June) are estimated at 84.9 lakh bales. Consumption by mills during 1971-72 season is estimated higher at around 75.7 lakh bales as against 63.5 lakh bales in the 1970-71 season, while extra-factory consumption is placed at 2 lakh bales. The total demand would thus be around 77.7 lakh bales which is substantially higher by about 12 lakh bales than in 1970-71. During 1971-72, no import of raw jute has been effected. However, under the Indo-Bangladesh trade agreement signed on March 28, 1972, imports of raw jute from Bangladesh valued at Rs. 7.5 crores have been agreed to. On the basis of jute price prevailing in Calcutta at the end of March 1972, this would work out to nearly 3 lakh bales. The quantity of raw jute exports to the USSR (recommended by the Jute Commissioner) till March 1972 aggregated 1 lakh bales. In addition, 3 lakh bales of fibre were earmarked for export to all permissible destinations, of which 2.6 lakh bales were registered by the Jute Commissioner's Office up to March 1972.

With a view to ensuring fair prices to growers of raw jute, the Government of India effected changes in the minimum support prices of raw jute for the 1971-72 and 1972-73 seasons on the basis of recommendations made by the Agricultural Prices Commission. Thus, the minimum support price of raw jute (basis Assam Bottoms at Calcutta) which was Rs. 107.17 for the 1970-71 season was increased on August 31, 1971 to Rs. 113.87 per quintal for the 1971-72 season. On June 27, 1972, the Government raised the minimum support price for the 1972-73 season to Rs. 115 per quintal for delivery at Calcutta (subject to review after two months), and also made it statutory; it is thus made obligatory on the part of all, including mills, not to buy raw jute at any level below the minimum price. The price differential between the minimum price in Calcutta and upcountry centres would be determined by the Jute Corporation of India, taking into account the interests of the growers. Further, as a first step towards gradual take-over of jute trade, the Jute Corporation of India (set up in April 1971) proposes to buy 9 lakh bales of raw jute during the 1972-73 season through departmental centres, co-operative societies and a few private agents and make arrangements for storage of raw jute at various centres. With a view to overcoming transport bottleneck and co-ordinating movement of fibre from producing centres to mills, a special cell has been set up by the Railway Board in Calcutta.

The Reserve Bank of India by a directive dated September 13, 1971 liberalised the availability of commercial banks' credit to jute mills (for details, see Chapter IV).

Except for brief spells of firmness, raw jute prices in Calcutta ruled distinctly easy till the middle of November 1971 touching the lowest level of the season. Sentiment was affected mainly by anticipations of a large domestic crop in the 1971-72 season. The fall in prices was particularly sharp at mofussil centres, due to virtual stoppage of

Graph 18

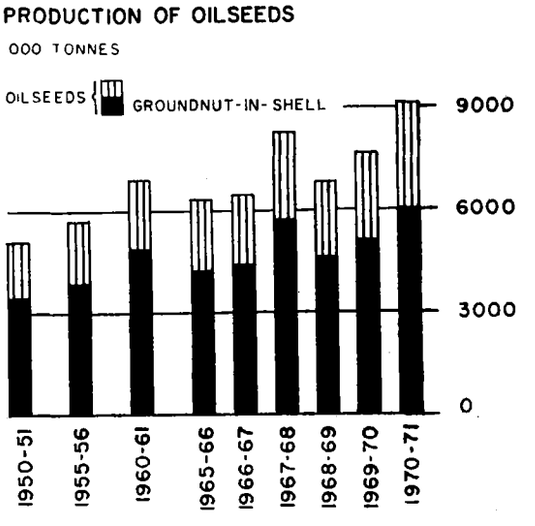


fibre movement and consequent accumulation of stocks at those centres, following disruption in transport as a result of widespread floods in September-October. However, with the resumption of normal rail and road traffic and revival of demand, prices tended to recover. The all-India index number of wholesale prices of raw jute (base: 1961-62= 100) declined almost continuously from 151.2 in June 1971 to 117.9 in November, the lowest level reached after a period of two years. The index moved up steadily thereafter to 147.9 by March 1972 and after receding temporarily to 141.4 in April moved up again to 157.2 by June showing a rise of 4.0 per cent over June 1971 level. The rise in May-June 1972 was mainly owing to apprehensions of shortfall in crop during the 1972-73 season following widespread drought conditions in jute growing tracts.

Oilseeds

The all-India final estimate for 1971-72 places groundnut production lower at 57.1 lakh tonnes (nuts-in-shell), as against the previous season's partially revised estimate of 61.1 lakh tonnes. The decline in output was accounted for mainly by Gujarat, Maharashtra and Madhya Pradesh and was due to unfavourable weather conditions and also shrinkage in area in case of Maharashtra. The all-India yield for groundnut per hectare which increased from 720 kgs. in 1969-70 to 834 kgs. in 1970-71 declined to 789 kgs. in 1971-72. Official estimates of production for the 1971-72 season in respect of the other four major oilseeds are not yet available, but according to trade, production of five major oilseeds (i.e., groundnut, rapeseed/mustard, sesamum, castorseed and linseed) would be lower by about a million tonnes as compared to the record level of 9.2 million tonnes achieved in 1970-71; the target fixed for 1971-72 was 9.5 million tonnes.

Graph 19



The Centrally sponsored scheme for maximising groundnut production initiated in 1966-67 which covered an area of 16 lakh hectares in 14 States in 1970-71 was extended to cover during 1971-72 19.1 lakh hectares in 18 States; the outlay envisaged was Rs. 1.06 crores. The cumulative additional production achieved till 1970-71, as a result of the operation of the scheme is estimated at 8.8 lakh tonnes. The scheme covered 26.4 per cent of total area under groundnut crop in 1971-72 as against 21.8 per cent in 1970-71.

Under the Centrally sponsored scheme for development of short-duration and high-yielding variety of castor, viz., 'Aruna' in Andhra Pradesh which was introduced for the first time in 1970-71, an area of 18,100

hectares was covered in 1971-72 as against the target of 22,000 hectares. In 1970-71, this scheme covered an area of 4,570 hectares only.

In respect of the Centrally sponsored scheme for demonstrations and mass plant protection measures for rapeseed/mustard, the targets fixed for 1971-72 were 1,210 hectares for demonstrations and 149,200 hectares for mass plant protection campaign. The financial outlay involved was estimated at Rs. 65 lakhs. In 1970-71, the first year of its operation, the scheme covered an area of 3,379 hectares for mass plant protection and 329 hectares under demonstrations. The scheme for nigerseed demonstrations initiated in Madhya Pradesh in 1970-71 was extended to three more States, viz., Andhra Pradesh, Maharashtra and Orissa in 1971-72; however, this scheme could not be implemented in Orissa because of late receipt of sanction.

The Centrally sponsored scheme for soyabean demonstration sanctioned last year continued to operate during 1971-72 also, the target area fixed being 429 hectares in 12 States as against 340 hectares in 13 States in 1970-71. Another Centrally sponsored scheme for development of soyabean was sanctioned by Government during 1971-72 in four States, viz., Madhya Pradesh, Gujarat, Maharashtra and Uttar Pradesh.

With a view to increasing indigenous supply of sunflower seed oil, a new Centrally sponsored scheme for sunflower demonstrations was sanctioned during the year. The area to be covered in 1971-72 was fixed at 900 hectares in 12 States and the estimated cost would be Rs. 2.70 lakhs.

In the State sector, the Package Programme (i.e., improved seeds, proper fertilization of crop, timely plant protection measures and improved agronomic practices all taken up in a package form to produce maximum impact on the yield of the crop) covered in 1971-72, under groundnut 3.4 lakh hectares in five States, viz., Andhra Pradesh, Haryana, Maharashtra, Tamil Nadu and Orissa, as against 3.2 lakh hectares in 1970-71; the target area was 3.8 lakh hectares.

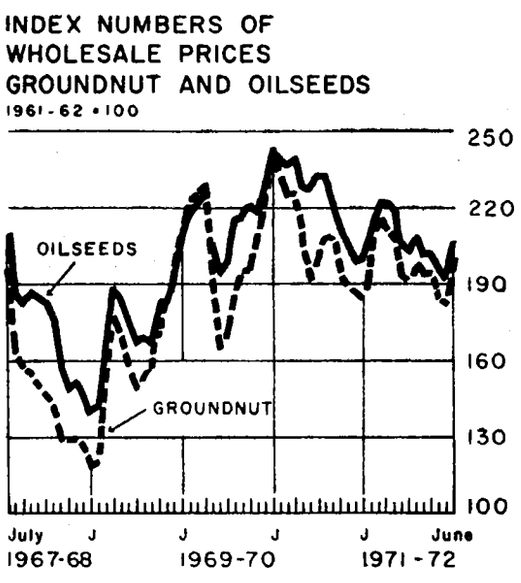
Under the Integrated Oilseeds Development Scheme, aimed at increasing production of five major oilseeds through integrated action, viz., improved seeds, fertilizers and plant protection measures either singly or in combination and through dry farming techniques in scarce rainfall areas, 3.3 lakh hectares were covered under groundnut in three States, viz., Gujarat, Maharashtra and Mysore in 1971-72; the target fixed was 5.9 lakh hectares. In 1970-71, the scheme covered 4.4 lakh hectares in five States.

With a view to achieving self-reliance in the availability of vegetable oils in the context of uncertainty regarding economic aid from the U.S.A., the following steps were taken during the year: (i) a concerted drive was undertaken to extend the area under summer groundnut crop in the four Southern States by the crop rotation method, (ii) the plant protection target in respect of rapeseed/mustard for 1971-72 was stepped up from 14,700 hectares originally envisaged to 149,200 hectares (referred to above), (iii) a Centrally sponsored scheme for development of soyabean was sanctioned and implemented in Madhya Pradesh, Gujarat, Maharashtra and Uttar Pradesh (referred to earlier), and (iv) an emergency action programme proposed to develop sunflower over an area of 350,000 hectares by the end of 1973-74, was drawn up. A coverage target of 140,000 hectares is set for 1972-73 for implementing the Centrally sponsored Sunflower Development Scheme in Andhra Pradesh, Mysore and Tamil Nadu.

In pursuance of the Government of India's decision to suspend trading in futures and non-transferable specific delivery (n.t.s.d.) contracts in edible oilseeds and oils, the Forward Markets Commission banned with effect from October 13, 1971 futures trading in cottonseed and coconut oil and also trading in n.t.s.d. contracts in groundnut and groundnut oil. Trading in hedge contracts in groundnut and groundnut oil continued to remain suspended.

Despite the none-too-comfortable supply position during the 1971-72 oilseeds season, the easy trend noticed in the prices of oilseeds during 1970-71 continued during the major part of the year under review. The all India monthly index number of wholesale prices for

Graph 20

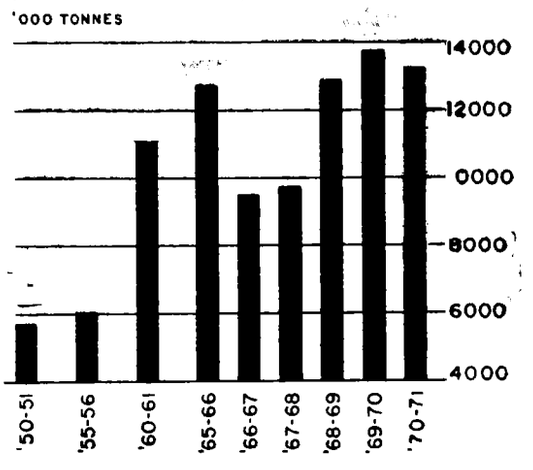


oilseeds (base: 1961-62=100) ruled till May 1972 at levels appreciably lower than a year ago. The index which had declined sharply from 243.1 in June 1970 to as low as 199.6 in June 1971, moved up partially to 222.3 in August 1971, but again tended to decline and touched 191.1 by May 1972. The closing month witnessed a recovery, the index rising to 206.4 in June, thus showing a net rise of 3.4 per cent over the year. The easy trend reflected mainly lower demand from vanaspati manufacturers during the greater part of the season. Sentiment was also affected by steps taken by the Central Government to (i) augment availability of oils through imports of mutton tallow and rapeseed, and (ii) encourage replacement of groundnut oil by cottonseed oil, rice bran oil and other minor oils in soap/vanaspati manufacture by providing certain incentives. The delay in the onset of monsoon in many producing areas was the principal factor responsible for the rise in the closing month.

Sugar

According to all-India second estimate, area under sugarcane at 24.2 lakh hectares in 1971-72 showed a nominal decline of 3 per cent compared to the corresponding adjusted estimate of 25 lakh hectares in the previous season. Although official estimate of sugarcane production during 1971-72 is not yet available, trade circles place it lower at 12.8 million tonnes (in terms of gur), as against the final official estimate of 13.2 million tonnes in 1970-71. The fall in sugarcane production is attributed mainly to unfavourable weather conditions and partly to diversion of area under sugarcane to alternative crops in view of the rising cost of sugarcane production.

Graph 21



Production of sugar during the 1971-72 season (October-September) up to June 1972 aggregated 30.7 lakh tonnes as against 36.9 lakh tonnes during the corresponding period of the previous season, thus showing a decline of 16.8 per cent. For the entire 1971-72 season, sugar production, according to trade, is likely to be of the order of about 31 lakh tonnes compared to the official estimate of 37.4 lakh tonnes in the 1970-71 season. The decline in sugar production during the current season is mainly ascribed to shortfall in the availability of cane to the mills, consequent

on a drop in sugarcane production coupled with diversion of cane from production of sugar to gur manufacture. With lower production and reduced carry-over stocks from the previous season, the 1971-72 season was characterised by tight supply situation in contrast to an overall easy availability position in 1970-71. Thus, despatches of sugar during the 1971-72 season up to June 1972 aggregated 30.3 lakh tonnes as against 31.8 lakh tonnes during the corresponding period of the previous season. As on June 30, 1972, stocks of sugar were placed lower at 14.4 lakh tonnes as against 26.2 lakh tonnes at the end of June 1971.

The basic minimum price of sugarcane payable by vacuum pan sugar factories for delivery at the factory gate for 1971-72 was continued at Rs. 7.37 per quintal linked to a recovery of 9.4 per cent or below with a premium of 6.6 paise per quintal for every 0.1 per cent increase in recovery above 9.4 per cent. Since the decontrol of sugar on May 25, 1971 while the rate of excise duty has been fixed at 30 per cent *ad valorem*, the tariff value for the purpose of excise duty assessment has undergone several changes. The tariff value was revised upwards from Rs. 125 to Rs. 135 from August 1, 1971. With the introduction of voluntary control scheme from January 1, 1972, the tariff value for free sale sugar was raised to Rs. 150, while that for levy sugar was maintained at Rs. 135. Since January 1972, the tariff value of free sale sugar has been revised upwards at four stages, from Rs. 150 to Rs. 210.

Measures were taken during the year to curb the undue price rise in sugar. Inter-State movement of sugar was banned from January 18, 1972 and that of khandsari (all types including *boora* sugar) from March 2, 1972. The selective credit control measures operated by the Reserve Bank of India have also been attuned to this objective. (For details see Chapter IV.) However, effective April 14, 1972, the Union Government withdrew the ban on the inter-State movement of khandsari sugar.

A Cabinet Sub-Committee was appointed during the year to examine in depth the problems of sugar economy with a view to formulating an appropriate sugar policy for the 1972-73 season. The Tariff Commission has also been asked by the Union Government to enquire into the price structure of the sugar industry and recommend a fair price for sugar.

In view of the expected decline in sugarcane production, the Union Government took a number of measures for maximising sugar production and encouraging sugar factories to start early crushing. These measures include :

(i) rebate in excise duty at the rate of Rs. 17 per quintal on sugar produced by a factory during the period October 1, 1971 to November 30, 1971 in excess of 80 per cent of that produced by it during the corresponding period in 1970-71, and at the rate of Rs. 16 per quintal on sugar produced during the remaining part of the year, i.e., December 1, 1971 to September 30, 1972 in excess of 80 per cent of that produced during the corresponding period in 1970-71 season,

(ii) request to the State Governments to consider the granting of rebate on purchase tax on sugarcane crushed by the sugar factories on the lines of the rebate granted by the Central Government in excise duty,

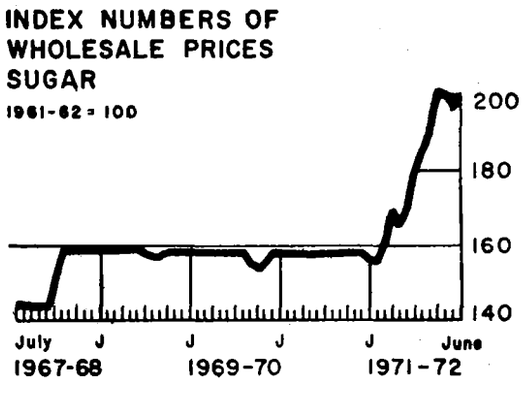
(iii) request to the State Governments to consider the desirability of banning the establishment of new power crushers and khandsari units in sugar factory areas within a radius of 10 miles and also to restrict the working of existing power crushers and khandsari units in the areas,

(iv) suspension of forward trading in gur with effect from October 18, 1971 with a view to checking the speculative rise in prices of gur leading to undue diversion of sugarcane from sugar to gur production, and

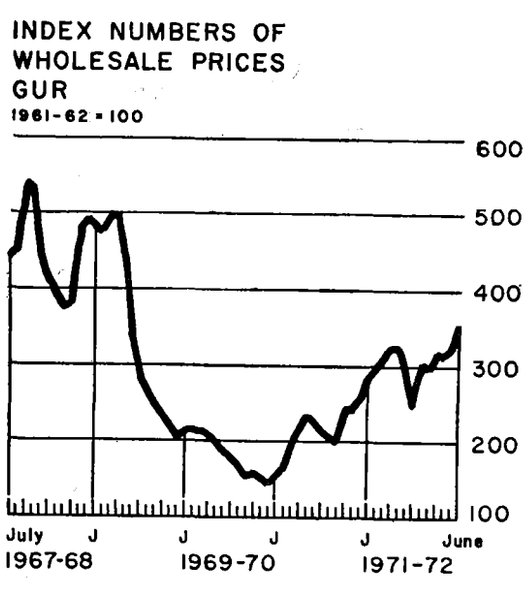
(v) advice to the sugar industry to pay a higher price for sugarcane than that fixed by Government in view of the high level of sugar prices.

Though controls on price, distribution and movement of sugar were removed with effect from May 25, 1971, releases of sugar for sale continued to be regulated by Government so as to ensure equitable distribution of supplies throughout the year. Sugar prices in the open market which eased immediately after decontrol in May 1971 tended to firm up soon, reflecting the tight supply position in the 1971-72 season. The rise in prices became particularly pronounced following the outbreak of Indo-Pak hostilities in December

Graph 22



Graph 23



1971. In terms of a voluntary agreement, effective January 1, 1972, the industry agreed i) to make 60 per cent of the monthly releases available to the Government at a fixed ex-factory price of Rs. 150 per quintal for D-30 grade (exclusive of excise duty) for meeting emergent requirements and for distribution through fair price shops to domestic consumers. Of the balance, 36.5 per cent was to be available for sale in the open market while the remaining 3.5 per cent was to be made available for meeting export commitments. Despite this, sugar prices registered a sharp rise till March 1972 and after receding temporarily in April, the prices firmed up again in May-June. The all-India index number of wholesale prices of sugar (base : 1961-62= 100) temporarily declined from 157.5 in May 1971 to 155.9 in July, i.e., soon after decontrol, but thereafter there was almost an uninterrupted rise (except for a decline in October 1971) to 201.2 by March 1972. The index eased thereafter and stood at 198.6 in June 1972; this level was 27 per cent higher than the June 1971 index.

Under a notification issued on June 15, 1972, the Union Government invoked powers under the Essential Commodities Act to give statutory backing, effective July 1, 1972 to informal partial control in respect of sugar. From July 1, 1972 it will be compulsory for every mill to offer 60 per cent of the monthly releases to Government at controlled price. The Government has also fixed the new ex-factory prices of D-30 grade sugar, on the basis of studies of cost of production undertaken by the Tariff Commission, for 14 zones varying from Rs. 122.82 per quintal in Andhra Pradesh to Rs. 183.77 in Madhya Pradesh. But in fixing the consumer price, the Government will take into account the pooled price, especially in deficit areas.

Tea

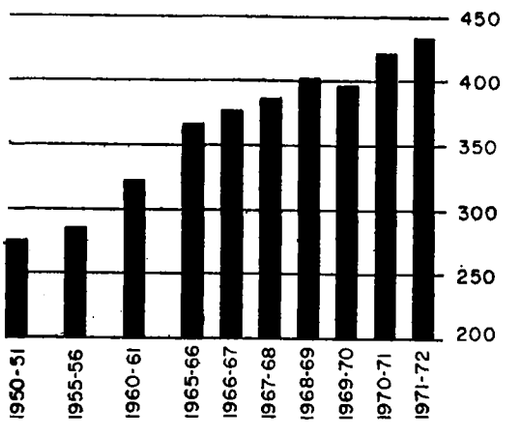
Production of tea during 1971 reached a new high of 432.6 million kgs. registering an increase of 11.4 million kgs. or 2.6 per cent over the previous year's output of 421.1 million kgs. Region-wise, the production in North India increased by 12.4 million kgs. to 331.5 million kgs. while there was a slight

decrease in South Indian crop from 102.1 million kgs. in 1970 to 101.1 million kgs. in 1971 due to strike of plantation workers in Kerala during May-June 1971. The production target for the Fourth Five Year Plan has been fixed at 460 million kgs. Production of tea during January-June 1972 aggregated 137.4 million kgs. as against 132.0 million kgs. in the corresponding period in 1971.

Graph 24

PRODUCTION OF TEA

'000 TONNES



The internal consumption of tea is estimated by the Tea Board at around 212.7 million kgs. in 1970-71 (April-March) as compared to 203.3 million kgs. during 1969-70.

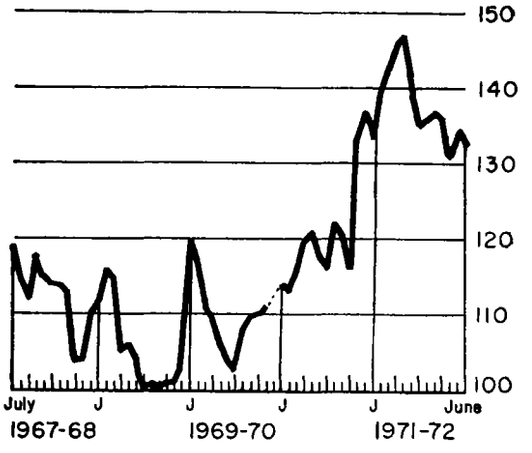
Under the *Tea Plantation Finance Scheme*, which has been in operation since 1962, 381 applications for loans totalling Rs. 21.5 crores were received by the Tea Board till March 31, 1972. Of these, 205 applications for loans aggregating Rs. 8.1 crores were sanctioned by the Tea Board. Disbursement aggregated Rs. 5.1 crores in respect of 179 applications. With effect from April 1, 1972, the quantum of loan assistance admissible under the scheme was increased from Rs. 7,400 to Rs. 11,250 per hectare for gardens in the plains and from Rs. 9,900 to Rs. 13,750 per hectare for gardens in the hills. Applications under the *Tea Machinery Hire Purchase Scheme* introduced in 1960-61 numbered 1,485 till March 31, 1972 involving an amount of Rs. 16 crores. Of these, 867 applications for Rs. 8.4 crores were accepted up to March 31, 1972; payments made to suppliers totalled Rs. 3.8 crores. Under the *Tea Replanting Subsidy Scheme*, the rate of subsidy available for replanting has been increased from Rs. 3,500 to Rs. 4,000 per hectare for gardens in the plains and from Rs. 4,500 to Rs. 5,000 for gardens in the hills. As against 771 applications covering 7,051 hectares received till March 1972, 461 applications covering 3,775 hectares were accepted. Amount disbursed was Rs. 54.5 lakhs.

For promotion of marketing of tea, Tea Trading Corporation of India—a new public sector corporation—was registered in Calcutta in December 1971 with an authorised share capital of Rs. 5 crores and a paid-up capital of Rs. 25 lakhs. The Corporation will engage

Graph 25

INDEX NUMBERS OF WHOLESALE PRICES TEA

1961-62 = 100



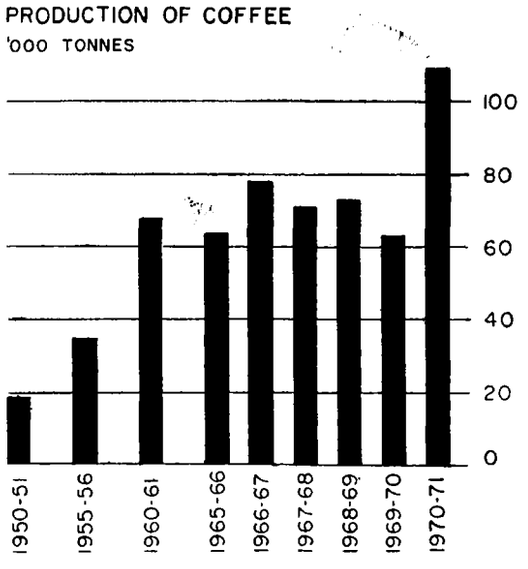
in the marketing of packet teas as also of tea in other forms such as blended, instant and green tea and thus help the diversification of exports of tea.

Coffee

The production of coffee during 1970-71 had touched a record level of 109,834 tonnes registering an increase of 46,234 tonnes or

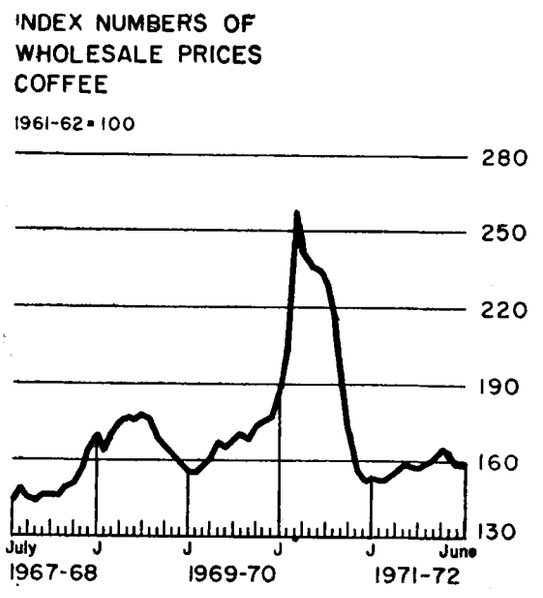
73 per cent over the previous year's output of 63,600 tonnes. It had thus exceeded the Fourth Five Year Plan target of one lakh tonnes. During 1971-72, however, the crop is expected to be much lower at 69,000 tonnes. Estimates of domestic consumption of coffee are not available. However, the total quantity of coffee released from the pool for internal consumption during the calendar year 1971 was 37,904 tonnes as against 33,582 tonnes during 1970.

Graph 26



Under the Coffee Development Plan of the Coffee Board (1956), a sum of Rs. 9.7 lakhs was sanctioned during 1971-72 for intensive cultivation. The aggregate amount sanctioned since 1956-57 under this head amounted to Rs. 113.9 lakhs. Other schemes administered by the Board include (i) crop hypothecation loans to registered growers with holdings not exceeding 100 acres under coffee, (ii) supply of equipment and machinery on hire-purchase, and (iii) granting long-term loans for replanting to registered growers in all acreage groups. The total amount disbursed under these three schemes since 1956-57 amounted to Rs. 328 lakhs, of which the amount disbursed in 1971-72 was Rs. 57.6 lakhs. In 1972-73 a sum of Rs. 88.3 lakhs is proposed to be advanced under all the four schemes.

Graph 27

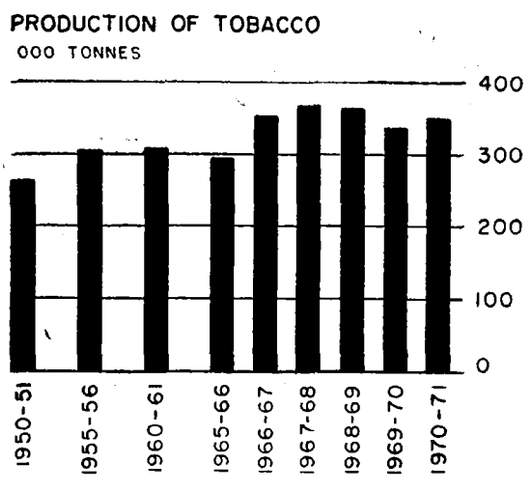


Tobacco

Estimates on area and production of tobacco for the year 1971-72 are not available. However, in Andhra Pradesh, which accounted for 37 per cent of the all-India tobacco production in 1969-70 and 1970-71, production of virginia tobacco in 1971-72 is estimated substantially higher at 120 million kgs. as against 81.2 million kgs. during 1970-71 and 87 million kgs. during 1969-70; virginia tobacco constituted around two-thirds of total tobacco production in Andhra Pradesh in these two years. Production of tobacco during 1970-71, according to all-India final estimates, at 349.9 million kgs. showed a rise of 3.8 per cent over 1969-70 (337.1 million kgs.). The internal consumption of tobacco, on the other hand, showed a decline from 338 million kgs. in 1969-70 to 328.2 million kgs. in 1970-71.

The Centrally sponsored scheme for increasing production of exportable types of tobacco in light soil areas of Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Uttar Pradesh, Maharashtra, Bihar, Orissa and West Bengal: During the year 1971-72, an additional area of 7,303 hectares was brought under this scheme with financial assistance of Rs. 29.5

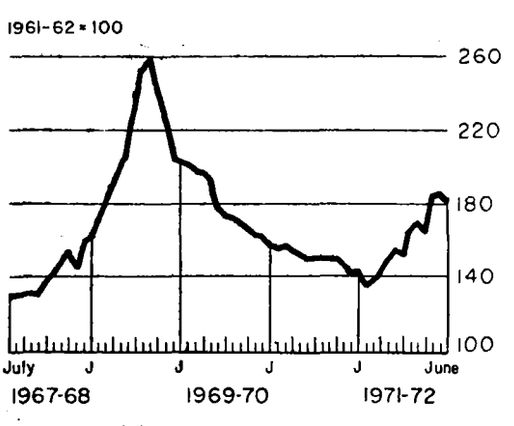
Graph 28



lakhs from the Central Government. Since its initiation in 1966-67 till 1971-72, the scheme has covered an area of 22,309 hectares. Tobacco Development Scheme for supplying better seeds and imparting training in improved methods of cultivation: During 1971-72, 23,094 kgs. seed and 252.5 lakh seedlings of improved varieties of tobacco were distributed under the seed and seedlings schemes in Andhra Pradesh, Gujarat, Mysore, Tamil Nadu, West Bengal, Punjab and Haryana. An amount of Rs. 1.2 lakhs was released during 1971-72 to the Institutes/Universities running these schemes, as against Rs. 1.3 lakhs during 1970-71. Tobacco Extension Service and Package Schemes for increasing yield and production of different types of tobacco in Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Maharashtra and Bihar: Under these schemes, necessary inputs such as seeds, fertilizers, pesticides and financial assistance both in cash and in kind were made available to growers.

During the year, the State Trading Corporation entered the open market in Andhra Pradesh from February 28, 1972 to purchase V.F.C. tobacco through authorised packers, so as to relieve the situation created by trade expectations of a bumper crop, mostly of low grade tobacco. Till March 1972, the S.T.C. purchased 9.8 million kgs. of V.F.C. tobacco valued at Rs. 3.3 crores.

Graph 29



INDUSTRIAL OUTPUT

I. Basic Industries

(i) Coal

Output of coal (including lignite) during 1971 not only declined for the second year in succession but the decline was also steeper than that in 1970. Total coal output, which had stood at 78.9 million tonnes in 1969, declined by 2.2 per cent to 77.2 million tonnes in 1970 and further by 4.3 per cent to 73.9 million tonnes in 1971.

Category-wise, output of both coking coal and non-coking coal registered declines in 1971, the former from 17.8 million tonnes to 16.7 million tonnes and the latter from 59.5 million tonnes to 57.2 million tonnes. The deceleration in coal output has been largely due to transport bottlenecks, following the poor availability of railway wagons, and persistent shortfall in the expected offtake of coal by the metallurgical and other large consumers (power stations, and cement, paper and fertilizer industries). However, during the first quarter of 1972, total coal production at 19.3 million tonnes showed some improvement over the level of 18.1 million tonnes in the corresponding quarter of 1971.

With the declining output in 1971 followed by almost the same quantum of despatches as in the previous year, coal stocks at the pit-head at the end of 1971 came down *albeit* marginally to 8.3 million tonnes from 9.2 million tonnes at the end of 1970. There was a further small decline in the stock level by the end of March 1972, when it aggregated 8.1 million tonnes.

An important event of the year concerning the coal industry was the taking over, effective

Table 9—Coal (including Lignite)

(Million tonnes)

Year	Production	Despatches††	Exports£	Year-end stocks (at pit-heads)
1951 ..	34.9	—	2.9	2.8
1956 ..	40.1 (+2.8)@	—	1.9	3.8
1961 ..	56.1 (+7.0)@	—	0.9	3.3
1966 ..	70.5 (+4.7)@	—	0.4	5.4
1969 ..	78.9 (+3.9)@	71.2	0.3	6.3
1970* ..	77.2 (—2.2)	66.0 (—7.3)	0.4	9.2
1971* ..	73.9 (—4.3)	66.6 (+0.9)	0.2†	8.3

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

* Provisional, based on the data from the Coal Controller's office.

@ Represents annual compound growth rate (in percentage) over the previous year in the table.

£ Includes exports of coal and coke and relate to the financial year period.

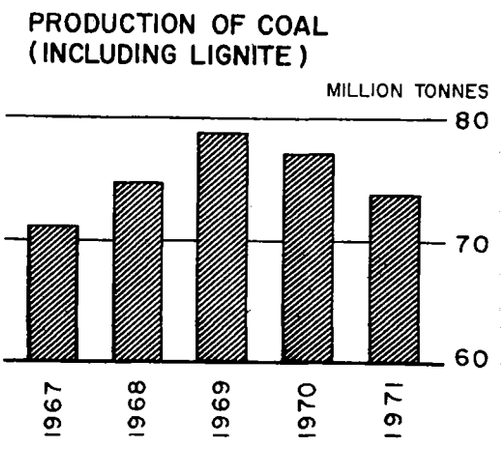
† Relates to April-December 1971.

††Excluding coal consumed by the collieries and used for coke-making, etc.

October 17, 1971, of the management of 214 coking coal mines and 12 coke oven plants, in order to (i) conserve the limited resources of coking coal in the long-term interest of steel industry, and (ii) ensure their scientific exploitation. Subsequently, the Union Government set up Bharat Coking Coal Ltd., a public sector company, for the management of all the coking coal mines and plants.

As a result of slippages in demand for coal from the consuming industries, the Fourth Plan Mid-term Appraisal has proposed downward revision of output target for the Plan

Graph 30



period. The Fourth Plan had originally envisaged a demand of 93.5 million tonnes of coal by 1973-74. While the Mid-term Appraisal does not specify the revised target for non-coking coal, the coking coal output which was to be stepped up from 17.2 million tonnes to 25.4 million tonnes in 1973-74, is now targeted to reach a level of 21 million tonnes.

While price controls on coal were lifted as early as in 1967, price variations are still effected with the approval of the bulk consumers. In respect of coal supplied to the Railways, the issue of revising coal prices was referred to the Bureau of Industrial Costs and Prices in December 1970. The Bureau recommended some increase in prices for the outlying coal-fields except Singareni; for the Bengal-Bihar coal-fields and outlying Singareni, no increase was recommended. The acceptance of these recommendations was announced in August 1971. In January 1972, Government again referred the matter of prices to the Bureau in view of the repeated requests from the industry. On the recommendation of the Bureau, the prices of coal supplied to the Railways by the Bengal-Bihar coal-fields were raised by Rs. 2 to Rs 3 per tonne and those of coal supplied by Singareni by Rs. 1.75 per tonne.

(ii) Iron Ore

The uptrend in the output of iron ore noticed since 1968 continued during 1971, but the

Table 10—Iron Ore

(Million tonnes)

Year	Production £	Percentage variation over the previous year ££	Exports		Year-end stocks
			Quantity	Value (Rs. crores)	
1956	7.52 (4.98)	—	1.8	9	1.5
1961	18.67 (12.28)	+19.9 @ (+19.8)@	3.3	18	3.4
1966	26.69 (19.97)	+ 7.4 @ (+10.3)@	13.3	59	3.2
1969	29.56 (20.97)	+ 3.5 @ (+ 1.6)@	15.1	88	4.5
1970	30.78 (22.87)	+ 4.1 (+ 9.1)	21.2	119	1.7
1971$	31.74	+ 3.1	19.4	103	1.6**

$ Provisional.

@ Represents annual compound growth rate (in percentage) over the previous year in the table.

£ Production figures and percentage variations in brackets are excluding those of Goa, Daman and Diu.

££ Percentage variations in brackets are in respect of output, excluding that of Goa, Daman and Diu.

** As at July 1971.

rate of increase in the year was relatively moderate. The ore output rose from 30.8 million tonnes in 1970 to 31.7 million tonnes in 1971, registering an increase of 3.1 per cent on top of a 4.1 per cent increase experienced in 1970.

State-wise data show that iron ore output in Goa increased from 9.14 million tonnes in 1970 to 10.34 million tonnes in 1971, registering a rise of 13.1 per cent. Among the four other major iron ore producing States, while output in Madhya Pradesh, Orissa and Mysore have shown increases, that in Bihar experienced a decline.

The Fourth Plan Mid-term Appraisal has scaled down the production and export targets of iron ore from 51.4 million tonnes and 31 million tonnes to 42 million tonnes and 25 million tonnes, respectively. The share of the National Mineral Development Corporation (NMDC) in the output target is now placed at 7 million tonnes (instead of 14 million tonnes originally planned). The shortfall is to be attributed to the delay in construction schedules of NMDC projects as a result of longer time taken in completing the preparatory steps and to the inability of the Heavy Engineering Corporation in fulfilling its commitment of supplying the required equipment. As for export, the port programmes at Visakhapatnam and Madras Outer Harbour, being behind the schedule, would slow down the growth of iron ore export.

The iron ore prices for the domestic steel plants are decided upon by an agreement between NMDC and the respective steel plants. These prices have remained unchanged since March 1970.

(iii) Cement

During 1971, the cement industry recorded some improvement in output and also addition to rated capacity, but these were followed by lower utilisation of capacity and larger accumulation of stocks. Cement output during 1971 at 14.9 million tonnes showed an increase of about 1 million tonnes (or of 7.0 per cent) as compared with an increase of only 0.3 million tonnes (or of 2.4 per cent) in 1970. There was also an increase of 2.0 million tonnes in installed capacity from 17.4 million tonnes at the end of 1970 to

19.4 million tonnes at the end of 1971.* As a result, production as a percentage of installed capacity moved down from 80.4 per cent to 77.0 per cent. Cement stocks at the end of September 1971 reached the level of 3.0 lakh tonnes as compared with 2.8 lakh tonnes a year earlier. Export of cement during 1971 was higher at 2.1 lakh tonnes as against 1.9 lakh tonnes in 1970.

The stock-piling of cement, despite the reported improvement in demand, is to be explained by constraints on its movement, resulting from inadequacy of railway wagons. The number of wagons loaded with cement during 1971-72 (April-March) were 3.9 lakhs under broad gauge and 2.9 lakhs under metre gauge as against 3.9 lakhs and 3.0 lakhs, respectively, in 1970-71.

The cement industry has been experiencing in recent years a relatively faster growth in demand than in capacity installed or in actual supply. Notwithstanding the transport bottlenecks and accumulation of stocks, the shortfall in supply in relation to growing demand was estimated at 1.6 million tonnes for 1971. This shortfall is estimated to increase to about 5 million tonnes by 1975. Therefore, to boost cement output, the Union Government had issued, by December 1971, letters of intent for additional capacity of about 3.5 million tonnes. Also, applications for a total capacity of about 9 million tonnes are reported to be at various stages of consideration. Considering the projects under implementation at present, fresh capacity likely to be installed in the cement industry during 1972 would be around 2.5 million tonnes.

Table 11—Cement

(Thousand tonnes)

Year	Installed capacity	Production	Year-end stocks
1951 ..	3,613	3,252	—
1956 ..	5,795	5,008 (+9.0)@	110
1961 ..	9,474	8,245 (+10.5)@	169
1966 ..	12,581	11,058 (+6.0)@	204
1969 ..	15,560	13,624 (+7.1)@	258
1970 ..	17,360	13,955 (+2.4)	290
1971* ..	19,390	14,933 (+7.0)	302** (283)

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

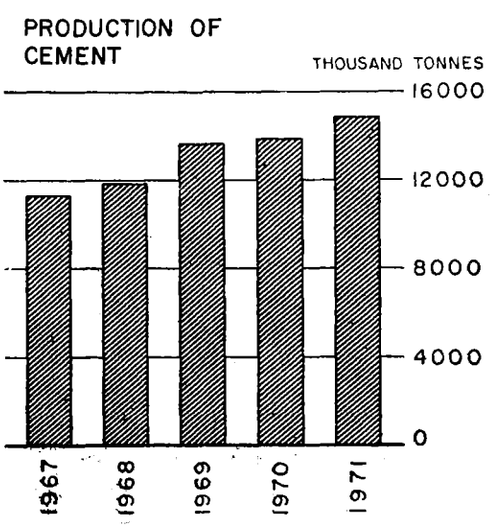
@Represents annual compound growth rate (in percentage) over the previous year in the table.

* Provisional.

**At the end of September 1971. Figure in bracket represents stock at end of September 1970.

* The installed capacity figures are obtained from the *Report : 1971-72*, Ministry of Industrial Development (Government of India).

Graph 31



The Cement Corporation of India is poised for a pivotal role in the cement industry. Its first cement plant at Mandhar (Madhya Pradesh) was expected to reach full capacity production level of 1.70 million tonnes by the end of 1971. The Corporation is considering the doubling of capacity in the plant by taking up slag cement production. The second plant at Kurkunta (Mysore) was expected to go into commercial production by February 1972. Two more factories at Bokajan (Assam) and Paonta (Himachal Pradesh) are at the construction stage. The Corporation is considering the establishment of another plant at Baruwala (Dehra Dun, Uttar Pradesh) for Portland cement.

In the context of the anticipated shortage of cement, Government decided to continue the control on price and distribution of cement till the end of 1972. As for price, while no change in the retention price has been granted during the year, the selling prices of cement were permitted to be raised twice, once in July 1971 by Rs. 2.50 per tonne to compensate the freight increase introduced in the Railway budget and again in January 1972 by Rs. 2.90 to absorb the packing charges as a result of regulatory duties imposed on packing materials by the Government. The cement industry had been pleading for a price hike in view of the increase in costs of production. Therefore, the Tariff Commission has been asked to make a comprehensive review of the cement industry and to recommend fair *ex-works* prices payable to the producers.

(iv) Iron and Steel

The performance of iron and steel industry during 1971-72 (April-March) was characterised by absolute decline in overall output for the second year in succession, significant under-utilisation of capacity in some of the major plants, high level of imports of scarce steel items, and perceptible slow down in exports.

Production of finished steel during 1971-72 (April-March) was 4.6 million tonnes, which was lower by 4.1 per cent over the production level in 1970-71 (4.8 million tonnes). During 1970-71 also, there was a similar fall of 4.4 per cent in finished steel output. Of the total finished steel, the production of ' mild steel ' slipped down from 4.5 million tonnes to 4.3 million tonnes in 1971-72 (3.8 per cent) and that of ' tool, alloy and special steels ' from 0.4 million tonnes to 0.3 million tonnes (8.6 per cent). The setback in the production of saleable pig iron was considerable, i.e., by 22.7 per cent from 1.3 million tonnes to 1.0 million tonnes in 1971-72.

Production of steel in 1971-72 was expected to show substantial improvement, but this did not materialise due to a variety of reasons; the poor performance of coke oven batteries

Table 12—Production of Iron and Steel

(In '000 tonnes)

Year	Bhilai	Durgapur	Rourkela	TISCO	IISCO	Total (1 to 5)	MISL	Others	Grand total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Production of Steel Ingots									
1961-62 ..	789	462	354	1,643	934	4,182	49	54	4,285
1966-67 ..	1,852	754	943	2,001	897	6,447	75	75	6,597
1969-70 ..	1,876	818	1,104	1,708	700	6,206	136	92	6,434
1970-71 ..	1,940	634	1,038	1,715	627	5,954	91	94	6,139
1971-72* ..	1,954	700	823	1,709	617	5,803	133	364	6,300
Production of Saleable Pig Iron									
1966-67 ..	550	201	59	3	172	985	—	28	1,013
1969-70 ..	649	376	113	1	322	1,461	4	74	1,539
1970-71 ..	554	330	96	1	253	1,234	30	56	1,320
1971-72* ..	476	269	127	—	46	918	38	68	1,024
Production of Finished Steel									
1961-62 ..	354	81	178	886	557	2,056	39	844	2,939
1966-67 ..	722	391	638	1,062	576	3,389	60	1,042	4,491
1969-70 ..	1,134	395	758	1,002	460	3,749	40	1,259	5,048
1970-71 ..	1,215	337	593	983	464	3,592	24	1,213	4,829
1971-72* ..	948	337	531	950	436	3,202	32	1,398	4,632

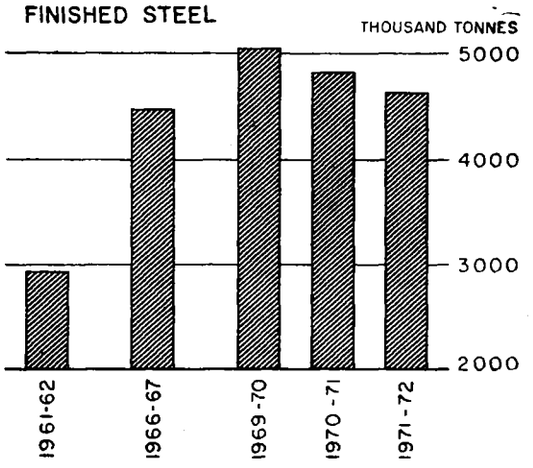
* Provisional.

Source : Annual Report : 1971-72, Ministry of Steel and Mines, Government of India, New Delhi.

generally in all the plants and the consequential shortage of coke for the blast furnaces; inadequate availability of gas for the steel melting shop and the rolling mills; a major break-down of the coke oven batteries in the Bhilai Plant in May 1971; a serious mishap

Graph 32

PRODUCTION OF FINISHED STEEL



which occurred in July 1971 leading to the collapse of the complete roof structure of the L-D section of the steel melting shop of the Rourkela Steel Plant; disturbed industrial relations particularly in the Durgapur Steel Plant; and occasional power failures.

Plant-wise, of the major plants, three plants of HSL experienced a shrinkage in output in terms of steel ingots by 3.6 per cent from 3.6 million tonnes in 1970-71 to 3.5 million tonnes in 1971-72. This fall was brought about by a sharp decline in the output of Rourkela Steel Plant (20.7 per cent), which was to some extent offset by increases in Durgapur (10.4 per cent) and Bhilai (0.7 per cent) steel plants. In the private sector, production in the two main plants, viz., TISCO and IISCO declined by 0.3 per cent and 1.6 per cent, respectively. Reflecting these variations in output, Bhilai and Durgapur steel plants showed some improvement in the utilisation of rated capacity from 77.6 per cent to 78.2 per cent and from 39.6 per cent to 43.8 per cent, respectively. In contrast, there has occurred a perceptible shrinkage in the utilisation ratio of Rourkela Plant from 57.7 per cent to 45.7 per cent.

However, the improvement in the production capacity ratios in terms of steel ingots shown above in respect of some plants is also not real, for even those plants which have shown improvement in output of steel ingots like Bhilai and Rourkela experienced slippages in the final product of finished steel. The setback was the sharpest in Bhilai from 12.2 lakh tonnes in 1970-71 to 9.5 lakh tonnes in 1971-72 (or by 22 per cent) followed by Rourkela from 5.9 lakh tonnes to 5.3 lakh tonnes (11 per cent).

The sluggishness in output, in the face of rising demand for steel, necessitated higher imports of iron and steel during 1971-72 which have been estimated around 0.8 million tonnes as compared to 0.7 million tonnes in 1970-71. Exports of iron and steel continued to be regulated in view of the supply shortages. The earnings from exports of iron and steel, including a small quantity of scrap and ferro-alloys, during 1970-71 and 1971-72 (April-February) were Rs. 66.92 crores and Rs. 24.13 crores, respectively.

According to Mid-term Appraisal of the Fourth Plan, the original targets of steel ingots and finished steel production for 1973-74 have been lowered from 10.8 million tonnes and 8.1 million tonnes, respectively, to 8.3 million tonnes and 6.2 million tonnes. The Government have taken a decision to launch a crash programme for achieving a capacity of 2.5 million tonnes of steel ingots in between the first (1.7 million tonnes) and second (4.0 million tonnes) stages at Bokaro Steel Plant. The Bhilai Steel Plant is being expanded to about 4 million tonnes of steel capacity and the Durgapur Alloy Steel Plant from the present capacity of one lakh tonnes to three lakh tonnes ingot capacity. IISCO has been permitted to effect further expansion of 0.3 million tonnes in its steel ingot capacity. Preliminary work relating to the setting up of new steel plants at Salem, Visakhapatnam and Vijaynagar has made satisfactory progress.

With a view to reducing the gap between demand and production of steel in the country,

Government have approved 17 schemes for setting up electrical furnaces-cum-continuous casting complexes. These plants will be ancillaries to rolling mills and their main objective is to supply billets to the country's rolling mills. It will also help overcome the problem of transportation as these plants are supposed to draw basic raw materials locally and supply the end-products to the neighbouring re-rolling mills.

The Government have taken a decision to set up a holding company for steel and associated input industries like coking coal, iron ore, manganese ore, etc. The holding company will formulate long-term plans of development, arrange for effective channelling of surpluses into further expansion of the industry, finance necessary technological changes and innovations and co-ordinate and supervise the operations of these companies in the connected sectors.

The distribution policy is being made more consumer-oriented ; the steel plants are now supplying over 90 per cent of production to actual consumers. The system of distribution to small-scale industries has also been modified. To increase availability of bars and rods and help construction works, used rails will be distributed to the scrap re-rollers in a regulated manner after allowing for a conversion charge.

A Steel Bank has been set up under the control of Hindustan Steel Limited, to maintain stocks of various categories of steel to facilitate their supply and to reduce delays to priority users.

In December 1971, excise duty on all categories of steel was increased by 50 per cent. Even so, indigenous steel prices continued to be lower than those of imported steel. The Budget proposals contained further increases in excise duty by about 30 per cent with effect from March 17, 1972.

Prices of finished steel and other steel manufactures are under informal control. Even billets and re-rolled products were brought under control during 1970-71. Distribution controls were extended to all items of steel without any distinction between scarce and non-scarce varieties.

II. Capital Goods Industries

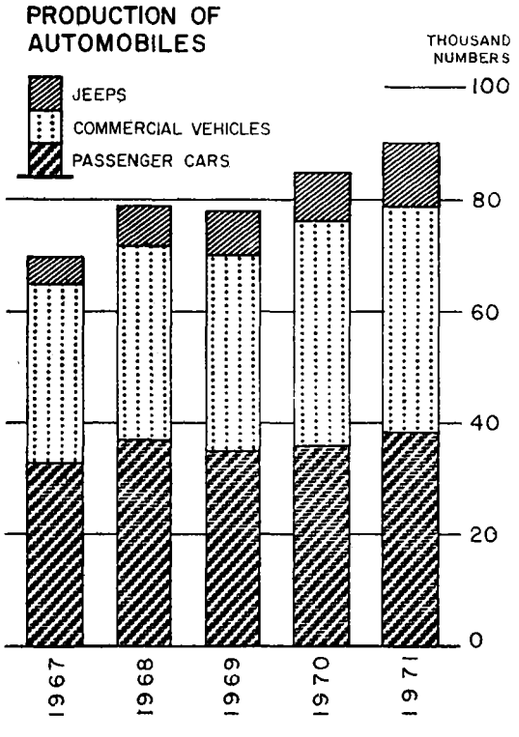
Engineering and Metallurgical Industries (other than Iron and Steel)

(i) *Engineering Industries*

Though the overall picture of engineering industries during 1971 was one of continued slackness in production activity, there were several bright spots in which output growth was either maintained at high levels or accelerated. However, the disquieting aspect of engineering industries' performance during 1971 was the setback suffered in their exports partly as a result of shortages of steel, particularly of special types, and partly due to pick-up in domestic demand for certain items.

Among the heavy mechanical engineering industries, most of the industries, except 'railway wagons,' displayed an upward trend in output. Among the light mechanical engineering industries, output of industries such

Graph 33



as 'bicycles' and 'razor blades' which had increased in 1970, received a setback in 1971, whereas some other industries like 'ball and roller bearings' and 'typewriters' recorded smaller increases than those in the previous year. The electrical engineering group of industries showed an improved performance during the year under review. In this group, items such as 'electric fans,' 'radio receivers' and 'dry cells' recorded impressive rises in output.

On the other hand, within the heavy electrical engineering group, the unsatisfactory performance in respect of both the 'electric motors' and 'power transformers' was the consequence of (i) slow rate of power generation since the middle of 1970 and (ii) sluggishness in demand for their products. In respect of the metallurgical industries among both the groups, viz. virgin metals and semi-manufactures, most of the items recorded lower increases than last year.

(a) Heavy Mechanical Industries

In the 'heavy mechanical engineering' industries group, the number of 'automobiles'

Graph 34

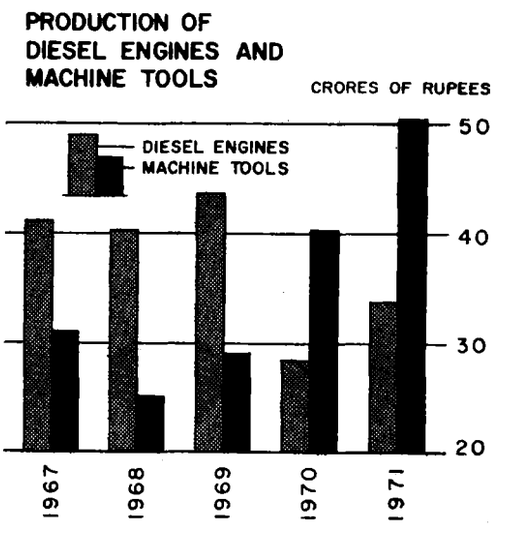


Table 13—Output of Heavy Mechanical Engineering Industries

Item	Unit	1968	1969	1970	1971*
Automobiles	'000 Nos.	79.5	77.1£ (—3.0)	82.2£ (+6.6)	87.7£ (+6.7)
(i) Passenger Cars	,,	37.3@	35.3@ (—5.4)	35.8@ (+1.4)	38.6@ (+7.8)
(ii) Commercial Vehicles	,,	34.9@	35.2@ (+0.9)	40.6@ (+15.3)	40.7@ (+0.2)
(iii) Jeeps	,,	7.3@	7.8@ (+6.8)	9.3@ (+19.2)	11.1@ (+19.4)
Heavy Structural Fabrications	'000 tonnes	142@	170@ (+19.7)	N.A.	N.A.
Diesel Engines	Rs. crores	40.4	43.8 (+8.4)	28.4 (—35.2)	31.9 (+12.3)
Railway Wagons †	'000 Nos.	15.8	15.7 (—0.6)	12.0 (—23.6)	8.6 (—28.3)
Road Rollers	Nos.	142@	325@ (+128.9)	335@ (+3.1)	338@ (+0.9)
Machine Tools	Rs. crores	25.3	29.0 (+14.6)	40.7 (+40.3)	51.9 (+27.5)

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

* Provisional.

£ Individual items do not add up to the total since the data are from different sources.

@Taken from the Annual Report of the Ministry of Industrial Development, Internal Trade and Company Affairs. These data are comparable with those of C.S.O. for earlier years.

† Relate to both private and public sectors.

produced which had risen by 6.6 per cent in 1970 rose further by 6.7 per cent in 1971. Within this group, output of 'jeeps' and 'passenger cars' showed marked increases of 19.4 per cent and 7.8 per cent, respectively. On the other hand, the production of 'commercial vehicles' remained almost at the same level as in 1970, though it was higher by 15.3 per cent over the 1969 level.

During 1971, 'machine tools' worth Rs. 51.9 crores were produced as compared to Rs. 40.3 crores in 1970 and Rs. 29 crores in 1969; however, the rate of expansion in value of output (at current prices) was slower in 1971 than in 1970 (27.5 per cent as against 40.3 per cent).

For the second year in succession, 'railway wagons' experienced heavy decline in output due to persistently sluggish demand. Thus the output of wagons in 1971 was lower by 28.3 per cent than the output of 1970, which itself was lower by 23.6 per cent than the 1969 level. Among other heavy mechanical industries, the output of 'diesel engines' improved by 12.3 per cent in 1971 in contrast to a sharp decline of 35.2 per cent in the previous year. The vehicular 'diesel engines' industry is passing through a slump occasioned by raw material/component shortages and industrial unrest in a group of companies. The number of 'road rollers' produced in 1971 showed only a marginal rise of 0.9 per cent as against 3.1 per cent increase in the preceding year. During the year, an industrial licence was issued for manufacture of 400 road rollers. The firm is expected to go into production by the end of 1972.

(*b*) *Light Mechanical Engineering Industries*

In the 'light mechanical engineering' group, output of 'bicycles' and 'razor blades' declined by 7.7 per cent and 29.9 per cent, respectively, in 1971, in contrast to increases of 3.4 per cent and 5.7 per cent in the previous year. Production of 'rubber ply transmission and conveyor beltings' recovered sharply by 19.9 per cent during the year under review as compared to a decline of 5.4 per cent in 1970 and 13.6 per cent in 1969. 'Hurricane lanterns', too, suffered a setback in output to the extent of nearly 24 per cent on top of over 12 per cent decline in 1970,

Table 14—Output of Light Mechanical Engineering Industries

Item	Unit	1968	1969	1970	1971*
Ball and Roller Bearings	Million Nos.	12.1@	13.4@ (+10.7)	17.5@ (+30.6)	19.0@ (+8.6)
Typewriters	'000 Nos.	45.7@	28.4@ (—37.9)	38.5@ (+35.6)	43.7@ (+13.5)
Rubber ply Transmission and Conveyor Beltings	Tonnes	6,408	5,538 (—13.6)	5,240 (—5.4)	6,283 (+19.9)
Bicycles	'000 Nos.	1,919	1,983 (+3.3)	2,050 (+3.4)	1,892 (—7.7)
Sewing Machines	'000 Nos.	423	408@ (—3.5)	178@ (—56.4)	338@ (+90.0)
Hurricane Lanterns	'000 Nos.	3,189.6	4,070.0 (+27.6)	3,569.0 (—12.3)	2,716.0 (—23.9)
Razor Blades	Million Nos.	801.5	861.1 (+7.4)	910.3 (+5.7)	637.8 (—29.9)
Stoves (Pressure Type)	'000 Nos.	14.9	20.0 (+34.2)	17.5 (—12.5)	21.2 (+21.1)
Crown Corks	Million Nos.	1,164.0	1,474.6 (+26.7)	1,205.3 (—18.3)	1,394.5 (+15.7)
Bolts, Nuts and Rivets	Tonnes	29,723	23,892 (—19.6)	24,013 (+0.5)	24,903 (+3.7)

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

* Provisional.

@Taken from the Report of Ministry of Industrial Development, Internal Trade and Company Affairs; these data are comparable with those of C.S.O. for earlier years.

owing mainly to shortages of raw materials and components experienced by the industry.

Of the items which showed increases in output in this group, prominent were 'sewing machines' (90 per cent) and 'stoves (pressure type)' (21.1 per cent); in 1970, both these items had recorded marked declines of 56.4 per cent and 12.5 per cent, respectively. The spurt in the output of 'sewing machines' was facilitated partly by the termination of strike in a major unit. Output of 'crown corks' improved significantly by 15.7 per cent in 1971 in contrast to a fall of 11.4 per cent in 1970. Production of 'bolts, nuts and rivets' declined fractionally by 0.4 per cent as against a rise of 3.4 per cent in the preceding year.

(c) *Electrical Engineering Industries*

Among the 'light electrical engineering' industries group, most of the industries except 'storage batteries' improved their performance during 1971. The improvement in output was quite marked in case of items like 'electric fans' (26.6 per cent) and 'dry cells' (13.6 per cent); in 1970, while 'electric

Graph 35

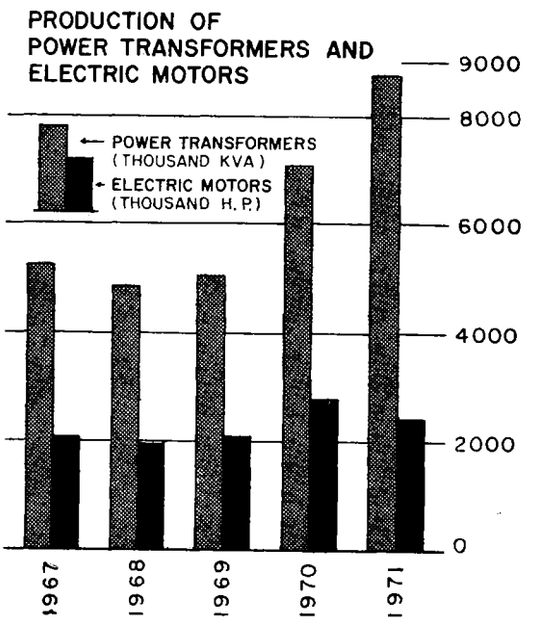


Table 15—Output of Electrical Engineering Industries

Item	Unit	1968	1969	1970	1971*
Light Electrical Engineering					
Electrical Lamps :					
(i) G.L.S. and others	Million Nos.	84.5	89.7 (+6.2)	105.2 (+17.3)	112.2 (+6.7)
(ii) Fluorescent	,,	7.7	10.2 (+32.5)	10.2 (—)	10.8 (+5.9)
Electric Fans	'000 Nos.	14,68	15,57 (+6.1)	15,39 (—1.2)	19,49 (+26.6)
Radio Receivers	,,	13,69	17,35 (+26.7)	17,74 (+2.2)	19,50 (+9.9)
Storage Batteries	,,	871	1157 (+32.8)	1166 (+0.8)	1133 (—2.8)
Dry Cells	Million Nos.	448.6	476.6 (+6.2)	484.2 (+1.6)	550.2 (+13.6)
Domestic Refrigerators	'000 Nos.	50	49@ (—2.0)	67@ (+36.7)	87@ (+29.9)
Heavy Electrical Engineering					
Power Transformers	'000 KVA	4828	5052 (+4.6)	7099 (+40.5)	8786 (+23.8)
Electric Motors	'000 HP	1911.6	2087.7 (+9.2)	2796.0 (+33.9)	2313.2 (—17.3)

Note : Figures in brackets indicate percentage changes over the preceding year.

* Provisional.

@Taken from the Report of Ministry of Industrial Development, Internal Trade and Company Affairs ; the data are comparable with those of CSO for previous years.

fans ' had recorded a decline of 1.1 per cent, ' dry cells ' output had increased by 1.5 per cent. The number of ' GLS lamps ' and ' radio receivers ' produced rose by 6.7 per cent and 9.9 per cent in the year under review on top of increases of 17.3 per cent and 2.2 per cent, respectively, in the preceding year. Output of ' fluorescent lamps ' recorded a rise of about 6 per cent during 1971 after a year of stagnation, whereas that of ' storage batteries ' declined by about 3 per cent as against a nominal rise in 1970.

Among the ' heavy electrical engineering ' group, the increase of 23.8 per cent in the production of ' power transformers,' though conspicuous, was less than that recorded in the previous year (40.5 per cent). On the other hand, due to sluggish demand, output of ' electric motors ' witnessed a fall of 17.3 per cent in contrast to a rise of 33.9 per cent in 1970.

(ii) *Metallurgical Industries (Other than Iron and Steel)*

Among the ' metallurgical industries ' group (other than iron and steel), ' aluminium ' (virgin metal) output in 1971 recorded a lower rate of growth of 9.4 per cent as compared to that in the preceding year (21.4 per cent). Production of 'copper' which had suffered a fall of 5.1 per cent in 1970 staged a recovery by over 3.0 per cent in the year under review. Output of 'lead', however, registered a marked decline of 21.1 per cent whereas in the previous year it had registered a rise of 5.6 per cent.

Reflecting the overall shortage of virgin metals, many items of metallurgical semi-manufactures such as aluminium and copper sheets and circles, and aluminium wire rods for ACSR have shown reduced growth rates. On the other hand, zinc sheets and strips registered a sharp improvement in output (17.1 per cent) following larger imports of zinc concentrates. Production of brass sheets and circles which had declined by 6.2 per cent in 1970 increased sharply by 10.7 per cent in 1971.

In view of the need for conservation of scarce copper resources, Government issued an ordinance on March 10, 1972, taking over

Table 16—Output of Metallurgical Industries (other than Iron and Steel)

(Thousand tonnes)

Items	1968	1969	1970	1971*
Virgin Metals				
Aluminium	120.1	132.6 (+10.4)	161.0 (+21.4)	176.2 (+9.4)
Copper	9.5	9.8 (+3.2)	9.3 (—5.1)	9.6 (+3.2)
Lead	1.6	1.9 (+18.8)	1.9 (—)	1.5 (—21.1)
Semi-manufactures				
Aluminium sheets and circles	35.0	37.7 (+7.7)	42.5 (+12.7)	44.4 (+4.5)
Aluminium wire rods for ACSR	46.5	45.8 (—1.5)	53.3 (+16.4)	59.3 (+10.8)
Copper sheets and circles@	1.8	2.2 (+22.2)	2.7 (+22.7)	2.9 (+7.4)
Brass sheets and circles@	12.6	16.6 (+27.0)	14.9 (—6.9)	15.9 (+6.7)
Zinc sheets and strips	5.5	6.9 (+25.5)	7.0 (+1.4)	8.2 (+17.1)

Note: Figures in brackets indicate percentage changes over the preceding year.

* Provisional.

@Includes strips from November 1967 onwards.

the Indian Copper Corporation in the private sector and passing on its management to the State-owned Hindustan Copper Corporation.

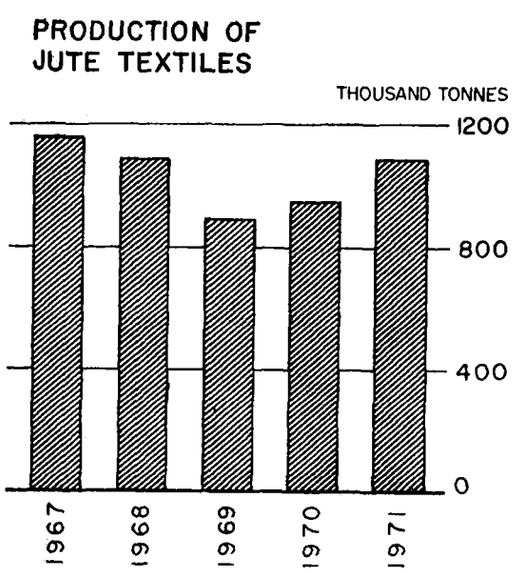
Mention was made in the last year's Report concerning the constitution by the Government of a Working Group on Aluminium to examine the price structure of the aluminium industry and allied matters. Pursuant to the recommendation of this Group, the Government issued the Aluminium Control Order on May 24, 1971, fixing a uniform selling price of aluminium ingots, wire bars and billets, rods and rolled products based on the lowest prevailing price. The Control Order was subsequently amended and the controlled prices of the above categories of aluminium products were notified on an ex-factory-cum-excise duty basis.

III. Intermediate Goods Industries

(i) Jute Textiles

The uptrend in the production of jute textiles witnessed in 1970 accelerated during 1971. Output of jute textiles rose from 9.6 lakh tonnes in 1970 to 10.9 lakh tonnes in 1971, i.e. by 13.5 per cent as compared with an increase of 6.9 per cent during 1970. Production of jute textiles during January-March 1972 period is placed at 3.0 lakh tonnes as compared with 2.6 lakh tonnes in the corresponding period of last year.

Graph 36



With the near-cessation of supplies of jute goods from Bangladesh, Government advised the industry to achieve, through fuller utilisation of existing capacity, a minimum monthly target of 1.1 lakh tonnes. However, the level attained during 1971 was far below the target due to (1) frequent and prolonged power cuts and load shedding by the electric power generating agencies, (2) dislocation of railway transport following widespread floods in the Eastern part of the country, and (3) sporadic labour unrest in the jute industry.

Component-wise, production of carpet backing registered a sharp improvement of 66.7 per cent from 1.2 lakh tonnes in 1970 to 2.0 lakh tonnes in 1971. Sacking output also increased by 14.3 per cent from 4.2 lakh tonnes in 1970 to 4.8 lakh tonnes in 1971. Output of hessian, however, declined from 3.5 lakh tonnes in 1970 to 3.2 lakh tonnes in 1971. Production of carpet backing, sacking and

Table 17—Jute Textiles

('000 tonnes)

Year	Production@@	Exports	Consumption@	Year-end stocks
1951 ..	889	789	123	86
1956 ..	11,11 (+4.6)£	877	197	97
1961 ..	997 (—2.1)£	760	278	56
1966 ..	11,20 (+2.3)£	746	405	123
1969 ..	893* (—6.9)£	579*	380*	70*
1970 ..	955* (+6.9)	549*	441*	103*
1971 ..	10,87* (+13.8)	733*	477*	109*

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

@Figures represent despatches for internal consumption.

£ Represents annual compound growth rate over the previous year in the table.

* Provisional.

@@Production figures relate to the production by mills in the membership of the Indian Jute Mills' Association (IJMA).

hessian during the first quarter of 1972 are estimated at 0.6 lakh tonnes, 1.3 lakh tonnes and 0.9 lakh tonnes respectively. These show increases ranging from 8.3 per cent to 20.0 per cent over their output during the corresponding quarter of 1971.

Despatches of jute goods for internal consumption moved up from 4.4 lakh tonnes in 1970 to 4.8 lakh tonnes in 1971, showing a rise of 9.1 per cent as compared with an increase of 16.1 per cent in 1970. During January-March 1972 the despatches totalled 1.5 lakh tonnes, as against 1.3 lakh tonnes in the first quarter of 1971.

With a view to providing incentives for modernisation of units in the jute industry, the Government have decided to (i) allow import of machinery and equipments worth Rs. 1.5 crores, and (ii) make available institutional finance at concessional rates to the spinning sector.

The competition from synthetic substitutes which led to a decline in the U.S. demand for Indian jute became more pronounced during 1971 and continued to be the major problem for the industry. The estimated U.S. consumption of hessian in packaging and, as an industrial fabric, in 1971 touched the lowest level of 556 million yards. Thus, as against 727 million yards of fabric imported by the US for packaging and industrial usage during 1966, the import during 1971 was 209 million yards.

As for prices, the Government had to reinforce statutory control on the price of B. Twills and direct the mills to produce a minimum quantity of such bags every month consequent upon the break-down of negotiations for the supply of these bags to meet the requirements of the Food Corporation of India (FCI). The control on B. Twills was withdrawn in 1970 following the preliminary report of the Tariff Commission which was asked in 1969 to examine the cost structure of certain varieties of jute goods. The Commission's final report, submitted in April 1971, has recommended fair prices for seven standard constructions of jute goods. The report is under the consideration of the Government.

(ii) Rubber Manufactures

Production of rubber manufactures group as a whole, recorded a sharp improvement during 1971. The CSO's average index for 'manufacture of rubber products' (Base 1960=100) moved up sharply from 215.7 in 1970 to 241.8 in 1971, registering a rise of 12.1 per cent.

Among individual items of rubber manufactures, the output of automobile tubes and tyres in 1971, increased by 24.3 per cent and 14.6 per cent, respectively, while the output of cycle tubes and tyres declined by 21.0 per cent and 4.9 per cent. The output of auto tyres and tubes would have been still higher but for a prolonged labour unrest in three manufacturing units and power shortages experienced by some of the tyre factories.

The production, consumption and stocks (at end-December 1971) of both natural and synthetic rubber showed increases during the year under review, while imports were lower in 1971. In fact, no import licence for natural rubber was issued during the years 1970-71 and 1971-72.

Table 18—Rubber

(tonnes)

	1971	1970
Production		
Natural	98,884	89,905
Synthetic	33,010	30,337
Import		
Natural	380	3,390
Synthetic	5,552	5,819
Consumption		
Natural	93,125	86,469
Synthetic	36,672	31,810
Stocks at the end of the period		
Natural	47,546	41,587
Synthetic	14,681	12,730

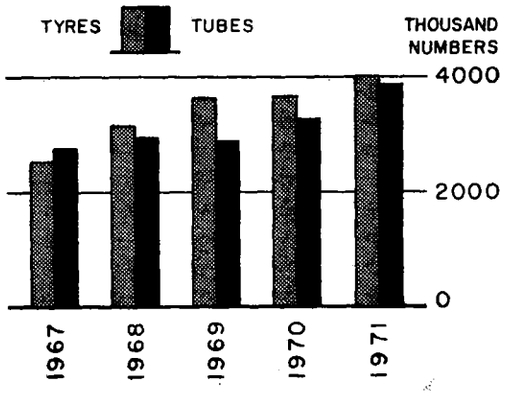
Efforts made by the Rubber Board to develop the rubber industry include replantation, supply of inputs, and import of seeds particularly from Malaysia. Simultaneously, research is being undertaken to improve the overall efficiency of the rubber industry.

The tyre manufacturing capacity at present is estimated at about 40 lakh numbers each

of automobile tyres and tubes. Letters of intent to 13 new entreprenеurs have been issued for setting up units for the manufacture of automobile tyres and tubes for an annual capacity of 3 lakh numbers each.

Graph 37

PRODUCTION OF AUTOMOBILE TYRES AND TUBES



(iii) Chemicals and Chemical Products

Output of 'chemicals and chemical products' continued to show upward trend in 1971. Thus, the CSO's Index of Production for the group (Base : 1960=100) witnessed an increase of 7.1 per cent in 1971 as compared to 9.8 per cent in 1970. Within this group, while the production index for ' manufacture of fertilizers ' showed a sizable increase of 29.1 per cent, the indices for ' heavy organic chemicals ' and ' heavy inorganic chemicals ' and ' paints, varnishes and lacquers ' rose by less than 4 per cent each. Among other chemical products, output of ' synthetic fibres ' and ' fine and pharmaceutical chemicals ' also improved marginally; output of ' dye-stuff and dyes,' in contrast, showed a fall for the second year in succession.

Among heavy organic chemicals, soda ash output recorded a larger rise of 7.2 per cent as compared to 5.4 per cent in the previous year. To bridge the gap between supply and demand, imports of 10,000 tonnes of soda ash were

Table 19—Rubber Products

(In '000 Numbers)

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
1951 ..	870	—	821	—	3,941	—	6,327	—	230	—
1956 ..	923 (+1.2)†	23	918 (+2.3)†	30	6,320 (+9.9)†	—	6,373 (+0.2)†	290	361 (+9.4)†	58
1961 ..	1,562 (+11.1)†	27	1,484 (+10.1)†	37	11,346 (+12.5)†	399	12,848 (+15.1)†	399	451 (+4.6)†	59
1966 ..	2,351 (+8.6)†	75	2,208 (—8.3)†	96	19,639 (+11.6)†	395	20,449 (+9.7)†	831	522 (+3.0)†	60
1969 ..	3,630 (+15.5)†	74	2,887 (+9.4)†	110	21,611 (+3.2)†	398	16,657 (—6.6)†	589	494 (—1.4)†	51
1970 ..	3,657 (+0.7)	67	3,247 (+12.5)	114	20,998 (—2.8)	273	15,840 (—4.9)	312	449 (—9.3)	59
1971 ..	4,190 (+14.6)	131‡	4,035 (+24.3)	59‡	19,964 (—4.9)	356‡	12,517 (—21.0)	185‡	436 (—2.9)	60‡

* Figures in lakhs pairs.

† Represents annual compound growth rate (in percentage) over the previous year in the table.

‡ May-end figures.

effected during 1971; three existing units were allowed to expand their capacity by 2.9 lakh tonnes per annum; and establishment of new units with a total licensed capacity of 9.9 lakh tonnes per annum was approved. In contrast, output of sulphuric acid declined for the second year in succession by 6.4 per cent to 10.1 lakh tonnes from 10.8 lakh tonnes in 1970 and 11.2 lakh tonnes in 1969. The sulphuric acid industry continued to suffer from under-utilisation of capacity which was about 65 per cent in 1971. This situation may improve in view of the likely pick-up in the production of super phosphate.

Output of caustic soda in 1971 remained unchanged at 3.74 lakh tonnes as in 1970, largely owing to capacity constraints, as against a substantial increase of 7.2 per cent in the preceding year. The existing installed capacity of caustic soda is around 3.7 lakh tonnes per annum. Schemes for the establishment of additional capacity of 3.2 lakh tonnes are under implementation.

Among other products, production of paints and varnishes increased by 4.6 per cent in 1970, its output had moved up by 4.8 per cent. Soap output of organised factories showed a marked improvement of 12.5 per cent as against 3.1 per cent in 1970, partly because of substantial imports of tallow during the year.

Among chemical fertilizers, production of both nitrogenous and phosphatic fertilizers recorded increases in 1971. Thus, output of all varieties of nitrogenous fertilizers ('N' content) together increased from 7.5 lakh tonnes in 1970 to 8.9 lakh tonnes in the year under review, representing a rise of 18.5 per cent as against that of 29.5 per cent in the previous year. Output of ammonium sulphate, a major component of this group, which had declined from 1.3 lakh tonnes in 1969 to 1.2 lakh tonnes in 1970, recovered partially to 1.3 lakh tonnes in 1971.

The downward trend in the production of 'phosphatic fertilizers' ($P_2 O_5$ content) since the past three years was reversed in 1971 following a recovery in demand for the fertilizers. The output rose by 16 per cent (1.1 lakh tonnes) in 1971 as compared to a decline of 19 per cent in 1970.

The production of fertilizers (both nitrogenous and phosphatic) during 1971 would have been still higher but for certain constraints such as power cuts/interruptions, inadequate supply of raw materials, labour trouble, etc. The rate of growth of fertilizer consumption at 6.5 per cent during 1970-71 was much below the target of 29 per cent. Also during 1971-72, the estimated fertilizer consumption of 26 lakh tonnes (comprising 17.5 lakh tonnes of nitrogenous, 5.5 lakh tonnes of phosphatic and 3 lakh tonnes of potassic fertilizers) would register a smaller rise of 20 per cent as compared to the targeted rate of 30 per cent.

With a view to augmenting supply of fertilizers to meet the future requirements, the creation of additional capacity in the industry is proceeding apace. During 1971-72, the Madras Unit (a joint venture of the Government of India and a USA firm) and the IV Stage Expansion of the FACT's Alwaye Unit went into production. As a result, the total installed capacity as on January 1, 1972 stood at 14.6 lakh tonnes of nitrogen and 5 lakh tonnes of $P_2 O_5$ as against 13.44 lakh tonnes and 4.2 lakh tonnes, respectively, a year ago. Of the present capacity, 8.24 lakh tonnes of nitrogen and 1.84 lakh tonnes of $P_2 O_5$ are in the public sector.

Two units in the public sector, one (of Fertilizer Corporation of India) at Durgapur (West Bengal), the other (of FACT) at Cochin (Kerala), and a third private sector unit in Goa are expected to add to the existing capacity nearly 4.79 lakh tonnes of nitrogen and 0.42 lakh tonnes of $P_2 O_5$ during 1972-73. Three projects of the Fertilizer Corporation of India, viz., Barauni (Bihar), Namrup (Assam) Expansion and Sindri (Bihar) Rationalisation, are under construction. Civil works have been initiated during the year for Fertilizer Corporation's two coal-based projects at Talcher (Orissa) and Ramagundam (Andhra Pradesh), the co-operative sector's project at Kalol and Kandla (Gujarat), and a private sector project at Tuticorin (Tamil Nadu). Preliminary steps

Table 20—Major Chemicals and Chemical Products

(Thousand tonnes)

Year	Sulphuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous Fertilisers ('N' Content) Production			Phosphatic Fertilisers (Super phosphate) (P_2O_5 Content)		Soda Ash		Soap*	
	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
1951 ..	109	—	15	—	34	—	—	11	—	10	—	48	—	85	—
1956 ..	168 (+9.0)@	7	40 (+21.7)@	1	42 (+4.4)@	2	80 (..)@	79 (+48.3)@	1	14 (+7.0)@	—	86 (+12.4)@	2	112 (+5.7)@	7
1961 ..	422 (+20.2)@	14	120 (+24.6)@	4	59 (+7.0)@	6	135 (+11.1)@	79 (—)@	8	62 (+34.7)@	8	177 (+15.6)@	23	149 (+5.9)@	6
1966 ..	690 (+10.4)@	28	230 (+13.9)@	15	67 (+2.7)@	5	265 (+14.4)@	85 (+1.6)@	5	119 (+13.9)@	11	350 (+14.6)@	15	181 (+3.9)@	3
1969 ..	1121 (+17.5)@	42	348 (+14.7)@	9	62 (—1.3)@	6	577 (+29.7)@	134 (+16.5)@	9	116 (— 0.1)@	4	423 (+6.6)@	4	225 (+7.4)@	4
1970 ..	1078 (—3.8)	39	373 (+7.2)	9	65 (+4.8)	9	747 (29.5)	120 (—10.4)	6	94 (—19.0)	16	446 (+5.4)	12	232 (+3.1)	4
1971†† ..	1009 (—6.4)	35£	373 (—)	9£	68 (+4.6)	9£	885 (+18.5)	125 (+4.2)	9£	109 (+16.0)	14£	478 (+7.2)	16£	261 (+12.5)	4£

Notes : Figures in brackets represent percentage changes over the preceding year.

* Figures relate to 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.

@ Represents annual compound growth rate (in percentage) over the previous year in the table.

†† Provisional.

£ Data relate to July.

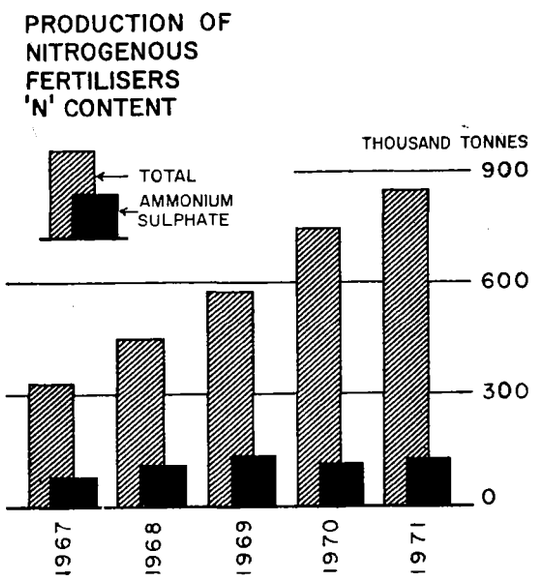
.. Negligible.

are also being initiated by the Fertilizer Corporation for the Korba (Madhya Pradesh) coal-based project. These eight projects together would add 14.64 lakh tonnes of nitrogen and 3.35 lakh tonnes of $P_2 O_5$ to the existing capacity.

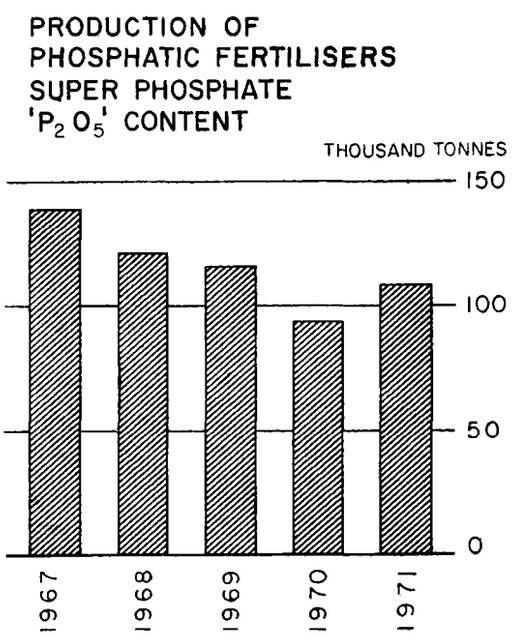
In addition, six new projects were approved during 1971-72: Haldia (West Bengal), Gorakhpur (Expansion), Cochin (Phase II) in the public sector; and Tuticorin, Sheva Neva (Konkan, Maharashtra, a DMCC project) and Kota, Expansion (Rajasthan). Clearance has also been given to the Mithapur Project of M/s. Tata Chemicals Ltd., which now envisages the production of only nitrogenous fertilizers. For Mangalore project, which had received clearance last year, negotiations for allocation of UK credit are in the final stages.

The petro-chemical industry continued to make further progress. The composite output of as many as 22 petroleum-based organic heavy chemicals such as acetone, benzene, ethylene, methanol and propylene went up by 43.5 per cent to 2.8 lakh tonnes in 1971. Output of thermosets rose from 4,909 tonnes to 5,816 tonnes (18.5 per cent) and that of thermoplastics from 112,518 tonnes to 132,808 tonnes (18.0 per cent).

Graph 38



Graph 39



V. Consumer Goods Industries

(i) Cotton Textiles

The performance of cotton textile industry during 1971 was characterised by severe set-back on all fronts. Total output of cotton cloth declined sharply from the peak level of 7,849 million metres during 1970 to a level of 7,360 million metres during 1971, registering a fall of 6.2 per cent. Cotton yarn output, which had remained almost stagnant during 1970, registered a decline of 9.8 per cent from 965 million kgs. in 1970 to 870 million kgs. in 1971. In respect of both cloth and yarn output, the decline was relatively marked during the first half of 1971, as compared with the second half. This was mainly due to the difficulties experienced by mills in procuring raw cotton at reasonable prices following a reduction in the 1970-71 crop output. Subsequently, as a result of better availability of cotton from the 1971-72 crop, cotton textiles output showed some improvement during the first quarter of 1972. Cloth output during this quarter aggregated 1,936 million metres, as compared with 1,730 million metres during January-March 1971.

During 1971 as a whole, sector-wise, cloth output had suffered under both mill and decentralised sectors, but the setback was more severe in the decentralised sector whose cloth output had shown a steady uptrend over the two decades. However, due to shortage of raw cotton, production in the decentralised sector moved down steeply from 3,692 million metres in 1970 to 3,399 million metres in 1971, showing a fall of 7.9 per cent as against a rise of 4.4 per cent in 1970. In contrast, the mill sector clot output declined for the third year in succession representing a continuation of the long-term trend. Output during this year was 3,961 million metres, as compared with 4,157 million metres during 1970, which showed a decline of 4.7 per cent. However, on account of a sharp decline in output recorded by the decentralised sector, its share in the total cloth production slipped down from 47.0 per cent in 1970 to 46.2 per cent in 1971.

Table 21—Cotton Textiles

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

Sector	Year	Production	Exports	Domestic consumption†	Year-end stocks (unsold)
Cloth—Mill Sector	1951	3,727	—	3,096	—
	1956	4,852 (+ 5.4)£	680	3,818	372
	1961	4,701 (— 0.6)£	525	4,106	291
	1966	4,239 (— 2.1)£	424‡	3,897	199
	1969	4,168 (— 0.4)£	418	3,799	166
	1970@	4,157 (— 0.3)	413	3,829	147
	1971@	3,961 (— 4.7)	378	3,492@	180
Cloth—Decentralised Sector	1951	1,013	—	—	—
	1956	1,668 (+10.5)£	55	—	—
	1961	2,376 (+ 7.3)£	26	—	—
	1966	3,096 (+ 5.4)£	37	—	—
	1969	3,538 (+ 4.5)£	26	—	—
	1970@	3,692 (+ 4.4)	27	—	—
	1971@	3,399 (— 7.9)	25	—	—
Cloth—Total	1951	4,740	753	3,992	—
	1956	6,520 (+ 6.7)£	735	5,847	—
	1961	7,077 (+ 1.7)£	551	6,527	—
	1966	7,335 (+ 0.8)£	461	6,874	—
	1969	7,706 (+ 1.6)£	444	7,259	—
	1970@	7,849 (+ 1.9)	440	7,409	—
	1971@	7,360 (— 6.2)	406	6,091	—
Cotton Yarn—Mill Sector	1951	591	—	124	—
	1956	758 (+ 5.1)£	—	200	5
	1961	862 (+ 2.7)£	7	290	7
	1966	901 (+ 1.0)£	16	342	8
	1969	967 (+ 2.3)£	33	390	9
	1970@	965 (— 0.2)	30	407	10
	1971@	870 (— 9.8)	12	365	13

Note : Export figures for decentralised sector relate to handlooms only. Figures in brackets represent percentage changes over the preceding year.

† Represents deliveries for civil consumption. Figures for yarn relate to sale of yarn by mills to handlooms and powerlooms. Domestic consumption figures for cloth—total represent cloth available for home consumption, i.e., total cloth produced in the mill and decentralised sectors plus actual imports minus actual exports of cloth.

‡ Since April 1965, quantity is in million square metres.

£ Represents compound growth rate (in percentage) over the previous year in the table.

@Provisional.

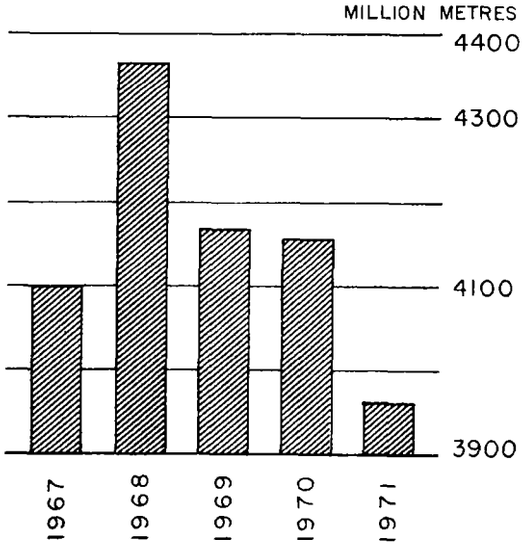
Variety-wise, the continuously declining trend observed in the 'coarse' and 'lower medium' varieties since 1965 has been arrested to some extent, particularly during the second half of 1971, as a result of an arrangement agreed to between Government and the textile industry to increase the production of the controlled varieties of cloth initially from June 1, 1971. During the second half of 1971, output of 'coarse' and 'lower medium' varieties together aggregated 837 million metres as compared with 666 million metres during the first half of 1971.

Available data on domestic offtake of cloth from the mill sector indicate a fall during 1971. The deliveries of mill cloth in 1971 for civil consumption was estimated at 3,492 million metres, which showed a fall of 9.8 per cent over the deliveries in 1970 (3,829 million metres); in 1970 there was a marginal increase in their offtake.

The National Textile Corporation, set up primarily to look after the sick and closed mills taken over by Government, has continued to make progress in the diverse activities connected with the primary task, entrusted to it, of direct management of mills; attending to their renovation and rehabilitation; arranging supply of raw cotton to the Government-managed mills on a no-profit-no-loss basis; ensuring the production of the required quantities of controlled cloth by these mills, and others. Since the inception of the Corporation, the Government have taken over 34 sick and closed mills, with an installed capacity of about 12 lakh spindles and 24,000 looms and employing nearly 90,000 workers. In addition, the Corporation has recommended the take-over of nine more mills after considering the reports of the Investigation Committee and it is examining similar reports in the cases of six other mills.

Graph 40

PRODUCTION OF COTTON TEXTILES (MILL CLOTH)



(ii) Woollen Textiles

Production of woollen/worsted yarn in 1971 increased by 6.6 per cent to 21.1 million kgs. and that of woollen/worsted fabrics (wearable) by 20.6 per cent to 15.8 million metres. On the other hand, output of woollen/worsted fabrics (non-wearable) which had declined by 6.5 per cent to (4.3 million metres) in 1970, rose by 7.0 per cent to 4.6 million metres in 1971.

The industry continued to face a chronic shortage of raw wool, as a result of which dependence on imports persisted. Imports of raw wool had increased by more than 22.4 per cent during 1970 from 16.5 million kgs. to 20.2 million kgs., but it declined to 17.1 million kgs. during 1971. To achieve self-sufficiency in raw wool, the industry has taken up a scheme of sheep breeding in collaboration with the Government of Gujarat. A corporation is being set up in Gujarat for breeding sheep with imported livestock to produce finer varieties of wool.

The shortage of raw wool has resulted in considerable idle capacity in the worsted sector, especially in the smaller units. Further, much of the equipment in use in the industry is outdated. To improve the situation, arrangements have been made for import of essential machinery for modernisation purposes. The total modernisation requirements are expected

Table 22—Woollen Textiles

Year	Woollen/ worsted yarn production	Woollen/ worsted fabrics (Non-wearable production)	Woollen/worsted fabrics (wearable)	
			Production	Export
	Million kgs.	Million kgs.	(Million metres)	
1951 ..	7.7	—	11.1	—
1956 ..	11.6 (+8.6)@	3.2	14.9 (+6.0)@	0.3
1961 ..	14.6 (+3.0)@	2.3 (—5.6)@	12.0 (—)£	0.2
1966 ..	16.6 (+2.7)@	4.1 (+12.2)@	9.4 (—5.3)@	0.9
1969 ..	19.2 (+5.0)@	4.6 (+2.3)@	13.2 (+10.3)@	1.3
1970 ..	19.8 (+3.1)	4.3 (—6.5)	13.1 (—0.8)	1.5
1971 ..	21.1 (+6.6)	4.6 (+7.0)	15.8 (+20.6)	1.8

Note : Figures in brackets indicate the percentage variations over the previous year.

@Represents annual compound growth rate (percentage) over the previous year in the table.

£ Data for 1951 and 1956 are not comparable with those from 1961 onwards as data for those two years include some varieties other than wearable. Hence annual compound growth rate (percentage) in 1961 over 1956 is not given.

to be of the order of Rs. 22 crores out of which Rs. 14 crores would be in the form of foreign exchange.

Simultaneously, considerable expansion in the industry has been envisaged. During 1971, 16 letters of intent were issued to different units for expansion in the woollen combing sector for manufacture of 19.5 million lbs. of wool tops per annum in addition to the existing capacity. Additional capacity in the tufted carpet sector has been sanctioned. Letter of intent has been issued to one unit and another unit has been granted industrial licence during this year against the letter of intent issued to it previously. It has also been decided to allow installation of six units of 600 shoddy spindles each in backward areas.

(iii) Paper and Paper Boards

During 1971, the output of paper and paper boards (excluding newsprint) rose marginally to 7.8 lakh tonnes from 7.6 lakh tonnes in 1970, the growth rate being lower at 2.8 per cent compared with that of 8.0 per cent witnessed in 1970.

Installed capacity in paper industry increased from 7.7 lakh tonnes at the end of 1970 to 8.8 lakh tonnes at the end of 1971. Since production did not keep pace with the creation of capacity, output-capacity ratio declined to 88.3 per cent from the highest level of 98.7 per cent attained in 1970. While the industry continued to face the shortage of wood-based raw materials, the major cause for slower growth in output during 1971 was labour unrest in two major paper producing units.

In recent years, consumption of paper has been increasing at a faster rate than the output growth. Thus, imports of paper, paper boards, etc., increased by 35.9 per cent to Rs. 31.1 crores during 1971 from Rs. 22.9 crores in 1970. As a result of shortages of writing and printing paper experienced in the domestic market, exports of paper and paper boards during 1971 were lower at Rs. 2 crores as compared with Rs. 3.9 crores in 1970.

With a view to raising capacity in the industry, Government had adopted a crash programme in 1970, in terms of which 19 schemes have been sanctioned. During the year, 15 schemes with a total capacity of 4.0 lakh tonnes per year have already been covered by letters of intent. Besides, 14 schemes with a capacity of 5 lakh tonnes per year were under consideration.

Non-availability of adequate raw materials, particularly bamboo, continues to be the major long-term problem facing the industry. This is reflected in the decline of pulp output from 78,738 tonnes in 1970 to 53,994 tonnes in 1971 and that of paper grade pulp from 23,316 tonnes in 1970 to 22,230 tonnes in 1971. Installed capacity of both pulp and

Table 23—Paper and Paper Boards

(excluding Newsprint)

(Thousand tonnes)

Year	Installed capacity	Production	Year-end stocks
1951 ..	—	134	—
1956 ..	215	196 (+8.0)@	12
1961 ..	410	364 (+13.2)@	17
1966 ..	644	585 (+10.0)@	43
1969 ..	730	702 (+6.3)@	35
1970 ..	768	758 (+8.0)	22
1971 ..	882	779 (+2.8)	20*

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

@Represents annual compound growth rate (in percentage) over the previous year in the table.

* As at July 1971.

paper grade pulp remained constant in 1971 at the 1970 levels of 87,000 tonnes and 21,500 tonnes, respectively. The latter, however, is to be expanded to 40,000 tonnes. Hindustan Paper Corporation, a public sector undertaking, proposes to set up a pulp and paper mill each in Nagaland and Assam; the work relating to the Nagaland project with a total capacity of 33,000 tonnes per annum has already started.

As for newsprint, NEPA, the country's only newsprint mill which is in the public sector, increased its output from 37,341 tonnes in 1970 to 40,081 tonnes in 1971, though the increase was not adequate to meet the growing demand. Hence, considerable quantity of newsprint had to be imported. Imports of newsprint amounted to 1.8 lakh tonnes in 1971 as against 1.4 lakh tonnes in 1970. NEPA's newsprint capacity remained unchanged at the 1970 level of 75 thousand tonnes. The Government have already issued licences/letters of intent for four schemes with newsprint capacity of about 1.8 lakh tonnes. As for prices, during the year the paper mills have given an assurance to revise prices only with the prior sanction of the *ad-hoc* Committee on paper industry and that too only once a year. The industry has also arrived at an agreement with the trade in December 1971 whereby the paper mills will revert to the production and distribution pattern of 1968-69 and 1969-70 which was evolved when the industry was under price and distribution controls.

CHAPTER IV—MONEY SUPPLY, CREDIT POLICY AND BANKING DEVELOPMENTS

Trends in Money Supply

A distinctive feature of the economy during the year 1971-72 was the widening of the imbalance between aggregate demand and aggregate supply. On the supply side, as indicated earlier, the growth rate in real income has remained well below 5 per cent during the past two years. On the other hand, large increases in monetary demand were evidenced by rapid rates of expansion in money supply with the public (13.6 per cent) and in aggregate monetary resources (16.2 per cent) during 1971-72. The comparable rates of expansion in the two monetary variables in 1970-71 were 12.5 per cent and 14.2 per cent. The increase in aggregate demand was attributed to special factors operating mainly in the public sector. Large and unforeseen expenditures had to be incurred by the Central Government on refugees from Bangladesh and subsequently for military operations. Together with the growth in public sector's Plan and non-Plan expenditures, this necessitated an increase in budgetary deficit, despite additional taxation.

Changes over the Year

In absolute terms, money supply with the public and aggregate monetary resources increased by Rs. 1,016 crores and Rs. 1,802 crores in 1971-72 (July-June); comparable totals in the preceding year were, respectively, Rs. 828 crores and Rs. 1,389 crores (Table 1).

Table 1—Trends in Money Supply and Aggregate Monetary Resources—Annual

(Rupees crores)

	Variations during		
	1969-70 (July-June)	1970-71 (July-June)	1971-72 (July-June)
Constituents of Money Supply/Monetary Resources			
1. Currency with the Public	+ 381 (+10.1)	+ 421 (+10.1)	+ 423 (+ 9.2)
2. Demand Deposits	+ 211 (+ 9.4)	+ 406 (+16.5)	+ 592 (+20.6)
3. Money Supply (1+2)	**+ 591 (+ 9.8)**	**+ 828 (+12.5)**	**+1,016 (+13.6)**
4. Time Deposits	+ 419 (+15.6)	+ 562 (+18.1)	+ 786 (+21.5)
5. Monetary Resources (3+4)	**+1,011 (+11.6)**	**+1,389 (+14.2)**	**+1,802 (+16.2)**
Factors Affecting Money Supply			
6. Net Bank Credit to Government	+ 2 (—)	+ 931 (+19.3)	+1,176 (+20.4)
7. Net Foreign Exchange Assets of the Banking Sector	+ 264 (+66.0)	— 95 (—14.3)	+ 29 (+ 5.1)
8. Government's Net Currency Liabilities to Public	+ 20 (+ 5.6)	+ 21 (+ 5.6)	+ 11 (+ 2.5)
9. Total (6+7+8)	+ 286 (+ 5.1)	+ 857 (+14.6)	+1,215 (+18.1)
10. Bank Credit to Commercial Sector*	+ 755 (+17.7)	+ 721 (+14.3)	+ 788 (+13.7)
(a) Net Bank Credit to Commercial Sector	+ 336 (+21.1)	+ 158 (+ 8.2)	+ 3 (+ 0.1)
11. Total (9+10)	+1,041 (+10.6)	+1,578 (+14.5)	+2,003 (+16.1)
12. Net Non-Monetary Liabilities of R.B.I. (Increase —)	— 60	— 177	— 249
13. Residual (Increase —)	+ 29	— 10	+ 45

Note : Figures in brackets are percentage variations.
* Includes advances made to public sector enterprises and State Governments for commercial purposes.

Unlike in the previous year, the increase in deposit money both in absolute terms (Rs. 592 crores) and in the rate of growth (20.6 per cent) was substantially larger than that in the currency component (Rs. 423 crores or 9.2 per cent). In other words, of the total increase in money supply during the year, deposit money accounted for 58.3 per cent and currency, 41.6 per cent; the comparable proportions for the previous year were 49.0 per cent and

50.8 per cent. As a result of faster growth in deposit money than that in currency during the last two years, the proportion of currency in total money supply has been declining almost steadily. Thus this proportion was 62.9 per cent at the end of June 1970 and it declined to 61.5 per cent by end-June 1971 and further to 59.1 per cent at the end of June 1972 (Table 2).

Table 2: Average and Incremental Ratios Relating to Components of Money Supply and Aggregate Monetary Resources

July/June	Currency	Deposit Money£	Money Supply	Time Deposits	Monetary Resources	Proportion of Money Supply (%)		Proportion of Aggregate Monetary Resources (%)		
						Currency	Deposit Money	Currency	Deposit Money£	Time Deposits
	Crores of Rupees					*Average Ratios*				
Outstandings as at end—June										
1964-65	2,823	1,353	4,175	1,515	5,690					
1965-66	3,056	1,557	4,613	1,745	6,357	66.2	33.8	48.1	24.5	27.5
1966-67	3,213	1,753	4,966	1,948	6,914	64.7	35.3	46.5	25.4	28.2
1967-68	3,448	2,029	5,477	2,206	7,683	63.0	37.0	44.9	26.4	28.7
1968-69	3,789	2,254	6,043	2,679	8,721	62.7	37.3	43.4	25.8	30.7
1969-70	4,170	2,465	6,634	3,098	9,732	62.9	37.1	42.8	25.3	31.8
1970-71	4,591	2,871	7,462	3,660	11,122	61.5	38.5	41.3	25.8	32.9
1971-72	5,014	3,463	8,478	4,446	12,924	59.1	40.8	38.8	26.8	34.4
	Crores of Rupees					*Marginal Ratios*				
Increases (July-June)										
1965-66	233	204	438	230	667	53.2	46.6	34.9	30.6	34.5
1966-67	157	196	353	203	557	44.5	55.5	28.2	35.2	36.4
1967-68	235	276	511	258	769	46.0	54.0	30.6	35.9	33.6
1968-69	341	225	566	473	1,038	60.2	39.8	32.9	21.7	45.6
1969-70	381	211	591	419	1,011	64.5	35.7	37.7	20.9	41.4
1970-71	421	406	828	562	1,389	50.8	49.0	30.2	29.2	40.5
1971-72	423	592	1,016	786	1,802	41.6	58.3	23.5	32.8	43.6

£ Including ' other deposits ' with R.B.I.

Note: The data presented in this table are slightly different from those presented in tables 11 and 12 of the Bank's Annual Report : 1971-72 (page 19) as these relate to the Bank's accounting year period (July-June) while the latter relate to financial year.

The growth in time deposits during 1971-72 was even larger than either currency or demand deposits, in terms of both absolute increase (Rs. 786 crores) as well as in the rate of growth (21.5 per cent). Consequently, the share of currency expansion in the increase in aggregate monetary resources has declined sharply from about 30.2 per cent during 1970-71 to 23.5 per cent during 1971-72. Alternatively, as much as 76.4 per cent of the increase in aggregate monetary resources during the year 1971-72 was accounted for by deposit money as compared with 69.7 per cent during 1970-71@, reflecting the

@ These two sets of marginal and average ratios presented in Table 2 are slightly different from those presented in the relevant paragraphs of the Bank's Annual Report for 1971-72 (pp. 18-20), as the former relate to the Bank's accounting year (July-June) period whereas the latter relate to financial year.

larger deposit mobilisation efforts of the banking system, particularly through the extension of branch banking to the semi-urban and rural areas.

The dominant factor behind monetary expansion during 1971-72 was the phenomenal increase of Rs. 1,176 crores in ' net bank credit to Government ' (as against Rs. 931 crores in 1970-71) arising out of the strains imposed on the finances of the Central Government, as stated earlier. Net of some accounting adjustments effected during the year, the increase in ' net bank credit to Government ' works out to Rs. 1,101 crores* as compared with Rs. 831 crores* during 1970-71.

The rise of Rs. 29 crores* in ' net foreign exchange assets of the banking sector ' (which had declined by Rs. 95 crores in 1970-71) also contributed to some extent to the increase in money supply. Expansion in ' bank credit to the commercial sector' at Rs. 788 crores was larger than in the previous year (Rs. 721 crores); but since time deposits increased by Rs. 786 crores, there was only a marginal rise in 'net bank credit to commercial sector'. A steep rise in 'net non-monetary liabilities of the Reserve Bank' mitigated to some extent the impact of the expansionary factors.

The relative importance of various factors affecting money supply is brought out in Table 3.

* While these accounting adjustments have not affected the figures of ' money supply ' since adjustments have been so made as to neutralise the expansionary influence of one by contractionary influence of another, they have, in effect, overstated net bank credit to Government Sector by Rs. 75 crores during 1971-72 and by Rs.100 crores during1970-71(July-June) and resulted in appreciating net foreign exchange assets by Rs. 23 crores during 1971-72. The non-monetary liabilities of the Reserve Bank of India acted as a contractionary factor, to the tune of Rs. 98 crores during 1971-72 and Rs. 100 crores during 1970-71.

Table 3—Relative Contribution of Factors Affecting Money Supply

(Percentages)

	(July-June)		
	1969-70	1970-71	1971-72
Money Supply	100	100	100
Factors Affecting Money Supply			
Net Bank Credit to Government	+ 0.3	+112.4	+115.7
Net Foreign Exchange Assets	+ 44.7	— 11.5	+ 2.9
Government's Net Currency Liability to Public	+ 3.4	+ 2.5	+ 1.1
Net Bank Credit to Commercial Sector ..	+ 56.9	+ 19.1	+ 0.3
Net Non-monetary Liabilities of R.B.I. ..	— 10.1	— 21.4	— 24.5
Residual	+ 4.9	— 1.2	+ 4.4

Table 4—Trends in Money Supply and Aggregate Monetary Resources—Seasonal

(Rupees crores)

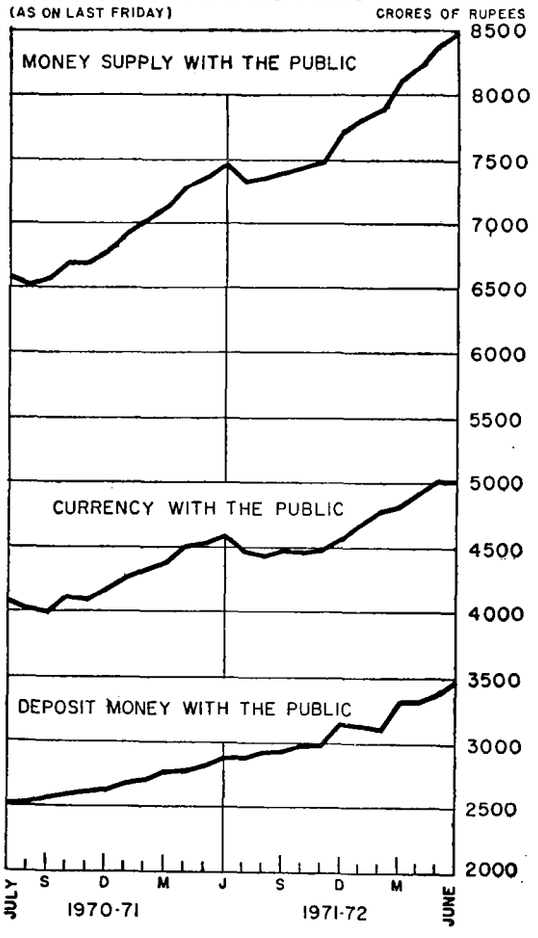
	Variations during			
	Slack Season		Busy Season	
	1970	1971	1970-71	1971-72
Constituents of Money Supply				
1. Currency with Public	— 35 (— 0.8)	— 33 (— 0.7)	+ 405 (+ 9.9)	+ 442 (+ 9.9)
2. Demand Deposits	+ 178 (+ 7.4)	+ 193 (+ 7.0)	+ 178 (+ 6.9)	+ 339 (+11.4)
3. Money Supply (1+2)	+ **144** (+ **2.2**)	+ **162** (+ **2.2**)	+ **581** (+ **8.7**)	+ **779** (+**10.5**)
4. Time Deposits	+ 277 (+ 9.2)	+ 435 (+12.3)	+ 261 (+ 8.0)	+ 308 (+ 7.7)
5. Monetary Resources (3+4) ..	+ **421** (+ **4.4**)	+ **597** (+ **5.5**)	+ **842** (+ **8.4**)	+**1,087** (+ **9.5**)
Factors Affecting Money Supply				
6. Net Bank Credit to Government ..	+ 111 (+ 2.3)	+ 388 (+ 7.0)	+ 607 (+12.3)	+ 820 (+13.8)
7. Net Foreign Exchange Assets of the Banking Sector	+ 36 (+ 5.9)	+ 26 (+ 4.6)	— 84 (—13.0)	+ 14 (+ 2.4)
8. Government's Net Currency Liabilities to Public	+ 6 (+ 1.6)	+ 6 (+ 1.6)	+ 16 (+ 4.3)	+ 7 (+ 1.8)
9. Total (6+7+8)	+ 153	+ 420	+ 539	+ 841
10. Bank Credit to Commercial Sector†	+ 346 (+ 7.1)	+ 249 (+ 4.4)	+ 478 (+ 9.2)	+ 433 (+ 7.3)
(a) Net Bank Credit to Commercial Sector	+ 70 (+ 3.8)	— 187 (— 9.6)	+ 216 (+11.3)	+ 126 (+ 6.5)
11. Total (9+10)	+ 499 (+ 4.7)	+ 669 (+ 5.5)	+1,017 (+ 9.1)	+1,274 (+ 9.9)
12. Net Non-Monetary Liabilities of R.B.I. (Increase —)	+ 27	— 101	— 113	— 223
13. Residual (Increase —)	— 106	+ 30	— 61	+ 34

Note : Figures in brackets represent percentage variations.

† Includes advances made to public sector enterprises and State Governments for commercial purposes.

Graph 41

MONEY SUPPLY WITH THE PUBLIC



Seasonal Trends

During the traditional slack season of 1971 (May-October), money supply with the public registered for the second successive year, an expansion of Rs. 162 crores, which was somewhat larger than in the previous slack season (Table 4). The entire increase was in deposit money, with the currency component showing a small decline. A rise of Rs. 388 crores in 'net bank credit to Government' and an increase of Rs. 26 crores in 'net foreign exchange assets of the banking sector' contributed mainly to this expansion. 'Net bank credit to the commercial sector', on the other hand, declined by Rs. 187 crores, exerting a contractionary pull on money supply.

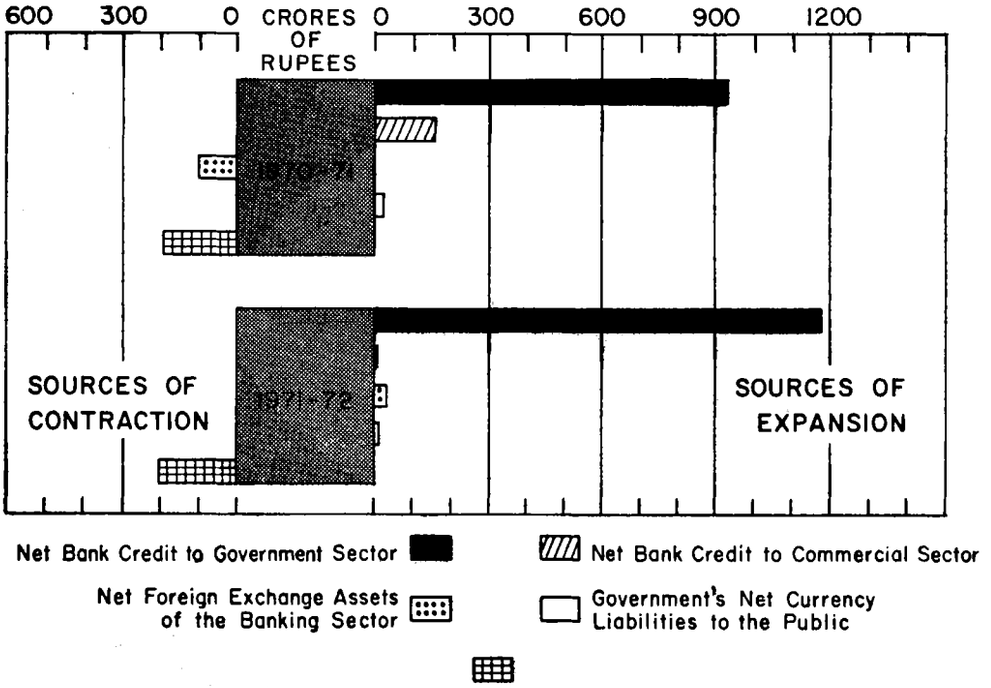
The expansion in money supply during the busy season of 1971-72 (November 1971 - April 1972) at Rs. 779 crores (10.5 per cent) was substantially larger than that (Rs. 581 crores or 8.7 per cent) in the preceding busy season. While increase in the currency component was higher than the previous busy season rise, the growth in deposit money was nearly twice as much. The seasonal increase in time deposits with the banks was also larger than that in the previous year.

The increase in 'net bank credit to Government' during 1971-72 busy season at Rs. 820 crores was sizably larger than Rs. 607 crores in 1970-71 busy season. 'Net foreign exchange assets of the banking system', which had shown a decline of Rs. 84 crores in the previous busy season, experienced a modest rise of Rs. 14 crores in 1971-72 busy season. The increase in 'net bank credit to the commercial sector' (adjusted for increase in time deposits) was, however, much smaller than the increase during the busy season last year. Thus, the main factor which was responsible for the large increase in money supply during the busy season was a rise in 'net bank credit to Government'. The impact of this factor on money supply was offset, to some extent, by the increase of Rs. 223 crores in 'non-monetary liabilities of the Reserve Bank'.

Money supply with the public registered an expansion in the first two months of 1972 slack season as in the corresponding period of the previous slack season. A substantial expansion in 'net bank credit to Government' was the principal factor accounting for this increase. A small increase in 'net bank credit to commercial sector' as against a decline during the corresponding period of 1971 also contributed to the rise in money supply.

Graph 42

SOURCES OF VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC DURING THE ACCOUNTING YEARS (JULY-JUNE)



Banking Trends and Credit Policy

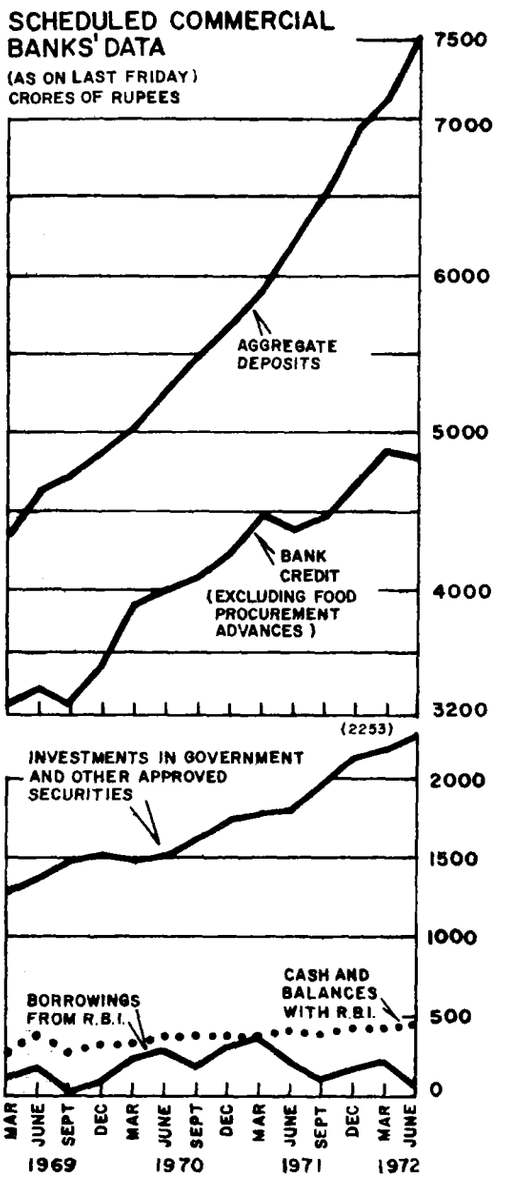
The formulation and operation of credit policy during the year were guided by two main considerations. The strain on the finances of Government and consequential surge in credit to Government called for a policy of continued restraint on bank credit so as not to aggravate inflationary pressures in the economy. At the same time, there was need for ensuring adequate credit facilities for all legitimate productive activities and particularly for directing the flow of credit to priority and hitherto neglected sectors.

In quantitative terms, the changes in the main banking variables during 1971-72 were more conducive to an improvement in the liquidity position of banks than in the previous years. There was a marked decline in the aggregate credit-deposit ratio over the year since the absolute increase in deposits was over twice the increase in credit extended by scheduled commercial banks. The better resources position of banks was reflected in sharply lower level of borrowings from the Reserve Bank and the noticeably larger increase in investments than last year.

Annual Variations July 1971-June 1972

During 1971-72, total scheduled commercial banks' credit registered an increase of Rs. 614 crores or over 12.9 per cent as compared with the increase of Rs. 550 crores (13.1 per cent) in 1970-71 (July-June) (Table 5). On the other hand, accretion to deposits was much larger at Rs. 1,308 crores (21 per cent) in 1971-72 as compared with Rs. 941 crores (17.8 per cent) in 1970-71. Of the total increase in 1971-72, time deposits accounted for 58.3 per cent. The credit-deposit ratio at 71.5 per cent as at the end of June 1972 was lower than that at the end of June 1971 (76.6 per cent).

Graph 43



The increase in the investments of scheduled commercial banks in Government and other approved securities by Rs. 446 crores was substantially higher than in 1970-71 (Rs. 303 crores); the investment-deposit ratio was, therefore, higher at 29.9 per cent on June 30, 1972 as compared to 29.0 per cent on June 25, 1971. Cash and balances with the Reserve Bank of India, however, showed almost a similar rise of Rs. 44 crores during the year as in the preceding year; the cash ratio therefore stood lower at 5.9 per cent compared with that of 6.5 per cent at the end of June 1971.

All through the year, borrowings from the Reserve Bank were consistently lower than those in the corresponding weeks of the previous year. The outstanding level of borrowings from the Reserve Bank touched a low of Rs. 15 crores on May 19, 1972 as against Rs. 125 crores on May 21, 1971.

Seasonal Trends

The presence of greater liquidity in the banking system was also reflected in the seasonal trends in the key banking variables within the year under review. The conventional slack season period of 1971 (May-October) experienced an expansion in bank credit (Rs. 163 crores), but it was of a lower order than in the 1970 slack season (Rs. 226 crores), and much of the expansion was for food procurement (Rs. 156 crores as against Rs. 35 crores in the earlier slack season). Even in the following busy season period of 1971-72 (November-April), the expansion in bank credit, in the aggregate, was of a lower order (Rs. 351 crores) than in the 1970-71 busy season (Rs. 394 crores). This lower order of expansion was the result of a decline in credit for food procurement operations following larger realisation from sales by the Food Corporation of India. During the 1971-72 busy season, food procurement credit declined by Rs. 76 crores as against an increase of Rs. 70 crores in the preceding busy season. Bank credit, excluding food procurement credit, therefore, showed an increase of Rs. 427 crores as compared with Rs. 324 crores during the 1970-71 busy season. But the first two months of the 1972 slack season (May-June) experienced a spill-over of food procurement credit which rose by Rs. 254 crores (as compared to a rise of Rs. 176 crores during the corresponding period of 1971 slack season). As a result, while these two months showed a rise of Rs. 188 crores in the aggregate bank credit, the credit excluding food procurement showed a decline of Rs. 66 crores.

Table 5—Annual Variations in Important Banking Data

(Rupees crores)

	End June 1969	Variations during the year ended June 1969	End June 1970	Variations during the year ended June 1970	End June 1971	Variations during the year ended June 1971	End June 1972*	Variations during the year ended June 1972*
1. Total Bank Credit	3,599	+ 496	4,213	+ 614	4,763	+ 550	5,377	+ 614
Of which :								
(a) Food Procurement Advances	233	+ 41	207	— 26	379	+ 172	542	+ 163
(b) Other Advances ..	3,366	+ 455	4,006	+ 640	4,384	+ 378	4,835	+ 451
2. Total Investments ..	1,359	+ 198	1,504	+ 145	1,807	+ 303	2,253	+ 446
(a) In Government Securities	1,126	+ 151	1,186	+ 60	1,375	+ 189	1,664	+ 289
(b) In Other Approved Securities	233	+ 47	318	+ 85	432	+ 114	589	+ 157
3. Cash and Balances with the Reserve Bank of India ..	380	+ 111	358	— 22	403	+ 45	447	+ 44
4. Money at Call and Short Notice	88	+ 38	48	— 40	83	+ 35	107	+ 24
5. Aggregate Deposits ..	4,646	+ 677	5,275	+ 629	6,216	+ 941	7,524	+1,308
(a) Demand	2,104	+ 229	2,329	+ 225	2,743	+ 414	3,289	+ 546
(b) Time	2,542	+ 448	2,946	+ 404	3,473	+ 527	4,235	+ 762
6. Borrowings from the Reserve Bank of India	172	+ 69	291	+ 119	207	— 84	42	— 165
7. Inland Bills purchased and discounted by the Reserve Bank of India	—	—	—	—	10	—	11	+ 1

* Provisional.

Source : Returns submitted under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from the Reserve Bank of India which are based on advices received from regional offices of the Reserve Bank of India.

Table 6—Trends in Principal Ratios of Scheduled Commercial Banks

(Rupees crores)

	October 1970		April 1971		October 1971		April 1972*		June 1972*		June 1971	
	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage
1. Bank Credit	4,281	77.0	4,675	78.0	4,838	73.1	5,189	72.0	5,377	71.5	4,763	76.6
Of which :												
(a) Food Procurement Advances	133	2.4	203	3.4	359	5.4	283	3.9	542	7.2	379	6.1
(b) Other Advances	4,148	74.6	4,472	74.6	4,479	67.7	4,906	68.1	4,835	64.3	4,384	70.5
2. Investments in Government and Other Approved Securities	1,659	29.8	1,774	29.6	2,023	30.6	2,267	31.5	2,253	29.9	1,807	29.0
(a) In Government Securities	1,321	23.7	1,360	22.7	1,568	23.7	1,712	23.8	1,664	22.1	1,375	22.1
(b) In Other Approved Securities	338	6.1	414	6.9	455	6.9	555	7.7	589	7.8	432	6.9
3. Cash and Balances with the Reserve Bank of India	347	6.2	359	6.0	417	6.3	419	5.8	447	5.9	403	6.5
4. Money at Call and Short Notice	39	—	28	—	101	—	94	—	107	—	83	—
5. Aggregate Deposits	5,558	100.0	5,993	100.0	6,617	100.0	7,207	100.0	7,524	100.0	6,216	100.0
(a) Demand	2,441	43.9	2,631	43.9	2,833	42.8	3,128	43.4	3,289	43.7	2,743	44.1
(b) Time	3,117	56.1	3,362	56.1	3,784	57.2	4,079	56.6	4,235	56.3	3,473	55.9
6. Borrowings from the Reserve Bank of India	151	—	191	—	19	—	23	—	42	—	207	—
7. Inland Bills purchased and discounted by the Reserve Bank of India	—	—	14	—	14	—	11	—	11	—	10	—

* Provisional.

Notes : 1. The percentages are ratios to aggregate deposits.

2. Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from the Reserve Bank of India, which are based on weekly borrowing advices received from regional offices of the Reserve Bank of India. All figures relate to the last Friday of the month.

Table 7—Seasonal Variations in Scheduled Commercial Banks Data

(Rupees crores)

	Slack Season 1970	Busy Season 1970-71	Slack Season 1971	Busy Season 1971-72*	Slack Season upto	
					June 25, 1971	June 30, 1972*
1. Bank Credit	+ 226	+ 394	+ 163	+ 351	+ 88	+ 188
Of which :						
(a) Food Procurement Advances	+ 35	+ 70	+ 156	— 76	+ 176	+ 254
(b) Other Advances	+ 191	+ 324	+ 7	+ 427	— 88	— 66
2. Investments in Government and Other Approved Securities	+ 187	+ 115	+ 249	+ 244	+ 33	— 15
(a) In Government Securities	+ 155	+ 39	+ 208	+ 144	+ 16	— 48
(b) In Other Approved Securities	+ 32	+ 76	+ 41	+ 100	+ 17	+ 33
3. Cash and Balances with the Reserve Bank of India	+ 31	+ 12	+ 59	+ 2	+ 44	+ 28
4. Money at Call and Short Notice	— 6	— 11	+ 70	— 5	+ 55	+ 13
5. Aggregate Deposits	+ 449	+ 435	+ 624	+ 590	+ 223	+ 317
(a) Demand	+ 175	+ 190	+ 202	+ 296	+ 112	+ 161
(b) Time	+ 274	+ 245	+ 422	+ 294	+ 111	+ 156
6. Borrowings from the Reserve Bank of India	— 86	+ 40	— 172	+ 4	+ 17	+ 19
7. Inland Bills purchased and discounted by the Reserve Bank of India	—	—	—	— 3	— 4	—

* Provisional.

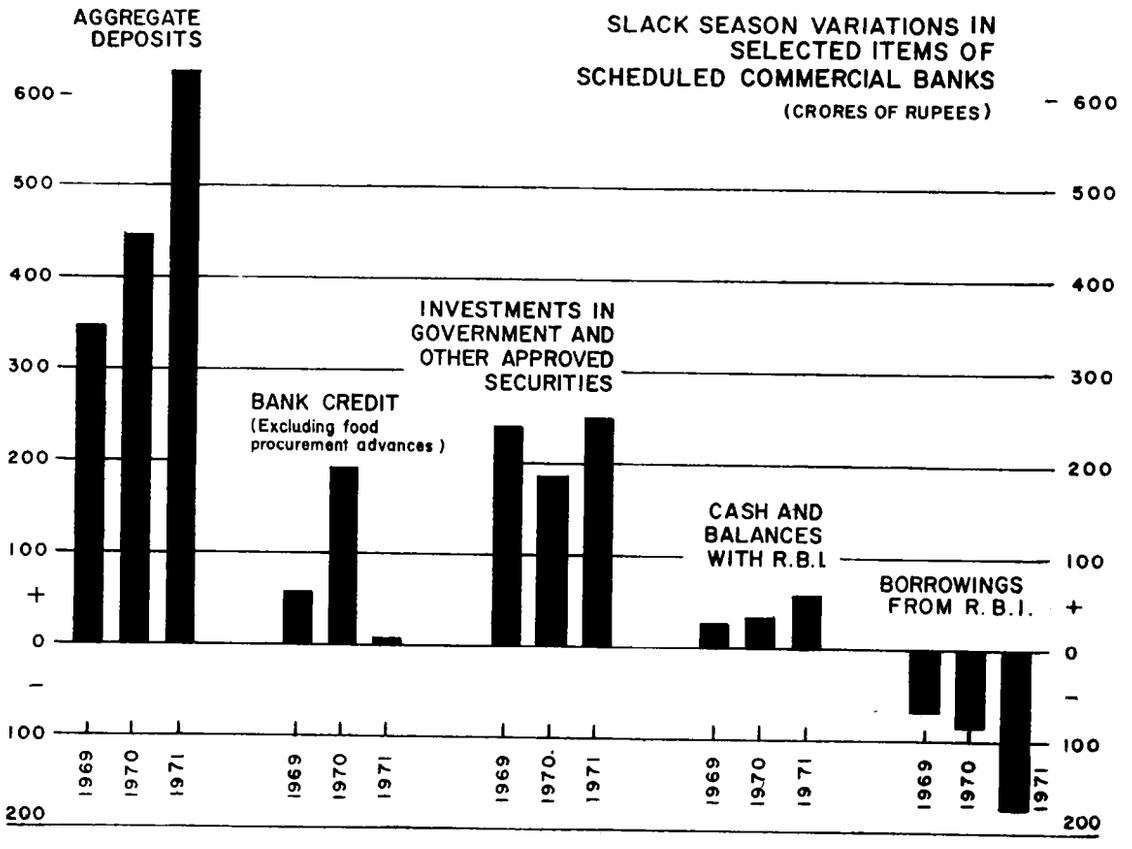
Notes : 1. Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from the Reserve Bank of India, which are based on weekly borrowing advices from regional offices of the Reserve Bank of India.

2. The variations are based on the last Friday figures of April and October.

As contrasted with a relatively slower growth in bank credit during different seasons, the performance in regard to deposit accretion has been consistently better than in the corresponding seasons of the preceding year. During the 1971 slack season period, deposits grew by Rs. 624 crores (10.4 per cent) as against Rs. 449 crores (8.8 per cent) in 1970 slack season. In the busy season of 1971-72, the aggregate deposits expanded by Rs. 590 crores (8.9 per cent), as compared with Rs. 435 crores (7.8 per cent) during the previous busy season. This was again followed by a sharp increase of Rs. 317 crores in aggregate deposits during the first two months of 1972 slack season (May-June), as compared to an increase of Rs. 223 crores in the corresponding period of 1971 slack season.

As a result of faster growth in deposits than in credit, banks considerably augmented their investments in Government and other approved securities and reduced their dependence on the Reserve Bank, even during the conventional busy season period of 1971-72. During this period, borrowing from the Reserve Bank showed a rise of only Rs. 4 crores, as compared with the rise of Rs. 40 crores in the 1970-71 busy season. The peak level of borrowings from the Reserve Bank at Rs. 252 crores during the 1971-72 busy season was much lower than the level recorded in the 1970-71 busy season (Rs. 443 crores). Banks' investments in Government and other approved securities during the busy season registered a sharp rise of Rs. 244 crores, as compared with an increase of Rs. 115 crores in the 1970-71 busy season.

Graph 44



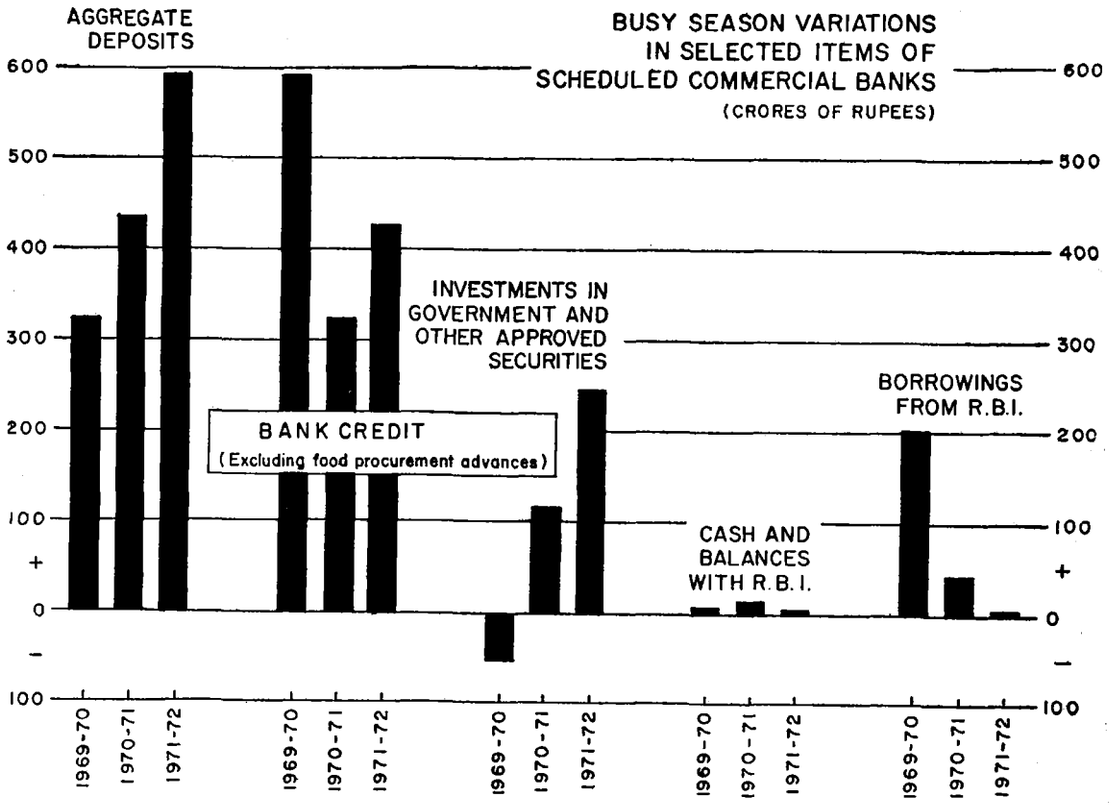
As a result of the better liquidity position of banks, call money rates, both in Bombay and Calcutta, ruled generally lower during the year under review than those in the preceding year. The rate in Bombay, which had stood at 6.0 per cent at the end of April 1971, declined to 3.5 per cent at the end of the 1971 slack season. In contrast, the rate had moved between 4.0 per cent and 6.5 per cent during the 1970 slack season. In the busy season of 1971-72, the rate touched the seasonal peak of 9.5—9.75 per cent on March 21, 1972, as compared to the peak of 13.0 per cent reached on February 5, 1971. By the end of the busy season in 1972, the rate had declined to 3.5—4.0 per cent. In the Calcutta market, too, almost similar trend was observed. The rate, which was quoted at 5.0—5.5 per cent on the eve of the 1971 slack season, declined to 3.0—3.5 per cent towards the end of the season. During the next busy season, the Calcutta call rate touched the peak of 9.5—10.5 per cent on March 23, 1972 as against 12.0 per cent on February 4, 1971. By the end of the busy season, the call rate at Calcutta had slipped down to 3.25—3.0 per cent.

Call Money Rates

The Bills Rediscounting Scheme introduced in November 1970 with a view to encouraging the growth of a bill market in India made further progress during the year under review and scheduled commercial banks made increasing use of the rediscounting facilities. Limits sanctioned aggregated Rs. 194 crores for 35 banks under the Scheme at the end of June 30, 1972. However, total amount of outstanding bills rediscounted with the Reserve Bank stood at Rs. 10 crores at the

Bills Rediscounting Scheme

Graph 45



end of June 1972 which was almost the same as at the end of June 1971. The peak level of bills rediscounted with the Reserve Bank under the scheme, was Rs. 45 crores on March 17, 1972, as against the peak of Rs. 17 crores reached in the previous year (on May 20, 1971).

On July 30, 1971, the scope of the Bills Rediscounting Scheme was extended to cover bills of exchange arising out of sales of goods to Government Departments and Quasi-Government bodies as well as statutory corporations and Government companies provided such bills conformed to the requirements of the Scheme. Bills of exchange drawn on and accepted by the Industrial Credit and Investment Corporation of India Limited (ICICI) on behalf of its purchaser-constituents singly or jointly with them were also made eligible in April 1972 for rediscount provided an eligible scheduled commercial bank offered them for rediscount.

Advances to Agriculture, Small-scale Industries, etc.

The scheduled commercial banks made further progress in the extension of credit to the priority sectors. According to available data, the total number of borrowal accounts relating to agricultural advances which increased from 8.4 lakhs to 10.9 lakhs between June 1970 and June 1971 improved further to 12.2 lakhs in December 1971. The outstanding advances under this head also increased during the same period from Rs. 342 crores in June 1970 to Rs. 382 crores in June 1971 and to Rs. 395 crores in December 1971. Direct finance to farmers accounted for the bulk of advances for agricultural purposes; the number of borrowal accounts as well as the amount increased from 8.2 lakhs and Rs. 184 crores in June 1970 to 10.6 lakhs and Rs. 236 crores in June 1971 and to 11.9 lakhs and Rs. 263 crores in December 1971, respectively. Over the period June 1970 to

Table 8—Scheduled Commercial Banks' Advances to Agriculture, Small-scale Sector, and Exports

(Amounts in rupees lakhs)
(Number of accounts in thousands)

Sectors	State Bank of India and subsidiaries		14 Nationalised Banks		Total Public Sector Banks		Other Scheduled Commercial Banks		Total	
	No. of* Accounts	Amount	No. of* Accounts	Amount	No. of* Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
	1	2	3	4	5	6	7	8	9	10
1. Total for Agricultural Purposes										
June 1969	38	9,991	127	6,242	165	16,233	103	2,608	268	18,842
June 1970	240	14,191	391	15,973	631	30,164	210	4,012	842	34,177
June 1971	271	13,543	546	20,553	817	34,096	273	4,152	1,090	38,248
December 1971	261	11,689	648	23,077	909	34,766	313	4,781	1,222	39,546
Of which :										
Direct Finance to Farmers										
June 1969	37	1,106	123	2,916	160	4,022	97	1,339	257	5,361
June 1970	239	5,551	374	10,487	613	16,038	206	2,360	818	18,398
June 1971	270	6,852	524	13,785	793	20,637	266	2,998	1,059	23,635
December 1971	259	6,885	628	15,972	887	22,857	305	3,476	1,192	26,333
2. Total Small-scale Sector (a+b+c)										
June 1969	38	10,301	37	15,379	75	25,680	11	3,730	85	29,410
June 1970	43	16,779	50	22,696	93	39,475	9	5,082	102	44,557
June 1971	54	20,501	68	28,029	122	48,530	13	6,640	135	55,170
December 1971	58	22,707	79	30,649	137	53,356	14	7,168	152	60,524
(*a*) Road and Water Transport Operators :										
June 1969	..	..	2	548	2	548	1	274	4	822
June 1970	2	455	9	1,986	11	2,441	2	622	13	3,063
June 1971	4	787	18	3,198	22	3,985	3	834	25	4,819
December 1971	5	729	21	3,919	26	4,648	4	938	30	5,586
(*b*) Small-Scale Industries :										
June 1969	38	10,301	34	14,805	72	25,106	10	3,454	82	28,560
June 1970	41	16,324	40	20,632	81	36,956	8	4,449	89	41,405
June 1971	50	19,714	50	24,513	100	44,227	10	5,789	110	50,016
December 1971	54	21,978	58	26,303	112	48,281	11	6,214	122	54,495
(*c*) Setting up of Industrial Estates :										
June 1969	N.A.	N.A.	..	26	..	26	..	2	..	27
June 1970	N.A.	N.A.	..	77	..	77	..	12	..	89
June 1971	N.A.	N.A.	..	318	..	318	..	17	..	335
December 1971	N.A.	N.A.	..	427	..	427	..	16	..	443
3. Exports:										
June 1969	N.A.	7,072	N.A.	12,397	N.A.	19,469	N.A.	6,874	N.A.	26,343
June 1970	N.A.	9,202	N.A.	15,804	N.A.	25,006	N.A.	7,044	N.A.	32,049
June 1971	N.A.	11,007	N.A.	19,091**	N.A.	30,098	N.A.	8,170	N.A.	38,268
December 1971	N.A.	18,460	N.A.	18,042**	N.A.	36,502	N.A.	9,410	N.A.	45,912

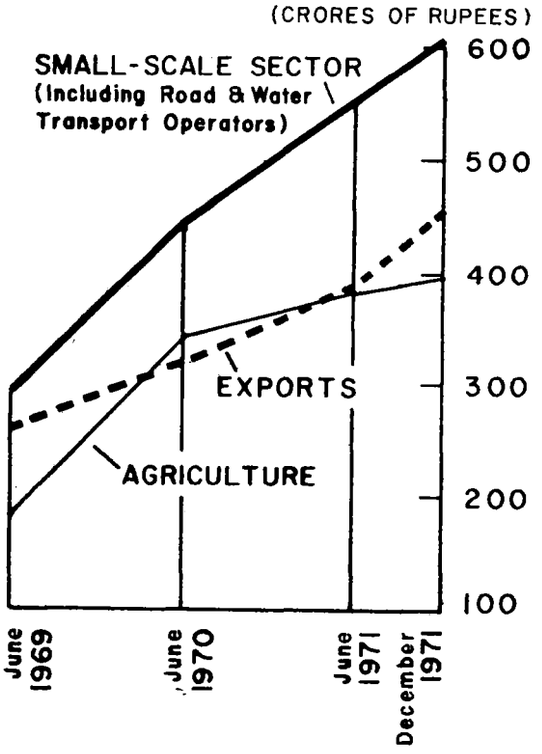
Note : The figures are as on the last Friday of the month.
Source : Special returns received from banks.

* Figures relate to number of units in respect of item No. 2 (small-scale sector).
** Provisional. NA=Not available. ..=Negligible.

Graph 46

SCHEDULED COMMERCIAL BANKS' ADVANCES TO AGRICULTURE, SMALL-SCALE SECTOR & EXPORTS

(AS ON LAST FRIDAY)



December 1971, the share of the 14 nationalised banks in the total number of borrowal accounts and outstanding credit for agricultural purposes by all the scheduled commercial banks rose from 46.4 per cent to 53.0 per cent and from 46.8 per cent to 58.5 per cent, respectively.

In order to facilitate a greater involvement of the scheduled commercial banks in the financing of agriculture, an Expert Committee under the Chairmanship of Shri R. K. Talwar had recommended, in its Report on the State Enactments submitted on December 16, 1970 (referred to in the last year's Report on Currency and Finance), the enactment of a model bill and some administrative measures to be taken by the State Governments. The Governor of the Reserve Bank of India addressed a letter to the Chief Ministers/Secretaries of the various State Governments in this connection pointing out the legal and other difficulties encountered by the banks in the extension of credit to agriculturists and requesting an early enactment of the bill by the State Legislatures in order to place the commercial banks on the same legal footing as the co-operative banks.

In the case of advances to small-scale sector, the number of borrowal accounts as well as the amount of outstandings showed continuous increases over the period, the former from 1.02 lakhs in June 1970 to 1.35 lakhs in June 1971 and to 1.52 lakhs in December 1971 and the latter from Rs. 446 crores in June 1970 to Rs. 552 crores in June 1971 and to Rs. 605 crores in December 1971.

There was also a further broadening of credit facilities of the nationalised banks to the weaker sections of society as indicated by their advances to retail trade and small business, self-employed and professional persons and for educational purposes. The number of borrowal accounts for retail trade which stood at 88,000 in June 1970 rose to 108,000 in June 1971 and further to 1,19,000 in December 1971; the amount outstanding also rose continuously in the same period from Rs. 43 crores to Rs. 57 crores.

In the case of advances to professional and self-employed persons, the number of accounts as well as the amount outstanding rose respectively from 28,000 in June 1970 to 39,000 in June 1971 and to 48,000 in December 1971 and from Rs. 6 crores in June 1970 to Rs. 8 crores in June 1971 and Rs. 10 crores in December 1971. In respect of educational advances, the number of borrowal accounts and the amount outstanding rose, respectively, from 5,000 to 8,000 and from Rs. 2 crores to Rs. 4 crores between June 1970 and December 1971.

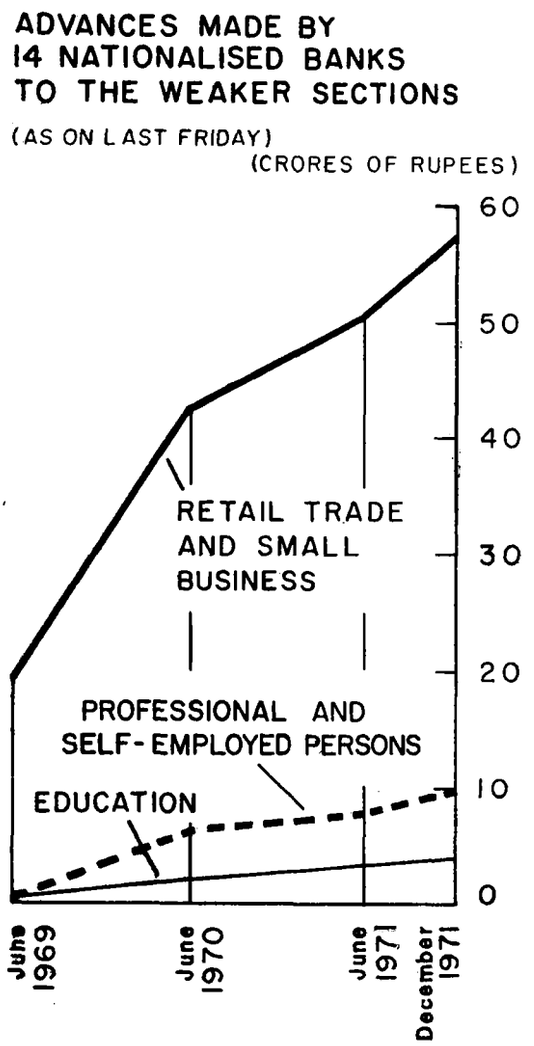
Thus, the total credit made available by the nationalised banks to agriculture, small-scale sector and neglected sectors amounted to Rs. 608 crores in December 1971 as against Rs. 523 crores in December 1970 and Rs. 236 crores in June 1969 which represented a rise

Table 9—Advances to 'Other Sectors' by 14 Nationalised Banks

	June 1969		June 1970		December 1970		June 1971		December 1971*	
	No. of Accounts ('000's)	Amount (Rs. lakhs)	No. of Accounts ('000s)	Amount (Rs. lakhs)	No. of Accounts ('000s)	Amount (Rs. lakhs)	No. of Accounts ('000s)	Amount (Rs. lakhs)	No. of Accounts ('000s)	Amount (Rs. lakhs)
Retail trade and small business.. ..	28	1,922	88	4,282	105	5,075	108	5,030	119	5,744
Professional and self-employed persons ..	33	28	617	36	780	39	795	48	970	
Education	1	46	5	205	7	343	7	365	8	401

* Provisional.

Graph 47



of 158 per cent over the 2½ years. In 1971-72, the banks placed emphasis on improving the quality of lending and consolidating the gains achieved hitherto. The rate of increase in these advances outstanding between the last Friday of December 1970 and December 1971 was, therefore, lower at 16 per cent as against a rise of 58 per cent between the last Friday of December 1969 and December 1970.

Export Finance

The Reserve Bank continued to provide refinance facilities to scheduled commercial banks in respect of packing credit and post-shipment credit granted by them to exporters. Refinance was available to the scheduled commercial banks at the concessional rate of 4½ per cent upto 10 per cent of the annual average of export credit in 1971 and at the Bank rate (i.e. 6 per cent) on an additional amount upto 10 per cent of the annual average of exports in 1971, irrespective of the net liquidity ratio of the borrowing bank. The outstanding amount of refinance stood at Rs. 9 crores in regard to packing credit for exports and at Rs. 0.63 crore in respect of post-shipment credit as at the end-June 1972, as against Rs. 35 crores and Rs. 37 crores, respectively, as on June 30, 1971.

The scheduled commercial banks were advised by the Bank on September 13, 1971 that in regard to packing credit facilities to exporting units, banks were free to use their discretion in relaxing margin requirements, particularly on the basis of past performance.

As a result, the total advances granted by the scheduled commercial banks for exports which showed a rise of Rs. 17 crores in the first half of 1971, rose further by Rs. 76 crores during the second half of 1971 to Rs. 459 crores. While the State Bank of India and its subsidiaries as well as other scheduled commercial banks accounted for an increase of Rs. 75 crores and Rs. 12 crores, respectively, the 14 nationalised banks showed a decline of Rs. 11 crores during the second half of 1971. This was due to the fact that the rise in exports during the year which was only 2 per cent was largely due to increase in exports of traditional items like jute goods, tea and cotton textiles which require less export finance.

On November 23, 1971, the Bank modified the Export Credit (Interest Subsidy) Scheme, 1968 in respect of export bills drawn in Nigeria and Ghana. It was clarified that where proceeds of the bills were not repatriated to India within 180 days of the date of payment by the local buyer due to foreign exchange difficulties prevalent in the above two countries, the lending banker would continue to be eligible for interest subsidy for a period beyond 180 days, provided approval of the Exchange Control Department for extension of time for repatriation of the funds was duly obtained.

During the period July 1, 1971 to end-June 1972, 37 eligible commercial banks availed of the interest subsidy in regard to export credit provided by them, for an aggregate amount of Rs. 4 crores. Of this, Rs. 2.15 crores represented subsidy in respect of preshipment credit and Rs. 1.85 crores for post-shipment credit.

Credit Policy

Against the background of an unprecedented growth in money supply/monetary resources reflecting a sharp rise in deficit spending by Government, the Reserve Bank had to operate its credit policy with the twin objectives of continued restraint on overall credit expansion by banks and of ensuring, at the same time, the flow of credit for all legitimate productive purposes in general and for priority and hitherto neglected sectors in particular. Within these broad contours of policy, directions to banks were varied befitting the seasonal trends in banking variables.

During the 1971 slack season, banks were advised, in the context of an increase in their liquid resources, following a sharp increase in deposits and slower growth in credit, to conserve their resources for deployment in the following busy season, by repayment of borrowings from the Reserve Bank and/or by stepping up investment in Government and other approved securities. At the same time, it was impressed upon the banks that the credit needs of priority sectors, urgent working capital requirements of industry and the seasonal credit needs of jute and tea industries should be given the fullest possible attention.

The credit policy for the 1971-72 busy season too, had to remain the same, for the overall economic situation warranted a cautious approach. In particular, it was stressed by the Governor in a circular letter dated November 18, 1971 that banks should view their borrowings from the Reserve Bank during the busy season as a step only to meet their inescapable needs of finance for short periods. It was suggested to the banks that their borrowings at the end of the busy season should not exceed those as at the end of the 1970-71 busy season (April 1971; Rs. 191 crores).

As for refinance facilities from the Reserve Bank, the basic structure of its policy was kept intact but the appropriate base period was shifted from 1970 to 1971. In other words, for the lendings in 1972, only the incremental lending over the base period 1971 was made eligible for refinance at the Bank rate or at concessional rates. As regards food procurement, refinance entitlement effective from November 1, 1971 was fixed at an amount equivalent to 10 per cent of the outstanding level of food procurement advances as on the last Friday of October 1971 *plus* an additional one-third of the

increase over the level as on the last Friday of October 1971.

In the same circular letter, the discontinuance of the old Bill Market Scheme was announced except for the specific purpose of providing refinance for food procurement operations and in some cases where the need for refinance was genuine but banks, especially smaller banks, were unable to provide eligible paper for borrowing from the Reserve Bank except through the creation of bills as under the old Bill Market Scheme. It was indicated that the bills rediscounted under the new Bills Rediscounting Scheme would not be treated as borrowings for the purposes of arriving at the net liquidity ratio of a bank till the end of October 1972. It was also indicated to the bankers that the intention of the Reserve Bank was to raise, with effect from the first Friday of August 1972, the banks' liquidity requirement by 1 per cent from 28 per cent to 29 per cent excluding the statutory 3 per cent balances with the Reserve Bank.

The Governor also indicated that industrial units in the Eastern sector should obtain adequate finance. The commercial banks were, therefore, urged to help the Industrial Reconstruction Corporation of India (IRCI) play an effective role in the matter of reconstruction of units, by expediting arrangements to provide working capital assistance to those units to which the Corporation provided reconstruction finance. The Bank under the Credit Authorisation Scheme would give priority to applications from banks in respect of concerns being jointly assisted by them and the Corporation.

During the 1971-72 busy season, following the outbreak of the Indo-Pakistan war, the Reserve Bank made certain modifications in its credit policy to enable banks to meet, on a priority basis, additional credit needs of industry to manufacture and supply goods for defence purposes as well as to augment production in general and to ensure smooth distribution of goods, particularly in the border areas. The banks were advised on December 11, 1971 to grant defence packing-cum-supply credit limits, on merits, against confirmed defence orders or acceptance of tenders as also to sub-contractors providing materials etc. to primary suppliers fulfilling defence orders. The banks were assured of full refinance facilities at the Bank rate, irrespective of the net liquidity ratio and were not required to obtain prior approval from the Reserve Bank under the Credit Authorisation Scheme for sanctioning these credits. In addition, with a view to sustaining the increase in production in all spheres, banks were advised to consider favourably rise in credit limits in respect of those units particularly in the small-scale sector, which experienced a pile-up of inventory due to factors beyond their control. In the case of parties covered by the Credit Authorisation Scheme, the enhancement in credit limit might be upto a maximum of 15 per cent without prior authorisation.

At a meeting with bankers on February 7, 1972, the Governor pointed out that the banking system continued to be in a sufficiently flexible position to meet overall credit expansion during the busy season. He added that the overall monetary situation, however, called for a cautious approach. Accordingly, it was decided to continue the credit policy announced at the beginning of the busy season along with the limited relaxations that were made following the outbreak of the Indo-Pakistan conflict.

With better prospects for higher deposit accretion in the 1972 slack season, the Governor of the Reserve Bank of India advised all the scheduled commercial banks on June 5, 1972 that they should build up adequate investments in Government and other approved securities for Plan requirements and also for providing necessary cushion to meet the credit needs in the next busy season.

Having regard to the special features of agricultural finance, the Reserve Bank advised banks on March 14, 1972 to adopt a flexible approach on questions relating to interest on, and repayment period of, agricultural advances. The banks were also advised on May 30, 1972 to liberalise margin require-

ments in respect of their advances against fertilizers, pesticides and improved seeds, particularly in respect of small dealers coming under the purview of the Credit Guarantee Scheme.

In regard to the deposits of ex-servicemen disabled during the Indo-Pakistan conflict and/or those of widows/dependents of the defence personnel killed in action, the Bank advised all scheduled commercial banks on March 24, 1972 to allow, with effect from January 1, 1972 the same preferential treatment in interest rates as is allowed to deposits maintained by charitable or religious institutions.

Bank Finance for Jute Mills

In view of considerable increase in the availability of raw jute supplies and prospects of expanding jute goods production and exports, the scheduled commercial banks were advised on September 13, 1971 to make available to jute mills additional finance for purchase and stocking of raw jute goods equivalent to four months' consumption. To expedite the granting of additional limits, prior approval of the Reserve Bank of India under the Credit Authorisation Scheme was waived as a special case for the current jute season.

Coal Industry

The coal industry experienced difficulties as a result of accumulation of coal at the pit-heads which was likely to affect adversely coal production. The Reserve Bank, therefore, advised banks in January 1972 to liberalise lending procedures and allow additional temporary credit limits upto 15 per cent of the existing limits without the Bank's prior approval till the end of June 1972, which was later extended upto end-December 1972.

Differential Interest Rates

The Government of India announced on March 25, 1972 its decision on the recommendations of the Committee on Differential Interest Rates which had submitted its Report in May 1971 (referred to in the last year's Report). The Scheme will be confined, for the present, to borrowers who satisfy the following criteria: those who (1) have really no tangible security to offer, (2) cannot produce a security/guarantee of a well-to-do party, (3) are prepared to work hard, (4) have the potential to develop, with the assistance of banks, the productive endeavour into an economically viable unit within a period of, say, three years and (5) confine their borrowings to one financial institution. The deserving borrowers are to be identified from among the scheduled tribes, scheduled castes and from among those who are themselves engaged on a very modest scale in agriculture, cottage and rural industries and in vocations in the urban areas such as cutting cloth and sewing garments, etc. Besides, indigent students going in for higher education, physically handicapped persons, pursuing gainful occupation, orphanages and women's homes where saleable goods are made and for which no adequate or dependable source of finance exists would also be eligible for the Scheme.

During the first year of the operation of the Scheme, each of the public sector banks is expected to lend at least ½ per cent of its aggregate credit in the preceding year at a concessional rate of interest of 4 per cent per annum, i.e., 2 per cent below the Bank rate. Each loan will be covered by the existing credit guarantee schemes but the guarantee fee will be paid by the banks and not charged to the borrowers. Though security is not a precondition for the loan, the bank could ask for security when the borrower starts making a surplus in his enterprise. The Scheme will be operated in districts which are not covered by Small Farmers Development Agency/ Marginal Farmers and Agricultural Labourers Agencies. The Scheme is confined for the present to the public sector banks and the question of its extension to the co-operative banking system will be decided later by the Government in consultation with the Reserve Bank of India. Also, the question of charging higher rates of interest on loans to more prosperous borrowers is being examined so that a rational structure of higher interest rates is devised.

Selective Credit Control Measures

In the field of selective credit controls certain changes were effected by the Bank in respect of the scheduled commercial banks' advances against raw cotton and *kapas*, foodgrains, oilseeds and vegetable oils including vanaspati in the context of their respective supply positions and in keeping with the requirements of banking development especially of under-banked regions and new and small borrowers. Advances against sugar, gur and khandsari were once again brought within the purview of the credit control following a shortfall in their production and a steep rise in their prices. The more important of the changes made during the period under review are discussed below (see Appendix II for details).

1. *Raw Cotton and Kapas*

At the beginning of the year under review, the relatively restrictive credit policy introduced in December 1970 on advances against cotton and *kapas* remained operative. Subsequently, as the supply situation improved, the controls were modified gradually. These modifications also took account of (*a*) the need to encourage the production of new as well as longer staple varieties ; (*b*) the need to liberalise controls on advances granted in the under-banked States and border regions of the country ; and (*c*) the credit requirements of the Cotton Corporation of India, the National and State Textile Corporations, and other public agencies.

In view of the sharp rise in raw cotton prices towards the beginning of the 1970-71 cotton marketing season following shortfall in the season's output, the control on advances against cotton and *kapas* was tightened in December 1970 : for parties other than mills, margin requirements were raised and ceiling limits reduced ; and for mills, while the margin was kept unchanged, banks were advised to ensure that the permissible credit limit to each mill was in accordance with the value of stock as permitted by the Textile Commissioner, Government of India. Subsequently, in August 1971, with a view to ensuring adequate credit to mills located in areas other than Bombay and Ahmedabad for buying and stocking of raw cotton, the provisions of the margin control on advances against raw cotton and *kapas* were modified to some extent, so that in respect of such mills, the margin requirements would be applicable to stocks which would be higher than before by a quantity equivalent to two weeks' consumption. In November 1971, while announcing the Bank's credit policy for the new cotton season, the Bank made further modifications. For parties other than mills, the minimum margins in respect of advances against new crop cotton were prescribed at 50 to 70 per cent (as against 60 to 75 per cent), depending on the marketing periods of different varieties. The ceiling limit in respect of such advances was also raised to 100 per cent of the average level of advances to each party maintained during the corresponding four-month period between October 1970 and September 1971.

With the easing of the supply and price situation, certain further modifications were effected in March 1972. For parties other than mills, the margin requirements were reduced by 10 per cent in respect of new crop cotton marketed from October 1, 1971. The specified periods of stock consumption of cotton by textile mills in respect of which the margins were fixed earlier in November 1971, were increased by four weeks in all cases. In regard to fixing of credit limit for parties other than mills, the modifications permitted banks to maintain during each four-month period commencing from February 1, 1972 to May 31, 1972 a level of credit which would not exceed the *peak* level of credit in the corresponding four-month period of the previous year.

With a view to encouraging the production of new as well as longer staple varieties of cotton grown in India, advances against such varieties were exempted from the ceiling control in November 1971, though they were subjected to a minimum margin of 40 per cent (which was later reduced to 25 per cent in March 1972) and the minimum rate of interest of 12 per cent.

With a view to facilitating the activities of the Cotton Corporation of India, the National and State Textile Corporations and other public agencies, *ad hoc* credit limits have been permitted for them on special terms.

An important element in the recent changes effected in the framework of selective credit controls on advances against the security of sensitive commodities is their selective liberalisation in favour of under-banked regions. Thus, when controls on cotton advances were tightened, the States of Assam, Meghalaya, Nagaland and Jammu and Kashmir, as well as the Union Territories of Manipur, NEFA and Tripura were exempted from those provisions in February 1971. This selective liberalisation was extended to the advances against cotton and *kapas* made in the States of Himachal Pradesh and Orissa in August 1971. In November 1971, with a view to mitigating the difficulties of the border areas, advances against cotton and *kapas* made by offices and branches of banks located in the three border districts of Punjab, and the one each in Haryana and Rajasthan were completely exempted from the provisions in regard to the minimum margin, the ceiling and the minimum rate of interest. Towards end-May 1972, the reduced minimum margin permissible for cotton mills in West Bengal with respect to advances against cotton and *kapas*, was extended to the mills in Bihar.

2. *Foodgrains*

In respect of foodgrains, too, the approach was on similar lines, viz. where supply availabilities improved or were expected to improve soon, credit controls were liberalised gradually, but where output failed to improve or remained stagnant, the relative tightness of controls was continued.

In view of the comfortable supply position of wheat, advances against wheat were exempted from ceiling control while those against maize and barley were completely exempted from controls effective August 7, 1971. Advances against rationed foodgrains granted to wholesale and retail dealers appointed/licensed by Government and operating under statutory rationing/fair price distribution system in all States and Union Territories were completely exempted from the credit controls. Advances against foodgrains made in Himachal Pradesh and Orissa were also exempted from controls.

On January 3, 1972, control on foodgrain advances was further modified in view of the improvement in the supply position and of the need to provide credit facilities to new and small borrowers. Advances against wheat to roller flour mills (which function by and large under official discipline over purchases and sales) were exempted from margin control also. In respect of new offices opened on or after January 1, 1970 at places with a population of 1 lakh or below (as against 50,000 or below earlier) a higher combined additional limit of Rs. 50,000 (as against Rs. 25,000 allowed earlier) for each office was allowed for advances against paddy and rice and other foodgrains (i.e., excluding paddy and rice, wheat, maize and barley). Further, advances against foodgrains upto a maximum limit of Rs. 20,000 to traders covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd., were exempted from ceiling and margin control provided the trader had undertaken to borrow against foodgrains from only one bank. Similarly advances against paddy granted to dealers or rice millers, licensed by the State Governments to procure/deal in or process paddy into rice and who are covered by the levy scheme of the State Governments were also exempted from the margin and ceiling controls to the extent of levy imposed. On April 19, 1972, banks were allowed an additional permissible level (beginning with March-April 1972) of 10 per cent over the advances in the previous year and advised (i) to allocate the additional credit on a preferential basis to their branches located in those areas where production and consequential need for credit had increased recently and (ii) to exercise caution and restraint in respect of advances against pulses as their output and supply position was not satisfactory.

3. *Oilseeds*

According to a revised directive issued on August 7, 1971, it was clarified that the control by way of margin and ceiling on advances against oilseeds and vegetable oils including vanaspati was made applicable only to groundnut, mustardseed, rapeseed, castorseed and linseed oil thereof and vanaspati, thus, exempting all other oilseeds from the purview of the controls. This exemption was given in order to promote the production and use of minor oilseeds and oils. In order to accommodate new small borrowers particularly in the producing areas and new oil mills in the unorganised sector, banks were allowed an additional limit (over and above the existing limit at 70 per cent of the 1967 level) of 15 per cent of the level of advances in the corresponding two-month period in 1970 each against (*a*) oilseeds and (*b*) vegetable oils including vanaspati. On January 3, 1972, advances against rapeseed/mustardseed oil were exempted from ceiling control as was the case with advances against rapeseed and mustardseed. Further, advances against oilseeds to vanaspati manufacturers and registered oil mills were also exempted from ceiling control. Advances upto a maximum limit of Rs. 20,000 against oilseeds, oils thereof and vanaspati covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd. were also exempted from both the ceiling and margin control. On Apirl 19, 1972, the minimum margin on advances to oil mills in States other than West Bengal and Bihar against rapeseed/mustardseed equivalent to two months' consumption of each mill was reduced from 60 per cent to 40 per cent. The minimum margin on bank advances against groundnut and against stocks of vanaspati to vanaspati manufacturers was reduced from 75 per cent to 60 per cent effective May 30, 1972. The minimum margin on advances against warehouse receipts issued by the Central and State Warehousing Corporations covering the stocks of vanaspati to vanaspati manufacturers and groundnut was accordingly reduced to 50 per cent.

4. *Sugar, Gur and Khandsari*

In view of the continuous rise in prices of sugar, gur and khandsari and in order to prevent the speculative holding of stocks of these commodities, control was reimposed on bank advances against these commodities on September 23, 1971. A minimum margin of 50 per cent, which was raised to 65 per cent on December 27, 1971, was fixed along with the prescription of a minimum rate of interest at 12 per cent, on credit limits against these commodities granted to parties other than those manufacturing sugar and sugar mills in respect of stocks which had left the factory premises and on which excise duty had been paid. The banks were also asked to charge minimum margin of 40 per cent on advances against lapsed releases of sugar, subject to certain conditions. However, advances made by banks in the State of Jammu and Kashmir as well as advances against stocks of sugar pledged/hypothecated with banks which were intended for export were exempted from the purview of the control.

Bank advances to wholesale consumers' co-operative stores and State and National Federations of Consumers' Co-operatives against sugar, gur and khandsari were, however, completely exempted from controls on April 19, 1972. Bank advances against sugar granted to wholesale and retail dealers appointed/licensed by Government and/or operating under statutory rationing/fair price distribution system in all States and Union Territories were also exempted from margin control to the extent of the quantum of sugar allotted to them by the Government. In order to encourage the use of storage facilities provided by the warehouses of Central and State Warehousing Corporations, a reduction of 10 per cent (as in the case of foodgrains) was allowed in the case of the controlled commodities, in the minimum margin to be maintained by banks in respect of their advances against warehouse receipts issued by such Corporations. Bank advances upto Rs. 25,000 per borrower against such warehouse receipts were also exempted from ceiling control concerning all controlled commodities.

Following the declaration of war by Pakistan, the Reserve Bank exempted on December 11, 1971 bank advances against sugar, gur and khandsari, oilseeds and vegetable oils (including vanaspati), foodgrains and cotton and *kapas* from controls in certain border and near border districts upto the end of February 1972 which was subsequently extended till the end of October 1972.

On May 30, 1972 the Bank exempted completely the processing/manufacturing units covered under the Rural Industries Projects from the provisions of Selective Credit Controls relating to advances against foodgrains, oilseeds, oils, vanaspati, cotton and *kapas* and sugar, gur and khandsari in view of the difficulties experienced by these units in procuring finance from banks.

Other Important Banking Developments

Lead Bank Scheme

A brief account of the salient features and objectives of the lead bank scheme was given in the last report. The scheme has made considerable progress during the year. Survey reports have been received in respect of 260 districts out of a total of 336 and for the remaining districts the reports are in various stages of completion.

To set the pattern of mutual co-operation among banks and illustrate the manner of allocation of identified centres, the Reserve Bank convened regional conferences of banks at six centres, viz. Madras, Calcutta, Patna, Kanpur, Bhopal and Delhi in which, of the 1,194 unbanked centres identified by banks in lead districts, 383 were allotted to lead banks and 341 to other banks. Banks were asked to convene such conferences on a district level for the allocation of identified centres. The progress in this respect has been satisfactory. Since the introduction of the scheme till March 1972, banks have opened 2,795 offices in rural and 767 offices in semi-urban centres.

Banks have been asked to form consultative committees at district level as a permanent forum for discussion of problems pertaining to the districts concerned. These committees will include representatives of all public sector banks operating in the district with the lead bank representative as the convenor. Representatives of other commercial banks, co-operative banks, term lending financial institutions and developmental agencies in the field of agriculture, small-scale industries, etc. will also be associated with the committee. Besides maintaining liaison with the concerned departments of the State Governments, the committee will have the following objectives:

(i) to evolve methods for exchange of information between banks about intending borrowers and lending to priority sectors in the district;

(ii) to identify bankable schemes from among those furnished by Government and on its own and to work out suitable methods for financing the schemes; and

(iii) to serve as a clearing house for discussing problems arising out of financing priority sectors and arriving at solutions.

So far, meetings have been convened in 98 districts for the setting up of consultative committees on the lines indicated above. The record of the meetings held so far indicates that all the banks in the district attended the meetings and evinced interest in formulating viable schemes for fostering economic development of the area.

Branch Expansion

The rapid pace of branch expansion since nationalisation of 14 major Indian Scheduled banks in July 1969 which reached its peak in 1970-71 was generally maintained during 1971-72 (July-June). Commercial banks opened 1,612 offices during the year 1971-72 as against 1,890 in 1970-71. Of the 1,612 offices opened in 1971-72, State Bank of India and its subsidiaries accounted for 439. The slightly smaller number of branches opened during the year may be attributed mainly to difficulties experienced by banks in establishing themselves in new areas and securing premises, inadequacy of trained staff, etc.

Table 10—Centre-wise Distribution of Commercial Bank Offices in India, 1969-72

	Number of offices as on 19-7-1969					Number of offices as on 30-6-1970				
	Rural	Semi-urban	Urban	Metro-politan/ port towns	Total	Rural	Semi-urban	Urban	Metro-politan/ port towns	Total
	1	2	3	4	5	6	7	8	9	10
State Bank of India ..	462 (29.4)	796 (50.7)	163 (10.4)	150 (9.5)	1,571 (100.0)	650 (34.6)	851 (45.4)	200 (10.7)	174 (9.3)	1,875 (100.0)
Subsidiaries of S.B.I. ..	358 (40.0)	375 (42.0)	86 (9.6)	75 (8.4)	894 (100.0)	499 (47.1)	389 (36.7)	95 (9.0)	77 (7.2)	1,060 (100.0)
14 Nationalised Banks..	703 (16.9)	1,465 (35.1)	928 (22.3)	1,072 (25.7)	4,168 (100.0)	1,448 (27.2)	1,695 (31.9)	1,007 (18.9)	1,168 (22.0)	5,318 (100.0)
Other Commercial Banks	337 (20.0)	708 (41.9)	279 (16.5)	364 (21.6)	1,688 (100.0)	465 (24.7)	760 (40.5)	281 (15.0)	372 (19.8)	1,878 (100.0)
Grand Total	1,860 (22.3)	3,344 (40.2)	1,456 (17.5)	1,661 (20.0)	8,321 (100.0)	3,062 (30.2)	3,695 (36.5)	1,583 (15.6)	1,791 (17.7)	10,131 (100.0)

	Number of offices as on 30-6-1971					Number of offices as on 30-6-1972				
	Rural	Semi-urban	Urban	Metro-politan/ port towns	Total	Rural	Semi-urban	Urban	Metro-politan/ port towns	Total
	11	12	13	14	15	16	17	18	19	20
State Bank of India ..	940 (41.1)	891 (39.0)	253 (11.1)	202 (8.8)	2,286 (100.0)	1,105 (42.9)	944 (36.7)	284 (11.0)	242 (9.4)	2,575 (100.0)
Subsidiaries of S.B.I. ..	618 (50.1)	408 (33.1)	121 (9.8)	86 (7.0)	1,233 (100.0)	707 (51.1)	442 (32.0)	135 (9.8)	99 (7.1)	1,383 (100.0)
14 Nationalised Banks..	2,123 (33.3)	1,891 (29.7)	1,092 (17.2)	1,262 (19.8)	6,368 (100.0)	2,638 (36.7)	2,051 (28.5)	1,165 (16.2)	1,335 (18.6)	7,189 (100.0)
Other Commercial Banks	598 (28.1)	827 (38.9)	311 (14.7)	390 (18.3)	2,126 (100.0)	817 (33.0)	914 (37.0)	332 (13.4)	410 (16.6)	2,473 (100.0)
Grand Total	4,279 (35.6)	4,017 (33.4)	1,777 (14.8)	1,940 (16.2)	12,013 (100.0)	5,267 (38.7)	4,351 (31.9)	1,916 (14.1)	2,086 (15.3)	13,620 (100.0)

(*a*) Rural centres—Places with a population upto 10,000.

(*b*) Semi-urban centres—Places with a population over 10,000 and upto 1,00,000.

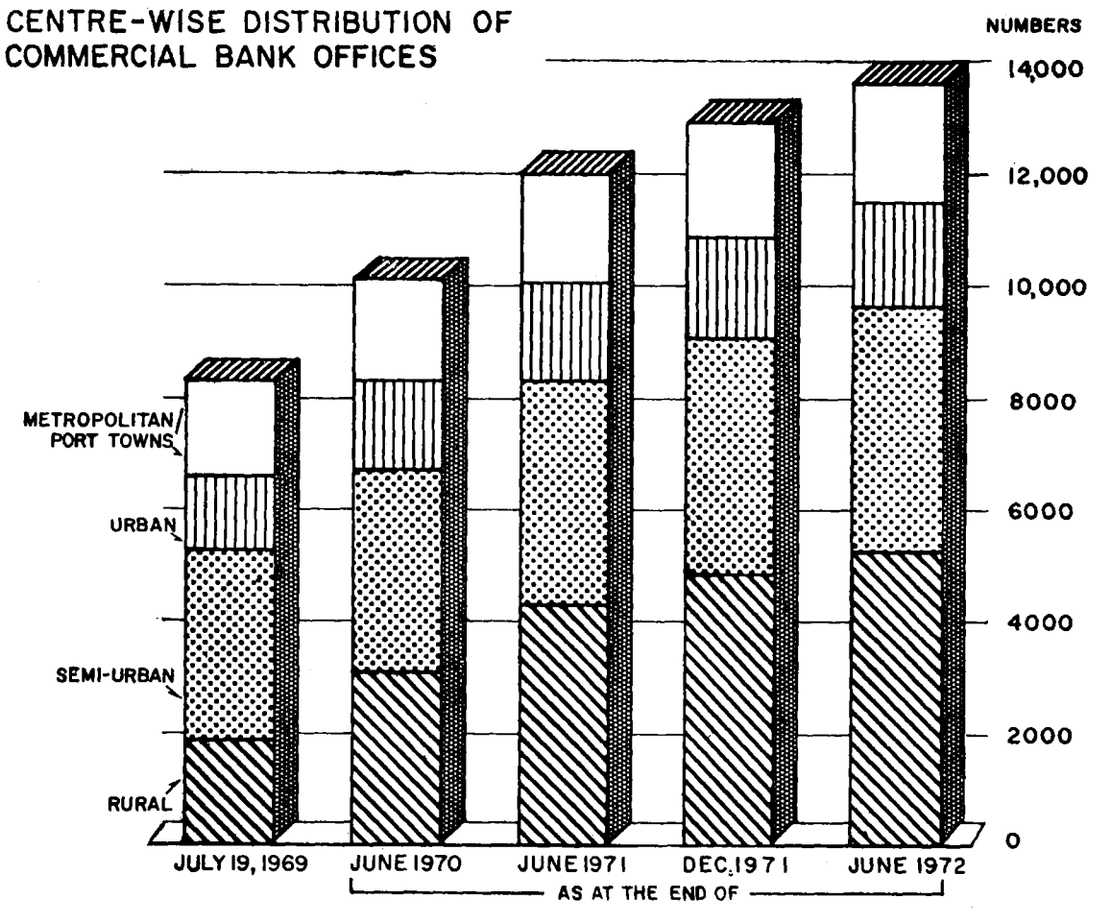
(*c*) Urban centres—Places with a population over 1,00,000 and upto 10,00,000.

(*d*) Metropolitan centres—Places with a population over 10,00,000.

(*e*) Port towns—Cochin, Kakinada, Mangalore, Nagapattinam, Okha, Paradeep, Pondicherry, Port Blair, Kandla, Visakhapatnam and Tuticorin.

Figures in brackets indicate percentages to total.

Graph 48



Of 1,612 new offices opened during the period under review, 936 (or 58 per cent) offices were opened at hitherto unbanked centres and 500 offices (or 31 per cent) were opened in 9 of the 11 relatively underbanked States, viz. Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Manipur, Meghalaya, Orissa, Uttar Pradesh and West Bengal. The share of the eleven underbanked States in the total number of bank offices (which account for over 50 per cent of the total population of the country) has gone up from 25.3 per cent as on June 30, 1969 to 29.3 per cent as on June 30, 1972.

Over the period since nationalisation of the 14 banks to end of June 1972, the commercial banks' offices increased by 5,299 to 13,620. The nationalised banks accounted for 3,021 (57 per cent) of the total increase in the number of offices during the period, State Bank of India group 1,493 (28 per cent) and other commercial banks 785 (15 per cent). With the emphasis on extension of banking facilities to the hitherto unbanked centres, a little over two-thirds of the total number of offices opened during the period were in rural areas (3,407) and about one-fifth (1,007) in the semi-urban centres. Consequently the proportion of bank offices in the rural areas showed a progressive increase from 22.3 per cent of the total as on July 19, 1969 to 30.2 per cent as on June 30, 1970, to 35.6 per cent as on June 30, 1971 and further to 38.7 per cent as on June 30, 1972. The average population served per bank office declined from 65,000 at the time of nationalisation to 40,000 in June 1972.

Table 11—Growth in Scheduled Commercial Banks' Offices—Deposits and Credit in India

(Amount in rupees crores)

	Offices (Nos.)		Deposits (excluding Inter-bank Deposits)					Credit (excluding Inter-bank Credit)		
	Total	Annual increase	Demand Deposits	Time Deposits	Aggregate Deposits	Annual Increase	Percentage Rise	Bank Credit	Annual Increase	Percentage Rise
End June 1966	6,139	+ 412	1,477	1,646	3,123	+ 415	+ 15.3	2,271	+ 203	+ 9.8
End June 1967	6,627	+ 481	1,665	1,852	3,517	+ 394	+ 12.6	2,631	+ 360	+ 15.8
End June 1968	7,044	+ 424	1,875	2,094	3,969	+ 452	+ 12.9	3,103	+ 472	+ 17.9
End June 1969	8,045	+ 1,001	2,104	2,542	4,646	+ 677	+ 17.0	3,599	+ 496	+ 16.0
End June 1970	9,938	+ 1,893	2,329	2,946	5,275	+ 629	+ 13.5	4,213	+ 614	+ 17.1
End June 1971	11,892	+ 1,954	2,743	3,473	6,216	+ 941	+ 17.8	4,763	+ 550	+ 13.1
End June 1972*	13,515	+ 1,623	3,289	4,235	7,524	+ 1,308	+ 21.0	5,377	+ 614	+ 12.9

* Provisional.

Note : Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except number of offices.

In view of the good deposit potential at the metropolitan centres and the growing pressure on the existing offices, particularly in the business localities, the population norm per bank office has been reduced from 10,000 to 5,000 for metropolitan and certain urban centres with high deposit potential. The requirement of banks to open a requisite number of offices at rural/semi-urban centres in order to get entitlement for opening urban offices (including those at metropolitan and port towns) was also relaxed to enable them to open more offices in metropolitan cities/port towns. According to the revised norm, a bank which has 60 per cent or more of its offices in rural and semi-urban centres, is eligible to open one office each in an urban and a metropolitan/port town for every two offices opened in rural and semi-urban centres and, in other cases it will be for every three offices opened in rural and semi-urban centres.

To accelerate the process of issue of licences in metropolitan centres, meetings of representatives of banks were held at six centres, viz. Bombay, Calcutta, Delhi, Hyderabad, Madras and Bangalore and allocations were made to banks for opening 728 more offices in these cities. Banks have also been allowed to open 303 more offices in urban centres. In order to ensure that commercial banks' branches expansion takes place in a planned manner, it was considered necessary that banks should have a perspective target of branch expansion for a three-year period, i.e. 1972 to 1974. This would enable the Reserve Bank to regulate branch expansion in a phased manner and also help banks to co-ordinate their man-power planning. Based on their past performance, it is expected that the banks will be able to open about 5,000 offices during the above three years. The banks which have been designated as 'Lead Banks' have also been advised to keep in view, while drawing their programme, their responsibility in their lead districts and the need for giving priority to the relatively underdeveloped/underbanked States.

Control over Non-Banking Companies

The Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966 was amended during the year in order to bring within its purview unsecured loans from shareholders as also loans guaranteed by directors, ex-managing agents or secretaries and treasurers. A ceiling of 25 per cent of the net owned funds of companies was imposed on such loans with effect from January 1972. A period of three years and three months has been allowed for the adjustment of excess, if any, over the prescribed ceiling. To provide for the genuine business requirements of companies, certain categories of loans, particularly loans obtained from notified financial institutions including loans obtained on the guarantees furnished by Government and any loan obtained from foreign sources, were specifically exempted from the purview of the directions.

According to the survey of deposits with non-banking companies, based on the returns as on the 31st March 1969, 2,241 companies out of a total number of 27,961 joint stock companies (financial and non-financial) submitted returns to the Reserve Bank of India. The total number of accounts reported was about 6.25 lakhs. The total amount of deposits (including exempted loans not counting as deposits at Rs. 271 crores) held by them as at the end of March 1969 was Rs. 594 crores. The corresponding figure as at the end of March 1968 was Rs. 478 crores (including exempted loans amounting to Rs. 210 crores). Unsecured borrowings to the extent of Rs. 122 crores by companies from foreign sources such as World Bank, US AID, IDA, CDFC, and the Ex-Im Bank are included in the figure of deposits as at 31st March 1969. The corresponding figure at the end of March 1968 was Rs. 80 crores.

The Government of Andhra Pradesh brought into force the Andhra Pradesh Chit Funds Act, 1971 on July 1, 1971. The question of amending the existing law relating to ' chitties' in Kerala and Tamil Nadu is under consideration of the State Governments.

Deposit Insurance Corporation

During the year, the number of insured commercial banks was reduced from 82 to 81 due to merger of one bank with another bank. The Corporation did not incur any liability concerning insured deposits.

The total claims paid or provided for by the Corporation, since its inception, upto June 30, 1972 amounted to Rs. 113 lakhs in respect of 14 banks, while the total repayments received so far in respect of the subrogated claims aggregating Rs. 113 lakhs since the inception amounted to Rs. 50 lakhs.

The limit of insurance cover remained unchanged at Rs. 10,000 per depositor. According to the latest available statistics, 96.3 per cent of deposit accounts and 62.1 per cent of the deposits in insured banks were protected by the insurance scheme as at the end of September 1971. The rate of premiums payable by the insured banks on their assessable deposits was reduced from five paise to four paise for every Rs. 100 of deposits from October 1, 1971.

The deposit insurance scheme was extended to the co-operative banks in the States of Maharashtra, Madhya Pradesh, Andhra Pradesh and the Union Territory of Goa, Daman and Diu with effect from July 1, 1971 and 385 eligible co-operative banks were registered by the Corporation. The total number of insured co-operative banks stood at 391 as at the end of June 30, 1972.

The Reserve Bank of India is actively pursuing the matter with the remaining State Governments/Union Territories in order to enable the DIC to extend the benefit of the scheme to the co-operative banks operating in these areas.

Export Credit and Guarantee Corporation Ltd.

The business of the Corporation registered good progress in 1971-72. While the number of policies and guarantees in-force increased from 4,977 at the end of June 1971 to 5,664 the value of risks covered during the year at Rs. 424 crores showed a rise of 39 per cent over the previous year. Of Rs. 424 crores, the value of shipments covered under policies amounted to Rs. 176 crores as compared with Rs. 118 crores in the previous year and financial guarantees accounted for Rs. 248 crores as against Rs. 187 crores in 1970-71. The premium income during the year amounted to Rs. 1.78 crores as compared to Rs. 0.98 crore during 1970-71.

The number of exporters covered by the Corporation's policies and guarantees and the availment of finance under them showed an increase over the corresponding period of 1970-71. The export performance guarantee, which enables exporters to obtain bank guarantees on easy terms, recorded a substantial growth.

Table 12—ECGC's Guarantee and Policies for Exporters

	Policies and Guarantee					
	Issued during		In force at the end of		Bank Finance availed of during (Rs. crores)	
	1970-71 (July-June)	1971-72 (July-June)	1970-71 (July-June)	1971-72 (July-June)	1970-71 (July-June)	1971-72 (July-June)
Standard Policies	1,811	2,133	3,487	4,030	44.92	77.49
Packing Credit Guarantees	1,362	1,182	1,133	1,072	156.35	196.56
Post-shipment Guarantees	126	163	120	143	1.31	5.22
Export Finance Guarantees	29	77	30	69	0.15	2.58
Export Production Finance Guarantees	75	104	70	90	21.12	29.58
Export Performance Guarantees	176	338	137	260	8.09	13.88
	3,579	3,997	4,977	5,664	231.94	325.31

A new guarantee named Transfer Guarantee was introduced during this year. This guarantee seeks to safeguard the banks in India on the confirmation they might add to the letters of credit opened by banks abroad in favour of Indian exporters.

During the period under review, the Corporation has liberalised the scope of the Export Production Finance Guarantee issued by it. The liberalised scheme enables exporters to secure, wherever justified, advances from banks upto a limit higher than the one operated now. Under this the banks can now sanction advances: (i) 50 per cent over and above the f.o.b. value subject to a maximum of 100 per cent of the domestic cost of the export product; or (ii) 75 per cent over and above the f.o.b. value of the shipment provided that the value of the import content in the export product is not less than 40 per cent of the f.o.b. value of shipment and the rate of import duty paid on the import content of the export product is not less than 100 per cent; or (iii) upto an amount established to the satisfaction of the banks as the domestic cost (excluding profit) of the export product.

For each advance under the Guarantee the banker is open to adopt, the option most appropriate. The maximum period for which an amount can be given is 8 months from the date of advance. The premium rate for the guarantee is 7.5 paise for Rs. 100 per month.

Credit Guarantee Corporation of India Ltd.

The Credit Guarantee Corporation of India (Small Loans) Guarantee Scheme, 1971, introduced by the Corporation with effect from April 1, 1971, was substantially liberalised from January 1, 1972 in order to cover a larger number of eligible borrowers and loans. Accordingly, there are no limits from January 1, 1972 on the amounts which may be lent to farmers and agriculturists for various purposes, with the guarantee provided by the Corporation. All direct lending to farmers and agriculturists for specified purposes, is eligible for guarantee cover, irrespective of the amount of the credit facilities granted. Provision has also been made, for the first time, to guarantee, under certain conditions, seasonal loans which are not repaid owing to crop failure as a result of natural calamities and are consequently converted into term or instalment credits.

The ceiling limit on loans to transport operators for purchase of vehicles has been raised from Rs. 50,000 to Rs. 1 lakh to enable credit institutions to finance the entire cost of the vehicles and also to facilitate better supervision and recovery of the loans. The guarantee facility of the Corporation has been extended to larger dealers in fertilisers with an annual turnover upto Rs. 5 lakhs (previously Rs. 2 lakhs) and to owners of petrol stations and other retail outlets for mineral oils with annual turnover upto Rs. 5 lakhs (Rs. 1 lakh previously).

The Corporation formulated two new schemes, namely, (i) Credit Guarantee Corporation of India Small Loans (Financial Corporations) Guarantee Scheme, 1971 and (ii) Credit Guarantee Corporation of India (Service Co-operative Societies) Guarantee Scheme, 1971. The Financial Corporations Guarantee Scheme introduced from July 1, 1971 covers credit facilities provided by the State Financial Corporations (including the Tamil Nadu Industrial Investment Corporation Ltd.) to small borrowers who are not already covered under the credit guarantee scheme for small-scale industries administered by the Reserve Bank of India on behalf of the Government of India. This Scheme also has been liberalised with effect from January 1, 1972 so as to cover (i) all eligible credit facilities outstanding on January 1, 1972 and (ii) transport finance upto Rs. 1 lakh per operator.

The Service Co-operative Societies Guarantee Scheme, which came into force from October 1, 1971, guarantees credit facilities granted by Service Co-operative Societies which are not themselves engaged in the manufacturing, processing or other industrial activity but are assisting artisans and workers engaged in any form of industrial activity. The credit institutions eligible to participate in the scheme at

present are the scheduled commercial banks in the country, the State and Central Co-operative Banks in the States of Andhra Pradesh, Madhya Pradesh and Maharashtra and the Union territory of Goa, Daman and Diu, to which the Deposit Insurance Corporation Act, 1961 has been extended.

As regards guarantee cover for co-operative credit extended to other types of borrowers such as farmers and agriculturists, the Corporation has set up a working group to examine this question and make its recommendations as early as possible.

For meeting the claims, the Corporation has created a reserve for Unexpired Guarantee Risks to which an amount which will not be less than 50 per cent or more than 100 per cent of the guarantee fee collected during the year, less the claims paid in that year, will be credited. The entire guarantee fee of Rs. 4 lakhs received during 1971 was credited to this account.

The credit facilities covered under the Small Loans Guarantee Scheme, the Financial Corporations Guarantee Scheme and the Service Co-operative Societies Guarantee Scheme since the introduction of these schemes aggregated Rs. 110 crores, Rs. 3 crores and Rs. 1.9 lakhs, respectively, as at the end of December 1971.

Banking Commission Report

The Banking Commission, reference to which was made in the last Report, completed its work during the year under review and submitted its report to the Government of India on February 9, 1972. It has made a number of recommendations for improving the working of banks, including the co-operative banks and for exercising better supervision and control over non-banking financial institutions. These are under the consideration of the Government of India. A brief summary of the Commission's recommendations is given in Appendix I.

Working Group on Tea Industry

The Working Group on the financing of tea industry under the Chairmanship of Shri B. K. Dutt, Custodian of the United Bank of India, set up in September 1971 by the Reserve Bank of India, submitted its report in February 1972. The Group had made a number of recommendations for greater flow of institutional credit, both short-term and long-term, to the industry. With a view to enlarging and smoothening the flow of credit for working capital to the tea industry, the Group recommended, among other things, that (1) cash credit limit/overdraft (i.e. the maximum outstanding that may be permitted in the account at any time) may be fixed ordinarily at 60 per cent of the average gross sales or 75 per cent of the average actual cost, (2) seasonal drawings or total drawings (i.e. aggregate debits or withdrawals allowed in the cash credit account for the entire season) may be permitted to rise upto 95 per cent of the net sale turnover or actual cost, whichever is less. In regard to term loans, it recommended that term loans should be provided for all purposes connected with the development of tea gardens. The Group also recommended a consortium arrangement for the provision of term loans, in view of its advantages to the lending institutions arising from risk distribution and to the borrower of lower interest rates owing to participation of institutions like the Tea Board and the ARC. To enlarge the institutional credit to the tea industry the Group suggested that the facilities of IDBI and IFCI should be extended to the tea industry if necessary by suitable amendment of the relative enactments. Further, the Committee had recommended that the Agricultural Refinance Corporation and the Industrial Development Bank of India should increase their refinance coverage and provide 80 to 90 per cent and in deserving cases even upto 100 per cent of the development loans extended and that the State Financial Corporation could be made eligible for refinance assistance from the Agricultural Refinance Corporation.

By a circular letter dated March 8, 1972, the Reserve Bank of India informed all Scheduled Commercial Banks of the Group's recommendations and asked them to review the credit facilities already sanctioned to the tea industry and to make suitable modifications in the existing limits.

Study Group On Greater Exchange of Credit Information among Banks

The Co-ordination Committee of public sector banks decided in November 1969 that there should be greater exchange of credit information among banks. Pursuant to this, a Study Group was appointed under the Chairmanship of Shri S. P. Chandavarkar of the Union Bank of India to examine all aspects of the question relating to exchange of credit information among banks. The Group, which submitted its report to the Reserve Bank of India in December 1971, has recommended that the exchange of credit information should cover not only the borrowers of banks but also prospective borrowers in business, manufacturing, professional and trading lines having only deposit accounts with banks and that since the banks have adequate legal protection, the credit information so exchanged should be meaningful. For the implementation of this programme, the Group has suggested the setting up of an appropriate organisation at the head office of each bank with adequate arrangement at the branches for the flow of information to the Credit Investigation Department. In view of the organisational inadequacy inhibiting systematic collection of credit information from market sources at places other than metropolitan centres, the Group has recommended establishment of a central agency in the form of an autonomous body called Credit Information Trust.

The main objectives of the Trust would be to (1) collect and gather credit information from banks and by independent market enquiries on all those having or proposing to have deposit or borrowal account relationship with banks, (2) analyse financial statements and credit information and form opinions thereof, (3) disseminate and exchange information with banks and financial institutions, and (4) undertake area-wise market research studies and disseminate their results. For the implementation of the recommendations, the Group has suggested a time-bound programme : (i) development of proper organisation and effective inter-bank information system in banks to be completed by June 1973; (ii) completion of the required legal enactments for protecting the exchange of information through the Trust by June 1973 and the Trust should be registered by January 1974 and (iii) the National Institute of Bank Management should initiate research studies and conduct a programme for training of the required personnel by the end of 1972.

Working Group on Financing of Coal Industry

The Reserve Bank of India constituted in February 1972 a Working Group under the Chairmanship of Shri P. C. D. Nambiar, Secretary and Treasurer, State Bank of India, Calcutta, in order to study the immediate financial problems of the coal industry and to review the existing institutional arrangements including bank credit for financing the coal industry, especially in the eastern region, viz. Bihar and West Bengal.

Study Group to enquire into the Problems of Cashew Industry

A Study Group under the Chairmanship of Shri C. E. Kamath, Deputy General Manager, Canara Bank, was set up by the Reserve Bank of India in March 1972 to study the various financial problems faced by the cashew industry and to review, in particular, the lending procedures followed by the commercial banks, having regard to its current and prospective role as an export commodity.

RURAL CREDIT

General

In pursuance of the overall credit policy directed towards channelising credit to agriculture on a priority basis, several measures were taken during the year to facilitate greater flow of credit to agriculture in general and to the weaker sections of the rural community in particular. Measures in the field of rural

credit pursued during the year mainly aimed at (i) strengthening the co-operative credit structure at all levels, (ii) rationalising the lending policies and procedures of co-operative credit institutions, (iii) providing institutional support to land development banks for ordinary debenture programme and (iv) assisting backward classes like tribals, *adivasis* etc., in marketing forest produce. In addition, commercial banks implemented special schemes for facilitating a larger flow of credit to farmers, specially in the backward areas and for assisting intensive agricultural development. The year 1971-72 witnessed an acceleration in the tempo of financial operations of institutions, including commercial banks, providing rural credit. The scheme of financing primary agricultural credit societies by commercial banks made further progress in the districts where it is currently in operation and was extended to two districts in Orissa. The Reserve Bank continued to play its major role of providing financial accommodation for agricultural purposes and promoting and channelling rural credit to the hitherto neglected sections of the rural community.

1. Reserve Bank Credit to Co-operatives

Details of financial assistance provided by the Reserve Bank of India to the co-operative sector are presented in Table 13.

Short-term agricultural credit

As pointed out in the last Report, an important development in the Reserve Bank's credit to co-operatives during 1971-72 was the sanctioning of separate credit limits for seasonal agricultural operations and marketing of crops. The limits sanctioned for seasonal agricultural operations and marketing of crops at 2 per cent below the Bank rate (excluding special limits for the marketing of cotton and *kapas*) at Rs. 397 crores during 1971-72 were higher by Rs. 7 crores as compared with the preceding year. Of this, an amount of Rs. 394 crores was for seasonal agricultural operations while the balance amount of Rs. 3 crores was for marketing of crops other than cotton and *kapas*. The amounts drawn by State co-operative banks against these limits aggregated Rs. 472.0 crores as against Rs. 424.5 crores during 1970-71. The outstanding borrowings under this head at the end of June 1972 stood at Rs. 152.7 crores as against Rs. 188.9 crores at the end of June 1971. The highest outstandings against these limits, were Rs. 288.72 crores and Rs. 292.89 crores during the years 1970-71 and 1971-72, respectively.

The short-term credit limits for 1971-72 included a sum of Rs. 40 lakhs for seasonal agricultural operations sanctioned by the Reserve Bank on behalf of the Girijan Co-operative Corporation in Andhra Pradesh.

Special limits aggregating Rs. 11.7 crores were sanctioned for financing the marketing of cotton and *kapas* covered by cotton directives during 1971-72 as against Rs. 10.7 crores sanctioned during the previous year. The drawals and outstandings against these limits amounted to Rs. 10.3 crores and Rs. 1.2 crores as against Rs. 8.6 crores and Rs. 1.0 crore, respectively, for the year 1970-71.

The Reserve Bank continued to follow the policy of providing financial accommodation for purchase, stocking and distribution of chemical fertilizers, to State co-operative banks on behalf of co-operative marketing federation/societies, on a selective basis. The fertilizer needs and the credit requirements were kept under constant watch with a view to ensuring that the legitimate needs of finance for fertilizer distribution were first met by commercial banks and supplemented wherever necessary by the Bank. With a view to progressively reducing the co-operative banks' dependence on Reserve Bank in this respect, the rate of interest earlier charged by the Bank at Bank rate was raised to 2 per cent above the Bank rate from 1972. The limits sanctioned to five State co-operative banks against State Government guarantee for this purpose for the calendar year 1972 amounted to Rs. 14.8 crores as against Rs. 24.8 crores for the previous year. These banks had drawn to the extent of Rs. 3.9 crores on the limits during 1972. The outstandings as at the end of June 1972 stood at Rs. 3.9 crores.

Table 13—Reserve Bank Credit to Co-operatives, 1969-70 to 1971-72

(Lakhs of rupees)

Purpose	Amount advanced during 1969-70	Amount outstanding at the end of June 1970	Amount advanced during 1970-71	Amount outstanding at the end of June 1971	Amount advanced during 1971-72	Amount outstanding at the end of June 1972
A. Loans to State Co-operative Banks						
Short-term						
1. Seasonal agricultural operations (at 2% below Bank rate)	434,42*	216,10* (278,90)	433,05*	189,88* (289,75)	482,35*	153,93* (294,08)
2. Production and marketing of handloom products (at 1½% below Bank rate) ..	10,04	5,00	12,99£	6,70£	14,34†	5,88†
3. Purchase and sale of yarn (at Bank rate)	11	—	4	—	14	—
4. General banking purposes (at Bank rate)	23,46	23	20,06	—	16,21	2
5. Purchase and distribution of fertilisers (at 2% above Bank rate‡)	26,19	2,35	17,43	3,43	18,43	3,90
6. Conversion loans (at Bank rate) ..	1,69	24	4,18	2,50	7,14	5,39
7. Loans for financing working capital requirements of co-operative sugar factories (at 2% above Bank rate) ..	—	—	5,32	4,32	2,60	—
Medium-term						
1. Agricultural purposes (at 1½% below Bank rate)	11,48	20,37	13,76	23,80	5,90	20,08
2. Financing agriculturists for purchase of shares in co-operative sugar factories (at Bank rate)	—	8	45	51	25	62
3. Conversion of short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate) ..	3,01	4,35	13,64	13,66	24,08	25,70
B. Loans to State Governments for contribution to share capital of co-operative credit institutions	7,23	34,32	12,04	42,04	15,57	53,06
C. Investments in Debentures						
1. Rural debentures	94	9,57**	58	10,15**	78	10,61@
2. Ordinary debentures	4,28	31,21	4,16	35,26	3,96	38,31

* Includes marketing of crops and marketing of cotton and *kapas*.

£ Includes Rs. 23 lakhs and Rs. 9 lakhs under drawals and outstandings, respectively, for advances to small-scale industries at Bank rate.

† Includes Rs. 38 lakhs and Rs. 3 lakhs under drawals and outstandings, respectively, for advances to small-scale industries at Bank rate.

‡ With effect from 1972. Prior to this, the rate of interest was at Bank rate.

**Includes special debentures of Rs. 11 lakhs.

@ Includes special debentures of Rs. 7 lakhs.

Figures in brackets refer to the highest outstandings during the year.

The Reserve Bank also continued to provide financial accommodation to State co-operative banks for general banking purposes at Bank rate. During the year, the drawals by State co-operative banks for this purpose amounted to Rs. 16.2 crores as against Rs. 20.1 crores during 1970-71. Credit limits totalling Rs. 7.9 crores were also sanctioned to three State co-operative banks against the pledge of Government and other trustee securities representing the investment of their Stabilisation Funds. Upto June 30, 1972 total drawals against these limits were Rs. 7.1 crores and the amount outstanding against them as on that date was Rs. 5.4 crores. The Agricultural Refinance Corporation was sanctioned for 1971-72, a short-term credit limit of Rs. 8 crores at Bank rate under Section 17 (4 E) of the Reserve Bank of India Act against the security of special development debentures purchased by it, by way of renewal of the limit sanctioned for 1970-71. The drawals on the limit amounted to Rs. 1.4 crores and there was no amount outstanding as on June 30, 1972.

As mentioned in the last Report, the Bank had stipulated that, from the year 1971-72 onwards, central banks should show at least 20 per cent of their outstandings of borrowings from the State co-operative banks as covered by the outstandings of loans to societies against small/marginal/economically weak farmers. The Bank, however, issued an advice later to the effect that it would be sufficient if this condition was satisfied as on December 31, 1971 or as on a date near thereto when the banks' advances to societies were expected to reach their peak level instead of from July 1971, throughout the year.*

The Union Government, on the recommendation of the Reserve Bank, granted exemption to the district central co-operative banks, for a period of three years from October 16, 1971, from the provisions of Sections 18 and 24 of the Banking Regulation Act, 1949 (as applicable to co-operative societies) in so far as they require them to maintain cash reserve and liquid assets in respect of their liabilities arising out of loans from the Small Farmers Development Agencies/Marginal Farmers and Agricultural Labourers Development Agencies. This serves to remove a disincentive which central banks were experiencing in advancing loans to small and marginal farmers.

In view of the inadequate resources of small and economically weak farmers, the Reserve Bank suggested certain relaxations in respect of the linking of shareholdings to borrowings of these farmers at the primary level. Under these relaxations, for short-term loans, the small, marginal and economically weak farmers can be allowed to take up shares of the order of 5 per cent in the first year and 2½ per cent in each of the subsequent two years, raising the total to 10 per cent. The corresponding rate for other farmers will continue to be 10 per cent in the first year and 5 per cent in each of the subsequent two years, raising the total to 20 per cent. Collection of share capital in excess of the initial lumpsum contribution of 10 per cent is, however, left to the discretion of the central banks/societies. In respect of medium-term loans (for purposes other than purchase of shares in co-operative processing societies), the rate of contribution to share capital for the former category of farmers will be 5 per cent in lumpsum as against 10 per cent in lumpsum for other farmers. As regards medium-term loans for purchase of shares in co-operative processing societies, however, a uniform rate of 5 per cent in lumpsum has been prescribed for all farmers. For long-term loans, the small, marginal and economically weak farmers will contribute to the share capital of land development banks at the rate of 2 per cent in the first year and 1 per cent in each of the subsequent three years, raising the total to 5 per cent while other farmers will be required to buy shares at the rate of 5 per cent in lumpsum in the first year.

Medium-term agricultural credit

Total medium-term credit limits sanctioned during 1971-72 under Section 17(*4AA*) read with Section 46A(2)(*b*) of the Reserve Bank of India Act, for agricultural purposes

* During 1971-72, out of 182 reporting central co-operative banks, 117 complied with the requirements of minimum outstanding in this regard.

at 1½ per cent below the Bank rate and for financing individual cultivators for purchasing shares in co-operative sugar factories and other processing societies at Bank rate, amounted to Rs. 20.6 crores as against Rs. 18.8 crores sanctioned in the last year. Drawals were of the order of Rs. 6.2 crores as against Rs. 14.2 crores during the last year. The medium-term limits for 1971-72 included a sum of Rs. 7 lakhs sanctioned on behalf of the Girijan Co-operative Corporation in Andhra Pradesh and Rs. 4.1 crores sanctioned, as a special case, to the Punjab State Co-operative Bank on behalf of seven central co-operative banks to enable them to grant conversion facilities to the cultivators in the areas of districts affected by the Indo-Pak war.

The Bank made a further contribution of Rs. 6 crores to the National Agricultural Credit (Stabilisation) Fund raising the total amount to its credit to Rs. 45 crores. During the year 1971-72, medium-term conversion limits aggregating Rs. 31.4 crores were sanctioned to four State co-operative banks from the Fund. Besides, the Maharashtra State Co-operative Bank was sanctioned rephasement of Rs. 6.4 crores. The total drawals from the Fund during the year were Rs. 24.1 crores and outstandings with State co-operative banks as on June 30, 1972 stood at Rs. 25.7 crores.

In order to enable the State co-operative banks to utilise fully the medium-term credit limits for approved agricultural purposes, the Bank decided that, from the year 1973, credit limits will be sanctioned for the calendar year (January-December) instead of the co-operative year (July-June). It was also decided that credit limits sanctioned for the year 1971-72 will be made available for drawals upto 31st December 1972. During the year, the Bank decided to include purchase of milch cattle and poultry-keeping in the list of 'specified purposes' for which a central co-operative bank was required to advance at least 40 per cent of its total medium-term loans in order to become eligible for medium-term accommodation from the Bank, provided that such loans were advanced to identified small farmers under the special projects supervised by the Small Farmers Development Agencies or in the area of Marginal Farmers and Agricultural Labourers Projects or to economically weak farmers in other districts.

The list of approved purposes for medium-term agricultural loans was also enlarged to include pig breeding, sheep and goat rearing and purchase of storage bins undertaken alongside agriculture. Further, purchase of rubber rollers had been considered as an 'approved' agricultural purpose under the broad category of farm machinery. The facility of granting medium-term loans to agriculturist members of primary credit societies to enable them to purchase shares in certain types of co-operative processing societies was extended by the Bank during the year to purchase shares in co-operative spinning mills which are either newly organised or propose to undertake expansion of their existing capacity.

Long-term agricultural credit

In the long-term credit sphere, hitherto, the land development banks were advised by the Bank to rationalise their lending policies and procedures in view of the increase in long-term lendings of the Agricultural Refinance Corporation and sanction of International Development Association Projects in some States. The important suggestions made by the Bank were as under :

(*a*) Sanction of loans for minor irrigation should be on the basis of a survey of the ground water potential.

(*b*) A minimum size of holding should be fixed for loans for different purposes to prevent over-capitalisation of investments and under-utilisation of resources.

(*c*) The period of loan should be fixed keeping in view the useful life of the asset created out of the loan and the repaying capacity of the borrower.

(*d*) The borrower should be made to share a portion of the cost of the investment so as to provide incentive for him to take interest in production.

The banks were expected to regulate their advances on the basis of the above suggestions from October 1971.

The overdues position of land development banks was one of the major factors that was taken into consideration in deciding upon the extent of institutional support they could get in the debenture programme. As a result of this policy, State land development banks in some areas which had heavy overdues were severely affected as they did not qualify for full institutional support. A new policy was, therefore, laid down by the Bank during the year according to which the land development banks were allowed to get full institutional support towards their floatation of ordinary debentures. However, it was made obligatory on the part of the State land development banks to regulate their advances to the primaries/branches with reference to the position of overdues of each unit as on June 30, 1971.

According to the new discipline, only the primary banks/branches of the State land development banks with overdues as on June 30, 1971 of not more than 15 per cent of the demand for the year were to be provided in full with the required funds for completing their lending programmes. The primaries/branches with overdues in excess of 50 per cent of the demand as on June 30, 1971 were not to be financed at all, while those with overdues ranging from 16 to 50 per cent were to be provided funds only to the extent of 80 to 50 per cent of the targets for such lendings fixed by the State land development banks at the beginning of the year. Those banks which did not fix any programmes for their primaries/branches, had to regulate the advances with reference to certain purposes according to the overdue levels. However, the following relaxations were made in the case of primary banks/branches whose overdues were high due to natural calamities in their area.

(i) The eligibility of the banks for issue of loans was slightly enhanced* in the interest of the long-term investment in land.

(ii) In regard to the primaries/branches which were not entitled to any funds from the State land mortgage bank because of overdues exceeding 50 per cent on June 30, 1971, the following relaxations were made:

(*a*) If the overdue amount in any case was below Rs. 1 lakh on June 30, 1971, the primary/branch may be treated as eligible for 50 per cent of the programme. (*b*) If the recovery of the primary/branch during 1968-69 or 1969-70 was 85 per cent or more, it might get 60 per cent of the programme. (*c*) In case where recovery was below 85 per cent but was 75 per cent or more in any one of the above two years, it might avail of 50 per cent of the programme.

(iii) The primaries/branches which are not eligible for any programme, even after the relaxations indicated above, might be allowed 25 per cent of the programme.

(iv) In the case of primaries/branches having overdues in excess of 50 per cent of demand for 1970-71, where no lending programmes were fixed, the State land development banks were allowed to grant loans for minor irrigation purposes to the extent of not more than 25 per cent of the aggregate advances to them for all purposes during 1969-70 or 1970-71 whichever was higher.

* The percentage of eligibility fixed for the primaries/branches falling in different groups classified on the basis of overdues as on June 30, 1971 was enhanced as below :

Range of overdues in the primary/branch as on June 30, 1971	Eligibility for programme under the norms as originally fixed	Enhanced eligibility approved
Upto 15%	100%	100%
Between 16% and 25%	80%	85%
Between 26% and 40%	65%	75%
Between 41% and 50%	50%	60%

(v) In the case of SFDA areas in Assam, Bihar, Orissa, West Bengal, Rajasthan, Jammu and Kashmir, the primaries/branches might be provided with necessary funds for financing the small farmers identified as such under the scheme irrespective of their overdues.

Ordinary debenture programme of land development banks

As regards the ordinary debenture programme of the State land development banks for the financial year 1971-72, it was fixed at Rs. 140 crores. Support to the extent of Rs. 116 crores was expected from various institutions, viz. Life Insurance Corporation of India, State Bank of India and Reserve Bank together Rs. 27 crores, commercial banks Rs. 30 crores, Central Government Rs. 17 crores, State Governments Rs. 17 crores and through 'mutual support', i.e. from sinking fund liabilities of land development banks, Rs. 25 crores. The remaining amount of Rs. 24 crores was expected to be raised through self-help. Out of the available support of Rs. 116 crores, a sum of Rs. 9 crores was held in reserve for making adjustments; the balance was allocated among the banks. However, in June 1971 the Government of India made a budgetary provision of Rs. 18.5 crores for making contributions to the ordinary debentures issued by the land development banks during 1971-72 as against the earlier provision of Rs. 17 crores. The Government desired that of the above amount, Rs. 18 crores might be distributed among the banks with the stipulation that the State Governments would provide matching contribution to the debentures during the year. The remaining amount of Rs. 0.5 crore was to be held in reserve for being allotted to the banks on the basis of their performance in regard to the floatation of debentures. Thus, the additional amount of Rs. 1 crore each made available by Central and State Governments was adjusted by reducing the 'mutual support' from Rs. 25 crores to Rs. 23 crores. During 1971-72, land development banks issued ordinary debentures for an aggregate amount of Rs. 125.4 crores while actual subscription collected by them amounted to Rs. 128.5 crores. The institutions which subscribed included commercial banks (including the State Bank) —Rs. 31.6 crores, co-operatives—Rs. 34.8 crores, State Governments—Rs. 22.1 crores, Central Government —Rs. 18.1 crores, LIC—Rs. 12.0 crores, Reserve Bank—Rs. 3.9 crores and Others—Rs. 6.0 crores.

Floatation of rural debentures during 1971-72

The progress in respect of the scheme of linking the ordinary debenture programme to rural debenture programme was not upto expectations. Consequently, the quota for floatation of rural debenture programme for State land development banks, which was fixed at Rs. 7 crores, i.e. 5 per cent of their approved ordinary debenture programme for the year was reduced to 2½ per cent of the ordinary debenture programme in the case of central land development banks in Assam, West Bengal, Orissa, Rajasthan, Bihar and Jammu and Kashmir, keeping in view the savings potentiality in the rural areas of these States. The quota of rural debentures for Punjab State Land Development Bank was also reduced to 2½ per cent owing to the loss of crops in areas affected by the Indo-Pak war. The central land development banks floated rural debentures to the extent of Rs. 572 lakhs and the Reserve Bank's contribution to this amounted to Rs. 78 lakhs.

National Agricultural Credit (Long-term Operations) Fund

The Reserve Bank made a further contribution of Rs. 19 crores to the National Agricultural Credit (Long-term Operations) Fund in June 1972, raising the amount to the credit of the Fund to Rs. 209 crores. The assistance provided from L.T.O. fund by the Bank has continued to be linked with the programme of strengthening and improving the organisational and operational efficiency of the co-operatives. During the financial year 1971-72 loans amounting to Rs. 15.8 crores (excluding renewals of Rs. 0.6 crore) were sanctioned to 14 State Governments for contribution to the share capital of co-operative credit institutions as against Rs. 11.9 crores (excluding renewals of Rs. 0.03 crore) sanctioned in 1970-71.

Aggregate drawals during the period amounted to Rs. 15.6 crores. Outstandings on this account amounted to Rs. 53.1 crores as on June 30, 1972 as against Rs. 42.0 crores as on June 30, 1971.

During the year, the criteria for sanctioning loans to State Governments for participating in the share capital of primary (urban) co-operative banks were slightly modified. It was stipulated earlier that in order to be eligible for share capital participation by State Governments, each bank had to provide in its bye-laws for collection of share capital at least at the rate of 5 per cent of its advances to members. This condition was relaxed and in the case of small-scale industrial units the bank could maintain the share linking to borrowing on clean and hypothecation basis at 5 per cent of borrowings of these units in a phased way, i.e. over a period of three years. With regard to pledge advances to these units, the ratio is fixed at 2½ per cent in a phased way. In the case of advances to others, share linking should be at 5 per cent and 2½ per cent even before advancing on clean and hypothecation basis and on pledge, respectively.

Credit for Industrial Co-operatives

During the year, financial accommodation was provided by the Bank to State co-operative banks for financing handloom weavers' co-operative societies and for financing small-scale industries under Section 17(*2*)(*bb*) read with Section 17(*4*)(*c*) of the RBI Act. Gross drawals totalled Rs. 14.34 crores as against Rs. 12.99 crores during the previous year. The amount outstanding at the end of June 1972 stood at Rs. 5.9 crores as against Rs. 6.7 crores at the end of June 1971. Accommodation provided to State co-operative banks on behalf of the apex weavers' societies under Section 17(*2*)(*a*) or 17(*4*)(*c*) of the RBI Act for purchase and sale of yarn during the year aggregated Rs. 0.14 crore as against Rs. 0.04 crore during the previous year.

The Agricultural Credit Department continued its efforts to stimulate interest of the State and central co-operative banks in the facilities under the modified Credit Guarantee Scheme. So far, 9 State co-operative banks, 47 central co-operative banks and 4 licensed primary (urban) co-operative banks have joined the scheme. The Government of India have since finalised the norms which a primary (urban) co-operative bank, pending issue of a licence, should satisfy so as to be eligible for direct facilities under the scheme. At present 19 such banks, out of 72 primary (urban) co-operative banks which satisfy the norms, have entered into agreement with the Guarantee Organisation.

2. Agricultural Refinance Corporation

Agricultural Refinance Corporation — Operations

There was a considerable increase in the financial assistance rendered by the Agricultural Refinance Corporation during the year. The Corporation sanctioned 269 schemes of agricultural development involving total financial assistance of Rs. 154.2 crores as against 100 schemes involving financial assistance of Rs. 62.2 crores sanctioned in the previous year. The scheme-wise details and the Corporation's commitments are set out in Table 14.

Taking into account the revision in financial outlays relating to certain schemes sanctioned earlier as a result of rephasing, withdrawal of schemes etc. the total number of schemes sanctioned by the Corporation since its inception upto June 30, 1972 was 711, the total financial assistance and the Corporation's commitment thereunder being Rs. 404.8 crores and Rs. 350.8 crores, respectively. Total disbursements upto June 30, 1972 amounted to Rs. 124.7 crores.

Out of the 269 schemes sanctioned during the year, 176 schemes were to be implemented through central land development banks, 11 schemes through State co-operative banks and 82 schemes through scheduled commercial banks involving refinance to the extent of Rs. 115.1 crores, Rs. 11.0 crores and Rs. 9.0 crores, respectively.

Disbursements made by the Corporation during the year ending June 1972 aggregated

Table 14—Purpose-wise Distribution of Schemes sanctioned by the ARC during 1970-71 and 1971-72

(Amount in crores of rupees)

Purpose	July 1970–June 1971				July 1971–June 1972			
	Number of schemes sanctioned@	Total financial assistance on schemes sanctioned	ARC's commitments to total financial assistance	Disbursements made during the year	Number of schemes sanctioned@	Total financial assistance on schemes sanctioned	ARC's commitments to total financial assistance	Disbursements made during the year
1. Development of minor irrigation works ..	55	49.4	44.5	23.0	198	116.3	104.3	26.8
2. Development of land*	9	6.2	4.5	4.4	14	10.6	8.1	2.3
3. Plantation and horticulture	26	3.2	2.3	2.0	40	11.0	8.3	2.0
4. Farm mechanisation .	1	0.8	0.6	0.1	2	4.8	3.6	0.4
5. Development of poultry farming ..	2	0.04	0.03	—	4	0.08	0.06	—
6. Development of fisheries	2	0.3	0.2	0.4	3	0.8	0.6	0.6
7. Dairy development ..	3	1.4	1.1	—	2	0.7	0.5	0.4
8. Construction of godowns	2	0.9	0.7	0.7	5	9.4	9.2	2.5
9. Sheep breeding ..	—	—	—	—	1	0.5	0.4	—
TOTAL ..	100	62.2	53.9	30.6	269	154.2	135.1	35.0

@Excludes schemes sanctioned and withdrawn during the same year.

* Includes soil conservation schemes.

Rs. 35.0 crores of which refinance by way of subscription to special development debentures of land mortgage/development banks, loans disbursed to scheduled commercial banks and State co-operative banks amounted to Rs. 28.4 crores, Rs. 3.3 crores and Rs. 3.3 crores, respectively.

The Corporation's resources were replenished during the year through borrowings from the Government of India to the extent of Rs. 3.4 crores received as IDA and IBRD credits and Rs. 7 crores under normal schemes. The Corporation was sanctioned by the Reserve Bank, for the first time, from its National Agricultural Credit (Long-term Operations) Fund, a credit of Rs. 5 crores and the entire amount was availed of by the Corporation by June 30, 1972*. Besides, an amount of Rs. 8.3 crores was raised by the Corporation in the open market through the floatation of $5\frac{3}{4}$ per cent ARC Bonds, 1982 (III Series). With this, the Corporation's total borrowings from the open market amounted to Rs. 27.7 crores. Repayments amounting to Rs. 0.5 crore were made by seven scheduled commercial banks and six State co-operative banks during the year. The Corporation also issued an additional share capital of Rs. 5 crores to enable it to borrow additional funds required to meet the growing demands from eligible institutions. The paid-up share capital of the Corporation thus stood at Rs. 10 crores as on June 30, 1972.

As regards policy changes, the following were among the important developments during the year : (1) The special concession of 10 per cent contribution by State Governments to the special development debentures floated by central land development banks in respect of minor irrigation schemes was further extended upto June 30, 1974 (2) The

* The Agricultural Refinance Corporation Act as well as the Reserve Bank of India Act were amended during the year to enable the Corporation to borrow from the Reserve Bank's National Agricultural Credit (Long-term Operations) Fund.

concession of 100 per cent refinance in respect of viable schemes sponsored by the Small Farmers Development Agencies was extended upto June 30, 1973. As on June 30, 1972, fifteen such schemes for development of minor irrigation involving total financial outlay and ARC's commitment of Rs. 14.4 crores, were sanctioned by the Corporation. (3) The Corporation agreed to grant the concession of 100 per cent refinance to schemes formulated by Marginal Farmers and Agricultural Labourers Agencies and submitted through the Central land development banks, State co-operative banks and scheduled commercial banks, provided the schemes were economically feasible and technically sound. This facility which was introduced this year has now been extended upto June 30, 1973. During 1971-72, one such scheme for development of minor irrigation involving total financial assistance and ARC's commitment of Rs. 0.2 crore, was sanctioned by the Corporation. (4) The Corporation set up a Consultancy Service with headquarters at Lucknow in August 1971 with a view to assisting the States with weak co-operative organisations and a backlog of development, which could be made good with the assistance of ARC. The Service has been designed to help the financing agencies in those areas in locating, investigating and appraising projects, making State Governments' technical services available to financing banks and to help land development banks in job evaluation processes for streamlining their organisation. (5) In order to expedite the evaluation of area development schemes for minor irrigation sponsored by the commercial banks, particularly in relation to groundwater availability, the Corporation advised the banks to make arrangements to study the technical feasibility of the proposals and send the schemes to the Corporation alongwith a technical feasibility report from one of the experts on the panel of the Corporation in respect of each scheme.

The Agricultural Refinance Corporation Act was amended during the year to make the term 'pisciculture' to include development of fisheries, both inland and marine, catching of fish and all activities connected therewith or incidental. The Corporation sanctioned for the first time a scheme for the development of inland fisheries in West Bengal through a commercial bank.

During the year, three State Government projects were approved by the International Development Association, two involving agricultural credit assistance (one each in Maharashtra and Mysore) and one project for the development of markets in Bihar, i.e. construction of buildings for accommodating shops, godowns, banks, post offices, connecting market yards with main roads, etc. These three projects together involved assistance from the International Development Association amounting to $84 million (Rs. 62.6 crores) out of which $75.0 million (Rs. 54.6 crores) would be routed through the Corporation.

Rural Electrification Corporation

During 1971-72, the Corporation sanctioned 127 rural electrification schemes sponsored by the State Electricity Boards involving a total outlay of Rs. 83.7 crores as against Rs. 42.9 crores for 71 schemes sanctioned during 1970-71. Corporation's commitment was Rs. 73.2 crores as against Rs. 42.5 crores during 1970-71. The disbursements made by the Corporation during the year upto June 1972 were of the order of Rs. 35.0 crores. Five pilot co-operative projects for rural electrification were financed by the Corporation as at the end of June 1972; the total disbursements being Rs. 6.4 crores, while disbursements for developing Harijan *bastis* amounted to Rs. 0.4 crore.

During the year, the resources of the Corporation were further augmented by raising the paid-up capital from Rs. 11 crores to Rs. 12 crores, borrowing from the Government of India amounting to Rs. 10.5 crores and drawing upon the U.S.-Use Funds to the extent of Rs. 28 crores. The total resources of the Corporation as at end-June 1972 amounted to Rs. 71.5 crores.

There was a re-orientation in the Corporation's policy regarding financial assistance to

State Electricity Boards. Terms and conditions governing loans for schemes pertaining to 'backward' areas and 'advanced' areas were modified, so that financing of projects situated in backward areas and specially under-developed hill areas would be at lower rates of interest for initial years and maturity dates for loan repayment become longer than for those situated in other areas. Two new types of special loans were introduced for the benefit of (i) under-developed areas such as hill areas of Uttar Pradesh, Meghalaya, Himachal Pradesh and (ii) States which are below the all-India level of village electrification.

Latest data available in respect of credit supply to the agricultural sector are presented in Table 15.

3. Trends in Co-operative Credit

Mid-term appraisal of co-operative development in the Fourth Plan

The outlay originally approved for co-operative development schemes in the Fourth Five Year Plan was Rs. 265.8 crores for State Plan schemes and Central sector and Centrally sponsored schemes. The mid-term appraisal of the Plan increased the outlay by Rs. 32.5 crores for Central sector and Centrally sponsored schemes. Three new Central sector schemes proposed to be implemented resulted in this enhancement of the outlay: (1) the scheme for rehabilitation of weak central co-operative banks, (2) a scheme for increasing co-operative storage capacity by one million tonnes and (3) a scheme for strengthening about 400 marketing co-operatives, on a selective basis, particularly in areas which account for large production of foodgrains and cash crops.

Another Central sector scheme for accelerated development of consumer co-operatives, having growth and employment potential, has also been introduced. A Consultancy and Promotional Organisation has been set up in the National Co-operative Consumers' Federation for providing expert guidance to consumer co-operatives.

Agricultural credit co-operatives

As a result of continued efforts aimed at revitalisation and reorganisation of these societies for formation into viable units, the number of primary agricultural credit societies declined from 1.63 lakhs at the end of June 1970 to 1.61 lakhs at the end of June 1971. The membership of these societies, however, rose by 4 per cent from 298 lakhs to 310 lakhs during the period. As at the end of June 1971, the societies covered 95 per cent of the villages in the country. The proportion of rural population covered by the active societies roughly works out to 36 per cent. The short and medium-term loans advanced by them in 1970-71 amounted to Rs. 519.3 crores and Rs. 58.5 crores, respectively. The short-term loans indicated a rise of about 6 per cent over the previous year while the medium-term loans rose by 12 per cent. The proportion of overdues, however, rose by 1 per cent during the period and stood at 39 per cent as at end-June 1971. The main reasons for the accumulation of overdues are defective lending policies, inadequate supervision over utilisation of loans, weak internal management of societies and ineffective linking of credit with marketing. In this context, the recommendation of the All-India Rural Credit Review Committee to transfer, as early as possible, the function of supervision to the central co-operative banks, wherever this has not been done, gains special significance. The absence of full-time paid secretary in the case of two-thirds of the primary societies is another factor which contributes to the failure to recover loans in time.

The total number of central and State co-operative banks at the end of June 1971 stood at 341 and 25, respectively. In the two-tier structure of long-term credit, there were 19 central land development banks at the apex level and 865 primary land development banks at end-June 1971. Besides, there were 555 branches of central land development banks. The loans advanced by central land development banks went up from Rs. 153.3 crores in 1969-70 to Rs. 168.3 crores in 1970-71, showing a rise of 10 per cent.

Table 15—Consolidated Position of Credit supplied to the Agricultural Sector

(Rupees lakhs)

Year (July-June)	Short-term				Medium-term			Long-term credit by Institutional Agencies					
	Loans issued by primary agricultural credit societies	Loans outstanding at primary level	Borrowings by State Co-operative banks against RBI limits for seasonal agricultural operations and marketing of crops		Loans issued by primary agricultural credit societies	Drawals by State Co-operative banks against RBI limits	Total (1+5)	Loans issued by central land development banks excluding refinance from ARC	Disbursements made by			Total (8+9+10+11)	Grand Total (7+12)
			Highest outstandings during the year	Outstandings at the end of the year					ARC	AFC	REC		
	1	2	3	4	5	6	7	8	9	10	11	12	13
1968-69 ..	456,39	521,93	243,31	183,99	47,48	9,02	503,87	'127,94	17,84	96	—	146,74	650,61
1969-70 ..	487,77	595,68	278,90	216,10	52,34	11,48	540,11	130,44	28,60	15,77	--	174,81	714,92
1970-71 ..	519,34	647,20	289,75	189,88	58,54	14,20	577,88	141,64	30,62	13,24	26,09	211,59	789,47
1971-72 ..	N.A.	N.A.	294,08	153,93	N.A.	6,15	650,00†	150,00**	34,98	11,22	36,81	233,01	883,01**

N.A. Not available.

** Provisional.

† Target.

Note : Data relating to the loans issued by commercial banks during the year for agriculture and taccavi loans are not available.

Co-operative marketing societies

In the sphere of co-operative marketing, strengthening of the primary marketing societies through a programme of revitalisation received considerable attention. In pursuance of a recommendation of the State Ministers' Conference, a Central sector scheme (referred to earlier) has been formulated, with a proposed outlay of Rs. 2.5 crores during the last two years of the Fourth Plan, for the intensive development and strengthening of 400 selected marketing societies.

At the beginning of 1970-71, the co-operative marketing structure consisted of 3,261 primary marketing societies, 159 district marketing societies and 21 State level marketing federations, besides a National Federation at the apex level. In addition, there were three State marketing federations for special commodities. The number of State-partnered primary marketing societies was 2,512, representing 77 per cent of the total number of primary societies. The value of agricultural produce marketed by co-operatives during 1970-71 was Rs. 650 crores as against Rs. 600 crores in the previous year.

Co-operatives continued to be a major agency for the distribution of fertilizers in the country, particularly at the retail stage. During 1970-71, the co-operatives distributed fertilizers worth about Rs. 250 crores as against Rs. 232 crores during 1969-70. Under the Centrally sponsored scheme for provision of margin money for fertilizer distribution by co-operatives, a provision of Rs. 3 crores was made for the year 1971-72.

Co-operative processing societies

In the co-operative processing sector, the number of sugar factories registered/licensed which was 117 by the end of 1970-71 increased to 124 in 1971-72. The estimated licensed capacity in the co-operative sector was 24.6 lakh tonnes accounting for 48 per cent of the total licensed capacity of 51.5 lakh tonnes for the sugar industry as a whole. During the season 1970-71, 74 co-operative sugar factories were in production. Upto June 1972, the Industrial Finance Corporation of India had sanctioned loans to 79 co-operative sugar factories for an amount of Rs. 73.3 crores of which an amount of Rs. 37.4 crores was outstanding at the end of the period. Limits sanctioned to co-operative sugar factories by the State Bank of India and its subsidiaries during the period July 1971 to March 1972 amounted to Rs. 18.4 crores and the outstandings as at the end of March 1972 were Rs. 8.9 crores.

Apart from sugar factories, the number of co-operative agricultural processing units of various types (including cold storages) organised/assisted was 1,744 at the end of 1971-72. By the end of 1971-72, financial assistance was provided for establishment of 780 rice mills of which 41 were modern rice mills.

As at the end of 1971-72, 225 cotton ginning and pressing units had been organised in the co-operative sector; of these, 204 units were actually installed. Further, 173 oil mills, 58 groundnut decorticators and 8 solvent extraction plants had been organised/assisted as at the end of 1970-71. Out of these, 136 oil mills, 57 groundnut decorticators and 6 solvent extraction plants had been installed. Upto the end of 1971, the number of fruit and vegetable processing units organised in the co-operative sector was 36, of which 29 were installed. In addition, there were 58 processing units for plantation crops. These consisted of 32 copra oil mills, 14 tea processing units, 5 coffee curing units, 4 cashew processing units, 2 rubber processing units and one cardamom oil extraction unit.

National Co-operative Development Corporation

During the year 1971-72, efforts of the National Co-operative Development Corporation were directed mainly to stimulate the co-operative marketing structure, intensification of activities of selected co-operatives in areas with larger potential for growth, promotion of integrated marketing system and co-ordination of activities between marketing and consumer co-operatives. The Corporation also strived to develop marketing structure in the SFDA/

MFAL areas. In order to improve the business turnover of selected marketing societies located in intensive agricultural areas, the Corporation formulated a Central sector scheme involving a total outlay of Rs. 2.5 crores. The Corporation's Central sector scheme for block loans to small and medium-sized processing units has enabled the State Governments to take up larger and integrated processing programmes and also to diversify the activities of the existing processing units. In respect of co-operatively under-developed areas, the terms and conditions of this scheme were liberalised in respect of debt-equity ratio, rate of interest, etc. and the dairy co-operatives have been included in its purview to help the small and marginal farmers. From the inception of the scheme upto end-March 1972, 54 projects involving block loan assistance of Rs. 5.2 crores were sanctioned against which an amount of Rs. 1.6 crores was released in respect of 30 units. In order to activise the co-operative processing units in the co-operatively under-developed States, the Corporation further reduced the share of margin money to be provided by the State Government/co-operatives from 25 per cent to 10 per cent.

Under the Centrally sponsored scheme being implemented since 1969-70, for provision of margin money to marketing co-operatives for undertaking procurement, stocking and distribution of fertilizers and other agricultural inputs, the Corporation sanctioned funds of the order of Rs. 3 crores during the year, thus bringing the total assistance provided under the scheme to about Rs. 8 crores. The Corporation also assisted as many as five co-operatives to establish soil testing laboratories and 43 agro-service centres to provide facilities for servicing/repairing of tractors and other agricultural machinery and custom service in tractors. With regard to storage, the Corporation, in pursuance of the recommendations of the Expert Committee on Storage, constituted by the Planning Commission, formulated a Central sector scheme for the generation of an additional storage capacity of 1 million tonnes in the last two years of the Fourth Plan, involving a financial outlay of Rs. 15 crores. Further, the Corporation devoted special attention to co-operative development in the co-operatively under-developed States/areas, mainly the Eastern States, Rajasthan and Eastern U.P., the industrially under-developed districts as identified by the Planning Commission and the tribal areas.

Consumer co-operatives

A scheme for accelerated development of consumer co-operatives which will also generate additional employment opportunities for the educated unemployed was introduced in December 1971. Under this scheme, assistance is proposed to be provided for the development of about 40 existing wholesale/central consumer co-operative stores including department stores, identified as growth centres, and for the establishment of about an equal number of new retail outlets, during the remaining period of the Fourth Plan, with a total financial outlay of Rs. 1.3 crores. By the end of June 1970, there were about 13,500 primary consumer co-operatives, 400 central/wholesale consumer co-operatives, 14 State federations of consumer co-operatives and the National Co-operative Consumers' Federation at the apex.

As regards supply of consumer goods in rural areas, about 1,600 marketing societies and 32,888 village co-operative societies were engaged in this activity. The value of consumer articles distributed by these co-operatives was estimated at Rs. 225.7 crores during 1969-70.

Central and State Warehousing Corporations

The number of warehouses of the Central Warehousing Corporation rose from 123 to 141 during the year ending March 1972 and their total capacity increased from 1.33 million tonnes to 1.42 million tonnes. The number of warehouses including sub-warehouses of the State Warehousing Corporations rose from 607 at the end of March 1971 to 652 at the end of March 1972. Their capacity at 2.05 million tonnes at the end of March 1972 indicated a rise of 14 per cent over the year ending March 1971.

4. Commercial Banks and Agricultural Credit

The level of total outstanding advances to agriculture at the end of December 1971 at Rs. 395 crores with the number of borrower accounts at 12.2 lakhs was higher as compared with Rs. 382 crores and 10.9 lakh borrower accounts at the end of June 1971. Direct finance to agriculture over this period also showed a rise of 11.4 per cent from Rs. 236 crores to Rs. 263 crores and accounted for 66.6 per cent of the total outstanding advances at the end of December 1971. In conformity with the rise in the level of direct finance, the number of borrower accounts also showed an increase from 10.6 lakhs to 11.9 lakhs during the same period. In contrast to an increase in direct finance over the period June 1971 and December 1971, indirect finance to agriculture declined from Rs. 146 crores to Rs. 132 crores during the same period with the number of borrower accounts remaining constant at roughly 0.3 lakh (Table 16).

Of the total outstanding agricultural loans advanced by scheduled commercial banks, advances of nationalised banks increased from 54 per cent as at the end of June 1971 to over 58 per cent as at the end of December 1971. The share of nationalised banks in the total direct finance was about 61 per cent. The State Bank of India and its subsidiaries accounted for about 30 per cent of total agricultural advances while their share in direct finance was 26 per cent as at the end of December 1971. The share of nationalised banks in indirect finance was about 54 per

Table 16—Scheduled Commercial Banks' Advances to Agriculture

(Amount in lakhs of rupees)

As on the last Friday of	Indirect Finance to Agriculture							
	Finance for distribution of fertilizers and other inputs				Loans to Electricity Boards for energising of wells			
	Limits in force		Balance outstanding		Limits in force		Balance outstanding	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
	1	2	3	4	5	6	7	8
June 1970	5,211	162,17	4,814	83,50	438	50,00	428	36,50
June 1971	5,046	145,89	4,586	59,54	548	61,57	546	48,73
December 1971	5,839	111,81	5,290	42,26	141	66,43	136	54,68

Indirect Finance to Agriculture				Direct Finance to Agriculture				Total			
Other types of indirect finance											
Limits in force		Balance outstanding		Limits in force		Balance outstanding		Limits in force		Balance outstanding	
No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
9	10	11	12	13	14	15	16	17	18	19	20
18,917	101,46	18,571	37,79	8,27,893	259,98	8,18,069	183,98	8,52,459	573,60	8,41,882	341,77
25,984	83,21	25,907	37,85	10,76,604	304,69	10,58,805	236,35	11,08,182	595,36	10,89,844	382,48
23,937	84,29	23,769	35,19	12,01,826	331,23	11,92,338	263,32	12,31,743	593,76	12,21,533	395,46

cent and that of State Bank of India and its subsidiaries 36 per cent as at end-December 1971 (Table 17).

The commercial banks' (including the State Bank) contribution to debentures floated by the land development banks during the year 1971-72 (April–March) amounted to Rs. 31.6 crores or about 25 per cent of the total subscription received.

Village Adoption Scheme

A reference was made in last year's Report to the guidelines issued by the Reserve Bank to commercial banks with regard to their agricultural lending. In accordance with these guidelines, a number of villages for the purpose of meeting the credit needs of farmers as also of persons engaged in different economic activities have been 'adopted' in a phased manner by the State Bank of India and its subsidiaries, Bank of India, Central Bank of India, Indian Bank, Dena Bank, Allahabad Bank, Bank of Maharashtra and Punjab National Bank. In all, 2,684 villages have so far been 'adopted' of which 2,377 or 89 per cent are 'adopted' by the State Bank group alone. While these banks have 'adopted' villages for intensive financing of agriculture, other banks such as Canara Bank, Syndicate Bank, Bank of Baroda, Indian Overseas Bank, United Commercial Bank and Union Bank of India have adopted an 'area

Table 17—Scheduled Commercial Banks' Advances to Agriculture—Bank Group-wise

(Lakhs of rupees)

	As on the last Friday of							
	June 1970				June 1971			
	Direct Finance		Indirect Finance		Direct Finance		Indirect Finance	
	Limits in force	Balance outstanding	Limits in force	Balance outstanding	Limits in force	Balance outstanding	Limits in force	Balance outstanding
	1	2	3	4	5	6	7	8
1. State Bank of India and subsidiaries of the State Bank	94,53	55,51	178,82	86,40	100,77	68,52	146,13	66,91
2. Nationalised Banks	137,53	104,87	107,48	54,87	169,11	137,85	124,12	67,68
3. Other Banks	27,92	23,60	27,33	16,52	34,81	29,99	20,43	11,52
4. Total	259,98	183,98	313,63	157,79	304,69	236,35	290,67	146,12

	December 1971			
	Direct Finance		Indirect Finance	
	Limits in force	Balance outstanding	Limits in force	Balance outstanding
	9	10	11	12
1. State Bank of India and subsidiaries of the State Bank	100,88	68,85	113,40	48,04
2. Nationalised Banks	190,68	159,72	127,20	71,05
3. Other Banks	39,67	34,76	21,92	13,05
4. Total	331,23	263,33	262,52	132,14

approach' for fostering agricultural development. In this connection, mention may be made of the 'Intensive Centre Scheme' formulated by the State Bank of India in addition to the 'village adoption scheme'. The basic objective of the scheme is to select compact areas, where the economy in its various facets can be improved by the State Bank's credit support. Preference is given to areas which are backward and where special schemes of the Government are being taken up. Agricultural Development Branches are set up at such Intensive Centres with the support of technical and other field staff. The centres are selected in consultation with the State Governments. The State Bank has proposed to select 150 Intensive Centres throughout the country and at each centre it will open an Agricultural Development Branch. The State Bank has obtained approval from the Reserve Bank for opening 53 Agricultural Development Branches of which 27 have so far been opened.

Other special schemes for financing agriculture

With a view to facilitating intensive agricultural development, the public sector banks have decided to accord priority to certain agricultural schemes in their credit programme. The more important among these include dry farming, intensified cropping and milk production, hire purchase seheme for purchase by farmers of tractors, diesel engines/electric motors etc., dairy development, lift irrigation, fertilizer distribution and energisation of wells. Under these schemes, 11 public sector banks sanctioned limits aggregating nearly Rs. 40 crores during the year.

Agricultural Finance Corporation

The activities of the Agricultural Finance Corporation during the year were directed more to securing extensive participation of its member-banks in the sphere of financing agriculture than to direct lending. The Corporation sanctioned during the year six schemes involving a total outlay of Rs. 25.5 crores to be financed entirely by member-banks. The amount disbursed by the Corporation and the member-banks together amounted to Rs. 11.2 crores. During the four years of its existence, i.e. April 1968 to June 1972, the schemes approved by the Corporation, after taking into account the number of schemes withdrawn and the changes in outlay, numbered 39 involving an outlay of Rs. 153.2 crores. The total disbursements made by the Corporation and member-banks during the period amounted to Rs. 41.2 crores.

One of the important activities undertaken by the Corporation during the year was the identification of schemes which were already in existence that could be taken up as well as the formulation of new agricultural development schemes for member-banks in the districts allotted to them under the Lead Bank Scheme. During the year, as many as 12 member-banks approached the Corporation for the preparation of reports on identification and formulation of agricultural development schemes in the districts allotted to them and the Corporation submitted reports in respect of five districts allotted to five member-banks.

Further, the Corporation was consulted by the member-banks in respect of preparation and appraisal of six projects to be financed, three of these relating to fisheries, one each for lift irrigation, seasonal crop loans for growing seed potatoes and custom service unit for tubewell drilling.

Scheme of financing primary agricultural credit societies by commercial banks

The transitional scheme of financing agricultural credit societies by commercial banks continued to operate in 49 districts of five States, viz. Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh. With effect from *kharif* 1972 season, two districts in Orissa and one more district in Haryana would also be brought under the scheme. As at the end of April 1972, 19 commercial banks, including the State Bank of India group, had taken over 1,982 societies of which the banks financed 1,404 societies. Commercial banks disbursed through primary agricultural credit societies short-term loans to the extent of Rs. 5.0 crores and Rs. 1.5 crores for *kharif* 1971 and *rabi* 1971-72 opera-

tions, respectively. With a view to encouraging societies to take up distribution of agricultural inputs and essential consumer goods, a beginning was made by sanctioning cash credit accommodation to societies for the purpose.

In order to attain the objective of revitalisation of societies, all agencies concerned with the implementation of the scheme, particularly the State Governments, were advised to initiate steps to increase overall membership and borrowing membership and step up the credit and non-credit business of the primary societies. The State Governments were also persuaded to formulate schemes for subsidising part of the cost of maintenance of paid secretaries who would help the societies to expand their loan operations and undertake non-credit activities on a larger scale. The commercial banks, on their part, agreed to provide medium-term loans to the societies to meet the balance of cost of paid secretaries after taking into account the subsidy that might be provided by State Governments. Moreover, for strengthening the capital base of societies, the Reserve Bank liberally sanctioned loans to State Governments out of National Agricultural Credit (Long-term Operations) Fund for share capital contribution of credit societies with a ceiling of Rs. 10,000 per society.

With regard to recovery performance, during 1970-71, out of the total demand of Rs. 6.3 crores, the commercial banks recovered Rs. 4.3 crores or 69.6 per cent of the demand. In Haryana, Mysore and Madhya Pradesh, the progress achieved under the scheme in so far as recovery of loans was concerned was satisfactory while in the other two States of Andhra Pradesh and Uttar Pradesh, the recovery performance was tardy because of drought in some parts of Andhra Pradesh and untimely rains in Uttar Pradesh.

As the decision regarding extending this scheme of credit supply to co-operative societies to other parts of the country having sizeable credit gaps could be taken only after assessing the performance of the scheme in areas where it was already in operation, quick studies of the working of the scheme were conducted in Mysore, Haryana, Madhya Pradesh and Andhra Pradesh by study teams of the Reserve Bank. According to study teams, the more important factors inhibiting the flow of credit were as follows: (i) inadequacy of individual maximum borrowing power, (ii) insistence on high level of minimum repayment performance, (iii) absence of paid secretaries, (iv) lack of term credit facilities, etc.

State Level Standing/ Co-ordination Committees

For a periodical review of the progress of the scheme of commercial banks financing agricultural credit societies, referred to earlier, State Level Standing Committees were set up in the five States, viz. Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh. Efforts are being made to form a Committee in Orissa. A number of issues like allotment of societies, enlarging the coverage of societies, increasing loan business, etc. were discussed at the meetings of these committees held during 1971-72. With a view to co-ordinating the activities of commercial and co-operative banks in the sphere of financing agriculture, State Level Co-ordination Committees were also set up in several States.

5. Institutional and other Developments in Co-operative Credit

Banking Commission on co-operation and rural banking

The Banking Commission which submitted its report to Government during the year made important recommendations for strengthening institutional structure of rural banking and co-operative credit institutions. In areas where co-operative credit structure is generally weak, rural banks may be established either by making a good society work as a subsidiary of a commercial bank or by the commercial bank setting up its own subsidiary. For this purpose, resources from the National Agricultural Credit (Long-term Operations) Fund should be made available to commercial banks and the Deposit Insurance Scheme and the Credit Guarantee Scheme extended to rural banks.

Agricultural Credit Board meetings

During the year under review, the Agricultural Credit Board met twice in July and September 1971. At these meetings, the Board stressed the necessity for an effective and early implementation of the recommendations of the All-India Rural Credit Review Committee by State Governments and co-operative credit institutions. Endorsing the recommendations of the Expert Group on State Enactments Having a Bearing on Commercial Banks Lending to Agriculture, the Board opined that the State Governments should take expeditiously the necessary legislative and administrative measures on the basis of the recommendations. It was also decided that for ensuring co-ordination between co-operative and commercial banks in financing agriculture, at the national level, a Standing Committee of the Board with the Governor of the Reserve Bank as Chairman should be constituted.

The joint meeting of the Standing Committees I and II of the Agricultural Credit Board held in June 1972 discussed, among other things, the Report of the Study Group which was appointed to examine the proposal of the All-India Rural Credit Review Committee for providing incentives to central co-operative banks for deposit mobilisation and disincentives to borrowings from the Reserve Bank. After examining the various factors relevant for fixing deposit targets in respect of a large number of central co-operative banks in the country, the Group had come to the conclusion that the formula recommended by the Rural Credit Review Committee for linking concessional borrowing from the Reserve Bank with efforts at deposit mobilisation by the central co-operative banks would not be feasible as it did not provide incentives for deposit mobilisation and disincentives to borrowings from the Reserve Bank in an adequate manner. As such, an alternative formula which combines in itself, appropriately, both these elements was recommended by the Group. The recommendations made in this regard were briefly as follows: (*a*) The Reserve Bank's lending rate may be fixed at ½ per cent below the Bank rate and the central co-operative banks may be allowed a rebate of 1½ per cent on (i) the borrowings upto the base level and (ii) the additional borrowings upto twice the increase in the central bank's involvement out of its own resources in agricultural loans. (*b*) The highest level of borrowings from Reserve Bank for seasonal agricultural operations reached during the preceding three years may be fixed as the "base level." Where the banks have not availed of the maximum loan from the Reserve Bank and consequently, the base level has been unduly low, the entitlement at the concessional rate may be even higher than twice the increase in the central bank's own involvement and be even three or four times depending on the merits of each case. In view of the low operational efficiency and meagre disposable resources of non-viable central banks, the Group had recommended that central banks enjoying credit limits from the Reserve Bank not exceeding Rs. 50 lakhs during any of the preceding three years and also those which have not attained a loan business of Rs. 1 crore should be exempted from the purview of the proposed scheme. Such banks would continue to get accommodation from the Reserve Bank at 2 per cent below the Bank rate. The joint meeting endorsed the recommendations of the Study Group and suggested that the recommendations may be implemented from the year 1973-74.

Taccavi loans through co-operatives

With the acceptance of the policy of routing *taccavi* loans through co-operatives by a number of States, it is necessary to take steps to bring all the cultivators who were formerly the recipients of *taccavi* credit into the co-operative fold. As, however, a large number of these farmers belong to the category of small and medium-sized cultivators who do not command the necessary financial resources to contribute to the share capital to qualify themselves for the requisite amount of credit, the Reserve Bank suggested that the State Governments might earmark a part of their *taccavi*/budgetary funds for

advancing share capital loans to such cultivators. This would facilitate a greater flow of credit to the cultivators with comparatively smaller outlay by the Governments than when they were advanced *taccavi* loans. Under the scheme, State Governments were advised to issue loans for purchase of shares in primary agricultural credit societies only to small and medium cultivators owning not more than 10 acres of land. The maximum and minimum amount of the loan to a cultivator could be fixed at Rs. 200 and Rs. 20, respectively. It was suggested that the entire work regarding issue and recovery of such loans and repayment thereof to Government should be done by societies and central co-operative banks acting only as agents of the Government.

Co-operative credit for backward tribes/under-developed areas

On the basis of the recommendation of the Standing Committee I of the Agricultural Credit Board, the Reserve Bank decided to provide credit facilities for the purpose of collection and marketing of minor forest produce (such as hill brooms, tamarind, sheekakai, kendu leaves, marking nuts, medicinal herbs and roots, etc.) for the benefit of *adivasis* and tribal people. Financial assistance for this purpose will be provided to the State co-operative banks at Bank rate under Section 17(4)(*c*) of the Reserve Bank of India Act as a separate line of credit against the guarantee of the concerned State Government. The Bank also requested the State Governments to implement certain suggestions in this regard in order to enable the co-operative credit structure to take full advantage of the refinance facilities.

With a view to work out a blueprint, district-wise, for institutional credit arrangements for the weaker States in co-operative credit like Assam, Bihar, Orissa, Rajasthan and Eastern Districts of Uttar Pradesh, the Government of India constituted early in 1972 an Expert Group consisting of representatives of the Union Departments of Agriculture, Co-operation and Banking, the Reserve Bank of India and the Planning Commission. The Group would work in collaboration with the concerned departments of the State Governments. It would study the local credit situation and consider various measures such as reorganization of the primary agricultural credit societies, rehabilitation of the district central co-operative banks, direct financing of primary agricultural credit societies by commercial banks, direct financing of farmers by commercial banks, etc. As regards West Bengal, the Governor of the Reserve Bank had appointed a study team on co-operative agricultural credit institutions in the State. The team has since submitted its report to the Governor and the various recommendations of the team are under consideration.

Rehabilitation of weak central co-operative banks

Another step taken by the Government of India during the year was the formulation, in consultation with the Planning Commission and the Reserve Bank, of a detailed programme for rehabilitation of selected weak central co-operative banks. Only those banks whose bad and doubtful debts, accumulated losses and other overdues over three years together exceed 50 per cent of their owned funds and whose uneroded owned funds are less than Rs. 25 lakhs as on June 30, 1971 would be covered by the scheme. Further, the bank concerned should have scope for becoming a viable unit after rehabilitation within a reasonable period by raising its loan business to about Rs. 1 crore. The objective of the rehabilitation programme would be to write off the accumulated bad debts, losses and irrecoverable overdues over three years at the level of primary credit societies as ascertained after due investigation. The total write-off should not exceed 50 per cent of the amount of bad and doubtful debts, losses and overdues. Overdues from medium and large farmers are not to be written off under any circumstances. Under the scheme, the co-operative institutions at each level, viz., primary societies, central co-operative banks and the apex bank will be required to meet ordinarily 20 per cent of the amount written off from their own resources depending

upon the availability of reserves. In certain deserving cases, the share may be reduced to 5 per cent. The institutions can, for this purpose, use all available resources including statutory reserves but excluding the Agricultural Credit Stabilisation Fund. The amount required for the write-off after deducting the share of the primary societies, central co-operative banks and State co-operative bank will be shared equally between the Central and State Governments. The Reserve Bank is actively associated with the implementation of the scheme.

Conference of Ministers in charge of Co-operation

The Annual Conference of Ministers in charge of Co-operation held in New Delhi in the last week of November 1971 made a mid-term review of the implementation of various co-operative programmes in the Fourth Plan. The main focus of the Conference was on realignment of policies and procedures of co-operatives directed to provide larger access to credit (preferably at lower rates of interest) and other services and facilities to small farmers and other vulnerable sections of the community for increasing production and income, formulation of special programmes for them and on strengthening of the structure of co-operatives in order to make them viable units. The Conference recommended that special programmes like dairy, fishery, poultry and labour co-operatives should be developed intensively, particularly in areas covered by Small Farmers Development Agencies and Marginal Farmers and Agricultural Labourers Development Projects. The Conference commended the effort of the Girijan Co-operative Corporation in Andhra Pradesh and suggested that similar action should be taken for the welfare of the tribals in other States. It favoured the establishment of a 'credit service system' as distinguished from a mere 'credit system' in order to link closely the co-operative credit activity on the one hand and the processing and marketing of agricultural produce and supply of inputs and allied services on the other. It generally endorsed the Government of India's scheme for rehabilitation of weak central co-operative banks with joint efforts of the co-operative credit structure, the Reserve Bank, the State Governments and the Central Government.

Expert Committee on NCDC

The Expert Committee on the National Co-operative Development Corporation submitted its Report to the Government of India in October 1971. The Committee opined that the activities of the Corporation did not in any way encroach upon the activities of the State Governments nor did they duplicate the functions of the Union Department of Co-operation. The Committee, therefore, recommended that the Corporation should continue as an effective organisation and should function in conjunction with or through State Governments. In order to enable the Corporation to play a more effective role, a two-tier organisational set-up was recommended consisting of a General Council and a Board of Management. The General Council, the Committee suggested, may consist of 45 members representing Central and State Ministries, Reserve Bank of India, State Bank of India, commercial banks, Food Corporation of India, Central Warehousing Corporation, Industrial Finance Corporation and All-India and State level co-operative organisations. It should also include persons having special knowledge or practical experience in co-operation. As regards finances of the Corporation, the Committee felt that, on account of its promotional role, the Corporation should have its own funds adequate to meet the growing requirements. The Committee's recommendation in this respect was that the Union Government should give non-lapsable annual grant of Rs. 10 crores upto the end of the Fifth Plan (1978-79), whereafter the position could be reviewed. The Government should also continue to give funds to the Corporation for certain Centrally sponsored and Central Sector schemes during the rest of the Fourth Plan period. In the opinion of the Committee, the outstanding amount of about Rs. 40 crores (due to Government) could be consolidated into a single interest-free loan repayable in 15 annual instalments commencing after the

expiry of 15 years. Further, the Corporation should be enabled to obtain assistance from the National Industrial Credit (Long-term Operations) Fund with the Reserve Bank and also international assistance from the World Bank. The Corporation should be allowed to resort to market borrowings through debentures guaranteed by the Government. Lastly, as against the maintenance of one single fund called 'National Co-operative Development Fund' by the Corporation to be drawn upon for its various programmes, the Corporation should have separate funds for specific purposes.

Progress of SFDA/MFAL schemes

As a part of the programme to assist small but potentially viable farmers to become viable and to improve the income-earning capacity of marginal farmers and agricultural labourers, 46 Small Farmers Development Agency (SFDA) projects and 41 Marginal Farmers and Agricultural Labourers (MFAL) projects are currently in operation in the country in selected districts on a pilot basis. These schemes have been dealt with in detail in the previous Chapter.

The progress achieved by the projects in respect of identification of participant farmers and their enrolment as members of primary co-operative societies, assistance given to credit agencies, etc. upto end-May 1972 is given in Table 18.

Manual on production-oriented system of lending for agriculture

The Reserve Bank has revised the Crop Loan Manual in the light of the recommendations of the All-India Rural Credit Review Committee. Some of the important modifications suggested relate to the constitution of a technical group comprising the representatives of the Agriculture and Co-operation Departments, the central co-operative bank and a few progressive cultivators for fixing the scales of finance on realistic basis, fixation of scales of finance on the basis of two components, preparation of credit limit statements separately for small/marginal/economically weak farmers and other farmers, rationing the quantum of cash admissible to big farmers, thereby requiring them to plough back a part of their own resources into agricultural sector, introduction of cash credit type of accommodation in areas which are under multiple cropping or where certain cash crops like sugarcane, coconut, etc. are grown, determination of repaying capacity on the basis of

Table 18—Progress of SFDA/MFAL Schemes (Upto end-May 1972)

	SFDA	MFAL
1. Amount sanctioned for the financial years 1970-71 and 1971-72 (combined) (Rs. lakhs)	8,92	5,04
2. Amount utilised since inception (Rs. lakhs)	6,16	2,64
3. Number of small farmers/marginal farmers identified (in thousands)	15,80	7,56
4. Of these, number of farmers enrolled as members of co-operatives (in thousands) ..	6,93	1,59
5. Production loans (short-term) issued (Rs. lakhs).	18,54	1,03
6. Investment loans (medium and long-term) issued (Rs. lakhs)	12,32	94
7. Assistance given under the scheme to credit agencies (subsidy, risk fund contributions, staff subsidy and share capital) (Rs. lakhs)*	1,26	56

* As at the end of March 1972.

net incremental income in the case of term loans for investment purposes and valuation of land on the basis of post-developmental net income.

Reorganisation of industrial co-operative banks

Mention was made in the last year's Report about the alternative proposals given by the Reserve Bank to State Governments regarding reorganisation of the State level industrial co-operative banks. Based on these alternatives, further progress was made in regard to the reorganisation of State level industrial co-operative banks in Mysore and Tamil Nadu. In Mysore, it was decided to convert the existing State level industrial co-operative bank into a primary (urban) co-operative bank with State-wide jurisdiction after disaffiliating and transferring the societies to other central co-operative banks. Similarly, in Tamil Nadu, the State Government has accepted the proposal of converting the State level industrial co-operative bank into a central co-operative bank.

In Rajasthan, the State Government had sanctioned an amount of Rs. 5 lakhs towards bad and doubtful debts reserve of the Rajasthan State level industrial co-operative bank. The Reserve Bank had also sanctioned a loan of Rs. 5 lakhs from out of the National Agricultural Credit (Long-term Operations) Fund to the Rajasthan State Government for making share capital contribution to the bank. These measures are intended to enable the bank to satisfy the provisions of Section 11 of the Banking Regulation Act, 1949 (as applicable to co-operative societies). Recently, guidelines for the reorganisation of the bank have been forwarded to the concerned agencies for necessary action.

Banking regulation and credit control

As at the end of June 1972, there were 1,337 co-operative banks—29 State, 366 central and 942 primary banks —coming under the purview of the Banking Regulation Act, 1949 (as applicable to co-operative societies) as against 1,315 co-operative banks at the beginning of the year.

As at the end of June 1972, 391 co-operative banks were registered as insured co-operative banks by the Deposit Insurance Corporation in Andhra Pradesh, Madhya Pradesh, Maharashtra and the Union Territory of Goa, Daman and Diu. Other 15 State Governments and Union Territories have agreed, in principle, to amend their respective Co-operative Societies Acts to extend deposit insurance scheme to co-operative banks.

In the sphere of selective credit control, the restrictions imposed on advances against the security of cotton and *kapas*, which were earlier related to total liabilities of co-operative banks, were discontinued. Instead, the aggregate level of credit has been fixed at Rs. 200 lakhs in the case of a State co-operative bank (other than an apex bank operating in a Union Territory) and at Rs. 50 lakhs in the case of a central co-operative bank (or a State co-operative bank operating in a Union Territory). This aggregate level of credit is not applicable in respect of the bank's advances to co-operative cotton spinning mills. A State co-operative bank or a central co-operative bank is allowed to maintain credit limits in excess of the levels specified above, only to the extent of its respective borrowings from the Reserve Bank or the State co-operative bank, as the case may be. However, the aggregate level of credit limit granted against the security of cotton and *kapas* should not exceed certain prescribed percentages of maximum outstandings reached during the specified periods.

CHAPTER V—BUDGETS AND PUBLIC DEBT

The Government sector's contribution to expansion in money supply during 1971-72 was reflected in the combined overall deficit of Rs. 387 crores[1] originally expected; the deficit was to occur despite anticipated additional resource mobilisation of the order of Rs. 250 crores. As a result of fiscal strains which developed during the year, the overall deficit deteriorated further to Rs. 631 crores[2]; for 1972-73, however, the combined overall deficit is placed at Rs. 242 crores[3] (Table 1).

Total Disbursements

The deterioration in the overall position resulted notwithstanding an improvement of 15 per cent in total receipts. This was more than offset by an increase of 16.5 per cent (to Rs. 10,481 crores) in disbursements (including loans and advances), as against the anticipated rise of 9.2 per cent; the rate of growth in total disbursements in 1971-72 was considerably higher than in 1969-70 (11.4 per cent) and 1970-71 (9.5 per cent). Developmental outlay which was expected to rise by 15.5 per cent showed a rise of 17.4 per cent, principally because of an increase in the States' outlay by 19 per cent as against the anticipated rise of 15.3 per cent. Non-developmental outlay, reflecting additional expenditure on refugee relief, defence and natural calamities, shot up by 19.8 per cent, far exceeding the anticipated rise of 1.7 per cent. In 1972-73, non-developmental outlay is expected to show a decline of 0.9 per cent whereas provision for developmental outlay is being stepped up by 10 per cent.

Total Receipts

As mentioned earlier, total receipts rose by 15 per cent (to Rs. 9,850 crores) in 1971-72, exceeding the anticipation of a rise of 10.1 per cent. Tax receipts, which account for a substantial portion of increase in aggregate receipts in 1971-72, rose by 16.5 per cent—the highest growth rate during the first triennium of the Fourth Plan. As a result of acceleration in the growth rate of tax revenues, their proportion to net domestic product at market prices (estimated) increased from 12.1 per cent in 1969-70 to 13.4 per cent in 1971-72; the tax-income ratio may further rise in 1972-73 as tax receipts are anticipated to rise by 14.6 per cent. The percentage of taxes on commodities and services to net domestic product at market prices rose from 9 in 1969-70 to 10.3 in 1971-72 whereas that of taxes on income and property was virtually stationary at 3.1 per cent.

Capital Receipts

Capital receipts in 1971-72 showed a rise of 7.5 per cent. Domestic market borrowings (gross) and external loans increased by Rs. 209 crores and Rs. 141 crores, respectively, over the previous year; these were, however, offset to some extent by deterioration in receipts under other unfunded debt. Net receipts under small savings and State Provident Funds, which account for a major part of the direct draft by the Government administration on the household sector's savings, increased by Rs. 34 crores (to Rs. 375 crores) in 1971-72. Of the small savings collections some portion represents investment by institutions such as Employees' Provident Fund; even making allowance for this factor, household sector's investment in small savings media is estimated to have improved between 1969-70 and 1971-72. The proportion of household sector's savings in the form of Central and State Governments Employees' Provident Funds and claims on Government (comprising invest-

Note: All figures for 1971-72 referred to in this Chapter represent revised estimates unless otherwise stated.

1 As measured by net increase in outstanding Treasury bills and withdrawal from cash balances in respect of Centre and withdrawal from cash balances; net sales of securities held by States in their cash balance investment accounts; net transfer from revenue reserve funds; and budget figures of net increase in ways and means advances and overdrafts from RBI in respect of State Governments.

2 Although final accounts are not available, there are indications that the actual deficit may rise further.

3 This does not take into account the excess amounts (over the budget estimates) of Rs. 109 crores and Rs. 30 crores in the net market borrowings of the Central and State Governments, respectively, during 1972-73 and net outgo of Rs. 47 crores on account of Supplementary Demands for Grants for Centre presented to the Lok Sabha in August 1972.

Table 1—Combined Receipts and Disbursements of Central and State Governments

(Rs. Crores)

	1970-71 (Accounts)		1971-72 (Budget Estimates) (*a*)		1971-72 (Revised Estimates)		1972-73 (Budget Estimates) (*a*)	
	Amount	Per cent increase (+)/ decrease (—) over the previous year	Amount	Per cent increase (+)/ decrease (—) over the previous year	Amount	Per cent increase(+)/ decrease (—) over the previous year	Amount	Per cent increase (+)/ decrease (—) over the previous year
I. Total Disbursements	**8,995**	**+ 9.5**	**9,819**	**+ 9.2**	**10,763**	**+ 19.7**	**10,823**	**+ 0.6**
Of which :					**(10,481)**	**(+16.5)**	**(10,893)**	**(+ 3.9)**
Developmental Outlay (a+b)	**3,590**	**+ 14.3**	**4,148**	**+ 15.5**	**4,427**	**+ 23.3**	**4,638**	**+ 4.8**
					(4,215)	**(+ 17.4)**		**(+ 10.0)**
(*a*) Revenue	2,400	+ 14.0	2,754	+ 14.8	2,825	+ 17.7	3,123	+ 10.5
(*b*) Capital	1,190	+ 15.0	1,394	+ 17.1	1,602	+ 34.6	1,515	— 5.4
					(1,390)	(+ 16.8)		(+ 9.0)
Non-Developmental Outlay (a+b)	**3,675**	**+ 12.1**	**3,739**	**+ 1.7**	**4,472**	**+ 21.7**	**4,292**	**— 4.0**
					(4,402)	**(+ 19.8)**	**(4,362)**	**(— 0.9)**
(*a*) Revenue	3,366	+ 6.6	3,593	+ 6.7	4,264	+ 26.7	4,216	— 1.1
(*b*) Capital	309	+153.3	146	— 52.8	208	— 32.7	76	— 63.5
					(138)	(— 55.3)	(146)	(+ 5.8)
II. Total Receipts (A+B)	**8,569**	**+ 4.1**	**9,432**	**+ 10.1**	**10,132**	**+ 18.3**	**10,581**	**+ 4.4**
					(9,850)	**(+ 15.0)**	**(10,651)**	**(+ 8.1)**
(A) Revenue Receipts	**5,958**	**+ 10.5**	**6,665**	**+ 11.9**	**7,043**	**+ 18.2**	**7,842**	**+ 11.3**
Of which :								
Tax Receipts (*a*+*b*)	4,735	+ 13.2	5,261	+ 11.1	5,516	+ 16.5	6,322	+ 14.6
(*a*) Taxes on commodities and services.	3,605	+ 15.8	4,048	+ 12.3	4,244	+ 17.7	4,897	+ 15.4
(*b*) Taxes on income and property	1,130	+ 5.6	1,213	+ 7.3	1,272	+ 12.6	1,425	+ 12.0
(B) Capital Receipts	**2,611**	**— 8.0**	**2,767**	**+ 6.0**	**3,089**	**+ 18.3**	**2,739**	**— 11.3**
					(2,807)	**(+ 7.5)**	**(2,809)**	**(+ 0.1)**
Of which :								
(1) Market borrowings (Gross)	593	— 16.5	652	+ 9.9	802	+ 35.2	705	— 12.1
(Net)	251	+ 8.2	245	— 2.4	392	+ 56.2	319	— 18.6
(2) Small Savings (Net)	184	+ 42.6	180	— 2.2	210	+ 14.1	230	+ 9.5
(3) State Provident Funds (Net)	157	+ 1.3	155	— 1.3	165	+ 5.1	175	+ 6.1
III. Overall Surplus (+) or Deficit (—) (II—I)	**—426**		**—387**		**—631**		**—242**	
Financed by :								
(i) Increase (+) or Decrease (—) in Cash balances of Centre and States	+ 130		—156		—436		— 92	
(ii) Increase in (—) Treasury bills of Centre.	— 359		—232		—205		—252	
(iii) Withdrawals from (—) or Additions to (+) Cash Balance Investment Account of States	— 4		+ 2		+ 11		— 20	
(iv) Increase (—) or Decrease (+) in Ways and Means advances and overdrafts from Reserve Bank of India to States	— 193		— 1		— 1		+122	

Notes : (1) The figures of capital receipts, total receipts and overall surplus/deficit in this table are not comparable with figures given in previous Currency and Finance Reports since beginning from this year net ways and means advances and overdrafts from RBI (as per State budgets) are treated as financing items and not as capital receipts as was the practice earlier.

(2) Figures are adjusted for inter-Governmental Transfers. The combined overall position remains unchanged.

(3) Figures in brackets exclude notional capital receipts/disbursements on account of conversion of loan of Rs. 212 crores to public sector undertakings into equity capital (during 1971-72) and Rs. 70 crores under the Contingency Fund of India (during 1971-72 and 1972-73).

(*a*) Includes effects of budget proposals.

ment in small savings and direct investment in Government securities) to household sector's savings in financial assets (gross) is estimated to have declined from 14 per cent in 1969-70 to 10.7 per cent in 1971-72.

CENTRAL GOVERNMENT BUDGET

1971-72—Revised Estimates

For 1971-72, Central Budget anticipated an overall deficit of Rs. 233 crores after taking credit for additional yield of Rs. 164 crores (exclusive of States' share of Rs. 41 crores) from fresh tax measures. It may be recalled that mainly to meet expenditure on refugee relief, Supplementary Demands for Grants were presented in August and December 1971; total net outgo on account of these was estimated at Rs. 293 crores. The defence expenditure has also turned out to be more than anticipated originally. To some extent, the increases were offset by additional resource mobilisation of the order of about Rs. 180 crores through taxation and floatation of three National Defence Loans. The net result of these changes is an increase of Rs. 152 crores (to Rs. 385 crores) in the revised estimates of overall deficit.

In 1971-72, aggregate receipts (revenue *plus* capital) showed an improvement of Rs. 908 crores (to Rs. 7,152 crores) over the budget; this improvement was on both revenue and capital accounts, receipts under which increased by Rs. 354 crores and Rs. 554 crores, respectively. This was, however, more than offset by increase in aggregate disbursements (including miscellaneous remittances), which, at Rs. 7,537 crores, exceeded the budgeted provision by Rs. 1,060 crores; while revenue expenditure increased by Rs. 520 crores over the budget estimates, capital disbursements rose by Rs. 540 crores.

Economic and Functional Classification

The classification of budgetary transactions into revenue and capital, as given in Statements 61, 62 and 63, does not bring out clearly the impact on capital formation and savings in the economy; it also does not indicate adequately the purposes

Table 2—Economic Classification of Total Expenditure

(Rs. Crores)

	1970-71		1971-72				1972-73		Per cent variation in 1972-73 over 1971-72
	(Accounts)		(Budget Estimates)		(Revised Estimates)		(Budget Estimates)		
	Amount	%	Amount	%	Amount	%	Amount	%	
I. Total Expenditure (II+III)	**5,576 (5,378)***	**100.0**	**5,874**	**100.0**	**6,722**	**100.0**	**6,869**	**100.0**	**+ 2.2**
II. Final Outlays (i+ii)	**2,188**	**39.2**	**2,382**	**40.6**	**2,528**	**37.6**	**2,690**	**39.2**	**+ 6.4**
(i) Consumption Expenditure (*a*+*b*)	1,669	29.9	1,740	29.6	1,917	28.5	1,966	28.6	+ 2.6
(*a*) Wages and Salaries	839	15.0	884	15.0	909	13.5	953	13.9	+ 4.8
(*b*) Commodities and Services	830	14.9	856	14.6	1,008	15.0	1,013	14.7	+ 0.5
(ii) Gross Capital Formation	519	9.3	642	11.0	611	9.1	724	10.6	+18.5
III. Financial Resources Provided to Third Parties (i to iv)	**3,388**	**60.8**	**3,492**	**59.4**	**4,194**	**62.4**	**4,179**	**60.8**	**— 0.4**
(i) Current Transfers	1,239	22.2	1,468	25.0	1,807	26.9	1,759	25.6	— 2.7
(ii) Capital Transfers	193	3.5	243	4.1	284	4.2	302	4.4	+ 6.3
(iii) Loans and Advances	1,492	26.8	1,510	25.7	1,821	27.1	1,856	27.0	+ 1.9
(iv) Investments	464	8.3	271	4.6	282	4.2	262	3.8	— 7.1

* Excludes compensation paid to nationalised banks estimated at Rs. 84 crores and additional subscriptions to IMF and IBRD paid in the form of non-negotiable, non-interest bearing rupee securities estimated at Rs. 114 crores.

served through Government expenditure. Analysis of the budget in terms of economic and functional classification is, therefore, more meaningful. According to such classification,[4] total expenditure of the Central Government comprising final outlays (consumption expenditure *plus* direct capital formation) and resources provided to third parties in the form of loans, investments and transfers (e.g. grants, subsidies, pension, interest, etc.) was Rs. 6,722 crores[5] in 1971-72; at this level it exceeded the budgeted provision by Rs. 848 crores (Table 2). Final outlays, which represent demand of the Central Government for goods and services for its own use, amounted to Rs. 2,528 crores and showed a rise of Rs. 146 crores over the budget while financial resources provided to third parties at Rs. 4,194 crores showed an increase of Rs. 702 crores.

Expenditure on Capital Formation

The increase in total expenditure, however, was entirely in respect of items which do not result in capital formation; expenditure on capital formation declined to Rs. 2,176 crores—a decline of Rs. 42 crores from the budgeted level (Table 3). Direct gross capital formation (gross fixed capital formation *plus* increase in inventories) at Rs. 611 crores was lower than the corresponding budgetary provision by Rs. 31 crores. Direct gross fixed capital formation was of the order of Rs. 592 crores—Rs. 45 crores lower than the budgeted amount mainly on account of non-materialisation of capital formation under transport and communications.

[4] An Economic and Functional Classification of the Central Budget is published by the Ministry of Finance, Government of India.

[5] The difference in figures between the total expenditure as given in Economic and Functional Classification and the disbursements indicated in Statements 61, 62 and 63 is mainly due to exclusion of discharge of debt from total expenditure as given under Economic and Functional Classification and adjustments made therein with regard to items like interest transfer to departmental undertakings, current expenditure of departmental undertakings, capital expenditure financed out of Railways' and Posts and Telegraphs' own funds, transfers to funds, appropriation to Contingency Fund, etc.

Table 3—Provision for Capital Formation

(Rs. Crores)

	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
I. Developmental (1 to 3)	**1,863**	**2,141**	**2,109**	**2,414**
1. Social Services	82	120	112	123
2. Economic Services (*a* to *d*)	1,223	1,402	1,380	1,683
(*a*) Agriculture	62	88	115	133
(*b*) Industry	419	568	517	642
(*c*) Transport and Communications	545	610	579	734
(*d*) Other Economic Services	197	136	169	174
3. Block Grants and Loans	558	619	617	608
II. Non-Developmental (a+b)	**25**	**77**	**67**	**27**
(*a*) General Services	— 4	21	18	27
(*b*) Unallocable	29	56	49	—
III. Total Provision for Capital Formation (I+II)	**1,888@**	**2,218**	**2,176**	**2,441**
IV. Total Developmental Expenditure	**2,659**	**3,136**	**3,124**	**3,544**
V. I as per cent of IV	**70.1**	**68.3**	**67.5**	**68.1**

@ Includes compensation paid to nationalised banks estimated at Rs. 84 crores.

Of the decline of Rs. 42 crores in capital formation expenditure, Rs. 32 crores were in respect of developmental expenditure (comprising social and economic services); consumption expenditure and current transfers for developmental purposes were also Rs. 79 crores less than in the budget. However, as loans and capital transfers for purposes other than capital formation increased by Rs. 99 crores total developmental expenditure at Rs. 3,124 crores showed only a modest decline (Rs. 12 crores) over the budget (Table 4).

Developmental and Non-developmental Expenditure

mentary Demands for Grants twice during the year. Thus, expenditure on refugee relief in 1971-72, which was principally borne by the Central budget, turned out to be Rs. 325 crores as against initial provision of Rs. 60 crores in the budget. Additional provision for defence, increase in assistance to States and Union Territories for ways and means, natural calamities, etc. and assistance to the Bangladesh Government, accounted for much of the remaining increase in non-developmental expenditure. In consequence, current expenditure (consumption expenditure *plus* current transfers) of the Central Government increased

Table 4—Developmental and Non-Developmental Expenditure of the Central Government

(Rs. Crores)

	1970-71 (Accounts)		1971-72 (Budget Estimates)		1971-72 (Revised Estimates)		1972-73 (Budget Estimates)	
	Amount	Per cent variation over the previous year	Amount	Per cent variation over the previous year	Amount	Per cent variation over the previous year	Amount	Per cent variation over the previous year
Total Expenditure (A+B)	**5,576****	**+13.2**	**5,874**	**+ 5.3**	**6,722**	**+20.6**	**6,869**	**+2.2**
A. Developmental Expenditure (i+ii) ..	**2,659** (47.7)	**+13.0**	**3,136** (53.4)	**+17.9**	**3,124** (46.5)	**+17.5**	**3,544** (51.6)	**+13.4**
(i) Social Services	364 (6.5)	+19.7	578 (9.8)	+58.8	495 (7.4)	+36.0	663 (9.7)	+33.9
(ii) Economic Services@	2,295 (41.2)	+12.0	2,558 (43.6)	+11.5	2,629 (39.1)	+14.6	2,881 (41.9)	+ 9.6
B. Non-Developmental Expenditure (i+ii) ..	**2,917** (52.3)	**+13.4**	**2,738** (46.6)	**— 6.1**	**3,598** (53.5)	**+23.3**	**3,325** (48.4)	**— 7.6**
(i) General Services	1,777 (31.9)	+19.2	1,627 (27.7)	— 8.4	1,898 (28.2)	+ 6.7	1,909 (27.8)	+ 0.6
(ii) Unallocable	1,140 (20.4)	+ 5.5	1,111 (18.9)	— 2.6	1,700 (25.3)	+49.2	1,416 (20.6)	—16.7

Note : Figures in brackets are percentages to total expenditure.

** Includes compensation paid to nationalised banks estimated at Rs. 84 crores and additional subscription to IMF and IBRD paid in the form of non-negotiable, non-interest bearing rupee securities estimated at Rs. 114 crores.

@ Include block grants and loans.

In contrast to a shortfall in developmental expenditure, non-developmental expenditure (comprising general services and unallocable items) increased by Rs. 860 crores over the budgeted provision. A sizable part of this increase represented additional requirements arising from the influx of refugees from across the border and the outbreak of hostilities in December 1971. Additional provision for expenditure on refugee relief was made, as mentioned earlier, by presenting Supple-

from the budgeted level by Rs. 515 crores (to Rs. 3,724 crores).

Contrariwise, savings of the Government administration (current revenue *minus* current expenditure) declined from Rs. 242 crores in the budget to Rs. 95 crores in the revised estimates (Table 5). Gross savings (retained profits and depreciation provision) of the departmental commercial undertakings—mainly Railways

Savings of the Central Government

and Posts and Telegraphs — at Rs. 211 crores showed a modest improvement over earlier anticipations. After deducting expenditure on renewals and replacements from gross savings of the Central Government (savings of Government administration *plus* departmental undertakings), net savings amounted to Rs. 211 crores as against Rs. 335 crores initially budgeted.

of 23 per cent or Rs. 332 crores (to Rs. 1,787 crores) over 1971-72 (Budget Estimates). Although the increase in Central Sector Plan provision is shared by all the heads, the sharpest increase (over 53 per cent) is provided in respect of social services, indicating the Government's concern to combine the twin objectives of economic growth and social justice.

Table 5—Savings of the Central Government

(Rs. Crores)

	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)	Per cent variation of col. 4 over col. 3
	1	2	3	4	5
1. Revenue Receipts of Government Administration (i+ii)	**3,133**	**3,451**	**3,819**	**4,210**	**+ 10.2**
(i) Tax Revenue	2,434	2,700	2,881	3,320	+ 15.2
(ii) Non-tax Revenue	699	751	938	890	— 5.1
2. Current Expenditure	**2,909**	**3,209**	**3,724**	**3,724**	**—**
3. Savings of the Government Administration (1-2)	**224**	**242**	**95**	**486**	**+411.6**
4. Depreciation Provision and Retained Profits of Departmental Commercial Undertakings (i+ii)	179	193	211	255	+ 20.9
(i) Depreciation Provision	123	131	129	137	+ 6.2
(ii) Retained Profits	56	62	82	118	+ 43.9
5. Gross Savings of the Central Government (3+4)	**403**	**435**	**306**	**741**	**+142.2**
6. Expenditure on Renewals and Replacements	**91**	**100**	**95**	**120**	**+ 26.3**
7. Net Savings (5-6)	**312**	**335**	**211**	**621**	**+194.3**
8. Net Investment	**428**	**542**	**516**	**604**	**+ 17.1**
9. Excess (+) or Shortfall (—) of Net Savings over Net Investment (7-8)	—116	—207	—305	+ 17	
10. Item 3 as per cent of Item 1	7.1	7.0	2.5	11.5	

1972-73—Budget Estimates

Viewed against the background of shortfall in realisation of the budgeted capital formation expenditure and further slackening in the rate of growth in national income during 1971-72, a step up of Rs. 710 crores (to Rs. 3,973 crores) in the public sector Plan provision should be considered a major highlight of the Central budget for 1972-73. Of the total public sector Plan provision, Rs. 2,569 crores are provided in the Central budget; Plan provision in the budget shows a rise of 15 per cent (Rs. 329 crores) over 1971-72 (Budget Estimates). The provision for Central and Centrally-sponsored schemes shows an increase

Total Expenditure

Inclusive of Plan outlay provided in the Central budget, total expenditure of the Central Government in 1972-73, as per economic classification, would be Rs. 147 crores (2.2 per cent) more than in 1971-72. Of the total expenditure in 1972-73, financial resources provided to third parties would account for Rs. 4,179 crores. Of the latter, Rs. 1,984 crores are to be provided to States and Union Territories—Rs. 1,420 crores for developmental purposes and Rs. 564 crores for non-developmental purposes.

Final outlays, another component of the total expenditure, are placed at Rs. 2,690 crores in 1972-73. As compared with 1971-72.

these show a rise of 6.4 per cent. Consumption expenditure is estimated to rise by 2.6 per cent mainly on account of enhancement of Rs. 44 crores in the provision for wages and salaries; expenditure on commodities and services is expected to rise by a nominal amount of Rs. 5 crores (to Rs. 1,013 crores) over 1971-72.

Expenditure on Capital Formation

As against the anticipated rise of 2.6 per cent in consumption expenditure, direct capital formation at Rs. 724 crores is expected to rise by 18.5 per cent over 1971-72 and thus account for a major part (Rs. 113 crores) of the increase in final outlays in 1972-73. While gross fixed capital formation is expected to be of the order of Rs. 757 crores (as against Rs. 592 crores in 1971-72), a reduction of Rs. 33 crores is anticipated in respect of inventories. Net direct capital formation (i.e. gross capital formation *minus* expenditure on renewals and replacements) is expected to rise from Rs. 516 crores in 1971-72 to Rs. 604 crores (17.1 per cent) in 1972-73.

Taking into account financial assistance to third parties, total provision for capital formation out of budgetary resources is placed at Rs. 2,441 crores in 1972-73—a rise of Rs. 265 crores (12 per cent) over 1971-72. As a result of this increase, the share of capital formation in total expenditure would rise from 32 per cent in 1971-72 to nearly 36 per cent in 1972-73. A major part of this increase is explained by a higher provision for economic services, particularly industry and transport and communications; capital formation under economic services (including block grants and loans) in 1972-73 is estimated at Rs. 2,291 crores—i.e. Rs. 294 crores more than in 1971-72. Including social services, total capital formation for developmental purposes is to rise by Rs. 305 crores over 1971-72 whereas that for non-developmental purposes is estimated to decline from Rs. 67 crores in 1971-72 to Rs. 27 crores in 1972-73.

Developmental Expenditure

Inclusive of enhanced provision for capital formation, developmental expenditure is planned to rise to Rs. 3,544 crores in 1972-73; at this level, it will constitute 51.6 per cent of total expenditure as against 46.5 per cent in 1971-72. The provision for economic services in 1972-73 indicates a rise of 9.6 per cent over 1971-72; that for social services shows an increase of 33.9 per cent over 1971-72, the year in which expenditure on social services was 36 per cent more than in 1970-71. Incorporation in the Central budget of various social welfare schemes like rural unemployment, nutritional programmes for children, rural water supply, rural home sites, etc. during 1971-72 and 1972-73 would explain this sharp rise.

Non-developmental Expenditure

In contrast to a rise in developmental expenditure, the budget reduces provision for non-developmental expenditure. At Rs. 3,325 crores in 1972-73, such expenditure would be 7.6 per cent lower than in 1971-72. However, during 1971-72, on account of developments referred to earlier, non-developmental expenditure had shown an increase of 23.3 per cent over 1970-71 (Accounts).

The provision for general services (e.g. defence, civil administration, assistance for natural calamities, etc.) in 1972-73 shows a modest rise of Rs. 11 crores over 1971-72 whereas that for unallocable items (e.g. statutory grants to States, assistance for refugee relief, special loans, etc.) shows a decline of Rs. 284 crores (16.7 per cent) from 1971-72. This decline is largely due to reduction in provision for refugee relief; the provision for food subsidy and interest payments (unallocable items) is anticipated to rise by Rs. 50 crores (to Rs. 100 crores) and Rs. 35 crores (to Rs. 557 crores), respectively, over 1971-72.

Revenue receipts of the Government administration, as per economic classification, are expected to rise by 10.2 per cent in 1972-73.[6]

[6]Revenue receipts as shown in the economic classification are lower than those given in the budget papers mainly because of exclusion of (*a*) interest receipts from departmental commercial undertakings, (*b*) receipts in the nature of capital transfers like capital grants, gift tax and (*c*) tax revenue transferred to States, Union Territories and Local authorities.

Savings of the Central Government

After meeting the estimated current expenditure, savings of the Government administration are placed at Rs. 486 crores (as against Rs. 95 crores in 1971-72). Adding to this, retained profits and depreciation provision of departmental commercial undertakings, gross savings of the Central Government would amount to Rs. 741 crores. However, of this, Rs. 120 crores will be used to meet expenditure on renewals and replacements, so that net savings of the Central Government would amount to Rs. 621 crores as against Rs. 211 crores in 1971-72; net savings of the Central Government would exceed its anticipated net investment of Rs. 604 crores during 1972-73 by a modest amount of Rs. 17 crores.

Assets and Liabilities

In addition to direct net investment of Rs. 604 crores, the budget provides for net acquisition of financial assets by the Centre of the order of Rs. 1,111 crores; thus total net acquisition of assets is placed at Rs. 1,715 crores in 1972-73 as against Rs. 1,559 crores in 1971-72 (Table 6). On the other hand, net financial liabilities are anticipated to rise by Rs. 1,366 crores during 1972-73; of these, Rs. 753 crores will be net domestic liabilities (other than sale of Treasury bills of Rs. 252 crores) and Rs. 361 crores will be net external liabilities. The excess of net acquisition of assets over net financial liabilities amounting to Rs. 349 crores together with net capital transfers of Rs. 272 crores will absorb net savings of Rs. 621 crores in 1972-73.

Table 6—Pattern of Financing Capital Expenditure (Net)

(Rs. Crores)

	1970-71 (Accounts)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
I. Total Capital Expenditure (Net) (1+2)	**1,629**	**1,779**	**1,987**
1. Acquisition of assets (*a*+*b*)	1,491	1,559	1,715
(*a*) Direct net investment	429	516	604
(*b*) Net increase in financial assets (i–ii)	1,062	1,043	1,111
(i) Increase in financial assets	1,956	2,103	2,119
(ii) Reduction in financial assets	894	1,060	1,008
2. Capital transfers (Net)	138	220	272
II. Financed by :			
(A) Net Savings of the Central Government	**312**	**211**	**621**
(B) Net Increase in Financial Liabilities (1+2)	**1,391**	**1,388**	**1,366**
1. Domestic Liabilities (*a* to *d*)	1,047	941	1,005
(*a*) Market borrowings	144	294	215
(*b*) Small savings	184	210	230
(*c*) Other liabilities	360	232	308
(*d*) Sale of Treasury bills	359	205	252
2. External Liabilities	344	447	361
(C) Increase (+) or Decrease (—) in Cash Balances	**— 74**	**+180**	**—**
III. Net increase in assets (I.1) plus increase in cash balances or minus decrease in cash balances	**1,565**	**1,379**	**1,715**

Tax proposals

Tax proposals embodied in the Central budget are estimated to yield Rs. 171 crores during 1972-73; this yield will be in addition to Rs. 500 crores estimated through measures implemented in 1971-72. Of the estimated revenue in 1972-73 a sum of Rs. 123 crores would accrue to the Centre and Rs. 48 crores would be the States' share. The major part of additional revenue (Rs. 135 crores), as in the past, would be from Union excise duties, (Table 7).

Table 7—Budget Proposals (Rs. Crores)

	Estimated additional yield in 1972-73		
	Collected by the Centre	States' share in additional revenue	Net additional revenue to the Centre (col. 1—col. 2)
	1	2	3
Total (A + B)	**183.2**	**50.1**	**133.1**
	(171.6)	**(48.1)**	**(123.5)**
A. Taxes on Wealth and Income (1+2)	**16.5**	**2.4**	**14.1**
1. Income-Tax	3.0	2.4	0.6
2. Corporation Tax	13.5	—	13.5
(*a*) Increase in Surcharge	9.0	—	9.0
(*b*) Abolition of special deduction of profits	4.5	—	4.5
B. Taxes on Commodities and Services (1+2)	**166.7**	**47.7**	**119.0**
	(155.1)	**(45.7)**	**(109.4)**
1. Excise Duties	144.7	47.7	97.0
	(134.7)	(45.7)	(89.0)
2. Customs Duties	22.0	—	22.0
	(20.4)	—	(20.4)

Note : Figures in brackets indicate the position after taking into account the effects of tax concessions announced subsequent to the presentation of the Budget.

Personal Income-tax

In the field of personal income-tax the only major change in the 1972-73 budget relates to bringing casual and non-recurring income—such as winnings from lotteries, races and crossword puzzles — into the fold of income taxation. Besides, the scope of capital gains tax is widened to cover gains (so far exempted) arising from transfer of jewellery held for personal use.

Incentives for Investment and Savings

With a view to providing further incentive to personal savings, contributions made by an individual himself as a member of the unit-linked insurance plan of the Unit Trust of India will qualify for deduction in computing his taxable income in the same manner as payments made towards life insurance and provident funds. Further, investment in industrial proprietary concerns or partnership firms will now be included among assets which qualify for exemption from wealth tax upto Rs. one and a half lakhs. Total exemption from income-tax in respect of dividends received from co-operative societies is being withdrawn; such income, however, will be included in the categories of income which enjoy exemption from income-tax upto a ceiling of Rs. 3,000 in a year.

Taxation on Corporate Sector

In regard to corporate sector, the surcharge levied in December 1971 at the rate of 2.5 per cent of income-tax payable by companies is now raised to 5 per cent for income-tax payable in advance during the financial year 1972-73. Special deduction from profits in respect of domestic companies engaged in priority industries is totally abolished; this is in addition to abolition of development rebate, announced in the last budget in respect of investment in qualifying assets made after May 31, 1974. As a result of these, the effective tax burden on the corporate sector is likely to increase. The Finance Minister has, however, indicated that the Government proposes to redesign fiscal concessions "primarily to promote industrialisation in the backward regions

of the country". Specific provisions in this regard are likely to be incorporated in the Taxation Amendment Bill which is expected to be introduced later during the year.

Union Excise Duties

Unlike the Union excise proposals in 1971-72 budget, which widened the tax base by bringing in 24 new items in the fold of excise duties, the proposed changes in 1972-73 pertain wholly to revision in the existing rates of duty. Changes in respect of some of the items, such as unmanufactured tobacco, cigarettes, etc. are mainly with a view to increasing the overall incidence of additional excise duties — the revenue from which accrues entirely to States and Union Territories. Another major change in the structure of excise duties, viz., merging the special and basic duties into combined rates, is designed to give effect to the recommendation of the Fifth Finance Commission — that revenue from special excise duties should form part of the divisible pool from 1972-73. On some other items, notably steel, aluminium, fertilizers, kerosene, power-driven pumps and aerated waters, rates of excise duty are enhanced essentially to raise additional revenue (Table 8).

Table 8—Additional Yield from Union Excise Duties (1972-73) (Rs. Crores)

1.	Iron and Steel Products	34.2
2.	Kerosene	19.8**
3.	Yarn not otherwise specified	17.0
4.	Unmanufactured Tobacco and Cigarettes	14.3
5.	Fertilizers	12.5
6.	Artificial silk fabrics	8.6
7.	Paper	5.0
8.	Blended or compound Lubricating Oils and Greases	5.0
9.	Others*	18.3
	Total	134.7**

* Others include aerated waters, asphalt, bitumen and tar, paints and varnishes, synthetic organic dyestuffs, tyres, plastics, aluminium, etc. which would severally yield less than Rs. 5 crores.

** After post-budgetary tax concessions.

While a little more than one-third (Rs. 48 crores) of the additional excise revenue is expected from consumer goods, kerosene is the only major item of consumer necessity subjected to additional impost. In respect of unmanufactured tobacco and cigarettes, the increase in the rate of tax is relatively higher for the more expensive varieties. In respect of paper also, printing and writing paper used for exercise note-books and text-books is left untouched. Thus, additional imposts on consumer goods other than kerosene may not raise the tax burden on persons in low-income groups.

A large portion (about Rs. 55 crores) of excise revenue is expected from products of basic industries such as iron and steel products, aluminium, fertilizers and cement, etc. The impost on steel is intended to economise its domestic use. The rest of the increase in revenue is expected from changes in respect of intermediate products or capital goods.

The increase in the rate of excise duty on fertilizers from 10 per cent to 15 per cent and imposition of 10 per cent duty on power-driven pumps have to be viewed as a part of Government's policy to raise additional revenue from the agricultural sector. Excise duty on tractors was imposed in 1971-72.

Customs Duties

In the field of customs duties the regulatory duty imposed in December 1971 is being continued with some changes. A regulatory duty at the rate of 5 per cent *ad valorem* is imposed on articles bearing customs duty between 60 and 100 per cent and at the rate of 10 per cent *ad valorem* on articles bearing duty of 100 per cent or more; the 10 per cent rate will also apply to a few selected items. On the remaining items (except foodgrains, books and certain special categories) regulatory duty of 2.5 per cent will continue.

RAILWAY FINANCES

A highlight of the Railway budget for 1972-73 is the improved financial position of the Railways during the last two years. After five years of deficit in succession till 1970-71, the Budget envisages a surplus of Rs. 9.1 crores in 1971-72 (R.E.) and Rs. 32.5 crores in 1972-73 (B.E.).

The revised estimates of gross traffic receipts for 1971-72 at Rs. 1,078 crores show an improvement of Rs. 7.7 crores. Working expenses (excluding appropriations to Depreciation Reserve Fund and Pension Fund), however, increased by Rs. 17 crores to Rs. 800 crores. While appropriation to Depreciation Reserve Fund remained unchanged at Rs. 105 crores, that to Pension Fund at Rs. 11.5 crores was lower by Rs. 3.5 crores. With a reduction in the payment of dividend to General Revenues by Rs. 21.7 crores to Rs. 152 crores, the budgeted deficit of Rs. 6.9 crores turned into a surplus of Rs. 9.1 crores in 1971-72.

In the budget estimates for 1972-73, gross traffic receipts at Rs. 1,143.1 crores (at revised rates of fares and freights) are placed higher by Rs. 65 crores over 1971-72. About four-fifths of the increase (Rs. 51 crores) is expected to accrue from goods traffic; the passenger traffic contributing another Rs. 13 crores of additional revenue. The improvement in traffic receipts is due partly to the increase in passenger fares and rationalisation of freight structure proposed in the 1972-73 budget* and partly to an anticipated increase of 9.5 million tonnes of revenue-earning originating goods traffic.

On the expenditure side, total expenses (including appropriations to Depreciation Reserve Fund and Pension Fund) at Rs. 951 crores are expected to rise by Rs. 34 crores over 1971-72. Of this, ordinary working expenses at Rs. 809 crores are placed higher by Rs. 25 crores (3.2 per cent). About half of the rise is on account of wage bill which includes an amount of Rs. 6.8 crores to cover the full year's effect of additional *interim* relief sanctioned to staff with effect from October 1, 1971, on the recommendations of the Third Pay Commission, payment on account of arbitration award (Rs. 2 crores) and payment of annual increments to the staff (Rs. 3.5 crores). The balance is due to increased cost of fuel for hauling additional traffic, higher expenditure in workshops for repairs and better maintenance of the permanent-way. Appropriations to Depreciation Reserve Fund and Pension Fund are also placed higher by Rs. 5 crores and Rs. 4.5 crores to Rs. 110 crores and Rs. 16 crores, respectively. The net Railway revenue, i.e. gross traffic receipts *minus* ordinary working expenses and appropriations to Depreciation Reserve Fund and Pension Fund at Rs. 192 crores (at revised rates of fares and freights) is expected to show an improvement of Rs. 31 crores over 1971-72. After providing for Rs. 160 crores as dividend to the General Revenues, there would be a surplus of Rs. 32.5 crores.

The emergence of surplus after five successive years of deficit is chiefly attributed to the relief given by the Railway Convention Committee, 1971, to the tune of Rs. 21.5 crores for 1971-72 and Rs. 22.2 crores for 1972-73. This relief came in the form of (i) exemption from payment of dividend on Capital-at-Charge of non-strategic portion of the North-East Frontier Railway and of the unremunerative branch lines as also on over-capitalisation, (ii) exemption for a period of three years from payment of dividend on capital outlay to the extent of 25 per cent annually, when the work is in progress and (iii) the payment of interest to Railways at current dividend rate on fund balances kept with the General Revenues.

In the mid-term appraisal of the Fourth Plan the outlay on Railways' Plan was raised by Rs. 125 crores to Rs. 1,400 crores. The provision for Plan outlay for 1972-73 at Rs. 305.7 crores would represent a step-up of 11.4 per cent over 1971-72. The total outlay on Railways during the first four years of the Plan would aggregate to Rs. 1,024.2 crores or 72.1 per cent of the Fourth Plan provision of Rs. 1,420 crores (including Rs. 20 crores on account of metropolitan transport projects). This has been financed to the extent of Rs. 483 crores (47.2 per cent) from Railways' own resources comprising withdrawals from

* The yield is expected at Rs. 17 crores in 1972-73 and Rs. 17.7 crores in a full year. For details regarding the revision of fares and freights see the article on 'The Railway Finances, 1972-73' published in the Reserve Bank of India Bulletin, April, 1972.

Depreciation Reserve Fund, Development Fund and Revenue Reserve Fund and receipts from open line works (revenue). The balance of Rs. 541 crores (52.8 per cent) is financed out of General Revenues.

STATE GOVERNMENT BUDGETS

The State Governments in their budgets for 1971-72 had taken credit for aggregate receipts on revenue and capital accounts (at 1970-71 rates of taxation) at Rs. 5,505 crores as against estimated disbursements of Rs. 5,745 crores leaving an overall deficit* of Rs. 240 crores. This comprised of a surplus of Rs. 27 crores on revenue account and a deficit of Rs. 267 crores on capital account. After taking credit for the additional revenue expected to accrue from their own additional measures for resource mobilisation as well as their share in the Centre's fresh taxation, the overall deficit was to come down to Rs. 154 crores.

The revised estimates for 1971-72, however, show an improvement of Rs. 722 crores in aggregate receipts, which was more than offset by a step-up of Rs. 814 crores in the total disbursements; as a result, the overall deficit of States has been placed higher at Rs. 246 crores as against the budgeted deficit of Rs. 154 crores.

For 1972-73, aggregate receipts (at 1971-72 rates of taxation) are budgeted at Rs. 6,526 crores whereas provision for aggregate disbursements is placed at Rs. 6,633 crores. There will be thus an overall deficit of Rs. 107 crores made up of deficits of Rs. 30 crores and Rs. 77 crores on revenue and capital accounts, respectively, compared to an overall deficit of Rs. 246 crores in 1971-72. Andhra Pradesh, Assam and Mysore have presented surplus budgets, while Manipur and Tamil Nadu have presented balanced budgets. All the other States have deficit budgets—the magnitude of deficit varying from Rs. 2 crores in the case of Orissa and Jammu and Kashmir to Rs. 43.9 crores in the case of Uttar Pradesh. Taking credit for Rs. 48 crores expected to be received by State Governments as their share in Centre's fresh tax measures and for Rs. 69 crores to be raised by the States themselves, the overall deficit would turn into a surplus of Rs. 10 crores.** The State-wise overall budgetary position is presented in Table 9.

Revised Estimates: 1971-72

Revenue Receipts

Receipts on revenue account recorded an increase of Rs. 275 crores—Rs. 147 crores under tax receipts and Rs. 128 crores in non-tax receipts. The increase in tax receipts was on account of (i) shared taxes—comprising Union excise duties (Rs. 43 crores) and income-tax (Rs. 28 crores); and (ii) States' own tax revenues (Rs. 76 crores)—main items showing rise being sales tax (Rs. 37 crores), State excise (Rs. 27 crores) and entertainment tax (Rs. 8 crores); land revenue collections, however, were placed lower by Rs. 7 crores. Grants-in-aid from the Centre showed a rise of Rs. 162 crores mainly for meeting the expenditure on refugee relief; this was partly offset by decrease of Rs. 10 crores each under administrative receipts and in net contribution of departmental undertakings and lower receipts from other public undertakings in the form of interest and dividends (Rs. 8 crores).

Capital Receipts

Of the total increase in capital receipts of Rs. 533 crores over the budgeted amount, additional loan assistance of Rs. 506 crores (gross) from the Centre, mainly in the form of ways and means assistance and for other non-Plan purposes accounted for the major part. Other items which showed rise were, net deposits and advances (Rs. 42 crores), permanent debt (Rs. 23 crores) and net unfunded debt (Rs. 9 crores). These were partly offset by lower recoveries under 'loans and advances granted by State Governments to third parties' (Rs. 28 crores), net contingency fund (Rs. 7 crores), and loans from autonomous bodies (Rs. 11 crores).

* See footnote 1 on the first page of this chapter.

** In their overall position, Himachal Pradesh, Jammu and Kashmir, Maharashtra, Manipur and Nagaland have not taken credit for receipts from market loans to be floated during 1972-73. If credit is taken for this factor, overall surplus of States will go up further.

Table 9—Overall Surplus (+) or Deficit (—) of States

(Rs. crores)

Sr. No.	States	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
1.	Andhra Pradesh	— 34.3	— 9.6 (— 6.9)	— 42.9	+ 39.6
2.	Assam	— 5.4	— 4.8	— 36.9	+ 20.6
3.	Bihar	— 17.4	— 11.0† (— 2.0)	— 15.7	— 12.6 (— 2.8)
4.	Gujarat	— 11.5	— 3.3	— 0.7	— 9.0 (— 6.5)
5.	Haryana	— 9.8	— 4.1	— 4.7	— 6.0
6.	Himachal Pradesh	+ 4.5	+ 2.0	— 6.8	— 6.1†
7.	Jammu and Kashmir	+ 0.3	— 0.5 (— 0.1)	+ 1.5	— 2.0† (—)
8.	Kerala	— 9.1	— 16.1 (— 13.1)	— 18.2	— 11.5 (— 6.1)
9.	Madhya Pradesh	+ 7.7	— 10.0 (— 7.9)	+ 8.4	— 32.7 (— 25.9)
10.	Maharashtra	— 6.8	— 35.2†	— 11.7	— 29.3† (— 24.0)
11.	Manipur	— 1.3	—	—	—†
12.	Meghalaya	— 0.2	— 1.3	— 0.6	— 6.8
13.	Mysore	— 12.8	— 18.0 (— 15.5)	— 42.6	+ 58.1 (+ 60.8)
14.	Nagaland	+ 0.3	— 4.1 (— 2.9)	+ 3.2	— 2.5†
15.	Orissa	+ 3.6	— 5.7 (— 4.9)	— 7.9	— 2.0 (—)
16.	Punjab	+ 10.1	— 6.2	— 21.1	— 20.4
17.	Rajasthan	— 46.0	— 25.5 (— 23.9)	— 13.6	— 20.9 (— 16.9)
18.	Tamil Nadu	— 15.1	— 35.8 (— 13.8)	+ 25.9	— (+ 1.8)
19.	Tripura	—	+ 1.1	—	— 6.0
20.	Uttar Pradesh	+ 10.7	— 29.3	— 44.5	— 43.9 (— 27.4)
21.	West Bengal	— 8.6	— 22.5	— 16.8	— 13.4 (— 3.4)
22.	Total (1 to 21)	—141.1	—239.9 (—194.6)*	—245.7	—106.8 (— 38.0)**

NOTE :

Figures in brackets indicate the overall position after taking into account yield from the proposed measures for additional resource mobilisation (including tax concessions) by States.

† Excluding receipts from market borrowings.

* The overall deficit would be further reduced by Rs. 41 crores to Rs. 153.6 crores if the share of States in the additional tax measures undertaken by the Centre is taken into account.

** The overall deficit would be converted into a surplus of Rs. 10.1 crores if the share of States (Rs. 48.1 crores) in the additional taxation by the Centre, is taken into account.

Revenue Expenditure

Development expenditure on revenue account was higher by Rs. 82 crores than that provided in the budget estimates, and non-development expenditure was higher by Rs. 329 crores. The increase in development expenditure was mainly on account of higher outlays on civil works (Rs. 32 crores), education (Rs. 20 crores), irrigation (non-commercial) (Rs. 14 crores) and rural and community development (Rs. 10 crores). The increase in non-development expenditure was mainly due to famine relief (Rs. 127 crores), appropriation for reduction or avoidance of debt (Rs. 43 crores), civil administration (Rs. 20 crores), interest on debt (Rs. 27 crores) and miscellaneous expenditure including expenditure on refugees from Bangladesh (Rs. 112 crores).

Capital Disbursements

Of the increase of Rs. 403 crores in capital disbursements, Rs. 13 crores were under developmental outlay; non-developmental outlay which was budgeted to have a net inflow of Rs. 12 crores showed a net inflow of Rs. 6 crores only. Among other capital disbursements, provision for repayment of loans to the Centre was stepped up by Rs. 249 crores, reflecting partly the repayment of the special ways and means assistance and partly the payment of arrears by some State Governments. Loans and advances to third parties at Rs. 581 crores were higher by Rs. 144 crores. Repayment of loans to autonomous bodies at Rs. 25 crores, however, showed a decline of Rs. 14 crores over the budgeted level.

Budget Estimates: 1972-73

At 1971-72 rates of taxation, the aggregate receipts (on revenue and capital accounts) are expected to be higher by Rs. 213 crores; revenue receipts are expected to be higher by Rs. 237 crores, while receipts on capital account are budgeted lower by Rs. 24 crores over 1971-72 (Table 10).

Tax Revenues

The tax revenues (at 1971-72 rates of taxation) indicate an increase of Rs. 248 crores (9.5 per cent) over 1971-72. Of this increase, States' own tax revenues at Rs. 1,853 crores are expected to be higher by Rs. 169 crores (10 per cent); their share in Central taxes would show an increase of Rs. 79 crores. The increase in States' own tax receipts is mainly due to sales tax (Rs. 86 crores), State excise (Rs. 19 crores), tax on passengers and goods (Rs. 14 crores), land revenue (Rs. 12 crores), motor vehicles tax (Rs. 10 crores) and entertainment tax (Rs. 9 crores). The increase of Rs. 79 crores in States' share in Central taxes is shared by Union excise duties (Rs. 71 crores) and income-tax (Rs. 8 crores).

Non-tax Revenues

The non-tax revenues at Rs. 1,599 crores are budgeted lower by Rs. 11 crores. Decline in non-tax revenues of States is mainly on account of lower receipts under grants-in-aid from the Centre (Rs. 64 crores). This is partly offset by increases under administrative receipts (Rs. 16 crores), interest and dividend receipts from other public undertakings (Rs. 19 crores), interest receipts (Rs. 8 crores) and royalty on minerals and mineral concession fees (Rs. 7 crores).

Capital Receipts

Capital receipts at Rs. 2,064 crores are budgeted lower by Rs. 24 crores over 1971-72. The decline in capital receipts is largely under loans from the Centre which at Rs. 1,202 crores are budgeted lower by Rs. 115 crores. This decline is partly offset by increases under loans and advances repaid by third parties to State Governments (Rs. 28 crores), loans from autonomous bodies (Rs. 24 crores), net deposits and advances (Rs. 14 crores), permanent debt (Rs. 12 crores) and net unfunded debt (Rs. 7 crores).

Disbursements

The total disbursements on revenue and capital accounts are expected to show a rise of Rs. 74 crores (1.1 per cent) over those in 1971-72 (Table 11). While expenditure on revenue account is expected to increase

Table 10.—Resources by Main Groups—States

(Rs. Crores)

	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
	1	2	3	4
A. Revenue Account				
Total Revenue Receipts (1+2)	**3,519**	**3,950 (4,026)**	**4,225**	**4,462 (4,579)**
1. Tax Revenue (a+b)	**2,284**	**2,468 (2,543)**	**2,615**	**2,863 (2,975)**
(*a*) Share from the Centre@	756	860 (901)	931	1,010 (1,058)
(*b*) States' Own Tax Revenue	1,528	1,608 (1,642)	1,684	1,853 (1,917)
2. Non-Tax Revenue (a+b+c+d)	**1,235**	**1,482 (1,483)**	**1,610**	**1,599 (1,604)**
(*a*) Grants-in-aid from the Centre	566	708	870	806
(*b*) Administrative Receipts	191	219	209	225
(*c*) Net Contribution of Departmental Undertakings†	81	105	95	96
(*d*) Others	397	450	436	472
B. Capital Account				
Total Capital Receipts (a+b+c)	**1,700**	**1,555 (1,565)**	**2,088**	**2,064**
(*a*) Permanent Debt (Gross)	168	157	180	192
(*b*) Loans from the Centre (Gross)	1,005	811	1,317	1,202
(*c*) Others	527	587	591	670
C. Grand Total (Revenue and Capital Accounts) (A+B)	**5,219**	**5,505 (5,591)**	**6,313**	**6,526 (6,643)**

NOTES :

1. Figures in brackets in column (2) include yield from measures for additional resource mobilisation by States (Rs. 45 crores) and share of States (Rs. 41 crores) in the additional tax measures undertaken by the Centre.

2. Figures in brackets in column (4) include yield from measures for additional resource mobilisation by States (Rs. 69 crores) and share of States (Rs. 48 crores) in the additional tax measures undertaken by the Centre.

@ Comprises share of income-tax, estate duty and Union excise duties including additional excise duties.

† The contribution is not as given in the State budgets and does not constitute a commercial surplus, but represents excess of revenue over non-plan working expenses on account of forests, irrigation (commercial), electricity schemes, road and water transport schemes and departmental industrial units.

Table 11—Disbursements by Main Groups—States

(Rs. Crores)

	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
I. Total Revenue Expenditure (a+b)	**3,536**	**3,923**	**4,334**	**4,492**
(a) Development	**1,990**	**2,261**	**2,343**	**2,563**
(i) Education	793	876	896	978
(ii) Agriculture, Animal Husbandry and Co-operation	227	272	276	309
(iii) Medical and Public Health	299	362	362	405
(iv) Rural and Community Development	83	104	114	137
(v) Civil Works	217	227	259	252
(vi) Irrigation (Non-commercial)	56	51	65	63
(vii) Industries	34	40	39	44
(viii) Others	281	329	332	375
(b) Non-development	**1,546**	**1,662**	**1,991**	**1,929**
(i) Collection of Taxes and Duties, etc.	148	169	169	185
(ii) Interest on Debt	398	443	470	491
(iii) Appropriation for Reduction or Avoidance of Debt	180	173	216	271
(iv) Civil Administration	455	480	500	517
(v) Famine Relief	106	38	165	67
(vi) Others	259	359	471	398
II. Total Capital Disbursements (1 to 5)	**1,824**	**1,822**	**2,225**	**2,141**
1. Capital Outlay (a+b)	**558**	**697**	**716**	**769**
(a) Development	**585**	**709**	**722**	**778**
(i) Multipurpose River Valley Schemes	94	110	109	102
(ii) Irrigation and Navigation	188	214	224	249
(iii) Electricity Schemes	28	29	28	34
(iv) Buildings, Roads and Water Works	173	224	223	248
(v) Schemes of Agricultural Improvement	—	2	3	8
(vi) Industrial Development	86	108	116	118
(vii) Others	16	22	19	19
(b) Non-development	**—27**	**—12**	**— 6**	**— 9**
2. Discharge of Permanent Debt	66	81	84	91
3. Repayment of Loans to the Centre	634	564	813	785
4. Loans and Advances by State Governments	491	437	581	453
5. Others	75	43	31	43
III. GRAND TOTAL (Revenue and Capital Accounts) (I+II)	**5,360**	**5,745**	**6,559**	**6,633**

by Rs. 158 crores, disbursements on capital account are lower by Rs. 84 crores.

Revenue Expenditure

Provision for development expenditure at Rs. 2,563 crores is higher by Rs. 220 crores. The increase is mainly under education (Rs. 82 crores), medical and public health (Rs. 43 crores), agriculture, animal husbandry and co-operation (Rs. 33 crores) and rural and community development (Rs. 23 crores). In contrast to a sharp rise in non-development expenditure in 1971-72, the provision in 1972-73 in this regard is placed lower by Rs. 62 crores. The decline is mainly under famine relief (Rs. 98 crores) and miscellaneous expenditure including refugee relief (Rs. 73 crores). This is partly offset by increases in appropriation for reduction or avoidance of debt (Rs. 55 crores), interest on debt (Rs. 21 crores), collection of taxes and duties, etc. (Rs. 16 crores) and civil administration (Rs. 17 crores).

Capital Disbursements

On capital account, the provision for developmental outlay is stepped up by Rs. 56 crores to Rs. 778 crores and under non-developmental outlay a net inflow of Rs. 9 crores is envisaged as against a net inflow of Rs. 6 crores in 1971-72. The increase in developmental outlay is budgeted mainly under irrigation and navigation and buildings, roads and water works (Rs. 25 crores each). Among other capital disbursements, the provision for repayment of loans to the Centre is estimated to decline by Rs. 28 crores; loans and advances by State Governments to third parties are expected to show a decline of Rs. 128 crores.

Plan Outlay

During 1972-73, the fourth year of the Fourth Five-Year Plan, the States' Plan outlay comprising of outlays on State Plan and Centrally-sponsored schemes is estimated at Rs. 1,602 crores as against Rs. 1,388 crores in 1971-72 (Table 12). Central assistance at Rs. 719 crores would finance 44.9 per cent of the States' Plan Outlay, as compared with Rs. 720 crores which was estimated to have financed 51.9 per cent of the Plan outlay in 1971-72.

Table 12—Plan Outlay of States

(Rs. Crores)

States	1971-72	1972-73
1. Andhra Pradesh	87	105
2. Assam	42	40
3. Bihar	97	100
4. Gujarat	96	106
5. Haryana	61	82
6. Himachal Pradesh	21	27
7. Jammu and Kashmir	31	36
8. Kerala	60	64
9. Madhya Pradesh	90	109
10. Maharashtra	179	206
11. Manipur	—	8
12. Meghalaya	8	8
13. Mysore	70	72
14. Nagaland	8	9
15. Orissa	48	57
16. Punjab	79	85
17. Rajasthan	63	65
18. Tamil Nadu	80	116
19. Tripura	—	8
20. Uttar Pradesh	209	225
21. West Bengal	59	74
Total	**1,388**	**1,602**

Source : Annual Plan 1971-72 and 1972-73, Planning Commission, Government of India.

Proposals to Raise Additional Resources

Eight State Governments, viz. Bihar, Gujarat, Maharashtra, Mysore, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal have proposed measures to raise additional resources. Kerala, Madhya Pradesh, Rajasthan, Himachal Pradesh and Jammu and Kashmir have proposed measures to raise additional resources as also granted tax concessions. In the net, these measures are expected to yield Rs. 68.8 crores in 1972-73 and Rs. 81.8 crores in a full year. The revenue impact of additional measures, State-wise

and according to tax heads, is given in Table 13.

Table 13—Estimated Yield from Budget Proposals, 1972-73

	Additional Yield (Rs. lakhs)
By States	
1. Bihar	984
2. Gujarat	253
3. Himachal Pradesh	@
4. Jammu and Kashmir	200
5. Kerala	539
6. Madhya Pradesh	675
7. Maharashtra	527
8. Mysore	265
9. Orissa	200
10. Rajasthan	400
11. Tamil Nadu	185
12. Uttar Pradesh	1,650
13. West Bengal	1,000
Total	6,878**
By Major heads	
1. Land Revenue	1,610
2. Sales Tax	1,251
3. Motor Vehicles Tax	250
4. State Excise	52
5. Tax on Passengers and Goods	188
6. Electricity Duty	150
7. Entertainment Tax	107
8. Stamps and Registration	127
9. Water Rates	380
10. Irrigation Cess	100
11. Royalty on Minerals	25
12. Urban Immovable Property Tax	28
13. Others (*b*)	2,610
Total	6,878**

**Full year yield is estimated at Rs. 8,176 lakhs.

@ This State has proposed certain measures and also announced certain concessions. The yield from measures and loss on account of concessions cancel each other out.

(*b*) Include yield from additional measures proposed by Jammu and Kashmir and West Bengal for which yield from individual measures is not available and better recovery of existing arrears by Bihar (Rs. 700 lakhs) and Uttar Pradesh (Rs. 600 lakhs).

PUBLIC DEBT

Central Government

During 1971-72 the outstanding public debt* of the Central Government increased by Rs. 1,076 crores (or 7.7 per cent) to Rs. 15,117 crores (Table 14). The rise in the preceding year was Rs. 822 crores (6.2 per cent). Internal as well as external debt shared the increase in public debt during 1971-72. Internal debt registered a rise of Rs. 699 crores (9.4 per cent); the rise during 1970-71@ was Rs. 398 crores (5.6 per cent). External debt rose by Rs. 377 crores (5.7 per cent) as compared to the rise of Rs. 424 crores (6.9 per cent) in the preceding year. As a result, the share of internal debt in the total public debt increased by one percentage point to 54 per cent with a corresponding decline in the share of external debt to 46 per cent.

At Rs. 5,558 crores, the liabilities of the Government of India other than public debt outstanding at the end of March 1972, were higher by Rs. 763 crores than a year ago. The rise during the preceding year was Rs. 307 crores. These 'other' liabilities refer to the non-marketable obligations of the Government of India and include Small Savings, State Provident Funds, PL 480 deposits, 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, etc.

Taking public debt and 'other' liabilities together, the liabilities of the Government of

* 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 and Compensation Bonds issued in respect of nationalised banks, (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.

@ References to 1970-71 represent revised estimates unless stated otherwise.

Table 14—Public Debt and Other Liabilities of the Government of India

(Rs. Crores)
(As at the end of March)

	1961	1966	1969	1970	1971 (R.E.)	1972 (R.E.)	1973 (B.E.)
A. Public Debt (1+2)	4,757	8,026	12,496	13,219	14,041	15,117	16,082
1. Internal Debt (*a*+*b*)	3,975	5,415	6,859	7,066	7,464	8,163	8,754
(*a*) Permanent Debt (i+ii)	2,595	3,462	3,928	4,144	4,433	4,836	5,050
(i) Current loans	..	..	..	..	4,307	4,702	4,917
(ii) Others@	..	..	..	..	126	134	133
(*b*) Floating Debt (i+ii)	1,380	1,953	2,931	2,922	3,031	3,327	3,704
(i) Treasury Bills	1,106	1,612	2,244	2,232	2,310	2,623	2,998
(ii) Special Floating Loans*	274	341	687	690	721	704	706
2. External Debt†	782	2,611	5,637	6,153	6,577	6,954	7,328
B. Other Liabilities (1+2)	1,808	3,324	4,141	4,488	4,795	5,558	6,043
1. Unfunded Debt (*a*+*b*+*c*+*d*)	1,524	2,763	3,377	3,625	3,818	4,232	4,536
(*a*) Small Savings	973	1,541	1,896	2,025	2,169	2,419	2,649
(*b*) State Provident Funds	289	527	686	761	840	942	1,037
(*c*) P.L. 480 Deposits	240	561	582	667	648	644	632
(*d*) Other Unfunded Debt††	22	134	213	172	161	227	218
2. Reserve Funds and Deposits†††	284	561	764	863	977	1,326	1,507
C. Aggregate Liabilities (A+B)	6,565	11,350	16,637	17,707	18,836	20,675	22,125
D. Amount due from Pakistan on account of Pre-partition Debt	300	300	300	300	300	300	300
E. Net Liabilities (C–D)	6,265	11,050	16,337	17,407	18,536	20,375	21,825

.. Not available.

@ Comprise balances of expired loans, from 1961 Prize Bonds and Premium Prize Bonds and from 1971 Banks Compensation Bonds. Annuity Certificates are excluded from here and shown under Small Savings.

* These represent liability in respect of special rupee securities issued in payment of subscription to IMF IBRD and IDA and contribution towards share capital of ADB, etc.

† The outstanding external debt (other than PL 480 loans) from 1966-67 onwards 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.

†† Includes mainly Postal Insurance and Life Annuity Fund, Hindu Family Annuity Fund and (from 1966) Compulsory Deposits and Income-tax Annuity Deposits, etc.

††† Include Depreciation and Reserve Funds of Railways and Posts and Telegraphs, Deposits of Local Funds, Departmental and Judicial Deposits and Civil Deposits, etc.

Sources : 1. Finance Accounts of the Government of India for end-March 1961, 1966 and 1969.

2. Combined Finance and Revenue Accounts of the Central and State Governments in India for end-March 1970.

3. Explanatory Memorandum of the Central Government Budget for end-March 1971, 1972 and 1973.

India rose by Rs. 1,839 crores (9.8 per cent) during 1971-72 and stood at Rs. 20,675 crores at the end of March 1972.

The aggregate liabilities of the Government of India are expected to rise further by Rs. 1,450 crores (7 per cent) to Rs. 22,125 crores at the end of March 1973. The proportion of public debt to total liabilities which had declined from 74.5 per cent at the end of 1970-71 to 73.1 per cent at the end of 1971-72 is expected to decline further to 72.7 per cent at the end of 1972-73.

External Debt : External debt liabilities of the Government of India aggregated Rs. 6,954 crores at the end of March 1972 and registered a net addition of Rs. 377 crores during 1971-72 as compared to Rs. 424 crores during 1970-71. Of the outstanding amount, Rs. 1,697 crores represented liabilities under P.L. 480—Rs. 1,603 crores in rupee credit and Rs. 94 crores in dollar credit. Detailed breakdown of outstanding external debt is given in Table 15.

For 1972-73, the budget assumes a credit of Rs. 626 crores (gross) on account of foreign loans (including P.L. 480 loans); allowing for repayments, net external loans would amount to Rs. 374 crores. Of the gross loans of Rs. 626 crores during 1972-73, drawings from new credits are estimated at Rs. 165 crores. The balance of Rs. 461 crores comprises mainly loans from the USA—(Rs. 151 crores including loans from Export-Import Bank and P.L. 480 loans), the International Development Association (Rs. 130 crores), the UK (Rs. 37 crores), France (Rs. 31 crores), the Federal Republic of West Germany (Rs. 27 crores), Canada (Rs. 20 crores).

Internal Debt : Internal debt liabilities of the Government of India aggregated Rs. 8,163 crores at the end of March 1972, registering a rise of Rs. 699 crores during 1971-72 as compared with a rise of Rs. 398 crores during 1970-71. Current loans registered a rise of Rs. 395 crores during 1971-72, as a result of actual net receipts of Rs. 295 crores from the loan floatations in the market and funding of Rs. 100 crores worth of Treasury bills held by the Reserve Bank of India.

Market Borrowings, 1971-72: The budget for 1971-72 took credit for Rs. 500 crores (gross) and Rs. 168 crores (net) on account of internal loans; the revised estimates come to Rs. 627 crores and Rs. 294 crores, respectively. The details of actual collections from market borrowings are given in Table 16.

All of these loans were issued at par and, as will be observed, fully subscribed. One feature to be noted is that the October and December 1971 floatations were wholly based on cash subscriptions. In respect of others, cash subscriptions amounted to 26.4 per cent. Further, the highest nominal interest offered was 5¼ per cent or one quarter of one per cent less than the Bank rate.*

Special Rupee Securities Issued to International Financial Institutions : Under the third replenishment scheme approved in February 1971, India has to pay additional subscriptions of Rs. 1.18 crores to the International Development Association, within a month of the date on which the replenishment becomes effective. Necessary credit for issue of special securities had been assumed in the estimates for 1971-72 and a token povision of Rs. 1 crore has been made in the 1972-73 budget in the event of payment falling due after March 31, 1972. India's share of Rs. 20.93 crores in increased subscriptions to the Asian Development Bank is to be paid, from 1972-73, in three equal annual instalments of Rs. 697

* For 1972-73, the Central budget has taken credit for Rs. 515 crores (gross) and Rs. 215 crores (net) as receipts from market borrowings. In the first phase of its borrowing programme, the Central Government issued on July 15, 1972, 4¼ per cent Loan 1979, 5 per cent Loan 1983 and 5¼ per cent Loan 2002, for Rs. 350 crores. While 4¼ per cent Loan 1979 and 5¼ per cent Loan 2002 were issued at par, 5 per cent Loan 1983 was issued at Rs. 99.50 per cent. Total subscriptions to the three loans aggregated Rs. 387 crores—Rs. 150 crores in cash and Rs. 237 crores in conversion. Allowing for cash repayment (Rs. 18 crores) in respect of unconverted maturing loans, net market borrowings from this phase of borrowing would amount to Rs.132 crores. During the second phase of the borrowing programme, the Government issued on September 15, 1972 further tranches of 4¼ per cent loan 1979, 5 per cent loan 1983 and 5¼ per cent loan 2002 for Rs. 215 crores. Subscriptions were received in cash only and aggregated Rs. 237 crores.

Table 15—External Debt of the Government of India (Rs. Crores)

End of March	Debt Due to													Total External Debt
	England	U.S.A.					USSR	Canada	Federal Republic of Germany	Japan	International Bank for Reconstruction and Development	International Development Association	Other Countries	
		Loans	U.S. Export-Import Bank	P.L. 480 Rupee Loans	P.L. 480 Local Convertible Currency Credit	Total								
1971 (R.E.) ..	622	1,792	75	1,420	257	3,544	367	141	407	260	251	759	226	6,577
1972 (R.E.) ..	704	1,893	90	1,603	94	3,680	360	168	448	292	235	790	277	6,954
1973 (B.E.) ..	719	1,999	68	1,597	105	3,769	320	184	441	277	227	920	471	7,328

Source : Explanatory Memorandum of the Central Government Budget.

Table 16—Market Borrowings of the Government of India during 1971-72 (Rs. Crores)

Date	Loans Floated	Amount				Net Market Borrowings
		Offered	Subscribed†			
			Cash	Conversion	Total	
July 1, 1971	4¾ per cent Loan, 1978	375	20	83	103	74
	5¼ per cent Loan, 1986		20	112	132	
	5¾ per cent Loan, 2001		68	104	171	
			107	298	406	
October 1, 1971	4¾ per cent Loan, 1978 (Re-issue)	100*	30		30	110
	5¼ per cent Loan, 1986 (Re-issue)		26		26	
	5¾ per cent Loan, 2001 (Re-issue)		55		55	
			110		110	
December 20, 1971	5 per cent National Defence Loan, 1981	100*	60		60	111
	5¼ per cent National Defence Loan, 1986		24		24	
	5¾ per cent National Defence Loan, 2001		27		27	
			111		111	
Total during 1971-72		**575**	**329**	**298**	**627**	**295**

Note : All the loans were issued at par.
† Break-up of subscriptions may not add upto totals on account of rounding.
* Offered for cash subscription only.
Source : Reserve Bank of India records.

lakhs each (Rs. 279 *lakhs* in convertible currency and Rs. 418 *lakhs* in the form of special rupee securities). Estimates for 1972-73 accordingly assume a credit of Rs. 418 *lakhs* on this account. Further, as a result of the change in the value of the rupee in terms of gold from December 20, 1971, an additional amount of Rs. 94 *lakhs* is to be paid to the Bank during 1972-73 to maintain the value of rupee portion of the subscription (Rs. 17.44 crores). Necessary credit has been assumed in the budget.

Maturity Pattern: The maturity-wise details of the rupee debt of the Government of India as at the end of March 1972, reveal a continuation of the trend noticed a year ago, namely, reduction in the shares of maturity groups other than the long-dateds. The proportion of the short-dateds (i.e. loans maturing within five years) declined from 36.6 per cent at the end of March 1971 to 32.4 per cent at the end of March 1972 while that of long-dated securities (i.e. loans maturing after ten years) rose from 43 per cent to 48.3 per cent.

Marketable Rupee Loans (Short-term)—Treasury bills: The trends in the gilt-edged market are discussed in the Chapter on Capital Market. The revised estimates for 1971-72 show an increase in the outstanding amount of Treasury bills of the Government of India of Rs. 313 crores whereas the actual increase was Rs. 248 crores. The latter included a rise of Rs. 182 crores in the holdings of the Reserve Bank of India and of Rs. 66 crores in the holdings of State Governments and other approved bodies. As at the end of March 1972, the Reserve Bank of India held Rs. 2,609 crores (94.3 per cent) and State Governments and other approved bodies Rs. 157 crores (5.7 per cent) of the total outstandings. During 1972-73, the Treasury bills are expected to rise by Rs. 375 crores.

Small Savings: The Central budget for 1971-72 had taken credit for Rs. 180 crores (net) under Small Savings. Actual collections for 1971-72, however, amounted to Rs. 210 crores as against Rs. 192 crores realised in 1970-71. Media-wise breakdown for 1971-72 is, however, available for the total net collections of Rs. 198 crores. These are presented in Table 17. For 1972-73, the Central budget has placed net Small Savings receipts at Rs. 230 crores@.

Promotional and Organisational Developments

No new media of Small Savings were introduced during 1971-72. However, both the Five-year Fixed Deposits and Fifteen-year Annuity Certificates which were no longer popular were discontinued with effect from August 1, and September 1, 1971, respectively. Since August 1, 1971 the limits of deposits in the Seven-year National Savings Certificates (II and III issues taken together), have been enhanced from the earlier limit of Rs. 25,000 to Rs. 50,000 in the case of individual holdings and of Rs. 50,000 to Rs. 1,00,000 in the case of joint holdings.

Other important measures to accelerate the rate of collections adopted during the year under review are briefly indicated below:

(i) In order to mobilise rural savings, special incentives have been announced for Extra Departmental Branch Post Masters by way of a commission of 1 per cent on all new deposits in three years and five years Time Deposit accounts received by them with effect from August 1, 1971. Besides, they are entitled to a commission of 1 per cent on the net increases, exclusive of interest, of Rs. 500 and over compared to the net accretions of the previous year in Post Office Savings Bank Accounts held in their offices.

(ii) The National Savings Central Advisory Board recommended that collections under the Public Provident Fund Scheme should also be included in the net Small Savings collections for the purpose of grant of loans to State Governments. This has been accepted by the Central Government.

(iii) A new scheme of School Savings Bank called *Sanchayika*, was launched in selected schools throughout the country, a feature of which is that students run their own Savings Bank.

(iv) Twelve Post Office Savings Banks were enrolled as sub-members of the Local

@ Since the presentation of the Budget the target of net Small Savings collections has been raised to Rs. 275 crores.

Table 17—Small Savings Collections (Net)

(In Crores of Rupees)

	Average for 1966-67 to 1968-69	1969-70	1970-71	1971-72	Total 1969-70 to 1971-72	Average for 1969-70 to 1971-72
1. Post Office Savings Bank Deposits (1)	55.7	76.7	93.1	20.8	190.6	63.5
2. Cumulative Time Deposits	13.9	20.2	16.7	18.2	55.1	18.4
(i) 5-year	6.1	10.3	4.7	4.4	19.4	6.5
(ii) 10-year	6.0	7.2	8.9	10.5	26.6	8.9
(iii) 15-year	1.8	2.7	3.1	3.3	9.1	3.0
3. Post Office Time Deposits (2)	—	—	76.8	149.7	226.5	113.3
(i) 1-year	—	—	5.2	11.7	16.9	8.5
(ii) 3-year	—	—	2.8	21.2	24.0	12.0
(iii) 5-year	—	—	68.8	116.8	185.6	92.8
4. Post Office Recurring Deposits (3)	—	—	1.3	6.5	7.8	3.9
5. Five-year Fixed Deposits (4)	1.5	4.6	2.8	—	7.4	3.7
6. National Defence Certificates (5)	34.6	17.1	—69.6	—74.7	—127.2	—42.4
7. Defence Deposit Certificates (6)	2.2	— 3.5	—12.8	—12.5	— 28.8	— 9.6
8. Annuity Certificates (7)	— 0.3	— 0.2	— 0.3	— 0.4	— 0.9	— 0.3
9. 10-year N.S. Certificates, I Issue (8)	11.6	10.3	— 4.4	— 5.1	0.8	0.3
10. 7-year National Savings Certificates :						
(a) Second Issue (9)	—	2.3	54.4	51.8	108.5	36.2
(b) Third Issue (9)	—	0.6	7.1	6.7	14.4	4.8
(c) Fourth Issue (9)	—	0.6	26.5	37.2	64.3	21.4
TOTAL ..	119.2*	128.7	191.6	198.2†	518.5	213.2*

* For items in respect of which collections were for a part of the period, the average has been calculated taking into account the relevant period.

† Against actual total collections of Rs. 210 crores, media-wise break-up is available for this amount only.

(1) Include Dead Savings Bank Account and interest credited to depositors' account from time to time.

(2) Introduced with effect from March 16, 1970.

(3) Introduced on April 1, 1970.

(4) Discontinued with effect from August 1, 1971.

(5) Represents 12-year National Plan Savings Certificates upto November 15, 1962 which were substituted by National Defence Certificates since that date ; figures are net of repayment 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. The sale of 12-year National Defence Certificates has been discontinued from March 16, 1970 and replaced by 7-year National Savings Certificates (Second Issue).

(6) Represent Treasury Savings Deposit Certificates upto November 10, 1962 which were substituted by Defence Deposit Certificates since that date; figures are net of repayment on account of 10-year Treasury Savings Deposit Certificates. Sales have been discontinued, from March 16, 1970 and replaced by 7-year National Savings Certificates (Third Issue).

(7) Discontinued with effect from September 1, 1971.

(8) These Certificates have been replaced by 7-year National Savings Certificates (Fourth Issue) with effect from March 16, 1970.

(9) Introduced with effect from March 16, 1970.

Source : Accountant General, Posts and Telegraphs.

Clearing Houses, thus bringing the total number of Post Office Savings Banks admitted to the Clearing Houses to 113.

State Governments' Debt Position@:

The outstanding debt liabilities* of the State Governments during 1971-72 increased by Rs. 704 crores (8.1 per cent) to Rs. 9,422 crores as compared with a rise of Rs. 741 crores (9.3 per cent) during 1970-71. The outstanding debt liabilities are estimated to rise further to Rs. 9,963 crores at the end of March 1973.

Loans from Central Government: Of the total increase during 1971-72, 71.4 per cent (Rs. 503 crores) was on account of loans from the Central Government; outstanding loans from the Centre rose from Rs. 6,353 crores at the end of March 1971 to Rs. 6,856 crores at the end of March 1972. At the end of March 1972 the share of loans from the Centre in total State debt was 72.8 per cent or only fractionally lower than at the end of March 1971 (72.9 per cent). Net loans from the Centre during 1972-73 are expected to go up by Rs. 413 crores, or Rs. 90 crores less than in 1971-72.

Floating Debt: At the end of March 1972, the outstanding floating debt of the State Governments, at Rs. 375 crores, did not show any change over 1971. This was in contrast to a rise of Rs. 193 crores during the preceding year. In 1972-73, the floating debt of the State Governments is expected to show a decline of Rs. 122 crores, reflecting mainly the provision made by State Governments for repayment to the Reserve Bank of India, of their outstanding overdrafts.

Unfunded Debt: Unfunded debt of State Governments stood at Rs. 598 crores at the end of March 1972 and was 6.3 per cent of the total State debt as against 6 per cent at the end of March 1971. The rise during 1971-72 was Rs. 79 crores as compared with the rise of Rs. 66 crores in 1970-71. The outstandings are expected to rise by Rs. 86 crores to Rs. 684 crores at the end of March 1973.

Other Debt: 'Other debt' of State Governments comprises mainly of loans from National Agricultural Credit (Long-term) Operations Fund of the Reserve Bank of India, National Co-operative Development Corporation and Life Insurance Corporation of India. Loans from the first two agencies are intended for relending through co-operatives to the rural sector; those from the Life Insurance Corporation of India are primarily for financing housing schemes. During 1971-72 such debt rose by Rs. 26 crores to Rs. 264 crores and formed 2.8 per cent of total State debt. The 'other debt' is expected to rise by Rs. 32 crores to Rs. 296 crores at the end of March 1973.

Market Borrowings—1971-72: The market borrowing programme of States in 1971-72 consisted of floatation by 15 State Governments on August 19, 1971, of 12-year loans carrying interest at 5¾ per cent, at par, for a total amount of Rs. 158.75 crores. Maturing loans of 13 State Governments were accepted for conversion into the new loans of the respective State Governments. All the loans were fully subscribed, subscriptions aggregating Rs. 175.5 crores—Rs. 140.4 crores in cash and Rs. 35.1 crores in conversion. Allowing for repayment in cash of unconverted portion of maturing loans (Rs. 35.4 crores) as well as the 4¼ per cent Bombay State Development Loan, 1971 which was repaid in full on maturity (Rs. 4.1 crores), net market borrowings of States amounted to Rs. 101 crores, about Rs. 1 crore more than in 1970-71.*

@ Total debt of States excludes debt of Tripura as data for 1971 and 1972 are not available. 1972-73 (B.E.) includes actuals in respect of market borrowings.

* Debt liabilities of State Governments comprise (i) loans from Central Government, (ii) permanent debt, i.e. loans raised in the market in India and certain other categories of debt like zamindari/jagirdari abolition bonds, (iii) floating debt, representing mainly ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and commercial banks, (iv) other debt, namely, 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, etc. and (v) unfunded debt representing State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Fund, etc.

* On September 4, 1972, 20 State Governments issued at par 5¾ per cent 12-year loans for Rs. 197.25 crores. Total subscriptions amounted to Rs. 221 crores of which Rs. 176 crores were in cash and Rs. 45 crores in conversion. After allowing for partial allotment in case of some State loans and repayment of Rs. 39 crores net proceeds from this floatation aggregated Rs. 134 crores.

CHAPTER VI—CAPITAL MARKET

Because of the strains on the economy referred to earlier, the capital market remained subdued in the earlier part of the year. It recovered somewhat in 1972, but there has been a change in sentiment again in recent months.

The gilt-edged market ruled generally steady during 1971-72. The down-trend in equity prices continued till the second week of December 1971 after which there was a noticeable recovery for some months. New capital issue activity improved during 1971-72 with a sharp rise in debenture issues. Consents granted for the issue of shares and debentures during 1971-72 (July-June) were substantially higher than in the previous year. However, the capital raised by non-Government public limited companies in 1971 was lower than in the preceding year. Financial assistance sanctioned and disbursed by the term-lending institutions continued to rise. Table 1 below indicates the trends in the funds mobilised from the capital market by Government, semi-Government and autonomous institutions and private corporate sector.

Table 1—Funds Mobilised Through Issue of Securities in Capital Market

(In crores of rupees)

Funds mobilised through	1971-72£ (July-June)			1970-71 (July-June)		
	Subscribers			Subscribers		
	Governments and Institutions*	Others†	Total	Governments and Institutions*	Others†	Total
1	2	3	4	5	6	7
1. Net Government Borrowings	148.9 (24.1)	246.8 (40.0)	395.7 (64.2)	78.3 (16.9)	156.7 (33.9)	235.0 (50.8)
Of which :						
A. Central Government	129.7 (21.0)	165.1 (26.8)	294.8 (47.8)	59.2 (12.8)	75.3 (16.3)	134.5 (29.1)
B. State Governments	19.2 (3.1)	81.7 (13.2)	100.9 (16.4)	19.1 (4.1)	81.4 (17.6)	100.5 (21.7)
2. Bonds, debentures and capital issued by Semi-Government and autonomous institutions**	56.5 (9.2)	92.1 (14.9)	148.6 (24.1)	65.8 (14.2)	107.4 (23.2)	173.2 (37.4)
3. New capital issues by the corporate sector	8.6@ (1.4)	63.9 (10.4)	72.5 (11.8)	6.4@ (1.4)	48.0 (10.4)	54.4 (11.8)
4. **GRAND TOTAL (1+2+3)**	**214.0** (34.7)	**402.8** (65.3)	**616.8** (100.0)	**150.5** (32.5)	**312.1** (67.5)	**462.6** (100.0)

Note : Figures in brackets indicate percentages to grand totals (in cols. 4 and 7). Shares of subscribers in net borrowings of Government and Semi-Government and autonomous institutions have been estimated on the basis of the Reserve Bank's Survey of Pattern of Ownership of Government Debt.

* Include Reserve Bank of India, State Governments, Local Authorities, State Electricity Boards and financial institutions like IDBI, IFCI and SFCs.

† Include commercial and co-operative banks, L.I.C. and general insurance companies, provident funds, joint stock companies, trusts, I.C.I.C.I., U.T.I. and individuals.

** Include IDBI, IFCI, SFCs, SIDCs, ARC, central land mortgage/development banks, State Electricity Boards, municipal corporations and metropolitan authorities, housing boards and port trusts.

@ Includes amount devolved on financial institutions on account of underwriting.

£ Data for 1971-72 are provisional.

The Gilt-edged Market

The Reserve Bank's All-India Index for Government and Semi-Government Securities (base: 1961-62=100) remained unchanged at 97.6. The Index for Central Government Securities was also virtually static at 96.9, while that of State Governments Securities edged up from 100.3 to 100.4.

The prices of individual securities in the Central list in most cases recorded minor variations as may be seen from the table below.

Table 2—Prices and Yields of Selected Central Government Securities

Loans	As on					
	June 30, 1971		June 15, 1972†		Variations	
	Price (Rs.)	Yield (Per cent)	Price (Rs.)	Yield (Per cent)	Price (Rs.)	Yield (Per cent)
Short-dateds						
4¼% 1972 (N.D. Bonds) ..	100.25	4.05	100.35	3.35	+0.10	—0.70
4 % 1973	99.60	4.23	99.65	4.39	+0.05	+0.16
4¼% 1973	100.05	4.22	100.05	4.20	—	—0.02
3¾% 1974	98.20	4.39	98.25	4.64	+0.05	+0.25
4¼% 1975	99.40	4.41	99.35	4.48	—0.05	+0.07
4¼% 1976	98.80	4.52	98.80	4.58	—	+0.06
2¾% 1976	90.85	4.75	92.00	4.86	+1.15	+0.11
Medium-shorts						
4½% 1977	99.05	4.68	99.05	4.70	—	+0.02
7 % 1977 (Gold Bonds) ..	113.30	4.57	114.50	4.00	+1.20	—0.57
4 % 1979	94.15	4.89	94.55	4.92	+0.40	+0.03
7 % 1980 (Gold Bonds) ..	115.35	4.81	117.00	4.38	+1.65	—0.43
4 % 1980	92.85	4.99	93.25	5.03	+0.40	+0.04
4 % 1981	92.15	5.00	92.35	5.06	+0.20	+0.06
Medium-longs						
5 % 1982	99.00	5.12	99.60	5.05	+0.60	—0.07
4½% 1985	92.95	5.22	92.85	5.26	—0.10	+0.04
4½% 1986	92.50	5.23	92.50	5.27	—	+0.04
Long-dateds						
4¾% 1989	93.10	5.36	93.00	5.39	—0.10	+0.03
5½% 1990	101.20	5.40	101.20	5.39	—	—0.01
5½% 1999	98.20	5.63	98.30	5.62	+0.10	—0.01
5½% 1999 (B.C. Bonds) ..	97.45	5.68	96.80	5.73	—0.65	+0.05

† End-June data are not available.

As will be observed, the most marked variations in yield were in respect of the *short-dated* 4¼ per cent National Defence Bonds, 1972 (—0.70 percentage point) and *medium-shorts* 7 per cent Gold Bonds, 1977 and 1980 (—0.57 and —0.43 percentage point, respectively), all of which declined. Of the yield showing an increase, only two loans were noteworthy: 3¾ per cent Loan, 1974 (+0.25 percentage point) and 4 per cent Loan, 1973 (+0.16 percentage point). These increases were due mainly to the switch operations within the banking sector.

The prices of securities in the States list showed a mixed trend. These movements in the prices were by and large reflected in the variations in yields.* Among *short-dated* loans, the yield on the 4½ per cent Loan, 1974 registered increases in most cases varying

* The variations in yields relate to the period July 9, 1971 to July 14, 1972 as end-June data are not available.

from 0.09 percentage point (to 4.92 per cent) in the case of Kerala to 1.33 percentage points (to 5.98 per cent) in the case of Assam; a similar trend was noticed in respect of 4¼ per cent Loan, 1976 with the gains in yields ranging between 0.03 percentage point (to 5.09 per cent) in the case of West Bengal and 0.33 percentage point (to 5.68 per cent) in the case of Assam. Yield changes in the *medium-dated* category were significant only in regard to the 5¾ per cent Loan, 1979 of Assam (—0.22 percentage point to 5.75 per cent), 5¾ per cent Loan, 1980 of Gujarat (+0.30 percentage point to 5.75 per cent) and 5½ per cent Loan, 1978 of Tamil Nadu (—0.38 percentage point to 5.36 per cent).

Open market operations of the Reserve Bank during the period resulted in net sales of securities to the extent of Rs. 51.1 crores as compared with net sales of Rs. 84.1 crores in the corresponding period of the previous year. Both purchases and sales at Rs. 258.6 crores and Rs. 309.7 crores, respectively, were lower than the comparable totals of Rs. 275.7 crores and Rs. 359.8 crores in 1970-71.

Industrial Securities Market

On the major stock exchanges, equity prices continued to drift downwards in the first half of 1971-72 (July-June) but recovered in the second half, though towards the close of the year prices declined. The Reserve Bank of India's All-India Index of Variable Dividend Industrial Securities (Base: 1961-62 =100) declined from 97.5 during the week ended June 26, 1971 to 88 during the week ended December 11, 1971. Thereafter, the index recovered to 99.7 by the week ended April 29, 1972, but closed lower at 95.6 during the week ended June 24, 1972. Over the year July 1971-June 1972, the equity price index showed a decline of 1.9 per cent as compared with a fall of 2.5 per cent during 1970-71. The prices of fixed income bearing securities—preference shares and debentures —were also somewhat easy during the year and were slightly lower at the end of June 1972 than at the end of June 1971.

The decline in equity prices during the period July 1 to December 11, 1971, was due to depressed sentiment in the stock markets resulting from the Central Budget proposals regarding corporate taxation for 1971-72, taking over of the management of general insurance companies by the Government, increase in October 1971 in direct and indirect taxes for meeting the expenditure on refugees and the possibilities of Indo-Pakistan conflict. The market sentiment was further affected by the strained labour relations in textile mills on the bonus issue and the take-over of the management of coking coal mines by the Government. The outbreak of hostilities between India and Pakistan and the related developments accentuated the declining trend in December 1971.

After the war, equity prices staged a recovery. This recovery was further assisted by Government's announcement to allow 54 selected industries to produce upto 100 per cent more than their licensed capacity instead of 25 per cent excess production permitted till then; and by the absence of any drastic tax proposals for the corporate sector in the Central budget for 1972-73. However, equity prices turned downwards since May 1972, due to the reports of likely take-over of companies of big industrial houses and announcement of lower compensation amounts to the shareholders of general insurance companies than expected by the market. Besides, the working results of a few leading companies were not encouraging.

According to the regional equity price index, declines were noticed on all the major stock exchanges except that on Calcutta. The decline in equity prices was sharpest on the Delhi stock exchange (5.4 per cent) between June 26, 1971 and June 24, 1972, followed by Madras (5 per cent), Ahmedabad (4.1 per cent) and Bombay (3.6 per cent). The Calcutta stock exchange recorded a fractional gain (0.1 per cent).

Equity prices of a majority of industrial sub-groups showed a decline during the period July 1971 to June 24, 1972. However,

some groups such as 'jute textiles' (25.4 per cent), 'foundries and engineering workshops' (22.3 per cent), 'electrical machinery, appliances etc.' (17.6 per cent) and 'paper and paper products' (8.8 per cent) showed a rising trend. The substantial rise in equity values of the sub-group 'jute textiles' could be attributed to the increased demand for Indian jute goods resulting from the shortage of supplies from Bangladesh. Equity values of the sub-groups, 'foundries and engineering workshops', 'electrical machinery, appliances, etc.', and 'paper and paper products' continued to show improvement mainly due to the rising demand for these products. Among the sub-groups which showed losses, the more important were 'coal' (24.7 per cent), 'machinery other than transport and electrical' (19.7 per cent), 'iron and steel' (17.8 per cent), 'non-ferrous metals' (10.8 per cent), 'investment' (10.1 per cent), 'rubber and rubber products' (9.1 per cent), 'sugar' (8.9 per cent) and 'cotton textiles' (4.8 per cent). Equity prices of coal suffered a setback due to inadequacy of railway wagons for transporting coal, and take-over of management of coking coal mines by Government in October 1971. In the sub-group 'iron and steel', equity prices showed a substantial decline for the third successive year as the profitability of the industry was adversely affected by increased wage costs and obsolescence of equipment. The equity values of the sub-group 'cotton textiles' declined due to a sharp rise in prices of raw cotton.

Among the fixed income bearing securities, the price of preference shares showed a small decline while those of debentures were almost steady. The All-India Index (Base: 1961-62 =100) for preference shares moved down from 84.6 during June 1971 to 82.7 during June 1972. The price index for debentures was almost steady and moved down slightly from 92.7 during June 1971 to 92.5 during June 1972.

The average yield (gross) on the Variable Dividend Industrial Securities recorded a rise from 5.6 per cent during 1970-71 (July-June) to 6.7 per cent during 1971-72 (July-June). The average yield (gross) on preference shares and on debentures increased fractionally from 9.8 per cent and 8.2 per cent, respectively, during 1970-71 (July-June) to 10.1 per cent and 8.8 per cent, respectively, during 1971-72 (July-June).

Capital Issues

New capital issues aggregating Rs. 72.5 crores during 1971-72 (July-June) were higher by 33.3 per cent than Rs. 54.3 crores during 1970-71. Both initial and further issues increased during 1971-72 but the increase in further issues was larger. Also, the rise was pronounced in respect of prospectus issues, while rights issues declined. Among prospectus issues, there was a noteworthy rise in debenture issues mainly due to large-sized debenture issues of Rs. 15 crores by Tata Iron and Steel Co. Ltd. and of Rs. 7 crores by Industrial Credit and Investment Corporation of India (ICICI). Equity issues were also higher during the year than in the preceding year (Table 3).

Table 3—New Capital Issues through Prospectus and Rights by non-Government Public Limited Companies

(In crores of rupees)

Year (July-June)	Issues through Prospectus				Issues through Rights				Grand Total (5+9)	Initial Issues	Further Issues
	Ordinary shares	Preference shares	Debentures	Total (2+3+4)	Ordinary shares	Preference shares	Debentures	Total (6+7+8)			
1	2	3	4	5	6	7	8	9	10	11	12
1970-71 ..	26.5 (61.7)	8.0 (18.7)	8.4 (19.6)	42.9 (100.0)	9.9 (87.1)	1.5 (12.9)	—	11.4 (100.0)	54.3 (100.0)	32.5 (59.9)	21.8 (40.1)
1971-72* ..	33.6 (52.2)	5.4 (8.4)	25.4 (39.5)	64.4 (100.0)	7.7 (96.3)	0.3 (3.7)	—	8.0 (100.0)	72.5 (100.0)	35.2 (48.5)	37.3 (51.5)

Figures in brackets indicate percentages to total.

* Provisional.

The amount offered for public subscription through prospectuses increased substantially to Rs. 51.9 crores in 1971-72 as compared with Rs. 28.9 crores during 1970-71, and its share in total prospectus issues rose to 80.5 per cent in 1971-72 from 67.3 per cent during 1970-71. The share of foreign participation declined to a low level of 0.7 per cent as against 8.2 per cent in the preceding year and the share of promoters etc. also declined to 11.6 per cent from 17.6 per cent during 1970-71. The rate of dividend offered on the preference issues was in the range of 9—10 per cent. Most of the debentures were offered at the rate of interest of 8 per cent per annum, excepting a large debenture issue (ICICI) which offered 6 per cent.

Public response to capital issues, as in the previous years, was selective. Available data in respect of 52 issues in 1971 indicate that 25 issues were oversubscribed, one was fully subscribed and 26 issues were undersubscribed. New capital issues continued to be well supported by the underwriting assistance of the financial institutions.

Consents/acknowledgements of proposals granted by the Controller of Capital Issues to non-Government public limited companies for issue of shares (excluding bonus and miscellaneous) and debentures at Rs. 134.2 crores were substantially higher during July 1971-June 1972 than Rs. 52.4 crores in 1970-71. While sanctions for initial issues increased to Rs. 27.5 crores in 1971-72 from Rs. 20.5 crores in the previous year, sanctions for further issues rose considerably to Rs. 106.7 crores from Rs. 31.9 crores. During 1971-72, larger amounts were sanctioned for issue of capital in the form of all the three types of securities, ordinary shares, preference shares and debentures, but in respect of debentures and ordinary shares increases were substantial. For miscellaneous issues (loans, etc.) consents granted were substantially higher at Rs. 89.2 crores during the year under review than Rs. 6.7 crores in the previous year (Table 4).

Table 4—Consents/Acknowledgements of Proposals granted by the Controller of Capital Issues to non-Government Public Limited Companies*

(In crores of rupees)

Year (July-June)	Shares (other than bonus) and Debentures						Bonus shares	Miscellaneous consents, (loans, etc.)	Grand Total (5+8+9)
	Ordinary shares	Preference shares	Debentures	Total (2+3+4)	Initial	Further			
1	2	3	4	5	6	7	8	9	10
1970-71 ..	32.5	8.3	11.6	52.4	20.5	31.9	31.5	6.7	90.6
1971-72@ ..	62.1	12.0	60.1	134.2	27.5	106.7	27.8	89.2†	251.2

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

@ Data are provisional.

† Includes consent for a loan of Rs. 45 crores from the World Bank to the ICICI.

Source : Office of the Controller of Capital Issues.

During 1971, the capital raised by non-Government public limited companies through shares (other than bonus) and debentures, however, registered a further decline of Rs. 16.7 crores. (The decline was Rs. 1.5 crores in 1970.) The decline was most prominent in equity issues which fell from Rs. 50 crores in 1970 to Rs. 40.9 crores in 1971. Capital raised through preference shares and debentures was also lower (Table 5).

Table 5—Capital Raised by non-Government Public Limited Companies under Consents/No-objections/Acknowledgements of Proposals and Exemption Order

(In crores of rupees)

Year	Shares (other than bonus) and Debentures						Bonus shares	Miscellaneous consents, (loans, etc.)	Grand Total (5+8+9)
	Ordinary shares	Preference shares	Debentures	Total (2+3+4)	Initial	Further			
1	2	3	4	5	6	7	8	9	10
1970 ..	50.0	10.8	11.9	72.7	27.4	45.3	42.7	4.7	120.1
1971@ ..	40.9	6.5	8.6	56.0	23.9	32.1	24.6	2.6	83.2

@ Data are provisional.

Note : Data relate to the capital raised during the calendar year against consents granted during that year as well as earlier years.

Source : Office of the Controller of Capital Issues.

The Government amended the Capital Issues (Exemption) Order, 1969 effective from October 1, 1971 and stipulated that all issues of securities by companies registered under Section 26 of the Monopolies and Restrictive Trade Practices Act, 1969 were removed from the purview of Capital Issues (Exemption) Order, 1969, with the result that these companies require the prior consent of the Controller of Capital Issues for issuing capital of any type.

Financial Institutions Providing Industrial Finance

The industrial sector received larger financial assistance from the special term-lending institutions during April 1971-March 1972 than in the preceding year. These institutions, viz, the Industrial Development Bank of India (IDBI), the Industrial Reconstruction Corporation of India (IRCI), 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 financial assistance amounting to Rs. 307 crores during 1971-72 as compared to Rs. 225.7 crores in 1970-71. The rise in assistance sanctioned occurred both in loans sanctioned and in the underwriting of and direct subscriptions to shares and debentures.

Loans sanctioned were higher at Rs. 281.1 crores in 1971-72 than Rs. 209.9 crores in 1970-71. Assistance sanctioned by way of underwriting of and direct subscriptions to shares and debentures also rose to Rs. 25.9 crores from Rs. 15.7 crores in the previous year. Aggregate disbursements increased to Rs. 182.5 crores in 1971-72 from Rs. 146.7 crores in 1970-71. Among the term-lending institutions, IDBI's operations showed a sharp rise during the year (Table 6).

The Unit Trust of India (UTI) and the Life Insurance Corporation of India (LIC) continued to provide support to industrial sector by their investment and underwriting operations. UTI sanctioned Rs. 15 crores and disbursed Rs. 1.6 crores for underwriting of and direct subscriptions to shares and debentures of industrial concerns during

Table 6—Financial Assistance Sanctioned and Disbursed by Term-lending Institutions during 1970-71 and 1971-72
(April-March)

(In crores of rupees)

Name of the Institution	Loans				Underwriting of and Direct Subscriptions to Shares and Debentures				Total			
	1971-72		1970-71		1971-72		1970-71		1971-72		1970-71	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned (2+6)	Disbursed (3+7)	Sanctioned (4+8)	Disbursed (5+9)
1	2	3	4	5	6	7	8	9	10	11	12	13
1. IDBI	129.7£ [23.9]	77.4£ [17.4]	76.9£ [16.2]	51.1£ [13.7]	12.9	1.4	3.7	4.7	142.6 [23.9]	78.8 [17.4]	80.6 [16.2]	55.8 [13.7]
2. IFCI	29.8 (3.0)	19.5* (3.4)	28.5 (5.7)	16.5* (2.6)	2.3	0.8	3.8	0.9	32.1 (3.0)	20.3 (3.4)	32.3 (5.7)	17.4 (2.6)
3. ICICI	34.5 (22.5)	28.5 (20.5)	38.4 (28.9)	25.8 (21.2)	5.2	1.8	5.4	3.1	29.7 (22.5)	30.3 (20.5)	43.9 (28.9)	28.9 (21.2)
4. IRCI	6.6	1.1	—	—	—	—	—	—	6.6	1.1	—	—
5. SFCs	63.4	39.0	49.0	33.1*	0.7	0.6	0.6	0.4	64.1	39.6	49.6	33.5
6. SIDCs**	17.1	11.2	17.1	9.5*	4.8	1.2	2.2	1.6	21.9	12.4	19.3	11.1
Total ..	281.1	176.7	209.9	136.0	25.9	5.8	15.7	10.7	307.0	182.5	225.7	146.7
7. UTI	—	—	—	—	15.0	1.6	10.7	5.1	15.0	1.6	10.7	5.1
8. LIC	14.1	0.9	4.5	2.7	9.0	4.4	13.3	5.4	23.1	5.3	17.8	8.1

Note: (i) Figures in brackets relate to foreign currency loans which are included under total loans of the institution concerned. (ii) Data for 1971-72 are provisional.

£ Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs indicated separately within square brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

* Including disbursements on account of guarantees.

** Data for 1971-72 relate to 11 SIDCs and 2 SIICs.

1971-72. In the sphere of financial assistance to small-scale industries, credit extended by all scheduled commercial banks rose to higher level. The limits in force increased to Rs. 920.7 crores at the end of March 1972 from Rs. 860.9 crores at the end of March 1971. Under the Credit Guarantee Scheme for small-scale industries administered by the Reserve Bank of India, the amount of guarantees outstanding at the end of March 1972 was higher at Rs. 864 crores as against Rs. 747 crores last year.

Industrial Development Bank of India

During the year 1971-72 (July-June), IDBI sanctioned substantially higher financial assistance of Rs. 168 crores (excluding guarantees but including assistance to other financial institutions) than Rs. 131.3 crores in 1970-71. The bulk of the increase was in sanctions for rediscounting of bills, followed by direct loans to industrial concerns (other than for exports), underwriting of and direct subscriptions to shares and debentures and direct loans for exports and refinance of industrial loans. Contrary to this, the amounts sanctioned for refinance of export credits and subscriptions to shares and bonds of financial institutions recorded a decline. During the year under review, no fresh guarantee assistance was sanctioned as against such guarantee sanctioned for Rs. 2.6 crores during the previous year. However, export guarantee sanctioned to a party earlier for Rs. 0.6 crore was enhanced during 1971-72 by Rs. 0.1 crore. Total disbursements by IDBI showed a rise to Rs. 94.5 crores during 1971-72 from Rs. 79.8 crores in 1970-71.

IDBI, from its inception in 1964 till the end of June 1972 has sanctioned financial assistance (excluding guarantees) aggregating Rs. 634.7 crores and disbursed a sum of Rs. 458.5 crores. Assistance outstanding as at the end of June 1972 amounted to Rs. 321.3 crores. Guarantees for loans and deferred payments and export guarantees were sanctioned for Rs. 28.7 crores upto the end of June 1972.

There was a marked rise in direct financial assistance sanctioned by IDBI in the form of loans (other than for exports) and underwriting of and direct subscriptions to shares and debentures of industrial concerns to Rs. 65.9 crores covering 56 applications in 1971-72 from Rs. 44.7 crores covering 38 applications during 1970-71. Besides assisting 18 new projects, it granted assistance to nine units, including units in the public sector, for expansion / modernisation / rehabilitation and diversification. IDBI continued to provide special attention to the comparatively small projects sponsored under the leadership of technician entrepreneurs and three such projects were assisted during the year. Besides, direct financial assistance sanctioned during the year also included supplementary finance granted to ten projects for meeting the overrun in project cost and/or relieving the strain on the financial position of the concerns. The underwriting of and direct subscriptions to shares and debentures sanctioned by IDBI during the year under review recorded a substantial rise to Rs. 14.6 crores from Rs. 4 crores in the preceding year. Disbursals of direct assistance (other than for exports) also showed a rise to Rs. 11.4 crores from Rs. 8.6 crores in 1970-71.

IDBI, with the assistance of other term-lending institutions, initiated surveys of backward States in 1970 with a view to identifying specific projects on the basis of natural and other resources, demand conditions and infrastructure facilities for the next five to ten years. Such surveys were completed in twelve States, and three Union Territories.

The two schemes of IDBI for fostering industrial development in the less developed areas—one of concessional refinance to SFCs/ banks in respect of all their eligible loans up to Rs. 20 lakhs to small and medium-sized projects in specified areas and another of direct assistance on concessional terms for setting up projects—were extended from December 1971 to all existing units undertaking expansion in specified backward areas. For these concessional schemes, expansion is defined as increase in the value of fixed capital investment of an industrial unit by not less than 25 per cent for the purpose of expansion of capacity, modernisation etc. Loans upto Rs. 20

lakhs given to small and medium projects for expansion are eligible for refinance. In respect of direct assistance for expansion, additional projects costing not more than Rs. 50 lakhs are eligible; concessional direct assistance to bigger expansion projects is considered on a selective basis.

With the acceptance by the Government of India of the recommendations of the Industrial Licensing Policy Inquiry Committee and in terms of the guidelines formulated by the Government regarding the conversion into equity of a part of loan assistance given by all-India term-financing institutions, IDBI has begun stipulating the conversion clause in appropriate cases. Steps were also taken for active participation in the management of industrial concerns which received substantial assistance from term-financing institutions.

There was an increase in sanctions under refinance of industrial loans to Rs. 30.6 crores in 1971-72 from Rs. 24.5 crores in 1970-71, mainly due to larger refinance assistance approved in respect of loans to small-scale industries including small road transport operators. Assistance sanctioned to this group rose to Rs. 21.2 crores from Rs. 13.8 crores during the previous year. Refinance assistance disbursed for industrial loans also increased to Rs. 24 crores in 1971-72 from Rs. 21.2 crores in the previous year. Institution-wise, SFCs received the major portion (82 per cent) of refinance of industrial loans sanctioned (gross) by IDBI in 1971-72. Refinance to banks, however, declined to Rs. 5.9 crores from Rs. 7.8 crores in 1970-71. Total refinance assistance for industrial loans outstanding at the end of June 1972 amounted to Rs. 73.9 crores as against Rs. 66.3 crores a year ago.

Besides continuing with the assistance of other financial institutions the feasibility studies of some project ideas identified by study teams, IDBI is attending to the development of entrepreneurial/managerial training programme in some States. IDBI is in contact with SIDCs and business houses for the implementation and management of some identified projects in the joint sector. Inter-institutional Groups, comprising all-India term-financing institutions, SFCs, SIDCs and the concerned lead banks have been formed in many States to facilitate the work relating to identifying project ideas on a continuous basis. In Kerala, under the initiative of the IDBI, the Inter-institutional Group sponsored a Technical Consultancy Service Centre called the Kerala Industrial and Technical Consultancy Organisation (KITCO).

Export Finance by IDBI

In regard to export finance, while the sanctions in the form of direct loans have increased over the 1970-71 level, the sanctions for refinance have fallen below that level. Post-shipment loans amounting to Rs. 19.3 crores were sanctioned under 12 applications in respect of export of railway wagons, steel rails, boilers, transmission line towers, ACSR and copper conductors, textile machinery and spares, etc.

With a view to guide the exporters approaching IDBI and the banks for term-finance and for facilitating decision-making with regard to applications for export finance, IDBI has set up two working groups—(i) the Informal Consultative Group and (ii) the *Ad-hoc* Working Group—both comprising IDBI, the banks concerned, the Export Credit and Guarantee Corporation (ECGC) and the Exchange Control Department (ECD) and the Department of Banking Operations and Development (DBOD) of the Reserve Bank. The former discusses broad problems and policies relating to export finance, export of engineering goods and technical services and turn-key jobs and joint-ventures abroad. The latter, viz, the *Ad-hoc* Working Group, brings together the commercial banks along with ECGC and ECD and DBOD of the Reserve Bank and IDBI for quick and co-ordinated decision-making with regard to a specific export proposal.

IDBI'sscheme for rediscounting of machinery bills made further progress during the year. Bills of the value of Rs. 45.3 crores were rediscounted by IDBI during 1971-72 as against Rs. 28.5 crores in 1970-71. Facilities under the scheme have been extended to cover

Table 7—Summary of Operations of IDBI

(Amount in crores of rupees)

Type of assistance	July 1971–June 1972†				July 1970–June 1971			
	Assistance sanctioned (effective)		Assistance disbursed (Amount)	Assistance outstanding as on June 30, 1972 (Amount)	Assistance sanctioned (effective)		Assistance disbursed (Amount)	Assistance outstanding as on June 30, 1971 (Amount)
	No. of applications	Amount			No. of applications	Amount		
1	2	3	4	5	6	7	8	9
1. Direct loans to industrial concerns (other than for exports)	35	51.3	9.6	76.7	26	40.7	4.9	75.7
2. Underwriting of and direct subscriptions to shares and debentures of industrial concerns..	21	14.6	1.8	18.6	12	4.0	3.7	16.8
3. Refinance of industrial loans	2003	30.6	24.0	73.9*	1,406	24.5	21.2	66.3*
4. Rediscounting of bills@	25††	45.3	38.3	85.6	21††	28.5	24.3	58.8
5. Direct loans for exports	12	19.3	10.2	22.0	16	11.3	12.0	14.0
6. Refinance of export credits	11	3.3	4.8	11.4*	18	13.7	9.9	12.0*
7. Subscriptions to shares and bonds of financial institutions	4	3.7	5.8	33.1	6	8.6	3.8	28.1
Total of 1 to 7	—	168.0	94.5	321.3	—	131.3	79.8	271.7
8. Guarantee for loans and deferred payments ..	—	—	—	—	2	2.6	—	—
9. Export guarantees	—	0.1**	0.1@@	—	2	1.1	1.2@@	—

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

† Provisional.

** Enhancement of sanctions.

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

†† Refers to the number of banks.

@@ Guarantees executed.

financing of purchases of indigenous machinery for export against equity participation by Indians in companies abroad.

IDBI further contributed Rs. 1.8 crores to the special debentures and Rs. 1.4 crores to the third public issue of debentures by ICICI, bringing the total contribution to ICICI's debentures upto the end of June 1972 to Rs. 18.9 crores. IDBI contributed Rs. 2.5 crores to the paid-up capital of the Industrial Reconstruction Corporation of India set up in April 1971. With the subscription of Rs. 70 lakhs to the share capital of three SFCs during the year, IDBI's total subscription to the shares and bonds of SFCs amounted to Rs. 7.8 crores. IDBI contributed Rs. 41.3 lakhs to the share capital of IFCI, bringing the total holdings as on June 30, 1972 to Rs. 4.6 crores i.e. 50 per cent of IFCI's paid-up capital.

There were no significant changes in the rates of interest charged by IDBI. The main sources of funds were repayments by borrowers (Rs. 51.1 crores), borrowings from the Reserve Bank's Long-Term Operations Fund (Rs. 37.8 crores), contribution by the Reserve Bank to IDBI's share capital (Rs. 10 crores) and borrowings from the market through bonds (Rs. 12.7 crores).

Industrial Reconstruction Corporation of India

As indicated in the last year's Report, IRCI was set up in April 1971 to meet the problems of sick industrial units. Since its inception upto the end of June 1972, IRCI has extended assistance by way of loans and guarantees amounting to Rs. 7.4 crores to 48 units.

Industrial Finance Corporation

The financial assistance sanctioned by Industrial Finance Corporation of India during 1971-72 (April-March) was lower at Rs. 33.6 crores (gross) than Rs. 37.4 crores in 1970-71.* The amount disbursed was, however, higher (Rs. 20.4 crores) than in the previous year (Rs. 17.8 crores). Sanctions in 1971-72 included rupee loans of Rs. 28.3 crores, foreign currency loans of Rs. 3 crores and underwriting of and direct subscriptions to shares and debentures of Rs. 2.3 crores. The Corporation since its inception in July 1948 upto March 31, 1972, has sanctioned net financial assistance amounting to Rs. 387.2 crores in respect of 1,227 operations against which a sum of Rs. 333.2 crores was disbursed.

The Corporation sanctioned 63 loans in rupees and foreign currencies in 1971-72 as compared with 72 loans in the preceding year. Financial assistance was given to a wide range of industries including sugar, fertilizers, cotton and jute textiles, paper, iron and steel, metal products, motor vehicles, basic industrial chemicals etc. Assistance sanctioned during the year to projects located in districts notified as backward by the Central Government amounted to Rs. 13.3 crores for 13 projects. The rate of interest charged by the Corporation on rupee loans and foreign currency loans remained unchanged at 9 per cent and 9.5 per cent, respectively, subject to the usual rebate of 0.5 per cent for punctual repayment of instalment of principal and interest.

The underwriting assistance sanctioned by the Corporation at Rs. 1.9 crores (gross) during 1971-72 was lower than Rs. 3.6 crores sanctioned in the previous year. Direct subscriptions of Rs. 0.3 crore in respect of four equity issues and Rs. 0.1 crore for one preference issue were also sanctioned by the Corporation during the period under review. Underwriting operations were completed in respect of eight issues aggregating Rs. 1.2 crores. Out of these, two equity issues were fully subscribed by the public; and in respect of four issues where both equity and preference shares had been underwritten, equity shares of Rs. 0.5 crore were fully subscribed. The amount that devolved on the Corporation aggregated Rs. 0.4 crore and represented 34.3 per cent of the total amount underwritten as against 60 per cent in the previous year. Since the inception of the Corporation upto March 31, 1972, the amount underwritten in respect of 179 issues was Rs. 27 crores of which Rs. 21 crores devolved on the Corporation. During 1971-72, the Corporation issued guarantees

* These are gross sanctions—i.e. inclusive of unutilised or cancelled loans—and therefore differ from the figures given in Table 6.

for deferred payments for Rs. 7 lakhs in respect of two cases sanctioned earlier.

Total net financial assistance sanctioned by the Corporation to 103 industrial co-operative societies as on March 31, 1972, was Rs. 86.6 crores of which as much as Rs. 72.5 crores represented loans to 78 sugar co-operatives while 22 co-operative textile mills obtained assistance amounting to Rs. 10.1 crores. A loan of Rs. 3 crores was sanctioned to a fertilizer co-operative society. Loans outstanding as on March 31, 1972, due from the co-operative sugar factories stood at Rs. 34.4 crores and those due from co-operative spinning mills at Rs. 7.8 crores.

Resources of the Corporation were augmented during 1971-72 by floating bonds of Rs. 8.8 crores in the market while bonds of the value of Rs. 5.5 crores were redeemed. The total outstanding bonds as on March 31, 1972, amounted to Rs. 61.3 crores and the outstanding borrowings from the Central Government were Rs. 74.7 crores. During 1971-72, the Corporation received the tenth line of credit of the value of DM 8 million from the Kreditanstalt-Fur-Wiederaufbau (KFW). As on March 31, 1972, the total value of the ten lines of credit from KFW aggregated DM 120.5 million. Out of these credits, the Corporation had sanctioned sub-loans to the extent of DM 108.6 million. As at the end of March 1972, total amount of loans from USAID was US$26.9 million and these credits stood fully committed. Besides, against the equipment credit amounting to French Francs 15 million from the Banque Francaise du Commerce Exterieur, Paris, sub-loans aggregating French Francs 12.7 million were sanctioned to industrial concerns. Out of the allocations of two lines of sterling credit of £2 million under UK/India Capital Investment Loan, sub-loans of £0.9 million were sanctioned to industrial concerns.

Industrial Credit and Investment Corporation of India

Industrial Credit and Investment Corporation of India (ICICI) sanctioned somewhat lower financial assistance during 1971-72 (April-March) as against a substantial rise observed in the preceding year. The assistance sanctioned amounted to Rs. 39.7 crores during 1971-72 as against Rs. 42.5 crores sanctioned in 1970-71. The disbursements, on the other hand, continued to be higher at Rs. 30.3 crores during 1971-72 than during the previous year (Rs. 28.9 crores). Sanctions comprised foreign currency loans of Rs. 22.5 crores, rupee loans of Rs. 12 crores, and underwriting of and direct subscriptions to shares and debentures of Rs. 5.2 crores. Of the total amount of Rs. 30.3 crores disbursed during 1971-72, Rs. 20.5 crores were in foreign currencies, Rs. 8 crores in rupee loans and Rs. 1.8 crores in the form of investment in shares and debentures.

Since the inception of the Corporation in 1955 to the end of March 1972, 702 companies were sanctioned an aggregate net assistance of Rs. 344.7 crores comprising Rs. 200.7 crores (58.2 per cent) of foreign currency loans, Rs. 68.6 crores (19.9 per cent) of rupee loans, Rs. 7.1 crores (2.1 per cent) of guarantees and Rs. 68.4 crores (19.8 per cent) of underwriting of and direct subscriptions to shares and debentures. Aggregate disbursements of the Corporation as at the end of March 1972 amounted to Rs. 236.9 crores including Rs. 144.6 crores in foreign currencies, Rs. 52.4 crores in rupee loans and Rs. 39.9 crores towards investment in shares and debentures.

The total resources of the Corporation—net of repayments and cancellations—at the end of March 1972 amounted to Rs. 231 crores consisting of rupee resources of Rs. 75.1 crores (32.5 per cent) and foreign currency resources of Rs. 155.9 crores (67.5 per cent).

During the period under review, the Corporation obtained additional lines of credit for $60 million from the International Bank for Reconstruction and Development and for DM 10 million from Kreditanstalt Fur Wiederaufbau. As regards rupee resources, funds equivalent to the loan of £1 million from the UK Government were made available by the Government of India. The Corporation also made a second rights issue of shares of Rs. 2.5 crores in August 1971.

Loans sanctioned by the State Financial Corporations (the eighteen SFCs including

State Financial Corporations

Tamil Nadu Industrial Investment Corporation Ltd.) were higher at Rs. 63.4 crores during the period April 1971-March 1972 than in the preceding year (Rs.49 crores). Disbursements aggregated Rs. 38.8 crores in 1971-72 as against Rs. 32.9 crores in 1970-71. The share of small-scale industries in the total loans sanctioned and disbursed during the year was Rs. 51.2 crores (80.8 per cent) and Rs. 27.1 crores (69.8 per cent), respectively. Loans outstanding as on March 31, 1972 amounted to Rs. 154.6 crores as against Rs. 127.9 crores at the end of March 1971.

In addition to providing loan assistance, six SFCs (including TIIC) had sanctioned Rs. 0.7 crore for underwriting shares of industrial concerns during 1971-72. At the end of March 1972 investments of ten SFCs (including TIIC) in shares taken up by them in fulfilment of their underwriting obligations (including direct subscription by TIIC) amounted to Rs. 10.3 crores. In this the share of TIIC was Rs. 7.7 crores.

Guarantees provided by eight SFCs for deferred payments by industrial units for purchase of indigenous capital goods amounted to Rs. 2.7 crores in 1971-72. The outstandings in respect of such guarantees for TIIC and eleven SFCs (Andhra Pradesh, Bihar, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, Rajasthan, Uttar Pradesh and West Bengal) amounted to Rs. 7.7 crores at the end of March 1972.

During the year the effective interest rate of SFCs for loans to small-scale industries was in the range of 7.5 per cent to 8 per cent in cases where refinance from IDBI was available at the concessional rate of 5 per cent. The rates for other units varied between 8.5 per cent and 11 per cent. Five SFCs lent at a concessional rate of 5 to 6.5 per cent to units in backward areas.

Four SFCs (Maharashtra, Gujarat, Mysore and West Bengal) raised their paid-up capital by Rs. 50 lakhs each during 1971-72. This was entirely subscribed by the respective State Governments and IDBI. The total paid-up capital of all the eighteen State Financial Corporations increased to Rs. 23.2 crores at the end of March 1972 from Rs. 21 crores at the end of March 1971.

The main sources of finance for the SFCs during the year were issue of bonds, refinance facilities from IDBI and borrowings from the Reserve Bank and the State Governments. Bonds of the aggregate value of Rs. 17.1 crores were issued by fifteen SFCs. The total amount of bonds outstanding as on March 31, 1972 was higher at Rs. 82 crores as compared with Rs. 72.1 crores at the end of March 1971. All SFCs availed themselves of refinance facilities provided by IDBI to a larger extent and the amount of refinance outstanding at the end of March 1972 was Rs. 43.1 crores as against Rs. 29.7 crores at the end of March 1971. During the period under review IDBI sanctioned refinance assistance of Rs. 24.5 crores to SFCs. Deposits accepted by eleven SFCs aggregated Rs. 13.1 crores of which TIIC accounted for Rs. 8.7 crores (66.4 per cent). The Reserve Bank of India sanctioned borrowing limits of Rs. 8.7 crores against *ad-hoc* bonds to fourteen SFCs during 1971-72. In respect of five of these SFCs, the sanction was for an extension of the period of repayment beyond one year in respect of the limits sanctioned earlier. 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. 4.9 crores. The borrowings of six SFCs from their respective State Governments were at Rs. 3.3 crores as on March 31, 1972.

At present eight SFCs (viz. Andhra Pradesh, Assam, Gujarat, Kerala, Maharashtra, Orissa, Rajasthan and Uttar Pradesh) act as agents for their respective State Governments for sanctioning and/or disbursing loans to small-scale industries under the State-Aid to Industries Act/Rules.

In pursuance of the recommendations of the Working Group on Resource Mobilisation and Profitability etc. of SFCs (constituted by the Reserve Bank of India in April 1970) certain amendments to the SFCs Act are now under consideration.

A conference of the Chairmen and the Managing Directors of SFCs was convened by the Finance Minister on November 3, 1971 to discuss the problems confronting SFCs in their operations and also to discuss the measures to be taken by the SFCs to step up the pace of industrial development. In pursuance of a decision taken at the Conference, the Reserve Bank has appointed a Working Group under the Chairmanship of Shri R. K. Talwar, Chairman of State Bank of India, to examine the scope for and formulate the mechanics of co-ordination between SFCs and banks in assisting industries in the small and medium sectors.

Unit Trust of India

Sales of units by the Unit Trust of India during 1971-72 (July-June) at Rs. 15.1 crores were lower than Rs. 18 crores in the preceding year. The sales of units have been affected by the extension, under the 1970 Finance Act, of exemption from income-tax to income (upto Rs. 3,000) earned from investments in several other financial assets also. Earlier this exemption was limited to income of Rs. 1,000 from investments in units alone. The increase in the interest rates on National Savings Certificates and those offered by the banks on fixed deposits could have also reacted on the relative attractiveness of units.

Units of the face value of Rs. 2.6 crores were repurchased during 1971-72 as against Rs. 3.2 crores in the previous year. The total units sold and outstanding with the public as at the end of June 1972 aggregated Rs. 104.7 crores and the number of unit holders registered with the Trust was over 4,34,000.

The investible funds of the Trust at the end of June 1972 amounted to Rs. 119.3 crores, including ordinary shares of Rs. 44.6 crores (37.4 per cent), preference shares of Rs. 13.9 crores (11.7 per cent), and debentures of Rs. 41.9 crores (35.1 per cent). The balance of Rs. 18.8 crores (15.8 per cent) represented investments in Government securities and corporation bonds, advance deposits for debentures and preference shares which the Trust had agreed to underwrite, advance call deposits, application money for purchase of shares and call and short notice deposits.

The Unit-Linked Insurance Plan introduced on October 1, 1971 is to provide the investors, especially from the small and middle income groups, the facility of investment combined with the advantage of insurance cover. The Unit-Linked Insurance Plan is a contractual savings plan for a maximum amount of Rs. 12,000 for a ten-year period. With total sales amounting to Rs. 3.1 lakhs under 464 applications upto June 30, 1972, the progress of the Plan has been rather slow. However, the Plan is likely to benefit from the tax advantage granted in the 1972 Finance Act, whereby contributions under the Plan will be treated on the same basis as insurance premia and contributions to provident fund for the purpose of income-tax rebate.

The Reinvestment Plan of the Trust recorded further progress. During the year the amount invested under the Plan aggregated Rs. 69.3 lakhs as against Rs. 50.4 lakhs in the previous year. Sales of units under Children's Gift Plan 1970, were lower at Rs. 46.3 lakhs during 1971-72 as compared with Rs. 56.3 lakhs in 1970-71.

Financing of Small-scale Industries by Commercial Banks

The programme of providing institutional finance for small-scale industries has made considerable headway during the past few years. While it is not possible to present an aggregate picture of all such finances extended by various institutions, the review of the operations of State Financial Corporations attempted in the above paragraphs and of the credit facilities rendered by commercial banks presented in what follows, brings out the extent to which institutional credit to small-scale industries has been expanded in recent years.

The scheduled commercial banks' credit extended to small-scale industries amounted to Rs. 573.1 crores at the end of March 1972, recording a rise of Rs. 79.6 crores during 1971-72 (April-March) as against a rise of Rs. 100 crores during 1970-71. The number of units financed rose by 18,795 during 1971-72 to 1,22,330 at the end of March 1972. The rise in the number of units assisted was 21,810 in the preceding year. Even so, the share of

Table 8—Advances by Scheduled Commercial Banks to Small-scale Industries

(Amount in crores of rupees)

Particulars as on the last Friday of	State Bank of India and its subsidiaries	Other 14 nationalised banks	Other scheduled commercial banks	Total (2+3+4)
1	2	3	4	5
1. No. of units :				
March 1972*	54,509	58,946	8,875	1,22,330
March 1971	48,731	46,223	8,581	1,03,535
Increase	5,778	12,723	294	18,795
2. Limits in force :				
March 1972*	342.9	478.8	99.0	920.7
March 1971	320.4	451.7	88.8	860.9
Increase	22.5	27.1	10.2	59.8
3. Balance outstanding :				
March 1972*	226.8	283.3	63.0	573.1
March 1971	197.0	243.9	52.6	493.5
Increase	29.8	39.4	10.4	79.6

* Data are provisional.

scheduled commercial banks' assistance to small-scale industries in the total credit extended by them showed a small rise to 11 per cent in March 1972 from 10.6 per cent in March 1971.

The average amount of loan sanctioned per unit showed a further decline to Rs. 75,263 at the end of March 1972 from Rs. 83,100 at the end of March 1971. This reflected a continued shift in the pattern of financing in favour of comparatively smaller units. The ratio of amounts outstanding to limit sanctioned also moved up from 57 per cent in March 1971 to 62 per cent in March 1972.

Term-loans (including instalment credits) sanctioned by banks to 27,739 units aggregated Rs. 132.2 crores at the end of March 1972. The balance outstanding at Rs. 88.8 crores formed 15 per cent of the total outstanding credit to small-scale industries by these banks as at the end of March 1972. The loans and advances sanctioned to craftsmen and other qualified technicians under Special Schemes aggregated Rs. 23.6 crores by the end of March 1972 covering 8,076 units; the amount outstanding was Rs. 14.9 crores. The State Bank of India and its subsidiaries and the 14 nationalised banks accounted for 89 per cent of the total credit extended to small-scale industries, the share of the State Bank of India and its subsidiaries alone being 40 per cent.

Scheduled commercial banks continued to lend substantial financial support to road and water transport operators. Advances sanctioned to them registered a further rise of Rs. 18 crores to Rs. 82 crores covering 32,794 units as at the end of March 1972, as compared with the increase of Rs. 32 crores in the preceding year.

Role of the State Bank of India and its Subsidiaries

The State Bank of India and its subsidiaries extended substantial financial assistance to small-scale industries, the net rise in outstanding credit during the year ended March 1972 amounted to Rs. 30 crores. The amount of term-loans (including instalment credits) outstanding aggregated Rs. 27 crores covering 5,864 units as at the end of March 1972; the term-loans formed 12 per cent of the total credit to small-scale industries extended by the State Bank of India Group.

There was a marked increase in the loans sanctioned by the State Bank of India and its subsidiaries under their 'Entrepreneurs Scheme' during the period under review. The

Table 9—Financial Assistance by State Bank of India and its Subsidiaries under its "Liberalised Scheme" to Small-scale Industries

(Amount in crores of rupees)

Scheme of assistance	End-March					
	1971			1972		
	State Bank of India	Subsidiaries	Total (2+3)	State Bank of India	Subsidiaries	Total (5+6)
1	2	3	4	5	6	7
I. Working Capital Limits :						
No. of units assisted	29,458	15,302	44,760	32,086	17,471	49,557
Amount sanctioned	198.0	62.7	260.7	217.8	72.2	290.0
Balance outstanding	128.5	34.7	163.2	150.9	43.8	194.7
II. Medium-Term Loans :						
No. of units assisted	1,024	577	1,601	2,372	788	3,160
Amount sanctioned	14.7	4.4	19.1	19.6	6.1	25.7
Balance outstanding	10.3	3.5	13.8	12.5	4.7	17.2
III. Instalment Credits :						
No. of units assisted	1,286	378	1,664	1,101	407	1,508
Amount sanctioned	8.5	2.5	11.0	6.9	1.6	8.5
Balance outstanding	5.0	1.4	6.4	4.0	1.2	5.2

amount sanctioned rose to Rs. 11 crores covering 912 units at the end of March 1972 from Rs. 7.1 crores covering 562 units at the end of March 1971.

Financial assistance sanctioned by the State Bank of India and its subsidiaries under the 'Liberalised Scheme' aggregated Rs. 324.2 crores covering 54,225 units as at the end of March 1972 as against Rs. 290.8 crores covering 48,025 units a year ago.

Data on credit extended by State Bank of India and its subsidiaries under its "Liberalised Scheme" to small-scale industries by way of working capital limits, medium-term credit and instalment credit as at the end of March 1971 and March 1972 are given in Table 9.

14 Nationalised Banks

Credit extended by the 14 nationalised banks to small-scale industries as at the end of March 1972 amounted to Rs. 283.3 crores or about half of the total scheduled commercial banks' advances to this sector. Over the year ended March 1972, the increase in advances to small-scale industries by these banks was Rs. 39.5 crores which formed nearly half of the increase in credit by all the banks during 1971-72.

Other Scheduled Commercial Banks

Other scheduled commercial banks (i.e. excluding State Bank of India and its subsidiaries and 14 nationalised banks) sanctioned credit limits amounting to Rs. 99 crores to small-scale industries covering 8,875 units as at the end of March 1972. From this, Rs. 63 crores were outstanding at the end of March 1972.

In pursuance of the recommendation of the Committee on Banks' Credit Schemes with reference to employment potential (Thakkar Committee) the Reserve Bank of India constituted in April 1971 a Committee to study the problem of payment of bills by large and medium industries to small enterprises and entrepreneurs in respect of supplies made to the former and to work out suitable arrangements so as to ensure speedy settlement of claims. The Committee which submitted its Report in April 1972 recommended, *inter alia*, that the small-scale industrial units should pay greater attention to the quality of goods manufactured by them and adhere to the

schedule of supplies prescribed by the buyers. The Committee urged that the credit sales of small-scale industries should be converted into bills to the maximum possible extent. For popularising the bill system of financing, the Committee recommended that the banks should prescribe sub-limits within the overall credit limits sanctioned to large industries for acceptance/letter of credit facilities covering purchases from small-scale industries. Another recommendation was that the banks should undertake a detailed scrutiny of the item 'Sundry Creditors' in the financial statements submitted by large borrowers.

Credit Guarantee Scheme

The Credit Guarantee Scheme for small-scale industries administered by the Reserve Bank recorded considerable progress during the year 1971-72 (April-March). The scope of the scheme was extended to 'agro-service units', i.e. units engaged in selling, hiring out, servicing and repairing agricultural implements, spare parts and inputs and offering technical services such as soil testing etc. So far 162 credit institutions including all major commercial banks, State Financial Corporations and 70 Co-operative banks had joined the scheme. Specified unlicensed primary urban co-operative banks, which fulfilled certain criteria, were also made eligible for direct guarantee facilities. The amount of guarantees outstanding as at the end of March 1972 was Rs. 864 crores as compared with Rs. 747 crores a year ago.

Since the introduction of the scheme in July 1960 upto the end of March 1972, claims numbering 258 for an aggregate amount of Rs. 35.6 lakhs were paid to the credit institutions. Out of the total claims paid, Rs. 5.3 lakhs have been recovered in full in 54 cases representing about 15 per cent of the total amount of claims paid. At the end of March 1972, accounts reported under default which may lead to settlement of claims numbered 4,082 involving an aggregate amount of Rs. 13.5 crores as against 1,799 accounts for Rs. 5.9 crores at the end of March 1971.

The change-over to the automatic guarantee scheme from February 1970 casts additional responsibility on the Guarantee Organisation as in the absence of prior scrutiny of applications for guarantee, the Organisation has to ensure that the credit institutions exercise requisite diligence and care in sanctioning advances to small-scale industries and recovering the dues from them. Apart from a rapid scrutiny of the quarterly statements, the Guarantee Organisation conducts a test check of the accounts of small-scale units with the branches of the credit institutions. About 906 branches or 10 per cent of the reporting branches were proposed to be covered by such test checks during the second year of the modified scheme.

With a view to mitigating the difficulties of small-scale units located in border areas affected by the recent Indo-Pak war and to encourage credit institutions to grant credit facilities to these units on a liberal basis, some of the provisions of the scheme were temporarily liberalised by the Government of India with effect from December 16, 1971. Under the liberalised procedure, guarantee cover was increased to 90 per cent of the amount in default or the amount guaranteed whichever was less. The ceilings on the amount recoverable from the Guarantee Organisation by way of claims were also raised from Rs. 7.5 lakhs and Rs. 2.5 lakhs to Rs. 10 lakhs and Rs. 4 lakhs in respect of working capital advances and term-loans, respectively. This temporary liberalisation in provisions was once extended upto June 30, 1972; it has again been extended upto end-December 1972 but only in respect of the units located in the border districts of the Western region.

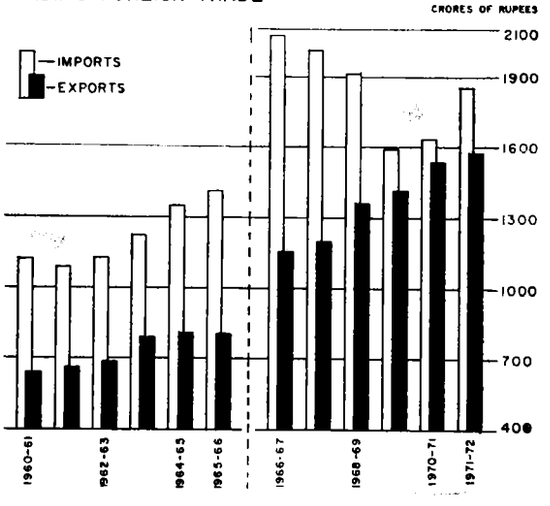
CHAPTER VII—DEVELOPMENTS IN TRADE AND TARIFFS

Trends in Foreign Trade

India's trade deficit, which had narrowed down considerably in 1969-70 and 1970-71, widened substantially during 1971-72. The trade deficit in 1971-72 amounted to Rs. 286 crores* which was significantly higher than in 1970-71 (Rs. 99 crores). The sharp increase in the trade deficit during the year was due to a slower rate of growth in exports which rose to Rs. 1,567† crores from Rs. 1,535 crores or by Rs. 32 crores and a substantial rise in imports by Rs. 219 crores to Rs. 1,853 crores.

Graph 49

INDIA'S FOREIGN TRADE



Exports

Exports during 1971-72 at Rs. 1,567† crores recorded an increase of 2.1 per cent over the level recorded in 1970-71. This compares with a rise of 8.6 per cent in 1970-71 and 4.1 per cent in 1969-70. However, in assessing the 1971-72 export performance in relation to 1970-71, allowance has to be made for the change in procedure for recording exports (from the finally passed shipping bill to the original copy of the shipping bill@) adopted by the DGCIS with effect from November 1, 1970, which has impaired considerably the comparability of these figures. A part of the increase in 1970-71 was statistical, arising out of this change in the procedure for recording exports.* The lead involved as between the receipt of the original copies of the shipping bills and the finally passed shipping bills is generally in the range of two to three weeks. If adjustment in the figures for 1970-71 is made on this ground, the effect would be to reduce the growth rate in exports in 1970-71, and correspondingly, to raise the growth rate in 1971-72. While, in the absence of concrete data, the exact growth rates cannot be easily determined, it is apparent that the growth rate based on the official figures is an overestimate for 1970-71 and an underestimate for 1971-72.

According to DGCIS, figures for the first quarter of 1972-73 (April-June) show a significant improvement in exports over those for the corresponding quarter of 1971-72, the respective figures being Rs. 451 crores and Rs. 374 crores, i.e. an increase of 20.6 per cent.

India's export performance in the initial four months of 1971-72 (April-July) was encouraging, exports recording a smart rise of 25 per cent over corresponding period of 1970-71. This was due mainly to the buoyant demand for jute goods consequent on the virtual cessation of shipments from Bangladesh. Also, the April-July 1970 exports were low because of the bargemen's strike at the Calcutta port.

In the period thereafter, the rate of growth in exports slackened considerably; exports

* DGCIS data.

† Provisional and excludes exports to Bangladesh (about Rs. 38 crores).

@ *Vide Report on Currency and Finance*, 1970-71 p. 50.

* A committee was appointed by the Government of India in July 1971, with Shri B. S. Minhas, Member, Planning Commission as Chairman, to look into the working of the Office of the Director General of Commercial Intelligence and Statistics (DGCIS). One of the terms of reference is to examine the present system of compilation adopted for trade statistics based on Customs data with special reference to the procedures now adopted for recording export data.

during August 1971-March 1972 were in fact about 7 per cent lower than in the corresponding period of 1970-71. This was the consequence of several adverse factors after July 1971, such as the floating of the world's major currencies, additional tariff barriers in countries like the USA and the Indo-Pak war of December 1971. Domestic shortages of essential raw materials, such as iron and steel, also contributed to this worsening.

Country-wise and commodity-wise details are available for the first nine months of 1971-72, i.e., upto December 1971 (Tables 1 and 3). During this period* (April-December 1971), exports to the USA recorded a sizeable increase of 37 per cent over the corresponding period of 1970, due mainly to an increase in jute exports. Exports to African countries (excluding UAR) (36 per cent) and ECM countries (19 per cent) also increased substantially. Exports to the USSR showed a modest increase of 4 per cent while those to East European countries (other than the USSR) and Japan declined by 13 per cent each. Exports to the UAR recorded a sharp decline of 63 per cent. As regards other countries, exports did not show any significant variation during this period.

Commodity-wise Exports

Commodity-wise, the increase in exports was, unlike in the previous year, largely in traditional items. Exports of jute goods during April-December 1971 were nearly 60 per cent higher than in the corresponding period of 1970; tea exports recorded a modest increase, over the corresponding period of 1970. Among other items, exports of cashew kernels and tobacco, which had been declining in the previous two years, rose by 21 per cent and 35 per cent, respectively. The improvement in cashew kernel exports was due to a larger rise in quantum than in unit values, while in regard to tobacco, the increase was mainly brought about by a sizeable increase in prices realised. On the other hand, export of oilcakes showed a sizeable decline of 29 per cent while exports of cotton textiles and spices recorded modest declines (Table 1).

In contrast, the export performance of the major non-traditional items, viz., iron and steel, iron ore, engineering goods and chemicals was unsatisfactory. Together, the share of these items in total exports came down from 24 per cent in April-December 1970 to 18 per cent in April-December 1971. As for iron and steel, the increasing domestic demand reduced considerably the export surpluses and export of this item recorded a sharp decline. Exports of iron ore fell, due mainly to a decline in Japanese demand. The pull of domestic demand held down the growth in exports of chemicals which stagnated around the previous year's level. Exports of engineering goods showed a modest decline, the main constraints in their growth being the shortage of special categories of steel and the rising domestic costs.

Imports

Imports, which had risen somewhat (3.3 per cent) in 1970-71 increased sharply in 1971-72, by Rs. 219 crores (13.4 per cent) to Rs. 1,853 crores. This was necessitated by the shortfalls in domestic production of certain essential raw materials; the liberalised import policy followed in respect of maintenance imports was also a contributory factor.

Commodity-wise Imports

Commodity-wise details of imports are available upto December 1971. These show that the relative increase during April-December 1971 was accounted for by non-food imports. Imports of foodgrains were lower by Rs. 65 crores (38 per cent) than in April-December 1970, while non-foodgrains imports were higher by Rs. 247 crores (24 per cent). Under non-food imports, almost all the items recorded increases, but the rise was substantial in the case of iron

* Figures in this chapter relate to the first nine months of the *fiscal* year 1971-72, that is, for the period April 1971-December 1971, and are based on DGCIS data. Hence they do not correspond to the data given in the paragraphs on balance of payments (Chapter VIII); the figures in that chapter relate to the first nine months of the *calendar* year 1971, i.e., for January-September 1971 and are based on the Exchange Control records and other sources.

Table 1—India's Principal Exports

(Rs. crores)

Commodities	1967-68	1968-69	1969-70	1970-71	April-December		Increase (+)/ Decrease (—) of 6 over 5	
					1970-71	1971-72	Actual	Percentage
	1	2	3	4	5	6	7	8
A. Major Non-traditional items								
Engineering goods	35	69	91	126	90	86	— 4	— 4
Iron and steel	55	79	87	91	71	34	—37	—52
Iron ore	75	88	95	117	86	72	—14	—16
Chemicals	16	24	30	36	27	25	— 2	— 7
B. Other items								
Jute yarns and manufactures	234	218	207	190	136	216	+80	+59
Cotton yarns and manufactures	86	101	116	118	88	81	— 7	— 8
Tea	180	157	125	148	120	122	+ 2	+ 2
Hides, skins, leather and leather goods including footwear	70	87	99	87	64	74	+10	+16
Cashew kernels	43	61	57	52	42	51	+ 9	+21
Oilcakes	45	49	41	55	41	29	—12	—29
Pearls, precious and semi-precious stones, unworked/worked	30	45	42	42	31	38	+ 7	+23
Spices	27	25	34	39	24	23	— 1	— 4
Fish and fish preparations	18	23	31	31	24	29	+ 5	+21
Sugar	16	10	9	28	18	27	+ 9	+50
Coffee	18	18	20	25	22	19	— 3	—14
Manganese ore	11	13	11	14	11	8	— 3	—27
Tobacco (unmanufactured)	35	33	33	31	26	35	+ 9	+35
C. **Total** (including others)	**1,199**	**1,358**	**1,413**	**1,535**	**1,150**	**1,194**	**+44**	**+ 4**

Note : Data for 1970-71 and 1971-72 are not comparable with those of the previous years owing to the change in procedure (from the finally passed shipping bill to the orignal copy of the shipping bill) for recording exports adopted by the DGCIS, with effect from November 1, 1970.

Source : DGCIS.

and steel, machinery and transport equipment, mineral oils, and chemicals (Table 2).

Direction of India's Foreign Trade—Recent Changes

The direction of India's foreign trade experienced noticeable shifts in the last few years, along with changes in the commodity pattern of exports and imports (Table 3). The narrowing of India's total trade gap between 1967-68 and 1970-71 was accounted for, partly by the narrowing of the trade gap with the North American countries (particularly USA) and ECM and EFTA countries and partly by an improvement in the trade position with Japan and other ECAFE countries, the UAR and the East European countries, particularly the USSR. This trend towards narrowing of trade deficit which was the result of a decline in imports, and an increase in exports, was, however, reversed in the first nine months of 1971-72 (April-December), because of (*a*) smaller surplus with Japan and other ECAFE countries and East European countries (ex-

Table 2—India's Principal Imports

(Rs. crores)

Commodities	1967-68	1968-69	1969-70	1970-71	April-December		Increase (+)/ Decrease (—) of 6 over 5	
					1970-71	1971-72	Actual	Percentage
	1	2	3	4	5	6	7	8
1. Food (excluding cashew nuts) ..	554	372	293	242	187	131	—56	—30
Of which								
Cereals and cereal preparations ..	518	356	261	213	170	105	—65	—38
2. Raw cotton	83	90	83	99	74	87	+13	+18
3. Raw jute and mesta	5	16	5	Negl.	Negl.	—	—	—
4. Cashew nuts	25	31	28	29	22	20	— 2	—10
5. Mineral oils	75	133	138	136	96	143	+47	+49
Of which								
(*a*) Petroleum crude and partly refined	60	96	96	106	76	110	+34	+45
(*b*) Others	15	37	42	30	20	33	+13	+65
6. Chemicals	273	283	195	192	135	161	+26	+19
Of which								
(*a*) Fertilisers	139	139	77	61	58	52	+14	+37
(*b*) Others	134	144	118	131	97	109	+12	+12
7. Iron and steel	106	86	82	147	102	179	+77	+75
8. Non-ferrous metals	89	89	75	120	86	83	— 3	— 3
9. Crude rubber (including synthetic and reclaimed)	4	5	10	4	3	3	—	—
10. Wool and other animal hair	12	11	17	16	13	11	— 2	—15
11. Animal and vegetable oils and fats ..	34	19	30	39	32	32	--	--
12. Paper, paper boards and manufactures thereof	18	18	24	25	17	24	+ 7	+41
13. Pearls, precious and semi-precious stones	12	28	28	25	17	19	+ 2	+12
14. Machinery and transport equipment ..	503	514	396	384	274	349	+75	+27
(*a*) Machinery other than electric..	336	366	280	257	190	211	+21	+11
(*b*) Electrical machinery	86	82	64	69	49	72	+23	+47
(*c*) Transport equipment ..	81	66	51	58	35	66	+31	+89
15. Others	215	214	178	176	125	123	— 2	— 2
Total	**2,008**	**1,909**	**1,582**	**1,634**	**1,183**	**1,365**	**+182**	**+15**

Source : DGCIS.

Table 3—Regional Pattern of India's Trade

(Rs. crores)

	1967-68	1968-69	1969-70	1970-71	April-December	
					1971-72	1970-71
1. All countries						
(a) Imports	2,007.61	1,908.63	1,582.10	1,634.14	1,364.86	1,183.17
(b) Exports	1,198.69	1,357.87	1,413.28	1,535.16	1,193.56	1,149.56
(c) Balance	—808.92	—550.76	—168.82	— 98.98	—171.30	— 33.61
2. ECAFE countries excluding Japan						
(a) Imports	180.45	213.66	193.25	180.95	150.01	125.51
(b) Exports	134.92	183.84	198.74	206.81	160.10	154.38
(c) Balance	— 45.53	— 29.82	+ 5.49	+ 25.86	+ 10.09	+ 28.87
Japan						
(a) Imports	108.43	115.39	67.41	83.30	123.85	55.71
(b) Exports	135.92	158.33	179.36	203.48	134.62	154.96
(c) Balance	+ 27.49	+ 42.94	+111.95	+120.18	+ 10.77	+ 99.25
3. Africa excluding UAR						
(a) Imports	67.42	106.81	119.75	129.98	82.44	89.43
(b) Exports	48.65	50.98	53.49	82.92	80.64	59.39
(c) Balance	— 18.77	— 55.83	— 66.26	— 47.06	— 1.80	— 30.04
UAR						
(a) Imports	26.90	41.41	21.69	39.84	29.14	33.58
(b) Exports	21.53	21.82	34.64	56.37	15.37	41.39
(c) Balance	— 5.37	— 19.59	+ 12.95	+ 16.53	— 13.77	+ 7.81
4. East European countries excluding USSR						
(a) Imports	110.98	117.87	112.33	121.14	91.10	88.46
(b) Exports	104.15	118.20	131.31	151.85	95.51	109.97
(c) Balance	— 6.83	+ 0.33	+ 18.98	+ 30.71	+ 4.41	+ 21.51
USSR						
(a) Imports	111.22	191.70	171.33	104.68	61.14	78.14
(b) Exports	121.79	148.31	176.37	209.85	163.52	157.81
(c) Balance	+ 10.57	— 43.39	+ 5.04	+105.17	+102.38	+ 79.67
5. ECM countries						
(a) Imports	256.13	234.77	172.01	187.68	185.09	131.65
(b) Exports	89.31	111.48	100.51	98.62	87.65	73.59
(c) Balance	—166.82	—123.29	— 71.50	— 89.06	— 97.44	— 58.06
6. EFTA countries excluding UK						
(a) Imports	46.05	42.66	29.05	29.07	22.56	20.36
(b) Exports	14.00	15.49	18.30	18.94	14.47	13.51
(c) Balance	— 32.05	— 27.17	— 10.75	— 10.13	— 8.09	— 6.85
UK						
(a) Imports	162.65	127.50	102.59	126.03	164.83	81.99
(b) Exports	229.05	201.51	165.07	170.44	128.58	137.76
(c) Balance	+ 66.40	+ 74.01	+ 62.48	+ 44.41	— 36.25	+ 55.77
7. North America (USA and Canada)						
(a) Imports	874.92	671.00	542.09	563.49	401.89	438.85
(b) Exports	237.20	264.06	264.30	235.30	240.42	173.16
(c) Balance	—637.72	—406.94	—277.79	—328.19	—161.47	—265.69
USA						
(a) Imports	776.64	572.39	467.22	446.17	319.75	344.10
(b) Exports	207.43	234.36	237.97	207.34	206.95	151.50
(c) Balance	—569.21	—338.03	—229.25	—238.83	—112.80	—192.60
8. Latin and other American countries						
(a) Imports	16.06	18.87	11.13	15.85	5.42	10.97
(b) Exports	7.36	5.69	6.82	10.34	13.09	6.40
(c) Balance	— 8.70	— 13.18	— 4.31	— 5.51	+ 7.67	— 4.57

Source : DGCIS.

cluding the USSR) and (*b*) a larger deficit as in the case of ECM and EFTA countries. Several factors contributed to this shift in the pattern during the four years ended March 1971. In the case of trade with North America, for example, the sharp decline in imports of foodgrains was the main influence while in the case of the ECM countries, the major cause was the sizeable fall in imports of chemicals, machinery and transport equipment and non-ferrous metals. India's exports to the East European countries increased significantly, while imports from them recorded a marginal rise, thus enlarging the surplus.

Over the four years ended March 1971, exports to the ECAFE countries including Japan, East European countries and African countries have risen, mostly in non-traditional items. On the other hand, exports to the UK and other European countries outside the ECM group have declined, particularly in respect of tea, cotton piecegoods, tobacco, and cashew kernels. Exports to the USSR showed a marked rise, also in respect of traditional items like tea, cashew kernels, oilcakes and cotton piecegoods.

Developments in Trade Policy

Trade policy during the year continued to be export-oriented with special emphasis on maximising production for exports. Several measures including financial assistance and incentives, transport facilities and streamlining of institutional arrangements were adopted to diversify and expand exports. In respect of imports, policy aimed at the twin objective of meeting the needs of export-oriented industries and encouraging import substitution. Several steps were also taken to enhance the role of the public sector in the country's foreign trade.

Export Policy

In pursuance of the objectives enunciated in the Export Policy Resolution of July 1970, the Government of India undertook several measures during the year. Ten inter-Ministerial Working Groups were set up to review existing production capacity; to estimate demand—both internal and external—and identify gaps in regard to specifications, quality and quantity; and to plan at the macro- as well as micro-level for the creation of capacities adequate to meet the export targets.

The Trade Development Authority (TDA), which was set up in July 1970 to help enterprises build-up their exports through a package of personalised services, carried out an all-India survey of more than 2,000 industrial units —mainly small and medium-scale—in the 16 product groups covered in its first stage of operations and enrolled 297 exporting units upto March 1972 for intensive export development. It also evolved a number of area strategies for export development in its target markets. In the US market, for example, it has envisaged a special programme of stimulating exports of selected industrial and consumer goods valued at Rs. 50 crores, within the next three years. It has also developed information service for making available international marketing intelligence to the Indian exporters and domestic supply intelligence to the foreign buyers.

The Government further strengthened the institutional structure to promote export efforts by setting up, in December 1971, the Tea Trading Corporation of India which will engage mainly in marketing packed tea, both for domestic consumption and exports; it will also market tea in other forms such as blended, instant, and green tea.

During the year, exports of mica, coking coal, coke and non-coking coal, were canalised through the MMTC, while export of castor oil was canalised through the STC. The Government have also set up an inter-Ministerial Committee to keep performance of these agencies constantly under review. Recently, an inter-Ministerial Working Group has been set up to consider the arrangements for providing exporters, particularly those exporting on a long-term delivery basis and against deferred payments, insurance cover against exchange rate fluctuations.

The other measures taken for liberalising exports included the progressive relaxation of export controls on a number of items (*vide* Appendix X) and reduction in export duty

on snake skins. However, export duty on jute carpet backing and hessian was enhanced in view of the sharp rise in profits of jute industry. Quality control and pre-shipment inspection was widened further to include aluminium chloride, barium chloride, potassium permanganate, calcium carbonate, zinc sulphate, coriander, fennel seed, fenugreek seed and celery seeds, frozen lobster tails, cast iron soil pipes and fittings, cast iron manhole covers and transmission line towers. With these, 85 per cent of the exportable commodities have been covered under some system or other of compulsory quality control and pre-shipment inspection.

Import Policy

The suspension of aid by some countries in the wake of war with Pakistan in December 1971, stressed the importance of reduction in imports without affecting production in vital industries. In February 1972, the value of licences issued to actual users and registered exporters (other than those issued to public sector undertakings and small-scale units) for tool, alloy and special steel under the import policy for 1971-72 was reduced by one-third of quantity/value of the licence or the unutilised quantity/value, whichever was less. Similarly, the value of repeat licences for spare parts issued to actual users in the large-scale sector was reduced by one-third. Actual users holding import licences for raw materials, components and spares were allowed to import spare parts, small tools and precision and measuring tools to the extent of 10 per cent of the value of licences as against 25 per cent permitted earlier.

The *import policy* for 1972-73 announced on April 3, 1972 while maintaining the broad framework of the earlier policy, has stressed the importance of achieving self-reliance. Special emphasis has been put on the need for increased production and exports, creation of opportunities for generating more employment and development of small-scale industries. Again, in consonance with the declared policy of the Government, large areas of the import trade have been brought within the purview of public sector agencies. Imports of a number of items have been banned taking into account the expansion of indigenous production.

The need-based policy for priority industries has been continued. Units in these industries would be issued import licences for raw materials, components and spares to replenish their consumption of these items within a stipulated period. In the case of priority industries of special importance, import licences for value higher than the past consumption would be granted against an additional allocation of foreign exchange. In the case of other priority industries, licences for raw materials and components for a value higher than past consumption would be issued if the industrial units concerned add to net foreign exchange earnings by increasing exports or saving on imports ; these additional earnings should be at least 50 per cent higher than the value for which additional raw materials/components may be allowed for import.

Industrial units exporting 10 per cent or more of their production would be eligible to preferred sources of supply and facilities for expansion of export production. The extent of preferential treatment would vary with export performance of the industrial units. Industrial units exporting 25 per cent or more of their production would be eligible to import a higher quantum of requirements against free foreign exchange. Industrial units in 12 specified industries would have to export a minimum of 5 per cent of their production failing which they would be liable to a cut in their import licences, apart from losing facilities of preferred sources of supply and expansion of production capacity.

The scheme for grant of import facilities to export houses has been further enlarged by addition of tobacco products to the list of items the export of which would be taken into account for determining the eligibility of an export house and for determining the value of initial import licences to be given to it. Indirect exports* of the specified non-tradi-

* These are defined as exports in respect of which the export documents are not in the name of export houses which secured the export order.

tional products would also be taken into account for determining eligibility and for calculating the value of initial/supplementary import licences to be given, provided the value of such indirect exports is not more than the value of exports effected by the export house on behalf of small-scale manufacturers. Export houses having definite plans of increasing exports of new products would be allowed the facilities of import of raw materials over a wider range to meet the demands of supporting manufacturers. Under the import policy for registered exporters a higher import replenishment would be allowed to an exporter, on the ground that the quality or quantum of indigenous substitute is not adequate or the price is too high to maintain the competitive strength of the export product. Industrial units which are not currently exporting or which are exporting insufficiently would be encouraged to put forward a 'phased programme' of export of their products.

The role of public sector agencies in import trade was further expanded and imports of 56 additional items have been canalised through the public sector agencies increasing the number of such items to 168. Besides, the STC would organise bulk imports of certain raw materials for sale to actual users and registered exporters. The Industrial Raw Materials Assistance Centre (IRMAC) set up by the STC in April 1970 would further expand its activities for supplying raw materials 'off-the-shelf.' The MMTC would also make necessary arrangements to meet the requirements of actual-users 'off-the-shelf', and to provide indenting facilities to exporting units in respect of imports of minerals and metals. It was decided to set up a "steel bank" to be run by the Hindustan Steel Limited, which would organise bulk import of steel to meet the requirements of actual users.

Preferential treatment would be accorded in the matter of import of machinery and raw materials to small-scale units proposed to be set up in backward areas. Indian nationals returning from abroad and intending to set up small-scale industries would be allowed to import machinery without import licence upto a value not exceeding Rs. 5 lakhs and permissible raw materials upto Rs. 1 lakh purchased out of their earnings abroad. Units engaged in the engineering industry, particularly those located in West Bengal and closed down for want of raw materials, would be given advance allocation of imported raw materials to enable them to restart their manufacturing activities. In order to encourage research and development activities, facilities for the import of scientific instruments and apparatus, appliances required by technical and research institutions have been further liberalised. Moreover, educational, medical and research institutions would be allowed to import technical books upto Rs. 10,000 a year without an import licence. Procedures for import of machinery by manufacturers against their export entitlements, grant of replacement licences for machinery, raw materials and components for units in the small-scale sector have been streamlined so as to avoid administrative delays.

With a view to achieving the goal of self-reliance, further steps have been taken to induce import substitution, and imports of 160 more items have been banned. These include items which have become indigenously available in required quantity and quality and also certain types of ball bearings, taper roller bearings, machine tools, machinery and accessories, instruments, dyes and dye intermediates and chemicals. Import of 87 items which were hitherto allowed to actual users without restriction, would also be permitted on a restricted basis; these include certain types of ball bearings, drugs and medicines, chemicals and dye intermediates. Established importers' quotas in respect of 29 items have been reduced. These comprise of spare parts of various equipment, drugs and medicines, motor vehicle parts, garage tools and instruments.

In order to exercise restraint on imports, a regulatory customs duty was imposed in December 1971 on all items of imports with the exception of foodgrains and a few special categories. The general rate of this levy was 2.5 per cent while a few selected items were

subjected to a higher rate of 10 per cent. The Union Budget for 1972-73 presented on March 16, 1972 enhanced these rates further. An *ad valorem* duty of 5 per cent was levied on articles liable to a basic effective duty of 60 per cent and above but less than 100 per cent. Articles subject to a basic import duty of 100 per cent *ad valorem* or more and a few selected items would attract regulatory duty at the rate of 10 per cent *ad valorem*. All other articles (with the exception of foodgrains, books and certain special categories) would continue to attract regulatory duty of 2.5 per cent *ad valorem*.

The liberalised import policy was reflected in an increase of 13 per cent to Rs. 1,854 crores in the value of import licences issued in 1971-72, on top of increases of 27 and 36 per cent recorded in 1969-70 and 1970-71, respectively. Sector-wise, the value of licences issued to the Government sector increased by 34 per cent, while those issued to the private sector recorded a decline of 10 per cent, mainly on account of the enlargement of the role of public sector agencies in the import trade. Among the major licensing categories, CG/HEP licences recorded an increase of 98 per cent followed by State Trading Agencies (32 per cent), small-scale industries (42 per cent) and actual users (18 per cent). As against these, raw materials declined by 34 per cent.

Institutional Arrangements for Development of Trade

The public sector corporations continued to expand their activities and have been making a significant contribution in promoting and diversifying India's foreign trade.

S.T.C.

The total volume of trade of the State Trading Corporation and its subsidiaries comprising exports, imports and domestic transactions, which had amounted to Rs. 234 crores in 1970-71 (April-March), increased further during 1971-72 to Rs. 333 crores, recording an increase of 42 per cent in its total turnover. The STC Group's exports and imports during 1971-72 were of the order of Rs. 98 crores and Rs. 222 crores, respectively, as compared with the corresponding amounts of Rs. 74 crores and Rs. 154 crores in 1970-71. The major items of exports handled by the STC Group were textiles, agricultural products, leather manufactures, chemicals and mineral products and engineering goods. Imports by the STC comprised mainly of soyabean oil, tallow, chemicals, newsprint, nylon yarn and rayon grade wood pulp.

The Industrial Raw Materials Assistance Centre (IRMAC), set up by the STC in April 1970 to import raw materials in bulk and distribute them to industry 'off the shelf' at competitive prices, expanded its activities. During January-October 1971, the Centre's imports amounted to Rs. 7.6 crores, the main commodities involved being caprolactum, carbon electrodes, tamping pastes, graphite electrodes, tool, alloy and special steel, caustic soda and precision measuring instruments.

MMTC

The Minerals and Metals Trading Corporation of India (MMTC) also increased its turnover by Rs. 114 crores to Rs. 251 crores in 1970-71 (July-June); this is expected to have gone up further in 1971-72. The main items of imports handled by the MMTC are steel, non-ferrous metals and fertilizers. Imports during July 1971-April 1972—the latest period for which data are available—amounted to Rs. 167 crores as against Rs. 133 crores in the corresponding period of 1970-71. However, during the same period, viz., 1971-72 (July-April), the MMTC's exports were somewhat lower (at Rs. 72 crores) than in the corresponding period of 1970-71 (Rs. 87 crores), due mainly to a decline in exports of iron ore.

IIFT

The Indian Institute of Foreign Trade (IIFT) continued to play an important role in the field of training of export management personnel in India as well as outside, sponsoring market orientation tours, conducting research in the sphere of foreign trade,

overseas market surveys, product/country studies and export potential surveys.

During 1971-72 (July-April), fourteen training programmes were organised by the Institute. One of the most important programmes related to Inter-Regional Training Programme on Trade Policy and Export Promotion. In addition to ten Indian participants, fourteen participants from the developing countries of Asia, Africa and Latin America attended the programme. The Institute organised two programmes on Export Procedures and Documentation, eight others on different aspects of export techniques, import regulations, procedures of marketing, etc.

In collaboration with the International Trade Centre, the USAID and Government of India, the Institute sponsored the visit abroad of seven teams consisting of forty-six persons under the programme of Market Orientation Tours. The teams represented (1) finished leather and leather goods, (2) spices, nuts and processed foods, (3) handicrafts, (4) automotive ancillaries, (5) marine products, (6) plastic wares, and (7) light electrical goods.

With a view to building up competent export executive cadre for trade and industry, the Institute continued to sponsor persons for training abroad. A total number of 51 executives and Government officers were deputed for such overseas training during the year. The four important research studies completed/undertaken during the year were: (1) A Study on Bill of Lading, (2) New Opportunities for India's Exports—Tariff Concessions under Generalised System of Preferences, (3) Survey on Tariff Potential of Dahej Port, and (4) Rules of Origin for Generalised System of Preferences. In addition, a Survey of Export Prospects of selected Indian Products in Afghanistan and a Market Survey on Palmyra Fibre, Stalks, and Palmyra-based Products in the USA, the UK and Japan were undertaken during the year. The Institute finalised the export potential surveys of Kerala and Madhya Pradesh States during the year.

Trade Fairs and Exhibitions

The Government continued to take an active part in participating in the fairs/exhibitions held abroad. During 1971-72, the Directorate of Exhibitions and Commercial Publicity arranged participation in twelve International Fairs besides organising three Indian Exhibitions at Khartoum, Jeddah and Lagos. With a view to making this medium of fairs/exhibitions more effective and useful in export promotion, the Government have decided to embark on a three-year perspective programming of fairs/exhibitions from 1973-74 onwards instead of on an annual basis as hitherto.

Trade Agreements and Trade and Payments Arrangements

During the year a trade and transit treaty was signed with Nepal and a trade agreement with Bangladesh. The treaty with Nepal signed on August 13, 1971, is valid for a period of five years effective from August 15, 1971. While the treaty does not specify the amount of trade between the two countries, the principal items that India will import from Nepal are rice, magnesite, railway sleepers and semul and other soft-wood used by the match industry and the principal items that India will export to Nepal will include petrol, kerosene, diesel oil, coal and corrugated iron sheets.

The trade agreement with Bangladesh, signed on March 28, 1972, will be valid initially for a period of one year. The agreement provides for mutual trade in specified commodities with earmarked values upto a total of Rs. 25 crores under a special payment arrangement. Trade in excess of this limit in the specified and other commodities will be paid for in pounds sterling. In terms of this agreement, India's exports to Bangladesh would comprise unmanufactured tobacco cement, coal and cotton yarn etc., while imports from Bangladesh would include, among others, fish, raw jute and newsprint. The agreement also provides for special facilities in regard to border trade.

On September 24, 1971, a fresh trade agreement with Iraq was signed, effective for

a period of three years. Trade plan for the 19-month period beginning with September 1, 1971 was also concluded on the same date. With Peru, a trade agreement valid for a period of three years was signed on November 4, 1971. The agreement with German Democratic Republic, concluded in February 1969 and extended upto December 31, 1971, has now been replaced by the new Trade and Payments Protocol of November 11, 1971. This agreement which became effective on January 1, 1972, will be valid for a period of five years. Annual trade plans for 1972 with Bulgaria, Czechoslovakia, Democratic People's Republic of Korea, German Democratic Republic, Hungary, Poland, Rumania and the USSR were concluded in terms of the existing trade and payments agreements with these countries. A trade plan with Arab Republic of Egypt for the 15-month period beginning from July 1, 1971, was also concluded during the year.

Details of the trade agreements/arrangements entered into during 1971-72 are given in Appendix XII.

Developments in International Trade

An event of significance in the sphere of international trade and economic co-operation was the holding of the Third United Nations Conference on Trade and Development (UNCTAD—III) at Santiago during April-May 1972. The Conference passed four resolutions relating to: (i) international monetary issues, (ii) expansion of trade, (iii) invisibles which covered shipping and tourism, and (iv) development of land-locked countries and the least developed among the developing countries.

The resolution on monetary issues, passed after a protracted period of deliberations, is a compromise between the stands taken by the developed and developing countries. Developing countries pressed for the linking of the future allocation of Special Drawing Rights (SDR) to the flow of aid to them (developing countries). They also sought greater participation in the framing of the future international monetary policy by instituting a permanent consultative machinery linking together the UNCTAD, the IMF and the GATT. On the other hand, the developed countries wanted the link issue to be studied in the forum of the IMF with a view to ensuring that the SDR functions primarily as a reserve asset. The proposal for the co-ordinating arrangement in the sphere of monetary policy was accepted in principle by the developed countries. Accordingly, the Secretary-General of the UNCTAD was asked to suggest a suitable co-ordinating arrangement.

In regard to expansion of trade, a resolution was adopted to give opportunity to the developing countries to participate in the multilateral trade negotiations to be held next year within the framework of the GATT. It was also agreed to expand the Trade and Development Board—a permanent body of the UNCTAD, and set up an International Trade Organisation to promote the trade of the developing countries and in particular East-West trade.

The most important achievement of the Conference was the acceptance of the principle, by the developed countries, of having an international code of conduct for Liner Conferences. On the issue of the regulation of the maritime transport costs and the freight rates, the Conference produced a first group of substantive rules for a world code and the guidelines for further work in identifying and trying to resolve differences revealed in the discussions at the third UNCTAD.

The Third UNCTAD made a unanimous decision to adopt special measures to help the 25 least developed among the developing countries. The special measures stipulated a programme of preferential finance, special consideration for commodity agreements, lower shipping rates, higher technical assistance and assistance by international organisations for economic diversification. The proposal for setting up of a special international fund to help these countries was not accepted.

A resolution was adopted calling for assistance from the developed countries to the land-locked countries to enable them to develop their transport and communication

systems as it was felt these measures would help them to expand their trade.

Reference has been made in last year's Report to the adoption of the Generalised System of Preferences (GSP) by the EEC countries and Japan during the second half of 1971 which is expected to provide opportunities to increase exports of manufactured and semi-manufactured items of the developing countries. Subsequently, the UK, Sweden, Norway, Denmark, Finland etc. also implemented the GSP, although the USA is yet to adopt it. However, an unfavourable development during the year is the imposition of duty on import of Indian cotton textiles into the UK effective from January 1, 1972 and the decision on the part of the UK to enter the European Economic Community in January 1973. This would result, eventually, in the elimination of preferential treatment to Indian products in our traditional market in the UK.

Tariff Commission

During the period July 1, 1971 to June 30, 1972, the Tariff Commission completed* two tariff inquiries pertaining to (i) aluminium industry and (ii) dye-intermediate industry and two price inquiries relating to (i) automobile ancillaries and (ii) automobiles—Standard Herald Passenger car—Four-Door Model.

The Commission recommended that the fiscal protection granted to the aluminium industry need not be continued beyond December 31, 1971; and that protective duties on articles covered under items 66(*a*) (aluminium plates, sheets, circles, strips and foils including foils in any form or size ordinarily used as parts and fittings of tea chests) and 66(*i*) (aluminium in any crude form, including ingot bars, blocks, slabs, billets, shots and pallets) of the First Schedule to the Indian Customs Tariff (ICT) may be replaced by revenue duties at appropriate rates. Government accepted the Commission's recommendation to deprotect the industry after December 31, 1971. The existing protective duties were replaced by revenue duties but the rates were enhanced from 27½ per cent *ad valorem* and 20 per cent *ad valorem* on items covered by ICT Nos. 66(*a*) and 66(*i*), respectively, to 40 per cent each. The Government also decided that the aluminium industry should be deemed to be protected (for purposes other than tariff) for a further period of five years ending December 31, 1976 and that the Tariff Commission should review the progress of the industry periodically.

Although the protection granted to the dye-stuff industry has been withdrawn from December 31, 1968, the Government has considered the industry as deemed to be protected under Section 11(*a*) of the Tariff Commission Act, 1951 in view of the quantitative restrictions on imports. In its interim report, the Commission recommended continuation for a further period of three years, i.e. upto December 31, 1974, of (i) protection at the existing rates of duty to 53 intermediates, and (ii) concessional rates of 27½ per cent *ad valorem* (standard) and 17½ per cent *ad valorem* (preferential) available to 18 intermediates. Government have accepted the recommendation of the Commission regarding protection to the 53 dye-intermediates. As for tariff concession granted to 18 dye-intermediates, Government have decided to continue these until December 31, 1972 pending a detailed and comprehensive review of the industry by the Commission.

* An inquiry is treated as having been completed only after the Government's decision on the Report is announced.

CHAPTER VIII—BALANCE OF PAYMENTS AND EXCHANGE CONTROL

The year July 1971—June 1972 witnessed the breakdown of the international monetary system as it had operated since World War II under the Bretton Woods Agreement. Following the long period of disequilibrium in the international payments relationships of the main industrial countries, the United States of America suspended on August 15, 1971, the convertibility into gold (or other reserve assets) of the US dollar balances of official agencies. This was part of its programme to stimulate domestic activity while simultaneously stemming deterioration in international payments; in the process, the US disrupted the par value system for the settlement of international transactions anchored on the gold convertibility of the US dollar evolved at Bretton Woods in 1945.

With the ending of dollar convertibility such major currencies as sterling and yen (along with the Belgian franc) started to fluctuate against the US dollar, as also against one another thus joining the Deutsche Mark and Dutch guilder (floating on the exchanges since May 9, 1971). Since the US dollar and sterling were reserve currencies as well as major intervention currencies, all the currencies of the world effectively came to float and a period of uncertainty and confusion ensued.

It took no less than four months for the world's ten richest nations outside the socialist economies to come to an interim arrangement to achieve less disorderly conditions in the exchange markets. The Smithsonian Agreement concluded by these industrial countries on December 18, 1971 provided for a realignment of exchange rates. The International Monetary Fund adopted on the same day the realignment agreed, by establishing a temporary regime of wider margins and central rates—under which the exchange rates could fluctuate upto 2.25 per cent on either side of the central rate/par value, in place of the margin of 1 per cent under the Bretton Woods system. The realignment provided for a devaluation of the US dollar in terms of gold, along with the appreciation in varying degrees of the Japanese yen and the Deutsche Mark, as well as the Netherlands guilder and the Belgian franc, also in terms of gold. Within a few months, however, this arrangement proved all too brittle in respect of a major world currency like sterling, which floated on the exchanges towards the end of June 1972.

At the time of the suspension of US dollar convertibility on August 15, 1971, India maintained the gold (and US dollar) parity of the rupee, though sterling continued to be used as the intervention currency. With the adoption of the Smithsonian Agreement, however, India established a central rate for the rupee in terms of sterling at Rs. 18.9677 per pound sterling as compared to the pre-August 15 rate of Rs. 18 per pound sterling, and notified that it would avail of the wider margins for market fluctuations permitted under the new Fund regime. This authority of wider margins was used on July 4, 1972 when the Reserve Bank's rates for buying and selling pound sterling were set at levels involving a marginal revaluation of 0.89 per cent against sterling, after the pound sterling went on the float.

The international monetary crisis, the implications of the interim exchange rate arrangements and, above all, the need for a radical reform of the international monetary system are alluded to later on in this chapter. But it is necessary to note here that these disturbed conditions inevitably affected India's international payments balance during the year July 1971—June 1972 and the value of its international reserves. Uncertainties created by the fluctuating exchange rates could not but affect exports, a part of which had also to suffer the disadvantage of the US import surcharge till mid-December 1971; the adverse impact of the fluctuating rates on the exports was, however, sought to be moderated by maintaining the rupee/US dollar parity till mid-December 1971 and the rupee/sterling parity for six months afterwards. Where our exports move under long-term contracts fixed in terms of US dollar, as in case of iron ore

exports to Japan, the depreciation of the US dollar was not of benefit to our earnings. On the other hand, given the continuing price inflation in major industrial economies, a significant part of our imports became more expensive. The burden of debt service due to countries whose currencies appreciated in value also went up; at the same time the total debt servicing obligations in 1971-72 were themselves higher in magnitude than in the preceding year. Food imports were substantially cut down, but imports of other essential items appear to have been stepped up in the period July 1971-June 1972, to make good the shortfalls in domestic production of some of the commodities and to meet the growing domestic demand in case of others. Unlike in the previous year, however, there was no outgo on account of repurchase transactions with the IMF, while the receipts of SDRs (under the first three-year basic allocation) were identical in amount in both the years. In the result, there was a net improvement in the reserves position, though not to the same extent as in 1970-71 (July-June).

Trends in Reserves during 1971-72

During the year 1971-72 (July-June) the reserves *increased* by Rs. 59 crores to Rs. 846 crores. A part of the improvement, however, reflected the appreciation in the value of some of the reserve assets resulting from changes in exchange rates. Excluding this, the improvement in reserves would work out to Rs. 43 crores. In 1970-71, the reserves *declined* by Rs. 50 crores to Rs. 787 crores at the end of June 1971; however, repurchases from the IMF and the purchase of gold for the payment of additional gold subscription to the IMF, had meant a sizable outgo of Rs. 124 crores from the reserves in that year. But for these transactions, the reserves would have shown an increase of Rs. 72 crores in July 1970-June 1971, or Rs. 29 crores more than the increase this year.

Balance of Payments

Data on the various constituents of the balance of payments are not yet available beyond September 1971. It is, therefore, not possible to analyse in detail the payment transactions for the period upto June 1972. Because of similar data limitations, the Report for 1970-71 also did not cover the balance of payments developments for the period January-June 1971. For these reasons, it has been considered useful to present in the following paragraphs the balance of payments details for the nine-month period January-September 1971.

During this period the external payments position deteriorated markedly in comparison with the period January-September 1970. Foreign exchange reserves went up in January-September 1971 by Rs. 50 crores, or by less than half the rise of Rs. 116 crores in the corresponding period of 1970. The 1970 growth took place after repurchases from the Fund amounting to Rs. 95 crores, the withdrawal of special deposits kept by the IBRD with the Reserve Bank of India amounting to Rs. 7 crores, and the receipt of the SDRs allocation of Rs. 95 crores. In the first nine months of 1971, the repurchases from the Fund at Rs. 49 crores were a little more than half of those in 1970, while the 1971 SDRs allocation was Rs. 19 crores less than the one in 1970; but the reserves benefited in 1971 to the extent of Rs. 13 crores from valuation changes following the floating of the major world currencies while we maintained the rupee/US dollar parity. If all these transactions of a rather special nature are excluded, the rise in the reserves would amount to Rs. 11 crores in January-September 1971 and that in the corresponding period of 1970 to Rs. 124 crores.

This sharp deterioration was caused by the widening of the merchandise trade deficit by 63 per cent over the year mainly because of a sharp step-up in imports of steel and raw cotton to make good the fall in domestic production, larger imports of non-ferrous metals and the rise in payments for import of crude, following the price escalation agreed to in February 1971 between the international oil companies and the Governments of the crude producing countries.

Overall Trends

The aggregate import bill for January-September 1971 was Rs. 198 crores higher over the year while exports moved up by only Rs. 46 crores so that the trade deficit widened from Rs. 241 crores to Rs. 393 crores (Table 1). At the same time, the net deficit on account of invisible transactions including official transfer payments increased from Rs. 16 crores in January-September 1970 to Rs. 42 crores in January-September 1971. The deficit on current account went up in the result by Rs. 178 crores to Rs. 435 crores. Unidentified transactions covered by "errors and omissions" also moved in a similar direction, the inflow of Rs. 24 crores giving way to an outflow of Rs. 16 crores in January-September 1971. The overall deficit before reckoning the capital transactions thus amounted to Rs. 451 crores, or Rs. 218 crores higher than the similar aggregate for the same period of last year. Fortunately, there was a sizable increase of Rs. 139 crores over the year in the net inflow of capital transactions, making it possible for the reserves to rise by a small amount of Rs. 38 crores.

Imports

Total import payments of Rs. 1,460 crores in January-September 1971 were 16 per cent higher than in the corresponding period of 1970. Of the rise over the year of Rs. 198 crores in total import payments, a little less than a third was accounted for by aid-financed imports and the remainder by imports financed out of own resources.

Imports on Government account rose by 20 per cent from Rs. 761 crores in January-September 1970 to Rs. 914 crores in January-September 1971, while private imports were also higher, though only by 9 per cent. The rise was particularly marked in respect of capital equipment, iron and steel, mineral oils and non-ferrous metals; the shifting of a part of imports of cashewnuts to Government account after September 1970 also contributed to an increase of Rs. 14 crores in this sector's import bill for January-September 1971. Imports of iron and steel, raw cotton, mineral oils, and ships, aircraft and parts, mainly accounted for the rise in private imports of Rs. 46 crores to Rs. 547 crores.

Exports

At Rs. 1,068 crores, exports, as booked in the balance of payments statistics, *increased* by 4.5 per cent during the first nine months of 1971 over the level in the same period of 1970. This was in contrast to the position in 1970 when exports had *declined* by about 2 per cent because of the strike at Calcutta port in June 1970, diminution in supplies and difficult trading conditions abroad. Almost the entire increase in 1971 reflected the better offtake by countries other than those with the rupee payments agreements.

Virtually all of the improvement was in three traditional exports, namely jute manufactures, tea and wool manufactures. Exports of jute manufactures increased by one-fourth; shortfall in supplies from major competing countries benefited exports of tea which increased by 10 per cent. Demand from the USSR led to a near doubling of the exports of wool yarn and manufactures. Among the non-traditional items, exports of sugar trebled while those of coffee and leather manufactures increased by one-fourth and one-tenth, respectively; but the improvement in these items was very nearly wiped out by the near halving in exports of iron and steel.

Invisibles

The surplus on account of official transfer payment transactions dropped from Rs. 32 crores to Rs. 25 crores mainly as a result of the tapering off of the Special Food Assistance grants from Canada under the Colombo Plan. The increase in the deficit on account of other invisible transactions by more than a third to Rs. 66 crores resulted from a sharp drop in gross receipts. Receipts from miscellaneous service transactions declined by about 30 per cent. With the reduced level of interest-bearing official foreign balances, receipts by way of investment income also dropped by one-sixth. Gross payments were marginally lower; some increase in the outgo on insurance account was offset by the fall in payments on account of miscellaneous service transactions. Investment income payments at Rs. 194 crores were about the same

Table 1—India's Balance of Payments (Preliminary)

(Rupees crores)

	January-March 1971	April-June 1971	July-September 1971	January-September 1971	January-September 1970
A. Current Account					
Imports c.i.f.					
(*a*) Private	159.3	195.3	192.0	546.6	500.7
(*b*) Government	295.7	295.6	322.3	913.6	761.1
Total Imports (*a*+*b*)	455.0	490.9	514.3	1,460.2	1,261.8
Exports f.o.b.	342.8	370.7	354.0	1,067.5	1,021.2
Trade Balance	**—112.2**	**—120.2**	**—160.3**	**—392.7**	**—240.6**
Non-Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	+ 0.3	+ 6.9	+ 17.4	+ 24.6	+ 32.2
Other Invisibles (Net)	— 28.9	— 15.5	— 22.0	— 66.4	— 48.5
Current Account (Net)	**—140.8**	**—128.8**	**—164.9**	**—434.5**	**—256.9**
B. Errors and Omissions (Net)	**— 39.3**	**+ 24.2**	**— 1.2**	**— 16.3**	**+ 23.8**
C. Capital Account					
Private Capital (Net)	**— 18.1**	**— 9.4**	**+ 4.1**	**— 23.4**	**— 13.9**
(*a*) Long-term	— 17.1	— 9.4	+ 3.8	— 22.7	— 14.0
(*b*) Short-term	— 1.0	—	+ 0.3	— 0.7	+ 0.1
Banking Capital (Net)	**+ 0.5**	**+ 7.6**	**+ 5.9**	**+ 14.0**	**+ 7.9**
Official Capital (Net)	**+191.3**	**+159.1**	**+147.5**	**+497.9**	**+355.3**
(*a*) Loans	+238.0	+201.0	+155.0	+594.9	+481.4
(*b*) I.M.F.	— 48.8	—	—	— 48.8	— 95.4
(*c*) Amortisation	— 36.6	— 30.6	— 49.0	—116.2	—110.3
(*d*) Miscellaneous	+ 38.7	— 11.3	+ 41.5	+ 68.9	+79.6
Capital Account (Net)	**+173.7**	**+157.3**	**+157.5**	**+488.5**	**+349.3**
D. Movement in Reserves (A+B+C) Increase (+)/Decrease (—)	**— 6.4**	**+ 52.7**[1]	**— 8.6**[2]	**+ 37.7**[1,2]	**+116.2**

Excludes the appreciation in the Deutsche Mark and Swiss Franc component of reserves following the floatation of Deutsche Mark and revaluation of Swiss Franc in May 1971.

Excludes the appreciation in the Deutsche Mark, Pound Sterling and Yen component of the reserves following the floatation of Deutsche Mark in May 1971 and Pound Sterling and Yen in August 1971.

as in the preceding year and continued to amount to more than half of the total gross payments. As in the past, nearly three-fourths of the outgo on investment income account comprised interest payments on loans and credits.

Capital Transactions

The net inflow of capital at Rs. 489 crores was 40 per cent larger than that in the corresponding period of 1970. While there was an increase in the net *inflow* to the banking and official sectors, capital transactions of the private sector continued to register a net *outflow*. The sizable increase in amortisation payments and outward movement of funds by oil companies resulted in a net outflow of Rs. 23 crores from the private sector which was nearly two-thirds more than in 1970. The net inflow to the banking sector nearly doubled to Rs. 14 crores, largely in the form of a reduction in authorised dealers' foreign currency assets. In the preceding year, the inflow comprised mainly the increase in their foreign currency liabilities.

The net inflow to the official sector increased by two-fifths as a result of drawings on external loans of Rs. 596 crores (as against Rs. 484 crores) and much lower repurchases from the IMF. Amortisation payments, however, were somewhat larger at Rs. 119 crores while the net inflow on account of miscellaneous capital transactions dropped by Rs. 11 crores to Rs. 69 crores, reflecting mainly the changes in rupee liabilities to the US Government arising out of transactions under PL 480 Title I programme and the drop in the second allocation of SDRs from Rs. 95 crores to Rs. 76 crores.

Regional Trends

The current account position with all the different regions deteriorated, the deficit with the dollar area and OECD countries together accounting for about 95 per cent of the overall current account deficit. The deficit with these two areas increased by Rs. 12 crores and Rs. 40 crores, respectively (Table 2). The position with the ' rest of non-sterling area,' changed over from a *surplus* to a *deficit* while the surplus with the sterling area dwindled to Rs. 15 crores. The smaller outgo on investment income account helped to reduce the deficit with the international institutions.

The trade balance with all the regions except the dollar area worsened. While there was a sizable reduction in the trade surplus with the sterling area, the merchandise balance with the ' rest of non-sterling area ' changed over from a *surplus* to a *deficit*. The trade deficit with the OECD countries widened while that with the dollar area narrowed down to some extent. Both imports from and exports to all the regions registered a rise, but it was only with the dollar area that the increase in exports exceeded the increase in imports, resulting in narrowing down of the trade deficit with that area. Of the total increase in imports, sterling and ' rest of non-sterling area ' together accounted for nearly three-fourths of the increase. Practically the entire increase in exports was accounted for by dollar and sterling areas.

The position on invisibles account, including the official transfer payment transactions, worsened with all the regions except the ' rest of non-sterling area.' While the surplus with the sterling and dollar areas sharply declined and the deficit with the OECD countries widened, the deficit with the ' rest of non-sterling area ' narrowed down. The contraction in surplus with the sterling and dollar areas from Rs. 10 crores and Rs. 31 crores to Rs. 4 crores each resulted mainly from reduced earnings from investment income and miscellaneous services and larger outgo on insurance account in the case of sterling area, and tapering off of Special Food Assistance grants from Canada and reduced earnings on miscellaneous services account in the case of dollar area. Similarly, the widening of deficit by one-half to Rs. 22 crores with the OECD countries was due to smaller earnings on investment income account and larger outgo on transportation account. The improvement in position with the ' rest of non-sterling area,' from a deficit of Rs. 11 crores to Rs. 2 crores, on the other hand, was due to reduced outgo on investment income and miscellaneous services accounts.

Table 2—India's Regional Balance of Payments on Current Account (Preliminary)

(Rupees crores)

	January-March 1971	April-June 1971	July-September 1971	January-September 1971	January-September 1970
Sterling Area					
Imports c.i.f.	75.4	93.3	90.8	259.5	197.2
Exports f.o.b.	86.2	90.3	93.6	270.1	258.0
Trade Balance	+ 10.8	— 3.0	+ 2.8	+ 10.6	+ 60.8
Non-Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	+ 1.1	—	— 0.4	+ 0.7	— 1.6
Other Invisibles (Net)	+ 1.5	— 0.4	+ 2.4	+ 3.5	+ 11.8
Current Account (Net)	**+ 13.4**	**— 3.4**	**+ 4.8**	**+ 14.8**	**+ 71.0**
Dollar Area					
Imports c.i.f.	166.2	145.3	154.1	465.6	453.0
Exports f.o.b.	48.6	71.7	70.6	190.9	163.1
Trade Balance	—117.6	— 73.6	— 83.5	—274.7	—289.9
Non-Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	+ 1.9	+ 6.9	+ 16.3	+ 25.1	+ 34.9
Other Invisibles (Net)	— 5.5	— 9.1	— 6.5	— 21.1	— 4.0
Current Account (Net)	**—121.2**	**— 75.8**	**— 73.7**	**—270.7**	**—259.0**
O.E.C.D. Countries*					
Imports c.i.f.	63.2	77.8	73.3	214.3	174.9
Exports f.o.b.	30.9	32.8	32.5	96.2	90.4
Trade Balance	— 32.3	— 45.0	— 40.8	—118.1	— 84.5
Non Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	+ 0.5	+ 0.1	+ 0.4	+ 1.0	+ 3.3
Other Invisibles (Net)	— 5.9	— 10.5	— 6.1	— 22.5	— 18.1
Current Account (Net)	**— 37.7**	**— 55.4**	**— 46.5**	**—139.6**	**— 99.3**
Rest of Non-Sterling Area					
Imports c.i.f.	150.2	174.5	196.1	520.8	436.7
Exports f.o.b.	177.1	175.9	157.3	510.3	509.8
Trade Balance	+ 26.9	+ 1.4	— 38.8	— 10.5	+ 73.1
Non-Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	—	—	—	—	— 0.2
Other Invisibles (Net)	— 9.3	+ 9.7	— 2.8	— 2.4	— 10.9
Current Account (Net)	**+ 17.6**	**+ 11.1**	**— 41.6**	**— 12.9**	**+ 62.0**
International Institutions					
Imports c.i.f.	—	—	—	—	—
Exports f.o.b.	—	—	—	—	—
Trade Balance	—	—	—	—	—
Non-Monetary Gold Movement (Net)	—	—	—	—	—
Official Transfer Payments (Net)	— 3.3	— 0.1	+ 1.1	— 2.3	— 4.2
Other Invisibles (Net)	— 9.6	— 5.2	— 9.0	— 23.8	— 27.5
Current Account (Net)	**— 12.9**	**— 5.3**	**— 7.9**	**— 26.1**	**— 31.7**

* Austria, Belgium, Denmark, France, Federal Republic of Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Spain and Turkey.

External Assistance

Aid flows continued to support the balance of payments; as will be seen later, the net benefit during the fiscal year 1971-72 was less than a half of that five years ago, though it was slightly higher than in 1970-71. For the second year in succession, since the setback in 1969-70, there was an increase in the authorisations in the fiscal year 1971-72 (Table 3).

Authorisations

There was a substantial step-up in the loan authorisations in 1971-72 by the IDA and Japan. Though paucity of funds prevented the IDA from authorising funds for some projects already approved by it, total authorisations by the IDA nearly trebled from the previous year's level to a record Rs. 335 crores. Loans authorised by Japan went up from a mere Rs. 5 crores in 1970-71 to Rs. 95 crores in 1971-72, while the USA, which used to provide nearly half of the total, authorised only about Rs. 42 crores in 1971-72 (excluding PL 480 assistance of Rs. 119 crores authorised on April 1, 1971). Since December 1971 the USA has not made any fresh authorisations, and has in fact suspended most of the assistance already authorised. Other countries authorised about the same amounts as in the preceding year.

The bulk (nearly 95 per cent) of the aid authorised in 1971-72 consisted of loans, while the shares of grants and PL 480 assistance amounted to 4 per cent and 1 per cent respectively. However, a significant feature of the loans authorised during the year was that nearly 60 per cent (Rs. 514 crores) of the loans were tied to specific projects; loans for Rs. 301 crores or 35 per cent were not tied to any projects and the balance of Rs. 34 crores (5 per cent) of the authorisations was towards debt relief. This was in sharp reversal of the experience in the preceding year, when non-project loan authorisations accounted for 61 per cent of the total authorisations. This contrast is largely attributable to the shift in IDA credits from industrial imports to agricultural projects.

Project and Non-Project Aid

In regard to debt relief, there was a sizable increase in refinancing credits because of fresh authorisations by the UK; but the relief by way of postponement of payments and rescheduling of debt was lower than in the preceding year. The relief authorised by way of postponement of payments more than halved to Rs. 7 crores in the absence of the authorisations in this behalf by the IBRD. Rescheduling of debt totalling Rs. 15 crores by Japan also stood reduced by about a fifth (Table 4). Relief in the form of cancellation/reduction of interest, provided mainly by Germany, was about the same as in the preceding year.

Debt Relief

During 1971-72, the total assistance utilised amounted to Rs. 820 crores or about 5 per cent more than in 1970-71 (Table 3). In view of the usual time-lag between authorisation and utilisation, the quantum of assistance utilised during any given year depends primarily on the quantum of aid available in the pipe-line, particularly in the form of non-project assistance. With the bulk of the aid authorised during 1971-72 consisting of project aid, the utilisation of which would materialise over a considerable period of time, the amount actually utilised during this year was mostly from assistance in the pipe-line. At the beginning of the fiscal year 1971-72, aid in the pipe-line amounted to Rs. 1,598 crores, Rs. 1,124 crores in project assistance and Rs. 474 crores in the form of non-project aid. Loans utilised increased over the year by Rs. 71 crores while the amount of grants utilised was marginally lower. Utilisation of PL 480 assistance, however, dwindled from Rs. 38 crores to Rs. 9 crores as a result of the tapering off of this programme.

Trends in Utilisation

Along with the increase in aid utilisation, there has been a sizable rise in amortisation and interest payments. In fact, over the last decade there has been a continuous and sizable increase in the total outgo on account of debt service charges. After increasing by more than half between 1966-67 and 1970-71,

Debt Servicing

Table 3—External Assistance

(Fiscal Year)

(Rupees crores)

	Loans*	Grants	P.L. 480 Aid@	Total (1+2+3)
	1	2	3	4
1. Amount undisbursed as at the end of March 1966 ** ..	**1,644**	**86**	**170**	**1,900**
2. Authorisations during				
(*a*) 1966-67	1,056	80	393	1,529
(*b*) 1967-68	446	17	243	706
(*c*) 1968-69	789	70	72	931
(*d*) 1969-70	523	29	23	575
(*e*) 1970-71	679	64	—	743
(*f*) 1971-72@@	849	36	9	894
Total	**4,342**	**296**	**740**	**5,378**
3. Utilisation during				
(*a*) 1966-67	677	95	360	1,132
(*b*) 1967-68	806	60	311	1,177
(*c*) 1968-69	756	73	84	913
(*d*) 1969-70	700	29	108	837
(*e*) 1970-71	690	52	38	780
(*f*) 1971-72@@	761	50	9	820
Total	**4,390**	**359**	**910**	**5,659**
4. Amount undisbursed as at the end of March 1972 † ..	**1,586**	**22**	—	**1,608**

Note : Data are adjusted for lapsed agreements and exclude (*a*) grants under US PL 480 Title II and III and (*b*) special deposits placed by the IBRD with the Reserve Bank of India during 1967-68.

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

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

**The rupee value of undisbursed balance as at end-March 1966 is given at the post-devaluation rate.

@@Rupee values for 1971-72 have been computed at IMF par values prevailing prior to the realignment of exchange rates on December 18, 1971.

† Adjusted for devaluation of Pound Sterling and Danish Kroner in November 1967, of French Franc in August 1969 and for the revaluation of Deutsche Mark in October 1969, except in case of loans from the IBRD and the IDA which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

Table 4—Debt Relief Assistance

(Fiscal Year)

(Rupees lakhs)

	Authorisations						Utilisation					
	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
	1	2	3	4	5	6	7	8	9	10	11	12
A. By way of refinancing credits												
1. Austria	68	37	67	82	1,13	67	30	68	68	82	1,13	67
2. Belgium	—	—	83	83	82	1,13	—	—	83	83	82	1,13
3. France	—	—	3,75	—	7,50	3,75	—	—	2,77	98	7,50	3,75
4. Germany (West)	—	5,40	10,95	11,63	15,60	14,55	—	5,40	10,95	12,22	15,60	14,55
5. Italy	—	—	4,13	5,55	—	—	—	—	—	—	4,13	—
6. United Kingdom	17,62	24,38	13,50	27,00	—	13,50	17,25	24.37	13,50	27,00	—	13,50
Total A	**18,30**	**30,15**	**33,83**	**45,83**	**25,05**	**33,60**	**17,55**	**30,45**	**28,73**	**41,85**	**29,18**	**33,60**
B. By way of postponement of payments												
1. IBRD	—	11,25	11,25	11,25	11,25	—	—	11,25	11,25	11,25	11,25	—
2. USA	—	—	6,53	6,52	6,53	6,53	—	—	6,53	6,53	6,53	6,53
3. Canada	—	53	60	68	—	60	—	53	60	67	—	60
Total B	**—**	**11,78**	**18,38**	**18,45**	**17,78**	**7,13**	**—**	**11,78**	**18,38**	**18,45**	**17,78**	**7,13**
C. By way of rescheduling of payments												
1. Japan	1,88	4,65	12,60	14,70	19,05	15,45	1,88	4,65	12,60	14,70	19,05	15,45
Total C	**1,88**	**4,65**	**12,60**	**14,70**	**19,05**	**15,45**	**1,88**	**4,65**	**12,60**	**14,70**	**19,05**	**15,45**
D. By way of grants												
1. Austria	—	—	37	38	37	—	—	—	37	38	37	—
2. Canada	—	6,97	83	—	—	—	—	6,97	83	—	—	—
3. Germany (West)	—	—	3,60	3,60	3,53	3,90	—	—	3,60	3,75	3,53	3,90
4. Netherlands	—	—	45	45	53	53	—	—	45	45	53	53
Total D	**—**	**6,97**	**5,25**	**4,43**	**4,43**	**4,43**	**—**	**6,97**	**5,25**	**4,58**	**4,43**	**4,43**
Grand Total	**20,18**	**53,55**	**70,06**	**83,41**	**66,31**	**60,61**	**19,43**	**53,85**	**64,96**	**79,58**	**70,44**	**60,61**

Table 5—Inflow of Foreign Assistance : Gross and Net

(Fiscal Year)

(Rupees crores)

Year	Gross aid utilisation	Amortisation payments	Interest payments	Total debt service (2+3)	Net inflow of aid (1—4)
	1	2	3	4	5
1961-62	338	58	33	91	247
1962-63	444	48	39	87	357
1963-64	590	54	46	100	490
1964-65	723	69	52	121	602
1965-66	772	77	67	144	628
1966-67	1,132	157@	115	272	860
1967-68	1,177	194@	122	316	861
1968-69	913	207@	137@	344	569
1969-70	837	238@	142@	380	457
1970-71	780	254@	158@	412	368
1971-72	820	271@	175@	446	374

Note : Figures upto March 1966 are not comparable with those for the later period because of the devaluation of the rupee in June 1966.

@ Excludes amortisation and interest payments rescheduled and postponed as under :

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
Japan	2	5	13	14	19	15
IBRD	—	11	11	11	11	—
USA	—	—	7	7	7	7
Canada	—	1	1	1	1	1
Total	2	17	32	33	38	23

Table 6—Aggregate External Assistance
(Fiscal Year)

(Rupees crores)

	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
	1	2	3	4
Authorisations				
1. Up to Third Plan	5,990	617	2,380	8,987
2. During 1966-67	1,056	80	393	1,529
3. During 1967-68	446	17	243	706
4. During 1968-69	789	70	72	931
5. During 1969-70	523	29	23	575
6. During 1970-71	679	64	—	743
7. During 1971-72	849	36	9	894
Total	**10,332**	**913**	**3,120**	**14,365**
Utilisation				
1. Up to Third Plan	4,346	531	2,210	7,087
2. During 1966-67	677	95	360	1,132
3. During 1967-68	806	60	311	1,177
4. During 1968-69	756	73	84	913
5. During 1969-70	700	29	108	837
6. During 1970-71	690	52	38	780
7. During 1971-72	761	50	9	820
Total	**8,736**	**890**	**3,120**	**12,746**

Note : Please refer to notes to Table 3.

Table 7—Aggregate External Assistance—Source-wise
(Fiscal Year)

(Rupees crores)

	Authorised upto March 1972				Utilised upto March 1972			
	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	5	6	7	8
IBRD/IDA ..	2,157	—	—	2,157 (15.0)	1,643	—	—	1,643 (12.9)
USA	3,411	286	3,120	6,817 (47.5)	3,263	277	3,120	6,660 (52.3)
USSR	1,021	12	—	1,033 (7.2)	684	11	—	695 (5.4)
West Germany	996	26	—	1,022 (7.1)	905	26	—	931 (7.3)
United Kingdom ..	1,055	13	—	1,068 (7.4)	934	13	—	947 (7.4)
Japan	454	1	—	455 (3.2)	365	1	—	366 (2.9)
Others	1,238	575	—	1,813 (12.6)	942	562	—	1,504 (11.8)
Total	**10,332**	**913**	**3,120**	**14.365 (100.0)**	**8,736**	**890**	**3,120**	**12.746 (100.0)**

Notes : 1 Please refer to notes to Table 3.

2 Figures in brackets represent percentages to total.

these charges increased further to Rs. 446 crores in 1971-72, after allowing for the rescheduling and postponement of charges amounting to Rs. 23 crores (Table 5). However, due to the higher gross utilisation during the year, the net inflow of external assistance at Rs. 374 crores was somewhat larger than in the previous year. In 1971-72, as in 1970-71, debt service payments were 55 per cent of aid utilised; and in both years, they constituted 29 per cent of the value of exports.

Cumulative Assistance

From August 15, 1947 upto March 31, 1972, the external assistance authorised totalled Rs. 14,365 crores, of which 72 per cent was in the form of loans, 22 per cent comprised of PL 480/665 and third country currency assistance and 6 per cent grants. Assistance utilised upto the end of March 1972 amounted to Rs. 12,746 crores or about 89 per cent of total authorisation (Table 6). At the end of March 1972, the aid available in the pipe-line (after adjusting for lapsed agreements) amounted to Rs. 1,608 crores, mostly in the form of loans. About 48 per cent of the total authorisations and 52 per cent of the total utilisation was accounted for by the USA. The IBRD and IDA together accounted for 15 per cent of authorisations and 13 per cent of utilisation. The corresponding shares were 7 per cent and 5 per cent for USSR, 7 per cent in both for UK and West Germany, and 3 per cent in both for Japan (Table 7). The terms on which the aid authorised during the year were, in general, neither more nor less liberal than in the immediate past. Only West Germany and Sweden made a welcome beginning in untying aid, permitted utilisation through purchases in third countries.

Aid for 1972-73

At the June 1972 meeting, the Aid-India Consortium indicated fresh assistance of Rs. 910 crores ($1,250 million) for the year 1972-73 to prevent " the sharp decline in the transfer of resources to India". Of these Rs. 510 crores ($700 million) would cover non-project assistance, including debt relief, while Rs. 400 crores ($550 million) would be for projects. Except the USA which gave no indication of its intentions, other Consortium members promised higher contributions in 1972-73 than in 1971-72, though the question of debt relief was deferred to a later meeting.

External Assistance Extended by India

While India has been one of the largest recipients of external assistance among developing countries, it has also been an important donor country in the matter of providing assistance to other less developed countries, particularly its immediate neighbours. Upto March 1972, the total official assistance authorised was Rs. 342 crores.* Bangladesh received nearly 50 per cent (Rs. 164 crores) of the total, Nepal and Bhutan following with Rs. 92 crores and Rs. 38 crores respectively. Three-fourths of the assistance was in the form of grants. The details of country-wise authorisation and utilisation are given below.

* Excluding that provided to Sikkim.

Table 8—External Assistance Extended by India to Other Countries (*a*) (Rupees crores)

	Authorisations upto March 1972			Utilisation upto March 1972			Undisbursed balances as at end-March 1972		
	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total
	1	2	3	4	5	6	7	8	9
Burma ..	20.0	—	20.0	20.0	—	20.0	—	—	—
Ceylon ..	17.4	—	17.4	10.8	—	10.8	6.6	—	6.6
Indonesia ..	10.0	—	10.0	10.0	—	10.0	—	—	—
Nepal (*b*) ..	1.0	91.2	92.2	0.4	87.9	88.3	0.6	3.3	3.9
Bhutan ..	1.6	36.1	37.7	1.6	36.1	37.7	—	—	—
Bangladesh..	33.6	130.6	164.2	..	..	35.0 (*c*)	..	..	129.2 (*c*)
Total ..	83.6	257.9	341.5	..	..	201.8 (*c*)	..	..	139.7 (*c*)

(*a*) Data do not include assistance extended to Sikkim.
(*b*) Excludes the grant expenditures on Kosi and Gandak schemes being executed by the Bihar Government and the grant expenditure on training of Nepalese scholars in India.
(*c*) The breakdown between ' loans ' and ' grants ' is not available.

Foreign Investment Policy

The policy of welcoming foreign capital for investment in selected sectors remained basically unchanged during the year. In the sphere of foreign technical collaboration too, the official policy continued unaltered, collaboration being preferred in industries where a significant technological gap existed.

The total value of consents granted by the Controller of Capital Issues to joint stock companies for non-resident participation amounted to Rs. 56.4 crores during the year 1971-72 (April-March), the consents for fresh share capital, bonus issues and loans being Rs. 1.5 crores, Rs. 8.1 crores and Rs. 46.8 crores respectively. During 1970-71, the consents issued were lower at Rs. 12 crores and comprised only of fresh share capital and bonus issues amounting to Rs. 4.3 crores and Rs. 7.7 crores respectively. The collaboration agreements approved during 1971-72 numbered 208 as against 221 in the previous year.

Remittances of current profits and dividends continued to be freely permitted. However, in order to prevent a serious draft on their reserves, the remittance facilities in respect of dividends declared of 100 per cent foreign-owned companies were subjected to certain terms. Since April 1972, they have been made conditional on the Reserve Bank being satisfied (*a*) that the reserves had been drawn upon only for maintaining the dividend quantum at the average of the previous five years or at 10 per cent of the paid-up capital, whichever is more; (*b*) that the drawal on the reserves does not exceed 10 per cent of the total of the paid-up capital and free reserves of the company at the beginning of the year; and (*c*) that the balance of the free reserves left after the drawal does not fall below 15 per cent of the total of the paid-up capital and reserves as in (*b*) above.

Early in 1972, the Government clarified the existing policy of Indianization of foreign-controlled companies through the issue of guidelines to be observed in case of their expansion. According to these guidelines, companies with foreign direct holdings exceeding 75 per cent will have to raise 40 per cent of the estimated cost of expansion—representing the cost of land, buildings, and plant and machinery—by issue of additional equity capital (including premium, if any) to Indians. The corresponding proportions for companies with foreign direct holdings exceeding 60 per cent but not exceeding 75 per cent and those with foreign direct holdings exceeding 51 per cent but not exceeding 60 per cent, were set at 33⅓ per cent and 25 per cent respectively. The addition to the capital base resulting from the application of this formula will be independent of the capital expansion that might result from the operation of the convertibility clause in respect of loan assistance provided by financial institutions such as IDBI, IFC, LIC, etc.

International Monetary Situation

Breakdown of the International Monetary System

As mentioned earlier, the international monetary situation turned critical early in the year under report and mid-August 1971 saw the breakdown of the system evolved at Bretton Woods. Continued deterioration in the payments position together with inflationary price movements had, over a period, strengthened doubts about the viability of the US dollar. Lack of confidence in the US dollar led to massive speculative activity on the exchange markets; and these came on top of the short-term flows engendered by the restrictive monetary policy West Germany had to adopt to deal with its domestic inflationary conditions. The US balance of payments deficit, on official settlements basis, which had increased from $10.7 billion in 1970 to $12 billion in the first half of 1971, amounted to $2.5 billion in July 1971 alone and moved up further to over $7 billion in the first fortnight of August 1971. With a view to arresting the deterioration in the balance of payments and stimulating the persistently sluggish economy, the US authorities announced on August 15, 1971, a series of measures including suspension of convertibility of officially held US dollars into gold or other reserve assets and a 10 per cent surcharge on all dutiable imports. Following the US announcement, the major world

currencies floated on the exchanges, marking the disintegration of the Bretton Woods system of fixed exchange rates.

Temporary Regime of Wider Margins

An attempt to restore stability in international monetary relations was made on December 18, 1971, when the Group of Ten (the richest countries in the world outside the Socialist bloc) arranged a realignment of the exchange rates of their currencies under what has come to be known as the Smithsonian Agreement. This agreement provided for (i) the devaluation of the US dollar by 8.57 per cent in terms of gold through the raising of the official price of gold from $35 per fine oz. to $38 per fine oz.; (ii) the upvaluation, again in terms of gold, of the Japanese yen by 7.66 per cent, Deutsche Mark and Swiss franc by 4.61 per cent and of the Dutch guilder and Belgian franc by 2.76 per cent; (iii) the devaluation in terms of gold of 1 per cent in Swedish kroner and Italian lira, and (iv) a widening of the margin for fluctuations rate to 2.25 per cent on either side of the new rates from the 1 per cent permitted under the International Monetary Fund regime. With the realignment the Japanese yen appreciated by 16.88 per cent, the Deutsche Mark by 13.57 per cent, the Dutch guilder and the Belgian franc by 11.57 per cent, the pound sterling and French franc by 8.57 per cent and Swedish kroner and Italian lira by 7.48 per cent in terms of the US dollar. The US simultaneously removed its import surcharge.

The International Monetary Fund has adopted the realigned exchange rates and the wider margin agreed to under the Smithsonian Agreement. A temporary regime of central rates was established in recognition of the fact that the US's exchange rate obligation under the Agreement could be formally fulfilled only on the US Congress enacting the legislation to raise the price of gold from $35 per fine oz. to $38 per fine oz*. A little more than one-fourth of the members established central rates while the remainder either adopted new par values or continued to maintain the existing par values in terms of gold. India, as has been mentioned earlier, declared a central rate in terms of sterling together with the wider margin. The central rate for the rupee was fixed at Rs. 18.9677 per pound sterling. At this level, the rupee stood appreciated by 3 per cent in relation to the US dollar and depreciated by 5.1 per cent in relation to the pound sterling and between 3 and 12 per cent *vis-a-vis* other major currencies.

The parties to the Smithsonian Agreement recognised that reorganisation of the exchange rate was only a condition precedent to the progress towards development of a viable international monetary system. While they reached an understanding on the need to consider a major reform of the international monetary system, it was clear that no major proposal would be put forward before June 1972. However, with continued non-convertibility of the dollar, speculative movements of short-term capital continued, despite numerous measures adopted by countries like West Germany, Japan and Switzerland to restrain such flows. In consequence, the pound sterling—the other world reserve currency—became the target of the speculative pressures.

The deterioration in the UK trade position that suddenly emerged in the opening months of 1972 provided the immediate excuse for the pressures on sterling. The visible balance in the UK's external accounts swung from a *surplus* of £40 million per month in the last five months of 1971 to a monthly *deficit* of the same order in the first five months of 1972. This was probably the result of the weakening of the British industries' competitive position due to the rising costs. The UK costs promised to continue to rise in the wake of wage increases in strategic industries that the authorities were forced to concede and in the context of the atmosphere of continued industrial unrest.

The exchange markets inevitably viewed these developments against the background of informed opinion regarding the effects of the prospective entry of the UK into the European Economic Communities on

* This was subsequently done on May 8, 1972.

January 1, 1973. It was already widely held that the sterling parity of $2.60 was not supportable and that the UK would have to reduce the parity before it entered the EEC and heavy speculative sales of sterling in foreign exchange markets followed. The weakness of the sterling engendered by these speculative flows brought forth the concerted intervention of EEC Central Banks in the markets. Early in May 1972 the EEC and the UK had agreed to maintain margins of no more than 2.25 per cent between the currencies; EEC central banks are reported to have invested $2.6 billion in support operation for sterling in the second and third weeks of June, most of it on June 21 and June 22. Though the UK's international reserves had improved in recent years and are reported to have amounted to SDR 7,286 million at the end of May 1972, the UK authorities decided on June 23 to allow the pound to float on the exchanges so as to avoid serious loss of reserves. Simultaneously, the British Treasury announced a series of measures of exchange control as a precaution against speculative outflows through sterling area currencies, market rates for many of which were no longer necessarily linked to sterling. These measures also effectively confined the "sterling area" to the UK and Ireland.

India made no changes in its exchange arrangements following the floatation of sterling. The rupee continued to be linked to sterling; the median rupee-sterling rate was marginally varied to Rs. 18.80 to the pound on July 4, 1972 under which the rupee appreciated by 0.89 per cent against sterling. By the end of July 1972, the pound had depreciated by about 6 per cent in comparison with the old central rate of $2.60=£1. Against non-sterling currencies, the rupee has depreciated by about 5 per cent on account of the floating of the pound sterling.

World Trade

Developments in world trade and movements in international reserves provided some of the reason as well as the effects of the international currency crises during the year. Expansion of world trade in terms of volume slowed down in calendar year 1971. The growth was no more than 5 per cent, well below the average annual growth of the 1960s and the growth in 1970. The slowdown was due mainly to slack demand conditions in most countries of Western Europe and in Japan, which were not fully offset by the modest recovery of activity in North America. By contrast the effect of the August 1971 measures taken by the US authorities seems to have been fairly limited. In dollar terms, the increase in the value of world trade was about 10 per cent—despite the inflation in dollar values because of parity changes—which, though close to the average for the decade, was well below the growth in 1970.

The terms of trade of developing countries deteriorated substantially during the year because of the fall in dollar prices of primary commodities other than a few foodstuffs and agricultural materials and petroleum and petroleum products. By contrast dollar unit values of exports of developed countries increased more or less to the same extent as in the preceding year, partly owing to the appreciation of many currencies *vis-a-vis* the dollar. For nearly all the developed countries with the exception of the USA and Canada, the terms of trade improved. In US dollars, the value of exports from developing countries rose by 9 per cent in 1971 as against 12 per cent in 1970; imports, on the other hand, increased by 11 per cent, a rate close to that of 1970. The value of imports of developed countries increased by about 11 per cent while exports increased slightly faster than imports.

World Reserves

Aggregate world reserves comprising gold, foreign exchange, SDRs and reserve positions in the Fund increased by $37.3 billion in 1971 as against $14.3 billion in 1970. About 88 per cent of the increase in 1971 represented the increase in foreign exchange holdings, 9 per cent increase in holdings of SDRs and the balance the increase in gold holdings and reserve positions in the Fund. The increase in foreign exchange holdings reflected the sizable dollar outflows to developed countries; and

these were the immediate cause of the international currency crises during the year.

The distribution of the increase in aggregate reserves between the developed countries and developing countries was, as in the preceding year, far from equitable. While the reserves of the developed countries increased by $32.6 billion accounting for 88 per cent of the increase in aggregate reserves, those of the developing countries increased by only $4.6 billion or by 12 per cent of the rise in the world's aggregate reserves. The reserves of developed countries rose in 1971 by nearly thrice the amount in the preceding year; on the other hand, the increase in the reserves of developing countries was only about twice that in 1970. As the aggregate foreign exchange holdings expanded in 1971 largely following the massive short-term capital outflows from the US into the rich industrial countries, mainly West Germany and Japan, only about 12 per cent of increase in aggregate foreign exchange holdings accrued to the developing countries. Similarly, the increase in SDR holdings of the developing countries was about one-sixth of the total increase which again resulted from the final allocation for the first basic period. Thus, as in the preceding year, the developing countries did not materially benefit from the massive additions to international liquidity in 1971.

Yet another aspect of the movement of international reserves in 1971 is the impact of the upward revision of the official price of gold. On the basis of the pattern of gold and gold-valued assets held by the different countries as reserves as at end-June 1971, it has been estimated that the 8.57 per cent rise in the official dollar price of gold would increase the international reserves held by developed countries by $3.8 billion, while those held by developing countries would go up by only $460 million.

In January 1972 the final allocation of SDRs amounting to SDR 2.95 billion for the first basic period was made among the participants on the basis of 10 per cent of their quota in the Fund. With this the total allocations made for the first basic period amounted to SDR 9.3 billion of which the developing countries benefited only to the extent of SDR 2.3 billion or 24.7 per cent.

The value of international reserves of developing countries like India which have a significant sterling component would go down as the pound floats downwards. In September 1968 the UK concluded agreements with official holders of sterling guaranteeing the US dollar value of agreed quantum of their sterling balances. These guarantees were renegotiated in 1971 to continue till September 1973. They, however, protect the dollar value at the parity of $2.40 to the pound and this norm became somewhat academic after the December 1971 exchange rate alignment under which the UK authorities set the middle rate for sterling at $2.60. With the floating of the pound sterling, it has become necessary to revise the operation of the guarantee agreements, and the process of revision is under way.

The substantial expansion in aggregate international liquidity in 1971, only about an eighth part of which accrued, as mentioned earlier, to developing countries, coming on top of the rise in 1970 has given rise to a further development adverse to developing countries' interests. The SDR distributions for the first basic allocation period were completed on January 1, 1972, and further distributions can take place only after decisions are taken regarding the second basic allocation period and the quantum and rate of SDR distributions to be made under it. It is the developing countries to whom the SDR distributions are of considerable significance in regard to their reserve positions and needs. They would suffer if the distributions under the second basic allocation are suspended for lack of agreement among develcped countries.

Reform of International Monetary System

The recurring international currency crises are disruptive of international trade, introducing as they have done, uncertainty in trade and exchange relationships. Though developing countries have had no part in promoting these crises, they have had to bear the adverse consequences. They are thus even more interested than the

developed countries in as early a restoration as possible of a stable international payments system.

Effective representation of developing countries in the key areas of decision-making on international monetary issues as also the need for a reform of the international monetary system was considered by the Inter-Ministerial Group of 24* which met in Caracas in April 1972. The Group recognised that it was necessary to provide for fundamental improvement in the decision-making process regarding international monetary issues and agreed that the institution for decision-making in these matters should be within the framework of the International Monetary Fund. The Group, therefore, decided to support the creation of a Committee of Twenty of the Board of Governors of the International Monetary Fund to consider matters relating to the world monetary system and its reform. These views were endorsed by the United Nations Conference on Trade and Development at its third session in Santiago in May 1972. The Council of the Organisation for Economic Co-operation and Development which met in Paris in May 1972 also stressed the importance of giving full attention to the views and interests of developing countries in the discussions and negotiations pertaining to the reform of the monetary system.

The Group of 24 also examined at their meeting in Caracas the issues connected with the channelling of additional development finance through the mechanism of SDRs and the present basis of distribution of SDRs. On the long-term global needs of liquidity, on which the activation of SDRs depends, the Group came to the conclusion that the international monetary experience of recent years was not sufficiently representative to constitute a reliable basis for predicting the future course of evolution of international liquidity, they held nevertheless the existing pattern of holdings of international liquidity should be taken into account in determining the magnitude of additional liquidity creation. The Group strongly supported the idea of new activation of SDRs begining January 1, 1973. On the question of channelling additional development finance through the mechanism of SDRs the Group gave its fullest endorsement to the establishment of a link between the two. The Group pointed out that the SDR system had enabled the developed countries to acquire additional international liquidity without expenditure of real resources, and held that there was a strong case for transferring some portion of these savings to developing countries. The Group expressed its dissatisfaction with the present basis for the distribution of SDRs and recognised the necessity for modifying it as the present system of determining Fund quotas did not reflect the relative economic position of the Fund members.

On June 27, 1972, the IMF announced the formation of an *ad-hoc* Committee of the Board of Governors on the Reform of the International Monetary System and Related Issues, the formation of which was supported at Caracas and Santiago meetings. Each member of the Fund that appoints an executive director and each group of members of the Fund that elected an executive director will appoint one member of the Committee. Thus this "Committee of Twenty" will include representatives of both industrial and less developed countries. In addition to the question of the world monetary system including amendments to the articles of agreement of the Fund which will be necessary to give effect to the proposed reform, the Committee will consider the inter-relation between these matters and existing or prospective arrangements among countries—including those that involve international trade, the flow of capital, investment or development assistance —that could affect attainment of the purposes of the Fund under the present or amended articles. The first meeting of the Committee has been scheduled for late September this year.

* This Group consisting of eight countries each in Africa, Asia and Latin America to consider monetary matters was set up by the Group of 77 at their conference in Lima in 1971.

Enlargement of the European Economic Communities and the Free Trade Bloc

Apart from matters connected with the reform of the international monetary system, two other major developments during the year under report have been the agreement on the enlargement of the European Economic Communities and the merging of the two rival trading blocks in Western Europe into a single free trade area. In January 1972 a major step was taken towards the enlargement of the European Economic Communities when representatives of the UK, Denmark, Ireland and Norway and the Six* signed the Treaty of Adhesion in Brussels. The Community and the candidate countries must ratify this Treaty before it can come into force on January 1, 1973. A transitional period of five years (1973-77) was agreed upon for the candidate countries to align their economies gradually with the economy of the Communities. The GNP of the enlarged Communities would be over $600 billion and would account for 26 per cent and 27 per cent of world exports and imports respectively. Effective from April 24, 1972, the EEC agreed, as a first step towards the implementation of the plan for monetary union, to narrow the fluctuations in the exchange rates in relation to each from 4.5 per cent to 2.25 per cent. The EEC currencies will, however, continue to move within the 4.5 per cent band against the US dollar permitted under the Smithsonian Agreement.

Though the EEC took a lead in introducing the Generalised System of Preferences for imports from developing countries, a number of items of interest to India, such as jute goods, coir goods and tobacco, were excluded from it. Again, the introduction of the Generalised System of Preferences by Britain has resulted in the loss of preferential entry for goods from Commonwealth countries into the UK market, which is only partly offset by the grant of duty-free-entry into the EEC for manufactures and semi-manufactures. Further, under the UK's scheme, India would be sharing with other developing countries the preference which it enjoyed in the UK market. The UK market still accounts for a substantial part of India's exports of tobacco, cotton piecegoods, and woollen carpets, on all of which the Community has tariffs. As a result of the UK's entry into the Community, India's exports would on the one hand face quota restriction and on the other lose preferences enjoyed under the previous arrangement. Thus, for India the benefits of the Generalised System of Preferences have been whittled down by this process of progressive economic integration.

It is in this context that India has been urging the EEC for quite sometime for the creation of an institutional framework through a commercial co-operation agreement for improving the trade with the Communities. Accordingly, the Common Market Executive Commission proposed on July 19, 1972, a five-year non-preferential trade agreement with India. The Commission's proposals, which are yet to be approved by the Council of Ministers, envisage the constitution of a joint commission for continuous dialogue between India and the Communities. These negotiations are expected to deal with the totality of the relationship between India and the Communities and consider on a priority basis the solution to the problems arising out of the UK's entry into the Common Market.

Five nations comprising Austria, Iceland, Portugal, Sweden and Switzerland and the enlarged European Economic Communities (comprising ten countries) signed treaties at Brussels on July 22, 1972 setting up a West European free trade area—the richest trading bloc in the world. Finland is expected to join the bloc later. The free trade area, when it comes into effect on January 1, 1973, will have a total annual external trade of $275 billion—nearly twice that of the USA, the USSR and Japan combined. Over the next five years, the sixteen nations will eliminate almost all industrial tariff among themselves.

* The six original members of the EEC are Belgium, West Germany, France, Italy, Luxembourg and the Netherlands.

Aid Flows

In the sphere of aid to developing nations, the total net financial flows from members of the OECD to the developing countries amounted to $18.1 billion in 1971—an increase of $2.2 billion over the year. This represented a rise of 14 per cent in money terms and an increase of 7 per cent in real terms. Expressed in terms of donor countries' GNP, the total flow of resources of all kinds amounted to 0.83 per cent, fractionally closer than in 1970 to the target of 1 per cent of GNP laid down for the United Nations Second Development Decade and accepted by the majority of OECD donors. The development Assistance Committee of the OECD is currently looking for ways of persuading member-countries to implement the Committee's new suggestion, which was also endorsed by the United Nations Conference on Trade and Development at its third session in Santiago in May 1972, that aid should be concentrated in favour of the 25 'Least Developed' nations.

Developments in Exchange Control

The major developments during the year in the sphere of exchange control comprised measures necessitated by the breakdown of the international monetary system, and by the emergence of Bangladesh as an independent entity. These are detailed below.

Central Rate: Following the change in US policy on convertibility in August 1971, the Government of India announced on *August 22, 1971* that the gold and, therefore, the dollar parity of the Indian rupee would remain unchanged. The Reserve Bank of India announced that it would both buy and sell the pound sterling for ready delivery at rates to be determined every day on the basis of the US dollars 13.3333 per Rs. 100 and the sterling value of that dollar equivalent at the London market's spot rates for dollars plus £0.0175. Forward purchases of sterling by the Bank were suspended for a period of five days. With effect from *September 8, 1971*, the margin retained by the Bank over the London cross-rates for arriving at its buying and selling spot sterling was reduced from £0.0175 to £0.0125.

As a result of the Smithsonian Agreement on realignment of major international currencies on December 18, 1971 the Government of India adopted, with effect from December 20, 1971, a central rate for the rupee in terms of sterling at Rs. 100=£5.2721 or £1=Rs. 18.9677 and notified the IMF that it would also take advantage of the wider band of 2.25 per cent on either side of this rate for buying and selling rates for sterling. The Bank thereupon announced that its buying and selling rates for spot sterling were fixed, until further notice, at £5.2851 per Rs. 100 and £5.2592 per Rs. 100 respectively.

In view of the decision of the UK authorities on June 23, 1972 to allow sterling to float on the exchanges, the Bank's buying and selling rates for spot sterling were fixed effective from *June 26, 1972* at £5.2910 per Rs. 100 and £5.2632 per Rs. 100 respectively. After a review of the position these rates were revised with effect from *July 4, 1972* to £5.3333 per Rs. 100 buying and £5.3050 per Rs. 100 selling.

Forward Cover Facilities: Forward purchases of sterling by the Bank, suspended on *August 22, 1971* were resumed with effect from *August 28, 1971* at the new rate of £5.5556 per Rs. 100 for delivery upto six months. Forward sterling purchases were again suspended temporarily on *December 20, 1971*. On their resumption with effect from *December 28, 1971*, the maximum period of delivery was extended from six months to nine months, with different rates fixed as follows for delivery upto three months and delivery upto nine months.

Period of delivery	*Rate of exchange*
Upto 3 months ..	Bank's prevailing spot rate *plus* a margin of £0.0125 per Rs. 100.
Upto 9 months ..	Bank's prevailing spot rate *plus* a margin of £0.0250 per Rs. 100.

Extension charges for each quarter for forward contracts booked with an initial delivery

period of three months were fixed at £0.0125 per Rs. 100.

As a measure of assistance to exporters, the Bank extended in *March 1972* forward cover facilities to authorised dealers for a period of three months beyond the delivery period of nine months at a charge of £0.0125 per Rs. 100. Forward cover thus became available for a total period of twelve months.

Following the floating of the sterling on June 23, 1972 the Bank suspended its forward purchases of sterling on *June 24, 1972* and resumed them with effect from *July 5, 1972* for delivery upto six months at the following rates :

Period of delivery	*Rate of exchange*
Upto 3 months ..	£5.3458 per Rs. 100
Upto 6 months ..	£5.3583 per Rs. 100

Transactions Between India and Bangladesh: Following the emergence of Bangladesh, exchange control regulations were made applicable to transactions between the two countries. With the exception of transactions routed through the special banking arrangement between the State Bank of India and Uttara Bank and the transactions through the non-convertible rupee account of the Bangladesh Bank with the Reserve Bank of India all other transactions between the two countries are allowed to be effected in (i) sterling, (ii) any sterling area currency (other than Pakistan rupees), (iii) Indian rupees or (iv) Bangladesh Taka, in accordance with the existing regulations applicable to all external transactions generally.

Bangladesh nationals temporarily resident and gainfully employed in India are permitted by the Bank to make recurring remittances for family maintenance, etc. upto 50 per cent of the net income subject to a maximum of Rs. 1,500 per month. Bangladesh nationals, eligible for recurring remittance facilities, can also remit the net leave salary. As regards release of exchange for travel to Bangladesh for business, studies, training, medical treatment, etc., the Bank would issue, in approved cases, permits against which Indian rupee travellers cheques, encashable only in Bangladesh, in Bangladesh Taka, would be made available by the authorised dealers. With effect from *May 15, 1972* steamship/airline companies and travel agents were permitted to book passages to Bangladesh against completion of ' P ' form for which no prior approval of the Bank is necessary. There are no restrictions on the number of trips to Bangladesh by each person. Residents of India visiting Bangladesh are permitted to take out with them Indian currency notes upto Rs. 500 (other than notes of the denomination of Rs. 100 or higher) per person per trip. As in the case of visits to Ceylon, Mauritius and Nepal, visits to Bangladesh are not counted as visits abroad for the purposes of Foreign Travel Scheme 1970. Passages to Bangladesh for transit passengers and foreign nationals temporarily resident in India are permitted to be booked if the traveller holds an open-dated ticket (including a return ticket) or a prepaid ticket advice received from abroad or has arranged for payment to be made from abroad or in rupees acquired by sale of foreign currency to an authorised dealer or authorised money changer. No ' P ' form is required to be completed in such cases.

Others: In December 1971 the Libyan Arab Republic was deleted from the list of Sterling Area countries (Scheduled Territories) and included in the Convertible Account group of countries for purposes of the Indian exchange control regulations as the Libyan Arab Republic ceased to be a member of the Sterling Area. Following the revaluation of Saudi Arabian Riyal, in the wake of Re-alignment of major international currencies, the exchange quota for persons performing the Haj pilgrimage was enhanced in *January 1972* from Rs. 1,575 to Rs. 1,670 per adult (i.e. a person above the age of 16 years) and from Rs. 790 to Rs. 835 for a child between the ages of 14 and 16 so that the pilgrims would continue to receive the same amount of foreign currency as before.

Hitherto steamer/airline companies and travel agents were permitted to book passages under the Foreign Travel Scheme, 1970

provided they were satisfied about the traveller's eligibility for availing of the scheme. With a view to preventing any abuse of this scheme, the Bank announced in *May 1972* that passages under the scheme for journeys commencing on or after *June 12, 1972* should be booked only after the passenger's eligibility to travel abroad has been verified by the Bank and confirmed by it on the traveller's declaration.

With a view to encouraging qualified Indians resident abroad to return to India for taking up employment or setting up small-scale industrial units as from *June 1972*, they were granted on application, exemption for a period of three years from the usual requirement of surrendering their foreign currency balances within thirty days of the arrival in India. Persons granted such exemption were also permitted to make use of their foreign currency balances to pay for imports of capital goods and equipment against valid import licences. They were also given the alternative of surrendering their foreign currency balances immediately on arrival into India with a right in the event of their deciding to go back, to re-transfer the amount surrendered within a period of three years or any extended period as may be allowed by the Bank. Persons holding foreign currency balances representing earnings from their employment with Indian-owned organisations abroad were, however, not eligible for the exemption and other facilities referred to above.

CHAPTER IX—CURRENCY AND COINAGE

The secular trend of currency in circulation in a developing economy is largely governed by factors which call for expansion, such as the pace of economic growth accompanied by the shrinkage of the non-monetised sector. This trend may be to some extent offset by the spread of banking leading to the gradual displacement of currency as medium of transactions. In the period of a little over a decade since the start of the Third Five Year Plan, currency in circulation in India has expanded from Rs. 2,154 crores to Rs. 5,005 crores or at a compound rate of 8 per cent per year. The increase during 1971-72 amounted to Rs. 452 crores or 9.9 per cent as compared with Rs. 393 crores or 9.5 per cent in 1970-71. The ratio of currency in circulation to national income at current prices has, however, shown a decline from about 16 per cent at the end of 1960-61 (April-March) to around 13 per cent at the close of 1970-71. During the same period, the ratio of deposit money to national income rose from about 6 per cent to 8 per cent. These divergent movements may be attributed to the growth of banking habit with the rapid extension of banking to semi-urban and rural areas.

The seasonal character of the movements in currency, with the alternation of expansion during the agricultural busy season (November to April) and of contraction during the slack season (May to October), has been a familiar phenomenon over the years. With the growing diversification of the economy under the developmental plans, the busy season expansion has become more pronounced while the slack season decline has been getting smaller. Further, in recent years, the seasonal expansion of currency has tended to continue over the early part of the succeeding slack season and the subsequent expansionary phase to set in before the close of the slack season. The contraction in currency in circulation during the slack seasons of 1971 (Rs. 11 crores) and 1970 (Rs. 17 crores) was considerably smaller than the average seasonal contraction (Rs. 135 crores) for the preceding five years. The trend of currency in circulation over the short period of a month also shows a somewhat regular pattern of a rise in the first half followed by a decline in the second half. This may be attributed to the withdrawal of cash from the banking system in the earlier part for payment of salaries, wages, etc., and the subsequent return flow of cash as funds are deposited by the ultimate recipients.

Circulation of Notes and Coins

Circulation of Notes

During the year, notes in circulation recorded a rise of Rs. 425.4 crores or 10.2 per cent to Rs. 4,594 crores which was larger than the increase of Rs. 369.2 crores or 9.7 per cent in 1970-71. The trends in note circulation during the year conformed more or less to the pattern observed in the preceding year. Circulation of notes rose from Rs. 4,168.6 crores as at end-March 1971 to Rs. 4,287.8 crores at the end of April 1971. It rose further to Rs. 4,385.8 crores, by end-June 1971, recording an expansion of Rs. 98 crores during the first two months of 1971 slack season as compared to the rise of Rs. 54 crores in the corresponding period of 1970 slack season. Thereafter, there was a seasonal decline of Rs. 168.7 crores to Rs. 4,217.1 crores by the end of August 1971. As in the previous year, the uptrend was resumed in September well before the close of the conventional slack season. During the busy season of 1971-72, notes in circulation expanded steadily from Rs. 4,272.6 crores to Rs. 4,594 crores by end-March 1972. Denomination-wise, the denominations of Rs. 2, Rs. 1,000 and Rs. 5,000 showed declines whereas all other denominations rose during the year under review.

Circulation of Rupee and Small Coins

Circulation of rupee coins,* of which a little over 80 per cent comprises one-rupee notes issued by the Government of India, increased during the year by Rs. 15.4 crores or 6.2 per cent to Rs. 262.5 crores as compared with an increase of Rs. 14 crores or 6 per cent during 1970-71.

Data relating to circulation of small coins are available only after a time lag; according to revised data, small coins in circulation showed a rise of Rs. 11.1 † crores during the year as compared with a rise of Rs. 10.2 crores in the preceding year. The rate of increase in small coins in circulation has, however, been smaller than the growth rate of currency in circulation in recent years. As a result, the incremental ratio of small coins to total currency has declined from 3.4 per cent in 1967-68 to 2.5 per cent in 1971-72. The proportion of small coins to total currency in circulation at the end of the year (April-March 1971-72) stood at 3 per cent showing a fractional decline from 3.4 per cent at the end of 1967-68.

Coinage

During the year, 1,675 million pieces of decimal coins of various denominations worth Rs. 14.73 crores were minted as compared to 577 million pieces valued at Rs. 7.50 crores in the previous year. The total mintage of decimal coins since the introduction of decimal coinage in 1956-57 amounted to 19,578 million pieces valued at Rs. 123.78 crores.

Lost, Destroyed and Mutilated Notes

The number and value of claims in respect of lost, destroyed and mutilated notes admitted during the year amounted respectively to 1,85,933 and Rs. 271.76 lakhs. Payments made against these as well as claims admitted in previous years aggregated Rs. 242.37 lakhs. The number of claims admitted and the total amount of payments made during 1970-71 were 2,11,964 and Rs. 220.20 lakhs, respectively.

Note Forgeries

The total number of forged notes, including those of one-rupee notes issued by the Government of India, received by the Bank at 2,369 (valued at Rs. 1,04,996) were higher than in 1970-71 (2,033 valued at Rs. 38,601).

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* Rupee coins in circulation now comprise Government of India one-rupee notes, pure nickel rupee coins, pure nickel decimal rupee coins, pure nickel Jawaharlal Nehru commemorative decimal rupee coins, Mahatma Gandhi commemorative pure nickel one-rupee coins, one rupee notes and ten-rupee silver coins and F.A.O. commemorative ten-rupee silver coins.

During August 1972, commemorative coins in connection with the 25th anniversary of Indian Independence were issued in denominations of Rs. 10 and 50 paise. The ten-rupee coin with a diameter of 39 millimetres weighing 22.50 gms. is minted in an alloy comprising silver and copper to the extent of 50 per cent and 40 per cent, respectively, and zinc and nickel to the extent of 5 per cent each. The new fifty-paise coin is in cupro-nickel with the same metal content as in the case of the current fifty-paise coins. The motif on the obverse of both the coins is the Lion Capital of the Asoka Pillar. On the reverse a young woman and a young man carrying the national flag are depicted with the Parliament House in the background.

†Provisional. End-March 1972 estimates were Rs. 148.4 crores as against Rs. 137.3 crores at the end of March 1971.

APPENDIX I

RECOMMENDATIONS OF THE BANKING COMMISSION—A SUMMARY

The Banking Commission, which was appointed in February, 1969 under the chairmanship of Shri R. G. Saraiya* with terms of reference embracing all important aspects, except industrial relations, of the working of the banking and credit institutions in India, submitted its report on February 9, 1972. Divided into 24 chapters, the report contains a summary of recommendations running into 411 paragraphs. The working of the Reserve Bank and statutory bodies in the financial system like the Unit Trust of India did not come within the purview of the Commission. While formulating its views and conclusions the Commission took into account the findings of five Study Groups set up by it on 'Banking Costs,' 'Legislation Affecting Banking', 'Indigenous Bankers', 'Bank Procedures' and 'Non-banking Financial Intermediaries'. Besides, the Commission held discussions with the State Governments and numerous other bodies and individuals. The findings and recommendations of the Commission of which the substantive content is presented briefly below may conveniently be grouped under five broad heads, namely,

I. Institutional framework—commercial banks, co-operative banks, non-banking financial intermediaries and indigenous bankers.

II. Restructuring of commercial banks.

III. Measures suggested for widening the functional coverage of banks and improving their operational efficiency.

IV. Suggested legislative reforms.

V. Areas for further research and study.

I. INSTITUTIONAL FRAMEWORK

Field Level Organisation for Rural Banking

I.1. The institutional framework envisaged by the Commission for the development of banking in the rural areas is that of 'rural banks', a kind of banking entity which would be essentially 'co-operative' in character but would provide services of a much wider range than are now offered by primary agricultural credit societies. Apart from mobilising local savings and meeting the entire credit needs of all medium and small cultivators, a 'rural bank', would, in the long run, take up the task of implementation of programmes of supervised credit, providing ancillary banking services, setting up and maintaining godowns, supplying inputs and agricultural equipments, providing assistance in marketing and generally helping in the overall development of the villages in its area. A rural bank would be the primary banking institution to serve a compact group of villages covering a population of 5,000 to 20,000 and, in sparsely populated areas, all the villages comprised by a development block.

I.2. To facilitate the creation of a rural banking framework on the above lines the Commission has suggested the following scheme:

(i) Primary co-operative credit societies, where they are reasonably well-managed and efficient at their level should assume the role of 'rural banks,' preferably within the co-operative structure. The facilities of such 'rural co-operative banks' should be made available not only to shareholders but also to a new class of members called 'associate members' enjoying rights of borrowing, though not of voting.

Where, however, the co-operative structure is weak at the higher levels (i.e. the District and/or State co-operatives), a suitable institutional link-up would have to be provided to give the primary units support and guidance needed for their effective working. In such circumstances, the rural banks should function as subsidiaries of commercial banks.

(ii) Where viable or potentially viable primary credit societies are not available, it will be desirable to bring into existence 'rural banks' as distinct entities to be set up as subsidiaries of commercial banks. It is only the commercial banks that can supply these new banking units with the necessary resources in the shape of capital, qualified personnel and guidance. To encourage local involvement, where a commercial bank sets up a rural subsidiary bank, the sponsoring bank should invite the residents of the area to take up upto 49 per cent of the share capital of the subsidiary. It should, however, be possible for such a subsidiary to revert back to the co-operative fold if considered necessary later on.

I.3. The considerations which impelled the Commission to suggest the setting up of 'rural banks' either through the conversion of primary societies into rural co-operative banks or by linking them (or the new units which may be created for the purpose) with commercial banks as rural subsidiary banks are twofold. First, in view of the formidable problems of personnel and management, it would not be possible for the commercial banks in the foreseeable future to cover the rural areas adequately. Secondly, by providing, as they do, local participation, democratic management and responsiveness to local needs and urges, co-operative organisations, if properly managed and operated, are ideally suited for the rural areas. The rural credit structure proposed by the Commission is designed to retain the advantages of a co-operatively organised institution.

I.4. The first priority for conversion into rural banks should go to the well-run primary agricultural credit societies. Where the commercial banks have to take up the responsibility of setting up rural subsidiary banks on their own, the Commission has recommended that the scheme may be tried out on an experimental basis initially. In view of the practical problems likely to be confronted, the task may be embarked on in the first instance for a period of five years starting in some of their lead districts. Districts agriculturally advanced and having rich deposit potential (e.g. package districts, cash crop districts, districts selected for H.Y.V.P. and those identified for development of agro-industries or related rural activities) should get priority in the selection of areas for the implementation of this scheme.

I.5. Encouragement should be given in various ways to make the rural banks viable. Some of the steps suggested for this purpose are:

(i) Since they would be under the effective control and supervision of their parent bank, either a commercial bank or a strong co-operative bank, there should

* Other members of the Commission were Sarvashri N. Ramanand Rao, Bhabatosh Datta and V. G. Pendharkar (Member-Secretary).

not be any ceiling on the borrowing power of these banks. They need not, however, be allowed direct refinance facilities from Reserve Bank.

(ii) The financial strength of the rural banks should be augmented by ploughing back profits into the resources rather than by increasing the proportion of share capital. Hence there should be a ceiling on the rate of dividend distribution.

(iii) Resources of the National Agricultural Credit (Long-term Operations) Fund set up by the Reserve Bank should be released to enable the sponsoring banks to contribute adequately towards the share capital of their subsidiaries.

(iv) Rural banks should be allowed to offer a somewhat higher rate of interest on deposits than that offered by their parent banks.

(v) Deposit Insurance and Credit Guarantee cover may also be extended to these banks.

(vi) Rural banks should be given concessions by way of cost-free remittance facilities and training facilities for personnel or even services of men on a loan basis at a subsidised cost in the initial years.

While recommending that these banks should get some concessional credit facilities, the Commission has, however, observed that the rural borrower should pay the same interest whether he borrows from a primary co-operative or from a rural bank.

I.6. Since the Reserve Bank will have to license the rural banks, it should have the responsibility for ensuring that the scheme of rural banks is implemented properly. It will have to co-ordinate the rural bank programme of the commercial and co-operative banks and formulate suitable guidelines for their working.

I.7. The Commission has recommended suitable legislative measures to facilitate quick and smooth implementation of these suggestions. These include enactment by Parliament to vest some of the powers of the State Co-operative authorities in the Reserve Bank.

Steps to Strengthen the Co-operative Structure

I.8. Steps should be taken to reorganise the co-operative structure wherever the central banks are weak. In States where all the district central banks are weak, the structure may be reorganised so as to have only branches of the apex bank. Central banks which are relatively strong and therefore may be allowed to continue independently should be given the chance to be included among "scheduled banks." In the Commission's view, there is no case for establishing a national co-operative bank. The task of ensuring proper utilisation of the resources of co-operative and commercial banks for meeting agricultural credit needs may be looked after by the Agricultural Credit Board of Reserve Bank.

Co-ordination between Co-operative and Commercial Banks

I.9. The emphasis on rural banks does not imply ruling out other methods of extending credit facilities in the countryside through commercial banks, viz., opening of more offices by them, adoption of villages, and financing of primary credit societies. The Commission feels that in the present context it is necessary to try out various alternatives to find out their suitability for a given area. Where co-operatives have failed to make development loans but are in a position to look after short-term needs, commercial banks should confine their lending only to development purposes by entering into special arrangements with the co-operatives. Co-ordination between the concerned co-operative and commercial bank is necessary for the purpose.

I.10. The Commission has recommended setting up of a regular co-ordination machinery at the district level in all States consisting of representatives of the lending agencies as members and the senior most officer of the State Government in-charge of the development of the district as the Chairman. Co-ordination should help exchange of information on subjects of mutual interest among co-operative and commercial banks.

Machinery for Credit Planning at District Level—Role of 'Lead Banks'

I.11. Credit planning should form an integral part of district planning and the district authorities, i.e., the district collector or his equivalent should be in charge of district planning. Banks acting in consortium can help in the preparation of a district credit plan. Techno-economic surveys of districts should be preferably conducted by the planning authorities.

I.12. Banks should not be allocated lead districts far away from their respective principal areas of operation.

Role of AFC and ARC

I.13. AFC and ARC may be combined to form a new institution to promote development financing. This would help ensure effective co-ordination between term financing, technical assistance and finance for current operations within the Reserve Bank complex. This institution can also serve the purposes of the proposed agricultural development bank.

Urban Co-operatives

I.14. Urban co-operative banks which do useful work in mobilising deposits and financing of small borrowers should be encouraged by such means as according them the status of 'scheduled banks' and asking the major commercial banks to give suitable assistance to the non-scheduled urban co-operatives.

Specialised Banking Institutions

I.15. The Commission has not favoured the idea of setting up specialised banking institutions such as an 'Export-Import bank' or a 'Bank for financing small-scale industries and small borrowers,' or a specialised savings bank. Regarding housing finance, however, noting that the operations of the existing financial institutions giving housing loans are grossly inadequate, the Commission has recommended the creation of a two-tier organisation for providing housing finance with an apex institution at the national level and local housing finance institutions at the district or regional level. The institution at the base should be sponsored by the local community with the active encouragement of the apex institution. The Housing and Urban Development Corporation may be vested with the functions of the central institution if it sheds its existing non-financial activity. Otherwise, the central agency should be sponsored by the Reserve Bank. Co-operative housing societies should be strengthened. An apex co-operative housing finance society should be set up in each State to refinance affiliated primary societies. Builders may be given short and medium-term credit by commercial banks

to enable them to undertake mass housing construction programmes.

I.16. For syndication of financing and promotion of projects, investment management and advisory services to medium and small savers, the Commission has felt that there is need for merchant banking institutions in India. A beginning can be made initially in Bombay, Calcutta, Madras and New Delhi.

Non-banking Financial Intermediaries

I.17. Regarding non-banking financial intermediaries, the Commission has recommended certain steps in order to safeguard the interests of depositors as well as to ensure that the operations of these institutions do not weaken the effectiveness of monetary policy. These are :—

(i) NBFIs may be given inducements to form themselves into corporate bodies.

(ii) These institutions may be classified into two categories, approved and non-approved. Those which satisfy certain prescribed requirements regarding size of capital and reserves, level of liquidity ratio, quality of management, etc., may be designated as 'approved' and they may be accorded a favourable treatment such as refinance facilities from banks and Credit Guarantee and Deposit Insurance Cover.

(iii) Hire-purchase finance institutions should be licensed compulsorily and the licensing authority may be given power to revoke licences where warranted. The Commission has endorsed the recommendations of the NCC Study Group that lending banks should form a few hire-purchase finance companies in participation and acting together particularly in the eastern region where this form of credit is not institutionalised.

(iv) While in the immediate future there may not be scope for setting up new unit trusts and investment companies such institutes may be encouraged when market conditions justify.

(v) For investment companies legislation modelled on the lines of the Investment Companies Act of USA may be considered although the number of genuine investment companies is small.

I.18. Regarding chit funds, noting their indigenous origin and increasing popularity, the Commission has felt that their removal without offering alternative schemes will create a gap. Hence measures should be taken to regulate them. There should be a uniform chit fund legislation applicable to the whole country. Only public limited companies should be allowed to run chit funds. It will be useful for commercial banks to run chit funds subject to appropriate safeguards formulated by Reserve Bank.

I.19. Regarding para-banking institutions like "finance corporations," considering their familiarity with local conditions, the Commission has recommended that these institutions should be allowed to continue. But they should be licensed and should be required to follow certain discipline in the matter of ratio between their own funds and deposit liabilities, liquidity of assets, periodical inspections, ceiling on interest rates etc.

I.20. The administration of banking regulation over financing institutions and deposit receiving institutions may be left to an independent agency which should be closely associated with Reserve Bank. This agency would comprise separate licensing/regulating authorities at the State level with an apex body at the all-India level. Alternatively, Reserve Bank itself may be entrusted with the responsibility.

Indigenous Bankers

I.21. As enjoined by the terms of reference, the Commission has attempted an evaluation of the utility of 'indigenous banking agencies.' However, taking the term to exclude 'moneylenders,' the Commission confined its attention to urban areas, that is, to places with sizable banking activity and to indigenous financial groups which are close to or on the periphery of the organised money market. The Commission's finding is that the indigenous bankers cater to the needs of numerous borrowers of small and medium categories in trade and industry and the services of these bankers are much sought after because of their flexibility, absence of formalities and promptness. The focus of the Commission's recommendations, therefore, is on how best to institutionalise the operations of the indigenous bankers thereby extending the area of operations of the organised financial system and harnessing extra resources for meeting the credit needs of small borrowers. The underlying aim of the recommendations is to introduce a certain measure of financial and social discipline into the activities of these bankers.

I.22. The best way to control the business of indigenous bankers, the Commission has concluded, would be through commercial banks. The strategy suggested for enforcing such control is the prescription of certain minimum requirements to be fulfilled by an indigenous banker to quality for discounting facilities with commercial banks. Indigenous bankers seeking such facilities may be required to (*a*) keep off any trading activity, (*b*) put in 'own' capital of not less than Rs. 1 lakh (discounting facilities being fixed as a given multiple of 'owned funds'), (*c*) maintain regular books of accounts and get them duly audited, (*d*) furnish statement of business in a prescribed form annually to Reserve Bank, (*e*) not to borrow from more than one bank, and (*f*) to become members of an association.

I.23. Noting that attempts of indigenous bankers to forge a link with the Reserve Bank have failed in the past, the Commission has observed that a direct link is neither necessary nor practicable. The Reserve Bank, however, should exercise indirect influence over them through the medium of commercial banks by laying down guidelines for their dealings with indigenous bankers thereby indicating the type of hundis eligible for discounting, quantum of limits to be sanctioned, etc. Commercial banks in turn should call for regular returns from the indegenous bankers and undertake systematic analysis of their finacial statements.

I.24. The commercial banks should also try to satisfy themselves at least on a random basis about the proper end use of the credit sanctioned by them to indigenous bankers. There should be some understanding between commercial bankers and indigenous bankers regarding the level of interest rates to be charged by the indigenous bankers to their customers.

I.25. Indigenous bankers should be encouraged to get incorporated. A code of conduct for the indigenous bankers should be formulated for their operations. Bankers indulging in malpractices should not be allowed any further banking accommodation. It is necessary to codify the practices and usages applicable to all the indigenous negotiable instruments like hundis and bring these instruments under the framework of codified law.

I.26. Such of the indigenous bankers as come under the category of 'moneylenders' (i.e. those who do not accept deposits from the public) should be regulated by Central legislation. For this purpose, 'moneylending' should be brought within the Union List of the Constitution. Till this is done, a model legislation should be drafted for adoption by all States to control the activities of this class of indigenous bankers.

II. RESTRUCTURING OF COMMERCIAL BANKS

Scheme of restructuring the Banks in the Public Sector

II.1. The nationalised banks should be reorganised soon into two or three all-India banks and five or six other banks each specialising in developing banking services in a broad region. The Commission is not in favour of restructuring the banks on functional lines (i.e. one bank to collect savings, anothr to serve large and medium scale industries and so on) as that would involve drastic changes in institutional structure which might disrupt economic activity without any commensurate advantage.

II.2. In recommending the restructuring of the nationalised banks on the above lines, the Commission took into account the findings of a study on the relationship between the costs and size of a bank which revealed that the size of a bank measured in terms of deposits can be quite substantial before it begins to suffer from dis-economies of scale. The Commission has found that considerations of need for widening the range of services as well as effective implementation of the country's monetary and credit policy argue for relatively large size of banks; now-a-days the possible dis-economies of management associated with big units can be effectively countered with available management methods. Despite these advantages, however, the Commission does not think it would be desirable to amalgamate all the 22 separate banks in the public sector (i.e. the State Bank and its seven subsidiaries and the fourteen nationalised banks) into a monolithic organisation, as that would pose formidable problem of integration. Besides, the Commission felt that bank customers should have a reasonable choice in selecting their banks.

II.3. The Commission has indicated that the proposed restructuring of the public sector banks may be carried out on the following lines:

(i) It should be such that a fair proportion of well-developed areas and backward areas are allotted amongst the constituent units. That is to say, there should be some measure of equalisation of both the nature and volume of banking business amongst the different units to be formed on restructuring.

(ii) As far as possible, the units should be compact ones operating over areas that are geographically contiguous.

(iii) The customer should generally have a choice of at least two or three banks particularly in larger centres of population.

(iv) The State Bank and a couple of other banks which have a fairly large network of branches all over the country should not be disturbed. The Commission, however, has not named the banks which it had in mind in this connection.

Thus there can be three all-India banks and five or six formed on broad regional lines. The all-India banks should aim at having branches in all population centres at the level of district towns and above. The other banks, each one of which can work over the areas of two or three neighbouring States, would also have a branch net-work below the levels of district towns in the areas of operation of the concerned State. Also, in order to give a reasonable choice to the public, banks in two neighbouring regions may be allowed to open branches below the level of district towns in each other's region. In the metropolitan towns, both the all-India and the regional banks should be allowed to open branches so that every bank can have a reasonable share of business in these centres.

II.4. The rate of opening of new branches should not be slowed down. Public sector banks should open new offices keeping in view their character and areas of operation. The Commission has referred in this connection to the findings of the Study Group on costs which indicated that in the smaller centres it would pay to encourage existing branches to increase their business rather than ask other banks to open new ones. Where there are too many branches of public sector banks the number should be reduced through a process of rationalisation which may involve inter-bank exchange of personnel.

II.5. The organisational set-up of the restructured banks should provide for decentralisation of work at branch offices and setting up of zonal offices for control and guidance of 200 to 300 branches.

II.6. The Commission has suggested the formation of a Standing Committee of the Chairmen of the reorganised public sector banks (with which a representative of Reserve Bank and a nominee of Government of India may be associated) for the purpose of securing co-ordination of the regular banking activities of these banks. The task of this Committee will be not to lay down any policy but to deal with a wide variety of inter-bank problems like movement of funds, clearing arrangements, collection of bills, interchange of personnel etc. An important function of this Committee would be the supervision and control of the lead bank system.

II.7. Unless there are exceptional circumstances, there is no need to establish new commercial banks at present except the rural subsidiary banks.

II.7A. The Commission has also recommended that at the end of ten years from the commencement of the reorganised banks, there should be a comprehensive review of the manner in which the all-India and the regional banks have worked, the size which they have attained and the further organisational changes that will be necessary in the light of future development of these banks.

Banks in the Private Sector

II.8. For the Indian commercial banks in the private sector there should be a time-bound programme for merger or amalgamation of those which have not shown good performance.

Foreign banks may be allowed to continue as at present since they have a limited geographical and functional spread.

III. WIDENING THE FUNCTIONAL COVERAGE OF BANKS: AND IMPROVING THEIR OPERATIONAL EFFICIENCY

Functional Coverage:

III.1. The Commission has made several recommendations for widening the range of services rendered by the commercial banks particularly to farmers and

other categories of small borrowers. To get an idea of the problems generally faced by the borrowers, particularly of the smaller categories, the Commission caused surveys to be carried out at several centres. The more important of the recommendations in this regard are :—

(i) Forms should be simplified;

(ii) A simple procedure should be evolved for maintaining accounts by small units. Commercial banks need not insist on maintenance of proper books of account for judging the credit-worthiness of small artisans;

(iii) There should be non-financing multi-purpose agencies functioning as purely advisory bodies to provide advice and guidance to small industrial units regarding the availability of raw materials, marketing prospects, etc. State Governments should take the main initiative in setting up such agencies which should serve both the commercial and co-operative banks;

(iv) There should be suitably co-ordinated supervised credit programmes for agricultural credit. For farm guidance the best course would be to make use of the agricultural extension machinery at the Government level;

(v) There should be a flexible system of making recoveries of agricultural loans. Where co-operative and commercial banks have the resources and introduce the supervised credit system, recovery may be spread over periods of 2-3 years;

(vi) Steps should be taken to ensure that commercial banks are not made to suffer from any direct or indirect disabilities which co-operative banks are not subjected to. The Commission has endorsed the recommendations of the "Expert Group on State Enactments having a bearing on commercial banks credit to agriculture" (known as the Talwar Committee) which deal with the removal of restrictive features of the State enactments particularly those relating to rights of alienation of land in favour of commercial banks;

(vii) The extent of area of credit operations of a rural branch of commercial banks should depend upon the nature of available communication facilities;

(viii) Extension of credit to the priority sectors should not be at the expense of meeting the legitimate credit needs of other sectors.

Measures to improve the working results and operational efficiency of banks

Working Results

III.2. The profit objectives of the public sector banks should be to ensure return on the Government of India's investment at a specified rate, net of all expenses incurred for purposes of expansion and modernisation and also to provide adequate cover for risk assets. Loans and advances of the banks should be classified as (i) Regular advances, (ii) Sub-standard advances, (iii) Doubtful advances and (iv) Bad debts. Percentages should be specified for making provisions for different categories of advances.

III.3. Noting the present trend abroad to discontinue the maintenance of secret reserves, the Commission has recommended that to enable the public to have a correct and complete idea of the position of the State-owned banks through their published accounts, maintenance of secret reserves should be done away with. The Commission has felt that the reason that secret reserves may be required to meet unforseen contingencies does not apply to the banks in the public sector. Since, however, it is not desirable to adopt a different practice with reference to other banks and co-operative banks, the Commission has recommended that the provisions in the Banking Regulation Act relating to the balance-sheet and profit and loss accounts of banks may be modified to ensure full disclosure by banks of their assets and liabilities.

III.4. The method of analysing the profitability of individual branches of banks should be so devised as would afford a true and fair measure of the profit performance of a branch in the context of the policies of the bank. The public sector banks in particular, should adopt a practice in regard to transfer prices (i.e. prices charged notionally on funds transferred by a branch to the head office) designed to suit the needs of the times.

III.5. Deposit rate structure should conform to the expectations of the public about a fair return for deposits of different terms. Effects of servicing cost because of shifts in the distribution of deposits between current, savings and fixed, should be examined.

III.6. There should be a pricing system for Deposit Accounts based on a minimum balance requirement for each type of account. The extent of free facilities should be linked to the size of the account and a charge should be made when the number of cheques drawn exceeds a given maximum or the balance falls below a minimum. Consideration should also be given to the need to encourage the banking habit.

III.7. Lending rates should be fixed on the basis of comprehensive data on costs. Maximum levels may be fixed according to the size, groups of banks and their average cost and also requirements of profitability.

III.8. Banks should examine carefully their existing procedures and methods of handling foreign exchange transactions and also for developing methods of cost and profitability analysis in the field. The relevance of prescription of minimum rates by Foreign Exchange Dealers' Association (FEDA) for the different types of commission charges in the present context needs to be examined. In this field the maximum should be related to the average of the costs of the banks. Sample surveys should be organised on a regular basis to obtain estimates of unit costs and income for the different types of outputs for representative types of branches.

III.9. Banks can improve profitability through the use of proper techniques in respect of the cash held by them at the various branches. As regards the holding of cash, the techniques of an inventory control can be applied with suitable modifications.

III.10. Operational efficiency can be achieved through a proper planning of the year's activities sufficiently in advance and by fixing targets for performance and income and limits for expenditure. The head office of each bank should formulate its overall performance targets for the year and invite each branch to fix its own share of the overall targets through budgets prepared separately for different types of activities.

Operational Methods

III.11. The Commission has recommended a number of measures for streamlining the operations of commercial banks and to improve their efficiency. Illustrative examples are :—

(i) Waiting time at the counters should be minimised and guidance should be provided to customers through enquiry counters.

(ii) Regional languages should be used for account opening forms, pay-in-slips, cheque books, pass-books, etc.

(iii) The practice of half-yearly closing of accounts in June should be discontinued.

(iv) To begin with and on an experimental basis administrative offices of banks may remain closed on Saturdays as half-days involve waste of time in travelling to and from office. Working hours on week days may be extended.

(v) Mechanisation should be introduced, especially at large branches, electronic computers should be used to the extent possible for reconciling inter-branch transactions.

(vi) More clearing houses should be opened at places with population of over 50,000 which are served by more than three or four banks.

(vii) Bank Giro should be established to clear inter-bank credit transactions relating to transfer of funds from one account to another and also facilitate remittances of funds by a non-account holder to an account holder and *vice versa*.

(viii) A separate statutory organisation named as Credit Intelligence Bureau should be set up for compiling and furnishing credit information to various financial institutions in the country.

(ix) Borrowers should be persuaded to borrow only from one bank, except where the requirements are too large to be met by one bank, in which case, a consortium of banks may undertake to supply the credit. Borrowers should, however, have freedom to shift their entire dealings from one bank to another.

(x) While financing small borrowers, third party guarantee may be taken only where there are reasonable doubts about the paying capacity of the borrower.

(xi) Proper attention should be paid by banks to the organisation of their Audit and Inspection Department, selection of inspection staff, preparation of reports and follow-up action on them. The Commission has outlined steps to be taken in this regard.

(xii) Banks should also organise/strengthen O & M, Economic and Statistics and Public Relations Departments. They should have separate departments for management development.

(xiii) Bank branches at rural and *Mandi* Centres should be kept opened in the evening. In the residential areas at urban centres where feasible, working hours should be in the morning and evening to suit the clientele.

(xiv) There should be a well-designed management information system in each bank. This should provide in a compact and comprehensive form all the requisite information necessary for the purpose of policy formulation, performance evaluation, control, economic analysis etc.

(xv) Wherever possible and where 100 per cent accuracy need not be aimed at, collection of data by Reserve Bank or Government should be organised on a sample basis.

(xvi) The Commission has indicated the basic returns to be obtained from the banks.

(xvii) For measuring productivity of employees, man-hours should be fixed for various types of jobs.

III.12. Reserve Bank should have a Survey Organisation for conducting large scale surveys from time to time with competent field staff and a Standing Committee of Direction to plan and design the surveys.

Management Development for Banks

III.13. The Commission has made a number of recommendations on the subject of which the major ones are outlined below :

(i) *Man-Power Planning :* Noting that barring a few exceptions, the Indian commercial banks have not devoted sufficient attention to this matter on a systematic basis, the Commission has recommended that banks should maintain proper inventories of their existing personnel at different levels and formulate business plans to make estimates of personnel requirements as a guide in chalking out recruitment and training programmes both on a short-term as well as long-term basis.

(ii) *Recruitment :* Recruitment in banks should be at three levels, viz. clerks, junior officers and specialists. For undertaking the task of recruitment of personnel for public sector banks, the Commission has recommended that a common agency to be called " National Banking Service Commission " should be set up for recruitment of staff both at the clerical as well as junior officers level. Specialists like economists, statisticians also may be recruited through this Commission. The Commission should be a statutory authority on the lines of the U.P.S.C. It should conduct examinations at regional levels for recruitment of clerical staff and all-India competitive examination for junior officers cadre. To improve the quality of staff, the co-operative banks should also be allowed to avail of the services of the NBSC. The expenses of the Service Commission should be shared by the public sector banks. Commercial banks in the private sector may also use the services of the NBSC on mutual agreed terms.

Before the Commission can start functioning effectively, however, salaries and other emoluments of the staff of the public sector banks at various levels will have to be standardised. The Commission has made detailed suggestions regarding the standard of educational qualifications and age to be prescribed for new recruits as also for the quality of the examinations to be conducted for recruitment.

(iii) *Training :* Drawing attention to the lack of adequate training programmes of commercial banks the Commission has recommended that there should be systematic courses of training for clerks and junior officers who are recruited directly. Lines on which training courses might be framed and their duration also have been indicated by the Commission. Banks lacking adequate facilities for training can make the necessary arrangement by extending the scope of the existing training centres and colleges and by opening new colleges and centres.

Considering the magnitude of the problem of training bank staff, the Commission has felt that it is necessary to devise a planned programme and to provide a central directing agency with adequate authority for its implementation. The NIBM should undertake the task of planning, co-ordinating and directing the training programmes. It should work on the lines of a university. The colleges of all commercial banks as well as the banks' training colleges should be the constituent units of the NIBM. To ensure proper co-ordination and synthesis of various views pertaining to training, the NIBM should have a body like the academic council of a university comprising the

representatives of RBI, NIBM, BTC, other constituent colleges and experts in various fields connected with training. The NIBM should, however, continue its research and consultancy work.

The emphasis in the training of officers should be on managerial aspects rather than on banking techniques. The CAIIB examinations should be re-designed by changing the syllabus suitably so as to make it more practicable. There should be a close collaboration between the Indian Institute of Bankers and the NIBM.

(iv) *Worker participation and motivation:* At different levels of organisation and for important segments of activities, committees should be constituted and officers should be encouraged to participate.

(v) *Management development:* Separate departments should be organised in banks for the purpose of undertaking man-power planning exclusively.

III.14. To suit the needs of the present context, modern management methods should be adopted to increase efficiency. It is also necessary for the banking industry to improve the productivity of the staff.

III.15. In training co-operative bank personnel and research on subjects relating to co-operation, the Vaikunth Mehta National Institute of co-operative management should play a role similar to that of the NIBM in relation to commercial banks.

IV. RECOMMENDATIONS FOR LEGISLATIVE CHANGES

IV.1. To facilitate the implementation of the various suggestions made by it, the Commission has recommended extensive changes in the law including amendment to the Constitution.

IV.2. The recommendation for amending the Constitution stems from the view taken by the Commission that for economy and also for operational reasons it is not desirable to have divided jurisdiction or dual jurisdiction over institutions providing credit. The regulation of persons carrying on the business of banking and providing credit and others who merely provide credit without undertaking any form of banking is now the concern of different jurisdictions. The responsibility for the former rests with the Union and for the latter with the States. This state of affairs is not helpful for efficient implementation of monetary and credit policies. The Commission has also felt that the best way of reconciling the conflicting claims of Central and State jurisdictions in regard to co-operative societies doing banking is to make them subject to banking regulation in matters which will not encroach on State jurisdiction. Variations in the regulation of co-operative banks also create difficulty in their efficient management and functioning. Hence, the Commission feels that the jurisdiction to regulate money-lenders and money-lending and also co-operative credit agencies should be transferred either to the Union List or the Concurrent List by a constitutional amendment. An additional reason for transferring the jurisdiction over co-operative credit agencies to the Centre is that these banks constitute the main channel for providing institutional credit to agriculture and the financial assistance provided by the States to these banks come mostly from the resources of the Reserve Bank and the Central Government.

IV.3. The other important changes suggested are summarised below :

(i) Definition of 'banking' should cover 'acceptance of all kinds of deposits irrespective of their mode of withdrawal.'

(ii) 'Deposit' should include borrowings by way of loans also except certain specified categories of loans.

(iii) Legislation necessary to facilitate the establishment of rural banking should be carried out expeditiously.

(iv) In the conditions prevailing in our country it is necessary that banks should be allowed to undertake the business of buying machinery and other equipment and leasing them. There should be a statutory provision providing that banks can undertake any form of business which Reserve Bank may notify with the prior approval of the Central Government.

IV.4. There should be a comprehensive banking code suited to the conditions of India to govern the operation of all types of deposit institutions. The statutory provisions applicable to nationalised banks should become a part or parts of the banking code.

IV.5. Having regard to the conditions in India and the fact that the banking system is expected to fulfil certain social and economic objectives a special machinery presided over by a jurist, should be set up by the Central Government for a constant review of the laws concerning banking.

IV.6. The Commission has indicated several areas which require suitable legislative review. The more important of these are :

(i) Laws relating to negotiable instruments;

(ii) Codification of laws relating to bank deposits and collection;

(iii) Codification of laws relating to negotiation of negotiable documents like debentures, bonds, etc.;

(iv) Consideration of the desirability of having a comprehensive commercial code on the lines of the commercial code of USA;

(v) Review of the provisions of company law in so far as they have a bearing on the working of the banking system.

Uniformity in the Administration of Public Sector Banks

IV.7. If the banks in the public sector are to have a common programme of functions and responsibilities they should be governed by a uniform scheme. However, such a scheme may be evolved gradually and need not be introduced suddenly.

IV.8. The provision which requires the directors of State Bank and its subsidiaries to act on " business principles and in public interest," should all apply to the " new banks " (i.e. those which were nationalised on July 19, 1969.)

IV.9. Lines on which boards and managing committees should be constituted, and functions of the wholetime chairman and wholetime chief executives of the public sector banks, have also been outlined by the Commission.

IV.10. It should be statutorily provided that notwithstanding the statutory form of declaration of secrecy provided for bank officials, the banks in the public sector are not precluded from disclosing information relating to their affairs, as distinct from those of their customers.

IV.11. It is neither necessary nor desirable to set up a statutory body like the regional consultative committee as envisaged under the Scheme for the

14 nationalised banks. Such consultation and co-ordination of activities may be provided for by administrative arrangements rather than by legislation.

V. AREAS FOR FURTHER RESEARCH AND STUDY

V.1. The Commission has drawn attention to the need for continuous research and development in banking with the objective of gaining insight into the manner of functioning of the banking system as a whole in the context of problems of development. The objectives of banking research and development should include the following : (i) to study the manner in which the banking system as a whole functions in the context of the problems of development of the Indian economy; (ii) to study the inter-relationship between the working of the different parts of the banking system and the special features of the contributions made by these parts to economic development; (iii) to discover and devise methods to develop the banking habit; (iv) to find ways of improving the quality of bank services; (v) to assist in creating new opportunities for mobilisation of savings and in extending the geographical and functional coverage of banks; (vi) to bring about reduction in costs—capital as well as operational costs; and (vii) to study the impact of loan policies of banks on their environment.

V.2. The Commission has observed that further work needs to be done in all the fields in which research was sponsored by the Commission. The Commission has also called for more free publication and wider dissemination of findings of research and consultancy projects carried out by the banks. To bring theory and practice together and to improve the quality of banking research, arrangements for training of staff should be worked out between financial institutions and between universities and financial institutions.

APPENDIX II—SELECTIVE CREDIT CONTROLS: POSITION AS ON JUNE 30, 1972

Minimum margin (1)	Minimum rate of interest (2)	Level of credit* (3)	Exemptions (4)
		Foodgrains	
1. 25% on advances to the duly appointed agents of the Food Corporation of India against stocks held as agents.	10% per annum for all parties.	Ceiling for each two-month period commencing from March-April 1972.	1. The following types of advances are *completely* exempted from control :
2. 35% on advances : (i) against paddy to rice mills, (ii) against stocks of foodgrains other than paddy and rice to foodgrain processing units (other than rice mills) located at centres with a population of 1 lakh or below for stocks equivalent to four weeks' consumption of such units.		110% of the average aggregate level of credit maintained in the corresponding two-month period in the preceding year (separately in respect of advances against (i) Paddy and Rice and (ii) Other foodgrains (i.e. other than paddy and rice, wheat, maize and barley).	(i) Advances in the States of Assam, Meghalaya, Nagaland, Jammu and Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. (ii) Advances against the security of maize and barley. (iii) Advances to the Food Corporation of India (excluding advances granted to its duly appointed agents) and State Governments.
3. 40% on advances against official warehouse receipts covering stocks of foodgrains.		*Additional limit :* Combined limit of Rs. 50,000 for advances against any one or both the groups of foodgrains stated above for each new branch opened on or after 1-1-1970 at a centre with a population of 1 lakh or below.	(iv) Advances against high-yielding/hybrid seeds produced under contract with the National Seeds Corporation Ltd., Delhi, or a State Government or which bear the certification of the said Corporation or as the case may be, the concerned State Government, or of any certification agencies authorised under the Seeds Act, 1966 and seeds notified under Section 5 of the said Act. (v) Advances against rationed foodgrains granted to wholesale and retail dealers appointed/licensed by Government and/or operating under statutory rationing/fair price distribution system in all the States (excepting Maharashtra*) and Union Territories. (vi) Advances granted to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives. (vii) Advances granted to co-operative societies duly registered or deemed to be registered under the Maharashtra Co-operative Societies Act, 1960 and duly authorised by the District Collectors in the State of Maharashtra to deal in paddy and rice, jowar and nagli (ragi).
4. 50% on all other advances.			

* In the State of Maharashtra, credit against paddy and rice, jowar and nagli (ragi) is completely banned except to (i) traders dealing in foodgrains licensed by the Government of Maharashtra for distribution of paddy and rice, jowar and nagli (ragi) in Maharashtra and (ii) manufacturers of puffed rice and poha against the security of paddy. Advances as at (i) would, however, be subject to the provisions relating to minimum margin, rate of interest and ceiling controls, while those as at (ii) would be subject to the provisions relating to minimum margin and rate of interest and the stocks of paddy against which credit is granted shall not exceed the quota of such paddy allotted or allowed to the manufacturers of puffed rice and poha, by the District Collector, Government of Maharashtra.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
			(viii) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of foodgrains. (ix) Advances in the districts of Gurdaspur, Amritsar, Ferozepore, Jullundur, Kapurthala, Bhatinda, Ludhiana and Sangrur in *Punjab*, Hissar in *Haryana*, Ganganagar, Bikaner, Jaisalmer and Barmer in *Rajasthan*, Kutch in *Gujarat* and 24 Parganas, Nadia, Murshidabad, Malda, West Dinajpur, Darjeeling, Jalpaiguri and Cooch Behar in *West Bengal*, upto the end of October 1972. (x) Advances granted to processing/manufacturing units covered under the Rural Industries Projects. 2. The following types of advances are exempted from *margin* and *ceiling* controls: (i) Advances directly granted to farmers and to primary co-operative societies for extending credit to their cultivator-members against foodgrains which represent an extension of advances granted earlier against the standing crop for a period of three months from the date of harvesting the said crop, provided that the amount of each of such credit limit does not exceed Rs. 2,500 per farmer or the amount of the crop loan outstanding, whichever is lower. (ii) Advances against *paddy* made in a separate account to dealers or rice millers who are licensed by the State Government to procure, deal in or process paddy into rice and which are covered by the Levy Scheme of the State Government, to the extent of the levy imposed in each State. (iii) Advances against wheat granted to roller flour mills. (iv) Advances to traders wholly or partly against the security of foodgrains which are covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd., to the full extent of the limit subject to a maximum of Rs. 20,000 for each such trader, provided he undertakes to borrow against foodgrains from only one bank.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
			3. The following types of advances are exempted from *ceiling* control :— (i) Advances against wheat to all parties. (ii) Advances against foodgrains other than paddy and rice to foodgrain processing units such as dal mills (but other than rice mills) at centres with a population of 1 lakh or below. (iii) Advances granted against the security of warehouse receipts issued by the Central or State Warehousing Corporations, provided that the amount of each of such credit limit does not exceed Rs. 25,000 per borrower.
Groundnuts and Other Oilseeds, viz. Rapeseed/Mustard Seed, Castorseed and Linseed			
1. 75% on advances against castorseed and linseed. 2. 65% on advances against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of castorseed and linseed. 3. 60% on advances against groundnut, and rapeseed/mustardseed, other than the following : 4. 50% on advances against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of groundnut and rapeseed/mustardseed. 5. 40% on advances against stocks of rapeseed/mustardseed, equivalent to two months' consumption of each mill in all the States other than Bihar and West Bengal.	12% per annum for advances against the security of groundnut, rapeseed/mustardseed, castorseed and linseed.	For each two-month period commencing from January-February 1972, separate ceiling for each of (i) Groundnut, (ii) 'Other Oilseeds' viz. linseed and castorseed : 70% of the average aggregate level of credit maintained during the corresponding two-month period in 1967. *Additional limit:* 15% of the average aggregate level of credit maintained during the corresponding two-month period in 1970 for granting credit in oilseeds producing areas and/or for accommodating new parties.	I. Following types of advances are *completely* exempted from control :— (*a*) Advances to all parties in the States of Assam, Meghalaya, Nagaland, Jammu and Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. (*b*) Advances against the security of oilseeds other than groundnut, mustardseed/rapeseed, castorseed and linseed. (*c*) Advances to the Food Corporation of India and the State Trading Corporation. (*d*) Credit limits in favour of exporters of oilseeds, deoiled and/or defatted cakes in respect of oilseeds and/or extractions of oilseeds in respect of specific firm export contracts and/or against export bills. (*e*) Advances to the Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives. (*f*) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of oilseeds.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
6. 25% on advances against stocks of controlled edible oilseeds, viz. groundnut and rapeseed/ mustardseed, equivalent to two months' consumption of each mill in Bihar and West Bengal.			(*g*) Advances in the districts of Gurdaspur, Amritsar, Ferozepore, Jullunder, Kapurthala, Bhatinda, Ludhiana and Sangrur in *Punjab*, Hissar in *Haryana*, Ganganagar, Bikaner, Jaisalmer and Barmer in *Rajasthan*, Kutch in *Gujarat* and 24 Parganas, Nadia, Murshidabad, Malda, West Dinajpur, Darjeeling, Jalpaiguri and Cooch Behar in *West Bengal*, upto the end of October 1972. (*h*) Advances granted to processing/manufacturing units covered under the Rural Industries Projects. II. Advances to traders wholly or partly against the security of oilseeds which are guaranteed by the Credit Guarantee Corporation of India Ltd., to the full extent of the limit subject to a maximum of Rs. 20,000 for each trader provided he undertakes to borrow against oilseeds from only one bank, are exempted from *margin* and *ceiling* controls. III. The following types of advances are exempted from *ceiling* control :— (i) Advances against the security of rapeseed/mustardseed. (ii) Advances against the security of oilseeds to registered oil mills and vanaspati manufacturers. (iii) Advances against warehouse receipts issued by the Central or State Warehousing Corporations, provided that the amount of each of such credit limit does not exceed Rs. 25,000 per borrower.
Vegetable Oils (viz. Groundnut Oil, Rapeseed/Mustard seed Oil, Castorseed Oil and Linseed Oil) and Vanaspati			
1. 75% on advances against groundnut oil, rapeseed/mustardseed oil, castorseed oil and linseed oil and vanaspati other than the following : 2. 65% on advances against Warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of groundnut oil, rapeseed/mustardseed oil, castorseed oil and linseed oil and vanaspati. 3. 60% on advances against vanaspati to vanaspati manufacturers.	12% per annum for advances against the security of groundnut oil, mustardseed/rapeseed oil, castorseed oil and linseed oil and vanaspati.	Ceiling for each two-month period commencing from January-February 1972 in respect of groundnut oil, castorseed oil and linseed oil and vanaspati as follows : 70% of the average aggregate level of credit maintained during the corresponding two-month period in 1967.	I. Following types of advances are *completely* exempted from control :— (*a*) Advances in the States of Assam, Meghalaya, Nagaland, Jammu and Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. (*b*) Advances against the security of vegetable oils other than groundnut oil, mustardseed/rapeseed oil, castorseed oil and linseed oil.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
4. 50% on advances to vanaspati manufacturers against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of vanaspati.		*Additional Limits :* 15% of the average aggregate level of credit maintained during the corresponding two-month period in 1970 for utilising as far as possible in oilseed producing areas and/or for accommodating new parties, particularly oil mills in the unorganised sector.	(c) Advances to the Food Corporation of India and the State Trading Corporation against the stocks of vegetable oils and vanaspati. (d) Advances against stocks of vanaspati held by vanaspati manufacturers for being delivered to the Army Purchase Organisation in the Ministry of Food and Agriculture, Government of India, in pursuance of contracts entered into with the said Organisation by said manufacturers. (e) Packing credit advances to the exporters of deoiled and/or defatted cakes on the basis of firm export orders/letters of credit against the security of oilseeds and/or other raw material to the extent of the value of raw material required for producing cakes covered by the export order, even though the value of the raw material exceeds the value of the relative export orders ; Provided: (i) such advances to the extent of the value of by-product oil shall be adjusted by the sale proceeds of the by-product oil or in cash as soon as the oil is extracted and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bills, and (ii) advances against the by-product oil granted in a separate account are exempted for a period of 30 days from the date of advance. (f) Advances to Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives. (g) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of vegetable oils and vanaspati. (h) Advances in the districts of Gurdaspur, Amritsar, Ferozepore, Jullunder, Kapurthala, Bhatinda, Ludhiana and Sangrur in *Punjab*, Hissar in *Haryana*, Ganganagar, Bikaner, Jaisalmer and Barmer in *Rajasthan*, Kutch in *Gujarat* and 24 Parganas, Nadia, Murshidabad, Malda, West Dinajpur, Darjeeling, Jalpaiguri and Cooch Behar in *West Bengal*, upto the end of October 1972. (i) Advances granted to processing/manufacturing units covered under the Rural Industries Projects.
5. 25% on advances against stocks of oils processed from linseed oil and castorseed oil for use as industrial raw material by factories in Bihar and West Bengal.			
6. *On advances to vanaspati manufacturers against controlled vegetable oils mentioned in* 1 *above :* 40% on advances against stocks of such oils used as raw material equivalent to six weeks' consumption of each factory located in Eastern Zone, worked out on the basis of average of weekly consumption during October 1970 to March 1971.			
7. 50% on advances against stocks of such oils used as raw material equivalent to six weeks' consumption of each factory located in Northern Zone, and			
8. 50% on advances against stocks of such oils used as raw materials equivalent to four weeks' consumption of each factory in Southern and Western Zones : The stock of oils mentioned in the foregoing paragraphs have to be worked out on the basis of average of *weekly* consumption during the period from October 1970 to March 1971.			

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
For New Vanaspati Factories : The basis in the average actual weekly consumption from the date of establishment, and *For Vanaspati Units likely to start Production in future :* The margin is to be related to four to six weeks' requirement (as stipulated) depending on the location of the factory, based on one-third of the average weekly productive capacity of the unit for the first six months and thereafter based on the average actual weekly consumption during the preceding six months.			II. Advances to traders wholly or partly against the security of vegetable oils (including vanaspati) which are covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd. to the full extent of the limit subject to a maximum of Rs. 20,000 for each such trader, provided he undertakes to borrow against vegetable oils (including vanaspati) from only one bank, are exempted from *margin* and *ceiling* controls. III. Following types of advances are exempted from *ceiling* control :— (i) Advances against the security of rapeseeds/mustardseed oil. (ii) Advances against vegetables oils and vanaspati to vanaspati manufacturers and registered oil mills. (iii) Advances against warehouse receipts issued by the Central or State Warehousing Corporations, provided the amount of each of such credit limit does not exceed Rs. 25,000 per borrower.
		Cotton and Kapas	
TO MILLS : **A. For Weak Mills:** I. *Mills under Authorised Controller; Mills under Chief Executive Authority; Mills run/owned/managed by the Government or its authorised agencies (including State Textile Corporation) :* (i) 20% for stocks of 12 weeks' consumption. (ii) 35% for stocks in excess of 12 weeks' consumption. II. *Financially weak mills covered by Working Group on Bank Credit for Cotton Textile Industry :* (i) Same as maintained prior to January 21, 1970 directive for stocks of 12 weeks' consumption. (ii) 35% of stocks in excess of 12 weeks' consumption.	12% per annum.	1. No ceiling for advances to cotton mills. 2. For parties other than cotton mills : commencing from February 1, 1972—May 31, 1972, 100% of the peak level of credit maintained by a party in the corresponding four-month period during October 1970 to September 1971.	I. *The following types of advances are completely exempted from control:—* 1. Advances against stocks of imported cotton and kapas. 2. Advances in respect of pre-shipment credit for cotton exports, provided the advance is made in respect of a firm export order and is repaid on negotiation of the relevant export bills on shipment. 3. Advances against the security of or by way of purchase or discount of export bills relating to export of cotton from India. 4. Advances against the stocks of exportable varieties of cotton, viz., Bengal Deshi, Yellow Pickings, Zodas, Sweepings etc., provided firm export orders in respect of the stocks have been received by the parties and lodged with the banks.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
B. Other Mills : I. For mills other than those in Bombay, Ahmedabad and the States of Bihar and West Bengal. (i) 25% for stocks of 12 weeks' consumption, (ii) 40% for stocks between 12 to 14 weeks' consumption, (iii) 60% for stocks in excess of 14 weeks' consumption. II. *For Mills in Bombay and Ahmedabad :* (i) 25% for stocks of 10 weeks' consumption, (ii) 40% for stocks between 10 to 12 weeks' consumption, (iii) 60% for stocks in excess of 12 weeks' consumption. III. *For Mills in Bihar and West Bengal :* (i) 20% for stocks of 14 weeks' consumption, (ii) 35% for stocks in excess of 14 weeks' consumption. TO OTHERS (*parties other than mills*) : I. *For stocks of new and/or long-staple varieties of cotton* grown in India, viz. Hybrid 4, Gujarat 67, MCU 4 and 5, Sujatha, Sea Island Andrews, Hampi, Varalaxmi, Maljhari, Narmada A-51/9, Khandwa-1 and Badnavar-1 and other cotton varieties such as 320F, Bengal Deshi and H-14 grown in Punjab, Haryana and Upper Rajasthan—25%. II. *For Other Varieties :* A. *Old Stocks* (marketed prior to October 1, 1971) : 75% B. *New Stocks* (i) Marketed from October 1, 1971—January 31, 1972: (*a*) 50%—Upto May 31, 1972 (*b*) 60%—Thereafter.			5. Advances in the States of Assam, Meghalaya, Nagaland, Jammu and Kashmir, Himachal Pradesh, Orissa, Manipur and Tripura and the Union Territories of Arunachal Pradesh and Mizoram. 6. Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of cotton and kapas. 7. Advances granted by banks in the districts of Ferozepore, Bhatinda, Amritsar, Gurdaspur, Jullunder, Kapurthala, Ludhiana and Sangrur in *Punjab*, Hissar in *Haryana*, Ganganagar, Bikaner, Jaisalmer and Barmer in *Rajasthan*, Kutch in *Gujarat* and 24 Parganas, Nadia, Murshidabad, Malda, West Dinajpur, Darjeeling, Jalpaiguri and Cooch Behar in *West Bengal*, upto the end of October 1972. 8. Advances granted to processing/manufacturing units covered under the Rural Industries Projects. II. Advances against cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for manufacture of surgical cotton and not for re-sale, are exempted from *margin* and *ceiling* controls. III. The following type of advances are exempted from *rate of interest* and *margin* restrictions: Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for the manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received either directly by the mills or by the merchant-exporters through whom the mills are exporting, provided the contracts with merchant-exporters are registered with Cotton Textiles Export Promotion Council. If firm export orders are received by the mills directly, the advances should be repaid on negotiation of the relevant export bill on shipment.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
(ii) Marketed from February 1, 1972—May 31, 1972 : (*a*) 40%—Upto May 31, 1972. (*b*) 50%—June 1, 1972—September 30, 1972. (*c*) 60%—Thereafter. (iii) Marketed from June 1, 1972—September 30, 1972 : (*a*) 40%—June 1, 1972—September 30, 1972. (*b*) 50%—October 1, 1972—January 31, 1973. (*c*) 60%—Thereafter. C. The margin may be less by 10 per cent for each of the categories under (A) and (B) above, for advances against warehouse receipts issued by Central or State Warehousing Corporations.			IV. The following types of advances are exempted from *ceiling* control : (1) Advances against the security of stocks of new and/or long-staple varieties of cotton grown in India, viz., Hybrid 4, Gujarat 67, MCU 4 and 5, Sujatha, Sea Island Andrews, Hampi, Varalaxmi, Maljhari, Narmada A-51/9, Khandwa 1 and Badnavar-1 and other cotton varieties such as 320-F, Bengal Deshi and H-14 grown in Punjab, Haryana and Upper Rajasthan. (2) Advances against warehouse receipts issued by Central or State Warehousing Corporations, provided the amount of each of such credit does not exceed Rs. 25,000 per borrower. V. Advances to sick mills in West Bengal as well as to mills owned/managed/run by the Government of West Bengal or by its authorised agencies, against stocks equivalent to 14 weeks' consumption of each mill are exempted from *margin* control.
		Sugar, Gur and Khandsari	
A. TO SUGAR FACTORIES : (i) 65% on advances against the stocks of sugar which have left the factory or mill premises and on which excise duty has been paid. (ii) 40% on advances against stocks of the lapsed releases of sugar subject to the proviso that this stipulation will not apply to (*a*) credit against such stocks to the extent of 10% of the quantity of sugar notified to be released, and (*b*) credit against such stocks to the extent of 30% of the quantity of sugar notified to be released in respect of mills in U.P. and Bihar during September 1971 and October 1971. (iii) Advances against warehouse receipts issued by Central or State Warehousing Corporations, 55% in respect of (i) and 30% in respect of (ii) above. (iv) The minimum margin on advances against the stocks of sugar exempted as per proviso (*a*) and (*b*) of (ii) above as well as the stocks which are not covered by releases will be as under :	12% per annum on advances against sugar, gur and khandsari granted to (i) parties other than those manufacturing sugar and (ii) parties manufacturing sugar, in respect of stocks which have left the factory or mill premises and on which excise duty has been paid.		I. The following types of advances are completely exempted from the provisions of the directives :— (i) Advances granted in respect of stocks of sugar pledged/hypothecated with banks which are intended for export. (ii) Advances to Wholesale Consumers' Co-operative Stores or State and National Federations of Consumers' Co-operatives. (iii) Advances against the security of or by way of purchase of demand documentary bills drawn in connection with the movement of sugar, gur and khandsari. (iv) Advances in the State of Jammu and Kashmir. (v) Advances in the districts of Gurdaspur, Amritsar, Ferozepore, Jullunder, Kapurthala, Bhatinda, Ludhiana and Sangrur in *Punjab*, Hissar in *Haryana*, Ganganagar, Bikaner, Jaisalmer and Barmer in *Rajasthan*, Kutch in *Gujarat* and 24 Parganas, Nadia, Murshidabad, Malda, West Dinajpur, Darjeeling, Jalpaiguri and Cooch Behar in *West Bengal*, upto the end of October, 1972.

Minimum margin (1)	Minimum rate of interest (2)	Level of credit (3)	Exemptions (4)
(1) In the case of stocks of sugar earmarked for controlled distribution by Government, the minimum margin will be the same as obtaining prior to decontrol of sugar (May 25, 1971). (2) In the case of stocks of free sale sugar, the minimum margin will not be less than that applicable as on September 23, 1971. B. TO OTHERS (i) 65% on advances against sugar, gur and khandsari. (ii) 55% on advances against warehouse receipts issued by Central or State Warehousing Corporations.			(vi) Advances granted to processing/manufacturing units covered under the Rural Industries Projects. II. Advances against sugar granted to wholesale and retail dealers appointed/licensed by, Government and/or operating under statutory rationing/fair price distribution system in all the States and Union Territories are exempted from *margin* controls, to the extent of quantum of sugar allotted to them by Government.

APPENDIX III—REFINANCE FACILITIES AVAILABLE FROM THE RESERVE BANK OF INDIA AND THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(Position as on June 30, 1972)

A. Refinance from the Reserve Bank of India

1. *Refinance at Bank Rate*

(i) Refinance at Bank rate is available to a bank so long as its net liquidity ratio remains at or above the minimum level of 34 per cent. For every fall of one percentage point in the net liquidity ratio, the bank is required to pay 1 per cent more over Bank rate, subject to a maximum rate of 15 per cent. The net liquidity ratio is the ratio of (*a*) net liquid assets* to (*b*) total demand and time liabilities.

(ii) Refinance at Bank rate is available to a bank, irrespective of its net liquidity ratio, for export credit (both pre-shipment and post-shipment) upto an amount equal to 10 per cent of the annual average of export credit during 1971 (average of weekly outstanding level of export credit during 1971). Refinance availed of against export credit will not impair the borrowing bank's net liquidity ratio.

(iii) Refinance is provided to a bank at Bank rate, irrespective of its net liquidity ratio, upto an amount equivalent to the increase in advances over the average outstanding level in the prescribed base period, in respect of (*a*) short-term direct lending to agriculturists and (*b*) short-term lending to small-scale industries covered by the guarantee of the Credit Guarantee Organisation. The base period is the corresponding calendar quarter of the previous year.

(iv) Refinance at Bank rate is available to a bank, irrespective of its net liquidity ratio, upto an amount equal to 10 per cent of the outstanding level of advances as on the last Friday of October 1971 for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and their authorised agents and an additional amount of one-third of the increase over the level as on the last Friday of October 1971.

(v) Rediscounting facilities under the new Bills Rediscounting Scheme are available to a bank at Bank rate irrespective of its net liquidty ratio. Bills rediscounted under this scheme will not impair the net liquidity ratio of the bank till the end of October 1972.

(vi) Full refinance facility in respect of "Defence packing-cum-supply" credit at Bank rate is available to a bank, irrespective of its net liquidity ratio. This facility is available under the old Bill Market Scheme.

2. *Refinance at Concessional Rate*

(i) A bank is eligible for refinance at the concessional rate of 4½ per cent, irrespective of its net liquidity ratio for export credit (both pre-shipment and post-shipment) upto an amount equal to 10 per cent of the annual average of export credit in 1971 (average of weekly outstanding level of export credit during 1971). Refinance availed of against export credit will not impair the borrowing banks' net liquidity ratio.

(ii) Refinance at the concessional rate of 4½ per cent in respect of loans to primary co-operative credit societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh, is available to a bank, irrespective of its net liquidity ratio, upto an amount equivalent to the increase in the average level of such advances over the prescribed base period. The base period is the corresponding calendar quarter of the previous year.

3. *Discretionary Accommodation at Bank Rate*

Discretionary accommodation at Bank rate would be granted to a bank in very exceptional circumstances only, after assessing the bank's efforts towards deposit mobilisation, purposeful credit planning and its role in financing priority sectors/areas and backward regions.

B. Refinance from the Industrial Development Bank of India

(i) *For Industrial Loans*

IDBI provides refinance in respect of term loans granted to industrial concerns by commercial banks and other eligible financial institutions. Refinance is generally available for loans for financing fixed assets but a portion of the working capital requirements on a term basis may also be included. The minimum period of loans to be eligible for refinance is fixed at three years and the maximum period of loans by commercial banks and State Co-operative Banks can be 10 years and in the case of term-lending institutions (i.e. IFCI, SFCs etc.) 25 years. The minimum amount of loans to units other than small-scale, road transport operators and houseboats eligible for refinance continues to be Rs. 2 lakhs; however, this stipulation is relaxed in the case of projects already assisted under the scheme. The minimum amount of loans to houseboats to be eligible for refinance was reduced from Rs. 2 lakhs to Rs. 25,000 in March 1972. Refinance is provided to the extent of 100 per cent for loans upto Rs. 5 lakhs and 80 per cent for other loans.

The normal rate of interest charged by the IDBI on refinance for industrial loans is 7 per cent per annum provided the financing institution charges more than 10.25 per cent but not more than 10.50 per cent per annum. It is 6.75 per cent per annum where the financing institution charges more than 8.75 per cent but not exceeding 10.25 per cent per annum. The concessional rate of interest is 6 per cent per annum provided the financing institution does not charge more than 8.75 per cent per annum.

(ii) *For Loans to Small-Scale Industrial Units/Road Transport Operators*

Refinance is provided against term loans granted by scheduled commercial banks, State Co-operative Banks and State Financial Corporations to small-scale units covered under the Credit Guarantee Scheme and to small road transport operators. The rate of interest for refinance in respect of loans to small-scale units covered under the Credit Guarantee Scheme is 5 per cent, provided the lending institution itself does not charge more than 8½ per cent. The rate of interest on refinance in respect of loans to small road transport operators is the same as in the case of industrial loans. Refinance in respect of loans to small-scale units covered under the Credit Guarantee Scheme and loans upto Rs. 5 lakhs to small road transport operators is provided upto 100 per cent of such loans. The

* Net liquid assets comprise (i) cash in hand and balances with RBI *plus* investment in Government and other approved securities *plus* balances with other banks in current account ; *minus* (ii) borrowings from Reserve Bank of India, Industrial Development Bank of India and State Bank of India.

minimum amount of loans to be eligible for refinance to small-scale units covered under the Credit Guarantee Scheme is Rs. 10,000 and to small road transport operators Rs. 20,000. The procedure for sanction of refinance in respect of loans upto Rs. 2 lakhs to small-scale units/small road transport operators granted by SFCs has been simplified by putting the scheme on a near automatic basis.

(iii) *For Loans to Industrial Units in Backward Districts/Areas*

With a view to fostering the industrial development of backward districts/areas in various states/Union territories specified by the Planning Commission, the IDBI provides refinance in respect of loans to small and medium-sized projects in such areas at a special concessional rate of 3½ per cent per annum provided the effective rate charged by the primary lender does not exceed 7 per cent. All loans upto Rs. 20 lakhs granted on or after 13th May 1970 to new small and medium-sized projects in specified backward areas and loans granted on or after 13th December 1971 to existing units in specified backward areas undertaking substantial expansion are eligible for refinance at the special concessional rate irrespective of whether they are covered under the Credit Guarantee Scheme or not and are eligible for refinance to the full extent. Further, while deciding the terms of refinance, the IDBI takes into account incentives such as dispensing with levy of commitment charge, longer repayment period with an initial moratorium period for more than two or three years, deferment of payment of instalments of principal and interest in the initial years etc. that may be offered by the financing institution to the borrowing units.

(iv) *For Sales of Indigenous Machinery on Deferred Payment Basis*

The IDBI's scheme for rediscounting of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis was introduced in April 1965. Facilities under the scheme are also available to approved design engineering concerns selling machinery fabricated according to their own designs and under their own names and guarantees. The facilities can also be utilised to cover deferred payment sales by authorised selling agents/distributors of machinery manufacturers provided the agents/distributors pay to the manufacturers for the machinery before selling it to the purchaser-users.

All manufacturers of indigenous machinery in the public and private sectors can avail themselves of the facilities under the scheme. However, deferred payment sales of machinery for vanaspati manufacturing and brewery/winery industries, if these are to be financed under the scheme, should be referred to IDBI for prior clearance.

The sales to all purchaser-users in the private and public sectors, except those functioning as departmental undertakings of the Government, are covered by the scheme.

The period for deferred payment generally ranges between six months and five years, but can be extended to seven years with prior approval of IDBI. The concession of seven years deferred payment facilities is restricted to really deserving cases determined on the basis of the resources position of the purchase units, as revealed by their balance sheets, cash flow and profitability statements etc.

The current rediscounting rates are as follows:—

Bills/Promissory Notes having unexpired usance of	*per annum*
(1) 6 months to 36 months ..	6%
(2) Over 36 months upto 60 months	5½%
(3) Over 60 months upto 84 months	5%

The discounting banks are required to charge discount at not more than 1 per cent above the corresponding rediscounting rate of the IDBI. In order to extend the benefits of this scheme to small purchasers, the minimum amount of a transaction covering a set of bills/promissory notes has been fixed at Rs. 10,000. No minimum amount is stipulated for the sales of agricultural machinery. While normally, the scheme covers only deferred payment purchases of the purchaser-users of machinery, in the case of agricultural equipment and machinery, the purchases of dealers/distributors from the manufacturers of such machinery can also be financed under the scheme. The concession has been allowed in the expectation that the dealers/distributors will extend similar facilities to the farmers, who are spread all over the country and have no direct link with manufacturers.

The ceiling for rediscounting of bills/promissory notes relating to a single purchaser is placed at Rs. 50 lakhs during a year, which is reckoned from October to September. As the facilities under the scheme are not meant to be utilised for financing large units, which would normally call for detailed appraisal by the lending institution, it has since been decided that in the case of a new project, the extension of the facilities would be limited to Rs. 50 lakhs in aggregate (inclusive of interest on deferred payments) instead of Rs. 50 lakhs per each limit year, till the implementation of the project. The ceiling for rediscounting of bills/promissory notes relating to the State Electricity Boards is placed at Rs. 100 lakhs a year. The IDBI is also prepared to raise the annual ceiling to Rs. 100 lakhs in the case of other public sector utilities, e.g. State Road Transport Corporations and autonomous bodies, if warranted by the merits of the cases.

An important aspect of the scheme is that the facilities under it can be utilised for financing purchases of indigenous machinery for export against equity participation by Indians in companies abroad.

(v) *For Financing of Exports*

IDBI provides refinance to the eligible banks against medium-term export credits granted by them to exporters of capital and engineering goods (who include manufacturers, recognised export houses or other exporters of standing) in the private and public sectors. The facility also covers the overall cost of construction projects executed abroad by Indian concerns where the bulk of the construction contracts constitutes equipment, material and services etc. of Indian origin. A uniform interest rate of 4½ per cent per annum is charged by IDBI and the financing institutions are required not to charge the exporters more than 6 per cent per annum. The normal period of credit eligible for refinance ranges between six months and five years, but in deserving cases it is extended to seven years and further to 10 years in exceptionally deserving cases. Pre-shipment credit for a period exceeding six months to finance the processing/manufacture of goods to be exported may also be refinanced when linked with post-shipment credit. No minimum or maximum limit for an exporter is fixed by the IDBI to be eligible for refinance.

APPENDIX IV

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM DURING JULY 1971 TO JUNE 1972 UNDER SECTION 45 OF THE BANKING REGULATION ACT, 1949

Name of the bank	No. of offices	Name of the proposed transferee bank	Period of moratorium
NIL			

APPENDIX V

STATEMENT SHOWING THE POSITION IN REGARD TO LICENSING IN TERMS OF SECTION 23 OF THE BANKING REGULATION ACT, 1949 DURING JULY 1971 TO JUNE 1972

No. of licences issued for opening new offices	No. of licences issued for opening temporary/ seasonal offices	No. of licences issued for changing location of existing offices	Total number of licences issued
2,063 (6)	15	—	2,078 (6)

Note : Figures in brackets represent the number of licences granted to Indian commercial banks for opening offices outside India and are included in the main figures. Further, a bank has also been permitted to open three offices outside India and it has yet to approach Reserve Bank of India for necessary licences. Includes four licences issued to a bank in order to enable it to take over the existing offices of other commercial bank and 12 offices to work as base for satellite offices.

APPENDIX VI

STATEMENT SHOWING THE NUMBER OF OFFICES OPENED OR CLOSED IN FOREIGN COUNTRIES BY INDIAN BANKS DURING JULY 1971 TO JUNE 1972

No. of offices opened	2 (New York—U.S.A., Vacoas—Mauritius)
No. of offices closed	Nil

APPENDIX VII

PARTICULARS IN RESPECT OF AMALGAMATION AND TRANSFER OF LIABILITIES AND ASSETS OF BANKING COMPANIES DURING THE PERIOD JULY 1971 TO JUNE 1972

Name of the bank	No. of offices	Name of the transferee bank	Date of amalgamation or transfer
List of banks amalgamated under Section 44A of the Banking Regulation Act, 1949 ..		Nil	
List of banks which have transferred their liabilities and assets to other banks :			
Eastern Bank Ltd.	4	Chartered Bank	1-7-1971
List of banks amalgamated under Section 45 of the Banking Regulation Act, 1949		Nil	
List of banks whose business has been acquired by the State Bank of India under Section 35 of the State Bank of India Act, 1955 or by its subsidiaries under Section 38 of State Bank of India (Subsidiary Banks) Act, 1959		Nil	

APPENDIX VIII—TRENDS IN GOLD AND SILVER PRICES 1971-72 (July-June)

Gold

The price of gold in the international free markets witnessed a phenomenal rise during 1971-72 (July-June) due mainly to speculation based on the monetary future of gold. The upheaval in the major foreign exchange markets caused by the persistent weakness of the US dollar during the first half of the period led to expectations of an increase in the official price of gold and the consequent bouts of speculative buying pressure pushed up prices. In the London free market, the price rose more or less steadily from the end-June 1971 level of $40.20 per fine ounce to $43.30 on August 10 following reports of a US Congressional Sub-committee's finding that the dollar was overvalued. The London gold market remained closed for a day and a half following the announcement on August 15 of the temporary suspension of convertibility of US dollar into gold. Subsequently, the price dropped to $41 by the end of August, as speculators, disappointed with the reported increase of 7 per cent in the official price envisaged by the IMF, began to reduce their positions. A further spurt in the quotation to $43.90 on December 6 was occasioned by the report that a Bill authorising an increase of upto 10 per cent in the price of gold would be presented to the US Congress. The agreement reached on December 18 by the Group of Ten countries regarding exchange rate realignment based on an increase in the official gold price from $35 to $38 per ounce had hardly any perceptible impact on the market as the latter had already discounted this factor and the closing price for 1971 was a shade lower at $43.64.

The market again turned buoyant after the turn of the year against the background of uncertainties concerning restructuring of the world monetary system coupled with general optimism about the continued monetary role of gold. As a result, the price shot up to $48.70 by February 24, 1972. This was followed by a period of relative stability in the range of about $48—$49 till the end of April 1972. During May there were apprehensions of a shortage of supply as Russia and South Africa appeared to have slowed down their sales in the free market. The resignation of Mr. John Connally, Secretary of the US Treasury, known to be an advocate of demonetisation of gold, touched off rumours of a further rise in the official price of gold. Against these developments, the price rocketed to $59.30 by end-May and further to $66.75 on June 8 and closed at $64.10 recording a substantial gain of $23.90 over the period. The price of gold in other free markets also showed a more or less similar trend.

The price movements in the internal gold market during the period were largely influenced by the course of international prices. Following the uptrend in the London market price and the suspension of convertibility of the dollar, the price of standard gold in the Bombay bullion market which at the start of the year had been Rs. 189.50 per 10 grms rose to Rs. 204 on August 18. Thereafter, the price came down to Rs. 191.50 on September 6 in the wake of increased arrivals from upcountry and the temporary fall in the free market price abroad resulting from speculators reducing their overbought positions. After moving in the range of Rs. 193 and Rs. 203 upto the beginning of December 1971, the uptrend was resumed with the renewed rise in international prices as well as the dwindling inflow of smuggled gold as a result of naval patrol during Indo-Pakistan war and the quotation rose to Rs. 205.50 on December 28, 1971. In the early part of 1972, good seasonal demand and the continuing rise in the free market price abroad pushed up the quotation to Rs. 214.50 by February 21, 1972. Reflecting the somewhat stable conditions in international markets, the price in the Bombay bullion market moved in a narrow groove during March and April. Later, with the spurt in the London market price, the quotation scaled a new peak of Rs. 245 on June 8, 1972 before closing at Rs. 233 on June 30, 1972 with a

substantial rise of Rs. 42.50 over the period. The rise in the internal price of 22.3 per cent over the year was much smaller compared to the rise of 59.5 per cent in international prices. In absolute terms, there was a narrowing down of the differential between internal and international prices from about Rs. 99 per 10 gms. in June 1971 to Rs. 87 in June 1972. This might have made clandestine imports of gold less profitable particularly if the differential is reckoned at the unofficial exchange rate for the rupee.

Silver

Contrasting with the trend of gold prices, the price of silver in the international markets nosedived during the first half of the year. Thereafter there was a more or less sustained recovery and the price at the end of the year was almost back to the level at the beginning. The price of silver which stood at 157.7 cents per troy ounce in the New York market on June 30, 1971 fluctuated between 161.6 cents and 149.1 cents during July and August 1971. Thereafter, the apprehension caused in the minds of silver holders by the case for considerably lower silver prices made out at a New York Silver Forum led to the emergence of heavy selling pressure. As a result, the price slumped to a low of 128.8 cents by November 3. This was followed by a mild recovery and the price rose to 143.3 cents on December 20, 1971. The uptrend continued in sympathy with higher gold prices and the quotation moved up to 154.2 cents by February 1, 1972 and further to 160.5 cents by April 3. The closing quotation on June 30, 1972 at 157.4 cents showed hardly any change over the period. The price of silver in the London market also moved more or less in sympathy with New York prices.

The trend of silver prices in the Bombay bullion market was more or less downward throughout the year. The fall in silver prices abroad and increased arrivals from upcountry pushed down the price from the end-June 1971 level of Rs. 587.50 per kg. to Rs. 537.50 on October 6. The downtrend was further accentuated by lack of demand for unauthorised exports; the temporary closure of unofficial trading in the weekly delivery contract between October 29, 1971 and November 20, 1971* due to overtrading was also a contributory factor. Consequently, the quotation touched a low of Rs. 512.25 on December 4. With the Indo-Pakistan war situation in India's favour, the market staged a rally and the quotation rose to Rs. 543.50 on December 20, 1971 and further to Rs. 557.25 by January 18, 1972 following the recovery in international markets. Subsequently, with better supplies the quotation came down to Rs. 514 on May 24, 1972 and closed at Rs. 521.50 on June 30, 1972, recording a net decline of Rs. 66 during the period.

* Silver quotations were nominal during this as well as the subsequent period of closure of unofficial forward trading from December 22, 1971 to January 15, 1972.

Note : The estimated domestic production of gold and silver recorded increases during 1971. The production of gold at 3,656 kgs. registered a rise of 12.8 per cent as against a rise of 5.8 per cent in 1970, while the output of silver showed a substantial rise (145.1 per cent) from 1,540 kgs. to 3,774 kgs. in contrast to a sharp decline in the previous year.

PRICES OF GOLD

	BOMBAY MARKET (In Rupees per 10 gms.)						LONDON MARKET (In Dollars per fine ounce)					
	1970-71			1971-72			1970-71			1971-72		
	Highest	Lowest	Average*	Highest	Lowest	Average*	Highest	Lowest	Average@	Highest	Lowest	Average@
July	186.00	178.00	180.19	194.75	188.00	190.48	35.50	35.28	35.33 (85.19)	42.48	40.10	40.93 (98.69)
August	183.00	179.25	181.51	204.00	193.00	197.37	35.87	35.25	35.38 (85.31)	43.40	41.00	42.72 (103.01)
September	183.00	178.00	180.43	196.50	191.50	194.84	36.35	35.85	36.20 (87.29)	42.73	40.05	41.89 (101.01)
October	182.00	177.50	180.16	203.00	196.00	199.51	39.19	36.28	37.56 (90.57)	42.60	42.18	42.48 (102.43)
November	185.00	181.50	183.09	202.50	197.00	199.19	37.90	36.80	37.45 (90.30)	43.65	42.13	42.84 (103.30)
December	184.75	183.00	183.77	205.50	195.50	199.75	37.71	36.98	37.44 (90.28)	43.90	42.40	43.46 (103.53)
January	190.50	183.00	185.65	214.00	203.00	208.56	38.28	37.33	37.87 (91.32)	47.00	43.73	45.64 (106.81)
February	198.00	190.00	194.83	214.50	212.00	212.77	39.05	38.10	38.72 (93.37)	48.70	47.45	48.24 (112.89)
March	197.50	188.00	191.53	212.50	200.75	206.30	39.08	38.70	38.87 (93.73)	48.47	47.80	48.29 (113.01)
April	198.00	192.00	195.20	210.50	202.00	206.65	39.60	38.83	39.00 (94.04)	49.50	48.30	49.03 (114.74)
May	209.50	196.00	202.52	236.50	208.50	222.32	41.20	39.42	40.51 (97.68)	59.30	50.20	54.52 (127.59)
June	199.00	190.50	196.15	245.00	224.00	232.88	40.85	39.49	40.10 (96.69)	66.75	58.80	62.17 (145.49)

* Average of closing quotations for working days. @ Average of daily quotations.

Note: The figures in brackets represent the prices in rupees per 10 gms. and have been worked out on the basis of official exchange rate ruling during the period.

Source : For Bombay Market—Bombay Bullion Association Ltd., and for London Market—PTI quotations.

APPENDIX IX—COMPANY LEGISLATION*

Companies (Amendment) Act, 1971

A new Section 293B was inserted in the Companies Act, 1956 by the Companies (Amendment) Act, 1971 to facilitate contribution by companies to the National Defence Fund or any other fund approved by the Central Government for the purpose of national defence. Such contribution may be made by the Board of Directors of a company or any person or authority exercising the powers of the Board or of the company in general meeting. The total amount of contribution made under this section is to be disclosed by the company in its profit and loss account. The section, which is deemed to have come into force on December 3, 1971 when national emergency was proclaimed, is a permanent provision.

Part II of Schedule VI of the Companies Act, 1956 was amended by a notification published in the *Gazette of India* (November 6, 1971) requiring companies to indicate in their profit and loss accounts the number of employees drawing a monthly remuneration of Rs. 2,000 or more and manufacturing companies to give also full details about their licensed and installed capacities, actual production, raw materials purchased or acquired and opening and closing stocks of goods produced.

Implementation of the Monopolies and Restrictive Trade Practices Act, 1969

From June 1, 1970, when the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) came into force, upto November 30, 1971, 828 companies have registered under Section 26(2) of the Act as undertakings having by themselves or together with inter-connected undertakings assets worth Rs. 20 crores or more, or as dominant undertakings having singly or together with inter-connected undertakings assets of the value of not less than Rs. 1 crore. During this period, i.e. from June 1, 1970 to November 30, 1971, 78 companies applied for cancellation of their registration in terms of Section 26(3) of the Act, according to which any undertaking coming under the purview of the Act may apply to the Central Government for cancellation of its registration and the Central Government may, after making such inquiry as it may think fit, cancel the registration of such an undertaking. Of these 78 companies, registration of only four companies was cancelled during the period.

The undertakings registered under Section 26 of the Act have to obtain prior approval of the Central Government for substantial expansion, for setting up of new undertakings, for their merger, amalgamation or take-over of other undertakings in case such approval is required under Sections 21, 22 and 23 respectively of the Act. The disposal of applications received upto November 30, 1971 under the various sections is indicated in the following table :

Table 1

	Number					
	Received	Approved	Rejected	Withdrawn	Section not found applicable	Under consideration
1. Notices under Section 21 relating to substantial expansion of activities	152	44	—	15	35	58
2. Applications under Section 22 relating to establishment of new undertakings ..	31	5	—	5	5	16
3. Applications under Section 23 relating to merger, amalgamation or take-over of undertakings	29	8	8	5	—	8
4. Applications under Section 25 relating to the appointment of directors	71	58	—	10	1	2

* A comprehensive Companies (Amendment) Bill, 1972 was introduced in the Lok Sabha on August 11, 1972 to amend the Companies Act, 1956 and also certain provisions of the Securities Contracts (Regulation) Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969.

Under Section 35 of the MRTP Act which requires registration of agreements relating to restrictive trade practices, particulars of 8,596 agreements were received during the period December 1, 1970 to December 31, 1971, of which 7,050 agreements were registered till December 31, 1971.

Companies at Work

At the end of March 1971, there were at work 30,412 companies limited by shares with a paid-up capital of Rs. 4,301.4 crores. Of these, 314 were Government companies with a paid-up capital of Rs. 2,064.5 crores. The remaining 30,098 companies with a paid-up capital of Rs. 2,236.9 crores were non-Government companies comprising 6,443 public limited companies accounting for Rs. 1,775.1 crores of paid-up capital and 23,655 private limited companies with a paid-up capital of Rs. 461.8 crores. By the end of September 1971, the total number of joint-stock companies at work rose to 31,402 with a paid-up capital of Rs. 4,347 crores comprising 322 Government companies with a paid-up capital of Rs. 2,084.6 crores and 31,080 non-Government companies accounting for Rs. 2,262.4 crores of paid-up capital.

The following table shows the position of Government and non-Government companies at work at the end of March each year since 1967 and at the end of September 1971.

Table 2—Companies at work

(Amount 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
31-3-1967 ..	65	77.1	6,478	1,592.4	167	1,314.4	20,317	417.4	232	1,391.5	26,795	2,009.8
31-3-1968 ..	72	99.1	6,497	1,684.3	169	1,460.2	20,606	430.2	241	1,559.3	27,103	2,114.5
31-3-1969* ..	81	121.9	6,454	1,712.0	178	1,593.0	21,260	433.4	259	1,714.9	27,714	2,145.4
31-3-1970* ..	81	130.2	6,436	1,740.6	201	1,660.4	22,242	447.1	282	1,790.6	28,678	2,187.7
31-3-1971* ..	91	133.2	6,443	1,775.1	223	1,931.3	23,655	461.8	314	2,064.5	30,098	2,236.9
30-9-1971* ..	95	134.3	6,484	1,789.3	227	1,950.3	24,596	473.1	322	2,084.6	31,080	2,262.4

@ As defined in Section 617 of the Companies Act, 1956.

* Provisional.

APPENDIX X—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, JULY 1971—JUNE 1972.

A.—CHANGES IN EXPORT CONTROL

Item	Month of Announcement	Details
(1)	(2)	(3)
1. Cotton Textiles—Exports to the U.K.	September 1971, January and March 1972	The scheme for licensing of mill-made cotton yarn and cotton textiles including garments and made-ups (specified 18 categories) for export to the UK which was valid upto November 30, 1971 was extended upto December 31, 1971. Under the scheme announced in January 1972 for the period January 1, 1972 to March 31, 1972 and later extended upto December 31, 1972, licences for export of cotton textiles, would be issued against quotas allotted against individual shipments by the Cotton Textiles Export Promotion Council (TEXPROCIL) or their specified authorised representatives on first-come-first-served basis.
Cotton Textiles—Exports to the U.S.A.	September 1971	The scheme for the licensing of restricted varieties of Indian cotton mill-made textiles for export to the USA during the licensing year October 1, 1971 to September 30, 1972 was announced. For the purpose of licensing, the shipment period was divided into two six-monthly periods, viz., October 1, 1971 to March 31, 1972 and April 1, 1972 to September 30, 1972. Licences would be issued on the basis of quota certificates issued by the Cotton Textiles Export Promotion Council (TEXPROCIL) on the basis of recommendations of the USA Textiles Licensing Advisory Committee for certain specified varieties. In the case of the other specified varieties, quotas/licences would be issued on first-come-first-served basis subject to the condition that as soon as the ceiling laid down is reached, exports would be stopped forthwith; the first six-monthly distribution would be made on this basis while the second six-monthly distribution will be made later in accordance with the decision of the USA Textiles Licensing Advisory Committee.
Cotton Textiles—Exports to France, Italy, Austria and Benelux countries	September 1971	The schemes for licensing of export of all varieties of mill-made cotton textiles excluding cotton yarn to France, Italy, Austria and Benelux countries (Belgium, Netherlands and Luxembourg) during the licensing year October 1, 1971 to September 30, 1972 were announced. In the case of Austria, the scheme relates to export of all varieties of mill-made cotton textiles including cotton yarn. Licences would be issued on the basis of quota certificates issued by the Cotton Textiles Export Promotion Council (TEXPROCIL) on first-come-first-served basis.
Cotton Textiles—Exports to West Germany	January 1972	The scheme for licensing of export of all varieties of mill-made cotton textiles including garments and made-up items to West Germany during the licensing year January 1, 1972 to December 31, 1972, was announced. The licences would be issued on the basis of quota certificates issued by the Cotton Textiles Export Promotion Council (TEXPROCIL) on first-come-first-served basis.
2. Cotton yarn—Exports to Canada	September 1971	The scheme for licensing of export of cotton yarn to Canada during the licensing year September 1, 1971 to August 31, 1972 was announced. Licences would be issued against quotas allotted against individual shipments by the Cotton Textiles Export Promotion Council (TEXPROCIL) or their specified authorised representatives.
3. Cotton handloom products	October 1971	The scheme for licensing of all cotton handloom products (other than fabrics) for export to the USA which was valid upto September 30, 1971 was extended and would continue to be in force until further notice.
4. Raw cotton	August 1971, March and April 1972	Exports of raw cotton Bengal Deshi and miscellaneous fibres such as Assam, Comillas, Zodas and Yellow Pickings, etc., would be allowed subject to a ceiling of 2.75 lakh bales during the cotton year 1971-72.
5. Vanaspati	December 1971	Export of vanaspati would be allowed freely during the licensing period October 1971 to September 1972.

Item	Month of Announcement	Details
(1)	(2)	(3)
6. Refined groundnut oil and groundnut oil	May 1972	Export of refined groundnut oil would be allowed on first-come-first-served basis during the licensing period October 1971 to September 1972. Export of groundnut oil would not be allowed.
7. Mustard and rapeseed	May 1972	Export of mustard/rapeseeds would not be allowed during the licensing period April 1972 to March 1973.
8. Rape and mustard oil	May 1972	Export of rape and mustard oil would not be allowed during the licensing period April 1972 to March 1973.
9. Onions	April 1972	Export of onions would be allowed to all permissible destinations except to Ceylon without floor-price restrictions during the licensing period April 1972 to March 1973. Export of onions to Ceylon would continue to be canalised through the National Agricultural Co-operative Marketing Federation Ltd.
10. Bananas	April 1972	Export of bananas during the licensing period April 1972 to March 1973 to all permissible destinations other than Persian Gulf would be licensed freely by all categories of shippers ; export to destinations in Persian Gulf from the States of Maharashtra and Gujarat would be allowed freely only by the Jalgaon District Fruit Sale Societies Co-operative Federation Ltd., Jalgaon and Gujarat State Co-operative Fruit and Vegetable Marketing Federation Ltd., Bardoli, District Surat, respectively.
11. Raw goat skins (wet and salted)	March 1972	Export quotas for raw goat skins—wet and salted for established shippers for the calendar year 1972 would be upto 5 per cent of their best year's exports during any of the calendar years 1954 to 1958. Established shippers whose basic exports are less than 10,000 pieces would be allowed to export upto 100 per cent of their basic exports, while those whose best year's exports are more than 10,000 pieces but which would be reduced under the present orders below the said figure would be allowed to export a minimum of 10,000 pieces. Small quota holders whose entitlement works out to 10,000 pieces or less during the year may be allowed to combine, if they so desire, with other quota holders to enable them to utilise their quotas in a profitable manner.
12. Sheep and lamb skins	January 1972	Export of sheep and lamb skins would be allowed on merits.
13. Crushed bones and bone grist	April 1972	Export of crushed bones and bone grist was decontrolled.
14. Bauxite	February 1972	Export of bauxite by all categories of exporters (other than MMTC) during the licensing period February 1972 to January 1973 would be allowed as follows : (*a*) bauxite containing less than 40 per cent alumina and bauxite containing between 40 per cent and 50 per cent alumina but with silica content exceeding 5 per cent would be licensed freely without any quantitative restrictions and exporters would be permitted to enter into long-term commitments for a period not exceeding five years and (*b*) bauxite containing more than 50 per cent alumina and bauxite containing between 40 per cent and 50 per cent alumina but with silica content of 5 per cent or below would be licensed freely within limited ceiling.
15. Mica	February 1972	Export of all grades and varieties of mica, excepting manufactured and fabricated mica (including die cut condenser films, spacers, bridges, washers, etc.), micanite, reconstituted mica, mica powder and mica paper was canalised through the Minerals and Metals Trading Corporation of India Ltd. with effect from January 24, 1972.
16. Aluminium metal	March and April 1972	Export of aluminium foil was decontrolled with effect from March 15, 1972. Export of aluminium metal of commercial grade by primary producers would be allowed on merits during the licensing period April 1972 to March 1973. Export of aluminium semis in the form of sheets, circles, rods (other than properzi rods), wires, etc., would also be allowed on merits wherever irrevocable commitments have been made for export by primary producers and others. Export of aluminium metal EC grade and properzi rods would not be allowed.

Item	Month of Announcement	Details
(1)	(2)	(3)
17. Sillimanite ore	March and May 1972	Export of sillimanite ore of all grades and varieties would be allowed freely within a limited ceiling during the calendar year 1972 and would be canalised through the Minerals and Metals Trading Corporation of India (MMTC) from May 1972.
18. Coal and coke	December 1971	Export of coking coal (all grades), coke (all types) and non-coking coal (including selected 'A', 'B' and grade I) was canalised through the MMTC with effect from December 8, 1971.
19. Deoiled rice bran	November 1971 and June 1972	Export of deoiled rice bran was brought under control and would be canalised through the Solvent Extractors' Association of India, Bombay, within a limited ceiling during the licensing period April 1972 to March 1973.
20. Pig-iron, iron and steel and ferro-alloys	October 1971 and April 1972	Export of mild steel bars and rods during the licensing period April 1971 to March 1972 would be allowed by re-rollers against specific recommendations of the Steel Exporters' Association, Calcutta. Export of following items of iron and steel (other than cast iron pipes and fittings) would not be allowed during the licensing period April 1972 to March 1973 : slabs, blooms, plates, tinplates (prime, secondary, waste), chequered plates, skelp, G.P. sheets, C.R. sheets and coils, wheels and tyres, axles, sleeper (pressed), steel wire, wire rods other than mild steel wire rods. Export of iron (basic and foundry grade), ingots, billets, heavy and medium structurals, rails, G.C. sheets, alloy constructional steels, electric steel sheets (dynamo-grade) would be allowed by main producers only during April 1972 to March 1973. Export licences for export of mild steel bars and rods, cold twisted bars and light structurals would be allowed to main producers, re-rollers and the State Trading Corporation during the licensing period April 1972 to March 1973. Export of all other items of iron and steel other than cast iron pipes and fittings would be allowed on merits. Export of ferro-manganese and ferro-manganese slag would be canalised through the Minerals and Metals Trading Corporation. Export of ferro-chrome, silico-chrome and other ferro-alloys would be allowed on merits during the licensing period April 1972 to March 1973.
21. Miscellaneous	August, September, November 1971 and June 1972	Export of following items was brought under control: cardamom (small and large), animal bile, gallstone, golochan, blankets, castor oil, products manufactured in and exported from the Kandla Free Trade Zone and pure silk yarn. Export of castor oil was canalised through the State Trading Corporation of India. Export of following items was banned: unmanufactured ivory (elephant tusks), chirpheasant, molasses and ethyl alcohol, and vintage cars and parts and components thereof. The control on export of following items was removed: sulphur, cigarette wrapping paper, tissue paper, cellophane paper, waterproof paper and glassine paper, glycerine, paper board, lime stone and saltpetre.

B. EXPORT PROMOTION MEASURES

(1) *Drawback Facilities on Exports :* The drawback rules were revised in the light of the recommendations made by the Drawback Enquiry Committee. The revised rules, known as 'The Customs and Central Excise Duties Drawback Rules, 1971', came into force on October 15, 1971. The more important changes effected in the rules are—(i) "Drawback" has been so defined as to include rebate of excise duty paid on export of goods and (ii) description of the export goods included in the schedule to the revised rules has been broadly worded and practically covers all manufactured goods that are now being exported. Another important change in the rules is that concerning payment of 'provisional' amount of drawback on submission of requisite data for fixation of rates. Besides, as a measure of speeding up the fixation of rates and settlement of drawback claims, a scheme of acceptance of the data, without prior verification, on the basis of statutory auditors' certificates, has been introduced, as an experimental measure. Post-verification will, however, be done in all these cases. Arrangements have also been made for holding periodical meetings at ports to settle pending drawback claims.

(2) *Awards for Outstanding Export Performance :* During the financial year 1971-72, nine firms/institutions were selected for presentation of National Awards and twenty-eight firms for Certificates of Merit for outstanding export performance.

(3) *Tea Trading Corporation of India Ltd. :* The Tea Trading Corporation of India Ltd. was set up in December 1971 to market tea mainly in packs in India and abroad. The Corporation will also engage in trading and marketing of blended, instant and green tea. The Corporation will initially market Indian tea in consumer packs in certain selected countries, particularly in West Asia. It will also market certain specialised brands of tea such as Nilgiris, Assam and Darjeeling in the sophisticated markets to cater to the needs of a select clientele.

(4) *Trade Development Authority :* During the financial year 1971-72, the Trade Development Authority (TDA) completed its all-India survey, begun in 1970-71, of over 2,000 industrial units—mainly small and medium scale—in the TDA's product range and enrolled 127 units as export-worthy, bringing the total of enrolment to 297 at the end of March 1972. The TDA's product range was expanded by the addition of scientific laboratory, process and flow control instruments. On the marketing side, the TDA identified during the year 125 large import houses and distributors, 30 industrial buyers including some of the world's largest automobile and electronic companies, and four department and chain stores in the USA, Canada, UK and West Europe for stimulating exports from its Indian clientele. Its merchandising contacts have resulted in an export business of Rs. 4.3 crores in 1971-72 as against Rs. 1.9 crores in 1970-71, bringing the cumulative total of export contracts secured during the first two years of the TDA's operation to Rs. 6.1 crores, of which the share of medium and small scale sectors of industry alone amounted to Rs. 4.9 crores. The TDA launched in April 1972 a crash programme of exports to the USA, designed to step up the current export of 18 selected products from a level of $10 million in 1970-71 to $30 million in 1972-73 and $70 million in 1974-75. In its effort to remove capacity constraints and create surpluses for export in its product range, the TDA piloted, during 1971-72, 23 export-oriented production projects through the Industrial Licensing Committee/Foreign Investment Board/Capital Goods Licensing Committee, taking the total of projects sponsored to 29. Of these 29 projects, four took advantage of the vacation of labour-intensive production in the developed world. The TDA organised and hosted during 1971-72 seven buyers' missions from abroad to India. Under its package plan of servicing, the TDA secured for its clients 105 licences/approvals from the Government during 1971-72; of these, 99 were on account of medium and small sectors of industry. During 1971-72, the TDA also finalised a detailed blueprint for the construction facilities and product mix for its Airport Electronics Project at Santa Cruz (Bombay), a venture in bonded processing and warehousing facilities in electronics.

(5) *Export Credit and Guarantee Corporation :* During the year 1971-72 (July-June), the ECGC introduced a new guarantee named Transfer Guarantee which seeks to safeguard the banks in India on the confirmation they might add to the letters of credit opened by banks abroad in favour of Indian exporters. During the year, the corporation also liberalised the scope of its Export Production Finance Guarantee. The liberalised scheme enables exporters to secure, wherever justified, advances from banks upto a limit higher than the one operated now. Under this scheme the limits upto which the banks can now sanction advances are : (i) 50 per cent over and above the f.o.b. value subject to a maximum of 100 per cent of the domestic cost of the export product; or (ii) 75 per cent over and above the f.o.b. value of the shipment provided that the value of the import content in the export product is not less than 40 per cent of the f.o.b. value of shipment and the rate of import duty paid on the import content of the export product is not less than 100 per cent; or (iii) upto an amount established to the satisfaction of the banks as the domestic cost (excluding profit) of the export product. For each advance under the Guarantee the banker is open to adopt the option most appropriate. The maximum period for which an amount can be given is 8 months from the date of advance. The premium rate for the guarantee is 7.5 paise for Rs. 100 per month.

APPENDIX XI—IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, JULY 1971—JUNE 1972

Item	Month of Announcement	Details
(1)	(2)	(3)
		A. IMPORT POLICY FOR 1971-72 (APRIL 1971—MARCH 1972)
		1. Import Policy : General
Import Policy : April 1971–March 1972		The salient features of the import policy for 1971-72 and changes made in the import policy upto the end of June 1971 were given in the Report on Currency and Finance, 1970-71 (pages 312 and 313).
		2. Small-scale Industrial Units
Allocation of steel	October 1971	In view of the inadequate availability of steel in the country, it was decided to increase the import entitlement of steel for small-scale industrial units by 25 per cent.
Issue of ' on account ' import licences	December 1971	It was decided to issue ' on account ' licences under the import policy for registered exporters to small-scale industrial units with a minimum export performance of Rs. 5 lakhs (f.o.b.) during 1970-71 as compared with a minimum export performance of Rs. 10 lakhs for other registered exporters.
		3. Open General Licence
Open General Licence No. XCI	September 1971	An Open General Licence (OGL) was issued for the import of (*a*) wattle extract, (*b*) wattle bark, (*c*) bark for tanning excluding wattle bark, (*d*) pickled hides, skins, pelts, splits and parts thereof, (*e*) hides and skins, raw or salted, where the value of hides and skins is more than that of wool/hair thereof, (*f*) quebracho extract, chestnut extract and modified eucalyptus extract (myrtan) from any country in the world except from Union of South Africa/South West Africa, Rhodesia, Tibet region of China and Portugal for shipment upto March 31, 1972. The earlier OGL expired on September 30, 1971.
		4. Imports from Nepal
Imports from Nepal	August 1971	It was decided to allow import from Nepal, of specified primary products produced in Nepal and manufactured articles containing not less than 90 per cent of Nepalese materials without any quantitative restriction.
		5. Imports from Pakistan
Imports from Pakistan	December 1971	An order was issued prohibiting the import and export of all goods, whether directly or indirectly, into or from any port or place in India, from or to any port or place in Pakistan.
		6. Floatation of Currencies and Procedure for Clearance of Imports
Floatation of currencies	September 1971 October 1971 February 1972	Consequent on the floatation of some currencies, the authorised dealers and customs authorities were instructed to effect remittances and clear shipments without any formal increase in the value of import licences so long as differences arose solely due to the floatation of currencies.
		7. Import Policy for Registered Exporters
Exports under barter deals	June 1971	It was announced that exports made under barter deals or under bilateral trade agreements between the public sector agencies in India and importers in other countries would not qualify for replenishment unless there was a specific provision in the relevant barter deal or trade agreement for the grant of replenishment.

Item	Month of Announcement	Details
(1)	(2)	(3)
Export houses	February 1972	Eligible export houses were permitted to acquire, by transfer, import licences issued to registered exporters or their nominees upto 25 per cent of the f.o.b. value of exports of specified non-traditional items effected by them during the previous year. Further in respect of transferred licence, an obligation was imposed on export houses to export specified commodities of the f.o.b. value equal to four times the value of transferred licence acquired by them.
Exports from Kandla	October 1971	It was decided to consider requests for grant of 'advance licences' from units in the Kandla Free Trade Zone for import of raw materials etc. for the full year of production instead of six months allowed earlier.
	January 1972	Under the import policy for registered exporters, applications for 'on account' import licences from units in the Kandla Free Trade Zone for the raw materials etc. were to be considered without insisting on the minimum export performance of Rs. 10 lakhs.
Diamonds	December 1971	In the case of exports of cut and polished diamonds on confirmed outright sale basis, the registered exporters were permitted to apply for (import) replenishment licences on the basis of proof of physical exports without waiting for the realisation of export proceeds.
		8. Specified Commodities
Capital goods	December 1971	In order to speed up the implementation of industrial projects, it was decided to allow flexibility to the importers of capital goods. Holders of capital goods import licences were permitted to import items of capital goods not covered by the licences, the import of which was not otherwise banned, upto a limit of 5 per cent of the value of licences.
Iron and steel	September 1971	It was decided that in respect of canalised items of iron and steel, the licensing authorities would issue release orders valid for six months only within which period actual users should register their requirements with canalising agencies.
	October 1971	With a view to keeping a close watch on the demand for and supply of steel, licence holders of iron and steel were asked to submit monthly reports regarding placement of orders, actual shipments, unutilised value of import licences etc. from September 30, 1971 onwards.
	October 1971	In view of the inadequate availability of steel within the country, it was decided to allow additional import of steel, to the extent of 25 per cent, to all actual users in the small-scale sector during April 1971–March 1972 on the basis of import licences/release orders issued for April 1970–March 1971 in case of units in non-priority sector. For units in the priority sector, the increase was allowed on the basis of consumption of imported steel during April 1970–March 1971.
Gum arabic	September 1971	In respect of licences for rupee payments area (R.P.A.) covering import of gum arabic issued for the period April 1970–March 1971, it was decided to allow import from Sudan as under :

Unutilised value of licences	*Percentage upto which R.P.A. licences will be endorsed for import from Sudan*
Upto Rs. 1 lakh	50 per cent
Above Rs. 1 lakh and upto Rs. 2 lakhs	33⅓ ,,
Above Rs. 2 lakhs and upto Rs. 5 lakhs	25 ,,
Above Rs. 5 lakhs	10 ,,

Item	Month of Announcement	Details
(1)	(2)	(3)
Spare parts	October 1971	The import policy for spare parts was liberalised permitting actual users to import, on a restricted basis, specified spare parts which were banned earlier.
	February 1972	The value of repeat import licences for spare parts issued to actual users in large-scale sector was reduced by one-third. The proportion of permissible spare parts, small tools, precision and measuring tools including spare parts of machine tools, allowed to be imported against the licences for raw materials and components was reduced from 25 per cent to 10 per cent. In the case of licences issued under the import policy for registered exporters, the same proportion was made applicable and the facilities for importing spare parts upto 5 per cent of the f.o.b. value of export were withdrawn.
Processing aids and chemicals for research and laboratory tests	November 1971	With a view to providing flexibility to the industry in use of foreign exchange, it was decided to allow import of processing aids and chemicals for research and laboratory tests against licences for raw materials and components to the extent of 5 per cent of the value of licences or Rs. 5, 000 whichever was less within the overall value of the licences, provided the import of a single item did not exceed Rs. 100 in value.
Tool, alloy and special steels	January 1972	Taking into account the availability of tool, alloy and special steels from indigenous production and imports, and the need to conserve foreign exchange, it was decided to reduce the value and quantity of import licences issued to actual users for these items by one-third of the value/quantity of the import licences or the unutilised value/quantity whichever was less.
Newsprint	January 1972	In view of the difficult foreign exchange situation and the continuing need to conserve foreign exchange, it was decided to restrict allocation of newsprint to daily newspapers, subject to a maximum limit of 10 pages. In case of daily newspapers which were allocated newsprint on the basis of average page level of more than 10 pages, the excess quantity was to be treated as advance and would be adjusted against their entitlements for April 1972–March 1973.
Fresh fruits of all sorts, excluding coconuts, cashewnuts and dates—imports from Afghanistan	July 1971 October 1971 January 1972	It was decided to allow imports of specified fresh fruits of Afghan origin during August 1, 1971 to October 31, 1971 by approved importers and exporters undertaking to export non-traditional items within a ceiling. The imports of fresh fruits would have to be counterbalanced by exports of specified commodities. It was subsequently decided that the responsibility of fulfilling the export obligation would rest not only with the approved importer but also with the transferee to whom approved importer would have transferred any import credits. The date of imports was extended upto March 31, 1972.
Fruits, dried, preserved or salted, etc.—imports from Iran	December 1971 February 1972	It was decided to grant import licences for fruits, dates, red oxide, asafœtida, medicinal herbs, gum, resins, lac, etc. from Iran during July-December 1971 to established importers having past imports within the prescribed basic years. In January 1972 it was decided to allow these imports during January-March 1972.
Dates—imports from Iraq	October 1971	It was decided to grant licences for the import of dates from Iraq during September 1971 to August 1972 to established importers having past imports of dates from that country on the following basis:

Scale of past imports	*Quota*
1. Upto Rs. 1.5 lakhs	100 per cent subject to a minimum of Rs. 12,500
2. Between Rs. 1.5 lakhs and Rs. 5 lakhs	95 per cent subject to a minimum of Rs. 1.5 lakhs
3. Between Rs. 5 lakhs and Rs. 15 lakhs	80 per cent subject to a minimum of Rs. 4.75 lakhs
4. Above Rs. 15 lakhs	70 per cent subject to a minimum of Rs. 12 lakhs

Item	Month of Announcement	Details
(1)	(2)	(3)

B. IMPORT POLICY FOR APRIL 1972—MARCH 1973

1. Import Policy : General

Import Policy : April 1972—March 1973	April 1972	The import policy for 1972-73 emphasised the need for achieving the goal of self-reliance. To achieve this objective, measures have been initiated to assist exports so that imports would be financed through export earnings. The import policy has provided for greater allocation of imported inputs in the case of selected priority industries, particularly those which have substantial export performance or which contribute to the net savings on imports. The role of public sector agencies in the import trade has been considerably enlarged. The import policy has provided for creation of opportunity for generating more employment, and setting up of small-scale industries by Indian nationals returning from abroad. Special attention has been given to the development of backward regions. The import facility given to export houses has been enlarged. The main features of import policy are set out below : (1) Imports of 56 additional items have been *canalised* through the public sector agencies taking the total number of canalised items to 168. A Steel Bank would be set up by the Hindustan Steel Limited to organise bulk imports of steel for meeting the requirements of actual users. The activities of Industrial Raw Materials Assistance Centre (IRMAC) would be further expanded for supplying raw materials 'off-the-shelf'. (2) The scheme of granting import facility to *export houses* has been enlarged by the addition of one more product group, viz., tobacco products to the list of products, the exports of which would be taken into account for determining the eligibility for an export house and for calculating the value of initial/supplementary licences to be given to an export house. Indirect exports made by an export house would also be taken into account for determining the eligibility and for calculating the value of initial/supplementary licences to be given to an export house, provided such indirect exports are not more than the value of exports made by an export house in respect of products manufactured in the small-scale sector. (3) The *need-based policy* of issuing import licences for raw materials, components and spares to priority industries to replenish their consumption has been continued but special allocation of foreign exchange has been made to issue import licences higher than past consumption in cases where inputs would help to earn net foreign exchange through exports or if increased output would result in savings on imports. Preferential treatment would continue to be given to units exporting 10 per cent or more of their production in regard to sources of supply and facility of further expansion of export production. (4) Imports of 160 items have been *banned* while imports of 87 items which were earlier allowed to be imported without restrictions would be permitted on a restricted basis. (5) *Established importers'* quotas have been cut in respect of 29 items. These items include spare parts of various equipment, drugs and medicines, motor vehicle parts, garage tools and instruments. (6) Indian *nationals* returning *from abroad* and intending to set up small-scale industries in India would be allowed to import machinery, without indigenous clearance, of a value not exceeding Rs. 5 lakhs and permissible raw materials and components for meeting the requirements upto one year, subject to a maximum of Rs. 1 lakh, provided these are purchased out of their own foreign exchange earnings abroad. (7) Units engaged in engineering industries, especially in West Bengal which have been closed for want of steel, non-ferrous metals and other raw materials, would be provided special facility to import their requirements of raw materials/components to re-start working. Similarly special facilities for the import of machinery and raw materials and components would be provided to units in the small-scale sector to be set up in backward/rural areas.

Item	Month of Announcement	Details
(1)	(2)	(3)
		2. Import Policy for Newsprint
Import policy for Newsprint for April 1972–March 1973	April 1972	The newsprint allocation policy for 1972-73 retained the ceiling of 10 pages imposed on daily newspapers with effect from January 1, 1972. The flexibility allowed to newspapers/periodicals to adjust their circulation, page-level, page-area and periodicity within the authorised quota has been withdrawn. Within the overall authorised quota newspapers/periodicals could increase their circulation by reducing the number of pages, page-area and periodicity. However, they would not be permitted to increase the number of pages, page-area and periodicity by reducing their circulation. The proportion of imported newsprint in the overall allocation has been reduced from 85 per cent to 82½ per cent in the case of dailies with entitlement of 1,000 tonnes and above but less than 2,000 tonnes and from 80 per cent to 75 per cent in the case of dailies with entitlements of 2,000 tonnes and above. Dailies with a circulation of 1 lakh and above would be granted an increase of 3 per cent over their basic entitlement (all in imported newsprint), for an increase in their circulation as compared with 5 per cent allowed earlier (2½ per cent in imported newsprint and the balance in Nepa newsprint). The compensation for wastage has been reduced from 10 per cent to 7 per cent.
		3. Small-Scale Industrial Units
Raw materials	May 1972	The mode of financing of imports of raw materials, components and spares by small-scale units was notified. Import licences to small-scale units with import entitlements not exceeding Rs. 5,000 would be issued against free foreign exchange irrespective of export performance. For units with import entitlements exceeding Rs. 5,000, the mode of financing would be related to export performance. Units exporting 25 per cent or more of their production would be issued import licences against free foreign exchange while for those with lower export performance, import licences would be issued partly in free foreign exchange and partly against the UK credits and rupee payment.
		4. Specified Commodities
Steel supply to exporters	May 1972	A scheme to supply imported steel to registered exporters to execute export orders has been formulated. The Hindustan Steel Limited would supply imported steel when it is not indigenously available, at Joint Plant Committee (J.P.C.) price or the ruling Hindustan Steel Ltd. price where J.P.C. price is not available, *plus* 2 per cent thereof.
		C. CHANGES IN IMPORT DUTIES
Concessional duty on forming tools withdrawn	December 1971	The concessional rate of 30 per cent *ad valorem* import duty on forming tools like moulding dies was withdrawn and these imports were subjected to import duty at the full statutory rate of 60 per cent *ad valorem*.
Regulatory import duty	December 1971	With a view to exercising restraint on imports a regulatory duty of customs on all imports, with the exception of foodgrains, books and a few special categories of articles, was imposed. The general rate was 2.5 per cent *ad valorem* while a few selected items were subjected to a higher rate of 10 per cent *ad valorem*.
Union Budget for 1972-73	March 1972	The Union Budget for 1972-73 enhanced the rate of regulatory duty to 5 per cent *ad valorem* on articles liable to the basic rate of import duty of 60 per cent and above but less than 100 per cent *ad valorem*. The rate of 10 per cent *ad valorem* was made applicable to articles subject to the basic import duty of 100 per cent *ad valorem* and more and a few other selected items. All other articles with the exception of foodgrains, books and certain special categories, continued to attract a regulatory duty of 2.5 per cent *ad valorem*.

APPENDIX XII—TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING JULY 1971 TO JUNE 1972

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Afghanistan	February 20, 1972	One year	Imports : Dry fruits, fresh fruits, asafoetida, cummin seeds, medicinal herbs, etc. Exports : Tea, textiles, engineering goods, etc.	
Arab Republic of Egypt	October 16, 1971	July 1, 1971 to September 30, 1972	Imports : Cotton, distilled glycerine, kaoline and rice. Exports : Tea, jute manufactures, steel items, tobacco, cotton yarn, tyres and tubes, chemicals, engineering goods, dyes and dye intermediates, spices, paper and paper products (excluding newsprint), shellac, mild steel and welding electrodes, stainless steel electrodes, drugs and pharmaceuticals, ferro-manganese and manganese ore, mica, skins and hides and/or leather, text books, fluorescent and incandescent lamps, fittings, fixtures and accessories, etc.	This is a trade arrangement for a period of 15 months beginning from July 1, 1971 signed within the framework of the Indo-UAR trade agreement of July 8, 1953.
Bangladesh	March 28, 1972	March 28, 1972 to February 27, 1973	Imports : Fresh fish, raw jute, newsprint and low grammage writing paper, furnace oil, jute batching oil and naphtha, semi-tanned cow hides including wet and blue, simul cotton (kapok), hard board, handloom products, etc. Exports : Tobacco unmanufactured, cement, coal, cotton yarn, asphalt, machinery and spare parts, etc.	This is the first trade agreement between the two Governments. The agreement contains special provisions as regards border trade and use of waterways, railways and roadways for commerce between the two countries*.
Bulgaria	November 29, 1971	January 1, 1972 to December 31, 1972	Imports : Tool, alloy and special steel, rolled steel products, pharmaceutical products and intermediates, drugs and medicines, chemicals, fertilisers, non-ferrous metals, tractors, machinery, equipment and other capital goods, ships, etc. Exports : Iron ore, pig iron, jute manufactures, cotton textiles, finished leather, tanned hides and skins, drugs and pharmaceuticals, chemicals, marine products, coir-yarn and products, deoiled groundnut cakes, deoiled rice bran, manganese ore, railway wagons, engineering goods, etc.	This is a trade plan for the year 1972 in terms of the trade and payments arrangement signed on October 18, 1968.

* The agreement provides for border trade in specified commodities in specified quantities, free from import, export and exchange control restrictions as well as customs duty and customs formalities, to enable the people living within a sixteen kilometre belt of the border between West Bengal, Assam, Meghalaya, Tripura and Mizoram on the one hand and Bangladesh on the other to meet their day to day requirements and to provide them facilities to dispose of their goods. The agreement also provides for making mutually beneficial arrangements for the use of waterways, railways and roadways for commerce between the two countries and for passage of goods between two places in one country through the territory of the other.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Chile	April 17, 1972	....	Imports: Minerals and metals, fertilisers, fruits, elaborated copper, automobile parts, newsprint, wood pulp, chemical products, iodine, fishing trawlers, wool, etc. Exports: Textiles, tea, railway equipment, engineering products, pharmaceutical products, chemicals and plastic products, rubber goods, mica and shellac, jute bags, precision instruments, etc.	The agreement will be valid for three years from the date of ratification.
Czechoslovakia	October 8, 1971	January 1, 1972 to December 31, 1972	Imports: Tractors, components, spares, tyres and raw materials for tractors under collaboration scheme, machine tools, rolled steel products, tool, alloy and special steel, shunters, capital goods, newsprint, components and raw materials for Czechoslovakia-assisted and other projects in India, etc. Exports: Iron ore, manganese ore, deoiled cakes, rice bran, groundnut, vegetable oils, tanned and semi-tanned hides and skins, finished leather, footwear and other leather products, jute manufactures, cotton textiles and synthetic fabrics, mica and mica based products, plastic manufactures including linoleum, sanitary fittings, M.S. pipes and pipe fittings, hand and small tools, engineering goods, etc.	This is a trade plan for the year 1972 concluded in terms of the trade and payments arrangement signed on October 31, 1969.
Democratic People's Republic of Korea	February 21, 1972	January 1, 1972 to December 31, 1972	Imports: Special steel, magnesia clinker, anthracite, etc. Exports: Pig iron, tyres and tubes, cotton textiles, passenger wagons, auto buses, paper, etc.	This is a trade plan for 1972 in terms of the trade and payments arrangement signed on December 9, 1968.
Democratic Republic of Vietnam	September 14, 1971	September 22, 1971 to September, 1974	Imports: Animal products, seed oils and resins, dried fish, fresh and dried fruits, handicrafts and minerals, etc. Exports: Engineering goods, textiles, oils and oil seeds, tobacco, chemicals, drugs and medicines, mica, leather manufactures, etc.	
France	October 10, 1959	January 1, 1972 to December 31, 1972	Imports: Not specified. Exports: Dried mushrooms, orange segments, canned guavas, textile articles, etc.	This is a trade plan for 1972 signed in terms of exchange of letters on October 19, 1959.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
German Democratic Republic	November 11, 1971	January 1, 1972 to December 31, 1975	Imports : Steel and steel products including rolled steel products, alloy, tool and special steel, rotary printing presses, printing machinery, machine tools, agricultural machinery, ships, x-ray films and cinematographic films, various organic and inorganic chemicals, muriate of potash, optical and scientific instruments, capital goods, etc. Exports : Tea, coffee, tobacco, cashew kernels, deoiled cakes, crushed bones, mica, tanned and semi-tanned hides and skins, jute manufactures, cotton textiles, engineering goods, etc.	This is a trade and payments protocol which replaces the long term trade and payments agreement concluded on January 23, 1969.
Hungary	January 17, 1972	January 1, 1971 to December 31, 1972	Imports : Steel and steel products including steel alloy and special steels, capital goods, machinery and equipment, wheels, tyres and axles for rolling stock and railway equipment, special electric motors and transformers, aerial ropeways equipment under collaboration scheme, microwave equipment, drugs, medicines and pharmaceutical intermediates, chemicals, x-ray and photographic films, equipment for alumina industry under collaboration scheme, etc. Exports : Jute manufactures, deoiled cakes and rice bran, engineering goods, railway wagons, coffee, iron ore, tanned and semi-tanned hides and skins, mica and mica products, textiles including hosiery and knitted wear and readymade garments, spices, etc.	This is a trade plan for the year 1972 in terms of the trade and payments agreement dated March 3, 1971.
Iran	March 11, 1964	Valid upto March 10, 1972	Imports : Dry fruits, dates, asafoetida, cummin seeds, red oxide, etc. Exports : Tea, tobacco, coir products, leather manufactures, drugs and pharmaceuticals, chemicals, engineering goods, textiles, etc.	This is a trade arrangement in terms of the trade agreement signed on March 11, 1964.
Iraq	September 24, 1971	September 1971 to March, 31, 1973	Imports : Dates, crude oil, crude sulphur, oil products, etc. Exports : Tea, animal and marine products, agricultural products, drugs, pharmaceuticals, chemicals and allied products, engineering products, mining products, plastic and sports goods, etc.	This is a trade arrangement for a period of 18 months beginning September 1, 1971 in supersession of the trade agreement signed on December 13, 1962, which was valid upto August 31, 1971.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Nepal	August 13, 1971	August 15, 1971 to August 14, 1976	Imports : Rice, magnesite, sleepers used by railways, semul and other softwood used by the match industry, etc. Exports : Petrol, kerosene, diesel oil, coal and corrugated iron sheets, etc.	This is a fresh five-year treaty of trade and transit. The treaty accords specially favourable treatment to primary products, products of small-scale units and manufactured goods of Nepal and also provides for transit arrangements.@
Peru	November 4, 1971	June 6, 1972 to June 5, 1975	Imports : Not specified. Exports : Not specified.	This is the first trade agreement between the two countries.
Poland	December 16, 1971	January 1, 1972 to December 31, 1972	Imports : Agricultural tractors, spares and components, fertilisers, sulphur, rolled steel products and special tool and alloy steel, dye intermediates, intermediates for pharmaceutical industry, chemicals, ships equipment, refractory materials, wheels, tyres and axles for railways and wagon components, capital goods, etc. Exports : Iron ore, tanned and semi-tanned hides and skins, railway wagons, deoiled cakes, jute goods, cotton textiles and cotton yarn, railway wagons, other engineering goods, tea, coffee, black pepper, processed mica, manganese ore, etc.	This is a trade plan for 1972 in terms of the five-year trade and payments arrangement signed on October 31, 1968.
Rumania	February 17, 1972	January 1, 1972 to December 31, 1972	Imports : Oil prospecting and drilling equipment, tractors and tractor components, rolled steel and steel products, petroleum products, fertilisers, pharmaceutical products and intermediates, various organic and inorganic chemicals, capital goods, machine tools, ball, roller and taper bearings, electronic television components and electronic automation equipments, calcium carbide, wheel sets and other components for railway wagons, etc. Exports : Iron ore, hides and skins, engineering goods, cotton and woollen textiles, jute goods, deoiled cotton seed extractions and rice bran extractions, coffee, ferro-manganese, crushed animal bones, finished leather, machine tools, mica, etc.	This is a trade plan for the year 1972 in terms of the five-year trade and payments arrangement signed on March 24, 1971.

@Primary products and manufactured goods of Nepal will be allowed entry into India free of customs duty or quantitative restrictions. Concessions in excise duty available to small units in India will also be available to products imported from units in Nepal. As regards "traffic in transit," the treaty provides that freedom of transit will be accorded across the two countries' respective territories through routes mutually agreed upon.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Sudan	June 8, 1971	July 1, 1971 to December 31, 1972	Imports : Cotton, gum arabic, raw hides and skins, etc. Exports: Tea, jute manufactures, textiles, lentils, spices, perfumes, essential oils, sandal wood, toileteries and cosmetics, engineering goods, etc.	This is a trade arrangement for 1971-72 in terms of the Indo-Sudan Trade Agreement of October 22, 1965.
U.S.S.R.	May 5, 1972	January 1, 1972 to December 31, 1972	Imports : Non-ferrous metals, power and electro-technical equipment, machinery and equipment for textiles, printing machines and equipment, tractors and agricultural machinery, newsprint, rolled steel products and refractories, components, equipment and raw materials needed for Soviet-assisted projects, air transportation means, other equipment and spare parts, ships, construction and earth moving equipment, chemicals, fertilisers, copper, kerosene, etc. Exports : Raw jute, raw wool, goat skins, tea, coffee, tobacco, cashew kernels, groundnuts, deoiled cakes, castor oil, fresh and canned fruits, fruit juices, mica, jute manufactures, rolled steel products, electric motors, aluminium power cables, garage equipment, paints and varnishes, dye-stuffs, cigarettes, handicrafts, chappals, coir products, tea, readymade garments, woollen knitwears, cosmetic products, cotton textiles, automobile storage batteries, etc.	This is a trade plan for 1972 in terms of the five-year trade arrangement signed on December 26, 1970.
Yugoslavia	March 4, 1972	January 1, 1972 to December 31, 1972**	Imports : Non-ferrous metals, agricultural and trawley tractors including spares and components, equipment for ships, newsprint, industrial explosives, refractories, staple fibre, viscose, chemicals, special tool and alloy steel, steel plates and other steel products, etc. Exports : Iron ore, coffee, tea, engineering goods, tyres and tubes, tanned and semi-tanned hides and skins, jute goods, coir yarn and products, cotton yarn, plastic goods, chemicals, pepper black, auto parts and ancillaries, etc.	This is a trade plan for 1972 in terms of the trade and payments arrangement concluded on October 13, 1962.

** After December 31, 1972 all payments between India and Yugoslavia will be made in convertible currencies.

STATEMENTS

PART III—STATEMENTS

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NOTES ON THE STATEMENTS

The annual series in the statements cover the financial years which run from April to March; thus 1971-72 refers to the year from April 1, 1971 to March 31, 1972. In this issue, generally annual data for the years 1960-61, 1965-66 and 1969-70 to 1971-72 are presented. Presentation of weekly data has been discontinued.

The statements on Industrial Production, Consents for Capital Issues and Capital Raised by Non-Government and Government Companies are presented on calendar year basis as the statistics compiled at the respective sources are on that basis. Statistics on Balance of Payments are presented for the calendar year 1971. Data relating to (i) Agricultural Production, (ii) Financial Assistance Sanctioned by the Industrial Finance Corporation of India, (iii) Industrial Development Bank of India — Amount Sanctioned and Cash Disbursed, (iv) Agricultural Refinance Corporation and (v) Unit Trust of India are for the year ended June. In respect of Liabilities and Assets of the Industrial Development Bank of India, the data presented are as at the end of June.

The new statements included in this issue are : (i) Estimated Mid-year population, (ii) State-wise Distribution of Bank Offices, (iii) External Assistance Extended by India, (iv) Issue of Import Licences and (v) Exports of the following commodities to Principal Countries — (*a*) Leather and Leather Manufactures, (*b*) Pearls and Precious and Semi-precious Stones and (*c*) Iron and Steel.

The following statements have been deleted: (i) Employment Exchange Statistics, (ii) Remittances through the Reserve Bank of India, (iii) Classification of Scheduled Commercial Banks' Advances according to Security, (iv) Reserves of Scheduled Commercial Banks and State Co-operative Banks with the Reserve Bank of India, (v) Prices of Selected Industrial Shares, (vi) Government of India Treasury Bills (Weekly), (vii) Exports of Sugar to Principal Countries, (viii) Withdrawal of Coins from Circulation and (ix) Number of Counterfeit Coins cut at Treasuries and Railway Stations.

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. 21.00 to 1 pound sterling. Later the pound sterling was devalued on November 18, 1967 and the present exchange value is £5.25=Rs. 100.

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. The ex-Bombay State was bifurcated on May 1, 1960 into (i) Maharashtra and (ii) Gujarat. On December 1, 1963 Nagaland was constituted as a new State and on November 1, 1966 new State of Haryana was formed. On April 2, 1970 new State of Meghalaya was formed within the State of Assam. On January 25, 1971 Himachal Pradesh was constituted as a new State and on January 21, 1972 two new States of Manipur and Tripura were constituted, bringing the total number of States in the Union to twenty-one. The Federal Government is the Government of India, also called the Central Government.

A crore = 10 millions and a lakh = one-tenth of a million.

Wherever necessary, each figure has been rounded off to the nearest final digit. For this reason, in some statements there may 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	1960-61	1965-66	1969-70	1970-71	1971-72
		1	2	3	4	5
I. POPULATION	Millions	442.21	492.69	538.31	550.24	561.86
II. OUTPUT AND PRICES						
1. Net National Product (*a*)						
(i) At current prices	Rs. crores	132,94	206,21	311,74	342,00**	..
(ii) At 1960-61 prices	,,	132,94	150,21	179,55	187,55**	..
2. Industrial Production—General Index (*b*)	1960=100	100.0	153.8	172.5†	180.8†	186.3†
3. Agricultural Production	Year ended June 1950=100	142.2	133.1	170.8	182.2	..
4. Wholesale Prices—New Series						
(i) All Commodities	1961-62=100	99.8*	131.6	171.6	181.1	188.4
(ii) Food Articles	,,	99.9*	144.6	196.8	203.9	210.3
5. Consumer Prices—All-India						
(i) Industrial Workers	1960=100			177	186	192
(ii) Urban Non-manual Employees	,,		132	167	174	180
6. Security Prices						
(i) Government and Semi-Government Securities	1961-62=100		94.6	99.0	99.0	97.6
(ii) Variable dividend industrial securities	,,		76.7	92.6£	101.9	94.5
				94.5		
7. Gold and Silver (Bombay : Spot)						
(i) Gold (*c*)	Rs. per 10 gms.	114.91	77.78	179.62	184.96	200.16
(ii) Silver	Rs. per Kg.	193.64	314.62	489.13	536.08	561.35
III. MONEY AND BANKING						
8. Money supply with the public	Rs. crores	2,869	4,529	6,387	7,138†	8,111†
(i) Currency with the public	,,	2,098	3,034	4,010	4,381†	4,809†
(ii) Deposit money with the public	,,	771	1,495	2,376	2,757	3,303†
9. Reserve Bank of India						
(i) Central Government's deposits	,,	76	51	168	251	215
(ii) State Governments' deposits	,,	29	26	8	13	5
(iii) Investments	,,	1,813	2,719	3,406	3,827	4,285
(iv) Other loans and advances(*d*)	,,	186	245	522	709	619
Of which :						
1. Scheduled commercial banks	,,		74	238	368	207
2. State co-operative banks	,,		166	276	306	323
10. Foreign exchange reserves (*e*)	,,	304	298	821	732	849

11. Scheduled commercial banks							
(i) Aggregate deposits	Rs. crores	1,746	2,950	5,028	5,906	7,105
(ii) Bank credit	,,	1,320	2,288	3,971	4,684	5,209
iii) Investments in Government Securities	,,	559	811	1,167	1,362	1,652
(iv) Cash reserves	,,	117	171	322	364	439
(v) Credit deposit ratio	Per cent	75.6	77.6	79.0	79.3	73.3
12. Cheque clearances (*f*)	Rs. crores	1,046	1,746	2,756	3,080†	3,592†
13. Inter-bank call money rate (Bombay) (*g*)	Per cent per annum	4.24	6.26	4.30	6.38	5.16
14. Yield on 3 per cent conversion loan 1986 or later (*h*)	,,	4.06	5.46	5.00	5.00	5.00
IV. PUBLIC FINANCE						
A. Budgetary Position of Government of India						
15. Revenue Account						
(i) Receipts	Rs. crores	877	2,321	3,027	3,293	4,021
(ii) Expenditure	,,	826	2,001	2,902	3,130	4,047
16. Capital Account						
(i) Receipts	,,	1,156	1,705	2,640	2,550	3,131
(ii) Disbursements	,,	1,029	2,222	2,679	2,972	3,476
B. Debt position of Government of India						
17. Total debt @	,,	6,565	11,350	17,707	18,836	20,675
(i) Internal	,,	5,783	8,739	11,554	12,259	13,721
Of which:						
1. Permanent debt	,,	2,595	3,462	4,144	4,433	4,836
2. Treasury Bills Outstanding	,,	1,106	1,612	2,232	2,310	2,623
3. Small Savings						
(i) Net Receipts	,,	104	151	129	144	250
(ii) Outstandings	,,	973	1,541	2,025	2,169	2,419
(ii) External (*i*)	,,	782	2,611	6,153	6,577	6,954
V. TRADE						
18. Imports	,,	1,122	1,409	1,582	1,634	1,853†
19. Exports	,,	642	806	1,413	1,535	1,567†
20. Net Balance of trade	,	—479	—603	—169	—99	—286†
21. Number of wagons loaded						
(i) Broad gauge	000's	6,164	8,168	8,829	8,404	8,449
(ii) Metre gauge	,,	3,593	3,972	3,869	3,634	3,457

Note : Figures for all the items relate to the year except those of items 10 and 17 [excluding 17(i)3(i)] which relate to the end of the period and those of items 8, 9 and 11 which relate to last Friday. The population figures relate to the estimated mid-year population ; the data for 1960-61 correspond to mid-year 1961 and so on. (*a*) Revised estimates. (*b*) Relating to calendar year : thus data for 1960-61 correspond to 1960 and so on. (*c*) Relate to 14-carat from August 28, 1963 to November 9, 1966 and to Standard Gold from July 10, 1967. (*d*) Loans and advances other than those to the Governments. (*e*) 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 Indian rupee. (*f*) Average of monthly data. (*g*) Data relate to local head offices of the banks and are exclusive of brokerage. (*h*) Running yield. (*i*) Outstanding external debt (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. * Estimated. £ Consequent upon nationalisation of some banks sub-group 'Banks' under group 'Financial' has been transferred to sub-group 'Others' under group 'Other Industries' with effect from March 1970. @ For details regarding differences in source and coverage, a reference may be made to statement 70. ** Quick Estimates. † Provisional.

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*	**442.21**	**451.73**	**461.54**	**471.63**	**482.02**	**492.69**	**503.63**	**514.87**	**526.43**	**538.31**	**550.24**
Andhra Pradesh	36.18	36.79	37.43	38.09	38.78	39.50	40.26	41.05	41.88	42.74	43.61
Assam	11.25	11.60	11.96	12.32	12.69	13.08	13.46	13.85	14.25	14.65	15.06
Bihar	46.76	47.68	48.62	49.58	50.55	51.54	52.53	53.54	54.55	55.56	56.59
Gujarat	20.81	21.35	21.90	22.46	23.04	23.64	24.26	24.88	25.53	26.19	26.86
Haryana	7.67	7.90	8.14	8.38	8.62	8.86	9.10	9.34	9.57	9.80	10.02
Himachal Pradesh	2.83	2.89	2.94	3.00	3.06	3.12	3.18	3.25	3.31	3.37	3.43
Jammu and Kashmir	3.58	3.64	3.71	3.79	3.88	3.98	4.09	4.22	4.35	4.50	4.64
Kerala	17.03	17.42	17.82	18.23	18.65	19.09	19.53	19.98	20.44	20.92	21.40
Madhya Pradesh	32.64	33.46	34.31	35.18	36.08	37.00	37.94	38.91	39.89	40.89	41.91
Maharashtra	39.86	40.79	41.74	42.73	43.76	44.82	45.91	47.04	48.21	49.42	50.61
Mysore	23.75	24.25	24.76	25.28	25.83	26.38	26.96	27.55	28.16	28.78	29.41
Nagaland	0.37	0.39	0.41	0.42	0.44	0.46	0.47	0.48	0.50	0.51	0.52
Orissa	17.68	18.06	18.46	18.87	19.29	19.72	20.17	20.63	21.10	21.57	22.05
Punjab	11.21	11.42	11.64	11.86	12.09	12.32	12.55	12.79	13.04	13.29	13.54
Rajasthan	20.33	20.83	21.35	21.89	22.43	22.98	23.54	24.11	24.69	25.28	25.88
Tamilnadu	33.85	34.37	34.92	35.52	36.18	36.88	37.65	38.48	39.38	40.36	41.31
Uttar Pradesh	74.16	75.45	76.77	78.14	79.54	80.98	82.46	83.98	85.54	87.15	88.74
West Bengal	35.24	36.18	37.13	38.07	39.01	39.95	40.87	41.79	42.74	43.70	44.69
Union Territories	*7.01*	*7.26*	*7.53*	*7.82*	*8.10*	*8.39*	*8.70*	*9.00*	*9.30*	*9.63*	*9.97*

STATEMENT 2—ESTIMATED MID-YEAR POPULATION—(*Concld.*)

(In millions)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981(*a*)
	12	13	14	15	16	17	18	19	20	21
All-India *	**561.86**	**573.59**	**585.43**	**597.23**	**608.63**	**619.44**	**630.04**	**640.44**	**650.63**	**660.68**
Andhra Pradesh	44.46	45.32	46.18	47.03	47.82	48.51	49.18	49.83	50.46	51.08
Assam	15.52	15.98	16.44	16.90	17.35	17.80	18.25	18.71	19.16	19.61
Bihar	57.63	58.67	59.73	60.78	61.77	62.67	63.56	64.42	65.25	66.07
Gujarat	27.53	28.21	28.90	29.59	30.26	30.92	31.56	32.19	32.79	33.39
Haryana	10.25	10.48	10.70	10.93	11.15	11.35	11.54	11.73	11.91	12.09
Himachal Pradesh	3.47	3.51	3.55	3.59	3.63	3.67	3.71	3.75	3.79	3.83
Jammu and Kashmir	4.73	4.83	4.93	5.02	5.12	5.22	5.32	5.42	5.52	5.62
Kerala	21.90	22.40	22.91	23.41	23.88	24.31	24.72	25.12	25.51	25.89
Madhya Pradesh	42.96	44.01	45.06	46.11	47.16	48.22	49.25	50.25	51.23	52.18
Maharashtra	51.74	52.86	54.00	55.15	56.25	57.34	58.39	59.42	60.42	61.39
Mysore	30.01	30.61	31.22	31.82	32.41	32.99	33.55	34.09	34.62	35.14
Nagaland	0.52	0.53	0.54	0.55	0.56	0.56	0.57	0.58	0.59	0.60
Orissa	22.51	22.98	23.45	23.91	24.38	24.86	25.34	25.83	26.30	26.78
Punjab	13.79	14.05	14.32	14.59	14.87	15.15	15.42	15.68	15.94	16.19
Rajasthan	26.49	27.11	27.74	28.36	28.96	29.54	30.11	30.66	31.20	31.73
Tamilnadu	42.12	42.93	43.76	44.58	45.33	45.97	46.60	47.21	47.80	48.38
Uttar Pradesh	90.24	91.76	93.28	94.80	96.20	97.41	98.58	99.72	100.83	101.92
West Bengal	45.69	46.72	47.77	48.84	49.93	51.05	52.19	53.35	54.54	55.75
Union Territories	*10.30*	*10.63*	*10.95*	*11.27*	*11.60*	*11.90*	*12.20*	*12.48*	*12.77*	*13.04*

Note : Estimates are based on the Expert Committee Projections provisionally revised in the light of 1971 Census Provisional Population Totals.

(*a*) Based on the growth rate between March 1, 1980 and March 1, 1981. * Excludes Sikkim.

Source : Office of the Registrar General, India.

STATEMENT 3—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

(In crores of rupees)

Industry	1960-61	1965-66	1966-67†	1967-68†	1968-69†	1969-70†	1960-61	1965-66	1966-67†	1967-68†	1968-69†	1969-70†
	1	2	3	4	5	6	7	8	9	10	11	12
	AT CURRENT PRICES						AT 1960-61 PRICES					
1. Agriculture	65,70	95,23	114,91	145,69	138,59	149,05	65,70	61,45	60,94	71,93	71,65	75,39
2. Forestry and logging	1,74	2,98	3,83	4,17	4,70	5,13	1,74	2,26	2,52	2,59	2,75	2,81
3. Fishing	77	1,24	1,37	1,54	1,73	1,96	77	93	95	94	1,04	1,05
Sub-Total	**68,21**	**99,45**	**120,11**	**151,40**	**145,02**	**156,14**	**68,21**	**64,64**	**64,41**	**75,46**	**75,44**	**79,25**
4. Mining and quarrying	1,44	2,34	2,52	2,90	3,16	3,39	1,44	2,05	2,12	2,21	2,27	2,41
5. Large-scale manufacturing	10,71	18,39	19,70	20,41	21,92	24,83	10,71	15,72	15,79	15,93	16,64	17,63
6. Small-scale manufacturing	7,85	12,25	13,25	14,60	15,56	16,94	7,85	9,90	10,05	10,51	10,92	11,29
7. Construction	6,20	9,42	10,72	12,65	12,89	14,85	6,20	7,14	7,39	8,11	7,86	8,39
8. Electricity, gas and water supply	68	1,44	1,77	2,00	2,43	2,66	68	1,31	1,40	1,52	1,71	1,87
Sub-Total	**26,88**	**43,84**	**47,96**	**52,56**	**55,96**	**62,67**	**26,88**	**36,12**	**36,75**	**38,28**	**39,40**	**41,59**
9. Transport and communication	5,69	9,30	10,34	11,34	13,13	14,33	5,69	7,79	8,03	8,43	8,89	9,41
(i) Railways	2,52	4,00	4,26	4,21	4,70	4,97	2,52	3,40	3,46	3,47	3,66	3,85
(ii) Communication	63	1,13	1,32	1,47	1,74	1,96	63	96	1,02	1,09	1,13	1,18
(iii) Transport by other means	2,54	4,17	4,76	5,66	6,69	7,40	2,54	3,43	3,55	3,87	4,10	4,38
10. Trade, storage, hotels and restaurants	13,01	22,35	26,63	30,67	31,32	33,61	13,01	16,84	17,30	17,88	18,51	19,42
Sub-Total	**18,70**	**31,65**	**36,97**	**42,01**	**44,45**	**47,94**	**18,70**	**24,63**	**25,33**	**26,31**	**27,40**	**28,83**
11. Banking and insurance	1,58	3,41	3,62	4,16	4,59	5,04	1,58	2,18	2,18	2,22	2,49	2,72
12. Real estate and ownership of dwellings	3,86	5,96	6,38	6,59	7,00	7,29	3,86	4,58	4,77	4,87	4,96	5,12
13. Public administration and defence	5,38	9,89	10,99	12,47	13,93	15,02	5,38	8,57	9,05	9,44	10,39	11,16
14. Other services	9,05	13,66	15,33	17,14	18,41	20,22	9,05	11,01	11,43	11,84	12,25	12,65
Sub-Total	**19,87**	**32,92**	**36,32**	**40,36**	**43,93**	**47,57**	**19,87**	**26,34**	**27,43**	**28,37**	**30,09**	**31,65**
15. Total net domestic product	**133,66**	**207,86**	**241,36**	**286,33**	**289,36**	**314,32**	**133,66**	**151,73**	**153,92**	**168,42**	**172,33**	**181,32**
16. Net factor income from abroad	—72	—1,65	—2,33	—2,59	—2,58	—2,58	—72	—1,52	—1,49	—1,82	—1,76	—1,77
17. Net national product at factor cost	**132,94**	**206,21**	**239,03**	**283,74**	**286,78**	**311,74**	**132,94**	**150,21**	**152,43**	**166,60**	**170,57**	**179,55**
18. Gross national product at market prices	149,76	239,21	274,67	323,13	330,06	..						
19. Gross national product at factor cost	140,29	218,39	252,85	298,89	303,29	330,19	140,29	160,23	163,07	177,77	182,25	191,73

Note : The estimates of net national product (national income) have been revised 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 the Central Statistical Organisation.

†Provisional.

Source : Estimates of National Product (Revised Series) issued by Central Statistical Organisation, Government of India.

STATEMENT 4—FINANCIAL FLOWS—SECTOR-WISE—1968-69*

(In crores of Rupees)

Sector	Banking		Other Financial Institutions		Private Corporate Business		Government		Rest of the World		Households		Total	
	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Banking	—	—	6	63	198	52	495	75	25	—28	403	790	1,127	952
2. Other Financial Institutions	31	—	—	—	66	—	171	55	—	—4	27	343	295	394
3. Private Corporate Business	35	195	—	92	—	—	6	35	—1	—21	73	76	113	377
4. Government	123	487	54	220	20	—3	—	—	30	571	11	164	238	1,439
5. Rest of the World	—2	—13	1	2	6	—	418	6	—	—	—	—	423	—5
6. Households	790	404	343	27	20	16	164	10	—	—	—	—	1,317	457
7. Items not classified elsewhere	18	6	25	—4	1	—	115	79	—1	14	—	—	158	95
TOTAL	995	1,079	429	400	311	65	1,369	260	53	532	514	1,373	3,671	3,709
Discrepancy (Sources—Uses)														*—38*

* Provisional.

STATEMENT 5—FINANCIAL FLOWS—INSTRUMENT-WISE—1968-69*

(In crores of Rupees)

Instrument/Sector	Banking		Other Financial Institutions		Private Corporate Business		Government		Rest of the World		Households		Total		*Discrepancy (Sources-Uses)*
	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Currency and Deposits	846	—	—	37	8	52	20	34	—	22	—	782	874	927	*— 53*
2. Investments	107	355	20	207	51	—2	353	60	98	—59	—	—1	629	560	*69*
3. Loans and Advances	—6	742	58	132	307	16	717	133	—2	570	457	99	1,531	1,692	*— 161*
4. Small Savings	—	—	—	29	—	—	113	—	—	—	—	84	113	113	—
5. Life Fund	—	—	180	—	—	—	6	—	—	2	—	184	186	186	—
6. Provident Fund	—	—	148	—	—	—	77	—	—	—	—	225	225	225	—
7. Trade Debt or Credit	—	—	—	—	—56	—	—21	15	—	—	57	—	—20	15	*— 35*
8. Foreign claims not elsewhere classified	1	—24	—	—	—	—	—	7	—	—	—	—	1	—17	*18*
9. Other items not elsewhere classified	47	6	23	—5	1	—1	104	11	—43	—3	—	—	132	8	*124*
TOTAL	995	1,079	429	400	311	65	1,369	260	53	532	514	1,373	3,671	3,709	*— 38*

* Provisional.

Note : The data presented in this page may not tally with the saving of households in the form of financial assets and liabilities presented elsewhere in this Report due to certain differences in sources of data and estimation procedures adopted.

STATEMENT 6—ESTIMATES OF (NET) SAVING OF THE

Item	1956-57	1957-58	1958-59	1959-60	1960-61
	1	2	3	4	5
Saving of the Government Sector	177.0	158.2	139.3	199.5	238.2
Percent to National Income	1.6	1.4	1.1	1.5	1.8
Saving of the Domestic Corporate Sector ..	58.5	18.1	32.3	56.4	107.5
Percent to National Income	0.5	0.2	0.3	0.4	0.8

* Provisional.

STATEMENT 7—SAVING OF THE HOUSEHOLD

Item	1956-57	1957-58	1958-59	1959-60	1960-61
	1	2	3	4	5
A. Saving (Gross) of the Household Sector in Financial Assets [(i) to (vii)]	**427.0**	**395.8**	**433.2**	**542.9**	**580.5**
(a)	**3.8**	**3.5**	**3.4**	**4.2**	**4.4**
(i) Currency	51.9	45.3	112.4	130.2	160.3
(a)	*0.5*	*0.4*	*0.9*	*1.0*	*1.2*
(b)	*12.0*	*11.7*	*26.0*	*24.0*	*27.7*
(ii) Bank Deposits	94.4	93.3	95.9	183.3	93.2
(a)	*0.8*	*0.8*	*0.8*	*1.4*	*0.7*
(b)	*21.8*	*24.0*	*22.1*	*33.8*	*16.1*
(iii) Insurance Policies	15.8	36.5	30.9	48.2	57.1
(a)	*0.1*	*0.3*	*0.2*	*0.4*	*0.4*
(b)	*5.3*	*7.5*	*7.1*	*8.9*	*9.9*
(iv) Provident Funds	60.5	72.2	68.0	79.1	109.3
(a)	*0.5*	*0.7*	*0.5*	*0.6*	*0.8*
(b)	*13.9*	*18.6*	*15.7*	*14.6*	*18.9*
(v) Claims on Government	119.9	94.8	86.7	49.6	98.9
(a)	*1.1*	*0.8*	*0.7*	*0.4*	*0.8*
(b)	*27.6*	*24.4*	*20.0*	*9.1*	*17.1*
(vi) Corporate and Co-operative Shares and Securities	84.5	53.7	39.3	52.5	61.7
(a)	*0.8*	*0.5*	*0.3*	*0.4*	*0.5*
(b)	*19.4*	*13.8*	*9.1*	*9.6*	*10.3*
(vii) Unit Trust of India					
(a)					
(b)					
B. Financial Liabilities of the Household Sector [(i) to (iii)]	**109.0**	**64.3**	**102.7**	**161.9**	**142.2**
(a)	**1.0**	**0.6**	**0.8**	**1.3**	**1.0**
(i) Bank Advances	89.4	38.0	67.9	120.5	99.2
(a)	*0.8*	*0.3*	*0.5*	*1.0*	*0.7*
(b)	*82.0*	*59.1*	*66.1*	*74.4*	*69.8*
(ii) Loans from Life Insurance Companies/ Corporation	1.1	4.1	1.5	2.6	4.2
(a)	—	*0.1*	—	—	—
(b)	*1.0*	*6.4*	*1.5*	*1.6*	*3.0*
(iii) Loans and Advances from Government	18.5	22.2	33.3	38.8	38.8
(a)	*0.2*	*0.2*	*0.3*	*0.3*	*0.3*
(b)	*17.0*	*34.5*	*32.4*	*24.0*	*27.2*
C. Saving of the Household Sector in Financial Assets (Net) (A—B) ..	**318.0**	**331.5**	**330.5**	**381.0**	**438.3**
(a)	**2.8**	**2.9**	**2.6**	**2.9**	**3.4**

(*a*) Percent to National Income. (*b*) Percent to financial assets/liabilities.

Note : (1) Bank deposits include deposits of public with non-banking companies from 1961-62. (2) In the case of Insurance Policies, State Government Insurance Funds have been included.

GOVERNMENT AND THE DOMESTIC CORPORATE SECTORS

(In Crores of Rupees, at Current Prices)

1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68*	1968-69*
6	7	8	9	10	11	12	13
348.5	411.2	538.5	536.8	659.9	413.3	309.7	559.1
2.5	2.8	3.2	2.7	3.2	1.7	1.1	1.9
109.4	133.9	142.9	91.6	89.2	103.3	49.3	62.4
0.8	0.9	0.8	0.5	0.4	0.4	0.2	0.2

SECTOR IN THE FORM OF FINANCIAL ASSETS

(In Crores of Rupees, at Current Prices)

1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
6	7	8	9	10	11	12	13
634.7	**672.7**	**938.7**	**937.9**	**1,166.7**	**1,073.4**	**1,205.7**	**1,386.4**
4.5	**4.5**	**5.5**	**4.7**	**5.7**	**4.5**	**4.2**	**4.8**
99.2	172.2	218.8	136.0	287.3	124.7	164.9	261.9
0.7	*1.1*	*1.3*	*0.7*	*1.4*	*0.5*	*0.6*	*0.9*
15.6	*25.5*	*23.3*	*14.5*	*24.6*	*11.7*	*13.7*	*18.9*
219.9	189.3	316.3	359.1	439.4	470.5	459.6	522.6
1.6	*1.3*	*1.9*	*1.8*	*2.1*	*2.0*	*1.6*	*1.8*
34.7	*28.0*	*33.7*	*38.2*	*37.6*	*44.0*	*38.0*	*37.7*
73.0	70.2	93.7	97.4	97.6	141.6	150.0	183.7
0.5	*0.5*	*0.5*	*0.5*	*0.5*	*0.6*	*0.5*	*0.7*
11.5	*10.4*	*10.0*	*10.4*	*8.4*	*13.2*	*12.5*	*13.2*
113.5	128.8	155.4	181.5	198.2	206.9	261.8	267.0
0.8	*0.9*	*0.9*	*0.9*	*1.0*	*0.9*	*0.9*	*0.9*
17.9	*19.1*	*16.5*	*19.3*	*17.0*	*19.3*	*21.7*	*19.3*
45.7	54.0	108.9	108.1	92.6	81.6	107.3	67.2
0.3	*0.3*	*0.6*	*0.5*	*0.4*	*0.3*	*0.4*	*0.2*
7.1	*8.2*	*11.6*	*11.5*	*7.9*	*7.6*	*8.9*	*4.8*
83.4	58.2	45.6	39.2	50.6	40.4	48.3	68.8
0.6	*0.4*	*0.3*	*0.2*	*0.3*	*0.2*	*0.2*	*0.2*
13.2	*8.8*	*4.9*	*4.3*	*4.4*	*3.5*	*4.1*	*5.0*
			16.6	1.0	7.7	13.8	15.2
			0.1	—	—	—	*0.1*
			1.8	*0.1*	*0.7*	*1.1*	*1.1*
131.3	**181.0**	**240.2**	**190.6**	**204.9**	**349.8**	**284.2**	**435.0***
0.9	**1.2**	**1.4**	**1.0**	**1.0**	**1.5**	**1.0**	**1.5**
87.6	133.2	201.4	129.7	155.5	261.5	174.8	—
0.6	*0.9*	*1.2*	*0.7*	*0.8*	*1.1*	*0.6*	—
66.7	*73.5*	*83.9*	*68.0*	*75.9*	*74.8*	*61.5*	—
5.7	0.8	8.2	8.2	14.3	19.2	21.6	—
—	—	—	—	—	*0.1*	*0.1*	—
4.3	*0.5*	*3.4*	*4.3*	*7.0*	*5.5*	*7.6*	—
38.0	47.0	30.6	52.7	35.1	69.1	87.8	—
0.3	*0.3*	*0.2*	*0.3*	*0.2*	*0.3*	*0.3*	—
29.0	*26.0*	*12.7*	*27.7*	*17.1*	*19.7*	*30.9*	—
503.4	**491.7**	**698.5**	**747.3**	**961.8**	**723.6**	**921.5**	**951.4**
3.6	**3.3**	**4.1**	**3.7**	**4.7**	**3.0**	**3.2**	**3.3**

* Due to non-availability of certain source data, this is in the nature of a rough estimate and for the same reason, detailed break-up of this figure could not be given.

STATEMENT 8—AREA AND PRODUCTION OF

Commodity	1960-61		1965-66	
	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
	1	2	3	4
FOODGRAINS				
Cereals				
1. Rice (*a*)	34,128	34,574	35,470	30,589
2. Wheat	12,927	10,997	12,572	10,394
3. Jowar	18,412	9,814	17,679	7,581
4. Bajra	11,469	3,283	11,965	3,752
5. Maize	4,407	4,080	4,799	4,823
6. Ragi	2,515	1,838	2,696	1,327
7. Barley	3,205	2,819	2,640	2,382
8. Small millets	4,955	1,909	4,564	1,555
Total Cereals	**92,018**	**69,314**	**92,385**	**62,403**
Pulses				
9. Gram	9,276	6,250	8,015	4,224
10. Other Pulses	14,287	6,454	14,703	5,720
Total Pulses	**23,563**	**12,704**	**22,718**	**9,944**
Total Foodgrains (Cereals and Pulses)	**115,581**	**82,018**	**115,103**	**72,347**
NON-FOODGRAINS				
11. Sugar Cane				
(*i*) Cane	2,415	110,001	2,836	123,990
(*ii*) Gur		11,141		12,769
12. Oilseeds	21,380	8,847	23,210	8,010
(*i*) Groundnut (Nuts in shell)	6,463	4,812	7,698	4,263
(*ii*) Rape and mustard	2,883	1,347	2,913	1,298
(*iii*) Sesamum	2,169	318	2,509	424
(*iv*) Linseed	1,789	398	1,723	331
(*v*) Castorseed	466	107	405	80
(*vi*) Cottonseed	7,610	1,865	7,962	1,614
13. Cotton (Lint) (*b*)		5,293		4,582
14. Jute (*b*)	629	4,134	758	4,476
15. Mesta (*b*)	274	1,129	352	1,302
16. Tea	331	321	342	366
17. Coffee	120	68	129	64
18. Rubber	129	25	157	50
19. Tobacco	401	307	377	293

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 1960-61 relate to 1960 and so on; however, area figures refer to financial year ending March. In case of item No. 17 production relates to October-September. Item 18 refers to the financial year ending March. (3) Figures upto 1965-66 are fully revised estimates while those for 1969-70 are partially revised estimates in case of forecast crops (excluding foodgrains) and final estimates in case of foodgrains. Figures for 1970-71

AGRICULTURAL COMMODITIES

(In thousands)

1969-70		1970-71		Production target for the Fourth Five Year Plan (Tonnes)
Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	
5	6	7	8	9
37,680	40,430	37,432	42,448	52,000
16,626	20,093	17,892	23,247	24,000
18,605	9,721	17,436	8,188	15,000
12,493	5,327	12,907	8,000	7,000
5,862	5,674	5,839	7,413	8,000
2,783	2,117	2,530	2,201	
2,765	2,716	2,597	2,865	8,000
4,733	1,732	4,813	1,873	
101,547	**87,810**	**101,446**	**96,235**	**114,000**
7,751	5,546	7,810	5,247	N.A.
14,272	6,145	14,614	6,329	N.A.
22,023	**11,691**	**22,424**	**11,576**	**15,000**
123,570	**99,501**	**123,870**	**107,811**	**129,000**
2,749	135,024 13,783	2,657	128,769 13,194	N.A. 15,000
22,542	9,624	22,956	9,234	11,790@
7,125	5,130	7,293	6,111	8,560
3,172	1,564	3,331	1,963	1,780
2,309	448	2,450	569	621
1,803	469	1,833	455	577
402	123	439	136	332
7,731	1,890 5,255	7,610	1,641 4,556	N.A. 8,107
768	5,655	750	4,938	7,400
322	1,130	327	1,230	1,700
353	396	..	421(c)	460
..	64	..	108(c)	100
197	82	..	92	N.A.
438	337	441	350	450

in the case of forecast crops including foodgrains are final estimates. The figures for the years 1969-70 and 1970-71 are, therefore, subject to revision.

(*a*) Production in terms of cleaned rice. (*b*) Production in thousand bales of 180 Kgs. each.

(*c*) Provisional. N.A.=Not available. @ Excluding cottonseed.

Source: Ministry of Agriculture and the Tea, Coffee and Rubber Boards.

STATEMENT 9—INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural year ended June 1950=100)

Commodity/Group	Weight	1960-61	1965-66	1969-70	1970-71
	1	2	3	4	5
Rice	35.3	137.7	121.6	159.9	167.9
Wheat	8.5	162.8	153.9	297.5	344.2
Jowar	5.0	141.1	109.0	139.8	117.8
Bajra	2.7	102.9	117.3	166.6	250.2
Maize	2.1	146.7	172.2	197.7	258.3
Total Cereals	**58.3**	**138.3**	**124.4**	**176.0**	**192.4**
Gram	3.7	160.4	108.4	142.3	134.6
Total Pulses	**8.6**	**129.0**	**99.9**	**118.5**	**117.1**
Total Foodgrains	**66.9**	**137.1**	**121.3**	**168.6**	**182.7**
Groundnut	5.7	142.1	129.0	155.3	182.9
Total Oilseeds (*a*)	**9.9**	**134.0**	**126.5**	**151.9**	**181.0**
Cotton	2.8	202.1	176.8	202.8	175.8
Jute	1.4	125.3	135.7	171.5	149.1
Mesta	0.3	168.8	194.7	168.9	183.8
Total Fibres	**4.5**	**176.0**	**165.2**	**190.8**	**168.0**
Tea	3.3	120.9	137.9	149.1	158.8
Coffee	0.2	246.4	282.1	280.9	477.0
Rubber	0.1	167.0	316.8	513.8	513.8*
Total Plantation Crops	**3.6**	**129.2**	**150.9**	**166.6**	**186.3**
Sugarcane (Gur)	8.7	183.9	206.0	222.4	211.8
Tobacco	1.9	114.3	111.1	128.2*	128.2*
Total Miscellaneous	**15.1**	**163.4**	**176.0**	**188.2**	**184.1**
Total Non-Foodgrains	**33.1**	**152.6**	**157.0**	**175.3**	**181.2**
All Commodities	**100.0**	**142.2**	**133.1**	**170.8**	**182.2**

Note : Foodgrains indices for 1969-70 and 1970-71 are based on Final Estimates. In the case of other crops, indices for 1969-70 are generally based on Partially Revised Estimates. Indices for 1970-71 are generally based on Final Estimates. The indices for these years are, therefore, subject to revision.

(*a*) Comprising groundnut, rape and mustard, sesamum, linseed and castorseed.

* Based on Provisional Estimates.

Source : Ministry of Agriculture, Government of India.

STATEMENT 10—INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base : 1960=100)

Input-based and Sector-based Classifications†

Year/Month	Input-based Classification			Sectoral Indicators	
	Agro-based industries	Metal-based industries	Chemical-based industries	Transport equipment and allied industries	Electricity and allied industries
Weight	**44.08**	**16.55**	**8.94**	**10.90**	**8.42**
	1	2	3	4	5
1961	105.2	115.9	111.6	115.2	114.0
1965	121.2	229.7	153.4	194.3	195.8
1966	120.0	205.4	170.9	163.7	214.1
1967	114.7	199.6	180.0	157.6	235.3
1968	118.8	211.0	205.6	169.9	270.5
1969	125.3	223.2	226.7	170.5	308.8
1970	131.0	236.0	244.9	170.6	344.4
1971	130.7	242.1	263.2	171.3	375.6
December 1970	132.4	268.1	270.1	177.6	387.4
January 1971	132.4	249.8	268.9	169.5	363.5
February ,, ...	124.9	236.5	257.1	170.6	352.1
March ,, ...	130.0	265.2	271.9	182.0	380.5
April ,, ...	127.9	229.9	248.4	152.7	371.1
May ,, ...	119.8	227.5	253.5	154.1	372.5
June ,, ...	125.1	250.5	258.0	163.9	377.5
July ,, ...	137.3	235.5	261.9	178.0	371.8
August ,, ...	129.6	231.9	265.2	170.5	371.8
September ,, ...	132.4	240.5	263.2	171.4	373.1
October ,, ...	129.7	237.4	255.4	168.9	369.6
November ,, ...	134.9	245.9	257.6	179.8	393.0
December ,, ...	144.5	254.1	297.8	194.1	411.0

Note : Some of the industries represented in the series of Index Numbers of Industrial Production (Base : 1960=100) do not find place in any of these groups and some occur in both the classifications.

† Derived Series.

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 11—INDEX NUMBERS OF

(Base : 1960

Industry	Weight	1961	1965	1969†	1970†	1971†@	Dec. 1970†
		1	2	3	4	5	6
I. Basic Industries	**25.11**	**112.7**	**164.3**	**212.0**	**221.7**	**233.9**	**242.9**
1. Mining and quarrying	9.72	105.4	131.7	147.4	149.0	153.4	160.4
2. Heavy inorganic chemicals	0.69	121.4	213.8	308.0	337.4	353.6	434.3
3. Fertilizers	0.46	138.9	252.3	548.2	668.7	841.3	847.2
4. Cement	1.17	105.1	134.8	173.7	177.9	190.3	199.2
5. Iron and steel basic industries	6.23	121.0	185.3	201.2	187.8	186.6	194.3
6. Aluminium manufacturing	0.57	110.6	225.9	424.0	508.7	557.9	601.7
7. Electricity	5.37	116.3	190.9	301.1	334.0	359.0	353.6
II. Capital Goods Industries	**11.76**	**118.0**	**244.2**	**214.0**	**224.6**	**224.3**	**249.9**
1. Prime movers, boilers and steam generating plants	0.59	130.3	438.6	496.9	486.4	564.8	718.0
2. Industrial machinery	0.93	111.0	153.6	130.6	120.6	86.2	92.2
3. Machinery components and accessories	1.06	121.2	428.8	360.9	396.0	440.2	451.7
4. Electrical cables and insulated wires	0.68	104.2	198.3	201.9	220.1	256.2	252.5
5. Railroad equipment (*a*)	3.50	126.2	259.2	116.8	93.6	69.0	90.2
6. Motor vehicles	2.51	104.2	136.0	145.2	157.8	168.4	173.0
III. Intermediate Goods Industries	**25.88**	**105.8**	**140.1**	**154.4**	**158.8**	**160.4**	**153.1**
1. Cotton spinning	11.79	108.4	120.9	127.8	127.0	117.8	127.3
2. Spinning, weaving and finishing of jute manufactures	3.97	89.1	120.3	77.8	85.1	94.7	31.1
3. Wood and cork except manufacture of furniture	0.80	95.5	235.2	256.6	198.7	224.1	264.6
4. Tyres and tubes	1.48	114.2	173.5	255.0	258.3	295.4	303.4
5. Synthetic fibres	0.64	116.2	174.0	223.1	230.7	232.4	184.7
6. Dye-stuff and dyes	0.61	102.7	141.8	198.4	195.6	186.7	251.1
7. Petroleum refinery products	1.34	106.0	158.7	280.8	297.3	316.9	303.0
8. Structural clay products	0.77	118.5	124.1	280.9	302.3	317.8	278.0
9. Non-metallic mineral products (n.e.c.)	1.10	102.6	193.7	147.8	181.5	200.4	180.2
10. Fittings, fixtures and fasteners	0.85	107.3	197.2	98.8	104.8	111.0	130.5
IV. Consumer Goods Industries	**37.25**	**106.6**	**127.5**	**145.3**	**154.7**	**160.1**	**168.1**
A. Consumer Non-durable Goods Industries	**31.57**	**105.8**	**120.5**	**128.3**	**137.6**	**140.5**	**143.7**
1. Flour milling and grinding	1.49	100.7	127.6	185.9	231.0	251.4	230.5
2. Sugar factories and refineries (Sugar refined)	3.58	110.0	124.7	149.1	165.3	141.7	296.9
3. Hydrogenated oil (Vanaspati)	1.09	100.4	127.1	142.7	154.4	174.8	198.9
4. Tea	5.12	111.6	114.1	108.1	128.4	133.2	53.5
5. Cigarettes	2.15	106.7	146.1	161.4	168.0	177.9	182.2
6. Cotton weaving	9.39	100.3	100.0	91.5	92.7	89.6	93.6
7. Paper and paper products	1.61	105.8	147.2	201.4	216.5	225.8	219.1
8. Fine and pharmaceutical chemicals	2.21	114.6	133.7	156.7	156.6	160.4	156.7
9. Soaps and other washing and cleaning compounds	0.95	104.5	121.0	187.1	195.6	234.7	201.2
10. Matches	0.50	97.1	110.9	96.2	88.0	80.2	81.9
11. Glass and glass products	0.57	104.6	131.1	116.6	110.6	150.0	111.7
B. Consumer Durable Goods Industries	**5.68**	**110.8**	**166.5**	**239.7**	**249.5**	**269.2**	**294.1**
12. Metal products (n.e.c.)	1.30	108.0	195.7	240.9	263.1	290.0	285.5
13. Commercial office and household machines	0.53	128.4	137.6	125.3	143.6	177.6	173.8
14. Electrical appliances	0.56	108.2	152.5	183.4	190.9	228.2	243.2
15. Communication equipment	0.61	121.6	217.4	646.8	661.1	726.6	901.4
16. Motor cycles and bicycles	0.62	107.8	164.7	243.1	266.5	259.8	275.5
General Index	**100.00**	**109.2**	**153.8**	**172.5**	**180.8**	**186.3**	**192.6** (182.8)

Note : 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/sub-groups, using the respective weights.

(*a*) Relates to production in private sector only upto 1964 and to both private and public sectors thereafter.

† Provisional. @ Derived average of monthly indices.

INDUSTRIAL PRODUCTION

=100)

1971†											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
7	8	9	10	11	12	13	14	15	16	17	18
236.5	**221.8**	**248.5**	**235.5**	**229.7**	**226.3**	**229.0**	**229.8**	**225.8**	**229.2**	**241.8**	**253.5**
152.4	150.6	156.7	156.4	155.1	150.4	146.4	145.4	150.6	145.8	161.6	169.2
380.2	337.4	347.0	333.7	341.3	347.9	353.4	358.9	353.9	346.8	360.3	381.5
951.4	758.5	1,122.8	656.8	649.3	799.6	785.7	860.1	811.1	782.5	941.5	976.6
198.5	187.4	206.3	193.5	187.6	169.7	192.2	198.0	179.3	193.1	186.1	192.4
197.2	179.0	210.7	194.3	177.5	169.4	181.8	181.6	172.6	181.1	190.2	203.9
536.8	519.6	542.4	554.4	557.4	558.1	586.7	566.8	542.8	562.5	572.8	594.8
350.5	330.4	363.7	363.7	357.9	350.6	359.2	357.6	353.6	365.1	371.0	385.2
235.7	**221.2**	**262.3**	**207.2**	**198.1**	**217.3**	**210.0**	**218.6**	**227.6**	**232.4**	**226.2**	**235.1**
760.7	483.5	865.6	419.6	403.1	503.4	474.1	637.4	845.3	563.9	386.0	435.5
91.8	88.9	101.8	87.1	82.0	95.5	81.4	86.5	84.0	71.0	85.3	79.7
383.2	419.2	445.4	421.6	415.3	444.2	407.4	434.2	440.1	448.3	486.9	537.3
246.0	243.3	276.8	268.8	261.9	247.1	238.2	232.3	242.2	267.0	274.8	276.7
80.0	76.4	92.5	64.9	57.4	74.9	61.6	66.9	56.2	57.9	70.2	69.4
178.1	177.5	198.2	137.9	149.4	156.8	167.5	163.9	150.0	180.8	171.7	188.5
158.5	**155.1**	**155.8**	**160.9**	**159.5**	**156.4**	**167.4**	**158.0**	**161.5**	**150.3**	**166.3**	**175.4**
119.0	109.9	113.2	114.7	114.7	115.2	124.3	118.7	119.2	109.5	124.0	130.7
90.3	89.9	87.5	99.0	92.1	94.2	103.5	92.3	83.1	90.7	101.1	112.4
219.5	236.6	205.4	275.4	269.6	274.6	232.1	207.5	218.7	178.7	192.2	178.7
281.6	269.2	283.2	267.1	242.6	266.8	313.2	301.9	317.0	276.6	340.3	385.5
216.0	242.6	258.4	248.0	256.1	260.6	276.7	262.4	206.3	150.9	160.2	250.0
229.1	223.8	199.8	188.4	193.7	173.9	168.2	141.6	170.9	169.0	188.7	193.1
290.6	305.3	293.6	281.3	337.4	310.7	315.9	337.9	356.2	327.0	307.8	338.7
290.7	293.6	321.2	346.5	314.3	308.1	310.6	316.8	327.3	316.7	334.6	338.8
185.9	183.2	189.9	201.2	212.6	207.3	210.5	177.1	207.4	208.4	212.3	208.7
114.8	106.1	111.7	110.1	114.7	124.1	119.9	112.1	115.2	98.9	115.5	88.7
161.9	**152.6**	**157.9**	**157.3**	**152.3**	**160.7**	**165.8**	**157.6**	**160.3**	**160.0**	**159.4**	**174.8**
144.5	**134.1**	**140.5**	**136.4**	**128.7**	**134.6**	**144.2**	**142.6**	**142.7**	**145.0**	**137.8**	**154.0**
238.2	240.9	260.0	249.6	248.5	228.5	245.1	253.0	249.7	260.2	271.4	272.4
356.2	321.1	319.9	198.0	65.2	17.3	9.6	5.9	8.0	18.8	103.9	276.6
195.8	181.0	177.4	167.4	167.4	164.5	154.2	144.8	184.3	184.1	197.2	179.5
22.1	23.9	38.1	81.8	128.9	194.1	221.0	239.5	232.5	238.5	130.3	47.4
185.5	142.6	165.8	178.2	178.5	188.2	199.9	175.5	171.0	171.6	188.5	189.8
90.0	85.7	87.0	90.4	88.0	89.3	93.9	86.2	88.8	84.3	92.4	98.6
223.8	196.7	215.6	220.9	228.7	218.4	240.4	234.1	214.8	237.9	230.1	247.6
156.6	157.1	157.2	156.8	156.8	156.7	156.8	156.6	157.0	156.6	118.5	237.9
199.3	199.4	201.4	201.3	201.1	209.6	294.5	275.0	248.9	281.5	258.8	245.3
78.2	80.8	78.9	62.4	75.7	83.8	94.5	83.5	86.9	75.4	80.0	81.9
168.4	119.4	118.1	141.0	174.7	163.3	108.3	164.7	154.7	150.4	152.6	184.2
258.5	**255.3**	**254.7**	**273.5**	**283.4**	**305.9**	**286.0**	**241.1**	**258.0**	**243.6**	**279.7**	**290.2**
324.8	274.3	302.8	328.5	354.8	405.1	284.3	222.6	242.2	253.8	223.5	263.8
168.9	171.8	196.3	201.7	194.1	204.1	190.8	168.6	131.4	129.4	177.1	196.7
232.8	227.2	234.8	225.9	237.0	243.2	231.4	211.2	217.0	184.6	233.4	259.8
627.9	678.1	592.7	601.6	661.1	796.8	777.2	780.4	782.9	641.7	876.4	902.8
244.5	261.0	243.7	278.1	273.7	275.4	297.8	208.5	246.6	249.9	278.0	259.8
188.4	**178.7**	**192.4**	**183.7**	**179.0**	**182.7**	**187.3**	**183.1**	**185.0**	**183.3**	**189.7**	**201.8**
(183.0)	**(182.3)**	**(184.4)**	**(188.2)**	**(183.2)**	**(186.1)**	**(185.7)**	**(182.8)**	**(186.5)**	**(190.1)**	**(191.5)**	**(191.3)**

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 12—INDUSTRIAL

Industry	Unit	1960	1965	1969‡	1970‡	1971‡	Dec. 1970‡
		1	2	3	4	5	6
I. Basic Industries							
1. Coal, including Lignite ..	000 Metric tons	5,26,20	6,94,56	7,89,12	7,58,40	7,27,90	64,80
2. Iron ore (*a*)	,,	1,06,80	1,68,96	2,09,67	2,28,68	3,17,42	30,20
3. Salt refining	00,000 Quintals	3,44	4,71	5,17	5,60	5,43	8
4. Sulphuric acid	000 Metric tons	3,54	6,85	11,21	10,78	10,09	1,09
5. Caustic soda	,,	98	2,15	3,48	3,73	3,73	33
6. Cement	,,	78,44	1,05,84	1,36,20	1,39,56	1,49,33	13,02
7. Ammonium Sulphate 'N' content	,,	77	88	1,38	1,26	1,25	13
8. Pig iron and ferro-alloys (*b*)	,,	42,64	71,23	75,01	72,19	69,00	6,67
9. Finished steel	,,	22,22	45,19	48,49	48,10	45,04	4,10
10. Bleaching powder (*c*) ..	Metric tons	5,928	7,356	15,545	13,744	16,718	1,472
11. Gold	Kilograms	4,992	4,068	3,063	3,244	3,657	303
12. Aluminium (*d*)	Metric tons	16,418	24,533	37,706	42,503	44,464	3,861
13. Brass (*d*) (*e*)	,,	27,228	13,428	16,018	14,963	16,583	1,418
14. Electricity (*f*)	00,000 k.w.h.	16,43,28	31,37,76	49,47,13	54,90,85	58,54,50	4,84,20
II. Capital Goods Industries							
15. Diesel engines	Numbers	52,752	96,744	1,44,564	71,413	86,034	7,410
16. Railway wagons (*g*) ..	,,	10,440	35,436	15,745	11,977	8,584	940
17. Motor vehicles	,,	52,116	72,588	78,264	97,586	87,739	7,513
18. Electric motors	000's	1,22	2,66	2,74	3,51	2,78	30
19. Power transformers ..	000 k.v.a.	12,82	43,16	50,52	70,99	87,85	7,15
20. Machine tools	Rs. lakhs	6,69	28,06	28,98	40,65	51,87	3,82
III. Intermediate Goods Industries							
21. Cotton spinning	00,000 kgs.	78,79	93,92	96,70	96,47	86,98	7,92
22. Woollen/worsted yarn ..	,,	1,27	1,81	1,92	1,98	2,11	18
23. Jute manufactures (*h*) ..	000 Metric tons	11,08	13,36	8,93	9,55	10,87	30
(i) Hessian (*i*)	,,	4,30	5,29	2,87	3,50	3,20	8
(ii) Sacking	,,	5,50	5,90	3,07	4,20	4,83	15
24. Tyres (Automobiles) ..	000's	13,62	23,54	36,30	36,57	41,90	3,56
25. Paints and varnishes ..	000 Metric tons	52	71	62	65	68	5
26. Petroleum refinery products	,,	57,47	91,20	1,61,40	1,71,77	182,10	14,51
27. Synthetic fibres (*j*) ..	,,	45	82	1,13	1,03	1,23	8
IV. Consumer Goods Industries							
28. Sugar (refined) (*k*)	000 Metric tons	24,73	32,60	35,64	42,78	36,69	6,40
29. Tea (*l*)	00,000 kgs.	32,11	36,64	34,71	41,23	42,75	1,43
30. Hydrogenated oil (Vanaspati)	000 Quintals	33,77	42,92	48,19	52,13	58,48	5,60
31. Cigarette manufacturing ..	00,00,000's	36,97	54,03	59,66	62,10	65,80	5,61
32. Cotton weaving							
(i) Mill sector	00,000 Metres	4,61,62	4,58,75	4,16,84	4,15,67	3,96,07	34,59
(ii) Decentralised sector	000,000 ,,	20,16	30,60	35,40	36,96	30,84†	3,32
33. Woollen/worsted fabrics (*m*)	000 ,,	76,04	98,66	1,31,93	1,31,39	158,25	13,93
34. Footwear (Leather) ..	00,000 pairs	92	1,57	1,67	1,54	1,59	14
35. Footwear (Rubber) ..	,,	4,46	5,30	4,94	4,49	4,36	38
36. Paper and paper boards ..	000 Metric tons	3,45	5,37	7,02	7,58	7,79	64
37. Matches	Million sticks	28,93,68	26,74,20	27,83,22	25,46,12	23,19,88	1,97,57
38. Soap (*n*)	000 Metric tons	1,43	1,69	2,25	2,32	2,61	20
39. Enamelware	000 Pieces	1,41,49	4,07,92	2,93,28	3,57,20	144,24	30,10
40. Bicycles	000's	10,50	15,40	19,83	20,50	18.92	2.04

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. (*h*) Relating to production by mills in the membership of Indian Jute Mills' Association and to one non-member mill. (*i*) Includes canvas. (*j*) Inclusive of saleable wastes. (*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.

‡Provisional. †Relate to 11 months from January to November 1971.

PRODUCTION

1971‡											
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
7	8	9	10	11	12	13	14	15	16	17	18
59,60	59,80	61,90	60,20	60,30	60,00	61,30	61,30	59,50	56,40	62,00	65,60
30,10	28,64	28,78	28,30	25,90	20,88	20,87	20,78	23,32	26,09	31,42	32,34
17	34	56	86	1,16	1,05	27	14	16	33	18	21
89	89	95	83	68	1,09	88	94	84	86	60	64
32	29	30	29	30	31	32	33	32	32	31	32
12,98	12,25	13,49	12,65	12,27	11,09	12,56	12,95	11,72	12,63	12,16	12,58
13	12	11	11	11	10	8	6	10	10	10	13
6,72	5,50	6,21	5,79	6,08	5,54	5,13	5,20	5,19	5,49	5,92	6,23
4,28	3,66	4,44	4,04	3,60	3,63	3,60	3,53	3,33	3,58	3,46	3,89
1,387	1,255	1,302	1,119	1,254	1,272	1,589	1,350	1,460	1,294	1,632	1,804
325	313	332	341	293	325	313	289	305	239	282	300
3,800	3,534	3,830	3,850	3,600	3,820	3,778	3,876	3,538	3,560	3,676	3,602
1,350	1,400	1,450	1,450	1,358	1,313	1,434	1,698	1,500	1,292	1,192	1,146
4,80,00	4,52,50	4,98,00	4,52,50	4,90,10	4,80,10	4,91,90	4,89,70	4,84,20	4,99,90	5,08,10	5,27,50
7,256	9,824	10,227	7,936	6,796	6,780	7,136	6,859	6,654	6,565	5,264	4,737
828	762	913	765	649	780	627	658	614	560	719	709
7,737	7,708	8,607	5,991	6,490	6,810	7,275	7,117	6,513	7,850	7,455	8,186
27	25	27	28	24	24	23	20	21	20	19	20
7,65	7,24	9,58	7,12	7,61	7,51	5,63	6,62	6,98	7,56	6,67	7,68
3,69	4,10	4,47	4,51	3,94	4,25	3,89	4,27	4,60	4,48	4,82	4,85
6,23	6,77	6,96	7,10	7,11	7,16	7,75	7,43	7,48	6,93	7,79	8,27
15	16	16	17	17	17	19	18	19	19	19	19
86	86	84	95	88	90	99	88	80	87	97	1,07
26	25	25	28	25	26	29	26	23	26	29	32
39	40	37	43	40	40	44	39	36	37	42	46
3,34	3,20	3,41	3,16	2,87	3,20	3,68	3,55	3,77	3,26	3,95	4,51
5	5	5	6	6	5	6	6	5	6	7	6
13,92	14,62	14,06	13,47	16,16	14,88	15,13	16,18	17,06	15,66	14,74	16,22
10	11	11	11	11	11	12	12	9	7	7	11
7,68	6,93	6,90	4,27	1,41	37	21	13	17	41	2,24	5,97
59	64	1,02	2,19	3,45	5,19	5,91	6,41	6,22	6,38	3,48	1,27
5,51	5,09	4,99	4,17	4,71	4,63	4,34	4,07	5,19	5,18	5,55	5,05
5,72	4,39	5,11	5,49	5,50	5,80	6,16	5,41	5,27	5,29	5,81	5,85
32,86	31,20	31,49	32,93	32,19	32,79	34,68	32,04	33,24	31,47	34,43	36,75
3,29	1,83	2,64	2,72	2,92	3,10	3,18	2,88	2,91	2,63	2,74	..
12,20	11,76	10,42	12,08	8,77	9,35	13,87	14,80	16,25	16,25	16,25	16,25
12	12	12	15	9	17	15	14	13	11	14	15
35	32	35	33	26	44	39	37	39	32	42	42
66	57	61	63	65	62	69	68	65	69	65	69
1,88,66	1,94,95	1,90,32	1,50,38	1,82,46	2,01,99	2,27,83	2,01,38	2,09,46	1,81,86	1,93,02	1,97.57
20	20	20	20	20	21	26	23	21	25	22	23
8,89	8,53	7,88	9,65	10,63	9,47	11,09	10,04	15,02	17,00	17,50	18,54
1,58	1,67	1,71	1,64	1,73	1,72	1,88	99	1,41	1,41	1,57	1,61

*Source : **Monthly Statistics of the Production of Selected Industries of India.***

STATEMENT 13—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	Hydrogenated oil (Vanaspati)	Cigarettes
	Indian	Foreign		Pit head	Industries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quintals	Metric tons	Lakhs
	1	2	3	4	5	6	7	8	9	10
1960-61	961	404	930	5,567	2,192	2,603	605	134	9,459	5,940
1965-66	1,456	346	1,154	4,871	3,921	2,290	672	249	8,252	8,410
1969-70	1,206	236	1,441	7,082	3,663	1,682	1,032	182	11,172	7,900
1970-71	932	376	1,329	9,576	..	1,684	1,743	209	14,075	5,830
December 1970 ..	615	298	1,079	9,236	..	1,661	1,946	249	13,960	6,390
January 1971 ..	591	276	1,239	9,347	..	1,776	2,438	223	14,204	6,760
February ,, ..	592	276	1,341	9,650	..	1,742	2,853	209	15,391	5,470
March ,, ..	633	309	1,329	9,576	..	1,684	3,165	209	14,075	5,830
April ,, ..	702	311	1,216	9,456	..	1,666	3,197	241	10,901	5,420
May ,, ..	775	344	1,097	..	..	1,689	2,949	303	8,191	9,420
June ,, ..	842	349	951	..	..	1,753	2,621	370	10,662	8,990
July ,, ..	835	340	791	..	..	1,638	2,234	358	10,880	13,000

At or about the end of	MANUFAC-									
	Matches	Soap	Synthetic fibres (*h*)	Glass and glass products (Sheet glass only)	Cement (Producers)	Structural clay products (Refractories)	Pig iron (Producers) (*i*)	Finished steel (Producers)	Aluminium (Sheets and circles only)	Copper (Sheets and circles only) (*j*)
	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
1960-61	..	5,600	2,442	807	129	102	63	134	1,200	300
1965-66	2,035	3,450	8,693	2,478	133	140	85	146	1,300	59
1969-70	1,718	3,560	4,156	605	246	111	87	194	2,292	98
1970-71	1,265	3,560	4,168	440	285	136	96	165	2,545	240
December 1970 ..	386	3,560	3,219	680	290	133	111	184	2,054	224
January 1971 ..	711	3,580	4,107	600	304	133	87	181	2,050	250
February ,, ..	1,367	3,540	4,128	513	291	133	77	175	2,256	250
March ,, ..	1,265	3,560	4,168	440	285	136	96	165	2,545	240
April ,, ..	1,059	..	3,729	582	..	141	136	154	2,500	241
May ,, ..	797	..	3,027	694	304	139	136	161	2,300	123
June ,, ..	1,305	..	4,196	821	293	140	144	156	3,348	207
July ,, ..	1,798	..	3,977	800	258	160	145	150	2,128	190

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

COMMODITIES WITH INDUSTRIES

TURES

Cotton (*a*)		Jute (*g*)		Foot-wear (Leather)	Paper and paper boards	Foot-wear (Rubber)	Tyres (Automobiles)	Sulphuric acid	Caustic soda	Bleaching powder	Ammonium sulphate ('N' content)	Paints and varnishes
Spinning (*f*)	Weaving	Hessian cloth bags	Sacking cloth bags									
Lakh Kgs.	Million Metres	000 Metric tons	000 Metric tons	000 Pairs	Metric tons	Lakh Pairs	000's	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
11	12	13	14	15	16	17	18	19	20	21	22	23
89	207	25	47	1,961	18,833	55	30	11,500	10,905	233	10,855	4,539
110	206	46	51	2,766	29,700	61	80	28,676	6,922	161	900	7,258
87	154	18	25	3,604	31,500	57	106	42,369	8,500	798	24,966	6,000
172	190	38	39	3,791	25,000	56	102	28,197	7,994	546	10,365	8,200
102	147	43	38	3,830	22,000	59	67	39,200	8,869	516	6,433	8,888
119	143	36	34	3,899	21,000	52	85	38,500	11,237	505	9,294	5,986
172	162	38	38	3,782	22,000	52	93	37,100	9,876	403	14,271	8,722
172	190	38	39	3,791	25,000	56	102	28,197	7,994	546	10,365	8,200
165	190	36	40	..	23,400	..	..	31,029	8,926	397	9,656	8,300
..	..	30	33	3,178	22,000	45	87	32,005	8,029	344	11,456	8,500
..	119	30	40	2,922	21,000	56	100	53,327	8,329	512	11,008	8,300
113	163	28	50	3,491	20,000	60	131	35,024	8,600	745	9,024	8,730

TURES—(*Concld.*)

Brass (Sheets and circles only) (*j*)	Hurricane lanterns	Enamelware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps (*k*)	Electric fans	Domestic refrigerators	Motor vehicles	Bicycles
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
2,000	211	539	2,128	..	35	27	1,531	58	1,033	1,918	114
280	425	797	2,667	40,549	66	23	2,519	165	4,693	1,455	49
1,177	290	245	9,192	3,911	58	28	3,629	45	4,715	1,735	81
1,250	337	92	6,964	17,373	69	30	4,451	130	3,893	1,193	122
1,207	219	290	9,681	19,794	73	44	2,995	131	6,736	3,057	114
1,250	452	100	7,319	23,683	74	43	4,546	126	8,224	3,271	124
1,250	250	65	7,481	28,400	88	36	4,651	127	6,201	3,832	125
1,250	337	92	6,964	17,373	69	30	4,451	130	3,893	1,193	122
1,250	305	133	8,753	18,650	93	38	4,428	123	2,286	2,862	127
1,205	273	260	10,701	21,505	67	39	4,696	113	1,922	..	174
986	247	210	12,363	22,615	75	39	4,283	108	3,399	2,901	175
985	201	210	13,266	198,084	66	43	4,319	201	5,758	2,969	66

consumption with effect from January 1965. (*g*) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill. (*h*) Data are inclusive of saleable wastes. (*i*) Includes Basic and Foundry and Direct castings. (*j*) Figures include strips since November 1967. (*k*) Excluding stock of 'Miniature lamps'.

Source : Ministry of Food, Agriculture, Community Development and Co-operation, Ministry of Petroleum and Chemicals and Mines and Metals and *Monthly Statistics of the Production of Selected Industries of India.*

STATEMENT 14—CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(Base : 1960=100)

Year/Month	All-India	Ahmed-abad	Alwaye	Asan-sol	Banga-lore	Bhav-nagar	Bom-bay(a)	Cal-cutta	Coimba-tore(b)	Delhi	Digboi
	1	2	3	4	5	6	7	8	9	10	11
Annual Averages											
1965-66		130	145	140	144	132	130	131	132	136	138
1969-70	177	169	197	178	183	178	175	172	154	185	180
1970-71	186	176	198	189	186	186	182	182	164	199	189
1971-72	192	181	202	194	194	194	190	187	177	211	188
Monthly Indices											
March 1971	184	175	188	187	189	188	184	176	167	205	183
April ,, ...	184	173	190	187	188	189	186	176	167	204	182
May ,, ...	184	173	190	186	190	187	186	176	169	202	184
June ,, ...	187	176	200	189	191	186	188	179	172	208	184
July ,, ...	190	178	200	192	192	188	189	184	174	211	186
August ,, ...	194	181	203	196	193	193	190	189	178	216	191
September ,, ...	196	183	204	198	197	195	192	194	178	215	192
October ,, ...	196	182	204	199	197	196	193	198	177	213	191
November ,, ...	197	186	206	199	199	195	194	200	180	218	191
December ,, ...	195	184	210	195	197	199	191	193	184	211	190
January 1972	194	185	205	195	197	199	190	187	185	213	190
February ,, ...	193	185	204	194	196	197	191	186	179	212	189
March ,, ...	194	184	205	198	197	200	193	185	180	213	190

Year/Month	Gwa-lior	How-rah	Hyder-abad	Jam-shedpur	Mad-ras(b)	Madu-rai(b)	Mon-ghyr	Munda-kayam	Nag-pur(a)	Saha-ranpur	Shola-pur(a)
	12	13	14	15	16	17	18	19	20	21	22
Annual Averages											
1965-66	139	137	140	136	134	128	151	138	138	141	128
1969-70	184	176	185	170	160	160	188	191	176	181	176
1970-71	191	186	189	183	170	177	205	197	187	186	185
1971-72	197	191	195	187	182	192	204	199	192	196	198
Monthly Indices											
March 1971	188	184	188	179	172	181	194	187	183	190	187
April ,, ...	187	182	187	180	172	180	195	190	184	189	186
May ,, ...	188	182	186	179	171	181	192	188	184	189	185
June ,, ...	193	184	191	185	174	186	196	198	187	190	191
July ,, ...	197	187	192	188	180	190	204	194	189	192	197
August ,, ...	200	189	195	191	182	193	211	202	193	193	203
September ,, ...	201	194	199	191	183	200	211	204	194	195	206
October ,, ...	201	200	200	191	185	194	213	200	194	194	204
November ,, ...	200	201	200	192	187	197	209	204	196	198	201
December ,, ...	198	196	197	186	188	196	202	206	197	200	207
January 1972	199	191	197	187	194	200	201	202	196	203	205
February ,, ...	197	190	196	184	186	197	206	198	194	201	197
March ,, ...	201	194	196	188	186	193	208	197	194	204	194

(*a*) Indices for the period January 1961 to September 1965 in respect of Bombay, Nagpur and Sholapur have been obtained respectively from figures on Base : July 1933—June 1934=100, August 1939=100 and February 1927—January 1928=100 by arithmetic conversion. The figures from October 1965 onwards are from the new series of index numbers on Base 1960=100. (*b*) Figures for the period upto January 1970 (inclusive) for Madras centre and for the period upto September 1970 (inclusive) for Coimbatore and Madurai centres have been estimated from the Old Series for the respective centres on Base: July 1935—June 1936=100. Subsequent figures are from the Labour Bureau's New Series on Base : 1960=100.

Source : Labour Bureau, Government of India.

STATEMENT 15—CONSUMER PRICE INDEX NUMBERS FOR URBAN NON-MANUAL EMPLOYEES

(Base : 1960 = 100)

Year/Month	All-India	Bombay	Delhi-New Delhi	Calcutta	Madras	Hyderabad-Secunderabad	Bangalore	Lucknow	Ahmedabad	Jaipur	Patna	Srinagar	Trivandrum	Cuttack-Bhubaneshwar	Bhopal	Chandigarh	Shillong
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Annual Averages																	
1965-66	**132**	132	131	126	133	133	133	132	131	133	139	134	131	142	133	129	123
1969-70	**167**	162	168	162	161	167	164	161	168	176	180	174	172	169	172	171	164
1970-71	**174**	168	174	170	175	174	172	166	171	183	191	184	178	176	180	178	166
1971-72	**180**	172	180	174	188	180	180	174	173	188	190	191	184	184	188	183	175
Monthly Indices																	
March 1971 ..	**174**	166	176	168	181	175	175	168	167	181	188	190	177	175	182	178	166
April ,, ..	**174**	169	176	168	181	173	175	168	167	181	185	189	178	174	181	178	171
May ,, ..	**175**	170	175	168	181	173	176	166	167	180	184	188	178	175	181	178	171
June ,, ..	**176**	172	176	172	181	175	177	169	168	182	187	187	179	178	181	179	172
July ,, ..	**178**	173	179	174	183	176	177	171	171	186	191	187	180	181	186	180	173
August ,, ..	**181**	173	182	177	186	179	179	175	174	189	196	188	183	184	191	185	178
September ,, ..	**183**	174	182	179	187	181	180	177	176	189	196	191	184	188	191	186	177
October ,, ..	**183**	174	181	179	189	181	181	177	174	189	195	191	184	185	189	183	180
November ,, ..	**183**	174	180	179	191	184	182	178	175	189	193	192	186	189	191	184	182
December ,, ..	**182**	171	180	175	193	184	182	176	175	188	190	193	187	188	191	185	179
January 1972..	**182**	171	181	172	194	184	183	176	176	191	188	194	188	186	192	186	173
February ,, ..	**183**	173	184	172	195	183	184	179	176	193	188	196	189	187	193	188	172
March ,, ..	**184**	174	188	174	195	183	185	181	178	197	191	197	189	187	194	189	174

Source : Central Statistical Organisation.

STATEMENT 16—INDEX NUMBERS OF WHOLESALE PRICES—

(Annual, Monthly and

(Base : 1961–

Average of months/ Average of weeks ended Saturday/ Last week ended Saturday	All commodities	Food Articles						
		Total	Food-grains	Cereals	Pulses	Fruits and vegetables	Milk and milk products	Edible oils
Weight	**1000**	**413**	**148**	**121**	**27**	**23**	**61**	**54**
	1	2	3	4	5	6	7	8
1965-66	**131.6**	**144.6**	154.3	146.2	191.0	139.8	141.5	150.8
1969-70	**171.6**	**196.8**	208.2	201.3	239.1	182.7	202.3	206.1
1970-71	**181.1**	**203.9**	206.8	199.5	240.0	199.9	215.3	232.2
1971-72	**188.4**	**210.3**	214.9	202.3	271.7	204.3	218.5	203.1
March 1971 ..	**181.6**	**201.4**	200.3	193.9	229.5	198.4	223.7	217.2
April ,, ..	**182.2**	**202.3**	200.1	194.0	227.3	218.0	218.4	207.2
May ,, ..	**181.9**	**203.3**	201.0	194.6	230.0	245.2	216.9	200.5
June ,, ..	**185.2**	**206.0**	205.4	197.2	242.4	227.3	219.6	199.5
July ,, ..	**188.0**	**209.8**	210.7	200.6	256.0	232.9	218.3	204.2
August ,, ..	**191.4**	**215.8**	219.8	206.0	281.8	232.7	218.9	215.3
September ,, ..	**192.5**	**217.6**	221.9	207.8	285.5	199.1	229.4	211.4
October ,, ..	**191.0**	**213.7**	219.9	204.7	288.4	168.3	224.9	208.2
November ,, ..	**188.0**	**209.0**	219.5	203.7	290.4	183.1	217.2	199.5
December ,, ..	**186.0**	**204.3**	215.3	199.6	285.8	178.4	211.0	196.1
January 1972 ..	**190.0**	**210.1**	221.0	204.7	294.5	184.9	214.8	201.1
February ,, ..	**191.2**	**213.2**	221.7	206.1	292.3	193.2	215.8	197.0
March ,, ..	**192.2**	**216.2**	222.6	208.5	286.1	188.8	216.9	197.7
April ,, ..	**192.3**	**216.4**	221.7	209.0	279.4	193.4	221.9	196.2
May ,, ..	**193.2**	**219.1**	224.3	211.4	281.9	213.1	226.4	190.4
June ,, ..	**197.9**	**227.9**	234.1	217.0	311.0	205.3	236.3	201.8
Last week ended Saturday of								
March 1971 ..	**180.6**	**199.8**	200.3	194.3	227.5	193.9	214.6	210.1
April ,, ..	**181.3**	**201.2**	199.9	194.2	225.5	224.9	215.3	202.0
May ,, ..	**182.8**	**204.6**	202.6	195.4	235.1	236.5	215.3	202.9
June ,, ..	**186.1**	**206.8**	207.0	197.9	247.8	234.3	216.2	198.1
July ,, ..	**189.2**	**211.5**	213.4	202.1	264.0	230.0	214.3	212.0
August ,, ..	**192.1**	**217.1**	223.2	208.2	290.5	218.1	218.6	214.7
September ,, ..	**191.9**	**216.3**	220.1	205.7	285.1	181.8	238.5	206.6
October ,, ..	**189.5**	**211.0**	220.4	204.3	293.2	165.7	214.2	204.0
November ,, ..	**185.9**	**204.6**	216.7	201.1	287.1	179.0	212.5	194.7
December ,, ..	**187.4**	**206.4**	216.4	200.3	288.9	174.7	208.6	199.8
January 1972 ..	**190.2**	**209.9**	222.4	206.2	295.7	191.1	209.5	200.3
February ,, ..	**190.9**	**212.9**	221.3	206.3	289.1	193.7	214.9	196.4
March ,, ..	**192.4**	**216.5**	223.1	209.5	284.3	180.9	215.5	197.2
April ,, ..	**192.8**	**217.8**	221.6	209.7	275.3	207.0	232.3	192.7
May ,, ..	**194.2**	**221.7**	226.6	212.7	288.9	206.9	230.9	191.0
June ,, ..	**198.8**	**229.4**	237.0	219.8	314.2	206.0	228.0	205.7

NEW SERIES—BY GROUPS AND SUB-GROUPS

Last Week Figures)

62 = 100)

Fish, eggs and meat	Sugar and allied products	Others	Liquor and tobacco	Fuel, power, light and lubricants	Industrial Raw Materials				
					Total	Fibres	Oilseeds	Minerals	Others
20	**65**	**42**	**25**	**61**	**121**	**41**	**52**	**4**	**24**
9	10	11	12	13	14	15	16	17	18
174.7	132.1	114.8	133.2	124.1	132.8	118.1	154.4	108.0	114.8
198.5	173.1	180.4	195.0	155.1	180.1	155.5	208.5	136.3	161.6
212.8	172.0	187.6	184.9	161.8	197.3	178.4	230.2	137.1	166.8
241.4	218.0	168.2	194.7	172.0	191.0	183.7	208.6	141.2	172.6
217.4	183.0	174.4	184.2	162.8	193.8	191.4	211.8	131.9	167.8
220.8	191.6	179.8	182.5	162.4	190.9	191.4	204.6	132.3	168.9
221.3	196.1	174.2	180.4	162.3	186.7	184.8	198.7	141.4	170.1
236.6	205.8	170.4	193.6	172.2	188.8	188.5	199.6	141.2	171.5
241.4	211.8	170.5	190.5	172.8	195.8	192.0	213.7	138.8	171.7
236.7	219.3	173.2	191.5	173.1	200.5	194.3	222.3	144.9	171.5
237.0	229.4	176.4	194.1	173.1	200.6	195.4	221.9	140.8	171.9
238.9	227.2	175.2	198.1	173.6	198.2	190.2	219.5	141.1	173.4
238.4	216.2	161.2	199.3	173.8	187.5	175.4	206.4	141.1	173.8
247.2	207.0	156.2	198.6	174.5	184.8	171.0	203.4	141.1	174.0
202.8	231.7	161.3	201.8	175.2	190.5	180.9	208.7	141.5	174.5
258.5	232.0	160.9	203.0	175.2	185.8	176.2	201.4	141.5	174.6
262.8	248.0	159.6	203.9	176.0	182.2	164.2	202.4	141.5	174.8
257.1	247.6	160.8	216.5	177.7	175.8	153.0	196.3	141.5	175.1
262.4	249.3	163.1	217.8	178.1	173.5	151.6	191.1	141.5	177.4
278.1	262.6	162.3	216.1	177.1	182.1	156.0	206.4	141.5	180.0
211.8	188.7	177.7	184.9	162.7	191.0	192.3	205.2	131.9	166.6
217.1	194.7	174.1	183.0	162.3	186.4	187.9	196.7	132.3	169.5
234.9	199.1	174.4	180.8	162.3	188.5	184.7	202.7	141.4	170.7
233.1	209.4	171.4	194.4	172.5	191.2	189.6	204.0	148.2	172.1
244.8	213.3	171.3	188.9	172.9	198.9	191.2	221.7	138.8	171.3
242.1	224.2	173.0	192.5	173.1	201.7	197.3	223.0	141.1	171.7
228.5	228.7	177.6	195.0	173.1	199.3	194.1	219.8	141.1	171.9
235.6	225.9	172.5	200.3	173.7	193.9	179.5	217.7	141.1	174.3
242.6	205.1	158.3	197.0	173.8	184.9	175.0	200.6	141.1	173.8
248.3	215.7	159.4	200.1	174.5	187.5	174.1	207.2	141.1	174.3
200.7	230.3	162.1	203.4	175.2	190.1	182.4	206.5	141.5	174.2
260.0	232.5	159.2	202.4	175.2	184.4	174.1	199.9	141.5	174.7
256.2	253.2	163.2	209.1	178.1	178.7	155.5	201.2	141.5	175.0
254.2	247.2	158.8	217.4	177.7	174.6	152.7	194.0	141.5	175.0
282.2	252.6	161.9	216.4	178.2	173.9	151.9	191.4	141.5	178.1
280.3	268.0	164.0	215.5	177.1	184.2	156.3	210.8	141.5	180.1

STATEMENT 16—INDEX NUMBERS OF WHOLESALE PRICES—

(Annual, Monthly and

(Base : 1961-

Average of months/ Average of weeks ended Saturday/ Last week ended Saturday	Chemicals	Machinery and Transport Equipment					
		Total	Electrical machinery	Non-electrical machinery	Transport equipment	Total	*Intermediate Products*
Weight	**7**	**79**	**19**	**39**	**21**	**294**	**57**
	19	20	21	22	23	24	25
1965–66	**125.9**	**117.7**	121.7	117.5	114.7	**118.1**	**124.8**
1969–70	**183.8**	**136.3**	134.4	138.9	133.5	**143.5**	**160.1**
1970–71	**188.0**	**148.0**	147.1	154.8	136.6	**154.9**	**178.7**
1971–72	**197.0**	**159.0**	158.8	167.2	144.3	**167.1**	**196.7**
March 1971 ..	**188.4**	**151.4**	149.3	160.5	136.9	**160.5**	**185.8**
April ,, ..	**189.3**	**152.3**	149.9	162.0	137.0	**162.3**	**188.5**
May ,, ..	**190.6**	**153.7**	149.9	162.6	141.0	**161.5**	**187.2**
June ,, ..	**194.7**	**156.5**	155.4	164.2	143.6	**164.1**	**190.2**
July ,, ..	**195.9**	**158.1**	157.1	166.2	144.3	**165.1**	**194.6**
August ,, ..	**198.1**	**158.2**	157.1	166.2	144.9	**166.0**	**196.9**
September ,, ..	**198.1**	**158.6**	158.4	166.2	145.0	**166.6**	**197.7**
October ,, ..	**198.1**	**160.5**	162.8	168.0	145.1	**167.3**	**197.8**
November ,, ..	**201.5**	**161.0**	162.8	168.9	145.2	**167.7**	**196.2**
December ,, ..	**201.5**	**161.7**	162.8	169.7	146.1	**168.1**	**195.6**
January 1972 ..	**199.5**	**162.0**	162.8	170.5	146.2	**171.0**	**203.7**
February ,, ..	**198.0**	**162.4**	163.1	171.0	146.4	**172.4**	**205.1**
March ,, ..	**198.7**	**162.6**	163.2	171.3	146.4	**172.8**	**206.6**
April ,, ..	**198.8**	**165.4**	170.0	173.4	146.9	**173.4**	**205.3**
May ,, ..	**200.0**	**165.9**	170.0	173.7	148.2	**173.2**	**204.2**
June ,, ..	**200.5**	**166.0**	169.3	174.5	147.7	**173.7**	**203.8**
Last week ended Saturday of							
March 1971 ..	**189.5**	**151.5**	149.2	160.7	136.9	**160.4**	**184.7**
April ,, ..	**188.8**	**152.4**	150.0	162.0	137.1	**162.5**	**188.3**
May ,, ..	**194.0**	**154.8**	149.9	163.5	143.5	**161.6**	**187.4**
June ,, ..	**195.0**	**156.6**	155.9	164.2	143.6	**164.8**	**193.0**
July ,, ..	**198.1**	**158.2**	157.1	166.2	144.8	**165.3**	**196.1**
August ,, ..	**198.1**	**158.3**	157.2	166.2	144.9	**165.8**	**197.1**
September ,, ..	**198.1**	**158.9**	159.7	166.2	145.1	**166.9**	**198.1**
October ,, ..	**198.1**	**160.5**	162.8	168.0	145.2	**167.4**	**197.4**
November ,, ..	**201.5**	**161.0**	162.8	168.9	145.2	**167.9**	**195.8**
December ,, ..	**201.5**	**161.7**	162.8	169.7	146.1	**168.9**	**198.3**
January 1972 ..	**199.4**	**162.1**	162.8	170.5	146.4	**171.8**	**205.1**
February ,, ..	**198.5**	**162.4**	163.1	171.0	146.4	**172.3**	**206.0**
March ,, ..	**198.8**	**162.7**	163.3	171.5	146.4	**173.4**	**207.7**
April ,, ..	**198.8**	**165.5**	170.0	173.4	147.3	**173.3**	**203.7**
May ,, ..	**200.1**	**165.8**	170.0	173.7	147.8	**173.0**	**204.5**
June ,, ..	**200.5**	**165.9**	169.3	174.5	147.6	**173.7**	**203.7**

NEW SERIES—BY GROUPS AND SUB-GROUPS (*Concld.*)

Last Week Figures)

62 = 100)

Manufactures									
	Finished Products								
Total	Textiles	Metal products	Non-metallic products	Chemical products	Leather products	Rubber products	Paper products	Oil cakes	Miscel-laneous products
237	**113**	**38**	**15**	**27**	**9**	**10**	**10**	**8**	**7**
26	27	28	29	30	31	32	33	34	35
116.5	115.6	121.3	116.3	109.4	98.1	124.4	105.8	157.1	110.1
139.5	137.9	151.1	133.7	136.9	95.2	156.7	120.2	197.6	120.1
149.2	150.4	164.2	141.9	145.7	92.1	155.9	122.2	197.5	121.8
159.9	166.8	175.5	150.8	150.2	96.8	157.0	129.8	179.2	123.6
154.4	160.2	166.4	145.5	149.1	92.1	156.5	124.7	179.7	123.0
156.0	163.7	166.7	146.1	148.8	92.1	156.5	124.7	175.7	123.0
155.2	162.2	166.7	146.9	148.9	92.1	156.5	124.7	171.6	123.4
157.8	164.0	173.6	148.6	149.7	97.5	156.8	124.7	175.3	123.4
158.0	164.6	173.6	149.8	149.3	97.5	156.8	124.7	172.7	123.4
158.5	164.8	173.7	150.4	150.0	97.5	157.0	125.8	179.5	123.5
159.1	165.4	173.9	150.4	150.0	97.5	157.1	129.9	182.4	123.6
159.9	167.0	173.9	151.6	150.1	97.5	157.1	129.9	180.7	123.7
160.8	168.5	173.9	152.4	150.1	98.0	157.1	129.9	184.8	123.7
161.5	168.0	178.0	152.0	150.1	98.0	157.3	135.7	185.1	123.8
163.1	169.6	182.7	152.9	150.5	98.0	157.3	135.7	185.9	123.9
164.5	172.5	182.8	154.0	151.6	98.0	157.3	135.7	179.4	123.9
164.6	170.9	187.4	154.7	151.9	98.0	158.3	136.0	177.6	124.1
165.6	171.2	190.9	156.1	153.4	98.0	159.3	136.3	178.1	124.2
165.7	170.8	191.0	156.9	154.2	98.0	159.3	136.3	182.1	124.2
166.4	170.2	194.2	157.4	154.5	99.1	159.3	137.3	193.3	124.2
154.5	160.3	166.6	145.7	149.0	92.1	156.5	124.7	178.6	123.0
156.3	164.6	166.7	146.1	148.7	92.1	156.5	124.7	171.7	123.0
155.3	162.1	166.7	147.7	148.9	92.1	156.5	124.7	173.1	123.4
158.0	164.4	173.6	148.8	149.7	97.5	156.8	124.7	176.5	123.4
157.8	164.1	173.6	150.2	149.2	97.5	156.8	124.7	175.2	123.4
158.2	164.1	173.9	150.0	150.0	97.5	157.1	125.8	180.4	123.5
159.4	166.1	173.9	150.6	150.0	97.5	157.1	129.9	180.1	123.6
160.2	167.4	173.9	151.9	150.1	97.5	157.1	129.9	183.7	123.7
161.2	169.1	173.9	152.3	150.1	98.0	157.1	129.9	188.3	123.7
161.8	167.2	182.2	151.8	150.1	98.0	157.3	135.7	188.1	123.8
163.7	170.8	182.8	153.0	150.6	98.0	157.3	135.7	184.8	123.9
164.1	171.7	182.8	154.1	151.5	98.0	157.3	135.7	179.2	123.9
165.1	170.7	190.4	154.8	152.3	98.0	159.2	136.3	177.8	124.2
165.9	171.4	191.0	156.7	154.1	98.0	159.3	136.3	180.7	124.2
165.3	169.9	191.0	157.0	154.3	98.0	159.3	136.3	182.3	124.2
166.4	170.0	194.2	157.4	154.5	99.1	159.3	137.3	195.6	124.2

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 17—MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(Base : 1961-62 = 100)

Group/Sub-group/Commodity	Weight	Average of months				Percentage Variation of		
		1965-66	1969-70	1970-71	1971-72	(3) over (2)	(4) over (3)	(5) over (4)
	1	2	3	4	5	6	7	8
I. All Commodities	**1000**	**131.6**	**171.6**	**181.1**	**188.4**	*+30.4*	*+ 5.5*	*+ 4.0*
Agricultural Commodities @	**332**	141.7	194.8	201.0	199.6	*+37.5*	*+ 3.2*	*— 0.7*
II. Food Articles	**413**	**144.6**	**196.8**	**203.9**	**210.3**	*+36.1*	*+ 3.6*	*+ 3.1*
Foodgrains	**147.85**	154.3	208.2	206.8	214.9	*+34.9*	*— 0.7*	*+ 3.9*
(*a*) Cereals	**121.01**	146.2	201.3	199.5	202.3	*+37.7*	*— 0.9*	*+ 1.4*
1. Rice	**66.91**	136.7	196.5	201.3	204.3	*+43.7*	*+ 2.4*	*+ 1.5*
2. Wheat	**32.21**	149.2	214.8	208.6	208.1	*+44.0*	*— 2.9*	*— 0.2*
3. Jowar	**9.09**	167.3	192.4	190.2	210.4	*+15.0*	*— 1.1*	*+10.6*
(*b*) Pulses	**26.84**	191.0	239.1	240.0	271.7	*+25.2*	*+ 0.4*	*+13.2*
1. Gram	**10.74**	198.2	269.5	229.4	236.3	*+36.0*	*—14.9*	*+ 3.0*
(*c*) Fruits and vegetables	**23.54**	139.8	182.7	199.9	204.3	*+30.7*	*+ 9.4*	*+ 2.2*
(*d*) Milk, ghee & butter	**60.71**	141.5	202.3	215.3	218.5	*+43.0*	*+ 6.4*	*+ 1.5*
(*e*) Edible oils	**53.69**	150.8	206.1	232.2	203.1	*+36.7*	*+12.7*	*—12.5*
(*f*) Fish, eggs & meat	**20.24**	174.7	198.5	212.8	241.4	*+13.6*	*+ 7.2*	*+13.4*
(*g*) Sugar & allied products	**64.84**	132.1	173.1	172.0	218.0	*+31.0*	*— 0.6*	*+26.7*
1. Sugar	**36.76**	122.1	157.2	157.3	170.5	*+28.7*	*+ 0.1*	*+ 8.4*
2. Gur	**24.37**	145.1	192.6	194.6	292.3	*+32.7*	*+ 1.0*	*+50.2*
(*h*) Others	**42.13**	114.8	180.4	187.6	168.2	*+57.1*	*+ 4.0*	*—10.3*
1. Tea	**19.41**	104.3	109.3	116.9	138.7	*+ 4.8*	*+ 7.0*	*+18.6*
2. Coffee	**2.48**	132.8	163.4	210.4	156.9	*+23.0*	*+28.8*	*—25.4*
3. Spices & condiments	**11.98**	135.4	340.8	333.1	247.0	*+151.7*	*— 2.3*	*—25.8*
III. Liquor and Tobacco	**25**	**133.2**	**195.0**	**184.9**	**194.7**	*+46.4*	*— 5.2*	*+ 5.3*
1. Tobacco raw	**12.02**	134.7	190.2	154.6	151.0	*+41.2*	*—18.7*	*— 2.3*
IV. Fuel, Power, Light & Lubricants	**61**	**124.1**	**155.1**	**161.8**	**172.0**	*+25.0*	*+ 4.3*	*+ 6.3*
(*a*) Coal	**13.05**	121.8	166.0	167.9	170.9	*+36.3*	*+ 1.1*	*+ 1.8*
(*b*) Mineral oils	**30.20**	125.0	150.1	157.3	171.5	*+20.1*	*+ 4.8*	*+ 9.0*
1. Kerosene oil	**8.48**	146.6	172.1	176.6	186.0	*+17.4*	*+ 2.6*	*+ 5.3*
2. Petrol	**9.15**	127.0	160.0	175.5	204.5	*+26.0*	*+ 9.7*	*+16.5*
(*c*) Electricity	**13.36**	124.9	143.9	150.2	153.9	*+15.2*	*+ 4.4*	*+ 2.5*
V. Industrial Raw Materials	**121**	**132.8**	**180.1**	**197.3**	**191.0**	*+35.6*	*+ 9.6*	*— 3.2*
(*a*) Fibres	**41.14**	118.1	155.5	178.4	183.7	*+31.7*	*+14.7*	*+ 3.0*
1. Cotton raw	**22.38**	118.8	170.9	209.1	222.5	*+43.9*	*+22.4*	*+ 6.4*
2. Jute raw	**5.81**	131.6	144.1	145.4	138.6	*+ 9.5*	*+ 0.9*	*— 4.7*

(*b*) Oil seeds	52.39	154.4	208.5	230.2	208.6	+35.0	+10.4	— 9.4
1. Groundnuts	25.17	141.8	199.3	214.8	197.4	+40.6	+ 7.8	— 8.1
2. Copra	6.66	199.0	232.0	299.2	228.0	+16.6	+29.0	—23.8
(*c*) Minerals	3.51	108.0	136.3	137.1	141.2	+26.2	+ 0.6	+ 3.0
1. Iron ore	1.09	67.3	113.9	109.1	114.4	+69.2	— 4.2	+ 4.9
2. Manganese ore	0.85	95.5	121.8	114.7	124.4	+27.5	— 5.8	+ 8.5
3. Mica	1.33	147.8	168.0	173.2	173.2	+13.7	+ 3.1	—
(*d*) Others	23.96	114.8	161.6	166.8	172.6	+40.8	+ 3.2	+ 3.5
1. Sugarcane	13.43	115.7	170.9	170.7	171.3	+47.7	— 0.1	+ 0.4
VI. Chemicals	7	125.9	183.8	188.0	197.0	+46.9	+ 2.3	+ 4.8
1. Caustic soda	2.09	126.7	141.9	149.9	156.9	+12.0	+ 5.6	+ 4.7
2. Sulphuric acid	1.16	138.3	244.8	227.7	242.5	+77.0	— 7.0	+ 6.5
VII. Machinery and Transport Equipment	79	117.7	136.3	148.0	159.0	+15.8	+ 8.6	+ 7.4
(*a*) Electrical machinery	18.80	121.7	134.4	147.1	158.8	+10.4	+ 9.4	+ 8.0
(*b*) Non-electrical machinery	38.71	117.5	138.9	154.8	167.2	+18.2	+11.4	+ 8.0
1. Tools and implements	4.11	119.9	142.4	161.6	175.9	+18.8	+13.5	+ 8.8
(*c*) Transport equipment	21.49	114.7	133.5	136.6	144.3	+16.4	+ 2.3	+ 5.6
1. Vehicles	19.43	116.0	135.5	138.4	146.2	+16.8	+ 2.1	+ 5.6
VIII. Manufactures	294	118.1	143.5	154.9	167.1	+21.5	+ 7.9	+ 7.9
A. Intermediate products	57.33	124.8	160.1	178.7	196.7	+28.3	+11.6	+10.1
(*a*) Textile yarn	25.58	105.8	133.2	154.5	181.0	+25.9	+16.0	+17.2
1. Cotton yarn	17.05	112.8	145.1	173.7	207.2	+28.6	+19.7	+19.3
2. Rayon yarn	6.47	90.2	101.8	108.9	123.6	+12.9	+ 7.0	+13.5
3. Coir yarn	2.06	96.9	133.6	138.7	144.3	+37.9	+ 3.8	+ 4.0
(*b*) Leather	5.00	104.2	133.3	133.1	159.2	+27.9	— 0.2	+19.6
(*c*) Metals	24.40	146.6	188.7	207.4	217.7	+28.7	+ 9.9	+ 5.0
1. Pig iron	2.06	131.9	181.6	200.2	200.2	+37.7	+10.2	—
B. Finished products	236.67	116.5	139.5	149.2	159.9	+19.7	+ 7.0	+ 7.2
(*a*) Textiles	113.48	115.6	137.9	150.4	166.8	+19.3	+ 9.1	+10.9
1. Cotton manufactures	78.79	114.4	133.8	146.1	161.6	+17.0	+ 9.2	+10.6
(i) Mill cloth	55.86	108.4	130.4	139.4	156.7	+20.3	+ 6.9	+12.4
(ii) Handloom cloth	22.93	129.2	142.1	162.5	173.4	+10.0	+14.4	+ 6.7
2. Jute manufactures	23.81	118.6	154.5	170.7	193.9	+30.3	+10.5	+13.6
3. Silk & rayon manufactures	7.64	105.3	114.6	118.5	126.6	+ 8.8	+ 3.4	+ 6.8
(*b*) Metal products	38.22	121.3	151.1	164.2	175.5	+24.6	+ 8.7	+ 6.9
1. Iron and steel	35.87	120.7	151.1	163.5	174.5	+25.2	+ 8.2	+ 6.7
(*c*) Chemical products	27.05	109.4	136.9	145.7	150.2	+25.1	+ 6.4	+ 3.1
1. Fertilizers	5.29	97.1	132.9	135.6	135.6	+36.9	+ 2.0	—
2. Drugs and medicines	10.29	105.2	130.1	142.6	148.7	+23.7	+ 9.6	+ 4.3
(*d*) Leather products	8.82	98.1	95.2	92.1	96.8	— 3.0	— 3.3	+ 5.1
(*e*) Rubber products	10.00	124.4	156.7	155.9	157.0	+26.0	— 0.5	+ 0.7
(*f*) Paper products	9.70	105.8	120.2	122.2	129.8	+13.6	+ 1.7	+ 6.2
(*g*) Others								
1. Cement	7.64	122.7	145.7	151.8	160.0	+18.7	+ 4.2	+ 5.4
2. Matches	3.23	110.3	114.1	114.1	114.1	+ 3.4	—	—

@Derived Series : Weighted average of the indices of rice, wheat, jowar, bajra, maize, barley, ragi, gram, arhar, mung, masur, urad, potatoes, onions, oranges, bananas, cashewnuts, spices and condiments, tea, coffee, betelnuts, tobacco raw, cotton raw, jute raw and mesta, hemp raw, coir fibre, groundnuts, linseed, castorseed, gingelly seed, rape seed, cotton seed, copra, tanning materials, sugarcane, rubber, logs and timber and bamboos.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 18—ASSAYING AND REFINING OF GOLD AND SILVER AT THE INDIA GOVERNMENT MINTS

(Kilograms)

Year	Gold				Silver			
	Melting and assaying at			Refining at	Melting and assaying at			Refining at
	Bombay	Alipore	Total	Bombay	Bombay	Alipore	Total	Bombay
	1	2	3	4	5	6	7	8
1960-61 ..	105	33	**139**	9,970	901	61,432	**62,333**	137
1965-66 ..	13,856(*a*)(*b*)	—	**13,856**(*a*)(*b*)	5,704(*c*)	241	—	**241**	—
1969-70 ..	6(*d*)(*e*)	155	**161**(*d*)(*e*)	17,651(*c*)(*e*)	24,422	—	**24,422**	—
1970-71 ..	—	552	**552**	18,582	1,702	—	**1,702**	—
1971-72 ..	—	728	**728**	22,735	39,180	—	**39,180**	—

Note : The Alipore Mint did not undertake any refining work.

(*a*) Including gold received against 7% Gold Bonds, 1977 and National Defence Fund. (*b*) Including gold received against 7% Gold Bonds, 1980, National Defence Gold Bonds, 1980 and gold received from Alipore Mint. (*c*) Including confiscated gold received from Customs, Central Excise Department and State Governments. (*d*) Including gold received against National Defence Fund and National Defence Gold Bonds, 1980. (*e*) Including gold received from Alipore Mint.

STATEMENT 19—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
1960-61	124.40	107.12	114.91	209.30	181.00	193.64
1965-66	85.00	70.50	77.78	406.00	281.00	314.62
1969-70	192.00	163.50	179.62	521.00	446.00	489.13
1970-71	198.00	177.50	184.96	588.50	483.50	536.08
1971-72	214.50	188.00	200.16	610.50	512.25	561.35
March 1971 ..	197.50	188.00	191.53	588.50	578.00	582.28
April ,, ..	198.00	192.00	195.20	610.50	583.75	597.83
May ,, ..	209.50	196.00	202.52	602.00	582.50	593.19
June ,, ..	199.00	190.50	196.15	600.25	586.50	592.04
July ,, ..	194.75	188.00	190.48	591.50	572.00	584.09
August ,, ..	204.00	193.00	197.37	580.50	550.50	566.78
September ,, ..	196.50	191.50	194.84	569.25	549.50	557.31
October ,, ..	203.00	196.00	199.51	553.50	537.50	550.01
November ,, ..	202.50	197.00	199.19	540.25	522.00	530.26
December ,, ..	205.50	195.50	199.75	550.00	512.25	531.35
January 1972 ..	214.00	203.00	208.56	557.25	542.00	551.07
February ,, ..	214.50	212.00	212.77	548.00	537.75	542.51
March ,, ..	212.50	200.75	206.30	548.25	528.50	537.85
April ,, ..	210.50	202.00	206.65	543.50	533.00	537.61
May ,, ..	236.50	208.50	222.32	544.25	514.00	530.63
June ,, ..	245.00	224.00	232.88	545.00	521.25	533.46

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 Gold Bullion upto 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 below 0.996 fineness.

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 20—INDEX NUMBERS OF WHOLESALE PRICES—SELECTED ITEMS—SEASONALLY ADJUSTED SERIES

(Base : 1961-62=100)

Month	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 1971	183.5	205.5	195.2	200.8	201.9	236.7	196.0	238.3	138.9	216.8	197.5
April „	184.3	206.1	197.1	199.8	209.4	244.3	194.7	229.9	153.6	212.8	190.6
May „	183.3	204.8	196.2	198.1	211.0	244.7	189.5	220.6	146.3	203.9	185.8
June „	184.0	203.7	194.4	196.8	206.3	245.2	187.3	228.0	142.4	197.1	177.4
July „	185.4	204.8	195.5	199.2	204.1	256.3	191.6	234.5	142.0	206.6	190.4
August „	187.3	207.6	199.3	201.3	205.5	271.1	195.6	240.7	135.9	211.5	198.4
September „	188.3	209.2	201.5	204.3	206.3	274.2	195.9	249.6	132.3	209.2	195.1
October „	189.1	209.1	203.4	204.7	206.9	278.2	198.3	249.1	129.1	217.2	210.2
November „	189.8	211.5	206.7	207.3	210.2	282.9	192.2	225.6	123.3	212.1	218.9
December „	189.5	211.4	207.1	208.6	208.9	281.8	187.6	210.4	123.7	209.0	210.8
January 1972	192.2	216.8	208.5	210.3	210.1	286.7	188.3	207.0	140.2	208.6	206.7
February „	193.9	219.5	209.0	211.3	209.0	297.2	187.2	196.5	143.4	207.9	201.9
March „	194.1	220.2	209.7	212.1	209.6	294.1	184.1	180.4	149.1	206.8	197.1

Note : Adjusted for seasonality by using " Census Method II—Variant 11 " developed by the Bureau of Census, U.S.A.

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)

Month	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 1971	7,024	2,608	3,332	172	1,420	4,560
April „	7,075	2,623	3,396	167	1,435	4,549
May „	7,184	2,693	3,441	174	1,429	4,568
June „	7,259	2,693	3,496	149	1,430	4,636
July „	7,287	2,716	3,582	172	1,415	4,791
August „	7,453	2,775	3,631	176	1,448	4,858
September „	7,587	2,815	3,693	175	1,470	4,935
October „	7,607	2,851	3,758	182	1,499	4,980
November „	7,671	2,881	3,832	183	1,530	5,043
December „	7,825	3,014	3,917	191	1,605	5,141
January 1972	7,843	2,976	3,929	191	1,657	5,091
February „	7,888	3,001	3,982	180	1,683	5,062
March „	7,994	3,097	4,054	184	1,717	5,085

Note : Adjusted for seasonality by using " Census Method II—Variant 11 " developed by the Bureau of Census, U.S.A.

STATEMENT 22—MONEY SUPPLY WITH THE

Last Friday	CURRENCY WITH THE PUBLIC					
	Notes in circulation (*a*)	Circulation of rupee coin*(*b*)	Circulation of small coins(*b*)(*c*)	Cash on hand with banks (*d*)	Currency with the public (1+2+3—4)	Variations in currency with the public
	1	2	3	4	5	6
1960-61	1,941,57	141,69	71,02	49,79	2,098,05	+ 167,19
1965-66	2,823,19	183,82	105,47	76,09	3,034,28	+ 265,23
1969-70	3,799,39	233,16	127,06	149,27	4,010,34	+ 328,37
1970-71	4,168,60	247,17	134,80†	169,71	4,380,86†	+ 370,52†
1971-72	4,594,01	262,52	134,81†	182,50†	4,808,83†	+ 427,97†
March 1971	4,168,60	247,17	134,80†	169,71	4,380,86†	+ 56,10†
April „	4,287,78	252,60	134,80†	165,32	4,509,87†	+ 129,01†
May „	4,326,49	258,33	134,80†	179,16†	4,540,46†	+ 30,59†
June „	4,385,82	260,19	134,78†	190,05†	4,590,74†	+ 50,28†
July „	4,233,90	253,86	134,80†	168,06†	4,454,49†	— 136,25†
August „	4,217,10	252,46	134,80†	168,41†	4,435,95†	— 18,54†
September „	4,253,96	252,70	134,80†	165,82†	4,475,63†	+ 39,68†
October „	4,272,62	257,00	134,80†	187,94†	4,476,48†	+ 85†
November „	4,282,42	256,32	134,80†	184,35†	4,489,20†	+ 12,72†
December „	4,376,35	255,99	134,81†	200,95†	4,566,21†	+ 77,01†
January 1972	4,494,45	257,09	134,81†	187,28†	4,699,07†	+ 132,86†
February „	4,562,48	261,16	134,81†	170,80†	4,787,66†	+ 88,59†
March „	4,594,01	262,52	134,81†	182,50†	4,808,83†	+ 21,17†

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, (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.

PUBLIC AND MONETARY RESOURCES

(In lakhs of rupees)

DEPOSIT MONEY								
Net demand deposits of banks	Other deposits with the Reserve Bank (*e*)	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	Net time deposits of banks (*f*)	Monetary resources (11+13)	Variations in monetary resources
7	8	9	10	11	12	13	14	15
757,10	13,46	770,56	+ 31,97**	2,868,61	+ 199,16**	1,094,97	3,963,58	+ 422,75
1,478,38	16,72	1,495,10	+ 183,87	4,529,39	+ 449,11	1,605,05	6,134,44	+ 635,75
2,318,30	57,90	2,376,20	+ 278,92	6,386,54	+ 607,29	2,949,86	9,336,40	+1,030,40
2,712,82	43,83	2,756,65	+ 380,45	7,137,52†	+ 750,98†	3,447,88	10,585,39†	+1,248,99†
3,223,09†	79,55	3,302,65†	+ 546,00†	8,111,48†	+ 973,96†	4,187,53†	12,299,01†	+1,713,62†
2,712,82	43,83	2,756,65	+ 44,28	7,137,52†	+ 100,39†	3,447,88	10,585,39†	+ 82,96†
2,722,05	50,76	2,772,81	+ 16,16	7,282,68†	+ 145,16†	3,540,50	10,823,19†	+ 237,79†
2,775,81†	37,44	2,813,25†	+ 40,44†	7,353,71†	+ 71,03†	3,599,20†	10,952,92†	+ 129,73†
2,838,72†	32,24	2,870,97†	+ 57,72†	7,461,71†	+ 108,00†	3,659,98†	11,121,69†	+ 168,77†
2,853,38†	23,80	2,877,18†	+ 6,21†	7,331,67†	— 130,04†	3,795,07†	11,126,75†	+ 5,05†
2,862,79†	49,86	2,912,66†	+ 35,48†	7,348,61†	+ 16,94†	3,849,75†	11,198,36†	+ 71,61†
2,881,50†	41,09	2,922,59†	+ 9,93†	7,398,22†	+ 49,61†	3,908,47†	11,306,68†	+ 108,33†
2,917,09†	49,30	2,966,40†	+ 43,81†	7,442,88†	+ 44,66†	3,975,42†	11,418,30†	+ 111,61†
2,942,51†	48,69	2,991,20†	+ 24,80†	7,480,40†	+ 37,52†	4,039,49†	11,519,89†	+ 101,59†
3,076,26†	66,02	3,142,28†	+ 151,08†	7,708,49†	+ 228,09†	4,139,28†	11,847,76†	+ 327,88†
3,049,57†	63,57	3,113,14†	— 29,14†	7,812,20†	+ 103,71†	4,128,00†	11,940,20†	+ 92,44†
3,042,35†	57,06	3,099,42†	— 13,72†	7,887,07†	+ 74,87†	4,176,26†	12,063,33†	+ 123,13†
3,223,09†	79,55	3,302,65†	+ 203,23†	8,111,48†	+ 224,41†	4,187,53†	12,299,01†	+ 235,68†

(*a*) Net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (*b*) Estimated.

(*c*) 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. (*d*) Relating to scheduled commercial, non-scheduled commercial and state co-operative banks. (*e*) 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 extraordinary items. (*f*) Comprising net time deposits with commercial banks and net time liabilities of state co-operative banks.

*Includes Mahatma Gandhi Centenary Ten Rupee Silver Coins from October 1969 and World Food and Agriculture Organisation Commemorative Ten Rupee Silver Coins from October 1970.

**Derived from comparable estimates.

†Provisional.

STATEMENT 23—SEASONAL VARIATIONS

Item	1960-61		1965-66	
	Slack Season	Busy Season	Slack Season	Busy Season
	1	2	3	4
A. MONEY SUPPLY WITH THE PUBLIC ..	— 80	+ 235	— 43	+ 482
1. Currency with the public	— 89	+ 205	— 101	+ 349
2. Other deposits with the Reserve Bank ..	+ 4	— 6	— 18	+ 6
3. Bank money	+ 6	+ 36	+ 76	+ 126
B. FACTORS AFFECTING MONEY SUPPLY				
1. **Net Bank Credit to Government Sector** ($a+b$)	— 118	+ 108	+ 110	+ 389
(a) Reserve Bank's net credit to Government sector (i—ii)	— 69	+ 235	— 31	+ 414
(i) Claims on Government	— 76	+ 215	— 33	+ 446
(ii) Government deposits with the Reserve Bank	— 6	— 20	— 2	+ 32
(b) Banks' credit to Government sector	— 49	— 126	+ 140	— 25
2. **Net Bank Credit to Commercial Sector** ($a+b$)	+ 50	+ 196	— 155	+ 192
(a) Reserve Bank credit to commercial sector	--		+ 4	+ 2
(b) Banks' net credit to commercial sector (i—ii)	+ 49	+ 196	— 158	+ 190
(i) Claims on commercial sector ..	+ 19	+ 191	— 54	+ 295
(ii) Non-monetary liabilities of banks*	— 30	— 5	+ 104	+ 105
3. **Net Foreign Exchange Assets of Banking Sector** ($a+b$)	— 33	— 53	— 43	+ 26
(a) Net foreign exchange assets of the Reserve Bank†	— 28	— 47	— 41	+ 15
(b) Banks' net foreign exchange assets@	— 5	— 6	— 2	+ 10
4. **Government's Net Currency Liabilities to the Public £**	— 1	+ 16	— 2	+ 18
5. **Net Non-Monetary Liabilities of the Reserve Bank** †(Increase—)**	+ 20	— 42	+ 45	— 64
6. **Residual ££ (Increase—)**	+ 3	+ 9	+ 2	— 80

Note : Slack season is from May to October and the busy season is from November to April.

*Relate to (i) Net Time Deposits 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. 67 crores each.

@ Converted into Indian rupee at post-devaluation rates from June 6, 1966.

** 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 accruin

IN MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

1969-70		1970-71		1971-72		Outstanding as on April 28, 1972
Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	
5	6	7	8	9	10	11
— 58	+ 703	+ 145	+ 581	+ 160	+ 779	8,221
— 149	+ 518	— 33	+ 404	— 33	+ 441	4,918
— 20	+ 3	+ 10	— 23	— 1	+ 26	76
+ 111	+ 183	+ 168	+ 201	+ 195	+ 311	3,228
— 14	+ 130	+ 111	+ 607	+ 388	+ 819	6,762
— 226	+ 229	— 46	+ 565	+ 174	+ 672	4,977
— 232	+ 341	— 117	+ 694	+ 108	+ 726	5,194
— 7	+ 112	— 71	+ 129	— 66	+ 54	218
+ 212	— 98	+ 157	+ 43	+ 214	+ 147	1,785
— 112	+ 438	+ 70	+ 216	— 186	+ 60	2,004
+ 3	+ 1	+ 21	+ 35	+ 33	+ 35	205
— 115	+ 438	+ 48	+ 181	— 220	+ 25	1,799
+ 133	+ 600	+ 325	+ 443	+ 215	+ 332	6,082
+ 248	+ 163	+ 277	+ 262	+ 435	+ 307	4,282
+ 59	+ 168	+ 36	— 85	+ 26	+ 15	602
+ 78	+ 172	+ 42	— 100	+ 38	+ 15	597
— 19	— 5	— 6	+ 15	— 12	—	+ 5
—	+ 19	+ 6	+ 16	+ 6	+ 8	399
+ 15	— 76	+ 26	— 112	— 101	— 223	1,028
— 6	+ 24	— 106	— 60	+ 29	+ 100	519

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 22.

STATEMENT 24—VARIATIONS IN MONEY

Item	Outstanding as on March 31, 1961	Variations during the Third Plan	Outstanding as on March 25, 1966
	1	2	3
A. MONEY SUPPLY WITH THE PUBLIC	2,869	+1,661	4,529
1. Currency with the public	2,098	+ 936	3,034
2. Other deposits with the Reserve Bank	14	+ 3	17
3. Bank money	757	+ 721	1,478
B. FACTORS AFFECTING MONEY SUPPLY			
1. Net Bank Credit to Government Sector (a+b)	2,488	+1,321	3,809
(a) Reserve Bank's net Credit to Government Sector (i—ii)	1,897	+1,060	2,958
(i) Claims on Government	2,003	+1,032	3,035
(ii) Government deposits with the Reserve Bank ..	106	— 28	77
(b) Banks' Credit to Government Sector	591	+ 260	852
2. Net Bank Credit to Commercial Sector (a+b)	408	+ 642	1,050
(a) Reserve Bank's Credit to Commercial Sector	9	+ 38	47
(b) Banks' net Credit to Commercial Sector (i—ii) ..	400	+ 604	1,003
(i) Claims on Commercial Sector	1,494	+1,114	2,608
(ii) Non-monetary liabilities of Banks	1,095	+ 510	1,605
3. Net Foreign Exchange Assets of Banking Sector (a+b) ..	178	— 107	71
(a) Net foreign exchange assets of the Reserve Bank ..	185	— 126	59
(b) Banks' net foreign exchange assets*	— 7	+ 19	+12
4. Government's Net Currency Liabilities to the Public ..	206	+ 81	287
5. Net Non-Monetary Liabilities of the Reserve Bank (Increase—)	250	— 109	360
6. Residual (Increase—)	163	— 166	329

SUPPLY WITH THE PUBLIC

(In crores of rupees)

Variations during					Outstanding as on March 26, 1971	Outstanding as on March 31, 1972
1960-61	1965-66	1969-70	1970-71	1971-72		
4	5	6	7	8	9	10
+ 199	+ 449	+ 607	+ 751	+ 974	7,138	8,111
+ 167	+ 265	+ 328	+ 371	+ 428	4,381	4,809
— 4	— 5	— 23	— 14	+ 36	44	80
+ 36	+ 189	+ 302	+ 395	+ 510	2,713	3,223
— 17	+ 467	+ 28	+ 510	+ 1,183	5,236	6,418
+ 137	+ 371	— 90	+ 311	+ 882	3,812	4,694
+ 136	+ 332	+ 8	+ 399	+ 838	4,075	4,914
— 1	— 38	+ 98	+ 88	— 44	264	220
— 154	+ 96	+ 118	+ 199	+ 300	1,424	1,724
+ 253	+ 100	+ 290	+ 390	— 30	2,226	2,196
—	+ 7	+ 3	+ 47	+ 108	125	232
+ 253	+ 93	+ 287	+ 343	— 138	2,102	1,964
+ 238	+ 279	+ 710	+ 841	+ 602	5,550	6,152
— 15	+ 187	+ 423	+ 498	+ 740	3,448	4,188
— 63	— 24	+ 250	— 28	+ 54	547	601
— 52	— 35	+ 264	— 40	+ 70	526	596
— 11	+ 12	— 14	+ 12	— 16	+21	+ 5
+ 10	+ 12	+ 20	+ 22	+ 15	382	397
—	— 19	— 37	— 80	— 377	707	1,084
+ 16	— 87	+ 56	— 63	+ 129	546	418

*Converted into Indian rupee at post-devaluation rates from June 6, 1966.

For further details refer to the footnotes to Statements 22 and 23.

STATEMENT 25—LIABILITIES AND ASSETS OF THE RESERVE BANK OF INDIA
(ISSUE DEPARTMENT)

(In lakhs of rupees)

Last Friday	LIABILITIES		Total liabilities (Total notes issued) or assets	ASSETS			
	Notes in circulation	Notes held in the Banking Department		Gold coin and bullion (a)	Foreign securities	Rupee coin (b)	Government of India rupee securities
	1	2	3	4	5	6	7
1960-61	1,984,74	7,84	1,992,59	117,76	123,01	119,62	1,632,20
1965-66	2,866,36	24,86	2,891,21	115,89	95,05	94,00	2,586,27
1969-70	3,842,56	23,38	3,865,93	182,53	331,42	64,63	3,287,35
1970-71	4,211,77	9,59	4,221,36	182,53	273,42	51,67	3,713,73
1971-72	4,637,18	18,13	4,655,31	182,53	238,65	36,27	4,197,85
March 1971	4,211,77	9,59	4,221,36	182,53	273,42	51,67	3,713,73
April „	4,330,95	4,15	4,335,10	182,53	293,42	46,24	3,812,91
May „	4,369,66	19,74	4,389,40	182,53	303,42	40,53	3,862,92
June „	4,428,99	23,56	4,452,56	182 53	278,42	38,67	3,952,94
July „	4,277,07	26,79	4,303,85	182,53	223,42	44,95	3,852,95
August „	4,260,27	25,03	4,285,30	182,53	223,42	46,38	3,832,96
September „	4,297,13	7,98	4,305,11	182,53	193,42	46,12	3,883,03
October „	4,315,79	40,00	4,355,80	182,53	218,42	41,82	3,913,03
November „	4,325,60	20,92	4,346,51	182,53	210,92	42,51	3,910,55
December „	4,419,52	12,28	4,431,80	182,53	185,92	42,80	4,020,55
January 1972	4,537,62	18,17	4,555,78	182,53	238,65	41,78	4,092,82
February „	4,605,65	11,03	4,616,68	182,53	243,65	37,66	4,152,84
March „	4,637,18	18,13	4,655,31	182,53	238,65	36,27	4,197,85
April „	4,748,42	54,32	4,802,74	182,53	221,65	34,27	4,364,28
May „	4,855,43	36,41	4,891,84	182,53	221,65	28,37	4,459,28
June „	4,860,37	45,67	4,906,05	182,53	221,65	27,57	4,474,29

(a) The gold reserves of the Issue Department are valued at the statutory rate of 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 26—LIABILITIES AND ASSETS OF THE RESERVE BANK OF INDIA (BANKING DEPARTMENT)

(In lakhs of rupees)

Last Friday		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)	Internal	Govt. Treasury Bills		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
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
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
1969-70	..	167,64	8.21	164,11	8,09	57	15	159,24	508,00	609,90	1,117,90	23,51	135,14	—	211,98	238,02	275,51	8,78		61,92	118,87	44,17
1970-71	..	250,55	13,37	207,10	9,33	78	26	71,65	553,04	688,67	1,241,71	9,67	77,01	—	249,51	368,37	306,49	33,93	6,71	31,38	113,15	45,50
1971-72	..	214,86	4,96	281,34	12,93	89	54	110,09	625,60	1,063,67	1,689,27	18,26	182,17	—	625,20	207,45	323,26	88,23	41,80	69,36	87,32	46,22
March	1971	250,55	13,37	207,10	9,33	78	26	71,65	553,04	688,67	1,241,71	9,67	77,01	—	249,51	368,37	306,49	33,93	6,71	31,38	113,15	45,50
April	,,	225,44	4,46	215,32	10,37	80	37	78,74	535,49	689,62	1,225,11	4,23	75,77	—	427,14	190,68	266,90	35,30	14,14	18,68	142,38	49,90
May	,,	61,40	3,83	214,41	10,45	80	38	65,66	356,92	766,23	1,123,15	19,81	73,55	—	413,94	131,31	260,10	44,08	16,73	30,22	77,80	55,61
June	,,	149,80	3,20	209,85	12,57	92	1,34	61,32	439,00	810,89	1,249,88	23,65	96,50	—	459,06	207,15	239,65	48,78	10,39	15,90	89,68	59,11
July	,,	54,17	6,68	211,87	10,60	81	37	152,89	437,38	725,04	1,162,42	26,90	151,28	—	167,22	117,74	242,36	58,57	7,17	31,75	314,56	44,88
August	,,	54,26	7,11	217,14	9,85	81	36	79,21	368,75	723,71	1,092,46	25,11	164,20	—	169,87	101,51	264,95	59,03	8,39	69,06	196,86	33.46
September	,,	56,07	5,04	232,79	9,40	81	42	70,63	375,15	733,25	1,108,40	8,09	208,36	—	222,05	98,49	281,21	62,87	25,14	106,90	62,13	33,17
October	,,	158.00	5,73	237,27	8,72	80	52	79,00	490,04	774,08	1,264,12	40,12	188,79	—	358,21	18,63	298,08	68,13	13,89	88,76	154,39	35,11
November	,,	54,56	4,15	247,39	8,46	88	38	78,56	394,37	808,98	1,203,35	21,01	192,82	—	374,58	7,48	303,92	75,02	6,93	44,05	142,44	35,11
December	,,	196,34	2,18	256,14	10,51	88	36	96,16	562,57	911,32	1,473,89	12,40	216,37	—	480,94	171,15	354,89	79,58	8,27	39,44	68,03	42,81
January	1972	183,93	7,55	245,71	10,03	83	45	93,75	542,25	944,04	1,486,29	18,22	198,50	—	513,57	147,29	345,18	79,75	18,62	34,44	87,75	42,97
February	,,	212,17	6,63	242,53	9,11	82	60	87,41	559,28	960,02	1,519,30	11,12	188,84	—	529,29	161,24	341,24	82,16	34,75	26,46	100,51	43,67
March	,,	214,86	4,96	281,34	12,93	89	54	110,09	625,60	1,063,67	1,689,27	18,26	182,17	—	625,20	207,45	323,26	88,23	41,80	69,36	87,32	46,22
April	,,	214,08	3,53	251,22	13,67	89	46	106,94	590,79	1,010,00	1,600,80	54,44	200,29	—	762,41	22,85	272,77	89,80	11,30	51,65	85,50	49,80
May	,,	52,49	8,43	268,74	13,33	92	45	102,39	446,74	1,006,39	1,453,13	36,51	217,68	—	116,53	26,24	244,78	87,34	5,61	165,45	503,89	49,10
June	,,	66,72	7,61	282,99	16,97	100	77	97,76	473,82	1,065,29	1,539,10	45,72	196,11	—	91,07	42,11	215,52	90,89	10,75	320,61	458,79	67,54

(a) Including (i) Paid-up capital of Rs. 5 crores, (ii) reserve fund of Rs. 80 crores upto January 31, 1969 and Rs. 150 crores thereafter, (iii) National Agricultural Credit (Long-term Operations) Fund of 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, Rs. 143 crores from July 5, 1968, Rs. 155 crores from July 4, 1969, Rs. 172 crores from July 3, 1970 and Rs. 190 crores from July 2, 1971, (iv) National Agricultural Credit (Stabilisation) Fund of 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, Rs. 33 crores from July 5, 1968, Rs. 35 crores from July 4, 1969, Rs. 37 crores from July 3, 1970 and Rs. 39 crores from July 2, 1971 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, Rs. 55 crores from July 5, 1968, Rs. 75 crores from July 4, 1969, Rs. 95 crores from July 3, 1970 and Rs. 135 crores from July 2, 1971. (b) Including cash and short-term securities and fixed deposits from June 28, 1968. (c) Including temporary overdrafts to State Governments. (d) Including loans and advances to (i) Industrial Development Bank of India from the National Industrial Credit (Long-term Operations) Fund with effect from the week ended January 1, 1965 and (ii) Agricultural Refinance Corporation from the National Agricultural Credit (Long-term Operations) Fund with effect from week ended March 10, 1972.

STATEMENT 27—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	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings
	1	2	3	4	5	6	7	8	9	10	11	12
1960-61 ..	13166	7914			42	12	240	241	319	9	470	—
1965-66 ..	24937	14472			311	39	555	557	3723	—	—	—
1969-70 ..	42377†	23972†	3752	959	11	6	949	642	2282††	52††	—	—
1970-71 ..	42099†	26882†	1127	172	4	3	1238**	785**	2277††	170††	—	—
1971-72 ..	49546£	25840£	2304	236	14	—	1551‡	984‡	2166‡‡	763‡‡	792†††	—

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 [46B(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 46A(2)(a)]$		Rural debentures of Land Mortgage Banks§ [17(4AA) read with 46A(2) (d)]		Ordinary debentures of Land Mortgage Banks	
	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Pur-chases	Out-standings	Pur-chases	Out-standings
	13	14	15	16	17	18	19	20	21	22	23	24
1960-61 ..			468	763			275	1995	33	107	3	67
1965-66 ..			706	1,165	—	—	253	2941	129	548	450	1545
1969-70 ..	443	521	952	1,410	—	8	680	3383	94	950	420	2784
1970-71 ..	365$$	435$$	1483	1,948	37	43	1249	4193	18	959	419	3192
1971-72 ..	2602	2145	1415	2,291	25	68	1414	5134	133	1064	441	3626

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. @ From 1961-62 figures are inclusive of finance for Intensive Agricultural District Programme. ††† Loan sanctioned only to the Maharashtra State Co-operative Bank Ltd. at 2 per cent above Bank rate. @@ Rate of interest of loans sanctioned prior to November 1, 1960 was 2 per cent below Bank rate. $ 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. § Include special development debentures from 1962-63. ** Includes Rs. 2 lakhs under drawals and outstandings each in respect of loans for small-scale industries at Bank rate. † Include Rs. 710 lakhs and Rs. 490 lakhs for 1969-70 and Rs. 779 lakhs and Rs. 344 lakhs for 1970-71 under drawals and outstandings respectively for Cotton and Kapas. †† Include Rs. 152 and Rs. 19 lakhs for 1969-70 and Rs. 253 lakhs and Rs. 170 lakhs for 1970-71 under drawals and outstandings respectively in respect of loans sanctioned under Section 17(4)(a) against the pledge of Government and other Trustee Securities representing investment of the Agricultural Credit (Stabilisation) Fund for conversion of short-term loans into medium-term loans. $$ Includes Rephasement Account of Rs. 57 lakhs. £ Includes Rs. 993 lakhs and Rs. 599 lakhs under drawals and outstandings respectively for marketing of Cotton and Kapas. ‡ Includes Rs. 59 lakhs and Rs. 33 lakhs under drawals and outstandings respectively in respect of loans for small-scale industries at Bank rate. ‡‡ Includes Rs. 753 lakhs and Rs. 705 lakhs under drawals and outstandings respectively in respect of loans sanctioned under Section 17(4)(a) against pledge of Government and other Trustee Securities representing investment of the Agricultural Credit (Stabilisation) Fund for conversion of short-term loans into medium-term loans.

STATEMENT 28—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
1960-61	103	200	235	—			
1965-66	—	220	243	21	1,000	—	309
1969-70	—	220	243	18	2,000	—	627
1970-71	—	220	243	18	3,000	—	2,984
1971-72	—	220	243	2	4,000	—	7,833

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 T.I.I.C. (Under Section 17(4) (*a*) of the Reserve Bank of India Act)
	Industrial Finance Corporation of India (Under Section 17(4B) (*b*) of the Reserve Bank of India Act)	State Financial Corporations including T.I.I.C. (Under Section 17(4A) of the Reserve Bank of India Act)	
	8	9	10
1960-61	51		13
1965-66	82	77	52
1969-70	—	222	29
1970-71	166	172	71
1971-72	205	443	42
March 1971	166	172	71
April „	187	317	43
May „	169	378	36
June „	28	390	101
July „	—	293	60
August „	—	285	59
September „	—	222	24
October „	4	201	13
November „	86	181	13
December „	—	315	26
January 1972	—	305	52
February „	157	372	60
March „	205	443	42

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 29—STATE-WISE DISTRIBUTION OF BANK OFFICES

Name of State/Union Territories	No. of offices as at the end of June			
	1969	1970	1971	1972
	1	2	3	4
1. Andhra Pradesh	567	722	869	959
2. Assam	74	96	122	149
3. Bihar	273	361	453	541
4. Gujarat	752	919	1,105	1,234
5. Haryana	172	219	258	299
6. Himachal Pradesh	42	62	87	108
7. Jammu and Kashmir	35	74	101	116
8. Kerala	601	713	845	978
9. Madhya Pradesh	343	460	566	669
10. Maharashtra	1,118	1,304	1,471	1,679
11. Manipur	2	2	5	6
12. Meghalaya	7	11	15	16
13. Mysore	756	954	1,124	1,292
14. Nagaland	2	4	5	5
15. Orissa	100	133	173	192
16. Punjab	346	465	556	651
17. Rajasthan	364	432	525	570
18. Tamil Nadu	1,060	1,213	1,371	1,484
19. Tripura	5	6	12	12
20. Uttar Pradesh	747	932	1,147	1,324
21. West Bengal	504	588	684	760
22. Andaman and Nicobar Islands	1	2	2	4
23. Arunachal Pradesh	—	—	3	5
24. Chandigarh	20	26	28	33
25. Dadra and Nagar Haveli	—	1	3	4
26. Delhi	274	318	350	385
27. Goa, Daman and Diu	85	101	111	118
28. Laccadive, Minicoy and Amindivi Islands	—	—	2	2
29. Mizoram	—	—	—	1
30. Pondicherry	12	13	20	24
TOTAL	8,262	10,131	12,013	13,620

STATEMENT 30—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 in hand 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	*Credit deposit ratio (d) at the end of the period*
		1	2	3	4	5	6	7	8	9	10
Slack	1960 ..	+ 7,41	— 30,68	— 23,26	— 27,02	+ 4,17	*7.6*	— 52,33	*36.2*	— 20,31	*68.2*
Busy	1960-61 ..	+ 52,68	— 43,34	+ 9,34	+ 21,53	— 23,24	*6.3*	— 126,32	*29.4*	+ 198,53	*68.3*
Slack	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*	— 27,24	*27.4*	+ 300,53	*76.9*
Slack	1969 ..	+ 115,06	+ 233,06	+ 348,12	— 67,44	+ 26,67	*6.4*	+ 208,33	*26.4*	+ 31,30	*72.9*
Busy	1969-70 ..	+ 171,89	+ 149,06	+ 320,95	+ 202,91	+ 7,76	*6.2*	— 100,87	*22.8*	+ 562,90	*79.4*
Slack	1970 ..	+ 174,32	+ 274,28	+ 448,60	— 85,92	+ 31,21	*6.2*	+ 155,24	*23.8*	+ 225,68	*77.0*
Busy	1970-71 ..	+ 190,22	+ 245,29	+ 435,51	+ 40,15	+ 12,34	*6.0*	+ 39,12	*22.7*	+ 394,16	*78.0*
Slack	1971 ..	+ 201,66	+ 421,88	+ 623,54	— 172,05	+ 58,53	*6.3*	+ 208,50	*23.7*	+ 162,78	*73.1*
Busy	1971-72 ..	+ 295,71	+ 294,66	+ 590,37	+ 4,22	+ 1,94	*5.8*	+ 143,73	*23.8*	+ 351,13	*72.0*
Outstanding as on April 28, 1972	..	**3,128,22**	**4,078,82**	**7,207,04**	**22,85**	**419,34**		**1,711,84**		**5,189,21**	

Note : The slack season is from May to October and the busy season is from November to April. In analysing the figures relating to aggregate liabilities, deposits and investments in Government securities, note should be taken of the impact of the new arrangement for the holding of P.L. 480 funds, effective from May 12, 1960 ; for further details regarding these transfers, reference may be made to the foot-notes to Statement 32—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*) Percentage of bank credit to aggregate deposits.

STATEMENT 31—ALL SCHEDULED BANKS: BUSINESS IN INDIA

(Amount in lakhs of rupees)

Last Friday	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
1969-70 ..	86	145,40	2,267,24	29,14	132,78	105,58	2,860,46	9,11	28,80	**5,127,69**	338,81	172,81	**511,63**	107,02
1970-71 ..	87	178,55	2,663,26	28,27	156,52	97,57	3,361,25	7,99	42,64	**6,024,52**	488,85	185,00	**673,85**	98,54
1971-72 ..	88	216,27	3,166,05	46,28	212,89	130,45	4,080,15	5,01	56,69	**7,246,20**	305,34	223,25	**528,60**	102,75
March 1971..	87	178,55	2,663,26	28,27	156,52	97,57	3,361,25	7,99	42,64	**6,024,52**	488,85	185,00	**673,85**	98,54
April „ ..	87	166,13	2,669,58	26,59	165,24	101,39	3,446,85	8,47	47,05	**6,116,43**	370,55	104,53	**475,08**	97,22
May „ ..	87	173,51	2,727,03	38,62	174,69	106,94	3,507,76	11,42	43,54	**6,234,79**	304,38	81,19	**385,57**	99,06
June „ ..	87	193,57	2,783,31	51,10	187,17	141,95	3,565,38	6,76	42,34	**6,348,69**	343,63	100,48	**444,11**	99,92
July „ ..	88	161,51	2,800,83	55,29	194,40	147,96	3,688,35	12,67	41,13	**6,489,18**	303,35	54,37	**357,71**	87,90
August „ ..	87	158,45	2,819,22	59,23	179,59	136,39	3,747,72	12,11	42,52	**6,566,94**	313,92	50,04	**363,96**	86,75
September „ ..	87	155,67	2,840,21	48,63	187,25	134,48	3,803,67	18,16	44,44	**6,643,87**	307,36	72,78	**380,14**	84,34
October „ ..	88	169,65	2,873,17	72,53	183,03	145,56	3,872,08	13,82	46,45	**6,745,25**	255,32	56,03	**311,34**	96,11
November „ ..	88	171,90	2,898,75	48,51	169,33	174,28	3,935,89	13,51	47,74	**6,834,64**	254,20	54,93	**309,12**	90,71
December „ ..	88	197,58	3,030,89	27,24	195,20	182,20	4,034,91	11,23	53,07	**7,065,80**	285,59	237,65	**523,24**	89,86
January 1972..	88	175,08	3,003,03	60,52	191,23	146,95	4,038,68	9,07	52,59	**7,041,71**	325,37	167,39	**492,77**	86,82
February „ ..	88	178,71	2,997,77	30,65	185,08	134,20	4,069,22	7,40	52,82	**7,066,99**	313,88	186,02	**499,90**	89,48
March „ ..	88	216,27	3,166,05	46,28	212,89	130,45	4,080,15	5,01	56,69	**7,246,20**	305,34	223,25	**528,60**	102,75
April† „ ..	88	204,47	3,175,66	53,65	209,81	165,40	4,168,79	6,96	49,94	**7,344,45**	196,37	96,74	**293,11**	109,10
May† „ ..	88	219,32	3,222,92	47,51	207,97	180,06	4,239,93	10,35	47,76	**7,462,85**	170,99	95,22	**266,21**	103,73
June† „ ..	88	250,94	3,339,00	84,82	251,29	190,77	4,333,19	12,32	48,56	**7,672,19**	146,21	102,41	**248,62**	103,92

STATEMENT 31—ALL SCHEDULED BANKS: BUSINESS IN INDIA (*concld.*)

(Amount in lakhs of rupees)

Last Friday	Cash in hand and balances with Reserve Bank				Balances with other banks in current account	[Money at call and short notice	Investments in Govt. securities (*e*)		Bank Credit					
									Advances		Bills purchased and discounted			
	Cash in hand	Balances with Reserve Bank	Total	*Percentage of (17) to (10)*				*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
1969-70 ..	147,11	183,03	**330,13**	*6.4*	57,18	50,25	1,215,73	*23.7*	3,413,24	436,94	489,42	186,28	**4,088,93**	*79.7*
1970-71 ..	168,38	205,36	**373,75**	*6.2*	77,51	37,47	1,416,43	*23.5*	3,831,81	481,02	765,01	210,71	**4,807,52**	*79.8*
1971-72 ..	181,48	272,28	**453,76**	*6.3*	94,62	61,03	1,718,42	*23.7*	4,300,73	491,73	825,56	222,38	**5,348,66**	*73.8*
March 1971..	168,38	205,36	**373,75**	*6.2*	77,51	37,47	1,416,43	*23.5*	3,831,81	481,02	765,01	210,71	**4,807,52**	*79.8*
April ,, ..	163,14	205,32	**368,47**	*6.0*	[69,47	40,09	1,414,40	*23.1*	3,828,09	454,91	759,60	207,87	**4,795,56**	*78.4*
May ,, ..	177,08	217,07	**394,15**	*6.3*	71,48	53,18	1,428,77	*22.9*	3,879,82	437,03	717,84	202,49	**4,800,15**	*77.0*
June ,, ..	188,43	227,38	**415,81**	*6.6*	80,52	95,06	1,430,29	*22.5*	3,968,57	421,12	719,35	200,85	**4,888,77**	*77.0*
July ,, ..	166,05	212,71	**378,76**	*5.8*	74,50	103,58	1,479,02	*22.8*	3,928,83	416,16	793,54	201,39	**4,929,76**	*76.0*
August ,, ..	167,54	208,67	**376,21**	*5.7*	76,30	85,66	1,557,19	*23.7*	3,885,25	439,65	793,63	211,03	**4,889,91**	*74.5*
September ,, ..	165,03	236,97	**402,00**	*6.1*	80,11	76,04	1,590,53	*23.9*	3,993,63	456,94	718,25	214,11	**4,925,99**	*74.1*
October ,, ..	187,10	239,95	**427,05**	*6.3*	82,55	112,87	1,631,63	*24.2*	3,986,23	469,29	736,44	218,81	**4,941,48**	*73.3*
November ,, ..	183,41	249,46	**432,86**	*6.3*	85,15	107,20	1,663,07	*24.3*	3,997,34	497,41	719,79	209,69	**4,926,82**	*72.1*
December ,, ..	200,07	252,52	**452,59**	*6.4*	99,27	66,61	1,707,08	*24.2*	4,268,45	533,22	697,63	207,53	**5,173,61**	*73.2*
January 1972..	189,40	236,70	**426,10**	*6.1*	74,95	74,38	1,721,48	*24.4*	4,249,44	518,65	753,73	223,65	**5,226,82**	*74.2*
February ,, ..	169,89	236,03	**405,92**	*5.7*	76,53	57,87	1,708,78	*24.2*	4,252,03	495,63	797,71	221,96	**5,271,70**	*74.6*
March ,, ..	181,48	272,28	**453,76**	*6.3*	94,62	61,03	1,718,42	*23.7*	4,300,73	491,73	825,56	222,38	**5,348,66**	*73.8*
April† ,, ..	186,03	246,53	**432,56**	*5.9*	90,17	111,68	1,778,77	*24.2*	4,307,62	447,73	772,42	235,55	**5,315,59**	*72.4*
May† ,, ..	197,55	269,27	**466,82**	*6.3*	93,18	106,78	1,741,41	*23.3*	4,534,18	446,33	701,75	227,15	**5,463,08**	*73.2*
June† ,, ..	209,23	254,43	**463,66**	*6.0*	145,09	119,85	1,731,57	*22.6*	4,489,24	435,17	822,36	208,73	**5,520,33**	*72.0*

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. £ Includes borrowings by Scheduled State co-operative banks under Section 17 (4AA) from October 22, 1971; prior to that these were included under column 11. † Provisional.

For further details, reference may be made to the footnotes to Statement 32.

STATEMENT 32—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA

(Amount in lakhs of rupees)

Last Friday		No. of reporting banks	Demand liabilities				Time liabilities				Aggregate deposits (3+7)	Borrowings from Reserve Bank (a)			Borrowings from State Bank of India and/or a notified bank*
			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
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
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
1969-70		.. 72	122,75	2,234,80	29,14	127,55	39,35	2,793,39	9,11	27,39	**5,028,19**	80,18	157,84	**238,02**	59,94
1970-71		.. 73	158,01	2,626,13	28,27	149,72	26,76	3,280,04	7,99	41,57	**5,906,17**	202,40	165,97	**368,37**	49,02
1971-72		.. 74	185,65	3,114,20	46,28	205,77	40,58	3,991,29	4,11	55,63	**7,105,49**	98,42	109,04	**207,45**	68,59
March	1971	.. 73	158,01	2,626,13	28,27	149,72	26,76	3,280,04	7,99	41,57	**5,906,17**	202,40	165,97	**368,37**	49,02
April	„	.. 73	146,24	2,630,85	26,59	158,66	30,50	3,362,28	8,47	45,61	**5,993,13**	103,96	86,71	**190,68**	48,25
May	„	.. 73	156,34	2,688,27	38,62	168,14	36,62	3,420,42	11,00	42,45	**6,108,69**	71,05	60,26	**131,31**	53,31
June	„	.. 73	167,71	2,742,80	51,10	182,40	68,44	3,473,39	6,34	41,23	**6,216,20**	124,32	82,83	**207,15**	55,40
July	„	.. 74	139,35	2,761,89	55,29	189,07	63,53	3,596,09	12,25	40,04	**6,357,99**	85,96	31,78	**117,74**	57,99
August	„	.. 73	137,34	2,781,01	59,23	174,59	52,01	3,657,07	11,40	41,41	**6,438,08**	75,85	25,66	**101,51**	57,20
September	„	.. 73	136,55	2,800,90	48,63	182,57	47,32	3,713,17	17,44	43,28	**6,514,07**	55,15	46,84	**101,99**	57,87
October	„	.. 74	147,89	2,832,51	72,53	178,47	59,97	3,784,16	13,07	45,26	**6,616,67**	8,85	9,78	**18,63**	66,77
November	„	.. 74	150,08	2,857,58	46,38	164,61	88,31	3,847,27	12,70	46,64	**6,704,84**	2,00	5,48	**7,48**	62,02
December	„	.. 74	178,72	2,991,02	27,24	185,86	95,41	3,945,56	10,36	51,97	**6,936,58**	18,65	152,50	**171,15**	60,62
January	1972	.. 74	155,34	2,960,62	60,52	184,86	59,94	3,949,43	8,19	51,49	**6,910,05**	65,10	85,80	**150,90**	60,41
February	„	.. 74	157,63	2,956,15	30,65	179,05	44,91	3,980,40	6,51	51,75	**6,936,55**	58,48	102,76	**161,24**	61,72
March	„	.. 74	185,65	3,114,20	46,28	205,77	40,58	3,991,29	4,11	55,63	**7,105,49**	98,42	109,04	**207,45**	68,59
April†	„	.. 74	178,90	3,128,22	53,65	202,45	70,69	4,078,82	5,89	48,90	**7,207,04**	3,68	19,17	**22,85**	73,26
May†	„	.. 74	183,85	3,176,73	47,51	201,10	84,31	4,143,20	9,27	46,59	**7,319,93**	3,58	22,66	**26,24**	62,51
June†	„	.. 74	217,35	3,288,60	84,82	238,38	84,86	4,234,87	11,22	47,45	**7,523,47**	1,45	40,66	**42,11**	58,71

STATEMENT 32—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday	Cash in hand and balances with Reserve Bank			*Percentage of (17) to (10)*	Balances with other banks in current account	Money at call and short notice	Investments in Government securities (*b*)	*Percentage of (21) to (10)*	Bank credit					*Percentage of (27) to (10)*
									Advances		Bills purchased and discounted		Total (23+25+26)	
	Cash in hand	Balances with Reserve Bank	Total						Loans, cash credits and overdrafts	Due from banks	Inland	Foreign		
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
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*
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*
1969-70 ..	146,08	175,79	**321,88**	*6.4*	53,48	41,21	1,166,83	*23.2*	3,295,53	49,56	489,22	186,28	**3,971,03**	*79.0*
1970-71 ..	167,22	196,74	**363,96**	*6.2*	74,72	27,01	1,362,31	*23.1*	3,708,33	44,60	764,80	210,71	**4,683,83**	*79.3*
1971-72 ..	180,03	259,05	**439,08**	*6.2*	77,53	53,16	1,651,73	*23.2*	4,161,44	33,12	825,39	222,38	**5,209,21**	*73.3*
March 1971 ..	167,22	196,74	**363,96**	*6.2*	74,72	27,01	1,362,31	*23.1*	3,708,33	44,60	764,80	210,71	**4,683,83**	*79.3*
April ,, ..	161,85	197,03	**358,88**	*6.0*	66,82	27,97	1,359,60	*22.7*	3,707,99	33,15	759,43	207,87	**4,675,30**	*78.0*
May ,, ..	175,88	208,14	**384,02**	*6.3*	68,06	48,57	1,373,98	*22.5*	3,757,89	43,98	717,65	202,49	**4,678,03**	*76.6*
June ,, ..	187,08	215,81	**402,89**	*6.5*	75,70	82,74	1,375,06	*22.1*	3,842,85	41,90	719,19	200.85	**4,762,88**	*76.6*
July ,, ..	164,70	202,47	**367,18**	*5.8*	70,10	95,62	1,421,85	*22.4*	3,814,85	25,72	799,45	201,39	**4,815,70**	*75.7*
August	166,32	199,88	**366,19**	*5.7*	71,57	77,18	1,495,72	*23.2*	3,774,93	32,36	793,51	211,03	**4,779,47**	*74.2*
September ,, ..	163,85	228,03	**391,88**	*6.0*	76,25	62,98	1,528,52	*23.5*	3,890,11	32,35	718,22	214,11	**4,822,44**	*74.0*
October ,, ..	185,81	231,60	**417,40**	*6.3*	77,71	100,49	1,568,11	*23.7*	3,882,90	27,75	736,36	218,81	**4,838,08**	*73.1*
November ,, ..	182,12	241,24	**423,36**	*6.3*	81,19	99,54	1,599,42	*23.9*	3,893,35	40,78	719,59	209,69	**4,822,64**	*71.9*
December ,, ..	198,84	241,18	**440,02**	*6.3*	93,44	51,52	1,643,37	*23.7*	4,146,70	54,83	697,41	207,53	**5,051,64**	*72.8*
January 1972 ..	188,03	227,61	**415,64**	*6.0*	70,92	68,47	1,657,78	*24.0*	4,127,63	38,08	753,53	223,65	**5,104,81**	*73.9*
February ,, ..	168,57	226,75	**395,32**	*5.7*	73,25	51,50	1,643,85	*23.7*	4,118,75	28,33	797,52	221,96	**5,138,23**	*74.1*
March ,, ..	180.03	259,05	**439,08**	*6.2*	77,53	53,16	1,651,73	*23.2*	4,161,44	33,12	825,39	222,38	**5,209,21**	*73.3*
April† ,, ..	184,73	234,61	**419,34**	*5.8*	85,83	93,65	1,711,84	*23.8*	4,181,45	29,95	772,21	235,55	**5,189,21**	*72.0*
May† ,, ..	196,29	256,79	**453,08**	*6.2*	88,97	93,36	1,674,33	*22.9*	4,402,68	37,58	701,54	227,15	**5,331,37**	*72.8*
June† ,, ..	206,00	241,36	**447,36**	*6.0*	131,58	106,60	1,664,05	*22.1*	4,346,24	53,87	822,16	208,73	**5,377,13**	*71.5*

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*) As available in the Reserve Bank records. (*b*) At book value; including Treasury Bills and Treasury Deposit Receipts.

* Includes borrowings from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from April 1, 1966. † Provisional.

STATEMENT 33A—SCHEDULED COMMERCIAL

Last Friday	Finance for distribution of fertilizers and other inputs				Loans to State Electricity Boards for energisation of wells			
	Limits in force		Balance outstanding		Limits in force		Balance outstanding	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
	1	2	3	4	5	6	7	8
JUNE 1970								
1. State Bank of India and its Subsidiaries	937	112,65	937	65,63	....	....	—	—
2. 14 Nationalised Banks ..	3,673	36,72	3,306	11,80	82	46,59	72	33,07
3. Other Scheduled Banks* ..	601	12,80	571	6,07	356	3,42	856	3,43
Total	**5,211**	**162,17**	**4,814**	**83,50**	**438**	**50,00**	**428**	**36,50**
SEPTEMBER 1970								
1. State Bank of India and its Subsidiaries	894	142,50	894	64,07	—	—	—	—
2. 14 Nationalised Banks ..	3,663	35,51	3,261	10,21	87	54,37	79	35,41
3. Other Scheduled Banks* ..	622	12,34	572	4,96	362	3,82	362	3,31
Total	**5,179**	**190,35**	**4,727**	**79,24**	**449**	**58,19**	**441**	**38,72**
DECEMBER 1970								
1. State Bank of India and its Subsidiaries	898	136,84	898	61,20	15	1	15	—
2. 14 Nationalised Banks ..	3,838	35,37	3,292	9,74	89	54,57	84	39,56
3. Other Scheduled Banks* ..	555	12,62	520	6,25	416	3,93	416	3,68
Total	**5,291**	**184,83**	**4,710**	**77,19**	**520**	**58,51**	**515**	**43,24**
MARCH 1971								
1. State Bank of India and its Subsidiaries	872	127,59	872	51,40	15	1	15	—
2. 14 Nationalised Banks ..	3,526	41,26	3,086	10,30	90	52,40	85	37,60
3. Other Scheduled Banks* ..	540	7,83	508	2,72	417	3,94	417	3,60
Total	**4,938**	**176,68**	**4,466**	**64,42**	**522**	**56,35**	**517**	**41,21**
JUNE 1971								
1. State Bank of India and its Subsidiaries	833	99,98	833	47,05	15	1	15	—
2. 14 Nationalised Banks ..	3,699	39,53	3,251	10,30	94	57,11	92	44,61
3. Other Scheduled Banks* ..	514	6,38	502	2,19	439	4,45	439	4,12
Total	**5,046**	**145,89**	**4,586**	**59,54**	**548**	**61,57**	**546**	**48,73**
SEPTEMBER 1971								
1. State Bank of India and its Subsidiaries	766	65,48	766	38,31	15	1	15	—
2. 14 Nationalised Banks ..	4,996	40,45	4,456	8,93	97	58,76	93	46,22
3. Other Scheduled Banks* ..	533	6,70	511	1,84	452	5,54	451	4,70
Total	**6,295**	**112,62**	**5,733**	**49,08**	**564**	**64,31**	**559**	**50,92**
DECEMBER 1971								
1. State Bank of India and its Subsidiaries	759	65,21	759	30,87	15	1	15	1
2. 14 Nationalised Banks ..	4,578	39,32	4,045	8,84	100	60,52	96	49,78
3. Other Scheduled Banks* ..	502	7,27	486	2,55	26	5,89	25	4,89
Total	**5,839**	**111,80**	**5,290**	**42,26**	**141**	**66,43**	**136**	**54,68**

Note : The types of agricultural advances and advances to small-scale industries which fall under the eligible category for purposes of compliance with the targets set by the National Credit Council have been spelt out as follows :—

Advances to agriculture include both *direct finance* provided to farmers for financing production and development needs such as purchase of fertilisers, pesticides, seeds, manures, agricultural implements, construction and improvement of wells, development of land, construction of warehouses, maintenance and development of dairies, animal husbandry, fisheries, poultry, piggeries, etc. and *indirect finance, viz.*, loans for distribution of fertilisers and other inputs, hire purchase schemes for distribution of agricultural machinery and implements, construction of

BANKS' ADVANCES TO AGRICULTURE

(Amount in lakhs of rupees)

Other types of indirect finance				Direct finance to farmers				Total			
Limits in force		Balance outstanding		Limits in force		Balance outstanding		Limits in force		Balance outstanding	
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
9	10	11	12	13	14	15	16	17	18	19	20
689	66,17	689	20,77	2,38,654	94,53	2,38,654	55,51	2,40,280	273,35	2,40,280	141,91
14,411	24,17	14,072	10,00	3,83,960	137,53	3,73,823	104,87	4,02,126	245,00	3,91,273	159,73
3,817	11,11	3,810	7,02	2,05,279	27,92	2,05,592	23,60	2,10,053	55,25	2,10,329	40,12
18,917	101,46	18,571	37,79	8,27,893	259,98	8,18,069	183,98	8,52,459	573,60	8,41,882	341,77
793	66,54	793	19,26	2,64,479	104,71	2,64,479	69,87	2,66,166	313,75	2,66,166	153,20
15,098	28,97	14,592	12,32	4,57,115	154,12	4,49,537	119,80	4,75,963	272,97	4,67,469	177,74
4,632	10,30	4,624	6,40	2,39,415	32,19	2,39,874	27,54	2,45,031	58,65	2,45,432	42,21
20,523	105,81	20,009	37,98	9,61,009	291,02	9,53,890	217,21	9,87,160	645,37	9,79,067	373,15
790	66,77	790	21,28	2,81,800	107,53	2,81,800	75,34	2,83,503	311,15	2,83,503	157,82
15,269	29,43	14,960	12,81	5,06,593	166,21	4,94,235	134,42	5,25,789	285,58	5,12,571	196,53
6,317	10,11	6,269	5,21	2,60,300	35,23	2,60,891	30,62	2,67,588	61,89	2,68,096	45,76
22,376	106,31	22,019	39,30	10,48,693	308,97	10,36,926	240,38	10,76,880	658,62	10,64,170	400,11
795	62,20	795	19,56	2,78,671	105,10	2,78,671	72,01	2,80,353	294,90	2,80,353	142,97
13,477	28,80	13,060	11,95	5,43,090	165,53	5,04,818	134,72	5,60,183	288,00	5,21,049	194,57
4,837	10,47	5,633	6,30	2,49,034	33,75	2,47,806	28,35	2,54,828	56,00	2,54,364	40,98
19,109	101,48	19,488	37,81	10,70,795	304,39	10,31,295	235,08	10,95,364	638,89	10,55,766	378,52
790	46,14	790	19,86	2,69,582	100,77	2,69,582	68,52	2,71,220	246,90	2,71,220	135,43
18,904	27,48	18,830	12,77	5,40,834	169,11	5,23,518	137,85	5,63,531	293,23	5,45,691	205,53
6,290	9.60	6,287	5,21	2,66,188	34,81	2,65,705	29,99	2,73,431	55,23	2,72,933	41,52
25,984	83,21	25,907	37,85	10,76,604	304,69	10,58,805	236,35	11,08,182	595,36	10,89,844	382,48
857	45,23	857	18,71	2,64,508	99,73	2,64,508	68,35	2,66,146	210,45	2,66,146	125,37
17,603	26,55	17,545	13,12	5,98,105	182,91	5,87,075	147,52	6,20,801	308,66	6,09,169	215,80
6,761	8,43	6,752	6,18	2,85,168	36,03	2,84,937	30,80	2,92,914	56,70	2,92,651	43,51
25,221	80,21	25,154	38,01	11,47,781	318,67	11,36,520	246,68	11,79,861	575,81	11,67,966	384,68
947	48,18	947	17,16	2,59,266	100,88	2,59,266	68,85	2,60,987	214,28	2,60,987	116,89
15,870	27,36	15,818	12,42	6,36,967	190,68	6,27,675	159,72	6,57,515	317,88	6,47,634	230,77
7,120	8,76	7,004	5,61	3,05,593	39,67	3,05,397	34,76	3,13,241	61,60	3,12,912	47,81
23,937	84,29	23,769	35,19	12,01,826	331,23	11,92,338	263,32	12,31,743	593,76	12,21,533	395,46

godowns in producing areas, loans to electricity boards for energisation of wells, custom service units, co-operative marketing societies, agro-industries corporations, agricultural credit corporations, agricultural finance corporations, etc. *but exclude* loans for food procurement, short-term loans to traditional plantations, *viz.*, tea, coffee, rubber and spices and subscriptions to bonds and debentures of land mortgage banks. The list is only indicative and not exhaustive.

* Figures in respect of " Other Scheduled Banks " are exclusive of figures of the Punjab Co-operative Bank Ltd.

STATEMENT 33B—SCHEDULED COMMERCIAL BANKS'

Last Friday	Advances to Small-Scale Industries		
	No. of units	Limits in force	Balance outstanding
	1	2	3
JUNE 1970			
1. State Bank of India and its Subsidiaries	40,921	292,08	163,24
2. 14 Nationalised Banks	40,459	411,84	206,32
3. Other Scheduled Banks*	7,927	80,52	44,49
Total	**89,307**	**784,44**	**414,05**
SEPTEMBER 1970			
1. State Bank of India and its Subsidiaries	44,093	306,75	173,78
2. 14 Nationalised Banks	43,234	425,47	206,88
3. Other Scheduled Banks*	8,439	85,86	47,43
Total	**95,766**	**818,08**	**428,09**
DECEMBER 1970			
1. State Bank of India and its Subsidiaries	47,625	320,07	187,80
2. 14 Nationalised Banks	46,276	449,01	232,56
3. Other Scheduled Banks*	8,786	87,11	48,74
Total	**1,02,687**	**856,19**	**469,10**
MARCH 1971			
1. State Bank of India and its Subsidiaries	48,731	320,39	196,97
2. 14 Nationalised Banks	46,223	451,72	243,88
3. Other Scheduled Banks*	8,581	88,75	52,62
Total	**1,03,535**	**860,86**	**493,47**
JUNE 1971			
1. State Bank of India and its Subsidiaries	49,744	322,82	197,14
2. 14 Nationalised Banks	50,544	454,04	245,13
3. Other Scheduled Banks*	9,547	97,18	57,89
Total	**1,09,835**	**874,04**	**500,16**
SEPTEMBER 1971			
1. State Bank of India and its Subsidiaries	51,752	330,76	208,87
2. 14 Nationalised Banks	52,734	458,99	239,89
3. Other Scheduled Banks*	10,011	98,94	58,43
Total	**1,14,497**	**888,69**	**507,19**
DECEMBER 1971			
1. State Bank of India and its Subsidiaries	53,536	340,73	219,78
2. 14 Nationalised Banks	57,817	475,40	263,03
3. Other Scheduled Banks*	10,594	102,71	62,14
Total	**1,21,947**	**918,84**	**544,95**

Small-scale industrial units are those engaged in the manufacture, processing or preservation of goods and whose original investment in plant and machinery (*i.e.*, original price paid by the owner irrespective of whether the plant and machinery are new or second hand), does not exceed Rs. 7.50 lakhs. These would, *inter alia*, include units engaged in mining or quarrying, servicing and repairing of machinery (automobiles, tractors, pump-sets), photo studios and ' custom service ' units, *i.e.*, those hiring out and servicing and repairing of agricultural machinery such as crawler and wheeled tractors, threshers, combine harvestors, etc.

ADVANCES TO SMALL-SCALE INDUSTRIES

(Amount in lakhs of rupees)

Advances to Road and Water Transport Operators			Loans for setting up of industrial estates			Total		
No. of units	Limits in force	Balance outstanding	No. of accounts	Limits in force	Balance outstanding	No. of units†	Limits in force	Balance outstanding
4	5	6	7	8	9	10	11	12
2,208	6,57	4,55	—	—	—	43,129	298,65	167,79
9,146	26,21	19,86	47	1,53	77	49,605	439,58	226,95
1,822	8,00	6,22	10	15	12	9,749	88,67	50,82
13,176	**40,78**	**30,63**	**57**	**1,68**	**89**	**1,02,483**	**826,90**	**445,57**
3,000	9,30	6,37	—	—	—	47,093	316,05	180,15
11,542	31,40	24,03	20	1,15	51	54,776	458,02	231,42
2,075	8,82	6,72	12	18	14	10,514	94,86	54,29
16,617	**49,52**	**37,12**	**32**	**1,33**	**65**	**1,12,383**	**868,93**	**465,86**
3,790	11,58	7,75	—	—	—	51,415	331,64	195,55
14,032	37,65	29,12	8	3,65	3,00	60,308	490,31	264,68
2,389	9,66	7,44	20	18	16	11,175	96,96	56,34
20,211	**58,89**	**44,31**	**28**	**3,83**	**3,16**	**1,22,898**	**918,91**	**516,57**
4,156	11,49	7,86	—	—	—	52,887	331,88	204,83
16,054	41,47	31,55	14	3,67	3,10	62,277	496,86	278,53
2,746	11,10	8,12	12	7	7	11,327	99,92	60,81
22,956	**64,06**	**47,53**	**26**	**3,74**	**3,17**	**1,26,491**	**928,66**	**544,17**
4,327	12,02	7,87	—	—	—	54,071	334,84	205,01
17,902	43,55	31,98	10	3,68	3,18	68,456	501,27	280,29
3,023	12,39	8,34	12	19	17	12,582	109,76	66,40
25,252	**67,96**	**48,19**	**22**	**3,87**	**3,35**	**1,35,109**	**945,87**	**551,70**
4,470	12,29	7,57	—	—	—	56,222	343,05	216,44
18,903	46,23	33,46	19	4,17	3,79	71,656	509,39	277,14
3,227	12,58	8,20	23	18	16	13,261	111,70	66,79
26,600	**71,10**	**49,23**	**42**	**4,35**	**3,95**	**1,41,139**	**964,14**	**560,37**
4,603	12,46	7,29	—	—	—	58,139	353,19	227,07
21,546	53,76	39,19	21	4,82	4,27	79,384	533,98	306,49
3,664	13,95	9,38	14	17	16	14,272	116,83	71,68
29,813	**80,17**	**55,86**	**35**	**4,99**	**4,43**	**1,51,795**	**1,004,00**	**605,24**

Road Transport Operators include operators of trucks, taxis, auto-rickshaws and scooters, the original book value of whose investment does not exceed Rs. 7.50 lakhs. Water Transport Operators include operators of small boats, launches, barges, etc., the original book value of whose investment does not exceed Rs. 7.50 lakhs.

* Figures in respect of "Other Scheduled Banks" are exclusive of figures of the Punjab Co-operative Bank Ltd.

† Includes number of accounts in respect of industrial estates from June 1971.

STATEMENT 34—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
1960-61	4,567	1,045,89	244	47,07	57	6,44	126	18,84	1,615	376,22
1965-66	6,327	1,746,38	331	76,77	76	10,06	195	40,68	2,029	624,48
1969-70	8,656	2,755,59	402	140,32	108	19,69	287	71,16	2,861	980,84
1970-71	9,341†	3,079,79†	268	153,60	114	23,68	319	81,98	3,054	1,111,84
1971-72	9,703†	3,592,11†	450†	263,61†	118†	47,83†	349	97,47	3,317	1,230,90
March 1971 ..	9,575†	3,703,94†	230	161,04	113	25,20	352	105,99	3,406	1,359,64
April ,, ..	11,099†	4,600,41†	1,774	1,320,84	117	23,25	337	102,36	3,457	1,265,51
May ,, ..	10,600†	3,310,05†	1,840	263,26	123	27,98	323	86,50	3,181	1,176,99
June ,, ..	8,639†	3,434,10†	176	164,21	121	304,67	316	83,29	3,161	1,125,95
July ,, ..	10,241†	3,492,52†	163	157,33	135	27,00	356	99,94	3,653	1,283,46
August ,, ..	9,391†	3,215,03†	133	141,04	113	20,75	341	89,18	3,246	1,100,31
September ,, ..	9,352†	3,297,24†	155	149,30	116	21,95	330	88,94	3,436	1,220,01
October ,, ..	9,207†	3,257,25†	165	135,79	113	22,37	337	84,51	3,212	1,126,14
November ,, ..	9,536†	3,472,61†	165†	135,79†	127	26,73	361	103,69	3,549	1,251,61
December ,, ..	9,525†	3,764,43†	162	148,92	96	20,78	362	105,72	3,308	1,261,14
January 1972 ..	9,528†	3,632,87†	190	176,28	127	27,44	364	96,22	3,224	1,267,81
February ,, ..	9,394†	3,467,40†	233	191,39	112	25,54	373	100,28	3,011	1,198,13
March ,, ..	9,929†	4,161,37†	242	179,18	112†	25,54†	394	129,00	3,370	1,493,77

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
1960-61	93	18,32	41	4,19	410	55,45	26	3,77	18	2,54
1965-66	119	26,35	53	7,40	510	102,09	41	6,47	24	4,22
1969-70	147	44,72	70	12,06	734	167,17	56	11,57	30	6,56
1970-71	150	51,11	73	15,51	671	178,24	65	10,40	32	7,52
1971-72	156	58,68	72†	14,09†	600	206,52	74†	14,34†	37	8,39
March 1971 ..	157	56,43	77	19,70	627	203,76	74	11,39	37	9,09
April ,, ..	157	53,98	70	19,38	589	197,75	68	11,77	39	8,93
May ,, ..	162	60,59	72	16,38	465	173,24	68	11,28	35	8,34
June ,, ..	149	52,33	64	15,50	377	154,42	78	11,90	34	8,43
July ,, ..	164	55,51	76	18,68	803	219,11	85	15,41	36	7,82
August ,, ..	147	52,48	76†	18,68†	671	199,59	71	13,67	33	7,42
September ,, ..	136	51,24	61	11,94	610	183,29	70	15,30	33	7,58
October ,, ..	147	51,87	64	16,35	570	228,81	75	15,33	38	7,59
November ,, ..	159	65,43	72	17,56	557	219,74	74	14,81	36	7,85
December ,, ..	166	60,27	73	2,14	551	236,53	70	14,35	38	8,16
January 1972 ..	171	65,90	73†	2,14†	573	202,67	70†	14,35†	38	9,05
February ,, ..	148	58,46	70	1,78	701	204,65	81	15,69	40	9,49
March ,, ..	171	76,16	90	28,54	731	258,38	83	18,21	42	10,00

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
803	348,50	21	6,42	39	7,32	324	34,30	55	9,37	21	2,95		
1,018	487,93	32	13,29	59	12,25	381	53,27	96	20,27	39	6,60	15	3,30
1,101	571,76	35	24,21	87	20,28	509	92,96	148	40,33	59	15,03	20	4,84
1,083	576,94	37	26,65	99	24,36	493	99,69	163	47,42	70	16,64	22	6,28
1,097	638,56	37	28,75	106	26,23	528	91,66	159	46,64	70†	21,15†	23†	7,10†
1,085	612,73	40	30,56	110	27,35	419	114,68	182	53,36	80	23,00	22	6,30
1,174	697,95	40	31,89	101	25,29	437	17,08	169	59,83	72	20,00	23	5,70
1,159	583,72	35	28,27	99	25,02	438	21,15	148	44,32	72	21,61	22	5,98
1,042	530,94	36	29,50	101	23,86	461	105,54	154	49,21	69	23,66	24	6,00
1,117	623,09	46	31,58	121	30,29	522	24,66	186	52,18	69†	23,66†	24	6,30
1,088	579,23	33	24,33	111	26,68	499	110,04	172	49,64	69†	23,66†	24	5,99
991	588,94	35	23,10	109	26,01	497	106,10	164	44,57	69	20,17	22	8,41
1,041	584,41	43	33,41	102	25,63	562	112,46	156	40,36	69†	20,17†	23	10,31
1,060	643,60	22	16,76	106	24,87	494	111,35	191	50,88	69†	20,17†	21	6,91
1,163	719,81	38	30,03	111	26,56	585	116,52	189	59,67	69†	20,17†	24	7,92
1,022	648,05	39	30,62	105	28,22	644	125,68	179	52,34	69†	20,17†	26	7,92
1,072	658,31	39	32,02	106	28,25	596	113,80	187	51,50	69†	20,17†	23	6,86
1,234	804,69	42	33,55	103	24,09	598	135,55	13@	5,18@	69†	20,17†	23†	6,86†

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
37	6,21	223	49,53	18	2,82	65	5,48	5	54	43	5,05	285	34,56
64	12,05	351	96,18	28	6,56	100	12,39	6	90	64	11,94	694	110,94
87	18,41	502	202,72	39	16,43	151	25,59	8	1,09	100	25,10	1,117	242,73
90	20,19	543	218,79	31	13,42	506†	60,63†	9	1,14	163	31,95	1,286†	301,79†
94	22,60	586	274,22	39	19,22	232†	66,03†	10	1,57	120	34,84	1,428†	371,71†
97	22,45	614	342,49	39	17,36	243†	82,36†	9	1,32	139	35,08	1,426†	382,67†
95	23,58	583	227,36	50	26,73	243†	82,36†	9	1,27	130	35,64	1,365†	341,95†
84	19,70	548	252,62	40	18,06	243†	82,36†	9	1,14	126	36,75	1,308†	344,78†
83	19,44	490	227,35	40	16,37	243†	82,36†	9	1,14	125	35,69	1,286†	362,32†
97	24,25	690	277,62	41	18,00	243†	82,36†	10	1,92	136	37,56	1,469†	374,78†
91	20,51	671	264,87	38	16,59	243†	82,36†	9	1,59	126	32,95	1,388†	333,48†
90	19,26	687	278,73	35	14,88	243†	82,36†	9	1,33	120	33,34	1,333†	300,52†
88	22,85	574	244,72	34	17,04	243†	82,36†	12	1,78	115	35,92	1,426†	337,06†
97	22,09	561	268,81	39	22,20	208	39,20	11	1,90	111	33,36	1,448†	367,31†
102	23,77	507	391,97	38	18,62	204	42,18	10	1,52	117	29,69	1,540†	417,98†
103	25,39	544	276,81	36	21,12	271	42,44	10	1,89	115	39,99	1,536†	450,36†
93	23,95	587	242,74	36	18,61	190	40,16	9	1,38	133	38,61	1,484†	385,64†
104	26,40	591	337,09	40	22,37	218	51,83	11	1,95	90	28,54	1,557†	444,33†

* Managed by the Reserve Bank of India. † Provisional.

@Clearing House at Hyderabad remained suspended with effect from March 3, 1972.

STATEMENT 35—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
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
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
1969-70†	14	28,51	1,42	63	79	24,75	11,77	32	11,45	13,43	13	13,30	41	1,48
1970-71†	12	18,22	93	43	50	14,74	9,11	18	8,93	5,81	—	5,81	1,36	1,01
December† 1970	13	14,35	94	42	52	12,04	7,16	14	7,02	5,02	—	5,02	54	69
January† 1971	8	15,54	68	23	45	13,85	8,12	10	8,02	5,83	—	5,83	33	58
February† „	10	15,92	67	22	45	13,78	7,96	10	7,86	5,92	—	5,92	71	66
March† „	12	18,22	93	43	50	14,74	9,11	18	8,93	5,81	—	5,81	1,36	1,01
April† „	8	26,55	1,04	37	67	23,32	11,39	8	11,31	12,03	2	12,01	84	1,25
May† „	7	25,11	98	36	62	20,91	10,69	16	10,53	10,39	1	10,38	1,91	1,14
June† „	7	24,24	1,11	51	60	21,49	10,74	16	10,58	10,93	2	10,91	46	1,00
July† „	7	25,40	85	29	56	21,54	11,40	66	10,74	10,84	4	10,80	1,38	93
August† „	7	10,61	56	18	38	9,40	3,37	—	3,37	6,04	1	6,03	24	40
September† „	7	10,62	55	19	36	9,59	3,48	—	3,48	6,12	1	6,11	10	37
October† „	7	10,88	55	18	37	9,53	3,42	—	3,42	6,12	1	6,11	28	51
November† „	9	12,17	81	39	42	10,31	3,80	—	3,80	6,52	1	6.51	42	62
December† „	9	12,36	80	39	41	10,65	4,01	—	4,01	6,65	1	6,64	14	76

STATEMENT 35—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
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*
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*
1969-70†	**28,40**	**1,71**	1,71	—	2,41	53	**13,78**	12,98	80	—	**7,20**	77	5,15	1,28	2,77	*6.9*	*55.7*	*29.1*
1970-71†	**18,24**	**85**	85	—	1,50	1,05	**7,63**	7,17	46	—	**4,49**	69	3,24	56	2,72	*5.8*	*51.8*	*30.5*
December† 1970 ..	**15,36**	**94**	94	—	63	13	**4,70**	4,44	26	—	**4,50**	71	3,23	56	4,46	*7.8*	*39.0*	*37.4*
January† 1971 ..	**15,55**	**1,30**	1,30	—	1,07	1,68	**3,46**	3,31	15	—	**4,42**	66	3,23	53	3,62	*9.4*	*25.0*	*31.9*
February† ,, ..	**15,94**	**1,18**	1,18	—	99	28	**6,35**	6,15	20	—	**4,41**	66	3,23	52	2,73	*8.6*	*46.1*	*32.0*
March† ,, ..	**18,24**	**85**	85	—	1,50	1,05	**7,63**	7,17	46	—	**4,49**	69	3,24	56	2,72	*5.8*	*51.8*	*30.5*
April† ,, ..	**26,46**	**1,59**	1,59	—	1,50	70	**12,62**	11,99	63	—	**6,58**	87	4,63	1,08	3,47	*6.8*	*54.1*	*28.2*
May† ,, ..	**25,05**	**1,65**	1,65	—	1,48	1,08	**11,22**	10,70	52	—	**6,00**	84	4,10	1,06	3,62	*7.9*	*53.7*	*28.7*
June† ,, ..	**24,18**	**1,19**	1,19	—	1,52	37	**11,37**	10,70	67	—	**6,05**	80	4,09	1,16	3,68	*5.5*	*52.9*	*28.2*
July† ,, ..	**25,35**	**1,55**	1,55	—	2,10	1,68	**10,49**	9,96	53	—	**6,23**	78	4,13	1,32	3,30	*7.2*	*48.7*	*28.9*
August† ,, ..	**10,54**	**42**	42	—	54	7	**5,81**	5,43	38	—	**2,92**	39	1,56	97	78	*4.5*	*61.8*	*31.1*
September† ,, ..	**10,51**	**40**	40	—	58	6	**5,85**	5,53	32	—	**2,93**	36	1,55	1,02	69	*4.2*	*61.0*	*30.6*
October† ,, ..	**10,82**	**43**	43	—	57	2	**6,25**	5,97	28	—	**2,97**	36	1,65	96	58	*4.5*	*65.6*	*31.2*
November† ,, ..	**12,09**	**45**	45	—	61	2	**7,23**	6,61	62	—	**2,90**	36	1,70	84	88	*4.4*	*70.1*	*28.1*
December† ,, ..	**12,24**	**49**	49	—	82	2	**7,16**	6,68	48	--	**2,82**	36	1,67	79	93	*4.6*	*67.2*	*26.5*

Note : Compiled from the information supplied in Form XII under the Banking Regulation Act, 1949. Data from September 1961, being on a 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.

† Provisional.

STATEMENT 36—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in lakhs of rupees)

Last Friday		Number of reporting banks	DEMAND AND TIME LIABILITIES											Borrowings from Reserve Bank	Borrowings from State Bank and/or a notified bank and State Governments (a)		
			Aggregate Deposits (5+10)	DEMAND					TIME								
				Total	Deposits		Borrowings from banks	Others	Total	Deposits		Borrowings from banks	Others		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
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
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
1969-70	..	24	**116,95**	**72,05**	23,12	**43,03**	—	5,90	**143,39**	67,77	73,93	22	1,48	274,47	**54,07**	27,02	27,05
1970-71	..	24	**137,79**	**77,76**	20,97	**49,30**	—	7,50	**162,50**	72,38	88,49	47	1,15	306,76	**54,81**	29,23	25,58
1971-72	..	24	**163,27**	**105,47**	31,67	**65,85**	—	7,95	**191,75**	91,56	97,41	1,62	1,16	323,02	**40,83**	16,68	24,15
March	1971	24	**137,79**	**77,76**	20,97	**49,30**	—	7,50	**162,50**	72,38	88,49	47	1,15	306,76	**54,81**	29,23	25,58
April	,,	24	**144,14**	**79,89**	20,38	**51,95**	—	7,56	**166,68**	72,50	92,19	47	1,52	285,68	**53,69**	27,99	25,70
May	,,	24	**147,36**	**77,00**	17,72	**52,08**	—	7,20	**169,30**	71,95	95,28	89	1,18	255,21	**50,31**	24,56	25,75
June	,,	24	**153,83**	**85,34**	26,44	**53,55**	—	5,35	**177,47**	75,11	100,27	89	1,20	238,05	**49,47**	21,11	28,36
July	,,	24	**152,81**	**80,75**	22,70	**51,95**	—	6,10	**189,07**	86,15	100,86	89	1,17	241,72	**35,10**	8,81	26,28
August	,,	24	**150,48**	**78,42**	21,61	**51,10**	—	5,71	**187,83**	86,12	99,38	1,18	1,15	264,23	**35,19**	8,29	26,90
September	,,	24	**151,22**	**77,12**	19,62	**52,15**	—	5,36	**190,38**	88,86	99,08	1,19	1,25	279,92	**30,41**	6,57	23,83
October	,,	24	**150,14**	**81,16**	22,22	**53,64**	—	5,30	**186,37**	87,25	96,51	1,22	1,39	294,58	**34,12**	9,91	24,22
November	,,	24	**151,07**	**83,65**	22,32	**53,79**	2,13	5,41	**187,39**	87,64	97,27	1,28	1,19	303,50	**33,54**	8,20	25,34
December	,,	24	**150,21**	**81,82**	19,46	**52,24**	—	10,12	**188,95**	88,40	97,97	1,34	1,23	353,95	**34,84**	8,10	26,74
January	1972	24	**152,78**	**82,67**	20,35	**55,10**	—	7,22	**189,27**	88,65	97,68	1,50	1,45	343,80	**32,22**	7,58	24,65
February	,,	24	**151,91**	**82,79**	21,57	**54,27**	—	6,94	**191,31**	90,94	97,64	1,56	1,17	340,62	**34,08**	9,94	24,14
March	,,	24	**163,27**	**105,47**	31,67	**65,85**	—	7,95	**191,75**	91,56	97,41	1,62	1,16	323,02	**40,83**	16,68	24,15
April	,,	24	**161,67**	**96,52**	26,24	**61,97**	—	8,32	**198,89**	96,24	99,70	1,79	1,15	309,60	**42,21**	12,64	29,57
May	,,	24	**166,22**	**104,78**	35,91	**61,00**	—	7,87	**206,04**	97,70	105,22	1,85	1,27	242,72	**48,08**	18,47	29,61
June	,,	24	**173,84**	**116,88**	35,96	**66,45**	—	14,47	**218,32**	107,84	107,39	1,87	1,22	213,65	**51,26**	18,25	33,01

STATEMENT 36—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday	ASSETS												
	Cash in hand and balances with Reserve Bank			Balances with other banks in current account	Investments in Government securities (*b*)	Money at call and short notice	Bank Credit				*17*	*21*	*23*
	Total	Cash in hand	Balances with Reserve Bank				Total (24+26)	Advances		Bills purchased and discounted	*As percentage of aggregate deposits*		
								Loans cash credits and overdrafts	Due from Banks (*c*)				
	17	18	19	20	21	22	23	24	25	26	27	28	29
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*
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*
1969-70	**9,28**	1,47	7,80	6,31	52,19	9,57	**133,37**	133,09	394,84	28	*7.9*	*44.6*	*114.0*
1970-71	**11,03**	1,64	9,40	5,59	57,72	10,96	**139,40**	139,05	444,27	35	*8.0*	*41.9*	*101.2*
1971-72	**16,12**	2,04	14,07	21,30	70,69	8,48	**158,11**	157,86	467,81	26	*9.9*	*43.3*	*96.8*
March 1971	**11,03**	1,64	9,40	5,59	57,72	10,96	**139,40**	139,05	444,27	35	*8.0*	*41.9*	*101.2*
April ,,	**10,92**	1,88	9,04	6,49	58,40	13,11	**135,74**	135,39	429,63	35	*7.6*	*40.5*	*94.2*
May ,,	**11,35**	1,63	9,73	6,68	58,47	5,25	**137,78**	137,52	401,44	26	*7.7*	*39.7*	*93.5*
June ,,	**14,17**	1,78	12,39	7,88	58,91	12,72	**142,07**	141,79	387,71	28	*9.2*	*38.3*	*92.4*
July ,,	**12,86**	1,81	11,05	7,17	60,96	8,79	**130,42**	130,24	399,22	18	*8.4*	*39.9*	*85.3*
August ,,	**11,28**	1.67	9,60	7,88	65,25	8,99	**126,51**	126,31	416,51	20	*7.5*	*43.4*	*84.1*
September ,,	**11,31**	1,57	9,74	6,72	65,78	13,56	**119,61**	119,50	434,02	11	*7.5*	*43.5*	*79.1*
October ,,	**10,93**	1,70	9,23	7,44	67,33	12,83	**119,69**	119,51	450,95	18	*7.3*	*44.8*	*79.7*
November ,,	**10,99**	1,79	9,19	6,17	67,43	7,98	**120,10**	119,84	466,15	27	*7.3*	*44.6*	*79.5*
December ,,	**13,92**	1,67	12,25	8,32	67,66	15,41	**138,03**	137,73	487,02	29	*9.3*	*45.0*	*91.9*
January 1972	**11,81**	1,86	9,95	6,60	67,58	6,26	**139,20**	138,89	490,24	30	*7.7*	*44.2*	*91.1*
February ,,	**11,89**	1,80	10,10	6,24	68,84	6,73	**151,10**	150,81	476,68	29	*7.8*	*45.3*	*99.5*
March ,,	**16,12**	2,04	14,07	21,30	70,69	8,48	**158,11**	157,86	467,81	26	*9.9*	*43.3*	*96.8*
April ,,	**14,61**	1,81	12,80	7,75	70,90	19,30	**145,10**	144,84	426,61	27	*9.0*	*43.9*	*89.8*
May ,,	**15,14**	1,76	13,37	7,99	71,01	14,33	**151,16**	150,89	418,04	27	*9.1*	*42.7*	*90.9*
June ,,	**18,40**	3,79	14,60	19,01	71,60	15,59	**163,03**	162,76	389,59	27	*10.6*	*41.2*	*93.8*

(*a*) Includes borrowings 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. (*b*) At book value; includes Treasury Bills and Treasury Deposit Receipts. (*c*) 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 37—MONEY RATES

(Per cent per annum)

Year/Month	Bank Rate	STATE BANK OF INDIA				OTHER SELECTED MAJOR SCHEDULED COMMERCIAL BANKS			BAZAAR BILL RATE (4)		
		Hundi Rate	Advance Rate(1)	CALL LOAN		CALL MONEY FROM BANKS			Bombay	Calcutta	Madras
				Scheduled Commercial Banks(2)	Co-operative Banks(3)	Bombay	Calcutta	Madras			
	1	2	3	4	5	6	7	8	9	10	11
1960-61	4	5½-6½(a)	4½-5(b)	4-6(b)	4 -4½(b)	4.24	4.30	3.74	9.00-12.00	9.50-13.00	12.00-13.92
1965-66	6	9¼-9¾(d)	7-7½(c)	7½-9(c)	6¼-8(c)	6.26	6.81	6.06	12.00-15.00	15.00	17.40-19.80
1969-70	5	9½	7	8½	7½	4.30	4.15	4.39	15.00	13.50	21.00
1970-71	5-6	9½	7-8½(e)	8½-12(f)	7½-8½(g)	6.38	6.91	6.45	15.00	13.50	21.60-24.00
1971-72	6	8¾-10½(h)	8½	12-10(i)	8½	5.16	4.29	5.95	15.00	13.50-15.00	24.00-22.80
March 1971	6	9½	8½	12	8½	10.93	11.14	11.19	15.00	13.50	24.00
April ,, ...	6	9½	8½	12	8½	8.72	7.90	6.62	15.00	13.50	24.00
May ,, ...	6	8¾-10½(h)	8½	12	8½	5.05	5.21	4.80	15.00	15.00	24.00
June ,, ...	6	8¾-10½	8½	12	8½	4.50	4.71	4.38	15.00	15.00	24.00-22.80
July ,, ...	6	8¾-10½	8½	10(i)	8½	4.64	4.75	4.57	15.00	15.00	22.80
August ,, ...	6	8¾-10½	8½	10	8½	4.72	4.07	4.53	15.00	15.00	22.80
September ,, ...	6	8¾-10½	8½	10	8½	4.79	4.34	3.98	15.00	15.00	22.80
October ,, ...	6	8¾-10½	8½	10	8½	4.66	3.78	4.54	15.00	15.00	22.80
November ,, ...	6	8¾-10½	8½	10	8½	3.48	3.03	3.92	15.00	15.00	22.80
December ,, ...	6	8¾-10½	8½	10	8½	4.79	4.62	4.60	15.00	15.00	22.80
January 1972	6	8¾-10½	8½	10	8½	7.49	6.86	7.96	15.00	15.00	22.80
February ,, ...	6	8¾-10½	8½	10	8½	7.50	6.28	7.36	15.00	15.00	22.80
March ,, ...	6	8¾-10½	8½	10	8½	8.13	5.79	8.85	15.00	15.00	22.80
April ,, ...	6	8¾-10½	8½	10	8½	5.00	3.34	6.10	15.00	15.00	22.80
May ,, ...	6	8¾-10½	8½	10	8½	4.16	3.56	4.42	15.00	15.00	22.80
June ,, ...	6	8¾-10½	8½	10	8½	3.90	3.68	4.14	15.00	15.00	22.80

Note : The Reserve Bank of India rate was changed from 4 to 4½ per cent on January 3, 1963, to 5 per cent on September 26, 1964, to 6 per cent on February 17, 1965, to 5 per cent from the close of business on March 2, 1968 and to 6 per cent with effect from the close of business on January 8, 1971. 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 8 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) 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*) 6 per cent with effect from May 15, 1960 and 6½ per cent with effect from October 1, 1960. (*b*) With effect from October 1, 1960. (*c*) With effect from January 1, 1966. (*d*) With effect from February 3, 1966. (*e*) 7½ per cent with effect from April 3, 1970 and 8½ per cent from January 8, 1971. (*f*) 9 per cent with effect from April 3, 1970, 10 per cent from January 8, 1971 and 12 per cent from February 25, 1971. (*g*) From January 8, 1971. (*h*) 9½ per cent upto May 5, 1971. (*i*) From July 1, 1971.

Source : State Bank of India and selected major scheduled commercial banks.

STATEMENT 38—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
1960-61	281,81	256,16	25,65	
1965-66	716,48	655,29	61,20	4,54
1969-70	1,290,71	1,188,25	102,46	6,77
1970-71	1,524,20	1,407,62	116,57	6,41
1971-72	1,847,25	1,712,65	134,60	3,72
March 1971	1,524,20	1,407,62	116,57	6,41
April ,, ...	1,570,12	1,449,55	120,57	6,70
May ,, ...	1,591,40	1,469,54	121,85	6,79
June ,, ...	1,640,26	1,516,56	123,70	6,89
July ,, ...	1,677,82	1,552,49	125,33	6,36
August ,, ...	1,701,19	1,575,32	125,87	6,36
September ,, ...	1,736,54	1,607,21	129,33	6,46
October ,, ...	1,748,70	1,618,53	130,17	6,49
November ,, ...	1,759,42	1,628,10	131,32	3,28
December ,, ...	1,816,25	1,681,70	134,55	3,35
January 1972	1,814,31	1,680,59	133,72	3,33
February ,, ...	1,823,65	1,690,05	133,60	3,41
March ,, ...	1,847,25	1,712,65	134,60	3,72

Note : Figure in column 4 above the line is based on the returns submitted in Form XII.

STATEMENT 39—CREDIT GUARANTEE SCHEME FOR SMALL-SCALE INDUSTRIES

(Amount in lakhs of rupees)

As at the end of March	Guarantees outstanding		Net amount of commission collected (Cumulative)	Advances under default £		Claims paid on account of invocation of guarantee (Cumulative)		Net surplus† accrued to Government (Cumulative)
	No.	Amount		No.	Amount	No.	Amount	
	1	2	3	4	5	6	7	8
1960-61	5,66	1,75	—	—	—	—	—	—
1965-66	128,16	49,70	24	54	18	66	9	18
1969-70	927,55*	618,71	1,37	4,07‡	1,23‡	1,54	20	1,23
1970-71	..	746,84	1,84	17,99	5,89	1,90	25	1,68
1971-72	..	863,87	2,63	40,82	13,52	2,58	36	2,37

£ As soon as a default occurs in an account, the credit institution is required to report it to the Guarantee Organisation and the guarantee may be invoked any time thereafter. Such accounts, therefore, are potential claims.

† Under the scheme, which is administered by the Reserve Bank as an agent of the Central Government, all receipts by way of guarantee fees, recoveries in claim paid accounts, etc. less all payments by way of claims are transmitted to Government as at the end of June and December each year. The net surplus with the Government represents the net amount transferred to Government. The entire administrative expenditure of Guarantee Organisation is borne by the Reserve Bank of India.

* Under the scheme, as modified from 1st February 1970, and in terms of the agreement between the bank/financial institution and the Guarantee Organisation, all eligible credit facilities to Small-scale units are deemed as covered and the issue of guarantee certificates in respect of individual credit facilities having been dispensed with, they are required to file quarterly returns in reporting such eligible credit facilities. The number of guarantees outstanding from March 1970 relates to number of entries reported in the quarterly statement.

‡ Estimated.

STATEMENT 40—ASSISTANCE SANCTIONED AND DISBURSED BY FINANCIAL INSTITUTIONS

(In crores of rupees)

Period/ Institution	Loans				Underwriting and direct subscriptions				Total Assistance	
	Rupee loans		Foreign currency loans (a)		Ordinary and preference shares		Debentures			
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
	1	2	3	4	5	6	7	8	9	10
Total for the Second Plan (b)	**105.2**	**70.1**	—	—	**15.8(c)**	**6.3(c)**			**121.0**	**76.4**
Total for the Third Plan	**351.1**	**226.5**	**71.9**	**43.1**	**85.0**	**51.5**	**51.2**	**41.3**	**559.1**	**362.4**
1966-67 Total	**109.3**	**91.5**	**12.1**	**21.5**	**18.4**	**18.0**	**12.3**	**9.6**	**152.0**	**140.8**
1967-68 Total	**71.0**	**90.1**	**7.0**	**14.2**	**17.9**	**16.1**	**12.6**	**15.7**	**108.6**	**136.1**
1968-69 Total	**90.4**	**69.2**	**29.3**	**11.1**	**14.1**	**10.7**	**26.6**	**20.7**	**160.3**	**111.6**
I.D.B.I.	46.1(d)	27.4(d)	—	—	1.1	0.4	1.5	0.5	48.6	28.2
I.F.C.I.	17.6	15.3(e)	2.0	2.4	1.4	0.6	1.7	1.1	22.7	19.5
I.C.I.C.I.	2.2	2.7	27.3	8.7	2.6	1.5	4.9	3.4	37.0	16.2
S.F.Cs.	19.3	17.9(e)	—	—	0.3	0.5	—	—	19.6	18.4
S.I.D.Cs.	1.9	2.0	—	—	2.5	1.5	@	@	4.4	3.5
Sub-total	**87.1**	**65.3**	**29.3**	**11.1**	**7.9**	**4.5**	**8.1**	**5.0**	**132.3**	**85.8**
U.T.I.	—	—	—	—	2.4	1.6	7.9	8.7	10.3	10.3
L.I.C.	3.3	3.9	—	—	3.8	4.6	10.6	7.0	17.7	15.5
Sub-total	**3.3**	**3.9**	—	—	**6.2**	**6.2**	**18.5**	**15.7**	**28.0**	**25.8**
1969-70 Total	**122.4**	**93.5**	**15.5**	**13.7**	**24.4**	**12.7**	**15.0**	**16.3**	**177.3**	**136.2**
I.D.B.I.	46.9(d)	43.3(d)	—	—	6.2	1.3	—	0.5	53.1	45.1
I.F.C.I.	15.4	14.5(e)	1.8	1.9	1.1	0.3	0.3	0.7	18.6	17.5
I.C.I.C.I.	4.2	4.3	13.7	11.8	2.7	1.4	2.2	2.3	22.8	19.8
S.F.Cs.	32.9	22.0(e)	—	—	0.5	0.3	—	—	33.4	22.3
S.I.D.Cs.	20.4	7.7(e)	—	—	5.5	4.0	—	—	25.9	11.6
Sub-total	**119.8**	**91.8**	**15.5**	**13.7**	**16.0**	**7.3**	**2.5**	**3.5**	**153.8**	**116.3**
U.T.I.	—	—	—	—	3.9	2.5	6.0	5.6	9.9	8.1
L.I.C.	2.6	1.7	—	—	4.5	2.9	6.5	7.2	13.6	11.8
Sub-total	**2.6**	**1.7**	—	—	**8.4**	**5.4**	**12.5**	**12.8**	**23.5**	**19.9**
1970-71 Total	**182.9**	**114.9**	**33.8**	**24.1**	**21.1**	**14.9**	**27.8**	**11.0**	**265.6**	**164.9**
I.D.B.I.	80.3(d)	51.1(d)	—	—	2.6	4.7	1.7	—	84.6	55.8
I.F.C.I.	25.3	13.9(e)	5.8	2.6	1.8	0.9	2.0	—	35.0	17.4
I.C.I.C.I.	9.6	4.6	28.0	21.5	2.7	1.8	2.7	1.3	43.0	29.2
S.F.Cs.	49.0	33.1(e)	—	—	0.6	0.4	—	—	49.6	33.5
S.I.D.Cs.	16.7	9.5(e)	—	—	3.8	3.0	@	@	20.4	12.5
Sub-total	**180.9**	**112.2**	**33.8**	**24.1**	**11.5**	**10.8**	**6.4**	**1.3**	**232.6**	**148.4**
U.T.I.†	—	—	—	—	6.2	1.4	9.0	7.0	15.2	8.4
L.I.C.	2.0	2.7	—	—	3.4	2.7	12.4	2.7	17.8	8.1
Sub-total	**2.0**	**2.7**	—	—	**9.6**	**4.1**	**21.4**	**9.7**	**33.0**	**16.5**

Note : Data for the Second Plan period do not cover the S.I.D.Cs.; in respect of Third Plan period and for 1966-67, only six S.I.D.Cs. are covered; for 1967-68 and 1968-69, ten S.I.D.Cs. are covered; for 1969-70 and 1970-71, sixteen S.I.D.Cs., the G.I.I.C. and the S.I.C.O.M. are covered.

(*a*) Data from 1966-67 are on post-devaluation basis. (*b*) Data for the Second Plan are not strictly comparable with those for the subsequent periods because (i) the figures for the Second Plan relate to the operations of R.C.I., I.F.C.I., I.C.I.C.I. and S.F.Cs., (ii) the figures for the Third Plan uniformly relate to the financial year (April-March), while those for the Second Plan relate to the different accounting periods followed by individual institutions and (iii) some of the S.I.D.Cs. and the U.T.I. were set up only in the Third Plan period. (*c*) Includes debentures. (*d*) 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. (*e*) Including disbursement on account of guarantees.

† Provisional. @ Negligible.

Source : The Life Insurance Corporation of India and Annual Reports of the Industrial Development Bank of India.

STATEMENT 41—CONSENTS FOR CAPITAL ISSUES

(Amount in lakhs of rupees)

Classification	Applications (a)		Consents											
	Total		Total		Initial (b)		Further							
							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														
1960	**290**	**151,96**	**277**	**150,13**	**85**	**50,22**	**126**	**44,06**	**18**	**19,66**	**29**	**35,42**	**19**	**77**
1965	**166**	**167,79**	**154**	**166,50**	**43**	**41,42**	**40**	**23,83**	**18**	**21,02**	**29**	**75,29**	**24**	**4,93**
1969	**314**	**83,73**	**301**	**82,07**	**3**	**10,41**	**26**	**19,70**	**2**	**9,11**	**4**	**1,73**	**266**	**41,12**
	(30)	(51,47)	(30)	(51,47)	(4)	(4,90)	(9)	(6,38)	(10)	(35,94)	(7)	(4,25)		
1970	**306**	**80,98**	**182**	**55,78**	**3**	**2,33**	**13**	**9,65**	**2**	**1,10**	**6**	**2,12**	**158**	**40,58**
	(42)	(40,40)	(42)	(40,40)	(10)	(14,42)	(17)	(14,09)	(9)	(7,45)	(6)	(4,44)		
1971	**237**	**176,32**	**159**	**151,60**	**2**	**7,41**	**18**	**32,14**	**7**	**16,95**	**14**	**53,91**	**118**	**41,19**
	(44)	(30,76)	(44)	(30,76)	(18)	(13,99)	(12)	(6,14)	(9)	(8,53)	(5)	(2,10)		
Industrial	203	119,81	139	96,86	1	5,00	14	28,25	7	16,95	13	7,11	104	39,55
	(40)	(28,05)	(40)	(28,05)	(18)	(13,99)	(11)	(5,34)	(8)	(7,28)	(3)	(1,44)		
Non-Industrial	34	56,51	20	54,74	1	2,41	4	3,89	—	—	1	46,80	14	1,64
	(4)	(2,71)	(4)	(2,71)	(—)	(—)	(1)	(80)	(1)	(1,25)	(2)	(66)		
Of which :														
(i) Agriculture and allied activities	7	3,26	5	3,23	1	2,41	2	77	—	—	—	—	2	5
	(2)	(66)	(2)	(66)	(—)	(—)	(—)	(—)	(—)	(—)	(2)	(66)		
(ii) Financial	10	49,80	6	49,56	—	—	1	2,50	—	—	1	46,80	4	26
	(1)	(30)	(1)	(30)	(—)	(—)	(1)	(30)	(—)	(—)	(—)	(—)		
(iii) Trade and Transport	13	1,46	6	1,20	—	—	—	—	—	—	—	—	6	1,20
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)		
(iv) Others	4	1,99	3	75	—	—	1	62	—	—	—	—	2	12
	(1)	(1,75)	(1)	(1,75)	(—)	(—)	(—)	(50)	(1)	(1,25)	(—)	(—)		
B. Government Companies														
1960	**37**	**140,50**	**37**	**139,50**	**12**	**49,74**	**14**	**74,41**	—	—	**11**	**14,72**	(d)	**63**
1965	**53**	**172,36**	**53**	**109,28**	**8**	**12,20**	**36**	**78,74**	**1**	**3,00**	**8**	**15,34**	—	—
1969	**4**	**10,00**	**4**	**10,00**	—	—	—	—	**4**	**10,00**	—	—	—	—
1970	**4**	**4,51**	**4**	**4,51**	—	—	**1**	**40**	**1**	**1,75**	—	—	**2**	**2,37**
1971	**10**	**42,12**	**10**	**42,12**	**3**	**17,00**	**3**	**4,53**	**4**	**20,41**	—	—	—	**18**
Industrial	3	5,07	3	5,07	—	—	3	4,53	—	36	—	—	—	18
Non-Industrial	7	37,05	7	37,05	3	17,00	—	—	4	20,05	—	—	—	—
Of which :														
(i) Agriculture and allied activities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Financial	6	32,05	6	32,05	2	12,00	—	—	4	20,05	—	—	—	—
(iii) Trade and Transport	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iv) Others	1	5,00	1	5,00	1	5,00	—	—	—	—	—	—	—	—

Note: (1) 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. (2) 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. (3) This statement excludes consents for creation of charge forming part of an amount already consented to. (4) Figures within brackets for the years 1969 (except for January 1969, which relate to "No Objections" category consequent on the enactment of the "Capital Issues (Exemption) Order, 1966"), 1970 and 1971 relate to "Acknowledgements of Proposals" consequent on the enactment of "Capital Issues (Exemption) Order, 1969". These figures are not included under consents. Data from 1967 onwards, therefore, are not strictly comparable with those for the earlier years.

(*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 42—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1968 (Further revised)					1969 (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 ..	11,53	20	44	2,59	14,76	11,29	—	51	4,31	16,11
Preference ..	42	—	11	1	54	95	—	—	4	99
Further (*b*)										
Ordinary ..	28,60	—	5,36	9,11	43,06	20,51	—	5,49	10,70	36,69
Preference ..	8,83	—	52	67	10,02	5,10	—	74	44	6,28
Debentures ..	28,05	—	—	—	28,05	32,60	—	—	—	32,60
	77,43	20	6,42	12,37	96,43	70,45	—	6,73	15,48	92,66
Bonus	22,84	5,20	—	—	28,04	20,80	6,89	—	—	27,69
Miscellaneous (loans, etc.) ..	6,26	—	—	—	6,26	9,66	—	—	—	9,66
Total ..	**106,53**	**5,41**	**6,42**	**12,37**	**130,73**	**100,91**	**6,89**	**6,73**	**15,48**	**130,01**
										B. Government
Initial (*a*)										
Ordinary ..	—	7	88	81,95	82,90	—	2	56	3,52	4,10
Preference ..	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary ..	21	—	14,68	74,82	89,71	1	—	12,90	164,15	177,05
Preference ..	—	—	—	—	—	—	—	—	—	—
Debentures ..	50	—	—	—	50	4,75	—	—	—	4,75
	71	7	15,55	156,78	173,11	4,76	2	13,46	167,67	185,91
Bonus	—	—	—	—	—	—	3,00	—	—	3,00
Miscellaneous (loans, etc.) ..	—	—	—	—	—	—	—	—	85	85
Total ..	**71**	**7**	**15,55**	**156,78**	**173,11**	**4,76**	**3,02**	**13,46**	**168,52**	**189,76**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1968, 1969, 1970 and 1971 respectively, against consents granted during that year as well as earlier years. For 1968 these figures include capital raised under "No objections" category consequent on the enactment of the "Capital Issue (Exemption) Order, 1966". From February 1969, cases of "No objections" have been replaced by "Acknowledgements of Proposals" consequent on the enactment of the "Capital Issues (Exemption) Order, 1969". On account of these, data from 1969 onwards are not strictly comparable with those for the earlier years. Data are consolidated

AND GOVERNMENT COMPANIES

(In lakhs of rupees)

1970 (Revised)					1971 (Preliminary)				
Capital paid-up during the year against consents		Capital raised under exemption order		Total capital raised (i.e. paid-up)	Capital paid-up during the year against consents		Capital raised under exemption order		Total capital raised (i.e. paid-up)
Public	Private	Public	Private		Public	Private	Public	Private	
11	12	13	14	15	16	17	18	19	20
Companies									
20,57	—	1,18	5,71	27,45	18,84	—	1,79	9,16	29,79
5,50	—	14	14	5,78	3,23	—	1	27	3,51
18,07	—	10,19	8,00	36,26	13,71	—	6,53	11,83	32,07
4,40	—	77	13	5,30	2,24	—	1,03	43	3,70
11,93	—	—	—	11,93	8,59	—	—	—	8,59
60,47	—	12,28	13,98	86,73	46,62	—	9,35	21,69	77,66
42,72	7,18	—	—	49,90	24,63	4,93	—	—	29,57
4,68	—	—	—	4,68	2,59	—	—	—	2,59
107,86	7,18	12,28	13,98	141,30	73,84	4,93	9,35	21,69	109,82
Companies									
—	—	1,23	13,84	15,07	4,50	2,50	81	4,95	12,76
—	—	—	—	—	—	—	—	—	—
24	—	32,74	125,90	158,88	2,25	—	6,23	52,88	61,36
6	—	18	—	25	—	—	—	—	—
5,22	—	—	—	5,22	19,78	—	—	—	19,78
5,53	—	34,16	139,74	179,42	26,53	2,50	7,04	57,83	93,91
—	—	—	—	—	55	2,00	—	—	2,55
—	—	—	16	16	—	—	—	—	—
5,53	—	34,16	139,90	179,58	27,08	4,50	7,04	57,83	96,45

by the Controller of Capital Issues based on the reports received from the Companies/Registrars of Companies upto March 31, 1972. 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.

(*a*) Issues of new companies. (*b*) Issues of existing companies.

Source : Office of the Controller of Capital Issues.

STATEMENT 43—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	Bonds and Debentures	Borrowings		Other liabilities	Total liabilities or assets
				From Reserve Bank of India	From Government of India		
	1	2	3	4	5	6	7
1966	10,00	2,09(*a*)	—	3,84	92,90	61	**109,44**
1970	20,00	14,58(*b*)	—	26,27	176,79	5,79	**243,43**
1971	30,00	18,23(*b*)	—	55,04	173,09	7,49	**283,85**
1972	40,00	21,38(*b*)	12,65	92,82	166,51	11,67	**345,03**

As at the end of June	ASSETS					
	Investments in		Loans and advances to		Bills of exchange and promissory notes discounted or rediscounted	Other assets*
	Government securities	Others	Scheduled commercial banks, State co-operative banks and other financial institutions	Industrial concerns		
	8	9	10	11	12	13
1966	7,72	13,57	63,93	19,89	2,31	2,02
1970	15,24	36,61	63,77	80,69	42,86	4,26
1971	8,65	44,09	78,32	89,67	58,80	4,32
1972	13,60	49,26	85,27	98,70	85,59	12,61

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. 216 lakhs for 1969-70, Rs. 314 lakhs for 1970-71 and Rs. 401 lakhs for 1971-72.

* Inclusive of cash on hand/in transit and balances with banks.

Source : Annual Reports of the Industrial Development Bank of India.

STATEMENT 44—INDUSTRIAL DEVELOPMENT BANK OF INDIA—AMOUNT SANCTIONED AND CASH DISBURSED

(In lakhs of rupees)

Year ended June	Assistance Sanctioned (effective*)						Guarantee (including guarantee facilities for exports)	Total Cash disbursals
	Direct loans (including loans for exports)	Refinance (including export credit)	Rediscounting of bills	Underwriting of and direct subscription to shares and debentures of industrial units	Subscription to shares and debentures of Financial Institutions†	Total (1 to 5)		
	1	2	3	4	5	6	7	8
1965-66	32,42	20,13	2,25	6,01	1,67	**62,48**	10,65	**51,10**
1969-70	16,49	15,03	24,07	6,13	50	**62,22**	8	**52,31**
1970-71	52,02	38,26	28,48	3,97	8,60	**131,33**	3,70	**79,80**
1971-72@	70,63	33,84	45,29	14,60	3,72	**168,08**	11	**94,49**

* Gross sanctions *minus* subsequent reductions/cancellations of sanctions.

† Excluding purchase of shares of Industrial Finance Corporation of India (IFCI) and Industrial Reconstruction Corporation of India Ltd. (IRCI) but including contribution to the debentures of Industrial Credit and Investment Corporation of India Ltd. (ICICI).

@ Provisional.

Source : Industrial Development Bank of India.

STATEMENT 45 — STATE FINANCIAL CORPORATIONS—LIABILITIES AND ASSETS

(In lakhs of rupees)

As on last Friday of March	Number of Corporations (a)	LIABILITIES: Capital and Reserves: Paid-up capital	Reserve fund	Provision for bad and doubtful debts and other reserves	Bonds and debentures	Fixed deposits (b)	Borrowings from: RBI	IDBI	State Govts.	Others	Other liabilities
	1	2	3	4	5	6	7	8	9	10	11
1961	15	15,23	11	9	7,17	3,54	13		1,00		2,53
1966	15	16,35	22	1,02	32,70	12,03	1,33		11,85		14,62
1970	18	20,21	47	3,75	59,97	13,34	2,57	22,38	3,01	47	14,82
1971	18	20,96	65	4,60	72,06	13,30	2,39	31,56	2,08	11	15,39
1972	18	23,16	73	6,14	82,04	13,10	4,68	42,96	3,28	49	19,90

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	Guarantees and underwritings	Other assets
	12	13	14	15	16	17	18	19
1961	29,80	4,56	4,60	1,19	17,12	14	2,19	
1966	90,12	4,36	3,76	7,49	58,95	34	15,22	
1970	140,99	8,49	2,30	9,50	104,04	50	7,24	8,92
1971	163,10	6,26	2,16	9,65	127,82	67	6,08	10,46
1972	196,48	9,06	1,69	10,12	154,71	65	7,05	13,20

Note : (*a*) Including the Tamilnadu Industrial Investment Corporation Ltd. (*b*) Including cash certificates from 1960-61 onwards and call deposits from 1960-61 to July 1968 of one Corporation.

STATEMENT 46—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

Corporation	Capital as at the end of March 1972	Outstandings of bonds issued as at the end of March 1972	Total assets as at the end of March 1972	Loans sanctioned (*a*) during					Loans disbursed during					Loans outstanding as at the end of March				
				1960-61	1965-66	1969-70	1970-71	1971-72	1960-61	1965-66	1969-70	1970-71	1971-72	1961	1966	1970	1971	1972
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Andhra Pradesh ..	1,50	5,10	13,82	56	2,21	2,13	3,58	4,01	27	1,55	1,02	2,29	2,68	82	4,24	7,79	9,48	11,36
2. Assam	1,00	2,32	5,11	68	46	28	16	45	56	34	35	21	26	1,54	3,67	4,29	4,46	4,57
3. Bihar	1,00	2,43	5,62	51	31	55	1,12	2,81	36	24	42	75	1,39	1,49	2,33	3,36	4,06	5,02
4. Delhi (*b*)	50	1,99	4,96			1,30	2,35	2,48			80	1,51	1,72			2,03	3,29	4,75
5. Gujarat	2,00	6,57	18,28	38	1,28	5,95	8,51	10,70	19	1,02	3,45	5,51	5,54	19	2,54	8,02	12,06	15,69
6. Haryana (*b*)	1,00	3,02	8,78			1,41	2,38	4,37			1,13	1,10	2,02			6,02	6,47	7,98
7. Himachal Pradesh (*b*)	61	28	1,28			31	60	82			8	54	60			28	78	1,27
8. Jammu & Kashmir ..	77	1,10	2,93	4	37	88	1,58	1,16	2	25	74	1,29	1,04	2	44	1,52	2,17	2,53
9. Kerala	1,00	4,85	8,94	42	1,28	1,15	2,09	4,06	23	45	1,16	1,31	1,69	1,38	1,95	4,89	6,01	7,65
10. Madhya Pradesh ..	1,00	5,61	8,37	37	1,97	95	1,07	1,31	7	1,41	79	77	84	44	3,39	6,08	6,51	7,03
11. Maharashtra	2,19	17,61	29,82	1,76	2,36	8,22	12,11	10,63	83	2,46	4,40	8,21	6,51	1,99	9,08	16,25	22,42	26,16
12. Mysore	1,50	5,81	13,98	44	1,49	1,64	3,37	5,05	21	79	1,36	1,99	3,21	34	2,82	6,30	8,21	10,88
13. Orissa	1,00	2,40	4,79	58	32	50	79	91	20	47	45	30	64	18	1,88	2,89	3,03	3,39
14. Punjab	75	2,57	5,70	1,28	2,41	1,14	1,26	3,75	57	1,63	77	1,02	1,77	1,71	6,30	3,59	3,84	5,34
15. Rajasthan	1,00	2,85	7,09	27	1,23	1,84	2,47	2,82	10	62	1,12	1,19	1,60	54	2,52	4,57	5,13	6,16
16. Tamilnadu	3,00	10,27	29,20	1,12	4,70	2,58	3,68	3,10	71	2,88	1,37	3,32	2,56	3,89	9,96	13,74	16,12	17,64
17. Uttar Pradesh ..	1,85	3,20	11,26	78	75	4,17	4,62	10,07	35	82	1,59	2,18	4,10	1,03	2,68	4,86	6,53	9,94
18. West Bengal	1,50	4,04	8,54	30	1,96	92	1,47	1,04	21	1,15	65	64	67	1,56	5,76	6,77	7,10	7,15
TOTAL	**23,17**	**82,02**	**188,47**	**9,49**	**23,10**	**35,92**	**53,21**	**69,54**	**4,88**	**16,08**	**21,65**	**34,13**	**38,84**	**17,12**	**59,56**	**103,25**	**127,67**	**154,51**

(*a*) Include in respect of some corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the Corporation.
(*b*) Include from 1968 onwards outstandings in respect of earlier loans disbursed by the erstwhile Punjab Financial Corporation and allocated to these Corporations.

Source : State Financial Corporations.

STATEMENT 47—LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(In lakhs of rupees)

Item	As on last Friday of March				
	1961	1966	1970	1971	1972
	1	2	3	4	5
1. Capital issued and paid-up	5,00	8,35	8,35	8,35	8,35
2. **Reserve Fund**					
(i) Special reserve fund under Section 32(A) of the I.F.C. Act	36	70	1,00	1,00	1,00
(ii) Other reserves	70	4,52	9,05	10,46	11,71
3. Reserve for doubtful debts	15	14	89	1,19	1,54
4. Provision for taxation	50	1,17	5,99	2,41	2,43
5. Bonds and debentures	22,24	33,48	52,74	57,69	61,25
6. Borrowings from the Reserve Bank of India (*a*)	51	82	—	1,66	36
7. Borrowings from Government (*b*)	15,25	50,94	80,99	79,04	75,67
8. Borrowings in foreign currency	—	7,65	20,72	21,12	22,03
9. Guarantees and underwriting agreements per contra	4,77	23,66	25,06	21,91	16,90
10. Other liabilities	1,60	3,92	9,81	10,40	11,35
11. Total liabilities or assets	**51,09**	**135,36**	**214,59**	**215,23**	**212,59**
12. Cash in hand and with banks	3,00	2,05	9,70	12,54	7,15
13. **Investments in :**					
(i) Government securities	—	—	3,31	2,01	—
(ii) Shares/Stocks (*c*)	95	8,01	10,83	11,80	11,80
(iii) Bonds/Debentures (*d*)	—	3,96	6,69	6,11	6,05
(iv) Others (*e*)	—	21	21	21	21
14. Loans and advances	40,74	95,43	149,70	155,71	161,75
15. Guarantees and underwriting agreements per contra	4,77	23,66	25,06	21,91	16,90
16. Other assets	1,62	2,05	9,10	4,94	8,73

(*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 Sections 23(1) (*f*) and 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 48—INDUSTRIAL FINANCE CORPORATION OF INDIA

INDUSTRY-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

(In lakhs of rupees)

Industry	Year ended June							
	1961		1966		1970		1971	
	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total
	1	2	3	4	5	6	7	8
Sugar	4,80@	22.6	2,88	6.6	4,65	24.0	8,29	23.5
Cotton Textiles	2,17	10.2	2,65	6.1	3,35	17.3	2,73	7.7
Synthetic Fibres	—	—	2,00	4.6	1,69	8.7	5,32	15.1
Jute Textiles	—	—	—	—	1,50	7.8	—	—
Wood and Cork	81	3.8	—	—	—	—	10	0.3
Paper	3,50	16.5	3,39	7.8	54	2.8	70	2.0
Rubber Products	1,72	8.1	—	—	77	4.0	—	—
Basic Industrial Chemicals†	24	1.1	2,60	6.0	1,05	5.4	62	1.8
Miscellaneous Chemicals	1,26	5.9	3,79	8.7	44	2.2	70	2.0
Vegetable and Animal Oils and Fats	4	0.2	7	0.2	—	—	32	0.9
Glass	97	4.6	14	0.3	58	3.0	—	—
Pottery	1,45	6.8	—	—	30	1.6	—	—
Cement	50	2.4	3,78	8.7	50	2.6	50	1.4
Iron and Steel	—	—	5,26	12.1	—	—	4,79	13.6
Non-ferrous Metals	1,30	6.1	40	0.9	1,73	8.9	1,70	4.8
Metal Products	60	2.8	8,31	19.1	88	4.5	2,44	6.9
Machinery	70	3.3	4,95	11.4	22	1.1	95	2.7
Electrical Machinery and Equipments	55	2.6	1,72	4.0	59	3.0	2,99	8.5
Motor Vehicles and Ancillaries	—	—	1,09	2.5	54	2.8	2,40	6.8
Bicycles	—	—	—	—	—	—	5	0.1
Electricity, Gas and Steam‡	—	—	10	0.2	—	—	9	0.2
Others	61	2.9	37	0.8	6	0.3	63	1.7
Total	**21,21**	**100.0**	**43,53**	**100.0**	**19,38**	**100.0**	**35,32**	**100.0**

Note : Data for the year ended June 1961 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 49—INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIABILITIES AND ASSETS

(In lakhs of rupees)

Item	As at the end of				
	1960-61	1965-66	1969-70	1970-71	1971-72
	1	2	3	4	5
1. Paid-up capital	5,00	7,50	7,50	7,50	10,00
2. Reserve fund	76	2,72	5,57	7,34	8,56
3. Reserve for doubtful debts	—	—	60	90	1,20
4. **Total borrowings**	11,68	62,63	115,79	127,92	137,67
(i) Debentures	—	—	11,00	11,00	11,00
(ii) From Government of India	7,50	32,50	31,80	30,58	28,45
(iii) From I.D.B.I.	—	—	12,30	14,10	15,90
(iv) In foreign currency	4,18	30,13	60,69	72,24	82,32
5. Provision for taxation	38	1,33	2,19	2,28	3,74
6. Other liabilities	60	1,77	3,58	3,21	3,71
7. **Total liabilities* or assets**	18,42	75,95	135,23	149,15	
8. *Contingent liabilities on account of :*					
(i) Shares and debentures partly paid held as investment	61	70	62	37	54
(ii) Guarantees and underwriting	45	2,42	4,63	5,09	4,58
9. Cash in hand	4,47	7,35	8,56	8,68	8,27
10. **Investments @ in :**					
(i) Government securities	55	1,24	50	50	57
(ii) Bonds and debentures	2,38	5,05	13,51	13,50	13,05
(iii) Shares and stocks	3,97	10,22	14,60	15,90	17,14
(iv) Unit Trust of India and I.R.C.I. £	—	13	13	13	25
11. **Loans and advances :**					
(i) Rupee loans	2,19	17,65	25,08	25,07	28,54
(ii) Foreign currency loans	4,18	31,45	65,65	77,73	88,05
12. Other assets	68	2,86	7,20	7,64	9,01

* Excludes contingent liabilities. @ Includes temporary investment and amount subscribed as a result of under-writing operations. £ Includes temporary investment of Rs. 6 lakhs in Industrial Reconstruction Corporation of India Ltd. from April 1971.

Source : Industrial Credit and Investment Corporation of India.

STATEMENT 50—UNIT TRUST OF INDIA

(Amount in lakhs of rupees)

Year ended June	Units sold		Units repurchased		Units outstanding†	
	Number of applications	Amount	Number of applications	Amount	Number of Unit-holders	Amount
	1	2	3	4	5	6
1964-65	1,34,724	19,14	3,130	41	1,31,594	18,73
1965-66	10,024	2,15	6,997	1,09	1,34,621	19,80
1966-67	41,570	9,24	6,563	1,99	1,69,628	27,05
1967-68	57,159	15,34	7,828	1,22	2,18,959	41,16
1968-69	58,439	17,16	8,217	1,67	2,69,181	56,65
1969-70	74,471	22,83	9,480	2,04	3,34,172	77,45
1970-71	61,741	17,99	12,698	3,19	3,83,215	92,25
1971-72	61,405	15,08	10,093	2,60	4,34,527	104,73
TOTAL	4,99,533	118,94	65,006	14,21	4,34,527	104,73

Note : (1) Amounts set out in this statement relate to the face-value of units *viz.*, Rs. 10/- per unit.

(2) Figures include units sold under (*i*) Reinvestment Plan, 1966, (*ii*) Voluntary Savings Plan, 1969 and (*iii*) Children's Gift Plan, 1970.

Total may not add up due to rounding.

† End of the period.

STATEMENT 51—AGRICULTURAL REFINANCE CORPORATION

(Amount in lakhs of rupees)

Year ended June	Number of Schemes sanctioned	Total financial assistance sanctioned	Corporation's commitment in respect of (2)	State Governments'/Banks' commitment in respect of (2)	Loans drawn from/debentures subscribed to by the Corporation
	1	2	3	4	5
1965-66	36	27,84	22,93	4,91	4,90
1969-70	371	259,51	214,89	44,62	59,09
1970-71	458	293,00	248,66	44,34	89,71
1971-72	711	404,75	350,79	53,96	124,69

Note : (1) Data relate to the position as at the end of each year on a cumulative basis suitably adjusted on account of schemes withdrawn or rephased subsequently.

(2) The amount of loans drawn from/debentures subscribed to by the Corporation (Col. 5) cannot be related to the Corporation's commitment (Col. 3) as the schemes are phased out over a period of years and the Corporation's commitment during any particular year would form only a part of its total commitment under the schemes sanctioned by it.

Source : Agricultural Refinance Corporation.

STATEMENT 52—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES 1971-72

(In rupees)

Loans	As on				Average (*a*) for					1971-72		Difference of March 1972 over March 1971
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1971	June 1971	Sept. 1971	Dec. 1971	March 1972	Highest	Lowest	
	1	2	3	4	5	6	7	8	9	10	11	12
Terminable												
Under 5 years												
4 % 1972	98.75	98.80	99.15	100.00	99.90	99.87	99.95	99.95	99.75	99.95	99.75	—0.15
4½% 1972 (National Defence Bonds)	100.10	100.05	100.15	100.45	100.30	100.25	100.25	100.25	100.35	100.35	100.25	+0.05
4½% 1972			100.55	100.90	100.63	100.50	100.50	100.35	100.35	100.65	100.35	—0.28
4¾% 1972 (National Defence Loan)			101.75	101.45	101.22	100.90	100.90	100.70	100.79	101.15	100.70	—0.52
4 % 1973	98.70	98.80	99.00	99.85	99.65	99.61	99.65	99.65	99.65	99.65	99.50	—
4½% 1973	99.95	100.05	100.10	100.30	100.10	100.09	100.05	100.05	100.05	100.10	99.55	—0.05
3¾% 1974	96.60	96.60	94.35	98.45	98.25	98.24	98.20	98.21	98.20	98.25	98.10	—0.05
4½% 1975				99.70	99.40	99.40	99.40	99.39	99.35	99.40	99.35	—0.05
2¾% 1976	83.25	83.25	81.75	91.50	90.85	90.85	91.15	92.00	92.00	92.00	90.85	+1.15
4½% 1976				99.40	98.80	98.80	98.80	98.80	98.80	98.80	98.80	—
Between 5 and 10 years												
4½% 1977				100.20	99.01	99.05	99.00	99.05	99.05	99.05	99.00	+0.04
7 % 1977 (Gold Bonds) (*b*)	118.10	117.00	115.25	115.25	113.30	113.30	113.07	112.36	114.54	115.50	112.30	+1.24
4¾% 1978(*c*)							100.00	100.00	100.00	100.00	100.00	
4 % 1979	98.00	96.50	93.25	96.10	94.15	94.14	94.65	94.65	94.65	94.65	94.10	+0.50
4½% 1979 (Banks Acquisition and Transfer Compensation Bonds) (*d*)								97.25	97.39	97.50	97.00	
4 % 1980	98.05	96.50	93.00	95.55	92.90	92.85	93.25	93.25	93.25	93.25	92.85	+0.35
7 % 1980 (Gold Bonds)			116.00	118.40	115.35	115.35	115.08	114.35	115.66	117.00	114.35	+0.31
4 % 1981	98.35	97.25	92.20	94.95	92.30	92.17	92.15	92.30	92.45	92.45	92.15	+0.15
5 % 1981 (National Defence Loan) (*e*)								100.00	100.00	100.00	100.00	
Between 10 and 15 years												
5 % 1982			101.00	102.25	98.70	99.00	99.35	99.35	99.50	99.55	98.70	+0.80
4½% 1985	100.15	100.10	96.60	95.85	92.95	92.95	92.95	92.95	92.95	92.95	92.95	—
4½% 1986	100.25	100.00	96.60	95.15	92.50	92.50	92.50	92.50	92.50	92.50	92.50	—
5½% 1986(*c*)							100.10	100.10	100.10	100.10	100.00	
5¼% 1986 (National Defence Loan) (*e*)								100.00	100.00	100.00	100.00	
Over 15 years												
4¾% 1989	100.00	100.00	97.50	97.00	93.10	93.10	93.10	93.10	92.99	93.10	92.90	—0.11
5½% 1990			101.55	103.50	101.14	101.20	101.20	101.20	101.20	101.20	101.15	+0.06
5½% 1991			101.15	102.40	101.60	101.00	101.00	101.00	101.00	101.00	100.70	—0.60
5½% 1992			101.00	101.50	100.60	100.60	100.65	100.60	100.56	100.65	100.45	—0.04
5½% 1995				101.00	99.33	99.35	99.35	99.35	99.35	99.35	99.10	+0.02
5½% 1999				100.45	98.32	98.21	98.20	98.20	98.15	98.35	97.50	—0.17
5½% 1999 (Banks Acquisition and Transfer Compensation Bonds) (*f*)						97.36	96.70	96.51	96.61	97.45	95.80	
5½% 2000				100.05	97.60	97.60	97.60	97.60	97.60	97.60	97.60	—
5¾% 2001 (*c*)							100.14	100.15	100.15	100.15	100.00	
5¾% 2001 (National Defence Loan) (*e*)								100.00	100.10	100.15	100.00	
Non-terminable												
3 % 1986 or later	63.50	62.00	57.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	59.95	—
3 % 1896-97	62.50	62.50	53.20	59.50	59.50	59.50	59.50	59.50	59.50	59.50	59.50	—

Note : The maturity classification is as of March 31, 1972. (*a*) Average of closing quotations for working days. (*b*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*c*) Quoted from July 2, 1971. (*d*) Quoted from November 12, 1971. (*e*) Quoted from December 20, 1971. (*f*) Quoted from June 3, 1971.

Source : Bombay Stock Exchange.

STATEMENT 53—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on				Average for					Annual average		Difference of March 1972 over March 1971
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1971	June 1971	Sept. 1971	Dec. 1971	March 1972	1971-72	1970-71	
	1	2	3	4	5	6	7	8	9	10	11	12
Terminable												
Under 5 years												
4 % 1972	4.19	4.19	4.21	4.00	4.08	4.12	4.05	4.08	4.66	4.10	4.08	+0.58
4½% 1972*	4.24	4.24	4.21	3.99	4.06	4.06	4.02	3.96	3.69	3.98	4.05	—0.37
4½% 1972			4.36	3.89	4.01	4.02	3.88	3.88	3.39	3.89	3.98	—0.62
4¾% 1972†			4.33	3.90	3.95	4.06	3.91	3.92	3.58	3.93	3.85	—0.37
4 % 1973	4.18	4.18	4.22	4.07	4.17	4.21	4.22	4.26	4.31	4.24	4.08	+0.14
4½% 1973	4.26	4.24	4.23	4.12	4.20	4.20	4.22	4.21	4.21	4.21	4.06	+0.01
3½% 1974	4.18	4.19	4.79	4.23	4.32	4.36	4.43	4.49	4.57	4.44	4.26	+0.25
4½% 1975				4.32	4.40	4.41	4.42	4.43	4.46	4.42	4.28	+0.06
2½% 1976	4.58	4.64	5.45	4.46	4.65	4.74	4.76	4.64	4.74	4.70	4.42	+0.09
4½% 1976				4.37	4.50	4.52	4.53	4.54	4.56	4.53	4.32	+0.06
Between 5 and 10 years												
4½% 1977				4.46	4.68	4.67	4.69	4.69	4.69	4.68	4.59	+0.01
7 % 1977 (Gold Bonds)(*a*)	4.68	4.76	5.02	4.39	4.65	4.58	4.54	4.59	4.09	4.53	4.47	—0.56
4½% 1978(*b*)							4.75	4.75	4.75	4.75		
4 % 1979	4.18	4.33	4.78	4.56	4.86	4.89	4.84	4.86	4.88	4.86	4.52	+0.02
4½% 1979(*c*)‡								4.94	4.93	4.94		
4 % 1980	4.17	4.31	4.76	4.58	4.96	4.99	4.95	4.98	5.00	4.97	4.55	+0.04
7 % 1980 (Gold Bonds)			5.23	4.52	4.87	4.82	4.81	4.86	4.63	4.81	4.75	—0.24
4 % 1981	4.14	4.23	4.79	4.61	4.96	5.00	5.02	5.02	5.02	5.00	4.56	+0.06
5 % 1981(*d*)†								5.00	5.00	5.00		
Between 10 and 15 years												
5 % 1982			4.90	4.74	5.15	5.12	5.08	5.08	5.06	5.09	4.84	—0.09
4½% 1985	4.49	4.49	4.79	4.90	5.20	5.21	5.22	5.23	5.24	5.22	4.76	+0.04
4½% 1986	4.48	4.50	4.78	4.95	5.22	5.23	5.24	5.25	5.26	5.24	4.77	+0.04
5½% 1986(*b*)							5.24	5.24	5.24	5.24		
5½% 1986(*d*)†								5.25	5.25	5.25		
Over 15 years												
4½% 1989	4.75	4.75	4.94	5.00	5.35	5.35	5.36	5.37	5.38	5.36	4.98	+0.03
5½% 1990			5.38	5.21	5.40	5.40	5.40	5.40	5.40	5.40	5.25	—
5½% 1991			5.41	5.31	5.37	5.42	5.42	5.42	5.42	5.42	5.31	+0.05
5½% 1992			5.43	5.38	5.45	5.45	5.45	5.45	5.45	5.45	5.40	—
5½% 1995				5.42	5.55	5.55	5.55	5.55	5.55	5.55	5.45	—
5½% 1999				5.47	5.62	5.63	5.63	5.63	5.63	5.63	5.50	+0.01
5½% 1999(*e*)‡						5.69	5.74	5.75	5.75	5.74		
5½% 2000				5.50	5.67	5.67	5.67	5.67	5.67	5.67	5.53	—
5¾% 2001(*b*)							5.74	5.74	5.74	5.74		
5¾% 2001(*d*)†								5.75	5.74	5.74		
Non-terminable												
3 % 1986 or later (*f*)	4.72	4.84	5.26	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	—
3 % 1896-97(*f*)	4.80	4.80	5.64	5.04	5.04	5.04	5.04	5.04	5.04	5.04	5.04	—

Note : The maturity classification is as of March 31, 1972. Yields are gross *i.e.*, not allowing for income-tax and are based on prices quoted at Bombay.

(*a*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*b*) Quoted from July 2, 1971. (*c*) Quoted from November 12, 1971. (*d*) Quoted from December 20, 1971. (*e*) Quoted from June 3, 1971. (*f*) Flat yield.

* National Defence Bonds. † National Defence Loan.

‡ Banks Acquisition and Transfer Compensation Bonds.

STATEMENT 54—ALL-INDIA AND REGIONAL INDICES OF SECURITY PRICES

(Base : 1961-62 = 100)

Last Week ended Saturday		Government and semi-Government securities				Debentures			
		All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras
		1	2	3	4	5	6	7	8
1965-66	.. ..	93.6	93.6	93.6	93.4	93.1	94.5	91.3	98.5
1969-70	.. ..	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1
1970-71	.. ..	97.8	97.6	97.7	97.5	93.2	93.0	92.6	97.7
1971-72	.. ..	97.6	97.6	97.4	96.9	92.6	91.9	92.6	98.8
March	1971 ..	97.8	97.6	97.7	97.5	93.2	93.0	92.6	97.7
April	„ ..	97.8	97.6	97.6	97.5	93.1	93.0	92.6	97.7
May	„ ..	97.6	97.6	97.6	97.0	92.7	92.3	92.6	97.7
June	„ ..	97.6	97.6	97.4	97.0	92.6	92.3	92.4	97.7
July	„ ..	97.6	97.6	97.5	97.0	92.6	92.3	92.5	98.0
August	„ ..	97.6	97.6	97.5	96.9	92.6	92.1	92.5	98.8
September	„ ..	97.6	97.7	97.5	96.9	92.7	92.3	92.5	98.8
October	„ ..	97.6	97.6	97.6	96.9	92.8	92.5	92.5	98.8
November	„ ..	97.6	97.6	97.6	96.9	92.8	92.5	92.5	98.8
December	„ ..	97.6	97.7	97.5	*	92.7	92.3	92.5	*
January	1972 ..	97.6	97.6	97.5	96.9	92.7	92.3	92.5	98.8
February	„ ..	97.6	97.7	97.4	96.9	92.8	92.3	92.6	98.8
March	„ ..	97.6	97.6	97.4	96.9	92.6	91.9	92.6	98.8
April	„ ..	97.6	97.7	97.5	96.9	92.6	91.9	92.6	98.8
May	„ ..	97.6	97.6	97.5	96.9	92.6	91.9	92.6	98.8
June	„ ..	97.6	†	97.4	96.9	92.5	†	92.6	98.8

Last Week ended Saturday		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
1965-66		90.9	91.1	93.6	84.1	84.7	75.9	80.6	73.5	75.1	68.6	86.0
1969-70		88.1	92.7	83.3	76.6	94.3	95.8	109.0	90.5	85.3	82.1	115.9
1970-71		85.9	90.5	80.6	79.4	88.4	100.1	112.9	95.3	87.6	80.4	112.5
1971-72		82.4	82.0	81.6	79.3	83.4	96.0	104.0	96.5	84.3	71.9	102.1
March	1971	85.9	90.5	80.6	79.4	88.4	100.1	112.9	95.3	87.6	80.4	112.5
April	„	85.3	88.9	81.1	79.7	88.4	101.3	114.6	96.8	88.5	80.0	115.5
May	„	84.6	87.3	80.6	80.0	88.4	99.4	109.7	96.5	88.6	77.9	113.7
June	„	84.6	87.8	80.3	80.1	87.4	97.5	107.3	95.4	88.6	74.8	110.2
July	„	83.2	86.0	79.4	80.0	83.3	94.0	102.4	92.1	85.8	70.9	110.8
August	„	83.5	86.0	80.2	80.3	82.6	93.0	100.9	91.8	85.3	70.5	109.6
September	„	83.0	85.3	80.1	79.9	81.7	93.5	102.3	91.9	85.2	70.2	106.3
October	„	82.3	85.0	79.0	79.3	81.3	90.3	98.3	88.9	83.5	68.2	103.0
November	„	82.2	84.5	78.7	79.6	81.6	88.3	96.4	86.3	82.4	67.4	100.3
December	„	82.0	83.6	78.7	*	83.8	91.5	100.7	90.2	*	68.7	102.4
January	1972	82.6	83.7	80.5	79.3	82.9	95.4	103.9	95.9	83.8	70.4	106.0
February	„	82.2	82.2	80.9	79.4	83.4	94.3	102.9	94.2	83.9	69.0	105.0
March	„	82.4	82.0	81.6	79.3	83.4	96.0	104.0	96.5	84.3	71.9	102.1
April	„	82.3	81.9	81.4	79.6	83.4	99.7	107.8	101.8	85.2	74.0	105.7
May	„	82.8	82.5	81.5	79.5	84.4	97.6	104.7	99.2	85.2	72.7	107.2
June	„	82.5	†	81.3	79.7	81.8	95.6	†	95.5	84.2	71.7	104.3

Note : Consequent upon the nationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial' group under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group 'Others' of the group 'Other Industries' with effect from March 1970.

* Market closed during the week. † No transactions.

STATEMENT 55—INDEX NUMBERS OF

(Base: 1961-62 =

Average of weeks ended Saturday	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
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
1969-70	99.0	93.5	87.6	92.6* / 94.5†	98.9	99.9	99.9	99.3	93.7	97.1	93.5	96.7
1970-71	99.0	93.5	87.5	101.9	98.6	100.5	101.0	99.3	93.7	97.6	93.5	97.0
1971-72	97.6	92.7	83.3	94.5	97.0	100.3	101.0	99.3	93.7	97.6	92.1	98.6
March 1971 ..	97.8	93.1	85.9	100.0	97.2	100.4	100.7	99.3	93.7	97.6	93.5	98.6
April ,, ..	97.8	93.1	85.5	100.6	97.2	100.3	100.6	99.3	93.7	97.6	93.1	98.6
May ,, ..	97.6	92.9	85.0	100.2	97.0	100.3	101.0	99.3	93.7	97.6	92.0	98.6
June ,, ..	97.6	92.7	84.6	98.5	96.9	100.3	101.2	99.3	93.7	97.6	91.9	98.6
July ,, ..	97.6	92.6	83.6	95.3	96.9	100.3	101.5	99.3	93.7	97.6	91.9	98.6
August ,, ..	97.6	92.6	83.3	92.3	96.9	100.3	101.0	99.3	93.7	97.6	91.7	98.6
September ,, ..	97.6	92.7	83.1	93.1	97.0	100.3	100.9	99.3	93.7	97.6	92.0	98.6
October ,, ..	97.6	92.8	82.6	91.6	97.0	100.3	100.5	99.3	93.7	97.6	92.0	98.6
November ,, ..	97.6	92.8	82.1	88.9	97.0	100.3	100.4	99.3	93.7	97.6	92.2	98.6
December ,, ..	97.6	92.7	82.0	89.2	96.9	100.3	100.9	99.3	93.7	97.6	92.2	98.6
January 1972 ..	97.6	92.7	82.4	94.4	96.9	100.3	101.1	99.3	93.7	97.6	92.2	98.6
February ,, ..	97.6	92.7	82.4	94.6	96.9	100.3	101.3	99.3	93.7	97.6	92.1	98.6
March ,, ..	97.6	92.6	82.4	94.6	96.9	100.3	101.3	99.3	93.7	97.9	92.1	98.6
April ,, ..	97.6	92.6	82.6	97.8	96.9	100.3	101.2	99.3	93.7	98.4	92.1	98.6
May ,, ..	97.6	92.6	82.7	98.4	96.9	100.3	101.6	99.3	93.7	98.4	92.1	98.6
June ,, ..	97.6	92.5	82.7	96.2	96.9	100.4	101.3	99.3	93.7	98.4	92.0	98.6
Percentage variation of March 1972 over March 1971 ..	*—0.2*	*—0.5*	*—4.1*	*—5.4*	*—0.3*	*—0.1*	*+0.6*	—	—	*+0.3*	*—1.5*	—

Average of weeks ended Saturday	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	Non-ferrous metals (Basic)
	31	32	33	34	35	36	37	38	39	40	41	42
1965-66	79.5	107.5	111.1	71.4	49.6	97.9	80.0	69.8	70.6	62.6	95.9	75.8
1969-70	72.2	130.6	150.9	61.2	56.8	169.4	95.9	66.3	53.0	107.7	117.2	120.9
1970-71	69.8	132.9	155.3	55.0	60.3	216.2	81.6	72.4	43.0	121.0	111.8	132.1
1971-72	69.6	127.9	134.0	49.3	55.1	225.5	70.8	63.3	48.2	112.3	84.4	124.6
March 1971 ..	69.8	129.6	150.1	52.8	56.2	222.3	74.5	71.8	38.7	120.8	98.8	127.1
April ,, ..	69.6	130.0	143.3	53.8	57.2	232.7	73.1	70.4	43.2	120.0	100.5	128.5
May ,, ..	70.1	129.6	142.2	53.3	56.7	241.5	71.4	68.9	46.1	121.4	94.8	129.0
June ,, ..	71.0	130.9	139.9	52.6	56.2	245.2	71.6	66.7	45.2	119.1	92.9	126.9
July ,, ..	69.9	130.3	137.0	51.5	55.8	229.0	71.3	63.1	44.2	111.1	86.1	129.0
August ,, ..	68.0	125.6	134.7	50.3	54.7	214.6	69.2	61.4	45.9	106.8	82.9	126.3
September ,, ..	68.6	127.8	131.9	50.0	55.7	215.8	71.7	61.7	50.4	107.1	81.9	126.2
October ,, ..	69.7	126.4	126.9	49.5	55.5	213.3	71.7	60.1	49.8	106.0	79.5	122.4
November ,, ..	68.5	126.3	127.3	48.2	55.3	211.2	69.5	58.9	47.9	103.0	77.9	118.7
December ,, ..	68.4	127.0	128.8	45.8	54.1	217.7	68.7	59.2	49.1	104.1	77.5	118.8
January 1972 ..	69.9	126.7	130.1	46.1	53.2	227.4	71.8	63.2	51.8	114.1	81.3	126.2
February ,, ..	70.9	127.2	133.2	45.9	53.5	230.0	70.4	62.9	52.0	116.8	79.4	124.9
March ,, ..	70.4	126.5	133.2	44.5	53.0	225.3	69.0	63.1	53.3	116.7	76.9	116.3
April ,, ..	69.7	126.1	132.1	44.2	52.4	230.3	67.3	65.0	61.2	129.6	78.0	113.9
May ,, ..	71.1	124.4	133.2	42.9	51.6	234.8	65.8	64.8	63.9	129.7	79.5	117.5
June ,, ..	69.5	123.3	132.5	39.6	50.0	233.0	65.2	63.5	56.7	127.1	76.4	113.2
Percentage variation of March 1972 over March 1971 ..	*+0.9*	*—2.4*	*—11.3*	*—15.7*	*—5.7*	*+1.3*	*—7.4*	*—12.1*	*+37.7*	*—3.4*	*—22.2*	*—8.5*

Note : Consequent upon the nationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial' group under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group 'Others' of the

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
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
93.0	94.1	92.8	76.3	84.2	88.5	85.5	83.0	107.8	84.0	106.2	84.0	100.8	84.6	102.9	91.3	76.0	88.6
92.8	94.1	92.8	75.6	84.2	85.0	88.3	78.6	115.6	82.6	105.1	81.8	102.0	87.2	99.7	97.0	71.7	88.5
92.2	92.6	92.1	77.1	79.5	74.4	84.2	78.9	104.2	75.4	102.0	77.4	98.7	87.5	100.0	94.2	70.2	92.3
92.8	93.5	92.0	75.7	82.0	85.0	87.9	70.8	110.2	80.1	104.6	80.3	100.8	88.6	100.2	96.9	71.4	95.6
93.0	93.5	92.0	75.7	82.0	79.7	87.8	73.2	107.3	80.1	103.7	80.3	100.8	88.6	99.5	95.6	71.6	96.4
93.0	93.2	92.0	75.6	82.0	74.3	87.5	75.2	108.0	79.4	101.6	79.9	100.2	88.8	99.5	93.5	72.1	97.6
92.2	92.3	92.1	75.6	81.9	74.1	87.4	75.2	107.8	78.1	101.5	78.5	99.8	89.1	100.6	94.3	71.1	96.5
91.7	92.3	92.1	75.7	82.1	74.3	85.7	74.0	106.1	75.8	101.5	78.2	99.7	88.9	99.8	95.1	71.0	96.1
92.0	92.3	92.1	76.1	84.3	74.0	86.2	75.7	105.5	73.6	101.7	78.2	99.5	87.6	100.5	95.4	70.9	91.7
92.1	92.4	92.0	76.4	84.8	73.6	85.3	78.3	104.5	73.5	101.8	77.4	100.0	87.4	99.5	95.4	70.4	91.7
92.7	92 5	92.1	77.0	83.0	73.0	84.2	78.1	102.9	73.4	101.8	77.3	99.1	86 5	99.4	94.9	69.3	91.7
92.7	92.3	92.1	78.7	77.3	73.0	82.9	77.9	102.7	73.0	101.6	77.4	98.7	86.1	98.4	93.8	69.0	90.1
91.8	92.3	92.1	78.4	73.5	73.1	82.3	81.1	102.8	73.8	101.6	75.4	96.2	86.0	98.3	93.1	68.7	89.4
91.9	92.3	92.1	78.6	73.8	74.3	82.0	83.3	102.1	74.5	102.0	75.4	96.1	86.0	100.2	93.5	69.1	89.4
91.9	92.6	92.1	78.7	74.3	74.5	80.4	84.9	100.9	74.5	102.6	75.1	96.9	87.3	102.3	93.0	69.4	88.2
91.9	92.8	91.9	78.6	74.1	74.9	78.3	90.7	99.2	74.3	103.1	75.1	97.0	87.7	102.6	92.1	69.0	88.0
91.8	92.8	91.8	77.6	74.1	74.9	78.1	94.5	97.8	74.6	103.1	74.9	97.1	88.8	103.0	91.5	68.4	86.5
91.7	92.7	91.8	77.4	74.7	75.7	79.4	95.2	97.6	75.2	102.9	74.4	96.7	89.3	101.8	88.9	68.4	86.2
91.7	92.9	91.6	77.8	76.0	75.6	80.7	94.6	93.2	75.3	102.9	74.5	96.6	90.4	101.5	87.6	69.3	85.4
—1.0	*—0.8*	*—0.1*	*+3.8*	*—9.6*	*—11.9*	*—10.9*	*+28.1*	*—10.0*	*—7.3*	*—1.4*	*—6.5*	*—3.8*	*—1.0*	*+2.4*	*—5.0*	*—3.4*	*—8.0*

DIVIDEND INDUSTRIAL SECURITIES

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	Insurance	Investments
43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
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	116.3	80.2
82.8	99.2	83.4	61.7	65.3	96.5	140.7	103.1	115.3	133.4	120.4	95.3	243.1	163.0	94.4
80.3	126.9	79.8	69.9	80.6	118.1	156.3	115.1	150.8	157.0	129.6	101.9	316.1	173.2	97.0
64.0	134.9	68.9	75.7	87.2	110.9	134.6	107.7	159.4	152.9	121.6	95.7	284.2	166.9	92.1
76.1	128.6	76.4	69.4	83.2	117.6	149.6	113.5	152.9	161.3	131.2	101.1	309.8	189.0	94.4
76.0	132.1	76.1	71.8	84.8	118.7	147.5	114.5	155.0	165.8	131.3	102.0	310.1	189.2	94.4
71.2	135.7	76.3	72.8	89.0	121.5	144.8	113.7	157.4	167.3	127.1	101.5	309.2	186.9	95.1
67.8	135.0	74.6	74.9	91.1	117.2	138.8	110.7	157.4	166.5	122.1	99.5	305.2	176.5	95.5
63.8	137.7	69.0	74.5	88.7	110.9	132.4	105.7	158.5	159.5	121.2	95.0	302.3	168.9	95.0
61.7	132.5	65.8	73.6	85.1	105.3	128.2	104.6	157.1	148.1	120.9	92.0	281.6	162.7	93.4
61.4	135.3	68.8	76.9	86.9	105.2	130.2	106.6	162.1	149.1	120.1	93.5	268.5	172.8	94.4
60.5	132.8	67.6	74.2	84.8	104.4	129.7	106.9	159.9	145.0	119.6	93.1	261.7	164.9	94.7
58.0	127.2	65.5	71.7	81.2	102.8	126.1	103.6	154.4	135.9	117.7	91.2	246.9	162.6	93.7
58.2	131.5	64.2	73.8	80.0	106.3	125.3	103.5	154.9	140.0	118.4	91.2	254.7	146.8	90.3
63.6	143.1	67.3	79.5	88.9	113.6	132.8	107.5	163.4	152.8	120.4	94.9	287.3	149.9	87.9
63.1	143.2	65.8	81.4	92.3	110.9	138.6	107.7	164.5	150.8	120.0	96.2	290.0	156.9	85.1
62.6	145.6	64.6	83.4	92.8	111.8	140.0	106.8	167.5	151.1	119.8	98.0	286.6	163.8	85.3
64.5	158.7	66.2	91.1	96.4	122.0	147.2	107.9	171.1	153.6	118.6	101.0	291.3	167.9	84.3
65.1	162.4	62.9	92.2	96.1	122.1	144.4	109.2	174.1	155.0	117.8	101.8	292.3	172.5	84.9
62.9	158.8	59.9	91.6	93.2	119.4	138.0	106.4	171.3	151.4	116.6	100.2	289.9	159.9	85.9
—17.7	*+13.2*	*—15.5*	*+20.2*	*+11.5*	*—4.9*	*—6.4*	*—5.9*	*+9.5*	*—6.3*	*—8.7*	*—3.1*	*—7.5*	*—13.3*	*—9.6*

group ' Other Industries' with effect from March 1970.

* Relates to 47 Weeks. † Relates to 4 Weeks.

STATEMENT 56—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
1965-66	7.36	6.68	8.92	8.11	8.93	8.73	8.75	8.28	8.96	9.85	5.08
1969-70	7.98	7.26	9.79	5.75*	6.88	6.66	6.60	5.86	7.48	7.34	8.09
				5.72†							
1970-71	8.11	7.31	9.72	5.53	6.86	6.91	6.35	6.13	8.81	8.68	9.39
1971-72	8.70	7.40	10.09	6.49	8.40	9.07	6.62	8.17	9.58	9.23	11.09
March 1971 ..	8.26	7.36	9.86	5.66	6.86	6.75	6.24	6.41	9.44	9.06	11.13
April „ ..	8.31	7.37	9.89	5.67	6.83	6.68	6.22	6.93	9.22	8.84	10.87
May „ ..	8.52	7.40	9.94	5.84	7.61	7.91	6.25	7.02	9.28	8.91	10.90
June „ ..	8.60	7.41	9.96	6.07	8.53	9.40	6.18	7.23	9.33	8.96	10.94
July „ ..	8.60	7.41	10.10	6.45	8.94	9.89	6.20	7.73	9.62	9.32	10.94
August „ ..	8.64	7.41	10.10	6.72	9.31	10.40	6.41	8.05	9.86	9.55	11.19
September „ ..	8.65	7.40	10.12	6.67	9.11	10.07	6.36	8.53	9.83	9.61	10.82
October „ ..	8.65	7.38	10.18	6.80	8.98	9.72	6.34	9.12	10.04	9.84	10.90
November „ ..	8.68	7.38	10.22	6.94	9.14	9.80	7.00	8.98	10.34	10.21	10.91
December „ ..	8.79	7.39	10.21	6.91	8.53	8.84	7.00	8.83	10.04	9.73	11.40
January 1972 ..	8.89	7.40	10.11	6.51	7.98	8.76	7.06	8.69	9.90	9.51	11.60
February „ ..	9.00	7.40	10.09	6.57	7.91	8.66	7.18	8.43	9.16	8.66	11.34
March „ ..	9.00	7.40	10.10	6.76	7.95	8.73	7.21	8.50	8.31	7.63	11.28
April „ ..	8.87	7.44	10.08	6.67	8.60	8.96	7.24	8.55	8.16	7.44	11.33
May „ ..	8.92	7.44	10.05	6.69	9.25	10.04	7.32	8.40	8.06	7.23	11.66
June „ ..	9.00	7.44	10.08	6.76	9.43	10.15	7.35	8.50	8.09	7.15	12.21

Average of months/ month	ALL Variable Dividend									
	Processing and Manufacturing (*Concld.*)									
	Metals and Chemicals (*Concld.*)						Others			
	Electrical machinery, appliances, etc.	Machinery other than transport and electrical	Foundries and engineering works	Metal products	Basic industrial chemicals	Other chemical products	Total (a)	Cement	Paper and paper products	Rubber and rubber products
	23	24	25	26	27	28	29	30	31	32
1965-66	7.64	8.78	8.36	7.84	6.94	7.90	7.83	9.53	7.00	5.69
1969-70	3.11	3.73	2.39	1.99	4.65	7.26	6.49	9.49	3.37	5.63
1970-71	2.53	4.07	2.05	2.57	4.84	6.71	5.95	8.60	3.81	5.40
1971-72	4.97	3.72	3.55	4.15	6.12	6.79	6.41	8.31	5.43	5.94
March 1971 ..	2.82	3.17	2.37	3.43	5.18	6.47	6.11	8.65	4.46	5.33
April „ ..	2.73	3.13	2.70	3.70	5.15	5.98	6.02	8.63	4.33	5.15
May „ ..	2.64	3.16	2.69	3.57	5.08	6.27	6.08	8.79	4.20	5.24
June „ ..	2.63	3.32	3.50	3.31	5.34	6.59	6.18	8.93	4.34	5.26
July „ ..	4.97	3.67	3.78	3.40	5.80	6.72	6.45	9.36	4.60	5.40
August „ ..	5.17	3.98	3.84	3.78	6.43	6.76	6.76	9.42	5.39	5.82
September „ ..	5.11	3.76	3.74	3.96	6.47	6.95	6.73	9.20	5.59	5.87
October „ ..	5.94	3.87	3.87	4.07	6.59	7.11	6.56	8.24	5.88	6.22
November „ ..	6.53	4.03	3.96	4.45	6.83	7.26	6.60	7.71	6.15	6.83
December „ ..	6.27	4.09	3.83	5.32	6.64	7.19	6.65	7.63	6.54	6.68
January 1972 ..	5.82	3.72	3.59	4.80	6.23	6.85	6.22	7.17	6.10	6.16
February „ ..	5.83	3.95	3.57	4.60	6.49	6.82	6.26	7.26	6.08	6.36
March „ ..	6.01	3.94	3.52	4.86	6.41	6.98	6.40	7.42	5.91	6.28
April „ ..	5.70	3.74	4.33	4.69	5.94	6.93	6.21	7.33	5.40	6.05
May „ ..	5.56	3.91	4.29	4.77	5.91	6.83	6.36	7.70	5.42	6.17
June „ ..	5.56	3.90	4.39	5.17	6.03	7.12	6.59	7.87	5.83	6.40

Note : Consequent upon the nationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial' group under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

INDIA										
Industrial Securities										
Processing and Manufacturing										
	Foodstuffs, Textiles, etc.						Metals and Chemicals			
Total	Total (a)	Edible and vegetable oils	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Total (a)	Iron and steel	Non-ferrous metals (Basic)	Trans-port equip-ment
12	13	14	15	16	17	18	19	20	21	22
7.80	8.08	8.14	9.67	8.22	8.33	7.24	7.49	7.60	6.56	7.46
5.08	5.35	7.14	9.21	5.01	3.38	5.70	4.29	4.78	3.60	5.22
5.03	5.52	5.62	8.96	5.37	4.65	4.99	4.19	5.70	3.26	3.98
6.02	6.60	6.14	5.58	6.97	4.71	6.53	5.27	7.42	4.29	3.50
5.18	5.64	5.38	6.45	5.73	4.89	5.04	4.36	6.51	3.33	3.19
5.22	5.77	5.34	6.59	6.05	4.37	5.04	4.36	6.38	3.48	3.16
5.39	6.06	5.36	6.24	6.40	4.26	5.62	4.44	6.61	3.99	3.26
5.60	6.41	5.50	5.69	6.76	4.31	5.95	4.56	6.71	4.18	3.30
6.01	6.73	6.41	5.76	7.15	4.46	6.35	5.10	7.24	4.18	3.46
6.27	6.96	6.66	5.92	7.41	4.47	6.80	5.37	7.49	4.31	3.55
6.22	6.84	6.53	5.60	7.35	4.29	6.88	5.39	7.56	4.26	3.53
6.34	6.96	6.64	5.67	7.45	4.69	6.96	5.60	7.78	4.45	3.59
6.45	6.99	6.71	5.22	7.44	5.29	7.11	5.83	7.92	4.66	3.67
6.43	6.96	6.43	5.27	7.34	5.25	7.17	5.80	7.94	4.52	3.60
6.00	6.46	6.00	5.04	6.72	5.07	6.53	5.45	7.55	4.23	3.36
6.06	6.48	5.96	4.99	6.78	5.20	6.29	5.55	7.78	4.32	3.39
6.25	6.60	6.12	4.96	6.79	4.86	7.71	5.83	8.04	4.92	4.17
6.14	6.56	6.00	5.16	6.81	4.18	7.76	5.69	7.86	5.24	4.07
6.19	6.64	6.05	5.15	6.85	4.56	7.78	5.65	7.79	4.96	4.10
6.25	6.55	5.89	5.62	6.31	6.47	8.08	5.81	8.09	5.28	4.17

INDIA (*Concld.*)							REGIONAL				
Industrial Securities (*Concld.*)											
	Other Industries			Financial			Variable Dividend Industrial Securities				
Total (a)	Electri-city genera-tion and supply	Trading	Shipping and other trans-port	Total (††)	Insurance	Invest-ments	Bombay	Calcutta	Madras	Ahmeda-bad	Delhi
33	34	35	36	37	38	39	40	41	42	43	44
9.44	9.13	9.20	10.30	9.56	11.46	9.34	8.26	7.82	8.75	7.13	8.12
8.09*	8.66	7.81	8.09	9.96*	10.34	8.18	6.33*	4.71*	6.65*	5.72	5.64
8.44†				9.04†			6.08†	4.94†	6.34†		
7.21	8.41	7.61	7.69	9.31	12.17	7.54	5.75	4.69	6.41	6.00	5.47
7.81	9.42	8.36	9.47	10.77	14.58	8.42	6.93	5.73	7.32	6.96	5.88
7.19	8.48	8.14	8.29	9.51	11.90	8.04	5.85	4.89	6.80	6.27	5.56
7.08	8.56	7.96	8.05	9.36	11.61	7.98	5.90	4.83	6.70	6.39	5.52
7.09	8.97	7.61	7.93	9.62	12.38	7.92	6.24	4.93	6.75	6.61	5.56
7.20	9.25	7.77	7.93	10.15	13.71	7.95	6.42	5.35	6.76	6.82	5.70
7.45	9.32	8.19	8.44	10.56	14.77	7.98	6.80	5.73	7.04	7.26	5.96
7.74	9.46	8.69	9.28	10.76	15.17	8.05	7.07	5.95	7.54	7.47	6.14
7.83	9.56	8.63	9.49	10.18	13.54	8.12	7.08	5.91	7.64	7.13	6.08
7.99	9.55	8.59	10.22	10.95	15.42	8.21	7.30	6.04	7.68	7.01	5.95
8.28	9.74	8.81	11.30	11.07	15.50	8.35	7.48	6.19	7.58	7.06	6.15
8.28	9.60	8.91	11.05	11.50	16.01	8.73	7.48	6.12	7.73	7.05	6.07
7.92	9.52	8.54	9.80	12.05	16.68	9.21	7.00	5.78	7.43	6.71	5.66
8.21	9.71	8.41	9.79	11.52	15.25	9.23	6.98	5.93	7.49	6.81	5.77
8.64	9.74	8.21	10.34	11.50	14.98	9.35	7.43	5.95	7.55	7.23	5.97
8.45	9.87	7.58	9.75	11.28	14.42	9.34	7.33	5.71	7.61	7.29	6.12
8.19	9.94	7.35	9.62	10.97	14.24	8.97	7.33	5.73	7.49	7.39	6.09
8.26	9.98	7.78	9.85	11.69	16.27	8.87	7.29	5.90	7.65	7.51	6.26

'Others' of the group 'Other Industries' with effect from March 1970. * Average of 11 months. † Relates to March 1970. (a) Including 'others.' ††Includes sub-group 'Banks' upto February 1970.

STATEMENT 57—FIVE YEAR PLANS

A. Plan Provision and Actual Outlay for Public Sector

(By Heads of Development) (Rs. crores)

Heads of Development	SECOND PLAN 1956-61		THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70		1970-71		1971-72	1972-73	1969-70 to 1973-74
	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Plan Provision	Plan Provision
	1	2	3	4	5	6	7	8	9	10	11	12	13
Agriculture and Community Development	568	549	1,068	1,089	1,037	1,167	332	325	471	505	554	782	2,728
Irrigation and Power	913	882	1,662	1,917	1,490	1,639	523	668	686	738	751	863	3,534
Industry and Mining	890	1,125	1,784	1,962	1,670	1,719	618	466	666	495	655	793	3,631
Transport and Communications	1,385	1,261	1,486	2,112	1,273	1,239	448	408	556	498	631	728	3,237
Social Services and Miscellaneous ..	1,044	855	1,500*	1,493	1,195	993	350	315	443	406	555	807	2,772
Total ..	**4,800**	**4,672**	**7,500**	**8,573**	**6,665**	**6,757**	**2,271**	**2,182**	**2,822**	**2,642**	**3,146**	**3,973**	**15,902**

* Includes Rs. 200 crores as inventories.

B. Financing of Plan Outlays in the Public Sector

Mode	SECOND PLAN 1956-61		THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70		1970-71		1971-72		1972-73	1969-70 to 1973-74	
	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Latest Estimates	Original Estimates	Latest Estimates	Plan Provision	Original Estimates	Mid-Term Appraisal Estimates
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A. Mainly through own resources ..	**1,350** (28.1)	**1,230** (26.3)	**2,810** (37.5)	**2,908** (33.9)	**2,513** (37.7)	**1,622** (24.0)	**675** (29.7)	**610** (27.7)	**979** (34.7)	**827** (29.6)	**1,200** (38.0)	**921** (29.2)	**2,001** (50.4)	**7,102** (44.7)	**5,970** (37.5)
1. Balance from current revenues at pre-plan rates of taxation ..	350	11	550	—419	866	303	139 (*a*)	158 (*a*)	174 (*a*)	157 (*a*)	182 (*a*)	— 61 (*a*)	381 (*a*)	1,673 (*a*)	802 (*a*)
2. Additional taxation including measures to increase the surplus of public enterprises	850 (*b*)	1,052 (*b*)	1,710	2,892	1,060	910	248	191	468	429	725 (*p*)	715 (*p*)	1,235 (*p*)	3,198 (*c*)	3,728 (*p*)
3. Retained Profits of Reserve Bank	—	—	—	—	—	—	16 (*d*)	8 (*d*)	47 (*d*)	47 (*d*)	60 (*d*)	60 (*d*)	89 (*d*)	202 (*d*)	269 (*d*)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
4. Surplus of Public Sector undertakings exclusive of yield from measures adopted for raising additional resources for the plan	150	167	550	435	587	409	272	253	290	194	233	207	296	2,029	1,171
(i) Railways	150 (e)	167 (e)	100	62	— 64	—112	22	27	9	— 19	— 35	— 35	— 41	265	—118
(ii) Others	(f)	(f)	450	373	651	521	250 (g)	226 (g)	281 (g)	213 (g)	268 (g)	242 (g)	337 (g)	1,764 (g)	1,289 (g)
B. Mainly through domestic borrowings	**2,650** (55.2)	**2,393** (51.2)	**2,490** (33.2)	**3,246** (37.9)	**1,717** (25.8)	**2,708** (40.1)	**883** (38.9)	**1,015** (46.2)	**1,280** (45.3)	**1,419** (50.8)	**1,497** (47.4)	**1,663** (52.6)	**1,592** (40.0)	**6,186** (38.9)	**7,388** (46.5)
1. Loans from the public, including State enterprises' borrowings from the market and LIC (Net)	700 (h)	756 (h)(i)	800	823	571	719	219 (j)	359 (j)	486 (j)	548 (j)	472 (j)	500 (j)	645 (j)	2,326 (j)	2,726 (j)
2. Small Savings	500	422	600	565	391	355	135	129	140	191	180	182	230	769	1,000
3. Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds	—	—	—	117	41	65	— 38	— 34	— 18	— 18	— 17	— 18	— 16	—104	— 98
4. State Provident Funds (k) ..		175	265	336	253	301	121	156	134	144	151	154	167	660	782
5. Steel Equalisation Fund (Net)	250	40	105	34											
6. Miscellaneous Capital Receipts (Net)		46	170	238	126	586	192	347	313	189	478	462	391	1,685	1,775
7. Deficit Financing (l)	1,200	954	550	1,133	335	682	254	58	225	365	233	383	175	850	1,203
C. Domestic Resources (A+B) ..	**4,000** (83.3)	**3,623** (77.5)	**5,300** (70.7)	**6,154** (71.8)	**4,230** (63.5)	**4,330** (64.1)	**1,558** (68.6)	**1,625** (73.9)	**2,259** (80.0)	**2,246** (80.4)	**2,697** (85.4)	**2,584** (81.8)	**3,593** (90.4)	**13,288** (83.6)	**13,358** (84.0)
D. External Assistance	**800** (16.7)	**1,049** (22.5)	**2,200** (29.3)	**2,423** (28.2)	**2,435m** (36.5)	**2,426n** (35.9)	**713n** (31.4)	**574n** (26.1)	**563n** (20.0)	**547n** (19.6)	**461n** (14.6)	**574n** (18.2)	**380n** (9.6)	**2,614n** (16.4)	**2,540n** (16.0)
E. Total Resources (C+D)	**4,800** (100.0)	**4,672** (100.0)	**7,500** (100.0)	**8,577** (100.0)	**6,665** (100.0)	**6,756** (100.0)	**2,271** (100.0)	**2,199** (100.0)	**2,822** (100.0)	**2,793** (100.0)	**3,158** (100.0)	**3,158** (100.0)	**3,973** (100.0)	**15,902** (100.0)	**15,898** (100.0)

(*a*) Inclusive of States' share in additional resource mobilisation by the Centre. (*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 saving. (*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 A1 and B6. (*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 B1. (*h*) Market borrowings by Central and State Governments. (*i*) Includes investments by the State Bank of India of P.L. 480 Funds. (*j*) Inclusive of State Governments' borrowings from the LIC for water supply and housing. In the earlier Plans, the LIC 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 LIC and borrowings by State enterprises are on a gross basis; the repayments are, as stated in footnote (*g*), netted under item A4(ii). (*k*) For the Second Plan, 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, deficit financing during the Second Plan period works out to Rs. 1,170 crores. (*m*) At new exchange rate it would be Rs. 2,767 crores. (*n*) At the new rate of exchange. (*p*) Exclusive of the Special levies imposed for meeting the expenditure on relief of evacuees from Bangladesh.

Source : Planning Commission, Government of India.

STATEMENT 58—RAILWAY FINANCES

(In crores of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget)*	1971-72 (Revised)	1972-73 (Budget)*
	1	2	3	4	5	6	7	8	9	10
I. Capital-at-Charge	1,521	2,680	2,842	2,978	3,101	3,196	3,331	3,473	3,483	3,641
II. Gross Traffic Receipts	457	734	769	818	899	951	1,007	1,070	1,078	1,143
1. Passenger	132	219	229	253	265	279	296	319	316	329
2. Other coaching	27	39	39	39	45	48	62	59	66	66
3. Goods	286	466	482	503	563	594	618	659	665	716
4. Other earnings (*a*)	12	10	19	23	26	30	31	33	31	32
III. Total Expenses (1+2+3+4+5)	369	599	655	708	756	805	862	903	917	951
1. Ordinary Working Expenses	313	486	526	588	637	685	732	765	784	809
(i) Administration	37	56	61	67	71	75	83	86	87	89
(ii) Repairs and Maintenance	100	158	170	190	209	224	249	256	266	283
(iii) Operating Staff	63	102	112	124	134	141	157	169	174	178
(iv) Operation (Fuel)	63	101	110	127	139	151	147	156	154	159
(v) Operation (other than Staff and Fuel)	18	26	27	31	34	37	38	41	43	40
(vi) Miscellaneous	24	26	28	28	29	33	34	34	37	36
(vii) Labour Welfare	10	19	20	22	23	24	26	28	28	29
(viii) Suspense	— 2	— 2	— 2	— 1	— 2	—	— 2	— 5	— 5	— 5
2. Appropriation to Depreciation Reserve Fund	45	85	100	95	95	95	100	105	105	110
3. Payment to Worked Lines	—	—	—	—	—	—	—	—	—	—
4. Miscellaneous Expenses	11	16	15	15	14	15	15	18	16	16
(i) Open line works	12	11	10	9	8	8	7	9	7	7
(ii) Others (net)	— 1	5	5	6	6	7	8	9	9	9
5. Appropriation to Pension Fund (*b*)	—	12	14	10	10	10	15	15	12	16
IV. Net Revenue (II — III)	88	135	114	110	143	146	145	167	161	192
V. Dividend to General Revenues (*c*)	56	104	132	142	151	156	165	174	152	160
VI. Payment to General Revenues in lieu of Tax on Railway Passenger Fares	—	12								
VII. Surplus (+) or Deficit (—) (IV—V—VI)	+ 32	+ 19	— 18	— 32	— 8	— 10	— 20	— 7	+ 9	+ 32
VIII. Appropriation of surplus to Funds or withdrawals from Revenue Reserve Fund or loans from General Revenues to finance deficit										
1. Development Fund	+ 32	+ 19	—	—	—	—	—	—	—	+ 20
2. Revenue Reserve Fund	—	—	— 18	— 32	— 8	— 1	—	—	+ 9	+ 12
3. General Revenues	—	—	—	—	—	— 9	— 20	— 7	—	—

* Include the effect of the budget proposals.

(*a*) Include suspense. (*b*) Created in 1964-65. (*c*) In accordance with the recommendations of the Railway Convention, 1965, and the interim recommendations of the Railway Convention Committee, 1971, 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 5.5 per cent on capital-at-charge on 31-3-1964 and 6 per cent on fresh capital thereafter. Out of the 1 per cent dividend payable on capital invested upto 31-3-1964, a sum of Rs. 16 crores is for transfer to States in lieu of tax on passenger fares and the balance is to assist the States to finance safety works.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 59—CAPITAL OUTLAY ON RAILWAYS (INCLUDING CURRENT DEPRECIATION)

(In crores of rupees)

Item	1960-61 (Actuals)	Total Second Plan	1961-62 (Actuals)	1965-66 (Actuals)	Total Third Plan	1966-67 (Actuals)	1967-68 (Actuals)	1968-69 (Actuals)	Total 1966-67 to 1968-69
	1	2	3	4	5	6	7	8	9
I. Capital-at-Charge	**1,521**		**1,683**	**2,680**		**2,842**	**2,978**	**3,101**	
II. Capital Outlay met out of General Revenues @	**89**	**549**	**145**	**245**	**1,141**	**161**	**136**	**121**	**418**
III. Capital Outlay met out of Railways' Funds (a+b+c+d)	**100**	**495**	**59**	**119**	**545**	**117**	**122**	**105**	**345**
(a) Depreciation Reserve Fund	64	320	58	79	360	79	94	80	254
(b) Development Fund	24	122	21	29	132	28	19*	17*	64
(c) Revenue Reserve Fund	—	—	—	—	—	—	—	—	—
(d) Open Line Works (Revenue)	12	53	10	11	53	10	9	8	27
IV. Total Capital Outlay on Railways (including current depreciation) (II+III)	**189**	**1,044**	**234**	**364**	**1,686**	**278**	**258**	**226**	**763**

Item	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)	Total 1969-70 to 1972-73
	10	11	12	13	14	15
I. Capital-at-Charge	**3,196**	**3,331**	**3,473**	**3,483**	**3,641**	
II. Capital Outlay met out of General Revenues @	**94**	**136**	**151**	**152**	**159**	**541**
III. Capital Outlay met out of Railways' Funds (a+b+c+d)	**98**	**116**	**129**	**122**	**147**	**483**
(a) Depreciation Reserve Fund	74	91	100	95	120	380
(b) Development Fund	17*	18*	20*	20*	20*	75
(c) Revenue Reserve Fund	—	—	—	—	—	—
(d) Open Line Works (Revenue)	7	7	9	7	7	28
IV. Total Capital Outlay on Railways (including current depreciation) (II+III)	**192**	**252**	**280**	**274**	**306**	**1,024**

@ Includes Rs. 2.4 crores in 1966-67, Rs. 2.2 crores in 1967-68, Rs. 1.2 crores in 1968-69 and Rs. 0.3 crore in 1969-70 withdrawn from Revenue Reserve Fund for amortization of the unproductive capital in the Railways.

* Expenditure charged to this Fund is partially met by loans from the General Revenues which amounted to Rs. 11.2 crores in 1967-68, Rs. 14.1 crores in 1968-69, Rs. 18.1 crores in 1969-70, Rs. 21.6 crores in 1970-71 and Rs. 22.1 crores in 1971-72 (B.E.). A loan of Rs. 21.6 crores was obtained in 1971-72 (R.E.) which along with a balance of Rs. 1.5 crores in the Development Fund and Rs. 0.4 crore transferred from the revenue surplus was used to finance the expenditure of Rs. 20 crores chargeable to this Fund and to cover payment of interest of Rs. 3.5 crores to general revenues. The budget estimates for 1972-73 provide for a loan of Rs. 3.6 crores on the basis of the budget proposals for upward revision of fares and rationalisation of freight structure which are estimated to yield Rs. 17 crores.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 60—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 (b)	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 (a)	Capital Disbursements	Surplus (+) or Deficit (—) on Capital Account							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1960-61	1,710	1,355	1,654	+ 76	1,266	1,283	— 17	2,976	2,917	+ 59	13,294	10.2	22.4	21.9
1965-66	3,689	2,902	3,411	+278	1,801	2,431	—630	5,490	5,842	—352	20,621	14.1	26.6	28.3
1968-69	4,846	3,727	4,742	+104	2,145	2,631	—486	6,991	7,373	—382	28,678 (c)	13.0	24.4	25.7
1969-70	5,392	4,182	5,318	+ 74	2,836	2,898	— 62	8,228	8,216	+ 12	31,174 (c)	13.4	26.4	26.4
1970-71 (e)	5,958	4,735	5,812	+146	2,611	3,183	—572	8,569	8,995	—426	34,200 (d)	13.8	25.1	26.3
1971-72 .. .. (Budget Estimates) (f)	6,665	5,261	6,422	+243	2,767	3,397	—630	9,432	9,819	—387	N.A.			
1971-72 .. .. (Revised Estimates)	7,043	5,516	7,178	—135	3,089	3,585	—496	10,132	10,763	—631	N.A.			
1972-73 .. .. (Budget Estimates) (f)	7,842	6,322	7,413	+429	2,739	3,410	—671	10,581	10,823	—242	N.A.			

Notes : (1) Figures are adjusted for the following inter-governmental transfers : (i) Revenue receipts of States and revenue expenditure of Centre are adjusted for grants from Centre to States. (ii) Revenue expenditure of States and revenue receipts of Centre are net of interest payment to Centre by States. (iii) Capital receipts of States and capital disbursements of Centre are adjusted for loans from Centre to States. (iv) Capital disbursements of States and Capital receipts of Centre are net of repayment of loans by States to Centre. The combined overall position, however, remains unchanged. (2) Figures of capital receipts (column 5), Surplus (+) or Deficit (—) on capital account (column 7), aggregate receipts on revenue and capital accounts (column 8) and overall Surplus (+) or Deficit (—) (column 10) given here would differ from those given in earlier Reports as capital receipts of States are adjusted for net receipts/repayments of ways and means advances and overdrafts from/to the Reserve Bank of India; these have been treated as financing items. For the years 1960-61, 1965-66, 1968-69 and 1969-70, these adjustments are made on the basis of the figures given in the RBI records ; for later years data given in the State budgets have been used.

(a) Exclude Treasury bill receipts (net).

(b) Revised series at current prices.

(c) Provisional.

(d) Rough estimates.

(e) If adjustment for net receipts of States (Rs. 199 crores) in the form of ways and means advances and overdrafts from RBI as per Bank's record is made, then capital receipts and aggregate receipts will go down by Rs. 6 crores each and deficit on capital account and overall deficit will go up by Rs. 6 crores each.

(f) Includes effect of budget proposals.

N.A.=Not available.

STATEMENT 61—BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget* Estimates)
	1	2	3	4	5	6	7
I. Revenue Account							
A. Revenue (*a*)	877	2,321	3,027	3,293	3,667	4,021	4,291 (4,414)
B. Expenditure (*b*)	826	2,001	2,902	3,130	3,527	4,047	4,072
C. *Surplus* (+) *or Deficit* (—)	+ *51*	+ *320*	+ *125*	+ *163*	+ *140*	— *26*	+ *219* (+ *342*)
II. Capital Account							
A. Receipts (*c*) (*d*)	1,156	1,705	2,640	2,550	2,577	3,131	2,662
B. Disbursements	1,029	2,222	2,679	2,972	2,944	3,476	3,241
C. *Surplus* (+) *or Deficit* (—)	+ *127*	— *517*	— *39*	— *422*	— *367*	— *345*	— *579*
III. Miscellaneous (Net) (*e*)	— 61	+ 24	— 132	— 26	— 6	— 14	— 15
IV. Overall Surplus (+) or Deficit (—) (IC+IIC+III)	+ 117	— 173	— 46	— 285	— 233	— 385	— 375 (— 252)
Financed by :							
A. Treasury bills (*f*) [Increase (—)]	+ 142	— 218	— 63	— 359	— 232	— 205	— 252
B. Cash balances [Decrease (—)]	— 25	+ 45	+ 17	+ 74	— 1	— 180	—
(i) Opening balance	70	— 2	112	156	51	230	50
(ii) Closing balance	45	43	129	230	50	50	50

Note : Accounts are provisional. Budget Estimates for 1972-73 relate to those presented to the *Lok Sabha*.

* At 1971-72 rates of taxation. The effect of additional taxation, adjusted for post-budgetary concession, is given in brackets. Details of financing are in respect of overall deficit after taking credit for yield from additional taxation.

(*a*) Excluding States' share of excise duties and other taxes. (*b*) Excluding 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 and 1965-66, Rs. 75 crores each in 1969-70 and 1970-71 and Rs. 100 crores in 1971-72 (R.E.) funded in January 1961, February 1966, January 1970, January 1971 and December 1971, respectively. (*e*) Includes remittances, transfer of cash between England and India and Reserve Bank Deposits. (*f*) Mostly sold to the Reserve Bank.

STATEMENT 62—CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
	1	2	3	4	5	6	7
RECEIPTS							
1. Loans	390	766	1,038	860	1,040	1,191	1,130
(i) Internal (*a*) (*f*)	181	284	537	428	500	627	515
(ii) External — Other than PL 480	209	482	501	432	540	564	615
2. PL 480 Assistance	295	213	217	106	113	81	—1
(i) Dollar Credit			72	44	114	90	11
(ii) Rupee Loans	55	80	60	50	12	13	—
(iii) Deposits (*b*)	240	133	85	12	—13	—22	—12
3. Prize Bonds (*b*) (*c*)	16	—18	—3	—1	—1	—1	—1
4. Small Savings (*b*)	104	151	129	184	180	210	230
5. Public Provident Funds (*b*)			1	2	4	3	4
6. Income-tax Annuity Deposits (*b*)		37	—12	—13	—15	—15	—15
7. Compulsory Deposits (*b*)		—2	—21	—2	—2	—1	— 1
8. State Provident Funds (*b*)	43	55	79	89	84	91	95
9. Other Unfunded Debt (*b*)	1	1	—9	71	3	—3	3
10. Railway Funds (*b*)	—4	14	35	33	25	21	12
11. Other Reserve Funds—interest bearing (*b*)	7	8	—	5	5	4	4
12. Repayment of Loans by State and Union Territory Governments	96	276	633	658	660	850	760
13. Repayment of Loans by Other Parties	31	97	271	265	270	444	269
14. Special Development Funds (*d*)	104	—110	31	40	1	—	—
15. Others (*b*) (*e*)	73	217	251	253	210	256	173
16. Total Receipts (excluding Treasury Bills)(*b*)	**1,156**	**1,705**	**3,640**	**2,550**	**2,577**	**3,131**	**2,662**

DISBURSEMENTS

I. Capital Outlay (A+B)	405	776	649	941	843	1,094	822
A. Developmental Capital Outlay (1+2)	270	579	536	605	685	880	737
(1) Developmental Capital Outlay other than Developmental Grants	259	537	534	604	686	882	738
(*i*) Railways	90	245	94	136	151	152	159
(*ii*) Posts and Telegraphs	11	31	33	7	39	24	53
(*iii*) Industrial Development	91	150	303	308	297	523	299
(*iv*) Irrigation and Multi-purpose River Schemes	1	21	17	13	15	13	15
(*v*) Civil Works	39	72	54	66	89	88	112
(*vi*) Others	27	18	33	74	95	82	100
(2) Developmental Grants	11	42	2	1	—1	—2	—1
B. Non-Developmental Capital Outlay	135	197	113	336	158	214	85
(1) Defence	33	123	135	148	162	163	190
(2) Currency, Mint and Security Printing Press	6	80	5	169	9	8	21
(3) State Trading Schemes (Net)	34	—84	—29	7	—13	—24	—53
(*i*) Purchase and Sale of Foodgrains		—105	—60	10	—11	—18	—44
(*ii*) Purchase and Sale of Fertilizers		5	31	—3	—4	—7	—8
(*iii*) Others		16	—	—	2	1	—1
(4) Others (*g*)	62	78	2	12	—	67	—73
II. Loans and Advances	497	1,211	1,458	1,553	1,553	1,852	1,867
(1) Loans and Advances to State and Union Territory Governments	339	840	1,057	1,028	966	1,214	1,098
(2) Other Loans and Advances	158	371	401	525	587	638	769
III. Discharge of Permanent Debt	127	235	572	478	548	530	552
(1) Internal Loans	109	155	393	283	332	333	300
(2) External Loans	18	80	179	195	216	197	252
Total Capital Disbursements (I+II+III)	1,029	2,222	2,679	2,972	2,944	3,476	3,241
Surplus (+) or Deficit (—)	+ *127*	— *517*	— *39*	— *422*	— *367*	— *345*	— *579*

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 include a formal adjusting item in respect of loan assistance from the U.S. Government which is transferred to the Special Development Fund by debit to capital. (4) Treasury bill receipts and miscellaneous items such as remittances, etc. have been excluded from this statement.

(*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, 1963 to December 31, 1963 and Premium Prize Bonds, 1964 from January 1, 1964 to December 31, 1964. (*d*) Receipts comprise the sale proceeds of American (Loans) 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, 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 each in 1960-61 and 1965-66, Rs. 75 crores each in 1969-70 and 1970-71 and Rs. 100 crores in 1971-72 (R.E.). (*g*) Include transfer of sale proceeds of American (Loans) Wheat, payment to displaced persons and transfer of Rs. 70 crores each to the Contingency Fund in 1971-72 (R.E.) and from the Contingency Fund in 1972-73 (B.E.), etc.

STATEMENT 63—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revenue Account)

(In crores of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
	1	2	3	4	5	6	7
				REVENUE			
I. Taxes on Income and Expenditure (1+2+3)	**192**	**454**	**508**	**484**	**481**	**523**	**600** (614)
Taxes on Income other than Corporation tax	167	272	448	473	491	543	580 (583)
Less : States' share	87	123	293	359	421	462	460 (462)
1. Net Receipts	80	149	155	114	70	81	120 (121)
2. Corporation tax	111	305	353	370	411	442	480 (493)
3. Expenditure tax	1	—	—	—	—	—	—
II. Taxes on Property and Capital Transactions (1+2+3+4+5)	**13**	**20**	**25**	**27**	**40**	**41**	**54**
Estate duty	3	7	7	8	7	8	8
Less : States' share	3	7	7	6	7	8	8
1. Net Receipts	—	—	—	2	—	—	—
2. Tax on Wealth	8	12	16	15	30	30	43
3. Gift Tax	1	2	2	3	2	3	2
4. Stamps and Registration	4	6	7	7	8	8	9
5. Land Revenue (*a*)	—	—	—	—	—	—	—
III. Taxes on Commodities and Services (1+2+3+4+5+6)	**525**	**1,311**	**1,668**	**1,940**	**2,197**	**2,337**	**2,569** (2,678)
Customs :							
Imports (Gross)	155	548	327	423	498	604	638
Exports (Gross)	13	2	76	67	64	74	89
Other Revenue (Gross)	8	5	51(*e*)	71(*e*)	8	10	10
Less : Refunds	6	16	31	37	36	36	37
1. Net Receipts	170	539	423	524	534	652	700 (720)

	Union Excise duties	416	898	1,524	1,759	2,072	2,103	2,330 (2,465)
	(Of which additional Excise duties) ..	(34)	(47)	(61)	(75)	(101)	(105)	(117)
	Less : States' share	75	146	321	390	463	475	537 (583)
	2. Net Receipts	341	752	1,203	1,369	1,609	1,628	1,793 (1,882)
	3. Sales Tax (*a*)	5	12	24	29	30	30	32
	4. State Excise (*a*)	2	2	5	5	5	5	6
	5. Tax on Vehicles (*a*)	1	1	2	2	3	3	3
	6. Other taxes and duties (*a*)	6(*c*)	5	11	11	16	19	35
IV.	**Total Tax Revenue .. .. ..**	730	1,785	2,201	2,451	2,718	2,901	3,223 (3,346)
V.	**Interest Receipts (*b*) (1+2+3+4+5) ..**	15	308	595	589	662	672	687
	1. State and Union Territory Governments		152	281	259	317	347	345
	2. Railways		90	128	138	148	131	140
	3. Posts and Telegraphs		6	10	11	12	11	13
	4. Other Commercial Departments ..		1	11	14	185	183	189
	5. Other Interest Receipts		59	165	167			
VI.	**Administrative Receipts .. .. ..**	59	41	65	74	74	89	87
VII.	**Net Contribution of Public Undertakings**	53	79	124	124	144	142	180
	1. Railways	5	26	28	26	26	21	19
	2. Posts and Telegraphs	—	1	3	3	3	3	3
	3. Currency and Mint	48	46	70	74	96	99	123
	(Profits of R.B.I.)	(40)	(48)	(70)	(75)	(100)	(100)	(120)
	4. Dividends, etc. from Commercial and other Undertakings		7	22	17	21	26	28
	5. Others (*d*)	—	—1	1	4	—2	—7	7
VIII.	**Other Non-tax Revenue .. .. ..**	20	108	42	55	69	217	114
IX.	**Total Non-tax Revenue .. .. ..**	147	536	826	842	949	1,120	1,068
X.	**Total Revenue (IV+IX) .. .. ..**	877	2,321	3,027	3,293	3,667	4,021	4,291 (4,414)

STATEMENT 63—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA (*concld.*)

(On Revenue Account)

(In crores of rupees)

	Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
		1	2	3	4	5	6	7
	EXPENDITURE							
XI.	**Developmental Expenditure (*f*) (Other than grants to State and Union Territory Governments)**	**236**	**235**	**354**	**410**	**493**	**482**	**560**
	Of which :							
	1. Education and Scientific Departments	65	87	137	159	184	179	213
	2. Medical and Public Health	14	15	24	28	32	30	37
	3. Agriculture and Allied Services	43	15	24	32	47	46	68
	4. Export Promotion		20	42	41	50	54	59
XII.	**Non-Developmental Expenditure**	**542**	**1,442**	**1,960**	**2,108**	**2,251**	**2,606**	**2,632**
	1. Collection of Taxes and Duties and other Principal Revenues	22	30	42	48	51	53	58
	2. Administrative Services (*g*)	59	95	175	202	237	255	268
	Of which :							
	(i) General Administration	17	24	28	30	48	47	50
	(ii) Police	12	32	86	102	100	115	120
	3. Defence Expenditure (Net)	248	762	966	1,051	1,079	1,248	1,218
	4. Debt Services (*h*)	77	371	565	606	648	684	730
	5. Other Expenditure (*i*)	136	184	212	201	236	366	358
XIII.	**Grants to State and Union Territory Governments (*j*)**	**48**	**324**	**588**	**612**	**783**	**959**	**880**
	Of which :							
	Grants under the substantive provision of Article 275(1)	37	64	153	142	137	142	147
XIV.	**Total Expenditure (XI+XII+XIII)**	**826**	**2,001**	**2,902**	**3,130**	**3,527**	**4,047**	**4,072**
	Surplus (+) *or Deficit* (—)	*+51*	*+320*	*+125*	*+163*	*+140*	*— 26*	*+219* (*+342*)

Note : (1) The figures of total revenue and expenditure as given in this Statement differ from those in the Budget papers as receipts from and expenditure on 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 Expenditure and Grants to State and Union Territory Governments under Revenue Expenditure are not comparable with those for earlier years. Budget Estimates for 1972-73 relate to those presented to the *Lok Sabha*. Figures in brackets are inclusive of effects of budget proposals and post-budgetary concessions. (2) From 1957-58, figures include self-balancing items in respect of grants under P.L.480 and Steel Equalisation Funds ; from 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds.

(*a*) 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 net receipts from Tax on Railway Passenger fares ; from 1961-62 these appear under grants. (*d*) Include forests, opium, irrigation, electricity and road and water transport schemes. (*e*) Includes additional duties (net). (*f*) 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 department, community development projects, national extension service, labour and employment, overseas communications service and miscellaneous departments and export promotion (from 1961-62). (*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 upto 1969-70. 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, stationery and printing, civil defence, pre-partition payments and miscellaneous adjustments between Centre, States and Union Territory Governments and other miscellaneous contributions and adjustments. Since 1957-58 it includes provision for transfer to the Special Development Fund of grants received under P.L.480. From 1962-63, it includes Emergency Risks (Goods and Factories) Insurance Funds and certain grants to States. (*j*) Prior to 1961-62 grants other than statutory grants to States were shown under appropriate heads of expenditure.

STATEMENT 64—REVENUE FROM UNION EXCISE DUTIES

(In lakhs of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)†
	1	2	3	4	5	6
I. Basic Duties — Total	**378,96**	**779,25**	**1,372,94**	**1,587,73**	**1,841,13**	**1,994,85**
A. Food and Beverages — Total	**53,01**	**70,34**	**115,01**	**161,45**	**188,68**	**201,89**
Of which :						
Sugar	44,19	53,69	85,01	109,01	133,45	141,70
Tea	7,47	14,84	25,10	36,99	37,00	40,20
B. Tobacco — Total	**53,73**	**82,37**	**150,70**	**168,86**	**191,02**	**206,40**
Unmanufactured Tobacco Cigars and Cigarettes	53,73	82,37	150,70	62,13 106,73	63,00 128,02	64,70 141,70
C. Petroleum Products — Total	**101,07**	**261,18**	**530,50**	**608,18**	**719,27**	**764,00**
Of which :						
Refined Diesel Oil and Vaporising Oil	36,38	100,84	222,73	231,99	263,00	276,00
Motor Spirit	40,46	75,84	143,76	173,10	222,52	240,00
Kerosene	8,29	44,25	96,28	120,97	134,50	142,00
Furnace Oil	13,01	18,78	28,91	33,25	32,00	30,00
Diesel Oil not otherwise specified		14,57	24,09	22,56	23,00	23,80
Asphalt, Bitumen and Tar	2,93	5,54	5,58	9,22	12,00	14,00
Petroleum Products (not otherwise specified)	—	1,36	9,15	17,09	23,00	25,00
D. Vegetable Oils and Fats — Total	**17,32**	**8,55**	**11,62**	**15,00**	**15,00**	**15,90**
E. Chemicals — Total	**4,39**	**29,09**	**75,12**	**87,86**	**109,56**	**123,47**
Of which :						
Plastic Materials and Synthetic resins	8	4,78	15,38	19,80	24,00	26,50
Patent and Proprietary Medicines	26	7,23	12,77	13,18	15,75	17,50
Soap	2,38	3,94	6,50	7,23	10,00	11,00
Paints and Varnishes	1,40	3,42	5,10	5,47	6,00	6,60
Synthetic Organic Dyestuffs	9	2,94	5,82	6,11	6,10	7,20
Cosmetics	7	2,01	3,36	3,38	4,65	5,10
F. Metals — Total	**16,72**	**85,60**	**98,43**	**120,38**	**126,97**	**139,75**
Of which :						
Iron in any crude form	97	4,70	4,07	4,31	5,10	5,50
Iron and Steel Products	13,14	70,86	69,51	67,39	70,00	76,00
Aluminium	1,17	3,11	14,74	28,42	30,20	33,50
Copper and Copper Alloys	7	4,63	4,16	4,51	4,70	5,00

STATEMENT 64—REVENUE FROM UNION EXCISE DUTIES (*Contd.*)

(In lakhs of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)†
	1	2	3	4	5	6
G. Manufactured Goods — Total	**112,76**	**204,23**	**335,43**	**355,38**	**397,53**	**435,03**
Of which :						
Cotton Fabrics	45,94	50,49	57,49(*a*)	51,27	55,62	57,30
Cotton Yarn	13	23,46	34,07	32,96	35,00	36,50
Woollen Yarn	2	1,67	2,72(*a*)	2,49	3,75	4,20
Rayon and Synthetic Fibres and Yarn	2,82	18,59	63,23	68,23	71,58	80,00
Jute Manufactures	—	6,53	17,86	19,49	20,50	21,20
Tyres and Tubes	13,54	25,18	44,36	45,77	52,00	57,20
Rubber Products	—	1,54	6,14	6,54	8,68	10,00
Cement	18,45	25,89	35,51	36,77	41,34	45,50
Matches	18,08	23,24	27,37	28,49	30,50	31,60
Paper	8,38	15,65	20,52	21,38	22,95	24,70
Glass and Glassware	11	3,49	5,28	6,75	8,44	9,50
H. Machinery and Transport Equipment — Total	**15,08**	**35,69**	**54,81**	**67,72**	**90,50**	**105,41**
Of which :						
Motor Vehicles	8,03	16,24	19,30	22,53	27,37	30,90
Electric Batteries and Parts thereof	1,88	3,03	6,09	6,61	7,90	8,70
Electric Wires and Cables	—	4,56	7,61	8,89	10,26	11,70
Electric Motors	80	2,33	4,39	5,49	5,25	6,50
Refrigerators and Air-conditioning Appliances	2	2,18	5,69	9,15(*b*)	10,25(*b*)	11,35(*b*)
II. Special Excise Duties — Total	**—**	**58,39**	**90,89**	**106,70**	**119,37**	**130,73**
Food and Beverages — Total	**—**	**2,67**	**58**	**48**	**55**	**58**
Of which :						
Tea	—	2,37	—	—	—	—
Tobacco — Total	**—**	**16,51**	**30,04**	**33,55**	**38,21**	**41,28**
Of which :						
Unmanufactured Tobacco	—	16,51	30,04	12,31	12,60	12,94
Cigars and Cigarettes	—			21,24	25,61	28,34
Chemicals — Total	**—**	**2,84**	**6,17**	**7,17**	**8,93**	**9,84**
Of which :						
Plastic Materials and Synthetic Resins	—	97	3,17	3,95	4,80	5,30
Soap		79	1,31	1,45	2,00	2,20
Metals — Total	**—**	**62**	**1,59**	**5,68**	**6,04**	**6,70**
Of which :						
Aluminium	—	62	1,59	5,68	6,04	6,70

STATEMENT 64—REVENUE FROM UNION EXCISE DUTIES (*Concld.*)

(In lakhs of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)†
	1	2	3	4	5	6
Manufactured Goods — Total	—	**17,30**	**42,41**	**47,18**	**52,31**	**57,41**
Of which :						
Woollen Yarn	—	37	67	81	1,25	1,40
Rayon and Synthetic Fibres and Yarn	—	1,42	18,87	20,50	21,70	23,84
Tyres and Tubes	—	4,40	8,76	9,14	10,40	11,44
Cement	—	4,84	7,06	7,30	8,27	9,10
Paper	—	2,44	2,85	3,01	3,28	3,50
Machinery and Transport Equipment — Total	—	**6,85**	**10,10**	**12,64**	**13,33**	**14,92**
Of which :						
Motor Vehicles	—	3,85	4,59	5,41	5,50	6,05
Refrigerators and Air-conditioning Appliances	—	75	1,83	3,05(*b*)	3,35(*b*)	3,70(*b*)
III. Cess on Commodities — Total	**6,73**	**17,24**	**22,98**	**29,68**	**31,30**	**32,58**
Of which :						
Coal and Coke	5,40	14,08	18,52	16,01	16,25	16,75
Handloom Cess on Cotton Fabrics	—	@@	@@	5,33	6,00	6,20
Rubber	—	1,27	2,01	1,97	2,70	2,80
Salt	73	98	99	1,05	1,22	1,35
Tea	—	—	—	1,84	1,70	1,75
IV. Additional Duties — Total	**33,60**	**47,15**	**60,61**	**74,78**	**105,47**	**117,51**
Sugar	10,91	16,38	17,79	26,84	33,16	36,00
Textiles	17,01	20,52	20,68	23,45	29,96	31,85
Tobacco	5,68	10,25	22,14	24,49	42,35	49,66
Total Gross Revenue@	**419,29**	**907,36**	**1,547,42**	**1,798,89**	**2,118,04**	**2,348,00**
Less : Refunds and Drawbacks	2,94	9,44	23,11	7,45	15,00	18,00
Total Net Revenue	**416,35**	**897,92**	**1,524,31**	**1,791,44***	**2,103,04**	**2,330,00**
Less : States' Share	75,10	145,92	321,51	390,05	475,29	537,44
Net Receipts	**341,25**	**752,00**	**1,202,80**	**1,401,39**	**1,627,75**	**1,792,56**

†At 1971-72 rates of taxation. @ Including regulatory duties. @@ Included under basic duties. *Represent Departmental figure.

(*a*) Includes cess realisations. (*b*) Figures include duty on machinery also.

STATEMENT 65—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	Sales to State Governments and approved bodies	Outstanding Treasury Bills (c)			
	Amount sold by tender against cash	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) (1+2+3+4)	Amount discharged	*Average rate of discount for auction sales (per cent per annum)* (b)			With Public	With Reserve Bank (d)	With State Governments and approved bodies	Total (e)
	1	2	3	4	5	6	7	8	9	10	11	12	13
1960-61	100,00	15,72			115,72	112,82	*2.65*	3,646,65	886,27	29,13	886,41	190,75	1,106,30
1965-66	28,00	50,86	47	343,18	422,51	284,52	*3.50*	4,999,65	940,34	81,75	1,388,41	141,66	1,611,82
1969-70			78,99	762,34	841,32	869,07	*3.00*	6,905,65	1,256,76	150,24	1,757,41	326,00	2,233,66
1970-71			78,45	345,43	423,88	485,70	*3.08*	7,974,65	887,75	88,43	2,218,41	211,08	2,517,92
1971-72			144,14	445,75	589,89	520,84	*3.50*	9,683,65	964,05	157,47	2,449,41	158,73	2,765,62
March 1971..			3,76	24,15	27,91	22,11	*3.50*	585,00	66,39	88,43	2,218,41	211,08	2,517,92
April „ ..			12,40	19,60	32,01	34,26	*3.50*	1,186,59	56,35	86,18	2,328,41	158,63	2,573,22
May „ ..			9,38	17,62	27,00	26,68	*3.50*	556,82	34,75	86,50	2,288,41	157,49	2,532,40
June „ ..			5,85	24,77	30,62	27,49	*3.50*	990,00	74,46	89,63	2,733,41	165,56	2,988,60
July „ ..			14,28	36,04	50,32	32,01	*3.50*	1,036,59	109,58	107,94	2,518,41	218,79	2,845,14
August „ ..			9,71	25,37	35,08	27,94	*3.50*	581,82	126,47	115,07	2,393,41	300,81	2,809,29
September „ ..			8,07	35,02	43,09	30,97	*3.50*	690,00	93,85	127,19	2,308,41	318,75	2,754,35
October „ ..			17,37	46,60	63,97	49,02	*3.50*	1,036,59	95,49	142,14	2,248,41	315,81	2,706,36
November „ ..			12,62	68,45	81,07	35,08	*3.50*	531,82	121,06	188,13	2,223,41	310,40	2,721,94
December „ ..			10,25	59,02	69,27	45,45	*3.50*	620,00	93,31	211,95	2,063,41	279,41	2,554,77
January 1972..			19,78	34,81	54,60	62,27	*3.50*	1,006,59	46,40	204,28	2,153,41	249,57	2,607,26
February „ ..			12,27	36,58	48,84	80,41	*3.50*	686,82	37,81	172,71	2,313,41	177,52	2,663,64
March „ ..			12,17	41,87	54,04	69,27	*3.50*	760,00	74,52	157,47	2,449,41	158,73	2,765,62
April „ ..			18,75	76,81	95,56	54,54	*3.50*	1,287,59	175,00	198,50	2,699,41	287,33	3,185,24
May „ ..			20,52	82,13	102,65	51,18	*3.50*	1,101,82	101,05	249,96	3,004,41	350,57	3,604,94
June „ ..			11,44	111,45	122,89	50,76	*3.50*	725,00	131,45	322,09	2,994,41	407,50	3,724,00

Note : Sale of Treasury bills by weekly auctions and of Intermediate Treasury bills was 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 was 3.5 per cent per annum from July 16, 1965 to March 2, 1968, 3.0 per cent from March 4, 1968 to January 8, 1971 and 3.5 per cent thereafter. (*c*) As at the end of period. (*d*) Comprising (i) *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 (ii) *ad hocs* created since 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. (*e*) Excludes *ad hoc* Treasury bills for Rs. 50 crores funded in January 1961, Rs. 50 crores in February 1966, Rs. 75 crores each in January 1970 and January 1971 and Rs. 100 crores in December 1971.

STATEMENT 66—CONSOLIDATED BUDGETARY POSITION OF STATES

(In crores of rupees)

Item	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
	1	2	3	4	5	6	7
I. Revenue Account							
A. Revenue (*a*)	1,011.8	2,816.7	3,171.9	3,518.4	3,950.7 (3,986.2)	4,225.6	4,461.9 (4,530.7)
B. Expenditure (*a*)	987.4	2,794.0	3,222.7	3,535.8	3,923.3	4,334.2	4,492.4
C. *Surplus* (+) or *Deficit* (—)	+ *24.4*	+ *22.7*	— *50.8*	— *17.4*	+ *27.4* (+*62.9*)	— *108.6*	— *30.5* (+*38.3*)
II. Capital Account							
A. Receipts (*b*)	570.0	1,485.7	1,834.0	1,699.7	1,554.8 (1,564.6)	2,088.4	2,064.6
B. Disbursements	632.9	1,667.5	1,684.8	1,785.6	1,818.7	2,219.1	2,138.8
C. *Surplus* (+) or *Deficit* (—)	— *62.9*	— *181.8*	+ *149.2*	— 85.9	— 263.9 (— 254.1)	— 130.7	— 74.2
III. Remittances (Net)	— 19.9	+ 39.6	— 40.9	— 37.8	— 3.4	— 6.4	— 2.1
IV. Overall Surplus (+) or Deficit (—) [IC+IIC+III]	— 58.4	— 119.5	+ 57.5	— 141.1	— 239.9 (— 194.6)†	— 245.7	— 106.8 (—38.0)††
Financed by :							
I. Increase (+) or Decrease (—) in Cash Balance (net)	+ 3.7(*c*)	— 3.9	— 15.1	+ 56.0	— 241.4(*d*)	— 255.5(*d*)	— 208.8(*d*)
II. Purchase (+) or Sale (—) of Securities	— 52.1(*e*)	— 7.9(*e*)	+ 24.0 (*e*)	— 4.5	+ 2.4	+ 11.1	— 20.3
III. Increase in (—) or Repayment of (+) Ways and Means Advances and Overdrafts from the Reserve Bank of India (*f*)	— 10.0	— 107.7	+ 48.6	— 192.6 (*g*)	— 0.9	— 1.3	+ 122.3

Notes : (1) Figures in brackets indicate the position after taking into account additional measures for resource mobilisation proposed by States.

(2) Data include figures for Nagaland from 1968-69 onwards, for Himachal Pradesh, Meghalaya and Manipur from 1970-71 onwards and that of Tripura for 1971-72 (Budget) and 1972-73 (Budget).

(3) Figures given here would differ from those given in the earlier Reports as the figures of net ways and means advances and overdrafts from the Reserve Bank of India which were included in capital receipts are treated as financing item.

(*a*) Transfers from and to revenue reserve funds are excluded from revenue and expenditure, respectively. (*b*) Excluding net purchase and sale of securities. (*c*) For the purpose of arriving at this figure, the opening balance for 1960-61, given in budget papers of Maharashtra (which represent the figure for composite State of Bombay) has been adjusted to exclude the amount transferred to Gujarat. (*d*) Including overdrafts. (*e*) Include withdrawals from special revenue reserve funds which amounted to Rs. 0.8 crore in 1960-61 (Accounts), Rs. 2.1 crores in 1968-69 (Accounts) and net transfer to revenue reserve fund of Rs. 9.97 crores in 1969-70 (Accounts). (*f*) Figures for 1960-61, 1968-69 and 1969-70 are based on the Reserve Bank of India records and for later years data given in State budgets have been used; capital receipts have been adjusted accordingly. (*g*) If figures as per the Reserve Bank of India records (Rs. 198.5 crores) are taken into account, the overall deficit will be Rs. 147.0 crores. † If the share of States in the additional taxation undertaken by the Centre is taken into account, the overall deficit would be further reduced by Rs. 41 crores to Rs. 153.6 crores. †† If the share of States (Rs. 48.1 crores) in the additional taxation undertaken by the Centre is taken into account, the overall deficit would be converted into a surplus of Rs. 10.1 crores.

STATEMENT 67—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS

(On Revenue Account)

(In lakhs of rupees)

State/Year	REVENUE							EXPENDITURE			
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE				TOTAL EXPENDITURE			
	Tax revenue	Non-tax revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and other contributions	Total (4+5)	Total Revenue (3+6)	Developmental	Non-Developmental	Total (8+9)	*Surplus (+) or Deficit (—)*
	1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh											
1970-71 (Accounts)	136,06	48,59	184,65	57,16	41,17	98,33	282,98	166,04	117,34	283,38	— *40*
1971-72 (Revised)	145,32	53,60	198,92	67,74	51,60	119,34	318,26	184,93	136,75	321,68	— *3,42*
1972-73 (Budget)	153,48	61,31	214,79	79,05	51,02	130,07	344,86	198,85	136,20	335,05	+ *9,81*
Assam											
1970-71 (Accounts)	28,14	5,83	33,97	17,89	47,25	65,14	99,11	77,70	41,15	118,85	— *19,74*
1971-72 (Revised)	29,55	12,17	41,72	22,18	65,35	87,53	129,25	76,41	65,55	141,96	— *12,71*
1972-73 (Budget)	31,73	11,99	43,72	23,45	45,51	68,96	112,68	71,83	46,54	118,37	— *5,69*
Bihar											
1970-71 (Accounts)	79,17	28,80	107,97	84,20	31,60	115,80	*223,77*	121,69	121,83	243,52	— *19,75*
1971-72 (Revised)	91,95	42,00	133,95	103,30	47,18	150,48	284,43	160,46	152,86	313,32	— *28,89*
1972-73 (Budget)	106,92	46,37	153,29	110,88	39,81	150,69	303,98 (313,82)	157,39	151,87	309,26	— *5,28* (+ *4,56*)
Gujarat											
1970-71 (Accounts)	108,08	48,74	156,82	37,79	23,82	61,61	218,43	121,67	94,19	215,86	+ *2,57*
1971-72 (Revised)	117,53	48,97	166,50	46,98	30,24	77,22	243,72	132,19	90,81	223,00	+ *20,72*
1972-73 (Budget)	129,60	51,11	180,71	52,64	34,65	87,29	268,00 (270,53)	146,11	101,52	247,63	+ *20,37* (+*22,90*)
Haryana											
1970-71 (Accounts)	44,28	24,49	68,77	12,28	9,52	21,80	90,57	49,38	35,40	84,78	+ *5,79*
1971-72 (Revised)	56,57	28,84	85,41	14,51	11,47	25,98	111,39	58,62	38,09	96,71	+*14,68*
1972-73 (Budget)	62,24	36,78	99,02	15,76	10,54	26,30	125,32	66,21	40,03	106,24	+*19,08*

Himachal Pradesh											
1970-71 (Accounts)	1,52	1,60	**3,12**	99	9,67	**10,66**	**13,78**	10,05	3,83	**13,88**	— *10*
1971-72 (Revised)	8,03	7,08	**15,11**	6,22	26,97	**33,19**	**48,30**	37,88	15,76	**53,64**	— *5,34*
1972-73 (Budget)	9.30	6,25	**15,55**	7,00	27,98	**34,98**	**50,53**	40,35	17,13	**57,48**	— *6,95*
Jammu and Kashmir											
1970-71 (Accounts)	7,10	12,14	**19,24**	6,99	30,19	**37,18**	**56,42**	29,05	30,64	**59,69**	— *3,27*
1971-72 (Revised)	8,36	13,95	**22,31**	8,28	38,87	**47,15**	**69,46**	35,71	44,53	**80,24**	— *10,78*
1972-73 (Budget)	9,02	18,69	**27,71**	9,08	55,77	**64,85**	**92,56** (**94,56**)	45,13	52,74	**97,87**	— *5,31* (— *3,31*)
Kerala											
1970-71 (Accounts)	67,98	24,69	**92,67**	30,23	24,68	**54,91**	**147,58**	107,95	52,64	**160,59**	— *13,01*
1971-72 (Revised)	75,60	35,71	**111,31**	35,93	30,12	**66,05**	**177,36**	124,70	59,58	**184,28**	— *6,92*
1972-73 (Budget)	85,75	25,56	**111,31**	39,16	36,50	**75,66**	**186,97** (**192,36**)	136,18	69,39	**205,57**	— *18,60* (—*13,21*)
Madhya Pradesh											
1970-71 (Accounts)	86,59	51,15	**137,74**	56,32	27,73	**84,05**	**221,79**	121,46	76,24	**197,70**	+ *24,09*
1971-72 (Revised)	95,14	53,53	**148,67**	69,63	42,32	**111,95**	**260,62**	143,90	86,01	**229,91**	+ *30,71*
1972-73 (Budget)	103,23	57,57	**160,80**	75,31	52,78	**128,09**	**288,89** (**295,64**)	180,68	97,97	**278,65**	+ *10,24* (+ *16,99*)
Maharashtra											
1970-71 (Accounts)	255,56	78,55	**334,11**	80,40	29,56	**109,96**	**444,07**	227,02	220,76	**447,78**	— *3,71*
1971-72 (Revised)	274,51	86,55	**361,06**	100,57	41,65	**142,22**	**503,28**	247,99	284,05	**532,04**	— *28,76*
1972-73 (Budget)	306,84	92,36	**399,20**	105,33	54,32	**159,65**	**558,85** (**564,12**)	281,80	269,72	**551,52**	+ *7,33* (+*12,60*)
Manipur											
1970-71 (Accounts)	77	—44	**33**	—	13,64	**13,64**	**13,97**	8,11	5,81	**13,92**	+ *5*
1971-72 (Revised)	1,06	11	**1,17**	17	14,40	**14,57**	**15,74**	8,97	6,77	**15,74**	—
1972-73 (Budget)	1,08	16	**1,24**	1,48	14,94	**16,42**	**17,66**	10,58	7,08	**17,66**	—
Meghalaya											
1970-71 (Accounts)	10	19	**29**	1,47	10,30	**11,77**	**12,06**	8,62	62	**9,24**	+ *2,82*
1971-72 (Revised)	22	32	**54**	1,83	25,44	**27,27**	**27,81**	9,69	15,23	**24,92**	+ *2,89*
1972-73 (Budget)	104	34	**1,38**	1,93	13,74	**15,67**	**17,05**	12,87	5,59	**18,46**	— *1,41*

STATEMENT 67—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS (*Concld.*)

(On Revenue Account)

(In lakhs of rupees)

State/Year	REVENUE							EXPENDITURE			*Surplus* (+) *or Deficit* (—)
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			Total Revenue (3+6)	TOTAL EXPENDITURE			
	Tax revenue	Non-tax revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and other contributions	Total (4+5)		Developmental	Non-Developmental	Total (8+9)	
	1	2	3	4	5	6	7	8	9	10	11
Mysore											
1970-71 (Accounts)	101,74	65,41	167,15	37,72	21,76	59,48	226,63	140,62	91,82	232,44	— *5,81*
1971-72 (Revised)	114,18	59,77	173,95	47,26	28,97	76,23	250,18	154,66	98,46	253,12	— *2,94*
1972-73 (Budget)	130,92	68,62	199,54	52,48	32,63	85,11	284,65 (287,30)	169,46	107,89	277,35	+ *7,30* (+ *9,95*)
Nagaland											
1970-71 (Accounts)	33	35	68	60	28,13	28,73	29,41	13,61	10,19	23,80	+ *5,61*
1971-72 (Revised)	45	9	54	69	26,01	26,70	27,24	15,84	11,22	27,06	+ *18*
1972-73 (Budget)	1,72	17	1,89	74	27,23	27,97	29,86	17,18	11,11	28,29	+ *1,57*
Orissa											
1970-71 (Accounts)	33,27	25,67	58,94	30,46	38,93	69,39	128,33	76,05	56,33	132,38	— *4,05*
1971-72 (Revised)	36,26	30,10	66,36	35,77	49,20	84,97	151,33	92,53	81,93	174,46	— *23,13*
1972-73 (Budget)	38,96	31,62	70,58	39,38	44,99	84,37	154,95 (156,95)	99,78	70,86	170,64	— *15,69* (—*13,69*)
Punjab											
1970-71 (Accounts)	86,02	42,35	128,37	18,24	14,21	32,45	160,82	79,27	47,28	126,55	+ *34,27*
1971-72 (Revised)	88,03	32,36	120,39	22,91	23,26	46,17	166,56	92,98	61,14	154,12	+ *12,44*
1972-73 (Budget)	95,76	40,56	136,32	24,16	26,64	50,80	187,12	103,67	70,93	174,60	+ *12,52*

Rajasthan												
1970-71 (Accounts)	60,46	30,25	90,71	34,93	38,97	73,90	164,61	102,86	113,00	215,86	—	*51,25*
1971-72 (Revised)	68,04	34,97	103,01	43,21	44,04	87,25	190,26	115,52	90,76	206,28	—	*16,02*
1972-73 (Budget)	74,68	36,00	110,68	46,14	51,40	97,54	208,22 (212,22)	130,57	94,47	225,04	— (—	*16,82 12,82)*
Tamil Nadu												
1970-71 (Accounts)	148,85	60,03	208,88	57,35	25,99	83,34	292,22	176,75	123,06	299,81	—	*7,59*
1971-72 (Revised)	190,86	57,74	248,60	69,10	36,35	105,45	354,05	213,07	139,24	352,31	+	*1,74*
1972-73 (Budget)	207,87	65,49	273,36	75,07	33,41	108,48	381,84 (383,69)	218,84	160,51	379,35	+ (+	*2,49 4,34)*
Tripura												
1970-71 (Accounts)	—	—	—	—	—	—	—	—	—	—		—
1971-72 (Revised)	—	—	—	—	—	—	—	—	—	—		—
1972-73 (Budget)	89	36	1,25	2,19	19,35	21,54	22,79	16,44	10,86	27,30	—	*4,51*
Uttar Pradesh												
1970-71 (Accounts)	152,86	94,67	247,53	127,96	52,55	180,51	428,04	193,42	163,08	356,50	+	*71,54*
1971-72 (Revised)	138,95	95,80	234,75	157,11	58,19	215,30	450,05	241,87	219,93	461,80	—	*11,75*
1972-73 (Budget)	149,13	98,27	247,40	167,22	64,25	231,47	478,87 (495,37)	269,69	227,32	497,01	— (—	*18,14 1,64)*
West Bengal												
1970-71 (Accounts)	128,97	26,04	155,01	62,67	46,11	108,78	263,79	158,72	140,49	299,21	—	*35,42*
1971-72 (Revised)	143,54	45,90	189,44	78,08	178,73	256,81	446,25	195,34	292.24	487,58	—	*41,33*
1972-73 (Budget)	153,07	42,97	196,04	81,86	68,40	150,26	346,30 (356,30)	189,91	179,18	369,09	— (—	*22,79 12,79)*
Total												
1970-71 (Accounts)	**1,527,85**	**669,10**	**2,196,95**	**755,65**	**565,78**	**1,321,43**	**3,518,38**	**1,990,04**	**1,545,70**	**3,535,74**	—	*17,36*
1971-72 (Revised)	**1,684,15**	**739,56**	**2,423,71**	**931,47**	**870,36**	**1,801,83**	**4,225,54**	**2,343,26**	**1,990,91**	**4,334,17**	—	*108,63*
1972-73 (Budget)	**1,853,23**	**792,55**	**2,645,78**	**1,010,31**	**805,86**	**1,816,17**	**4,461,95 (4,530,73)**	**2,563,52**	**1,928,91**	**4,492,43**	— (+	*30,48 38,30)*

Notes : 1. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation. 2. Figures for 1972-73 (Budget) are before tax changes; the position after taking into account tax changes is shown in brackets. 3. For details regarding coverage of various items included under each head, a reference may be made to statement—68.

STATEMENT 68—REVENUE AND
(On Revenue

Item	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
	1	2	3	4	5	6	7
				REVENUE			
I. TAX REVENUE (A + B) ..	**624.8**	**1708.4**	**1980.9**	**2283.5**	**2468.6**	**2615.6**	**2863.5**
A. State Tax Revenue (1+2+3)	**442.4**	**1221.2**	**1355.5**	**1527.8**	**1608.2**	**1684.1**	**1853.2**
1. Taxes on land and income	**107.1**	**126.6**	**119.9**	**126.5**	**116.9**	**108.5**	**121.7**
Agricultural income tax ..	9.5	9.9	14.0	10.5	13.4	11.8	13.4
Land revenue	97.2	113.9	102.8	112.6	101.7	94.2	106.3
Surcharge on cash crops ..	—	0.3	0.3	0.3	0.3	0.3	0.3
Profession tax	0.4	2.5	2.8	3.1	1.5	2.2	1.7
2. Taxes on property ..	**44.3**	**104.9**	**116.6**	**126.0**	**136.4**	**141.0**	**150.9**
Stamps and registration ..	43.3	101.3	112.6	121.8	130.4	137.0	145.3
Urban immovable property tax	1.0	3.6	4.0	4.2	6.0	4.0	5.6
3. Taxes on commodities and services	**291.0**	**989.7**	**1119.0**	**1275.3**	**1354.9**	**1434.6**	**1580.6**
General sales tax ..	120.0	437.1	490.8	561.6	591.1	605.9	669.7
Central sales tax	22.5	100.1	126.9	147.2	150.7	168.7	184.0
Sales tax on motor spirit	16.3	35.3	38.5	46.3	52.7	57.0	64.1
Motor vehicles tax ..	34.1	89.3	93.5	104.7	108.1	111.0	120.7
Tax on passengers and goods	5.8	46.2	57.1	67.8	80.4	82.8	96.5
Entertainment tax ..	13.1	42.5	50.4	57.5	57.9	66.0	74.8
State excise	53.1	159.0	173.6	193.9	208.7	235.5	254.5
Electricity duties ..	12.5	54.9	58.2	67.2	69.8	72.9	77.0
Other taxes and duties (*a*)	13.6	25.3	30.0	29.1	35.5	34.8	39.3
B. Share in Central taxes ..	**182.4**	**487.2**	**625.4**	**755.7**	**860.4**	**931.5**	**1010.3**
Income tax	90.6	194.5	293.2	359.1	424.8	452.8	460.9
Estate duty	2.9	5.5	7.0	6.3	7.1	6.9	7.0
Union excise	75.1	287.2	325.2	390.3	428.5	471.8	542.4
Tax on Railway fares ..	13.8	—	—	—	—	—	—
II. NON-TAX REVENUE (C + D)	**387.0**	**1108.3**	**1191.0**	**1234.9**	**1482.1**	**1610.0**	**1598.4**
C. State Non-tax Revenue ..	**265.4**	**614.6**	**659.6**	**669.1**	**774.4**	**739.7**	**792.5**
Administrative receipts (*b*)	139.5	178.1	190.2	190.5	218.6	209.4	224.5
Net contribution of departmental undertakings (*c*)	47.5	92.8	88.1	81.0	104.9	94.6	96.0
(i) Forest	32.6	59.1	71.6	71.2	79.3	81.7	80.8
(ii) Irrigation (commercial)	7.6	—0.4	—8.6	—13.3	—3.2	—7.9	—6.5
(iii) Electricity schemes ..	3.5	26.5	18.8	18.2	15.2	11.0	11.3
(iv) Road and water transport schemes	5.7	7.0	5.4	6.2	11.3	9.1	10.9
(v) Industries	—1.9	0.6	0.9	— 1.3	2.3	0.7	—0.5
Irrigation (non-commercial).		5.7	5.7	6.0	7.0	6.7	7.2
Receipts from other public undertakings (*d*).. ..		64.8	72.3	95.7	109.2	101.1	119.7
Interest receipts (*e*) ..	78.4†	176.6	185.5	183.1	208.4	214.4	222.6
Royalty on minerals and mineral concession fees		20.4	29.9	24.0	30.1	24.5	31.5
State lotteries		11.8	24.7	28.8	36.2	31.1	32.6
Other State non-tax revenue (*f*)		64.4	63.2	60.0	60.0	57.9	58.4
D. Grants-in-aid and Other Contributions (*g*) ..	**121.6**	**493.7**	**531.4**	**565.8**	**707.7**	**870.3**	**805.9**
TOTAL REVENUE (I + II) ..	**1011.8**	**2816.7**	**3171.9**	**3518.4**	**3950.7** (3986.2)	**4225.6**	**4461.9** (4530.7)

EXPENDITURE OF STATES

Account)

(In crores of rupees)

Item	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
	1	2	3	4	5	6	7
				EXPENDITURE			
E. **Development Expenditure**	**569.6**	**1562.9**	**1751.0**	**1990.1**	**2260.8**	**2343.3**	**2563.5**
Education	195.4	596.4	680.4	793.4	875.5	895.5	978.0
Medical and public health	80.8	231.6	274.3	299.1	361.7	362.0	405.3
Agriculture		133.0	138.7	147.2	178.1	183.7	203.7
Animal husbandry	66.0	40.1	40.6	46.5	54.1	54.0	60.6
Co-operation		31.4	31.9	33.6	40.2	38.3	44.8
Rural and community development	52.3	68.9	71.3	82.6	104.2	114.0	136.8
Civil works	67.4	171.1	190.4	216.9	227.0	259.3	251.9
Industries	21.8	27.1	33.2	34.0	40.0	39.0	44.5
Irrigation (non-commercial)		34.5	44.4	56.3	50.9	65.1	63.1
Other development expenditure (*h*)	85.9	228.8	245.8	280.5	329.1	332.4	374.8
F. **Non-Development Expenditure**	**417.8**	**1231.1**	**1471.7**	**1545.7**	**1662.5**	**1990.9**	**1928.9**
Collection of taxes and duties, etc. (*i*)	66.2	117.9	129.6	147.8	168.5	168.7	185.1
Interest on debt		315.5	369.9	398.1	442.9	470.2	490.5
Appropriation for reduction or avoidance of debt	84.4††	138.2	179.2	179.9	173.3	215.6	270.9
Civil administration (*j*) ..	167.0	368.1	410.6	455.1	480.0	500.1	516.7
Famine relief	21.5	89.9	159.4	106.1	38.4	164.6	66.9
Miscellaneous (*k*)	42.9	119.8	142.9	164.9	260.5	369.5	297.6
Food subsidy		14.3	12.8	15.6	15.0	13.6	7.6
Other non-development expenditure (*l*)	35.8	67.4	67.3	78.2	83.9	88.6	93.6
TOTAL EXPENDITURE OF STATE GOVERNMENTS (E+F)	**987.4**	**2794.0**	**3222.7**	**3535.8**	**3923.3**	**4334.2**	**4492.4**
Surplus (+) or Deficit (—)	*+ 24.4*	*+22.7*	*— 50.8*	*— 17.4*	*+ 27.4* (*+62.9*)	*— 108.6*	*—30.5* (*+38.3*)

Notes : 1. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation.

2. The figures for 1971-72 (Budget) and 1972-73 (Budget) are before tax changes; the position after tax changes is shown in brackets.

3. The classification of Development and Non-Development expenditure has been done on the basis of broad budget heads.

4. Data include figures for Nagaland from 1968-69 onwards, Himachal Pradesh, Meghalaya and Manipur from 1970-71 onwards and that of Tripura for 1971-72 (Budget) and 1972-73 (Budget).

(*a*) Comprise tax on prize competitions, betting tax, cinematograph tax, show tax, tax on raw jute, tobacco duties, surcharge and cess on sugarcane, purchase tax on sugarcane, etc.; from 1969-70 onwards cinematograph tax and show tax have been included under entertainment tax. (*b*) Include receipts under various heads such as education, medical and public health, civil works, etc. and certain grants from the Central Government; from 1961-62, these grants have been shown under grants-in-aid and other contributions. (*c*) The net contribution of departmental undertakings does not constitute a commercial surplus, but represents excess of revenue over working expenses (Plan and non-plan) for 1960-61 and 1968-69 and excess of revenue over working expenses (non-plan) from 1969-70 onwards. (*d*) Comprise interest receipts on loans and advances by State Governments to State Electricity Boards and State Road Transport Corporations and dividends. (*e*) Exclude interest on loans and advances by State Governments to State Electricity Boards and State Road Transport Corporations. (*f*) Comprises stationery and printing, receipts under multi-purpose river valley schemes and miscellaneous receipts but excludes transfers from revenue reserve funds. (*g*) Include miscellaneous adjustments between Centre and States. (*h*) Includes expenditure on scientific departments, labour and employment, aviation, ports and pilotage, multi-purpose river valley schemes, plan expenditure and interest charges on irrigation (commercial), electricity schemes, road and water transport schemes, milk supply schemes, interest on capital outlay on irrigation, etc. within the revenue account and plan expenditure on account of forest. (*i*) Includes transfers to funds *viz*, State Road Fund etc. (*j*) Comprises general administration, administration of justice, jails and convict settlements, police and miscellaneous departments. (*k*) Includes expenditure on displaced persons, irrecoverable loans and advances, technical training, scholarships, etc., and payment of portion of certain States' taxes to local bodies. (*l*) Includes pensions, stationery and printing, extraordinary charges, expenditure connected with National emergency etc.

† Includes receipts on account of debt services, but excludes recoveries of interest from commercial departments which are adjusted by the States as reduction of expenditure on debt services.

†† Recoveries of interest from commercial departments have been shown as reduction of expenditure under this head.

STATEMENT 69—CAPITAL BUDGET OF STATES

(In crores of rupees)

Item	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Budget)	1971-72 (Revised)	1972-73 (Budget)
	1	2	3	4	5	6	7
RECEIPTS							
Permanent debt	93.8	125.7	176.1	167.8	156.7	179.6	192.3
Floating debt (net) (*a*)	5.9	31.3	—11.4	0.8	—	—0.9	—
Loans from the Centre	345.6	863.9	1029.5	1005.2	810.5	1316.5	1201.8
Other loans (*b*)	11.7	44.8	73.4	46.4	60.9	50.3	74.6
Unfunded debt (net) (*c*)	15.7	59.5	81.8	73.7	69.8	78.6	86.0
Loans and advances repaid to State Governments	48.5	188.2	176.3	165.0	235.2	207.4	235.4
Inter-State debt settlement (net)		0.4	0.6	0.1	—	0.8	1.0
Contingency fund (net)	48.8	2.6	1.3	—0.9	5.0	—2.2	1.7
Deposits and advances (net) (*d*)		169.3	306.4	241.6	216.7	258.3	271.8
TOTAL RECEIPTS	**570.0**	**1485.7**	**1834.0**	**1699.7**	**1554.8 (1564.6)**	**2088.4**	**2064.6**
DISBURSEMENTS							
Capital Outlay (A+B) (*e*)	**318.0**	**557.3**	**509.1**	**558.1**	**697.3**	**716.0**	**768.9**
A. Development	**293.6**	**515.6**	**500.5**	**584.6**	**709.3**	**721.6**	**777.9**
Multi-purpose river valley schemes	46.5	110.5	93.9	94.3	110.1	108.5	101.9
Irrigation and navigation	80.6	126.4	160.7	188.3	213.6	223.9	249.1
Schemes of agricultural improvement and research	3.7	35.0	—0.5	—0.4	1.8	2.8	7.9
Electricity schemes	25.4	29.1	43.1	28.3	29.4	28.1	33.6
Road transport	4.8	—	6.6	7.8	10.4	9.3	6.3
Buildings, roads and water works	114.8	119.4	125.1	173.0	224.1	222.9	248.4
Industrial development	15.5	91.7	67.1	86.3	108.2	115.7	118.4
State trading (plan)			0.8	2.4	5.0	4.3	4.6
Forest	2.3	3.5	3.7	4.6	6.7	6.1	7.7
B. Non-Development	**24.4**	**41.7**	**8.6**	**—26.5**	**—12.0**	**—5.6**	**—9.0**
State trading (non-plan)	*10.2(f)*	*36.0(f)*	*2.5*	*—31.9*	*—20.8*	*—13.2*	*—17.6*
Compensation to landholders on the abolition of zamindari	*14.0*	*5.5*	*5.8*	*5.1*	*8.4*	*7.3*	*8.3*
Other financial transactions	*0.2*	*0.2*	*0.3*	*0.3*	*0.4*	*0.3*	*0.3*
Discharge of permanent debt	17.8	65.2	91.6	65.6	81.4	83.7	91.1
Repayment of loans to the Centre	114.2	554.2	607.8	633.9	563.9	812.9	785.3
Repayment of other loans (*b*)	2.8	31.8	44.8	37.3	39.1	25.3	40.6
Loans and advances by State Governments	180.1	459.0	431.5	490.7	437.0	581.2	452.9
TOTAL DISBURSEMENTS	**632.9**	**1667.5**	**1684.8**	**1785.6**	**1818.7**	**2219.1**	**2138.8**
Surplus (+) or Deficit (—)	*—62.9*	*—181.8*	*+149.2*	*—85.9*	*—263.9 (—254.1)*	*—130.7*	*—74.2*

Notes: 1. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation. 2. Figures in brackets for 1971-72 (Budget) are after taking into account additional measures for resource mobilisation proposed by States. 3. Data include figures for Nagaland from 1968-69 onwards, Himachal Pradesh, Meghalaya and Manipur from 1970-71 onwards and Tripura in 1971-72 (Budget) and 1972-73 (Budget). 4. Figures given here would differ from those given in the earlier Reports as the figures of ways and means advances and overdrafts from the Reserve Bank of India which were included in capital receipts under floating debt, are treated as financing item. (*a*) Excludes ways and means advances and overdrafts from the Reserve Bank of India. (*b*) Include loans from/repayments to 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, Khadi and Village Industries Board, etc. (*c*) Excludes receipts from and expenditure on State lotteries in 1969-70 (Accounts) in the case of Tamil Nadu as these have been transferred to revenue account to make the data comparable with other States which show such receipts and expenditure on revenue account. (*d*) Exclude sale or purchase of securities. (*e*) Excludes appropriation to contingency funds. (*f*) Includes State trading (plan).

STATEMENT 70—DEBT POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

End of March	Internal Permanent Debt (a)	*Percentage to Col. 15*	Treasury Bills	*Percentage to Col. 15*	Other Floating Debt (b)	*Percentage to Col. 15*	Small Savings (c)	*Percentage to Col. 15*	State Provident Funds	*Percentage to Col. 15*	Other Unfunded Debt (d)	*Percentage to Col. 15*	Reserve Funds and Deposits (e)	*Percentage to Col. 15*	**Total Internal Debt and other Obligations**	External Debt (f)	**Total Debt (15+16)**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1961	2,595	*44.9*	1,106	*19.1*	274	*4.8*	973	*16.8*	289	*5.0*	262	*4.5*	284	*4.9*	**5,783**	782	**6,565**
1966	3,462	*39.6*	1,612	*18.5*	341	*3.9*	1,541	*17.6*	527	*6.0*	695	*8.0*	561	*6.4*	**8,739**	2,611	**11,350**
1969	3,928	*35.7*	2,244	*20.4*	687	*6.3*	1,896	*17.2*	686	*6.2*	795	*7.2*	764	*7.0*	**11,000**	5,637	**16,637**
1970	4,144	*35.9*	2,232	*19.3*	690	*6.0*	2,025	*17.5*	761	*6.6*	839	*7.3*	863	*7.4*	**11,554**	6,153	**17,707**
1971 (Revised Estimates)	4,433	*36.2*	2,310	*18.8*	721	*5.9*	2,169	*17.7*	840	*6.8*	809	*6.6*	977	*8.0*	**12,259**	6,577	**18,836**
1972 (Revised Estimates)	4,836	*35.2*	2,623	*19.1*	704	*5.1*	2,419	*17.6*	942	*6.9*	871	*6.4*	1,326	*9.7*	**13,721**	6,954	**20,675**
1973 (Budget Estimates) .	5,050	*34.1*	2,998	*20.3*	706	*4.8*	2,649	*17.9*	1,037	*7.0*	850	*5.7*	1,507	*10.2*	**14,797**	7,328	**22,125**

Note : Figures in this Statement differ from those given in other Statements because of differences in sources.

(*a*) Includes loans bearing interest, not bearing interest as well as interest free loans, but excludes 15-year Annuity Certificates.

(*b*) These represent liability in respect of special rupee securities issued in payment of subscriptions to IMF, IBRD, and IDA, contribution towards share capital of ADB, etc.

(*c*) Include 15-year Annuity Certificates.

(*d*) Includes mainly Postal Insurance and Life Annuity Fund, Hindu Family Annuity Fund, PL 480 Deposits and (from 1966) Compulsory Deposits and Income-tax Annuity Deposits.

(*e*) Include Depreciation and Reserve Fund of Railways and Posts and Telegraphs, Deposits of Local Funds, Departmental and Judicial Deposits and Civil Deposits, etc.

(*f*) The outstanding external debt (other than PL 480 Loans) from 1966-67 onwards 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.

Sources : (i) Finance Accounts of the Government of India for end-March 1961, 1966 and 1969; (ii) Combined Finance and Revenue Accounts of the Central and State Governments in India for end-March 1970 and (iii) Explanatory Memorandum of the Central Government Budget for end-March 1971, 1972 and 1973.

STATEMENT 71—DEBT, LIABILITIES, CAPITAL OUTLAY AND LOANS ADVANCED BY THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	As at the end of					
	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Revised Estimates)	1970-71 (Revised Estimates)	1971-72 (Revised Estimates)	1972-73 (Budget Estimates)
	1	2	3	4	5	6
Debt and Liabilities of the Government of India						
I. Public Debt						
A. Debt Raised in India						
(a) **Permanent Debt** ..						
(1) Current Loans	2,556	3,417	4,097	4,307	4,702	4,917
(2) Compensation Bonds	—	—	5	79	84	84
(3) Prize Bonds	15	11	2	1	1	—
(4) Loans in course of Repayment	23	34	43	46	49	49
Total	**2,594**	**3,462**	**4,147**	**4,433**	**4,836**	**5,050**
(b) **Floating Debt** ..						
(1) Treasury Bills	1,106	1,612	2,398	2,310	2,623	2,998
(2) Special Floating Loan	274	341	689	721	704	706
(3) Treasury Deposit Receipts and other Floating Loans	—	—	—	—	—	—
Total	**1,380**	**1,953**	**3,087**	**3,031**	**3,327**	**3,704**
Total Debt Raised in India (a+b)	**3,974**	**5,415**	**7,234**	**7,464**	**8,163**	**8,754**
B. Debt Raised Outside India						
(1) England@						
Loans	107	263	547	622	704	719
Others	15	—	—	—	—	—
(2) U.S.A.						
Loans	211	750	1,713	1,792	1,893	1,999
U.S. Export-Import Bank	25	101	100	75	90	68
P.L.480 Rupee Loans	78	528	1,516	1,420	1,603	1,597
P.L.480 Local convertible currency credit	—	—	74	257	94	105
(3) U.S.S.R.	58	244	379	367	360	320
(4) Canada	14	18	97	141	168	184
(5) Federal Republic of Germany	103	206	376	407	448	441
(6) Japan	10	62	223	260	292	277
(7) International Bank for Reconstruction and Development	140	180	252	251	235	227
(8) International Development Association		171	666	759	790	920
(9) Other Countries		67	198	226	277	471
Total Debt Raised Outside India	**761**	**2,590**	**6,141**	**6,577**	**6,954**	**7,328**
Total Public Debt (A + B)	**4,735**	**8,005**	**13,375**	**14,041**	**15,117**	**16,082**
II. Other Liabilities						
A. Unfunded Debt						
(i) Small Savings Schemes (including Annuity Certificates)	974	1,542	2,020	2,169	2,419	2,649
(ii) Other Unfunded Debt	551	1,222	1,586	1,649	1,813	1,887
Total A	**1,525**	**2,764**	**3,606**	**3,818**	**4,232**	**4,536**
B. Reserve Funds and Deposits						
(i) Bearing Interest	142	275	197	248	309	359
(ii) Not bearing Interest	142	285	667	729	1,017	1,148
Total B	**284**	**560**	**864**	**977**	**1,326**	**1,507**
Total Other Liabilities (A+B)	**1,809**	**3,324**	**4,470**	**4,795**	**5,558**	**6,043**
Total Debt and Liabilities (I+II)	**6,544**	**11,329**	**17,845**	**18,836**	**20,675**	**22,125**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	**—300**	**—300**	**—300**	**—300**	**—300**	**—300**
Net Liabilities of the Central Government	**6,244**	**11,029**	**17,545**	**18,536**	**20,375**	**21,825**

I. Capital Outlay						
A. Outlay on Departmental Undertakings						
(1) Railways	1,512	2,672	3,218	3,313	3,475	3,634
(2) Posts and Telegraphs	140	265	384	398	413	466
(3) Atomic Energy Development	15	69	203	213	235	271
(4) Mints	4	4	5	5	6	6
(5) Electricity Schemes	3	1	48	67	105	161
(6) Undertakings of Industrial and Economic Development	2	5	6	8	12	20
(7) Others *	6	14	28	32	35	41
Total A	**1,682**	**3,030**	**3,892**	**4,036**	**4,281**	**4,599**
B. Investments in Autonomous Corporations, Companies, etc.						
(a) Government Companies and Corporations						
(1) Hindustan Steel	300	528	557	557	595	617
(2) Bokaro Steel	—	20	363	410	600	600
(3) Fertilizer Corporation of India	40	52	97	116	138	178
(4) Food Corporation of India	—	9	53	65	77	86
(5) Others *	252	732	1,058	1,217	1,425	1,580
Total	**592**	**1,341**	**2,128**	**2,365**	**2,835**	**3,061**
(b) Financial Institutions						
(1) International Monetary Fund	296	353	527	693	670	670
(2) International Bank for Reconstruction and Development	37	37	57	71	64	64
(3) International Development Association	5	19	29	29	30	31
(4) International Finance Corporation	2	2	2	2	2	2
(5) Asian Development Bank	—	—	28	28	35	43
(6) Reserve Bank of India	11	6	6	6	6	6
(7) Life Insurance Corporation	5	5	5	5	5	5
(8) Others *	2	2	31	119	141	164
Total	**358**	**424**	**685**	**953**	**953**	**985**
(c) Other Companies, Corporations, etc.	**10**	**33**	**39**	**39**	**36**	**36**
Of which : Oil India	8	27	26	24	22	22
Total B (a+b+c)	**960**	**1,798**	**2,852**	**3,357**	**3,824**	**4,082**
C. Other Capital Outlay						
(1) Defence Services	454	874	1,321	1,412	1,565	1,755
(2) Public Works (including roads)	181	425	607	657	727	827
(3) Government Trading Schemes						
(i) Purchase of Foodgrains	137	90	41	—16	—24	—68
(ii) Other Schemes	15	19	6	50	41	31
(4) Others *	161	349	605	660	751	835
Total C	**948**	**1,757**	**2,580**	**2,763**	**3,060**	**3,380**
Total Capital Outlay (A+B+C)	**3,590**	**6,585**	**9,324**	**10,156**	**11,165**	**12,061**
II. Loans Advanced by the Government of India						
(1) State Governments	1,910	3,970	5,874	6,235	6,670	6,998
(2) Union Territory Governments	—	40	124	157	92	101
(3) Foreign Governments	29	28	58	58	102	192
(4) Government Servants	5	12	28	43	75	84
(5) Other Parties	591	1,329	2,723	2,918	3,032	3,434
Total Loans Advanced by the Government of India	**2,535**	**5,379**	**8,807**	**9,411**	**9,971**	**10,809**
Total Capital Outlay and Loans Advanced (I+II)	**6,125**	**11,964**	**18,131**	**19,567**	**21,136**	**22,870**
Excess (+) or shortfall (—) of Debt and Liabilities (net) over Capital Outlay and Loans Advanced	**+119**	**—935**	**—586**	**—1,031**	**—761**	**—1,045**

@ Excludes a sum of Rs. 20.6 crores representing unexpired liability for British Government 5% War Loan 1929-47, the liability for which remains suspended.

* Residual.

STATEMENT 72—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1971-72

Description of loan	Amount of issue* (Rs. lakhs)	Period of maturity (No. of years)	Issue price (Rs.)	Redemption yield at issue price (Per cent)	Amount subscribed (Rs. lakhs)	Subscriptions accepted (Rs. lakhs)				Amount repayable in cash in respect of maturing loans (Rs. lakhs)	Net Borrowings (Rs. lakhs) (6—10)
						Cash	Conversion		Total (6+8)		
							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
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
1969-70											
Central Government	500,00				535,34	205,97		329,37	535,34	66,66	+139,31
State Governments	155,00				183,57	124,47		46,36	170,83	43,19	+ 81,28
Total	655,00				718,91	330,44		375,73	706,17	109,85	+220,59
1970-71											
Central Government	400,00				427,87	225,73		202,14	427,87	91,46	+134,27
State Governments	142,50				163,53	124,42		32,64	157,06	24,42	+100,00
Total	542,50				591,40	350,15		234,78	584,93	115,88	+234,27
1971-72											
Central Government											
4¾% Loan, 1978	375,00	7	100	4.75	102,88	20,17	4½% Loan 1971	82,71	102,88	33,71	+294,82
5¼% Loan, 1986		15	100	5.25	131,61	19,57		112,04	131,61		
5¾% Loan, 2001		30	100	5.75	171,32	67,69		103,63	171,32		
4¾% Loan, 1978 (Re-issue)	100,00	7	100	4.75	29,98	29,98	—	—	29,98		
5¼% Loan, 1986 (Re-issue)		15	100	5.25	25,85	25,85	—	—	25,85		
5¾% Loan, 2001 (Re-issue)		30	100	5.75	54,52	54,52	—	—	54,52		
5 % National Defence Loan, 1981..	100,00	10	100	5.00	59,93	59,93	—	—	59,93		
5¼% National Defence Loan, 1986		15	100	5.25	23,66	23,66	—	—	23,66		
5¼% National Defence Loan, 2001		30	100	5.75	27,16	27,16	—	—	27,16		
Total of Central Government ..	**575,00**				**626,91**	**328,53**		**298,38**	**626,91**	**33,71**	**+294,82**

State Governments

5¼% Andhra Pradesh S.D. Loan, 1983	12,75	12	100	5.75	14,24	10,68	4% A.P. S.D. Loan, 1971	3,56	14,24		
5¼% Assam Loan, 1983 ..	6,25	12	100	5.75	6,88	5,86	4% Assam Loan, 1971	1,02	6,88		
5¼% Bihar S. D. Loan, 1983	6,25	12	100	5.75	6,88	4,91	4% Bihar S.D. Loan, 1971	1,97	6,88		
5¼% Gujarat S.D. Loan, 1983	12,75	12	100	5.75	14,06	14,06	—	—	14,06		
5¼% Haryana S. D. Loan, 1983..	5,50	12	100	5.75	6,07	6,07	—	—	6,07		
5¼% Kerala S. D. Loan, 1983	7,75	12	100	5.75	8,54	5,98	4% Kerala S.D. Loan, 1971	2,56	8,54		
5¼% Madhya Pradesh S. D. Loan, 1983	10,00	12	100	5.75	11.10	9,07	4% M.P.S.D. Loan, 1971	2,03	11,10		
5¼% Tamilnadu Loan, 1983	19,50	12	100	5.75	21,47	18,19	4% Madras Loan, 1971	3,28	21,47	37,28	+103,14
5¼% Maharashtra S. D. Loan, 1983..	18,00	12	100	5.75	19,84	16,32	4% Bombay S.D. Loan, 1971	3,52	19,84		
5¼% Mysore S. D. Loan, 1983	10,00	12	100	5.75	11,01	8,20	4% Mysore S.D. Loan, 1971	2,81	11,01		
5¼% Orissa Govt. Loan, 1983	7,00	12	100	5.75	7,76	6,01	4% Orissa Govt. Loan, 1971	1,75	7,76		
5¼% Punjab Loan, 1983 ..	6,00	12	100	5.75	6,63	5,19	4% Punjab Govt. Loan, 1971	1,44	6,63		
5¼% Rajasthan S. D. Loan, 1983	7,25	12	100	5.75	8,02	5,27	4% Rajasthan S. D. Loan, 1971	2,75	8,02		
5¼% U.P. S. D. Loan, 1983	15,50	12	100	5.75	17,33	13,55	4% U.P.S.D. Loan, 1971	3,78	17,33		
5¼% West Bengal Loan, 1983	14,25	12	100	5.75	15,67	11,06	4% W. B. Loan, 1971	4,61	15,67		
Total of State Governments ..	**158,75**				**175,50**	**140,42**		**35,08**	**175,50**	**37,28**	**+103,14**
Total of Central and State Governments	**733,75**				**802,41**	**468,95**		**333,46**	**802,41**	**70,99**	**+397,96**

Note : (1) Figures in columns 5, 6 and 9 to 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 and 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) 4½% Banks (Acquisition and Transfer) Compensation Bonds 1979, 5½% Banks (Acquisition and Transfer) Compensation Bonds 1999 and 4½% Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981, (iii) issues and repayments of 2½% U.P. Zamindari Abolition Compensation Bonds, U.P. Zamindari Abolition Rehabilitation Grant Bonds, 2½% Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds, 2½% Rajasthan Zamindari and Biswedari Abolition Compensation Bonds, 2½% Rajasthan Jagir Resumption Compensation and Additional Rehabilitation Bonds, 2½% Bihar Zamindari Abolition Compensation Bonds, West Bengal Estates Acquisition Compensation Bonds, 3% Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961 Compensation Bonds (Repayable in Instalments), Assam State Acquisition of Zamindari Act, 1951 Compensation Bonds, Tamilnadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 Compensation Bonds, 3% Bombay Land Tenure Abolition Acts, Compensation Bonds (Former Bombay, Maharashtra, Gujarat, Mysore), 2¾% Mysore Inams Abolition Compensation Bonds, 3% Hyderabad (Abolition of Cash Grants) Act, 1952 Compensation Bonds, Hyderabad Inams Abolition Compensation Bonds (Mysore), 3% Maharashtra Revenue Patel's (Abolition of Office) Act, 1962 Compensation Bonds and only issues of 3% Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961 Compensation Bonds (Redeemable on Maturity), Jenmikaram Payment (Abolition) Bonds and only repayment of 3¼% U.P. Encumbered Estates Act Bonds; the total issues and repayments of these bonds amounted to Rs. 403 lakhs and Rs. 521 lakhs respectively in 1971-72 and (iv) Rs. 100 crores of *ad-hoc* Treasury Bills funded in December 1971.

* Inclusive of conversion.

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (OUTSTANDINGS AS ON MARCH 31, 1972)

(In thousands of rupees)

Central Government Loans		Amount outstanding
4 %	Loan, 1972	1,54,70,47
4¼%	National Defence Bonds, 1972	28,22,34
4½%	Loan, 1972	1,00,13,43
4¾%	National Defence Loan. 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	2,01,63,53
4¼%	Loan, 1975	2,07,11,56
2¾%	Loan, 1976	14,77,47
4½%	Loan, 1976	2,60,15,88
4½%	Loan, 1977	1,20,63,42
4¾%	Loan, 1978	1,32,85,45
4 %	Loan, 1979	1,06,06,39
4½%	Banks (Acquisition and Transfer) Compensation Bonds, 1979	6,70,00
4 %	Loan, 1980	1,48,05,17
4 %	Loan, 1981	65,96,55
4½%	Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981	4,46,86
5 %	National Defence Loan, 1981	64,92,19
5 %	Loan, 1982	1,85,14,55
4½%	Loan, 1985	1,14,03,37
4½%	Loan, 1986	1,03,09,83
5¼%	Loan, 1986	1,57,45,68
5¼%	National Defence Loan, 1986	28,66,19
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
5½%	Loan, 1999	2,75,18,65
5½%	Banks (Acquisition and Transfer) Compensation Bonds, 1999	72,62,84
5½%	Loan, 2000	3,92,22,16
5¾%	Loan, 2001	2,25,83,91
5¼%	National Defence Loan, 2001	41,95,62
2¾%	Hyderabad Loan, 1974	4,40,00
2¾%	Hyderabad Loan, 1975	6,85,71
3 %	Conversion Loan, 1986 or later	2,48,90,06
3 %	Non-terminable Loan, 1896-97	8,93,31
7 %	Gold Bonds, 1977†	8,61,79
7 %	Gold Bonds, 1980	3,25,55
National Defence Gold Bonds, 1980 (A and B Series)		6,95,34
	TOTAL	47,84,53,02
Loans not bearing interest		
Central Government Loans		27.45,45
Of which : Prize Bonds		2,19,30
Hyderabad Loans		48,62
	TOTAL	48,12,47,09

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.

† Prior to April 1, 1965 the rate of interest was 6½ per cent per annum.

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1972)

(In thousands of rupees)

State Government Loans		Amount outstanding
ANDHRA PRADESH		
4¼%	Andhra Pradesh State Development Loan, 1972	11,01,81
4½%	Andhra Pradesh State Development Loan, 1974	10,99,84
4¾%	Andhra Pradesh 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	12,10,18
5¾%	Andhra Pradesh State Development Loan, 1981	16,04,06
5¾%	Andhra Pradesh State Development Loan, 1982	13,27,54
5¾%	Andhra Pradesh State Development Loan, 1983	14,22,84
		1,18,28,09
	Loans not bearing interest	49,04
	TOTAL	**1,18,77,14**
ASSAM		
4½%	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
5¾%	Assam Loan, 1981	4,97,46
5¾%	Assam Loan, 1982	4,14,02
5¾%	Assam Loan, 1983	6,88,48
	Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	15,14
		33,60,82
	Loans not bearing interest	43
	TOTAL	**33,61,25**
BIHAR		
4¼%	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	3,83,91
5¾%	Bihar State Development Loan, 1981	6,06,09
5¾%	Bihar State Development Loan, 1982	5,51,72
5¾%	Bihar State Development Loan, 1983	6,88,30
2½%	Bihar Zamindari Abolition Compensation Bonds	16,85,68
		64,71,32
	Loans not bearing interest	28,11
	TOTAL	**64,99,43**
GUJARAT		
4¼%	Gujarat State Development Loan, 1972	5,15,56
4½%	Gujarat State Development Loan, 1974	5,66,35
4¾%	Gujarat State Development Loan, 1976	7,05,51
5½%	Gujarat State Development Loan, 1977	7,02,09
5½%	Gujarat State Development Loan, 1978	7,12,87
5¾%	Gujarat State Development Loan, 1979	10,34,34
5¾%	Gujarat State Development Loan, 1980	12,50,71
5¾%	Gujarat State Development Loan, 1981	17,11,88
5¾%	Gujarat State Development Loan, 1982	17,34,32
5¾%	Gujarat State Development Loan, 1983	14,05,98
3 %	Bombay Land Tenure Abolition Acts (Gujarat) Compensation Bonds and	[illegible]
4½%	Gujarat Agricultural Lands Ceiling Act, 1960, Compensation Bonds and	94,05
3 %	Gujarat Surviving Alienations Abolition Act, 1963, Compensation Bonds	
		1,04,33,66
	Loans not bearing interest	12
	TOTAL	**1,04,33,78**

STATEMENT 73 — CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1972)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
HARYANA		
5¼%	Haryana State Development Loan, 1979	2,82,87
5¼%	Haryana State Development Loan, 1980	3,03,07
5¼%	Haryana State Development Loan, 1981	5,52,38
5¼%	Haryana State Development Loan, 1982	4,96,31
5¼%	Haryana State Development Loan, 1983	6,06,60
	TOTAL	22,41,24
KERALA		
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
5%	Kerala State Development Loan, 1977	4,24,86
5½%	Kerala State Development Loan, 1978	4,28,22
5¾%	Kerala State Development Loan, 1979	4,96,75
5¾%	Kerala State Development Loan, 1980	5,29,00
5¾%	Kerala State Development Loan, 1981	6,60,12
5¾%	Kerala State Development Loan, 1982	6,59,68
5¾%	Kerala State Development Loan, 1983	8,46,36
	Jenmikaram Payment (Abolition) Bonds	15,26
		53,36,40
	Loans not bearing interest	24,53
	TOTAL	53,60,93
MADHYA PRADESH		
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
5%	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	6,03,47
5¾%	Madhya Pradesh State Development Loan, 1981	8,90,74
5¾%	Madhya Pradesh State Development Loan, 1982	7,78,00
5¾%	Madhya Pradesh State Development Loan, 1983	11,08,97
		64,71,19
	Loans not bearing interest	44,67
	TOTAL	65,15,86
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Repayable in instalments)	1,73,57
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Redeemable on maturity)	2,03
3 %	Maharashtra Revenue Patels (Abolition of Office) Act, 1962, Compensation Bonds	1,13
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts (Bombay) Compensation Bonds	33,24
3 %	Bombay Land Tenure Abolition Acts (Maharashtra) Compensation Bonds	13,41
4 %	Bombay State Development Loan, 1971	11,96
4¼%	Bombay State Development Loan, 1971	4,25
4¼%	Maharashtra State Development Loan, 1972	10,30,35
4½%	Maharashtra State Development Loan, 1974	13,34,04
4¾%	Maharashtra State Development Loan, 1976	14,68,60
5%	Maharashtra State Development Loan, 1977	16,06,12
5½%	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
5¾%	Maharashtra State Development Loan, 1981	24,32,79
5¾%	Maharashtra State Development Loan, 1982	21,22,00
5¾%	Maharashtra State Development Loan, 1983	19,83,54
		1,78,90,51
	Loans not bearing interest	27,94
	TOTAL	1,79,18,46

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1972)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
MYSORE		
4¼%	Mysore State Development Loan, 1972	7,54,18
4½%	Mysore State Development Loan, 1974	6,59,08
4¾%	Mysore State Development Loan, 1976	7,01,13
5¼%	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	6,59,88
5¾%	Mysore State Development Loan, 1981	10,99,75
5¾%	Mysore State Development Loan, 1982	11,58,40
5¾%	Mysore State Development Loan, 1983	11,01,45
3 %	Bombay Land Tenure Abolition Acts (Mysore) Compensation Bonds	3,62
2¾%	Mysore Inams Abolition Compensation Bonds	3,85
	Hyderabad Inams Abolition Compensation Bonds	3
		77,39,16
	Loans not bearing interest	11,32
	TOTAL	77,50,48
ORISSA		
4¼%	Orissa Government Loan, 1972	5,89,12
4½%	Orissa Government Loan, 1974	7,71,63
4¾%	Orissa Government Loan, 1976	8,76,23
5¼%	Orissa Government Loan, 1977	8,37,32
5½%	Orissa Government Loan, 1978	6,21,80
5¾%	Orissa Government Loan, 1979	4,39,82
5¾%	Orissa Government Loan, 1980	4,99,48
5¾%	Orissa Government Loan, 1981	7,17,66
5¾%	Orissa Government Loan, 1982	6,67,55
5¾%	Orissa Government Loan, 1983	7,75,94
		67,96,54
	Loans not bearing interest	61,84
	TOTAL	68,58,38
PUNJAB		
4¼%	Punjab Loan, 1972	3,13,03
4½%	Punjab Loan, 1974	3,64,88
5¼%	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
5¾%	Punjab Loan, 1981	6,63,60
5¾%	Punjab Loan, 1982	5,81,71
5¾%	Punjab Loan, 1983	6,62,81
		41,31,70
	Loans not bearing interest	25,95
	TOTAL	41,57,65
RAJASTHAN		
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
5¼%	Rajasthan State Development Loan, 1977	5,14,38
5½%	Rajasthan State Development Loan, 1978	5,03,85
5¾%	Rajasthan State Development Loan, 1979	4,09,90
5¾%	Rajasthan State Development Loan, 1980	5,52,20
5¾%	Rajasthan State Development Loan, 1981	7,71,15
5¾%	Rajasthan State Development Loan, 1982	6,62,08
5¾%	Rajasthan State Development Loan, 1983	7,95,27
2½%	Rajasthan Jagir Resumption Additional Rehabilitation Bonds	3,28,75
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	2,79,58
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	24,96
		63,10,32
	Loans not bearing interest	13,06
	TOTAL	63,23,38

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1972)

(In thousands of rupees)

State Government Loans—(*Concld.*)		Amount outstanding
TAMILNADU		
4¼%	Madras Loan, 1972	10,44,00
4½%	Madras Loan, 1974	13,26,03
4¾%	Madras Loan, 1976	14,33,13
5½%	Madras Loan, 1977	14,45,10
5½%	Madras Loan, 1978	13,27,33
5¾%	Madras Loan, 1979	18,03,80
5¾%	Madras Loan, 1980	19,76,14
5¾%	Tamilnadu Loan, 1981	21,94,68
5¾%	Tamilnadu Loan, 1982	18,20,07
5¾%	Tamilnadu Loan, 1983	21,46,53
		1,65,16,81
	Loans not bearing interest	46,30
	TOTAL	**1,65,63,11**
UTTAR PRADESH		
4¼%	Uttar Pradesh State Development Loan, 1972	5,72,06
4½%	Uttar Pradesh State Development Loan, 1974	8,60,26
4¾%	Uttar Pradesh State Development Loan, 1976	10,22,16
5½%	Uttar Pradesh State Development Loan, 1977	10,68,28
5½%	Uttar Pradesh State Development Loan, 1978	10,81,47
5¾%	Uttar Pradesh State Development Loan, 1979	12,33,83
5¾%	Uttar Pradesh State Development Loan, 1980	11,03,42
5¾%	Uttar Pradesh State Development Loan, 1981	14,43,96
5¾%	Uttar Pradesh State Development Loan, 1982	15,28,04
5¾%	Uttar Pradesh State Development Loan, 1983	17,23,34
3½%	U.P.E.E. Act Bonds	24,63
3½%	U.P. Land Ceiling Compensation Bonds	55,53
2½%	U.P. Zamindari Abolition Rehabilitation Grant Bonds	22,84,31
2½%	U.P. Urban Areas Zamindari Abolition Compensation Bonds	58,86
	U.P. Zamindari Abolition Compensation Bonds and Stock Certificates	38,30,43
		1,78,90,56
	Loans not bearing interest	1,28,84
	TOTAL	**1,80,19,41**
WEST BENGAL		
4¼%	West Bengal Loan, 1972	7,30,71
4½%	West Bengal Loan, 1974	7,03,28
4¾%	West Bengal Loan, 1976	7,00,09
5½%	West Bengal Loan, 1977	7,04,91
5½%	West Bengal Loan, 1978	6,02,42
5¾%	West Bengal Loan, 1979	8,10,97
5¾%	West Bengal Loan, 1980	8,72,24
5¾%	West Bengal Loan, 1981	12,10,07
5¾%	West Bengal Loan, 1982	12,10,60
5¾%	West Bengal Loan, 1983	15,67,41
	West Bengal Estates Acquisition Compensation Bonds	2,20,09
		93,32,81
	Loans not bearing interest	7,37
	TOTAL	**93,40,18**
TOTAL OF ALL STATES		
	Loans bearing interest	**13,27,51,14**
	Loans not bearing interest	4,69,52
	TOTAL	**13,32,20,67**

STATEMENT 74—MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS

(In lakhs 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
1961	257,85	*10.0*	690,45	*26.9*	756,41	*29.4*	866,62	*33.7*	**2,571,33**
1966	257,84	*7.5*	765,28	*22.3*	1,015,77	*29.7*	1,386,03	*40.5*	**3,424,92**
1970	257,84	*6.3*	1,569,70	*38.3*	598,79	*14.6*	1,670,26	*40.8*	**4,096,58**
1971	257,83	*5.9*	1,886,01	*43.0*	635,17	*14.5*	1,605,92	*36.6*	**4,384,94**
1972	257,83	*5.4*	2,309,45	*48.3*	668,49	*14.0*	1,548,76	*32.4*	**4,784,53**

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, (ii) for the year 1961, 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, (vi) National Defence Gold Bonds (A and B Series), 1980 from 1967-68; the total contributions being 82,29,943 gms. and 47,47,717 gms. respectively of gold for the two series. The value of these amounts to Rs. 441 lakhs and Rs. 254 lakhs respectively, at the rate of Rs. 53.58 per 10 gms. and (vii) 4½ per cent Banks (Acquisition and Transfer) Compensation Bonds, 1979, 5½ per cent Banks (Acquisition and Transfer) Compensation Bonds, 1999 and 4½ per cent Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981.

STATEMENT 75—DEBT POSITION OF STATES

(In crores of rupees)

Item	OUTSTANDING AS ON MARCH 31, 1961	1966	1969	1970	1971	1972 (Revised Estimates)	1973 (Budget Estimates)
	1	2	3	4	5	6	7
I. **Total Public Debt**	**2,606**	**5,281**	**7,058**	**7,524**	**8,199**	**8,824**	**9,279**
(i) Permanent Debt (*a*)	500	827	1,047	1,131	1,233	1,329	1,461*
(Of which : Loans from the market)(*b*) ..	(410)	(720)	(950)	(1,038)	(1,144)	(1,242)	(1,376*)
(ii) Floating Debt (*c*)	42	189	241	182	375	375	253
(iii) Loans from Central Government ..	2,014	4,103	5,569	5,982	6,353	6,856	7,269
(iv) Other Debt (*d*)	50	162	201	229	238	264	296
II. **Unfunded Debt** (*e*)	**133**	**231**	**367**	**453**	**519**	**598**	**684**
(Of which : State Provident Funds)	(113)	(200)	(324)	(400)	(468)	(542)	(622)
Gross Total Debt (I+II)	**2,739**	**5,512**	**7,425**	**7,977**	**8,718**	**9,422**	**9,963**

Note : Figures are revised. Total Debt excludes debt of Tripura as data for 1971 and 1972 are not available.

* Figures of permanent debt for 1972-73 include actuals in respect of market borrowings.

(*a*) Represents current and expired loans floated in the market and zamindari/jagirdari abolition bonds. (*b*) Includes expired loans, i.e., loans on which no interest is payable. (*c*) Represents mainly ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and commercial banks. (*d*) 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, Life Insurance Corporation of India, State Bank of India, etc. (*e*) Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Funds, Staff Benefit Funds and Special Loans consisting generally of endowments for specific purposes of religious and charitable nature, etc.

Source : Figures for 1961, 1966, 1969 and 1970 are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India; for the subsequent period figures are based on State Budgets except 'Loans from the Market' during 1972-73 which are taken from the Reserve Bank records.

STATEMENT 76—STATE-WISE COMPOSITION OF

States	As at the end of March 1971 (Accounts)						As at the end	
	Permanent Debt [1]	Floating Debt [2]	Loans from the Centre	Other Debt [3]	Unfunded Debt [4]	Total	Permanent Debt [1]	Floating Debt [2]
	1	2	3	4	5	6	7	8
1. Andhra Pradesh ..	111 (14.5)	63 (8.2)	546 (71.3)	18 (2.3)	28 (3.7)	766 (100.0)	119 (14.6)	73 (8.9)
2. Assam	29 (8.1)	29 (8.1)	283 (79.3)	2 (0.6)	14 (3.9)	357 (100.0)	33 (9.0)	29 (7.9)
3. Bihar	61 (7.9)	27 (3.5)	613 (79.6)	10 (1.3)	59 (7.7)	770 (100.0)	65 (7.8)	8 (1.0)
4. Gujarat	92 (24.0)	1 (0.3)	259 (67.6)	11 (2.9)	20 (5.2)	383 (100.0)	104 (25.6)	—
5. Haryana	16 (8.3)	8 (4.2)	155 (80.3)	7 (3.6)	7 (3.6)	193 (100.0)	22 (10.1)	8 (3.7)
6. Himachal Pradesh ..	—	—	68 (100.0)		—	68 (100.0)	—	—
7. Jammu and Kashmir.	—	3 (1.3)	215 (92.3)	2 (0.8)	13 (5.6)	233 (100.0)	—	3 (1.1)
8. Kerala	50 (14.2)	17 (4.8)	251 (71.1)	8 (2.3)	27 (7.6)	353 (100.0)	54 (14.0)	17 (4.4)
9. Madhya Pradesh ..	59 (11.2)	—	398 (75.5)	19 (3.6)	51 (9.7)	527 (100.0)	65 (11.6)	—
10. Maharashtra	169 (21.6)	67 (8.6)	449 (57.3)	22 (2.8)	76 (9.7)	783 (100.0)	179 (20.8)	66 (7.7)
11. Manipur	—	—	21 (100.0)	—	—	21 (100.0)	—	—
12. Meghalaya	—	—	2 (100.0)	—	—	2 (100.0)	—	—
13. Mysore	72 (14.8)	38 (7.8)	320 (65.6)	26 (5.3)	32 (6.5)	488 (100.0)	77 (14.1)	84 (15.4)
14. Nagaland	—	—	17 (94.4)	—	1 (5.6)	18 (100.0)	—	—
15. Orissa	65 (13.4)	2 (0.4)	385 (79.4)	13 (2.7)	20 (4.1)	485 (100.0)	69 (12.9)	3 (0.6)
16. Punjab	37 (12.8)	5 (1.7)	209 (72.6)	15 (5.2)	22 (7.7)	288 (100.0)	42 (14.1)	—
17. Rajasthan	60 (8.5)	71 (10.1)	533 (75.8)	14 (2.0)	25 (3.6)	703 (100.0)	63 (8.5)	71 (9.5)
18. Tamil Nadu	155 (25.3)	36 (5.9)	351 (57.3)	40 (6.5)	31 (5.0)	613 (100.0)	166 (25.6)	5 (0.8)
19. Uttar Pradesh ..	172 (18.2)	8 (0.8)	687 (72.6)	16 (1.7)	63 (6.7)	946 (100.0)	178 (17.7)	8 (0.8)
20. West Bengal ..	85 (11.8)	—	591 (81.9)	15 (2.1)	30 (4.2)	721 (100.0)	93 (11.6)	—
TOTAL	**1233 (14.1)**	**375 (4.3)**	**6353 (72.9)**	**238 (2.7)**	**519 (6.0)**	**8718 (100.0)**	**1329 (14.1)**	**375 (4.0)**

Note: (i) Figures in brackets indicate percentages to total outstanding debt of each State. (ii) Total Debt excludes debt of Tripura as data for 1971 and 1972 are not available.

* Figures of permanent debt for 1973 include actuals in respect of market borrowings.

1. Represents current and expired loans floated in the market and zamindari/jagirdari abolition bonds.
2. Represents mainly ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and commercial banks.

OUTSTANDING DEBT

(In crores of rupees)

of March 1972 (Revised Estimates)				As at the end of March 1973 (Budget Estimates)*					
Loans from the Centre	Other Debt [3]	Unfunded Debt [4]	Total	Permanent Debt [1]	Floating Debt [2]	Loans from the Centre	Other Debt [3]	Unfunded Debt [4]	Total
9	10	11	12	13	14	15	16	17	18
572 (70.1)	21 (2.6)	31 (3.8)	816 (100.0)	130 (14.5)	73 (8.1)	637 (71.1)	22 (2.5)	34 (3.8)	896 (100.0)
287 (78.4)	2 (0.6)	15 (4.1)	366 (100.0)	39 (10.1)	—3 (—0.8)	331 (86.0)	1 (0.3)	17 (4.4)	385 (100.0)
681 (81.9)	12 (1.5)	65 (7.8)	831 (100.0)	75 (8.7)	—4 (—0.5)	711 (82.0)	14 (1.6)	71 (8.2)	867 (100.0)
266 (65.5)	12 (3.0)	24 (5.9)	406 (100.0)	113 (26.3)	—	274 (63.7)	14 (3.3)	29 (6.7)	430 (100.0)
172 (78.8)	8 (3.7)	8 (3.7)	218 (100.0)	31 (12.6)	8 (3.2)	189 (76.5)	9 (3.6)	10 (4.1)	247 (100.0)
81 (97.6)	—	2 (2.4)	83 (100.0)	1 (1.0)	—	96 (94.1)	—	5 (4.9)	102 (100.0)
252 (92.7)	2 (0.7)	15 (5.5)	272 (100.0)	2 (0.7)	3 (0.9)	284 (92.2)	2 (0.7)	17 (5.5)	308 (100.0)
271 (70.4)	10 (2.6)	33 (8.6)	385 (100.0)	57 (13.9)	12 (2.9)	290 (70.6)	11 (2.6)	41 (10.0)	411 (100.0)
405 (72.5)	23 (4.1)	66 (11.8)	559 (100.0)	70 (12.0)	—	406 (69.4)	27 (4.6)	82 (14.0)	585 (100.0)
505 (58.7)	25 (2.9)	85 (9.9)	860 (100.0)	191 (21.1)	66 (7.3)	525 (58.0)	29 (3.2)	94 (10.4)	905 (100.0)
26 (100.0)	—	—	26 (100.0)	1 (3.0)	—	32 (97.0)	—	—	33 (100.0)
3 (100.0)	—	—	3 (100.0)	1 (100.0)	—	—	—	—	1 (100.0)
322 (59.0)	28 (5.1)	35 (6.4)	546 (100.0)	86 (15.4)	21 (3.8)	384 (68.7)	31 (5.5)	37 (6.6)	559 (100.0)
20 (95.2)	—	1 (4.8)	21 (100.0)	1 (4.0)	—	23 (92.0)	—	1 (4.0)	25 (100.0)
424 (79.4)	15 (2.8)	23 (4.3)	534 (100.0)	72 (12.7)	3 (0.5)	449 (79.2)	17 (3.0)	26 (4.6)	567 (100.0)
215 (72.2)	15 (5.0)	26 (8.7)	298 (100.0)	46 (14.5)	—	225 (71.0)	16 (5.0)	30 (9.5)	317 (100.0)
566 (76.3)	14 (1.9)	28 (3.8)	742 (100.0)	75 (10.0)	61 (8.1)	568 (75.6)	15 (2.0)	32 (4.3)	751 (100.0)
405 (62.5)	37 (5.7)	35 (5.4)	648 (100.0)	178 (27.0)	5 (0.8)	397 (60.3)	38 (5.8)	40 (6.1)	658 (100.0)
726 (72.2)	21 (2.1)	72 (7.2)	1005 (100.0)	191 (18.3)	8 (0.8)	738 (70.7)	25 (2.4)	81 (7.8)	1043 (100.0)
657 (81.8)	19 (2.4)	34 (4.2)	803 (100.0)	101 (11.6)	—	710 (81.3)	25 (2.9)	37 (4.2)	873 (100.0)
6856 (72.8)	**264 (2.8)**	**598 (6.3)**	**9422 (100.0)**	**1461 (14.7)**	**253 (2.5)**	**7269 (72.9)**	**296 (3.0)**	**684 (6.9)**	**9963 (100.0)**

3. 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 of India, Life Insurance Corporation of India, State Bank of India, etc.

4. Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Funds, Staff Benefit Funds and Special Loans consisting generally of endowments for specific purposes of religious and charitable nature, etc.

Source : State Budget Documents.

STATEMENT 77—SMALL SAVINGS (ANNUAL AND MONTHLY)

(In lakhs of rupees)

Year/Month	CURRENT SERIES—DEPOSITS									
	Post Office Savings Bank Deposits (*a*)		Cumulative Time Deposits							
			5-Year(*b*)		10-Year (*b*)		15-Year(*c*)		Total	
	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings
	1	2	3	4	5	6	7	8	9	10
1960-61	236,88	440,78	1,22	1,70	69	93			1,91	2,63
1965-66	378,53	653,42	8,59	20,96	4,37	13,29	1,14	2,42	14,10	36,67
1969-70	515,30	897,20	19,84	49,39	10,89	38,44	2,99	10,61	33,72	98,44
1970-71	576,68	990,30	23,10	54,09	13,34	47,31	3,53	13,70	39,97	115,10
1971-72	577,75	1,011,08	22,63	58,43	15,67	57,81	3,84	17,04	42,14	133,28
March 1971 ..	126,29	990,30	2,50	54,09	1,88	47,31	44	13,70	4,82	115,10
April ,, ..	39,78	985,80	1,01	54,08	56	47,56	12	13,80	1,69	115,44
May ,, ..	51,79	964,29	2,22	54,59	1,45	48,50	40	14,14	4,07	117,23
June ,, ..	50,99	960,10	1,87	55,40	1,22	49,33	30	14,40	3,39	119,13
July ,, ..	51,72	969,23	1,99	56,03	1,35	50,31	34	14,69	3,68	121,03
August ,, ..	43,38	976,33	1,88	56,45	1,20	51,13	29	14,95	3,37	122,53
September ,, ..	43,18	981,70	1,92	56,92	1,25	51,95	30	15,21	3,47	124,08
October ,, ..	43,63	983,11	1,84	57,26	1,36	52,96	34	15,51	3,54	125,73
November ,, ..	45,10	987,17	1,88	57,53	1,33	53,89	34	15,80	3,55	127,22
December ,, ..	43,45	988.06	2,04	57.89	1,44	54,93	36	16,12	3,84	128,94
January 1972 ..	43,00	987,75	1,87	57,80	1,26	55,70	30	16,38	3,43	129,88
February ,, ..	42,40	986,55	1,91	57,90	1,36	56,54	33	16,67	3,60	131,11
March ,, ..	79,33	1,011,08	2,20	58,43	1,89	57,81	42	17,04	4,51	133,28

STATEMENT 77—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Contd.*)

(In lakhs of rupees)

Year Month	CURRENT SERIES—DEPOSITS—(*Concld.*)											
	Post Office Time Deposits(*d*)								Post Office Recurring Deposits(*e*)		Total Deposits	
	1-Year		3-Year		5-Year		Total					
	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings
	11	12	13	14	15	16	17	18	19	20	21	22
1960-61											**238,79**	**443,41**
1965-66											**392,63**	**690,09**
1969-70	—	—	—	—	—	—	—	—			**549,02**	**995,64**
1970-71	5,27	5,18	2,82	2,82	68,98	68,85	**77,07**	**76,85**	1,28	1,28	**695,00**	**1,183,53**
1971-72	15,75	16,84	21,39	24,07	115,79	185,60	**152,93**	**226,51**	6,72	7,75	**779,54**	**1,378,62**
March 1971 ..	93	5,18	74	2,82	10,79	68,85	**12,46**	**76,85**	32	1,28	**143,89**	**1,183,53**
April ,, ..	40	5,45	53	3,35	1,68	70,53	**2,61**	**79,33**	15	1,43	**44,23**	**1,182,00**
May ,, ..	1,03	6,14	1,17	4,51	10,15	80,47	**12,35**	**91,12**	40	1,83	**68,61**	**1,174,47**
June ,, ..	88	6,80	1,55	6,06	6,70	86,98	**9,13**	**99,84**	34	2,17	**63,85**	**1,181,24**
July ,, ..	1,13	7,62	1,88	7,93	14,61	101,28	**17,62**	**116,83**	40	2,56	**73,42**	**1,209,65**
August ,, ..	93	8,31	1,79	9,72	7,42	108,40	**10,14**	**126,43**	42	2,97	**57,31**	**1,228,26**
September ,, ..	1,17	9,26	1,60	11,32	6,27	114,76	**9,04**	**135,34**	47	3,43	**56,16**	**1,244,55**
October ,, ..	1,09	10,18	1,69	12,93	10,38	125,07	**13,16**	**148,18**	48	3,89	**60,81**	**1,260,91**
November ,, ..	1,47	11,22	2,05	15,04	10,90	135,81	**14,42**	**162,07**	54	4,41	**63,61**	**1,280,87**
December ,, ..	1,57	12,41	2,15	17,17	11,44	146,95	**15,16**	**176,53**	63	5,00	**63,08**	**1,298,53**
January 1972 ..	2,95	14,91	2,32	19,46	10,29	159,87	**15,56**	**194,24**	79	5,75	**62,78**	**1,317,62**
February ,, ..	1,15	15,51	2,15	21,59	9,56	169,12	**12,86**	**206,22**	93	6,63	**59,79**	**1,330,51**
March ,, ..	1,98	16,84	2,51	24,07	16,39	185,60	**20,88**	**226,51**	1,17	7,75	**105,89**	**1,378,62**

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*) Receipts and outstandings include interest credited to depositors' account from time to time. Outstandings include the balances under Dead Savings Bank Account. (*b*) Introduced from January 2, 1959. (*c*) Introduced from June 1962. (*d*) Introduced from March 16, 1970. (*e*) Introduced from April 1, 1970.

STATEMENT 77—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Contd.*)

(In lakhs of rupees)

Year/Month	CURRENT SERIES—CERTIFICATES								Total Current Series		UNCURRENT SERIES (OUTSTANDINGS)	
	7-Year National Savings Certificates						Total Certificates					
	II Issue (*f*)		III Issue (*g*)		IV Issue (*h*)						5-Year Fixed Deposits (*i*) (*j*)	15-Year Annuity Certificates (*k*)
	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings		
	23	24	25	26	27	28	29	30	31	32	33	34
1960-61									238,79	443,41		3,38
1965-66									392,63	690,09		3,70
1969-70	2,33	2,33	65	65	61	61	3,59	3,59	552,61	999,23	6,63	2,73
1970-71	54,41	56,69	7,15	7,80	26,58	27,13	88,14	91,62	783,14	1,275,15	9,40	2,45
1971-72	51,93	108,46	6,74	14,53	37,41	64,32	96,08	187,31	875,62	1,565,93	9,37	2,11
March 1971 ..	9,09	56,69	1,24	7,80	3,86	27,13	14,19	91,62	158,08	1,275,15	9,40	2,45
April ,, ..	1,46	58,13	14	7,94	1,30	28,42	2,90	94,49	47,13	1,276,49	9,47	2,44
May ,, ..	4,08	62,21	37	8,31	3,59	32,00	8,04	102,52	76,65	1,276,99	9,70	2,41
June ,, ..	4,25	66,45	17	8,48	3,15	35,14	7,57	110,07	71,42	1,291,31	9,94	2,39
July ,, ..	3,58	70,03	69	9,17	3,68	38,80	7,95	118,00	81,37	1,327,65	10,18	2,36
August ,, ..	2,51	72,53	27	9,43	2,77	41,55	5,55	123,51	62,86	1,351,77	10,25	2,33
September ,, ..	2,78	75,30	27	9,70	2,31	43,85	5,36	128,85	61,52	1,373,40	9,30	2,31
October ,, ..	2,99	78,29	48	10,19	2,90	46,74	6,37	135,22	67,18	1,396,13	9,36	2,27
November ,, ..	4,06	82,33	69	10,88	3,09	49,82	7,84	143,03	71,45	1,423,90	9,35	2,24
December ,, ..	7,26	89,58	95	11,82	3,84	53,65	12,05	155,05	75,13	1,453,58	9,35	2,21
January 1972 ..	6,59	96,15	64	12,46	3,75	57,39	10,98	166,00	73,76	1,483,62	9,37	2,18
February ,, ..	4,04	100,18	56	13,02	2,88	60,25	7,48	173,45	67,27	1,503,96	9,38	2,14
March ,, ..	8,33	108,46	1,51	14,53	4,15	64,32	13,99	187,31	119,88	1,565,93	9,37	2,11

STATEMENT 77—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Concld.*)

(In lakhs of rupees)

Year/Month	UNCURRENT SERIES (OUTSTANDINGS)— (*Concld.*)												Total Current and Uncurrent Series	
	Post Office Cash and Defence Savings Certificates(*l*)	National Savings Certificates			10-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates (*r*)	12-Year National Plan Savings Certificates (*s*)	12-Year National Defence Certificates (*f*)	10-Year Defence Deposit Certificates 4½% (*g*)	10-Year National Savings Certificates (I Issue) (*h*)	Total Uncurrent Series*	Net Receipts	Outstandings*
		12-Year (*m*)	7-Year (*m*)	5-Year (*n*)	3½%(*p*)	4%(*q*)								
	35	36	37	38	39	40	41	42	43	44	45	46	47	48
1960-61	1,43	148,71	2,46	1,26	38,80	37,34	18,84	286,74				**538,96**	**104,98**	**982,37**
1965-66	74	62,98	51	21	6,04	57,12	6,84	309,99	333,10	59,90	18,11	**859,24**	**150,77**	**1,549,33**
1969-70	75	8,68	13	10	97	38,71	11	239,21	586,27	84,15	63,22	**1,031,66**	**128,70**	**2,030,89**
1970-71	71	6,83	13	10	85	26,71	7	193,56	564,28	83,41	58,84	**947,34**	**191,60**	**2,222,49**
1971-72	63	5,41	20	8	77	13,01	..	146,88	537,83	84,65	53,81	**854,75**	**198,19**	**2,420,68**
March 1971	71	6,83	13	10	85	26,71	7	193,56	564,28	83,41	58,84	**947,34**	**92,62**	**2,222,49**
April „	71	6,79	13	10	84	24,94	..	192,13	563,21	83,26	58,63	**942,65**	**—3,35**	**2,219,14**
May „	70	6,64	21	10	83	23,97	..	187,27	561,29	83,06	58,10	**934,28**	**—7,87**	**2,211,27**
June „	70	6,54	21	10	83	22,33	..	183,28	559,80	82,97	57,74	**926,83**	**6,87**	**2,218,14**
July „	69	6,42	21	10	82	21,11	..	179,29	558,15	82,86	57,18	**919,37**	**28,88**	**2,247,02**
August „	67	6,26	22	10	82	19,98	..	174,78	548,74	82,63	56,81	**903,59**	**8,34**	**2,255,36**
September „	66	6,13	21	10	82	18,75	..	171,70	547,33	82,35	56,41	**896,07**	**14,11**	**2,269,47**
October „	63	5,95	23	10	81	17,85	..	167,71	545,55	82,21	56,01	**888,68**	**15,34**	**2,284,81**
November „	62	5,85	20	9	80	16,77	..	163,82	543,92	85,20	55,71	**884,57**	**23,66**	**2,308,47**
December „	62	5,74	21	9	80	15,94	..	159,67	542,41	85,04	55,25	**877,33**	**22,44**	**2,330,91**
January 1972	62	5,56	22	9	79	14,99	..	155,78	541,21	84,95	54,80	**870,56**	**23,27**	**2,354,18**
February „	62	5,43	20	9	79	14,02	..	152,06	539,76	84,87	54,34	**863,70**	**13,48**	**2,367,66**
March „	63	5,41	20	8	77	13,01	..	146,88	537,83	84,65	53,81	**854,75**	**53,02**	**2,420,68**

(*f*) 12-Year National Defence Certificates were issued from November 15, 1962, replaced by 7-Year National Savings Certificates (II issue) on March 16, 1970. (*g*) 10-Year Defence Deposit Certificates were issued from November 10, 1962, replaced by 7-Year National Savings Certificates (III issue) with effect from March 16, 1970. (*h*) 10-Year National Savings Certificates (I issue) were issued from June 1, 1965, replaced by 7-Year National Savings Certificates (IV issue) with effect from March 16, 1970. (*i*) This Scheme which was introduced from March 15, 1968 has been discontinued since August 1, 1971. (*j*) Exclude Outstandings in respect of ' 5-Year Fixed Deposits—Banks ' for which data are not available from September 1971 onwards. (*k*) Relates to first series issued from July 1954 to December 1957 and to second series issued from January 1958. The Certificates securing monthly payment of Rs. 10 were introduced from January 2, 1960. The series have been discontinued from September 1, 1971. Outstandings include all the series. (*l*) Includes Defence Savings Bank Deposits upto 1954-55. (*m*) Discontinued with effect from May 30, 1957. (*n*) Discontinued with effect from July 1, 1953. (*p*) Issued from February 1, 1951 to May 31, 1957. (*q*) Issued from June 1, 1957 and discontinued from November 10, 1962. (*r*) Issued from May 10, 1954 to May 30, 1957. (*s*) Issued from June 1, 1957 and discontinued from November 15, 1962.

* Exclude data on ' 5-Year Fixed Deposits—Banks ' from September 1971 and ' 10-Year National Plan Certificates ' from April 1971 for which data are not available.

Source : Accountant General, Posts and Telegraphs.

STATEMENT 78—DIFFERENT MEDIA OF SMALL SAVINGS—1951-52 TO 1971-72

(Amounts in lakhs of rupees)

Certificates/Deposits	Date/Period of Issue	R ate of Interest per cent per annum (simple where not otherwise specified)	Whether or not interest income exempt from tax	Amount outstanding as on March 31, 1972 (Current/ Uncurrent series)	Limits for holding Deposits/Certificates
	1	2	3	4	5
A. CERTIFICATES					
1. National Savings Certificates					
(i) 5-year	July 1, 1948-July 1, 1953	3.50	Exempted	8	The maximum limit for a single holder in any single maturity or a continuation of these types (12, 7 and 5 years) was Rs. 25,000 and Rs. 50,000 for individuals and joint holdings. The limits were Rs. 1 lakh for co-operative societies and local authorities and Rs. 15,000 for banks.
(ii) 7-year	June 1, 1948-May 31, 1957	3.57	,,	20	
(iii) 12-year	October 1, 1943-May 31, 1957	4.17	,,	5,41	
2. 10-year Treasury Savings Deposit Certificates [1]	February 1, 1951-November 10, 1962	4.00£(*a*)	,,	13,78	The maximum limit was Rs. 25,000 for individuals. Rs. 50,000 for joint holders and institutions; for charitable institutions it was Rs. 1 lakh.
3. 15-year Annuity Certificates**	July 1, 1954	4.25 (*b*)	,,	2,11	The maximum limit for individual and joint holders was Rs. 26,600 and Rs. 53,200 but if investment in old series are taken into account the old limits of Rs. 28,000 and Rs. 56,000 respectively, remain.
4. 10-year National Plan Certificates [2]	May 10, 1954-May 31, 1957	4.50	,,	N.A.	The maximum limit for individuals and joint holdings was Rs. 25,000 and Rs. 50,000 respectively.
5. 12-year National Plan Savings Certificates [2]	June 1, 1957-November 14, 1962	5.41	,,	146.88	The maximum limit was Rs. 25,000 for individuals, Rs. 50,000 for joint holders, Rs. 60,000 for charitable institutions, Rs. 1 lakh for local authorities, co-operatives, etc.; but there was no limit for Provident Funds.
6. 10-year Defence Deposit Certificates [1]	November 10, 1962-March 14, 1970	4.50	,,	84.65	The maximum limit (inclusive of earlier series) was Rs. 35,000 for individuals, Rs. 70,000 for joint holders, Rs. 1 lakh for local authorities and charitable institutions, Rs. 50,000 for other institutions, but there was no limit for Provident Funds.
7. 12-year National Defence Certificates [2]	November 15, 1962-March 14, 1970	6.25	,,	537,83	The maximum limit (inclusive of earlier series) was Rs. 35,000 for individuals, Rs. 70,000 for joint holders and Rs. 1 lakh for co-operatives, local authorities and charitable institutions, but there was no limit for Provident Funds.
8. 10-year National Savings Certificates (*I Issue*) [3]	June 1, 1965-March 14, 1970	8.00	Taxable	53.81	These certificates were meant only for individuals and were to be held either singly or jointly. The maximum limits were Rs. 35,000 for single holdings and Rs. 70,000 for joint holdings.
9. 7-year National Savings Certificates					
(i) II Issue [2]	March 16, 1970	5.00£	Exempted	108.46	The maximum limit is Rs. 50,000 for an individual and Rs. 1 lakh for two adults jointly. The co-operative societies can invest upto Rs. 1 lakh but there is no limit for Provident Funds.
(ii) III Issue [1]	March 16, 1970	5.00	Exempted	14.53	do.
(iii) IV Issue [3]	,,	7.50	Taxable	64.32	These certificates can be held by either an individual or two adults jointly. There is no limit.

B. DEPOSITS

1. Post Office Savings Bank Deposits.	*	4.00 (*c*)	Exempted	1,011,08	As from April 1952, the total amount at call which may be deposited in any financial year after deducting the amounts withdrawn during the year, may not exceed Rs. 15,000 in the case of individuals and Rs. 30,000 in the case of joint accounts. The minimum sum for opening accounts is Rs. 5 and the amount of each transaction could be as small as Rs. 1. There is no limit on public accounts which get the lower rate (i.e. of 2½ per cent from August 1, 1962). These limits were removed in 1964-65 but they were re-imposed with effect from July 1, 1965. The revised limits are Rs. 25,000 for individual accounts and Rs. 50,000 for joint accounts.
2. Cumulative Time Deposits					The maximum limits upto which an individual can make deposit was Rs. 200 per month in a 5-year account and Rs. 100 in a 10-year account till July 1, 1962. The limit was double for joint accounts. From July 1, 1962 the maximum limit for 10-year account was raised to Rs. 200 per month. For 15-year account the limit was Rs. 300 per month. From 1966-67 the limits in respect of 5 and 10 year accounts were raised to Rs. 300. Further, from March 1. 1968, the limits in respect of all the three accounts had been raised to Rs. 500. The maximum investments in all these three accounts for an individual amount to Rs. 90,000 and for joint holdings Rs. 1,80,000.
(i) 5-year ..	January 2, 1959	4.75£ (*d*)	Exempted	58,43	
(ii) 10-year ..	,,	4.75£ (*e*)	,,	57,81	
(iii) 15-year ..	June 1, 1962	5.00£ (*f*)	,,	17.04	
3. Five-year Fixed Deposits†	March 15, 1968	5.25 (*g*)	,,	9,37	Maximum amount of deposit is Rs. 25,000 for an individual and Rs. 50,000 for joint holdings by two adults.
4. Post Office Time Deposits					
(i) 1-year deposit ..	March 16, 1970	6.00	Taxable	16.84	No limits of holdings. An individual or two adults jointly can hold an account.
(ii) 3-year deposit ..	,,	7.00	,,	24,07	do.
(iii) 5-year deposit ..	,,	7.25	,,	185,60	do.
5. Post Office Recurring Deposit	April 1, 1970	6.75	,,	7.75	An individual (adult or minor) or two adults jointly may hold these deposits. No limit on maximum holdings.

Note : The statement does not include data in respect of Post Office Cash Certificates and Defence Savings Certificates which were discontinued prior to 1950-51.

(*a*) The rate was revised upwards from 3.5 per cent (compound) to 4 per cent from June 1, 1957. (*b*) The rate was revised upwards from 3.5 per cent to 4.25 per cent with effect from January 2, 1958. (*c*) The rates have been revised from time to time. The rate on individual, joint and Provident Fund accounts which was 4 per cent from April 1, 1965, was reduced to 3.5 per cent on April 1, 1968 and again raised to 4 per cent on April 1, 1970. For institutional accounts, security deposits, etc., the rate was fixed at 3.5 per cent on April 1, 1965 and reduced to 3 per cent on April 1, 1968. This rate remains unchanged. Interest at the rate of 4¼ per cent is paid on minimum balance of Rs. 100 held throughout a full financial year. For blocked deposits of 2 to 3 years the rate of interest is 4.5 per cent (compound). (*d*) The rate was revised upwards from 3.3 per cent (compound) to 4.2 per cent with effect from April 1, 1965, 4.5 per cent from March 1, 1968 and 4.75 per cent from April 1, 1970. (*e*) The rate was revised upwards from 3.8 per cent (compound) to 4.5 per cent effective from April 1, 1965 and to 4.75 per cent from March 16, 1970. (*f*) The rate was revised upwards from 4.3 per cent (compound) to 4.8 per cent from April 1, 1965 and further to 5 per cent from March 16, 1970. (*g*) The rate was revised upwards from 5 per cent to 5.25 per cent from March 16, 1968.

1. 10-year T.S.D.C. was replaced by 10-year Defence Deposit Certificates on November 10, 1962 which in turn was replaced by 7-year N.S.C. III Issue on March 16, 1970. 2. 10-year N.P.C. was replaced by 12-year N.P.S.C. on June 1, 1957 which was replaced by 12-year N.D.C. on November 15, 1962 and again by 7-year N.S.C. II Issue on March 16, 1970. 3. The 10-year N.S.C. I Issue was replaced by 7-year N.S.C. IV Issue on March 16, 1970.

* The Post Office Savings Bank deposits were introduced in 1896. £ Compound.

** Sales of these certificates have been discontinued from September 1, 1971. † Discontinued with effect from August 1, 1971.

STATEMENT 79—INDIA'S OVERALL BALANCE OF PAYMENTS, 1971 (PRELIMINARY)

A. CURRENT ACCOUNT

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise (*a*)												
A. Private	34,274	15,927	+ *18,347*	37,074	19,526	+ *17,548*	35,395	19,204	+ *16,191*	1,06,743	54,657	+ *52,086*
B. Government	1	29,568	— *29,567*	2	29,561	— *29,559*	—	32,230	— *32,230*	3	91,359	— *91,356*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel (*b*)	734	395	+ *339*	780	459	+ *321*	672	508	+ *164*	2,186	1,362	+ *824*
4. Transportation (*c*)	2,542	1,932	+ *610*	2,871	1,641	+ *1,230*	2,516	1,726	+ *790*	7,929	5,299	+ *2,630*
5. Insurance (*c*)	315	413	— *98*	320	344	— *24*	283	568	— *285*	918	1,325	— *407*
6. Investment Income (*d*)	1,238	7,438	— *6,200*	605	5,770	— *5,165*	935	6,173	— *5,238*	2,778	19,381	— *16,603*
7. Government, not included elsewhere (*e*)	845	747	+ *98*	576	502	+ *74*	539	715	— *176*	1,960	1,964	— *4*
8. Miscellaneous (*f*)	871	1,509	— *638*	1,440	1,940	— *500*	862	1,939	— *1,077*	3,173	5,388	— *2,215*
9. Transfer Payments												
(i) Official (*g*)	383	347	+ *36*	719	38	+ *681*	1,894	152	+ *1,742*	2,996	537	+ *2,459*
(ii) Private (*h*)	3,273	279	+ *2,994*	2,872	353	+ *2,519*	3,963	336	+ *3,627*	10,108	968	+ *9,140*
10. Total Current Transactions	**44,476**	**58,555**	**— 14,079**	**47,259**	**60,134**	**— 12,875**	**47,059**	**63,551**	**— 16,492**	**1,38,794**	**1,82,240**	**— 43,446**
Errors and Omissions			— *3,930*			+ *2,410*			— *102*			— *1,622*

(*a*) Exports f.o.b., imports c.i.f. (*b*) Data for credits are provisional estimates. (*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 the 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 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 under P.L. 480 assistance programme. In addition, the item 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 also include contra-entries for imports under P.L. 480 Titles II and III programme.

STATEMENT 79—INDIA'S OVERALL BALANCE OF PAYMENTS, 1971 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
I. Private (*a*)	**682**	**2,491**	**— 1,809**	**928**	**1,869**	**— 941**	**1,363**	**953**	**+ 410**	**2,973**	**5,313**	**— 2,340**
1. Long-term	671	2,374	— *1,703*	911	1,850	— *939*	1,322	937	+ *385*	2,904	5,161	— *2,257*
2. Short-term	11	117	— *106*	17	19	— *2*	41	16	+ *25*	69	152	— *83*
II. Banking (*b*)	**1,041**	**994**	**+ 47**	**1,410**	**645**	**+ 765**	**1,704**	**1,116**	**+ 588**	**4,155**	**2,755**	**+ 1,400**
III. Official (*c*)	**48,696**	**28,925**	**+ 19,771**	**28,741**	**18,100**	**+ 10,641**	**25,246**	**9,650**	**+ 15,596**	**1,02,683**	**56,675**	**+ 46,008**
1. Loans (*d*)	23,863	4,941	+ *18,922*	20,148	46	+ *20,102*	15,536	40	+ *15,496*	59,547	5,027	+ *54,520*
2. Amortisation (*e*)	45	3,710	— *3,665*	232	3,287	— *3,055*	—	4,904	— *4,904*	277	11,901	— *11,624*
3. Miscellaneous (*f*)	12,142	8,264	+ *3,878*	4,291	5,432	— *1,141*	6,333	2,186	+ *4,147*	22,766	15,882	+ *6,884*
4. Reserves (*g*)	12,646	12,010	+ *636*	4,070	9,335	— *5,265*	3,377	2,520	+ *857*	20,093	23,865	— *3,772*
IV. Total Capital and Monetary Gold	**50,419**	**32,410**	**+ 18,009**	**31,079**	**20,614**	**+ 10,465**	**28,313**	**11,719**	**+ 16,594**	**1,09,811**	**64,743**	**+ 45,068**

(*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 P.L. 665 counterpart funds and drawings from the I.M.F. The entries on the debit side relate to the repurchase of rupees from the I.M.F. and credits extended to foreign Governments.

(*e*) Debits comprise repayment of loans from the IBRD, IDA and from foreign Governments; credits represent repayment of loans extended to Burma and Ceylon.

(*f*) Covers capital receipts and payments on official account other than loans and amortisation transactions, for example, changes in P.L. 480 and P.L. 665 balances and the rupee liabilities of the R.B.I. to non-resident official and semi-official institutions including rupee balances held with the R.B.I. by the East European countries under payments agreements, technical credit advances to and repayments thereof by the East European countries and transactions with Kuwait, Baharain and Qatar and Trucial States consequent to the withdrawal of Indian currency from these countries, allocation of S.D.Rs., etc.

(*g*) Represents changes in the foreign exchange assets of the R.B.I. and Government, and the gold holdings of the former and S.D.R. holdings of the latter.

STATEMENT 80—INDIA'S BALANCE OF PAYMENTS, 1971 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	8,619	2,882	+ *5,737*	9,030	4,590	+ *4,440*	9,363	4,136	+ *5,227*	27,012	11,608	+ *15,404*
(*b*) Government	—	4,655	— *4,655*	—	4,736	— *4,736*	—	4,946	— *4,946*	—	14,337	— *14,337*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	300	74	+ *226*	320	103	+ *217*	299	102	+ *197*	919	279	+ *640*
4. Transportation	680	391	+ *289*	811	475	+ *336*	595	376	+ *219*	2,086	1,242	+ *844*
5. Insurance	111	337	— *226*	122	311	— *189*	103	301	— *198*	336	949	— *613*
6. Investment Income	448	1,129	— *681*	176	1,487	— *1,311*	500	771	— *271*	1,124	3,387	— *2,263*
7. Government, not included elsewhere	140	256	— *116*	193	152	+ *41*	50	267	— *217*	383	675	— *292*
8. Miscellaneous	345	433	— *88*	604	601	+ *3*	320	581	— *261*	1,269	1,615	— *346*
9. Transfer Payments												
(i) Official	134	19	+ *115*	28	28	—	4	40	— *36*	166	87	+ *79*
(ii) Private	910	176	+ *734*	1,032	182	+ *850*	936	172	+ *764*	2,878	530	+ *2,348*
10. Total Current Transactions	**11,687**	**10,352**	**+ 1,335**	**12,316**	**12,665**	**— 349**	**12,170**	**11,692**	**+ 478**	**36,173**	**34,709**	**+ 1,464**

* Exports f.o.b., Imports c.i.f.

STATEMENT 80—INDIA'S BALANCE OF PAYMENTS, 1971 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	4,855	2,555	+ *2,300*	7,165	2,563	+ *4,602*	7,053	3,490	+ *3,563*	19,073	8,608	+ *10,465*
(*b*) Government	—	14,063	— *14,063*	1	11,971	— *11,970*	—	11,923	— *11,923*	1	37,957	— *37,956*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	294	211	+ *83*	299	193	+ *106*	243	245	- *2*	836	649	+ *187*
4. Transportation	544	596	— *52*	599	495	+ *104*	543	503	+ *40*	1,686	1,594	+ *92*
5. Insurance	32	48	— *16*	36	9	+ *27*	27	248	— *221*	95	305	— *210*
6. Investment Income	523	2,933	— *2,410*	163	2,598	— *2,435*	226	2,847	— *2,621*	912	8,378	— *7,466*
7. Government, not included elsewhere	196	227	— *31*	81	113	— *32*	227	183	+ *44*	504	523	— *19*
8. Miscellaneous	223	337	— *114*	344	403	— *59*	258	534	— *276*	825	1,274	— *449*
9. Transfer Payments												
(i) Official	194	—	— *194*	685	—	+ *685*	1,637	—	— *1,637*	2,516	—	— *2,516*
(ii) Private	2,019	30	+ *1,989*	1,429	34	+ *1,395*	2,444	59	+ *2,385*	5,892	123	+ *5,769*
10. Total Current Transactions	**8,880**	**21,000**	**— 12,120**	**10,802**	**18,379**	**— 7,577**	**12,658**	**20,032**	**— 7,374**	**32,340**	**59,411**	**— 27,071**

* Exports f.o.b., Imports c.i.f.

STATEMENT 80—INDIA'S BALANCE OF PAYMENTS, 1971 (PRELIMINARY) (*contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	3,091	2,776 +	*315*	3,285	3,401 —	*116*	3,252	3,254 —	*2*	9,628	9,431 +	*197*
(*b*) Government	—	3,539 —	*3,539*	—	4,381 —	*4,381*	—	4,078 —	*4,078*	—	11,998 —	*11,998*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	79	69 +	*10*	90	117 —	*27*	74	112 —	*38*	243	298 —	*55*
4. Transportation	176	467 —	*291*	180	303 —	*123*	160	394 —	*234*	516	1,164 —	*648*
5. Insurance	34	15 +	*19*	27	12 +	*15*	31	6 +	*25*	92	33 +	*59*
6. Investment Income	192	536 —	*344*	88	938 —	*850*	113	685 —	*572*	393	2,159 —	*1,766*
7. Government, not included elsewhere	125	125 —		50	72 —	*22*	20	105 —	*85*	195	302 —	*107*
8. Miscellaneous	150	380 —	*230*	187	525 —	*338*	241	345 —	*104*	578	1,250 —	*672*
9. Transfer Payments												
(i) Official	55	— +	*55*	6	— +	*6*	35	— +	*35*	96	— +	*96*
(ii) Private	277	38 +	*239*	345	47 +	*298*	456	56 +	*400*	1,078	141 +	*937*
10. Total Current Transactions	**4,179**	**7,945 —**	***3,766***	**4,258**	**9,796 —**	***5,538***	**4,382**	**9,035 —**	***4,653***	**12,819**	**26,776 —**	***13,957***

* Exports f.o.b., Imports c.i.f.

STATEMENT 80—INDIA'S BALANCE OF PAYMENTS, 1971 (PRELIMINARY) (*contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise*												
(*a*) Private	17,709	7,714	+ *9,995*	17,594	8,972	+ *8,622*	15,727	8,324	+ *7,403*	51,030	25,010	+ *26,020*
(*b*) Government	1	7,311	— *7,310*	1	8,473	— *8,472*	—	11,283	— *11,283*	2	27,067	— *27,065*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	61	41	+ *20*	71	46	+ *25*	56	49	+ *7*	188	136	+ *52*
4. Transportation	1,142	478	+ *664*	1,281	368	+ *913*	1,218	453	+ *765*	3,641	1,299	+ *2,342*
5. Insurance	138	13	+ *125*	135	12	+ *123*	122	13	+ *109*	395	38	+ *357*
6. Investment Income	75	1,847	— *1,772*	62	78	— *16*	79	924	— *845*	216	2,849	— *2,633*
7. Government, not included elsewhere	352	139	+ *213*	213	165	+ *48*	211	160	+ *51*	776	464	+ *312*
8. Miscellaneous	151	359	— *208*	305	411	— *106*	40	477	— *437*	496	1,247	— *751*
9. Transfer Payments												
(i) Official	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Private	67	35	+ *32*	66	90	— *24*	124	49	+ *75*	257	174	+ *83*
10. **Total Current Transactions**	**19,696**	**17,937**	+ **1,759**	**19,728**	**18,615**	+ **1,113**	**17,577**	**21,732**	— **4,155**	**57,001**	**58,284**	— **1,283**

* Exports f.o.b., Imports c.i.f.

STATEMENT 80—INDIA'S BALANCE OF PAYMENTS, 1971 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In lakhs of rupees)

Item	January-March 1971			April-June 1971			July-September 1971			January-September 1971		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12
1. Merchandise												
(*a*) Private	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Government	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	—	—	—	—	—	—	—	—	—	—	—	—
4. Transportation	—	—	—	—	—	—	—	—	—	—	—	—
5. Insurance	—	—	—	—	—	—	—	—	—	—	—	—
6. Investment Income	—	993	— *993*	116	669	— *553*	17	946	— *929*	133	2,608	— *2,475*
7. Government, not included elsewhere	32	—	+ *32*	39	—	+ *39*	31	—	+ *31*	102	—	+ *102*
8. Miscellaneous	2	—	+ *2*	—	—	—	3	2	+ *1*	5	2	+ *3*
9. Transfer Payments												
(i) Official	—	328	— *328*	—	10	— *10*	218	112	+ *106*	218	450	— *232*
(ii) Private	—	—	—	—	—	—	3	—	+ *3*	3	—	+ *3*
10. Total Current Transactions	**34**	**1,321**	**— 1,287**	**155**	**679**	**— 524**	**272**	**1,060**	**— 788**	**461**	**3,060**	**— 2,599**

STATEMENT 81—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
1960-61	1,121,62	642,39	— 479,23	86	—	— 86
1965-66	1,408,52	805,64	— 602,88	37	—	— 37
1969-70	1,582,10	1,413,28	— 168,82	48*	—	— 48*
1970-71	1,634,14	1,535,16	— 98,98	94*	—	— 94*
1971-72*	1,852,86	1,566,66	— 286,20	..	..	..
March 1971	163,15	139,50	— 23,65	3*	—	— 3*
April ,, *	139,28	128,29	— 10,99	..	..	..
May ,, *	158,85	133,36	— 25,49	..	..	..
June ,, *	156,45	124,20	— 32,25	..	..	..
July ,, *	166,86	156,50	— 10,36	..	..	..
August ,, *	143,99	128,09	— 15,90	..	..	..
September ,, *	148,40	121,55	— 26,85	..	..	..
October ,, *	131,17	125,46	— 5,71	..	..	..
November ,, *	146,59	136,63	— 9,96	..	..	..
December ,, *	174,17	141,24	— 32,93	..	..	..
January 1972*	177,79	143,37	— 34,42	..	..	..
February ,, *	152,05	134,86	— 17,19	..	..	..
March ,, *	142,97	156,85	+ 13,88	..	..	..

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. The exports figures from November 1970 onwards are based on original copy of the Shipping Bill, while prior to that date, they are based on the finally passed Shipping Bill. Hence figures for 1970-71 are not strictly comparable with those for the previous years.

* 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 82—INDIA'S EXPORTS OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

	Commodity	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
		1	2	3	4	5	6
I.	**Food and Live Animals**	**198,05**	**240,74**	**345,59**	**412,68**	**316,70**	**319,81**
1.	Fish and fish preparations	4,62	6,59	30,83	30,54	23,31	28,32
2.	Fruits and vegetables*	7,08	5,93	12,91	12,95	9,56	7,04
3.	Cashew kernel	18,91	27,40	57,42	52,07	42,31	51,32
4.	Coffee	7,22	12,94	19,62	25,10	21,63	19,01
5.	Tea (Black)	122,61	102,68	122,13	145,11	118,20	121,42
6.	Spices	16,62	23,09	34,49	38,81	24,56	23,46
	(i) Pepper (Black)	8,50	10,85	16,13	15,20	8,30	7,36
7.	Oilcakes	14,30	34,64	41,47	55,42	40,80	29,33
8.	Sugar (*a*)	3,28	11,19	8,84	29,30	19,08	27,78
9.	Others	3,41	16,28	17,88	23,38	17,25	12,13
II.	**Beverages and Tobacco**	**15,77**	**21,69**	**33,36**	**32,57**	**26,89**	**37,79**
	Of which :						
1.	Tobacco unmanufactured	14,61	19,58	32,71	31,40	26,14	34,97
III.	**Crude Materials, Inedible except Fuels**	**112,06**	**135,04**	**231,43**	**251,66**	**186,31**	**167,64**
1.	Hides and skins (raw)	9,46	9,55	8,31	3,77	3,54	51
2.	Wool and other animal hair	7,72	7,46	4,96	5,09	3,68	3,16
3.	Cotton (raw and waste)	11,56	13,09	17,77	16,41	12,45	14,24
4.	Mica	10,15	11,27	15,22	15,56	12,27	12,03
5.	Iron ore (including concentrates)	17,03	39,36	94,62	117,28	86,14	71,65
6.	Manganese ore (including concentrates)	14,06	11,05	11,06	13,98	10,54	8,30
7.	Lac	6,32	4,27	4,78	5,00	3,45	5,32
8.	Others	35,76	39,00	74,72	74,58	54,26	52,42
IV.	**Mineral Fuels, Lubricants and Related Materials**	**7,41**	**9,31**	**9,49**	**12,58**	**10,94**	**6,58**
V.	**Animal and Vegetable Oils and Fats**	**9,80**	**4,55**	**5,07**	**7,12**	**4,43**	**4,20**
	Of which :						
1.	Vegetable oils	8,54	4,09	4,95	7,03	4,35	3,98
VI.	**Chemicals**	**7,19**	**11,10**	**30,35**	**36,37**	**26,85**	**25,03**
	Of which :						
1.	Dyeing, tanning and colouring materials	46	1,20	4,03	7,26	5,04	4,05
2.	Medicinal and pharmaceutical products	99	2,64	6,01	8,47	6,45	7,19
VII.	**Manufactured Goods**	**263,34**	**343,26**	**630,10**	**615,96**	**453,52**	**510,25**
1.	Leather and leather manufactures	24,97	28,46	81,54	72,18	52,79	64,26
2.	Cotton textiles	57,55	63,29	86,63	97,47	70,23	71,14
3.	Textile yarn and thread	11,24	15,07	40,92	34,48	28,23	20,02
4.	Jute manufactures (*b*)	135,15	182,84	206,65	190,44	136,10	216,21
5.	Woollen carpets and rugs	4,79	4,52	11,34	10,21	7,63	9,47
6.	Pearls and precious and semi-precious stones, unworked or worked	20	14,77	41,98	41,94	31,39	38,43
7.	Manufacture of metals (n.e.s.)	2,25	4,96	23,86	27,98	18,57	20,75
8.	Iron and steel	9,76	12,39	86,80	90,64	70,76	34,25
9.	Others	17,43	16,96	50,38	50,62	37,82	35,72
VIII.	**Machinery and Transport Equipment**	**7,19**	**11,19**	**56,17**	**83,29**	**61,76**	**57,00**
1.	Machinery other than electric	3,08	5,08	24,36	28,42	20,78	20,37
2.	Electrical machinery, apparatus and appliances	1,25	3,23	14,60	16,19	12,02	15,19
3.	Transport equipment	2,85	2,88	17,22	38,68	28,96	21,44
	Total Exports (*c*)	**642,32**	**805,64**	**1,413,28**	**1,535,16**	**1,149,57**	**1,193,56**

Note : Exports include Re-exports. The scope and coverage of the Statement are the same as those for Statement 81. Total figures shown in this statement may not agree with those in Statement 81, 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*) Value of raw sugar for the years from 1964-65 are based on the provisional declarations made by the exporter *viz.*, The Indian Sugar Mills Association, to the Customs at the time of exports, instead of the average of Daily London Prices as in previous years. (*b*) Includes yarn and thread. (*c*) Include miscellaneous commodities but exclude value of articles under reference for 1970-71 and April to December 1971.

* Excluding Cashew kernel.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 83—INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

Commodity	1960-61	1965-66	1969-70	1970-71	April-December 1970	April-December 1971
	1	2	3	4	5	6
I. Food and Live Animals	**214,06**	**354,08**	**320,70**	**271,77**	**209,13**	**150,60**
1. **Cereals and Cereal Preparations**	**181,38**	**322,00**	**260,98**	**213,01**	**169,73**	**104,84**
(i) Wheat	153,20	264,74	184,33	173,37	141,34	84,74
(ii) Rice	22,44	41,90	58,25	29,82	20,26	14,22
(iii) Others	5,74	15,36	18,41	9,82	8,13	5,88
2. Cashewnuts	9,61	15,06	27,60	29,41	21,53	19,75
3. Spices	1,83	60	72	47	39	77
4. Others	21,24	16,42	31,39	28,88	17,48	25,24
II. Beverages and Tobacco	**79**	**56**	**1,03**	**31**	**27**	**21**
1. Tobacco unmanufactured	23	2	51	—	—	2
III. Crude Materials, Inedible except Fuels	**155,36**	**123,09**	**176,79**	**200,32**	**149,80**	**161,20**
1. Hides and skins (raw)	2,47	2,36	1,69	1,54	1,27	1,06
2. Copra	11,63	6,26	2,78	3,18	2,75	92
3. Crude rubber	10,78	4,90	9,62	3,85	3,10	2,81
4. Cotton raw other than linters	81,74	46,20	82,78	98,83	73,82	86,92
5. Jute raw including cuttings and waste	7,54	9,16	1,08	14	14	—
6. Wool raw and other animal hair	10,41	5,12	17,24	16,07	13,39	11,27
7. Others	30,78	49,10	61,58	76,70	55,33	58,22
IV. *Mineral Fuels, Lubricants and Related* Materials	**69,52**	**68,42**	**137,91**	**136,01**	**95,68**	**143,43**
1. Petroleum crude and partly refined (*a*)	17,36	34,87	96,32	105,90	76,20	110,23
2. Other petroleum products	52,07	33,35	26,43	22,61	15,51	20,32
3. Others†	9	20	15,15	7,51	3,97	12,88
V. Animal and Vegetable Oils and Fats	**4,60**	**13,62**	**29,57**	**38,50**	**32,05**	**31,62**
VI. Chemicals	**85,70**	**104,98**	**195,09**	**192,27**	**135,45**	**161,40**
1. Chemical elements and compounds	39,34	35,86	67,42	67,99	49,46	57,36
2. Dyeing, tanning and colouring materials	12,91	6,58	7,06	9,25	6,90	6,46
3. Medicinal and pharmaceutical products	10,50	8,73	18,30	24,28	18,62	21,67
4. Fertilizers, manufactured	9,61	38,97	77,07	61,20	37,59	51,83
5. Others	13,34	14,84	25,24	29,55	22,88	24,08
VII. Manufactured Goods	**234,16**	**216,33**	**229,99**	**344,82**	**242,65**	**333,45**
1. Paper, paperboard and manufactures thereof	12,10	13,48	23,74	25,03	17,29	23,64
(i) Newsprint	5,95	6,18	18,57	18,73	12,55	18,25
2. Art silk yarn and thread	13,65	4,95	2,24	4,40	2,86	4,56
3. Iron and steel	122,54	97,94	81,51	147,09	101,77	178,75
4. Non-ferrous metals	47,31	68,45	74,27	119,03	85,28	82,18
5. Metal manufactures	22,94	18,17	7,34	9,25	6,66	8,68
6. Others	15,62	13,32	40,88	40,02	28,79	35,64
VIII. Machinery and Transport Equipment	**332,98**	**492,14**	**395,88**	**384,50**	**274,02**	**348,66**
1. Machinery other than electric	203,37	333,80	280,35	256,93	189,52	210,67
2. Electric machinery, apparatus and appliances	57,22	87,80	64,32	69,30	48,88	72,01
3. *Transport equipment*	72,39	70,55	51,22	58,26	35,62	65,98
(i) Railway vehicles	25,37	24,98	11,74	14,01	8,30	17,28
(ii) Others	47,02	45,56	39,48	44,26	27,32	48,70
IX. Miscellaneous Manufactured Articles	**17,40**	**18,69**	**25,19**	**32,43**	**25,30**	**24,80**
Total Imports (*b*)	**1,121,62**	**1,408,53**	**1,582,10**	**1,623,91**	**1,183,17**	**1,363,59**

Note: The scope and coverage of the Statement are the same as those for Statement 81. Total figures shown in this Statement may not agree with those in Statement 81, 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.

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 1970-71 and April to December 1971.

† Includes kerosene from 1969-70 onwards.

Source: *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 84—DIRECTION OF INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Year	AUSTRALIA			CANADA			CZECHOSLOVAKIA			FRANCE		
	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	17,79	22,39	+ 4,60	19,86	17,62	— 2,24	8,76	7,30	— 1,46	21,13	8,84	—12,29
1965-66	24,18	17,54	— 6,63	30,52	20,29	—10,24	21,15	15,83	— 5,32	18,05	11,24	— 6,81
1969-70	31,31	24,46	— 6,85	74,87	26,33	—48,54	23,02	30,08	+ 7,06	23,73	21,72	— 2,00
1970-71	36,58	24,46	—12,13	117,31	27,96	—89,36	20,20	29,46	+ 9,26	21,29	17,98	— 3,30
April-December 1970 ..	27,19	18,20	— 8,99	94,75	21,65	—73,10	15,91	20,32	+ 4,40	12,28	13,04	+ 76
„ 1971 ..	22,49	21,95	— 54	82,14	33,47	—48,67	7,03	20,34	+13,32	27,44	16,63	—10,81

Year	FEDERAL REPUBLIC OF GERMANY			IRAN			ITALY			JAPAN		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	13	14	15	16	17	18	19	20	21	22	23	24
1960-61	122,52	19,87	— 102,65	29,55	5,41	—24,15	25,97	9,27	—16,69	60,78	35,27	— 25,51
1965-66	137,15	18,16	— 118,99	34,08	5,99	—28,09	19,86	8,46	—11,41	79,33	57,12	— 22,22
1969-70	84,44	29,89	— 54,55	83,43	24,02	—59,41	39,85	12,94	—26,91	67,41	179,36	+111,95
1970-71	106,88	32,31	— 74,57	91,64	26,65	—64,98	28,86	14,01	—14,85	83,30	203,48	+120,18
April-December 1970 ..	78,09	25,05	— 53,04	65,65	19,56	—46,08	22,53	10,26	—12,27	55,71	154,96	+ 99,25
„ 1971 ..	92,53	27,23	— 65,29	94,10	15,16	—78,94	19,99	16,58	— 3,41	123,85	134,62	+ 10,78

Year	NEPAL			POLAND			SUDAN			U.A.R.		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	25	26	27	28	29	30	31	32	33	34	35	36
1960-61	3	36	+ 33	4,42	3,87	— 55	9,41	9,48	+ 8	16,42	13,41	— 3,01
1965-66	11,24	19,65	+ 8,41	13,66	9,12	— 4,54	5,74	8,17	+ 2,42	19,96	27,06	+ 7,10
1969-70	14,40	27,28	+ 12,88	23,56	21,34	— 2,22	27,22	19,85	— 7,38	21,69	34,64	+12,95
1970-71	9,44	24,19	+ 14,75	27,99	22,14	— 5,86	20,94	38,27	+17,33	39,84	56,37	+16,53
April-December 1970 ..	8,46	19,53	+ 11,07	20,32	15,44	— 4,89	8,41	26,44	+18,03	33,58	41,39	+ 7,82
„ 1971 ..	6,94	19,42	+ 12,48	38,62	11,56	—27,06	20,10	37,25	+17,14	29,14	15,37	—13,77

STATEMENT 84—DIRECTION OF INDIA'S FOREIGN TRADE (*Concld.*)

Year	U.K.			U.S.A.			U.S.S.R.			YUGOSLAVIA		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	37	38	39	40	41	42	43	44	45	46	47	48
1960-61	217,15	172,48	— 44,68	327,56	102,53	—225,03	15,87	28,81	+ 12,94	4,44	3,33	— 1,11
1965-66	150,09	145,71	— 4,38	535,08	147,75	—387,33	83,17	92,99	+ 9,82	11,90	11,30	— 60
1969-70	102,59	165,07	+ 62,48	467,22	237,97	—229,25	171,33	176,37	+ 5,04	6,18	33,99	+27,81
1970-71	126,03	170,44	+ 44,40	446,17	207,34	—238,84	104,68	209,85	+105,17	7,51	39,18	+31,68
April-December 1970 ..	81,99	137,76	+ 55,77	344,10	151,50	—192,60	78,14	157,81	+ 79,67	5,06	31,29	+26,23
,, 1971 ..	164,83	128,58	— 36,25	319,75	206,95	—112,80	61,14	163,52	+102,39	3,73	19,63	+15,91

Year	OTHER COUNTRIES			ALL COUNTRIES		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	49	50	51	52	53	54
1960-61	219,96	182,08	— 37,88	1,121,62	642,32	— 479,30
1965-66	213,37	189,26	— 24,11	1,408,53	805,64	— 602,89
1969-70	319,85	347,97	+ 28,12	1,582,10	1,413,28	— 168,82
1970-71	335,25	391,07	+ 55,82	1,623,91	1,535,16	— 88,74
April-December 1970	231,00	285,35	+ 54,35	1,183,17	1,149,57	— 33,61
,, 1971	249,78	305,30	+ 55,52	1,363,59	1,193,56	— 170,03

Note : The scope and coverage of the Statement are the same as those for Statement 81. 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. Total figures shown in this Statement may not agree with those in Statement 81 which takes into account recent revisions for which complete details are not available. Revisions in the total figures are carried out by the D.G.C.I. & S. as and when details become available in respect of short shipments for exports and Government imports under the note pass system for imports. Details of exports from and imports into Goa, Daman and Diu are included in trade figures from April 1963. 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 85—INDEX NUMBERS OF EXPORTS

(1958=100)

Commodity	UNIT VALUE INDEX				QUANTUM INDEX			
	1960-61	1965-66	1969-70	1970-71	1960-61	1965-66	1969-70	1970-71
	1	2	3	4	5	6	7	8
I. Food	**106**	**111**	**161**	**173**	**97**	**113**	**112**	**124**
1. Fish and fish preparations	101	155	331	298	79	73	161	177
2. Fruits and vegetables	108	128	231	240	114	123	144	128
3. Coffee	77	101	124	170	131	178	220	206
4. Tea and mate	104	98	110	126	87	86	83	86
5. Spices	149	177	355	352	126	148	110	125
6. Oilseed cake	108	139	208	215	178	335	268	346
II. Beverages and Tobacco	**114**	**112**	**208**	**222**	**85**	**119**	**98**	**90**
III. Crude Materials, Inedible except Fuels	**103**	**87**	**130**	**128**	**106**	**150**	**172**	**190**
7. Hides and skins, undressed	143	112	185	140	95	120	62	37
8. Wool and other animal hair	105	104	98	101	79	75	54	54
9. Raw cotton other than linters	109	126	192	204	50	54	55	50
10. Cotton, waste		88	131	163		51	22	9
11. Crude minerals excluding coal, petroleum, etc.	100	107	167	174	108	108	105	103
12. Metalliferous ores and metal scrap	92	68	110	108	140	288	355	434
13. Animal and vegetable crude materials	103	133	176	209	116	103	126	120
IV. Mineral Fuels and Lubricants, etc.	**93**	**100**	**161**	**238**	**82**	**96**	**61**	**55**
14. Coal and coke	96	137	202	205	62	37	18	35
V. Animal and Vegetable Oils and Fats	**96**	**138**	**167**	**231**	**124**	**40**	**37**	**37**
VI. Chemicals	**172**	**152**	**277**	**243**	**94**	**171**	**247**	**338**
VII. Manufactured Goods classified chiefly by Materials	**118**	**129**	**206**	**202**	**102**	**122**	**140**	**139**
15. Leather and manufactures thereof	121	115	183	160	112	134	241	245
16. Textile yarn and thread	114	126	197	221	82	99	173	130
17. Cotton fabrics of standard type	115	103	171	180	108	132	109	117
18. Fabrics of jute	130	154	264	247	97	121	108	90
19. Fabrics of synthetic fibres and spun glass	32	30	56	64	187	213	83	107
20. Bags and sacks for packing	131	148	213	231	104	108	38	56
21. Floor coverings	107	133	229	223	97	76	89	88
VIII. Machinery and Transport Equipment	**91**	**73**	**103**	**110**	**239**	**845**	**3168**	**4024**
IX. Miscellaneous Manufactured Articles	**109**	**136**	**207**	**240**	**126**	**187**	**360**	**374**
GENERAL	**110**	**113**	**171**	**173**	**100**	**124**	**143**	**153**
TERMS OF TRADE	**115**	**109**	**122**	**118**	**128**	**124**	**90**	**83**

Note : Indian rupee was devalued on June 6, 1966.

Source : Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 86—INDEX NUMBERS OF IMPORTS

(1958=100)

Commodity	UNIT VALUE INDEX				QUANTUM INDEX			
	1960-61	1965-66	1969-70	1970-71	1960-61	1965-66	1969-70	1970-71
	1	2	3	4	5	6	7	8
I. Food	**95**	**94**	**153**	**152**	**104**	**203**	**117**	**100**
1. Dairy products, eggs and honey	80	61	80	83	106	170	216	184
2. Cereals and cereal preparations	91	93	148	144	107	223	118	99
3. Fruits and vegetables	127	146	233	261	92	89	107	95
II. Beverages and Tobacco	**98**	**93**	**159**	**175**	**41**	**31**	**33**	**9**
III. Crude Materials, Inedible except Fuels	**90**	**122**	**158**	**159**	**213**	**124**	**140**	**157**
4. Copra	110	125	153	178	101	48	17	17
5. Wool and other animal hair	93	95	130	113	101	49	120	128
6. Raw cotton other than linters	82	117	166	170	326	129	163	190
7. Crude fertilizers	91	144	156	155	154	182	273	341
IV. Mineral Fuels and Lubricants, etc.	**96**	**75**	**108**	**112**	**95**	**120**	**168**	**160**
8. Petroleum crude, etc.	89	75	104	108	63	128	256	271
V. Animal and Vegetable Oils and Fats	**98**	**112**	**133**	**150**	**107**	**312**	**506**	**584**
VI. Chemicals	**91**	**62**	**72**	**62**	**145**	**259**	**393**	**475**
9. Chemical elements and compounds	95	85	117	119	144	148	201	201
10. Dyeing, tanning and colouring materials	103	86	149	156	143	87	54	68
11. Fertilizers manufactured	72	52	54	44	180	911	1515	1693
VII. Manufactured Goods classified chiefly by Materials	**101**	**103**	**196**	**213**	**122**	**112**	**63**	**87**
12. Paper, paper board, etc.	95	92	146	155	150	176	197	195
13. Textile yarn and thread	93	48	43	47	111	89	41	67
14. Iron and steel	96	94	175	198	128	106	47	76
15. Copper	133	212	382	438	122	116	92	102
16. Aluminium	99	97	199	193	129	108	13	29
17. Zinc	126	160	213	241	119	131	63	149
18. Manufactures of metals	118	149	245	245	90	63	15	20
VIII. Machinery and Transport Equipment	**98**	**135**	**194**	**263**	**134**	**146**	**81**	**59**
19. Machinery other than electric	99	136	227	302	145	175	88	61
20. Electric machinery, etc.	93	143	423	206	123	124	31	69
21. Transport equipment	98	128	141	151	119	92	59	65
IX. Miscellaneous Manufactured Articles	**96**	**122**	**134**	**156**	**102**	**90**	**110**	**123**
GENERAL	**96**	**104**	**140**	**147**	**128**	**154**	**128**	**127**

Note : Indian rupee was devalued on June 6, 1966.

Source : Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 87—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Afghanistan	87	1,50	6,22	6,53	3,59	6,07
Australia	1,05	1,88	2,57	2,06	1,48	1,52
Canada	4,42	2,16	2,42	2,28	1,73	2,37
Federal Republic of Germany ..	1,31	1,31	3,56	3,70	3,32	3,52
Iran	3,23	2,51	2,88	3,49	2,76	3,61
Irish Republic	4,07	3,98	2,91	4,06	3,18	3,72
Netherlands	80	1,52	1,84	2,03	1,73	1,76
Sudan	2,66	1,46	2,87	5,64	5,41	7,80
U.A.R.	7,17	7,82	6,88	7,67	5,70	3,74
U.K.	77,53	55,28	46,46	64,87	59,31	40,41
U.S.A.	5,27	3,38	5,68	5,45	4,13	5,62
U.S.S.R.	7,95	12,36	23,88	26,39	18,58	27,02
Other Countries	6,28	7,52	13,96	10,94	7,28	14,26
Total	**122,61**	**102,68**	**122,13**	**145,11**	**118,20**	**121,42**

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 88—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Czechoslovakia	9	3,54	3,98	6,59	3,42	1,08
German Democratic Republic ..	63	4,22	3,46	5,62	3,53	3,84
Hungary	1	3,15	2,67	3,39	2,65	4,52
Japan	—	54	4,23	9,32	7,81	5,87
Poland	1,32	4,47	8,78	10,67	7,70	4,19
U.K.	10,77	12,96	10,69	8,66	7,20	3,28
U.S.S.R.	—	3,02	4,08	4,36	3,77	2,28
Yugoslavia	29	76	2,43	3,85	2,73	1,85
Other Countries	1,19	1,98	1,15	2,96	2,00	2,42
Total	**14,30**	**34,64**	**41,47**	**55,42**	**40,80**	**29,33**

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 89—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Australia	60	82	1,55	1,22	1,12	1,08
Canada	69	90	1,67	2,55	2,12	3,64
German Democratic Republic	20	1,32	1,30	2,39	1,62	53
Japan	8	27	47	1,02	75	1,06
U.K.	1,34	1,23	1,75	1,07	77	1,20
U.S.A.	12,54	14,74	21,48	24,58	20,16	26,73
U.S.S.R.	2,25	6,34	24,71	14,68	12,28	13,43
Other Countries	1,21	1,78	4,49	4,56	3,48	3,65
Total	**18,91**	**27,40**	**57,42**	**52,07**	**42,31**	**51,32**

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 90—EXPORTS OF TOBACCO (UNMANUFACTURED) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Japan	—	39	2,61	2,39	2,39	3,85
Nepal	—	15	39	50	33	17
South Yemen People's Republic	49	76	1,06	25	18	15
U.K.	10,87	9,36	15,87	16,62	12,75	12,98
U.S.S.R.	68	5,79	6,43	5,54	5,54	13,73
Other Countries	2,57	3,13	6,35	6,10	4,95	4,08
Total (*a*)	**14,61**	**19,58**	**32,71**	**31,40**	**26,14**	**34,97**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Total figures in this statement may not tally with those for this item shown in Statement 82—'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 91—EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Gunny Bags						
Australia	9,11	4,39	73	56	44	1,05
Cuba	7,13	29	—	—	—	—
Sudan	1,40	2,34	4,27	7,32	5,08	5,89
U.A.R.	4,32	12,24	2,31	8,49	6,45	1,52
U.S.A.	4,82	8,03	5,69	5,94	5,16	6,43
U.S.S.R.	2,09	19,25	13,97	23,15	17,04	19,28
Other Countries	28,43	21,01	7,61	9,53	6,72	19,41
Total (*a*)	**57,30**	**67,55**	**34,58**	**54,99**	**40,90**	**53,58**
Gunny Cloth						
Australia	3,18	4,47	8,13	8,54	5,90	8,49
Canada	7,42	9,96	13,80	11,51	8,98	14,49
Czechoslovakia	7	74	1,05	1,82	1,41	2,09
Iran	52	1,02	1,96	1,55	1,27	1,19
New Zealand	84	1,02	2,20	1,94	1,31	3,04
U.A.R.	62	1,07	1,37	3,82	2,49	16
U.K.	6,22	6,85	3,80	1,99	1,53	3,71
U.S.A.	39,74	63,69	106,71	71,97	48,28	94,31
U.S.S.R.	1,58	6,23	7,94	11,27	8,66	8,38
Yugoslavia	17	50	94	1,70	97	1,36
Other Countries	13,71	13,37	19,11	13,94	10,45	19,37
Total (*a*)	**74,07**	**108,92**	**167,01**	**130,05**	**91,26**	**156,61**

Note : From April 1965, data are based on the Revised Indian Trade Classification. The figures from 1965-66 are, therefore, not strictly comparable with those for the earlier years. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Total figures in this statement may not tally with figures for the item 'Jute manufactures' shown in Statement 82—'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 92—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Afghanistan	2,16	1,31	58	68	52	8
Australia	4,45	1,86	2,23	2,85	2,00	1,84
Burma	1,47	30	1,41	67	67	—
Canada	1,45	1,64	1,26	99	74	78
Ceylon	3,04	1,35	1,85	62	56	33
Federal Republic of Germany	49	73	2,21	1,33	1,18	64
France	—	23	2,55	1,02	86	70
Indonesia	1,02	—	19	7	—	6
Kenya	2,40	1,08	43	22	17	12
Malaysia (*a*)	3,85	1,80	1,81	1,57	1,12	99
Netherlands	55	18	10	20	16	4
New Zealand	1,20	1,29	88	1,14	85	1,18
Nigeria	1,64	1,45	5	8	7	78
South Yemen People's Republic	2,25	1,50	1,33	67	52	59
Sudan	4,25	1,97	4,12	13,95	8,00	12,14
Tanzania Republic (*b*)	1,37	2,02	26	6	5	2
U.K.	15,27	12,10	14,94	12,67	7,51	11,54
U.S.A.	1,73	5,95	8,35	8,08	6,29	7,32
U.S.S.R.		4,08	6,49	10,29	8,88	3,77
Other Countries	8,77	14,86	19,78	19,49	15,10	12,41
Total (*c*)	**57,36**	**55,69**	**70,84**	**76,65**	**55,24**	**55,33**

Note : From April 1965, data are based on the Revised Indian Trade Classification. The figures from 1965-66 are, therefore, not strictly comparable with those for the earlier years. 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*) Figures upto 1965-66 relate to Tanganyika only. (*c*) Total figures in this statement will not tally with the figures for the item ' Cotton Textiles ' shown in Statement 82—' 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 93—EXPORTS OF LEATHER AND LEATHER MANUFACTURES@ TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Czechoslovakia	2	87	4,11	3,44	2,29	2,30
France	1,28	2,53	3,40	4,20	2,51	4,17
German Democratic Republic		9	4,77	3,41	2,56	1,99
Italy	67	2,08	4,60	4,29	2,62	9,39
Japan	1,09	1,27	3,88	4,31	3,17	2,68
U.K.	14,60	10,88	17,40	15,75	11,35	14,46
U.S.A.	1,47	4,10	4,45	2,66	2,22	1,61
U.S.S.R.	—	59	19,66	18,05	14,31	12,72
Yugoslavia	24	1,00	8,66	6,28	5,19	2,44
Other Countries	5,58	5,05	10,60	9,78	6,56	12,50
Total	**24,97**	**28,46**	**81,54**	**72,18**	**52,79**	**64,26**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period. @ Comprises leather, manufacture of leather or artificial or reconstituted leather n.e.s., fur skin tanned or dressed (including dyed).

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 94—EXPORTS OF PEARLS AND PRECIOUS AND SEMI-PRECIOUS STONES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Belgium	1	3,50	15,00	10,46	7,84	8,30
Federal Republic of Germany	—	1,20	1,83	1,66	1,20	1,76
France	—	1,62	1,65	1,42	1,08	1,58
Hongkong	1	1,32	6,10	10,08	7,59	7,73
Japan	2	31	1,67	2,86	2,26	3,30
Switzerland	—	2,25	4,57	3,15	2,49	2,08
U.K.	—	1,97	2,66	2,13	1,68	2,03
U.S.A.	2	1,69	4,61	4,67	3,29	5,48
Other Countries	14	91	3,88	5,50	3,96	6,17
Total	**20**	**14,77**	**41,98**	**41,94**	**31,39**	**38,43**

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 95—EXPORTS OF IRON AND STEEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	April to December 1970	April to December 1971
	1	2	3	4	5	6
Burma	1	19	2,22	2,20	1,54	2,07
Ceylon	3	9	1,44	2,11	1,21	9
Iran	—	70	9,42	7,51	6,36	1,88
Japan	1,35	—	24,30	24,73	19,79	5,68
Saudi Arabia	—	2	5,41	2,97	2,83	22
Sweden	—	—	90	1,95	1,04	6
U.A.R.	—	21	1,30	2,93	1,51	1,45
U.K.	1,15	56	1,92	2,12	1,98	11
U.S.A.	4,30	3,93	7,24	6,02	5,62	2,26
U.S.S.R.	—	—	5,05	17,68	13,90	5,22
Yugoslavia	—	10	1,17	3,61	2,64	59
Other Countries	2,96	6,81	26,47	16,81	12,95	14,61
Total*	**9,79**	**12,61**	**86,83**	**90,64**	**70,76**	**34,25**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

* Total figures in this statement may not tally with those for this item shown in Statement 82—' 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 96—INLAND AND FOREIGN BILLS PURCHASED AND DISCOUNTED BY SCHEDULED COMMERCIAL BANKS

(Rupees lakhs)

As on the Last Friday of	Number 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 re-payable in India (in approved currencies)	Other Foreign Bills purchased and discounted	Total	
	1	2	3	4	5	6	7	8	9
1960-61	87	91,18	57,64	**148,82**	45,11	14,97	..	**60,08**	**208,90**
1965-66* ..	76	163,63	137,94	**301,57**	51,68	17,17	5,02	**73,87**	**375,44**
1969-70	73	286,68	182,65	**469,33**	156,48	18,91	7,74	**183,13**	**652,46**
1970-71	73	324,99	367,57	**692,56**	173,20	21,33	12,33	**206,86**	**899,42**
1970-71									
June	72	275,77	271,49	**547,26**	144,18	21,44	6,35	**171,97**	**719,23**
September ..	73	278,40	328,23	**606,63**	145,90	18,69	5,59	**170,18**	**776,81**
December ..	72	313,75	289,69	**603,44**	177,77	17,29	6,98	**202,04**	**805,48**
March	73	324,99	367,57	**692,56**	173,20	21,33	12,33	**206,86**	**899,42**
1971-72									
June	74	322,91	418,91	**741,82**	166,58	21,48	10,03	**198,09**	**939,91**
September ..	74	325,87	380,88	**706,75**	181,22	21,99	8,54	**211,75**	**918,50**
December ..	74	330,43	354,93	**685,36**	171,49	24,53	9,10	**205,12**	**890,48**

Note : The data for the year 1960-61 are based on returns on Form XIII (Monthly). The subsequent data are based on Form XII (Monthly) which was earlier numbered as Form XIII.

* Revised.

STATEMENT 97—INDIA'S FOREIGN EXCHANGE RESERVES

(In lakhs of rupees)

End of	Gold[1]	SDRs	Foreign Exchange[2]	Total Reserves (1+2+3)	Variations over the previous year/month[3]	Transactions with I.M.F.	
						Drawings	Repurchases
	1	2	3	4	5	6	7
1960-61	117,76	—	185,85	303,61	— 59,25	—	10,71
1965-66	115,89	—	182,09	297,98	+ 48,30	65,46	35,71
1969-70	182,53	92,05	546,37	820,95	+ 244,25	—	125,36
1970-71	182,53	111,69	438,12	732,34	— 88,61	—	154,00
1971-72	182,53	185,77	480,38	848,68	+ 116,34	—	—
March 1971..	182,53	111,69	438,12	732,34	— 48,74	—	41,35
April „ ..	182,53	111,04	480,08	773,65	+ 41,31	—	—
May „ ..	182,53	111,04	495,97	789,54	+ 15,89	—	—
June „ ..	182,53	111,04	493,55	787,12	— 2,42	—	—
July „ ..	182,53	111,04	491,65	785,22	— 1,90	—	—
August „ ..	182,53	111,04	487,52	781,09	— 4,13	—	—
September „ ..	182,53	111,04	495,55	789,12	+ 8,03	—	—
October „ ..	182,53	111,04	518,82	812,39	+ 23,27	—	—
November „ ..	182,53	111,04	500,20	793,77	— 18,62	—	—
December „ ..	182,53	111,04	508,45	802,02	+ 8,25	—	—
January 1972..	182,53	185,77	508,14	876,44	+ 74,42	—	—
February „ ..	182,53	185,77	500,49	868,79	— 7,65	—	—
March „ ..	182,53	185,77	480,38	848,68	— 20,11	—	—
April „ ..	182,53	185,77	486,35	854,65	+ 5,97	—	—
May „ *	182,53	185,77	486,52	854,82	+ 17	—	—
June „ *	182,53	185,77	477,86	846,16	— 8,66	—	—

1. Gold has been valued at Rs. 53.58 per ten grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter and SDRs are valued at Rs. 7.50 per unit. 2. Includes foreign assets of the Reserve Bank and Government balances held abroad. Holdings of Canadian dollars since June 1970 are valued at the monthly averages of spot buying and selling rates in New York. Other foreign exchange holdings are valued at the par values/central rates, except for the holdings of Deutsche Marks from May to November 1971, and Yen and pound sterling from September to November 1971 which are valued at the monthly averages of buying and selling rates in London. 3. Movement in reserves : increase (+)/decrease (—).

* Provisional.

STATEMENT 98—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
1960-61	31,310	41,74	62,112	82,88	—30,802	—41,14
1965-66	122,183	162,91	81,972	109,41	+40,211	+53,50
1969-70	165,755	298,36	175,918	317,66	—10,163	—19,30
1970-71	140,196	252,35	190,116	343,29	—49,920	—90,94
1971-72	149,971	270,28	156,915	289,57	— 6,944	—19,29
March 1971	17,397	31,31	31,794	57,41	—14,397	—26.10
April ,, ...	15,796	28,43	17,608	31,79	— 1,812	— 3,36
May ,, ...	12,050	21,69	15,030	27,14	— 2,980	— 5,45
June ,, ...	9,599	17,28	19,150	34,58	— 9,551	—17,30
July ,, ...	7,561	13,61	14,223	25,68	— 6,662	—12,07
August ,, ...	9,734	17,52	10,560	19,13	— 826	— 1,61
September ,, ...	11,377	20,48	11,678	21,68	— 301	— 1,20
October ,, ...	12,682	22,83	12,011	22,50	+ 671	+ 33
November ,, ...	27,697	49,95	24,498	45,92	+ 3,199	+ 4,03
December ,, ...	18,005	32,46	16,660	31,68	+ 1,345	+ 78
January 1972	8,094	14,57	8,725	16,59	— 631	— 2,02
February ,, ...	9,419	16,96	3,437	6,54	+ 5,982	+10,42
March ,, ...	7,957	14,50	3,335	6,34	+ 4,622	+ 8,16
April ,, ...	6,819	12,53	2,525	4,80	+ 4,294	+ 7,73
May ,, ...	16,525	30,32	—	—	+16,525	+30,32
June ,, ...	9,290	17,13	7,40	1,41	+ 8,550	+15,72

Note: Indian rupee was devalued on June 6, 1966. Pound Sterling was devalued on November 18, 1967.
(*a*) Excluding Government transactions. (*b*) Cover spot purchases and deliveries against forward purchase contracts.
(*c*) Cover spot sales and deliveries against forward sale contracts. After the devaluation of Indian rupee on June 6, 1966, the forward sale contracts have been discontinued.

STATEMENT 99—EXTERNAL ASSISTANCE:

	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan	Authorisations			
				1966-67 @	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7
1. Loans							
A. Repayable in Foreign Currencies							
1. From International Institutions							
1. I.B.R.D.	453.5	380.0	73.5	1.3 (—)	18.8	11.3	30.4
2. I.D.A.	275.7	200.6	75.1	229.5 (—)	—	93.8	88.1
2. From Foreign Countries							
1. Austria	8.5	4.7	3.8	3.5 (—)	3.5	0.7	0.8
2. Belgium	11.4	4.9	6.5	—	2.8	9.4	2.3
3. Canada	45.5	27.2	18.3	40.7 (0.9)	46.3	25.3	48.8
4. Denmark	1.4	—	1.4	2.1 (2.1)	3.0	4.0	—
5. France	70.5	21.0	49.5	22.5 (—)	—	45.6	—
6. Germany (West)	441.1	339.6	101.5	45.0 (—)	46.9	43.2	63.1
7. Italy	80.9	11.6	69.3	23.3 (—)	—	4.1	17.5
8. Japan	156.8	104.3	52.5	31.9 (—)	34.4	21.2	19.1
9. Netherlands	22.8	9.5	13.3	8.2 (—)	8.2	6.8	8.3
10. Norway	—	—	—	—	—	1.6	—
11. Sweden	2.2	—	2.2	3.5 (—)	—	10.2	0.7
12. Switzerland	22.8	6.0	16.8	—	—	—	—
13. United Kingdom	360.5	292.3	68.2	63.0 (29.3)	61.5	64.8	98.1
14. United States of America							
(a) Wheat loan of 1951 ..	90.3	90.3	—	—	—	—	—
(b) Eximbank loans for machinery and equipment	192.7	161.3	31.4	9.6 (—)	1.5	33.7	13.5
(c) A.I.D. Loans	656.7	497.9	158.8	169.5 (57.1)	142.1	333.2	15.0
(d) U.S. banks' loans to Air India and Indian Airlines	23.4	15.7	7.7	6.5 (—)	—	24.2	2.2
(e) Boeing Company's loans to Air India and Indian Airlines	2.5	1.1	1.4	0.6 (—)	—	2.1	1.5
(f) P. L. 480 Convertible Currency Credits	—	—	—	—	67.6	53.7	112.9
15. Bulgaria	—	—	—	—	9.8	—	—
16. Czechoslovakia	61.0	12.6	48.4	—	—	—	—
17. Hungary	—	—	—	25.0 (—)	—	—	—
18. Poland	36.1	11.3	24.8	—	—	—	—
19. U.S.S.R.	484.3	282.1	202.2	258.4 (—)	—	—	—
20. Yugoslavia	18.0	9.7	8.3	46.7 (—)	—	—	0.2
TOTAL—A	3518.6	2483.7	1034.9	990.8 (89.4)	446.4	788.9	522.5

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. Authorisations under group I 'Loans' are shown net of de-obligations/cancellations.
3. Excludes special deposits placed by the IBRD with the Reserve Bank of India, during 1967-68. Loan of Rs. 11.3 crores given to the government out of the IBRD deposits is included under loans authorised and utilised in 1968-69.

AUTHORISED AND UTILISED

(In Crores of Rupees)

		Utilisation						
1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	Aid undisbursed as at the end of March 1972*
8	9	10	11	12	13	14	15	16
30.0	45.0	24.6 (2.3)	22.8	30.5	20.9	36.6	29.1	86.7
125.9	334.5	128.4 (10.9)	161.1	57.5	84.9	45.4	79.5	427.0
1.1	0.7	3.6 (0.3)	3.2	3.0	2.3	1.8	0.7	1.5
10.1	3.0	—	1.9	1.6	10.5	4.3	4.2	15.3
26.4	38.5	11.1 (1.2)	17.9	29.0	35.1	46.1	48.8	66.7
—	—	2.1 (0.3)	2.9	1.5	1.3	1.4	1.4	1.7
41.9	24.0	6.9 (—)	33.8	13.7	15.6	36.8	44.8	50.3
51.8	51.4	61.3 (4.1)	67.6	58.4	55.9	51.8	73.5	103.5
6.0	6.0	0.1 (0.1)	1.5	89.5	18.4	10.6	12.0	33.9
5.2	94.6	26.7 (6.0)	40.2	55.4	30.7	17.5	26.3	88.8
8.3	10.4	6.2 (0.6)	8.4	4.7	14.9	17.0	11.6	7.9
—	—	—	—	—	—	—	0.1	1.5
18.1	3.7	1.4 (—)	1.3	2.1	0.9	4.0	8.4	21.5
—	0.7	7.0 (1.1)	3.1	2.1	2.0	2.1	2.1	8.1
84.8	98.1	88.2 (4.0)	80.6	54.9	81.2	75.2	91.4	108.1
—	—	—	—	—	—	—	—	—
22.1	—	31.3 (4.9)	20.4	5.2	7.9	30.9	28.0	3.3
236.3	42.0	165.5 (20.8)	244.0	183.7	162.6	186.0	156.9	110.5
9.4	—	11.3 (1.5)	1.2	5.1	6.4	14.7	20.3	0.9
2.1	—	2.1 (—)						
—	96.2	—	30.8	73.1	62.0	44.4	103.1	17.0
—	—	—	—	—	—	—	—	9.8
—	—	12.6 (0.8)	7.4	16.1	8.1	1.3	1.4	28.8
—	—	—	—	—	—	—	—	25.0
—	—	0.9 (0.1)	1.8	1.4	4.2	2.8	2.4	25.5
—	—	33.6 (4.4)	46.4	56.5	49.5	36.8	14.0	337.5
—	—	4.4 (2.1)	3.4	3.6	25.5	21.7	—	—
679.5	848.8	629.3 (65.5)	801.7	748.6	700.8	689.2	760.0	1580.8

@ 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 and of French Franc in August 1969, and on the revaluation of the

STATEMENT 99—EXTERNAL ASSISTANCE :

	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan	Authorisations			
				1966-67 @	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7
B. Repayable in Rupees							
1. Denmark	1.0	0.6	0.4	—	—	—	—
2. U.S.A.							
(a) D.L.F./A.I.D. Loans ..	232.7	224.4	8.3	13.5 (—)	—	—	0.3
(b) Asian Economic Development Fund Credit for Orissa Iron Ore Project	8.7	8.4	0.3	—	—	—	—
(c) T.C.A. Loans	42.2	42.2	—	—	—	—	—
**TOTAL—B .. .. ..

AUTHORISED AND UTILISED—(*Concld.*)

(In Crores of Rupees)

		Utilisation						Aid undisbursed as at the end of March 1972*
1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
8	9	10	11	12	13	14	15	16
—	—	0.5	—	—	—	—	—	0.1
		(0.1)						
—	—	8.7	3.9	7.4	—0.7	0.9	1.1	4.7
		(1.6)						
—	—	0.2	0.2	—	—	—	—	—
		(—)						
—	—	—	—	—	—	—	—	—
—	—	9.4	4.1	7.4	—0.7	0.9	1.1	4.8
		(1.7)						
679.5	848.8	638.7	805.8	756.0	700.1	690.1	761.1	1585.6
		(67.2)						
3.3	2.3	15.9	7.8	3.5	3.7	3.0	2.6	0.8
		(—)						
0.4	—	—	—	0.4	0.4	0.4	—	—
31.9	27.9	66.4	45.5	55.6	13.0	35.7	27.8	7.3
		(3.1)						
—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.8	—	—	—
4.8	3.9	1.6	0.6	4.0	6.7	4.9	3.9	1.6
		(—)						
—	—	—	—	—	—	—	—	—
0.5	0.5	—	—	0.5	0.5	0.5	0.5	—
0.5	—	0.3	0.1	—	—	0.8	—	0.3
		(—)						
3.8	—	0.7	0.5	0.5	—	1.2	1.7	1.3
		(—)						
1.9	—	2.2	0.1	0.7	—	1.9	—	0.2
		(—)						
1.3	1.5	0.1	0.5	4.9	0.5	3.4	1.5	0.3
		(—)						
15.1	—	4.4	4.3	1.9	—	—	12.5	9.7
		(0.6)						
—	—	1.0	1.1	0.7	—	0.6	—	0.5
		(—)						
—	—	—	—	—	3.7	—	—	—
63.5	36.1	92.6	60.5	72.7	29.3	52.4	50.5	22.0
		(3.7)						
—	22.5	324.0	310.9	84.5	107.5	37.7	8.8	—†
		(62.1)						
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	22.5	324.0	310.9	84.5	107.5	37.7	8.8	—
		(62.1)						
743.0	907.4	1055.3	1177.2	913.2	836.9	780.2	820.4	1607.6
		(133.0)						

Deutsche Mark in October 1969, the undisbursed balance has been correspondingly adjusted, except in case of loans from the I.B.R.D. and the I.D.A. which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

@@ 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.

†† Exclude loans and grants received by Government of India out of P.L. 480 Title I and P.L. 665 funds.

££ 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, 1968-69, 1969-70 and 1970-71 are shown under "Loans Repayable in Foreign Currencies" and not included here.

† The undisbursed balance as at the end of March 1966 has been reduced by Rs. 87.5 crores, that for March 1971 by Rs. 50.1 crores and that for March 1972 by Rs. 13.7 crores on account of lapsed agreements.

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
1. Transport and Communications				
1. I.B.R.D.				
(a) Railways—I (of August 18, 1949)	Public	15.6	15.6	—
(b) Railways—II (of July 12, 1957)	,,	42.9	42.9	—
(c) Railways—III (of September 16, 1958)	,,	40.5	40.5	—
(d) Railways—IV (of July 15, 1959)	,,	23.8	23.8	—
(e) Railways—V (of July 29, 1960)	,,	33.3	33.3	—
(f) Railways—VI (of October 13, 1961)	,,	23.8	23.8	—
(g) Air India (of March 5, 1957)	,,	2.7	2.7	—
(h) Calcutta Port—I (of June 25, 1958)	,,	13.8	13.8	—
(i) Calcutta Port—II (of August 17, 1961)	,,	9.0	4.7	4.3
(j) Madras Port (of June 25, 1958)	,,	5.0	4.8	0.2
(k) Expansion of P.T.T. Services—III (of June 18, 1969)	,,	—	—	—
2. I.D.A.				
(a) Railways—VII (of March 22, 1963)	Public	32.2	32.2	—
(b) Railways—VIII (of October 26, 1964)	,,	29.5	29.5	—
(c) Railways—IX (of June 29, 1966)	,,	—	—	—
(d) Railways—X (of September 24, 1969)	,,	—	—	—
(e) Road Project (of June 21, 1961)	,,	28.3	24.6	3.7
(f) Bombay Port—I (of September 14, 1962)	,,	7.7	1.6	6.1
(g) Expansion of P.T.T. Services—I (of September 14, 1962)	,,	19.9	16.9	3.0
(h) Expansion of P.T.T. Services—II (of July 6, 1964)	,,	15.7	9.7	6.0
(i) Expansion of P.T.T. Services—III (of June 18, 1969)	,,	—	—	—
(j) Expansion of P.T.T. Services—IV (of May 3, 1971)	,,	—	—	—
(k) Railways—XI (of January 24, 1972)	,,	—	—	—
3. Canada				
(a) Diesel Locos for Railways (of December 4, 1963)	Public	3.4	3.4	—
(b) Wind Tunnel Project (of July 2, 1964)	,,	1.9	1.2	0.7
(c) Diesel Locos for Calcutta Port (of April 24, 1966)	,,	—	—	—
(d) Diesel Locos for Railways (of December 28, 1966)	,,	—	—	—
(e) P. T. Loan (of September 30, 1969)	,,	—	—	—
(f) Diesel Loco Works, Varanasi (of September 2, 1970)	,,	—	—	—
(g) Kandla Port Project (of August 12, 1971)	,,	—	—	—
4. Germany (West)				
(a) Railways	Public	5.5	0.4	5.1
(b) Ships	Pub./Prvt.	27.0	12.0	15.0
(c) Air India	Public	—	—	—
5. D.L.F./A.I.D.				
(a) Railways—I (of August 18, 1949)	Public	14.3	14.3	—
(b) Railways—II (of July 12, 1957)	,,	16.7	16.7	—
(c) Railways—III (of September 16, 1958)	,,	23.6	22.4	1.2
(d) Railways—IV (of July 15, 1959)	,,	20.5	20.4	0.1
(e) Railways—V (of July 29, 1960)	,,	7.5	6.5	1.0
(f) Railways—VI (of October 13, 1961)	,,	3.4	2.8	0.6
(g) Railways—VII (of March 22, 1963)	,,	1.8	—	1.8
(h) Road Transport (of June 30, 1960)	,,	6.2	6.2	—

OF FOREIGN LOANS/CREDITS

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	6.0	—	—	—	—	—	6.0	—	—	—	—
—	—	0.4	—	—	—	—	—	0.4	—	—	—	—
—	—	1.6	—	—	—	—	—	1.6	—	—	—	—
—	—	0.3	—	—	—	—	—	0.3	—	—	—	—
—	—	0.8	—	—	—	—	—	0.8	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	4.2 (0.4)	1.9	0.5	—	—	—	—
—	—	—	—	—	—	0.4 (—)	—	—	—	—	—	—
—	—	—	20.6	—	—	—	—	—	—	—	9.8	10.8
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
51.0 (—)	—	—	—	—	—	19.8 (—)	20.4	10.8	—	—	—	—
—	—	—	41.2	—	—	—	—	—	3.5	17.5	20.2	—
—	—	—	—	—	—	3.1 (1.4)	1.9	—	—	—	—	—
—	—	—	—	—	—	2.4 (0.9)	1.9	2.5	0.4	2.0	—	—
—	—	—	—	—	—	4.1 (0.1)	0.5	—	—	—	—	—
—	—	—	—	—	—	8.8 (1.2)	—	—	—	—	—	—
—	—	—	20.6	—	—	—	—	—	4.5	7.5	7.4	1.2
—	—	—	—	—	58.5	—	—	—	—	—	—	58.5
—	—	—	—	—	56.3	—	—	—	—	—	4.6	51.7
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.4 (0.1)	0.3	0.1	0.2	—	—	—
0.9 (0.9)	—	—	—	—	—	1.1 (—)	0.2	—	0.1	—	—	—
4.9 (—)	—	—	—	—	—	—	4.4	0.3	—	0.1	—	0.1
—	—	—	27.8	—	—	—	—	—	—	—	5.2	22.6
—	—	—	—	4.2	—	—	—	—	—	—	1.9	2.3
—	—	—	—	—	0.7	—	—	—	—	—	—	0.7
3.0 (—)	3.6	—	—	—	—	0.2 (0.2)	3.4	1.1	1.6	2.9	0.8	1.4
—	—	—	—	—	—	17.5 (—)	6.1	—	—	—	—	—
—	—	—	8.2	—	—	—	—	—	0.3	1.6	5.3	1.0
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.8 (0.2)	0.3	0.4	0.2	—	—	—
—	—	—	—	—	—	0.1 (—)	0.1	—	—	—	—	—
—	—	—	—	—	—	0.9 (—)	0.5	0.2	—	—	—	—
—	—	—	—	—	—	0.7 (0.2)	0.2	—	—	—	—	—
—	—	—	—	—	—	—	2.4	0.4	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
Transport and Communications—(*Contd.*)				
6. U.S. Exim Bank				
(a) Diesel Loco Works—I (of September 16, 1963)	Public	9.1	8.6	0.5
(b) Diesel Loco Works—II (of March 29, 1965)	,,	8.1	7.3	0.8
(c) Diesel Loco Works—III (of December 12, 1966)	,,	—	—	—
(d) Air India—I (of February 4, 1961)	,,	2.3	2.3	—
(e) Air India—II (of February 6, 1962)	,,	4.5	4.5	—
(f) Air India—III (of June 4, 1968)	,,	—	—	—
(g) Air India—IV (of July 8, 1969)	,,	—	—	—
(h) Indian Air Lines Boeing Loan (of June 18, 1970)	,,	—	—	—
7. U.S. Banks' Loans to Air India/Indian Airlines	Public	23.4	15.7	7.7
8. Boeing Company's Loans to Air India/Indian Airlines	Public	2.5	1.1	1.4
TOTAL—I		**525.4**	**466.2**	**59.2**
II. Power Projects				
1. I.B.R.D.				
(a) D.V.C.—I (of April 18, 1950)	Public	8.0	8.0	—
(b) D.V.C.—II (of January 23, 1953)	,,	5.0	5.0	—
(c) D.V.C.—III (of July 23, 1958)	,,	10.5	10.5	—
(d) Trombay—I (of November 19, 1954)	Private	6.6	6.6	—
(e) Trombay—II (of May 29, 1957)	,,	4.6	4.6	—
(f) Koyna (of April 8, 1959)	Public	8.9	8.9	—
(g) Kothagudam—II (of June 11, 1965)	,,	6.7	2.5	4.2
(h) Power Transmission (of June 11, 1965)	,,	27.6	—	27.6
2. I.D.A.				
(a) D.V.C.—IV (of February 14, 1962)	Public	7.9	5.7	2.2
(b) Koyna Power (of August 8, 1962)	,,	8.3	4.3	4.0
(c) Kothagudam Power (of May 24, 1963)	,,	9.5	6.4	3.1
(d) Beas Project (of June 29, 1966)	,,	—	—	—
(e) Power Transmission (of May 3, 1971)	,,	—	—	—
3. Canada				
(a) Ranapratap Sagar Hydro-Electric Power Project (of December 4, 1963)	Public	3.5	3.2	0.3
(b) Candu Atomic Power Project (of April 27, 1964)	,,	16.3	1.7	14.6
(c) Candu Atomic Power Project (Additional) (of April 30, 1968)	,,	—	—	—
(d) Kotah Hydro-Electric Power Project (of February 18, 1965)	,,	2.4	0.4	2.0
(e) Rajasthan Atomic Power Project—II (of February 28, 1967)	,,	—	—	—
(f) Idikki Hydro-Electric Project (of October 27, 1967)	,,	—	—	—
(g) Rajasthan Atomic Power Project (of May 22, 1970) (Candu—Supplementary)	,,	—	—	—
(h) Rajasthan Atomic Power Project—Stage II (of May 5, 1971)	,,	—	—	—
4. France				
(a) Nasik Thermal Power Station	Public	9.5	—	9.5

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	0.5 (0.1)	0.3	—	—	—	—	—
—	—	—	—	—	—	0.4 (0.1)	0.8	—	—	—	—	—
9.6 (—)	—	—	—	—	—	2.0 (—)	4.8	2.8	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	18.7	—	—	—	—	—	0.7	3.8	7.6	6.6	—
—	—	—	13.5	—	—	—	—	—	0.4	2.8	8.9	1.4
—	—	—	—	9.4	—	—	—	—	—	8.0	1.3	0.1
6.5 (—)	—	24.2	2.2	9.4	—	11.3 (1.5)	1.2	5.1	6.4	14.7	20.3	0.9
0.6 (—)	—	2.1	1.5	2.1	—	2.1 (—)						
76.5 (0.9)	**3.0**	**54.1**	**135.6**	**25.1**	**115.5**	**80.8 (6.4)**	**51.6**	**34.0**	**21.4**	**64.7**	**92.3**	**152.7**
—	—	0.4	—	—	—	—	—	0.4	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	0.8	—	—	—	—	—	0.8	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	0.2	—	—	—	—	—	0.2	—	—	—	—
—	—	—	—	—	—	2.7 (0.1)	1.5	0.6	1.1	0.7	—	—
—	—	—	—	—	—	3.5 (—)	8.9	8.9	7.7	14.4	—	—
—	—	—	—	—	—	1.5 (0.4)	0.8	0.5	0.4	—	—	—
—	—	—	—	—	—	1.3 (—)	0.5	1.3	2.3	0.9	—	—
—	—	—	—	—	—	1.9 (—)	1.6	1.3	—	—	—	—
17.3 (—)	—	—	—	—	—	3.0 (—)	3.3	1.0	1.5	1.5	0.9	6.1
—	—	—	—	—	56.3	—	—	—	—	—	—	56.3
—	—	—	—	—	—	0.2 (—)	0.1	0.1	—	—	—	0.1
—	—	—	—	—	—	6.7 (0.6)	7.9	5.4	3.6	2.9	0.6	—
—	—	4.5	—	—	—	—	—					
—	—	—	—	—	—	1.9 (0.3)	0.6	0.3	—	—	—	0.2
26.7 (—)	—	—	—	—	—	—	0.4	3.8	5.2	4.6	4.6	8.1
—	13.5	—	—	—	—	—	—	—	—	2.7	2.1	8.7
—	—	—	—	1.4	—	—	—	—	—	—	0.3	1.1
—	—	—	—	—	1.1	—	—	—	—	—	—	1.1
—	—	—	—	—	—	2.6 (—)	5.1	—	—	6.5	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
II. Power Projects—*(Contd.)*				
5. D.L.F./A.I.D.				
(a) Power Development (of December 24, 1958)	Public	4.6	4.8	— 0.2
(b) Chandrapura—I (of June 30, 1960)	,,	13.3	12.6	0.7
(c) Sharavathi—I (of June 30, 1960)	,,	3.3	3.1	0.2
(d) Barauni (of June 30, 1960)	,,	1.7	1.7	—
(e) Durgapur (of June 30, 1960)	,,	8.6	7.7	0.9
(f) Ahmedabad Electricity Company (of June 30, 1960)	Private	1.8	1.8	—
(g) Kanpur (of December 5, 1960)	Public	0.7	0.7	—
(h) Barapani (of December 5, 1960)	,,	0.8	0.9	— 0.1
(i) Talchar (of August 16, 1961)	,,	13.6	10.4	3.2
(j) Birsinghpur (of August 16, 1961)	,,	3.7	2.5	1.2
(k) Sharavathi—II (of August 16, 1961)	,,	6.7	5.9	0.8
(l) Cambay Power (of February 26, 1962)	,,	15.8	15.2	0.6
(m) Bandel Power (of June 21, 1962)	,,	17.9	15.8	2.1
(n) Pambakakki (of June 28, 1962)	,,	8.6	8.2	0.4
(o) Trombay Power (of June 28, 1962)	Private	8.4	7.8	0.6
(p) Delhi Power (of March 8, 1963)	Public	6.6	2.9	3.7
(q) Satpura Power (of March 8, 1963)	,,	9.1	5.5	3.6
(r) Ramagundam (of May 21, 1963)	,,	3.7	0.8	2.9
(s) Chandrapura—II (of October 21, 1963)	,,	5.8	3.8	2.0
(t) Tarapur Nuclear Power (of December 7, 1963)	,,	34.6	14.0	20.6
(u) Sharavathi—III (of November 30, 1964)	,,	0.8	—	0.8
(v) Dhuwaran Power (of June 1, 1966)	,,	—	—	—
(w) Beas Project (of June 6, 1966)	,,	—	—	—
TOTAL—II		**305.4**	**193.9**	**111.5**
III. Steel and Steel Projects				
1. I.B.R.D.				
(a) I.I.S.Co.—I (of December 18, 1952)	Private	13.9	13.9	—
(b) I.I.S.Co.—II (of December 19, 1956)	,,	9.5	9.5	—
(c) I.I.S.Co.—III (of December 22, 1961)	,,	9.3	2.2	7.1
(d) T.I.S.Co.—I (of June 26, 1956)	,,	35.7	35.7	—
(e) T.I.S.Co.—II (of November 20, 1957)	,,	15.5	15.5	—
(f) I.I.S.Co.—IV (of July 7, 1966)	,,	—	—	—
2. Canada				
(a) Amco Furnace of Durgapur Steel Project (of October 16, 1964) ..	Public	0.8	0.4	0.4
3. Germany (West)				
(a) Rourkela (DM 660 million) (of February 26, 1958)	Public	74.5	74.5	—
(b) Rourkela Expansion—I (DM 400 million) (of December 12, 1962) ..	,,	47.6	33.1	14.5
(c) Rourkela Services (DM 56 million) (of December 12, 1962) ..	,,	6.7	4.5	2.2
(d) Mysore Alloy Steel—I (DM 60 million) (of November 26, 1963) ..	,,	7.1	1.6	5.5
(e) Rourkela Expansion—II (DM 14 million) (of November 26, 1963) ..	,,	1.7	—	1.7
(f) Rourkela Expansion—III (DM 10 million) (of December 22, 1965) .	,,	1.2	—	1.2
(g) Mysore Alloy Steel—II (DM 13 million) (of September 15, 1964) ..	,,	1.5	0.1	1.4
(h) Mysore Alloy Steel—III (DM 8.8 million) (of September 15, 1964) .	,,	1.0	—	1.0
(i) Mysore Alloy Steel—IV (DM 7.1 million) (of December 22, 1965) ..	,,	0.8	—	0.8

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	— 0.3	—	—	—
—	—	—	—	—	—	0.4 (0.1)	0.7	—	—	—	—	—
—	—	—	—	—	—	0.2 (—)	0.1	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	0.3	—	—	—	0.1	1.2	0.4	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—0.2	—	—	—
—	—	—	—	—	—	2.6 (0.7)	0.7	0.9	0.4	—	—	—
—	—	—	—	—	—	1.1 (—)	0.5	0.3	—	—	—	—
—	—	—	—	—	—	0.9 (—)	0.7	0.2	—1.4	0.1	—	0.8
—	—	—	—	—	—	—	0.6	0 2	0 2	—	—	—
—	—	—	—	—	—	0.3 (0.1)	1 9	0.7	0.3	—	—	—
—	—	—	—	—	—	0 5 (0.1)	0.1	—	—	—	—	—
—	—	—	—	—	—	0 6 (0.1)	0 3	0 1	—	—	—	—
—	—	—	—	—	—	4.1 (0.5)	0.9	0.1	0.4	—	—	—
—	—	—	—	—	—	2.9 (1.1)	1.6	0.3	0.3	—	—	—
—	—	—	—	—	—	1.6 (0.2)	1.1	0.7	0.1	0.3	0.2	0.5
—	—	—	—	—	—	1.7 (0.2)	0.7	0.5	0.1	—	—	—
—	—	—	—	—	—	18.0 (3.2)	3.5	3.6	4.0	0.4	0.4	0.7
—	—	—	—	—	—	0.2 (—)	0.4	0.1	0.7	—0.1	—	—
9.0 (9.0)	—	—	—	—	—	—	—	0.1	2.8	6.2	2.9	2.2
13.5 (—)	—	—	—	—	—	1.6 (—)	0.7	4.5	1.2	0.7	1.1	3.7
66.5 (9.0)	**13.5**	**5.9**	**0.3**	**1.4**	**57.4**	**62.0 (7.7)**	**45.3**	**38.1**	**30.8**	**41.8**	**13.1**	**89.6**
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	3.2 (0.3)	2.2	0.7	1.1	1.2	0.9	1.7
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
1.3 (—)	—	—	—	—	—	—	0.2	0.6	0.5	—	—	—
—	—	—	—	—	—	0.5 (0.1)	0.1	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	8.4 (0.6)	5.6	6.1	2.0	0.4	—	—
—	—	—	—	—	—	1.1 (0.2)	0.2	0.2	1.1	0.3	—	0.6
—	—	—	—	—	—	4.6 (1.2)	2.7	—0.1	0.4	0.2	—	0.2
—	—	—	—	—	—	—	—	—	—	0.1	0.1	2.6
—	—	—	—	—	—	—	—	—	—	—	—	2.1
—	—	—	—	—	—	0.7 (—)	0.5	0.3	—	0.2	0.1	0.5
—	—	—	—	—	—	—	—	1.3	0.2	0.1	—	—
—	—	—	—	—	—	—	—	—	—	0.2	0.1	0.9

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
III. Steel and Steel Projects—(*Contd.*)				
4. U.K.				
(a) Lazard Bros' Credit (of January 5, 1957) (Durgapur)	Public	15.3	15.3	—
(b) Credit (of June 20, 1958) (Durgapur)	,,	20.0	20.0	—
(c) Credit (of May 23, 1962) (Durgapur Extension)	,,	25.1	15.5	9.6
(d) Credit (of April 9, 1963) (Steel)	,,	4.7	4.3	0.4
(e) Credit (of September 24, 1970) (Durgapur)	,,	—	—	—
5. D.L.F./A.I.D.				
(a) Steel Loan—I (of December 24, 1958)	Public	8.4	8.5	— 0.1
(b) Steel Loan—II (of December 24, 1958)	,,	10.3	10.4	— 0.1
(c) Steel Loan—III (of July 27, 1959)	,,	9.2	9.3	— 0.1
(d) Steel Loan—IV (of December 5, 1960)	,,	11.9	11.9	—
6. U.S.S.R.				
(a) Bhilai Credit (of February 2, 1955)	Public	64.7	64.7	—
(b) Bokaro Credit (of January 25, 1965)	,,	100.5	—	100.5
TOTAL—III		**496.9**	**350.9**	**146.0**
IV. Orissa Iron Ore Project				
(1) Japanese Credit (of March 1958)	Public	3.8	2.0	1.8
(2) U.S. Credit of (of June 30, 1957)	,,	8.7	8.4	0.3
TOTAL—IV		**12.5**	**10.4**	**2.1**
V. Industrial Development				
1. I.B.R.D.				
(a) I.C.I.C.I.—I (of March 14, 1955)	Private	4.7	4.7	—
(b) I.C.I.C.I.—II (of July 15, 1959)	,,	4.6	4.6	—
(c) I.C.I.C.I.—III (of October 28, 1960)	,,	9.2	8.9	0.3
(d) I.C.I.C.I.—IV (of February 28, 1962)	,,	9.1	7.9	1.2
(e) I.C.I.C.I.—V (of June 5, 1963)	,,	12.8	8.0	4.8
(f) I.C.I.C.I.—VI (of May 28, 1965)	,,	23.8	0.2	23.6
(g) Development of Coal Industry (of August 9, 1961)	,,	13.7	13.5	0.2
(h) I.C.I.C.I.—VII (of September 19, 1967)	,,	—	—	—
(i) I.C.I.C.I.—VIII (of June 3, 1970)	,,	—	—	—
(j) I.C.I.C.I.—IX (of October 27, 1971)	,,	—	—	—
2. I.D.A.				
(a) Industrial Imports credit—I (of June 9, 1964)	Public	42.9	42.6	0.3
(b) Industrial Imports credit—II (of August 11, 1965)	,,	47.6	7.4	40.2
(c) Industrial Imports credit—III (of August 19, 1966)	,,	—	—	—
(d) Industrial Imports credit—IV (of December 23, 1966)	,,	—	—	—
(e) Industrial Imports credit—V (of January 22, 1969)	,,	—	—	—
(f) Industrial Imports credit—VI (of April 24, 1970)	,,	—	—	—
3. Austria				
(a) Credit for Capital Goods—I (of November 23, 1962) (1962-63)	Pub./Prvt.	2.4	2.2	0.2
(b) Credit for Capital Goods—II (of December 11, 1963) (1963-64)	,,	1.9	1.4	0.5
(c) Credit for Capital Goods—III (of April 5, 1965) (1964-65)	,,	1.9	1.1	0.8
(d) Suppliers' Credit (1965-66)	Private	0.4	—	0.4
(e) Credit for Capital Goods—IV (of November 12, 1965) (1965-66)	Pub./Prvt.	1.9	—	1.9
(f) Credit for Capital Goods—V (of December 5, 1966) (1966-67)†	,,	—	—	—
(g) Credit for Capital Goods—VI (of December 15, 1967) (1967-68)†	,,	—	—	—
(h) Suppliers' Credit (1967-68)	Private	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	4.4 (0.8)	2.1	0.6	2.2	1.5	0.6	2.0
—	—	—	—	—	—	0.4 (—)	0.2	—	—	—	—	—
—	—	—	—	5.6	—	—	—	—	—	0.4	1.6	3.6
—	—	—	—	—	—	—	—	—	—0.2	—	—	—
—	—	—	—	—	—	—	—	—	—0.2	—	—	—
—	—	—	—	—	—	—	—	—	—0.1	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
8.4	—	—	—	—	—	3.9 (—)	20.6	47.5	43.5	31.2	8.4	11.5
9.7 (—)	—	—	—	5.6	—	27.2 (3.2)	34.4	57.2	50.5	35.8	11.8	25.7
—	—	—	—	—	—	0.9 (—)	—	—	—	—	—	1.9
—	—	—	—	—	—	0.2 (—)	0.2	—	—	—	—	—
—	—	—	—	—	—	1.1 (—)	0.2	—	—	—	—	1.9
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.3 (—)	—	—	—	—	—	—
—	—	—	—	—	—	1.3 (0.2)	0.4	—	—	—	—	—
—	—	—	—	—	—	5.6 (1.0)	1.4	—	—	—	—	—
—	—	—	—	—	—	3.0 (0.3)	6.3	7.9	6.7	6.9	3.1	3.1
—	—	0.8	—	—	—	0.4 (—)	—	0.8	—	—	—	—
—	18.8	—	—	—	—	—	—	—	3.8	6.5	5.4	3.1
—	—	—	—	30.0	—	—	—	—	—	5.3	9.0	15.7
—	—	—	—	—	45.0	—	—	—	—	—	0.6	44.4
—	—	—	—	—	—	0.3 (0.3)	—	—	—	—	—	—
—	—	—	—	—	—	58.3 (6.4)	1.4	—	—	—	—	—
112.5 (—)	—	—	—	—	—	19.8 (—)	92.7	—	—	—	—	—
48.7 (—)	—	—	—	—	—	—	31.5	17.2	—	—	—	—
—	—	93.8	—	—	—	—	—	21.6	72.2	—	—	—
—	—	—	—	56.2	—	—	—	—	—	15.2	41.0	—
—	—	—	—	—	—	—	—	—0.1	0.1	0.1	—	—
—	—	—	—	—	—	0.5 (0.1)	0.2	—	—	0.1	—	—
—	—	—	—	—	0.1	0.4 (0.1)	0.3	0.3	—	0.1	0.1	0.1
—	—	—	—	—	—	—	—	—	—	0.2	—	0.5
—	—	—	—	—	—	2.3 (0.1)	0.5	0.1	—	—	—	—
2.8 (—)	—	—	—	—	—	0.1 (—)	1.6	0.4	0.7	0.1	—	0.1
—	1.5	—	—	—	—	—	—	0.8	0.7	—	—	—
—	0.8	—	—	—	—	—	—	—	—	—	—	0.8

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
4. Belgium				
(a) Suppliers' Credit—I (1962-63)	Private	4.8	4.8	—
(b) Suppliers' Credit—II (1963-64)	„	4.7	0.1	4.6
(c) Suppliers' Credit—III (1965-66)	„	1.9	—	1.9
(d) First Credit (of April 27, 1967)	Pub./Prvt.	—	—	—
(e) Second Credit (of December 22, 1967)	„	—	—	—
(f) Third Credit (of December 18, 1968) (1968-69)	„	—	—	—
(g) Suppliers' Credit—IV (1968-69)	Private	—	—	—
(h) Fourth Credit (of December 8, 1969)†	Pub./Prvt.	—	—	—
(i) Fifth Credit of (of December 21, 1970)	„	—	—	—
(j) Suppliers' Credit—V (1970-71)	Private	—	—	—
(k) Sixth Credit (of November 5, 1971)	Pub./Prvt.	—	—	—
5. Canada				
(a) Indian Aluminium Co. Expansion—I (of December 4, 1963)	Private	0.4	0.4	—
(b) Indian Aluminium Co. Expansion—II (of June 4, 1964)	„	0.4	0.2	0.2
(c) Credit for Industrial Raw Materials (of February 21, 1967)	Pub./Prvt.	—	—	—
(d) Binani Zinc Smelter (of May 28, 1964)	Private	0.7	0.6	0.1
(e) Indian Aluminium Co. Expansion—III (of August 11, 1967)	„	—	—	—
(f) Industrial Commodities Loan (of October 27, 1967)	Pub./Prvt.	—	—	—
(g) Geological Survey of India (of July 28, 1967)	Public	—	—	—
(h) Non-Project Non-Commodity Loan (of February 8, 1968)	Pub./Prvt.	—	—	—
(i) Industrial Commodities Loan (of December 20, 1968)	„	—	—	—
(j) Commodity Loan (of August 6, 1969)	Public	—	—	—
(k) Industrial Commodities Loan—I (of April 22, 1970)	„	—	—	—
(l) Industrial Commodities Loan—II (of August 25, 1970)	„	—	—	—
(m) Credit to Oil and Natural Gas Commission (of April 27, 1971)	„	—	—	—
(n) Industrial Commodities Loan (of April 7, 1971)	„	—	—	—
6. Denmark				
(a) First Credit (of May 30, 1963)	Public	1.0	0.6	0.4
(b) Second Credit (of November 4, 1964)	Pub./Prvt.	1.4	—	1.4
(c) Third Credit (of April 29, 1968)	Public	—	—	—
7. France				
(a) Credit of $30 million (of June 1961) (Third Plan—I)	Pub./Prvt.	14.3	18.2	5.7
(b) Credit of $20 million (of July 1962) (Third Plan—II)	„	9.6		
(c) Credit of $20 million (of August 1963) (Third Plan—III)	„	9.5	2.7	16.3
(d) Credit of $20 million (of May 1964) (Third Plan—IV)	„	9.5		
(e) Credit of $10 million (of July 1965) to I.F.C.	Private	4.8	0.1	4.7
(f) Credit of $20 million (of April 1965) (Third Plan—V)	Pub./Prvt.	9.5	—	9.5
(g) Credit of $17 million (of November 1966)	„	—	—	—
(h) Credit of $13 million (of November 1966)	„	—	—	—
(i) Credit to Oil and Natural Gas Commission (of September 1961)	Public	3.8	—	3.8
(j) Credit of $15 million (of April 5, 1968)	Pub./Prvt.	—	—	—
(k) Credit of $15 million (of April 5, 1968)	„	—	—	—
(l) Non-Project Credit (of January 3, 1969)	Public	—	—	—
(m) Project Credit (of January 21, 1969)	„	—	—	—
(n) Non-Project Credit (of August 4, 1970)	„	—	—	—
(o) Project Credit (of August 4, 1970)	Pub./Prvt.	—	—	—
(p) Non-Project Credit (of January 21, 1971)	Public	—	—	—
(q) Project Credit (of January 21, 1971)	Pub./Prvt.	—	—	—
(r) Project Credit (of June 22, 1971)	„	—	—	—
(s) Non-Project Credit (of June 22, 1971)	Public	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	7.3	—	—	—
—	—	—	—	—	—	—	—	—	1.3	1.6	—	—
—	0.9	—	—	—	—	—	0.9	—	—	—	—	—
—	1.9	—	—	—	—	—	1.0	0.8	0.1	—	—	—
—	—	1.1	—	—	—	—	—	—	1.0	0.1	—	—
—	—	7.5	—	—	—	—	—	—	—	—	1.3	6.2
—	—	—	1.5	—	—	—	—	—	—	0.8	0.6	0.1
—	—	—	—	1.8	—	—	—	—	—	1.0	0.8	—
—	—	—	—	7.5	—	—	—	—	—	—	—	7.5
—	—	—	—	—	1.8	—	—	—	—	—	0.3	1.5
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.1 (—)	0.1	0.1	—	—	—	—
8.2 (—)	—	—	—	—	—	—	3.8	2.7	1.1	0.4	—	0.2
—	—	—	—	—	—	0.2 (0.1)	—	—	—	—	—	—
—	3.8	—	—	—	—	—	—	—	—	1.3	1.6	0.9
—	6.9	—	—	—	—	—	—	4.5	1.2	1.1	0.1	—
—	1.4	—	—	—	—	—	—	—	—	0.2	0.2	1.0
—	13.7	—	—	—	—	—	—	4.6	2.5	3.1	1.2	2.3
—	—	10.4	—	—	—	—	—	—	8.9	1.5	—	—
—	—	—	5.5	—	—	—	—	—	0.3	2.6	2.6	—
—	—	—	—	11.8	—	—	—	—	—	9.3	2.5	—
—	—	—	—	9.0	—	—	—	—	—	2.8	6.1	0.1
—	—	—	—	—	2.1	—	—	—	—	—	—	2.1
—	—	—	—	—	27.7	—	—	—	—	—	19.5	8.2
—	—	—	—	—	—	0.5 (0.1)	—	—	—	—	—	0.1
—	—	—	—	—	—	0.9 (0.3)	0.8	0.1	0.1	0.1	—	—
—	—	4.0	—	—	—	—	—	0.1	0.3	1.1	1.3	1.2
—	—	—	—	—	—	1.2 (—)	3.9	—	3.4	—	—	—
—	—	—	—	—	—	0.8 (—)	17.4	7.5	—	—	—	—
—	—	—	—	—	—	—	—	1.1	0.2	5.0	—	0.4
—	—	—	—	—	—	—	—	—	3.6	3.9	5.2	0.6
12.7 (—)	—	—	—	—	—	—	7.4	2.3	1.1	0.6	0.6	0.5
9.8 (—)	—	—	—	—	—	—	—	—	0.2	—	7.6	0.9
—	—	—	—	—	—	2.3 (—)	—	—	—	3.3	—	—
—	—	11.4	—	—	—	—	—	—	3.3	1.3	2.5	3.0
—	—	11.4	—	—	—	—	—	—	1.7	4.2	3.0	1.2
—	—	7.6	—	—	—	—	—	—	1.1	3.2	2.4	—
—	—	11.4	—	—	—	—	—	—	—	1.1	4.0	5.0
—	—	—	—	6.8	—	—	—	—	—	—	4.5	2.3
—	—	—	—	10.1	—	—	—	—	—	0.2	4.3	5.6
—	—	—	—	7.4	—	—	—	—	—	—	3.7	3.7
—	—	—	—	10.1	—	—	—	—	—	—	2.3	7.8
—	—	—	—	—	10.8	—	—	—	—	—	0.3	10.5
—	—	—	—	—	9.4	—	—	—	—	—	0.6	8.8

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
8. Germany (West)				
(a) DM 168 million Credit (of January 1, 1959)	Pub./Prvt.	19.0	19.0	—
(b) DM 125.1 million Credit (of May 27, 1960)	,,	14.2	14.2	—
(c) DM 125.1 million Credit (of November 15, 1960)	,,	14.2	14.2	—
(d) DM 100 million Credit (of April 29, 1961)	,,	11.9	11.9	—
(e) DM 170 million Credit (of September 14, 1961)	Private	20.3	20.3	—
(f) DM 100 million Credit (of December 12, 1962)	Pub./Prvt.	11.9	11.9	—
(g) DM 314 million Credit (of December 12, 1962) (1962-63)†	,,	37.3	35.7	1.6
(h) DM 118.5 million Credit (of November 26, 1963) (1963-64)†	,,	14.1	6.2	7.9
(i) DM 162.9 million Credit (of September 15, 1964) (1964-65)†	,,	19.4	2.2	17.2
(j) DM 210 million Credit (of December 22, 1965) (1965-66)†	,,	25.0	—	25.0
(k) DM 224 million Credit (of February 28, 1967) (1966-67)†	,,	—	—	—
(l) DM 221 million Credit (of October 4, 1967) (1967-68)†	,,	—	—	—
(m) DM 172 million Credit (of July 25, 1968) (1968-69)	,,	—	—	—
(n) DM 231 million Credit (of July 1969) (1969-70)†	,,	—	—	—
(o) DM 86.5 million Credit (of December 18, 1970)	,,	—	—	—
(p) DM 15 million Credit (of November 19, 1970)	,,	—	—	—
(q) DM 60 million Credit (of November 19, 1970)	,,	—	—	—
(r) DM 15 million Credit (of December 18, 1970)	,,	—	—	—
(s) DM 180 million Credit (of December 2, 1971)	,,	—	—	—
9. Italy				
(a) E.N.I. Credit of $45 million (1962-63)	Public	21.4	7.9	13.5
(b) Montecatini Credit for Madras Aluminium	,,	3.8	3.7	0.1
(c) Suppliers' Credit of $45 million (1963-64)	Pub./Prvt.	21.4	—	21.4
(d) Suppliers' Credit of $36 million (1964-65)	,,	17.2	—	17.2
(e) Suppliers' Credit of $36 million (1965-66)	,,	17.1	—	17.1
(f) Suppliers' Credit of $32 million (1966-67)	,,	—	—	—
(g) Suppliers' Credit of $16 million (1968-69)	,,	—	—	—
(h) Suppliers' Credit of $8 million (1970-71)	,,	—	—	—
(i) Suppliers' Credit of $8 million (1971-72)	,,	—	—	—
10. Japan				
(a) Credit of 18 billion Yen (of February 4, 1958)	Pub./Prvt.	23.0	23.0	—
(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 (of October 24, 1963)	Pub./Prvt.	27.3	21.0	6.3
(e) Credit of 21.6 billion Yen (of September 3, 1964)	,,	24.2	6.3	17.9
(f) Credit of 21.6 billion Yen (of June 25, 1965)	,,	28.6	2.1	26.5
(g) Credit of 15.2 billion Yen (of December 16, 1966)	,,	—	—	—
(h) Credit of 14 billion Yen (of September 5, 1967)	,,	—	—	—
(i) Credit of 10.1 billion Yen (of February 14, 1969)	,,	—	—	—
(j) Ninth Yen Credit (of March 3, 1970)	Public	—	—	—
(k) V.O.H. Credit (of July 20, 1970)	,,	—	—	—
(l) Tenth Yen Credit (of April 20, 1971)	,,	—	—	—
(m) Deep Sea Oil Exploration (of May 11, 1971)	,,	—	—	—
(n) Eleventh Yen Credit (of February 1, 1972)	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1.6 (0.3)	0.2	0.1	0.2	—	0.1	0.1
—	—	—	—	—	—	7.0 (0.6)	2.7	0.6	0.2	0.2	0.2	1.4
—	—	—	—	—	—	14.5 (0.5)	4.5	1.9	1.5	1.0	1.1	2.7
—	—	—	—	—	—	3.5 (0.5)	4.2	9.4	6.4	2.2	5.7	9.8
42.0 (—)	—	—	—	—	—	—	25.8	8.0	0.5	1.5	3.3	3.5
—	38.5	—	—	—	—	—	6.3	12.4	10.4	3.2	4.7	3.4
—	—	32.2	—	—	—	—	—	6.1	12.7	5.2	6.2	7.2
—	—	—	43.3	—	—	—	—	—	6.2	13.8	16.6	10.8
—	—	—	—	17.7	—	—	—	—	—	3.1	14.6	—
—	—	—	—	3.1	—	—	—	—	—	—	—	3.1
—	—	—	—	12.3	—	—	—	—	—	—	—	12.3
—	—	—	—	3.1	—	—	—	—	—	—	0.1	3.0
—	—	—	—	—	36.9	—	—	—	—	—	—	36.9
—	—	—	—	—	—	—	—	1.7	18.4	—0.1	—	1.2
—	—	—	—	—	—	0.1 (0.1)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	33.8	—	—	—	—
—	—	—	—	—	—	—	—	27.0	—	—	—	—
—	—	—	—	—	—	—	—	27.0	—	—	—	—
21.8 (—)	—	—	—	—	—	—	—	—	—	6.6	12.0	3.2
—	—	—	12.0	—	—	—	—	—	—	—	—	12.0
—	—	—	—	6.0	—	—	—	—	—	—	—	6.0
—	—	—	—	—	6.0	—	—	—	—	—	—	6.0
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	7.5 (2.8)	0.8	—	—	—	—	—
—	—	—	—	—	—	9.3 (2.7)	6.8	10.5	—	—	—	—
—	—	—	—	—	—	9.0 (0.5)	9.9	7.4	12.6	1.5	—	1.1
31.9 (—)	—	—	—	—	—	—	22.7	8.5	—	—	—	0.7
—	29.1	—	—	—	—	—	—	23.7	5.0	—	—	0.4
—	—	21.2	—	—	—	—	—	—	13.1	7.6	0.3	0.2
—	—	—	19.1	—	—	—	—	—	—	8.3	8.6	2.2
—	—	—	—	5.2	—	—	—	—	—	0.1	1.7	3.4
—	—	—	—	—	19.0	—	—	—	—	—	7.5	11.5
—	—	—	—	—	11.0	—	—	—	—	—	8.2	2.8
—	—	—	—	—	64.6	—	—	—	—	—	—	64.6

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
11. Netherlands				
(a) General Purpose Loan (of November 7, 1963—as amended)	Pub./Prvt.	14.5	9.5	5.0
(b) Financial (Export) Credit (Third Plan)	„	7.4	—	7.4
(c) Second General Purpose Loan (of January 18, 1967)	„	—	—	—
(d) Suppliers' Credit (1965-66)	„	0.9	—	0.9
(e) Financial (Export) Credit (1966-67)	„	—	—	—
(f) General Purpose Loan (of November 21, 1967)	„	—	—	—
(g) Financial (Export) Credit (1967-68)	„	—	—	—
(h) General Purpose Loan (of July 16, 1968)	„	—	—	—
(i) General Purpose Loan (of January 1, 1970)	„	—	—	—
(j) General Purpose Loan (of October 28, 1970)	„	—	—	—
(k) General Purpose Loan (of May 18, 1971)	„	—	—	—
12. Norway				
(a) Development Credit (of September 16, 1968)	Public	—	—	—
13. Sweden				
(a) First Credit (of September 29, 1964)	Pub./Prvt.	2.2	—	2.2
(b) Second Credit (of June 29, 1966)	„	—	—	—
(c) Third Credit (of June 28, 1968)	„	—	—	—
(d) Fourth Credit (of June 28, 1968)	„	—	—	—
(e) Fifth Credit (of March 11, 1971)	„	—	—	—
(f) Wheat Storage Project (of August 23, 1971)	„	—	—	—
14. Switzerland				
(a) First Credit Tranche—I (of November 18, 1960)	Pub./Prvt.	6.5	3.0	3.5
(b) First Credit Tranche—II (of July 13, 1962)	„	8.7	3.0	5.7
(c) Second Credit (of March 7, 1966)	„	7.6	—	7.6
15. U.K.				
(a) Credit (of December 12, 1958)	Pub./Prvt.	38.0	38.0	—
(b) Credit (of June 23, 1959) (Oil-Pipeline)	Public	4.0	4.0	—
(c) General Credit (of November 25, 1959)	Pub./Prvt.	25.4	25.4	—
(d) General Credit (of August 16, 1960)	„	13.3	13.3	—
(e) General Credit (of December 23, 1960)	„	6.7	6.7	—
(f) General Credit (of May 1, 1961)	„	13.3	13.3	—
(g) Credit (of May 1, 1961)	Public	40.0	37.3	2.7
(h) General Credit (of November 10, 1961)	Pub./Prvt.	6.7	6.7	—
(i) General Credit (of May 23, 1962)	„	13.3	10.4	2.9
(j) General Credit (of September 4, 1962)	„	6.7	6.7	—
(k) Credit (of September 4, 1962) (Third Plan)	Public	17.3	9.8	7.5
(l) General Credit (of August 26, 1963)	Pub./Prvt.	13.3	13.3	—
(m) General Credit (of October 16, 1963) (Kipping Loan—I)	Private	5.3	2.2	3.1
(n) General Credit (of March 17, 1964)	Pub./Prvt.	6.7	6.7	—
(o) Credit (of March 17, 1964) (Bhopal)	Public	3.3	1.3	2.0
(p) Credit (of March 17, 1964) (Third Plan)	„	6.7	1.7	5.0
(q) General Credit (of July 28, 1964)	Pub./Prvt.	13.3	13.3	—
(r) Second Credit (of September 9, 1964) (Third Plan)	Private	2.0	—	2.0
(s) Third Credit (of September 9, 1964) (Third Plan)	„	2.0	—	2.0
(t) Fourth Credit (of September 9, 1964) (Third Plan)	„	1.4	—	1.4
(u) Fifth Credit (of September 9, 1964) (Third Plan)	Public	1.7	0.4	1.3
(v) Sixth Credit (of September 9, 1964) (Third Plan)	„	4.3	—	4.3
(w) Credit (of September 9, 1964) (Bhopal)	„	2.7	0.2	2.5
(x) General Credit (of September 9, 1964) (Kipping Loan—II)	Private	5.3	—	5.3
(y) General Credit (of January 29, 1965)	Pub./Prvt.	6.7	6.2	0.5
(z) Credit (of January 29, 1965) (Third Plan)	Public	0.7	0.2	0.5

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	6.2 (0.6)	1.4	—	—	—	—	—
—	—	—	—	—	—	—	2.9	—	8.1	0.6	—	—
5.4 (—)	—	—	—	—	—	—	4.1	1.3	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	1.4	—
2.8 (—)	—	—	—	—	—	—	—	—	—	2.8	—	—
—	5.3	—	—	—	—	—	—	3.4	1.9	—	—	—
—	2.9	—	—	—	—	—	—	—	—	1.3	—	1.6
—	—	6.8	—	—	—	—	—	—	4.9	1.9	—	—
—	—	—	8.3	—	—	—	—	—	—	8.3	—	—
—	—	—	—	8.3	—	—	—	—	—	2.1	6.2	—
—	—	—	—	—	10.4	—	—	—	—	—	4.0	6.4
—	—	1.6	—	—	—	—	—	—	—	—	0.1	1.5
—	—	—	—	—	—	1.2 (—)	0.9	1.1	0.1	0.1	—	—
3.5 (—)	—	—	—	—	—	0.2 (—)	0.4	1.0	0.4	0.6	0.4	0.5
—	—	4.4	0.7	—	—	—	—	—	0.2	0.7	3.6	0.6
—	—	5.8	—	—	—	—	—	—	0.2	2.6	2.4	0.6
—	—	—	—	18.1	—	—	—	—	—	—	2.0	16.1
—	—	—	—	—	3.7	—	—	—	—	—	—	3.7
—	—	—	—	—	} 0.7	7.0 (1.1)	3.1	2.1	2.0	2.1	2.1	8.1
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1.9 (0.5)	2.0	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—		—	—
—	—	—	—	—	—	2.6 (0.3)	1.8	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	5.0 (0.4)	3.2	1.6	1.0	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1.2 (0.2)	0.5	0.6	1.4	0.6	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2.4 (0.4)	0.3	0.1	—	—	—	—
—	—	—	—	—	—	2.3 (0.2)	1.3	1.3	0.8	1.5	—	—
—	—	—	—	—	—	—	—	—	—	—¼	—	—
—	—	—	—	—	—	1.6 (—)	1.0	0.3	0.1	—	—	—
—	—	—	—	—	—	0.6 (—)	0.3	0.7	1.0	0.3	—	—
—	—	—	—	—	—	0.5 (—)	0.1	0.4	0.9	—	—	—
—	—	—	—	—	—	0.6 (—)	0.8	0.3	0.3	—	—	—
—	—	—	—	—	—	1.2 (—)	2.9	1.9	0.2	—	—	—
—	—	—	—	—	—	1.9 (0.2)	1.3	0.4	0.1	—	—	—
—	—	—	—	—	—	1.1 (0.2)	3.0	1.2	1.7	0.5	—	—
—	—	—	—	—	—	0.4 (—)	0.3	—	—	—	—	—
—	—	—	—	—	—	—	0.1	0.5	—	—	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
15. U.K.—(*Contd.*)				
(aa) General Credit (of June 25, 1965)	Pub./Prvt.	6.7	6.7	—
(ab) General Credit (of October 20, 1965)	,,	13.3	13.3	—
(ac) General Credit (of December 20, 1965) (Kipping Loan—III)	Private	5.3	0.1	5.2
(ad) Credit (of April 20, 1966) (Bhopal)	Public	—	—	—
(ae) Credit (of April 20, 1966) (Sindri Fertilizers)	,,	—	—	—
(af) General Credit (of May 10, 1966)	Pub./Prvt.	—	—	—
(ag) Credit (of May 10, 1966) (Bhopal)	Public	—	—	—
(ah) Credit (of May 10, 1966) (Kipping Loan—IV)	Private	—	—	—
(ai) Second Non-Project Credit (of December 5, 1966)	Public	—	—	—
(aj) Credit (of June 19, 1967) (Kipping Loan—V)	Private	—	—	—
(ak) Credit (of July 21, 1967)	Public	—	—	—
(al) General Credit (of December 16, 1967)	Pub./Prvt.	—	—	—
(am) Barclays Bank Ltd.'s Credit (of October 20, 1966)	Public	—	—	—
(an) General Credit (of June 29, 1968)	Pub./Prvt.	—	—	—
(ao) Capital Investment Loan (of December 5, 1968)	,,	—	—	—
(ap) Non-Project Loan (of December 5, 1968)	,,	—	—	—
(aq) Mixed Project Loan (of December 5, 1968)	Pub./Prvt.	—	—	—
(ar) General Purpose Loan (of December 5, 1968)	,,	—	—	—
(as) I.C.I.C.I. Loan (of December 5, 1968)	Private	—	—	—
(at) I.C.I.C.I. Loan (of November 28, 1969)	,,	—	—	—
(au) Credit of Capital Goods (of November 28, 1969)	Pub./Prvt.	—	—	—
(av) Mixed Project Loan (of November 28, 1969)	,,	—	—	—
(aw) Credit (of November 28, 1969) (Kipping Loan—VII)	,,	—	—	—
(ax) Maintenance Loan (of November 28, 1969)	,,	—	—	—
(ay) Mixed Imports Credit (of November 28, 1969)	,,	—	—	—
(az) Maintenance Loan (of February 11, 1970)	Public	—	—	—
(ba) Capital Investment Loan (of March 18, 1971)	,,	—	—	—
(bb) I.C.I.C.I. Loan (of March 18, 1971)	Private	—	—	—
(bc) Mixed Project Loan (of March 18, 1971)	Public	—	—	—
(bd) Maintenance Loan—II (of September 24, 1970)	,,	—	—	—
(be) Mixed Imports Loan (of March 31, 1971)	,,	—	—	—
(bf) Maintenance Loan (of November 18, 1971)	,,	—	—	—
(bg) Mixed Project Loan (of November 18, 1971)	,,	—	—	—
(bh) Capital Investment Loan (of March 17, 1972)	,,	—	—	—
16. U.S.A.				
(i) DLF/AID				
(a) Automobile, Jute and Cement Industry (of June 23, 1958)	Public	16.6	16.6	—
(b) Machinery and Capital Equipment—I (of December 24, 1958)	,,	7.2	7.2	—
(c) Machinery and Capital Equipment—II (of December 24, 1958)	,,	11.9	11.9	—
(d) Trombay Fertilizer Project (of December 29, 1958)	Private	14.0	13.6	0.4
(e) I.F.C.—I (of December 5, 1960)	,,	4.6	4.6	—
(f) I.C.I.C.I. (of March 23, 1961)	,,	2.1	1.6	0.5
(g) Non-ferrous Metals (of October 26, 1961)	Public	9.5	9.5	—
(h) N.S.I.C. (of April 10, 1961)	Private	4.0	4.2	— 0.2
(i) Patherdy Coal Washery (of June 21, 1962)	Public	1.9	1.7	0.2
(j) Premier Automobiles—I (of August 21, 1961)	Private	3.4	3.4	—
(k) Premier Automobiles—II (of June 28, 1962)	,,	1.4	1.4	—
(l) Non-Project Imports—I (of June 21, 1962)	Pub./Prvt.	95.1	95.1	—
(m) I.F.C.—II (of June 28, 1962)	Private	8.9	2.4	6.5
(n) Hindustan Motors—I (of November 8, 1962)	,,	7.5	7.0	0.5

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2.6 (0.1)	3.3	0.4	0.3	0.3	0.8	—
6.5 (6.5)	—	—	—	—	—	0.3 (—)	3.7	3.7	0.4	0.4	0.5	—
0.2 (0.2)	—	—	—	—	—	—	—	—	0.1	0.1	0.1	—
13.3 (13.3)	—	—	—	—	—	21.0 (—)	—	—	—	—	—	—
4.0 (4.0)	—	—	—	—	—	—	—	2.6	2.0	0.5	0.3	—
5.3 (5.3)	—	—	—	—	—	—	1.4	3.3	1.1	0.6	0.9	—
10.8 (—)	—	—	—	—	—	10.8 (—)	—	—	—	—	—	—
—	14.7	—	—	—	—	—	—	2.4	4.1	3.5	2.6	—
—	0.8	—	—	—	—	—	0.8	—	—	—	—	—
—	21.6	—	—	—	—	—	20.9	0.7	—	—	—	—
5.3 (—)	—	—	—	—	—	—	—	—	—	—	—	4.6
—	—	15.3	—	—	—	—	—	15.3	—	—	—	—
—	—	15.3	—	—	—	—	—	—	0.1	4.4	8.0	2.8
—	—	12.6	—	—	—	—	—	—	4.4	4.2	2.6	1.4
—	—	3.6	—	—	—	—	—	—	—	2.1	1.5	—
—	—	2.7	—	—	—	—	—	2.7	—	—	—	—
—	—	1.8	—	—	—	—	—	—	—	0.3	0.6	0.9
—	—	—	1.8	—	—	—	—	—	—	—	—	1.8
—	—	—	13.5	—	—	—	—	—	—	—	5.0	8.5
—	—	—	3.6	—	—	—	—	—	—	—	3.0	0.6
—	—	—	2.7	—	—	—	—	—	—	1.2	1.5	—
—	—	—	28.8	—	—	—	—	—	18.4	10.4	—	—
—	—	—	4.5	—	—	—	—	—	—	—	—	4.5
—	—	—	16.2	—	—	—	—	—	12.7	3.5	—	—
—	—	—	—	21.6	—	—	—	—	—	—	—	21.6
—	—	—	—	1.8	—	—	—	—	—	—	—	1.8
—	—	—	—	5.4	—	—	—	—	—	—	—	5.4
—	—	—	—	46.8	—	—	—	—	—	38.7	8.1	—
—	—	—	—	3.6	—	—	—	—	—	—	—	3.6
—	—	—	—	—	48.6	—	—	—	—	—	39.6	9.0
—	—	—	—	—	14.4	—	—	—	—	—	—	14.4
—	—	—	—	—	21.6	—	—	—	—	—	—	21.6
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.6 (0.4)	—	—	—0.2	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.6 (0.2)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—0.1 (—)	—	—0.2	—0.2	—	—	0.2
—	—	—	—	—	—	—	0.3	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	0.1	—	—0.1 (—)	0.1	—	—	0.1	—	—
—	—	—	—	—	—	4.2 (0.5)	2.0	1.2	0.5	0.9	1.1	0.1
—	—	—	—	—	—	0.7 (0.1)	—	—	—	—	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
16. U.S.A.—(*Contd.*)				
(i) DLF/AID—(*Contd.*)				
(o) Napco Bevel Gear (of July 27, 1962)	Private	1.1	1.1	—
(p) D.C.M. Tyre Cord (of June 28, 1962)	,,	3.8	3.7	0.1
(q) Telco—I (of September 25, 1962)	,,	6.5	6.5	—
(r) Non-Project Imports—II (of February 25, 1963)	Pub./Prvt.	112.9	113.6	— 0.7
(s) Central Ropeway 'F' Project (of October 21, 1963)	Public	3.6	3.1	0.5
(t) Dugda Coal Washery (of November 29, 1963)	,,	2.4	2.1	0.3
(u) National Engineering Industries (of July 21, 1964)	Private	2.0	—	2.0
(v) Non-Project Imports—III (of February 24, 1964)	Pub./Prvt.	106.9	94.6	12.3
(w) Non-Project Imports—IV (of November 30, 1964)	,,	23.5	20.4	3.1
(x) Telco—II (of December 31, 1964)	Private	5.6	1.7	3.9
(y) Trombay Methanol Fertilizer (of June 19, 1964)	Public	3.2	2.8	0.4
(z) Consultancy Services (of March 1, 1965)	,,	0.3	0.1	0.2
(aa) Hindustan Motors—II (of May 3, 1965)	Private	10.4	—	10.4
(ab) Hindustan Motors—III (of May 3, 1965)	,,	1.3	0.1	1.2
(ac) Non-Project Imports—V (of June 17, 1965)	Pub./Prvt.	90.1	34.0	56.1
(ad) Non-Project Imports—VI (of May 13, 1966)	,,	—	—	—
(ae) Non-Project Imports—VII (of July 8, 1966)	,,	—	—	—
(af) Operation Hardrock (of May 25, 1966)	Public	—	—	—
(ag) Non-Project Imports—VIII (of May 10, 1967)	Pub./Prvt.	—	—	—
(ah) Non-Project Imports—IX (of October 20, 1967)	,,	—	—	—
(ai) Trombay Fertilizers (of December 26, 1968)	Public	—	—	—
(aj) Production Loan—I (of May 12, 1968)	Pub./Prvt.	—	—	—
(ak) Production Loan—II (of December 26, 1968)	,,	—	—	—
(al) Private Capital Equipment Loan (of November 16, 1969)	Private	—	—	—
(am) Production Loan (of June 23, 1970)	Pub./Prvt.	—	—	—
(an) Production Loan (of March 13, 1971)	,,	—	—	—
(ii) Exim Bank Loans				
(a) Exim Bank Loan—I (of June 12, 1958)	Pub./Prvt.	71.4	71.4	—
(b) Exim Bank Loan—II (of January 30, 1961)	,,	23.8	23.8	—
(c) Exim Bank Loan—III (of August 21, 1964)	,,	11.9	11.9	—
(d) Exim Bank Loan—IV (of August 21, 1964)	,,	11.9	3.3	8.6
(e) Exim Bank Loan—V (of October 4, 1968)	,,	—	—	—
(f) Exim Bank Loan—VI (of April 22, 1970)	,,	—	—	—
(g) National Rayons (of November 12, 1950)	Private	0.9	0.9	—
(h) Hindustan Aluminium—I (of September 22, 1960)	,,	6.5	6.4	0.1
(i) Hindustan Aluminium—II (of September 16, 1963)	,,	2.3	2.1	0.2
(j) Hindustan Aluminium—III (of January 14, 1965)	,,	5.1	1.4	3.7
(k) Orient Paper Mills (of December 15, 1961)	,,	8.8	8.6	0.2
(l) Union Carbide (of August 17, 1963)	,,	3.6	3.1	0.5
(m) Bharat Forge (of December 11, 1963)	,,	1.8	1.5	0.3
(n) Sundatta Cotton Seed Ltd. (of May 29, 1957)	,,	0.1	0.1	—
(o) Coromandal Fertilizers (of April 16, 1964)	,,	12.9	3.2	9.7
(p) Mysore Acetate and Chemicals (of September 1, 1964)	,,	1.0	0.4	0.6
(q) Chemicals and Plastics (of February 16, 1965)	,,	1.5	0.3	1.2
(r) Central Pulp Mills (of April 22, 1965)	,,	3.3	—	3.3
(s) Herdilla Chemicals (of December 16, 1965)	,,	1.6	—	1.6
(t) Indian Aluminium (of September 8, 1967)	,,	—	—	—
(u) Shree Synthetic Loan (of September 11, 1970)	,,	—	—	—
(iii) T.C.A. Loans (excluding P.L. 665)	Public	42.2	42.2	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.2 (—)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—0.7 (—)	—0.2	—0.1	—0.1	—	—	—
—	—	—	—	—	—	0.2 (—)	—	0.2	0.3	—	—	—
—	—	—	—	—	—	0.1 (—)	—	0.1	0.2	—	—	—
—	—	—	—	—	—	0.4 (—)	2.7	0.1	—	—	—	—
—	—	—	—	—	—	14.5 (7.6)	0.7	—0.3	0.1	—	—	—
—	—	—	—	—	—	4.5 (0.2)	0.9	—0.2	—0.3	—0.1	—	—
—	—	—	—	—	—	2.3 (0.9)	2.7	0.6	—	—	—	—
—	—	—	—	—	—	0.5 (0.1)	0.2	—0.2	—	—	—	—
—	—	—	—	—	—	—	0.1	0.1	0.1	—	—	—
—	—	—	—	—	—	6.1 (—)	7.0	0.7	1.9	0.5	0.2	—
—	—	—	—	—	—	0.2 (—)	0.9	0.1	0.3	0.3	—	—
—	—	—	—	—	—	35.0 (2.2)	51.4	0.8	—0.1	—	—	—
46.4 (46.4)	—	—	—	—	—	32.1 (—)	41.9	0.8	—1.7	—	—	—
112.4 (—)	—	—	—	—	—	3.7 (—)	89.8	18.9	—	—	—	—
1.7 (1.7)	—	—	—	—	—	—	0.3	1.0	0.6	0.5	0.2	0.1
—	37.5	—	—	—	—	—	—	32.7	4.6	0.1	0.1	—
—	98.8	—	—	—	—	—	27.9	61.9	8.6	0.2	—	0.2
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	168.5	—	—	—	—	—	57.2	82.4	28.5	0.3	0.1
—	—	145.5	—	—	—	—	—	—	39.7	93.2	12.5	0.1
—	—	—	15.0	—	—	—	—	—	—	2.1	6.3	6.6
—	—	—	—	120.0	—	—	—	—	—	47.9	59.1	13.0
—	—	—	—	116.2	26.2	—	—	—	—	—	69.2	73.2
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	5.8 (1.0)	6.1	1.0	—	—	—	—
—	—	15.0	—	—	—	—	—	—	3.7	10.9	0.4	—
—	—	—	—	11.2	—	—	—	—	—	0.9	9.3	1.0
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.1 (0.1)	—	—	—	—	—	—
—	—	—	—	—	—	0.3 (0.1)	—	—	—	—	—	—
—	—	—	—	—	—	4.0 (1.7)	0.9	—	—	—	—	—
—	—	—	—	—	—	0.3 (0.1)	—	—	—	—	—	—
—	—	—	—	—	—	0.4 (—)	0.5	—	—	—	—	—
—	—	—	—	—	—	0.2 (—)	0.2	0.1	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	11.3 (1.2)	3.2	—	—	—	—	—
—	—	—	—	—	—	0.9 (—)	—	—	—	—	—	—
—	—	—	—	—	—	1.5 (0.3)	0.2	—	—	—	—	—
—	—	—	—	—	—	2.5 (0.1)	2.2	0.3	—	—	—	—
—	—	—	—	—	—	1.0 (—)	1.2	0.3	—	—	—	—
—	1.5	—	—	—	—	—	—	—	—	0.7	0.4	0.4
—	—	—	—	1.5	—	—	—	—	—	—	1.1	0.4
—	—	—	—	—	—	—	—	—	—	—	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development—(*Contd.*)				
17. Bulgaria				
(a) Credit for Capital Goods (of May 2, 1967)	Public	—	—	—
18. Czechoslovakia				
(a) First Credit (of November 24, 1959)	Public	21.0	12.6	8.4
(b) Second Credit (of May 11, 1964)	„	40.0	—	40.0
19. Hungary				
(a) Credit for Import of Capital Goods (of June 15, 1966)	Public	—	—	—
(b) Suppliers' Credit	„	—	—	—
20. Poland				
(a) Credit for Third Plan—I (of May 7, 1960)	Public	14.7	10.9	3.8
(b) Credit for Third Plan—II (of November 16, 1962)	„	15.5	0.4	15.1
(c) Credit for Third Plan—III (of January 25, 1965)	„	5.9	—	5.9
21. U.S.S.R.				
(a) Industrial Enterprises (of November 9, 1957)	Public	59.6	44.6	15.0
(b) Barauni Oil Refinery (of September 28, 1959)	„	11.9	11.3	0.6
(c) Drugs Credit (of May 29, 1959)	„	9.5	9.4	0.1
(d) Credit for Third Plan—I (of September 12, 1959)	„	178.6	133.6	45.0
(e) Credit for Third Plan—II (of February 21, 1961)	„	59.5	18.5	41.0
(f) Credit for Fourth Plan (of December 10, 1966)	„	—	—	—
22. Yugoslavia				
(a) Credit for Capital Goods—I (of January 21, 1960)	Public	18.0	9.7	8.3
(b) Credit for Capital Goods—II (of June 18, 1966)	„	—	—	—
TOTAL—V		22,14.1	15,28.0	686.1
VI. Agricultural Development				
1. I.B.R.D.				
(a) Loan for Agriculture (of September 29, 1949)	Public	3.4	3.4	—
(b) Tarai Seed Project (of June 18, 1969)	„	—	—	—
2. I.D.A.				
(a) U.P. Tube-Wells (of September 6, 1961)	Public	2.9	2.9	—
(b) Salandi Irrigation (of November 22, 1961)	„	3.6	0.8	2.8
(c) Shetrunji Irrigation (of November 22, 1961)	„	1.6	1.6	—
(d) Punjab Drainage (of November 22, 1961)	„	4.8	4.4	0.4

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	9.8	—	—	—	—	—	—	—	—	—	—	9.8
—	—	—	—	—	—	5.0 (0.5)	5.0	0.6	2.2	0.1	0.1	—
—	—	—	—	—	—	7.6 (0.3)	2.4	15.5	5.9	1.2	1.3	28.8
12.5 (—)	—	—	—	—	—	—	—	—	—	—	—	12.5
12.5 (—)	—	—	—	—	—	—	—	—	—	—	—	12.5
—	—	—	—	—	—	0.8 (0.1)	0.9	1.3	0.2	0.3	0.2	2.2
—	—	—	—	—	—	0.1 (—)	0.9	—	0.2	—	—	22.6
—	—	—	—	—	—	—	—	0.1	3.8	2.5	2.2	0.7
—	—	—	—	—	—	0.8 (0.1)	0.7	0.5	0.4	0.3	0.2	20.7
—	—	—	—	—	—	0.4 (0.1)	0.1	0.1	—	—	—	0.3
—	—	—	—	—	—	—	0.1	—	—	—	—	—
—	—	—	—	—	—	11.7 (2.8)	8.5	3.4	3.0	1.1	0.6	41.0
—	—	—	—	—	—	16.8 (1.4)	3.0	4.8	2.1	3.3	1.1	32.7
250.0 (—)	—	—	—	—	—	—	13.4	0.2	0.5	0.9	3.7	231.3
—	—	—	0.2	—	—	4.4 (2.1)	3.4	3.6	0.3	0.3	—	—
46.7 (—)	—	—	—	—	—	—	—	—	25.2	21.4	—	—
829.7 (77.4)	310.2	611.7	176.7	552.7	360.0	404.3 (45.4)	598.9	507.4	463.2	452.8	496.1	10,11.1
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	9.8	—	—	—	—	—	—	1.6	0.3	7.9
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	3.0	1.3	0.1	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	0.5 (0.1)	—	—	—	—	—	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
VI. Agricultural Development—(*Contd.*)				
2. I.D.A.—(*Contd.*)				
(e) Sone Irrigation (of June 29, 1962)	Public	7.1	5.5	1.6
(f) Purna Irrigation (of July 18, 1962)	,,	6.2	4.5	1.7
(g) Kadana Irrigation Project (of February 9, 1970)	,,	—	—	—
(h) Gujarat Agricultural Credit (of June 3, 1970)	,,	—	—	—
(i) Punjab Agricultural Credit (of June 24, 1970)	,,	—	—	—
(j) Andhra Pradesh Agricultural Credit (of January 1, 1971)	,,	—	—	—
(k) Agricultural Aviation Project (of January 28, 1971)	,,	—	—	—
(l) Haryana Agricultural Credit (of June 11, 1971)	,,	—	—	—
(m) Tamil Nadu Agricultural Credit (of June 11, 1971)	,,	—	—	—
(n) Wheat Storage Credit (of August 23, 1971)	,,	—	—	—
(o) Pocham Pad Irrigation (of August 23, 1971)	,,	—	—	—
(p) Mysore Agricultural Credit (of January 7, 1972)	,,	—	—	—
(q) Maharashtra Agricultural Credit (of March 29, 1972)	,,	—	—	—
(r) Bihar Agricultural Credit (of March 29, 1972)	,,	—	—	—
(s) Cochin Fertilizer—II Credit (of August 23, 1971)	,,	—	—	—
(t) Gorakhpur Fertilizers (of January 7, 1972)	,,	—	—	—
3. Canada				
(a) Fertilizer Loan (of July 28, 1967)	Public	—	—	—
(b) Fertilizer Loan (of December 20, 1968)	,,	—	—	—
(c) Fertilizer Loan (of August 6, 1969)	,,	—	—	—
(d) Fertilizer Loan (of April 7, 1971)	,,	—	—	—
4. Germany (West)				
(a) Fertilizer Loan (of DM 12 million of March 14, 1966)	Public	1.4	—	1.4
5. Italy				
(a) Fertilizer Loan (of August 4, 1966)	Public	—	—	—
6. Japan				
(a) Food Production Loan (of July 14, 1967)	Public	—	—	—
7. U.K.				
(a) Food Emergency Loan (of February 11, 1966)	Public	10.0	—	10.0
8. U.S. A.I.D.				
(a) Fertilizer Loan (of January 4, 1966)	Public	23.8	2.8	21.0
(b) Fertilizer Commodity Loan (of July 19, 1968)	,,	—	—	—
(c) Farmers Fertilizer Corporation	,,	—	—	—
TOTAL—VI		**64.8**	**25.9**	**38.9**

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	2.2 (0.1)	0.4	—	—	—	—	—
—	—	—	—	—	—	1.4 (—)	1.2	—	—	—	—	—
—	—	—	26.3	—	—	—	—	—	—	0.8	2.9	22.6
—	—	—	—	26.3	—	—	—	—	—	—	1.5	24.8
—	—	—	—	20.6	—	—	—	—	—	—	—	20.6
—	—	—	—	18.3	—	—	—	—	—	—	0.8	17.5
—	—	—	—	4.5	—	—	—	—	—	—	—	4.5
—	—	—	—	—	18.7	—	—	—	—	—	—	18.7
—	—	—	—	—	26.3	—	—	—	—	—	—	26.3
—	—	—	—	—	3.7	—	—	—	—	—	—	3.7
—	—	—	—	—	29.2	—	—	—	—	—	—	29.2
—	—	—	—	—	30.0	—	—	—	—	—	—	30.0
—	—	—	—	—	22.5	—	—	—	—	—	—	22.5
—	—	—	—	—	10.5	—	—	—	—	—	—	10.5
—	—	—	—	—	15.0	—	—	—	—	—	0.2	14.8
—	—	—	—	—	7.5	—	—	—	—	—	—	7.5
—	7.0	—	—	—	—	—	—	6.3	0.6	0.1	—	—
—	—	10.4	—	—	—	—	—	0.8	5.1	4.5	—	—
—	—	—	15.5	—	—	—	—	—	6.3	8.9	0.3	—
—	—	—	—	—	6.9	—	—	—	—	—	—	6.9
—	—	—	—	—	—	2.2 (—)	—	—	—	—	—	—
1.5 (—)	—	—	—	—	—	—	1.5	—	—	—	—	—
—	5.3	—	—	—	—	—	—	5.3	—	—	—	—
—	—	—	—	—	—	7.8 (0.7)	4.9	0.4	0.9	0.2	0.6	—
—	—	—	—	—	—	30.0 (3.5)	1.1	—	—	—	—	—
—	—	17.2	—	—	—	—	—	0.6	16.2	0.4	—	—
—	—	—	—	—	15.8	—	—	—	—	—	4.2	11.6
1.5 (—)	12.3	27.6	1.6	69.7	186.1	44.1 (4.4)	12.1	14.7	29.2	16.5	10.8	279.6

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
VII. Food Aid				
1. U.S. Wheat Loan (of June 15, 1951)	Public	90.3	90.3	—
2. Canadian Wheat Loan—I (of February 20, 1958)	„	11.5	11.5	—
3. Canadian Wheat Loan—II (of October 22, 1958)	„	4.2	4.2	—
4. Danish Food Assistance Loan—I (of May 12, 1966)	„	—	—	—
5. Danish Food Assistance Loan—II (of March 25, 1968)	„	—	—	—
6. Austrian Food Assistance Loan (of December 15, 1967)	Pub./Prvt.	—	—	—
7. P.L. 480 Convertible Currency Credits††	Public	—	—	—
TOTAL—VII		**106.0**	**106.0**	—
VIII. Debt Relief				
1. Austria				
(a) Credit for 1966-67 (of December 5, 1966)	Public	—	—	—
(b) Credit for 1967-68 (of December 15, 1967)	„	—	—	—
(c) Credit for 1968-69 (of July 24, 1968)	„	—	—	—
(d) Credit for 1969-70 (of October 16, 1969)	„	—	—	—
(e) Credit for 1970-71 (of June 29, 1970)	„	—	—	—
(f) Credit for 1971-72 (of November 4, 1971)	„	—	—	—
2. Belgium				
(a) Debt Refinancing Credit for 1968-69 (of December 18, 1968)	Public	—	—	—
(b) Debt Refinancing Credit for 1969-70 (of November 8, 1969)	„	—	—	—
(c) Debt Refinancing Credit for 1970-71 (of December 21, 1970)	„	—	—	—
(d) Debt Refinancing Credit for 1971-72 (of November 5, 1971)	„	—	—	—
3. Germany (West)				
(a) DM 98.36 million Refinance under Rourkela Credit (of January 1, 1961)	Public	11.2	11.2	—
(b) DM 230 million to finance repayments under Rourkela Credit (of April 29, 1961)	„	27.4	27.4	—
(c) DM 85 million to finance repayments under Rourkela Steel Plant (of May 4, 1962)	„	10.1	10.1	—
(d) DM 61.4 million to finance repayments under Rourkela Credit (of November 26, 1963)	„	7.3	7.3	—
(e) DM 90 million to finance repayments under Rourkela Credit (of September 15, 1964)	„	10.7	10.7	—
(f) DM 93.6 million Rourkela Prolongation Credit (of December 22, 1965)	„	11.1	11.1	—
(g) DM 28.974 million Rourkela Refinancing (of October 4, 1967)	„	—	—	—
(h) DM 57.747 million Debt Refinancing (of July 25, 1968)	„	—	—	—
(i) DM 62 million Debt Refinancing (of July 25, 1969)	„	—	—	—
(j) DM 76.3 million Debt Refinancing (of December 18, 1970)	„	—	—	—
(k) DM 90 million Credit (of December 2, 1971)	„	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
2.1 (2.1)	—	—	—	—	—	1.2 (—)	2.1	—	—	—	—	—
—	3.0	—	—	—	—	—	—	1.3	0.9	0.2	0.1	0.5
—	0.8	—	—	—	—	—	—	0.8	—	—	—	—
—	67.6	53.7	112.9	—	96.2	—	30.8	73.1	62.0	44.4	103.1	17.0
2.1 (2.1)	**71.4**	**53.7**	**112.9**	—	**96.2**	**1.2 (—)**	**32.9**	**75.2**	**62.9**	**44.6**	**103.2**	**17.5**
0.7 (—)	—	—	—	—	—	0.3	0.3	—	—	—	—	—
—	0.4	—	—	—	—	—	0.3	—	—	0.1	—	—
—	—	0.7	—	—	—	—	—	0.7	—	—	—	—
—	—	—	0.8	—	—	—	—	—	0.8	—	—	—
—	—	—	—	1.1	—	—	—	—	—	1.1	—	—
—	—	—	—	—	0.6	—	—	—	—	—	0.6	—
—	—	0.8	—	—	—	—	—	0.8	—	—	—	—
—	—	—	0.8	—	—	—	—	—	0.8	—	—	—
—	—	—	—	0.8	—	—	—	—	—	0.8	—	—
—	—	—	—	—	1.2	—	—	—	—	—	1.2	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	5.4	—	—	—	—	—	5.4	—	—	—	—	—
—	—	11.0	—	—	—	—	—	11.0	—	—	—	—
—	—	—	11.6	—	—	—	—	—	12.2	—	—	—
—	—	—	—	15.6	—	—	—	—	—	15.6	—	—
—	—	—	—	—	14.5	—	—	—	—	—	14.5	—

STATEMENT 100—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
VIII. Debt Relief—(*Contd.*)				
4. France				
(a) Debt Relief (of October 9, 1968)	Public	—	—	—
(b) Debt Relief (of December 11, 1970)	,,	—	—	—
(c) Debt Relief (of December 11, 1970)	,,	—	—	—
(d) Debt Relief (of June 22, 1971)	,,	—	—	—
5. Italy				
(a) Debt Relief (1968-69) (of March 10, 1969)	Public	—	—	—
(b) Debt Relief (1969-70) (of November 20, 1969)	,,	—	—	—
6. U.K.				
(a) Non-Project Loan (of December 5, 1966)	Public	—	—	—
(b) Debt Refinancing Loan (of July 21, 1967)	,,	—	—	—
(c) Debt Refinancing Loan (of June 28, 1968)	,,	—	—	—
(d) Debt Refinancing Loan (of July 2, 1969)	,,	—	—	—
(e) Debt Refinancing Loan (of March 24, 1970)	,,	—	—	—
(f) Debt Refinancing Loan (of September 6, 1971)	,,	—	—	—
TOTAL—VIII		**77.8**	**77.8**	**—**
IX. Miscellaneous				
1. Eximbank Loan to East India Hotels (of February 19, 1962)	Private	0.3	0.2	0.1
2. AID Loan for Indian Higher Education (of June 2, 1967)	Public	—	—	—
3. AID Loan for Indian Family Planning Programme (of June 29, 1968)	,,	—	—	—
TOTAL—IX		**0.3**	**0.2**	**0.1**
GRAND TOTAL		**3,803.2**	**2,759.3**	**1,043.9**

Notes : 1. Loans and credits are classified purpose-wise and sector-wise on a rough basis.

2. Authorisations are shown net of de-obligations/cancellations.

3. Data on authorisations and utilisation for the year 1971-72 have been computed at I.M.F. par values prevailing prior to the realignment of exchange rates on December 18, 1971.

@ 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.

OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In Crores of Rupees)

Authorisations						Utilisation						Aid undisbursed as at the end of March 1972*
1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	1966-67 @	1967-68	1968-69	1969-70	1970-71	1971-72	
5	6	7	8	9	10	11	12	13	14	15	16	17
—	—	3.8	—	—	—	—	—	2.8	1.0	—	—	—
—	—	—	—	3.8	—	—	—	—	—	3.8	—	—
—	—	—	—	3.7	—	—	—	—	—	3.7	—	—
—	—	—	—	—	3.8	—	—	—	—	—	3.8	—
—	—	4.1	—	—	—	—	—	—	—	4.1	—	—
—	—	—	5.5	—	—	—	—	—	—	—	—	5.5
17.6 (—)	—	—	—	—	—	17.6 (—)	—	—	—	—	—	—
—	24.4	—	—	—	—	—	24.4	—	—	—	—	—
—	—	13.5	—	—	—	—	—	13.5	—	—	—	—
—	—	—	13.5	—	—	—	—	—	13.5	—	—	—
—	—	—	13.5	—	—	—	—	—	13.5	—	—	—
—	—	—	—	—	13.5	—	—	—	—	—	13.5	—
18.3 (—)	**30.2**	**33.9**	**45.7**	**25.0**	**33.6**	**17.9 (—)**	**30.4**	**28.8**	**41.8**	**29.2**	**33.6**	**5.5**
—	—	—	—	—	—	0.1 (0.1)	—	—	—	—	—	—
—	5.8	—	—	—	—	—	—	0.6	0.3	4.5	0.1	0.3
—	—	2.0	—	—	—	—	—	—	—	0.2	0.1	1.7
—	**5.8**	**2.0**	—	—	—	**0.1 (0.1)**	—	**0.6**	**0.3**	**4.7**	**0.2**	**2.0**
1,004.3 (89.4)	**446.4**	**788.9**	**522.8**	**679.5**	**848.8**	**638.7 (67.2)**	**805.8**	**756.0**	**700.1**	**690.1**	**761.1**	**1,585.6**

* 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 and French Franc in August 1969, and on the revaluation of the Deutsche Mark in October 1969, the undisbursed balance has been correspondingly adjusted, except in case of loans from the IBRD and the IDA which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

† Excluding credits shown under item I " Transport and Communications ", item III "Steel and Steel Projects", item VI " Agricultural Development " and item VIII " Debt Relief ".

†† Include amounts authorised for purchase of cotton and soyabean oil.

STATEMENT 101—EXTERNAL ASSISTANCE

	Authorisations					
	Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70
	1	2	3	4	5	6
A. LOANS						
1. Burma						
(i) Credit of March 12, 1959	20.0	—	—	—	—	—
2. Nepal						
(i) 1st credit of September 29, 1964 ..	—	1.0	—	—	—	—
3. Ceylon						
(i) 1st credit of February 14, 1966 ..	—	2.0	—	—	—	—
(ii) 2nd credit of August 16, 1967	—	—	—	5.0	—	—
(iii) 3rd credit of June 30, 1969	—	—	—	—	—	5.0
(iv) 4th credit of November 26, 1971 ..	—	—	—	—	—	—
(v) 5th credit of November 27, 1971 ..	—	—	—	—	—	—
Total	—	2.0	—	5.0	—	5.0
4. Indonesia						
(i) 1st credit of September 22, 1966 ..	—	—	10.0	—	—	—
6. Bhutan						
(i) Loans in 1969-70	—	—	—	—	—	0.6
(ii) Loans in 1970-71	—	—	—	—	—	—
(iii) Loans in 1971-72	—	—	—	—	—	—
Total	—	—	—	—	—	0.6
TOTAL—A	20.0	3.0	10.0	5.0	—	5.6
B. GRANTS						
1. Nepal[1]	9.6	20.6	8.4	8.8	11.0	12.0
2. Bhutan[2]	—	10.5	20.0	—	—	—
TOTAL—B	9.6	31.1	28.4	8.8	11.0	12.0
C. AID TO BANGLADESH						
(i) Loans	—	—	—	—	—	—
(ii) Grants	—	—	—	—	—	—
TOTAL—C	—	—	—	—	—	—

1. Data on authorisation of grant assistance to Nepal relate to Government of India budget provisions as no official authorisations as such are made on an annual basis and data on grant utilisation exclude grant expenditures on Kosi and Gandak schemes being executed by the Bihar Government and the grant expenditure on training of Nepalese scholars in India.

EXTENDED BY INDIA[3]

(Rupees crores)

		Utilisation								
1970-71	1971-72	Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	Undisbursed balance as on March 31, 1972
7	8	9	10	11	12	13	14	15	16	17
—	—	20.0	—	—	—	—	—	—	—	—
—	—	—	0.1	0.2	0.1	—	—	—	—	0.6
—	—	—	—	1.4	0.6	—	—	—	—	—
—	—	—	—	—	—	1.2	2.7	0.6	—	0.5
—	—	—	—	—	—	—	0.3	2.8	1.2	0.7
—	5.0	—	—	—	—	—	—	—	—	5.0
—	0.4	—	—	—	—	—	—	—	—	0.4
—	5.4	—	—	1.4	0.6	1.2	3.0	3.4	1.2	6.6
—	—	—	—	—	6.2	3.6	0.1	0.1	—	—
—	—	—	—	—	—	—	0.6	—	—	—
0.3	—	—	—	—	—	—	—	0.3	—	—
—	0.7	—	—	—	—	—	—	—	0.7	—
0.3	0.7	—	—	—	—	—	0.6	0.3	0.7	—
0.3	6.1	20.0	0.1	1.6	6.9	4.8	3.7	3.8	1.9	7.2
9.0	11.8	9.0	20.6	8.4	8.8	11.0	12.0	9.0	9.1	3.3
—	5.6	—	10.5	2.7	3.4	4.2	5.0	4.7	5.6	—
9.0	17.4	9.0	31.1	11.1	12.2	15.2	17.0	13.7	14.7	3.3
—	33.6	—	—	—	—	—	—	—	35.0	129.2
—	130.6									
—	164.2	—	—	—	—	—	—	—	35.0	129.2

2. Data on authorisation in column 2 are adjusted for the lapsed authorisations of Rs. 7.0 crores during the Second Five Year Plan period.

3. Do not include data on Sikkim.

STATEMENT 102—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1971-72**

Item	Rate of Duty as on June 30, 1972	Changes		Effective Date
		From	To	
1. Jute Manufactures				
(*a*) Hessian (other than carpet backing and jute specialities)	Rs. 600 per tonne	Rs. 200 per tonne	Rs. 600 per tonne	December 13, 1971
(*b*) Sacking (cloth, bags, twist, yarn, rope and twine) excluding jute wool sacks	Rs. 150 per tonne	No change		March 1, 1969
(*c*) Carpet backing	Rs. 700 per tonne	Rs. 300 per tonne	Rs. 700 per tonne	December 13, 1971
(*d*) Jute canvas, jute webbing, jute tarpaulin cloth and manufactures thereof	Rs. 200 per tonne	No change		March 1, 1970
(*e*) All other descriptions not otherwise specified @	Rs. 150 per tonne	No change		March 1, 1969
2. Coffee	50 paise per kg.	No change		June 6, 1966
3. Black pepper (excluding light and pinhead black pepper)	Rs. 1.25 per kg.	No change		June 6, 1966
4. Tobacco unmanufactured	20 per cent *ad valorem*	No change		June 6, 1966
5. 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	No change		October 14, 1966
(iii) Cotton linters	25 per cent *ad valorem*	No change		October 14, 1966
6. Cotton waste				
(i) Soft cotton waste	25 per cent *ad valorem*	No change		August 17, 1966
(ii) Cotton waste hard	40 per cent *ad valorem*	No change		June 15, 1966

7. Mica				
(i) Mica loose splittings of grade nos. 5½ and 6	20 per cent *ad valorem*	No change		March 1, 196
(ii) Mica powder	Nil	20 per cent *ad valorem*	Completely abolished	May 1, 1972
(iii) Mica fabricated	10 per cent *ad valorem*	40 per cent *ad valorem*	10 per cent *ad valorem*	May 1, 1972
(iv) Other mica	40 per cent *ad valorem*	No change		June 15, 1966
8. Hides and skins and leather, tanned and untanned, all varieties excluding leather manufactures				
(i) Snake skins	10 per cent *ad valorem*	25 per cent *ad valorem*	10 per cent *ad valorem*	August 12, 1971
(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
9. Coir yarn	15 per cent *ad valorem*	No change		February 7, 1968
10. 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			
11. Manganese ore				
(i) Manganese ore having 10 per cent or more but not more than 48 per cent of manganese content	Rs. 12.50 per tonne	No change		May 26, 1967
(ii) Manganese ore having more than 48 per cent of manganese content	Rs. 20 per tonne			August 2, 1966
(iii) Manganese ore having less than 10 per cent of manganese content	Rs. 7 per tonne			July 24, 1967
12. Manganese dioxide	20 per cent *ad valorem*	No change		August 2, 1966

STATEMENT 102—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1971-72 (*Concld.*)

Item	Rate of Duty as on June 30, 1972	Changes		Effective Date
		From	To	
13. Iron ore				
(*a*) Lumpy iron ore				
(i) Lumpy iron ore having 63 per cent or more of iron content	Rs. 10.50 per tonne			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			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		No change	August 31, 1968
(iv) Lumpy iron ore having less than 58 per cent of iron content	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			July 24, 1967
(ii) Others where the iron content is 62 per cent or more	Rs. 4 per tonne		No change	May 25, 1967
14. Sillimanite	20 per cent *ad valorem*		No change	August 2, 1966
15. Steatite (talc)	20 per cent *ad valorem*		No change	August 2, 1966
16. Kyanite	Rs. 40 per tonne		No change	August 2, 1966
17. Chrome concentrates	Rs. 15 per tonne		No change	August 2, 1966

** Relates to the pericd July 1971 to June 1972.

@ Relates to items other than (i) jute wool sacks, (ii) cotton bagging, and (iii) teased fibre made out of old bags and cuttings, jute caddies and jute waste, jute rags and jute string cuttings; export duties on (i) and (ii) were abolished effective March 1, 1969 and those on (iii) were abolished with effect from July 8, 1968.

STATEMENT 103—ISSUE OF IMPORT LICENCES

(April-March) (Rupees crores)

Category		1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
		1	2	3	4	5	6	7
Established Importers	G	—	—	—	—	—	—	5.3
	P	24.1	171.1	83.6	44.5	43.8	41.8	35.5
	T	24.1	171.1	83.6	44.5	43.8	41.8	40.8
Actual Users (Non-DGTD, Non-SSI)	G	178.4	159.0	160.1	113.2	175.9	213.4	306.6
	P	139.3	149.7	140.3	129.2	125.3	98.5	61.7
	T	317.7	308.7	300.4	242.4	301.2	311.9	368.3
Raw Materials for Scheduled Industries (DGTD units) ..	G	—	0.7	—	—	25.3	57.4	18.2
	P	172.7	447.8	230.0	232.1	249.5	327.6	234.5
	T	172.7	448.5	230.0	232.1	274.8	385.0	252.7
Small-Scale Industries	G	—	—	—	—	—	—	—
	P	6.9	76.2	49.8	36.7	65.6	83.3	118.0
	T	6.9	76.2	49.8	36.7	65.6	83.3	118.0
Registered Exporters/Export Promotion Schemes	G	—	—	—	—	0.3	1.6	0.6
	P	77.4	81.7	51.9	63.8	86.5	93.3	92.9
	T	77.4	81.7	51.9	63.8	86.8	94.9	93.5
Capital Goods/Heavy Electrical Plants	G	71.2	246.7	81.1	48.4	24.0	52.1	144.4
	P	196.9	189.0	83.6	35.4	49.2	75.0	107.8
	T	268.1	435.7	164.7	83.8	73.2	127.1	252.2
State Trading Agencies	G	95.6	163.9	116.3	150.5	242.8	444.5	587.6
	P	—	—	—	—	—	—	—
	T	95.6	163.9	116.3	150.5	242.8	444.5	587.6
Others@	G	102.6	82.4	57.0	61.0	78.1	114.1	118.6
	P	31.1	125.6	56.7	29.7	37.4	31.3	22.0
	T	133.7	208.0	113.7	90.7	115.5	145.4	140.6
TOTAL	**G**	**447.8**	**652.7**	**414.5**	**373.1**	**546.4**	**883.1**	**1,181.3**
	P	**648.4**	**1,241.1**	**695.9**	**571.4**	**657.3**	**750.8**	**672.4**
	T	**1,096.2**	**1,893.8**	**1,110.4**	**944.5**	**1,203.7**	**1,633.9**	**1,853.7**

G=Government ; P=Private ; T=Total.

@ Includes 'Ad hoc Licences', 'Customs Clearance Permits', 'Director General of Supplies and Disposals', 'Railway Contracts', 'Government or against Government Contracts', 'Co-operative Societies', 'Sole Agents', 'Replacement Licences', 'Blanket Licences' and 'New Comers'.

Note : (i) Figures for 1965-66 and April-May 1966 are in post-devaluation rupees.

(ii) Figures for the period prior to April 1969 do not include the value of licences issued for the import of iron and steel.

Source : Directorate of Research and Statistics, Office of the Chief Controller of Imports and Exports, New Delhi.

STATEMENT 104—TOTAL NOTES AND COINS ISSUED (DENOMINATION-WISE)

(In lakhs of rupees)

End of March	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. 1,000 (a)	Percentage to total	Rs. 5,000 (a)	Percentage to total	Rs. 10,000 (a)	Percentage to total	Total	Small Coins
	Notes	Coins	Total																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1961 ..	113,43	43,13	156,55	*7.2*	37,83	*1.8*	203,40	*9.4*	814,40	*37.7*	864,73	*40.0*	54,31	*2.5*	16,18	*0.7*	12,09	*0.6*	**2,159,50**	71,08
1966 ..	157,01	41,90	**198,90**	*6.4*	43,19	*1.4*	253,42	*8.2*	1,254,93	*40.5*	1,276,19	*41.2*	45,70	*1.5*	17,76	*0.6*	6,02	*0.2*	**3,096,11**	105,51
1970 ..	206,71	41,22†	**247,93†**	*6.0*	65,66	*1.6*	296,41	*7.2*	1,462,57	*35.5*	1,978,57	*48.0*	50,50	*1.2*	13,31	*0.3*	6,28	*0.2*	**4,121,23**	127,10
1971 ..	219,45	42,78†@	**262,23†@**	*5.8*	69,44	*1.5*	310,46	*6.9*	1,562,97	*34.9*	2,210,35	*49.3*	45,09	*1.0*	21,54	*0.5*	98	—	**4,483,06**	137,29
1972 ..	234,07	43,38†@	**277,45†@**	*5.6*	66,38	*1.3*	324,96	*6.6*	1,712,53	*34.7*	2,481,76	*50.3*	35,98	*0.7*	19,69	*0.4*	13,66	*0.3*	**4,932,41**	148,43£

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. £ Provisional.

† Including Mahatma Gandhi Centenary Ten Rupee Coins amounting to Rs. 1,22 lakhs, Rs. 2,11 lakhs and Rs. 2,42 lakhs respectively for the years 1970, 1971 and 1972.

@ Including World Food & Agriculture Organisation Commemorative Ten Rupee Coins amounting to Rs. 30 lakhs and Rs. 36 lakhs respectively for the years 1971 and 1972.

STATEMENT 105—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
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**
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**
1969-70	— 19,99	—16,31	— 2,59	— 3,40	— 14	— 1	—	—	+2,72,31	+ 67,28	+1,64,14	+1,39,80	+1,55,40	+33,68	+39,44	+25,54	+ **8,55,15**
1970-71	+ 26,11	+22,61	— 2,14	— 2,76	— 19	—	—	—	+2,05,87	+ 38,79	+3,40,13	+ 58,63	+2,27,97	+62,13	+30,18	+11,54	+**10,18,87**

(*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 from 1968-69.

STATEMENT 106—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (METAL-WISE)

[Absorption (+) or Return (—)]

(In lakhs of rupees)

Description	1960-61	1965-66	1969-70	1970-71
	1	2	3	4
I. Quaternary Silver				
Half Rupee	— 10	—	— 1	—
Quarter Rupee	— 23	—	—	—
Total	**— 33**	—	**— 1**	—
II. Pure Nickel				
Half Rupee	+ 18	+ 35	— 19	+ 26
Quarter Rupee	+ 2	+ 19	— 17	+ 23
Fifty Paise/Naye Paise	+ 71	+1,83	+2,72	+2,06
Twenty-five Paise/Naye Paise	+2,85	+1,82	+ 67	+ 39
Total	**+3,76**	**+4,18**	**+3,03**	**+2,94**
III. Cupro-Nickel/Aluminium Bronze				
Quarter Rupee	— 2	—	—	—
Twenty Paise			+1,64	+3,40
Ten Paise/Naye Paise	+1,89	+1,67	+1,40	+ 59
Total	**+1,87**	**+1,67**	**+3,04**	**+3,99**
IV. Cupro-Nickel/Nickel Brass				
Two Anna	—3,41	— 5	— 3	— 2
One Anna	—1,00	— 11	— 3	— 3
Half Anna	— 47	— 2	—	—
Total	**—4,88**	**— 18**	**— 6**	**— 5**
V. Cupro-Nickel/Aluminium Magnesium				
Five Paise/Naye Paise	+1,18	+1,00	+1,55	+2,28
Three Paise		+ 57	+ 34	+ 62
Two Paise/Naye Paise	+ 69	+ 49	+ 39	+ 30
Total	**+1,86**	**+2,06**	**+2,28**	**+3,20**
VI. Copper/Bronze				
Single Pice	— 2	—	—	—
Half Pice	—	—	—	—
Pie	—	—	—	—
Total	**— 2**	—	—	—
VII. Bronze/Nickel-Brass/Aluminium Magnesium				
One Paisa/Naya Paisa	+ 62	+ 32	+ 26	+ 12
VIII. Total Small Coins (a)	**+2,88**	**+ 8,06**	**+8,55**	**+ 10,19**

(a) Including negligible amounts of standard silver small coins returned from circulation.

STATEMENT 107—LOST, DESTROYED AND MUTILATED NOTES, 1971-72

Item	Claims received during the year			Claims approved for payment during the year	
	Number of claims	Number of pieces	Amount of claims (Rs.)	Amount approved for payment @ (Rs.)	Amount paid @ (Rs.)
	1	2	3	4	5
1. Lost or wholly destroyed notes	—	—	—	—	—
2. Half notes	2	2	2,000	—	—
3. Mutilated notes :					
(i) Registered (Denominations above Rs. 100)	79	121	1,62,000	1,62,000	1,62,000
(ii) Unregistered (Denominations of Re. 1 to Rs. 100)	1,85,852	50,51,432	2,70,11,636	2,46,56,755	2,40,74,833
Of which Government of India one rupee notes		29,79,749	29,79,749	25,25,314	23,09,920

@ Includes amount approved/paid during the year in respect of claims received/approved in previous years.

STATEMENT 108—NOTE FORGERIES (*a*)

Year	Re. 1 (Government of India notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Rs. 1000	Total	
							Number	Value (Rs.)
	1	2	3	4	5	6	7	8
1960-61	391	607	241	878	277	—	2,394	39,290
1965-66	288	518	679	901	285	—	2,672(*b*)	42,279 (*b*)
1969-70	193	828	530	801	547	1	2,900	68,209
1970-71	116	720	313	588	296	—	2,033	38,601
1971-72	52	102	168	1,120	927	—	2,369	1,04,996

(*a*) Relates to notes received during the year.

(*b*) Includes one forged note of Rs. 50 received at Kanpur.

STATEMENT 109—MINTAGE OF INDIA RUPEES AND SMALL COINS

(In lakhs of rupees)

Year	Ten Rupee Coins			Rupee Coins			Small Coins			
	Bombay	Alipore	Total	Bombay	Alipore	Total	Bombay	Hyderabad	Alipore	Total
	1	2	3	4	5	6	7	8	9	10
1960-61	—	—	—	—	—	—	2,20	20	3,22	5,63
1965-66	—	—	—	—	—	—	4,56	74	7,10@	12,40@
1969-70	3,13£	10£	3,23£	51*	59*	1,11*	3,03	68	2,34	6,05†
1970-71	30$	10$	41$	1	8	9	1,83§	1,60	3,57§	7,01§
1971-72	—	—	—	—	—	—	7,50	1,11	6,12	14,73

@ Including Jawaharlal Nehru Commemorative 50 Paise Coins.

* Including Mahatma Gandhi Centenary One Rupee Coins.

† Including Mahatma Gandhi Centenary 50 Paise and 20 Paise Coins minted at Bombay and Alipore and Mahatma Gandhi Centenary 20 Paise Coins at Hyderabad.

£ Relate to Mahatma Gandhi Centenary Ten Rupee Coins.

$ Relate to World Food and Agriculture Organisation Commemorative Ten Rupee Coins.

§ Including World Food and Agriculture Organisation Commemorative 20 Paise Coins.

STATEMENT 110—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1971-72

(Figures in thousands)

Denomination	Bombay		Hyderabad		Alpiore		Total	
	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)
	1	2	3	4	5	6	7	8
50 Paise	2	1	—	—	56,444	282,22	56,446	282,23
25 Paise	94,608	236,52	—	—	2,288	5,72	96,896	242,24
20 Paise	76,670	153,34	3,800	7,60	7,485	14,97	87,955	175,91
10 Paise	2,34,590	234,59	39,600	39,60	1,07,530	107,53	3,81,720	381,72
5 Paise	2,50,180	125,09	33,440	16,72	3,09,400	154,70	5,93,020	296,51
3 Paise	—	—	1,22,800	36,84	6,600	1,98	1,29,400	38,82
2 Paise	—	—	—	—	2,21,950	44,39	2,21,950	44,39
1 Paisa	—	—	1,07,200	10,72	200	2	1,07,400	10,74
Total	**6,56,050**	**749,55**	**3,06,840**	**111,48**	**7,11,897**	**611,53**	**16,74,787**	**1,472,56**

STATEMENT 111—DESCRIPTION OF COINS IN ACTIVE

Denomination	Gross Weight	Composition (Proportion of Metals)
	1	2
Nickel Coins		
Rupee (a)	180 Grains	Nickel 100 per cent
Half Rupee (a)	90 ,,	,,
Quarter Rupee (a)	45 ,,	,,
		DECIMAL
Silver Coins		
Mahatma Gandhi Centenary Ten Rupee	15.00 Grams	80 per cent Silver and 20 per cent Copper
World Food and Agriculture Organisation Commemorative Ten Rupee	15.00 ,,	,,
Nickel Coins		
Mahatma Gandhi Centenary One Rupee	10.00 ,,	Nickel 100 per cent
Decimal Rupee	10.00 ,,	,,
Jawaharlal Nehru Commemorative Decimal Rupee	10.00 ,,	,,
Mahatma Gandhi Centenary Fifty Paise	5.00 ,,	,,
Fifty Paise/Naye Paise	5.00 ,,	,,
Jawaharlal Nehru Commemorative Fifty Paise	5.00 ,,	,,
Twenty-five Paise/Naye Paise	2.50 ,,	,,
Aluminium Bronze Coins		
Mahatma Gandhi Centenary Twenty Paise	4.50 ,,	92 per cent Copper, 6 per cent Aluminium and 2 per cent Nickel
World Food and Agriculture Organisation Commemorative Twenty Paise	4.50 ,,	,,
Twenty Paise	4.50 ,,	,,
Ten Paise	4.25 ,,	,,
Cupro-Nickel Coins		
Fifty Paise	5.00 ,,	75 per cent Copper and 25 per cent Nickel
Twenty-five Paise	2.50 ,,	,,
Ten Paise/Naye Paise@	5.00 ,,	,,
Five Paise/Naye Paise (a)	4.00 ,,	,,
Two Paise/Naye Paise (a)	3.00 ,,	,,
Aluminium Magnesium Coins		
Ten Paise	2.30 ,,	96.5 per cent Aluminium and 3.5 Magnesium
Five Paise	1.50 ,,	Aluminium with 3.5 to 4 per cent Magnesium
Three Paise	1.25 ,,	,,
Two Paise	1.00 ,,	,,
One Paisa	0.75 ,,	,,
Bronze Coins		
One Naya Paisa	1.50 ,,	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin
Nickel-Brass Coins		
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.

@ Issue and reissue of these coins have been discontinued.

CIRCULATION AT THE END OF MARCH 1972

Diameter	Edge	Shape
3	4	5
1.1″	Milled and security edged	Round coin
0.95″	Milled	,,
0.75″	,,	,,
COINS		
34 Millimetres	Milled with serrations numbering 155	Round coin
,,	,,	,,
28 Millimetres	Milled and security edged with serrations numbering 200	,,
,,	Milled and security edged	,,
,,	Milled with a serrated or upright milling the serrations numbering 200	,,
24 Millimetres	Milled with serrations numbering 150	,,
,,	Milled	,,
,,	Milled with serrations numbering 150	,,
19 Millimetres	Milled	,,
22 Millimetres	Milled with serrations numbering 112	,,
,,	,,	,,
,,	Milled with serrations numbering 114	,,
23 Millimetres across scallops	Plain	Scalloped coin
24 Millimetres	Milled with serrations numbering 150	Round coin
19 Millimetres	Milled with serrations numbering 100	,,
23 Millimetres (Outer)	Plain	Scalloped coin
22 Millimetres across corners, 19 Millimetres across flats	,,	Square coin with rounded corners
18 Millimetres (Outer)	,,	Scalloped coin
26 Millimetres	12 Scalloped with Unmilled rim	,,
22 Millimetres across corners, 19 Millimetres across flats	Unmilled rim	Square coin with rounded corners
19.55 Millimetres across flats, 21 Millimetres across corners	Plain	Hexagonal shape with rounded corners
20 Millimetres (Outer)	,,	Scalloped coin
17 Millimetres between opposite corners, 14.70 Millimetres across flats	,,	Square coin with rounded corners
16 Millimetres	,,	Round coin
,,	,,	,,

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