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

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



FOR THE YEAR 1972-73

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

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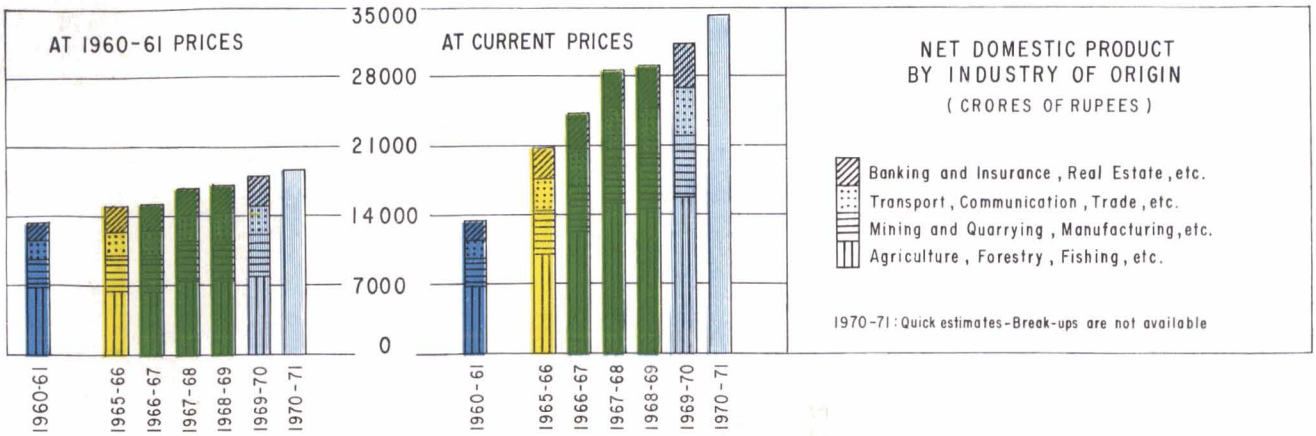
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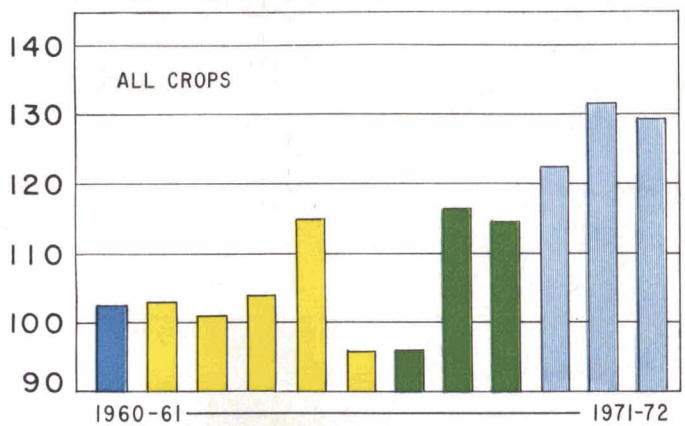
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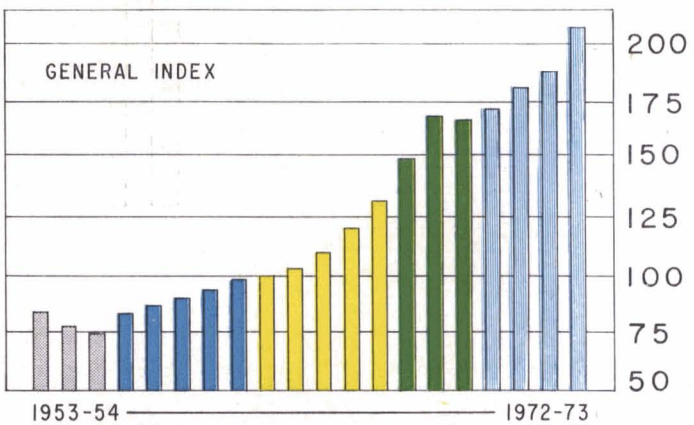
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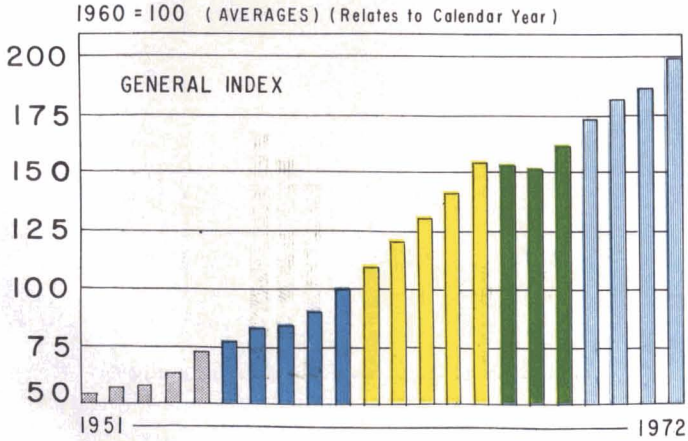
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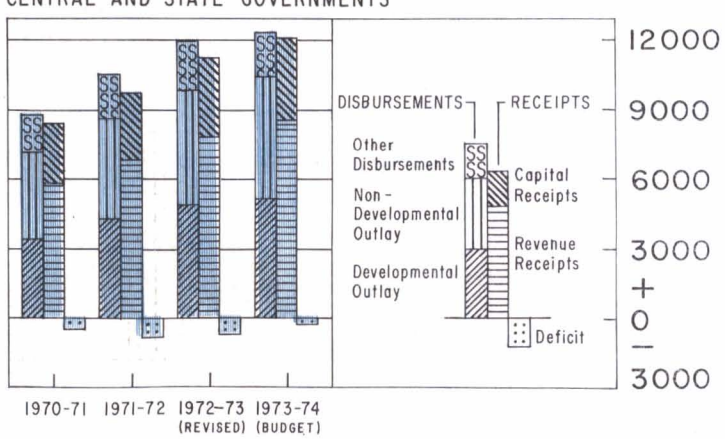
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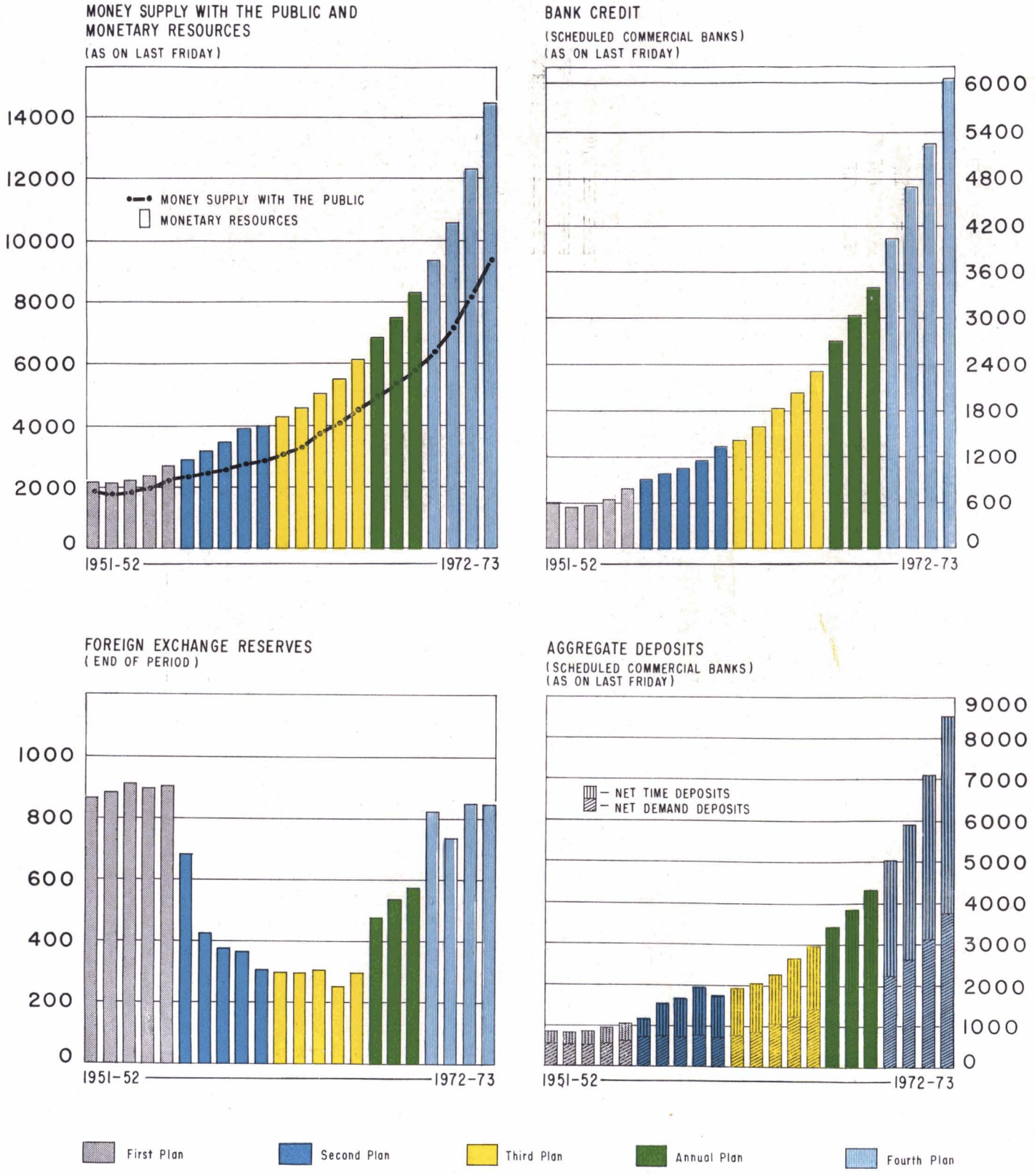
COMBINED RECEIPTS AND DISBURSEMENTS OF
CENTRAL AND STATE GOVERNMENTS



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

SELECTED ECONOMIC INDICATORS

(CRORES OF RUPEES)



CHAPTER I : INTRODUCTION

Since early 1972, the economic scene in India has been characterised by a growing concern about domestic prices. The initial phase of the price rise in 1972 was attributed principally to the delayed impact of the larger defence, development and relief expenditures undertaken during 1971. It was expected that with the onset of the 1972 monsoon, the effect of these special factors would be reduced and the price movements resume their normal pattern. But as the year 1972 progressed and prices kept rising, it became increasingly clear that the uptrend was not a transient or seasonal phenomenon; a variety of physical and monetary factors were operating together to create a climate favourable to price inflation.

This trend has now reached a point where the price question seems to dominate all else. In this situation, one is apt to overlook some of the other, rather favourable, developments that have occurred in the immediate past. For instance, there was in 1972 a notable improvement in industrial output. Likewise, in the fiscal year 1972-73, India's exports registered substantial gains despite disturbed international monetary conditions, and the level of foreign reserves was maintained virtually intact. Domestic savings and public sector investment during 1972-73 (April-March) were higher than in the previous year. Like the rapid increase in prices, these also are part of the setting and should be taken into account while assessing the prospects for future development and policies.

Subsequent chapters of this Report examine in detail these and many other developments during July 1972-June 1973 in the Indian economy. When they are all jointly evaluated, what emerges is an amalgam of natural, structural and institutional causes widening the gap between current flows of supply and demand in the economy. It is true that concurrently with these happenings within India, the outside world also was in the throes of continuing instability and inflation. Virtually all over the world, prices of food articles, agricultural and industrial raw materials, and fuel oils have moved up at a rapid pace in the last twelve months. There is thus some room for the argument that what was happening in India was part of a world-wide process. But this did not make the Indian situation either more bearable or less disrupting of developmental effort.

One evident reason for acceleration of the price rise in the year under review was the set-back in agricultural production for the second successive year, because of unfavourable weather conditions. However, given the level of stocks carried over from the previous year, the situation might perhaps have been better tided over but for other factors. The weaknesses in the distribution arrange ments, especially in respect of agricultural commodities, coupled with large-scale monetary expansion, not only made the speculative holding of stocks possible but attractive. This could not be counteracted through resort to imports for the reason mentioned earlier.

The rapid price increase in 1972-73 might not have occurred if, concurrently with supply limitations, there had not been a large expansion of demand. Unlike in the case of production and supplies, the magnitude of demand expansion can only be surmised on the basis of indirect evidence. Of the several components of aggregate demand, only public sector expenditure is properly recorded; it is also a fast increasing component. Hence,

its impact on market psychology tends to be larger than what may be warranted strictly by its ratio to the aggregate. This is particularly true when "deficit financing" of public expenditure is sizeable, as happened in 1971-72 and 1972-73. Whatever might be the actual role of public expenditure in augmenting domestic demand, it cannot by itself account for the impact on prices; the private sector, including both households and business enterprises, most likely also spent more, to satisfy current needs as well as to hedge against possible price increases. Large increases in currency and, since the beginning of 1973, expansion of commercial bank credit enabled such spending by the private sector.

In the last few years, there has been a noticeable increase in the magnitude of financial savings undertaken by the household sector, in the form principally of time deposits with banks, provident fund and life insurance contributions. Despite the obvious attractions of real assets at a time of rising prices, substantial sections of the community continued in 1972-73 to add to their financial savings. Like the persistent pressure of demand on the consumer goods markets, this also was indicative of an increase in the money incomes of an important segment of the community, which probably covered traders, rentiers, and bigger farmers, industrial manufacturers and professionals, some of the salary and wage-earners. Apart from others, a consequence of this growth in private money incomes was the large accretion of deposits, especially savings and time deposits, with commercial and co-operative banks. Not unexpectedly, Government took advantage of this situation by borrowing from the banks much more than it had originally intended; but even so—and even with a variety of measures taken by the Reserve Bank during the 1972-73 busy season which had the effect of limiting borrowings from the RBI and credit-deposit ratio of banks—,banks were left with enough liquid resources to support a substantial credit expansion.

While, in the immediate context, all of these are relevent in explaining the movement in prices, developments during the year have brought into focus certain other aspects of the economy which have wider ramifications and hence deserve to be noticed. Though considerable progress in real incomes was attained during the years 1967-68 to 1970-71, total investment as a proportion of net national income continued to decline till 1969-70; and the improvements in 1970-71 and even in 1971-72 were modest in relation to the levels reached earlier. This slow pace of investment was a consequence essentially of stagnation in public sector investment, as revealed by the trends in public sector development outlays (Plan and non-Plan together). These outlays had risen by about 13 per cent per annum (compound) during the Third Plan (at current prices) but thereafter they could not make much headway. Between 1965-66 and 1969-70, the rate of increase in these outlays was of the order of 4 per cent per annum (see Table V·3 of this Report). Improved outlays in 1970-71, 1971-72 and 1972-73 have partly helped regain the lost ground. This has enabled the ratio of investment to net national income to come up again to a little over 12 per cent. However, because of the longer gestation lags in India, the effects of the earlier reductions in investment on capacity and output in various sectors are becoming manifest now.

A part of the demand pressure experienced in 1972-73 has, it is true, emanated from the Government's attempt to raise the tempo of developmental activities in the past two years. However, the economy would have absorbed this in 1972-73 better but for the scarcity in key commodity sectors like steel, non-ferrous metals, coal, cement, paper and paper products and fertilisers and in certain infrastructure facilities like transport and power. Be-

sides causing capacity shortages, inadequate investment in the past years has led to inefficient utilisation of the capacity already created in several basic and capital goods industries. Because of these failings, increases in financial outlays have not always been reflected in the physical outputs achieved. If Plan expenditures on irrigation and other aids to agriculture had been more adequate and yielded the real returns expected, foodgrains output this year should have been larger than the current year's expectations, on an optimistic basis, of 115 million tonnes. Likewise, steel ingots output should have been 10·8 million tonnes against the likely output of 7·8 million tonnes. In respect to installed capacity for generation of power, such divergence is estimated to be of the order of 43 per cent.

The present upsurge in prices is thus attributable in the first place to the proximate causes of imbalance between market supply and demand; and secondly to the longer-term factors of low investment and inadequate rate of growth. Both these have to be tackled if any enduring solution is to be found, and steps for this purpose have to be taken in the fields of economic policy as well as social institutions. For redressing the imbalance between real supplies and monetary demand, there is a clear need for fiscal and monetary policies restraining unproductive spending in both the government and private sectors. Alongside of these, organisational and penal measures have to be taken to curb the speculative and corrupt practices which exaggerate the price effect of supply shortages and render equitable distribution through public agencies difficult. These are necessary, but they will not by themselves suffice; unless the real growth rate is stepped up and the production structure modified, the gap between the country's requirements and its output of goods and services will persist. If periodic or continuing inflation of prices is to be obviated, it will be necessary to pursue more steadfastly than so far policies favouring a progressive increase in investment, advances in technology, productivity and skills, and changes in the structures of production, employment and incomes.

All these are perhaps obvious, but they are worth reiterating at this stage when the shape and size of the Fifth Five-Year Plan are being determined. The objective is essentially to present the facts and developments which constitute the setting for the Fifth Plan. The rest of this volume is devoted to this task; in the process of describing the facts and happenings, an attempt is also made to organise them meaningfully and indicate tentative conclusions.

Instead of summarising here the content of later chapters, it may be useful to ponder briefly on some of the issues that the country has to tackle at this juncture. The rapid price increase in the last year and a half has again brought into the open the difficulty of combining price stability with the multiple Plan objectives of growth, social justice and self-reliance. This is clearly a problem covering an assortment of definitional disputes, resource allocation issues and institutional questions. Leaving aside the definitional differences, the allocation problem is two-fold: deciding how much of current incomes should be consumed and how much saved and invested; and secondly, how much of new investment should be devoted to augment the future supplies of consumer goods and services, and how much used for other purposes. A great deal of attention is being paid to these questions at a technical level in the preparatory work done for the Fifth Five-Year Plan but the final planning decisions are yet to be taken. What is more important, the individual projects and programmes subsumed in these decisions have actually to be implemented for any structural adjustment to appear. Meantime, the variety and quantity of consumer or capital goods that will be available to the community will depend en-

tirely on the effectiveness with which the existing capital equipment and natural resources are utilised. Hence, in the immediate future, proper arrangements have to be made for the provision of raw materials and working capital required for increasing the degree of utilisation of available capacity. To the extent that the scope for this is limited, the responsibility for restoring a semblance of economic balance in the short period will rest as mentioned earlier on effective demand management.

However, this control on the demand side should not, as observed earlier, be such as to reduce the rate of aggregate investment, or the share of public sector investment. This means that side by side with better utilisation of existing capacity and generation of additional supplies, there will be additions to the demand for consumption and investment goods as new investment is stepped up. Consequently, it is inevitable that any policy of combining price stability with development should be based on a continuing machinery for controlled distribution of certain essential commodities. This is particularly relevant for food articles, where fluctuations from year to year cannot be avoided and buffer stock operations have to be combined with the organisation of a widespread public distribution system. Perhaps, even more important is the establishment of proper organisational and institutional mechanisms to make the investment and fiscal policies work. It is a truism that what has gone wrong in the past is not so much the enunciation of tasks to be done as the manner of doing them. This has been apparent in the execution of public sector investments in industry, transport, power; in the organisation of distribution of essential commodities; in resource mobilisation, control of monetary and credit operations, tax collections and so forth. The point is not that these difficulties exist, but that the effort to remove them have been impeded by political and social factors. The experience of 1972-73 should underline the urgency for action in this area of organisational and institutional reform.

CHAPTER II : NATIONAL INCOME, SAVING AND INVESTMENT

National Income

The Central Statistical Organisation's estimates of National Income are available only upto 1970-71. In that year, there was a growth of 4·6 per cent (at 1960-61 prices) in national income; from the available information on production, it would appear that in 1971-72 national income growth was considerably less than 2 per cent (at 1960-61 prices). For 1972-73, the growth rate is estimated on a rough basis to be about the same as in the previous year.

The decline in the national income growth rate during 1971-72 and 1972-73 was mainly due to a substantial fall in agricultural production because of unfavourable weather conditions in the country, especially during 1972-73. Income from agriculture which had increased at over 5 per cent a year in real terms during the first two years of the Fourth Plan, declined in the subsequent two years—the rate of decline being higher in 1972-73 than in 1971-72. The annual average growth rate of income originating from 'mining and quarrying,' manufacturing sector (registered), electricity, gas etc., was about 5 per cent during the first two years of the Fourth Plan and about 4 per cent in 1971-72. For 1972-73, income originating from this sector was at 4·4 per cent or slightly higher than in the previous year, despite acute power shortage. For the Fourth Plan period as a whole, a substantial shortfall as compared to the target rate may be expected in national income growth.

Saving and Investment

If the domestic economy is viewed in terms of the public sector (including public sector undertakings), corporate sector (including co-operative institutions) and the rest grouped as the household sector, it will be observed that much the largest part of domestic saving originated in the household sector. Saving of this sector formed about 77 per cent of total domestic saving in 1972-73, as compared to 78 per cent in 1971-72. The share of government sector (18 per cent) has marginally improved in comparison with 1971-72, though it continued to be less than in the earlier two years; that of the corporate sector (5 per cent) has declined a bit in comparison with the years 1969-70 and 1970-71 (see table II. 4).

2. Household Sector Saving

Total Saving of the Household Sector

Total saving of the household sector comprises its saving in the form of (*a*) financial assets and (*b*) physical assets *minus* (*c*) its financial liabilities. This aggregate is estimated to have risen from Rs. 3178 crores in 1971-72 to Rs. 3554 crores in 1972-73 or from 8·8 per cent of net national product at current prices to 9·0 per cent as shown in Table II. 1: below :

Table II.1—Saving of the Household Sector (at current prices)

(Provisional)

(Rupees crores)

	Financial Year (April-March)			
	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5
1. In the form of financial assets	1514 (4·9)	2087 (6·1)	2509 (6·9)	2956 (7·5)
2. In the form of physical assets	1100 (3·5)	1200 (3·5)	1270 (3·5)	1300 (3·3)
3. Financial liabilities ..	647 (2·1)	583 (1·7)	601 (1·6)	702 (1·8)
4. Total saving (excluding financial liabilities) (i.e. 1+2−3)	1967 (6·3)	2704 (7·9)	3178 (8·8)	3554 (9·0)

Note: Figures in brackets are per cent of Net National Product at current prices.

Financial Assets

Saving in the form of financial assets accounts for more than half of the household sector's saving. This sector's financial saving is estimated to have increased from 6·9 per cent of Net National Product (NNP) at current prices in 1971-72 to 7·5 per cent in 1972-73 (Table II. 2). All components of this form of saving increased during 1972-73.

Table II.2—Household Sector's Saving in the form of Financial Assets at Current Prices

(Rupees crores)

	Financial Year (April-March)			
	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5
Total Financial Assets (1 to 6)	**1514**	**2087**	**2509**	**2956**
Per cent of NNP at current prices	4·9	6·1	6·9	7·5
1. Currency	336	354	417	568
(*a*) Per cent of total financial assets	22·2	17·0	16·6	19·2
(*b*) Per cent of NNP at current prices	1·1	1·0	1·1	1·4
2. Deposits	634	901	1171	1364
(*a*) Per cent of total financial assets	41·9	43·2	46·7	46·1
(*b*) Per cent of NNP at current prices	2·0	2·7	3·2	3·5
3. Insurance	195	214	242	256
(*a*) Per cent of total financial assets	12·9	10·2	9·7	8·7
(*b*) Per cent of NNP at current prices	0·6	0·6	0·7	0·7
4. Provident Funds	351	422	470	529
(*a*) Per cent of total financial assets	23·1	20·2	18·7	17·9
(*b*) Per cent of NNP at current prices	1·1	1·3	1·3	1·3
5. Claims on Government	—20	85	104	128
(*a*) Per cent of total financial assets	—1·3	4·1	4·1	4·3
(*b*) Per cent of NNP at current prices	—0·1	0·2	0·3	0·3
6. Corporate and Co-operative shares and debentures including Units of Unit Trust of India	18	111	105	111
(*a*) Per cent of total financial assets	1·2	5·3	4·2	3·8
(*b*) Per cent of NNP at current prices	0·2	0·3	0·3	0·3

Among the financial assets of the household sector, saving in the form of currency and deposits continued to show a faster rate of growth; and their joint share in the total financial savings of households has increased from about 63 per cent in 1971-72 to 65 per cent in 1972-73.

Household sector's saving in the form of life insurance is measured by the changes in life fund of the Life Insurance Corporation. The share of saving in the form of insurance in the total financial assets of the household sector has declined from 9·7 per cent in 1971-72 to 8·7 per cent in 1972-73 although in terms of per cent to national income in 1972-73 it has almost remained the same as in the previous year—indicating that the savings through this medium have grown less fast than the total of deposits and currency.

The provident funds included in this group are Employees' Provident Fund, State (Central and State Governments) Provident Funds (including Public Provident Fund) and 'Other' Provident Funds. Almost half of the total saving in these forms is made under Employees' Provident Fund Scheme. The share of saving in all these funds in the total financial assets of the household sector has also declined in 1972-73, although its ratio (per cent) to national income has remained unchanged since 1970-71.

Small savings collections from individuals, direct investment in government securities and refund of annuity deposits, compulsory deposits and prize bonds are all included in the category of 'claims on Government.' Total small savings collections have shown a marked expansion in 1972-73. Adjusting for the contributions to these collections made by provident funds organisations and other institutions, share of household sector has been estimated. Available data show dissaving by household sector in Government securities and Annuity deposits, etc.

Other Financial Assets

Among the other financial assets are shares and debentures of corporate and co-operative sectors and the units of the Unit Trust of India (UTI). Households investment in shares and debentures of co-operative institutions forms a substantial part of saving in this category. Such saving showed a decline in each of the years 1971-72 and 1972-73 mainly due to a fall in agricultural output. On the other hand, there was a marked pick-up in the units sold by the UTI. Direct purchases of shares and debentures of corporate sector by household sector forms about one-third of total saving through these media; saving in these do not appear to have shown any improvement in 1972-73.

Saving of the Household Sector in Physical Assets

No firm data are available for recent years to estimate household sector's saving in the form of physical assets. Hence it is possible only to make a guesstimate based on certain broad indicators in this behalf. A substantial rise in saving by households in the form of currency which occurred during 1972-73 may have been due to an improvement in money incomes. There were certain special factors—such as crash programme for production and capital formation in the agricultural sector, special incentives for investment in small scale sector, etc., which may have helped to maintain, if not augment the household sector's saving in the shape of physical assets. It is, therefore, being assumed that absolute amount in this behalf in 1972-73 remained around the same level as that in 1971-72.

Financial Liabilities of the Household Sector

Financial liabilities of the household sector consist of advances from commercial banks and co-operative institutions, loans (net of repayment) from Life Insurance Corporation, loans and advances (net of repayment) from Central and State Governments and net trade credit extended by the corporate sector. Such liabilities are estimated to have increased from Rs. 601 crores in 1971-72 to Rs. 702 crores in 1972-73.

3. Saving of Domestic Private Corporate Sector

The proportion of estimated saving of the non-Government corporate sector(1) (including that of co-operative institutions) to total saving in the economy was only about 5 per cent in 1972-73. While firm data to estimate corporate saving are available upto 1970-71,(2) estimates for the subsequent years have been made by relating gross profits to gross value added. Gross value added in the mining and manufacturing sector for 1970-71, 1971-72 and 1972-73 is estimated assuming certain rates of growth. Gross value added in the private corporate sector is then estimated on the basis of observed relationship between gross value added in the private corporate sector and that in the mining and manufacturing sector. Gross profits are estimated on the basis of observed relationship between gross profits and gross value added. The proportions of tax, interest and dividends to gross profits observed in 1970-71 are assumed for the years 1971-72

(1) No credit has been taken for depreciation provision net of replacement expenditure in these estimates.

(2) vide, *Finances of Medium and Large Public Limited Companies, 1970-71*, Reserve Bank of India Bulletin, September 1972. *Finances of Medium and Large Private Limited Companies 1970-71*, Reserve Bank of India Bulletin, December 1972.

and 1972-73. Retained profits are derived as a residual after deducting amounts for tax, interest and dividends from gross profits. The saving of the co-oprative sector and non-Government financial companies are estimated on the basis of past trends. The percentage of corporate sector's saving to NNP at current prices remained unchanged around 0·6 per cent during the years 1971-72 and 1972-73.

4. Saving of the Public Sector

The share of public sector saving in total domestic saving has increased by one percentage point in 1972-73, from 17 per cent in 1971-72 to 18 per cent. Saving of Central and State Governments (including their departmental undertakings) and local authorities account for the bulk of public sector savings; the rest is contributed by non-departmental undertakings (Table II. 3). Savings of the Central Government (administration and departmental undertakings) are as published in the Economic and Functional Classification of the Central Government Budget, by the Ministry of Finance, Government of India. Saving of State Governments are estimated on the basis of the usual budgetary data and therefore, the estimates are less firm. For local authorities available data which are incomplete have been used to estimate their saving.

Table II.3—Public Sector Saving
(at current prices)

(Provisional)

(Rupees crores)

	Financial Year (April-March)			
	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5
(i) Central Government (including Departmental Undertakings)	327	312	178	458 (Revised Estimates)
(ii) State Governments and Local Authorities	308	389	447	268
(iii) Non-departmental financial and non-financial undertakings	14	41	64	99
Total (i + ii + iii)	**649**	**742**	**689**	**825**

Saving of Central Government

The net saving of the Central Government administration has shown a sharp increase in 1972-73; such savings which were only Rs. 40 crores in 1971-72 are estimated to have risen to Rs. 336 crores in 1972-73. Savings of the Central Government administration as percentage of its revenue receipts have improved from 1·0 per cent in 1971-72 to an estimated 7·7 per cent in 1972-73.

For estimating gross savings of departmental undertakings, the Ministry of Finance takes the aggregate of their retained net profits and depreciation provision. The expenditure on renewals and replacements is then subtracted to obtain their net savings. Such net savings are expected to show a decline in 1972-73 of Rs. 16 crores from Rs. 138 crores in 1971-72. Retained profits of departmental undertakings as a proportion of their total receipts are estimated to have declined from 6·3 per cent in 1971-72 to 5·7 per cent in 1972-73.

Saving of State Governments

In the States sector, the decline in saving in 1972-73 is attributable to a reduced rate of growth of revenue receipts. In 1972-73, total revenue receipts (including their share in Central taxes and grants-in-aid) increased by 11·3 per cent as against 15·5 per cent in the previous year while expenditure on current account increased by 18·4 per cent as compared to 19·1 per cent in 1971-72.

Saving of Non-Departmental Undertakings

Among the other components of public sector savings, retained profits of the Reserve Bank of India are estimated to be higher at Rs. 100 crores in 1972-73 as against Rs. 65 crores in 1971-72. Central Government non-departmental commercial

undertakings incurred a net loss of about Rs. 19 crores(3) in 1971-72 as compared to a net loss of Rs. 3 crores in 1970-71, although the number of undertakings that have made profits was six more in 1971-72. There were 68 concerns which generated internal resources in the form of depreciation reserves and retained profits while there were 25 concerns which have generated no such internal resources in 1971-72. Hindustan Steel has been largely responsible for the higher losses incurred in 1971-72. No detailed picture about the performance of the undertakings is as yet available for 1972-73. However, on the basis of fragmentary data it would appear that the overall performance of the public sector undertakings may have improved somewhat. Output trends point to a possibility of better performance by Hindustan Steel. Heavy Electricals and Bharat Heavy Electricals are reported to have made handsome profits. While estimating savings for 1972-73 it is assumed that the profits of some of the undertakings would have been offset by the losses of others. No data are available for estimating the savings of State Governments' undertakings.

5. Total Domestic Saving

Total estimated domestic saving in the economy, net of financial liabilities incurred by the household sector is presented in Table II·4. It will be seen that total domestic savings were of the order of 11·7 per cent of Net National Product at current prices in 1972-73 as against 11·3 per cent in 1971-72.

Table II.4—Estimates of Domestic Saving (at current prices)

(Provisional)

(Rupees crores)

	Financial Year (April-March)			
	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5
1. Public Sector	649	742	689	825
(*a*) Per cent of total domestic saving	23·5	20·4	17·0	18·0
(*b*) Per cent of NNP at current prices	2·1	2·1	1·9	2·1
2. Domestic Private Corporate Sector (including Co-operatives)	142	194	195	216
(*a*) Per cent of total domestic saving	5·1	5·3	4·8	4·7
(*b*) Per cent of NNP at current prices	0·4	0·6	0·6	0·6
3. Household Sector's Saving	1967	2704	3178	3554
(*a*) Per cent of total domestic saving	71·4	74·3	78·2	77·3
(*b*) Per cent of NNP at current prices	6·3	7·9	8·8	9·0
4. Total domestic saving (1 + 2 + 3)	2758	3640	4062	4595
Per cent of NNP at current prices	8·8	10·6	11·3	11·7

6. Aggregate Investment in the Economy

Aggregate investment in the economy is estimated by adding net inflow of foreign resources to the estimated domestic saving. Firm estimates of net inflow of external resources are available upto 1971-72, while tentative estimates have been made from available data for 1972-73. As a percentage of NNP at current prices such inflow shows a decline from 1·3 in 1971-72 to 0·9 in 1972-73. Consequently, the ratio (per cent) of domestic investment in 1972-73 to NNP remained at virtually the same level as in 1971-72 (Table II·5).

(3) Vide, *Annual Report on the Working of Industrial and Commercial Undertakings of the Central Government* —1971-72, Government of India, Ministry of Finance, Bureau of Public Enterprises, New Delhi.

Table II. 5—Estimates of Saving and Investment : Per cent of Net National Product at Current Prices

(Provisional)

	Financial Year (April-March)			
	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5
1. Domestic Saving ..	8·8	10·6	11·3	11·7
2. Inflow of foreign resources (net)	0·7	1·1	1·3	0·9
3. Aggregate investment (1 + 2)	9·5	11·7	12·6	12·6

Sectoral Investment

It is not possible to give a sectoral break-up of the aggregate investment data presented here in the absence of full details regarding sectoral flow of resources. However, broad indications that are available regarding investment activities in different sectors as observed from diverse sources are discussed in following paragraphs.

Public Sector Investment

Investment in the public sector acts as a pace-setter and stimulates private investment in various fields of the economy. The percentages of developmental outlay of Central and State Governments and of public sector's plan outlay to NNP at current prices are estimated to have increased during 1972-73. (See Chapter V on Budgets and Public Debt for details). The estimates of investment in the public sector are not available. However, capital formation through the budget of the Central Government is shown in Table II·6.

Table II.6—Capital Formation Through Central Government Budget, at Current Prices

(Rupees crores)

	Financial Year (April-March)				
	1969-70	1970-71	1971-72	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6
1. Gross direct fixed capital formation ..	430	485	566	760	913
2. Variation in inventories	—37	34	31	—11	—16
3. Net capital formation (*i.e.* gross direct fixed capital formation *minus* expenditure on renewals and replacements *plus* increase in inventories)	318	428	506	635	759
4. Financial Assistance for capital formation ..	1219	1285*	1564	1969	1986
(*a*) To States, Union Territories	692	740	885	1074	1167
(*b*) To non-departmental commercial undertakings	444	448	545	750	676
(*i*) Financial concerns	42	70	63	144	117
(*ii*) Others	402	378	482	606	559
(*c*) Other parties†	83	97	134	145	143
5. Investment in Central Government's non-departmental industrial and commercial undertakings	526	660	793	N.A.	N.A.
(*a*) Gross fixed assets	422	370	474	—	—
(*b*) Inventories	104	290	319	—	—

* Excluding compensation paid to Nationalised Banks.
† Comprising assistance to local authorities and others.
N.A. = Not Available.

Sources : For items 1 to 4—Government of India—An Economic and Functional Classification of the Central Government Budget for the years 1971-72, 1972-73 and 1973-74. For item 5—Annual Reports on the Working of Industrial and Commercial Undertakings of the Central Government—Government of India, Ministry of Finance, Bureau of Public Enterprises, for the years 1969-70, 1970-71 and 1971-72.

Based on these estimates, capital formation (inclusive of financial assistance given by the Central Government for capital formation) would form 6·6 per cent of NNP in 1972-73 as compared to 5·7 per cent in 1971-72—thus accounting for more than half of the aggregate investment in the economy.

Investment by Private Corporate Sector

It is not possible to identify all sources through which the funds flow to the private corporate sector and estimate thereby the investment made by this sector. A broad idea about the trend in this investment though not of its exact magnitude may be obtained with the help of certain identifiable sources of funds through financial intermediaries. Figures relating to capital raised (including debentures) are based on data compiled by the Controller of Capital Issues on a calendar year basis. The amounts of retained profits of the non-government non-financial corporate sector are as given in Table II·4. The share of the private domestic corporate sector in the total bank credit has been derived on the basis of past trends. Borrowings from government (both Central and States) after adjusting for repayments are based on budgetary data. The estimated amount of borrowings from households is net of financial liabilities of this sector to the corporate sector.

Firm estimates of depreciation provision for non-government non-financial corporate sector are available upto 1970-71. For 1971-72, the estimate is based on the rate of growth of depreciation provision observed for 346 large public limited companies. Depreciation provision for 1972-73 is estimated by applying the observed average rate of growth of depreciation during the period 1960-61 to 1970-71, to the estimated figure in 1971-72. Bank deposits and cash are estimated on the basis of past trends. Broad estimates of identifiable sources and uses are given in Table II·7.

Table II.7—Investment : Private Non-Financial Corporate Sector at Current Prices
(Provisional)

(Rupees crores)

	Financial Year (April-March)							
	SOURCES				USES			
	1969-70	1970-71	1971-72	1972-73	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5	6	7	8	9	10
1. Capital raised (including debentures)	96	89	87	123	1. Bank Deposits and cash ..	25	32	26	63
Less Intra-Sector flows (estimated) ..	19	18	17	25	2. Gross fixed assets and inventories ..	950	876	932	1057
	77	71	70	98					
2. Retained Profits ..	109	151	158	177					
3. Borrowings ..	436	292	316	404					
4. Depreciation Provision	353	394	414	441					
	975	**908**	**958**	**1120**		**975**	**908**	**958**	**1120**

Note: Borrowings under item 3 include borrowings from commercial banks, Government (both Central and States), households, loans from term-financing institutions and trade debt. Borrowings from term-financing institutions refer to direct loans (excluding loans to public sector undertakings) and loans for exports, after adjusting for repayments in the case of the IDBI. Regarding the IFCI and the ICICI, rupee loans (net) and foreign currency loans (net) are taken. For IRCI, figures refer to net direct loans. In the case of SFCs, net loans are included.

Broadly, the amount of capital formation in the private non-financial corporate sector in 1972-73 would work out to Rs. 1120 crores as against Rs. 958 crores estimated for the previous year. These estimates should be taken to represent the directional changes rather than exact estimates of investment in the sector.

CHAPTER III : OUTPUT AND PRICE TRENDS

Broadly, the position regarding output and supplies in the commodity sectors during 1972-73 was as follows. Production of agricultural commodities suffered a setback due to drought ; but with the relatively large inventories carried over from the past year in respect of both foodgrains and raw materials, their overall availabilities in absolute terms were generally not much lower than in the previous year, with the exception of oilseeds. It was partly for this reason that production of industrial goods could achieve significant advance in its growth rate.

Even so, commodity prices came under pressure on an unprecedented scale. The main factors responsible for this were : inadequate procurement of foodgrains, especially wheat ; withholding of stocks by producers and traders ; large increases in money supply and aggregate monetary resources; and back of it all, the poor investment of the past few years manifesting in an accentuation of scarcities in commodity sectors as well as in transport and power.

Agricultural Output

Agricultural production in 1972-73, as stated earlier, was adversely affected by deficient and uneven rainfall during the *kharif* season as a result of which vast areas in the country experienced drought conditions of varying intensity. The drought was particularly severe in Maharashtra, Gujarat, Rajasthan, Andhra Pradesh and the north interior Mysore ; but as many as nine other States were also hit by it. It is true that even in 1971, certain parts of the country were affected by drought, but the deficiency of rainfall in 1972 was greater and more widespread. It is estimated that during 1972 some 230 districts involving a population of about 200 million were affected by drought as against 72 districts covering a population of about 70 million in 1971. Beside inadequate and erratic rainfall in several parts of the country, there were also floods in the Ganga and the Brahmaputra plains and two successive tidal waves in Orissa which caused some damage to the standing crops.

Foodgrains

Trends in Output

As a result, foodgrains output received a serious set-back in the *kharif* season of 1972. *Kharif* foodgrains output fell for the second year in succession ; it had declined by about 7 million tonnes from 69 million tonnes in 1970 to 62 million tonnes in 1971. While the 1971 set-back had occurred only in coarse cereals, production of both coarse cereals and rice suffered in 1972.

The loss in the 1972 *kharif* production was expected to be made good in part by an improvement in the output of *rabi* foodgrains, mainly wheat. The *rabi* crops were helped by widespread rains (except in Gujarat, Maharashtra and parts of Rajasthan) and by the special measures undertaken under the Emergency Agricultural Production Programme (EAPP). This crash programme launched with a view to offsetting the shortfall in *kharif* production, envisaged significant increases over 1971-72 in the acreages under wheat from 19 million hectares to about 23 million hectares and of summer rice from about two million hectares to three million hectares. Similarly, an additional five lakh hectares were to be sown in *rabi* jowar. It also envisaged one-half of the existing area under gram to be covered by package practices involving use of phosphatic fertilizers, rhizobium culture and plant protection measures. Besides, the Centre provided to the State Governments a special assistance of Rs. 150 crores for augmentation of irrigation facilities, especially minor irrigation works, and increased supplies of fertilizers, seeds and pesticides. The provision in the Central Budget for short-term loans for agricultural inputs was also raised from Rs. 60 crores to

Rs. 100 crores. As a result, wheat output was expected to show a rise of 3·5 million tonnes to 30 million tonnes, although according to latest reports, it is likely to be of the same order as in the previous season (26·5 million tonnes).

Altogether, total foodgrains production during the 1972-73 season is placed at 100 million tonnes as compared with 104·7 million tonnes in 1971-72 and a record output of 108·4 million tonnes in 1970-71 (Table III·1).

Table III·1—Availability of Foodgrains

(October-September basis)

(Million Tonnes)

Year	Gross output(*a*)	Net output	Imports	Change in Government Stocks	Net Availability	Per capita net availability per day (in grams)			Procurement	Public distribution	Stocks with Government (end-September)
						All foodgrains	Cereals	Pulses			
1	2	3	4	5	6	7	8	9	10	11	12
1967-68	.. 95·1	83·2	7·4	+2·5	88·1	468·8	412·5	56·3	(—)	(—)	4·1
1968-69	.. 94·0	82·2	3·9	+0·4	85·7	446·0	398·6	47·4	6·4	(—)	4·5
1969-70	.. 99·5	87·1	3·1	+0·1	90·1	458·6	406·5	52·1	6·5	(—)	4·6
1970-71	.. 108·4	94·9	2·4	+3·1	94·2	469·0	417·5	51·5	8·8	7·4	7·7
1971-72	.. 104·7	91·6	1·2	−2·3	95·1	463·7	416·5	47·2	8·6	10·7	5·4
1972-73(*c*)	.. 100·0	87·5	2·0(*e*)	−5·4	94·9	453·3	N.A.	N.A.	7·2(*d*)	5·6(*b*)	N.A.

(*a*) For agricultural year July-June. N.A. = Not available.

(*b*) Up to end-March 1973.

(*c*) Provisional.

(*d*) Up to end-July 1973.

(*e*) Reported to have arrived by end-September 1973.

Notes: (1) Net availability=Net production + imports + change in Government stocks.

(2) Net production is defined as 87·5 per cent of gross production, the balance being provided for feed seed and wastage.

(3) For calculation of per capita availability, population figures as given in Statement 2 of Report on Currency and Finance 1971-72 (PP. S8 and S9) are used; 1968 data for 1967-68 and so on.

(4) (—) Means data not available on October-September basis.

Sources : Economic Survey 1972-73. Estimates of Area and Production of Principal Crops in India, 1971-72. Ministry of Agriculture, Government of India.

Overall Availability

Despite reduction in output in the agricultural year 1971-72 (July-June), the overall foodgrains availability in the major marketing period of the year (October-September) (1) was higher in 1971-72. The absolute quantum of availability at 95·1 million tonnes in the year had provided a fairly high per capita availability of 464 grams per day (Table III.1). This was made possible by drawing upon 2·3 million tonnes from the large stock of 7·7 million tonnes carried over from the 1970-71 marketing period ending September 1971. For the 1972-73 marketing year (October-September), the availability works out to 94·9 million tonnes in the aggregate or about 453 grams per capita per day, showing only marginal declines of 0·2 per cent and 2·2 per cent, respectively. Besides, among the experiences of the recent years, the decline in 1972-73 in per capita per day food availability from 464 grams to 453 grams was much less than the decline in 1968-69, the only year to experience a steep decline after the drought years of 1965-66 and 1966-67. Yet the pressure on supplies, as reflected in an unprecedented rise in food prices now experienced, was unknown in that year, because of the Government's command over a relatively larger quantum of food supplies than in the year under review.

The availability for 1972-73 has been worked out on the assumption of imports of only 2·0 million tonnes (2) of foodgrains and drawal of the entire Government stocks (5·4 million tonnes) carried over from the previous year. As usual, it does not take into account the stocks with private trade, which may have been somewhat higher than in the previous years. This is reflected in the reduced open market availability of grains since the beginning of 1972 which brought considerable pressure on the public distribution system. Likewise, the reduced market arrivals, as brought out in Table III.2,

(1) There is a slight departure in the presentation of food availability data from the earlier Reports on Currency and Finance. Since the *Kharif* crops become available for consumption (and marketing) from October onwards, a meaningful annual food budget should be prepared for the period October-September and not for calendar year period January-December as has been done hitherto. Hence the data presented in Table III·1 on food availability and the discussions thereon in this paragraph are done on October-September basis.

(2) Reported to have arrived by end-September, 1973, The Union Government decided to import another 4.5 million tonnes of foodgrains, mainly wheat, for 1973-74, of which 2.0 million tonnes are reported to have been purchased by the India Supply Mission, Washington.

Table III·2—Arrivals of Foodgrains in Selected Markets
(October-September)

(Thousand Tonnes)

Year	Rice	Wheat	Total (2+3)	Jowar	Maize	Bajra	Grand Total
1	2	3	4	5	6	7	8
1963-64	1967	792	2759	436	146	166	3507
1964-65	1864	866	2730	293	130	188	3341
1965-66	1390	873	2263	302	148	165	2878
1966-67	1425	836	2261	326	145	203	2935
1967-68	1708	1740	3448	292	204	229	4173
1968-69	1728	1851	3579	275	272	240	4366
1969-70	1923	2094	4015	233	284	315	4847
1970-71	2112	3045	5157	294	287	425	6863
1971-72	2026	2912	4938	247	209	337	5731
1972-73@	1646	1813	3459	211	172	212	4054

@ Till June 22, 1973.
Source : Bulletin on Food Statistics.

and high open market prices, hampered procurement operations. As a result, the stock with Government would be almost wiped out by the end of the current marketing season by September 1973, unless attempts are made to recoup them with imports or additional domestic procurement.

Procurement of both rice and wheat suffered as compared with the previous year's performance. For the 1972-73 *kharif* crops, procurement targets of 4 million tonnes of rice and 6 lakh tonnes of coarse grains had been fixed. Actual achievement up to end-July 1973 totalled 2·6 million tonnes of rice and 2·8 lakh tonnes of coarse grains against the corresponding totals of 3·0 million tonnes and 1·8 lakh tonnes achieved in the previous year. From the 1972-73 wheat crop, procurement of 8·1 million tonnes was initially envisaged ; it was later scaled down to 6 million tonnes ; the actual achievement was about 4·3 million tonnes till the end of July 1973 against the comparable figure of 5·0 million tonnes procured in 1971-72 and 5·1 million tonnes in 1970-71.

Procurement Systems

In regard to the systems of procurement followed by different States, while those prevailing in the past two years were generally continued, some of the States tightened them further. The system of levy on producers in Gujarat, abolished in 1970-71, was re-introduced in October 1972. The proportion of levy on millers and dealers was also raised in certain other States during the year : in Uttar Pradesh and Madhya Pradesh from 60 per cent to 80 per cent ; in Haryana from 85 per cent to 90 per cent ; and in Punjab from 85 per cent to 90 per cent in respect of fine rice and from 85 per cent to 95 per cent in respect of coarse rice. In Andhra Pradesh, the percentage of levy in respect of rice was raised to 75 in two more districts and to 50 in ten more districts.

As for coarse grains, the existing practice of procurement of jowar from cultivators in Mysore and its monopoly procurement in Maharashtra were continued during the year. In other States, procurement of coarse grains was made in the open market at stipulated procurement prices.

Several States introduced restrictions on the inter-district movement of paddy/rice and also decided to confine movement of coarse cereals to producing areas in pursuance of the decision taken at the Chief Ministers' Conference in September 1972.

State Take-Over of wholesale Trade in Wheat

From the standpoint of public procurement and distribution of foodgrains, a major development during the year was the take-over of wholesale trade in wheat by Government from the *rabi* marketing season (April 1973). This scheme, finalised at the Chief Ministers' Conference on February 24, 1973, had manifold objectives : effective public control over the marketed surplus so as to prevent speculative hoarding ; remunerative prices to growers ; assured availability to consumers, particularly to the vulnerable poor, at reasonable prices ; and economy in the cost of wholesale trading. The major ingredients of the scheme were : the formation of single-State wheat zones ; suitable cordoning off of surplus wheat zones in the producing States as also of major consuming centres and heavily deficit zones; permission to licensed retailers to operate under appropriate conditions particularly regarding the area of operation and the maximum quantity to deal in and stock ; and permission to them and to the consumers to buy directly from the growers. Under the Inter-Zonal Wheat and Wheat Products (Movement Control) Order, 1973, export or import of wheat and wheat products (excluding wheat bran) from one wheat zone to the other was prohibited. The prohibition did not apply to the operations of specified public agencies, as also for a *bonafide* traveller with quantity of wheat not exceeding 5 kgs. in weight in the aggregate as part of his luggage. The Food Corporation of India, the State Co-operative Marketing Federations and the State Food and Civil Supplies Departments would generally be the agencies undertaking the procurement. On a review of the performance of wheat procurement under the scheme, Government have cited as many as nine causes for the failure to achieve

the desired target. The most important among them are : withholding of wheat by farmers because of the feeling that procurement price was lower than the prevailing prices of other foodgrains; improvement in the holding power of the farmers ; expectations of higher prices in lean season and a general psychology of shortage giving rise to hoarding by the producers, the traders and the consumers.

Rationing—Statutory and Informal

With lower availability of foodgrains in the open market, the rationing system—both statutory and informal—had to be strengthened. The number of fair price and ration shops increased sizeably from 1·21 lakhs at the end of December 1971 to 1·86 lakhs as on May 24, 1973. The population covered under statutory and informal rationing was 16·0 million and 395·7 million at the end of December 1972 as against 15·2 million and 284·3 million at the end of December 1971, respectively.

Statewise, the rationing system is heavily concentrated in those States with relatively high urban population. Thus, Maharashtra and West Bengal account for about 30 per cent of the number of fair price/ration shops, though these States have a little over 17 per cent of the total population in the country. This is as a result of statutory rationing in the cities of Bombay and Calcutta as also in the town groups of Asansol-Durgapur (West Bengal).

Food Corporation of India (FCI)

Table III·3 summarises the major activities of the FCI. Both the domestic procurement and imports handled by the FCI during 1972-73 were lower than those handled by it in the previous two years. The FCI has augmented its storage capacity during the past few years.

The open market sales operations of the FCI were suspended from August 7, 1972, following the Government's decision to make all releases of foodgrains from the Central Pool directly to the State Governments for direct distribution through fair price shops.

Table III·3—Operations of the Food Corporation of India
(July-June)

(Million Tonnes)

Year	Purchases			Storage Capacity	
	Commodity	Domestic Procurement	Imports		
1	2	3	4	5	6
1969-70	Rice	2·1	0·4	Owned	2·8
	Wheat	2·7	3·0	Hired	2·8*
	Coarse cereals	0·1	0·3	**Total**	5·6@
	Total	**4·9**	**3·7**		
1970-71	Rice	2·8	0·3	Owned	3·5
	Wheat	5·1	2·2	Hired	2·8*
	Coarse cereals	0·4	—	**Total**	**6·3@@**
	Total	**8·3**	**2·5**		
1971-72	Rice	2·6	0·2	Owned	4·0
	Wheat	5·6	1·5	Hired	4·3*
	Coarse cereals	0·2	—	**Total**	**8·3@@**
	Total	**8·4**	**1·7**		
1972-73	Rice	2·1	0·1	Owned (Regular)	4·9
				(CAP) £	0.9
	Wheat	4·2	0·9	Hired	3·1*
	Coarse cereals	0·2	0·4	**Total**	**8·9****
	Total	**6·5**	**1·4**		

@ End-February 1970. @@ End-March. * From Central and State Warehousing Corporations, State Governments and private parties.
** End-June 1973. £ Cover and on Plinth.
Source: Food Corporation of India.

Eighteen of the 24 rice mills set up by the Corporation have started functioning and others are in different stages of construction. The solvent extraction plant at Ujjain commenced production in April 1972, producing groundnut oil, solvent oil and deoiled cake. Under the CARE programme, the FCI continued to produce *Balahar* for free distribution to the school children as mid-day meal. Fortified *atta* is also being produced by FCI at Bombay and Calcutta. The wholesale distribution of levy sugar was taken over by the Corporation, at the instance of the Union Government in major parts of the country. This activity is, however, being handed over to the respective State Governments in a phased manner.

Crash *Kharif* Food Programme for 1973-74

Government has drawn up, similar to the *rabi* crash programme, a crash programme for food production in the 1973-74 *kharif* season, in a bid to achieve the production target of 115 million tonnes. This programme envisages an increase in the area under major crops, extension of area under high-yielding varieties and concentration of efforts, through improved crop management techniques and supporting inputs, in selected areas that have greater potential but where high-yielding varieties have not yet been successfully adopted. In addition to providing adequate inputs the extension organisations in various States will be strengthened for educating the large number of farming families involved in production and application of new techniques.

During 1973-74, cropped area under foodgrains is targeted to increase from an estimated level of 123 million hectares in 1972-73 to 126 million hectares mainly under summer rice, wheat and pulses. This will be attempted by double and multiple cropping in existing areas. Area under high-yielding varieties will be increased from an anticipated level of 22·1 million hectares in 1972-73 to 25 million hectares during 1973-74, mainly under rice (Table III·5).

New Agricultural Strategy and Other Production Programmes

Programmes initiated under the new agricultural strategy since 1966-67, were continued during the year under review. Progress made under each of the programmes is summarised in Table III·4. Among different ingredients

Table III·4—Progress of New Agricultural Strategy

Programme	Units	1969-70	1970-71	1971-72 (Estimates)	1972-73 (Estimates)	Likely Achievement by the end of the Fourth Plan
1	2	3	4	5	6	7
Gross Area Covered						
High-Yielding varieties	Million hectares	11·4	15·4	17·9	22·1	25·0
Multiple cropping@	,,	1·5	1·8	1·7	2·1	9·0
Plant protection	,,	34·6	52·0	58·0	50·0	70·0
Soil Conservation@	,,	1·1	1·3	3·9	1·3	7·0
Consumption of Fertilizers	Million tonnes (Nutrients)	2·0	2·2	2·7	3·0	3·8
Nitrogenous(N) ..	,,	1·4	1·5	1·8	2·0	2·5
Phosphatic (P_2O_5) ..	,,	0·4	0·5	0·6	0·6	0·8
Potassic (K_2O) ..	,,	0·2	0·2	0·3	0·4	0·5
Gross Area Irrigated ..						
Major and medium (gross potential)	Million hectares	19·1	19·8	20·4	21·3	22·5
Major and medium (gross utilisation)	,,	17·1	17·7	18·4	19·2	N.A.
Minor@ ..	,,	1·2	1·5	1·7	1·4	7·2
Others						
Institutional investment on minor irrigation	Rs. crores	120·0	120·0	130·0	130·0	N.A.
Public sector outlay on minor irrigation	,,	—	96·3	105·2	107·8	N.A.
Agricultural pumpsets energised ..	'000 Nos.	1354	1629	1900	2079	2650
Private tubewells installed ..	,,	90	100	598	718	N.A.
Indigenous production of tractors	,,	17·1	20·0	35·0	N.A.	60·0

@ Additions during the year. N. A. = Not available.

Sources : Ministry of Agriculture and the Fertilizer Association of India.

of this programme, significant advance was made in ground water development during the year under review. An all-round increase in the target for the application of high-yielding varieties, increased consumption of fertilizers and a rise in gross area irrigated are the other highlights.

High-Yielding Varieties Programme

The area covered under the High-Yielding Varieties Programme (H.Y.V.P.) has shown a steady increase. But, as may be seen from Table III·5, crop-wise, the pace has been faster than scheduled in the case of wheat.

The cultivation of high-yielding varieties of wheat is now being extended even in non-traditional areas such as East Bihar, West Bengal and Assam. As regards rice, 14 new varieties have been released so far and another 14 are under pre-release trials. Hybrid bajra which was showing good progress till 1970-71 received a set-back thereafter due to adverse weather conditions and ergot disease. The progress in hybrid maize and jowar has been limited due mainly to their greater susceptibility to pests and diseases. Intensive efforts are, therefore, necessary to evolve high-yielding varieties resistant to pests and diseases, in regard to coarse grains.

Table III·5—Crop-wise Coverage Under H.Y.V.P.

(Million Hectares)

Commodity	1968-69 (Actuals)	1969-70 (Actuals)	1970-71 Actuals)	1971-72 (Actuals)	1972-73 (Anticipated) Actuals	1973-74 (Target)
1	2	3	4	5	6	7
Wheat	4·8	4·9	6·5	7·9	10·2	11·5
Rice	2·6	4·3	5·6	7·4	8·6	10·1
Maize	0·4	0·4	0·5	0·4	0·5	0·5
Jowar	0·7	0·6	0·8	0·7	0·9	1·2
Bajra	0·7	1·2	2·1	1·8	2·3	3·8
TOTAL	**9·2**	**11·4**	**15·4**	**18·2**	**22·5**	**27·1**

Source : Ministry of Agriculture.

Minor Irrigation

The gross area covered under minor irrigation schemes up to 1971-72 is estimated at 4·4 million hectares. During 1972-73, an additional area 1·4 million hectares under normal plan schemes and another 1·0 million hectares under the Emergency Agricultural Production Programme (E.A.P.P.) is expected to be covered bringing the total area covered to 6·8 million hectares—close to the Fourth Plan target of 7·2 million hectares. Significant advance has also been made in the sphere of ground water development schemes, as may be seen from Table III·6.

Table III·6—Progress Under Ground Water Development Schemes

(in '000s)

Item	Achivements at the end of March 1966	1969	1972	1973 * (anticipated)
1	2	3	4	5
Dug-wells ..	5,119	5,695	6,190	6,340
Electrical Pumpsets	513	1,089	1,900	2,079
Private Tubewells	93	266	598	718
State Tubewells ..	12	15	17	18

*These figures do not include achievements under the EAPP. According to the latest available reports, over 53,000 shallow tubewells, 26,400 pumpsets and 1,570 deep tubewells have been installed and over 4,000 lift irrigation schemes implemented under this programme. In addition, nearly 126,900 tubewells/pumpsets have been energised.

Source : Ministry of Agriculture.

Multiple Cropping

Expansion of irrigation facilities and increased cultivation of high-yielding varieties of short duration have provided considerable scope for bringing more area under double and multiple cropping. As against a target of 9 million hectares under multiple cropping, during the first three years of the Fourth Plan, the actual coverage was 5·0 million hectares. The target for 1972-73 was to cover an additional area of 2·1 million hectares.

Agricultural Inputs and Farm Machinery

Consumption of Fertilizers

Since the adoption of the New Agricultural Strategy in 1965-66 the consumption of chemical fertilizers has been growing rapidly (Table III·7). However, demand for fertilizers in the *kharif* season of 1972 was lower because of inadequate water supply following the failure of monsoon in several parts of the country.

Under the E.A.P.P. which necessitated strong support by way of application of fertilizers, special measures were taken to streamline distribution of available supplies through better transport, regulated supplies of fertilizers to priority crops and areas specified by State Governments, and ensuring adequate supply of wagons through high level co-ordination with the Railways. Short-term loans continued to be provided by the State Governments for purposes of distribution and stocking of fertilizers and other inputs. Besides, commercial banks also provided credit for direct and indirect financing of distribution and use of fertilizers. To promote the balanced use of fertilizers, a fertilizer promotion scheme involving an outlay of Rs. 2·2 crores was sanctioned by Government for implementation during 1972-73 and 1973-74. This programme was initiated in 26 selected districts in 17 States during 1972-73. Balanced use of fertilizers can be achieved only through proper soil-testing on which special emphasis was laid during the year. A Central Fertilizers Control Laboratory is being established to act as a reference laboratory to various States. Out of 32 Mobile Soil Testing Laboratories set-up during 1972-73, 28 have been supplied to different States.

Table III·7—Consumption of Fertilizers
(April- March)

(Thousand Tonnes)

Year	Nitrogenous (N)	Phosphatic (P_2O_5)	Potassic (K_2O)	Total
1	2	3	4	5
1967-68	800	236	130	1,166
1968-69	1,131	389	154	1,674
1969-70	1,360	420	209	1,989
1970-71	1,487	462	228	2,177
1971-72	1,760	564	304	2,628
1972-73	1,987*	646*	410*	3,043*
Fourth Plan Target	3,200	1,400	900	5,500

* Estimated Consumption.

Source : Fertilizer Statistics—1971-72.

As regards organic manures, which are essential for enduring nutritional balance and fertility of soil, 4·6 million tonnes of urban compost and 177·5 million tonnes of rural compost were expected to be made available in 1972-73 as against 4·4 million tonnes and 158·9 million tonnes made available last year. The coverage under green manure estimated at 8·5 million hectares in 1971-72 was proposed to be further intensified during the year under review.

Quality Seeds

To ensure successful execution of the EAPP, 1·4 lakh tonnes of wheat seed of good quality was released by the Food Corporation of India. The production of quality seeds by the National Seeds Corporation during 1972-73 at 36,209 tonnes was higher by 48 per cent over the 1971-72 level. The State Farms Corporation produced about 8,000 to 9,000 tonnes of quality seeds in 1972-73 as compared with 7,164 tonnes in the previous year. However, the seed production by the Terai Development Corporation at 22,500 tonnes in 1972-73 was lower than in the previous year, mainly because of drought conditions in Uttar Pradesh during the *kharif* season.

Plant Protection measures

During 1972-73, gross area of 50 million hectares is likely to be covered by Plant Protection measures. Aerial spraying was extended to about 8 lakh hectares as against 4 lakh hectares in 1971-72. Under the Centrally sponsored scheme for eradicating pests on crops in endemic areas, about 5 lakh hectares were treated in 1972-73. Herbicidal demonstrations in respect of biological control of pests in various crops have also been started on a pilot basis in different States. The Ministry conducted sixteen *ad hoc* surveys on rice pests in the six major affected States of Punjab, U. P., Bihar, West Bengal, Orissa and Madhya Pradesh and the results were transmitted to the concerned State agencies for appropriate steps.

Farm Machinery

With a view to meeting the rising demand for agricultural machinery and implements, it was decided in 1969-70 to import 35,000 tractors. As against this, 32,150 tractors have been imported by the end of November 1972. It has also been decided to import 225 combine harvestors from GDR, USSR and West Germany during the year.

The Agro-Industries Corporations in various States have diversified their operations during the year. Apart from the distribution of tractors, power tillers, pumpsets, etc., on cash and hire-purchase basis, they have taken up new projects like establishment of Agricultural Machinery Hiring Centres, Agro-Service Centres, manufacturing plants for agricultural machinery and implements, manufacture of power tillers, setting up of cold storage and fertilizer plants, and fruit processing units, fisheries development and land levelling operations.

Farm Credit

During the year, further progress was recorded in respect of institutional finance for agricultural development. Though co-operatives continued to be the main source of agricultural credit, commercial banks also made some progress in lending to agriculture and introduced new schemes of concessional finance for weaker sections. Other institutions like the Agricultural Refinance Corporation (ARC), the Agricultural Finance Corporation (AFC) and the Agro-Industries Corporations (AICs) also continued to provide credit for financing agriculture. The details of institutional finance for agriculture are discussed in Chapter IV.

Special Programmes for Weaker Sections in Rural Areas

During 1972-73, significant progress was achieved under special programmes formulated for spreading the benefits of new technology in agriculture to small farmers, to marginal farmers and agricultural labourers and to cultivators in dry, drought-prone, and tribal areas.

SFDA and MFAL Projects

The 46 Small Farmers Development Agency (SFDA) projects were originally set up in selected districts to help the small farmers, with holdings ranging from 1 to 3 hectares each, to bring their holdings to viable levels, but during 1972-73, their coverage was extended on the basis of experience, to marginal farmers also. Besides helping the

concerned farmers obtain institutional credit through co-operatives and commercial banks, these agencies provide additional irrigation facilities to participants through sinking of dugwells or tubewells, installation of pumpsets and other minor irrigation works, etc., give training to rural artisans and create such subsidiary occupations as poultry and dairy farming. Similar facilities are provided by the 41 Marginal Farmers and Agricultural Labourer (MFAL) projects also, but these are more employment-oriented, placing emphasis on off-season employment through rural works and subsidiary occupations.

As could be seen from Table III·8, both the sets of projects have achieved considerable progress in 1972-73 in terms of farmers and labourers identified, of Government funds received and spent, of institutional finance supplied, and more importantly, of physical achievements effected.

Table III·8—SFDA and MFAL Programmes

	Progress under			
	SFDA		MFAL	
	Up to end June 72	Up to end June 73	Up to end June 72	Up to end June 73
1	2	3	4	5
1. Number of Projects	46	46	41	41
2. Number of farmers and labourers identified (in lakhs) ..	16·84	26·12	7·88	11·23
Of which, brought under the membership of co-operative fold (in lakhs)	8·18	11·97	1·94	3·85
3. Finance released to the agencies (Rs. crores)	12·36	20·86	7·38	14·45
Of which, actual utilisation (Rs. crores)	6.59	16·90	2·92	10.57
4. Production loans (short-term) issued (Rs. lakhs)				
(i) By co-operatives during the year* (July-June) ..	1222.68	2283.79	91.77	324·38
(ii) Advances by commercial banks (April 1972-March 1973)	@	123.38	@	35.92
5. Investment loans issued : (Rs. lakhs)				
(i) By co-operatives	1485.65	3372·83	103.96	597.32
(ii) Advances by commercial banks..	37.46	303·02	27.64	233·31
(iii) Total	1523·11	3675·85	131·60	830·63
6. Physical Results				
Number of tube-wells/dug-wells constructed	34,146	79,074	2,573	10,914
(ii) Number of pumpsets installed	8,081	19,085	1,279	4,335
(iii) Units set up				
a) Milch cattle	11,047	27,879	5,776	16,794
b) Poultry	2113	3,633	2,583	2,780
(iv) Rural artisans trained**	600	2,674	463	1,968
(v) Labourers employed under Rural Works**	8,476	58,448	12,756	98,297

* Up to June 1971, co-operatives had issued production loans of Rs. 328.62 lakhs and Rs. 0.18 lakh (approximatly, for SFDA and MFAL programmes, respectively.

@ Prior to April 1972, no loans were reported as having been issued by commercial banks in the SFDA/MFAL areas.

** Represent beneficiaries under respective schemes.

Source : Ministry of Agriculture.

In addition, the Central Budget for 1971-72 had, as stated in the last year's Report (p. 25), made provision for a crash programme for rural employment for generating additional employment for about 1000 persons in each district in the country. An estimated 82 million man-days of employment was generated during that year under the scheme. The scheme was continued in 1972-73 with a provision of Rs. 72 crores (inclusive of programmes for dry farming development and rural works in drought-prone areas). An amount of Rs. 53·01 crores was spent in the year on the crash employment programme which created 131·1 million man-days of employment.

Schemes for Dry Land and Drought-Prone Areas

In the programme for the 54 chronically drought affected districts selected in 13 States, an area of 1·4 lakh hectares had been provided with irrigation, 1·5 lakh hectares treated with soil conservation measures and 46,000 hectares covered under afforestation till September 1972. In addition, 1,563 kilometres of roads were either newly constructed or upgraded. The programme has generated a total employment of 70 million man-days so far. The programme is now included in the Central Sector Plan with an outlay of Rs. 70 crores for the two years 1972-73 and 1973-74 and has been reoriented towards a long-term strategy for overall development of the selected districts with a view to reducing the severity of recurring drought.

Under the Centrally sponsored scheme for dry land agriculture, various crop varieties suitable for cultivation in *kharif* and *rabi* seasons under moisture stress have been identified at 24 selected research centres.

Tribal Developmental Projects

The six tribal development projects located in the districts of Srikakulam (Andhra Pradesh), Singhbhum in Bihar, Baster (Konta and Dantewads tehsils of Madhya Pradesh) and Ganjam and Koraput (Orissa), which were taken up for implementation in 1971-72, continued to show progress during 1972-73. These projects envisage a comprehensive programme to bring the tribal people in the country within the mainstream of national life and development. Of the 30,000 tribal participants identified during the year, 10,600 have participated in the *kharif* farming and horticultural programme. Besides, 7,485 hectares were brought under improved methods of agriculture, about 600 hectares were reclaimed to settle 500 tribal families and irrigation facilities were provided to an area of 345 hectares.

Other Development Schemes

Among other development schemes, 155 new Agro-Service Centres were set up in 1972-73 in addition to the 95 centres set up earlier. Till March 1973, 732 entrepreneurs had been trained at these centres and 327 were under training.

National Commission on Agriculture

As reported in the last year's Report (page 25), the National Commission on Agriculture, set up in October 1970, had submitted in 1971-72 six *interim* reports covering different aspects of agricultural problems facing the country. During 1972-73, the Commission submitted eight more reports. These covered the following topics :

(*a*) Modernizing Irrigation Systems and Integrated Development of Command Areas ;
(*b*) Organisational Aspects of All-India Co-ordinated Research Projects ;
(*c*) The Organisation and Functions of the Commodity Development Councils and Directorates ;
(*d*) Whole Village Development Programme ;
(*e*) Soil Survey and Soil Map of India ;
(*f*) Potato Seeds ;
(*g*) House Sites for Landless Agricultural Labourers ; and
(*h*) Production Forestry—Man-made Forests.

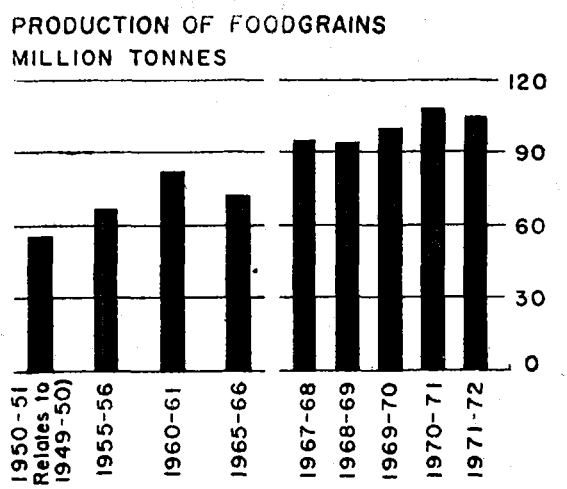
Commodity-wise Review of Developments During 1972-73

Foodgrains

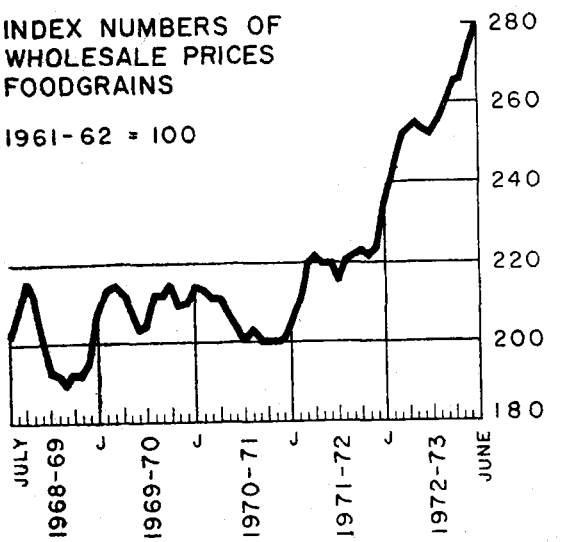
The recent trends in foodgrains output were indicated in Table III·1 (on foodgrains availability). These data broadly show the gradual increase in the output of foodgrains. However, the crop year 1964-65

marks a water-shed in Indian agriculture in as much as the now well-known green revolution in agriculture represented by the introduction of high-yielding varieties of seeds, etc., was initiated in the *rabi* season of 1965-66. The area covered by such seeds as also the other aspects of the New Agricultural Technology have been briefly discussed in the earlier paragraphs. While it is reasonable to expect year-to-year variations in output due to uncertainties of monsoons, it would be interesting to know broadly the long-term trends in output brought about by the major technological change referred to above.

Graph 1



Graph 2



The annual compound rates of growth in the production of major food crops are shown in Table III .9. The comparison of the growth rates during 1964-65 to 1971-72 with those for the earlier period clearly brings out an important fact that the growth rate in output of all the major crops has accelerated since 1964-65. The rate of growth in the output of wheat, in particular, is spectacular while that in rice and total foodgrains is significant. It is also important to note that generally the acceleration in the growth rate of output was brought about more by the increase in the growth rate in productivity than that in area, although in the case of wheat the latter was also quite significant. Broadly, the New Agricultural Technology has introduced in the foodgrains sector elements of growth which are of more enduring nature.

Rice

The All-India First Estimate for 1972-73 places the area under rice at 32·2 million hectares, registering a decline of 1·3 per cent over the corresponding adjusted estimate of 1971-72.(3) Due mainly to the adverse impact of drought on the standing crops, production of rice, which had risen continuously for five years from 37·6 million tonnes in 1967-68 to 42·7 million tonnes in 1971-72, is estimated to decline to about 40·0 million tonnes in 1972-73 (Table III·10).

With reduced output, there was shrinkage in the open market availability. This resulted in higher offtake of rice from the public distribution system by 0·9 million tonnes (at 3·7 million tonnes) in 1971-72 (October-September) (Table III·10). During October 1972 to March 1973, offtake from public distribution aggregated 1·7 million tonnes as against 1·8 million tonnes during the corresponding period of 1971-72. Total rice stocks with Central and State Governments were 1·4 million tonnes at end-May 1973. Imports of rice during 1971-72 from the Arab Republic of Egypt (ARE), Burma and Thailand amounted to 1·8 lakh tonnes as against 3·1 lakh tonnes in 1970-71. Exports of superior *Basmati* rice through State Trading Corporation were of the order of 14,300 tonnes in 1972 as against 13,000 tonnes in 1971.

(3) For 1971-72 acreage data, see Statement 8 in the Statistical Statements Section of this Report.

Table III·10—Basic Data Relating To Major Foodgrains

(October-September)

(Million Tonnes)

Year	Production*			Procurement			Imports			Public Distribution		Year-End Stocks		
	Rice	Wheat	Coarse grains	Rice	Wheat	Coarse grains	Rice	Wheat	Coarse grains	Rice	Wheat	Rice	Wheat	Other cereals
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1968-69	39·76	18·65	25·19	3·52	2·45	0·47	0·60	3·05	0·29	N.A.	N.A.	1·27	2·96	0·24
1969-70	40·43	20·09	27·29	2·95	3·20	0·34	0·20	2·85	—	N.A.	N.A.	1·24	3·28	0·07
1970-71	42·23	23·83	30·54	3·30	5·09	0·40	0·31	2·06	—	2·89	4·39	1·73	5·58	0·39
1971-72	42·74	26·47	24·39	3·34	5·04	0·26	0·18	1·06	—	3·74	6·71	1·42	3·79	0·20
1972-73	40·00@	26·50@	N.A.	2·59£	4·35£	0·29£	—	1·01£	0·48£	1·74‡	3·57‡	1·43‡‡	2·45‡‡	0·13‡‡

* Final Estimates. @ Press Reports. £ Till end-July 1973. ‡ Up to March 1973. ‡‡ End-May 1973.

Sources : Estimates of Area and Production of Principal Crops in India, 1971-72. Bulletin on Food Statistics. Food Corporation of India.

Table III·9—All-India Compound Rates of Growth of Area, Productivity and Production of Selected Crops

(Per cent per annum)

Crop	1952-53 to 1964-65@			1964-65 to 1971-72		
	Area	Productivity	Production	Area	Productivity	Production
1	2	3	4	5	6	7
Rice	1·5	1·7	3·2	1·2	4·2	5·4
Wheat	2·3	1·0	3·3	7·1	9·2	16·3
Pulses	1·2	—	1·2	−0·5	3·5	3·0
Foodgrains	1·0	1·5	2·5	1·3	5·1	6·4

@ Except for pulses, data have been collected from 'Indian Agriculture in Brief, Ninth Edition'.

The reduction in Government stock of rice was due to lower procurement and higher offtake. During the 1971-72 marketing season (November-October), the rice procurement had reached 3·1 million tonnes, whereas in the 1972-73 season, it totalled only 2·6 million tonnes against a target of 4·0 million tonnes (Table III·11). Statewise, interestingly, about 40 per cent of the rice procurement in 1972-73 was contributed by the States of Punjab and Haryana (Table III·12). Among the important rice producing States, the performance in procurement in relation to the target was the poorest in Tamil Nadu.

Table III· 11—Procurement of Major Foodgrains—Targets and Actuals

(Million Tonnes)

	1969-70		1970-71		1971-72		1972-73	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement@
1	2	3	4	5	6	7	8	9
Kharif								
(November-October) ..	4·5	2·9	4·7	3·2	4·3	3·1	4·0	2·6
Paddy/Rice								
Coarse Cereals ..	1·0	0·3	0·8	0·5	0·5	0·2	0·6	0·3
Rabi								
(April-March) ..	3·7	3·2	4·0	5·1	6·5*	5·0	6·0*	4·3
Wheat								
Coarse Cereals ..	—	0·01	—	0·01	—	0·07	—	0·01

* Indicative Target.
@ Till end-July 1973.
Sources : Bulletin on Food Statistics and Department of Food, Ministry of Agriculture.

Table III.12—Procurement of Rice
(November-October)*

(Thousand tonnes)

State	1968-69 (Achievement)	1969-70 (Achievement)	1970-71 (Achievement)	1971-72 (Achievement)	1972-73 (Targets)	1972-73 (Achievement)@
1	2	3	4	5	6	7
Andhra Pradesh	377	169	466	267	350	298
Assam	192	91	83	87	100	78
Bihar	67	33	30	29	30	56
Gujarat	16	20	—	—	30	6
Haryana	163	238	252	316	350	276
Jammu & Kashmir	37	35	30	41	80	25
Kerala	96	81	71	61	100	38
Madhya Pradesh	318	347	571	428	600	243
Maharashtra	193	189	234	182	200	66
Mysore	66	72	16	42	100	50
Orissa	287	300	257	169	300	180
Punjab	270	376	525	771	900	761
Tamil Nadu	687	353	118	161	250	100
Uttar Pradesh	200	213	259	296	300	217
West Bengal	440	411	266	254	300	167
Others	24	15	16	12	10	9
Total	**3433**	**2943**	**3194**	**3116**	**4000**	**2570**

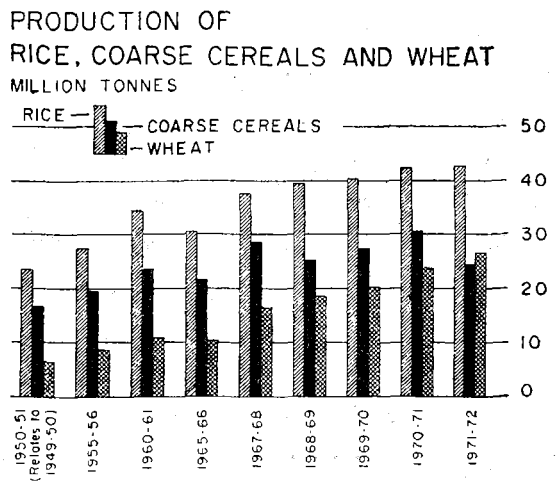
* Except in the case of Punjab, Haryana and Tamil Nadu where it is October-September.
@ Till end-July 1973.
Sources : Bulletin on Food Statistics and Department of Food, Ministry of Agriculture.

The decline in procurement took place despite some tightening of the procurement systems, as stated earlier. There was also some increase in the procurement prices for the 1972-73 marketing season, announced in September 1972 in respect of paddy and rice. For standard varieties of paddy, the price was raised by Rs. 2 per quintal in States where the prevailing procurement price was Rs. 54 per quintal or below and by Re. 1 where it was Rs. 55 per quintal. Corresponding changes were also made in the procurement prices for rice ranging between Rs. 83·00 and Rs. 95·25 per quintal. During 1972-73, however, minimum support prices for *kharif* cereals were not announced in view of Government's policy of purchasing all quantities of foodgrains offered for sale at procurement prices.

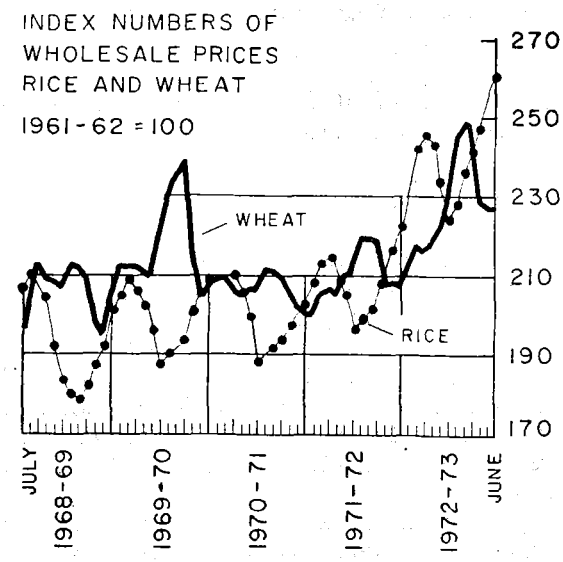
For the 1973-74 *kharif* marketing season, the Agricultural Prices Commission (APC) recommended substantially higher and uniform procurement price of Rs. 63 per quintal for standard variety of paddy throughout the country (Table III·14). In view of the proposed take-over of the wholesale trade in rice from the 1973-74 *kharif* season, the Commission did not recommend any procurement target. At the Chief

Ministers' Conference held at New Delhi on June 14, 1973 to consider the recommendations of the Commission, it was decided that even the higher prices recommended by the APC should be treated as minimum support prices and not as procurement prices which the Government would announce at the harvest time.

Graph 3



Graph 4



Wheat

The earlier expectations of a sizeable increase in wheat production during 1972-73 in the wake of beneficial winter rains and the E.A.P.P., were belied; according to latest reports, wheat output is likely to be of the same order as in the previous season (26·5 million tonnes).

The procurement in the 1973-74 marketing season (i. e., from 1972-73 crop) till end-July 1973 totalled only 4·3 million tonnes as against 5·1 million tonnes and 5·0 million tonnes achieved in the 1971-72 and 1972-73 marketing seasons, respectively. Because of the State takeover of wholesale trade, no definite procurement target was fixed for 1973-74 season. Instead, an indicative target of 8·1 million tonnes was originally envisaged; it was subsequently scaled down to 6 million tonnes following the slow pace of procurement. In the actual procurement, Punjab continued to contribute the bulk, *i.e.*, 59·8 per cent to the total procured in the 1973-74 marketing season compared with 63·5 per cent in the 1972-73 marketing season and 57·6 per cent in the 1971-72 season (Table III. 13).

With a view to providing incentive to those States which help the procurement drive, Government announced on June 14, 1973 a graded scheme of *bonus* to State Governments procuring more than 25 per cent of their respective original targets fixed for the 1972-73 *rabi* crop. The *bonus* will be Rs. 10 per quintal if the target is exceeded, Rs. 7 per quintal if the achievement is between 75 per cent and 100 per cent, Rs. 5 per quintal for 50 to 75 per cent, and Rs. 4 per quintal for 25 to 50 per cent. The *bonus* will be paid on the basis of the procurement as on July 15, 1973 (since extended to September 30, 1973). While the *bonus* so earned should not be added to the normal State revenues, the States are free to pass on the benefit to farmers in any manner they like. Again, the bulk of the benefits of the *bonus* scheme will go to Punjab which alone has crossed the 75 per cent mark; its *bonus* would amount to over Rs. 18 crores. The whole scheme is estimated to cost the Government about Rs. 25 crores.

Earlier, before the start of *rabi* sowings in mid-October 1972, Government had announced the procurement prices of wheat on the basis of APC recommendations and at which it was prepared to purchase any quantities offered—at the previous season's level of Rs. 76 per quintal for all varieties except the indigenous red variety for which the prices varied between Rs. 71 and Rs. 74 per quintal. Issue prices of wheat were also continued at the previous season's level of Rs. 78 per quintal.

Table III.13—Procurement of Wheat

(April-March)

(Thousand Tonnes)

State	1969-70	1970-71	1971-72	1972-73	1973-74	
					Target	Achievement@
1	2	3	4	5	6	7
Bihar	10	Neg.	13	2	600	50
Haryana	271	482	709	818	1300	568
Madhya Pradesh	21	8	50	65	400	191
Punjab	1874	2368	2938	3179	3300	2598
Rajasthan	5	1	154	46	300	146
Uttar Pradesh	199	322	1144	843	1800	762
Others	7	11	92	53	418	31
Total	**2387**	**3192**	**5100**	**5006**	**8118**	**4346**

@ As on August 3, 1973.

Sources: Bulletin on Food Statistics and Department of Food, Ministry of Agriculture.

In the wake of scarcity of foodgrains in general and of coarse grains in particular, the pressure on the wheat stock with Government was considerable. Wheat offtake from the public distribution system totalled 6·7 million tonnes during 1971-72 (October-September) as against 4·4 million tonnes during 1970-71. During October 1972-March 1973, the offtake was 3·6 million tonnes as against 3·1 million tonnes in the corresponding period of 1971-72.

However, to supplement the dwindling stocks as a result of larger releases to the drought affected areas, it was decided towards the latter part of 1972, to import 1·5 million tonnes of wheat from Argentina, Canada and the U.S.A. During 1972-73, (October-September), 1·01 million tonnes of wheat had arrived till end July 1973(4). Imports of wheat during 1971-72 (October-September) were 1·06 million tonnes.

(4) By end-September 1973, all the 1.5 million tonnes of wheat are reported to have arrived.

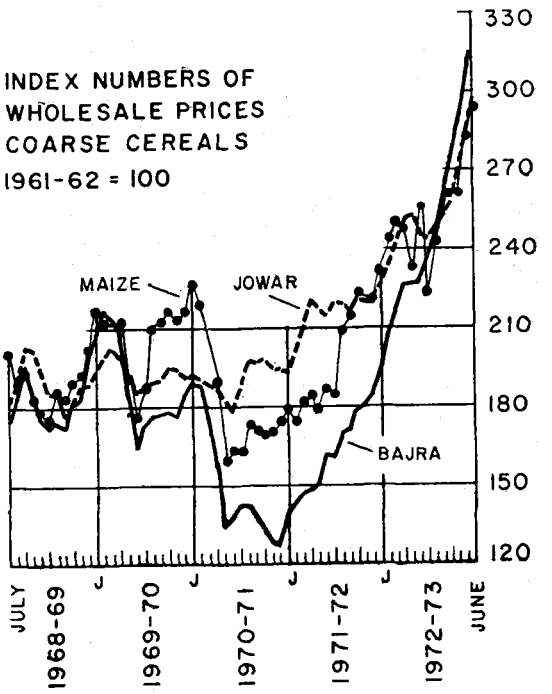
Coarse Cereals

According to the All-India First Estimate, area under coarse cereals during 1972-73, registered declines ranging from 2·4 per cent to 9·0 per cent in respect of barley, maize, *ragi* and small millets, whereas in the case of bajra and jowar (*kharif*) it showed nominal increases of 3·3 per cent and 0·2 per cent, respectively. While no official estimate is available, production of these coarse grains together, which had declined rather steeply from 30·5 million tonnes in 1970-71 to 24·4 million tonnes in 1971-72, is expected to have registered a further decline during 1972-73.

Despite lower output for the second successive year, the coarse grains procurement in the 1972-73 *kharif* season at 2·7 lakh tonnes till end-July 1973 was larger than that achieved in the corresponding period of 1971-72 season

(1·8 lakh tonnes). True, in both the years, the achievements were considerably lower than the target set—5 lakh tonnes in 1971-72 and 6 lakh tonnes in 1972-73. Procurement of *rabi* coarse cereals by FCI during 1973-74 (April-March) marketing season totalled only 12,000 tonnes till end-July 1973.

Graph 5



This higher procurement in the 1972-73 season occurred in the wake of an increase in the procurement prices of coarse grains ; the increase was Rs. 5 per quintal in respect of bajra, Rs. 3 per quintal in respect of jowar and maize, and Rs. 2 per quintal for *ragi*. Procurement prices were also fixed for small millets for the first time to protect the interest of small producers in tribal areas.

For 1973-74, the APC recommended, as in respect of rice, a substantial increase in the procurement prices of maize, jowar, bajra and *ragi* (vide Table III.14). Again, as in the case of rice, Government have treated these prices as minimum support prices with an assurance that the actual procurement prices would be announced prior to the commencement of the marketing season.

Distribution of coarse grains through public distribution system increased from 1·5 lakh tonnes in 1970-71 (October-September) to 2·3 lakh tonnes in 1971-72. It was 2·7 lakh tonnes during October-March 1972-73 as against 0·6 lakh tonnes in October-March 1971-72. Total stocks of coarse grains with the Central and State Governments declined from 3·5 lakh tonnes as at the end of June 1972 to 1·3 lakh tonnes at the end of May 1973.

Table III.14—Minimum Support/Procurement Prices

(Rs. per quintal)

Commodity		1971-72		1972-73 Procurement Prices	1973-74 Minimum Support Prices
		Minimum Support Prices	Procurement Prices		
1		2	3	4	5
Paddy	Standard Variety ..	46·00	47·00-58·00	49·00-58·00	63·00
Rice	Standard Variety ..		74·30-99·00	83·00-95·25	N.A.
Wheat	..		76·00	76·00	
Jowar	..			58·00	63·00
Bajra		45·00	55·00	60·00	65·00
Maize				58·00	63·00
Ragi				57·00	62·00

Source : Department of Food, Ministry of Agriculture.

Pulses

According to All-India First Estimate for 1972-73 area under tur registered an increase of 6·4 per cent, while that of other *kharif* pulses declined by 0·5 per cent ; area under gram and other *rabi* pulses also showed declines of 1·7 per cent and of 1·2 per cent, respectively. Alongwith coarse grains, pulses output, too, had declined from 11·8 million tonnes in 1970-71 to 11·1 million tonnes in 1971-72 ; it is again expected to decline during 1972-73.

NON-FOODGRAINS

As regards commercial crops, the production of drought-hit *kharif* crops, *viz.*, cotton, jute, oilseeds and tobacco, declined in 1972-73, while the output of other crops like sugarcane, tea and coffee recorded increases. Improvement in sugarcane output was possibly the result of better price and consequential shift in acreage in its favour ; tea output increased almost entirely due to favourable weather conditions in Northern India ; and coffee benefited from some intensive cultivation schemes.

While decline in cotton output is expected to be marginal, that in jute and oilseeds to be sizeable, being around 14-20 per cent over the previous year. Among major oilseeds, groundnut would show the largest decline of 37 per cent over the 1971-72 level. While improvements in the output of tea and sugarcane are marginal, that in coffee was sizeable, over 30 per cent. Trends in availability and stocks of major cash crops for the past few years are presented in Table III·15.

Cotton

The All-India Fourth Estimate for 1972-73 places the area under cotton at 76·2 lakh hectares compared with the corresponding estimate of 76·6 lakh hectares and the final estimate of 77·8 lakh hectares for the previous season. Official estimates place the cotton production during 1972-73 at 62·0 lakh bales as against the final estimate of 65·3 lakh bales in 1971-72 ; the corresponding trade estimates are 65·5 lakh bales and 76·5 lakh bales, respectively. The fall in production was mainly due to wide-spread drought conditions in major cotton growing States ; their impact would have been severe but for the effective implementation of the Intensive Cotton District Programme and other cotton development schemes, which is reflected in improved output, despite drought, in States like Andhra Pradesh, Maharashtra, Madhya Pradesh and Rajasthan (Table III·16).

Table III·16—Cotton Production—State-wise during 1968-69 to 1972-73

(Lakh Bales)

State	1968-69	1969-70	1970-71	1971-72	1972-73@
1	2	3	4	5	6
1. Andhra Pradesh	1·0	1·0	0·8	1·6	3.0
2. Gujarat	14·2	15·5	15·7	22·8	18·2
3. Haryana	3·4	3·4	3·5	4·4	—@@
4. Madhya Pradesh	3·4	3·3	2·1	3·5	5·6
5. Maharashtra	13·6	12·1	4·8	9·2	11·4
6. Mysore	3·6	3·4	3·4	5·7	5·1
7. Punjab	7·4	8·0	8·2	9·7	12·3
8. Rajasthan	1·7	1·2	2·3	3·9	4·2
9. Tamil Nadu	2·6	4·0	3·4	3·9	3·1
10. Others	0·5	0·6	0·8	0·6	2.6
Total	**51·4**	**52·5**	**45·0**	**65·3**	**65·5**

@ Trade Estimates. Official estimates place the total production at 62·0 lakh bales; however, State-wise break-up is not yet available.
@@ Included under Punjab.
Sources : Estimates of Area and Production of Principal crops in India, Directorate of Economics & Statistics, Ministry of Agriculture, Government of India.

Table III·15—Trends in Availability of Major Cash Crops

Commodity year as indicated	Cotton (September-August)							Jute and Mesta (July-June)						
	Production ('000 bales of 180 Kgs. each)	Yield per hectare (Kgs.)	Imports ('000 bales of 180 Kgs. each)	Exports	Consumption(2)	Stocks (3)	Availability	Production ('000 bales of 180 Kgs. each)	Yield per hectare (Kgs.)	Imports ('000 bales of 180 Kgs. each)	Exports	Consumption(8)	Stocks (3)	Availability
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1950-51	2875	88	800	178	3648	1518	N.A.	3309	1043	2598	—	5851	1021	N.A.
1955-56	3949	88	603	603	4978	1593	N.A.	5394	1039	1482	—	6916	1471	N.A.
1960-61	5293	125	1100	297	5644	2236	N.A.	5263	1049	416	—	6451	869	7342
1965-66	4582	104	526	182	6157	1956	N.A.	5778	937	1209	100	7861	1169	9003
1968-69	5144(4)	122	427	170	6560	1710	7362	3837	856	609	54	6050	800	6446
1969-70	5255(4)	122	911	207	6731	1720	7876	6785	1121	—	84	6400	1400	7585
1970-71	4499(5)	106	845	191	6318	1820	7064	6193	1032	—	48	6549	1650	7593
1971-72	6526(5)	151	745	227	6758	2349	9091	6811(4)	1104	—	285	7581	1650	8461
1972-73	6200(10)	146	458	256(1)	6619(1)	2132	9007	6149(5)	1131	374(7)	59(6)	7122	767(9)	8175

(1) Trade estimates.
(2) Consumption by mills and extra-factory cousumption.
(3) Stocks with mills and other stockists.
(4) Partially revised.
(5) Final Estimates.
(6) Up to March 1973.
(7) Contracted.
(8) Includes village consumption.
(9) End-June 1973.
(10) Tentative official estimate.

The 1972-73 (September-August) cotton season commenced with a comfortable carry-over of stocks at 23·5 lakh bales as against 18·2 lakh bales in the beginning of the preceding season. Thus, the overall availability of cotton during the 1972-73 season is estimated to be somewhat lower than in the last season. Mill consumption during 1972-73 is estimated at 62·2 lakh bales as compared with last season's estimate of 63·6 lakh bales. Taking into account extra-factory consumption at 4·0 lakh bales and exports at 2·6 lakh bales, total offtake would be of the order of 68·8 lakh bales, leaving a carry-over stock of 21·3 lakh bales *i.e.* 2·2 lakh bales lower than that at the beginning of the season.

In its export policy for 1972-73 announced on July 4, 1972, Government removed the ceiling and quota restrictions in respect of Bengal Deshi and other permissible varieties of cotton. Bengal Deshi registered for exports aggregated 2·6 lakh bales in the 1972-73 season as against 2·2 lakh bales in the 1971-72 season.

The Cotton Corporation of India (C.C.I.) purchased during 1972-73 season 3·9 lakh bales of cotton valued at about Rs. 45 crores mainly from Punjab, Haryana and Rajasthan. Of these, it sold 2·6 lakh bales. At the end of the season the Corporation had an unsold stock of 1·3 lakh bales of current crop together with 0·3 lakh bales of the 1971-72 crop. The aggregate stock holding of the Corporation thus totalled 1·6 lakh bales as at the end of 1972-73 season.

The Maharashtra Government's Monopoly Procurement Scheme, envisaging monopoly procurement, processing and marketing of raw cotton in the State to ensure a guaranteed price to growers, was launched in August 1972. The Maharashtra State Co-operative Marketing Federation (MSCMF) acts as State Government's agent. The MSCMF procured *kapas* equivalent to 11·5 lakh bales of cotton of which 8·3 lakh bales have been sold during 1972-73 season, leaving an unsold stock of 3·2 lakh bales.

In its cotton policy for 1972-73 season, announced on December 22, 1972, Government fixed minimum support price for the standard variety of *kapas viz.*, Punjab American 320F, at Rs. 142 per quintal. Derivative prices for 29 varieties of *kapas* and cotton lint were announced on January 24, 1973. The support prices for raw cotton ranged between Rs. 122 and Rs. 230 per quintal and that for cotton lint varied between Rs. 235 and Rs. 618 per quintal. Government also undertook to indemnify the C.C.I. to the extent of 75 per cent of losses which may be incurred by way of disposal of cotton at fixed prices. Marketing and pricing of cotton was to be regulated through the mechanism of credit and stock control and non-transferable specific delivery contracts, transferable specific delivery contracts being confined to exportable varieties of cotton only.

With a view to raising the level of yield per hectare through intensive cultivation (package programmes), various Central and State schemes were expanded (Table III·17). Yet the progress achieved under these schemes was rather uneven. The most important of these schemes, *viz.*, the Centrally Sponsored Intensive Cotton District Programme (ICDP), which was initiated in 1971-72 in 13 major cotton growing districts of 9 States, made considerable headway in 1972-73 over the previous year with regard to different facets of the programme, *viz.*, application of fertilizers, improved seeds and plant protection measures. Under package programmes, the area covered under improved seeds was maintained at the 1971-72 level, while that under fertilizers and plant protection measures showed a decline.

Recognising the importance of the new high yielding varieties of cotton, particularly Hybrid-4, in augmenting cotton production, steps were taken to expand the area under this variety. In 1972-73, Government sanctioned a Centrally sponsored scheme for the production of Hybrid-4 seed in the States of Gujarat, Maharashtra, Mysore and Madhya Pradesh. Besides, the States' cotton seed multiplication programme was strengthened by providing financial assistance to them to meet a part of incidental expenditure on procurement and distribution of larger quantity of pure seed to the farmers at reasonable rates. Further, under the Co-ordinated Cotton Development Scheme, operated by

various States to multiply the improved varieties of seeds, 41·9 lakh hectares were covered under improved seeds, 14·5 lakh hectares under fertilizers and 26·7 lakh hectares under plant protection measures during the year.

Table III·17—Area Covered under Intensive Cotton District Programme and Package Programme

(Thousand Hectares)

		Area targeted	Achievement		
			Area under improved seeds	Area under fertilizers	Area under plant protection measures (Gross)
1		2	3	4	5
I. Area under Intensive Cotton District Programme					
(a) Irrigated Area					
	1971-72	380	141	350	1510
	1972-73	520	301	377	1740
(b) Rainfed Area					
	1971-72	140	63	50	132
	1972-73	140	128	109	249
(c) Total					
	1971-72	520	204	400	1642
	1972-73	660	429	486	1989
II. Area under Package Programme					
(a) State Schemes					
	1971-72	321	311	264	553
	1972-73	330	292	239	469
(b) Central Schemes					
	1971-72	372	330	288	550
	1972-73	393	350	288	249
(c) Total					
	1971-72	693	641	552	1103
	1972-73	723	642	527	718

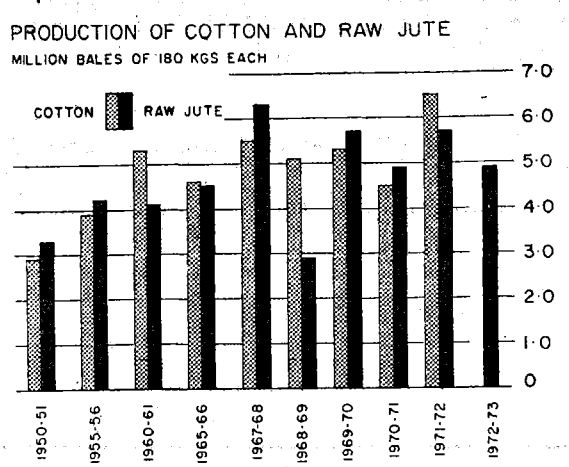
Source : Directorate of Cotton Development.

An important development during the year was the launching by the General Insurance Corporation (GIC) in collaboration with the Gujarat State Fertilizers Company (GSFC), on an experimental basis, of a scheme of crop insurance specially designed to meet the needs of cotton growers of Hybrid-4 variety in Baroda and Surat districts of Gujarat. The sum insured is Rs. 1,750 per acre, being the estimated cost of all inputs including seeds, pesticides, weedicides, fertilizers, farm manure, labour, water, cost of spraying and technical services. The GSFC has made arrangements with the Bank of Baroda to advance loans, if necessary, to farmers covered by the crop insurance scheme upto Rs. 1,785 per acre (Rs. 1,750 towards cost of inputs, Rs. 17·50 yield assessment fee and Rs. 17·50 crop insurance premium being fixed at 1 per cent per annum). Under the scheme, a minimum yield of 700 kgs. of *kapas* per acre is guaranteed. If the assessed yield falls short of this minimum, GIC will pay the insurer Rs. 2·50 per each kg. of short-fall. The Surat Divisional Office of the GIC has so far issued 400 policies covering about 1000 acres. Another scheme in collaboration with the Fertilizers and Chemicals, Travancore, Ltd. (FACT) for insurance of MCU-5 cotton in selected areas of Coimbatore district of Tamil Nadu is under consideration.

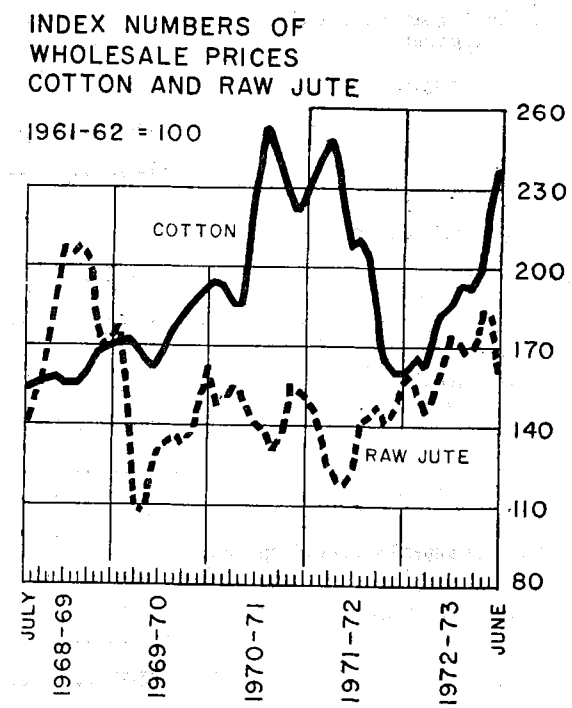
Jute and Mesta

According to All-India Final Estimate, production of raw jute during 1972-73 is placed at 48·7 lakh bales as against 56·8 lakh bales in the previous year. The fall in production is due to a decline in area under cultivation (mainly in West Bengal) owing to severe drought that prevailed in almost all jute growing States except Assam. Output of mesta in 1972-73 is, however, estimated marginally higher at 12·8 lakh bales as compared with 11·3 lakh bales in 1971-72. The aggregate production of raw jute and mesta at 61·5 lakh bales in 1972-73 is thus lower by 9·7 per cent over the previous year's level of 68·1 lakh bales and is also substantially lower by 24·1 per cent over the target of 81 lakh bales (65 lakh bales of jute and 16 lakh bales of mesta) fixed for the year.

Graph 6



Graph 7



With the opening stock of 16·5 lakh bales and an output of 61·5 lakh bales, the total domestic availability of jute and mesta in 1972-73 is estimated at 78·0 lakh bales (Table III·15). About 3·7 lakh bales of raw jute are reported to have been contracted for import from Bangladesh. Total consumption (including village consumption of 2 lakh bales) during 1972-73 is estimated at 71·2 lakh bales *i.e.* 4·6 lakh bales lower than that in 1971-72

(75·8 lakh bales). About 1·5 lakh bales of fibre have been earmarked for exports, against which shipping bills for 0·6 lakh bales of raw jute were passed by the Jute Commissioner up to the end of March 1973.

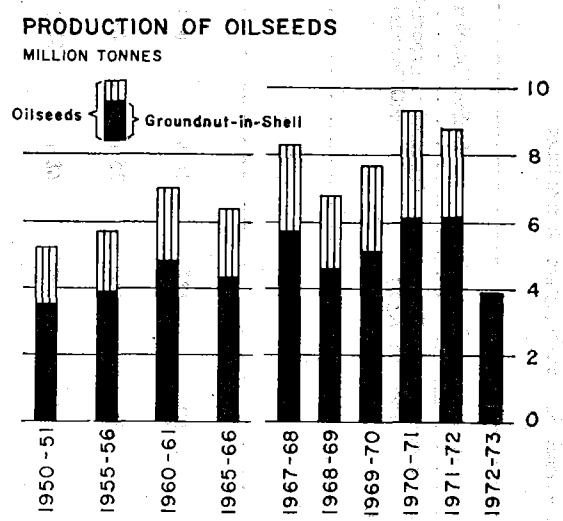
Government fixed the minimum support price of raw jute (basis Assam Bottoms delivered at Calcutta) for 1972-73 season marginally higher at Rs. 115·00 per quintal as compared with Rs. 113·87 for the previous year, and also made it statutory for the first time with a view to ensuring some minimum price for the growers. As against the Jute Corporation's plan of purchasing 9 lakh bales of raw jute during the 1972-73 season, its actual purchases were only 0·9 lakh bales as the market prices were ruling much above the minimum support price.

The efforts aimed at increasing production of raw jute and improving quality were further intensified during the year. Area covered under the Centrally sponsored schemes of Intensive Jute District Programme and Special Package Programme for jute and mesta, rose from 108,900 hectares (90,900 hectares under jute and 18,000 hectares under mesta) in 1971-72 to about 203,494 hectares (176,156 hectares under jute and 27,338 hectares under mesta) in 1972-73. Of the total area, about 118,821 hectares were covered by improved seeds, about 38,000 hectares brought under linesowing, about 176,815 hectares under foliar spraying of urea and 24,700 hectares under aerial spraying of urea, while 97,229 hectares received nitrogenous fertilizers through soil.

Oilseeds

Official estimate of the production of oilseeds for 1972-73 season is not yet available except for groundnut. On the basis of trade estimates, production of five major oilseeds, *viz.*, groundnut, rapeseed/mustard, sesamum, castorseed and linseed, which had declined by 5·5 per cent to 87·5 lakh tonnes in 1971-72, is expected to slip down to about 70 lakh tonnes during 1972-73 (Table III·18), moving further away from the target of 97 lakh tonnes fixed for the year. The decline in oilseeds production during 1972-73 was almost entirely due to a shortfall in the production of groundnut (nuts-in-shell) from 61·8 lakh tonnes in 1971-72 to 39·2 lakh tonnes—the lowest on record since 1955-56—following widespread drought in major groundnut producing States such as Maharashtra, Gujarat, Rajasthan, Mysore and Andhra Pradesh. Production of rapeseed/mustard is, however, expected to touch a record level of 20·5 lakh tonnes as against 14·5 lakh tonnes in 1971-72. Among other oilseeds, production of castorseed and linseed is likely to be around the previous year's level, while that of sesamum would be marginally lower than last year.

Graph 8



With a view to tiding over the domestic shortfall in oilseeds production, Government had initially made arrangements to import about 60,000 tonnes of edible oils valued at Rs. 11·7 crores ; subsequently, it was decided to import a further quantity of 40,000 tonnes of edible oils valued at Rs. 8·3 crores. Besides, about 80,000 tonnes of rapeseed is being obtained from Canada under its aid programme. Taking into account the planned imports, the per capita availability of edible oils for domestic consumtion (*i.e.*, excluding those used for *vanaspati* manufacture), would again register a sharp fall to about 2·0 kgs. per annum in 1972-73 ; in the previous year it had fallen from 3·3 kgs. per annum to 2·7 kgs. per annum.

In view of the difficult supply situation of edible oils, particularly of groundnut oil,

Table III·18—Trends in Non-foodgrain Commodities

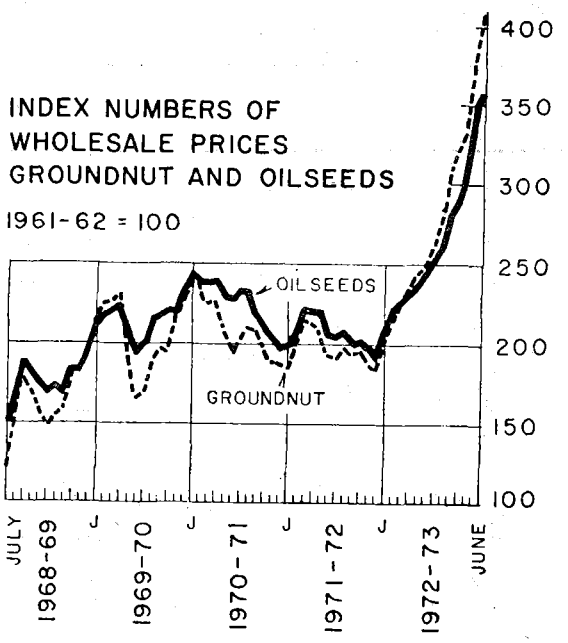
Commodity year as indicated	Oilseeds(1) (November-October)				Tea (January-December)		Coffee (October-September)			Sugarcane production (Million tonnes)	Tobacco production (Million Kgs.)
	Production (Million Tonnes)	Yield per hectare (Kgs.)	Imports ('000 Tonnes)(4)	Exports ('000 Tonnes)(4)	Production (Million Kgs.)	Exports	Production ('000 Tonnes)	Exports(8)	Consumption(9)		
1	2	3	4	5	6	7	8	9	10	11	12
1950-51 ..	5·16	481	—	—	278	182	18·9	0·3	17·5	5·7	261
1955-56 ..	5·73	474	—	—	308	184	35·0	8·1	22·6	6·1	303
1960-61 ..	6·98	507	Neg.	49·32	321	196	68·0	32·3	30·0	11·1	307
1965-66 ..	6·40	419	7·00	0·44	366	197	63·9	28·8	36·9	12·8	293
1968-69 ..	6·85	473	5·18	37·95	402	208	73·4	32·0	35·8	12·8	361
1969-70 ..	7·73	522	4·02	32·38	394	169	63·6	31·2	39·0	13·8	337
1970-71 ..	9·26	600	35·58	28·10	419	202	109·8	47·6	33·6	13·2	362
1971-72 ..	8·75(2)	571	27·03(5)	32·49	433	207(7)	68·6	35·7	37·9	11·7	409
1972-73 ..	7·00(3)	—	—	2·83(6)	453	207(7)	90·0(7)	48·1	37·4	11·8(7)	340(7)

(1) Comprise groundnut, rapeseed/mustard, sesamum, castorseed and linseed.
(2) Partially revised estimate for groundnut and final estimates of other major oilseeds.
(3) Final estimate of groundnut and trade estimates of other major oilseeds.
(4) Relate to all oilseeds. Data till 1968-69 are for fiscal years (April-March) and those for 1969-70 onwards all for July-June.
(5) July 1971 to March 1972.
(6) July 1972 to December 1972.
(7) Provisional.
(8) Quantity sold for exports out of each season's crop.
(9) Calendar year; represent coffee released from the pool for internal consumption.

Government offered during the year several fiscal incentives for increased use of cottonseed oil and rice-bran oil in *vanaspati* manufacture and rice-bran oil and minor oils of tree origin in soap manufacture. First, the compulsory minimum usage of 10 per cent cottonseed oil in *vanaspati* manufacture prescribed in April, 1972 was raised to 15 per cent in December 1972. A slab system of higher excise rebate for the use of larger quantities of cottonseed oil in *vanaspati* manufacture was introduced during the year (at Rs. 200 per tonne for usage above 15 per cent and up to 25 per cent, Rs. 250 per tonne above 25 per cent and up to 35 per cent, and Rs. 200 per tonne above 35 per cent). Secondly, restriction was imposed, for the first time, on the maximum use of groundnut oil in *vanaspati* manufacture, prescribed as from March 1, 1973 at 45 per cent for factories in the North and West zones, 50 per cent in the East zone, and 60 per cent in the South zone. Thirdly, permission was granted, again for the first time, for the use of rapeseed/mustard oil in *vanaspati* manufacture with effect from March 1, 1973. Fourthly, the eligibility criteria for availing of excise rebate of Rs. 100 per tonne of *vanaspati* produced from rice-bran oil was relaxed by lowering the minimum percentage use of such oil in *vanaspati* manufacture for claiming such rebate from 7 per cent in 1971-72 to 1 per cent in 1972-73. Besides, for the use of rice-bran oil in soap manufacture, the excise duty rebate at the rate of Rs. 1·50 per tonne was given for every additional percentage use of rice-bran oil beyond a minimum level of 15 per cent. Lastly, for minor oils (*viz.*, Neem, Karanj, Kusum and Sal oils) used in soap manufacture, the minimum percentage of use for the rebate entitlement of Rs. 4·50 per tonne has been reduced from 5 per cent to 3 per cent. This rebate increases progressively by Rs. 1·50 per tonne for every additional percentage point increase in the utilisation of these oils.

With a view to augmenting oilseeds production in the country, the special schemes for the production of groundnut and castorseed, as also for the development of non-traditional oilseeds like soyabean and sunflower, were continued both in the Central and State sectors. The Central schemes fall into two broad categories, one for increasing the production of traditional oilseeds as well as the popularisation of non-traditional oilseeds and the other to lay out demonstrations so as to evoke an interest among the farmers in adopting cultivation techniques on scientific lines. Under the former, there are three major Centrally sponsored schemes, *viz.*, (*i*) for maximising production of groundnut, (*ii*) for development of high yielding short duration "Aruna" variety of castor in Andhra Pradesh and (*iii*) for development of soyabean. Further, recognising the potentiality of sunflower in rapidly augmenting edible oil supply in the country, a crash programme for sunflower development was sanctioned by Government for the first time in 1972-73.

Graph 9



In the sphere of demonstrations, the Centrally sponsored schemes are (*a*) popularisation of the cultivation of short-duration varieties of castor, nigerseed, soyabean and sunflower of high yielding and short-duration exotic varieties and (*b*) plant protection measures for rapeseed/mustard to acquaint farmers with scientific methods of cultivation for high yielding varieties.

In the State sector, the Package Programmes and Integrated Oilseeds Development Schemes (referred to in this Report for 1971-72, p. 37) were continued during the

year, but the progress made in 1972-73 was below the targets set.

Area covered under all the Central and State schemes during 1972-73 along with corresponding data for 1971-72 are set out in Table III·19. In all the schemes except those for castorseed and soyabean, the area covered was lower than in 1971-72 reflecting the impact of drought conditions referred to earlier.

Trading in futures and non-transferable specific delivery (n.t.s.d.) contracts in cottonseed and coconut oil as also trading in n.t.s.d. and hedge contracts in groundnut and groundnut oil continued to remain suspended during 1972-73. However, futures trading in castorseed and linseed continued to be permitted through recognised trade associations.

Table III·19—Central and State Schemes of Oilseeds Development

(Thousand Hectares)

Schemes	1971-72	1972-73	
	Achievements	Target	Achievements
1	2	3	4
I. Centrally sponsored schemes for			
(i) Maximising groundnut production	1943·8	2428·9	1801·6
(ii) Castor development in Andhra Pradesh	19·1	44·5	38·4
(iii) Development of soyabean	31·7	59·0	34·1
(iv) Development of sunflower		180·0	117·7
(v) Castor demonstrations	1·5	0·6	0·5
(vi) Niger demonstrations	0.5	0·9	0·8
(vii) Soyabean demonstrations	0.3	0.1	0.1
(viii) Sunflower demonstrations	0·9	1·7	0·9
(ix) Demonstrations and plant protection measures on rapeseed/mustard:			
(a) Demonstrations	1·0	1·6	1·4
(b) Mass plant protection measures	87·8	294·9	157·7
II. State sector			
(x) Package Programme	338·2	403·2	181·8
(xi) Integrated Oilseeds Development Scheme :			
(a) Groundnut	1552·3	913·9	492·1
(b) Rapeseed/mustard, sesamum, linseed and castor	345·7	349·2	277·5

Source: Ministry of Agriculture.

Sugarcane(5)

According to the All-India Second Estimate for 1972-73, area under sugarcane at 24·3 lakh hectares recorded an increase of 5·3 per cent over the corresponding adjusted estimate of 23·1 lakh hectares for 1971-72. The increase in area under sugarcane during the current season was noticed mainly in Uttar Pradesh, Punjab and Maharashtra, owing to favourable weather conditions at the time of sowing. Although final estimates (official) of sugarcane production during 1972-73 are not yet available, according to available information, the production of sugarcane is placed at 11·8 million tonnes (in terms of gur) as against the final official estimate of 11·7 million tonnes for 1971-72 (Table III.18).

Following the recommendations of the Agricultural Prices Commission, (APC), the basic minimum price of sugarcane for 1972-73 payable by vacuum pan sugar factories for delivery at the factory gate was raised from Rs. 7·37 per quintal to Rs. 8 per quintal, linked to a recovery of 8·5 per cent or above with a premium of 9·4 paise per quintal for every 0·1 per cent increase over the basic recovery level of 8·5 per cent. The revised cane price represented an average increase of about 20 per cent over that in 1971-72.

Sugarcane Development Schemes were continued during 1972-73. Cane development programmes in different States laid special emphasis on (*i*) raising of seed nurseries, (*ii*) distribution of disease-free and nutrient-rich seed cane, (*iii*) fertilizers and manures, (*iv*) adequate irrigation facilities, (*v*) plant protection measures, (*vi*) demonstrations and (*vii*) credit facilities to cane growers. Achievements during 1972-73, under the above programmes (except irrigation) are summarised in Table III.20. Irrigation facilities provided during the year included construction of 6,403 wells in Bihar, Madhya Pradesh and Uttar Pradesh, and installation of 2,393 Persian wheels, 9,948 pumping sets and 4,333 tube-wells in Bihar, Madhya Pradesh, Punjab and Uttar Pradesh.

(5) The review of sugar output which was hitherto done here has been shifted to the section on "Industry-wise Review of Developments."

Table III.20 : Progress of Sugarcane Development Schemes—1972-73

	Schemes	Target	Achive-ments
	1	2	3
1.	Raising of seed nurseries (in '000 hectares)	11·4	16·2
2.	Distribution of disease-free and nutrient-rich seed cane (in '000 tonnes)	626·6	731·4
3.	Fertilizers and Manures (in '000 tonnes)	198·7	247·0
4.	Plant protection measures (in '000 hectares)	262·6@	319·9*
5.	Demonstrations (in numbers)	16,513	24,867
6.	Credit facilities (Rs. crores) ..	—	10·3

@ Affected area
* Treated area

Tea

Production of tea during 1972 reached an all time high level of 452·5 million kgs. registering an increase of 19·2 million kgs., or 4·4 per cent over the previous year (Table III.18). This increase was due to an improvement in output by 20 million kgs. to 351·2 million kgs. in Northern India, attributable mainly to favourable weather conditions. Production in Southern India, however, declined marginally by 0·8 million kgs. to 101·3 million kgs. due partly to drought conditions and partly to strike by the plantation labourers in Kerala and Tamil Nadu in the early part of the year. Exports of tea during 1972 at 207·4 million kgs. were about the same as in 1971 (207·3 million kgs.).

Under the 'Tea Plantation Finance Scheme', 44 new applications for loans aggregating Rs. 2·0 crores were received during the period April 1972 to June 1973. Cumulatively, since its inception in 1962, 425 applications for loans totalling Rs. 23·5 crores were received by the Tea Board till June 30, 1973. Of these, 215 applications for loans aggregating Rs. 8·5 crores were sanctioned by the Tea Board. Net disbursements aggregated Rs. 3·9 crores in respect of 133 applications. Following the recommendations of the Tea Board, Government have reduced the margin of security to be held by the Board from 50 per cent to 25 per cent. Applications under the 'Tea

Machinery Hire Purchase Scheme,' introduced in 1960-61, numbered 157 in 1972-73 (July-June) involving an amount of Rs. 1·8 crores. Of these, 116 applications for Rs. 1·2 crores were accepted up to June 30, 1973. Payments made to suppliers totalled Rs. 1.2 crores for machinery and Rs. 5·9 lakhs for irrigation equipment. Under the 'Tea Replanting Subsidy Scheme' during 1972-73 (July-June) 208 applications for Rs. 36·5 lakhs covering 2175 hectares were approved ; amount disbursed by end-June 1973 was Rs. 26·4 lakhs.

Coffee

Production of coffee had reached the record level of 109,834 tonnes in 1970-71, but in 1971-72 it had slumped to 68,554 tonnes (Table III.18). Again, in 1972-73, the output is expected to register a smart recovery to 90,000 tonnes, which would still be below the 1970-71 level. Total quantity of coffee released for internal consumption during 1972 at 37,452 tonnes was marginally lower than in 1971 (37,904 tonnes). On the other hand, exports during the fiscal year 1972-73 amounted to 48,128 tonnes valued at Rs. 33 crores, *i.e.* sizeably higher than in the previous year (35,695 tonnes valued at Rs. 22 crores).

The Coffee Board, under the Coffee Development Plan launched in October 1956, continued to operate various schemes for the development of coffee plantations. These are : (*i*) Scheme for grant of loans for intensive cultivation, (*ii*) Scheme for grant of loans for working capital, (*iii*) Equipment and machinery—hire-purchase Scheme and (*iv*) Replanting Loan Scheme. The Replanting Loan Scheme was expanded in August 1972 by inclusion of a loan-cum-subsidy scheme for the benefit of small growers. Further, the scope of the Intensive Cultivation Scheme was enlarged to enable small growers to secure additional loans for purposes of sinking wells, construction of drying yards, improvement of pumping facilities, construction of dams and soil conservation. Total amount disbursed under these schemes increased from Rs. 66·2 lakhs in 1971-72 to Rs. 91·7 lakhs in 1972-73. Since the inception of these schemes till March 1973, an aggregate amount of Rs. 507·3 lakhs was disbursed.

Tobacco

Production of tobacco, which had increased by 13 per cent to 409·2 million kgs. in 1971-72, is estimated, on the basis of crop condition reports, to have declined sizeably by 17 per cent to around 340 million kgs. in 1972-73 (Table III.18). The decline in production in 1972-73 is attributed to both a fall in the planted area and a decline in the yield on account of drought that prevailed in the major producing States, *viz.*, Andhra Pradesh, Gujarat and Mysore.

Exports of unmanufactured tobacco which increased by 21 per cent in 1971-72 to 57·3 million kgs. rose again substantially by 61 per cent to 92·5 million kgs. in 1972-73, exceeding even the earlier record level of 78·1 million kgs. reached in 1964-65. Internal consumption of raw tobacco had increased from 328·2 million kgs. in 1970-71 to 340·2 million kgs. in 1971-72. The data for 1972-73 are not yet available.

With the growing preference for virginia flue-cured tobacco for domestic consumption as well as for exports, the Centrally sponsored scheme, initiated in 1966-67, for increasing the production of this variety in the light soil areas of Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Maharashtra, Bihar and Uttar Pradesh, was continued during the year. Thus, an additional area of 4,679 hectares was brought under this scheme, with financial assistance of Rs. 38·7 lakhs from the Central Government. Since its inception in 1966-67 till 1972-73, the Scheme has covered an aggregate area of 26,136 hectares. Under the Tobacco Development Scheme, for supplying better seeds and imparting training in improved methods of cultivation, 22,464 kgs. of seed and 238·9 lakh seedlings of improved varieties of tobacco were distributed in Andhra Pradesh, Gujarat, Mysore, Tamil Nadu, West Bengal, Punjab and Haryana. An amount of Rs. 0·69 lakh was released during 1972-73 to the Institutes/ Universities to carry out the programmes under this scheme. Under the Tobacco Extension Service and Package Schemes, necessary inputs such as seeds, fertilizers, pesticides, and financial assistance were made available to growers in Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Maharashtra, Bihar and Uttar Pradesh.

INDUSTRIAL OUTPUT

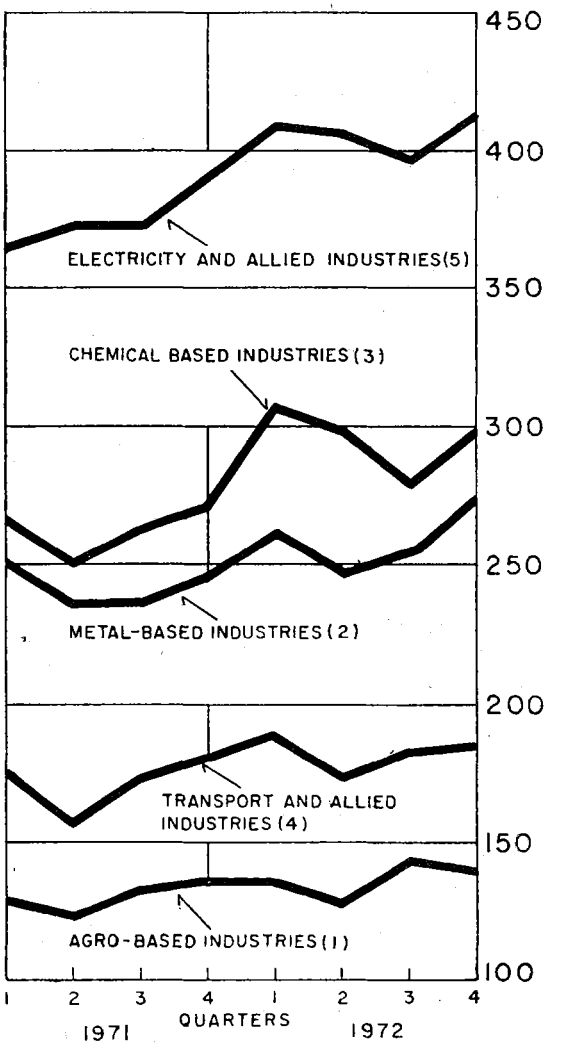
On the industrial front, there was a striking advance in the growth rate of output during 1972,(6) amounting to 7·1 per cent as contrasted with just 2·9 per cent in 1971 and 4·8 per cent in 1970. The growth rate in 1972 was higher in all industrial groups, the most marked increase being in respect of 'basic industries' (Table III.21). Consumer goods industries as a whole showed a marginal improvement as a result of the pick-up in the growth rate of *consumer non-durables*.

However, the overall growth rate still fell short of the target of 8 to 10 per cent per annum envisaged in the Fourth Plan. More importantly, due to widespread power shortage emanating from inadequate rains as well as unsatisfactory maintenance of power facilities, the same tempo of industrial growth could not be sustained throughout or after 1972. As may be observed from Table III.22, the growth rate in the last quarter of 1972 at 6·6 per cent was lower than in the first three quarters, when the growth rates ranged between 6·7 per cent and 8·0 per cent. Furthermore, in the first quarter of 1973, there was a marginal increase of 0·6 per cent in industrial output as against 8·0 per cent increase recorded in the first quarter of 1972.

In the absence of adequate industry-wise information, it is difficult to identify the areas in which the output growth declined. But, as shown in Table III.22, the rate of growth of output during the second half of 1972 was generally lower than in the first half in respect of major groups of industries. But data available from semi-official sources in respect of certain key industries point to a pronounced dip in the first half of 1973 in the output of such industries as jute and cotton textiles which together have large (27 per cent) weightage in the General Index and which played a crucial role in raising the growth rate in overall industrial output in 1972. During January-April 1973, output of cotton yarn and cloth (mill-made) declined by about 7 per cent each and jute textiles (January-May) by as much as

Graph 10

INDEX NUMBERS OF INDUSTRIAL PRODUCTION
1960=100
1+2+3 INPUT-BASED CLASSIFICATION
4+5 SECTORAL INDICATORS



(6) In the absence of industry-wise data for majority of the industries for the period beyond December 1972, the review of developments in the industrial sector is attempted on a calendar year basis, but wherever the data are available for any months of 1973, they have been cited in appropriate places.

Table III·21 : Trends in Industrial Output
(Based on C.S.O.'s Index of Industrial Production : Base : 1960=100)

Industry	Weights	1969	1970	1971	1972*	January-June				July-December			
						1969	1970	1971	1972	1969	1970	1971	1972*
1	2	3	4	5	6	7	8	9	10	11	12	13	14
General Index (Crude)	**100·00**	**+ 7·1**	**+ 4·8**	**+ 2·9**	**+ 7·1**	**+ 8·0**	**+ 6·2**	**+ 1·6**	**+ 7·5**	**+ 6·1**	**+ 3·0**	**+ 4·3**	**+ 6·8**
Use-Based Classification													
Basic Industries	25·11	+ 8·9	+ 4·5	+ 5·5	+ 8·7	+ 9·6	+ 5·9	+ 4·7	+ 9·3	+ 8·3	+ 2·6	+ 6·4	+ 7·9
Capital Goods Industries	11·76	+ 1·8	+ 5·2	— 0·1	+ 8·3	+ 4·1	+ 7·4	— 2·6	+ 7·5	— 0·8	+ 2·5	+ 2·4	+ 9·3
Intermediate Goods Industries	25·88	+ 4·2	+ 3·2	+ 1·0	+ 6·5	+ 3·0	+ 5·1	— 0·9	+ 7·4	+ 5·1	+ 0·6	+ 3·0	+ 6·5
Consumer Goods Industries	37·25	+10·2	+ 6·1	+ 3·2	+ 5·5	+12·6	+ 6·8	+ 2·2	+ 5·8	+ 7·9	+ 5·5	+ 4·7	+ 4·8
(a) Consumer durable goods industries ..	5·68	+12·9	+ 4·1	+ 7·4	+ 6·0	+17·0	+ 2·7	+12·1	+ 1·1	+ 9·7	+ 3·1	+ 5·3	+ 9·5
(b) Consumer non-durable goods industries	31·57	+ 9·3	+ 6·9	+ 1·7	+ 5·5	+11·2	+ 8·2	— 1·0	+ 7·5	+ 7·3	+ 6·3	+ 4·9	+ 4·2
Input-Based Classification													
Agro-based Industries	44·08	+ 5·5	+ 4·5	— 0·2	+ 5·1	+ 5·8	+ 6·0	— 3·6	+ 5·1	+ 5·5	+ 2·9	+ 3·1	+ 5·4
Metal-based Industries	16·55	+ 5·8	+ 5·7	+ 2·6	+ 6·6	+ 8·5	+ 6·9	+ 2·6	+ 4·6	+ 3·1	+ 3·7	— 2·5	+ 8·5
Chemical-based Industries	8·94	+10·3	+ 8·0	+ 7·5	+14·5	+13·2	+10·7	+ 6·2	+16·3	+ 7·7	+ 4·6	+ 8·8	+11·2
Sectoral Indicators													
(1) Transport equipment and allied industries	10·90	+ 0·4	+ 0·1	+ 0·4	+ 6·2	+ 5·4	+ 1·8	— 5·4	+ 9·4	— 4·6	— 1·4	+ 6·6	+ 3·2
(2) Electricity and allied industries	8·42	+14·2	+11·5	+ 9·1	— 8·4	+15·4	+12·1	+ 9·9	+10·6	+12·8	+10·4	+ 8·3	+ 6·2

* Provisional.
Note : Percentage variations are worked out over the corresponding period of the previous year.

Table III.22 : General Index of Industrial Production (Crude)—Quarter-wise (Base: 1960=100)

Quarter	1970	1971	1972	1973
1	2	3	4	5
Jan.-March ..	183·4	186·5 (1·7)	201·4 (8·0)	202·6* (0·6)
April-June ..	179·1	181·7 (1·5)	193·9 (6·7)	
July-September ..	177·9	185·1 (4·0)	198·0 (7·0)	
October-December	182·7	191·1 (4·6)	203·8 (6·6)	

* Provisional.

Note: Figures in brackets refer to percentage increases over the corresponding quarters of the preceding years.

over 12 per cent (Table III.23). Similar declines took place in the productions of cement and saleable steel. However, sugar output which was rather low in 1972 is now better as a result of higher cane output in the 1972-73 season.

Causal Factors

In 1972, there were certain factors in the economic scene that were conducive to lifting the level of industrial output. Broadly, there was comfortable supply of some agriculture-based raw materials ; relatively higher industrial investment, primarily in the public sector ; liberalisation of licensing requirements in respect of those units which had unauthorised installed capacities ; and improved industrial relations particularly in the Eastern region. Among the agriculture-based raw materials, the supply of raw jute and raw cotton was large enough to induce higher output in the textiles group. The cotton textiles output also received some impetus from a number of erstwhile sick mills reopened by Government during the past few years and the jute textiles from overseas demand. Higher activity in textiles industry, as also a general improvement in the industrial scene, generated higher demand for and hence larger production of 'chemicals and chemical products'. This group, which also includes 'fertilisers' showed a high growth rate of over 11 per cent in 1972.

Table III.23 : Production Trends in Selected Industries

Industry	Period	Unit	Output			Percentage Variation	
			1971	1972	1973*	1972 over 1971	1973 over 1972
1	2	3	4	5	6	7	8
Saleable Steel	.. January-July	.. '000 Tonnes ..	778·5	824·3	755·3	+10·6	— 8·4
Aluminium	.. January-May	.. Tonnes ..	70655	78682	65801	+11·1	—16·4
Cement	.. January-June	.. Million Tonnes	7·42	8·37	7·02	+11·3	—16·1
Cloth—Mill-made	.. January-April	.. Million Metres	1282·8	1381·2	1290·9	+10·8	— 6·5
Cotton Yarn	.. January-April	.. Million Kgs. ..	281·7	309·6	288·9	+11·0	— 6·7
Jute textiles	.. January-May	.. '000 Tonnes ..	520·9	492·9	433·4	— 5·4	—12·1
Sugar	.. January-May	.. '000 Tonnes ..	2724	2176	2587	—20·1	+11·9
Vanaspati	.. November-May	.. '000 Tonnes	—	352	277	—	—21·3

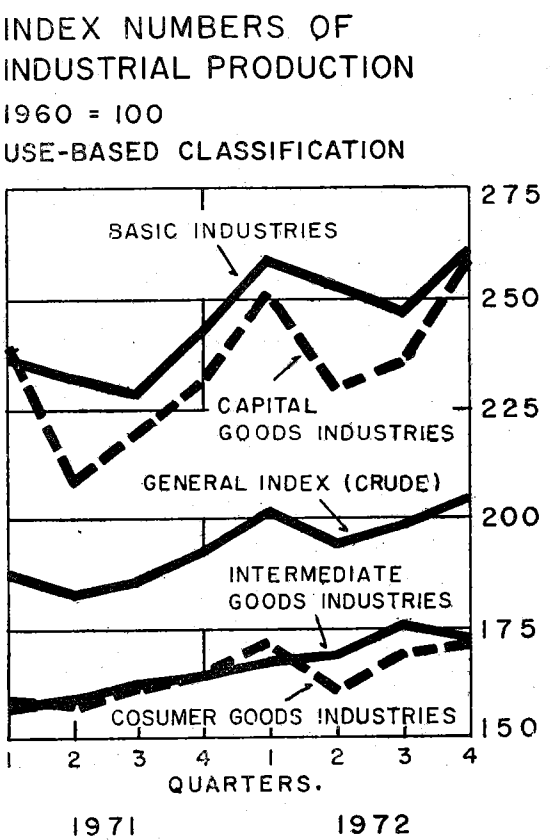
* Provisional.
Source : Respective Industrial Associations and Semi-Government Bodies.

A series of measures undertaken by Government to improve the performance of steel units in the public sector and better industrial relations in the Eastern region where steel plants and coal mines are concentrated, helped to improve output in 'iron and steel basic industries', and 'mining and quarrying', the former rising by 9 per cent in 1972 in contrast to a fall of 1 per cent in 1971 ; and the latter by 7 per cent as against a rise of 3 per cent in the previous year. 'Coal mining' output was also helped by larger railway wagon allotments in the wake of improvement in labour situation in the Eastern Railways. Wagon loadings with 'coal and coke' under broad gauge had declined from 22·74 lakhs in 1969-70 to 21·03 lakhs in 1970-71 and to 21·78 lakhs in 1971-72 (April-March). During 1972-73 (April-February), it rose to 20·5 lakhs from 19·8 lakhs in the comparable period of 1971-72.

The major factor responsible for the widespread increase in the output of *basic*, *capital goods* and *intermediate goods* industries, was the sizeable increase in the quantum of industrial investment, primarily in the public sector, as pointed out in Chapter VI of this Report. Output in the *capital goods* industries rose by about 8 per cent in contrast to an absolute decline in the previous year (Table III.21). In this group, railroad equipment industry achieved a growth of 13 per cent as against a fall of 26 per cent in 1971, following larger orders from the Railways and some increase in exports. Many other items under the *capital goods* industries such as industrial machinery, manufacture of mining, earth moving and construction machinery, electrical cables and wires, have all registered sizeable increases in output in 1972.

With a view to activating industrial growth through fuller utilisation of existing capacity even if unauthorisedly built, Government decided in January 1972 to accord them necessary approval without the formality of an industrial licence in respect of 65 industries. This did not, however, apply to firms in those industries belonging to the Larger Industrial Houses and foreign companies, whose applications were to be decided on by a Task Force. Upto the end of 1972, 787 applications were received for fuller utilisation of capacity ; of these only 265 were to be considered by the Task Force. The Task Force approved 86 and rejected 102 applications. In sum, a number of industries from 'chemicals and chemical goods' group, certain items of machinery, ball and roller bearings, switch gear, textile instruments and automobile components and ancillaries, have benefited from this liberalisation policy.

Graph II



There were, no doubt, certain areas where the performance was not so encouraging. For instance, sugar and vanaspati in food manufacturing group as also cigarette manufacturing, experienced either reduction or reduced growth rate in output in 1972, as a result of poorer raw material supplies from the 1971-72 crop season. Paper and paper products suffered generally due to capacity constraints, though the industry was also faced with some raw material shortages. Petroleum refinery products suffered due to difficulties in obtaining crude oil. Likewise, due to shortages of steel, many metal-based low-priority industries like fittings, fixtures and fastners, hand tools and small tools, had to cut down their output again in 1972.

Nevertheless, with a general improvement in output, ratios of capacity utilisation(7) in most of the industries were higher in 1972 as compared with those in 1971. Among *basic* industries, this ratio improved from 65 per cent in 1971 to 71 per cent in 1972 in finished steel, from 39 per cent to 42 per cent in steel castings, from 74 per cent to 83 per cent in aluminium (sheets and circles) and from 55 per cent to 59 per cent in phosphatic fertilizers. In cement, the utilisation ratio remained more or less stable because of equal growth rates in output as well as additional capacity built up during the year (Table III.24).

Capacity Utilisation

Likewise, among *capital goods* industries, railway wagons, which had the poorest utilisation ratio among major industries at 26 per cent in 1971, improved it to 37 per cent in 1972. However, the capacity utilisation in this industry is still poor as compared to that in many other industries which is around 60 per cent to 70 per cent. Besides machine tools, some industrial machinery like printing machinery, power transformers and electric motors have all registered higher capacity utilisation ratios in 1972 over 1971. Among *intermediate goods* industries, items like dry cells, paints and varnishes and ceramics (refractories) are the industries to record improvement in capacity utilisation ratios in 1972.

Industries in the '*consumer durables*' group present a mixed picture parallel to the trends in their output growth. While radio receivers showed a reduction in capacity utilisation ratio from 84 per cent to 75 per cent, bicycles improved its capacity utilisation marginally from 63 per cent to 64 per cent. On the other hand, hurricane lanterns, soap and electrical lamps showed higher utilisation at 111, 137 and 153 per cent, respectively in 1972 as compared with 87, 121 and 135 per cent in 1971.

(7) Capacity utilisation for 1972 is worked out on the basis of annual production of the industry for the months January-December 1972 divided by the annual installed capacity in that industry as in July 1972, and hence utilisation ratios for 1972 are provisional; for other years December-end figures of installed capacity are taken for this purpose.

Industrial Relations and Employment

If one were to use the number of man-days lost during 1972 through strikes and lock-outs in different segments of the organised industry as the sole criterion, labour situation during the year would appear to have worsened in relation to 1971. The provisional count of man-days lost during 1972 totals 17·92 millions as against the final figure of 16·55 millions for 1971. But, there were certain aspects of the labour situation which point to the fact that the overall impact of industrial disputes on production activities was less pronounced in 1972 than in 1971. Firstly, as a result of improved labour relations in the public sector steel plants, there was a significant decline in the man-days lost in the undertakings in the Central sphere, from 4·9 millions in 1971 to 1·8 millions in 1972 (Table III.25). In the States sphere also, there was no major case of industrial unrest in 1972, except in an important automobiles components and ancillaries plant.

Industrial Relations

Table III.25: Number of Man-days Lost on Account of (All-India) Strikes and Lock-outs:

(Million man-days)

Year (January-December)	Total man-days Lost	Of which	
		Central sector@	State sector
1	2	3	4
1961 to 1965 (Average) ..	5·70	..	..
1966	13·85	..	..
1967	17·14	..	..
1968	17·28	..	..
1969	19·05	1·69	17·36
1970	20·56	2·94	17·62
1971	16·55	4·93	11·62
1972*	17·92	1·76	16·16

.. Not available.
@ Comprising Central Government undertakings including Government Departments thereof.
* Provisional.

Source : Annual Reports, Ministry of Labour and Rehabilitation.

Table III·24 : Production-capacity Ratios for Selected Industries

Name of Industry	Unit	1970			1971+			1972+		
		Production	Capacity	Ratio	Production	Capacity	Ratio	Production	Capacity	Ratio
1	2	3	4	5	6	7	8	9	10	11
Basic Industries										
Cement	'000 Tonnes	13956	16961	82	14933	18491	81	15754	19312	82
Sulphuric Acid	,,	1078	1921	56	1020	1969	52	1131	1963	58
Caustic Soda	,,	373	367	102	375	372	101	394	396	99
Finished Steel*	,,	4810	6900	70	4469	6900	65	4909	6900	71
Aluminium (Sheets and Circles)	,,	43	60	71	45	60	74	56	60	83
Brass (Sheets and Circles)	,,	15	48	31	17	48	35	17	48	35
Soda Ash	,,	446	471	95	479	471	102	486	471	103
Steel Castings	,,	44	125	35	52	134	39	56	134	42
Nitrogenous Fertilizers (Ammonium Sulphate) ('N' content)	,,	126	194	65	125	194	63	119	194	61
Phosphatic Fertilizers (P_2O_5) (Super Phosphate)	,,	148	197	75	108	197	55	122	208	59
Capital Goods Industries										
Railway Wagons	'000 Nos.	14	33	43	9	32	26	10	34	37
Power Transformers	'000 K.V.A.	7099	6264	113	8785	6264	140	9666	6684	145
Electrical Motors	'000 H.P.	2796	2568	109	2313	2568	90	2558	2736	93
Motor Vehicles	'000 Nos.	98	74	131	89	72	123	86	73	118
Machine Tools	Rs. Lakhs	3944	5987	66	5187	7535	69	6235	7535	83
Cement Mill Machinery*	,,	841	2300	37	323	2600	15	200	2600	8
Printing Machinery*	,,	33	86	38	37	96	37	45	96	47
Tea Machinery*	,,	119	230	52	101	256	38	88	256	34

Table III·24—(Contd.)

Name of Industry	Unit	1970			1971			1972+		
		Production	Capacity	Ratio	Production	Capacity	Ratio	Production	Capacity	Ratio
1	2	3	4	5	6	7	8	9	10	11
Intermediate Goods Industries										
Storage Batteries	'000 Nos.	1166	1068	109	1134	1284	88	1090	1284	85
Dry Cells	Lakh Nos.	4892	4692	104	5502	5630	98	6373	6384	100
Tyres (Automobile)	'000 Nos.	3655	3384	108	4190	3384	124	4405	3852	114
Paints and Varnishes	Lakh Kgs.	660	672	98	680	983	69	750	1034	73
Ceramics (Refractories)	'000 Tonnes	659	1080	61	789	1140	69	798	1140	70
Consumer Goods Industries										
Radio Receivers	'000 Nos.	1774	2308	77	1950	2308	84	1935	2568	75
Bicycles	„	2052	2175	94	1892	3020	63	2246	3492	64
Cigarettes	Million Nos.	62170	56400	110	65800	56400	117	61770	56400	110
Vanaspati	'000 Quintals	5220	8172	64	5901	9872	60	6023	10640	57
Soap	'000 Tonnes	232	123	189	261	215	121	294	215	137
Matches	Million sticks	254616	257220	99	231988	214356	108	213806	214356	100
Footwear (Western) (Leather)	Lakh pairs	155	88	177	159	138	115	138	138	100
-do- (Rubber)	„	448	660	68	436	552	79	436	516	84
Hurricane Lanterns	'000 Nos.	3569	3120	114	2715	3120	87	3473	3120	111
Electrical Lamps (Incandescent Filament Lamps)	Lakh Nos.	1052	834	126	1122	834	135	1280	834	153
Electrical Fans	„	1539	1812	85	1949	1816	107	2461	2760	89
Glass and Glassware (Sheet Glass)	Lakh Sq. Metres	173	210	80	170	216	79	171	216	79

+ Provisional.
* Figures of production and capacity are obtained from Annual Reports of the Ministry of Industrial Development.
Note : Figures of production and capacity are annual; capacity figures are, however, as in December of 1970 and 1971 and in July of 1972 (latest available).
Source : Monthly Bulletin of Production of Selected Industries in India, Central Statistical Organisation, Calcutta, except stated otherwise.

Secondly, in 1972 strikes and lock-outs in manufacturing sector—as distinguished from 'services' sector—were fewer than in 1971. Thirdly, in West Bengal the labour situation was better in the year than in 1971, the number of man-days lost through strikes and lock-outs in the State being 4·40 millions in 1972 as against 4·93 millions in 1971 and 9·8 millions in 1970 (Table III.26).

Table III.26—Number of Man-days Lost on Account of Strikes and Lock-outs in Major States

(Million man-days)

State	1970	1971	1972
1	2	3	4
I. Total for All States	**20·56**	**16·55**	**17·92**
Of which:			
1. Bihar	0·13	0·05	0·29
2. Gujarat	0·32	0·13	0·29
3. Kerala	0·50	2·01	2·15
4. Maharashtra ..	1·34	1·67	3·34
5. Tamil Nadu ..	0·96	0·98	3·70
6. West Bengal ..	9·80	4·93	4·40
II. Total (1) to (6) ..	**13·05**	**9·77**	**14·17**
(II) as per cent of (I) ..	63·5	59·0	79·1

Source : Annual Reports of Ministry of Labour & Rehabilitation.

One of the important events which took place to foster improved labour relations during 1972 was the amendment to the Payment of Bonus Act, 1965, whereby the statutory minimum bonus, payable to the workers covered by the Act, was raised from 4 per cent to 8⅓ per cent for the accounting year commencing on any day in the year 1971. Earlier, in April 1972, Government had set up the Bonus Review Committee to look afresh into the whole question of bonus *vis-a-vis* the operation of the Bonus Act. In the *interim* report submitted by the Committee in August 1972, its members were evenly divided on the question of raising the minimum bonus rate to 8⅓ per cent. Besides, the Government of India have decided to introduce a scheme of appointing workers' representatives on the Boards of Management of a few important public sector undertakings, excluding commercial undertakings, on a trial basis.

Employment Situation

Table III.27 gives the growth of employment in the organised sector(8) upto the end of March 1972, the latest period for which such data are available. According to these data, the employment in the organised industry had risen by 2·6 per cent in 1971-72 (April-March). Even this moderate rise happened to be only a shade lower than the best achieved (2·7 per cent in 1969-70) since 1966-67. Earlier, for the five year period from 1961-62 to 1965-66, the compound growth rate had worked out to 6·0 per cent per annum. However, the partial data available upto September 1972 showed further improvement in the growth of employment during April-September 1972 as compared with the growth achieved in the corresponding period of 1971.

Besides, sector-wise, the performance in recent years has been considered better in 'services' sector (trade, commerce and industry etc.) than in 'manufacturing' (mining and quarrying and plantations) (Table III.28).

Further data on employment for 1972-73 are not available, but some indications of the trends in the employment situation in the organised industry could also be discerned from the data relating to the functioning of the Employment Exchanges in the country. These show that the growth in employment during 1972-73 as a whole was probably not more than that achieved in 1971-72 particularly in the context of power bottleneck experienced in different parts of the country. The number of vacancies notified by Employment Exchanges during 1972 rose by 4·9 per cent, from 8·14 lakhs in 1971 to 8·54 lakhs in 1972, as against a rise of 9·4 per cent in 1971 (Table III.29). However, the actual 'placements' effected by these Exchanges declined, though negligibly, from 5·07 lakhs to 5·03 lakhs in contrast to a rise of 13·4 per cent in the previous year. The 'placements' as a proportion of 'registrations' reached the lowest 8·7 per cent ; in 1971 it was 9·9 per cent. The highest reached was

(8) This sector comprises all establishments in the public sector and non-agricultural establishments in the private sector employing 25 or more workers upto 1965-66 and 10 or more workers thereafter; this sector does not cover employment in agriculture and household establishments, the self-employed and the defence services.

Table III. 27—Employment in the Organised Sector

(Number in lakhs)

Year	Public Sector		Private Sector		Total	
	Number	Percentage increase	Number	Percentage increase	Number	Percentage increase
1	2	3	4	5	6	7
Compound Growth rate for 1960-61 to 1965-66	—	5·9	—	6·2	—	6·0
End-March						
1965-66	93·78	—	68·10	—	161·88	—
1966-67	96·34	2·7	66·80	(—)1·9	163·14	0·8
1967-68	98·02	1·7	65·20	—2·4	163·22	—
1968-69	100·95*	3·0	65·30*	0·2	166·25	1·9
1969-70**	103·74	2·8	67·00	2·6	170·74	2·7
1970-71**	107·31	3·4	67·60	0·9	174·91	2·4
1971-72**£	111·89@$	4·3	67·50@$	(—)0·1	179·39	2·6
Quarter ending						
June 1971	107·66	0·3@@	66·07	(—)2·3@@	173·73	0·7@@
September 1971	109·30	1·9@@	66·06	(—)2·3@@	175·36	0·3@@
June 1972£	114·64 (113·68)	— (1·6)†	67·35 (67·28)	— [(—)0.3]†	181·98 (180·96)	— (0·9)†
September 1972£	115·45 (114·49)	— (2·3)	67·80 (67·73)	— (0·3)†	183·25 (182·22)	— (1·6)†

* Figures derived after the transfer of the employment data of the 14 nationalised banks from private to public sector.

** Includes employment data in respect of the Union Territory of Goa, Daman & Diu, since March 1970 onwards.

£ Provisional.

@ Figures for Manipur have been repeated and the figures for Mizoram not taken into account due to non-receipt of returns.

$ The sudden rise in employment in the public sector and the sudden fall in the private sector was mainly caused by the take-over of coking coal mines by the Government and the consequent transfer of employment from private to public sector.

@@Percentage increase over end-March 1971.

† Percentage increase over end-March 1972.

Notes : (1) From March 1961 to March 1965 the data relate to non-agricultural establishments in the private sector employing 25 or more workers. Since March 1966, the coverage has been extended so as to include establishments employing 10 to 24 workers also, on a voluntary basis.

(2) With effect from the quarter ending June 1972, Jammu and Kashmir is being covered. However, figures in brackets against June 1972 and September 1972 exclude figures for Jammu and Kashmir.

(3) Quarter-wise data from the Directorate General of Employment and Training, Ministry of Labour, Employment and Rehabilitation, New Delhi.

(4) Individual figures may not necessarily add up to the total shown due to rounding off.

Source : (1) Economic Survey : 1972-73 (Government of India).

Table III.28—Employment in the Organised Sector : Industry-wise

(Figures in Lakhs)

Industry Division	March 1971	March 1972£	Percentage increase over previous year		Quarter ending				Percentage increase—Quarter ending September 1972 over September 1971
			1971	1972	June 1971	September 1971	June 1972£	September 1972£	
1	2	3	4	5	6	7	8	9	10
1. Plantations, Forestry, etc.@	10.76	10.93	— 0.7	+ 1.6	11.51	11.62	11.67 (11.58)	11.72 (11.64)	— (0·2)
2. Mining and Quarrying ..	5.92	6.05	— 2.5	+ 2.2	5.88	5.62	6.28 (6.28)	6.31 (6.31)	— (12·3)
3. Manufacturing	47.76	48.40	+ 2.0	+ 1.3	45.99	46.09	48.21 (48.13)	48.44 (48.36)	— (4.9)
4. Construction†	10.20	10.85	+ 7.7	+ 6.4	10.07	10.34	10.93 (10.89)	11.31 (11.26)	— (8.9)
5. Electricity, gas and water and sanitary services, etc. ..	4.84	5.08	+ 9.5	+ 5.0	4.79	4.96	5.13 (5.11)	5.18 (5.15)	— (3.8)
6. Trade and Commerce ..	6.28	6.74	+ 8.7	+ 7.3	6.35	6.42	6.89 (6.87)	6.95 (6.93)	— (7.9)
7. Transport and Communications	23.16	23.29	+ 1.2	+ 0.6	23.12	23.28	23.49 (23.46)	23.50 (23.47)	— (0.8)
8. Services	66.07	68.15	+ 2.7	+ 3.1	66.02	67.04	69.38 (68.64)	69.84 (69.10)	— (3.1)
Total	**174.91**	**179.39@@**	**+5.4**	**+2.6**	**173.73**	**175.36**	**181.98 (180.96)**	**183.25 (182.22)**	— (3.9)

£ Provisional.
@ This includes most of the plantations excluding coffee plantations in the private sector, where the coverage is inadequate.
@@ Figures for Manipur have been repeated and those for Mizoram not taken into account due to non-receipt of returns.
† Coverage in construction on private account is inadequate.
Note : For notes see Table III. 27.
Source: Economic Survey : 1972-73 (Government of India).

Table III.29—Employment Exchanges Statistics

Year (January-December)	No. of exchanges at the end of the year*	No. of registrations effected during the period ('000)	No. of. vacancies notified ('000)	No. of placements ('000)	Placements as percentage of registration	Percentage of placements to vacancies notified	No. of applications on the Live Register at the end of the period ('000)
1	2	3	4	5	6	7	8
1960	296	2733	520	306	11.2	58.7	1606
1961	325	3230	708	404	12.5	57.0	1833
1962	342	3845	790	458	11.9	58.0	2380
1963	353	4152	909	536	12.9	59.0	2518
1964	365	3832	917	545	14.2	59.4	2493
1965	376	3958	946	570	14.4	60.3	2585
1966	396@	3871	852	507	13.1	59.5	2622
1967	399	3912	699	431	11.0	61.6	2740
1968	405	4039	714	424	10.5	59.4	3012
1969	416	4201	722	432	10.3	59.8	3424
1970	429	4516	744	447	9.9	60.1	4069
1971	437	5131	814	507	9.9	62.3	5100
1972£	441	5765	854	503	8.7	58.9	6890
January-June							
1972£	444*	2634	418	259	9.8	62.0	5688
1973£	462	2968	451	263	8.9	58.3	7582

£ Provisional.
* Excludes University Employment Information and Guidance Bureaux.
@ Increase in the number of Employment Exchanges during 1966 was mainly due to reclassification of certain Employment Exchanges and inclusion of 10 Professional and Executive Offices.
Note : Figures have been rounded off to nearest thousand.
Source : Monthly Reviews of Directorate General of Employment and Training (Government of India).

in 1965 at 14·4 per cent. Almost the same trend was noticed in the first half of 1973 for which data are available.

Looking at it differently, the number of applicants on the Live Registers of the Employment Exchanges expanded by over 35 per cent from 51·0 lakhs in December 1971 to 68·9 lakhs in December 1972 and further to 75·8 lakhs in June 1973. The expansion in the number of educated applicants—matriculates, under-graduates, graduates and post-graduates—was as much as 42 per cent, from 23 lakhs to 33 lakhs (upto December 1972).

The problem of unemployment is in fact more acute than what is revealed by these data. While it is recognised that the growth in overall employment is dependent upon overall investment and the general growth of the economy, Government have felt it necessary to introduce some special measures to tackle the immediate problem of growing unemployment. These measures, insofar as they relate to the rural areas, have been discussed earlier in the section on "Agricultural Output." For reducing urban unemployment : (*i*) special programmes, initiated in 1971-72 for the relief of the educated unemployed, have been continued during the remaining two years of the Fourth Plan, 1972-73 and 1973-74 ; (*ii*) the Central budget for 1972-73 had made a provision of Rs. 60 crores for a Special Employment Scheme, of which Rs. 20 crores were for providing employment opportunities to highly qualified engineers, scientists and technologists. (These programmes together were expected to give employment opportunities to 3·7 lakh persons including 11,000 engineers, during 1972-73). The Central budget for 1973-74 has again made a provision of Rs. 100 crores for generating employment opportunities for half a million educated persons in new programmes which will also simultaneously help in the creation of durable assets, collection and compilation of valuable data and provide training for an adequate number of persons to help in implementing the new programmes and projects of the Fifth Plan.

INDUSTRY-WISE REVIEW OF DEVELOPMENTS DURING 1972-73(9)

I. Basic Industries

(i) Coal

Output of coal (including lignite) showed a rise during the year in contrast to the downtrend noticed in the preceding two years. Total coal output, which had declined to 72·9 million tonnes in 1971 from a peak level of 78·9 million tonnes in 1969, recovered to 77·9 million tonnes in 1972—a rise of 6·9 per cent (Table III.30). The recovery, however, was solely due to increase in the output of non-coking coal, the production of coking coal showing a further decline; the former at 61·5 million tonnes showed an increase of 5·3 per cent and the latter at 16·3 million tonnes, a decline of 5·1 per cent. Coking coal output was thus appreciably lower as compared with the revised target of 21 million tonnes visualised in the Mid-term Appraisal, for 1973-74.

Table III. 30—Coal (including Lignite)

(Million Tonnes)

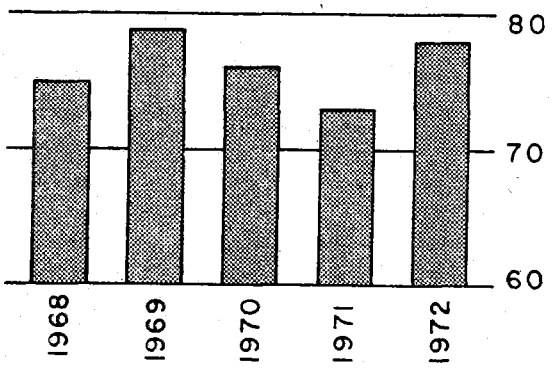
Year	Production	Despatches†	Exports£	Year-end stocks (at pit-heads)
1	2	3	4	5
1951 ..	34.9	—	2.9	2.8
1956 ..	40.1 (+2.8)@	—	1.9	3.8
1961 ..	56.1 (+7.0)@	—	0.9	3.3
1966 ..	70.5 (+4.7)@	—	0.4	5.4
1969 ..	78.9 (+3.9)@	71.2	0.3	6.3
1970 ..	76.2 (—3.4)	66.0	0.5	9.2
1971 ..	72.9 (—4.3)	67.7	0.3	8.5
1972* ..	77.9 (+6.9)	70.9	0.2	7.1

£ Includes exports of coal and coke.
† Excluding coal consumed by the collieries and used for coke-making, etc.
@ Represents annual compound growth rate (in percentage) over the previous year in the table.
* Provisional.
Note : Figures in brackets represent percentage changes over the preceding years.

(9) Data on output of individual industries are from the CSO, Calcutta, unless stated otherwise ; other data are from the respective official agencies/institutions.

Graph 12

PRODUCTION OF COAL
(INCLUDING LIGNITE)
MILLION TONNES



The decline in coking coal output occurred in the context of an unprecedented power crisis that affected production from the coking coal mines and washeries in Jharia (Bihar) coal fields.

Despatches of coal showed increases reflecting an improvement in transport facilities and a revival of demand from bulk consumers other than the Railways. The total despatches of coal rose to 70·9 million tonnes in 1972 from 67·7 million tonnes in 1971, bringing pit-head stocks down to 7·1 million tonnes, from 8·5 million tonnes in 1971 and 9·2 million tonnes in 1970.

The Working Group on 'Finance for the Coal Industry' set up by the Reserve Bank of India in January 1972 to review the immediate financial problems and existing institutional arrangements for coal industry submitted its report in October 1972. Pursuant to their recommendations, advances and lendings to collieries have been liberalised. (For details, see Chapter IV).

Mention was made in the last year's Report of the take-over by Government of 214 coking coal mines and 12 coke oven plants in order to conserve the limited resources of coking coal in the long-term interest of the steel industry and to ensure their efficient exploitation under the management of Bharat Coking Coal Limited, a company set up for the purpose. Government took over the management of non-coking coal mines also, effective January 30, 1973, thus bringing the entire coal industry under Government control.

The Task Force on Coal and Lignite set up by the Planning Commission in June 1972 for formulation of policy and programme in the Fifth Plan submitted its report in February 1973. It has estimated the demand for coal at 143 million tonnes in 1979 and recommended a comprehensive programme for exploration, provision of infrastructure and expansion of production to meet the rising demand during the period of the Fifth Plan.

Since the lifting of price controls on coal early in 1967, changes in coal prices were effected with the approval of the bulk consumers. On the basis of the formula suggested by the Bureau of Industrial Costs and Prices, the Railways agreed to pay higher price ranging between Rs. 1·75 to Rs. 3·00 per quintal for coal purchased by it from various collieries. Further, consequent on the rise in costs due to implementation of the Wage Board's award, prices of non-coking coal supplied to Hindustan Steel Ltd., were stepped up by Rs. 3·50 per tonne by the Bharat Coking Coal Ltd.

(ii) Iron Ore

Output of iron ore continued to rise during 1972, reaching a new high of 35·2 million tonnes showing a rise of 2·6 per cent on top of a rise of 9·2 per cent achieved last year (Table III.31). This rise resulted mainly from steps taken by the National Mineral Development Corporation (NMDC) to develop the existing iron ore mines and the opening up of new ones in promising areas. The increase in production, however, was wholly in respect of iron ore (fines) which was partially offset by a decline in output of iron ore lumps.

State-wise, among the major ore-mining States, Andhra Pradesh, Mysore, Madhya Pradesh and Maharashtra showed further increases in iron ore output, while Bihar and Orissa experienced sharp declines. The share

of Goa's production of iron ore in the total production recorded a continuous increase. Its share increased from 29·1 per cent in 1970 to 31·0 per cent in 1971 and further to 32·3 per cent in 1972.

Exports during 1972 aggregated about 21·5 million tonnes against 20·4 million tonnes in 1971. An export target of 23 million tonnes has been fixed for 1973-74. Export growth of iron ore would have been still faster and the earlier target of 25 million tonnes by the end of the Fourth Plan (1973-74) would have been reached, but for the production stoppage at Bailadila, delay in dredging operations at Cuddalore and Paradip ports and rail movement difficulties in Barajamda Sector. Besides, prolonged labour trouble and crippling strike in Madras port, cyclones in Paradip and outbreak of Indo-Pak hostilities adversely affected exports during early 1972.

Table III·31 : Iron Ore

(Million Tonnes)

Year	Production £	Percentage variation over the previous year £	Exports		Year-end stocks
			Quantity	Value (Rs. crores)	
1.	2.	3.	4.	5.	6.
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)@	16.7	96	4.5
1970	31.4 (22.30)	+ 6.2 (+ 6.3)	20.4	114	1.7
1971	34.3 (23.7)	+ 9.2 (+ 6.3)	20.4	110	1.7
1972 $	35.2 (23.8)	+ 2.6 (+ 0.4)	21.5	115	2.6**

$ 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.
** As at July 1972.

Source : Minerals and Metals Trading Corporation.

The Minerals and Metals Trading Corporation (MMTC) concluded agreements with Japan, Rumania, Czechoslovakia, Poland and other European countries for exports of iron ore. During 1973-74, Japan will receive about 9 million tonnes of iron ore. Likewise, Rumania, Czechoslovakia and Poland will receive 1·8 million tonnes, 0·8 million tonnes and 0·5 million tonnes, respectively. Further, a long-term agreement to supply 1·16 million tonnes of iron ore to Taiwan during the period of five years (1973-1978) has been finalised. A contract to supply 1·14 lakh tonnes of iron ore to South Korea during the period of five years (1972-1977) was also concluded.

It is expected that by June 1974 Bailadila iron ore deposit No. 5 will go into production and NMDC will be able to fulfil its commitment to Japan and supply 8·5 million tonnes of lump ore annually from June 1974.

Keeping in view the pivotal role of iron ore in the mineral sector of the country's economy, the Union Government has set up an Iron Ore Board which will act as the Central Policy Planning and Development Agency on all aspects of iron ore deposits in the country. It will also formulate and ensure effective implementation of all perspective iron ore development plans. The Board was registered in January 1973 under the Societies' Registration Act.

(iii) Cement

Cement output rose further to 15·8 million tonnes in 1972 from 14·9 million tonnes in 1971, but at a lower rate of 5·5 per cent as compared with 7·0 per cent achieved in 1971 (Table III.32). The uptrend in output was adversely affected by (*i*) an unprecedented all-India strike in cement industry from August 17 to August 29, 1972, (*ii*) inadequate power supply in various States coupled with shortage of coal, (*iii*) mechanical troubles in some major plants and (*iv*) loco strike in the South.

Cement stocks at the end of July 1972 were depleted to 2·4 lakh tonnes from 2·9 lakh tonnes in December 1971. Total despatches of cement, however, increased to 15·8 million tonnes in 1972 from 14·9 million tonnes in 1971. Even so an acute shortage of cement affected construction activity during the year, resulting in a sharp increase in prices. With the demand for cement during 1972 estimated at a little over 17 million tonnes, there was a supply gap of about 2 million tonnes.

Table III.32—Cement

(Thousand tonnes)

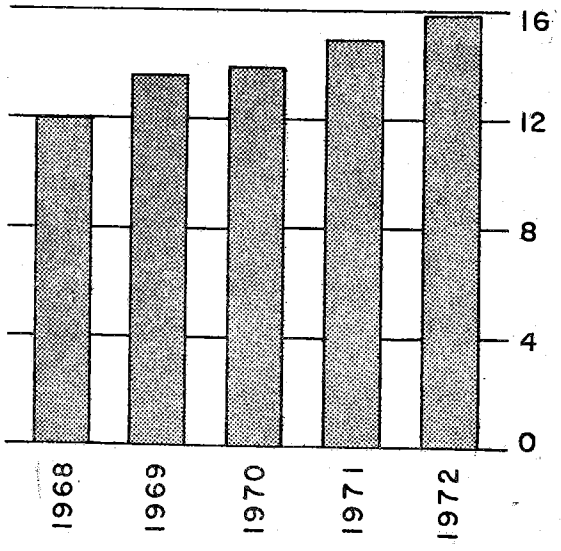
Year	Installed capacity	Production	Year-end stocks
1	2	3	4
1951	3613	3252	—
1956	5795	5008 (+ 9.0)@	110
1961	9474	8245 (+10.5)@	169
1966	12581	11058 (+ 6.0)@	204
1969	15560	13620 (+ 7.1)@	258
1970	17360£	13956 (+ 2.4)	290
1971	19390£	14933 (+ 7.0)	292
1972*	19750£	15754 (+ 5.5)	243**

* Provisional.
£ Taken from Annual Reports of the Ministry of Industrial Development.
** At the end of July 1972.
@ Represents annual compound growth rate (in percentage) over the previous year in the table.
Note: Figures in brackets represent percentage changes over the previous year in the table.

Graph 13

PRODUCTION OF CEMENT

MILLION TONNES



Installed capacity in 1972 increased by 4 lakh tonnes to 19·8 million tonnes. The output-capacity ratio moved up from 77 per cent in 1971 to 80 per cent in 1972. Installed capacity is likely to rise to 21 million tonnes by the end of the Fourth Plan. Government have further sanctioned additional capacity of about 8·55 million tonnes of cement by way of expansion and setting up of new units. In addition, creation of a further capacity of about 5·7 million tonnes is also under consideration. The Cement Corporation of India (CCI) which is the only public sector undertaking for cement industry proposes to establish/expand a number of units to augment the cement production in the country.

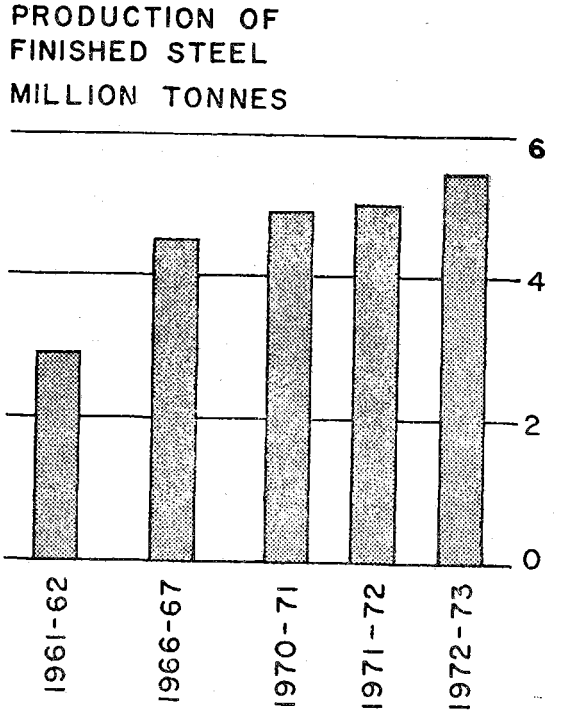
In the context of present and anticipated shortages of cement, Government have continued the control on price and distribution. The present retention price of Rs. 100 per tonne was fixed in 1969. The question of price increase asked for by the industry and other related issues were referred to the Tariff Commission in April 1972. In its *interim* report, the Commission is reported to have recommended a higher retention price for cement.

(iv) Iron and Steel

The performance of the iron and steel industry in 1972-73 showed a marked improvement in contrast to the set-back in its working in the preceding two years. This was the result of a series of measures initiated by Government in these years to improve the performance of integrated steel plants, particularly in the public sector. Briefly these measures included : specialised repairs of coke ovens, use of alternative fuels to supplement gas availability, oil firing in certain furnaces to augment fuel resources, better maintenance to improve equipment availability, speedy correction of existing imbalances in production facilities and planned procurement of spares, refractories and other essential materials. Efforts have also been made to improve industrial relations in the units. While there has been noticeable improvement in the iron and steel output, the full impact of these measures is to be experienced over a period of time. Besides, during the year, inadequate supply of coke and coal, unsatisfactory quality of refractories, large scale absenteeism in Bhilai due to severe summer conditions in the first quarter of the year, strained labour relations in Durgapur and power failures and restrictions particularly in Rourkela and Durgapur—all combined to moderate the increase in the output of integrated plants.

Production of steel ingots during 1972-73 aggregated 6·8 million tonnes, showing a rise of 7·3 per cent over that in 1971-72. Likewise, production of finished steel rose by 10·7 per cent from 5·0 million tonnes to 5·5 million tonnes (including MISL and re-rollers) (Table III.33). Of the total finished steel output, the production of mild steel accounted for 5·1 million tonnes (estimated) and that of tool, alloy and special steels for 0·4 million tonnes; the shortage is most severely felt in the latter varieties.

Graph 14



Plant-wise, of the major steel plants, the three plants of the HSL together showed an increase of 15·3 per cent in output of steel ingots at 40·1 lakh tonnes and in terms of saleable steel by 14·9 per cent at 29·9 lakh tonnes. Among these, the increases in pro-

duction in terms of ingots as well as saleable steel were the highest in Bhilai. It further improved the capacity utilisation ratio from 78·2 per cent in 1971-72 to 84·3 per cent in 1972-73. Likewise, Rourkela achieved significant improvement in utilisation rate from 45·7 per cent to 65·3 per cent and while Durgapur's utilisation increased marginally from 43·8 per cent to 45·1 per cent. Bokaro Steel in the public sector commenced partial production during the year with the commissioning of the blast furnance complex on October 3, 1972, with a rated capacity of 2,640 tonnes of hot metal per day. Production of saleable pig iron in this unit during the period October 1972-March 1973 aggregated 0·3 lakh tonnes.

Among the steel producing units in the private sector, production of ingot steel from the Tata Iron and Steel Co. at 1·69 million tonnes showed a slight decline during the year, bringing down the utilisation ratio only marginally from 85·5 per cent to 84·5 per cent. Production of saleable steel in the plant increased from 1·4 million tonnes to 1·5 million tonnes. Production in the other main plant in this sector, namely, Indian Iron and Steel Co., whose output of steel ingots has been declining steadily from 1·0 million tonnes in 1963-64 to 0·62 million tonnes in 1971-72, dropped further to 0·43 million tonnes during the year due to deterioration in the condition of the plant and equipment, reflecting ineffective management, neglect of rehabilitation programme in the past, and inadequacy of replacement and repairs. Its capacity utilisation dipped to such a low level as 43 per cent during the year. By June 1972, the plant conditions deteriorated further and production dipped to an all-time low, which culminated in the Government take-over of its management effective July 14, 1972.

Table III.33 : Production of Iron and Steel

(Thousand Tonnes)

Year	Bhilai	Durgapur	Rourkela	TISCO	IISCO	Total (2 to 6)	MISL	Others	Grand Total
1	2	3	4	5	6	7	8	9	10
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 ..	1,859	818	1,104	1,708	700	6,189	136	92	6,417
1970-71 ..	1,940	634	1,038	1,715	627	5,954	91	94	6,139
1971-72 ..	1,953	700	823	1,708	617	5,801	133	364	6,300
1972-73* ..	2,108	723	1,177	1,690	431	6,129	149	485	6,763
Production of Saleable Steel									
1961-62 ..	551	362	186	1,318	737	3,154	—	—	—
1966-67 ..	1,328	550	683	1,568	709	4,838	—	—	—
1969-70 ..	1,496	494	796	1,440	568	4,794	—	—	—
1970-71 ..	1,549	413	684	1,375	523	4,544	—	—	—
1971-72 ..	1,568	432	598	1,387	493	4,478	—	—	—
1972-73* ..	1,746	477	765	1,458	347	4,793	—	—	—
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	1,272	4,888
1971-72 ..	1,030	337	561	1,002	449	3,379	44	1,538	4,961
1972-73* ..	1,559	364	764	988	293	3,968	56	1,467	5,491

* Provisional.
Source : Annual Reports : Ministry of Steel and Mines, Deptt. of Steel, Government of India, New Delhi.

The development plans for the steel industry envisage an annual production of 16 million tonnes to be attained by 1980, through expansion of existing units as well as addition of new units. The present capacity of the five major units in production is proposed to be expanded in stages; in the case of Bhilai from 2·5 million ingot tonnes to 4·0 million tonnes (and later to 7·0 million ingot tonnes), Bokaro from first stage of 1·7 million ingot tonnes to 4·0 million tonnes and thereafter to 5·5 million ingot tonnes. The possibilities of expanding the capacity of IISCO to about 2·5 million tonnes and TISCO to about 4·5 million tonnes are also being investigated. The new steel plants at Visakhapatnam in Andhra Pradesh and Vijayanagar in Mysore are being designed for a capacity of around 2·7 million tonnes of mild steel each. The special steel plant at Salem with a capacity of 2·0 lakh tonnes is already under execution. As for the manufacture of alloy steels, expansion of Mysore Iron and Steel Ltd. and Mahindra Ugine Steel Co. are under consideration, while one unit sanctioned in the private sector in Bhilai is making progress.

Mention was made in the last year's Report of the Government's decision to set up a holding company for steel and associated input industries like coking coal, iron ore, manganese ore, etc. In pursuance of this decision, Government set up the Steel Authority of India Ltd. (SAIL), a holding company for steel and associated industries. The Authority was registered as a company under the Companies Act on January 24, 1973. It has its subsidiaries (*i*) Hindustan Steel Ltd., (*ii*) Bokaro Steel Ltd., (*iii*) Salem Steel Ltd., (*iv*) National Mineral Development Corporation, (*v*) Bharat Coking Coal Ltd., (*vi*) Hindustan Steel Works Construction Ltd., (*vii*) Manganese Ores Ltd. and (*viii*) Bolani Ores Ltd.

The SAIL is expected to provide a comprehensive framework for an organisation for ensuring co-ordinated development of the iron and steel industry covering both the public sector and the joint sector. It will be concerned not merely with the steel producing units in the economy but will also take under it several other industries which are intimately connected with the steel industry as major suppliers of inputs, such as, coking coal, iron ore and manganese and thus be in a position to achieve economies of both vertical and horizontal integration and ensure co-ordinated growth. It will have a say in the management of the units in the private sector through exercise of proxy and other rights on behalf of the public financial institutions in respect of their investments in the private sector steel and associated industries. Besides, the SAIL will recommend to Government a national policy for development of the steel and associated industries as also to advise it on all related policy matters.

With a view to compensating for the rise in the cost of production of steel plants both in the public and private sector, the Government allowed with effect from July 1972 increases in the prices of certain items like billets, bars, rods, structurals and rails.

Government also replaced regulatory duties which formed 50 per cent of the basic excise duty by auxiliary lines, the rate being 75 per cent of the effective basic excise duty in the case of steel ingots and iron and steel products.

Imports of steel during 1972-73 were estimated to be worth around Rs. 231 crores. In 1971-72, they were of the order of Rs. 244·8 crores and in 1970-71 Rs. 149·2 crores. Quantity-wise, steel imports to the extent of 1·0 to 1·5 million tonnes will be necessary in 1973-74 to cover the shortfall in indigenous availability and to meet the increasing industrial demand. In keeping with the policy of bringing progressively the export-import trade, within the public sector fold the list of canalised steel items which was initially restricted to only three categories of steel and ferro alloys was extended to almost all the items during 1972-73. Government have decided to import 12,000 tonnes of stainless steel during 1973-74 financial year to meet the requirements of actual users and export-based industries. A scheme to supply imported steel to registered exporters, for executing export orders for which indigenous steel is not available, has been introduced since April 18, 1972.

A Steel Bank has been set up to maintain stocks of specified critical categories of steel so that priority users could be supplied with

such materials ex-stock. Various projects with priority demands or units manufacturing components for such projects can obtain material from the Bank by surrendering import licences or release orders or foreign exchange allocations received by them.

II. Capital Goods Industries

Engineering and Metallurgical Industries (other than Iron and Steel)

(i) Engineering Industries

During 1972, the performance of engineering industries in general showed some improvement. This has come about as a result of improved industrial investment particularly in the public sector as stated earlier. This in turn is reflected in the general upward trend in the output of 'heavy mechanical engineering industries,' while the 'light mechanical engineering industries' presented a mixed picture and the 'electrical' and 'metallurgical industries' hardly showed any appreciable improvment.

(a) Heavy Mechanical Engineering Industries

In the 'heavy mechanical engineering industries' group, the value of machine tools at Rs. 62 crores showed an increase of 20 per cent in 1972 which was significant though smaller as compared with 36 per cent and 32 per cent increases in 1970 and 1971, respectively. The rising trend in machine tools output, was partly hampered by recurring labour troubles in the Hindustan Machine Tools which accounts for about 50 per cent to the country's machine tools output. Likewise, heavy structural fabrications and road rollers showed significant increases in output in 1972 (Table III.34).

Table III.34—Output of Heavy Mechanical Engineering Industries

Item	Unit	1969	1970	1971	1972*
1	2	3	4	5	6
Automobiles	'000 Nos.	78.3£ (— 1.5)	97.6£ (+24.6)	89.1£ (— 8.7)	86.5£ (— 2.9)
(*i*) Passenger cars	„	35.3@ (— 5.4)	35.8@ (+ 1.4)	39.3@ (+ 9.8)	40.0@ (+ 1.8)
(*ii*) Commercial vehicles	„	35.2@ (+ 0.9)	40.6@ (+15.3)	40.9@ (+ 0.7)	37.5@ (— 8.3)
(*iii*) Jeeps	„	7.8@ (+ 6.8)	9.3@ (+19.2)	11.1@ (+19.4)	12.6@ (+13.5)
Light, Medium and Heavy Structurals	'000 tonnes	N.A.	N.A.	104	118 (+13.4)
Steel Castings (including alloy steel castings) ..	'000 tonnes	N.A.	52.0@	54.3@ (+ 4.4)	62.0@ (+14.2)
Diesel Engines (Stationary)	Rs. crores	43.8 (+ 8.4)	28.4 (—35.2)	29.9 (+5.3)	31.7 (+ 6.2)
Railway wagons + ...	'000 nos.	15.7 (— 0.6)	14.3 (— 8.9)	8.6 (—28.3)	10.4 (+ 20.9)
Road Rollers	Nos.	325@ (+128.9)	335@ (+ 3.1)	336@ (+ 0.3)	736@ (+119.0)
Machine Tools	Rs. crores	28.9 (+14.2)	39.4 (+36.3)	51.9 (+31.7)	62.4 (+20.2)

* Provisional.
£ Individual items do not add up to the total since the data are from different sources.
@ Taken from the Annual Reports of the Ministry of Industrial Development. These data are comparable with those of CSO for earlier years.
\+ In terms of 4-wheelers and relate to both private and public sectors.
Note : Figures in brackets represent percentage change over the preceding year.

The output of Railway wagons which had received a severe set-back in 1971 (a decline of 28·3 per cent), recovered considerably by 20·9 per cent as a result of improved orders from the Railways. The prospects for further improvement are better in view of substantial orders for Railway wagons both for the domestic Railways and for exports. Motor vehicles which experienced a growth rate of 24·6 per cent in 1970 witnessed an absolute decline of 8·7 per cent in 1971 and 2·9 per cent in 1972 due to power and other bottlenecks. The output of stationary diesel engines recorded a rise of 6·2 per cent during 1972.

(*b*) *Light Mechanical Engineering Industries*

Among 'light, mechanical engineering goods industries,' those producing consumer durables like bicycles, hurricane lanterns and razor blades had registered in 1971 declines ranging from 7·8 per cent to 30 per cent ; in contrast these recorded impressive increases of 19 to 50 per cent in 1972 as a result of improved availability of steel. Bolts, nuts and rivets and transmission and conveyor beltings also recorded increases in 1972 for the same reason. Manufacture of stoves (pressure type) recorded a rise of about 15 per cent. On the other hand, manufacture of crown corks recorded decline of 17 per cent (Table III.35).

Table III.35—Output of Light Mechanical Engineering Industries

Item	Unit	1969	1970	1971	1972*
1	2	3	4	5	6
Ball & Roller Bearings	Million Nos.	13.4@ (+10.7)	17.5@ (+30.6)	18.9@ (+ 8.0)	21.0@ (+11.7)
Typewriters	'000 Nos.	28.4@ (—37.9)	38.5@ (+35.6)	43.7@ (+13.5)	N.A.
Rubber Ply Transmission and Conveyor Beltings	Tonnes	5538 (—13.6)	5240 (— 5.4)	6370 (+21.6)	6696 (+ 5.1)
Bicycles	'000 Nos.	1920 (+ 0.1)	2052 (+ 6.9)	1892 (— 7.8)	2246 (+18.7)
Sewing Machines	„	408@ (— 3.5)	178@ (—56.4)	338@ (+90.0)	N.A.
Hurricane Lanterns	„	4070.0 (+27.6)	3569.0 (—12.3)	2715.0 (—23.9)	3473.0 (+27.9)
Razor Blades	Million Nos.	861.1 (+ 7.4)	910.3 (+ 5.7)	637.8 (—29.9)	955.2 (+49.8)
Stoves (Pressure Type)	'000 Nos.	20.0 (+34.2)	17.5 (—12.5)	21.2 (+21.1)	24.3 (+14.6)
Crown Corks	Million Nos.	1474.6 (+26.7)	1205.3 (—18.2)	1394.5 (+15.7)	1164.0 (—16.5)
Bolts, Nuts and Rivets	Tonnes	23,892 (—19.6)	24013 (+ 0.5)	24903 (+ 3.7)	30424 (+21.8)

* Provisional.
@ Taken from the Reports of Ministry of Industrial Development. These data are comparable with those of CSO for earlier years.
Note : Figures in brackets are percentage changes over the preceding year.

(*c*) *Electrical Engineering Industries*

Among 'light electrical engineering industries' group, industries manufacturing electrical lamps (flourescent and incandescent), electric fans and dry cells showed further increases in output ranging from 12 per cent to 26 per cent in 1972.

As a result of sluggish investment activities in the hydel projects, the production activities in the heavy electrical engineering group remained low. Production of power transformers and electric motors showed increases of about 7—10 per cent during the year as against an increase of 23·7 per cent in case of the former and absolute decline of 17·3 per cent in case of the latter during the previous year. The number of radio receivers and storage batteries produced declined by 0·8 per cent and 3·7 per cent, respectively, in 1972 ; radio receivers had recorded increase in 1971. The output of radio receivers suffered due to lack of demand, while that of storage batteries from labour strike in two of the producing units (Table III.36).

Table III.36—Output of Electrical Engineering Industries

Item	Unit	1969	1970	1971	1972*
1	2	3	4	5	6
Light Electrical Engineering					
Electrical Lamps :					
(*i*) G.L.S. and others	Million Nos.	89.7 (+ 6.2)	105.2 (+17.3)	112.2 (+ 6.7)	125.3 (+11.7)
(*ii*) Flourescent	„	10.2 (+32.5)	10.2 (—)	10.8 (+ 5.9)	12.5 (+15.7)
Electric Fans	'000 Nos.	15,57 (+ 6.1)	15,39 (— 1.2)	19,49 (+26.6)	24,60 (+26.2)
Radio Receivers	„	17,35 (+26.7)	17,74 (+ 2.2)	19,50 (+ 9.9)	19,35 (— 0.8)
Storage Batteries	„	11,57 (+32.8)	11,66 (+ 0.8)	11,34 (— 2.7)	10,92 (— 3.7)
Dry Cells	Million Nos.	476.6 (+ 6.2)	484.2 (+ 1.6)	550.2 (+13.6)	637.2 (+15.8)
Domestic Refrigerators	'000 Nos.	49@ (— 2.0)	67@ (+36.7)	87@ (+29.9)	N.A.
Heavy Electrical Engineering					
Power Transformers	'000 KVA	50,50 (+ 4.6)	70,99 (+40.6)	87,85 (+23.7)	96,66 (+10.0)
Electric Motors	'000 HP	2087.7 (+ 9.2)	2796.0 (+33.9)	2313.2 (—17.3)	2556.0 (+10.5)

* Provisional

@ Taken from the Reports of Ministry of Industrial Development. These data are comparable with those of CSO for earlier years.

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

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

Among 'metallurgical industries group' (other than iron and steel), 'copper' recorded a decline of 1·0 per cent. Aluminium output increased marginally by 1·3 per cent as against a rise of 9·4 per cent in 1971. The rise in output of lead in 1972 (80·0 per cent) was conspicuous in view of the decline of 21 per cent in 1971. Output of 'aluminium sheets and circles' also increased primarily due to increased availability of aluminium virgin metal. Despite a decline in the output of metallic copper, production of 'copper sheets and circles' was maintained at the 1971 level (3·2 thousand tonnes). The production of 'brass sheets and circles' in 1972 was maintained at previous year's level (at 16·6 thousand tonnes); in 1971 it recorded an increase of 11·4 per cent (Table III·37).

Table III·37—Output of Metallurgical Industries (other than Iron and Steel)

(Thousand tonnes)

Item	1969	1970	1971	1972*
1	2	3	4	5
Virgin Metals				
Aluminium	132.6 (+10.4)	161.0 (+21.4)	176.2 (+ 9.4)	178.5 (+ 1.3)
Copper	9.8 (+ 3.2)	9.3 (— 5.1)	9.6 (+3.2)	9.5 (— 1.0)
Lead	1.9 (+18.8)	1.9 (—)	1.5 (—21.1)	2.7 (+80.0)
Semi-manufactures				
Aluminium sheets and circles	34.5 (— 1.4)	42.6 (+23.5)	44.5 (+ 4.5)	49.9 (+12.1)
Aluminium wire rods for A.C.S.R.	45.8 (— 1.5)	53.3 (+16.4)	59.3 (+11.3)	59.2 (— 0.2)
Copper sheets and circles@	2.2 (+22.2)	2.7 (+22.7)	3.2 (+18.5)	3.2 (—)
Brass sheets and circles@	16.0 (+27.0)	14.9 (— 6.9)	16.6 (+11.4)	16.6 (—)
Zinc sheets and strips	6.9 (+25.5)	7.0 (+ 1.4)	8.2 (+17.1)	7.5 (— 8.5)

* Provisional.
@ Includes strips.
Note : Figures in brackets indicate percentage changes over the preceding year.

III. Intermediate Goods Industries

(i) Jute Textiles

Considerable slow-down in the growth rate, lower exports and larger despatches for internal consumption were the main features of the developments in the jute manufacturing industry during 1972. Production of jute goods at 11·1 lakh tonnes in 1972 meant a marginal increase of 2·8 per cent compared with the increases of 13·3 per cent in 1971 and 6·8 per cent in 1970 (Table III.38).

Table III.38: Jute Textiles

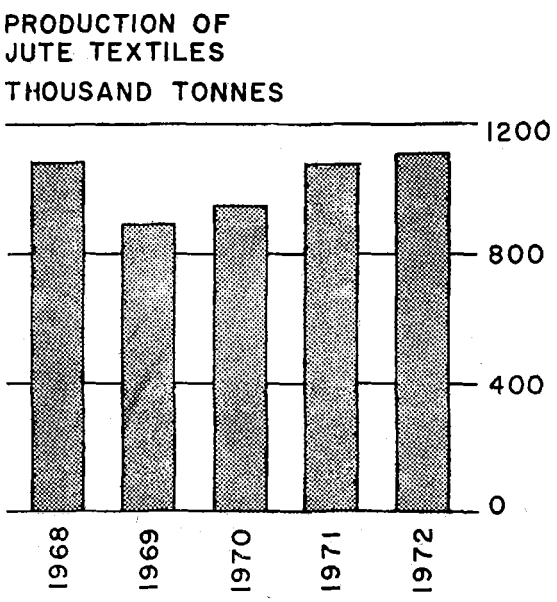
(Thousand Tonnes)

Year	Production@	Exports	Consumption@@	Year-end Stocks
1	2	3	4	5
1951 ..	889	789	123	86
1956 ..	1,111 (+4.6)£	877	197	97
1961 ..	997 (— 2.1)£	760	278	56
1966 ..	1,120 (+ 2.4)£	746	405	123
1969 ..	893 (— 6.9)£	579	380	70
1970 ..	954 (+ 6.8)	549	441	103
1971 ..	1,081 (+13.3)	641	477	110
1972* ..	1,111 (+ 2.8)	625	516	110

@ Production figures relate to the production by mills in the membership of the Indian Jute Mills' Association (IJMA) and to one non-member mill.
@@ Figures represent despatches for internal consumption.
£ Represents annual compound growth rate over the previous year in the table.
* Provisional.
Note : Figures in brackets represent percentage changes over the preceding year.

This set-back to output growth was from an acute shortage of power and frequent load shedding by power generating units in West Bengal. It is estimated that the loss of production in the industry during 1972 due to power shortage was about 42,000 tonnes. Available data for the first quarter of 1973 show that the set-back to output continued, it registered decline of 13·0 per cent from 3·0 lakh tonnes in January-March 1972 to 2·6 lakh tonnes in January-March 1973.

Graph 15



Component-wise, output of carpet backing cloth in 1972 at 1·87 lakh tonnes showed a decline of 8·4 per cent as against a sharp increase of 66·7 per cent last year. Production of sacking improved marginally by 0·4 per cent from 4·84 lakh tonnes in 1971 to 4·86 lakh tonnes in 1972. Output of hessian also went up during the year from 3·20 lakh tonnes in 1971 to 3·32 lakh tonnes in 1972. Production of sacking, carpet backing, and hessian during the first three months of 1973 stood at 1·10 lakh tonnes, 0·41 lakh tonnes and 0·81 lakh tonnes, respectively, each one of them registering absolute declines ranging from 5·2 per cent to 28·4 per cent.

As in output, despatches of jute goods for internal consumption improved by 8·2 per cent to 5·16 lakh tonnes in 1972, but the uptrend was not sustained in the first quarter of 1973 when despatches totalled only 1·2 lakh tonnes as against 1·5 lakh tonnes in the January-March 1972.

Due to resumption of supply from Bangladesh and rising competition from synthetics, India's jute textiles export declined during 1972 to 6·3 lakh tonnes from 6·4 lakh tonnes in 1971. Within the group, the export of carpet backing witnessed a steep decline from 2·2 lakh tonnes in 1971 to 1·8 lakh tonnes in 1972.

With a view to increasing the competitiveness of jute goods the industry adopted a voluntary measure of self-discipline in May 1972 and decided to maintain the carpet backing price at Rs. 4,550 per tonne irrespective of ruling prices in the market. Effective November 1972, Government reduced export duty by Rs. 400 per tonne on carpet backing, weighing nine ounces or more per square yard to give a fillip to its exports.

In December 1972, on the recommendations of the Tariff Commission, the Central Government refixed the statutory maximum prices for the two principal categories of sacking, namely, B-Twills bags and DW flour bags ; of these, a part of the output is pre-empted by Government at such statutory prices to meet the packing needs of the priority sectors. The refixed prices do not take bonus into account in the calculation of cost. The statutory maximum prices are being fixed for each month from December 1972, taking into account the raw jute cost.

In the matter of labour relations in the industry, a major event was the Tri-partite Agreement signed in May 1972, giving substantial wage increase and other benefits to the jute mill workers. This agreement covered creation of a permanent cadre of 90 per cent of normal working complement and special *budli* cadre of 15 per cent of the same who were guaranteed employment for 220 days in a year.

(*ii*) Rubber Manufactures

The sharp rise in the production of rubber goods witnessed during 1971 continued during 1972. The CSO's index for the manufacture of rubber products at 254·9 moved up by 5·4 per cent in 1972 on top of a rise of 12·1 per cent in the preceding year. The improvement in output was spread over a wide range of products, but notably automobile and bicycle tyres and tubes. The higher levels of output in the industry were sustained by an adequate supply of raw materials and ready demand for its products.

The production of automobile tyres and tubes at 44·1 lakhs and 43·1 lakhs in 1972 showed increases of 5·1 per cent and 6·8 per cent, respectively, over the levels attained in 1971. (Table III. 39). A substantial

Table III.39 : Rubber Products

(Thousand 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
1	2	3	4	5	6	7	8	9	10	11
1951	870	—	821	—	3941	—	6327	—	230	—
1956	923	23	918	30	6320	—	6373	290	361	53
	(+ 1.2)‡		(+ 2.3)‡		(+ 9.9)‡		(+ 0.2)‡		(+ 9.4)‡	
1961	1562	27	1484	37	11346	399	12848	399	451	59
	(+11.1)‡		(+10.1)‡		(+12.5)‡		(+15.1)‡		(+ 4.6)‡	
1966	2351	75	2208	96	19639	395	20449	831	522	60
	(+ 8.6)‡		(— 8.3)‡		(+11.6)‡		(+9.7)‡		(+ 3.0)‡	
1969	3629	74	2887	110	21611	398	16657	589	493	51
	(+15.5)‡		(+ 9.4)‡		(+ 3.2)‡		(— 6.6)‡		(— 1.4)‡	
1970	3655	67	3247	114	20998	273	15840	312	448	59
	(+ 0.7)		(+12.5)		(— 2.8)		(— 4.9)		(— 9.1)	
1971	4190	84	4035	119	19964	563	12517	364	436	60
	(+14.6)		(+24.3)		(— 4.9)		(—21.0)		(— 2.7)	
1972+	4,405	111†	4310	129†	21908	784†	14548	822†	436	68†
	(+ 5.1)		(+ 6.8)		(+ 9.7)		(+16.2)		—	

* Figures in lakh pairs. † Relates to July-end. +Provisional.
‡ Represents annual compound growth rate (in percentage) over previous year in the table.
Note : Figures in brackets represent percentage change over the previous year in the table.

expansion of capacity in these items was achieved during the year, and reflecting the time lag in utilising full capacity, the utilisation ratio in respect of both automobile tyres and tubes showed a decline. The capacity utilisation ratio for automobile tyres declined from 124 per cent in 1971 to 114 per cent in 1972 and that for automobile tubes from 125 per cent in 1971 to 112 per cent in 1972. Considering the pent-up demand for these products, the improvement in output and capacity utilisation would have been still better but for power bottlenecks and labour troubles experienced by some of the large units. As a result, shortages began to be felt towards the close of the year in certain items like truck tyres and bus tyres necessitating the import of these items.

Productions of cycle tyres and tubes at 219·1 lakh numbers and 145·5 lakh numbers showed increases of 9·7 per cent and 16·2 per cent, respectively, over the previous year. There were additions to capacity in these too, but at a lower rate than the addition to output ; as a result, the capacity utilisation ratios for cycle tyres and tubes improved from 63 per cent and 44 per cent in 1971 to 69 per cent and 50 per cent, respectively, in 1972. Among the rubber products, the decline in output of rubber footwear experienced continuously since 1969, was arrested in 1972; in 1972 the production was more or less steady around 1971 level.

A redeeming feature concerning the future of the industry is the continuous growth in the domestic output of natural rubber that has considerably slashed the industry's dependence on imported raw materials (Table III·40).

Table III.40 : Rubber

(Tonnes)

Item	1970	1971	1972@
1	2	3	4
Production			
Natural	89,905	98,884	109,137
Synthetic	30,337	33,007	27,842
Reclaimed ..	N.A.	16,144	14,680
Imports			
Natural	3,390	383	383
Synthetic	5,819	5,803	6,080
Reclaimed ..	N.A.	—	—
Consumption			
Natural	86,469	93,125	101,100
Synthetic	31,810	36,672	37,100
Reclaimed ..	N.A.	15,225	15,373
Stocks as at the end of the period			
Natural	41,587	47,546	55,971
Synthetic	12,730	14,681	11,756
Reclaimed ..	N.A.	4,827	4,134

@Provisional.
Source : Rubber Board, Kottayam.

(iii) Chemicals and Chemical Products

During 1972, output of 'chemicals and chemical products' on the whole registered a sharp improvement, reflecting generally improved industrial output giving rise to better demand for these intermediate products that have a wide ranging application. The index of production for this group witnessed an increase of 17·2 per cent in 1972 as compared with only 6·8 per cent in 1971. Within this group, all the subgroups recorded increases in production ranging between 3·0 per cent and 27·3 per cent, those of 'fine and pharmaceutical chemicals' (27·7 per cent) and 'heavy organic chemicals' (15·9 per cent) being more pronounced. The rise of 18·5 per cent in production of 'fertilizers' was, however, smaller than the increases achieved in 1971 at 26 per cent and in 1970 at 22 per cent. Production of 'heavy inorganic chemicals' rose in 1972 by 10·8 per cent. Among other chemical products, synthetic fibres improved by 12·0 per cent as compared to a marginal increase of 0·7 per cent in 1971.

Among heavy inorganic chemicals, output of sulphuric acid recorded substantial increase of about 11 per cent mainly on account of increase in demand from consuming industries, while that of 'soda ash' at 4·9 lakh tonnes did not show any appreciable increase due to labour strike in one of the major factories (Table III.41). In order to augment the supply of soda ash, Government have allowed the expansion of existing units as well as the installation of new units. The total capacity is thus likely to increase by 10·9 lakh tonnes.

Output of caustic soda also showed an improvement to the tune of 5·1 per cent during 1972. This improvement was due

Table III. 41 : Major Chemicals and Chemical Products

(Thousand tonnes)

Year	Sulphuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous fertilisers ('N' content) production			Phosphatic Fertilisers (superphosphate) (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	16
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 ..	1181 (+17.5)@	42	347 (+14.7)@	9	62 (— 1.3)@	6	577 (+29.7)@	136 (+16.5)@	9	116 (— 0.1)@	4	423 (+ 6.6)@	4	224 (+ 7.4)@	4
1970 ..	1078 (— 8.7)	39	373 (+ 7.5)	9	66 (+ 6.5)	9	747 (+29.5)	126 (— 7.4)	6	94 (—19.0)	16	446 (+ 5.4)	12	232 (+ 3.6)	4
1971 ..	1020 (— 5.4)	29	375 (+ 0.5)	9	68 (+ 3.0)	10	885 (+18.5)	125 (— 0.8)	13	108 (+14.9)	11	479 (+ 7.4)	20	261 (+12.5)	4
1972£ ..	1131 (+10.9)	84$	394 (+ 5.1)	10$	75 (+10.3)	9$	1012 (+14.4)	119 (— 4.8)	7$	122 (+13.0)	16$	486 (+ 1.5)	9$	294 (+12.6)	24$

* 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 and (8) Di-Ammonium Phosphate.
† Relate to Ammonium Sulphate.
@ Represents annual compound growth rate (in percentage) over the previous year in the table.
.. Negligible $ Relate to July 1972 £ Provisional
Note : Figures in brackets represent percentage changes over the preceding year.

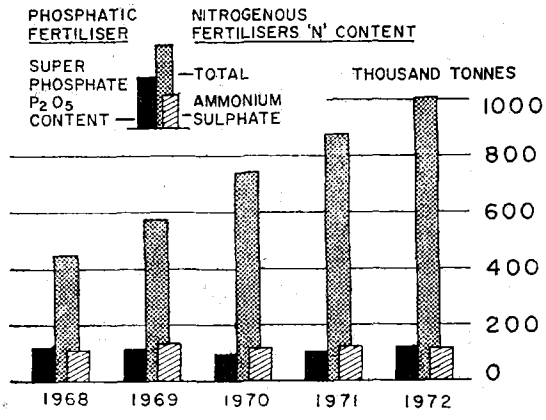
to a new caustic soda plant with the capacity of 33,000 tonnes per annum which went into operation in 1972-73. Government have sanctioned nine new units as well as expansion of a number of existing units. Output of paints and varnishes continued to show steady increase during 1972. It recorded an increase of 10·3 per cent as a result of improved construction activity in the country.

Output of soap also recorded increase of 12·6 per cent during the year. The performance of soap industry would have been still better but for the shortage of oil and restricted imports of tallow due to foreign exchange constraints.

Among chemical fertilizers, production of both nitrogenous fertilizers ('N' content) and phosphatic fertilizers (P_2O_5 content) recorded substantial increases in 1972. Production of nitrogenous fertilizers and phosphatic fertilizers were 10·1 lakh tonnes and 1·2 lakh tonnes in 1972 as against 8·9 lakh tonnes and 1·1 lakh tonnes, respectively, in the previous year. These would have been considerably higher but for power cuts which specially affected factories at Nangal and also due to labour troubles in some factories. Output of ammonium sulphate, a major component in the group of nitrogenous fertilizers which had declined marginally by 0·8 per cent in 1971, received a set-back, recording a further decline of 4·8 per cent in 1972.

Graph 16

PRODUCTION OF FERTILISERS



Installed capacity during the year for nitrogenous fertilizers increased from 13·00 lakh tonnes to 14·64 lakh tonnes (both public and private sector) and that for phosphatic fertilizers (P_2O_5) from 4·15 lakh tonnes to 5·00 lakh tonnes. A substantial underutilisation of capacity exists in both nitrogenous and phosphatic fertilizer units. The average utilisation of capacity in nitrogenous fertilizer units between 1968-69 and 1971-72 was about 68 per cent and in phosphatic fertilizers about 50 per cent. Estimates, however, show that the gap between consumption and production may necessitate imports of fertilizers (of around Rs. 300 crores) even in the terminal year of the Fifth Plan (1978-79). With a view to achieving self-sufficiency in fertilizers as quickly as possible, Government have proposed to establish a number of fertilizer plants on top priority basis. Twenty-one fertilizer projects are in various stages of implementation with a total capacity of 41·25 lakh tonnes of nitrogen and 6·73 lakh tonnes of P_2O_5. Of these, 8 projects with a capacity of 8·20 lakh tonnes of nitrogen and 0·6 lakh tonnes of P_2O_5 would commence production during 1973-74. An important decision taken by Government during the year was that all future fertilizer plants will be based on fuel oil or heavy petroleum fractions as feedstock, as far as possible. To improve the economics of fuel oil-based plants, fuel oil when used as feedstock will be exempt from excise duty.

Preparations are also under way for expansion of Nangal and Trombay fertilizer projects. The Minerals and Metals Trading Corporation (MMTC) has finalised a three-year agreement with U.S.A. and Jorden for obtaining rock phosphate—an essential raw material for production of phosphatic fertilizers. Efforts were also being made for similar agreements with other countries such as Morocco. Imports of fertilizers by MMTC during the year were higher at 7·45 lakh tonnes as compared to 6·88 lakh tonnes in 1971.

The petro-chemicals industry showed further improvement during the year. The industry has to its credit now wide ranging petroleum-based organic heavy chemicals, acctone, benzene, ethylene, menthanol and propylene. Besides, it also produces two

varieties of plastics : thermosets and thermoplastics. Heavy organic chemicals' total output in 1972 rose to 3·59 lakh tonnes or by 18·4 per cent. Likewise, thermosets and thermoplastics output also expanded but by lower rates—6·6 per cent to 8,000 tonnes and by 1·1 per cent to 1·1 lakh tonnes, respectively. The Gujarat Petro-chemicals complex at Baroda, the first of its kind in the public sector, is being implemented by the Indian Petro-chemicals Corporation Ltd., (IPCL) and consists of Aromatics Projects and the Olefins Projects with the Naphtha cracker and its associated downstream units. The Government has also approved the IPCL's proposal to set up in public sector a polyethylene plant with a capacity of 80,000 tonnes per annum.

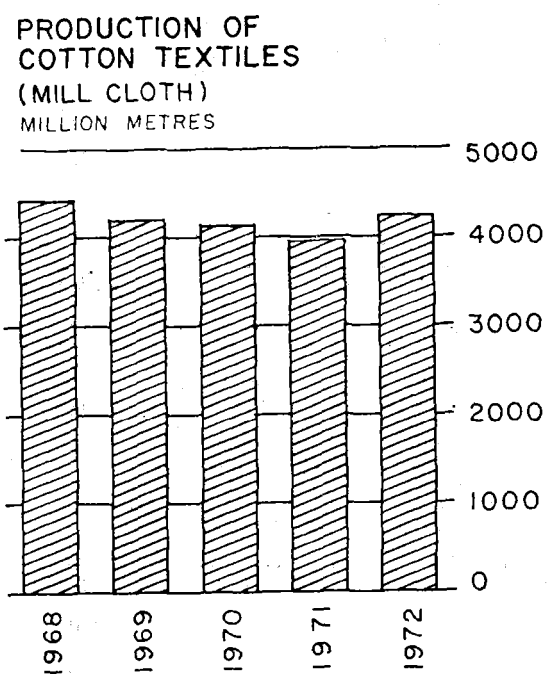
IV. Consumer Goods Industries

(i) Cotton Textiles

The cotton textile industry achieved a marked recovery from the set-back suffered in 1971, its total production rising to record levels in 1972. Total output of cotton cloth rose to 8,010 million metres from 7,356 million metres in 1971—an increase of 8·9 per cent. Increase in cotton yarn output was still better—a rise of 10·4 per cent from 881 million kgs. to 973 million kgs. in contrast to a decline of 8·2 per cent in the preceding year. This encouraging performance of the industry was assisted by comfortable supplies of raw cotton and the restarting of a number of sick mills by Government take-over. As in several industries improvement would have been more marked but for the power shortage, when led to a curtailment of output from the last quarter of 1972.

The improvement in cloth output was reflected in both the mill and decentralised sectors. In the mill sector, cloth production, which had been continuously declining during the past three years in succession, rose to 4,231 million metres, showing a rise of 6·9 per cent in contrast to a decline of 4·8 per cent in 1971. (Table III.42). Cloth output in the decentralised sector resumed its earlier uptrend after the break in 1971—when it suffered a set-back—rising to 3,779 million metres from 3,399 million metres (by 11·1 per cent) earlier exceeding the peak level output of 3,692 million metres recorded in 1970. The share of the decentralised sector in the total cloth production went up marginally from 46·2 per cent in 1971 to 47·2 per cent in 1972. With buoyancy in demand for yarn by this sector, an acute yarn shortage was felt particularly in the last quarter of 1972 when the mills were working with reduced power supply.

Graph 17



The Yarn Pool Scheme, which was formulated in February 1971 in order to alleviate shortages of cotton yarn then, was continued till August 1972. Further, to ensure the supply of *superfine* counts of cotton yarn, in respect of which shortages were being experienced in decentralised sector the cotton textile industry in consultation with the Government formulated a voluntary scheme effective August 1, 1972 making it obligatory on every mill to supply 50 per cent of its production of yarns of higher counts to decentralised sector at reduced rates. Since this arrangement did not prove adequate, in February 1973 a statutory control on distribution and prices of cotton yarn was imposed. Further, in March 1973, under the Yarn Control Order, the entire production of yarn was taken over by the Textile Commissioner for allocation to the States, while the State Governments were entrusted with the distribution arrangements. Export

Table III.42 : Cotton Textiles

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

Sector	Year	Production	Exports	Domestic Consumption*	Year—end stocks (unsold)
1	2	3	4	5	6
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
	1969	4,168 (— 1.4)£	418†	3,799	166
	1970	4,157 (— 0.3)	413	3,829	147
	1971	3,957 (— 4.8)	389	3,452	180
	1972**	4,231 (+ 6.9)	442	3,767	159
Cloth—Decentralised Sector	1951	1,013	—	—	—
	1956	1,668 (+10.5)£	55	—	—
	1961	2,376 (+ 7.3)£	26	—	—
	1969	3,538 (+ 5.1)£	26	—	—
	1970	3,692 (+ 4.4)	27	—	—
	1971	3,399 (— 7.9)	25	—	—
	1972**	3,779 (+11.1)	44	—	—
Cloth—Total	1951	4,740	753	3,992	—
	1956	6,520 (+ 6.7)£	735	5,847	—
	1961	7,077 (+ 1.7)£	551	6,527	—
	1969	7,706 (+ 1.1)£	444	7,259	—
	1970	7,849 (+ 1.9)	440	7,409	—
	1971	7,356 (— 6.3)	406	6,091	—
	1972**	8,010 (+ 8.9)	486	N.A.	—
Cotton Yarn—Mill Sector	1951	591	—	124	—
	1956	758 (+ 5.1)£	—	200	5
	1961	862 (+ 2.7)£	7	290	7
	1969	967 (+ 1.4)£	33	390	9
	1970	960 (— 0.7)	30	407	10
	1971	881 (— 8.2)	12	365	13
	1972**	973 (+10.4)	23	416	6

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

* 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.

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

** Provisional.

Notes : 1. Export figures for decentralised sector relate to handlooms only. 2. Figures in brackets represent percentage changes over the preceding year.

of yarn was banned. In April 1973, the yarn distribution policy was modified by allowing States to retain additional production exclusively for the use of handlooms and powerlooms.

Likewise, with a view to ensuring adequate supply of coarse and medium varieties of cloth, the arrangements agreed to between Government and the textile industry in 1971 to increase the output of these varieties to at least 100 million square metres per quarter were continued during the year. In November 1972, Government introduced a new controlled cloth distribution scheme whereby sale of controlled cloth, totalling 100 million square metres per quarter, was withdrawn from normal trade channels and was canalised through the co-operative stores and *fair-price* shops, leaving a small portion to be handled by the mills in their own retail shops. Further, Government has directed the Textile Commissioner to stamp prices on all varieties of cloth—controlled as well as non-controlled—to help buyers. As a result of the Government measure, the share of coarse and lower medium varieties of cloth in total cloth ouput of mills went up from 38·9 per cent in 1971 to 42·0 per cent in 1972.

Available data on domestic off-take of cloth from the mill sector indicate a recovery during 1972. The deliveries of mill cloth in the year for civil consumption was estimated at 3,767 million metres which is 9·0 per cent more than that in 1971 (3,452 million metres).

Combined with larger despatches for civil consumption, a record performance in exports by the industry resulted in a lower stock-production ratio of mill-made cloth during 1972, i.e., 38, 39 and 35 per cent during the first three quarters of 1972 as against 60, 55, 46 per cent during the corresponding quarters of 1971.

On November 1, 1972, 46 more sick mills were taken over by the Government by promulgating an ordinance with a view to improving the management and productivity of these mills. As a result, the National Textile Corporation (NTC), which was set up in April 1968 was supervising the functioning of 103 Government managed mills at the end of 1972-73 as against 45 mills at the end of 1971-72. Of these 103 mills, 33 mills were directly under the supervision of the N.T.C., while the management of the remaining 70 mills was either looked after by the State Textile Corporations or individuals. Production of cloth by the Government managed mills together during 1972 was about 600 million metres, *i.e.*, 14·1 per cent of the total cloth output of mill sector during 1972.

(ii) Woollen Textiles

Production of woollen/worsted yarn showed further improvement of 8·1 per cent during 1972, despite disturbed industrial relations in October-November 1972 resulting in a temporary closure of mills in the Bombay region (Table III. 43). Output of woollen/worsted fabrics (wearable) at 19·5 million metres showed a sharp rise of 23·4 per cent on top of 20·6 per cent increase in the preceding year ; that of woollen/worsted fabrics (non-wearable) at 4·9 million metres, an increase of 6·5 per cent on top of 7·0 per cent in 1971.

The performance of the industry continued to depend heavily on availability of imported raw wool which during 1972 showed a rise of 7·6 per cent at 18·4 million kgs. over that (17·1 million kgs.) in 1971. With a view to reducing progressively the need for imports, Government have initiated steps to increase production and improve the quality of wool. Thus, a programme has been drawn up under the auspices of the Department of Agriculture, envisaging production of 6 million kgs. of fine apparel wool by the end of the Fifth Plan. Under the programme, it is proposed to establish during the remaining period of the Fourth Plan one centrally administered and seven centrally sponsored large sheep breeding farms in different States. In the States sector, the programme envisages strengthening of the sheep-breeding farms and sheep and wool extension centres. A provision has also been made for the import of 10,000 fine wool sheep for further multiplication and production of pure-bred stud quality farms (rams) at the centrally sponsored and State sheep-breeding farms. Further, the Gujarat Sheep and Wool Development Corporation, in collaboration with the Gujarat Government, has evolved quality merino wool. Their project envisages setting up of three sheep-breeding farms—two at Nalia

and one at Mowi with a capital investment of Rs. 1 crore. Over a period of 10 years, the three farms are expected to rear 10,000 merino sheep and yield about four lakhs kgs. of fine merino wool.

In September 1972, it was discovered that there were large scale unauthorised imports of readymade garments against licences issued for import of woollen 'rags,' in violation of trade and payments control regulations. Such unauthorised imports under the guise of 'rags' were estimated to be worth more than Rs. 6 crores in 1972 as against the normal inflow of genuine 'rags' worth Rs. 3 crores to Rs. 3·5 crores per annum. With the hold-up of these 'rags' pending full investigation, production in several woollen units, particularly shoddy mills, was dislocated.

During the year 1972, the Government of India revised the policy for allocation of raw material required by the industry prevailing since October 1967. Under the revised policy announced in 1972-73, only 20 per cent allocations would be made to the worsted mills for their spinning capacity and separate allocations would be made against their powerlooms, hosiery and grey hand knitting yarn processing units. Besides this, separate allocations would be made to certain units of hosiery, powerlooms etc., in the decentralised sector and Khadi and Village Industries Commission and various States for handloom and hosiery units which are not eligible for regular quota. With a view to meeting the existing and anticipated demand for wool tops, letters of intent to 17 units were issued in 1971 and an additional wool combing capacity of 25 million lbs. is being created.

Table III.43 : Woollen Textiles

Year	production			
	Woollen/ worsted yarn	Woollen/ worsted fabrics (Non-wearable)	Woollen/ worsted fabrics (Wearable)	Exports (Woollen worsted fabrics—(wearable)
	Million Kgs.	Million Metres		
1	2	3	4	5
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	19.6 (+ 2.1)	4.3 (— 6.5)	13.1 (— 0.8)	1.5
1971	21.1 (+ 7.7)	4.6 (+ 7.0)	15.8 (+20.6)	1.8
1972*	22.8 (+ 8.1)	4.9 (+ 6.5)	19.5 (+23.4)	1.2

@ 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 these two years include some varieties other than wearable. Hence annual compound growth rate (percentage) in 1961 over 1956 is not given.
* Provisional.
Note : Figures in brackets indicate the percentage variations over the previous year.

(iii) Paper and Paper Boards

Output of paper and paper boards (excluding newsprint) at 7·5 lakh tonnes showed an absolute decline of 3·3 per cent as compared with that in 1971 when the growth rate had dipped to 2·4 per cent from 8·1 per cent in the preceding year (Table III.44).

Table III.44 : Paper and Paper Boards (excluding Newsprint)

(Thousand tonnes)

Year	Installed Capacity	Production	Year-end Stocks
1	2	3	4
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	759 (+ 8.1)	22
1971	882	777 (+ 2.4)	20
1972*	924	751 (— 3.3)	22**

@ Represents annual compound growth rate (in percentage) over the previous year in the table.
* Provisional.
** As at the end-July 1972.
Note : Figures in brackets represent percentage changes over the preceding year in the table.
Source : Annual Reports of Ministry of Industrial Development.

Installed capacity in the paper industry increased from 8·8 lakh tonnes at the end of 1971 to 9·2 lakh tonnes at the end of 1972. With virtual stagnation in production and additions to capacity during the year, the output/capacity ratio declined from 88·3 per cent to 80·7 per cent in 1972. The shortage of pulp and power continued to be a major constraint for this industry. With consumption increasing at a faster rate and supply from indigenous industry remaining inelastic, imports remained at more or less the same level of Rs. 31 crores.

Nevertheless, the industry has been experiencing capacity constraints. Hence, Government had invited entrepreneurs to set-up new units in the industry or to expand the existing ones. Total capacity envisaged in the schemes covered by industrial licences and letters of intent, both for new units and substantial expansion of existing units would aggregate 11·45 lakh tonnes. In the public sector, the Hindustan Paper Corporation has a paper and pulp project at Nagaland under implementation (with 30,000 tonnes capacity) and two bigger projects—one at Nowgong and another at Cachar—have reached the final stages of project examination. Besides, the crash programme initiated in 1970 for raising capacity in the existing paper mills with the help of balancing equipment only has made further progress during 1972. This programme is expected to generate an additional capacity of 1·24 lakh tonnes. With a view to augmenting the supply of paper manufacturing machinery, Government have relaxed the provisions relating to foreign collaboration in this industry.

Non-availability of raw material, as mentioned earlier, continues to be the major constraint in this industry. The production of rayon grade pulp during 1972 aggregated 72,776 tonnes (estimated) as against 53,994 tonnes in 1971 and 78,738 tonnes in 1970. The output of paper grade pulp was 21,591 tonnes (estimated) as against 22,230 tonnes in 1971 and 23,316 tonnes in 1970. Installed capacity of rayon grade pulp and paper grade pulp increased to 1·23 lakh tonnes and 22,500 tonnes, respectively, in 1972.

The output of newsprint at NEPA—the only newsprint mill that is in the public sector—reached a new high level of 42,048 tonnes as against 40,081 tonnes in 1971. A project for expansion of the capacity of this plant to 75,000 tonnes is under implementation. Further, a newsprint plant with a capacity of 80,000 tonnes per annum is being set up in Kerala by the Hindustan Paper Corporation. Even after completion of these projects there will still remain a gap to be bridged by imports as reflected in imports of newsprint aggregating 1·7 lakh tonnes in 1972 as against 1·8 lakh tonnes in 1971 and 1·4 lakh tonnes in 1970. The prices of paper

were raised by the industry twice during the year, by Rs. 75 to Rs. 150 per tonne, notwithstanding an agreement reached in January 1972 not to raise prices more than once a year and without Government approval.

Consequent upon striking down of the Newsprint Control Order, 1972, restricting the number of pages of major newspapers, Government introduced in February 1973 a revised newsprint policy for the year 1973-74. Accordingly, the page ceiling on newspaper imposed in the previous year was removed and newsprint entitlements have been based on 1971-72 performance. There will be no interchange of quotas between newspapers but a new edition of an existing newspaper can be brought out within the authorised quota.

(iv) Sugar

With a better sugarcane output, as stated earlier, production of sugar during the 1972-73 season (October-September) upto September 15, 1973 amounted to 38·5 lakh tonnes as compared with 31·0 lakh tonnes during the corresponding period of the previous season, thus registering an increase of 24·2 per cent. For 1972-73 season as a whole sugar production, according to trade, is likely to be of the order of 39 lakh tonnes compared with official estimate of 31·1 lakh tonnes during 1971-72 season (Table III·45).

However, the overall supply situation continues to be tight, due mainly to lower carry-over stock of 6 lakh tonnes at the beginning of the 1972-73 season as against 14·1 lakh tonnes a year ago. This is also reflected in despatches of sugar during 1972-73 season up to September 15, which totalled 34·3 lakh tonnes, i.e., 3·1 lakh tonnes lower than that in the comparable period of the previous season. As a result of higher production and lower despatches, stocks of sugar as on September 15, stood at 10·1 lakh tonnes as against 7·6 lakh tonnes on September 15, 1972.

Table III·45—Trends in Sugar Output and Stocks

(Lakh tonnes)

Year	(October-September)*				
	Opening Stocks@	Production	Imports	Exports	Consumption
1	2	3	4	5	6
1950-51	1.80	11.18	0.57	—	10.98
1955-56	5.40	18.92	0.69	—	19.72
1960-61	12.60	30.28	—	2.47	21.27
1965-66	12.16	35.41	—	3.92	27.92
1968-69	4.35	35.59	—	0.79	26.09
1969-70	13.06	42.62	—	2.17	32.61
1970-71	20.90	37.40	—	3.95	40.25
1971-72	14.10	31.13	—	1.44	37.80
1972-73**	5.99	39.00	—	0.55	N.A.

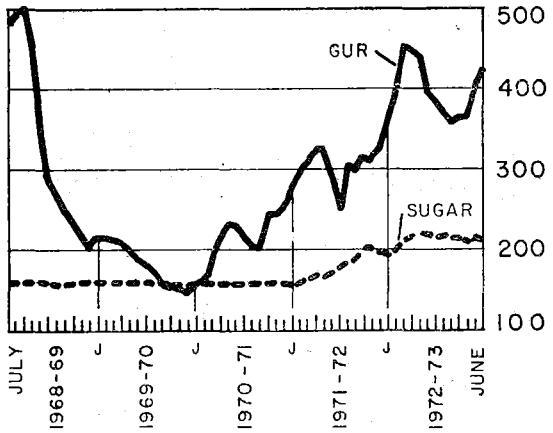
* Upto 1967-68, the sugar-year was November-October.
** Provisional.
@ As on October 1.

Source : 'Sugar Situation' issued by the Directorate of Economics and Statistics, Ministry of Agriculture, Government of India, New Delhi.

As stated in the previous year's Report (p. 40), informal partial control on sugar was replaced by statutory control effective July 1, 1972. In view of the continued difficult supply situation, this policy of partial control on sugar was not only continued, but the proportion of levy sugar was also raised from 63·5 per cent to 70 per cent (inclusive of 3·5 per cent for export purposes) effective October 1, 1972.

Graph 18

INDEX NUMBERS OF WHOLESALE PRICES GUR AND SUGAR 1961-62 = 100



The tariff value for the purpose of excise duty assessment (given below) on free sale sugar has undergone several changes in conformity with the open market prices.

Tariff value of sugar

June	1972	Rs. 210 per quintal
September	1972	Rs. 235 ,, ,,
December	1972	Rs. 275 ,, ,,
April	1973	Rs. 265 ,, ,,
May	1973	Rs. 255 ,, ,,
June	1973	Rs. 260 ,, ,,
July	1973	Rs. 270 ,, ,,
August	1973	Rs. 270 ,, ,,
September	1973	Rs. 270 ,, ,,

There was no change; however, in the tariff value of levy sugar which continued to be maintained at Rs. 135 per quintal. The rate of excise duty was fixed at 26 per cent for levy sugar with effect from December 1, 1972, while it was continued at 30 per cent for free sale sugar.

In view of the low stock position and the need to maximise the production of sugar during 1972-73, apart from the increase in basic minimum price of sugar referred to above, several measures were taken during the year. These are:

(i) A graded scheme of excise duty rebate was announced so as to encourage increased crushing. The rebate was fixed at Rs. 40 per quintal for October-November 1972, Rs. 30 per quintal for May-June 1973 and Rs. 20 per quintal for the period July-September 1973, on the quantities produced in excess of the respective production levels in the last season. For the intervening period, viz., December 1972 to April 1973, the rebate was Rs. 20 per quintal but related to the quantity in excess of 115 per cent of production in the corresponding period in 1971-72 season ;

(ii) A uniform retail price for levy sugar at Rs. 2 per kg., was introduced throughout the country with effect from October 1, 1972 but was raised to Rs. 2·15 per kg. from December 1972 on account of the increased minimum price of cane announced for the season, and

(iii) The wholesale distribution of levy sugar was taken over in January 1973 by the Food Corporation of India at the instance of the Union Government in major parts of the country. This is, however, being handed over to the respective State Governments in a phased manner.

In order to bring about a better balance between demand and supply of sugar, it was decided as a long range policy to increase the productivity and sucrose content in cane and to build up adequate buffer stocks of sugar to provide against fluctuations in output. State Governments were also advised to consider: (i) granting rebates in the cane purchase tax/cane cess levied on the cane purchased by vacuum pan sugar factories ; (ii) delimiting the reserved areas for sugar factories and banning the setting up of new *khandsari* units and power crushers in these areas and encouraging the existing ones to shift outside the factory area, and (iii) regulating the work of *khandsari* units and power crushers regarding their hours of work and quantity of cane crushed.

Price Situation

As stated earlier, despite the not so unsatisfactory availability levels of major commodities, the pressure exerted on the general price level during 1972-73 was unprecedented. From January 1972, there had been increasing pressure on commodity prices and by end-June 1972, the index of wholesale prices had risen to 198·8, showing a rise of 6·1 per cent over end-December 1971 level. But during the year under review, the price situation deteriorated further, and at a disconcerting pace. Throughout the year, there was hardly any easing of this pressure, save for a short-lived respite during mid-August—mid-September 1972, when the General Index hovered around 207-208. By end-June 1973, it had reached 242·0 recording an increase of 21·7 per cent over the year, on top of 6·8 per cent increase recorded in the previous year (Table III.46). The annual average of General Index for 1972-73 (July-June) witnessed an increase of 13·1 per cent as against a rise of 4·9 per cent in 1971-72.

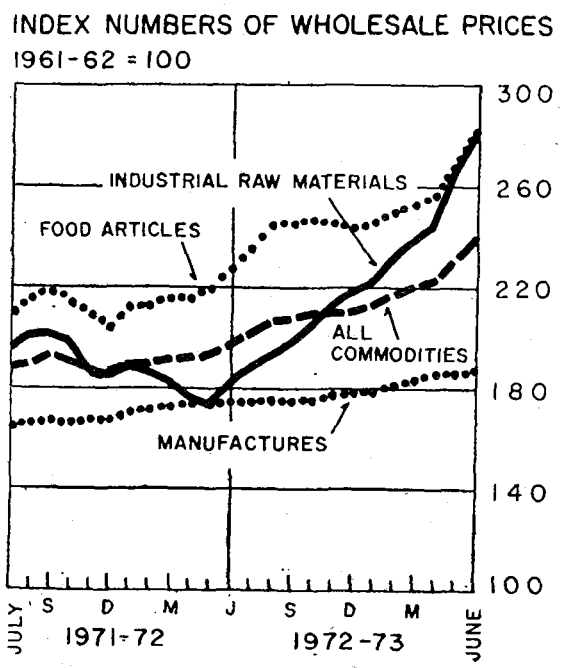
Group-wise, the largest rise took place in the price indices of 'Food Articles' (24·2 per cent) and of 'Industrial Raw Materials' (60·2 per cent). In terms of the weighted contribution of the commodity groups comprising the General Index as presented in Table III.47, these two groups together accounted for about 85 per cent of the total rise in the General Index. 'Manufactures' accounted for about 10 per cent.

Table III.47 : Weighted Contribution made by Major Groups to the Price Rise

(In Percentage)

Group	End-June 1972 over End-June 1971	End-June 1973 over End-June 1972
1	2	3
Food Articles	73.2	53.6
Liquor and Tobacco	3.9	1.6
Fuel, Power, Light and Lubricants	2.4	1.9
Industrial Raw Materials ..	—6.3	31.4
Chemicals	0.8	0.2
Machinery and Transport Equipments	5.5	1.4
Manufactures	20.5	9.8
All Commodities	100.0	100.0

Graph 19



Within these major groups, phenomenal increases ranging from 23 per cent to 113 per cent were recorded in a period of 12 months in a number of important commodities: jowar, bajra and pulses among foodgrains; edible oils, fruits and vegetables, and fish, eggs and meat among other 'Food Articles'; and raw cotton and groundnuts among 'Industrial Raw Materials.' Within the group 'Manufactures' also, the large increases of over 30 per cent took place in agriculture-based commodities like raw silk and oilcakes.

The importance of agricultural commodities—as distinguished from non-agricultural commodities—in the current price spurt is brought out in Table III.48. While the composite (average) price index of agricultural commodities rose by 16·7 per cent during the year 1972-73 (July-June), that of non-agricultural commodities rose by 11·1 per cent. Even this increase in the price index of non-agricultural commodities is to be explained by a number of manufactures which have agriculture-based raw materials like *gur*, sugar, oilcakes, cotton yarn and others ; all of these have experienced large price increases ranging

Table III.46 : Trends in Index Numbers of Wholesale Prices
(Base : 1961-62=100)

Group/Sub-group/Commodity	Weights*	End-June 1971	End-June 1972	End-June 1973	Percentage Variation: End-June 1972 over End-June 1971(4) over(3)	Percentage Variation: End-June 1973 over End-June 1972(5) over(4)
1	2	3	4	5	6	7
All Commodities	**1000**	**186.1**	**198.8**	**242.0**	**+ 6.8**	**+21.7**
I. Food Articles	**413**	**206.8**	**229.3**	**284.8**	**+10.9**	**+24.2**
Foodgrains	(35.8)	207.0	237.0	282.4	+14.5	+19.2
i) Cereals	(29.3)	197.9	219.8	259.7	+11.1	+18.2
1) Rice	(16.2)	204.8	225.4	263.4	+10.1	+16.9
2) Wheat	(7.8)	199.9	207.4	227.0	+ 3.8	+ 9.5
3) Jowar	(2.2)	191.9	232.0	297.6	+20.9	+28.3
4) Bajra	(1.1)	139.5	202.4	316.8	+45.1	+56.5
ii) Pulses	(6.5)	247.8	314.2	385.1	+26.8	+22.6
Fruits and Vegetables	(5.7)	234.3	206.0	282.6	—12.1	+37.2
Milk and Milk Products	(14.7)	216.2	227.8	262.7	+ 5.4	+15.3
Edible oils	(13.0)	198.1	205.6	337.9	+ 3.8	+64.3
Fish, Eggs and Meat	(4.9)	233.1	280.3	384.4	+20.2	+37.1
Sugar and Allied Products	(15.7)	209.4	268.0	299.1	+28.0	+11.6
Sugar	(8.9)	155.9	198.7	211.7	+27.5	+ 6.5
Gur	(5.9)	293.8	372.1	426.8	+26.7	+14.7
Others	(10.2)	171.4	164.0	193.0	— 4.3	+17.7
II. Liquor and Tobacco	**25**	**194.4**	**215.5**	**246.1**	**+10.9**	**+14.2**
III. Fuel, Power, Light and Lubricants	**61**	**172.5**	**177.2**	**190.1**	**+ 2.7**	**+ 7.3**
IV. Industrial Raw Materials	**121**	**191.2**	**184.4**	**295.4**	**— 3.6**	**+60.2**
Fibres	(34.0)	189.6	156.3	211.5	—17.6	+35.3
i) Cotton raw	(18.5)	229.8	157.9	250.2	—31.3	+58.5
ii) Jute raw	(9.6)	152.0	157.3	156.6	+ 3.5	— 0.4
Oilseeds	(43.3)	204.0	210.8	377.7	+ 3.3	+79.2
i) Groundnuts	(20.8)	192.9	203.4	432.3	+ 5.4	+112.5
Minerals	(2.9)	148.2	150.2	144.9	+ 1.3	— 3.5
Others	(19.8)	172.1	180.1	281.5	+ 4.6	+56.3
V. Chemicals	**7**	**195.0**	**200.5**	**209.5**	**+ 2.8**	**+ 4.5**
VI. Machinery and Transport Equipment	**79**	**156.6**	**165.9**	**175.7**	**+ 5.9**	**+ 5.9**
1. Electrical Machinery	(23.8)	155.9	169.3	175.9	+ 8.6	+ 3.9
2. Non-Electrical Machinery	(49.0)	164.2	174.5	189.8	+ 6.3	+ 8.8
3. Transport Equipment	(27.2)	143.6	147.6	149.9	+ 2.8	+ 1.6
VII. Manufactures	**294.0**	**164.8**	**173.7**	**188.9**	**+ 5.4**	**+ 8·8**
a) Intermediate products	(19.5)	193.0	203.7	237.4	+ 5.5	+16.5
b) Finished products	(80.5)	158.0	166.4	177.1	+ 5.3	+ 6.4
Textiles	(38.6)	164.4	170.0	175.5	+ 3.4	+ 3.2
i) Cotton Manufactures	(26.8)	159.4	164.5	175.3	+ 3.2	+ 6.6
ii) Jute Manufactures	(8.1)	191.2	195.4	172.9	+ 2.2	—11.5
iii) Silk and Rayon Manufactures	(2.6)	123.2	131.8	132.0	+ 7.0	+ 0.2
iv) Woollen Manufactures	(0.9)	191.0	211.6	324.7	+10.8	+53.4
Metal Products	(13.0)	173.6	194.2	206.1	+11.9	+ 6.1
Chemical Products	(9.2)	149.7	154.5	161.1	+ 3.2	+ 4.3
Leather Products (Shoes)	(3.0)	97.5	99.1	104.2	+ 1.6	+ 5.1
Rubber Products	(3.4)	156.8	159.3	161.3	+ 1.6	+ 1.3
Paper Products	(3.3)	124.7	137.3	140.6	+10.1	+ 2.4
Oilcakes	(2.6)	175.5	195.6	331.4	+11.5	+69.4

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

Table III·48—Relative Prices of Agricultural Commodities and Non-Agricultural Commodities (Based on Index Numbers of Wholesale Prices with Base : 1961-62=100)

Year (July-June)	General Index of Wholesale Prices		Index for Agricultural Commodities		Index for Non-agricultural commodities		Prices of 'agricultural commodities' as *percentage* of 'non-agricultural commodities'
1	2		3		4		5
Weights	1000		332		668		—
Annual Average	Index	Percentage Increase	Index	Percentage Increase	Index	Percentage Increase	
1961-62	100.6	—	100.4	—	100.7	—	99.7
1962-63	105.2	4.6	102.9	2.5	106.4	5.7	96.7
1963-64	112.3	6.7	112.4	9.2	112.3	5.5	100.1
1964-65	124.6	11.0	134.0	19.2	119.9	6.8	111.8
1965-66	135.9	9.1	147.5	10.1	130.1	8.5	113.4
1966-67	155.2	14.2	174.0	18.0	145.9	12.1	119.3
1967-68	167.0	7.6	185.2	6.4	158.0	8.3	117.2
1968-69	166.6	(—)0.2	183.1	(—)1.1	158.4	0.3	115.6
1969-70	174.3	4.6	198.8	8.6	162.1	2.3	122.6
1970-71	182.1	4.5	198.9	0.1	173.8	7.2	114.4
1971-72	191.2	5.0	200.7	0.9	186.5	7.3	107.6
1972-73	216.2	13.1	234.3	16.7	207.2	11.1	113.1
Year-End (June)							
1961-62	103.2	3.2	102.6	2.6	103.5	3.5	99.1
1962-63	108.7	5.3	105.9	3.2	110.1	6.4	96.2
1963-64	118.3	8.8	124.1	17.2	115.4	4.8	107.5
1964-65	126.6	7.0	133.4	7.5	123.2	6.8	108.3
1965-66	145.6	15.0	159.8	19.8	138.5	12.4	115.4
1966-67	168.2	15.5	192.0	20.2	156.4	12.9	122.8
1967-68	162.9	(—)3.2	173.1	(—)9.8	157.8	0.9	109.7
1968-69	171.8	5.5	196.6	13.6	159.5	1.1	123.3
1969-70	180.9	5.3	207.6	5.6	167.6	5.1	123.9
1970-71	185.2	2.4	196.3	(—)5.4	179.7	7.2	109.2
1971-72	197.9	6.9	204.5	4.2	194.6	8.3	105.1
1972-73	239.1	20.8	266.0	30.1	225.7	16.0	117.9

from 7 per cent to 70 per cent during the year (Table III.46).

The most important source of pressure on the commodity prices is, therefore, to be found in shortages of a wide range of agricultural commodities—wage goods and industrial raw materials alike—in the wake of a widespread drought. In some of the key commodities like foodgrains and edible oilseeds and oils, there has also been a good deal of speculative hoarding, which is reflected in lower market arrivals than warranted by the levels of output. The holding power of the richer sections of the farm community has improved as a result of the larger incomes accruing to them against their marketed products during the past few years. Many of their inputs like fertilizers, seeds, electricity and water are available at highly subsidised prices. And along with the rest of the community, they have derived same benefit from the existing price controls on consumer goods like coarse and lower medium varieties of cloth, *vanaspati*, soap, sugar, salt, matches and bicycles. While the price index of agricultural commodities have risen by 134 per cent during the decade 1961-62 to 1972-73, and those of non-agricultural commodities by 107 per cent, the increases in the price indices of these consumer goods have generally been much less, i.e., in the range of 13 per cent to 68 per cent. Among these, the price index of only one item, viz., *gur* has experienced larger increase than the increase in the index of agricultural commodities group (Table III.49). There is, in other words, reason to believe that price-movements in the last few years have had the effect of altering the pattern of income distribution in favour of the richer sections of the farming community.

The pressure on the commodity prices also arose from the expansion in monetary demand, which is reflected in large increase in money supply and aggregate monetary resources. There were largely the consequence of a high level of Government disbursements, a large proportion of which was financed through borrowing from the Reserve Bank, as described in Chapter IV.

Table III·49—Percentage Increases in the Prices of Certain Individual Commodities and Commodity Sectors

Sector/Commodity	Average Index*		Percent increase-
	1961-62 (July-June)	1972-73 (July-June)	1972-73 over 1961-62
Agricultural Commodities ..	**100.4**	**234.3**	**134**
Non-Agricultural Commodities	**100.7**	**207.2**	**107**
Cloth Manufactures@ ..	100.4	167.9	68
Vanaspati	99.4	206.2	107
Soap	100.8	147.1	46
Sugar	101.0	215.0	114
Gur	103.1	398.6	296
Salt	101.0	153.4	52
Matches	101.3	114.1	13
Bicycles	100.9	121.5	21
Fertilizers	99.6	143.5	44

* Based on official Index Numbers of Wholesale Prices (Base : 1961-62=100).
@ Including non-controlled varieties of cloth.

Price Trends in the Major Commodity Groups

Food Articles

Index number of wholesale prices for foodgrains (Base: 1961-62=100) which rose by 14·5 per cent during 1971-72 to 237·0 moved up to 282·4 by end-June 1973, registering a rise of 19·2 per cent over end-June 1972 level. Grainwise, prices of coarse grains and pulses have shown a larger rise than those of rice and wheat.

Data on wholesale prices of rice in various States available upto January 1973 presented in Table III. 50 show that there have been wide variations in price movements not only as between States, but also within each State, reflecting the impact of restrictions on inter-State and inter-district movement of rice and the intensity of drought situation.

Notwithstanding an improvement in wheat production during 1971-72, wheat prices during 1972-73 season (April-March) moved up steadily except for occasional spells of easiness in May and September 1972 and again in March 1973 ; they tended to show a decline since the onset of the 1973-74 marketing season. Thus, index of wheat rose from 218·0 in March 1972 to 241·8 in March 1973 but declined thereafter to 227·0 in June 1973. reflecting fresh market arrivals.

Table III.50—Regional Variations of Prices of important foodgrains

State	Centres	Percentage variation between June 30, 1972 to January 17, 1973 (Increase + Decrease —)
1	2	3
Rice		
Andhra Pradesh ..	3	+ 2.3—13.8
	2	—20.0—20.4
Bihar	1	+ 4.5
	9	— 2.1—12.5
Gujarat	4	+28.4—61.3
Madhya Pradesh ..	4	+ 4.2—42.1
	1	— 6.8
Mysore	3	+ 0.8—19.4
	1	— 6.2
Orissa	1	+ 8.7
	4	—12.3—30.0
Uttar Pradesh ..	13	+ 1.3—32.5
Wheat		
Bihar	2	+10.8—17.1
Punjab	4	+ 2.2—17.3
Haryana	5	+ 5.3—28.5
Madhya Pradesh ..	4	+16.3—22.2
Uttar Pradesh	8	+ 0.8—54.8
Jowar		
Andhra Pradesh ..	2	+ 1.0—16.7
Gujarat	2	+ 1.1—28.2
Madhya Pradesh ..	1	—11.1
Mysore	1	+27.6
	1	—18.9
Rajasthan	2	+ 3.2—10.5
Uttar Pradesh	1	—26.1
Bajra		
Andhra Pradesh ..	1	+ 2.0
Gujarat	2	+41.3—54.1
Madhya Pradesh ..	1	+29.6
Maharashtra	2	+27.1—28.4
Uttar Pradesh	1	+21.8
Rajasthan	1	+27.0

Coarse grains and pulses witnessed sharp increases in price level for the second year in succession. During end-June 1972 to end-June 1973, the prices of bajra and jowar shot up by 57 per cent and 28 per cent on top of increases of 45 per cent and 21 per cent, respectively, in 1971-72, mainly on account of a sharp decline in the output of these cereals for two years successively. Region-wise, in regard to bajra, while all the major States witnessed price increases ranging between 2 to 54 per cent, in regard to jowar divergent trends were noticed ranging between declines of 11 to 26 per cent at some centres and increases of 1 to 28 per cent in some other centres.

Industrial Raw Materials

The rise of 60·2 per cent in the price index of industrial raw materials group was largely contributed by 'raw cotton' (58·5 per cent) and 'oilseeds' (79·2 per cent). The rising tendency in the prices of 'raw cotton' was due to sustained mill demand in the wake of good export orders for cloth and for fulfilling the backlog of controlled cloth by end-June 1973. Nevertheless, among different varieties of raw cotton, large increases took place in long-staple varieties. Among oilseeds, groundnuts, which forms about two-thirds of the oilseeds production, recorded the largest rise of 112·5 per cent. The only item showing a decline, though marginal, in this group was 'raw jute' (—0·4 per cent) in contrast to a rise of 3·5 per cent recorded last year. It may be added however, that decline in raw jute prices occurred mostly in May—June 1973, reflecting mainly the impact of Jute Commissioner's directive not to hold stocks in excess of 6 weeks' requirements (in case of mills in West Bengal and Bihar and 10 weeks' in other States) and compulsory cuts in production of jute goods during May and June coupled with the anticipation of a comfortable supply position in 1973-74 following better crop prospects of raw jute production.

Manufactures

In the 'Manufactures' group showing a rise of 8·8 per cent in the index during 1972-73 as against 5·4 per cent in the preceding year, prices of both 'Intermediate products' and 'Finished products' rose, respectively, by 16·5 per cent and 6·4 per cent. Among

'Finished products', the index of 'oilcakes' following the trend in prices of oilseeds, recorded the largest increase of 69·4 per cent as against a rise of 11·5 per cent in last year. The increase in 'cotton manufactures' was relatively smaller owing mainly to adequate availability of raw cotton in 1971-72 season while jute and silk and rayon manufactures showed easy trends in prices because of the slight declines in their raw material prices. The continued shortage of basic metals led to rise in prices of metal products.

Consumer Price Index Numbers

The increase in the general price level during 1972-73 was reflected in a parallel uptrend in the All-India Consumer Price Index Numbers (Base: 1960=100) for the Industrial Workers and All-India Consumer Price Index for Urban Non-Manual Employees. The average Index for Industrial Workers increased from 192 during 1971-72 (July-June) to 214 during 1972-73 recording a larger rise of 11·5 per cent as compared to a rise of 3·2 per cent last year. The average Index for Urban Non-Manual Employees also showed a similar trend recording a rise of 7·7 per cent in 1972-73 as against a rise of 5·2 per cent last year (Table III.51).

Graph 20

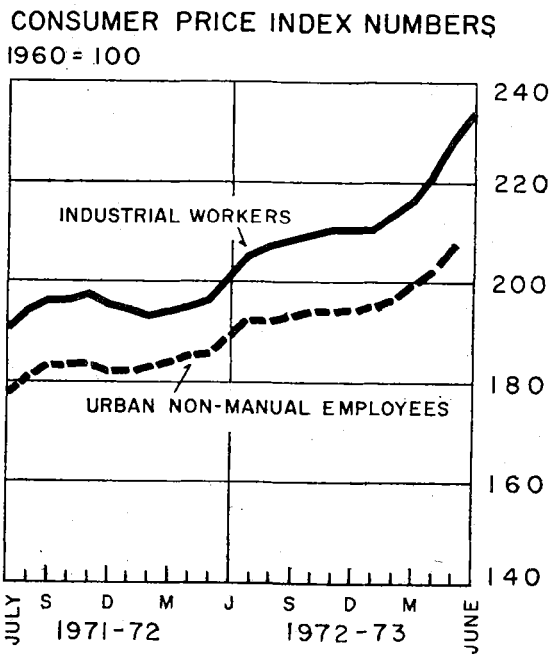


Table III.51—Trends in Consumer Price Index Numbers (All-India)

Year	Industrial Workers (Base: 1960=100)		Urban Non-Manual Employees (Base: 1960=100)	
	Index	Percentage Increase	Index	Percentage Increase
1	2	3	4	5
Annual Average (July-June)				
1968-69	174	—	161	—
1969-70	177	1.7	167	3.7
1970-71	186	5.1	174	4.2
1971-72	192	3.2	183	5.2
1972-73	214	11.5	197	7.7
Year-end (June)				
1968-69	178	—	166	—
1969-70	185	3.9	174	4.8
1970-71	187	1.1	178	2.3
1971-72	201	7.5	189	6.2
1972-73	233	15.9	211	11.6

CHAPTER IV—MONEY SUPPLY, CREDIT POLICY AND BANKING DEVELOPMENTS

Trends in Money Supply

Annual Trends

The deterioration in aggregative terms in the demand-supply balance of the economy has been referred to in the earlier chapters. One element in this, *viz.*, the expansion of monetary demand during 1972-73 (July-June) was reflected in an accelerated growth in money supply and aggregate monetary resources. Money supply grew by 15·9 per cent during the year against 14·2 per cent in 1971-72 and aggregate monetary resources by 17·9 per cent against 16·9 per cent. In absolute terms, money supply with the public and aggregate monetary resources in 1972-73 (July-June) increased by Rs. 1358 crores and Rs. 2327 crores, respectively ; the corresponding totals for the preceding year were Rs. 1061 crores and Rs. 1877 crores (Table IV·1).

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

(Rupees Crores)

Heads	Increases during					
	1970-71 (July-June)		1971-72 (July-June)		1972-73 (July-June)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
1	2	3	4	5	6	7
A. Constituents of Money Supply						
1. Currency with the Public	421	10·1	388	8·5	872	17·5
2. Demand Deposits	406	16·5	673	23·4	486	13·7
3. Money Supply (1 + 2)	828	12·5	1061	14·2	1358	15·9
B. Factors Affecting Money Supply						
4. Net Bank Credit to Government (a + b)	931	19·3	1234	21·4	1438	20·6
(a) R.B.I. Credit to Government ..	734	20·5	878	20·3	955	18·4
(b) Other banks' Credit to Government	197	15·9	356	24·7	484	27·0
5. Net Foreign Exchange Assets of the Banking Sector	(−)95	(−)14·3	36	6·3	(−)18	(−)3·0
6. Government's Net Currency Liabilities to Public	21	5·6	24	6·1	35	8·4
7. Total (4+5+6)	857	14·6	1294	19·3	1455	18·2
8. Net Bank Credit to Commercial Sector (a—b)	158	8·2	120	5·7	61	2·8
(a) Bank Credit to Commercial Sector*	721	14·3	935	16·3	1030	15·4
(b) Time Deposits	562	18·1	816	22·3	969	21·6
9. Total (7 + 8)	1015	13·0	1414	16·1	1516	14·8
10. Net Non-Monetary Liabilities of R.B.I. (Increase −)	(−)177		(−)249		(−) 77	
11. Residual (Increase −)	(−) 10		(−)105		(−) 81	
C. Aggregate Monetary Resources (3 + 8b) ..	1390	14·3	1877	16·9	2327	17·9

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

Note: For footnotes to the table, see Statement 23 of this Report.

In the expansion of money supply during 1972-73, the contribution of net bank credit to Government sector continued to be large in absolute as well as in relative terms, while that of net bank credit to commercial sector was lower than in the previous year. During 1972-73 net bank credit to Government sector amounted to Rs. 1438 crores (or an increase of 20·6 per cent) compared with Rs. 1234 crores (21·4 per cent) in 1971-72. Net bank credit to commercial sector was Rs. 61 crores, showing an increase of 2·8 per cent against Rs. 120 crores or 5·7 per cent in 1971-72.

A feature in the net bank credit to Government observed in the past two years is the rising contribution of "other banks" to Government borrowing. In 1972-73, while such credit by commercial and co-operative banks to Government expanded by Rs. 484 crores or Rs. 128 crores more than that in the previous year, the increase in Reserve Bank credit to Government at Rs. 955 crores was Rs. 77 crores larger than in 1971-72. In percentage terms, commercial and co-operative banks' credit to Government, which had grown by 15·9 per cent in 1970-71, grew by 24·7 per cent in 1971-72 and by 27·0 per cent in 1972-73. The corresponding increases in net Reserve Bank credit to Government were 20·5 per cent, 20·3 per cent and 18·4 per cent.

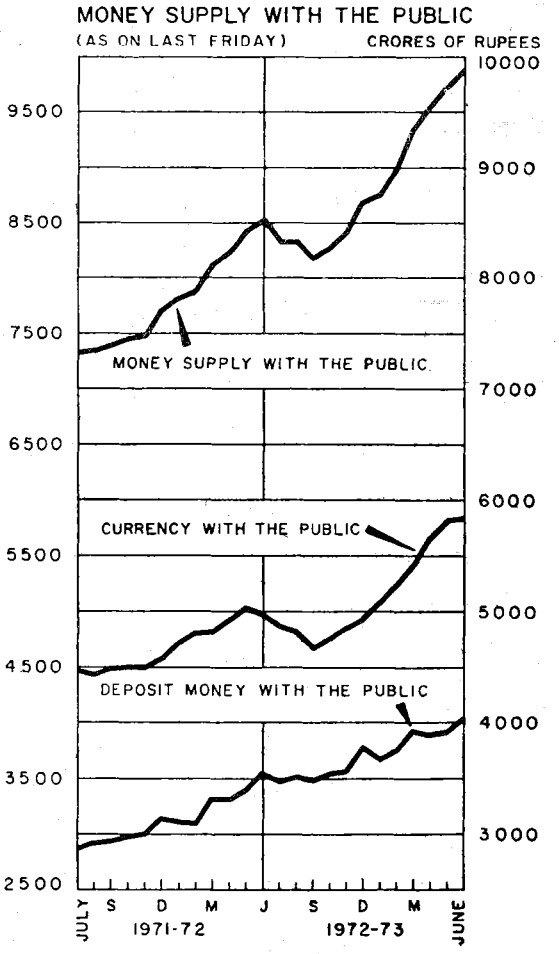
The decline in the contribution of net bank credit to commercial sector was due not so much to a fall in commercial bank lending as to a higher measure of accrual of time deposits. Gross bank credit to commercial sector expanded by Rs. 1030 crores compared with Rs. 935 crores in 1971-72 and time deposits by Rs. 969 crores compared with Rs. 816 crores. Under the present method of compilation of factors affecting money supply, the entire time deposits are offset against lending to commercial sector alone.(1)

(1) According to the annual survey of 'ownership of deposits with banks as on March 31, 1971' conducted by the Reserve Bank, 'household sector' owned the entire savings deposits and 77·1 per cent of the fixed deposits.

The appropriateness of doing so is however somewhat arguable.

Against the expansions in net bank credit to Government and commercial sectors, there occurred some decline in the net foreign exchange assets of the banking sector and an increase, though of a lower magnitude than in the previous year, in net non-monetary liabilities of the banking system which exerted some contractionary influence on money supply in 1972-73.

Graph 21



Seasonal Trends

The period under review showed pronounced seasonality. The slack season of 1972 (April-October) experienced a smaller increase in money supply of Rs. 71 crores against Rs. 171 crores in the 1971 slack season ; there was an absolute decline of Rs. 178 crores in currency with the public against a decline of Rs. 23 crores in the previous slack season (Table IV·2). Accretions to demand deposits were higher at Rs. 249 crores against Rs. 193 crores in the earlier season. Net bank credit to Government at Rs. 462 crores was the major expansionary factor, but a more notable factor in it was the other banks' credit to Government of as much as Rs. 530 crores (against Rs. 213 crores in the previous season), while the Reserve Bank credit to Government contracted by Rs. 69 crores. The growth in banks' total credit to commercial sector was lower and net of time deposits, it shrank much more steeply than in the previous year.

This contraction in net bank credit to the commercial sector during the slack season partly accounts for the seemingly large expansion in the following busy season. In this busy season period (November 1972-April 1973), gross bank credit to commercial sector at Rs. 954 crores was Rs. 500 crores more than that in the 1971-72 season and net credit at Rs. 471 crores was Rs. 344 crores more. Net bank credit to Government sector was also higher at Rs. 886 crores compared with Rs. 820 crores in the previous busy season ; but this was entirely due to Reserve Bank credit to Government which expanded by Rs. 971 crores compared with an increase of Rs. 672 crores in the 1971-72 season. Other banks' credit to Government declined by Rs. 84 crores (against a rise of Rs. 148 crores in the 1971-72 busy season), indicating higher demand for bank credit and consequential disinvestment in Government securities by banks. In sum, almost all of the increase in money supply took place in the busy season period of 1972-73 ; it was Rs. 1257 crores or 15·1 per cent against Rs. 795 crores or 10·7 per cent in the 1971-72 busy season.

Graph 22

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

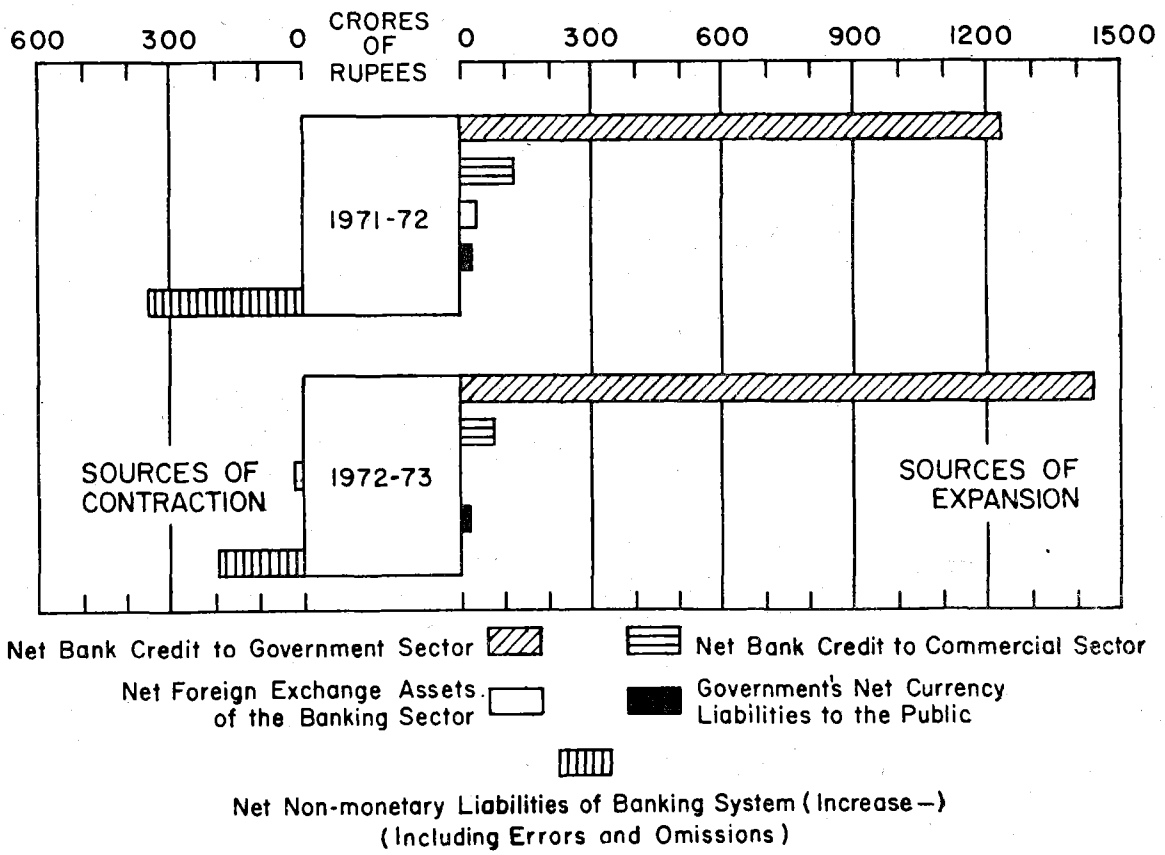


Table IV.2—Trends in Money Supply and Aggregate Monetary Resources—Seasonal

(Rupees Crores)

Heads	Increases during					
	Slack Season		Busy Season		Slack Season	
	1971	1972	1971-72	1972-73	1972 (April 28 to September 1)	1973 (April 27 to August 31)
1	2	3	4	5	6	7
A. Constituents of Money Supply						
1. Currency with public	(–) 23 (–0·5)	(–)178 (–3·6)	442 (9·9)	925 (19·5)	(–)165 (–3·3)	(–)148 (–2·6)
2. Demand Deposits	193 (7·0)	249 (7·5)	353 (11·9)	332 (9·3)	212 (6·4)	307 (7·9)
3. Money Supply (1 + 2)	171 (2·3)	71 (0·9)	795 (10·7)	1257 (15·1)	47 (0·6)	159 (1·7)
B. Factors Affecting Money Supply						
4. Net Bank Credit to Government (a+b)	388 (7·0)	462 (6·8)	820 (13·8)	886 (12·3)	367 (5·4)	457 (5·6)
(*a*) R.B.I. Credit to Government	174 (4·2)	(–) 69 (–1·4)	672 (15·6)	971 (19·8)	(–) 27 (–0·5)	163 (2·8)
(*b*) Other banks' Credit to Government	213 (15·0)	530 (29·7)	148 (9 ·0)	(–) 84 (–3·8)	394 (22·1)	294 (13·2)
5. Net Foreign Exchange Assets of the Banking Sector	15 (2·7)	(–) 73 (–12·0)	32 (5·5)	44 (8·2)	(–) 67 (–11·0)	8 (8·3)
6. Government's Net Currency Liabilities to Public	15 (3·9)	3 (0·7)	12 (3·0)	28 (6·7)	(–) 1 (–0·2)	11 (2·5)
7. Total (4 + 5 + 6)	418 (6·4)	392 (5·0)	864 (12·5)	958 (11·7)	299 (3·8)	516 (5·6)
8. Net Bank credit to Commercial Sector (a—b)	(–)187 (–8·8)	(–)286 (–13·8)	127 (6·5)	471 (26·4)	(–)331 (–16·0)	(–)324 (–14·4)
(*a*) Bank Credit to Commercial Sector*	249 (4·4)	193 (3·0)	453 (7·7)	954 (14·5)	12 (0·2)	98 (1·3)
(*b*) Time Deposits	435 (12·3)	480 (11·2)	327 (8·2)	482 (10·1)	343 (8·0)	422 (8·0)
9. Total (7 + 8)	231 (2·7)	106 (1·1)	991 (11·2)	1429 (14·3)	—32 (—0·3)	192 (1·7)
10. Net Non-Monetary Liabilities of R.B.I. (Increase –)	(–)101	29	(–)223	(–)147	43	(–)47
11. Residual (Increase –)	40	(–) 64	28	(–) 26	36	14
C. Aggregate Monetary Resources (3 + 8b)	**606 (5·6)**	**551 (4·4)**	**1122 (9·8)**	**1739 (13·3)**	**390 (3·1)**	**581 (3·9)**

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

Note: Figures in brackets are percentage variations.

Impact of Commercial Banks' Lending to Government on Monetary Expansion

As pointed out in the previous paragraphs, a feature of recent monetary trends has been the part played by commercial banks' investments in government securities. Such investments are essentially a consequence rather than a cause of deposit growth. When commercial banks invest in government securities, they utilise part of their cash holdings or more usually, draw on their deposits with the RBI. In other words, in the act of subscribing to Government securities, they add to Government deposits with the RBI, rather than directly to 'bank money' with the public. It is of course true that when Government utilises the proceeds of such investments, it adds to money supply with the public.

In practice, in the ebb and flow of monetary assets and liabilities of a bank, it is difficult to link any given change on the assets side with particular variation in time or demand deposits. All that can be said is that these deposits form a common pool of resources ; and it is a matter of convention whether we treat the counterpart of an inflow of "money" into the banks such as time deposits as supporting investment in Government securities or advances to commercial sector.

In India, while the investment-deposit ratio has steadily increased in the last few years, credit-deposit ratio has declined (Table IV·3). The former rose from 28·5 per cent in June 1970 to 32·7 per cent in June 1973 and the latter came down rather steeply from 79·9 per cent to 69·8 per cent. Thus, the two together had formed 108·4 per cent of aggregate deposits in June 1970 (when commercial banks had substantial borrowings from the Reserve Bank), but steadily declined to 102·5 per cent in June 1973. If the credit demand conditions and the policy framework governing them were such as to maintain the relative level of bank credit (relative to deposits) at the same level as in June 1970, the pressure of competing claim on the deposit resources of banks would have meant increased borrowing by banks from RBI. But, in reality, increases in deposit resources were not accompanied by a commensurate rise in the demand from commercial sector for credit and the surplus funds were absorbed in investments in Government securities.

Hence, the situation obtaining in India during these years could be described as one in which (*a*) the growth of deposit resources of banks was substantial, (*b*) time deposits grew at a faster rate than demand deposits,

Table IV·3—Key Banking Variables

Year (July-June)	Increases (Rupees Crores)					Year-end percentage ratios		
	Total Deposits	Demand Deposits	Time Deposits	Investment in Government and approved securities	Bank Credit	Investment-Deposit Ratio	Credit-Deposit Ratio	Time Deposits as percentage of total deposits (outstanding)
1	2	3	4	5	6	7	8	9
1969-70	629	225	404	145	614	28·5	79·9	55·8
1970-71	941	414	527	303	592	29·1	77·3	55·9
1971-72	1394	615	779	510	675	30·5	72·0	55·9
1972-73	1408	498	910	630	819	32·7	69·8	57·2

(*c*) demand for bank credit from commercial sector was relatively less and (*d*) Government successfully pursued a policy of absorbing the excess liquidity with the banking system. The Reserve Bank has also pursued a policy of selective as well as general restraint in respect of bank credit to commercial sector ; otherwise, bank credit to commercial sector might have been higher than that actually granted, their investment in Government securities lower and/or their borrowing from Reserve Bank of India higher. Any of these would have implied an addition to money supply on a larger scale than what in fact occurred.

Trends in Currency Ratio

A noteworthy feature of the monetary expansion during 1972-73 (July-June) was the rise in the currency component. Currency with the public rose by Rs. 872 crores or 17·5 per cent against Rs. 388 crores or 8·5 per cent in 1971-72. Correspondingly, increase in deposit money at Rs. 486 crores (or by 13·7 per cent) was considerably lower than in the previous year (Rs. 673 crores or 23·4 per cent). As a result, currency expansion accounted for as much as 64·2 per cent of the increase in money supply against 36·6 per cent in 1971-72. Consequently, the average ratio of currency to money supply which had shown a persistent decline over the past few years moved up slightly from 58·4 per cent at the end of June 1972 to 59·2 per cent at the end of June 1973 (Table IV·4).

Two dominant factors that seemed to explain, in the short-run, the behaviour of currency ratio in total money supply in the recent past are: first, the fluctuating incomes of the farm community and secondly, the quantum of Government borrowing from the banking system. As may be seen from data for fiscal years presented in Table IV·5, years following the improvement in agricultural output in 1964-65 and again in 1967-68 experienced striking increases in the currencyra tio ; those years were also known for a relatively large order of deficit spending by Government. In contrast, when the agricultural output declined in the years 1965-66 and 1966-67, noticeable declines in the currency ratio followed for the years 1966-67 and 1967-68. In 1969-70, the lower ratio was the result of an unusual absence of deficit financing ; it was also preceded by a slight reduct ion in agricultural output in 1968-69.

However, the behaviour of currency proportions in the years 1970-71 and 1971-72 does not appear to fit in with this theme. The rise in farm output in 1969-70 and 1970-71 was impressive, and the quantum of bank credit to Government in the years following them was also sizeable. Even so, the currency ratio declined to 49·4 per cent in 1970-71 and further to 44·2 per cent in 1971-72. This has come about as the result of a third factor influencing the situation, *i.e.*, acceleration in the growth rates of both current deposits and demand portion of savings deposits of banks which together comprise bank money. The current deposits of commercial banks expanded during the three years 1969-70 to 1971-72 owing probably to the high levels of corporate liquidity. Likewise, the growth rate in savings deposits coincided with the rapid increase of bank branches especially in new areas. As regards 1972-73, though there was a reduction in agricultural output in 1971-72, the decline was not so sharp ; at the same time, deficit spending by Government continued to be large. The increases in current deposits and demand portion of savings deposits also flattened off and in the event, the currency ratio registered an increase to 50·0 per cent in that year.

Nevertheless, there is evidence of a gradual shift in the relative preference of the people in favour of bank money as against currency. This may be indicative of an improvement in the banking habit of the people as well as a shift in their asset preferences, at least among the financial assets, in favour of those that earn a return. This is clearly brought out by the fact that the growth rate in time deposits of banks (as also in other savings media like postal savings, insurance, etc.) during the past four years 1969-70 to 1972-73 has been consistently higher than the growth rate in any of the other monetary components : currency, demand portion of savings deposits, and current deposits.

However, it is not possible to discern from this or from other data evidence regarding any change in the preferences as between these financial assets and the physical assets.

Table IV·4 —Average and Incremental Ratios Relating to Components of Money Supply and Aggregate Monetary Resources

Year (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
1	2	3	4	5	6	7	8	9	10	11
Outstandings as at end-June			*Rupees Crores*					**Average Ratios**		
1960-61	2043	787	2830	1121	3951	72·2	27·8	51·7	19·9	28·4
1961-62	2205	841	3045	1307	4353	72·4	27·6	50·7	19·3	30·0
1962-63	2392	971	3363	1316	4679	71·1	28·9	51·1	20·8	28·1
1963-64	2636	1180	3816	1365	5181	69·1	30·9	50·9	22·8	26·3
1964-65	2823	1353	4175	1515	5690	67·6	32·4	49·6	23·8	26·6
1965-66	3056	1557	4613	1745	6357	66·2	33·8	48·1	24·5	27·5
1966-67	3213	1753	4966	1948	6914	64·7	35·3	46·5	25·4	28·2
1967-68	3448	2029	5477	2206	7683	63·0	37·0	44·9	26·4	28·7
1968-69	3789	2254	6043	2679	8721	62·7	37·3	43·4	25·8	30·7
1969-70	4170	2465	6634	3098	9732	62·9	37·1	42·8	25·3	31·8
1970-71	4591	2871	7462	3660	11122	61·5	38·5	41·3	25·8	32·9
1971-72	4979	3544	8523	4476	12999	58·4	41·6	38·3	27·3	34·4
1972-73	5851	4030	9881	5445	15326	59·2	40·8	38·2	26·3	35·5
Increases (July-June)			*Rupees Crores*					**Marginal Ratios**		
1961-62	162	54	215	186	402	75·3	25·1	40·3	13·4	46·3
1962-63	187	130	318	9	326	58·8	40·9	57·4	39·9	2·8
1963-64	244	209	453	49	502	53·9	46·1	48·6	14·6	9·8
1964-65	187	173	359	150	509	52·1	48·2	36·7	34·0	29·5
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	1038	60·2	39·8	32·9	21·7	45·6
1969-70	381	211	591	419	1011	64·5	35·7	37·7	20·9	41·4
1970-71	421	406	828	562	1390	50·8	49·0	30·3	29·2	40·4
1971-72	388	673	1061	816	1877	36·6	63·4	20·7	35·9	43·5
1972-73	872	486	1358	969	2327	64·2	35·8	37·5	20·9	41·6

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

Note : The data presented in this table are slightly different from those presented in the Tables 12 and 13 of the Reserve Bank's Annual Report : 1972-73 (pages 22 and 23) as these relate to the Bank's accounting year period (July-June) while the latter relate to fiscal year period.

Table IV·5—Trends in Key Money Supply Components and in Agricultural Output

Financial year	Incremental Ratios			Percentage increase in Gross Domestic Product originating in agriculture (at 1960-61 prices)	Net Bank Credit to Government (Rupees Crores)	Rates of Growth				
	Money Supply (Based on last Friday Data)	Currency	Bank Money			Currency	Current Deposits of commercial banks	Demand portion of Savings Deposits	Demand Deposits ††	Total Time Deposits ††
1	2	3	4	5	6	7	8	9	10	11
1961-62	100	58·2	41·8	0·8	203	4·9	6·0	18·6	9·6	10·4
1962-63	100	67·4	32·6	(−) 2·5	202	8·1	7·2	17·1	9·9	3·7
1963-64	100	51·4	48·6*	2·7	242	9·5	6·7	63·4	23·5	3·3
1964-65	100	49·7	50·3	9·2	207	6·3	10·2	23·9	15·7	10·7
1965-66	100	59·0	41·0	(−)14·5	467	9·6	7·4	25·9	15·1	13·3
1966-67	100	38·7	61·3	(−) 0·7	199	5·4	12·1	19·9	15·6	16·6
1967-68	100	44·8	55·2	17·5	246	5·6	8·4	15·7	11·8	13·3
1968-69	100	71·3	28·7*	(−) 0·2	444	9·1	5·5	4·1	4·9	19·5
1969-70	100	54·1	45·9	5·2	28	8·9	15·0	16·0	15·5	16·2
1970-71	100	49·4	50·6	7·3@	510	9·3	16·1	18·6	17·5	17·4
1971-72	100	44·2	55·9	(−) 1·7@	1181	10·1	17·6	20·1	19·1	21·3
1972-73‡	100	50·0	50·0	—	1325	12·5	16·3†	19·5†	19·8	21·7

* A part of the increase in the proportion of bank money in 1963-64 is statistical arising from the inclusion of a higher proportion of savings deposits as demand liabilities due to competitive liberalisation in savings deposits rules [**Trend and Progress of Banking in India**, 1964 (RBI), p. 13]. Likewise, the decline in the proportion of bank money in 1968-69 was partly due to reduction in the proportion of demand liability portion in savings deposits due to some tightening of the withdrawal facilities under the Inter-Bank Agreement on Deposits Rates (Indian Banks' Association's Annual Report for 1968, pp. 13-14). Percentages of demand liability portions in total savings deposits at end-March of each year were : 1961—64·5 ; 1962—64·6 ; 1963—64·7 ; 1964—87·0 ; 1965—88·0 ; 1966—89·6 ; 1967—92·7 ; 1968—93·2 ; 1969—84·5 ; 1970—84·7 ; 1971—84·9 ; 1972—85·0 and November 1972—85·1.

† Estimated. ‡ Provisional.

@ Based on Index Number of Agricultural Production (Base: Triennium ending 1961-62=100).

†† Based on returns submitted by Banks to the RBI under Section 42 (2) of the RBI Act, 1934.

With the income changes that have taken place during the past few years, the demand for these also may have considerably increased. In any event, the price trends of these physical assets point to the fact that the demand for them could not have declined.

Reserve Ratio and Money Multiplier

Another noticeable aspect of the behaviour of monetary variables relates to trends in the ratio of banks' cash reserves(2) to bank deposits and that of money supply to 'reserve money'(3) (Tables IV·6 and IV·7). These ratios had remained stable almost for about a decade from 1950-51 to 1960-61; thereafter the former tended to fall and the latter to rise gradually, and since 1969-70, the pace of these changes has been hastened. Bank reserves as percentage of aggregate deposits steadily declined from 7·6 per cent in 1960-61 to 6·3 per cent in 1967-68 and further to 5·9 per cent in

(2) Refer to cash with banks and balances with R.B.I.

(3) Comprises currency with the public, cash with banks, banks' balances with R.B.I. and 'other deposits' with R.B.I.

Table IV.6 : Bank Reserves as a proportion of Bank Deposits

Average of last Fridays of Months (April-March)	Rupees Crores				Reserves as percentage of Total Deposits
	Demand Deposits	Time Deposits	Total Deposits	Reserves £	
1	2	3	4	5	6
1960-61	774*	1185	1959	151	7·7
1961-62	758	1135	1893	137	7·2
1962-63	838	1271	2109	138	6·5
1963-64	1000	1287	2287	148	6·5
1964-65	1190	1377	2567	166	6·5
1965-66	1359	1539	2898	182	6·3
1966-67	1565	1785	3350	216	6·4
1967-68	1756	1997	3753	243	6·5
1968-69	1903	2322	4225	266	6·3
1969-70	2158	2741	4899	328	6·7
1970-71	2488	3178	5666	362	6·4
1971-72	2903	3833	6736	425	6·3
1972-73	3484	4619	8103	503	6·2

* Upto December 1960 data relate to Demand/Time Liabilities.

£ Refers to cash with banks and deposits with the Reserve Bank of India.

Note : Data relate to commercial and State co-operative banks.

Table IV.7 : Trends in Money Multiplier in India

Average of last Fridays of the Months (April-March)	Reserve Money	Money Supply	Aggregate Monetary Resources	Average Money Multiplier		Increase in Crores of Rupees			Marginal Money Multiplier	
	(Rupees Crores)			Money supply	Aggregate Monetary Resources	Reserve Money	Money Supply	Aggregate Monetary Resources	Money Supply	Aggregate Monetary Resources
1	2	3	4	5	6	7	8	9	10	11
1960-61 ..	2126	2725	3617	1·282	1·701					
1961-62 ..	2214	2844	3809	1·285	1·721	+ 88	+119	+192	1·352	2·182
1962-63 ..	2388	3098	4216	1·297	1·765	+174	+254	+407	1·460	2·339
1963-64 ..	2611	3475	4660	1·331	1·785	+223	+377	+444	1·691	1·991
1964-65 ..	2827	3866	5173	1·368	1·830	+216	+391	+513	1·810	2·375
1965-66 ..	3043	4236	5745	1·392	1·888	+216	+370	+572	1·713	2·648
1966-67 ..	3273	4641	6462	1·418	1·974	+230	+405	+717	1·761	3·117
1967-68 ..	3472	5008	7041	1·443	2·028	+199	+367	+579	1·844	2·910
1968-69 ..	3767	5428	7794	1·441	2·069	+295	+420	+753	1·424	2·553
1969-70 ..	4151	6011	8814	1·448	2·123	+384	+583	+1020	1·518	2·656
1970-71 ..	4577	6729	9979	1·470	2·180	+426	+718	+1165	1·685	2·735
1971-72 ..	5045	7557	11476	1·498	2·275	+468	+828	+1497	1·769	3·199
1972-73 ..	5525	8548	13289	1·547	2·405	+480	+991	+1813	2·065	3·777

Note : 1. Aggregate Monetary Resources are net of P.L. 480 and P.L. 665 Funds deposited with the State Bank of India.

2. Reserve Money comprises currency with the public and cash with banks, "other" deposits with the Reserve Bank of India and banks' balances with the R.B.I.

3. Money multiplier refers to ratio of money supply or aggregate monetary resources to 'reserve money'.

1972-73. Money multiplier increased from 1·28 in 1960-61 to 1·39 in 1965-66 and to 1·44 in 1968-69 ; now it stands at 1·55 in 1972-73. Even at this level, the money multiplier in India is relatively low compared to that of over 3·0 usually obtaining for developed economies. This is again a reflection of the high level of currency ratio in India.

Banking Trends and Credit Policy

Banking situation during 1972-73 (July-June) was characterised by a striking increase in bank credit for purposes other than for food procurement. But the growth in deposits outpaced the credit expansion in absolute terms. Hence the high degree of liquidity in the banking system witnessed during the previous year became more pronounced during 1972-73. In the context of the severe pressure on prices, the principal objective of the Reserve Bank's credit policy during the year was to mop up this excess liquidity with banks and to impose a measure of restraint on bank credit to the commercial sector. In order to achieve this objective, the Bank took a series of stringent credit control measures which, among others, included the raising of the Bank rate to 7 per cent and the enhancements of the reserve ratios.

Annual Variations

During the year (July 1972 to June 1973) total deposits with the scheduled commercial banks increased by Rs. 1,408 crores compared to Rs. 1,394 crores in the corresponding period of 1971-72. However, the rate of growth was somewhat lower at 18·5 per cent as against 22·4 per cent last year. About 64·5 per cent of the increase in deposits during the year was accounted for by time deposits as against 55·9 per cent in 1971-72, indicating a further shift in favour of term deposits (Table IV·8).

Total bank credit increased by Rs. 819 crores (14·9 per cent) compared to Rs. 675 crores (14·0 per cent) last year. The entire increase in bank credit during the year was due to non-food advances, credit for food procurement operations showing a decline of Rs. 78 crores in contrast to an increase of Rs. 163 crores last year. Thus, during the year, bank credit excluding food advances, showed a larger increase of Rs. 897 crores (18·2 per cent) compared to Rs. 512 crores (11·6 per cent) last year. Despite larger lending for non-food purposes, the credit-deposit ratio at 69·8 per cent on June 29, 1973, was 2·2 percentage points lower than that in the previous year. Banks' cash and balances with the Reserve Bank showed a substantial increase of Rs. 257 crores compared to Rs. 140 crores last year, raising the cash ratio by 1·7 percentage points to 8·8 per cent following the step up in the minimum cash reserves, to be held by banks with the Reserve Bank, referred to in a sub-

Graph 23

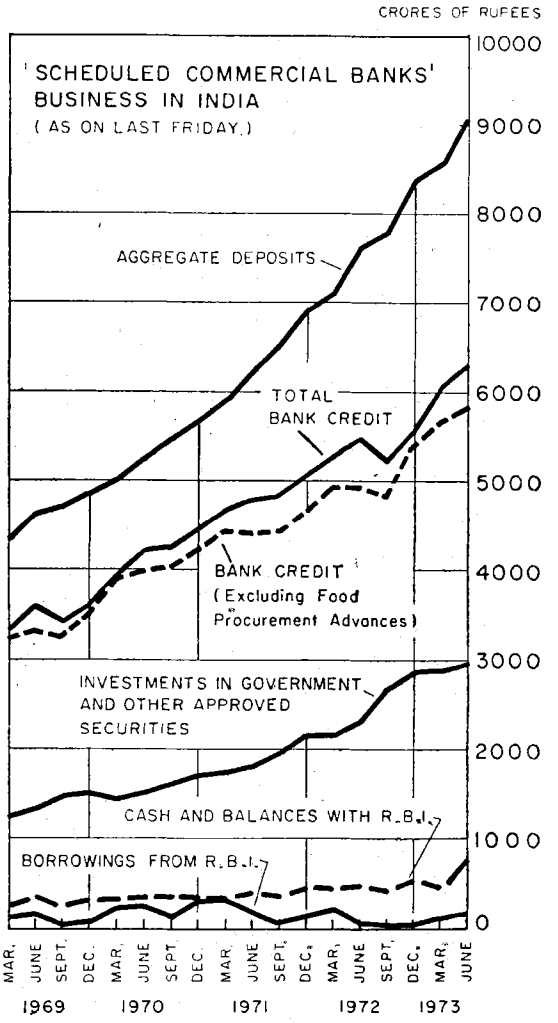


Table IV·8—Annual Variations in Important Banking Data—Scheduled Commercial Banks

(Rupees Crores)

Item	1969-70		1970-71		1971-72@		1972-73@	
	Out-standing as on End-June 1970	Variations during the year ended June 1970	Out-standing as on End-June 1971	Variations during the year ended June 1971	Out-standing as on End-June 1972	Variations during the year ended June 1972	Out-standing as on End-June 1973*	Variations during the year ended June 1973*
1	2	3	4	5	6	7	8	9
1. Total Bank Credit	**4213**	**+ 614**	**4805**	**+ 592**	**5480 (72·0)**	**+ 675**	**6299 (69·8)**	**+ 819**
Of which :								
(a) Food Procurement Advances	207	— 26	379	+ 172	542	+ 163	464	— 78
(b) Other Advances	4006	+ 640	4426	+ 420	4938	+ 512	5835	+ 897
2. Total Investments	**1504**	**+ 145**	**1807**	**+ 303**	**2317 (30·5)**	**+ 510**	**2947 (32·7)**	**+ 630**
(a) In Government Securities	1186	+ 60	1375	+ 189	1721 (22·6)	+ 346	2192 (24·3)	+ 471
(b) In Other Approved Securities	318	+ 85	432	+ 114	596	+ 164	755	+ 159
3. Cash and Balances with the RBI	**362**	**— 37**	**397**	**+ 35**	**537 (7·1)**	**+ 140**	**794 (8·8)**	**+ 257**
4. Money at Call and Short Notice	**48**	**— 40**	**83**	**+ 35**	**91**	**+ 8**	**115**	**+ 24**
5. Aggregate Deposits	**5275**	**+ 629**	**6216**	**+ 941**	**7610**	**+1394**	**9018**	**+1408**
(a) Demand	2329	+ 225	2743	+ 414	3358	+ 615	3856	+ 498
(b) Time	2946	+404	3473	+ 527	4252	+ 779	5162	+ 910
6. Borrowings from the RBI	**292**	**+ 120**	**207**	**— 85**	**42**	**— 165**	**141**	**+ 99**
7. Inland Bills purchased and discounted by the RBI	**—**	**—**	**10**	**+ 10**	**11**	**+ 1**	**15**	**+ 4**
8. Key Ratios								
A. Credit-Deposit Ratio								
(*a*) Average Ratio	79·9		77·3		72·0		69·8	
(*b*) Incremental Ratio		97·6		62·9		48·4		58·2
(*c*) Incremental Non-food Credit-Deposit Ratio		101·7		44·6		36·7		63·7
B. Investment-Deposit Ratio (For Total Investment)	**28·5**		**29·1**		**30·5**		**32·7**	
(*a*) For Investment in Other Approved Securities	6·0		6·9		7·8		8·4	

* Provisional.

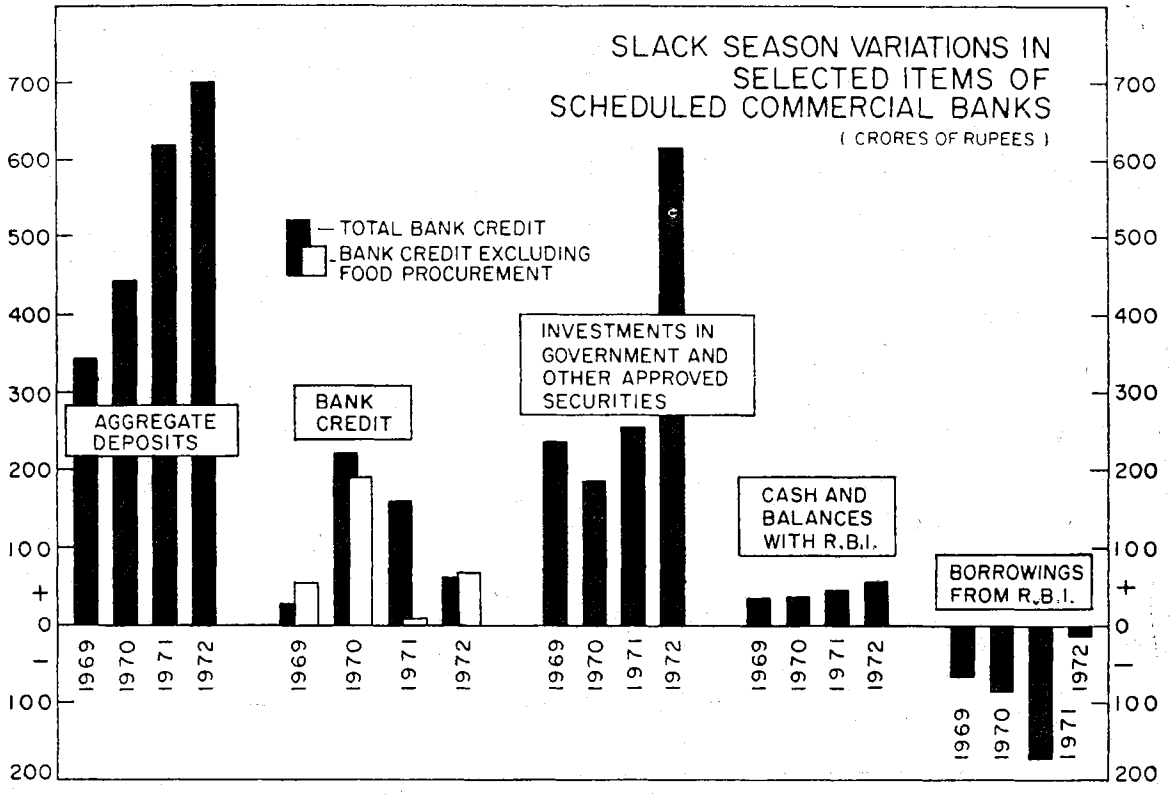
@ Revised on the basis of the figures available since the publication of the Bank's Annual Report and Trend and Progress of Banking in India : 1972-73.

Note : Figures in brackets are percentages to aggregate deposits.

Sources : (1) 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.

(2) Figures relating to balances with RBI are those shown in the Weekly Statement of Affairs of RBI.

Graph 24



sequent paragraph. The improved resources position of the banks enabled them further to increase their investments in Government and other approved securities by Rs. 630 crores, compared to Rs. 510 crores last year.. Consequently, the investment-deposit ratio moved up from 30·5 per cent to 32·7 per cent over the year. The ratio of liquid assets (cash balances *plus* investments in Government and other approved securities) to aggregate liabilities at 38·2 per cent on June 29, 1973, was higher than in 1971-72 (34·0 per cent) and was also higher than the minimum liquidity requirement of 35 per cent prescribed as on that date.

Seasonal Trends

The conventional slack season of 1972 (May to October) witnessed a pronounced increase in the liquidity position of the banking system due partly to continued growth in deposits, though at a somewhat lower pace, and partly to smaller expansion in bank credit.

Aggregate deposits with the scheduled commercial banks increased by Rs. 705 crores (9·7 per cent) compared to Rs. 624 crores (10·4 per cent) in 1971 slack season (Table IV·9). Bank credit showed a smaller expansion of Rs. 67 crores compared to Rs. 163 crores in the previous slack season, partly due to the nominal decline of Rs. 1 crore in food advances in contrast to a large increase of Rs. 156 crores in the last season. Excluding food procurement advances, bank credit during the 1972 slack season showed a higher increase of Rs. 68 crores compared to Rs. 7 crores in the preceding season. The credit-deposit ratio at 66·2 per cent on October 27, 1972, was not only lower by 6·9 percentage points than that a year ago, but was also the lowest since 1964-65. Bills rediscounted with the Reserve Bank under the Bills Rediscounting Scheme declined by Rs. 10 crores to Rs. 1·3 crores, compared to the decline of Rs. 0·2 crore to Rs. 13·9 crores in the 1971 slack season. There was a sharp reduction in banks' borrowings from the Reserve Bank

Table IV.9—Seasonal Variations in Scheduled Commercial Banks' Data

(Rupees Crores)

Item	Seasonal Variations					
	Slack Season 1971	Busy Season 1971-72	Slack Season 1972@	Busy Season 1972-73@	Slack Season Upto	
					August, 31, 1973*	August 25, 1972
1	2	3	4	5	6	7
1. Bank Credit	**+ 163**	**+ 355**	**+ 67**	**+ 878**	**+ 38**	**+ 61**
Of which :						
(a) Food Procurement Advances	+ 156	(−) 71	(−) 1	+ 5	+38	+ 129
(b) Other Advances	+ 7	+ 426	+ 68	+ 873	—	(−) 68
2. Investments in Government and Other Approved Securities	**+ 254**	**+ 240**	**+ 618**	**+ 8**	**+ 308**	**+ 408**
(a) In Government Securities	+ 209	+ 144	+ 519	(−) 86	+ 290	+ 352
(b) In Other Approved Securities	+ 45	+ 96	+ 99	+ 94	+ 18	+ 56
3. Cash and Balances with the Reserve Bank of India	**+ 46**	**+ 15**	**+ 57**	**+ 60**	**+ 297**	**(−) 11**
4. Money at Call and Short Notice	**+ 72**	**(−) 10**	**+ 13**	**+ 67**	**+ 23**	**(−) 18**
5. Aggregate Deposits	**+ 624**	**+ 624**	**+ 705**	**+ 780**	**+ 702**	**+ 500**
(a) Demand	+ 202	+ 310	+ 262	+ 325	+ 302	+ 197
(b) Time	+ 422	+ 314	+ 443	+ 455	+ 400	+ 303
6. Borrowings from the RBI	**(−)172**	**+ 4**	**(−) 16**	**+ 17**	**(−) 18**	**(−) 20**
7. Inland Bills purchased and discounted by the RBI	—	**(−) 3**	**(−) 10**	**+ 19**	**(−) 18**	**(−) 9**

* Provisional.

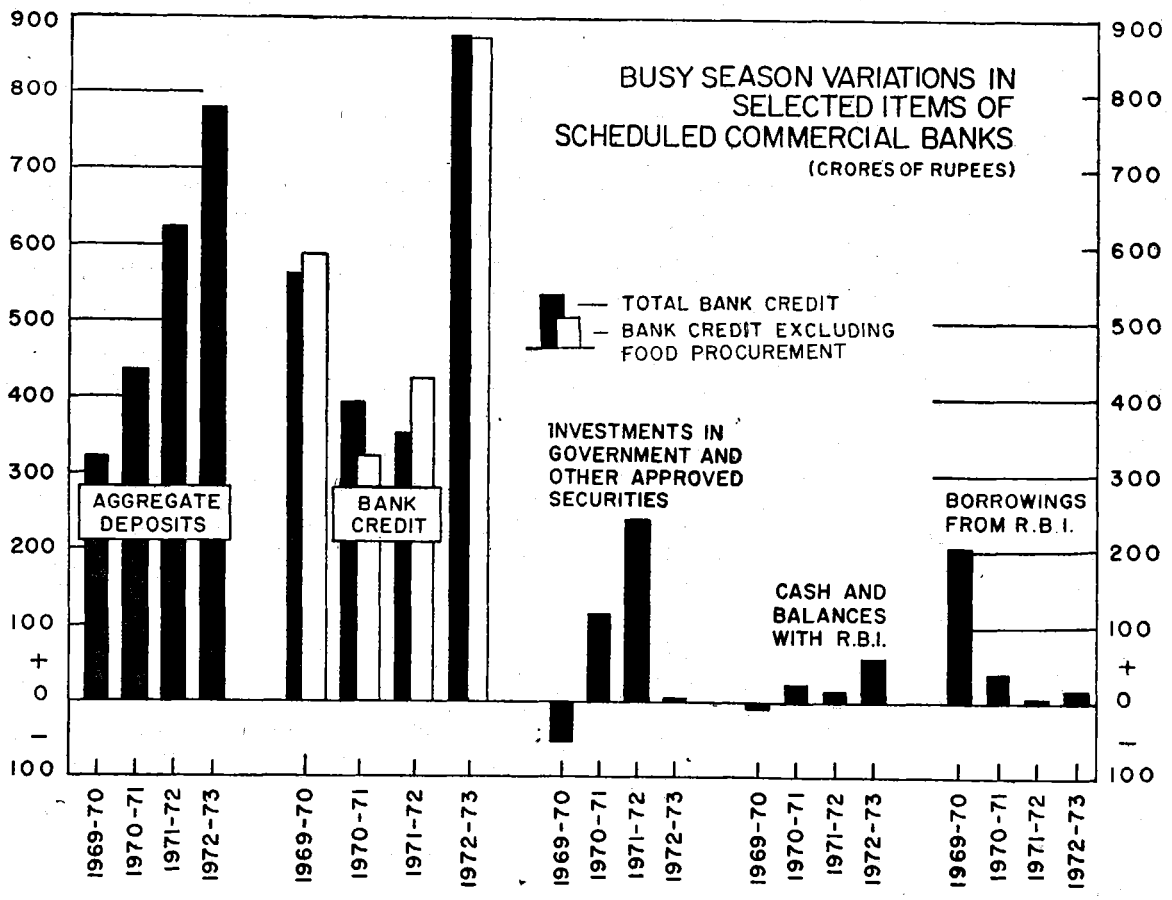
@ Revised on the basis of the figures available since the publication of the Bank's Annual Report and Trend and Progress of Banking in India : 1972-73.

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 received from regional offices of the Reserve Bank of India.

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

(3) Figures relating to balances with the RBI are those shown in the Weekly Statement of Affairs of RBI.

Graph 25



and a substantial step up of their investments in Government and other approved securities. Thus, banks' indebtedness to the Reserve Bank on October 27, 1972, stood at Rs. 7 crores compared to Rs. 19 crores a year ago ; their investments in Government and other approved securities rose by Rs. 618 crores to Rs. 2886 crores, whereas in the 1971 slack season, such investments had risen by only Rs. 254 crores. As a result, the investment-deposit ratio at 36·3 per cent on October 27, 1972, was higher by 5·7 percentage points than the level a year ago and was also the highest in recent years. Banks' cash and balances with the Reserve Bank showed an increase of Rs. 57 crores, that is slightly higher than the increase (Rs. 46 crores) recorded in the previous slack season. However, the ratio of liquid assets (cash and balances with the Reserve Bank *plus* investments in Government and other approved securities) to the aggregate liabilities stood at 39·5 per cent on October 27, 1972, compared to 34·4 per cent a year ago.

The trend towards increasing liquidity in the banking system witnessed for about a year and half was arrested to some extent during the latter half of the 1972-73 busy season. Deposits with the banks during the 1972-73 busy season increased by Rs. 780 crores (9·8 per cent) compared to Rs. 624 crores (9·4 per cent) recorded in the previous busy season. Bank credit, which had risen very little in the slack season, expanded by Rs. 335 crores (6·4 per cent) during the first half of the busy season (November-January) and spurted thereafter, recording an increase of Rs. 543 crores (9·7 per cent) in the remaining period of the season (February-April) (Table IV. 10). As a result, the overall expansion in bank credit during the 1972-73 busy season as a whole amounted to Rs. 878 crores (16·7 per cent). At this level, it was considerably higher than the earlier peak (Rs. 563 crores) recorded in 1969-70 season as can be seen from Table IV. 11.

Table IV.10—Month-wise Variations in Bank Credit of Scheduled Commercial Banks During Busy Season

(Rupees Crores)

Months	Busy Season	
	1972-73	1971-72
1	2	3
November 1972	+ 28	− 15
December 1972	+ 271	+ 229
January 1973	+ 36	+ 53
Total (November-January) ..	**+ 335**	**+ 267**
February 1973	+ 342	+ 20
March 1973	+ 129	+ 138
April 1973	+ 72	− 70
Total (February-April)	**+ 543**	**+ 88**
Grand Total	**+ 878**	**+ 355**

Table IV.11—Variations in Scheduled Commercial Bank Credit During Busy Seasons
(1968-69 to 1972-73)

(Rupees Crores)

Busy Season (November-April)	Variations in Bank Credit For		Total
	Food Advances	Non-food Advances	
1	2	3	4
1968-69	+ 8 (+ 5·5)	+ 419 (+14·5)	+ 427 (+14·1)
1969-70	− 27 (−21·4)	+ 590 (+17·5)	+ 563 (+16·1)
1970-71	+ 70 (+52·6)	+ 324 (+ 7·8)	+ 394 (+ 9·2)
1971-72	− 71 (−19·8)	+ 426 (+ 9·5)	+ 355 (+ 7·3)
1972-73	+ 5 (+ 1·7)	+ 873 (+17·6)	+ 878 (+16·7)

Note: Figures in brackets indicate percentage increase/decrease during the busy seasons over the outstandings at the end of the preceding slack seasons.

Table IV·12—Trends in Principal Ratios of Scheduled Commercial Banks' Data

(Rupees Crores)

Item	October 1971		April 1972		October 1972@		April 1973@		August 31, 1973*		August 25, 1972	
	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage	Amount	Per-centage
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Bank Credit	**4838**	**73·1**	**5193**	**71·7**	**5260**	**66·2**	**6138**	**70·4**	**6176**	**65·5**	**5254**	**67·9**
Of which :												
(a) Food Procurement Advances	359	5·4	288	4·0	287	3·6	292	3·4	330	3·5	417	5.4
(b) Other Advances	4479	67·7	4905	67·7	4973	62·6	5846	67·0	5846	62·0	4837	62·5
2. Investments in Government and Other Approved Securities	**2028**	**30·6**	**2268**	**31·3**	**2886**	**36·3**	**2894**	**33·1**	**3202**	**34·0**	**2676**	**34·6**
(a) In Government Securities	1568	23·7	1712	23·6	2231	28·1	2145	24·6	2435	25·8	2064	26·7
(b) In Other Approved Securities	460	6·9	556	7·7	655	8·2	749	8·5	767	8·2	612	7·9
3. Cash and Balances with the RBI	**423**	**6·4**	**438**	**6·0**	**495**	**6·2**	**555**	**6·4**	**852**	**9·0**	**427**	**5·5**
4. Money at Call and Short Notice	**101**	—	**91**	—	**104**	—	**171**	—	**194**	—	**73**	—
5. Aggregate Deposits	**6617**	**100·0**	**7241**	**100·0**	**7946**	**100·0**	**8726**	**100·0**	**9428**	**100·0**	**7741**	**100·0**
(a) Demand	2833	42·8	3143	43·4	3405	42·9	3730	42·7	4032	42·8	3340	43·1
(b) Time	3784	57·2	4098	56·6	4541	57·1	4996	57·3	5396	57·2	4401	56·9
6. Borrowings from the RBI	**19**	—	**23**	—	**7**	—	**24**	—	**6**	—	**3**	—
7. Inland Bills purchased and discounted by the RBI	**14**	—	**11**	—	**1**	—	**20**	—	**2**	—	**2**	—

* Provisional.

@ Revised on the basis of figures available since the publication of the Bank's Annual Report and Trend and Progress of Banking in India : 1972-73.

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

(2) The 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.

(3) Figures relating to balances with the RBI are those shown in the Weekly Statement of Affairs of RBI.

Almost the entire increase in credit during 1972-73 busy season was due to non-food advances. Some of the industries to attract larger bank credit were sugar, cotton textiles and engineering. Public Sector undertakings also seem to have increased their dependence on bank finance as could be seen from the large increase in their credit limits sanctioned under the Credit Authorisation Scheme (discussed in a subsequent paragraph).

The credit-deposit ratio at 70·4 per cent on April 27, 1973, showed an increase of 4·2 percentage points over the level at the commencement of the busy season. Nevertheless, it was lower by 1·3 percentage points over that a year ago (71·7 per cent). Almost the entire expansion in bank credit during the season was financed by the banks out of their own resources. Their borrowings from the Reserve Bank increased by Rs. 17 crores, mostly under the refinance schemes, compared to Rs. 4 crores in the previous busy season, and the outstanding level of borrowings at the end of the season, at Rs. 24 crores, was almost the same as a year ago (Rs. 23 crores). Banks' investments in Government and other approved securities during the season, however, showed an increase of Rs. 8 crores compared to Rs. 240 crores in the previous busy season. Notwithstanding the negligible increase, the outstanding level of investments on April 27, 1973 at Rs. 2894 crores was higher by Rs. 626 crores than the level a year earlier. Investment-deposit ratio declined to 33·1 per cent from 36·3 per cent at the end of October 1972 but compared with the position a year ago, it was still higher by 1·8 percentage points (Table IV.12). Banks' cash and balances with the Reserve Bank showed a sharp rise of Rs. 60 crores during the season compared to an increase of only Rs. 15 crores in the previous busy season. Consequently, cash-deposit ratio stood higher at 6·4 per cent compared to 6·0 per cent last year (Table IV.12). Taking cash and balances with the Reserve Bank and their investments in Government and other approved securities together, the ratio of liquid assets to aggregate liabilities at the end of the season stood slightly lower at 36·1 per cent compared to 39·5 per cent at the beginning of the season ; but it was still higher than the ratio a year ago (34·6 per cent) and was also higher than the revised minimum requirement of 35 per cent prescribed, effective from June 29, 1973.

Call Money Rates

The easy condition witnessed in the Bombay and Calcutta call money markets towards the end of 1971-72 became more pronounced during the greater part of 1972-73, reflecting further strengthening of the liquidity position of the banking system. However, towards the end of the year, the call rates in both the markets, generally ruled higher than those during the corresponding period of last year, due to larger demand for bank funds and the impact of the restrictive credit policy announced by the Reserve Bank on May 30, 1973.

In Bombay, the call rate during the slack season of 1972 ranged between a high of 4·5 per cent and a low of 2·5 per cent, closing the season at 3·25—3·5 per cent. In contrast, the rate during the preceding slack season in Bombay generally hovered in the range of 4 and 4·5 per cent and closed the season at 3·5 per cent. This easier tendency in the call rate spilled over to the 1972-73 busy season ; till February 10, 1973, the rate ruled around 3·5 to 4 per cent but thereafter, it tended to harden following a sharp pick up in the demand for bank credit and touched the season's high of 7·5 per cent on February 21, 1973 compared to the peak of 9·5 to 9·75 per cent reached in the earlier season on March 21, 1972. The rate tended to rule easier from mid-April and closed the season at 5·25—5·5 per cent around which level it continued to remain till the middle of June 1973. It stood at 6·75—7 per cent by end-June 1973.(4) At the end of 1971-72 busy season, however, the rate had closed lower at 3·5—4 per cent and had remained almost unchanged at that level till the middle of June, reflecting the impact of the slackness in demand for funds.

(4) The rate which had since eased to 3.75—4 per cent on August 30, 1973 rose to 10 per cent towards end-September 1973.

In the Calcutta call money market also, almost similar trends were witnessed during the year. The call rate, after fluctuating between 3 and 4·5 per cent during the 1972 slack season, stood at 3—3·25 per cent at the close of the season or virtually at the same level as at the end of the 1971 slack season. During 1972-73 busy season, the rate touched the season's peak of 7·75 per cent on February 23, 1973 and after fluctuating between 5·5 and 6·5 per cent closed for the season at 4·25 per cent. In the first two months of the 1973 slack season, the rate hardened and stood at 6·5—7·25 per cent on June 29, 1973(5).

Qualitative Changes in Banking Operations

The share of bank credit obtained by the large and medium-scale industries declined from 60·6 per cent in March 1968 to 45·5 per cent in June 1972 (Table IV. 13). It is also significant that the share of agriculture in total bank credit rose from 2·2 per cent in March 1968 to 6·8 per cent in June 1972.

(5) The rate ranged between 3—4·5 per cent in August 1973 but steadily rose to 8·25 per cent on September 19, 1973.

Table IV·13 : Sectoral Classification of Scheduled Commercial Banks' Advances

(Rupees Crores)

Item	Outstanding as on March 31, 1968		Outstanding as on December 24, 1970		Outstanding as on June 30, 1972	
	Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total
1	2	3	4	5	6	7
I. INDUSTRY	**2068**	**67·5**	**2610**	**63·5**	**3053**	**57·6**
(a) Large and Medium Industries	1857	60·6	—	—	2414	45·5
(b) Small-Scale Industries	211	6·9	—	—	639	12·1
II. AGRICULTURE	**67**	**2·2**	**291**	**7·1**	**360**	**6·8**
Of which : (a) Direct finance	—	—	—	—	213	4·0
(b) Plantations	58	1·9	114	2·8	115	2·2
III. INTERNAL TRADE	**588**	**19·2**	**712**	**17·3**	**924**	**17·4**
(a) Wholesale trade	541	17·7	602	14·6	766	14·4
Of which : food procurement	109	3·5	216	5·3	542	10·2
(b) Retail trade	47	1·5	110	2·7	158	3·0
IV. OTHER PRIORITY SECTORS	—	—	—	—	**93**	**1·8**
(a) Road and Water Transport operators	—	—	—	—	62	1·2
(b) Small business	—	—	—	—	12	0·2
(c) Professional and self-employed	—	—	—	—	16	0·3
(d) Education	—	—	—	—	3	0·1
V. ALL OTHERS	**341†**	**11·1**	**495†**	**12·1**	**870**	**16·4**
VI. TOTAL	**3064**	**100·0**	**4108**	**100·0**	**5300**	**100·0**

— Not available.
† Includes 'other priority sectors'.

Sources: Data for March 31, 1968 are based on Survey of Advances of Scheduled Commercial Banks According to Purpose. Data for December 24, 1970 and June 30, 1972 are based on U.B.B. returns received directly from the branches of the banks, covering more than 91 per cent and 95 per cent, respectively of the total bank credit.

A more noticeable increase in recent years has been in the share of bank credit for small-scale industries ; it rose from 6·9 per cent in March 1968 to 12.1 per cent in June 1972.

Within the industrial sector, the share of traditional industries like cotton textiles, jute textiles, sugar and vegetable oils, have attracted generally a declining proportion of the total bank credit in the recent past. These four industries together had appropriated about 20·1 per cent of the bank credit in March 1968, which dwindled to 15·7 per cent in December 1970 and 11·5 per cent in June 1972. The decline in their share was higher than the decline in the share of several other industrial groups (Table IV. 14).

Table IV.14: Advances of Scheduled Commercial Banks to Major Industries

(Percentage to Total Bank Credit)

Industry	As on March 31, 1968	As on December 24, 1970	As on June 30, 1972
1	2	3	4
1. Coal	0·8	—	—
2. Iron and Steel	3·7	3·3	2·8
3. Cotton Textiles	10·3	8·4	7·5
4. Jute Textiles	3·1	2·4	1·5
5. Sugar	5·3	3·4	1·9
6. Vegetable Oils (including vanaspati)	1·4	1·5†	0·6
7. Paper and Paper Products	1·6	1·6	—
8. Rubber and Rubber Products	0·7	0·8	—
9. Chemicals, Dyes, Drugs, Pharmaceuticals, etc.	6·0	5·9	5·4
10. Cement	1·3	0·9	—
11. Engineering	15·7	15·3	12·9
12. Other Industries	17·6	20·0£	25·0*
Total Credit to Industries	**67·5**	**63·5**	**57·6**
Total Bank Credit	**100·0**	**100·0**	**100·0**

— Included under 'Other Industries'
† Includes soap.
£ Includes coal also.
* Includes Coal, Paper and Paper Products, Rubber and Rubber Products and Cement.

Sources: Data for March 31, 1968 are based on 'Survey of Advances of Scheduled Commercial Banks According to Purpose.' Data for December 24, 1970 and June 30, 1972 are based on U.B.B. returns received directly from the branches of the banks, covering more than 91 per cent and 95 per cent, respectively of the total bank credit.

Another element in the commercial banks' lendings in recent years is the rising proportion of small loans. Available data on size-wise distribution of outstanding bank advances show that the performance of loans below rupees one lakh increased from 14·2 per cent of outstanding credit in March 1968 to 17·7 per cent of outstanding credit in December 1971. (Table IV.15).

During the same period, the commercial banks have also lent increasingly to trading and manufacturing activities in the public sector. The public sector (commercial and manufacturing) undertakings' share of bank advances worked out to 15·7 per cent in June 1972 compared to about 6.5 per cent in December 1969 (Table IV. 16).

The qualitative restraint on bank advances imposed by the Reserve Bank's policy of selective credit controls is reflected in a declining proportion of advances granted against the security of sensitive commodities subject to such controls ; their share in total bank credit was 6·3 per cent in March 1973 despite a sharp rise in prices as against 10 to 11 per cent reached in the years 1970 and 1971. (See Table IV.18 in a subsequent paragraph).

Credit Policy

During the first half of 1972-73 (July-June), the demand for bank funds was not such as to call for any major change in credit policy. As the year progressed, however, the pressure of aggregate demand on available supplies intensified, and it was necessary for the Bank to adopt a progressively rigorous credit policy.

The minimum liquidity requirements, which had been increased to 29 per cent from August 4, 1972, were again raised with effect from November 17, 1972 to 30 per cent. Further, as an overall regulatory measure, the minimum net liquidity ratio (NLR) relevant for determining the rate of borrowing from the Reserve Bank, was raised by 2 percentage points to 36 per cent. Even so, banks continued to experience a high degree of liquidity, and in this situation, they attempted to compete with one another by reducing the rates of interest charged to

Table IV·15 : Size-wise Classification of Borrowal Accounts and Advances of Scheduled Commercial Banks

(Number of Accounts in full)
(Amount in lakhs of Rupees)

Loan size (Rs.)	March 31, 1968					December 31, 1971	
	No. of accounts	Amount	Percentage to total		Average amount per account (Rs. 000)	Amount	Percentage to total
			No. of accounts	Amount			
1	2	3	4	5	6	7	8
1. Upto 10,000	10,01,632	127,21	88·9	4·2	1	195,76	4·4
2. Over 10,000 and upto 50,000 ..	79,133	181,98	7·0	5·9	23	380,74	8·5
3. Over 50,000 and upto 1,00,000 ..	18,404	127,40	1·6	4·1	69	217,23	4·8
4. Over 1,00,000 and upto 5,00,000	19,123	399,19	1·7	13·0	2,09	682,64	15·2
5. Over 5,00,000 and upto 10,00,000	3,968	222,99	0·4	7·3	5,62	365,20	8·1
6. Over 10,00,000 and upto 50,00,000	3,480	728,38	0·3	23·8	20,93	1,084,43	24·2
7. Over 50,00,000 and upto 1 Crore	613	410,77	0·1	13·4	67,01	511,96	11·4
8. Over 1 Crore	474	866,44	Neg.	28·3	1,82,79	1,045,49	23·4
Of which : over 10 Crores ..	—	—	—	—	—	182,84	4·1
TOTAL	**11,26,827**	**3,064,36**	**100·0**	**100·0**	**27**	**4,483,45**	**100·0**

Neg. — Negligible.
— Not available.

Sources: Data for March 31, 1968 are based on the 'Survey of Advances of Scheduled Commercial Banks According to Purpose'. Data for December 31, 1971 are based on the U.B.B. returns received directly from the branches of the banks and relate to 9,524 reporting bank offices accounting for 87·9 per cent of total bank credit.

Table IV.16 : Outstandings of Scheduled Commercial Banks' Credit to Public and Private Sectors

(Rupees Crores)

As on	Public Sector		Private Sector	Total Bank Credit
	Amount	As percentage of Total Bank Credit		
1	2	3	4	5
June 28, 1968	267.2	8.6	2835.7	3102.9
December 27, 1968	343.5	11.2	2725.5	3069.0
June 27, 1969	350.6	9.7	3248.2	3598.8
December 26, 1969*	234.4	6.5	3381.5	3615.9
June 30, 1972	**829.7**	**15.7**	**4469.9**	**5299.6**
Of which :				
(*a*) Trade and other Sectors	570.8	30.3	1316.0	1886.8†
(*b*) Manufacturing	157.4	5.8	2554.1	2711.5
(*i*) Textiles	13.4	2.0	661.6	675.0
(*ii*) Basic Metal Industries	33.0	14.4	196.2	229.2
(*iii*) Engineering	70.3	10.3	615.1	685.4
(*c*) Electricity, Gas, Water and Sanitary Services ..	50.9	64.3	28.3	79.2

* Provisional.
† Includes advances to Food Corporation of India, State Governments and their agencies for food procurement operations which amounted to Rs. 542 crores as on the last Friday of June 1972.

prime borrowers. With a view to avoiding such competitive reduction of interest rates, the Reserve Bank advised the public sector banks in December 1972 that they should not take over from one another the credit limits of Rs. 25 lakhs and over of any party by quoting a rate of interest lower than that stipulated by the existing bank. Another circular letter was issued by the Reserve Bank in January 1973 informing all scheduled commercial banks that pending joint consideration of the problem by major banks, they should not take over from one another the credit limits or term loans aggregating Rs. 25 lakhs or over without prior consultation with the existing banks concerned and without prior clearance from the Reserve Bank. This was to be in operation till the end of April 1973; however, it has since been extended and remains in force until further notice.

As the mid-term appraisal of the credit trends during 1972-73 busy season revealed a spurt in bank credit for purposes other than food procurement, particularly after January 1973, the Reserve Bank took further measures to curb the growth of bank credit in mid-March 1973. These measures sought in the main (i) to restrain banks' access to Reserve Bank's refinance window and (ii) to raise the cost of funds—both from the Reserve Bank and the public. Thus, for the second time during the season, the minimum NLR was raised from 36 per cent to 37 per cent effective March 30, 1973. Simultaneously, the penal rate of borrowing from the Bank was raised from 6 per cent to 8 per cent for the first percentage fall or fraction thereof in the NLR; but the maximum penal rate applicable at NLR below 33 per cent was reduced from 15 per cent to 12 per cent. Besides, the special refinance facility provided at the Bank rate in respect of 'Defence packing-cum-supply credit' was withdrawn. In view of the sizeable increase in the borrowings by various public sector and quasi-Government undertakings from the banks in recent months, all advances to such undertakings, including State Electricity Boards, as also advances against the guarantee of Central and State Governments, were brought under the purview of the Reserve Bank's Credit Authorisation Scheme with effect from March 17, 1973. Again, borrowings by the State Governments for their commercial/financial purposes were subjected to the condition that they should obtain necessary sanction from the Central Government under Article 293 (3) of the Constitution.

However, expecting larger demand for food procurement credit, the existing refinance formula in respect of such credit was revised to provide more liberal facilities. Banks were entitled to the refinance to the extent of one-half, instead of one-third, of the increase over the outstanding level of their food procurement credit on the last Friday of October 1972, in addition to the refinancing facility of 10 per cent of the outstanding level on that date. To prevent misuse of this liberalisation, it was stipulated that the refinance availed of by a bank under the liberalised scheme would impair its NLR for other borrowings from the Bank. While announcing this change in its credit policy, the Bank also effected some upward adjustments in the interest rate structure of term deposits (for details, please see a subsequent paragraph on page 102).

Despite the restrictive measures announced on March 17, 1973, the credit expansion continued apace and since the situation called for more stringent measures, the Reserve Bank announced a package of stiff measures on May 30, 1973. It raised the Bank rate from 6 per cent to 7 per cent with effect from May 31, 1973—the highest level so far. The level of cash reserves required to be maintained with the Reserve Bank by every scheduled commercial bank under Section 42 (1) of the Reserve Bank of India Act, 1934, was raised from 3 per cent to 5 per cent for a period of one year ending June 28, 1974 with the provision for payment of interest at the rate of 4·75 per cent per annum on such additional deposits. The minimum NLR was also raised from 37 per cent to 39 per cent with effect from June 29, 1973. Further, with effect from June 1, 1973, the minimum lending rate to be charged by banks on their advances was stipulated at 10 per cent, save for advances to the exempted categories, such as, (*i*) those covered by the guarantee schemes of the Credit Guarantee Corporation of India Ltd., (*ii*) exports, (*iii*) primary co-operative credit societies in selected States, (*iv*) public sector food procurement, storage and distribution

and (*v*) lendings under differential interest rates scheme.

In July 1973, the commercial banks were advised to observe strict restraint on bank credit as also to accelerate the return flow of credit made available during the 1972-73 busy season for meeting seasonal requirements. Besides, in view of the emerging resources position and the importance of credit restraint, it was decided to withdraw effective from July 13, 1973 the existing concessionary refinance entitlements with the exception of only (a) a limited amount of refinancing of export credit and (b) refinancing of amounts lent by commercial banks to primary co-operative credit societies and farmers' service societies (for details vide Appendix II).

In the context of continuing excess liquidity in the banking system, and as a further credit tightening measure, the Reserve Bank again raised the minimum cash reserves required to be maintained with the Reserve Bank by every scheduled commercial bank by two percentage points to 7 per cent of its demand and time liabilities in two stages; one percentage point effective from September 8, 1973 and another one percentage point effective from September 22, 1973. These will remain in force till the last Friday of September 1974. Following this, the net liquidity ratio (NLR) was also raised to 40 per cent effective from September 8, 1973. For every percentage point fall or a fraction thereof in the net liquidity ratio below 40 per cent, the rate of interest would rise by one point above the Bank rate; when it falls below 36 per cent, the maximum rate of 12 per cent will be charged.

Bank Finance for Jute Mills

Following the Jute Commissioner's order issued on December 15, 1972, requiring jute mills to reduce their inventory progressively in such a way that they did not hold stocks of more than 8 weeks' requirements in the mills or outside (the limit was subsequently raised to 12 weeks' requirements in respect of certain mills/twine units in Andhra Pradesh), banks were advised to ensure that credit made available by them to the jute mills was consistent with the instructions issued by the Jute Commissioner. As regards 1972-73 season, banks were advised to obtain prior authorisation of the Reserve Bank if increase in limits over those sanctioned for 1970-71 season was intended.

Finance for Coal Industry

A reference was made in the last year's Report to the setting up of a Working Group by the Reserve Bank in February 1972 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 Bihar and West Bengal. The Group submitted its report to the Bank in December 1972. The Group recommended that the banks should assess the working capital requirements of individual collieries by taking into account, *inter alia*, the output, normal inventories of coal, stores and spares they have to carry, the amount normally locked up in receivables and resources available by way of sundry creditors for purchases and other liabilities. There should be a reasonable degree of flexibility in prescribing margins as well as sub-limits so that adequate finance could be made available to the industry to meet exigencies arising out of circumstances beyond its control.

By a circular letter dated December 20, 1972, the Reserve Bank informed all scheduled commercial banks of the Group's recommendations and requested them to consider making suitable modifications, on merits, in the existing limits, if necessary. Through an earlier circular letter dated December 19, 1972, the banks were advised that the additional temporary credit limits upto a maximum of 15 per cent of the existing credit limits granted by them to the coal industry till the end of December 1972 may be extended, on merits, upto the end of June 1973, without the Bank's prior authorisation.

Finance for Cashew Industry

A Study Group constituted by the Reserve Bank in March 1972 to study various financial problems faced by the cashew industry, reported to the Bank in March 1973. The Group's main recommendations relate to maintenance of margins, valuation of raw materials/

kernels, level of inventories and fixing adequate credit limits, etc. The Reserve Bank, while conveying these recommendations to the banks on March 27, 1973, emphasised that in view of the export-oriented and labour intensive nature of the industry, they should review the existing credit limits and make suitable modifications, if necessary, in the existing terms, conditions and procedures.

Differential Interest Rates

Mention was made in the last year's Report of the Scheme of Differential Interest Rates. At the time of announcement of this Scheme in March 1972, it was hoped that the preliminaries in connection with the selection of branches, where the Scheme should be operated, would be completed by the banks and lending would start from July 1972 or so. However, the banks took time to attend to the preliminaries, as they faced difficulties in selecting branches from the districts listed as eligible for lending under the Scheme. Besides, there were problems of identifying the borrowers, who would satisfy the eligibility criteria laid down in the guidelines. As a result, the amount of advances actually made under the Scheme and outstanding at the end of March 1973 stood at Rs. 207·4 lakhs only spread over 56,536 accounts (as against the amount of Rs. 20 crores earmarked for the Scheme).

The Scheme was reviewed in mid-January 1973 and the following modifications were announced by the Union Finance Minister in his Budget speech on February 28, 1973: (*i*) The Scheme will be extended to all backward districts and those covered by Small Farmers' Development Agency/Marginal Farmers and Agricultural Labourers Schemes. Consequently, the number of districts where the Scheme can be operated has gone up from 163 to 265. (*ii*) Lending at concessional rates will be made to (*a*) institutions for physically handicapped persons and (*b*) orphanages and women's homes irrespective of their location. Income criteria applicable to individuals will not be applied to these organisations and each case will be decided on merits. (*iii*) The income ceiling for eligibility has been raised from Rs. 2,000 per annum to Rs. 3,000 per annum in an urban or semi-urban area and from Rs. 1,200 to Rs. 2,000 per annum in rural areas. (*iv*) The ceiling for working capital loans to any single borrower has been raised from Rs. 500 to Rs. 1,500 and term loans from Rs. 2,500 to Rs. 5,000. (*v*) Persons who work largely on their own and with the help of family members or partners and who do not employ paid employees on a regular basis will also be eligible for borrowing under the Scheme. As mentioned earlier, all advances covered by the Differential Interest Rates Scheme have been exempted from the Reserve Bank's directive to the banks on May 30, 1973, stipulating the minimum rate of interest.

Bills Rediscounting Scheme

The Bills Rediscounting Scheme, which was introduced in November 1970 with a view to generating genuine bills in the money market and for evening out the liquidity within the banking system, registered further progress during the year under review. The number of scheduled commercial banks participating in the Scheme increased from 35 at the end of June 1972 to 38 at the end of June 1973. However, total amount of limits sanctioned to the banks under the Scheme stood lower at Rs. 183·5 crores on June 29, 1973, compared to Rs. 193·5 crores at the end of June 1972.

Although the scheduled commercial banks' portfolio of bills purchased and discounted increased sizeably over the period, their recourse to the Reserve Bank under the Scheme was only when the banking system as a whole was short of funds. Thus, in February 1973, when the banking system was flush with funds, the amount of bills rediscounted with the Reserve Bank was as low as Rs. 53 lakhs on February 9, 1973. Thereafter, however, as tighter conditions developed on the money market, the level of outstanding bills rediscounted under the Scheme rose to a peak of Rs. 35 crores on March 30, 1973 ; this was, however, less than the previous year's high of Rs. 45 crores attained on March 17, 1972. The amount of outstanding bills rediscounted as on June 29, 1973 (Rs. 15·2 crores) was higher than the level a year ago (Rs. 9·9 crores).

Realignment of Interest Rates on Deposits

As mentioned earlier, the Bank effected some readjustments in the rates of interest payable on certain categories of term deposits, retaining the maximum rate of interest at 7·25 per cent. The new rate structure which became effective from April 1, 1973, provided a marginal increase in the interest rates of term deposits maturing between 15 days and above but less than one year as can be seen from Table IV·17. Ths rate payable on deposits for 2 years and upto 3 years was also raised from 6·5 per cent to 7 per cent per annum.

Selective Credit Controls

The year under review witnessed certain modifications and simplification of procedures in this sphere to facilitate more effective control. These are listed in Appendix I. In view of the difficult supply and price position of foodgrains, oilseeds and edible oils during 1972-73 season, the Reserve Bank tightened its control on advances against these commodities; because of comparatively comfortable supply position in respect of cotton and kapas, the Bank modified the provisions of its control on advances against them. Simultaneously, the basis for the permissible limit for advances against foodgrains, oilseeds and oils thereof was changed from *bank-wise* to *party-wise* so as to ensure that the banks do not offer large credit to a few parties utilising the unused credit limits of other borrowers.

The main modifications introduced during the year are briefly outlined below :

(i) *Foodgrains :* As part of its busy season credit policy announced on November 15, 1972, the Bank changed the permissible limits for advances against foodgrains from *bank-wise* basis to *party-wise* basis. The earlier provision relating to the level of credit, on a bank-wise basis *viz., 110* per cent of the average aggregate level of credit maintained in the corresponding two-month period in the preceding year was changed to *100* per cent of the peak level of advances outstanding per party in any of the three preceding seasons, *viz.*, 1971-72, 1970-71 and 1969-70. Banks were also advised to pursue a policy of cautious lending against foodgrains, particularly in respect of pulses and coarse grains. Advances against *maize* which were earlier exempted from controls, were again brought within the purview of controls, excepting those granted to industrial users.

On April 18, 1973, in view of the continued deterioration in the supply and price situation of foodgrains, the Bank further raised the minimum margin on advances against foodgrains from 50 per cent to 60 per cent. The minimum rate of interest on such advances was also increased from 10 per cent to 12 per cent. However, as in the case of advances to the Food Corporation of India and State Governments, advances to Co-operative Marketing Federations, Central and State Warehousing Corporations and such other agencies which are duly appointed as agents for the purpose of procurement/distribution by the Food Corporation of India/Central or State Governments were completely exempted from these controls.

With the Government take-over of wholesale trade in wheat,banks were advised to take certain specified measures in respect of advances against wheat to wholesale/retail traders. On May 14, 1973, they were asked to ensure (*i*) that no loans against the security of wheat were outstanding in favour of any wholesale traders or retail traders other than those who had licences from the concerned State Governments to hold stocks of wheat as retailers, wherever such licences are prescribed, and (*ii*) that advances to retail dealers were confined only upto the limit of stocks which they have been authorised to hold. With regard to advances against wheat in the main wheat producing States of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh and Bihar, banks operating in these areas were asked on May 15, 1973, to undertake a special review of credit limits exceeding Rs. 20,000 against wheat to private parties in order to ensure that these limits are cancelled in the case of wholesale traders and appropriately fixed in the case of licensed retail traders.

(ii) *Vegetable oils (including Vanaspati) and Oilseeds :* Because of the rise in the prices of groundnut and its oil and reports of

Table IV·17—Revised Rates of Interest on Deposits with Scheduled Commercial Banks

(Per cent per annum)

Class of Deposits	Effective January 11, 1971							Effective April 1, 1973						
	Indian scheduled banks having demand and time liabilities of Rupees 50 crores or above and foreign banks	Indian scheduled banks having demand and time liabilities						Indian scheduled banks having demand and time liabilities of Rupees 50 crores and above and foreign banks	Indian scheduled banks having demand and time liabilities					
		Between Rs. 25 crores and Rs. 50 crores		Between Rs. 10 crores and Rs. 25 crores		Below Rs. 10 crores			Between Rs. 25 crores and Rs. 50 crores		Between Rs. 10 crores and Rs. 25 crores		Below Rs. 10 crores	
		Maximum	Minimum	Maximum	Minimum	Maximum	Minimum		Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Current accounts and deposits upto 14 days ..	No interest except with the prior approval of the Reserve Bank (for all classes of banks)													
2. Savings accounts ..	4	4	4	4	4	4½	4	4	4	4	4	4	4½	4
3. Deposits for 15 to 45 days	Rate not to exceed 2 (for all classes of banks)							Rate not to exceed 2¾ (for all classes of banks)						
4. Deposits for 46 to 90 days	3	(for all classes of banks)						3¼	(for all classes of banks)					
5. Deposits for 91 days and above but less than 6 months	4¼	4⅜	4¼	4½	4¼	4¾	4¼	4¾	4⅞	4¾	5	4¾	5¼	4¾
6. Deposits for 6 months and above but less than 9 months	4¾	4⅞	4¾	5	4¾	5¼	4¾	5¼	5⅜	5¼	5½	5¼	5¾	5¼
7. Deposits for 9 months and above but less than 1 year	5¼	5⅜	5¼	5½	5¼	5¾	5¼							
8. Deposits for 1 year and above but less than 2 years	6	6⅛	6	6¼	6	6½	6	6	6⅛	6	6¼	6	6½	6
9. Deposits for 2 years and above but upto and inclusive of 3 years ..	6½	6⅝	6½	6¾	6½	7	6½	7	7⅛	7	7¼	7	7½	7
10. Deposits above 3 years but upto and inclusive of 5 years	7	7⅛	7	7¼	7	7½	7							
11. Deposits above 5 years..	7¼	7⅜	7¼	7½	7¼	7¾	7¼	7¼	7⅜	7¼	7½	7¼	7¾	7¼

speculative activity in these commodities in the State of Gujarat, the Bank increased on July 24, 1972, the minimum margin from 60 per cent to 75 per cent in respect of advances in the State of Gujarat against (1) groundnut to all parties and (2) vanaspati to vanaspati manufacturers. Consequently, the minimum margin on advances in Gujarat against warehouse receipts covering stocks of groundnut and vanaspati to vanaspati manufacturers was also increased from 50 per cent to 65 per cent. These higher minimum margins were extended on November 15, 1972 to the State of Maharashtra.

Effective from November 15, 1972, the ceiling on credit was fixed on a *party-wise* basis. Simultaneously, the earlier provision relating to the permissible limit of credit, *viz.*, 70 per cent of the average aggregate level of credit maintained during the corresponding two-month period of 1967 and also the provision regarding additional limit (equivalent to 15 per cent of the average aggregate level of credit maintained during the corresponding two-months in 1970 for granting credit to oilseeds producing areas and/or for accommodating new parties) was changed to 100 per cent of the peak level of advances outstanding *per party* in any of the three preceding seasons *viz.*, 1971-72, 1970-71 and 1969-70.

Advances directly granted to farmers and to primary co-operative societies for extending credit to their cultivator-members against controlled oilseeds, which represented extension of advances granted earlier against standing crop for a period of three months from the date of harvesting the said crop were exempted from margin and ceiling controls, provided each of such credit limit did not exceed Rs. 2,500 per farmer or the amount of the crop loan outstanding whichever was lower. Further, advances to small borrowers—manufacturing units and others—wholly or partly against the security of foodgrains, oilseeds and vegetable oils covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organisation, were exempted from margin and ceiling controls to the full extent of the limit subject to a maximum amount of Rs. 20,000 for each unit/borrower provided it/he undertook to borrow against these commodities from one bank only.

Advances against imported oilseeds and oils were completely exempted from controls. As the supply position of edible oilseeds and oils continued to be difficult, banks were requested to undertake to finance new parties only in exceptional cases, with the prior approval of the Reserve Bank.

With a view to facilitating the supply of linseed oil and castorseed oil to various Government Departments, the Bank reduced on January 27, 1973, the minimum margin from the existing level of 75 per cent to 50 per cent on advances against castorseed oil/linseed oil which was required to be delivered to any Government Department such as Defence, Railways and Post and Telegraphs, in pursuance of contracts entered into or to be entered into with any such Department.

(iii) *Cotton and Kapas :* The supply position of raw cotton in the 1972-73 cotton season was expected to remain comfortable, despite low crop estimated by trade due to large stock carry-over. Even so, it was decided to retain the controls with marginal modifications so that supplies could be properly distributed over time and among consuming units. Thus, on November 15, 1972 (1) the minimum margin for mills in Bombay and Ahmedabad was reduced to 25 per cent for stocks of 12 weeks' consumption and 50 per cent for stocks in excess of 12 weeks' consumption (earlier such mills were subject to margins of 25 per cent to 60 per cent for stocks of 10, 12 and in excess of 12 weeks' consumption); there was no change in margin control in respect of advances to the government controlled mills and to the mills in Bihar and West Bengal, *viz.*, 20 per cent—35 per cent for the specified period of consumption of cotton ; for mills other than those mentioned above, the minimum margin was fixed at 25 per cent for stocks of 14 weeks' consumption and 50 per cent for stocks in excess of 14 weeks' consumption (earlier such mills were subject to margins of 25 to 60 per cent for stocks of 12, 14 and in excess of 14 weeks' consumption) ; and (2) in respect of advances to parties other than mills, the existing distinction between old and new stocks and the different marketing periods was abolished and instead, a uniform margin of 50 per cent was made applicable.

(iv) *Sugar, Gur and Khandsari :* Regarding advances against sugar, gur and khandsari, the minimum margin of 40 per cent applicable in respect of specified lapsed release of sugar was removed, since in view of the decline in the quantum of lapsed quotas, there was no need to regulate separately credit against lapsed quotas. While the minimum margin at 65 per cent was continued in the case of free market sugar which had left the factory or mill premises and on which excise duty was paid, the minimum margin in respect of advances to mills was fixed at 10 per cent in the case of stocks of levy sugar earmarked for controlled distribution and 15 per cent for free market sugar, subject to the conditions that the levy sugar stocks were valued at the levy price and the free sugar stocks at the tariff value fixed by Government. Complete exemption from controls was provided for advances to manufacturing units (*i.e.*, industrial users).

On December 20, 1972, the period of exemption from selective credit controls in respect of advances against the controlled commodities in the specified border and near border districts, which was earlier extended upto the end of December 1972, was further extended upto the end of June 1973 in respect of advances against cotton and kapas and upto the end of April 1973 in respect of the other controlled commodities.

Within these contours of policy, due care was taken by the Bank to ensure that the flow of credit in certain desired channels was not affected and that the special needs of the backward areas in the country as also the genuine credit requirements of weaker sections of borrowers were met adequately. For this purpose, suitable relaxations or exemptions from controls were granted by the Bank. (See Appendix I).

Taking an overall view it is observed that bank advances against commodities which are subject to control have declined in absolute terms and also as a proportion of the total bank credit (Table IV·18). Among these, the bulk of credit as at end-March 1973 was against sugar and cotton and kapas arising essentially from seasonal factors. Besides, advances against cotton and kapas are inclusive of that for public sector bodies like the Cotton Corporation of India and the Maharashtra State Co-operative Marketing Federation.

Table IV·18—Advances of Scheduled Commercial Banks Against Selected Securities

(Rupees Lakhs)

Security	1970		1971		1972		1973	
	As on March 13, 1970	As Percentage of Total Bank Credit	As on March 12, 1971	As Percentage of Total Bank Credit	As on June 29, 1972	As Percentage of Total Bank Credit	As on March 30, 1973*	As Percentage of Total Bank Credit
1	2	3	4	5	6	7	8	9
1. Foodgrains (Excluding food procurement advances) ..	54,96	1.4	52,01	1.1	98,00	1.8	35,29	0.6
2. Sugar (Including Khandsari) ..	1,58,77	4.1	1,96,52	4.2	N.A.	N.A.	1,14,28	1.9
3. Groundnut	16,47	0.4	10,34	0.2	8,76	0.2	16,04@	0.3
4. Linseed	33	—	33	—	63	—	38	—
5. Castorseed	13	—	16	—	26	—	92	—
6. Groundnut oil	7,62	0.2	9,02	0.2	5,83	0.1	5,88	0.1
7. Rapeseed/mustardseed oil ..	1,63	—	2,23	0.1	N.A.	N.A.	1,22	—
8. Castorseed oil	35	—	56	—	27	—	4,32	0.1
9. Linseed oil	26	—	35	—	29	—	44	—
10. Vanaspati	4,21	0.1	6,25	0.1	5,89	0.1	3,43	0.1
11. Cotton and kapas	1,45,28	3.7	1,47,05	3.1	1,63,10	3.0	1,86,61	3.1
12. Raw Jute	36,05	0.9	33,37	0.7	21,82	0.4	14,84	0.2
Total (1 to 12)	**4,26,06**	**10.9**	**4,58,19**	**9.8**	N.A.	N.A.	**3,83,65**	**6.3**
Total Bank Credit [Section 42(2)]	39,14,45	100.0	46,72,14	100.0	54,79,85	100.0	60,66,06	100.0

N.A. = Not available.
* Provisional.
@ Inclusive of credit to a public sector marketing agency.
(—) Negligible.

Note : Data include credit granted for the purpose of export against the Security of Commodities listed in the Table.

Source : Data upto June 1971 are based on the returns on Form 7 received directly from the branches of the banks. Data for June 1972 are based on U.B.B. returns received directly from the branches of the banks and cover 95 per cent of the total bank credit. Data for March 1973 are based on BSR 3 returns received from the banks.

Credit Authorisation Scheme :

The Credit Authorisation Scheme (CAS) was introduced in November 1965 as a measure to align bank credit with Plan priorities. Under the Scheme, banks are required to obtain Reserve Bank's prior authorisation before releasing fresh credit facilities in excess of certain specified levels as may be prescribed, by the Bank from time to time. Facilities which do not partake the nature of advances such as letters of credit and guarantees, however, do not come under the purview of the Scheme.

Scope and Coverage of the Scheme

Under the Scheme, the scheduled commercial banks are required to obtain the prior authorisation before releasing fresh credit limits (including commercial bill discounts and term loans) of Rs. 1 crore or more sanctioned to any single party or any limit that would take the total limits enjoyed by such party from the banking system as a whole to Rs. 1 crore or more on secured or unsecured basis. In cases where the existing credit limits aggregate or exceed Rs. 1 crore, such prior authorisation is required for grant of any further credit facilities.

In May 1971, the Scheme was extended to term loans exceeding Rs. 25 lakhs and repayable over a period of more than 3 years sanctioned singly or jointly with other banks or financial institutions, even in the case of parties not otherwise covered by the Scheme; this also arose out of the need to co-ordinate the activities of banks and the specialized term-lending institutions.

Borrowings by public sector undertakings which were exempted from the requirement of prior authorisation since May 1969 were again brought under the purview of the Scheme from March 17, 1973. Banks are now required to obtain the prior authorisation of the Bank for sanctioning to these undertakings, including the State Electricity Boards (SEBs), any fresh credit limit (including commercial bill discounts and term loans) of Rs. 3 crores or more, or any limit that would take the total limits enjoyed by each of such undertakings from the banking system as a whole to Rs. 3 crores or more on secured or unsecured basis. Prior authorisation of the Bank is also necessary for sanctioning (singly or jointly with other banks or institutions) to the public sector undertakings of individual medium or long-term loans of Rs. 1 crore or more repayable over a period of more than three years, irrespective of the totality of credit limits enjoyed by such parties from the entire banking sysem. In order to ensure the availability of the necessary wherewithal to (SEBs), banks have been advised that bank finance for implementation of their power programmes should take the form mainly of increased subscription to open market loans or special debentures floated by them. In case the outlays on certain power programmes need to be increased during the course of a year, and SEBs are allowed to go in for additional open market loans or special debentures, banks could also subscribe to them. By way of guidelines, banks have been further advised that they may, after proper scrutiny, extend credit for rural electrification programmes relating to energisation of tube-wells or pump sets and extend short-term accommodation to SEBs for meeting their working capital and bridging and ways and means requirements. Bridging finance should, however, be extended only for short periods not exceeding one year and that too on a clear indication of the amount as well as the source of funds from which bridging finance is proposed to be cleared. Further, such short-term loans should not be related to budgetary provisions to be made from the Consolidated Funds of the States.

Rationalisation of the Scheme

The focus of the Scheme which was purpose-oriented, has since mid-1970 been widened to cover credit appraisal on the part of the scheduled commercial banks with a view to imposing financial discipline on the larger borrowers. Accordingly, banks are now required to collect and examine data relating to (*a*) utilisation by the borrower of the existing credit limits, (*b*) total working capital requirements and bank finance permissible together with the borrower's ability to meet the gap between the two, (*c*) comparative financial position for the previous 3 years, (*d*) cash flow and (*e*) in respect of term loans, project cost and sources of financing the project. The other aspects now required to be looked into by banks are, inter-corporate lendings and

investments, excessive inventory build-up, diversion of short-term funds for acquisition of fixed/non-current assets, payment of guarantee commission etc. In other words, banks are now required to lend on the basis of credit appraisal and the actual needs of the borrowers.

The CAS is operated with flexibility and with this end in view, various exemptions from the requirement of prior authorisation have been given from time to time, subject, however, to a subsequent report. With the standards of credit appraisal in banks showing improvement, further changes were effected in December 1972 with a view to enabling banks to meet the urgent demands of their borrowers for genuine working capital purposes without prior authorisation. These changes were really in the nature of a 'tidying up operation' in the requirement of prior authorisation of the Bank. The credit facilities which banks could, on their own, grant to the borrowers covered by the CAS are, mainly, temporary/interim credit limits upto Rs. 25 lakhs for three months, temporary excess drawings upto 10 per cent of the limit or Rs. 25 lakhs (whichever is lower), purchase of third party out-station cheques/bank drafts, advances against uncleared effects, restoration of limits to the original levels already authorised by the Bank as also reallocation of the limits already authorised, limits against Government supply bills, purchase/discount of inland demand documentary bills and usance bills, drawn on D/P basis, bill limits sanctioned under the rediscounting scheme of the Industrial Development Bank of India, term loans sanctioned on a *pari passu* basis with the Industrial Development Bank of India or the Agricultural Refinance Corporation or under their refinancing schemes, etc. Sometimes, with a view to ensuring adequate availabitity of credit to industrial concerns to meet seasonal requirements or additional need for funds arising out of extra-ordinary situations, certain relaxations from the CAS are allowed. For instance, for each sugarcane crushing season, banks are allowed to sanction credit limits up to the specified extent without the Bank's prior authorisation subject, however, to subsequent reporting. Certain relaxations were also made in the case of credit limits to jute and coal industries and in the wake of the Indo-Pak war of December 1971, in the case of advances to textile mills and dealers and other manufacturing units.

Working of the Scheme

It is difficult to compare the working of the CAS during the year with that for the earlier periods in so far as the number of applications received and the grant of authorisations are concerned, because, prior to March 17, 1973, the credit limits sanctioned to the public sector undertakings being exempted from the requirement of prior authorisation, were only to be reported to the Bank. Hence, for the earlier period, the coverage of public sector undertakings will be only partial. Subject to this limitation, the working of the Scheme during the year is broadly indicated below :

The number of parties covered by the Scheme increased from 1,203 at the end of June 1972 to 1,392 at the end of June 1973 of which 130 related to the public sector undertakings.

The number of applications(6) received during 1972-73 (July-June) aggregated 757 for an amount of Rs. 920 crores compared to 510 applications for an amount of Rs. 270 crores received during 1971-72 (TableIV.19). Of the applications received during 1972-73, 29 related to the public sector units involving an amount of Rs. 590 crores. Of the total applications received during the year, two were rejected while sixteen were withdrawn by the concerned banks as a result of the queries raised. In some cases, reduced limits were authorised by the Bank after careful consideration of the need-based requirements of the borrowers. The total number of cases authorised during the year was 695 for an amount of Rs. 823 crores compared to 464 cases for an amount of Rs. 215 crores during 1971-72. Of the cases authorised during 1972-73, 22 cases for an amount of Rs. 475 crores pertaining to the public sector undertakings were authorised during the period mid-March to end-June 1973.

(6) Revised since the publication of the Bank's Annual Report and Trend and Progress of Banking in India : 1972-73, by making adjustments for applications treated as withdrawn on account of delay in furnishing clarifications by banks.

Table IV.19 : Applications Received, Authorised, Number of Cases Reported and Total Limits in Force

(Amount in crores of Rupees)

Period	Applications received		Applications authorised		Reported cases		Total limits in force at the end of the period
	Number	Amount involved	Number	Amount involved	Number	Amount involved	
1	2	3	4	5	6	7	8
1971-72							
July-December 1971	225	108	205	112	123	217	4054
January-June 1972	285	162	259	103	143	174	4306
Total (1971-72)	**510***	**270**	**464**	**215**	**266**	**391**	**4306**
1972-73							
July-December 1972	281	178	307	173	164	189	4490
January-June 1973	476	742	388	650	205	242	5857
Total (1972-73)	**757***	**920**	**695**	**823**	**369**	**431**	**5857**
Quarter-wise							
January-March 1973	194	112	176	71	109 (33)	119 (78)	4860 (1223)
April-June 1973	282 (29)	630 (590)	212 (22)	579 (475)	96 (11)	123 (64)	5857 (2015)

* Vide footnote (6) on p. 107
Note : Figures in brackets relate to public sector undertakings.

Table IV. 20: Distribution of Credit Limits by Type of Credit

(Rupees Crores

Type of Credit	As on December 31, 1971		As on June 30, 1972		As on December 31, 1972		As on June 30, 1973	
	Total	Of which, public sector units	Total	Of which, public sector units	Total	Of which, public sector units	Total	Of which, public sector units
1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Working Capital*	3691 (91.1)	617 (92.0)	3906 (90.7)	683 (92.1)	4027 (89.7)	750 (91.2)	5285 (90.3)	1870 (92.8)
Of which :								
(*a*) Bills purchased and discounted	372 (9.2)	21 (3.1)	396 (9.2)	22 (3.0)	477 (10.6)	32 (3.9)	537 (9.2)	72 (3.6)
(*b*) Export finance	355 (8.8)	17 (2.6)	370 (8.6)	17 (2.3)	400 (8.9)	17 (2.1)	469 (8.0)	89 (4.4)
2. Sale of machinery on deferred payment basis	91 (2.2)	13 (1.9)	103 (2.4)	13 (1.8)	135 (3.0)	19 (2.3)	166 (2.8)	14 (0.7)
3. Term finance	272 (6.7)	41 (6.1)	297 (6.9)	46 (6.1)	328 (7.3)	54 (6.5)	406 (6.9)	131 (6.5)
Total limits in force	4054 (100.0)	671 (100.0)	4306 (100.0)	742 (100.0)	4490 (100.0)	823 (100.0)	5857 (100.0)	2015 (100.0)
Number of parties	1,148	85	1,203	88	1,270	93	1,392	130

* Includes cash credit and overdrafts, bills purchased and discounted and export finance.
Note : Figures in brackets indicate percentages to total limits in force.

While authorising the limits, suitable covenants were stipulated in several cases. The stipulations, by and large, were in matters such as diversion of short-term finance for non-current purposes, requirements of lending bank's clearance for declaration of dividend and inter-corporate lendings/investments, subordination of the promoters' funds to bank advances, non-payment of guarantee commission, etc.

The total limits in force as at the end of June 1973 stood at Rs. 5857 crores or 36·0 per cent higher than the level a year ago (Rs. 4306 crores) (Table IV.21). Limits in force pertaining to the public sector undertakings at the end of June 1973 amounted to Rs. 2015 crores or 34·4 per cent of the total limits. Distribution of total limits by type of credit reveals that in 1972-73 the broad pattern conformed by and large to the pattern noticed in the previous year.

Table IV. 21 : Industry-wise Distribution of Total Limits in Force

(Rupees Crores)

Industry	As on December 31, 1972		As on June 30, 1973		Variations	
	Total limits in force	Of which, public sector units	Total limits in force	Of which, public sector units	Col. 4 over Col. 2	Col. 5 over Col. 3
1.	2.	3.	4.	5.	6.	7.
1. Engineering (including electricals)	1055 (23.5)	115 (14.0)	1214 (20.7)	203 (10.2)	+159	+ 88
2. Iron and Steel	227 (5.1)	13 (1.6)	221 (3.8)	120 (6.0)	— 6	+107
3. Cement	63 (1.4)	2 (0.2)	61 (1.0)	2 (—)	— 2	—
4. Coal	26 (0.6)	20 (2.4)	33 (0.6)	22 (1.1)	+ 7	+ 2
5. Paper	54 (1.2)	—	59 (1.0)	—	+ 5	—
6. Fertilizers	75 (1.7)	51 (6.2)	109 (1.9)	30 (1.5)	+ 34	— 21
7. Petroleum	87 (1.9)	2 (0.2)	88 (1.5)	35 (1.7)	+ 1	+ 33
8. Chemicals & Pharmaceuticals	206 (4.6)	9 (1.3)	214 (3.7)	7 (0.3)	+ 8	— 2
9. Cotton Textiles	707 (15.7)	1 (0.1)	651 (11.1)	3 (0.1)	— 56	+ 2
10. Jute Textiles	101 (2.2)	—	130 (2.2)	—	+ 29	—
11. Sugar	273 (6.1)	—	277 (4.7)	5 (0.2)	+ 4	+ 5
12. Plantations	20 (0.4)	2 (0.2)	17 (0.3)	3 (0.1)	— 3	+ 1
13. Electricity Undertakings	157 (3.5)	109 (13.2)	205 (3.5)	191 (9.6)	+ 48	+ 82
14. Trading	471 (10.5)	330 (40.1)	996 (17.0)	844 (41.9)	+525	+514
Of which:						
Food Corporation of India	216 (4.8)	216 (26.2)	676 (11.5)	676 (33·5)	+460	+460
Cotton Corporation of India	90 (2.0)	90 (10.9)	115 (2.0)	115 (5.7)	+ 25	+ 25
15. Others	968 (21.6)	169 (20.5)	1582 (27.0)	550 (27.3)	+614	+381
Total	**4490 (100.0)**	**823 (100.0)**	**5857 (100.0)**	**2015 (100.0)**	**+1367**	**+1192**

Note : Figures in brackets represent percentages to total.

Industry-wise Distribution of the Limits

Industry-wise data which are available as at end-December 1972 and end-June 1973 would show that the bulk of the increase of Rs. 1192 crores in the limits of the public sector undertakings during the six month period was accounted for by Trading Concerns, (Rs. 514 crores) mainly Food Corporation of India (Rs. 460 crores) and Cotton Corporation of India (Rs. 25 crores) followed by Iron and Steel (Rs. 107 crores), Engineering units (Rs. 88 crores), Electricity Undertakings (Rs. 82 crores) and Petroleum (Rs. 33 crores) (Table IV.21). Taken together, these five groups thus shared Rs. 824 crores or 69·2 per cent of the increase in the limits of the public sector undertakings during January—June 1973. In the private sector, the increase was more pronounced in the case of Engineering Units (Rs. 71 crores), Fertilizers (Rs. 55 crores), Jute Textiles (Rs. 29 crores) and Trading (Rs. 11 crores). The aggregate increase on account of these four categories of private sector units thus comes to Rs. 166 crores or 94·9 per cent of the increase in limits (Rs. 175 crores) under this category.

Scheduled Commercial Banks' Advances to Priority Sectors

Priority sectors (comprising agriculture, small-scale industry, small business, exports, professional and self-employed persons and education) have been receiving increasing attention in the matter of bank credit in recent years. Total credit made available for these purposes by the scheduled commercial banks had broadly doubled between June 1969 and December 1972 to Rs. 1793 crores constituting 33·2 per cent of the total credit of the scheduled commercial banks in December 1972 (excluding food procurement advances) (Table IV.22).

Agriculture: There was an increase of Rs. 90 crores or 22·8 per cent in the total of direct and indirect advances to agriculture during 1972 raising their total to Rs. 485 crores at the end of December 1972. Their ratio to the total scheduled commercial banks' credit rose over the year from 8·4 per cent to 9·0 per cent. (Details of these are given in the section on Rural Credit).

Small-Scale Sector : Advances to the small-scale sector (small-scale industries, road and water transport operators and for setting up industrial estates) which rose by Rs. 89 crores or 17·1 per cent in 1971 went up further by Rs. 112 crores or 18·5 per cent to Rs. 717 crores in 1972 their ratio to total bank credit increasing marginally from 12·9 per cent to 13·3 per cent.

Exports: The scheduled commercial banks' advances for exports showed a lower growth of Rs. 4·8 crores to Rs. 463·1 crores as at the end of 1972 compared to a rise of Rs. 95·3 crores to Rs. 458·3 crores in 1971. The lower growth during the year was due to the decline of Rs. 22·7 crores in those advances during the first half of 1972 which was followed by a rise of Rs. 27·5 crores in the second half of 1972. In the result, the proportion of these advances to total credit declined marginally

Graph 26

SCHEDULED COMMERCIAL BANKS' ADVANCES TO PRIORITY SECTORS
(AS ON LAST FRIDAY)

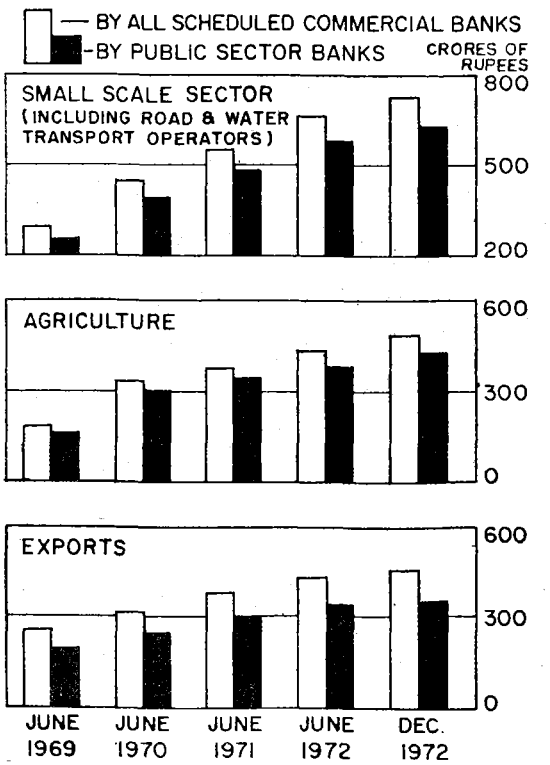


Table IV.22—Scheduled Commercial Banks' Advances to Priority Sectors

(Amount in Rupees Lakhs)
(No. of Accounts in thousands)

Sectors	Total Public Sector Banks		All Scheduled Commercial Banks	
	No. of Accounts	Amount	No. of Accounts	Amount
1.	2.	3.	4.	5.
1. Total Agricultural Purposes				
June 1969	165	16,233	268	18,840 (5.6)
December 1971	909	34,766	1222	39,546 (8.4)
June 1972	1071	38,847	1403	44,000 (8.9)
*December 1972	1245	42,957	1609	48,548 (9.0)
Of which — **Direct Finance to Farmers**				
June 1969	160	4,022	257	5,361 (1.6)
December 1971	887	22,857	1192	26,333 (5.6)
June 1972	924	23,189	1246	26,773 (5.4)
*December 1972	1099	26,968	1455	31,052 (5.7)
2. Total Small-Scale Sector@				
June 1969	75	25,680	85	29,410 (8.7)
December 1971	138	53,356	152	60,524 (12.9)
June 1972	146	58,185	159	66,449 (13.5)
*December 1972	167	62,915	182	71,724 (13.3)
(*a*) **Road and Water Transport Operators@**				
June 1969	2	548	3	822 (0.3)
December 1971	26	4,648	30	5,586 (1.2)
June 1972	30	5,047	34	6,225 (1.3)
*December 1972	35	5,552	40	6,820 (1.3)
(*b*) **Small-Scale Industries@**				
June 1969	73	25,106	82	28,560 (8.5)
December 1971	112	48,281	122	54,495 (11.6)
June 1972	116	52,849	125	59,836 (12.1)
*December 1972	132	57,017	142	64,510 (11.9)
(*c*) **Setting up of Industrial Estates**				
June 1969	Neg.	26	Neg.	28 (0.1)
December 1971	Neg.	427	Neg.	443 (0.1)
June 1972	Neg.	289	Neg.	388 (0.1)
*December 1972	Neg.	346	Neg.	394 (0.1)

Table IV. 22 : Scheduled Commercial Banks' Advances to Priority Sectors—(Contd.)

(Amount in Rupees Lakhs)
(No. of Accounts in thousands)

Sectors	Total Public Sector Banks		All Scheduled Commercial Banks	
	No. of Accounts	Amount	No. of Accounts	Amount
1.	2.	3.	4.	5.
3. Exports				
June 1969	N.A.	19,469	N.A.	26,343 (7.8)
*December 1971	N.A.	36,453	N.A.	45,834 (9.8)
*June 1972	N.A.	34,182	N.A.	43,558 (8.8)
*December 1972	N.A.	35,609	N.A.	46,311 (8.6)
4. 'Other' Priority Sectors				
June 1969	42	2,208	N.A.	N.A.
December 1971	215	9,261	N.A.	N.A.
*June 1972	230	9,250	258	11,075 (2·2)
*December 1972	269	10,542	303	12,668 (2·3)
(a) Retail Trade and Small Business				
June 1969	33	1,937	N.A.	N.A.
December 1971	156	7,806	N.A.	N.A.
*June 1972	166	7,742	184	9,192 (1·9)
*December 1972	187	8,711	210	10,368 (1·9)
(b) Professional & Self-employed Persons ..				
June 1969	8	191	N.A.	N.A.
December 1971	51	1,040	N.A.	N.A.
*June 1972	57	1,216	66	1,586 (0·3)
*December 1972	74	1,532	84	1,991 (0·4)
(c) Education				
June 1969	1	80	N.A.	N.A.
December 1971	8	415	N.A.	N.A.
*June 1972	7	292	8	297 (0·1)
*December 1972	8	299	9	309 (0·1)

N. A. = Not available. @ Data in respect of items 2, 2A and 2B relate to Number of Units.

* Provisional. Neg. = Negligible.

Note : Figures in brackets are percentages to total bank credit (excluding food advances).

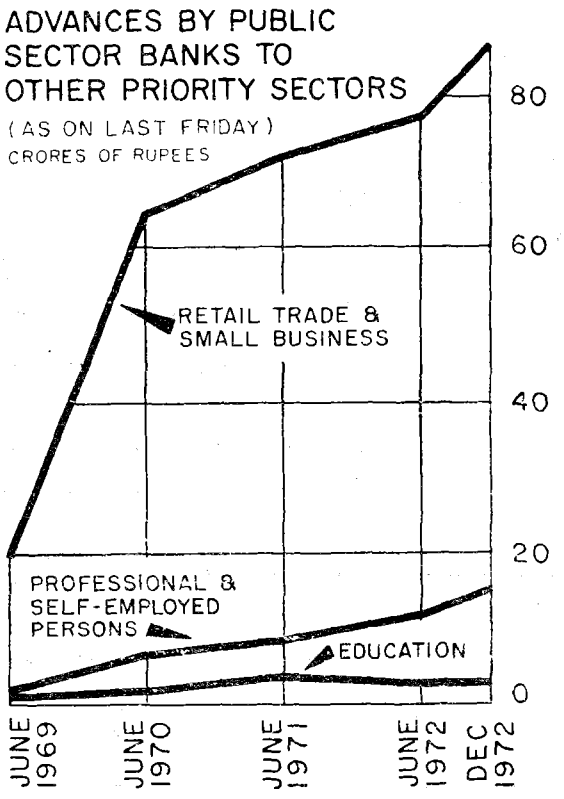
Source : Special returns received from the banks.

from 9·8 per cent in December 1971 to 8·6 per cent in December 1972.

While advances made available by the public sector banks for retail trade and small business and to the professional and self-employed persons increased during 1972, though at a slower pace as compared to 1971, educational advances actually declined. In the case of other scheduled commercial banks, for which these data are available since March 1972 only, advances to retail trade and small business, and those to professional and self-employed registered a rise of Rs. 2·3 crores to Rs. 16·6 crores and Rs. 1·6 crores to Rs. 4·6 crores, respectively between March 1972 and December 1972. Advances for education, on the other hand, declined by Rs. 9 lakhs to Rs. 10 lakhs during the same period. Total advances made by all the scheduled commercial banks to the weaker sections (comprising retail trade and small business, professional and self-employed and education) which amounted to Rs. 127 crores in December 1972 formed 2·3 per cent of scheduled commercial bank credit on that date.

The bulk of the advances for priority sectors came from the public sector banks, their share being 88·5 per cent of the agricultural advances, 87·7 per cent of the advances to the small-scale sector, 76·9 per cent of the advances for exports and 83·2 per cent of advances made to small borrowers in December 1972.

Graph 27



Credit Guarantee Corporation of India Ltd.

It was mentioned in the last year's Report that the Corporation's Scheme for small loans granted by commercial banks was substantially liberalised in November 1971 so as to cover all existing advances, except those which had been recalled or had become bad or doubtful as on December 31, 1971. The Small Loans Guarantee Scheme was further liberalised in August 1972, to benefit small transport operators and agriculturists. With these modifications which became effective from October 1972, the guarantee cover in the case of transport operators which was confined till then to the purchase of vehicles only, was extended to credit facilities granted for repairs or renovation of the vehicles or for working capital requirements upto an overall ceiling limit of Rs. 1 lakh. In the agricultural sector, the credit facilities granted to Joint Hindu Families or Groups or Association of persons (not being a company or a co-operative society) have also been made eligible for the guarantee cover. Credit facilities granted to a borrower for cultivating his land and for all subsidiary farming activities such as pisciculture, sericulture, animal husbandry, poultry farming and dairy farming or if he is not cultivating land, for any two such activities would also be eligible now for guarantee cover. The rolling over of short-term credit by converting it into medium-term credit will be permitted in the event of drought, flood or other natural calamities or death or physical incapacity of the borrower or in other unusual circumstances beyond the borrower's control. The details in regard to credit facilities guaranteed under the three schemes which are now administered by the Corporation are set out in Table IV.23.

Table IV.23—Credit Facilities Guaranteed Under the Three Schemes

(Rupees Lakhs)

Sector	As on the last Friday of		
	June 1971	June 1972	September 1972
1	2	3	4
A. Small Loans Guarantee Scheme			
1. Transport Operators	367·81	2141·84	2103·25
2. Traders in goods other than fertilisers or mineral oils	187·57	2205·42	1860·94
3. Traders in fertilisers or mineral oils	15·10	171·68	200·54
4. Professional and self-employed persons	103·90	973·53	1005·25
5. Business enterprises	147·47	692·00	571·92
6. Farmers and agriculturists	553·19	11080·43	11599·80
	1375·04	17264·90	17341·70

(Rupees lakhs)

Sector	As on the last Friday of		
	September 1971	June 1972	September 1972
B. Financial Corporations Guarantee Scheme			
1. Transport operators	14·45	256·91	277·69
2. Business enterprises	1·46	15·40	19·38
	15·91	272·31	297·07

(Rupees lakhs)

Sector	As on the last Friday of		
	December 1971	June 1972	September 1972
C. Service Co-operative Societies Guarantee Scheme			
Service Co-operative Societies	1·89	12·72	44·66

Notes : 1. Figures of advances covered under the Small Loans Guarantee Scheme outstanding as on the last Friday of September 1972 relate to 65 scheduled commercial banks out of 71 which have joined the Scheme ; the remaining 6 banks have not submitted returns for any of the quarters of 1972.

2. Out of the 18 financial corporations which have joined the Financial Corporations Guarantee Scheme, three corporations have reported 'Nil' figures while three corporations have not submitted any returns. Figures of advances outstanding as on the last Friday of September 1972 relate to 12 financial corporations.

3. Out of 25 co-operative banks and 64 scheduled commercial banks which have joined the Service Co-operative Societies Guarantee Scheme, 21 co-operative banks and 51 scheduled commercial banks have submitted 'Nil' returns and only four commercial banks account for the outstandings covered as on the last Friday of September 1972.

It will be seen from the table that between June 1971 and June 1972 credit facilities in respect of Small Loans Guarantee Scheme increased from Rs. 13·8 crores to Rs. 172·6 crores and further to Rs. 173·4 crores at the end of September 1972. In the case of Financial Corporation's Guarantee Scheme and Service Co-operative Societies Guarantee Scheme, the amount increased from Rs. 16 lakhs to Rs. 3.0 crores between September 1971 and September 1972 and from Rs. 1·9 lakhs to Rs. 44·7 lakhs between December 1971 to September 1972, respectively.

No credit institution invoked the guarantee in respect of the credit facilities covered under the schemes till December 31, 1972. During the first half of 1973, five banks submitted claims in respect of 59 borrowers for advances aggregating Rs. 2·0 lakhs. Claims in respect of two borrowers for amounts aggregating Rs. 5,324 were paid by the Corporation till June 30, 1973 and the remaining 57 claims were under examination.

Export Refinance Facilities

The Reserve Bank of India continued to accord preferential treatment to exports in the form of refinance facilities to the scheduled commercial banks in respect of their export credit. Refinance was made available to the banks, irrespective of their net liquidity ratio, at the concessional rate of 4½ per cent upto 10 per cent of the annual average of export credit in 1972 and at the Bank rate (*i.e.*, 6 per cent) on an additional amount upto 10 per cent of the annual average of export credit in 1972. Consequent upon the increase in the Bank rate from May 31, 1973, however, the refinance rates were raised with effect from June 13, 1973, to 5½ per cent (instead of 4½ per cent) and to 7 per cent (instead of 6 per cent), respectively. As a further measure of credit restraint, the refinance entitlement available in respect of increase in export credit was withdrawn with effect from July 12, 1973. Henceforth, banks' borrowings equal to an amount of 10 per cent of the annual average of export credit in 1972 alone will be eligible at the Bank rate (*i.e.*, 7 per cent). Moreover, such borrowings will impair the net liquidity ratio of the borrowing bank. Despite changes in the refinance facilities and refinance rates, the ceiling rate on export credit *viz.*, 6 per cent for export on deferred payments basis and 7 per cent for all other types of export credit continued unchanged. Similarly, the subsidy of 1·5 per cent under the Export Credit (Interest Subsidy) Scheme, 1968 also remained unaltered.

During the year under review the Bank revised some of the provisions of the Pre-shipment Credit Scheme with a view to meeting the special requirements of exporters of mineral ores, marine products and husk of psyllium seeds. Banks were also informed that their advances to exporters of cashew would be considered as packing credit advances eligible for interest subsidy and refinance under the Export Credit (Interest Subsidy) Scheme, 1968 and Pre-shipment Credit Scheme.

As a result of these modifications and also due to a substantial increase in exports during the year, the amount of refinance availed of by the scheduled commercial banks in respect of their export credit registered a sharp increase during the year under review. Thus, as on June 30, 1973, the outstanding amount of refinance stood at Rs. 51·4 crores in respect of pre-shipment credit for exports and Rs. 14·3 crores in regard to post-shipment credit as against Rs. 9·5 crores and Rs. 0·6 crore, respectively on June 30, 1972.

During the year, the scope of the Export Credit (Interest Subsidy) Scheme, 1968, was further enlarged so as to cover working capital advances granted by way of packing credit by the State/Central Co-operative banks catering to the needs of export trade. Thus, during the year, three State Co-operative banks and twelve Central Co-operative banks were brought under the purview of the Scheme. Further, in view of the liberalisation of Export Production Finance Guarantee Scheme by the Export Credit and Guarantee Corporation Ltd. the Reserve Bank advised the scheduled commercial banks on August 30, 1972, that packing credit advances granted by them to exporters upto 75 per cent over and above the f.o.b. value of shipment will be eligible

for interest subsidy subject to compliance of other conditions of the Scheme. During 1972-73 (July-June), 42 eligible banks, including one co-operative bank, availed themselves of the interest subsidy amounting to Rs. 5·3 crores in regard to export credit provided by them. Of this amount, Rs. 2·7 crores represented subsidy in respect of pre-shipment credit and the balance (Rs. 2·6 crores) for post-shipment credit.

Export Credit and Guarantee Corporation Ltd.

Business of the Export Credit Guarantee Corporation (ECGC) registered good progress during 1972-73 (July 1972 to June 1973). While the number of policies and guarantees in force increased from 5664 at the end of June 1972 to 6826 at the end of June 1973 (vide table IV.24), the value of risks covered during the year, at Rs. 1029·8 crores, showed a rise of 100 per cent over the previous year. Of this, the value of shipments covered under policies amounted to Rs. 215·3 crores and financial guarantees accounted for Rs. 814·6 crores ; during 1971-72 the corresponding values were Rs. 184·7 crores and Rs. 337·8 crores, respectively. Bank finance availed of by the exporters under the Corporation's policies and guarantees registered a sharp rise over the year from Rs. 415·3 crores in 1971-72 to Rs. 932·0 crores. This rise was almost entirely accounted for by finance availed of under packing credit guarantees. The premium income during 1972-73 amounted to Rs. 2·4 crores compared to Rs. 1·8 crores during 1971-72.

During the period under review, a change was made with regard to the charging of minimum premium. As per the revised conditions, ECGC charges a non-refundable policy fee ranging from Rs. 25 to Rs. 200 depending upon the maximum liability of the policy issued. This fee is charged each time a policy is issued to an exporter.

Table IV.24 : ECGC's Guarantees and Policies for Exporters

(July-June)

(Rupees crores)

	Issued during		In Force at the end of		Bank Finance availed of	
	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
1	2	3	4	5	6	7
Standard Policies	2113	2036	4030	4043	77·49	116·44
Packing Credit Guarantees	1182	1432	1072	1342	286·52	737·43
Post-shipment Guarantees	163	263	143	233	5·22	16·79
Export Finance Guarantees	77	159	69	153	2·58	5·57
Export Production Finance Guarantees	104	89	90	84	29·58	42·08
Export Performance Guarantees	338	1055	260	971	13·88	13·69
Total	**3977**	**5034**	**5664**	**6826**	**415·27**	**932·00**

Other Important Banking Developments

Lead Bank Scheme

Under the Lead Bank Scheme, initiated in December 1969, surveys have so far been completed in 312 out of the 338 districts to be covered. The surveys covered 90 per cent of the districts in the underdeveloped States of Assam, Bihar, West Bengal, Orissa, M.P. and U.P. The work relating to survey reports in respect of the remaining 16 districts, all of which are backward, was in various stages of completion. The Lead Banks have also constituted about 200 district level consultative committees comprising representatives of scheduled commercial banks and other financial institutions operating in the district and respective State Government officials, etc. These committees are expected to help in identifying bankable schemes, evolving methods for exchanging information about borrowers, lending to priority sectors, etc.

Branch Expansion

The number of offices opened by the commercial banks in 1972-73 at 1756 exceeded that of 1612 offices opened in 1971-72. The accent in branch expansion continued to be on providing facilities in the hitherto unbanked/underbanked centres in the rural and semi-urban areas and in the comparatively under-developed States.

Of the 1756 offices opened during the year, the State Bank group accounted for 473 (27 per cent) and the nationalised banks 926 (53 per cent). Nearly two-fifths of the new offices (690) opened during 1972-73 were at unbanked centres (Table IV.25). The rural and semi-urban centres accounted for 42 per cent and 20 per cent, respectively of the total number of offices opened during the year.

Branch expansion during the last four years has corrected somewhat the lopsided growth of bank offices characteristic of the pre-nationalisation period. Thus, the proportion of bank offices in the rural centres rose from 22·3 per cent to 36·2 per cent while that of the urban and the metropolitan and port towns declined from 17·5 per cent to 16·7 per cent and from 20·0 per cent to 16·3 per cent, respectively (Table IV.25).

There has also been considerable progress in the dispersal of bank offices in the relatively underbanked States/Union Territories. Thus, of 7131 offices opened during the last four years i.e., since July 1, 1969, 30·8 per cent was in the States of Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Uttar Pradesh, Orissa, West Bengal, Manipur, Meghalaya, Tripura and Nagaland. Reflecting the improvement in the banking facilities over the four-year period 1969 to 1973, the average population served per bank office declined from 65,000 (1961 census) to 36,000 for the country as a whole. However, the population coverage of a bank office in the 9 States stated above is still above the national average (36,000); Assam (89,000), Bihar (95,000), M.P. (56,000), Orissa (98,000), West Bengal (50,000), U.P. (59,000), Manipur (1,19,000), Meghalaya (59,000) and Nagaland (86,000).

Banking Legislation—Constitution of the New Boards of the Nationalised Banks:

In pursuance of the provision laid down in clause 3 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, new Boards of Directors for the 14 nationalised banks were constituted with effect from December 11, 1972. For the present the Boards consist of 9 to 11 directors. With a view to giving representations to the various interests the Boards have been broad-based to include two representatives of the employees (one representing workmen employees and the other from officers), one director representing the interests each of the depositors and artisans and persons having special knowledge or practical experience in fields of agriculture and small-scale industries. The Boards have also a nominee each of the Central Government and the Reserve Bank. Following the constitution of the new Boards, office of the Custodian has ceased to exist and the Chief Executive of each nationalised bank is now designated as Managing Director. Currently, the Managing Director of each bank has also been appointed as Chairman of the Board of Directors.

Further, in terms of clause 13 of the Scheme, a Management Committee for each of the 14 banks has also been constituted, consisting of the Managing Director and Chairman, the nominees of the Reserve Bank of India

Table IV·25—Centre-wise Distribution of Commercial Bank Offices in India, 1969-73

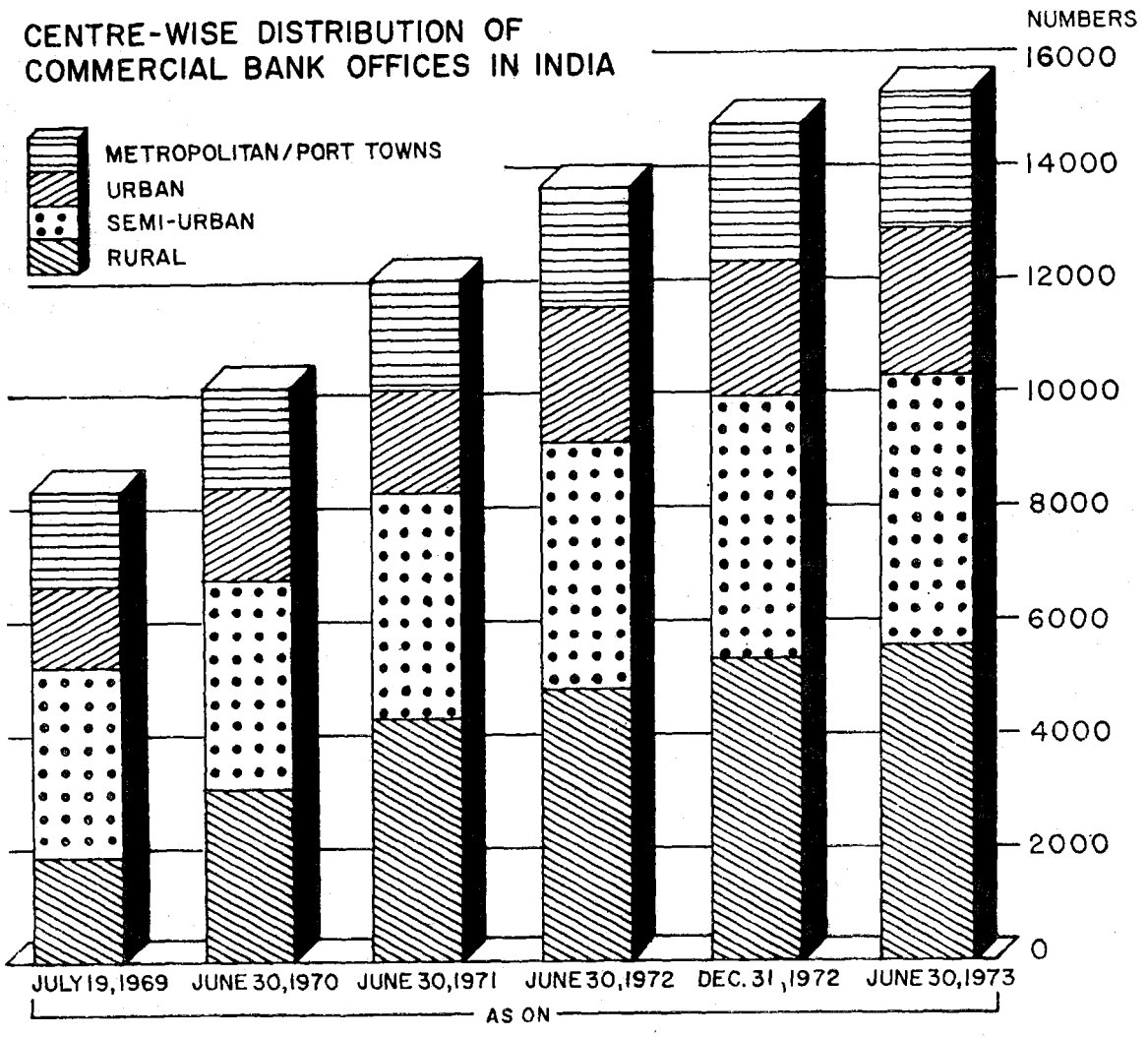
Bank Group	Number of offices											
	As on 19-7-1969					As on 30-6-1970					As on 30-6-1971	
	Rural	Semi-Urban	Urban	Metro-politan/ Port town	TOTAL	Rural	Semi-Urban	Urban	Metro-politan/ Port town	TOTAL	Rural	Semi-Urban
1	2	3	4	5	6	7	8	9	10	11	12	13
State Bank of India ..	462 (29·4)	796 (50·7)	163 (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)	940 (41·1)	891 (39·0)
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)	618 (50·1)	408 (33·1)
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)	2,123 (33·3)	1,891 (29·7)
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)	598 (28·1)	826 (38·9)
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)**	**4,279 (35·6)**	**4,016 (33·4)**

Table IV·25—(Contd.)

Bank Group	Number of offices													
	As on 30-6-1971				As on 30-6-1972*g*					As on 30-6-1973				
	Urban	Metro-politan/ Port town	TOTAL		Rural	Semi-Urban	Urban	Metro-politan/ Port town	TOTAL	Rural	Semi-Urban	Urban	Metro-politan/ Port town	TOTAL
	14	15	16	17	18	19	20	21		22	23	24	25	26
State Bank of India ..	253 (11·1)	202 (8·8)	2,286 (100·0)	971 (37·6)	1,011 (39·3)	349 (13·6)	244 (9·5)	2,575 (100·0)		1,091 (38·1)	1,081 (37·7)	388 (13·5)	307 (10·7)	2,867 (100·0)
Subsidiaries of S.B.I.	121 (9·8)	86 (7·0)	1,233 (100·0)	613 (44·3)	516 (37·3)	154 (11·1)	100 (7·3)	1,383 (100·0)		707 (45·2)	547 (35·0)	173 (11·1)	136 (8·7)	1,563 (100·0)
14 Nationalised Banks	1,092 (17·2)	1,262 (19·8)	6,368 (100·0)	2,455 (34·1)	1,988 (27·7)	1,393 (19·4)	1,353 (18·8)	7,189 (100·0)		2,849 (35·1)	2,153 (26·6)	1,542 (19·0)	1,565 (19·3)	8,109 (100·0)
Other Commercial Banks	312 (14·7)	390 (18·3)	2,126 (100·0)	777 (31·4)	859 (34·7)	427 (17·2)	412 (16·7)	2,475 (100·0)		914 (32·4)	942 (33·4)	470 (16·7)	497 (17·5)	2,823 (100·0)
GRAND TOTAL ..	**1,778 (14·8)**	**1,940 (16·2)**	**12,013 (100·0)**	**4,816 (35·3)**	**4,374 (32·1)**	**2,323 (17·1)**	**2,109 (15·5)**	**13,622 (100·0)**		**5,561 (36·2)**	**4,723 (30·8)**	**2,573 (16·7)**	**2,505 (16·3)**	**15,362 (100·0)**

Notes : (*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.
(*f*) Figures in brackets relate to percentages to the total in each population group.
(*g*) Reclassified on the basis of 1971 Census Population totals; figures have also been revised subsequent to the publication of the Bank's Annual Report and Trend and Progress of Banking in India: 1972-73.

Graph 28



and Central Government and three other directors. As at present, a director representing workmen staff is on the Committee of seven banks while a director representing officer staff is on the Committee of the other seven banks. The Committee exercises powers as have been delegated to it by the Board with the approval of the Central Government. In addition, the nationalised banks have formed some additional Committees as envisaged in clause 14 of the Scheme to look into details of such aspects as credit schemes to assist neglected sectors, branch expansion policy, etc.

The Central Government, in consultation with the Reserve Bank introduced some amendments to the above-mentioned Scheme which dealt with restructuring of the capital structure of the banks and also giving an opportunity to directors to show cause against their removal from office, etc. A bill was also introduced by the Government to remove the existing restrictions as to the kinds of business which the State Bank can transact and also to rationalise the existing arrangements for the conduct of audit and submission of each account.

Regional Consultative Committees

Clause 15 of the said Scheme provides for constitution of Regional Consultative Committees for different regions of the country for reviewing the banking developments within each region and making such recom-

mendations as they may consider appropriate for the consideration of the Central Government and the Reserve Bank. These Committees are intended to provide opportunities to the Chief Executives of the banks to get the views and suggestions of the State Governments, while the State Governments would also be able to have a better understanding of the problems which the banks face in their regions.

Of the six Regional Consultative Committees formed under this Scheme, meetings of the Consultative Committees of the Southern, Western, Northern, Eastern and North-Eastern regions were convened during the year while that of the Central region was held earlier. A variety of decisions were taken in these meetings to quicken the progress of banking in the respective regions. These were broadly concerned with (*i*) ensuring harmonisation of the activities of co-operatives with those of commercial banks by forming Co-ordination Committees of Lead Banks and Departments of Co-operation, Agriculture and Industries of the States concerned; (*ii*) adoption of a flexible approach in granting of loans ; (*iii*) strengthening the co-operative structure to facilitate speedier financing by banks, and to impress upon States to develop the requisite infrastructure to facilitate the opening of offices by commercial banks ; and (*iv*) desirability of banks undertaking training programmes so as to help solve the problem of inadequate availability of trained personnel. Besides, the meetings also commended the expeditious implementation of the recommendations of the Talwar Committee regarding State enactments having a bearing on lendings of banks and frequent contacts between banks and officers of the State Governments in the region so as to make it easier for banks to finance agriculturists.

Deposit Insurance Corporation

During 1972-73, the number of insured banks remained constant at 81, as the cancellation of one bank following its merger with another bank was offset by registration of of a new commercial bank as an insured bank.

The Corporation did not incur any fresh liability during the year concerning insured deposits nor did it receive any repayments in respect of the subrogated claims. With the result, the total amount of claims paid or provided for (Rs. 113 lakhs) as also the total amount of repayments received in respect of subrogated claims (Rs. 50 lakhs) remained unchanged over the year,

During the year under review, the limit of insurance cover continued to be Rs. 10,000/- per depositor. According to the latest available data, at the end of September 1972, 96·3 per cent of the deposit accounts and 59·9 per cent of the assessable deposit amounts in the insured banks were protected by the insurance scheme. No further change was made during the year in the rate of premium payable by insured banks on their assessable deposits and it continued to remain at 4 paise per annum per hundred rupees fixed from October 1, 1971.

The Deposit Insurance Scheme continued to be extended to the co-operative banks in the States of Maharashtra, Madhya Pradesh and Andhra Pradesh and the Union Territory of Goa, Daman and Diu. During the year, 14 more co-operative banks were registered while the registration of one co-operative bank was cancelled thus raising the total of insured co-operative banks to 404 as at the end of June 1973. The Reserve Bank of India continued to try to persuade the remaining States/Union Territories to make the necessary legislative provisions so as to enable the Corporation to extend the benefits of the insurance scheme to the co-operative banks operating in these areas.

In view of the extension of the insurance scheme to the co-operative banks and the consequential increase in the Corporation's establishment expenses, its share capital was increased from Rs. 1 crore to Rs. 1·5 crores with effect from January 1, 1972. The entire share capital of the Corporation has been subscribed to by the Reserve Bank of India.

New System of Statistical Reporting by Commercial Banks

The Reserve Bank appointed in April 1972 a Committee to look into the existing statistical reporting system of commercial banks in the light of the current requirements of data and to suggest improvements in procedures and practices of reporting as well as appropriate arrangements for consolidation and full utilisation of data.

A new system of statistical reporting by banks has been introduced in the place of the Uniform Balance Book System, following the recommendations of the Committee. This system, designated as Basic Statistical Returns, is expected to provide a steady flow of information required by the Reserve Bank without undue strain on banks. The branches are required to submit the basic information on deposits and advances at half-yearly intervals ; the break-up of deposits according to type of ownership once in two years ; and debits to deposit accounts once in three years. Under the new system the head office could be called upon to submit (*i*) monthly data on advances against the security of selected sensitive commodities, (*ii*) half-yearly information on agricultural advances and (*iii*) annual information on assets and liabilities, earnings and expenses and investments.

Control over Non-banking Companies

During the year under review, the Reserve Bank of India made further amendments to the directives issued by it in October 1966 to the non-banking financial and non-financial companies. In terms of these amendments, which came into force with effect from January 1, 1973, non-banking, non-financial and financial companies other than hire-purchase companies were allowed to accept deposits from the public for a minimum period of 6 months instead of 12 months stipulated earlier. Further, non-financial companies were allowed to accept deposits even for a period of 3 months upto 10 per cent of their total paid-up capital and free reserves for meeting their seasonal requirements, provided such deposits were within the overall ceiling of 25 per cent of the total paid-up capital and free reserves. For the purpose of these computations, money received by one company from another was allowed to be excluded from the definition of the term 'deposit'. Other important features of the amendments include the stipulation by the Reserve Bank that with effect from April 1, 1973, all companies receiving deposits (including renewals or conversions thereof) should provide particulars relating to management, business, profits and dividends on application forms given to the intending depositors so that they may be aware of the financial position of the company with which they propose to keep a deposit.

It was represented to the Reserve Bank that the observance of some of the provisions of the directions issued to non-banking non-financial companies is likely to cause hardship to small-scale industrial units. In view thereof, the Bank has, in consultation with the Government of India, exempted small-scale industrial companies (registered with the Directorate of Industries or Small-Scale Industries) with an aggregate of paid-up capital and free reserves not exceeding Rs. 3 lakhs, which accept deposits from not more than 50 persons from the provisions of the directions relating to ceiling on deposits, repayment of deposits held in excess of ceiling, particulars to be specified in application forms and advertisements soliciting deposits, and rates of interest payable on deposits prematurely wihdrawn. The exemption, operative from the July 1, 1973, will remain in force for a period of three years. All other small-scale industrial companies have also been exempted from the ceiling restrictions on deposits provided the total amount of deposits and loans accepted by a company does not, at any time, exceed the aggregate of its paid-up capital and free reserves as reduced by the balance of loss, if any. Small-scale industrial companies would, however, be required to comply with all other provisions of the directions such as submission of the prescribed annual returns and maintenance of deposits registers.

For the Reserve Bank's Survey of Deposits with the Non-banking Companies as of March 31, 1970, returns were submitted by 2,211 companies (out of 28,948 joint stock companies at work on that date) comprising 676 financial and 1,535 non-financial companies. Although there was a small reduction (of 30) over the year in the total number of reporting companies, the number of accounts increased from 6·24 lakhs to 7·14 lakhs. The total amount of deposits (including exempted loans not counting as deposits at Rs. 287·3 crores) also increased from Rs. 593·7 crores to Rs. 633·3 crores. Out of 2,211 reporting companies, 370 companies accounted for as much as 80·2 per cent of the total deposits of Rs. 633·3 crores outstanding on March 31, 1970. Of the reporting companies those located in Maharashtra, Tamil Nadu and West Bengal accounted for Rs. 453·3 crores (or 71 per cent) and the

balance of Rs. 180 crores was accounted for by the remaining companies spread over other States and Union Territories.

During the year under review, the Government of Kerala drafted the Kerala Chitties Bill, which seeks to incorporate the provisions of the earlier Bills with some further additions and when enacted into law it will extend to the whole of Kerala State. The Government of Maharashtra also decided to enact a law to control chit funds in the State and a Bill to that effect will be introduced in the legislature shortly. In the light of the experience gained in the administration of the provisions of Chapter III B of the Reserve Bank of India Act, 1934 relating to non-banking institutions, the Reserve Bank has suggested certain amendments to the relative provisions of the Act, which are under consideration of the Government of India.

RURAL CREDIT

General

Developments in the field of rural credit mainly related to the (1)reorganisation of weak primary agricultural credit societies and rehabilitation of selected weak central co-operative banks under the Central sector scheme, (2) simplification of procedures under the crop loan system and concessions in the pattern of repayment, extent of down-payments and share capital contribution by farmers in instalments, (3) relaxation in loaning policies of land development banks in SFDA/MFAL areas for ensuring smooth flow of funds irrespective of the overdues position, (4) emphasis on adherence to discipline in providing medium-term credit for productive purposes and (5) stepping up considerably contribution to National Agricultural Credit (Long-term Operations) Fund and National Agricultural Credit (Stabilisation) Fund by the Reserve Bank.

Data presented in Table IV.26 indicate further improvement in the flow of institutional credit during the year. Short-term loans disbursed by primary agricultural credit societies increased from Rs. 519 crores in 1970-71 to about Rs. 528 crores in 1971-72; the estimate for 1972-73 is Rs. 620 crores. Similarly, term-loans issued by land development banks in 1972-73 were estimated at Rs. 190 crores against the achievement of Rs. 178 crores in 1971-72. Total term finance provided by the co-operatives which increased from Rs. 229 crores in 1970-71 to Rs. 251 crores in 1971-72 is estimated to be about Rs. 270 crores in 1972-73. The commercial banks loans to agriculture have been showing a continuous rise from the year 1969-70. A notable role was also played by the three other agencies, namely, the Agricultural Refinance Corporation, the Agricultural Finance Corporation and the Rural Electrification Corporation.

1. Reserve Bank Credit To Co-operatives

Short-term Agricultural Credit

There was no major change in the policy of the Bank in respect of provision of finance for seasonal agricultural operations and marketing of crops. However, in view of the difficulties expressed by some of the central co-operative banks in financing the small/marginal/economically weak farmers, *viz.*, those holding 3 acres or less, to the extent of 20 per cent of their borrowings from the apex bank, the Bank has agreed to reconsider the problem with a view to working out suitable norms for small holdings for each district separately. Meanwhile, the central co-operative banks will be permitted to draw upto 70 per cent of the limits sanctioned for seasonal agricultural operations during 1973-74 on their behalf, while the drawal against the next 20 per cent of the limit will be subject to matching advances outstanding against small farmers, before drawing on the balance of 10 per cent without any restriction.

While granting separate credit limits for *kharif* and *rabi* seasons, the Bank stipulated that after the *rabi* financing was over, the limits would stand reduced to the *kharif* level, where *rabi* was the main season, and the drawals on these limits were required to be reflected in actual financing of societies during the *rabi* season.

The limits sanctioned by the Bank for seasonal agricultural operations during 1972-73 (July-June) aggregated Rs. 415·38 crores as

Table IV.26 : Institutional Finance for Agricultural Development

(Rupees crores)

FINANCING AGENCY	1968-69	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5	6
I. DIRECT FINANCE					
A. Short-term					
(*i*) *Primary Agricultural Credit Societies*					
Total loans issued	456·39	487·77	519·34	527·63[1]	620·00[2]
Of which : Loans advanced by Scheduled Commercial Banks through Primary Agricultural Credit Societies	—	—	4·44	6·54	9·58
(*ii*) *Scheduled Commercial Banks*					
Outstanding loans	†	†	†	107·30	131·36[3]
B. Medium-term/Long-term					
(*i*) *Co-operative Banks/Credit Societies*					
Total term loans issued by Primary Agricultural Credit Societies	47·48	52·34	58·54	73·80	80·00[2]
Of which :					
(*a*) Drawals against RBI medium-term credit limits by State Co-operative Banks	9·02	11·48	11·38	6·15	7·98
(*b*) Loans drawn from ARC in respect of ARC schemes routed through State Co-operative Banks	1·36	1·29	1·19	3·33	3·51
(*c*) Loans advanced by Scheduled Commercial Banks through Primary Agricultural Credit Societies	—	—	0·61	0·62	0·77
(*ii*) *Scheduled Commercial Banks and Agricultural Finance Corporation*					
(1) Outstanding loans of Scheduled Commercial Banks	53·61*	183·98*	236·35*	160·43	179·16[3]
(2) Loans issued by and/or through AFC	0·96	15·77	13·24	11·22	16·54
Of which : Disbursements by AFC from its own funds	0·28	1·13	1·74	0·24	0·08
(3) Loans drawn from ARC in respect of ARC schemes routed through Scheduled Commercial Banks	0·53	0·56	2·78	3·26	4·49
(*iii*) *Land Development Banks*					
Total loans issued	148·15	155·48	170·36	177·77[1]	190·00[2]
Of which : Ordinary/special development/rural debentures subscribed by					
(*i*) ARC	15·95	26·75	26·65	28·39	86·13
(*ii*) Central/State Governments	36·70	34·40	41·12	44·40	35·41
(*iii*) Reserve Bank of India	5·87	4·47	5·37	5·17	2·00
(*iv*) Co-operative Institutions	22·24	22·79	29·00	39·29	19·55
(*v*) Scheduled Commercial Banks	30·65	38·25	35·22	29·78	22·84
(*vi*) Others	16·12	23·15	17·68	16·73	15·36
II. INDIRECT FINANCE					
(*i*) Total outstanding loans of Scheduled Commercial Banks*	134·81	157·79	146·12	172·27	174·96[3]
(*ii*) Total term loans disbursed by Rural Electrification Corporation	—	—	26·09	36·81	49·31

1 = Provisional.
2 = Estimated.
3 = December 1972 (provisional).
† = Included in item I B(*ii*)(1).
* = Including outstanding short-term loans.

Notes : (*i*) The data given represent loans issued during the respective co-operative years in all cases except IA(*ii*), IB(*ii*)(1) and II(*i*) which represent outstandings as at the end of June.
(*ii*) Data in respect of *taccavi* loans disbursed by State Governments are not available.

Table IV.27 : Reserve Bank Credit to Co-operatives, 1971-72 and 1972-73

(Rupees crores)

Purpose of finance	1971-72 (July-June)				1972-73 (July-June)*			
	Limits sanctioned	Drawals	Repayments	Outstandings	Limits sanctioned	Drawals	Repayments	Outstandings
1	2	3	4	5	6	7	8	9
I. Short-term								
(*i*) Seasonal agricultural operations (at 2% below Bank rate)	394·04	468·51	505·27	152·08	415·38	596·67	603.84	144·91
(*ii*) Marketing of crops other than cotton and *kapas*	3·18	3·59	2·96	0·66	51.20	9·33	9.41	0·58
(*iii*) Marketing of cotton and *kapas*(5)..	11·70	10·25	10·10	1·19		113·61	111.88	2·92
(*iv*) Purchase and distribution of fertilisers (at 2% above Bank rate)(1) ..	24·75	23·04	18·49	8·76	14·75	7·50	13.51	2.75
(*v*) Production and marketing of handloom products (at 1½% below Bank rate)(3)	12·76	14·92	13·24	9·51	13·99	9·13	10.91	7·73
(*vi*) Financing other cottage and small-scale industries(3)	0·86	0·59	0·20	0·03	0·56	0·30	0·22	0·11
(*vii*) Purchase and sale of yarn (at Bank rate)(3)	0·97	0·14	0·17	Nil	0·92	0·09	0.06	0·03
(*viii*) Loans to ARC (at Bank rate) ..	8·00	1·36	8·88	Nil	15·00	4.89	1·19	3.70
II. Medium-term								
(*i*) Agricultural purposes (at 1½% below Bank rate)(4)..	18·14	13·09	12·59	24·30	8·72	—	7.42	16·88
(*ii*) Conversion of short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate)	31·39	24·08	12·04[2]	25·70[2]	73·30[2]	68·09[2]	24.12[2]	68·66[2]
(*iii*) Purchase of shares in co-operative sugar factories/processing societies (at Bank rate)	3.43	0·25	0·14	0·62	1·85	0·80	0.33	1.09
III. Long-term								
(*i*) Loans to State Governments for contribution to share capital of co-operative credit institutions(3)	16·38	14·14	4·72	51·34	16·29	18·69	4.48	65·55
(*ii*) Loans to ARC (at 4·25%/4.75% per annum)	5·00	5·00	—	5·00	25·00	30·00[6]	0.50	34.50

* Provisional

(1) Prior to 1972, purchase and distribution of fertilisers was financed at Bank rate by the Bank. However, from January 1972, the interest rate was raised 2% above Bank rate with a view to aligning it to the lending rates of the commercial banks. Data relate to calendar years 1971 and 1972.

(2) Including rephasement.

(3) Data relate to financial years.

(4) Data in respect of 1971-72 are upto December 1972 and for 1972-73 relate to calendar year 1973 upto June 1973.

(5) Including monopoly procurement of cotton.

(6) An amount of Rs. 5 crores allowed to be drawn against sanction for the year 1973-74.

compared with Rs. 394·04 crores in 1971-72 (Table IV. 27). Drawals upto June 1973 against the limits sanctioned during the year amounted to Rs. 596·67 crores, while the amount outstanding at the end of June 1973 stood at Rs. 144·91 crores. The corresponding amounts for the previous year were Rs. 468·51 crores and Rs. 152·08 crores, respectively. Limits sanctioned for marketing of crops during 1972-73 aggregated Rs. 51·20 crores as compared with Rs. 14·88 crores sanctioned for the previous year. The substantial increase in the limits sanctioned for marketing of crops during the year was mainly due to a special short-term credit limit of Rs. 35·00 crores to the Maharashtra State Co-operative Bank for financing marketing of cotton and *kapas* under the scheme of monopoly procurement of cotton of the Government of Maharashtra. Drawals against the limits during the year stood at Rs. 122·94 crores, while the amount outstanding as at the end of June 1973 was Rs. 3·50 crores.

Credit Controls

The selective credit control measures which continued to regulate advances by State and central co-operative banks against cotton and *kapas* were made applicable to certain primary co-operative banks also, where such advances were Rs. 5 lakhs or more during the year 1971-72.

Taking into account the current supply position of indigenous cotton and *kapas* and trends in prices, the Bank, by a directive issued to co-operative banks in February 1973, fixed the minimum margin on advances against pledge/hypothecation at 40 per cent. The aggregate level of credit was fixed at Rs. 25 lakhs irrespective of sources from which advances were made. The banks were also asked to charge a minimum rate of 12 per cent per annum on advances.

As regards financial accommodation for purchase, stocking and distribution of fertilisers, the Bank continued, during 1972, its policy of providing finance on selective basis, acting as a lender of the last resort, but during 1973, it was announced that the Bank would not normally consider requests for accommodation from the State co-operative banks for this purpose. No such credit limit has been sanctioned during 1973. During the calendar year 1972, the Bank had sanctioned credit limits aggregating Rs. 14·75 crores for this purpose and drawals against these limits aggregated Rs. 7·50 crores.

Medium-term Agricultural Credit

In the field of medium-term finance, the Bank has agreed to consider the applications of central co-operative banks having overdues exceeding 50 per cent of demand under medium-term agricultural loans but where the total overdues do not exceed 60 per cent, provided the funds are required for financing small and marginal farmers identified by SFDAs/MFALs.

It was also decided that the central co-operative banks should not provide finance for minor irrigation and ground water exploitation in areas covered by Agricultural Refinance Corporation/International Development Association schemes for similar minor irrigation purposes without obtaining prior clearance from the Agricultural Refinance Corporation.

With a view to assisting the non-agriculturist and agricultural labourer members of agricultural credit societies, the Bank has agreed to extend the facility of medium-term loan at concessional rate to such members of the societies for taking up dairy/poultry farming. In such cases, a margin of $33\frac{1}{3}$ per cent of the total cost inclusive of shareholding has to be provided; where the borrowings are on the basis of group loans against the joint and several liabilities of a group of at least five members owning a minimum of 20 milch animals and/or 500 poultry birds, a lower margin of 15 per cent inclusive of shareholding is required.

The total medium-term credit limits sanctioned during the period July 1971 to June 1972 for 'approved' agricultural purposes at $1\frac{1}{2}$ per cent below the Bank rate were extended upto December 1972 and from 1973 onwards it was decided to grant credit limits for this purpose on a calendar year basis. As against the limit sanctioned amounting to Rs. 18·14 crores during 1971-72, the drawals were of the order of Rs. 5·90 crores during the period July 1971-June 1972 and Rs. 7·19 crores during July to December 1972. During the

calendar year 1973, credit limits amounting to Rs. 8·72 crores were sanctioned upto June 1973, but there were no drawals till then.

National Agricultural Credit (Stabilisation) Fund

The Bank sanctioned during the year under review, medium-term conversion limits to State co-operative banks aggregating Rs. 24·45 crores as against Rs. 31·39 crores sanctioned during the preceding year. As there was an unprecedented demand for conversion facility following widespread drought conditions and since the balance to the credit of the Fund was inadequate, the Bank decided to grant a further limit aggregating Rs. 48·85 crores under Section 18(1)(3) of the R.B.I. Act to be adjusted against future appropriations to the Fund. Thus, total limits sanctioned during the year aggregated Rs. 73·30 crores as against Rs. 31·39 crores sanctioned during the preceding year. Total drawals during the year were Rs. 68·09 crores and outstandings as on June 30, 1973 were Rs. 68·66 crores. The corresponding amounts for the preceding year were Rs. 24·1 crores and Rs. 25·7 crores, respectively. The Bank also strengthened the National Agricultural Credit (Stabilisation) Fund by making a further contribution of Rs. 40 crores as against Rs. 6 crores in 1971-72. The total amount to the credit of the Fund at the end of June 1973 aggregated Rs. 85 crores.

Long-term Agricultural Credit

In the sphere of long-term credit, efforts were continued to rationalise loaning policies and procedures of co-operative land development banks (LDBs) with a view to ensuring productive use of resources. Thus, the scope of the term 'identifiable productive purposes' was further widened to include: (*i*) levelling, bunding, reclamation of land, (*ii*) soil conservation by terracing, (*iii*) construction of drainage channels to prevent flooding or bunding of land to prevent erosion and (*iv*) preparation of land for orchards. Further, the stipulation that not less than 90 per cent of the loans advanced should be for productive purposes, of which not less than 70 per cent should be for easily 'identifiable productive purposes' has been made applicable to the aggregate of loans including loans provided under ARC schemes.

With a view to mitigating the difficulties experienced by the members of scheduled tribes in securing long-term loans even for genuine land development purposes owing to the earlier charge on land, it has been decided that in such cases a portion of the loan can be utilised for redemption of old debt which will also be deemed to have been utilised for identifiable productive purposes, provided other conditions relating to valuation of hypotheca, adequacy of repaying capacity, etc. are satisfied. Hitherto, medium-term loans were separately sanctioned by co-operative banks/societies to agriculturists for purchasing shares in co-operative sugar factories. Now, the LDBs have been permitted to grant such loans as part of loans approved for identifiable productive purposes, subject to the borrower's overall repaying capacity. The stipulation of 20 per cent down payment for loans granted for purchase of tractors, harvestors and other ancillary equipments, exclusive of borrower's contribution towards the share capital, was reduced to 10 per cent so as to mitigate the hardship caused to the borrower.

Some measures were taken during the year to streamline the procedure regarding floatation of ordinary debentures. Till 1971-72, the State and Central land development banks were permitted to float ordinary debentures for 10 and 15 years and bearing rate of interest of 5·75 per cent and 6 per cent, respectively, at the issue price of 99·75 per cent. In order to make the debentures more attractive and to bring them on par with those issued by the State Electricity Boards, it has now been decided that from 1972-73 the LDBs can issue ordinary debentures of 12 years currency bearing interest rate of 6 per cent at the issue price of 99·75 per cent. It has also been decided to reduce the issue price of 15 years debentures from 99·75 per cent to 99·50 per cent, retaining the rate of interest and other terms and conditions unaltered. From 1973-74, the State LDBs will have to complete their ordinary debenture programme in not more than three series.

With a view to reviewing all aspects of the working of land development banks and suggesting appropriate remedial measures, a Committee has been set up by the Bank.

Ordinary Debenture Programme of Land Development Banks

The ordinary debenture programme of State LDBs for the financial year 1972-73 was fixed at Rs. 126 crores. Support expected from Central and State Governments together was fixed at Rs. 35 crores; LIC at Rs. 9·8 crores; SBI and RBI at Rs. 4·8 crores each; commercial banks at Rs. 22·6 crores and through mutual support, *i.e.*, sinking funds of the LDBs at Rs. 27 crores, making a total of Rs. 104 crores. The balance of Rs. 22 crores was to be raised through self-help. Against the above programme, the LDBs issued debentures for Rs. 96·5 crores during 1972-73 (April-March). The shortfall of Rs. 29·5 crores in achievement of the ordinary debenture programme for 1972-73 was mainly due to lendings under International Development Association (IDA) projects in some States. The actual subscription at Rs. 100.1 crores exceeded the target by Rs. 3·6 crores. Amount subscribed by the various institutions was as follows: Commercial banks (including SBI) Rs. 24·3 crores; Co-operatives Rs. 28·7 crores; State Governments Rs. 17·6 crores; Central Government Rs. 12·5 crores; L.I.C. Rs. 10·7 crores; Reserve Bank Rs. 1·4 crores; and others Rs. 4·9 crores. On a co-operative year basis, LDBs issued debentures for Rs. 83·8 crores and the amount subscribed by various institutions aggregated Rs. 87·0 crores.

Floatation of Rural Debentures during 1972-73

The quota of rural debentures of the State LDBs for 1972-73 (April-March) was fixed at Rs. 7 crores. Total rural debentures floated amounted to Rs. 2·93 crores and the Bank's investment in rural debentures amounted to Rs. 64 lakhs. The policy regarding linking of the ordinary debenture programme of the LDBs with rural debenture programme was continued. Accordingly, support available for ordinary debenture programme for 1972-73 of all LDBs which had failed to achieve the quota of rural debentures for the year 1971-72 was reduced. The disentitlement was worked out at 10 times the short-fall in the amount required to be mobilised from individuals.

National Agricultural Credit (Long-term Operations) Fund

The Bank made a further contribution of Rs. 30 crores to the National Agricultural Credit (Long-term Operations) Fund in June 1973, raising the amount to the credit of the Fund to Rs. 239 crores. The terms and conditions governing these loans were modified during the year to enable the Bank to reserve the right to recover the amount lying undisbursed with the State Governments for more than three months from the date of drawal of loan, by debiting their accounts after issue of due notice in this behalf. During the financial year 1972-73, loans amounting to Rs. 16·3 crores were sanctioned to State Governments for contribution to the share capital of co-operative credit institutions as against Rs. 16·4 crores sanctioned in 1971-72. Aggregate drawals during the period amounted to Rs. 18·7 crores. Outstandings on this account amounted to Rs. 65·6 crores as on March 31, 1973.

Credit for Industrial Co-operatives

During the year, the Bank recognised the entire sericulture activities performed by one person as being within the purview of small-scale industrial activities for the purpose of refinance available from the Bank under Section 17(2) (*bb*) of the Reserve Bank of India Act, at Bank rate. Sericulturists not organised on co-operative basis but undertaking sericulture activities in an integrated manner would continue to get the working capital requirements through primary (urban) co-operative banks, which are eligible to seek re-imbursement from the Bank.

During the financial year 1972-73, the gross drawals from the Bank in respect of financing handloom weavers' co-operative societies and small-scale industries, totalled Rs. 9·4 crores as against Rs. 15·5 crores during the previous year. The amount outstanding at the end of March 1973 stood at Rs. 7·8 crores as against Rs. 9·5 crores at the end of March 1972. Accommodation provided to the 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. 0·09 crore as against Rs. 0·14 crore during the previous year.

As at the end of May 1973, 9 State co-operative banks, 49 central co-operative banks, 5 licensed primary (urban) co-operative banks and 29 unlicensed primary (urban) co-operative banks satisfying the prescribed norms had joined the credit guarantee scheme by executing necessary agreements with the Guarantee Organisation.

With a view to enabling industrial co-operative societies other than weavers' societies to get adequate bank credit for working capital purposes, relaxations were granted by widening the list of items which could be reckoned in lieu of margin prescribed for the borrowings under Section 17(2)(bb) or 17(4)(c) of the Reserve Bank of India Act.

2. Agricultural Refinance Corporation

Agricultural Refinance Corporation—Operations

The Agricultural Refinance Corporation approved 230 schemes of agricultural development during the year, involving total financial outlay of Rs. 196·6 crores as against 269 schemes involving a total outlay of Rs. 154·2 crores approved in the previous year. The details of purpose-wise distribution of schemes sanctioned and the Corporation's commitments are set out in Table IV. 28. Out of the schemes sanctioned during the year, 116 were to be implemented through central land development banks, 10 through State co-operative banks and 104 through scheduled commercial banks involving refinance to the extent of Rs. 145·4 crores, Rs. 2·1 crores and Rs. 24·8 crores, respectively.

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, 1973 was 923, the total financial outlay and the Corporation's commitment being Rs. 597·2 crores and Rs. 523·1 crores, respectively. Total disbursements upto June 30, 1973 amounted to Rs. 218·8 crores.

During the year, 2 more credit projects relating to minor irrigation in Uttar Pradesh ($ 38 million) and Madhya Pradesh ($ 33 million) and one relating to market yard development in Mysore State ($ 8 million) were approved by IDA. With the approval of these 3 projects the total number of projects to be refinanced with IDA's assistance comes to 12, involving financial assistance of $315·90 million. In addition to these, one project is to be financed by the IBRD in the Tarai Area of Uttar Pradesh, which involves financial assistance of $13 million.

Disbursements made by the Corporation during 1972-73 aggregated Rs. 94·1 crores, of which refinance by way of subscriptions to special development debentures of land development banks amounted to Rs. 86·1 crores. Disbursements made to scheduled commercial banks and State co-operative banks amounted to Rs. 4·5 crores and Rs. 3·5 crores, respectively.

During the year, the Corporation augmented its resources from four sources, *viz.*, raising share capital, borrowings from the Government of India, the Reserve Bank of India and open market. A sum of Rs. 5 crores was raised by way of subscription to share capital during the year. An amount of Rs. 47·7 crores was raised by way of borrowings from the Government of India, under Section 20(1)(C) of the ARC Act, 1963. This includes a sum of Rs. 40·7 crores received as IDA credits under Gujarat, Andhra Pradesh, Haryana, Tamil Nadu, Mysore and Maharashtra Agricultural Credit Projects, Rs. 0·04 crore as IBRD credit under Tarai Seeds Project and Rs. 7 crores under normal schemes. An amount of Rs. 30 crores was drawn by the Corporation from the Bank's National Agricultural Credit (Long-term Operations) Fund. The Corporation raised Rs. 11 crores by issuing IV Series of 5¾% ARC bonds. With this, the total borrowings from the open market amounted to Rs. 38·7 crores. In 1972-73, 11 scheduled commercial banks, 7 State co-operative banks and 2 central land development banks repaid Rs. 0·6 crore, Rs. 0·6 crore and Rs. 0·2 crore, respectively.

In October 1972, the Corporation suggested to the planters to consider the possibility of setting up Small Planters Development Agencies with the objective of rendering assistance to the small planters to improve the quality as also the extent of their production. In

Table IV·28 : Purpose-wise Distribution of Schemes Sanctioned by the ARC during 1971-72 and 1972-73 (July-June)

(Rupees crores)

Purpose	July 1971—June 1972				July 1972-June 1973			
	No. of schemes sanctioned@	Total financial outlay on schemes sanctioned	ARC's commitments	Disbursements made during the year	No. of schemes sanctioned@	Total financial outlay on schemes sanctioned	ARC's commitments	Disbursements made during the year
1	2	3	4	5	6	7	8	9
1. Development of minor irrigation works	198	116·3	104·3	26·8	129	154·1	138·5	84·2
2. Development of land and soil conservation	14	10·6	8·1	2·3	22	21·7	17·9	2·3
3. Plantation and horticulture ..	40	11·0	8·3	2·0	35	10·5	8·0	1·5
4. Farm mechanisation	2	4·8	3·6	0·4	10	3·1	2·4	2·2
5. Development of poultry farming	4	0·08	0·06	—	8	0·5	0·4	0·1
6. Development of fisheries ..	3	0·8	0·6	0·6	6	1·1	0·8	0·1
7. Dairy development	2	0·7	0·5	0·4	17	2·7	2·1	0·2
8. Storage facilities and market yard	5	9·4	9·2	2·5	3	2·9	2·2	3·5
9. Sheep breeding	1	0·5	0·4	—	—	—	—	—
Total	**269**	**154·2**	**135·1**	**35·0**	**230**	**196·6**	**172·3**	**94·1**

@ Excludes schemes sanctioned and withdrawn during the same year.

this connection, the Corporation has assured banks of 100 per cent refinance for schemes sponsored by such agencies broadly on the lines of Small Farmers Development Agencies (SFDAs). The present concession of 100% refinance applicable to schemes sponsored by the SFD and MFAL agencies which was to expire on June 30, 1973 has been extended upto June 30, 1975.

Rural Electrification Corporation

The Rural Electrification Corporation sanctioned, during 1972-73, 219 rural electrification schemes involving a total outlay of Rs. 116·4 crores, as compared to Rs. 81·6 crores for 124 schemes during 1971-72. The Corporation's commitment and actual disbursements were of the order of Rs. 96·3 crores and Rs. 48·0 crores as against Rs. 71·9 crores and Rs. 35·0 crores, respectively, during the preceding year. The cumulative disbursement by the Corporation to the five pilot co-operative projects for rural electrification amounted to Rs. 7·8 crores as on June 30, 1973, while disbursements for developing Harijan *bastis* amounted to Rs. 1·4 crores.

The resources of the Corporation were augmented by raising its paid-up capital from Rs. 12 crores to Rs. 20 crores, borrowings from the Government of India (including special loans for Harijan *Basti* schemes) amounting to Rs. 10·0 crores and drawing upon the U.S.-Use funds to the extent of Rs. 40·8 crores. The total resources of the

Corporation at the end of June 1973 amounted to Rs. 130·3 crores.

The Corporation introduced during 1972-73 two new categories of loans: (*i*) System Improvement loans (SS) and (*ii*) Mini-project loans (MG and MH). The former is for State Electricity Boards for carrying out system improvements in rural areas with a view to reducing the line losses and improving the voltage levels and system reliability. The latter will enable the State Electricity Boards to sponsor rural electrification schemes in certain strategic areas covering small groups of not more than 5 to 10 villages in some of the more backward community blocks. Loan assistance to Mini-projects is confined to such of the projects which are located in the development blocks identified as backward and are for extension of electricity to (*a*) rural growth centres and adjoining villages (MG) and (*b*) primary health centres and adjoining villages (MH).

3. Trends in Co-operative Credit

Agricultural Credit Co-operatives

The Fourth Five Year Plan had envisaged to revitalise and reorganise the primary agricultural credit societies and, in the process, bring down their number from 1·70 lakhs to 1·20 lakhs by the end of Plan period. However, progress in this respect has been slow and during 1971-72, the number of societies declined only marginally from 1·61 lakhs to 1·59 lakhs. These societies covered 86 per cent of the villages but only 36 per cent of the rural population. The number is expected to come down to 1·50 lakhs by the end of the Fourth Plan. The main reasons for the slow progress towards re-organisation were the opposition from the societies concerned to the proposals for amalgamation, their traditional loyalty to the concept of one-village-one-society and the absence of legal provisions authorising compulsory amalgamation of the societies in several States.

Short-term loans amounting to Rs. 527·6 crores advanced by these societies during 1971-72 indicated a marginal rise of about 2 per cent over the previous year; the estimate for 1972-73 is set at Rs. 620 crores. The medium-term loans disbursed during 1971-72 at Rs. 73·8 crores, however, showed a steep rise of 26 per cent. They are estimated to have increased further during 1972-73. The mounting level of overdues at the primary co-operative societies level which rose from 41 per cent at the end of June 1971 to 44 per cent at the end of June 1972 is the main inhibiting factor in stepping up the flow of co-operative credit. In view of this, the Reserve Bank constituted in December 1972 a special study team on 'Overdues of Co-operative Credit Institutions' to study the position of overdues at various levels, ascertain the causes and their effect on the flow of credit and suggest remedial measures. The study team was also required to examine the adequacy of stabilisation arrangements including the need for streamlining policies and procedures for the grant of conversion/ rephasement facilities and for augmentation of various funds for the purpose.

The programme for rehabilitation of selected weak central co-operative banks as formulated by the Government of India was outlined in the last year's Report. During the year under review, 11 State Governments had submitted proposals for assistance in respect of 72 weak central co-operative banks for writing off the bad and doubtful debts and irrecoverable overdues outstanding for over three years against primary agricultural credit societies and their accumulated losses. The Government of India had approved, till the end of June 1973, proposals in respect of 45 banks in 7 States, the share of the Central and State Governments in the write-off being Rs. 137 lakhs each. The Government of India had also released Rs. 54 lakhs representing the first instalment of their grant-in-aid in respect of 37 banks.

With a view to inducing the central co-operative banks to rely more on their own resources, the Bank has accepted the recommendations of the Study Group on Linking of Borrowings with Deposit Mobilisation by Central Co-operative Banks, with modifications. The essential features of the scheme, as finally worked out by the Bank, are as under:

1) The Reserve Bank's lending rate on limits sanctioned for seasonal agricul-

tural operations will be ½ per cent below the Bank rate.

(2) A rebate of 1½ per cent in interest will be allowed :

(*a*) on borrowings upto the base level, and

(*b*) on additional borrowings upto twice the increase in the bank's involvement out of its own resources in agricultural loans or to the full extent of the additional loans to the small/marginal farmers; specific norms have been prescribed for the increase in the banks' involvement.

(3) Where the base level borrowings are unduly low, the additional rebate of 1½ per cent in interest may be allowed on borrowings upto four times the involvement depending upon the merits of each case.

(4) All the central co-operative banks with a loan business *i.e.*, outstanding loans of all types, below Rs. 1 crore during the year ending June 1972 are exempted from the operation of the scheme and will continue to get finance from the Bank at 2 per cent below the Bank rate.

The scheme will be effective from July 1, 1973. Its working will be reviewed by a Standing Committee set up by the Bank.

With a view to removing bottlenecks in the flow of co-operative credit and for accelerated development of agricultural production with the help of such credit in some States, the Bank prepared Master Plans for Uttar Pradesh, Bihar, Jammu & Kashmir, Assam and Meghalaya. The salient features of the Plans are : (*a*) granting of loans by State Governments to non-members of co-operatives to enable them to purchase shares in primary credit societies and become members; (*b*) contributions to share capital of central co-operative banks and primary credit societies for enabling them to borrow adequately to sustain their lending programmes; and (*c*) placement of long-term deposits by the State Governments concerned with the co-operative banks for enabling them to maintain non-overdue cover for the borrowings from Reserve Bank of India, etc.

In the field of long-term finance to agriculture, the loans advanced by central land development banks are estimated to have increased from Rs. 177·8 crores in 1971-72 to Rs. 190·0 crores in 1972-73.

Co-operative Marketing Societies

The Central Sector Scheme for the intensive development and strengthening of 400 selected marketing societies was referred to in the last year's Report. The scheme came into operation during the year under review. A provision of Rs. 1 crore was made by the NCDC under the scheme for the year 1972-73 for assisting 315 selected marketing societies. It is expected that by the end of the Fourth Plan, each of the marketing societies assisted under the scheme would be in a position to increase its business activities by Rs. 6 to 7 lakhs.

As a result of the various measures taken to rationalise and activise the co-operative marketing structure, the number of primary marketing societies declined from 3261 at the end of 1969-70 to 3186 during 1970-71. The value of agricultural produce marketed through co-operatives recorded an increase of 14 per cent from Rs. 650 crores during 1970-71 to Rs. 740 crores during 1971-72. The co-operatives are estimated to have handled agricultural produce worth Rs. 790 crores during 1972-73.

Co-operatives continued to handle the distribution of fertilisers. Total value of fertilisers handled by them during 1972-73 is estimated at Rs. 375 crores as against Rs. 300 crores during the previous year. Under the Centrally sponsored scheme of providing margin money to marketing co-operatives for procurement and distribution of fertilisers and other inputs, implemented by the National Co-operative Development Corporation, a sum of Rs. 8 crores was sanctioned to different State Governments during 1971-72.

Co-operative Processing Societies

The number of co-operative sugar factories licensed/registered went up from 127 at the end of June 1972 to 135 at the end of March 1973. Besides, two existing sugar co-operatives were granted licences for expansion. With this, total licensed capacity in the co-operative sector

increased to 26·1 lakh tonnes representing about 49 per cent of the total licensed capacity of 53·2 lakh tonnes for the sugar industry as a whole. Out of 127 licensed/registered co-operative sugar factories at the end of June 1972, 80 were in production during 1971-72 season. Upto June 1973, the Industrial Finance Corporation of India had sanctioned loans to 87 co-operative sugar factories to the extent of Rs. 89·2 crores, the outstandings at the end of the period were Rs. 43·9 crores.

At the beginning of 1972-73, there were 225 cotton ginning and pressing units organised in the co-operative sector, of which 204 were installed. Further, 173 oil mills, 58 groundnut decorticators, and 8 solvent extraction plants had been organised/assisted at the end of 1971-72. Out of these, 136 oil mills, 57 groundnut decorticators and 6 solvent extraction plants had been installed. In addition, one cotton seed oil mill was set up in Maharshtra. The number of fruit and vegetable processing units remained constant at 36 during the year. Of these, 29 units had been installed at the beginning of 1972-73. As regards processing of plantation crops, there were 59 processing units which included 32 coconut oil mills, 15 tea factories, 5 coffee curing units, 4 cashew processing units, 2 rubber processing units and one cardamum oil extraction plant. At the end of 1971-72, 44 of these units had been installed.

National Co-operative Development Corporation

The National Co-operative Development Corporation (NCDC) continued to provide support in the form of promotional measures, technical guidance and financial assistance to programmes of production, processing, storage and marketing of agricultural produce and notified commodities through the co-operatives. The Corporation's activities during the year are summarised below :

1. In the context of the State take-over of wholesale trade in wheat, suitable measures were taken to strengthen and streamline the co-operatives to enable them to get themselves involved in the purchase and distribution of wheat.

2. The Corporation extended its activities to dairy and poultry development; it has drawn up an integrated poultry marketing programme to help small and marginal farmers.

3. The Corporation formulated a special scheme to support cotton development programme in areas around co-operative spinning mills ; under this scheme, an assistance of Rs. 5 lakhs was provided in 1972-73.

4. Upto the end of 1972-73, the Corporation extended financial assistance to State Governments under different schemes for setting up 790 co-operative rice mills for processing paddy.

5. Under the Corporation's Central sector scheme for block loans to small and medium-sized processing units, 125 projects were sanctioned involving a block cost of Rs. 18·75 crores, of which Corporation's share upto the end of 1972-73 was Rs. 13·42 crores. Against these, amount released during the year was Rs. 3·59 crores.

6. During the year, under Central sector scheme for generation of additional storage capacity of 1 million tonnes during the last two years of the Fourth Plan involving financial outlay of Rs. 15 crores (Rs. 9·40 crores as loan and Rs. 5·60 crores as subsidy), the Corporation provided assistance to the tune of Rs. 2 crores for creating storage capacity of 4·31 lakh tonnes. In addition, a storage programme of 75·6 thousand tonnes at an estimated cost of Rs. 1·1 crores has also been taken up during the year.

Consumer Co-operatives

Mention was made in the last Report about the scheme for accelerated development of consumer co-operatives having growth and employment potential, to be implemented during the remaining period of the Fourth Plan. The major problem in the speedy implementation of the scheme has been the non-availability of suitable premises in shopping centres for opening department stores and retail outlets. In order to overcome the difficulties, the State Governments have been asked to set up Project Implementation Committees under the chairmanship of Registrars of

Co-operative Societies. By the end of June 1972, there were about 12924 primary consumer co-operatives, 389 central/wholesale consumer co-operatives, 14 State federations of consumer co-operatives and the National Co-operative Consumers' Federation at the apex. The total retail sales of these co-operatives during 1971-72 are estimated at Rs. 250 crores.

In the sphere of distribution of consumer articles in rural areas, the scheme which was Centrally sponsored prior to the Fourth Plan is now being implemented as a State plan scheme. Nearly 34,000 village societies and 1600 marketing societies are engaged in this activity.

Central and State Warehousing Corporations

The total capacity of the warehouses of Central Warehousing Corporation recorded an increase of about 10 per cent from 1·42 million tonnes at the end of March 1972 to 1·56 million tonnes at the end of March 1973, though their number increased only marginally from 141 to 144 during the year. The number of warehouses including sub-warehouses of the State Warehousing Corporations went up from 654 at the end of March 1972 to 777 at the end of March 1973. The total capacity (including hired capacity) available with these corporations, however, recorded a sharp decline of 22·5 per cent from 2·05 million tonnes at the end of March 1972 to 1·59 million tonnes at the end of March 1973. The decline was generally due to reduction in hired capacity in most of the States, on account of shortfall in agricultural production.

4. Commercial Banks and Agricultural Credit

Reference was made earlier (page 110) to commercial bank lendings to priority sectors, which include agriculture. Total outstanding advances to agriculture increased at the end of December 1972 to Rs. 486 crores from Rs. 440 crores at the end of June 1972. Direct finance to agriculture rose by 16·0 per cent, from Rs. 268 crores to Rs. 311 crores and accounted for 64·0 per cent of total outstandings at the end of December 1972. Of the total direct finance, a little above two-fifths or Rs. 131 crores were short-term and nearly three-fifths or Rs. 179 crores, medium/long-term. Indirect finance also increased by 1·7 per cent from Rs. 172 crores to Rs. 175 crores. Details regarding commercial banks advances to agriculture are set out in Tables IV.29 and IV.30.

The commercial banks' contribution to ordinary debentures floated by the land development banks during the year (April 1972 to March 1973) amounted to Rs. 24·3 crores or 24 per cent of total subscriptions.

Village Adoption Scheme

Mention was made last year to commercial banks' 'village adoption scheme' and 'area approach' for fostering agricultural development. The banks are now concentrating on compact areas through intensive programmes of area approach, cluster approach, group loans, etc., instead of spreading their activities over wide areas. The number of villages adopted/identified by public sector banks increased considerably from 2,684 to 6,817 during 1972-73. The State Bank group alone has adopted 3,690 villages. The district consultative committees constituted by the lead banks at the district level serve as a forum for the banks in choosing villages for adoption. As regards the State Bank of India's 'Intensive Centre Scheme' formulated in addition to the village adoption scheme, a number of area development schemes were prepared and are proposed to be implemented. The State Bank group has opened 90 Agricultural Development Branches in 'Intensive Centres' upto the end of 1972.

Scheme of Financing Primary Agricultural Credit Societies by Commercial Banks

The scheme of financing agricultural credit societies by commercial banks continued to operate in 51 districts of six States, *viz.*, Andhra Pradesh, Haryana, Madhya Pradesh, Mysore, Uttar Pradesh and Orissa. Proposals to introduce the scheme in areas having sizeable credit gaps in Bihar, Jammu & Kashmir, West Bengal and Maharashtra have been under active consideration and steps have been initiated by the respective State Governments to identify the areas. As at the end of May 1973, twenty commercial banks were participating in the scheme through their 318 branches. Out of the 2334 societies allotted to them, the banks had

Table IV·29: Details of Scheduled Commercial Banks' Advances to Agriculture

(Rupees crores)

As on the last Friday of	INDIRECT FINANCE TO AGRICULTURE														
	Finance for distribution of fertilisers and other inputs			Loans to Electricity Boards for energising of wells			Loans to farmers through primary credit societies@			Other types of indirect finance			Total indirect finance		
	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding
	Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
June 1971	5,046	145.89	59·54	548	61.57	48·73	@	@	@	25,984	83·21	37·85	31,578	290.67	146·12
June 1972	5,570	132·46	65.12	165	71.80	63.60	1,33,049	23.21	8.40	18,033	71.86	35.15	1,56,817	299.33	172.27
December 1972**	5,966	126·36	59.28	162	80.59	71.65	1,29,133	27.94	12.29	18,179	78.37	31.74	1,53,440	313.27	174.96

As on the last Friday of	DIRECT FINANCE TO AGRICULTURE															TOTAL CREDIT		
	A. For agricultural operations to farmers						B. Other types of finance to farmers						Total direct finance					
	Short-term			Medium/Long-term			Short-term			Medium/Long-term								
	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding	(Limits in force)		Amount outstanding
	Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount		Number of accounts	Amount	
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
June 1971* ..													10,76,604	304·69	236.35	11,08,182	595.36	382.47
June 1972 ..	7,46,695	109.44	85·96	2,89,350	163.01	131.23	1,77,063	25.43	21.34	32,976	34·88	29.20	12,46,084	332.76	267.73	14,02,901	632·09	440.00
December 1972**	8,96,761	131·76	108·73	3,11,990	181.45	147·53	2,04,897	25.95	22.64	41,577	38·41	31·62	14,55,225	377.57	310.52	16,08,665	690.84	485·48

@ For 1971, included under other types of indirect finance.
* Break-up not available.
** Provisional.

Table IV·30 : Scheduled Commercial Banks' Advances to Agriculture

(By Major Bank Groups)

(Rupees crores)

Bank Group	As on the last Friday of											
	June 1971				June 1972				December 1972*			
	Direct finance		Indirect finance		Direct finance		Indirect finance		Direct finance		Indirect finance	
	Limits in force	Balance out-standing	Limits in force	Balance out-standing	Limits in force	Balance out-standing	Limits in force	Balance out-standing	Limits in force	Balance out-standing	Limits in force	Balance out-standing
1	2	3	4	5	6	7	8	9	10	11	12	13
1. State Bank of India and its Subsidiaries	100·77	68·52	146·13	66·91	95·77	64·29	137·53	69·09	106·88	75·03	138·32	64·68
2. Nationalised Banks	169·11	137·85	124·12	67·68	196·14	167·61	137·77	87·47	223·50	194·65	150·96	95·21
3. Other Banks	34·81	29·98	20·42	11·53	40·85	35·83	24·03	15·71	47·19	40·84	23·99	15·07
Total	304·69	236·35	290·67	146·12	332·76	267·73	299·33	172·27	377·57	310·52	313·27	174·96

* Provisional.

financed 1570 societies disbursing short-term loans to the extent of Rs. 9·6 crores for *kharif* 1972 and *rabi* 1972-73 and Rs. 1·9 crores to 423 societies for *kharif* 1973 operations. Medium-term loans amounting to Rs. 0·8 crore were also disbursed during the year 1972-73. The loans outstanding aggregated Rs. 11·5 crores. The recovery performance of the societies taken over by commercial banks during the year 1971-72 was satisfactory with collections to the extent of 59 per cent of demand. Since the introduction of the scheme in 1970-71, as many as 72,643 new members have been admitted to the societies taken over by the commercial banks.

The special study teams set up by the Reserve Bank examined the working of the scheme in Andhra Pradesh, Mysore, Haryana, Madhya Pradesh and Uttar Pradesh and emphasised the need for reducing the overdues level, enlarging the coverage, appointment of full-time paid secretaries etc., if the societies were to attain viability within a short period.

Expert Group on State Enactments

As regards the implementation of enactments on the lines recommended by the Expert Group on State Enactments having a bearing on Commercial Banks lending to Agriculture, the State Legislatures of Himachal Pradesh, Haryana, Madhya Pradesh, Uttar Pradesh and West Bengal have passed the enactments and the legislation of the Himachal Pradesh has received the assent of the President of India. The Bihar Government issued an ordinance for the purpose whereas the draft Bills are under advanced stage of examination in the case of Gujarat, Kerala, Maharashtra, Mysore, Orissa and Rajasthan. A number of State Governments have taken administrative measures suggested by the Group by giving either complete exemption from stamp duty/registration fee upto specific amount or concessions in respect of them. State Governments have notified more centres as eligible for creation of equitable mortgages.

As described in Chapter III, in the wake of widespread drought in the country, an

Other Special Schemes for Financing Agriculture

Emergency Agricultural Production Programme (EAPP) was launched to make good as far as possible the loss in production of *kharif* crops caused by the failure of monsoon. Commercial banks were advised by the Reserve Bank to participate in the various programmes formulated by State Governments. Among these schemes, mention may be made of the crash programme for providing pumpsets to farmers in Bihar, Emergency Wells Programme formulated by the Government of Maharashtra, construction of wells and provision of pumpsets under the Government of Rajasthan Famine Relief Programme. Apart from these, banks are also financing schemes for production of high-yielding varieties of wheat and cotton in Maharashtra.

Agricultural Finance Corporation

A notable feature of the Agricultural Finance Corporation's working during 1972-73, was the spurt in the loans disbursed reflecting the faster pace with which the schemes taken up for financing were implemented. At the same time, the Corporation continued to encourage member-banks to participate in the sphere of financing agriculture rather than lending on its own. Thus, for the second consecutive year, all the schemes sanctioned were to be entirely financed by member-banks. During the year, the Corporation sanctioned 12 schemes involving a total outlay of Rs. 19·4 crores, bringing the total number of schemes sanctioned, since inception, to 51 involving a total outlay of Rs. 173·0 crores, while, disbursements during the year were of the order of Rs. 16·5 crores bringing total disbursements to Rs. 57·7 crores. Disbursements during the year were the largest since the inception of the Corporation in 1968.

5. Other Developments

Progress of SFDA/MFAL Schemes

A notable feature of the SFDA/MFAL schemes during the year under review was that the commercial banks started issuing both production and investment loans to small and marginal farmers and agricultural labourers on a significant scale in the areas covered by the projects. Previously, institu-

tional credit for the above categories of farmers in the project areas was supplied mainly by the co-operatives. However, as both these schemes actually started functioning on a significant scale, especially in respect of disbursement of credit to small/marginal farmers, only from the co-operative year 1971-72, the Government of India decided to continue the schemes during the Fifth Plan period also. Accordingly, the duration of the schemes has been extended upto 1975-76 so that the agencies will have a five-year project period starting from 1971-72. The financial ceiling indicated for each project will, however, remain unchanged.

The progress achieved by the projects in respect of identification of participant farmers and their enrolment as members of primary co-operative societies and the volume of credit extended to the participants by co-operatives and commercial banks etc., is shown in Table III. 8 in Chapter III of this Report.

As at the end of June 1973, there were 1383 co-operative banks (comprising 28 State co-operative banks, 367 central co-operative banks and 988 primary co-operative banks) coming under the purview of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) as against 1336 banks at the end of June 1972. As at the end of June 1973, 404 co-operative banks in Andhra Pradesh, Madhya Pradesh, Maharashtra and the Union Territories of Goa, Daman and Diu were registered by the Deposit Insurance Corporation as against 391 registered at the beginning of the year in the above States and Union Territories. The State of Jammu and Kashmir and the Union Territory of Delhi have already passed the necessary amendments in their respective co-operative societies Acts vesting in the Reserve Bank of India, the necessary powers regarding supersession, winding up, amalgamation, reconstruction, etc. It is expected that the scheme will be introduced in the State/Union Territory shortly. Action is yet to be initiated towards introduction of the scheme of deposit insurance in other States/Union Territories.

Banking Regulation and Deposit Insurance

CHAPTER V : BUDGETS AND PUBLIC DEBT(1)

COMBINED POSITION OF CENTRAL AND STATE GOVERNMENTS

The revised estimates of Central and State budgets together showed an overall deficit(2) of Rs. 701 crores(3) for 1972-73 compared to the deficit of Rs. 808 crores recorded in 1971-72 (Table V·1). More recent data show that during 1972-73 the actual deficit of the Centre was Rs. 882 crores as against the revised estimates of Rs. 550 crores; in the case of States there was a surplus of Rs. 14 crores as against a deficit of Rs. 151 crores in the revised estimates. Hence the combined deficit was Rs. 868 crores *i.e.*, Rs. 60 crores more than in 1971-72 or over three and a half times the budget estimates for 1972-73 (Rs. 231 crores).

(1) Figures in this Chapter relate to fiscal years and those for 1972-73 refer to revised estimates, unless mentioned otherwise.

(2) Deficit (—) / Surplus (+) is as measurd by : (a) For Centre : (i) Net increase / decrease in outstanding Treasury bills and (ii) withdrawal from/ addition to cash balances (b) For States : (i) State Budget figures of net increase / decrease in RBI credit in the form of ways and means advances and overdrafts (repayable within 7 working days with effect from May 1, 1972); (ii) decline in / addition to cash balances; (iii) net sales / purchases of securities held by States in their cash balance investment accounts and (iv) net transfer from / to revenue reserve funds.

(3) This excludes the net amount of Rs. 421 crores given as ways and means advances by Centre to States in 1972-73 for clearing their overdrafts with the RBI.

Table V·1 : Trends in Budgetary Deficits and Net RBI Credit to Government.

(Rupees Crores)

Year	Budgetary Deficits (—) Surpluses (+)(a)			Net RBI Credit to Government (b)		
	Centre	States	Total	Centre	States	Total
1	2	3	4	5	6	7
1965-66	—173	—179(d)	**—352**	286(c)	112	**398(c)**
1966-67	— 295	+118(d)	**—177**	230	—81	**149**
1967-68	—206	— 74(d)	**—280**	147	60	**207**
1968-69	—262	—120(d)	**—382**	160	100	**260**
1969-70	— 46	+ 59	**+ 13**	45	—21	**24**
1970-71	—285	—141	**—426**	223	106	**329**
1971-72	—519	—289	**—808**	583	287	**870**
1972-73 .. .. (Revised Estimates)	—550 (—882)(e)	—151 (+14)(e)	**—701 (—868)(e)**	1211	—459	**752**
1973-74 .. .. (Budget Estimates)	—85	—198	**—283**			

(a) For the definition, see footnote (2).

(b) Comprising net changes in (i) RBI holdings of Treasury bills, other Government securities, rupee coins in Issue Department, loans and advances to State Governments and (ii) Governments balances with the RBI, so that an increase in cash balances will imply a decline in Bank credit to Governments and vice versa. Data refer to full fiscal year (*i.e.*, from 1st April to 31st March) and take into account certain subsequent adjustments at the time of final closure of Government accounts, except for 1965-66, for which data are based on outstandings as on March 31, without the final adjustments.

(c) Adjusted for purchase of gold (Rs. 17·9 crores) by the Government from the RBI.

(d) Figures of ways and means advances and overdrafts from RBI are adjusted on the basis of RBI records.

(e) Figures in brackets relate to latest available data.

Deterioration in the budgetary position has occured despite an increase of 15·9 per cent in aggregate receipts as against a rise of 7·1 per cent anticipated in the budget. This has happened because aggregate disbursements, budgeted to increase by a little over one per cent, have increased by 13·6 per cent in the revised estimates (Table V. 2). A major factor accounting for this increased deficit was expenditure arising from natural calamities; but the deterioration in budgetary position cannot be explained by this factor alone. Increases in developmental and other non-developmental heads also contributed to the enhancement in the deficit.

Trends in Receipts

Even as the growth rate in aggregate receipts improved marginally from 15·2 per cent in 1971-72 to 15·9 per cent in 1972-73, the growth rate in tax revenues dropped from 17·5 per cent to 15·1 per cent during the same period. Even so, tax revenues in 1972-73 at Rs. 6408 crores would constitute a higher proportion of national income at current prices (16·2 per cent) than in the previous year (15·4 per cent). With an increase of 12·0 per cent in tax revenues estimated for 1973-74, this proportion should go up still further, thus continuing the rising trend that had set in since 1968-69. (Table V.3) Earlier, the tax-income ratio had reached the peak of 14·1 per cent in 1965-66 when the aggregate saving and investment in the economy as proportions of national income had also reached the peak levels, as described in Chapter II. Thereafter, the tax-income ratio had gradually dropped to 12 per cent by 1967-68, which coincided with the declining trend noticed in saving and investment ratios.

Graph 29

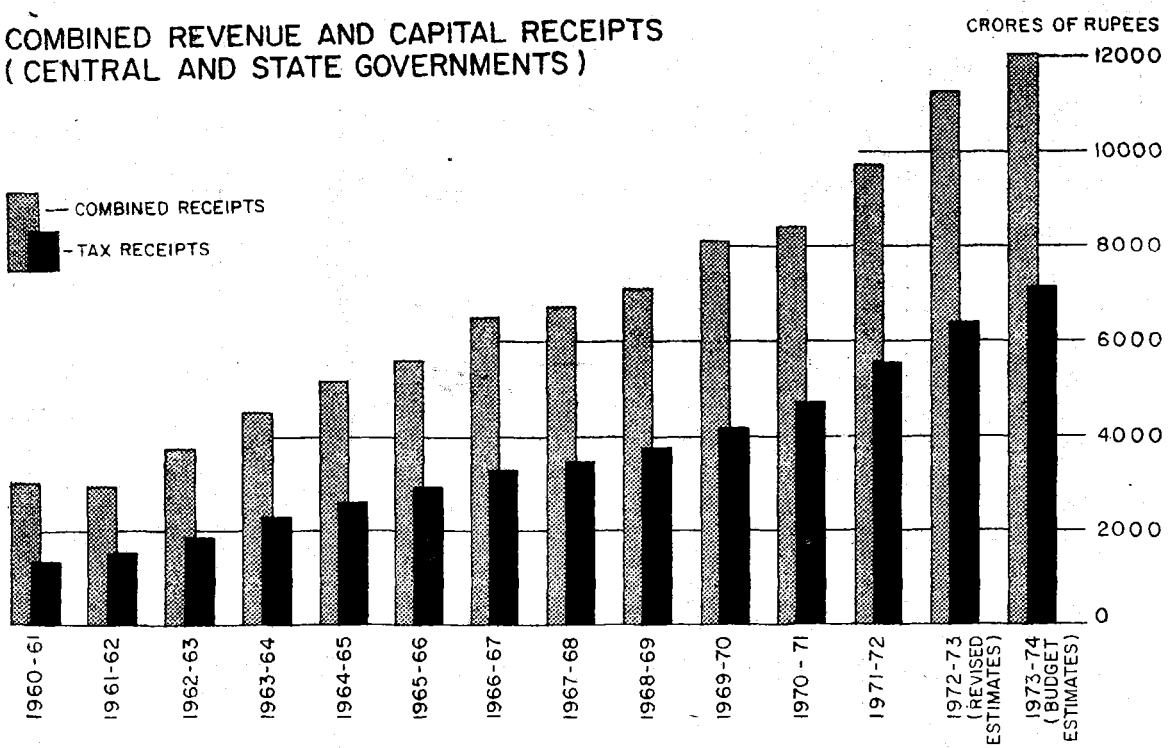


Table V. 2 : Combined Receipts and Disbursements of Central and State Governments

(Rupees Crores)

Items	1969-70 (Accounts)	1970-71 (Accounts)		1971-72 (Accounts)		1972-73* (Budget Estimates)		1972-73 (Revised Estimates)		1973-74* (Budget Estimates)	
	Amount	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	Amount	Per cent Variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12
I. Total Disbursements .. .. Of which :	**8098**	**8847**	**+ 9·2**	**10511**	**+ 18·8**	**10624**	**+ 1·1**	**11942**	**+ 13·6**	**12316**	**+ 3·1**
Developmental Outlay (a + b)	**3020**	**3443**	**+ 14·0**	**4242**	**+ 23·2**	**4454**	**+ 5·0**	**4862**	**+ 14·6**	**5124**	**+ 5·4**
(*a*) Revenue	1984	2254	+ 13·6	2635	+ 16·9	2940	+ 11·6	3128	+ 18·7	3478	+ 11·2
(*b*) Capital	1036	1189	+ 14·8	1607	+ 35·2	1514	— 5·8	1734	+ 7·9	1646	— 5·1
Non-Developmental Outlay (a + b)	**3281**	**3674**	**+ 12·0**	**4437**	**+ 20·8**	**4286**	**— 3·4**	**4939**	**+ 11·3**	**5338**	**+ 8·1**
(*a*) Revenue	3157	3366	+ 6·6	4260	+ 26·6	4212	— 1·1	4876	+ 14·5	5164	+ 5·9
(*b*) Capital	124	308	+148·4	177	— 42·5	74	— 58·2	63	— 64·4	174	+176·2
II. Total Receipts (A + B)	**8111**	**8421**	**+ 3·8**	**9703**	**+ 15·2**	**10393**	**+ 7·1**	**11241**	**+ 15·9**	**12033**	**+ 7·0**
(A) Revenue Receipts .. Of which :	**5273**	**5810**	**+ 10·2**	**6840**	**+ 17·7**	**7663**	**+ 12·0**	**7811**	**+ 14·2**	**8505**	**+ 8·9**
Tax Receipts (a + b) ..	4182	4735	+ 13·2	5565	+ 17·5	6319	+ 13·5	6408	+ 15·1	7175	+ 12·0
(a) Taxes on Commodities and Services	3112	3605	+ 15·8	4255	+ 18·0	4896	+ 15·1	4928	+ 15·8	5547	+ 12·6
(b) Taxes on Income and Property	1070	1130	+ 5·6	1310	+ 15·9	1423	+ 8·6	1480	+ 13·0	1628	+ 10·0
(B) Capital Receipts .. .. Of which :	**2838**	**2611**	**— 8·0**	**2863**	**+ 9·7**	**2730**	**— 4·6**	**3430**	**+ 19·8**	**3528†**	**+ 2·9**
1. Market Borrowings (Gross)	710	593	— 16·5	804	+ 35·6	703	— 12·6	995	+ 23·7	1073	+ 7·8
(Net)	232	251	+ 8·2	398	+ 58·6	319	— 19·8	608	+ 52·8	518	— 14·8
2. Small Savings (Net) ..	129	184	+ 42·6	224	+ 21·7	230	+ 2·7	300	+ 33·9	325	+ 8·3
3. State Provident Funds (Net)	155	157	+ 1·3	184	+ 17·2	175	— 4·9	196	+ 6·5	209	+ 6·6

Table V. 2 : Combined Receipts and Disbursements of Central and State Governments (*concld.*)

(Rupees Crores)

Items	1969-70 (Accounts)	1970-71 (Accounts)		1971-72 (Accounts)		1972-73* (Budget Estimates)		1972-73 (Revised Estimates)		1973-74* (Budget Estimates)	
	Amount	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	Amount	Per cent Variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12
III. Overall Surplus (+) or Deficit (—) (II — I)	**+13**	**—426**		**—808£**		**—231@**		**—701**		**—283‡**	
Financed by :											
(*i*) Increase (+) or Decrease (—) in Cash balances of Centre and States	+ 2	+130		—233		— 81		—		—187	
(*ii*) Increase (—) in Treasury bills of Centre	—63	—359		—349		—252		—545		— 85	
(*iii*) Withdrawals from (—) or Additions to (+) Cash Balance Investment Account of States	+24	— 4		+ 11		— 20		— 21		— 11	
(*iv*) Increase (—) or Decrease (+) in Ways and Means Advances and Overdrafts from Reserve Bank of India to States ..	+50	—193		—226		+122		—135		—	

* Includes effects of budget proposals.

£ This deficit will go down by Rs. 1 crore if Jammu and Kashmir Government's net repayment of overdrafts with Jammu and Kashmir Bank Ltd. is taken into account. The financing items do not add up to the total deficit because in the case of Manipur State the overall deficit is for the full year, whereas the opening and closing balances are given for the period January 21 (when State came into existence) to March 31, 1972 only.

@ If the Supplementary estimates presented by the Government of Punjab during 1972-73 are included, the overall deficit will go up by Rs. 11 crores.

† Excludes market borrowings (Rs. 3 crores) by Jammu and Kashmir Electricity Board.

‡ This deficit will be higher by about Rs. 2 crores as a result of tax concessions announced by the Union Finance Minister, subsequent to the presentation of the Central Government budget.

Notes : (1) Figures are based on budget documents of Central and State Governments and are adjusted for inter-governmental transfers. The combined overall position, however, remains unchanged.

(2) Figures given here are not comparable with those given in the earlier Currency Reports mainly because of the changes in treatment of net contribution of departmental undertakings in the case of States; besides, net ways and means advances and overdrafts from RBI (as per State Budgets) which were shown as part of States' capital receipts under floating debt are treated as financing items from 1971-72 Reports.

Table V.3: Combined Tax Receipts and Developmental Expenditure as Proportions of National Income at Current Prices
(Central and State Governments)

(Rupees Crores)

Year	Combined Revenue and Capital Receipts				Combined Revenue and Capital Disbursements			
	Combined Receipts	Percent to National Income	Tax Receipts	Percent to National Income	Combined Disbursements	Percent to National Income	Developmental Expenditure(*a*)	Percent to National Income
1	2	3	4	5	6	7	8	9
1960-61	2986	22.5	1355	10.2	2917	22.0	1708	12.9
1961-62	2968	21.2	1537	11.0	3120	22.2	1824	13.0
1962-63	3743	25.2	1855	12.5	3871	26.1	2078	14.0
1963-64	4468	26.2	2313	13.6	4640	27.2	2413	14.2
1964-65	5180	25.8	2585	12.9	5313	26.5	2762	13.8
1965-66	5602	27.2	2902	14.1	5842	28.3	3177	15.4
1966-67	6511	27.3	3240	13.6	6812	28.5	3290	13.8
1967-68	6730	23.7	3423	12.0	6974	24.5	3395	11.9
1968-69	7099	25.0	3727	13.1	7373	25.9	3891	13.7
1969-70	8111	25.7	4182	13.2	8098	25.6	3792	12.0
1970-71	8421	24.6	4735	13.8	8847	25.8	4392	12.8
1971-72	9703	26.9	5565	15.4	10511	29.1	5314	14.7
1972-73 .. .. (Revised Estimates)	11241	28.4	6408	16.2	11942	30.2	6239	15.8
1973-74 .. .. (Budget Estimates)	12033	—	7175	—	12316	—	6248	—

(*a*) This consists of developmental outlays under *revenue* and *capital* accounts *plus* loans and advances to third parties shown in the capital accounts of the Central and State budgets except loans granted to foreign governments in 1965-66 and thereafter. (For these adjustments regarding loans and advances to foreign governments, since actuals are not available, revised estimates are taken into account).

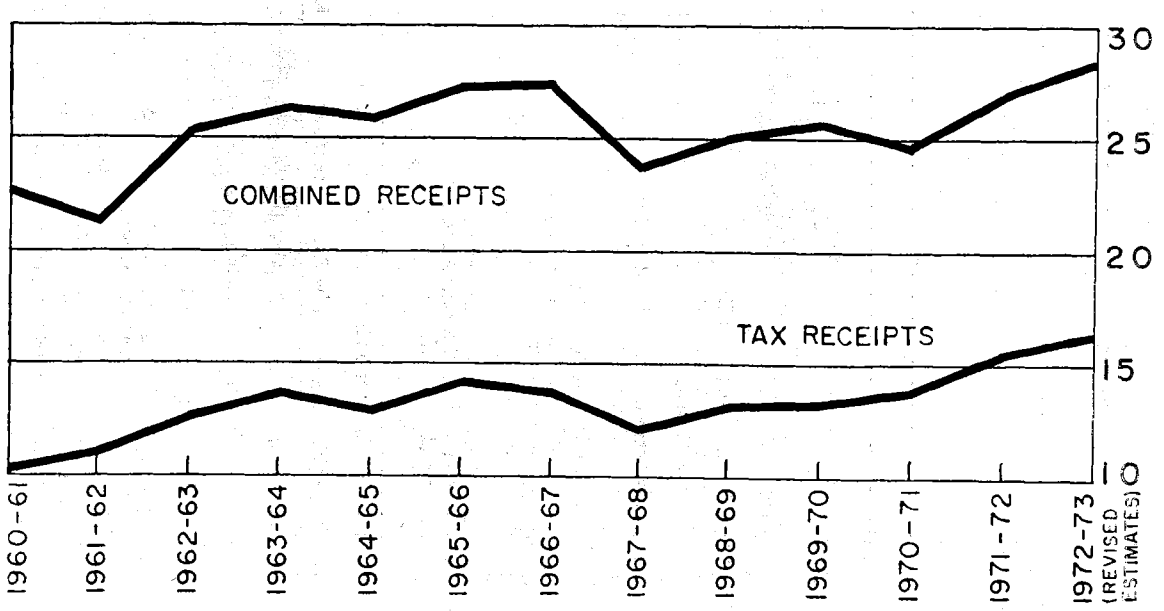
Note: Figures of combined receipts, disbursements, and developmental expenditure in this Table are not uniform for all the years mainly because of the following adjustments :

(*i*) Capital receipts of States for 1969-70 and onwards 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 earlier years these are included in floating debt under capital receipts of States.

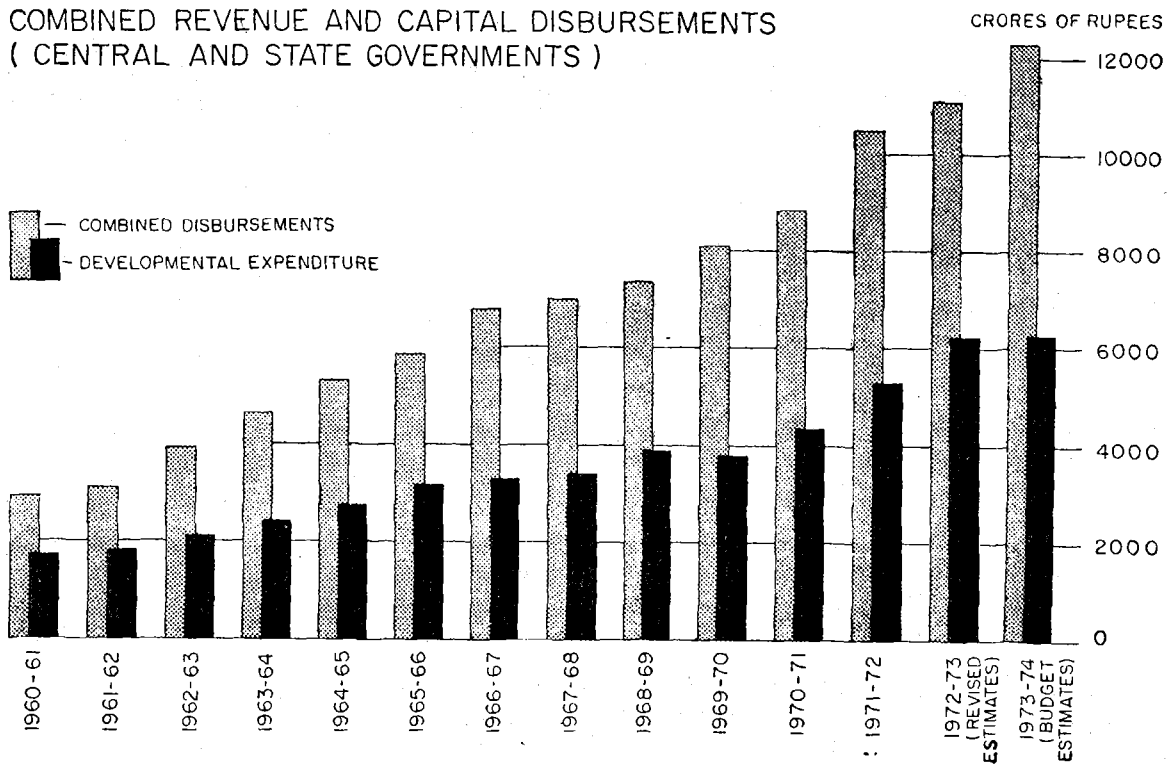
(*ii*) Due to changes in the treatment of net contribution of departmental undertakings receipts, disbursements and developmental expenditure of States for 1969-70 and onwards will differ from those for earlier years.

Graph 30

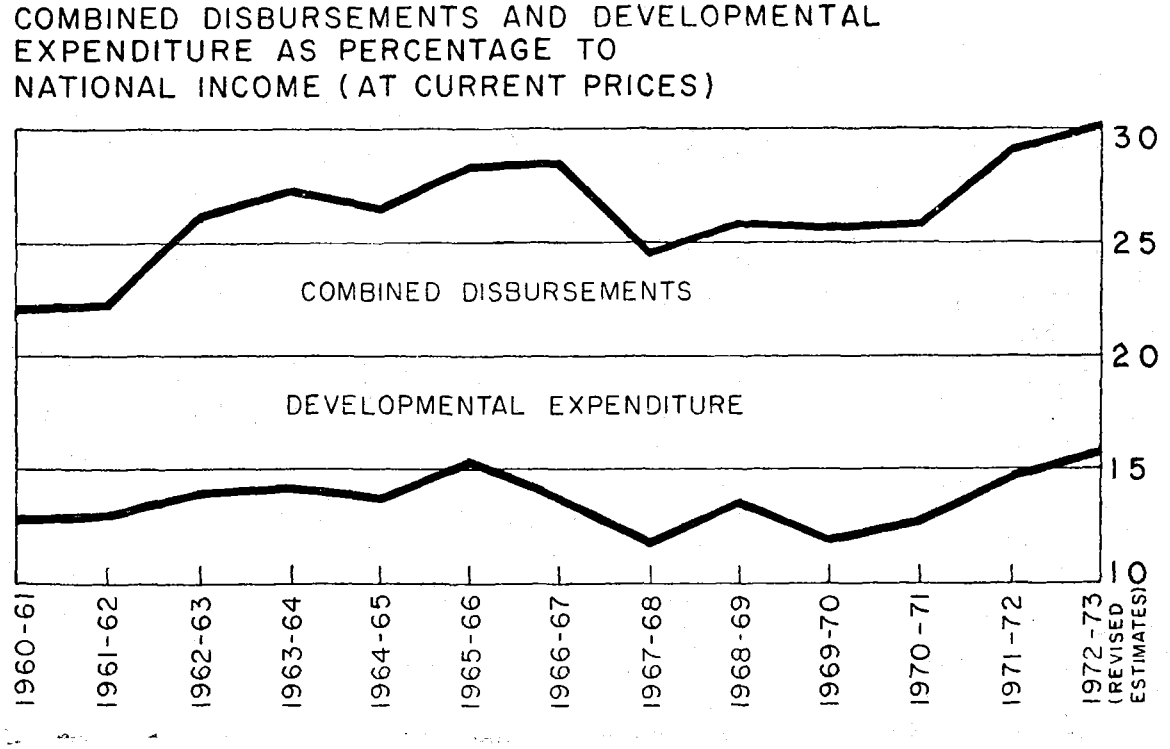
COMBINED RECEIPTS AND TAX RECEIPTS AS PERCENTAGE TO NATIONAL INCOME (AT CURRENT PRICES)



Graph 31



Graph 32



Developmental expenditure consists of developmental outlays under Revenue and Capital Accounts and loans and advances to third parties (except loans granted to foreign governments in 1965-66 and thereafter).

Trends in Disbursements

Total disbursements (including loans and advances) at Rs. 11942 crores showed a rise of 13·6 per cent in 1972-73 as compared with 18·8 per cent rise in 1971-72. Developmental outlays,(4) which in terms of the budget proposals were to rise by 5 per cent, rose by 14·6 per cent, though the increase was still considerably lower than that (23·2 per cent) achieved in 1971-72. Developmental expenditure under Revenue Account rose by 18·7 per cent as against 16·9 per cent rise in 1971-72; whereas the developmental outlays under Capital Account which had expanded at a record rate of 35·2 per cent in 1971-72, rose by only 7·9 per cent in 1972-73.

In addition to these developmental outlays, loans and advances are provided to third parties mainly to finance developmental activities. Inclusive of such loans and advances (other than loans to foreign governments) by the Central and State Governments, the aggregate developmental expenditure(5) in 1972-73 formed 15·8 per cent of the national income (at current prices), thus outstripping the proportion that was once reached in 1965-66. However, as subsequent review would show, this momentum of developmental efforts may not be maintained in 1973-74.

BUDGETARY OPERATIONS OF THE CENTRAL GOVERNMENT

Total receipts of the Central Government according to the revised estimates for 1972-73 (at Rs. 7737 crores) exceeded the budget anticipation by Rs. 660 crores. Revenue and Capital receipts recorded increases of Rs. 158 crores and Rs. 502 crores, respectively. The improvement in Revenue receipts was mainly the result of larger collections from income and corporation taxes (Rs. 84 crores) and customs duties (Rs. 89 crores); but the yield from union excise duties was less by Rs. 37 crores, a particularly marked reduction being in respect of tobacco (Rs. 23 crores). On Capital Account, net domestic market borrowings at Rs. 478 crores improved by Rs. 263 crores over the budget anticipation as a result of three additional floatations by the Centre during 1972-73. Besides, repayment of loans increased by Rs. 226 crores over budget estimates, mainly on account of Rs. 200 crores repaid by the Food Corporation of India(6).

These increases in receipts, however, were more than offset by a substantial rise (Rs. 959 crores) in aggregate disbursements (Rs. 8287 crores) on a number of counts, the most important of which were : defence (Rs. 192 crores), grants-in-aid (Rs. 106 crores) and loans and advances (Rs. 423 crores) to States and Union Territories. The increase in loans and advances was mainly due to special accommodation to States for financing certain specified projects and covering excess expenditure incurred in the past on items like famine relief (Rs. 153 crores) and emergency agricultural production (*rabi* crash) programme (Rs. 147 crores) under Central Plan Schemes.

Economic and Functional Classification of the Central Government Budget

Revised Estimates for 1972-73

Functional Classification

In terms of the Economic and Functional Classification, the total expenditure of the Central Government in 1972-73 was Rs. 7840 crores; this is lower than that indicated in Statements 62 to 64 mainly due to the exclusion from the former of (*i*) interest transfer to Departmental commercial undertakings, (*ii*) current expenditure of Departmental commercial undertakings, (*iii*) discharge of debt and (*iv*) transfers to funds. On this basis, total expenditure of the Central Government rose by 16.8 per cent in 1972-73 as against a rise of 20·3 per cent in 1971-72 (Table V. 4). Function-wise, developmental expenditure (comprising social and economic services) during 1972-73 rose by 28·8 per cent and non-developmental expenditure by 6·4 per cent. This was in contrast to the position in 1971-72 when the increase in developmental

(4) These exclude loans given to third parties (comprising local bodies, public sector undertakings, co-operatives, private sector undertakings, *etc.*) for developmental purposes by both the Central and State Governments.

(5) It is assumed that all loans and advances extended to third parties (excluding those to foreign governments) are for developmental purposes.

(6) No credit was taken for this in the budget estimates

Table V.4—Functional Classification of Central Government's Total Expenditure

(Rupees Crores)

Items	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)		1970-71 (Accounts)		1971-72 (Accounts)		1972-73 (Budget Estimates)		1972-73 (Revised Estimates)		1973-74 (Budget Estimates)		Fourth Plan Period (1969-70 to 1973-74)
	Amount	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Total Expenditure (A+B) ..	**13481†** **(100·0)**	**4925** **(100·0)**	**+ 8·8**	**5576‡** **(100·0)**	**+13·2**	**6710** **(100·0)**	**+20·3**	**6869** **(100·0)**	**+ 2·4**	**7840** **(100·0)**	**+16·8**	**7642** **(100·0)**	**—2·5**	**32693** **(100.0)**
A. Developmental Expenditure (i + ii)	**6893** **(51·1)**	**2352** **(47·8)**	**+ 5·2**	**2659** **(47·7)**	**+13·1**	**3126** **(46·6)**	**+17·6**	**3544** **(51·6)**	**+13·4**	**4025** **(51·3)**	**+28·8**	**4056** **(53·1)**	**+ 0·8**	**16218** **(49.6)**
(i) Social Services ..	851 (6·3)	304 (6·2)	+10·5	364 (6·5)	+19·7	452 (6·7)	+24·2	663 (9·7)	+46·7	679 (8·6)	+50·2	746 (9·8)	+ 9·9	2545 (7.8)
(ii) Economic Services*	6042 (44·8)	2048 (41·6)	+ 4·5	2295 (41·2)	+12·0	2674 (39·9)	+16·5	2881 (41·9)	+ 7·7	3346 (42·7)	+25·1	3310 (43·3)	— 1·1	13673 (41·8)
B. Non-Developmental Expenditure (i + ii) ..	**6588** **(48·9)**	**2573** **(52·2)**	**+12·3**	**2917** **(52·3)**	**+13·4**	**3584** **(53·4)**	**+22·9**	**3325** **(48·4)**	**— 7·2**	**3815** **(48·7)**	**+ 6·4**	**3586** **(46·9)**	**— 6·0**	**16475** **(50.4)**
(i) General Services ..	3914 (29·0)	1492 (30·3)	+ 6·4	1777 (31·9)	+19·2	2018 (30·1)	+13·6	1909 (27·8)	— 5·4	2264 (28·9)	+12·2	2146 (28·1)	— 5·2	9697 (29·7)
(ii) Unallocable ..	2674 (19·9)	1081 (21·9)	+21·6	1140 (20·4)	+ 5·5	1566 (23·3)	+37·4	1416 (20·6)	— 9·6	1551 (19·8)	— 1·0	1440 (18·8)	— 7·2	6778 (20.7)

† Excludes additonal payments of Rs. 207 crores in 1966-67 to IMF IBRD, IDA and ADB following the change in the par value of the rupee.
‡ Includes compensation paid to nationalised banks estimated at Rs. 84 crores and additional subscription to the 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.
Note : Figures in brackets are percentages to total expenditure.

expenditure was lower at 17.6 per cent than the rise of 22.9 per cent in non-developmental expenditure. In fact, 1972-73 was the first year since 1965-66 when the growth rate in developmental expenditure was higher than that of non-developmental expenditure. As a result, the declining trend in the proportion of developmental expenditure—from 59·4 per cent of the total in 1965-66 to 46.6 per cent in 1971-72—got reversed in 1972-73 raising its share to 51·3 per cent. The major heads under which the increases took place in 1972-73 are: agriculture (Rs. 209 crores); industry (Rs. 195 crores); transport and communications (Rs. 144 crores) and other social services (Rs. 144 crores). The crash *rabi* production programme explains the significant increase in expenditure under agriculture. In regard to industry, Rs. 51 crores were paid by way of compensation to nationalised industries like Coal and General Insurance. The increase in social services is due to a package of welfare measures, including the crash programme for rural employment and that for benefiting the educated unemployed, expansion of primary education and schemes for slum improvement and rural home sites.

The rate of increase in non-developmental expenditure at 6.4 per cent in 1972-73 though considerably lower than in 1971-72 was in contrast to the decline in terms of the budget estimates. The budget anticipation of a decline in this component of Government expenditure did not materialise, because of (*i*) larger assistance to States for scarcity relief operations, (*ii*) increase in defence expenditure and (*iii*) grant of several doses of *interim* relief to Government employees consequent upon the increase in consumer price index.

Economic Classification

In terms of the economic categories a major portion of these increases was in the nature of consumption expenditure (*i.e.*, wages and salaries *plus* commodities and services). Therefore consumption expenditure which should have declined by 4·3 per cent according to the budget estimates, rose by 6·5 per cent in 1972-73; in 1971-72, it had risen by 23.1 per cent (Table V. 5).

Capital formation expenditure (comprising direct capital formation by the Central Government and transfers for capital formation),

Graph 33

ECONOMIC CLASSIFICATION OF TOTAL EXPENDITURE OF THE CENTRAL GOVERNMENT

(CRORES OF RUPEES)

Figures in italics are percentages to total expenditure

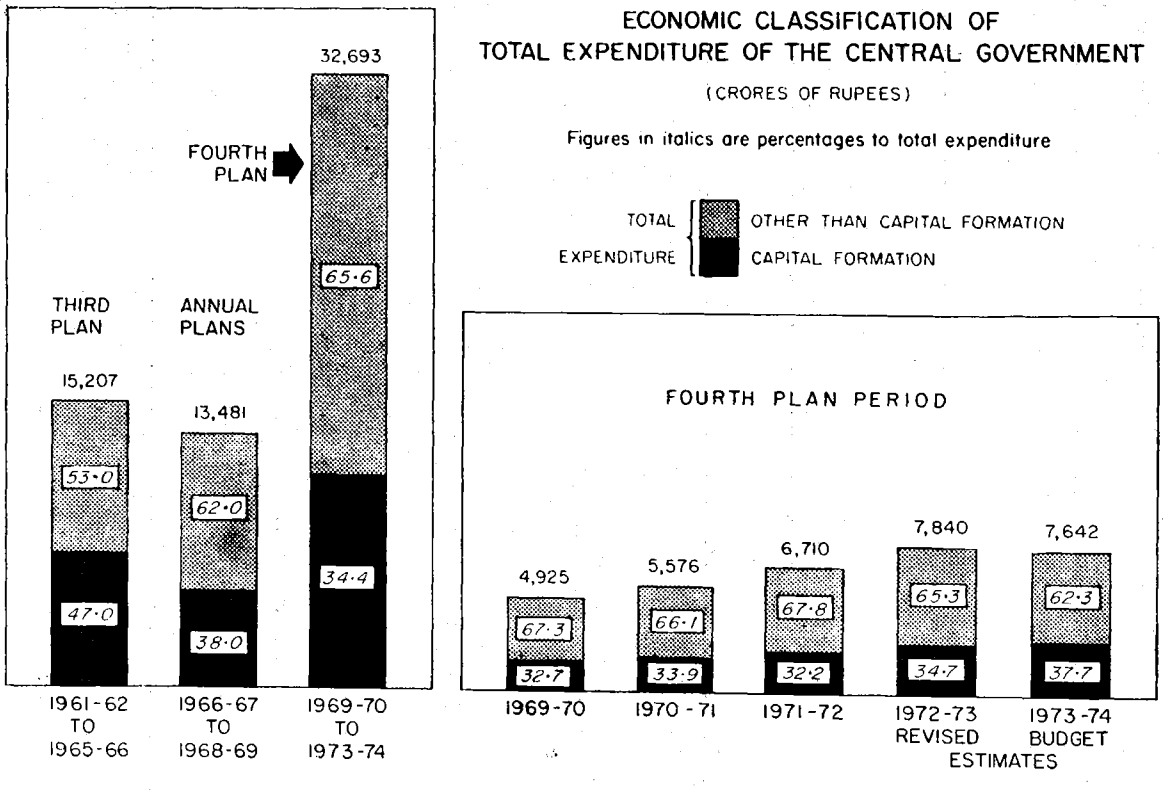


Table V. 5: Economic Classification of Total Expenditure of Central Government

(Rupees Crores)

Items	1969-70 (Accounts)	1970-71 (Accounts)		1971-72 (Accounts)		1972-73 (Budget Estimates)		1972-73 (Revised Estimates)		1973-74 (Budget Estimates)	
	Amount	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	Amount	Per cent variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12
I. Total Expenditure (II + III) ..	**4925 (100·0)**	**5576(*a*) (100·0)**	**+13·2**	**6710 (100·0)**	**+20·3**	**6869 (100·0)**	**+ 2·4**	**7840 (100·0)**	**+16·8**	**7642 (100·0)**	**− 2·5**
II. Final Outlays (i + ii)	**1870 (38·0)**	**2188 (39·2)**	**+17·0**	**2652 (39·5)**	**+21·2**	**2690 (39·2)**	**+ 1·4**	**2937 (37·5)**	**+10·7**	**3166 (41·4)**	**+ 7·8**
(i) Consumption Expenditure	1477 (30·0)	1669 (29·9)	+13·0	2055 (30·6)	+23·1	1966 (28·6)	− 4·3	2188 (27·9)	+ 6·5	2269 (29·7)	+ 3·7
(ii) Gross Capital Formation ..	393 (8·0)	519 (9·3)	+ 32·1	597 (8·9)	+15·0	724 (10·6)	+21·3	749 (9·6)	+25·5	897 (11·7)	+19·8
III. A.Financial Resources Provided to Third Parties	**3055 (62·0)**	**3388(*a*) (60·8)**	**+10·9**	**4058 (60·5)**	**+19·8**	**4179 (60·8)**	**+ 3·0**	**4903 (62·5)**	**+20·8**	**4476 (58·6)**	**− 8·7**
B. Out of III. A, those provided for Capital Formation	**1219 (24·7)**	**1369(*c*) (24·6)**	**+12·3**	**1564 (23·3)**	**+14·2**	**1717 (25·0)**	**+ 9·8**	**1969 (25·1)**	**+25·9**	**1986 (26·0)**	**+ 0·9**
C. Total Provision for Capital Formation [II(ii) + III(B)]	**1612**	**1888(*c*)**	**+17·1**	**2161**	**+14·5**	**2441**	**+13·0**	**2718**	**+25·8**	**2883**	**+ 6·1**

(*a*) 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.

(*b*) Excludes the notional transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts.

(*c*) Includes compensation paid to nationalised banks estimated at Rs. 84 crores.

Note : Figures in brackets represent percentages to total expenditure.

which had risen by 14.5 per cent in 1971-72, rose by 25.8 per cent in 1972-73; the budget for 1972-73 had anticipated a rise of 13 per cent. As a result, capital formation expenditure formed 34·7 per cent of the total expenditure in 1972-73 as compared to 32·2 per cent in 1971-72. This increase is attributable to higher allocations for economic and social programmes under agriculture, industry, transport and communications and social services mentioned above.

The proportion of total expenditure earmarked for capital formation (including transfers) had once reached 48·3 per cent in 1964-65, but declined thereafter to 32·2 per cent in 1971-72 (Table V. 6). Of the two components of capital formation expenditure, the decline was initially very steep in the proportion of direct gross capital formation; it was 16·1 per cent of the total expenditure during the Third Plan period but declined to 9·2 per cent in the Annual Plans period. For the Fourth Plan, the proportion would remain at 9·6 per cent. On the other hand, the share of financial assistance for capital formation gradually declined from 30·9 per cent in the Third Plan to 28·8 per cent in the Annual Plans period and further to 24·8 per cent in the Fourth Plan period.

Trends in Savings

While there has been a decline in the proportion of capital formation expenditure to the total, trends in savings are somewhat different. Savings of the Government administration (*i.e.*, the excess of current receipts over consumption expenditure and current transfers) which formed 12·3 per cent of current receipts during the Third Plan period constituted only 4 per cent during the Annual Plans period: during the Fourth Plan, however, the proportion improved to 8·1 per cent (Table V. 7). Inclusive of retained profits and depreciation provision of Departmental commercial undertakings, gross savings of Central Government had experienced during the Third Plan period almost consistently a rising trend, except in 1962-63, and reached the peak of Rs. 510 crores in 1965-66. Thereafter, these remained considerably below this level till 1972-73 when they reached Rs. 572 crores and financed a little over one-fifth of the capital fomation expenditure of Rs. 2718 crores. A sizeable increase in consumption expenditure, and current transfers, referred to earlier, brought down the level of gross savings to Rs. 572 crores as against budget anticipation of Rs. 741 crores, despite 14·6 per cent increase in current revenues. Nevertheless, the Central Government's net savings (*i.e.*, gross savings of the Central Government *minus* expenditure on renewals and replacements) in 1972-73 were much higher at Rs. 458 crores compared with Rs. 178 crores in 1971-72.

Financing of the Resources Gap

Net savings, however, do not connote overall surplus position. An idea of a gap in total resources which had to be met by internal and external borrowings and by indebtedness to the Reserve Bank can be had from the data on sources and uses of funds of the Central Government (Table V. 8). In 1972-73, total expenditure at Rs. 7840 crores exceeded total receipts by Rs. 2006 crores. This was financed to the extent of Rs. 1147 crores by domestic borrowings and Rs. 309 crores by external borrowings, leaving an uncovered gap of Rs. 550 crores to be financed by budgetary deficit,(7) *i.e.*, borrowings from the Reserve Bank against Treasury bills and drawal on cash balances.

Budget Estimates for 1973-74

Total Expenditure

In contrast to the enhancement of expenditure that occurred in 1972-73, the budget for 1973-74 has provided for the total expenditure of Rs. 7642 crores, thus reducing its level by 2·5 per cent from 1972-73. At the same time, tax proposals have been introduced to yield as much as Rs. 292 crores (of which Rs. 42 crores would be States' share). This has helped to limit the deficit forecast to a modest amount of Rs. 85 crores.(8) But containing the budget deficit to this level will depend on a number of factors. On the one hand, additional expenditure will have to be incurred on account of the Government's decisions on the recommendations of the Third

(7) As mentioned earlier available data indicate that the budget deficit was Rs. 882 crores.

(8) This amount would be higher by about Rs. 2 crores on account of tax concessions announced subsequent to the presentation of the budget.

Table V.6: Economic Classification of Total Budgetary Expenditure of Central Government

(Rupees Crores)

Items	Third Plan (1961-62 to 1965-66)	Annual Plans (1966-67 to 1968-69)	1969-70	1970-71	1971-72	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	Fourth Plan (1969-70 to 1973-74)
1	2	3	4	5	6	7	8	9
I. Total Expenditure (A + B) ..	**15207 (100·0)**	**13481 (100·0)**	**4925 (100·0)**	**5576† (100·0)**	**6710 (100·0)**	**7840‡(100·0)**	**7642 (100·0)**	**32693(100·0)**
A. Final Outlays (a + b) ..	**6701 (44·1)**	**5121 (38·0)**	**1870 (38·0)**	**2188 (39·2)**	**2652 (39·5)**	**2937 (37·5)**	**3166 (41·4)**	**12813 (39·2)**
(a) Consumption Expenditure	4256 (28·0)	3878 (28·8)	1477 (30·0)	1669 (29·9)	2055 (30·6)	2188 (27·9)	2269 (29·7)	9658 (29·6)
(b) Gross Capital Formation	2445 (16·1)	1243 (9·2)	393 (8·0)	519 (9·3)	597 (8·9)	749 (9·6)	897 (11·7)	3155 (9·6)
B. Financial Resources Provided to Third Parties (A+B) ..	**8506 (55·9)**	**8360 (62·0)**	**3055 (62·0)**	**3388 (60·8)**	**4058 (60·5)**	**4903 (62·5)**	**4476 (58·6)**	**19880 (60·8)**
A. For Capital Formation (i + ii)	**4708 (30·9)**	**3885 (28·8)**	**1219 (24·7)**	**1369 (24·6)**	**1564 (23·3)**	**1969 (25·1)**	**1986 (26·0)**	**8107 (24·8)**
(i) To States and Union Territories	2837 (18·6)	2128 (15·8)	692 (14·0)	740 (13·3)	885 (13·2)	1074 (13·7)	1167 (15·3)	4558 (13·9)
(ii) To other parties* ..	1871 (12·3)	1757 (13·0)	527 (10·7)	629 (11·3)	679 (10·1)	895 (11·4)	819 (10·7)	3549 (10·9)
B. For Purposes other than Capital Formation (i + ii)	**3798 (25·0)**	**4475 (33·2)**	**1836 (37·3)**	**2019 (36·2)**	**2494 (37·2)**	**2934 (37·4)**	**2490 (32·6)**	**11772 (36·0)**
(i) To States and Union Territories	1665 (11·0)	2128 (15·8)	961 (19·5)	910 (16·3)	1234 (18·4)	1433 (18·3)	1065 (13·9)	5603 (17·1)
(ii) To other parties* ..	2133 (14·0)	2347 (17·4)	875 (17·8)	1109 (19·9)	1260 (18·8)	1501 (19·1)	1425 (18·7)	6170 (18·9)
II. Total Capital Formation Expenditure	**7153 (47·0)**	**5128 (38·0)**	**1612 (32·7)**	**1888 (33·9)**	**2161 (32·2)**	**2718 (34·7)**	**2883 (37·7)**	**11262 (34·4)**
III. Total Expenditure for purposes other than Capital Formation ..	**8054 (53·0)**	**8353 (62·0)**	**3313 (67·3)**	**3688 (66·1)**	**4549 (67·8)**	**5122 (65·3)**	**4759 (62·3)**	**21431 (65·6)**

* Comprise non-departmental commercial undertakings, local authorities, foreign governments, etc.
† Includes compensation paid to nationalised banks estimated at Rs. 84 crores and additional subscription to the IMF and IBRD estimated at Rs. 114 crores.
‡ Excludes the notional transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts.
Note : Figures in brackets represent percentages to total expenditure.
Source : Economic and Functional Classifications of the Central Government Budget.

Table V.7 : Savings of the Central Government

(Rupees Crores)

Items	Third Plan (Total)	Annual Plans (Total)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	Fourth Plan (Total)	Per cent variation of	
										Col. (8) over Col. (6)	Col. (9) over Col. (8)
1	2	3	4	5	6	7	8	9	10	11	12
1. Revenue Receipts of Government Administration (i + ii)	8252	7389	2882	3133	3817	4210	4375	4815	19022	14·6	10·1
(i) Tax Revenue	6652	5867	2189	2434	2903	3320	3450	3915	14891	18·8	13·5
(ii) Non-tax Revenue ..	1600	1522	693	699	914	890	925	900	4131	1·2	— 2·7
2. Current Expenditure	7240	7091	2640	2909	3777	3724	4039	4110	17475	6·9	1·8
3. Savings of the Government Administration (1—2)	1012	298	242	224	40	486	336	705	1547	740·0	109·8
4. Depreciation Provision and Retained Profits of Departmental Commercial Undertakings (i + ii)	732	387	160	179	229	255	236	278	1082	3·1	17·8
(i) Depreciation Provision ..	435	333	115	123	128	137	136	148	650	6·3	8·8
(ii) Retained Profits	297	54	45	56	101	118	100	130	432	— 1·0	30·0
5. Gross Savings of the Central Government (3 + 4)	1744	685	402	403	269	741	572	983	2629	112·6	71·9
6. Expenditure on Renewals and Replacements	379	264	75	91	91	120	114	137	508	25·3	20·2
7. Net Savings (5—6)	1365	421	327	312	178	621	458	846	2121	157·3	84·7
8. Net Investment	2066	978	318	428	506	604	635	759	2646	25·5	19·5
9. Excess (+) or shortfall (—) of Net Savings over net Investment (7—8)	— 701	— 557	+ 9	— 116	— 328	+ 17	— 177	+ 87	— 525		
10. Item (3) as per cent of item (1) ..	12·3	4·0	8·4	7·1	1·1	11·5	7·7	14·6	8·1		

Table V.8 : Sources and Uses of Funds : Central Government

(Rupees Crores)

Items	Sources of Funds						Items	Uses of Funds					
	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)		1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Current Receipts (a+b)	2882	3133	3817	4210	4375	4815	1. Expenditure for Capital Formation (a+b) ..	1612	1888	2161	2441	2718	2883
(a) Tax Receipts ..	2189	2434	2903	3320	3450	3915	(a) Gross Capital Formation ..	1649	1854	2130	2474	2729	2899
(b) Income from Property, Enterprises and Miscellaneous Receipts	693	699	914	890	925	900	(b) Increase in Inventories	—37	34	31	—33	—11	—16
2. Capital Transfers ..	46	55	32	31	39	33	2. Expenditure for purposes other than Capital Formation (a+b)..	3313	3688	4549	4428	5122	4759
3. Internal Resources of Departmental undertakings	160	178	229	254	236	278	(a) Current Expenditure (i+ii) ..	2640	2908	3778	3725	4039	4110
							(i) Consumption Expenditure	1477	1669	2055	1966	2188	2269
4. Repayment of Loans..	847	893	1054	1008	1184	1130	(ii) Current Transfers ..	1163	1239	1723	1759	1851	1841
							(b) Other Expenditure	673	780	771	703	1083	649
Total Receipts (1 to 4)	**3935**	**4259**	**5132**	**5503**	**5834**	**6256**	**Total Expenditure (1+2)**	**4925**	**5576**	**6710**	**6869**	**7840**	**7642**
Excess of Total Expenditure over Total Receipts	**990**	**1317**	**1578**	**1366**	**2006**	**1386**							
Financed by :													
1. Net Domestic Borrowings@	384	648	793	753	1147	864							
Of which : Net Market Borrowings	143	144	293	215	477	326							
2. Net External Borrowings	539	343	325	361	309	437							
3. Budgetary Deficit (a+b)	67	326	460	252	550	85							
(a) Net RBI holdings of Treasury Bills‡	84	400	290	252	545	85							
(b) Increase (—) or Decrease (+) in Cash Balances ..	—17	—74	+170	—	+ 5	—							

@ Comprise market loans (net), small savings (net), provident funds (net), other debt (net), net increase in holdings of Treasury bills other than to RBI, etc.
‡ Ignores funding of Treasury bills into long-dated securities.
Note : Savings of the Government administration = Current Receipts — Current Expenditure.
Source : Economic and Functional Classification of the Central Government Budgets 1971-72, 1972-73 and 1973-74.

Pay Commission and further provision may have to be made for subsidies on imported foodgrains ; these would raise the current expenditure during 1973-74. On the other hand, in view of the inflationary pressures, the Government has announced its decision to effect economies in expenditure of the order of Rs. 400 crores during the year.

Developmental Expenditure

For 1973-74, the proportion of total expenditure earmarked for developmental purposes shows an increase to 53·1 per cent from 51·3 per cent in 1972-73. The amount of developmental expenditure in absolute terms (Rs. 4056 crores), however, is expected to be almost at the same level as in 1972-73 (Rs. 4025 crores). This is despite the provision of Rs. 150 crores made for 'advance action' for the Fifth Plan and of Rs. 100 crores for special employment schemes.

The consumption expenditure of the Centre is estimated to rise in 1973-74 by 3.7 per cent as against an increase of 6·5 per cent in 1972-73 over 1971-72. This percentage may increase on account of increases in current expenditure referred to earlier.

Capital Formation Expenditure

In respect of capital formation, the expenditure by the Centre which had increased by 25.8 per cent in 1972-73 is likely to record a rise of 6.1 per cent. The provision for capital formation in 1973-74 would constitute 37·7 per cent of the total expenditure (as against 34·7 per cent in 1972-73). Dividing the capital formation expenditure into developmental and non-developmental and the former into social and economic services, it is found that such expenditure under economic services (excluding block grants and loans) would show a modest rise of 2·0 per cent from Rs. 1896 crores in 1972-73 to Rs. 1933 crores in 1973-74. This increase is mainly attributable to the provision of Rs. 150 crores as 'advance action' for the Fifth Plan which is entirely treated as capital formation. The expenditure under social services which had registered a rise of 45.3 per cent in 1972-73 is expected to rise further by 20.3 per cent during 1973-74 mainly due to the budget provision of Rs. 100 crores for crash scheme for educated unemployed, 20 per cent of which is treated as capital formation. On the other hand, expenditures under agriculture, industry and transport and communications in 1973-74 are budgeted lower than in 1972-73 (Table V.9). In the case of agriculture, the reduction in the provision may be partly due to the fact that last year there was a spurt in loans advanced to the States for the crash *rabi* programme.

But, with the reported scheme of crash programme for *kharif* production also getting implemented, the actual expenditure on agriculture may be in excess of budgeted provision. With regard to industry, the decline is explained by the fact that the revised estimates for 1972-73 included the compensation payments, referred to earlier. The smaller provision for transport and communications is because of a reduction of Rs. 10 crores in inventory accumulation in 1973-74 as against an addition of Rs. 22 crores in 1972-73.

Savings and Investments

The savings of the Government administration available for financing capital expenditure are estimated at Rs. 705 crores in 1973-74, that is more than twice the amount of savings realised in 1972-73 (Rs. 336 crores). Gross savings (*i.e.*, including retained profits and depreciation provision of the departmental commercial undertakings) are placed at Rs. 983 crores. Net savings are estimated to be Rs. 846 crores in 1973-74 which would be nearly five times the level of such savings in 1971-72 (Rs. 178 crores). Net savings at this level are expectd to exceed net investment by Rs. 87 crores in 1973-74, thereby reducing the gap in financial resources to be met through creation of financial liabilities. In the nineteen sixties this phenomenon was found only in two years, 1968-69 and 1969-70 when the levels of net investment were very low.

Assets and Liabilities

Net acquisition of financial assets and net capital transfers together are placed at Rs. 1472 crores for 1973-74 (Table V.10). Taking into account the excess of net savings over net investment of Rs. 87 crores, the residual to be met through net addition to financial liabilities and with-

Table V·9 : Provision for Capital Formation

(Rupees Crores)

Items	Annual Plans (Total)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	Fourth Plan (Total)	Per cent Variation of Column (7) over (5)	Per cent Variation of Column (8) over (7)
1	2	3	4	5	6	7	8	9	10	11
I. Developmental (1 to 3)	**5031**	**1619**	**1863**	**2141**	**2414**	**2699**	**2837**	**11159**	**26·1**	**5·1**
1. Social Services	191	63	82	95	123	138	166	544	45·3	20·3
2. Economic Services (a to d)	3802	1008	1223	1441	1683	1896	1933	7501	31·6	2·0
(a) Agriculture	412	92	62	159	133	261	126	700	64·2	—51·7
(b) Industry	1525	433	419	524	642	686	680	2742	30·9	— 0·9
(c) Transport and Communications	1347	382	545	587	734	737	713	2964	25·6	— 3·3
(d) Other Economic Services	518	101	197	171	174	212	414	1095	24·0	95·3
3. Block Grants and Loans	1038	548	558	605	608	665	738	3114	9·9	11·0
II. Non-Developmental (a + b)	**97**	**— 7**	**25**	**20**	**27**	**19**	**46**	**103**	**— 5·0**	**142·1**
(a) General Services	62	8	— 4	24	27	48	52	128	100·0	8·3
(b) Unallocable	35	—15	29	— 4	—	—29	— 6	—25		
III. Total Provision for Capital Formation (I + II)	**5128**	**1612**	**1888***	**2161**	**2441**	**2718**	**2883**	**11262**	**25·8**	**6·1**
IV. Total Developmental Expenditure	**6893**	**2352**	**2659**	**3126**	**3544**	**4025**	**4056**	**16218**	**28·8**	**0·8**
V. (I) as per cent of (IV)	**73·0**	**68·8**	**70·1**	**68·5**	**68·1**	**67·1**	**69·9**	**68·8**		

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

Table V·10 ; Pattern of Financing Capital Expenditure (Net)

(Rupees Crores)

Items	Third Plan (Total)	Annual Plans (Total)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	Fourth Plan (Total)	Per cent Variation of column (8) over (6)	Per cent Variation of column (9) over (8)
1	2	3	4	5	6	7	8	9	10	11	12
I. Total Capital Expenditure (Net) (1 + 2)	**5976**	**4495**	**1316**	**1629**	**1756**	**1987**	**2463**	**2231**	**9395**	**40·3**	**— 9·4**
1. Acquisition of Assets (a + b)	5899	4328	1171	1491	1503	1715	2042	1906	8113	35·9	— 6·7
(a) Direct Net Investment	2066	978	318	428	506	604	635	759	2646	25·5	19·5
(b) Net Increase in Financial Assets (i — ii)	3833	3350	853	1063	997	1111	1407	1147	5467	41·1	—18·5
(i) Increase in Financial Assets	5076	4947	1700	1956	2051	2119	2592	2277	10576	26·4	—12·2
(ii) Reduction in Financial Assets	1243	1597	847	893	1054	1008	1185	1130	5109	12·4	— 4·6
2. Capital Transfers (Net)	77	167	145	138	253	272	421	325	1282	66·4	—22·8
II. Financed by :											
A. Net Savings of the Central Government	**1365**	**421**	**327**	**312**	**178**	**621**	**458**	**846**	**2121**	**157·3**	**84·7**
B. Net Increase in Financial Liabilities (1 + 2)	**4609**	**4143**	**1006**	**1391**	**1408**	**1366**	**2000**	**1385**	**7190**	**42·0**	**—30·7**
1. Domestic liabilities (a to d)	2344	2340	467	1047	1083	1005	1691	948	5236	56·1	—43·9
(a) Market Borrowings	593	265	143	144	293	215	477	326	1383	62·8	—31·7
(b) Small Savings	570	355	129	184	224	230	300	325	1162	33·9	8·3
(c) Other Liabilities	400	887	149	360	216	308	369	212	1306	70·8	—42·5
(d) Sale of Treasury Bills	781	833	46	359	350	252	545	85	1385	55·7	—84·4
2. External Liabilities	2265	1803	539	344	325	361	309	437	1954	— 4·9	41·4
C. Increase (—) or Decrease (+) in Cash Balances	**+ 2**	**—69**	**—17**	**—74**	**+170**	**—**	**+ 5**	**—**	**+84**		
III. Net Increase in Assets (I·1) plus Increase in Cash Balances or minus Decrease in Cash Balances	**5897**	**4397**	**1188**	**1565**	**1333**	**1715**	**2037**	**1906**	**8029**	**52·8**	**— 6·4**

drawal from cash balances is estimated at Rs. 1385 crores in 1973-74, as against Rs. 2005 crores in 1972-73. Additions to external liabilities in 1973-74 are estimated at Rs. 437 crores; increase in domestic liabilities, inclusive of borrowings of Rs. 85 crores(9) from the Reserve Bank of India, is estimated at Rs. 948 crores.

Tax Proposals—1973-74 Budget

Additional resource mobilisation during 1973-74 through various budget proposals is estimated to yield Rs. 292 crores. (10) Of this, Rs. 250 crores would accrue to the Centre and the rest to the States (Table V.11). With this sizeable tax effort during the last year of the Fourth Plan, the total additional resource mobilisation by the Centre would exceed even the revised Mid-term Fourth Plan Appraisal target in this regard. As in the past, taxes on commodities and services have remained the mainstay of additional tax effort during 1973-74 ; these indirect taxes are expected to account for 93·6 per cent of anticipated additional revenue. However, unlike in the last several years, the budget proposals for 1973-74 place greater reliance on customs duties rather than union excise duties. While over one-half of the anticipated yield will be on account of changes in respect of import duties, only a little over two-fifths of the additional revenues are expected as a result of proposals in the sphere of union excise duties.

(9) See page 148.
(10) This amount would be lower by about Rs. 2 crores on account of tax concessions announced subsequent to the presentation of the budget.

Table V.11 : Central Government Budget Proposals, 1973-74

(Rupees Crores)

Items	Estimated additional yield in 1973-74			Col. (3) as per cent of Col. (2)	Col. (4) as per cent of Col. (2)
	Collected by the Centre	States' share in additional revenue	Net additional revenue to the Centre (Col. 2—Col. 3)		
1	2	3	4	5	6
Total Revenue (A + B)	**292·17***	**42·53**	**249·64**	**14·6**	**85·4**
A. Income and Corporation taxes (1 + 2) ..	18·60	4·70	13·90	25·3	74·7
1. Income Tax	7·60	4·70	2·90	61·8	38·2
2. Corporation Tax	11·00	..	11·00	..	100·0
B. Taxes on Commodities and Services (1 + 2)	273·57	37·83	235·74	13·8	86·2
1. Excise Duties	117·57	37·83	79·74	32·2	67·8
2. Customs Duties	156·00	..	156·00	..	100·0

* This amount would be lower by about Rs. 2 crores on account of tax concessions announced subsequent to the presentation of the budget.

Personal Income-Tax

As regards personal income-tax, the highlights of budget proposals are, first, the acceptance of Raj Committee's recommendation for partial integration of agricultural and non-agricultural incomes and, secondly, the separate higher income-tax rate schedule for Hindu undivided families as recommended by the Wanchoo Committee. While there is no increase in tax liability for tax-payers with wholly non-agricultural income, there would be an increase in tax liability of all the individual assessees (and also Hindu undivided families, unregistered firms, associations of persons, bodies of individuals and artificial juridical persons) who get taxable non-agricultural income of more than Rs. 5000, and also have net agricultural income. Under the revised income-tax rate schedule for Hindu undivided families (with one or more members having independent incomes exceeding total income of Rs. 5000), the rate of tax would be one step above the rate applicable to individual assessees, that is the rate applicable to individual assessees in the next higher income slab. Further, the rate of surcharge would be uniformly 15 per cent in the case of Hindu undivided families taxable under the new schedule.

Wealth-Tax

In regard to wealth-tax rate schedule, similar principle (as in the case of income-tax) is adopted in the case of Hindu undivided families. The revised income-tax and wealth-tax rate schedules would apply from assessment year 1974-75 onwards.

Capital Gains Tax

The proposals relating to capital gains tax aim at increasing sizeably the effective rate of tax on realised capital gains. It is provided that capital gains realised after the holding period of 60 months (instead of 24 months as at present) would now qualify for concessional treatment accorded to long-term gains; this change is to take effect from April 1, 1974.

Exemption for Savings

Savings in the form of contribution to provident funds, life insurance premia, 10-year and 15-year cumulative time deposits and unit linked insurance plan are eligible for deduction from the taxable income. The deduction is allowed in the following manner. The amount allowed as deduction at present is 100 per cent for the first Rs. 1000, 50 per cent for the next Rs. 4000 and 40 per cent for the balance upto a ceiling of Rs. 20000 or 30 per cent of income, whichever is less, in respect of individuals. The present system of deduction is continued except that beginning from the current financial year, the first Rs. 2000 instead of Rs. 1000 would be allowed as a straight deduction, the proportion of deduction in respect of the balance of qualifying savings would remain unchanged.

Taxation on Corporate Sector

The concessional rate (45 per cent) which at present applies to widely-held domestic companies with total income upto Rs. 50000 would hereafter be applicable to such companies with total income upto Rs. 1 lakh. This measure is intended to help small entrepreneurs with limited resources to form public limited companies. Another change introduced by the budget relates to rates applicable to closely-held companies. The present rate of 55 per cent will apply only to the first Rs. 2 lakhs of income of such companies (instead of the first Rs. 10 lakhs at present) and the balance of income will be subjected to tax at the rate of 60 per cent. This measure is taken with a view to inducing the conversion of such companies into widely-held companies.

Incentives to Industries

The 1973-74 budget contains some specific proposals designed primarily to promote industrialisation in the backward regions, such as (*a*) deduction equal to 20 per cent of the profits earned by an industrial undertaking set up in backward areas after March 31, 1973 in computing its taxable profits; this concession will be available for 10 years from the establishment of an industry, (*b*) enlargement of the scope of the existing scheme of subsidy in respect of fixed capital investment available to new units set up in selected backward areas from 10 per cent to 15 per cent and the ceiling on investment eligible under the scheme from the existing ceiling of Rs. 50 lakhs to Rs. 1

crore. A scheme of initial depreciation allowance equal to 20 per cent of the cost of machinery and plant has been introduced in respect of qualifying investment that takes place after May 31, 1974. It would be applicable to selected industries(11). It may be noted that when this scheme comes into operation after May 31, 1974, the present development rebate would be withdrawn.

Union Excise Duties

The additional yield from union excise duties anticipated by the budget is mainly on account of revision in the existing rates of duties which is expected to yield an overwhelming proportion (about 98 per cent in 1973-74) of the anticipated additional revenue from union excise. As regards coverage, the budget includes only three new items, namely, tool tips unmounted of sintered carbides, wire ropes of iron or steel and rubber chemicals in the fold of excisable items.

In accordance with the National Development Council's decision to raise by stages additional duties of excise in *lieu* of sales tax levied on tobacco, sugar and textiles to 10·8 per cent of the value of their clearances by the end of 1973-74, the Centre would achieve the target in this regard. Additional excise duties on cigarettes, tobacco and cotton textiles are anticipated to yield additional revenue of Rs. 25 crores in 1973-74. The successive revisions in these duties have considerably increased the proportion of their yield to the total revenue from these three items over the Fourth Plan period.

Items which are largely in the nature of consumer goods (including consumer durable goods) are expected to yield Rs. 43 crores or 36·4 per cent of the additional yield from excise duties. However, articles of mass consumption have been spared from these duties. As regards cigarettes, of the expected additional revenue of Rs. 32 crores, Rs. 24 crores would be through revisions in additional duties of excise. Besides, a new rate structure has been introduced in *lieu* of the existing one with a single rate applicable to wide slabs ; under the new structure, the rate of duty would change with an increase in value of cigarettes, and hence it would be more progressive than the existing one. Items like cotton and silk fabrics, refrigerators, paper, plywood, smoking mixtures, domestic electrical appliances and instant coffee account for almost the entire balance of revenue expected from excise duties on consumer goods. In the case of these items too, the increase in duty is not across-the-board, but would apply only to the more expensive varieties.

Additional imposts on basic and intermediate products and products which are in the nature of capital goods are expected to account for the balance of the additional yield from excise duties. Among intermediate products, motor spirit and rayon and synthetic fibres and yarn account for Rs. 21 crores and Rs. 9 crores, respectively. Iron or steel products and steel ingots are the only major basic products subject to additional excise levy. The duty on motor vehicle parts has been raised from 10 per cent to 20 per cent.

The budget also introduces modifications relating to a number of items, such as the inclusion of 'rags' in the list of dutiable textiles, the withdrawal or modifications of some of the concessions, *e.g.*, in respect of art silk fabrics processed without the aid of power or steam and so on, mainly with a view to plugging loopholes and checking avoidance of tax.

Finally, the existing regulatory duties of excise (and customs), which were levied on eight major items,(12) have been replaced by auxiliary duties. While introducing auxiliary duties no change has been made except in the case of steel ingots and iron or steel products (other than skelp) in respect of which the auxiliary duties would be levied at a higher rate of 75 per cent of the effective basic duty (as against 50 per cent under regulatory duty).

(11) As per the Direct Taxes (Amendment) Bill, 1973 introduced in the Lok Sabha on September 3, 1973, 22 industries are selected for this concession. These include *inter alia*, iron and steel, industrial and agricultural machinery, nitrogenous and phosphatic fertilizers, commercial vehicles, ships, sugar, cotton and jute textiles and cement.

(12) (1) Jute twist, yarn, etc., (2) Jute manufactures other than hessians, (3) steel ingots (including steel melting scrap) (4) copper, (5) all iron or steel products including skelp, (6) zinc, (7) aluminium and (8) tinplates and tinned sheets, etc.

Customs Duties

The replacement of regulatory duties of customs by auxiliary duties is expected to yield additional revenue of Rs. 37 crores. The auxiliary duties will be levied at three different rates. However in addition to foodgrains, books, family planning appliances and a few other selected categories of goods, raw cotton, tallow and machinery would be exempted from auxiliary duties.

The basic rate of customs duties on machinery has been raised from 30 to 40 per cent with a view to giving further impetus to import substitution and encouraging indigenous manufacture of machinery. Import duties on raw cotton, copper and stainless steel sheets are also raised. The revisions in import duties are estimated to yield Rs. 156 crores in 1973-74.

Other Changes

Among other proposals incorporated in the budget, the most noteworthy is the liberalised tax treatment accorded to expenditure incurred on research and development and on export market development. The Finance Act raises the extent of expenditure on export market development which is eligible for weighted deduction for tax purposes from the present level of 133·3 per cent to 150 per cent of actual cost in respect of widely-held companies. As regards expenditure on research and development, only capital expenditure in regard to scientific research related to the business activity of the tax payer during the three years immediately preceeding the commencement of the business is now allowed to be written off against the profits of the year in which the business commenced. A similar treatment will be accorded to salaries paid to research personnel and expenditure on material inputs incurred during pre-investment period. Besides, the Finance Act provides for a weighted deduction equal to one and one-third of the amount paid for sponsored research and development work in approved laboratories.

Tax Effort During the Fourth Plan Period

On the whole, there has been a major tax effort and increase in Centre's tax collections (*i.e*, including States' share) during the Fourth Plan period. The main thrust was felt during 1971-72 through 1973-74. Tax collections of the Centre as a percentage of national income which were 8·9 and 9·4 in 1969-70 and 1970-71, respectively, are estimated to have risen to 10·7 in 1971-72 and further to 11·5 in 1972-73. As additional tax effort during 1973-74 is quite sizeable, as noted earlier, this percentage is expected to move up further during the year.

RAILWAY FINANCES

The Railway Budget for 1973-74 shows a surplus of Rs. 25·0 crores after taking into account the proposed revision in fares and freights as compared with surpluses of Rs. 12·4 crores and Rs. 17·8 crores in 1972-73 and 1971-72, respectively. If account is taken for the other liabilities which the Railways have to meet on account of financing developmental works, repayment of loan instalment and interest charges on outstanding loans, the surplus would turn into a deficit of Rs. 8·7 crores. The passenger fare tax imposed on November 15, 1971 has been withdrawn from April 1, 1973. Budget estimates for 1973-74 do not include the likely impact of the final report of the Third Pay Commission (submitted on March 31, 1973) on Railway finances (Table V.12).

Revised Estimates: 1972-73

The revised estimates of gross traffic receipts for 1972-73 at Rs. 1174·0 crores showed an improvement of Rs. 30·9 crores (2·7 per cent) over the budget estimates. An improvement in the gross traffic receipts was the result of higher earnings from 'Goods Traffic' (Rs. 15·9 crores), 'Passenger Traffic' (Rs. 14·1 crores) and 'Sundries' (Rs. 1·1 crores). This was partly offset by a marginal decline of Rs. 0·2 crore under 'Other Coaching'. The ordinary working expenses at Rs. 856·7 crores were higher by Rs. 47·5 crores (5·9 per cent). The appropriation to 'Depreciation Reserve Fund' and 'Pension Fund' remained unchanged at Rs. 110.0 crores

Table V·12 : Financial Working of the Railways

(Rupees Crores)

Items	1971-72 (Actuals)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates) (At current rates of fares and freights)	1973-74 (Budget Estimates) (At revised rates of fares and freights)
1	2	3	4	5	6
I. Gross Traffic Receipts	1096·6	1143·1	1174·0	1220·0	1264·4
II. Total Expenses (including appropriation to Depreciation Reserve Fund and Pension Fund, Miscellaneous expenses, etc.) ..	927·6	950·9	998·4	1066·8	1066·8
III. Net Revenue (I — II)	169·0	192·2	175·6	153·2	197·6
IV. Dividend to General Revenues	151·2	159·7	163·2	172·6	172·6
V. Surplus (+)/Deficit (—) (III — IV) ..	+17·8	+32·5	+12·4	—19·4	+25·0
VI. Liabilities on account of Development Fund Works, repayment of loan instalment and interest on the outstanding loans ..	—31·3	—36·1	—36·2	—33·7	—33·7
VII. **Total Gap (V + VI)**	**—13·5***a*	**— 3·6**	**—23·8***b*	**—53·1**	**— 8·7***c*

a Covered by a loan of Rs. 21·6 crores from General Revenues. The balance of Rs. 8·1 crores in the Development Fund was carried forward.
b Covered by a loan of Rs. 15·7 crores from General Revenues and a balance of Rs. 8·1 crores brought forward from 1971-72.
c This gap would further widen to the extent of Rs. 1·15 crores as a result of some concessions announced by the Railway Minister in the revision of fares and freights.

and Rs. 16·0 crores, respectively. The dividend payable to General Revenues increased by Rs. 3·5 crores to Rs. 163·2 crores on account of the increase in capital expenditure and more payment on deferred dividend on lines completing the period of moratorium. As a result of all these factors, the net surplus of the Railways came down to Rs. 12·4 crores as against Rs. 32·5 crores anticipated in the Budget.

Budget Estimates: 1973-74

In the budget estimates for 1973-74, gross traffic receipts at Rs. 1220.0 crores (at current rates of fares and freights) are placed higher by Rs. 46·0 crores (3·9 per cent) over the revised estimates for 1972-73. Of this increase, as much as Rs. 35·0 crores are expected from 'Goods Traffic' and Rs. 10·6 crores from 'Passenger Traffic,' while earnings from 'Other Coaching' and 'Sundries' are placed at more or less the same level as in 1972-73. The estimated higher earnings are based on the assumption that the 'Passenger Traffic' would increase by 3 per cent over 1972-73. The increase in receipts from 'Goods Traffic', which contribute about two-thirds of the Railways' total earnings, is based on the assumption that there would be an additional 10 million tonnes of revenue earning originating traffic in 1973-74 over the likely level in 1972-73.

On the expenditure side, the ordinary working expenses estimated at Rs. 918·3 crores would be higher by Rs. 61·6 crores (7·2 per cent) over 1972-73 (Rs. 856·7 crores). More than half of the increase in working expenses is mainly on account of escalation in staff costs (Rs. 34·8 crores)(13). The balance of the increase is accounted for by increased costs of repairs and maintenance of Railway assets (Rs. 13·6 crores), increased expenditure on fuel to haul additional traffic (Rs. 4·5 crores) and increases in cost of coal including cess (Rs. 3·9 crores) and in other miscellaneous expenses (Rs. 6·7 crores). The increase in expenditure would be partly offset by savings.

(13) This however, does not take into account the likely increase in expenditure on account of Third Pay Commission's recommendations.

of Rs. 1·9 crores on account of lower compensation claims for goods lost or damaged. The appropriation to 'Depreciation Reserve Fund' has been stepped up by Rs. 5·0 crores to Rs. 115·0 crores on the basis of provision in the Fourth Plan estimates, while appropriation to the 'Pension Fund' has been kept at the 1972-73 level (Rs. 16·0 crores). The net revenue, *i.e.*, gross traffic receipts minus ordinary working expenses, appropriations to 'Depreciation Reserve Fund' and 'Pension Fund' and miscellaneous expenses, is placed at Rs. 153·2 crores. After providing for dividend to General Revenues estimated at Rs. 172·6 crores, the operations account would show a deficit of Rs. 19·4 crores. This deficit, however, does not take into account the other liabilities aggregating Rs. 33·7 crores, which the Railways have to meet during 1973-74. Adding these liabilities to the deficit on operations account, the total gap would go up to Rs. 53·1 crores. This gap would be met to the extent of Rs. 44·4 crores[14] by the revision of fares and freights and the remaining gap of Rs. 8·7 crores[15] is expected to be made good by improving the earnings and better operational efficiency.

Railway Convention Committee

The Railways have been showing revenue surpluses during the last three years since 1971-72, mainly due to the concessions and exemptions given by the Railway Convention Committee, 1971. As a result of the recommendations of the Railway Convention Committee, 1971, the Railways received relief of Rs. 22·1 crores in 1971-72, Rs. 22·2 crores in 1972-73 and will receive relief of Rs. 22·0 crores in 1973-74 in respect of payment of dividend to General Revenues. The Committee, in its final report submitted in April 1973, has recommended that the exemptions and concessions proposed by it for the period 1971-72 to 1973-74 may be given retrospective effect to cover the first two years of the Fourth Plan, *i.e.*, 1969-70 and 1970-71 as well. The Committee has recommended that the arrears of relief pertaining to the years 1969-70 and 1970-71 may be suitably adjusted in the accounts for 1973-74.

(14) For details regarding the revision of fares and freights see the note on Railway Budget : 1973-74 published in the Reserve Bank of India Bulletin, February, 1973.

(15) This gap would further widen to the extent of Rs. 1·15 crores as a result of some concessions announced by the Railway Minister in the revision of freights and fares.

Railways' Plan Outlay

The expenditure for developmental programmes for 1973-74 has been fixed at Rs. 337·5 crores as against Rs. 339·3 crores in 1972-73. The aggregate outlay for 1973-74 comprises Rs. 200.0 crores as Plan outlay and Rs. 137·5 crores as expenditure from 'Depreciation Reserve Fund'. The Plan outlay at Rs. 200·0 crores is much lower as compared to the outlays of Rs. 224·8 crores in 1972-73 and Rs. 218·9 crores in 1971-72, respectively, whereas expenditure from 'Depreciation Reserve Fund' has increased from Rs. 90·9 crores in 1971-72 to Rs. 137·5 crores in 1973-74 (Table V. 13). The expenditure on rolling stock (locomotives, coaches and wagons), which accounts for 47·7 per cent of total outlay in 1973-74, is stepped up by Rs. 23.7 crores to Rs. 161·0 crores in 1973-74. Under the acquisition programme of rolling stock in 1973-74, a substantial increase is proposed in respect of the acquisition of wagons.

Inclusive of the proposed outlay for 1973-74, the aggregate Fourth Plan outlay for Railways' developmental programmes at Rs. 1430·7 crores would marginally exceed the target of Rs. 1420 crores revised at the time of the Mid-term Appraisal of the Fourth Five Year Plan. The total Plan outlay during the Fourth Plan at Rs. 923·3 crores[16] would be higher than the revised target of Rs. 870 crores,[16] whereas the expenditure from 'Depreciation Reserve Fund' at Rs. 507·4 crores would be lower than the revised target of Rs. 550 crores. The expenditure on rolling stock would be much higher at Rs. 609·1 crores than the revised target of Rs. 568 crores. On the other hand, expenditure on other important heads like traffic facilities, track renewals, electrification, new lines, staff quarters and plant and machinery would fall short of the revised targets. A major portion of the estimated outlay has been financed from General Revenues (Rs. 790·8 crores or 55·3 per cent) and the remaining (Rs. 639·9 crores or 44·7 per cent) from Railways' own resources

(16) Including Metropolitan Transport projects.

Table V·13 : Outlay for Railways' Development Programmes—Fourth Five Year Plan

(Rupees Crores)

Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	**Total (Col. 2 to Col. 6)**	**Revised Plan Target(s†**
1	2	3	4	5	6	7	8
1. Rolling Stock	99·2	101·8	109·8	137·3	161·0	**609·1**	**568·0**
2. Traffic Facilities	33·9	36·2	41·6	55·8	62·2	**229·7**	**234·0**
3. Track Renewals	21·2	26·1	30·7	37·3	45·1	**160·4**	**180·0**
4. Electrification	11·8	11·9	12·8	14·1	17·3	**67·9**	**73·0**
5. New Lines	10·7	14·1	13·3	13·7	12·8	**64·6**	**86·0**
6. Signalling and Interlocking works, etc.	8·1	7·7	17·0	14·5	11·6	**58·9**	**49·0**
7. Staff Quarters	6·1	6·2	6·1	6·2	7·6	**32·2**	**36·0**
8. Plant and Machinery	3·0	2·9	3·2	8·8	4·5	**22.4**	**25.0**
9. Others*	— 1·5	44·7	75·3	51·6	15·4	**185.5**	**169.0**
Total	**192·5**	**251·6**	**309·8**	**339·3**	**337·5**	**1430·7**	**1420·0**
Deduct : Expenditure on Depreciation	73·8	90·7	90·9	114·5	137·5	**507.4**	**550.0**
Plan outlay	118·7	160·9	218·9	224·8	200·0	**923.3**	**870.0**

* Include Metropolitan Transport projects.
† Targets revised at the time of Mid-term Appraisal of Fourth Five Year Plan.
Source : Explanatory Memoranda on Railway Budgets.

comprising withdrawals from 'Depreciation Reserve Fund,' 'Development Fund' and receipts from Open Line Works (Revenue).

Trends in 'Freight Traffic' and 'Passenger Traffic' during the Fourth Plan.

As per the Fourth Five Year Plan targets the originating railway freight traffic was estimated to increase from 204 million tonnes in 1968-69 to 265 million tonnes in 1973-74. As shown in Table V. 14 the growth of traffic was considerably below expectation and therefore, this target was lowered to 240·5 million tonnes at the time of the Mid-term Appraisal of the Fourth Plan. In 1969-70 the actual increase in revenue earning originating traffic was 3 million tonnes against the anticipated increase of 9 million tonnes, while in 1970-71 the revenue earning originating traffic declined by 5·9 million tonnes against the budgeted increase of 7·6 million tonnes. In 1971-72, actual increase was only 2·2 million tonnes as against the budgeted increase of 9 million tonnes. For 1972-73, it is estimated that the actual increase in revenue earning originating traffic would be only 5·6 million tonnes against the budget anticipation of a rise of 9·5 million tonnes. The budget for 1973-74 has assumed an increase of 10 million tonnes over the level likely to be achieved in 1972-73. Thus, if the anticipated increase materialises in 1973-74, the total originating traffic would reach a level of 215 million tonnes which would be much lower than the revised target of 240.5 million tonnes. The slow growth in originating traffic in 1972-73 was due to lower materialisation of traffic under coal, steel plants' traffic, iron ore for exports and cement, etc. Besides this, the traffic was also adversely affected by influx of evacuees from the Eastern borders, conflict with Pakistan in 1971, language agitation in Assam, *Mulki* rule disturbances in Andhra Pradesh and power shedding in many States. The

Table V·14 ; 'Freight Traffic' Carried by the Railways

Year	Total Originating Freight Traffic (million tonnes)	Revenue Earning Originating Traffic			Average Lead of Freight Traffic (All goods taken together) (kilometres)
		Total (4 + 5)	Low rated Commodities† (million tonnes)	Other Commodities	
1	2	3	4	5	6
1965-66	203·0	162·0	123·5	38·5	576
1966-67	201·6	164·0	127·1	36·9	N.A.
1967-68	196·6	162·4	127·8	34·6	605
1968-69	204·0‡	170·8	135·9	34·9	613
1969-70	207·9	173·8	138·0	35·8	617
1970-71	196·5	167·9	133·0	34·9	648
1971-72	197·8	170·1	133·3	36·8	674

† Commodities which were charged below class rate 50 for wagon loads in 1971-72.

‡ This does not include 0.8 million tonnes of iron for export loaded on the Balladilla — Kottavalasa section between April-October, 1968, as the line was transferred to open line only in November, 1968.

Source ; A Review of the Performance of the Indian Railways.

slow growth in the freight traffic was, however, partly compensated by increase in the lead of traffic as well as favourable change in the traffic mix.

Unlike freight traffic, passenger traffic of the Railways has registered a steady increase during the Fourth Plan period. The Fourth Five Year Plan had provided for an increase of about 20 per cent in passenger vehicle kilometres for non-suburban traffic and of 31 per cent in EMU (Electric Multiple Unit) services. During the first three years of the Fourth Plan, on an average, there was an increase of 3·5 per cent per annum in non-suburban originating passenger traffic and 5·8 per cent per annum in the suburban traffic (Table V. 15). An increase of 3 per cent in passenger traffic was also assumed in the budgets for 1972-73 and 1973-74. Besides this, the average lead of non-suburban passenger traffic has increased from 77·5 kms. in 1968-69 to 80·7 kms. in 1971-72.

Table V.15 : Volume of Passenger Traffic

(Figures in Millions)

Year	Non-suburban	Suburban	Total
1	2	3	4
1968-69	1129	1084	2213
1969-70	1179 (4·4)	1159 (6·9)	2338 (5·6)
1970-71	1204 (2·1)	1227 (5·9)	2431 (4·0)
1971-72	1253 (4·1)	1283 (4·6)	2536 (4·3)
Average rate of increase in last three years	3·5	5·8	4·6

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

Source : A Review of the Performance of the Indian Railways.

FINANCES OF THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT

The budget estimates of Posts and Telegraphs Department for 1973-74 show a surplus of Rs. 51·3 crores as compared with surpluses of Rs. 40·0 crores and Rs. 37·1 crores in 1972-73 and 1971-72, respectively. Gross receipts for 1973-74 estimated at Rs. 362·0 crores are expected to be higher by Rs. 39·3 crores (12·2 per cent) over 1972-73; working expenses (net) (*i.e.*, total working expenses minus credits to working expenses) for 1973-74 budgeted at Rs. 293·0 crores show an increase of Rs. 27·5 crores (10·4 per cent) over 1972-73. The special levies imposed in 1971-72 for the refugee relief have been withdrawn from April 1, 1973. Table No. V. 16. gives at a glance the main features of Posts and Telegraphs Department's finances.

Table V·16 : Financial Working of Posts and Telegraphs Department

(Rupees Crores)

Items	1968-69 (Actuals)	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6	7	8
1. Revenue Receipts	209·2	233·8	271·1	299·8	310·0	322·7	362·0
2. Working Expenses (Net) ..	199·5‡	205·6*	225·0	249·7	264·9	265·5	293·0
3. Net Receipts (1 — 2)	9·7	28·2	36·1	50·1	45·1	57·2	69·0
4. Dividend to General Revenues† ..	11·8	12·8	13·2	13·0	16·1	17·2	17·7
5. Surplus (+) or Deficit (—) (3— 4)	**— 2·1‡**	**+15·4***	**+22·9**	**+37·1**	**+29·0**	**+40·0**	**+51·3**
Appropriation to (+) or Withdrawals from (—) Revenue Reserve Fund ..	— 0·1	+13·4	+12·9	+ 2·1	+ 4·0	+ 0·5	+ 5·3
Capital Reserve Fund	—	—	+10·0	+35·0	+25·0	+39·5	+46·0

† Under the revised convention, effective from 1st April 1970, dividend to General Revenues is paid according to the following formulae. (a) at 4·75 per cent on the net capital advanced upto the end of 1963-64, reduced by the Department's share of accumulated surpluses as on 31st March 1960 (Rs. 29·78 crores) and balance in the Department's Renewals Reserve Fund at the end of 1963-64 (Rs. 52·72 crores) ; (b) at 6·75 per cent on capital advanced during 1st April 1964 to 31st March 1970, reduced by net accretion to the Renewals Reserve Fund during the same period and (c) at 6·75 per cent on the capital advanced from 1st April 1970, reduced by the balance of P. & T. Capital Reserve Fund. With effect from April 1, 1970 the difference in interest at dividend rate and average rate on the fund balance is also adjusted as a reduction in the dividend payable.

‡ Includes Rs. 2·0 crores met out of Contingency Fund. The deficit of Rs. 2·1 crores was financed by withdrawals from Contingency Fund (Rs. 2·0 crores) and from Revenue Reserve Fund (Rs. 0·1 crore).

* Excludes Rs. 2·0 crores towards recoupment of Contingency Fund advances taken in 1968-69. From the surplus of Rs. 15·4 crores for 1969-70, Rs. 13·4 crores were transferred to the P. & T. Revenue Reserve Fund and Rs. 2·0 crores as recoupment of Contingency Fund advance.

Sources : 1. Explanatory Memorandum on the Budget of the Central Government.
2. Combined Finance and Revenue Accounts of the Central and State Governments in India.

1972-73 Revised Estimates

The revised estimates showed an improvement in the financial working over the budget estimates for 1972-73. The surplus was placed at Rs. 40·0 crores as compared with the budgeted anticipation of Rs. 29·0 crores. The gross receipts at Rs. 322·7 crores showed an increase of Rs. 12·7 crores over the budget estimates. The increase in the gross receipts was primarily due to larger realisation of revenue under 'Telephone Rental'. The receipts from 'Telephones' at Rs. 166·6 crores showed an increase of Rs. 10·0 crores over the budget estimates. The receipts from 'Postal' and 'Telegraphs' services also showed marginal improvements of Rs. 1·2 crores and Rs. 2·5 crores, respectively. The receipts from 'Wireless' services on the other hand, revealed a decline of Rs. 1·0 crore over the budget estimates.

On the expenditure side, the working expenses (net) at Rs. 265·5 crores were marginally higher by Rs. 0·6 crore over the budget estimates (Rs. 264·9 crores). The increase in the 'working expenses' was mainly due to an upward revision in the rates of conveyance of mail by Rail and Air. There was also an increase of Rs. 1·1 crores in the payment of dividend to General Revenues.

Table V. 17 shows the financial working of different branches of Posts and Telegraphs Department. While 'Telecommunication' services showed a sharp improvement, the 'Postal' services revealed a further deterioration in their working. The 'Postal' services showed a deficit of Rs. 12·6 crores against the budgeted deficit of Rs. 7·3 crores. The deterioration in the working of 'Postal' services was mainly due to increase in postal expenses and larger dividend to General Revenues. Under the 'Telecommunication' services, while 'Telephones' and 'Telegraphs' services showed improvements of Rs. 15·9 crores and Rs. 1·2 crores, respectively, over the budget estimates, 'Wireless' services showed a lower surplus of Rs. 9 lakhs against the budgeted surplus of Rs. 92 lakhs.

The capital outlay at Rs. 145·3 crores was higher by Rs. 65·2 crores over 1971-72. This increase was financed mainly by larger capital advanced from the General Revenues (Rs. 25·6 crores), withdrawals from capital reserve fund (Rs. 21·7 crores) and receipts and recoveries on capital account (Rs. 13·7 crores) (Table V. 18).

1973-74 Budget Estimates

As mentioned earlier, gross receipts for 1973-74 at Rs. 362·0 crores are placed higher by Rs. 39·3 crores over 1972-73. Of this increase, as much as Rs. 28·9 crores are expected from 'Telephones' services. 'Postal' and 'Telegraphs' services are also expected to show increases of Rs. 6·9 crores and Rs. 3·4 crores, respectively.

Table V·17 : Surplus (+) or Deficit (—) of Different Branches of Posts and Telegraphs Department

(Rupees Crores)

Year	Postal Services	Telecommunication Services				Grand Total
		Telegraphs	Telephones	Wireless	Total Telecommunication Services	
1	2	3	4	5	6	7
1968-69	— 6·16	— 7·44	+11·60	— 0·11	+ 4·05	**— 2·11***
1969-70	— 5·14	— 4·80	+25·38	— 0·06	+20·52	**+15·38†**
1970-71	— 0·96	— 7·03	+30·08	+ 0·82	+23·87	**+22·91**
1971-72	— 7·41	+ 8·23	+36·17	+ 0·15	+44·55	**+37·14**
1972-73 (Budget Estimates)	— 7·28	+ 2·04	+33·36	+ 0·92	+36·32	**+29·04**
1972-73 (Revised Estimates)	—12·57	+ 3·24	+49·23	+ 0·09	+52·56	**+39·99**
1973-74 (Budget Estimates)	— 7·65	+ 6·35	+52·57	+ 0·01	+58·93	**+51·28**

* The deficit for the year 1968-69 has been worked out after including the expenditure (Rs. 1·99 crores) incurred during the year but met from Contingency Fund of India.

† The surplus for the year 1969-70 has been worked out after excluding the expenditure (Rs. 1·99 crores) met from Contingency Fund of India during the year 1968-69 recouped in 1969-70.

Source : Explanatory Memoranda on the Budget of the Central Government.

On the expenditure side, working expenses (net) for 1973-74, estimated at Rs. 293·0 crores would be higher by Rs. 27·5 crores (10·4 per cent) over 1972-73. Apart from the normal growth in expenditure, the increase in working expenses is due to larger contribution towards capital expenditure (Rs. 23·7 crores as against Rs. 19·3 crores in 1972-73) and higher depreciation on historical cost of the assets transferred to capital (Rs. 24·3 crores as against Rs. 19·7 crores in 1972-73).

Net receipts (gross receipts minus net working expenses) are placed at Rs. 69·0 crores. After providing for dividend to General Revenues at Rs. 17·7 crores (Rs. 17·2 crores in 1972-73), the P & T Department would show a surplus of Rs. 51·3 crores.

The 'Postal' services are budgeted to show a deficit of Rs. 7·7 crores (compared with Rs. 12·6 crores in 1972-73). Although all the three branches of 'Telecommunication' services (*viz.*, Telegraphs, Telephones and Radios) are expected to show surpluses; 'Telephones' and 'Telegraphs' would show improvements of Rs. 3·3 crores and Rs. 3·1 crores over 1972-73, the surplus from 'Radios' is estimated to come down from Rs. 9 lakhs in 1972-73 to Rs. 1 lakh in 1973-74.

Capital Outlay

The budget for 1973-74 provides for a capital outlay of Rs. 106·7 crores which would be lower by Rs. 38·6 crores than that in 1972-73 (Rs. 145·3 crores) (Table V. 18). The decline in capital outlay is primarily due to lower provision for 'Telephones' — Rs. 85·1 crores as against Rs. 113·4 crores in 1972-73. The capital outlay would be financed to the extent of Rs. 95·7 crores from Department's own resources and Rs. 11·0 crores from the General Revenues.

Table V·18 : Capital Outlay of Posts and Telegraphs Department

(Rupees Crores)

Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)	Total for 1969-70 to 1973-74	Fourth Plan Targets
1	2	3	4	5	6	7	8
I. Expenditure							
(a) Postal	4·8	4·7	6·5	9·0	8·2	33·2	26·0
(b) Telegraphs	11·8	9·0	4·1	5·0	3·3	33·2	
(c) Radios	0·3	0·2	0·3	0·6	0·4	1·8	
(d) Telephones	41·2	37·2	70·3	113·4	85·1	347·2	466·3 (488·8)
(e) Stores and manufacture suspense	— 5·2	0·9	— 1·1	17·3	9·7	21·6	
Total Expenditure ..	**52·9**	**52·0**	**80·1**	**145·3**	**106·7**	**437·0**	**492·3 (514·8)**
II. Financed From							
(i) Receipts and recoveries on capital account	—	—	0·1	13·8	13·2	27·1	
(ii) Advance Rental received under O.Y.T. and other schemes	8·7	10·0	8·9	8·0	9·0	44·6	
(iii) Capital reserve fund ..	1·2	4·2	14·4	36·1	25·5	81·4	289·0 (306·0)
(iv) Depreciation on historical cost transferred from revenue	1·1@	16·2	17·5	19·7	24·3	78·8	
(v) Contribution towards capital expenditure from revenue ..	8·5	14·6	16·4	19·3	23·7	82·5	
(vi) Capital advanced from General Revenues	33·4	7·0	22·8	48·4	11·0	122·6	203·3 (208·8)
Total	**52·9**	**52·0**	**80.1**	**145·3**	**106·7**	**437·0**	**492·3 (514·8)**

@ Met from Renewal Reserve Fund.

Note: Figures in brackets in Column '8' indicate targets revised at the time of Mid-term Appraisal of the Fourth Plan.

Source: Figures for 1969-70 and 1970-71 are from Combined Finance and Revenue Accounts of the Central and State Governments in India; for 1971-72 from Annual Report of Indian P. & T. Department and for 1972-73 (R.E.) and 1973-74 (B. E.) from Explanatory Memorandum on the Budget of the Central Government.

The Fourth Five Year Plan had originally provided an outlay of Rs. 492·3 crores for the Posts and Telegraphs Department. At the time of the Mid-term Appraisal of the Fourth Plan, an additional amount of Rs. 22·5 crores was provided for the development of 'Telecommunication' services. Inclusive of the proposed outlay for 1973-74, the capital outlay for the Fourth Plan is estimated at Rs. 437·0 crores as against the revised target of Rs. 514·8 crores. While the expenditure on 'Postal' services at Rs. 33·2 crores would exceed the target of Rs. 26·0 crores, the outlay on 'Telecommunication' services at Rs. 403·8 crores would be much lower than the target of Rs. 488·8 crores. The shortfalls in the implementation of 'Telecommunication' programme were mainly due to lack of timely supply of materials and equipments from two main sources of supply namely, Indian Telephone Industries and Hindustan Cables Limited.

Finances of P. & T. Department in the Fourth Plan

The finances of Posts and Telegraphs Department have shown a consistent and marked improvement during the Fourth Plan period. The budget estimates for 1973-74 envisage a surplus of Rs. 51·3 crores as against a deficit of Rs. 2·1 crores in 1968-69. Revenue receipts for 1973-74 estimated at Rs. 362·0 crores would show an improvement of Rs. 152·8 crores (73·0 per cent) over 1968-69. The improvement in the revenue receipts is partly due to revision in postal and telegraphic tariffs. As a result of the improved financial position, a major portion (72·0 per cent) of the capital outlay was financed by Department's own resources, which reduced the dividend liability to the General Revenues. However, the improvement in the finances of Posts and Telegraphs Department is entirely due to telecommunications ; the postal services continue to show deficit in their financial results.

BUDGETARY OPERATIONS OF STATE GOVERNMENTS

The revised estimates for 1972-73 show that the budgetary position of all States together resulted in a surplus[17] to the extent of Rs. 270 crores as against a small surplus of Rs. 20 crores[18] anticipated in the budget (Table V. 19). This sharp improvement in the budgetary position of State finances was made possible largely by a substantial loan assistance from the Centre, of which Rs. 511 crores[19] were provided to clear their outstanding overdrafts with the Reserve Bank of India as on April 30, 1972. Of this Rs. 511 crores, the States have repaid Rs. 90 crores during 1972-73 and the balance of Rs. 421 crores has been converted into a medium-term loan. If this amount of Rs. 421 crores is excluded from the budgetary operations of the States, as it should be, because it represented only the replacement of overdrafts with the Reserve Bank by indebtedness to the Centre, the surplus would turn into a deficit of Rs. 151 crores. However, the more recent data show that States' budgetary position would be a net surplus of Rs. 14 crores. The following analysis is made in terms of the revised estimates after excluding the special transaction referred to above.

The finances of State Governments in 1972-73 have to be viewed against the background of severe strains on the financial position of State Governments arising out of drought conditions affecting many States. On the one hand, the State Governments had to incur additional expenditure for providing relief in the drought affected areas as well as direct assistance to cultivators mainly for purchase of fertilisers, seeds, pesticides, etc.; on the other hand, their receipts were adversely affected as a result of remission in land revenue and lower accruals from other taxes.

Aggregate receipts at Rs. 6885 crores for 1972-73 were higher by Rs. 431 crores over the budget estimates. Of this increase, Central

(17) Please see footnote No. 2 on page No. 138.
(18) This figure would slightly differ from that given in the last year's Report because the figure of Rs. 20 crores excludes the effect of supplementary estimates presented during 1972-73 by the Punjab Government.
(19) This includes Rs. 8 crores given to the Government of Jammu and Kashmir as part of the non-Plan loan for meeting the gap in resources in 1972-73.

Table V· 19 : Overall Surplus (+) or Deficit (—) of States

(Rupees Crores)

Sr. No.	States	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7
1.	Andhra Pradesh	— 9·8	—34·3	—24·8*	+39·6*	+67·2*	— 4·8*
2.	Assam	+20·1	— 5·4	— 9·8	+20·6	+37·1	— 3·8
3.	Bihar	+ 1·0	— 17·4	—16·2	—12·6 (— 2·8)	—16·6	—38·5 (—31·7)
4.	Gujarat	+ 6·0	—11·5	+ 2·8	— 9·0 (— 6·5)	— 34·3	— 2·3
5.	Haryana	+ 3·8	— 9·8	—26·4	— 6·0	+27·7	—11·5 (— 6·4)
6.	Himachal Pradesh		+ 4·5$	— 9·8	— 6·1@	+ 2·3	—10·0
7.	Jammu and Kashmir ..	+ 0·3	+ 0·3	— 1·6**	— 2·0@ (—)	— 1·5	— 5·0‡‡
8.	Kerala	— 5·5	— 9·1	—36·5	—11·5 (— 6·1)	+35·7	—30·7
9.	Madhya Pradesh	+14·1	+ 7·7	+ 9·4	—32·7 (—25·9)	—11·9	—29·0 (—25·8)
10.	Maharashtra	—36·3	— 6·8	+ 7·8	—29·3@ (—24·0)	— 1·8	—33·3@ (—23·5)
11.	Manipur		— 1·3	— 7·7	—@	— 2·8	— 3·3
12.	Meghalaya		— 0·2	+ 0·3	— 6·8	— 1·9	— 9·8
13.	Mysore	+ 0·7	—12·8	—36·0	+58·1 (+60·8)	+35·3	—36·1 (—34·1)
14.	Nagaland	+ 2·9	+ 0·3	— 0·4	— 2·5@	+ 8·1	— 0·9
15.	Orissa	+28·0	+ 3·6	—18·9*	— 2·0* (—)	+ 8·3*	— 2·0*
16.	Punjab	+ 5·5	+10·1	— 3·9	—10·3@@	—20·4	—25·0 (—20·4)
17.	Rajasthan	+10·8	—46·0	—20·8	—21·0 (—17·0)	+69·4	—24·2 (— 22·2)
18.	Tamil Nadu	+ 5·7	— 15·1	—38·9	— (+ 1·8)	+59·8	+ 5·0
19.	Tripura			+ 4·3£	— 5·9	— 4·4	— 6·4
20.	Uttar Pradesh	+26·0	+10·7	—34·3	—43·9 (—27·4)	— 5·9	— 8·4 (— 4·4)
21.	West Bengal	— 14·2	— 8·6	—27·8	—13·4 (— 3·4)	+20·4	— 0·1 (+ 2·6)
22.	**TOTAL (1 to 21)**	**+59·1**	**— 141·1**	**—289·2****	**—96·7 (— 27·9)$$**	**+269·8 (—151·3)†**	**—280·1‡‡ (—239·9)££**

* Figures are provisional.

$ This relates to the period from 25-1-1971 to 31-3-1971.

** This deficit will go down by Rs. 1·1 crores if net repayment of overdrafts by Jammu and Kashmir Government to Jammu and Kashmir Bank Ltd. is taken into account.

£ This relates to the period from 21-1-1972 to 31-3-1972.

@ Excluding receipts from market borrowings.

@@ Excluding supplementary estimates presented during 1972-73 ; if these are taken into account, the deficit will go up to Rs. 21·2 crores.

$$ The overall deficit would be converted into a surplus of Rs. 20·2 crores if the share of States (Rs. 48·1 crores) in the additional taxation by the Centre is taken into account. If the supplementary estimates presented by Punjab during 1972-73 are taken into account the surplus would come down to Rs. 9·3 crores.

† This deficit is arrived at after excluding net ways and means assistance of Rs. 421·1 crores given by the Centre to the States to clear their outstanding overdrafts with the Reserve Bank of India as at the end of April, 1972.

‡‡ To ensure uniformity in the presentation of data, market borrowings (Rs. 3·0 crores) by the J. & K. Electricity Board are excluded.

££ The overall deficit would be further reduced by Rs. 42·5 crores to Rs. 197·4 crores if the share of States in the additional tax measures proposed by the Centre is taken into account.

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

assistance in the form of grants and loans showed a substantial increase of Rs. 374 crores accounting for 86.8 per cent. States' own tax receipts showed a decline reflecting mainly the lower collections due to drought conditions.

Aggregate disbursements at Rs. 7036 crores showed an increase of Rs. 602 crores over the budget estimates. The impact of severe drought was reflected in an increase of Rs. 303 crores (15·8 per cent) in non-developmental expenditure of the State Governments, in particular for famine relief which absorbed Rs. 250 crores more than the budgeted amount. Developmental expenditure was also higher by Rs. 270 crores (8·6 per cent), the major items of increase being the expenditure on education, irrigation and navigation, medical and public health and agriculture. The State Governments had to step up by as much as Rs. 230 crores their loan assistance to third parties, in particular to cultivators and to State Electricity Boards. The financial strains of these additional disbursements on the State Governments considerably impaired their ability in respect of their loan repayment liability to the Centre, which was lower by Rs. 204 crores as compared to the repayment budgeted for.

The 1973-74 budgets of the State Governments were framed against the background of widespread drought conditions in various parts of the country. In this context, a welcome feature of their budgets is a step up of Rs. 234 crores in their Plan outlay to Rs. 1836 crores. But, at the same time, there is a relaxation in their tax effort as is evident from fresh measures proposed by a few State Governments yielding an additional revenue of only Rs. 40 crores, as against fresh tax measures of Rs. 69 crores[20] proposed in 1972-73. Aggregate receipts of States (at 1972-73 rates of taxation) are estimated at Rs. 7230 crores whereas total disbursements are placed at Rs. 7510 crores. There would thus be an overall deficit of Rs. 280 crores made up of a deficit of Rs. 315 crores on Revenue Account partly offset by a surplus of Rs. 35 crores on Capital Account. All State Governments except Tamil Nadu have presented deficit budgets—the magnitude of deficit varying from Rs. 0·1 crore in the case of West Bengal to Rs. 38·5 crores in the case of Bihar. Taking credit for the additional yield of Rs. 40 crores expected to accrue from the new measures proposed by the State Governments in their budgets (including the retention of refugee relief levies by some States) and their share in Centre's fresh tax effort (Rs. 42 crores), the overall deficit of States would come down to Rs. 198 crores. Maharashtra has not taken credit for receipts from market borrowings during 1973-74. If credit is taken for this, States' overall deficit would go down further.

(20) This relates to full year yield and does not include the yield from drive to collect tax arrears and tightening of tax administration machinery.

Revised Estimates: 1972-73

Trends in Receipts

Aggregate receipts, which in terms of the budget estimates were to rise by Rs. 581 crores (9·9 per cent) over 1971-72, showed an increase of Rs. 1012 crores (17·2 per cent), even though there was a decline in the growth rate of States' own tax receipts as compared to budget estimates. States' own tax receipts were expected to rise by 12·9 per cent, but rose by only 10·5 per cent. This shortfall in the growth rate of tax receipts was largely made good by transfer of resources from the Centre. The total of grants-in-aid and share in Central taxes was budgeted to rise by Rs. 69 crores to Rs. 1864 crores (3·8 per cent) over 1971-72; according to the revised estimates it went up by Rs. 235 crores to Rs. 2030 crores (13·1 per cent). Loans from the Centre which were to rise by less than 1 per cent have actually shown a rise of 18·6 per cent. States' own capital receipts have also gone up by 47·3 per cent as against the anticipated rise of 34·1 per cent (Table V. 20).

The States' dependence on the Centre has been increasing in recent years as is evident from data presented in Table V. 21. In 1972-73, 50·0 per cent of the States' aggregate receipts were in the form of financial transfers from the Centre; in 1969-70 the relative proportion was 44·7 per cent.

Table V·20: Resources by Main Groups — States

(Rupees Crores)

Items	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 Percentage increase (+) or decrease (−) over the previous year	1971-72 (Accounts)	1972-73 Percentage increase (+) or decrease (−) over the previous year	1972-73 (Budget Estimates)	1972-73 Percentage increase (+) or decrease (−) over the previous year	1972-73 (Revised Estimates)	1972-73 Percentage increase (+) or decrease (−) over the previous year	1973-74 (Budget Estimates)	1973-74 Percentage increase (+) or decrease (−) over the previous year	
1	2	3	4	5	6	7	8	9	10	11	12	
A. Revenue Account												
Total Revenue Receipts (1+2) ..	**3,053**	**3,371**	**+10·4**	**4,045**	**+20·0**	**4,283** (4,400)	**+ 5·9** (+ 8·8)	**4,534**	**+12·1**	**4,899** (4,981)	**+ 8·1** (+ 9·9)	
1. Tax Revenues (a+b)	1,981	2,284	+15·3	2,637	+15·5	2,860 (2,972)	+ 8·5 (+12·7)	2,936	+11·3	3,159 (3,240)	+ 7·6 (+10·4)	
(a) Share from the Centre(*a*) ..	625	756	+21·0	942	+24·6	1,010 (1,058)	+ 7·2 (+12·3)	1,063	+12·8	1,146 (1,188)	+ 7·8 (+11·8)	
(b) States' Own Tax Revenues ..	1,356	1,528	+12·7	1,695	+10·9	1,850 (1,914)	+ 9·1 (+12·9)	1,873	+10·5	2,013 (2,052)	+ 7·5 (+ 9·6)	
2. Non-Tax Revenues (a to d) ..	1,072	1,087	+ 1·4	1,408	+29·5	1,423 (1,428)	+ 1·1 (+ 1·4)	1,598	+13·5	1,740 (1,741)	+ 8·9 (+ 8·9)	
(a) Grants-in-aid from the Centre	532	566	+ 6·4	853	+50·7	806	− 5·5	967	+13·4	1,114	+15·2	
(b) Administrative Receipts ..	183	182	− 0·5	204	+12·1	210	+ 2·9	233	+14·2	241	+ 3·4	
(c) Net Contribution of Departmental Undertakings(*b*) ..	− 17	− 52	−205·9	− 54	− 3·8	− 60	−11·1	− 64	−18·5	− 85	−32·8	
(d) Others(*c*)	374	391	+ 4·5	405	+ 3·6	467	+15·3	462	+14·1	470	+ 1·7	
B. Capital Account												
Total Capital Receipts (a to c) ..	**1,836**	**1,700**	**− 7·4**	**1,828**	**+ 7·5**	**2,054**	**+12·4**	**2,862** (2,351)†	**+56·6** (+28·6)	**2,331***	**−18·6**	[−0·9]
(a) Permanent Debt (Gross) ..	176	168	− 4·5	179	+ 6·5	192	+ 7·3	224	+25·1	207*	− 7·6	
(b) Loans from the Centre (Gross)	1,030	1,005	− 2·4	1,192	+18·6	1,201	+ 0·8	1,925 (1,414)†	+61·5 (+18·6)	1,295	−32·7	[−8·4]
(c) Others(*d*)	630	527	−16·3	457	−13·3	661	+44·6	713	+56·0	829	+16·3	
C. Grand Total (Revenue and Capital Accounts) (A+B)	**4,889**	**5,071**	**+ 3·7**	**5,873**	**+15·8**	**6,337** (6,454)	**+ 7·9** (+9·9)	**7,396** (6,885)†	**+25·9** (+17·2)	**7,230** (7,312)	**− 2·2** (− 1·1)	[+5·0] [(+6·2)]

(*a*) Comprises share of income tax, estate duty and union excise duties including additional excise duties.

(*b*) The net contribution of departmental undertakings does not constitute a commercial surplus, but represents excess of revenue over non-Plan expenditure on account of forests and milk supply schemes and excess of revenue over non-Plan working expenses and interest charges on capital outlay on account of multi-purpose river valley schemes, irrigation (commercial), electricity schemes, road and water transport schemes and departmental industrial units. In the case of milk supply schemes, recoveries from and non-Plan expenditure presented by some States on capital account have been transferred to revenue account to ensure uniformity in presentation.

(*c*) Comprise interest receipts on loans and advances by State Governments, receipts from irrigation (non-commercial), State lotteries, royalty on minerals and mineral concession fees, miscellaneous receipts, etc.

(*d*) Comprise loans from autonomous bodies, loans and advances repaid to State Governments, unfunded debt (net), deposits and advances (net), etc.

† This excludes Rs. 511 crores (special ways and means assistance) received from the Centre to clear States' outstanding overdrafts as at the end of April, 1972 with the Reserve Bank of India.

* To ensure uniformity in presentation of data, market borrowings (Rs. 3 crores) by Jammu and Kashmir Electricity Board are excluded.

Notes : 1. The figures given here are not strictly comparable with those given in the earlier Report on Currency and Finance as certain changes relating to the treatment of net contribution of departmental undertakings have been made.

2. In the case of Andhra Pradesh and Orissa, figures for 1971-72 (Accounts) and onwards are provisional.

3. Figures in brackets in column (7) 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.

4. Figures in brackets in column (11) include yield from measures for additional resource mobilisation by States (Rs. 40 crores) and share of States (Rs. 42 crores) in the additional tax measures proposed by the Centre.

5. Figures in square brackets indicate percentage increase in 1973-74 (Budget Estimates) over bracketed figures for 1972-73 (Revised Estimates).

Table V.21: Aggregate Receipts—States

(Rupees Crores)

Items	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)*	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6	7	8
I. Aggregate Receipts (Revenue and Capital Accounts) ..	3047	4889	5071	5873	6454	7396 (6885)	7230 (7312)
Of which :							
(a) Share in Central Taxes..	276	625	756	942	1058	1063	1146 (1188)
(a) as per cent of I ..	9·1	12·8	14·9	16·1	16·4	14·4[15·4]	15·9[16·3]
(b) Grants-in-aid from the Centre	330	532	566	853	806	967	1114
(b) as per cent of I ..	10·8	10·9	11·2	14·5	12·5	13·1[14·1]	15·4[15·2]
(c) Loans from the Centre (gross)	816	1030	1005	1192	1201	1925 (1414)	1295
(c) as per cent of I ..	26·8	21·0	19·8	20·3	18·6	26·0[20·5]	17·9[17·7]
(d) Total Resources Transferred from the Centre (a+b+c)..	1422	2187	2327	2987	3065	3955 (3444)	3555 (3597)
(d) as per cent of I ..	46·7	44·7	45·9	50·9	47·5	53·5[50·0]	49·2[49·2]

* Including the yield from additional tax measures undertaken by States (Rs. 69 crores) as well as the States' share in Centre's additional taxation (Rs. 48 crores).

Notes: 1. Figures for 1965-66 (Accounts) are not strictly comparable with those given for later years as certain changes relating to treatment of net contribution of departmental undertakings have been made.

2. Figures in the case of Andhra Pradesh and Orissa for 1971-72 (Accounts) and onwards are provisional.

3. Figures in round brackets for 1972-73 (Revised Estimates) exclude Rs. 511 crores (special ways and means assistance) received by the States from the Centre to clear their overdrafts with the Reserve Bank of India.

4. Figures in round brackets for 1973-74 (Budget Estimates) are after taking into account the yield from additional tax measures proposed by States (Rs. 40 crores) as well as the States' share in Centre's additional taxation (Rs. 42 crores).

5. Figures in square brackets are percentages to aggregate receipts given in brackets.

Trends in Disbursements

The effect of drought conditions was reflected in the aggregate disbursements of State Governments. Disbursements,which according to the budget estimates, were to rise by Rs. 272 crores (4·4 per cent) over 1971-72, in fact, went up by Rs. 874 crores (14·2 per cent) (Table V. 22). Non-developmental expenditure which was to go up by 3·8 per cent showed a rise of more than 20 per cent. The budget estimates of non-developmental expenditure were seriously upset by a large increase in expenditure on famine relief. Thus, of the increase in non-developmental expenditure over the budget estimates more than four-fifths were accounted for by famine relief. Expenditure under this head increased from the budgeted provision of Rs. 67 crores to Rs. 317 crores. Nine States, *viz.*, Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Maharashtra, Mysore, Orissa, Rajasthan and West Bengal accounted for Rs. 292 crores or over 90 per cent of the total famine relief expenditure. The effect of scarcity conditions prevailing in a number of States was also reflected in an increase in State Governments' assistance to the third parties particularly to cultivators. Such loan assistance which was expected to go down by more than 18 per cent actually went up by 23 per cent.

Table V.22: Disbursements by Main Groups—States

(Rupees Crores)

Items	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)†	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6	7
I. Total Revenue Expenditure (a + b) ..	**3,102**	**3,390** (+ 9·3)	**4,038** (+19·1)	**4,306** (+ 6·6)	**4,783** (+18·4)	**5,214** (+ 9·0)
(a) Developmental	**1,630**	**1,844** (+13·1)	**2,155** (+16·9)	**2,380** (+10·4)	**2,551** (+18·4)	**2,877** (+12·8)
(*i*) Education	681	793	886	977	1,033	1,152
(*ii*) Agriculture, Animal Husbandry and Co-operation	210	226	267	308	333	356
(*iii*) Medical and Public Health ..	275	299	355	405	432	506
(*iv*) Rural and Community Development	71	83	116	137	149	175
(*v*) Civil Works	190	217	266	245	268	280
(*vi*) Irrigation (Non-commercial) ..	44	56	65	63	75	64
(*vii*) Industries(*a*)	32	33	35	43	45	53
(*viii*) Others(*b*)	127	137	165	202	216	291
(b) Non-Developmental	**1,472**	**1,546** (+ 5·0)	**1,883** (+21·8)	**1,926** (+ 2·3)	**2,232** (+18·5)	**2,337** (+ 4·7)
(*i*) Collection of Taxes and Duties, etc.	130	148	168	183	193	211
(*ii*) Interest on Debt	370	398	456	490	477	531
(*iii*) Appropriation for Reduction or Avoidance of Debt	179	180	210	271	256	327
(*iv*) Civil Administration	411	455	508	516	548	584
(*v*) Famine Relief	159	106	145	67	317	279
(*vi*) Others(*c*)	223	259	396	399	441	405
II. Total Capital Disbursements (1 to 5)	**1,728**	**1,822** (+ 5·4)	**2,124** (+16·6)	**2,128** (+0·2)	**2,343** (+10·3) **(2,253)@** (+ 6·1)	**2,296** (−2·0) (+1·9)
1. Capital Outlay (a+b)	**511**	**556**	**668**	**766**	**862**	**919**
(a) Developmental	**500**	**584** (+16·8)	**706** (+20·9)	**777** (+10·1)	**876** (+24·1)	**921** (+5·1)
(*i*) Multipurpose River Valley Schemes	94	94	109	102	133	113
(*ii*) Irrigation and Navigation	161	188	226	249	289	300
(*iii*) Electricity Schemes	43	28	31	34	35	40
(*iv*) Buildings, Roads and Water Works	125	173	208	248	244	302
(*v*) Schemes of Agricultural Improvement	− 1	—	1	8	34	8
(*vi*) Industrial Development	67	86	112	118	118	135
(*vii*) Others(*d*)	11	15	19	18	23	23
(b) Non-Developmental	**11**	**−28** (−354·5)	**−38** (−35·7)	**−11** (+71·1)	**−14** (+63·2)	**− 2** (+85·7)
2. Discharge of Permanent Debt	91	66	80	91	94	8
3. Repayment of Loans to the Centre ..	608	634	802	785	671 (581)@	769
4. Loans and Advances by State Governments	432	491	555	453	683	549
5. Others(*e*)	86	75	19	33	33	51
III. GRAND TOTAL (Revenue and Capital Accounts) (I+II)	**4,830**	**5,212** (+7·9)	**6,162** (+18·2)	**6,434** (+ 4·4)	**7,126** (+15·6) **(7,036)@** (+14·2)	**7,510** (+5·4) (+6·7)

(*a*) Exclude non-Plan working expenses and interest charges on capital outlay on departmental industrial units.
(*b*) Comprise Plan expenditure on multipurpose river valley schemes, irrigation (commercial), electricity schemes, road and water transport schemes, milk supply schemes and forests and expenditure on scientific departments, labour and employment, aviation, ports and pilotage, etc.
(*c*) Comprise pensions, stationery and printing, extraordinary charges, expenditure connected with national emergency, food subsidy, expenditure on displaced persons, irrecoverable loans and advances, technical training, scholarships, etc.
(*d*) Comprise road transport, State trading (Plan), forests and milk supply schemes (Plan).
(*e*) Comprise repayment of loans to autonomous bodies and remittances (net).
† Figures in the case of Punjab exclude supplementary estimates presented during the course of 1972-73.
@ Excludes Rs. 90 crores being part repayment of special ways and means advances from the Centre to clear overdrafts with RBI.
Note : 1. Figures given here are not strictly comparable with those given in earlier Reports on Currency and Finance as certain changes relating to the treatment of net contribution of departmental undertakings have beer made.
2. Figures for 1971-72 (Accounts) and onwards in the case of Andhra Pradesh and Orissa are provisional.
3. Figures in brackets represent percentage variations over the previous year.

The phenomenal increase in expenditure on famine relief in recent years can be seen from Table V. 23. In the earlier worst years of famines, *viz.*, 1966-67 and 1967-68, the expenditure on famine relief was Rs. 78 crores and Rs. 87 crores, respectively. In the subsequent four years, *i.e.*, upto 1971-72, despite the country experiencing fairly good agricultural seasons, the famine relief expenditure remained well above those levels. In 1972-73 it reached a staggering amount of Rs. 317 crores and the level of Rs. 279 crores provided in 1973-74 is equally so.

In addition, there are expenditures incurred under a series of other heads like agriculture involving special production, minor irrigation and other programmes and loans to cultivators—all with a view to mitigating the rigours of drought.

There was also an increase in the States' developmental expenditure as compared to what they had budgeted. Thus, developmental expenditure which was estimated to go up by 10·3 per cent over 1971-72 increased by 19·8 per cent. A major part of the increase in developmental expenditure was accounted for by education, agriculture, medical and public health and irrigation and navigation.

As brought out in Table V. 24, the States have earmarked in recent years a rising proportion of total disbursements for developmental programmes. The share of developmental expenditure in the total disbursements, which was 44·1 per cent in 1969-70, rose to 48·7 per cent in 1972-73 and is expected to rise further to 50·6 per cent in 1973-74. The proportion of non-developmental expenditure in total disbursements in recent years, however, has remained more or less around 30 per cent. The proportion of debt servicing (*i.e.*, repayment of loans and interest charges) which was at 23·1 per cent in 1969-70 would come down to 17·9 per cent in 1973-74. It is not possible to indicate the extent of capital assets created with the help of States' expenditure programmes in the absence of economic classification of these expenditures.

Graph 34

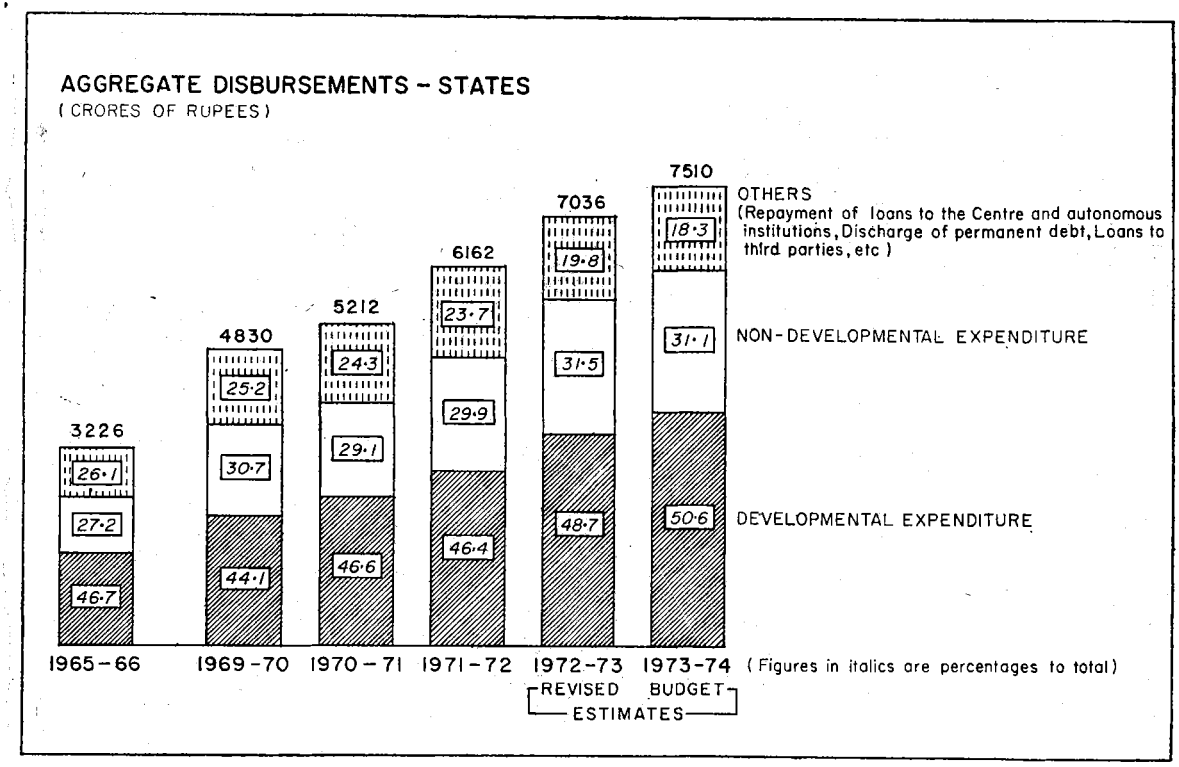


Table V.23: Expenditure on Famine Relief as Proportion of Revenue Expenditure

(Rupees Crores)

States	1969-70 (Accounts)			1970-71 (Accounts)			1971-72 (Accounts)		
	Expenditure on famine relief	Total revenue expenditure	Col. 2 as per cent of Col. 3	Expenditure on famine relief	Total revenue expenditure	Col. 5 as per cent of Col. 6	Expenditure on famine relief	Total revenue expenditure	Col. 8 as per cent of Col. 9
1	2	3	4	5	6	7	8	9	10
1. Andhra Pradesh	21·07 (13·2)	246·29	8·6	9·63 (9·1)	260·77	3·7	15·28 (10·6)	290·58	5·3
2. Bihar	1·44 (0·9)	208·17	0·7	3·40 (3·2)	233·69	1·5	14·96 (10·4)	284·06	5·3
3. Gujarat	29·12 (18·3)	188·32	15·5	15·07 (14·2)	206·39	7·3	1·89 (1·3)	211·72	0·9
4. Madhya Pradesh	3·18 (2 ·0)	184·97	1·7	2·29 (2·1)	197·70	1·2	1·92 (1·3)	220·76	0·9
5. Maharashtra	1·06 (0·7)	375·48	0·3	2·89 (2·7)	433·15	0·7	41·97 (29·0)	512·26	8·2
6. Mysore	2·32 (1·4)	181·29	1·3	3·58 (3·4)	212·66	1·7	6·71 (4·6)	230·46	2·9
7. Orissa	4·75 (3·0)	115·03	4·1	1·50 (1·4)	123·70	1·2	16·29 (11·3)	158·71	10·3
8. Rajasthan	63·07 (39·6)	207·82	30·3	42·11 (39·7)	206·96	20·3	6·21 (4·3)	189·61	3·3
9. West Bengal	7·23 (4·5)	263·14	2·7	13·24 (12·5)	294·68	4·5	19·39 (13·4)	392·75	4·9
Total (1 to 9)	133·24 (83·6)	1970·51	6·8	93·71 (88·3)	2169·70	4·3	124·62 (86·2)	2490·91	5·0
TOTAL (All States)	**159·37**	**3101·38**	**5·1**	**106·16**	**3389·84**	**3·1**	**144·50**	**4038·65**	**3·6**

States	1972-73 (Budget Estimates)			1972-73 (Revised Estimates)			1973-74 (Budget Estimates)		
	Expenditure on famine relief	Total revenue expenditure	Col. 11 as per cent of Col. 12	Expenditure on famine relief	Total revenue expenditure	Col. 14 as per cent of Col. 15	Expenditure on famine relief	Total revenue expenditure	Col. 17 as per cent of Col. 18
1	11	12	13	14	15	16	17	18	19
1. Andhra Pradesh	10·51 (15·7)	308·10	3·4	36·02 (11·4)	366·66	9·8	4·30 (1·5)	369·51	1·2
2. Bihar	3·41 (5·1)	298·37	1·1	19·66 (6·2)	352·14	5·6	5·10 (1·8)	356·11	1·4
3. Gujarat	5·56 (8·3)	234·20	2·4	39·93 (12·6)	284·95	14·0	37·14 (13·3)	285·44	13·0
4. Madhya Pradesh	4·85 (7·3)	278·66	1·7	14·32 (4·5)	278·72	5·1	13·89 (5·0)	309·69	4·5
5. Maharashtra	8·28 (12·4)	532·33	1·6	91·30 (28·9)	630·01	14·5	63·13 (22·6)	683·08	9·2
6. Mysore	5·24 (7·8)	257·68	2·0	26·26 (8 ·3)	294·20	8·9	57·77 (20·7)	349·61	16·5
7. Orissa	3·88 (5·8)	159·96	2·4	14·32 (4·5)	182·03	7·9	1·46 (0·5)	188·18	0·8
8. Rajasthan	9·32 (13·9)	214·90	4·3	32·56 (10·3)	244·94	13·3	63·58 (22·8)	285·34	22·3
9. West Bengal	8·03 (12·0)	359·85	2·2	17·56 (5·5)	388·85	4·5	3·78 (1·4)	377·46	1·0
Total (1 to 9)..	59·08 (88·3)	2644·05	2·2	291·93 (92·2)	3022·50	9·7	250·15 (89·6)	3204·42	7·8
TOTAL (All States)	**66·88**	**4306·18**	**1·6**	**316·55**	**4782·56**	**6·6**	**279·15**	**5213·96**	**5·4**

Note: 1. Figures in brackets are percentages to the total of all States.

Table V. 24: Aggregate Disbursements—States

(Rupees Crores)

Items	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73@ (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
1	2	3	4	5	6	7	8
I. Aggregate Disbursements (Revenue and Capital Accounts) ..	**3,226**	**4,830**	**5,212**	**6,162**	**6,434**	**7,126 (7,036)**	**7,510**
Of which :							
1. Development Expenditure (Revenue and Capital)	1,507	2,130	2,428	2,861	3,157	3,427	3,798
1 as per cent of I	46·7	44·1	46·6	46·4	49·1	48·1 [48·7]	50·6
2. Non-Development Expenditure (Revenue and Capital)	876	1,483	1,518	1,845	1,915	2,218	2,335
2 as per cent of I	27·2	30·7	29·1	29·9	29·8	31·1 [31·5]	31·1
Of which :							
(a) Interest on Debt ..	269*	370	398	456	490	477	531
2. (a) as per cent of I ..	8·4	7·7	7·6	7·4	7·6	6·7 [6·8]	7·1
3. Discharge of Permanent Debt	10	91	66	80	91	94	8
3 as per cent of I	0·3	1·9	1·3	1·3	1·4	1·3 [1·3]	0·1
4. Repayment of Loans to the Centre	285	608	634	802	785	671 (581)	769
4 as per cent of I	8·8	12·6	12·2	13·0	12·2	9·4 [8·3]	10·2
5. Repayment of Loans to Autonomous Bodies	19	45	37	26	31	29	37
5 as per cent of I	0·6	0·9	0·7	0·4	0·5	0·4 [0·4]	0·5
6. Total Debt Services (2(a) + 3+4+5)	583	1114	1135	1364	1397	1271 (1181)	1345
6 as per cent of I	18·1	23·1	21·8	22·1	21·7	17·8 [16·8]	17·9
7. Loans and Advances to Third Parties	520	432	491	555	453	683	549
7 as per cent of I	16·1	8·9	9·4	9·0	7·0	9·6 [9·7]	7·3

* Includes appropriation for reduction or avoidance of debt, as break-up is not available.

@ Figures in the case of Punjab exclude supplementary estimates presented during the course of 1972-73.

Notes : 1. Figures for 1965-66 (Accounts) are not strictly comparable with those given for later years as certain changes relating to the treatment of net contribution of departmental undertakings have been made.

2. Figures in the case of Andhra Pradesh and Orissa for 1971-72 (Accounts) and onwards are provisional.

3. Figures in round brackets for 1972-73 (R.E.) exclude Rs. 90 crores being part repayment of special ways and means assistance received by the States from the Centre to clear their overdrafts with the Reserve Bank of India.

4. Figures in square brackets are percentages to total disbursements given in the brackets.

Budget Estimates : 1973-74

Trends in Receipts

Aggregate receipts of State Governments at Rs. 7230 crores (at existing rates of taxation) are expected to be lower by Rs. 166 crores over 1972-73. However, adjusting for the special ways and means assistance received by the State Governments in 1972-73, mentioned earlier, aggregate receipts would show an increase of Rs. 345 crores (5·0 per cent). These receipts would, however, go up to Rs. 7312 crores if credit is taken for the expected yield from the measures proposed by State Governments for raising additional resources (Rs. 40 crores) together with their share in Centre's fresh tax efforts (Rs. 42 crores) during the year. The pattern of States' aggregate receipts reveals that the budgeted increase in States' own tax receipts (including receipts from fresh tax measures) at 9·6 per cent would show the lowest annual rate of growth during the Fourth Plan period.

Resources transferred from the Centre in the form of shared taxes and grants-in-aid on the other hand, at Rs. 2302 crores are expected to be higher by 13·4 per cent, same as in 1972-73. Capital receipts of State Governments at Rs. 2331 crores are budgeted to decline by about 1 per cent as against a sharp increase of 28·6 per cent in 1972-73 over the previous year. Loans from the Centre budgeted at Rs. 1295 crores would be lower by 8·4 per cent as against an increase of 18·6 per cent in 1972-73. States' own capital receipts at Rs. 1036 crores would show an increase of Rs. 99 crores (10·6 per cent) as against an increase of Rs. 301 crores (47·3 per cent) in 1972-73.

Trends in Disbursements

Aggregate disbursements at Rs. 7510 crores would be higher by 5·4 per cent (Rs. 384 crores) over 1972-73,(21) as compared to an increase of 15·6 per cent in 1972-73. The developmental and non-developmental expenditures are expected to show much smaller increases of 10·8 per cent and 5·3 per cent, respectively, than those recorded in 1972-73 (19·8 per cent and 20·2 per cent, respectively). Repayment of loans by State Governments to the Centre is expected to be 14·6 per cent higher in contrast to the position in 1972-73 when it went down by 16·3 per cent. The higher loan repayment by the State Governments to the Centre will be partly offset by a substantial reduction in State Governments' own loan assistance to the third parties which is budgeted lower by 19·6 per cent as against an increase of 23·1 per cent in 1972-73.

States' Plan Outlay: 1973-74

For 1973-74, the last year of the Fourth Five Year Plan, the States' Plan outlay is estimated at Rs. 1836 crores which represents an increase of 14·6 per cent over the Plan outlay of Rs. 1602 crores (original) in 1972-73. The State-wise distribution of the Plan outlay is shown in Table V. 25. Central assistance at Rs. 855 crores would finance 46·6 per cent of States' Plan outlay in 1973-74.

Proposals to Raise Additional Resources

Five State Governments,(22) namely, Bihar, Haryana, Maharashtra, Punjab and Rajasthan have introduced new measures to raise additional resources. All these States except Bihar along with six other States, *viz.*, Madhya Pradesh, Meghalaya, Mysore, Tripura, Uttar Pradesh and West Bengal have also retained the special refugee relief levies imposed by the State Governments in 1971-72 for assisting the Central Government in meeting the expenditure on evacuees from Bangla Desh. The yield from special levies will now be retained by these State Governments. The additional revenue on this account is estimated at Rs. 18 crores in 1973-74. The yield from the fresh tax measures as well as continuance of the special levies is estimated at

(21) Aggregate disbursements for 1972-73 are inclusive of repayment of Rs. 90 crores of ways and means assistance to the Centre; as similar breakdown for 1973-74 in respect of States' repayment to the Centre is not available, aggregate disbursements for 1973-74 are compared with those including the special ways and means assistance for 1972-73.

(22) Subsequent to the presentation of State budgets for 1973-74, Governments of Haryana and Tamil Nadu have proposed some measures which are expected to yield an additional revenue of Rs. 20 lakhs and Rs. 4 crores in 1973-74, respectively. The measures proposed by the Government of Tamil Nadu are to offset partially the loss in excise revenue on account of reintroduction of partial prohibition in the State from September, 1973. The loss in revenue from State excise duties is estimated at Rs. 6 crores in 1973-74 and Rs. 11 crores in a full year.

Table V·25 : Plan Outlay of States and Union Territories

(Rupees Crores)

States	As proposed in					Total 1969-70 to 1973-74	Target for IV Plan
	1969-70	1970-71	1971-72	1972-73	1973-74		
1	2	3	4	5	6	7	8
Andhra Pradesh	62	80	87	105	87	421	421
Assam	34	48	50† (8)	48† (8)	65† (12)	245† (28)	262
Bihar	64	86	97	100	133	480	531
Gujarat	75	86	96	106	122	485	455
Haryana	23	40	61	82	71	277	225
Himachal Pradesh	‡	‡	21	27	31	79	
Jammu and Kashmir	24	29	31	36	44	164	158
Kerala	34	46	60	64	70	274	258
Madhya Pradesh	49	67	90	109	146	461	383
Maharashtra	115	157	179	206	249	906	898
Manipur	‡	‡	‡	8	9	17	
Meghalaya	‡	‡	$	$	$		
Mysore	51	65	70	72	82	340	350
Nagaland	6	8	8	9	11	42	40
Orissa	32	42	48	57	66	245	223
Punjab	45	50	79	85	101	360	294
Rajasthan	43	54	63	65	75	300	302
Tamil Nadu	72	79	80	116	120	467	519
Tripura	‡	‡	‡	8	12	20	
Uttar Pradesh	160	179	209	225	250	1023	965
West Bengal	43	53	59	74	92	321	322
Union Territories	66	79	69	65	86	365	425
TOTAL	**998**	**1248**	**1457**	**1667**	**1922**	**7292**	**7031**

† Includes the Plan outlay for the State of Meghalaya also.

‡ Included in Union Territories' Plan outlay.

$ Included in Assam's Plan outlay.

Note : Figures in brackets indicate Plan outlay for the State of Meghalaya.

Sources : Annual Plan 1969-70 to 1973-74 and Draft Five Year Plan 1969-74, Planning Commission, Government of India.

Rs. 40 crores (Table V. 26). Further, some States have proposed to augment their resources by larger collection under small savings, collection of tax arrears and tightening of control on tax administration machinery for collecting more revenues from existing taxes.

The measures adopted by the States in the first four years of the Forth Plan for raising additional resources exclusive of the special levies imposed for the refugee relief are expected to yield Rs. 1012 crores. With the additional resource mobilisation of Rs. 40 crores in 1973-74 mentioned above, the total additional resource mobilisation over the Fourth Plan would be Rs. 1052 crores as against the Plan target of Rs. 1098 crores. In real terms, the shortfall would be much higher as the target was set at 1968-69 prices.

To sum up, the budgetary operations of the State Governments in 1973-74 are expected to end up with a deficit of Rs. 280 crores. This would, however, be reduced by Rs. 82 crores to Rs. 198 crores[23] as a result of State Governments' efforts towards additional resource mobilisation as well as by their share in additional tax measures proposed by the Centre. In this context it may be mentioned that no State Government, with the exception of Haryana, has implemented the recommendation of Raj Committee for imposing an Agricultural Holdings Tax. The contributions of all State Governments' departmental undertakings (except forests and road and water transport schemes) to the State Exchequer have been estimated to be negative for 1973-74. Thus, the State Governments in their efforts to mobilise additional resources will have to tax the incomes accruing from the agricultural sector and try to obtain surpluses from their departmental undertakings.

Overdrafts by States

For the past few years, there have emerged presistent overdrafts of certain State Governments with the Reserve Bank of India. The outstanding overdrafts of 12 States reached a level of Rs. 642 crores at the end of April

(23) This deficit would go down further by Rs. 13 crores if receipts from market loans floated by Maharashtra are taken into account.

Table V·26 : Estimated Yield from Budget Proposals 1973-74

	Additional Yield (Rupees Crores)
By States	
1 Bihar.	6·76
2. Haryana	5·09†
3. Madhya Pradesh	3·25
4. Maharashtra	9·83
5. Meghalaya	N.A.
6. Mysore	2·00
7. Punjab	4·61
8. Rajasthan	2·00
9. Tripura	N.A.
10. Uttar Pradesh	4·00
11. West Bengal	2·65
Total	**40·19**
By Major Heads	
1. Land Revenue	8·70
2. Sales Tax	3·71
3. Motor Vehicles Tax	0·06
4. Tax on Passengers and Goods	1·86
5. Stamps and Registration ..	1·40
6. Electricity Duty	1·53
7. Retention of Refugee Relief Levies	18·50
8. Others*	3·17
9. Non-tax Revenue	1·26
Total	**40·19**

† Subsequent to the presentation of the State Budget for 1973-74, the Government of Haryana has raised show tax which is expected to yield an additional revenue of Rs. 20 lakhs in a year.

* Include yield of Rs. 200 lakhs from additional measures proposed by Rajasthan for which yield from individual measures is not available.

Notes : 1. The yield from drive to collect tax arrears and tightening of tax administration machinery is excluded.

2. Subsequent to the presentation of the State Budget for 1973-74 Tamil Nadu has proposed to raise stamp duty, sales tax on petrol, diesel oil and aviation fuel and additional surcharge on cinema tickets from July 1, 1973. All these levies are expected to yield Rs. 4 crores during the year and Rs. 5·3 crores in a full year. These measures have been proposed to offset partially the loss (Rs. 6 crores during the year and Rs. 11 crores in a full year) in excise revenue on account of reintroduction of partial prohibition from September, 1973.

1972 (as against Rs. 371 crores as on June 28, 1971-owed by 11 States and Rs. 82·7 crores on June 27, 1970—owed by 6 States). In view of the wider repurcussions on the economy of this unauthorised borrowings by State Governments, the Reserve Bank of India in consultation with the Ministry of Finance and the Planning Commission evolved a new scheme aiming at putting an end to this practice. The scheme was brought into force with effect from May 1, 1972. All the outstanding overdrafts of 12 States amounting to Rs. 642 crores as on 30th April, 1972 were cleared partly by special ways and means assistance from the Central Government and partly by advance releases of payments due to States. Subsequently, some additional special ways and means assistance was also granted to some States during the year, in order to enable them to clear unforeseen overdrafts, as and when they arose, within the stipulated period of seven days. Out of Rs. 511 crores of special ways and means assistance granted to the States during the financial year ending March 1973, Rs. 90 crores were recovered by the Centre during this year and the balance of Rs. 421 crores was converted into a medium-term loan to be recovered in 1973-74 and during the Fifth Plan period.

Under the new policy, no overdrafts are allowed by the Reserve Bank of India except for purely temporary period not exceeding seven working days. However, to meet the genuine needs of the State Governments arising out of increased volume of budgetary transactions, the limits for clean or unsecured ways and means advances from the Reserve Bank of India were enhanced from Rs. 19.5 crores to Rs. 78.0 crores effective from May 1, 1972. (Table V.27). Additionally, State Governments can obtain ways and means advances against the Central Government's securities within specified limits. The new policy was expected to enforce stricter financial discipline amongst the State Governments by compelling them to contain their expenditure, both Plan and non-Plan, within the available resources.

The new policy has worked fairly well and the State Governments' recourse to the Reserve Bank for finance during the past one year has been very limited.

Table V. 27 : Minimum cash balances and limits for ways and means advances — State-wise

(Rupees Crores)

STATES	Minimum cash balance	Limit for normal or unsecured ways and means advances*	Limits for special ways and means advances against Central Government securities@
1	2	3	4
1. Andhra Pradesh ..	0.50	6.00	3.00
2 Assam	0.20	2.40	1.20
3 Bihar	0.35	4.20	2.10
4. Gujarat	0.35	4.20	2.10
5. Haryana ..	0.15	1.80	0.90
6. Kerala	0.30	3.60	1.80
7. Madhya Pradesh	0.40	4.80	2.40
8. Maharashtra ..	0.75	9.00	4.50
9. Mysore	0.40	4.80	2.40
10. Orissa	0.30	3.60	1.80
11. Punjab	0.30	3.60	1.80
12. Rajasthan ..	0.30	3.60	—
13. Tamil Nadu ..	0.55	6.60	3.30
14. Uttar Pradesh ..	0.85	10.20	5.10
15. West Bengal ..	0.50	6.00	3.00
16. Himachal Pradesh	0.10	1.20	0.06
17. Nagaland	0.05	0.60	—
18. Tripura	0.05	0.60	—
19. Manipur ..	0.05	0.60	—
20. Meghalaya ..	0.05	0.60	0.10
Total	**6.50**	**78.00**	**35.56**

* Effective from May 1, 1972.

@ In addition to these, State Governments are sanctioned additional limits for secured ways and means advances against their holdings of Government of India securities for temporary periods.

FINANCIAL PERFORMANCE OF THE PUBLIC SECTOR PLAN

Public Sector Plan Outlays

Public Sector Plan outlays during the Fourth Plan period according to major heads of development are shown in Table V·28. Data on the actual outlays are available only for the first two years of the Plan. The shortfall in actual outlays over the Plan provision was Rs. 89 crores in 1969-70 and Rs. 180 crores in 1970-71 ; the shortfall in both the years was relatively higher in respect of industry and mining, whereas for irrigation and power, the actual outlays exceeded Plan provision. The overall shortfall in actual outlays would have been much higher but for the step up in Plan outlays by the State Governments; the shortfalls in Centre's Plan outlays were Rs. 236 crores in 1969-70, Rs. 160 crores in 1970-71 and about the same in 1971-72.([24]) In 1972-73, however, material shortfall is expected in the Centre's on Plan expenditure.([25])

The annual rates of growth in public sector outlays at current and at 1968-69 prices are shown in Table V.29. The annual outlays have been deflated to the 1968-69 price level by using a composite wholesale price index of commodity groups and sub-groups([26]) which are relevant for investment (including construction). The rates of growth of outlays at 1968-69 prices are obviously lower as compared with those of outlays at current prices on account of the rise in prices during the period. However, public sector Plan outlays as a percentage of national income (both at current prices) have steadily risen from 6·9 in 1969-70 to 10·0 in 1972-73.

Assuming that the provisional Plan outlays for the years 1971-72 and 1972-73 have actually been realised, an outlay of Rs. 5887 crores at 1968-69 prices would be required for the year 1973-74, if the Fourth Five Year Plan original target for public sector Plan outlays was to be achieved. In terms of 1968-69 prices, public sector Plan outlays should have been raised by 95·0 per cent over 1972-73 if the original Fourth Plan target in this regard was to be realised. But, the Annual Plan for 1973-74 has provided for the outlays at current prices at about only 10 per cent above that for 1972-73; at 1968-69 prices the increase works out to merely 2·5 per cent.

(24) Economic Survey, 1972-73 (Government of India), p. 50.

(25) Finance Minister's Speech, Budget 1973-74, Government of India (Part A), p. 7.

(26) These are : machinery and transport equipment (79·00) ; metals (24·40) ; iron and steel manufactures (35·87) ; cement (7·64) ; paints and varnishes (2·65) ; bricks and tiles (4·41) and glass manufactures (2·06). Figures in brackets represent relative weights of these groups and sub-groups (out of 1000); these relative weights are assumed to be true for the composite index also. The year-wise composite index numbers (base : 1961-62 = 100) arrived at are :

Year	Index	Percentage variation
1968-69 ..	141·5	
1969-70 ..	148·6	+ 5·0
1970-71 ..	161·2	+ 8·5
1971-72 ..	171·9	+ 6·6
1972-73 ..	186·3	+ 8·4
1973-74 ..	199·6	+ 7·1

The index for 1973-74 has been derived on the assumption of a rise of 7·13 per cent in the composite index, which is the actual average annual rise for four years 1969-70 to 1972-73. The composite index constructed has taken into account almost all commodities relevant for assets formation through construction and installation of machinery and equipment. Hence, this index should reflect the *investment deflator* better than income deflator or the all-commodities index of wholesale prices. For comparison the available figures of these are also presented below :

	National Income Deflator (1960-61 = 100)		All Commodities Index of Wholesale Prices (1961-62 = 100)	
	Index	Percentage variation	Index	Percentage variation
1968-69 ..	167·3		165·4	
1969-70 ..	173·7	+ 3·8	171·6	+ 3·7
1970-71 ..	180·1	+ 3·7	181·1	+ 5·5
1971-72 ..	N.A.	—	188·4	+ 4·0
1972-73 ..	N.A.	—	207·0	+ 9·9
1973-74 .. (April-August)	N.A.	—	238·9	+15·4

The method employed here assumes that increases in even the wages and salaries component of installation and construction costs are the same as in the composite index.

Table V. 28 : Plan Provision and Actual Outlays for Public Sector

(Rupees Crores)

Items	Fourth Plan Original Estimates	1969-70			1970-71			1971-72	1972-73	1973-74
		Plan Provision	Actual Outlays	Difference of Column (4) to (3)	Plan Provision	Actual Outlays	Difference of Column (7) to (6)	Plan Provision	Plan Provision	Plan Provision
1	2	3	4	5	6	7	8	9	10	11
Agriculture and Community Development	2728	332	325	— 7	471	505	+ 34	554	782	776
	(17·2)	(14·6)	(14·9)		(16·7)	(19·1)		(17·5)	(19·7)	(17·8)
Irrigation and Power	3534	523	668	+145	686	738	+ 52	761	863	982
	(22·2)	(23·0)	(30·6)		(24·3)	(27·9)		(24·1)	(21·7)	(22·5)
Industry and Mining	3631	618	466	—152	666	495	—171	656	793	811
	(22·8)	(27·2)	(21·4)		(23·6)	(18·7)		(20·8)	(20·0)	(18·6)
Transport and Communications	3237	448	408	— 40	556	498	— 58	632	728	700
	(20·4)	(19·7)	(18·7)		(19·7)	(18·8)		(20·0)	(18·3)	(16·0)
Social Services and Miscellaneous	2772	350	315	— 35	443	406	— 37	555	807	1095
	(17·4)	(15·4)	(14·4)		(15·7)	(15·4)		(17·6)	(20·3)	(25·1)
Total	**15902**	**2271**	**2182**	**— 89**	**2822**	**2642**	**—180**	**3158**	**3973**	**4364**
	(100·0)	**(100·0)**	**(100·0)**		**(100·0)**	**(100·0)**		**(100·0)**	**(100·0)**	**(100·0)**

Sources : (1) Report on Currency and Finance : 1971-72, P. S. 80.

(2) Economic Survey: 1972-73, p. 124.

(3) Annual Plan : 1973-74 (Planning Commission)

Table V·29 : Public Sector Plan Outlays

(Rupees Crores)

Items	Fourth Plan Original Estimates (at 1968-69 prices)	1969-70	1970-71	1971-72	1972-73	1973-74	Total of Columns (3) to (7)	Shortfall (—) Or Excess (+) over Original Estimates
1	2	3	4	5	6	7	8	9
1. Public Sector Outlays								
(a) At current prices		2182·3	2642·5 (+21·1)	3157·7† (+19·5)	3973·4† (+25·8)	4364·2† (+ 9·8)	16320·1	+ 418·1 [+ 2·6]£
(b) At 1968-69 prices	15902·0	2078·0	2319·6 (+11·6)	2599·4 (+12·1)	3017·9 (+16·1)	3093·9 (+2·5)	13108·8	—2793·2 [—17·6]£
2. Public Sector Outlays as percentage to National Income (At current prices) ..		6·9	7·7	8·8	10·0			

† Plan provision.

£ Represent shortfall/excess as a percentage of Fourth Plan Original Estimates.

Notes : (1) Public Sector Outlays at 1968-69 prices have been worked out by using the composite index number of wholesale prices of goods relevant for investment (monthly average); for the year 1973-74, it is based on the average of percentage variations in indices for the previous four years.

(2) Figures in brackets represent percentage variations over the previous year.

Sources : (1) Economic Survey: 1972-73, p. 124.

(2) Annual Plan : 1973-74 (Planning Commission, Government of India).

As a result, the total public sector Plan outlays for the five-year period at 1968-69 prices are very likely to fall short of the original target by about 17 to 18 per cent, even though at current prices they are likely to exceed the target by about 3 per cent. In the Mid-term Appraisal of the Plan, the Planning Commission had visualised, at that stage and on a rough basis, a shortfall of 10 per cent.(27) The aggregate outlays at 1968-69 prices were roughly placed then at Rs. 14350 crores as compared with the original outlays of Rs. 15902 crores. The actual achievement in real terms, placed at Rs. 13109 crores on current reckoning, would thus show a shortfall of about 9 per cent over what was visualised even at the time of the mid-term assessment.

Pattern of Financing

The revisions proposed in the Mid-term Appraisal were significant, not so much for the changes effected in the total public sector Plan outlays as for the revisions made in the pattern of financing. The patterns of financing as envisaged in the original Plan estimates and in the Mid-term revised estimates, as also the actual pattern obtained thus far, are shown in Table V.30. The Mid-term Appraisal's revised estimates(28) are based on the experiences of Plan financing during the first three years. A comparison of these with the original estimates brings out a few distinct changes. Firstly, significant reductions were visualised in the shares of both balance from current revenues (from 10·5 per cent to 5·1 per cent) and contribution of public enterprises (from 12·8 per cent to 7·4 per cent) (both at pre-Plan rates). These shortfalls were to be made good by stepping up market borrowings, deficit financing, additional resource mobilisation, small savings and State Provident Funds. The contribution of market borrowings was expected to rise from 14·6 per cent to 17·1 per cent; the share of additional resource mobilisation was to be raised from 20·1 per cent to 23·5 per cent and that of

(27) *The Fourth Plan Mid-term Appraisal* (Planning Commission, December, 1971), p. 17.

(28) The Mid-term revised estimates are at current prices for the first two years while for the rest of the Plan period, they are at prices prevailing in the first four months of the year 1971-72.

Table V. 30—Pattern of Financing Public Sector Plans (at current prices)

(Rupees Crores)

Year	Balance from Current Revenue at 1968-69 rates of taxes	Contribution of Public Enterprises at 1968-69 rates of fares and freights	Additional Resource Mobilisation	Retained Profits of RBI	Market Borrowings†	Small Savings	State Provident Funds	Others*	Total Domestic Budgetary Resources [Sum of Columns (2) to (9)]	External Assistance	Deficit Financing	Total Resources (Sum of Columns (10) to (12)
1	2	3	4	5	6	7	8	9	10	11	12	13
1. 1969-70 (Actuals) ..	158	253	191	8	359	129	156	313	1567	574	58	2199
2. 1970-71 (Latest estimates)	157	194	429	47	548	191	144	171	1881	547	365	2793
3. 1971-72 (Latest estimates)	—61	207	715	60	500	182	154	444	2201	574	383	3158
4. 1972-73 (Original estimates)	381	296	1235(*b*)	89	645	230	167	375	3418	380	175	3973
5. 1973-74 (Original estimates)	55	195	1668	105	854	325	203	426	3831	448	85	4364
6. Total for 1969-70 to 1973-74 (1 to 5)	690	1145	4238	309	2906	1057	824	1729	12898	2523	1066	16487
	(4·2)	(6·9)	(25·7)	(1·9)	(17·6)	(6·4)	(5·0)	(10·5)	(78·2)	(15·3)	(6·5)	(100·0)
7. Original Plan estimates (at 1968-69 prices)	1673	2029	3198	202	2326	769	660	1581	12438	2614	850	15902
	(10·5)	(12·8)	(20·1)	(1·3)	(14·6)	(4·8)	(4·2)	(9·9)	(78·2)	(16·4)	(5·4)	(100·0)
8. Mid-term Appraisal Estimates £	802	1171	3728	269	2726	1000	782	1677	12155	2540	1203	15898
	(5·1)	(7·4)	(23·5)	(1·7)	(17·1)	(6·3)	(4·9)	(10·5)	(76·5)	(16·0)	(7·5)	(100·0)

† Include loans from public by the Central and State Governments (net), borrowings by FCI and Financial Institutions, loans from L.I.C. and state enterprises' market borrowings.

* Comprise Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds, Steel Equalisation Fund (net) and Miscellaneous Capital Receipts (net).

(*b*) Exclusive of the special levies imposed for meeting the expenditure on relief of evacuees from Bangla Desh.

£ Mid-term estimates are at current prices for the first two years, while for the rest of the Plan period they are at prices prevailing in the first four months of 1971-72.

Note : Figures in brackets are percentages to 'total resources'.

Source : Planning Commission, Government of India. Please also see Statement No. 58 in the Statements' Section of this Report.

Table V. 31 : Sources of Fourth Plan Finance—Targets and Performance

(Rupees Crores)

Items	Original Plan Estimates (at 1968-69 prices)	Mid-term Appraisal Estimates	Actual Resources raised during 1969-70 to 1973-74 (At current prices)	Actual Resources raised during 1969-70 to 1973-74 Deflated to 1968-69 prices £	Col. (5) as percentage of Col. (2)
1	2	3	4	5	6
1. Balance from Current Revenues at 1968-69 rates of taxes	1673 (10·5)	802 (5·1)	690 (4·2)	567	33·9
2. Contribution of Public Enterprises at 1968-69 rates of fares, freights and tariffs	2029 (12·8)	1171 (7·4)	1145 (6·9)	945	46·6
3. Additional Resources Mobilisation	3198 (20·1)	3728 (23·5)	4238 (25·7)	3268	102·2
4. Retained Profits of Reserve Bank of India ..	202 (1·3)	269 (1·7)	309 (1·9)	240	118·8
5. Market Borrowings †	2326 (14·6)	2726 (17·1)	2906 (17·6)	2330	100·2
6. Small Savings	769 (4·8)	1000 (6·3)	1057 (6·4)	845	109·9
7. State Provident Funds	660 (4.2)	782 (4.9)	824 (5·0)	672	101·8
8. Others*	1581 (9·9)	1677 (10·5)	1729 (10·5)	1400	88·6
9. Total of Domestic Budgetary Resources (1 to 8)	**12438 (78·2)**	**12155 (76·5)**	**12898 (78·2)**	**10267**	**82·5**
10. External Assistance (Net)	2614 (16·4)	2540 (16·0)	2523 (15·3)	2106	80·6
11. Deficit Financing..	850 (5·4)	1203 (7·5)	1066 (6·5)	884	104·0
12. All Sources	**15902 (100·0)**	**15898 (100·0)**	**16487 (100·0)**	**13257££**	**83·4**

† Include loans from the public by the Central and State Governments (net), borrowings by FCI and financial institutions, loans from LIC and State enterprises' market borrowings.

* Comprise Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds, Steel Equalisation Fund (net) and Miscellaneous Capital Receipts (net).

£ Regarding the price deflator, see the text.

££ This total is slightly different from the total given in table V. 29, because the source-wise details of the actual expenditures for 1969-70 and the latest anticipations for 1970-71 (given in that Table) are not available.

Note : Figures in brackets represent percentages to total.

Source : As in Table V. 28.

small savings and State Provident Funds from 9·0 per cent to 11·2 per cent. The contribution of external assistance (at 16·0 per cent) was expected to be only marginally lower than in the original estimates (16·4 per cent); the share of deficit financing was expected to rise from 5.4 per cent to 7.5 per cent.

Now, the latest estimates for the first three years of the Plan and the budget estimates for the years 1972-73 and 1973-74 show that there are further shrinkages in the shares of balance from current revenues and contribution of public enterprises (at 1968-69 rates). Correspondingly, increases are noticed in market borrowings, additional resource mobilisation, small savings and State Provident Funds. The share of external assistance has also shown a marginal decline. It is only in deficit financing that there is a slight reduction in its share (to 6·5 per cent) from what was visualised in the Mid-term Appraisal (7·5 per cent). This is unlikely to be so in the final accounting, because the actual level of deficit financing in 1972-73 (at Rs. 862 crores)([29]) has already far outstripped what was anticipated in the Annual Plan financing for the year (Rs. 175 crores) and because there are indications that the meagre deficit spending of Rs. 85 crores proposed in the Annual Plan for 1973-74 may also be outstripped significantly.

In Table V. 31, where resources are shown as at 1968-69 prices, contribution of each source during the years 1969-70 through 1973-74 is shown as percentage of its original Plan target. If these achievements, roughly reduced to real terms, are any guide, substantial shortfall is expected in balance from current revenues and contribution of public enterprises (both at 1968-69 rates) ; their actual achievements work out to about 34 per cent and 47 per cent of their original targets, respectively. The achievement under additional resource mobilisation would be a little above the original anticipation ; so also is that of market borrowings and State Provident Funds. Retained profits of Reserve Bank of India and small savings would show some significant improvement over the target. In the aggregate, the shortfalls in both domestic budgetary resources and in external assistance are expected to be almost of the same order (about 18 to 19 per cent).

(29) This is based on budgetary concept of deficit financing. In Plan financing, the RBI's outstanding credit against dated securities is also included in deficit financing.

PUBLIC DEBT

Central Government's Debt Position

During 1972-73, the outstanding public debt([30]) of the Central Government increased by Rs. 1822 crores (or 12·1 per cent) to Rs. 16939 crores (Table V.32). The rise during 1971-72([31]) was Rs. 970 crores (or 6·9 per cent). Both internal as well as external debt recorded increases during 1972-73. Internal debt rose by Rs. 1615 crores (or 19·8 per cent) compared with Rs. 501 crores (or 6·5 per cent) during the previous year. External debt rose by Rs. 207 crores (or 3 per cent) as compared to a rise of Rs. 469 crores (or 7·2 per cent) during 1971-72. Consequently, during 1972-73 the share of internal debt in the total public debt rose by 3·7 percentage points to 57·7 per cent with a corresponding decline in the share of external debt to 42·3 per cent.

Public debt of the Government of India, expressed as a percentage of national income (at current prices), rose from 35·8 per cent in 1960-61 to 43·9 per cent in 1968-69, but declined to 41·8 per cent in 1969-70 and further to 41·3 per cent in 1970-71. Thereafter it has risen to 42·8 per cent in March 1973.

(30) 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, *ad hoc* Treasury bills issued to the Reserve Bank of India, and other Treasury bills issued to State Governments, State Bank of India and other parties and special floating loans representing the liability assumed in respect of special rupee securities (non-negotiable and non-interest bearing) issued ir payment of India's subscriptions 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.

(31) References to 1971-72 represent revised estimates unless stated otherwise.

Table V. 32 : Public Debt and Other Liabilities of the Government of India

(Rupees Crores)

Items	(As at the end of March) 1961	1966	1969	1970	1971	1972 (Revised Estimates)	1973 (Revised Estimates)	1974 (Budget Estimates)
1	2	3	4	5	6	7	8	9
A. Public Debt (1 + 2)	4757 (35·8)	8026 (38·9)	12496 (43·9)	13219 (41·8)	14147 (41·3)	15117 (41·9)	16939 (42·8)	18000
1. Internal Debt (a + b)	3975 (29·9)	5415 (26·3)	6859 (24·1)	7066 (22·4)	7662 (22·4)	8163 (22·6)	9778 (24·7)	10439
(a) Permanent Debt (i + ii)	2595	3462	3928	4144	4441	4836	5417	5743
(i) Current loans	..	..	..	..	..	4702	5280	5606
(ii) Others†	..	..	..	..	..	134	137	137
(b) Floating Debt (i + ii)	1380	1953	2931	2922	3221	3327	4361	4696
(i) Treasury Bills	1106	1612	2244	2232	2516	2623	3631	3966
(ii) Special Floating Loans*	274	341	687	690	705	704	730	730
2. External Debt‡	782 (5·9)	2611 (12·7)	5637 (19·8)	6153 (19·5)	6485 (18·9)	6954 (19·3)	7161 (18·1)	7561
B. Other Liabilities (1 + 2)	1808	3324	4141	4488	5046	5558	6180	6826
1. Unfunded Debt (a to d)	1524	2763	3377	3625	3889	4232	4606	5060
(a) Small Savings	973	1541	1896	2025	2209	2419	2733	3058
(b) State Provident Funds	289	527	686	761	841	942	1044	1155
(c) P L 480 Deposits	240	561	582	667	678	644	624	661
(d) Other Unfunded Debt‡‡	22	134	213	172	161	227	205	186
2. Reserve Funds and Deposits‡‡‡	284	561	764	863	1157	1326	1574	1766
C. Aggregate Liabilities (A + B)	6565 (49·4)	11350 (55·1)	16637 (58·5)	17707 (56·0)	19193 (56·0)	20675 (57·3)	23119 (58·4)	24826
D. Amount due from Pakistan on account of Pre-partition Debt	300	300	300	300	300	300	300	300
E. Net Liabilities (C — D)	6265	11050	16337	17407	18893	20375	22819	24526

.. Not available.

† Comprise balances of expired loans, 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.

Note : Figures in brackets represent percentages to national income at current prices. For 1971-72 and 1972-73 such percentages have been worked out on the basis of the Reserve Bank of India estimates of national income (at current prices).

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 and 1971.
3. Explanatory Memoranda of the Central Government Budgets for end-March1972, 1973 and 1974.

At the end of March 1973, the liabilities of the Central Government other than public debt stood at Rs. 6180 crores and were higher by Rs. 622 crores than a year ago. The rise during 1971-72 was Rs. 512 crores. These liabilities represent non-marketable obligations of the Government of India and comprise unfunded debt such as small savings, State provident funds, P L 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, Posts and Telegraphs, deposits of local funds, etc.

Taking public debt and 'other' liabilities together, the gross liabilities of the Central Government (*i.e.*, unadjusted for amount due from Pakistan on account of pre-partition debt) rose by Rs. 2444 crores (11·8 per cent) during 1972-73 and stood at Rs. 23119 crores at the end of March 1973. The rise during the preceding year was Rs. 1482 crores (7·7 per cent).

During 1973-74, the gross aggregate liabilities are expected to rise by Rs. 1707 crores (7·4 per cent) to Rs. 24826 crores. The proportion of public debt to total liabilities, which rose marginally from 73·1 per cent in 1971-72 to 73·3 per cent in 1972-73, is expected to decline to 72·5 per cent at the end of 1973-74.

External Debt

External debt liabilities of the Government of India stood at Rs. 7161 crores at the end of March 1973; these recorded a rise of Rs. 207 crores during 1972-73 as compared to a rise of Rs. 469 crores during 1971-72. Of the outstanding external debt liabilities of Rs. 7161 crores, Rs. 1655 crores represented liabilities under P L 480—Rs. 1596 crores in rupee credit and Rs. 59 crores in dollar credit. Details of outstanding external debt are given in Table V.33.

For 1973-74, the Government of India budget assumes a credit of Rs. 662 crores (gross) on account of external loans. No credit has been assumed for P L 480 loans. (Under unfunded debt a credit of Rs. 37·16 crores has, however, been taken for P L 480 deposits representing repayment of loans and interest payments and lesser encashment of special P L 480 securities). Allowing for repayments, net receipts from external loans are placed at Rs. 400 crores. Of the gross loans of Rs. 662 crores during 1973-74, drawings from new credits are placed at Rs. 188 crores. The balance comprises mainly loans from International Development Association (Rs. 222 crores), U.K. (Rs. 50 crores), Japan (Rs. 49 crores), Canada (Rs. 38 crores), Federal Republic of Germany (Rs. 29 crores), France (Rs. 25 crores) and U.S.S.R. (Rs. 20 crores).

Internal Debt

Internal debt liabilities of the Government of India at the end of March 1973 aggregated Rs. 9778 crores, recording a rise of Rs. 1615 crores[32] as compared to a rise of Rs. 501 crores during the preceding year. Current loans increased by Rs. 578 crores during 1972-73 as a result of net receipts of Rs. 478 crores from the internal market borrowings and funding of Rs. 100 crores worth of Treasury bills held by the Reserve Bank of India during the year.

Market Borrowings, 1972-73

The budget for 1972-73 assumed credit of Rs. 515 crores (gross) and Rs. 215 crores (net) as receipts from internal market borrowings ; the revised estimates placed them at Rs. 778 crores and Rs. 478 crores, respectively. The larger borrowings were made possible mainly by the comfortable liquidity position of the banking system (Table V.34).

The Central Government entered the market on four occasions. Except the first floatation which was a cash-cum-conversion offer, the other three floatations were wholly based on cash subscriptions. The last floatation during the year was initially taken up by the Reserve Bank of India and later placed on sale to investors. Some of the loans were offered at par, some with a discount of Re. 0·50 per cent and one with a discount of Re. 0·35 per cent. Further, as in 1971-72, the highest nominal interest offered was $5\frac{3}{4}$ per cent.

(32) This includes the effect of the Centre clearing the the overdrafts of the States at the end of April, 1972.

Table V.33: External Debt of the Government of India

(Rupees Crores)

End of March	Debt due to														Total External Debt
	England	U.S.A.					U.S.S.R.	Canada	Federal Republic of Germany	Japan	International Bank for Reconstruction and Development	International Development Association	Other Countries		
		Loans	U.S. Export Import Bank	PL 480 Rupee Loans	PL 480 Local Convertible Currency Credit	Total									
1	2	3	4	5	6	7	8	9	10	11	12	13	14		15
1972 (Revised Estimates) ..	704	1893	90	1603	94	3680	360	168	448	292	235	790	277		6954
1973 (Revised Estimates) ..	788	1873	74	1596	59	3602	320	191	461	323	222	962	292		7161
1974 (Budget Estimates) ..	812	1841	56	1589	59	3545	288	225	452	344	208	1182	505@		7561

@ Includes new credits worth Rs. 188 crores, country-wise details of which are not available.
Source : Explanatory Memoranda of the Central Government Budgets, 1972-73 and 1973-74.

Table V.34 : Market Borrowings of the Government of India during 1972-73

(Rupees Crores)

Date	Loans Floated	Issue Price (Rupees per cent)	Amount				Repayment in cash for unconverted maturing securities	Net Market Borrowings (5-8)
			Offered	Subscribed				
				Cash	Conversion	Total (5+6)		
1	2	3	4	5	6	7	8	9
July 15, 1972 ..	$4\frac{3}{4}$ per cent Loan, 1979 ..	100·00	350	8	44	53		
	5 per cent Loan, 1983 ..	99·50		48	88	136		
	$5\frac{3}{4}$ per cent Loan, 2002 ..	100·00		93	105	198		
				149	237	387	18	132
September 15, 1972* ..	$4\frac{3}{4}$ per cent Loan, 1979 (Re-issue) ..	100·00	215	49	—	49		
	5 per cent Loan, 1983 (Re-issue) ..	99·50		98	—	98		
	$5\frac{3}{4}$ per cent Loan, 2002 (Re-issue) ..	100·00		90	—	90		
				237	—	237	—	237
December 1, 1972* ..	5 per cent Loan, 1984 ..	99·50	100	50	—	50		
	$5\frac{1}{4}$ per cent Loan, 1988 ..	99·50		60	—	60		
				110	—	110	—	110
February 1, 1973* ..	5 per cent National Defence Loan, 1981 ..	100·00	10	10	—	10		
	5 per cent Loan, 1982 ..	100·00	10	10	—	10		
	5 per cent Loan, 1983 ..	99·65	25	25	—	25		
			45	45	—	45	—	45
Total during 1972-73 ..	..	..	**710**	**541**	**237**	**778**	**63†**	**478**

* Offered for cash subscription only.
† Includes Rs. 45 crores of cash repayment of securities maturing during the year.
Note : (1) Break-up may not add upto total on account of rounding.
(2) Loans floated on February 1, 1973 were initially taken up by Reserve Bank of India and later placed on sale to investors.

For 1973-74, the Central Government has budgeted for Rs. 880 crores (gross) and Rs. 326 crores (net) as receipts from market borrowings. The Central Government floated on May 12, 1973, 4¾ per cent Loan, 1980, 5 per cent Loan, 1984 (Second Issue) and 5¾ per cent Loan, 2003 for Rs. 500 crores. Subscriptions to the three loans totalled Rs. 551 crores—Rs. 170 crores in cash and Rs. 381 crores in conversion. Allowing for cash repayment (Rs. 14 crores) in respect of unconverted maturing securities, net market borrowing from this issue amounted to Rs. 156 crores. During the second phase of the borrowing, on July 21, 1973, the Centre issued 4¾ per cent Loan, 1981, 5¼ per cent Loan, 1987 and 5¾ per cent Loan, 2003 (Second Issue), for Rs. 325 crores. Of the total subscriptions of Rs. 358 crores, Rs. 212 crores were in cash. Adjusting for cash repayment (Rs. 13 crores), net borrowing from the second issue worked out to Rs. 199 crores. Net market borrowings of the Central Government from these two phases aggregated Rs. 354 crores, or Rs. 28 crores higher than the budgeted amount for 1973-74.

1973-74

Under the third replenishment scheme of the International Development Association, India has paid Rs. 1·18 crores almost entirely in the form of non-negotiable non-interest bearing rupee securities (only Rs. 0·30 lakh were paid in cash). A provision of Rs. 1 crore made in 1972-73 budget to cover encashment of securities by the International Development Association, has been repeated in the revised estimates and the budget estimates for 1973-74. In view of the growing activities, the Asian Development Bank has decided to increase its capital stock by 150 per cent. Only 20 per cent of the increased subscription will be paid-up. Of this, 40 per cent will be paid in gold or convertible currency and the balance in the form of non-negotiable non-interest bearing rupee securities. The increased subscription is to be paid in three equal annual instalments, commencing from 1972-73, of Rs. 7·35 crores—Rs. 2·94 crores in convertible currency and Rs. 4·41 crores in the form of special rupee securities. The revised estimates for 1972-73 and budget estimates for 1973-74 thus assume a credit of Rs. 4·41 crores each for special securities to be issued to the Bank.

Special Rupee Securities Issued to International Financial Institutions

The revised estimates for 1972-73 show an increase of Rs. 1008 crores in the outstanding amount of Treasury bills of Government of India; the actual increase was, however, Rs. 1279 crores—Rs. 936 crores in the holding of the Reserve Bank of India, and Rs. 260 crores in the holdings of approved bodies such as State Governments, scheduled commercial banks, etc. and Rs. 83 crores in the holdings of the public. Of Rs. 4044 crores worth of Treasury bills outstanding at end of March 1973, Reserve Bank of India held Rs. 3385 crores (83·7 per cent), approved bodies Rs. 418 crores (10·3 per cent) and the public Rs. 241 crores (6 per cent) (see Statement 80 in the Statements' Section of this Report). During 1973-74, Treasury bills are expected to rise by Rs. 335 crores.

Marketable Rupee Loans (short-term)—Treasury Bills

The maturity-wise pattern of the Government of India rupee debt is presented in Statement 74 in the Statements' Section of this Report. As may be seen therein, the trend towards lengthening of the average maturity of Government of India rupee loans noticed in recent years continued in 1972-73. The proportion of long-dated securities (with maturity of over 10 years, including undated) to the total loans rose from 53·7 per cent at the end of March 1972 to 58·3 per cent at the end of March 1973. The share of medium-dated ones (maturing between 5 and 10 years), too, rose from 14 per cent to 16 per cent, while that of loans maturing in less than 5 years declined from 32·4 per cent to 25·7 per cent.

Maturity Pattern

In view of the encouraging performance of the small savings movement during the recent years, the Fourth Plan target of net receipts from small savings was raised from Rs. 769 crores to Rs. 1000 crores. The Central budget for 1972-73 had taken credit for

Small Savings

Rs. 230 crores(33) under small savings collections (net). The revised estimates for the year have placed these at Rs. 300 crores, but the data on actual collections independently collected give a higher figure of Rs. 321 crores. For 1973-74, the Centre has budgeted for net small savings collections of Rs. 325 crores. If this is achieved, the net collections during the Fourth Plan period would exceed even the revised target. The trends in collections under different media of small savings are summarised in Table V. 35. Other details, such as interest rates offered on each of them, are presented in Statements 78 and 79 in the Statements' Section of this Report.

(33) This was subsequently raised to Rs. 275 crores consequent to the decision to increase the investment of the Provident Funds under the Employees Provident Fund Act, 1952 in the Post Office Time Deposits from the maximum of 50 per cent to 75 per cent.

Table V. 35: Small Savings Collections (Net)

(Rupees Crores)

Items	1968-69	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5	6
1. Post Office Savings Bank Deposits (1) ..	50·97	76·68	93·10	55·96	46·19
2. Cumulative Time Deposits	16·77	20·15	16·66	18·91	12·35
(*i*) 5-year	7·65	10·30	4·70	4·67	— 2·09
(*ii*) 10-year	6·91	7·16	8·87	10·83	10·55
(*iii*) 15-year	2·21	2·69	3·09	3·41	3·89
3. Post Office Time Deposits	—	—	76·85	150·56	262·33
(*i*) 1-year	—	—	5·18	11·24	11·96
(*ii*) 3-year	—	—	2·82	21·85	37·67
(*iii*) 5-year	—	—	68·85	117·47	212·70
4. Post Office Recurring Deposits	—	—	1·28	6·59	15·47
5. 7-Year National Savings Certificates	—	3·59	88·03	95·98	75·36
(*i*) II Issue	—	2·33	54·36	51·89	41·23
(*ii*) III Issue	—	0·65	7·15	6·62	4·49
(*iii*) IV Issue	—	0·61	26·52	37·47	29·64
6. Other Deposits and Certificates	45·06	28·28	— 84·32	— 93·19	— 91·01
Total	**112·80**	**128·70**	**191·60**	**234·81**	**320·69**

(1) Include Dead Savings Bank Account and interest credited to depositors' account from time to time.

Note : More recent data indicate net small savings collections during 1972-73 of Rs. 351 crores, the media-wise break-up for which is not available from Accountant General, Posts and Telegraphs.

Source : Accountant General, Posts and Telegraphs.

Promotional Measures for Small Savings

No new medium of small savings was introduced during 1972-73. However, measures were taken during the year to achieve the revised Fourth Plan target. More important of these are indicated below in brief :

(*i*) From July 1, 1972 a new scheme of Protected Savings was introduced for the benefit of investors in Post Office Cumulative Time Deposit and Recurring Deposit accounts for 5-year period in denominations of Rs. 5 and Rs. 10. If deposits had been made uninterruptedly for 2 years and if there had been no withdrawals during the period, payments of the full value of the accounts will be made to the nominee or legal heir in the event of the demise of the subscriber, any time before the closure of the account.

(*ii*) Holders of 10-year 4½ per cent Defence Deposit Certificates were allowed to retain their holdings for 5 years after maturity and earn thereon tax-free interest of 5 per cent.

(*iii*) Savings Fortnights were observed in different States commencing from the World Thrift Day (31st October). A cash prize of Rs. 1000 was instituted for the Sarpanch or Pramukh securing the highest collections in each State.

(*iv*) An intensive and continuous saving campaign for a period of one year as from August 15, 1972 was launched as a part of the silver jubilee celebrations of the country's independence.

(*v*) With a view to popularising small savings movement in rural areas, 16000 Extra-Departmental Branch Post Masters were trained to tap rural investments. Moreover, the existing scheme of prizes to Branch Post Masters was made more attractive by increasing the amount of prizes.

(*vi*) Ten Post Office Savings Banks were reported to have been enrolled as sub-members of the local clearing houses during 1972-73, thus bringing the total number of Post Office Savings Banks admitted to clearing houses to 124.

State Governments' Debt Position

The outstanding debt liabilities(34) of the State Governments during 1972-73 rose by Rs. 1226 crores (12·8 per cent) to Rs. 10794 crores as compared to a rise of Rs. 819 crores (9·4 per cent) during 1971-72. These are estimated to rise further to Rs. 11673 crores at the end of March 1974.(35)

The ratio of State debt liabilities to national income (at current prices) rose from 20·6 per cent in 1960-61 to 26·2 per cent in 1968-69 but declined to 25·2 per cent in 1969-70. The ratio is expected to rise to 27·3 per cent in 1972-73.

Loans from Central Government

Loans from Central Government to State Governments are for Plan schemes included in State Plans, Central Plan and Centrally sponsored schemes, for non-Plan purposes comprising, among others, loans out of small savings collections, loans for purchase of fertilizers, meeting natural calamities, etc., and temporary ways and means assistance to States recoverable within the year. Outstanding loans from the Centre rose from Rs. 6756 crores at the end of March 1972 to Rs. 8010 crores at the end of March 1973; their share in total State debt at 74·2 per cent was higher than at the end of March 1972 (70·6 per cent). The major factors accounting for the substantial increase during 1972-73 were special ways and means assistance from the Centre to States for clearing their overdrafts with the Reserve Bank of India and

(34) Debt liabilities of the 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 bonds issued in connection with abolition of zamindari, jagirdari, etc., (iii) floating debt, representing ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and other 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.

(35) For debt position of States, see Statement 75 in the Statements' Section of this Report.

loan assistance for meeting the additional expenditure on famine relief and for emergency agricultural production programme. Outstanding loans from the Centre at the end of March 1974 are expected to go up by Rs. 526 crores.(36)

Floating Debt

At Rs. 296 crores, the floating debt of State Governments outstanding at the end of March 1973 registered a decline of Rs. 304 crores from the end-March 1972 position. Consequently, its share in total State debt too fell from 6·3 per cent in 1971-72 to 2·7 per cent in 1972-73. The decline during 1972-73 was mainly the result of the discontinuance, with effect from May 1, 1972, of overdrafts to State Governments from the Reserve Bank of India (beyond the agreed limits). As stated earlier, the outstandings of such overdrafts were cleared with Central assistance. Floating debt is expected to rise marginally by Rs. 8 crores during 1973-74.

Unfunded Debt

Unfunded debt of State Governments, comprising mainly State Provident Funds and other funds stood at Rs. 724 crores at the end of March 1973 and formed 6·7 per cent of total State debt (6·5 per cent at the end of March 1972). The rise during 1972-73 was Rs. 102 crores as compared with the rise of Rs. 85 crores during 1971-72. Such debt is expected to rise by Rs. 103 crores during 1973-74.

Other Debt

Other debt of State Governments comprises mainly 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 mainly intended for re-lending through co-operatives for investment in rural sector; those from the Life Insurance Corporation of India are for financing development schemes like housing, water supply, etc. During 1972-73, such debt rose by Rs. 44 crores to Rs. 302 crores and is expected to rise further by Rs. 40 crores during 1973-74. The rise during 1971-72 was Rs. 19 crores.

Permanent Debt

Permanent debt comprises mainly loans raised in the market by State Governments as also bonds issued by them in connection with abolition of zamindari, jagirdari, etc. Permanent debt of State Governments rose by Rs. 130 crores during 1972-73 (Rs. 99 crores during 1971-72) and stood at Rs. 1462 crores at the end of March 1973. On this date, it formed 13·6 per cent of total State debt liabilities (13·9 per cent a year ago). Permanent debt is estimated to rise by Rs. 202 crores during 1973-74.

Market Borrowings—1972-73

On September 4, 1972, 20 State Governments(37) issued at par 12-year loans carrying interest at $5\frac{3}{4}$ per cent, for Rs. 197·25 crores. Maturing loans of 13 State Governments were accepted for conversion into the new loans of the respective State Governments. Seven of the newly floated loans were oversubscribed and the rest fully subscribed. Subscriptions aggregated Rs. 221 crores—Rs. 176 crores in cash and Rs. 45 crores in conversion. After partial allotment in case of loans oversubscribed and cash repayment for unconverted portion of maturing loans (Rs. 39 crores), net market borrowings of States amounted to Rs. 134 crores or Rs. 33 crores more than in 1971-72.

1973-74

On August 27, 1973, 20 State Governments issued at par $5\frac{3}{4}$ per cent 12-year loans maturing in 1985, for an aggregate amount of Rs. 149·75 crores. As no State loan was maturing during the year, subscriptions to the new loans were accepted only in cash and these aggregated Rs. 166 crores. Net market borrowings during 1973-74 are thus Rs. 32 crores more than in 1972-73.

(36) The composition of outstanding debt of all individual State Governments is presented in Statement 76 in the Statements' Section of this Report.

(37) Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, and Nagaland issued market loans for the first time.

Pattern of Ownership of Government Rupee Debt(38)

The pattern of ownership of marketable debt of the Central and State Governments by various categories of investors as on March 31, 1971—the latest date for which data are available— was in broad conformity with that in earlier years. The Reserve Bank of India (on own account) continued to be the largest single holder of Government debt, although its share in total debt fell from 29·6 per cent in 1970(39) to 28 per cent in 1971. Commercial and co-operative banks occupied the second position with a share of 27 per cent (25·8 per cent in 1970). The provident funds, which followed next, increased their share from 18·7 per cent in 1970 to 19·2 per cent in 1971. The share of insurance companies, the fourth largest category of investors holding Government debt, was higher at 15 per cent (14·7 per cent in 1970). On the contrary, State Governments had their share reduced from 5·6 per cent in 1970 to 4·9 per cent in 1971. The shares of other categories were negligible.

As between Central and State Government securities, different categories of investors had their own preferences. Reserve Bank of India (own account), provident funds, commercial and co-operative banks, insurance companies and State Governments together held 98 per cent of Central Government securities in 1971 (98·6 per cent in 1970). The major categories of investors in State Government securities were commercial and co-operative banks, insurance companies and State Governments; these together held over 77 per cent of marketable State debt in 1971 (over 76 per cent in 1970) (Statement 77 in the Statements' Section of this Report).

(38) Rupee debt here represents the face value of outstanding rupee securities excluding Treasury bills, small savings, prize bonds and expired loans. It also excludes non-marketable 4 per cent Loan, 1973, *ad hoc* issue (held entirely by the Reserve Bank of India). National Defence Gold Bonds are also excluded on account of difficulty in proper valuation.

(39) Year in this section indicates the position as on March 31, unless stated otherwise.

CHAPTER VI—CAPITAL MARKET

Introduction

Concurrently with the sizeable improvement in industrial output in 1972, described in Chapter III, there were indications of greater investment activity in the capital market. In the case of the private corporate sector, the capital raised in 1972 and the direct loan assistance disbursed by term-lending institutions in 1972-73 (April-March) increased appreciably.

Likewise, capital consents granted, capital goods approvals, import licences for capital goods/heavy electrical plants, and the number of industrial licences issued, all of which had reached high levels in 1971-72, helped improve industrial investment in 1972-73. Correspondingly, from a preliminary study of a sample of companies, it would appear that there was some improvement in the rates of fixed asset formation within the corporate sector. However, the tempo of activity in most of these seems to have tapered off towards the end of 1972-73. Increased industrial investment was particularly marked in the programme of the public sector, which in fact accounts for a major share of new investment in this area. However, the levels of public sector investment proposed for 1973-74 show near-stagnation in some respects and absolute reductions in some others.

In the major stock exchanges, the downward drift in equity prices noticed since May 1972 due to certain transient factors, gave way to buoyancy, especially after the Central budget for 1973-74 which left the corporate profits almost untouched. The buoyancy was such that the Bank rate increase towards the end of May 1973 was absorbed without any set-back to equity prices.

In the gilt-edged market, too, prices remained unaltered following the hike in the Bank rate ; this was, however, due to the Reserve Bank's decision not to effect any significant change in buying and selling rates of securities (except short-term treasury bills whose discount rate was in effect raised to 4·0 per cent).

Trends in Private Sector Investment

Three tables (VI. 1 to VI. 3) summarise the relevant data regarding the indicators of private corporate sector investment, actual and prospective. As shown in Table VI.1, capital raised (other than those through bonus and miscellaneous loan issues) by the non-Government companies aggregated Rs. 123·1 crores during 1972 as against Rs. 87·4 crores in 1971—a rise of 41 per cent. Likewise, capital issues made by the non-Government public limited companies during 1972 at Rs. 92·9 crores were more than twice those made in 1971 (Rs. 43·3 crores). Disbursements of direct loans by term-lending institutions totalled Rs. 176·5 crores during 1972-73 (April-March) as compared to Rs. 154·8 crores during 1971-72, showing an increase of 14·0 per cent (Table VI. 2). These disbursements had increased at a faster rate in the previous three years 1969-70 to 1971-72, but this was the period when the companies depended relatively more on loans than on share capital, as reflected in a continuous decline in the amounts of capital raised by non-Government companies during those years (Table VI. 1). The year 1972-73 saw an increase in both loans and share capital utilized by the private corporate sector.

Again, as shown in Table VI.3, import licences for capital goods/heavy electrical plants had shown persistent declines for three years 1967-68 to 1969-70 ; in the following two years, the amount of such import licences registered a sharp increase from Rs. 73·2 crores in 1969-70 to Rs. 127·1 crores in 1970-71, *i.e.*, by 74 per cent and further to

Table VI.1 : New Issue Activity in the Capital Market
(Non-Government Companies)

(Rupees Crores)

Year (January-December)	Capital raised*@@			Capital issues@	Capital consents@@
	Public limited companies	Private limited companies	Total (2+3)	Public limited companies	Public limited companies
1	2	3	4	5	6
1966	65.6	13.0	78.6	60.0	67.0
1967	71.9	14.6	86.5	81.6	150.6
	(+ 9.6)	(+12.3)	(+10.1)	(+36.0)	(+124.8)
1968	83.9	12.5	96.4	68.4	87.4
	(+16.7)	(—14.4)	(+11.4)	(—16.2)	(—42.0)
1969	80.1	15.5	95.6	58.2	84.9
	(— 4.5)	(+24.0)	(— 0.8)	(—14.9)	(— 2.9)
1970	75.4	14.0	89.4	66.4	48.5
	(— 5.9)	(— 9.7)	(— 6.5)	(+14.1)	(—42.9)
1971	64.0	23.4	87.4	43.3	84.9
	(—15.1)	(+67.1)	(— 2.2)	(—34.8)	(+75.1)
1972	99.0	24.1	123.1	92.9	111.9
	(+54.7)	(+ 3.0)	(+40.8)	(+114.5)	(+31.8)
January-June					
1972	N.A.	N.A.	N.A.	63.2	80.2£
1973	N.A.	N.A.	N.A.	41.3	49.8

* Data on capital raised relate to capital raised in a particular year against consents granted during that year as well as in previous years.
@ Other than bonus issues.
@@ Other than loans and bonus issues.
£ This included two big debentures : TISCO (Rs. 15 crores) and ICICI (Rs. 7 crores).
N.A. Not Available.
Note : Figures in brackets are percentage variations over the previous years.
Source : (1) For Cols 2,3,4 and 6, the Office of the Controller of Capital Issues. (2) For Col. 5 Prospectuses/Circular letters received from Companies.

Table VI.2 : Trends in Financial Assistance Sanctioned and Disbursed by Term-lending Institutions(*a*)

(Rupees Crores)

Year (April-March)	Sanctions		Disbursements	
	Direct Loans (*c*)	Total Assistance (*b*)	Direct Loans (*c*)	Total Assistance(*b*)
1	2	3	4	5
1965-66	—	169.3	—	105.8
1966-67	—	122.0	—	125.6
		(—27.8)		(+18.7)
1967-68	—	87.1	—	105.0
		(—28.6)		(—16.4)
1968-69	109.2	132.3	75.3	85.8
		(+51.9)		(—18.3)
1969-70	122.2	153.8	100.5	116.3
	(+11.9)	(+16.3)	(+33.5)	(+35.5)
1970-71	186.6	225.7	121.9	146.7
	(+52.7)	(+46.7)	(+21.3)	(+26.1)
1971-72	262.3	304.6	154.8	184.5
	(+40.5)	(+35.0)	(+27.0)	(+25.8)
1972-73(*d*)	264.4	309.3	176.5	200.6
	(+0.8)	(+1.5)	(+14.0)	(+8.7)

(*a*) Covered are IDBI, ICICI, IFCI, IRCI, SFCs and SIDCs.
(*b*) Total assistance comprise : (i) in respect of IDBI all types of assistance including refinance of industrial loans and of export credit and rediscounting of bills, with the only exception of 'subscription to shares and bonds of financial institutions' (Refinance of SFCs' industrial loans are, of course, excluded to avoid double counting); (ii) for other institutions all types of assistance.
(*c*) Direct loans comprise total assistance as at (*b*) *minus* IDBI's direct assistance to export and refinance of export credit and under-writing of and direct subscription to shares and debentures by all these institutions (the last item is excluded since it is reflected in *capital raised* and *capital issues* shown in Table VI.1).
(*d*) Provisional.
Note : Figures in brackets are percentage variations over the previous years.

Rs. 252·2 crores in 1971-72, *i.e.*, by 98 per cent. With the improved availability of steel in the last two years, this constituted yet another element favouring larger investment activity in the year under review.

Table VI.3 : Trends in Import Licences for Capital Goods and Heavy Electrical Plants

(Rupees Crores)

Year (April-March)	Import Licences for Capital Goods/Heavy Electrical Plants			Actual Imports of machinery and transport equipment
	Government	Private	Total (2+3)	
1	2	3	4	5
1966-67	246.7	189.0	435.7	576.1
1967-68	81.1 (—67.1)	83.6 (—55.8)	164.7 (—62.2)	503.1 (—12.7)
1968-69	48.4 (—40.3)	35.4 (—57.7)	83.8 (—49.1)	513.9 (+ 2.1)
1969-70	24.0 (—50.4)	49.2 (+39.0)	73.2 (—12.6)	395.9 (—23.0)
1970-71	52.1 (+117.1)	75.0 (+52.4)	127.1 (+73.6)	394.7 (— 0.3)
1971-72	144.4 (+177.2)	107.8 (+43.7)	252.2 (+98.4)	454.3 (+15.1)
1972-73	154.2 (+ 6.8)	113.9 (+ 5.7)	268.1 (+ 6.3)	..
1971-72 (April-December)				348.7
1972-73 (April-December)				349.3 (+ 0.2)

Note : Figures in brackets are percentage variations over the previous year.
Source : Directorate of Research and Statistics, Office of the Chief Controller of Imports and Exports, New Delhi; for col. 5, DGCI&S.

A further element benefiting the investment programmes in the private sector was the increasing number of industrial licences issued after the new licensing policy was introduced in February 1970 (Table VI. 4).

Table VI.4 : Trends in Industrial Licences and Company Registrations

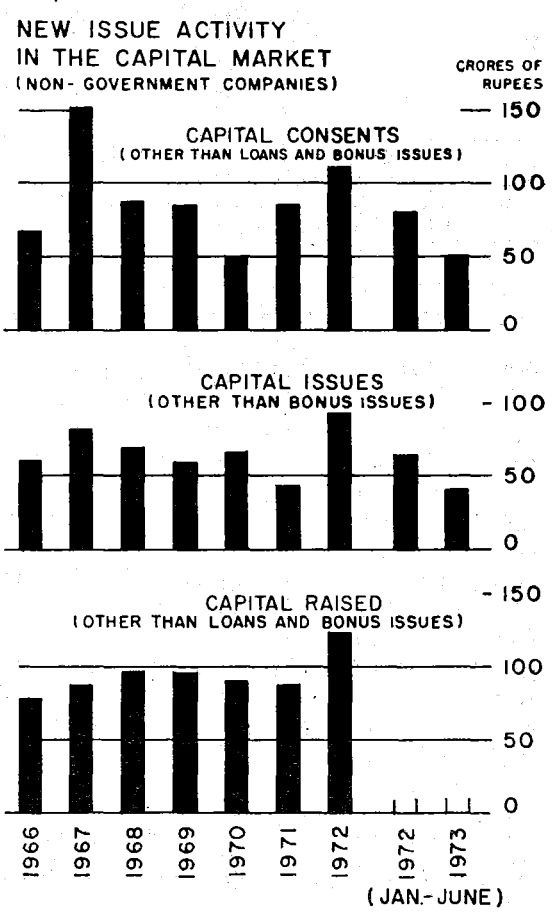
(In Numbers)

Year	Industrial Licences Issued*	Letters of Intent Issued	Foreign Collaboration cases approved	New Registrations of Non-Government Companies(Financial Years, 1967-68 onwards)
1	2	3	4	5
1968	222	158	124	1035
1969	221	331	135	1102
1970	363	438	183	1487
1971	626	1015	245	1895
1972	563	877	257	2493
	January-June	**January-June**	**April-September**	
1971	155	551	..	1169
1972	194	471	..	1421
1973	191	288	..	..

* Data prior to 1970 are not comparable with those for 1970 and thereafter due to dispensing with the practice of industry-wise exemptions and raising the exemption limit for licensing in respect of all industries (except large industrial houses, etc.) from Rs. 25 lakhs to Rs. 1 crore.

Sources: Annual Report 1972-73, Ministry of Industrial Development (Government of India) and Annual Report (1971-72) on the Working and Administration of the Companies Act, 1956.

Graph 35



In terms of the project-costs of actual projects finalised and firm financial arrangements made, the year 1971-72 again stands out, as shown in Table VI. 5. In this table, total project-costs of the new projects for which three major term-lending institutions (IDBI, ICICI and IFCI) have sanctioned direct loan assistance during the past three years 1970-71 to 1972-73 are presented. Such project-costs of the projects for which loans were sanctioned in 1971-72 work out to Rs. 572.9 crores as against the corresponding figure of Rs. 334.5 crores for 1970-71. In 1971-72, some of the important projects of new companies in the field of fertilizers and engineering were finalised and firm financial sanctions obtained. As a result, the share of such projects in the total had shot up from one-third in 1970-71 to about two-third in 1971-72. Projects worth such large outlays approved in 1971-72 seem to have provided an impetus to industrial investment in 1972-73.

Table VI.5—Project-costs of Projects Financed Directly by Major Term-lending Institutions

(Rupees Crores

Year (April-March)	IDBI		IFCI		ICICI		Total Project-costs of three institutions		Total project costs net of costs of projects jointly financed*
	Total project-costs	Of which those belonging to new companies only	Total project-costs	Of which those belonging to new companies only	Total project-costs	Of which those belonging to new companies only	Total project-costs (2+4+6)	Of which those belonging to new companies only (3+5+7)	
1	2	3	4	5	6	7	8	9	10
1970-71 ..	85.6	45.8 (53.5)	205.2	77.5 (37.8)	290.4	70.3 (24.2)	581.2	193.6 (33.3)	334.5
1971-72 ..	331.0	271.3 (82.0)	287.4	208.3 (72.5)	265.8	116.4 (43.8)	884.2	596.0 (67.4)	572.9
1972-73 ..	283.8	101.9 (35.9)	279.8	156.6 (56.0)	439.7	142.6 (32.4)	1003.3	401.1 (40.0)	558.4

* In order to avoid double counting, project-costs of projects jointly financed or financed by more than one institution (except those only between IDBI and IFCI) have been netted and the net figures so derived are presented in column 10 ; in columns upto 9, gross figures are presented.

Note : (1) Figures in brackets are percentages to total project-costs. (2) Data include a small number of public sector projects.

Gross and Net Fixed Assets Formation

In sum, all the indicators point to a significant step-up in the investment of the private corporate sector during 1972-73. This is also corroborated by the data on growth rates in gross and net fixed assets formation compiled by a quick preliminary study of the finances of 365 non-Government non-financial public limited companies(1). The regular company finance studies undertaken by the Bank's Department of Statistics on different segments of the corporate sector, depicted in Table VI. 6, had generally shown continuous declines in the rates of gross and net fixed assets formation even at current prices till 1970-71 upto which such studies are available for almost all of the segments studied. However, for one important segment, namely, the large non-Government non-financial public limited companies [each with paid-up capital of Rs. 1 crore and above(2)], the study is available for 1971-72 in these regular series (for a sample of 346 companies); this shows an improvement in gross and net fixed assets formation rates in 1971-72 for the first time in five years ; these rates rose to 7·4 per cent and 3·3 per cent, respectively, as against the corresponding rates of 7 per cent and 2·6 per cent registered in 1970-71 by the comparable 290 large companies covered in the previous series.

The quick preliminary study of the finances of 365 non-Government non-financial public limited companies referred to above indicates an uptrend in these rates for 1972-73 whether

(1) Whose accounting years closed during the period April 1972-March 1973. These companies account for about 51 per cent of the total paid-up capital of all non-Government non-financial public limited companies.

(2) These account for 60 per cent of the total paid-up capital of all non-Government non-financial public limited companies.

they are compared with the corresponding rates of the 346 large public limited companies for 1971-72 or with those of the comprehensive sample of 1501 medium and large public limited companies for 1970-71 ; these rates for 365 companies for 1972-73 worked out to 8·2 per cent and 5·4 per cent in the case of gross and net fixed assets, respectively.

Investment Trends in Small-Scale Sector

In the years since 1968-69, net asset formation rates have been, by and large, higher for the smaller size companies, like small public limited companies, and small private limited companies (Table VI. 6). Though the higher growth rates are in part due to their low base, special incentives provided by the Government for small size industries, particularly, for the conventionally defined(3) 'small-scale sector' with a view to diversifying and widening the base of industrial investment, might have helped them in some measure. These incentives take the form of reserving the manufacture of certain industrial products only by small-scale industries, concessions in sales taxes, special provisions for the supply of scarce raw materials, preferences in public sector purchases, special tariff rates for power supply, etc. The Annual Plan for 1972-73 had earmarked for the small-scale and village industries Rs. 62·6 crores as against only Rs. 46·3 crores in 1971-72. A significant proportion of the State Governments' development expenditure under 'industrial development' is also for small-scale industries ; such expenditure was Rs. 163·1 crores in 1972-73 (revised estimates) as against Rs. 147·0 crores in 1971-72. Furthermore, public sector financial institutions have been providing assistance to them on an increasing scale as shown in a subsequent paragraph. All of these are pointers to the attainment of higher investment levels in the small-scale industries sector.

(3) Those units with plant and machinery worth Rs. 7.5 lakhs or less. Majority of these are, of course, proprietory or partnership firms.

Table VI.6—Rates of Gross and Net Fixed Assets Formation of Different Groups of Public/Private Limited Companies and Government Companies

(Per cent)

Year (April—March)	Medium and Large Public limited companies*	Large Public limited companies**	Small Public limited companies@	Medium and Large Private limited companies@@	Small Private limited companies£	Government companies££
1	2	3	4	5	6	7
Gross Fixed Assets Formation						
1966-67	10.5	11.5	8.6	9.8	9.1	11.8
1967-68	9.0	9.8	8.0	8.7	7.5	11.1
1968-69	7.6	8.3	8.3	6.6	9.6	8.5
1969-70	7.3	7.8	7.0	6.5	10.4	7.1
1970-71	6.8	7.0	5.8	6.9	—	6.3
1971-72	—	7.4	—	—	—	—
Net Fixed Assets Formation						
1966-67	9.0	9.7	8.7	7.3	6.2	8.5
1967-68	7.0	7.8	7.3	5.7	4.4	7.9
1968-69	5.0	5.6	7.8	3.1	7.2	4.7
1969-70	3.9	4.3	5.1	2.2	8.0	2.8
1970-71	2.7	2.6	3.2	3.4	—	2.3
1971-72	—	3.3	—	—	—	—

(—) Not available.
* Number 1501 for 1966-67 to 1970-71.
** Number 290 for 1966-67 to 1970-71 and 346 for 1971-72.
@ Number 745 for 1966-67 and 750 for 1967-68 to 1970-71.
@@ Number 701 for 1966-67 to 1970-71.
£ Number 1075 for 1966-67, 1085 for 1967-68, 1101 for 1968-69 and 1111 for 1969-70.
££ Number 73 for 1966-67, 81 for 1967-68, 93 for 1968-69, 101 for 1969-70 and 105 for 1970-71.
Note : Percentages are based on assets at current prices.
Source : R. B. I.'s studies on company finances.

Industrial Investment in the Public Sector

Industrial investment in the private sector, whether of the large-scale or of the small-scale sector, is helped to a considerable extent by the investment programmes of the public sector. In 1972-73, there was a significant increase in capital formation expenditure (as also total expenditure) for industrial programmes met from the budgetary resources of the Central Government. The capital formation expenditure(4) from out of the budgetary resources of the Central Government under the head 'industry' rose by 31 per cent from Rs. 524 crores to Rs. 687 crores in 1972-73. In 1971-72 also, there was an increase of 25 per cent, but this was after persistent declines for four years (Table VI. 7). The peak level of capital formation expenditure of Rs. 585 crores under 'industry' reached in 1966-67 was surpassed in 1972-73(5). Under the head 'transport and communications' also, there was an increase of 26 per cent against only 7·8 per cent in 1971-72. Gross capital formation expenditure under all heads of the Central budget rose by 26 per cent in 1972-73 as against 14·5 per cent in 1971-72 (Table VI. 7). State Governments' expenditures on industrial development, though of a smaller order, have been increasing in recent years ; a relatively higher proportion of these is, as stated above, intended for the development of small-scale industries.

Thus, it would appear that in both the public and private sectors, industrial investment in 1972-73 was considerably larger than in 1971-72(6).

However, in the 1973-74 budget of the Central Government, capital formation expenditure met out of budgetary resources (under all heads) is expected to increase only by 6·1 per cent, while there was increase of 26 per cent in 1972-73 (revised estimates). What is more, total expenditures for 'industry' and 'transport and communications,' as also capital formation expenditures under them, are expected to show absolute declines during 1973-74. The 1973-74 Plan outlays earmarked for industry and minerals (including village and small industries) are higher by only about Rs. 18 crores against an increase of over Rs. 138 crores in 1972-73. Even the total capital expenditure of the Railways is expected to show a shortfall over the revised estimates for 1972-73, though the Railways' investment in rolling stock is budgeted to show an increase. This has arisen from the higher advance orders placed with the wagon building industry by the Railways during the past two years so as to help the industry utilize its vast installed capacity. As stated in the previous Chapter, the Railways' purchases of wagons would go up from 12,000 in 1972-73 to about 30,000 in 1973-74.

For the private sector, there was a steep decline in the actual capital issues made during the first half of 1973 compared with the corresponding total for 1972. The capital consents granted in 1972 rose by only 32 per cent to Rs. 111.9 crores as compared with a rise of 75 per cent to Rs. 84.9 crores in 1971. Again, in the first half of 1973, capital consents aggregated slightly more than half of those in the corresponding half of 1972(7) (Table VI. 1). Sanctions of fresh direct loan made by the term-lending institutions in 1972-73 (April-March) registered a marginal increase of 0.8 per cent to Rs. 264·4 crores against an increase of as much as 41 per cent in 1971-72. Like-wise, import licences for capital goods/heavy electrical plants in 1972-73 aggregated Rs. 265·1 crores and showed a rise of only 6·3 per cent over the 1971-72 level (Rs. 252·2 crores), which was almost twice the level of 1970-71 (Table VI. 3).

(4) These figures are entirely based on the Economic and Functional Classification of the Central Government Budget. The capital formation expenditures cited here are not the same as expenditure under 'capital account' for industrial programme. However, these exclude expenditure incurred from out of the owned resources of the public sector undertakings (other than Departmentally-run-undertakings) which are not known. Likewise, term loans of banks for both public and private sectors are not known.

(5) The figures cited in support of this are all at current prices, but even in real terms, the quantum of investment in 1972-73 should have been considerably higher than in the previous year, for there was a rise of 8.4 per cent in composite index of investment deflator worked out and presented in Chapter V of this Report.

(6) The figures cited here would indicate the trends in gross investment. Expenditures required for renewals and replacements are not known.

(7) There were two big debentures : TISCO (Rs. 15 crores) and ICICI (Rs. 7 crores).

Table VI.7 : Capital Formation Expenditures on Industrial Programmes in the Public Sector

(Rupees Crores)

Financial Year	Gross capital formation out of the Budgetary resources of the Central Government	Total and Capital Formation Expenditures (Central Government)				Railways' Development Programme		State Governments' Development Expenditure for Industrial Development	Plan Outlays@		
		Industry		Transport and Communications		Total Capital expenditure	Investment in rolling stock		Industry and Minerals	Village and small industries	Total (10+11)
		Total Expenditure	Of which capital formation expenditure	Total Expenditure	Of which capital formation expenditure						
1	2	3	4	5	6	7	8	9	10	11	12
1964-65	1682.0										
1965-66	1805.0 (+ 7.3)	624.7	505.5	569.0	549.1	363.7	—	76.8	491.4	53.1	544.5
1966-67	1793.0 (— 0.7)	728.6 (+16.6)	585.3 (+15.8)	504.6 (—11.3)	482.5 (—12.1)	278.4	102.1	81.8	514.2	43.0	557.2
1967-68	1675.0 (— 6.6)	596.2 (—18.2)	476.8 (—18.5)	484.2 (— 4.0)	457.4 (—5.2)	258.2	113.2	111.0	470.6	42.6	513.2
1968-69	1660.0 (— 0.9)	610.1 (+ 2.3)	463.0 (— 2.9)	446.0 (— 7.9)	407.4 (—10.9)	226.1	104.2	118.8	525.6	40.5	566.1
1969-70	1612.0 (— 2.9)	616.6 (+ 1.1)	432.9 (— 6.5)	423.1 (— 5.1)	381.9 (—6.3)	192.5	99.2	99.0	429.1	37.3	466.4
1970-71	1888.0 (+17.1)	573.7 (— 7.0)	418.9 (— 3.2)	622.4 (+47.1)	544.4 (+42.6)	251.6	101.8	118.9	452.6	42.7	495.3
1971-72	2161.0 (+14.5)	783.8 (+36.6)	524.2 (+25.1)	640.6 (+ 2.9)	586.8 (+ 7.8)	309.8	109.8	147.0	609.3	46.3	655.6
1972-73 (R.E.)	2718.0 (+25.8)	979.2 (+24.9)	687.0 (+31.1)	785.1 (+22.6)	737.0 (+25.6)	339.3	137.3	163.1	730.8	62.6	793.4
1973-74 (B.E.)	2883.0 (+ 6.1)	929.3 (— 5.1)	680.3 (— 1.0)	758.8 (— 3.3)	712.7 (— 3.3)	337.5	161.0	188.1	751.6	59.8	811.4

@Actuals upto 1969-70, anticipated for 1970-71 and outlays from 1971-72 onwards.

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

Sources: (1) For columns 2 to 6 — Economic and Functional Classification of the Central Government Budget. Total expenditure refers to total expenditure under the head 'Social and economic services' for Industry/Transport and Communications. Out of this total expenditure, capital formation expenditure has been derived from the Economic-cum-Functional classification published in the same publication.

(2) For columns 7 and 8—Railway Budgets.

(3) For column 9—State Government Budgets—The figures include both revenue and capital accounts.

(4) For columns 10 to 12—Economic Surveys (Government of India).

Review of Developments in Individual Segments of the Capital Market

New Issue Activity

Trends in Capital Issues and Capital Raised

As stated earlier, new capital issues and capital raised by non-Government public limited companies attained high levels during 1972, but this tempo of new issue activity was not sustained in the first half of 1973 due to severe power shortage giving rise to depressed outlook for the overall economy in general and for industrial investment in particular. New capital issues through prospectuses and rights, which together had aggregated Rs. 43·3 crores in 1971, rose to Rs. 92·9 crores in 1972 (Table VI. 8). In the first half of 1973, such issues totalled Rs. 41·3 crores as against Rs. 63·2 crores in the comparable half of 1972. Data in respect of capital raised by public limited companies are not available beyond 1972. In 1972, it amounted to Rs. 99·0 crores compared to Rs. 64·0 crores in 1971 (Table VI. 9).

In both, new capital issues made and capital raised in 1972, debentures accounted for a higher proportion than in the past two years. Debenture issues increased from Rs. 4·3 crores in 1971 to Rs. 25·0 crores in 1972 or from 13 per cent to 30 per cent of the total. Correspondingly, even though equity issues (through prospectuses) recorded a substantial increase from Rs. 23·4 crores in 1971 to Rs. 50·3 crores in 1972, their share in the total slipped down from 71 per cent to 60 per cent. Preference shares also had a reduced share in the total (Table VI. 8).

In regard to capital raised, the entire increase in 1972 was attributable to debentures which rose to Rs. 51·7 crores from Rs. 8·7 crores in 1971 (Table VI. 9). Besides the two big debenture issues of Tata Iron and Steel Company (TISCO) (Rs. 15·0 crores) and Industrial Credit and Investment Corporation of India (ICICI) (Rs. 7·0 crores), which have also been included in the data on new issues, such a steep rise in capital raised through debentures is the result of the recent practice of some well-established companies with relatively large equity base, preferring to raise further funds through privately placed debentures by prior arrangements with term-lending institutions and others.

It is for the same reason that 'further' capital—as distinguished from 'initial' capital —raised by the existing public limited companies for financing their expansion, diversification and modernisation projects, accounted for a higher proportion in the total capital raised in 1972 (Table VI. 9). This trend had set in as early as in 1968 in the wake of a general slackness in industrial investment activity, particularly in the matter of setting up of new projects. In fact, the share of 'initial' capital raised in the total had shown some increase in 1970 and 1971, but, again, in 1972 it dwindled to lower levels.

Data on new capital issues made during the past few years reflect this trend more appropriately. The share of 'initial' issues in the total capital issues, had been 18·0 per cent in 1969 ; it had risen to 46 per cent in 1970 and further to 66 per cent in 1971, but in 1972 it dropped to 58 per cent (Table VI. 8).

Shares Offered to Public and Public Response

Of the total new capital issues made through prospectuses in 1972 (Rs. 84·0 crores), the amount offered to the public for subscription formed Rs. 67·2 crores or 80 per cent, showing a distinct improvement over the corresponding level in 1971 (Rs. 23·5 crores or 71 per cent). The increase in promoters' share in absolute terms (from Rs. 3·8 crores to Rs. 8·9 crores) was by and large proportional to the increase in the total capital issued, but the share of foreign participation dropped even in absolute terms (from Rs. 2·8 crores in 1971 to Rs. 0·9 crore in 1972) and hence more steeply in percentage terms from 8·5 per cent to just one per cent.

Public response to capital issues in 1972 was selective. Available data in respect of 97 issues in 1972 reveal that 45 issues were over-subscribed and 7 fully-subscribed ; the remaining 45 issues (forming 46 per cent of the total) were under-subscribed. This, however, was an improvement over 1971 when

Table VI. 8—New Capital Issues through Prospectuses and Rights by Non-Government Public Limited Companies

(Rupees Crores)

Year	Issue through Prospectuses				Issue through Rights				Grand Total (5 + 9)	Initial Issues	Further Issues
	Ordinary Shares	Preference Shares	Deben-tures	Total (2+3+4)	Ordinary Shares	Preference Shares	Deben-tures	Total (6+7+8)			
1	2	3	4	5	6	7	8	9	10	11	12
(January-December)											
1971	23.4	5.4	4.3	33.1	8.8	1.4	—	10.2	43.3	28.5	14.8
	(70.7)	(16.3)	(13.0)	(100.0)	(86.3)	(13.7)	—	(100.0)	(100.0)	(65.8)	(34.2)
1972	50.3	8.7	25.0	84.0	8.9	—	—	8.9	92.9	53.9	39.0
	(59.9)	(10.3)	(29.8)	(100.0)	(100.0)	—	—	(100.0)	(100.0)	(58.0)	(42.0)
(January-June)											
1972	29.6	3.9	25.0	58.5	4.7	—	—	4.7	63.2	32.0	31.2
	(50.6)	(6.7)	(42.7)	(100.0)	(100.0)	—	—	(100.0)	(100.0)	(50.6)	(49.4)
1973*	22.1	3.3	9.0	34.4	6.1	0.8	—	6.9	41.3	23.3	18.0
	(64.2)	(9.6)	(26.2)	(100.0)	(88.4)	(11.6)	—	(100.0)	(100.0)	(56.4)	(43.6)

* Provisional.

Note : Figures in brackets are percentages to totals.

Source : Prospectuses/Circular letters received from companies.

Table VI.9: Capital Raised by Non-Government Public Limited Companies Under Consents/No-objections/ Acknowledgements of Proposals and Exemption Order

(Rupees Crores)

Year (January—December)	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
1969 ..	40.6	6.9	32.6	80.1	14.0	66.1	22.0	10.4	112.5
1970 ..	51.6	11.1	12.7	75.4	28.5	46.9	44.3	6.8	126.5
1971 ..	48.0	7.3	8.7	64.0	23.3	40.7	26.9	4.0	94.9
1972@ ..	39.5	7.8	51.7	99.0	18.0	81.0	33.6	6.1	138.7

@ Provisional.
Note : Data relate to capital raised during the calendar year against consents granted during that year as well as in earlier years.
Source : Office of the Controller of Capital Issues.

32 out of 62 issues (or 52 per cent) were undersubscribed(8).

This improvement in public response was better reflected in a noticeably lower proportion of the amount devolved upon underwriters to the amount underwritten in respect of prospectus issues in 1972 ; it was 14·8 per cent as against 24.7 per cent in 1971 and 23.4 per cent in 1970. Such fuller details of public response are not available beyond 1972. From the reduced level of capital issues of Rs. 41·3 crores during January-June 1973, a lower proportion (62 per cent or Rs. 25·5 crores) was offered to the public ; the comparable proportion for January-June 1972 was 79 per cent (or Rs. 46·4 crores). The share of foreign participation continues to be a little above one per cent.

Capital Consents

As emphasised earlier, there has recently been noticeable shrinkage in the quantum of capital consents and acknowledgements of proposals granted by the Controller of Capital Issues to non-Government public limited companies for issue of shares (other than bonus, miscellaneous issues, etc.). In the first half of 1973, it amounted to Rs. 49·8 crores against Rs. 80·2 crores in January-June 1972 (Table VI. 10). In the whole year 1972, the consents and acknowledgements of proposals aggregated Rs. 111·9 crores.

The fall in capital consents in January-June 1973 was very steep in debentures (from Rs. 43·3 crores in January-June 1972 to Rs. 15·9 crores), while the declines in equities and preference shares were marginal. Nevertheless, the share of debentures in total consents and acknowledgements of proposals was still relatively high at 32 per cent as compared to 30 per cent in 1971 and 18 per cent in 1970 ; in 1972, because of the consents for a large number of debentures, some of big size, their share was as high as 45 per cent for the full year and 54 per cent for its first half. In contrast to the decline in consents for regular share and debenture capital, those for bonus shares have shown a substantial increase from Rs. 10·7 crores in January-June 1972 to Rs. 27·9 crores in January-June 1973.

While the provisions regarding the regulation of capital issues have by and large remained unchanged, in respect of guidelines for sanctioning issues of bonus shares, Government announced in May 1973 that, in appropriate cases of companies with foreign

(8) Based on RBI's regular 'survey of new capital issues' undertaken annually. The response to the Bank's questionnaire was thus: 62 out of 65 issues in 1971 and 97 out of 112 issues in 1972.

Table VI.10: Consents/Acknowledgements of Proposals Granted by the Controller of Capital Issues to Non-Government Public Limited Companies*

(Rupees Crores)

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
(January-December)									
1969 ..	35.0 (41.2)	4.9 (5.8)	45.0 (53.0)	84.9	15.3 (18.0)	69.6 (82.0)	29.2	6.0	120.1
1970 ..	29.7 (61.2)	10.3 (21.3)	8.5 (17.5)	48.5	16.3 (33.6)	32.2 (66.4)	36.0	6.6	91.1
1971 ..	49.8 (58.7)	9.6 (11.3)	25.5 (30.0)	84.9	21.4 (25.2)	63.5 (74.8)	36.0	56.0£	176.9
1972 ..	51.2 (45.7)	10.5 (9.4)	50.2 (44.9)	111.9	25.8 (23.1)	86.1 (76.9)	32.1	45.4	189.4
(January-June)									
1972 ..	30.5 (38.0)	6.4 (8.0)	43.3 (54.0)	80.2	17.3 (21.6)	62.9 (78.4)	10.7	35.6	126.5
1973@ ..	29.1 (58.4)	4.8 (9.7)	15.9 (31.9)	49.8	17.1 (34.3)	32.7 (65.7)	27.9	9.2	86.9

@ Provisional.
* Excluding banks, insurance companies and provident funds societies incorporated as companies.
£ Includes consent for a loan of Rs. 45 crores from the World Bank to the ICICI.
Note : Figures in brackets are percentages to totals.
Source : Office of the Controller of Capital Issues.

shareholdings where expansions are considered unlikely and profits are unduly high, the Controller of Capital Issues may stipulate a condition for the reduction of proportion of foreign shareholdings while consenting issue of bonus shares.

Role of Term-lending Institutions in Industrial Finance

Overall Position

The activities of special term-lending institutions during the fiscal year 1972-73 showed a rising trend both under sanctions and disbursals of financial assistance. The aggregate assistance sanctioned by the four All-India term-lending institutions and State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs) together amounted to Rs. 309·3 crores in 1972-73 as compared to Rs. 304·6 crores in 1971-72. Their disbursements were also higher by 9 per cent at Rs. 200·6 crores compared to Rs. 184·5 crores in 1971-72 (Table VI. 11). The substantial increase in disbursements was mainly due to larger utilisation of foreign currency loans of Industrial Credit and Investment Corporation of India (ICICI) and Industrial Finance Corporation of India (IFCI) together ; they were Rs. 32·1 crores in 1972-73 against Rs. 23·9 crores in 1971-72. Even sanctions under these foreign currency loans were larger; the aggregate sanctions would have been still higher but for a marginal decline in sanctions of rupee loans. Sanctions under foreign currency loans rose from Rs. 25·3 crores in 1971-72 to Rs. 34·3 crores in the year under review while those under rupee loans declined from Rs. 250·7 crores to Rs. 247·8 crores.

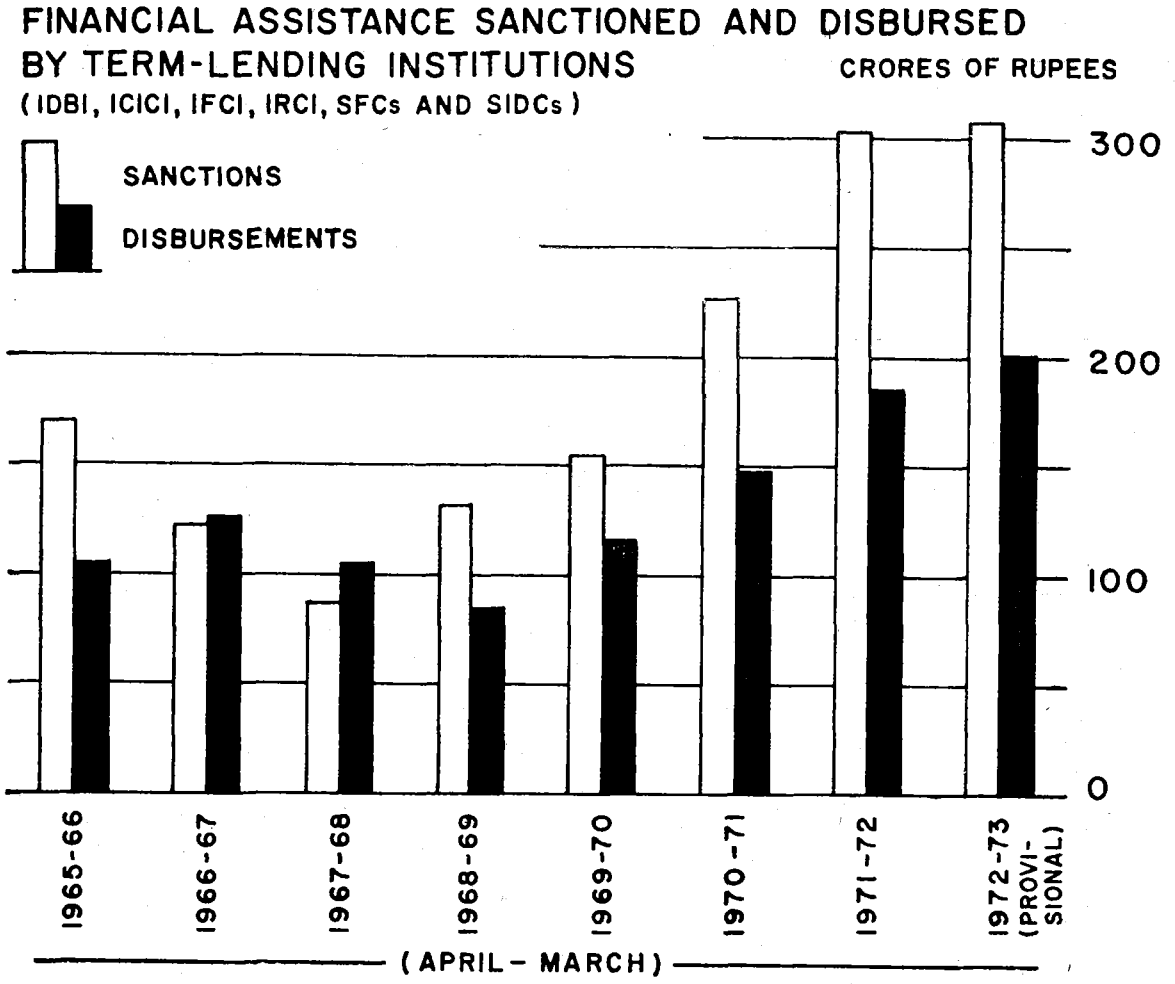
Table VI.11 : Assistance Sanctioned and Disbursed by Term-lending Institutions

(Year : April-March) (Rupees Crores)

Institution	Rupee loans		Foreign currency loans		Underwriting and direct subscriptions				Total	
					Ordinary and preference shares		Debentures			
	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72
1	2	3	4	5	6	7	8	9	10	11
Sanctions										
IDBI ..	87.7(*a*) (27.9)	128.6(*a*) (22.0)	—	—	3.5	13.3	2.8	—	94.0 (27.9)	141.9 (22.0)
IFCI ..	38.2	23.7	5.2	2.8	3.1	2.2	1.0	—	47.5	28.7
ICICI	13.4	12.0	29.1	22.5	3.7	3.7	3.3	1.5	49.5	39.7
IRCI ..	6.1	6.6	—	—	—	—	—	—	6.1	6.6
SFCs	77.8	63.4	—	—	0.9	0.7	—	—	78.7	64.1
SIDCs(*c*) ..	24.6	16.4	—	—	8.8	7.1	0.1	0.1	33.5	23.6
Total	**247.8 (27.9)**	**250.7 (22.0)**	**34.3**	**25.3**	**20.0**	**27.0**	**7.2**	**1.6**	**309.3 (27.9)**	**304.6 (22.0)**
UTI(*d*) ..	—	—	—	—	3.2	3.2	7.0	11.8	10.2	15.0
LIC ..	9.5(*e*)	14.1	—	—	4.8	4.7	3.7	4.3	18.0	23.1
Disbursements										
IDBI ..	62.4(*a*) (19.1)	77.4(*a*) (17.4)	—	—	3.5	1.0	0.8	0.4	66.7 (19.1)	78.8 (17.4)
IFCI(*b*)	21.8	16.1	4.1	3.4	1.6	0.8	0.8	—	28.3	20.3
ICICI ..	7.9	8.0	28.0	20.5	2.5	1.6	1.3	0.2	39.7	30.3
IRCI ..	3.5	1.1	—	—	—	—	—	—	3.5	1.1
SFCs(*b*) ..	44.1	39.0	—	—	0.6	0.6	—	—	44.7	39.6
SIDCs(*c*) ..	13.2	10.7	—	—	4.5	3.6	0.03	0.03	17.7	14.4
Total	**152.9 (19.1)**	**152.3 (17.4)**	**32.1**	**23.9**	**12.7**	**7.6**	**2.9**	**0.6**	**200.6 (19.1)**	**184.5 (17.4)**
UTI(*d*) ..	—	—	—	—	1.6	1.0	4.0	0.6	5.6	1.6
LIC ..	2.0	0.9	—	—	3.9	2.5	5.1	1.9	11.0	5.3

(*a*) Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.
(*b*) Including disbursement on account of guarantees.
(*c*) Data relate to SIDCs, SICOM and GIIC.
(*d*) Data for 1971-72 are revised. Disbursements exclude advance deposits placed with companies.
(*e*) Does not include Rs. 250 lakhs converted into loan out of Rs. 700 lakhs debentures sanctioned earlier.
Note : Data for 1972-73 are provisional.

Graph 36



New Companies and Existing Companies

Classifying the financial assistance by the three major All-India term-lending institutions, *viz.*, IDBI, IFCI and ICICI, into that for newly established companies and for existing companies, the fall in loans sanctioned in 1972-73 was entirely due to reduced sanctions of loan for the newly established companies. Such sanctions fell by Rs. 19·4 crores from Rs. 68·5 crores in 1971-72 to Rs. 49·1 crores, while those for the existing companies increased *albeit* marginally by Rs. 2·3 crores from Rs. 58·9 crores to Rs. 61·2 crores (Table VI. 12). In loan disbursements, there was increase both for newly established companies and for existing companies, because as emphasised earlier, there was a noticeable increase in sanctions of loan in the previous year 1971-72, particularly for a number of projects of new companies.

The financial institutions have, however, introduced significant diversification in their operations during the year under review in three directions : (*i*) expanding their assistance to small-scale industry and to relatively small-size projects ; (*ii*) intensifying their efforts in identifying specific projects in areas demarcated as backward ; and (*iii*) rendering on an increasing scale assistance to projects in public and co-operative sectors.

The rising scale of financial assistance rendered by the various term-lending institutions and banks for small-scale industries

Table VI. 12—Financial Assistance sanctioned and disbursed by IDBI, IFCI and ICICI to New and Existing Companies

(Year : April-March) (Rupees Crores)

Year	Direct Loans sanctioned in respect of Companies				Direct Loans disbursed in respect of Companies			
	Newly established companies	Existing Companies		Total	Newly established companies	Existing Companies		Total
		New Projects	Expansion of existing capacity, modernisation, etc.			New Projects	Expansion of existing capacity, modernisation, etc.	
1	2	3	4	5	6	7	8	9
1971-72	68.5 (53.8)	11.2 (8.8)	47.7 (37.4)	127.4 (100.0)	20.0 (35.1)	2.7 (4.7)	34.4 (60.2)	57.1 (100.0)
1972-73*	49.1 (44.5)	8.7 (7.9)	52.5 (47.6)	110.3 (100.0)	22.4 (30.6)	4.9 (6.7)	46.0 (62.7)	73.3 (100.0)

* Provisional.

Note : Figures in brackets are percentages to totals.

is brought out in the respective paragraphs describing their operations. IDBI's as well as SFCs' regular loan operations for 1972-73 were particularly marked by rising trend in sanctions of loans for relatively smaller projects than in the past. IDBI and IFCI have also been sanctioning some assistance for small/technician-entrepreneurs (Table VI.13).

In the matter of spreading their activities to backward areas, the actual achievements in terms of the fruition of projects so far have been meagre. Nevertheless, the four All-India institutions together sanctioned, for projects in backward areas, loans of Rs. 34·7 crores in 1972-73 and Rs. 36.0 crores during 1971-72 as against Rs. 11·6 crores in 1970-71 (Table VI.13).

Though these term-lending institutions assist primarily the industrial units set up in the private sector, available data indicate that IDBI, IFCI, ICICI and SFCs have extended some of their loan and refinance facilities to units in the co-operative sector. Their sanctions in the co-operative sector rose from Rs. 8.7 crores in 1969-70 to Rs. 27.2 crores in 1971-72; but declined to Rs. 17.3 crores during 1972-73 (Table VI. 14). The corresponding disbursements were Rs. 6·4 crores, Rs. 10·5 crores and Rs. 15·0 crores. Besides, IDBI and IFCI have extended assistance to units in the public sector as well. Both these institutions together sanctioned Rs. 18·6 crores of assistance and disbursed Rs. 11·5 crores to units in the public sector during 1972-73.

INDIVIDUAL INSTITUTIONS

Industrial Development Bank of India (IDBI)

Overall Operations

IDBI's operations are summarised in Table VI. 15. During 1972-73, there was a significant step-up in the number, the total value of and utilisation of sanction for project assistance, i.e., assistance other than for exports of engineering goods on deferred credit terms. Thus, the number of sanctions of such assistance increased to 2738 (1972-73) from 1996 (1971-72) and value of the sanctions increased to Rs. 148·7 crores (1972-73) from Rs, 140·7 crores (1971-72).

Table VI. 13 : Financial Assistance Sanctioned And Disbursed By Term-lending Institutions For Backward Areas And New/Small Entrepreneurs

(Year : April-March) (Rupees Crores)

Institution	Backward Districts/Areas								New/Small Entrepreneurs							
	1969-70		1970-71		1971-72		1972-73*		1969-70		1970-71		1971-72		1972-73*	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
IDBI@ ..	0.02	—	0.3	—	16.9	1.1	8.0	6.9	1.1	0.1	0.2	0.7	1.2	0.5	0.4	0.2
IRCI ..	—	—	—	—	2.4	0.5	1.4	1.5	—	—	—	—	—	—	—	—
ICICI ..	1.4	1.0	5.7	3.7	5.8	1.8	8.9	4.0	—	—	—	—	—	—	—	—
IFCI ..	4.2	4.8	5.6	6.3	10.9	0.5	16.4	0.8	1.1	1.1	0.2	0.9	1.5	2.1	4.5	1.1
Total	**5.6**	**5.8**	**11.6**	**10.0**	**36.0**	**3.9**	**34.7**	**13.2**	**2.2**	**1.2**	**0.4**	**1.6**	**2.7**	**2.6**	**4.9**	**1.3**

* Provisional.
@ Data on assistance to Backward Districts/Areas relate to Concessional Finance and those to new/small entrepreneurs cover assistance to 'technician entrepreneurs' only.

Table VI. 14 : Financial Assistance Sanctioned And Disbursed By Term-lending Institutions To The Industrial Companies In The Public And Co-operative Sectors

(Year : April-March) (Rupees Lakhs)

Institution	Co-operative Sector								Public Sector							
	1969-70		1970-71		1971-72		1972-73£		1969-70		1970-71		1971-72		1972-73£	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
IDBI@	11.3	9.8	46.2	39.9	1223.9	101.8	87.9	73.4	105.8	90.6	1361.2	645.6	1512.0	1643.6	1477·4	1126.9
IFCI	709.5	505.1	905.0	814.5	1214.0	636.5	1527.0	1288·2	—	—	55.0	—	75.0	85.0	385·0	25·0
ICICI*	—	—	90.0	—	128.0	90.0	115·0	142.0	—	—	—	—	—	—	—	—
SFCs	149·2	121·6	265.2	175·2	158·0	220·6	—	—	—	—	—	—	—	—	—	—
**Total	**870.0**	**636.5**	**1306.4**	**1029.6**	**2723.9**	**1048.9**	**1729·9**	**1503·6**	**105.8**	**90.6**	**1416.2**	**645.6**	**1587.0**	**1728.6**	**1862·4**	**1151.9**
LIC	200.0	134.0	—	203.5	240.0	168.0			—	—	—	—	160.0	20.0		

£ Provisional.
@ Total assistance under all schemes of IDBI (excluding guarantees and IDBI's assistance to financial institutions).
* Industrial units in the public sector are not eligible for ICICI assistance.

Table VI.15 : Summary of Operations of IDBI.

(Year : July-June) (Rupees Crores)

Type of assistance	Sanctions					Disbursements			Assistance outstanding as on June 30, 1973@
	1971-72		1972-73		Cumulative sanctions since inception upto end-June 1973	1971-72	1972-73	Cumulative disbursements since inception upto end-June 1973	
	No. of Applications	Amount (Rs.)	No. of Applications	Amount (Rs.)		Amount (Rs.)	Amount (Rs.)		
1	2	3	4	5	6	7	8	9	10
1. Direct loans to industrial concerns (Other than for exports)	34	50.5	58	55.0	243.0	9.6	25.2	124.5	92.7
2. Underwriting of and direct subscription to shares/ debentures	21	14.2	37	7.8	48.8	1.8	5.0	26.4	21.4
3. Refinance of industrial loans	1733	27.5	2407	33.3	180.9	24.0	25.0	167.1	80.9(1)
4. Rediscounting of bills(2) ..	204(3)	45.3	231(3)	49.8	185.0	38.3	42.5	157.8	109.0
5. Subscriptions to shares and bonds of financial institutions	4	3.2	5	2.8	38.9	5.3	2.8	36.2	34.1
Total project assistance (1 to 5)	**1996**	**140.7**	**2738**	**148.7**	**696.7**	**79.0**	**100.5**	**512.0**	**338.1**
6. Direct loans for exports ..	12	19.3	4	2.7	51.1	10.2	3.9	29.0	22.7
7. Refinance of export credits	10	3.3	2	0.1	27.4	4.8	2.2	23.6	8.0
Total (1 to 7)	**2018**	**163.2**	**2744**	**151.6**	**775.2**	**94.0**	**106.6**	**564.6**	**368.8**
8. Guarantee for loans and deferred payments ..	—	—	1	0.3	26.7	—	0.4(4)	19.6(4)	—
9. Advance payment guarantee (export credit)	—	0·1(5)	—	—	1.8	0.1(4)	0.1(4)	1.8(4)	—

(1) Including refinance assistance sanctioned by the RCI (erstwhile Refinance Corporation of India) upto end-August 1964.
(2) While sanctions/outstandings relate to the face value of bills, disbursals are exclusive of discount.
(3) Refers to number of manufacturers.
(4) Guarantees executed.
(5) Enhancement of sanctions.
@ Provisional.

This implied an increase in the number of smaller projects financed during the year, and unlike in the previous year, the absence of large-size projects involving bulk assistance. Of the 63 projects which received direct assistance during the year, 48 projects (including 6 in the public sector) envisaged the setting up of additional capacity or expansion/ diversification of existing capacity in various industries, but primarily in basic industrial chemicals, basic metal industries, engineering including transport equipment, cement and paper and paper products. IDBI continued its policy of encouraging technician-sponsored projects during 1972-73. It sanctioned assistance to two projects sponsored by technician-entrepreneurs one each in the field of steel castings and special grade papers.

During 1972-73, IDBI's performance in the field of refinance of industrial loans was noteworthy. The number of applications sanctioned and even disbursements effected

and sanctions of assistance have all shown a rising trend. Likewise, there was increase in all these respects under the scheme of rediscounting of bills. On the other hand, the sharpest drop in assistance sanctioned and disbursed took place under export finance, both direct (participation scheme) and refinance. The amount sanctioned under these export finance schemes together declined from Rs. 22·6 crores in 1971-72 to Rs. 2·8 crores in 1972-73. Likewise, disbursement declined from Rs. 15·0 crores to Rs. 6·1 crores. This is generally attributable to the commercial banks, possessing comfortable liquidity position which precluded the need for refinance assistance on a large scale.

Assistance for Small-scale Industries

IDBI's assistance to small-scale industries and small road transport operators, as referred to earlier, by way of refinance has recorded substantial increase during the last three years (Table VI. 16).

Table VI.16 : IDBI's Assistance for Small-scale Industries and Small Road Transport Operators under Refinance of Industrial Loans

(Rupees Crores)

Year (July-June)	Sanctioned (Gross)		Disbursed Amount (Rs.)
	Number	Amount (Rs.)	
1	2	3	4
1969-70	891	10.5	7.5
1970-71	1453	15.3	11.3
1971-72	2073	22.3	13.9
1972-73	2413	26.8	16.6

A part of IDBI's rediscounts assistance also percolates to small-scale industries.

One of the important developments during the year is the sanction of a $25 million loan to IDBI by the International Development Association (IDA), the soft-loan affiliate of the World Bank. The Project Agreement between the IDA and the IDBI and the Development Credit Agreement between IDA and the Government of India were signed on February 9, 1973 and has become effective on June 22, 1973. The amount would be made available to the State Financial Corporations for financing the foreign exchange requirements of medium and small medium projects. This would widen the scope of IDBI's refinance operations and enable SFCs to play a more effective role in industrial development.

Assistance to Backward Areas and Promotional Functions

The industrial potential surveys of backward areas initiated by IDBI in 1969-70 with the help of the Reserve Bank of India, other financial institutions and Government of India, in order to identify specific project ideas, have been completed in all areas demarcated as backward, except in the case of Andaman and Nicobar. The project ideas which have emerged from these surveys are being discussed with the concerned State Governments and the State-level institutions. The IDBI with the assistance of other financial institutions has arranged for preliminary feasibility studies of 14 project ideas identified by the study team for Assam, Arunachal Pradesh, Bihar, Orissa, Meghalaya and Tripura. In an endeavour to develop entrepreneurial talents, suitable managerial training programmes have been suggested by the IDBI for potential entrepreneurs in some States. IDBI has established Inter-institutional Groups of various all-India and State-level institutions, lead banks and Industries Departments of State Governments at the State level in 12 States to take decisions on a wide range of problems including identification of projects, preparation of project reports and provision of technical and financial assistance on consortium basis. IDBI took initiative in setting up in May 1973, a zonal organisation called the North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO) at Gauhati on the lines of Kerala Industrial and Technical Consultancy Organisation (KITCO) (set up in February 1972 and referred to in the last year's Report, p. 147). It is expected to cater to the needs of States in the North Eastern Region and to function, like the KITCO, as a technical consultancy service centre.

To help develop backward areas of the country, the IDBI operates concessional assistance scheme both for direct assistance as well as refinance assistance. With a view to providing greater inducement

to entrepreneurs to spread out in relatively backward areas of the country, the IDBI decided in January 1973 to extend direct financial assistance on concessional terms to all projects involving a capital cost upto Rs. 3 crores instead of Rs. 1 crore. Concessional terms (that is, lower interest rate of seven per cent, longer grace and repayment periods, etc.) would also be extended to units undertaking expansion where the total investment (i.e. net fixed assets plus net working capital of the existing unit and cost of expansion project together) does not exceed Rs. 3 crores. The IDBI has also decided to extend the concessional refinance to the full extent in respect of all eligible loans of SFCs and banks upto Rs. 30 lakhs to small and medium-sized projects in the specified backward areas, provided the paid-up capital and reserves of the recipient unit does not exceed Rs. 1 crore. This criterion will be applicable to both new projects and existing units embarking on expansion in capacity and modernisation.

The concessional scheme has been revised in June 1973. The concessional rupee loan assistance upto Rs. 2 crores and underwriting upto Rs. 1 crore, in participation with other term-financing institutions is extended to new concerns setting up projects in specified backward areas, irrespective of project cost. The assistance in excess of the above ceiling would generally be extended on normal terms, though exception may be made in special circumstances. Concessional finance for expansion/diversification projects, in identified backward areas, undertaken by existing concerns would be considered on selective basis, keeping in view the profitability potential of the existing and proposed new project, the location of new project and other related factors.

During 1972-73, refinance of industrial loans for backward areas at Rs. 8·1 crores accounted for about 56 per cent of the sanctioned concessional assistance of Rs. 14·6 crores. Upto the end of June 1973, IDBI has sanctioned concessional assistance of Rs. 32·4 crores on 863 applications in the specified backward districts as per details given in Table VI.17.

Table VI. 17: IDBI's Assistance to Backward Areas on Concessional Terms

(Year : April-March) (Rupees Crores)

Type of Assistance		1970-71		1971-72		1972-73		Total	
		No. of Applications	Amount	No. of Applications	Amount	No. of Applications	Amount	No. of Applications	Amount
1	2	3	4	5	6	7	8	9	10
I. Direct Assistance *	.. Sanctions	—	—	2	14.0	21	6.5	23	20.5
	.. Disbursements		—		—		4.1		4.1
II. Refinance of Industrial loans	Sanctions	22	0.3	253	3.5	565	8.1	840	11.9
	..Disbursements		0.1		1.5		4.4		6.0
Total	.. Sanctions	**22**	**0.3**	255	**17.5**	**586**	**14.6**	**863**	**32.4**
	Disbursements		**0·1**		**1.5**		**8.5**		**10.1**

* Comprising loans and underwriting/direct subscription.

Other Activities

During the year, IDBI subscribed an amount of Rs. 2·8 crores to shares and debentures of other financial institutions, including Rs. 1·3 crores to the fourth public issue of special debentures of ICICI (bringing the total assistance to ICICI upto the end of June 1973 to Rs. 19·7 crores) and Rs. 1·1 crores to the share capital of SFCs (bringing the total subscription to shares and bonds of SFCs to Rs. 8·9 crores). It also contributed Rs. 0·4 crore to the share capital of IFCI.

IDBI's Lending Rates

The structure of the IDBI's lending rates was revised with effect from June 16, 1973. The direct lending rate of IDBI for new loans to the industrial concerns was raised to 9 per cent from 8·5 per cent earlier. The other revisions are shown in Table VI. 18.

Resources

IDBI's disbursements of Rs. 106·6 crores during the year under review were financed mainly by (*i*) repayments by borrowers and sale of investments (Rs. 63·5 crores), (*ii*) borrowing from the Reserve Bank of India's (Long Term Operations Fund) (Rs. 36·3 crores) and borrowings from market through floatation of bonds (Rs. 16·0 crores).

Legislative Changes to Widen Development Banking Activities

In the context of the rapid and diversified changes taking place in the industrial scene in India, the need was felt for widening the scope and role of development banking activities of the public sector financial institutions. To the extent such a widening of activities into specified areas and operation in a wider ambit were prevented by legislative constraints, such constraints have been sought to be removed by appropriate amendments to the

Table VI. 18: IDBI's Structure of Interest Rates

(Per cent per annum)

	Rate prevailing before 16th June 1973		Revised rate effective from 16th June 1973	
	IDBI Rate	Ceiling on primary lenders' Rate	IDBI Rate	Ceiling on primary lenders' Rate
1. Direct Assistance to Industrial Concerns (other than for exports)				
(*a*) Normal rate	8.50	—	9.00	—
(*b*) Concessional rate to units in backward areas	7.00	—	7.50	—
2. Refinance of Industrial Loans				
(*a*) Normal rate	6.75 7.00	10.25 10.50	Abolished 7.00	 10.50
(*b*) Concessional rate	6.00	8.75	(No change) Abolished	
(*c*) Special rate for small-scale industrial units, covered under the Credit Guarantee Scheme	5.00	8.50	5.00 (for assistance upto Rs. 25,000) 5.50 (On assistance in excess of Rs. 25,000)	8.50 9.00
(*d*) Special rate for units in specified backward districts	3.50	7.00	4.00	7.50
3. Rediscounting of Machinery Bills Unexpired Usance of bills/promissory notes.				
(*a*) 6 to 36 months	6.00	7.00	7.00	8.00
(*b*) Over 36 months & upto 60 months	5.50	6.50	6.50	7.50
(*c*) Over 60 months & upto 84 months	5.00	6.00		
4. Export Credit				
(*a*) Refinance against medium-term export credits	4.50	6.00	4.50 (No change)	6.00
(*b*) Participation export finance	The rate on IDBI's portion of the credit is such that after taking into account the participating bank's rate, the average rate to the exporter on the entire credit is generally 5.5 per cent.			

existing legislative provisions relating to the activities of the Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI) and the State Financial Corporations (SFCs) ; the three Amendment Bills were passed in December 1972. These amendments are discussed in respect of concerned institutions at appropriate places.

The Amendment to the IDBI Act of 1964 passed in December 1972 has vastly expanded the scope of its activities.

As a result of the amendments, IDBI will be able (*i*) to assist concerns engaged in maintenance, repairs, testing or servicing of machinery, vehicles, vessels, motor boats, trailers or tractors as also concerns engaged in fishing ; (*ii*) to extend refinance for establishment of industrial estates ; (*iii*) to grant loans and advances to any person exporting products of industrial concerns or to any person outside India in connection with the export of capital goods from India, or for the execution of turn-key projects outside India by any industrial concern or by any person in India ; (*iv*) to rediscount the machinery bills of stockists and selling agents ; (*v*) to subscribe to or purchase stocks, shares, bonds or debentures of any other financial institution outside India, as may be notified by Central Government.

Industrial Reconstruction Corporation of India (IRCI) :

The salient features of the activities of IRCI during the year 1972-73 (April-March), the second year of its operation, were : (*i*) an increase of over one and half times in the disbursal of assistance; (*ii*) extension of its operations to other States and Union Territories such as Andhra Pradesh, Maharashtra, Delhi and Kerala ; (*iii*) promotion of a modern type central textile processing unit[1]; and (*iv*) its active association with the running of the units taken over by the Government of India under the Industries (Development and Regulation) Act, 1951.

From its inception upto the end of June 1973, IRCI has sanctioned Rs. 13·2 crores to 67 sick/closed industrial units employing a total labour force of 47,466. More than one-half of the assistance sanctioned was in respect of units in the engineering industry ; the textile industry claimed about 10.0 per cent. Utilisation of assistance upto the end of June 1973 amounted to Rs. 6·5 crores (inclusive of guarantee assistance of Rs. 1.0 crore) in respect of 46 of the 67 assisted units (Table VI. 19). In addition, the IRCI has arranged for assistance of the order of Rs. 8·0 crores from banks for meeting their working capital needs.

Table VI.19: Summary of Assistance Sanctioned and Disbursed by Industrial Reconstruction Corporation of India

(Rupees Crores)

Year (April—March)	Number of Units	Amount Sanctioned*		Total	Total amount disbursed	Amount arranged through banks/ other institutions	Labourers involved
		Loans	Guarantees				
1	2	3	4	5	6	7	8
1971-72	44	5.9	0.7	6.6	1.6	4.4	35,077
1972-73£	20	6.4	0.3@	6.1	4.2	3.2	11,902
As at end of							
March 1973	64	12.3	0.4	12.7	5.7	7.6	46,979
June 1973£	67	12.8	0.4	13.2	6.5	8.0	47,466

£ Provisional.
* Excluding amount arranged through banks/other institutions shown in column 7.
@ Effective Sanctions.
Note : Disbursements include guarantees issued and outstanding.

Industrial Finance Corporation of India (IFCI):

Some Aspects of Operations

Industrial Finance Corporation's operations in 1972-73 (April-March) showed improvement in almost all respects: sanctions and disbursements were higher than in the previous year ; the number of projects assisted was larger and also higher quantum of assistance was earmarked for projects in the co-operative sector and those in backward areas.

Of the total loan assistance of Rs. 43·3 crores during the year, Rs. 5·2 crores were foreign currency loans comprising 22 sub-loans in Deutsche Marks, equivalent to Rs. 2·3 crores, 13 sub-loans in Pound Sterling of the total value of Rs. 2·8 crores and one sub-loan was in French Francs equivalent to Rs. 0·04 crore.

The Corporation sanctioned 15 projects in the co-operative sector for rupee loans of Rs. 15·3 crores or 40 per cent of the total rupee loans sanctioned during the year under review. Rupee loans to corporate sector amounted to Rs. 22·9 crores. From the total assistance sanctioned during the year, a sum of Rs. 16·4 crores was approved for 26 projects to be located in notified backward districts and formed 34 per cent of the total assistance sanctioned during the year 1972-73.

Industry-wise, of the total financial assistance sanctioned by IFCI, during 1972-73, the sugar industry at Rs. 17·6 crores received the highest. The next in importance were paper (Rs. 4·3 crores), and rubber products (Rs. 4·2 crores) followed by iron and steel (Rs. 2·6 crores), and electrical machinery and appliances (Rs. 2·4 crores). Assistance to fertiliser industry declined substantially from Rs. 6·1 crores in 1971-72 to Rs. 1·6 crores in 1972-73. Loans outstanding from co-operative sugar factories as on March 31, 1973 aggregated Rs. 42·9 crores and those from all other co-operative societies amounted to Rs. 10·0 crores.

Interest Rates Charged

The rate of interest charged by the Corporation on rupee loans and foreign currency loans remained unchanged at 9·0 per cent and 9·5 per cent, respectively, subject to the usual rebate of 0·5 per cent for punctual repayment of instalments of principal and interest. The rate of interest charged on soft loans to jute mills and export-oriented cotton textile mills was 8.0 per cent. The rate of interest charged in respect of rupee loans for industrial projects in notified backward areas was 7·5 per cent.

Resources Augmented

The Corporation augmented its resources during 1972-73 by floating bonds of the value of Rs. 11·0 crores in the market. The total outstanding bonds as on March 31, 1973 aggregated Rs. 72·0 crores. It obtained the eleventh line of credit of DM 8 million from the Kreditanstalt fur-Wiederaufbau (kfw) during the year under review. The total value of the credits from kfw aggregated DM 128·5 million. Out of these, the Corporation had sanctioned sub-loans of DM 119·4 million. Besides, sub-loans of French Francs 13·0 million were sanctioned to industrial concerns against the equipment credit of French Francs 15 million from the Banque Francaise du Commerce Exterieur, Paris. Further, out of two lines of sterling credit of £2 million under UK/India Capital Investment Loan, sub-loans of £1·99 million were sanctioned to industrial concerns. As at the end of March 1973, the total amount of loans from USAID stood at U.S. $26·7 million and these credits stood fully committed.

Other Activities

In March 1973, the Corporation sponsored an Institute called the Management Development Institute for providing training in modern management techniques to the clients of the Corporation. It also intends to impart training in development banking to the staff of the Corporation and also to the staff of other term-lending institutions at the State and all-India levels.

Legislative Changes

The Amendment to the Industrial Finance Corporation of India Act, referred to earlier, envisages enlargement of the Corporation's activities.

Among the important amendments, mention may be made of the following :

(*i*) Private limited companies incorporated and registered in India became eligible for financial assistance from the Corporation.

(*ii*) The authorised share capital of the Corporation was increased from Rs. 10 crores to Rs. 20 crores.

(*iii*) The ceiling of 5 per cent on the dividends which may be declared by the Corporation once its Reserve Fund equals its paid-up capital, has been dispensed with and it is left to the Corporation to declare reasonable dividends based upon its annual working results.

(*iv*) A special fund known as Benevolent Reserve Fund shall be established and be credited mainly by part of the annual profit, amounts received for the purposes of the Fund by way of loans, gifts, grants, donations or benefactions, etc., from Government or any other source. The said Fund will be utilised for certain specific purposes, viz., financing the cost of feasibility studies, assisting projects promoted by technologists and new entrepreneurs by way of subsidising the normal lending rate of interest, providing technical and managerial assistance, etc., and undertaking research in development banking and for rendering any assistance that may be ancillary or incidental to the aforementioned purposes.

Industrial Credit and Investment Corporation of India (ICICI) :

Operations

The operations of ICICI have further expanded, particularly as a result of higher foreign currency loan operations. Sanctions of such foreign currency loans expanded from Rs. 22·5 crores in 1971-72 to Rs. 29·1 crores and disbursements from Rs. 20·5 crores to Rs. 28·0 crores. Sanctions and disbursements under rupee loans, on the other hand, were by and large of the same order in both the years.

During the period under review, the Corporation intensified its activities for assisting small-scale industries and for industrial development of backward regions, as referred to earlier. It also enlarged its sphere of activities by forming a 'Merchant Banking Division' to provide such services.

Resources

The total resources (net of repayments and cancellations) of the Corporation at the end of March 1973 amounted to Rs. 224·9 crores consisting of Rs. 79·3 crores (35 per cent) of rupee resources and Rs. 145·6 crores (65 per cent) of foreign currency resources. During the first quarter of 1973, the Corporation obtained an additional line of credit of DM 5 million from the Kreditanstalt fur Wiederaufbau. As regards rupee resources, the Corporation made a third debenture issue for Rs. 7.0 crores in July 1972.

Unit Trust of India (UTI) :

During 1972-73 (July-June), there was an increase in the sale of units in contrast to the decline witnessed during the past two years. The actual sales during the year were the highest achieved for any year since its inception ; they were at Rs. 23·0 crores surpassing the earlier peak of Rs. 22·8 crores in 1969-70 (Table VI. 20).

Table VI. 20 : Trends in Sales of Units by UTI

(Rupees Crores)

Year (July-June)	Sale of Units	Units Re-purchased (face value)	Amount invested under the Reinvestment Plan	Investible Funds of the Trust at the end of the year
1	2	3	4	5
1964-65 ..	19.1	0.4	—	24.7
1965-66 ..	2.2	1.1	—	25.9
1966-67 ..	9.2	2.0	0.1	33.9
1967-68 ..	15.3	1.2	0.2	48.7
1968-69 ..	17.2	1.7	0.2	65.4
1969-70 ..	22.8	2.0	0.4	88.2
1970-71 ..	18.0	3.2	0.5	105.1
1971-72 ..	15.1	2.6	0.7	119.3
1972-73 ..	23.0	3.0	0.9	142.0

The improvement in sales during the year was due to a three-pronged drive launched by the Trust to make the units popular with the investing public. Firstly, the special offer price was brought down from Rs. 10·60 in 1971-72 to Rs. 10·45 in 1972-73. Secondly, the dividend was increased from 8 per cent for 1970-71 to 8·25 per cent for 1971-72, and thirdly, the margin between the sale and the repurchase prices of units was reduced to 30 paise from 40 paise.(9)

At the end of June 1973, the aggregate value of units sold and outstanding with the Trust was Rs. 124·8 crores under more than 5 lakhs applications.

As on June 30, 1973, the investible funds of the Trust amounted to Rs. 142·0 crores including investments in ordinary shares of Rs. 60·7 crores (43 per cent), preference shares of Rs. 14·9 crores (10 per cent) and debentures of Rs. 48·1 crores (34 per cent); the balance of Rs. 18·3 crores (13 per cent) represented investment in government securities and bonds of corporations, advance deposits for purchasing debentures and preference and ordinary shares, advance call deposits for ordinary shares, bridging finance, other deposits, application money for ordinary and preference shares, and call and short notice deposits with banks.

The Unit-Linked Insurance Plan introduced on October 1, 1971, made some progress during 1972-73. During the year, 1,312 persons (against 503 in 1971-72) joined the plan for a target amount (i.e., the amount contracted to be paid over the ten-year period of the Plan) of Rs. 1·1 crores (0·4 crore last year). Sales of units under the Plan amounted to Rs. 13.0 lakhs against Rs. 3·2 lakhs during the previous year. As on June 30, 1973 units sold and outstanding under the Plan amounted to Rs. 16.1 lakhs under 1,798 applications.

At the end of June 1973, the number of approved agents and brokers increased to 3,641 and 362 from 3,070 and 334, respectively, at the end of June 1972. In addition to four offices of the Trust, all branches of leading banks and about 18,600 post offices continued to sell the units.

(9) The dividend has been further raised to 8.50 per cent for 1972-73; the special offer price and the margin between the sale and the repurchase prices have been continued at the previous year's level.

State Financial Corporations (SFCs):

Operations

During 1972-73, the 18 State Financial Corporations (including Tamil Nadu Industrial Investment Corporation Ltd.) (TIIC), sanctioned and disbursed loans aggregating Rs. 77.8 crores and Rs. 44.1 crores as against Rs. 63.4 crores and Rs. 39.0 crores respectively in the previous year. The loans sanctioned and disbursed to small-scale industrial units amounted to Rs. 56.6 crores and Rs. 29.8 crores, forming 73 per cent and 68 per cent respectively of the total sanctions and disbursals during 1972-73.

Five SFCs (including TIIC) provided assistance amounting to Rs. 0·6 crore by underwriting shares and debentures of industrial concerns during 1972-73 (April-March). Investments of eleven SFCs in shares taken up by them in fulfilment of their underwriting obligations (including direct subscription by TIIC) as at the end of March 1973 aggregated Rs. 10·4 crores. Of this, TIIC alone held Rs. 7·7 crores.

Guarantees provided by 12 SFCs (Andhra Pradesh, Bihar, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, Rajasthan, Uttar Pradesh, West Bengal) and TIIC for deferred payments by industrial units for purchase of indigenous capital goods amounted to Rs. 8·5 crores as at the end of March 1973.

Lending Rates

During the year the normal effective rate of interest of SFCs for loans to small-scale industries ranged between 7·5 per cent and 9.75 per cent per annum and for others between 8·5 per cent and 10.5 per cent per annum. In case where refinance from IDBI was available, it ranged between 7·5 per cent and 8·5 per cent per annum for small-scale industries and from 8.5 per cent and 10·5 per cent per annum for others.

Augmenting of Capital and Resources

The paid-up capital of four SFCs, viz., Delhi, Gujarat, Maharashtra and Uttar Pradesh was raised by Rs. 50 lakhs, Rs. 100 lakhs, Rs. 70 lakhs and Rs. 40 lakhs, respectively, bringing the total paid-up capital of all the 18 SFCs to Rs. 25·7 crores as on March 30, 1973. The total paid-up capital was Rs. 23·1 crores a year ago.

During 1972-73, SFCs augmented their resources through issue of bonds, by availing of refinancing facilities from IDBI and by borrowing from RBI and State Governments. Thirteen SFCs issued bonds of the total value of Rs. 18·0 crores. The total amount of bonds outstanding was Rs. 98·7 crores as on March 30, 1973 as against Rs. 82·0 crores a year ago. All SFCs availed themselves of refinance facilities offered by IDBI. The amount outstanding at the end of March 1973 was higher at Rs. 52·8 crores as compared with Rs. 43·0 crores at the end of March 1972. Eleven SFCs accepted deposits aggregating Rs. 13·6 crores in which the share of TIIC alone was Rs. 8·2 crores. During 1972-73, RBI sanctioned borrowing limits of Rs. 9·8 crores against *ad hoc* bonds to twelve SFCs. Of these SFCs, Delhi, U.P. and Gujarat were granted extension in period for limits aggregating Rs. 2·6 crores. The outstanding borrowings of SFCs against *ad hoc* bonds together with borrowings for periods not exceeding 90 days against Government securities amounted to Rs. 5·5 crores.

Agency Work

At present, five SFCs (viz., Andhra Pradesh, Assam, Maharashtra, Orissa and Uttar Pradesh) act as agents for their respective State Governments for sanctioning and disbursing loans to small-scale industries under the State Aid to Industries Act/Rules. Loans outstanding under this arrangement amounted to Rs. 10·2 crores as on March 30, 1973.

Amendments to SFCs Act

Along with the legislative provisions of IDBI and IFCI, the SFCs Act, 1951 was amended in December 1972. The amendments *inter alia* provide for : (*i*) widening, functionally and geographically, the scope of SFCs' operations and thus enabling them to finance certain activities of servicing industries, viz., concerns engaged in the maintenance, repair, testing and servicing of machinery, vehicles and vessels, assembling and packing, fishing, consultancy services, etc., and (*ii*) creation of a special class of share capital which would be subscribed to by the respective State Governments and the Reserve Bank of India. This special capital of SFCs will not carry a minimum dividend obligation. The object of raising funds through such special capital is to enable SFCs to provide soft loans to deserving units or to participate in the equity of weaker segments of small and medium industries' sectors.

As stated earlier, the International Development Association (IDA) made available to Government of India, a credit in various currencies equivalent to U.S. $ 25 million, the rupee equivalent of which will be re-lent to IDBI for refinancing loans granted by SFCs to industrial units to meet the foreign exchange cost of imported plant and equipment, technical know-how, etc. The credit will be available only in respect of projects costing less than Rs. 1·0 crore. The credit is linked to a programme for strengthening and improving the effectiveness of SFCs as regional development banks.

Working Group Report on Financing of Industrial Estates

During the year under review, the report of the Working Group on Financing of Industrial Estates was submitted to the Reserve Bank of India. The Working Group has emphasised the need for the financial institutions such as banks and SFCs financing industrial estates in urban and semi-urban centres. The Working Group is of the opinion that the responsibility of financing industrial estates in rural areas should rest largely with the respective State Governments. It is suggested that the State Governments should also play a crucial role in establishing industrial estates in the urban and semi-urban centres where there is considerable scope for setting up industrial sheds.

National Small Industries Corporation (NSIC):

The liberalised terms introduced on May 15, 1970 for supply of machines on hire pur-

chase basis continued to be offered to the applicants during the year 1972-73. These terms envisage payment of earnest money at the rate of 5 per cent in case of imported machines and 10 per cent in case of indigenous machines recoverable over the hire purchase period.

During 1972-73, the Corporation received 971 applications for supply of machines worth Rs. 11·8 crores. The number of applications which were accepted was 880 for supply of machines worth Rs. 7·9 crores. The Corporation placed orders for machines valued at Rs. 4·9 crores and supplied machines to small-scale units of the value of Rs. 9·2 crores (hire purchase price). The rate of interest charged is 9 per cent per annum with rebate of 2 per cent in case the instalments are paid on or before due dates. The instalments which had gone into defaults till March 31, 1973, amounted to Rs. 6·0 crores including penal interest and such cases as have been referred to the Courts.

The raw material depots of the Corporation distributed different types of raw materials, pig brass ingots and radio valves and transistors worth Rs. 2·0 crores to small-scale units located in the Union Territories of Delhi and Pondicherry. During the year, 1,886 contracts worth Rs. 37·8 crores were secured by the small-scale units with the assistance of the Corporation. About 738 small-scale units were enlisted by the Corporation during the year.

A special Export Cell was created to identify the existence of export potentiality of small sector. In the export field the Corporation registered a sale of Rs. 1·4 lakhs.

Financing of Small-Scale Industries by Scheduled Commercial Banks:

The financial assistance for small-scale industries rendered by the term-lending institutions has been reviewed in the earlier paragraphs. A reference was also made to the increasing participation by commercial banks in providing finance for small-scale industries under the impetus of the Credit Guarantee Scheme operated by the Reserve Bank, as also of the national policy of extending a rising proportion of bank credit for priority sectors.

The total credit extended by the scheduled commercial banks to small-scale industries during 1972-73 (April-December) expanded on a significant scale, reflecting the improvement in industrial production activities during the year. Such credit recorded a rise of Rs. 69·5 crores from Rs. 575·5 crores as at the end of March 1972 to Rs. 645·0 crores in December 1972; during the comparable period of 1971-72, there was an increase of only Rs. 48·8 crores (Table VI. 21). The increase in the number of units financed was equally impressive : by 19,936 during 1972-73 (April-December) as against 15,244 in 1971-72. As a result of the fast growth in credit for small-scale industry, its share in total bank credit moved up from 11·0 per cent in March 1972 to 11·9 per cent in December 1972.

The State Bank of India and its subsidiaries and the 14 nationalised banks accounted for 88 per cent of the total credit extended to small-scale industries at the end of December 1972, the share of the State Bank of India and its subsidiaries being 40 per cent of the total credit to this sector.

Two noteworthy features of the financing of small-scale industries have emerged in recent years. Firstly, there is a steady decline in the average amount of credit limits sanctioned per unit, reflecting a gradual but continued shift in favour of smaller borrowal accounts even among the small-scale industries. The amount declined steadily from Rs. 96,000 in June 1968 to Rs. 74,400 in December 1972. Secondly, there is an increase in the percentage share of finance received by industrially backward States such as Assam, Bihar, Jammu and Kashmir, Orissa, Rajasthan and U.P. in the total credit to small-scale industries.

Trends in Term-Loans

Term-loans (including instalment credits) sanctioned by scheduled commercial banks to 30,241 small-scale units amounted to Rs. 127·2 crores as at the end of December 1972. The balance outstanding was Rs. 94·8 crores, which formed 14·7 per cent of the total outstanding bank credit to small-scale industries.

Table VI. 21: Advances by Scheduled Commercial Banks to Small-Scale Industries

(Rupees Crores in cols. 6 to 13)

Particulars as on the last Friday of	Number of Units				Limits in force				Balance Outstanding			
	December 1972	March 1972	Increase (2—3)	Increase between December 1971 and March 1971	December 1972	March 1972	Increase (6—7)	Increase between December 1971 and March 1971	December 1972	March 1972	Increase (10—11)	Increase between December 1971 and March 1971
1	2	3	4	5	6	7	8	9	10	11	12	13
State Bank of India and its Subsidiaries	63,231	54,509	8,722	4,805	390.3	343.0	47.3	20.3	254.8	226.8	28.0	22.8
14 Nationalised Banks ..	69,133	58,673	10,460	9,973	548.3	479.4	68.9	23.7	315.3	283.7	31.6	19.1
Other Scheduled Banks ..	9,846	9,092	754	466	119.4	102.3	17.1	9.0	74.9	65.0	9.9	6.9
Total	**1,42,210**	**1,22,274**	**19,936**	**15,244**	**1058.0**	**924.7**	**133.3**	**53.0**	**645.0**	**575.5**	**69.5**	**48.8**
					Term Loans for Small-scale Industries							
All Scheduled Commercial Banks	30,241	27,613	2,628	— 735@	127.2	128.8	— 1.6	2.3@	94.8	88.5	6.3	4.5@

@ Variation between June 1971 and December 1971.

Note : Data for December 1972 are provisional.

Advances to Qualified Entrepreneurs

Beginning with June 1971, advances of scheduled commercial banks to craftsmen and other qualified entrepreneurs (included among small-scale industries) are also being assessed separately. Total amount sanctioned to craftsmen and other qualified entrepreneurs was Rs. 27·4 crores covering 10,150 units as on December 31, 1972, the balance outstanding being Rs. 17·2 crores.

Credit to Small Road and Water Transport Operators

Advances sanctioned to small road and water transport operators by scheduled commercial banks rose from Rs. 82·5 crores covering 32,989 units as at the end of March 1972 to Rs. 95·7 crores covering 39,616 units as on December 31, 1972, thus showing a net rise of Rs. 13·2 crores in the limits sanctioned.

Credit Guarantee Scheme for Small-Scale Industries :

The credit guarantee scheme for small-scale industries has recorded substantial progress during the year 1972-73. The scope of the scheme was further extended during the year to include concerns engaged in servicing and repairing of mechanised vessels. Nine additional unlicensed primary urban co-operative banks were classified under the list of approved credit institutions. As many as 180 credit institutions comprising all major commercial banks, state financial corporations and co-operative banks have joined the scheme.

The guarantees outstanding increased from Rs. 864 crores at the end of March 1972 to Rs. 1,036 crores at the end of March 1973. Since the introduction of the scheme in July 1960 upto the end of March 1973, the credit institutions received an aggregate amount of Rs. 60·1 lakhs in respect of their claims which numbered 406. Out of the amount paid by way of claims, Rs. 10·1 lakhs or 17·0 per cent of the total amount of claims paid have been recovered in full in respect of 61 cases by the end of December 1972. At the end of December 1972, accounts reported under default but likely to lead to settlement of claims numbered 5,491 involving an aggregate sum of Rs. 17·7 crores as against 3,533 accounts for Rs. 11·7 crores as at the end of December 1971.

The Guarantee Organisation conducts a test check of the accounts of small-scale units with the branches of the credit institutions in order to ensure that the institutions exercise requisite diligence and care in both sanctioning as well as recovering the dues from them. The coverage under the test check was raised from 5·0 per cent of the reporting branches during the first year of the operation of the modified scheme (1970) to 10·0 per cent during the second year. During the year under review, the coverage for the test was maintained at 10·0 per cent involving about 1,000 branches. Thus the Guarantee Organisation was expected to bring one-fourth of reporting branches under the test check programme by the end of the third year (*i.e.*, 1972-73). The deficiencies noticed through such inspections are taken up with the concerned credit institutions for rectification. The Guarantee Organisation is also required to conduct inspection of all accounts in default.

The Reserve Bank as the Guarantee Organisation has been liberalising the provisions of the Scheme whenever it deems fit. Some of the provisions of the Scheme were temporarily liberalised by the Government of India at the instance of the Reserve Bank in order to mitigate the difficulties faced by small-scale units located in Eastern and Western border areas as a result of conflict with Pakistan in December 1971 and also to encourage the credit institutions in these areas to provide credit facilities more liberally.

These liberalised provisions were initially effective upto March 31, 1972 but were extended upto June 30, 1972 in both Eastern and Western border areas. Thereafter, they were allowed to lapse in the Eastern border areas as the near normal conditions were restored in these areas ; in the Western region, they were allowed to lapse effective from April 1, 1973.

Aggregate of Funds Mobilised Through the Capital Market :

The aggregate of funds mobilised through the capital market by Government, semi-Government and autonomous institutions and private corporate sector together were substantially larger during the year 1972-73 (July-June) than in the previous year. The

entire increase took place under the Central and State Governments' borrowing programme (net of maturity and redemption). On the other hand, capital issues by semi-Government and autonomous institutions through bonds, debentures and also share capital, on a net basis, were lower than in 1971-72 (July-June). Likewise, the capital issues by the non-Government public limited companies through fresh share capital and debentures were also lower *albeit* marginally(10) (Table. VI·22). These amounts of capital issues are, however, not adjusted for debentures and redeemable preference shares of private sector companies actually redeemed after maturity ; neither do they include some of the debentures or redeemable preference shares further extended on maturity.

The Securities' Market

The Gilt-edged Market :

Between July 1972 and June 1973, the Reserve Bank's All-India Index for Government and Semi-Government Securities (base: 1961-62=100) moved up slightly from 97·6 to 97·9. Indices for Central as well as State Governments' Securities also recorded fractional increases of 0·2 point and 0·3 point at 97·1 and 100·7, respectively. The prices of various scrips in the Central list generally attained higher levels (Table VI·23). Large upswings in prices were recorded only in respect of Gold Bonds, reflecting the spurt in the price of gold. Prices of many other securities registered moderate gains. Variations in the yields, on the other hand, were relatively of a much lower order and even erratic.

Gilt-edged Prices and Bank Rate Rise

Prices of securities remained unaltered even after the rise in Bank rate effective May 31, 1973, as the Reserve Bank had decided not to effect any change in buying and selling rates of the various loans on its list. The selling rate of treasury bills was, however, lowered on that date by Rs. 0·125 to Rs. 99·000 per cent thus raising the rate of discount by 0·50 to 4·00 per cent. The additional margin on rediscounting of treasury bills was kept unchanged at 0·031 per cent. This would seem to indicate that while the Reserve Bank encouraged purchases of treasury bills by banks for mopping up temporarily surplus funds, the term-loans were not intended to be affected.

Prices of Key Loans

The prices of State Governments' securities(11) presented a steadier front than those of Central scrips. Of *short-dated* loans, prices of $4\frac{1}{2}$ per cent 1974, $4\frac{3}{4}$ per cent 1976 and $5\frac{1}{2}$ per cent 1977 Loans of Assam recorded noteworthy increases of Rs. 3.50, Rs. 2·75 and Rs. 1·10 to Rs. 99·50, Rs. 98·75 and Rs. 100·10, respectively. Among *medium-shorts*, $5\frac{3}{4}$ per cent Loan, 1979 of Gujarat inflated by Rs. 1·25 to reach Rs. 101·25. In reflection of the upward movement of prices, yields tended to fall. The most marked variations were witnessed only in *short-dated* category especially in respect of $4\frac{1}{2}$ per cent Loan, 1974 (—1·15 percentage points to 4·83 per cent) and $4\frac{3}{4}$ per cent Loan, 1976 (—0·58 percentage point to 5·10 per cent) in the case of Assam, $4\frac{1}{2}$ per cent Loan, 1974 of Kerala (—0·44 percentage point to 4·48 per cent), $4\frac{1}{2}$ per cent Loan, 1974 of Punjab (+0·49 percentage point to 5·39 per cent) and $4\frac{1}{2}$ per cent Loan, 1974 of Tamil Nadu (+0·42 percentage point to 5·39 per cent).

Net Sales by RBI

Open market operations of the Reserve Bank during the period resulted in much larger net sales of securities to the tune of Rs. 137·7 crores as compared with those of Rs. 51·1 crores during 1971-72. Both purchases and sales at Rs. 437·0 crores and Rs. 574·7 crores, respectively, were higher than the comparable totals of Rs. 258·6 crores and Rs. 309·7 crores in the previous year.

Industrial Securities Market :

Different Phases of Equity Prices

Equity prices recorded moderate gains during the year 1972-73 (July-June). The downward movement in equity prices observed from the beginning of May 1972 continued upto the end of September 1972, but thereafter there has been

(10) The period covered is on a July-June basis; in the calendar year 1972, the capital issues were substantially higher than in the previous year (as emphasised earlier).

(11) The variations in prices and yields relate to the period June 15, 1972 to June 29, 1973 and July 14, 1972 to July 6, 1973, respectively, as end—June data are not available.

Table VI·22—Funds Mobilised Through Issue of Securities in the Capital Market

(Rupees Crores)

Funds mobilised →From ↓ By	1972-73 (1) (July-June)				1971-72 (July-June)			
	Subscribers			Net borrowing after taking into account maturities	Subscribers			Net borrowing after taking into account maturities
	Governments and Institutions(2)	Others(3)	Total		Governments and Institutions(2)	Others(3)	Total	
1	2	3	4	5	6	7	8	9
1. Government Borrowings ..	755.0	746.5	1501.5	723.8 (69.0)	286.5	515.9	802.4	395.7 (50.1)
Of which :								
A. Central Government ..	755.0	529.0	1284.0	589.3 (56.2)	286.4	340.5	626.9	294.8 (37.3)
B. State Governments	—	217.5	217.5	134.5 (12.8)	0.1	175.4	175.5	100.9 (12.8)
2. Bonds, debentures and capital issued by Semi-Government and autonomous institutions (4) ..	29.6	259.7	289.3	255.9 (24.4)	44.7	309.3	354.1	321.4 (40.7)
3. New capital issues by the corporate sector	4.1(5)	65.4	69.5	69.5 (6.6)	9.7(5)	62.8	72.5	72.5 (9.2)
4. Total (1+2+3)	**788.7**	**1071.6**	**1860.3**	**1049.2 (100.0)**	**340.9**	**888.0**	**1229.0**	**789.6 (100.0)**

(1) Provisional.
(2) Include Reserve Bank of India, State Governments, Local Authorities, State Electricity Boards and financial institutions like IDBI, IFCI, SFCs and SIDCs.
(3) Include commercial and co-operative banks, L.I.C. and general insurance companies, provident funds, joint stock companies, trusts, ICICI, UTI and individuals.
(4) Include IDBI, IFCI, SFCs, SIDCs, ARC, central land mortgage/development banks, State Electricity Boards, municipal corporations and metropolitan authorities, housing boards and port trusts.
(5) Includes amount devolved on financial institutions on account of underwriting and also reserved allotments.

Table VI·23—Prices and Yields of Selected Central Government Securities

Loans	As on				Variations	
	June 15, 1972*		June 29, 1973		Price (Rs.)	Yield (Per cent)
	Price (Rs.)	Yield (Per cent)	Price (Rs.)	Yield (Per cent)		
1	2	3	4	5	6	7
Short-dateds						
3¾% 1974	98.25	4.64	99.10	4.64	+0.85	—
4¼% 1975	99.35	4.48	99.60	4.45	+0.25	—0.03
4½% 1976	98.80	4.58	99.30	4.50	+0.50	—0.08
2¾% 1976	92.00	4.86	94.00	4.78	+2.00	—0.08
4½% 1977	99.05	4.70	99.50	4.63	+0.45	—0.07
7 % 1977 (Gold Bonds)	114.50	4.00	133.00	..	+18.50	..
Medium-shorts						
4 % 1979	94.55	4.92	95.50	4.87	+0.95	—0.05
4½ % 1979 (B.C. Bonds)	97.10	4.98	97.25	5.03	+0.15	+0.05
7 % 1980 (Gold Bonds)	117.00	4.38	133.00	1.74	+16.00	—2.64
4 % 1980	93.25	5.03	94.85	4.87	+1.60	—0.16
4 % 1981	92.35	5.06	93.50	4.99	+1.15	—0.07
5 % 1982	99.60	5.05	100.00	5.00	+0.40	—0.05
Medium-longs						
4½ % 1985	92.85	5.26	92.95	5.30	+0.10	+0.04
Long-dateds						
4¾ % 1989	93.00	5.39	93.05	5.41	+0.05	+0.02
5½ % 1999 (B. C. Bonds)	96.80	5.73	97.20	5.71	+0.40	—0.02

* End-June data are not available.

a gradual and sustained recovery. Reflecting these trends, the Reserve Bank of India's All India Index of Variable Dividend Industrial Securities (Base : 1961-62=100) slipped down from 95·6 in the week ended June 24, 1972 to 90·6 on September 30, 1972 (Table VI. 24). The market sentiment was depressed during this period by the Government take-over of the management of Indian Iron and Steel Company (IISCO), the reports of widespread damage to *kharif* crops in several States due to drought and the announcement by the Government to increase minimum bonus for industrial workers from 4·0 per cent to 8·33 per cent. From the beginning of October 1972 the downtrend was reversed and the index gradually recovered to 93·8 by December 23, 1972. This revival was on account of encouraging corporate news including reports of improvement in industrial output in 1972 and of higher investments by financial institutions. Subsequently, in the pre-Budget period, the market turned cautious as a result of the Government take-over of the management of non-coking coal mines.

Table VI·24—Movement in RBI's All-India Index Number of Variable Dividend Industrial Security Prices (Base: 1961-62 = 100)

As on	Index
1	2
June 24, 1972	95.6
September 30, 1972	90.6 (— 5.2)
December 9, 1972	93.9 (+ 3.6)
February 10, 1973	92.4 (— 1.6)
February 24, 1973 (Pre-budget Index)	93.0
March 24, 1973	97.8 (+ 5.2)
April 28, 1973	96.3 (— 1.5)
May 26, 1973 (Weekly Index prior to Bank Rate rise)	99.1
June 2, 1973 (Weekly Index after Bank Rate rise)	99.5
June 30, 1973	101.6 (+2.1)
Percentage variation of June 30, 1973 over June 24, 1972	(+ 6.3)
Percentage variation during the corresponding period of 1971-72	(— 1.9)

Note : Figures in brackets are percentage variations over the previous period.

Equity Prices and Bank Rate Rise

This, along with the difficult food situation and the impact of power cut on industrial output, acted as a damper, but their effect was mild and short-lived in the face of the underlying technical position of the market being one of buoyancy. The prospects of a normal monsoon also aided it further. The equity price index rose steadily and gradually from 96·3 at end-April 1973 to 99·1 at end-May 1973 when the Bank Rate was stepped up from 6 per cent to 7 per cent, but its impact got subsumed in the otherwise strong technical position. By the end of June 1973, the equity index reached 101·6 recording a rise of 6·3 per cent over the year in contrast to a drop of 1·9 per cent in the corresponding period of 1971-72.

The average index of equities for 1972-73 worked out to 94·5 showing a rise of 0·6 per cent over the index for 1971-72 (93·9). On the other hand, the average index numbers of preference shares and debentures continued to show a declining trend. Among them, preference shares experienced a lower order of decline of 2·4 per cent against a decline of 4·6 per cent in 1971-72 (Table VI. 25). But debentures registered a slightly larger decline than in the previous year—0·9 per cent against 0·6 per cent. This was probably the result partly of some upward trend in the interest rate structure in the economy and partly of a relative shift in the preference of investors in favour of equities.

Regional Equity Prices

Region-wise, the price index of scrips quoted on the Bombay Stock Exchange recorded the highest increase of 11·0 per cent over the year, followed by 4·8 per cent in Madras. Ahmedabad and Delhi regional equity indices registered moderate increases of 2·8 per cent and 1·2 per cent, respectively. However, on Calcutta Stock Exchange, the equity price index showed a decline of 1·3 per cent.

Industry-wise Equity Prices

Among the industrial sub-groups, the equity prices of those that generally experienced better operational results and improved production, sales and earnings have recorded significant increases during the year under review. Some such industrial sub-

Table VI.25—Variations in RBI Index of Industrial Securities Prices

(Base : 1961-62 = 100)

Week ended	Debentures	Preference shares	Variable Dividend Industrial Securities
(1)	(2)	(3)	(4)
1969-70 (July-June)			
June 28, 1969	93.4	88.5	99.3
December 27, 1969	93.5 (+0.1)	87·8 (—0.8)	88·9 (—10.5)
June 27, 1970	93.6 (+0.1)	88.1 (+0.3)	100.0 (+12.5)
% Variation over the year	+0.2	—0.5	+0.7
1970-71 (July-June)			
December 26, 1970	93.5	86.2	101.0
	(—0.1)	(—2.2)	(+1.0)
June 26, 1971	92.6	84.6	97.5
	(—1.0)	(—1.9)	(—3.5)
% Variation over the year	—1.1	—4.0	—2.5
1971-72 (July-June)			
December 25, 1971	92.7	82.0	91.5
	(+0.1)	(—3.1)	(—6.2)
June 24, 1972	92.5	82.5	95.6
	(—0.2)	(+0.6)	(+4.5)
% Variation over the year	—0.1	—2.5	—1.9
1972-73 (July-June)			
December 23, 1972	92.1	80.5	93.8
	(—0.4)	(—2.4)	(—1.9)
June 30, 1973	91.3	80.6	101.6
	(—0.9)	(+0.1)	(+8.3)
% Variation over the year	—1.3	—2.3	+6.3
Annual Averages			
(July-June)			
1970-71	93.3	86.7	102.1
1971-72	92.7	82.7	93.9
	(—0.6)	(—4.6)	(—8.0)
1972-73	91.9	80.7	94.5
	(—0.9)	(—2.4)	(+0.6)

Note : Figures in brackets are percentage variations over the previous period.

groups are : 'shipping and other transport' (50 per cent), 'machinery other than transport and electrical' (29 per cent), 'cotton textiles' (16·7 per cent), 'other chemical products' (15·9 per cent), 'silk, woollen and rayon textiles' (13·8 per cent) and 'electrical machinery, appliances, etc.' (10·3 per cent). The substantial rise in equity prices of the sub-group 'shipping and other transport' was on account of relatively better earnings and dividend distributions by shipping companies. The equity values of 'cotton textiles' rose due to a record rise in cotton textiles output during 1972. The improvement in the equity values of 'other chemical products' reflected a sharp increase in the demand for chemicals and chemical products.

By contrast, the equity prices of some important industrial sub-groups recorded noticeable declines. They are : 'coal' (33 per cent), 'jute textiles' (31 per cent), 'other mining' (26 per cent), 'iron and steel' (18·3 per cent), 'edible and vegetable oils' (15·5 per cent), 'non-ferrous metals (basic)' (13·5 per cent), 'investments' (13·4 per cent), 'tea planta-

Table VI·26—Return on Securities Issued by Non-Government Public Limited Companies

(In Percentages)

	(July — June)								
	1970-71			1971-72			1972-73		
A. Ceiling Dividend/Interest Rates Fixed by the Controller of Capital Issues									
(*i*) Preference Shares	9.5*			9.5			9.5		
(*ii*) Debentures	8.0*			8.0			8.0		
B. Dividend/Interest Rates Offered on Public Issues	Lowest	Highest	Modal Rate	Lowest	Highest	Modal Rate	Lowest	Highest	Modal Rate
(*i*) Preference Shares (at par)	9	10	9.5	9	10	9.5	9.5	9.5	9.5
(*ii*) Debentures (at par) ..	7.75	8	8	8	8	8	7.75	7.75	7.75
C. Average (Gross) Yield (RBI Data)	Lowest	Highest	Average of months	Lowest	Highest	Average of months	Lowest	Highest	Average of months
(*i*) Variable Dividend Industrial Securities (Ordinary shares)	5.3	6.1	5.6	6.5	6.9	6.7	6.6	7.4	6.9
(*ii*) Preference Shares	9.6	10.0	9.8	10.1	10.2	10.1	10.2	10.6	10.5
(*iii*) Debentures (Redemption Yield)	8.0	8.6	8.2	8.6	9.0	8.8	9.1	10.4	9.7
Debentures (Running Yield)	7.3	7.4	7.3	7.4	7.4	7.4	7.4	7.5	7.5

* Effective from September 1970.

Note : ICICI's debenture issues made in June 1972 and March 1973 were offered at 6 per cent.

tions' (10·9 per cent), 'rubber plantations' (10·5 per cent) and 'electricity generation and supply' (10·2 per cent). Share prices of 'coal' and 'iron and steel' declined substantially due to Government take-over of the coal mines and the management of Indian Iron and Steel Company. The equity values of sub-group 'edible and vegetable oils' suffered a set-back due to soaring price of oilseeds. The apprehensions of nationalisation of private electricity generation and supply companies adversely affected their share values.

Trends in Yield Rates

The average yield (gross) on Variable Dividend Industrial Securities increased fractionally from 6·7 per cent for 1971-72 to 6·9 per cent for 1972-73 (Table VI·26). In spite of the increase in equity prices, this small rise in the average yield rate was the result of relatively higher dividends announced during 1972-73 by a number of companies covered in the calculation of yield rate. The average yield (gross) on preference shares also rose *albeit* marginally from 10·1 per cent to 10·5 per cent, while for debentures the rise was larger from 8·8 per cent to 9·7 per cent due to a larger decline in their prices.

The rate of dividend offered on preference share issues continued to be at almost the same level as in the previous year (Table VI·26). All the preference share issues offered dividend rate of 9·5 per cent per annum in 1972-73. A debenture issue made in the month of May 1973 was offered at 7·75 per cent rate of interest. The ceiling rates for debentures/bonds and preference shares prescribed by the Controller of Capital Issues have remained unchanged at 8 per cent and 9·5 per cent, respectively, since September 1970.

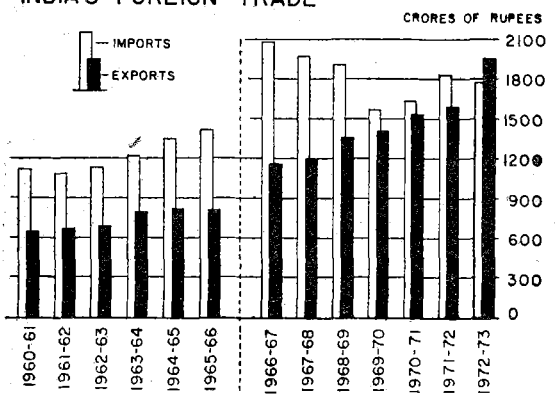
CHAPTER VII : DEVELOPMENTS IN TRADE AND TARIFFS

Trends in Foreign Trade

India had a favourable trade balance of Rs. 185 crores(1) during 1972-73 in contrast to the trade deficit of Rs. 218 crores in 1971-72(2). The trade surplus during 1972-73 was achieved as a result of a sharp increase of Rs. 355 crores in exports and a decline of Rs. 48 crores in imports.

Graph 37

INDIA'S FOREIGN TRADE



Exports

Exports at Rs. 1962 crores(3) during 1972-73 showed a rise of 22·1 per cent as compared with 4·7 per cent during 1971-72. The improvement in exports was attributable to a rise both in unit value as well as quantum of exports. The indices (Base : 1958=100) for unit value and quantum of exports for the first nine months of 1972-73 (April-December 1972) were higher than those for the corresponding period of the previous year by 9 per cent and 8 per cent, respectively.

However, as stated in the last year's Report (page 156), the rate of growth in exports during 1971-72 would have been higher, if adjustments were made in the figures for 1970-71 for the change in the procedure adopted for the compilation of export statistics introduced in November 1970. It is, however, not possible to quantify the impact of these adjustments. Even after making allowance for these adjustments, the growth rate in exports in 1972-73 was impressive as compared with the growth rates achieved in 1971-72 and 1970-71.

About one-third of the rise in exports during 1972-73 was accounted for by exports to Bangladesh which amounted to Rs. 158 crores during 1972-73 as compared with Rs. 43 crores during 1971-72(4). The other major factors which contributed to the steep rise in exports during 1972-73 were (*a*) a higher level of demand for Indian goods in foreign countries following buoyancy in world trade and (*b*) the restoration of normalcy in the outward flow of goods which was disturbed in 1971-72 by transport dislocation following the Indo-Pakistan hostilities and by the initial reaction to the international monetary crisis.

Commodity-wise Exports

Commodity-wise, the rise in exports during the first nine months of 1972-73 (April-December) was shared by both traditional as well as non-traditional items, unlike in the previous year, when exports of non-traditional items had actually declined (Table VII·1). Exports of four non-traditional items, viz., engineering goods, iron and steel, iron ore and chemicals during April-December 1972 at Rs. 236 crores were 13 per cent higher than the level of April-December 1971. Even so, the share of these four non-traditional items in total exports was reduced

(1) DGCI&S data.

(2) See Statement 81 in the Statistical Statements Section of this Report.

(3) In accordance with the change in the basis of compilation of export statistics introduced from November 1, 1970 from the finally passed shipping bill to the original copy of the shipping bill, the monthly export statistics during 1972-73 were recorded on the basis of the original copy of the shipping bill after making adjustments for the short and shut-out shipments during the respective month. In the case of the figures for March 1973, those bills in respect of which the ships sailed after March 31, 1973 were, however, excluded in accordance with the change in the basis of compilation introduced from April 1, 1973 whereby the DGCI&S have reverted to the old procedure in vogue prior to November 1970 of compiling export statistics on the basis of the finally passed shipping bill.

(4) The figures of exports to Bangladesh include adjustments for the incomplete recording of exports by Government agencies in the initial stages of the trade.

Table VII·1—India's Principal Exports

(Rupees crores)

Commodities	1967-68	1968-69	1969-70	1970-71	1971-72†	April-December 1971	April-December 1972†	Increase (+)/ Decrease (—) of (8) over (7) Actual	Increase (+)/ Decrease (—) of (8) over (7) Percentage
1	2	3	4	5	6	7	8	9	10
A. Major Non-traditional items									
Engineering goods	35	69	91	126	108	82	96	+ 14	+ 17
Iron and steel	55	79	87	91	41	31	30	— 1	— 3
Iron ore	75	88	95	117	105	72	80	+ 8	+ 11
Chemicals	16	24	30	36	32	24	30	+ 6	+ 25
B. Other items									
Jute yarn and manufactures	234	218	207	190	265	187	193	+ 6	+ 3
Cotton yarn and manufactures	86	101	116	118	116	80	109	+ 29	+ 36
Tea	180	157	125	148	156	117	120	+ 3	+ 3
Hides, skins, leather and leather goods including footwear	70	87	99	87	103	73	125	+ 52	+ 71
Cashew kernels	43	61	57	52	61	51	57	+ 6	+ 12
Oilcakes	45	49	41	55	40	29	41	+ 12	+ 41
Pearls, precious and semi-precious stones, worked/unworked	30	45	42	42	53	38	56	+ 18	+ 47
Spices	27	25	34	39	36	23	18	— 5	— 22
Fish and fish preparations	18	23	31	31	42	29	41	+ 12	+ 41
Sugar	16	10	9	28	30	28	10	— 18	— 64
Coffee	18	18	20	25	22	19	23	+ 4	+ 21
Manganese ore	11	13	11	14	11	8	7	— 1	— 13
Tobacco (unmanufactured)	35	33	33	31	42	35	50	+ 15	+ 43
C. Total (including others)	1,199	1,358	1,413	1,535	1,569*	1,140	1,394**	+254	+ 22

* Excludes exports of about Rs. 38 crores to Bangladesh. According to revised data, exports to Bangladesh amounted to Rs. 43 crores. ** Excludes substantial exports to Bangladesh.

† Provisional.

Note : (*i*) 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 original copy of the shipping bill) for recording exports adopted by the DGCI&S with effect from November 1, 1970. (*ii*) Also see Statement 82 in the Statistical Statements Section of this Report.

Source : DGCI&S.

slightly from 18 per cent in April-December 1971 to 17 per cent in April-December 1972. Exports of engineering goods increased in April-December 1972 by 17 per cent as a result of increases recorded by a number of items like vehicles and parts, electric wires and cables, bicycles and parts, electric fans, steel pipes and tubes and structural fabrications including transmission towers. Exports of iron and steel declined further, although marginally, as production did not show sufficient improvement to meet the increased domestic demand. Among other items, sharp increases were recorded in exports of hides and skins, leather and leather products, cotton yarn and textiles, pearls and precious and semi-precious stones, unmanufactured tobacco, oilcakes and fish and fish preparations. Exports of jute manufactures which had shown a sharp rise in 1971-72 maintained the uptrend during the first half of 1972-73. However, the lower overseas intake of Indian jute goods in the third quarter of 1972-73 resulted in scaling down the growth rate of exports of jute manufactures to barely 3 per cent in the first nine months of 1972-73, as against an impressive increase of 37 per cent recorded during the corresponding period of 1971-72.

Imports

Imports during 1972-73 amounted to Rs. 1777 crores (5)showing a decline of 2·6 per cent over the level in 1971-72. The value of import licences issued during 1972-73 at Rs. 1856 crores hardly showed any change over the level in 1971-72 (Rs. 1854 crores), as compared with an increase of 13·5 per cent recorded in 1971-72.

(5) The DGCI&S figures of imports for 1972-73 are subject to revision and the final figures may come closer to 1971-72 levels.

Table VII.2—India's Principal Imports

(Rupees crores)

Commodities	1967-68	1968-69	1969-70	1970-71	1971-72	April-December		Increase (+)/ Decrease (—) of (8) over (7)	
						1971	1972	Actual	Percentage
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. Food (excluding cashewnuts): ..	554	372	293	242	169	131	55	— 76	— 58
Of which Cereals and cereal preparations	518	336	261	213	131	105	22	— 83	— 79
2. Raw cotton	83	90	83	99	113	87	76	— 11	— 13
3. Raw jute and mesta	5	16	5	—	—	—	1	+ 1	
4. Cashewnuts	25	31	28	29	28	20	23	+ 3	+ 15
5. Mineral oils :	75	133	138	136	195	143	149	+ 6	+ 4
Of which (*a*) Petroleum crude & partly refined	60	96	96	106	148	110	106	— 4	— 4
(*b*) Others	15	37	42	30	47	33	43	+ 10	+ 30
6. Chemicals :	273	283	195	192	218	161	156	— 5	— 3
Of which (*a*) Fertilisers	139	139	77	61	81	52	47	— 5	— 10
(*b*) Others	134	144	118	131	137	109	109	—	—
7. Iron and steel	106	86	82	147	238	179	157	— 22	— 12
8. Non-ferrous metals	89	89	75	120	102	83	77	— 6	— 7
9. Crude rubber (including synthetic and reclaimed)	4	5	10	4	4	3	3	—	—
10. Wool and other animal hair ..	12	11	17	16	14	11	10	— 1	— 9
11. Animal and vegetable oils and fats	34	19	30	39	47	32	15	— 17	— 53
12. Paper, paperboards and manufactures thereof	18	18	24	25	35	24	18	— 6	— 25
13. Pearls, precious and semi-precious stones	12	28	28	25	26	19	30	+ 11	+ 58
14. Machinery & transport equipment :	503	514	396	384	454	349	349	—	—
Of which (*a*) Machinery other than electric	336	366	280	257	268	211	210	— 1	— 1
(*b*) Electrical machinery ..	86	82	64	69	102	72	85	+ 13	+ 18
(*c*) Transport equipment ..	81	66	52	58	84	66	54	— 12	— 18
15. Others	181	214	163	176	169	122	120	— 2	— 2
Total	**1,974***	**1,909**	**1,567***	**1,634**	**1,812**	**1,364**	**1,239**	**—125**	**— 9**

* Revised. Commodity-wise details are not available.

Note : For more details, see Statement 83 in the Statistical Statements Section of this Report.

Source : DGCI&S.

Commodity-wise Imports

Commodity-wise, the decline in imports during the first nine months of 1972-73 (April-December) was shared both by foodgrains as well as non-foodgrains items, but the decline in the former (Rs. 83 crores) was larger than that in the latter (Rs. 42 crores) (Table VII. 2). In the case of other items, marked declines were recorded in imports of animal and vegetable oils and fats (Rs. 17 crores or 53 per cent), iron and steel (Rs. 22 crores or 12 per cent), raw cotton (Rs. 11 crores or 13 per cent), paper and paperboards (Rs. 6 crores or 25 per cent), non-ferrous metals (Rs. 6 crores or 7 per cent) and fertilisers (Rs. 5 crores or 10 per cent). Imports of machinery and transport equipment as a group did not show any change; an increase in imports of electric machinery was off-set by a decline in imports of transport equipment. Imports of cashewnuts and pearls, precious and semi-precious stones increased by 15 per cent and 58 per cent, respectively.

Direction of Foreign Trade

From the point of direction of trade, the overall favourable trade balance resulted from (*i*) conversion of trade deficits into trade surpluses with the U.S.A. and EFTA countries, (*ii*) enlargement of trade surpluses with USSR and other East European countries, and (*iii*) reduction in trade deficits with Canada, the U.K., and the ECM countries (Table VII. 3). The trade surplus with the ECAFE countries (excluding Japan) also increased, reflecting mainly the larger trade with Bangladesh. If trade with Bangladesh were to be excluded, India would appear to have had a trade deficit with this group of countries during April-December 1972 as against a trade surplus in April-December 1971. In respect of India's trade with U.S.A., Japan, U.K. and the East European countries, the trade position improved because of both an increase in exports and a decline in imports. A relatively larger increase in exports than in imports helped to convert trade deficits with the EFTA countries into a small surplus, to increase the trade surplus with the USSR and to reduce the trade deficit with the ECM countries (excluding U.K. and Ireland). Both imports from and exports to Canada were lower than during April-December 1971. In trade with African countries (excluding A.R.E.), while exports declined, imports increased, resulting in a sharp increase in trade deficit with these countries. Exports to ECAFE region (excluding Japan) increased sharply during April-December 1972 on account of larger exports to Bangladesh.

Developments in Trade Policy

Trade policy during 1972-73 continued to pursue the twin objectives of export development and import replacement.

Export Policy

With a view to broadening the export base, a scheme was evolved to render assistance to industrial units desiring to enter the export field. According to this scheme, these units would be given facilities to import capital equipments to enable them to build up export potential. Further, working groups were constituted to draw up concrete production plans in respect of 20 commodities having export potential.

While the accent was on maximisation of exports, restrictions were imposed on exports of a few items because of acute shortage of domestic supply. Thus, export of soyabean, mustard/rapeseed and mustard oil and fertilisers was banned while export of cotton yarn and semi-tanned hides and skins was brought under control. (The details are given in Appendix IX). To facilitate larger exports of jute manufactures, the export duty on carpet backing weighing 9 ounces or more per square yard was reduced from Rs. 700 to Rs. 300 per tonne on November 1, 1972; on June 12, 1973, it was again reduced to Rs. 200 per tonne on carpet backing weighing $7\frac{1}{2}$ ounces or more per square yard, Rs. 300 per tonne being charged on carpet backing weighing less than $7\frac{1}{2}$ ounces per square yard(6).

During the year, coir matting and non-baled coir yarn were brought under the purview of quality control and pre-shipment inspection. Preliminary action was taken to extend this scheme to chillies powder, crushed bones, hooves and horns, seedless tamarind, cumin seed and saffron and some chemical and allied products and engineering products, etc.

(6) For the details of commodities subject to export duty, see Statement 102 in the Statistical Statements Section of this Report.

Table VII.3—Regional Pattern of India's Trade

(Rupees crores)

	1968-69	1969-70	1970-71	1971-72	April-December 1971	April-December 1972
1	2	3	4	5	6	7
1. All countries						
(a) Imports	1908.6	1582.1	1634.2	1812.0	1363.6	1239.0
(b) Exports	1357.9	1413.3	1535.2	1568.6*	1140.1	1394.1**
(c) Balance	—550.7	—168.8	—99.0	—243.4	—223.5	+155.1
2. ECAFE countries excluding Japan						
(a) Imports	213·7	193.2	180.9	199.7	150.0	168.2@
(b) Exports	183.9	198.7	206.1	202.6*	153.0	195.9**@
(c) Balance	—29.8	+ 5.5	+25.2	+ 2.9	+ 3.0	+27.7@
Japan						
(a) Imports	115.4	67.4	83.4	161.6	123.8	118.7
(b) Exports	158.3	179.3	203.5	182.3	132.6	154.9
(c) Balance	+42.9	+111.9	+120.1	+20.7	+ 8.8	+36.2
3. Africa excluding ARE						
(a) Imports	106.8	119.7	130.0	110.5	82.4	99.7
(b) Exports	51.0	53.5	82.9	109.0	75.5	56.7
(c) Balance	—55.8	—66.2	—47.1	— 1.5	— 6.9	—43.0
ARE						
(a) Imports	41.4	21.7	39.8	33.2	29.1	28.4
(b) Exports	21.8	34.6	56.4	23.1	14.1	21.6
(c) Balance	—19.6	+12.9	+16.6	—10.1	—15.0	— 6.8
4. East European countries excluding USSR						
(a) Imports	117.9	112.3	121.5	120.1	91.1	80.2
(b) Exports	118.2	131.3	152.6	134.9	92.4	115.8
(c) Balance	+ 0.3	+19.0	+31.1	+14.8	+ 1.3	+35.6
USSR						
(a) Imports	191.7	171.3	106.1	81.7	61.1	68.2
(b) Exports	148.3	176.3	209.8	208.7	158.6	226.8
(c) Balance	—43.4	+ 5.0	+103.7	+127.0	+97.5	+158.6
5. ECM countries						
(a) Imports	234.8	172.0	188.4	249.3	185.1	221.9
(b) Exports	111.5	100.5	98.6	124.6	85.4	153.9
(c) Balance	—123.3	—71.5	—89.8	—124.7	—99.7	—68.0
6. EFTA countries						
(a) Imports	42.7	29.1	29.3	29.9	22.6	28.7
(b) Exports	15.5	18.3	25.4	25.9	18.8	29.0
(c) Balance	—27.2	—10.8	— 3.9	— 4.0	— 3.8	+ 0.3
UK						
(a) Imports	127.5	102.6	126.8	216.9	164.8	160.0
(b) Exports	201.5	165.1	170.4	168.7	123.9	135.2
(c) Balance	+74.0	+62.5	+43.6	—48.2	—40.9	—24.8
7. North America (USA & Canada)						
(a) Imports	671.0	542.1	570.2	529.3	401.9	198.7
(b) Exports	264.1	264.3	235.3	302.5	223.1	230.0
(c) Balance	—406.9	—277.8	—334.9	—226.8	—178.8	+ 31.3
USA						
(a) Imports	572.4	467.2	452.9	416.5	319.8	149.1
(b) Exports	234.4	238.0	207.3	263.1	191.4	207.9
(c) Balance	—338.0	—229.2	—245.6	—153.4	—128.4	+ 58.8
8. Other countries						
(a) Imports	45.7	50.7	57.8	79.8	51.7	66.3
(b) Exports	83.8	91.4	94.2	86.3	62.7	74.3
(c) Balance	+ 38.1	+ 40.7	+ 36.4	+ 6.5	+ 11.0	+ 8.0

* Excludes exports to Bangladesh (about Rs. 38 crores). According to revised data, exports to Bangladesh amounted to Rs. 43 crores.

** Excludes substantial exports to Bangladesh.

@ Excluding Bangladesh, the figures for 1972-73 (April-December) would be : Imports — Rs. 166.6 crores, Exports — Rs. 136.1 crores and Trade deficit—Rs. 30.5 crores.

Note : Also see Statement 84 in the Statistical Statements Section of this Report.

Source : DGCI&S.

T. D. A.

The Trade Development Authority (TDA) further expanded its activities during 1972-73 in the field of providing total assistance to selected export-worthy units, mostly in small and medium scale sectors. It enrolled 164 new units as "export-worthy" units during 1972-73, bringing the total number of such units to 461 at the end of March 1973. In 1972-73, 102 clients of the TDA utilised the facility of package servicing plan for developing export markets and execution of export contracts. Total value of export orders serviced under the plan amounted to Rs. 17·5 crores. The TDA has extended the concept of selectivity to overseas buyers and identified 200 importers, wholesalers and departmental stores in Western Europe, the U.S.A., Canada and Japan and established regular contacts with them. During the year, the Authority sponsored 32 visits by buying missions from the U.S.A., Sweden, Switzerland, Spain, France, West Germany and the Netherlands. It also sent its first selling mission to the U.S.A. Two additional products, *viz.*, agarbattis and builders' hardware and bathroom metallic fittings were identified during 1972-73 for the purpose of export development. It also assisted 22 export oriented projects producing readymade garments, bicycle components, polyethylene woven sacks, electronic components, hand tools, etc., in securing the necessary licences from Government.

The TDA secured export orders worth Rs. 34·5 crores for its clients during 1972-73 as against Rs. 6·1 crores during the previous (first) 18 months of its operation. Of these, the U.S.A. accounted for about Rs. 22·5 crores. For 1973-74, the export target has been fixed at Rs. 52·1 crores of which orders worth Rs. 30 crores are expected from the U.S.A.

Export Processing Zone (EPZ)

During the year, the proposal for the establishment of an Export Processing Zone (EPZ) for electronics equipment and components near Santa Cruz airport at Bombay was approved by the Government of India. A governing body for the overall control of the project and EPZ Board for taking vital decisions to implement the project have been constituted. The EPZ Board has finalised the guidelines for setting up industries.

Import Policy

Import policy for 1973-74 continues to be oriented towards meeting the requirements of export promotion as well as of priority industries. The policy provides for the encouragement of research and development. Indigenous producers supplying raw materials to exporters at international prices have been made eligible to all benefits that are available to the registered exporters. The role of the public sector agencies in the import trade has been enlarged.

Eleven more industries have been included in the list of priority industries raising the total number of such industries to 70. The new industries included are industrial chains, steel wires, diesel locomotives, road rollers, hosiery needles, wheel discs, bogie wheels and crawler traction tracks, polystyrene, industrial alcohol, synthetic detergents, polyethylene--low and high density and P.V.C. resins. Industrial units in the priority sector exporting 10 per cent or more of their production would be eligible for preferred sources of supply for imports and facilities for expansion of export production. Units exporting 20 per cent or more of their production would receive substantially greater preference. Industrial units in the small-scale sector exporting 10 per cent or more of their production would be given additional facilities, if their exports in 1972-73 exceeded twice the value of their exports in 1971-72. Units in the selected priority industries have to export a minimum of 5 per cent of their production. Failure to meet export obligations would make these industrial units liable to a cut in their import licences, besides being deprived of the facilities of preferred sources of supply as well as of the expansion of production capacities. A few non-priority industries have been subjected to compulsory export obligations. These are radio receivers, cosmetics and toiletries such as talcum powder, face powder, face cream and hair dyes, playing cards, spectacle frames and vacuum flasks. It has been announced that some more industries would be subjected to compulsory export obligations during the course of the year 1973-74, after assessing their export potential.

A special provision has been made to issue import licences for raw materials and com-

ponents for a value greater than actual consumption, to machine building industries.

Registered exporters would continue to receive licences to replenish the import content in the products exported. However, with a view to enabling small-scale units to consolidate their efforts in the export field, they would be allowed to set up consortia of their own. These consortia would be given the facilities available to eligible export houses. Imports of machinery will be allowed on a more liberal scale to registered exporters against their replenishment licences.

Facilities available for setting up small-scale industries by Indian nationals returning from or residing abroad as well as by qualified engineers and ex-service personnel have been continued.

The role of public sector agencies in the import trade has been further enlarged by canalising the import of 20 more items through these agencies. Consequently, the number of canalised items of import has been increased from 182 to 202. The Industrial Raw Materials Assistance Centre (IRMAC) set up by the State Trading Corporation of India Ltd., in April 1970 will further expand its activities for supplying raw materials 'off-the-shelf.' The STC, however, would be importing both canalised and non-canalised items.

The Steel Bank set up by the Hindustan Steel Ltd., will organise the bulk import of steel for actual users. Users with priority allotment would be able to obtain supplies ex-stock against their valid import licences.

After taking into consideration the growing volume of indigenous production, imports of 220 more items have been banned. These include certain types of ball-bearings, machine tools, machinery and accessories, instruments, dyes, drugs and chemicals. Imports of 55 items, which were hitherto allowed to actual users without restriction, would be permitted on a restricted basis ; these include certain types of ball-bearings, drugs and medicines, chemicals and dye-intermediates. In respect of 26 items, the quota for established importers has been reduced. These cover spare parts of various equipments, drugs and medicines, motor vehicle parts and instruments. (Details are given in Appendix X)

In order to give further impetus to import substitution and to encourage more extensive manufacture of machinery within the country, the Union Budget for 1973-74 enhanced the import duties substantially. Auxiliary import duties have been introduced at the rates of 20 per cent, 10 per cent and 5 per cent of the value of imported goods. All imports paying an effective import duty of 100 per cent *ad valorem* or more have to pay 20 per cent as auxiliary duty ; imports paying import duty of 60 per cent *ad valorem* or more but less than 100 per cent have to pay 10 per cent and the rest of the items have to pay 5 per cent. However, foodgrains, books, family planning appliances, tallow, raw cotton and special categories of articles are totally exempted from the payment of auxiliary duties. The GATT-bound rates of duty have been modified on about 25 items, which include tallow, certain coal tar dyes, wood pulp, high speed and alloy steel and certain raw materials for the plastic industry. Besides, selective upward revision in the rates of import duty has been made on machinery and allied articles (from 30 per cent to 40 per cent), raw cotton (from 10 paise per kg. to 40 per cent *ad valorem*), copper (from 30 per cent to 40 per cent which is the normal rate applicable to non-ferrous metals), unexposed cinematograph films (from 15 paise to 50 paise per linear metre), nylon filament and yarn for tyre manufacture (from 60 per cent to 100 per cent), stainless steel plates and strips (from 30 per cent to 60 per cent) and stainless steel sheets (from 100 per cent to 200 per cent).

As mentioned earlier, despite the liberalised import policy followed during 1972-73, the value of import licences issued during 1972-73 at Rs. 1856 crores was of the same order as in 1971-72(7). Further, in consonance with the policy of expanding the role of public sector agencies in the import trade, the value of import licences issued to the Government sector increased by 4 per cent, while those issued to the private sector declined by 7 per cent. Category-wise, registered exporters recorded the largest increase of 46 per cent,

(7) See Statement 103 in the Statistical Statements Sectiion of ths Report.

followed by established importers (36 per cent), capital goods/heavy electrical plants (6 per cent) and actual users (2 per cent). As against these, licences issued for raw materials and small-scale industries declined by 32 per cent and 27 per cent, respectively.

Institutional Arrangement for Development of Trade

The public sector agencies have been playing an increasing role in foreign trade.

S. T. C.

For 1972-73 (April-March), a target of Rs. 286 crores was set for the total trade (export, import and domestic) to be handled by the STC as against Rs. 263 crores actually handled in 1971-72. The targets for exports and imports for 1972-73 were set at Rs. 92 crores and Rs. 182 crores, respectively, as against actual exports and imports of Rs. 79 crores and Rs. 172 crores, respectively.

The STC arranged for the export of a wide range of commodities which included consumer goods like art silk, rayon tyre cord, vacuum flasks, dry batteries, loud-speakers, spectacle frames, chemicals and pharmaceuticals, army soft-wear, leather-wear, lemongrass oil, dried fish, etc. Likewise, it arranged for the import of more than 140 items which included soyabean oil, mutton tallow, newsprint, wool, rapeseed, rayon grade, wood pulp, nylon yarn, copra, caprolactum, etc.

In order to further diversify exports and develop new markets, the STC made during the year special trading arrangements with major trading houses in the world. It has set up a foreign venture named STC FAR EAST jointly with some leading export houses in Hong Kong ; it has also under consideration establishment of similar joint ventures in West Asia and Europe.

M. M. T. C.

For 1972-73 (April-March), the MMTC's trade turn-over was expected to cross Rs. 350 crores. The MMTC's trade turn-over for 1971-72 was Rs. 268 crores ; its exports and imports amounted to Rs. 87 crores and Rs. 180 crores, respectively.

The major items of exports handled by the MMTC are iron ore, manganese ore, ferro-manganese, coal, mica and sillimanite. Despite the continued uncertainty in the international markets regarding the demand for steel and certain infra-structural difficulties at home, the MMTC was expected to achieve the export target of Rs. 120 crores as compared with actual exports of Rs. 87 crores in 1971-72. The MMTC arranged for imports of steel, non-ferrous metals and fertilisers and some important raw materials for distribution to industrial units.

Trade Agreements and Trade and Payments Arrangements

Following the review of the working of Indo-Nepal Treaty of Trade and Transit (1971) by the Joint Review Committee, additional warehousing space has been provided to Nepal at the Calcutta port for further smoothening the flow of Nepal's trade with third countries. India also agreed to provide additional transit routes to facilitate Nepal's trade with third countries and to cater to the requirements of Gularia district of Nepal.

A protocol was concluded between India and Yugoslavia in November 1972 which terminated with effect from January 1, 1973, the trade and payments agreement which was in force since October 13, 1962 and replaced it with a fresh agreement concluded on November 4, 1972. According to this agreement all trade and payments transactions between the two countries are to be settled in freely convertible currency with effect from January 1, 1973.

A three-year protocol for 1973 to 1975 was signed between India and Poland, envisaging increase in the trade between the two countries. New agreements/arrangements were concluded or existing ones were extended with Spain, Arab Republic of Egypt (ARE), and Bangladesh. Annual trade plans were finalised with the U.S.S.R., Czechoslovakia, German Democratic Republic, Bulgaria, Hungary, Rumania, France, Sudan and Democratic People's Republic of Korea.

Details of the trade agreements/arrangements entered into during 1972-73 are given in Appendix XI.

Developments in International Trade

An event of considerable significance in the field of international trade affecting India's exports was the U.K.'s entry into the European Economic Community (EEC) in January 1973, resulting in the termination of the Indo-British trade agreement of 1939, under which India's exports to the U. K. were enjoying preferential treatment. However, under the new agreement signed in the same month, Britain has agreed to maintain the 'status quo' in respect of tariffs on imports from India for one year till January 1, 1974 and all tariff and non-tariff preferences enjoyed by Indian exports to the U.K. will be phased out over a period of four years from 1974. Staggering of duties on Indian goods entering British markets would be 40 per cent in 1974, 80 per cent in 1976 and 100 per cent in 1977.

The Generalised System of Preferences (GSP) providing for the elimination or reduction in customs duties by the advanced industrial countries on certain manufactured and semi-manufactured goods, and some agricultural products exported by developing countries, has already been implemented by the EEC countries, Japan and Norway during 1971 and by Denmark, Finland, Ireland, New Zealand, Sweden, the United Kingdom, Switzerland and Austria during 1972(8). Two countries, viz., the United States and Canada have not yet implemented their GSP schemes.

In pursuance of the decision taken at the Third United Nations Conference on Trade and Development (UNCTAD-III), the International Monetary Fund has set up a Committee of Twenty to go into the question of international monetary reforms and related issues including trade and development assistance problem, discussed in the next chapter.

Tariff Commission

During the period July 1972 to March 1973, the Tariff Commission completed(9) one tariff inquiry (dye-intermediates) and two price inquiries (jute goods and vanaspati).

The Tariff Commission undertook an inquiry into the continuance of protection to the dye-intermediates industry beyond December 31, 1972 and submitted an *interim* report in 1971 and final report in July 1972. Government accepted and implemented the following recommendations of the Commission : (1) continuance of protection for 31 dye-intermediates upto December 31, 1974 at the then existing rates of duty; (2) enhancement of the rates of duty from 60 per cent *ad valorem* (standard) and 50 per cent *ad valorem* (preferential) to 100 per cent *ad valorem* (standard) and 90 per cent *ad valorem* (preferential) for two dye-intermediates ; (3) reduction in the rates of duty in the case of four dye-intermediates to 60 per cent *ad valorem* (standard) and 50 per cent *ad valorem* (preferential) from 100 per cent *ad valorem* (standard) and 90 per cent *ad valorem* (preferential) ; (4) granting of protection to 19 new items of dye-intermediates upto December 31, 1974 with rates of duty at 60 per cent *ad valorem* (standard) and 50 per cent *ad valorem* (preferential) and (5) withdrawal of protection enjoyed by 16 dye-intermediates. Government also accepted the Tariff Commission's recommendation relating to the continuance of concessional duty till December 31, 1974 for 14 dye-intermediates at the rates of 40 per cent *ad valorem* (standard) and 30 per cent *ad valorem* (preferential). Government also took note of ancillary recommendations made by the Commission relating to research promotion and development, regulation of import of some intermediates, quality and prices, rationalised manufacturing programme by large and small-scale sectors and avoidance of competition between these two sectors, and have referred them to the concerned authorities and interests for implementation to the extent possible.

In connection with price inquiries, the Commission, in its Report on jute goods, submitted to the Government in April 1971, had recommended fair prices for different varieties of jute goods. Subsequently, at the instance of Government, the Commission re-worked the estimates of cost of conversion of B. Twill bags. Government accepted the recommendations of the Commision in res-

(8) Denmark, Ireland and the United Kingdom joined the EEC as full members effective from January 1, 1973 but still have their individual schemes.

(9) An enquiry is treated as having been completed only after the Government's decision on the Report is announced.

pect of prices of B. Twill bags and D.W. flour bags with a modification that minimum bonus would not be included in the calculation of cost. The Commission had also recommended a formula for determining the raw jute cost for fixing the price of jute bags each month. Government agreed with the recommendation of the Commission that there was no justification for any separate higher cost of production to be allowed to old and non-modernised mills, since it was in their interest to improve their efficiency to keep abreast of the progress in the industry.

Government accepted the revised cost structure of vanaspati, as worked out by the Commission after a detailed examination of the costs of 19 representative factories in the four zones, subject to certain modifications relating to the rate of return, (reduction of rate of return from 13·8 per cent to 12 per cent), exclusion of minimum bonus as an element of cost and adjustments regarding the assumption of production at full installed capacity for 330 days in a year. For the determination of the price of raw oil, the Tariff Commission had recommended that the average of daily spot and forward quotations of groundnut oil and spot quotations for cotton seed and sesamum oils in principal commodity markets in each zone, should be weighted according to the latest known installed capacity of the factories in each zone, situated close to the markets concerned. Government, however, did not accept the recommendation since it was considered to be administratively difficult to operate. Government accepted the Commission's recommendation that the price formula should operate on a zonal basis not only for oil costs but also in respect of conversion costs, depreciation and return. As regards the Commission's recommendation regarding freight rates, Government accepted actual freight rates for areas in Jammu and Kashmir, Himachal Pradesh, Assam region and Andaman and Nicobar Islands, but rejected the Commission's recommendation of differential freight rates for cities and the rest of the zones. Government, therefore, re-worked the freight rates for different zones. Government further accepted the recommendation of the Commission that the wholesale margin should be fixed at Rs. 75/- per tonne and retail margin at Rs. 100/- per tonne subject to certain modifications regarding retail margin in respect of products sold in loose form. The recommendation of the Commission providing for additional margin for vanaspati made from cotton seed oil and soyabean oil was not accepted by Government.

CHAPTER VIII: BALANCE OF PAYMENTS AND EXCHANGE CONTROL

Trends in Reserves during 1972-73

Uncertainties regarding exchange rates continued to cloud international trade and payments for the second consecutive year. Despite these factors, India's external payments position during 1972-73 (July-June) was not impaired, though emergency imports of food items necessitated some unanticipated draft on the reserves.

Foreign exchange reserves, which had increased in 1971-72 (July-June) by Rs. 58 crores, moved up further during the year by Rs. 37 crores to Rs. 882 crores at the end of June 1973.(1) Virtually all of the increase during July 1972-June 1973 reflected the appreciation in the rupee value of the reserves, following the floatation of major world currencies on the exchange markets. In the preceding year, besides the appreciation in the rupee value of foreign currency assets, the reserves had benefited by the allocation of SDRs valued at Rs. 75 crores ; there were no SDR allocations augmenting the reserves in the year under review. Excluding the allocation of SDRs in 1971-72 and the appreciation in the rupee value following exchange rates changes, the reserves would show a nominal *increase* of Rs. 2 crores in 1972-73 as compared to a *loss* of Rs. 33 crores in 1971-72.

The improvement in the reserves this year resulted almost entirely from transactions in the last four months ; over the first eight months of the year there was, in fact, a sizeable draft on the reserves. A precise explanation of the movements in reserves has to await detailed data on the balance of payments which do not at present go beyond June 1972. However, the available information indicates that unlike last year Government's net draft on the foreign exchange reserves this year was more than made good by the Bank's net purchases of foreign currencies from authorised dealers, which are a broad measure of the net surplus of external transactions in foreign currencies routed through them.

Government's net draft on the foreign exchange reserves increased over the year by about 14 per cent. The two major constituents that traditionally account for the net draft are imports and debt service charges. There seems to have been some set-back in regard to aid-financed transactions reflecting partly the reduced scale of fresh authorisations and partly the relatively large share of project assistance both in the pipeline and in the fresh authorisations. Despite this, total foreign exchange payments for imports were substantially larger than in the preceding year, reflecting probably the imports of foodgrains undertaken to augment inadequate domestic supplies. Debt service payments also appear to have been a shade lower than last year because of somewhat higher debt relief available this year.

Except occasionally, foreign currency transactions routed through authorised dealers result in a net surplus which the authorised dealers by and large sell to the Bank. Such net purchases of foreign currencies by the Bank increased over the year by nearly a third, marginally exceeding the Government's net draft on the reserves. A little less than two-thirds of the net purchases accrued during the last four months of the year ; this amount was more than twice the net purchases during the corresponding four months of last year. In the absence of further details it is difficult to state to what extent this marked increase in the net purchases reflected a step-up in authorised dealers' purchases from the public and to what extent it issued from a shortfall in their sales to the public, and what changes in merchandise and invisible transactions underlay these movements. Available information, however, indicates that over the first eight months of the year, *i.e.* July 1972 to February 1973, authorised dealers' gross purchases, comprising mainly export realization, increased by about 5 per cent over the year, while their sales, the bulk of which consists of payments for imports, moved up by 12 per cent.

(1) See Statement 97 in the Statistical Statements Section of this Report.

Detailed data given in the last year's Report covered only the period ending September 1971. With a view to completing the assessment given in that Report, developments during the two half years July-December 1971 and January-June 1972 are referred to below before reviewing the aid position in 1972-73 and other matters on the external payments side.

Balance of Payments : July-December 1971

During July-December 1971 there was a marked easing of the pressure on the reserves as compared with the position in the corresponding period of 1970. The draft on the reserves (excluding appreciation in the rupee value of the reserves) was just a crore of rupees as against that of Rs. 98 crores in July-December 1970 (Table VIII·1). Nearly Rs. 76 crores of the draft in the second half of 1970 had reflected two transactions of a special kind, namely, repurchases of Rs. 53 crores from the International Monetary Fund (IMF) and purchase of gold worth Rs. 23 crores from the U.S. for meeting the obligations relating to the increase in India's quota in the Fund. Excluding these special transactions, the reserves had still shown a draft of Rs. 22 crores in July-December 1970; there were no transactions of a similar nature in the corresponding period of 1971.

Table VIII·1—India's Balance of Payments (Preliminary)

(Rupees crores)

	July-December 1971	January-June 1972	July-December 1970	January-June 1971
A. Current Account				
Imports c.i.f.				
(a) Private	385·1	374·6	320·9	354·6
(b) Government	623·0	550·7	538·6	591·3
Total Imports (a + b)	1008·1	925·3	859·5	945·9
Exports f.o.b.	761·6	866·8	728·1	713·5
Trade Balance	**—246·5**	**— 58·5**	**—131·4**	**—232·4**
Non-monetary Gold Movement (net)	—	—	+13·1	—
Official Transfer Payments (net)	+49·9	+15·9	+47·6	+ 7·2
Other Invisibles (net)	—15·2	—19·8	—45·8	—44·4
Current Account (net)	**—211·8**	**—62·4**	**—116·5**	**—269·6**
B. Errors and Omissions (net)	**—52·0**	**—90·1**	**—56·3**	**—15·1**
C. Capital Account				
Private Capital (net)	**+ 8·9**	**— 4·7**	**—10·1**	**—27·5**
(a) Long-term	+ 9·9	— 4·0	—10·0	—26·5
(b) Short-term	— 1·0	— 0·7	— 0·1	— 1·0
Banking Capital (net)	**— 7·4**	**+11·3**	**—25·3**	**+ 8·1**
Official Capital (net)	**+261·4**	**+189·0**	**+110·2**	**+350·4**
(a) Loans	+284·0	+246·9	+278·1	+439·0
(b) I.M.F.	—	—	—52·6	—48·8
(c) Amortisation	—109·7	—121·0	—113·6	—67·2
(d) Miscellaneous	+87·1	+63·1	— 1·7	+27·4
Capital Account (net)	**+262·9**	**+195·6**	**+74·8**	**+331·0**
D. Movement in Reserves* (A + B + C) (Increase (+)/Decrease (—)	**— 0·9**	**+43·1**	**—98·0**	**+46·3**

*Excludes appreciation / depreciation due to changes in exchange rates.

The relative easing of the pressure on the reserves in July-December 1971 was largely the result of a net capital inflow of Rs. 263 crores, which, besides being nearly four times that in the preceding year, very nearly wiped out the current account deficit and the net outgo on account of unidentified transactions. Capital transactions pertaining to all the three sectors resulted in a step up in the net inflow from Rs. 75 crores to Rs. 263 crores. Private capital transactions changed over from a net *outflow* of Rs. 10 crores in July-December 1970 to the net *inflow* of Rs. 9 crores as a result of an increase of Rs. 14 crores in loan drawings and a fall of Rs. 6 crores in loan repayments; net outward banking capital movements declined from Rs. 25 crores to Rs. 7 crores. The major contribution to the inflow on capital account was, therefore, by the official sector, the transactions of which resulted in a net inflow of Rs. 261 crores or Rs. 151 crores more than a year ago. This sector benefited from an increase in the rupee liabilities to East European countries and lower extension of technical credits to them, as also from the absence of special transactions of the kind mentioned in the previous paragraph.

The current account position, on the other hand, deteriorated over the year, the deficit being marked up by Rs. 95 crores to Rs. 212 crores. Both imports and exports were higher than a year ago, but with a relatively larger rise in import payments the trade deficit very nearly doubled to Rs. 247 crores. There was, however, some narrowing down of the deficit on account of invisible transactions, other than official transfer payment transactions, mainly as a result of the decline in the transfer of profits and dividends and in interest payments on loans and credits. Taking the current account and the 'errors and omissions' together, the total deficit amounted to Rs. 264 crores in July-December 1971 as against Rs. 173 crores in the same period of 1970.

Region-wise, barring the dollar area with which there was some improvement, the current account position with the other three regions deteriorated over the year reflecting basically the worsening of the trade position. The surplus with the sterling area at Rs. 20 crores was reduced by over Rs. 45 crores, while the deficit with the O.E.C.D. countries increased by Rs. 1 crore to Rs. 91 crores and the *surplus* of Rs. 48 crores with the 'rest of non-sterling area' changed over to a *deficit* of Rs. 35 crores (Table VIII·2). On the other hand, the current account deficit with the dollar area narrowed down by Rs. 33 crores to Rs. 91 crores because exports improved while imports declined. There was also a reduction of Rs. 1 crore in the deficit with international institutions.

Balance of Payments : January-June 1972

During the first half of 1972, the reserves increased by Rs. 43 crores to Rs. 845 crores at the end of June 1972, as against an increase of Rs. 48 crores in the corresponding period of 1971. During both the periods, the reserves benefited from the allocation of SDRs ; the allocation amounted to Rs. 75 crores in January 1972 and Rs. 76 crores in January 1971. Additionally, in January-June 1971 the rupee value of the reserves had appreciated to some extent as a result of the floatation of the D-mark on the exchanges and the revaluation of the Swiss franc, and there were repurchases from the International Monetary Fund amounting to Rs. 49 crores. Excluding the SDR allocation, appreciation in the rupee value of the reserves and repurchases from the I.M.F., the reserves would show a draft of Rs. 32 crores during January-June 1972 as against an accretion of Rs. 20 crores in the corresponding period of 1971. The re-emergence of the pressure on the reserves reflected mainly the impact of larger outlay on imports and on debt service payments, which was offset only in part by the increase in exports. The situation was further aggravated by a sharp set back in the inflow of external assistance and large outgo on account of unidentified transactions.

Overall Position

Following a 2 per cent fall in the aggregate import bill and an impressive increase of 22 per cent in exports, the trade deficit during January-June 1972 contracted to Rs. 59 crores or a quarter of that in the corresponding period of 1971. The position on invisibles account, including official transfer payment transactions, also improved appreciably with the deficit of Rs. 37 crores declining to Rs. 4 crores. Merchandise and invisible transactions (including official transfer

Table VIII·2 India's Regional Balance of Payments on Current Account (Preliminary)

(Rupees crores)

	July-December 1971	January-June 1972	July-December 1970	January-June 1971
Sterling Area				
Imports c.i.f.	191·7	227·6	132·8	168·7
Exports f.o.b.	191·8	192·0	196·5	176·5
Trade Balance	+ 0·1	—35·6	+63·7	+ 7·8
Non-monetary Gold Movement (net)	—	—	—	—
Official Transfer Payments (net)	+ 3·4	—18.7	+ 0·1	+ 1·1
Other Invisibles (net)	+16·5	+ 6·9	+ 1·8	+ 1·1
Current Account (net)	**+20·0**	**—47·4**	**+65·6**	**+10·0**
Dollar Area				
Imports c.i.f.	271·3	197·6	298·9	311·5
Exports f.o.b.	146·8	180·1	124·4	120·3
Trade Balance	—124·5	—17·5	—174·5	—191·2
Non-monetary Gold Movement (net)	—	—	+13·1	—
Official Transfer Payments (net)	+42·8	+37·2	+46·9	+ 8·8
Other Invisibles (net)	— 9·2	+ 0·9	—9·6	—14·6
Current Account (net)	**—90·9**	**+20·6**	**—124·1**	**—197·0**
OECD Countries				
Imports c.i.f.	154·9	174·6	132·3	141·0
Exports f.o.b.	73·1	99·0	59·3	63·7
Trade Balance	—81·8	—75·6	—73·0	—77·3
Non-monetary Gold Movement (net)	—	—	—	—
Official Transfer Payments (net)	+ 3·5	+ 0·5	+ 1·6	+ 0·6
Other Invisibles (net)	—13·1	—12·1	—19·0	—16·4
Current Account (net)	**—91·4**	**—87·2**	**—90·4**	**—93·1**
Rest of Non-Sterling Area				
Imports c.i.f.	390·2	325·5	295·5	324·7
Exports f.o.b.	349·9	395·7	348·1	353·0
Trade Balance	—40·3	+70·2	+52·6	+28·3
Non-monetary Gold Movement (net)	—	—	—	—
Official Transfer Payments (net)	—	—	—	—
Other Invisibles (net)	+ 5·0	+ 0·7	— 5·0	+ 0·4
Current Account (net)	**—35·3**	**+70·9**	**+47·6**	**+28·7**
International Institutions				
Imports c.i.f.	—	—	—	—
Exports f.o.b.	—	—	—	—
Trade Balance	—	—	—	—
Non-monetary Gold Movement (net)	—	—	—	—
Official Transfer Payments (net)	+ 0·2	— 3·1	— 1·0	— 3·4
Other Invisibles (net)	—14·4	—16·2	—14·1	—14·8
Current Account (net)	**—14·2**	**—19·3**	**—15·1**	**—18·2**

payments) taken together thus resulted in a current deficit of Rs. 63 crores as compared to that of Rs. 270 crores in January-June 1971. However, the net outflow under 'errors and omissions' increased from Rs. 15 crores to Rs. 90 crores with the result that the total deficit for the first half of 1972 amounted to Rs. 153 crores as compared with Rs. 285 crores in the corresponding period of 1971. The net inflow from capital transactions, though it declined by 40 per cent to Rs. 196 crores in January-June 1972, more than offset the total deficit, enabling the reserves to rise by Rs. 43 crores.

Imports

The aggregate import bill at Rs. 925 crores in January-June 1972 was Rs. 21 crores or by 2 per cent lower than in January-June 1971. While aid-financed imports declined, imports financed from own resources increased. The major increases were recorded by iron and steel, non-ferrous metals, mineral oils and cashewnuts, the imports of which rose by 60 per cent, 10 per cent, 15 per cent and 46 per cent, respectively. The rise in these imports was partly offset by lower imports of foodgrains and raw cotton (which were reduced by 51 per cent and 40 per cent, respectively) and of capital equipment (including machinery) which were also down by about 12 per cent.

Sector-wise, while imports on Government account declined those on private account increased. Imports on Government account fell by Rs. 41 crores or 7 per cent to Rs. 551 crores. Government imports of capital equipment, foodgrains and raw cotton were reduced by as much as 31 per cent, 93 per cent and 84 per cent, respectively, as a result of a fall in aid flows and better domestic agricultural production. However, the fall in the imports of these items was offset to some extent by the increased imports of iron and steel, communication stores, non-ferrous metals, mineral oils and cashewnuts. Imports of iron and steel more than doubled in the wake of lower domestic output; those of communication stores and cashewnuts increased by one-half each, the latter as a result of their canalization; and imports of non-ferrous metals and mineral oils increased by 30 per cent and 23 per cent, respectively, largely reflecting the higher prices abroad.

Imports on private account at Rs. 375 crores were higher over the year by Rs. 20 crores or by 6 per cent. The major items recording the increase were machinery, iron and steel and manufactures thereof, mineral oils, foodgrains and vegetable oils. Imports of machinery and iron and steel and manufactures thereof rose by 20 per cent each, while mineral oils imports increased by 9 per cent. Similarly, imports of foodgrains almost doubled and that of vegetable oils increased by 41 per cent, most of the increase under these two items being under P.L. 480 Title II. Imports of raw cotton and ships and aircraft, on the other hand, declined by 29 per cent and by 57 per cent, respectively.

Exports

At Rs. 867 crores, exports (f.o.b.) recorded an increase of Rs. 153 crores or 22 per cent, exports other than those to East European rupee payment countries being mainly responsible for the improvement. The bulk of the increase was recorded by traditional items of exports which rose by 34 per cent as against only 9 per cent increase in the case of non-traditional items.

Among the traditional items, jute, cotton and woollen manufactures, as well as tea, tobacco and cashew kernels recorded noticeable expansion during January-June 1972. Exports of jute manufactures which rose by 93 per cent over the year benefited by the unsettled conditions in Bangladesh. Comfortable domestic raw cotton supply position was the main ingredient in improving exports of cotton manufactures by 40 per cent. Disturbances in Ceylon and some diversion of Ceylonese tea to West Pakistan were mainly responsible for enabling the exports of tea to rise by 15 per cent. Exports of tobacco and cashew kernels rose by 13 per cent and 25 per cent, respectively. Some of the improvement in the exports of raw materials such as cotton, wool and hides and skins, was offset by the fall in those of oilseeds, oilcakes and vegetable oils.

The overall performance of non-traditional items was relatively poor as these grossed only 22 per cent of the total increase in exports. Besides, practically the entire increase in non-traditional items was recorded by leather manufactures, fish and fish preparations and

precious stones which rose by 53 per cent, 78 per cent and 39 per cent, respectively. Buoyancy in world demand together with declining supplies from South American countries contributed to the good performance of leather manufactures. Exports of marine products reflected the shift toward higher value items and strong overall demand. Lower Japanese demand reduced the exports of manganese ore by a third and held down the exports of iron ore. The fall of 43 per cent each in the exports of sugar and iron and steel was due essentially to lower domestic output.

Invisibles

The surplus on account of official transfer payment transactions more than doubled from Rs. 7 crores to Rs. 16 crores despite the outgo of Rs. 19 crores as grant to Bangladesh. This was the result of larger grants out of P. L. 480 counterpart funds. Similarly, other invisible transactions showed an improvement with the deficit of Rs. 44 crores in January-June 1971 declining to Rs. 20 crores in January-June 1972 because of a larger increase in gross receipts than in payments. Gross receipts improved by Rs. 36 crores to Rs. 229 crores reflecting mainly the increase in private donations, and higher earnings from transportation services associated with larger exports. Gross payments, on the other hand, increased by Rs. 11 crores to Rs. 248 crores reflecting the larger investment income outgo by way of interest payments on loans and credits.

Capital Transactions

While there was an improvement in regard to private and banking capital movements, those relating to official sector turned less favourable. The net outflow by way of private capital transactions dropped by Rs. 23 crores to Rs. 5 crores largely as a result of a rise in loan utilisation and a drop in the amortisation payments. In the banking sector, the net inflow increased from Rs. 8 crores to Rs. 11 crores mainly due to an increase in authorised dealers' foreign currency liabilities; in the corresponding period of 1971, their foreign currency assets had declined.

In the official sector, the net inflow declined by Rs. 161 crores or a little less than one-half to Rs. 189 crores. The major factors responsible for this were lower utilisation of external credits assistance, and relatively large outgo by way of amortisation payments (Table VIII.1). Extension of a loan of Rs. 10 crores to Bangladesh was an additional factor. An important factor in the reduced utilisation of external credits was the suspension of drawals on authorised loans by the U. S. with the outbreak of Indo-Pakistan War in December 1971. Amortisation payments increased because of higher dues to the I.B.R.D., West Germany, U.S.A., Japan and the U.S.S.R. The net inflow from miscellaneous capital transactions, on the other hand, more than doubled to Rs. 63 crores. This reflected partly the smaller reduction in the rupee liabilities to East European rupee payment countries and partly the increase in the rupee liabilities of Bangladesh.

Regional Trends

Region-wise, the current account position with the *dollar area*, *O.E.C.D. countries*,(2) and *'rest of non-sterling area'* improved, while it deteriorated with *the sterling area*(3) and *international institutions*. While the deficit with the dollar area changed over to a surplus, the deficit with the O.E.C.D. countries narrowed down and the surplus with the 'rest of non-sterling area' increased significantly. On the other hand, the surplus with the sterling area changed over to a deficit and the deficit with the international institutions widened somewhat (Table VIII.2).

External Assistance : 1972-73

There was a sizeable reduction in the balance of payments support provided by aid flows during the financial year 1972-73 (April 1972-March 1973). Not only was the assistance authorised during the year much less than that a year ago but the net transfer of resources to the Indian economy dwindled to Rs. 126 crores, the lowest in the last decade.

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(2) Austria, Belgium, Denmark, France, West Germany, Greece, the Netherlands, Italy, Luxembourg, Norway, Portugal, Sweden, Switzerland, Turkey and Spain.

(3) As it was constituted till June 23, 1972.

Authorisations

The aid authorised during the year, comprising loans and grants, totalled Rs. 635 crores or 72 per cent of the amount authorised in 1971-72 (Table VIII. 3). As much as Rs. 79 crores of the shortfall reflected the absence of food aid from the U.S.A. Aid authorisations by the U. S. A. which were resumed in the middle of March 1973 after their suspension in December 1971, amounted to Rs. 39 crores, dropping sharply from Rs. 122 crores last year, and included, for the first time, refinancing credit totalling Rs. 22 crores towards debt relief, which the U. S. A. had earlier provided in the form of postponement of payments. There was an even sharper set-back in regard to the aid authorised by the I.B.R.D. and I.D.A. Over the year, their combined authorisations declined by Rs. 174 crores to Rs. 206 crores. The I.B.R.D., which authorised loans amounting to Rs. 45 crores last year, made no authorisations this year. With paucity of funds following the delay in the third replenishment of its resources being effective, credits authorised by the I.D.A. declined over the year by Rs. 129 crores to Rs. 206 crores. Authorisations by Japan too were, at Rs. 27 crores, only a little more than 25 per cent of the amount authorised in 1971-72; in the wake of Indo-Pakistan conflict in 1971, the Japanese authorities adopted a relatively restrained approach to assistance to India. Among the other donors, France, Italy, Netherlands and Sweden stepped up their authorisations, while those of West Germany and the U. K. remained at about the same levels as in the previous year and those by Canada were marginally lower. There was no noticeable change over the year in the maturity period and interest charges in respect of the assistance authorised.

Table VIII·3 External Assistance (Fiscal Year)

(Rupees crores)

Item	Loans	Grants	P.L.480 Aid	Total (2 + 3 + 4)
1	2	3	4	5
1. Amount undisbursed as at the end of March 1966 ..	**1,643**	**86**	**108**	**1,837**
2. Amount undisbursed as at the end of March 1969 ..	**1,684**	**25**	**123**	**1,832**
3. Authorisations during				
(a) 1969-70	523	29	23	575
(b) 1970-71	679	63	—	742
(c) 1971-72	832	36	9	877
(d) 1972-73	600	35	—	635
Total	**2,634**	**163**	**32**	**2,829**
4. Utilisation during				
(a) 1969-70	700	29	108	837
(b) 1970-71	690	52	38	780
(c) 1971-72	762	50	9	821
(d) 1972-73	594	11	—	605
Total	**2,746**	**142**	**155**	**3,043**
5. Amount undisbursed as at the end of March 1973 ..	**1,572**	**46**	—	**1,618**

Notes 1. Loans include P.L. 480 Title I convertible currency credits. 'Loans' and 'grants' include refinancing credits and grants under debt relief. But they exclude rupee loans and grants out of P.L. 480/P.L. 665 rupee counterpart funds. 'Grants' also exclude grants under P.L. 480 Titles II and III programmes. P.L. 480 aid comprises value of imports on rupee payment terms under P.L. 480 Title I programme.

2. The rupee values of amounts undisbursed at the end of March 1966 (except those for P. L. 480 aid which are given at the pre-devaluation rate) are shown at the post-devaluation rate of exchange. The rupee values of amounts undisbursed at the end of March 1969, the amounts authorised and utilised during each of the subsequent years and the amounts undisbursed at the end of March 1973 have been arrived at on the basis of the post-devaluation exchange rate for the rupee or pre-December 1971 I.M.F. par values.

As in the past, nearly 95 per cent of the assistance authorised during the year comprised loans, and grants accounted for the balance (Table VIII. 3). Refinancing credits of Rs. 73 crores amounted to 12 per cent of the total loan authorizations as against 4 per cent last year and were largely responsible for raising the share of non-project assistance to 53 per cent. The share of non-project assistance increased entirely because of the fall in project authorisations to Rs. 284 crores or Rs. 217 crores less than in the previous year (Table VIII. 4). Credits by I.D.A., the largest single lender, showed a shift from industrial imports to the agricultural sector, mainly in the form of project assistance.

Debt Relief

Debt service payments (excluding payments postponed and rescheduled) increased from Rs. 446 crores in 1971-72 to Rs. 479 crores in 1972-73. Because debt service payments absorb free foreign exchange resources, India has for some time now sought and secured debt relief from the lending countries and institutions at the Aid India Consortium meetings. Debt relief authorised during 1972-73 amounted to Rs. 105 crores as against Rs. 61 crores in 1971-72 (Table VIII. 5). As in the preceding year, the bulk of the relief comprised refinancing credits totalling Rs. 73 crores; last year similar credits totalled only Rs. 34 crores. Nearly all the donors who have been providing this form of relief stepped up their assistance including the U.S.A. which provided credits amounting to Rs. 22 crores constituting debt relief in this form for the first time. Relief by way of postponement declined from Rs. 7 crores in 1971-72 to Rs. 1 crore in 1972-73 as the U.S.A. shifted to debt refinancing. Japanese contribution to debt relief, which usually takes the form of re-scheduling of debt, increased over the year by Rs. 10 crores to Rs. 25 crores. Relief in the form of cancellation/reduction of interest charges at Rs. 5 crores was marginally higher than that last year, with West Germany providing as before practically the entire quantum of the relief.

Trends in Aid Utilisation

At the beginning of the fiscal year, 1972-73, aid in the pipeline amounted to Rs. 1588 crores, of which about Rs. 1,292 crores or 81 per cent comprised project assistance and the balance of Rs. 296 crores or 19 per cent non-project assistance. Further, nearly 51 per cent of the assistance authorised during the year, excluding debt relief through refinancing credits, was in the form of project assistance. Thus nearly 70 per cent of the total of assistance available during the year was tied to projects; in the previous year, the share of project assistance was, at 64 per cent, lower. About 50 per cent of the aid utilised during the year comprised project assistance, compared to 34 per cent of total utilisation in 1971-72. As project assistance is inevitably utilised at a slower pace than non-project assistance, the total aid utilisation during 1972-73 at Rs. 605 crores fell short of the amount utilised last year by Rs. 216 crores; the utilisation of both loans and grants dropped from Rs. 762 crores and Rs. 50 crores to Rs. 594 crores and Rs. 11 crores, respectively (Table VIII.3).

Debt Servicing

Over the last decade there has been a continuous and sizeable increase in the outgo on account of debt service payments. The outgo in 1972-73 at Rs. 479 crores was nearly double the payments in 1966-67. With the noticeable fall in the aid utilised in 1972-73 as compared with the utilisation in 1971-72, and the increase over the year 1972-73 in the outgo on account of debt service payments, after allowing for the rescheduling and postponement of charges, the net transfer of resources through aid dropped to a low of Rs. 126 crores in 1972-73 (Table VIII. 6). In fact, there has been an almost continuous decline in the net aid inflow since 1967-68, and 1972-73 was the second year in which the net inflow fell by more than Rs. 200 crores. In 1972-73 debt service payments amounted to 79 per cent of the aid utilised, the corresponding ratio for the preceding year being 54 per cent. In terms of value of exports, debt service payments approximated to 26 per cent in 1972-73 as against 29 per cent in 1971-72.

Cumulative Assistance

From August 15, 1947 upto March 31, 1973, the external assistance authorised amounted to Rs. 14,016 crores, of which 78 per cent was in the form of loans, 15 per cent comprised P. L. 480/665 and third country currency assistance, and the remaining 7 per cent grants (Table VIII.7). Total

Table VIII·4 : Loans Authorised and Utilised During 1971-72 and 1972-73 (Fiscal Year)

(Rupees crores)

Country/Institution	AUTHORISATIONS								UTILISATION							
	1971-72				1972-73				1971-72				1972-73			
	Project	Non-Project	Debt Refinancing	Total	Project	Non-Project	Debt Refinancing	Total	Project	Non-Project	Debt Refinancing	Total	Project	Non-Project	Debt Refinancing	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. IBRD/IDA	380	—	—	380	150	56	—	206	68	41	—	109	137	34	—	171
2. Canada	4	35	—	39	10	42	-	52	16	33	—	49	23	28	—	51
3. France	11	9	4	24	41	16	4	61	22	19	4	45	12	14	4	30
4. Germany (West)	6	30	15	51	6	27	20	53	42	17	15	74	24	30	20	74
5. Italy	—	6	—	6	—	—	10	10	—	12	—	12	—	1	11	12
6. Japan	44	50	—	94	6	21	—	27	10	16	—	26	7	23	—	30
7. Netherlands	—	10	—	10	—	14	—	14	1	11	—	12	—	10	—	10
8. United Kingdom	36	48	14	98	29	61	14	104	24	58	14	96	34	71	14	119
9. Sweden	4	—	—	4	25	—	—	25	6	2	—	8	3	—	—	3
10. U.S.A.	16	106	—	122	17	—	22	39	65	241	—	306	36	11	22	69
11. Others	—	3	1	4	—	6	3	9	22	2	1	25	20	1	4	25
TOTAL	**501**	**297**	**34**	**832**	**284**	**243**	**73**	**600**	**276**	**452**	**34**	**762**	**296**	**223**	**75**	**594**

Table VIII·5 : Debt Relief Assistance

(Fiscal Year)

(Rupees lakhs)

Country	Authorisations							Utilisation						
	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A. By way of Refinancing Credits														
1. Austria	68	37	67	82	1,13	67	1,70	30	68	68	82	1,13	67	1,70
2. Belgium	—	—	83	83	82	1,13	1,13	—	—	83	83	82	1,13	1,13
3. France	—	—	3,75	—	7,50	3,75	4,49	—	—	2,77	98	7,50	3,75	4,49
4. Germany (West)	—	5,40	10,95	11,63	15,60	14,55	20,08	—	5,40	10,95	12,22	15,60	14,55	20,08
5. Italy	—	—	4,13	5,55	—	—	9,71	—	—	—	—	4,13	—	11,02
6. United Kingdom	17,62	24,38	13,50	27,00	—	13,50	14,40	17,25	24,37	13,50	27,00	—	13,50	14,40
7. U.S.A.	—	—	—	—	—	—	21,86	—	—	—	—	—	—	21,86
Total—A	**18,30**	**30,15**	**33,83**	**45,83**	**25,05**	**33,60**	**73,37**	**17,55**	**30,45**	**28,73**	**41,85**	**29,18**	**33,60**	**74,68**
B. By way of postponement of payments														
1. I.B.R.D.	—	11,25	11,25	11,25	11,25	—	—	—	11,25	11,25	11,25	11,25	—	—
2. U.S.A.	—	—	6,53	6,53	6,53	6,53	—	—	—	6,53	6,53	6,53	6,53	—
3. Canada	—	53	60	68	—	60	1,38	—	53	60	67	—	60	1,38
Total—B	**—**	**11,78**	**18,38**	**18,46**	**17,78**	**7,13**	**1,38**	**—**	**11,78**	**18,38**	**18,45**	**17,78**	**7,13**	**1,38**
C. By way of re-scheduling of payments														
1. Japan	1,88	4,65	12,60	14,70	19,05	15,45	24,53	1,88	4,65	12,60	14,70	19,05	15,45	24,53
Total—C	**1,88**	**4,65**	**12,60**	**14,70**	**19,05**	**15,45**	**24,53**	**1,88**	**4,65**	**12,60**	**14,70**	**19,05**	**15,45**	**24,53**
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	4,51	—	—	3,60	3,75	3,53	3,90	4,51
4. Netherlands	—	—	45	45	53	53	48	—	—	45	45	53	53	48
5. Sweden	—	—	—	—	—	—	36	—	—	—	—	—	—	36
6. Denmark	—	—	—	—	—	—	10	—	—	—	—	—	—	10
Total—D	**—**	**6,97**	**5,25**	**4,43**	**4,43**	**4,43**	**5,45**	**—**	**6,97**	**5,25**	**4,58**	**4,43**	**4,43**	**5,45**
Grand Total	**20,18**	**53,55**	**70,06**	**83,42**	**66,31**	**60,61**	**104,73**	**19,43**	**53,85**	**64,96**	**79,58**	**70,44**	**60,61**	**106,04**

Table VIII·6 : 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	6
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	821	271	175	446	375
1972-73	605	302	177	479	126

Notes : 1. Gross aid utilisation includes debt relief provided in the form of refinancing credits and grants. Debt service payments in these cases are covered in columns (2) and (3).

2. Both amortisation and interest payments, exclude payments which are either postponed or rescheduled, as under :

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
Japan	2	5	13	14	19	15	25
I.B.R.D.	—	11	11	11	11	—	—
U.S.A.	—	—	7	7	7	7	—
Canada	—	1	1	1	1	1	1
Total	**2**	**17**	**32**	**33**	**38**	**23**	**26**

Table VIII·7 : Aggregate External Assistance

(Fiscal Year)

(Rupees crores)

	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
1	2	3	4	5
Authorisations				
1. Upto March 1966	5,989	617	1,511	8,117
2. Upto March 1969	8,270	784	2,133	11,187
3. (a) During 1969-70	523	29	23	575
(b) During 1970-71	679	63	—	742
(c) During 1971-72	832	36	9	877
(d) During 1972-73	600	35	—	635
Total (Upto March 1973) ..	**10,904**	**947**	**2,165@**	**14,016**
Utilisation				
1. Upto March 1966	4,346	531	1,403	6,280
2. Upto March 1969	6,586	759	2,122	9,467
3. (a) During 1969-70	700	29	108	837
(b) During 1970-71	690	52	38	780
(c) During 1971-72	762	50	9	821
(d) During 1972-73	594	11	—	605
Total (Upto March 1973) ..	**93,32**	**901**	**2,277@**	**12,510**

Note : Please refer to notes to Table VIII·3.

@ P. L. 480 aid authorisations were fully utilised by the end of 1971-72. The difference between the rupee values of the total authorisations and total utilisation is attributable to the devaluation of rupee on June 6, 1966.

Table VIII·8 : Aggregate External Assistance—Source-wise

(Fiscal Year)

(Rupees crores)

Country/Institution	Authorised upto March 1973				Utilised upto March 1973			
	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	9
I.B.R.D./I.D.A.	2,363	—	—	2,363 (16·8)	1,814	—	—	1,814 (14·5)
U.S.A.	3,432	286	2,165	5,883 (42·0)	3,332	277	2,277	5,886 (47·0)
U.S.S.R.	1,021	12	—	1,033 (7·4)	693	11	—	704 (5·6)
West Germany	1,049	31	—	1,080 (7·7)	979	31	—	1,010 (8·1)
United Kingdom	1,158	13	—	1,171 (8·4)	1,059	13	—	1,072 (8·6)
Japan	477	1	—	478 (3·4)	395	1	—	396 (3·2)
Others	1,404	604	—	2,008 (14·3)	1,060	568	—	1,628 (13·0)
TOTAL	**10,904**	**947**	**2,165**	**14,016 (100·0)**	**9,332**	**901**	**2,277**	**12,510 (100·0)**

Notes : 1. Please refer to notes to Table VIII·3.
2. Figures in brackets represent percentages to total.

assistance utilised upto the end of March 1973 amounted to Rs. 12,510 crores or 89 per cent of total authorisations. About 42 per cent of the total authorisations and 47 per cent of the total utilisation was accounted for by the U.S.A. (Table VIII. 8). The I.B.R.D. and I.D.A. together accounted for 17 per cent of the authorisations and 15 per cent of the utilisation. The corresponding shares were 7 per cent and 6 per cent for the U.S.S.R. and 8 per cent and 9 per cent for the U.K., while West Germany and Japan accounted for 8 per cent and 3 per cent, respectively, in respect of both authorisations and utilisation.

After adjusting for lapsed agreements, the aid available in the pipeline at the end of March 1973, amounted to Rs. 1,618 crores comprising Rs. 1,280 crores of project assistance and Rs. 338 crores of non-project assistance.

Aid for 1973-74

The Aid-India Consortium which met in June 1973 agreed that substantial new aid commitments were required in the current year (1973-74) so that imports could be kept at a level adequate to support a higher rate of economic growth. Members of the Aid-India Consortium agreed that for the year 1973-74 commitments of non-project assistance (including debt relief) of about U.S. $700 million and of project assistance of about U.S. $500 million would be desirable. Almost all members gave indications of the quantum of project and non-project assistance that they would be able to provide. The U.S.A., however, indicated that it was not in a position to make a pledge but that U.S. commitments would be in the context of bilateral discussions between India and the U.S.A. On the question of debt relief, several members of the Consortium, including the U.S.A., desired that individual contributions should

be subject to a multi-lateral agreement among the Consortium countries. An amount of U.S. $193 million should become available as debt relief in the current year subject to the agreement above. Excluding assistance from the I.B.R.D. and the I.D.A. the indications of aid given at the Consortium meeting add upto U. S. $648 million, with project aid of U. S. $197 million, non-project aid of U.S. $258 million and debt relief of U.S. $193 million. Including the I.B.R.D. and I.D.A. contributions the total amount pledged would be a little over U.S. $1·1 billion.

External Assistance Extended by India

Besides being a recipient of external assistance, India has also been extending aid to other developing countries. The assistance authorised during 1972-73 amounted to Rs. 157 crores as against Rs. 212 crores in the preceding year. During both the years the bulk of the assistance authorised comprised grants, the major beneficiaries being Bangladesh, Nepal and Bhutan. But despite resource constraints, India also extended assistance for the first time to Mauritius and Tanzania during 1972-73. By end-March 1973, the official assistance authorised by India totalled Rs. 369 crores, of which Rs. 168 crores or nearly 50 per cent was to Bangladesh. Nepal and Bhutan were the next two major recipients, accounting for Rs. 101 crores and Rs. 45 crores, respectively. Over 90 per cent of the aid authorised was utilised by end-March 1973. Country-wise details of authorisations and utilisation are given in Table VIII. 9.

Foreign Investment Policy

The total value of consents granted by the Controller of Capital Issues for non-resident participation were lower at Rs. 14·3 crores during 1972-73 (April-March) as compared to Rs. 56·4 crores during 1971-72. The fall was entirely due to a decline in the consents for loans from abroad which dropped from Rs. 46·8 crores in 1971-72 to Rs. 0·9 crore in 1972-73. Consents for fresh share capital participation and bonus issues, on the other hand, showed in 1972-73, a rise of Rs. 2·4 crores to Rs. 3·9 crores and of Rs. 1·4 crores to Rs. 9·5 crores, respectively, over the preceding year. The collaboration agreements approved during 1972-73 (April-March) numbered 256 as against 208 in the previous year.

There was no major change during the year in the Government's policy of permitting foreign investments and technical collaborations in selected industries. Under the industrial licensing policy announced by the Government in February 1973 foreign concerns, subsidiaries and branches of foreign companies would be allowed to participate along with other applicants in establishing units in the core industries, but ordinarily would not be permitted to establish units in other industries. They would also continue to be permitted to invest in industries where production is predominantly for exports, subject to the guidelines on the dilution of foreign equity and bearing in mind technical conditions and the overall effect on the balance of payments. According to guidelines prescribed in May 1973 for companies with foreign share holdings in respect of which expansions are considered unlikely or where profits are unduly high, the Controller of Capital Issues may stipulate a measure of reduction in the share of foreign holdings at the time of sanctioning the issue of bonus shares (see also Chapter VI: Capital Market)

International Monetary Situation

Sterling Float

The relative stability of exchange rates anticipated under the Smithsonian agreement of December 1971 proved to be a short-lived phenomenon. For several months exchange markets proved to be highly sensitive to unfavourable political and economic developments of even minor consequence; and, in consequence, they fluctuated rather violently within the wider band. Because of deterioration in its trade position since the beginning of 1972 and particularly in view of the expectations about the movement of wages and prices, the U.K.'s external position became vulnerable by May 1972 ; and there was a growing feeling that the U.K. would not be able to support the dollar-sterling parity at $ 2·60. With the prospect of a dock strike (which materialised later) following a period of prolonged industrial unrest, sterling came under heavy selling pressure, and the U.K. authorities decided to float the

Table VIII·9 : External Assistance Extended by India to Other Countries

(Rupees crores)

Country	Authorised upto March 1972			Authorised during 1972-73			Utilised upto March 1972			Utilised during 1972-73			Undisbursed balance as at end-March 1973		
	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Burma	20·0	—	20·0	—	—	—	20·0	—	20·0	—	—	—	—	—	—
Ceylon	17·4	—	17·4	—	—	—	10·8	—	10·8	2·3	—	2·3	4·3	—	4·3
Indonesia	10·0	—	10·0	—	—	—	10·0	—	10·0	—	—	—	—	—	—
Nepal	1·0	91·2	92·2	—	9·0	9·0	0·4	87·9	88·3	0·1	7·2	7·3	0·5	5·1	5·6
Bhutan	1·6	36·1	37·7	—	7·0	7·0	1·6	36·1	37·7	—	7·0	7·0	—	—	—
Mauritius	—	—	—	3·2	—	3·2	—	—	—	—	—	—	3·2	—	3·2
Tanzania	—	—	—	5·0	—	5·0	—	—	—	—	—	—	5·0	—	5·0
Bangladesh	11·3	23·5	34·8	23·6	109·3	132·9	11·3	23·5	34·8	23·6	101·3	124·9	—	8·0	8·0
Total	**61·3**	**150·8**	**212·1**	**31·8**	**125·3**	**157·1**	**54·1**	**147·5**	**201·6**	**26·0**	**115·5**	**141·5**	**13·0**	**13·1**	**26·1**

Notes : (1) Data do not include assistance extended to Sikkim.

(2) Aid to Nepal excludes the grant expenditures on Kosi and Gandak Schemes executed by the Bihar Government and the grant expenditure on training of Nepalese scholars in India.

(3) Aid to Bangladesh does not cover the relief goods of the value of Rs. 17 crores supplied to that country in 1971-72.

pound sterling on June 23, 1972. The run on the pound sterling in June 1972 provided additional evidence of the menacing proportions in which capital funds could be switched at short notice, rendering the policy of maintaining exchange rates through official support highly vulnerable. India and 14 other sterling area countries retained their relationship wirh sterling while some other countries opted to abandon it in favour of gold or the U.S. dollar.

End of the Sterling Area

The adoption by the U. K., along with the decision to float the sterling, of a number of exchange control measures to curb movements of capital effectively put an end to the Sterling Area as it had evolved since 1931. The cohesion of the Sterling Area had been reduced considerably in the late 1960s when a large number of the members diversified their reserve portfolios and also defined their exchange rates in terms of the U.S. dollar or gold. The U.K.'s firm commitment to join the European Economic Community would have anyway meant altering its traditional relationships with the Sterling Area countries. The Sterling Area became a part of history when on June 23, 1972, all the erstwhile Sterling Area countries except Ireland became for the U.K. part of the external account area, so that all payments with them on account of non-current transactions required government permission.

Drifting Pound Sterling

After the float, sterling drifted downwards continually to $ 2·45 by mid-July, and again with a short interruption, it sank by 30th October to an all time low of $ 2·33, reflecting a depreciation of over 10 per cent from its Smithsonian parity. It had similarly depreciated in terms of most other major world currencies. The drift *vis-a-vis* the dollar came to be arrested in November as the dollar was weakening rapidly ; and the trend was spectacularly reversed following the second dollar devaluation on February 12, 1973. Gaining consistently thereafter, sterling reached the level $ 2·59 on June 5 ; but renewed turmoil on foreign exchange markets in mid-June revived the pressures on sterling, and it started drifting downwards again though the extent of its fall was relatively smaller against the U.S. dollar. To stem the fall, the Bank of England stepped up its minimum lending rate twice within a period of seven days, to 9 per cent on July 20, 1973 and to an all-time high of 11·5 per cent on July 27, 1973. The inter-central bank swap arrangements were also reactivated on the same terms regarding sharing of costs, as in the case of U.S. arrangements referred to later.

Dollar Under Pressure

The U.S. dollar showed a modest but sustained recovery against the Japanese yen and most of the European currencies except the Swiss franc from August 1972 till after the year-end, assisted by the very moderate rate of domestic inflation despite a smart rate of growth of the economy. The reversal in the trade deficit necessary for the improvement in the U.S. balance of payments position and consequently for the strengthening of the U.S. dollar was, however, still not in sight. Indeed the U.S. trade deficit in 1972 turned out to be more than double that in 1971, $ 6·4 billion as against $ 2·9 billion. With the replacement towards the end of 1972 of the Phase II price programme involving some mandatory controls by Phase III which relied largely on voluntary action, and the political developments affecting the U.S. administration, the weak trade position provided the basic conditions in which attacks on the dollar could be easily triggered. The trigger for the February 1973 crisis was presumably the creation by Italian authorities of a two-tier market for the lira on January 22 to prevent the flight of capital from Italy, particularly into Switzerland. Switzerland, where inflows of hot money were offsetting for some time the domestic policy of tight credit floated the franc with effect from January 23. At the same time because of the alarming flood of dollars coming into the country, it blocked the conversion of further dollars into Swiss francs once the intervention point was reached.

Devaluation of the Dollar

Large-scale movements of dollars into stronger currencies emerged following forecasts of continued payments deficits of the U.S. in 1973, the D-mark being obviously the most preferred choice because of the relative ease with which funds could be

moved into Germany. By the beginning of February, there was a massive flight from the dollar with the Bundesbank having to absorb $ 5·9 billion in a mere nine days. A number of other central banks, in particular those of Japan, Sweden, Switzerland and Benelux countries, also intervened on a large scale to support the dollar and the Federal Reserve Bank of New York sold D-marks equivalent to $ 319 million. Despite the scale of this support, exchange markets had to be closed for three days from February 12. On February 12, the U.S. announced a 10 per cent devaluation of the dollar from SDR 0·921053 = $ 1 to SDR 0·828948 = $ 1, the second formal devaluation of the dollar in a period of about 14 months, following that of just under 9 per cent resulting from the Smithsonian agreement in December 1971. The U.S. step was followed almost simultaneously by the Japanese decision to float the yen. The Bank of Japan made it clear at the same time that it would intervene in the market to prevent an undue appreciation of the yen.

But the markets viewed the new pattern of exchange rates as inappropriate, especially after the free market price of gold shot up to reach the level of $ 95 an ounce on February 23, 1973. The dollar fell once gain to its new lower intervention point and a feeling that a system of pegged exchange rates could not be supported gained ground. On March 1, the European central banks absorbed $ 3·5 billion, which remains a record for central bank intervention on any single day so far, and were forced on March 2, to close the markets for the second time in a period of less than three weeks.

Joint Float of EEC Currencies

Official transactions on all the major foreign exchange markets were resumed on March 19 after the joint float by the six EEC countries, *viz.* West Germany, France, Denmark, Belgium, Luxembourg and the Netherlands, with the D-mark upvalued by three per cent prior to the float. Along with the joint EEC float, the Group of Ten countries and the member countries of the European Economic Community had also agreed to ensure jointly an orderly exchange system through market intervention in a flexible manner in the light of market conditions and in close consultations with authorities involved. The six countries participating in the joint float decided to maintain 2·25 per cent margins between their currencies. Austria, Norway and Sweden, though not members of the EEC, also joined the joint float on similar terms, while Italy, Ireland and the United Kingdom, though members of the EEC, opted in favour of continuing for the time being to float their currencies independently.

The hope that floating of most of the world's leading currencies would curb speculative pressures disrupting the exchange markets has not been realised and different currencies have come under varying degrees of pressure since the resumption of trading on official exchanges on March 19, 1973. During June 1973 speculative forces operating on D-mark pushed it up *vis-a-vis* the other currencies in the joint-EEC float and West Germany had to support the latter to keep the D-mark within the currency snake. The Bundesbank laid out DM 4 billion in the 12 days ending June 28 in support of the other EEC currencies—DM 2·2 billion was on a single day on June 28—before it gave up the effort ; and West Germany revalued D-Mark by another 5·5 per cent on June 29, 1973.

Continued depreciation of the dollar was viewed with concern particularly by the European countries. It was widely believed that the parity of the dollar had slipped down to a point which was not justifiable in trading terms and which had adverse consequences on competitiveness of their products in the world markets. By the end of June 1973, the U.S. dollar had depreciated by 51 per cent against D-mark, 49 per cent against Swiss franc, 38 per cent against Japansese yen, Dutch guilder and Belgium franc and by 34 per cent against French franc from its parities in April 1971. In this context, the U.S. Federal Reserve System and central banks of major industrial countries revived on a massive scale the reciprocal swap arrangements between them at the beginning of July 1973. The swap lines were increased by $ 6·25 billion to $ 17·98 billion, and the costs of intervention were agreed to be shared equally between the U.S. and the countries whose currencies were used in the intervention. Official market intervention following

these arrangements, the trade surplus, the U.S. reported for the second quarter of 1973, assisted *inter-alia* by booming grain exports, and the upward movement in U.S. interest rates have helped the U.S. dollar to improve from a low of DM 2·25 per dollar on July 6 to DM 2·41 per dollar on August 10.

Rising Gold Prices

The counterpart of the fortunes of the U.S. dollar and of the market sentiments in regard to the existing and prospective international payments system is provided by the movements in free market prices of gold. The London market price of gold rose steeply from $49·5 per fine ounce (p.f.o.) at the beginning of May 1972 to a new peak of $70 p.f.o. on August 2, 1972.[5] Relatively lower volume of newly-mined gold offered on the market, especially from South Africa, expectations about an increase in the official price of gold and continuing instability on the foreign exchange markets contributed to this rapid rise. Though the gold price thereafter eased gradually to $64·1 p.f.o. on January 19, 1973, it started firming up again towards the end of January in the context of renewed uncertainty on the foreign exchange markets. The devaluation of the dollar in February 1973 pushed up the price further. By the middle of May it pierced through the $100 p.f.o. mark and reached the peak of $127 p.f.o. on June 5 and once again on July 6.

Reports that after the July 11-13, 1973 meeting of the Deputies of the Committee of Twenty on International Monetary Reform, majority opinion was veering round to the idea of official sales of gold on the markets induced a downward trend in gold prices. Also the rising interest rates in most major economies raised the gold speculators' costs. In the result, gold fell below the $100 p.f.o. mark on August 14 and was priced at $92·5 p.f.o. on the following day.

World Trade

Despite continued uncertainty on the international exchange markets, world trade recorded an appreciable growth during 1972 largely on account of the acceleration of economic activity in industrially advanced countries. The volume of trade of industrialised countries increased by 10·6 per cent in 1972 as compared with 6 per cent in 1971, pushing up the volume of total world trade by 8·2 per cent in 1972 compared with 5·7 per cent in 1971. According to estimates made by the International Monetary Fund, world trade (inclusive of massive grain shipments to the U.S.S.R. and China) increased during the first half of 1973 by 11-12 per cent over the corresponding period of 1972. During 1972 the growth in the volume of trade of the primary producing countries at 2·3 per cent was not only far below that of the industrial countries but was in fact much below the 5·1 per cent achieved by the primary producing countries during 1971. The deceleration was greater in the case of less developed primary producing countries as a group since the rate of increase in the volume of their trade halved to 3·1 per cent in 1972 from that of 6·2 per cent in 1971 and even these gains in trade recorded by the developing countries accrued mainly to the oil producing countries.

Development Assistance

Nor did the developing countries fare any better in the matter of development assistance. Total net financial flows from the members of the OECD to the developing countries increased only marginally from $18·1 billion in 1971 to $19·4 billion in 1972 at current exchange rates. As a proportion of the aggregate GNP of the OECD countries, the net financial flows to the developing countries declined noticeably from 0·82 per cent in 1971 to 0·77 per cent in 1972. This decline took place despite the high rate of growth in the major developed economies and, as indicated later, the smart rise in international reserves of developed economies. The U.S. recorded in 1972 a real rate of growth in GNP more than twice that in 1971 and Japan almost a third higher as did the U.K.; West Germany and France too improved their growth rates, though in a much more modest measure. In industrial countries taken together, the real GNP rose by 5·7 per cent as compared to the increase of 3·2 per cent in 1971. While assistance from the U.S. showed a small decline from 0·65 per cent of its GNP in 1971 to 0·64 per cent in 1972 the share of the other OECD members, which had contributed 0·98 per cent of their GNP in 1971, declined sharply to 0·88 per cent of their GNP in 1972. The 1972 per-

formance of the OECD countries in respect of official aid was also not encouraging. Though the net official aid of 16 OECD member countries increased from $7·7 billion in 1971 to $8·6 billion in 1972 after making appropriate adjustment in respect of price increases and exchange rate changes, it may have increased only by 7 per cent in real terms in 1972. Consequently, net official aid as a proportion of the GNP of these 16 countries declined from 0·35 per cent in 1971 to 0·34 per cent in 1972. Japan continued to lag behind considerably, with its official aid in 1972 having declined to 0·21 per cent of the GNP as compared with 0·23 per cent in 1971.

World Reserves

Growth of aggregate global reserves comprising gold, foreign exchange, SDRs and reserve positions in the Fund amounted to $25·3 billion or 19·5 per cent in 1972; the global reserves had increased by $37·5 billion or by 48 per cent in 1971. Nearly 90 per cent of the growth in 1972 was accounted for by the increase in foreign exchange holdings and another 12 per cent by SDRs, while both gold and reserve positions in the Fund showed absolute declines from their end-1971 levels. Of the $22·7 billion increase in foreign exchange reserves during 1972, the developed countries shared $17 billion while the Middle East and Latin America accounted for $2·2 billion and about $2 billion, respectively. Thus, in continuation with the past trend, additional accruals of foreign exchange reserves to developing countries lagged far behind the trend noted for the developed countries.

After the completion in 1972 of the first three-year basic period distribution, allocation of SDRs for the second basic period should have been made at the beginning of 1973. This, however, has not taken place owing to an absence of agreement over the amount of SDRs to be created during the second basic period. On account of their comfortable foreign exchange position, the developed countries as a group have not contributed to speeding up the second distribution, despite the implications of such a pause to the role of SDRs in the international monetary system and despite the unfavourable effect this will have on the developing countries, the foreign exchange position of the most of which continues to be critical.

International Monetary Reform

Developments in the international payments system and exchange and gold markets, reviewed above, provided the setting for the deliberations of the Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues set up at the 1972 Annual Conference of the Fund. In its first meeting the Committee set up a Group of Deputies consisting of senior monetary officials of various countries to examine the technical issues and make recommendations. Before the Committee of Twenty held its second meeting in March 1973 the Deputies met four times to examine in detail the issues relating to the improvement of the adjustment process and the exchange rate mechanism, reserve assets convertibility, the 'link' arrangements and capital flows in a reformed monetary system.

The February-March 1973 crisis in the international monetary system, forcing the major world currencies to float even after the second devaluation of the U. S. dollar brought into sharp focus the urgency of the reform and provided the setting for the second meeting of the Committee of Twenty on March 26-27. At this meeting, the Committee recognised that in the reformed system, the exchange rate regime should remain based on stable but adjustable par values and that floating rates could provide a useful technique in particular situations. There was also general agreement on the need for exchange market stability and on the importance of Fund surveillance of exchange rate policies. For better management of global liquidity, it was agreed that the role of reserve currencies should be reduced and that the SDR should become the principal reserve asset of the reformed system. The Committee also affirmed the desirability on the occasion of the reform of promoting economic development of the developing countries and the flow of real resources from the developed to developing countries. The Deputies were asked to study further the methods of dealing with disequilibrating capital flows as well as the conditions for a resumption of general convertibility, including questions relating to consolida-

tion of excess reserve currency balances and to methods of settlement; and to proceed urgently with the preparation of a draft outline of the reform, in which the major issues would be presented to the Committee for decision at its next meeting.

The third meeting of the Committee of Twenty was held at the end of July 1973 and a consensus emerged in favour of a more efficient and equitable adjustment mechanism with stability of exchange rates and international control over the creation of liquidity, with SDR as the principal reserve asset of the system. While the proposal for punitive trade measures remained generally unacceptable, there was an agreement about the desirability of applying graduated financial pressures on countries in payments imbalances, to force them to reduce their imbalances. On the question of the link between SDR creation and development finance, the developing countries unanimously urged that transfer of real resources through such a link should be an integral part of the reformed system ; and that such a transfer should take the form of direct allocations of SDRs, in additions to the normal entitlements based on their quotas in the Fund. But no agreement was reached on this point because of opposition by some of the prominent developed countries to the principle of the link.

Asian Clearing Union

The Economic Commission for Asia and Far East approved on April 19, 1973 the proposal for the setting up of an Asian Clearing Union (ACU). The agreement setting up the Union would come into force after five countries sign the document. Iran and Sri Lanka have already signed the document while Nepal, Afghanistan and Pakistan have expressed their willingness to do so at a later date. Necessary amendment to the Reserve Bank of India Act to enable the Bank to join the Union has been passed by the Parliament. Accounts of the ACU would be maintained in a common unit, the Asian Monetary Unit, which would be equivalent to one SDR of the IMF. The administration of the ACU would be entrusted to the central bank or monetary authorities of a member country. The ACU would help settling mutual credits and debits among member countries originating from current transactions through mutual credit lines extended by members to each other.

Developments in Exchange Control

An important development in this sphere was the introduction in Parliament of the Foreign Exchange Regulation Bill, 1972, which was passed recently. Other developments in the sphere of exchange control during the year mainly related to the exchange rate and allied matters, following the floatation of the pound sterling in June 1972 and the floatation of a number of major world currencies in February 1973.

Foreign Exchange Regulation Bill, 1972

This Bill will repeal the Foreign Exchange Regulation Act, 1947. While the basic structure of the new Bill is the same as that of the existing Act, certain new provisions have been introduced besides revising some of the provisions of the present Act. The more important of these new provisions and amendments have been briefly explained in the following paragraphs.

(*a*) With regard to payment for exported goods, Bill provides that the Central Government may impose a restriction that an exporter shall not, without the permission of the Reserve Bank, allow the sale of goods exported on consignment basis for a value less than the one declared by him at the time of the export. Provisions have also been made to prohibit exports on consignment basis of specified commodities, to impose restrictions which would ensure that the export proceeds are realised in proper time or without delay notwithstanding the unstable situation in the importer's country and to require the exporters to have the sale contracts registered with the appropriate authorities with a view to having an additional check on the price and other terms of the sale.

(*b*) The acquisition, holding, transfer or disposal of immovable property abroad by persons resident in India (other than foreign nationals) requires the permission of the Reserve Bank under the Bill. Hitherto, only the maintenance and operation of foreign currency accounts and the holding, etc., of foreign currency securities were regulated.

Like-wise, participation by residents in India in the trading, commercial and industrial activities abroad in the form of joint ventures is sought to be regulated.

(*c*) A person who is resident outside India, a foreign citizen resident in India, a company (other than a banking company) which is incorporated outside India or in which the non-resident interest is more than forty per cent, or any branch of such company cannot accept appointment as agent or technical or management adviser in India of any person or company or permit the use of any trade mark, which he or it is entitled to use, by any person or company for any direct or indirect consideration, without the permission of the Reserve Bank. Companies with more than forty per cent non-resident interest wishing to purchase goods in India with a view to re-selling them before processing, will similarly require permission of the Reserve Bank to do so.

(*d*) Foreign investment in the form of branches in India remained outside the purview of the Foreign Exchange Regulation Act, 1947. A provision has been made in the Bill to regulate it so that non-residents, foreign nationals resident in India, companies (other than banking companies) incorporated abroad and companies having more than 40 per cent non-resident interest cannot carry on in India, or establish a branch/office or other place of business in the country for carrying on, any activity of a trading, commercial or industrial nature, without the permission of the Reserve Bank.

(*e*) The nationals of a foreign state will now be prohibited from taking up any employment or practising any profession, etc., in India without the permission of the Reserve Bank, if such persons require foreign exchange, out of moneys received by them in India by reason of such employment, etc., for remittance outside India.

(*f*) The Bill also seeks to regulate the acquisition, etc., of immovable property in India by persons who are not citizens of India and companies (other than banking companies) which are incorporated outside India or in which the non-resident interest is more than 40 per cent.

Besides the above, several provisions have been included in the new Bill for the purpose of strengthening the enforcement machinery and for preventing evasion of the regulations and enhancement of penalties for contravention of the regulations.

Exchange Rates—Sales and Purchases by Reserve Bank

It was observed in the previous Report that following the decision of the U.K. in June 1972 to allow sterling to float on the exchanges, the Bank's buying and selling rates for spot sterling were fixed at £5·3333 per Rs. 100 for buying and £5·3050 per Rs. 100 for selling, effective July 4, 1972. Forward purchases of sterling were resumed with effect from July 5, 1972 at £5·3458 per Rs. 100 for delivery upto 3 months and £5·3583 per Rs. 100 for delivery upto six months. Subsequently, with effect from August 22, 1972, the forward cover facility for sterling was extended upto nine months at rates determined by adding the following margins to the Bank's buying rate for spot sterling :

Period of delivery	*Margin (per Rs. 100)*
Upto 3 months	£ 0·0125
Upto 6 months	£ 0·0250
Upto 9 months	£ 0·0375

Further extension of the forward contracts was also permitted on request on payment of a charge of £ 0·0125 per Rs. 100 each quarter or part thereof provided the total period of delivery did not exceed 12 months from the date of the original contract.

With effect from October 9, 1972, the Bank also decided to purchase U.S. dollars from authorised dealers. The Bank's buying rate for the spot U.S. dollar was the cross rate between the London market's spot rate for the U.S. dollar at the close of the preceding working day and the Bank's spot buying rate for sterling prevailing on the date of purchase. The rate for forward purchase, for delivery upto three months or six months at the seller's option, was the cross rate between the London market's appropriate forward buying rate for the U. S. dollar at the close of the preceding working day and the Bank's buying rate for

forward sterling for the appropriate delivery. Between July 19, 1966 and August 17, 1971, the State Bank had made forward purchases of U. S. dollar on account of the Bank.

In view of the uncertain conditions in the international foreign exchange markets which led to their closure and a further devaluation of the U. S. dollar on February 12, 1973, the Bank suspended forward purchases of U. S. dollars and sterling with effect from February 12 and 13, 1973, respectively. The Bank, however, continued to purchase and sell sterling for ready delivery from authorised dealers at the rates prevalent on February 12, 1973, viz., the rates that were fixed on July 4, 1972. Forward purchases of sterling for delivery upto six months only at the same rates as were prevalent on February 12, 1973, were also resumed with effect from March 8, 1973.

Introduction of Exchange Control by the U. K. with Sterling Area Countries

Along with the decision to float the pound sterling, the U.K. authorities restricted from June 23, 1972, the sterling area to the U.K. and the Republic of Ireland for purposes of exchange control and designated persons resident in the countries previously designated as scheduled territories (other than the Republic of Ireland) as non-residents and the existing sterling accounts as External Accounts. Consequently, foreign countries were classified into the following two categories from November 3, 1972, for purposes of the Indian exchange control :

(*a*) External Account Countries : All foreign countries other than those listed in (*b*) below but including the U. K. and other former scheduled territories (*i.e.*, sterling area countries) and

(*b*) Bilateral Account Countries : Bulgaria, Czechoslovakia, German Democratic Republic (East Germany), Hungary, North Korea, Poland, Rumania, U.S.S.R. and Yugoslavia. In the case of Yugoslavia, however, following the fresh Trade Agreement concluded between the Governments of India and Yugoslavia in November 1972, all transactions between these two countries (except export and import contracts concluded before December 31, 1972, which, under contractual obligations, require fulfilment partly in 1973 and are to be settled in non-convertible rupees before September 30, 1973) are to be made in freely convertible currency with effect from January 1, 1973.

For the purpose of transactions in Indian rupees, Indians, Nepalese and Bhutanese resident in Nepal and Bhutan as well as offices and branches of Indian, Nepalese, and Bhutanese firms, companies, or other organizations in these two territories continue to be treated as resident in India as before.

Surrender of Foreign Exchange by Persons Resident in India

Under the general permission granted in April 1965, a person resident in India was allowed to acquire foreign exchange by way of remuneration for services rendered or in settlement of lawful obligation or by way of inheritance, settlement of gift or payment in foreign exchange by order of a non-resident, provided the foreign exchange so acquired was surrendered to an authorised dealer within a period of 30 days of its receipt. This period has been reduced to 7 days from December 1972. Residents of India returning from tour abroad should also declare to the custom entry point foreign currency notes as also the travellers cheques and/or other foreign exchange held by them.

Business Travel to Bangladesh

As the current scales for release of exchange for business travel to Bangladesh were found to be inadequate, the scales of exchange, at present, applicable for business visits to countries other than U.S.A. and Canada were extended to Bangladesh in May 1973. Exchange for travel to Bangladesh would, however, continue to be released only in rupees.

CHAPTER IX—CURRENCY AND COINAGE

The financial year 1972-73 was characterised by larger expansion in currency in circulation of Rs. 661·3 crores or 13·2 per cent (to Rs. 5666 crores), as compared with only Rs. 451·9 crores or 9·9 per cent in 1971-72.(1) The ratio of currency in circulation to national income at current prices moved up from 13·3 per cent in 1970-71 to 13·8 per cent in 1971-72 and further to 14·1 per cent in 1972-73.

Component-wise, notes in circulation registered a marked rise in 1972-73, while the increase in rupee notes and coins was moderately higher than in the preceding year. Circulation of small coins showed a rise of Rs. 17·3 crores.(2)

Circulation of Notes and Coins

Circulation of Notes

During the year, notes in circulation registered a rise of Rs. 616·3 crores (13·4 per cent) to Rs. 5210·3 crores which was larger than the increase of Rs. 425·4 crores (10·2 per cent) noticed in 1971-72. The pattern of expansion was in conformity with that observed in the preceding year. Circulation of notes rose steadily from Rs. 4594·0 crores as at the end-March 1972 to Rs. 4705·2 crores by end-April 1972. Towards the close of June 1972, circulation of notes expanded to Rs. 4817·2 crores recording a rise of Rs. 112 crores in the first two months of 1972 slack season. A seasonal contraction was, however, discernable in the period July through September; at the end-September level of Rs. 4460·2 crores, notes in circulation showed a contraction of Rs. 245·0 crores over the level at end-April 1972. The uptrend was resumed again in October—the last month of conventional slack season—and the notes in circulation increased continuously from November 1972 to reach a level of Rs. 4872·3 crores by end-January 1973 and of Rs. 5210·3 crores at the close of the financial year 1972-73.

Denomination-wise, the share of the notes of Rs. 100 continued to rise; it was 50·3 per cent at end-March 1972 and 52·5 per cent at end-March 1973. There was a corresponding decline in the share of the notes of Rs. 10—the second important denomination in circulation—from 34·7 per cent to 32·4 per cent.

Circulation of Rupee and Small Coins

Circulation of rupee coins(3) (of which about 85 per cent is in the form of rupee notes issued by the Government of India) increased by Rs. 27·6 crores (10·5 per cent against 6·2 per cent last year) to Rs. 290·2 crores which was Rs. 12·3 crores larger than that in 1971-72.

In the fiscal year 1972-73 there was a rapid decline in the rupee notes (and coins) held in the Issue Department of the Reserve Bank due to their absorption by the public. At the end of the year, it had reached Rs. 8·7 crores. Subsequently, it reached an all-time low level of Rs. 3 crores on April 27, 1973 but again rose to only Rs. 8·4 crores on June 29, 1973, even though the Reserve Bank withdrew rupes notes (and coins) from the Government surplus stocks twice to the extent of Rs. 10 crores each on May 4 and June 1, after a long span of more than nine years.(4)

Data in regard to circulation of small coins are available with a time-lag. The provisional

(1) See Statement 22 in the Statistical Statements Section of this Report.

(2) According to the revised estimates, small coins in circulation were Rs. 165.7 crores as at the end of March 1973.

(3) 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, F.A.O. commemorative ten-rupee silver coins and Independence Day Silver Jubilee commemorative ten-rupee coins.

(4) Under the erstwhile Section 36 of the Reserve Bank of India Act, *inter-alia*, it was obligatory on the part of the Government to make transfers of rupee notes (and coins) not exceeding Rs. 5 crores at the end of each financial year if the maximum amount of rupee notes (and coins) held as assets in the Bank's Issue Department was less than Rs. 50 crores or $\frac{1}{4}$th of the total amount of assets whichever was higher. The entire Section 36 as it existed then was deleted by an amendment to the Reserve Bank of India Act effective from February 1, 1964. Since then there has been no transfer of rupee notes (and coins) from the Government surplus stocks till May 4, 1973.

estimates indicated that circulation of small coins at Rs. 165·7 crores registered a rise of Rs. 17·3 crores as compared with Rs. 11·2 crores in the preceding year. As the notes in circulation showed a sharp expansion during the year April 1972-March 1973, the proportion of small coins in total currency in circulation at end-March 1973 declined to 2·9 per cent from 3·0 per cent at the end of March 1972.

Mintage

During the year, 2,086 million pieces of decimal coins including Ten Rupee coins of different denominations valued at about Rs. 29·4 crores were minted as against 1,675 million pieces worth Rs. 14·7 crores in 1971-72. Since the introduction of decimal coinage in 1956-57, total mintage of decimal coins aggregated 21,882 million pieces valued at Rs. 153·1 crores.

Lost, Destroyed and Mutilated Notes

The number and value of claims in respect of mutilated, lost and destroyed notes received during the year were 1,94,124 and Rs. 266·5 lakhs, respectively.(5) Payments made against these as well as claims admitted during the previous years amounted to Rs. 245·9 lakhs. The number of claims admitted and the total amount of payments made during 1971-72 were 1,85,933 and Rs. 271·8 lakhs, respectively.

Note Forgeries

The total number of forged notes including one rupee notes received by the Bank at 1,382 (valued at Rs. 33,978) was less than in 1971-72 (2,369 worth Rs. 1,04,996).(6)

(5) See Statement 107 in the Statistical Statements Section of this Report.
(6) See Statement 108 in the Statistical Statements Section of this Report.

APPENDIX I—SELECTIVE CREDIT CONTROLS : POSITION AS ON JUNE 30, 1973

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit* (4)	Exemptions (5)
		A. Foodgrains		
DBOD. No. Cre. BC. 102/C. 218-72 dated November 15, 1972, as amended by Circular letter DBOD. No. Cre. BC. 130/C. 218-72 dated December 20, 1972, and directive DBOD. No. Cre. BC-37/C. 218-73 dated April 18, 1973.	1. 35% on advances 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. 2. 45% on advances against *paddy* to rice mills. 3. 50% on advances against official warehouse receipts covering stocks of foodgrains. 4. 60% on all other advances.	12% per annum for all parties.	In respect of each party, 100% of the peak level of credit maintained by the party in any of the three preceding seasons *viz.*, 1971-72, 1970-71 and 1969-70 (separately in respect of advances against (*i*) Paddy & Rice and (*ii*) 'Other Foodgrains' (*i.e.* other than paddy and rice wheat and barley). *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 for granting advances to *new parties.*	1. The following types of advances are *completely* exempted from control :— (*i*) Advances in the States of Assam, Meghalaya, Nagaland, Jammu & Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. (*ii*) Advances against the security of barley. (*iii*) Advances to the Food Corporation of India and State Governments. (*iv*) Advances to Co-operative Marketing Federations, Central or State Warehousing Corporations and such other agencies duly appointed as agents for the purpose of food procurement/distribution by the Food Corporation of India/Central or State Government to the extent of the stocks held by them as such agents. (*v*) 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.

*(1) 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 & 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 (2) On May 14, 1973 all the scheduled commercial banks were advised to ensure that their advances against wheat were fully in line with the scheme of take-over of wholesale trade in wheat by the Government. On the following day, the banks operating in the States of Punjab, Haryana, U.P., M.P. and Bihar were further advised to undertake a special review of credit limits exceeding Rs. 20,000 against wheat to private parties so as to ensure that these limits were cancelled in the case of wholesale traders and appropriately fixed in the case of licensed retail traders.

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Leve lof Credit	Exemptions
(1)	(2)	(3)	(4)	(5)
				(*vi*) 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.
				(*vii*) Advances granted to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives.
				(*viii*) 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).
				(*ix*) Advances against the security of or by way of purchase of demand documentary bills drawn in connection with the movement of foodgrains.
				(*x*) Advances granted to processing/ manufacturing units covered under the Rural Industries Projects.
				(*xi*) Advances against maize to manufacturing units (*i.e.* industrial users).
				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.

@ Please see foot-note on page 258.

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions
(1)	(2)	(3)	(4)	(5)
				(*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. (*v*) Advances to manufacturing units and other borrowers, wholly or partly against security of foodgrains which are covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organisation, to the full extent of the limit subject to a maximum of Rs. 20,000 for each such manufacturing unit/borrower, provided it/he undertakes to borrow against foodgrains from only one bank. 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) located 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.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Exemptions (5)
B. Groundnut and Other Oilseeds, viz. Rapeseed/Mustardseed, Castorseed and Linseed				
DBOD. No. Cre. B C. 103/C.218(H)-72 dated November 15, 1972 and DBOD. No. Cre. BC. 106/C.218-72 dated November 15, 1972 and Circular DBOD. No. Cre. BC. 130/ C. 218-72 dated December 20, 1972.	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. **75%** on advances against the stocks of groundnut in the States of Gujarat and Maharashtra. 6. **65%** on advances against warehouse receipts covering stocks of groundnut in the States of Gujarat and Maharashtra. 7. **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. 8. **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.	12% per annum for advances against the security of groundnut, rapeseed/ mustardseed, castorseed and linseed.	In respect of each party, separate ceiling for each of (*i*) Groundnut, (*ii*) 'Other Oilseeds' *viz.* linseed and castorseed ; 100% of the peak level of credit maintained by the party in any of the three preceding seasons, *viz.* 1971-72, 1970-71 and 1969-70.	I. Following types of advances are *completely* exempted from control:— (*a*) Advances to all parties in the States of Assam, Meghalaya, Nagaland Jammu & 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, de-oiled 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 of demand documentary bills drawn in connection with the movement of oilseeds. (*g*) Advances granted to processing/ manufacturing units covered under the Rural Industries Projects. (*h*) Advances against imported oilseeds. II. Following types of advances are exempted from *margin* and *ceiling* controls. (*a*) 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

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions
(1)	(2)	(3)	(4)	(5)
				trader provided he undertakes to borrow against oilseeds from only one bank. (*b*) Advances to manufacturing units and other borrowers, wholly or partly against the security of oilseeds, which are covered by the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organisation to the full extent of the limit subject to a maximum of Rs. 20,000/- for each unit/borrower, provided it/he undertakes to borrow against oilseeds from only one bank. (*c*) Advances directly granted to farmers and primary co-operative societies for extending credit to their cultivator-members against oilseeds, 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. 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.

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions
(1)	(2)	(3)	(4)	(5)
C. Vegetable Oils (viz., Groundnut Oil, Rapeseed/Mustardseed Oil, Castorseed Oil and Linseed Oil) & Vanaspati				
DBOD. No. Cre. BC. 103/C. 218(H)-72 dated November 15, 1972 and DBOD. No. Cre. BC. 106/C. 218-72 dated November 15, 1972, Circular DBOD. No. Cre. BC. 130/ C. 218-72 dated December 20, 1972 and DBOD. No. Cre. BC. 5/C. 218(H)-73 dated January 27, 1973.	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. *On advances against* vanaspati to vanaspati manufacturers — (*a*) in all the States and Union Territories other than Gujarat and Maharashtra — 60% (*b*) in the States of Gujarat and Maharashtra — 75% 4. *On advances to* vanaspati manufacturers against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of vanaspati — (*a*) in all the States and Union Territories other than Gujarat and Maharashtra — 50% (*b*) in the States of Gujarat and Maharashtra — 65% 5. 25% *on advances against* stocks of oil 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 :* (*a*) 40% on advances against stocks of such oils used as raw material	12% per annum for advances against the security of groundnut oil, mustardseed/ rapeseed oil, castorseed oil and linseed oil and vanaspati.	Ceiling in respect of groundnut oil, castorseed oil and linseed oil and vanaspati as follows : In respect of each party, 100% of the peak level of credit maintained by the party in any of the three preceding seasons, *viz.*, 1971-72, 1970-71 and 1969-70.	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 (*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 Organization in the Ministry of Food & Agriculture, Government of India, New Delhi in pursuance of contracts entered into or to be entered into with the said Organization by the said manufacturers (*e*) Packing credit advances to the exporters of de-oiled and/or de-fatted cakes 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

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit 4)	Exemptions (5)
	equivalent to 6 weeks' consumption of each factory located in Eastern Zone (*b*) 50% on advances against stocks of such oils used as raw material equivalent to 6 weeks' consumption of each factory located in Northern Zone, and (*c*) 50% on advances against stocks of such oils used as raw materials equivalent to 4 weeks' consumption of each factory in Southern and Western Zones The stocks 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 1971 to March 1972 *For New Vanaspati Factories :* The basis is 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 4 to 6 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 *For supplying linseed oil and castorseed oil to various Government Departments:* 50% on advances against the security of linseed oil/castorseed oil which is required to be delivered to any Department of Government such as Defence, Railways, Post and Telegraphs, in pur-			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 such advances (*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 of demand documentary bills drawn in connection with the movement of vegetable oils and vanaspati (*h*) Advances granted to processing/manufacturing units covered under the Rural Industries Projects. (*i*) Advances against imported vegetable oils. II. Following types of advances are exempted from *margin* and *ceiling* controls. (*a*) 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. (*b*) Advances to manufacturing units and other borrowers, wholly or partly against the security of vegetable oils (including vanaspati), which are covered by the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organization to the full extent of the limit subject to a maximum of Rs. 20,000 for each such

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Exemptions (5)
	suance of contracts entered or to be entered into with any such Department.			unit/borrower, provided it/he undertakes to borrow against vegetable oils (including vanaspati) from only one bank. III. Following types of advances are exempted from *ceiling* control. (*i*) Advances against the security of rapeseed/mustardseed oil (*ii*) Advances against vegetable 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.
			D. Cotton and Kapas	
DBOD. No. Cre. BC. 104/C. 218-(F)-72 dated November 15, 1972 and DBOD. No. Cre. BC. 106/C. 218-72 dated November 15, 1972 and Circular DBOD. No. Cre. BC. 130/C. 218-72 dated December 20, 1972.	**A. To Mills** (1) *Mills under Authorised Controller ; Mills under Chief Executive Authority ; Mills run/owned/managed by the Government or its authorised agencies (including State Textile Corporations)* (*i*) 20% for stocks of 12 weeks' consumption. (*ii*) 35% for stocks in excess of 12 weeks' consumption (2) *Other Mills* I. For mills other than those in Bombay, Ahmedabad and in the States of Bihar and West Bengal. (*i*) 25%, for stocks in excess of 14 weeks consumption. (*ii*) 50% for stocks in excess of 14 weeks' consumption. II. *For Mills in Bombay and Ahmedabad :* (*i*) 25% for stocks of 12 weeks' consumption.	12% per annum	1. No ceiling for advances to cotton mills 2. For each of the parties other than cotton mills: 100% of the peak level of credit maintained by that party with the bank in any of the three preceding seasons, *viz.*, 1971-72, 1970-71 and 1969-70.	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 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. 5. Advances in the States of Assam, Meghalaya, Nagaland, Jammu & Kashmir, Himachal Pradesh, Orissa,

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Exemptions (5)
	(*ii*) 50% 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. **B. To Others (parties other than the cotton mills) :** I. 25% for stocks of new and/or long-staple varieties of cotton grown in India such as 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. II. *For other varieties :* (*a*) 50% of the value of relative stocks of cotton and kapas. *b*) 40% on advances against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of cotton and kapas.			Manipur and Tripura and the Union Territories of Arunachal Pradesh and Mizoram 6. Advances against the security of or by way of purchase 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 June 1973 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 resale, are exempted from *margin* and *ceiling* controls. III. The following type of advances are exempted from *rate of interest* and *margin* controls. Advances to cotton mills in respect of preshipment 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 cotton textiles (including yarn), provided the contracts with merchant-exporters are registered with Cotton Textiles Export Promotion Council. If firm export orders are received by the mills

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions
(1)	(2)	(3)	(4)	(5)
				directly, the advances should be repaid on negotiation of the relevant export bill on shipment. 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 such as 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 limit 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.
			E. Sugar, Gur and Khandsari	
DBOD. No. Cre. BC. 105/C. 218 (J)-72 dated 15th November 1972 and DBOD. No. Cre. BC. 106/C. 218-72 dated 15th November 1972 and Circular DBOD. No. Cre. BC. 130/C. 218-72 dated December 20, 1972.	**A. To Sugar Factories** (*i*) 65% on advances against the stocks of free sale sugar which have left the factory or mill premises and on which excise duty has been paid. (*ii*) 55% on advances against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of sugar referred to in (*i*) above. (*iii*) The minimum margin on advances against the stocks of sugar other than those referred to in (*i*) above 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 control. (*i*) Advances granted in respect of stocks of sugar pledged/hypothecated with banks which are intended for export out of India. (*ii*) Advances to Wholesale Consumers' Co-operative Stores or State and National Federations of Consumers' Co-operatives.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Exemptions (5)
	1. 15% in the case of stocks of free sale sugar, subject to the condition that such stocks of sugar are valued at the tariff value fixed by the Government. 2. 10% in the case of stocks of levy sugar earmarked for controlled distribution by the Government, subject to the condition that such stocks of sugar are valued at levy price fixed by the Government. **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 covering stocks of sugar, gur and khandsari.			(*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 granted to processing/manufacturing units covered under the Rural Industries Projects. (*vi*) Advances granted to industrial users such as confectionaries, bakeries, biscuit manufacturers, etc. against stocks of sugar, gur and khandsari pledged/hypothecated with the banks. 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 II

A. REFINANCE FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

EFFECTIVE FROM NOVEMBER 1, 1971 TO NOVEMBER 16, 1972.

Net Liquidity Position (1)	At 4½% (2)	At Bank rate (6%) (3)	Remarks (4)
		I. Export Credit :	
Irrespective of net liquidity ratio.	Upto an amount equal to 10% of the annual average in 1971.	An additional amount of 10% of the annual average in 1971.	Borrowings equal to 20% of the annual average of export credit in 1971 will not impair the net liquidity ratio. 1971 base to be effective from January 1, 1972.
		II. An amount equivalent to the increase in advances over the prescribed base period in respect of :	
-do-	Lending to primary co-operative credit societies in selected districts of A.P., Haryana, M.P., U.P. and Mysore.	(*a*) Short-term lending to small-scale industries covered by guarantee of C.G.O. (*b*) Short-term direct lending to agriculturists.	**Base Period :** Average level of such credit in the corresponding calendar quarter of the previous year, *i.e.* for the quarter January-March 1972, base will be the average for the quarter January-March 1971.
		III. New Bill Market Scheme :	
-do-	—	Rediscounting of bills under the new Scheme.	Outstanding liability in respect of bills rediscounted under the new Scheme will not impair the net liquidity ratio till the end of October 1972.
		IV. Food Procurement Advances :	
-do-	—	10% of the outstanding level of food procurement advances as on the last Friday of October 1971 and an additional 1/3 of the increase over the level as on the last Friday of October 1971.	
		V. 'Defence packing-cum-Supply' Credit :	
-do-	—	Upto the total outstanding level.	The facility will be available under the old Bill Market Scheme under Section 17(4)(c) of the Reserve Bank of India Act, 1934 (*vide* Governor's Circular DBOD. No. GCS. BC. 142/C. 483-71, dated December 11, 1971).

Note : Minimum net liquidity ratio for Bank rate refinance is 34%. An enhanced rate of interest is chargeable on the *excess* borrowings of a bank. It would be the rate raised by 1% per annum above the level of Bank rate for a shortfall of every one point or a fraction thereof in the bank's net liquidity ratio (below 34% at present). However, when the net liquidity ratio falls below 26% a maximum enhanced rate of 15% will be charged.

A. REFINANCE FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

EFFECTIVE FROM NOVEMBER 17, 1972 TO MARCH 29, 1973.

Net Liquidity Position (1)	At 4½% (2)	At Bank rate (6%) (3)	Remarks (4)
		I. Export Credit :	
Irrespective of net liquidity ratio.	Upto an amount equal to 10% of the annual average in 1972.	An additional amount of 10% of the annual average in 1972.	Borrowings equal to 20% of the annual average of export credit in 1972 will not impair the net liquidity ratio. 1972 base to be effective from January 1, 1973.
		II. An amount equivalent to the increase in advances over the prescribed base period in respect of :	
-do-	Lending to primary co-operative credit societies in areas where the Scheme is in operation with the prior approval of the Reserve Bank of India.	(*a*) Short-term lending to small-scale industries covered by guarantee of C.G.O. (*b*) Short-term direct lending to agriculturists.	**Base Period :** Average level of such credit in the corresponding calendar quarter of the previous year, *i.e.* for the quarter January-March 1973, base will be the average for the quarter January-March 1972.
		III. New Bill Market Scheme :	
-do-	—	Rediscounting of bills under the New Bill Market Scheme.	Outstanding liability in repect of bills rediscounted under the New Bill Market Scheme will not impair the net liquidity ratio till the end of October 1973.
		IV. Food Procurement Advances :	
-do-	—	10% of the outstanding level of food procurement advances as on the last Friday of October 1972 and an additional 1/3 of the increase over the level as on the last Friday of October 1972.	The facility will be available under the old Bill Market Scheme under Section 17(4)(c) of the Reserve Bank of India Act, 1934.
		V. 'Defence packing-cum-Supply' Credit :	
-do-	—	Upto the total outstanding level.	—do—

Note : Minimum net liquidity ratio for Bank rate refinance is 36% effective from November 17, 1972. An enhanced rate of interest is chargeable on the *excess* borrowings of a bank. It would be the rate raised by 1% per annum above the level of Bank rate for a short fall of every one point or a fraction thereof in the bank's net liquidity ratio (bloew 36%). However, when the net liquidity ratio falls below 28% a maximum enhanced rate of 15% will be charged.

A. REFINANCE FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

EFFECTIVE FROM MARCH 30, 1973 TO JUNE 12, 1973

Net Liquidity Position (1)	At 4½% (2)	At Bank rate @ (3)	Remarks (4)
		I. Export Credit :	
Irrespective of net liquidity ratio.	Upto an amount equal to 10% of the annual average in 1972.	An additional amount of 10% of the annual average in 1972.	Borrowings equal to 20% of the annual average of export credit in 1972 will not impair the net liquidity ratio. 1972 base to be effective from January 1, 1973.
	II. An amount equivalent to the increase in advances over the prescribed base period in respect of :		
-do-	Lending to primary co-operative credit societies in areas where the Scheme is in operation with the prior approval of the Reserve Bank of India.	(*a*) Short-term lending to small-scale industries covered by guarantee of C.G.O. (*b*) Short-term direct lending to agriculturists.	**Base Period :** Average level of such credit in the corresponding calendar quarter of the previous year, *i.e.* for the quarter January-March 1973, base will be the average for the quarter January-March 1972.
		III. Food Procurement Advances :	
-do-		10% of the outstanding level of food procurement advances as on the last Friday of October 1972 and an additional ½ of the increase over the level as on the last Friday of October 1972.	The facility will be available under the old Bill Market Scheme under Section 17(4)(c) of the Reserve Bank of India Act, 1934.
		IV. New Bill Market Scheme :	
-do-		Rediscounting of bills under the New Bill Market Scheme.	As this facility is not treated as a borrowing from Reserve Bank, it will not be taken into account in the computation of the net liquidity ratio; hence the facility will not impair the net liquidity ratio.

@6% upto May 30, 1973 and 7% thereafter.

Note : Minimum net liquidity ratio for the Bank rate refinance will be 37% effective from March 30, 1973 upto June 12, 1973. An enhanced rate of interest is chargeable on the *excess* borrowings of a bank. For the initial 1 percentage point fall or a fraction thereof from 37%, the enhanced rate would be 2% above Bank rate. Therefore, upto 30th May 1973 (when the Bank rate was 6%) the said enhanced rate would be 8%, while from the 31st May 1973, (the day from which Bank rate was raised to 7%) it would be 9%. For every further 1 percentage point fall or a fraction thereof, the rate of interest would increase by 1% subject to a maximum of 12%.

A. REFINANCE FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

EFFECTIVE FROM JUNE 13, 1973 TO JULY 12, 1973

Net Liquidity Position (1)	At 5% (2)	At 5½% (3)	At Bank rate (7%) (4)	Remarks (5)
		I. Export Credit :		
Irrespective of net liquidity ratio.		Upto an amount equal to 10% of the annual average in 1972.	An additional amount of 10% of the annual average in 1972.	Borrowings equal to 20% of the annual average of export credit in 1972 will not impair the net liquidity ratio. 1972 base to be effective from January 1, 1973.
		II. An amount equivalent to the increase in advances over the prescribed base period in respect of :		
-do-	Lending to primary co-operative credit societies in areas where the Scheme is in operation with the prior approval of the Reserve Bank of India and lending to Farmers' Service Societies sponsored by the banks with RBI approval.		(*a*) Short-term lending to small-scale industries covered by guarantee of C.G.O. (*b*) Short-term direct lending to agriculturists.	**Base Period :** Average level of such credit in the corresponding calendar quarter of the previous year, *i.e.* for the quarter January-March 1973, base will be the average for the quarter January-March 1972.
		III. Food Procurement Advances :		
-do-	—	—	10% of the outstanding level of food procurement advances as on the last Friday of October 1972 and an additional 1/2 of the increase over the level as on the last Friday of October 1972.	The facility will be available under the old Bill Market Scheme under Section 17(4)(c) of the Reserve Bank of India Act, 1934.
		IV. New Bill Market Scheme :		
-do-			Rediscounting of bills under the New Bill Market Scheme.	As the facility is not treated as a borrowing from RBI it will not be taken into account in computation of the net liquidity ratio; hence, the facility will not impair the net liquidity ratio.

Note : Minimum net liquidity ratio for Bank rate refinance is 39% effective from June 29, 1973. An enhanced rate of interest is chargeable on the *excess* borrowings of a bank. It would be the rate raised by 1% per annum above the level of Bank rate for short-fall of every 1 percentage point or a fraction thereof in the bank's net liquidity ratio below 39%. However, when the net liquidity ratio falls below 35%, a maximum rate of 12% will be charged

A. REFINANCE FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

EFFECTIVE FROM JULY 13, 1973

Net Liquidity Position (1)	At 5% (2)	At Bank rate (7%) (3)	Remarks (4)
		I. Export Credit :	
Irrespective of net liquidity ratio.		An amount equal to 10% of the annual average in 1972.	Such borrowings will impair the net liquidity ratio. If a bank has already borrowed under Section 17(3A) and such outstandings continue beyond July 12, 1973, they will also impair the bank's net liquidity ratio. 1972 base to be effective from January 1, 1973.
		II. An amount equivalent to the increase in advances over the prescribed base period in respect of :	
-do-	Lending to primary co-operative credit societies in areas where the Scheme is in operation with the prior approval of the Reserve Bank of India and lending to Farmers' Service Societies sponsored by the banks with RBI approval.		Such borrowings will impair N.L.R. as before. **Base Period :** Average level of such credit in the corresponding calendar quarter of the previous year, *i.e.* for the quarter January-March 1973, base will be the average for the quarter January-March 1972.
		III. New Bill Market Scheme :	
-do-		Rediscounting of bills under the New Bill Market Scheme.	As the facility is not treated as a borrowing from Reserve Bank, it will not be taken into account in the computation of the net liquidity ratio; hence, the facility will not impair the net liquidity ratio.

Note : Minimum net liquidity ratio for Bank rate refinance is 39% effective from June 29, 1973. An enhanced rate of interest is chargeable on the *excess* borrowings of a bank. It would be the rate raised by 1% per annum above the level of Bank rate for short-fall of every one percentage point or a fraction thereof in the bank's net liquidity ratio below 39%. However, when the net liquidity ratio falls below 35%, a maximum rate of 12% will be charged. The minimum net liquidity ratio for Bank rate refinance has been raised to 40% effective September 8, 1973. Hence, the maximum rate of 12% on *excess* borrowings has been applicable to the N.L.R. level below 36%.

B. REFINANCE FROM THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(*i*) *For Industrial Loans*

The Industrial Development Bank of India (IDBI) provides refinance in respect of term loans granted to industrial concerns by eligible financial institutions and scheduled commercial banks. Normally loans eligible for refinance would be those granted for acquisition of assets, but a portion of the loan may also be for working capital needs, provided such working capital is required on a term basis. According to the recent amendment to the IDBI Act, IDBI has extended its refinance facilities, with effect from December 24, 1972, to units engaged in maintenance, repair, testing or servicing of machinery, vehicles, vessels, motor boats, trailers or tractors and also concerns engaged in fishing or in providing shore facilities for fishing or maintenance thereof. Loans for setting up industrial estates are also eligible for refinance. The maximum period of the loan by scheduled commercial banks and State Co-operative banks is 15 years and in the case of the term lending institutions (*i.e.* IFCI, SFCs, etc.) is 25 years. The minimum amount of loan to units other than small-scale continues to be Rs. 2 lakhs. However, this stipulation does not apply in the case of projects already assisted under the Scheme.

The normal rate of interest charged by the IDBI on refinance for industrial loans is 7 per cent per annum, provided the primary lending institution charges not more than 10½ per cent per annum. The concessional rate of 6 per cent per annum has been abolished with effect from June 16, 1973.

(*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 (SFCs) to small-scale units covered under the Credit Guarantee Scheme and to technicians covered under the Technical Assistance Schemes of SFCs. The minimum amount of loans to be eligible for refinance to small-scale units covered under the Credit Guarantee Scheme is Rs. 10,000; for road transport operators and house-boats, it is Rs. 20,000 and Rs. 25,000, respectively, but these are not eligible for guarantee cover. 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.

Some SFCs have introduced schemes for financing projects not costing more than Rs. 2 lakhs in the small-scale sector promoted by self-employed technician entrepreneurs who are unable to contribute 'owner equity' towards capital cost of the project. With a view to extending refinance facilities in respect of these loans, 'guarantee cover' has been waived. These loans have to be guaranteed by the respective State Governments. The proposals under this category are considered under the normal refinance scheme and not under the liberalised (near automatic) scheme. Refinance in respect of loans to small-scale units covered under the Credit Guarantee Scheme and loans upto Rs. 5 lakhs in respect of other units, is provided 100 per cent of such loans. In respect of loans exceeding Rs. 5 lakhs refinance is provided to the extent of 80 per cent (or more in exceptional case) of such loans. The rate of interest for refinance in respect of loans upto Rs. 25,000 to small-scale units covered under the Credit Guarantee Scheme and on loans under Technical Assistance Schemes of SFCs is 5 per cent provided the lending institutions do not charge more than 8½ per cent per annum. On loans in excess of Rs. 25,000, the rate is 5½ per cent provided the financial institutions do not charge more than 9 per cent. The period of loans are 7 years in the case of scheduled commercial banks and State Co-operative banks and upto 10 years in the case of term-lending institutions. However, in special cases, it can be extended upto 10 years and beyond 10 years in respect of banks and term-lending institutions, respectively, depending on the nature of industry, profitability, repayment capacity, etc.

(*iii*) *Loans to Industrial Units in Backward Areas*

With a view to developing industries in backward areas of various States/Union Territories, IDBI provides refinance at a special concessional rate of interest at 4 per cent provided the primary lending institutions do not charge more than 7½ per cent per annum. Refinance to the full extent is provided by IDBI in respect of loans upto Rs. 30 lakhs granted by SFCs and banks to the small and medium size projects in specified backward areas, provided the paid-up capital and reserves of the recipient unit does not exceed Rs. 1 crore. In respect of loans exceeding Rs. 30 lakhs, refinance to the extent of 80 per cent of the excess portion of the loans is provided under the normal rate of interest and other terms of refinance. While deciding the terms of refinance, IDBI takes into account the incentives such as dispensing with levy of commitment charges, longer repayment period, with an initial moratorium for about 2 to 3 years deferment of payment of instalments of principal and interest in the initial years that may be offered by the financing institutions to such 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. The facilities under the Scheme can be utilised by a manufacturer of machinery or his authorised selling agents/distributors provided the agents/ distributors pay in full to the manufacturer before selling the machinery to the purchaser-users. This facility can also be availed of by approved design engineering concerns, selling machinery fabricated according to their own designs under their own names and guarantees. All manufacturers of indigenous machinery whether in the public or private sector can avail of the facilities under the Scheme. Sales of machinery for vanaspati manufacturing and brewery/winery industries on deferred payment basis, have to be referred to IDBI for prior clearance if these are to be financed under the Scheme.

The sales of indigenous machinery 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 upto seven years in special cases, 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 purchaser 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

(1.) 6 months to 36 months .. .. 7 % per annum

(2.) Over 36 months and upto 84 months .. .. 6½% per annum

The discounting banks are required to charge discount at not more than 1 per cent above the corresponding rediscounting rate of IDBI. In order to extend the benefits of this scheme to small purchasers, the minimum amount of transaction covering a set of bills/promissory notes have been fixed at Rs. 10,000. No minimum amount of the transaction is stipulated for the sales of agricultural machinery. While normally, the scheme covers only deferred payment purchases by the purchaser-users of machinery, in the case of agricultural equipment and machinery, the purchases by 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 (inclusive of interest) 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, a limit of Rs. 50 lakhs in aggregate (inclusive of deferred payment interest) instead of Rs. 50 lakhs per each limit year, is fixed in the case of new project till its implementation. The limit fixed for State Electricity Boards has been raised from Rs. 100 to Rs. 200 lakhs per year, with effect from August 1972. IDBI is also prepared to raise on merit, the annual limit upto 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 Indian concerns 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. With the recent amendments to IDBI Act, the maximum period of export credit that can be refinanced by IDBI has been raised from 10 years to 15 years. Refinance can also be provided to approved banks in respect of export credit extended by them to Indian residents executing turn-key projects outside India. 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 III

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM DURING JULY 1972 TO JUNE 1973, 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	NIL	NIL	NIL

APPENDIX IV

STATEMENT SHOWING THE POSITION IN REGARD TO LICENSING IN TERMS OF SECTION 23 OF THE BANKING REGULATION ACT 1949 DURING JULY 1972 TO JUNE 1973.

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 issue
2262 (8)	—	—	2262 (8)

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. Includes 14 licences issued to banks for opening offices to work as bases for satellite offices.

APPENDIX V

STATEMENT SHOWING THE NUMBER OF OFFICES OPENED OR CLOSED IN FOREIGN COUNTRIES BY INDIAN BANKS DURING JULY 1972 TO JUNE 1973

No. of offices opened	3 (Wembley, Middlesex, London—West End and Nadi—Fiji Islands*)
No. of offices closed	Nil

* In lieu of its mobile agency operating at the centre from its Lautaka branch.

APPENDIX VI

PARTICULARS IN RESPECT OF AMALGAMATION AND TRANSFER OF LIABILITIES AND ASSETS OF BANKING COMPANIES DURING THE PERIOD JULY 1972 TO JUNE 1973

Name of the bank	No. of offices	Name of the transferee bank	Date of amalgamation or transfer
I. List of banks amalgamated under Section 44(A) of the Banking Regulation Act, 1949	—	—	—
II. List of banks which have transferred their liabilities and assets to other banks.			
(*i*) Hongkong and Shanghai Banking Corporation	2	Mercantile Bank Ltd.	With effect from close of business on the 30th September 1972.
III. 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 the State Bank of India (Subsidiary Banks) Act, 1959.	—	—	—

APPENDIX VII—TRENDS IN GOLD AND SILVER PRICES 1972-73 (JULY-JUNE)

Gold In International Markets

The price of gold in the international free markets recorded an unprecedented increase of about 93 per cent during 1972-73 (July-June) owing to bouts of speculation concerning the future of gold and of reserve currencies in an unstable international monetary system. The entire increase took place in the second half of the year.

In the London bullion market, the gold price which generally hovered around $65 per fine ounce (p.f.o.)(1) during July 1972 moved up to $70 on August 2 following heavy speculative purchases on reports of a further hike in its official price. This was, however, shortlived; and in the succeeding two months, the price drifted generally downwards—falling to $64·75 on August 14, $63·40 on September 26 and finally $60·10 on November 17. A gradual resurgence in demand from the Middle and Far East and industrial consumers on the one hand and the receding prospects of peace in Vietnam on the other, rallied gold to $65·40 on December 19. The closing quotation for 1972 at $64·70 was only marginally higher than the end-June 1972 level of $64·10.

The bullion market was generally quiet during January 1973 and metals were quoted within a fairly narrow margin. However, the news of a record deficit in the U.S. balance of payments during 1972 set off fresh speculation against the dollar towards the end of January, culminating in the devaluation of the dollar effective February 12. In consequence, foreign exchange markets became highly uncertain, sparking off a wave of speculation on the international bullion markets. Hectic trading sent the price of gold soaring to $95 on February 22 after the day's morning fixing of $83. The reports of international agreement on dollar support operations at the 14-national monetary conference on March 16 and rumours that the West German Central Bank was considering sales of gold in the market reduced the pressure on the market. The market remained subdued around $90 till the second week of May when, domestic inflation and the Watergate affair weakened the dollar again and the speculators re-entered the gold market to push the gold price to $111 on May 16. After minor fluctuations for about a fortnight, it again soared to a new high of $127 on June 5 when the dollar slumped to an all-time low *vis-a-vis* key European currencies; at that price, it was equivalent to a 200 per cent increase over the official monetary price of gold ($42·22). The price varied during the remaining period of the month according with the strength of dollar in terms of sterling in the London market; it closed at $123·50 on June 29. A similar trend was witnessed in other international markets too. The peak of $127 p.f.o. was again quoted on July 6, 1973. But the fears of official sales of gold and rising interest rates in the major economies induced a downward trend thereafter; the latest quotation is $100·25 p.f.o. on September 28, 1973.

...In Domestic Market

The price of gold in the domestic market moved in sympathy with the international prices. In the Bombay bullion market, standard gold opened at Rs. 232 per 10 grams (2) on July 1 and mostly oscillated thereabout during the month excepting mid-July when it registered a gain of three points. The bullish sentiment was revived in August and the price spurted to Rs. 255 on August 29 and further to Rs. 256·50 on September 15 due to restricted supplies in the face of higher demand for gold following fears of demonetisation of notes of higher denominations and of imposition of ceiling on private cash holdings as recommended by the Wanchoo Committee. Thereafter, the gold price fluctuated in a narrow range till the beginning of February 1973 when the second devaluation of dollar imparted buoyancy to the price which touched a new high of Rs. 288 on February 24. A short spell of easiness followed on account of lower overseas advices and the price moved down to Rs. 266 by mid-March. Thereafter, developments on the international monetary front reinforced the uptrend and

(1) In this sub-section, gold price quoted is per fine ounce (p.f.o.)

(2) The price of gold for the domestic market is per 10 grams.

the price climbed to a record of Rs. 332 on April 28. Easiness evinced in early May was short-lived and the price again rose to Rs. 341 on May 16 on reports of hectic trading activity on the Continental markets. Subsequently, it came down somewhat; and at Rs. 324 on June 30, 1973, the gold price had registered a rise of Rs. 91 or about 39 per cent over the end-June 1972 level. The phenomenal rise in the international price of gold as compared to a relatively modest increase in the Bombay bullion market has almost eliminated the profit margin on gold smuggling. On renewed fears of demonetisation of currency notes of higher denominations, the price of gold suddenly spurted to an all-time high of Rs. 400 per 10 grams on August 3; the latest quotation for September 29 was Rs. 356.

Silver

Silver prices in the major world markets showed a similar upward trend during 1972-73. The price of ready silver in the New York market, which closed at 157·4 cents per oz.(3) at end-June 1972 level moved upto 183·2 cents on July 28 on account of buying spree by chartists and commission houses. As the U.S. producers were still subjected to a domestic price of around 161 cents, they exported a large volume of silver to the European markets to reap quick profits from higher prices prevailing there. Renewed speculative buying aided the price to rise further to 191·4 cents on September 5 and to a high of 204·8 cents on December 26 after an interval of about four years. Subsequently, silver prices moved primarily in sympathy with gold. Vigorous bull support and poor offerings which set in during early February gathered momentum with the devaluation of dollar and prices rose sharply to 249 cents on February 28. This started off large scale profit-taking amidst reports of unloading of silver by the U.S. in the free market and by mid-March prices receded to their pre-devaluation level. But the massive take off in gold in mid-May following renewed weakness in dollar took silver prices to a new peak of 271 cents on June 5. It reacted for sometime in harmony with lower gold quotations but recovered again to 269·5 cents on June 29, 1973 and recorded a rise of 71 per cent over the year. A recent quotation stood at 277·8 cents on September 28.

(3) Silver prices quoted in the international markets are per oz.

... in Domestic Market

Silver prices in the Bombay bullion market presented divergent trends upto November 1972 but displayed a firm tone thereafter. Higher overseas quotations pushed up the price from Rs. 521·50 per kg. at end-June 1972 to Rs. 543 on July 29. After some fluctuations, the price settled at Rs. 535 on October 24 on good seasonal demand and sustained speculative support for unauthorised exports. Continued speculative buying in the subsequent months pushed its price from Rs. 554·50 on November 29 to Rs. 585·50 on December 16 and further to Rs. 593·50 on January 31, 1973. Devaluation of the dollar accelerated the upward thrust and the price rose to Rs. 655 on March 2. A generally bearish trend in silver continued during April in consonance with lower overseas quotations. However, renewed stimulus from abroad boosted its price to Rs. 661 on May 21. The closing quotation at Rs. 630 on June 30, 1973 marked a rise of Rs. 108·50 or 21 per cent over the year. The latest quotation for September 29 was Rs. 704.

Notes : 1. The estimated production of gold in India at 3290 kgs. in 1972 showed a decline of 10.0 per cent as against a rise of 12.8 per cent during 1971. Output of silver at 4427 kgs., on the other hand, showed a rise of 17.3 per cent as compared to a substantial rise of 145.1 per cent last year.

2. During 1972-73, the Gold Control (Licensing of Dealers) Rules, 1969 were amended *vide* Government of India notification dated December 27, 1972 introducing some new clauses. One new clause was to prevent licensed dealers or partners of such firms from obtaining another licence. Another was a provision to refuse renewal for a dealers' licence if the average monthly turnover fell short of 50 grams of gold during the twelve months preceding the date of application for renewal of licence. As against these, a new clause to open an avenue to certified goldsmiths who wish to become gold dealers was introduced. According to this, licences to deal in gold could be issued (1) to certified goldsmiths irrespective of the considerations of the number of gold dealers operating in a particular city, town, district, etc., or the demand for ornaments likely to arise there, provided (*a*) they formed a co-operative society, all the members of which were certified goldsmiths or (*b*) individual goldsmith was already operating at peak capacity; and/or (2) to persons seriously interested in the export of gold and gold ornaments or both and who undertake to sell to persons outside India gold articles or ornaments of a net total value of Rs. 1 lakh having the total net gold content of 1000 grams of pure gold.

Table : Prices of Gold

	Bombay Market (In Rupees per 10 gms.)					
	1971-72			1972-73		
	Highest	Lowest	Average*	Highest	Lowest	Average*
1.	2.	3.	4.	5.	6.	7.
July	194.75	188.75	190.48	235.50	230.50	233.07
August	204.00	193.00	197.37	255.00	233.50	239.40
September	196.50	191.50	194.84	256.50	250.00	252.30
October	203.00	196.00	199.51	250.00	241.00	246.78
November	202.50	197.00	199.19	251.50	241.00	245.14
December	205.50	195.50	199.75	249.50	242.00	245.76
January	214.00	203.00	208.56	254.50	241.50	248.08
February	214.50	212.00	212.77	288.00	252.00	264.89
March	212.50	200.75	206.30	283.00	266.00	273.03
April	210.50	202.00	206.65	332.00	279.00	305.62
May	236.50	208.50	222.32	341.00	319.00	328.35
June	245.00	224.00	232.88	334.00	321.00	325.77

	London Market (In Dollars per fine ounce)					
	1971-72			1972-73		
	Highest 8.	Lowest 9.	Average£ 10.	Highest 11.	Lowest 12.	Average£ 13.
July	42.48	40.10	40.93 (98.69)	68.90	64.25	65.58 (162.23)
August	43.40	41.00	42.72 (103.01)	70.00	64.75	66.92 (165.07)
September	42.73	40.05	41.89 (101.01)	67.20	63.40	65.59 (162.39)
October	42.60	42.18	42.48 (102.43)	65.70	64.10	64.82 (163.55)
November	43.65	42.13	42.84 (103.30)	64.13	60.10	62.73 (161.27)
December	43.90	42.40	43.46 (103.53)	65.40	62.75	63.78 (164.43)
January	47.00	43.73	45.64 (106.81)	66.20	64.10	65.13 (167.11)
February	48.70	47.45	48.24 (112.89)	89.00	66.40	73.97 (184.19)
March	48.47	47.80	48.29 (113.01)	91.50	80.25	84.10 (205.62)
April	49.50	48.30	49.03 (114.74)	91.25	89.25	90.44 (220.11)
May	59.30	50.20	54.52 (127.59)	114.50	92.15	101.62 (242.63)
June	66.75	58.80	62.17 (145.49)	123.50	115.50	119.80 (281.04)

* Average of closing quotations for working days. £ Average of daily quotations.

Notes : (1) The figures in brackets represent prices in rupees per 10 grams. (2) The par value of dollar is computed at cross rates based on monthly averages of spot buying and selling rates in London effective July 1972.

Source : For Bombay Market — Bombay Bullion Association Ltd., and for London Market — PTI quotations.

Companies (Amendment) Bill 1972 :

The Companies (Amendment) Bill, 1972 was introduced in the Lok Sabha on August 11, 1972 and is now before a Joint Select Committee of the Parliament. The Bill seeks to amend the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969. It aims at preventing the cases of existing abuse or distortion of the corporate system which have, of late, assumed comparatively serious proportions.

The salient features of the Bill are as follows :—

(1) The definition of the companies 'under the same management' is made more comprehensive by the introduction of a new Section 4B in terms of which a number of criteria are laid down for determining whether two bodies corporate are 'under the same management.'

(2) Section 43A of the Companies Act is amended so as to bring more private companies under the discipline applicable to public companies. In terms of this amendment, a private company would become a public company if 10 per cent of its paid-up capital is held by one or more bodies corporate. Secondly, if a private company with a paid-up capital of Rs. 25 lakhs or more has an average turnover of Rs. 50 lakhs or more during the three financial years immediately preceding the first date on which the company has the said paid-up share capital and turnover, it would also be deemed to be a public company. Thirdly, if a private company holds not less than 10 per cent of the paid-up capital of a public company, it would become a public company.

(3) By the insertion of new Sections 108A to 108G in the Companies Act, restrictions are proposed to be imposed on the transfer of shares as well as take-overs. Accordingly, no individual, group, corporate body, etc., can acquire more than 25 per cent of the capital of any public company with a paid-up capital of over Rs. 25 lakhs or of a private company which is a subsidiary of such a public company, except with the previous approval of the Government. Secondly, a body corporate holding 10 per cent or more of the equity share capital of any other company should not make any transfer of shares out of such holding without prior intimation to the Government. On receipt of this intimation, if the Government is satisfied that the change in the Board of Directors as a result of such a transfer of shares would be prejudicial to the interest of the company or to the public interest, it would prevent such transfer and if the shares are held in a company engaged in certain specified industries, the Central Government may direct the shares to be transferred to the Central Government or such corporation owned or controlled by that Government as may be specified in the direction. Thirdly, restrictions are sought to be placed also on the transfer of shares in a foreign company operating in India in cases where the shares proposed to be transferred to Indian citizens constitute 10 per cent or more of the capital of the concerned foreign company. Fourthly, Government would also acquire power to prevent any transfer of shares if it is satisfied that a change in the controlling interest of the company as a result of such transfer would be prejudicial to the interest of the company or the public.

(4) New Sections 187C and 187D are inserted into the Companies Act with a view to imposing restrictions on *benami* holdings of shares. Section 187C makes it obligatory on the part of the person who is a registered holder of a share in a company but who does not hold the beneficial interest in such share (the *benamidar*) to make a declaration to the company specifying the name and other particulars of the person holding the beneficial interest in such a share. Similar declaration should also be made by the beneficial owner within specified time and failure to do so would be punishable with fine. All collateral agreements entered into, or instruments executed in connection with *benami* holdings which are not so reported cannot be enforced by the beneficial owner or any person claiming through him. Section 187D provides for investigation for the purpose of ensuring compliance with Section 187C.

(5) Proposed Section 205A of the Companies Act provides for the declaration of dividends out of reserves only in accordance with the rules to be prescribed by the Central Government and in special cases with the previous approval of the Government. It also makes it obligatory for companies to transfer the total amount allocated for dividend distribution to a special account in any scheduled bank within seven days from the date of dividend declaration. Dividend amount remaining unpaid or unclaimed for a period of three years from the date of such transfer should be transferred by the company to the general revenue account of the Central Government and the Government would pay the individual claimants as and when claims are preferred.

(6) An amendment to Section 408 of the Companies Act empowers the Central Government to appoint more than two directors on the board of a company with a view to safeguarding the interests of the company or its shareholders or public interest. The amendment also empowers the Government to issue directions to the companies where an appointment of directors is made under this Section. These directors would be required to report to the Government from time to time with regard to the affairs of the company.

(7) An amendment to Section 591 of the Companies Act provides that in respect of foreign companies having an established place of business in India, in which more than 50 per cent of the share capital of a foreign company is held by Indian citizens or bodies corporate incorporated in India, certain provisions of the Act as may be notified by the Central Government would become applicable with regard to its business in India, as if it were a company incorporated in India. Section 600 of the Act is also sought to be amended to extend to the foreign companies the provisions of the Act relating to inspection and investigation of records and business activities.

Other amendments proposed in the Bill cover transfer of certain judicial powers to Government, regulation of acceptance of deposits by companies, alteration of the company's memorandum for increasing share capital in case of conversion of loans into equity, the requirement of Government's approval for the appointment of the former managing agents, secretaries and treasurers as consultants, advisers, secretaries, etc., increase in Government's power of inspection of the books of account of any company, regulation of the appointment of sole selling agents and auditors and appointment as well as re-appointment of managing or whole-time directors, the fixation by the Government of the limits on the remuneration to be paid to managing or whole-time directors, requirements of a whole-time Secretary with prescribed qualifications for every company having a paid-up capital of over Rs. 25 lakhs, etc.

Implementation of the Monopolies and Restrictive Trade Practices Act, 1969.

During the period June 1, 1970 [when the Monopolies and Restrictive Trade Practices Act (MRTP Act) came into force] to March 31, 1973, 844 companies were 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. These undertakings 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 under Sections 21, 22 and 23 of the Act, respectively. The disposal of applications received upto March 31, 1973 under the various Sections of the Act is given in Table 1.

In terms of Section 35 of the MRTP Act which requires registration of agreements relating to restrictive trade practices within 60 days from the appointed day in the case of an existing agreement and in the case of an agreement made after that day, within 60 days from the date of the agreement, particulars of 11,842 agreements were received for registration during the period December 1, 1970 (the appointed day) to March 31, 1973, of which the number of agreements registered stood at 11,140 on March 31, 1973.

Table 1—Disposal of Applications under MRTP Act

	Number					
	Received	Approved	Rejected	With-drawn	Section not found applicable	Under consi-deration
1.	2.	3.	4.	5.	6.	7.
1. Notices under Section 21 relating to substantial expansion of activities	272	80	5	23	83	81
2. Applications under Section 22 relating to establishment of new undertakings ..	63	11	—	9	5	38
3. Applications under Section 23 relating to merger, amalgamation or take-over of undertakings	68	25	6	12	4	21
4. Applications under Section 25 relating to the appointment of Directors	91	79	—	11	1	—

Companies at Work

At the end of March 1972, there were at work, 32,562 companies limited by shares with paid-up capital of Rs. 4652·7 crores. Of these, 352 were Government companies with paid-up capital of Rs. 2369·1 crores. The remaining 32,210 companies with paid-up capital of Rs. 2283·6 crores were non-Government companies comprising 6,571 public limited companies accounting for Rs. 1800·1 crores of paid-up capital and 25,639 private limited companies with paid-up capital of Rs. 483·5 crores. By the end of December 1972, the total number of joint-stock companies at work rose to 34,281 with paid-up capital of Rs. 5056·4 crores, comprising 375 Government companies with paid-up capital of Rs. 2723·4 crores and 33,906 non-Government companies with paid-up capital of Rs. 2333·0 crores (Table 2).

Table 2—Joint Stock Companies At Work

(Rupees Crores)

Year ending	Public Limited Companies				Private Limited Companies				Public Limited & 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
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
31-3-1968 ..	72	99.1	6,497	1684.3	169	1460.2	20,606	430.2	241	1559.3	27,103	2114.5
31-3-1969* ..	81	121.9	6,454	1712.0	178	1593.0	21,260	433.4	259	1714.9	27,714	2145.4
31-3-1970* ..	81	130.2	6,436	1740.6	201	1660.4	22,242	447.1	282	1790.6	28,678	2187.7
31-3-1971* ..	91	133.2	6,443	1775.1	223	1931.3	23,655	461.8	314	2064.5	30,098	2236.9
31-3-1972* ..	107	156.0	6,571	1800.1	245	2213.1	25,639	483.5	352	2369.1	32,210	2283.6
31-12-1972* ..	113	177.8	6,693	1833.2	262	2545.6	27,213	499.8	375	2723.4	33,906	2333.0

£ As defined in Section 617 of the Companies Act, 1956.
* Provisional.

APPENDIX IX—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS—JULY 1972—JUNE 1973

A.—CHANGES IN EXPORT CONTROL

Item (1)	Month of Announcement (2)	Details (3)
1. Cotton textiles — Exports to the U.K.	January and March 1973	The scheme for licensing of cotton yarn and mill-made cotton textiles including garments and made-ups (specified 22 categories) for export to the U.K. during the licensing period January 1, 1973 to September 30, 1973 was announced. Under the scheme announced in January 1973, quotas would be allotted against individual shipments by the Cotton Textiles Export Promotion Council, Bombay (TEXPROCIL), or its authorised representatives on first-come-first-served basis. From March 26, 1973, all exports of cotton yarn would require registration with and specific approval of the TEXPROCIL.
Cotton textiles — Exports to the U.S.A.	September 1972	The scheme for licensing of all the 64 ICTA categories of mill-made cotton textiles for export to the U.S.A. during the licensing year October 1, 1972 to September 30, 1973 was announced. For the purpose of licensing, the shipment period was divided into two six-monthly periods, *viz.*, October 1, 1972 to March 31, 1973 and April 1, 1973 to September 30, 1973. Licences would be issued on the basis of quota certificates issued by TEXPROCIL on the basis of recommendations of the U.S.A. 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 would be made later in accordance with the decision of the U.S.A. Textiles Licensing Advisory Committee.
Cotton textiles — Exports to France, Italy and Benelux countries	September 1972	The schemes for licensing of export of all varieties of mill-made cotton textiles excluding cotton yarn to France, Italy and Benelux countries (Belgium, Netherlands and Luxembourg) during the licensing year October 1, 1972 to September 30, 1973 were announced. Licences would be issued on the basis of quota certificates issued by TEXPROCIL on first-come-first-served basis.
Cotton textiles — Exports to Austria	September 1972	The scheme for licensing of export of all varieties of mill-made cotton textiles including cotton yarn to Austria was announced. Licences would be issued on the basis of quota certificates issued by TEXPROCIL on first-come-first-served basis. From March 26, 1973 all exports of cotton yarn would require registration with and specific approval of the TEXPROCIL.
Cotton textiles — Exports to West Germany	December 1972	The scheme for licensing of export of all varieties of mill-made fabrics, made-up items and ready made garments made out of mill-made fabrics to West Germany during the licensing year January 1, 1973 to December 31, 1973 was announced. Under the scheme, licences would be issued on the basis of quota certificates issued by TEXPROCIL, on first-come-first-served basis.
2. Cotton yarn	March 1973	Export of cotton yarn to all destinations was brought under control with effect from March 26, 1973 except for the consignments of cotton yarn already cleared from mills and packed for export after inspection by the Textiles Committee. No fresh contracts contemplating shipments of cotton yarn before September 1, 1973 would be allowed. All fresh contracts for export of cotton yarn would require registration with and specific approval of TEXPROCIL.

Item (1)	Month of Announcement (2)	Details (3)
3. Cotton handloom products — Exports to the U.S.A.	October 1972, March, May and June 1973	The scheme for licensing of cotton handloom products (other than fabrics) for export to the U.S.A. during the licensing period October 1972 to January 1973 was announced. Under the scheme, export of cotton handloom readymade garments would be licensed freely upto September 30, 1973 under shipping bills endorsed by TEXPROCIL. Export of cotton handloom durries and carpets would be licensed freely till September 30, 1973 on shipping bills and export of other cotton handloom made-ups would be permitted during the period ending September 30, 1973 against allocations to be made to exporters by the Handloom Export Promotion Council, Madras.
4. Raw cotton	July 1972 and May 1973	Exports of raw cotton, Bengal Deshi and miscellaneous fibres such as Assam, Comillas, Zodas and Yellow Pickings, etc., would be licensed freely upto December 31, 1973.
5. Mill-made/handloom cotton blouses, shirts and bed-linen — Exports to Sweden	March 1973	Export of mill-made/handloom cotton blouses, shirts and bed-linen to Sweden was brought under control and the scheme for licensing of export of these items during the licensing period April 1, 1973 to March 31, 1974 was announced. Under the scheme, quotas would be allotted against individual shipments by TEXPROCIL or its authorised representative by way of endorsements on shipping bills on first-come-first-served basis.
6. Vanaspati	November 1972	Export of Vanaspati would be allowed freely during the licensing period October 1972 to September 1973 or till such time as the registered exporters incentive scheme under which reimbursement was allowed for export of Vanaspati by an equivalent import of edible oil is operative, whichever is earlier.
7. De-oiled groundnut cake (extractions)	February 1973	Export of de-oiled groundnut cake (extractions) which is canalised through the Groundnut Extractions Export Development Association, Bombay, would be limited to a ceiling of six lakh tonnes during the calendar year 1973.
8. Mustard/rapeseed and mustard oil	October 1972 and April 1973	Export of mustard/rapeseed and mustard oil would not be allowed during the licensing periods April 1972 to March 1973 and April 1973 to March 1974.
9. Foodgrain seeds	April 1973	Export of foodgrain seeds including wheat seeds would be allowed freely during the licensing period April 1973 to March 1974 by all categories of exporters to all permissible destinations on production of certificate of quality control from the National Seeds Corporation Ltd., New Delhi.
10. Bananas	April 1973	The existing policy for export of bananas would continue during the licensing period April 1973 to March 1974.
11. Wheat bran	April 1973	Export of wheat bran would be allowed freely within a ceiling on shipping bills by all categories of exporters to all permissible destinations against firm sale contracts.
12. Basmati/superior rice	April 1973	Export of Basmati/superior rice would be allowed to all permissible destinations during the licensing period April 1973 to March 1974 exclusively through the State Trading Corporation of India Ltd., within the ceiling released from time to time.
13. De-oiled rice bran	March 1973	Export of de-oiled rice bran would continue to be canalised through the Solvent Extractors' Association of India, Bombay, during the licensing period April 1973 to March 1974.
14. Guar meal	April 1973	Export of guar meal would not be allowed during the licensing period April 1973 to March 1974.
15. Bauxite	February and June 1973	The existing policy for export of bauxite would continue during the licensing period February 1, 1973 to January 31, 1974.

Item (1)	Month of Announcement (2)	Details (3)
16. Mica	March 1973	The (f.a.s.) floor prices of various varieties, grades and qualities of mica were revised.
17. Aluminium metal	March 1973	Export of aluminium metals during April 1973 to March 1974 would be allowed as follows : Export of aluminium metal of commercial grade would be allowed on merits to the primary producers; export of aluminium semis in the form of sheets, extrusions, rods (other than properzi rods and circles), wires, etc., would be allowed on merits to the primary producers and others; export of aluminium foils would be allowed freely; and export of aluminium-EC grade — in the form of ingots, properzi rods, etc., and aluminium circles used for manufacture of utensils would not be allowed.
18. Railway wagons	August 1972	Export of railway wagons was brought under control and was canalised through the Projects and Equipments Corporation of India Ltd., with effect from August 22, 1972.
19. Cinematographic films	November 1972 and May 1973	Export of exposed cinematographic films (feature films) was canalised through the State Trading Corporation of India Ltd., with effect from November 1, 1972. Export of other exposed cinematographic films except 8 mm. and 16 mm. non-feature films not exceeding 120 metres in length would be licensed as follows :— (*i*) documentary films would be licensed freely for all exhibitions, and (*ii*) advertisement films would be licensed freely.
20. Footwear	November 1972	Export of all types of footwear was canalised through the State Trading Corporation of India Ltd., with effect from November 14, 1972.
21. Bi-metal ore	November 1972	Export of bi-metal ore (black iron-ore) with manganese content from 3% upto 10% of Goa origin would also continue to be canalised through the Minerals and Metals Trading Corporation of India only.
22. Hides and skins	December 1972 and March 1973	Export of all categories of semi-processed hides and skins, including E.I. tanned and wet blue hides and skins and crust leather was brought under control and was canalised through the State Trading Corporation of India Ltd., with effect from December 14, 1972. It was also decided to introduce a system of quotas for export, effective from April 1, 1973.
23. Molasses and ethyl alcohol	December 1972	Export of molasses and ethyl alcohol or rectified spirit of any proof degree, whether denatured or not, would not be allowed till November 1973.
24. Wollastonite	February 1973	Export of wollastonite was brought under control and would be allowed within a limited ceiling upto the end of October 1973 on first-come-first-served basis to all permissible destinations.
25. Raw jute, mesta and jute cuttings	February 1973	Export of raw jute, mesta and jute cuttings excluding caddies was canalised through the Jute Corporation of India, Calcutta, with effect from February 28, 1973.
26. Mango slices	March 1973	Export of mango slices in brine and mango slices in vinegar would be allowed freely on shipping bills to all permissible destinations by all categories of exporters during the licensing period April 1973 to March 1974.
27. Tobacco	March and April 1973	Export of certain grades of flue-cured virginia, sun-cured virginia, sun-cured 'Natu' (country), and sun-cured jutty tobacco would be allowed during the calendar year 1973 subject to certain minimum floor price restrictions.,

Item (1)	Month of Announcement (2)	Details (3)
28. Potato seeds	March 1973	Export of potato seeds of Khufri Sindhuri and Khufri Chandramukhi varieties would be allowed freely on shipping bills during the licensing period April 1973 to March 1974 to all categories of exporters, to all permissible destinations, on first-come-first-served basis within a ceiling on production of a certificate of quality control issued by the National Seeds Corporation of India for each consignment. Export of other varieties of potato seeds would not be allowed.
29. Chillies (dried)	April 1973	Export of dry chillies in any form other than powder to Sri Lanka was decanalised with effect from April 9, 1973. Exports would be licensed freely subject to pre-shipment inspection, quality control and production of letter of credit.
30. Wood and timber	April 1973	The licensing policy for the export of Andaman, Assam, Meghalaya, Tripura and other timber was announced.
31. Pulses, lentils, gram and beans and flour made therefrom	April 1973	During the licensing year April 1973 to March 1974 export of only four varieties of pulses, *viz.*, (*a*) gulabi gram (*b*) dry peas (vatana), (*c*) moth and (*d*) kesari dal, would be allowed within a ceiling, only through the National Agricultural Co-operative Marketing Federation Ltd., New Delhi.
32. Nux-vomica seeds	April 1973	Export of Nux-vomica seeds would be allowed freely by all categories of exporters to all permissible destinations, within a ceiling, on first-come-first-served basis during the licensing period April 1973 to March 1974.
33. Nux-vomica bark	June 1973	Export of Nux-vomica bark would be allowed freely by all categories of exporters to all permissible destinations within a limited ceiling on first-come-first-served basis during the licensing period April 1973 to March 1974.
34. Marine products	April 1973	Export of marine products, canned and frozen products and certain varieties of frog legs, dried prawns, sharp fins, fish maws, Bombay ducks and other dried fish products would be licensed freely against firm orders/contracts with pre-fixed prices and not on consignment basis with effect from April 12, 1973.
35. Live frogs	April 1973	Export of live frogs was brought under control. Licences for export would be issued on the recommendation of the Marine Products Export Development Authority.
36. Castor oil	April 1973	Export of medicinal/hydrogenated castor oil was canalised through the State Trading Corporation of India Ltd., with effect from April 27, 1973.
37. Iron and steel and ferro-alloy and ferrous scrap	April 1973	The licensing policy for export of iron and steel and ferro-alloy and ferrous scrap during the licensing period April 1973 to March 1974 was announced.
38. Wild life and wild life products	April 1973	Export of wild life and wild life products was brought under control and the licensing policy for 1973-74 was announced.
39. Manganese ore	May 1973	Export of manganese ore containing more than 46% manganese would not be allowed.
40. Miscellaneous	July, September and November 1972 and January, April and May 1973	Export of cedarwood oil of ISI specification, lead semis in the form of sheets, circles, wires, rods and foils, etc., shellac, seedlac, button lac, garnet lac, etc., was brought under control. Export of following items was banned: cedarwood oil of non-ISI specification, soyabean, Egyptian clover (Barseem), Trifolium alexandrinum seeds, Lucerne, (Alfalfa) Medicago sativa seeds, Persian clover (Shaftal), Trifolium resupinatum seeds, raw hides and skins (except lamb fur skins, raw and pickled), dessicated coconut, all types of fertilisers including super phosphate, and stick lac, kirilac, molamma and pasewa lac. The ban on export of following items was removed: Cobra, Krait, Viper, Echis and other snake venoms and non-poisonous snakes.

B. EXPORT PROMOTION MEASURES

(1) *Drawback Facilities on Exports :* The coverage of commodities included in the drawback scheme was enlarged during the year and the scheme now covers almost all commodities exported out of India. As many as 3,052 additional brand rates were fixed by December 1, 1972 in respect of individual articles made by different manufacturers. The brand rates effective prior to December 31, 1969 were withdrawn with a view to determining fresh rates based on current data. The "all industry" rates were revised twice : first, on account of regulatory duty and secondly on account of budgetary changes. Wherever possible, individual brand rates have been replaced by all industry rates.

(2) *Awards for Outstanding Export Performance :* During the financial year 1972-73, nine firms/institutions were given awards for outstanding export performance and twenty-eight firms were given Certificates of Merit.

(3) *Marine Products Export Development Authority :* The Marine Products Export Development Authority was set up on August 16, 1972 in pursuance of the Marine Products Export Development Authority Act, 1972. The Authority will be responsible for organisation, co-ordination, regulation and growth of the marine products export industry with special reference to the quality of the material, processing, packaging, storage, transport, shipment, marketing and attendant investigations.

(4) *Trade Development Authority* : During the financial year 1972-73, the clients of the Trade Development Authority (TDA) booked export orders amounting to Rs. 34.5 crores of which the share of the U.S. market alone was Rs. 22.5 crores. During the same period, the TDA identified 164 export-worthy units for enrolment as clients bringing the total number of its clients to 461 as of March 31, 1973. Two additional product groups, namely, agarbattis and builders' hardware and bathroom metallic fittings were identified for purposes of export development. The TDA sponsored during 1972-73, 22 export-oriented proposals and piloted them through the Government channels of industrial licensing/capital goods licensing, bringing the total number of such proposals sponsored by it to 51. Seven pre-investment feasibility studies for setting up export-oriented units in the field of garments, plastic moulds, hot forging dies, low permeability ferrites, silver mica capacitors and selected sewing machine components were completed. During 1972-73, the package servicing plan facility was utilised by 102 clients and the total export orders serviced under this plan amounted to Rs. 17.5 crores. The TDA has entered into arrangements for international sub-contracting with the United Nations Industrial Development Organisation (UNIDO), Vienna, which has set up a special international sub-contracting exchange. The TDA helped 28 of its clients to import approximately Rs. 1.2 lakhs worth of trade and technical samples and toolings and test equipment for production of prototypes and test marketing. The TDA participated in the Third Asian International Trade Fair held at New Delhi from November 3 to December 17, 1972 and booked on the spot export orders worth Rs. 2.6 crores.

(5) *Electronics Export Processing Zone :* Government have decided to set up an entirely export-oriented Export Processing Zone for electronic equipment and components near Santa Cruz, Bombay. Necessary facilities for import of capital equipment, raw materials, etc., will be provided in the Zone.

APPENDIX X—IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, JULY 1972—JUNE 1973

Item	Month of Announcement	Details
(1)	(2)	(3)
	A. IMPORT POLICY FOR 1972-73 (APRIL 1972—MARCH 1973)	
		1. Import Policy : General
Import Policy : April 1972-March 1973	April 1972	The salient features of the import policy for 1972-73 and changes made in the import policy upto the end of May 1972 were given in the Report on Currency and Finance, 1971-72 (pp. 223-224).
Special facilities for Indians returning from/ residing abroad	December 1972	Import facilities available to Indians returning from/residing abroad for setting up industries in small-scale sector were liberalised. In the case of technologically oriented industries like electronic components and instruments, limited companies with a capital not exceeding Rs. 25 lakhs were permitted to import machineries and raw materials on the following conditions: (*i*) the unit should undertake to export not less than 60 per cent of its production every year, (*ii*) investment of each of the shareholders of the company, returning from/residing abroad should not exceed Rs. 5 lakhs and (*iii*) imports of equipments were permitted upto Rs. 5 lakhs. This policy would remain in force upto March 31, 1976.
	April 1973	In respect of items, the import of which are canalised through the State Trading Agencies, Indians returning from/residing abroad will be issued only release orders on the canalising agencies instead of import licences.
		2. Small-Scale Industries
Allocation of nickel	November 1972	In order to enable small-scale industries to increase their production, it was decided to make additional allocation of imported nickel during the licensing period April 1972-March 1973, upto 25 per cent of the value of raw materials and components to which the unit was entitled as an actual user or Rs. 25,000 whichever was lower.
		3. Canalisation of Imports
Mineral oils	August 1972	Imports of specified types of mineral oils were canalised through the Indian Oil Corporation.
Woollen rags	October 1972	Imports of woollen rags were canalised through the State Trading Corporation of India Ltd. The requirements of actual users would be met by the State Trading Corporation of India Ltd., against release orders.
Machines for P. V. sheets	October 1972	Imports of high frequency plastic welding and embossing machines for P. V. C. sheets were canalised through the State Trading Corporation of India Ltd.
Nylon quilted fabrics and nylon quilted blankets	May 1973	The registered exporters of nylon quilted fabrics and/or nylon quilted blankets will receive replenishment at the rate of 1.20 kg. of concerned imported yarn/fibre from the STC for every kg. of nylon yarn /polyester fibre/yarn used in the exported product. The exporters of dyed and printed products will also be entitled to import permissible items of dyes and chemicals upto 5 per cent of the f.o.b. value.
		4. Open General Licence
Open General Licence No. XC III	October 1972 March 1973	An open general licence (OGL) was issued allowing 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, and (*f*) quebracho extract, chestnut extract and modified eucalyptus extract (myrtan) from any conutry in the world except the Union of South Africa/South West Africa, Rhodesia, Tibet Region of China, Portugal and Pakistan for shipment upto March 31, 1973. The earlier OGL expired on September 30, 1972. In March 1973, a new OGL was issued allowing the imports of these commodities for shipment to be completed on or before September 30, 1973.

Item (1)	Month of Announcement (2)	Details (3)
		5. Floatation of Currencies and Procedure for the Clearance of Imports
Floatation of currencies	October 1972	Importers were asked to deposit into Government account, the rupee equivalent of the cost of imports invoiced in foreign currency at the rates of exchange (or at the fixed composite rates of exchange) prevailing on the date of deposit. In addition, importers will have to produce a bank guarantee for 3 per cent of the face value of the licence.
		6. Trade with Bangladesh
Raw jute	May 1973	The value limit of raw jute imports from Bangladesh under the Limited Payments Agreement (LPA) was initially increased from Rs. 750 lakhs to Rs. 1000 lakhs and subsequently to Rs. 1422 lakhs.
	June 1973	It was decided to allow the trade arrangements with Bangladesh to continue upto September 27, 1973.
		7. Import Policy for Registered Exporters
Facilities to engineering firms	November 1972	It was decided to grant import replenishment licences to design engineering firms, against foreign exchange earned from projects undertaken abroad, for the import of raw materials, components and accessories etc., not available indigenously and required for export production. The facility was made available to firms which were registered exporters.
Tanned hides and skins, chrome tanned, other than chrome crust leather	April 1973	The proportion of import replenishment licences granted to the registered exporters of tanned hides and skins, chrome tanned (chrome tanned blue hides and skins), other than chrome crust leather was reduced from 6 per cent to 3 per cent.
Woollen rags	October 1972	It was decided not to allow import of woollen rags against the exports of woollen textiles. The requirements of actual users for raw wool and wool tops including woollen rags were to be met on restricted basis by import through the State Trading Corporation of India Ltd. Import of wool waste and shoddy wool would not be permitted.
Shoddy wool and wool waste	June 1973	It was decided not to allow the import of wool tops under the import policy for registered exporters. The import of shoddy wool and waste wool would not be permitted against import replenishment licences except for a specified category of exporters.
Steel	July 1972	Registered exporters were allowed to import mild steel plates and mild steel sheets.
Supply of imported steel for export production	June 1973	The facility for the supply of imported steel materials for export production would be available only in respect of export contracts where the f.o.b. value of the exports is at least 25 per cent higher than the value (at c.i.f. import prices) of imported steel and other imported raw materials (like zinc for steel pipes and tubes) required for export production.
Stainless steel	May 1973	It has been decided to exempt imported stainless steel strips from the condition (stipulated earlier) that the value shall not exceed Rs. 10/- (c.i.f.) per kg. of imported material allowed against the exports of semi-finished stainless steel blades in coils.
	June 1973	The manufacturer-exporters of engineering products who double their exports would be allowed to import items not permissible to actual users to the extent of 10 per cent of the value of replenishment licences. Earlier the limit was fixed at 5 per cent of the value of replenishment licences.

Item (1)	Month of Announcement (2)	Details (3)
Non-ferrous metals and other items of imports against the exports of decorative lights	September 1972	Registered exporters were permitted to import (*a*) tungston filaments, (*b*) copperclad wire, (*c*) lead-in-wire, (*d*) permanent wire, (*e*) bi-metal strips, (*f*) lead glass rods and tubes, (*g*) sintered glass beads, (*h*) tungsten wire, (*i*) polystyrene and polyprophlene moulding powder, (*j*) P. V. resin/compound, (*k*) electrolytic copper ingots/wire bars/wire rods, (*l*) wire files, (*m*) dye polishing paper, (*n*) dyes and pigments (permissible items), (*o*) art paper, art board and decorative paper for packing, (*p*) dyes and moulds and (*q*) plasticizers.
Raw materials and components	April 1973	With a view to enabling the manufacturer-exporters to improve the quality of their export products, the value limit of 5 per cent in respect of non-permissible items has been raised to 10 per cent of the face value of the import replenishment licences for raw materials and components, (1) if their exports of non-traditional products during 1972-73 are atleast twice the value of such exports during 1971-72 and (2) if their exports in the first six months of 1973-74 of non-traditional products are almost equal to those in the whole year of 1972-73.
Raw materials and components for priority industries	May 1973	Actual users in 'priority' industries would be permitted to import against their actual-users' licences, any item of raw materials and components, normally not permissible under the import policy, upto 5 per cent of the face value of the import licences for raw materials and components subject to (1) the item to be imported should be for production within their factory and for production of the end products, for which A. U. licence is granted, (2) the imported item is not in the list of banned/restricted items, (3) import of 'tool and alloy steel' would be allowed only upto 2 per cent of the import entitlement and (4) any single item thus imported should not exceed Rs. 50,000 without prior permission of D.G.T.D.
Tea and coffee-mix powder	October 1972	It was decided not to allow import of butter paper against the exports of coffee-mix and tea-mix powders. However, the essential spare parts of instant coffee making machinery and instant tea making machinery would be allowed against the exports of coffee-mix powder and tea-mix powder, respectively. Imports of skimmed milk powder, vegetable parchment paper and polythylene granules would, however, be allowed as earlier.
Mutton tallow, palm oil and copra oil	February 1973	It was decided to allow import of mutton tallow, palm oil and copra oil upto 20 per cent of the value of exports of fatty acid (excluding hydroxy stearic acid).
Unmanufactured tobacco	June 1973	The face value restriction on the import of unmanufactured tobacco (20 per cent) against the exports of cigarettes (including pipe tobacco) was removed.
		8. Specified Commodities
Spare parts for units in Kandla Free Trade Zone	August 1972	Industrial units in Kandla Free Trade Zone would be treated on par with priority industries, in so far as grant of import licences for spare parts is concerned.
Drugs and medicines	August 1972	Imports of (*i*) meprobamate and (*ii*) tetanus antitoxin serum were banned. Import of sodium tripolyphosphate which was earlier banned, was allowed to actual users on a restricted basis.

Item (1)	Month of Announcement (2)	Details (3)
Iron and steel	September 1972 October 1972 December 1972	The requirements of the priority industries would be met against the valid import licences/release orders held by them from the Steel Bank set up by the Hindustan Steel Ltd. With a view to enabling the manufacturer-exporters to accept overseas orders for delivery at short notice, it was decided to entertain applications from registered exporters having a minimum annual export performance of Rs. 10 lakhs (f.o.b.) in value during a prescribed period for the grant of release order on the Hindustan Steel Ltd., for specified categories of steel. The release order to any single exporter was not to exceed Rs. 10 lakhs and would be fully adjusted against further exports within 18 months from the date of issue of release order.
Stapling machines	November 1972	The import of staples and stapling machines was not allowed, as these were manufactured within the country.
Dates from Iraq	July 1972	It was decided to grant licences for the import of 'dates' from Iraq during September 1972 to March 1973 to established importers having past import 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. The basic period was from 1956-57 to 1969-70.
	November 1972	It was decided to restore the cut effected in the imports of dates from Iraq and the licences will now be issued on the uniform quota of 100 per cent.
Dates from Iraq/Iran	April 1973 May 1973	The validity period of unutilised/partially utilised licences issued to established importers for import of dates from Iraq/Iran was extended upto September 30, 1973.
Dry fruits from Iran	June 1973	The validity period of unutilised/partially utilised licences for import of dry fruits from Iran was extended upto October 31, 1973.
Dates from Saudi Arabia, Muscat and other Persian Gulf Ports excluding Iraq and Iran	July 1972	It was decided to grant licences for the import of dates from Saudi Arabia, Muscat and other Persian Gulf Ports during July 1972-June 1973, on an annual basis as follows: Licences would be granted on the basis of past imports of dates from these countries in any one of the years of the prescribed basic period *viz.*, 1956-57 to 1969-70.
		Scale of Past Imports — **Quota** 1. Upto Rs. 12,500/- — Minimum of Rs. 12,500/-. 2. Between Rs. 12,500/- and Rs. 1.5 lakhs — 50 per cent subject to a minimum of Rs. 12,500/-. 3. Between Rs. 1.5 lakhs and Rs. 5 lakhs — 45 per cent subject to a minimum of Rs. 75,000/-. 4. Above Rs. 5 lakhs — 40 per cent subject to a minimum of Rs. 2,25,000/-.

Item (1)	Month of Announcement (2)	Details (3)
Fruits: dried, preserved or salted, etc., from Iran	September 1972	It was decided to grant import licences for fruits, dates, medicinal herbs, asafoetida, red oxide, gums, resins, lac from Iran during April-December 1972 to established importers having past imports within the prescribed basic years.
	March 1973	It was decided to grant licences for the import of fruits, dates, medicinal herbs, asafoetida, red oxide, gums, resins, lac from Iran during January-March 1973 to established importers having past imports within the prescribed basic years.
Sodium hydrosulphite	November 1972	It was decided not to allow direct import of sodium hydrosulphite since adequate quantity was available indigenously. Indigenous manufacturers would, however, supply the material for export production at international prices.
Newsprint	February 1973	The requirements of newspapers and periodicals for newsprint were to be determined on the basis of average circulation, average number of pages and average page area actually published. The allocation of newsprint would be as under : (1) newspapers/ periodicals having requirements between 100 and 400 tonnes will be allowed 100 per cent imported newsprint, (2) those having requirements between 400 and 1000 tonnes will be allowed 90 per cent and 10 per cent of imported and Nepa newsprints, respectively, (3) those having requirements between 1000 and 2000 tonnes will be allowed 80 per cent and 20 per cent of imported and Nepa newsprints, respectively and (4) those having requirements above 2000 tonnes will be allowed 75 per cent and 25 per cent of imported and Nepa newsprints, respectively. Periodicals having requirements of 100 tonnes or more will be allowed 100 per cent of imported newsprints.
Diesel generating sets	April 1973	Imports of diesel generating sets between 300 and 1500 KVA rating would be allowed more liberally to actual users (preferably from rupee payment area countries) in order to sustain their production efforts and minimise the hardships emanating from power cuts.
	B. IMPORT POLICY FOR APRIL 1973 — MARCH 1974	
		1. Import Policy : General
Import policy : April 1973-March 1974	April 1973	The import policy for 1973-74 while expanding the role of the public sector in import trade, has provided for the creation of opportunities for generating more employment, special facilities for small-scale industries, facilities for research and development and enlargement of the scheme of compulsory export obligations. The salient features of the import policy for 1973-74 are set out below :— (1) the role of public sector agencies has been enlarged by adding 20 more items raising the number of such items to 202, (2) supplies of indigenous materials for export production at international prices will be treated as exports for all purposes under the import policy, (3) small-scale industrial units are permitted to set up consortia to export their own products, (4) units in priority and non-priority sectors having export performance of 10 per cent or more of their products would continue to be eligible to preferred sources of supply. Units exporting 20 per cent or more would receive substantially greater preference. Small-scale industries exporting 10 per cent or more of their production would get additional facilities. Applications, for higher value of imported raw materials, from certain priority industries would be considered if they earn net foreign exchange by export of their products, (5) eleven more industries have been added to the list of priority industries raising the number of such industries to 70. The requirements of priority industries would be met as before, on the basis of consumption subject to

Item (1)	Month of Announcement (2)	Details (3)
		availability of foreign exchange. Selected priority industries would get import licences of higher values for raw materials and components, if their increased output would save directly on imports. Small-scale industries requiring import licences upto Rs. 50,000 would be exempted from this restriction, (6) the scheme of compulsory export obligation has been extended to non-priority industries. Large-scale units in these industries would have to export 5 per cent of their production failing which they would be liable to a cut in their import licences. They would also lose the facility of preferred sources of supply and expansion of production capacity, (7) the import of 220 more items has been banned, which include certain types of ball bearings, machine tools, machinery and accessories, instruments, dyes, drugs and chemicals. Another 55 items which, were, hitherto, allowed to be imported by actual users without restriction would be permitted on restricted basis. These include certain types of ball bearings, drugs and medicines, chemicals and dyes and dye-intermediates. In respect of 26 items, the quota for established importers has been reduced. These include spare parts of various equipments, drugs and medicines, motor vehicle parts and instruments and (8) imports of equipment and raw materials required for research and development would be allowed on a comparatively liberal basis.
		C. CHANGES IN IMPORT DUTIES
Union Budget for 1973-74	February 1973	The Union Budget for 1973-74 introduced the following changes in the import duties : (*a*) auxiliary duties on imports were imposed at 20 per cent, 10 per cent and 5 per cent of the value of imported goods. All imports paying effective custom duty of 100 per cent *ad valorem* or more have to pay 20 per cent as auxiliary duty. Imports paying 60 per cent *ad valorem* or more but less than 100 per cent have to pay 10 per cent and the rest of the goods have to pay 5 per cent. However, foodgrains, books, family planning appliances, tallow, raw cotton, etc., were exempted from auxiliary duty, (*b*) GATT-bound rates of duty on a number of items were modified *e.g.*, wood pulp, tallow and a few plastic materials, (*c*) rates of duty on a few items were revised as under : Machinery and allied articles (from 30 per cent to 40 per cent), raw cotton (from 10 paise per kg. to 40 per cent *ad valorem*), copper (from 30 per cent to 40 per cent, which is the normal rate applicable to non-ferrous metals), unexposed cinematograph films (from 15 paise to 50 paise per linear metre), nylon filament and yarn for tyre manufactures (from 60 per cent to 100 per cent), stainless steel plates, strips (from 30 per cent to 60 per cent) and stainless steel sheets (from 100 per cent to 200 per cent).

APPENDIX XI—TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING JULY 1972 TO JUNE 1973

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Arab Republic of Egypt	September 23, 1972	October 1, 1972 to September 30, 1973	*Imports :* Cotton, distilled glycerine, kaolin, rice, etc. *Exports :* Jute, tea, engineering goods, cotton yarn, steel items, dye and dye-intermediates, chemicals, tobacco, paper and paper products, radios and their components, ferro-manganese and manganese ore, pepper and spices, etc.	This is a trade arrangement for a period of one year beginning from October 1, 1972 signed within the framework of the Indo-UAR trade agreement of July 8, 1953.
Bangladesh	March 24 and June 26, 1973	March 28, 1973 to September 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 an extension of the trade agreement signed on March 28, 1972.*
Bulgaria	December 30, 1972	January 1, 1973 to December 31, 1973	*Imports :* Tool, alloy and special steel and other rolled steel products, urea (fertiliser grade), pharmaceutical products, caprolactum, zinc, lead, copper and brass sheets, organic and inorganic chemicals, dyes and dye-intermediates, capital goods, machinery and equipment, tractors and spare parts, machinery for food-processing industry, electronic apparatus and components, synthetic fibres and yarn, etc. *Exports :* Jute manufactures, iron ore, tanned hides and skins and finished leather, de-oiled cakes and meal, cotton textiles, engineering goods, chemicals, paints, drugs and pharmaceuticals, tea, coffee, spices, H. P. S. groundnuts, cotton raw and waste, coir yarn and products, crushed bones, mica and mica products, manganese ore, leather footwear, etc.	This is a trade plan for the year 1973 in terms of the trade and payments agreement signed on October 18, 1968.
Czechoslovakia	November 2, 1972	January 1, 1973 to December 31, 1973	*Imports :* Tractors, components, spares, tyres and raw materials for tractors under collaboration scheme, machine tools, rolled steel products, tool alloy and special steel, capital goods, components and raw materials for Czechoslovak-assisted and other projects,	This is a trade plan for the year 1973 concluded in terms of the trade and payments agreement dated October 31, 1969.

*A new Balanced Trade and Payments Arrangement has come into force from September 28, 1973 after the expiry of the Limited Payments Arrangement on September 27, 1973.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Czechoslovakia (concld.)			shunters and spares, textile machinery, seamless pipes, tubes and castings, news print, etc. *Exports :* Iron ore, de-oiled cakes including animal feed compound and guar meals, rice bran, H.P.S. groundnut, engineering goods, tanned and semi-tanned hides and skins, jute manufactures, cotton yarn, chemicals, plastic manufactures, mica and mica based products, manganese ore, tobacco, coffee, black pepper, castor oil, cotton textiles and readymade garments, woollen manufactures, tyres and tubes, plastic manufactures, finished leather, etc.	
Democratic People's Republic of Korea	April 23, 1973	January 1, 1973 to December 31, 1974	*Imports :* Special steel and refractories, magnesia clinker, anthracite, transformers, graphite, urea, etc. *Exports :* Pig iron, textiles, jute manufactures, transport equipment, machinery, mica, leather and leather goods, chemicals, etc.	This is a trade plan for 1973 and 1974 in terms of the trade and payments arrangement signed on December 9, 1968.
France	April 17, 1973	January 1, 1973 to December 31, 1973	*Imports :* Not specified. *Exports:* Dried mushrooms, orange segments, canned guavas, mangoes, lichies and exotic fruit juices, textile articles, jute goods, coir products, garments, etc.	This is a trade plan for the year 1973 signed in terms of exchange of letters on October 19, 1959.
German Democratic Republic	November 2, 1972	January 1, 1973 to December 31, 1973	*Imports :* Muriate of potash (fertiliser grade), machine tools and other machinery, rotary printing presses and other printing machinery, steel and steel products, capital goods and spare parts, textile machinery and components, optical and scientific instruments, laboratory equipment, meteorological and numerical instruments, cinematographic colour films and X-ray films, organic and inorganic chemicals, potassium chloride (industrial grade), etc. *Exports :* De-oiled cakes, tanned and semi-tanned hides and skins, cashew kernels (broken), processed mica, linoleum, cotton textiles, etc.	This is a trade plan for the year 1973 in terms of the trade and payments protocol dated November 11, 1971.
Hungary	January 5, 1973	January 1, 1973 to December 31, 1973	*Imports :* Steel and steel products, including tool, alloy and special steels and rolled steel products, and drugs, medicines and pharmaceutical intermediates, wheels, tyres and axles for rolling stock and other railway equipment, fertilisers and chemicals, caprolactum and synthetic fibres, capital goods, etc.	This is a trade plan for the year 1973 in terms of the trade and payments agreement dated March 3, 1971.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Hungary (concld.)			*Exports :* De-oiled groundnut cake meal, other de-oiled cakes, jute manufactures, tanned and semi-tanned hides and skins, cotton textiles, coffee, engineering goods, iron ore, etc.	
Poland	January 12, 1973	January 1, 1973 to December 31, 1975	*Imports :* Urea (fertiliser grade), sulphur, capital goods and equipment, rolled steel products including mild steel plates, sheets, tin plates and special tool and alloy steel, ships equipment, mining machinery, wheel sets, wheels, tyres and axles for railway and wagon components, dye-intermediates, intermediates for pharmaceuticals, serra and vaccines, basic drugs in bulk, refractory materials, textile machinery, metal working machine tools, welding sets, ball roller and taper bearings including railway axle bearings, etc. *Exports :* De-oiled groundnut cakes, other de-oiled cakes, tea, coffee, black pepper, iron ore, rayon fabrics, engineering goods, railway wagons, cotton yarn (upto 40 count), animal feed compounds, processed mica, iron and steel castings, medicated cotton (surgical cotton), cotton textiles including cotton yarn, tanned and semi-tanned hides and skins, tinned fruits and juices, woollen knitwear, hand tools and pneumatic tools, auto ancillaries, electrical household articles, aluminium cables and conductors, jute goods, handloom goods including cotton fabrics, carpets, etc.	This is a long-term trade plan for 1973, 1974, and 1975 in terms of the trade and payments arrangement signed on October 31, 1968.
Rumania	December 4, 1972	January 1, 1973 to December 31, 1973	*Imports :* Fertilisers, rolled steel and steel products, wheel sets and other components for railway wagons, oil prospecting and drilling equipment and spare parts, chemicals, tractor components, capital goods, machinery and equipment, general cargo vessels and other vessels, electronic television components and picture tubes, petroleum products including lubricating oil and axle oil, etc. *Exports :* Iron ore, jute manufactures, hides and skins, finished leather, cotton textiles including yarn, decorticated de-oiled cottonseed extractions and rice bran extractions, coffee, machine tools such as automatic lathes, other engineering goods, ferro-manganese, ferro-chrome, etc.	This is a trade plan for the year 1973 in terms of the long-term trade and payments arrangement signed on March 24, 1971.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Spain	December 14, 1972	December 14, 1972 to December 13, 1974.	*Imports :* Agar-agar, inorganic chemicals, organic chemicals, engineering goods, etc. *Exports :* Coffee, tea, leather goods, engineering goods, etc.	
Sudan	January 7, 1973	January 1, 1973 to December 31, 1973	*Imports :* Cotton, gum arabic, raw hides and skins, etc. *Exports :* Tea, jute manufactures, textiles, engineering goods and spare parts, perfumes, essential oils, sandal wood, toiletries, cosmetics, spices, etc.	This is a trade plan for 1973 in terms of the trade agreement signed on October 22, 1965.
U.S.S.R.	November 25, 1972	January, 1, 1973 to December 31, 1973	*Imports :* Components, equipment and raw materials needed for manufacturing programme of Soviet-assisted projects, sea and river ships, tankers and bulk carriers, dredgers, marine engines and other equipment, machine tools and metal working equipment including welding equipment, spare parts for the equipment delivered for projects built with the USSR assistance, spare parts for tractors and agricultural machinery, construction and earthmoving equipment including excavators, dumpers, crawler tractors, scrapers, motor-graders, air transportation means including helicopters, other equipment and spare parts, mining, prospecting, oil drilling, petrological and survey equipment, ball and roller bearings, printing machines and equipment, laboratory testing equipment, control measuring and optical instruments, scientific apparatus and metal testing machinery, equipment for coal based fertiliser plants, rolled steel products, muriate of potash, kerosene, urea, ammonium sulphate, newsprint, oil and lubricants, asbestos, chemicals, copper and rolled copper products, platinum, nickel, zinc, diesel oil, etc. *Exports :* Woollen knitwear, spices, readymade garments, bed-linen, towels and handkerchiefs, aluminium power cables, garage equipment, automobile storage batteries, traction and other batteries, essential oils, medicines and pharmaceuticals, chemicals, de-oiled cakes including cotton seed, rice bran cakes and compound animal feed, tea, coffee, tobacco, cashew kernels, H.P.S. groundnut, fruit juices, surgical instruments and gloves, cigarettes, jute manufactures, goat	This is a trade plan for 1973 in terms of the five year trade arrangement signed on December 26, 1970.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
U.S.S.R. (concld.)			skins, leather shoes, chappals, sports footwear and P.V.C. gum boots, cotton textiles, woollen textiles, machinery and equipment manufactured at Soviet-assisted industrial enterprises in India, etc.	
Yugoslavia	November 4, 1972	January 1, 1973 to December 31, 1974	*Imports :* Synthetic fibres, chemicals and pharmaceuticals, steel and steel products, railway track material, copper, nickel, lead, zinc and products thereof, machinery and transport equipment including ships, etc. *Exports :* Cashew kernels, pepper and spices, oilcakes and animal feed compound, marine products, tea, coffee, tobacco, hides and skins, finished leather, iron ore, vegetable oils, engineering goods, cotton textiles, woollen textiles, jute goods, chemicals, pharmaceuticals, handicrafts, etc.	This is a fresh trade agreement under which all payments will be made in freely convertible currencies.

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 1972-73 refers to the year from April 1, 1972 to March 31, 1973. In this issue, generally annual data for the years 1960-61, 1965-66 and 1969-70 to 1972-73 are presented.

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. 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. Statistics on Balance of Payments are presented for the year July 1971 to June 1972. In respect of Liabilities and Assets of the Industrial Development Bank of India, the data presented are as at the end of June.

A new statement on 'Ownership of Central and State Government Securities' has been included in this issue of the Report.

The statement on 'Estimated Mid-year Population' has been replaced by a statement on 'Economic Classification of Population : Census 1971'. The data on 'Index Numbers of Agricultural Production' have been presented on a revised basis ; the new base being "Triennium ending 1961-62=100."

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 per Pound Sterling to Rs. 21·00 per Pound Sterling. Later the Pound Sterling was devalued on November 18, 1967 giving the exchange value of Rs. 18·00 per Pound Sterling. At the time of Smithsonian Exchange Rate Realignment of December 1971, India established a central rate for the Rupee at Rs. 18·9677 per Pound Sterling on December 20, 1971.

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.

The statistical data presented in the statements have been supplemented with suitable Notes at the bottom of the respective statements to explain the limitations, coverage etc., wherever necessary. In addition, detailed explanatory notes for certain statements are given below :

Statement 26:

The item 'Other liabilities' includes :

(*i*) paid-up capital of Rs. 5 crores,

(*ii*) reserve fund of Rs. 80 crores upto January 31, 1969 and Rs. 150 crores thereafter, the increase representing mainly the profit on revaluation of the Bank's gold stocks, effected from February 1, 1969 in terms of the amendment to Section 33(4) of the Reserve Bank of India Act,

(*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, Rs. 190 crores from July 2, 1971 and Rs. 209 crores from July 7, 1972,

(*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, Rs. 39 crores from July 2, 1971 and Rs. 45 crores from July 7, 1972,

(*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, Rs. 135 crores from July 2, 1971 and Rs. 175 crores from July 7, 1972.

Statement 28:

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.

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 38:

The Reserve Bank of India rate (Bank Rate) was changed from 4 to $4\frac{1}{2}$ 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 and to 7 per cent with effect from the close of business on May 30, 1973. 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 relating to "Call Money" from "Other Selected Major Scheduled Commercial Banks" prevailing at Bombay, Calcutta and Madras are the weighted averages of the quotations, the weights being proportional to the amounts accepted during the period.

Statement 41 :

Data for the Second Plan period do not cover the S.I.D.Cs; in respect of the Third Plan period and for 1966-67, only 6 S.I.D.Cs. are covered; for 1967-68 and 1968-69, 10 S.I.D.Cs are covered ; for 1969-70 and

1970-71, 16 S.I.D.Cs., the G.I.I.C. and the S.I.C.O.M. are covered ; for 1971-72, 13 S.I.D.Cs., the G. I. I. C. and the S.I.C.O.M. are covered. -

Statements 55, 56 & 57 :

(1) 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.

(2) Consequent upon the nationalisation of General Insurance Companies, the group 'Financial' and the sub-group 'Insurance' under the 'Variable Dividend Industrial Securities' are deleted from the series with effect from January 1, 1973. The sub-group 'Investments' under the group 'Financial' is transferred to the group 'Other Industries'.

Statement 64 :

The figures of total revenue and expenditure as given in this statement differ from those in the Budget papers as receipts from forests, opium, currency and mint, electricity, 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, particularly in respect of interest receipts, development expenditure and grants to States and Union Territory Governments under revenue accounts, are not comparable with those for the earlier years. From 1971-72 irrigation (non-commercial) is shown on a gross basis. Budget estimates for 1973-74 relate to those presented to the *Lok Sabha*.

From 1957-58 figures include self-balancing items in respect of grants under P.L. 480 and State Equalisation Funds ; from 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds.

Statement 72 :

The statement excludes :

(*i*) for 1965-66 and 1966-67 the contribution 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 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,

(*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),

Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 Compensation Bonds,

3% Bombay Land Tenure Abolition Acts, Compensation Bonds (Former Bombay, Maharashtra, Gujarat and Mysore),

2¾% Mysore Inams Abolition Compensation Bonds,

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,

Assam State Acquisition of Zamindari Act, 1951 Compensation Bonds, and only repayments of :

3¼% U.P. Encumbered Estates Act Bonds,

3% Hyderabad (Abolition of Cash Grants) Act, 1952, Compensation Bonds,

Hyderabad Inams Abolition Compensation Bonds (Mysore).

The total issues and repayments of these bonds amounted to Rs. 352 lakhs and Rs. 756 lakhs, respectively in 1972-73, and

(*iv*) Rs. 145 crores of *ad hoc* Treasury Bills funded in December 1972 and February 1973.

Statement 74 :

The statement includes (*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 82,35,209 gms. and 47,47,914 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 78 :

(1) *Outstandings* include Indian Union's Share of pre-partition liabilities but exclude the outstandings of 'Defence Certificates' which are being issued in foreign countries and *Repayments* include those from the pre-partition holdings of Indian investors.

(2) Some details of "Uncurrent series" are given below :

5-year Fixed Deposits :

This scheme which was introduced from March 15, 1968 has been discontinued since August 1, 1971. The figures exclude outstandings in respect of '5-year Fixed Deposits — Banks' for which data are not available from September 1971 onwards.

15-Year Annuity Certificates :

The data relate 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.

Post Office Cash and Defence Savings Certificates :

Includes Defence Savings Bank Deposits upto 1954-55.

12-Year and 7-Year National Savings Certificates :

Discontinued with effect from May 30, 1957.

5-Year National Savings Certificates :

Discontinued with effect from July 1, 1953.

3½% 10-Year Treasury Savings Deposit Certificates :

Issued from February 1, 1951 to May 31, 1957.

4% 10-Year Treasury Savings Deposit Certificates :

Issued from June 1, 1957 and discontinued from November 10, 1962.

10-Year National Plan Certificates :

Issued from May 10, 1954 to May 30, 1957.

12-Year National Plan Savings Certificates :

Issued from June 1, 1957 and discontinued from November 15, 1962.

Statement 80 :

Average rate of discount for auction sales (per cent per annum) 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, 3·5 per cent from January 9, 1971 to May 31, 1973 and 4·0 per cent thereafter.

STATEMENT 1—SELECTED ECONOMIC INDICATORS

Item	Unit/Base	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73
		1	2	3	4	5	6
I. POPULATION (ESTIMATES)	Millions	442·21	492·69	538·31	550·24	561·86	573·59
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	186.1†	199.3†
3. Agricultural Production—All crops Index	Triennium ending 1961-62 = 100	102·7	95·8	122·5	131·5	129·2	..
4. Wholesale Prices — New Series							
(i) All Commodities	1961-62 = 100	99·8*	131·6	171·6	181·1	188·4	207·0
(ii) Food Articles	,,	99·9*	144·6	196·8	203·9	210·3	239·6
5. Consumer Prices—All-India							
(i) Industrial Workers	1960 = 100			177	186	192	207
(ii) Urban Non-manual Employees	,,		132	167	174	180	192
6. Security Prices							
(i) Government and Semi-Government Securities	1961-62 = 100		94·6	99·0	99·0	97·6	97·7
(ii) Variable dividend industrial securities	,,		76·7	92·6£ / 94·5	101·9	94·5	94·4££ / 94·0
7. Gold and Silver (Bombay : Spot)							
(i) Gold (*c*)	Rs. per 10 grams.	114·91	77·78	179·62	184·96	200·16	242·14
(ii) Silver	Rs. per Kg.	193·64	314·62	489·13	536·08	561·35	554·20
III. MONEY AND BANKING							
8. Money supply with the public	Rs. crores	2,869	4,529	6,387	7,140	8,138†	9,348†
(i) Currency with the public	,,	2,098	3,034	4,010	4,383	4,822†	5,426†
(ii) Deposit money with the public	,,	771	1,495	2,376	2,757	3,316	3,922†
9. Reserve Bank of India							
(i) Central Government's deposits	,,	76	51	168	251	215	54
(ii) State Governments' deposits	,,	29	26	8	13	5	17
(iii) Investments	,,	1,813	2,719	3,406	3,827	4,285	5,423
(iv) Other loans and advances (*d*)	,,	186	245	522	709	619	591
Of which :							
1. Scheduled commercial banks	,,		74	238	368	207	138
2. State co-operative banks	,,		166·	276	306	323	322
10. Foreign exchange reserves (*e*)	,,	304	298	821	732	849	847†

11. Scheduled commercial banks							
(i) Aggregate deposits	Rs. crores	1,746	2,950	5,028	5,906	7,106	8,588
(ii) Bank credit	,,	1,320	2,288	3,971	4,684	5,263	6,066
(iii) Investments in Government Securities	,,	559	811	1,167	1,362	1,650	2,162
(iv) Cash reserves	,,	117	171	322	364	447	484
(v) Credit deposit ratio	Per cent	75·6	77·6	79·0	79·3	74·1	70·6
12. Cheque clearances (*f*)	Rs. crores	1,046	1,746	2,756	3,080†	3,592†	4,028†
13. Inter-bank call money rate (Bombay) (*g*)	Per cent per annum	4·24	6·26	4·30	6·35	5·16	4·15
14. Yield on 3 per cent conversion loan 1986 or later (*h*)	,,	4·06	5·46	5·00	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	3,972	4,573
(ii) Expenditure	,,	826	2,001	2,902	3,130	4,072	4,536
16. Capital Account							
(i) Receipts	,,	1,156	1,705	2,640	2,550	3,029	3,164
(ii) Disbursements	,,	1,029	2,222	2,679	2,972	3,450	3,765
B. Debt position of Government of India							
17. Total debt@	,,	6,565	11,350	17,707	19,193	20,675	23,119
(i) Internal	,,	5,783	8,739	11,554	12,708	13,721	15,958
Of which :							
1. Permanent debt	,,	2,595	3,462	4,144	4,441	4,836	5,417
2. Treasury Bills Outstanding	,,	1,106	1,612	2,232	2,516	2,623	3,631
3. Small Savings	,,						
(i) Net Receipts	,,	104	151	129	184	210	314
(ii) Outstandings	,,	973	1,541	2,025	2,209	2,419	2,733
(ii) External (*i*)	,,	782	2,611	6,153	6,485	6,954	7,161
V. TRADE							
18. Imports	,,	1,122	1,409	1,582	1,634	1,825	1,777†
19. Exports	,,	642	806	1,413	1,535	1,607	1,962†
20. Net Balance of trade	,,	—479	—603	—169	— 99	—218	+185†
21. Number of wagons loaded							
(i) Broad gauge	000's	6,164	8,168	8,829	8,404	8,447	8,613
(ii) Metre gauge	,,	3,593	3,972	3,869	3,634	3,457	3,397

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.££ Consequent upon the nationalisation of General Insurance Companies, the group 'Financial' and sub-group 'Insurance' under 'Variable Dividend Industrial Securities' are deleted with effect from January 1973.

@ For details regarding differences in source and coverage, a reference may be made to statement 70. ** Quick Estimates. † Provisional.

STATEMENT 2—ECONOMIC CLASSIFICATION

State / Union Territories	Population						
	TOTAL	Rural			Urban		
		Total	Male	Female	Total	Male	Female
	1	2	3	4	5	6	7
ALL-INDIA	**547·95**	**438·86**	**225·22**	**213·64**	**109·09**	**58·72**	**50·38**
Andhra Pradesh	**43·50**	**35·10**	17·70	17·40	**8·40**	4·31	4·09
Assam	**14·96**	**13·63**	7·13	6·50	**1·33**	0·76	0·57
Bihar	**56·35**	**50·72**	25·73	24·99	**5·63**	3·12	2·52
Gujarat	**26·70**	**19·20**	9·84	9·36	**7·50**	3·96	3·54
Haryana	**10·04**	**8·26**	4·42	3·84	**1·77**	0·96	0·82
Himachal Pradesh	**3·46**	**3·22**	1·63	1·59	**0·24**	0·14	0·10
Jammu & Kashmir	**4·62**	**3·76**	2·00	1·76	**0·86**	0·46	0·40
Kerala	**21·35**	**17·88**	8·85	9·03	**3·47**	1·74	1·73
Madhya Pradesh	**41·65**	**34·87**	17·82	17·05	**6·78**	3·63	3·15
Maharashtra	**50·41**	**34·70**	17·48	17·22	**15·71**	8·63	7·08
Manipur	**1·07**	**0·93**	0·47	0·46	**0·14**	0·07	0·07
Meghalaya	**1·01**	**0·86**	0·44	0·42	**0·15**	0·08	0·07
Mysore	**29·30**	**22·18**	11·25	10·93	**7·12**	3·72	3·40
Nagaland	**0·52**	**0·47**	0·24	0·22	**0·05**	0·03	0·02
Orissa	**21·94**	**20·10**	10·04	10·06	**1·85**	1·00	0·85
Punjab	**13·55**	**10·33**	5·53	4·80	**3·22**	1·73	1·48
Rajasthan	**25·77**	**21·22**	11·06	10·16	**4·54**	2·42	2·12
Tamilnadu	**41·20**	**28·73**	14·44	14·30	**12·46**	6·39	6·08
Tripura	**1·56**	**1·39**	0·72	0·68	**0·16**	0·08	0·08
Uttar Pradesh	**88·34**	**75·95**	40·21	35·74	**12·39**	6·80	5·59
West Bengal	**44·31**	**33·34**	17·17	16·17	**10·97**	6·26	4·70
Union Territories	*6·34*	*1·99*	*1·04*	*0·96*	*4·35*	*2·41*	*1·94*

OF POPULATION: CENSUS 1971

(In millions)

Workers											Non-workers
Total	Cultivators	Agricultural labourers	Livestock, forestry, fishing, hunting and plantations, orchards and allied activities	Mining and quarrying	Manufacturing, processing, servicing and repairs: Household industry	Manufacturing, processing, servicing and repairs: Other than household industry	Construction	Trade and commerce	Transport, storage and communications	Other services	
8	9	10	11	12	13	14	15	16	17	18	19
180·37	**78·18**	**47·49**	**4·30**	**0·92**	**6·35**	**10·72**	**2·22**	**10·04**	**4·40**	**15·77**	**367·58**
18·01	5·79	6·83	0·59	0·10	0·87	0·76	0·29	0·98	0·39	1·40	25·50
4·24	2·41	0·41	0·45	0·01	0·06	0·11	0·04	0·23	0·10	0·41	10·72
17·49	7·58	6·81	0·17	0·26	0·43	0·45	0·10	0·57	0·26	0·86	38·86
8·40	3·62	1·89	0·17	0·03	0·24	0·78	0·12	0·58	0·24	0·73	18·30
2·65	1·30	0·43	0·04	—	0·09	0·18	0·05	0·18	0·06	0·32	7·38
1·28	0·90	0·05	0·03	—	0·03	0·02	0·05	0·03	0·02	0·13	2·18
1·37	0·89	0·04	0·05	—	0·06	0·04	0·03	0·06	0·04	0·16	3·24
6·22	1·11	1·91	0·43	0·03	0·27	0·71	0·11	0·57	0·24	0·84	15·13
15·30	8·08	4·06	0·26	0·10	0·56	0·47	0·12	0·49	0·21	0·95	26·36
18·39	6·54	5·39	0·30	0·05	0·56	1·83	0·28	1·23	0·56	1·65	32·02
0·37	0·25	0·01	—	—	0·03	0·01	—	0·01	—	0·04	0·70
0·45	0·31	0·04	0·01	—	—	0·01	—	0·01	0·01	0·05	0·56
10·18	4·07	2·72	0·42	0·05	0·44	0·60	0·18	0·60	0·27	0·82	19·12
0·26	0·20	—	—	—	—	—	—	—	—	0·04	0·25
6·85	3·37	1·94	0·15	0·05	0·25	0·16	0·04	0·23	0·10	0·58	15·09
3·91	1·67	0·79	0·04	—	0·12	0·32	0·08	0·32	0·11	0·47	9·64
8·05	5·23	0·75	0·21	0·04	0·28	0·26	0·10	0·36	0·16	0·68	17·27
14·74	4·61	4·49	0·40	0·05	0·67	1·30	0·23	1·15	0·47	1·36	26·46
0·43	0·24	0·09	0·01	—	0·01	0·01	—	0·02	0·01	0·05	1·12
27·33	15·70	5·45	0·17	0·01	1·00	0·99	0·17	1·11	0·47	2·26	61·01
12·37	3·95	3·27	0·36	0·12	0·33	1·41	0·12	0·98	0·52	1·30	31·94
2·08	*0·36*	*0·12*	*0·04*	*0·02*	*0·05*	*0·32*	*0·10*	*0·30*	*0·15*	*0·63*	*4·26*

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—1969-70*

(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	—	—	29	74	167	37	143	47	151	—66	559	899	**1049**	**991**
2. Other Financial Institutions ..	64	16	—	—	70	—	251	18	—	—2	33	406	**418**	**438**
3. Private Corporate Business ..	20	174	—	92	—	—	3	28	—2	—37	14	47	**35**	**304**
4. Government	230	223	18	308	32	—5	—	—	7	485	41	162	**328**	**1173**
5. Rest of the World	—163	167	3	1	1	—	545	—10	—	—	—	—	**386**	**158**
6. Households	899	559	406	33	54	20	162	41	—	—	—	—	**1521**	**653**
7. Items not classified elsewhere ..	—28	16	29	—9	—	—2	150	78	—2	5	—	—	**149**	**88**
TOTAL	**1022**	**1155**	**485**	**499**	**324**	**50**	**1254**	**202**	**154**	**385**	**647**	**1514**	**3886**	**3805**
Discrepancy (Sources-Uses)														*+81*

* Provisional.

STATEMENT 5—FINANCIAL FLOWS—INSTRUMENT-WISE—1969-70*

(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	941	—10	—	28	11	36	8	20	—7	50	—	923	**953**	**1047**	*—94*
2. Investments	116	309	33	264	92	—3	407	63	154	33	—	—7	**802**	**659**	*143*
3. Loans and Advances	3	674	52	131	214	20	439	133	2	328	653	47	**1363**	**1333**	*30*
4. Small Savings	—	—	—	88	—	—	93	—	—	—	—	5	**93**	**93**	—
5. Life Fund	—	—	187	—	—	—	8	—	—	—1	—	195	**195**	**194**	*1*
6. Provident Fund	—	—	194	—	—	—	157	—	—	—	—	351	**351**	**351**	—
7. Trade Debt or Credit	—	—	—	—	6	—	99	—	—	—	—6	—	**99**	—	*99*
8. Foreign claims not elsewhere classified	—4	167	—	—	—	—	—	—13	—	—	—	—	**—4**	**154**	*—158*
9. Other items not elsewhere classified	—34	15	19	—12	1	—3	43	—1	5	—25	—	—	**34**	**—26**	*60*
TOTAL ..	**1022**	**1155**	**485**	**499**	**324**	**50**	**1254**	**202**	**154**	**385**	**647**	**1514**	**3886**	**3805**	*+81*

* Provisional.

STATEMENT 6—SAVING OF THE HOUSEHOLD SECTOR IN THE FORM OF FINANCIAL ASSETS

(Rs. in Crores at Current Prices)

Item	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Saving (Gross) of the Household Sector in Financial Assets [(i) to (ix)]	**437·0**	**378·8**	**449·0**	**537·6**	**670·8**	**650·4**	**737·9**	**1025·4**	**911·0**	**1091·0**	**1086·2**	**1178·0**	**1321·0**	**1514·2**
(a)	**4·1**	**3·5**	**3·8**	**4·4**	**5·0**	**4·6**	**5·0**	**6·0**	**4·6**	**5·3**	**4·5**	**4·2**	**4·6**	**4·9**
(i) Currency	51·8	54·7	120·9	132·1	147·3	99·4	174·3	216·7	135·2	287·4	125·9	160·8	271·3	335·9
(a)	*0·5*	*0·5*	*1·0*	*1·1*	*1·1*	*0·7*	*1·2*	*1·2*	*0·7*	*1·4*	*0·5*	*0·6*	*0·9*	*1·1*
(b)	*11·9*	*14·5*	*26·9*	*24·6*	*22·0*	*15·3*	*23·6*	*21·1*	*14·9*	*26·3*	*11·6*	*13·7*	*20·5*	*22·2*
(ii) Bank Deposits	99·7	114·2	111·2	154·6	70·5	207·4	176·7	293·2	336·4	363·7	437·8	408·1	411·4	586·8
(a)	*0·9*	*1·1*	*0·9*	*1·3*	*0·5*	*1·5*	*1·2*	*1·7*	*1·7*	*1·8*	*1·8*	*1·4*	*1·4*	*1·9*
(b)	*22·8*	*30·1*	*24·8*	*28·7*	*10·5*	*31·9*	*24·0*	*28·6*	*36·9*	*33·3*	*40·3*	*34·6*	*31·1*	*38·8*
(iii) Loans to Companies†	6·4	11·9	—4·9	13·8	67·1	48·5	71·4	53·3	43·8	22·9	78·2	47·9	98·7	47·3
(a)	*0·1*	*0·1*	—	*0·1*	*0·5*	*0·3*	*0·5*	*0·3*	*0·2*	*0·1*	*0·2*	*0·2*	*0·3*	*0·2*
(b)	*1·5*	*3·1*	*—1·1*	*2·6*	*10·0*	*7·4*	*9·7*	*5·2*	*4·8*	*2·1*	*7·2*	*4·1*	*7·5*	*3·1*
(iv) Life Insurance Fund**	25·0	22·2	35·0	45·5	61·6	72·9	91·2	93·6	97·3	89·7	141·6	149·9	183·6	195·1
(a)	*0·2*	*0·2*	*0·3*	*0·4*	*0·5*	*0·5*	*0·6*	*0·5*	*0·5*	*0·4*	*0·6*	*0·5*	*0·6*	*0·6*
(b)	*5·7*	*5·9*	*7·8*	*8·5*	*9·2*	*11·2*	*12·4*	*9·1*	*10·7*	*8·2*	*13·0*	*12·7*	*13·9*	*12·9*
(v) Provident Funds	60·5	72·2	68·0	79·1	109·3	113·5	128·8	155·4	181·5	198·2	206·9	261·8	267·0	350·8
(a)	*0·6*	*0·7*	*0·6*	*0·7*	*0·8*	*0·8*	*0·9*	*0·9*	*0·9*	*1·0*	*0·9*	*0·9*	*0·9*	*1·1*
(b)	*13·8*	*19·1*	*15·1*	*14·7*	*16·3*	*17·5*	*17·5*	*15·2*	*19·9*	*18·2*	*19·0*	*22·2*	*20·2*	*23·1*
(vi) Claims on Government	139·5	53·2	92·7	57·5	89.9	38.9	70.3	100.0	91.0	105.4	75·7	101.8	63.6	—19.8
(a)	*1·3*	*0·5*	*0.8*	*0·5*	*0.7*	*0.3*	*0.5*	*0.6*	*0.5*	*0.5*	*0·3*	*0·4*	*0.2*	*—0.1*
(b)	*31·9*	*14.0*	*20.6*	*10·7*	*13·4*	*6.0*	*9.5*	*9·8*	*10.0*	*9·7*	*7.0*	*8.6*	*4·8*	*—1·3*
(vii) Corporate & Co-operative Securities	53·4	43·1	22·3	51·5	124·1	69·2	23·7	112·8	12·0	19·0	9·0	32·6	7·5	—5·6
(a)	*0·5*	*0·4*	*0·2*	*0·4*	*0·9*	*0·5*	*0·2*	*0·7*	*0·1*	*0·1*	—	*0·1*	—	—
(b)	*12·2*	*11·4*	*5·0*	*9·6*	*18·5*	*10·6*	*3·2*	*11·0*	*1·3*	*1·8*	*0·8*	*2·8*	*0·6*	*—0·4*
(viii) Securities of Other Financial Institutions	*0·7*	*7·3*	*3·8*	*3·5*	*1·0*	*0·6*	*1·5*	*0·4*	*—2·0*	*2·5*	*3·9*	*1·1*	*2·5*	*3·1*
(a)	—	*0·1*	—	—	—	—	—	—	—	—	—	—	—	—
(b)	*0·2*	*1·9*	*0·9*	*0·6*	*0·1*	*0·1*	*0·2*	—	*—0·2*	*0·2*	*0·4*	*0·1*	*0·2*	*0·2*
(ix) Units of Unit Trust of India	—	—	—	—	—	—	—	—	15·8	2·2	7·2	14·0	15·4	20·6
(a)	—	—	—	—	—	—	—	—	0·1	—	—	—	—	0·1
(b)	—	—	—	—	—	—	—	—	1·7	0·2	0·7	1·2	1·2	1·4

B. Financial Liabilities of the Household Sector [(i) to (v)] ..	**85·6**	**24·1**	**71·1**	**106·9**	**301·5**	**129·0**	**226·4**	**274·6**	**250 3**	**253·2**	**337·3**	**358·1**	**501·9**	**646·9**
(a)	**0·8**	**0·2**	**0·6**	**0·9**	**2·3**	**0·9**	**1·5**	**1·6**	**1·2**	**1·2**	**1·4**	**1·3**	**1·8**	**2·1**
(i) Bank Advances	85·9	34·3	73·3	110·5	85·9	81·0	124·5	190·8	112·2	150·0	231·7	169·1	403·6	559·4
(a)	*0·8*	*0·3*	*0·6*	*0·9*	*0·6*	*0·6*	*0·8*	*1·1*	*0·6*	*0·7*	*1·0*	*0·6*	*1·4*	*1·8*
(b)	*100·4*	*142·3*	*103·1*	*103·4*	*28·5*	*62·8*	*55·0*	*69·5*	*44·8*	*59·2*	*68·7*	*47·2*	*80·4*	*86·5*
(ii) Loans from L.I.C./Corporations	—2·3	4·0	3·0	0·3	3·4	11·6	2·5	12·7	12·4	15·5	21·9	27·8	26·8	32·6
(a)	—	—	—	—	—	*0·1*	—	*0·1*	*0·1*	*0·1*	*0·1*	*0·1*	*0·1*	*0·1*
(b)	*—2·7*	*16·6*	*4·2*	*0·3*	*1·1*	*9·0*	*1·1*	*4·6*	*5·0*	*6·1*	*6·5*	*7·8*	*5·4*	*5·0*
(iii) Loans and Advances from Government	18·3	16·7	25·2	20·2	36·3	43·9	39·8	48·9	54·4	97·9	81·8	96·5	7·1	40·7
(a)	*0·2*	*0·2*	*0·3*	*0·2*	*0·3*	*0·3*	*0·3*	*0·3*	*0·3*	*0·5*	*0·3*	*0·3*	—	*0·1*
(b)	*21·4*	*69·3*	*35·4*	*18·9*	*12·0*	*34·0*	*17·6*	*17·8*	*21·7*	*38·7*	*24·3*	*26·9*	*1·4*	*6·3*
(iv) Loans and Advances from Co-op. non-Credit Societies	4·3	0·2	2·1	3·9	6·0	6·2	8·2	9·5	18·3	5·6	29·0	9·2	16·6	20·2
(a)	—	—	—	—	—	—	*0·1*	*0·1*	*0·1*	—	*0·1*	—	*0·1*	*0·1*
(b)	*5·0*	*0·8*	*3·0*	*3·6*	*2·0*	*4·8*	*3·6*	*3·5*	*7·3*	*2·2*	*8·6*	*2·6*	*3·3*	*3·1*
(v) Trade Debt (Net)@ ..	—20·6	—31·1	—32·5	—28·0	169·9	—13·7	51·4	12·7	53·0	—15·8	—27·1	55·5	47·8	—6·0
(a)	*—0·2*	*—0·3*	*—0·3*	*—0·2*	*1·3*	*—0·1*	*0·3*	*0·1*	*0·3*	*—0·1*	*—0·1*	*0·2*	*0·2*	—
(b)	*—24·1*	*—129·0*	*—45·7*	*—26·2*	*56·4*	*—10·6*	*22·7*	*4·6*	*21·2*	*—6·2*	*—8·1*	*15·5*	*9·5*	*—0·9*
C. Saving of the Household Sector in Financial Assets (Net) (A—B)	**351·4**	**354·7**	**377·9**	**430·7**	**369·3**	**521·4**	**511·5**	**750·8**	**660·7**	**837·8**	**748·9**	**819·9**	**819·1**	**867·3**
(a)	**3·3**	**3·3**	**3·2**	**3·5**	**2·8**	**3·7**	**3·4**	**4·4**	**3·3**	**4·1**	**3·1**	**2·9**	**2·9**	**2·8**

Note : Estimates presented here are based on the accounts of financial flows for the household sector and are, therefore, consistent with the figures given in Statements 4 and 5. They, however, may not tally with the saving estimates presented in the earlier issues of the Report due to certain differences in sources of data and estimation procedures adopted.

* Provisional. † Including non-banking deposits. ** Including State Government and Postal Insurance Fund. @ It relates to Non-Government financial and Non-financial companies.

(*a*) Per cent to National Income. (*b*) Per cent to Financial Assets/Liabilities.

STATEMENT 7—ESTIMATES OF (NET) SAVING OF THE GOVERNMENT AND THE DOMESTIC CORPORATE SECTORS

(In Rupees Crores, at Current Prices)

Item	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66†	1966-67†	1967-68†	1968-69†	1969-70†
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Saving of the Government Sector ..	177·0	158·2	139·3	199·5	238·2	348·5	411·2	538·5	536·8	659·9	413·3	309·7	559·5	648·8
Percent to National Income ..	1·6	1·4	1·1	1·5	1·8	2·5	2·8	3·2	2·7	3·2	1·7	1·1	2·0	2·1
Saving of the Domestic Corporate Sector	58·5	18·1	32·3	56·4	107·5	109·4	133·9	142·9	91·6	89·2	103·3	49·3	62·4	142·0
Percent to National Income ..	0·5	0·2	0·3	0·4	0·8	0·8	0·9	0·8	0·5	0·4	0·4	0·2	0·2	0·4

† Provisional.

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. Sugarcane				
(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) Rapeseed/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	114	68	129	64
18. Rubber	130	26	165	51
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 from 1966-67 to 1970-71 in the case of forecast crops (excluding foodgrains) are partially revised estimates. In the case of foodgrains, figures for 1966-67

AGRICULTURAL COMMODITIES

(In thousands)

1969-70		1970-71		1971-72		Production target for 1973-74 (Tonnes)
Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	
5	6	7	8	9	10	11
37,680	40,430	37,592	42,225	37,334	42,735	45,000
16,626	20,093	18,241	23,832	19,163	26,477	30,000
18,605	9,721	17,374	8,105	16,802	7,753	8,700
12,493	5,327	12,913	8,029	11,769	5,357	6,500
5,862	5,674	5,852	7,486	5,637	5,026	6,500
2,783	2,117	2,472	2,155	2,400	2,167	2,500
2,765	2,716	2,555	2,784	2,432	2,501	2,000
4,733	1,732	4,783	1,988	4,513	1,582	1,500
101,547	**87,810**	**101,782**	**96,604**	**100,050**	**93,598**	**102,700**
7,751	5,546	7,839	5,199	8,027	5,106	5,300
14,272	6,145	14,695	6,619	14,147	5,952	6,700
22,023	**11,691**	**22,534**	**11,818**	**22,174**	**11,058**	**12,000**
123,570	**99,501**	**124,316**	**108,422**	**122,224**	**104,656**	**114,700**
2,749	135,024 13,783	2,615	126,368 12,979	2,418	115,378 11,730	N.A. 15,000
22,542	9,624	23,023	10,880	23,381	11,099	10,500@
7,125	5,130	7,326	6,111	7,240	6,181	N.A.
3,172	1,564	3,323	1,976	3,589	1,451	N.A.
2,309	448	2,433	562	2,408	459	N.A.
1,803	469	1,897	474	1,944	510	N.A.
402	123	439	136	416	144	N.A.
7,731	1,890 5,255	7,605	1,621 4,499	7,784	2,354 6,526	N.A. 8,000
768	5,655	749	4,938	815	5,684	6,270
322	1,130	330	1,255	295	1,127	1,270
353	394	354	419	357	433	460
131	64	136	110(*c*)	139	69(*c*)	100
197	82	203	92	N.A.	101	125
438	337	447	362	445	409	450

and 1967-68 are partially revised and 1968-69 onwards they are final estimates. The figures for 1971-72 for all forecast crops are final estimates and are, therefore, subject to revision.

(*a*) Production in terms of cleaned rice. (*b*) Production in thousand bales of 180 Kgs. each. (*c*) Estimated. N.A. = Not available. @ Excluding cottonseed.

Sources : Ministry of Agriculture and the Tea, Coffee and Rubber Boards.

STATEMENT 9—INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Triennium ending 1961-62 = 100)

Commodity/Group	Weight	1960-61	1965-66	1969-70	1970-71	1971-72
	1	2	3	4	5	6
Rice	34·80	101·8	90·0	118·5	123·8	125·3
Wheat	8·36	98·8	93·4	180·6	214·2	238·0
Jowar	5·87	112·3	86·0	110·3	92·0	88·0
Bajra	2·53	94·4	107·8	153·0	230·6	153·9
Maize	2·40	98·8	115·8	132·9	175·3	117·7
Total Cereals	**57·89**	**101·6**	**90·9**	**127·2**	**138·9**	**136·4**
Gram	3·85	106·2	71·7	94·2	88·3	86·7
Total Pulses	**7·97**	**105·5**	**82·4**	**96·7**	**97·7**	**91·3**
Total Foodgrains	**65·86**	**102·1**	**89·9**	**123·5**	**133·9**	**130·9**
Groundnut	5·40	101·5	92·1	110·8	132·0	123·4
Total Oilseeds	**11·44**	**102·7**	**98·0**	**117·1**	**133·4**	**126·1**
Cotton	3·27	119·1	104·1	119·4	102·2	148·3
Jute	1·34	82·8	89·6	113·2	99·1	114·6
Total Fibres	**5·04**	**106·6**	**98·8**	**114·6**	**100·2**	**133·3**
Tea	2·88	96·2	109·7	117·9	126·4	129·6
Total Plantation Crops	**3·26**	**96·7**	**112·8**	**123·9**	**139·7**	**137·5**
Chillies (Dry)	1·51	108·0	92·2	100·0	131·7	111·2
Total Condiments and Spices ..	**2·64**	**104·2**	**102·4**	**112·2**	**133·4**	**121·5**
Potatoes	1·22	102·5	145·5	139·7	171·6	172·5
Total Fruits and Vegetables ..	**2·32**	**101·4**	**133·0**	**130·8**	**148·4**	**148·9**
Sugarcane (Gur)	7·79	108·1	121·0	130·6	122·3	110·5
Tobacco	1·37	97·7	95·3	109·6	117·7	133·1
Total Miscellaneous	**9·44**	**106·4**	**115.6**	**126·3**	**122·1**	**113·6**
Total Non-Foodgrains	**34·14**	**103·8**	**107·1**	**120·5**	**127·0**	**126·0**
All Crops	**100·00**	**102·7**	**95·8**	**122·5**	**131·5**	**129.2**

Note : Indices from 1966-67 to 1971-72 are subject to revision.

Source : Directorate of Economics and Statistics, 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	230.4	153.4	194.3	197.2
1966	120.5	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	270.3
1969	125.3	223.2	226.7	170.5	308.8
1970	131.0	236.0	244.9	170.5	344.4
1971	130.6	242.0	261.9	171.3	375.3
1972	137.3	258.8	295.9	182.2	406.3
December 1971	142.9	255.7	299.2	194.1	411.0
January 1972	141.9	239.2	301.0	178.8	401.0
February ,, ...	133.5	264.8	291.1	189.7	399.5
March ,, ...	132.2	280.7	329.2	197.6	427.7
April ,, ...	123.8	237.3	304.8	166.5	404.7
May ,, ...	126.1	252.1	296.6	172.7	415.0
June ,, ...	137.1	252.1	294.8	180.9	400.4
July ,, ...	140.5	251.8	284.8	188.0	385.6
August ,, ...	146.0	251.0	295.5	182.0	387.9
September ,, ...	145.3	258.5	259.4	174.6	417.4
October ,, ...	138.2	246.3	292.0	173.7	393.3
November ,, ...	138.8	284.9	289.2	184.6	433.1
December ,, ...	143.9	286.9	311.7	197.8	410.3

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†	1972†@	Dec. 1971†
		1	2	3	4	5	6	7
I. Basic Industries	**25·11**	**112·7**	**164·3**	**212·0**	**221·7**	**233·8**	**254·0**	**254·0**
1. Mining and quarrying	**9·72**	105·4	131·7	147·4	149·0	153·4	164·2	169·2
2. Heavy inorganic chemicals	**0·69**	121·4	213·8	308·0	337·4	354·7	392·3	383·4
3. Fertilizers	**0·46**	138·9	252·3	548·2	668·7	841·3	985·5	985·5
4. Cement	**1·17**	105·1	134·8	173·7	177·9	190·3	200·8	192·4
5. Iron and steel basic industries	**6·23**	121·0	185·3	201·2	187·8	186·3	203·2	204·5
6. Aluminium Manufacturing	**0·57**	110·6	236·1	424·0	508·7	557·9	579·2	594·8
7. Electricity	**5·37**	116·3	190·9	301·1	334·0	358·5	390·0	385·2
II. Capital Goods Industries	**11·76**	**118·0**	**244·0**	**214·0**	**224·6**	**224·3**	**243·3**	**237·4**
1. Prime movers, boilers and steam generating plants	**0·59**	130·3	438·6	496·9	486·4	558·9	465·1	416·6
2. Industrial machinery	**0·93**	111·0	153·6	130·6	120·6	86·3	119·2	79·7
3. Machinery components and accessories	**1·06**	121·2	428·8	360·9	396·0	440·7	519·7	542·4
4. Electrical cables and insulated wires	**0·68**	104·2	198·3	201·9	220·1	256·3	302·6	276·7
5. Railroad equipment (*a*)	**3·50**	126·2	259·2	116·8	93·6	69·0	78·4	69·4
6. Motor vehicles	**2·51**	104·2	136·0	145·2	157·8	168·3	165·9	188·5
III. Intermediate Goods Industries	**25·88**	**105·8**	**140·2**	**154·4**	**158·8**	**160·4**	**171·0**	**175·6**
1. Cotton spinning	**11·79**	108·4	120·9	127·8	127·0	117·7	127·7	130·7
2. Spinning, weaving and finishing of jute manufactures	**3·97**	89·1	120·3	77·8	85·1	94·7	96·8	112·4
3. Wood and cork except manufacture of furniture	**0·80**	95·5	235·2	256·6	198·7	224·1	217·8	178·7
4. Tyres and tubes	**1·48**	114·2	173·5	255·0	258·3	295·4	312·8	385·5
5. Synthetic fibres	**0·64**	116·2	174·0	223·1	230·7	232·3	260·2	250·0
6. Dye-stuff and dyes	**0·61**	102·7	141·8	198·4	195·6	187·1	192·7	198·4
7. Petroleum refinery products	**1·34**	106·0	158·7	280·8	297·3	316·9	317·2	338·7
8. Structural clay products	**0·77**	118·5	124·1	280·9	302·3	317·8	381·8	333·8
9. Non-metallic mineral products (n.e.c.)	**1·10**	102·6	193·7	147·8	181·5	200·3	194·1	208·3
10. Fittings, fixtures and fasteners	**0·85**	107·3	197·2	98·8	104·8	111·0	118·7	88·7
IV. Consumer Goods Industries	**37·25**	**106·6**	**127·5**	**145·3**	**154·7**	**159·7**	**168·2**	**173·0**
A. Consumer Non-durable Goods Industries	**31·57**	**105·8**	**120·5**	**128·3**	**137·8**	**140·2**	**147·3**	**154·1**
1. Flour milling and grinding	**1·49**	100·7	127·6	185·9	231·0	251·7	284·0	275·4
2. Sugar factories and refineries (Sugar refined)	**3·58**	110·0	124·7	149·1	165·3	141·7	132·5	276·6
3. Hydrogenated oil (Vanaspati)	**1·09**	100·4	127·1	142·7	154·4	174·8	178·4	179·5
4. Tea	**5·12**	111·6	114·1	108·1	128·4	133·2	140·4	47·4
5. Cigarettes	**2·15**	106·7	146·1	161·4	168·0	177·9	167·0	189·8
6. Cotton weaving	**9·39**	100·3	100·0	91·5	92·7	89·5	93·3	98·6
7. Paper and paper products	**1·61**	105·8	147·2	201·4	216·5	225·7	226·1	247·6
8. Fine and pharmaceutical chemicals	**2·21**	114·6	133·7	156·7	156·6	157·6	193·7	237·9
9. Soaps and other washing and cleaning compounds	**0·95**	104·5	121·0	187·1	195·6	234·7	289·2	245·7
10. Matches	**0·50**	97·1	110·9	96·2	88·0	80·2	73·9	81·9
11. Glass and glass products	**0·57**	104·6	131·1	116·6	110·6	150·0	157·5	184·5
B. Consumer Durable Goods Industries	**5·68**	**110·8**	**166·5**	**239·7**	**249·5**	**268·0**	**284·2**	**277·9**
12. Metal products (n.e.c.)	**1·30**	108·0	195·7	240·9	263·1	290·0	297·3	263·7
13. Commercial office and household machines	**0·53**	128·4	137·6	125·3	143·6	177·5	180·2	196·7
14. Electrical appliances	**0·56**	108·2	152·5	183·4	190·9	228·2	282·4	259·8
15. Communication equipment	**0·61**	121·6	217·4	646·8	661·1	726·6	721·3	902·8
16. Motor cycles and bicycles	**0·62**	107·8	164·7	243·1	266·5	259·7	306·3	259·8
General Index	**100·00**	**109·2**	**153·8**	**172·5**	**180·8**	**186·1**	**199·3**	**201·6** (**191·2**)

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. * Due to non-availability of production data, figure for the previous month has been repeated. ‡ Estimated.

INDUSTRIAL PRODUCTION

= 100)

1972†											
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
8	9	10	11	12	13	14	15	16	17	18	19
257·1	**248·1**	**269·1**	**251·9**	**254·5**	**248·3**	**246·9**	**245·5**	**246·3**	**256·4**	**256·0**	**267·7**
170.4	164·9	170·9	165·2	165·8	160·3	155·6	155·3	159·4	161·4	166·9	174·0
379·8	370·1	384·2	389·3	388·6	390·1	387·3	381·7	384·3	406·8	412·1	433·7
865·7	910·1	982·9	959·6	853·4	1007·3	997·6	1035·5	779·7	1033·8	1145·0	1255·8
206·0	195·8	207·2	193·5	213·6	196·1	208·7	142·1	196·3	213·2	216·9	220·8
213·9	203·7	236·3	186·2	193·2	176·4	195·9	195·6	204·2	210·1	202·6	220·3
595·7	564·5	617·0	559·2	603·8	574·1	541·6	571·7	558·0	589·1	545·6	629·7
394·8	375·4	403·5	397·5	398·9	391·3	385·2	390·7	387·0	391·2	382·4	382·4*
225·1	**259·1**	**269·6**	**212·7**	**237·7**	**236·4**	**234·7**	**233·5**	**236·3**	**226·6**	**281·7**	**266·2**
458·9	645·9	533·4	336·6	348·5	413·0	497·3	536·5	607·1	386·4	373·9	443·8
78·8	79·3	115·6	130·1	128·6	138·1	146·1	121·0	126·6	94·4	132·8	138·9
489·6	526·2	561·1	488·7	504·9	534·6	521·1	529·6	508·0	503·9	517·6	551·0
255·0	347·0	303·9	303·2	309·6	311·2	300·6	266·6	307·3	269·9	340·1	316·7
63·3	87·4	85·8	74·8	81·7	84·3	89·7	81·4	73·9	61·5	79·1	78·2
175·4	173·8	207·6	135·4	137·3	150·9	165·2	166·3	128·8	167·2	182·3	200·3
170·1	**160·1**	**171·7**	**167·1**	**169·9**	**170·6**	**174·5**	**176·0**	**177·2**	**170·5**	**167·2**	**177·7**
129·2	113·9	121·3	124·2	129·3	128·4	132·9	136·4	134·6	128·1	120·7	133·8‡
104·7	97·5	108·4	103·5	98·9	90·8	93·8	92·8	96·4	84·3	94·5	95·9
204·9	219·4	248·6	255·1	262·4	248·0	227·1	171·8	225·5	206·1	176·6	167·5
322·9	324·1	325·8	274·5	273·7	324·7	349·8	329·7	337·1	279·5	298·0	314·0
259·7	251·1	272·9	247·4	239·2	254·9	267·5	265·1	272·8	267·4	253·5	270·3
157·4	159·2	175·0	183·9	172·4	203·8	183·2	232·1	210·3	187·7	207·5	240·3
341·2	311·5	327·2	297·6	323·0	300·3	298·2	322·4	319·3	317·0	309·9	338·9
365·8	356·9	378·8	349·9	390·7	397·9	381·3	372·0	389·6	401·6	389·0	407·7
146·2	157·4	188·4	194·7	206·9	211·3	214·6	196·7	206·1	209·7	194·1	203·5
112·3	109·0	114·4	103·0	111·9	117·2	129·2	138·8	120·3	100·2	121·8	146·6
173·4	**167·6**	**172·6**	**157·8**	**157·8**	**167·7**	**166·6**	**172·1**	**169·4**	**168·5**	**167·9**	**176·9**
158·6	**150·8**	**151·7**	**135·3**	**136·2**	**147·0**	**147·4**	**151·8**	**144·4**	**147·0**	**147·3**	**150·4**
306·9	297·6	295·8	275·0	276·6	275·2	307·6	303·7	261·6	282·0	266·6	259·7
352·6	319·5	224·2	89·9	23·7	6·6	7·4	9·1	13·0	48·2	186·8	308·6
189·7	179·7	196·5	153·2	179·6	169·2	181·0	178·3	187·6	184·9	163·3	177·3
18·7	23·2	23·2	90·3	135·1	223·1	220·0	248·6	253·9	232·6	157·2	58·3
180·8	175·8	185·2	158·0	140·2	151·1	175·3	169·0	167·6	161·9	159·5	180·2
94·8	87·5	94·9	91·7	95·0	93·6	96·5	98·0	93·9	92·5	86·9	94·1‡
247·9	240·8	244·5	239·6	221·7	213·1	205·6	191·1	206·2	228·0	233·1	242·0
238·0	237·7	326·0	231·9	252·5	223·4	159·3	178·6	102·8	123·2	103·2	147·4
308·2	262·8	311·7	318·1	265·9	277·9	309·8	268·3	271·8	301·9	292·7	281·9
77·0	73·1	76·7	80·4	86·0	86·7	86·3	78·7	62·7	52·5	58·3	68·1
177·6	152·6	161·9	139·8	166·8	155·0	153·1	156·0	151·1	153·7	155·2	166·8
255·9	**261·0**	**288·9**	**282·6**	**277·9**	**282·7**	**273·1**	**285·2**	**308·6**	**288·0**	**282·5**	**324·1**
247·9	250·1	315·8	298·2	244·6	266·7	288·4	324·3	301·7	318·4	323·4	387·9
170·0	188·6	224·1	187·9	186·4	187·7	205·8	188·1	160·8	156·9	148·0	158·6
241·1	285·3	315·1	277·1	294·6	299·4	274·0	247·0	256·9	329·3	274·3	294·2
726·2	693·7	721·2	732·2	736·1	699·8	684·2	663·8	874·9	667·7	679·2	776·8
259·6	270·6	272·5	316·7	320·8	313·4	293·1	433·4	282·6	296·0	285·0	331·5
199·6	**196·7**	**208·0**	**190·3**	**194·6**	**196·8**	**196·8**	**198·7**	**198·6**	**197·9**	**203·2**	**210·4**
(193·9)	**(200·4)**	**(199·3)**	**(194·5)**	**(199·3)**	**(200·4)**	**(195·2)**	**(198·9)**	**(200·4)**	**(205·4)**	**(204·9)**	**(199·4)**

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 12—INDUSTRIAL

Industry	Unit	1960	1965	1969	1970	1971‡	1972‡	Dec. 1971‡
		1	2	3	4	5	6	7
I. Basic Industries								
1. Coal, including Lignite	000 Metric tons	5,26,20	6,94,56	7,89,12	7,62,24	7,28,55	7,78,92	65,60
2. Iron ore (*a*)	,,	1,06,80	1,68,96	2,09,64	2,22,24	2,75,46	3,30,78	32,34
3. Salt refining	00,000 Quintals	3,44	4,72	4,08	5,39	5,44	6,52	21
4. Sulphuric acid	000 Metric tons	3,54	6,85	11,81	10,78	10,20	11,31	64
5. Caustic soda	,,	98	2,15	3,47	3,73	3,75	3,94	34
6. Cement	,,	78,44	1,05,84	1,36,20	1,39,56	1,49,33	1,57,54	12,58
7. Ammonium Sulphate 'N' content	,,	77	88	1,36	1,26	1,25	1,19	13
8. Pig iron and ferro-alloys (*b*)	,,	42,64	71,23	75,01	72,19	69,40	73,46	6,23
9. Finished steel	,,	22,22	45,19	48,49	48,10	44,69	49,09	3,89
10. Bleaching powder (*c*)	Metric tons	5,928	7,356	15,576	13,740	16,718	18,761	1,804
11. Gold	Kilograms	4,992	4,068	3,060	3,240	3,662	3,290	305
12. Aluminium (*d*)	Metric tons	16,418	24,533	34,512	42,638	44,464	49,916	3,602
13. Brass (*d*) (*e*)	,,	27,228	13,428	16,020	14,916	16,593	16,581	1,146
14. Electricity (*f*)	00,000 k.w.h.	16,43,28	31,38,00	49,47,60	54,88,80	58,91,30	64,09,20	5,27,50
II. Capital Goods Industries								
15. Diesel engines	Numbers	52,752	96,744	1,44,562	71,413‡	86,034	74,283	4,737
16. Railway wagons (*g*)	,,	10,440	35,436	15,744	14,268	8,584	10,427	709
17. Motor vehicles	,,	52,116	72,588	78,264	97,584	89,148	86,452	8,186
18. Electric motors	000's	1,22	2,66	2,75	3,45‡	2,77	2,96	20
19. Power transformers	000 k.v.a.	12,82	43,16	50,50	70,99	87,85	96,66	7,68
20. Machine tools	Rs. lakhs	6,69	28,06	28,93	39,44	51,87	62,35	4,85
III. Intermediate Goods Industries								
21. Cotton spinning	00,000 kgs.	78,79	93,92	96,51	96,02	88,09	97,26	8,27
22. Woollen/worsted yarn@	,,	1,27	1,81	1,89	1,96	2,11	2,28	19
23. Jute manufactures (*h*)	000 Metric tons	11,08	13,36	8,71	9,54	10,81	11,11	1,07
(i) Hessian (*i*)	,,	4,30	5,29	2,87	3,50	3,20	3,32	32
(ii) Sacking	,,	5,50	5,90	3,07	4,19	4,83	4,83	46
24. Tyres (Automobiles)	000's	13,62	23,54	36,29	36,55	41,90	44,05	4,51
25. Paints and varnishes	000 Metric tons	52	71	62	66	68	75	6
26. Petroleum refinery products	,,	57,47	91,20	1,61,40	1,70,86	1,82,64	1,82,29	16,22
27. Synthetic fibres (*j*)	,,	45	82	1,16	1,21‡	1,23	1,39	11
IV. Consumer Goods Industries								
28. Sugar (refined) (*k*)	000 Metric tons	24,73	32,60	35,60	42,84	37,44	34,30	5,97
29. Tea (*l*)	00,000 kgs.	32,11	36,60	34,68	41,16	44,10	45,07	1,27
30. Hydrogenated oil (vanaspati)	000 Quintals	33,77	42,96	48,24	52,20	59,01	60,23	5,05
31. Cigarette manufacturing	00,00,000's	36,97	54,04	59,65	62,17	65,80	61,77	5,85
32. Cotton weaving								
(i) Mill sector	00,000 Metres	4,61,62	4,58,76	4,16,88	4,15,71	3,95,68	4,23,06	36,75
(ii) Decentralised sector	000,000 ,,	20,16	30,60	35,38	36,92‡	33,99	37,79	3,15
33. Woollen/worsted fabrics (*m*)@	000 ,,	76,04	98,66	1,25,27	1,33,92	1,58,43	1,95,00	16,25
34. Footwear (Leather)	00,000 pairs	92	1,57	1,67	1,55	1,59	1,38	15
35. Footwear (Rubber)	,,	4,46	5,30	4,93	4,48	4,36	4,36	42
36. Paper and paper boards	000 Metric tons	3,45	5,37	7,07	7,59	7,77	7,51	69
37. Matches	Million sticks	28,93,68	26,74,20	27,83,28	25,46,16	23,19,88	21,38,06	1,97,57
38. Soap (*n*)	000 Metric tons	1,43	1,69	2,24	2,32	2,61	2,94	23
39. Enamelware	000 pieces	1,41,49	4,07,88	3,01,32	3,57,24	1,44,24	2,08,64	18,54
40. Bicycles	000's	10,50	15,36	19,20	20,52	18,92	22,46	1,61

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.

* Estimated.

@ Due to non-availability of production data, figure for the month of September 1971 has been repeated for all the subsequent months.

† Due to non-availability of data, figure for the previous month has been repeated.

PRODUCTION

1972‡											
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
8	9	10	11	12	13	14	15	16	17	18	19
65,60	62,90	66,40	64,70	65,32	64,70	63,65	63,95	64,40	63,60	63,80	69,90
33,24	31,57	21,07	29,05	28,41	21,45	21,69	23,71	24,16	29,89	31,75	34,79
25	44	70	1,10	1,22	1,35	28	21	18	31	18	30
82	96	81	88	82	94	93	1,13	1,01	1,00	93	1,08
36	32	32	32	32	32	32	32	32	34	33	35
13,46	12,80	13,54	12,65	13,96	12,82	13,64	9,29	12,83	13,94	14,18	14,43
14	14	11	7	7	7	8	9	10	11	10	11
6,25	5,88	6,24	6,15	5,67	5,12	6,01	6,23	6,15	6,48	6,64	6,64†
4,34	4,13	5,02	3,70	3,68	3,44	3,92	3,96	4,29	4,17	4,22	4,22†
1,648	1,447	1,422	1,505	1,268	1,405	1,519	1,435	1,547	1,656	1,684	2,225
293	285	266	256	297	285	299	271	262	241	297	238
3,601	3,917	4,309	3,849	3,863	4,102	4,406	4,427	4,255	4,517	3,627	5,043
1,152	1,188	1,499	1,568	1,392	1,368	1,418	1,483	1,351	1,308	1,467	1,387
5,40,70	5,14,10	5,52,50	5,44,30	5,46,20	5,35,90	5,27,50	5,35,00	5,29,90	5,35,70	5,23,70	5,23,70†
3,263	4,996	4,369	4,952	5,312	4,930	5,562	5.991	7,156	7,552	9,631	10,569
668	923	864	817	869	1,055	1,049	1,017	805	683	835	842
7,616	7,550	9,014	5,882	5,965	6,554	7,176	7,222	5,594	7,262	7,919	8,698
25	22	26	21	23	28	23	26	25	25	25	27
7,84	8,31	9,98	6,15	7,76	6,89	4,64	5,63	8,70	6,29	15,95	8,52
4,95	5,14	5,33	5,14	4,90	4,98	5,11	5,83	5,13	5,16	5,29	5,39
8,16	7,27	7,70	7,83	8,15	8,12	8,43	8,65	8,54	8,17	7,70	8,54*
19	19	19	19	19	19	19	19	19	19	19	19
1,00	94	1,04	1,00	95	87	90	89	92	80	89	91
30	27	29	28	26	25	26	26	29	26	30	30
44	41	46	44	41	38	40	39	40	35	37	38
3,77	3,78	3,79	3,20	3,21	3,81	4,11	3,86	3,95	3,36	3,50	3,71
6	6	6	6	6	6	6	7	6	7	6	7
16,34	14,92	15,67	14,25	15,47	14,38	14,28	15,44	15,29	15,18	14,84	16,23
11	11	12	11	11	11	12	12	12	12	12	12
7,61	6,89	4,84	1,94	51	14	16	20	28	1,04	4,03	6,66
50	62	62	2,42	3,62	5,97	5,89	6,65	6,79	6,22	4,21	1,56
5,34	5,06	5,53	4,31	5,05	4,76	5,09	5,02	5,28	5,20	4,60	4,99
5,57	5,42	5,71	4,87	4,32	4,66	5,40	5,21	5,16	4,99	4,91	5,55
35,38	32,70	35,47	34,57	35,92	35,40	36,56	37,23	35,76	35,19	33,06	35,82*
3,45	2,59	2,83	3,11	3,29	3,31	3,44	3,32	3,12	3,17	2,95	3,21
16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25
11	12	15	13	12	13	12	14	12	5	11	8
33	48	42	37	37	35	33	38	36	24	40	33
70	69	69	68	61	58*	56	52*	56	62*	64*	66*
1,85,67	1,76,39	1,84,93	1,93,91	2,07,41	2,09,05	2,08,17	1,89,79	1,51,21	1,26,70	1,40,66	1,64,17
27	23	29	28	22	23	27	23	21	24	23	24
18,80	18,34	18,10	17,60	17,50	16,90	16,66	18,04	17,90	16,20	15,70	16,90
1,43	1,60	1,72	1,90	2,11	2,05	1,83	2,03	2,02	1,79	1,79	2,19

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
1971-72	847	317	1,473	..	..	2,595	1,000	245	15,320	18,260
July 1971 ..	835	340	791	9,452	..	1,638	2,234	358	10,880	13,000
December ,, ..	..	..	1,290	..	..	1,720	1,186	250	17,321	23,880
January 1972 ..	787	247	1,412	..	..	2,814	1,628	228	14,871	20,850
February ,, ..	910	276	1,452	..	..	2,658	2,012	228	14,744	10,370
March ,, ..	1,037	297	1,473	..	..	2,595	2,165	245	15,320	18,260
April ,, ..	1,169	306	1,403	..	..	2,553	2,034	301	13,771	25,980
May ,, ..	1,365	311	1,263	..	..	2,583	1,758	369	7,728	24,590
June ,, ..	1,471	322	1,130	..	..	2,527	1,440	463	8,568	20,920
July ,, ..	1,475	340	952	..	..	2,562	1,140	451	13,099	20,810

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	3,956	440	285	136	96	165	2,545	240
1971-72	1,345	24,261	5,274	801	279	135	141	165	1,840	250
July 1971 ..	1,798	..	3,977	800	258	160	145	150	2,128	190
December ,, ..	715	..	5,152	681	292	134	176	177	2,300	527
January 1972 ..	1,799	27,468	5,438	898	331	135	180	206	2,400	240
February ,, ..	1,852	23,273	5,005	965	311	134	160	207	2,400	245
March ,, ..	1,345	24,261	5,274	801	279	135	141	165	1,840	250
April ,, ..	2,333	..	5,116	911	256	136	150	162	2,376	182
May ,, ..	5,228	..	4,341	957	246	136	160	178	2,409	189
June ,, ..	9,018	..	5,149	1,075	232	136	188	163	2,200	195
July ,, ..	7,865	..	5,323	1,134	243	136	160	170	3,800	161

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 consump-

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	110	38	39	3,791	25,000	56	102	28,197	7,994	546	10,365	8,200
..	..	24	40	3,972	22,000	58	91	33,105	12,000	517	11,100	10,000
113	163	29	44	3,491	20,000	60	131	35,024	8,600	745	9,024	8,730
..	..	30	57	4,731	19,000	60	84	29,480	9,000	472	12,900	9,500
..	..	28	58	4,612	20,000	52	97	34,032	11,500	433	12,000	9,000
..	..	29	46	4,069	21,000	56	98	33,416	11,400	553	13,500	9,500
..	..	24	40	3,972	22,000	58	91	33,105	12,000	517	11,100	10,000
..	..	22	31	3,864	23,000	60	99	31,050	11,400	603	7,000	9,500
178	324	22	34	3,966	20,000	61	101	30,901	12,000	537	7,000	9,000
170	339	21	34	3,926	21,000	59	98	82,499	10,000	342	..	10,000
145	362	22	41	4,335	22,000	68	111	84,225	10,000	246	..	9,000

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	1,302	122
1,057	162	200	8,691	23,000	75	19	3,549	135	5,416	1,981	154
985	201	210	13,266	19,748	66	43	4,319	201	5,758	2,969	66
1,320	176	179	14,268	26,302	63	33	2,959	210	16,658	3,702	150
1,200	318	210	10,752	7,962	58	33	3,739	200	12,596	4,133	113
1,082	287	200	10,915	28,063	58	29	4,010	184	6,533	2,525	162
1,057	162	200	8,691	23,000	75	19	3,549	135	5,416	1,981	154
1,200	260	180	7,614	22,411	138	28	4,111	129	5,808	2,820	121
1,721	240	185	7,225	21,824	126	23	4,125	197	5,263	3,261	136
1,400	50	185	7,139	23,453	129	34	4,656	208	4,776	6,261	171
1,804	30	170	7,636	24,021	123	51	4,919	280	12,369	3,535	177

tion 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	Ahmedabad	Alwaye	Asansol	Bangalore	Bhavnagar	Bombay (*a*)	Calcutta	Coimbatore (*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	163	199	189
1971-72	**192**	181	202	194	194	194	190	187	177	211	188
1972-73	**207**	198	215	206	212	217	203	197	189	222	198
Monthly Indices											
March 1972	**194**	184	205	198	197	200	193	185	180	213	190
April „	**195**	185	205	198	198	199	195	187	180	213	189
May „	**196**	185	209	200	199	201	196	190	183	212	191
June „	**201**	187	213	202	203	202	201	194	184	216	194
July „	**205**	190	219	206	205	206	203	194	185	220	200
August „	**207**	192	218	210	208	210	199	198	188	223	199
September „	**208**	192	215	210	210	212	203	202	187	222	198
October „	**209**	198	218	211	214	216	203	204	188	223	198
November „	**210**	200	218	209	219	219	202	205	192	222	199
December „	**210**	207	217	206	221	228	204	200	193	224	201
January 1973	**210**	211	211	205	223	232	205	195	193	226	198
February „	**213**	215	213	207	222	238	208	197	194	227	202
March „	**216**	219	219	212	228	244	212	200	197	231	207

Year/Month	Gwalior	Howrah	Hyderabad	Jamshedpur	Madras (*b*)	Madurai (*b*)	Monghyr	Mundakayam	Nagpur (*a*)	Saharanpur	Sholapur (*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	162	188	191	176	181	176
1970-71	191	186	189	183	170	183	205	197	187	186	185
1971-72	197	191	195	187	182	192	204	199	192	196	198
1972-73	214	206	211	202	203	206	225	210	203	213	216
Monthly Indices											
March 1972	201	194	196	188	186	193	208	197	194	204	194
April „	201	192	198	190	189	193	210	201	195	204	194
May „	201	197	201	191	193	197	207	202	197	203	192
June „	207	204	203	197	197	197	222	207	201	209	200
July „	216	205	207	200	201	202	227	214	203	214	206
August „	218	208	207	205	200	201	234	216	204	214	211
September „	215	210	210	207	199	201	232	213	204	211	214
October „	213	212	212	210	203	205	234	212	204	212	218
November „	214	211	216	207	207	210	229	213	205	210	224
December „	217	209	215	200	211	219	221	214	205	215	229
January 1973	220	205	215	200	211	219	223	210	204	220	229
February „	222	206	220	206	211	215	228	209	206	220	232
March „	230	211	224	209	212	209	232	211	207	222	240

(*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, Coimbatore and Madurai have been estimated from the old series on Base : July 1935-June 1936 = 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
1972-73	**192**	183	190	180	204	195	194	185	188	205	199	200	198	196	204	194	183
Monthly Indices																	
March 1972	**184**	174	188	174	195	183	185	181	178	197	191	197	189	187	194	189	174
April „	**185**	177	188	174	196	184	187	177	179	196	193	197	190	186	192	191	179
May .. „	**185**	178	188	176	195	185	188	178	178	196	193	197	190	188	191	191	180
June .. „	**189**	183	189	179	198	188	189	182	180	200	195	196	192	195	203	191	181
July .. „	**192**	186	192	181	200	191	190	186	183	204	198	199	195	198	207	195	184
August .. „	**192**	182	190	182	201	192	190	186	183	207	200	199	198	198	205	196	183
September „	**193**	180	190	183	202	194	191	186	184	207	200	201	197	198	208	198	184
October .. „	**194**	186	190	184	204	196	193	186	187	206	201	202	198	200	206	194	185
November „	**194**	184	189	182	207	198	195	185	190	205	203	202	201	201	208	193	186
December .. „	**194**	184	189	181	209	200	197	185	193	208	202	202	203	198	208	193	184
January .. 1973	**195**	184	190	180	210	202	198	186	194	208	199	203	205	196	208	193	183
February .. „	**196**	186	192	180	211	204	201	190	198	210	202	201	205	196	208	193	185
March .. „	**199**	191	193	181	213	206	204	193	203	214	203	203	206	198	210	198	186

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
1972-73	**207.0**	**239.6**	247.6	229.3	329.9	217.8	229.0	231.2
March 1972 ..	**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	221.8	196.2
May „ ..	**193.2**	**219.0**	224.3	211.4	281.9	213.1	226.1	190.3
June „ ..	**197.9**	**227.8**	234.1	217.0	311.0	205.3	236.1	201.6
July „ ..	**202.5**	**236.1**	243.0	225.2	323.3	233.6	225.5	214.1
August „ ..	**207.5**	**245.0**	252.0	234.3	332.1	233.1	225.7	222.0
September „ ..	**208.1**	**244.8**	253.4	236.4	330.2	219.6	225.2	228.7
October „ ..	**210.4**	**247.4**	254.5	235.8	338.4	223.4	239.6	233.2
November „ ..	**210.6**	**244.5**	253.1	230.5	355.1	223.6	231.1	242.1
December „ ..	**211.4**	**244.0**	251.7	228.3	357.1	210.9	226.4	247.9
January 1973 ..	**213.2**	**245.5**	255.6	235.9	344.2	209.8	223.8	252.7
February „ ..	**217.4**	**251.1**	261.4	242.9	345.1	221.9	231.5	269.7
March „ ..	**219.9**	**253.3**	265.9	244.8	361.0	225.8	233.9	275.8
April „ ..	**223.1**	**256.8**	266.2	245.4	359.7	225.4	244.5	287.0
May „ ..	**232.1**	**271.6**	273.5	251.2	374.0	266.9	254.7	312.9
June „ ..	**239.1**	**282.6**	279.6	258.1	376.6	274.9	270.6	324.7
Last week ended Saturday of								
March 1972 ..	**192.3**	**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	232.0	192.7
May „ ..	**194.2**	**221.6**	226.6	212.7	288.9	206.9	230.7	190.8
June „ ..	**198.8**	**229.3**	237.0	219.8	314.2	206.0	227.8	205.6
July „ ..	**205.8**	**241.5**	247.4	228.4	333.3	240.7	227.4	221.2
August „ ..	**206.8**	**243.7**	251.4	234.8	326.3	237.0	222.1	220.5
September „ ..	**207.9**	**244.5**	253.7	236.2	332.2	199.3	224.8	231.4
October „ ..	**210.6**	**246.5**	253.5	233.4	343.8	231.3	236.5	234.7
November „ ..	**211.3**	**244.0**	254.1	229.6	364.5	217.8	226.3	251.3
December „ ..	**211.0**	**242.9**	251.9	230.4	348.5	206.9	219.1	246.5
January 1973 ..	**214.5**	**247.2**	257.6	239.7	338.0	213.0	230.9	255.2
February „ ..	**219.1**	**253.7**	266.9	245.9	361.3	232.9	236.5	277.7
March „ ..	**218.4**	**250.4**	262.8	242.8	353.0	221.5	233.6	272.8
April „ ..	**226.2**	**261.0**	269.0	247.0	368.2	239.0	245.4	299.3
May „ ..	**233.9**	**275.4**	274.6	253.4	370.0	280.0	250.4	313.5
June „ ..	**242.0**	**284.8**	282.4	259.7	385.1	282.6	262.7	337.9

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
221.7	172.0	187.6	**184.9**	**161.8**	**197.3**	178.4	230.2	137.1	166.8
241.4	218.0	168.2	**194.8**	**172.1**	**191.0**	183.7	208.6	138.8	172.6
284.0	280.6	165.3	**232.9**	**180.1**	**203.4**	167.3	237.3	142.0	200.7
262.8	248.0	159.6	**203.9**	**176.0**	**182.0**	164.2	202.4	135.5	174.8
257.1	247.6	160.8	**216.5**	**177.7**	**175.5**	153.0	196.1	135.5	175.1
262.4	249.3	163.1	**217.8**	**178.1**	**173.4**	151.6	191.2	138.7	177.4
278.1	262.6	162.3	**216.1**	**177.2**	**182.4**	156.0	206.4	150.2	180.0
283.1	277.7	169.5	**223.1**	**178.9**	**189.0**	157.8	220.7	143.7	180.0
289.0	308.0	165.8	**235.5**	**178.7**	**192.9**	160.5	227.3	131.7	182.5
278.6	308.8	162.6	**240.6**	**178.7**	**197.8**	164.6	231.8	149.3	187.8
268.1	307.6	163.2	**239.3**	**180.2**	**205.5**	166.1	238.9	142.5	209.3
273.7	289.4	163.9	**239.3**	**181.4**	**213.2**	175.7	246.1	142.5	216.2
291.6	286.6	166.9	**239.6**	**181.4**	**218.0**	178.5	253.9	142.5	218.6
312.6	280.6	166.1	**240.7**	**184.3**	**222.5**	182.2	262.5	142.5	216.1
315.4	274.5	168.7	**241.8**	**184.7**	**233.3**	181.4	282.2	142.5	228.7
297.7	274.5	170.2	**246.1**	**187.5**	**237.9**	180.3	290.0	142.5	236.8
298.3	271.7	178.2	**244.9**	**187.5**	**244.7**	187.5	299.0	143.1	238.9
322.0	290.5	185.5	**247.4**	**187.8**	**267.1**	201.7	334.7	144.7	249.4
385.0	296.4	191.6	**245.2**	**189.3**	**282.5**	206.6	357.2	144.9	269.6
256.2	253.2	163.2	**209.1**	**178.1**	**178.5**	155.5	200.9	135.5	175.0
254.2	247.2	158.8	**217.4**	**177.7**	**174.5**	152.7	194.0	135.5	175.0
282.2	252.6	161.9	**216.4**	**178.2**	**173.9**	151.9	191.7	138.7	178.1
280.3	268.0	164.0	**215.5**	**177.2**	**184.4**	156.3	210.8	150.2	180.1
278.2	294.6	168.3	**230.0**	**178.9**	**193.5**	161.2	228.2	143.7	180.5
288.6	306.1	163.1	**239.7**	**178.7**	**192.2**	159.1	225.6	131.7	184.5
273.2	312.8	163.6	**240.8**	**178.8**	**197.3**	163.6	230.6	149.3	189.3
269.2	302.2	163.2	**239.8**	**180.3**	**209.5**	170.7	242.8	142.5	213.0
276.3	281.9	165.2	**239.5**	**181.3**	**218.5**	177.5	255.7	142.5	218.6
310.2	284.3	165.1	**241.7**	**181.4**	**216.5**	176.2	253.3	142.5	216.3
309.0	277.2	167.6	**240.9**	**184.4**	**226.4**	183.4	270.2	142.5	217.0
282.4	274.3	167.8	**242.9**	**184.7**	**235.5**	180.5	286.1	142.5	233.2
284.5	270.0	171.9	**249.1**	**187.6**	**234.8**	183.2	280.4	142.5	237.1
285.4	275.4	184.9	**245.0**	**187.5**	**253.9**	191.2	316.2	144.7	241.5
360.7	296.4	189.5	**248.1**	**187.5**	**269.5**	201.8	337.0	144.7	256.4
384.4	299.1	193.0	**246.1**	**190.1**	**295.4**	211.5	377.7	144.9	281.5

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**
1972-73		**200.6**	**168.2**	170.8	180.0	148.2	**176.7**	**212.3**
March	1972	**198.7**	**162.6**	163.3	171.3	146.9	**172.8**	**206.6**
April	„	**198.8**	**165.4**	170.0	173.4	148.2	**173.4**	**205.3**
May	„	**200.3**	**165.9**	170.0	173.7	147.7	**173.3**	**204.2**
June	„	**200.5**	**166.0**	169.3	174.5	147.5	**173.7**	**203.8**
July	„	**198.7**	**166.8**	170.2	176.0	147.5	**173.8**	**204.3**
August	„	**198.6**	**167.1**	170.3	176.6	147.4	**175.5**	**209.7**
September	„	**199.2**	**167.7**	171.0	177.4	147.4	**175.1**	**209.7**
October	„	**199.2**	**168.4**	171.0	178.8	147.4	**175.8**	**209.8**
November	„	**202.0**	**169.6**	171.0	180.9	148.1	**176.9**	**214.3**
December	„	**202.0**	**169.6**	171.4	180.6	148.1	**178.1**	**217.1**
January	1973	**202.2**	**170.0**	171.8	180.6	149.2	**179.5**	**218.5**
February	„	**202.4**	**170.3**	171.7	180.9	149.9	**181.3**	**222.1**
March	„	**206.0**	**171.1**	171.9	182.4	150.0	**183.5**	**228.2**
April	„	**208.4**	**172.5**	175.3	183.7	150.0	**186.2**	**232.6**
May	„	**209.2**	**172.9**	175.6	184.2	150.0	**186.6**	**231.4**
June	„	**209.4**	**175.1**	175.7	188.8	150.0	**187.9**	**232·6**
Last week ended Saturday of								
March	1972	**198.8**	**162.8**	163.7	171.5	146.4	**173.4**	**207.7**
April	„	**198.8**	**165.5**	170.0	173.4	147.3	**173.3**	**203.7**
May	„	**200.5**	**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**
July	„	**198.3**	**166.9**	170.2	176.2	147.4	**174.9**	**208.2**
August	„	**199.2**	**167.5**	170.3	177.3	147.4	**174.9**	**209.4**
September	„	**199.2**	**167.7**	171.0	177.4	147.4	**175.1**	**208.9**
October	„	**199.2**	**169.3**	171.0	180.7	147.4	**175.8**	**210.6**
November	„	**202.0**	**169.6**	171.0	180.9	148.1	**177.5**	**216.8**
December	„	**202.0**	**169.6**	171.7	180.6	148.1	**178.7**	**217.7**
January	1973	**202.2**	**170.1**	171.8	180.6	149.9	**179.9**	**220.1**
February	„	**202.4**	**170.4**	171.7	181.1	150.0	**182.2**	**223.9**
March	„	**208.4**	**171.6**	172.1	183.3	150.0	**183.4**	**229.0**
April	„	**208.4**	**172.6**	175.6	183.7	150.0	**187.1**	**234.4**
May	„	**209.2**	**173.6**	175.6	185.6	150.1	**186.3**	**231.2**
June	„	**209.5**	**175.7**	175.9	189.8	149.9	**188.9**	**237.4**

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	Miscellaneous 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	175.6	150.8	150.2	96.8	157.1	129.8	179.2	123.6
168.0	169.3	197.7	160.1	155.5	99.3	159.3	137.5	228.7	124.3
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	136.9	178.1	124.2
165.8	170.8	191.0	157.3	154.2	98.0	159.3	137.3	182.1	124.2
166.4	170.2	194.2	157.4	154.5	99.1	159.3	137.3	193.3	124.2
166.4	169.4	195.3	157.7	154.4	99.1	159.3	137.3	199.5	124.2
167.2	168.3	200.0	161.9	154.9	99.1	159.3	137.3	203.9	124.2
166.7	166.9	200.0	161.9	155.2	99.1	159.3	137.3	208.7	124.1
167.5	168.0	200.0	161.7	155.0	99.1	159.3	137.3	219.5	124.3
167.9	167.3	200.0	161.7	155.8	100.1	159.3	137.3	238.2	124.3
168.6	167.8	199.3	161.6	156.5	100.1	159.3	137.3	253.9	124.4
170.0	169.1	199.2	161.1	156.7	100.1	159.3	137.3	278.3	124.4
171.4	170.6	199.3	161.2	157.0	100.1	159.3	137.3	298.2	124.5
172.6	171.7	203.7	161.5	158.1	100.1	159.3	139.6	290.5	124.5
174.9	176.2	204.3	161.8	159.1	100.1	159.8	139.6	286.4	124.6
175.7	176.5	204.3	162.3	159.2	100.1	160.6	139.6	303.2	124.7
177.0	176.6	206.1	165.2	160.2	102.6	161.3	140.6	316.6	129.5
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	137.3	180.7	124.2
165.4	169.9	191.0	157.4	154.3	98.0	159.3	137.3	182.3	124.2
166.4	170.0	194.2	157.4	154.5	99.1	159.3	137.3	195.6	124.2
166.8	169.2	196.9	157.6	154.6	99.1	159.3	137.3	205.3	124.2
166.5	167.1	200.0	161.5	155.0	99.1	159.3	137.3	202.5	124.2
166.9	167.1	200.0	162.0	155.2	99.1	159.3	137.3	212.1	124.1
167.4	167.2	200.0	161.7	155.0	99.1	159.3	137.3	227.9	124.3
168.0	167.0	200.0	161.6	155.9	100.1	159.3	137.3	246.5	124.3
169.2	168.2	199.3	161.5	156.5	100.1	159.3	137.3	266.2	124.4
170.1	169.1	199.3	161.2	156.7	100.1	159.3	137.3	280.5	124.4
172.1	171.5	199.3	161.4	157.1	100.1	159.3	137.3	304.9	124.5
172.4	171.8	203.7	161.6	159.1	100.1	159.3	139.6	278.0	124.5
175.6	177.1	204.3	162.3	159.1	100.1	159.8	139.6	295.1	124.6
175.5	175.8	204.3	162.3	159.2	100.1	161.3	139.6	305.9	124.8
177.1	175.5	206.1	165.9	161.1	104.2	161.3	140.6	331.4	129.5

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	1972-73	(3) over (2)	(4) over (3)	(5) over (4)	(6) over (5)
	1	2	3	4	5	6	7	8	9	10
I. All Commodities	**1000**	**131.6**	**171.6**	**181.1**	**188.4**	**207.0**	*+30·4*	*+ 5·5*	*+ 4·0*	*+ 9·9*
Agricultural Commodities @	332	141.7	194.8	201.0	199.6	219.7	*+37·5*	*+ 3·2*	*— 0·7*	*+10·1*
II. Food Articles	**413**	**144.6**	**196.8**	**203.9**	**210.3**	**239.6**	*+36·1*	*+ 3·6*	*+ 3·1*	*+13·9*
Foodgrains	147.85	154.3	208.2	206.8	214.9	247.6	*+34·9*	*— 0·7*	*+ 3·9*	*+15·2*
(*a*) Cereals	121.01	146.2	201.3	199.5	202.3	229.3	*+37·7*	*— 0·9*	*+ 1·4*	*+13·3*
1. Rice	66.91	136.7	196.5	201.3	204.3	231.2	*+43·7*	*+ 2·4*	*+ 1·5*	*+13·2*
2. Wheat	32.21	149.2	214.8	208.6	208.1	222.5	*+44·0*	*— 2·9*	*— 0·2*	*+ 6·9*
3. Jowar	9.09	167.3	192.4	190.2	210.4	241.8	*+15·0*	*— 1·1*	*+10·6*	*+14·9*
(*b*) Pulses	26.84	191.0	239.1	240.0	271.7	329.9	*+25·2*	*+ 0·4*	*+13·2*	*+21·4*
1. Gram	10.74	198.2	269.5	229.4	236.3	302.3	*+36·0*	*—14·9*	*+ 3·0*	*+27·9*
(*c*) Fruits and vegetables	23.54	139.8	182.7	199.9	204.3	217.8	*+30·7*	*+ 9·4*	*+ 2·2*	*+ 6·6*
(*d*) Milk and milk products	60.71	141.5	202.3	215.3	218.5	229.0	*+43·0*	*+ 6·4*	*+ 1·5*	*+ 4·8*
(*e*) Edible oils	53.69	150.8	206.1	232.2	203.1	231.2	*+36·7*	*+12·7*	*—12·5*	*+13·8*
(*f*) Fish, eggs & meat	20.24	174.7	198.5	221.7	241.4	284.0	*+13·6*	*+11·7*	*+ 8·9*	*+17·6*
(*g*) Sugar & allied products	64.84	132.1	173.1	172.0	218.0	280.6	*+31·0*	*— 0·6*	*+26·7*	*+28·7*
1. Sugar	36.76	122.1	157.2	157.3	170.5	210.4	*+28·7*	*+ 0·1*	*+ 8·4*	*+23·4*
2. Gur	24.37	145.1	192.6	194.6	292.3	383.4	*+32·7*	*+ 1·0*	*+50·2*	*+31·2*
(*h*) Others	42.13	114.8	180.4	187.6	168.2	165.3	*+57·1*	*+ 4·0*	*—10·3*	*— 1·7*
1. Tea	19.41	104.3	109.3	116.9	138.7	130.5	*+ 4·8*	*+ 7·0*	*+18·6*	*— 5·9*
2. Coffee	2.48	132.8	163.4	210.4	156.9	166.2	*+23·0*	*+28·8*	*—25·4*	*+ 5·9*
3. Spices & condiments	11.98	135.4	340.8	333.1	247.0	264.1	*+151·7*	*— 2·3*	*—25·8*	*+ 6·9*
III. Liquor and Tobacco	**25**	**133.2**	**195.0**	**184.9**	**194.8**	**232.9**	*+46·4*	*— 5·2*	*+ 5·4*	*+19·6*
1. Tobacco raw	12.02	134.7	190.2	154.6	151.0	215.9	*+41·2*	*—18·7*	*— 2·3*	*+43·0*
IV. Fuel, Power, Light & Lubricants	**61**	**124.1**	**155.1**	**161.8**	**172.1**	**180.1**	*+25·0*	*+ 4·3*	*+ 6·4*	*+ 4·6*
(*a*) Coal	13.05	121.8	166.0	167.9	170.9	176.8	*+36·3*	*+ 1·1*	*+ 1·8*	*+ 3·5*
(*b*) Mineral oils	30.20	125.0	150.1	157.3	171.5	179.7	*+20·1*	*+ 4·8*	*+ 9·0*	*+ 4·8*
1. Kerosene oil	8.48	146.6	172.1	176.6	186.0	202.9	*+17·4*	*+ 2·6*	*+ 5·3*	*+ 9·1*
2. Petrol	9.15	127.0	160.0	175.5	204.5	213.2	*+26·0*	*+ 9·7*	*+16·5*	*+ 4·3*
(*c*) Electricity	13.36	124.9	143.9	150.2	154.0	158.9	*+15·2*	*+ 4·4*	*+ 2·5*	*+ 3·2*
V. Industrial Raw Materials	**121**	**132.8**	**180.1**	**197.3**	**191.0**	**203.4**	*+35·6*	*+ 9·6*	*— 3·2*	*+ 6·5*
(*a*) Fibres	41.14	118.1	155.5	178.4	183.7	167.3	*+31·7*	*+14·7*	*+ 3·0*	*— 8·9*
1. Cotton raw	22.38	118.8	170.9	209.1	222.5	176.0	*+43·9*	*+22·4*	*+ 6·4*	*—20·9*
2. Jute raw	5.81	131.6	144.1	145.4	138.6	158.4	*+ 9·5*	*+ 0·9*	*— 4·7*	*+14·3*

(*b*) Oil seeds	**52.39**	154.4	208.5	230.2	208.6	237.3	+35·0	+10·4	— 9·4	+13·8
1. Groundnuts	**25.17**	141.8	199.3	214.8	197.4	242.3	+40·6	+ 7·8	— 8·1	+22·7
2. Copra	**6.66**	199.0	232.0	299.2	228.0	236.9	+16·6	+29·0	—23·8	+ 3·9
(*c*) Minerals	**3.51**	108.0	136.3	137.1	138.8	142.0	+26·2	+ 0·6	+ 1·2	+ 2·3
1. Iron ore	**1.09**	67.3	113.9	109.1	104.2	111.1	+69·2	— 4.2	— 4·5	+ 6·6
2. Manganese ore	**0.85**	95.5	121.8	114.7	127.7	128.1	+27·5	— 5·8	+11·3	+ 0·3
3. Mica	**1.33**	147.8	168.0	173.2	173.2	173.2	+13·7	+ 3·1	—	—
(*d*) Others	**23.96**	114.8	161.6	166.8	172.6	200.7	+40·8	+ 3·2	+ 3·5	+16·3
1. Sugarcane	**13.43**	115.7	170.9	170.7	171.3	187.0	+47·7	— 0·1	+ 0·4	+ 9·2
VI. Chemicals	**7**	**125.9**	**183.8**	**188.0**	**197.0**	**200.6**	+46·0	+ 2·3	+ 4·8	+ 1·8
1. Caustic soda	**2.09**	126.7	141.9	149.9	156.9	169.3	+12·0	+ 5·6	+ 4·7	+ 7·9
2. Sulphuric acid	**1.16**	138.3	244.8	227.7	242.5	250.7	+77·0	— 7·0	+ 6·5	+ 3·4
VII. Machinery and Transport Equipment	**79**	**117.7**	**136.3**	**148.0**	**159.0**	**168.2**	+15·8	+ 8·6	+ 7·4	+ 5·8
(*a*) Electrical machinery	**18.80**	121.7	134.4	147.1	158.8	170.8	+10·4	+ 9·4	+ 8·0	+ 7·6
(*b*) Non-electrical machinery	**38.71**	117.5	138.9	154.8	167.2	180.0	+18·2	+11·4	+ 8·0	+ 7·7
1. Tools and implements	**4.11**	119.9	142.4	161.6	175.9	192.1	+18·8	+13·5	+ 8·8	+ 9·2
(*c*) Transport equipment	**21.49**	114.7	133.5	136.6	144.3	148.2	+16·4	+ 2·3	+ 5·6	+ 2·7
1. Vehicles	**19.43**	116.0	135.5	138.4	146.2	150.9	+16·8	+ 2·1	+ 5·6	+ 3·2
VIII. Manufactures	**294**	**118.1**	**143.5**	**154.9**	**167.1**	**176.7**	+21·5	+ 7·9	+ 7·9	+ 5·7
A. Intermediate products	**57.33**	124.8	160.1	178.7	196.7	212.3	+28·3	+11·6	+10·1	+ 7·9
(*a*) Textile yarn	**25.58**	105.8	133.2	154.5	181.0	182.8	+25·9	+16·0	+17·2	+ 1·0
1. Cotton yarn	**17.05**	112.8	145.1	173.7	207.2	206.6	+28·6	+19·7	+19·3	— 0·3
2. Rayon yarn	**6.47**	90.2	101.8	108.9	123.6	130.2	+12·9	+ 7·0	+13·5	+ 5·3
3. Coir yarn	**2.06**	96.9	133.6	138.7	144.3	150.3	+37·9	+ 3·8	+ 4·0	+ 4·2
(*b*) Leather	**5.00**	104.2	133.3	133.1	159.2	223.0	+27·9	— 0·2	+19·6	+40·1
(*c*) Metals	**24.40**	146.6	188.7	207.4	217.7	239.1	+28·7	+ 9·9	+ 5·0	+ 9·8
1. Pig iron	**2.06**	131.9	181.6	200.2	200.2	200.2	+37·7	+10·2	—	—
B. Finished products	**236.67**	116.5	139.5	149.2	159.9	168.0	+19·7	+ 7·0	+ 7·2	+ 5·1
(*a*) Textiles	**113.48**	115.6	137.9	150.4	166.8	169.3	+19·3	+ 9·1	+10·9	+ 1·5
1. Cotton manufactures	**78.79**	114.4	133.8	146.1	161.6	165.8	+17·0	+ 9·2	+10·6	+ 2·6
(*i*) Mill cloth	**55.86**	108.4	130.4	139.4	156.7	162.8	+20·3	+ 6·9	+12·4	+ 3·9
(*ii*) Handloom cloth	**22.93**	129.2	142.1	162.5	173.4	172.9	+10·0	+14·4	+ 6·7	— 0·3
2. Jute manufactures	**23.81**	118.6	154.5	170.7	193.9	188.8	+30·3	+10·5	+13·6	— 2·6
3. Silk & rayon manufactures	**7.64**	105.3	114.6	118.5	126.6	128.9	+ 8·8	+ 3·4	+ 6·8	+ 1·8
(*b*) Metal products	**38.22**	121.3	151.1	164.2	175.6	197.7	+24·6	+ 8·7	+ 6·9	+12·6
1. Iron and steel	**35.87**	120.7	151.1	163.5	174.5	197.5	+25·2	+ 8·2	+ 6·7	+13·2
(*c*) Chemical products	**27.05**	109.4	136.9	145.7	150.2	155.5	+25·1	+ 6·4	+ 3·1	+ 3·5
1. Fertilizers	**5.29**	97.1	132.9	135.6	135.6	143.0	+36·9	+ 2·0	—	+ 5·5
2. Drugs and medicines	**10.29**	105.2	130.1	142.6	148.7	148.7	+23·7	+ 9·6	+ 4·3	—
(*d*) Leather products	**8.82**	98.1	95.2	92.1	96.8	99.3	— 3·0	— 3·3	+ 5·1	+ 2·6
(*e*) Rubber products	**10.00**	124.4	156.7	155.9	157.1	159.3	+26·9	— 0·5	+ 0·8	+ 1·4
(*f*) Paper products	**9.70**	105.8	120.2	122.2	129.8	137.5	+13·6	+ 1·7	+ 6·2	+ 5·9
(*g*) Others										
1. Cement	**7.64**	122.7	145.7	151.8	160.0	166.2	+18·7	+ 4·2	+ 5·4	+ 3·9
2. Matches	**3.23**	110.3	114.1	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**	—
1972-73	—	1,182	**1,182**	19,947	16,965	—	**16,965**	—

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
1972-73	288.00	202.00	242.14	655.00	495.00	554.20
March 1972 ..	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
July „ ..	235.50	230.50	233.07	542.75	513.00	534.36
August „ ..	255.00	233.50	239.40	542.50	495.00	516.85
September „ ..	256.50	250.00	252.30	533.00	520.00	524.65
October „ ..	250.00	241.00	246.78	535.00	520.50	526.04
November „ ..	251.50	241.00	245.14	554.50	525.25	540.92
December „ ..	249.50	242.00	245.76	585.50	556.00	571.96
January 1973 ..	254.50	241.50	248.08	593.50	580.50	586.79
February „ ..	288.00	252.00	264.89	650.00	593.00	619.27
March „ ..	283.00	266.00	273.03	655.00	616.00	629.09
April „ ..	332.00	279.00	305.62	640.00	612.50	622.38
May „ ..	341.00	319.00	328.35	661.00	631.00	645.67
June „ ..	334.00	321.00	325.77	655.00	627.00	637.62

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 Novermber 14, 1962 and that in silver rom 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 1972	**193.6**	**219.4**	**210.0**	211.9	211.0	292.7	**183.1**	179.4	146.2	**205.8**	194.6
April ,, ...	**194.7**	**220.7**	**212.2**	214.3	210.8	300.6	**180.6**	167.8	140.0	**205.6**	191.8
May ,, ...	**195.3**	**221.7**	**213.9**	216.1	212.8	301.8	**178.6**	165.1	138.7	**199.9**	188.2
June ,, ...	**197.0**	**226.0**	**215.4**	216.6	213.3	314.3	**182.4**	163.3	144.6	**205.6**	195.3
July ,, ...	**200.0**	**230.9**	**220.4**	222.8	215.9	321.9	**186.0**	162.6	151.4	**214.0**	202.9
August ,, ...	**203.3**	**235.9**	**226.1**	228.8	218.4	319.4	**189.2**	168.1	151.4	**218.1**	211.3
September ,, ...	**204.4**	**236.8**	**229.4**	232.3	218.1	321.1	**194.2**	174.1	153.3	**222.2**	220.6
October ,, ...	**208.6**	**242.7**	**233.6**	236.0	221.1	329.3	**204.9**	N.A.	163.9	**235.9**	244.7
November ,, ...	**212.2**	**246.8**	**233.4**	235.6	222.2	343.5	**216.3**	190.4	175.4	**249.6**	265.7
December ,, ...	**214.7**	**251.3**	**236.5**	237.7	229.1	347.8	**218.3**	186.6	178.8	**256.2**	278.8
January 1973	**213.7**	**249.8**	**239.6**	240.7	234.3	337.1	**218.7**	182.0	171.1	**260.4**	284·9
February ,, ...	**219.2**	**256.3**	**245.1**	246.2	237.5	349.8	**231.9**	183.8	168.8	**285.1**	309.9
March ,, ...	**221.6**	**257.1**	**246.7**	249.6	234.2	369.2	**239.5**	190.1	167.8	**295.2**	321.6

Note : Adjusted for seasonality by using "Census Method II — Variant 11 " developed by the Bureau of Census, U.S.A.
N.A. = Not Available.

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 1972	8,019	3,103	4,049	187	1,700	5,150
April ,, ...	8,037	3,141	4,137	195	1,793	5,105
May ,, ...	8,213	3,214	4,191	199	1,772	5,222
June ,, ...	8,289	3,292	4,272	206	1,804	5,328
July ,, ...	8,311	3,272	4,322	204	1,928	5,292
August ,, ...	8,435	3,339	4,382	217	2,009	5,353
September ,, ...	8,401	3,396	4,553	206	2,072	5,454
October ,, ...	8,468	3,444	4,593	211	2,218	5,487
November ,, ...	8,609	3,491	4,679	218	2,195	5,607
December ,, ...	8,781	3,655	4,797	243	2,206	5,720
January 1973	8,802	3,606	4,879	221	2,280	5,745
February ,, ...	9,009	3,702	4,917	236	2,254	6,038
March ,, ...	9,159	3,776	5,037	230	2,303	6,143

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	137,25	169,71	**4,383,32**	+372,98
1971-72	4,594,01	262,52	148,40†	183,05	**4,821,87**†	+438,55†
1972-73	5,210,28	290,18	148,39†	222,67†	**5,426,18**†	+604,31†
March 1972	4,594,01	262,52	148,40†	183,05	**4,821,87**†	+ 18,16†
April „	4,705,24	264,54	148,40†	189,75	**4,928,43**†	+106,56†
May „	4,812,26	270,46	148,40†	204,80	**5,026,31**†	+ 97,88†
June „	4,817,20	270,81	148,41†	257,89	**4,978,52**†	− 47,79†
July „	4,651,27	265,74	148,41†	196,64	**4,868,77**†	−109,75†
August „	4,614,76	263,61	148,41†	210,04	**4,816,74**†	− 52,03†
September „	4,460,20	262,13	148,40†	192,97	**4,677,76**†	—138,98†
October „	4,550,41	267,50	148,40†	215,97	**4,750,35**†	+ 72,59†
November „	4,644,88	274,96	148,40†	215,77	**4,852,47**†	+102,12†
December „	4,751,17	278,08	148,40†	262,74†	**4,914,91**†	+ 62,44†
January 1973	4,872,30	280,19	148,40†	217,27†	**5,083,62**†	+168,71†
February „	5,030,10	285,89	148,39†	223,48†	**5,240,90**†	+157,28†
March „	5,210,28	290,18	148,39†	222,67†	**5,426,18**†	+185,28†

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 WITH THE PUBLIC								
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	**7,139,97**	+753,43	3,447,88	**10,587,85**	+1,251,45
3,236,53	79,55	**3,316,08**	+559,43	**8,137,96**†	+ 997,99†	4,176,03	**12,313,99**†	+1,726,14†
3,870,31†	51,36	**3,921,67**†	+605,59†	**9,347,85**†	+1,209,89†	5,093,66	**14,441,51**†	+2,127,52†
3,236,53	79,55	**3,316,08**	+231,39	**8,137,96**†	+249,56†	4,176,03	**12,313,99**†	+233,69†
3,242,96	75,68	**3,318,63**	+ 2,55	**8,247,06**†	+109,10†	4,302,04	**12,549,10**†	+235,11†
3,325,72	70,95	**3,396,67**	+ 78,04	**8,422,98**†	+175,92†	4,370,93	**12,793,91**†	+244,81†
3,478,32	66,06	**3,544,38**	+147,71	**8,522,90**†	+ 99,92†	4,475,60	**12,998,50**†	+204,59†
3,406,21	57,00	**3,463,21**	− 81,17	**8,331,98**†	−190,92†	4,563,86	**12,895,84**†	−102,67†
3,437,81	75,71	**3,513,52**	+ 50,31	**8,330,25**†	− 1,73†	4,637,66	**12,967,92**†	+ 72,08†
3,445,38	51,50	**3,496,87**	− 16,65	**8,174,63**†	−155,62†	4,709,04	**12,883,67**†	− 84,25†
3,502,08	66,03	**3,568,11**	+ 71,24	**8,318,46**†	+143,83†	4,781,59	**13,100,05**†	+216,38†
3,536,68	50,93	**3,587,61**	+ 19,50	**8,440,08**†	+121,62†	4,881,58	**13,321,66**†	+221,61†
3,732,28†	55,84	**3,788,12**†	+200,51†	**8,703,03**†	+262,95†	4,991,56	**13,694,59**†	+372,92†
3,631,27†	38,49	**3,669,75**†	− 118,37†	**8,753,38**†	+ 50,35†	5,033,57	**13,786,94**†	+ 92,36†
3,714,57†	42,23	**3,756,80**†	+ 87,05†	**8,997,70**†	+244,32†	5,053,45	**14,051,15**†	+264,20†
3,870,31†	51,36	**3,921,67**†	+164,87†	**9,347,85**†	+350,15†	5,093,66	**14,441,51**†	+390,36†

(*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 Ten Rupee Commemorative Coins issued since October 1969.
‡ Based on net time liabilities in respect of scheduled commercial banks for 1959-60.
** 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 accruing under

IN MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

1969-70		1970-71		1971-72		1972-73		Outstanding as on April 27, 1973
Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	
5	6	7	8	9	10	11	12	13
— 58	**+ 703**	**+ 145**	**+ 581**	**+ 166**	**+ 795**	**+ 71**	**+1,256**	**9,575**
— 149	+ 518	— 33	+ 404	— 28	+ 443	— 178	+ 924	5,675
— 20	+ 3	+ 10	— 23	— 1	+ 26	— 10	— 21	45
+ 111	+ 183	+ 168	+ 201	+ 195	+ 326	+ 259	+ 353	3,855
— 14	**+ 130**	**+ 111**	**+ 607**	**+ 388**	**+ 819**	**+ 462**	**+ 887**	**8,110**
— 226	+ 229	— 46	+ 565	+ 174	+ 672	— 68	+ 971	5,879
— 232	+ 341	— 117	+ 694	+ 108	+ 726	— 222	+ 974	5,947
— 7	+ 112	— 71	+ 129	— 66	+ 54	— 154	+ 3	67
+ 212	— 98	+ 157	+ 43	+ 214	+ 148	+ 530	— 84	2,231
— 112	**+ 438**	**+ 70**	**+ 216**	**— 186**	**+ 127**	**— 286**	**+ 470**	**2,256**
+ 3	+ 1	+ 21	+ 35	+ 33	+ 35	+ 4	+ 38	247
— 115	+ 438	+ 48	+ 181	— 220	+ 92	— 289	+ 432	2,009
+ 133	+ 600	+ 325	+ 443	+ 215	+ 418	+ 190	+ 915	7,273
+ 248	+ 163	+ 277	+ 262	+ 435	+ 327	+ 480	+ 483	5,264
+ 59	**+ 168**	**+ 36**	**— 85**	**+ 15**	**+ 32**	**— 73**	**+ 44**	**580**
+ 78	+ 172	+ 42	— 100	+ 38	+ 15	— 73	+ 44	569
— 19	— 5	— 6	+ 15	— 23	+ 17	—	—	+ 11
—	**+ 19**	**+ 6**	**+ 16**	**+ 10**	**+ 12**	**+ 3**	**+ 28**	**444**
+ 15	**— 76**	**+ 26**	**— 112**	**— 101**	**— 223**	**+ 29**	**— 147**	**1,146**
— 6	**+ 24**	**— 106**	**— 60**	**+ 40**	**+ 28**	**— 64**	**— 26**	**670**

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 31, 1972	Outstanding as on March 30, 1973
1960-61	1965-66	1969-70	1970-71	1971-72	1972-73		
4	5	6	7	8	9	10	11
+ 199	**+ 449**	**+ 607**	**+ 751**	**+ 998**	**+ 1,210**	**8,138**	**9,348**
+ 167	+ 265	+ 328	+ 371	+ 439	+ 604	4,822	5,426
— 4	— 5	— 23	— 14	+ 36	— 28	80	51
+ 36	+ 189	+ 302	+ 395	+ 524	+ 634	3,237	3,870
— 17	**+ 467**	**+ 28**	**+ 510**	**+ 1,182**	**+ 1,325**	**6,417**	**7,742**
+ 137	+ 371	— 90	+ 311	+ 882	+ 800	4,694	5,494
+ 136	+ 332	+ 8	+ 399	+ 838	+ 651	4,914	5,564
— 1	— 38	+ 98	+ 88	— 44	— 149	220	71
— 154	+ 96	+ 118	+ 199	+ 299	+ 525	1,723	2,248
+ 253	**+ 100**	**+ 290**	**+ 390**	**+ 121**	**+ 115**	**2,348**	**2,463**
—	+ 7	+ 3	+ 47	+ 108	+ 33	232	265
+ 253	+ 93	+ 287	+ 343	+ 14	+ 82	2,115	2,197
+ 238	+ 279	+ 710	+841	+ 742	+ 1,000	6,291	7,291
— 15	+ 187	+ 423	+ 498	+ 728	+ 918	4,176	5,094
— 63	**— 24**	**+ 250**	**— 28**	**+ 60**	**— 45**	**608**	**563**
— 52	— 35	+ 264	— 40	+ 70	— 45	596	551
— 11	+ 12	— 14	+ 12	— 10	—	+ 11	+ 11
+ 10	**+ 12**	**+ 20**	**+ 22**	**+ 26**	**+ 28**	**411**	**439**
—	**— 19**	**— 37**	**— 80**	**— 377**	**— 128**	**1,084**	**1,212**
+ 16	**— 87**	**+ 56**	**— 63**	**— 15**	**— 85**	**561**	**646**

* 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
1972-73		5,253,45	18,75	**5,272,20**	182,53	171,65	8,66	4,909,35
March	1972	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
July	„	4,694,44	32,15	**4,726,59**	182,53	211,65	33,12	4,299,29
August	„	4,657,93	45,79	**4,703,73**	182,53	211,65	35,23	4,274,31
September	„	4,503,37	26,78	**4,530,15**	182,53	211,65	36,67	4,099,29
October	„	4,593,58	26,26	**4,619,84**	182,53	196,65	31,36	4,209,30
November	„	4,688,05	29,36	**4,717,41**	182,53	191,65	23,92	4,319,31
December	„	4,794,34	4,92	**4,799,26**	182,53	171,65	20,73	4,424,34
January	1973	4,915,47	21,72	**4,937,19**	182,53	171,65	18,66	4,564,34
February	„	5,073,27	13,24	**5,086,50**	182,53	171,65	12,97	4,719,35
March	„	5,253,45	18,75	**5,272,20**	182,53	171,65	8,66	4,909,35
April	„	5,510,87	45,66	**5,556,53**	182,53	171,65	2,99	5,199,36
May	„	5,679,28	57,62	**5,736,89**	182,53	171,65	3,36	5,379,35
June	„	5,698,96	36,45	**5,735,41**	182,53	171,65	8,38	5,372,84

(*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	Total liabilities or assets	Notes and coins	Balances held abroad (a)	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 (b)	Scheduled commercial banks	State co-operative banks	Others (c)	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
1972-73 ..	53,83	16,79	278,57	17,30	1,12	45	85,17	**453,22**	1,198,49	**1,651,71**	18,84	204,37	—	134,68	138,45	322,17	130,47	35,40	96,92	513,96	56,46
March 1972..	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	1,00	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
July ,, ..	52,56	16,30	242,41	13,26	97	61	209,40	**535,51**	942,74	**1,478,25**	32,21	168,62	—	72,01	3,60	212,80	103,26	4,28	406,31	430,16	45,01
August ,, ..	48,78	7,89	219,77	12,06	97	63	108,30	**398,40**	931,02	**1,329,42**	45,86	144,44	—	61,83	2,63	220,89	102,91	1,51	423,69	289,17	36,48
September ,, ..	125,05	16,75	263,06	12,15	1,00	44	84,25	**502,71**	951,54	**1,454,26**	26,90	140,60	—	55,93	3,67	254,01	101,53	1,21	591,42	242,76	36,24
October ,, ..	53,48	10,56	281,40	10,96	1,01	27	99,00	**456,67**	965,25	**1,421,93**	26,32	152,51	—	91,41	6,73	260,49	103,36	1,28	252,03	492,12	35,69
November ,, ..	54,23	15,66	290,03	10,79	1,00	27	84,08	**456,05**	1,001,87	**1,457,93**	29,41	150,07	—	100,95	6,75	281,35	106,66	99	374,71	366,51	40,53
December ,, ..	64,03	10,96	297,61	11,71	1,12	54	89,35	**475,33**	1,039,51	**1,514,84**	5,03	158,90	—	132,94	8,54	351,56	107,05	86	260,62	420,34	69,01
January 1973..	55,66	10,66	274,98	13,88	95	40	72,00	**428,54**	1,041,79	**1,470,32**	21,78	175,53	—	144,94	6,79	354,61	107,74	1,23	198,48	413,98	45,24
February ,, ..	55,86	7,29	295,35	15,92	1,04	33	75,87	**451,66**	1,083,57	**1,535,23**	13,30	192,44	—	145,37	126,27	349,92	106,12	9,45	174,37	368,77	49,22
March ,, ..	53,83	16,79	278,57	17,30	1,12	45	85,17	**453,22**	1,198,49	**1,651,71**	18,84	204,37	—	134,68	138,45	322,17	130,47	35,40	96,92	513,96	56,46
April ,, ..	54,80	12,67	320,54	13,90	1,15	60	79,73	**483,39**	1,131,59	**1,614,98**	45,74	221,82	—	179,88	24,28	275,86	128,93	19,83	275,55	386,79	56,28
May ,, ..	46,86	6,28	327,67	15,78	1,19	63	80,92	**479,32**	1,140,56	**1,619,88**	57,71	231,35	—	198,27	108,13	260,89	129,50	16,54	314,83	240,24	62,43
June ,, ..	57,05	29,48	537,71	22,75	1,05	3,10	76,45	**727,59**	1,160,84	**1,888,43**	36,57	228,75	—	106,29	140,54	248,57	174,92	15,23	301,59	545,67	90,30

Note: Other liabilities Include (i) Paid-up capital of Rs. 5 crores, (ii) Reserve fund of Rs. 150 crores, from February 1, 1969, (iii) National Agricultural Credit (Long-term Operations) Fund of Rs. 209 crores from July 7, 1972, (iv) National Agricultural Credit (Stabilisation) Fund of Rs. 45 crores from July 7, 1972 and (v) National Industrial Credit (Long-term Operations) Fund of Rs. 175 crores from July 7, 1972. For details about earlier period, refer to 'Notes on the Statements'. (*a*) Including cash and short-term securities and fixed deposits from June 28, 1968. (*b*) Including temporary overdrafts to State Governments, (*c*) 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															
							Non-agricultural purposes									
	Seasonal agricultural operations		Marketing of crops including cotton and kapas		Purchase and distribution of chemical fertilizers**		Handloom weavers' societies				Other groups of industries towards their production and marketing activities		General banking purposes		Co-operative sugar factories against stocks of sugar	
							Purchase of yarn		Production and marketing activities							
	(a)		(a)		(d)		(b)		(c)		(b)		(b)		(d)	
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1960-61 ..	131,66	79,14	—	—	—	—	42	12	2,40	2,41	—	—	3,19	9	—	—
1965-66 ..	249,37	144,72	—	—	—	—	3,11	39	5,55	5,57	—	—	37,23	—	—	—
1969-70 ..	416,67	234,82	7,10	4,90	37,52	9,59	11	6	9,49	6,42	—	—	21,30	33	—	—
1970-71 ..	413,20	265,38	7,79	3,44	11,27	1,72	4	3	12,36	7,83	2	2	20,24	—	—	—
1971-72 ..	482,67	251,06	12,79	7,34	23,04	2,36	14	—	14,91	9,52	59	33	14,13	58	7,92	—
1972-73 ..	549,84	237,28	95,38*	12,20*	7,50	—	8	3	9,13	7,73	30	11	12,81	—	—	—

Year	National Agricultural Credit (Long-term Operations) Fund													
	Conversion of short-term into medium-term loans to State co-operative banks				Medium-term loans to State co-operative banks for				Long-term loans to State Governments for contribution to the share capital of co-operative credit societies		Rural debentures of land mortgage banks$		Ordinary debentures of land mortgage banks	
	Against the pledge of Government and other Trustee securities representing investment of Stabilization Funds of banks		Out of National Agricultural Credit (Stabilization) Funds		Agricultural purposes		Purchase of shares in co-operative sugar factories							
	(b)		(c)		(c)		(b)		£					
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Purchase	Outstandings	Purchase@	Outstandings
	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1960-61 ..	—	—	—	—	4,68	7,63	—	—	2,75	19,95	33	1,07	3	67
1965-66 ..	—	—	—	—	7,06	11,65	—	—	2,53	29,41	1,29	5,48	4,50	15,45
1969-70 ..	1,52	19	4,43	5,21	9,52	14,10	—	8	6,80	33,83	94	9,50	4,20	27,84
1970-71 ..	2,53	1,70	3,65$$	4,35$$	14,83	19,48	37	43	12,49	41,93	18	9,59	4,19	31,92
1971-72 ..	7,54	7,05	26,02	21,45	14,15	22,91	25	68	14,14	51,34	1,33	10,64	4,41	36,26
1972-73 ..	6,48	9,05	20,75	28,45	8,32	21,34	79	1,20	18,69	65,55	83(x)	11,25	2,76(y)	32,61

Note : Outstandings are as at the end of the period under various Sections of the Reserve Bank of India Act, 1934.

$ Include special development debentures from 1962-63. $$ Include Rephasement Account of Rs. 57 lakhs. @ Figures relate to book value of debentures. * Inclusive of amount in respect of limit sanctioned at Bank Rate for monopoly procurement of cotton and kapas. £ 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. ** Rate of interest from 1972 is 2 per cent above the Bank Rate. (*a*) At 2 per cent below Bank Rate. (*b*) At Bank Rate. (*c*) At 1½ per cent below Bank Rate. (*d*) At 2 per cent above Bank Rate. (*x*) Rs. 45 lakhs at 5¼ per cent and Rs. 38 lakhs at 5 per cent. (*y*) Rs. 124 lakhs at 5¾ per cent and Rs. 152 lakhs at 6 per cent.

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
1972-73	—	220	243	—	4,000	—	9,527

(*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†‡
		Industrial Finance Corporation of India @	State Financial Corporations †*	
		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
1972-73		—	388	42
March	1972	205	443	42
April	,, ...	295	496	50
May	,, ...	9	517	69
June	,, ...	168	529	53
July	,, ...	3	537	54
August	,, ...	—	488	70
September	,, ...	62	242	42
October	,, ...	—	267	61
November	,, ...	57	264	37
December	,, ...	—	341	56
January	1973	—	406	58
February	,, ...	—	265	20
March	,, ...	—	388	42

@ Under Section 17 (4B) (*b*) of the Reserve Bank of India Act. † Including Tamilnadu Industrial Investment Corporation. * Under Section 17(4*A*) of the Reserve Bank of India Act. ‡ Under Section 17(4)(*a*) of the Reserve Bank of India Act.

STATEMENT 29—STATE-WISE DISTRIBUTION OF COMMERCIAL BANKS' OFFICES

Name of State/Union Territories	No. of offices as at the end of June				
	1969	1970	1971	1972	1973
	1	2	3	4	5
1. Andhra Pradesh	567	722	869	959	1,103
2. Assam	74	96	122	149	168
3. Bihar	273	361	453	541	593
4. Gujarat	752	919	1,105	1,234	1,320
5. Haryana	172	219	258	299	338
6. Himachal Pradesh	42	62	87	108	136
7. Jammu and Kashmir	35	74	101	116	139
8. Kerala	601	713	845	978	1,072
9. Madhya Pradesh	343	460	566	669	748
10. Maharashtra	1,118	1,304	1,471	1,679	1,866
11. Manipur	2	2	5	6	9
12. Meghalaya	7	11	15	16	17
13. Mysore	756	954	1,124	1,292	1,479
14. Nagaland	2	4	5	5	6
15. Orissa	100	133	173	192	225
16. Punjab	346	465	556	651	772
17. Rajasthan	364	432	525	570	664
18. Tamilnadu	1,060	1,213	1,371	1,484	1,650
19. Tripura	5	6	12	12	14
20. Uttar Pradesh	747	932	1,147	1,324	1,497
21. West Bengal	504	588	684	760	882
22. Andaman and Nicobar Islands	1	2	2	4	4
23. Arunachal Pradesh	—	—	3	5	5
24. Chandigarh	20	26	28	33	41
25. Dadra and Nagar Haveli	—	1	3	4	4
26. Delhi	274	318	350	385	455
27. Goa, Daman and Diu	85	101	111	118	125
28. Laccadive, Minicoy and Amindivi Islands	—	—	2	2	4
29. Mizoram	—	—	—	1	1
30. Pondicherry	12	13	20	24	25
TOTAL	**8,262**	**10,131**	**12,013**	**13,620**	**15,362**

STATEMENT 30—SEASONAL VARIATIONS 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*	Finance for food procurement operations
		1	2	3	4	5	6	7	8	9	10	11
Slack	1960	+ 7,41	— 30,68	— **23,26**	— 27,02	+ 4,17	*7·6*	— 52,33	*36·2*	— 20,31	*58·2*	
Busy	1960-61	+ 52,68	— 43,34	+ **9,34**	+ 21,53	—23,24	*6·3*	—126,32	*29·4*	+198,53	*68·3*	
Slack	1965	+ 79,99	+ 97,92	+**177,90**	—122,81	+21,60	*6·5*	+138,61	*30·5*	— 93,37	*71.7*	
Busy	1965-66	+120,60	+ 93,32	+**213,92**	+ 28,48	+ 5,44	*6·2*	— 27,34	*27·4*	+309,53	*76·9*	
Slack	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*	+155,80
Busy	1971-72	+310,16	+314,24	+**624,40**	+ 4,22	+13,69	*6·0*	+143,94	*23·6*	+354,95	*71·7*	— 71,09
Slack	1972	+262,17	+442,47	+**704,64**	— 16,12	+51,06	*6·1*	+519,41	*28·1*	+ 67,35	*66·2*	— 1,21
Busy	1972-73	+324,84	+455,25	+**780,09**	+17,55	+54,97	*6·2*	— 86,86	*24·6*	+877,95	*70·4*	+ 5,63
Outstanding as on April 27, 1973 ..		**3,729,68**	**4,996,12**	**8,725,80**	**24,28**	**537,12**		**2,144,60**		**6,138,33**		**292,43**

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 footnotes 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	220,86	3,177,02	47,13	226,21	130,17	4,067,89	6,28	52,89	**7,244,91**	305,14	223,25	**528,39**	103,19
1972-73	88	239,13	3,804,45	72,75	282,35	215,96	4,946,92	15,05	47,40	**8,751,37**	273,06	178,99	**452,05**	113,26
March 1972 ..	88	220,86	3,177,02	47,13	226,21	130,17	4,067,89	6,28	52,89	**7,244,91**	305,14	223,25	**528,39**	103,19
April „ ..	88	201,74	3,190,03	60,88	220,82	160,18	4,189,49	7,73	49,72	**7,379,52**	205,34	125,32	**330,66**	112,44
May „ ..	88	219,98	3,263,28	57,21	219,35	176,79	4,256,89	8,78	49,15	**7,520,17**	171,98	95,17	**267,15**	102,52
June „ ..	88	305,90	3,408,22	62,43	308,69	208,21	4,351,27	12,05	53,84	**7,759,49**	128,61	124,85	**253,45**	109,63
July „ ..	88	199,25	3,352,50	48,95	212,80	214,45	4,437,99	10,59	47,04	**7,790,49**	133,51	70,37	**203,88**	110,24
August „ ..	89	215,49	3,386,40	44,76	246,62	203,52	4,505,20	10,41	48,32	**7,891,59**	149,97	70,05	**220,02**	100,18
September „ ..	89	204,60	3,386,28	55,85	208,06	220,95	4,579,55	12,17	47,68	**7,965,83**	179,93	74,13	**254,06**	110,50
October „	88	209,42	3,451,19	57,83	213,25	212,53	4,646,20	13,47	49,89	**8,097,38**	186,99	76,93	**263,92**	108,34
November „ ..	88	212,09	3,482,79	68,28	221,28	226,73	4,744,47	19,56	50,40	**8,227,26**	204,34	77,12	**281,46**	106,17
December „ ..	88	234,43	3,664,17	83,30	236,14	257,93	4,848,08	24,45	57,91	**8,512,25**	259,69	95,91	**355,60**	119,12
January 1973 ..	88	223,36	3,572,96	102,40	230,77	241,84	4,894,12	16,64	47,43	**8,467,07**	277,31	80,20	**357,52**	106,28
February „ ..	88	211,92	3,654,02	56,97	245,27	230,14	4,912,13	15,86	49,78	**8,566,15**	301,92	171,43	**473,34**	107,25
March „ ..	88	239,13	3,804,45	72,75	282,35	215,96	4,946,92	15,05	47,40	**8,751,37**	273,06	178,99	**452,05**	113,26
April „ ..	88	277,06	3,786,05	120,64	304,32	239,78	5,110,53	14,86	52,74	**8,896,57**	212,88	83,47	**296,35**	121,99
May† „ ..	88	255,17	3,789,76	124,43	299,73	229,21	5,162,94	16,99	57,05	**8,952,70**	209,15	157,72	**366,87**	117,83
June† „ ..	88	259,14	3,914,51	73,70	312,69	240,87	5,281,40	17,00	57,55	**9,195,91**	169,25	209,08	**378,33**	134,01

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** (214,40)	*79·8*
1971-72	.. ..	181,93	280,14	**462,06**	*6·4*	102,45	59,99	1,716,97	*23·7*	4,335,27	490,79	846,08	220,83	**5,402,18** (345,28)	74·6
1972-73	.. ..	221,59	279,26	**500,84**	*5·7*	113,69	140,15	2,241,01	*25·6*	5,169,77	509,03	842,54	257,03	**6,269,34** (339,10)	*71·6*
March	1972 ..	181,93	280,14	**462,06**	*6·4*	102,45	59,99	1,716,97	*23·7*	4,335,27	490,79	846,08	220,83	**5,402.18** (345,28)	*74·6*
April	,, ..	188,78	255,53	**444,32**	*6·0*	87,40	109,70	1,778,97	*24·1*	4,316,84	450,46	763,53	239,16	**5,319,53** (288,01)	*72·1*
May	,, ..	203,78	264,35	**468,13**	*6·2*	95,25	99,27	1,763,80	*23·4*	4,517,84	454,49	701,55	224,60	**5,443,99** (447,11)	*72·4*
June	,, ..	256,77	253,57	**510,34**	*6·6*	192,75	105,58	1,788,85	*23·0*	4,573,13	431,57	841,32	209,00	**5,623,45** (541,99)	*72·5*
July	,, ..	195,67	260,06	**455,73**	*5·8*	100,11	99,08	2,006,41	*25·8*	4,355,51	431,71	865,38	210,61	**5,431,51** (485,72)	*69·7*
August	,, ..	208,92	282,09	**491,01**	*6·2*	109,28	77,88	2,134,66	*27·0*	4,337,05	456,93	836,51	204,56	**5,378,13** (416,65)	*68·2*
September	,, ..	191,98	272,64	**464,62**	*5·8*	90,35	118,68	2,137,36	*26·8*	4,432,02	484,30	713,81	201,33	**5,347,16** (357,18)	*67·1*
October	,, ..	215,05	279,03	**494,08**	*6·1*	98,60	112,22	2,308,70	*28·5*	4,397,61	493,77	768,28	217,98	**5,383,86** (286,80)	*66·5*
November	,, ..	214,82	278,41	**493,23**	*6·0*	96,37	120,44	2,310,72	*28·1*	4,419,62	516,32	770,81	220,45	**5,410,89** (246,40)	*65·8*
December	,, ..	259,43	290,76	**550,19**	*6·5*	125,26	160,51	2,252,12	*26·5*	4,732,03	581,81	725,23	231,00	**5,688,27** (160,57)	*66·8*
January	1973 ..	216,22	286,77	**502,99**	*5·9*	99,18	167,48	2,308,75	*27·3*	4,772,50	534,95	757,88	237,33	**5,767,71** (197,89)	*68·1*
February	,, ..	222,50	293,51	**516,01**	*6·0*	97,30	90,85	2,217,21	*25·9*	5,046,74	531,42	847,22	229,83	**6,123,80** (298,54)	*71·5*
March	,, ..	221,59	279,26	**500,84**	*5·7*	113,69	140,15	2,241,01	*25·6*	5,169,77	509,03	842,54	257,03	**6,269,34** (339,10)	*71·6*
April	,, ..	236,11	316,01	**552,12**	*6·2*	120,98	194,67	2,223,63	*25·0*	5,204,10	465,18	886,30	249,52	**6,339,92** (292,43)	*71·3*
May†	,, ..	250,09	318,67	**568,76**	*6·4*	121,44	167,76	2,240,19	*25·0*	5,297,56	457,46	874,41	249,51	**6,421,48** (397,24)	*71·7*
June†	,, ..	257,47	435,57	**693,04**	*7·5*	126,85	132,41	2,271,08	*24·7*	5,310,95	467,60	919,60	248,99	**6,479,54** (464,19)	*70·5*

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

Figures in brackets relate to advances of Indian Scheduled Commercial Banks for financing food procurement operations.

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	188,53	3,126,81	47,13	218,68	40,22	3,979,12	5,38	51,82	**7,105,93**	98,42	109,04	**207,45**	68,69
1972-73	74	202,03	3,747,01	72,75	272,25	90,74	4,840,96	13,47	45,55	**8,587,96**	30,61	107,83	**138,45**	74,14
March 1972	74	188,53	3,126,81	47,13	218,68	40,22	3,979,12	5,38	51,82	**7,105,93**	98,42	109,04	**207,45**	68,69
April ,, ...	74	176,23	3,142,67	60,88	213,44	65,72	4,098,40	6,66	48,66	**7,241,07**	3,68	19,16	**22,85**	76,46
May ,, ...	74	184,70	3,217,08	57,21	212,36	81,04	4,160,14	7,70	47,98	**7,377,22**	3,58	22,66	**26,24**	60,80
June ,, ...	74	271,07	3,357,32	62,43	295,21	102,29	4,252,27	10,95	52,65	**7,609,60**	1,45	40,66	**42,11**	64,62
July ,, ...	74	173,53	3,304,72	48,95	205,66	107,52	4,332,86	9,49	45,84	**7,637,58**	90	2,70	**3,60**	72,58
August ,, ...	75	191,51	3,339,69	42,74	239,82	90,39	4,401,52	9,34	47,11	**7,741,21**	1,00	1,63	**2,63**	64,27
September ,, ...	75	173,36	3,335,40	55,85	201,48	111,41	4,479,29	10,77	46,54	**7,814,69**	50	3,17	**3,67**	79,14
October ,, ...	74	184,49	3,404,84	57,83	206,24	97,38	4,540,87	12,06	48,69	**7,945,71**	50	6,23	**6,73**	73,55
November ,, ...	74	185,80	3,437,78	68,28	214.27	110,34	4,638,13	18,11	49,15	**8,075,91**	—	6,75	**6,75**	69,33
December ,, ...	74	208,30	3,619,27	83,30	227,31	140,31	4,743,27	22,98	56,60	**8,362,54**	—	8,54	**8,54**	84,96
January 1973	74	193,10	3,524,31	102,40	223,29	122,77	4,789,05	15,08	46,18	**8,313,36**	40	6,39	**6,79**	68,91
February ,, ...	74	180,83	3,603,56	56,97	236,34	109,54	4,805,96	14,24	48,50	**8,409,53**	27,00	99,27	**126,27**	69,92
March ,, ...	74	202,03	3,747,01	72,75	272,25	90,74	4,840,96	13,47	45,55	**8,587,96**	30,61	107,83	**138,45**	74,14
April ,, ...	74	240,17	3,729,68	120,64	295,53	108,31	4,996,12	12,99	50,88	**8,725,80**	1,30	22,98	**24,28**	86,02
May† ,, ...	74	223,20	3,738,20	124,43	290,96	95,42	5,048,41	15,04	55,21	**8,786,61**	11,35	96,78	**108,13**	77,78
June† ,, ...	74	220,21	3,856,67	73,70	304,18	102,94	5,161,75	15,04	55,72	**9,018,42**	31,30	109,24	**140,54**	92,35

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)*	Investments in other approved securities	Bank credit					*Percentage of (28) to (10)*
											Advances		Bills purchased and discounted		Total (24+26 + 27)	
		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	29
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*	118,71	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*	248,87	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*	401,03	3,708,33	44,60	764,80	210,71	**4,683,83** (214,40)	*79·3*
1971-72	..	180,48	266,82	**447,30**	*6·3*	83,86	52,12	1,650,29	*23·2*	539,17	4,196,62	32,60	845,92	220,83	**5,263,36** (345,28)	*74·1*
1972-73	..	220,00	264,19	**484,19**	*5·6*	104,15	125,52	2,162,29	*25·2*	736,99	4,966,51	37,05	842,52	257,03	**6,066,06** (339,10)	*70·6*
March 1972	..	180,48	266,82	**447,30**	*6·3*	83,86	52,12	1,650,29	*23·2*	539,17	4,196,62	32,60	845,92	220,83	**5,263,36** (345,28)	*74·1*
April ,,	..	187,47	243,62	**431,09**	*6·0*	83,23	91,44	1,712,05	*23·6*	556,40	4,190,55	32,98	763,32	239,16	**5,193,03** (288,01)	*71·7*
May ,,	..	202,54	251,88	**454,41**	*6·2*	90,72	85,85	1,696,73	*23·0*	571,57	4,385,85	45,62	701,34	224,60	**5,311,79** (447,11)	*72·0*
June ,,	..	253,51	239,99	**493,51**	*6·5*	177,80	90,94	1,721,33	*22·6*	596,29	4,429,72	51,54	841,13	209,00	**5,479,85** (541,99)	*72·0*
July ,,	..	194,20	247,93	**442,13**	*5·8*	95,43	87,27	1,936,11	*25·4*	612,00	4,224,76	44,42	865,23	210,61	**5,300,60** (485,72)	*69·4*
August ,,	..	207,54	270,59	**478,13**	*6·2*	103,98	73,05	2,063,75	*26·7*	613,01	4,212,47	46,61	836,43	204,56	**5,253,47** (416,65)	*67·9*
September ,,	..	190,51	262,07	**452,58**	*5·8*	85,76	113,14	2,063,92	*26·4*	641,32	4,306,70	50,48	713,45	201,33	**5,221,48** (357,18)	*66·8*
October ,,	..	213,53	268,62	**482,15**	*6·1*	95,29	103,93	2,231,46	*28·1*	655,47	4,274,39	49,34	768,01	217,98	**5,260,38** (286,80)	*66·2*
November ,,	..	213,44	268,24	**481,68**	*6·0*	92,98	117,75	2,233,35	*27·6*	669,63	4,296,55	49,07	770,53	220,45	**5,287,53** (246,40)	*65·5*
December ,,	..	258,03	276,09	**534,13**	*6·4*	121,27	151,87	2,173,53	*26·0*	693,98	4,603,21	59,16	724,97	231,00	**5,559,19** (160,57)	*66·5*
January 1973	..	214,85	272,77	**487,62**	*5·9*	95,66	161,42	2,230,06	*26·8*	722,36	4,600,08	40,71	757,80	237,33	**5,595,21** (197,89)	*67·3*
February ,,	..	221,02	279,33	**500,35**	*6·0*	93,64	85,06	2,138,62	*25·4*	725,81	4,860,37	44,55	847,16	229,83	**5,937,36** (298,54)	*70·6*
March ,,	..	220,00	264,19	**484,19**	*5·6*	104,15	125,52	2,162,29	*25·2*	736,99	4,966,51	37,05	842,52	257,03	**6,066,06** (339,10)	*70·6*
April ,,	..	234,49	302,63	**537,12**	*6·2*	116,25	171,47	2,144,60	*24·6*	748,73	5,002,59	30,66	886,22	249,52	**6,138,33** (292,43)	*70·4*
May † ,,	..	248,49	307,56	**556,05**	*6·3*	116,40	148,25	2,160,69	*24·6*	758,62	5,103,37	33,79	874,32	249,51	**6,227,20** (397,24)	*70·9*
June † ,,	..	255,84	418,29	**674,13**	*7·5*	119,88	114,87	2,191,52	*24·3*	754,96	5,130,82	45,29	919,55	248,99	**6,299,36** (464,19)	*69·8*

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.

Figures in brackets relate to advances of Indian Scheduled Commercial Banks for financing food procurement operations.

(*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 33—SCHEDULED COMMERCIAL

DIRECT

Last Friday	Direct finance to farmers for agricultural operations					
	Short-term			Medium/Long-term		
	No. of accounts	Limits sanctioned	Balance out-standing	No. of accounts	Limits sanc-tioned	Balance out-standing
	1	2	3	4	5	6
MARCH 1972						
1. State Bank of India and Subsidiaries	1,47,511	31,42	18,42	89,524	52,98	37,01
2. 14 Nationalised Banks	2, 79,028	54,62	45,93	1,80,719	92,38	80,75
3. Other Scheduled Commercial Banks ..	3,09,265	26,18	24,68	11,297	8,54	6,68
TOTAL	**7,35,804**	**112,22**	**89,03**	**2,81,540**	**153,90**	**124,45**
JUNE 1972						
1. State Bank of India and Subsidiaries ..	1,49,971	30,34	18,00	89,566	54,90	37,34
2. 14 Nationalised Banks	2,95,275	53,39	44,67	1,89,992	99,89	86,95
3. Other Scheduled Commercial Banks	3,01,449	25,71	23,29	9,792	8,22	6,94
TOTAL	**7,46,695**	**109,44**	**85,96**	**2,89,350**	**163,01**	**131,23**
SEPTEMBER 1972*						
1. State Bank of India and Subsidiaries ..	1,75,434	32,71	21,67	86,786	54,38	36,67
2. 14 Nationalised Banks	3,37,575	59,28	50,61	2,03,450	106,50	92,32
3. Other Scheduled Commercial Banks ..	3,07,774	27,38	24,46	9,113	9,06	7,57
TOTAL	**8,20,783**	**119,37**	**96,75**	**2,99,349**	**169,94**	**136,57**
DECEMBER 1972*						
1. State Bank of India and Subsidiaries ..	2,00,955	36,10	25,54	87,775	59,97	40,24
2. 14 Nationalised Banks	3,58,286	65,05	56,57	2,13,674	113,11	100,02
3. Other Scheduled Commercial Banks ..	3,37,520	30,61	26,61	10,541	8,37	7,27
TOTAL	**8,96,761**	**131,76**	**108,73**	**3,11,990**	**181,45**	**147,53**

BANKS' ADVANCES TO AGRICULTURE

(Amount in lakhs of rupees)

FINANCE

Other types of direct finance to farmers								
Short-term			Medium/Long-term			Total of direct finance		
No.of accounts	Limits sanc-tioned	Balance out-standing	No. of accounts	Limits sanc-tioned	Balance out-standing	**No. of accounts**	**Limits sanc-tioned**	**Balance out-standing**
7	8	9	10	11	12	13	14	15
6,700	2,02	1,93	4,759	8,01	6,45	**2,48,494**	**94,43**	**63,81**
1,54,569	17,41	14,17	28,161	22,68	18,55	**6,42,477**	**187,08**	**159,39**
5,655	2,64	2,05	676	2,86	2,47	**3,26,893**	**40,22**	**35,89**
1,66,924	**22,07**	**18,15**	**33,596**	**33,55**	**27,47**	**12,17,864**	**321,74**	**259,09**
6,781	2,22	2,12	5,109	8,31	6,84	**2,51,427**	**95,77**	**64,29**
1,62,700	19,30	16,22	27,189	23,57	19,77	**6,75,156**	**196,14**	**167,60**
7,582	3,92	3,00	678	3,00	2,60	**3,19,501**	**40,85**	**35,83**
1,77,063	**25,43**	**21,34**	**32,976**	**34,88**	**29,20**	**12,46,084**	**332,76**	**267,73**
7,152	2,07	2,16	6,386	8,40	6,74	**2,75,758**	**97,56**	**67,24**
1,81,583	18,68	15,64	30,556	24,39	20,00	**7,53,164**	**208,86**	**178,58**
5,658	3,90	3,19	829	3,70	3,18	**3,23,374**	**44,04**	**38,40**
1,94,393	**24,64**	**20,99**	**37,771**	**36,49**	**29,92**	**13,52,296**	**350,45**	**284,22**
7,699	2,10	2,19	8,948	8,71	7,06	**3,05,377**	**106,88**	**75,03**
1,90,238	19,30	16,74	31,390	26,05	21,32	**7,93,588**	**223,50**	**194,65**
6,960	4,55	3,71	1,239	3,65	3,24	**3,56,260**	**47,19**	**40,84**
2,04,897	**25,95**	**22,64**	**41,577**	**38,41**	**31,62**	**14,55,225**	**377,57**	**310,52**

* Provisional.

STATEMENT 33—SCHEDULED COMMERCIAL

INDIRECT

Last Friday	Distribution of fertilisers and other inputs			Loans to Electricity Board			Loans to farmers through primary credit societies		
	No. of accounts	Limits sanctioned	Balance outstanding	No. of accounts	Limits sanctioned	Balance outstanding	No. of accounts	Limits sanctioned	Balance outstanding
	16	17	18	19	20	21	22	23	24
MARCH 1972									
1. State Bank of India and its subsidiaries	737	62,36	26,62	15	—	—	56,549	7,75	2,41
2. 14 Nationalised Banks	4,284	40,89	11,40	104	60,65	52,63	64,423	11,29	4,78
3. Other Scheduled Commercial Banks	1,531	7,87	2,66	28	6,11	5,33	4,171	54	25
TOTAL	**6,552**	**111,12**	**40,69**	**147**	**66,76**	**57,96**	**1,25,143**	**19,58**	**7,44**
JUNE 1972									
1. State Bank of India and its subsidiaries	721	85,33	49,69	15	—	—	54,269	8,48	2,59
2. 14 Nationalised Banks	3,451	39,33	12,15	122	65,75	58,41	74,037	14,23	5,58
3. Other Scheduled Commercial Banks	1,398	7,81	3,28	28	6,06	5,20	4,743	50	23
TOTAL	**5,570**	**132,46**	**65,12**	**165**	**71,80**	**63,61**	**1,33,049**	**23,21**	**8,40**
SEPTEMBER 1972*									
1. State Bank of India and its subsidiaries	796	76,57	48,57	—	—	—	36,668	11,46	3,65
2. 14 Nationalised Banks	3,624	39,85	10,33	126	69,95	64,57	69,918	14,94	6,73
3. Other Scheduled Commercial Banks	1,811	9,42	3,17	31	9,01	7,76	4,059	52	38
TOTAL	**6,231**	**125,84**	**62,07**	**157**	**78,95**	**72,33**	**1,10,645**	**26,93**	**10,76**
DECEMBER 1972*									
1. State Bank of India and its subsidiaries	1,196	79,12	45,49	1	20	2	28,043	11,03	4,15
2. 14 Nationalised Banks	3,569	39,58	11,10	130	72,54	65,09	96,738	16,39	7,72
3. Other Scheduled Commercial Banks	1,201	7,67	2,69	31	7,85	6,54	4,352	52	41
TOTAL	**5,966**	**126,36**	**59,28**	**162**	**80,59**	**71,65**	**1,29,133**	**27,94**	**12,29**

Note : No. of accounts relates to limits sanctioned and in force.

BANKS' ADVANCES TO AGRICULTURE (*Concld.*)

(Amount in lakhs of rupees)

FINANCE						TOTAL		
Other types of indirect finance			Total of indirect finance					
No. of accounts	Limits sanctioned	Balance Out-standing	No. of accounts	Limits sanc-tioned	Balance out-standing	No. of accounts	Limits sanc-tioned	Balance out-standing
25	26	27	28	29	30	31	32	33
134	42,86	12,78	**57,435**	**112,97**	**41,81**	**3,05,929**	**207,40**	**105,62**
7,586	16,84	9,51	**76,397**	**129,66**	**78,33**	**7,18,874**	**316,75**	**237,72**
4,941	9,23	6,60	**10,671**	**23,76**	**14,83**	**3,37,564**	**63,98**	**50,72**
12,661	**68,94**	**28,88**	**1,44,503**	**266,39**	**134,97**	**13,62,367**	**588,13**	**394,06**
140	43,72	16,81	**55,145**	**137,53**	**69,09**	**3,06,572**	**233,30**	**133,39**
11,450	18,46	11,34	**89,060**	**137,77**	**87,47**	**7,64,216**	**333,91**	**255,08**
6,443	9,67	7,00	**12,612**	**24,03**	**15,71**	**3,32,113**	**64,88**	**51,54**
18,033	**71,86**	**35,15**	**1,56,817**	**299,33**	**172,27**	**14,02,901**	**632,09**	**440,00**
176	50,45	14,79	**37,640**	**138,47**	**67,01**	**3,13,398**	**236,03**	**134,25**
14,113	19,21	9,64	**87,781**	**143,94**	**91,27**	**8,40,945**	**352,80**	**269,84**
4,583	10,05	7,18	**10,484**	**29,00**	**18,49**	**3,33,858**	**73,04**	**56,90**
18,872	**79,70**	**31,61**	**1,35,905**	**311,42**	**176,77**	**14,88,201**	**661,87**	**460,98**
173	47,97	15,02	**29,413**	**138,32**	**64,68**	**3,34,790**	**245,20**	**139,71**
16,230	22,45	11,30	**1,16,667**	**150,96**	**95,21**	**9,10,255**	**374,46**	**289,86**
1,776	7,95	5,42	**7,360**	**23,99**	**15,07**	**3,63,620**	**71,17**	**55,91**
18,179	**78,37**	**31,74**	**1,53,440**	**313,27**	**174,96**	**16,08,665**	**690,84**	**485,48**

* Provisional.

STATEMENT 34—SCHEDULED COMMERCIAL BANKS' ADVANCES TO TRANSPORT OPERATORS AND (*c*) FOR

Last Friday	Small-Scale Industries				Small Road and Water Transport Operators			
	No. of units	No. of accounts	Limits sanctioned	Balance outstanding	No. of units	No. of accounts	Limits sanctioned	Balance outstanding
	1	2	3	4	5	6	7	8
March 1972								
1. State Bank of India and its Subsidiaries	54,509	75,461	342,97	226,80	4,799	4,825	12,99	7,36
2. 14 Nationalised Banks	58,673	82,986	479,39	283,69	24,242	25,258	56,53	41,99
3. Other Scheduled Commercial Banks ..	9,092	13,630	102,29	65,04	3,948	4,342	12,93	10,28
Total	**122,274**	**172,077**	**924,65**	**575,53**	**32,989**	**34,425**	**82,45**	**59,63**
June 1972								
1. State Bank of India and its Subsidiaries	55,693	77,803	352,81	232,44	4,834	4,845	13,32	7,21
2. 14 Nationalised Banks	60,179	84,925	500,24	296,05	25,042	26,253	58,56	43,26
3. Other Scheduled Commercial Banks ..	9,197	13,702	106,11	69,87	4,394	5,234	14,85	11,78
Total	**125,069**	**176,430**	**959,16**	**598,36**	**34,270**	**36,332**	**86,73**	**62,25**
September 1972*								
1. State Bank of India and its Subsidiaries	58,401	79,860	362,35	233,75	4,827	4,908	13,33	6,43
2. 14 Nationalised Banks	64,225	89,052	519,23	290,77	27,218	28,416	61,60	43,73
3. Other Scheduled Commercial Banks ..	9,484	14,409	112,00	69,60	4,654	5,743	16,97	13,07
Total	**132,110**	**183,321**	**993,58**	**594,12**	**36,699**	**39,067**	**91,90**	**63,23**
December 1972*								
1. State Bank of India and its Subsidiaries	63,231	85,162	390,34	254,83	4,965	4,988	12,94	7,15
2. 14 Nationalised Banks	69,133	94,028	548,26	315,34	29,652	30,586	67,21	48,37
3. Other Scheduled Commercial Banks ..	9,846	14,941	119,43	74,93	4,999	6,247	15,57	12,68
Total	**142,210**	**194,131**	**1,058,03**	**645,10**	**39,616**	**41,821**	**95,72**	**68,20**

Note: 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.

(*a*) SMALL SCALE INDUSTRIES, (*b*) SMALL ROAD & WATER SETTING UP OF INDUSTRIAL ESTATES

(Amount in lakhs of rupees)

For setting up of Industrial Estates				Total			
No. of units	No. of accounts	Limits sanctioned	Balance outstanding	No. of units	No. of accounts	Limits sanctioned	Balance outstanding
9	10	11	12	13	14	15	16
—	—	—	—	**59,308**	**80,286**	**355,96**	**234,16**
13	20	5,04	4,58	**82,928**	**108,264**	**540,96**	**330,26**
23	28	41	24	**13,063**	**18,000**	**115,63**	**75,56**
36	**48**	**5,45**	**4,82**	**155,299**	**206,550**	**1,012,55**	**639,98**
—	—	—	—	**60,527**	**82,648**	**366,13**	**239,65**
17	23	5,04	2,89	**85,238**	**111,201**	**563,84**	**342,20**
22	29	1,55	99	**13,613**	**18,965**	**122,51**	**82,64**
39	**52**	**6,59**	**3,88**	**159,378**	**212,814**	**1,052,48**	**664,49**
2	2	5	4	**63,230**	**84,770**	**375,73**	**240,22**
14	19	4,52	2,88	**91,457**	**117,487**	**585,35**	**337,38**
17	22	46	33	**14,155**	**20,174**	**129,43**	**83,00**
33	**43**	**5,03**	**3,25**	**168,842**	**222,431**	**1,090,51**	**660,60**
—	—	—	—	**68,196**	**90,150**	**403,28**	**261,98**
15	22	5,53	3,46	**98,800**	**124,636**	**621,00**	**367,17**
26	30	62	48	**14,871**	**21,218**	**135,62**	**88,09**
41	**52**	**6,15**	**3,94**	**181,867**	**236,004**	**1,159,90**	**717,24**

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.

* Provisional.

STATEMENT 35—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
1972-73	..	..	**10,127†**	**4,027,97†**	260†	207,77†	129†	28,40†	391	114,72	3,657	1,403,55
March	1972	..	**9,929†**	**4,161,37†**	242	179,18	112†	25,54†	394	129,00	3,370	1,493,77
April	,,	..	**9,789†**	**3,726,75†**	242†	179,18†	112†	25,54†	368	112,04	3,571	1,340,42
May	,,	..	**10,314†**	**3,825,27†**	242†	179,18†	112†	25,54†	381	102,53	3,723	1,366,57
June	,,	..	**8,169†**	**3,197,53†**	277	222,27	112†	25,54†	330	97,06	1,982£	702,68£
July	,,	..	**12,197†**	**4,273,85†**	287	202,14	112†	25,54†	406	116,41	5,661	1,771,22
August	,,	..	**8,976†**	**3,208,57†**	220	180,35	122	24,71	407	104,98	3,552	1,328,15
September	,,	..	**10,342†**	**4,264,20†**	220†	180,35†	125	26,08	384	109,13	3,507	1,354,91
October	,,	..	**9,732†**	**3,751,11†**	220†	180,35†	119	26,00	388	106,72	3,745	1,367,83
November	,,	..	**9,864†**	**3,813,18†**	220	187,55	139	31,49	376	107,36	3,369	1,347,34
December	,,	..	**10,280†**	**4,347,88†**	220†	187,55†	139	32,46	382	129,73	3,607	1,561,82
January	1973	..	**10,777†**	**4,355,48†**	297	220,57	149	32,90	430	125,16	3,984	1,560,36
February	,,	..	**9,858†**	**4,136,09†**	323	216,89	149†	32,90†	388	115,58	3,447	1,399,07
March	,,	..	**11,227†**	**5,435,74†**	352	356,87	154	32,06	455	149,89	3,732	1,742,28

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
1972-73	..	..	161	64,18	72	25,10	577	237,90	72†	15,98†	40†	8,93†
March	1972	..	171	76,16	90	28,54	731	258,38	83	18,21	42	10,00
April	,,	..	164	64,70	77	26,35	656	211,29	83†	18,21†	38	9,27
May	,,	..	191	74,45	75	27,08	727	233,79	80	18,82	40	9,59
June	,,	..	138	54,80	70	23,23	591	200,61	80	17,92	37	8,76
July	,,	..	168	69,88	72	21,42	772	250,11	12	3,80	37†	8,76†
August	,,	..	154	61,03	78	25,25	490	234,69	12	4,08	38	8,18
September	,,	..	157	62,33	72	21,60	519	265,87	77	17,86	37	7,94
October	,,	..	132	50,96	63	20,56	437	297,28	84	18,29	39	7,67
November	,,	..	158	62,60	70	20,77	472	194,07	91	20,16	39	8,11
December	,,	..	165	62,81	70	23,32	644	234,73	84	18,18	40	8,74
January	1973	..	181	69,14	76	27,28	350	211,61	96	20,19	45	9,92
February	,,	..	158	62,97	56	27,59	480	234,21	81	18,83	41	9,33
March	,,	..	171	74,49	86	36,70	785	286,50	85	15,36	43	10,85

Note : Annual figures are averages of months. * Managed by the Reserve Bank of India.
£ Clearing House at Bombay remained suspended from June 16, 1972 to June 30, 1972.
† Provisional.

(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†
1,087	694,03	37	33,51	114†	30,55†	508	133,08	170	52,53	102†	18,52†	26†	10,39†
1,234	804,69	42	33,55	103	24,09	598	135,55	13@@	5,18@@	69†	20,17†	23†	6,86†
1,197	729,19	36	30,29	107	30,46	475	118,19	@@	@@	69†	20,17†	23†	6,86†
1,164	681,65	38	30,28	107	27,51	493	138,80	182@@	52,39@@	69†	20,17†	23†	6,86†
1,120	600,97	37	30,19	107	27,67	470	128,92	190	60,78	69†	20,17†	23	10,43
1,160	705,83	38	32,89	116	29,75	513	127,70	177	57,96	67	1,99	27	9,47
354@	197,73@	37	30,15	121	31,84	484	115,85	187	57,86	67†	1,99†	26	9,24
1,490	1,070,09	38	29,43	121†	31,84†	528	132,32	177	58,84	116	13,69	28	10,83
948	682,26	39	31,49	121†	31,84†	513	123,12	182	52,60	87	1,88	27	9,52
1,137	680,13	39	31,75	107	29,79	532	137,75	168	45,96	141	28,42	26	11,63
1,098	724,30	24	30,22	112	30,32	490	133,71	178	54,09	130	26,28	27	11,47
1,042	701,41	41	50,25	119	33,89	580	144,98	220	65,17	121	29,27	27	15,52
1,080	656,27	37	29,96	109	31,00	499	135,43	169	57,28	141	30,12	27†	15,52†
1,257	898,53	42	45,29	122	30,73	524	160,25	212	67,46	140	28,11	29	7,27

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†
100	23,94	646	349,68	39	23,47	206	48,09	11†	2,41†	144†	42,73†	1,580†	458,51†
104	26,40	591	337,09	40	22,37	218	51,83	11	1,95	90	28,54	1,557†	444,33†
99	27,12	639	266,49	43	24,37	228	48,55	10	2,34	135	40,25	1,415†	395,48†
80	10,81	640	259,55	32	19,38	206	44,85	11	1,70	148	45,81	1,552†	447,93†
85	19,88	648	310,60	35	17,20	192	44,98	9	1,48	148†	45,81†	1,417†	525,57†
99	22,15	621	278,05	38	21,25	126	41,81	10	2,74	148†	45,81†	1,531†	427,18†
97	24,50	596	256,24	39	17,17	208	44,70	11	2,29	142	38,14	1,535†	409,45†
93	21,67	682	322,87	44	24,70	204	47,51	13	3,33	118	34,04	1,592†	416,98†
102	25,13	490	195,78	38	20,05	203	45,23	12	2,03	138	39,02	1,606†	415,53†
98	25,05	663	282,73	37	21,72	196	44,96	12	2,55	156	41,66	1,620†	449,61†
97	25,24	747	480,28	37	19,60	207	51,30	12†	2,55†	135	40,73	1,635†	458,43†
118	28,61	682	353,35	40	27,15	250	57,56	10	3,08	156	46,10	1,763†	522,00†
103	26,66	596	434,53	38	29,20	215	47,58	8	2,05	137	44,27	1,578†	478,87†
125	30,48	743	755,68	45	39,82	231	58,06	10	2,80	168	51,11	1,717†	555,14†

@ No transactions at Calcutta Clearing House from August 12, 1972 to August 25, 1972.
@@ Clearing House at Hyderabad remained suspended from March 3, 1972 to May 11, 1972.

STATEMENT 36—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
1971-72†	9	**12,86**	**83**	39	44	**11,03**	**4,27**	2	4,25	**6,82**	4	6,78	26	68
December† 1971 ..	9	**12,36**	**80**	39	41	**10,65**	**4,01**	—	4,01	**6,65**	1	6,64	14	76
January† 1972 ..	9	**12,41**	**83**	40	43	**10,56**	**3,91**	—	3,91	**6,66**	1	6,65	31	70
February† „ ..	9	**12,38**	**83**	40	43	**10,69**	**4,06**	2	4,04	**6,66**	1	6,65	21	62
March† „ ..	9	**12,86**	**83**	39	44	**11,03**	**4,27**	2	4,25	**6,82**	4	6,78	26	68
April† „ ..	9	**11,54**	**56**	18	38	**10,31**	**3,77**	1	3,76	**6,56**	1	6,55	23	42
May† „ ..	9	**11,52**	**56**	18	38	**10,46**	**3,87**	1	3,86	**6,61**	1	6,60	6	42
June† „ ..	9	**11,91**	**56**	18	38	**10,79**	**4,05**	1	4,04	**6,76**	1	6,75	7	47
July† „ ..	9	**11,83**	**57**	18	39	**10,90**	**3,94**	1	3,93	**6,98**	1	6,97	1	33
August† „ ..	9	**12,06**	**57**	18	39	**10,90**	**3,87**	1	3,86	**7,05**	1	7,04	19	38
September† „ ..	9	**12,33**	**57**	18	39	**11,22**	**4,11**	1	4,10	**7,13**	1	7,12	17	35
October† „ ..	7	**12,36**	**56**	18	38	**11,24**	**4,01**	1	4,00	**7,24**	—	7,24	16	39
November† „ ..	7	**12,43**	**56**	18	38	**11,29**	**4,01**	1	4,00	**7,29**	—	7,29	14	43

STATEMENT 36—NON-SCHEDULED COMMERCIAL BANKS: LIABILITIES AND ASSETS IN INDIA (*Concld.*)

(Amount in lakhs of rupees)

Last Friday	ASSETS																	
	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	*16*	*21*	*25*
		Total	Cash in hand	Balances with Reserve Bank			Total	Advances	Bills purchased and discounted		Total	Central Government (*d*)	State Governments	Others		*As percentage of aggregate deposits*		
	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*
1971-72†	**12,72**	**53**	53	—	66	12	**7,36**	6,69	67	—	**3,04**	36	1,71	97	1,01	*4.8*	*66.7*	*27.6*
December† 1971	**12,24**	**49**	49	—	82	2	**7,16**	6,68	48	—	**2,82**	36	1,67	79	93	*4.6*	*67.2*	*26.5*
January† 1972	**12,30**	**48**	48	—	62	2	**7,42**	6,72	70	—	**2,82**	36	1,69	77	94	*4.5*	*70.3*	*26.7*
February† ,, ...	**12,29**	**46**	46	—	78	2	**7,18**	6,55	63	—	**2,87**	37	1,68	82	98	*4.3*	*67.2*	*26.8*
March† ,, ...	**12,72**	**53**	53	—	66	12	**7,36**	6,69	67	—	**3,04**	36	1,71	97	1,01	*4.8*	*66.7*	*27.6*
April† ,, ...	**11,42**	**47**	47	—	57	13	**6,56**	6,15	41	—	**3,13**	36	1,69	1,08	56	*4.6*	*63.6*	*30.4*
May† ,, ...	**11,39**	**50**	50	—	70	6	**6,58**	6,15	43	—	**3,01**	37	1,68	96	54	*4.8*	*62.9*	*28.8*
June† ,, ...	**11,77**	**46**	46	—	65	17	**6,80**	6,35	45	—	**3,13**	37	1,70	1,06	56	*4.3*	*63.0*	*29.0*
July† ,, ...	**11,77**	**43**	43	—	65	14	**6,93**	6,46	47	—	**3,05**	35	1,70	1,00	57	*3.9*	*63.6*	*28.0*
August† ,, ...	**12,01**	**61**	61	—	59	14	**6,90**	6,43	47	—	**3,15**	36	1,69	1,10	62	*5.6*	*63.3*	*28.9*
September† ,, ...	**12,21**	**49**	49	—	74	7	**7,01**	6,62	39	—	**3,31**	36	1,80	1,15	59	*4.4*	*62.5*	*29.5*
October† ,, ...	**12,27**	**45**	45	—	69	7	**7,24**	6,79	45	—	**3,29**	34	1,80	1,15	53	*4.0*	*64.4*	*29.3*
November† ,, ...	**12,34**	**45**	45	—	69	2	**7,54**	7,15	39	—	**3,11**	35	1,80	96	53	*4.0*	*66.8*	*27.5*

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 37—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in lakhs of rupees)

Last Friday	No. 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
1972-73 ..	25	**188,07**	**119,30**	35,17	72,95	—	11,18	**247,87**	128,32	115,12	2,45	1,97	316,45	**46,68**	5,88	40,81
March 1972 ..	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 „ ..	25	**173,73**	**116,96**	35,66	66,36	—	14,94	**218,44**	107,92	107,37	1,87	1,29	213,28	**51,67**	14,49	37,17
July „ ..	25	**176,74**	**97,57**	26,40	62,99	—	8,17	**225,90**	108,98	113,74	1,87	1,30	202,46	**44,27**	10,65	33,62
August „ ..	25	**174,16**	**96,28**	24,77	61,64	2,02	7,85	**230,83**	115,28	112,51	1,73	1,30	219,63	**42,27**	8,15	34,12
September „ ..	25	**175,13**	**105,88**	32,06	66,25	—	7,57	**224,70**	112,31	108,87	2,07	1,44	253,29	**37,80**	7,66	30,14
October „ ..	25	**173,58**	**93,24**	25,75	59,49	—	8,00	**235,56**	117,99	114,09	2,07	1,40	260,26	**41,04**	8,07	32,96
November „ ..	25	**175,08**	**94,91**	27,00	59,95	—	7,95	**238,28**	119,47	115,12	2,12	1,57	277,91	**42,86**	6,70	36,16
December „ ..	25	**173,02**	**96,48**	26,72	59,75	—	10,02	**237,63**	120,58	113,28	2,14	1,63	350,24	**40,36**	3,19	37,17
January 1973 ..	25	**177,07**	**102,96**	30,85	63,34	—	8,76	**239,46**	122,13	113,73	2,23	1,36	353,80	**43,54**	4,74	38,79
February „ ..	25	**180,21**	**107,01**	31,78	65,15	—	10,07	**242,49**	123,73	115,07	2,30	1,40	350,12	**44,95**	3,54	41,41
March „ ..	25	**188,07**	**119,30**	35,17	72,95	—	11,18	**247,87**	128,32	115,12	2,45	1,97	316,45	**46,68**	5,88	40,81
April „ ..	25	**197,93**	**121,43**	37,72	73,69	—	10,02	**263,66**	134,70	124,24	2,74	1,98	274,06	**42,71**	11,34	31,36
May „ ..	25	**193,51**	**112,41**	32,47	69,90	—	10,04	**267,70**	137,68	123,62	2,82	3,57	256,67	**46,45**	13,59	32,86
June „ ..	25	**207,14**	**128,98**	41,05	76,79	2	11,12	**278,57**	143,53	130,35	2,73	1,96	241,16	**47,30**	13,06	34,24

STATEMENT 37—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
								Advances		Bills purchased and discounted	*As percentage of aggregate deposits*		
	Total	Cash in hand	Balances with Reserve Bank				Total (24+26)	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*
1972-73 ..	**18,34**	2,22	16,12	9,42	84,06	15,21	**225,22**	225,11	481,96	11	*9·8*	*44·7*	*119·8*
March 1972 ..	**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 „ ..	**18,49**	3,92	14,57	18,58	71,71	15,66	**163,13**	162,90	389,52	23	*10·6*	*41·3*	*93·9*
July „ ..	**15,11**	2,01	13,10	7,65	74,63	12,65	**150,95**	150,74	396,77	21	*8·5*	*42·2*	*85·4*
August „ ..	**14,37**	1,90	12,47	8,69	75,25	5,72	**144,38**	144,23	420,01	14	*8·3*	*43·2*	*82·9*
September „ ..	**13,51**	1,97	11,54	8,42	78,02	6,39	**145,48**	145,04	444,08	44	*7·7*	*44·6*	*83·1*
October „ ..	**13,39**	1,99	11,39	6,97	81,81	9,14	**143,03**	142,65	454,79	37	*7·7*	*47·1*	*82·4*
November „ ..	**13,18**	1,87	11,30	6,70	81,99	3,54	**142,87**	142,48	477,77	38	*7·5*	*46·8*	*81·6*
December „ ..	**17,67**	1,95	15,72	6,69	83,68	9,48	**148,65**	148,32	532,99	33	*10·2*	*48·4*	*85·9*
January 1973 ..	**17,01**	1,97	15,04	5,54	83,97	6,92	**192,49**	192,29	504,57	19	*9·6*	*47·4*	*108·7*
February „ ..	**17,32**	2,01	15,31	6,28	83,92	6,31	**207,96**	207,78	496,67	18	*9·6*	*46·6*	*115·4*
March „ ..	**18,34**	2,22	16,12	9,42	84,06	15,21	**225,22**	225,11	481,96	11	*9·8*	*44·7*	*119·8*
April „ ..	**16,86**	2,24	14,61	8,59	84,43	25,31	**223,21**	223,02	444,26	19	*8·5*	*42·7*	*112·8*
May „ ..	**14,72**	2,23	12,49	7,92	84,86	22,29	**215,38**	215,22	430,02	16	*7.6*	*43.9*	*111.3*
June „ ..	**21,51**	2,47	19,04	12,80	85,14	23,17	**203,01**	202,89	430,05	13	*10.4*	*41.1*	*98.0*

(*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 38—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(b)	4½-5(a)	4-6(a)	4-4½(a)	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)	6¾-8(c)	6·26	6·81	6·06	12·00-15·00	15·00	17·40-19·80
1969-70	5	9½(e)	7(e)	8½(e)	7½(e)	4·30	4·15	4·39	15·00	13·50	21·00
1970-71	5-6	9½	7-8½(g)	8½-12(h)	7½-8½(f)	6·38	6·91	6·45	15·00	13·50	21·60-24·00
1971-72	6	8¾-10½(k)	8½	12-10(j)	8½	5·16	4·30	6·01	15·00	13·50-15·00	24·00-22·80
1972-73	6	8¾-10½	8½	10	8½	4·15	3·70	4·14	15·00	15·00	22·80-21·60
March 1972	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	3·80	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	4·30	4·14	15·00	15·00	22·80
July „	6	8¾-10½	8½	10	8½	3·00	3·31	3·85	15·00	15·00	22·80
August „	6	8¾-10½	8½	10	8½	3·25	3·19	3·29	15·00	15·00	22·80-21·60
September „	6	8¾-10½	8½	10	8½	3·16	2·66	3·69	15·00	15·00	21·60
October „	6	8¾-10½	8½	10	8½	3·11	3·36	3·47	15·00	15·00	21·60
November „	6	8¾-10½	8½	10	8½	3·52	3·16	3·50	15·00	15·00	21·60
December „	6	8¾-10½	8½	10	8½	4·02	4·10	3·99	15·00	15·00	21·60
January 1973	6	8¾-10½	8½	10	8½	4·75	4·34	4·33	15·00	15·00	21·60
February „	6	8¾-10½	8½	10	8½	4·21	6·07	4·09	15·00	15·00	21·60
March „	6	8¾-10½	8½	10	8½	5·85	6·02	6·65	15·00	15·00	21·60
April „	6	8¾-10½	8½	10	8½	5·47	5·26	6·69	15·00	15·00	21·60
May „	6-7*	8¾-10½	8½	10	8½	5·52	5·16	5·83	15·00	15·00	21·60
June „	7	8¾-10½	9(l)	10½(l)	9(l)	5.84	5.84	5.78	15.00	15.00	21.60-23.40

(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.

(*a*) With effect from October 1, 1960. (*b*) 6 per cent with effect from May 15, 1960 and 6½ per cent with effect from October 1, 1960. (*c*) with effect from January 1, 1966. (*d*) with effect from February 3, 1966. (*e*) with effect from March 12, 1968. (*f*) 8½ per cent from January 8, 1971. (*g*) 7½ per cent with effect from April 3, 1970 and 8½ per cent from January 8, 1971. (*h*) 9 per cent with effect from April 3, 1970, 10 per cent from January 8, 1971 and 12 per cent from February 25, 1971. (*j*) with effect from July 1, 1971. (*k*) 9½ per cent upto May 5, 1971. (*l*) Raised with effect from June 1, 1973.

* The Reserve Bank of India rate (Bank Rate) was changed from 6 to 7 per cent with effect from the close of business on May 30, 1973. For further details refer to 'Notes on the Statements.'

Source : State Bank of India and selected major scheduled commercial banks.

STATEMENT 39—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
1972-73	**2,225,04**	2,075,55	149,50	..
March 1972	**1,847,25**	1,712,65	134,60	3,72
April ,, ...	**1,883,81**	1,747,59	136,22	3,75
May ,, ...	**1,899,51**	1,763,54	135,98	3,82
June ,, ...	**1,969,53**	1,830,72	138,82	3,98
July ,, ...	**1,998,59**	1,858,67	139,92	3,88
August ,, ...	**2,015,40**	1,875,00	140,40	3,77
September ,, ...	**2,057,19**	1,914,47	142,72	3,93
October ,, ...	**2,067,34**	1,922,82	144,52	3,85
November ,, ...	**2,085,26**	1,940,77	144,49	3,92
December ,, ...	**2,133,03**	1,986,66	146,37	4,13
January 1973	**2,148,74**	2,001,65	147,09	4,14
February ,, ...	**2,174,56**	2,027,36	147,19	..
March ,, ...	**2,225,04**	2,075,55	149,50	..

Note : Figure in column 4 above the line is based on the returns submitted in Form XII.

STATEMENT 40—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	566	1,75	—	—	—	—	—	—
1965-66	12,816	49,70	24	54	18	66	9	18
1969-70	92,755*	618,71	1,37	407‡	1,23‡	154	20	1,23
1970-71	..	746,84	1,84	1,799	5,89	190	25	1,68
1971-72	..	863,87	2,63	4,082	13,52	258	36	2,37
1972-73	..	1,036,33	3,49	6,538	19,05	406	60	3,10

£ 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 41—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**
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	**177.3**	**114.9**	**34.6**	**23.8**	**14.6**	**13.2**	**26.7**	**8.0**	**253.2**	**159.9**
I.D.B.I.	76.9(*d*)	51.1(*d*)	—	—	2.0	4.7	0.7	—	**79.6**	**55.8**
I.F.C.I.	22.8	13.9(*e*)	5.7	2.6	1.8	0.9	2.0	—	**32.3**	**17.4**
I.C.I.C.I.	9.5	4.6	28.9	21.2	2.7	1.8	2.7	1.3	**43.9**	**28.9**
S.F.Cs.	49.0	33.1(*e*)	—	—	0.6	0.4	—	—	**49.6**	**33.5**
S.I.D.Cs.	17.1	9.5(*e*)	—	—	2.2	1.6	@	@	**19.3**	**11.1**
Sub-total	**175.3**	**112.2**	**34.6**	**23.8**	**9.3**	**9.4**	**5.4**	**1.3**	**224.7**	**146.7**
U.T.I.*	—	—	—	—	1.9	1.1	8.9	4.0	**10.7**	**5.1**
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**	—	—	**5.3**	**3.8**	**21.3**	**6.7**	**28.5**	**13.2**
1971-72 Total	**269.7**	**153.7**	**25.5**	**23.9**	**32.6**	**8.1**	**17.7**	**3.7**	**345.5**	**189.4**
I.D.B.I.	129.7(*d*)	77.4(*d*)	—	—	13.3	1.0	—	0.4	**143.0**	**78.8**
I.F.C.I.	26.8	16.1(*e*)	3.0	3.4	2.3	0.8	—	—	**32.1**	**20.3**
I.C.I.C.I.	12.0	8.0	22.5	20.5	3.7	1.6	1.5	0.2	**39.7**	**30.3**
I.R.C.I.	6.6	1.1	—	—	—	—	—	—	**6.6**	**1.1**
S.F.Cs.	63.4	39.0(*e*)	—	—	0.7	0.6	—	—	**64.1**	**39.6**
S.I.D.Cs.	17.1	11.2(*e*)	—	—	4.7	1.2	0.1	@	**21.9**	**12.4**
Sub-total	**255.6**	**152.8**	**25.5**	**23.9**	**24.7**	**5.2**	**1.6**	**0.6**	**307.4**	**182.5**
U.T.I.*	—	—	—	—	3.2	1.0	11.8	0.6	**15.0**	**1.6**
L.I.C.	14.1	0.9	—	—	4.7	1.9	4.3	2.5	**23.1**	**5.3**
Sub-total	**14.1**	**0.9**	—	—	**7.9**	**2.9**	**16.1**	**3.1**	**38.1**	**6.9**

(*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.

* Data for 1971-72 are provisional and those for 1970-71 are revised; disbursements exclude advance deposits placed with companies. @ Negligible.

Source : The Life Insurance Corporation of India and Annual Reports of the Industrial Development Bank of India.

STATEMENT 42—CONSENTS FOR CAPITAL ISSUES

(Amount in lakhs of rupees)

Year/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)		
1972	**238**	**173,54**	**196**	**160,24**	5	3,51	32	28,62	18	50,23	45	44,03	96	33,86
	(43)	**(33,26)**	**(43)**	**(33,26)**	(23)	(22,65)	(13)	(7,46)	(—)	(—)	(7)	(3,16)		
(i) Industrial	203	161,33	168	148,45	3	1,67	27	28,14	17	43,23	43	42,36	78	33,07
	(38)	(31,53)	(38)	(31,53)	(22)	(22,07)	(11)	(6,96)	(—)	(—)	(5)	(2,50)		
(ii) Non-Industrial	35	12,21	28	11,79	2	1,84	5	49	1	7,00	2	1,67	18	79
	(5)	(1,73)	(5)	(1,73)	(1)	(57)	(2)	(50)	(—)	(—)	(2)	(66)		
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
1972	**10**	**17,50**	**10**	**17,50**	2	1,48	2	5,67	4	9,00	1	35	1	1,00
(i) Industrial	6	8,50	6	8,50	2	1,48	2	5,67	1	1,00	1	35	—	—
(ii) Non-Industrial	4	9,00	4	9,00	—	—	—	—	3	8,00	—	—	1	1,00

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, 1971 and 1972 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 43—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1969 (Further revised)					1970 (Further revised)				
	Capital paid-up during the year against consents/ acknowledgement of proposals		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**	Capital paid-up during the year against consents/ acknowledgement of proposals		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	12,51	—	51	4,31	**17,32**	21,41	—	1,18	5,71	**28,30**
Preference	98	—	—	4	**1,02**	5,80	—	14	14	**6,08**
Further (*b*) ..										
Ordinary	22,12	—	5,49	10,70	**38,30**	18,81	—	10,19	8,00	**37,00**
Preference	5,15	—	74	44	**6,33**	4,40	—	77	13	**5,30**
Debentures ..	32,60	—	—	—	**32,60**	12,73	—	—	—	**12,73**
	73,36	—	6,73	15,48	**95,57**	63,15	—	12,28	13,98	**89,41**
Bonus	22,00	7,29	—	—	**29,30**	44,28	7,52	—	—	**51,81**
Miscellaneous (Loans, etc.) ..	10,42	—	—	—	**10,42**	6,75	—	—	—	**6,75**
Total	**105,78**	**7,29**	**6,73**	**15,48**	**135,28**	**114,19**	**7,52**	**12,28**	**13,98**	**147,98**
										B. Government
Initial (*a*)										
Ordinary	—	2	85	3,52	**4,39**	—	—	1,33	14,26	**15,59**
Preference	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary	1	—	12,90	164,15	**177,06**	24	—	33,58	125,90	**159,72**
Preference	—	—	—	—	—	6	—	18	—	**25**
Debentures ..	4,75	—	—	—	**4,75**	5,22	—	—	—	**5,22**
	4,76	2	13,75	167,67	**186,20**	5,53	—	35,09	140,16	**180,78**
Bonus	—	3,00	—	—	**3,00**	—	—	—	—	—
Miscellaneous (Loans, etc.) ..	—	—	—	85	**85**	—	—	—	16	**16**
Total	**4,76**	**3,02**	**13,75**	**168,52**	**190,05**	**5,53**	—	**35,09**	**140,32**	**180,94**

Note : The data in columns 1&2, 6&7, 11&12 and 16&17 relate to the capital raised in 1969, 1970, 1971 and 1972 respectively, against consents granted during that year as well as earlier years. Data are consolidated by the Controller of Capital Issues based on the reports received from the Companies/Registrars of Companies upto March 31, 1973. These do not take into account the capital raised by companies for which no reports were received. Figures

AND GOVERNMENT COMPANIES

(In lakhs of rupees)

1971 (Revised)					1972 (Preliminary)				
Capital paid-up during the year against consents/ acknowledgement of proposals		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**	Capital paid-up during the year against consents/ acknowledgement of proposals		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									
17,69	—	1,79	9,58	**29,05**	12,08	—	3,75	9,97	**25,80**
3,86	—	1	37	**4,24**	1,98	—	17	19	**2,35**
17,34	3	11,19	12,97	**41,53**	14,25	—	9,45	13,72	**37,42**
2,36	—	1,05	44	**3,84**	4,79	—	85	20	**5,83**
8,72	—	—	—	**8,72**	51,71	—	—	—	**51,71**
49,97	3	14,03	23,36	**87,38**	84,80	—	14,22	24,08	**123,10**
26,87	4,94	—	—	**31,81**	33,57	1,22	—	—	**34,77**
4,04	—	—	—	**4,04**	6,11	—	—	—	**6,11**
80,87	**4,97**	**14,03**	**23,36**	**123,23**	**124-49**	**1,22**	**14,22**	**24,08**	**163,99**
Companies									
4,50	—	1,56	7,35	**13,41**	5,86	—	14,12	2,47	**22,45**
—	—	—	—	—	—	—	—	—	—
—	—	7,68	84,01	**91,69**	36	—	37,98	343,65	**381,99**
—	—	—	—	—	—	—	36	—	**36**
15,38	—	2,20	—	**17,58**	7,60	—	—	—	**7,60**
19,88	—	11,44	91,36	**122,68**	13,82	—	52,46	346,12	**412,41**
2,00	—	54	—	**2,54**	—	—	—	—	—
—	—	—	—	—	35	—	2,30	—	**2,65**
21,88	—	**11,99**	**91,36**	**125,23**	**14,17**	—	**54,76**	**346,12**	**415,06**

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 44—LIABILITIES AND ASSETS OF THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(In lakhs of rupees)

As at the end of June	LIABILITIES						Total liabilities or assets
	Capital issued and paid-up	Reserves and Reserve fund	Bonds and Debentures	Borrowings		Other liabilities	
				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(*a*)	—	26,27	176,79	5,79	**243,43**
1971 ..	30,00	18,23(*a*)	—	55,04	173,09	7,49	**283,85**
1972 ..	40,00	21,38(*a*)	12,65	92,82	166,51	11,67	**345,03**
1973 ..	40,00	24,97(*a*)	28,69	129,09	157,63	13,99	**394,37**

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
1973 ..	18,38	55,51	88,93	115,35	109,01	7,19

Note : Data relate to General Fund and Development Assistance Fund. (*a*) Inclusive of unappropriated profit at Rs. 3 lakhs, Rs. 216 lakhs, Rs. 314 lakhs, Rs. 401 lakhs and Rs. 528 lakhs for 1965-66, 1969-70, 1970-71, 1971-72 and 1972-73 respectively.

* Inclusive of cash on hand/in transit and balances with banks.

Source : Annual Reports of the Industrial Development Bank of India.

STATEMENT 45—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	20,12	2,25	6,01	1,67	**62,47**	10,65	**51,10**
1969-70 ..	16,06	14,83	24,07	6,13	50	**61,59**	8	**52,31**
1970-71 ..	52,02	37,82	28,48	4,07	8,60	**130,99**	3,22	**79,81**
1971-72 ..	69,79	30,79	45,29	14,17	3,21	**163,25**	11	**93,99**
1972-73† ..	57,22	33,43	49,84	7,83	2,78	**151,10**	31	**106,60**

* Gross sanctions *minus* subsequent reductions / cancellations of sanctions.

† Provisional.

Source : Industrial Development Bank of India.

STATEMENT 46—STATE FINANCIAL CORPORATIONS—LIABILITIES AND ASSETS

(In lakhs of rupees)

As on last Friday of March	Number of corporations (a)	LIABILITIES										
		Capital and Reserves			Bonds and debentures	Fixed deposits (b)	Borrowings from				Other liabilities
		Paid-up capital	Reserve fund	Provision for bad and doubtful debts and other reserves			RBI	IDBI	State Govts.	Others	
	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
1973	18	25,27	94	7,07	98,69	13,59	3,99	52,79	2,58	50	23,87

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
1973	**229,29**	11,84	1,74	10,45	181,85	61	7,67	15,13

(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 47—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

Corporation	Capital as at the end of March 1973	Outstandings of bonds issued as at the end of March 1973	Total assets* as at the end of March 1973	Loans sanctioned (*a*) during					
				1960-61	1965-66	1969-70	1970-71	1971-72	1972-73
	1	2	3	4	5	6	7	8	9
1. Andhra Pradesh ..	1,50	6,10	15,64	56	2,21	2,13	3,58	4,01	6,53
2. Assam	1,00	2,60	5,29	68	46	28	16	45	49
3. Bihar	1,00	3,26	7,48	51	31	35	1,12	2,81	4,30
4. Delhi	1,00	1,99	5,80			1,30	2,35	2,48	1,61
5. Gujarat	3,00	10,14	23,24	38	1,28	5,95	8,51	10,71	14,22
6. Haryana	1,00	4,12	10,83			1,41	2,38	4,37	4,56
7. Himachal Pradesh ..	61	28	1,72			31	60	82	1,07
8. Jammu and Kashmir	77	1,10	2,79	4	37	88	1,58	1,16	1,29
9. Kerala	1,00	7,05	11,64	42	1,28	1,24	2,09	4,06	5,43
10. Madhya Pradesh ..	1,00	5,61	8,86	37	1,97	95	1,07	1,31	1,61
11. Maharashtra ..	2,65	19,26	33,80	1,76	2,36	8,22	12,11	10,63	7,92
12. Mysore	1,50	6,63	15,52@	44	1,49	1,64	3,37	5,05	5,69
13. Orissa	1,00	2,95	5,46	58	32	50	79	91	1,58
14. Punjab	75	3,12	7,02	1,28	2,41	1,14	2,27	3,75	5,06
15. Rajasthan(*c*) ..	1,00	3,88	8,91	27	1,23	1,84	2,47	2,82	3,94
16. Tamilnadu	3,00	12,47	31,78	1,12	4,70	2,58	3,68	3,10	4,96
17. Uttar Pradesh ..	2,25	5,40	15,51†	78	75	4,17	4,62	10,07	10,00
18. West Bengal ..	1,50	3,54	8,43	30	1,96	92	1,47	1,04	2,53
Total	**25,53**	**99,50**	**219,72**	**9,49**	**23,10**	**35,81**	**54,22**	**69,55**	**82,79**

Corporation	Loans disbursed during						Loans outstanding as at the end of March					
	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	1961	1966	1970	1971	1972	1973
	10	11	12	13	14	15	16	17	18	19	20	21
1. Andhra Pradesh ..	27	1,55	1,02	2,29	2,68	3,28	82	4,24	7,79	9,48	11,36	13,56
2. Assam	56	34	35	21	26	40	1,54	3,67	4,29	4,46	4,57	4,80
3. Bihar	36	24	42	75	1,39	1,83	1,49	2,33	2,90	3,49	4,55	6,11
4. Delhi (*b*)			80	1,51	1,72	1,26			2,03	3,29	4,75	5,58
5. Gujarat	19	1,02	3,45	5,51	5,54	6,97	19	2,54	8,02	12,06	15,69	20,47
6. Haryana (*b*) ..			1,13	1,10	2,02	2,61@			6,02	6,47	7,98	9,94
7. Himachal Pradesh(*b*)			8	54	60	61			28	78	1,27	1,61
8. Jammu and Kashmir	2	25	74	1,29	1,04	87	2	44	1,52	2,17	2,52	2,51
9. Kerala	23	45	1,16	1,31	1,69	2,84	1,38	1,95	4,89	6,01	7,65	10,25
10. Madhya Pradesh ..	7	1,41	79	77	84	93	44	3,39	6,08	6,51	7,03	7,51
11. Maharashtra ..	83	2,46	4,40	8,21	6,51	6,45	1,99	9,08	16,25	22,42	26,16	28,89
12. Mysore	21	79	1,36	1,99	3,21	3,77	34	2,82	6,40	7,89	10,47	13,71
13. Orissa	20	47	45	30	64	81	18	1,88	2,89	3,03	3,39	3,79
14. Punjab	57	1,63	77	1,02	1,77	1,94	1,71	6,30	3,59	3,84	5,34	6,52
15. Rajasthan (*c*) ..	10	62	1,12	1,19	1,60	1,88	54	2,52	4,57	5,13	6,16	7,47
16. Tamilnadu	71	2,88	1,37	3,32	2,56	2,23	3,89	9,96	13,74	16,12	17,64	17,81
17. Uttar Pradesh ..	35	82	1,59	2,18	4,10	4,52	1,03	2,68	4,86	6,53	9,94	13,62
18. West Bengal ..	21	1,15	65	64	67	80	1,56	5,76	6,77	7,10	7,15	7,19
Total	**4,88**	**16,08**	**21,65**	**34,13**	**38,84**	**44,00**	**17,12**	**59,56**	**102,89**	**126,78**	**153,62**	**181,34**

(*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. (*c*) From 1969-70 to 1971-72 data for loans include those by 'Agency' also.

* Including loans and advances. @ Provisional. † Excludes deferred payment guarantee (Rs. 93.16 lakhs) and subvention received from State Government (Rs. 13.50 lakhs).

Source : State Financial Corporations.

STATEMENT 48—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	1973
	1	2	3	4	5	6
1. Capital issued and paid-up	5,00	8,35	8,35	8,35	8,35	9,17
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	1,00
(*ii*) Other reserves	70	4,52	9,05	10,46	11,71	13,02
3. Reserve for doubtful debts	15	14	89	1,19	1,54	2,03
4. Provision for taxation	50	1,17	5,99	2,41	2,43	5,10
5. Bonds and debentures	22,24	33,48	52,74	57,69	61,25	72,01
6. Borrowings from the Reserve Bank of India	51	82	—	1,66	36	—
7. Borrowings from Government†	15,25	50,94	80,99	79,04	75,67	71,35
8. Borrowings in foreign currency	—	7,65	20,72	21,12	22,03	24,00
9. Guarantees and underwriting agreements per contra	4,77	23,66	25,06	21,91	16,90	14,76
10. Other liabilities	1,60	3,92	9,81	10,40	11,35	12,57*
11. **Total liabilities or assets**	**51,09**	**135,36**	**214,59**	**215,23**	**212,59**	**225,01**
12. Cash in hand and with banks	3,00	2,05	9,70	12,54	7,15	7,54
13. **Investments in :**						
(*i*) Government securities	—	—	3,31	2,01	—	—
(*ii*) Shares/Stocks	95	8,01	10,83	11,80	11,80	12,58
(*iii*) Bonds/Debentures	—	3,96	6,69	6,11	6,05	6,02
(*iv*) Subscription to initial capital of U.T.I.	—	21	21	21	21	21
14. Loans and advances	40,74	95,43	149,70	155,71	161,75	175,83
15. Guarantees and underwriting agreements per contra	4,77	23,66	25,06	21,91	16,90	14,76
16. Other assets	1,62	2,05	9,10	4,94	8,73	8,08

† Under Section 21(4) of the Industrial Finance Corporation Act 1948 (as amended) and under Interest Differential Funds in terms of KFW loan agreements from September 1972.

* Includes Rs. 22 lakhs for Provision for Depreciation in the value of investments.

Source : Industrial Finance Corporation of India.

STATEMENT 49—INDUSTRIAL FINANCE CORPORATION OF INDIA

INDUSTRY-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

(In lakhs of rupees)

Industry	Year ended June									
	1961		1966		1970		1971		1972	
	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total
	1	2	3	4	5	6	7	8	9	10
Sugar	480@	*22·6@*	288	*6·6*	465	*24·0*	829	*23·5*	945	*24·1*
Cotton Textiles	217	*10·2*	265	*6·1*	335	*17·3*	273	*7·7*	145	*3·7*
Synthetic Fibres	—	—	200	*4·6*	169	*8·7*	532	*15·1*	134	*3·4*
Jute Textiles	—	—	—	—	150	*7·8*	—	—	65	*1·6*
Paper	350	*16·5*	339	*7·8*	54	*2·8*	70	*2·0*	188	*4·8*
Rubber Products	172	*8·1*	—	—	77	*4·0*	—	—	301	*7·7*
Basic Industrial Chemicals	24*	*1·1**	260*	*6·0**	30	*1·5*	57	*1·6*	157	*4·0*
Fertilizers					75	*3·9*	6	*0·2*	773	*19·7*
Miscellaneous Chemicals ..	126	*5·9*	379	*8·7*	44	*2·2*	70	*2·0*	6	*0·2*
Glass	97	*4·6*	14	*0·3*	58	*3·0*	—	—	56	*1·4*
Pottery	145	*6·8*	—	—	30	*1·6*	—	—	—	—
Cement	50	*2·4*	378	*8·7*	50	*2·6*	50	*1·4*	20	*0·5*
Iron & Steel	—	—	526	*12·1*	—	—	479	*13·6*	319	*8·2*
Non-ferrous Metals ..	130	*6·1*	40	*0·9*	173	*8·9*	170	*4·8*	35	*0·9*
Metal Products	60	*2·8*	831	*19·1*	88	*4·5*	244	*6·9*	192	*4·9*
Machinery	70	*3·3*	495	*11·4*	22	*1·1*	95	*2·7*	109	*2·8*
Electrical Machinery and Equipments	55	*2·6*	172	*4·0*	59	*3·0*	299	*8·5*	162	*4·2*
Motor Vehicles and Ancillaries	—	—	109	*2·5*	54	*2·8*	240	*6·8*	141	*3·6*
Rail-Road Equipment ..	—	—	4	*0·1*	—	—	—	—	70	*1·8*
Iron Ore	—	—	—	—	—	—	—	—	75	*1·9*
Others	146	*6·9*	50	*1·2*	6	*0·3*	119	*3·3*	22	*0·6*
TOTAL .. .	**21,21**	*100·0*	**43,53**	*100·0*	**19,38**	*100·0*	**35,32**	*100·0*	**39,16**	*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 Fertilisers.

Source : Annual Reports of the Industrial Finance Corporation of India.

STATEMENT 50—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	1972-73
	1	2	3	4	5	6
1. Paid-up capital	5,00	7,50	7,50	7,50	10,00	10,00
2. Reserve fund	76	2,72	5,57	7,34	8,56	9,81
3. Reserve for doubtful debts	—	—	60	90	1,20	1,50
4. **Total borrowings**	**11,68**	**62,63**	**115,79**	**127,92**	**137,67**	**158,03**
(*i*) Debentures	—	—	11,00	11,00	11,00	18,00
(*ii*) From Government of India $	7,50	32,50	31,80	30,58	28,45	26,06
(*iii*) From I.D.B.I.	—	—	12,30	14,10	15,90	15,10
(*iv*) In foreign currency	4,18	30,13	60,69	72,24	82,32	98,87
5. Provision for taxation	38	1,33	2,19	2,28	3,74	5,51
6. Other liabilities	60	1,77	3,58	3,21	3,71	12,51
7. **Total liabilities* or assets**	**18,42**	**75,95**	**135,23**	**149,15**	**164,88**	**197,36**
8. *Contingent liabilities on account of:*						
(*i*) Shares and debentures partly paid held as investment	61	70	52	37	54	87
(*ii*) Guarantees and underwriting	45	2,42	4,63	5,09	4,58	5,52
9. Cash in hand	4,47	7,35	8,56	8,68	8,27	15,21
10. **Investments@ in :**						
(*i*) Government securities	55	1,24	50	50	57	50
(*ii*) Bonds and debentures	2,38	5,05	13,51	13,50	13,05	13,69
(*iii*) Shares and stocks	3,97	10,22	14,60	15,90	17,14	18,24
(*iv*) Unit Trust of India and I.R.C.I.£	—	13	13	13	25	25
11. **Loans and advances :**						
(*i*) Rupee loans $	2,19	17,65	25,08	25,07	28,54	31,54
(*ii*) Foreign currency loans	4,18	31,45	65,65	77,73	88,05	104,87
12. Other assets	68	2,86	7,20	7,64	9,01	13,06

* Excludes contingent liabilities. @ Include temporary investment and amount subscribed as a result of underwriting operations. £ Includes temporary investment of Rs. 6 lakhs in Industrial Reconstruction Corporation of India Ltd. from April 1971. $ Include from December 1972, Borrowings/loans and grants out of Interest Differential Funds in terms of 'KFW Loan Agreements'.

Source : Industrial Credit and Investment Corporation of India.

STATEMENT 51—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 applications	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	18,00	12,698	3,19	3,83,215	92,25
1971-72	61,405	15,08	10,131	2,60	4,34,489	104,72
1972-73	82,170	23,04	11,403	2,97	5,05,256	124,79

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, including fractional units allotted by reinvestment of dividend.

† End of the period.

STATEMENT 52—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
1972-73	923	**575,23**	501,43	73,80	218,83

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 53—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES 1972-73

(In rupees)

Loans	As on				Average(*a*) for the month					1972-73	
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1972	June 1972	Sept. 1972	Dec. 1972	March 1973	Highest	Lowest
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 Years											
4 % 1972 (*b*)	98.75	98.80	99.15	100.00	99.75					99.95	99.75
4¼ % 1972*(*c*)	100.10	100.05	100.15	100.45	100.35	100.35				100.35	100.00
4½ % 1972 (*d*)			100.55	100.90	100.35					100.35	100.35
4¾ % 1972†(*e*)			101.75	101.45	100.70	100.48				100.70	100.10
4 % 1973	98.70	98.80	99.00	99.85	99.65	99.65	99.77	99.88	99.90	99.90	99.65
4¼ % 1973	99.95	100.05	100.10	100.30	100.05	100.05	100.05	100.02	100.00	100.05	100.00
3¾ % 1974	96.60	96.60	94.35	98.45	98.20	98.25	98.58	99.04	99.09	99.10	98.00
4¼ % 1975				99.70	99.35	99.35	99.42	99.50	99.59	99.60	99.35
2¾ % 1976	83.25	83.25	81.75	91.50	92.00	92.00	92.00	92.00	92.66	92.75	92.00
4¼ % 1976				99.40	98.80	98.80	99.03	99.10	99.10	99.25	98.80
4½ % 1977				100.20	99.05	99.05	99.05	99.25	99.48	99.50	99.05
7 % 1977 (Gold Bonds)(*f*)	118.10	117.00	115.25	115.25	114.54	114.50	113.02	110.90	128.30	131.00	110.90
Between 5 and 10 Years											
4¾ % 1978					100.00	100.00	100.00	100.00	100.00	100.00	100.00
4 % 1979	98.00	96.50	93.25	96.10	94.65	94.55	95.36	95.70	95.55	95.70	94.55
4¾ % 1979(*g*)							100.00	100.05	100.05	100.05	100.00
4½ % 1979‡					97.39	97.10	97.10	97.30	97.22	97.50	97.00
4 % 1980	98.05	96.50	93.00	95.55	93.25	93.25	93.56	94.16	94.09	94.25	93.00
7 % 1980 (Gold Bonds) ..			116.00	118.40	115.66	117.00	116.42	117.00	126.50	130.00	113.70
4 % 1981	98.35	97.25	92.20	94.95	92.45	92.35	92.79	93.50	93.42	93.60	92.35
5 % 1981†					100.00	100.00	100.00	100.00	100.00	100.00	100.00
5 % 1982			101.00	102.25	99.50	99.51	99.84	99.92	100.00	100.00	99.45
Between 10 and 15 Years											
5 % 1983(*g*)							99.60	99.63	99.60	99.65	99.50
5 % 1984(*h*)								99.54	99.54	99.55	99.50
4½ % 1985	100.15	100.10	96.60	95.85	92.95	92.85	92.85	93.00	92.95	93.00	92.85
4¾ % 1986	100.25	100.00	96.60	95.15	92.50	92.50	92.50	92.50	92.45	92.50	92.45
5¼ % 1986					100.10	100.00	100.00	100.00	100.00	100.10	100.00
5¼ % 1986†					100.00	100.05	100.05	100.05	100.05	100.05	100.00
Over 15 Years											
5¼ % 1988(*h*)								99.53	99.55	99.55	99.50
4¾ % 1989	100.00	100.00	97.50	97.00	92.99	93.00	93.04	93.05	93.05	93.05	93.00
5½ % 1990			101.55	103.50	101.20	101.20	101.15	101.20	101.20	101.20	101.00
5½ % 1991			101.15	102.40	101.00	101.00	100.94	101.00	100.98	101.00	100.70
5½ % 1992			101.00	101.50	100.56	100.60	100.56	100.60	100.57	100.60	100.30
5½ % 1995				101.00	99.35	99.35	99.35	99.35	99.35	99.35	99.30
5½ % 1999				100.45	98.15	98.30	98.30	98.30	98.30	98.30	98.15
5½ % 1999‡					96.61	96.62	96.62	96.66	96.80	96.90	96.40
5½ % 2000				100.05	97.60	97.60	97.60	97.60	97.60	97.60	97.55
5¼ % 2001					100.15	100.11	100.15	100.15	100.15	100.15	100.05
5¾ % 2001†					100.10	100.15	100.15	100.15	100.00	100.15	100.00
5¾ % 2002(*g*)							100.10	100.10	100.10	100.15	100.10
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	59.50
3 % 1896-97	62.50	62.50	53.20	59.50	59.50	59.50	59.50	59.50	59.20	60.00	59.00

Note : The maturity classification is as of March 31, 1973. (*a*) Average of closing quotations for working days. (*b*) Redeemed on August 1, 1972. (*c*) Redeemed on November 10, 1972. (*d*) Redeemed on July 15, 1972. (*e*) Redeemed on October 27, 1972. (*f*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*g*) Quoted from July 17, 1972. (*h*) Quoted from December 1, 1972.

* National Defence Bonds. † National Defence Loan. ‡ Banks Acquisition and Transfer Compensation Bonds.

Source : Bombay Stock Exchange.

STATEMENT 54—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on				Average for the month					Annual average	
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1972	June 1972	Sept. 1972	Dec. 1972	March 1973	1972-73	1971-72
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 Years											
4 % 1972(*a*)	4.19	4.19	4.21	4.00	4.66						4.10
4½% 1972*(*b*)	4.24	4.24	4.21	3.99	3.69	3.34					3.98
4½% 1972(*c*)			4.36	3.89	3.39						3.89
4¾% 1972†(*d*)			4.33	3.90	3.58	3.39					3.93
4 % 1973	4.18	4.18	4.22	4.07	4.31	4.39	4.36	4.29			4.24
4¼% 1973	4.26	4.24	4.23	4.12	4.21	4.20	4.19	4.22	4.25	4.21	4.21
3¾% 1974	4.18	4.19	4.79	4.23	4.57	4.64	4.56	4.38	4.46	4.52	4.44
4¼% 1975				4.32	4.46	4.48	4.47	4.45	4.44	4.46	4.42
2½% 1976	4.58	4.64	5.45	4.46	4.74	4.86	4.98	5.12	5.07	4.98	4.70
4¼% 1976				4.37	4.56	4.58	4.53	4.52	4.54	4.54	4.53
4½% 1977 ..				4.46	4.69	4.70	4.71	4.67	4.63	4.68	4.68
7 % 1977 (Gold Bonds)(*e*)	4.68	4.76	5.02	4.39	4.09	3.99	4.16	4.50			4.53
Between 5 and 10 years											
4¾% 1978					4.75	4.75	4.75	4.75	4.75	4.75	4.75
4 % 1979	4.18	4.33	4.78	4.56	4.88	4.92	4.80	4.78	4.80	4.84	4.86
4¾% 1979(*f*)							4.75	4.74	4.74	4.74	
4½% 1979‡					4.93	4.99	5.01	4.99	5.02	4.98	4.94
4 % 1980	4.17	4.31	4.76	4.58	5.00	5.03	5.00	4.93	4.97	4.98	4.97
7 % 1980 (Gold Bonds) ..			5.23	4.52	4.63	4.38	4.40	4.24	2.78	4.08	4.81
4 % 1981	4.14	4.23	4.79	4.61	5.02	5.06	5.02	4.94	4.97	4.99	5.00
5 % 1981†					5.00	5.00	5.00	5.00	5.00	5.00	5.00
5 % 1982			4.90	4.74	5.06	5.06	5.02	5.01	5.00	5.02	5.09
Between 10 and 15 years											
5 % 1983(*f*)							5.05	5.05	5.05	5.05	
5 % 1984(*g*)								5.05	5.05	5.06	
4½% 1985	4.49	4.49	4.79	4.90	5.24	5.26	5.27	5.27	5.28	5.27	5.22
4½% 1986	4.48	4.50	4.78	4.95	5.26	5.27	5.28	5.29	5.30	5.28	5.24
5¼% 1986					5.24	5.25	5.25	5.25	5.25	5.25	5.24
5¼% 1986†					5.25	5.24	5.24	5.24	5.24	5.24	5.25
Over 15 years											
5¼% 1988(*g*)								5.30	5.29	5.29	
4¾% 1989	4.75	4.75	4.94	5.00	5.38	5.39	5.39	5.40	5.40	5.39	5.36
5½% 1990			5.38	5.21	5.40	5.39	5.40	5.39	5.39	5.39	5.40
5½% 1991			5.41	5.31	5.42	5.42	5.42	5.41	5.41	5.42	5.42
5½% 1992			5.43	5.38	5.45	5.45	5.45	5.45	5.45	5.45	5.45
5½% 1995				5.42	5.55	5.55	5.55	5.55	5.55	5.55	5.55
5½% 1999				5.47	5.63	5.62	5.62	5.62	5.63	5.62	5.63
5½% 1999‡					5.75	5.75	5.75	5.75	5.74	5.74	5.74
5½% 2000				5.50	5.67	5.67	5.67	5.67	5.67	5.67	5.67
5¾% 2001					5.74	5.74	5.74	5.74	5.74	5.74	5.74
5¾% 2001†					5.74	5.74	5.74	5.74	5.75	5.74	5.74
5¾% 2002(*f*)							5.74	5.74	5.74	5.74	
Non-terminable											
3 % 1986 or later(*h*) ..	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(*h*) ..	4.80	4.80	5.64	5.04	5.04	5.04	5.04	5.04	5.07	5.04	5.04

Note : The maturity classification is as of March 31, 1973. Yields are gross *i.e.*, not allowing for income-tax and are based on prices quoted at Bombay. (*a*) Redeemed on August 1, 1972. (*b*) Redeemed on November 10, 1972. (*c*) Redeemed on July 15, 1972. (*d*) Redeemed on October 27, 1972. (*e*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*f*) Quoted from July 17, 1972. (*g*) Quoted from December 1, 1972. (*h*) Flat yield.

* National Defence Bonds. † National Defence Loan. ‡ Banks Acquisition and Transfer Compensation Bonds.

STATEMENT 55—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
1972-73	97.8	98.0	97.7	97.0	91.5	89.3	92.6	98.8
March 1972 ..	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
July „ ..	97.6	97.7	97.4	96.9	92.6	91.8	92.6	98.8
August „ ..	97.7	97.8	97.5	97.0	92.3	91.2	92.6	98.8
September „ ..	97.7	97.9	97.4	97.0	92.2	91.2	92.5	98.8
October „ ..	97.7	97.9	97.6	97.0	92.2	91.2	92.5	98.8
November „ ..	97.8	97.9	97.5	97.0	92.2	91.2	92.5	98.8
December@ „ ..	97.8	98.0	97.6	†	92.1	90.8	92.5	†
January 1973 ..	97.8	98.0	97.6	97.0	91.5	89.3	92.5	98.8
February „ ..	97.8	98.0	97.6	97.0	91.6	89.3	92.6	98.8
March „ ..	97.8	98.0	97.7	97.0	91.5	89.3	92.6	98.8
April „ ..	97.9	98.0	97.7	97.0	91.4	89.0	92.6	98.8
May „ ..	97.9	98.1	97.7	97.0	91.4	89.1	92.5	98.8
June „ ..	97.9	98.1	97.7	97.0	91.3	89.1	92.5	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
1972-73	80.8	80.5	79.1	83.7	76.5	97.3	108.0	91.4	87.6	76.4	97.3
March 1972..	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
July „ ..	81.0	80.9	80.5	79.1	77.7	93.8	100.5	93.4	83.4	72.3	100.8
August „ ..	80.8	80.6	80.1	79.2	77.2	91.3	98.3	89.4	82.8	70.5	99.5
September „ ..	80.3	80.0	79.4	79.6	77.2	90.6	99.0	86.4	82.6	70.1	95.9
October „ ..	80.1	79.0	78.9	81.6	76.8	92.7	101.1	89.2	86.9	69.7	95.1
November „ ..	80.6	80.6	78.8	82.6	76.0	92.8	102.1	88.5	88.0	69.7	93.0
December@ „ ..	80.5	80.6	78.5	†	75.9	93.8	102.9	89.4	†	71.1	95.4
January 1973..	80.8	80.5	79.2	83.6	75.9	92.9	101.9	88.2	87.9	71.6	93.7
February „ ..	80.8	80.4	79.3	83.7	76.4	93.0	102.2	87.7	86.9	71.8	93.7
March „ ..	80.8	80.5	79.1	83.7	76.5	97.3	108.0	91.4	87.6	76.4	97.3
April „ ..	80.6	80.5	78.6	83.2	76.6	96.3	106.7	90.7	87.3	73.8	100.3
May „ ..	80.8	80.7	79.1	83.2	76.6	99.1	111.6	92.4	87.6	73.9	101.7
June „ ..	80.6	79.9	79.3	83.1	76.4	101.6	114.8	94.3	88.2	73.7	105.6

* No transactions. @ Relates to week ended December 23, 1972.

† Madras Stock Exchange remained closed during the week ended December 23, 1972.

STATEMENT 56—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*	98·9	99·9	99·9	99·3	93·7	97·1	93·5	96·7
				94·5†								
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
1972-73	97·7	92·2	81·2	94·4£	97·0	100·5	102·7	99·2	93·7	98·4	91·9	98·6
				94·0‡								
March 1972 ..	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
July „ ..	97·6	92·5	81·8	95·0	96·9	100·4	101·8	99·3	93·7	98·4	92·0	98·6
August „ ..	97·7	92·4	80·8	91·9	96·9	100·5	102·9	99·3	93·7	98·4	92·1	98·6
September „ ..	97·7	92·3	80·6	90·8	97·0	100·5	103·0	99·3	93·7	98·4	91·8	98·6
October „ ..	97·7	92·2	80·0	92·4	97·0	100·6	103·0	99·3	93·7	98·4	91·8	98·6
November „ ..	97·7	92·3	80·5	92·7	97·0	100·6	102·9	99·3	93·7	98·4	91·8	98·6
December† „ ..	97·8	92·1	80·5	93·8	97·1	100·6	103·6	99·3	93·7	98·4	91·8	98·6
January 1973 ..	97·8	91·6	80·7	93·0	97·1	100·6	103·8	99·3	93·7	98·4	91·8	98·6
February „ ..	97·8	91·5	81·0	92·7	97·1	100·7	103·8	99·3	93·7	98·5	91·8	98·6
March „ ..	97·8	91·5	80·8	95·9	97·1	100·7	103·8	99·1	93·7	98·5	91·7	98·6
April „ ..	97·8	91·4	80·6	97·0	97·1	100·7	103·8	99·1	93·7	98·5	91·6	98·6
May „ ..	97·9	91·4	80·7	97·9	97·1	100·7	103·8	99·1	93·7	97·3	91·9	98·6
June „ ..	97·9	91·3	80·6	100·7	97·1	100·7	104·0	99·1	93·7	96·3	92·6	98·6

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
1972-73	66·9	124·4	127·3	33·9	47·6	223·9	68·8	65·5	51·0	126·4	65·7	102·0
March 1972 ..	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
July „ ..	67·8	123·0	126·0	37·2	48·0	229·2	64·8	63·5	53·1	125·3	70·8	109·8
August „ ..	66·3	124·8	122·2	34·6	47·3	223·0	62·4	63·3	51·7	120·6	65·2	105·1
September „ ..	66·0	125·8	125·6	31·6	46·8	221·4	62·7	64·3	49·5	120·5	61·9	97·8
October „ ..	65·9	122·4	128·8	29·5	46·7	228·4	66·0	65·6	47·9	122·5	60·7	96·1
November „ ..	66·0	122·4	129·8	30·4	46·9	225·3	71·4	65·0	47·2	123·7	60·2	94·4
December† „ ..	65·2	123·6	128·5	30·4	48·7	227·3	77·2	65·5	46·4	126·1	61·2	95·2
January 1973 ..	65·5	125·8	126·1	31·0	47·6	216·5	75·8	66·9	46·0	128·4	58·5	92·8
February „ ..	64·9	125·7	122·1	28·9	45·2	208·8	74·5	67·8	45·1	128·5	55·6	93·5
March „ ..	64·1	125·5	121·5	26·1	40·6	209·7	74·4	70·6	43·1	133·8	58·9	93·0
April „ ..	63·8	125·8	121·3	27·4	40·2	205·2	73·7	71·5	41·7	133·3	65·1	95·6
May „ ..	63·0	126·8	120·4	28·4	38·9	205·8	73·1	72·2	40·1	133·5	64·3	95·2
June „ ..	61·9	128·2	118·6	26·6	36·9	196·8	71·7	74·1	39·0	144·6	62·4	97·9

* Relates to 47 Weeks. † Relates to 4 Weeks. £ Relates to 39 Weeks.
‡ Relates to 13 Weeks. § Discontinued from January 1973.

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
91·5	92·4	91·2	77·1	74·6	81·5	81·5	90·2	90·7	70·2	99·7	72·5	96·1	89·2	101·9	87·1	69·4	85·0
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
91·7	92·9	91·6	77·5	76·0	75·4	80·9	92·3	90·1	73·0	100·3	74·5	96·6	90·4	101·5	86·9	69·1	85·1
91·7	92·9	91·4	76·8	76·0	77·0	80·7	91·4	89·4	69·4	98·1	73·5	96·6	90·4	101·7	85·4	68·4	86·2
91·3	92·9	91·3	76·7	76·0	78·2	80·2	90·7	89·3	69·1	98·1	72·4	96·7	89·4	102·0	86·2	68·6	86·6
91·0	92·9	91·3	76·8	76·0	80·5	81·8	87·5	87·7	66·6	98·1	70·9	96·4	87·9	102·4	86·0	70·4	87·3
91·0	92·9	91·3	76·9	76·0	86·3	82·5	86·5	87·6	67·4	98·2	72·2	95·9	87·3	103·2	85·5	70·3	87·3
91·0	91·9	91·3	77·2	72·8	88·7	82·9	86·6	87·6	67·6	98·3	71·6	95·2	87·4	102·6	86·1	69·8	83·9
90·7	91·8	90·4	77·1	72·6	89·8	83·6	87·0	88·5	67·6	98·4	70·4	95·1	89·0	102·6	85·6	69·8	82·0
90·8	91·8	90·1	76·8	72·6	90·2	83·6	87·7	89·1	67·9	98·4	70·5	95·0	89·8	102·1	88·2	69·2	82·0
91·4	90·8	90·3	76·2	72·6	87·9	84·5	87·4	89·3	68·3	98·7	70·2	94·9	89·8	99·5	87·0	70·8	82·0
91·3	90·8	90·2	76·4	72·4	87·3	85·8	87·2	87·0	68·0	98·7	70·4	95·4	89·8	99·0	83·5	69·8	82·1
91·1	91·0	90·1	76·3	67·8	87·2	86·1	87·1	87·0	68·1	98·7	70·4	95·2	90·5	99·2	84·4	69·2	79·7
90·9	90·5	90·1	75·8	68·0	86·8	86·9	85·5	86·8	68·2	97·3	70·3	93·8	89·8	99·0	85·0	69·2	81·0

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
60·5	153·5	64·3	88·9	89·5	118·2	141·7	104·9	165·9	146·1	107·2	98·7	308·7	172·8£	79·9
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
61·1	156·9	59·4	94·1	92·6	119·2	135·1	104·1	169·0	151·9	112·2	100·1	292·6	157·8	83·5
57·8	150·7	57·4	91·0	88·5	115·3	132·8	99·8	163·2	146·0	100·3	97·0	283·9	164·4	79·0
56·0	145·4	59·1	87·0	84·2	114·8	132·9	101·7	160·0	141·1	98·8	95·4	281·9	171·1	78·5
57·6	148·4	63·3	85·5	85·0	114·9	137·1	105·2	158·8	143·5	101·5	96·9	307·8	179·9	78·0
59·2	150·7	65·8	85·6	85·4	114·8	140·1	105·0	160·2	142·3	102·3	97·7	303·2	193·1	77·1
60·0	150·2	66·7	85·0	87·1	117·1	142·5	105·8	167·4	141·0	102·3	98·2	321·6	193·9	75·8
60·3	149·6	67·8	84·8	86·4	115·0	143·8	105·7	165·4	139·5	104·1	99·0	334·7		76·8
59·4	149·3	68·1	85·9	86·6	115·9	148·1	104·4	163·1	140·7	105·5	98·4	336·7		77·1
61·9	159·7	73·8	91·0	91·3	125·8	156·8	104·6	166·4	145·6	104·9	98·4	368·6		77·1
63·8	160·7	75·1	94·7	91·3	125·2	156·1	104·6	167·2	147·4	104·8	98·4	387·6		77·2
65·2	161·4	75·4	92·1	90·6	127·1	158·1	107·0	169·8	152·7	105·3	100·4	400·5		75·5
67·4	175·2	77·4	94·7	92·0	130·7	160·0	105·6	174·1	164·0	104·7	105·5	433·6		74·4

STATEMENT 57—GROSS YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

Average of months/ month	ALL-Variable Dividend										
	Debentures		Preference Shares (Total)	Agriculture and Allied Activities				Mining and Quarrying		
	Redemption yield	Running yield		Total	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
1972-73	9·40	7·46	10·36	6.99@	9·06	9·71	6·13	7·99	8·82	8·86	8·68
				6.74£							
March 1972 ..	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
July „ ..	9·05	7·44	10·23	6·89	9·62	10·29	7·33	9·12	8·34	7·60	11·59
August „ ..	9·14	7·45	10·30	7·19	9·58	10·46	6·45	8·24	7·50	7·68	6·71
September „ ..	9·27	7·46	10·45	7·44	9·24	10·03	5·89	7·53	8·39	8·73	6·89
October „ ..	9·37	7·46	10·58	7·28	8·85	9·45	5·81	7·46	8·85	9·30	6·91
November „ ..	9·48	7·47	10·56	7·13	8·73	9·39	5·17	7·34	8·73	9·17	6·79
December „ ..	9·66	7·49	10·53	6·89	8·83	9·42	5·23	7·52	8·89	9·37	6·82
January 1973 ..	9·88	7·50	10·47	6·81	8·87	9·41	5·24	7·62	9·15	9·58	7·25
February „ ..	9·99	7·49	10·48	6·80	8.89	9·43	5·26	7·78	10·04	10·58	7·68
March „ ..	10·15	7·48	10·53	6·62	8·85	9·49	5·27	7·85	11·70	12·46	8·38
April „ ..	10·40	7·49	10·54	6·59	8·86	9·58	5·22	7·87	10·49	10·92	8·61
May „ ..	10·05	7·48	10·53	6·69	8·75	9·57	5·17	7·85	10·36	10·75	8·66
June „ ..	10.07	7.48	10.59	6.70	8.65	9.37	5.11	7.94	10.59	11.02	8.69

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
1972-73	5·92	3·79	4·84	5·52	6·14	7·20	7·01	8·21	6·64	6·94
March 1972 ..	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
July „ ..	5·60	4·09	4·77	5·26	6·06	7·16	6·85	8·07	6·57	6·48
August „ ..	5·85	4·14	4·87	5·58	6·28	7·40	7·19	8·51	7·14	6·81
September „ ..	6·10	4·15	5·12	5·88	6·34	7·48	7·63	9·06	7·72	7·32
October „ ..	6·00	3·74	5·15	5·75	6·31	7·53	7·23	8·73	6·56	7·21
November „ ..	6·24	3·55	5·25	5·74	6·27	7·42	7·36	8·81	6·83	7·28
December „ ..	6·20	3·57	5·15	6·24	6·18	7·35	7·33	8·78	6·84	7·27
January 1973 ..	6·25	3·61	5·07	6·01	6·31	7·27	7·13	7·98	7·10	7·30
February „ ..	6·29	3·68	4·95	5·78	6·32	7·22	7·17	7·92	7·27	7·42
March „ ..	5·69	3·36	4·80	5·42	5·78	6·67	7·09	7·76	7·04	7·58
April „ ..	5·71	3·36	4·91	5·44	5·81	6·99	7·00	7·67	6·98	7·40
May „ ..	5·65	3·41	5·31	5·47	5·76	7·24	7·02	8·09	6·78	7·08
June „ ..	5.19	3.30	5.64	5.44	5.68	7.68	7.01	8.38	6.56	6.84

(*a*) Including 'Others'. $ Includes sub-groups 'Others' (which covers bank scrips from March 1970) and Investments from January 1973. (*b*) Includes sub-group 'Banks' upto February 1970. * Relates to 11 months. † Relates to March 1970. @ Relates to 9 months. £ Relates to 3 months. †† Discontinued from January 1973.

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

INDIA

Industrial Securities

Processing and Manufacturing

Total	Foodstuffs, Textiles, etc.						Metals and Chemicals			
	Total (*a*)	Edible and vegetable oils	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Total (*a*)	Iron and steel	Non-ferrous metals (Basic)	Transport equipment
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
6·47	6·90	6·15	6·29	6·32	9·27	8·19	5·82	7·56	5·35	4·18
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
6·41	6·59	6·07	5·99	6·19	6·95	8·29	6·06	8·90	5·53	4·30
6·70	6·89	6·13	6·23	6·39	8·39	8·54	6·32	9·47	5·78	4·36
6·98	7·15	6·16	6·26	6·41	10·80	8·74	6·57	10·02	6·47	4·40
6·86	7·14	5·90	6·77	6·30	11·43	8·43	6·44	10·19	5·25	4·30
6·76	7·20	5·99	6·96	6·38	11·49	8·27	6·08	8·48	5·21	4·16
6·43	7.13	5·91	6·73	6·30	11·65	8·13	5·37	4·91	5·16	4·08
6·39	7·09	6·37	6·76	6·13	11·53	8·29	5·40	5·04	5·23	4·01
6·36	7·01	6·66	6·89	5·98	11·71	8·38	5·39	5·15	5·07	4·07
6·15	6·84	6·62	6·91	5·80	12·07	7·63	5·10	4·83	5·01	4·15
6·17	6·92	6·82	7·13	6·01	12·50	6·92	5·08	4·62	4·85	4·20
6·31	7·21	6·79	6·47	6·52	12·85	7·09	5·13	4·80	4·85	4·12
6.31	7.24	7.24	6.29	6.75	11.60	6.83	5.09	4.96	4.78	4.06

INDIA (*Concld.*) **REGIONAL**

Industrial Securities—(*Concld.*)

Other Industries				Financial			Variable Dividend Industrial Securities				
Total $	Electricity generation and supply	Trading	Shipping and other transport	Total (*b*)††	Insurance ††	Investments	Bombay	Calcutta	Madras	Ahmedabad	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
8·46@	11·32	7·42	9·94	11·20@	14·87@	8·79	7·45@	6·26@	7·96@	7·60	5·67
8·31£							6·86£	6·10£	8·16£		
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
8·15	10·83	6·64	9·99	11·89	16·70	8·93	7·50	5·96	8·06	7·56	6·60
8·81	12·30	6·82	10·90	11·59	15·74	9·03	7·75	6·43	8·21	7·70	7·02
9·01	12·78	7·11	10·70	11·49	15·46	9·05	7·84	7·00	8·30	7·84	7·22
8·63	12·04	7·00	10·31	11·04	14·27	9·05	7·62	6·87	8·04	7·77	7·05
8·27	11·83	7·14	10·08	10·51	13·08	8·93	7·42	6·57	8·04	7·78	6·16
8·39	11·75	7·73	9·86	10·39	13·61	8·42	6·99	6·17	8·22	7·66	4·28
8·38	11·54	8·21	9·62			8·35	6·92	6·15	8·25	7·70	3·87
8·39	11·42	8·39	9·63			8·29	6·93	6·19	8·05	7·70	3·75
8·15	11·60	7·23	8·98			8·27	6·74	5·97	8·18	7·24	3·60
8·01	10·97	7·11	8·89			8·16	6·68	5·92	8·26	7·08	3·51
7·92	10·85	7·13	8·73			8·06	6·74	6·10	8·24	7·34	3·43
7.97	10.90	6.98	8.44			8.02	6.83	6.06	8.28	7.43	3.39

STATEMENT 58—FIVE YEAR PLANS

A. Plan Provision and Actual Outlay for Public Sector

(By Heads of Development)

(Rupees Crores)

Heads of Development	THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70		1970-71		1971-72	1972-73	1973-74	1969-70 to 1973-74
	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Plan Provision	Plan Provision	Plan@ Provision
	1	2	3	4	5	6	7	8	9	10	11	12
Agriculture and Community Development	1,068	1,089	1,037	1,167	332	325	471	505	554	782	776	2,915
Irrigation and Power	1,662	1,917	1,490	1,639	523	668	686	738	761	863	982	3,815
Industry and Mining	1,784	1,962	1,670	1,719	618	466	666	495	655	793	811	3,543
Transport and Communications	1,486	2,112	1,273	1,239	448	408	556	498	631	728	700	3,063
Social Services and Miscellaneous	1,500*	1,493	1,195	993	350	315	443	406	556	807	1,095	3,251
Total	**7,500**	**8,573**	**6,665**	**6,757**	**2,271**	**2,182**	**2,822**	**2,642**	**3,157**	**3,973**	**4,364**	**16,587**

* Includes Rs. 200 crores as inventories. @ Total of Col. Nos. 5, 7, 9, 10 and 11.

B. Financing of Plan Outlays in the Public Sector

Mode	THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70		1970-71		1971-72		1972-73	1973-74	1969-70 to 1973-74	
	Estimates	Actual	Estimates	Actual	Estimates	Actual	Estimates	Latest Estimates	Estimates	Latest Estimates	Estimates	Estimates	Estimates (5+7+9+11+12)	Mid-term Appraisal Estimates
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Mainly through own resources	**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)	**2,023** (46.3)	**6,878** (41.5)	**5,970** (37.5)
1. Balance from current revenues at pre-plan rates of taxation	550	—419	866	303	139 (*a*)	158 (*a*)	174 (*a*)	157 (*a*)	182 (*a*)	—61 (*a*)	381 (*a*)	55 (*a*)	931 (*a*)	802 (*a*)
2. Additional taxation including measures to increase the surplus of public enterprises	1,710	2,892	1,060	910	248	191	468	429	725 (*b*)	715 (*b*)	1,235 (*b*)	1,668	4,344 (*b*)	3,728 (*b*)
3. Retained profits of Reserve Bank	—	—	—	—	16 (*c*)	8 (*c*)	47 (*c*)	47 (*c*)	60 (*c*)	60 (*c*)	89 (*c*)	105 (*c*)	317 (*c*)	269 (*c*)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
4. Surplus of Public Sector undertakings exclusive of yield from measures adopted for raising additional resources for the plan	550	435	587	409	272	253	290	194	233	207	296	195	1,286	1,171
(*i*) Railways	100	62	—64	—112	22	27	9	—19	—35	—35	—41	—111	—156	—118
(*ii*) Others	450	373	651	521	250 (*d*)	226 (*d*)	281 (*d*)	213 (*d*)	268 (*d*)	242 (*d*)	337 (*d*)	306 (*d*)	1,442 (*d*)	1,289 (*d*)
B. Mainly through domestic borrowings	**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)	**1,893** (43.4)	**7,145** (43.1)	**7,388** (46.5)
1. Loans from the public, including State enterprises' borrowings from the market and LIC (Net)	800	823	571	719	219 (*e*)	359 (*e*)	486 (*e*)	548 (*e*)	472 (*e*)	500 (*e*)	645 (*e*)	854 (*e*)	2,676 (*e*)	2,726 (*e*)
2. Small Savings	600	565	391	355	135	129	140	191	180	182	230	325	1,010	1,000
3. Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds	—	117	41	65	—38	—34	—18	—18	—17	—18	—16	—18	—107	—98
4. State Provident Funds	265	336	253	301	121	156	134	144	151	154	167	203	776	782
5. Steel Equalisation fund (Net) ..	105	34	126	586	192	347	313	189	478	462	391	444	1,818	1,775
6. Miscellaneous Capital Receipts (Net)	170	238												
7. Deficit Financing (*f*)	550	1,133	335	682	254	58	225	365	233	383	175	85	972	1,203
C. Domestic Resources (A + B) ..	**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)	**3,916** (89.7)	**14,023** (84.5)	**13,358** (84.0)
D. External Assistance	**2,200** (29.3)	**2,423** (28.2)	**2,435***g* (36.5)	**2,426***h* (35.9)	**713***h* (31.4)	**574***h* (26.1)	**563***h* (20.0)	**547***h* (19.6)	**461***h* (14.6)	**574***h* (18.2)	**380***h* (9.6)	**448***h* (10.3)	**2,565***h* (15.5)	**2,540***h* (16.0)
E. Total Resources (C + D)	**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)	**4,364** (100.0)	**16,588**(*i*) (100.0)	**15,898** (100.0)

(*a*) Inclusive of States' share in additional resource mobilisation by the Centre. (*b*) Exclusive of the special levies imposed for meeting on relief of evacuees from Bangladesh. (*c*) 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. (*d*) 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. (*e*) 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 (*d*), netted under item A4(*ii*). (*f*) The figures of deficit financing refer to changes in Government indebtedness (both long-term and short-term) to the Reserve Bank. (*g*) At new exchange rate it would be Rs. 2,767 crores. (*h*) At the new rate of exchange. (*i*) Target initially fixed was Rs. 15,902 crores, at 1968-69 prices.

Sources : Third Five Year Plan Document, Annual Plans for the years 1966-67 to 1973-74 & The Fourth Plan Mid-Term Appraisal, Planning Commission, Government of India.

STATEMENT 59—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 (Accounts)	1972-73 (Budget)*	1972-73 (Revised)	1973-74 (Budget)*
	1	2	3	4	5	6	7	8	9	10	11
I. Capital-at-charge	**1,521**	**2,680**	**2,842**	**2,978**	**3,101**	**3,196**	**3,331**	**3,521**	**3,641**	**3,719**	**3,891**
II. Gross Traffic Receipts (1 to 4)	**457**	**734**	**769**	**818**	**899**	**951**	**1,007**	**1,097**	**1,143**	**1,174**	**1,264**
1. Passenger	132	219	229	253	265	279	296	320	329	343	380
2. Other Coaching	27	39	39	39	45	48	62	70	66	66	66
3. Goods	286	466	482	503	563	594	618	675	716	732	785
4. Other earnings (*a*)	12	10	19	23	26	30	31	32	32	33	33
III. Total Expenses (1to 5)	**369**	**599**	**655**	**708**	**756**	**805**	**862**	**928**	**951**	**999**	**1,066**
1. Ordinary Working Expenses (i to viii)	**313**	**486**	**526**	**588**	**637**	**685**	**732**	**795**	**809**	**857**	**918**
(i) Administration	37	56	61	67	71	75	83	88	89	93	98
(ii) Repairs and Maintenance	100	158	170	190	209	224	249	273	283	307	338
(iii) Operating Staff	63	102	112	124	134	141	157	176	178	183	197
(iv) Operation (Fuel)	63	101	110	127	139	151	147	156	159	163	172
(v) Operation (other than Staff and Fuel)	18	26	27	31	34	37	38	42	40	46	47
(vi) Miscellaneous	24	26	28	28	29	33	34	36	36	34	37
(vii) Labour Welfare	10	19	20	22	23	24	26	28	29	30	32
(viii) Suspense	— 2	— 2	— 2	— 1	— 2	—	— 2	— 4	— 5	1	— 3
2. Appropriation to Depreciation Reserve Fund	**45**	**85**	**100**	**95**	**95**	**95**	**100**	**105**	**110**	**110**	**115**
3. Payment to Worked Lines	—	—	—	—	—	—	—	—	—	—	—
4. Miscellaneous Expenses (i to ii)	**11**	**16**	**15**	**15**	**14**	**15**	**15**	**16**	**16**	**16**	**17**
(i) Open line works	12	11	10	9	8	8	7	7	7	7	8
(ii) Others (net)	— 1	5	5	6	6	7	8	9	9	9	9
5. Appropriation to Pension Fund (*b*)	—	**12**	**14**	**10**	**10**	**10**	**15**	**12**	**16**	**16**	**16**
IV. Net Revenue (II—III)	**88**	**135**	**114**	**110**	**143**	**146**	**145**	**169**	**192**	**175**	**198**
V. Dividend to General Revenues (*c*)	**56**	**104**									
VI. Payment to General Revenues in lieu of Tax on Railway Passenger Fares	—	**12**	**132**	**142**	**151**	**156**	**165**	**151**	**160**	**163**	**173**
VII. Surplus (+) or Deficit (—) (IV—V—VI)	+32	+19	—18	—32	— 8	—10	—20	+18	+32	+12	+ 25
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	—	—	—	—	—	+ 9	+20	—	+16
2. Revenue Reserve Fund	—	—	—18	—32	— 8	— 1	—	+ 9	+12	+12	+ 9
3. General Revenues	—	—	—	—	—	— 9	—20	—	—	—	—

* 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 Committee, 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 those 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 invested upto 31-3-1964 and 6 per cent on capital invested 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 60—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 to d)	**100**	**495**	**89**	**119**	**545**	**118**	**122**	**105**	**345**
(*a*) Depreciation Reserve Fund	64	320	58	79	360	80	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**	**279**	**258**	**226**	**763**

Item	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Budget)	1972-73 (Revised)	1973-74 (Budget)	Total Fourth Plan
	10	11	12	13	14	15	16
I. Capital-at-charge	**3,196**	**3,331**	**3,521**	**3,641**	**3,719**	**3,891**	
II. Capital Outlay met out of General Revenues †	**94**	**136**	**191**	**159**	**198**	**172**	**791**
III. Capital Outlay met out of Railways' Funds (a to d)	**98**	**116**	**119**	**147**	**141**	**166**	**640**
(*a*) Depreciation Reserve Fund	74	91	91	120	114	138	508
(*b*) Development Fund	17*	18*	21*	20*	20*	20*	96
(*c*) Revenue Reserve Fund	—	—	—	—	—	—	—
(*d*) Open Line Works (Revenue)	7	7	7	7	7	8	36
IV. Total Capital Outlay on Railways (including current depreciation) (II + III)	**192**	**252**	**310**	**306**	**339**	**338**	**1,431**

† 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 amortisation of the unproductive capital in Railways.

* Expenditure charged to this Fund is partially met by loans from the General Revenues which amounted to Rs. 3·6 crores in 1960-61, 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 each in 1970-71 and 1971-72, Rs. 3·6 crores in 1972-73 (B.E.) and Rs. 15·7 crores in 1972-73 (R.E.). The budget estimates for 1973-74 have provided for loans from General Revenues amounting to Rs. 8·6 crores to bridge the gap between the amount appropriated (Rs. 16·5 crores) to this Fund from the revenue surplus and expenditure on works (Rs. 20·0 crores) chargeable to the Fund as well as interest (Rs. 5·1 crores) payable on loans taken earlier from the General Revenues.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 61—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	1710	1355	1634	+ 76	1266	1283	− 17	2976	2917	+ 59	13284	10·20	22·40	21·96
1965-66 ..	3689	2902	3411	+278	1801	2431	−630	5490	5842	−352	20612	14·08	26·63	28·34
1968-69 ..	4846	3727	4742	+104	2145	2631	−486	6991	7373	−382	28427(*c*)	13·11	24·59	25·94
1969-70 ..	5273	4182	5197	+ 76	2838	2901	− 63	8111	8098	+ 13	31605(*c*)	13·23	25·66	25·62
1970-71 ..	5810	4735	5666	+144	2611	3181	−570	8421	8847	−426	34253(*c*)	13·82	24·58	25·83
1971-72 ..	6840	5565	6933	− 93	2863	3578	−715	9703	10511	−808	N.A.			
1972-73 .. .. (Budget Estimates) (*d*)	7663	6319	7226	+437	2730	3398	−668	10393	10624	−231	N.A.			
1972-73 .. .. (Revised Estimates)	7811	6408	8023	−212	3430	3919	−489	11241	11942	−701	N.A.			
1973-74 .. (Budget Estimates) (*d*)	8505	7175	8409	+ 96	3528	3907	−379	12033	12316	−283	N.A.			

Notes: (1) Figures of receipts and expenditure in this statement are based on the budget documents of Central and State Governments. They 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 for 1969-70 and onwards given in this Statement would differ from similar statements published in the earlier Reports on Currency and Finance, mainly because of the change in treatment of net contribution of departmental undertakings in the case of State Governments.

(3) 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 and 1968-69 these adjustments are made on the basis of figures given in the RBI records ; for later years data given in the State budgets have been used.

(4) If adjustment for net receipts of States in the form of ways and means advances and overdrafts from RBI as per Bank's record is made, then overall surplus will come down by Rs. 1.6 crores during 1969-70 and overall deficit will go up by Rs. 5.9 crores and Rs. 13.5 crores, respectively, during 1970-71 and 1971-72.

(*a*) Exclude Treasury bill receipts (net).
(*b*) Revised series at current prices.
(*c*) Provisional.
(*d*) Includes effect of budget proposals.
N.A.=Not available.

STATEMENT 62—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 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget* Estimates)
	1	2	3	4	5	6	7	8
I. Revenue Account								
A. Revenue (*a*)	877	2,321	3,027	3,293	3,972	4,415	4,573	4,762
								(5,012)
B. Expenditure (*b*)	826	2,001	2,902	3,130	4,072	4,072	4,536	4,683
C. *Surplus* (+) *or Deficit* (—) ..	*+51*	*+320*	*+125*	*+163*	*—100*	*+343*	*+37*	*+79*
II. Capital Account								(*+329*)
A. Receipts (*c*) (*d*)	1,156	1,705	2,640	2,550	3,029	2,662	3,164	3,261
B. Disbursements	1,029	2,222	2,679	2,972	3,450	3,241	3,765(*g*)	3,690
C. *Surplus* (+) *or Deficit* (—) ..	*+127*	*—517*	*—39*	*—422*	*—421*	*—579*	*—601*(*g*)	*—429*
III. Miscellaneous (Net) (*e*)	**—61**	**+ 24**	**—132**	**—26**	**+ 2**	**—15**	**+14**	**+15**
IV. Overall Surplus (+) or Deficit (—) (IC + IIC + III)	**+117**	**—173**	**—46**	**—285**	**—519**	**—251**	**—550**(*g*)	**—335**
Financed by:								(**—85**) (*h*)
A. Treasury bills (*f*) [Increase (—)/Decrease (+)]	+142	—218	—63	—359	—349	—252	—545(*g*)	— 85
B. Cash balances [Decrease (—)/Increase (+)]	—25	+45	+17	+74	—170	+1	—5	—
(*i*) Opening balance	70	—2	112	156	230	50	60	55
(*ii*) Closing balance ..	45	43	129	230	60	51	55	55

Note : Budget Estimates for 1973-74 relate to those presented to the *Lok Sabha.*

(*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 each in 1971-72 and 1972-73 (R.E.) funded in January 1961, February 1966, January 1970, January 1971, December 1971 and December 1972,respectively. (*e*) Includes remittances, transfer of cash between England and India and Reserve Bank Deposits. (*f*) Mostly sold to the Reserve Bank of India. (*g*) Excludes the assistance of Rs. 421 crores given to States for clearing their overdrafts as at the end of April 1972. (*h*) This deficit would be higher by about Rs. 2 crores as a result of tax concessions announced subsequent to the presentation of the Budget.

* At 1972-73 rates of taxation. The effect of additional taxation is given in brackets. Details of financing are in respect of overall deficit after taking credit for yield from additional taxation.

STATEMENT 63—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 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
RECEIPTS								
1. Loans	390	766	1,038	860	1,064	1,130	1,322	1,542
(*i*) Internal (*a*) (*e*)	181	284	537	428	627	515	778	880
(*ii*) External—Other than PL 480	209	482	501	432	437	615	544	662
2. PL 480 Assistance	295	213	217	106	81	— 1	— 9	37
(*i*) Dollar Credit			72	44	103	11	—	—
(*ii*) Rupee Loans	55	80	60	50	—	—	12	—
(*iii*) Deposits (*b*)	240	133	85	12	—22	—12	—21	37
3. Prize Bonds (*b*) (*f*)	16	—18	— 3	— 1	— 1(*g*)	— 1	— 1	— 1
4. Small Savings (*b*)	104	151	129	184	224	230	300	325
5. Public Provident Fund (*b*)			1	2	3	4	4	4
6. Income-tax Annuity Deposits (*b*)		37	—12	—13	—13	—15	—17	—17
7. Compulsory Deposits (*b*)		— 2	—21	— 2	— 1	— 1	— 1	—
8. State Provident Funds (*b*)	43	55	79	89	103	95	100	111
9. Other Unfunded Debt (*b*)	1	1	— 9	71	—14	3	1	— 5
10. Railway Funds (*b*)	— 4	14	35	33	33	12	13	— 2
11. Other Reserve Funds—interest bearing (*b*)	7	8	—	5	6	4	— 2	7
12. Repayment of Loans by State and Union Territory Governments	96	276	633	658	854	760	725	850
13. Repayment of Loans by Other Parties	31	97	271	265	443	269	530	295
14. Special Development Funds (*c*)	104	— 110	31	40	30	—	—	—
15. Others (*b*) (*d*)	73	217	251	253	217	173	199	115
16. **Total Receipts**	**1,156**	**1,705**	**2,640**	**2,550**	**3,029**	**2,662**	**3,164**	**3,261**

DISBURSEMENTS

I. Capital Outlay (A + B)	**405**	**776**	**649**	**941**	**1,116**	**822**	**935**	**901**
A. Developmental Capital Outlay (*a* + *b*)	**270**	**579**	**536**	**605**	**901**	**737**	**858**	**725**
(*a*) Developmental Capital Outlay Other than Developmental Grants	**259**	**537**	**534**	**604**	**903**	**738**	**872**	**737**
1. Railways	90	245	94	136	191	159	198	172
2. Posts and Telegraphs	11	31	33	7	23	53	48	11
3. Industrial Development	91	150	303	308	517	299	394	330
4. Irrigation and Multi-purpose River Schemes	1	21	17	13	11	15	13	10
5. Civil Works	39	72	54	66	84	112	123	115
6. Others	27	18	33	74	77	100	96	99
(*b*) Developmental Grants	**11**	**42**	**2**	**1**	**— 2**	**— 1**	**—14**	**—12**
B. Non-Developmental Capital Outlay	**135**	**197**	**113**	**336**	**215**	**85**	**77**	**176**
1. Defence	33	123	135	148	178	190	196	195
2. Currency, Mint and Security Printing Press	6	80	5	169	5	21	17	20
3. State Trading Schemes (Net)	34	—84	—29	7	—35	—53	—60	—33
(*i*) Purchase and Sale of Foodgrains		—105	—60	10	—19	—44	—44	—21
(*ii*) Purchase and Sale of Fertilizers		5	31	— 3	—20	— 8	—18	—13
(*iii*) Others		16	—	—	4	— 1	2	1
4. Others (*h*)	62	78	2	12	67	—73	—76	— 6
II. Loans and Advances	**497**	**1,211**	**1,458**	**1,553**	**1,807**	**1,867**	**2,303(*i*)**	**1,973**
1. Loans and Advances to State and Union Territory Governments	339	840	1,057	1,028	1,209	1,098	1,521(*i*)	1,342
2. Other Loans and Advances	158	371	401	525	598	769	782	631
III. Discharge of Permanent Debt	**127**	**235**	**572**	**478**	**527**	**552**	**527**	**816**
1. Internal Loans	109	155	393	283	333	300	300	554
2. External Loans	18	80	179	195	194	252	227	262
IV. Total Capital Disbursements (I + II + III)	**1,029**	**2,222**	**2,679**	**2,972**	**3,450**	**3,241**	**3,765(*i*)**	**3,690**
Surplus (+) or Deficit (—)	*+ 127*	*—517*	*—39*	*—422*	*— 421*	*— 579*	*— 601(i)*	*— 429*

Note : (1) Figures of receipts and disbursements do not tally with those in Budget papers mainly because internal and external loans are shown on gross basis in this statement and miscellaneous remittances are excluded. (2) 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. (3) Treasury bills 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*) 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. (*d*) Include special floating loan, inter-state debt settlement, appropriation for reduction or avoidance of debt, deposits under Income-tax Act, Contingency Fund, etc. (*e*) 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 each in 1971-72 and 1972-73 (R.E.). (*f*) 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. (*g*) Includes discharge of Annuity Certificates, the break up of which is not available separately. (*h*) Include transfer of sale proceeds of American (Loans) Wheat, payment to displaced persons, capital outlay on Sterling Pensions, Indus Water Treaty, payment of commuted value of pensions and transfer of Rs. 70 crores each to the Contingency Fund in 1971-72 and from the Contingency Fund in 1972-73 (B.E.) and (R.E.) etc. (*i*) Excludes the assistance of Rs. 421 crores given to States for clearing their overdrafts as at the end of April 1972.

STATEMENT 64—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 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
				REVENUE				
I. Taxes on Income and Expenditure (1+2+3) ..	**192**	**454**	**508**	**484**	**547**	**614**	**668**	**729 (743)**
Taxes on Income other than Corporation tax	167	272	448	473	537	583	602	643 (651)
Less: States' share	87	123	293	359	462	462	492	511 (516)
1. Net Receipts	80	149	155	114	75	121	110	132 (135)
2. Corporation tax	111	305	353	370	472	493	558	597 (608)
3. Expenditure tax	1	—	—	—	—	—	—	
II. Taxes on Property and Capital Transactions (1+2+3+4+5) ..	**13**	**20**	**25**	**27**	**39**	**54**	**58**	**57**
Estate duty	3	7	7	8	9	8	9	9
Less : States' share	3	7	7	6	8	8	8	9
1. Net Receipts	—	—	—	2	1	—	1	—
2. Tax on Wealth	8	12	16	15	25	43	43	43
3. Gift Tax	1	2	2	3	4	2	4	4
4. Stamps and Registration	4	6	7	7	9	9	10	10
5. Land Revenue (*a*)	—	—	—	—	—	—	—	—
III. Taxes on Commodities and Services (1+2+3+4+5+6)	**525**	**1,311**	**1,668**	**1,940**	**2,342**	**2,679**	**2,746**	**2,899 (3,135)**
Customs :								
Imports (Gross)	155	548	327	423	641	659	749	766
Exports (Gross)	13	2	76	67	75	89	88	82
Other Revenue (Gross)	8	5	51(*e*)	71(*e*)	13(*e*)	10	12	12
Less : Refunds	6	16	31	37	33	37	39	40
1. Net Receipts	170	539	423	524	696	721	810	820 (976)

	Union Excise duties	416	898	1,524	1,759	2,061	2,465	2,428	2,624 (2,741)
	[Of which : additional Excise duties]	[34]	[47]	[61]	[75]	[106]	[142]	[138]	[144]
	Less : States' share	75	146	321	390	475	583	566	616 (653)
	2. Net Receipts	341	752	1,203	1,369	1,586	1,882	1,862	2,008 (2,088)
	3. Sales Tax (*a*)	5	12	24	29	31	32	36	38
	4. State Excise (*a*)	2	2	5	5	6	6	7	7
	5. Tax on Vehicles (*a*)	1	1	2	2	3	3	3	4
	6. Other taxes and duties (*a*)	6(*c*)	5	11	11	20	35	28	22
IV.	**Total Tax Revenue (I+II+III) .. .. ..**	**730**	**1,785**	**2,201**	**2,451**	**2,928**	**3,347**	**3,472**	**3,685 (3,935)**
V.	**Interest Receipts (*b*) (1+2+3+4+5) .. ..**	**15**	**308**	**595**	**589**	**599**	**687**	**720**	**771**
	1. State and Union Territory Governments ..		152	281	259	296	345	345	385
	2. Railways		90	128	138	131	140	145	156
	3. Posts and Telegraphs		6	10	11	11	13	14	14
	4. Other Commercial Departments		1	11	14	161	189	216	216
	5. Other Interest Receipts		59	165	167				
VI.	**Administrative Receipts .. ..**	**59**	**41**	**65**	**74**	**90**	**87**	**99**	**95**
VII.	**Net Contribution of Public Undertakings	53**	**79**	**124**	**124**	**146**	**180**	**173**	**177**
	1. Railways	5	26	28	26	20	19	19	17
	2. Posts and Telegraphs	—	1	3	3	3	3	3	3
	3. Currency and Mint	48	46	70	74	104	123	126	134
	[Profits of R.B.I.]	[40]	[48]	[70]	[75]	[100]	[120]	[120]	[130]
	4. Dividends, etc. from Commercial and other Undertakings		7	22	17	22	28	28	34
	5. Others (*d*)	—	—1	1	4	—3	7	—3	—11
VIII.	**Other Non-tax Revenue .. ..**	**20**	**108**	**42**	**55**	**209**	**114**	**109**	**34**
IX.	**Total Non-tax Revenue (V+VI+VII+VIII) ..**	**147**	**536**	**826**	**842**	**1,044**	**1,068**	**1,101**	**1,077**
X.	**Total Revenue (IV+IX) .. .. ..**	**877**	**2,321**	**3,027**	**3,293**	**3,972**	**4,415**	**4,573**	**4,762 (5,012)**

STATEMENT 64—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 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
				EXPENDITURE				
XI. **Developmental Expenditure (*f*) (Other than grants to State and Union Territory Governments)** ..	**236**	**235**	**354**	**410**	**480**	**560**	**577**	**601**
Of which :								
1. Education and Scientific Departments ..	65	87	137	159	178	213	214	211
2. Medical and Public Health (*g*)	14	15	24	28	32	37	35	36
3. Agriculture and Allied Services	43	15	24	32	45	68	65	70
4. Export Promotion		20	42	41	54	59	62	67
XII. **Non-Developmental Expenditure**	**542**	**1,442**	**1,960**	**2,108**	**2,701**	**2,632**	**2,973**	**3,201**
1. Collection of Taxes and Duties and other Principal Revenues	22	30	42	48	53	58	58	64
2. Administrative Services (*h*)	59	95	175	202	257	268	274	279
Of which :								
(*i*) General Administration	17	24	28	30	47	50	51	53
(*ii*) Police	12	32	86	102	119	120	131	124
3. Defence Expenditure (Net)	248	762	966	1,051	1,347	1,218	1,404	1,405
4. Debt Services (*i*)	77	371	565	606	670	730	769	835
5. Other Expenditure (*j*)	136	184	212	201	374	358	468	618
XIII. **Grants to State and Union Territory Governments** (*k*)	**48**	**324**	**588**	**612**	**891**	**880**	**986**	**881**
Of which :								
Grants under the substantive provision of Article 275 (1)	37	64	153	142	142	147	144	131
XIV. **Total Expenditure** (XI+XII+XIII)	**826**	**2,001**	**2,902**	**3,130**	**4,072**	**4,072**	**4,536**	**4,683**
Surplus (+) *or Deficit* (—)	*+51*	*+320*	*+125*	*+163*	*—100*	*+343*	*+37*	*+79* (*+329*)(*l*)

Note : Figures in brackets are inclusive of effects of Budget proposals.

(*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 as reduction in expenditure. (*c*) Includes 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 departments community development projects, national extension service, labour and employment, overseas communication service, miscellaneous social and developmental organisations, export promotion (from 1961-62,), etc. (*g*) Includes expenditure on family planning. (*h*) Comprise general administration, audit, administration of justice, jails, police, Parliament, State and Union Territory legislatures, tribal areas, 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 and supplies and disposals. (*i*) 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 as reduction of receipts. (*j*) Comprises food subsidy, famine relief, stationery and printing, civil defence, pre-partition payments and miscellaneous adjustments between Centre, State and Union Territory Governments and other miscellaneous contribution and assignments, extra-ordinary items, Emergency Risks (Goods and Factories) Insurance Funds, etc. (*k*) Prior to 1961-62 grants other than statutory grants to States were shown under appropriate heads of expenditure. (*l*) This amount would be lower by about Rs. 2 crores as a result of tax concessions announced subsequent to the presentation of the Budget.

STATEMENT 65—REVENUE FROM UNION EXCISE DUTIES

(In lakhs of rupees)

Item	1960-61 (Accounts)	1965-66 (Accounts)	1969-70 (Accounts)	1970-71* (Accounts)	1971-72* (Accounts)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)†
	1	2	3	4	5	6	7
I. Basic Duties—Total	**378,96**	**837,64**	**1,463,83**	**1,694,43**	**1,944,41**	**2,207,70**	**2,393,58**
A. Food and Beverages—Total	**53,01**	**73,01**	**115,59**	**161,93**	**186,06**	**195,82**	**209,16**
Of which :							
Sugar	44,19	53,69	85,01	109,01	133,55	140,40	142,40
Tea	7,47	17,21	25,10	36,99	33,96	32,00	41,40
B. Tobacco—Total	**53,73**	**98,88**	**180,74**	**202,41**	**231,51**	**234,50**	**242,15**
Unmanufactured Tobacco	53,73	98,88	180,74	74,44	76,88	82,50	84,15
Cigars and Cigarettes				127,97	154,63	152,00	158,00
C. Petroleum Products—Total	**101,07**	**272,78**	**530,50**	**608,18**	**708,39**	**798,00**	**870,40**
Of which :							
Refined Diesel Oil and Vaporising Oil	36,38	104,09	222,73	231,99	263,86	290,00	325,00
Motor Spirit	40,46	82,88	143,76	173,10	219,66	240,00	255,50
Kerosene	8,29	44,25	96,28	120,97	123,36	145,00	155,00
Furnace Oil	13,01	18,78	28,91	33,25	31,75	26,50	28,50
Diesel Oil (not otherwise specified)		15,88	24,09	22,56	21,87	22,00	24,60
Asphalt, Bitumen and Tar	2,93	5,54	5,58	9,22	12,51	17,60	19,30
Petroleum Products (not otherwise specified)	—	1,36	9,15	17,09	26,62	44,00	47,50
D. Vegetable Oils and Fats—Total	**17,32**	**8,55**	**11,62**	**15,00**	**14,43**	**16,15**	**16,80**
E. Chemicals—Total	**4,39**	**31,93**	**81,29**	**95,03**	**116,47**	**153,45**	**170,21**
Of which :							
Plastic Materials and Synthetic resins	8	5,75	18,55	23,75	28,39	35,00	39,00
Patent and Proprietary Medicines	26	7,23	12,77	13,18	15,30	17,50	18,50
Soap	2,38	4,73	7,81	8,68	11,74	12,30	13,00
Paints and Varnishes	1,40	4,10	6,14	6,56	7,21	9,92	10,60
Synthetic Organic Dyestuffs	9	2,94	5,82	6,11	5,82	9,60	10,37
Cosmetics	7	2,41	4,01	4,06	5,84	6,12	6,90
F. Metals—Total	**16,72**	**86,22**	**100,02**	**126,06**	**129,49**	**169,22**	**182,18**
Of which :							
Iron in any crude form	97	4,70	4,07	4,31	4,84	5,50	6,00
Iron and Steel Products	13,14	70,86	69,51	67,39	69,64	98,00	102,00
Aluminium	1,17	3,73	16,33	34,10	34,10	39,75	45,75
Copper and Copper Alloys	7	4,63	4,16	4,51	4,52	4,56	5,00

STATEMENT 65—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* (Accounts)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)†
	1	2	3	4	5	6	7
G. Manufactured Goods—Total	**112,76**	**221,53**	**377,84**	**402,56**	**445,95**	**512,32**	**563,07**
Of which :							
Cotton Fabrics	45,94	50,49	57,49(*a*)	51,27	53,89	56,00	57,10
Cotton Yarn	13	25,63	34,07	32,96	34,98	35,00	36,00
Woollen Yarn	2	2,04	3,39(*a*)	3,30	5,51	4,70	5,20
Rayon and Synthetic Fibres and Yarn	2,82	20,01	82,10	88,73	89,88	101,00	125,00
Jute Manufactures	—	7,17	19,67	21,35	24,18	24,20	26,10
Tyres and Tubes	13,54	29,58	53,12	54,91	63,13	74,00	81,40
Rubber Products	—	1,84	7,35	7,84	10,46	12,68	14,00
Cement	18,45	30,73	42,57	44,07	48,74	56,00	62,50
Matches	18,08	23,24	27,37	28,49	29,47	28,00	29,00
Paper	8,38	18,09	23,37	24,39	26,25	32,50	35,50
Glass and Glassware	11	3,58	5,46	6,90	9,14	10,00	11,00
H. Machinery and Transport Equipment—Total	**15,08**	**42,54**	**64,91**	**80,36**	**110,61**	**125,74**	**136,86**
Of which :							
Motor Vehicles	8,03	20,09	23,89	27,94	35,61	36,95	39,50
Electric Batteries and Parts thereof	1,88	3,51	7,08	7,65	9,88	12,50	13,50
Electric Wires and Cables	—	4,56	7,61	8,89	11,07	13,10	14,40
Electric Motors	80	2,79	5,26	6,59	6,60	9,45	10,20
Refrigerators and Air-conditioning Appliances	2	2,93	7,52	12,20(*b*)	15,35(*b*)	15,50(*b*)	17,00(*b*)
II. Cess on Commodities—Total	**6,73**	**17,24**	**22,98**	**29,68**	**30,54**	**31,96**	**34,83**
Of which :							
Coal and Coke	5,40	14,08	18,52	16,01	15,61	15,96	17,98
Handloom Cess on Cotton Fabrics	—	@@	@@	5,33	5,86	6,00	6,10
Rubber	—	1,27	2,01	1,97	2,70	3,15	3,39
Salt	73	98	99	1,05	1,08	1,11	1,39
Tea	—	—	—	1,84	1,69	1,75	1,80
III. Additional Duties—Total	**33,60**	**47,15**	**60,61**	**74,78**	**106,21**	**137,95**	**144,05**
Sugar	10,91	16,38	17,79	26,84	33,12	37,00	39,00
Textiles	17,01	20,52	20,68	23,45	29,77	36,95	38,70
Tobacco	5,68	10,25	22,14	24,49	43,32	64,00	66,35
Total Gross Revenue@	**419,29**	**907,36**	**1,547,42**	**1,798,89**	**2,104,08**	**2,458,18**	**2,658,68**
Less : Refunds and Drawbacks	2,94	9,44	23,11	7,45	24,93	30,00	35,00
Total Net Revenue	**416,35**	**897,92**	**1,524,31**	**1,791,44**	**2,079,15**	**2,428,18**	**2,623,68**
Less : States' Share	75,10	145,92	321,51	390,05	474,62	566,07	615,60
Net Receipts	**341,25**	**752,00**	**1,202,80**	**1,401,39**	**1,604,53**	**1,862,11**	**2,008,08**

Note : Special duties of excise were levied under the Finance Act, 1963. These were merged from March 17, 1972, with the basic excise duties. In this statement figures from 1965-66 onwards are inclusive of special duties of excise.

†At 1972-73 rates of taxation. @Including regulatory duties. @@Included under basic duties. * Actuals as per Departmental records.

(*a*) Include cess realisations. (*b*) Figures include duty on machinery also.

STATEMENT 66—CONSOLIDATED BUDGETARY POSITION OF STATES

(Rs. Crores)

Items	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)(*i*)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
I. Revenue Account								
A. Revenue (*a*)	1,011·8	2,816·7	3,052·7	3,370·5	4,044·7	4,282·9 (4,351·7)	4,533·9	4,899·5 (4,939·7)
B. Expenditure (*a*)	987·4	2,794·0	3,101·4	3,389·9	4,038·6	4,306·2	4,782·6	5,214·0
C. **Surplus (+) or Deficit (−)**	+ **24·4**	+ **22·7**	− **48·7**	− **19·4**	+ **6·1**	− **23·3** (+ **45·5**)	− **248·7**	− **314·5** (−**274·3**)
II. Capital Account								
A. Receipts (*b*)	570·0	1,485·7	1,835·7	1,699·7	1,828·6	2,054·6	2,861·7 (2,351·0)	2,330·6(*l*)
B. Disbursements	632·9	1,667·5	1,687·0	1,783·6	2,131·0	2,125·8	2,339·4 (2,249·8)	2,281·8
C. **Surplus (+) or Deficit (−)**	− **62·9**	− **181·8**	+ **148·7**	− **83·9**	− **302·4**	− **71·2**	+ **522·3** (+**101·2**)	+ **48·8**
III. **Remittances (Net)**	− **19·9**	+ **39·6**	− **40·9**	− **37·8**	+ **7·1**	− **2·2**	− **3·8**	− **14·4**
IV. **Overall Surplus (+) or Deficit(−)[IC + IIC + III]**	− **58·4**	− **119·5**	+ **59·1**	− **141·1**	− **289·2**(*g*)	− **96·7** (−**27·9**)(*j*)	+ **269·8** (−**151·3**)	− **280·1** (−**239·9**) (*m*)
Financed by :								
I. **Increase (+) or Decrease (—) in Cash Balance**	+ **3·7**(*d*)	− **3·9**	− **15·1**	+ **56·0**	− **62·7**	− **198·7**(*k*)	+ **5·0**(*k*)	−**269·5**(*k*)(*l*)
II. **Purchase (+) or Sale (−) of Securities**	− **52·1**(*e*)	− **7·9**(*e*)	+ **24·0**(*e*)	− **4·5**	+ **11·4**	− **20·3**	− **21·4**	− **10·7**
III. **Increase in (−) or Repayment of (+) Ways and Means Advances and Overdrafts from the Reserve Bank of India** (*c*)	− **10·0**	− **107·7**	+ **50·2**	− **192·6**(*f*)	− **226·0**(*h*)	+ **122·3**	+ **286·2** (−**134·9**)	+ **0·1**

Notes : (*1*) Figures in brackets for column 6 and column 8 indicate the position after taking into account yield from 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 those of Tripura from 1971-72 onwards. (*3*) Figures given here would differ from those given in the Reports prior to 1971-72, as the figures of net ways and means advances and overdrafts from the Reserve Bank of India which were included in capital receipts are now treated as financing items. (*4*) Figures from 1969-70 onwards are not comparable with those given for earlier years as well as with those given in earlier Reports as certain changes relating to the treatment of net contribution of departmental undertakings have been made. (*5*) From 1971-72 (Accounts) onwards figures in the case of Andhra Pradesh and Orissa are provisional. (*6*) Figures in brackets for 1972-73 (R.E.) in respect of capital receipts exclude Rs. 510·7 crores (special ways and means advances) given by the Centre to the States to clear their outstanding overdrafts with the Reserve Bank of India as at the end of April 1972; capital disbursements exclude Rs. 89·6 crores *i.e.*, part repayment of the same. Surplus on capital account and overall surplus/deficit are accordingly adjusted. Net increase or decrease in ways and means advances is also adjusted for Rs. 421·1 crores as this repayment was financed by special assistance from the Centre.

(*a*) Transfers from and to revenue reserve funds are excluded from revenue and expenditure, respectively. (*b*) Excluding net purchase and sale of securities and net ways and means advances and overdrafts from the Reserve Bank of India. (*c*) Figures for 1960-61 and 1968-69 are based on the Reserve Bank of India records and for later years data given in State budgets have been used. For 1969-70, if figures (the net repayment of Rs, 48. 6 crores) as per the Reserve Bank of India records are taken into account the overall surplus will be Rs. 57. 5 crores. (*d*) 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 the composite State of Bombay) has been adjusted to exclude the amount transferred to Gujarat. (*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 funds of Rs. 9·97 crores in 1969-70 (Accounts). (*f*) 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. (*g*) This deficit will go down by Rs. 1·1 crores if net repayment of overdrafts by Jammu and Kashmir Government to Jammu and Kashmir Bank Ltd. is taken into account; the financing items do not add up to total deficit because in the case of Manipur the overall deficit is for the full year, whereas, the opening and closing balances are given for the State period (i.e. from 21-1-1972 to 31-3-1972) only. (*h*) If figures as per the Reserve Bank of India records (Rs. 247·0 crores) are taken into account the overali deficit will be Rs. 310·2 crores. (*i*) Exclude supplementary estimates in the case of Punjab. (*j*) 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.20·2 crores. If supplementary estimates presented by Punjab during 1972-73 are included, this surplus will go down to Rs. 9·3 crores. (*k*) Including overdrafts. (*l*) To ensure uniformity in presentation of data, market borrowings (Rs. 3·0 crores) by Jammu and Kashmir Electricity Board are excluded. (*m*) If the share of States (Rs. 42·5 crores) in the additional taxation proposed by the Centre is taken into account, the overall deficit would be further reduced to Rs. 197·4 crores.

STATEMENT 67—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS

(On Revenue Account)

(Rs. Lakhs)

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											
1969-70 (Accounts)	108,50	21,15	**129,65**	47,19	41,49	**88,68**	**218,33**	120,32	125,97	**246,29**	**−27,96**
1970-71 (Accounts)	136,06	25,95	**162,01**	57,16	41,17	**98,33**	**260,34**	143,43	117,34	**260,77**	**— 43**
1971-72 (Accounts)	138,09	35,25	**173,34**	71,27	54,55	**125,82**	**299,16**	157,12	133,46	**290,58**	**+ 8,58**
1972-73 (Revised)	139,20	39,75	**178,95**	80,52	59,10	**139,62**	**318,57**	172,27	194,39	**366,66**	**−48,09**
1973-74 (Budget)	146,32	32,34	**178,66**	85,15	56,34	**141,49**	**320,15**	184,13	185,38	**369,51**	**−49,36**
Assam											
1969-70 (Accounts)	28,48	9,95	**38,43**	16,03	52,48	**68,51**	**106,94**	76,86	43,61	**120,47**	**−13,53**
1970-71 (Accounts)	28,14	5,64	**33,78**	17,89	47,25	**65,14**	**98,92**	77,51	41,15	**118,66**	**−19,74**
1971-72 (Accounts)	32,54	6,19	**38,73**	22,26	54,83	**77,09**	**115,82**	81,48	59,10	**140,58**	**−24,76**
1972-73 (Revised)	29,29	12,02	**41,31**	25,15	51,76	**76,91**	**118,22**	81,18	43,64	**124,82**	**− 6,60**
1973-74 (Budget)	32,78	13,41	**46,19**	26,58	63,13	**89,71**	**135,90**	92,87	61,75	**154,62**	**−18,72**
Bihar											
1969-70 (Accounts)	78,59	20,76	**99,35**	69,72	32,35	**102,07**	**201,42**	104,03	104,14	**208,17**	**− 6,75**
1970-71 (Accounts)	79,17	18,97	**98,14**	84,20	31,60	**115,80**	**213,94**	111,86	121,83	**233,69**	**−19,75**
1971-72 (Accounts)	87,54	17,01	**104,55**	103,53	40,34	**143,87**	**248,42**	141,56	142,50	**284,06**	**−35,64**
1972-73 (Revised)	100,07	32,24	**132,31**	117,35	58,20	**175,55**	**307,86**	186,71	165,43	**352,14**	**−44,28**
1973-74 (Budget)	109,61	33,93	**143,54**	125,22	66,84	**192,06**	**335,60**	201,22	154,89	**356,11**	**−20,51**
							(342,36)				**(−13,75)**
Gujarat											
1969-70 (Accounts)	92,94	34,91	**127,85**	31,16	22,78	**53,94**	**181,79**	87,38	100,94	**188,32**	**− 6,53**
1970-71 (Accounts)	108,08	39,23	**147,31**	37,79	23,82	**61,61**	**208,92**	112,20	94,19	**206,39**	**+ 2,53**
1971-72 (Accounts)	125,09	47,16	**172,25**	47,20	26,80	**74,00**	**246,25**	120,22	91,50	**211,72**	**+34,53**
1972-73 (Revised)	139,50	40,52	**180,02**	52,04	53,41	**105,45**	**285,47**	143,17	141,78	**284,95**	**+ 52**
1973-74 (Budget)	144,37	40,93	**185,30**	55,83	59,92	**115,75**	**301,05**	146,72	138,72	**285,44**	**+15,61**
Haryana											
1969-70 (Accounts)	37,85	16,04	**53,89**	10,16	7,44	**17,60**	**71,49**	34,86	32,02	**66,88**	**+ 4,61**
1970-71 (Accounts)	44,28	17,73	**62,01**	12,28	9,52	**21,80**	**83,81**	42,62	35,40	**78,02**	**+ 5,79**
1971-72 (Accounts)	51,51	18,83	**70,34**	13,32	12,17	**25,49**	**95,83**	50,58	37,41	**87,99**	**+ 7,84**
1972-73 (Revised)	59,34	19,16	**78,50**	16,92	13,55	**30,47**	**108,97**	53,91	42,74	**96,65**	**+12,32**
1973-74 (Budget)	65,09	17,84	**82,93**	18,23	15,99	**34,22**	**117,15**	62,72	45,63	**108,35**	**+ 8,80**
							(122,24)				**(+13,89)**

Himachal Pradesh												
1969-70 (Accounts)												
1970-71 (Accounts)@	1,52	69	**2,21**	99	9,67	**10,66**	**12,87**	9,14	3,83	**12,97**	**— 10**
1971-72 (Accounts)	8,38	6,64	**15,02**	6,23	26,36	**32,59**	**47,61**	38,99	16,18	**55,17**	**— 7,56**
1972-73 (Revised)	9,09	6,81	**15,90**	7,39	29,00	**36,39**	**52,29**	41,16	17,73	**58,89**	**— 6,60**
1973-74 (Budget)	9,61	5,47	**15,08**	7,95	31,74	**39,69**	**54,77**	45,58	19,38	**64,96**	**—10,19**
Jammu and Kashmir												
1969-70 (Accounts)	6,70	9,25	**15,95**	9,71	32,64	**42,35**	**58,30**	24,00	38,49	**62,49**	**— 4,19**
1970-71 (Accounts)	7,10	9,86	**16,96**	6,99	30,19	**37,18**	**54,14**	26,78	30,64	**57,42**	**— 3,28**
1971-72 (Accounts)	7,91	8,24	**16,15**	8,67	37,20	**45,87**	**62,02**	31,20	39,97	**71,17**	**— 9,15**
1972-73 (Revised)	11,96	13,01	**24,97**	9,83	48,59	**58,42**	**83,39**	36,50	43,73	**80,23**	**+ 3,16**
1973-74 (Budget)	12,07	13,35	**25,42**	10,44	55,10	**65,54**	**90,96**	44,90	48,41	**93,31**	**— 2,35**
Kerala												
1969-70 (Accounts)	60,79	23,31	**84,10**	24,88	23,43	**48,31**	**132,41**	100,81	45,84	**146,65**	**—14,24**
1970-71 (Accounts)	67,98	23,36	**91,34**	30,23	24,68	**54,91**	**146,25**	106,59	52,64	**159,23**	**—12,98**
1971-72 (Accounts)	74,69	34,44	**109,13**	36,77	28,21	**64,98**	**174,11**	123,54	57,98	**181,52**	**— 7,41**
1972-73 (Revised)	83,87	32,99	**116,86**	43,18	35,17	**78,35**	**195,21**	144,06	74,70	**218,76**	**—23,55**
1973-74 (Budget)	87,63	30,33	**117,96**	45,56	41,38	**86,94**	**204,90**	163,19	76,18	**239,37**	**—34,47**
Madhya Pradesh												
1969-70 (Accounts)	79,92	51,65	**131,57**	46,65	30,10	**76,75**	**208,32**	112,53	72,44	**184,97**	**+23,35**
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 (Accounts)	94,90	58,74	**153,64**	69,64	39,25	**108,89**	**262,53**	137,52	83,24	**220,76**	**+41,77**
1972-73 (Revised)	109,16	60,51	**169,67**	74,35	59,43	**133,78**	**303,45**	174,23	104,49	**278,72**	**+24,73**
1973-74 (Budget)	112,94	61,33	**174,27**	83,41	67,70	**151,11**	**325,38**	200,05	109,64	**309,69**	**+15,69**
							(328,63)				**(+18,94)**
Maharashtra												
1969-70 (Accounts)	216,53	68,81	**285,34**	65,44	26,25	**91,69**	**377,03**	181,60	193,88	**375,48**	**+ 1,55**
1970-71 (Accounts)	255,56	65,62	**321,18**	80,40	29,56	**109,96**	**431,14**	212,39	220,76	**433,15**	**— 2,01**
1971-72 (Accounts)	274,57	73,58	**348,15**	101,03	45,43	**146,46**	**494,61**	229,04	283,22	**512,26**	**—17,65**
1972-73 (Revised)	298,91	74,45	**373,36**	109,38	97,93	**207,31**	**580,67**	274,11	355,90	**630,01**	**—49,34**
1973-74 (Budget)	344,49	83,39	**427,88**	120,93	104,42	**225,35**	**653,23**	311,16	371,92	**683,08**	**—29,85**
							(663,06)				**(—20,02)**
Manipur												
1969-70 (Accounts)												
1970-71 (Accounts)	77	—44	**33**	—	13,64	**13,64**	**13,97**	8,11	5,81	**13,92**	**+ 5**
1971-72 (Accounts)	71	—25	**46**	24	14,34	**14,58**	**15,04**	11,15	7,23	**18,38**	**— 3,34**
1972-73 (Revised)	1,07	7	**1,14**	1,57	14,84	**16,41**	**17,55**	10,38	7,69	**18,07**	**— 52**
1973-74 (Budget)	1,21	31	**1,52**	1,69	16,69	**18,38**	**19,90**	11,81	8,84	**20,65**	**— 75**
Meghalaya												
1969-70 (Accounts)												
1970-71 (Accounts)	10	14	**24**	1,47	10,30	**11,77**	**12,01**	8,57	62	**9,19**	**+ 2,82**
1971-72 (Accounts)	24	60	**84**	1,82	25,82	**27,64**	**28,48**	9,97	15,75	**25,72**	**+ 2,76**
1972-73 (Revised)	1,04	33	**1,37**	2,04	14,71	**16,75**	**18,12**	13,62	4,72	**18,34**	**— 22**
1973-74 (Budget)	94	35	**1,29**	2,07	16,97	**19,04**	**20,33**	17,67	6,56	**24,23**	**— 3,90**

STATEMENT 67—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS—(*Concld.*)

(On Revenue Account)

(Rs. Lakhs)

State/Year	REVENUE							EXPENDITURE			
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			Total Revenue (3 + 6)	TOTAL EXPENDITURE			Surplus(+) or Deficit(−)
	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											
1969-70 (Accounts)	88,29	61,67	**149,96**	30,90	20,61	**51,51**	**201,47**	101,44	79,85	**181,29**	**+20,18**
1970-71 (Accounts)	101,74	45,63	**147,37**	37,72	21,76	**59,48**	**206,85**	120,84	91,82	**212,66**	**− 5,81**
1971-72 (Accounts)	113,59	36,99	**150,58**	47,39	27,78	**75,17**	**225,75**	135,69	94,77	**230,46**	**− 4,71**
1972-73 (Revised)	128,29	45,62	**173,91**	53,44	37,80	**91,24**	**265,15**	160,16	134,04	**294,20**	**−29,05**
1973-74 (Budget)	132,95	48,05	**181,00**	56,74	44,73	**101,47**	**282,47**	174,09	175,52	**349,61**	**−67,14**
							(284,47)				**(−65,14)**
Nagaland											
1969-70 (Accounts)	22	16	**38**	49	25,17	**25,66**	**26,04**	10,61	9,41	**20,02**	**+ 6,02**
1970-71 (Accounts)	33	35	**68**	60	28,13	**28,73**	**29,41**	13,61	10,19	**23,80**	**+ 5,61**
1971-72 (Accounts)	51	33	**84**	81	26,01	**26,82**	**27,66**	15,47	10,56	**26,03**	**+ 1,63**
1972-73 (Revised)	1,11	25	**1,36**	89	34,92	**35,81**	**37,17**	18,09	12,39	**30,48**	**+ 6,69**
1973-74 (Budget)	1,19	47	**1,66**	1,14	31,38	**32,52**	**34,18**	18,93	12,29	**31,22**	**+ 2,96**
Orissa											
1969-70 (Accounts)	28,41	20,57	**48,98**	25,25	40,92	**66,17**	**115,15**	59,84	55,19	**115,03**	**+ 12**
1970-71 (Accounts)	33,27	16,99	**50,26**	30,46	38,93	**69,39**	**119,65**	67,37	56,33	**123,70**	**− 4,05**
1971-72 (Accounts)	34,70	18,34	**53,04**	37,65	44,24	**81,89**	**134,93**	79,82	78,89	**158,71**	**−23,78**
1972-73 (Revised)	37,32	20,09	**57,41**	42,27	52,42	**94,69**	**152,10**	99,56	82,47	**182,03**	**−29,93**
1973-74 (Budget)	39,16	20,70	**59,86**	45,37	51,93	**97,30**	**157,16**	110,31	77,87	**188,18**	**−31,02**
Punjab											
1969-70 (Accounts)	75,83	25,64	**101,47**	15,01	10,83	**25,84**	**127,31**	61,23	44,46	**105,69**	**+21,62**
1970-71 (Accounts)	86,02	34,28	**120,30**	18,24	14,21	**32,45**	**152,75**	71,20	47,28	**118,48**	**+34,27**
1971-72 (Accounts)	92,24	18,54	**110,78**	22,88	20,95	**43,83**	**154,61**	80,12	58,54	**138,66**	**+15,95**
1972-73 (Revised)	105,11	18,25	**123,36**	25,89	34,25	**60,14**	**183,50**	106,56	66,55	**173,11**	**+10,39**
1973-74 (Budget)	108,41	20,05	**128,46**	27,35	28,81	**56,16**	**184,62**	120,57	64,68	**185,25**	**− 63**
							(189,23)				**(+ 3,98)**
Rajasthan											
1969-70 (Accounts)	53,79	21,20	**74,99**	28,87	43,31	**72,18**	**147,17**	83,61	124,21	**207,82**	**−60,65**
1970-71 (Accounts)	60,46	21,18	**81,64**	34,93	38,97	**73,90**	**155,54**	93,96	113,00	**206,96**	**−51,42**
1971-72 (Accounts)	65,67	20,63	**86,30**	43,30	42,02	**85,32**	**171,62**	104,66	84,95	**189,61**	**−17,99**
1972-73 (Revised)	73,65	25,75	**99,40**	48,81	62,59	**111,40**	**210,80**	125,20	119,74	**244,94**	**−34,14**
1973-74 (Budget)	82,50	23,89	**106,39**	52,37	78,25	**130,62**	**237,01**	131,64	153,70	**285,34**	**−48,33**
							(239,01)				**(−46,33)**

Tamil Nadu												
1969-70 (Accounts)£	132,32	51,75	**184,07**	46,93	26,53	**73,46**	**257,53**	154,61	123,54	**278,15**		**−20,62**
1970-71 (Accounts)	148,85	49,27	**198,12**	57,35	25,99	**83,34**	**281,46**	165,99	123,06	**289,05**		**− 7,59**
1971-72 (Accounts)	191,53	63,70	**255,23**	72,18	36,45	**108,63**	**363,86**	206,67	150,69	**357,36**		**+ 6,50**
1972-73 (Revised)	211,70	72,77	**284,47**	85,78	42,75	**128,53**	**413,00**	235,19	176,01	**411,20**		**+ 1,80**
1973-74 (Budget)	223,72	61,96	**285,68**	96,38	54,20	**150,58**	**436,26**	252,28	183,49	**435,77**		**+ 49**
Tripura												
1969-70 (Accounts)												
1970-71 (Accounts)												
1971-72 (Accounts)$..	18	32	**50**	41	16,14	**16,55**	**17,05**	3,53	5,79	**9,32**		**+ 7,73**
1972-73 (Revised)	66	45	**1,11**	2,34	19,51	**21,85**	**22,96**	17,29	9,77	**27,06**		**− 4,10**
1973-74 (Budget)	71	−18	**53**	2,51	20,79	**23,30**	**23,83**	21,42	11,21	**32,63**		**− 8,80**
Uttar Pradesh												
1969-70 (Accounts)	141,41	71,62	**213,03**	106,43	50,65	**157,08**	**370,11**	171,38	159,14	**330,52**		**+39,59**
1970-71 (Accounts)	152,86	77,57	**230,43**	127,96	52,55	**180,51**	**410,94**	176,32	163,08	**339,40**		**+71,54**
1971-72 (Accounts)	155,71	70,87	**226,58**	157,25	63,29	**220,54**	**447,12**	226,62	209,22	**435,84**		**+11,28**
1972-73 (Revised)	161,99	80,10	**242,09**	176,32	80,01	**256,33**	**498,42**	261,52	240,93	**502,45**		**− 4,03**
1973-74 (Budget)	180,13	89,58	**269,71**	188,92	148,97	**337,89**	**607,60**	358,19	260,99	**619,18**		**−11,58**
							(611,60)					**(− 7,58)**
West Bengal												
1969-70 (Accounts)	124,94	31,96	**156,90**	50,56	44,43	**94,99**	**251,89**	144,59	118,55	**263,14**		**−11,25**
1970-71 (Accounts)	128,97	18,04	**147,01**	62,67	46,11	**108,78**	**255,79**	154,19	140,49	**294,68**		**−38,89**
1971-72 (Accounts)	144,98	18,62	**163,60**	78,37	170,27	**248,64**	**412,24**	170,82	221,93	**392,75**		**+19,49**
1972-73 (Revised)	170,76	35,25	**206,01**	87,47	67,52	**154,99**	**361,00**	195,85	193,00	**388,85**		**−27,85**
1973-74 (Budget)	177,73	28,48	**206,21**	92,47	58,31	**150,78**	**356,99**	207,20	170,26	**377,46**		**−20,47**
							(359,64)					**(−17,82)**
TOTAL												
1969-70 (Accounts)	**1,355,51**	**540,40**	**1,895,91**	**625,38**	**531,41**	**1,156,79**	**3,052,70**	**1,629,70**	**1,471,68**	**3,101,38**		**−48,68**
1970-71 (Accounts)	**1,527,85**	**521,21**	**2,049,06**	**755,65**	**565,78**	**1,321,43**	**3,370,49**	**1,844,14**	**1,545,70**	**3,389,84**		**−19,35**
1971-72 (Accounts)	**1,695,28**	**554,77**	**2,250,05**	**942,22**	**852,45**	**1,794,67**	**4,044,72**	**2,155,77**	**1,882,88**	**4,038,65**		**+ 6,07**
1972-73 (Revised)	**1,873,09**	**630,39**	**2,503,48**	**1,062,93**	**967,46**	**2,030,39**	**4,533,87**	**2,550,72**	**2,231,84**	**4,782,56**		**−248,69**
1973-74 (Budget)	**2,013,56**	**625,98**	**2,639,54**	**1,146,31**	**1,113,59**	**2,259,90**	**4,899,44**	**2,876,65**	**2,337,31**	**5,213,96**		**−314,52**
							(4,939,63)					**(−274,33)**

Notes : 1 Figures given here are not comparable with those given in earlier Reports on Currency and Finance as certain changes relating to the treatment of net contribution of departmental undertakings have been made. 2. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation. 3. Figures for 1973-74 (B.E.) are before tax changes; the position after taking into account tax changes is shown in brackets. 4. For details regarding coverage of various items included under each head, a reference may be made to Statement—68. 5. Data for Andhra Pradesh and Orissa from 1971-72 (Accounts) onwards are provisional.

@ Relates to the period from 25-1-1971 to 31-3-1971.

£ Receipts from and expenditure on State lotteries have been transferred from capital account to make the data comparable with other States which show such receipts and expenditure on revenue account.

$ Relates to the period from 21-1-1972 to 31-3-1972.

STATEMENT 68—REVENUE AND

(On Revenue

Items	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
				REVENUE				
I. TAX REVENUE (A + B) ..	**624·8**	**1708·4**	**1980·9**	**2283·5**	**2637·5**	**2860·4**	**2936·0**	**3159·9**
A. State Tax Revenue (1 to 3) ..	**442·4**	**1221·2**	**1355·5**	**1527·8**	**1695.3**	**1849·9**	**1873·1**	**2013·6**
1. **Taxes on land and income** ..	**107·1**	**126·6**	**119·9**	**126·5**	**115·8**	**121·7**	**113·5**	**138·6**
Agricultural income tax ..	9·5	9·9	14·0	10·5	12·8	13·2	12·4	12·1
Land revenue	97·2	113·9	102·8	112·6	100·8	106·4	99·0	124·3
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	2·2	1·8	1·8	1·9
2. **Taxes on property**	**44·3**	**104·9**	**116·6**	**126·0**	**140·8**	**150·9**	**138·2**	**148·8**
Stamps and registration ..	43·3	101·3	112·6	121·8	136·9	145·3	133·8	143·3
Urban immovable property tax	1·0	3·6	4·0	4·2	3·9	5·6	4·4	5·5
3. **Taxes on commodities and services**	**291·0**	**989·7**	**1119·0**	**1275·3**	**1438·7**	**1577·3**	**1621·4**	**1726·2**
General sales tax	120·0	437·1	490·8	561·6	636·2	691·8	710·3	758·0
Central sales tax	22·5	100·1	126·9	147·2	141·3	172·5	172·6	185·5
Sales tax on motor spirit ..	16·3	35·3	38·6	46·3	48·9	53·5	47·1	56·9
Motor vehicles tax	34·1	89·3	93·5	104·7	113·2	120·7	127·5	136·0
Tax on passengers and goods	5·8	46·2	57·1	67·8	84·0	95·4	100·8	106·8
Entertainment tax	13·1	42·5	50·4	57·5	62·8	66·3	74·5	72·5
State excise duties	53·1	159·0	173·6	193·9	233·8	254·5	265·6	282·6
Electricity duties	12·5	54·9	58·1	67·2	72·0	72·3	73·9	79·5
Other taxes and duties(*a*) ..	13·6	25·3	30·0	29·1	46·5	50·3	49·1	48·4
B. Share in Central Taxes ..	**182·4**	**487·2**	**625·4**	**755·7**	**942·2**	**1010·5**	**1062·9**	**1146·3**
Income tax	90·6	194·5	293·2	359·1	459·9	461·0	494·3	519·0
Estate duty	2·9	5·5	7·0	6·3	7·7	7·0	7·3	8·4
Union excise duties	75·1	287·2	325·2	390·3	474·6	542·5	561·3	618·9
Tax on Railway fares ..	13·8	—	—	—	—	—	—	—
II. NON-TAX REVENUE (C+D) ..	**387·0**	**1108·3**	**1071·8**	**1087·0**	**1407·2**	**1422·5**	**1597·9**	**1739·6**
C. State Non-tax Revenue (1 to 8)	**265·4**	**614·6**	**540·4**	**521·2**	**554·8**	**616·7**	**630·4**	**626·0**
1. Administrative receipts(*b*) ..	139·5	178·1	183·4	182·1	203·7	210·5	232·4	241·5
2. Net contribution of departmental undertakings(*c*) ..	47·5	92·8	−17·1	−51·8	−54·4	−60·4	−64·4	−85·1
(*i*) *Forests*	*32·6*	*59·1*	*71·6*	*71·2*	*91·6*	*81·1*	*89·7*	*85·8*
(*ii*) *Multipurpose river valley schemes*	*	*	*−31·5*	*−41·1*	*−49·7*	*−54·4*	*−52·7*	*−55·6*
(*iii*) *Irrigation (commercial)* ..	*7·6*	*− 0·4*	*−66·5*	*−81·7*	*−91·3*	*−92·7*	*−99·2*	*−112·7*
(*iv*) *Electricity schemes* ..	*3·5*	*26·5*	*6·4*	*3·7*	*0·9*	*2·4*	*0·8*	*− 0·1*
(*v*) *Road and water transport schemes*	*5·7*	*7·0*	*3·1*	*2·4*	*2·5*	*8·2*	*4·7*	*4·0*
(*vi*) *Industries*	*− 1·9*	*0·6*	*− 0·5*	*− 2·6*	*− 3·7*	*− 1·3*	*− 1·2*	*− 0·6*
(*vii*) *Milk supply schemes(d)* ..	$	$	*0·3*	*− 3·7*	*− 4·7*	*− 3·7*	*− 6·5*	*− 5·9*
3. Irrigation (non-commercial) ..		5·7	5·7	6·0	6·4	7·2	7·2	7·5
4. Receipts from other public undertakings(*e*)		64·8	72·3	95·7	81·8	110·7	92·7	95·6
5. Interest receipts(*f*)	78·4†	176·6	185·5	183·1	213·9	237·3	258·6	256·9
6. Royalty on minerals and mineral concession fees		20·4	29·9	24·0	23·7	29·0	32·6	33·4
7. State lotteries		11·8£	24·7£	28·8	26·6	32·6	20·0	22·5
8. Other State non-tax revenue(*g*)		64·4	56·0	53·3	53·1	49·8	51·3	53·7
D. Grants-in-aid and Other Contributions(*h*)	**121·6**	**493·7**	**531·4**	**565·8**	**852·4**	**805·8**	**967·5**	**1113·6**
TOTAL REVENUE (I+II) ..	**1011·8**	**2816·7**	**3052·7**	**3370·5**	**4044·7**	**4282·9** (4351·7)	**4533·9**	**4899·5** (4939·7)

EXPENDITURE OF STATES

Account)

(Rs. Crores)

Items	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
				EXPENDITURE				
E. Development Expenditure ..	**569·6**	**1562·9**	**1629·7**	**1844·2**	**2155·7**	**2380·3**	**2550·7**	**2876·7**
Education	195·4	596·4	680·4	793·4	886·5	976·8	1033·6	1152·0
Medical and public health ..	80·8	231·6	274·4	299·1	354·7	404·8	431·9	505·9
Agriculture		133·0	138·7	147·2	177·8	203·7	225·9	241·8
Animal husbandry	66·0	40·1	39·8	45·5	52·0	60·4	61·7	67·6
Co-operation		31·4	31·8	33·5	36·9	43·6	44·9	46·1
Rural and community development	52·3	68·9	71·3	82·6	115·8	136·8	148·6	175·5
Civil works	67·4	171·1	190·4	216·9	266·6	244·7	268·2	279·7
Industries(*i*)	21·8	27·1	31·9	32·6	34·9	43·7	44·8	52·7
Irrigation (non-commercial) ..		34·5	44·4	56·3	65·4	63·2	74·9	64·0
Other development expenditure(*j*)	85·9	228·8	126·6	137·1	165·1	202·6	216·2	291·4
F. Non-Development Expenditure	**417·8**	**1231·1**	**1471·7**	**1545·7**	**1882·9**	**1925·9**	**2231·9**	**2337·3**
Collection of taxes and duties, etc.(*k*)	66·2	117·9	129·5	147·8	168·2	183·0	192·6	211·4
Interest on debt		315·5	369·9	398·1	455·8	490·5	477·6	531·4
Appropriation for reduction or avoidance of debt	84·4††	138·2	179·2	179·9	210·5	270·9	256·1	326·6
Civil administration(*l*) ..	167·0	368·1	410·6	455·1	508·0	515·8	548·0	583·5
Famine relief	21·5	89·9	159·4	106·1	144·5	66·9	316·6	279·1
Miscellaneous(*m*)	42·9	119·8	142·9	164·9	298·4	297·6	327·9	278·3
Food subsidy		14·3	12·9	15·6	6·6	7·6	11·4	10·3
Other non-development expenditure(*n*)	35·8	67·4	67·3	78·2	90·9	93·6	101·7	116·7
TOTAL EXPENDITURE OF STATE GOVERNMENTS (E + F)	**987·4**	**2794·0**	**3101·4**	**3389·9**	**4038·6**	**4306·2**	**4782·6**	**5214·0**
Surplus (+) *or Deficit* (−) ..	*+24·4*	*+22·7*	*−48·7*	*−19·4*	*+ 6·1*	*−23·3* (*+45·5*)	*−248·7*	*−314·5* (*−274·3*)

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. Figures from 1971-72 (Accounts) onwards, for Andhra Pradesh and Orissa, are provisional. In the case of Punjab, for 1972-73 (B.E.) supplementary estimates presented during the course of 1972-73 have not been included. 3. Figures for 1972-73 (B.E.) and 1973-74 (B.E.) are before tax changes; the position after taking into account tax changes is shown in brackets. 4. The classification of Development and Non-Development expenditure has been done on the basis of broad budget heads. 5. Data include figures for Nagaland from 1968-69 onwards, for Himachal Pradesh, Manipur and Meghalaya from 1970-71 onwards and those for Tripura from January 21, 1972. 6. Data for 1960-61 and 1968-69 are not strictly comparable with those of later years as certain changes relating to the treatment of net contribution of departmental undertakings have been introduced and data presented in this Statement are also not strictly comparable with the data published in the earlier Reports on Currency and Finance for the same reason.

(*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. However, from 1969-70 onwards receipts from milk supply schemes are excluded. Certain grants from the Central Government which were shown under this item are transferred to grants-in-aid and other contributions from 1961-62 onwards. (*c*) The net contribution of departmental undertakings does not constitute a commercial surplus, but represents excess of revenue over non-Plan expenditure and interest charges on capital outlay from 1969-70 onwards; for 1960-61 and 1968-69 it represents excess of revenue over working expenses (Plan and Non-Plan) only. (*d*) To ensure uniformity, recoveries from and Non-Plan expenditure on milk supply schemes presented by some States on capital account have been transferred to revenue account and included under this group. (*e*) Comprise interest receipts on loans and advances by State Governments to State Electricity Boards and State Road Transport Corporations, and dividends. (*f*) Exclude interest on loans and advances by State Governments to State Electricity Boards and State Road Transport Corporations. (*g*) Comprises stationery and printing and miscellaneous receipts but excludes transfers from revenue reserve funds. However, for 1960-61 and 1968-69, receipts on account of multipurpose river valley schemes have been included. (*h*) Include miscellaneous adjustments between Centre and States. (*i*) Figures from 1969-70 onwards exclude non-Plan working expenses and interest charges on capital outlay of departmental industrial units as these have been shown under 'net contribution of departmental undertakings.' Those for 1960-61 and 1968-69 exclude Plan and non-Plan working expenses only. (*j*) Figures from 1969-70 onwards include expenditure on scientific departments, labour and employment, aviation, ports and pilotage, plan expenditure on irrigation (commercial), electricity schemes, road and water transport schemes, forests, milk supply schemes and multipurpose river valley schemes; for 1960-61 and 1968-69 they also include interest charges on capital outlay of the first four departmental undertakings mentioned above as well as expenditure on milk supply schemes and multipurpose river valley schemes, but they exclude Plan working expenses on these four undertakings and expenditure on forests. (*k*) Includes transfers to funds, viz., State Road Fund, etc. (*l*) Comprises general administration, administration of justice, jails and convict settlements, police and miscellaneous departments. (*m*) Includes expenditure on displaced persons, irrecoverable loans and advances, technical training, scholarships, etc. (*n*) Includes pensions, stationery and printing, extraordinary charges, expenditure connected with national emergency, etc.

* Not treated as a departmental undertaking and receipts on account of this item are included under 'Other State non-tax revenue.'

$ Not treated as a departmental undertaking and receipts on account of this item are shown under heads such as animal husbandry, co-operation, etc., which are included under administrative receipts. † 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. £ Receipts shown against State lotteries for Tamil-Nadu have been transferred from unfunded debt.

STATEMENT 69—CAPITAL BUDGET OF STATES

(Rs. Crores)

Items	1960-61 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Budget Estimates)	1972-73 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7	8
RECEIPTS								
1. Permanent debt	93·8	125·7	176·1	167·8	179·0	192·3	223·7	207·0*
2. Floating debt (net) (*a*)	5·9	31·3	— 9·8	0·7	— 0·9	3·5	—17·4	7·8
3. Loans from the Centre	345·6	863·9	1,029·5	1,005·2	1,192·5	1,201·8	1,924·5 (1,413·8)	1,295·0
4. Other loans (*b*)	11·7	44·8	73·4	46·5	44·6	61·0	72·6	77·3
5. Unfunded debt (net)	15·7	59·5	81·8£	73·7	85·3	86·0	101·8	103·3
6. Loans and advances repaid to State Governments	48·5	188·2	176·4	165·0	167·0	235·4	205·7	264·4
7. Inter-State debt settlement (net)		0·4	0·6	0·1	2·5	— 0·6	0·3	— 0·1
8. Contingency fund (net)	48·8	2·6	1·3	— 0·9	—11·9	1·7	— 7·0	1·4
9. Deposits and advances (net) (*c*)		169·3	306·4	241·6	170·5	273·5	357·5	374·5
TOTAL RECEIPTS (1 to 9)	**570·0**	**1,485·7**	**1,835·7**	**1,699·7**	**1,828·6**	**2,054·6**	**2,861·7 (2,351·0)**	**2,330·6***
DISBURSEMENTS								
I. Capital Outlay (A + B) (*d*)	**318·0**	**557·3**	**511·3**	**556·1**	**667·9**	**766·4**	**862·2**	**918·9**
A. Development (1 to 10)	**293·6**	**515·6**	**500·5**	**584·4**	**705·5**	**777·4**	**876·1**	**921·0**
1. Multipurpose river valley schemes	46·5	110·5	93·9	94·3	108·9	101·9	132·7	113·5
2. Irrigation and navigation	80·6	126·4	160·7	188·3	226·1	249·1	289·2	300·4
3. Schemes of agricultural improvement and research	3·7	35·0	— 0·5	— 0·4	1·2	7·9	33·4	7·8
4. Electricity schemes	25·4	29·1	43·1	28·2	31·2	33·6	35·4	39·6
5. Road transport	4·8	—	6·6	7·8	10·4	6·3	8·3	7·3
6. Buildings, roads and water works (*e*) (*f*)	114·8	119·4	124·7	172·9	207·5	248·3	244·3	301·5
7. Industrial development	15·5	91·7	67·1	86·3	112·1	118·3	118·3	135·4
8. State trading (Plan) (*f*)			0·4	1·2	0·5	0·9	3·5	0·9
9. Milk supply schemes (Plan)	$	$	0·8	1·2	2·0	3·4	3·5	5·8
10. Forests	2·3	3·5	3·7	4·6	5·6	7·7	7·5	8·8
B. Non-Development 1(1 to 13)	**24·4**	**41·7**	**10·8**	**—28·3**	**—37·6**	**—11·0**	**—13·9**	**— 2·1**
11. State trading ((non-Plan) (*e*)	10·2†	36·0†	4·7	—33·8	—44·5	—19·6	—22·0	—19·7
12. Compensation to land holders on the abolition of zamindari	14·0	5·5	5·8	5·2	6·4	8·3	7·5	17·1
13. Other financial transactions	0·2	0·2	0·3	0·3	0·5	0·3	0·6	0·5
II. Discharge of permanent debt	17.8	65·2	91.6	65.6	80·0	91·1	94·1	7·8
III. Repayment of loans to the Centre	114·2	554·2	607·8	633.9	801.4	785.3	671·2 (581·6)	769.0
IV. Repayment of other loans (*b*)	2·8	31·8	44·8	37·3	26·4	30·5	28·6	36·6
V. Loans and advances by State Governments	180·1	459·0	431·5	490·7	555·3	452·5	683·3	549·5
TOTAL DISBURSEMENTS (I to V)	**632·9**	**1,667·5**	**1,687·0**	**1,783·6**	**2,131·0**	**2,125·8**	**2,339·4 (2,249.8)**	**2,281·8**
Surplus (+) or Deficit (—)	—62·9	—181·8	+148·7	—83·9	—302·4	—71·2	+522·3 (+101·2)	+48·8*

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 Andhra Pradesh and Orissa for 1971-72 (Accounts) and onwards are provisional. In the case of Punjab, for 1972-73 (B.E.) supplementary estimates presented during 1972-73 have not been included. 3. Data include figures for Nagaland from 1968-69 onwards, for Himachal Pradesh, Manipur and Meghalaya from 1970-71 onwards and those of Tripura from January 21, 1972. 4. Data for 1960-61 and 1968-69 are not strictly comparable with those of later years as certain changes relating to treatment of net contribution of departmental undertakings have been introduced and data presented in this statement are also not strictly comparable with the data published in the earlier Reports on Currency and Finance due to the same reason. 5. Figures given here would differ from those given in the Reports prior to 1971-72, 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 now treated as financing items. 6. Figures in brackets for 1972-73 (R.E.) in respect of 'capital receipts' and 'loans from the Centre' exclude Rs. 510·7 crores (special ways and means advances) given by the Centre to the States to clear their overdrafts with the Reserve Bank of India and in respect of 'total disbursements' and 'repayment of loans to the Centre' exclude Rs. 89·6 crores i.e., part repayment of the same. Surplus on capital account is adjusted accordingly.

(*a*) Excludes ways and means advances and overdrafts from the Reserve Bank of India; these figures for 1960-61 and 1968-69 are based on the Reserve Bank of India records and for later years data given in State budgets have been used. (*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, Khadi and Village Industries Board, State Bank of India, etc. (*c*) Exclude purchase or sale of securities. (*d*) Excludes appropriation to contingency fund. (*e*) Excludes recoveries from and non-Plan expenditure on milk supply schemes which have been transferred to revenue account and included under 'net contribution of departmental undertakings' from 1969-70 onwards. (*f*) Excludes milk supply schemes (Plan).

£ Excludes receipts from and expenditure on State Lotteries for 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. $ Not treated as a departmental undertaking and expenditure on account of this item is included in State trading (non-Plan) and buildings, roads and water works. † Includes State trading (Plan). * To ensure uniformity in presentation of data, market borrowings (Rs. 3·0 crores) by Jammu and Kashmir Electricity Board are excluded.

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	4,441	*35.0*	2,516	*19.8*	705	*5.5*	2,209	*17.4*	841	*6.6*	839	*6.6*	1,157	*9.1*	**12,708**	6,485	**19,193**
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 (Revised Estimates) ..	5,417	*33.9*	3,631	*22.8*	730	*4.6*	2,733	*17.1*	1,044	*6.5*	829	*5.2*	1,574	*9.9*	**15,958**	7,161	**23,119**
1974 (Budget Estimates) ..	5,743	*33.3*	3,966	*23.0*	730	*4.2*	3,058	*17.7*	1,155	*6.7*	847	*4.9*	1,766	*10.2*	**17,265**	7,561	**24,826**

Note : Figures in this Statement may differ from those given in the other Statements because of differences in sources.

(*a*) Includes loans bearing interest, not bearing interest as well as interest free loans and from 1971 Banks Compensation Bonds but excludes 15- year Annuity Certificates which are shown under Small Savings.

(*b*) Represents liabilitiy in respect of special rupee securities issued in payment of subscriptions to IMF, IBRD and IDA and 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 : 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 1971 and (*iii*) Explanatory Memoranda of the Central Government Budgets for end-March 1972, 1973 and 1974.

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 (Revised Estimates)	1973-74 (Budget Estimates)
	1	2	3	4	5	6	7
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	5,280	5,606
(2) Compensation Bonds	—	—	5	79	84	84	84
(3) Prize Bonds	15	11	2	1	1	—	—
(4) Loans in course of Repayment	23	34	43	46	49	53	53
Total	**2,594**	**3,462**	**4,147**	**4,433**	**4,836**	**5,417**	**5,743**
(*b*) **Floating Debt**							
(1) Treasury Bills	1,106	1,612	2,398	2,310	2,623	3,631	3,966
(2) Special Floating Loan	274	341	689	721	704	730	730
(3) Treasury Deposit Receipts and other Floating Loans	—	—	—	—	—	—	—
Total	**1,380**	**1,953**	**3,087**	**3,031**	**3,327**	**4,361**	**4,696**
Total Debt Raised in India (*a* + *b*)	**3,974**	**5,415**	**7,234**	**7,464**	**8,163**	**9,778**	**10,439**
B. Debt Raised Outside India							
(1) England@							
Loans	107	263	547	622	704	788	812
Others	15	—	—	—	—	—	—
(2) U.S.A.							
Loans	211	750	1,713	1,792	1,893	1,873	1,841
U.S. Export—Import Bank	25	101	100	75	90	74	56
P.L. 480 Rupee Loans	78	528	1,516	1,420	1,603	1,596	1,589
P.L. 480 Local convertible currency credit	—	—	74	257	94	59	59
(3) U.S.S.R.	58	244	379	367	360	320	288
(4) Canada	14	18	97	141	168	191	225
(5) Federal Republic of Germany	103	206	376	407	448	461	452
(6) Japan	10	62	223	260	292	323	344
(7) International Bank for Reconstruction and Development	140	180	252	251	235	222	208
(8) International Development Association		171	666	759	790	962	1,182
(9) Other Countries		67	198	226	277	292	505
Total Debt Raised Outside India	**761**	**2,590**	**6,141**	**6,577**	**6,954**	**7,161**	**7,561**
Total Public Debt (A + B)	**4,735**	**8,005**	**13,375**	**14,041**	**15,117**	**16,939**	**18,000**
II. Other Liabilities							
A. Unfunded Debt							
(*i*) Small Savings Schemes (including Annuity Certificates)	974	1,542	2,020	2,169	2,419	2,733	3,058
(*ii*) Other Unfunded Debt	551	1,222	1,586	1,649	1,813	1,873	2,002
Total A	**1,525**	**2,764**	**3,606**	**3,818**	**4,232**	**4,606**	**5,060**
B. Reserve Funds and Deposits							
(*i*) Bearing Interest	142	275	197	248	309	383	435
(*ii*) Not bearing Interest	142	285	667	729	1,017	1,191	1,331
Total B	**284**	**560**	**864**	**977**	**1,326**	**1,574**	**1,766**
Total Other Liabilities (A + B)	**1,809**	**3,324**	**4,470**	**4,795**	**5,558**	**6,180**	**6,826**
Total Debt and Liabilities (I + II)	**6,544**	**11,329**	**17,845**	**18,836**	**20,675**	**23,119**	**24,826**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	—300	—300	—300	—300	—300	—300	—300
Net Liabilities of the Central Government	**6,244**	**11,029**	**17,545**	**18,536**	**20,375**	**22,819**	**24,526**

I. Capital Outlay							
A. Outlay on Departmental Undertakings							
(1) Railways	1,512	2,672	3,218	3,313	3,475	3,711	3,883
(2) Posts and Telegraphs	140	265	384	398	413	341	352
(3) Atomic Energy Development	15	69	203	213	235	269	295
(4) Mints	4	4	5	5	6	6	7
(5) Electricity Schemes	3	1	48	67	105	161	220
(6) Undertakings of Industrial and Economic Development	2	5	6	8	12	12	14
(7) Others*	6	14	28	32	35	38	42
Total A	**1,682**	**3,030**	**3,892**	**4,036**	**4,281**	**4,538**	**4,813**
B. Investments in Autonomous Corporations, Companies, etc.							
(*a*) **Government Companies and Corporations**							
(1) Hindustan Steel	300	528	557	557	595	612	634
(2) Bokaro Steel	—	20	363	410	600	600	600
(3) Fertilizer Corporation of India	40	52	97	116	138	203	274
(4) Food Corporation of India	—	9	53	65	77	83	84
(5) Others*	252	732	1,058	1,217	1,425	1,666	1,853
Total	**592**	**1,341**	**2,128**	**2,365**	**2,835**	**3,164**	**3,445**
(*b*) **Financial Institutions**							
(1) International Monetary Fund	296	353	527	693	670	670	670
(2) International Bank for Reconstruction and Development	37	37	57	71	64	64	64
(3) International Development Association	5	19	29	29	30	30	30
(4) International Finance Corporation	2	2	2	2	2	2	2
(5) Asian Development Bank	—	—	28	28	35	43	51
(6) Reserve Bank of India	11	6	6	6	6	6	6
(7) Life Insurance Corporation	5	5	5	5	5	5	5
(8) Others*	2	2	31	119	141	188	208
Total	**358**	**424**	**685**	**953**	**953**	**1,008**	**1,036**
(*c*) **Other Companies, Corporations, etc.**	**10**	**33**	**39**	**39**	**36**	**33**	**33**
Of which : Oil India	8	27	26	24	22	25	25
Total B (*a* + *b* + *c*)	**960**	**1,798**	**2,852**	**3,357**	**3,824**	**4,205**	**4,514**
C. Other Capital Outlay							
(1) Defence Services	454	874	1,321	1,412	1,565	1,774	1,969
(2) Public Works (including roads)	181	425	607	657	727	834	936
(3) Government Trading Schemes							
(*i*) Purchase of Foodgrains	137	90	41	—16	—24	—87	—122
(*ii*) Other Schemes	—15	—19	6	50	41	33	34
(4) Others*	191	387	605	660	751	789	862
Total C	**948**	**1,757**	**2,580**	**2,763**	**3,060**	**3,343**	**3,679**
Total Capital Outlay (A + B + C)	**3,590**	**6,585**	**9,324**	**10,156**	**11,165**	**12,086**	**13,006**
II. Loans Advanced by the Government of India							
(1) State Governments	1,910	3,970	5,874	6,235	6,670	7,910	8,390
(2) Union Territory Governments	—	40	124	157	92	61	72
(3) Foreign Governments	29	28	58	58	102	114	135
(4) Government Servants	5	12	28	43	75	71	79
(5) Other Parties	591	1,329	2,723	2,918	3,032	3,239	3,547
Total Loans Advanced by the Government of India	**2,535**	**5,379**	**8,807**	**9,411**	**9,971**	**11,395**	**12,223**
Total Capital Outlay and Loans Advanced (I + II)	**6,125**	**11,964**	**18,131**	**19,567**	**21,136**	**23,481**	**25,229**
Excess (+) or shortfall (—) of Debt and Liabilities (net) over Capital Outlay and Loans Advanced	**+ 119**	**—935**	**—586**	**—1,031**	**—761**	**—662**	**—703**

@ 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, 1972-73

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 ..	**575,00**				**626,91**	**328,53**		**298,38**	**626,91**	**33,71**	**+294,82**
State Governments ..	**158,75**				**175,50**	**140,42**		**35,08**	**175,50**	**37,28**	**+103,14**
Total ..	**733,75**				**802,41**	**468,95**		**333,46**	**802,41**	**70,99**	**+397,96**
1972-73											
Central Government											
4¾% Loan, 1979 ..		7	100·00	4·75	52,55	8,41	4½% Loan, 1972	15,63	52,55		
							4 % Loan, 1972	28,51			
5% Loan, 1983 ..	350,00	11	99.50	5·06	135,64	48,08	4½% Loan, 1972	80,28	135,64		
							4 % Loan, 1972	7,28			
5¼% Loan, 2002 ..		30	100·00	5·75	198,62	93,38	4½% Loan, 1972	2,47	198,62		
							4% Loan, 1972	102,77			
4¾% Loan, 1979 (Re-issue)		7	100·00	4·75	48,82	48,82	—	—	48,82	63,73	+432,80
5% Loan, 1983 (Re-issue)	215,00	11	99·50	5·06	97,95	97,95	—	—	97,95		
5¼% Loan, 2002 (Re-issue)		30	100·00	5·75	89,95	89,95	—	—	89,95		
5% Loan, 1984		12	99·50	5·06	50,30	50,30	—	—	50,30		
5¼% Loan, 1988 ..	100,00	16	99·50	5·30	59,64	59,64	—	—	59,64		
Total of Central Government	**665,00**				**733,47**	**496,53**		**236,94**	**733,47**	**63,73**	**+432,80**

State Governments												
5¾% Andhra Pradesh S. D. Loan, 1984	20,50	12	100·00	5·75	22,66	18,15	4¼% A.P.S.D. Loan, 1972	4,51	22,66			
5¾% Assam Loan, 1984	4,50	12	100·00	5·75	4,97	4,97	—	—	4,97			
5¾% Bihar S. D. Loan, 1984	12,00	12	100·00	5·75	13,20	10,70	4¼% Bihar S. D. Loan, 1972	2,50	13,20			
5¾% Gujarat S. D. Loan, 1984 ..	12,50	12	100·00	5·75	13,80	10,42	4¼% Gujarat S. D. Loan, 1972	3,38	13,80			
5¾% Haryana S. D. Loan, 1984 ..	7,50	12	100·00	5·75	8,25	8,25	—	—	8,25			
5¾% Himachal Pradesh S.D. Loan, 1984	1,00	12	100·00	5·75	1,11	1,11	—	—	1,11			
5¾% Jammu & Kashmir S. D. Loan, 1984	2,00	12	100·00	5·75	2,25	2,20	—	—	2,20			
5¾% Kerala S. D. Loan, 1984 ..	7,00	12	100·00	5·75	8,15	4,40	4¼% Kerala S.D. Loan, 1972	3,33	7,73			
5¾% Madhya Pradesh S. D. Loan, 1984	9,00	12	100·00	5·75	10,10	6,85	4¼% M. P. S. D. Loan, 1972	3,12	9,97			
5¾% Maharashtra S. D. Loan, 1984 ..	19,75	12	100·00	5·75	21,78	16,65	4¼% Maharashtra S. D. Loan, 1972	5,13	21,78	39,41	+133,52	
5¾% Manipur S. D. Loan, 1984 ..	1,00	12	100·00	5·75	1,16	1,11	—	—	1,11			
5¾% Meghalaya S.D. Loan, 1984 ..	1,00	12	100·00	5·75	1,11	1,11	—	—	1,11			
5¾% Mysore S. D. Loan, 1984 ..	14,25	12	100·00	5·75	15,68	12,43	4¼% Mysore S.D. Loan, 1972	3,25	15,68			
5¾% Nagaland S. D. Loan, 1984 ..	1,00	12	100·00	5·75	1,16	1,11	—	—	1,11			
5¾% Orissa Govt. Loan, 1984 ..	8,50	12	100·00	5·75	9,36	5,54	4¼% Orissa Govt. Loan, 1972	3,82	9,36			
5¾% Punjab Loan, 1984	6,25	12	100·00	5·75	8,79	4,78	4¼% Punjab Loan, 1972	2,15	6,93			
5¾% Rajasthan S. D. Loan, 1984 ..	16,75	12	100·00	5·75	18,46	14,87	4¼% Rajasthan S. D. Loan, 1972	3,59	18,46			
5¾% Tamil Nadu Loan, 1984	20,00	12	100·00	5·75	22,11	18,01	4¼% Madras Loan, 1972	4,10	22,11			
5¾% U. P. S. D. Loan, 1984	19,75	12	100·00	5·75	22,34	18,91	4¼ %U. P. S. D. Loan, 1972	2,86	21,77			
5¾% West Bengal Loan, 1984	13,00	12	100·00	5·75	14,33	11,36	4¼% West Bengal Loan, 1972	2,97	14,33			
Total of State Governments	**197,25**				**220,77**	**172,93**		**44,71**	**217,64**	**39,41**	**+133,52**	
Total of Central and State Governments	**862,25**				**954,24**	**669,46**		**281,65**	**951,11**	**103,14**	**+566,32**	

Note : Figures in columns 5, 6 and 9 to 11 include Prize Bonds.

* Inclusive of conversion.

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS

(OUTSTANDINGS AS ON MARCH 31, 1973)

(In thousands of rupees)

Central Government Loans	Amount Outstanding
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
4¼ % Loan, 1976	2,60,15,88
4½ % Loan, 1977	1,20,63,44
4¾ % Loan, 1978	1,32,85,45
4 % Loan, 1979	1,06,06,39
4¾ % Loan, 1979	1,01,36,06
4½ % Banks (Acquisition & Transfer) Compensation Bonds, 1979	6,70,00
4 % Loan, 1980	1,48,05,17
4 % Loan, 1981	70,96,55
4½ % Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981	4,46,86
5 % National Defence Loan, 1981	74,93,34
5 % Loan, 1982	2,00,14,55
5 % Loan, 1983	2,73,56,38
5 % Loan, 1984	75,26,36
4½ % Loan, 1985	1,14,03,37
4½ % Loan, 1986	1,03,09,83
5¼ % Loan, 1986	1,57,46,23
5¼ % National Defence Loan, 1986	38,66,30
5¼ % Loan, 1988	84,64,37
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	1,88,55,82
5½ % Loan, 1999	2,75,18,65
5½ % Banks (Acquisition & Transfer) Compensation Bonds, 1999	72,62,84
5½ % Loan, 2000	3,92,22,98
5¾ % Loan, 2001	2,25,84,46
5¾ % National Defence Loan, 2001	47,15,62
5¾ % Loan, 2002	2,88,57,38
2¾ % Hyderabad Loan, 1974	4,40,00
2¾ % Hyderabad Loan, 1975	6,85,71
3 % Conversion Loan, 1986 or later	2,48,89,96
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 & B Series)	6,95,64
TOTAL	**53,62,94,39**
Loans not bearing Interest	
Central Government Loans	**27,55,25**
Of which : Prize Bonds	1,91,67
Hyderabad Loans	**47,22**
TOTAL	**53,90,96,86**

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 annum.

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1973)

(In thousands of rupees)

State Government Loans		Amount outstanding
ANDHRA PRADESH		
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	14,23,90
5¾%	Andhra Pradesh State Development Loan, 1984	22,23,25
		1,29,50,60
	Loans not bearing interest	1,00,94
	TOTAL	**1,30,51,53**
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
5¾%	Assam Loan, 1984	4,95,97
	Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	16,13
	TOTAL	**38,57,78**
BIHAR		
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
5¾%	Bihar State Development Loan, 1984	13,09,85
2½%	Bihar Zamindari Abolition Compensation Bonds	17,77,79
		75,32,42
	Loans not bearing interest	31,32
	TOTAL	**75,63,74**
GUJARAT		
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
5¾%	Gujarat State Development Loan, 1984	13,73,99
3 % 4½% 3 %	Bombay Land Abolition Acts (Gujarat) Compensation Bonds and Gujarat Agricultural Lands Ceiling Act, 1960, Compensation Bonds and Gujarat Surviving Alienations Abolition Act, 1963, Compensation Bonds	90,27
		1,12,88,31
	Loans not bearing interest	28,29
	TOTAL	**1,13,16,60**

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1973)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
HARYANA		
5¾%	Haryana State Development Loan, 1979	2,82,87
5¾%	Haryana State Development Loan, 1980	3,03,07
5¾%	Haryana State Development Loan, 1981	5,52,38
5¾%	Haryana State Development Loan, 1982	4,96,31
5¾%	Haryana State Development Loan, 1983	6,06,60
5¾%	Haryana State Development Loan, 1984	8,25,00
	TOTAL	**30,66,24**
HIMACHAL PRADESH		
5¾%	Himachal Pradesh State Development Loan, 1984	**1,10,50**
JAMMU AND KASHMIR		
5¾%	Jammu and Kashmir State Development Loan, 1984	**2,12,66**
KERALA		
4½%	Kerala State Development Loan, 1974	4,21,16
4¾%	Kerala State Development Loan, 1976	4,44,92
5½%	Kerala State Development Loan, 1977	4,24,86
5½%	Kerala State Development Loan, 1978	4,28,22
5¾%	Kerala State Development Loan, 1979	4,96,75
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	8,52,82
5¾%	Kerala State Development Loan, 1984	7,31,50
4½%	Kerala House Sites and Houses Bonds	90,49
4½%	Kerala H. S. and H. for F.L.W.C. Bonds	86,87
	Jenmikaram Payment (Abolition) Bonds	16,79
		58,43,17
	Loans not bearing interest	30,59
	TOTAL	**58,73,76**
MADHYA PRADESH		
4½%	Madhya Pradesh State Development Loan, 1974	5,06,29
4¾%	Madhya Pradesh State Development Loan, 1976	5,24,20
5½%	Madhya Pradesh State Development Loan, 1977	4,86,28
5½%	Madhya Pradesh State Development Loan, 1978	5,12,38
5¾%	Madhya Pradesh State Development Loan, 1979	5,56,41
5¾%	Madhya Pradesh State Development Loan, 1980	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	11,10,24
5¾%	Madhya Pradesh State Development Loan, 1984	9,95,93
		69,63,95
	Loans not bearing interest	45,56
	TOTAL	**70,09,52**
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Repayable in instalments)	2,19,50
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Redeemable on maturity)	2,26
3 %	Maharashtra Revenue Patels (Abolition of Offices) Act, 1962, Compensation Bonds	1,45
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts (Bombay) Compensation Bonds	32,64
3 %	Bombay Land Tenure Abolition Acts (Maharashtra) Compensation Bonds	14,34
4¼%	Maharashtra State Development Loan, 1972	5,87
4½%	Maharashtra State Development Loan, 1974	13,34,04
4¾%	Maharashtra State Development Loan, 1976	14,68,60
5½%	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
5¾%	Maharashtra State Development Loan, 1984	21,77,07
		1,90,73,69
	Loans not bearing interest	25,22
	TOTAL	**1,90,98,91**

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1973)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
MANIPUR		
5¾%	Manipur State Development Loan, 1984	**1,10,88**
MEGHALAYA		
5¾%	Meghalaya State Development Loan, 1984	**1,10,50**
MYSORE		
4½%	Mysore State Development Loan, 1974	6,59,08
4¾%	Mysore State Development Loan, 1976	7,01,13
5½%	Mysore State Development Loan, 1977	5,29,77
5½%	Mysore State Development Loan, 1978	4,13,12
5¾%	Mysore State Development Loan, 1979	6,54,89
5¾%	Mysore State Development Loan, 1980	6,59,88
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
5¾%	Mysore State Development Loan, 1984	15,67,58
3 %	Bombay Land Tenure Abolition Acts (Mysore) Compensation Bonds	2,86
2¾%	Mysore Inams Abolition Compensation Bonds	2,81
		85,50,72
	Loans not bearing interest	15,72
	TOTAL	**85,66,44**
NAGALAND		
5¾%	Nagaland State Development Loan, 1984	**1,10,88**
ORISSA		
4½%	Orissa Government Loan, 1974	7,71,63
4¾%	Orissa Government Loan, 1976	8,76,23
5½%	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	7,76,29
5¾%	Orissa Government Loan, 1984	9,35,78
		71,43,55
	Loans not bearing interest	80,60
	TOTAL	**72,24,15**
PUNJAB		
4½%	Punjab Loan, 1974	3,64,88
5½%	Punjab Loan, 1977	5,10,82
5½%	Punjab Loan, 1978	4,01,66
5¾%	Punjab Loan, 1979	3,00,62
5¾%	Punjab Loan, 1980	3,32,56
5¾%	Punjab Loan, 1981	6,63,60
5¾%	Punjab Loan, 1982	5,81,71
5¾%	Punjab Loan, 1983	6,62,81
5¾%	Punjab Loan, 1984	6,93,02
		45,11,68
	Loans not bearing interest	17,36
	TOTAL	**45,29,05**
RAJASTHAN		
4½%	Rajasthan State Development Loan, 1974	4,94,74
4¾%	Rajasthan State Development Loan, 1976	5,24,28
5½%	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	8,02,27
5¾%	Rajasthan State Development Loan, 1984	18,45,00
2½%	Rajasthan Jagir Resumption Additional Rehabilitation Bonds	2,88,98
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	1,84,33
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	21,69
		75,74,84
	Loans not bearing interest	28,32
	TOTAL	**76,03,15**

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1973)

(In thousands of rupees)

State Government Loans—(*Concld.*)		Amount outstanding
TAMILNADU		
4½%	Madras Loan, 1974	13,26,03
4¾%	Madras Loan, 1976	14,33,15
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	21,47,03
5¾%	Tamilnadu Loan, 1984	22,11,32
		1,76,84,65
	Loans not bearing interest	78,41
	TOTAL	**1,77,63,06**
UTTAR PRADESH		
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	14,44,17
5¾%	Uttar Pradesh State Development Loan, 1982	15,29,21
5¾%	Uttar Pradesh State Development Loan, 1983	17,29,52
5¾%	Uttar Pradesh State Development Loan, 1984	20,70,04
3½%	U. P. E. E. Act Bonds	23,74
3½%	U. P. Land Ceiling Compensation Bonds	58,17
	U. P. Zamindari Abolition Rehabilitation Grant Bonds@	20,39,63
2½%	U. P. Urban Areas Zamindari Abolition Compensation Bonds	55,63
	U. P. Zamindari Abolition Compensation Bonds and Stock Certificates	35,57,85
		1,88,77,37
	Loans not bearing interest	1,36,01
	TOTAL	**1,90,13,38**
WEST BENGAL		
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
5¾%	West Bengal Loan, 1984	14,27,92
	West Bengal Estates Acquisition Compensation Bonds	2,92,89
		1,01,02,81
	Loans not bearing interest	14,88
	TOTAL	**1,01,17,70**
TOTAL OF ALL STATES		
	Loans bearing interest	**14,56,77,22**
	Loans not bearing interest	**6,33,21**
	TOTAL	**14,63,10,42**

@ No interest is payable on these bonds.

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**
1973	257,83	*4·8*	2,871,57	*53·5*	855,76	*16·0*	1,377,79	*25·7*	**5,362,94**

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.

STATEMENT 75—DEBT POSITION OF STATES

(In crores of rupees)

Item	OUTSTANDING AS ON MARCH 31, 1961	1966	1969	1970	1971	1972	1973 (Revised Estimates)	1974 (Budget Estimates)
	1	2	3	4	5	6	7	8
I. Total Public Debt	**2,606**	**5,288**	**7,073**	**7,529**	**8,212**	**8,946**	**10,070**	**10,846**
(i) Permanent Debt (*a*)	500	827	1,047	1,131	1,233	1,332	1,462	1,664
(of which : Loans from the market) (*b*) ..	(410)	(720)	(950)	(1038)	(1143)	(1224)*	(1326)*	(1492)
(ii) Floating Debt (*c*)	42	189	241	182	375	600	296	304
(iii) Loans from the Centre	2,014	4,110	5,584	5,987	6,365	6,756	8,010	8,536
(iv) Other Debt (*d*)	50	162	201	229	239	258	302	342
II. Unfunded Debt (*e*)	**133**	**231**	**367**	**446**	**537**	**622**	**724**	**827**
(of which : State Provident Funds)	(113)	(200)	(324)	(400)	(471)	(552)	(648)	(746)
III. Total Debt (I + II)	**2,739**	**5,519**	**7,440**	**7,975**	**8,749**	**9,568**	**10,794**	**11,673**

Note : Figures are revised. Data for 1972 are provisional, since Andhra Pradesh and Orissa have not yet presented their final budgets.

(*a*) Represents current and expired loans floated in the market and bonds issued in connection with abolition of zamindari, jagirdari, etc. (*b*) Includes expired loans, *i.e.*, loans on which no interest is payable. (*c*) Represents ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and other 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, Staff Benefit Funds, etc. and Special Loans consisting generally of endowments for specific purposes of religious and charitable nature.

* Figure is incomplete as details of market loans are not available separately in some State budgets.

Source : Figures upto 1971 are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India ; for the subsequent years figures are based on State Budgets, except loans from the market during 1973-74 which are taken from the Reserve Bank of India records.

STATEMENT 76—STATE-WISE COMPOSITION OF

States	As at the end of March 1972 (Accounts)						As at the end of	
	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	119 (14.4)	83 (10.1)	572 (69.3)	20 (2.4)	31 (3.8)	**825 (100.0)**	130 (13.5)	89 (9.3)
2. Assam	34 (8.4)	45 (11.1)	307 (76.0)	2 (0.5)	16 (4.0)	**404 (100.0)**	38 (9.0)	—
3. Bihar	65 (7.8)	53 (6.3)	644 (76.8)	11 (1.3)	65 (7.8)	**838 (100.0)**	75 (7.8)	53 (5.5)
4. Gujarat	104 (25.4)	—	268 (65.4)	14 (3.4)	24 (5.8)	**410 (100.0)**	113 (24.8)	—
5. Haryana	22 (9.3)	29 (12.2)	170 (71.7)	8 (3.4)	8 (3.4)	**237 (100.0)**	31 (11.2)	8 (2.9)
6. Himachal Pradesh	—	—	94 (88.7)	1 (0.9)	11 (10.4)	**106 (100.0)**	1 (0.8)	—
7. Jammu and Kashmir	—	3 (1.1)	253 (92.3)	2 (0.7)	16 (5.9)	**274 (100.0)**	2 (0.7)	3 (1.0)
8. Kerala	54 (13.1)	52 (12.6)	265 (64.3)	9 (2.2)	32 (7.8)	**412 (100.0)**	60 (11.7)	57 (11.1)
9. Madhya Pradesh	65 (11.7)	—	402 (72.4)	22 (4.0)	66 (11.9)	**555 (100.0)**	70 (11.7)	—
10. Maharashtra	180 (20.7)	71 (8.2)	507 (58.2)	23 (2.6)	90 (10.3)	**871 (100.0)**	190 (18.7)	51 (5.0)
11. Manipur@	—	—	24 (104.3)	—	— 1 (—4.3)	**23 (100.0)**	1 (3.4)	—
12. Meghalaya	—	1 (33.3)	2 (66.7)	—	—	**3 (100.0)**	1 (33.3)	—
13. Mysore	77 (14.4)	72 (13.4)	326 (60.7)	27 (5.0)	35 (6.5)	**537 (100.0)**	86 (14.3)	9 (1.5)
14. Nagaland	—	—	20 (95.2)	—	1 (4.8)	**21 (100.0)**	1 (4.0)	—
15. Orissa	70 (13.1)	7 (1.3)	418 (78.3)	15 (2.8)	24 (4.5)	**534 (100.0)**	74 (12.3)	5 (0.9)
16. Punjab	42 (14.1)	—	215 (72.1)	16 (5.4)	25 (8.4)	**298 (100.0)**	46 (13.6)	—
17. Rajasthan	63 (8.2)	92 (12.1)	565 (74.0)	15 (2.0)	28 (3.7)	**763 (100.0)**	76 (9.3)	2 (0.3)
18. Tamil Nadu	168 (25.1)	84 (12.5)	339 (50.6)	34 (5.1)	45 (6.7)	**670 (100.0)**	178 (25.6)	10 (1.4)
19. Tripura	—	—	27 (100.0)	—	—	**27 (100.0)**	—	—
20. Uttar Pradesh	176 (17.7)	8 (0.8)	721 (72.3)	20 (2.0)	72 (7.2)	**997 (100.0)**	188 (16.9)	8 (0.7)
21. West Bengal	93 (12.2)	—	617 (80.9)	19 (2.5)	34 (4.4)	**763 (100.0)**	101 (11.4)	1 (—)
Total	**1332 (13.9)**	**600 (6.3)**	**6756 (70.6)**	**258 (2.7)**	**622 (6.5)**	**9568 (100.0)**	**1462 (13.6)**	**296 (2.7)**

Notes: (*i*) Figures in brackets indicate percentages to total outstanding debt of each State. (*ii*) Data for 1972 are provisional, since Andhra Pradesh and Orissa have not yet presented their final budgets.

(1) Represents current and expired loans floated in the market and bonds issued in connection with abolition of zamindari, jagirdari, etc.

(2) Represents ways and means advances and overdrafts from the Reserve Bank of India and cash credits from the State Bank of India and other commercial banks.

(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.

OUTSTANDING DEBT

(In crores of rupees)

March 1973 (Revised Estimates)				As at the end of March 1974 (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
685	21	35	**960**	156	94	685	22	39	**996**
(71.4)	(2.2)	(3.6)	**(100.0)**	(15.7)	(9.4)	(68.8)	(2.2)	(3.9)	**(100.0)**
367	2	16	**423**	49	—	393	2	18	**462**
(86.8)	(0.4)	(3.8)	**(100.0)**	(10.6)		(85.1)	(0.4)	(3.9)	**(100.0)**
748	12	79	**967**	87	53	796	14	81	**1031**
(77.3)	(1.2)	(8.2)	**(100.0)**	(8.4)	(5.1)	(77.2)	(1.4)	(7.9)	**(100.0)**
299	16	28	**456**	123	—	325	17	32	**497**
(65.6)	(3.5)	(6.1)	**(100.0)**	(24.7)		(65.4)	(3.4)	(6.5)	**(100.0)**
215	10	14	**278**	38	8	216	12	19	**293**
(77.3)	(3.6)	(5.0)	**(100.0)**	(13.0)	(2.7)	(73.7)	(4.1)	(6.5)	**(100.0)**
118	1	13	**133**	4	—	132	1	16	**153**
(88.7)	(0.8)	(9.7)	**(100.0)**	(2.6)		(86.3)	(0.7)	(10.4)	**(100.0)**
276	2	18	**301**	5	3	302	6	20	**336**
(91.6)	(0.7)	(6.0)	**(100.0)**	(1.4)	(0.9)	(89.9)	(1.8)	(6.0)	**(100.0)**
345	12	39	**513**	75	55	368	14	45	**557**
(67.3)	(2.3)	(7.6)	**(100.0)**	(13.5)	(9.9)	(66.0)	(2.5)	(8.1)	**(100.0)**
422	26	82	**600**	75	—	433	31	98	**637**
(70.3)	(4.3)	(13.7)	**(100.0)**	(11.8)		(68.0)	(4.8)	(15.4)	**(100.0)**
645	25	104	**1015**	204	62	691	25	117	**1099**
(63.6)	(2.5)	(10.2)	**(100.0)**	(18.6)	(5.6)	(62.9)	(2.3)	(10.6)	**(100.0)**
29	—	—1	**29**	3	—	37	—	— 1	**39**
(100.0)		(—3.4)	**(100.0)**	(7.7)		(94.9)		(—2.6)	**(100.0)**
2	—	—	**3**	2	—	— 1	1	1	**3**
(66.7)			**(100.0)**	(66.7)		(—33.3)	(33.3)	(33.3)	**(100.0)**
436	31	37	**599**	95	9	510	35	39	**688**
(72.8)	(5.2)	(6.2)	**(100.0)**	(13.8)	(1.3)	(74.1)	(5.1)	(5.7)	**(100.0)**
23	—	1	**25**	5	—	27	—	2	**34**
(92.0)		(4.0)	**(100.0)**	(14.7)		(79.4)		(5.9)	**(100.0)**
474	20	27	**600**	87	5	514	22	33	**661**
(79.0)	(3.3)	(4.5)	**(100.0)**	(13.2)	(0.7)	(77.8)	(3.3)	(5.0)	**(100.0)**
247	16	30	**339**	51	—	261	25	34	**371**
(72.9)	(4.7)	(8.8)	**(100.0)**	(13.7)		(70.4)	(6.7)	(9.2)	**(100.0)**
696	16	32	**822**	89	2	750	18	36	**895**
(84.7)	(1.9)	(3.8)	**(100.0)**	(10.0)	(0.2)	(83.8)	(2.0)	(4.0)	**(100.0)**
414	45	49	**696**	192	5	422	41	54	**714**
(59.5)	(6.5)	(7.0)	**(100.0)**	(26.9)	(0.7)	(59.1)	(5.7)	(7.6)	**(100.0)**
32	—	1	**33**	1	—	38	—	1	**40**
(97.0)		(3.0)	**(100.0)**	(2.5)		(95.0)		(2.5)	**(100.0)**
810	25	82	**1113**	214	8	838	28	101	**1189**
(72.8)	(2.2)	(7.4)	**(100.0)**	(18.0)	(0.7)	(70.5)	(2.3)	(8.5)	**(100.0)**
727	22	38	**889**	109	—	799	28	42	**978**
(81.8)	(2.5)	(4.3)	**(100.0)**	(11.1)		(81.7)	(2.9)	(4.3)	**(100.0)**
8010	**302**	**724**	**10794**	**1664**	**304**	**8536**	**342**	**827**	**11673**
(74.2)	**(2.8)**	**(6.7)**	**(100.0)**	**(14.3)**	**(2.6)**	**(73.1)**	**(2.9)**	**(7.1)**	**(100.0)**

(4) Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Funds, Staff Benefit Funds, etc. and Special Loans consisting generally of endowments for specific purposes of religious and charitable nature, etc.

@ Unfunded debt also includes deposits and advances.

Source : State Budget Documents except for market loans of States during 1973-74 which are taken from the Reserve Bank of India records. Market loans are included under 'Permanent Debt.'

STATEMENT 77—OWNERSHIP OF CENTRAL

Category of Holders	Central and State Government Securities					
	End March 1969	Per cent to the Total	End March 1970	Per cent to the Total	End March 1971	Per cent to the Total
	1	2	3	4	5	6
I. Governments (*a and b*)	**310.9**	**6.7**	**275.8**	**5.6**	**262.6**	**4.9**
(*a*) Central Government	1.6	—	1.5	—	1.1	—
(*b*) State Governments (i to iv)	309.3	6.7	274.3	5.6	261.5	4.9
(*i*) Cash Balance Investment Account	50.4	1.1	41.2	0.9	43.0	0.8
(*ii*) Sinking Fund Investment Account	173.1	3.7	159.7	3.2	147.3	2.8
(*iii*) Zamindari Abolition Fund Account	20.6	0.5	6.0	0.1	4.4	0.1
(*iv*) Others	65.2	1.4	67.4	1.4	66.8	1.2
II. Reserve Bank of India (Own Account)*	**1342.3**	**29.0**	**1457.8**	**29.6**	**1485.7**	**28.0**
III. Commercial and Co-operative Banks (a to c)	**1143.8**	**24.7**	**1268.9**	**25.8**	**1432.1**	**27.0**
(*a*) Scheduled Commercial Banks (i to iii)	1060.6	22.9	1174.0	23.9	1332.4	25.1
(*i*) State Bank of India and its Subsidiaries	348.7	7.5	359.1	7.3	384.4	7.2
(*ii*) Nationalised Banks	541.8	11.7	633.7	12.9	727.0	13.7
(*iii*) Others	170.1	3.7	181.2	3.7	221.0	4.2
(*b*) Non-scheduled Commercial Banks	7.4	0.2	6.2	0.1	5.9	0.1
(*c*) Co-operative Banks$	75.8	1.6	88.7	1.8	93.8	1.8
IV. Insurance (a to d)	**676.0**	**14.6**	**724.5**	**14.7**	**793.8**	**15.0**
(*a*) Life Insurance Corporation of India	641.5	13.8	684.7	13.9	748.4	14.1
(*b*) General Insurance Companies	9.8	0.2	14.4	0.3	17.7	0.3
(*c*) Employees' State Insurance Corporation	11.9	0.3	10.1	0.2	8.8	0.2
(*d*) Deposit Insurance Corporation	12.8	0.3	15.3	0.3	18.9	0.4
V. Provident Funds (a to h)	**833.8**	**18.0**	**920.0**	**18.7**	**1021.0**	**19.2**
(*a*) Employees' Provident Fund Scheme	330.0	7.1	366.6	7.5	412.0	7.8
(*b*) Coal Mines Provident Fund Scheme	49.9	1.1	50.1	1.0	43.9	0.8
(*c*) Assam Tea Plantations Provident Fund Scheme	13.7	0.3	14.3	0.3	13.8	0.3
(*d*) Provident Funds of Life Insurance Corporation of India and Industrial Credit and Investment Corporation of India	7.0	0.1	8.2	0.2	7.7	0.1
(*e*) Provident Funds of Scheduled and Non-scheduled Commercial Banks	18.3	0.4	18.9	0.4	20.9	0.4
(*f*) Provident Funds of State Electricity Boards	0.4	—	1.8	—	7.1	0.1
(*g*) Provident Funds of Seamen and Air India Employees	3.7	0.1	5.3	0.1	7.3	0.1
(*h*) Provident Funds of Exempted Establishments	410.8	8.9	454.8	9.2	508.3	9.6
VI. Industrial Finance Corporation and State Financial Corporations	**2.4**	**0.1**	**5.6**	**0.1**	**4.2**	**0.1**
VII. Agricultural Refinance Corporation	**0.5**	—	**0.3**	—	—	—
VIII State Electricity Boards	**15.7**	**0.3**	**10.3**	**0.2**	**9.3**	**0.2**
IX. Industrial Development Bank of India	**33.9**	**0.7**	**11.2**	**0.2**	**10.4**	**0·2**
X. Unit Trust of India	**1.2**	—	**4.1**	**0.1**	**0.1**	—
XI. Industrial Credit and Investment Corporation of India	**0.5**	—	**0.5**	—	**0.5**	—
XII. Reserve Bank of India (on account of Others)**	**34.2**	**0.7**	**46.7**	**1.0**	**45.2**	**0.9**
XIII. Joint Stock Companies£	**8.6**	**0.2**	**8.1**	**0.2**	**17.6**	**0.3**
XIV. Local Authorities£	**37.7**	**0.8**	**24.5**	**0.5**	**20.0**	**0.4**
XV. Trusts (Public and Private)*£**	**59.2**	**1.3**	**69.1**	**1.4**	**67.8**	**1.2**
XVI. Individuals£	**48.7**	**1.1**	**48.7**	**1.0**	**46.4**	**0.9**
XVII Non-Residents and Others	**79.6**	**1.7**	**45.8**	**0.9**	**89.2**	**1.7**
XVIII. Total	**4629.0**	**100.0**	**4921.9**	**100.0**	**5305.9**	**100.0**

† Representing the face value of outstanding rupee securities excluding Treasury bills, small savings, prize bonds and expired loans as also the non-marketable 4 per cent Loan, 1973, *ad hoc* issue, (held entirely by the Reserve Bank of India). National Defence Gold Bonds, 1980, are also excluded on account of difficulty in proper valuation.

* Excludes holdings of 4 per cent Loan, 1973 (*ad hoc* issue) for Rs. 300 crores, created in July 1958.

$ Comprise (*i*) State co-operative banks, (*ii*) Central co-operative banks and (*iii*) Central co-operative land mortgage / development banks. The number of such reporting banks totalled 349, 365 and 382, respectively, for 1969, 1970 and 1971.

AND STATE GOVERNMENT SECURITIES†

(Amounts in crores of rupees)

Central Government Securities						State Government Securities					
End March 1969	Per cent to the Total	End March 1970	Per cent to the Total	End March 1971	Per cent to the Total	End March 1969	Per cent to the Total	End March 1970	Per cent to the Total	End March 1971	Per cent to the Total
7	8	9	10	11	12	13	14	15	16	17	18
157.5	**4.4**	**142.6**	**3.8**	**141.5**	**3.5**	**153.4**	**14.5**	**133.2**	**11.8**	**121.1**	**9.9**
1.0	—	0.9	—	0.8	—	0.6	—	0.6	—	0.3	—
156.5	4.4	141.7	3.7	140.7	3.5	152.8	14.5	132.6	11.7	120.8	9.8
33.6	0.9	30.2	0.8	31.7	0.8	16.8	1.6	11.0	1.0	11.3	0.9
69.1	2.0	66.3	1.7	66.4	1.6	104.0	9.9	93.4	8.2	80.9	6.6
13.7	0.4	2.2	0.1	0.6	—	6.9	0.7	3.8	0.3	3.8	0.3
40.1	1.1	43.0	1.1	42.0	1.1	25.1	2.3	24.4	2.2	24.8	2.0
1339.0	**37.5**	**1457.8**	**38.5**	**1485.7**	**36.4**	**3.3**	**0.3**	—	—	—	—
744.2	**20.8**	**795.6**	**21.0**	**876.3**	**21.5**	**399.6**	**37.9**	**473.3**	**41.8**	**555.8**	**45.3**
729.5	20.4	781.2	20.6	862.0	21.1	331.1	31.4	392.8	34.7	470.4	38.3
281.7	7.9	279.7	7.4	286.0	7.0	67.0	6.3	79.4	7.0	98.4	8.0
332.1	9.3	385.6	10.2	444.1	10.9	209.7	19.9	248.1	21.9	282.9	23.0
115.7	3.2	115.9	3.0	131.9	3.2	54.4	5.2	65.3	5.8	89.1	7.3
0.9	—	0.7	—	0.8	—	6.5	0.6	5.5	0.5	5.1	0.4
13.8	0.4	13.7	0.4	13.5	0.4	62.0	5.9	75.0	6.6	80.3	6.6
423.0	**11.8**	**461.0**	**12.2**	**518.3**	**12.7**	**253.0**	**24.0**	**263.5**	**23.3**	**275.5**	**22.4**
396.7	11.1	431.7	11.4	485.2	11.9	244.8	23.2	253.0	22.3	263.2	21.4
6.5	0.2	7.0	0.2	8.0	0.2	3.3	0.3	7.4	0.7	9.7	0.8
7.0	0.2	7.0	0.2	6.2	0.2	4.9	0.5	3.1	0.3	2.6	0.2
12.8	0.3	15.3	0.4	18.9	0.4	—	—	—	—	—	—
799.8	**22.4**	**879.9**	**23.2**	**975.1**	**23.9**	**34.0**	**3.2**	**40.1**	**3.5**	**45.9**	**3.7**
322.0	9.0	355.0	9.4	397.9	9.7	8.0	0.8	11.6	1.0	14.1	1.1
49.2	1.4	49.2	1.3	43.0	1.1	0.7	0.1	0.9	—	0.9	0.1
9.3	0.3	9.0	0.2	8.0	0.2	4.4	0.4	5.3	0.5	5.8	0.5
2.2	—	3.9	0.1	3.2	0.1	4.8	0.4	4.3	0.4	4.5	0.4
3.7	0.1	3.5	0.1	3.5	0.1	14.6	1.4	15.4	1.4	17.4	1.4
0.2	—	0.8	—	5.7	0.1	0.2	—	1.0	0.1	1.4	0.1
2.4	0.1	3.7	0.1	5.5	0.1	1.3	0.1	1.6	0.1	1.8	0.1
410.8	11.5	454.8	12.0	508.3	12.5	—	—	—	—	—	—
0.1	—	**3.5**	**0.1**	**2.0**	**0.1**	**2.3**	**0.2**	**2.1**	**0.2**	**2.2**	**0.2**
0.5	—	**0.3**	—	—	—	—	—	—	—	—	—
2.8	**0.1**	**2.5**	**0.1**	**1.9**	**0.1**	**12.9**	**1.2**	**7.8**	**0.7**	**7.4**	**0.6**
33.9	**0.9**	**11.2**	**0.3**	**10.4**	**0.3**	—	—	—	—	—	—
1.2	—	**4.1**	**0.1**	—	—	—	—	—	—	—	—
0.5	—	**0.5**	—	**0.5**	—	—	—	—	—	—	—
24.3	**0.7**	**34.1**	**0.9**	**31.7**	**0.8**	**9.9**	**0.9**	**12.6**	**1.1**	**13.5**	**1.1**
4.7	**0.1**	**4.1**	**0.1**	**12.0**	**0.3**	**3.9**	**0.4**	**4.0**	**0.4**	**5.6**	**0.5**
18.7	**0.5**	**11.1**	**0.3**	**11.0**	**0.3**	**19.0**	**1.8**	**13.4**	**1.2**	**9.0**	**0.7**
44.0	**1.2**	**53.3**	**1.4**	**51.0**	**1.3**	**15.2**	**1.4**	**15.8**	**1.4**	**16.8**	**1.4**
26.3	**0.8**	**23.5**	**0.6**	**23.7**	**0.6**	**22.4**	**2.1**	**25.2**	**2.2**	**22.7**	**1.8**
..	..	..	..	..	..	..	..	..	..	..	..
3573.1@	**100.0**	**3789.6@**	**100.0**	**4078.0@**	**100.0**	**1055.9**	**100.0**	**1132.3**	**100.0**	**1227.9**	**100.0**

** Include (*i*) Administrators' Safe Custody Deposit Account, (*ii*) Employees' Security Deposit Account and (*iii*) Imperial Bank of India Share Capital Compensation Account.

£ Data are obtained from scheduled commercial banks who hold the securities on behalf of these categories of investors. The number of such reporting scheduled commercial banks was 70, 73 and 75, respectively, for 1969, 1970 and 1971.

*** Exclude investments of trustees of provident funds.

.. Not available.

@ The total of items I to XVI is slightly more than the aggregate of individual categories *i.e.* item No. XVIII due possibly to some overstatement of holdings by a few parties such as provident fund investments of Exempted Establishments which also include investments in small savings instruments (which are not covered in this Statement), separate data for which are not available.

STATEMENT 78—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	615,19	1,046,26	22,62	58,76	15,85	58,14	3,91	17,11	**42,38**	**134,01**
1972-73	612,37	1,092,45	22,52	56,67	19,46	68,69	4,53	21,00	**46,51**	**146,36**
March 1972 ..	116,77	1,046,26	2,19	58,76	2,07	58,14	49	17,11	**4,75**	**134,01**
April „ ..	48,79	1,040,98	1,57	58,91	1,22	58,81	30	17,37	**3,09**	**135,09**
May „ ..	47,90	1,027,22	1,85	59,45	1,34	59,60	32	17,63	**3,51**	**136,68**
June „ ..	51,63	1,024,40	1,89	60,27	1,47	60,53	36	17,94	**3,72**	**138,74**
July „ ..	50,16	1,029,27	1,99	60,90	1,54	61,35	38	18,27	**3,91**	**140,52**
August „ ..	45,50	1,032,02	1,77	60,84	1,56	62,14	38	18,61	**3,71**	**141,59**
September „ ..	44,58	1,033,58	1,99	60,41	1,58	62,90	36	18,93	**3,93**	**142,24**
October „ ..	42,92	1,033,54	1,91	59,97	1,57	63,69	37	19,25	**3,85**	**142,91**
November „ ..	42,55	1,034,01	1,77	59,81	1,66	64,73	41	19,61	**3,84**	**144,15**
December „ ..	44,55	1,037,22	1,92	59,32	1,68	65,64	39	19,95	**3,99**	**144,91**
January 1973 ..	44,93	1,039,13	1,71	58,55	1,75	66,45	37	20,26	**3,83**	**145,26**
February „ ..	46,14	1,041,62	1,86	57,56	1,78	67,29	42	20,60	**4,06**	**145,45**
March „ ..	102,72	1,092,45	2,29	56,67	2,31	68,69	47	21,00	**5,07**	**146,36**

STATEMENT 78—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	15,43	16,42	21,97	24,67	116,22	186,32	**153,62**	**227,41**	6,73	7,87	**817,92**	**1,415,55**
1972-73	21,58	28,38	38,22	62,34	217,06	399,02	**276,86**	**489,74**	16,71	23,34	**952,45**	**1,751,89**
March 1972 ..	1,66	16,42	3,09	24,67	16,82	186,32	**21,57**	**227,41**	1,18	7,87	**144,27**	**1,415,55**
April „ ..	1,72	17,38	2,55	27,16	10,71	196,83	**14,98**	**241,37**	96	8,78	**67,82**	**1,426,22**
May „ ..	1,95	18,73	2,77	29,89	10,83	207,02	**15,55**	**255,64**	1,12	9,85	**68,08**	**1,429,39**
June „ ..	1,68	19,79	3,11	32,96	9,74	215,90	**14,53**	**268,65**	1,15	10,95	**71,03**	**1,442,74**
July „ ..	1,59	20,68	3,25	36,20	19,30	234,57	**24,14**	**291,45**	1,25	12,03	**79,46**	**1,473,27**
August „ ..	1,27	21,45	3,08	39,20	13,13	247,09	**17,48**	**307,74**	1,26	13,23	**67,95**	**1,494,58**
September „ ..	1,31	22,22	3,06	42,16	12,86	259,92	**17,23**	**324,30**	1,39	14,55	**67,13**	**1,514,67**
October „ ..	1,95	23,57	3,14	45,26	21,34	281,66	**26,43**	**350,49**	1,38	15,86	**74,58**	**1,542,80**
November „ ..	1,88	24,78	2,85	48,18	23,50	304,77	**28,23**	**377,73**	1,39	17,19	**76,01**	**1,573,08**
December „ ..	1,79	25,73	3,79	51,94	21,95	326,21	**27,53**	**403,88**	1,52	18,48	**77,59**	**1,604,49**
January 1973 ..	1,80	26,38	3,36	55,31	23,71	349,50	**28,87**	**431,19**	1,55	19,91	**79,18**	**1,635,49**
February „ ..	2,16	27,52	2,95	58,12	18,36	368,02	**23,47**	**453,66**	1,62	21,38	**75,29**	**1,662,11**
March „ ..	2,48	28,38	4,31	62,34	31,63	399,02	**38,42**	**489,74**	2,12	23,34	**148,33**	**1,751,89**

Note : Outstandings relate to end of period.

(*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 78—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Contd.*)

(In lakhs of rupees)

Year/Month	CURRENT SERIES—CERTIFICATES										UNCURRENT SERIES (OUTSTANDINGS)	
	7-Year National Savings Certificates						Total Certificates		Total Current Series			
	II Issue (*f*)		III Issue (*g*)		IV Issue (*h*)						5-Year Fixed Deposits	15-Year Annuity Certificates
	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	52,05	108,58	6,63	14,42	37,67	64,60	**96,35**	**187,60**	**914,27**	**1,603,15**	9,35	2,11
1972-73	41,56	149,81	4,54	18,91	30,32	94,24	**76,42**	**262,96**	**1,028,87**	**2,014,85**	7,90	1,72
March 1972	8,45	108,58	1,40	14,42	4,41	64,60	**14,26**	**187,60**	**158,53**	**1,603,15**	9,35	2,11
April „	2,86	111,42	34	14,75	2,54	67,11	**5,74**	**193,28**	**73,56**	**1,619,50**	9,31	2,07
May „	2,83	114,23	28	15,03	2,74	69,82	**5,85**	**199,08**	**73,93**	**1,628,47**	9,22	2,04
June „	3,68	117,90	21	15,24	2,44	72,21	**6,33**	**205,35**	**77,36**	**1,648,09**	9,09	2,01
July „	2,95	120,83	33	15,56	2,51	74,67	**5,79**	**211,06**	**85,25**	**1,684,33**	8,78	1,97
August „	2,61	123,42	36	15,92	2,52	77,16	**5,49**	**216,50**	**73,44**	**1,711,08**	8,64	1,94
September „	3,28	126,66	40	16,32	2,31	79,42	**5,99**	**222,40**	**73,12**	**1,737,07**	8,53	1,90
October „	3,28	129,93	34	16,66	2,38	81,79	**6.00**	**228,38**	**80,58**	**1,771,18**	8,42	1.87
November „	3 81	133,73	25	16,90	2,25	84,01	**6,31**	**234,64**	**82,32**	**1,807,72**	8,34	1,84
December „	2,36	136,08	32	17,22	2,15	86,13	**4,83**	**239,43**	**82,42**	**1,843,92**	8,26	1,81
January 1973	3,32	139,39	33	17,54	2,41	88,50	**6,06**	**245,43**	**85,24**	**1,880,92**	8,15	1,78
February „	3,18	142,55	39	17,93	2,66	91,15	**6,23**	**251,63**	**81,52**	**1,913,74**	8,07	1,75
March „	7,40	149,81	99	18,91	3,41	94,24	**11,80**	**262,96**	**160,13**	**2,014,85**	7,90	1,72

STATEMENT 78—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Concld.*)

(In lakhs of rupees)

UNCURRENT SERIES (OUTSTANDINGS)—(*Concld.*)

Year/Month	Post Office Cash and Defence Savings Certificates	National Savings Certificates			10-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates	12-Year National Plan Savings Certificates	12-Year National Defence Certificates (*f*)	10-Year Defence Deposit Certificates 4½% (*g*)	10-Year National Savings Certificates (I Issue) (*h*)	**Total Uncurrent Series***	**Total Current and Uncurrent Series**	
		12-Year	7-Year	5-Year	3½%	4%							**Net Receipts**	**Outstandings***
	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	62	5,43	19	8	77	13,01	..	146,53	537,79	84,65	53,62	**854,15**	**234,81**	**2,457,30**
1972-73	42	4,30	11	5	68	5,81	..	104,15	510,79	78,39	48,82	**763,14**	**320,69**	**2,777,99**
March 1972 ..	62	5,43	19	8	77	13,01	..	146,53	537,79	84,65	53,62	**854,15**	**89,64**	**2,457,30**
April „ ..	62	5,34	19	8	75	12,22	..	142,70	536,10	84,55	53,30	**847,23**	**9,43**	**2,466,73**
May „ ..	62	5,17	19	8	74	11,34	..	138,93	534,80	84,46	52,93	**840,52**	**2,26**	**2,468,99**
June „ ..	54	5,06	18	8	73	10,77	..	135,64	524,79	84,40	52,60	**825,89**	**4,99**	**2,473,98**
July „ ..	54	4,99	18	8	72	9,88	..	135,22	522,75	84,04	52,19	**821,34**	**31,69**	**2,505,67**
August „ ..	51	4,85	17	8	72	8,87	..	131,42	521,46	83,92	51,89	**814,47**	**19,88**	**2,525,55**
September „ ..	55	4,89	19	8	71	8,03	..	129,80	520,43	83,78	51,55	**810,44**	**21,96**	**2,547,51**
October „	55	4,81	19	8	71	7,36	..	125,62	518,41	83,68	51,24	**802,94**	**26,61**	**2,574,12**
November „ ..	51	4,59	17	7	70	6,84	..	118,60	516,91	83,01	50,82	**792,40**	**26,00**	**2,600,12**
December „ ..	51	4,53	16	7	70	6,55	..	115,06	515,15	82,03	50,46	**785,29**	**29,09**	**2,629,21**
January 1973 ..	53	4,44	16	7	69	6,28	..	111,72	513,72	80,94	50,19	**778,67**	**30,38**	**2,659,59**
February „ ..	53	4,31	15	5	69	6,07	..	108,74	512,24	79,92	49,89	**772,41**	**26,56**	**2,686,15**
March „ ..	42	4,30	11	5	68	5,81	..	104,15	510,79	78,39	48,82	**763,14**	**91,84**	**2,777,99**

(*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.

* 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 79—DIFFERENT MEDIA OF SMALL SAVINGS—1951-52 TO 1972-73

(Amounts in lakhs of rupees)

Certificates/Deposits	Date/Period of Issue	Rate of Interest per cent per annum (simple unless otherwise specified)	Whether or not interest income exempt from tax	Amount outstanding as on March 31, 1973 (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	5	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	,,	11	
(iii) 12-year	October 1, 1943 - May 31, 1957	4·17	,,	4,30	
2. 10-year Treasury Savings Deposit Certificates(1)	February 1, 1951 - November 10, 1962	4·00£(*a*)	,,	6,49	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 - September 1, 1971	4·25(*b*)	,,	1,72	The maximum limit for individual and joint holders was Rs. 26,600 and Rs. 53,200 but if investments 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	,,	..	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	,,	104,15	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	,,	78,39	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	,,	510,79	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	48,82	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	149,81	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)	,,	5·00	,,	18,91	do
(iii) IV Issue(3)	,,	7·50	Taxable	94,24	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†	Year 1896	4·00(*c*)	Exempted	1,092,45
2. Cumulative Time Deposits				
(i) 5-year	January 2, 1959*	4·75£ (*d*)	,,	56,67
(ii) 10-year	,,	4·75£ (*e*)	,,	68,69
(iii) 15-year	June 1, 1962*	5·00£ (*f*)	,,	21,00
3. Five-year Fixed Deposits	March 15, 1968 - August 1, 1971	5·25 (*g*)	,,	7,90
4. Post Office Time Deposits				
(i) 1-year	March 16, 1970	6·00	Taxable	28,38
(ii) 3-year	,,	7·00	,,	62,34
(iii) 5-year	,,	7·25	,,	399,02
5. Post Office Recurring Deposits	April 1, 1970	6·75	,, *	23,34

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 Re. 1. There is no limit on public accounts which get the lower rate (*i.e.* of 2.5 per cent from August 1, 1962). These limits were removed in 1964-65 but were reimposed with effect from July 1, 1965. The revised limits are Rs. 25,000 for individual accounts and Rs. 50,000 for joint accounts.

The maximum limits upto which an individual can make deposits 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.

Maximum amount of deposit is Rs. 25,000 for an individual and Rs. 50,000 for joint holdings by two adults.

No limits of holdings. An individual or two adults jointly can hold an account.

- do -

- do -

An individual (adult or minor) or two adults jointly may hold these deposits. No limit on maximum holdings.

Notes : 1 The statement does not include data in respect of Post Office Cash Certificates and Defence Savings Certificates which were discontinued prior to 1950-51.

2 The Government of India has announced introduction of two new securities, namely, 2-year Post Office Time Deposit carrying taxable - interest at 7 per cent per annum, with effect from August, 1, 1973 and 7-year National Savings Certificate with taxable interest at 7.5 per cent per annum, with effect from October, 1, 1973.

(*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 4.25 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.

£ Compound.

.. Not available

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

* Being discontinued from October, 1, 1973.

STATEMENT 80—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		**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	With State Governments and approved bodies	**Total**
				Against maturing Treasury Bills	Against cash									
		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**
1972-73	..			176,14	1,383,88	**1,560,02**	1,476,72	*3.50*	11,525,55	2,621,70	240,78	3,385,41	418,06	**4,044,26**
March	1972			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**
July	,,			18,02	206,37	**224,39**	98,56	*3.50*	1,057,59	276,69	447,92	2,844,41	509,19	**3,801,52**
August	,,			22,88	124,88	**147,76**	105,28	*3.50*	1,051,82	250,05	490,41	2,714,41	636,67	**3,841,49**
September	,,			4,50	222,14	**226,64**	127,91	*3.50*	542,90	496,54	589,15	2,029,41	980,64	**3,599,20**
October	,,			18,44	120,90	**139,34**	222,70	*3.50*	644,69	314,64	505,79	2,079,41	1,007,13	**3,592,33**
November	,,			27,70	128,40	**156,10**	139,80	*3.50*	986,82	263,46	522,08	2,174,41	1,074,64	**3,771,13**
December	,,			4,58	99,35	**103,93**	226,65	*3.50*	737,90	194,76	399,36	2,349.41	772,86	**3,521,63**
January	1973			16,46	118,03	**134,49**	147,36	*3.50*	979,69	200,10	386,48	2,594,41	634,65	**3,615,54**
February	,,			7,45	47,87	**55,32**	148,06	*3.50*	1,021,82	80,00	293,73	2,809,41	474,86	**3,578,00**
March	,,			5,42	45,56	**50,98**	103,92	*3.50*	1,387,90	137,96	240,78	3,385,41	418,06	**4,044,26**
April	,,			18,36	45,72	**64,08**	133,42	*3.50*	970,69	284,65	171,44	3,490,41	502,61	**4,164,47**
May	,,			9,58	39,00	**48,58**	57,91	*3.50*	1,256,82	76,20	162,12	3,545,41	498,81	**4,206,34**
June	,,			2,62	72,89	**75,51**	49,46	*4.00*	1,617,90	148,90	188,16	3,845,41	509,75	**4,543,32**

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*) The rate of discount is 4.00 per cent from June 1, 1973. (*c*) As at the end of period.

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	1,413,27	**—168,83**	48	—	**—48**
1970-71	1,634,20	1,535,16	**— 99,04**	94*	—	**— 94***
1971-72	1,824,61	1,607,02	**—217,59**	26,89*	—	**—26,89***
1972-73*	1,776,75	1,961,54	**+184,79**	..	..	..
March 1972	157,68	197,52	**+39,84**	47*	—	**—47***
April* ,, ...	143,90	156,01	**+12,11**	..	..	..
May* ,, ...	127,62	153,77	**+26,15**	..	..	..
June* ,, ...	138,26	140,86	**+ 2,60**	..	..	..
July* ,, ...	148,82	141,37	**— 7,45**	..	..	..
August* ,, ...	146,38	171,15	**+24,77**	..	..	..
September* ,, ...	151,67	160,89	**+ 9,22**	..	..	..
October* ,, ...	138,07	149,85	**+11,78**	..	..	..
November* ,, ...	109,52	166,74	**+57,22**	..	..	..
December* ,, ...	131,92	159,83	**+27,91**	..	..	..
January* 1973	174,90	162,12	**—12,78**	..	..	..
February* ,, ...	175,38	145,88	**—29,50**	..	..	..
March* ,, ...	187,45	259,43	**+71,98**	..	..	..

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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
I. Food and Live Animals	**198,05**	**240,74**	**345,59**	**412,68**	**413,24**	**312,71**	**353,98**
1. Fish and fish preparations	4,62	6,59	30,83	30,54	41,39	28,19	40,02
2. Fruits and vegetables*	7,08	5,93	12,91	12,95	9,02	6,79	9,37
3. Cashew kernel	18,91	27,40	57,42	52,07	61,33	51,32	56,52
4. Coffee	7,22	12,94	19,62	25,10	22,07	18,98	22,70
5. Tea (Black)	122,61	102,68	122,13	145,11	154,99	121,42	118,60
6. Spices	16,62	23,09	34,49	38,81	36,18	23,13	17,66
(i) Pepper (Black)	8,50	10,85	16,13	15,20	14,73	7,36	7,25
7. Oilcakes	14,30	34,64	41,47	55,42	40,15	29,33	41,13
8. Sugar (*a*)	3,28	11,19	8,84	29,30	30,86	27,55	10,12
9. Others	3,41	16,28	17,88	23,37	17,26	6,01	37,86
II. Beverages and Tobacco	**15,77**	**21,69**	**33,36**	**32,57**	**45,11**	**37,01**	**52,87**
Of Which :							
1. Tobacco unmanufactured	14,61	19,58	32,71	31,40	42,25	34,96	50,20
III. Crude Materials, Inedible except Fuels	**112,06**	**135,04**	**231,43**	**251,66**	**240,47**	**165,46**	**189,89**
1. Hides and skins (raw)	9,46	9,55	8,31	3,77	63	46	78
2. Wool and other animal hair	7,72	7,46	4,96	5,09	4,27	3,16	4,48
3. Cotton (raw and waste)	11,56	13,09	17,77	16,41	18,63	14,24	20,09
4. Mica	10,15	11,27	15,22	15,56	15,38	12,03	14,27
5. Iron ore (including concentrates)	17,03	39,36	94,62	117,28	104,70	71,42	79,88
6. Manganese ore (including concentrates)	14,06	11,05	11,06	13,98	10,60	8,30	6,74
7. Lac	6,32	4,27	4,78	5,00	6,59	5,32	4,47
8. Others	35,76	39,00	74,72	74,58	79,67	50,53	59,18
IV. Mineral Fuels, Lubricants and Related Materials	**7,41**	**9,31**	**9,49**	**12,58**	**7,93**	**6,17**	**10,21**
V. Animal and Vegetable Oils and Fats	**9,80**	**4,55**	**5,07**	**7,12**	**7,37**	**3,84**	**15,17**
Of which :							
1. Vegetable oils	8,54	4,09	4,95	7,03	7,16	3,65	14,92
VI. Chemicals	**7,19**	**11,10**	**30,35**	**36,37**	**32,08**	**24,19**	**29,92**
Of which :							
1. Dyeing, tanning and colouring materials	46	1,20	4,03	7,26	5,45	3,88	7,48
2. Medicinal and pharmaceutical products	99	2,64	6,01	8,47	8,70	7,05	6,91
VII. Manufactured Goods	**263,34**	**343,26**	**630,10**	**615,96**	**661,55**	**473,47**	**592,12**
1. Leather and leather manufactures	24,97	28,46	81,54	72,18	90,77	64,15	114,78
2. Cotton textiles	57,55	63,29	86,63	97,47	100,04	69,81	91,44
3. Textile yarn and thread	11,24	15,07	40,92	34,48	28,04	19,11	28,02
4. Jute manufactures (*b*)	135,15	182,84	206,65	190,44	265,28	187,31	192,68
5. Woollen carpets and rugs	4,79	4,52	11,34	10,21	12,93	9,47	15,54
6. Pearls and precious and semi-precious stones, unworked or worked	20	14,77	41,98	41,94	53,03	38,37	55,75
7. Manufacture of metals (n.e.s.)	2,25	4,96	23,86	27,98	23,82	19,57	23,36
8. Iron and Steel	9,76	12,39	86,80	90,64	40,83	31,15	29,81
9. Others	17,43	16,96	50,38	50,62	46,83	34,53	40,73
VIII. Machinery and Transport Equipment	**7,19**	**11,19**	**56,17**	**83,29**	**72,60**	**54,04**	**63,19**
1. Machinery other than electric	3,08	5,08	24,36	28,42	24,72	19,03	23,46
2. Electrical machinery, apparatus and appliances	1,25	3,23	14,60	16,19	18,74	14,64	18,50
3. Transport equipment	2,85	2,88	17,22	38,68	29,15	20,37	21,24
Total Exports (*c*)	**642,32**	**805,64**	**1,413,28**	**1,535,16**	**1,568,61†**	**1,140,13**	**1,394,11†**

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. Revisions in the total figures are carried out by D.G.C.I. & S. as and when details become available. 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 1971-72 and April to December 1972.

* Excluding Cashew kernel.

† Excludes substantial exports to Bangladesh for which complete details are not available.

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	1971-72	April to December 1971	April to December 1972
	1	2	3	4	5	6	7
I. Food and Live Animals	**214,06**	**354,08**	**320,70**	**271,79**	**196,93**	**150,60**	**77,72**
1. Cereals and Cereal Preparations	**181,38**	**322,00**	**260,98**	**213,01**	**131,21**	**104,84**	**21,67**
(i) Wheat	153,20	264,74	184,33	173,37	102,60	84,74	3,43
(ii) Rice	22,44	41,90	58,25	29,82	18,07	14,22	10,32
(iii) Others	5,74	15,36	18,41	9,82	10,53	5,87	7,92
2. Cashewnuts	9,61	15,06	27,60	29,41	27,91	19,75	22,92
3. Spices	1,83	60	72	47	88	77	58
4. Others	21,24	16,42	31,39	28,89	36,95	25,25	32,54
II. Beverages and Tobacco	**79**	**56**	**1,03**	**31**	**28**	**21**	**22**
1. Tobacco unmanufactured	23	2	51	—	2	2	7
III. Crude Materials, Inedible except Fuels	**155,36**	**123,09**	**176,79**	**200,31**	**212,89**	**161,20**	**144,69**
1. Hides and skins (raw)	2,47	2,36	1,69	1,54	1,33	1,06	85
2. Copra	11,63	6,26	2,78	3,18	1,66	92	53
3. Crude rubber	10,78	4,90	9,62	3,85	3,61	2,81	2,70
4. Cotton raw other than linters	81,74	46,20	82,78	98,83	113,39	86,92	76,33
5. Jute raw including cuttings and waste	7,54	9,16	1,08	14	—	—	65
6. Wool raw and other animal hair	10,41	5,12	17,24	16,07	14,24	11,27	9,62
7. Others	30,78	49,10	61,58	76,69	78,67	58,21	54,02
IV. Mineral Fuels, Lubricants and Related Materials	**69,52**	**68,42**	**137,91**	**136,01**	**194,57**	**143,43**	**149,41**
1. Petroleum crude and partly refined (*a*)	17,36	34,87	96,33	105,90	147,47	110,23	106,35
2. Petroleum products	52,07	33,35	41,24	30,00	46,67	32,78	42,95
3. Others	9	20	34	12	43	42	10
V. Animal and Vegetable Oils and Fats	**4,60**	**13,62**	**29,57**	**38,50**	**46,47**	**31,62**	**15,16**
VI. Chemicals	**85,70**	**104,98**	**195,09**	**192,28**	**217,65**	**161,40**	**155,87**
1. Chemical elements and compounds	39,34	35,86	67,42	67,98	71,84	57,36	59,19
2. Dyeing, tanning and colouring materials	12,91	6,58	7,06	9,24	8,20	6,46	6,74
3. Medicinal and pharmaceutical products	10,50	8,73	18,30	24,27	26,56	21,67	16,81
4. Fertilizers, manufactured	9,61	38,97	77,07	61,20	81,20	51,83	47,42
5. Others	13,34	14,84	25,24	29,59	29,86	24,08	25,72
VII. Manufactured Goods	**234,16**	**216,31**	**229,99**	**344,69**	**439,54**	**333,45**	**310,36**
1. Paper, paperboard and manufactures thereof	12,10	13,48	23,74	25,07	34,89	23,64	18,43
(i) Newsprint	5,95	6,18	18,57	18,73	27,59	18,25	13,53
2. Art silk yarn and thread	13,65	4,95	2,24	4,40	5,72	4,56	2,59
3. Iron and Steel	122,54	97,94	81,51	147,04	237,57	178,75	156,88
4. Non-ferrous metals	47,31	68,45	74,27	118,83	101,02	82,18	76,21
5. Metal manufactures	22,94	18,17	7,34	9,28	12,03	8,68	12,91
6. Others	15,62	13,32	40,88	40,07	48,31	35,64	43,34
VIII. Machinery and Transport Equipment	**332,98**	**492,14**	**395,88**	**394,69**	**454,25**	**348,66**	**349,32**
1. Machinery other than electric	203,37	333,80	280,35	257,81	268,00	210,67	209,65
2. Electric machinery, apparatus and appliances	57,22	87,80	64,32	70,35	101,86	72,01	85,06
3. Transport equipment	72,39	70,55	51,22	66,54	84,40	65,98	54,61
(i) Railway vehicles	25,37	24,98	11,74	14,01	19,94	17,28	13,54
(ii) Others	47,02	45,56	39,48	52,53	64,46	48,69	41,07
IX. Miscellaneous Manufactured Articles	**17,40**	**18,69**	**25,19**	**32,55**	**32,44**	**24,80**	**25,61**
Total Imports (*b*)	**1,121,62**	**1,408,53**	**1,582,10**	**1,634,20**	**1,805,64**	**1,363,59**	**1,236,69**

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. From April 1965 data are based on the Revised Indian Trade Classification except in the case of (i) "Prescribed substances" under the Atomic Energy Act, 1962 and (ii) "Petroleum and Petroleum Products".

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 1971-72 and April to December 1972.

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	117,23	27,96	—89,27	20,20	29,46	+ 9,26	21,33	17,98	— 3,35
1971-72	29,39	28,00	— 1,39	112,81	39,41	—73,39	10,17	30,49	+20,33	36,10	24,21	—11,90
April-December 1971 ..	22,49	20,12	— 2,37	82,14	31,65	—50,48	7,03	19,53	+12,50	27,44	16,35	—11,09
„ 1972 ..	26,47	18,92	— 7,55	49,61	22,15	—27,46	11,17	32,97	+21,80	26,00	31,74	+ 5,74

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	107,47	32,31	— 75,16	91,64	26,65	— 64,98	28,86	14,01	—14,85	83,43	203,48	+120,05
1971-72	123,90	37,10	— 86,80	126,36	19,75	—106,60	24,41	24,22	— 19	161,57	182,27	+ 20,70
April-December 1971 ..	92,53	26,40	— 66,13	94,10	14,54	— 79,56	19,99	16,37	— 3,62	123,85	132,62	+ 8,77
„ 1972 ..	115,49	44,51	— 70,98	90,68	20,46	— 70,22	22,90	34,53	+11,63	118,67	154,89	+ 36,22

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	23,46	+14,02	28,03	22,14	— 5,89	20,94	38,27	+17,33	39,84	56,37	+16,53
1971-72	10,27	28,44	+18,17	49,57	19,91	—29,66	25,32	51,80	+26,48	33,22	23,07	—10,15
April-December 1971 ..	6,94	19,42	+12,48	38,62	11,46	—27,16	20,10	36,34	+16,23	29,14	14,12	—15,02
„ 1972 ..	7,58	25,30	+17,72	25,24	29,73	+ 4,49	33,22	15,65	—17,57	28,37	21,64	— 6,73

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	126,76	170,44	+43,68	452,95	207,34	—245,61	106,13	209,85	+103,72	7,65	39,36	+31,70
1971-72	216,86	168,70	—48,16	416,52	263,08	—153,45	81,66	208,70	+127,04	4,33	24,37	+20,04
April-December 1971 ..	164,83	123,91	—40,92	319,75	191,45	—128,30	61,14	158,62	+ 97,48	3,73	18,90	+15,18
„ 1972 ..	159,97	135,21	—24,75	149,14	207,88	+ 58,74	68,21	226,86	+158,64	4,73	9,50	+ 4,77

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	335,71	391,63	+55,92	**1,634,20**	**1,535,16**	**—99,03**
1971-72	343,18	395,08	+51,90	**1,805,64**	**1,568,61***	**—237,03**
April-December 1971	249,78	288,33	+38,55	**1,363,59**	**1,140,13**	**—223,46**
„ 1972	299,24	362,18	+62,94	**1,236,69**	**1,394,11***	**+157,42**

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 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. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

* Excludes substantial exports to Bangladesh for which complete details are not available.

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	1971-72	1960-61	1965-66	1969-70	1970-71	1971-72
	1	2	3	4	5	6	7	8	9	10
I. Food	**106**	**111**	**161**	**173**	**171**	**97**	**113**	**112**	**124**	**126**
1. Fish and fish preparations	101	155	331	298	401	79	73	161	177	178
2. Fruits and vegetables	108	128	231	240	250	114	123	144	128	133
3. Coffee	77	101	124	170	134	131	178	220	206	229
4. Tea and mate	104	98	110	126	126	87	86	83	86	91
5. Spices	149	177	355	352	244	126	148	110	125	168
6. Oilseed cake	108	139	208	215	184	178	335	268	346	293
II. Beverages and Tobacco	**114**	**112**	**208**	**222**	**240**	**85**	**119**	**98**	**90**	**115**
III. Crude Materials, Inedible except Fuels	**103**	**87**	**130**	**128**	**131**	**106**	**150**	**172**	**190**	**178**
7. Hides and skins, undressed	143	112	185	140	192	95	120	62	37	5
8. Wool and other animal hair	105	104	98	101	109	79	75	54	54	42
9. Raw cotton other than linters	109	126	192	204	242	50	54	55	50	48
10. Cotton, waste		88	131	163	217		51	22	9	7
11. Crude minerals excluding coal, petroleum, etc.	100	107	167	174	191	108	108	105	103	88
12. Metalliferous ores and metal scrap	92	68	110	108	102	140	288	355	434	391
13. Animal and vegetable crude materials	103	133	176	209	224	116	103	126	120	122
IV. Mineral Fuels and Lubricants, etc.	**93**	**100**	**161**	**238**	**223**	**82**	**96**	**61**	**55**	**37**
14. Coal and coke	96	137	202	205	200	62	37	18	35	10
V. Animal and Vegetable Oils and Fats	**96**	**138**	**167**	**231**	**219**	**124**	**40**	**37**	**37**	**41**
VI. Chemicals	**172**	**152**	**277**	**243**	**210**	**94**	**171**	**247**	**338**	**345**
VII. Manufactured Goods classified chiefly by Materials	**118**	**129**	**206**	**202**	**230**	**102**	**122**	**140**	**139**	**131**
15. Leather and manufactures thereof	121	115	183	160	172	112	134	241	245	287
16. Textile yarn and thread	114	126	197	221	247	82	99	173	130	94
17. Cotton fabrics of standard type	115	103	171	180	201	108	132	109	117	107
18. Fabrics of jute	130	154	264	247	289	97	121	108	90	113
19. Fabrics of synthetic fibres and spun glass	32	30	56	64	73	187	213	83	107	134
20. Bags and sacks for packing	131	148	213	231	264	104	108	38	56	60
21. Floor coverings	107	133	229	223	233	97	76	89	86	103
VIII. Machinery and Transport Equipment	**91**	**73**	**103**	**110**	**92**	**239**	**845**	**3168**	**4024**	**4537**
IX. Miscellaneous Manufactured Articles	**109**	**136**	**207**	**240**	**235**	**126**	**187**	**360**	**374**	**412**
GENERAL	**110**	**113**	**171**	**173**	**180**	**100**	**124**	**143**	**153**	**151**
TERMS OF TRADE	**115**	**109**	**122**	**118**	**121**	**128**	**124**	**90**	**83**	**92**

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	1971-72	1960-61	1965-66	1969-70	1970-71	1971-72
	1	2	3	4	5	6	7	8	9	10
I. Food	**95**	**94**	**153**	**152**	**155**	**104**	**203**	**117**	**100**	**71**
1. Dairy products, eggs and honey	80	61	80	83	136	106	170	216	184	220
2. Cereals and cereal preparations	91	93	148	144	141	107	223	118	99	63
3. Fruits and vegetables	127	146	233	261	250	92	89	107	95	87
II. Beverages and Tobacco	**98**	**93**	**159**	**175**	**179**	**41**	**31**	**33**	9	**8**
III. Crude Materials, Inedible except Fuels	**90**	**122**	**158**	**159**	**154**	**213**	**124**	**140**	**157**	**173**
4. Copra	110	125	153	178	156	101	48	17	17	10
5. Wool and other animal hair	93	95	130	113	102	101	49	120	128	126
6. Raw cotton other than linters	82	117	166	170	171	326	129	163	190	217
7. Crude fertilizers	91	144	156	155	132	154	182	273	341	413
IV. Mineral Fuels and Lubricants, etc.	**96**	**75**	**108**	**112**	**135**	**95**	**120**	**168**	**160**	**190**
8. Petroleum crude, etc.	89	75	104	108	135	63	128	256	271	302
V. Animal and Vegetable Oils and Fats	**98**	**112**	**133**	**150**	**195**	**107**	**312**	**506**	**584**	**542**
VI. Chemicals	**91**	**62**	**72**	**62**	**72**	**145**	**259**	**393**	**475**	**463**
9. Chemical elements and compounds	95	85	117	119	111	144	148	201	201	228
10. Dyeing, tanning and colouring materials	103	86	149	156	166	143	87	54	68	56
11. Fertilizers manufactured	72	52	54	44	52	180	911	1515	1693	1901
VII. Manufactured Goods classified chiefly by Materials	**101**	**103**	**196**	**213**	**175**	**122**	**112**	**63**	**87**	**135**
12. Paper, paper board, etc.	95	92	146	155	164	150	176	197	195	257
13. Textile yarn and thread	93	48	43	47	46	111	89	41	67	90
14. Iron and steel	96	94	175	198	171	128	106	47	76	142
15. Copper	133	212	382	438	331	122	116	92	102	114
16. Aluminium	99	97	199	193	166	129	108	13	29	94
17. Zinc	126	160	213	241	251	119	131	63	149	116
18. Manufactures of metals	118	149	245	245	133	90	63	15	20	47
VIII. Machinery and Transport Equipment	**98**	**135**	**194**	**263**	**225**	**134**	**146**	**81**	**59**	**81**
19. Machinery other than electric	99	136	227	302	255	145	175	88	61	75
20. Electric machinery, etc.	93	143	423	206	139	123	124	31	69	149
21. Transport equipment	98	128	141	151	161	119	92	59	65	88
IX. Miscellaneous Manufactured Articles	**96**	**122**	**134**	**156**	**185**	**102**	**90**	**110**	**123**	**103**
GENERAL	**96**	**104**	**140**	**147**	**149**	**128**	**154**	**128**	**127**	**139**

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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Afghanistan	87	1,50	6,22	6,53	6,46	6,07	3,84
Australia	1,05	1,88	2,57	2,06	2,05	1,52	1,48
Canada	4,42	2,16	2,42	2,28	2,83	2,37	1,54
Federal Republic of Germany	1,31	1,31	3,56	3,70	3,84	3,52	4,60
Iran	3,23	2,51	2,88	3,49	4,16	3,61	3,04
Irish Republic	4,07	3,98	2,91	4,06	4,13	3,72	4,30
Netherlands	80	1,52	1,84	2,03	2,00	1,76	8,04
Sudan	2,66	1,46	2,87	5,64	12,56	7,80	4,95
U.A.R.	7,17	7,82	6,88	7,67	7,37	3,74	4,80
U.K.	77,53	55,28	46,46	64,87	50,29	40,41	36,87
U.S.A.	5,27	3,38	5,68	5,45	6,06	5,62	3,87
U.S.S.R.	7,95	12,36	23,88	26,39	32,99	27,02	26,48
Other Countries	6,28	7,52	13,96	10,94	20,24	14,26	14,80
Total	**122,61**	**102,68**	**122,13**	**145,11**	**154,99**	**121,42**	**118,60**

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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Czechoslovakia	9	3,54	3,98	6,59	3,40	1,08	2,91
German Democratic Republic	63	4,22	3,46	5,62	4,89	3,84	2,89
Hungary	1	3,15	2,67	3,39	5,28	4,52	3,67
Japan	—	54	4,23	9,32	7,34	5,87	6,82
Poland	1,32	4,47	8,78	10,67	6,17	4,19	8,22
U.K.	10,77	12,96	10,69	8,66	3,75	3,28	5,17
U.S.S.R.	—	3,02	4,08	4,36	3,44	2,28	5,13
Yugoslavia	29	76	2,43	3,85	1,80	1,85	26
Other Countries	1,19	1,98	1,15	2,96	4,08	2,42	6,07
Total	**14,30**	**34,64**	**41,47**	**55,42**	**40,15**	**29,33**	**41,13**

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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Australia	60	82	1,55	1,22	1,35	1,08	1,21
Canada	69	90	1,67	2,55	4,23	3,64	5,52
German Democratic Republic ..	20	1,32	1,30	2,39	75	53	1,28
Japan	8	27	47	1,02	1,43	1,06	1,86
U.K.	1,34	1,23	1,75	1,07	1,67	1,20	1,54
U.S.A.	12,54	14,74	21,48	24,58	28,69	26,73	19,20
U.S.S.R.	2,25	6,34	24,71	14,68	18,01	13,43	20,55
Other Countries	1,21	1,78	4,49	4,56	5,20	3,65	5,36
Total	**18,91**	**27,40**	**57,42**	**52,07**	**61,33**	**51,32**	**56,52**

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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Japan	—	39	2,61	2,39	3,86	3,85	4,39
Nepal	—	15	39	50	22	17	69
South Yemen People's Republic ..	49	76	1,06	25	19	15	14
U.K.	10,87	9,36	15,87	16,62	15,79	12,98	11,46
U.S.S.R.	68	5,79	6,43	5,54	15,28	13,73	25,84
Other Countries	2,57	3,13	6,35	6,10	6,91	4,08	7,68
Total (*a*)	**14,61**	**19,58**	**32,71**	**31,40**	**42,25**	**34,97**	**50,20**

(*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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Gunny Bags							
Australia	9,11	4,39	73	56	1,38	1,05	40
Cuba	7,13	29	—	—	—	—	—
Sudan	1,40	2,34	4,27	7,32	7,27	5,89	4,28
U.A.R.	4,32	12,24	2,31	8,49	2,94	1,52	4,82
U.S.A.	4,82	8,03	5,69	5,94	7,10	6,43	7,67
U.S.S.R.	2,09	19,25	13,97	23,15	22,21	19,28	21,67
Other Countries	28,43	21,01	7,61	9,53	25,73	19,41	18,16
Total (*a*)	**57,30**	**67,55**	**34,58**	**54,99**	**66,64**	**53,58**	**57,00**
Gunny Cloth							
Australia	3,18	4,47	8,13	8,54	9,87	8,49	5,09
Canada	7,42	9,96	13,80	11,51	15,78	14,49	7,95
Czechoslovakia	7	74	1,05	1,82	2,31	2,09	2,37
Iran	52	1,02	1,96	1,55	1,75	1,19	5,71
New Zealand	84	1,02	2,20	1,94	3,16	3,04	1,74
U.A.R.	62	1,07	1,37	3,82	43	16	2,95
U.K.	6,22	6,85	3,80	1,99	6,26	3,71	3,13
U.S.A.	39,74	63,69	106,71	71,97	117,76	94,31	68,41
U.S.S.R.	1,58	6,23	7,94	11,27	8,96	8,38	15,25
Yugoslavia	17	50	94	1,70	1,13	1,36	20
Other Countries	13,71	13,37	19,11	13,94	23,83	19,37	15,54
Total (*a*)	**74,07**	**108,92**	**167,01**	**130,05**	**191,24**	**156,61**	**128,34**

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.

(*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	1971-72	April to December 1971	April to December 1972
	1	2	3	4	5	6	7
Afghanistan	2,16	1,31	58	68	9	8	30
Australia	4,45	1,86	2,23	2,85	2,86	1,84	1,53
Burma	1,47	30	1,41	67	—	—	—
Canada	1,45	1,64	1,26	99	1,25	78	96
Ceylon	3,04	1,35	1,85	62	39	33	10
Federal Republic of Germany ..	49	73	2,21	1,33	1,48	64	1,49
France	—	23	2,55	1,02	1,41	70	1,32
Indonesia	1,02	—	19	7	5	6	2
Kenya	2,40	1,08	43	22	14	12	5
Malaysia (*a*)	3,85	1,80	1,81	1,57	1,24	99	81
Netherlands	55	18	10	20	10	4	20
New Zealand	1,20	1,29	88	1,14	1,42	1,18	59
Nigeria	1,64	1,45	5	8	1,17	78	69
South Yemen People's Republic ..	2,25	1,50	1,33	67	66	59	48
Sudan	4,25	1,97	4,12	13,95	16,45	12,14	83
Tanzania Republic (*b*)	1,37	2,02	26	6	2	2	3
U. K.	15,27	12,10	14,94	12,67	14,26	11,54	11,75
U.S.A.	1,73	5,95	8,35	8,08	10,50	7,32	10,66
U.S.S.R.		4,08	6,49	10,29	7,37	3,77	20,44
Other Countries	8,77	14,86	19,78	19,49	17,67	12,41	21,15
Total (*c*)	**57,36**	**55,69**	**70,84**	**76,65**	**78,53**	**55,33**	**73,42**

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.

(*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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Czechoslovakia	2	87	4,11	3,44	3,06	2,30	3,64
France	1,28	2,53	3,40	4,20	6,98	4,17	14,83
German Democratic Republic ..	—	9	4,77	3,41	2,51	1,99	2,19
Italy	67	2,08	4,60	4,29	14,01	9,39	24,66
Japan	1,09	1,27	3,88	4,31	4,16	2,68	5,57
U.K.	14,60	10,88	17,40	15,75	20,02	14,46	19,19
U.S.A.	1,47	4,10	4,45	2,66	2,76	1,61	5,24
U.S.S.R.	—	59	19,66	18,05	16,69	12,72	15,01
Yugoslavia	24	1,00	8,66	6,28	3,50	2,44	1,47
Other Countries	5,58	5,05	10,60	9,78	17,08	12,50	23,00
Total (*a*)	**24,97**	**28,46**	**81,54**	**72,18**	**90,77**	**64,26**	**114,78**

@ Comprises leather, manufacture of leather or artificial or reconstituted leather n.e.s., fur skin tanned or dressed (including dyed).

(*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 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	1971-72	April to December	
						1971	1972
	1	2	3	4	5	6	7
Belgium	1	3,50	15,00	10,46	10,82	8,30	10,79
Federal Republic of Germany ..	—	1,20	1,83	1,66	2,12	1,76	1,53
France	—	1,62	1,65	1,42	2,19	1,58	1,95
Hongkong	1	1,32	6,10	10,08	9,89	7,73	9,45
Japan	2	31	1,67	2,86	4,68	3,30	5,35
Switzerland	—	2,25	4,57	3,15	2,86	2,08	2,39
U.K.	—	1,97	2,66	2,13	2,77	2,03	3,07
U.S.A.	2	1,69	4,61	4,67	8,60	5,48	11,83
Other Countries	14	91	3,88	5,50	9,10	6,17	9,39
Total (*a*)	**20**	**14,77**	**41,98**	**41,94**	**53,03**	**38,43**	**55,75**

(*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 95—EXPORTS OF IRON AND STEEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	1971-72	April to December 1971	April to December 1972
	1	2	3	4	5	6	7
Burma	1	19	2,22	2,20	2,28	2,07	52
Ceylon	3	9	1,44	2,11	9	9	23
Iran	—	70	9,42	7,51	2,33	1,88	1,36
Japan	1,35	—	24,30	24,73	5,34	5,68	3,46
Saudi Arabia	—	2	5,41	2,97	30	22	72
Sweden	—	—	90	1,95	5	6	1,03
U.A.R.	—	21	1,30	2,93	1,76	1,45	66
U.K.	1,15	56	1,92	2,12	17	11	13
U.S.A.	4,30	3,93	7,24	6,02	2,42	2,26	4,59
U.S.S.R.	—	—	5,05	17,68	7,77	5,22	6,55
Yugoslavia	—	10	1,17	3,61	56	59	50
Other Countries	2,96	6,81	26,47	16,81	17,75	14,61	10,05
Total*	**9,79**	**12,61**	**86,83**	**90,64**	**40,83**	**34,25**	**29,81**

* 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

(Rs. 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 repayable 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**
1971-72 ..	74	385,48	423,15	**808,63**	182,98	25,16	10,89	**219,03**	**1027,66**
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**
March ..	74	385,48	423,15	**808,63**	182,98	25,16	10,89	**219,03**	**1027,66**
1972-73									
June ..	74	345,00	494,79	**839,79**	172,17	22,32	9,87	**204,36**	**1044,15**
September ..	75	332,99	448,14	**781,13**	171,47	19,05	11,75	**202,27**	**983,40**
December† ..	74	378,78	398,01	**776,79**	186,59	19,70	17,79	**224,08**	**1000,87**

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. † Provisional.

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 IMF	
						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	—	—
1972-73*	182,53	184,86	479,16	846,55	— 2,13	—	—
March 1972 ..	182,53	185,77	480,38	848,68	— 20,11	—	—
April , ..	182,53	184,86	486,35	853,74	+ 5,06	—	—
May ,, ..	182,53	184,86	486,46	853,85	+ 11	—	—
June , ..	182,53	184,86	477,69	845,08	— 8,77	—	—
July ,, ..	182,53	184,86	454,72	822,11	— 22,97	—	—
August* ,, ..	182,53	184,86	432,84	800,23	— 21,88	—	—
September* ,, ..	182,53	184,86	429,65	797,04	— 3,19	—	—
October* ,, ..	182,53	184,86	425,66	793,05	— 3,99	—	—
November* ,, ..	182,53	184,86	427,11	794,50	+ 1,45	—	—
December* ,, ..	182,53	184,86	435,22	802,61	+ 8,11	—	—
January* 1973 ..	182,53	184,86	459,43	826,82	+ 24,21	—	—
February* ,, ..	182,53	184,86	450,54	817,93	— 8,89	—	—
March* ,, ..	182,53	184,86	479,16	846,55	+ 28,62	—	—
April* ,, ..	182,53	183,94	473,42	839,89	— 6,66	—	—
May* ,, ..	182,53	183,94	476,12	842,59	+ 2,70	—	—
June* ,, ..	182,53	183,94	515,95	882,42	+ 39,83	—	—

1. Gold has been valued at Rs. 53·58 per 10 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 from June 1970 to June 1972 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 upto June 1972 except for the holdings of Deutsche Marks from May to November 1971, and Yen and pounds sterling from September to November 1971 which are valued at the monthly averages of buying and selling rates in London. From July 1972 onwards holdings in sterling are valued at the average of Bank's spot buying and selling rates and other foreign exchange holdings, including those in Canadian dollars, are valued at cross rates based on the monthly averages of spot 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*) (£000's)	Purchases(*b*) (Rs. lakhs)	Sales(*c*) (£ 000's)	Sales(*c*) (Rs. lakhs)	Net Purchases (+) /Sales (−) (£ 000's)	Net Purchases (+) /Sales (−) (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
1972-73	188,400	352,52	93,145	175,63	+95,255	+176,89
March 1972	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	740	1,41	+ 8,550	+ 15,72
July ,, ...	4,761	8,99	8,195	15,45	− 3,434	− 6,46
August ,, ...	9,090	17,14	835	1,57	+ 8,255	+ 15,57
September ,, ...	11,895	22,40	3,370	6,35	+ 8,525	+ 16,05
October ,, ...	18,901	35,52	14,090	26,56	+ 4,811	+ 8,96
November ,, ...	21,581	40,63	24,920	46,97	− 3,339	− 6,34
December ,, ...	10,507	19,72	15,260	28,77	− 4,753	− 9,05
January 1973	31,315	58,62	8,020	15,12	+23,295	+ 43,50
February ,, ...	23,272	43,63	7,715	14,54	+15,557	+ 29,09
March ,, ...	24,444	45,89	7,475	14,09	+16,969	+ 31,80
April ,, ...	19,327	36,09	11,075	20,88	+ 8,252	+ 15,21
May ,, ...	16,860	31,47	10	2	+16,850	+ 31,45
June ,, ...	28,643	53,39	—	—	+28,643	+ 53,39

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	1966-69 @	1969-70
	1	2	3	4	5
LOANS					
A. REPAYABLE IN FOREIGN CURRENCIES					
1. From International Institutions					
1. I.B.R.D.	453,43	379,98	73,45	31,30 (—)	30,38
2. I.D.A	275,65	200,56	75,09	323,25 (—)	88,13
2. From Foreign Countries					
1. Austria	8,49	4,70	3,79	7,66 (—)	81
2. Belgium	11,42	4,89	6,53	12,15 (—)	2,25
3. Canada	45,52	27,25	18,27	106,55 (97)	48,78
4. Denmark	1,38	—	1,38	9,07 (2,07)	—
5. France	70,46	20,95	49,51	68,07 (—)	—
6. Germany (West)	441,15	339,61	101,54	135,13 (—)	63,12
7. Italy	80,95	11,65	69,30	27,37 (—)	17,51
8. Japan	154,85	104,23	50,62	85,85 (—)	19,08
9. Netherlands	22,80	9,51	13,29	23,31 (—)	8,34
10. Norway	—	—	—	1,58 (—)	—
11. Sweden	2,21	—	2,21	13,63 (—)	73
12. Switzerland	22,88	6,04	16,84	—	—
13. United Kingdom	360,50	292,27	68,23	189,33 (29,33)	98,10
14. United States of America					
(a) Wheat Loan of 1951	90,31	90,31	—	—	—
(b) Eximbank loans for machinery and equipment	192.78	161,39	31,39	44,81 (—)	13,50
(c) A.I.D. Loans	657,05	498,21	158,84	646,22 (57,06)	15,00
(d) U.S. banks' loans to Air India and Indian Airlines	23,35	15,66	7,69	30,73 (—)	2,25
(e) Boeing Company's loans to Air India and Indian Airlines ..	2,53	1,17	1,36	2,65 (—)	1,50
(f) P. L. 480 Convertible Currency Credits	—	—	—	121,28 (—)	112,87
15. Bulgaria	—	—	—	9,75 (—)	—
16. Czechoslovakia	61,08	12,61	48,47	—	—
17. Hungary	—	—	—	25,00 (—)	—
18. Poland	36,10	11,34	24,76	—	—
19. U.S.S.R.	484,31	282,08	202,23	258,38 (—)	—
20. Yugoslavia	17,98	9,71	8,27	46,59 (—)	16
TOTAL—A	**3517,18**	**2484,12**	**1033,06**	**2219,66 (89,43)**	**522,51**

AUTHORISED AND UTILISED

(In lakhs of Rupees)

Authorisations			Utilisation					Aid undisbursed as at the end of March 1973*
1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
6	7	8	9	10	11	12	13	14
30,00	45,00	—	77,80 (2,25)	20,89	36,54	29,11	34,46	52,26
125,92	334,50	205,65	347,05 (11,04)	84,88	45,37	79,20	136,28	496,66
1,10	71	2,07	9,67 (28)	2,31	1,79	77	1,75	1,75
10,13	3,00	3,37	3,51 (—)	10,53	4,27	4,23	2,38	16,25
26,36	38,51	51,92	58,01 (1,20)	35,09	46,13	48,81	51,07	62,74
—	—	4,00	6,43 (24)	1,26	1,42	1,41	87	4,91
41,94	24,00	61,32	54,42 (—)	15,56	36,78	44,84	29,92	81,69
51,79	51,44	52,87	187,32 (4,10)	55,85	52,21	73,43	74,58	82,00
6,00	6,04	9,71	91,05 (10)	18,35	10,67	12,00	12,26	31,39
5,25	94,61	27,55	122,30 (6,00)	30,73	17,49	26,29	30,12	81,91
8,29	10,36	14,09	19,35 (61)	14,93	17,02	11,75	10,35	11,58
—	—	—	—	—	—	10	7	1,41
18,12	3,75	25,38	4,81 (—)	92	3,97	8,44	3,47	43,48
—	68	—	12,24 (1,10)	2,01	2,09	2,12	1,56	6,54
84, 78	98,10	103,50	223,69 (4,02)	81,21	75,17	95,65	119,30	88,12
—	—	—	—	—	—	—	—	—
22,10	—	9,26	56,84 (4,93)	7,89	30,86	28,30	10,99	1,33
236,30	42,00	21,85	593,22 (20,80)	162,70	185,99	156,82	42,96	91,58
9,39	—	5,03	19,66 (1,50)	6,37	14,65	16,72	14,45	—
2,10	—	2,17						
—	79,50	—	103,91 (—)	61,96	44,40	103,09	29	—
—	—	—	—	—	—	—	—	9,75
—	—	—	36,19 (81)	8,17	1,33	1,38	6,71	22,07
—	—	—	—	—	—	—	—	25,00
—	—	—	4,05 (14)	4,17	2,79	2,42	55	24,93
—	—	—	136,62 (4,37)	49,52	36,75	14,03	8,52	329,01
—	—	—	11,40 (2,11)	25,52	21,74	—	—	—
679,57	**832,20**	**599,74**	**2179,54 (65,60)**	**700,82**	**689,43**	**760,91**	**592,91**	1566,36

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	1966-69 @	1969-70
	1	2	3	4	5
B. REPAYABLE IN RUPEES					
1. Denmark	1,03	60	43	—	—
2. U.S.A.					
(*a*) D.L.F./A.I.D. Loans	233,80	224,41	9,39	13,50 (—)	33
(*b*) Asian Economic Development Fund Credit for Orissa Iron Ore Project	8,72	8,45	27	—	—
(*c*) T.C.A. Loans	42,22	42,22	—	—	—
TOTAL—B	**285,77**	**275,68**	**10,09**	**13,50 (—)**	**33**
TOTAL—I (A + B)	**3802,95**	**2759,80**	**1043,15**	**2233,16 (89,43)**	**522,84**
II. GRANTS					
1. Australia	25,67	19,67	6,00	19,61 (—)	2,94
2. Austria	—	—	—	38 (—)	38
3. Canada	174,49	134,36	40,13	119,40 (—)	10,79
4. Czechoslovakia	40	40	—	—	—
5. Denmark	—	—	—	—	84
6. Germany (West)	2,74	2,59	15	6,33 (—)	6,48
7. Japan	48	48	—	—	—
8. Netherlands	—	—	—	45 (—)	45
9. New Zealand	4,28	3,68	60	17 (—)	—
10. Norway	5,13	5,13	—	2,22 (—)	—
11. Sweden	3,81	3,49	32	2,75 (—)	—
12. United Kingdom	1,80	1,26	54	5,23 (—)	2,47
13. U.S.A.@@	168,13	160,93	7,20	5,68 (82)	61
14. U.S.S.R.	4,96	4,96	—	3,92 (—)	—
15. E.E.C.	—	—	—	—	3,81
TOTAL—II	**391,89**	**336,95**	**54,94**	**166,14 (82)**	**28,77**
III. OTHER ASSISTANCE					
1. P.L. 480 ₤₤	1563,63	1368,45	107,65†	621,37 (149,28)	73,65
2. P.L. 665 ₤₤	31,87	31,87	—	—	—
3. Third Country Currency assistance from the U.S.A.	2,78	2,78	—	—	—
TOTAL—III	**1598,28**	**1403,10**	**107,65**	**621,37 (149,28)**	**73,65**
GRAND TOTAL—(I + II + III)	**5793,12**	**4499,85**	**1205,74**	**3020,67 (239,53)**	**625,26**

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 rescheduling/postponement of amortisation/interest payments by the IBRD, USA. Canada, and Japan as under :

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
I.B.R.D.	—	—	11·3	11·3	11·3	—	—
U.S.A.	—	—	6·5	6·5	6·5	6·5	—
Canada	—	0·5	0·6	0·7	—	0·6	1·4
Japan	1·9	4·6	12·6	14·7	19·1	15·5	24·5
TOTAL	**1·9**	**5·1**	**31·0**	**33·2**	**36·9**	**22·6**	**25·9**

AUTHORISED AND UTILISED—(*Concld.*)

(In lakhs of rupees)

Authorisations			Utilisation					Aid undisbursed as at the end of March 1973*
1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
6	7	8	9	10	11	12	13	14
—	—	—	53 (13)	—	—	—	—	4
—	—	—	19,99 (1,58)	—69	85	1,10	92	5,50
—	—	—	42 (1)	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	**20,94 (1,72)**	**—69**	**85**	**1,10**	**92**	**5,54**
679,57	**832,20**	**599,74**	**2200,48 (67,32)**	**700,13**	**690,28**	**762,01**	**593,83**	**1571,90**
3,28	2,32	—	27,22 (—)	3,74	3,03	2,57	—	79
38	—	—	38 (—)	38	38	—	—	—
31,85	27,90	10,34	167,61 (3,10)	12,98	35,68	27,83	5,31	12,29
—	—	—	—	—	—	—	—	—
—	—	10	—	84	—	—	10	—
4,84	3,89	4,51	6,19 (—)	6,67	4,93	3,89	4,51	1,65
11	—	—	—	—	11	—	—	—
52	53	48	45 (—)	45	52	53	48	—
49	—	—	29 (—)	—	80	—	—	33
3,77	—	—	1,69 (—)	—	1,16	1,72	—	1,30
1,94	—	19,35	3,06 (—)	—	1,94	—	36	19,19
1,25	1,44	—	5,49 (—)	52	3,41	1,44	—	26
15,14	—	—	10,63 (64)	3	—	12,50	5	9.66
—	—	—	2,78 (—)	—	62	—	—	52
—	—	—	—	3,75	—	—	—	—
63,57	**36,08**	**34,78**	**225,79 (3,74)**	**29,36**	**52,58**	**50,48**	**10,81**	**45,99**
—	22,50	—	719,43 (62,10)	107,46	37,71	8,78	—	—†
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	**22,50**	—	**719,43 (62,10)**	**107,46**	**37,71**	**8,78**	—	—
743,14	**890,78**	**634,52**	**3145,70 (133,16)**	**836,95**	**780,57**	**821,27**	**604,64**	**1617,89**

@ 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 for the rupee or at the pre-December 1971 IMF par values. Figures in brackets represent amounts authorised and 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 to arrive at the undisbursed balance as at the end of March 1973.

@@ Excludes grants under P.L. 480 Titles II and III programmes and also excludes loans and grants received by Government of India out of P.L. 480 Title I and P.L. 665 rupee counter-part funds.

ff Assistance under P.L. 480 and P.L. 665 is shown on gross basis by way of the rupee values of imports under the programmes. Convertible currency credits under P.L. 480 Title I commencing from 1967-68 are shown under "loans Repayable in Foreign Currencies" and not included here.

† The undisbursed balance as at the end 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
I. Transport and Communications				
1. I.B.R.D.				
(i) Loans fully utilised upto the end of March 1969 ..	Public	210,33	205,87	4,46
(ii) (a) Expansion of P.T.T. Services—III (of June 18, 1969)..	,,	—	—	—
2. I.D.A.				
(i) Loans fully utilised upto the end of March 1969	Public	125,59	112,86	12,73
(ii) (a) Railways-X (of September 24, 1969)	,,	—	—	—
(b) Bombay Port– I (of September 14, 1962)	,,	7,73	1,63	6,10
(c) Expansion of P.T.T. Services– III (of June 18, 1969)	,,	—	—	—
(d) Expansion of P.T.T. Services—IV (of May 3, 1971) ..	,,	—	—	—
(e) Railways—XI (of January 24, 1972)	,,	—	—	—
(f) Shipping Project (of September 26, 1972)	,,	—	—	—
3. Canada				
(i) Loans fully utilised upto the end of March 1969 ..	Public	3,39	3,39	—
(ii) (a) Wind Tunnel Project (of July 24, 1964)	,,	1,85	1,18	67
(b) Diesel Locos for Calcutta Port (of April 24, 1966) ..	,,	—	—	—
(c) Diesel Locos for Railways (of December 28, 1966) ..	,,	—	—	—
(d) P. T. Loan (of September 30, 1969)	,,	—	—	—
(e) Diesel Loco Works, Varanasi (of September 2, 1970)	,,	—	—	—
(f) Kandla Port Project (of August 12, 1971)	,,	—	—	—
(g) Satellite Communication Dehra Dun (of December 30, 1972)	,,	—	—	—
4. Germany (West)				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	26,92	11,97	14,95
(ii) (a) Railways	Public	5,51	39	5,12
(b) Air India	,,	—	—	—
5. D.L.F./A.I.D.				
(i) Loans fully utilised upto the end of March 1969	Public	70,31	66,74	3,57
(ii) (a) Railways—III (of September 16, 1958)	,,	23,62	22,45	1,17
6. U.S. Exim Bank				
(i) Loans fully utilised upto the end of March 1969	Public	23,97	22,62	1,35
(ii) (a) Diesel Loco Works—III (of December 12, 1966)	,,	—	—	—
(b) Air India—III (of June 4, 1968)	,,	—	—	—
(c) Air India—IV (of July 8, 1969)	,,	—	—	—
(d) Indian Air Lines Boeing Loan (Of June 18, 1970) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
9,02	—	—	—	—	15,83	—	—	—	—	—
(—)					(37)					
—	20,63	—	—	—	—	—	—	9,81	9,32	1,51
51,00	—	—	—	—	69,44	—	—	—	—	—
(—)					(2,81)					
—	41,25	—	—	—	—	3,53	17,49	20,23	—	—
—	—	—	—	—	6,73	34	2,02	—	—	—
					(88)					
—	20,63	—	—	—	—	4,53	7,52	7,32	1,26	—
—	—	—	58,50	—	—	—	—	—	5,33	53,17
—	—	—	56,25	—	—	—	—	4,55	24,60	27,10
—	—	—	—	62,25	—	—	—	—	11,42	50,83
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	80	18	1	1	—	—
					(9)					
97	—	—	—	—	1,44	9	—	—	—	—
(97)					(—)					
4,86	—	—	—	—	4,76	—	5	—	—	5
(—)					(—)					
—	27,75	—	—	—	—	—	—	5,24	13,71	8,80
—	—	4,16	—	—	—	—	—	1,87	2,33	74
—	—	—	69	1,80	—	—	—	—	11	2,38
—	—	—	—	1,21	—	—	—	—	—	1,21
—	—	—	—	—	23,55	—	—	—	—	—
					(—)					
6,00	—	—	—	—	4,72	1,56	2,96	82	1,22	63
(—)					(23)					
—	8,20	—	—	—	—	26	1,69	5,28	84	13
—	—	—	—	—	6,22	—	—	—	—	—
					(20)					
—	—	—	—	—	78	23	2	—	—	—
					(15)					
—	—	—	—	—	2,02	—	—	—	—	—
					(17)					
9,56	—	—	—	—	9,52	4	—	—	—	—
(—)					(—)					
18,75	—	—	—	—	76	3,76	7,58	6,65	—	—
(—)					(—)					
—	13,50	—	—	—	—	43	2,77	8,90	1,40	—
—	—	9,39	—	—	—	—	7,98	1,41	—	—

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
I. Transport and Communications—(Contd.)				
6. U.S. Exim Bank—(*Contd.*)				
(e) Air India—V (of June 10, 1972)	Public	—	—	—
7. U. S. Banks' Loans to Air India and Indian Airlines	Public	23,35	15,66	7,69
8. Boeing Company's Loans to Air India and Indian Airlines ..	Public	2,53	1,17	1,36
TOTAL—I		525,10	465,93	59,17
II. Power Projects				
1. I.B.R.D.				
(i) Loans fully utilised upto the end of March 1969	Public	32,34	32,34	—
	Private	11,19	11,13	6
(ii) (a) Kothagudam—II (of June 11, 1965)	Public	6,67	2,49	4,18
(b) Power Transmission (of June 11, 1965)	,,	27,62	—	27,62
2. I.D.A.				
(i) Loans fully utilised upto the end of March 1969	Public	9,52	6,41	3,11
(ii) (a) D.V.C.—IV (of February 14, 1962)	,,	7,87	5,71	2,16
(b) Koyana Power (of August 8, 1962)	,,	8,33	4,31	4,02
(c) Beas Project (of June 29, 1966)	,,	—	—	—
(d) Power Transmission (of May 3, 1971)	,,	—	—	—
3. Canada				
(a) Ranapratap Sagar Hydro-Electric Power Project (of December 4, 1963)	Public	3,52	3,19	33
(b) Candu Atomic Power Project (of April 27, 1964) ..	,,	16,29	1,71	14,58
(c) Candu Atomic Power Project (Additional) (of April 30, 1968)	,,	—	—	—
(d) Rajasthan Atomic Power Project (Candu Supplementary) (of May 22, 1970)	,,	—	—	—
(e) Kotah Hydro-Electric Power Project (of February 18, 1965)	,,	2,46	42	2,04
(f) Rajasthan Atomic Power Project—II (of February 28, 1967)	,,	—	—	—
(g) Rajasthan Atomic Power Project—Stage II (of May 5, 1971)	,,	—	—	—
(h) Idikki Hydro-Electric Project (of October 27, 1967) ..	,,	—	—	—
4. France				
(a) Nasik Thermal Power Station	Public	9,52	—	9,52
(b) Department of Atomic Energy (of March 20, 1972) ..	,,	—	—	—
(c) Department of Atomic Energy (of February 7, 1973) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	9,26	—	—	—	—	9,26	—
30,73 (—)	2,25	9,39	—	5,03	19,66 (1,50)	6,37	14,65	16,72	14,45	—
2,65 (—)	1,50	2,10	—	2,17						
133,54 (97)	**135,71**	**25,04**	**115,44**	**81,72**	**166,23 (6,40)**	**21,32**	**64,74**	**88,81**	**95,25**	**146,55**
1,40 (—)	—	—	—	—	1,40 (—)	—	—	—	—	—
—	—	—	—	—	8 (—)	—	—	—	—	—
—	—	—	—	—	4,81 (9)	1,06	64	2	—	—
—	—	—	—	—	21,30 (—)	7,77	14,43	—	—	—
—	—	—	—	—	4,89 (2)	—	—	—	—	—
—	—	—	—	—	2,80 (35)	37	—	3	—	—
—	—	—	—	—	3,17 (2)	2,30	85	—	—	—
17,25 (—)	—	—	—	—	7,30 (—)	1,51	1,45	90	3,65	2,44
—	—	—	56,25	—	—	—	—	—	2	56,23
—	—	—	—	—	38 (3)	1	3	—	—	8
—	—	—	—	—						
4,51 (—)	—	—	—	—	20,06 (64)	3,59	2,92	82	1,03	13
—	—	1,39	—	—						
—	—	—	—	—	2,75 (29)	2	—	—	2	24
26,72 (—)	—	—	—	—	4,15 (—)	5,23	4,63	4,57	3,36	5,87
—	—	—	1,05	—						
7,63 (—)	—	—	—	—	—	—	2,68	2,12	39	2,44
—	—	—	—	—	7,67 (—)	—	6,51	—	—	—
—	—	—	—	4,72	—	—	—	—	19	4,53
—	—	—	—	7,56	—	—	—	—	—	7,56

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.				
(i) Loans fully utilised upto the end of March 1969	Public	17,24	16,32	92
	Private	1,80	1,80	—
(ii) (a) Power Development (of December 24, 1958)	Public	4,52	4,76	—24
(b) Barauni (of June 30, 1960)	,,	1,72	1,68	4
(c) Durgapur (of June 30, 1960)	,,	8,57	7,65	92
(d) Barapani (of December 5, 1960)	,,	79	85	— 6
(e) Talchar (of August 16, 1961)	,,	14,26	10,35	3,91
(f) Birsinghpur (of August 16, 1961)	,,	3,63	2,45	1,18
(g) Sharavathi—II (of August 16, 1961)	,,	6,66	5,84	82
(h) Cambay Power (of February 26, 1962)	,,	16,00	15,19	81
(i) Bandel Power (of June 21, 1962)	,,	17,87	15,75	2,12
(j) Pambakakki (of June 28, 1962)	,,	8,57	8,19	38
(k) Trombay Power (of June 28, 1962)	Private	8,44	7,79	65
(l) Delhi Power (of March 8, 1963)	Public	6,57	2,84	3,73
(m) Satpura Power (of March 8, 1963)	,,	9,09	5,48	3,61
(n) Ramagundam (of May 21, 1963)	,,	3,76	77	2,99
(o) Chandrapura—II (of October 21, 1963)	,,	5,66	3,69	1,97
(p) Tarapur Nuclear Power (of December 7, 1963) ..	,,	34,62	14,04	20,58
(q) Sharavathi—III (of November 30, 1964)	,,	86	—	86
(r) Dhuwaran Power (of June 1, 1966)	,,	—	—	—
(s) Beas Project (of June 16, 1966)	,,	—.	—	—
TOTAL—II		**305,96**	**193,15**	**112,81**
III. Steel and Steel Projects				
1. I.B.R.D.				
(i) Loans fully utilised upto the end of March 1969	Private	74,59	74,59	—
(ii) (a) I.I.S. Co.—III (of December 22, 1961)	,,	9,29	2,25	7,04
(b) I.I.S. Co.—IV (of July 7, 1966)	,,	—	—	—
2. Canada				
(a) Amco Furnace of Durgapur Steel Project (of October 16, 1964)	Public	76	42	34

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	1,39 (10)	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—38	—	—	—	—
—	—	—	—	—	—	—	—	—	—	7
—	33	—	—	—	1,39 (1)	38	—	—	—	—
—	—	—	—	—	5 (3)	—15	—	—	—	—
—	—	—	—	—	4,19 (70)	38	—	—	—	1,18
—	—	—	—	—	1,84 (—)	1	—	—	—	—
—	—	—	—	—	1,87 (3)	—1,42	5	—	—	—
—	—	—	—	—	75 (1)	17	— 2	—	—	37
—	—	—	—	—	2,79 (10)	38	1	—	—	16
—	—	—	—	—	57 (6)	1	— 1	—	—	—
—	—	—	—	—	97 (8)	1	—	—	—	—
—	—	—	—	—	5,20 (50)	42	— 3	—	—	—
—	—	—	—	—	4,77 (1,07)	32	— 1	—	—	44
—	—	—	—	—	3,43 (28)	16	33	22	13	28
—	—	—	—	—	2,86 (21)	8	5	—	—	8
—	—	—	—	—	25,03 (3,21)	4,02	45	39	—	70
—	—	—	—	—	62 (—)	77	— 4	—	—	—
8,95 (8,95)	—	—	—	—	10 (—)	2,79	6,15	2,87	81	1,31
15,00 (—)	—	—	—	—	6,80 (—)	1,15	78	1,10	92	4,25
81,46 (8,95)	**33**	**1,39**	**57,30**	**12,28**	**145,38 (7,83)**	**30,96**	**41,85**	**13,04**	**10,52**	**88,36**
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	6,05 (30)	1,10	1,22	84	38	1,33
1,30 (—)	—	—	—	—	85 (—)	45	—	—	—	—
—	—	—	—	—	52 (6)	— 2	—	—	—	14

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.)				
3. Germany (West)				
(i) Loans fully utilised upto the end of March 1969	Public	74,57	74,57	—
(ii) (a) Rourkela Expansion—I (DM 400 million) (of Dec. 12, 1962)	,,	47,62	33,13	14,49
(b) Rourkela Services (DM 56 million) (of Dec. 12, 1962)	,,	6,67	4,46	2,21
(c) Mysore Alloy Steel—I (DM 60 million) (of November 26, 1963)	,,	7,14	1,62	5,52
(d) Rourkela Expansion—II (DM 14 million) (of November 26, 1963)		1,66	—	1,66
(e) Rourkela Expansion—III (DM 10 million) (of December 22, 1965)	,,	1,19	—	1,19
(f) Mysore Alloy Steel—II (DM 13 million) (of September 15, 1964)	,,	1,55	12	1,43
(g) Mysore Alloy Steel—III (DM 8.8 million) (of September 15, 1964)	,,	1,05	—	1,05
(h) Mysore Alloy Steel—IV (DM 6·1 million) (of December 22, 1965)	,,	84	—	84
4. U.K.				
(i) Loans fully utilised upto the end of March 1969	Public	40,00	39,60	40
(ii) (a) Credit (of May 23, 1962) (Durgapur Extension) ..	,,	25,20	15,57	9,63
(b) Credit (of September 24, 1970) (Durgapur)	,,	—	—	—
5. D.L.F./A.I.D.				
(i) Loans fully utilised upto the end of March 1969	Public	11,90	11,90	—
(ii) (a) Steel Loan—I (of December 24, 1958)	,,	8,53	8,63	—10
(b) Steel Loan—II (of December 24, 1958)	,,	10,44	10,54	—10
(c) Steel Loan—III (of July 27, 1959)	,,	9,37	9,42	— 5
6. U.S.S.R.				
(i) Loans fully utilised upto the end of March 1969	Public	64,74	64,74	—
(ii) (a) Bokaro Credit (of January 25, 1965)	,,	100,50	—	100,50
TOTAL—III		**497,61**	**351,56**	**146,05**
IV. Orissa Iron Ore Project				
1. Japanese Credit (of March 1958)	Public	2,61	2,02	59
2. U.S. Credit (of June 30, 1957)	,,	8,72	8,45	27
TOTAL—IV		**11,33**	**10,47**	**86**
V. Industrial Development				
1. I.B.R.D.				
(i) Loans fully utilised upto the end of March 1969	Private	54,16	47,67	6,49

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	20,08 (60)	2,00	43	—	—	—
—	—	—	—	—	1,49 (16)	1,04	36	—	29	32
—	—	—	—	—	7,21 (1,25)	43	16	—	5	14
—	—	—	—	—	—	—	17	7	81	1,81
—	—	—	—	—	—	—	—	—	6	2,11
—	—	—	—	—	1,48 (—)	3	23	10	8	40
—	—	—	—	—	1,34 (—)	25	8	—	14	66
—	—	—	—	—	—	—	24	13		
—	—	—	—	—	63 (—)	—	—	—	—	—
—		—	—	—	7,02 (83)	2,24	1,47	59	2,05	—
—	—	5,58	—	—	—	—	42	1,58	31	3,27
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—15	—	—	—	—
—	—	—	—	—	—	—15	—	—	—	—
—	—	—	—	—	—	— 8	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
8,38 (—)	—	—	—	—	72,09 (—)	43,52	31,18	8,44	4,28	7,16
9,68 (—)	—	**5,58**	—	—	**118,76 (3,20)**	**50,66**	**35,96**	**11,75**	**8,45**	**17,34**
—	—	—	—	—	91 (1)	—	—	—	—	—
—	—	—	—	—	42 (1)	—	—	—	—	—
—	—	—	—	—	**1,33 (2)**	—	—	—	—	—
83 (—)	—	—	—	—	10,33 (1,24)	—	—	—	—	—

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.)				
1. I.B.R.D.—(*Contd.*)				
(ii) (a) I.C.I.C.I.—VI (of May 28, 1965)	Private	23,81	21	23,60
(b) I.C.I.C.I.—VII (of September 19, 1967)	,,	—	—	—
(c) I.C.I.C.I.—VIII (of June, 3, 1970)	,,	—	—	—
(d) I.C.I.C.I.—IX (of October 27, 1971)	,,	—	—	—
2. I.D.A.				
(i) Loans fully utilised upto the end of March 1969	Public	90,48	50,01	40,47
(ii) (a) Industrial Imports credit—V (of January 22, 1969) ..	,,	—	—	—
(b) Industrial Imports credit—VI (of April 24, 1970) ..	,,	—	—	—
(c) Industrial Imports credit—VII (of September 26, 1972)	,,	—	—	—
(d) Industrial Development Bank of India credit (of February 9, 1973)	,,	—	—	—
3. Austria				
(a) Credit for Capital Goods—I (of November 23, 1962) (1962-63)	Pub./Prvt.	2,38	2,24	14
(b) Credit for Capital Goods—II (of December 11, 1963) (1963-64)	,,	1,83	1,39	44
(c) Credit for Capital Goods—III (of April 5, 1965) (1964-65)	,,	1,90	1,07	83
(d) Suppliers' Credit (1965-66)	Private	48	—	48
(e) Credit for Capital Goods- IV (of November 12, 1965) (1965-66)	Pub./Prvt.	1,90	—	1,90
(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	—	—	—
(i) Credit for Capital Goods—VII (of December 22, 1972)	Pub./Prvt.	—	—	—
4. Belgium				
(i) Loans fully utilised upto the end of March 1969	Private	4,76	4,76	—
	Pub./Prvt.	—	—	—
(ii) (a) Suppliers' Credit—II (1963-64)	Private	4,76	13	4,63
(b) Suppliers' Credit—III (1965-66)	,,	1,90	—	1,90
(c) Second Credit (of December 22, 1967)	Pub./Prvt.	—	—	—
(d) Third Credit (of December 18, 1968) (1968-69) ..	,,	—	—	—
(e) Suppliers' Credit—IV (1968-69)	Private	—	—	—
(f) Fourth Credit (of December 8, 1969)	Pub./Prvt.	—	—	—
(g) Fifth Credit (of December 21, 1970)	,,	—	—	—
(h) Suppliers' Credit—V (1970—71)	Private	—	—	—
(i) Sixth Credit (of November 5, 1971)	Pub./Prvt.	—	—	—
(j) Seventh Credit (of October 13, 1972)	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	17,15	6,74	6,92	3,06	1,19	1,97
					(25)					
18,75	—	—	—	—	—	3,77	6,51	5,37	1,97	1,13
(—)										
—	—	30,00	—	—	—	—	5,27	9,05	9,09	6,60
—	—	—	45,00	—	—	—	—	61	12,13	32,26
161,25	—	—	—	—	221,13	—	—	—	—	—
(—)					(6,79)					
93,75	—	—	—	—	21,60	72,15	—	—	—	—
(—)					(—)					
—	—	56,25	—	—	—	—	15,21	41,04	—	—
—	—	—	—	56,25	—	—	—	—	34,60	21,65
—	—	—	—	18,75	—	—	—	—	—	18,75
—	—	—	—	—	— 6	9	11	—	—	—
					(1)					
—	—	—	—	—	61	2	3	—	—	—
					(6)					
—	—	—	5	—	1,01	1	11	8	1	2
					(10)					
—	—	—	—	—	—	2	21	—	—	53
—	—	—	—	—	2,89	—	—	—	—	4
					(11)					
2,87	—	—	—	—	2,03	63	13	2	4	2
(—)					(—)					
1,61	—	—	—	—	78	73	10	1	—	—
(—)					(—)					
75	—	—	—	—	—	—	—	—	—	75
(—)										
—	—	—	—	37	—	—	—	—	—	37
—	—	—	—	—	—	—	—	—	—	—
90	—	—	—	—	90	—	—	—	—	—
(—)					(—)					
—	—	—	—	—	—	7,29	—	—	—	—
—	—	—	—	—	—	1,30	1,69	—	—	—
1,87	—	—	—	—	1,78	9	—	—		—
(—)					(—)					
1,05	—	—	—	—	—	1,02	2	—	—	—
(—)										
7,50	—	—	—	—	—	—	—	1,35	—	6,15
(—)										
—	1,42	—	—	—	—	—	79	61	—	2
—	—	1,80	—	—	—	—	94	81	5	—
—	—	7,50	—	—	—	—	—	—	—	7,50
—	—	—	1,88	—	—	—	—	34	1,11	43
—	—	—	—	2,25	—	—	—	—	10	2,15

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.)				
5. Canada				
(i) Loans fully utilised upto the end of March 1969	Private ..	1,54	1,23	31
(ii) (a) Credit for Industrial Raw Materials (of February 21, 1967)	Pub./Prvt.	—	—	—
(b) Indian Aluminium Company Expansion—III (of August 11, 1967)	Private	—	—	—
(c) Industrial Commodities Loan (of October 27, 1967) ..	Pub./Prvt.	—	—	—
(d) Geological Survey of India (of July 28, 1967)	Public	—	—	—
(e) Non-Project Non-Commodity Loan (of February 8, (1968)	Pub./Prvt.	—	—	—
(f) Industrial Commodities Loan (of December 20, 1968)	,,	—	—	—
(g) Commodity Loan (of August 6, 1969)	Public	—	—	—
(h) Industrial Commodities Loan— I (of April 22, 1970) ..	,,	—	—	—
(i) Industrial Commodities Loan—II (of August 25, 1970)	,,	—	—	—
(j) Credit to Oil & Natural Gas Commission (of April 7, 1971)	,,	—	—	—
(k) Industrial Commodities Loan—III (of April 7, 1971)	,,	—	—	—
(l) Industrial Commodities Loan—IV (of June 10, 1972)	,,	—	—	—
(m) Synthetic Rubber Project at Koyali (of March 16, 1973)	,,	—	—	—
6. Denmark				
(a) First Credit (of May 30, 1963)	Public	1,03	60	43
(b) Second Credit (of November 4, 1964)	Pub./Prvt.	1,38	—	1,38
(c) Third Credit (of April 29, 1968)	,,	—	—	—
(d) Fourth Credit (of April 24, 1972)	Public	—	—	—
7. France				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	19,04	2,69	16,35
(ii) (a) Credit of $30 million (of June 1971) (Third Plan—I) ..	,,	23,81	18,17	5,64
(b) Credit of $20 million (of July 1962) (Third Plan—II) ..	,,			
(c) Credit of $10 million to I.F.C. (of July 1965)	Private	4,76	9	4,67
(d) Credit of $20 million (of April 1965) (Third Plan—V) ..	Pub./Prvt.	9,52	—	9,52
(e) Credit of $30 million (of November 1966)	,,	—	—	—
(f) Credit of $17 million (of November 1966)	,,	—	—	—
(g) Credit to Oil & Natural Gas Commission (of September 1961)	Public	3,81	—	3,81
(h) Credit of $15 million (of April 5, 1968)	Pub./Prvt.	—	—	—
(i) Credit of $15 million (of April 5, 1968)	,,	—	—	—
(j) Non-Project Credit (of January 3, 1969)	Public	—	—	—
(k) Project Credit (of January 3, 1969)	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	43 (9)	—	—	—	—	—
8,22 (—)	—	—	—	—	6,50 (—)	1,19	36	2	—	16
3,82 (—)	—	—	—	—	—	—	1,35	1,56	36	55
6,94 (—)	—	—	—	—	4,55 (—)	1,18	1,12	9	—	—
1,39 (—)	—	—	—	—	—	—	19	21	12	87
13,73 (—)	—	—	—	—	4,60 (—)	2,46	3,14	1,20	2,52	30
10,41 (—)	—	—	—	—	—	8,92	1,48	1	—	—
—	15,48	—	—	—	—	6,25	8,91	32	—	—
—	—	11,80	—	—	—	—	9,28	2,52	—	—
—	—	9,01	—	—	—	—	2,77	6,09	15	—
—	—	—	2,08	2,08	—	—	—	—	1,19	2,97
—	—	—	27,75	—	—	—	—	19,54	7,80	1
—	—	—	—	34,69	—	—	—	—	17,74	16,95
—	—	—	—	5,20	—	—	—	—	—	5,20
—	—	—	—	—	53 (13)	—	—	—	—	4
—	—	—	—	—	1,80 (24)	9	12	—	—	3
4,00 (—)	—	—	—	—	4 (—)	27	1,12	1,34	78	45
—	—	—	—	4,00	—	—	—	—	9	3,91
—	—	—	—	—	25,75 (—)	—	—	—	—	—
—	—	—	—	—	5,06 (—)	3,39	—	—	—	—
—	—	—	—	—	1,12 (—)	16	5,00	—		
—	—	—	—	—	—	3,60	3,87	5,17	51	1,44
9,75 (—)	—	—	—	—	— (—)	16	—	7,60		
12,75 (—)	—	—	—	—	9,69 (—)	1,17	56	56	2	51
—	—	—	—	—	2,29 (—)	—	3,31	—	—	—
11,39 (—)	—	—	—	—	4 (—)	1,72	4,20	3,04	83	23
11,39 (—)	—	—	—	—	—	3,27	1,27	2,51	1,04	2,03
7,60 (—)	—	—	—	—	—	1,09	3,24	2,38	—10	13
11,39 (—)	—	—	—	—	—	—	1,12	4,03	1,98	2,98

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.*)				
7. France—(*Contd.*)				
(l) Non-Project Credit (of August 4, 1970)	Public	—	—	—
(m) Project Credit (of August 4, 1970)	Pub./Prvt.	—	—	—
(n) Non-Porject Credit (of January 21, 1971)	Public	—	—	—
(o) Project Credit (of January 21, 1971)	Pub./Prvt.	—	—	—
(p) Project Credit (of June 22, 1971)	,,	—	—	—
(q) Non-Project Credit (of June 22, 1971)	Public	—	—	—
(r) Project Credit (of March 20, 1972)	Pub./Prvt.	—	—	—
(s) Non-Project Credit (of March 20, 1972)	Public	—	—	—
(t) Project Credit (of February 7, 1973)	Pub./Prvt.	—	—	—
(u) Non-Project Credit (of February 7, 1973)	Public	—	—	—
8. Germany (West)				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	71,21	71,21	—
	Private	20,24	20,24	—
(ii) (a) DM 314 million Credit (of December 12, 1962) (1962-63)	Pub./Prvt.	37,30	35,66	1,64
(b) DM 118·5 million Credit (of November 26, 1963) (1963-64)	,,	14,10	6,20	7,90
(c) DM 162·9 million Credit (of September 15, 1964) (1964-65)	,,	19,37	2,22	17,15
(d) DM 210 million Credit (of December 22, 1965) (1965-66)	,,	24,99	—	24,99
(e) DM 224 million Credit (of February 28, 1967) (1966-67)	,,	—	—	—
(f) DM 221 million Credit (of October 4, 1967) (1967-68)	,,	—	—	—
(g) DM 172 million Credit (of July 25, 1968) (1968-69) ..	,,	—	—	—
(h) DM 231 million Credit (of July 1969) (1969-70) ..	,,	—	—	—
(i) DM 176·5 million Credit (of November 19, 1970) (1970-71)	,,	—	—	—
(j) DM 180 million Credit (of December 2, 1971) (1971-72)	,,	—	—	—
(k) DM 160 million Credit (of December 15, 1972) (1972-73)	,,	—	—	—
9. Italy				
(i) Loans fully utilised upto the end of March 1969	Public	3,81	3,71	10
..	Pub./Prvt.	55,71	—	55,71
(ii) (a) E.N.I. Credit of $45 million (1962-63)	Public	21,43	7,94	13,49
(b) Suppliers' Credit of $32 million (1966-67)	Pub./Prvt.	—	—	—
(c) Suppliers' Credit of $16 million (1968-69)	,,	—	—	—
(d) Suppliers' Credit of $8 million (1970-71)	,,	—	—	—
(e) Suppliers' Credit of $8 million (1971-72)	,,	—	—	—
10. Japan				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	118,91	95,41	23,50
	Private	4,76	4,76	—
(ii) (a) Credit of 21·6 billion Yen (of June 25, 1965)	Pub./Prvt.	28,57	2,04	26,53
(b) Credit of 14 billion Yen (of September 5, 1967) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	6,75	—	—	—	—	—	4,47	1,38	90
—	—	10,13	—	-	—	—	20	4,35	48	5,10
—	—	7,43	—	—	—	—	—	3,76	1,24	2,43
—	—	10,13	—	-	—	—	—	2,29	3,59	4,25
—	—	—	10,80	—	—	—	—	30	2,72	7,78
—	-	-	9,45	—	—	—	—	63	7,15	1,67
—	—	—	—	12,83	—	—	—	—	1,17	11,66
—	—	—	—	7,42	—	—	—	—	3,23	4,19
—	—	—	—	15,53	—	—	—	—	—	15 53
—	—	—	—	8,77	—	—	—		—	8,77
—	—	—	—	—	—	—	—	—	—	—
—	—	—	-	—	—	—	—	—	—	—
—	—	—	—	—	1,91 (27)	21	7	14	1	2
—	—	—	—	—	10,35 (63)	17	5	18	16	1,27
—	—	—	—	—	20,81 (49)	1,51	1,07	1,08	2,08	34
—	—	—	—	—	17,17 (47)	6,33	2,15	5,65	5,37	4,30
42,00 (—)	—	—	—	—	33,78 (—)	56	1,56	3,29	1,89	1,66
38,45 (—)	—	—	—	—	18,67 (—)	10,37	3,19	4,70	1,57	1,52
32,25 (—)	—	—	—	—	6,08 (—)	12,72	5,21	6,22	4,28	2,59
—	43,30	—	—	—	—	6,22	13,83	16,55	1,03	10,56
—	—	36,15	—	—	—	—	3,12	14,67	6,35	12,12
—	—	—	36,89	—	—	—	—	—	21,29	15,60
—	—	—	—	32,79	—	—	—	—	6,98	25,82
—	—	—	—	—	10 (10)	—	—	—	—	—
—	—	—	—	—	87,75 (—)	—	—	—	—	—
—	—	—	—	—	1,74 (—)	18,35	— 5	—	—	1,20
21,75 (—)	—	—	—	—	—	—	6,60	12,00		
—	12,00	—	—	—	—	—	—	—	1,24	25,95
—	—	6,00	—	—	—	—	—	—		
—	—	—	6,04	—	—	—	—	—		
31,16 (—)	—	—	—	—	66,15 (5,52)	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	26,27 (47)	12,61	1,48	—	—	—
28,73 (—)	—	—	—	—	23,72 (—)	5,01	—	—	—	—

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.*)				
10. Japan—(*Contd.*)				
(c) Credit of 10. 1 billion Yen (of February 14, 1969) ..	Public	—	—	—
(d) Ninth Yen Credit (of March 3, 1970)	,,	—	—	—
(e) V. O. H. Credit (of April 20, 1970)	,,	—	—	—
(f) Tenth Yen Credit (of April 20, 1971)	,,	—	—	—
(g) Deep Sea Oil Exploration (of May 11, 1971) ..	,,	—	—	—
(h) Eleventh Yen Credit (of February 1, 1972)	,,	—	—	—
(i) Twelfth Yen Credit (of February 2, 1973)	,,	—	—	—
11. Netherlands				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	14,54	9,51	5,03
(ii) (a) Financial (Export) Credit (Third Plan)	,,	7,36	—	7,36
(b) Suppliers' Credit (1965-66)	,,	90	—	90
(c) Financial (Export) Credit (1966-67)	,,	—	—	—
(d) General Purpose Loan (of November 21, 1967) ..	,,	—	—	—
(e) Financial (Export) Credit (1967-68)	,,	—	—	—
(f) General Purpose Loan (of July 16, 1968)	,,	—	—	—
(g) General Purpose Loan (of January 1, 1970) ..	,,	—	—	—
(h) General Purpose Loan (of October 28, 1970) ..	,,	—	—	—
(i) General Purpose Loan (of May 18, 1971)	,,	—	—	—
(j) General Purpose Loan (of July 19, 1972)	,,	—	—	—
12. Norway				
Development Credit (of September 16, 1968) ..	Public	—	—	—
13. Sweden				
(a) First Credit (of September 29, 1964) ..	Pub./Prvt.	2,21	—	2,21
(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)	,,	—	—	—
(g) Sixth Credit (of November 11, 1972)	,,	—	—	—
14. Switzerland				
(a) First Credit Tranche—I (of November 18, 1960) ..	Pub./Prvt.	6,54	3,02	3,52
(b) First Credit Tranche—II (of July 13, 1962)	,,	8,72	3,02	5,70
(c) Second Credit (of March 7, 1966)	,,	7,62	—	7,62
15. U.K.				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	183,33	179,92	3,41
	Public	48,00	42,82	5,18

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
20,71	—	—	—	—	—	13,11	7,60	24	—	—
(—)										
—	19,08	—	—	—	—	—	8,30	8,59	1,47	72
—	—	5,25	—	—	—	—	11	1,69	13	3,32
—	—	—	19,04	—	—	—	—	7,53	9,12	2,39
—	—	—	10,99	—	—	—	—	8,24	—	2,75
—	—	—	64,58	—	—	—	—	—	19,40	45,18
—	—	—	—	27,55	—	—	—	—	—	27,55
5,39	—	—	—	—	12,96	—	—	—	—	—
(—)					(61)					
—	—	—	—	—	2,91	8,07	62	—	—	—
					(—)					
—	—	—	—	—	—	—	—	1,42	—	—
2,85	—	—	—	—	—	—	2,85	—	—	—
(—)										
5,39	—	—	—	—	3,48	1,91	—	—	—	—
(—)					(—)					
2,85	—	—	—	—	—	—	1,28	—	1,57	—
(—)										
6,83	—	—	—	—	—	4,95	1,88	—	—	—
(—)										
—	8,34	—	—	—	—	—	8,34	—	—	—
—	—	8,29	—	—	—	—	2,05	6,24	—	—
—	—	—	10,36	—	—	—	—	4,09	6,10	17
—	—	—	—	14,09	—	—	—	—	2,68	11,41
1,58	—	—	—	—	—	—	—	10	7	1,41
(—)										
—	—	—	—	—	3,33	6	9	—	—	—
					(—)					
3,48	—	—	—	—	1,48	48	60	39	42	11
(—)					(—)					
4,35	73	—	—	—	—	19	67	3,60	41	21
(—)										
5,80	—	—	—	—	—	19	2,61	2,43	30	27
(—)										
—	—	18,12	—	—	—	—	—	2,02	2,34	13,76
—	—	—	3,75	—	—	—	—	—	—	3,75
—	—	—	—	25,38	—	—	—	—	—	25,38
—	—	—	}							
—	—	—	} 68	—	12,24	2,01	2,09	2,12	1,56	6,54
					(1,10)					
—	—	—	}							
52,93	—	—	—	—	65,74	—	—	—	—	—
(13,33)					(30)					
11,55	—	—	—	—	19,04	—	—	—	—	—
(—)					(90)					

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.)*				
(ii) (a) Credit (of September 4, 1962) (Third Plan)	Public	17,33	9,83	7,50
(b) General Credit (of October 16, 1963) (Kipping Loan I)	Private	5,33	2,19	3,14
(c) Credit (of March 17, 1964) (Third Plan)	Public	6,67	1,68	4,99
(d) Second General Credit (of September 9, 1964) (Third Plan)	Private	2,00	—	2,00
(e) Third General Credit (of September 9, 1964) (Third Plan)	,,	2,03	—	2,03
(f) Fourth General Credit (of September 9, 1964) (Third Plan)	,,	1,33	—	1,33
(g) Fifth General Credit (of September 9, 1964) (Third Plan)	Public	1,66	40	1,26
(h) Sixth General Credit (of September 9, 1964) (Third Plan)	,,	4,30	—	4,30
(i) Credit (of September 9, 1964) (Bhopal)	,,	2,66	17	2,49
(j) General Credit (of September 9, 1964) (Kipping Loan II)	Private	5,33	—	5,33
(k) General Credit (of December 20, 1965) (Kipping Loan III)	,,	5,33	9	5,24
(l) Credit (of April 20, 1966) (Bhopal)	Public	—	—	—
(m) Credit (of April 20, 1966) (Sindri Fertilizers)	,,	—	—	—
(n) Credit (of May 10, 1966) (Bhopal)	,,	—	—	—
(o) Credit (of May 10, 1966) (Kipping Loan IV) ..	Private	—	—	—
(p) Credit (of June 19, 1967) (Kipping Loan V) ..	,,	—	—	—
(q) Barclays Bank Ltd.'s Credit (of October 20, 1966) ..	Public	—	—	—
(r) Capital Investment Loan (of December 5, 1968) ..	Pub./Prvt.	—	—	—
(s) Non-Project Loan (of December 5, 1968)	,,	—	—	—
(t) Mixed Project Loan (of December 5, 1968) ..	,,	—	—	—
(u) I.C.I.C.I. Loan (of December 5, 1968)	Private	—	—	—
(v) I.C.I.C.I. Loan (of November 28, 1969)	,,	—	—	—
(w) Credit of Capital Goods (of November 28, 1969) ..	Pub./Prvt.	—	—	—
(x) Mixed Project Loan (of November 28, 1969)	,,	—	—	—
(y) Credit (of November 28, 1969) (Kipping Loan-VII) ..	,,	—	—	—
(z) Maintenance Loan (of November 28, 1969)	,,	—	—	—
(aa) Mixed Imports Credit (of November 28, 1969) ..	,,	—	—	—
(ab) Maintenance Loan (of February 11, 1970)	Public	—	—	—
(ac) Capital Investment Loan (of March 18, 1971)	,,	—	—	—
(ad) I.C.I.C.I. Loan (of March 18, 1971)	Private	—	—	—
(ae) Mixed Project Loan (of March 18, 1971)	Pub./Prvt.	—	—	—
(af) Maintenance Loan—II (of September 24, 1970) ..	Public	—	—	—
(ag) Mixed Imports Loan (of March 31, 1971)	Pub./Prvt.	—	—	—
(ah) Maintenance Loan (of November 18, 1971) ..	Public	—	—	—
(ai) Mixed Project Loan (of November 18, 1971) ..	Pub./Prvt.	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	9,78 (38)	97	—	—	—	—
—	—	—	—	—	2,40 (18)	1,43	56	—	—	—
—	—	—	—	—	4,80 (17)	81	1,49	—	—	—
—	—	—	—	—	2,90 (—)	14	—	—	—	—
—	—	—	—	—	1,54 (—)	99	34	—	—	—
—	—	—	—	—	97 (—)	92	—	—	—	—
—	—	—	—	—	1,62 (5)	25	—	—	—	—
—	—	—	—	—	5,97 (—)	21	—	—	—	—
—	—	—	—	—	3,55 (25)	11	—	—	—	—
—	—	—	—	—	5,38 (20)	1,70	48	—	—	—
—	—	—	—	—	6,34 (10)	34	33	78	—	—
6,44 (6,44)	—	—	—	—	7,64 (—)	44	41	49	—	—
23 (23)	—	—	—	—	—	8	9	13	—	—
4,00 (4,00)	—	—	—	—	2,63 (—)	1,97	55	25	—	—
5,33 (5,33)	—	—	—	—	4,69 (—)	1,09	54	93	—	—
14,70 (—)	—	—	—	—	2,44 (—)	4,09	3,45	2,62	—	—
5,35 (—)	—	—	—	—	—	—	—	4,23	36	—
15,30 (—)	—	—	—	—	—	11	4,39	7,96	2,84	—
12,60 (—)	—	—	—	—	—	4,39	4,25	2,66	1,13	17
3,60 (—)	—	—	—	—	—	—	2,10	1,50	—	—
1,80 (—)	—	—	—	—	—	—	27	58	70	25
—	1,80	—	—	—	—	—	—	—	—	1,80
—	13,50	—	—	—	—	—	—	4,99	8,51	—
—	3,60	—	—	—	—	—	—	2,97	63	—
—	2,70	—	—	—	—	—	1,17	1,53	—	—
—	28,80	—	—	—	—	18,37	10,43	—	—	—
—	4,50	—	—	—	—	—	—	—	2,29	2,21
—	16,20	—	—	—	—	12,65	3,55	—	—	—
—	—	21,60	—	—	—	—	—	—	3,37	18,23
—	—	1,80	—	—	—	—	—	—	—	1,80
—	—	5,40	—	—	—	—	—	—	5,40	—
—	—	46,80	—	—	—	—	38,65	8,15	—	—
—	—	3,60	—	—	—	—	—	—	—	3,60
—	—	—	48,60	—	—	—	—	39,60	9,00	—
—	—	—	14,40	—	—	—	—	—	8,01	6,39

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.)				
(aj) Capital Investment Loan (of March 17, 1972) ..	Public	—	—	—
(ak) Mixed Project Loan (of November 9, 1972) ..	Pub./Prvt.	—	—	—
(al) Maintenance Loan (of November 9, 1972)	Public	—	—	—
16. U.S.A.				
(1) D.L.F./A.I.D.				
(i) Loans fully utilised upto the end of March 1969	Public	48,44	48,05	39
	Private	30,53	24,03	6,50
(ii) (a) Trombay Fertilizer Project (of December 29, 1958) ..	,,	14,00	13,63	37
(b) N.S.I.C. (of April 10, 1961)	,,	4,02	4,21	—19
(c) Patherdy Coal Washery (of June 21, 1962)	Public	1,90	1,71	19
(d) Non-Project Imports—I (of June 21, 1962)	Pub./Prvt.	95,11	95,10	1
(e) I.F.C.—II (of June 28, 1962)	Private	8,91	2,40	6,51
(f) Hindustan Motors—I (of November 8, 1962)	,,	7,46	6,99	47
(g) Non-Project Imports—II (of February 23, 1963) ..	Pub./Prvt.	113,53	114,22	—69
(h) Central Ropeway 'F' Project (of October 21, 1963) ..	Public	3,52	3,00	52
(i) Dugda Coal Washery (of November 29, 1963) ..	,,	2,38	2,13	25
(j) Non-Project Imports—III (of February 24, 1964) ..	Pub./Prvt.	106,90	94,62	12,28
(k) Non-Project Imports—IV (of November 30, 1964) ..	,,	23,47	20,38	3,09
(l) Consultancy Services (of March 1, 1965)	Public	24	8	16
(m) Hindustan Motors—II (of May 3, 1965)	Private	10,40	—	10,40
(n) Hindustan Motors—III (of May 3, 1965)	,,	1,34	13	1,21
(o) Non-Project Imports—V (of June 17, 1965)	Pub./Prvt.	90,09	34,01	56,08
(p) Non-Project Imports—VI (of May 13, 1966) ..	,,	—	—	—
(q) Non-Project Imports—VII (of July 8, 1966) ..	,,	—	—	—
(r) Operation Hardrock (of May 25, 1966)	Public	—	—	—
(s) Non-Project Imports—VIII (of May 10, 1967) ..	Pub./Prvt.	—	—	—
(t) Non-Project Imports—IX (of October 20, 1967) ..	,,	—	—	—
(u) Trombay Fertilizers (of December 26, 1968)	Public	—	—	—
(v) Production Loan—I (of May 12, 1968)	Pub./Prvt.	—	—	—
(w) Production Loan—II (of December 26, 1968) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	21,60	—	—	—	—	—	—	21,60
—	—	—	—	28,80	—	—	—	—	—	28,80
—	—	—	—	60,30	—	—	—	—	60,30	—
—	—	—	—	—	56 (9)	—	—	—	—	—
—	—	—	—	—	9,63 (1,06)	—	—	—	—	—
—	—	—	—	—	56 (35)	— 22	—	—	—	—
—	—	—	—	—	— 25 (3)	—21	—	—	—	—
—	—	—	—	—	29 (—)	—	—	—	—	2
—	—	5	—	—	5 (—)	— 3	5	—	—	5
—	—	—	—	—	7,46 (53)	46	89	1,06	—	11
—	—	—	—	—	68 (7)	2	—	—	—	1
—	—	—	—	—	— 1,01 (—)	— 7	— 2	—	—	—
—	—	—	—	—	56 (3)	27	— 2	—	—	—
—	—	—	—	—	21 (—)	21	— 3	—	—	—
—	—	—	—	—	14,89 (7,61)	8	—	—	—	—
—	—	—	—	—	5,16 (15)	—33	— 4	—	—	—
—	—	—	—	—	17 (—)	5	3	—	—	—
—	—	—	—	—	13,82 (2)	1,93	47	15	—	—
—	—	—	—	—	1,22 (2)	32	32	2	—	2
—	—	—	—	—	87,16 (2,21)	— 6	— 4	—	—	—
46,45 (46,45)	—	—	—	—	74,84 (—)	—1,70	—	—	—	38
112,35 (—)	—	—	—	—	112,36 (—)	—	— 1	—	—	26
1,66 (1,66)	—	—	—	—	1,28 (—)	55	50	15	—	13
37,50 (—)	—	—	—	—	32,73 (—)	4,63	4	5	— 8	17
98,83 (—)	—	—	—	—	89,77 (—)	8,62	26	3	—	43
—	—	—	—	—	—	—	—	—	—	—
168,42 (—)	—	—	—	—	57,20 (—)	82,37	28,46	27	—47	62
145,50 (—)	—	—	—	—	—	39,69	93,21	12,54	—34	40

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.*)				
(x) Private Capital Equipment Loan (of November 16, 1969)	Private	—	—	—
(y) Production Loan—III (of June 23, 1970)	Pub./Prvt.	—	—	—
(z) Production Loan—IV (of March 13, 1971)	,,	—	—	—
2) Exim Bank Loans				
(i) Loans fully utilised upto the end of March 1969	Pub./Prvt.	119,04	110,47	8,57
	Private	49,43	28,05	21,38
(ii) (a) Exim Bank Loan—V (of October 4, 1968)	Pub./Prvt.	—	—	—
(b) Exim Bank Loan—VI (of April 2, 1970)	,,	—	—	—
(c) Indian Aluminium (of September 8, 1967)	Private	—	—	—
(d) Shree Synthetic Loan (of September 11, 1970) ..	,,	—	—	—
(3) T.C.A.Loans (excluding P.L. 665)	Public	42,22	42,22	—
17. Bulgaria				
(a) Credit for Capital Goods (of May 2, 1967)	Public	—	—	—
18. Czechoslovakia				
(a) First Credit (of November 24, 1959)	Public	21,08	12,61	8,47
(b) Second Credit (of May 11, 1964)	,,	40,00	—	40,00
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	14,70	10,96	3,74
(b) Credit for Third Plan—II (of November 16, 1962) ..	,,	15,50	38	15,12
(c) Credit for Third Plan—III (of January 25, 1965) ..	,,	5,90	—	5,90
21. U.S.S.R.				
(i) Loans fully utilised upto the end of March 1969	Public	9,52	9,46	6
(ii) (a) Industrial Enterprises (of November 9, 1957) ..	,,	59,53	44,51	15,02
(b) Barauni Oil Refinery (of September 28, 1959) ..	,,	11,91	11,31	60
(c) Credit for Third Plan—I (of September 12, 1959) ..	,,	178,58	133,56	45,02
(d) Credit for Third Plan—II (of February 21, 1961) ..	,,	59,53	18,50	41,03
(e) Credit for Fourth Plan (of December 10, 1966) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	15,00	—	—	—	–	—	2,05	6,33	1,90	4,72
—	—	120,00	—	—	—	—	47,89	59,09	1,54	11,47
—	—	116,25	26,25	—	—	—	—	69,23	9,20	64,23
—	—	–	–	—	12,89 (1,05)	—	—	–	–	–
—	—	—	—	—	31,56 (3,62)	—	—	—	—	—
15,00 (—)	—	—	—	—	—	3,66	10,94	40	—	–
–	–	11,25	–	–	–	—	91	9,27	–	1,07
1,50 (—)	–	–	–	–	–	–	68	44	32	6
—	—	1,46	—	–	—	–	—	1,25	1	20
—	—	—	—	—	—	—	—	—	—	—
9,75 (—)	—	—	—	—	—	—	—	—	–	9,75
—	—	—	—	—	10,66 (48)	2,23	11	5	—	—
—	—	—	—	—	25,53 (33)	5,94	1,22	1,35	6,71	22,07
12,50 (—)	—	—	—	—	—	—	—	—	—	12,50
12,50 (—)	—	—	—	—	—	—	—	—	—	12,50
—	—	—	—	—	2,97 (13)	12	26	25	7	2,14
—	—	—	—	—	1,02 (1)	23	1	2	8	22,45
—	—	—	—	—	6 (—)	3,82	2,52	2,15	40	34
—	—	—	—	–	9 (—)	–	–	—	—	—
—	—	—	—	—	1,99 (8)	36	30	21	1	20,74
—	—	—	—	—	56 (5)	2	—	1	—	33
—	—	—	—	—	23,69 (2,80)	3,01	1,14	61	56	40,36
—	—	—	—	—	24,56 (1,44)	2,14	3,26	1,07	2,64	30,12
250,00 (—)	—	—	–	—	13,64 (—)	47	87	3,69	1,03	230,30

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.*)				
22. Yugoslavia				
(a) Credit for Capital Goods —I (of January 21, 1960)	Public	17,98	9,71	8,27
(b) Credit for Capital Goods—II (of June 18, 1966) ..	,,	—	—	—
TOTAL—V		**2214,00**	**1528,73**	**685,27**
VI. Agricultural Development				
1. I.B.R.D.				
(i) Loans fully utilised upto the end of March 1969	Public	3,43	3,43	—
(ii) (a) Tarai Seed Project (of June 18, 1969)	,,	—	—	—
2. I.D.A.				
(i) Loans fully utilised upto the end of March 1969	Public	22,56	18,87	3,69
(ii) (a) Salandi Irrigation (of November 22, 1961)	,,	3,57	76	2,81
(b) Kadana Irrigation Project (of February 9, 1970) ..	,,	—	—	—
(c) Gujarat Agricultural Credit (of June 3, 1970)	,,	—	—	—
(d) Punjab Agricultural Credit (of June 24, 1970) ..	,,	—	—	—
(e) Andhra Pradesh Agricultural Credit (of January 1, 1971)	,,	—	—	—
(f) Agricultural Aviation Project (of Juanary 28, 1971) ..	,,	—	—	—
(g) Hariyana Agricultural Credit (of June 11, 1971) ..	,,	—	—	—
(h) Tamil Nadu Agricultural Credit (of June 11, 1971) ..	,,	—	—	—
(i) Wheat Storage Credit (of August 23, 1971)	,,	—	—	—
(j) Pocham Pad Irrigation (of August 23, 1971)	,,	—	—	—
(k) Mysore Agricultural Credit (of January 7, 1972) ..	,,	—	—	—
(l) Maharashtra Agricultural Credit (of March 29, 1972)	,,	—	—	—
(m) Bihar Agricultural Credit (of March 29, 1972) ..	,,	—	—	—
(n) Cochin Fertilizer—II Credit (of August 23, 1971)	,,	—	—	—
(o) Gorakhpur Fertilizer Credit (of January 7, 1972) ..	,,	—	—	—
(p) Nangel Fertilizer Credit (of February 9, 1973) ..	,,	—	—	—
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)				
Loans fully utilised upto the end of March 1969	Public	1,40	—	1,40
5. Italy				
(a) Fertilizer Loan (of August 4, 1966)	Public	—	—	—
6. Japan				
Loans fully utilised upto the end of March 1969	Public	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	16	—	—	—	11,40 (2,11)	26	31	—	—	—
46,59 (—)	—	—	—	—	—	25,26	21,43	—	—	—
1749,86 (77,44)	**186,61**	**552,82**	**360,19**	**357,05**	**1510,84 (45,48)**	**468,97**	**459,04**	**498,58**	**340,22**	**1022,05**
—	—	—	—	—	—	—	—	—	—	—
—	9,75	—	—	—	—	—	1,55	35	38	7,46
—	—	—	—	—	5,72 (17)	—	—	—	—	—
—	—	—	—	—	4,27 (—)	15	—	—	—	—
—	26,25	—	—	—	—	—	83	2,84	5,10	17,48
—	—	26,25	—	—	—	—	—	1,50	18,58	6,17
—	—	20,62	—	—	—	—	—	—	—	20,62
—	—	18,30	—	—	—	—	—	51	7,24	10,55
—	—	4,50	—	—	—	—	—	—	—	4,50
—	—	—	18,75	—	—	—	—	—	3,38	15,37
—	—	—	26,25	—	—	—	—	—	3,51	22,74
—	—	—	3,75	—	—	—	—	—	—	3,75
—	—	—	29,25	—	—	—	—	—	10,66	18,59
—	—	—	30,00	—	—	—	—	—	2,54	27,46
—	—	—	22,50	—	—	—	—	—	3,46	19,04
—	—	—	10,50	—	—	—	—	—	—	10,50
—	—	—	15,00	—	—	—	—	25	46	14,29
—	—	—	7,50	—	—	—	—	—	47	7,03
—	—	—	—	43,50	—	—	—	—	—	43,50
6,94 (—)	—	—	—	—	6,27 (—)	55	12	—	—	—
10,41 (—)	—	—	—	—	80 (—)	5,11	4,49	1	—	—
—	5,55	—	—	—	—	33	2,60	2,62	—	—
—	—	—	6,94	6,94	—	—	—	—	23	13,65
—	—	—	—	—	2,25 (—)	—	—	—	—	—
1,50 (—)	—	—	—	—	1,46 (—)	—	—	—	—	4
5,25 (—)	—	—	—	—	5,25 (—)	—	—	—	—	—

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.*)				
7. U.K.				
(a) Food Emergency Loan (of February 11, 1966) ..	Public	10,00	—	10,00
8. U.S. A.I.D.				
(i) Loans fully utilised upto the end of March 1969.. ..	Public	23,81	2,81	21,00
(ii) (a) Fertilizer Commodity Loan (of July 19, 1968) ..	,,	—	—	—
(b) Farmers Fertilizer Corporation (of June 18, 1971) ..	,,	—	—	—
TOTAL— VI		**64,77**	**25,87**	**38,90**
VII. FOOD AID				
1. U.S.A.				
(i) Loans fully utilised upto the end of March 1969	Public	90,31	90,31	—
(ii) (a) P.L. 480 Convertible Currency Credits†	,,	—	—	—
2. Canada				
Loans fully utilised upto the end of March 1969	Public	15,71	15,71	—
3. Denmark				
(i) Loans fully utilised upto the end of March 1969.. ..	Public	—	—	—
(ii) (a) Food Assistance Loan—II (of March 25, 1968) ..	,,	—	—	—
4. Austria				
(a) Food Assistance Loan (of December 15, 1967) ..	Pub./Prvt.	—	—	—
TOTAL— VII		**106,02**	**106,02**	—
VIII. DEBT RELIEF				
1. Austria				
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—
(ii) (a) Credit for 1969-70 (of October 16, 1969)	,,	—	—	—
(b) Credit for 1970-71 (of June 29, 1970)	,,	—	—	—
(c) Credit for 1971-72 (of November 4, 1971)	,,	—	—	—
(d) Credit for 1972-73 (of October 9, 1972)	,,	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	13,11 (66)	91	23	61	—	—
—	—	—	—	—	31,07 (3,47)	—	—	—	—	—
17,25 (—)	—	—	—	—	63 (—)	16,20	42	—	—	—
—	—	—	15,75	—	—	—	—	4,15	7,28	4,33
41,35 (—)	**41,55**	**69,67**	**186,19**	**50,44**	**70,83** (4,30)	**23,25**	**10,24**	**12,84**	**63,29**	**267,07**
—	—	—	—	—	—	—	—	—	—	—
121,28 (—)	112,87	—	79,50	—	103,91 (—)	61,96	44,40	103,09	29	—
—	—	—	—	—	—	—	—	—	—	—
2,07 (2,07)	—	—	—	—	3,26 (—)	—	—	—	—	—
3,00 (—)	—	—	—	—	1,33 (—)	90	18	7	—	52
75 (—)	—	—	—	—	73 (—)	—	—	—	—	2
127,10 **(2,07)**	**112,87**	—	**79,50**	—	**109,23** (—)	**62,86**	**44,58**	**103,16**	**29**	**54**
1,68 (—)	—	—	—	—	1,68 (—)	—	—	—	—	—
—	81	—	—	—	—	81	—	—	—	—
—	—	1,10	—	—	—	—	1,10	—	—	—
—	—	—	66	—	—	—	—	66	—	—
—	—	—	—	1,70	—	—	—	—	1,70	—

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.)				
2. Belgium				
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—
(ii) (a) Debt Refinancing Credit for 1969-70 (of November 8, 1969)	,,	—	—	—
(b) Debt Refinancing Credit for 1970-71 (of December 21, 1970)	,,	—	—	—
(c) Debt Refinancing Credit for 1971-72 (of November 5, 1971)	,,	—	—	—
(d) Debt Refinancing Credit for 1972-73 (of October 13, 1972)	,,	—	—	—
3. Germany (West)				
(i) Loans fully utilised upto the end of March 1969	Public	77,82	77,82	—
(ii) (a) DM 62 million Debt Refinancing Credit (of July 25, 1969)	,,	—	—	—
(b) DM 73·6 million Debt Refinancing Credit (of December 18, 1970)	,,	—	—	—
(c) DM 90 million Debt Refinancing Credit (of December 2, 1971)	,,	—	—	—
(d) DM 98 million Debt Refinancing Credit (of December 4, 1972)	,,	—	—	—
4. France				
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—
(ii) (a) Debt Relief (of December 11, 1970)	,,	—	—	—
(b) Debt Relief (of December 11, 1970)	,,	—	—	—
(c) Debt Relief (of June 22, 1971)	,,	—	—	—
(d) Debt Relief (of December 15, 1972)	,,	—	—	—
5. Italy				
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—
(ii) (a) Debt Relief (1969-70) (of November 20, 1969) ..	,,	—	—	—
(b) Debt Relief (1970-71) (of July 26, 1972)	,,	—	—	—
(c) Debt Relief (1971-72) (of February 13, 1973)	,,	—	—	—
6. U.K.				
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—
(ii) (a) Debt Refinancing Loan (of July 2, 1969)	,,	—	—	—
(b) Debt Refinancing Loan (of March 24, 1970)	,,	—	—	—
(c) Debt Refinancing Loan (of September 6, 1971) ..	,,	—	—	—
(d) Debt Refinancing Loan (of December 11, 1972) ..	,,	—	—	—

OF FOREIGN LOANS/CREDITS—*(Contd.)*

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
83 (—)	—	—	—	—	83 (—)	—	—	—	—	—
—	83	—	—	—	—	83	—	—	—	—
—	—	83	—	—	—	—	83	—	—	—
—	—	—	1,12	—	—	—	—	1,12	—	—
—	—	—	—	1,12	—	—	—	—	1,12	—
16,43 (—)	—	—	—	—	16,43 (—)	—	—	—	—	—
—	11,62	—	—	—	—	12,19	—	—	—	—
—	—	15,64	—	—	—	—	15,64	—	—	—
—	—	—	14,55	—	—	—	—	14,55	—	—
—	—	—	—	20,08	—	—	—	—	20,08	—
3,80 (—)	—	—	—	—	2,80 (—)	1,00	—	—	—	—
—	—	3,75	—	—	—	—	3,75	—	—	—
—	—	3,75	—	—	—	—	3,75	—	—	—
—	—	—	3,75	—	—	—	—	3,75	—	—
—	—	—	—	4,49	—	—	—	—	4,49	—
4,12 (—)	—	—	—	—	—	—	4,12	—	—	—
—	5,51	—	—	—	—	—	—	—	5,51	—
—	—	—	—	5,51	—	—	—	—	5,51	—
—	—	—	—	4,20	—	—	—	—	—	4,20
55,50 (—)	—	—	—	—	55,50 (—)	—	—	—	—	—
—	13,50	—	—	—	—	13,50	—	—	—	—
—	13,50	—	—	—	—	13,50	—	—	—	—
—	—	—	13,50	—	—	—	—	13,50	—	—
—	—	—	—	14,40	—	—	—	—	14,40	—

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.*)				
7. U.S.A.				
(a) Debt Refinancing Loan (of March 30, 1973)	Public	—	—	—
(b) Debt Refinancing Loan (of March 30, 1973)	,,	—	—	—
TOTAL— VIII		**77,82**	**77,82**	—
IX. MISCELLANEOUS				
1. U.S. Exim Bank				
Loans fully utilised upto the end of March 1969	Private	34	25	9
2. U.S.A.I.D.				
(a) Loan for Indian Higher Education (of June 2, 1967) ..	Public	—	—	—
(b) Loan for Indian family planning programme (of June 29, 1968)	,,	—	—	—
3. I.D.A.				
(a) Credit for Population Project (of June 14, 1972) ..	Public	—	—	—
(b) Credit for Education Project (of November 10, 1972)	,,	—	—	—
TOTAL—IX		**34**	**25**	**9**
GRAND TOTAL		**3802,95**	**2759,80**	**1043,15**

Notes: 1. Authorisations are shown net of de-obligations/cancellations.

2. In respect of loans fully utilised upto the end of March 1969, only totals are given ; for loanwise details please refer to the Report on Currency and Finance, 1971-72.

@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 for the rupee or at the pre-December 1971 IMF par values. 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 devaluation of rupee to arrive at the undisbursed balance as at the end of March 1973.

† Include amounts authorised for purchase of cotton and Soyabean oil.

OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In lakhs of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1973*
1966-69 @	1969-70	1970-71	1971-72	1972-73	1966-69 @	1969-70	1970-71	1971-72	1972-73	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	4,16	—	—	—	—	4,16	—
—	—	—	—	17,69	—	—	—	—	17,69	—
82,36 (—)	**45,77**	**25,07**	**33,58**	**73,35**	**77,24** (—)	**41,83**	**29,19**	**33,58**	**74,66**	**4,20**
—	—	—	—	—	9 (9)	—	—	—	—	—
5,78 (—)	—	—	—	—	55 (—)	28	4,51	14	—	30
2,03 (—)	—	—	—	—	—	—	17	13	1,14	59
—	—	—	—	15,90	—	—	—	—	—	15,90
—	—	—	—	9,00	—	—	—	—	—	9,00
7,81 (—)	—	—	—	**24,90**	**64** (9)	**28**	**4,68**	**27**	**1,14**	**25,79**
2233,16 (89,43)	**522,84**	**679,57**	**832,20**	**599,74**	**2200,48** (67,32)	**700,13**	**690,28**	**762,03**	**593,82**	**1571,90**

STATEMENT 101—EXTERNAL ASSISTANCE

	Authorisations						
	Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7
A. LOANS							
1. Burma							
(i) Credit of March 12, 1959	20,00	—	—	—	—	—	—
2. Nepal							
(i) 1st credit of September 29, 1964	—	1,00	—	—	—	—	—
3. Ceylon							
(i) 1st credit of February 14, 1966	—	2,00	—	—	—	—	—
(ii) 2nd credit of August 16, 1967	—	—	—	5,00	—	—	—
(iii) 3rd credit of June 30, 1969	—	—	—	—	—	5,00	—
(iv) 4th credit of November 26, 1971	—	—	—	—	—	—	—
(v) 5th credit of November 27, 1971	—	—	—	—	—	—	—
TOTAL	—	**2,00**	—	**5,00**	—	**5,00**	—
4. Indonesia							
(i) 1st credit of September 22, 1966	—	—	10,00	—	—	—	—
5. Bhutan							
(i) Loans in 1969-70	—	—	—	—	—	60	—
(ii) Loans in 1970-71	—	—	—	—	—	—	30
(iii) Loans in 1971-72	—	—	—	—	—	—	—
TOTAL	—	—	—	—	—	**60**	**30**
6. Mauritius							
(i) 1st Credit of September 4, 1972	—	—	—	—	—	—	—
7. Tanzania ..							
(i) 1st credit of December 6, 1972	—	—	—	—	—	—	—
8. Bangladesh							
(i) Foreign Exchange Loan	—	—	—	—	—	—	—
(ii) Rehabilitation of railway system etc. ..	—	—	—	—	—	—	—
(iii) Supply of two aircrafts and two ships ..	—	—	—	—	—	—	—
(iv) Loan to cover crude supplies	—	—	—	—	—	—	—
(v) Supply of 150 buses	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
TOTAL—A	**20,00**	**3,00**	**10,00**	**5,00**	—	**5,60**	**30**
B. GRANTS							
1. Nepal	9,60	20,60	8,40	8,80	11,00	12,00	9,00
2. Bhutan	—	10,50	20,00	—	—	—	—
3. Bangladesh	—	—	—	—	—	—	—
TOTAL—B	**9,60**	**31,10**	**28,40**	**8,80**	**11,00**	**12,00**	**9,00**
GRAND TOTAL	**29,60**	**34,10**	**38,40**	**13,80**	**11,00**	**17,60**	**9,30**

Notes : 1. Data do not include assistance extended to Sikkim.
2. Aid to Nepal excludes grant expenditures on Kosi and Gandak Schemes executed by the Bihar Government and grant expenditure on training of Nepalese scholars in India.

EXTENDED BY INDIA

(In lakhs of rupees)

		Utilisation									Aid undisbursed as at the end of March 1973
1971-72	1972-73	Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	
8	9	10	11	12	13	14	15	16	17	18	19
—	—	20,00	—	—	—	—	—	—	—	—	—
—	—	—	10	20	10	—	—	—	—	15	45
—	—	—	—	1,40	60	—	—	—	—	—	—
—	—	—	—	—	—	1,20	2,70	60	—	—	50
—	—	—	—	—	—	—	30	2,80	1,20	34	36
5,00	—	—	—	—	—	—	—	—	—	1,60	3,40
40	—	—	—	—	—	—	—	—	—	30	10
5,40	—	—	—	**1,40**	**60**	**1,20**	**3,00**	**3,40**	**1,20**	**2,24**	**4,36**
—	—	—	—	—	6,20	3,60	10	10	—	—	—
—	—	—	—	—	—	—	60	—	—	—	—
—	—	—	—	—	—	—	—	30	—	—	—
70	—	—	—	—	—	—	—	—	70	—	—
70	—	—	—	—	—	—	**60**	**30**	**70**	—	—
—	3,21	—	—	—	—	—	—	—	—	—	3,21
—	5,00	—	—	—	—	—	—	—	—	—	5,00
9,50	—	—	—	—	—	—	—	—	9,50	—	—
29	9,71	—	—	—	—	—	—	—	29	9,71	—
1,50	4,50	—	—	—	—	—	—	—	1,50	4,50	—
—	8,10	—	—	—	—	—	—	—	—	8,10	
—	1,33	—	—	—	—	—	—	—	—	1,33	—
11,29	**23,64**	—	—	—	—	—	—	—	**11,29**	**23,64**	—
17,39	**31,85**	**20,00**	**10**	**1,60**	**6,90**	**4,80**	**3,70**	**3,80**	**13,19**	**26,03**	**13,02**
11,80	9,00	9,00	20,60	8,40	8,80	11,00	12,00	9,00	9,10	7,24	5,05
5,60	7,00	—	10,50	2,70	3,40	4,20	5,00	4,70	5,60	7,00	—
23,48	109,26	—	—	—	—	—	—	—	23,48	101,23	8,03
40,88	**125,26**	**9,00**	**31,10**	**11,10**	**12,20**	**15,20**	**17,00**	**13,70**	**38,18**	**115,47**	**13,08**
58,27	**157,11**	**29,00**	**31,20**	**12,70**	**19,10**	**20,00**	**20,70**	**17,50**	**51,37**	**141,50**	**26,10**

3. Aid to Bangladesh does not cover the relief goods of the value of Rs. 17 crores supplied to that country in 1971-72.

STATEMENT 102—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1972-73**

Item	Rate of Duty as on June 30, 1973	Changes during the year			Effective Date
		From		To	
1. Jute Manufactures					
(a) Hessian (other than carpet backing and jute specialities)	Rs. 600 per tonne†		No change		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) (i) Carpet backing weighing 7½ ounces or more per square yard	Rs. 200 per tonne	@		Rs. 200 per tonne	June 12, 1973
(ii) Carpet backing weighing less than 7½ ounces per square yard	Rs. 300 per tonne	@		Rs. 300 per tonne	June 12, 1973
(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				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* or 75 paise per kg. whichever is less		No change		June 6, 1966
5. Raw cotton					
(i) Assam/Comilla cotton, yellow pickings and zoda cotton pickings and sweepings	Rs. 550 per tonne				
(ii) Bengal Deshi	Rs. 700 per tonne		No change		October 14, 1966
(iii) Cotton linters	25 per cent *ad valorem*				
6. Cotton waste					
(i) Cotton waste soft	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	15 per cent *ad valorem*	20 per cent *ad valorem*		15 per cent *ad valorem*	January 8, 1973
(ii) Mica fabricated	10 per cent *ad valorem*		No change		May 1, 1972
(iii) 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*		No change		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 oilcake	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 less than 10 per cent of manganese content	Rs. 7 per tonne				July 24, 1967
(ii) 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
(iii) Manganese ore having more than 48 per cent of manganese content	Rs. 20 per tonne				August 2, 1966
12. Manganese dioxide	20 per cent *ad valorem*		No change		August 2, 1966

STATEMENT 102—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1972-73** (*Concld.*)

Item	Rate of Duty as on June 30, 1973	Changes during the year		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		No change	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			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		No change	July 24, 1967
(ii) Ores where the iron content is 62 per cent or more	Rs. 4 per tonne			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 period July 1972 to June 1973.

† The export duty on hessian has since been reduced from Rs. 600 per tonne to Rs. 200 per tonne with effect from August 28, 1973.

†† The export duty on sacking (cloth and bags) has since been abolished with effect from August 28, 1973.

@ The export duty on carpet backing was raised from Rs. 300 per tonne to Rs. 700 per tonne on December 13, 1971. With effect from November 1, 1972, for the purpose of export duty, carpet backing was split up into two categories, viz., (i) carpet backing weighing nine ounces or more per square yard and (ii) carpet backing weighing less than nine ounces per square yard ; the export duty on carpet backing weighing nine ounces or more per square yard was reduced to Rs. 300 per tonne, while that on carpet backing weighing less than nine ounces per square yard was kept unchanged.

@@ 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		1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
		1	2	3	4	5	6	7
Established Importers	G	—	—	—	—	—	5.3	1.9
	P	171.1	83.6	44.5	43.8	41.8	35.5	53.4
	T	171.1	83.6	44.5	43.8	41.8	40.8	55.3
Actual Users (Non-DGTD, Non-SSI) ..	G	159.0	160.1	113.2	175.9	213.4	306.6	330.6
	P	149.7	140.3	129.2	125.3	98.5	61.7	45.4
	T	308.7	300.4	242.4	301.2	311.9	368.3	376.0
Raw Materials for Scheduled Indus- ..	G	0.7	—	—	25.3	57.4	18.2	3.3
tries (DGTD units)	P	447.8	230.0	232.1	249.5	327.6	234.5	167.9
	T	448.5	230.0	232.1	274.8	385.0	252.7	171.2
Small-Scale Industries	G	—	—	—	—	—	—	—
	P	76.2	49.8	36.7	65.6	83.3	118.0	86.4
	T	76.2	49.8	36.7	65.6	83.3	118.0	86.4
Registered Exporters/Export Pro-	G	—	—	—	0.3	1.6	0.6	0.9
motion Schemes	P	81.7	51.9	63.8	86.5	93.3	92.9	135.1
	T	81.7	51.9	63.8	86.8	94.9	93.5	136.0
Capital Goods/Heavy Electrical	G	246.7	81.1	48.4	24.0	52.1	144.4	154.1
Plants	P	189.0	83.6	35.4	49.2	75.0	107.8	113.9
	T	435.7	164.7	83.8	73.2	127.1	252.2	268.0
State Trading Agencies	G	163.9	116.3	150.5	242.8	444.5	587.6	620.9
	P	—	—	—	—	—	—	—
	T	163.9	116.3	150.5	242.8	444.5	587.6	620.9
Others@	G	82.4	57.0	61.0	78.1	114.1	118.6	115.8
	P	125.6	56.7	29.7	37.4	31.3	22.0	26.1
	T	208.0	113.7	90.7	115.5	145.4	140.6	141.9
TOTAL	G	**652.7**	**414.5**	**373.1**	**546.4**	**883.1**	**1181.3**	**1227.5**
	P	**1241.1**	**695.9**	**571.4**	**657.3**	**750.8**	**672.4**	**628.2**
	T	**1893.8**	**1110.4**	**944.5**	**1203.7**	**1633.9**	**1853.7**	**1855.7**

G = Government; P=Private; T=Total.

@ Include the categories '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 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 : Office of the Chief Controller of Imports and Exports, New Delhi.

STATEMENT 104—INDIA'S OVERALL BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)

A. CURRENT ACCOUNT

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	353,95	192,04	*+161,91*	405,04	193,12	*+211,92*	421,51	193,42	*+228,09*	440,25	181,22	*+259,03*
B. Government	—	322,30	*—322,30*	2,57	300,68	*—298,11*	1,61	301,18	*—299,57*	3,39	249,46	*—246,07*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel (*b*)	6,72	5,08	*+1,64*	8,36	4,17	*+4,19*	8,64	5,61	*+3,03*	7,86	4,73	*+3,13*
4. Transportation (*c*)	25,16	17,26	*+7,90*	28,21	18,12	*+10,09*	29,59	16,48	*+13,11*	30,22	17,11	*+13,11*
5. Insurance (*c*)	2,83	5,68	*—2,85*	3,34	3,73	*— 39*	4,24	5,70	*—1,46*	3,66	2,90	*+ 76*
6. Investment Income (*d*)	9,35	61,73	*— 52,38*	7,57	68,20	*—60,63*	11,99	74,80	*—62,81*	5,97	66,52	*—60,55*
7. Government, not included elsewhere (*e*) ..	5,39	7,15	*—1,76*	11,60	5,97	*+5,63*	6,19	5,92	*+ 27*	10,83	5,49	*+5,34*
8. Miscellaneous (*f*)	8,62	19,39	*— 10,77*	14,50	19,40	*—4,90*	14,88	22,25	*—7,37*	11,02	15,27	*—4,25*
9. Transfer Payments												
(*i*) Official (*g*)	18,94	1,52	*+ 17,42*	33,61	1,12	*+32,49*	33,09	15,43	*+17,66*	5,04	6,77	*—1,73*
(*ii*) Private (*h*)	39,63	3,36	*+ 36,27*	55,70	2,85	*+52,85*	50,45	2,33	*+48,12*	33,02	3,27	*+29,75*
10. **Total Current Transactions .. ..**	**470,59**	**635,51**	**—164,92**	**570,50**	**617,36**	**—46,86**	**582,19**	**643,12**	**—60,93**	**551,26**	**552,74**	**—1,48**
Errors and Omissions			*— 1,02*			*—50,85*			*—37,32*			*—52,75*

(*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. (*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. Grants extended to Bangladesh are also covered in this item under debits. 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 Title II programme.

STATEMENT 104—INDIA'S OVERALL BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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*)	**13,63**	**9,53**	**+4,10**	**17,32**	**12,54**	**+4,78**	**13,24**	**17,02**	**—3,78**	**16,37**	**17,32**	**— 95**
1. Long-term	13,22	9,37	*+3,85*	17,24	11,09	*+6,15*	13,14	16,44	*—3,30*	16,08	16,84	*— 76*
2. Short-term	41	16	*+ 25*	8	1,45	*—1,37*	10	58	*— 48*	29	48	*— 19*
II. Banking (*b*)	**17,04**	**11,16**	**+5,88**	**6,71**	**20,02**	**— 13,31**	**16,55**	**7,35**	**+ 9,20**	**20,08**	**17,99**	**+2,09**
III. Official (*c*)	**252,46**	**96,50**	**+155,96**	**243,49**	**137,25**	**+106,24**	**348,27**	**255,44**	**+ 92,83**	**171,05**	**117,96**	**+53,09**
1. Loans (*d*)	155,36	40	*+154,96*	129,32	29	*+129,03*	140,54	9,62	*+130,92*	116,17	20	*+115,97*
2. Amortisation (*e*)	—	49,04	*— 49,04*	83	61,50	*— 60,67*	—	69,83	*— 69,83*	—	51,21	*— 51,21*
3. Miscellaneous (*f*)	63,33	21,86	*+ 41,47*	63,86	18,33	*+ 45,53*	136,95	58,54	*+ 78,41*	34,53	49,79	*— 15,26*
4. Reserves (*g*)	33,77	25,20	*+8,57*	49,48	57,13	*—7,65*	70,78	117,45	*— 46,67*	20,35	16,76	*+ 3,59*
IV. Total Capital and Monetary Gold ..	**283,13**	**117,19**	**+165,94**	**267,52**	**169,81**	**+97,71**	**378,06**	**279,81**	**+ 98,25**	**207,50**	**153,27**	**+54,23**

(*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. The entries on the debit side relate to the credits extended to foreign Governments.

(*e*) Debits comprise repayment of loans from the IBRD, IDA and from foreign Governments; credits represent repayment of loans by 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 trasactions with Kuwait, Baharain and Qatar and Trucial States consequent to the withdrawal of Indian currency from these countries, allocation of SDRs., etc.

(*g*) Represents changes in the foreign exchange assets of the R.B.I. and Government, and the gold holdings of the former and SDR holdings of the latter.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	93,63	41,36	+*52,27*	97,07	48,70	+*48,37*	95,57	47,90	+*47,67*	92,12	44,37	+*47,75*
(*b*) Government	—	49,46	—*49,46*	1,12	52,23	—*51,11*	1,33	73,98	—*72,65*	3,02	61,35	—*58,33*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	2,99	1,02	+ *1,97*	3,10	95	+ *2,15*	3,78	79	+ *2,99*	3,05	1,08	+ *1,97*
4. Transportation	5,95	3,76	+ *2,19*	8,34	5,23	+ *3,11*	8,67	5,36	+ *3,31*	9,22	6,79	+ *2,43*
5. Insurance	1,03	3,01	— *1,98*	1,22	2,71	— *1,49*	1,97	4,17	— *2,20*	1,40	1,91	— *51*
6. Investment Income	5,00	7,71	— *2,71*	1,49	17,54	—*16,05*	5,63	9,14	— *3,51*	1,41	16,16	—*14,75*
7. Government, not included elsewhere ..	50	2,67	— *2,17*	3,61	2,21	+ *1,40*	1,71	2,16	— *45*	1,87	2,01	— *14*
8. Miscellaneous	3,20	5,81	— *2,61*	6,16	6,12	+ *4*	7,92	6,71	+ *1,21*	3,88	5,07	— *1,19*
9. Transfer Payments												
(*i*) Official	4	40	— *36*	3,91	16	+ *3,75*	43	12,30	— *11,87*	3	6,73	— *6,70*
(*ii*) Private	9,36	1,72	+ *7,64*	26,73	1,73	+*25,00*	11,51	1,41	+*10,10*	9,45	1,84	+ *7,61*
10. **Total Current Transactions**	**121,70**	**116,92**	**+ 4,78**	**152,75**	**137,58**	**+15,17**	**138,52**	**163,92**	**—25,40**	**125,45**	**147,31**	**—21,86**

*Exports f.o.b., Imports c.i.f.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	70,53	34,90	*+35,63*	75,44	27,17	*+48,27*	83,62	37,55	*+46,07*	96,12	30,70	*+65,42*
(*b*) Government	—	119,23	*—119,23*	81	90,04	*—89,23*	19	63,04	*—62,85*	18	66,31	*—66,13*
2. Non-monetary Gold Movement ..	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	2,43	2,45	— *2*	3,63	1,68	+ *1,95*	3,15	1,89	+ *1,26*	3,23	1,99	+ *1,24*
4. Transportation	5,43	5,03	+ *40*	6,23	3,68	+ 2,55	5,55	3,34	+ *2,21*	6,21	4,10	+ *2,11*
5. Insurance	27	2,48	— *2,21*	35	77	— *42*	34	1,15	— *81*	38	54	— *16*
6. Investment Income	2,26	28,47	*—26,21*	3,12	31,66	*—28,54*	1,30	30,04	*—28,74*	79	29,25	*—28,46*
7. Government, not included elsewhere ..	2,27	1,83	+ *44*	3,43	1,11	+ *2,32*	72	1,47	— *75*	3,32	1,06	+ *2,26*
8. Miscellaneous	2,58	5,34	— *2,76*	3,88	5,90	— *2,02*	2,95	4,70	— *1,75*	2,96	3,13	— *17*
9. Transfer Payments												
(*i*) Official	16,37	—	*+16,37*	26,51	—	*+26,51*	32,30	—	*+32,30*	4,90	1	+ *4,89*
(*ii*) Private	24,44	59	*+23,85*	21,80	35	*+21,45*	33,33	30	*+33,03*	19,92	42	*+19,50*
10. **Total Current Transactions**	**126,58**	**200,32**	**—73,74**	**145,20**	**162,36**	**—17,16**	**163,45**	**143,48**	**+19,97**	**138,01**	**137,51**	+ **50**

* Exports f.o.b., Imports c.i.f.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	32,52	32,54	— *2*	40,22	39,75	+ *47*	44,62	37,31	+ *731*	54,19	37,11	+*17,08*
(*b*) Government	—	40,78	—*40,78*	38	41,84	—*41,46*	1	56,64	—56,63	14	43,54	—*43,40*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	74	1,12	— *38*	1,04	88	+ *16*	1,03	72	+ *31*	89	1,25	— *36*
4. Transportation	1,60	3,94	— *2,34*	2,02	3,80	— *1,78*	2,57	4,34	— *1,77*	2,58	2,72	— *14*
5. Insurance	31	6	+ *25*	34	17	+ *17*	44	16	+ *28*	40	12	+ *28*
6. Investment Income	1,13	6,85	— *5,72*	2,11	12,20	—*10,09*	3,74	5,20	— *1,46*	98	12,46	—*11,48*
7. Government, not included elsewhere ..	20	1,05	— *85*	1,23	90	+ *33*	68	75	— 7	93	82	+ *11*
8. Miscellaneous	2,41	3,45	— *1,04*	2,20	4,05	— *1,85*	1,69	5,79	— *4,10*	2,27	3,08	— *81*
9. Transfer Payments												
(*i*) Official	35	—	+ *35*	3,11	—	+ *3,11*	35	—	+ *35*	11	—	+ *11*
(*ii*) Private	4,56	56	+ *4,00*	6,47	39	+ *6,08*	4,90	33	+ *4,57*	2,98	31	+ *2,67*
10. Total Current Transactions	**43,82**	**90,35**	**—46,53**	**59,12**	**103,98**	**—44,86**	**60,03**	**111,24**	**—51,21**	**65,47**	**101,41**	**—35,94**

* Exports f.o.b., Imports c.i.f.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	157,27	83,24	*+74,03*	192,31	77,50	*+114,81*	197,70	70,66	*+127,04*	197,82	69,04	*+128,78*
(*b*) Government	—	112,83	*—112,83*	26	116,57	*—116,31*	8	107,52	*—107,44*	5	78,26	*—78,21*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	56	49	+ *7*	59	66	— *7*	68	2,21	— *1,53*	69	41	+ *28*
4. Transportation	12,18	4,53	+ *7,65*	11,62	5,41	+ *6,21*	12,80	3,44	+ *9,36*	12,21	3,50	+ *8,71*
5. Insurance	1,22	13	+ *1,09*	1,43	8	+ *1,35*	1,49	22	+ *1,27*	1,48	33	+ *1,15*
6. Investment Income	79	9,24	— *8,45*	83	91	— *8*	1,32	19,74	*—18,42*	75	18	+ *57*
7. Government, not included elsewhere ..	2,11	1,60	+ *51*	2,91	1,75	+ *1,16*	2,84	1,54	+ *1,30*	4,17	1,60	+ *2,57*
8. Miscellaneous	40	4,77	— *4,37*	2,14	3,25	— *1,11*	2,24	5,04	— *2,80*	1,89	3,99	— *2,10*
9. Transfer Payments												
(*i*) Official	—	—	—	—	—	—	—	—	—	—	—	—
(*ii*) Private	1,24	49	+ *75*	70	38	+ *32*	71	29	+ *42*	67	70	— *3*
10. **Total Current Transactions**	**175,77**	**217,32**	**—41,55**	**212,79**	**206,51**	**+ 6,28**	**219,86**	**210,66**	**+ 9,20**	**219,73**	**158,01**	**+61,72**

* Exports f.o.b., Imports c.i.f.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, JULY 1971—JUNE 1972 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In lakhs of rupees)

Item	July-September 1971			October-December 1971			January-March 1972			April-June 1972		
	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	17	9,46	*—9,29*	2	5,89	*—5,87*	—	10,68	*—10,68*	2,04	8,47	*—6,43*
7. Government, not included elsewhere	31	—	*+31*	42	—	*+42*	24	—	*+24*	54	—	*+54*
8. Miscellaneous	3	2	*+1*	12	8	*+4*	8	1	*+7*	2	—	*+2*
9. Transfer Payments												
(*i*) Official	2,18	1,12	*+1,06*	8	96	*—88*	1	3,13	*—3,12*	—	3	*—3*
(*ii*) Private	3	—	*+3*	—	—	—	—	—	—	—	—	—
10. **Total Current Transactions**	**2,72**	**10,60**	**—7,88**	**64**	**6,93**	**—6,29**	**33**	**13,82**	**—13,49**	**2,60**	**8,50**	**—5,90**

STATEMENT 106—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£
1973 ..	260,40	44,83†@*	**305,23†@*$**	*5·6*	69,96	*1·3*	371,46	*6·8*	1,756,93	*32·4*	2,848,12	*52·5*	43,41	*0·8*	19,08	*0·4*	10,25	*0·2*	**5,424,44**	165,74£

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, Rs. 2,42 lakhs and Rs.2,56 lakhs respectively for the years 1970, 1971, 1972 and 1973.

@ Including World Food & Agriculture Organisation Commemorative Ten Rupee Coins amounting to Rs. 30 lakhs, Rs. 36 lakhs and Rs. 37 lakhs respectively for the years 1971, 1972 and 1973.

$ Does not include one rupee notes/coins worth Rs. 9,72,000 held in the Banking Department.

* Including Independence Day Silver Jubilee Commemorative Ten Rupee coins amounting to Rs. 1,03 lakhs for the year 1973.

STATEMENT 107—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**
1971-72*	+11,12	+ 8,65	— 1,46	— 1,55	— 17	—	—	—	+2,96,66	+ 78,78	+2,64,85	+1,45,70	+1,99,93	+73,49	+29,30	+ 8,46	+**11,13,76**
1972-73*	— 4,48	— 1,63	— 1,10	— 65	— 6	—	—	—	+3,21,05	+6,41,89	+ 14,29	+4,88,79	+2,06,27	+14,23	+40,89	+ 7,64	+**17,27,13**

(*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.

* Provisional.

STATEMENT 108—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	1971-72*	1972-73*
	1	2	3	4	5	6
I. Quaternary Silver						
Half Rupee	— 10	—	— 1	—	—	—
Quarter Rupee	— 23	—	—	—	—	—
Total	**— 33**	**—**	**— 1**	**—**	**—**	**—**
II. Pure Nickel						
Half Rupee	+ 18	+ 35	— 19	+ 26	+ 11	— 4
Quarter Rupee	+ 2	+ 19	— 17	+ 23	+ 9	— 2
Fifty Paise/Naye Paise	+ 71	+ 1,83	+ 2,72	+ 2,06	+ 2,97	+ 3,21
Twenty-five Paise/Naye Paise	+ 2,85	+ 1,82	+ 67	+ 39	+ 79	+ 6,42
Total	**+ 3,76**	**+ 4,18**	**+ 3,03**	**+ 2,94**	**+ 3,96**	**+ 9,57**
III. Cupro-Nickel/Aluminium Bronze						
Quarter Rupee	— 2	—	—	—	—	—
Twenty Paise			+ 1,64	+ 3,40	+ 2,65	+ 14
Ten Paise/Naye Paise	+ 1,89	+ 1,67	+ 1,40	+ 59	+ 1,46	+ 4,89
Total	**+ 1,87**	**+ 1,67**	**+ 3,04**	**+ 3,99**	**+ 4,11**	**+ 5,03**
IV. Cupro-Nickel/Nickel Brass						
Two Anna	— 3,41	— 5	— 3	— 2	— 1	— 1
One Anna	— 1,00	— 11	— 3	— 3	— 2	— 1
Half Anna	— 47	— 2	—	—	—	—
Total	**— 4,88**	**— 18**	**— 6**	**— 5**	**— 3**	**— 2**
V. Cupro-Nickel/Aluminium Magnesium						
Five Paise/Naye Paise	+ 1,18	+1,00	+ 1,55	+ 2,28	+ 2,00	+ 2,06
Three Paise		+ 57	+ 34	+ 62	+ 73	+ 14
Two Paise/Naye Paise	+ 69	+ 49	+ 39	+ 30	+ 29	+ 41
Total	**+ 1,86**	**+ 2,06**	**+ 2,28**	**+ 3,20**	**+ 3,03**	**+ 2,61**
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	+ 8	+ 8
VIII. Total Small Coins (*a*)	**+ 2,88**	**+8,06**	**+ 8,55**	**+10,19**	**+11,14**	**+17,27**

(*a*) Including negligible amounts of standard silver small coins returned from circulation.

* Provisional.

STATEMENT 109—LOST, DESTROYED AND MUTILATED NOTES, 1972-73

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	—	—	—	—	—
3. Mutilated notes :					
(*i*) Registered (Denominations above Rs. 100)	45	56	72,000	78,000	78,000
(*ii*) Unregistered (Denominations of Re 1 to Rs. 100)	1,94,079	53,01,043	2,65,78,765	2,36,34,319	2,45,09,462
Of which Government of India one rupee notes		28,38,685	28,38,685	24,91,963	25,95,488

@Includes amount approved/paid during the year in respect of claims received/approved in previous years.

STATEMENT 110—NOTE FORGERIES (*a*)

Year	Re. 1 (Government of India notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 20	Rs. 100	Rs. 1000	Total	
								Number	Value (Rs.)
	1	2	3	4	5	6	7	8	9
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**
1972-73 ..	49	167	209	699	3	255	—	**1,382**	**33,978**

(*a*) Relates to notes received during the year.

(*b*) Includes one forged note of Rs. 50 received at Kanpur.

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 ,,	,,
Silver Coins		**DECIMAL**
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 ,,	,,
Independence Day Silver Jubilee Commemorative Ten Rupee	22·50 ,,	50 per cent Silver, 40 per cent Copper, 5 per cent Nickel and 5 per cent Zinc
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
Independence Day Silver Jubilee Commemorative Fifty Paise	5·00 ,,	,,
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 per cent 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 1973

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
,,	,,	,,
39 Millimetres	Milled with serrations numbering 180	,,
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
,,	Milled and security edged with serrations numbering 205	,,
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
,,	,,	,,

STATEMENT 112—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**
1972-73	1,00††	1,00††	**2,00††**	—	—	—	13,52**	2,94	10,90**	**27,36****

@ 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.
**Including Independence Day Silver Jubilee 50 Paise Coins.
£ Relate to Mahatma Gandhi Centenary Ten Rupee Coins.
$ Relate to World Food and Agriculture Organisation Commemorative Ten Rupee Coins.
†† Relate to Independence Day Silver Jubilee Coins.
§ Including World Food and Agriculture Organisation Commemorative 20 Paise Coins.

STATEMENT 113—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1972-73

(Figures in thousands)

Denomination	Bombay		Hyderabad		Alipore		Total	
	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)
	1	2	3	4	5	6	7	8
50 Paise@	80,100	400,50	—	—	61,516	307,58	**1,41,616**	**708,08**
25 Paise	1,86,328	465,82	78,020	195,05	1,22,936	307,34	**3,87,284**	**968,21**
20 Paise	—	—	—	—	—	—	—	—
10 Paise	3,83,460	383,46	3,810	3,81	3,73,540	373,54	**7,60,810**	**760,81**
5 Paise	2,00,000	100,00	1,21,520	60,76	1,60,780	80,39	**4,82,300**	**241,15**
3 Paise	—	—	—	—	1,900	57	**1,900**	**57**
2 Paise	—	—	1,56,900	31,38	1,04,350	20,87	**2,61,250**	**52,25**
1 Paisa	19,500	1,95	29,600	2,96	—	—	**49,100**	**4,91**
Total	**8,69,388**	**1,351,73**	**3,89,850**	**293,96**	**8,25,022**	**1,090,29**	**20,84,260**	**2,735,98**

@ Including Independence Day Silver Jubilee Coins.

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