FOREWORD

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

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

Mumbai
April 1, 2009

(Rakesh Mohan)
Deputy Governor
Reserve Bank of India

REPORT

ON

CURRENCY AND FINANCE

FOR THE YEAR 1973-74



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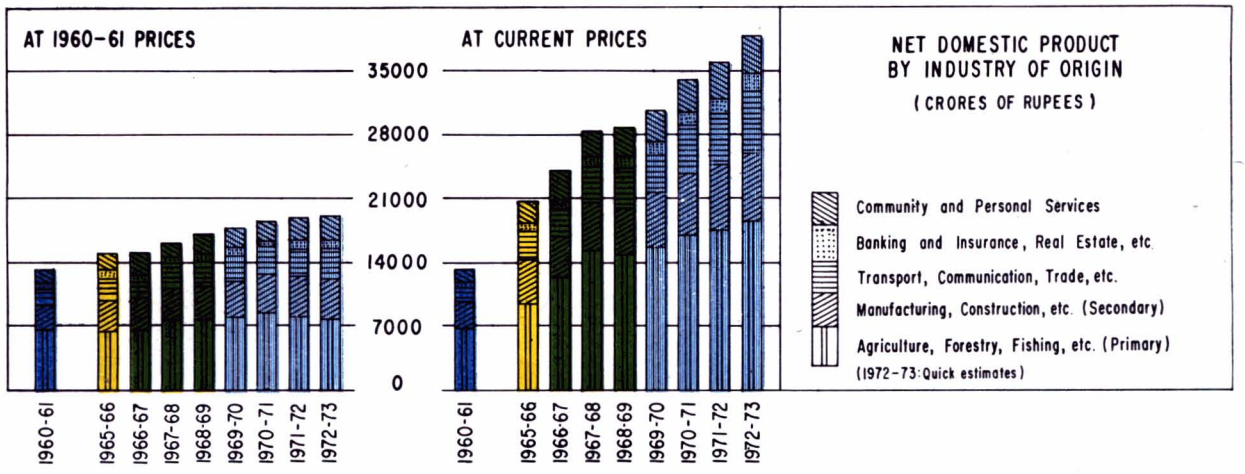
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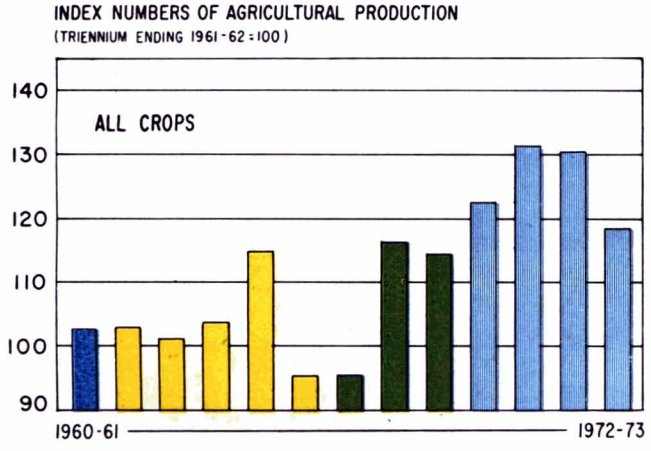
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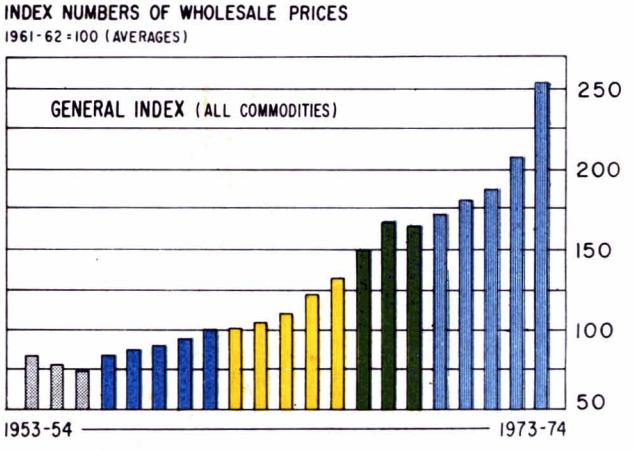
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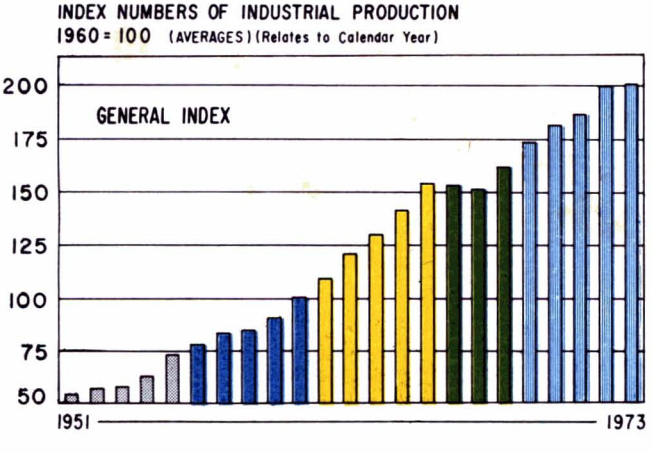
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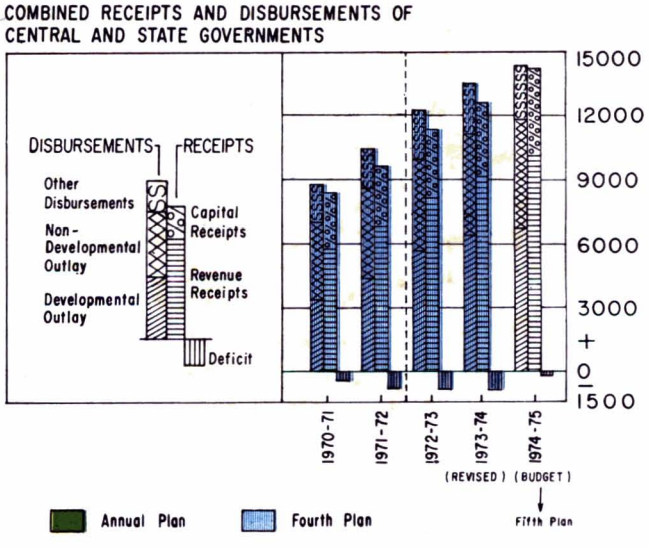
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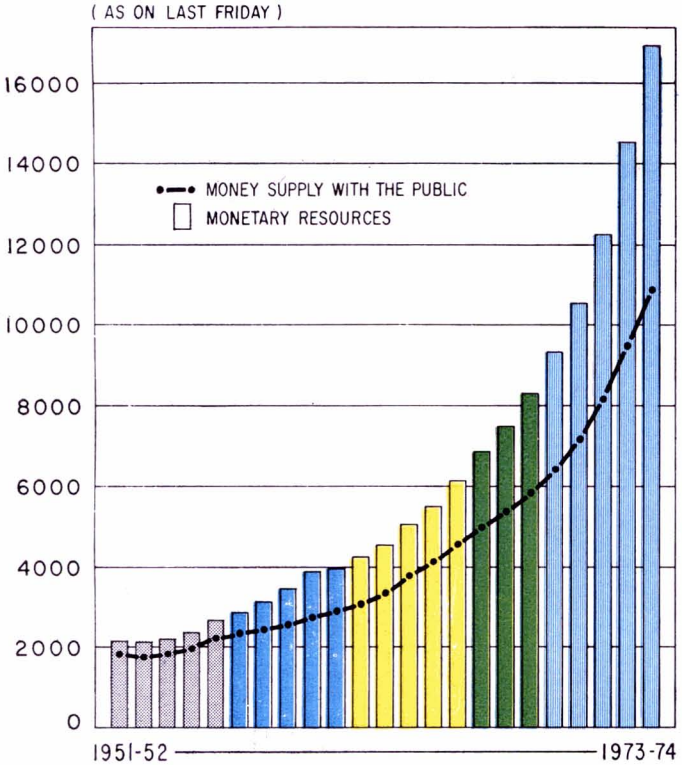


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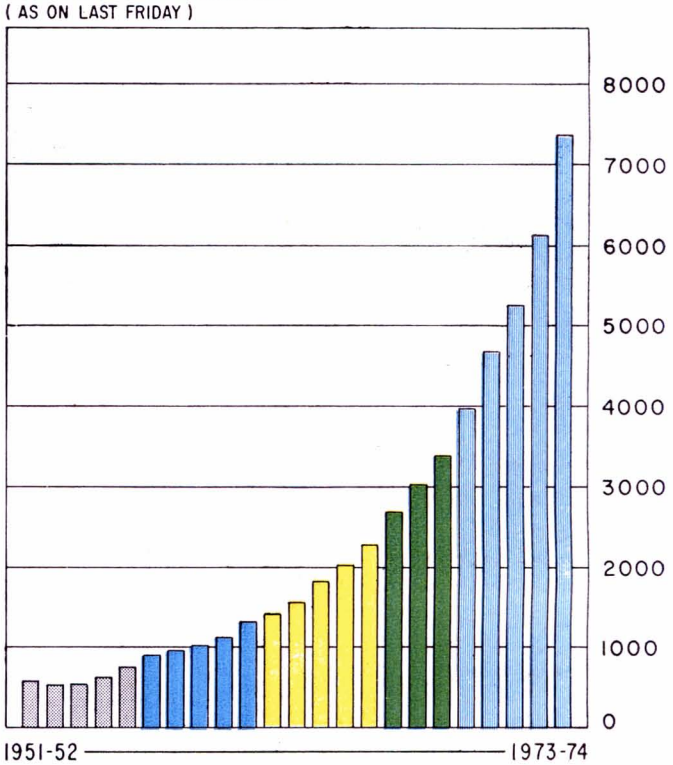
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(AS ON LAST FRIDAY)



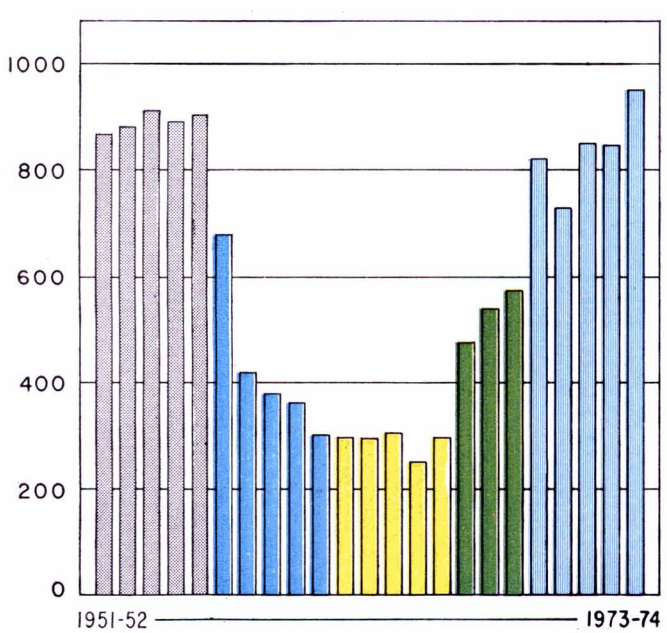
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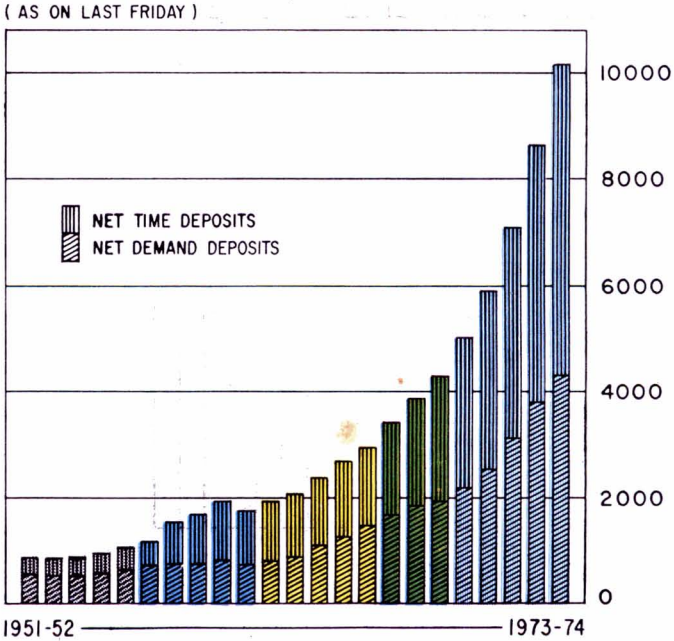
FOREIGN EXCHANGE RESERVES

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AGGREGATE DEPOSITS

(SCHEDULED COMMERCIAL BANKS)
(AS ON LAST FRIDAY)



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

CHAPTER I : INTRODUCTION

The developments reviewed in this Report cover the year July 1973 to June 1974. These twelve months were a period of severe inflationary pressures, with the wholesale price index registering an increase of 28 per cent. Coming on top of a rise of about 22 per cent in the previous year (July-June) this price increase which was both large and widespread, was particularly disturbing. Furthermore, it occurred in the context of an improvement in domestic output and a decline in monetary growth rates. The pressure on prices was evidence basically of the continuing inadequacy of domestic production, relative to aggregate demand. The effect of this shortfall was, however, enlarged by distributional breakdowns, cost-push factors, international trends and an inflationary psychosis. The climate was such as to encourage the holding of commodity stocks and current consumption at the cost of savings as also agitation for increases in wage compensation. The continuance of inflation had also generated the fear that perhaps Government was not able fully to cope with the situation for political or administrative reasons.

In recent months, however, the situation has changed significantly both in India and abroad. Though prices have continued to remain generally high, there has been a break in expectations, and fears of a demand recession are now being voiced. A number of firm steps taken by the Government and the Reserve Bank have had the effect of checking the spiralling of costs and prices. Concurrently, the emergence of consumer resistance to higher prices in several domestic markets and declines in international prices have led to a revision of price-expectations. In the event, despite a somewhat disappointing *Kharif* crop, agricultural commodity prices have eased in several markets. In respect of industrial products, there has been some unintended accumulation of stocks and some downward adjustment in prices. Because these developments are recent the data presented in some of the later chapters may not fully reflect the conditions that prevail in the economy presently. The purpose of these paragraphs is not to supplement the details of each subsequent chapter, but to delineate broadly the features of the existing situation, wherein fears of a recession co-exist with fears of continuing inflation.

It is necessary to emphasize that the recent changes have been more in price expectations than in actual prices, particularly, at the retail level. The official index of wholesale prices at 319.8 on October 26, 1974 was 24.9 per cent higher than a year ago. Likewise, the indices for the food articles group, industrial raw materials and manufactures were, on the same date, 24.5 per cent, 5.9 per cent and 23.9 per cent higher than the corresponding levels on October 27, 1973. Such decline as has so far occurred in prices (by 3.1 per cent from 330.2 on September 28 to 319.8 on October 26, 1974) has, in other words, only meant a slight retreat from the peaks reached earlier in the year. And even these reductions have not yet been fully passed on to the consumer. Given the relatively poor performance of the agricultural sector in the current *Kharif* season, and the continuing bottlenecks in power and transport, the principal characteristic of the economy thus remains inflationary.

There has, however, been some slackening of demand for industrial goods mainly as a consequence of reductions in public expenditure(1) especially during the last twelve months. With a view to keeping deficit financing under strict control, Government have introduced economies in expenditure to the tune of Rs. 200 crores in Plan and non-Plan items, mainly the former. Government outlay on the construction of buildings was drastically reduced. Government have also sought to impound additional pay and allowances for a year and half the increase in the dearness allowance for two years; dividends on company shares have been limited to 12 per cent or one-third of the profits after tax whichever is lower.

(1) The reference here is to aggregate public expenditure covering both—consumption and an investment outlays. Public investment has, however, declined in real terms in the last two years.

At the same time, in order to finance the increased cost of core sector projects and the increases in food subsidy, pay and allowances, supplementary measures for raising additional resources have been adopted. Likewise, there has been a supplementary Railway Budget revising fares and freights. The Reserve Bank on its part raised the Bank rate from 7 per cent to 9 per cent in July 1974 and the minimum lending rate to be charged by commercial banks was stepped up from 11 per cent to 12.5 per cent. Simultaneously, interest rates on various categories of commercial bank deposits were enhanced. All of these measures would have the effect of restraining the growth in money expenditures in 1974-75 and 1975-76. Simultaneously, steps have been taken to import 4 to 5 million tonnes of foodgrains, to mitigate the shortages in supply and procurement.

On the monetary side, Government have effected a sizeable reduction in their dependence on the banking system. As a result, net bank credit to Government during the first seven months of the current fiscal year (March 29 to October 25, 1974) works out to only Rs. 782 crores against Rs. 969 crores in the comparable period last year. More importantly, the Reserve Bank credit to Government (at Rs. 412 crores) is about half of what it was last year (Rs. 797 crores). Gross bank credit to the commercial sector has also been kept under control, with the increase being Rs. 316 crores as compared with Rs. 488 crores in the corresponding period of 1973-74.(2) In consequence, money supply has grown nominally by Rs. 206 crores or by just 1.9 per cent during the same period as against Rs. 516 crores or 5.5 per cent in the comparable period last year.

Against this background, the fears in the business community of an impending recession arise essentially from difficulties experienced in certain specific markets. Conditions of stagnant or declining demand have been evident in the case of capital and intermediate goods such as iron and steel, construction materials, machinery and transport equipment. Among consumer goods, much the most concern has been expressed by the cotton textile industry, and by industries producing durable consumer goods. The adjustment so far has been in the form of accumulation of stocks of finished goods, and of trade dues rather than any significant cut-back in production or prices. While this may have added to financial stringency at the level of individual units, the reductions in individual demands have not cumulated in such a way to constitute a spiral of falling demands and falling incomes.

As brought out in the last year's Report, the problem of price inflation is also to be attributed, in a wider context, to the longer-term factors of low investment and low production particularly in the public sector. Besides creating supply shortages in certain basic industries and in infrastructural facilities such as transport and irrigation and power, the low level of public investment has meant under-utilisation of capacity in some of the basic and capital goods industries in the private sector. This implies that both inflation and recession have apparently to be combated through a proper modulation of investment expenditure in the economy. While a better organisational set up and more cordial labour relations may improve the utilization ratio in certain areas, these measures can obviously constitute only a part of the solution. The older steel plants, for instance, need fresh investment for rehabilitation and renovation. In the majority of engineering industries, utilization levels would improve only if their user industries have higher production and investment. Thus, for instance, fuller capacity utilisation in railway equipment industries will necessarily have to depend upon the stepping up of the Railway investment. Likewise, the capacity utilization of steel pipes and tubes is dependent on expansion of Plan outlays on urban development and water supply. In other words, when the problem under-utilization of capacity is examined in depth, it will be seen to be due either to lack of adequate flexibility in the product-mix of the industry concerned or to lack of investment in user industries. Over a period of years, therefore, the problem has to be tackled both through an increase in aggregate investment and through shifts in the product-mix of industries, particularly engineering industries.

As in 1966-67, recessionary expectations in the economy thus seem to be the consequence

(2) For the tradional slack season (i.e., from April 26 to October 25) gross bank credit to the commercial sector increased by only Rs. 59 crores as against an increase of Rs. 523 crores in the slack season of 1973.

of two inter-related factors: the steep rise in commodity prices and the decline in investment outlays. While the price increase has reduced the real value of current money incomes, the latter has meant a slowing down in the generation of new employment and new money incomes. Industries like cotton textiles are experiencing slack demand conditions as a consequence of the increased outlays needed by consumers for purchase of the more urgently needed food articles, and consequent resistance to the high level of other prices. Likewise, the Railway finances have been strained considerably as a result of cost escalations; this in turn has reduced the resources available for their investment expenditure from Rs. 352 crores in 1972-73 to Rs. 324 crores in 1973-74. Though the budget for 1974-75 has placed such expenditure at Rs. 368 crores, it is doubtful if this can be achieved without a substantial increase in revenues. Similarly, because of the limited scope for cutting down non-plan expenditure without retrenchment of staff and abolition of subsidies, the total public sector Plan outlay at Rs. 3,960 crores for 1973-74 was slightly lower than that in 1972-73 (Rs. 3,973 crores); in real terms it was smaller by as much as 14 per cent. Though the Plan outlay of Rs. 4,844 crores for 1974-75 was to have been about 25 per cent higher than that in 1973-74, some cut has already been effected in it in pursuance of the Government's anti-inflationary policy. The price of investment goods having gone up by another 26 per cent in the first half of 1974-75 (April-September 1974), it is unlikely that real investment in the current year will show any increase. Judging from the available data on sources of finance, it appears that private sector investment during 1974-75 would probably be smaller than that in 1973-74.

The slackness in real investment in the economy is thus a concomitant of high prices, especially of wage-goods. Hence any policy of reviving industrial investment and generating additional employment in the country has to be linked to an abatement of both actual and anticipated price increases. In other words, any policy-induced increase in expenditure has to be predicated on the stipulation that it will contribute to larger output and *not* to higher prices. Under prevalent conditions, this stipulation rules out the adoption of a generalized monetary reflation through relaxation of credit or incurring of large budget deficits. Stimulation of investment has, instead, to be in terms of controlled additions to outlay in specific cases, particularly in such priority areas as agriculture, fuel and power, fertilizers and public transport.

In formulating domestic policies for stimulating investment in this manner, it is necessary to keep in view the need to raise additional *real* resources. It has already been mentioned that Government has taken measures to curb non-developmental activities and thus generate additional savings in the public sector. To the extent that current measures against tax evasion, smuggling and other illegal transactions bring about any increase in Government revenues or a fall in commodity prices, Government resources in real terms would be enhanced.

There is also scope for raising resources from public undertakings through improved operational efficiency and capacity utilization, both in the Central and State Government sectors. There is as in respect of the Railway finances, scope for re-examining the burdens of subsidy and reducing them wherever possible. Further, potential resources from the agricultural sector remain to be fully tapped. There is thus the possibility of supporting additional investment with additional mobilization of resources.

In shaping domestic policy, due note has to be taken of the fact that there has been a considerable slowing down of the rate of growth in output in a number of countries that take in or that constitute markets for Indian exports. These recessionary trends might not, on current assessment, last much beyond 1975, considering the awareness shown by the developed countries to resist any major increase in unemployment. Some of the developed countries, such as U.S.A., have already adopted measures to reflate their economies selectively and arrest the recessionary trends.

Since India's foreign trade constitutes a relatively smaller proportion of gross national expenditure than is the case with the European countries or Japan, the effect of these world

trends on the Indian economy should also be less severe. Even so, it is clear that a fall in world income will, sooner or later, adversely affect our exports and thereby our capacity to import essential items such as food, fertilizers and oil the prices of which have increased considerably. However, since the prices of some of the industrial raw materials such as non-ferrous metals and fibres are experiencing a downtrend in the world markets, our import bill should benefit somewhat. Import payments in respect of machinery and equipment and steel could also be marginally smaller, because of reduced prices or reduced quantity. Trade with countries in Eastern Europe is unlikely to be affected by the recessionary conditions of the Western economies.

A mild form of recession is also not likely to affect adversely the expected flow of aid from both multilateral and bilateral sources. However, even if the imports of crude oil and petroleum products are limited to current levels, some special arrangements for financing them will be required. Provided such special arrangements can be worked out for oil imports, aid and export receipts should make it possible for other imports to be maintained at more or less existing levels for the immediate future.

In other words, when considered in a wider setting, the current economic problems seem to be mainly those of overcoming the challenges thrown up by internal developments. The response to these challenges has to be principally in internal policies. While concerted action will be necessary to step up exports as much as possible, the major thrust of policy has clearly to be in the direction of raising real resources for a step up in domestic investment and production.

CHAPTER II : NATIONAL INCOME, SAVING AND INVESTMENT

1. Trends in National Income

Estimates of national income prepared by the Central Statistical Organisation (CSO) are available upto 1972-73(1). National income (at 1960-61 prices) increased by 5.3 per cent in 1969-70, by 4.2 per cent in 1970-71 and by 1.7 per cent in 1971-72; according to the "quick" estimates made by the CSO, there was a nominal increase of 0.4 per cent in 1972-73(2). No official estimates of national income are available for 1973-74. However, in the Economic Survey 1973-74, published by the Ministry of Finance, Government of India in February 1974, the rate of growth of national income at 1960-61 prices is estimated at around 6 per cent in 1973-74. Recently, the Department of Statistics, Reserve Bank of India has attempted a tentative estimate of national income growth in 1973-74. This gives a growth rate of only 4 per cent.(3) Depending on the growth rate taken for 1973-74, the rate of growth of national income in real terms for the Fourth Plan period may be in the range of 3.1 to 3.5 per cent as compared to the targeted rate of growth of 5.7 per cent per annum.

The fall in the rate of growth of national income in 1972-73 was mainly due to a substantial decline in agricultural production. Income originating from agricultural sector fell by 6.7 per cent in 1972-73 as compared to a fall of 1.9 per cent in 1971-72, but manufacturing, construction, electricity, gas and water supply registered increases in the rate of growth. Income from manufacturing (registered) sector in 1972-73 grew at a slightly higher rate of 4.4 per cent as against 3.8 per cent in the previous year. There was also a substantial increase in the rate of growth of income from construction from 1.8 per cent in 1971-72 to 9.2 per cent in 1972-73. Even such impressive increases in 'other' sectors failed to outweigh the fall in the agricultural sector, due to the larger weightage of agricultural sector in total national income. On the other hand, during 1973-74, the contribution of the industrial sector to the growth of income would have been negligible. The growth of income during 1973-74 is attributed to the substantial increase in agricultural production.

2. Aggregate Domestic Saving

Separate data in the progress of aggregate consumption are not available. However, provisional estimates indicate that the rate of growth in money incomes had been much higher in 1972-73 and 1973-74 than that in total domestic saving reflecting a rise during these years in the proportion of consumption—both public and private. The ratio of saving to income declined in these two years as compared to the previous two years 1970-72; in those years saving-income ratio had risen, the rate of growth in saving being higher than that in money incomes.

In absolute terms total domestic saving in the economy at current prices is estimated to have increased by Rs. 666 crores or 15.4 per cent in 1973-74 as compared to an increase of Rs. 253 crores or 6.2 per cent in the previous year. Even so, the increase in domestic saving is not commensurate with the estimated increase in money incomes (27.5 per cent) partly due to a rise in real income, but mainly because of a sharp spurt in commodity prices. As a result, domestic saving as a proportion of Net National Product (NNP) at current prices would have declined from 11.0 per cent in 1972-73 to 10.0 per cent in 1973-74.

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(1) All references in this chapter relate to financial year (April-March) unless stated otherwise.

(2) According to the brochure published by the CSO on 'Estimates of National Product, Saving and Capital Formation, 1960-61 to 1971-72', November 1973; the estimates of national income for 1970-71, 1971-72 and 1972-73 are not strictly comparable with the estimates for the earlier years due to methodological changes in the estimates of 'construction' and use of revised data for other services.

(3) Vide, Estimates of National Product, Saving and Capital Formation, Reserve Bank of India Bulletin, July 1974.

Table II.1. : Estimates of Domestic Saving at Current Prices
(Provisional)

(Rupees Crores)

Sector	Financial Year (April-March)					
	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
1. Public Sector	584	682	747	724	749	859
(a) Per cent of total domestic saving	24.1	25.7	21.6	17.7	17.3	17.2
(b) Per cent of NNP at current prices	**2.0**	**2.2**	**2.2**	**2.0**	**1.9**	**1.7**
2. Domestic Private Corporate Sector (including Co-operatives)	62	121	210	191	143	164
(a) Per cent of total domestic saving	2.6	4.6	6.1	4.7	3.3	3.3
(b) Per cent of NNP at current prices	**0.2**	**0.4**	**0.6**	**0.5**	**0.3**	**0.3**
3. Household Sector	1778	1854	2496	3166	3442	3977
(a) Per cent of total domestic saving	73.3	69.7	72.3	77.6	79.4	79.5
(b) Per cent of NNP at current prices	**6.2**	**5.9**	**7.3**	**8.9**	**8.8**	**8.0**
4. Total Domestic Saving (1+2+3)	2424	2657	3453	4081	4334	5000
Per cent of NNP at current prices	**8.4**	**8.5**	**10.1**	**11.4**	**11.0**	**10.0@**

@ See footnote to Table II.5.

For the purpose of estimating saving, the economy is divided into (a) *public sector,* comprising Central and State Governments, local authorities, departmental undertakings, non-departmental undertakings, Reserve Bank and so on, (b) *domestic corporate sector* including co-operatives, (c) *household sector,* comprising individuals, non-government non-corporate enterprises in agriculture, trade and industry, non-profit making organisations like trusts, charitable and religious institutions, etc. and (d) *foreign sector* (Table II.1).

In the following sections, saving estimates-sector-wise—are discussed.

(i) Saving of Household Sector

Household sector accounts for nearly four-fifths of total estimated domestic saving.

Household Sector's Saving

Household sector's saving (net) consists of its saving in the form of (a) financial assets and (b) physical assets minus (c) its financial liabilities. This saving is estimated to have increased by 16 per cent in 1973-74 as compared to 9 per cent in 1972-73. The average saving-income ratio of the household sector has declined from 8.8 per cent in 1972-73 to 8.0 per cent in 1973-74 (Table II.2).

Table II. 2. : Saving of the Household Sector at Current Prices
(Provisional)

(Rupees Crores)

Item	Financial Year (April-March)					
	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
1. Financial Assets	1321	1471	1915	2503	3130	3459
	(4.6)	(4.7)	(5.6)	(7.0)	(8.0)	(7.0)
2. Physical Assets	1000	1100	1200	1270	1300	1640
	(3.5)	(3.5)	(3.5)	(3.6)	(3.3)	(3.3)
3. Financial Liabilities	543	717	619	607	988	1122
	(1.9)	(2.3)	(1.8)	(1.7)	(2.5)	(2.3)
4. Total Saving (excluding Financial Liabilities, i.e., 1+2—3)	**1778**	**1854**	**2496**	**3166**	**3442**	**3977**
	(6.2)	(5.9)	(7.3)	(8.9)	(8.8)	(8.0)

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

Financial Assets

Household sector's saving in the form of financial assets (gross) is estimated to have declined from 8.0 per cent of NNP at current prices in 1972-73 to 7.0 per cent in 1973-74. Part of this decline is merely a reflection of the large increase in the NNP at current prices. In addition, it is probable that due to the unprecedented rise in prices particularly of essential commodities the ability to save of the household sector in the form of financial assets was to some extent eroded (Table II.3).

Table II.3. : Composition of Saving in the form of Financial Assets at Current Prices
(Provisional)

(Rupees Crores)

Item	Financial Year (April-March)					
	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
Total Financial Assets (1 to 6)	**1321**	**1471**	**1915**	**2503**	**3130**	**3459**
Per cent of NNP at current prices	4.6	4.7	5.6	7.0	8.0	7.0
1. Currency	271	336	344	417	590	829
(a) Per cent of total financial assets	20.5	22.8	18.0	16.7	18.8	24.0
(b) Per cent of NNP at current prices	0.9	1.1	1.0	1.2	1.5	1.7
2. Deposits	510	596	854	1165	1477	1415
(a) Per cent of total financial assets	38.6	40.5	44.6	46.4	47.2	40.9
(b) Per cent of NNP at current prices	1.8	1.9	2.5	3.2	3.8	2.8
3. Insurance	184	189	220	251	303	334
(a) Per cent of total financial assets	13.9	12.9	11.5	10.1	9.7	9.7
(b) Per cent of NNP at current prices	0.6	0.6	0.6	0.7	0.8	0.7
4. Provident Funds	273	358	416	459	505	593
(a) Per cent of total financial assets	20.7	24.4	21.7	18.4	16.1	17.1
(b) Per cent of NNP at current prices	1.0	1.1	1.2	1.3	1.3	1.2
5. Claims on Government	57	—28	59	104	144	158
(a) Per cent of total financial assets	4.3	—1.9	3.1	4.2	4.6	4.6
(b) Per cent of NNP at current prices	0.2	—0.1	0.2	0.3	0.3	0.3
6. Corporate and Co-operative shares and debentures including units of Unit Trust of India	26	20	22	107	111	130
(a) Per cent of total financial assets	2.0	1.3	1.1	4.2	3.6	3.7
(b) Per cent of NNP at current prices	0.1	0.1	0.1	0.3	0.3	0.3

Currency and Deposits

Among the various components of the household sector's saving in financial assets, currency and deposits have been predominant. During 1973-74, while there was a substantial increase in the currency component, saving in the form of deposits declined. Deposits kept with commercial banks constitute the largest component of saving in deposits. The rate of growth of commercial banks deposits has decelerated in 1973-74. The rate of growth of aggregate deposits of scheduled commercial banks has declined from about 22 per cent in 1972-73 to

about 17 per cent in 1973-74. While the share of currency in gross financial assets has increased from 19 per cent in 1972-73 to 24 per cent in 1973-74, that of deposits has declined from 47 per cent to 41 per cent. Even so, currency and deposits together accounted for about 65 per cent of the estimated households gross financial assets in 1973-74. Deposits no doubt continue to be the preferred asset of the household sector. However, the decline in share of deposits in 1973-74 compared to the increasing trend in this behalf in earlier years reflects a degree of substitution among available assets.

Insurance

The other two important media of saving of the household sector are life insurance premia and provident fund contributions. Household sector's saving in the form of insurance consists besides life insurance, State insurance and postal insurance. However, life insurance accounts for bulk of the saving in this category. Saving through life insurance is measured by the changes in life fund of the Life Insurance Corporation. The growth of life fund is largely dependent upon the increase in new business (ordinary) in India. New business consists of Ordinary and Group Business. New business (ordinary) is estimated to have increased by 11.5 per cent in 1973-74 as against 15.2 per cent in the previous year. On the other hand, Group Business increased by 98 per cent in 1973-74 and by 156 per cent in 1972-73 but both over a low base. Besides, the Group Business is largely on profit-sharing basis and hence, accrual to the life fund from this source of business is insignificant. On the basis of available data, it is broadly estimated that the rate of growth of life fund in 1973-74 would be about the same as in the previous year. The share of saving in the form of insurance in the total financial assets of the household sector has remained at the previous year's level of 9.7 per cent.

Provident Funds

Provident Funds comprise (a) Employees' Provident Fund, (b) State (Centre and State) Provident Funds and (c) 'Other' Provident Funds. More than half of the total saving in these forms is accounted by the Employees' Provident Fund Scheme. On the basis of past trends EPF is estimated to grow at a rate of 15 per cent during 1973-74. Among the State Provident Funds, while those of the Centre showed a nominal increase in 1973-74 (revised estimates), provident funds of State Governments have shown a sharp increase—mainly because the arrears payable to the government servants on account of increase in dearness allowance were credited to their respective provident fund accounts. Available data indicate that the rate of growth of 'other' provident funds in 1973-74 would be around the same as in the previous year. The share of saving through these funds in the gross financial assets of the household sector has slightly increased in 1973-74.

Claims on Government

The 'Claims on Government' include small saving collections from individuals, investment or disinvestment in Government securities and refund of annuity deposits, compulsory deposits and prize bonds. Total net collections of small savings have marginally declined in 1973-74. Such collections have declined from Rs. 373 crores in 1972-73 to Rs. 350 crores in 1973-74. From total collections institutional investments in small savings are deducted to determine the share of household sector.

Other Financial Assets

Other financial assets of the household sector include shares and debentures of corporate and co-operative sectors and the units of the Unit Trust of India (UTI). In this category, saving in the form of shares of co-operative institutions constitutes the main element; such saving is estimated to have increased in 1973-74. Available data do not indicate any appreciable improvement in the assets of corporate institutions held by the household sector. However, units (net of repurchases) sold by the UTI showed a marked improvement in 1973-74 (July-June); they have increased from Rs. 20 crores in 1972-73 to about Rs. 27 crores in 1973-74.

Saving in Physical Assets

It is not possible to make estimates of saving in the form of physical assets[4] with a degree of precision. This is so because the relevant data with which the estimates could be attempted are not available for recent years. Hence, the estimates indicated here are imprecise as they are based on certain broad assumptions. Therefore, they are subject to a larger margin of error than the estimates of financial saving.

Financial Liabilities of the Household Sector

Household sector[5] borrows from commercial banks, co-operative institutions, Life Insurance Corporation, Central and State Governments and corporate sector. These constitute their financial liabilities. Gross financial saving of the household sector is larger than its financial liabilities—as a result it becomes a net lender to other sectors in the economy.

(ii) Saving of Domestic Private Corporate Sector

Saving of domestic private corporate sector (including co-operative institutions) accounts for a relatively small proportion of the total domestic saving (Table II.1).

The estimates of saving for the non-government non-financial corporate sector are based on full data upto 1971-72[6]. For subsequent years, estimates are based on partial data. Available data in respect of medium and large public limited companies show a decline in retained profits in 1972-73 over the previous year. A preliminary and quick examination of data presented in the annual reports and accounts of some large public limited companies showed that the retained profits in 1973-74 might have been broadly maintained at the previous year's level.

To such estimates of retained profits, changes in tax provision (net of advance of income tax) are added to get the saving of the non-Government non-financial corporate sector. The procedure followed to derive the estimates of taxation provision (net of advance of income tax) is similar to the estimation of retained profits.

Published data for estimating saving of the co-operative sector are available upto 1971-72[7]. For subsequent years, the estimates of saving of the co-operative sector are based on past trends.

(iii) Saving of the Public Sector

Total saving of the public sector is estimated to have increased in 1973-74 as compared to that in 1972-73 (Table II.1). Bulk (80 per cent) of the public sector saving is accounted by the revenue budgets of Central and State Governments, their departmental undertakings and local authorities. The contribution of non-departmental undertakings (both financial and non-financial) has shown considerable improvement during the period 1971-72 to 1973-74 (Table II.4).

Saving of the Central Government (administration and departmental undertakings) is as prepared by the Ministry of Finance, Government of India and published in the Economic and Functional Classification of the Central Government Budget. The saving of State Governments is estimated on the basis of their budgetary data. The estimates of saving of local authorities are based on studies of finances of sample local authorities upto 1968-69[8] and on past trends for subsequent years.

(4) Physical assets for the purpose of estimation of saving comprise (*i*) fixed investment by the household sector in (*a*) agriculture, (*b*) construction (rural and urban) and (*c*) business (rural non-farm and urban) and (*ii*) inventories held by it.

(5) As stated earlier, the household sector is a residual sector comprising individuals, non-government non-corporate enterprises in agriculture, trade and industry, non-profit making organisations like trusts, charitable and religious institutions, etc.

(6) Vide, *Finances of Medium and Large Public Limited Companies, 1971-72*, Reserve Bank of India Bulletin, January 1974 and *Finances of Medium and Large Private Limited Companies, 1971-72*, Reserve Bank of India Bulletin, April 1974.

(7) Vide, *Statistical Tables relating to the Co-operative Movement in India* Part I (Credit Societies) Part II (Non-Credit Societies), 1971-72, Reserve Bank of India.

(8) Vide, *Finances of Local Authorities, 1967-68 and 1968-69*, Reserve Bank of India Bulletin, March 1974.

Table II.4 : Public Sector Saving at Current Prices
(Provisional) (Rupees Crores)

Item	Financial Year (April-March)					
	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
1. Central Government (including Departmental Undertakings)	222	327	312	178	308	351
2. State Governments and Local Authorities ..	375	338	389	476	297	335
3. Non-departmental Financial and Non-financial Undertakings	—13	17	46	70	144	173
Total (1+2+3)	**584**	**682**	**747**	**724**	**749**	**859**

Saving of Central Government

Of the two components of Central Government's saving, saving of Government administration is estimated to have almost doubled from Rs. 221 crores in 1972-73 to Rs. 402 crores in 1973-74 As a percentage of revenue receipts, the saving of the Central Government has increased from 5.1 per cent in 1972-73 to an estimated 8.3 per cent in 1973-74. Saving of departmental commercial undertakings, as estimated by the Ministry of Finance, comprises depreciation provision plus the retained profits *minus* expenditure on renewals and replacements. These undertakings incurred a loss of Rs. 42 crores in 1973-74 as against a profit of Rs. 84 crores in the previous year. Taking depreciation net of expenditure on replacement into account, these undertakings made a dis-saving of Rs. 51 crores in 1973-74 as compared to a saving of Rs. 87 crores in the previous year.

Saving of Non-departmental Undertakings

The retained profits(9) of the Reserve Bank of India constitute the major component of the saving of non-departmental financial and non-financial undertakings. Such profits have increased from Rs. 100 crores in 1972-73 to Rs. 115 crores in 1973-74(10). The non-departmental industrial and commercial undertakings of the Central Government have, for the first time, made a net aggregate profit of Rs. 18 crores in 1972-73 as against a net loss of Rs. 19 crores in the previous year. Of the 101 such undertakings in operation, while 67 enterprises earned a net profit of Rs. 105 crores, 34 enterprises incurred a loss of Rs. 87 crores. On the other hand, out of a total of 92 running concerns in 1971-72, 55 undertakings earned a net profit of Rs. 99 crores, while 37 others sustained a net loss of Rs. 118 crores. The encouraging performance by these enterprises in 1972-73 is largely attributable to the improvement in capacity utilisation and materials management. The provisional operating results reported by these undertakings indicate a further improvement in 1973-74. On the basis of reported improvement in operational efficiency and pricing adjustments in the case of steel, crude oil, etc., the net profit of non-departmental Central Government undertakings during 1973-74 is estimated to be higher than in the previous year.

Due to non-availability of data regarding State Governments' Undertakings no estimates are made of their saving.

3. Aggregate Investment in the Economy

Estimates of aggregate investment in the economy are derived by adding the net inflow of foreign resources(11) to the estimates of domestic saving.

(9) These *include* net accretions to various funds, viz., National Agricultural Credit (Long Term Operations) Fund, the National Agricultural Credit (Stabilisation) Fund and the National Industrial Credit (Long Term Operations) Fund; but *exclude* the surplus of profit that is payable by the Reserve Bank of India to the Central Government.

(10) The accounting year of the Reserve Bank is July-June; retained profits for a given accounting year are taken to relate to the same fiscal year.

(11) Net inflow of foreign resources is different from Net Aid. The former indicates total net draft on foreign saving and comprises net current account deficit on balance of payments excluding net official transfer payments, retained earnings of foreign controlled rupee companies, non-cash inflow and net transactions on account of branches other than oil companies. The latter indicates the amount of foreign aid adjusted for debt servicing charges including both interest and amortisation payments.

A major indicator of the net inflow of external resources is the size of current account deficit on balance of payments (excluding net official transfer payments). It is not possible to estimate as yet with a measure of precision the net inflow of external resources during 1973-74 as relevant and complete data in respect of current account deficit are not available. However, partial information available in this behalf indicates that the net inflow in 1973-74 might have been somewhat higher than that in the previous year.

Thus, the estimated domestic saving and net inflow of external resources would indicate that domestic investment in 1973-74 (as per cent of national income) would have been lower (10.8 per cent) than that of 1972-73 (11.8 per cent)—the rate of growth in investment being slower than that in national income.

The share of domestic saving in total investment is estimated to have increased from about 89 per cent in 1971-72 to 93 per cent in 1973-74. Correspondingly, the share of foreign resources in total investment is estimated to have declined from 11 per cent in 1971-72 to 7 per cent in 1973-74 (Table II.5).

Table II. 5 : Estimates of Domestic Saving and Investment : Per cent of Net National Product at Current Prices
(Provisional)

Item	Financial Year (April-March)					
	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74@
1	2	3	4	5	6	7
1. Domestic Saving (net)	8.4	8.5	10.1	11.4	11.0	10.0
2. Inflow of Foreign Resources (net)	1.3	0.8	1.2	1.5	0.8	0.8
3. Aggregate Investment (net) (1+2)	9.7	9.3	11.3	12.9	11.8	10.8

@ These ratios are different from those published in the Bank's Annual Report and Trend and Progress of Banking in India : 1973-74 due to subsequent revisions in the saving of private corporate sector and inflow of foreign resources.

Sectoral Investment

Due to insufficient information regarding sectoral flow of resources, at present it is not possible to give a detailed sectoral breakdown of the aggregate investment. However, available partial information relating to investment activities in some key sectors is discussed below.

Investment in the public sector

Public sector investment serves as a catalytic agent and stimulates investment in the private sector. Of the estimated aggregate investment (10.8 per cent of NNP in 1973-74), in the Indian economy, capital formation through the budget of Central Government accounted for 5.5 per cent of NNP—roughly half of the total. However, as compared to 1972-73 when it formed 6.7 per cent of NNP at current prices there occurred a decline in 1973-74 (Table II.6).

Capital formation through the budget of Central Government consists of direct investment as well as financial assistance for investment. Gross direct fixed capital formation has risen by Rs. 84 crores in 1973-74 over the previous year. Net capital formation (i.e. excluding expenditure on renewals and replacements) is estimated to have been about Rs. 71 crores higher in 1973-74 than that in 1972-73. The Central Government budget, besides spending on direct capital formation, also provides for financial assistance for capital formation to States, Union Territories, non-departmental commercial undertakings, local authorities and others. Such financial assistance has increased marginally from Rs. 1950 crores in 1972-73 to Rs. 1966 crores in 1973-74. Even then, the share of financial assistance for capital formation to States, non-departmental commercial undertakings, etc. in total capital formation through Central Government bud-

Table II.6 : Capital Formation Through Central Government Budget at Current Prices
(Provisional)

(Rupees Crores)

Item	Financial Year (April-March)				
	1969-70	1970-71	1971-72	1972-73	1973-74 (R.E.)
1	2	3	4	5	6
1. Gross direct fixed capital formation	430	485	566	665	749
2. Variation in inventories	—37	34	31	12	19
(*a*) Works stores	—27	8	55	59	—13
(*b*) Stocks of foodgrains and fertilizers ..	—10	26	—24	—47	32
3. Net capital formation (i.e. gross direct fixed capital formation *minus* expenditure on renewals and replacements *plus* increase in inventories)	318	428	506	538	609
4. Financial assistance for capital formation ..	1219	1285	1564	1950	1966
(*a*) To States, Union Territories	692	740	885	1062	1212
(*b*) To non-departmental commercial undertakings	444	448	545	731	633
(*i*) Financial concerns	42	70	63	139	111
(*ii*) Others	402	378	482	592	522
(*c*) Other parties*	83	97	134	157	121
5. Investment in Central Government's non-departmental industrial and commercial undertakings	526	660	659	751	NA
(*a*) Gross fixed assets	422	370	415	713	NA
(*b*) Variation in inventories	104	290	244	38	NA

*Comprising assistance to local authorities and others. N.A. = Not Available. R.E. = Revised Estimates.
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, 1971-72 and 1972-73.

get has declined from 75 per cent in 1972-73 to 72 per cent in 1973-74. While the financial assistance for capital formation given to State Governments and Union Territories has increased in absolute terms in 1973-74, there occurred a fall in such assistance to non-departmental commercial undertakings and others.

Gross capital formation in non-departmental industrial and commercial undertakings is financed by their own internal resources, assistance from the Government, borrowings from banks and other institutions. Capital formation by non-departmental industrial and commercial undertakings which remained stable around Rs. 660 crores in 1970-71 and 1971-72 has risen by Rs. 92 crores in 1972-73. While there was sharp increase in the gross fixed capital formation of such undertakings in 1972-73, there was a small increase in inventories held by these undertakings. The relatively small increase in inventories in 1973-74 is attributed to the considerable stress laid on the adoption and implementation of the improved techniques for materials management. No firm data are available to estimate gross capital formation in these undertakings in 1973-74. However, as already indicated their net profits are estimated to have increased by a small margin; flow of bank credit to the undertakings is also estimated to have increas-

ed. On the other hand, the Central Government's financial assistance for capital formation to such undertakings which is the major source of funds—financing over four-fifths of their capital formation—has declined in 1973-74. Taking all these factors into account, it seems unlikely that their investments would have shown any appreciable improvement in 1973-74.

Investment by Private Corporate Sector

Regarding private corporate sector, it is not possible to ascertain precisely the magnitude of investment. However, it is possible to arrive at a broad idea about the trend of investment on the basis of identifiable sources of funds flowing into this sector through financial intermediaries and of its internal resources generated.

Data regarding capital raised (including debentures) are consolidated by the Controller of Capital Issues and are available on a calendar year basis. These are adjusted for intra-sectoral flows. Private Corporate Sector's share in total bank credit is derived on the basis of past trends. Net borrowings (after adjusting for repayments) from the Government (both Central and States) are derived from budgets.

The method of estimating depreciation provision, bank deposits and cash is similar to that followed for estimating retained profits [See Section 2(ii)]. Table II.7 gives broad estimates of identifiable sources and uses (cash assets, fixed capital formation and inventories) of funds of private non-financial corporate sector.

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	1973-74		1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7	8	9	10	11	12
1. Capital raised (including debentures)	96	89	87	132	113	1. Bank deposits and cash ..	25	28	26	14	80
Less : Intra-sector flows (estimated) ..	19	18	17	26	23						
	77	**71**	**70**	**106**	**90**						
2. Retained profits ..	142	168	158	145	145	2. Gross fixed assets and inventories ..	934	978	1022	1160	1262
3. Borrowings ..	391	387	424	498	638						
4. Depreciation provision ..	349	380	396	425	469						
	959	**1006**	**1048**	**1174**	**1342**		**959**	**1006**	**1048**	**1174**	**1342**

Note : Borrowings under item 3 include borrowings from commercial banks, Government (both Central and States), households and term-financing institutions.

On this basis, the amount of gross capital formation in the private non-financial corporate sector appears to have increased from Rs. 1160 crores in 1972-73 to Rs. 1262 crores in 1973-74. These figures broadly represent the investment trends in the sector rather than precise magnitude of investment.

CHAPTER III : OUTPUT AND PRICE TRENDS

Agricultural Output

Although foodgrains production during 1973-74 was estimated to be sizeably higher than in the last year, the food supply situation in the country in relation to demand remained critical and consequently the pressure on foodgrains prices continued unabated. Likewise, although the production of important commercial crops recorded increase—and in some cases the increase was significant—the prices of most commercial crops such as cotton, oilseeds, tea and others continued to be under severe pressure.

Foodgrains

Trends in Output

During 1973-74, foodgrains production is expected to be around 107.5 million tonnes(1) as against the original target of 115 million tonnes and the final estimates of 95.2 million tonnes and 105.2 million tonnes in 1972-73 and 1971-72, respectively. While production of *kharif* foodgrains is estimated to have reached the targeted level of 67.2 million tonnes, that of *rabi* foodgrains at 40.3 million tonnes would be below the target by 7.5 million tonnes. Crop-wise, the production of rice is estimated to have recorded a sizeable increase from 39 million tonnes in 1972-73 to 45 million tonnes in 1973-74. Wheat output at 24 million tonnes would, on the other hand, be marginally lower than even the production in 1972-73 (24.9 million tonnes). Output of coarse grains and pulses, which suffered setbacks in the previous two seasons, would record increases during the year.

Overall Availability

The per capita availability(2) during 1972-73 dropped sharply to 422.7 grams per day as compared with 465.6 grams in 1971-72 and 469.0 grams in 1970-71. Consequently, the marketing year 1973-74 (October-September) opened with a foodgrains stocks with Government of 2.3 million tonnes —the lowest for many years (Table III.1). Even so, because of an improvement in domestic production and somewhat larger imports, the overall availability during the period is estimated to have risen to 98.8 million tonnes or 462.4 grams per capita availability per day. In this estimate, imports are assumed to be of the order of 7.0 million tonnes. Actual imports till end-June 1974 aggregated 4.0 million tonnes.

The release of foodgrains for public distribution averaged about 8.6 lakh tonnes per month during the period October 1973—May 1974 as against 9.4 lakh tonnes during the corresponding period of 1972-73. Assuming that public distribution is maintained at 9.0 lakh tonnes a month from June 1974 onwards, as Government hopes to do, foodgrains stocks would be around 5.0 million tonnes by the end of September 1974, 2.7 million tonnes more than the end-September 1973 level.

The public procurement during the 1973-74 *kharif* marketing season till end-June 1974 aggregated 3.8 million tonnes of rice and 0.4 million tonnes of coarse grains as against 1.8 million tonnes and 0.2 million tonnes respectively, in the corresponding period last year. The quantities procured were, however, much below the respective targets of 5.0 million tonnes and 1.7 million tonnes. Though the *kharif* procurement was higher than in the previous year, it was not commensurate with the rise in output or with the requirements of public distribution. The procurement of wheat during the 1974-75 *rabi* marketing season under the new wheat policy, described below, has been more unsatisfactory. Till end-June 1974, only about 1.5 million tonnes were procured by way of levy on traders and direct purchases

(1) According to Final Estimates since released by the Ministry of Agriculture, foodgrains production during 1973-74 aggregated to 103·6 million tonnes as compared with the partially revised estimate of production of 97.0 million tonnes during 1972-73. Output of rice and wheat during 1973-74 are estimated at 43.8 million tonnes and 22.1 million tonnes, respectively.

(2) There is a slight departure in the presentation of food availability data from the regular Government Reports. 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 is being made in them. Hence, the data presented in Table III.1 on food availability and the discussions thereon in this paragraph are done on October-September basis.

Tabe 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	.. 105.2	92.0	1.2	—2.3	95.5	465.6	418.4	47.2	8.7	10.7	5.4
1972-73	.. 95.2	83.3	2.1	—3.1	88.5	422.7	383.1	39.6	7.8	11.8 (7.5)(*d*)	2.3
1973-74	.. 107.5(*b*)	94.1	7.0(*c*)	+2.7	98.8	462.4	416.5	45.9	6.2(*c*)	10.5(*c*) (6.9)(*d*)	5.0(*c*)

(*a*) For agricultural year July-June.
(*b*) Provisional.
(*c*) Estimated.
(*d*) Figures in brackets represent the public distribution for October-May period.

Notes : (1) Net availability = Net production + imports + change in Government stocks.
(2) Net output is defined as 87.5 per cent of gross production, the balance being provided for feed, seed and wastage.
(3) (—) means data not available on October-September basis.

Sources : (1) Economic Survey, 1973-74. (2) Estimates of Area and Agricultural Production of Principal Crops in India, Ministry of Agriculture, Government of India.

against 4.2 million tonnes in the corresponding period of 1973-74. The tardy progress in the procurement of wheat was due to the late harvesting in Punjab and Haryana, large scale damage to crop in States like Uttar Pradesh, Madhya Pradesh and Rajasthan, holding back of stocks by big producers and transactions outside the regulated markets (*mandis*) by producers and the traders to evade levy (Table III.2).

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	4017	233	284	315	4849
1970-71	2112	3045	5157	294	287	425	6163
1971-72	2020	2856	4876	247	209	335	5667
1972-73	1911	2102	4013	261	206	259	4739
October-March							
1972-73	1330	414	1744	162	152	172	2230
1973-74	1529	304	1833	155	103	182	2273

Sources : Bulletin on Food Statistics and Fortnightly Highlights, Ministry of Agriculture, Government of India.

Procurement Systems

As regards the policy of procurement for 1973-74 *kharif* cereals, the States were given option to choose any one of the four methods. These were (i) monopoly purchase-cum-compulsory procurement, (ii) graded levy on producers, (iii) levy on millers and dealers and (iv) open market purchases. Assam, Maharashtra and Orissa opted for the system of monopoly purchase of paddy/rice. The system of levy on producers of paddy was continued in Andhra Pradesh, Bihar, Gujarat, Kerala, Karnataka and West Bengal, while the system of levy on millers/dealers of rice was continued in Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Punjab, Uttar Pradesh and West Bengal. In Orissa also, a fixed annual levy was imposed from November 1973, on licensed small millers who were not purchasing for or not acting as supplying agents of the State Government under the monopoly purchase scheme. In Tamil Nadu, the system of procurement of paddy/rice by means of a levy on the stocks purchased by dealers and on the stocks moved out of surplus areas, was continued. From June 11, 1974, however, the State Government abolished the levy procurement of paddy/rice and lifted the ban on their movement from the rice surplus Thanjavur district.

The Union Government decided to lift all restrictions on the movement of coarse grains with effect from March 6, 1974 thus treating the entire country as a single zone for the purpose. In respect of *kharif* coarse cereals, the system of levy on dealers in Andhra Pradesh was discontinued in August 1973. In Maharashtra, monopoly purchase-cum-compulsory procurement of jowar and *nagli* was continued till April 2, 1974 when the State Government removed the ban on sales, purchases and movement of these grains; procurement through graded levy was, however, continued. Levy on producers/dealers of one or the other coarse cereals was continued in Madhya Pradesh, Karnataka, Punjab and Uttar Pradesh; levy on coarse cereals was also introduced in Rajasthan and Gujarat.

In the case of wheat, there was a major change in the procurement policy for 1974-75. Under the new wheat policy for the 1974-75 *rabi* marketing season (April-March), the policy of Government monopoly in wholesale trade adopted in April 1973 has been given up and both private wholesalers and co-operative societies have been permitted to operate under a system of licensing and control. The procurement by public agencies has been continued. The private wholesalers as well as co-operatives have been allowed to make purchases of wheat in the surplus States of Haryana, Punjab, Uttar Pradesh, Madhya Pradesh and Rajasthan. After giving 50 per cent of their purchases as levy to the Government at a fixed price of Rs. 105 per quintal, they have been allowed to sell levy-free wheat within as well as outside the State on the basis of export permits. In other States, the respective State Governments were expected to make wheat purchases under a system of graded levy on producers. No levy is to be collected from dealers but they are not allowed to move wheat outside the State. Farmers were allowed to make direct sales to consumers after meeting levy obligation to Government. Later on, even the wheat flour mills were allowed to enter the market for direct purchases in order to meet their own requirements, after giving the necessary levy to Government. Eventhough no target was fixed for collection of levy wheat, it was expected that about 5 million tonnes of wheat would be delivered to the Government by the traders at a fixed price of Rs. 105 per quintal.

As the open market prices of wheat continued to rise, the Union Government under the Essential Commodities Act, 1955, imposed on June 6, 1974, a statutory price ceiling of Rs. 150 per quintal for inter-State trading in free sale wheat by wholesale dealers in Punjab, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Chandigarh—all surplus areas. The statutory price was exclusive of incidental charges such as bagging, local taxes, octroi and transport costs. Consequently, addition of such charges would make the price differ from State to State. For sales within a State, separate action was to be taken by State Governments to fix maximum wholesale and retail prices.

With a view to maximising the procurement of wheat, a number of State Governments, especially those of Punjab, Haryana, Uttar Pradesh, Rajasthan and Gujarat issued orders

fixing limits on the stocks of foodgrains to be held by farmers, wholesalers and retailers.

Support, Procurement and Issue Prices

In view of the increase in cultivation costs and the need to provide incentives to the farmers, the minimum support prices for *kharif* cereals for the 1973-74 season were fixed substantially higher than the operative procurement prices for 1972-73 season. For the first time support price was fixed for *Kodon* and *Kutki*, the small millets grown in tribal areas. In respect of wheat, Government announced, before the commencement of sowing operations, minimum support price for 1974-75 marketing season (April-March) for the first time since 1968-69.

Procurement prices for *kharif* cereals for the 1973-74 season were 20 to 31 per cent higher than those for the preceding season (Table III.3). Likewise, following an announcement of the new wheat policy for the 1974-75 marketing season, the procurement price for wheat was fixed at Rs. 105 per quintal for traders as well as farmers which was about 38 per cent higher than in the previous year.

Table III.3 : Minimum Support, Procurement and Issue Prices

(Rupees per Quintal)

Commodity	1971-72			1972-73			1973-74		
	Minimum Support Price	Procurement Price	Issue Price	Minimum Support Price	Procurement Price	Issue Price	Minimum Support Price	Procurement Price	Issue Price @@
1	2	3	4	5	6	7	8	9	10
Paddy Rice (Standard Variety)	46.00	47.00–58.00 74.30–99.00	128.00	Same as Procurement Price	49.00–58.00 83.00–95.25	100.00–150.00	63.00	70.00 98.00–119.00	125.00–160.00
Wheat*		76.00	78.00		76.00	78.00–84.00	85.00£	105.00	125.00
Jowar Bajra Maize Ragi	45.00	55.00	@		58.00 60.00 58.00 57.00	65.00	63.00 65.00 63.00 62.00	70.00 72.00 70.00 70 00	80.00
Small Millets (*Kodon* and *Kutki*)	—	—	—		50.00	52.00	55.00£	60.00	66.00

£ Support price was fixed for the first time for 1973-74 season.
@ There were no issue prices of coarse grains during 1971-72.
* *Rabi* Marketing Seasons (April-March) 1972-73 onwards.
@@ The issue prices prevalent during the year are as follows:

		Till November 1, 1973	After November 1, 1973
I. Rice	(i) Coarse	100	125
	(ii) Medium	111	140
	(iii) Fine	120	150
	(iv) Superfine	128	160
II. Coarse grains	(i) Jowar (ii) Bajra (iii) Maize	65	80
	(iv) Ragi	60	80
	(v) Small Millets	52	60

III. Wheat: While the issue price of superior variety of wheat was raised from Rs. 78 per quintal to Rs. 84 on May 29, 1973 and again to Rs. 96 on November 8, 1973, that of standard wheat variety was raised from Rs. 79 to Rs. 90 on November 8, 1973. On April 1, 1974, issue prices of all varieties were raised to Rs. 125 per quintal.

Source : Department of Food, Ministry of Agriculture, Government of India.

Consequent on the rise in the procurement prices of different cereals, the Government also raised the issue prices for all cereals released through the public distribution system (Table III.3).

Public Distribution

Total foodgrains distributed during 1973 aggregated 11.4 million tonnes as against 10.5 million tonnes during 1972. Releases through public distribution aggregated about 1 million tonnes per month during May-October 1973. In the subsequent two months the releases were less. During January-May 1974, they aggregated 4.4 million tonnes i.e., an average of 8.8 lakh tonnes per month. The Government, however, hopes to distribute 9 to 10 million tonnes of foodgrains in 1974, about one million less than in the preceding year. Statutory rationing of foodgrains continued to be in force in Calcutta and Asansol-Durgapur group of industrial towns in West Bengal and in the city of Bombay in Maharashtra. The number of fair price shops increased substantially from 1.6 lakhs at the end of 1972 to 2.1 lakhs as on February 18, 1974. The population covered under statutory rationing rose from 16.0 millions at the end of 1972 to 17.1 millions at the end of 1973.

Food Corporation of India (FCI)

The Food Corporation continued to be the major procuring agency for foodgrains during the year except in the case of wheat from April 1974, when under the new wheat policy, the traders, the co-operatives as well as the wheat flour mills were allowed to enter the markets. Consequently, the procurement of wheat by the FCI during 1973-74 (July-June) was much lower at 1.9 million tonnes than 4.2 million tonnes in 1972-73 (Table III.4).

Table III.4 : Operations of the Food Corporation of India

(July-June)

(Million Tonnes)

Year	Commodity	Domestic Procurement	Imports	Storage Capacity	
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
	Wheat	4.2	0.9	(CAP)£	0.9
	Coarse cereals	0.2	0.4	Hired	3.1*
	Total	**6.5**	**1.4**	**Total**	**8.9@**
1973-74	Rice	3.9	—		
	Wheat	1.9	3.6	Owned	5.2
	Coarse cereals	0.4	1.1	Hired	2.1*
	Total	**6.2**	**4.7**	**Total**	**7.3@**

* From Central and State Warehousing Corporations.
@ End-March.
£ Cover and on plinth.

Source : Food Corporation of India.

New Agricultural Strategy and Other Production Programmes

Progress made under each of the programmes initiated in 1966-67 is summarised in Table III.5.

High-Yielding Varieties Programme

The target of 25 million hectares envisaged in the Fourth Plan for coverage of area under the high-yielding varieties of cereals by 1973-74 is expected to be fully achieved. Crop-wise, the coverage is expected to be substantially higher than the target for wheat, around the envisaged level for bajra, slightly lower for rice and substantially lower for jowar and maize (Table III.6). Following the high incidence of rust disease in the wheat growing areas of Punjab, Haryana and Western Uttar Pradesh in 1972-73, cultivation of *Kalyan Sona* variety wheat was restricted and the cultivation of safer varieties like *Sonalika* was extended. Seeds of new varieties of rice were distributed to a large number of farmers under the mini-kit programme.

Table III.5 : Progress of New Agricultural Strategy

Programme	Unit	1969-70	1970-71	1971-72	1972-73	1973-74 (Likely achievements)	Targets for the end of Fourth Plan@
1	2	3	4	5	6	7	8
Gross Area Covered							
High Yielding Varieties	Million hectares	11.4	15.4	18.2	22.5	25.0	25.0
Multiple Cropping@@	,,	1.5	1.9	1.8	2.1	1.7	9.0
Plant Protection	,,	46.0	52.0	58.0	52.0	63.0	72.0
Soil Conservation@@	,,	1.2	1.3	1.4	2.0	1.4	7.0
Consumption of Fertilisers							
Nitrogenous (N)	Million tonnes (Nutrients)	2.0	2.2	2.7	2.7	3.9	3.8
Phosphatic (P_2O_5)	,,	1.4	1.5	1.8	1.8	2.5	2.5
Potassic (K_2O)	,,	0.4	0.5	0.6	0.6	0.9	0.8
	,,	0.2	0.2	0.3	0.3	0.5	0.5
Gross Area Irrigated							
Major & Medium (gross potential)	Million hectares	18.4	18.9	19.4	20.2	21.4	22.5
Major & Medium (gross utilisation)	,,	17.0	17.3	17.6	18.4	19.6	N.A.
Minor@@	,,	1.3	1.6	1.5	2.2	1.6 (8.2)@	7.2
Others							
Institutional investment on minor irrigation	Rs. Crores	122.5	131.0	130.0*	130.0*	130.0	N.A.
Public sector outlay on minor irrigation	,,	92.9	98.1	100.9*	111.1*	119.0	N.A.
Agricultural pumpsets energised	000 Nos.	1354	1629	1900	2180	2435	2650
Private tubewells installed	,,	371	483	599	719	820	N.A.
Indigenous production of tractors	,,	17.1	20.1	35.0	N.A.	N.A.	60.0

* Estimated @Cumulative total for the Fourth Plan. @@Additions during the year. N.A. = Not available.
Sources : Ministry of Agriculture, Government of India and Fertilisers Association of India.

Table III.6 : Crop-wise Coverage under H.Y.V.P.

(Million Hectares)

Commodity	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	
	Actuals					Targets	Likely Achievements
1	2	3	4	5	6	7	8
Wheat ..	4.8	4.9	6.5	7.9	10.2	7.7	10.8
Rice ..	2.6	4.3	5.6	7.4	8.6	10.1	9.5
Maize ..	0.4	0.4	0.5	0.4	0.5	1.2	0.6
Jowar ..	0.7	0.6	0.8	0.7	0.9	3.2	1.1
Bajra ..	0.7	1.2	2.1	1.8	2.3	2.8	3.0
TOTAL ..	**9.2**	**11.4**	**15.4**	**18.2**	**22.5**	**25.0**	**25.0**

Source : Ministry of Agriculture, Government of India.

Minor Irrigation

An additional area of 1.6 million hectares is estimated to have been covered by various minor irrigation schemes during 1973-74, bringing the total achievement to 8.2 million hectares during the Fourth Plan period as against the target of 7.2 million hectares including the area covered under Emergency Agricultural Production Programme (EAPP). The progress made in the sphere of groundwater development schemes was encouraging (Table III.7). The overall level of cropped area benefiting from minor irrigation is likely to be 23.5 million hectares at the end of 1973-74 as against 19.0 million hectares at the end of 1968-69.

Table III.7 : Progress under Groundwater Development Scheme

(Thousand Numbers)

Item	Achievements at the end of March				
	1965-66	1968-69	1971-72	1972-73	1973-74 (anticipated)
1	2	3	4	5	6
Dugwells	5,119	5,695	6,190	6,340	6,500
Electrical pumpsets	513	1,089	1,900	2,180	2,435
Private Tubewells	93	266	599	719	820
State Tubewells	12	15	17	18	20

Source : Ministry of Agriculture, Government of India.

Multiple Cropping

As against the target of 9 million hectares of additional area to be covered under the multiple cropping programme during the Fourth Five Year Plan, the actual coverage during the first four years (1969-70 to 1972-73) is estimated at 7.3 million hectares, leaving a balance of only 1.7 million hectares to be covered during 1973-74; this target is expected to be achieved.

Agricultural Inputs and Farm Machinery

Fertilisers

Consumption of chemical fertilisers at 11.7 lakh tonnes during the 1973-74 *kharif* season was higher by 10 per cent than that during the preceding year. The availability of chemical fertilisers during the *rabi* season was inadequate in relation to demand; this affected the prospects of *rabi* foodgrains production, especially wheat. The world oil crisis reduced substantially the availability of chemical fertilisers, besides raising their prices to an abnormally high level. Total consumption of fertilisers during 1973-74 is estimated at 3.9 million tonnes (Table III.8) as against the Fourth Five Year Plan target of 5.5 million tonnes.

To deal with fertiliser shortages, the Government took a number of measures to make the best possible use of available supplies. Coordinated supply plans covering both indigenous and imported fertilisers were worked out to ensure smooth supplies. Further, orders under the Essential Commodities Act, 1955 were promulgated making it obligatory on the part of domestic manufacturers to supply the quantities of fertilisers to the States as committed by them in Zonal Conferences. Transport and distribution arrangements for fertilisers were rationalised coupled with improvement in port handling facilities. Further progress was made in promotion of balanced and efficient use of fertilisers.

Table III.8 : Consumption of Fertilisers
(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	1,779	587	331	2,699
1973-74*	2,523	905	465	3,893
Fifth Plan Target	5,200	1,800	1,000	8,000

* Estimated consumption.

Source : Fertiliser Statistics, 1972-73.

The pool issue prices and retail prices of various fertilisers, which were raised on October 10, 1973, partly to compensate for increased cost of production, were further raised substantially on June 1, 1974.

In order to overcome the shortages of chemical fertilisers, greater emphasis has been given on the use of organic manures in conjunction with chemical fertilisers. As against the estimated production of 171.5 million tonnes during 1972-73, the production target for rural compost for 1973-74 is envisaged at 185.0 million tonnes. The coverage under green manuring estimated at 8.1 million hectares during 1972-73 was raised to 12.0 million hectares in 1973-74. Under the urban compost scheme, 4.4 million tonnes of urban compost were made available during 1972-73 and about 4.8 million tonnes are expected to be made available during 1973-74. Schemes for sewage/sullage utilisation, which provide irrigation water as well as plant nutrients and organic manure, were in progress and stress was laid on taking up more such schemes.

Quality Seeds

The National Seeds Corporation produced 1.2 lakh quintals of certified seeds in *kharif* 1973 and 4.3 lakh quintals (estimated) for 1973-74 rabi/summer compared with 66 thousand quintals and 2.3 lakh quintals for *kharif* and *rabi*, respectively, during the previous year. The Tarai Development Corporation also made further progress in the production and marketing of seeds. With a view to undertaking production and distribution of quality seeds of improved varieties, establishment of Seeds Corporations at the State level, in collaboration with the National Seeds Corporation, is under active consideration of the State Governments.

Plant Protection measures

During 1973-74, a gross area of 63 million hectares is envisaged under the Plant Protection measures as against an estimated area of 52 million hectares in 1972-73. An area of 7.8 lakh hectares would be covered with prophylactic plant protection measures under the Centrally sponsored scheme, both by aerial and ground spraying operations; nine surveillance stations are operating under the Scheme. Sixteen rice survey reports have been issued on the basis of data collected in Bihar, Uttar Pradesh, Madhya Pradesh, West Bengal, Punjab and Orissa. Two Plant Quarantine and Fumigation stations, in addition to 17 already operating, were set up on the Indo-Bangladesh border. Aerial spraying operations during the year till September 1973, covered an area of 6.2 lakh hectares against a target of 5 million hectares in both the public and private sectors.

Special Programmes for Weaker Sections in Rural Areas

During 1973-74, further progress was made in the sphere of increasing employment opportunities for weaker sections of the population like small farmers, marginal farmers, agricultural labourers and dry land cultivators. Special Programmes for the development of drought-prone areas and tribal areas were also continued.

SFDA and MFAL Projects

A sum of Rs. 8.0 crores was released during 1973-74 (July-June) to the Small Farmers Development Agencies (SFDA) covering 46 projects. During the same period an amount of Rs. 5.1 crores was released to the Marginal Farmers and Agricultural Labourers Agencies (MFAL) covering 41 projects. The SFDA agencies identified 27.7 lakhs small farmers and labourers since their inception upto end-June 1974. Of these, 15.4 lakhs have been brought under the co-operative fold. The MFAL agencies identified 12.9 lakhs marginal farmers and agricultural labourers since their inception upto end-June 1974. Of these participants, 5.0 lakhs were brought under the co-operative fold. Medium/long-term loans disbursed through co-operatives and commercial banks, since the inception of the agencies, aggregated Rs. 70.7 crores. In addition, short-term loans amounting to Rs. 27.1 crores and Rs. 2.5 crores were issued by co-operatives and commercial banks, respectively.

Upto June 1974, number of tubewells/dugwells constructed and pumpsets installed by both agencies aggregated about 1.22 lakhs and 37 thousand, respectively. Number of rural artisan trained totalled 9,150 while number of labourers employed under rural works was 2.62 lakhs.

Table III.9 illustrates the progress made during 1973-74 under the two sets of projects.

Drought-Prone Areas Programme

The drought-prone areas programme initiated in mid 1970-71 in 54 chronically drought affected areas in 13 States made further progress during 1973-74. However, because of budgetary constraints in 1973-74, works other than on irrigation

Table III.9 : SFDA and MFAL Programmes

Item	Progress Under			
	SFDA		MFAL	
	Upto end-June 1973	Upto end-June 1974	Upto end-June 1973	Upto end-June 1974
1	2	3	4	5
1. Number of Projects	46	46	41	41
2. Number of farmers and labourers identified (in lakhs)	26.1	27.7	11.2	12.9
Of which brought under membership of Co-operative fold (in lakhs)	12.0	15.4	3.9	5.0
3. Finance released (sir ce inception) to the agencies (Rs. crores)	20.9	28.9	14.5	19.6
Of which actual utilisation (Rs. crores)	16.9	28.0	10.6	17.2
4. Production loans (short-term) issued (Rs. lakhs)				
(*i*) By co-operatives during the year (July-June)	2,283.8	2,457.7	324.4	254.1
(*ii*) Advances by commercial banks (April-March)	123.4	207.7	36.0	44.6
5. Investment loans issued (Rs. lakhs)				
(*i*) By co-operatives	3,372.8	4,888.2	597.3	978.1
(*ii*) Advances by commercial banks	303.0	665.6	233.3	534.8
(*iii*) Total	3,675.9	5,553.9	830.6	1,512.9
6. Physical Results				
(*i*) Number of tubewells/dugwells constructed	79,074	1,04,904	10,914	17,348
(*ii*) Number of pumpsets installed	19,085	30,779	4,335	6,449
(*iii*) Units set up				
(*a*) Milch Cattle	27,879	46,318	16,794	35,717
(*b*) Poultry	3,633	5,109	2,780	3,606
(*iv*) Rural artisans trained@	2,674	5,512	1,968	3,638
(*v*) Labourers employed under Rural Works@	58,448	76,141	98,297	1,86,040

@Represent beneficiaries under respective schemes.

Source : Ministry of Agriculture, Government of India.

schemes, were stopped. Consequently, total outlays for this programme upto end-March 1974 are estimated at around Rs. 85 crores against an initially indicative allocation of Rs. 100 crores. The impact of this outlay on the development of agriculture has been quite satisfactory. So far an area of 1.3 lakh hectares has been provided with additional irrigation facilities in Haryana, Uttar Pradesh, Karnataka, Tamil Nadu and Rajasthan. A resource inventory of the available surface and underground water resources is being prepared. Under the soil and moisture conservation programme, 4.4 lakh hectares, mostly in the catchment areas of Karnataka and Maharashtra, have been covered. Further, a total area of about 63 thousand hectares was covered under aforestation and pasture development. So far, the programme has generated a total employment of over 130 million man-days. An allocation of more than Rs. 300 crores will be available for this programme in the Centre and State sectors in the Fifth Plan. Besides, the development of irrigation resources, soil and moisture conservation and aforestation measures, the programme will cover popularisation of dry-farming technology and development of animal husbandry linked with dairying.

Tribal Development Projects

The six pilot projects for tribal development sanctioned in the last quarter of 1971-72 in Andhra Pradesh, Madhya Pradesh, Bihar and Orissa which were to end in 1973-74 are to be continued during the first three years of the Fifth Plan. These projects have so far identified 1.2 lakh tribal participants of which about 69 thousand have benefited. About 22,672 hectares of land have been brought under cultivation of various crops including hybrid varieties. A number of coconut saplings, grafts of fruit plants and pineapple suckers have been distributed. About 1,255 hectares of land have been reclaimed/developed and given for the settlement of landless tribal families. Reclamation/development of an additional area of 1,417 hectares is under progress. Under minor irrigation programmes, 279 wells have already been constructed and work on 700 wells including big diametre irrigation wells has been taken up. Seven irrigation tanks are also under construction. The tribal participants are supplied with plough, bullock, milch cattle, poultry birds, high-yielding variety seeds, pumpsets, agricultural implements, fertilisers, pesticides, etc. About two thousand participants have been trained in animal husbandry and agriculture. In the project areas, construction work on a network of link roads and arterial roads, bridges and culverts has been taken up.

Hill Areas

With a view to improving the economic conditions in the hill areas and extending the benefits of agricultural development to the inhabitants in such areas, certain pioneering projects were first started under the Indo-German assistance programme in Himachal Pradesh, Uttar Pradesh and Tamil Nadu. These projects provide for integrated development of agriculture with subsidiary occupations and development of infrastructure. As a result of the success achieved by these projects, two more such projects, without foreign assistance, were recently taken up in Uttar Pradesh and Manipur.

Rural Employment

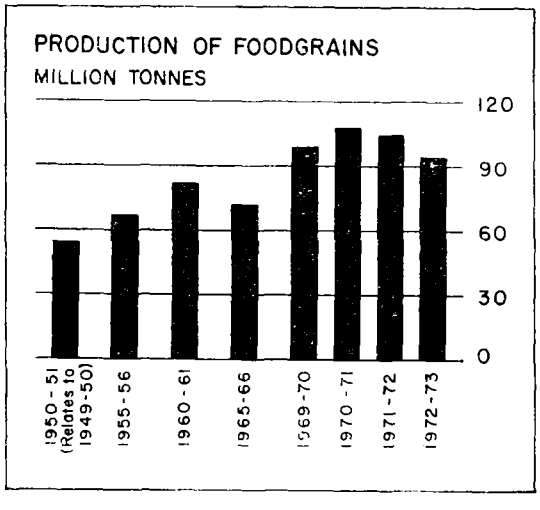
The Crash Scheme for Rural Employment (CSRE) initiated in April 1971 was continued with somewhat reduced allocations of Rs. 47.5 crores in 1973-74 as compared with the outlay of Rs. 48.4 crores in 1972-73 and Rs. 50 crores in 1971-72. The reduction in the outlay in 1972-73 was due to the taking up of a special project entitled 'Pilot Intensive Rural Employment Project (PIREP)' with an allocation of Rs. 1.5 crores for 1972-73 which was raised to Rs. 2.5 crores for 1973-74. During the three years, 1971-74, total cost of various schemes sanctioned by different States and Union Territories totalled Rs. 156.6 crores, of which construction of roads accounted for Rs. 123.6 crores or 79 per cent. Minor irrigation works came next costing Rs. 16.2 crores. Other important schemes were soil conservation, aforestation, land reclamation, flood protection and anti-water logging. As against the minimum and maximum targets of 525 lakh man-days and 875 lakh man-days, respectively, for generating rural employment under the CSRE, the physical achievements were 790 lakh man-days in 1971-72, 1,338 lakh man-days in 1972-73 and 627 lakh man-days (upto March 23, 1974) in 1973-74.

Commodity-wise Review of Developments during 1973-74

Foodgrains

The trends in overall foodgrains output and availability in recent years have already been discussed in the introductory part of this Chapter. Table III.10 compares the rates of growth (compound) in area, productivity and production among major food crops during the period 1964-65 to 1972-73 (when the new agricultural strategy was initiated and implemented) with those during 1952-53 to 1964-65. The salient points emerging from the comparison are: (i) The acceleration in the growth rate in production of all foodgrains during the period 1964-65 to 1972-73 was brought about more by the increase in the yield per hectare than in area with the exception of wheat which experienced a sharp and equal improvement in both area and productivity. (ii) The accretion of area to wheat has been mainly at the cost of coarse grains and pulses in which negative growth rates in area and some consequential improvement in productivity has been observed. In comparison with the Fourth Plan targets, the shortfalls have been considerable in rice, coarse cereals and pulses, whereas the original wheat target has been achieved. But considering the unanticipated shift in acreage in favour of wheat under the impulse of new agricultural strategy and the higher relative prices, the output potential should have been greater than what has actually been achieved.

Graph 1



Graph 2

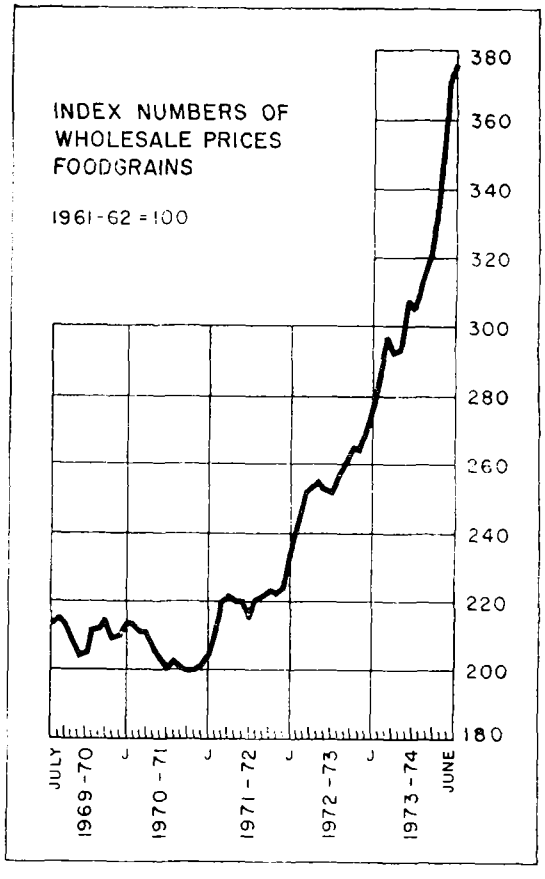


Table III.10 : All-India Compound Rates of Growth of Area, Productivity and Production of Selected Crops

(Per cent per annum)

Crop	1952-53 to 1964-65@			1964-65 to 1972-73			Fourth Plan Period (Targeted Growth Rate)
	Area	Productivity*	Production	Area	Productivity*	Production	
1	2	3	4	5	6	7	8
Rice	1.5	1.7	3.2	0.6	2.9	3.5	4.2
Wheat	2.3	1.0	3.3	6.6	6.5	13.1	4.8
Pulses	1.2	—	1.2	-0.9	1.5	0.6	4.0
Foodgrains	1.0	1.5	2.5	0.6	3.5	4.1	4.2

@ Except for pulses, data have been collected from 'Indian Agriculture in Brief'—9th Edition.

* The trend in growth rates for productivity are obtained as the difference between those for production and area and not worked out independently.

Note : The methodology followed here is the same as the one adopted in the Brochure of Growth Rates of Agricultural Production, Department of Agriculture, Government of India.

Table III.11 : 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	Coarse grains
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1968-69	39.8	18.7	25.2	3.5	2.5	0.5	0.6	3.1	0.3	N.A.	N.A.	1.3	3.0	0.2
1969-70	40.4	20.1	27.3	3.0	3.2	0.3	0.2	2.9	—	N.A.	N.A.	1.2	3.3	0.1
1970-71	42.2	23.8	30.5	3.3	5.1	0.4	0.3	2.1	—	2.9	4.4	1.7	5.6	0.4
1971-72	43.1	26.4	24.6	3.3	5.1	0.3	0.2	1.0	—	3.7	6.7	1.4	3.8	0.2
1972-73	38.6	24.9	22.2	2.7	4.8	0.3	—	1.3	0.8	3.4	7.5	0.6	1.5	0.9
1973-74	45.0	24.0	27.3	3.8* (1.8)	1.5* (—)	0.4* (0.2)	—	3.3* (1.0)	0.7* (0.4)	2.2£ (2.3)	3.8£ (4.7)	1.9** (1.6)	0.9** (0.7)	0.5** (0.2)

*Upto June 1974 £Upto May 1974 **As at end-April 1974. N. A. = Not available

Note : Figures in brackets relate to the corresponding period of the last year.

Sources : (1) Estimates of Area and Production of Principal Crops in India, 1972-73, (2) Bulletin on Food Statistics and (3) Food Corporation of India.

Table III.11 (a) : Targets and Achievement of Food Production, 1973-74

(Million tonnes)

	Fourth Plan Target	Anticipated Actuals
	1973–74	
1	2	3
Rice	52.0 (45.0)	45.0
Wheat	24.0 (30.0)	24.0
Maize	8 0 (6.5)	6.5
Jowar	15.0 (8.7)	8.5
Bajra	7.0 (6.5)	6.0
Other cereals	8.0 (6.0)	6.3
Pulses	15.0 (12.0)	11.2
Total Foodgrains	129.0 (114.7)	107.5

Figures in brackets represent annual targets prescribed recently.

Rice

The All-India Second Estimate for 1973-74 shows an increase of 5.5 per cent in area under rice at 34.9 million hectores.(3) As a result and possibly because of an increase in yield, the rice output recorded a sharp improvement (Table III.11).

Procurement of rice in the 1973-74 marketing season (November-October) amounted to 3.8 million tonnes till end-June 1974, as against the target of 5 million tonnes set for the season and 2.7 million tonnes procured in the comparable period of the previous season (Tables III.12 and 13). State-wise, as in the previous year, over 36 per cent of rice procurement was contributed by Punjab and Haryana whose share in the total rice production is only around 4 per cent. The contribution of West Bengal, one of the major rice producing States was much below expectations, while Andhra Pradesh and Tamil Nadu showed some improvement over the previous year. On the whole, compared to the rise in output and the sizeable increase of 20 to 31 per cent in procurement prices, the actual procurement was not satisfactory.

(3) For 1972–73 acreage data, see Statement 8 in the Statistical Statements Section of this Report.

Table III.12 : Procurement of Major Foodgrains—Targets & Actuals

(Million Tonnes)

Crop	1969-70		1970-71		1971-72		1972-73		1973-74	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1	2	3	4	5	6	7	8	9	10	11
Kharif (November-October) Paddy/Rice ..	4.5	2.9	4.7	3.2	4.3	3.1	4.0	2.7	5.0	3.8@
Coarse Cereals ..	1.0	0.3	0.8	0.5	0.5	0.2	0.6	0.3	1.6	0.4@
Rabi (April-March) Wheat ..	3.7	3.2	4.0	5.1	6.5*	5.0	6.0	4.5	—	1.5@
Coarse Cereals ..	—	0.01	—	0.01	—	0.07	—	0.01	—	0.1

*Indicative target. @Till end-June 1974.

Note : *Rabi* season (April-March) data refer to the marketing years 1970-71 onwards.

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

Table III.13 : Procurement of Rice

(November-October)*

(Thousand Tonnes)

State	1968-69 (Achievement)	1969-70 (Achievement)	1970-71 (Achievement)	1971-72 (Achievement)	1972-73 (Achievement)	1973-74 Targets	1973-74 Actuals**
1	2	3	4	5	6	7	8
Andhra Pradesh	377	169	466	267	326	600	648
Assam	192	91	83	87	89	150	112
Bihar	67	33	30	29	56	100	57
Gujarat	16	20	—	—	6	50	18
Haryana	163	238	252	316	277	350	415
Jammu & Kashmir	37	35	30	41	25	50	39
Karnataka	66	72	16	42	41	275	94
Kerala	96	81	71	61	57	125	34
Madhya Pradesh	318	347	571	428	243	600	204
Maharashtra	193	189	234	182	66	200	158
Orissa	287	300	257	169	209	400	197
Punjab	270	376	525	771	754	950	937
Tamil Nadu	687	353	118	161	131	350	271
Uttar Pradesh	200	213	259	296	227	300	398
West Bengal	440	411	266	254	176	500	153
Others	24	15	16	12	13	—	18
Total ..	**3433**	**2943**	**3194**	**3116**	**2706**	**5000**	**3753**

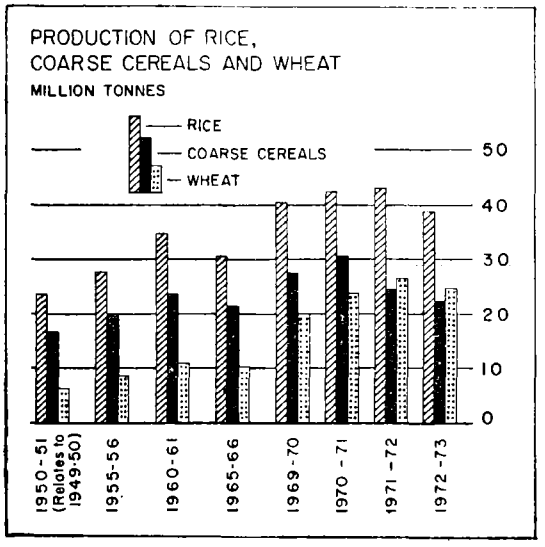
*Except in the case of Punjab, Haryana and Tamil Nadu where it is October-September. **Upto end-June 1974

Source : Bulletin on Food Statistics, Government of India.

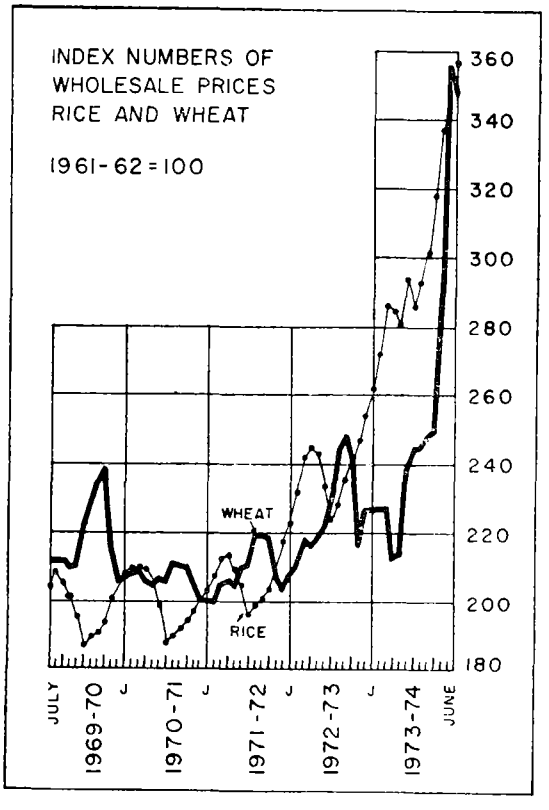
However, due to rise in output and higher open market availability, the pressure on the public distribution eased a little during the last quarter of 1973 (October-December) when the public distribution of rice was 7.3 lakh tonnes against 9.3 lakh tonnes in the last quarter of 1972. The stock of rice with Government at end-April 1974 was also slightly higher at 1.9 million tonnes as compared with 1.6 million tonnes at end-April 1973. During the first five months of 1974 public distribution of rice was 15.0 lakh tonnes against 14.1 lakh tonnes in the first half of 1973.

An export quota of 30 thousand tonnes of superior *basmati* rice was fixed for 1973-74; till end-December 1973, 11.3 thousand tonnes were exported. There was no import of rice during 1972-73 and 1973-74 (October-September) as compared with 1.8 lakh tonnes in 1971-72.

Graph 3



Graph 4



Wheat

Estimates of area and production of wheat during 1973-74 are not yet available. Despite good weather and rainfall during the sowing period, production of wheat suffered from the severe cold spell during December 1973 and early February 1974 and an acute shortage of fertilisers; it was of the order of only 24 million tonnes.

Procurement of wheat during 1974-75 marketing season, which commenced from April 1974, totalled about 1.5 million tonnes by end-June 1974. Punjab, Uttar Pradesh and Haryana as usual contributed the bulk, i.e., 8 lakh and 2 lakh tonnes each, respectively, (Table III.14). The quantum of wheat made available through public distribution dwindled particularly since September 1973. During the eight month period October 1973 to May 1974, wheat distribution aggregated only 3.8 million against 4.7 million tonnes in October 1972-May 1973.

Imports of wheat during 1973-74 (October-September) aggregated 3.3 million tonnes (upto end-June 1974) as compared with 1.0 million tonnes during the corresponding period of 1972-73. These were mainly from the U.S.A., Argentina and the U.S.S.R. Despite these imports, the stock of wheat at end-April 1974 was only 8.5 lakh tonnes against 6.9 lakh tonnes at end-April 1973.

Coarse grains

According to All-India First Estimate, area under *kharif* coarse cereals at 34.4 million hectares recorded an increase of 16.2 per cent over that in 1972-73 (29.6 million hectares). Total area under coarse grains (*kharif* and *rabi*) is placed at 45 million hectares. Output of coarse grains, which suffered setbacks in the previous two seasons, is expected to record an appreciable increase at 27.3 million tonnes over the level in 1972-73 (22.2 million tonnes). Even so, there is likely to be considerable shortfall from the original Fourth Plan target of 38.0 million tonnes.

Procurement of coarse grains in 1973-74 *kharif* season totalled 0.4 million tonnes till June 1974, *i.e.*, marginally higher than last year, but substantially short of the target of 1.6 million tonnes. Public distribution of coarse grains was stepped up from 3 lakh tonnes in 1971-72 (October-September) to 9 lakh tonnes in 1972-73. Also, during October 1973-May 1974, 9 lakh tonnes of coarse grains were

Table III.14 : Procurement of Wheat

(April-March)

(Thousand Tonnes)

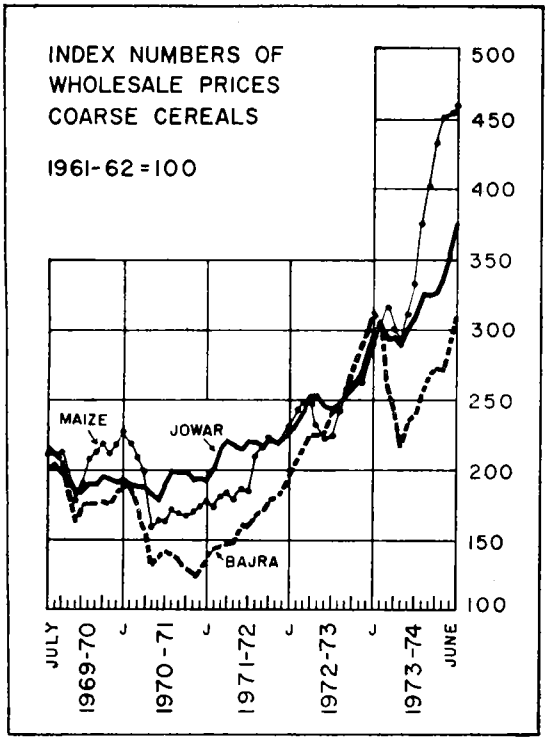
State	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75@
1	2	3	4	5	6	7
Bihar	10	Neg	13	2	50	—
Haryana	271	482	709	818	586	217
Madhya Pradesh	21	8	50	65	192	120
Punjab	1,874	2,368	2,938	3,179	2,707	784
Rajasthan	5	1	154	46	146	57
Uttar Pradesh	199	322	1,144	843	816	233
Others	7	11	92	53	34	43
Total	**2,387**	**3,192**	**5,100**	**5,006**	**4,531**	**1,454**

@ Till end-June 1974.

Source : Bulletin on Food Statistics, and Department of Food, Ministry of Agriculture, Government of India.

distributed as against 5 lakh tonnes during the corresponding period of 1973. Stocks of coarse grains with the Central and State Governments stood at 5.4 lakh tonnes at end-April 1974 as against 1.7 lakh tonnes a year ago. Imports of

Graph 5



milo, mainly from U.S.A. and Argentina, aggregated 7.2 lakh tonnes upto end-June 1974 as compared with 3.6 lakh tonnes during the corresponding period of 1972-73.

As in the case of rice and wheat, there was a substantial step up in the minimum support, procurement and issue prices of coarse grains during 1973-74. The Union Government, on March 6, 1974 removed all the restrictions on the movement of coarse grains throughout the country. The entire country will be treated as a single zone for the purpose of movement of coarse grains.

Pulses

The target for area under pulses (*kharif* as well as *rabi*) for 1973-74 is placed at 22.8 million hectares indicating a rise of 11.7 per cent over the final estimate of 20.4 million hectares in 1972-73. According to the All-India First Estimate, area under *kharif* pulses during 1973-74, at 8.1 million hectares, showed a rise of 18.1 per cent over the corresponding adjusted estimate of 7.0 million hectares in 1972-73. The target for production of pulses for 1973-74 was fixed at 12.0 million tonnes which was 26.4 per cent higher than the level of 9.5 million tonnes achieved in 1972-73. The achievement is placed at 11.2 million tonnes. The target by the end of Fifth Plan is fixed at 15.0 million tonnes.

Non-Foodgrains

All key commercial crops—raw jute, raw cotton, oilseeds and among them groundnuts in particular, sugarcane and tea—are estimated to have registered in 1973-74 outputs higher than in the previous year, some of them like jute and oilseeds quite substantially. While coffee output will be at the last year level, output of tobacco is expected to register decline. Trends in the availability and stocks of major cash crops for the past few years are presented in Tables III.15 and 18.

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	Stocks	Availability	Production ('000 bales of 180 Kgs. each)	Yield per hectare (Kgs.)	Imports ('000 bales of 180 Kgs. each)	Exports	Consumption (6)	Stocks(7)	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(4)	1043(4)	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(1)	122	427	170	6560	1710	7362	3837(1)	856	609	54	6050	800	6446
1969-70	5255(1)	122	911	207	6731	1720	7876	6785(1)	1121	—	84	6400	1400	7585
1970-71	4499(2)	106	845	191	6318	1684	7064	6193(2)	1032	—	48	6450	1650	7593
1971-72	6564(2)	152	745	231	6759	2687	8993	6811(2)	1104	—	362	7581	1650	8461
1972-73	5489(2) (6570)	128	442 (504)	170 (276)	6886 (6965)	2502(3) (2890)	8618 (10131)	6140(2)	1112	255	74	7320	767(5)	8047
1973-74	6000(3) (6750)	N.A	140(3) (129)	250(3) (320)	6940(3) (7305)	1452(3) (2144)	8642(3) (9769)	7326(5)	1152(5)	82	197	6442	1536	8175

(1) Partially revised.
(2) Final estimates.
(3) Furnished by Cotton Advisory Board.
(4) Excluding mesta.
(5) Estimated.
(6) Includes village consumption.
(7) Stocks with mills and other stockists.

Note : Figures in brackets are trade estimates.

Sources : (1) Directorate of Cotton/Jute Development.
(2) Jute Situation published by Ministry of Agriculture, Government of India.

Cotton

According to the All-India Third Estimate, area under cotton was marginally lower at 72.6 lakh hectares during 1973-74 as compared with the corresponding adjusted estimate of 73.1 lakh hectares in 1972-73. There was a reduction in area under cotton in Punjab, Tamil Nadu, Madhya Pradesh and Maharashtra largely offset by an increase in area in Andhra Pradesh, Rajasthan, Gujarat, Haryana and Karnataka.

Official estimate for cotton production is not yet available, but according to the Cotton Advisory Board the production is expected around 60 lakh bales. The trade circles place the production during 1973-74 season at 67.5 lakh bales as against 65.7 lakh bales during 1972-73 season. The output would have been much higher but for the considerable damage caused by floods in some States and erratic rainfall in certain others.

The 1973-74 season commenced with a carry over stocks of 25.0 lakh bales as compared with 26.9 lakh bales in the previous season. Imports during the season were lower at 1.4 lakh bales against 4.4 lakh bales during 1972-73 seasons. Thus, overall availability(4) is estimated marginally higher at 86.4 lakhs bales in 1973-74 as compared with 86.2 lakh bales in 1972-73. Mill consumption is estimated at 68.4 lakh bales in 1973-74 as compared with 64.9 lakh bales last season. Taking into account extra-factory consumption at 1.0 lakh bales (as against 4.0 lakh bales during 1972-73) and exports at 2.5 lakh bales, total off-take would be 71.9 lakh bales as against 70.6 lakh bales in 1972- 73 season (Table III.15).

(4) However, the trade estimate indicates lower overall availability around 97.7 lakh bales in 1973-74 against 101.3 lakh bales in the previous season.

Table III.16 : Cotton Production—State-wise—during 1968-69 to 1973-74

(Lakh bales of 180 Kgs. each)

State	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74*
1	2	3	4	5	6	7
1. Andhra Pradesh	1.0	1.0	0.8	1.7	1.1	4.6
2. Gujarat	14.2	15.5	15.7	22.8	13.8	19.2
3. Haryana	3.4	3.4	3.5	4.4	4.4	@
4. Karnataka	3.6	3.4	3.4	5.7	4.2	4.6
5. Madhya Pradesh	3.4	3.3	2.1	3.7	3.3	4.4
6. Maharashtra	13.6	12.1	4.8	9.2	10.5	10.4
7. Punjab	7.4	8.0	8.2	9.7	10.2	13.0@@
8. Rajasthan	1.7	1.2	2.3	3.9	2.9	4.6
9. Tamil Nadu	2.6	4.0	3.4	3.9	3.5	3.2
10. Others	0.5	0.6	0.8	0.6	1.0	3.5
**Total	**51.4**	**52.5**	**45.0**	**65.6**	**54.9**	**67.5**

* Trade Estimates.

@ Included under Punjab.

@@ Including Haryana.

Source : Estimates of Area and Production of Principal Crops in India, Ministry of Agriculture, Government of India.

As regards exports, initially the Government decided to continue the policy of allowing exports of Bengal *Deshi* and other permissible varieties of cotton during 1973-74 without any ceiling or quota restrictions. Subsequently, in view of the lower crop estimates and rising cotton prices, a ceiling of 2.3 lakh bales for the export of Bengal *Deshi* was imposed for the current season. In the previous season (1972-73), Bengal *Deshi* registered for exports aggregated 2.6 lakh bales.

The Intensive Cotton District Programme which was in operation in 14 major cotton growing districts in 9 States, covered larger areas under the different facets of the programme, viz., application of fertilisers, improved seeds and plant protection. There was, however, a decline in the area covered by the Package Programme (Table III.17). In addition to the above, an area of 1.5 lakh hectares was brought under cotton cultivation under the command of new major irrigation projects, viz., Rajasthan Canal, Nagarjunasagar Project and Tungabhadra Project.

Table III.17 : Area Covered Under Intensive Cotton District Programme and Package Programme.

(Thousand Hectares)

Programme		Area Targeted	Achievement		
			Area under improved seeds	Area under fertilisers	Area under plant protection measures (Gross)
1		2	3	4	5
I. Area under Intensive Cotton District Programme					
(*a*) Irrigated Area	1972-73	520	239	375	1726
	1973-74	580	349	505	2285
(*b*) Rainfed Area	1972-73	140	123	124	275
	1973-74	140	140	104	271
(*c*) Total	1972-73	660	362	499	2001
	1973-74	720	489	609	2556
II. Area under Package Programme					
(*a*) State Schemes	1972-73	334	302	250	280
	1973-74	333	225	200	573
(*b*) Central Schemes	1972-73	393	349	303	815
	1973-74	361	292	236	235
(*c*) Total	1972-73	727	651	553	1095
	1973-74	694	517	436	808

Source : Directorate of Cotton Development.

The rapid extension of the high-yielding hybrid cotton was a noteworthy feature of this season. From about 2.1 lakh hectares under two hybrids, viz., Hybrid—4 and Varalaxmi in 1972-73, the area was more than doubled to 5.2 lakh hectares in 1973-74. Besides these two hybrids, promotional efforts under the Centrally Sponsored Schemes were continued to expand the area under the other extra-long staple import substitute varieties like MCU-5, Sujata, Sea-Island Andrews and Giza-7. As a result, the area under these varieties of cotton rose from 3.3 lakh hectares in 1972-73 to 3.5 lakh hectares in 1973-74.

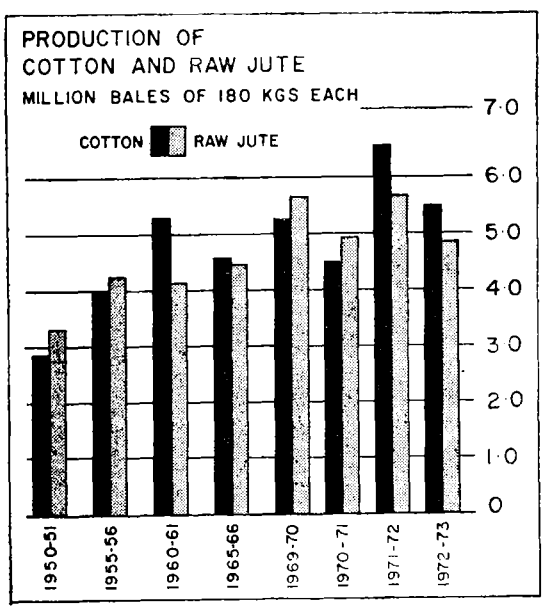
With a view to arresting the rising trend in the prices of domestic cotton, the Textile Com-

missioner on April 11, 1974 imposed restrictions on cotton stocks to be held by mills. The mills in Bombay and Ahmedabad are not allowed to hold stocks in excess of one-and-a-half month's average monthly consumption of the previous cotton year. Mills in Assam, Orissa, West Bengal and Bihar can hold stocks equal to two-and-a-half month's average monthly consumption of the previous cotton year. Mills in areas other than those mentioned above are allowed to hold stocks equivalent to two-months' average monthly consumption of the previous cotton year.

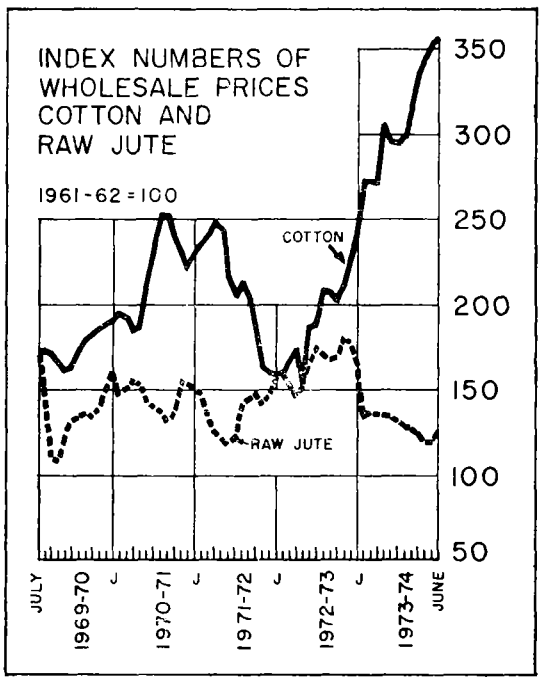
Jute and Mesta

According to All-India Final Estimate, raw jute production is estimated at 61.8 lakh bales in 1973-74 as against the corresponding estimate of 49.8 lakh bales during 1972-73. The sharp increase in production was due to favourable weather conditions in major jute growing States combined with favourable pre-sowing prices and intensive developmental efforts resulting in an increase in both area and yield. Output of mesta in 1973-74 is, however, estimated marginally lower at 11.5 lakh bales as compared with 11.6 lakh bales in 1972-73. Aggregate production of raw jute and mesta provisionally estimated at 73.3 lakh bales in 1973-74, the last year of Fourth Five Year Plan, is thus higher by 19.4 per cent over the previous year's level of 61.4 lakh bales but lower by 2.8 per cent than Fourth Five Year Plan target of 75.4 lakh bales (62.7 lakh bales of jute and 12.7 lakh bales of mesta).

Graph 6



Graph 7



With the opening stock estimated at 7.7 lakh bales and imports of 0.8 lakh bales from Bangladesh under the Indo-Bangla Trade Agreement, the total availability of jute and mesta in 1973-74 is estimated at 81.8 lakh bales (Table III.15). Total consumption (including village consumption of two lakh bales) of jute and mesta during 1973-74 is estimated lower at around 64.4 lakh bales as against 73.2 lakh bales in the 1972-73 season due mainly to the interruption in production caused by continous load shedding and 33-day mill strike during January-February 1974. A quantity of 2.0 lakh bales of raw jute was exported during 1973-74 as against 0.7 lakh bales exported during 1972-73. Thus, the season ended with a calculated stock of 15.4 lakh bales. According to trade circles, however, the carry-over stock will be around 33.0 lakh bales.

With a view to ensuring fair price to jute growers, the Government of India, on the recommendation of the Agricultural Prices Commission, revised upwards the minimum support price of Assam Bottoms from Rs. 115 per

quintal in 1972-73 to Rs. 125 per quintal for the 1973-74 season. The Jute Corporation of India was advised to make purchases at the annual average price of Rs. 157.68 per quintal or Rs. 59 per *maund* for Assam Bottoms, basis f.o.r. Calcutta. As against the Jute Corporation's plan of purchasing 10-12 lakh bales of raw jute during 1973-74 season, its actual purchases till May 1974 were 7.2 lakh bales due mainly to lack of adequate storage capacity and frequent transport bottlenecks during the peak marketing season.

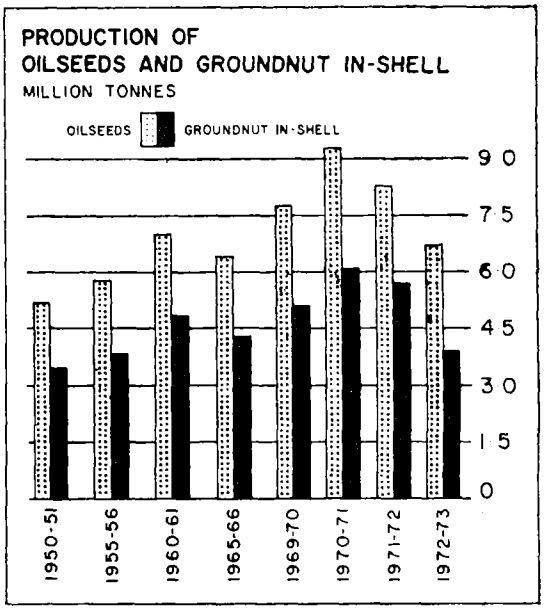
The developmental efforts aimed at increasing the production of raw jute and improving the quality of the fibre were further intensified during the year. Area covered under the Centrally-sponsored schemes of Intensive Jute District Programme and Special Package Programme for jute and mesta rose from 203,494 hectares (176,156 hectares under jute and 27,338 hectares under mesta) in 1972-73 to about 262,100 hectares (254,500 hectares under jute and 7,600 hectares under mesta) in 1973-74.

Oilseeds

According to preliminary official assessment, the revised production target of five major oilseeds for 1973-74 is expected to be achieved. Production at 9.3 million tonnes in 1973-74 would represent an increase of 34.8 per cent over the 6.9 million tonnes production of 1972-73 and would be almost equal to the record level reached in 1970-71 (Table III.18). The rise in oilseeds production during 1973-74 was mainly due to a rise in groundnuts (nuts-in-shell) production from 4.1 million tonnes in 1972-73 to 5.8 million tonnes in 1973-74. Almost all the major groundnut producing States, particularly Gujarat, Andhra Pradesh and Maharashtra reaped a larger harvest of groundnuts than last year due to favourable wheather conditions. Among other oilseeds, production of castorseed and sesamum also recorded significant increases. According to trade estimates, linseed would show a rise while production of rapeseed/mustard seed would show a marginal decline.

With a view to augmenting the supply, Government imported 1.1 lakh tonnes of edible oils commercially and 27 thousand tonnes of rapeseeds under Canadian food grant. Arrangements are being made to import another 46 thousand tonnes of edible oils including 14 thousand tonnes under food grant from Canada. Taking into account the planned imports, the *per capita* availability of edible oils is expected to show significant rise over the *per capita* availability of 2.0 kgs. per annum in 1972-73.

Graph 8



Measures taken in 1972-73 to meet the shortage of edible oils, especially groundnut oil, were continued during 1973-74. These measures include offering of fiscal incentives for the increased use of cottonseed oil and rice bran oil in the manufacture of vanaspati and use of minor oils of tree origin in soap manufacture (For details see Report on Currency and Finance, 1972-73, p. 36-37). However, in view of larger availability of groundnut oil in 1973-74 season, the ceiling on the use of groundnut oil in the manufacture of vanaspati was raised with effect from December 1973, from 45 to 55 per cent for factories in Noth and West zones, from 50 to 60 per cent in East zone and 60 to 70 per cent in South zone. Simultaneously, it was decided not to allow after December 1, 1973, the use of mustard oil or rapeseed oil, other than imported rapeseed oil or oil extracted from imported rapeseed, in the manufacture of vanaspati. Further, excise rebate on the use of rice bran oil and minor oils of tree origin in the soap making was enhanced five fold.

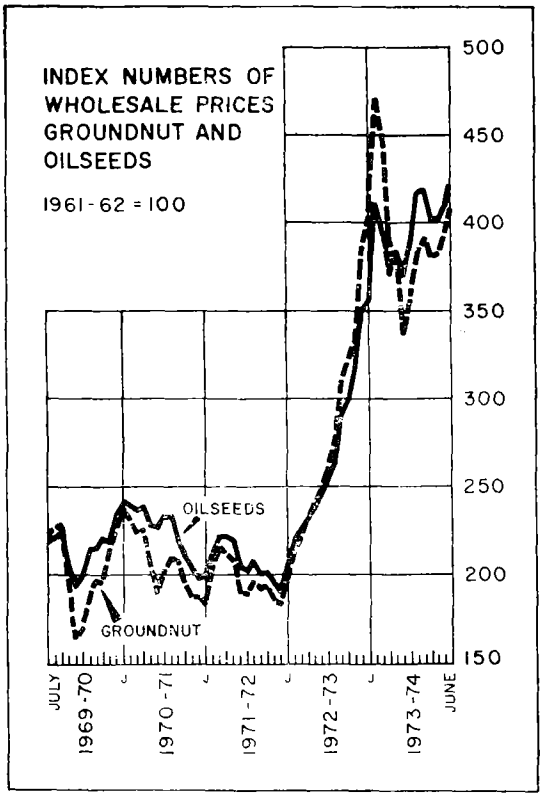
Table III.18 : Trends in Non-foodgrain Commodities

Commodity year as indicated	Oilseeds (November-October)		Tea (January-December)		Coffee (October-September)			Sugarcane	Tobacco
	Production (Million Tonnes)	Yield per hectare (Kgs.)	Production (Million Kgs.)	Exports (Million Kgs.)	Production ('000 Tonnes)	Exports ('000 Tonnes)	Consumption ('000 Tonnes)	Production (Million Tonnes)	Production (Million Kgs.)
1	2	3	4	5	6	7	8	9	10
1950-51 ..	5.2	481	278	182	18.9	0.3	17.5	5.7	261
1955-56 ..	5.7	474	308	184	35.0	8.1	22.6	6.1	303
1960-61 ..	7.0	507	321	196	68.0	32.3	30.0	11.1	307
1965-66 ..	6.4	419	366	197	63.9	28.8	36.9	12.8	293
1968-69 ..	6.9	473	402	208	73.4	32.0	35.8	12.8	361
1969-70 ..	7.7	522	394	169	63.6	31.2	39.0	13.8	337
1970-71 ..	9.3	601	419	202	109.8	47.7	33.6	13.0	362
1971-72 ..	8.7	546	433	207	68.6	43.4	37.9	11.6	419
1972-73 ..	6.9	466	456	207	91.0	52.7	37.5	12.6	364
1973-74 ..	9.3@	..	468	184	91.0	56.5	39.7	13.5@	350@

@Estimated

Sources : Ministry of Agriculture, Tea Board, Coffee Board and Directorate of Tobacco Development, Government of India.

Graph 9



In order to increase oilseeds production in the country, the special schemes for production of groundnuts and castorseed, as also for the development of non-traditional oilseeds like soyabean and sunflower, were continued both in the Central and State sectors. Area covered under all the Central and State schemes during 1973-74 along with corresponding data for 1972-73 are set out in Table III.19. In most of the schemes, area covered was higher than in 1972-73.

Sugarcane

According to the All-India Second Estimate for 1973-74, the area under sugarcane at 25.4 lakh hectares recorded an increase of about 9.0 per cent over the corresponding adjusted estimate of 23.3 lakh hectares for 1972-73. The increase in area under sugarcane during the current season was mainly accounted for by Uttar Pradesh, Andhra Pradesh, Bihar, Orissa and Tamil Nadu. But the 1973-74 sugarcane crop is reported to have suffered heavy damage due to pyrilla attack in several parts of the country, despite measures taken to con-

Table III.19 : Central and State Schemes of Oilseeds Development

(Thousand Hectares)

Scheme	1972-73 Achievements	1973-74 Targets	1973-74 Achievements
1	2	3	4
I. *Centrally Sponsored Schemes for*			
(i) Maximising groundnut production	1852.6	2599.0	2016.9
(ii) Castor development in Andhra Pradesh	38.5	70.0	69.2
(iii) Development of soyabean	33.7	102.0	47.4
(iv) Development of sunflower	116.8	300.0	230.6
(v) Castor demonstrations	0.5	0.6	0.5
(vi) Niger demonstrations	1.0	0.9	0.9
(vii) Soyabean demonstrations	0.1	0.3	0.1
(viii) Sunflower demonstrations	0.9	1.0	1.5
(ix) Demonstration and plant protection measures on rapeseed/mustard:			
(*a*) Demonstrations	1.6	1.3	1.8
(*b*) Mass plant protection measures	211.6	87.5	16.6
II. State Sector			
(x) Package programme—Groundnut	182.0	459.4	431.7
(xi) Integrated oilseeds development scheme :			
(*a*) Groundnut	492.0	1033.0	981.7
(*b*) Rapeseed/mustard, sesamum, linseed and castor	278.0	557.4	552.5

Source : Directorate of Oilseeds Development, Ministry of Agriculture, Government of India.

trol the damage. Production of sugarcane (in terms of gur) in 1973-74 is estimated higher at 13.5 million tonnes than the revised estimate of 12.6 million tonnes for 1972-73 (Table III.18).

In view of the imperative need for augmenting sugarcane production, the Government of India decided, on the recommendation of the Agricultural Prices Commission, to maintain the basic minimum price of sugarcane payable by vaccum pan sugar factories at the 1972-73 level of Rs. 8 per quintal linked to a recovery of 8.5 per cent and below 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 (in accordance with the principle of full proportionality). Sugarcane development schemes were continued in 1973-74. Achievements during 1973-74 under the above programme are set out in Table III.20.

Table III.20 : Progress of Sugarcane Development Schemes—1973-74

Schemes	Targets	Achievements
1	2	3
1. Distribution of disease-free and nutrient-rich seed cane (in '000) tonnes)	575.1	1719.6
2. Fertilisers and Manures (in '000 tonnes)	226.4	279.7
3. Plant protection measures (in '000 hectares)	1467.6@	1072.3*
4. Demonstrations (in numbers)	33094	34992
5. Credit facilities (Rs. crores) ..	—	9.8
6. Irrigation facilities (in numbers)		
(*i*) Wells constructed ..	6956	14674
(*ii*) Persian wheels	2150	13250
(*iii*) Pump sets	7500	20203
(*iv*) Tubewells	8210	36598

@ Affected area.
* Treated area.

Source : Department of Food, Ministry of Agriculture, Government of India.

Tea

Production of tea during 1973 touched an all time high of 468.3 million kgs. This represented an increase of 12.8 million kgs. or 2.8 per cent over that of the previous year exceeding thereby the target fixed for 1973 by 8.3 million kgs. (Table III.18). Output in Northern India increased further by 14.2 million kgs. to 366.5 million kgs. On the other hand, production in Southern India declined during the year by 1.4 million kgs. to 101.8 million kgs. Production of tea during January-May 1974 aggregated 104.3 million kgs. as against 95.1 million kgs. during January-May 1973. Exports of tea during 1973 (January-December) amounted to 183.8 million kgs. as compared with 207.4 million kgs. during the previous year. However, the unit value of tea during 1973 was higher at Rs. 7.61 per kg. as against Rs. 7.55 per kg. during 1972.

Coffee

Production of coffee which had declined sharply from the record level of 1.1 lakh tonnes in 1970-71 to 0.7 lakh tonnes in 1971-72 rose to 0.9 lakh tonnes in 1972-73. The output for 1973-74 is also expected at 1972-73 level (Table III.18). Total quantity of coffee released for internal consumption during the calendar year 1973 at 0.4 lakh tonnes was marginally higher than that released during the previous year. During the year 1972-73 (October 1972-September 1973), exports of coffee amounted to 56.5 thousand tonnes comprising 41.1 thousand tonnes to quota countries and 14.8 thousand tonnes to non-quota countries. Exports during the fiscal year 1973-74 were, in terms of value, substantially higher (Rs. 46 crores) than in 1972-73 (Rs. 33 crores) though, in terms of quantity, they were only marginally higher at 0.53 lakh tonnes in 1973-74 as against 0.51 lakh tonnes in 1972-73.

According to the decision taken by the International Coffee Council, the distinction between the quota and non-quota countries has been removed with effect from October 1, 1973 and each producing country is free to export coffee without any limitation as to the quantity as well as destination.

Tobacco

Production of tobacco, which had declined during 1972-73 is estimated to have declined further in 1973-74 by 4 per cent to around 350 million kgs. (Table III.18). The decline in production in 1973-74 is attributed to a marginal reduction in the planted area in the two major producing States, *viz.*, Andhra Pradesh and Gujarat and also adverse weather conditions during the growing period.

Internal consumption of raw tobacco had declined from 340.2 million kgs. during 1971-

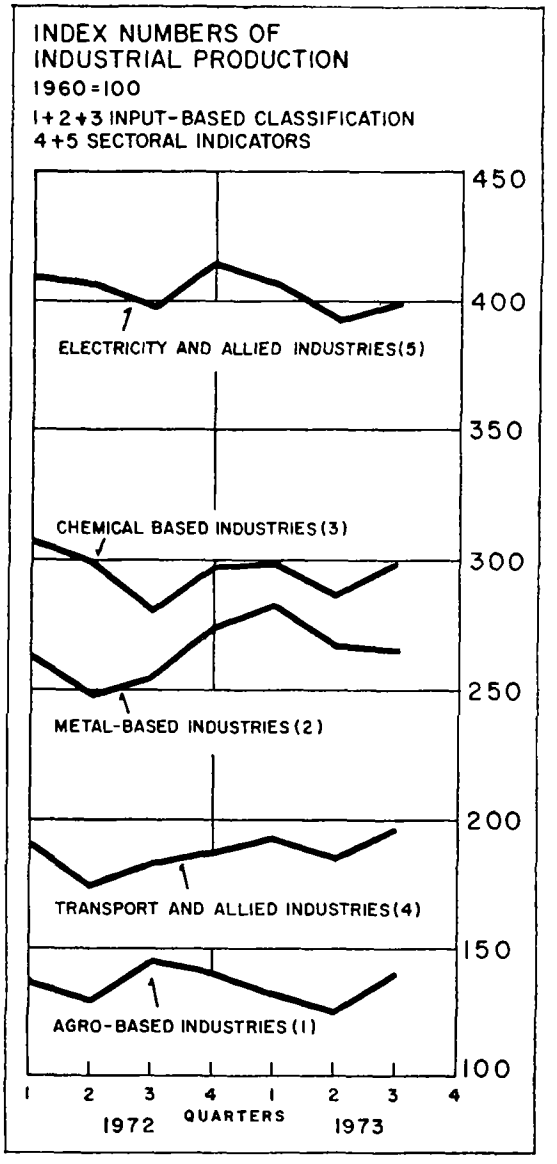
72 to 333.1 million kgs. in 1972-73. Data for 1973-74 are not available as yet.

Exports of unmanufactured tobacco increased further substantially by 37.2 million kgs. (or 65 per cent) to 94.5 million kgs. in 1972-73 surpassing thereby the record level of 78.1 million kgs. reached in 1964-65. Exports of Virginia flue cured tobacco accounted for more than 87 per cent of the total exports in 1972-73. According to Customs statistics, exports of unmanufactured tobacco during 1973-74 declined by about 23 million kgs. to 71.2 million kgs. In terms of value, however, exports showed an increase (from Rs. 61 crores in 1972-73 to Rs. 68 crores in 1973-74) due to a rise in the unit value.

INDUSTRIAL OUTPUT

During 1973, the overall industrial output(5) remained stagnant and the partial data available for the first half of 1974 point to a further deterioration. The CSO's average index of industrial production (crude) (*Base*: 1960 = 100) for 1973 shows a negligible rise of 0.7 per cent against a rise of 7.1 per cent in 1972 and 2.9 per cent in 1971 (Table III.21). The general index for the first quarter of 1974 recorded a marginal increase of 0.2 per cent over that for the first quarter of 1973 (Table III.22). The data available for a few important industries from semi-official sources for the first six months or so of 1974 show that this deterioration is persisting and is extending to more sectors (Table III.23).

Graph 10



Causal Factors

Group-wise, the regular CSO data are available only for the first ten months of 1973 (January-October) and these show that except for *capital goods* industries which recorded an exceptionally high rate of growth of 13.7 per cent, all other groups have either experienced absolute reductions or have stagnated. The improvement in *capital goods* industries arose from better performance in heavy electrical and non-electrical engineering plants of the public sector. Besides heavy engineering industries, almost all items of transport equipment industry did better in 1973; railway wagons industry showed higher output, though over a low base, due to higher orders placed by the Railways in the previous

(5) In the absence of industry-wise data for majority of the industries for the period beyond December 1973, 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 1974 they have been cited in appropriate places. Data on industrial output and individual industries are from the Central Statistical Organisation, Calcutta, unless stated otherwise; other data are from the respective official agencies/institutions.

Table III.21 : Trends in Industrial Output

(Based on CSO's Index of Industrial Production : (Base : 1960 = 100)

Industry	Weights	1970	1971	1972	January-October		January-June				July-December		
					1972	1973*	1970	1971	1972	1973*	1970	1971	1972
1	2	3	4	5	6	7	8	9	10	11	12	13	14
General Index (Crude)	**100.00**	**+ 4.8**	**+ 2.9**	**+ 7.1**	**+ 7.3**	**+0.1 (+0.7)@**	**+6.3**	**+ 1.5**	**— 7.4**	**— 0.4**	**+ 3.0**	**+ 4.3**	**+ 6.9**
Use-Based Classification													
1. Basic Industries	25.11	+ 4.6	+ 5.5	+ 8.8	+ 9.2	— 1.0	+ 6.4	+ 4.5	+ 9.5	— 0.8	+ 2.7	+ 6.4	+ 8.0
2. Capital Goods Industries	11.76	+ 5.0	— 0.1	+ 8.6	+ 6.3	+13.7	+ 7.4	— 2.6	+ 7.4	+13.6	+ 3.0	+ 2.5	+ 9.6
3. Intermediate Goods Industries	25.88	+ 2.8	+ 1.0	+ 6.7	+ 7.9	+ 0.3	+ 5.2	— 0.9	+ 6.7	— 1.8	+ 1.3	+ 2.9	+ 6.6
4. Consumer Goods Industries	37.25	+ 6.5	+ 3.2	+ 5.3	+ 5.5	— 6.3	+ 6.8	+ 2.2	+ 5.8	— 5.8	+ 5.5	+ 4.5	+ 4.7
(a) Consumer durable goods industries	5.68	+ 4.1	+ 7.4	+ 6.0	+ 5.4	— 9.9	+ 2.7	+12.1	+ 1.1	— 6.3	+ 5.6	+ 3.1	+11.0
(b) Consumer non-durable goods industries	31.57	+ 7.2	+ 1.9	+ 5.1	+ 5.5	— 5.1	+ 8.2	— 0.9	+ 7.4	— 5.7	+ 5.4	+ 4.9	+ 2.6
Input-Based Classification													
1. Agro-based Industries	44.08	+ 4.5	— 0.3	+ 5.1	+ 5.9	— 2.8	+ 6.0	— 3.7	+ 4.5	— 2.7	+ 3.0	+ 2.9	+ 5.7
2. Metal-based Industries	16.55	+ 5.7	+ 2.5	+ 7.0	+ 5.4	+ 6.2	+ 6.9	+ 2.6	+ 4.6	+ 7.7	+ 4.9	+ 2.6	+ 9.3
3. Chemical-based Industries	8.94	+ 8.0	+ 6.9	+12.9	+13.7	— 0.7	+10.9	+ 5.6	+17.4	— 3.6	+ 5.2	+ 8.8	+ 7.9
Sectoral Indicators													
1. Transport Equipment & Allied Industries	10.90	—	+ 0.5	+ 6.4	+ 7.3	+ 5.8	+ 1.8	— 5.4	+ 9.4	+ 3.9	— 1.8	+ 6.6	+ 3.7
2. Electricity and Allied Industries ..	8.42	+11.5	+ 9.0	+ 8.4	+ 9.0	— 1.2	+12.1	+ 9.7	+10.6	— 2.3	+10.7	+ 8.3	+ 6.2

* Provisional.
@ Relates to calendar year.
Note : Percentage variations are worked out over the corresponding periods of the previous years.

year for exports; as for motor vehicles and road transport equipment, there has been a pent-up demand and therefore, expansion in their output has continued. Among other items of capital goods, increase has occurred in industrial machinery items but a part of it may be statistical arising from the practice of expressing the output figures in value terms at current prices.

Except for the *capital goods* sector, the industrial output picture has been one of stagnation owing to the cumulative impact of shortages and bottlenecks in a few critical sectors, *viz.*, steel, non-ferrous metals, coal and petroleum products, power and transport. In the *basic* industries sector, power generation which experienced growth rates ranging from 9 to 16 per cent every year for more than a decade, shrank for the first time due to poor maintenance and operation of power projects which in turn partly arose from reduced development expenditures on such projects in the past few years. The absence of such expenditures on the development of collieries when they were in private hands has adversely affected the output of coal, both coking and non-coking, particularly the former. The shortages of power and coking coal have kept down capacity-utilization in the major steel plants. The general maintenance of the steel plants has also been hit by the poor provision of funds in the recent Annual Plans. The stringency in Railway finances affected the building up of rolling stock concurrently with the deterioration in their efficient use partly due to disturbed law and order and labour situation in the Eastern region. The shortages of power and coal have hit a wide spectrum of industries like steel, non-ferrous metals, particularly aluminium, cement, paper and paper products, cotton and jute textiles, fertilizers, and certain items of chemicals like soda ash and calcium carbide.

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

Quarter	1970	1971	1972	1973	1974*
1	2	3	4	5	6
January-March	183.4	186.5 (1.7)	201.4 (8.0)	203.5 (1.0)	**204.0 (0.2)**
April-June	179.1	181.7 (1.5)	193.9 (6.7)	190.5 (—1.7)	
July-September	177.9	185.1 (4.0)	198.0 (7.0)	201.1 (1.6)	
October-December	182.7	191.1 (4.6)	204.3 (6.9)	207.2 (1.4)	

*Provisional.

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

Table III.23 : Production Trends in Selected Industries

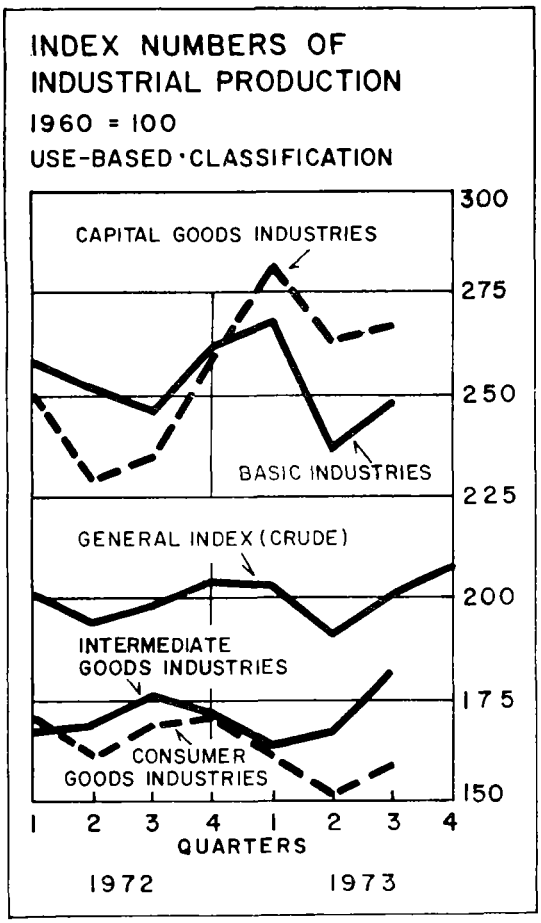
Industry	Unit	Period	Output			Percentage Variation	
			1972*	1973*	1974*	1973 over 1972	1974 over 1973
1	2	3	4	5	6	7	8
Coal	Million Tonnes	January-May	32.5	34.6	35.4	+ 6.5	+ 2.3
Saleable Steel	Lakh Tonnes	January-August	30.4	31.5	31.2	+ 3.6	— 0.9
Cement	Million Tonnes	January-October	12.8	12.3	11.2	— 4.0	— 9.0
Cloth—Mill-made	Million Metres	January-August	2832	2753	2712	— 2.8	— 1.5
Cotton Yarn	Million Kgs.	January-August	643	637	635	— 0.9	— 0.3
Jute Textiles	'000 Tonnes	January-August	758.8	685.7	589.1	— 9.6	—14.1
Sugar	'000 Tonnes	October-August	3095	3833	3925	+23.8	+ 2.4
Vanaspati	'000 Tonnes	January-August	395	283	232	—28.5	—18.0

*Period covered is as in column 3.

Source : Respective Industrial Associations and Semi-Government Bodies.

With the stagnation in industrial outupt in 1973-74, the average annual growth rate for the entire Fourth Plan period works out to about 4.0 per cent, *i.e.*, less than half of the target of 8 to 10 per cent envisaged in the Plan. This shortfall is particularly noticed in crucial sectors like coal, iron and steel, cement, aluminium, Railway wagons, caustic soda, soda ash, fertilizers, paper and paper products, cotton spinning and many others.

Graph II



The overall decline in industrial output was also reflected in lower capacity-utilisation ratios in many important industries in 1973 as compared to 1972 (Table III.24). Among *basic* industries, capacity-utilisation ratio declined considerably in industries such as, cement from 80 per cent to 76 per cent, nitrogenous fertilizers from 68 per cent to 64 per cent, soda ash from 96 per cent to 92 per cent and copper and brass (sheets and circles) from 80 per cent and 35 per cent to 76 per cent and 33 per cent, respectively. On the other hand, the ratio for sulphuric acid increased from 58 per cent to 65 per cent, and that for caustic soda registered a marginal rise from 92 per cent to 94 per cent. In phosphatic fertilizers also capacity-utilisation showed an improvement.

Capacity Utilisation(6)

Among *capital goods* industries, capacity-utilisation in wagon building and motor vehicles improved somewhat to 35 per cent and 136 per cent, respectively, from 30 per cent and 125 per cent in 1972.

Among *intermediate goods* industries, almost all the industries except storage batteries recorded lower capacity-utilisation in 1973 as compared with that in 1972. The significant declines in utilisation ratios were noticed in respect of cycle tyres and tubes from 68 per cent and 50 per cent to 57 per cent and 43 per cent, respectively, paints and varnishes from 73 per cent to 62 per cent and ceramics (refractories) from 70 per cent to 63 per cent.

Likewise, industries in *consumer goods* group experienced deterioration in the use of rated capacity, conspicuous among them were soaps (from 137 per cent to 97 per cent), vanaspati (from 57 per cent to 43 per cent), rubber footwear (from 84 per cent to 75 per cent) and electric fans (from 91 per cent to 80 per cent). Capacity-utilisation ratio in respect of bicycles was marginally higher while that of electric lamps was maintained at the last year's level.

Industrial Relations and Employment

Industrial Relations

The provisional figures of man-days lost declined from 20.54 millions in 1972 to 17.97 millions in 1973 (Table III.25), but unlike in the previous year, when the 'services' sector suffered the most, the loss in 1973 was concentrated in a few critical

(6) The basis of assessment of installed capacities adopted by CSO differs from industry to industry. For some, as in metallurgical industries and electricity generation, it is based on the assumption of continuous operation of the plants; for some others as in chemicals it is based on three shifts, and in still others two or one shift. For details, see CSO's *Monthly Statistics of the Production of Selected Industries of India for January-February* 1969.

Table III. 24 : Production, Installed Capacity and Capacity-Utilisation Ratios of Selected Industries

Group/Industry	Accounting unit	1971			1972			1973*		
		Production	Capacity	Ratio	Production	Capacity	Ratio	Production	Capacity	Ratio
1	2	3	4	5	6	7	8	9	10	11
I. Basic Industries										
1. Cement	'000 Tonnes	14928	18491	81	15755	19752	80	15006	19764	76
2. Sulphuric Acid	,,	1020	1969	52	1130	1963	58	1284	1976	65
3. Caustic Soda	,,	373	372	100	396	432	92	414	439	94
4. Finished Steel	,,	4469	..	..	4971	..	..	4809	..	..
5. Light, Medium and Heavy Structurals	,,	98	362	27	115	385	30	121	385	31
6. Steel Castings	,,	52	134	39	57	132	43	60	138	43
7. Aluminium Sheets and Circles	,,	45	60	75	50	72	69	53	72	74
8. Copper Sheets and Circles	Tonnes	3171	4000	79	3182	4000	80	3036	4000	76
9. Brass Sheets and Circles	'000 Tonnes	17	48	35	17	48	35	16	48	33
10. Soda Ash	,,	479	471	101	486	504	96	467	508	92
11. Nitrogenous Fertilisers '(N)	,,	885	1534	58	1048	1534	68	1083	1704	64
12. Phosphatic Fertilisers (P_2O_5)	,,	248	472	53	302	484	62	326	491	66
II. Capital Goods Industries										
1. Railway Wagons	'000 Nos.	9	33	27	10	34	30	12	34	35
2. Motor Vehicles	,,	91	72	126	90	72	125	98	72	136
3. Power Transformers	'000 KVA	8784	6264	140	9288	6684	139	11808	15576	76
4. Electric Motors	'000 H.P.	2316	2568	90	2556	2736	93	2988	5940	50
5. Machine Tools@	Rs. Crores	51.9	75.4	69	62.0	75.4	82	66.0	75.4	88
6. Building and Road Construction Machinery	Rs. Lakhs	..	..	..	303	558	54	317	700	45
7. Cement Mill Machinery	Rs. Lakhs	323	2600@@	12	204	2600	8	740	2600	28
8. Chemical and Pharmaceutical Machinery	,,	2020@@	5271@@	38	2615	6367	41	3000	7250	41
9. Mining and Coal Washery Machinery	,,	..	..	..	793	3000	26	900	3000	30
10. Paper and Pulp Machinery	,,	535@@	666@@	80	618	1354	46	450	1460	31
11. Sugar Machinery	,,	1608	2300@@	70	1968	2815	70	2040	2815	72

Table III. 24 : Production, Installed Capacity and Capacity-Utilisation Ratios of Selected Industries—*Concld.*

Group/Industry	Accounting unit	1971			1972			1973*		
		Production	Capacity	Ratio	Production	Capacity	Ratio	Production	Capacity	Ratio
1	2	3	4	5	6	7	8	9	10	11
III. Intermediate Goods Industries										
1. Storage Batteries	'000 Nos.	1134	1284	88	1105	1284	86	1248	1284	97
2. Dry Cells	Million Nos.	550	563	98	636	638	100	602	638	94
3. Tyres-Automobiles	'000 Nos.	4190	3384	124	4405	3852	114	4298	3850	112
4. Tyres-Cycles	,,	19964	31826	63	21613	31824	68	18747	32628	57
5. Tubes-Automobiles	,,	4035	3242	124	4347	3852	113	4166	3850	108
6. Tubes-Cycles	,,	12517	28950	43	14425	28956	50	12536	28956	43
7. Paints and Varnishes	Lakh Kgs.	680	983	69	750	1032	73	732	1188	62
8. Ceramics (Refractories)	'000 Tonnes	744	1140	65	792	1140	70	720	1140	63
IV. Consumer Goods Industries										
1. Radio Receivers	'000 Nos.	1944	2308	84	1920	2658	72	1590	2568	62
2. Bicycles	,,	1930	3020	64	2245	3720	60	2543	4014	63
3. Cigarettes	Million Nos.	65800	56400	117	61776	56400	110	62316	58200	107
4. Vanaspati	'000 Quintals	5901	9872	60	6023	10644	57	4668	10980	43
5. Soaps	'000 Tonnes	320	215	149	295	216	137	210	216	97
6. Matches	Million Sticks	231600	214356	108	218400	214356	102	216000	214356	101
7. Footwear (Western Type) (Leather)	Lakh Pairs	159	138	115	138	138	100	71	138	51
8. Footwear (Rubber)	,,	437	552	79	436	516	84	388	520	75
9. Hurricane Lanterns	'000 Nos.	2712	3120	87	3492	3120	112	2364	3120	76
10. Electric Lamps (Incandescent Filament)	Million Nos.	112	83	135	128	84	152	127	84	151
11. Electric Fans	'000 Nos.	1944	1816	107	2520	2760	91	2256	2812	80
12. Glass and Glassware (Sheet Glass)	Lakh Sq. Mts.	170	216	79	171	216	79	140	216	65

*Provisional.
@Include 10 items.
@@Taken from the Annual Report of the Ministry of Industrial Development.

Note : Figures of installed capacity for (1) Building and Road Construction Machinery (2) Chemical and Pharmaceutical Machinery (3) Cement Mill Machinery (4) Paper and Pulp Machinery (5) Sugar Machinery and (6) Mining and Coal Washery Machinery for the years 1972 and 1973 are supplied by Directorate of General Technical Development.

Source : Central Statistical Organisation, Calcutta.

industries in the Central sphere such as coal and other mines, some sections of the Railways, and the Ports and Docks. Such loss of man-days in the Central sphere rose to 2.78 millions from 1.80 millions in 1972; in the States sphere it declined to 15.19 millions from 18.74 millions. Again, in the important industrial State of West Bengal, the labour situation showed a marked deterioration in 1973 when the man-days lost through strikes and lock-outs were 6.58 millions as against 3.96 millions in 1972 (Table III.26).

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	1.93	14.62
1972	20.54	1.80	18.74
1973*	17.97	2.78	15.19

..Not Available.
@Comprising Central Government undertakings including Government Departments thereof.
*Provisional.
Source : Annual Reports of the Ministry of Labour, Government of India.

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

(Million Man-days)

State	1971	1972	1973*
1	2	3	4
I. Total for all States ..	16.55	20.54	17.97
Of which :			
1. Bihar	0.68	0.60	0.26
2. Gujarat	0.14	0.27	0.35
3. Kerala	3.12	3.21	1.30
4. Maharashtra ..	2.05	3.53	2.39
5. Tamil Nadu ..	1.71	4.27	1.46
6. West Bengal ..	4.29	3.96	6.58
II. Total (1) to (6) ..	11.99	15.84	12.34
III. (II) As per cent of (I)	72.4	77.1	68.7

* Provisional.
Source : Annual Reports of the Ministry of Labour, Government of India.

The labour situation in the organised industry deteriorated further during the first half of 1974 which witnessed prolonged strikes in jute industry (33 days) and cotton textile industry in Bombay (41 days) and a nation-wide stir among the Railway employees (20 days).

With a view to fostering improved labour relations, the Payment of Bonus Act, 1965 was amended during the year, providing for a higher minimum bonus of $8\frac{1}{3}$ per cent (instead of 4 per cent) for the accounting year commencing on any day in the year 1972 (7).

For facilitating the settlement of disputes relating to wages through direct bi-partite negotiations, on the lines of the Steel industry, a Bi-partite Negotiating Committee was constituted for the cement industry, but on their failure to reach any agreement, a reference was made to the Union Labour Minister, who awarded a minimum wage of Rs. 295.10 exclusive of house rent allowance from September 15, 1973 with provision for adjustment of dearness allowance according to rise or fall in the cost of living index. Suitable steps were also taken to consider demands of workers for wage revision in Coal, Electricity, Sugar and Ports and Docks industries.

The minimum rates of wages were revised during the year in building construction industry, agriculture, gypsum, bauxite, barytes and manganese mines falling in the Central sphere.

Employment Situation

Data on employment in the organised sector (8) are available upto December 1973. These show that the growth of employment in this sector, public and private together, has slackened during 1973-74; the rate works out to 1.5 per cent for April-December 1973 against 3.1 per cent for April-December 1972. During 1972-73 as a whole, the growth rate at 4.1 per cent had shown a significant improvement over that in 1971-72 (3.3 per cent) (Table III.27). This was the result of a relative improvement in industrial investment in 1972-73 as described elsewhere in the Report (Chapter VI: Capital Market).

(7) Subsequently extended to 1974 also.
(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 establishment, the sub-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**	113.05@$	5.3	67.70@$	0.1	180.75@$	3.3
1972-73**£	119.75	5.9	68.49	1.2	188.24	4.1
Quarter-ending						
September 1972	115.37	+2.1@@	67.89	+0.3@@	183.26	+1.4@@
December 1972	116.87	+3.4@@	69.56	+2.7@@	186.43	+3.1@@
September 1973£	122.64	+2.4†	66.09	—3.6†	188.73	+0.3†
December 1973£	123.90	+3.5†	67.25	—1.8†	191.15	+1.5†

* 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 Union Territory of Goa, Daman & Diu, from March 1970 onwards.

† Percentage increase/decrease over end-March 1973.

£ Provisional.

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

@@ Percentage increase/decrease over end-March 1972.

$ 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.

Notes : (1) From March 1961 to March 1965 the data relate to non-agricultural 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 & Kashmir is being covered.

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

Sources : (1) Economic Survey : 1973-74 (Government of India).

(2) Quarter-wise data from the Directorate General of Employment & Training, Ministry of Labour, Government of India, New Delhi.

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

(Figures in Lakhs)

Industry/Division	March 1972	March 1973	Percentage increase over previous year		Quarter Ending				Percentage increase	
			March 1972	March 1973	September 1972	December 1972	September 1973£	December 1973£	December 1972 over March 1972	December 1973 over March 1973
1	2	3	4	5	6	7	8	9	10	11
1. Plantations, Forestry, etc.@ ..	10.99	11.13	+2.1	+ 1.3	11.69	11.27	11.86	11.28	+2.5	+1.3
2. Mining and Quarrying ..	6.05	6.80	+2.2	+12.4	6.31	6.41	7.25	7.46	+6.0	+9.3
3. Manufacturing..	48.65	50.84	+1.9	+ 4.5	48.49	50.48	49.41	51.28	+3.8	+0.9
4. Construction* ..	10.82	11.93	+6.1	+10.3	11.34	11.35	11.22	11.06	+4.9	—7.3
5. Electricity, Gas & Water and Sanitary Services, etc.	5.13	5.44	+6.0	+ 6.0	5.21	5.32	5.56	5.65	+3.7	+3.9
6. Trade & Commerce ..	6.78	7.24	+8.0	+ 6.8	6.97	7.16	7.38	7.48	+5.6	+3.3
7. Transport & Communications ..	23.36	23.78	+0.9	+ 1.8	23.51	23.81	23.99	24.12	+1.9	+1.4
8. Services ..	68.97	71.26	+4.4	+ 3.3	69.74	70.64	72.05	72.83	+2.4	+2.2
Total ..	**180.75**	**188.21@@**	**+3.3**	**+ 4.1**	**183.26**	**186.43**	**188.73**	**191.15**	**+3.1**	**+1.6**

£ 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.

Sources : Economic Survey : 1973-74 (Government of India) and Ministry of Labour, Government of India.

Table III.29 : Employment Exchange 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	4512	744	446	9.9	59.9	4069
1971	437	5124	814	506	9.9	62.2	5100
1972	453	5832	858	508	8.7	59.2	6895
1973£	465	6144	871	519	8.4	59.6	8218
January-June							
1973£	462*	3001	454	264	8.8	58.1	7596
1974£	475	2490	358	210	8.4	58.7	8354

£Provisional.

*Excludes University Employment Information and Guidance Bureax.

@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.

Sources : Monthly Reviews of Directorate General of Employment and Training and Indian Labour Journal (Government of India).

Sector-wise, 'manufacturing' sector showed very poor performance compared to the preceding year. The 'services' sector (trade, commerce and industry etc.) as mentioned in the last year's Report, continued to show further progress (Table III.28).

Similar data are not available beyond December 1973. However, the data relating to the Employment Exchanges (9) functioning in the country indicate that the industrial employment situation has probably experienced deterioration during January-June 1974. The number of vacancies notified during the period has declined to 3.58 lakhs from 4.54 lakhs during January-June 1973, (or by 21.1 per cent) (Table III.29). The actual number of 'placements' effected during the period also declined rather steeply, to 2.10 lakhs from 2.64 lakhs; the 'placements' as a proportion of 'registrations' were, however, lower at 8.4 per cent against 8.8 per cent in January-June 1973. The highest of 'placements' reached was over 14 per cent in the best years of industrial investment in 1964 and 1965.

As an indicator of growing unemployment, the number of applicants on the Live Registers of Employment Exchanges expanded by 10.0 per cent from 75.96 lakhs at the end of June 1973 to 83.54 lakhs at the end of June 1974 (Table III.29). There was a sharp increase in the number of educated unemployed from 26.11 lakhs at the end of June 1972 to 35.29 lakhs at the end of June 1973. The programme to provide jobs for the half-a-million educated unemployed, launched during 1972-73, has provided employment to over a quarter million persons so far. The details of such schemes to mitigate unemployment in the rural areas have been described in the previous section on 'Agricultural Output'.

(9) It should be borne in mind that the number of Employment Exchanges reporting these data show increases from year to year.

INDUSTRY-WISE REVIEW OF DEVELOPMENTS DURING 1973-74

I. Basic Industries

(i) Coal

Output of coal (including lignite) in 1973 reached, according to official data, a peak of 80.6 million tonnes compared to 77.5 million tonnes in 1972 and a previous peak of 78.9 million tonnes in 1969 (Table III.30). However, the percentage increase was lower at 4.0 in 1973 as against 5.9 in 1972. This level of output not only fell short of the target of 93.5 million tonnes for 1973-74 originally visualised in the Fourth Plan but was also just a shade (one million tonnes) above the output in 1969.

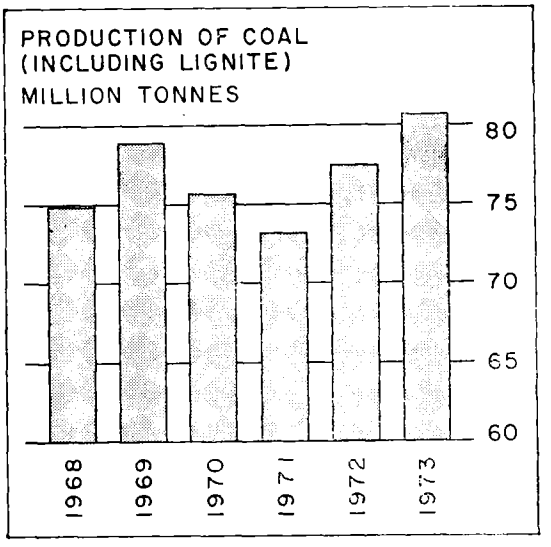
Table III.30 : Coal (including Lignite)

(Million Tonnes)

Year	Production		Despatches+	Exports£	Year-end stocks (at pit-heads)
	Total	Coking Coal			
1	2	3	4	5	6
1951	34.8	—	—	2.9	2.8
1956	40.1 (+2.8)@	—	—	1.9	3.8
1961	56.1 (+6.9)@	—	—	0.9	3.3
1966	70.5 (+4.6)@	—	—	0.4	5.4
1969	78.9 (+3.7)@	17.2 (+1.8)	71.2	0.3	6.3
1970	75.6 (—4.2)	17.8 (+3.5)	66.0	0.5	9.2
1971	73.2 (—3.2)	16.7 (—6.2)	67.7	0.3	8.5
1972	77.5 (+5.9)	16.5 (—1.2)	72.4	0.2	6.9
1973*	80.6 (+4.0)	15.5 (—6.1)	72.9	0.3	5.5

£ 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 year in the table.

Graph 12



Power shortage, strikes in many collieries and slow clearance of coal from pit-heads due to disturbed labour relations in the Railways, particularly in the Eastern region, continued to affect production in the coal industry throughout the Fourth Plan period. The situation with regard to coking coal output was at times very critical due to these reasons.

In 1973 too, the production or coking coal suffered a set-back for the third year in succession. It declined by 6.1 per cent from 16.5 million tonnes in 1972 to 15.5 million tonnes in 1973. The increase in total coal output in 1973, was thus on account of the increase in the output of non-coking coal from 61.0 million tonnes to 65.1 million tonnes—a rise of 6.7 per cent. However, it is estimated that of the non-coking coal output in 1973 about 5 million tonnes were accounted for by better statistical reporting, implying that there was hardly any increase in the year. Probably for this reason it is difficult to reconcile the official figures of output with those for despatches and stocks. Despite an overall increase of 3.1 million tonnes in output and a marginal increase of 0.6 million tonnes in despatches including exports, stocks dwindled by 1.4 million tonnes.

In order to ensure a regulated flow of coke and coal to steel plants and thus avoid decline in steel output, the Planning Commission has set up a monitoring cell for co-ordinating the production and transport of coking coal for the steel plants. The cell would pinpoint the difficulties and shortcomings in production and transport. Incidentally, it is reported that a part of the reduced coking coal output is being diverted to non-metallurgical use following the mushroom growth of hundreds of small coke ovens, which not only misuse high quality coking coal but also fail to get by-products.

The Coal Mines Authority has decided to develop 13 new mines in Maharashtra, Madhya Pradesh and Orissa in 1974-75 at a capital cost of about Rs. 60 crores and some of these are expected to go into production this year itself. A sum of Rs. 97 crores has also been earmarked for the development of coal mines in the 1974-75 budget against Rs. 24 crores in 1973-74.

A crash programme drawn up by the Government of India, involving an outlay of Rs. 1,000 crores envisages coal output of 145 million tonnes (including 111 million tonnes of non-coking coal) by 1978-79. For this purpose, the Government has entered into a protocol agreement with the Soviet Union for giving assistance in deepening and intensive use of open cast mining to get extra coal output of 5 to 6 million tonnes from some of the existing mines and in gasification of coal for use as a substitute for petroleum products.

Pursuant to the recommendations of an Inter-Ministerial Committee on Coal appointed by the Government in January 1974, the prices of different grades of coal and coke were increased by Rs. 10 per tonne, effective April 1, 1974 compensating the industry for the increase in wage bill and the cost of essential stores.

(ii) Iron-Ore

Output of iron-ore at 35.2 million tonnes showed a marginal decline of 0.8 per cent over that in 1972 (Table III.31). This decline was due to severe power cuts and transport constraints and was noticed in all the important iron-ore producing States, except Goa. Production of iron-ore (excluding Goa, Daman & Diu) which was continuously on the uptrend since 1968 registered a decline of 3.3 per cent during the year. This was on account of the fall in the production in Andhra Pradesh, Madhya Pradesh, Karnataka and Orissa.

The output of Bihar and Maharashtra in the total output, however, increased from 4.5 and 0.7 million tonnes in 1972 to 4.7 and 0.9 million tonnes in 1973, respectively. The production of Goa, Daman and Diu also increased from 11.5 million tonnes in 1972 to 12.0 million tonnes in 1973. Goa's share in the total output increased from 31.2 per cent in 1971 to 32.4 per cent in 1972 and further to 34.0 per cent in 1973.

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	7.5	—	1.8	9	1.5
1961	18.7 (12.3)	+19.9 (+19.8)@	3.3	18	3.4
1966	26.4 (19.9)	+ 7.1 (+10.6)@	13.3	59	2.1
1969	29.6 (20.9)	+ 3.9 (+ 1.6)@	16.7	96	4.5
1970	31.2 (22.3)	+ 5.4 (+ 6.7)	20.4	114	1.7
1971	34.3 (23.7)	+ 9.9 (+ 6.3)	20.4	110	1.7
1972	35.5 (24.0)	+ 3.5 (+ 1.3)	21.4	114	2.5
1973$	35.2 (23.2)	— 0.8 (— 3.3)	23.5	126	1.9@@

£Production figures and percentage variations in brackets are excluding those of Goa, Daman & Diu.
@Represents annual compound growth rate (in percentage) over the previous year in the table.
$Provisional.
@@Relates to end-November 1973.
Source : Minerals and Metals Trading Corporation of India, Ltd.

Exports of iron-ore during 1973 aggregated 23.5 million tonnes as against 21.4 million tonnes last year—an increase of 10.0 per cent. In terms of value, the increase was from Rs. 114.1 crores to Rs. 126.4 crores during the same period. The share of MMTC in such exports is expected to go up from 10.6 million tonnes in 1972-73 to 13.0 million tonnes in 1973-74, to 16.5 million tonnes in 1974-75 and further to 20.5 million tonnes by 1975-76.

(iii) Cement

Cement production declined from 15.8 million tonnes in 1972 to 15.0 million tonnes in 1973 or by 4.8 per cent in contrast to the successive increases recorded in the past (Table III.32). The uptrend in production was reversed during 1973 owing to: (i) drastic power cuts ranging between 20 per cent to 75 per cent in cement producing States with the exception of Madhya Pradesh; (ii) shortage of coal; (iii) inadequate availability of railway wagons and (iv) limited availability of furnace oil resulting in partial or complete closure of many units. As a result, the capacity utilisation ratio in this industry dropped steeply to the low level of 76 per cent from 80 per cent last year.

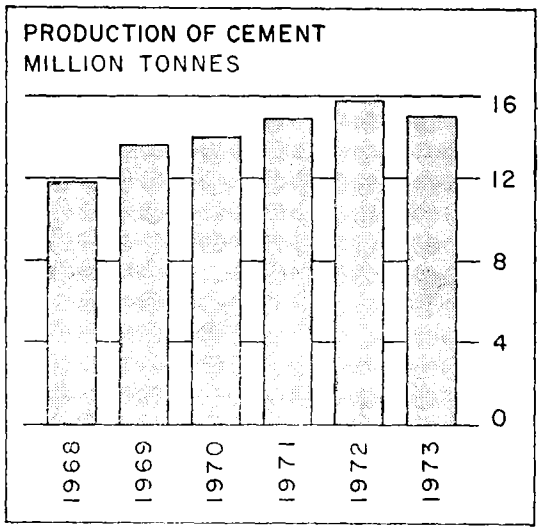
Table III.32: Cement

(Thousand Tonnes)

Year	Installed capacity	Production	Year-end Stocks
1	2	3	4
1951	3,613	3,252	—
1956	5,795	5,008 (+ 9.0)@	110
1961	9,474	8,245 (+10.5)@	169
1966	12,576	11,062 (+ 6.0)@	207
1969	15,564	13,620 (+ 7.1)@	258
1970	16,956	13,956 (+ 2.4)	290
1971	18,491	14,928 (+ 7.0)	292
1972	19,752	15,756 (+ 5.5)	190
1973*..	19,764	15,006 (— 4.8)	281

*Provisional.
@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



Despite reduced output, cement stocks were higher at 2.8 lakh tonnes at end-1973 against 1.9 lakh tonnes at end-1972 due to lower despatches; the despatches were 14.9 million tonnes in 1973 against 15.8 million tonnes in 1972. The disruption of production and movement of cement gave rise to an acute shortage, affecting construction activity and accentuating unofficial premium in cement price.

Installed capacity at 19.8 million tonnes in 1973 remained virtually stagnant at the last year's level and was considerably below the target of 21 million tonnes expected at the end of the Fourth Plan (1973-74). As a result, the gap between demand and supply continued to widen in 1973. For attaining higher capacity, the Government decided in May 1973 to lift the ban on Large Industrial Houses expanding capacities and cleared nine expansion schemes from such Houses. Letters of intent were issued to Large Houses and other private parties for about 8 million tonnes, the rest being allocated to the Cement Corporation of India and the various State Industrial Development Corporations. All these projects are expected to be implemented in the next three years. With effect from March 11, 1974, the Government revised the licensing procedure for cement units according to which licenses for expanding existing units or for setting up new units will be given if the conditions about raw material availability and facility for transport of coal and finished products were satisfied.

In the context of present and anticipated shortages of cement, the Government continued the voluntary control on price and distribution of cement. Pursuant to the recommendation of the Tariff Commission, an *interim* increase in the retention price of cement of Rs. 10 per tonne raising it to Rs. 110 per tonne was permitted, effective September 15, 1973. Again in April 1974, the Tariff Commission recommended an increase of Rs. 25 per tonne in the retention price of cement to compensate for increases in the price of coal, power and other basic inputs and in wages during the last two years and to attract investment in cement industry both for stepping up production in immediate future and meeting long-term needs ([10]).

The system of distribution of cement was changed during the year in order to ensure its equitable distribution. Till July 1973, authorisations for supplies of cement were issued on the basis of the demands received from various categories of consumers in the States and there was no restriction on the producers supplying to their stockists to the extent of their demand for meeting the requirements of the public in the freesale category. Subsequently, it was decided as a matter of policy to fix a separate quota in respect of each State for the period July 1, 1973 to June 30, 1974 and to distribute the available quantity of cement equitably.

(iv) Iron and Steel

Output of iron and steel industry suffered a decline during the year 1973-74 after the last year's recovery; production of steel declined in almost every steel plant—whether in the public or in the private sector. This set-back was due to: (i) power shortages affecting all the

(10) The Goverment have since increased the price effective from August 1, 1974 by Rs. 21 per tonne to Rs. 131 per tonne which will be in force till March 31, 1979 and subject to escalations on July 1 every year for variations on account of wages and dearness allowance, price of coal, power tariff and freight on coal. The ex-works price of Rs. 131 per tonne will be *exclusive* of Rs. 3 per tonne as selling expenses including the present selling commission of Rs. 1.25 per tonne. A rebate of Rs. 10 per tonne has been allowed for cement supplied to rate contract consumers.

plants except Bhilai; (ii) inadequate availability of coal to all steel plants, again mostly due to power shortages; (iii) disturbed industrial relations at Durgapur and to some extent, at Rourkela and (iv) disruption of raw material supplies resulting from the dislocation in rail movement following the strikes by locomen and a section of staff in August, November and December 1973.

During 1973-74, production of steel ingots declined by 5.3 per cent from 7.0 million tonnes in 1972-73 to 6.6 million tonnes and that of finished steel by 16.4 per cent from 5.5 million tonnes to 4.6 million tonnes (Table III.33). Of the total finished steel output, the production of tool alloy and special steels accounted for 0.3 million tonnes and that of mild steel, 4.3 million tonnes.

Plant-wise, the three plants of the Hindustan Steel Limited together showed a fall of 6.1 per cent in the ouptput of steel ingots at 3.8 million tonnes and in terms of saleable steel by 8.2 per cent at 2.7 million tonnes. The

Graph 14

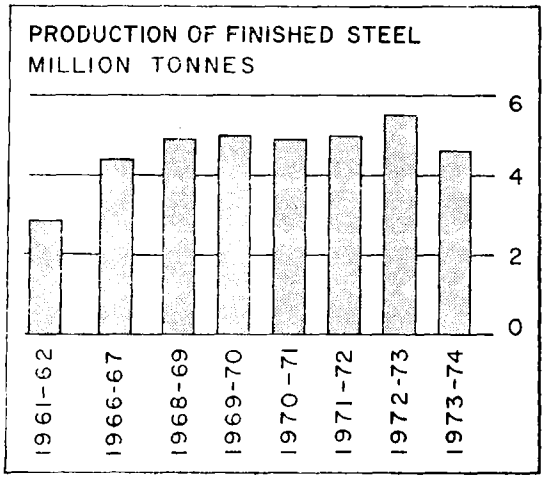


Table III.33: Production of Iron and Steel

(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 ..	1,876	818	1,104	1,708	700	6,206	136	92	6,434
1970-71 ..	1,940	634	1,038	1,715	627	5,954	91	94	6,139
1971-72 ..	1,953	700	823	1,708	617	5,801	133	364	6,300
1972-73 ..	2,108	723	1,177	1,690	431	6,129	155	696	6,980
1973-74* ..	1,923	796	1,046	1,513	433	5,711	151	746	6,608
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	683	1,375	523	4,543	—	—	—
1971-72 ..	1,568	432	598	1,387	493	4,478	—	—	—
1972-73 ..	1,744	477	765	1,456	351	4,793	—	—	—
1973-74* ..	1,708	345	687	1,185	344	4,268	—	—	—
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 ..	1,537	359	715	917	293	3,821	54	1,638	5,513
1973-74* ..	1,382	235	603	824	313	3,357	48	1,200	4,605

*Provisionally estimated.

Source : Annual Reports of Ministry of Steel and Mines (Department of Steel), Government of India, New Delhi.

decline in terms of ingots was the highest in Rourkela (11.1 per cent) and that of saleable steel in Durgapur (27.7 per cent).

Bokaro Steel which commenced partial production last year doubled the production of saleable pig iron from 3.1 lakh tonnes in 1972-73 to 6.9 lakh tonnes in 1973-74.

The persistent decline in the production at IISCO for one full decade has been arrested in 1973-74 and its ingot steel output increased, *albeit* marginally, by 0.2 per cent. But, the output of steel ingots at TISCO declined for almost eight years in succession, the decline in 1973-74 being 10.5 per cent. Production of saleable steel in both the plants went down in 1973-74 by 0.8 per cent and 18.4 per cent, respectively.

Though imports of over one million tonnes of iron and steel were planned for 1973-74, as in the previous year, imports during the year in terms of actual quantity imported (0.8 million tonnes) were lower than in the previous year (1.2 million tonnes) due to the world-wide shortage of steel and high international prices. An agreement for the supply of 50,000 tonnes of steel rolled products to India during 1974 was signed with USSR on November 13, 1973.

To minimise the impact of power shortage in a short period on the industry, the concerned State Governments and the DVC authorities have been specially requested by the Government of India to accord the highest priority for the supply of power to the steel plants, coknig coal mines and coal washeries. As a long-term measure, the installation of additional power generating capacity for the Bhilai Steel Plant was approved in principle and the question of augmenting captive power capacity at Rourkela and Durgapur Steel Plants is under examination.

A scheme drawn up by the Steel Authority of India Limited (SAIL) envisages building up reserve stocks of coal and coke at the disposal of the steel plants' yards to tide over any critical developments. It also formulated proposals which formed the basis of the revised pricing policy called 'differential steel price policy', for steel products which was introduced effective October 15, 1973. Under this policy, the prices of three main categories, *viz.*, plates, structurals and railway materials remained unchanged as these are predominantly used by State and Central Governments, public undertakings and basic industries; prices of other categories of steel were raised substantially for all consumers. This was aimed at mopping up surplus money from the industry for its own development and using the price mechanism coupled with effective changes in the distribution pattern to curb consumption of steel in certain categories, thereby augmenting steel supply in critical areas. Previous to this policy, the Government had allowed a price hike of Rs. 75 per tonne on all saleable steel in September 1973.

The mushroom growth of electric arc furnaces (known as mini steel plants)—about 160 in number—facilitated by exemption from licensing and price controls, has put considerable pressure on the meagre supplies of steel scrap and electric power. Therefore, in November 1973, Government brought the scrap-based electric arc furnaces even with investment of less than Rs. 1 crore under the purview of the licensing provisions. Incidentally, the installed capacity of mini steel plants has already crossed 1.6 million tonnes but the actual production is one-half of the installed capacity. Besides, nearly 50 more units are expected to add another one million tonnes to the installed capacity.

II. Capital Goods Industries

Engineering and Metallurgical Industries (other than Iron and Steel)

(i) Engineering Industries

During the year 1973, performance of engineering industries was generally sluggish as a result of power and raw material shortages and transport bottlenecks. Cost escalations on account of high prices of steel and non-ferrous metals and wage increases also had their adverse impact on these industries. The worst affected were industries in the 'light mechanical engineering', 'electrical engineering', and 'metallurgical industries' groups, a majority of which showed substantial declines in output, and improvements, if any, were marginal. However, the output of 'heavy mechanical indus-

tries' showed a general uptrend due to the implementation of reorganisation programmes, better management practices, increased emphasis on achieving higher levels of production and productivity and utilisation of existing capacities, particularly in the public sector units.

(a) Heavy Mechanical Engineering Industries

In this group, production of 'automobiles' rose by 9.1 per cent as against a decline of 1.4 per cent in 1972. The improvement in output was marked in the case of commercial vehicles for the production of which five new units were granted letters of intent for a total capacity of 1,04,000 nos. per annum and three others, for a substantial expansion of existing capacity.

Output of 'road rollers' was more than doubled at 1,483 (in numbers) as against 657 during the previous year. Licences were given to the industrial units during 1973 to manufacture 2,200 road rollers per annum and letters of intent were granted to 4 units for an additional capacity of 1,700 road rollers.

Value of 'diesel engines' (stationary type), produced at Rs. 53 crores was higher by 58.7 per cent as compared to that of Rs. 33.4 crores in 1972, due to spurt in the demand for these engines owing to severe power cuts imposed on the industrial establishments in a number of States. Value of 'machine tools' produced increased to Rs. 66 crores (by 6.5 per cent) from Rs. 62 crores last year. Production of machine tools would have shown better progress during the year but for a strike in the Bangalore unit of Hindustan Machine Tools Ltd. The output of 'Railway wagons' for which substantial unutilised capacity exists improved by 16.7 per cent. Production of 'light, medium and heavy structurals' recorded only a moderate rise of 5.6 per cent. The output of 'steel castings' showed an absolute decline of 6.8 per cent (Table III.34).

Table III.34 : Output of Heavy Mechanical Engineering Industries

Item	Unit	1970	1971	1972	1973*
1	2	3	4	5	6
Automobiles (Total)	'000 Nos.	85.7 (+ 9.5)	90.8 (+ 6.0)	89.5 (— 1.4)	97.6 (+9.1)
(*i*) Passenger Cars	,,	35.8 (+ 1.4)	39.2 (+ 9.5)	39.5 (+ 0.8)	42.2 (+6.8)
(*ii*) Commercial Vehicles	,,	40.6 (+15.3)	40.6 (—)	37.4 (— 7.9)	42.3 (+13.1)
(*iii*) Jeeps	,,	9.3 (+19.2)	11.0 (+18.3)	12.6 (+ 14.5)	13.1 (+4.0)
Light, Medium and Heavy Structurals	'000 Tonnes	114.7	97.6 (—14.9)	114.6 (+ 17.4)	121.0 (+5.6)
Steel Castings (including Alloy Steel Castings)	,,	273	251 (—8.1)	251 (—)	234 (—6.8)
Diesel Engines (Stationary)	Rs. Crores	23.3 (—43.6)	29.9 (+28.3)	33.4 (+ 11.7)	53.0 (+58.7)
Railway Wagons+	'000 Nos.	12.0 (—23.6)	8.9 (—25.8)	10.2 (+ 11.5)	11.9 (+16.7)
Road Rollers	Nos.	335 (+ 3.1)	282 (—15.8)	657 (+133.0)	1483 (+125.7)
Machine Tools	Rs. Crores	38.9 (+34.6)	51.9 (+33.4)	62.0 (+ 19.5)	66.0 (+6.5)

+ In terms of 4 wheelers and relate to both private and public sectors.
* Provisional.
Note : Figures in brackets are percentage changes over the previous year in the table.

(*b*) *Light Mechanical Engineering Industries*

Among industries in the 'light mechanical engineering' group, consumer durables like 'sewing machines', 'typewriters', 'hurricane lanterns', 'stoves' (pressure type) etc., showed declines ranging between 2.5 per cent and 55.1 per cent arising from shortages of metals. Output of 'razor blades' during the year was only marginally higher as compared to last year. Production of bicycles was higher by 13.3 per cent reaching at 25.4 lakhs during 1973 from the level of 22.5 lakhs last year. However, the production was affected largely due to prolonged lock-out in one of the major units. The output of 'crown corks', however, rose substantially by 88 per cent as compared with a decline of 22 per cent last year. Production of 'ball and roller bearings' went up by 9.3 ped cent (Table III.35).

Table III.35 : Output of Light Mechanical Engineering Industries

Item	Unit	1970	1971	1972	1973*
1	2	3	4	5	6
Ball and Roller Bearings	Million Nos.	18.1 (+35.1)	19.2 (+ 6.1)	21.4 (+11.5)	23.5 (+ 9.3)
Typewriters	'000 Nos.	38.5 (+35.6)	43.9 (+14.0)	42.0 (— 4.3)	31.6 (—24.8)
Rubber Ply Transmission and Conveyor Beltings	Tonnes	5244 (— 5.4)	6370 (+21.6)	6797 (+ 6.7)	6696 (— 1.5)
Bicycles	'000 Nos.	2094 (+ 9.1)	1930 (— 7.8)	2245 (+16.3)	2543 (+13.3)
Sewing Machines	'000 Nos.	178 (—56.4)	329 (+84.8)	315 (— 4.3)	307 (— 2.5)
Hurricane Lanterns	'000 Nos.	3564 (—12.4)	7212 (—23.9)	3492 (+28.8)	2364 (—32.3)
Razor Blades	Million Nos.	852 (— 1.0)	660 (—22.5)	972 (+47.3)	974 (+ 0.2)
Stoves (Pressure Type)	'000 Nos.	17.5 (—12.5)	21.2 (+21.1)	23.6 (+11.3)	10.6 (—55.1)
Crown Corks	Million Nos.	1223 (—17.5)	1395 (+14.1)	1094 (—21.6)	2055 (+87.8)
Bolts, Nuts and Rivets	Tonnes	25020 (+ 3.4)	24903 (— 0.5)	31398 (+26.1)	29928 (— 4.7)

* Provisional.

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

(*c*) *Electrical Engineering Industries*

Among 'light electrical engineering industries' group also, industries manufacturing durable consumer goods like 'radio receivers', 'electric lamps (both 'Fluorescent' and 'G.L.S.')', 'electric fans', 'dry cells', recorded declines ranging between 5.3 per cent and 7.2 per cent as a result of the shortages as well as high prices of copper and other raw materials. However, production of 'domestic refrigerators', continued to expand; it rose by 36.2 per cent as against a rise of 7.2 per cent in 1972. Among 'electric lamps', G.L.S. and others which form the bulk of output registered a marginal decline of 1.1 per cent.

Among the 'heavy electrical engineering industries', output of 'power transformers' and 'electric motors' improved further, by 27.1 per cent and 16.9 per cent, respectively, during the year. There was a significant rise in installed capacity in electric motors during the year (Table III.36).

Table III.36 : Output of Electrical Engineering Industries

Item	Unit	1970	1971	1972	1973*
1	2	3	4	5	6
Light Electrical Engineering					
Electrical Lamps					
(*i*) G.L.S. and Others	Million Nos.	105.2 (+17.3)	112.2 (+ 6.7)	128.0 (+14.1)	126.6 (— 1.1)
(*ii*) Fluorescent	Million Nos.	10.2 (—)	10.8 (+ 5.9)	12.3 (+13.9)	10.5 (—14.6)
Electric Fans	'000 Nos.	1572 (+ 1.0)	1944 (+23.7)	2520 (+29.6)	2256 (—10.5)
Radio Receivers	'000 Nos.	1776 (+ 2.4)	1944 (+ 9.5)	1920 (— 1.2)	1590 (—17.2)
Storage Batteries	'000 Nos.	1157 (—)	1134 (— 2.0)	1105 (— 2.6)	1250 (+13.1)
Dry Cells	Million Nos.	490.8 (+ 2.8)	549.6 (+12.0)	636.0 (+15.7)	602.4 (— 5.3)
Domestic Refrigerators	'000 Nos.	65.4 (+33.5)	82.9 (+26.8)	89.3 (+ 7.2)	121.6 (+36.2)
Heavy Electrical Engineering					
Power Transformers	'000 KVA.	9012 (+78.5)	8784 (— 2.5)	9288 (+ 5.7)	11808 (+27.1)
Electric Motors	'000 H.P.	2784 (+34.0)	2316 (—16.8)	2556 (+10.4)	2988 (+16.9)

* Provisional.
Note : Figures in brackets are percentage changes over the previous year in the table.

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

Among 'metallurgical industries' group (other than iron and steel) while, 'copper' output (virgin metal) recorded a further growth of 16.5 per cent, that of 'aluminium' declined substantially by 13.8 per cent mainly due to power shortage. Output of 'lead' which had increased sharply by 80.0 per cent during 1972, showed a marginal decline of 3.7 per cent in 1973.

Output of 'aluminium wire rods for A.C.S.R.', 'copper sheets and circles', and 'brass sheets and circles' recorded declines of 19.1 per cent, 6.2 per cent and 6.7 per cent, respectively, during 1973. Output of 'aluminium sheets and circles' recorded a lower rate of increase (7.0 per cent as compared to 12.1 per cent last year). Production of 'zinc sheets and strips' went down nominally to 7.3 thousand tonnes—more or less the same as in the previous year (Table III.37).

Table III.37 : Output of Metallurgical Industries (other than Iron and Steel)

('000 Tonnes)

Item	1970	1971	1972	1973*
1	2	3	4	5
Virgin Metals				
Aluminium	161.0 (+21.4)	176.2 (+ 9.4)	179.1 (+ 1.6)	154.3 (—13.8)
Copper	9.3 (— 5.1)	9.6 (+ 3.2)	10.3 (+ 7.3)	12.0 (+16.5)
Lead	1.9 (—)	1.5 (—21.1)	2.7 (+80.0)	2.6 (— 3.7)
Semi-manufactures				
Aluminium Sheets and Circles	42.6 (+23.5)	44.5 (+ 4.5)	49.9 (+12.1)	53.4 (+ 7.0)
Aluminium Wire Rods for A.C.S.R.	53.9 (+17.7)	59.3 (+10.0)	60.1 (+ 1.3)	48.6 (—19.1)
Copper Sheets and Circles+	2.7 (+22.7)	3.2 (+18.5)	3.2 (—)	3.0 (— 6.2)
Brass Sheets and Circles+	14.9 (— 6.9)	16.6 (+11.4)	16.5 (— 0.6)	15.4 (— 6.7)
Zinc Sheets and Strips	7.0 (+ 1.4)	8.2 (+17.1)	7.6 (— 7.3)	7.3 (— 3.9)

* Provisional.

+ Includes strips.

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

III. Intermediate Goods Industries

(i) Jute Textiles

Despite an assured and adequate supply of raw jute and strong incentives provided by the high prices of finished goods, the production of jute goods suffered a sharp set-back in 1973 showing an absolute decline of 6.6 per cent. In 1972 also, the rate of growth had decelarated to 2.8 per cent from 13.3 per cent in 1971. Output of jute textiles at 10.4 lakh tonnes was 6.6 per cent lower than in 1972 (Table III.38).

Table III.38 : Jute Textiles

(Thousand Tonnes)

Year	Production@	Exports	Consumption@@	Year-end Stocks
1	2	3	4	5
1951 ..	899	789	123	86
1956 ..	1,111 (+ 4.6)£	778	197	97
1961 ..	1,007 (— 1.9)£	760	278	56
1966 ..	1,120 (+ 2.1)£	746	405	123
1969 ..	893 (— 6.8)£	579	380	70
1970 ..	954 (+ 6.8)	549	441	103
1971 ..	1,087 (+13.3)	641	477	110
1972 ..	1,110 (+ 2.8)	625	516	110
1973* ..	1,037 (— 6.6)	576	445	121

@Production figures relate to the production by mills in the membership of the Indian Jute Mills' Association (IJMA) which account for about 90 per cent of the total industry.

@@Figures represent despatches for internal consumption.

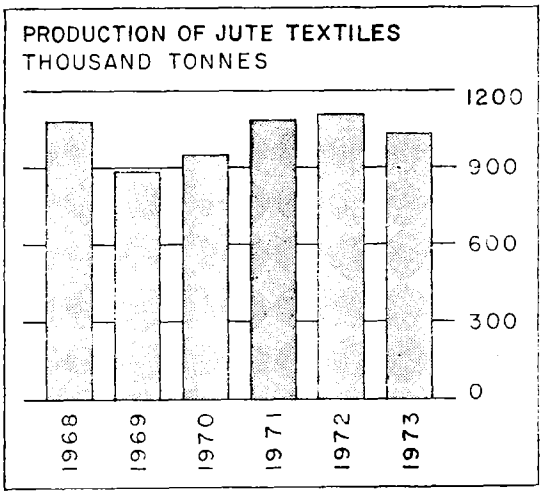
£Represents annual compound growth rate (in percentage) over the previous year in the table.

*Provisional.

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

The main constraints on production during the year were (i) shortage of power, (ii) shortage of raw jute in the months of May, June and July and (iii) slackness in export demand during the major part of the year. Production loss due to power cut alone is estimated by the industry to be 68,000 tonnes for the year. During the first quarter of 1974, production showed a further sharp fall due to a 33-days strike in January-February. Available data for the first quarter of 1974 showed a further fall in production at 1.7 lakh tonnes compared to 2.6 lakh tonnes for the corresponding quarter of 1973.

Graph 15



Component-wise, the output of carpet backing which had declined by 8.4 per cent in 1972 declined further by 6.6 per cent to 1.8 lakh tonnes in 1973. Sacking output which had edged up marginally by 0.4 per cent in 1972 witnessed a marked decline from 4.9 lakh tonnes in 1972 to 4.3 lakh tonnes in 1973—a fall of 12.5 per cent. Output of hessian also declined from 3.3 lakh tonnes in 1972 to 3.25 lakh tonnes in 1973.

The exports of jute manufactures declined from 6.3 lakh tonnes in 1972 to 5.8 lakh tonnes in 1973. However, towards the end of 1973, the steep rise in the prices of crude oil and acute shortage of petroleum products afforded a competitive edge to jute goods over synthetics but the industry could not take advantage of it due to the constraints mentioned earlier and the non-availability of sufficient and timely shipping space.

With a view to ensuring a regular supply of raw jute to industry, industry and the Government evolved a scheme for building a buffer stock of about 10 lakh bales of raw jute from both indigenous and imported sources. Fur-

ther, with a view to ensuring the competitiveness of jute goods in the foreign markets, Government abolished on June 12, and August 28, 1973, the export duty on sacking and brought it down in the case of hessian from Rs. 600 to Rs. 200 per tonne. However, in order to divert a part of increased earnings arising out of the sharp rise in the jute goods prices, the Government increased the export duty in March 1974, on primary and secondary carpet backing by Rs. 450 per tonne to Rs. 650 per tonne and on hessian by Rs. 400 to Rs. 600 per tonne and imposed fresh duty of Rs. 150 per tonne on sackings (cloth bags).

In November 1973, the Union Government decided in principle to levy under the Industries (D & R) Act, a development cess on the jute industry for augmenting research in jute and product development. For this purpose a Development Council for Jute Industry is envisaged by the Government. The main task of the Council would be to administer the cess to be levied on the jute industry, augment research and developmental activities, make plans to diversify production and identify new uses for jute. The Government also accorded recognition to the 'Jute International'—a body to be set up under the United Nations Developmental Programme. This international body will ensure multilateral cooperation among nations to safeguard the interest of jute in the international market.

In view of the sharp escalation in the industry's conversion cost, the Tariff Commission instituted a fresh enquiry into the cost structure of B-Twills and D. W. Flour Bags to recommend prices to be paid for these goods during the period April 1, 1973 to March 31, 1976.

(ii) Rubber Manufactures

The production of rubber goods suffered a set-back in 1973 in contrast to the marked improvement in the preceding two years. The CSO's index for the manufacture of rubber products declined from 259.3 in 1972 to 245.9 in 1973, or by 5.2 per cent. Production was affected mainly by strikes in two major units and by non-availability of adequate power supply; it resulted in shortages particularly of heavy duty vehicle tyres and tubes.

The production of automobile tyres at 43.0 lakh and tubes at 41.7 lakh numbers in 1973 registered declines of 2.4 per cent and 4.2 per cent, respectively (Table III.39). The capacity-

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)@		(+ 2.2)@		(+ 9.9)@		(+ 0.2)@		(+ 9.2)@	
1961 ..	1562	27	1484	37	11346	399	12848	399	451	59
	(+11.1)@		(+10.1)@		(+12.4)@		(+15.1)@		(+ 4.5)@	
1966 ..	2351	75	2208	96	19644	395	20448	831	522	60
	(+ 8.5)@		(+ 8.2)@		(+11.6)@		(+ 9.7)@		(+ 2.9)@	
1969 ..	3629	74	2887	110	21612	398	16656	589	493	51
	(+15.5)@		(+ 9.3)@		(+ 3.2)@		(— 6.2)@		(— 1.9)@	
1970 ..	3655	67	3248	114	20988	273	15840	312	448	59
	(+ 0.7)		(+12.5)		(— 2.9)		(— 4.9)		(— 9.1)	
1971 ..	4190	84	4035	119	19964	563	12517	364	437	60
	(+14.6)		(+24.3)		(— 4.9)		(—21.0)		(— 2.7)	
1972 ..	4405	93	4347	96	21613	590	14425	861	434	55
	(+ 5.1)		(+ 7.7)		(+ 8.3)		(+15.2)		(— 0.7)	
1973** ..	4298	124	4166	72@@	18747	336@@	12536	561@@	388	66
	(— 2.4)		(— 4.2)		(—13.3)		(—13.3)		(—10.4)	

*Figures in lakh pairs. ** Provisional.

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

@@As at the end-March 1973.

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

utilisation ratio for automobile tyres declined from 114 per cent in 1972 to 112 per cent in 1973 and that for tubes from 113 per cent in 1972 to 108 per cent in 1973. With a view to ensuring the availability of these items at reasonable prices, the Government imposed statutory price control on three categories of tyres and tubes and fixed their prices at rates prevailing on November 20, 1973. Subsequently, to compensate the industry for the escalation in costs and to increase the output of tyres and tubes, the Union Government on April 26, 1974 decontrolled prices of certain categories of tyres and tubes that were in short supply and directed the tyre manufacturers to change their production pattern and produce more of truck tyres so as to eliminate the shortage. The Government also reduced controlled prices of three main grades of synthetic rubber ranging between 5.5 per cent to 20 per cent effective September 1, 1973.

Besides, the Government authorised the State Governments to import truck and bus tyres to the extent of 25 per cent of the face value of their licences for motor vehicle parts and also directed the State Governments to tighten the distribution of tyres under permits to actual users. The tyre industry, in keeping with this directive, worked out an improved system of distribution.

Production of cycle tyres and tubes at 187.5 lakh and 125.4 lakh numbers respectively, recorded significant decreases of 13.3 per cent each over the previous year. The capacity-utilisation ratio for cycle tyres and tubes registered declines from 68 per cent and 50 per cent in 1972 to 57 per cent and 43 per cent, respectively, in 1973.

Among other rubber products, decline in the output of rubber footwear experienced since 1969 continued in 1973. Its production at 388 lakh pairs in 1973 showed a decline of 10.4 per cent as compared with 1972.

As regards the availability of raw material to the rubber industry, the production of natural rubber increased from 109 thousand tonnes to 123 thousand tonnes (or by 12.9 per cent) while that of synthetic rubber declined from 28 thousand tonnes to 21 thousand tonnes (or by 24.5 per cent) mainly on account of acute shortage of petroleum (Table III.40).

Table III.40 : Rubber

(Tonnes)

Item	1971	1972	1973@
1	2	3	4
Production			
Natural	98,884	109,137	123,232
Synthetic	33,007	27,842	21,012
Reclaimed ..	16,144	15,365	14,726
Imports			
Natural	383	383	117
Synthetic	5,803	5,959	5,547
Reclaimed ..	—	—	—
Consumption			
Natural	93,125	101,100	123,298
Synthetic	36,672	37,100	23,377
Reclaimed ..	15,225	15,373	16,513
Stocks as at the end of the period			
Natural	47,546	55,971	54,477
Synthetic	14,681	11,513	14,695
Reclaimed ..	4,827	4,819	3,032

@Provisional.
Source : Rubber Board, Kottayam.

(iii) Chemicals and Chemical Products

The output of chemicals and chemical products suffered a mild set-back in 1973 after the sharp improvement in 1972. The index of output for this group declined by 1.7 per cent during January-October 1973 in contrast to a rise of 18.4 per cent in the corresponding period of 1972. This was mainly the result of declines in output of consumer goods like 'drugs and pharmaceuticals' (29.0 per cent) and 'soaps and other washing and cleaning components' (19.5 per cent) and basic industrial chemicals like 'soda ash' (3.9 per cent) which offset the increases in other groups. The unprecedented rise in prices of intermediate products and inadequate availability of critical raw materials were major constraints on fuller utilisation of capacity in these industries.

Among the sub-groups which showed impressive performance during the year were 'fine chemicals' (25.9 per cent) and 'dyestuff and dyes' (11.6 per cent) in contrast to the set-back in output suffered in 1972.

The index for 'fertiliser' production improved but at a sharply reduced rate; it was 7.7 per cent in 1973 (January-October) compared to 17.3 per cent and 26.2 per cent in the corresponding period of 1972 and 1971, respectively. The index of output of 'heavy inorganic chemicals' also recorded a much smaller rise of 1.4 per cent against 11.9 per cent in 1972. The output of 'heavy organic chemicals' showed only a marginal rise (12.9 per cent) than in 1972 (12.8 per cent).

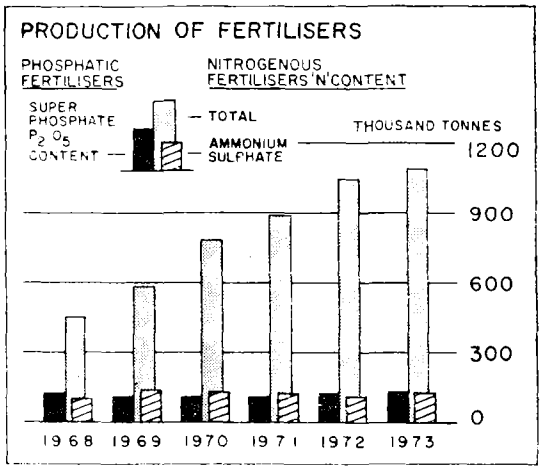
Among 'heavy inorganic chemicals', output of 'sulphuric acid' recorded an increase of 13.6 per cent which was only marginally higher than 10.8 per cent in 1972. Production of soda ash declined from 4.9 lakh tonnes to 4.7 lakh tonnes or by 3.9 per cent, mainly due to power cuts and inadequate availability of hard coke, furnace oil etc., (Table III.41). The installed capacity of soda ash recorded a marginal increase from 5.04 lakh tonnes in 1972 to 5.08 lakh tonnes in 1973.

Output of 'caustic soda' rose by 4.5 per cent to 4.1 lakh tonnes. Present installed capacity for caustic soda is about 4.4 lakh tonnes which is proposed to be enhanced to about 10 lakh tonnes by 1978-79. Large Industrial Houses and foreign majority companies are permitted to put up caustic soda units.

Output of 'paints and varnishes' declined by 2.7 per cent to 73,000 tonnes. Output of 'soap' recorded a steep decline of 29.5 per cent (2.1 lakh tonnes) on top of a decline of 6.9 per cent (3.0 lakh tonnes) during 1972. Restricted imports of tallow/palm oil and scarcity and high prices of indigenous oils and fats led to cut-backs in production by soap units. Soap units were allowed an upward revision in the prices of their products by about 15 per cent in July 1973. (An informal price control has been lifted in September 1974 with some conditions).

Production of chemical fertilisers—nitrogenous and phosphatic—recorded moderate increases in 1973, rising to 10.8 lakh tonnes and 1.3 lakh tonnes, respectively, against 10.5 lakh tonnes and 1.2 lakh tonnes in 1972. The production would have been still more but for certain constraints like oil crisis, widespread power cuts imposed by various State Electricity Boards and sharp increase in prices of certain essential inputs for the industry such as naphtha, phosphoric acid, rock phosphate, sulphur, etc. The loss of production on account of the constraints of power and labour alone was estimated to be over 1.0 lakh tonnes of nitrogenous fertilisers.

Graph 16



Installed capacity during the year for nitrogenous fertilisers increased from 15.3 lakh tonnes to 17.0 lakh tonnes and that for phosphatic fertilisers remained stagnant at about 5.0 lakh tonnes, as in 1972. Durgapur and Cochin plants with a capacity of 1.5 lakh tonnes each and Goa Fertiliser Plant in private sector with a capacity of 1.7 lakh tonnes were commissioned during the year.

A substantial under-utilisation of capacity persists for both nitrogenous and phosphatic fertilisers. Demand for fertilisers estimated at 39 lakh tonnes would be much in excess of the total availability. Imbalance between supply and demand for fertilisers has been aggravated further by the reduced availability from abroad. The Minerals and Metals Trading Corporation of India (MMTC) was, however, able to conclude recently a deal for the import of 3.3 lakh tonnes of fertilisers from USSR (2.0 lakh tonnes of urea, 0.8 lakh tonnes of ammonium sulphate and 0.5 lakh tonnes of potash).

With a view to neutralising the increases in the prices of naphtha and fuel oil, the Government allowed in October 1973 increases in the

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 (Super Phosphate) (P_2O_5 content)		Soda Ash		Soap†	
	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Total**	Ammonium Sulphate	Year-end stocks$	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1951 ..	109	—	15	—	34	—	—	11	—	10	—	48	—	85	—
1956 ..	168 (+ 9.0)@	7	48 (+26.2)@	1	42 (+ 4.4)@	2	80 (..)	79 (+ 48.6)@	1	14 (+ 7.0)@	—	86 (+12.4)@	2	1.12 (+5.6)@	7
1961 ..	422 (+20.2)@	14	120 (+20.1)@	4	59 (+ 7.0)@	6	135 (+11.0)@	79 (—)	8	62 (+34.8)@	8	177 (+15.4)@	23	149 (+5.9)@	6
1966 ..	690 (+10.3)@	28	230 (+13.9)@	15	67 (+ 2.7)@	5	265 (+14.4)@	85 (+1.5)@	5	119 (+13.9)@	11	350 (+14.6)@	15	181 (+3.9)@	3
1969 ..	1181 (+19.6)@	42	347 (+14.7)@	9	62 (—2.5)@	6	577 (+29.5)@	136 (+17.0)@	9	116 (— 0.8)@	4	423 (+ 6.5)@	4	224 (+7.3)@	4
1970 ..	1188 (+ 0.6)	39	361 (+ 4.0)	9	66 (+ 6.5)	9	778 (+34.8)	126 (—7.4)	6	103 (—11.2)	16	446 (+ 5.4)	12	232 (+3.6)	4
1971 ..	1021 (—14.1)	29	373 (+ 3.3)	9	68 (+ 3.0)	10	885 (+13.8)	121 (— 0.4)	13	102 (— 1.2)	11	479 (+ 7.9)	20	320 (+37.9)	4
1972 ..	1130 (+10.8)	60	396 (+ 6.2)	10	75 (+10.3)	9	1048 (+18.4)	118 (— 2.5)	N.A.	124 (+21.6)	16	486 (+ 1.5)	13	298 (—6.9)	N.A.
1973£ ..	1284 (+13.6)	32	414 (+ 4.5)	15	73 (—2.7)	9	1083 (+ 3.3)	124 (+ 5.1)	N.A.	128 (+ 3.2)	9££	467 (— 3.9)	21££	210 (—29.5)	N.A.

.. Negligible.
£ Provisional.
† Figures relate to the production of organised factories.
$ Relates to Ammonium Sulphate.
££ Relates to November 1973.
** 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.
@ 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.

prices of fertilisers—an increase of Rs. 91 per tonne for urea, Rs. 41 for ammonium sulphate and Rs. 50 for calcium ammonium nitrate. Prices of naphtha when used as fertiliser feed-stock were pegged at August 1973 level to avoid violent fluctuations in the prices of three types of nitrogeneous fertilisers which are statutorily controlled. The price of naphtha which was raised from Rs. 446 per tonne to Rs. 2,320 per tonne on March 20, 1974 was reduced to Rs. 1,000 per tonne on March 26, 1974 for industries other than those engaged in the manufacture of fertilisers. Further, in June 1974, the Government allowed a steep increase of Rs. 800 per tonne (an increase of about 80 per cent) in the prices of fertilisers. The Government also increased the price of the naphtha used for production of fertilisers from Rs. 252.25 per tonne to Rs. 486.31 per tonne exclusive of duty.

The petro-chemicals industry showed further improvement during the year. However, production growth of this sector was restrained due to unprecedented rise in the prices of intermediates and difficulties in the supplies of critical raw materials, which did not permit the full utilisation of capacities. Petroleum-based organic heavy chemicals like acetone, benzene, ethylene, methanol, etc., showed improved output. Total output of heavy organic chemicals during 1973 rose to 4.0 lakh tonnes or by 10.6 per cent as compared to 3.6 lakh tonnes (or 18.4 per cent) in 1972. Likewise, output of 'thermosets' and 'thermo plastics' also rose from 115 thousand tonnes in 1972 to 122 thousand tonnes in 1973.

In respect of 'drugs and pharmaceuticals', the Government allowed in April 1974 substantial price increases in basic drugs ranging in some cases upto 70 per cent. This increase was recommended by the Working Group of the Bureau of Industrial Costs and Prices. The recommendations covered 24 bulk drugs which form the main ingredients of many formulations.

IV. Consumer Goods Industries

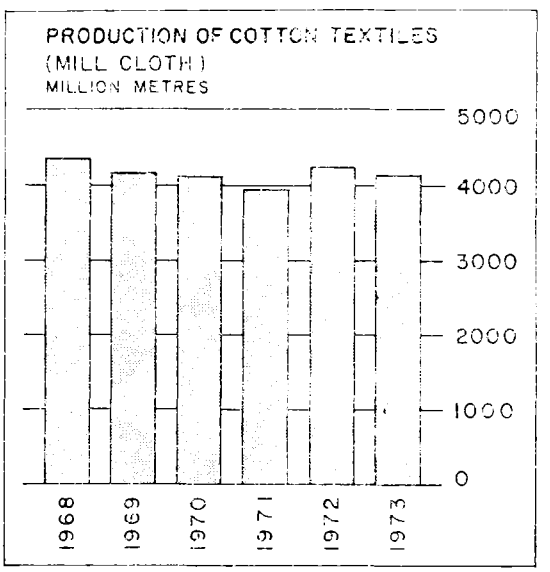
(i) Cotton Textiles

The cotton textile industry, after a marked recovery last year, again suffered a set-back in 1973 mainly due to power and coal shortages. A redeeming feature, however, was the comfortable availability of raw material and good domestic as well as foreign demand for cloth.

Total production of cotton textiles was lower at 7,808 million metres in 1973 than 8,028 million metres in 1972—a decline of 2.7 per cent in contrast to a substantial rise of 9.1 per cent in the preceding year. However, yarn production in 1973 aggregated 987 million kgs. showing a small rise of 1.5 per cent over 1972 (Table III.42).

The decline in cloth output took place in both the mill and the decentralised sectors. Cloth production in the mill sector, which recovered in 1972 after continuously declining for three years, again went down in 1973 to 4,154 million metres from 4,244 million metres in the previous year, *i.e.*, by 2.1 per cent. But the decline was more in the decentralised sector—by 3.4 per cent in 1973 against a rise of 11.4 per cent in 1972. Therefore, the share of the mill sector in the total cloth production in 1973 rose to 53.2 per cent as against 52.9 per cent last year.

Graph 17



Production of cloth by the Government-managed mills during 1973 went up by 35.2

Table III. 42 : Cotton Textiles

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

Sector	Year	Production	Exports	Domestic Comsumption*	Year-end Stocks (unsold)
1	2	3	4	5	6
Cloth—Mill Sector	1951	3,727	—	3,096	—
	1956	4,853 (+ 5.4)£	680	3,818	387
	1961	4,702 (— 0.6)£	525	4106	292
	1966	4,239 (— 2.1)£	404	3,897	199
	1969	4,168 (— 0.6)£	416†	3,799	166
	1970	4,156 (— 0.3)	419	3,829	148
	1971	3,960 (— 4.7)	387	3,452	180
	1972	4,244 (+ 7.2)	453	3,767	159
	1973**	4,154 (— 2.1)	594	3,626	130
Cloth—Decentralised Sector	1951	1,013	—	—	—
	1956	1,667 (+10.5)£	55	—	—
	1961	2,376 (+ 7.3)£	26	—	—
	1966	3,096 (+ 5.4)£	35	—	—
	1969	3,538 (+ 4.5)£	27	—	—
	1970	3,692 (+ 4.4)	28	—	—
	1971	3,396 (— 8.0)	29	—	—
	1972	3,784 (+11.4)	47	—	—
	1973**	3,654 (— 3.4)	56	—	—
Cloth—Total	1951	4,740	753	—	—
	1956	6,520 (+ 6.7)£	735	—	—
	1961	7,080 (+ 1.7)£	551	—	—
	1966	7,335 (+ 0.5)£	439	—	—
	1969	7,706 (+ 1.6)£	443	—	—
	1970	7,848 (+ 1.8)	447	—	—
	1971	7,356 (— 6.3)	416	—	—
	1972	8,028 (+ 9.1)	500	—	—
	1973**	7,808 (— 2.7)	650	—	—
Cotton Yarn—Mill Sector	1951	592	—	124	27
	1956	758 (+ 5.1)£	—	200	5
	1961	863 (+ 2.6)£	7	290	7
	1966	901 (+ 0.8)£	16	342	8
	1969	967 (+ 2.3)£	33	390	9
	1970	965 (— 0.7)	30	407	10
	1971	882 (— 8.6)	12	365	13
	1972	972 (+10.3)	23	416	14
	1973**	987 (+ 1.5)	11	335	17

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

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

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

**Provisional.

Notes : 1. Export figures for decentralised sector relate to handlooms only.

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

per cent from 596.0 million metres to 806.0 million metres. Reflecting the encouraging domestic as well as foreign demand and the lower level of production, stocks of cloth with the mills tended to be lower throughout the year.

During 1973, production of controlled cloth lagged behind the official quota of 400 million metres; the actual production was only 262 million metres in the first three quarters of 1973. This shortfall is attributable partly to severe power cuts and partly to mills' efforts to step up production of superior varieties which could be sold at relatively high prices.

Uncertainties regarding adequate availability of cloth with a fall in production in the last quarter of 1973-74 due to labour unrest in Bombay textile mills and shortage of power and coal in various parts of the country were reflected in a steep rise in cloth prices—15 per cent for coarse and medium varieties and 25 per cent to 40 per cent for fine and superfine fabrics.

To ensure larger availability of cloth to weaker sections of society, the Union Government raised on March 30, 1974, the total quantity of controlled cloth to be produced by mills from 400 million metres to 800 million metres. Of the total controlled cloth of 800 million metres to be produced, 200 million metres should be of medium category. The Government, however, allowed an increase of 30 per cent in cloth prices over the 1968 level and 7.5 per cent in dealer's margin to compensate for the cost escalations. The penalty for non-fulfilment of obligation was enhanced from Re. 1.00 per metre to Rs. 2.50 per metre.

With the commissioning of three new spinning mills with a total capacity of 1.5 lakh spindles, the number of cotton textile mills as at the end of 1973 stood at 689 comprising 401 spinning mills and 288 composite mills. Total number of spindles and looms installed in them was 184.9 lakh and 2.1 lakh, respectively.

With a view to ensuring adequate supplies of cotton yarn at reasonable prices to handloom weavers, the Government had imposed in March 1973 effective control on the prices and distribution of cotton yarn under the Essential Commodities Act, 1955. Exports of cotton yarn were also totally banned. The Yarn Control Scheme was challenged in the Supreme Court and the State High Courts. Both the Courts upheld the orders of the Government as valid. However, in July 1973, the Government lifted the ban on exports of specified types of cotton yarn and in January 1974 virtually lifted the entire control on prices and distribution of yarn.

(ii) Paper and Paper Boards

In 1973, output of paper and paper boards (excluding newsprint) at 7.7 lakh tonnes showed a marginal decline of 1.5 per cent over 1972 as against a marginal rise of 0.6 per cent in 1972. While installed capacity in paper and paper boards industry remained stagnant at 9.0 lakh tonnes and fell short of the Fourth Plan target of 11.3 lakh tonnes, capacity-utilisation was slightly lower than 87 per cent in 1972 (Table III.43). Shortages of pulp and other inputs were major constraints on output which showed decline in respect of all three major categories of paper—printing paper, writing paper and packing and wrapping paper.

Table III.43 : Paper and Paper Boards (excluding Newsprint)

(Thousand Tonnes)

Year	Installed capacity	Production	Year-end Stocks
1	2	3	4
1951	—	134	—
1956	215	197 (+8.0)@	12
1961	410	365 (+13.1)@	17
1966	644	584 (+10.0)@	43
1969	733	707 (+6.5)@	35
1970	768	759 (+8.1)	22
1971	898	779 (+2.6)	19
1972	902	784 (+0.6)	21
1973£	902	772 (—1.5)	20

@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 year in the table.

The additional capacity for which licences and letters of intent were issued for both new units and expansion of existing units aggregated 1.7 million tonnes. Of these, production to the extent of about 30,000 tonnes was expected to be available from some of the new schemes in the process of implementation. A voluntary code of conduct was adopted by the industry at the instance of the Government of India, whereby the industry agreed to abide by the production pattern that prevailed in 1969-70([11]) to augment the production of white printing paper and reduce prices to reasonable level.

The Government directed to reduce the production of several varieties of paper which are not required for common use and also banned the exports of all varieties of paper. Previously, exports of writing paper were only banned.

The production of rayon grade pulp during 1973 aggregated about 80,000 tonnes as against 88,538 tonnes in 1972 and 53,994 tonnes in 1971. The under-utilisation of capacity in this sector of industry during the current year was mainly due to the lock-out of a major unit in July on account of labour trouble. The output of paper grade pulp was 16,923 tonnes as against 26,541 tonnes in 1972 and 22,230 tonnes in 1971. Installed capacity of rayon grade pulp and paper grade pulp remained virtually unchanged in 1973 as compared to 1972.

The output of newsprint at NEPA—the only newsprint mill which is in the public sector—reached a level of 43,847 tonnes as against 42,048 tonnes in 1972. NEPA's expansion programme to raise its rated capacity from 40,000 tonnes to 75,000 tonnes will be completed by the end of 1974. The production, however, would fall far short of estimated demand at 2.3 lakh tonnes. The Government has, therefore, made efforts to step up imports of newsprint from Canada and Scandinavian countries. However, these countries scaled down drastically their original commitments due to world shortage of newsprint.

To raise domestic production, the Government has decided to establish a factory at Kerala with a capacity of 80,000 tonnes per year to be set up by the Hindusthan Paper Corporation in the Fifth Plan. Three more schemes have been approved for the establishment of new units for the manufacture of newsprint covering a total capacity of 165,500 tonnes. These newsprint mills would be set up in Himachal Pradesh, Uttar Pradesh and Maharashtra.

In order to conserve supplies of newsprint a further cut of 10 per cent in the allocation of newsprint quotas of newspapers was announced by the Union Government on June 8, 1974.([12]) In the light of the judgement of the Supreme Court, this cut would be applicable uniformly to all newspapers. This cut would be in addition to the cut of 30 per cent announced in July 1973.

(iii) Sugar

Production of sugar during the 1973-74 season (October-September) upto end-June 1974 aggregated 38.8 lakh tonnes as compared with 37.8 lakh tonnes during the corresponding period of the last season. The entire season's output is tentatively estimated at about 40 lakh tonnes compared with 38.7 lakh tonnes in the 1972-73 season (Table III.44).

The 1973-74 season began with a larger opening stock of 8.6 lakh tonnes against 6.0 lakh tonnes for the previous season. Despite higher level of stock and larger output, the despatches for internal consumption were only marginally higher at 26.8 lakh tonnes (end-June) against 25.8 lakh tonnes in the comparable period of 1972-73, mainly due to significantly higher exports during the same period at 2.2 lakh tonnes against 1.0 lakh tonnes last season.

In line with changes in the open market prices of sugar, the tariff value for the purpose

(11) Again on August 1, 1974, the Government imposed certain controls on the production of paper fixing specific percentages for production of various 'cultural varieties'. An obligation to produce 30 per cent of white printing paper and 16 per cent of cream laid or wove paper is imposed on each mill. A ban or limit on the use of paper for certain specified purposes has also been imposed.

(12) Since restored with effect from August 12, 1974.

Table III.44 : Sugar

(Lakh Tonnes)

Year	(October-September)*				
	Opening Stock@	Production	Imports	Exports	Consumption
1	2	3	4	5	6
1950-51	1.8	11.2	0.6	—	11.0
1955-56	5.4	18.9	0.7	—	19.7
1960-61	12.6	30.3	—	2.5	21.3
1965-66	8.6	35.4	—	3.9	27.9
1969-70	13.1	42.6	—	2.2	32.6
1970-71	20.9	37.4	—	4.0	40.3
1971-72	14.1	31.1	—	1.4	37.8
1972-73	6.0	38.7	—	1.0	35.1
1973-74	8.6	38.8†	—	2.2†	26.8†

* Upto 1967-68, sugar year was November-October.
@As on October 1.
† End-June 1974.
Source : 'Sugar Situation', Ministry of Agriculture, Government of India.

of excise duty assessment on free sale sugar has changed several times during season as follows:

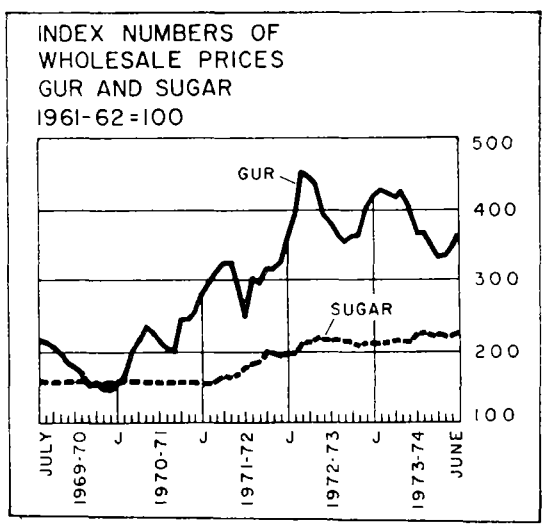
Tariff value of free sale sugar

June	1973	Rs. 260 per quintal
July	1973	Rs. 270 ,, ,,
October	1973	Rs. 265 ,, ,,
November	1973	Rs. 260 ,, ,,
December	1973	Rs. 270 ,, ,,
June	1974	Rs. 290 ,, ,,

The tariff value for levy sugar procured under the voluntary distribution scheme introduced in January 1972 was Rs. 135.00 per quintal upto June 30, 1972. Subsequent to the introduction of the policy of partial control with effect from July 1, 1972, the excise duty on levy sugar is being calculated on ex-factory prices fixed for 15 zones. The rate of exise duty on levy sugar which was reduced from 30 per cent to 26 per cent with effect from December 1, 1972, was further reduced to 20 per cent from December 15, 1973, while in the case of free sale sugar it was increased from 30 per cent to 37.5 per cent from the same date.

In order to encourage factories to undertake better crushing during the season, certain promotional measures were taken. The policy of partial control on sugar with the percentage

Graph 18



of levy sugar at 70 per cent (inclusive of export requirements) and the graded excise rebates were continued during 1973-74. The excise rebates were revised twice during the year, once in October 1973 and again in April 1974 (Table III.45).

Table III.45 : Base Level of Sugar Output For Excise Rebate

Month/Months of Production	Production in excess of	Rebate per quintal as announced on	
		October 4, 1973	April 23, 1974
1	2	3	4
October and November 1973	Production in October and November 1972	Rs. 40	—
December 1973 to April 1974	110% of that in December 1972 to April 1973	Rs. 20	Rs. 20
April 1974	180% of that in April 1973	Rs. 20	Rs. 30
May-June 1974	(*i*) 110% of that in May-June 1973	Rs. 30	Rs. 30
	(*ii*) 180% of that in May-June 1973	Rs. 30	Rs. 40
July-September 1974	(*i*) 110% of that in July-September 1973	Rs. 20	Rs. 20
	(*ii*) 180% of that in July-September 1973	Rs. 20	Rs. 30

The retail price of levy sugar through fair price shops was maintained uniformly at Rs. 2.15 per kg.

Price Situation

As mentioned earlier, despite some narrowing of the relative divergence between demand and supply—both at the aggregative level and in certain key commodity sectors inflationary pressures continued unabated during the year, reflecting the cumulative impact of monetary demand built over the past few years, the consequential augmentation of funds with the hoarders and speculators, the emergence of inflationary psychology and all round cost escalations in the wake of unprecedented increase in international oil prices.

The price increases were thus very large, very rapid, persistent and all pervasive. The Economic Advisor's General Index (*Base*: 1961-62=100) reached 308.9 at end-June 1974 recording a rise of 27.9 per cent over the index a year ago on top of 21.5 per cent rise in the preceding year (July-June) (Table III. 46). The index was 198.8 two years ago at end-June 1972; it advanced by 42.7 points to 241.5 at end-June 1973 and further galloped by 67.4 points to 308.9 by end-June 1974([13]) recording an expansion of 55 per cent in the course of the past two years—on an average 2.3 per cent per month.

(13) Subsequently it reached 330.4 on September 21, 1974 and slided back to 319.8 on October 26, 1974.

Graph 19

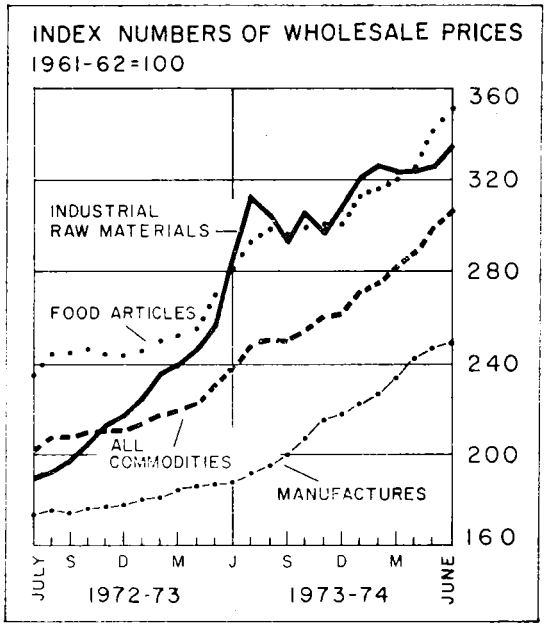


Table III.46 : Trends in Index Numbers of Wholesale Prices

(*Base* : 1961-62=100)

Group/Sub-Group/Commodity	Weights*	End-June 1972	End-June 1973	End-June 1974	End-June 1973 over end-June 1972	End-June 1974 over end-June 1973
1	2	3	4	5	6	7
All Commodities	**1000**	**198.8**	**241.5**	**308.9**	**+21.5**	**+27.9**
I. Food Articles	**413**	**229.3**	**283.5**	**357.1**	**+23.6**	**+26.0**
Foodgrains	(35.8)	237.0	279.0	381.1	+17.7	+36.6
a) Cereals	(29.3)	219.8	255.5	361.4	+16.2	+41.4
i) Rice	(16.2)	225.4	263.4	360.0	+16.9	+36.7
ii) Wheat	(7.8)	207.4	211.3	350.1	+ 1.9	+65.7
iii) Jowar	(2.2)	232.0	297.6	386.1	+28.3	+29.7
iv) Bajra	(1.1)	202.4	316.8	318.9	+56.5	+ 0.7
b) Pulses	(6.5)	314.2	385.1	469.9	+22.6	+22.0
Fruits and Vegetables	(5.7)	206.0	282.6	335.6	+37.2	+18.8
Milk and Milk Products	(14.7)	227.8	262.7	326.2	+15.3	+24.2
Edible Oils	(13.0)	205.6	337.9	418.9	+64.3	+24.0
Fish, Eggs and Meat	(4.9)	280.3	384.4	529.9	+37.1	+37.9
Sugar and Allied Products	(15.7)	268.0	299.1	285.1	+11.6	— 4.7
i) Sugar	(8.9)	198.7	211.7	222.9	+ 6.5	+ 5.3
ii) Gur	(5.9)	372.1	426.8	372.1	+14.7	—12.8
Others	(10.2)	164.0	193.0	278.1	+17.7	+44.1
II. Liquor and Tobacco	**25**	**215.5**	**246.1**	**305.0**	**+14.2**	**+23.9**
III. Fuel, Power, Light and Lubricants	**61**	**177.2**	**190.1**	**312.8**	**+ 7.3**	**+64.5**
IV. Industrial Raw Materials	**121**	**184.4**	**295.6**	**336.0**	**+60.3**	**+13.7**
Fibres	(34.0)	156.3	211.5	271.3	+35.3	+28.3
i) Cotton raw	(18.5)	157.9	250.2	361.0	+58.5	+44.3
ii) Jute raw	(9.6)	157.3	156.6	130.2	— 0.4	—16.9
Oilseeds	(43.3)	210.8	377.7	421.4	+79.2	+11.6
i) Groundnuts	(20.8)	203.4	432.3	406.9	+112.5	— 5.9
Minerals	(2.9)	150.2	153.5	158.1	+ 2.2	+ 3.0
Others	(19.8)	180.1	281.5	286.7	+56.3	+ 1.8
V. Chemicals	**7**	**200.5**	**209.5**	**286.8**	**+ 4.5**	**+36.9**
VI. Machinery and Transport Equipment	**79**	**165.9**	**175.7**	**234.9**	**+ 5.9**	**+33.7**
i) Electrical Machinery	(23.8)	169.3	175.9	227.5	+ 3.9	+29.3
ii) Non-Electrical Machinery	(49.0)	174.5	189.9	265.0	+ 8.8	+39.5
iii) Transport Equipment	(27.2)	147.6	149.9	187.3	+ 1.6	+24.9
VII. Manufactures	**294**	**173.7**	**188.9**	**244.9**	**+ 8.8**	**+32.3**
a) Intermediate Products	(19.5)	203.7	237.4	339.6	+16.5	+43.0
b) Finished Products	(80.5)	166.4	177.1	228.1	+ 6.4	+28.8
Textiles	(38.6)	170.0	175.5	225.8	+ 3.2	+28.7
i) Cotton Manufactures	(26.8)	164.5	175.3	218.1	+ 6.6	+24.4
ii) Jute Manufactures	(8.1)	195.4	172.9	247.4	—11.5	+43.1
iii) Silk and Rayon Manufactures	(2.6)	131.8	132.0	187.9	+ 0.2	+42.3
iv) Woollen Manufactures	(0.9)	211.6	324.7	331.8	+53.4	+ 2.2
Metal Products	(13.0)	194.2	206.1	256.9	+ 6.1	+24.6
Chemical Products	(9.2)	154.5	160.1	228.7	+ 3.6	+42.8
Leather Products (Shoes)	(3.0)	99.1	104.2	125.4	+ 5.1	+20.3
Rubber Products	(3.4)	159.3	161.3	209.8	+ 1.3	+30.1
Paper Products	(3.3)	137.3	140.6	213.4	+ 2.4	+51.8
Oilcakes	(2.6)	195.6	331.4	338.3	+69.4	+ 2.1

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

Source : Office of the Economic Adviser, Ministry of Industrial Development, Government of India.

The absence of any seasonality in price behaviour in the past two years, particularly in 1973-74, was conspicuous. The absence of seasonal price decline in 1972-73 can be largely explained by the fall in the output of major *kharif* crops—foodgrains, fibres and oilseeds following severe drought and adverse weather conditions. But in the year under review, the absence of any seasonal fall in price during post-*kharif* harvest period, when an increase in output had taken place is rather disconcerting. As a result of the large and continuous increase in prices throughout the year, the annual average of the General Index for the year 1973-74 (July-June), which corresponds to national income deflator, registered an increase of 25.2 per cent against 13.1 per cent in 1972-73.

Large price increases have also been evident in groups and sub-groups of commodities. Group-wise, the largest price increase of 64.5 per cent took place in the group involving petroleum products, *viz.*, 'Fuel, Power, Light and Lubricants,' while in others also it ranged from 36.9 per cent in 'Chemicals' to 26.0 per cent in 'Food Articles'. With weights assigned to these groups, 'Food Articles' continue to dominate (with weighted contribution of 45 per cent) followed by 'Manufactures' (27 per cent). The weighted contribution of 'Fuel, Power, Light and Lubricants' formed hardly 11 per cent, though a part of the increase in 'Manufactures' is also attributable to it (Table III.47).

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

(In Percentage)

Groups	End-June 1973 over End-June 1972	End-June 1974 over End-June 1973
1	2	3
Food Articles ..	52.3	45.1
Liquor and Tobacco ..	1.8	2.2
Fuel, Power, Light and Lubricants	1.8	11.1
Industrial Raw Materials ..	31.6	7.3
Chemical ..	0.2	0.7
Machinery and Transport Equipment ..	1.8	6.9
Manufactures ..	10.5	26.7
All Commodities ..	100.0	100.0

Within the groups, phenomenal increases occurred generally ranging from 19 per cent to 66 per cent in respect of a number of major commodities such as rice, wheat, jowar, edible oils, fruits and vegetables, milk and milk products and fish, eggs and meat among 'Food Articles'; raw cotton among 'Industrial Raw Materials'; and textiles, metals and metal products and chemical products among 'Manufactures'.

Though manufacture prices also experienced sharp and widespread increases, the prices of all agricultural commodities together continued to have an edge over the former, thus depicting the crude terms of trade again in favour of the latter. The relevant average ratio, showing the index of agricultural prices as percentage of the index of non-agricultural prices increased from 113.1 in 1972-73 to 116.6 in 1973-74 (July-June).

The implications of continued increases in terms of trade in favour of the agricultural sector should be read with the following aspects which tend to reinforce the benefits of higher prices for the sector. Many of the sector's inputs like fertilisers, seeds, machinery, electricity and water are made available at subsidised prices. Even with the recent raising of fertiliser prices, for instance, the increase of 16.2 per cent in their index in 1973-74 is considerably lower than the increase achieved in the price index of agricultural commodities (Tables III.48 and 49). Along with the rest of the community, they have derived benefits from the existing price controls on products like coarse and lower medium varieties of cloth, vanaspati, soap, sugar, salt, matches and bicycles. On the other hand, the direct tax burden on the sector is negligible.

Price Trends in the Major Commodity Groups

Food Articles

The group 'Food Articles' recorded a rise of 26.0 per cent as against 23.6 per cent in 1972-73. Among 'Food Articles', the index for foodgrains advanced by 36.6 per cent *i.e.*, twice the rise in the previous year (17.7 per cent). Among foodgrains, the two key cereals, wheat and rice recorded the highest increases of 65.7 per cent and 36.7 per cent, respectively, as a result of the revi-

Table III . 48 : Relative Prices of Agricultural Commodities and Non-Agricultural Commodities

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
Weights	1000		332		668		
	Index	Percentage Increase	Index	Percentage Increase	Index	Percentage Increase	—
1	2	3	4	5	6	7	8
Annual Averages							
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
1973-74	271.0	25.3	299.5	27.8	256.8	23.9	116.6
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	241.5	22.0	266.0	30.1	229.3	17.8	116.0
1973-74	308.9	27.9	341.6	28.4	292.6	27.6	116.7

Source : Derived on the basis of Index Numbers of Wholesale Prices (*Base*: 1961-62=100).

Table III.49 : Percentage Increases in the Prices of Certain Individual Commodities and Commodity Sectors

Sector/Commodity	Weights	Average Index*			Percentage Increase	
		1961-62 (July	1972-73 — June)	1973-74	1973-74 over 1972-73	1973-74 over 1961-62
1	2	3	4	5	6	7
Agricultural Commodities	**332**	**100.4**	**234.3**	**299.5**	**27.8**	**198.3**
Non-Agricultural Commodities	**668**	**100.7**	**207.2**	**255.6**	**20.8**	**253.8**
Cloth Manufactures@	268	100.4	167.9	194.0	15.5	93.2
Edible Oils	130	99.3	259.2	370.7	43.0	273.3
Vanaspati	24	99.4	206.2	272.3	32.1	173.9
Soap	15	100.8	147.1	166.1	12.9	64.8
Sugar	89	101.0	215.0	219.1	1.9	116.9
Gur	59	103.1	398.6	380.9	—4.4	269.4
Salt	0.8	101.0	153.4	165.3	7.7	63.7
Matches	11	101.3	114.1	114.1	—	12.6
Bicycles	26	100.9	121.5	136.7	12.5	35.5
Fertilisers	18	99.6	143.5	166.8	16.2	67.5
Insecticides	1	101.4	147.7	184.9	25.2	46.3
Diesel Oil	7.5	100.1	130.9	203.1	55.2	103.0

*Based on official Index Numbers of Wholesale Prices (*Base* : 1961-62=100).
@Including non-controlled varieties of cloth.
Source : See Table III. 46 and III. 48.

sion of their issue and procurement prices.(14) Likewise, despite improvement in output, jowar prices went up by 29.7 per cent and those of pulses by 22.0 per cent. Bajra, however, recorded a marginal rise of 0.7 per cent due to imposition of informal price control in Maharashtra between October 1973—January 1974 and also stoppage of trading in bajra on account of reported food poisoning in the State. The primary cause for the rise in prices of these, thus, appears to be the holding back of stocks by the traders and the rich farmers. Such holdings also affected the edible oil prices. Despite a marked increase in groundnut output, edible oil prices showed a rise of 24.0 per cent on the top of a rise of 64.3 per cent last year. The imposition of controls by the Gujarat Government on movement of groundnut oil outside the State also induced higher prices for edible oils in deficit States.

Regional variations in prices of important foodgrains at selected centres in various States given in Table III.50 show that there was no uniformity in the price movement in various centres in the same State. Apparently, the existing public procurement and distribution policies have not evened out the foodgrains prices as between the surplus and the deficit regions. In the case of coarse variety of rice, while in one centre in Andhra Pradesh, price declined by 9 per cent, in another centre it increased by a range of 35 to 51 per cent. In other States, the increases in prices ranged from 9 per cent in some centres of Assam and Uttar Pradesh to 58 per cent in those of Bihar and Tamil Nadu. In the case of wheat, the price of traditional variety declined by 7 per cent in one centre in Bihar. In other markets, wheat prices increased—the rise ranging from 10 to 52 per cent (Uttar Pradesh) to 81 per cent (Rajasthan) for Mexican variety and from 0.6 to 31 per cent (Gujarat) to 30 to 60 per cent (Haryana) for traditional variety. Similar regional variations in prices were noticed in respect of jowar, bajra and gram.

(14) The index for wheat has been revised with effect from the week ending April 20, 1974 on the basis of issue rates for the eight urban centres and wholesale market price quotations for the remaining 15 centres. Consequently, the index for 'Food Articles' and its sub-groups has also undergone revisions.

Table III.50 : Regional Variations of Prices of Major Foodgrains

State	No. of Centres	Percentage variation between June 29 1973 and June 29, 1974
1	2	3
	Rice	
Andhra Pradesh ..	4	+35.4 to 50.5
	1	— 8.6
Assam ..	5	+8.9 to 44.6
Bihar ..	1	+57.1
Gujarat ..	3	+38.4 to 42.9
Karnataka ..	3	+16.5 to 53.1
Tamil Nadu ..	8	+25.0 to 57.6
Uttar Pradesh ..	8	+ 9.0 to 43.8
West Bengal ..	3	+33.3 to 35.9
	Jowar	
Andhra Pradesh ..	1	+40.0
Haryana ..	1	+23.2
Karnataka ..	2	— 5.0 to 14.7
Rajasthan ..	2	+ 7.4 to 10.4
Uttar Pradesh ..	4	+59.8 to 77.5
	Bajra	
Gujarat ..	1	— 2.8
Madhya Pradesh ..	1	— 0.8
Maharashtra ..	3	—20.0 to 30.9
	1	—
Rajasthan ..	2	—16.7 to 20.7
Uttar Pradesh ..	1	— 7.1
	Wheat	
Haryana ..	6	+57.6 to 61.1 (Mexican varieties)
Punjab ..	4	+52.6 to 55.3 (Mexican varieties)
Rajasthan ..	1	+80.9 (Mexican varieties)
Uttar Pradesh ..	3	+ 9.9 to 51.8 (Mexican varieties)
Bihar ..	1	— 7.0 (Traditional varieties)
Gujarat ..	3	+ 0.6 to 31.2 (Traditional varieties)
Haryana	5	+29.9 to 60.2 (Traditional varieties)
Rajasthan ..	2	+52.1 to 74.4 (Traditional varieties)
Uttar Pradesh ..	6	+31.3 to 64.4 (Traditional varieties)
	Gram	
Rajasthan ..	3	+55.9 to 56.9
Uttar Pradesh ..	6	+28.1 to 39.7
Haryana ..	6	+26.0 to 30.4
Punjab ..	3	+25.8 to 38.5

Source : Bi-Weekly Bulletin of Wholesale and Retail Prices of Foodgrains, Ministry of Agriculture, Government of India.

Industrial Raw Materials

Price of commodities coming under the group 'Industrial Raw Materials' showed a mixed trend. This group as a whole registered a rise of 13.7 per cent against 60.3 per cent last year. Despite comfortable supply, raw cotton prices rose by 44.3 per cent, following increased consumption by mills and speculative holdings in the wake of reduction in imports due to prohibitive prices of Egyptian and Sudanese cotton. On the other hand, with the expectation of a higher output of 6.2 million bales of raw jute in 1973-74, reduced consumption by mills due to 33 days strike in jute mills in the beginning of the year and recent heavy power cuts in Eastern

parts of the country, raw jute prices declined by 16.9 per cent.

Manufactures

Next only to 'Food Articles', in terms of weightage, prices of 'Manufactures' recorded a steep rise of 32.3 per cent during the period. This reflected the lagged effect of past increases in the prices of raw materials and in wage goods. There were sharp increases in prices of both the components of this group, *viz.*, 'Intermediate Products' (43.0 per cent) and 'Finished Products' (28.8 per cent). This marked upward swing in the prices of 'Intermediate Products' may be attributed to an escalation in raw material prices that occurred last year and to the higher international prices of non-ferrous metals as also upward revision of administered prices of steel, cement, coal and other items. Among 'Finished Products', larger increases were noticed in the case of mill cloth, metal products and oilcakes. However, the prices of cotton textiles rose much faster than justified by an increase in input costs, indicating that producers took full advantage of the buoyant demand for cotton textiles, by raising prices abnormally. In contrast to the fall of 16.9 per cent in the raw jute prices, jute manufactures recorded a sharp rise of 43.1 per cent. The rise in price of jute manufactures is explained by the increased world demand for jute goods following a sharp increase in the prices of synthetics owing to a sharp hike in crude oil prices.

In conformity with the trends in wage goods prices, the All-India Consumer Price Index for Industrial Workers (*Base*: 1960 = 100) rose continuously from 233 in June 1973 to 301 in June 1974, recording a rise of 29.2 per cent as compared to a rise of 15.9 per cent in the comparable period of 1972-73. Likewise, the Index for Urban Non-Manual Employees also showed a similar trend —a rise by 21.3 per cent during 1973-74 as compared to 11.6 per cent last year (Table III.51).

Consumer Price Index Numbers

Graph 20

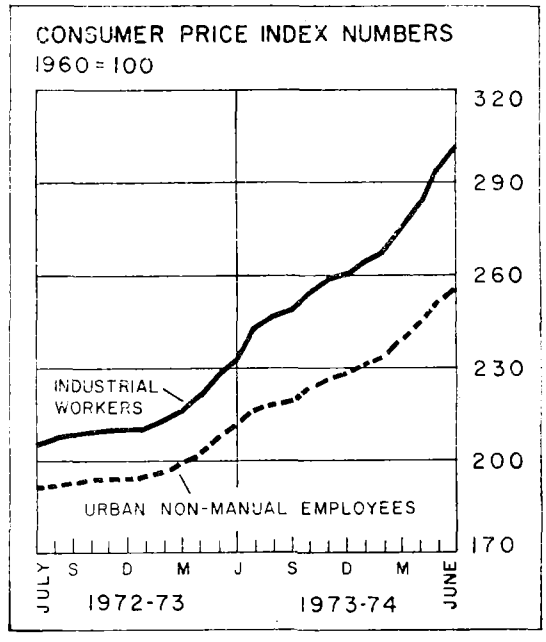


Table III.51 : Trends in Consumer Price Index Numbers (All-India)

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
1973-74	266	24.3	232	17.8
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
1973-74	301	29.2	256	21.3

Sources : (1) Labour Bureau, Government of India, for Industrial Workers.
(2) Central Statistical Organisation, for Urban Non-Manual Employees.

CHAPTER IV : MONEY SUPPLY, CREDIT POLICY AND BANKING DEVELOPMENTS

MONETARY TRENDS

1. Money Supply and Aggregate Monetary Resources

On the basis of year-end figures, money supply expanded by a lower rate of 14.3 per cent (Rs. 1,425 crores) during 1973-74 as compared with that of 16.9 per cent (Rs. 1,439 crores) during 1972-73 (Table IV.1). Likewise, the growth rate in Aggregate Monetary Resources (AMR) was lower at 15.3 per cent (Rs. 2,362 crores) as against 18.9 per cent (Rs. 2,454 crores) in the previous year. These lower rates of expansion on end-year basis are attributable to some slow-down in the expansion of monetary aggregates in the latter half of the year in the wake of measures taken by Government to reduce its dependence on borrowings from the banking system. There was also considerable slackness in the growth of time deposits during the second half of the accounting year (see page 84).

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

(Rupees Crores)

Items	Outstanding at the end of June			Variations during	
	1972	1973	1974	1972-73	1973-74
1	2	3	4	5	6
A. Money Supply with the Public (1+2)	**8523**	**9962**	**11387**	**+1439 (+16.9)**	**+1425 (+14.3)**
1. Currency with the Public	4979	5829	6666	+850 (+17.1)	+837 (+14.4)
2. Demand Deposits	3544	4133	4721	+589 (+16.6)	+588 (+14.2)
B. Factors Affecting Money Supply Variations (1+2+3+4—5)					
1. Net Bank Credit to Government (a+b)	**6989**	**8416**	**9091**	**+1427 (+20.4)**	**+675 (+8.0)**
(*a*) Reserve Bank's Net Credit to Government	5194	6149	6570	+955 (+18.4)	+421 (+6.8)
(*b*) Other Banks' Credit to Government	1795	2268	2521	+473 (+26.4)	+253 (+11.2)
2. Bank Credit to Commercial Sector (a+b)	**6683**	**7878**	**9602**	**+1195 (+17.9)**	**+1724 (+21.9)**
(*a*) Reserve Bank's Credit to Commercial Sector	206	290	652	+84 (+40.8)	+362 (+124.8)
(*b*) Other Banks' Credit to Commercial Sector	6477	7588	8950	+1111 (+17.2)	+1362 (+17.9)
3. Net Foreign Exchange Assets of the Banking Sector	**604**	**595**	**678**	**—9**	**+83**
4. Government's Net Currency Liabilities to the Public	**419**	**482**	**514**	**+63**	**+32**
5. Non-monetary Liabilities of Banking Sector (a+b+c)	**6174**	**7409**	**8498**	**+1235**	**+1089**
(*a*) Time Deposits with Banks	4476	5491	6428	+1015 (+22.7)	+937 (+17.1)
(*b*) Net Non-Monetary Liabilities of R.B.I.	1066	1143	1473	+77	+330
(*c*) Residual	632	775	597	+143	—178
C. Aggregate Monetary Resources [A+B 5 (a)]	**12999**	**15453**	**17815**	**+2454 (+18.9)**	**+2362 (+15.3)**

Notes : Figures in brackets are percentage variations.

Component-wise, both deposit money and currency expanded at rates lower than in 1972-73. The deposit money increased by 14.2 per cent or Rs. 588 crores as against 16.6 per cent or Rs. 589 crores during 1972-73, while currency increased by 14.4 per cent (Rs. 837 crores) as against 17.1 per cent (Rs. 850 crores) in 1972-73. The slowdown in the growth of time deposits was considerable—from 22.7 per cent or Rs. 1015 crores in 1972-73 to 17.1 per cent or Rs. 937 crores in 1973-74.

Unlike in the previous year the larger contribution to money supply expansion in 1973-74 came from the increase in bank credit to commercial sector than from the increase to Government sector. Total bank credit to commercial sector (1) expanded by as much as Rs. 1724 crores (21.9 per cent) as against Rs. 1195 crores (17.9 per cent) in 1972-73. Within this, the Reserve Bank credit to commercial sector was Rs. 362 crores as against Rs. 84 crores in 1972-73. Increase in commercial bank credit to commercial sector at Rs. 1285 crores was somewhat more than that in the previous year (Rs. 1025 crores).

In contrast, net bank credit to Government increased by Rs. 675 crores which was about half of the increase recorded in 1972-73 (Rs. 1427 crores). As referred to earlier, in the wake of the economy measures taken by Government, the second half of the year saw a sizeably lower level of net bank credit to Government than that in the corresponding half year of 1972-73:

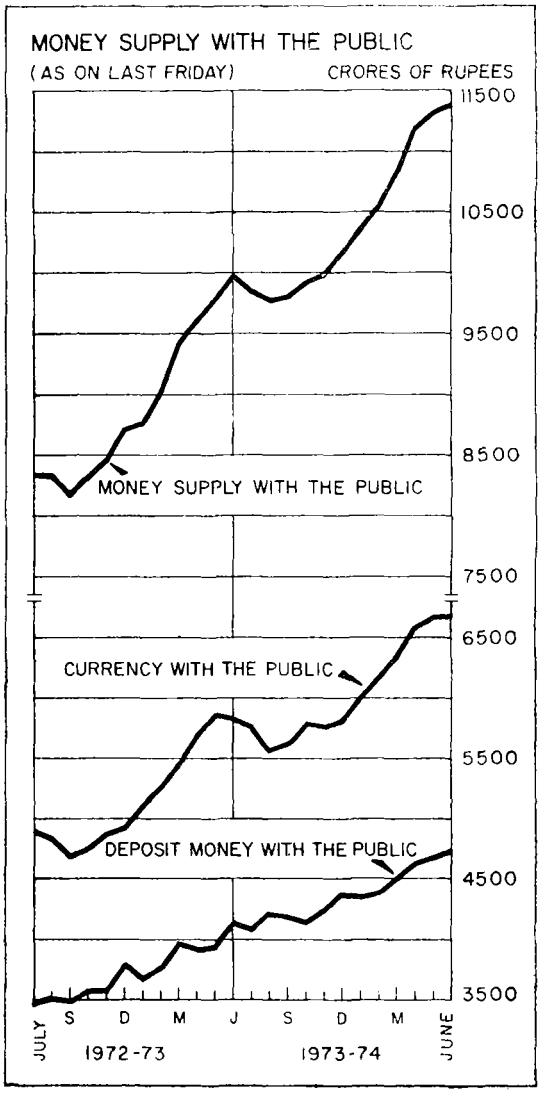
Increase during	Net Bank Credit to Government (Rupees Crores)
1972-73	
July-December 1972	+354
January-June 1973	+1073
1973-74	
July-December 1973	+178
January-June 1974	+497

(1) Bank credit to commercial sector has been presented on a gross basis and not net of time deposits as hitherto. The item 'time deposits' is grouped under 'non-monetary liabilities of banking sector'.

The increase in commercial and co-operative banks' credit to Government (Rs. 253 crores) was, however, just a little above half of what it was in the previous year (Rs. 473 crores). To some extent, this was possibly because of a substantial cushion over the minimum statutory liquidity requirements built-up during the 1972 slack season, when the banks were flush with funds. But it was attributable in the main to their resources constraint arising from multiple factors: slower growth of deposits, impounding of deposits by RBI and accelerated demand for credit.

There was also considerable accretion to total foreign exchange assets of the banking

Graph 21



sector (by Rs. 363 crores to Rs. 965 crores) primarily as a result of the three drawings from the IMF totalling Rs. 357 crores, effected between February 1974 and May 1974. Net of non-monetary liabilities on this account to the extent of Rs. 280 crores, the expansionary influence of foreign exchange assets of the banking sector on money supply worked out to Rs. 83 crores during 1973-74 in contrast to their contractionary influence by Rs. 9 crores in the previous year. Non-monetary liabilities of the banking sector including time deposits with banks exerted a lower order of contractionary influence during 1973-74 (Rs. 1089 crores) as against that in 1972-73 (Rs. 1235 crores).

Seasonal Trends

Season-wise, the 1973 conventional slack season period witnessed a marked expansion in money supply (Rs. 319 crores or 3.3 per cent) in contrast to a small expansion of Rs. 80 crores (1.0 per cent) in 1972 slack season (Table IV.2). Both net bank credit to Government and bank credit to commercial sector were considerably higher than in the previous season. The faster growth of time deposits among the non-monetary liabilities, moderated the expansionary influence of these factors on money supply.

This was followed by a somewhat lower monetary expansion during the next busy season period (November 1973 to April 1974). Money supply grew by 12.8 per cent or Rs. 1266 crores against 15.4 per cent or Rs. 1278 crores in the 1972-73 busy season and aggregate monetary resources by only 9.6 per cent against 13.6 per cent. Component-wise, deposit money recorded a larger expansion of 11.6 per cent (Rs. 480 crores) compared with 9.6 per cent (Rs. 344 crores) in the previous season, but currency expansion was smaller—13.6 per cent or Rs. 786 crores against 19.6 per cent or Rs. 934 crores. The growth in time deposits was also lower at 4.3 per cent or Rs. 256 crores against 10.5 per cent or Rs. 504 crores.

Graph 22

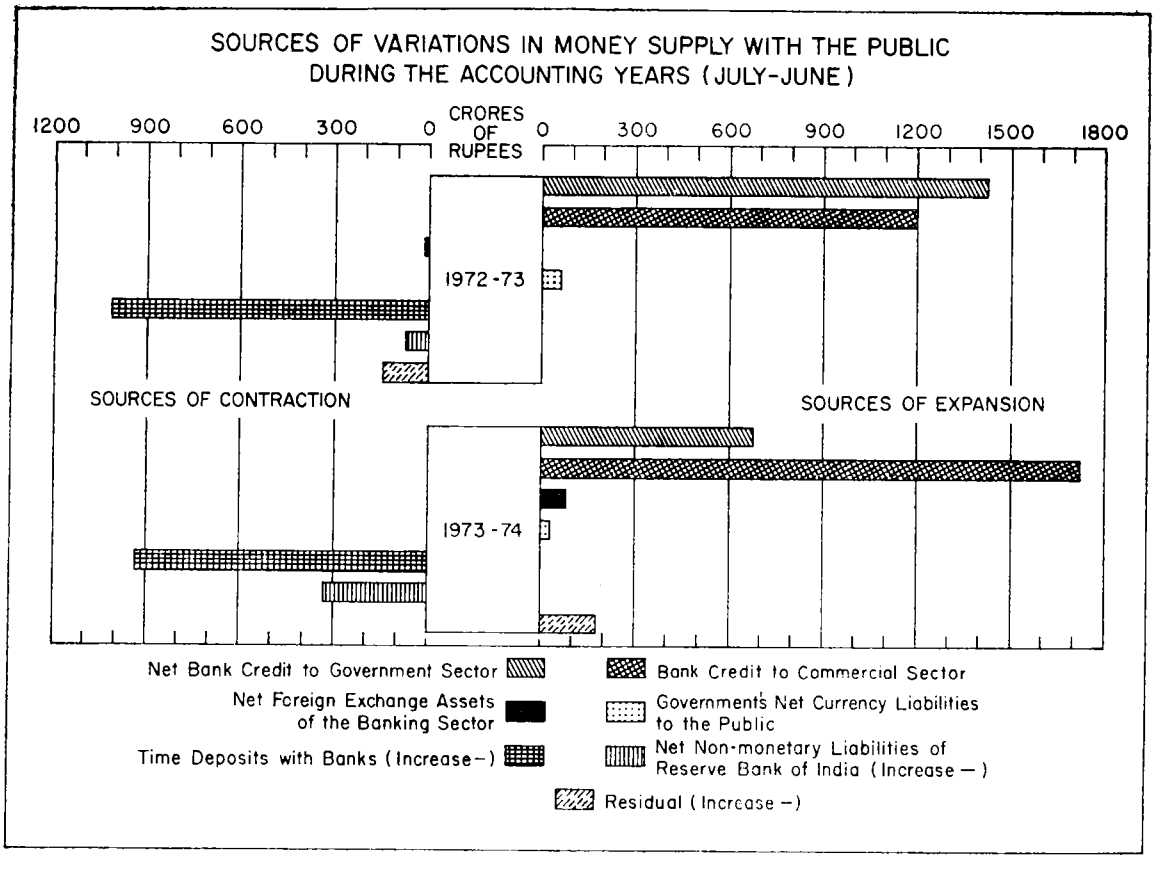


Table IV. 2 : Trends in Money Supply and Aggregate Monetary Resources — Seasonal

(Rupees Crores)

Items	Variations during					
	Slack Season		Busy Season		Slack Season	
	1972	1973	1972-73	1973-74	April 27 to September 28, 1973	April 28 to September 27, 1974
1	2	3	4	5	6	7
A. Money Supply With the Public (1+2)	**+ 80**	**+319**	**+1278**	**+1266**	**+214**	**—229**
	(+1.0)	**(+3.3)**	**(+15.4)**	**(+12.8)**	**(+2.2)**	**(—2.1)**
1. Currency with the Public	—170	+ 93	+934	+786	—82	—465
	(—3.5)	(+ 1.6)	(+19.6)	(+13.6)	(—1.4)	(—7.1)
2. Demand Deposits	+249	+226	+344	+480	+296	+236
	(+7.5)	(+5.8)	(+9.6)	(+11.6)	(+7.6)	(+5.2)
B. Factors Affecting Money Supply Variations (1+2+3+4—5)						
1. Net Bank Credit to Government (a+b)	**+462**	**+602**	**+884**	**+266**	**+472**	**+261**
	(+6.8)	**(+7.4)**	**(+12.2)**	**(+3.1)**	**(+5.8)**	**(+2.9)**
(a) Reserve Bank's Net Credit to Government	— 68	+412	+971	+193	+269	+ 27
	(—1.4)	(+7.2)	(+19.8)	(+3.1)	(+4.6)	(+0.4)
(b) Other Banks' Credit to Government	+530	+191	— 87	+ 73	+203	+234
	(+29.7)	(+8.5)	(—3.7)	(+3.0)	(+9.1)	(+9.4)
2. Bank Credit to Commercial Sector (a+b)	**+194**	**+446**	**+1038**	**+1276**	**+290**	**+81**
	(+3.0)	**(+5.9)**	**(+15.8)**	**(+15.9)**	**(+3.8)**	**(+0.9)**
(a) Reserve Bank's Credit to Commercial Sector	+ 4	+ 54	+ 38	+290	+ 51	— 41
	(+2.0)	(+21.9)	(+18.2)	(+96.3)	(+20.6)	(—6.9)
(b) Other Banks' Credit to Commercial Sector	+190	+392	+999	+986	+239	+122
	(+3.1)	(+5.3)	(+15.6)	(+12.7)	(+3.2)	(+1.4)
3. Net Foreign Exchange Assets of the Banking Sector	**— 79**	**+ 1**	**+ 44**	**+ 77**	**+ 31**	**—135**
	(—12.7)	**(+0.3)**	**(+8.1)**	**(+13.1)**	**(+5.2)**	**(—20.1)**
4. Government's Net Currency Liabilities to the Public	**+ 11**	**+ 22**	**+ 38**	**+ 18**	**+ 18**	**+ 5**
5. Non-Monetary Liabilities of Banking Sector (a+b+c)	**+508**	**+753**	**+726**	**+372**	**+597**	**+441**
(a) Time Deposits with Banks	+480	+680	+504	+256	+593	+553
	(+11.2)	(+12.9)	(+10.5)	(+4.3)	(+11.2)	(+8.8)
(b) Net Non-monetary Liabilities of R.B.I.	— 29	+ 60	+147	+206	+44	+18
(c) Residual	+ 57	+ 13	+ 74	—190	— 40	—130
C. Aggregate Monetary Resources [A+B 5(a)]	**+560**	**+999**	**+1782**	**+1521**	**+807**	**+324**
	(+4.4)	**(+6.7)**	**(+13.6)**	**(+9.6)**	**(+5.4)**	**(+1.9)**

Note : Figures within brackets relate to percentage variations.

There was a marked difference in the factors influencing the monetary trends of the busy seasons of 1972-73 and 1973-74. While in the previous season both net bank credit to Government and bank credit to commercial sector made almost similar contributions, in the 1973-74 busy season the additional bank credit to the commercial sector at Rs. 1276 crores was the major expansionary factor, net credit to Government being only Rs. 266 crores against Rs. 884 crores in the 1972-73 season.

The growth in mony supply and AMR has been further arrested in the first five months (May-September) of the conventional slack season of 1974. Money Supply registered an absolute decline of Rs. 229 crores or 2.1 per cent in contrast to an increase of Rs. 214 crores or 2.2 per cent in the corresponding period of previous slack season. The decline in currency by Rs. 465 crores was very sizeable as compared with that of Rs. 82 crores in the 1973 slack season. Deposit money grew but by a lower amount of Rs. 236 crores (Rs. 296 crores last year). Factor-wise substantial drawings on foreign exchange assets during the period accompanied by nominal expansions in bank credit to Government and bank credit to Commercial Sector led to the contraction in money supply.

2. Trends in Currency Ratio

While analysing the trends in currency ratios in the last year's Report for 1972-73, it was mentioned that while the subject of relative preferences of the public as between bank money and currency was a complex one, some of the short-term autonomous factors as Government's deficit spending and larger farm output would seem to have induced large expansion in currency in some years. Even so, the general trend has been one of decline in the proportion of currency in relation to both money supply and aggregate monetary resources. The year under review witnessed a continuance of this trend (Tables IV.3 and IV.4). The incremental ratio of currency to money supply declined from 59.1 per cent in 1972-73 (July-June) to 58.7 per cent in 1973-74.

Table IV.3 : 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
1965-66	3056	1557	4613	1745	6357	66.2	33.8	48.1	24.5	27.5
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	5829	4133	9962	5491	15453	58.5	41.5	37.7	26.7	35.6
1973-74	6666	4721	11387	6428	17815	58.5	41.5	37.4	26.5	36.1
Increases (July-June)			**Rupees Crores**					**Marginal Ratios**		
1961-62	162	54	215	186	402	75.3	25.1	40.3	13.4	46.3
1965-66	233	204	438	230	667	53.2	46.6	34.9	30.6	34.5
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	850	589	1439	1015	2454	59.1	40.9	34.6	24.0	41.4
1973-74	837	588	1425	937	2362	58.7	41.3	35.4	24.9	39.7

£ Including 'Other Deposits' with R. B. I.

Table IV. 4 : 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)	Variations in Net RBI Credit to Government (Rupees Crores)	Rates of Growth				
	Money Supply	Currency	Bank Money			Currency	Current Deposits of commercial banks	Demand portion of Savings Deposits	Demand Deposits +	Total Time Deposits +
	(Based on last Friday Data)									
1	2	3	4	5	6	7	8	9	10	11
1961-62	100	58.2	41.8	0.8	159	4.9	6.0	18.6	9.6	10.4
1962-63	100	67.4	32.6	(—) 2.5	207	8.1	7.2	17.1	9.9	3.7
1963-64	100	51.4	48.6*	2.7	195	9.5	6.7	63.4	23.5	3.3
1964-65	100	49.7	50.3	9.2	129	6.3	10.2	23.9	15.7	10.7
1965-66	100	59.0	41.0	(—)14.5	371	9.6	7.4	25.9	15.1	13.3
1966-67	100	38.7	61.3	(—) 0.7	119	5.4	12.1	19.9	15.6	16.6
1967-68	100	44.8	55.2	17.5	166	5.6	8.4	15.7	11.8	13.3
1968-69	100	71.3	28.7*	(—) 0.2	348	9.1	5.6	4.1	4.9	19.5
1969-70	100	53.9	46.1	6.7	(—) 90	8.9	13.5	16.0	15.5	16.2
1970-71	100	49.5	50.5	7.3@	312	9.3	19.0	18.6	17.5	17.4
1971-72	100	44.0	56.0	(—) 0.8@	882	10.1	14.5	20.1	19.1	21.3
1972-73	100	48.7	51.3	(—) 9.1	800	12.9	17.0	19.4	21.3	21.9
1973-74‡	100	62.6	37.4	10—15£	746	16.4	18.7£	23.1£	14.0	19.7

* 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, 1973—85.2 and January 1974—85.6.

@ 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.

£ Estimated.

‡ Provisional.

In the immediate context, lower net bank credit to Government and reduced farm output of 1972-73 would have arrested somewhat the growth in currency in 1973-74 and thus contributed to the declining ratio. The decline in it should probably have been much more but for the inflationary conditions during the year inducing a relatively large share of transaction balances being held in the form of currency. Consequently, the decline in the marginal ratio of currency to money supply from 59.1 per cent in 1972-73 to 58.7 per cent in 1973-74 is smaller than what would have normally occurred, considering the potential for change in the preferences of the people in favour of bank money under the recent branch banking programme.

3. Trends in Reserve Money

This structural change in the composition of money supply as a result of banking growth, *albeit* very gradual, is also reflected in a similar gradual shift in the composition

of 'reserve money'—the base for monetary expansion. A feature concerning the components of 'reserve money' is that the bulk of it comprises currency with public. During the period 1960-61 through 1965-66, it constituted about 94 per cent of the stock of 'reserve money'. This proportion fell to 90 per cent in 1972-73. In 1973-74, it declined further rather steeply to 87 per cent as a result of substantial rise in cash reserve requirement from 3 to 7 per cent of the aggregate liabilities (Table IV.5).

An analysis of the factors affecting 'reserve money' brings into sharp focus the role of the Reserve Bank's claims on Government—Central and States—which have contributed in large measure to the increase in it in all these years includnig 1973-74. Nevertheless, in 1973-74, there was a distinct change; the Reserve Bank's claims on commercial and co-operative banks and on the commercial sector made probably the highest contribution so far, as a result of the commercial banks' reliance on the RBI both for direct borrowing and for rediscount facilities under the Bills Rediscounting Scheme. However, as the bills drawn for meeting seasonal or short-term credit requirements of the commercial sector held in the portfolio of the Reserve Bank matured, there has been a *paripassu* contraction in reserve money.

On the whole, the growth of 'reserve money' during the fiscal year 1973-74 was at a faster rate than that in money supply. In consequence, the money multipliers—average and marginal—which have consistently experienced a rising trend declined during 1973-74 (Table IV.6). Ordinarily, a larger accrual to 'reserve money' could have implied higher rate of growth in money supply. But, in 1973-74, this did not happen owing to a sharp and unprecedented increase in the ratio of 'bank reserves' to total time and demand deposits—from 6.2 per cent in 1972-73 to 9.0 per cent in 1973-74 (Table IV.7). In other words, the quantum of free reserves available to the banking system for multiple credit creation was reduced by the increase in cash reserve of banks, resulting in some arresting of the rising trend in money supply and also in money multiplier.

4. Income Velocity

Another remarkable feature of the year 1973-74 relates to the comparison of the average growth rate in money supply and aggregate monetary resources with that in the roughly estimated national income at current prices. As may be observed from data presented in Table IV.8, both money supply and aggregate monetary resources have grown faster than the growth in national income at current prices, continuously since 1968-69. These differential growth rates possibly reflect the combined impact(2) of (i) institutional factors like branch banking, (ii) higher degree of monetisation with improved commercialisation of agriculture, (iii) stricter administrative control over commodity prices, and (iv) some decline in the transaction velocity of monetary aggregates. Overall, the decline in the income velocity of money supply and aggregate monetary resources during the same period upto 1972-73 has been gradual but perceptible and consistent. The year 1973-74 saw a break in this trend, the income velocity of money supply showing perceptible increases from 4.55 to 4.94 and of AMR from 2.90 to 3.13. In the matter of price administration, there was considerable flexibility shown. In respect of commodities such as, steel, cement, paper, fertilizers and petroleum products, price increases have been permitted so as to compensate the industries for cost escalations. Some controls like those on tyres and tubes have been removed. In foodgrains, the quantum of public procurement has dwindled resulting in a relatively higher proportion of domestic output being transacted at market prices. The allround inflationary psychology and the consequential tendency to hoard commodities in expectation of higher prices has also probably resulted in faster turnover of currency, money supply and aggregate monetary resources.

(2) The possibility of income deflator not reflecting the market prices appropriately is not ruled out.

Table IV. 5 : Analysis of Reserve Money Variations during the Fiscal Years

(Rupees Crores)

	Out-standings as at the end of March 1960	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	Out-standings as at the end of March 1974
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
A. Reserve Money (1+2+3) ..	**2108**	**+124**	**+111**	**+190**	**+243**	**+181**	**+272**	**+232**	**+199**	**+408**	**+321**	**+424**	**+566**	**+635**	**+1242**	**7257**
1. Currency with the Public	1931	+167	+103	+178	+226	+163	+265	+163	+179	+306	+328	+373	+439	+621	+891	6334
2. Bank Reserves@	160	— 39	+ 4	+ 7	+ 8	+ 28	+ 12	+ 45	+ 5	+ 77	+ 16	+ 65	+ 92	+ 42	+358	879
3. Other Deposits with RBI ..	17	— 4	+ 4	+ 5	+ 9	— 10	— 5	+ 24	+ 15	+ 25	— 23	— 14	+ 36	— 29	— 6	45
B. Factors Affecting Reserve Money																
Reserve Bank's Claims on :																
1. Government (net)	1761	+137	+159	+207	+195	+129	+371	+119	+166	+348	— 90	+312	+882	+800	+746	6240
2. Commercial and Co-operative Banks	156	+ 29	— 8	+ 28	+ 12	+ 85	— 64	+ 71	— 8	+ 50	+162	+161	—144	— 70	+265	726
3. Commercial Sector* ..	9	—	+ 2	+ 3	+ 11	+ 14	+ 7	+ 27	— 4	+ 3	+ 3	+ 48	+107	+ 33	+297	562
Of which :																
(*a*) Commercial bills Re-discounted with RBI ..	—	—	—	—	—	—	—	—	—	—	—	+ 7	+ 35	— 6	+222	257
4. Net Foreign Exchange Assets of Reserve Bank ..	237	— 52	— 66	— 27	+ 31	— 29	— 35	+ 65	+ 26	+151	+265	— 40	+ 70	— 45	+108	659
5. Government's Net Currency Liabilities to the Public ..	196	+ 10	+ 21	+ 10	+ 20	+ 19	+ 12	+ 23	+ 7	+ 24	+ 19	+ 24	+ 27	+ 45	+ 44	500
Minus																
6. Net Non-monetary Liabilities of RBI	250	—	— 3	+ 31	+ 26	+ 37	+ 19	+ 74	— 12	+168	+ 37	+ 80	+377	+128	+218	1430

@Comprise cash on hand with banks and banks' balances with RBI.

*Represent investments in bonds/shares of financial institutions and land mortgage banks and loans to them and holdings of internal bills purchased and discounted.

Notes : 1. Figures relate to the last Friday of March.
2. Figures may not add up to totals due to rounding.

Table IV. 6 : Trends in Money Multiplier in India

Average of last Fridays of the Months (April-March)	Reserve Money	Money Supply	Aggregate Monetary Resources (Rs. Crores)	Average Money Multiplier		Increases in (Crores of Rs.)			Marginal Money Multiplier	
				Money supply	Aggregate Monetary Resources	Reserve Money	Money Supply	Aggregate Monetary Resources	Money Supply	Aggregate Monetry 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	+199	+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	5531	8559	13304	1.547	2.405	+486	+1002	+1828	2.061	3.761
1973-74	6772	10052	15886	1.484	2.346	+1241	+1493	+2582	1.203	2.081

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 public, bank reserves *i.e.* cash with banks and banks' balances with RBI, and 'other deposits' with the RBI.

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

Table IV. 7. : Bank Reserves as a Proportion of Bank Deposits

Average of last Fridays of Months (April-March)	Rupees Crores			Reserves as percentage of			
	Demand Deposits	Time Deposits	Total Deposits	Reserves£	Demand Deposits	Time Deposits	Total Deposits
1	2	3	4	5	6	7	8
1960-61	774*	1185	1959	151	19.5	12.7	7.7
1961-62	758	1135	1893	137	18.1	12.1	7.2
1962-63	838	1271	2109	138	16.5	10.9	6.5
1963-64	1000	1287	2287	148	14.8	11.5	6.5
1964-65	1190	1377	2567	166	13.9	12.1	6.5
1965-66	1359	1539	2898	182	13.4	11.8	6.3
1966-67	1565	1785	3350	216	13.8	12.1	6.4
1967-68	1756	1997	3753	243	13.8	12.2	6.5
1968-69	1903	2322	4225	266	14.0	11.5	6.3
1969-70	2158	2741	4899	328	15.2	12.0	6.7
1970-71	2488	3178	5666	362	14.5	11.4	6.4
1971-72	2903	3833	6736	425	14.6	11.1	6.3
1972-73	3492	4629	8121	503	14.4	10.9	6.2
1973-74	4120	5680	9800	886	21.5	15.6	9.0

*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. 8 : Income Velocity of Money Supply and Aggregate Monetary Resources

(Rupees Crores)

Year	National Income at Current Prices£		Currency with the Public*		Money Supply with the Public*		Aggregate Monetary Resources*		Average Income Velocity of		
	Amount	Annual percentage increase	Amount	Annual percentage increase	Amount	Annual percentage increase	Amount	Annual percentage increase	Currency	Money Supply	Monetary Resources
1	2	3	4	5	6	7	8	9	10	11	12
1960-61 ..	13294	—	1956	—	2725	—	3617	—	6.79	4.88	3.67
1961-62 ..	14050	5.7	2062	5.4	2844	4.4	3809	5.3	6.81	4.94	3.69
1962-63 ..	14873	5.9	2235	8.4	3098	8.9	4216	10.7	6.65	4.80	3.53
1963-64 ..	17094	14.9	2438	9.1	3475	12.2	4660	10.5	7.01	4.92	3.67
1964-65 ..	20061	17.4	2634	8.0	3866	11.3	5173	11.0	7.62	5.19	3.88
1965-66 ..	20621	2.8	2841	7.9	4236	9.6	5745	11.1	7.26	4.87	3.59
1966-67 ..	23903	15.9	3028	8.6	4641	9.6	6462	12.5	7.89	5.15	3.70
1967-68 ..	28374+	18.7+	3199	5.6	5008	7.9	7041	9.0	8.87	5.67	4.03
1968-69 ..	28678+	1.1+	3436	7.4	5428	8.4	7794	10.7	8.35	5.28	3.68
1969-70 ..	31174+	8.7+	3765	9.6	6011	10.7	8814	13.1	8.28	5.19	3.54
1970-71 ..	33946+	8.9+	4159	10.5	6729	11.9	9979	13.2	8.16	5.04	3.40
1971-72 ..	35756+	5.3+	4576	10.0	7557	12.3	11476	15.0	7.81	4.73	3.12
1972-73 ..	38921+	8.9+	4969	8.6	8559	13.3	13304	15.9	7.83	4.55	2.93
1973-74 ..	49631@	27.5@	5848	17.7	10052	17.4	15886	19.4	8.48	4.94	3.13

£At factor cost and not at market prices (for want of details).
*Average of outstanding as on last Friday of each month.
+Provisional.
@Estimated.

Banking Trends and Credit Policy

The year 1973-74 (July-June) witnessed a severe constraint on the resources of the commercial banks in contrast to the comfortable liquidity position during 1972-73. This transformation in the resources position of banks during the year may be attributed mainly to the interaction of three factors: first, the accelerated demand for bank credit from the priority and essential sectors like food procurement operations, public sector undertakings and exports, the last having assumed added importance in the context of the oil crisis; second, the relatively slower pace of growth in deposits; and third, the deployment of several monetary weapons by the Reserve Bank, including a virtual quantitative ceiling on banks' borrowings from the Reserve Bank, with a view to further tightening of credit in the context of mounting inflation. The stresses and strains on the resources position of the banking system were also reflected in the behaviour of the call money market which remained extremely tight almost throughout the year, with the call rate reaching unprecedented heights.

Annual Trends 1973-74

During the year, scheduled commercial bank credit (excluding the bills rediscounted with R.B.I.) registered a record expansion of Rs. 1321 crores (20.6 per cent) as compared to Rs. 932 crores (17.0 per cent) in 1972-73 (Table IV.9). Since food advances showed a small increase of Rs. 55 crores in contrast to a decline of Rs. 74 crores last year, the expansion in non-food credit during the year amounted to Rs. 1266 crores (21.3 per cent) compared to Rs. 1006 crores (20.4 per cent) in 1972-73. Total credit inclusive of bills rediscounted with Reserve Bank expanded by Rs. 1580 crores (24.6 per cent) in 1973-74 as compared with Rs. 936 crores (17.0 per cent) in 1972-73.

Table IV. 9 : Annual Variations in Important Variables of Scheduled Commercial Banks (July-June)

(Rupees Crores)

Item	1970-71		1971-72		1972-73		1973-74	
	Outstanding as on end-June 1971	Variations during 1970-71	Outstanding as on end-June 1972	Variations during 1971-72	Outstanding as on end-June 1973	Variations during 1972-73	Outstanding as on end-June 1974*	Variations during 1973-74*
1	2	3	4	5	6	7	8	9
1. Total Bank Credit	**4805**	**+592**	**5480**	**+675**	**6412**	**+932**	**7733**	**+1321**
Of which :								
(*a*) Food Procurement Advances	379	+172	542	+163	468	—74	523	+55
(*b*) Other Advances	4426	+420	4938	+512	5944	+1006	7210	+1266
2. Total Bank Credit Including Bills Rediscounted with the RBI	**4815**	**+602**	**5491**	**+676**	**6427**	**+936**	**8007**	**+1580**
3. Total Investments	**1807**	**+303**	**2318**	**+511**	**2937**	**+619**	**3399**	**+462**
(*a*) In Government Securities	1375	+189	1721	+346	2180	+459	2430	+250
(*b*) In Other Approved Securities	432	+114	597	+165	757	+160	969	+212
4. Cash and Balances with the RBI	**397**	**+35**	**537**	**+140**	**843**	**+306**	**833**	**—10**
5. Money at Call and Short Notice	**83**	**+35**	**91**	**+8**	**120**	**+29**	**47**	**—73**
6. Aggregate Deposits	**6216**	**+941**	**7610**	**+1394**	**9165**	**+1555**	**10635**	**+1470**
(*a*) Demand	2743	+414	3358	+615	3958	+600	4532	+574
(*b*) Time	3473	+527	4252	+779	5207	+955	6103	+896
7. Borrowings from the RBI	**207**	**—85**	**42**	**—165**	**141**	**+99**	**421**	**+280**
8. Inland Bills Purchased and Discounted by the RBI	**10**	**+10**	**11**	**+1**	**15**	**+4**	**274**	**+259**
9. Key Ratios								
A. Credit-Deposit Ratio								
(*a*) End-June Ratio	77.3		72.0		70.0		72.7	
(*b*) Incremental Ratio		62.9		48.4		59.9		89.9
(*c*) Incremental Non-food Credit-Deposit Ratio		44.6		36.7		64.7		86.1
B. Investment-Deposit Ratio (For Total Investments)	29.1		30.5		32.0		32.0	
(*a*) For Investments in Other Approved Securities	6.9		7.8		8.3		9.1	
C. Cash and Balances Ratio	6.4		7.1		9.2		7.8	

*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, 1973-74.

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 Reserve Bank of India are those shown in its Weekly Statement of Affairs.

In contrast, the pace of deposit accretion during the year was substantially lower at Rs. 1470 crores (16.0 per cent) as against Rs. 1555 crores (20.4 per cent) in 1972-73. The incremental credit-deposit ratio during the year thus worked out to 89.9 per cent, as against 59.9 per cent in 1972-73. A notable feature of the deposit growth during the year was the slackness in the accretion of time deposits at Rs. 896 crores (17.2 per cent) as against Rs. 955 crores (22.5 per cent) in 1972-73. This slackness occurred primarily in the second half of the year as may be seen in Table IV.10.

Credit-deposit ratio at 72.7 per cent at the end of June 1974 was higher than that a year ago (70.0 per cent). Banks' borrowings from the Reserve Bank also increased by Rs. 280 crores as compared to an increase of Rs. 99 crores in 1972-73, while bills rediscounted with the Reserve Bank under the Bills Rediscounting Scheme, which had increased by a negligible amount of Rs. 4 crores last year, registered a sharp rise of Rs. 259 crores. Taking the direct borrowings by the banks and the amount of bills rediscounted with Reserve Bank together, Reserve Bank accommodation to the commercial banks showed an increase of Rs. 539 crores accounting for 34.1 per cent of the increase (Rs. 1580 crores) in gross bank credit (bank credit+bills rediscounted) as

Graph 23

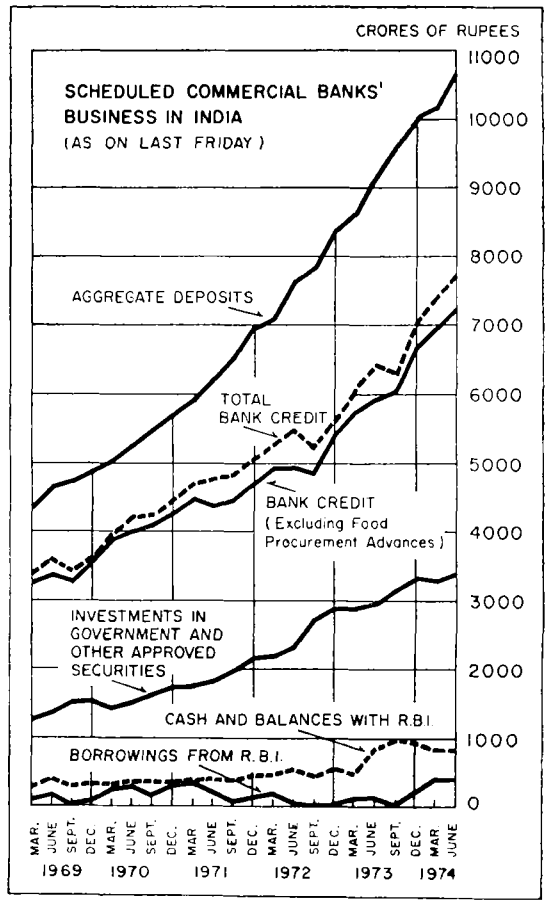


Table IV.10 : Half-yearly Variations in Deposits of Scheduled Commercial Banks

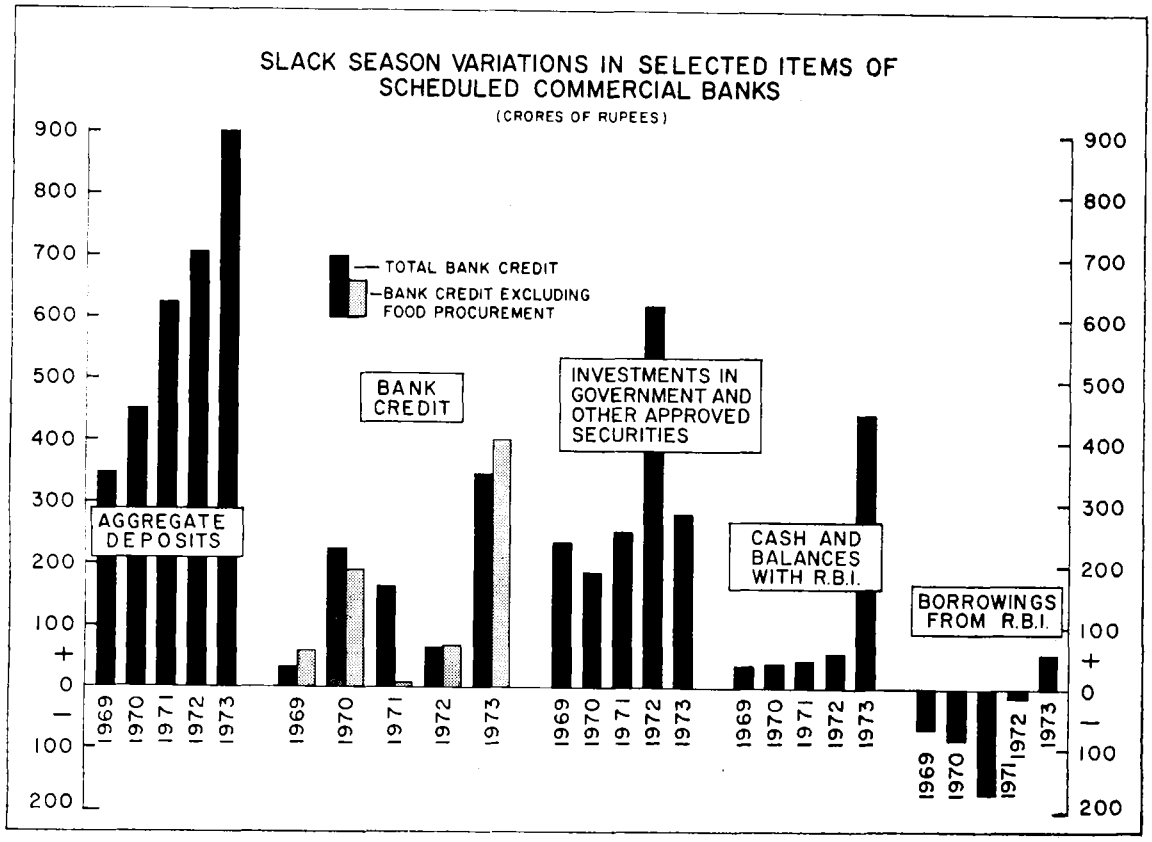
(Rupees Crores)

Period	Demand Deposits			Time Deposits			Aggregate Deposits		
	Outstanding as at the end of the period	Increase	Percentage Increase	Outstanding as at the end of the period	Increase	Percentage Increase	Outstanding as at the end of the period	Increase	Percentage Increase
1	2	3	4	5	6	7	8	9	10
1972-73									
July-December ..	3632	+274	+8.2	4749	+497	+11.7	8381	+771	+10.1
January-June ..	3958	+326	+9.0	5207	+458	+ 9.6	9165	+784	+ 9.4
1973-74*									
July-December ..	4203	+245	+6.2	5860	+653	+12.5	10063	+898	+ 9.8
January-June	4532	+329	+7.8	6103	+243	+ 4.1	10635	+572	+ 5.7

*Provisional.

Source : Returns submitted under Section 42(2) of the R.B.I. Act, 1934.

Graph 24



against 11.0 per cent in 1972-73. Banks' investments in government and other approved securities increased by Rs. 462 crores or by about three-fourths of the increase (Rs. 619 crores) in 1972-73. The investment-deposit ratio, however, remained unchanged at 32.0 per cent. Cash and balances with the Reserve Bank at Rs. 833 crores showed a decline of Rs. 10 crores over the year. Banks' balances with the Reserve Bank as on June 28, 1974 at Rs. 559 crores were also lower by Rs. 241 crores than the minimum reserve requirement of approximately Rs. 800 crores (calculated at 7 per cent of aggregate liabilities).

Seasonal Trends-1973 Slack Season

During the conventional slack season (May-October) of 1973, there was a contra-seasonal expansion of Rs. 346 crores in bank credit as against Rs. 67 crores in 1972 season (Table IV.11). The bulk of the expansion took place in September (Rs. 105 crores) and October (Rs. 189 crores), indicating an earlier than usual onset of the pressures of the busy season. The entire increase was on account of non-food advances; food advances showing a decline of Rs. 57 crores as compared to Rs. 1 crore in the 1972 season. Adjusting for food advances, the increase in non-food advances during the season amounted to Rs. 403 crores (6.9 per cent) as against Rs. 68 crores (1.4 per cent) in 1972 slack season. Deposit accretion during the slack season at Rs. 899 crores (10.3 per cent) was also somewhat higher than in the 1972 season (Rs. 705 crores or 9.7 per cent). Time deposits accounted for a larger proportion (72.0 per cent) of the deposit growth as compared to 62.8 per cent in the 1972 season; in the result, their proportion to the aggregate deposits was slightly higher at 58.7 per cent at end-October 1973 than that a year ago (57.1 per cent). Credit-deposit ratio was marginally

Table IV.11 : Seasonal Variations in Scheduled Commercial Banks' Data

(Rupees Crores)

Item	Seasonal Variations					
	Slack Season 1972	Busy Season 1972-73	Slack Season 1973	Busy Season 1973-74*	Slack Season upto	
					September 27, 1974*	September 28, 1973
1	2	3	4	5	6	7
1. Bank Credit	**+ 67**	**+897**	**+346**	**+1005**	**+156**	**+157**
Of which :						
(a) Food Procurement Advances	— 1	+ 5	— 57	+ 189	—152	— 18
(b) Other Advances	+ 68	+892	+403	+ 816	+308	+175
2. Investment in Government and Other Approved Securities	**+619**	**+ 4**	**+282**	**+ 156**	**+327**	**+279**
(a) In Government Securities	+519	— 89	+187	+ 71	+231	+200
(b) In Other Approved Securities	+100	+ 93	+ 95	+ 85	+ 96	+ 79
3. Cash and Balances with the RBI	**+ 57**	**+ 60**	**+444**	**— 218**	**+ 27**	**+432**
4. Money at Call and Short Notice	**+ 13**	**+ 72**	**— 41**	**— 103**	**+ 60**	**— 38**
5. Aggregate Deposits	**+705**	**+811**	**+899**	**+ 683**	**+723**	**+862**
(a) Demand	+262	+335	+252	+ 452	+164	+304
(b) Time	+443	+476	+647	+ 231	+559	+558
6. Borrowings from the RBI	**— 16**	**+ 17**	**+ 56**	**+ 253**	**—246**	**+ 15**
7. Inland Bills Purchased and Discounted by the RBI	**— 10**	**+ 19**	**+ 15**	**+ 244**	**—121**	**+ 13**

*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, 1973-74.

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 its Weekly Statement of Affairs.

higher at 67.3 per cent as compared to 66.2 per cent a year ago (Table IV.12). Additions to the investment portfolio were much smaller at Rs. 282 crores or less than half the increase (Rs. 619 crores) recorded in the 1972 season; the investment-deposit ratio fell to 32.8 per cent at end-October 1973 from 36.3 per cent a year earlier. Borrowings from the Reserve Bank reached a peak level of Rs. 141 crores during the early part of the season following an increase in food procurement credit simultaneously with the imposition of additional reserve requirement of 2 percentage points effected in June 1973; these were, however, gradually reduced to Rs. 6 crores by end-August 1973. During the last two months of the season, which witnessed a sharp rise in bank credit, the borrowings again moved up steadily to Rs. 80 crores showing an increase of Rs. 56 crores for the season as a whole (a decline of Rs. 16 crores in 1972 season). Cash and balances with the Reserve Bank increased by Rs. 444 crores owing mainly to the increase in the reserve requirement.

Table IV.12 : Trends in Principal Ratios of Scheduled Commercial Banks' Data

(Rupees Crores)

Item	October 1972		April 1973		October 1973		April 1974*		September 27, 1974*		September 28, 1973	
	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	**5260**	**66.2**	**6157**	**70.3**	**6503**	**67.3**	**7508**	**72.6**	**7664**	**69.3**	**6314**	**65.6**
Of which :												
(a) Food Procurement Advances	287	3.6	292	3.3	235	2.4	424	4.1	272	2.5	274	2.8
(b) Other Advances	4973	62.6	5865	67.0	6268	64.9	7084	68.5	7392	66.8	6040	62.8
2. Investments in Government and Other Approved Securities	**2887**	**36.3**	**2891**	**33.0**	**3173**	**32.8**	**3329**	**32.2**	**3656**	**33.1**	**3170**	**33.0**
(a) In Government Securities	2231	28.1	2142	24.5	2329	24.1	2400	23.2	2631	23.8	2342	24.4
(b) In Other Approved Securities	656	8.2	749	8.5	844	8.7	929	9.0	1025	9.3	828	8.6
3. Cash and Balances with the RBI	**495**	**6.2**	**555**	**6.3**	**999**	**10.3**	**781**	**7.6**	**808**	**7.3**	**987**	**10.3**
4. Money at Call and Short Notice	**104**		**176**		**135**		**32**		**92**		**138**	
5. Aggregate Deposits	**7946**	**100.0**	**8757**	**100.0**	**9656**	**100.0**	**10339**	**100.0**	**11062**	**100.0**	**9619**	**100.0**
(a) Demand	3405	42.9	3740	42.7	3992	41.3	4444	43.0	4608	41.7	4044	42.0
(b) Time	4541	57.1	5017	57.3	5664	58.7	5895	57.0	6454	58.3	5575	58.0
6. Borrowings from the RBI	**7**		**24**		**80**		**333**		**87**		**39**	
7. Inland Bills Purchased and Discounted by the RBI	**1**		**20**		**35**		**279**		**158**		**33**	

* 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, 1973-74.

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.
(3) Figures relating to balances with the RBI are those shown in its Weekly Statement of Affairs.
(4) All figures relate to the last Friday of the month.

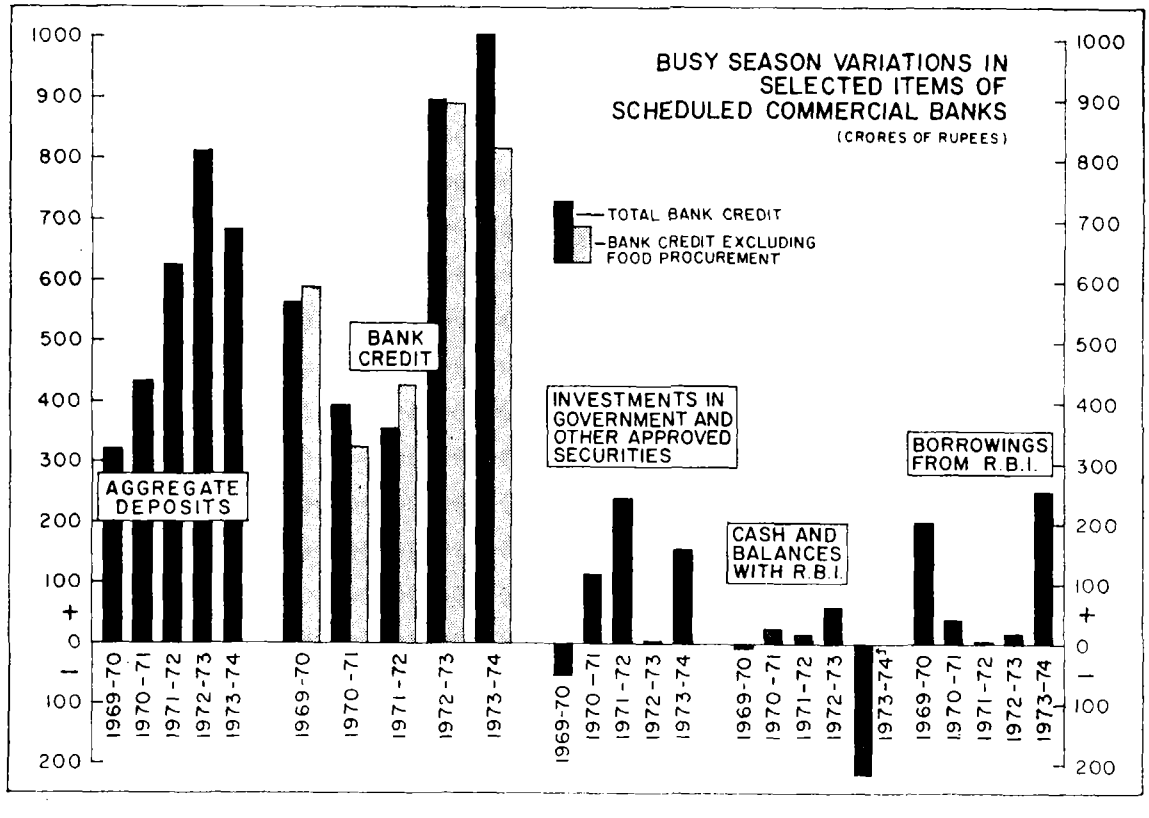
1973-74 Busy Season

As stated earlier, the seasonal demand for funds during the 1973-74 busy season commenced earlier than usual. With the progress of the season, the demand for funds also increased at a pace faster than the rate originally anticipated owing to the cumulative effect of a number of factors: sizeable increases in the prices of several raw materials (both domestic and imported), increased credit needs of oil companies for import of crude oil, larger credit requirements of public sector undertakings, and higher export finance necessitated by the need to step-up exports and larger flow of credit to priority sectors. Consequently, the expansion in bank credit was substantially higher than the ceiling of about 10 per cent (Rs. 600-650 crores) over end-September 1973 level stipulated at the beginning of the busy season for non-food credit expansion.

Taking the extended period of the 1973-74 busy season (i.e., end-September to end-April), bank credit expanded by Rs. 1194 crores (18.9 per cent) or Rs. 258 crores higher than the expansion recorded during the corresponding period last year. Bills rediscounted with the Reserve Bank also increased by Rs. 246 crores (Rs. 19 crores last year), thus showing an expansion of Rs. 1440 crores in gross bank credit as against Rs. 955 crores last year.

The expansion in gross bank credit during the conventional period of the busy season (end-October to end-April) amounted to Rs. 1249 crores or 19.1 per cent (Rs. 916 crores at 17.4 per cent last year) (Table IV.11). Of the increase, bills rediscounted accounted for Rs. 244 crores (19.5 per cent). The increase in bank credit during the season thus amounted to Rs. 1005 crores (excluding bills rediscounted) or Rs. 108 crores larger than the expansion (Rs. 897 crores) recorded in 1972-73 season. This may be attributed mainly to larger increases of Rs. 189 crores and of Rs. 214 crores in food advances and export credit, respectively, together accounting for 40.1 per cent of the increase; during the last

Graph 25



busy season these two sectors together registered an increase of Rs. 119 crores (13.3 per cent), the share of food advances being only Rs. 5 crores.

Deposit accretion during the conventional busy season was lower at Rs. 683 crores or 7.1 per cent as compared to Rs. 811 crores or 10.2 per cent in the previous busy season mainly due to the smaller increase of Rs. 231 crores (4.1 per cent) in time deposits as against Rs. 476 crores (10.5 per cent) in the last busy season. Demand deposits, on the other hand, showed a larger increase of Rs. 452 crores or 11.3 per cent (Rs. 335 crores in 1972-73 season). The pressure on the banks' resources was thus reflected in the rise in credit-deposit ratio during the season by 5.3 percentage points as compared to 4.1 percentage points in the 1972-73 season; this ratio at 72.6 per cent at end-April 1974 was also higher by 2.3 percentage points than that a year earlier.

Borrowings from the Reserve Bank increased sharply by Rs. 253 crores (Rs. 17 crores last year), while cash in hand and balances with the Reserve Bank declined by as much as Rs. 218 crores in contrast to a rise of Rs. 60 crores in the 1972-73 season. The cash ratio declined from 10.3 per cent at end-October 1973 to 7.6 per cent by end-April 1974. The ratio of statutory cash reserves to total demand and time liabilities stood at 4.7 per cent at end-April. Investments increased by Rs. 156 crores as against a nominal rise of Rs. 4 crores in 1972-73 season reflecting mainly the impact of raising the statutory liquidity ratio from 30 to 32 per cent effective from December 8, 1973. However, despite this increase, the investment-deposit ratio at 32.2 per cent at end-April 1974 was lower than that a year ago (33.0 per cent). Looking at the movement of major banking variables, it would appear that a sizeable portion of the credit expansion during the busy season was financed through borrowings from the Reserve Bank and at times by drawing down their cash balances, thereby attracting higher penalties.

Provisional data on the sectoral flow of bank credit during the 1973-74 conventional busy season period(3) are set out in Table IV.13.

(3) Data in respect of some sectors are estimated on the basis of special data obtained from 61 scheduled commercial banks which accounted for 98.6 per cent of the total credit of all scheduled commercial banks.

Sectoral Flow of Credit during 1973-74 Busy Season (October-April)

It would be seen from the table that excluding export credit the increase in bank credit (excluding bills rediscounted) to 'large and medium industries and trade in private sector' was substantially smaller at Rs. 214 crores (6.2 per cent) than in the preceding busy season (Rs. 570 crores or 20.0 per cent). Even if bills rediscounted which showed a marked increase in the season are included, the rate of credit expansion to this group in the private sector was considerably lower at 13.1 per cent as against 20.7 per cent in the 1972-73 season. On the other hand, credit to the public undertakings and to the priority sectors taken together increased by Rs. 388 crores accounting for 64.5 per cent of the overall increase in non-food and non-export credit as compared to Rs. 208 crores (or 26.7 per cent of the increase) in the last busy season.

Call Money Rates

The call money market both at Bombay and Calcutta witnessed stringent conditions during the year, except in the first two months, reflecting the pressure on the resources of banks. In Bombay, the call rate, which was quoted at $6\frac{3}{4}$-7 per cent in early July 1973, steadily declined thereafter and touched a low of $3\frac{1}{2}$-4 per cent by the third week of August. The rate continued at around this level till the middle of September, rising steadily thereafter and closed at $12\frac{1}{2}$ per cent by the end of October. After a slight decline, it remained almost steady at 11-$11\frac{1}{2}$ per cent in November, but firmed up again to 12-$13\frac{1}{2}$ per cent during the first week of December and then shot up to an all-time high of 30 per cent on December 13, 1973. Thereupon, the Indian Banks' Association intervened and fixed a ceiling of 15 per cent, payable by banks on inter-bank funds. The call money rate remained at this ceiling rate till end-June 1974.

In Calcutta also, the rate showed more or less similar trend. After declining from 6-$6\frac{1}{2}$ per cent at the beginning of July to $3\frac{1}{4}$ per cent on August 6, 1973, the rate moved up and closed at 12-$12\frac{1}{2}$ per cent by end-October. After some decline to $7\frac{1}{4}$-8 per cent, the rate again edged up and was quoted between $10\frac{1}{2}$ per cent and $11\frac{1}{2}$ per cent for the greater part

of November, but galloped thereafter touching the peak of 30 per cent on December 13, 1973. Since then, it remained at the ceiling level.

During 1972-73, the call rate had ruled between $2\frac{1}{2}$ per cent and $7\frac{1}{2}$ per cent in Bombay and between $2\frac{1}{4}$ per cent and $7\frac{3}{4}$ per cent in Calcutta.

Table IV.13 : Sectoral Deployment of Scheduled Commercial Bank Credit

(Busy Season—October-April)

(Rupees Crores)

Sector	Busy Season 1973-74 (October-April)				Busy Season 1972-73 (October-April)			
	Amount Outstanding		Variations (3) over (2)		Amount Outstanding		Variations (7) over (6)	
	End-October 1973	End-April 1974@	Amount	Per cent	End-October 1972	End-April 1973	Amount	Per cent
1	2	3	4	5	6	7	8	9
I. Total Bank Credit (Excluding bills rediscounted)	**6503**	**7508**	**+1005**	**+15.5**	**5260**	**6157**	**+ 897**	**+17.1**
Of which :								
(a) Food Credit	235	424	+ 189	+80.4	287	292	+ 5	+ 1.7
(b) Export Credit	617	831	+ 214	+34.7	434	548	+ 114	+26.3
II. Non-Food Credit	**6268**	**7084**	**+ 816**	**+13.0**	**4973**	**5865**	**+ 892**	**+17.9**
III. Non-Food Non-Export Credit	**5651**	**6253**	**+ 602**	**+10.7**	**4539**	**5317**	**+ 778**	**+17.1**
Of which :								
(a) Public Sector Undertakings	636	774*	+ 138	+21.7	404	490	+ 86	+21.3
(i) To Industry	461	543	+ 82	+17.8	317	354	+ 37	+11.7
(ii) To Trading and others	175	231	+ 56	+32.0	87	136	+ 49	+56.3
(b) Priority Sectors	1563	1813*	+ 250	+16.0	1286	1408	+ 122	+ 9.5
Of which :								
(i) Small-scale Industry	749	926	+ 177	+23.6	618	700	+ 82	+13.3
(c) (i) Medium and large industries and trade in private sector (Excluding bills rediscounted)	3452	3666*	+ 214	+ 6.2	2849	3419	+ 570	+20.0
(ii) Medium and large industries and trade in private sector (Including bills rediscounted)	3487	3945	+ 458	+13.1	2850	3439	+ 589	+20.7
IV. Bills Rediscounted	**35**	**279**	**+ 244**		**1**	**20**	**+ 19**	
V. Gross Credit (Including bills rediscounted)	**6538**	**7787**	**+1249**	**+19.1**	**5261**	**6177**	**+ 916**	**+17.4**
VI. Gross Credit (Including bills rediscounted but excluding food credit)	**6303**	**7363**	**+1060**	**+16.8**	**4974**	**5885**	**+ 911**	**+18.3**

@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, 1973-74.

*Estimated on the basis of data obtained from 61 banks which accounted for 98.6 per cent of total bank credit.

Qualitative Changes in Bank Credit Distribution

The returns under the new statistical reporting system (BSR) relating to June 1973 present a comprehensive picture of the sectoral distribution of credit (Table IV.14). There has occurred, during the five-year period 1968 to 1973, a perceptible decline in the share of credit to large and medium scale industry —from 60.6 per cent to 43.1 per cent; even between June 1972 and June 1973, the decline in this share from 45.5 per cent to 43.1 per cent is significant. In the same period, the share of agriculture and allied activities increased sizeably from 2.2 per cent of total credit in March 1968 to 6.8 per cent in June 1972 and further to 9.0 per cent in June 1973. Likewise, the share of small-scale industry increased from 6.9 per cent in March 1968 to 12.0 per cent in June 1973.

Table IV.14 : Sectoral Classification of Scheduled Commercial Banks' Advances

(Rupees Crores)

Sector	Outstanding as on							
	March 31, 1968		June 30, 1972		December 29, 1972		June 29, 1973	
	Amount	Per-centage to total	Amount	Per-centage to total	Amount	Per-centage to total	Amount	Per-centage to total
1	2	3	4	5	6	7	8	9
I. INDUSTRY	**2068**	**67.5**	**3053**	**57.6**	**3270**	**58.9**	**3490**	**55.1**
(a) Large and Medium Industries	1857	60.6	2414	45.5	2611	47.0	2731	43.1
(b) Small-scale Industries	211	6.9	639	12.1	659	11.9	759	12.0
II. AGRICULTURE & ALLIED ACTIVITIES	**67**	**2.2**	**360**	**6.8**	**501**	**9.0**	**572**	**9.0**
Of which :								
(a) Direct Finance	..	..	213	4.0	237	4.3	262	4.1
(b) Plantations	58	1.9	115	2.2	107	1.9	109	1.7
III. INTERNAL TRADE	**588**	**19.2**	**924**	**17.4**	**825**	**14.9**	**1176**	**18.6**
(a) Wholesale Trade	541	17.7	766	14.4	666	12.0	1006	15.9
Of which : Food Procurement	109	3.5	542	10.2	159	2.9	468	7.4
(b) Retail Trade	47	1.5	158	3.0	159	2.9	170	2.7
IV. SERVICES	..	..	..	..	**298**	**5.4**	**362**	**5.7**
V. PERSONAL LOANS	..	..	..	..	**191**	**3.4**	**204**	**3.2**
VI. ALL OTHERS	**341†**	**11.1**	**963†**	**18.2**	**468**	**8.4**	**529**	**8.4**
VII. TOTAL	**3064**	**100.0**	**5300**	**100.0**	**5553**	**100.0**	**6333**	**100.0**

.. Not available.

† Includes 'Services & personal loans'.

Sources: Data for March 31, 1968 are based on 'Survey of Advances of Scheduled Commercial Banks According to Purpose'. Data for June 30, 1972 are based on U.B.B. returns received directly from the branches of the banks covering 95 per cent of the total bank credit. Data for December 29, 1972 and June 29, 1973 are based on returns submitted by scheduled commercial banks under the 'Basic Statistical Returns' system introduced in December 1972, covering 98.6 per cent and 98.8 per cent of total bank credit, respectively.

In the distribution of bank credit among industries, the declining trend in the share of the traditional industries is continuing. Even the shares of engineering, cement and chemicals, etc., in total bank credit continue to decline though the extent of decline in them is smaller than that in the traditional industries (Table IV.15).

The significance of this declining share of large and medium industry in the total bank credit is better reflected in the data relating to the financing of inventories held by the private sector industry (Table IV.16). Such data, culled out from the regular RBI studies on company finances available upto 1972-73, show that commercial bank funds have tended to finance a consistently declining proportion of the value of inventories held by the public limited companies in the private sector. Such proportion had reached 60 to 61 per cent in the years of recession in Indian industry, viz., 1967-68 and 1968-69. The decline which continued in the subsequent years became pronounced in the years 1971-72 and 1972-73, despite a substantial increase in bank credit in absolute terms. For 1973-74, such data are not available; however, on the strength of a quick sample study of 291 public limited companies (which closed their accounts between April 1973 and March 1974), it is found that the ratio of total short-term borrowings to inventories continued to decline and the level at 53.3 per cent in 1973-74 was con-

Table IV.15 : Advances of Scheduled Commercial Banks to Major Industries

(Percentages to total bank credit)

Industry	As on March 31, 1968	As on June 30, 1972	As on December 29, 1972	As on June 29, 1973
1	2	3	4	5
1. Coal	0.8	@	@	0.5
2. Iron & Steel	3.7	2.8	4.1	3.7
3. Cotton Textiles	10.3	7.5	7.7	7.3
4. Jute Textiles	3.1	1.5	1.9	1.5
5. Sugar	5.3	1.9	1.3	2.6
6. Vegetable Oils (including Vanaspati)	1.4	0.6	1.3	1.2
7. Paper & Paper Products	1.6	@	1.9	1.8
8. Rubber and Rubber Products	0.7	@	0.9	0.6
9. Chemicals, Dyes, Drugs, Pharmaceuticals etc.	6.0	5.4	5.4	5.1
10. Cement	1.3	@	0.6	0.5
11. Engineering	15.7	12.9	11.4	9.9
12. Other Industries	17.6	25.0	22.4	20.4
Total Credit to Industries	**67.5**	**57.6**	**58.9**	**55.1**
Total Bank Credit	**100.0**	**100.0**	**100.0**	**100.0**

@Included under 'Other Industries'.

Sources: Data for March 31, 1968 are based on 'Survey of Advances of Scheduled Commercial Banks According to Purpose'. Data for June 30, 1972 are based on U.B.B. returns received directly from the branches of the banks covering more than 95 per cent of total bank credit. Data for December 29, 1972 and June 29, 1973 are based on returns submitted by scheduled commercial banks under the 'Basic Statistical Returns' system introduced in December 1972, covering 98.6 per cent and 98.8 per cent of total bank credit, respectively.

siderably lower than that in 1971-72 (59.9 per cent). This implies, despite some limitations of data(4), that bank credit has been used to finance a relatively lower amount of inventories in *real* terms, particularly in recent years.

As brought out in the last year's Report, another notable feature of dispersal of credit is the rising share of smaller borrowal accounts both in number and amount. As at the end of June 1973, the loans upto Rs. 1 lakh accounted for 98.3 per cent of the number of accounts and 22.3 per cent of the credit outstanding; the corresponding shares for end-March 1968 were 97.5 per cent and 14.2 per cent (Table IV.17).

Yet another aspect of the diversification in the lending activities of banks is the financing on a rising scale of the trading and manufacturing activities in the public sector. Of the total bank credit, the share of public sector worked out to 16.7 per cent as at end-June 1973 against 15.7 per cent at end-June 1972 and 6.5 per cent at end-December 1969 (Table IV.18).

(4) A major limitation is that the data are based on balance sheets of companies with different accounting periods.

Table IV.16 : Inventories-Sales and Bank Borrowings-Inventories Ratios
(Public limited companies in the private sector)

Year	Total Inventories as percentage of Sales	Inventories in the form of raw materials and components* as percentage of Total Inventories	Short-term Bank Borrowings as percentage of Total Inventories	Total Bank Borrowings as percentage of Total Inventories
1	2	3	4	5
1501 Medium and Large Public Limited Companies+				
1965-66	33.8	30.9	54.5	58.0
1966-67	33.9	30.7	57.7	60.8
1967-68	34.5	32.2	60.0	63.1
1968-69	32.5	30.9	61.4	64.9
1969-70	31.5	31.6	60.8	64.2
1970-71	31.6	31.2	58.8	61.8
1650 Medium and Large Public Limited Companies+				
1970-71	32.0	31.8	57.5	62.8
1971-72	32.5	32.7	54.0	58.8
1972-73	30.9	34.6	49.8	54.0
346 Large Public Limited Companies++				
1970-71	30.8	34.2	56.1	60.8
1971-72	32.0	34.9	51.5	55.7
350 Large Public Limited Companies++				
1970-71	30.9	34.3	55.1	59.9
1971-72	32.1	35.0	50.6	55.0
1972-73	31.2	36.1	46.2	50.0
291 Public Limited Companies@				
1971-72	32.2	..	(59.9)£	..
1972-73	29.9	..	(54.4)£	..
1973-74	31.6	..	(53.3)£	..

* In other words excluding finished goods and work-in-progress.
\+ Each with paid-up capital of Rs. 5 lakhs and above.
++ Each with paid-up capital of Rs. 1 crore and above.
@ Covered under a quick preliminary study.
£ Short-term borrowings include even those from other sources but excluding trade credit.
.. Not available.
Source : RBI studies on company finances.

Table IV.17 : Size-wise Classification of Borrowal Accounts and Advances of Scheduled Commercial Banks

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

Range of Credit Limit† (Rs.)	March 31, 1968		December 29, 1972		June 29, 1973	
	No. of accounts	Amount outstanding	No. of accounts	Amount outstanding	No. of accounts	Amount outstanding
1	2	3	4	5	6	7
10,000 or less	10,01,632	127,21	39,23,638	501,71	42,22,051	562,32
	(88.9)	(4.2)	(90.4)	(9.0)	(90.4)	(9.1)
Over 10,000 and upto 1 lakh	97,537	309,38	317,885	645,42	3,79,553	842,91
	(8.6)	(10.0)	(7.3)	(11.6)	(7.9)	(13.2)
Over 1 lakh and upto 5 lakhs	19,123	399,19	69,193	737,05	58,309	802,54
	(1.7)	(13.0)	(1.6)	(13.3)	(1.2)	(12.7)
Over 5 lakhs and upto 25 lakhs	8,061	1,362,14	17,185	987,17	14,309	944,46
	(0.8)	(44.5)	(0.4)	(17.8)	(0.3)	(14.8)
Over 25 lakhs and upto 1 crore			4,227	1,062,84	5,039	1,310,29
			(0.1)	(19.1)	(0.1)	(20.7)
Over 1 crore and upto 5 crores	474	866,44	1,185	1,040,89	1,036	1,051,18
	(Neg.)	(28.3)	(Neg.)	(18.7)	(Neg.)	(16.6)
Over 5 crores and upto 10 crores			101	165,82	65	255,48
			(Neg.)	(3.0)	(Neg.)	(4.0)
Over 10 crores			86	297,83	46	543,99
			(Neg.)	(5.4)	(Neg.)	(8.6)
Composite limit & unclassified			6,705	114,34	2,027	20,30
			(0.2)	(2.1)	(0.1)	(0.3)
TOTAL	**11,26,827**	**3,064,36**	**43,40,205**	**5,553,07**	**46,82,435**	**6,333,47**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Neg.—Negligible.
Note: Figures within brackets represent percentages to total.
† While the size-wise classification for 1972 and 1973 is based on the credit limit, that for 1968 is based on the outstanding credit.
Sources : Data for March 31, 1968 are based on the 'Survey of Advances of Scheduled Commercial Banks According to Purpose'. Data for December 29, 1972 and June 29, 1973 are based on returns submitted by scheduled commercial banks under the 'Basic Statistical Returns' system introduced in December 1972.

Table IV. 18 : Outstandings of Scheduled Commercial Banks' Credit to Public and Private Sectors

(Amount in Rupees Crores)

As on	Public Sector		Private Sector		Total Bank Credit
	Amount	% to total credit	Amount	% to total credit	
1	2	3	4	5	6
June 28, 1968	267.2	8.6	2835.7	91.4	3102.9
December 27, 1968	343.5	11.2	2725.5	88.8	3069.0
June 27, 1969	350.6	9.7	3248.2	90.3	3598.8
December 26, 1969	234.4	6.5	3381.5	93.5	3615.9
June 30, 1972	829.7	15.7	4469.9	84.3	5299.6
December 29,1972	675.0@	12.2	4878.1	87.8	5553.1
June 29, 1973	1056.8@	16.7	5276.7	84.3	6333.5
Of which :					
(*a*) Trade & Other Sectors	742.9	26.2	2088.3	73.8	2831.2+
(*b*) Manufacturing	243.8	7.2	3160.5	92.8	3404.3
(1) Cotton Textiles	5.9	1.3	457.8	98.7	463.7
(2) Chemicals & Chemical Products	17.0	5.3	304.5	94.7	321.5
(3) Basic Metal & Metal Products	44.4	10.7	370.9	89.3	415.3
(4) Engineering	112.0	17.8	517.0	82.2	629.0
(*c*) Electricity Generation, Transmission and Distribution	70.1	71.5	27.9	28.5	98.0

@As the returns relating to BSR-1 (Part A) cover only accounts with limits of over Rs. 10,000, it is assumed that there is no public sector borrowing with limits below Rs. 10,000; if there are any, they get included in the private sector. Hence the total includes all accounts.
+Includes advances to Food Corporation of India, State Governments and their agencies for food procurement operations which amounted to Rs. 468 crores as on the last Friday of June 1973.

Credit Policy (5)

As the monetary and prices situation underlined the need for maximum credit restraint, the Reserve Bank adopted several measures during the year with a view to further tightening the credit policy—both selective and general. The accent of these measures has been on curtailing the lendable resources of banks, raising the cost to banks of both borrowing from the Reserve Bank and of deposits from the public, and finally, raising the cost to borrowers of banks.

July 1973 Measures

It was mentioned in the last year's Report that the Bank deployed a series of restrictive measures in March and May 1973, including a step-up in the Bank rate to 7 per cent and an increase in the statutory minimum reserve requirements from 3 to 5 per cent. As a follow-up of these measures, the Bank introduced a few other measures in July 1973. These included the withdrawal of virtually all refinance facilities at the Bank rate or below; a further increase in the reserve requirements to 7 per cent (in two stages from September 8 and 22, 1973) and an increase in the net liquidity ratio (NLR) relevant for determining the rate on borrowing from the Reserve Bank from 39 to 40 per cent effective from September 8, 1973.

With deposits impounded to the extent of Rs. 416 crores as a result of the increase in the reserve requirements and the severe curtailment of refinance facilities, the resources position of banks at the beginning of the 1973-74 busy season was far from comfortable. At the same time, the overall outlook on the monetary and prices fronts made it imperative that credit expansion during the busy season be kept to the minimum level.

November 16, 1973 Measures

To this end, the Reserve Bank not only retained the prevailing restrictive measures but also introduced some degree of tightening in them. The banks were advised to keep in close check and minimise their lending. This was followed up with the indication of a quantitative ceiling on credit expansion. Banks were told that total credit expansion in sectors other than food procurement, during the period end-September 1973 and end-April 1974 was to be about 10 per cent of end-September 1973 level i.e., an increase of Rs. 600 to Rs. 650 crores.

Further, it was indicated that recourse to refinance facilities from the Reserve Bank would not be automatic even within the net liquidity ratio (NLR) system but would be on a discretionary basis. The maximum rate on borrowings from the Reserve Bank was also stepped up from 12 to 15 per cent with effect from November 16, 1973 applicable to an NLR level of below 33 per cent. The collateral facility given to banks for borrowing against usance bills arising from their public sector food advances under Section 17(4)(c) of the Reserve Bank of India Act was discontinued. Banks were, however, allowed to resort to the New Bills Rediscounting Scheme to augment their resources.

Certain modifications were also made in the lending rates of banks. The categories exempted from the minimum lending rate of 10 per cent were restricted to give the benefit of concessional rate only to the smaller and weaker borrowers in agriculture and allied activities and in small-scale industry viz., individual borrowers with total limits upto Rs. 50,000 from a bank in respect of agriculture and individual borrowing units with total limits upto Rs. 2 lakhs from a bank in respect of small-scale industry. The maximum rate on export credit (other than on deferred payment terms) was raised from 7 to 8 per cent and the minimum rate on bill finance was stepped up from 8 to 9 per cent. The minimum lending rate for commodities covered by the selective credit controls was also raised in most cases from 12 to 13 per cent.

November 30, 1973 Measures

These measures were followed by some others announced on November 30, 1973. The statutory liquidity ratio (SLR) was raised from 30 to 32 per cent effective from December 8, 1973. The Bank also stipulated a ceiling in respect of individual bank's total borrowings from the Reserve

(5) The Bank's Annual Report and Trend and Progress of Banking in India for 1973-74 contains the rationale of credit policy extensively; here only a factual review is presented.

Bank as follows: of the bank's total demand and time liabilities as on September 28, 1973, (a) 1.5 per cent for the period between December 8, 1973 and January 11, 1974, (b) 2 per cent for the period between January 12, 1974 and April 5, 1974 and (c) 1 per cent thereafter till May 31, 1974. The special refinance facility for public food procurement operations was discontinued, as this would be covered by the limits specified above, but the rediscounting facility under the Bills Rediscounting Scheme was left outside the borrowing limits. The minimum lending rate on bank advances was stepped up from 10 to 11 per cent from December 1, 1973 except in respect of the exempted categories and the minimum lending rate on bill finance was refixed at 9.5 per cent. Banks were also advised to tighten their general lending norms in respect of advances against book debts and inventories by raising the margin by 10 to 20 percentage points.

January 1974 Review

A review of credit trends in January 1974 showed that credit expansion during December 1973 amounted to Rs. 283 crores of which Rs. 211 crores were on account of non-food advances. It was also observed that banks' resources were fully stretched due to large quarterly tax payments, floatation of new loans by the Central Government and normal year-end adjustments. As a result, some banks were unable to maintain minimum cash reserves of 7 per cent, while some others could not comply with the provision relating to the statutory liquidity ratio. Banks were, therefore, asked to make good in full the deficiencies in cash reserves and statutory liquid assets as even temporary reserve deficiencies would attract statutory penal rates of interest prescribed under the RBI Act. Besides, they were asked to undertake a careful review of all substantial advances particularly of bigger limits of Rs. 25 lakhs and over and adhere to the repayment schedule in respect of discretionary accommodation availed of.

Banks were also urged to make a determined effort to contain any further credit expansion as also to ensure quick repayment of funds made available by them for the tax payments and to take other measures such as collection of interest charges from borrowers without delay. However, in the context of the energy crisis and the resulting impact on the country's balance of payments, it was felt that banks should provide adequate financial assistance to the export sector. Accordingly, it was decided to exempt export credit from the quantitative ceiling and also to provide against such credit increased RBI refinance facilities, strictly on a discretionary basis, after reviewing individual bank's performance in financing exports and in the sectoral deployment of its credit.

April 1974 Measures

After a review of the banks' resources position, particularly arising from the slower pace of deposit accretion in the last two months of the busy season, the period of validity of the basic borrowing quota of 2 per cent of demand and time liabilities was extended upto April 19, 1974. Keeping in view the need for encouraging savings, interest rates on saving and term deposits kept with banks were levered up from April 1, 1974. The interest payable on savings accounts was stepped up by one percentage point to 5 per cent per annum and the increases in others ranged between 1/4 per cent and 1 per cent in respect of different categories of deposits. Simultaneously, interest payable by the Reserve Bank to the commercial banks on additional deposits under Section 42(1) of the RBI Act was raised from 4.75 to 5.25 per cent (for details refer to page 98).

Policy for 1974 Slack Season

The Reserve Bank gave on April 18, 1974 a general indication of its credit policy for the period May 1974 to April 1975 to enable banks to plan their operations well in advance. Banks were informed that the refinance and rediscount policies of the Reserve Bank would continue to be selective and discretionary and that borrowings from the Reserve Bank should be repaid according to the schedule. The basic quota for automatic borrowing from the Reserve Bank was to continue at the rate of 1 per cent of the total demand and time liabilities as on March 29, 1974, for the period June 1, 1974 to October 31, 1974. It was indicated that the credit expansion in the 1974 slack season could constitute at the most only a small proportion

of the incremental deposits, say of the order of 33 to 35 per cent. For the year as a whole (May 1974 to April 1975), the resources available to the banks would imply a maximum credit expansion of 63 to 65 per cent of their incremental deposit accretions.

It was also decided to discontinue the additional 2 per cent of cash reserve (introduced in June 1973) from June 29, 1974 and to step up simultaneously the statutory liquidity ratio from 32 to 33 per cent. The additional 2 per cent of cash reserve which would expire in September 1974 would be renewed. In order to reduce gradually the availment of rediscount facilities during the slack season, banks were also asked to bring down sanctioned rediscount bill limits to 40 per cent of the existing level by end-October 1974 so that they might have sufficient cushion to meet the credit demand for 1974-75 busy season.

The ceiling rate of interest on export credit (other than on deferred payments) was raised from 8 to 9 per cent and that on deferred payments from 6 to 7 per cent. The concessionary rates on such credit (other than on deferred payment basis) would be applicable only for a maximum period of 90 days except in the case of post-shipment credit for exports to Western Hemisphere where the maximum period will be 120 days. The rate on food procurement credit was also raised from 8.5 to 9 per cent from April 18, 1974.

July 1974 Measures

While these measures helped to effect a certain measure of restraint and achieved dispensation of credit broadly in line with priorities, they nevertheless required to be reinforced alongside various Governmental measures undertaken to deal with serious inflationary problems facing the country. On July 4, 1974, the Bank issued instructions to all major scheduled commercial banks that they should watch the accounts of the fifty biggest borrowers of each bank. On July 22, 1974, a package of credit measures was announced in a determined effort to further contain the expansion of bank credit. The Bank rate was stepped up by two percentage points to a record 9 per cent effective from July 23, 1974. Simultaneously, the rates of interest on loans and deposits of commercial banks were levered up.

The minimum lending rate chargeable by banks on advances has been stepped up from 11 per cent to 12.5 per cent except in the case of the specifically exempted categories and the minimum lending rate on advances against selective credit control commodities from 13 per cent to 15 per cent or from 12 per cent to 14 per cent as may be applicable in various categories. The minimum rate of discount on bill finance for drawers' bills has been raised from 9.5 to 11 per cent and the rate on drawees' bills from 11 per cent to 12.5 per cent. The maximum rate of interest on export credit has been increased from 9 per cent to 10.5 per cent in the case of exports other than on deferred payments. The rate of interest on public sector food procurement credit has been stepped up from 9 to 11 per cent in respect of advances to the Food Corporation of India and from 9 to 12 per cent in respect of advances to State Governments and their agencies.

While the net liquidity ratio (NLR) relevant for purposes of determining the cost of borrowing from the Reserve Bank will continue at 40 per cent, the maximum rate chargeable by the Reserve Bank has been increased from 15 per cent to 18 per cent. The Reserve Bank's accommodation and lending rate will continue as before on a strictly discretionary basis. For specified purposes such as food procurement operations, however, refinance will be made available at rates fixed from time to time.

The maximum rate of interest payable on deposits over five years has been raised from 8 per cent to 10 per cent. Certain readjustments in the differentials in the maturity and yield pattern of the various categories of

fixed deposits have also been made (for details see page 99).

Subsequently, as a part of the anti-inflationary package of measures, the Central Government imposed, under the Second Finance Bill, a levy on the gross amount of interest received by scheduled banks on loans and advances made in India. It was indicated that this levy would have both a monetary and fiscal impact in that it would serve the purpose of raising the cost of borrowed funds and of supplementing Government revenues.

Revision of Interest Rates on Deposits

As referred to earlier, with a view to improving the relative yield on public deposits with banks and thus arresting the deceleration that set in recently in the rate of accretion of such deposits, the Reserve Bank raised the ceiling rates on deposits twice in recent months, once from April 1, 1974 and again from July 23, 1974. Effective from April 1, the rate of interest on savings deposits was raised from 4 per cent to 5 per cent per annum and in respect of term deposits the increases ranged from one-fourth to three-fourths of one per cent per annum. The maximum interest rate payable on deposits for periods exceeding five years with the larger commercial banks was raised from 7.25 per cent to 8 per cent.

Effective from July 23, 1974, the Bank further raised interest rates on fixed deposits, rather sizeably, the maximum rate payable on deposits over five years being raised from 8 per cent to 10 per cent per annum. The concessions to smaller banks allowing them to pay an additional interest of 1/8 to 1/2 per cent were withdrawn. Banks with demand and time liabilities below Rs. 10 crores are now allowed to pay 1/2 per cent more on savings deposits only. Additional interest rate of 1/2 per cent allowed on religious and charitable institutions' deposits was also withdrawn (Table IV.19).

Selective Credit Controls

In consonance with the restrictive general credit policy, the control over advances against sensitive commodities was also tightened. During the year, advances against cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres (including stocks-in-process) were brought under the purview of this control.

The ceiling on the level of credit for the relevant commodities was continued to be fixed on *party-wise* basis as in the last year. However, the base period for determining the ceiling limit (i.e., 100 per cent of the peak level of credit outstanding per party) was changed from any of the three previous seasons (viz., 1971-72, 1970-71 and 1969-70) to any of the three previous years (November-October), viz., 1972-73, 1971-72 and 1970-71. Exemption of advances granted to the processing/manufacturing units covered under the Rural Industries Projects was restricted to advances only upto a maximum limit of Rs. 20,000 per unit.

With effect from November 17, 1973, the minimum rate of interest on advances to all parties (except the exempted categories) was raised from 12 per cent to 13 per cent in all but two cases for which the rate of 12 per cent was retained. These two cases are (1) advances to mills in respect of raw cotton stock for which they are entitled to the benefit of lower margins and (2) advances against free sale sugar stocks which have not been released by Government for sale. Effective from July 23, 1974, these rates of interest were further stepped up from 13 to 15 per cent and from 12 to 14 per cent, respectively. Banks were advised to keep a close watch on all advances, particularly those in excess of Rs. 20,000 to ensure proper turnover in these accounts and that bank credit did not enable the parties to hold excessive stocks.

The other important changes made during 1973-74 in the provisions of the directives relating to advances against individual commodities are briefly indicated below (for details see Appendix I).

(i) *Foodgrains:* In terms of the directive issued to banks on November 17, 1973, a minimum margin of 25 per cent was fixed for ad-

Table IV. 19 : Revised Rates of Interest on Deposits with Scheduled Commercial Banks

(Per cent per annum)

Class of Deposits	Effective April 1, 1973@							Effective April 1, 1974@							Effective July 23, 1974
	Indian scheduled commercial banks having demand and time liabilities of Rs. 50 crores and above and foreign banks	Indian scheduled commercial banks having demand and time liabilities						Indian scheduled commercial banks having demand and time liabilities of Rs. 50 crores and above and foreign banks	Indian scheduled commercial banks having demand and time liabilities						All scheduled commercial banks
		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	16
1. Current accounts and deposits upto 14 days ..	No interest except with the prior approval of the Reserve Bank of India (for all classes of banks)														
2. Savings accounts ..	4	4	4	4	4	4½	4	5	5	5	5	5	5½	5	5@@
3. Deposits for 15 to 45 days	Rate not to exceed 2¾ (for all classes of banks)							3	(for all classes of banks)						3
4. Deposits for 46 to 90 days	3¼	(for all classes of banks)						3½	(for all classes of banks)						3½
5. Deposits for 91 days and above but less than 6 months	4¾	4⅞	4¾	5	4¾	5¼	4¾	5	5⅛	5	5¼	5	5½	5	5½
6. Deposits for 6 months and above but less than 9 months	5¼	5⅜	5¼	5½	5¼	5¾	5¼	5½	5⅝	5½	5¾	5½	6	5½	6
7. Deposits for 9 months and above but less than 1 year								6¼	6⅜	6¼	6½	6¼	6¾	6¼	7
8. Deposits for 1 year and above but less than 2 years	6	6⅛	6	6¼	6	6½	6	6¾	6⅞	6¾	7	6¾	7¼	6¾	8 (1 year and above but less than 3 years)
9. Deposits for 2 years and above but upto and inclusive of 3 years ..	7	7⅛	7	7¼	7	7½	7	7½	7⅝	7½	7¾	7½	8	7½	
10. Deposits above 3 years but upto and inclusive of 5 years								7¾	7⅞	7¾	8	7¾	8¼	7¾	9 (3 years and above but upto and inclusive of 5 years)
11. Deposits above 5 years	7¼	7⅜	7¼	7½	7¼	7¾	7¼	8	8⅛	8	8¼	8	8½	8	10

@Scheduled commercial banks with demand and time liabilities upto Rs. 50 crores were allowed to pay an additional interest of between ⅛ and ½ per cent per annum on all classes of deposits bearing interest upto July 22, 1974. This concession is withdrawn with effect from July 23, 1974.

@@Banks with demand and time liabilities below Rs. 10 crores are allowed to pay an additional interest of ½ per cent per annum on savings deposits only.

vances against wheat to roller flour mills which were earlier exempted from margin and ceiling controls. The prohibition of advances to wholesale traders in wheat continued; it was also stipulated that the credit limit granted to a party against wheat at any time during the last three years (i.e., 1972-73, 1971-72 and 1970-71) should not be utilised by the party to hold stocks of 'other foodgrains'. In view of the take-over of wholesale trade in rice by the Government of Assam, advances against paddy and rice in that State were also prohibited except to those authorised by the State Government to deal in paddy and rice. Advances against barley which were earlier completely exempted from control were brought under the control, but advances against this commodity to industrial users were exempted, as in the case of maize. Advances against foodgrains to processing units, other than rice mills, at smaller places (i.e., with population of 1 lakh or below) contisued to be subject to the lower margin of 35 per cent in respect of stocks of raw materials (other than paddy), but the higher margin of 60 per cent was made applicable to advances against processed foodgrains.

In order to enable the new branches of banks in rural areas of under-banked States to participate more actively in local development, the additional limit against foodgrains was raised from Rs. 50,000 to Rs. 1,00,000 per new branch opened on or after January 1, 1970 at a centre with a population of 1 lakh or below for granting advances to new parties in the States of Uttar Pradesh, Madhya Pradesh, Bihar and West Bengal; the additional limit continued to be Rs. 50,000 in other States. The existing exemption from ceiling control in respect of advances granted to the processing units located at centres with a population of 1 lakh or below was extended to cover rice mills also.

Further, the exemption from margin and ceiling restrictions applicable to licensed dealers or rice millers who are covered by the levy scheme of the State Governments against stocks of paddy, to the extent of levy imposed in each State, was made applicable to such stocks of rice also. Similarly, the complete exemption in respect of advances against rationed foodgrains granted to wholesale and retail dealers appointed/licensed by the State Governments and/or operating under statutory rationing/fair price distribution system was extended to Maharashtra. Further, on April 30, 1974, pre-shipment and post-shipment credit granted by banks in respect of exports of rice was completely exempted from control.

The banks were advised to keep a close watch on advances against coarse grains and pulses, so that such advances were kept under restraint. They were further advised to keep strict vigilance over the utilisation of credit by the existing parties and to curtail or recall advances against foodgrains in individual cases if the conduct of a borrower warranted such a measure.

(ii) *Oilseeds and Vegetable Oils (including Vanaspati)*: The complete exemption which was allowed previously in respect of advances against imported oilseeds and vegetable oils was withdrawn on November 17, 1973 except in respect of credit to the Food Corporation of India and the State Trading Corporation of India. However, certain minor relaxations were made in respect of such advances. Thus, the minimum margin on credit against castorseed and linseed was reduced from 75 to 60 per cent with a corresponding reduction in margin on advances against warehouse receipts covering these commodities from 65 to 50 per cent. Similarly, packing credit advances granted to the exporters of HPS groundnut to the extent of the raw material required for selecting the HPS groundnut covered by the export order, even though the advances may be in excess of the amount of the export order, were completely exempted from control, provided that the excess amount of such advances was repaid within a period not exceeding 30 days from the date of advances. Subsequently, on April 30, 1974, pre-shipment and post-shipment credit granted by banks in respect of exports of linseed oil was also completely exempted from control. The concessional margin of 25 per cent allowed in respect of advances against stocks of groundnut and rapeseed/mustardseed upto two months' consumption of registered oil mills in Bihar and West Bengal was extended to registered oil mills in the States of Rajasthan, Uttar Pradesh and Madhya Pradesh also.

As the supply position in respect of edible oilseeds and oils continued to be difficult des-

pite the prospects of good crop during 1973-74, the banks were advised not to finance new parties except in areas where the cultivation of edible oilseeds increased significantly. Prior approval of the Reserve Bank is, however, necessary for extension of credit facilities to new parties other than the registered oil mills and vanaspati manufacturers.

(iii) *Cotton and Kapas:* The complete exemption granted earlier in respect of advances against stocks of imported cotton was withdrawn on November 17, 1973 and advances against imported cotton were also subjected to a minimum margin of 25 per cent as in the case of the indigenous new and/or long-staple varieties of cotton. Certain new varieties of cotton grown in India, viz., Suvin, Vishnu and J-34 were also added to the list of new and/or long-staple varieties of cotton.

(iv) *Sugar, Gur and Khandsari:* The minimum margin on advances to sugar mills was stepped up from 10 to 15 per cent in respect of stocks of levy sugar earmarked for controlled distribution by Government and from 15 to 25 per cent in respect of stocks of free market sugar. Further, the exemption in respect of advances granted in the State of Jammu and Kashmir was withdrawn. However, complete exemption from control was extended in respect of advances granted to the Food Corporation of India.

Banks were advised to ensure that quick flow of stocks from the factories was maintained and that the releases of stocks of sugar, as notified by the Government, were adhered to.

(v) *Cotton Textiles (including cotton yarn) and Fabrics and Yarn made out of man-made fibres (including stocks-in-process)*: In view of the rise in prices of textiles and yarn in recent months, bank advances against cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres (including stocks-in-process) were also brought under selective credit control effective November 17, 1973. Accordingly, banks were asked to raise the existing margin by 10 per cent on advances against these commodities granted to textile mills; in respect of fresh credit limits, their minimum margin requirement was placed at 10 per cent above the usual margin. In the case of advances against these commodities to dealers, traders and agents, the minimum margin was fixed at 40 per cent. On January 21, 1974, banks were informed that the additional margin of 10 per cent in respect of advances to textile mills, would also apply to power loom units, against stocks of above commodities except in the case of advances not exceeding Rs. 20,000 per borrower, covered by the Credit Guarantee Scheme for Small Scale Industries, and if the unit undertakes to borrow from one bank only.

Advances (i) to traders covered by the Guarantee Scheme of the Credit Guarantee Corporation of India Ltd., upto Rs. 20,000 per borrower and (ii) to exporters and to co-operatives and nominees of State Governments as well as advances against demand documentary bills, handloom and hand-woven cloth and against controlled cloth, were completely exempted from control.

Taking into account the special needs of the textile industry, banks were permitted, *as a special case,* to discount bills of exchange drawn by mills arising out of sale of cotton textiles (including cotton yarn) and fabrics and yarn made out of man-made fibres with usance not exceeding 45 days. They were also advised that such of these bills as satisfy the various other requirements of the Bills Rediscounting Scheme would be eligible for rediscount with the Reserve Bank.

Quantum of Advances Against Sensitive Commodities

As at the end of March 1974, scheduled commercial banks' advances against the major sensitive agricultural commodities stood at Rs. 503 crores showing an increase of Rs. 124 crores over the year (Table IV. 20). However, if the increase of Rs. 49 crores in advances against raw jute (which are not strictly covered by the scheme of selective credit controls) is excluded, the increase in advances against all other commodities covered by such controls over the year 1973-74 (April-March) would amount to Rs. 75 crores; of this, advances against cotton and kapas accounted for Rs. 67 crores. Even so, the proportion of total advances against commodities under the selective credit controls to the aggregate credit of all scheduled commercial banks remained almost unchanged

Table IV.20 : Advances of Scheduled Commercial Banks Against Selected Securities

(Rupees Lakhs)

Security	(As on the last Friday)								
	March 1971			March 1973*			March 1974*		
	Amount	Percentage to total of (1 to 6)	Percentage to total Bank Credit	Amount	Percentage to total of (1 to 6)	Percentage to total Bank Credit	Amount	Percentage to total of (1 to 6)	Percentage to total Bank Credit
1	2	3	4	5	6	7	8	9	10
1. Foodgrains (excluding food procurement advances)	**52,01**	**12.2**	**1.1**	**32,64**	**9.0**	**0.5**	**38,90**	**8.9**	**0.5**
(*a*) Paddy and rice	22,50	5.3	0.5	14,12	3.9	0.2	16,97	3.9	0.2
(*b*) Wheat	15,78	3.7	0.3	3,93	1.1	0.1	2,62	0.6	—
(*c*) Other foodgrains	13,73	3.2	0.3	14,59	4.0	0.2	19,31	4.4	0.3
2. Sugar	**1,96,52**	**46.3**	**4.2**	**1,13,76**	**31.3**	**1.9**	**1,13,73**	**25.9**	**1.6**
3. Oilseeds	**10,83**	**2.5**	**0.2**	**18,27**	**5.0**	**0.3**	**18,10**	**4.2**	**0.2**
(*a*) Groundnut	10,34	2.4	0.2	15,73@@	4.3	0.3	12,00	2.7	0.2
(*b*) Rapeseed/Mustard-seed	—	—	—	1,26	0.3	—	5,09	1.2	0.1
(*c*) Linseed	33	0.1	—	37	0.1	—	25	0.1	—
(*d*) Castorseed	16	—	—	91	0.3	—	76	0.2	—
4. Vegetable Oils	**12,16**	**2.9**	**0.3**	**12,08**	**3.3**	**0.2**	**11,99**	**2.7**	**0.2**
(*a*) Groundnut oil	9,02	2.1	0.2	6,11	1.7	0.1	6,06	1.4	0.1
(*b*) Rapeseed/Mustard-seed oil	2,23	0.5	0.1	1,21	0.3	—	2,76	0.6	—
(*c*) Castor oil	56	0.1	—	4,32	1.2	0.1	2,68	0.6	—
(*d*) Linseed oil	35	0.1	—	44	0.1	—	49	0.1	—
5. Vanaspati	**6,25**	**1.5**	**0.1**	**3,41**	**1.0**	**0.1**	**5,24**	**1.2**	**0.1**
6. Cotton and Kapas	**1,47,05**	**34.6**	**3.1**	**1,82,95**	**50.4**	**2.9**	**2,50,38†**	**57.1**	**3.4**
(*a*) Indigenous	—	—	—	1,36,46	37.7	2.1	2,07,32	47.3	2.8
(*b*) Imported	—	—	—	46,49	12.7	0.8	43,06	9.8	0.6
7. Total of 1 to 6	**4,24,82**	**100.0**	**9.1**	**3,63,11**	**100.0**	**5.9**	**4,38,34**	**100.0**	**6.0**
8. Raw Jute**	**33,37**		**0.7**	**16,09**		**0.2**	**64,50@**		**0.9**
Total of 7 & 8	**4,58,19**		9.8	**3,79,20**		**6.2**	**5,02,84**		**6.9**
Total Bank Credit [Section 42 (2)]	**46,72,14**		**100.0**	**61,15,04**		**100.0**	**72,76,19**		**100.0**

Notes : @Inclusive of advances granted to Jute Corporation of India.
@@Inclusive of advances granted to a public sector agency.
†Inclusive of advances granted to Cotton Corporation of India.
*Data are provisional.
**Not covered by Selective Credit Control.

Sources : Data for March 1971 are based on the returns on Form 7 received directly from the branches of banks. Data for March 1973 and March 1974 are based on BSR 3 Returns received from the Head Offices of banks.

(6.0 per cent) at the level a year ago (5.9 per cent). Again, the bulk of these advances was accounted for by millers, industrial users and processing units as distinguished from traders. Their share to the total advances also increased from 69 per cent at the end of June 1973 to 72 per cent at the end of March 1974. Although the increase was reflected in advances against almost all the commodities, it was more pronounced in the case of castor

oil, groundnut oil, paddy and rice, rapeseed/mustardseed and castorseed (Table IV.21).

Table IV. 21 : Security-wise Advances to Processing Units, Millers and Industrial Users

(As percentages of total credit against respective commodities)

Commodity	End-June 1973	End-December 1973	End-March 1974
1	2	3	4
1. Sugar and Khandsari	96	90	95
2. Vanaspati	90	92	84
3. Linseed oil	87	89	92
4. Wheat	83	83	82
5. Cotton & Kapas ..	60	69	67
6. Castor oil	66	69	87
7. Rapeseed/Mustard seed oil	63	70	84
8. Paddy/Rice	57	91	83
9. Castorseed	50	96	84
10. Groundnut oil ..	48	66	74
11. Groundnut	42	46	42
12. Linseed	38	61	52
13. Other Foodgrains ..	37	37	40
14. Rapeseed/Mustard seed	35	22	82
All Selected Commodities	**69**	**72**	**72**

Source : Basic Statistical Return-3.

Credit Authorisation Scheme :

The rationale and the working of the Credit Authorisation Scheme were discussed in detail in the last year's Report. To refer to the main features of the Scheme, banks are required to apply to the Reserve Bank for credit authorisation after the proposals are sanctioned by them. The Reserve Bank examines on the basis of data furnished by banks whether the quantum of credit applied for is justified in relation to the purpose and whether there is need for better financial discipline on the part of the borrowers. The Bank authorises the credit limits which would take care of the peak requirements of the borrowers, but the actual operation of the borrowers' accounts is supervised by the banks themselves. However, during the course of inspection conducted by the Bank, the procedures followed by banks in this regard are also scrutinised by the inspecting staff.

A Study Group has also been set up by the Bank to examine various aspects relating to follow-up and supervision by banks of the credit extended by them. The Study Group has been asked to (1) make recommendations for obtaining periodical data from borrowers on business/production plans and credit needs, (2) suggest norms for inventory holding by industries with the use of bank credit, (3) lay down criteria for satisfactory financial structure of borrowers vis-a-vis their borrowings and (4) indicate modifications required in the existing pattern of financing the working capital requirements of borrowers by cash credit/overdraft system.

As mentioned in the last year's Report, the coverage of the Scheme was enlarged to bring within its ambit banks' advances to public sector undertakings including the State Electricity Boards. Reference was also made to the Reserve Bank's policy in regard to bank credit to the State Electricity Boards and to the issuance of guidelines for extending such credit for rural electrification schemes relating to energisation of tubewells/pump sets and working capital requirements of the Boards. In order to ensure a realistic appraisal of the projects relating to energisation of wells, pump sets etc., it has since been suggested to banks that they should get the project reports relating to rural electrification programmes vetted by the banks' own technical cells if they have the necessary expertise or by the Rural Electrification Corporation or the Agricultural Finance Corporation, before seeking the Bank's prior authorisation for extending term-finance for such programmes.

Advances to Sugar Industry

In view of the better prospects of production of sugar during the 1973-74 crushing season, the Reserve Bank waived the prior authorisation requirements in respect of advances to sugar industry and permitted banks in November 1973 to sanction to sugar mills, on merits, credit limits against sugar stocks to the extent of the maximum outstandings under the regular limits allowed for the last two crushing seasons (i.e., 1971-72 and

1972-73 season). However, at the same time, the need to continue a regulatory procedure for ensuring prompt payment by sugar mills of the cane dues to the sugarcane growers by obtaining necessary control data was also impressed upon the banks.

Advances to Jute Industry

In view of the increased supply of raw jute and the prospects of expanding jute goods production during the 1973-74 season, the provision regarding the Reserve Bank's prior authorisation was also waived temporarily in respect of advances to jute mills. After consultation with the Jute Commissioner, banks were advised in October 1973, that they might finance, upto end-April 1974, inventories of raw jute with jute mills upto a maximum of 4 months' consumption and finished goods equivalent to 6 weeks' sales, without the Bank's prior authorisation. The above relaxation was later extended upto end-June 1974 and again upto end-October 1974.

Banks were also advised that they might provide, after obtaining the Bank's prior authorisation, short-term loans against block assets of jute mills to enable them to clear off their overdues in respect of their purchases of raw jute, provided the borrowing mills agreed to undertake financing of their raw jute purchases by adopting the system of usance bills on letter of credit or acceptance basis. This system would enable banks to avail of the rediscounting facilities of the Reserve Bank and would thus result in elimination of credit against unpaid stocks. Banks have also been advised that while financing the stocks of raw jute, they should ensure that the jute mills invariably make prompt payment to the Jute Corporation of India and that no advances are made against stocks of unpaid jute purchased from the Corporation.

Working of the Scheme

As a result of the enlargement of the scope of the Scheme, the number of parties covered by the Scheme rose steadily over the last two years from 1203 on June 30, 1972 to 1392 on June 30, 1973 and further to 1622 on June 30, 1974; of the latter, 166 related to public sector undertakings. While the number of applications received during the year rose sharply from 757 to 953, their aggregate amount showed only a marginal increase from Rs. 920 crores to Rs. 967 crores, thus resulting in a decline in the average amount per application from Rs. 1.21 crores to Rs. 1.01 crores during 1973-74 (Table IV. 22). Of the total applications received during 1973-74 (July-June), 131 related to the public sector units involving an amount of Rs. 424 crores. As in the past, the bulk of the proposals was for the purpose of financing working capital requirements. Fifty-one applications were rejected during the year (as against 2 in 1972-73), while 33 applications were withdrawn (as against 16) by the concerned banks themselves on the basis of available data which indicated that there was no need for additional bank credit.

The total number of cases authorised during the year was 644 for an amount of Rs. 469 crores compared to 695 cases for an amount of Rs. 823 crores during 1972-73. Of the cases authorised during 1973-74, 69 cases for an amount of Rs. 226 crores were in respect of public sector undertakings. However, the figures of authorisation for 1973-74 are not comparable with those for 1972-73, because with the extension of the Scheme to the borrowings of public sector undertakings effective from March 17, 1973, a number of such cases, which were till then already enjoying credit limits either as 'reported cases' or otherwise, got included under the cases authorised during 1972-73.

While authorising the limits, suitable stipulations were made in several cases. These were generally in respect of the utilisation of the limits for genuine working capital purposes, non-payment of guarantee commission to the directors, requirements of lending bank's clearance for the declaration of dividend and inter-corporate investments/lendings, etc. Total limits in force in respect of the cases coming within the purview of the Credit Authorisation Scheme (inclusive of reported cases) as at the end of June 1974 stood at Rs. 6699 crores or 14.4 per cent higher than the level a year ago. Of this, limits in force in respect of the public sector undertakings amounted to Rs. 2483 crores or 37.1 per cent.

Distribution of total limits by type of credit reveals that those for working capital purposes accounted for 89.4 per cent as on June 30, 1974 as compared to 90.3 per cent a year ago (Table IV.23). The share of export finance

Table IV. 22 : Operation of Credit Authorisation Scheme

(Applications Received, Authorised, Number of Cases Reported and Total Limits in Force)

(Amount in Rupees Crores)

Period/Year (July-June)	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
1972-73							
July-December 1972	281 (—)	178 (—)	307 (—)	173 (—)	164 (37)	189 (112)	4990 (823)
January-June 1973	476 (29)	742 (590)	388 (22)	650 (476)	205 (44)	242 (142)	5857 (2015)
Total (1972-73)	757 (29)	920 (590)	695 (22)	823 (476)	369 (81)	431 (254)	5857 (2015)
1973-74							
July-December 1973	593 (81)	623 (249)	418 (34)	283 (111)	406 (94)	236 (108)	6459 (2359)
January-June 1974	360 (50)	344 (175)	226 (35)	186 (115)	431 (49)	54 (9)	6699 (2483)
Total (1973-74)	953 (131)	967 (424)	644 (69)	469 (226)	837 (143)	290 (117)	6699 (2483)
Quarter-wise							
1973							
January-March	194 (—)	112 (—)	176 (—)	71 (—)	109 (33)	119 (78)	4860 (1223)
April-June	282 (29)	630 (590)	212 (22)	579 (467)	96 (11)	123 (64)	5857 (2015)
July-September	295 (42)	312 (114)	209 (15)	104 (37)	251 (72)	193 (98)	6237 (2266)
October-December	298 (39)	311 (135)	209 (19)	179 (74)	155 (22)	43 (20)	6459 (2359)
1974							
January-March	190 (30)	191 (124)	115 (24)	96 (56)	249 (32)	71 (28)	6626 (2443)
April-June	170 (20)	153 (51)	111 (11)	90 (59)	182 (17)	-17 (-19)	6699 (2483)

Notes : 1. Figures in brackets relate to public sector undertakings.
2. Credit limits for public sector units were brought under the purview of the C.A.S. effective from March 17, 1973.

Table IV. 23 : Distribution of Credit Limits by Type of Credit

(Rupees Crores)

Type of credit	As on June 30, 1972		As on December, 31,1972		As on June 30, 1973		As on December 31, 1973		As on June 30, 1974	
	Total	Of which public sector units	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	10	11
1. Working Capital*	3906	683	4027	750	5285	1870	5769	2134	5985	2254
Of which :	(90.7)	(92.1)	(89.7)	(91.2)	(90.3)	(92.8)	(89.3)	(90.5)	(89.4)	(90.8)
(a) Bills purchased and discounted	396	22	477	32	537	72	548	67	602	88
	(9.2)	(3.0)	(10.6)	(3.9)	(9.2)	(3.6)	(8.5)	(2.8)	(9.0)	(3.5)
(b) Export finance	370	17	400	17	469	89	543	94	597	106
	(8.6)	(2.3)	(8.9)	(2.1)	(8.0)	(4.4)	(8.4)	(4.0)	(8.9)	(4.3)
2. Sale of machinery on deferred payment basis	103	13	135	19	166	14	173	18	184	21
	(2.4)	(1.8)	(3.0)	(2.3)	(2.8)	(0.7)	(2.7)	(0.8)	(2.7)	(0.8)
3. Term finance	297	46	328	54	406	131	517	207	530	208
	(6.9)	(6.1)	(7.3)	(6.5)	(6.9)	(6.5)	(8.0)	(8.7)	(7.9)	(8.4)
Total limits in force	**4306**	**742**	**4490**	**823**	**5857**	**2015**	**6459**	**2359**	**6699**	**2483**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**
Number of parties	1,203	88	1,270	93	1,392	130	1,523	148	1,622	1,66

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

came to 8.9 per cent as compared to 8.0 per cent a year ago.

The classification of the limits in force according to type of activity showed that the bulk of the increase during 1973-74, as in the previous year, took place under three major sectors, viz., engineering, electricity undertakings and chemicals and pharmaceuticals, in all of which the public sector units accounted for a dominant share (Table IV.24). In addition, a significant increase in limits authorised has occurred under 'petroleum' in 1973-74. In the case of public sector units, the increase was more pronounced in the case of trading concerns (Rs. 132 crores). The credit limits in force as on June 30, 1974 in respect of all trading concerns amounted to Rs. 1105 crores, of which Rs. 806 crores was for the Food Corporation of India and the Cotton Corporation of India together. As a proportion to total credit limits, trading concerns accounted for 16.5 per cent at the end of June 1974, as compared to 17.0 per cent a year ago. Within the limits sanctioned for public sector, the share of trading works out to 39.3 per cent in June 1974 as compared with 41.9 per cent a year ago.

Table IV. 24 : Industry-wise Distribution of Total Limits in Force

(Rupees Crores)

Industry	As on June 30, 1972		As on June 30, 1973		As on June 30, 1974		Variation during the year ended June 30, 1973		Variation during the year ended June 30, 1974	
	Total limits in force	Of which public sector units	Total limits in force	Of which public sector units	Total limits in force	Of which public sector units	Total limits in force	Of which public sector units	Total limits in force	Of which public sector units
1	2	3	4	5	6	7	8	9	10	11
1. Engineering (including electricals)	986 (22 8)	111 (15.0)	1214 (20,7)	203 (10 2)	1488 (22 2)	413 (16.6)	+228	+ 92	+274	+210
2. Iron and Steel ..	214 (5.0)	5 (0.7)	221 (3.8)	120 (6.0)	293 (4.4)	71 (2.9)	+ 7	+115	+ 72	— 49
3. Cement	59 (1.4)	2 (0.3)	61 (1.0)	2 (—)	63 (0.9)	2 (0.1)	+ 2	—	+ 2	—
4. Coal	25 (0.6)	19 (2.6)	33 (0.6)	22 (1.1)	47 (0.7)	34 (1.4)	+ 8	+ 3	+ 14	+ 12
5. Paper	47 (1.1)	—	59 (1.0)	—	66 (1.0)	—	+ 12	—	+ 7	—
6. Fertilizers	49 (1.1)	25 (3.4)	109 (1.9)	30 (1.5)	114 (1.7)	27 (1.1)	+ 60	+ 5	+ 5	— 3
7. Petroleum	87 (2.0)	2 (0.3)	88 (1.5)	35 (1.7)	154 (2.3)	110 (4.4)	+ 1	+ 33	+ 66	+ 75
8. Chemicals & Pharmaceuticals	177 (4.1)	4 (0.5)	214 (3.7)	7 (0.3)	277 (4.1)	14 (0.6)	+ 37	+ 3	+ 63	+ 7
9. Cotton Textiles ..	644 (15.0)	1 (0.1)	651 (11.1)	3 (0.1)	660 (9.9)	11 (0.4)	+ 7	+ 2	+ 9	+ 8
10. Jute Textiles	95 (2.2)	—	130 (2.2)	—	135 (2.0)	—	+ 35	—	+ 5	—
11. Sugar	263 (6.1)	—	277 (4.7)	5 (0.2)	297 (4.4)	11 (0.4)	+ 14	+ 5	+ 20	+ 6
12. Plantations	20 (0.5)	2 (0.3)	17 (0.3)	3 (0.1)	36 (0.6)	2 (0.1)	— 3	+ 1	+ 19	— 1
13. Electricity Undertakings	118 (2.7)	76 (10.2)	205 (3.5)	191 (9.6)	288 (4.3)	259 (10.4)	+ 87	+115	+ 83	+ 68
14. Trading	459 (10.7)	329 (44.3)	996 (17.0)	844 (41.9)	1105 (16.5)	976 (39.3)	+537	+515	+109	+132
Of which : Food Corporation of India	216 (5.0)	216 (29.1)	676 (11.5)	676 (33.5)	676 (10.1)	676 (27.2)	+460	+460	—	—
Cotton Corporation of India	75 (1.7)	75 (10.1)	115 (2.0)	115 (5.7)	130 (1.9)	130 (5,2)	+ 40	+ 40	+ 15	+ 15
15. Others	1063 (24.7)	166 (22.4)	1582 (27.0)	550 (27.3)	1676 (25.0)	553 (22.3)	+519	+384	+ 94	+ 3
Total	**4306 (100.0)**	**742 (100.0)**	**5857 (100.0)**	**2015 (100.0)**	**6699 (100.0)**	**2483 (100.0)**	**+1551**	**+1273**	**+842**	**+468**

Note : Figures in brackets represent percentages to total.

Bills Rediscounting Scheme

As discussed earlier, banks' recourse to the Bills Rediscounting Scheme recorded a sharp increase during the year. To provide more flexibility to the Scheme, the Reserve Bank dispensed with the requirement regarding physical lodgement of bills with it in respect of individual bills upto the face value of Rs. 10 lakhs (as against Rs. 2 lakhs earlier) and banks were allowed to rediscount such bills by submitting the prescribed statements.

During the year, the number of banks which availed of the facilities under the Scheme increased from 38 to 52 while the total limits sanctioned under it were also higher at Rs. 365.0 crores as against Rs. 183.4 crores during 1972-73. The total amount of bills rediscounted outstanding as on June 28, 1974 stood at Rs. 274.2 crores showing an increase of Rs. 259.0 crores over the year as against an increase of only Rs. 4.4 crores during 1972-73. The bulk of the increase during the year took place during the 1973-74 busy season. Between end-October 1973 and end-April 1974, the outstanding amount increased by as much as Rs. 244 crores as compared to a nominal rise of Rs. 19 crores in 1972-73 busy season.

Although banks are not permitted to discount bills in respect of sales of commodities covered by selective credit control measures, taking into account the special needs of the textile industry, banks were permitted in December 1973 to discount bills drawn by textile mills arising out of the sale of cotton textiles (including cotton yarn and fabrics) and yarn and fabrics made out of man-made fibres with a usance not exceeding 45 days. Such bills are also eligible for rediscounting with the Bank under the Scheme. Likewise, in order to enable jute mills to purchase raw jute for the manufacture of jute goods for export, banks were permitted to discount bills arising out of the purchase of such jute as part of the packing credit granted to mills at the concessional rate admissible to export credit. These bills are eligible for rediscount with the Bank under the Scheme.

Participation Certificates

Mention was made in the Report on Currency and Finance for 1970-71 (p.45) of the introduction of a Scheme of Participation Certificates at the initiative of some banks so that they could share with other institutions with surplus funds a part of the credit given to some other borrowers. The Scheme, which was on an experimental basis upto end-June 1974, has now been extended upto end-June 1975. The modified terms and conditions are as follows:

(1) Bank can enter into participation arrangement only with other commercial banks, the Life Insurance Corporation of India, the Unit Trust of India, the General Insurance Corporation of India, and for the time being, with the Industrial Credit and Investment Corporation of India Ltd.

(2) The period of maturity of certificates should not be less than 30 days and not more than 180 days subject to the condition that banks should not issue any certificate whose maturity extends beyond June 30, 1975.

(3) The maximum rate of interest which the banks can offer to the participating institution has been raised from 10 per cent to 12 per cent on August 1, 1974.

(4) The restrictions regarding maturity and rate of interest are not applicable in respect of certificates issued by commercial banks to other commercial banks (irrespective of whether the latter have been allowed to issue certificates or not).

(5) Premature payment of certificate may be allowed, provided the period of maturity is not thereby reduced to below 30 days.

At the end of June 1974, the outstanding amount of participation certificates issued by 28 banks stood at Rs. 42.0 crores while the total number of banks approved under the Scheme was 34.

Study Group on Extension of Credit Limits on Consortium/Participation Basis

The need to have some consortium approach among banks in providing financial assistance to the borrowers was engaging the attention of the Reserve Bank for quite some time. Accordingly, a Study Group was set up in December 1973 to make recommendations, *inter alia,* for sharing of advances to units in public and private sectors, for participation amongst banks for revival of sick units and for better co-ordination and co-operation amongst banks

in respect of multiple banking. The Study Group has submitted its Report and the Bank has accepted its recommendations. These recommendations have been communicated to banks suggesting that they may particularly bear in mind the following important points while sanctioning advances to large borrowers:—

(i) Large credit limits by a bank to any single borrower in the private or public sector (including Electricity Boards) in excess of 1.5 per cent of its deposits should normally be extended on a participation basis.

(ii) Where it is decided to finance a borrower on a consortium basis, the arrangement should normally take care of the entire financial requirements.

(iii) The food credit consortia arrangements should be forged between the banks themselves and the total business of the Food Corporation of India should be shared between the participation banks.

(iv) The public sector undertakings should be permitted to deal with any bank of their choice.

(v) In the case of sick units a reliable assessment of the possibility of revival/rehabilitation should be taken up by the banks already lending to the sick units. Banks then should proceed to find the financial requirements for revival along with the specialised agencies like the Industrial Reconstruction Corporation of India (I.R.C.I.).

A few consortia have been formed in the recent past in the field of term-lending as also in other fields. Despite this, multiple banking rather than consortium banking appears to be the rule in India. A study of borrowing arrangements as of end-December 1973 of 341 large borrowers with credit limits of Rs. 1 crore and over selected at random indicates that 145 of them borrowed from a single bank while the rest (196) borrowed from more than one bank. Among the latter, only 32 cases were on a consortium basis (16.3 per cent) and the remaining on the basis of multiple banking (83.7 per cent).

Scheme of Differential Interest Rates

As mentioned in the last year's Report, the Union Finance Minister announced certain modifications in the Scheme of Differential Interest Rates in February 1973; those were intended to enlarge the scope and coverage of the Scheme so that the benefit of borrowing at a low rate of 4 per cent, as envisaged under the Scheme, might be availed of by a larger number of borrowers from the weaker section of society from a larger number of districts. These modifications have given a spurt to the Scheme. Since June 1973, its operations have shown a marked increase both in the number of accounts and the amounts advanced as can be seen from Table IV.25.

Table IV. 25 : Progress of Differential Interest Rates Scheme

At the end of	No. of Accounts	Balance Outstanding (in lakhs of rupees)
1	2	3
March 1973 ..	55,536	207.35
June 1973 ..	108,178	432.74
September 1973 ..	165,560	692.27
December 1973 ..	230,661	1000.03
March 1974* ..	256,509	1084.91

*Provisional.
Source : Special Returns received from scheduled commercial banks.

Banking Growth Since Nationalisation

Growth in Branches and Geographic Spread

The five-year period following the nationalisation of the 14 major Indian banks witnessed an all-round growth in banking. The most striking change has been the massive geographic spread of the bank branches' network, particularly in the hitherto unbanked and under-banked areas. Thus, in the five-year period between July 19, 1969 and end-June 1974, the number of commercial bank offices in the country more than doubled, increasing by 8,615 from 8,321 to 16,936 (Table IV.26). The increases were, of course, not uniform; under the initial impulse, the increases were high, as much as 1,810 in the first year and by 1,882 in the second year of nationalisation.

Table IV. 26 : Centre-wise Distribution of Commercial Bank Offices in India, 1969-74

Number of offices

Bank Group	As on 19-7-1969					As on 30-6-1971					As on 30-6-1972	
	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)	940 (41.1)	891 (39.0)	253 (11.1)	202 (8.8)	2,286 (100.0)	971 (37.6)	1,011 (39.3)
Subsidiaries of S.B.I. ..	358 (40.0)	375 (42.0)	86 (9.6)	75 (8.4)	894 (100.0)	618 (50.1)	408 (33.1)	121 (9.8)	86 (7.0)	1,233 (100.0)	613 (44.3)	516 (37.3)
14 Nationalised Banks ..	703 (16.9)	1,465 (35.1)	928 (22.3)	1,072 (25.7)	4,168 (100.0)	2,123 (33.3)	1,891 (29.7)	1,092 (17.2)	1,262 (19.8)	6,368 (100.0)	2,455 (34.1)	1,988 (27.7)
Other Commercial Banks ..	337 (20.0)	708 (41.9)	279 (16.5)	364 (21.6)	1,688 (100.0)	598 (28.1)	826 (38.9)	312 (14.7)	390 (18.3)	2,126 (100.0)	777 (31.4)	859 (34.7)
GRAND TOTAL	**1,860 (22.3)**	**3,344 (40.2)**	**1,456 (17.5)**	**1,661 (20.0)**	**8,321 (100.0)**	**4,279 (35.6)**	**4,016 (33.4)**	**1,778 (14.8)**	**1,940 (16.2)**	**12,013 (100.0)**	**4,816 (35.3)**	**4,374 (32.1)**

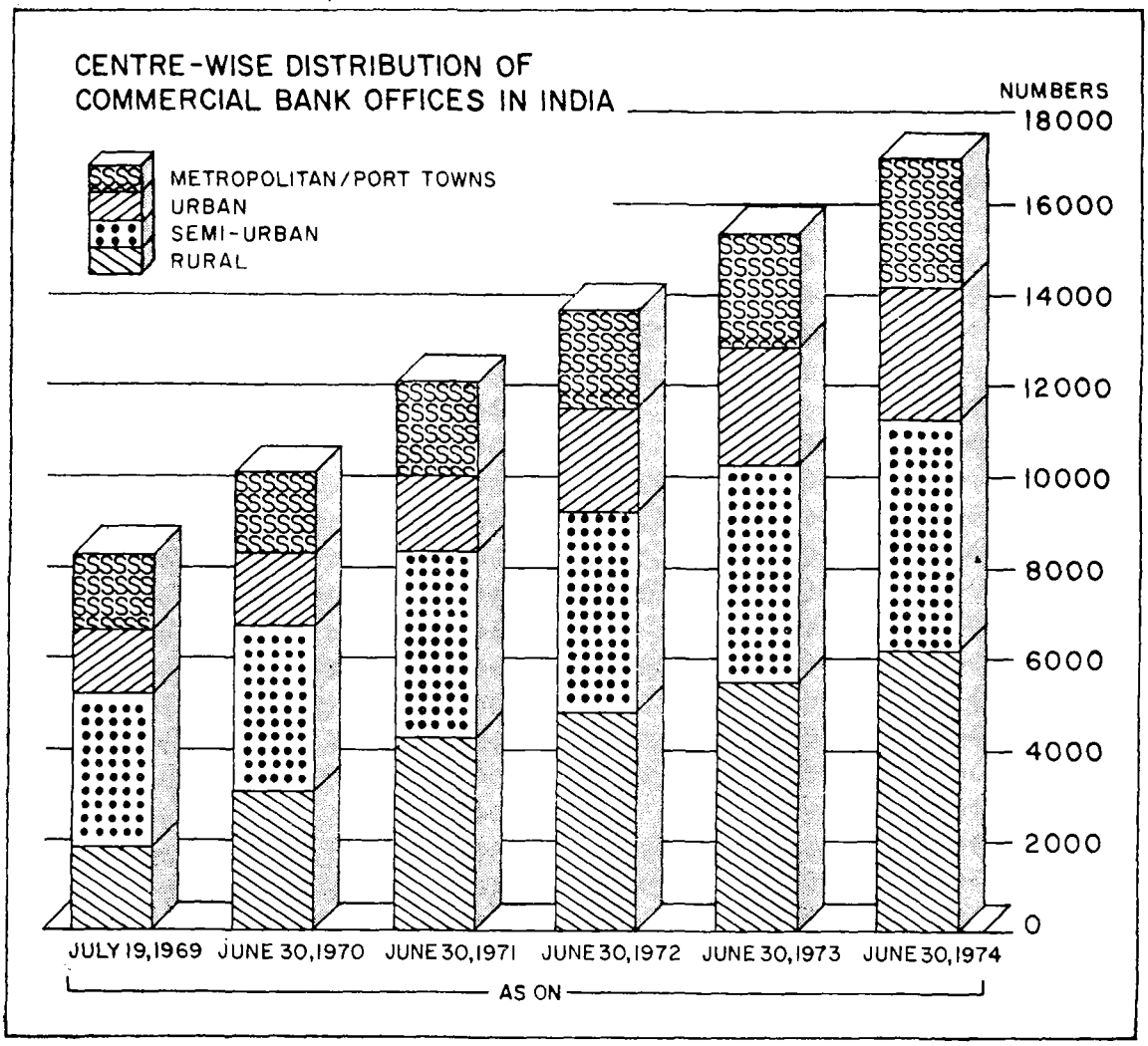
Table IV. 26—(*Contd.*)

Number of offices

Bank Group	As on 30-6-1972			As on 30-6-1973					As on 30-6-1974				
	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 ..	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)	1,167 (38.0)	1,124 (36.6)	437 (14.2)	344 (11.2)	3,072 (100.0)
Subsidiaries of S.B.I.	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)	737 (44.6)	566 (34.3)	189 (11.4)	160 (9.7)	1,652 (100.0)
14 Nationalised Banks	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)	3,195 (35.4)	2,363 (26.2)	1,723 (19.1)	1,736 (19.3)	9,017 (100.0)
Other Commercial Banks	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)	1,066 (33.4)	1,036 (32.4)	550 (17.2)	543 (17.0)	3,195 (100.0)
GRAND TOTAL ..	**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)**	**6,165 (36.4)**	**5,089 (30.1)**	**2,899 (17.1)**	**2,783 (16.4)**	**16,936 (100.0)**

Notes : (1) Centres are defined as :
(*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, Nagapattanam, Okha, Paradeep, Pondicherry, Port Blair, Kandla, Visakhapatnam and Tuticorin.
(2) Figures in brackets relate to percentages to the total in each bank group.
(3) 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, 1973-74.

Graph 26



In the third year (1971-72), bank offices increased by 1609 followed by 1,740 and 1,574 in the next two years. This slight slowing down in the pace of branch expansion is due to the progressive decline in the number of identified growth centres having the necessary infrastructural facilities. In order to maintain the tempo of branch expansion, banks were advised by the Reserve Bank to draw up a rolling plan for a three-year period commencing from 1973. Most of the banks have submitted their respective plans for 1974 against which permission has been given by end-August 1974 for opening of 430 new offices.

Over the five-year period, the average population served by a bank office declined appreciably from 65,000 to 32,000. There have also been phenomenal increases in deposit and borrowal accounts, the former from 161 lakhs in March 1968 to 383 lakhs in June 1973 and the latter from 11.26 lakhs to 46.82 lakhs during the same period. Along with the growth in banking business, there has also occurred a significant diversification in the geographical and sectoral flows of credit, referred to earlier.

Of the increase of 8,615 offices in the five-year period, one-half (4,305) were located in rural centres, while 1,745 (20.3 per cent) were in semi-urban centres, 1,443 (16.7 per cent)

in urban centres and 1,122 (13.0 per cent) in metropolitan centres/port towns. To put it differently, about 53.3 per cent (or 4,654) of the new offices were opened in unbanked centres. The under-banked States of Assam, Bihar, Jammu & Kashmir, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Orissa, Tripura, Uttar Pradesh and West Bengal accounted for 32.2 per cent of the new offices.

Contribution of New Offices to Deposits and Credit

The contribution of new offices of scheduled commercial banks opened since the nationalisation to the growth in deposits and credit has been quite sizeable. These offices mobilised deposits of Rs. 1109 crores and disbursed credit to the tune of Rs. 638 crores at end-June 1973, accounting for 12.1 per cent of deposits and 10.0 per cent of credit of all offices (Table IV.27). The share of new offices in the incremental deposits and credit of all offices of scheduled commercial banks between June 1969 and June 1973 came to as much as 24.7 per cent and 23.1 per cent, respectively.

As in the case of old offices, a large portion of the business of new offices came from those in metropolitan centres. Thus, the metropolitan centres with only 10.9 per cent of new offices accounted for 31.3 per cent of deposits and 38.6 per cent of credit of the new offices. Nearly three-fifths of the new offices (57.1 per cent) were functioning at the rural centres and yet their share in the total deposits and advances of the new offices came respectively to 26.8 per cent and 21.5 per cent only.

However, group-wise, the new rural offices accounted for 45.4 per cent of deposits and 44.5 per cent of advances of all rural offices, reflecting the impact of the rural-orientation in the branch banking pursued during the post-nationalisation period. In the case of other centres, the proportion of new offices to the respective group totals of deposits and advances continued to be very small, though the proportion of the new offices to the total number of functioning offices at these centres was very substantial.

The average deposits and advances of new offices are also very small, these being only Rs. 16 lakhs and Rs. 9 lakhs, respectively,

Table IV. 27 : Deposits and Advances of New Offices* of Scheduled Commercial Banks

(As on June 29, 1973)

(Amount in Rupees lakhs)

Population Group	No. of Offices	Of which New Offices	(3) as % of (2)	Deposits		(6) as % of (5)	Advances		(9) as % of (8)
				All Offices	New Offices		All Offices	New Offices	
1	2	3	4	5	6	7	8	9	10
Rural	5,491	4,048	73.7	653,84	297,14	45.4	308,57	137,27	44.5
Percentage to total	36.0	57.1		7.1	26.8		4.8	21.5	
Semi-Urban	4,734	1,410	29.8	2130,20	207,64	9.7	913,55	124,58	13.6
Percentage to total	31.0	19.9		23.3	18.7		14.3	19.5	
Urban	2,758	859	31.1	2322,28	257,38	11.1	1428,18	129,98	9.1
Percentage to total	18.1	12.1		25.4	23.2		22.4	20.4	
Metropolitan	2,264	768	33.9	4052,74	346,65	8.6	3725,55	246,09	6.6
Percentage to total	14.9	10.9		44.2	31.3		58.5	38.6	
Total	**15,247** **100.0**	**7,085** **100.0**	**46.5**	**9159,06** **100.0**	**1108,81** **100.0**	**12.1**	**6375,85** **100.0**	**637,92** **100.0**	**10.0**

*New Offices are offices opened since June 1969.

Source : Basic Statistical Returns

against the comparable Rs. 99 lakhs and Rs. 71 lakhs in the case of existing offices (Table IV.28). Reflecting the disparity in the business potential at the various population groups, the offices—the new as well as the existing—at the metropolitan centres showed the largest average deposits and advances, while those at the rural centres the lowest.

Table IV. 28 : Average Deposits and Advances Per Reporting Bank Office

(As on June 29, 1973)

(Rupees Lakhs)

Population Group	Deposits			Advances		
	New Offices	Existing Offices	All Offices	New Offices	Existing Offices	All Offices
1	2	3	4	5	6	7
Rural	7	25	12	3	12	6
Semi-Urban	15	58	45	9	24	19
Urban	31	110	85	15	69	52
Metropolitan	45	248	180	32	233	165
Total	16	99	61	9	71	42

Source : Basic Statistical Returns

Among the various bank groups, the average business of new offices did not show any significant variation. However, the State Bank Group showed the lowest average deposits of Rs. 13.4 lakhs and the nationalised banks the highest of Rs. 17.3 lakhs (Table IV.29). In the case of advances, the average varied between Rs. 7.5 lakhs for State Bank Group and Rs. 10.8 lakhs for non-nationalised scheduled commercial banks.

Table IV. 29 : Bank Group-wise Deposits and Advances of Offices of Scheduled Commercial Banks Opened after Nationalisation

(As On June 29, 1973)

(Amount in Rupees lakhs)

Bank Group	Functioning Offices	Reporting Offices	Amount		Average Amount per Office	
			Deposits	Advances	Deposits	Advances
1	2	3	4	5	6	7
1. State Bank of India and its subsidiaries	1,904	1,801	242,21	134,53	13.4	7.5
2. Fourteen Nationalised Banks	3,971	3,954	683,73	373,75	17.3	9.5
3. Other Scheduled Commercial Banks	1,210	1,199	182,87	129,64	15.3	10.8
4. All Scheduled Commercial Banks	7,085	6,954	1108,81	637,92	15.9	9.2

Source : Basic Statistical Returns

Changes in Distribution of Deposits and Advances

The geographic spread of banking has obvious significance because it implies the extension of institutional financial services in areas where such services were either not available at all or available to a limited extent. The impact of branch expansion, with emphasis on the unbanked and underbanked areas, may hence be seen in an overall change in the regional distribution of deposits and advances. The relevant data for a comparison with the position at the time of nationalisation (June 1969) are available for June 1973. Table IV.30 brings out the shift in the distribution pattern of deposits and advances between the different population groups over the four-year period 1969-73.

While the figures do not show any dramatic shift in favour of rural and semi-urban centres, there is nevertheless some indication of the effect of branch expansion in these areas. The share of rural offices in both aggregate deposits and total credit increased by about 4

Table IV.30 : Distribution of Deposits and Advances of Scheduled Commercial Banks according to Population Group (1969-73)

(Rupees Crores)

Population Group	As on the last Friday of June 1969		June 1973		Variations		Compound Annual Growth Rate (%)	
	Deposits	Advances	Deposits	Advances	Deposits (4) over (2)	Advances (5) over (3)	Deposits	Advances
1	2	3	4	5	6	7	8	9
1. Rural	145	54	654	308	509	254	45.7	54.5
% to total ..	**3.1**	**1.5**	**7.1**	**4.8**	**11.3**	**9.2**		
Average amount per office ..	0.10	0.04	0.12	0.06				
2. Semi-Urban ..	1024	407	2130	914	1106	507	20.1	22.4
% to total ..	**22.0**	**11.3**	**23.3**	**14.3**	**24.6**	**18.3**		
Average amount per office ..	0.31	0.12	0.45	0.19				
3. Urban	1209	722	2322	1428	1113	706	17.7	18.6
% to total ..	**25.9**	**20.0**	**25.4**	**22.4**	**24.8**	**25.5**		
Average amount per office ..	0.63	0.38	0.85	0.52				
4. Metropolitan ..	2287	2426	4053	3726	1766	1300	15.4	11.3
% to total ..	**49.0**	**67.2**	**44.2**	**58.5**	**39.3**	**47.0**		
Average amount per office ..	1.53	1.62	1.80	1.65				
Grand Total ..	**4665**	**3609**	**9159**	**6376**	**4494**	**2767**	**18.4**	**15.3**
Average amount per office ..	0.57	0.44	0.61	0.42				

Notes : (1) Classification of population groups is according to the 1971 Census for both years.
(2) Figures are provisional.
(3) Includes figures of non-scheduled banks which were scheduled subsequent to June 1969, but excludes offices which were closed after June 1969.

Source : Basic Statistical Returns.

percentage points. In the case of semi-urban offices, the order of increase was marginally lower. Correspondingly, there was a decline in the proportion of deposits collected and credit dispensed by offices located in metropolitan centres. Even so, in June 1973 metropolitan branches accounted for 44.2 per cent of aggregate deposits and 58.5 per cent of total credit while the share of rural offices was 7.1 per cent and 4.8 per cent. This follows inevitably from the concentration of industrial and commercial activity in and around these centres. However, in the increase in deposits and credit over the four-year period, the contribution of rural and semi-urban offices taken together was fairly significant, at 35.9 per cent and 27.5 per cent, respectively.

The new system of statistical reporting by banks (BSR) provides for the collection of detailed information on deposits and advances. From the latest data available relating to June 1973, it is possible to obtain sectoral classification of advances in the various population groups which would give an indication of the purpose of the advances outstanding in the books of the different categories of bank offices. These data are presented in Table IV.31.

Table IV. 31 : Occupational Pattern of Credit by Population Groups
(As on the last Friday of June 1973)

(In Percentages)

Occupation	Centre-wise Distribution of Total Credit for Each Occupation					Occupation-wise Distribution of Total Credit for Each Centre				
	Rural	Semi-Urban	Urban	Metro-politan	Total for all Centres	Rural	Semi-Urban	Urban	Metro-politan	Total for all Centres
1	2	3	4	5	6	7	8	9	10	11
1. Direct Finance to Agriculture ..	28.8	44.1	21.8	5.3	100.0	25.2	13.0	4.2	0.4	4.2
2. Indirect Finance to Agriculture ..	3.2	7.5	48.2	41.1	100.0	1.6	1.3	5.2	1.6	2.4
3. Allied Activities ..	14.9	25.6	40.6	18.9	100.0	1.9	1.1	1.1	0.2	0.6
4. Total agriculture and allied activities (1 to 3)	19.1	30.4	32.1	18.4	100.0	28.7	15.4	10.5	2.2	7.2
5. Plantations ..	4.0	16.4	9.9	69.7	100.0	1.4	2.0	0.8	2.0	1.7
6. Industry (including mining)	3.7	12.0	20.1	64.2	100.0	42.1	46.6	50.0	60.1	55.1
7. Trade (including retail trade)	1.9	11.5	20.5	66.1	100.0	7.4	15.2	17.4	21.1	18.8
8. Transport	8.7	22.2	29.8	39.3	100.0	3.3	2.8	2.4	1.2	1.8
9. Personal and Professional Services	5.6	16.1	28.2	50.1	100.0	1.9	1.9	2.1	1.4	1.7
10. Electricity Generation and Distribution ..	0.3	1.9	37.5	60.3	100.0	0.1	0.2	2.6	1.6	1.6
11. Construction ..	1.5	7.9	15.6	75.0	100.0	0.2	0.4	0.5	0.9	0.7
12. Financial Institutions	1.3	10.7	20.4	67.6	100.0	0.6	1.8	2.2	2.8	2.4
13. Personal Loans ..	8.1	24.4	26.4	41.1	100.0	5.4	5.5	3.9	2.3	3.2
14. All others	7.3	19.9	28.7	44.1	100.0	8.9	8.2	7.6	4.4	5.8
Total for All Occupations (4 to 14)	4.8	14.2	22.1	58.9	100.0	100.0	100.0	100.0	100.0	100.0

Source : Basic Statistical Returns.

Some interesting features emerge from these data. In the first place, it may be seen that advances made in rural offices are not primarily agricultural. Thus, direct and indirect finance to agriculture and allied activities outstanding in rural offices form only about 28 per cent of rural advances. On the other hand, industry and trade together account for nearly 50 per cent of rural advances. About a little less than one-fifth (18.4 per cent) of total agricultural advances (comprising direct and indirect finance to agriculture and to allied activities) was provided by offices in metropolitan centres, although as a proportion of the total advances of these offices, agricultural advances were insignificant at only 2.2 per cent. The share of urban bank offices in agricultural advances was also high at 32 per cent.

One reason for this importance of urban and metropolitan offices in the financing of agriculture is their large involvement in indirect finance to agriculture. This occupational category includes, among others, advances extended to the State Electricity Boards for energisation of pumpsets and to Agro-Industries Corporations. Such advances are made only by metropolitan and urban offices. This is borne out by the fact that as much as about 89 per cent of total indirect finance to agriculture is accounted for by the urban and metropolitan groups.

In regard to direct finance to agriculture, which represents credit to cultivators, metropolitan offices provide 5 per cent and urban offices another 22 per cent, which might appear incongruous in view of the accepted concept of agriculture as a primarily rural activity.

The explanation for this incongruity lies in the fact that the advances sanctioned by bank offices in a particular centre (whether a city, town or village) and outstanding in the books of the offices located there are not necessarily utilised in that centre. This applies not only to advances to agriculture but to all other advances as well. The difference between the place of sanction and the place of utilisation is most pronounced in the case of advances outstanding in metropolitan offices. If this factor is taken into account, the prominence of metropolitan centres in total credit is considerably reduced.

The return on advances in the BSR system has sought to arrive at a more precise quantification of the geographic distribution of credit through the introduction of a code for "location", to be indicated in the case of each account with a limit of Rs. 10,000 and above. This code is on a district-wise basis and hence it is not possible to analyse the migration of bank credit between the various population groups. However, such an analysis on a regional (State-wise) basis yields interesting results (Table IV. 32).

Table IV.32 gives a State-wise classification of bank credit outstanding according to both place of sanction and place of credit utilisation. Column 3 therein gives the total credit outstanding in the books of the bank offices located in the State. Column 4 gives the figures of credit actually utilised in the State, that is, it *excludes* such credit as might be sanctioned by the offices in the State but reported as utilised elsewhere and *includes* the credit sanctioned by offices elsewhere but reported as utilised within the State. The net position indicating whether the credit actually used in the State is lower or higher than what is sanctioned by offices located in the State is given in column 5. The change in the credit-deposit ratio and in the share of the State in total credit consequent on the adjustment of the inflow and outflow, as also the State-wise distribution of deposits, are shown in columns 6 to 10.

Viewed as a whole, it might seem that the migration of credit does not materially alter the overall pattern of credit distribution. Thus, there are no sharp changes in the share in total credit of the under-banked North-Eastern and Central regions. However, there are some significant changes in the case of some individual States generally based on the traditional location of relatively big-size industrial projects. Thus, Bihar, Gujarat, Uttar Pradesh, Haryana and Assam are the major recipients of credit sanctioned elsewhere. The consequent increase in the credit-deposit ratio is very pronounced in the case of Assam, Bihar, Orissa and Haryana. A large net outflow of credit occurs in Maharashtra, West Bengal and Delhi on account of the metropolitan cities in these areas and a decline in the credit-deposit ratio follows in each case.

Table IV. 32 : State-wise Classification of Deposits and Advances of Scheduled Commercial Banks
(As on the last Friday of June 1973)

(Rupees lakhs)

Region/State	Deposits	Credit Outstanding		Net Inflow (+) or Outflow (—) of Credit (Utilisation—Sanction)	Credit-Deposit Ratio		Percentage to All-India		
		As per District of Sanction	As per District of Utilisation		As per Credit Sanction	As per Credit Utilisation	Deposits	Total Credit	
								As per Sanction	As per Utilisation
1	2	3	4	5	6	7	8	9	10
I. Northern Region									
1. Haryana	131,54	78,46	119,70	+41,24	59.6	91.0	1.4	1.2	1.9
2. Himachal Pradesh	53,15	5,51	5,36	— 15	10.4	10.1	0.6	0.1	0.1
3. Jammu & Kashmir	67,03	13,61	13,92	+ 31	20.3	20.8	0.7	0.2	0.2
4. Punjab	436,71	144,44	156,05	+11,61	33.1	35.7	4.8	2.3	2.5
5. Rajasthan	178,08	88,64	97,29	+ 8,65	49.8	54.6	1.9	1.4	1.5
6. Chandigarh	61,33	126,27	130,54	+ 4,27	205.9	212.8	0.7	2.0	2.0
7. Delhi	761,53	623,98	544,18	—79,80	81.9	71.5	8.3	9.9	8.6
Total	**1689,37**	**1080,91**	**1067,04**	**—13,87**	**64.0**	**63.2**	**18.4**	**17.1**	**16.8**
II. North-Eastern Region									
1. Assam	75,98	31,33	64,29	+32,96	41.2	84.6	0.9	0.5	1.0
2. Meghalaya	16,29	4,00	1,92	— 2,08	24.6	11.8	0.2	—	—
3. Manipur	2,81	86	72	— 14	30.6	25.6	—	—	—
4. Nagaland	2,87	98	97	— 1	34.1	33.8	—	—	—
5. Tripura	9,14	94	1,44	+ 50	10.3	15.8	0.1	—	—
6. Arunachal Pradesh	1,14	5	39	+ 34	4.4	34.2	—	—	—
7. Mizoram	44	—	1	+ 1	—	2.3	—	—	—
Total	**108,67**	**38,16**	**69,74**	**+31,58**	**35.1**	**64.2**	**1.2**	**0.6**	**1.1**
III. Eastern Region									
1. Bihar	424,37	131,96	184,38	+52,42	31.1	43.4	4.7	2.1	2.9
2. Orissa	71,82	40,18	55,07	+14,89	55.9	76.7	0.8	0.6	0.9
3. West Bengal	1220,12	886,19	755,09	—131,10	72.6	61.9	13.3	14.0	11.9
4. Andaman and Nicobar Islands	1,52	38	39	+ 1	25.0	25.7	—	—	—
Total	**1717,83**	**1058,71**	**994,93**	**—63,78**	**61.6**	**57.9**	**18.8**	**16.7**	**15.7**
IV. Central Region									
1. Madhya Pradesh	258,97	118,15	123,97	+ 5,82	45.6	47.9	2.8	1.9	2.0
2. Uttar Pradesh	849,08	353,44	413,43	+59,99	41.6	48.7	9.3	5.6	6.5
Total	**1108,05**	**471,59**	**537,40**	**+65,81**	**42.6**	**48.5**	**12.1**	**7.5**	**8.5**
V. Western Region									
1. Gujarat	723,82	410,54	465,26	+54,72	56.7	64.3	7.9	6.5	7.4
2. Maharashtra	2068,87	1674,87	1542,99	—131,88	81.0	74.6	22.6	26.4	24.4
3. Goa, Daman & Diu	82,57	38,18	40,36	+ 2,18	46.2	48.9	0.9	0.6	0.6
4. Dadra & Nagar Haveli	16	13	20	+ 7	81.3	125.0	—	—	—
Total	**2875,42**	**2123,72**	**2048,81**	**—7491**	**73.9**	**71.3**	**31.4**	**33.5**	**32.4**
VI. Southern Region									
1. Andhra Pradesh	340,20	294,20	308,31	+14,11	86.5	90.6	3.7	4.6	4.9
2. Karnataka	437,41	382,02	412,71	+30,69	87.3	94.4	4.8	6.0	6.5
3. Kerala	284,13	200,19	214,69	+14,50	70.5	75.6	3.1	3.2	3.4
4. Tamil Nadu	588,20	674,45	670,52	— 3,93	114.7	114.0	6.4	10.6	10.6
5. Pondicherry	9,63	9,51	9,31	— 20	98.8	96.7	0.1	0.2	0.1
6. Lakshadweep	15	1	1	—	6.7	6.7	—	—	—
Total	**1659,72**	**1560,38**	**1615,55**	**+55,17**	**94.0**	**97.3**	**18.1**	**24.6**	**25.5**
ALL-INDIA	**9159,06**	**6333,47**	**6333,47**	**—**	**69.1**	**69.1**	**100.0**	**100.0**	**100.0**

Source : Basic Statistical Returns.

Table IV. 33 : State-wise Distribution of Deposits and Credit of Scheduled Commercial Banks: 1968 to 1973

(Rupees Lakhs)

Region/State	Deposits						Advances					
	December 1968		December 1972		June 1973		December 1968		December 1972		June 1973	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	2	3	4	5	6	7	8	9	10	11	12	13
I. Northern Region ..	**829,92**	**18.6**	**1530,25**	**18.3**	**1689,37**	**18.4**	**383,76**	**12.3**	**740,19**	**13.1**	**1087,51**	**17.1**
1. Haryana ..	54,65	1.2	118,98	1.4	131,54	1.4	21,20	0.7	60,84	1.1	78,46	1.2
2. Himachal Pradesh	15,02	0.3	40,35	0.5	53,15	0.6	4,00	0.1	5,95	0.1	5,90	0.1
3. Jammu & Kashmir	25,23	0.6	55,81	0.7	67,03	0.7	1,65	0.1	12,97	0.2	14,11	0.2
4. Punjab ..	193,40	4.3	389,94	4.7	436,71	4.8	54,26	1.7	129,32	2.3	144,44	2.3
5. Rajasthan ..	80,72	1.8	165,11	2.0	178,08	1.9	37,09	1.2	80,40	1.4	92,81	1.5
6. Chandigarh ..	34,56	0.8	53,63	0.6	61,33	0.7	20,35	0.7	74,40	1.3	126,27	2.0
7. Delhi ..	426,34	9.6	706,43	8.4	761,53	8.3	245,21	7.8	376,31	6.7	625,52	9.8
II. North-Eastern Region	**44,47**	**1.0**	**96,35**	**1.1**	**108,67**	**1.2**	**13,86**	**0.4**	**37,78**	**0.7**	**38,86**	**0.6**
1. Assam ..	39,34	0.9	66,54	0.8	75,98	0.8	13,64	0.4	30,29	0.5	32,03	0.5
2. Meghalaya ..	—	—	16,14	0.2	16,29	0.2	—	—	5,00	0.1	4,00	0.1
3. Manipur ..	—	—	1,93	—	2,81	—	—	—	1,14	—	86	—
4. Nagaland ..	78	—	2,36	—	2,87	—	3	—	47	—	98	—
5. Tripura ..	4,35	0.1	7,99	0.1	9,14	0.1	19	—	84	—	94	—
6. Arunachal Pradesh	—	—	95	—	1,14	—	—	—	4	—	5	—
7. Mizoram ..	—	—	44	—	44	—	—	—	—	—	—	—
III. Eastern Region ..	**796,40**	**17.9**	**1598,18**	**19.1**	**1717,83**	**18.7**	**726,44**	**23.1**	**1023,10**	**18.2**	**1056,98**	**16.6**
1. Bihar ..	163,81	3.7	370,77	4.4	424,37	4.6	47,36	1.5	109,91	2.0	131,96	2.1
2. Orissa ..	26,37	0.6	63,20	0.8	71,82	0.8	13,57	0.4	29,06	0.5	38,45	0.6
3. West Bengal ..	606,22	13.6	1163,00	13.9	1220,12	13.3	665,51	21.2	883,86	15.7	886,19	13.9
4. Andaman & Nicobar Islands..	—	—	1,21	—	1,52	—	—	—	27	—	38	—
IV. Central Region ..	**462,78**	**10.4**	**958,88**	**11.5**	**1108,05**	**12.1**	**178,88**	**5.7**	**390,33**	**7.0**	**487,64**	**7.7**
1. Madhya Pradesh	107,35	2.4	221,82	2.7	258,97	2.8	65,27	2.1	115,43	2.1	118,15	1.9
2. Uttar Pradesh ..	355,43	8.0	737,06	8.8	849,08	9.3	113,61	3.6	274,90	4.9	369,49	5.8
V. Western Region ..	**1526,28**	**34.3**	**2663,15**	**31.9**	**2875,42**	**31.4**	**1176,91**	**37.4**	**2025,85**	**36.1**	**2129,29**	**33.4**
1. Gujarat ..	376,73	8.5	660,26	7.9	723,82	7.9	179,32	5.7	372,54	6.6	410,54	6.4
2. Maharashtra ..	1103,53	24.8	1930,51	23.1	2068,87	22.6	981,11	31.2	1611,76	28.7	1680,44	26.4
3. Dadra & Nagar Haveli ..	—	—	15	—	16	—	—	—	11	—	13	—
4. Goa,Daman &Diu	46,02	1.0	72,23	0.9	82,57	0.9	16,48	0.5	41,44	0.7	38,18	0.6
VI. Southern Region ..	**789,72**	**17.7**	**1512,84**	**18.1**	**1659,72**	**18.1**	**665,60**	**21.1**	**1396,56**	**24.9**	**1575,57**	**24.7**
1. Andhra Pradesh	154,94	3.5	310,76	3.7	340,20	3.7	112,24	3.6	260,60	4.6	294,20	4.6
2. Karnataka ..	218,81	4.9	403,16	4.8	437,41	4.8	148,16	4.7	356,30	6.3	389,61	6.1
3. Kerala ..	130,38	2.9	247,33	3.0	284,13	3.1	86,34	2.7	174,87	3.1	200,19	3.1
4. Tamil Nadu ..	280,58	6.3	542,68	6.5	588,20	6.4	315,59	10.0	597,59	10.6	682,05	10.7
5. Pondicherry ..	5,01	0.1	8,80	0.1	9,63	0.1	3,27	0.1	7,19	0.1	9,51	0.2
6. Lakshadweep ..	—	—	11	—	15	—	—	—	1	—	1	—
All-India ..	**4450,75****	**100.0**	**8359,65**	**100.0**	**9159,06**	**100.0**	**3145,58****	**100.0**	**5613,81**	**100.0**	**6375,85**	**100.0**

** Including unclassified deposits of Rs. 118 lakhs and unclassified advances of Rs. 13 lakhs.

Sources : Data for December 1968 are based on returns submitted for the Statistical Tables relating to Banks in India, and those for other periods are based on returns submitted under BSR System.

Table IV. 33 brings out such changes in inter-State/inter-regional distribution of bank deposits and credit (based on sanction) during the past few years. As may be observed therefrom, the share of bank credit of two important States, *viz.*, Maharashtra and West Bengal, which was together 52.4 per cent in 1968, dropped to 40.3 per cent by June 1973. Among the increases, those of Uttar Pradesh and Delhi are perceptible.

Scheduled Commercial Banks' Advances to Priority Sectors

The larger flow of commercial bank credit to the priority sectors was yet another objective of bank nationalisation. During the year under review, scheduled commercial banks made further progress in this regard. Advances granted to these priority sectors (i.e., agriculture, small-scale industry, exports, retail trade, small business, self-employed persons and for education) registered a rise of Rs. 655 crores or by 37 per cent during 1973 as compared to a rise of Rs. 240 crores or 16 per cent in the corresponding period of the previous year. From June 1969 to December 1973, these advances had more than trebled to Rs. 2448 crores. The increase was particularly marked in the case of 'others' comprising the weaker sections as shown in Table IV. 34. The proportion of such credit to the total credit (excluding the food procurement advances) stood at 37 per cent in December 1973 as compared to 34 per cent in June 1973 and 23 per cent in June 1969. Eighty-five per cent of total priority sector advances are accounted for by public sector banks.

Agriculture: Banks have been increasingly adopting an area-approach, by selecting groups of villages in different areas for meeting the total credit needs of the farmers and for effective supervision of the end-use of credit. The total number of villages adopted by nationalised banks came to 9,631 as at end-June 1973. In addition, one bank has adopted 67 compact area "Integrated Development Centres". The State Bank group has adopted 9,144 villages as at end-September 1973.

The scheme of financing primary agricultural credit societies has been extended to four more States, raising the total number of States to 10. The States where the scheme is operating are Andhra Pradesh, Haryana, Madhya Pradesh, Karnataka, Uttar Pradesh, Orissa, Bihar, Jammu & Kashmir, West Bengal and Maharashtra.

A scheme to finance farmers through Farmers' Service Societies organised by commercial banks has come into operation on an experimental basis in certain SFDA/MFAL areas. These are multi-purpose societies which provide short, medium and long-term finance to their members and also supply inputs and arrange for marketing of the produce, etc. Fifteen such societies have so far been established by the commercial banks in various States.

Advances to agriculture at Rs. 617 crores rose by Rs. 132 crores or 27 per cent during 1973 as compared to a rise of Rs. 90 crores or 23 per cent during the same period in 1972. Direct advances to farmers amounted to

Graph 27

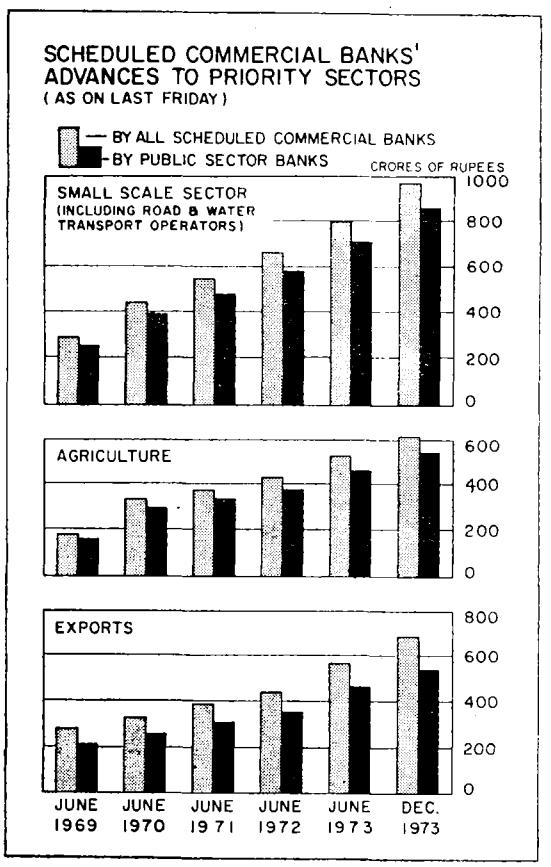


Table IV.34 : Scheduled Commercial Banks' Advances to Priority Sectors

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

A. **Advances to agricultural, small-scale and other priority sectors other than exports:**

Sectors/Last Friday of	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	16233	268	18840 (5.6)
December 1972	1245	42957	1609	48548 (9.0)
June 1973	1439	46869	1779	53194 (8 9)
December 1973*	1789	54738	2178	61727 (9.2)
Of which—Direct Finance to Farmers				
June 1969	160	4022	257	5361 (1.6)
December 1972	1099	26968	1455	31052 (5.7)
June 1973	1246	29784	1579	34175 (5.8)
December 1973*	1570	36914	1950	42260 (6.3)
2. Total Small-Scale Sector@				
June 1969	75	25680	85	29410 (8.7)
December 1972	215	62920	236	71843 (13.3)
June 1973	201	70875	219	80750 (13.6)
December 1973*	247	85211	265	96277 (14.4)
(a) Road and Water Transport Operators@				
June 1969	2	548	3	822 (0.3)
December 1972	36	5558	42	6825 (1.3)
June 1973	43	6281	51	7932 (1.3)
December 1973*	57	7927	64	9795 (1.5)
(b) Small-Scale Industries@				
June 1969	73	25106	82	28560 (8.5)
December 1972	179	57017	194	64624 (11.9)
June 1973	158	64178	168	72349 (12.3)
December 1973*	190	76687	201	85860 (12.8)
(c) Setting up of Industrial Estates				
June 1969	Neg.	26	Neg.	28 (—)
December 1972	Neg.	345	Neg.	394 (0.1)
June 1973	Neg.	416	Neg.	469 (0.1)
December 1973*	Neg.	597	Neg.	622 (0.1)
3. 'Other' Priority Sectors				
June 1969	42	2208	N.A.	N.A.
December 1972	269	10541	302	12668 (2.3)
June 1973	349	11920	387	14287 (2.4)
December 1973*	480	14765	521	17809 (2.7)

Table IV.34 : Scheduled Commercial Banks' Advances to Priority Sectors—(*Contd.*)

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

Sectors/Last Friday of	Public Sector Banks		All Scheduled Commercial Banks	
	No. of Accounts	Amount	No. of Accounts	Amount
1	2	3	4	5
(a) Retail Trade and Small Business				
June 1969	33	1937	N.A.	N.A.
December 1972	187	8710	210	10368 (1.9)
June 1973	232	9478	257	11377 (1.9)
December 1973*	305	11579	335	14077 (2.1)
(b) Professional and Self-employed Persons				
June 1969	8	191	N.A.	N.A.
December 1972	74	1532	83	1991 (0.4)
June 1973	107	2122	117	2572 (0.4)
December 1973*	162	2834	171	3361 (0.5)
(c) Education				
June 1969	1	80	N.A.	N.A.
December 1972	8	299	9	309 (0.1)
June 1973	10	320	13	338 (0.1)
December 1973*	13	352	15	371 (0.1)
Total of A				
June 1969	282@	44121	395**@	50458** (15.0)
December 1972	1729@	116418	2147@	133059 (24.2)
June 1973	1989@	129664	2385@	148231 (24.9)
December 1973*	2516@	154714	2964@	175813 (26.3)

B. Export Credit

Last Friday of	Public Sector Banks			All Scheduled Commercial Banks		
	Pre-shipment	Post-shipment	Total	Pre-shipment	Post-shipment	Total
June 1969	N.A.	N.A.	20431	N.A.	N.A.	27019 (8.0)
June 1970†	12502	13113	25615	N.A.	N.A.	32659 (8.2)
June 1971†	14323	15588	29911	17956	20124	38080 (8.6)
June 1972†	16627	17564	34191	20996	22571	43567 (8.8)
December 1972†	18443	17083	35526	22621	23532	46153 (8.5)
June 1973†	24986	20534	45520	30460	26242	56702 (9.5)
December 1973*	29020	24765	53785	35870	33078	68948 (10.3)

N.A. = Not available.
* = Provisional.
** = Excludes figures of other scheduled commercial banks for 'other priority sectors' as these are not available.
† = Revised.
Neg. = Negligible.
@ The total is based on number of units and not number of accounts in respect of small-scale sector.
Note : Figures in brackets are percentages to total bank credit (excludlng food procurement advances).
Source : Special returns received from banks.

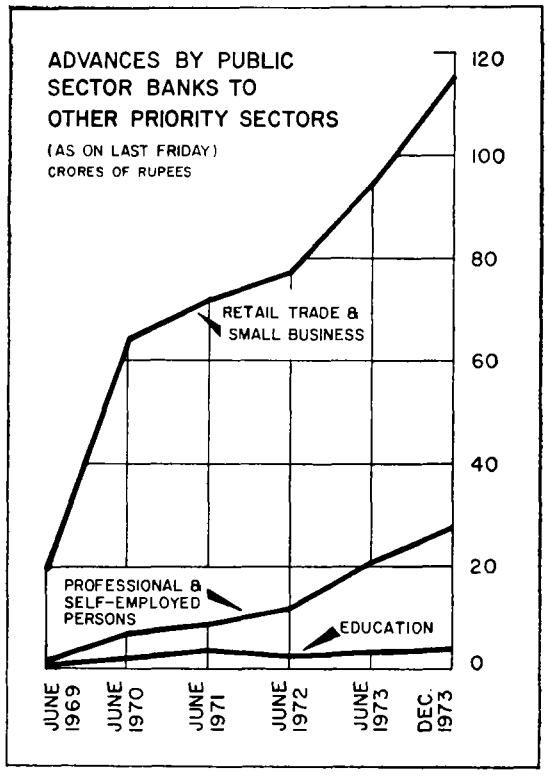
Rs. 423 crores in December 1973 as compared to Rs. 311 crores in December 1972. Of the total direct advances, Rs. 188 crores were for short-term and Rs. 235 crores for medium/long-term purposes. Indirect advances increased from Rs. 175 crores to Rs. 195 crores in December 1973. There was a reduction of Rs. 13 crores in the outstanding credit for distribution of fertilisers and other types of indirect credit while advances to the State Electricity Boards and co-operative credit societies showed a rise of Rs. 26 crores.

Small-scale Sector: Advances to small-scale sector (small-scale industries, road and water transport operators, setting up of industrial estates) registered a rise of Rs. 244 crores or 34 per cent during 1973 as compared to a rise of Rs. 113 crores or 19 per cent in 1972. Advances for setting up industrial estates which showed a set-back of Rs. 49 lakhs in 1972, registered a smart recovery in 1973 by Rs. 228 lakhs to Rs. 622 lakhs. These advances, however, formed a negligible proportion of 0.1 per cent of the total credit (excluding food procurement advances).

Exports: In line with the increase in the total value of exports, bank credit for exports showed an impressive rise of Rs. 228 crores or by 49 per cent in 1973 as compared to a nominal rise of Rs. 2 crores in 1972. Of the increase in the export credit during the year, Rs. 133 crores was accounted for by pre-shipment advances and the balance by the post-shipment advances (Rs. 95 crores). Export credit accounted for 10.3 per cent of the total credit (excluding food procurement advances) in December 1973 as against 8.5 per cent in December 1972.

Other Priority Sectors: Advances to the weaker sections, viz., retail trade and small business, professional and self-employed persons and for educational purposes also showed increases during 1973. The total advances under these heads rose by Rs. 51 crores during 1973 to Rs. 178 crores, their share to the total credit also rising fractionally from 2.3 per cent to 2.7 per cent during the same period. The increase was accounted for by re-

Graph 28



tail trade and small business (Rs. 37 crores), professional and self-employed (Rs. 13 crores) and educational (Rs. 62 lakhs).

Credit Guarantee Corporation of India Ltd.

The Corporation's Small Loans Guarantee Scheme was amended retrospectively with effect from March 1, 1972 in order to cover the loans, advances and other credit facilities granted by credit institutions under the Differential Interest Rates Scheme. The Corporation's Small Loans Guarantee Scheme which was initially made applicable only to scheduled commercial banks was extended effective from April 1, 1974 to the non-scheduled commercial banks willing to execute individual agreements with the Corporation.

Advances guaranteed under the Corporation's various schemes as on the last Friday of December 1973 amounted to Rs. 432 crores. Sector-wise break-up of the amount guaranteed is given in Table IV.35.

Table IV. 35 : Credit Facilities Guaranteed under the Three Schemes

(Rupees Lakhs)

Sector	As on the last Friday of June 1972	June 1973	December 1973
1	2	3	4
A. Small Loans Guarantee Scheme (1)			
1. Transport operators	2141.84	3604.81	5419.35
2. Traders in goods other than fertilisers or mineral oils	2205.42	3513.67	5320.42
3. Traders in fertilisers or mineral oils	171.68	320.03	364.46
4. Professional and self-employed persons	973.53	1694.27	2658.04
5. Business enterprises	692 00	896.60	1467.79
6. Farmers and agriculturists	11080.43	19971.73	27608.68
	17264.90	**30001.11**	**42838.74**
B. Financial Corporations Guarantee Scheme (2)			
1. Transport operators	256.91	259.32	261.31
2. Business enterprises	15.40	19.17	18.27
	272.31	**278.49**	**279.58**
C. Service Co-operative Societies Guarantee Scheme (3)			
1. Service co-operative societies	12.72	52.67	96.75

(1) Figures of advances covered under the Small Loans Guarantee Scheme outstanding as on the last Friday of December 1973 relate to 68 out of 70 scheduled commercial banks which have joined the Scheme.
(2) Figures of advances outstanding as on the last Friday of December 1973 relate to 12 out of 18 financial corporations.
(3) Figures of advances outstanding as on the last Friday of December 1973 relate to 4 scheduled commercial banks only.

Upto June 30, 1974, 422 claim applications for amounts aggregating Rs. 15.50 lakhs were received, sector-wise details of which are given in Table IV.36.

Table IV. 36 : Claims Under Guarantee Schemes

Sector	No. of Claims	Amount (Rs.)
1. Transport operators	10	1,08,474
2. Traders in goods other than fertilisers or mineral oils	67	1,87,593
3. Traders in fertilisers or mineral oils	1	340
4. Professional and self-employed persons	28	75,471
5. Business enterprises	3	3,774
6. Farmers and agriculturists	313	11,74,161
Total	**422**	**15,49,813**

Of these, the Corporation paid 16 claims for an aggregate amount of Rs. 63,600, twenty-three claims aggregating Rs. 1,40,522 were rejected, 9 claims for an aggregate amount of Rs. 21,000 were withdrawn, clarifications have been sought in respect of 207 claims, while the remaining claims were being examined at the end of June 1974. The Corporation, after having paid the claims, subrogated rights in respect of amounts which may subsequently be recovered by the concerned banks. So far no recoveries have been reported.

The total amount of guarantee fees received during 1973 in respect of credit facilities covered by all the three schemes of the Corporation aggregated Rs. 155.13 lakhs. This, together with income from investments, interest on overdue guarantee fees, etc., aggregated Rs. 179.26 lakhs. After meeting the claims on the Corporation and the establishment and other expenses together aggregating Rs. 6.91 lakhs, there was a surplus of Rs. 172.35 lakhs which has been transferred to "Reserve for Unexpired Guarantee Risks". In view of its

exemption from payment of income-tax and surtax, in terms of Section 23 of the Finance Act, 1973, for a period of five years from the accounting year 1971, the Corporation obtained a refund of tax deducted at source from interest on investments in Government securities during the earlier period; this amount together with the provision for taxation made in the earlier two years, has been transferred to the "Reserve for Unexpired Guarantee Risks". The balance to the credit of this Reserve as on December 31, 1973 amounted to Rs. 286.86 lakhs.

Export Credit Refinance

Refinance facilities in respect of export credit which the Reserve Bank has been providing to the commercial banks for the past several years underwent certain significant changes during the year. Refinance entitlement equal to 10 per cent of the annual average of export credit in 1972 at the concessional rate of 5½ per cent was withdrawn from July 12, 1973. In consonance with the overall policy of the Reserve Bank to sanction refinance accommodation strictly on a discretionary basis, any special refinance facility concerning export credit was sanctioned to banks upto the end of June 1974, having regard not only to their performance in extending pre-shipment and post-shipment credits to their constituents, but also to the growing necessity to boost exports. The export refinance equal to 10 per cent of a bank's average export credit (pre-shipment and post-shipment) for the period January-September 1973 was initially allowed at the Bank rate upto the end of June 1974; however, borrowings under these refinance limits impaired the net liquidity ratio of banks, thus making their other refinance accommodation costlier. Any other special refinance accommodation concerning export credit was sanctioned only at the rates determined with reference to net liquidity ratio of banks. In July 1974, the Reserve Bank withdrew the export refinance limits earlier sanctioned to banks wherever necessary, and charged a rate of interest at 10 per cent per annum in respect of limits allowed to continue for exceptional considerations. Further, in the wake of the increase in the ceiling rate of interest on export credit from 9 per cent to 10.5 per cent per annum (with interest rate subsidy of 1.5 per cent per annum) to be charged by commercial banks effective from July 23, 1974, the refinance rate on export credit has also been increased to 11.5 per cent per annum; the earlier stipulations that borrowings under these refinance limits impair the bank's net liquidity ratio continued.

The sharp hike in the price of crude oil by the petroleum producing countries made further inroad into the country's strained external payment position, thus necessitating intensive efforts to step up exports. Consequently, with a view to helping banks provide adequate financial assistance to the export sector, it was decided in January 1974 to exclude the increase in export credit (both pre-shipment and post-shipment) over the average level of such credit during the period January-September 1973 (average of weeks) from the quantitative ceiling on expansion in non-food credit stipulated for the 1973-74 busy season period. Credit to the export sector registered an increase of Rs. 214 crores—from Rs. 617 crores to Rs. 831 crores—between October 1973 and April 1974 as against an increase of Rs. 114 crores in the corresponding period of the 1972-73 busy season (October-April).

With a view to enabling banks not to encumber their investments in Government securities, banks have been given the option to avail of the refinance limits sanctioned not only in respect of export credit but for other purposes as well, either under Section 17(4)(a) or under Section 17 (3A) of the Reserve Bank of India Act. The amount of refinance availed of by banks under the Export Bills Credit Scheme [Section 17(3A)] stood at Rs. 235.16 crores as on June 28, 1974 as against Rs. 65.67 crores as on June 29, 1973.

The subsidy of 1½ per cent allowed to banks under the Export Credit (Interest Subsidy) Scheme, 1968, was coninued, provided the rate of interest charged by them did not exceed the ceiling rate as prescribed by the Reserve Bank. Forty-five eligible banks availed of interest subsidy amounting to Rs. 4.74 crores in 1973-74 as compared to forty-two banks for Rs. 5.3 crores in 1972-73.

In order to meet the special requirements of exporters of silver ornaments, the Bank modified some of the provisions of the pre-shipment credit scheme in September 1973.

The Reserve Bank convened meetings of banks financing diamond exports and others engaged in this trade in the context of improved prospects for diamond exports. Following these discussions, suitable refinance accommodation was sanctioned to certain banks to meet the increased credit needs of diamond exporters.

Export Credit and Guarantee Corporation Ltd.

The business of the Corporation registered further progress in 1973-74 (July to June). While the number of policies and guarantees in force increased from 6,826 to 7,319, the value of risks covered during the year rose from Rs. 1030 crores to Rs. 1426 crores, showing a rise of 38.4 per cent over the previous year. Of this, the value of shipments covered under policies amounted to Rs. 255 crores as compared with Rs. 215 crores in the previous year and financial guarantees accounted for Rs. 1170 crores as against Rs. 815 crores in 1972-73. Bank finance availed of by exporters increased during the year from Rs. 932 crores to Rs. 1261 crores owing mostly to a rise in packing credit advances (Rs. 338 crores) offset partly by a decline in standard policies (Table IV.37). The premium income of the Corporation during the year was Rs. 2.65 crores as compared to Rs. 2.37 crores in the preceding year.

The scheme of Buyers' Credit introduced by the IDBI during the year under review enables the overseas buyers to get credit directly from Indian banks. ECGC, on its part, will offer suitable guarantees to the banks in India extending such credit to foreign buyers. The Corporation will cover upto 95 per cent of any loss sustained by the Indian banks under the scheme of Buyers' Credit.

The Corporation has enhanced the coverage of loss in cases under its Export Performance Guarantees relating to long-term contracts involving deferred payments and bid bonds to 75 per cent with a premium of 8 paise per Rs. 100 per month.

Other Banking Developments

Banking Legislation

The RBI (Amendment) Bill 1973

The Reserve Bank of India (Amendment) Bill, 1973 introduced in Rajya Sabha in December 1973 seeks (i) to extend the scope of refinance facilities from the Reserve Bank to Scheduled banks and State Co-operative banks by amending suitably the relevant sections of the Act; (ii) to modify the definition of the term "liabilities"; and (iii) to provide for statutory protection to banks to exchange freely credit information mutually among themselves. In case of a scheduled commercial bank, only its *net* liability to the entire banking system (that is, after deducting the balance maintained

Table IV. 37 : ECGC's Guarantees and Policies for Exporters
(July to June)

(Rupees Crores)

	Number of policies and guarantees				Bank finance availed of during the year	
	Issued during		In force at the end of			
	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74
1	2	3	4	5	6	7
Standard Policies	2034	2232	4043	4462	116.44	90.34
Packing Credit Guarantees	1432	1718	1342	1376	737.43	1075.16
Post-shipment Guarantees	263	364	233	260	16.79	24.94
Export Finance Guarantees	159	254	153	178	5.57	8.92
Export Production Finance Guarantees	89	70	84	69	42.08	44.93
Export Performance Guarantees ..	1055	997	971	974	13.69	16.36
Total	**5032**	**5635**	**6826**	**7319**	**932.00**	**1260.65**

by it with all the other banks from its *gross* liabilities to them) will be deemed to be its liability to the system. In the case of scheduled co-operative bank, the amount owed by or to all commercial banks will be similarly netted for the purpose of ascertaining the net liability of that bank to the commercial banking sector.

Amendment to the State Bank of India and State Bank of India (Subsidiaries) Acts

The State Bank Laws (Amendent) Bill, 1973 incorporating the various amendments has since been passed by Parliament and has received the assent of the President; some of the provisions of amending Act have also come into force with effect from December 31, 1973.

These amendments provide for:

(a) removing the existing restrictions in SBI statutes on the types of business it could transact so as to bring the bank on par with the other commercial banks;

(b) rationalisation of the existing arrangements for the conduct of audit and submission of accounts, etc.; and

(c) representation of the employees on the Central Board of the State Bank of India and on the Board of each of its seven subsidiaries, as has already been done in the case of the 14 nationalised banks.

Amendment to the Form of Balance Sheet Set Out in the Third Schedule of the Banking Regulation Act, 1949

Item 3 in the form of balance sheet set out in the third schedule of the Banking Regulation Act, 1949, was amended and brought into force with effect from December 24, 1973, so as to require banks to show inter-bank deposits in their balance sheets separately. This would help in discouraging the commercial banks from accepting inter-bank deposits for the purpose of window-dressing at the annual closings.

To provide for uniform procedure in classification of inter-bank deposits/inter-bank borrowings while compiling the relevant data in the balance sheets, it was felt necessary to issue guidelines in this regard. Besides specifying the scope and classification of the term 'Money at call and short notice', banks were advised that the word 'bank' for the purpose of inter-bank deposits/borrowings would include: (i) a State Co-operative Bank; (ii) a Central Co-operative Bank; (iii) a primary co-operative bank as defined in Section 2(C iii) of the Reserve Bank of India Act, 1934; (iv) a primary credit society as defined in Section 2(C iv) of the Reserve Bank of India Act, 1934; (v) a co-operative land mortgage/development bank; and (vi) foreign banks having no branches in India.

Indian Banks' Offices Abroad

In the context of the growing volume of India's international trade, the opening of additional branches abroad has been engaging the attention of the Reserve Bank. So far, individual banks have been opening offices abroad on the basis of their own individual assessment of business potential in foreign countries. It has, however, been felt that a concerted effort is required to determine the potential and priorities and also in exploring the possibilities of rapid expansion of Indian banks abroad in a planned and co-ordinated manner so as to derive the optimum benefit for the country from such expansion. Accordingly, a meeting of the Chairmen of selected Indian banks was convened by the Reserve Bank on April 18, 1974 and it arrived at certain decisions in regard to the allotment of centres to different banks for opening new offices in foreign countries.

Licences for opening 8 branches abroad were issued to Indian commercial banks during the year 1973-74. Indian commercial banks opened 5 branches outside India, one each at Rose-Hill (Mauritius), Male (Maldive Islands), Paris (France), Kowloon (Hong Kong), and Dubai during the year. The Bangkok branch of the Indian Overseas Bank was taken over by the newly formed Bharat Overseas Bank Ltd. Permission has been granted to the State Bank of India for opening an office at Dacca (Bangladesh).

Deposit Insurance Corporation

During the year 1973-74, one commercial bank, viz., Bharat Overseas Bank Ltd., Mad-

ras, was registered as an insured bank on its being granted a licence by the Reserve Bank under Section 22 of the Banking Regulation Act, while two banks, viz., Hindusthan Mercantile Bank Ltd., Calcutta, and Krishnaram Baldeo Bank Ltd., Gwalior, were struck off from register consequent upon the transfer of their liabilities and assets to the United Bank of India and the State Bank of India, respectively. As a result, the number of insured commercial banks was reduced from 81 to 80.

The insurance scheme has been extended to the co-operative banks in the State of Jammu & Kashmir and the Union Territory of Delhi. The scheme now covers 423 eligible co-operative banks in the States of Andhra Pradesh, Jammu & Kashmir, Madhya Pradesh, Maharashtra and the Union Territories of Delhi, Goa, Daman and Diu.

Implementation of the Banking Commission's Recommendations

A brief summary of the findings and recommendations of the Banking Commission, which submitted its report to the Government of India in February 1972, was published in the Report on Currency and Finance, 1971-72 (page 91 and Appendix I, p. 191). The Government of India has since taken decisions on a number of the Commission's recommendations and has sought the Bank's advice on their implementation. The recommendations on which decisions have been taken are briefly as follows:

(a) *Bank's Operating Methods and Procedures:* The various recommendations on this subject are designed to achieve simplification of credit procedures, application forms, rationalisation of internal control system and organisation and management in order to improve functional and operational efficiency. Two recommendations which are not accepted by the Government of India relate to the establishment of a common inspection agency for all banks and a bank *giro* system. All other recommendations have generally been accepted.

(b) *Specialised Institutions:* Government have not accepted, for the present, the recommendation of the Commission for the establishment of a separate merchant banking institution; it has been decided that for the present, the experiment of merchant banking divisions, which are being progressively set up by the leading commercial banks, might be watched. The recommendation of the Commission for setting up of specialised institutions for consumer credit has also not been accepted by the Government. Government have accepted the finding of the Commission that there is no need for a specialised savings bank or a specialised discount house. It may be mentioned that the Bank might consider, on merits, proposals from persons other than banks and specialised financial institutions for promoting acceptance/discount houses, which may receive support from banks, etc.

(c) *Legislative Reforms:* Arising out of certain recommendations of the Commission which are accepted by the Government and by the Bank, certain statutes governing banks have been/are being amended. For example, Section 19 of the Banking Regulation Act is being amended to allow the banks to form subsidiaries for carrying on any business permitted to be transacted by the banks under the Act. The Commission had recommended that legal provision should be made for nomination facilities to all individuals who may be maintaining accounts with banks in current, savings or fixed deposits and also for safe custody articles/lockers. Suitable amendments are being promoted to the Banking Regulation Act to give effect to the above recommendation.

The Commission felt the necessity for evolution of a uniform scheme for all 'national banks' (i.e., the State Bank of India and its subsidiaries and the 14 nationalised banks), if they are to have a common programme of function and responsibilities in the development of banking/credit system of the country. The relative recommendation involves mainly the question of effecting amendments to the statutes under which these banks have been established. Some amendments have been effected recently to the State Bank of India Act, taking into account the Commission's recommendation for a uniform scheme.

Control over Non-Banking Companies' Acceptance of Deposits

During the period under review, the Reserve Bank issued a new set of directions known as the Miscellaneous Non-Banking Companies (Reserve Bank) Direction, 1973, which came into effect from September 1, 1973. These directions regulate the acceptance of deposits by companies conducting prize chits, lucky draws, savings schemes, etc. The new set of directions was issued to put it beyond doubt that the subscriptions received by such companies constituted deposits. The usual ceiling of 25 per cent of capital plus free reserves less accumulated balance of loss applies to such deposits. Any excess over this ceiling existing on September 1, 1973 has to be adjusted in a phased manner before October 1, 1976. All other provisions of the directions, such as those relating to the issue of advertisements and acceptance of deposits on the basis of application forms, as also the maintenance of registers of deposits and furnishing of receipts to depositors, will apply to these companies in the same manner as in the case of other non-banking companies under the relative directions. However, companies coming within the purview of these directions are required to submit returns to the Reserve Bank twice a year before June 30 and December 31, showing their position as on March 31 and September 30, respectively, instead of once a year as on March 31, as in the case of other types of non-banking companies.

Issue of a New Set of Directions to Miscellaneous Non-Banking Companies

Two Notifications were issued by the Bank on August 30, 1973 further amending the principal Notifications of October 29, 1966 containing the directions issued to non-banking financial and non-financial companies, respectively. These amendments came into force from September 1, 1973. The principal features of the amendments are as follows:

Amendments to Directions Issued to Non-Banking Financial and Non-Financial Companies

(i) Any loan secured by the creation of a mortgage or pledge of the assets of the company or any part thereof would be exempt from the ceiling restrictions relating to deposits only if there is a margin of at least 25 per cent of the market value of the assets charged as security for the loan and, in case more than 20 persons are given the same assets as security for the loan, the mortgage or pledge, as the case may be, is also created in favour of a trustee, which should be either a scheduled commercial bank or an executor and trustee company which is a subsidiary of such scheduled commercial bank, and the company has to execute a trust deed in favour of the scheduled commercial bank or its subsidiary. If the Reserve Bank is satisfied that the mortgage or pledge created by a company is not in the public interest, it may declare that the deposits sought to be secured by such mortgage or pledge shall not be entitled to the benefit of the aforesaid provision. Companies accepting such secured deposits will, however, have to comply with all other provisions contained in the directions as applicable to ordinary deposits or unsecured loans.

(ii) Loans obtained from a registered moneylender will henceforth be treated as deposits for the purposes of the directions.

According to the survey of deposits with non-banking companies for the year ended March 31, 1971, the number of reporting financial companies during the year increased by 92 to 768, the highest since the survey was started on March 31, 1967. The number of non-financial companies which submitted returns, however, declined by 63 to 1,472 owing mainly to the conversion of deposits into loans in the exempted categories. Loans guaranteed by directors were exempt from the restrictions regarding deposits in terms of the directions in force prior to January 1, 1972. Non-banking non-financial companies which did not have deposits, as defined in the relative directions, were not required to submit any return to the Reserve Bank. With a view to checking the tendency to convert deposits into exempted loans, the directions issued to non-banking companies were amended with effect from January 1, 1972 so as to subject such loans to restrictions similar to those applicable in the case of deposits. While the overall increase in the number of reporting companies as on March 31, 1971, as compared to

Survey of Deposits with Non-Banking Companies

that on the corresponding date of the previous year, was only 29, the number of accounts reported by them increased substantially from 7.14 lakhs to 8.16 lakhs.

The total deposits (including exempted loans not counting as deposits) increased from Rs. 505.2 crores as on March 31, 1970 to Rs. 568.6 crores as on March 31, 1971. The total deposits and exempted loans with financial companies amounted to Rs. 149.6 crores, while those with the non-financial companies stood at Rs. 419.0 crores as on March 31, 1971. During the year 1970-71, the exempted loans reported by non-banking companies increased by Rs. 49.7 crores to Rs. 337.0 crores while the outstanding deposits increased by Rs. 13.7 crores to Rs. 231.6 crores resulting in an overall increase of Rs. 63.4 crores.

RURAL CREDIT

General

The major policy changes in the field of co-operative credit introduced during the year were aimed at (i) linking the availability of concessional finance with the extent of deposit mobilisation by the central co-operative banks with a view to making them more self-reliant; (ii) providing increased credit on relatively soft terms and better facilities to small and economically weak farmers with a view to removing the disparities between different categories of farmers; (iii) reducing regional imbalances in the availability of credit through reorganising and strengthening the co-operative credit structure wherever required; (iv) rationalising and simplifying further the rules and procedures with a view to ensuring smooth flow of credit; and (v) removing a major constraint in the way of eligible institutions seeking refinance from the Corporation through an amendment to the Agricultural Refinance Corporation Act.

I. Broad Magnitude of Institutional Finance for Agriculture

The growing volume of institutional finance (direct) for agriculture during the years of the Fourth Five Year Plan is summarised in Table IV.38. As may be seen from this table, total short-term finance made available by co-

Table IV.38 : Summary of Institutional Finance for Agriculture (Direct Finance only)

(Rupees crores)

Institutions	Amounts of Credit Issued				
	1969-70	1970-71	1971-72	1972-73 (2)	1973-74
1	2	3	4	5	6
I. Co-operatives	**695.59**	**743.80**	**762.64**	**844.87**	**918.70***
(i) Short-term	487.77	514.90	534.40	576.25	609.95*
(ii) Term-loans	207.82	228.90	228.24	268.62	308.75*
II. Government(1)	80.20	74.20	99.30	176.80(3)	90.80(3)
III. Total of I and II	**775.79**	**818.00**	**861.94**	**1021.67**	**1009.50***
(i) Short-term	567.97	589.10	633.70	753.05	700.75*
(ii) Term-loans	207.82	228.90	228.24	268.62	308.75*
IV. Commercial Banks (Outstanding)	183.98	236.35	267.73	341.75	422.60*(4)
(i) Short-term	N.A.	N.A.	107.30	138.52	187.62
(ii) Term-loans	N.A.	N.A.	160.43	203.23	234.98

(1) Loans and advances to cultivators by State Governments for each of the Financial year and presumed to be for short-term.
(2) Provisional.
(3) Revised Estimates for 1972-73 and Budget Estimates for 1973-74.
(4) December 1973.
* Estimated.

operatives([6]) and the Government([7]) rose from Rs. 568 crores in 1969-70 to Rs. 701 crores([8]) in 1973-74 or by 23 per cent over the period. Thus, by the end of the Fourth Five Year Plan, co-operative institutions and Government together may be said to have met about 35 per cent of the total credit requirements for short-term (production) purposes estimated at Rs. 2,000 crores by the All-India Rural Credit Review Committee.([9]) Similarly, total term finance disbursed by the co-operative institutions is estimated to have increased from Rs. 208 crores in 1969-70 to Rs. 309 crores during the period, thus, bringing the total term finance disbursed by them during the entire Fourth Plan period to Rs. 1,243 crores or about 62 per cent of the total medium-term and long-term credit requirements estimated at Rs. 2,000 crores for the five year period. Commercial banks' short-term advances outstanding amounted to Rs. 188 crores at the end of December 1973.

Besides these direct institutional advances, agricultural sector derives a good deal of indirect assistance from the commercial banks for financing fertiliser distribution, as loans to electricity boards, etc. The outstandings of such indirect finance by commercial banks was of the order of Rs. 194.7 crores at the end of December 1973 (Table IV.39).

II. Reserve Bank Credit to Co-operatives

Short-term Agricultural Credit

A major development in this sphere was the introduction of a Scheme by the Bank, operative from July 1, 1973, linking the availability of concessional finance for short-term agricultural purposes with the extent of deposits mobilised by the central co-operative banks and utilised for agricultural lending. The lending rate on limits sanctioned for seasonal agricultural operations would be initially 0.5 per cent below the Bank rate instead of the usual 2.0 per cent below the Bank rate; however, a rebate of 1.5 per cent would be allowed upon fulfilment of the stipulation linking borrowings with deposit mobilisation.

Normally, no financial accommodation was made available to central co-operative banks, if their total overdues exceeded 60 per cent of demand at the end of the latest co-operative year. However, relaxations were continued to be granted in the case of weak central banks selected for assistance under the new Central Sector Plan Scheme.

Total limits sanctioned for seasonal agricultural operations during 1973-74 increased to Rs. 430.8 crores from Rs. 415.5 crores during 1972-73. Aggregate drawals against the limits sanctioned during the year and repayments made during the year were Rs. 618.7 crores and Rs. 612.8 crores, respectively; the comparable figures for the previous year were Rs. 596.7 crores and Rs. 603.8 crores. Total loans outstanding as at the end of June 1974 amounted to Rs. 150.8 crores as against Rs. 144.9 crores as at the end of June 1973 (Table IV.40). Limits sanctioned during 1973-74 for marketing of crops aggregated Rs. 40.6 crores including Rs. 25 crores (later reduced to Rs. 5.0 crores) to the Maharashtra State Co-operative Bank for financing marketing of cotton and *kapas* under the scheme of monopoly procurement of the Maharashtra Government,([10]) as against the aggregate limit of Rs. 52.8 crores sanctioned last year. Aggregate drawals and repayments during the same period and outstandings as at end-June 1974 were Rs. 18.6 crores, Rs. 19.4 crores and Rs. 2.8 crores, respectively, as against Rs. 122.9 crores, Rs. 121.3 crores and Rs. 3.5 crores, during 1972-73.

Credit Controls

In line with the overall credit policy, advances against cotton and *kapas* made by the State, central co-operative banks and some selected primary (urban) co-operative banks in the States of Karnataka, Gujarat and Maharashtra, as also advances made by the latter against the security

(6) Of the loans issued by primary agricultural co-operative credit societies, a small part is for non-agricultural purposes.

(7) The loans and advances to cultivators by State Governments are presumed to be for short-term purposes even though some portion of it may be for long-term purposes.

(8) These are disbursements in gross terms and not net of repayments.

(9) The Committee's Report, pp. 81-96.

(10) Since monopoly procurement policy was abandoned, credit limit was reduced.

Table IV. 39 : Institutional Finance for Agricultural Development

(Rupees crores)

Financing Agency	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6
I. Direct Finance					
A. Short-term :					
(i) Primary Agricultural Credit Societies Total loans issued$ ..	487.77	514.90	534.40	576.25*	609.95**
(ii) Scheduled Commercial Banks Outstanding loans	+	+	107.30	138.52*	187.62@
B. Medium-term/Long-term :					
(i) Co-operative Banks/Credit Societies					
Total term loans issued by Primary Agricultural Credit Societies	52.34	58.54	73.80	99.73*	124.66**
Of which :					
(a) Drawals against RBI medium-term credit limits by State Co-operative Banks	11.48	11.38	13.09++	6.03@@	0.12
(b) Loans drawn from ARC in respect of ARC schemes routed through State Co-operative Banks	1.29	1.19	3.33	3.51	2.72
(c) Loans advanced by Scheduled Commercial Banks through Primary Agricultural Credit Societies	—	0.61	0.62	0.77	0.71†
(ii) Scheduled Commercial Banks & Agricultural Finance Corporation :					
(1) Outstanding loans of Scheduled Commercial Banks	183.98£	236.35£	160.43	203.23*	234.98@
(2) Loans issued by and/or through AFC :	15.77	13.24	11.22	16.54	16.88
Of which :					
Disbursements by AFC from its own funds ..	1.13	1.74	0.24	0.08	—
(3) Loans drawn from ARC in respect of ARC schemes routed through Scheduled Commercial Banks	0.56	2.78	3.26	4.49	17.36
(iii) Land Development Banks					
Total loans issued	155.48	170.36	154.44	168.89	184.09**
Of which :					
Ordinary/special development/rural debentures subscribed by					
(i) ARC	26.75	26.65	28.39	86.13	77.76
(ii) Central/State Governments	34.40	41.12	44.40	35.41	16.31
(iii) Reserve Bank of India	4.47	5.37	5.17	2.00	0.37‡‡
(iv) Co-operative institutions	22.79	29.00	39.29	19.55	28.82
(v) Scheduled Commercial Banks§	38.25	35.22	29.78	22.84	15.72
(vi) Others	23.15	17.68	16.73	15.36	14.84££
II. Indirect Finance					
(i) Total outstanding loans of Scheduled Commercial Banks	157.79	146.12	172.27	190.19*	194.67@.

$ Excludes loans issued by Scheduled Commercial Banks through primary Agricultural Credit Societies Outstandings of these loans are covered under indirect loans outstandings of Commercial Banks.
* Provisional.
** Estimated.
@ December 1973 (Provisional).
\+ Included in item I.B.(ii) (1).
£ Including outstanding short-term loans.
‡‡ Actual amount contributed by R.B.I. (face value).
++ Relates to period of 18 months i.e. July 1971 to December 1972.
@@ Relates to calendar year 1973.
££ Including Life Insurance Corporation of India.
† Position as on March 30, 1974.
§ Including State Bank of India and its subsidiaries.
Note : (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.

Table IV. 40 : Reserve Bank Credit to Co-operatives 1972-73 and 1973-74

(Rupees crores)

Purpose of finance	1972-73 (July-June)				1973-74 (July-June)			
	Limits sanctioned	Drawals	Repay-ments	Out-standings	Limits sanctioned	Drawals	Repay-ments	Out-standings
1	2	3	4	5	6	7	8	9
I. Short-term								
(i) Seasonal agricultural operations (at ½% below Bank rate)(1) ..	415.53	596.67	603.84	144.91	430.83	618.69	612.84	150.76
(ii) Marketing of crops other than cotton and kapas ..	52.83	9.33	9.41	0.58	40.58	12.09	10.73	1.94
(iii) Marketing of cotton and kapas (2) ..		113.61	111.88	2.92		6.55	8.62	0.85
(iv) Purchase and distribution of fertilisers (at 2% above Bank rate) (3)	14.75	7.50	13.51	2.75	—	—	2.75	—
(v) Production and marketing of handloom products (at 1½% below Bank rate) (4) ..	13.99	9.13	10.91	7.73	14.49	13.38	16.08	5.03
(vi) Financing other cottage and small scale industries (4) ..	0.56	0.30	0.22	0.11	0.79	0.33	0.27	0.17
(vii) Purchase and sale of yarn (at Bank rate) (4)	0.92	0.09	0.06	0.03	0.40	0.30	0.33	—
(viii) Loans to ARC (at Bank rate)	15.00	4.89	1.19	3.70	15.00	12.86	4.96	11.60
II. Medium-term								
(i) Agricultural purposes (at 1½% below Bank rate) (5)	8.72	—	7.42	16.88	11.77	6.03	10.43	19.91
(ii) Conversion of short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate) (1) ..	73.30[6]	68.09[6]	24.12[6]	68.66[6]	22.47[6]	41.26[6]	20.82[6]	51.19[6]
(iii) Purchase of shares in co-operative sugar factories/processing societies (at Bank rate) (5)	1.85	0.80	0.33	1.09	0.18	0.97[7]	0.40	1.19
III. Long-term								
(i) Loans to State Governments for contribution to share capital of co-operative credit institutions (4)	16.29	18.69	4.48	65.55	8.02	8.02	5.57	68.00
(ii) Loans to ARC (at 4¼%/4¾% per annum)	30.00	30.00	0.50	34.50	23.00	23.00	3.50	54.00

(1) ½% below Bank rate from 1973-74, subject to a rebate of 1½% as per rebate scheme excepting under Section 17(4)(a) which continued to be at 2% below Bank rate.
(2) Including monopoly procurement of cotton.
(3) 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. It was further raised to 3% above Bank rate from 1974. Data relate to calendar year 1972 and 1973.
(4) Data relate to financial years.
(5) Data relate to calendar year.
(6) Including rephasement.
(7) Drawn out of last year's limits extended upto June 30, 1974.

of oilseeds, oils and vanaspati were brought under the ambit of selective credit control measures. Further, all the primary (urban) co-operative banks in the country were advised to regulate and restrict their advances against foodgrains, oilseeds, vanaspati, sugar, *gur* and *khandsari*. Directives issued to co-operative banks also stipulated minimum margin and rate of interest as well as the ceiling on credit against these commodities.

In pursuance of the Bank's policy to discourage co-operative banks from availing of Reserve Bank finance for purchase, stocking and distribution of fertilizers, no credit limit was sanctioned for this purpose either in 1973 or in 1974.

Medium-term Agricultural Credit

Applications of central co-operative banks having overdues exceeding 50 per cent of the demand but not exceeding 60 per cent under medium-term agricultural loans continued to be considered by the Bank provided the funds were required for financing small and marginal farmers identified by SFDAs/MFALs. In other cases, the applications were considered on merits provided the investment in medium-term loans was small in relation to the total loan portfolio.

It was decided that financing for the purchase of bullocks by farmers in SFDA areas will be treated as an easily identifiable productive purpose provided certain specified safeguards were observed.

The Bank decided to permit the primary agricultural credit societies to advance five-year medium-term loans in excess of Rs. 3,500 to individual members for purchase of power tillers without insisting on the security of mortgage of land provided certain safeguards such as hypothecation of the power tiller in favour of the lending institution and obtaining a comprehensive insurance policy covering the cost of the tiller were observed

For the year 1973, as against the total medium-term limit of Rs. 11.9 crores sanctioned for agricultural purposes (including advances for purchase of shares in sugar factories), the drawals were only Rs. 7.0 crores, forming 58.6 per cent of the sanctioned limit. The State Governments were requested by the Bank to examine the reasons for the under-utilisation of the limits. For the calendar year 1974 also, an allocation of Rs. 30 crores, as was done for 1973, was made out of the National Agricultural Credit (long-term Operations) Fund to various State co-operative banks.

National Agricultural Credit (Stabilisation) Fund

During the year, the Bank sanctioned from the Stabilisation Fund, medium-term conversion limits aggregating Rs. 22.5 crores to 9 State co-operative banks as against Rs. 73.3 crores sanctioned to 11 State co-operative banks last year. Total drawals during the year amounted to Rs. 41.3 crores as against Rs. 68.1 crores last year. Outstandings as at the end of the year stood at Rs. 51.2 crores. The Bank augmented the Fund by making a further contribution of Rs. 10 crores, thus raising the total amount to the credit of the Fund at the end of June 1974 to Rs. 95 crores.

Long-term Agricultural Credit

Major developments in the field of long-term credit during the year were (i) extending the scope of assistance to the weaker sections, (ii) bringing about a more balanced distribution of investment finance among different States, and (iii) ensuring smooth flow of credit in areas of high overdues resulting from the prevalence of scarcity/famine conditions.

In the matter of assistance to the weaker sections, both tenants and share croppers are now eligible for long-term finance; they can avail of such finance even if the survey numbers of the land cannot be identified provided they can furnish tangible securities or sureties of members who are owners of land; loan upto Rs. 500 in kind can, however, be granted against the surety of any other member.

In order to reduce regional disparity in the availability of long-term finance, it has been decided to pay relatively more attention to States where per hectare outstandings are relatively low.

In order to provide relief in areas of high overdues resulting from the prevalence of scarcity/famine conditions, banks have been allowed either to reschedule the loan instalments falling due during such year or exclude such overdues instalments from the total demand for arriving at the percentage of overdues to demand.

Among the other developments, mention may be made of (i) increase in the rate of interest from 9 per cent to 9.5 per cent to be charged to the ultimate borrower in respect of ordinary loans and (ii) permission given to the central land development banks to pay commission nit exceeding 0.5 per cent on the fixed deposits collected by the Primary LDBs.

National Agricultural Credit (Long-term Operations) Fund

The Bank made a further contribution of Rs. 45 crores to the National Agricultural Credit (Long-term Operations) Fund in June 1974, raising the amount to the credit of the Fund to Rs. 284 crores. Loans aggregating Rs. 8.0 crores were sanctioned during the financial year 1973-74. Aggregate drawals during the period amounted to Rs. 8.0 crores. Outstanding on this account amounted to Rs. 68.0 crores as on March 31, 1974. Along with the present policy of liberal sanction of loans to States for participation in share capital of various types of existing co-operative societies, the Bank also decided to sanction loans to State Governments for contributing to the share capital of the farmers' service societies being organised in various States at a minimum scale of Rs. 50,000 or Rs. 1 lakh depending upon the size of the societies.

Ordinary Debenture Programme of Land Development Banks

As against the aggregate lending programme of Rs. 166 crores, the ordinary debenture programme of LDBs for the financial year 1973-74 was fixed at Rs. 131 crores. However, the amount issued by LDBs was lower at Rs. 71.7 crores and the actual subscription collected was Rs. 75 crores. The support expected and actual subscription received from different sources are given in Table IV.41.

Table IV. 41 : LDB's Debenture Programme (1973 — 74)

(Rupees crores)

	As per Programme	Actual Subscription
1. Central and State Budgets	27.0	16.3
2. Life Insurance Corporation	12.0	12.0
3. State Bank of India ..	8.0	4.3
4. Other Commercial Banks	23.0	11.4
5. Reserve Bank of India	6.0	0.1
6. Mutual Support (i.e., out of sinking funds of LDB's)	40.6	25.4
7. Self-help ..	14.4	5.5
Total	131.0	75.0

Floatation of Rural Debentures During 1973-74

The quota of rural debentures of LDBs for 1973-74 (April-March) was fixed at Rs. 5.9 crores. Total rural debentures floated amounted to Rs. 1.7 crores. The policy of linking ordinary debenture programme of LDBs with rural debenture programme was continued with usual cut in the case of failure in respect of supported programme of ordinary debentures.

Credit for Industrial Co-operatives

The Government of Kerala constituted an Action Committee for drawing up a phased programme for re-structuring the coir societies to make them eligible for financial assistance from the institutional agencies on the lines suggested by the Bank and for supervising the implementation of the said programme. A loan of Rs. 95.2 lakhs and a grant of Rs. 4.8 lakhs have been sanctioned by the Government of India during 1973- 74 for the scheme of rehabilitation of coir co-operatives in the State. The Government of Karnataka launched in 1973 an ambitious crash programme involving an outlay of Rs. 80 crores spread over a ten year period for the development of sericulture in the State.

During the financial year 1973-74, the gross drawals from the Bank for financing handloom weavers' co-operative societies and small-scale industries, totalled Rs.13.7 crores as against Rs. 9.4 crores during the previous year; amount outstanding at end-March 1974, being Rs. 5.0 crores as against 7.7 crores at the end-March 1973. Drawals by the State co-operative banks on behalf of the apex weavers' societies under Section 17(2)(a) or 17(4)(c) of the R.B.I. Act for purchase and sale of yarn during the year aggregated Rs.0.3 crore as against Rs.0.1 crore during the previous year.

In addition to Gujarat, Manipur and Maharashtra, the Government of Orissa and the Union Territories of Pondicherry, Goa, Daman and Diu have amended the Co-operative Societies Acts and the bye-laws of the primary (urban) co-operative societies so as to facilitate provision of financial assistance to cottage and small scale industries owned by individual proprietors, partnership firms, joint stock companies, etc.

Agricultural Refinance Corporation

During the year, the Corporation agreed to provide aggregate financial assistance to the extent of Rs. 251.3 crores in respect of 550 schemes, of which Corporation's commitment was Rs. 220.5 crores. This compares with financial assistance of Rs. 196.6 crores in respect of 230 schemes and Corporation's commitment of Rs. 172.3 crores during 1972-73 (Table IV.42).

Table IV. 42 : Purpose-wise Distribution of Schemes Sanctioned by the ARC during 1972-73 and 1973-74 (July-June)

(Rupees crores)

Purpose	July 1972—June 1973				July 1973—June 1974			
	No. of schemes sanctioned*	Total financial assistance on schemes sanctioned	ARC's commitments	Disbursements made during the year	No. of schemes sanctioned*	Total financial assistance 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	129	154.1	138.5	84.2	317	211.3	188.5	85.3
2. Development of land and soil conservation	22	21.7	17.9	2.3	10	2.7	2.1	1.8
3. Plantation and horticulture	35	10.5	8.0	1.5	40	8.7	6.8	2.2
4. Farm mechanisation	10	3.1	2.4	2.2	84	12.1	9.2	3.7
5. Development of poultry farming/sheep breeding	8	0.5	0.4	0.1	15	0.6	0.5	0.1
6. Development of fisheries	6	1.1	0.8	0.1	3	0.8	0.7	0.9
7. Dairy Development	17	2.7	2.1	0.2	62	8.2	6.9	0.8
8. Storage facilities and market yards ..	3	2.9	2.2	3.5	18	6.8	5.7	2.9
9. Agricultural aviation	—	—	—	—	1	0.1	0.1	0.1
Total	**230**	**196.6**	**172.3**	**94.1**	**550**	**251.3**	**220.5**	**97.8**

*Excludes schemes sanctioned and withdrawn during the same year.

Majority of the schemes and a very substantial part of the Corporation's commitment continued to be for minor irrigation purposes.

During 1973-74, there was greater involvement of commercial banks in the Corporation's assisted projects as may be observed from Table IV.43.

Table IV. 43 : Distribution of ARC Schemes by Type of Banks

(Rupees crores)

Schemes Implemented Through	1972-73		1973-74	
	No. of Schemes	Amount	No. of Schemes	Amount
Central Land Development Banks	116	164.4	139	149.1
State Co-operative Banks	10	2.8	4	2.7
Scheduled Commercial Banks	104	29.4	407	99.5
Total ..	230	196.6	550	251.3

Disbursements made by the Corporation during 1973-74 aggregated Rs. 97.8 crores including Rs. 77.7 crores of refinance by way of subscription to the special development debentures of the land development banks. Disbursements made to scheduled commercial banks and State co-operative banks amounted to Rs. 17.4 crores and Rs. 2.7 crores, respectively.

During the year, IDA/IBRD sanctioned five more projects for agricultural development, viz., (i) a minor irrigation project in Bihar ($ 32 million), (ii) a project for processing and marketing of perishable horticulture crops in Himachal Pradesh ($ 13 million), (iii) a dairy development project in Karnataka ($ 30 million), and (iv) two projects viz., Rajasthan and Chambal Command area development projects ($ 135 million). With the approval of these projects, the total number of projects to be financed with IDA/IBRD assistance totalled 18, involving financial assistance equivalent to Rs. 284.5 crores. Till end-June 1974 total disbursement under IDA/IBRD aided projects by the Corporation amounted to Rs. 126.3 crores.

ARC's disbursements during the Fourth Plan period amounted to Rs. 249 crores, as against the target of Rs. 300 crores. Shortfall in disbursements may be attributed partly to difficulties in implementing some of the land development programmes as a result of various factors such as land ceiling legislation, inadequate release of water in the canal systems and reluctance of cultivators to create adequate mortgage in favour of the land development banks and partly to delay in import of tractors under the IDA schemes.

During 1973-74, the Corporation borrowed Rs. 38.7 crores from the Government of India; it also drew Rs. 23.0 crores from the National Agricultural Credit (Long-term Operations) Fund. As borrowing from the Government of India is restricted to reimbursement under IDA credits, the Corporation had to float Fifth and Sixth series of Bonds to meet its lending programme. These bonds netted Rs. 27.5 crores. With this, total market borrowings of the Corporation till June 1974 stood at Rs. 66.2 crores.

In order to remove regional imbalances in refinance, the Corporation has taken a number of steps, such as (1) establishment of a consultancy unit each at Lucknow and Calcutta to help State Government and financial institutions to identify and assess the potential for various items of investments, (2) strengthening of its regional offices in Eastern and North-Eastern regions, (3) provision of refinance facilities to the eligible institutions upto 90 per cent of the financial assistance for schemes sanctioned in the States of Assam, Bihar, West Bengal, Manipur, Tripura, Nagaland and Union Territories of Mizoram, Arunachal Pradesh and Andaman and Nicobar Islands irrespective of the purpose of the scheme.

In pursuance of its policy to provide 100 per cent refinance for schemes sponsored by SFDA/MFAL agencies, the Corporation has so far sanctioned 85 schemes involving total financial assistance of Rs. 38.7 crores. Of

these, 53 schemes were sponsored by the land development banks, 29 by the commercial banks and 3 by the State co-operative banks.

The Corporation has constituted an informal committee comprising representatives of the Government of India, State Governments, commodity boards and commercial banks to study the problems of small planters and to co-ordinate the activities of the institutions providing technical help to them and the financing institutions.

A significant development during the year was the amendment to Section 22(4) of the ARC Act, whereby the Board of Directors of the Corporation is vested with the power to waive, at their discretion, both Government guarantee and 'other security' in respect of refinance provided to the eligible institutions, thus removing a major statutory constraint in the way of scheduled commercial banks seeking refinance from the Corporation. The banks will, however, continue to obtain security from the ultimate borrowers.

3. Trends in Co-operative Credit

Agricultural Credit Co-operatives

The programme of re-organising and revitalising the primary agricultural credit societies has been, by and large, completed in the States of Rajasthan, Orissa, Madhya Pradesh, Kerala, Tamil Nadu and Gujarat. In other States, however, it has not made much headway. Overall, the progress of the programme has been rather slow. Thus, the number of societies was brought down from 1.59 lakhs in June 1972 to 1.58 lakhs in June 1973. On present reckoning, the number would have been further brought down to 1.50 lakhs by June 1974, still far behind the target of bringing it down to 1.20 lakhs by the end of the Fourth Plan.

Total short and medium-term loans advanced by the primary agricultural credit societies increased from Rs. 578 crores in 1970-71 to Rs. 614 crores in 1971-72 and is estimated to have reached Rs. 686 crores in 1972-73, as against the target of Rs. 750 crores for the last year of the Fourth Five Year Plan. The slack may mainly be attributed to the continued existence of high level of overdues.

In view of liberalised policy in respect of granting medium-term loans as also due to continuation of the policy of encouraging loans for identifiable productive purposes, the medium-term loans increased by about Rs. 26 crores to an estimated level of Rs. 100 crores in 1972-73. The Reserve Bank sanctioned during 1972-73, medium-term loans totalling Rs. 73.3 crores to the State co-operative banks to enable them to convert short-term loans into medium-term loans for tiding over difficulties arising out of natural calamities. Of this, Rs. 24.5 crores were sanctioned from the Stabilisation Fund and Rs. 48.8 crores from the general funds.

Under the scheme formulated for the rehabilitation of weak central co-operative banks, rehabilitation of 40 such banks has already been taken up in 7 States and an amount of Rs. 58 lakhs was sanctioned during the financial year 1972-73. More banks were taken up under the scheme during 1973-74; budget provision of Rs. 60 lakhs was made for this purpose. The Reserve Bank is also providing liberal assistance from the National Agricultural Credit (Long-term Operations) Fund to the State Governments for contributing to the share capital of the weak central co-operative banks selected for the purpose.

Co-operative Marketing Societies

Attempts to revitalise and reorganise the co-operative marketing structure were continued. Thus, in 6 States, where middle tier, i.e., district/central marketing societies, was functioning, the State Governments were being persuaded to dispense with them. Under the Central Sector Scheme for strengthening about 400 selected marketing societies by contributing to their share capital, which is being implemented during 1972-74 by the NCDC, assistance totalling Rs. 170.9 lakhs was provided to 362 marketing societies during 1972-73 and 1973-74. During 1972-73, the co-operatives handled agricultural produce worth Rs. 950 crores as against Rs. 843.7 crores in 1971-72. The value of produce handled is expected to have touched the level of Rs. 1,100 crores in 1973-74, thus exceeding the target of Rs. 900 crores, fixed under Fourth Plan.

Co-operatives have developed a large network of distribution points in the country to provide the farmers easy access to fertilisers. As on June 30, 1972, the number of co-operative retail depots for distribution of fertilisers to farmers was 40,787 as against 36,437 as on June 30, 1971. The value of fertilisers distributed by them during 1971-72 was Rs. 288 crores. This is estimated to have increased to Rs. 320 crores during 1972-73 as against the target of sale of Rs. 650 crores set for the last year of the Fourth Plan. Under the Centrally Sponsored Scheme, NCDC provided margin money of Rs. 12.4 crores to State Governments upto end of 1973-74 for raising bank credit for distribution of fertilisers and other agricultural inputs. Under another Scheme to popularise the use of balanced fertilisers, assistance amounting to Rs. 325.8 lakhs was provided for establishment of 17 granular fertiliser units upto 1972-73; a further assistance of Rs. 39.6 lakhs was provided during 1973-74.

Co-operative Processing Societies

With the granting of 4 more licences during 1973-74, the number of licensed/registered co-operative sugar factories as at the end of March 1974 increased to 138 with a total licensed/installed capacity of 28.11 lakhs tonnes representing about 50 per cent of the total licensed/installed capacity of the sugar industry.

The NCDC continued to assist the licenced/registered sugar co-operatives for starting the production and the total assistance provided by it for the purpose amounted to Rs. 93.9 lakhs.

The Industrial Finance Corporation of India also sanctioned during 1973-74 (upto March) loans to 91 co-operative sugar factories to the extent of Rs. 92.3 crores; the outstandings at the end of the period were Rs. 45.9 crores.

With the introduction of monopoly procurement of cotton through apex society in Maharashtra and the entry of the Cotton Corporation of India into the cotton market through co-operatives on a substantial scale, the value of cotton handled by co-operatives during 1972-73 is estimated at Rs. 243.2 crores. The Maharashtra State Co-operative Marketing Federation has also arranged for ginning and processing of cotton through co-operative units and processed 11.42 lakh bales of lint cotton.

Under the Central Sector Scheme for financing block cost of small and medium size processing units, the NCDC sanctioned an amount of Rs. 16.5 crores for establishment of 146 processing units upto the end of 1973-74.

Under the scheme of reimbursement finance in the shape of loans to State Governments upto 75 per cent of the margin money requirements of processing units, the NCDC sanctioned 326 proposals involving total financial assistance of Rs. 405.2 lakhs of which Rs. 291.3 lakhs were released. During 1973-74, a further assistance of Rs. 77.9 lakhs was released.

National Co-operative Development Corporation

The active participation of the Corporation in the development of co-operative marketing and processing, both in terms of financial and expertise assistance, has grown considerably during the year under report. Thus, the Corporation advanced Rs. 11.0 crores as loans to State Governments and apex co-operative banks/institutions during 1973-74. Total loans outstanding from these institutions as at the end of 1973-74 amounted to Rs. 76.1 crores as compared to Rs. 72.1 crores a year ago.

Consumer Co-operatives

At the end of June 1973, there were 14 State federations, 400 central wholesale consumer co-operatives and about 13,100 primary societies, with the National Co-operative Consumer Federation at the apex. The central wholesale stores had also set up about 3050 branches and were running 109 departmental stores. Total sales of consumer co-operatives are estimated to be around Rs. 300 crores during 1972-73. The value of consumer goods distributed by the marketing societies in rural areas during 1973-74 is estimated to be of the order of Rs. 250 crores.

Under the Central Sector Scheme for accelerated development of consumer co-operatives having growth and employment potential, a

sum of Rs. 57.8 lakhs was sanctioned during 1972-73 for setting up department stores, large sized retail outlets, etc., against a sum of Rs. 16.3 lakhs sanctioned during 1971-72. During 1973-74, a supplementary scheme for strengthening the State consumer co-operative federations, as a part of Special Welfare Scheme for educated unemployed has been sanctioned and a sum of Rs. 15.0 lakhs has been tentatively earmarked for the purpose.

Under the scheme of guarantee for working capital loans, which was operative between January 1972 to March 1974, Government guarantees were given to banks in favour of 37 societies covering working capital accommodation to the extent of Rs. 640.3 lakhs. Under this scheme, the banks are to keep a margin of only 10 per cent instead of the usual higher margins.

Central & State Warehousing Corporations

The number of warehouses of Central Warehousing Corporation increased from 144 to 146 while its capacity increased from 1.56 to 1.60 million tonnes during 1973-74. The number of warehouses including sub-warehouses of 15 State Warehousing Corporations rose from 751 to 818 with the capacity (including hired one) from 1.6 to 1.7 million tonnes during the same period.

The Central Sector Scheme for creation of additional storage capacity introduced by the NCDC during 1972-73 continued to be operated during 1973-74. A further assistance of Rs. 270.00 lakhs was provided under the Scheme during 1973.

4. Commercial Banks and Agricultural Credit

Total outstanding advances to agriculture by the commercial banks increased from Rs. 440 crores in June 1972 to Rs. 532 crores in June 1973; these further increased to Rs. 617 crores at end-December 1973. Nearly two-thirds (Rs. 423 crores) of the total loans outstanding in December 1973 were by way of direct finance to agriculture. Of these, Rs. 188 crores (44 per cent) were short-term and the remaining were medium-term loans. Details of commercial banks' advances to agriculture are given in statement 33 in the statistical statements section of the Report.

Village Adoption Scheme

The banks continued to concentrate on compact areas in financing agriculture through intensive programme of area development. Total number of villages adopted by the public sector banks at the end-June 1973 was 9,631. Of these, 9,144 villages were adopted by the State Bank of India group. In addition, one bank adopted 67 compact area integrated development centres. The State Bank of India group also opened 134 Agricultural Development Branches (till December 1973) as against 90 during the corresponding period last year.

Scheme of Financing Primary Agricultural Credit Societies by Commercial Banks

The scheme of commercial banks' financing agriculture through primary credit societies which was in operation in six States, viz., Andhra Pradesh, Haryana, Madhya Pradesh, Karnataka, Uttar Pradesh and Orissa was extended to four more States, viz., Bihar, Jammu and Kashmir, West Bengal and Maharashtra. The commercial banks disbursed, for *kharif* season of 1973 and *rabi* season of 1973-74 short-term loans aggregating Rs. 12.3 crores and medium-term loans of Rs. 0.8 crores upto end-June 1974 in eight States. No loan has been given under the scheme in Bihar and Maharashtra so far. The outstanding amounts on the same date were Rs. 12.0 crores and Rs. 2.0 crores, respectively.

The scheme of financing farmers, through farmers' service societies organised by commercial banks, as suggested by the National Commission on Agriculture was put into operation on an experimental basis in a few selected SFDA/MFAL areas. These societies are multi-purpose in character and provide short-term, medium-term and long-term loans to their members and also supply inputs, arrange for the marketing of produce, etc. So far, 15 such societies have been organised by commercial banks in various States.

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 bills passed in Himachal Pradesh, Madhya Pradesh, Haryana, Uttar

Pradesh and West Bengal have received the assent of the President. Draft bills are expected to be submitted to the State Legislatures in Karnataka, Maharashtra, Meghalaya, Orissa and Rajasthan shortly. Remaining State Governments are taking necessary steps in the matter.

Agricultural Finance Corporation

The Corporation continued to encourage member-banks to participate in the sphere of financing agriculture. Thus, all the three schemes approved by the Corporation during the year involving commitments of Rs. 17.0 crores are to be financed entirely by the member-banks. Including these schemes, the total number of schemes approved, since inception comes to 54 involving net commitments of Rs. 189.9 crores. Total disbursements of Rs. 16.9 crores during the year were the highest so far reached in any year. During the year, the Corporation was actively engaged in the formulation and appraisal of schemes on a consultancy basis. A noteworthy feature during the year was the appointment of the Corporation as consultants to the Agricultural Refinance Corporation in all disciplines. Further, the Corporation has established an Eastern Region office with the objective of promoting lending by commercial banks for agricultural development in the region.

Rural Electrification Corporation

During 1973-74, the Rural Electrification Corporation sanctioned 202 rural electrification schemes involving a total outlay of Rs. 89.8 crores as compared to Rs. 116.4 crores for 219 schemes sanctioned during 1972-73. Corporation's commitment and actual disbursements made during the year amounted to Rs. 68.8 crores and Rs. 48.6 crores as against Rs. 96.6 crores and Rs. 48.0 crores, respectively, during the preceding year. Out of total disbursements of Rs. 166.2 crores as at end-June 1974, Rs. 10.1 crores were in respect of five pilot co-operative projects for rural electrification, while disbursements of Rs. 3.1 crores were for developing *Harijan Bastis*.

The resources of the Corporation were augmented by Rs. 45.2 crores during the year by raising paid-up capital from Rs. 20 crores to Rs. 31 crores, by borrowing of Rs. 15 crores from the Government of India (including special loans for *Harijan Basti* Schemes), by drawing upon the US-Use funds to the extent of Rs. 15.2 crores and by Rs. 4 crores through internal sources. With this, total resources of the Corporation at the end of March 1974 amounted to Rs. 175.5 crores as against Rs. 130.3 crores a year ago.

During the year, the Corporation reviewed the entire structure of its loan policy and in the light of this review and the change in the pattern of resources likely to be available to it in the Fifth Plan the Corporation revised the viability norms and interest rates for various types of projects.

5. Other Developments

The Study Team on Overdues of Co-operative Credit Institutions appointed by the Reserve Bank in December 1972 submitted its report in February 1974. According to the Team, lack of will and discipline among the cultivators to repay loans was the principal factor responsible for the prevalence of overdues in co-operatives. Defective lending policy persued by co-operatives, the apathy of management in taking quick action against recalcitrant members and absence of favourable climate were other contributory factors. As a measure to rehabilitate the non-wilful defaulter, the Team recommended reopening by the Reserve Bank of a line of credit to co-operative institutions. It has also suggested that financial assistance from the Reserve Bank's National Agricultural Credit (Stabilisation) Fund may be made available to co-operative banks for granting conversion to those affected borrowers in areas with declared *annawari* between 6 and 8 *annas*.

A Study Team for each of the two States Bihar and Rajasthan has been appointed by the Governor of the Bank to examine the factors therein inhibiting the growth of agricultural credit institutions, to identify district-wise areas of agricultural development and to suggest measures for ensuring adequacy of credit support and the appropriate credit agencies for meeting the credit gaps.

Banking Regulation and Deposit Insurance

At end-June 1974, there were 1432 co-operative banks comprising 28 State and 367 central co-operative banks and 1037 primary co-operative banks coming under the purview of the Banking Regulation Act, 1949 (as applicable to co-operatives) as against 1383 co-operative banks at end-June 1973. As at December 1973, 411 co-operative banks were registered as insured co-operative banks by the Deposit Insurance Corporation in four States, viz., Andhra Pradesh, Madhya Pradesh, Maharashtra and Jammu and Kashmir and Union Territories of Goa, Daman & Diu as against 404 banks registered at end-June 1973. The Government of India have issued notification for extending the Deposit Insurance Scheme to the Union Territory of Delhi with effect from April 1, 1974. During the year, the legislative assemblies of West Bengal and Union Territory of Pondicherry have passed the necessary amendments to their respective co-operative societies Acts vesting in the Reserve Bank of India the powers regarding supervision, winding up, amalgamation, reconstruction, etc. The Governments of Bihar, Gujarat, Himachal Pradesh, Orissa, Tripura, Tamil Nadu, Nagaland, Andaman & Nicobar Islands, Rajasthan and Uttar Pradesh have agreed in principle to amend their respective co-operative societies Acts to extend the scheme to banks in their States.

CHAPTER V: BUDGETS AND PUBLIC DEBT[1]

New Accounting Classification

The classification of accounts of the Central and State budgets adopted upto 1973-74 was primarily designed to ensure legislative control over different items of Government expenditure. With the growth in public outlays and diversification of government functions, the emphasis has shifted from ensuring control over budgetary operations to monitoring and analysis of programmes and an assessment of the return from expenditure incurred. Also, it was necessary to bring about conformity in the presentation of data as between the budget heads and the Plan heads. Keeping these objectives in mind, the Administrative Reforms Commission[2] had recommended the introduction of Performance Budgeting in Government Departments and for facilitating it, the Commission had also recommended a review of the existing system of accounting classification. In pursuance of these recommendations, the Government of India had constituted in March 1969 a 'Team on Reforms in the Structure of Budget and Accounts'. The sectoral classification proposed by the Team in their second and final Report submitted in November 1972 is generally along the lines of the functional classification of Government transactions suggested by the Department of Economic and Social Affairs of the United Nations in their Manual on this subject published in 1958. On the basis of the recommendations of the Team, the Comptroller and Auditor General has prescribed a revised accounting classification for the Budgets of both the Central and State Governments, effective from 1974-75.

The revised classification has made several changes in the grouping of major heads of accounts; it has also introduced a number of new major heads and sub-heads. The Central and State Budgets for 1974-75 were presented on the basis of this new classification. Actuals for 1972-73 and the revised estimates for 1973-74 have also been presented by the Central Government and most of the State Governments in the revised form to the extent possible, but these figures are not strictly comparable in some cases.

(1) Figures in this Chapter relate to fiscal years (April-March) and those for 1973-74 to revised estimates, unless mentioned otherwise.

(2) In its Reports on 'Finance Accounts and Audit' and 'The Machinery of the Government of India and Its Procedures of Work'.

COMBINED POSITION OF CENTRAL AND STATE GOVERNMENTS

For 1973-74, the latest figures known subsequent to the revised estimates place the combined deficit[3] of the Central and State Governments at Rs. 495 crores against the budget estimates of Rs. 289 crores and the revised estimates of Rs. 861 crores (Table V.1). This reduction in deficit as compared with the revised estimates was achieved apparently by introducing economy measures and improvement in receipts. For 1974-75, the original budgets of Central and State Governments envisage an overall deficit of Rs. 106 crores. However, after reckoning Centre's (a) Second Finance Bill, (b) supplementary demands for grants, (c) estimated additional dearness allowance payable to Central Government employees and (d) cut in expenditure reported to have been effected in Plan and non-Plan heads, the combined deficit amounts approximately to Rs. 248 crores. It may be emphasized that this estimate of overall deficit takes into account only the information available in respect of items mentioned above; receipts and expenditure under other heads are assumed to be the same as presented in the original budgets for 1974-75.

The details of aggregate receipts and disbursements corresponding to the latest figure of deficit for 1973-74 are not known. Hence, the review of the trends in them in subsequent paragraphs is attempted in terms of revised estimates. According to these revised estimates, total receipts were higher by Rs. 124 crores

(3) Deficit (—)/Surplus (+) is as measured by : (*a*) For Centre : (*i*) net increase/decrease in outstanding Treasury bills and (*ii*) withdrawal from/addition to cash balances.

(*b*) For States : State budget figures of : (*i*) 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*) encashment of/investment in securities held in revenue reserve funds.

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

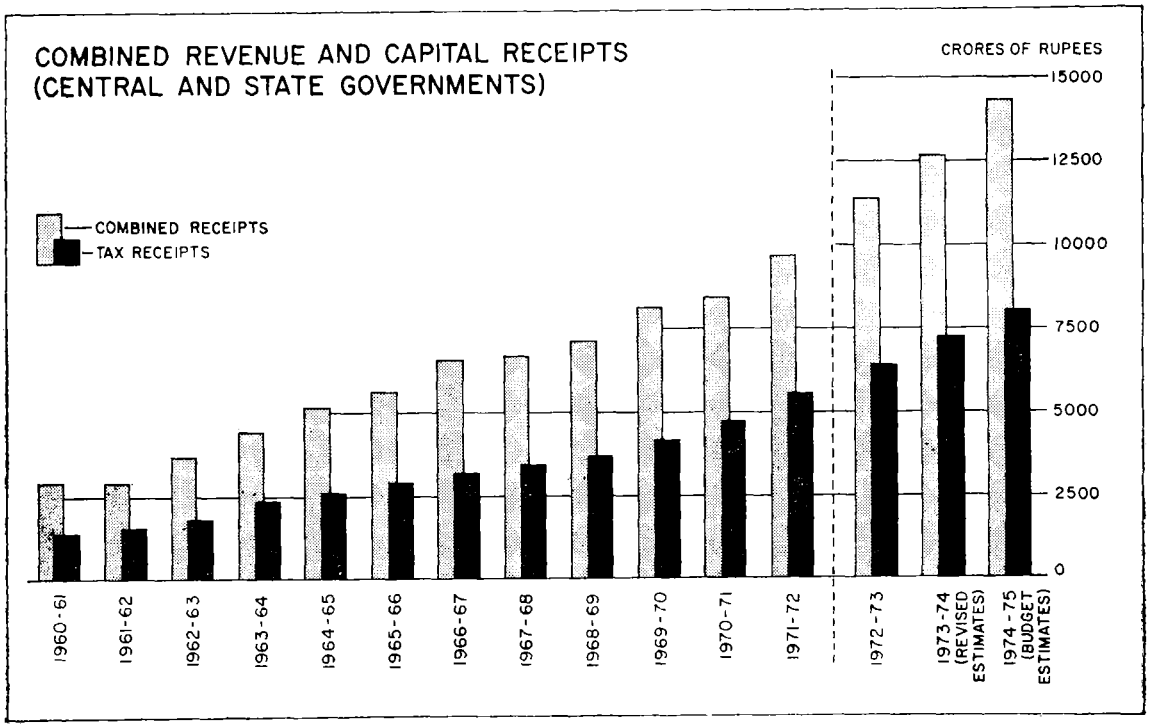
(Rupees Crores)

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	—869	—7	—876	1211	—386	825
1973-74	—650	—211	—861	630	134	764
(Revised Estimates)	(—320)(e)	(—175)(e)	(—495)(e)			
1974-75	—126	+20	—106			
(Budget Estimates)						

(a) For the definition, see the Chapter footnote No. 3.
(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 April 1 to March 31) 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 the RBI are adjusted on the basis of RBI records.
(e) Figures in brackets relate to the latest available data.

Source :—Central and State Budget Documents for budgetary data.

Graph 29



compared to budget estimates, but the total disbursements exceeded the budget estimates by Rs. 696 crores. Even so, the developmental outlay remained almost the same as budgeted. The increases in disbursements occurred on account of loans and advances to third parties, discharge of debt and non-developmental expenditure (Table V. 2).

Table V.2 : Combined Receipts and Disbursements of Central and State Governments

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)*		1973-74 (Revised Estimates)		1974-75 (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
1	2	3	4	5	6	7	8
I. Total Disbursements Of which :	**12319**	**12876**	**+4.5**	**13572@**	**+10.2**	**14401**	**+6.1**
Developmental Outlay (*a*+*b*)	**5745**	**6538**	**+13.8**	**6516**	**+13.4**	**6886**	**+5.7**
(*a*) Revenue	4213	4912	+16.6	4797	+13.9	4927	+2.7
(*b*) Capital	1532	1626	+6.1	1719	+12.2	1959	+14.0
Non-Developmental Outlay (*a*+*b*)	**4217**	**4426**	**+5.0**	**4618**	**+9.5**	**5052**	**+9.4**
(*a*) Revenue	4034	4230	+4.9	4431	+9.8	4764	+7.5
(*b*) Capital	183	196	+7.1	187	+2.2	288	+54.0
II. Total Receipts (A+B)	**11443**	**12587**	**+10.0**	**12711@**	**+11.1**	**14295**	**+12.5**
(A) Revenue Receipts Of which :	**8233**	**9060**	**+10.0**	**9201**	**+11.8**	**10188**	**+10.7**
Tax Receipts (*a*+*b*)	6432	7175	+11.6	7250	+12.7	8018	+10.6
(*a*) Taxes on Commodities and Services	4929	5546	+12.5	5579	+13.2	6226	+11.6
(*b*) Taxes on Income and Property	1503	1629	+8.4	1671	+11.2	1792	+7.2
(B) Capital Receipts Of which :	**3210**	**3527****	**+9.9**	**3510@**	**+9.3**	**4107**	**+17.0**
1. Market Borrowings (Gross)	994	1073	+7.9	1192	+19.9	965	—19.0
,, ,, (Net)	621	519	—16.4	634	+2.1	663	+4.6
2. Small Savings (Net)	373	325	—12.9	350	—6.2	360	+2.9
3. State Provident Funds (Net)	184	209	+13.6	221	+20.1	211	—4.5

Table V.2 : Combined Receipts and Disbursements of Central and State Governments—(*Concld.*)

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)*		1973-74 (Revised Estimates)		1974-75 (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
1	2	3	4	5	6	7	8
III. Overall Surplus (+) or Deficit (—) [II—I] ..	**—876**	**—289**		**—861**		**—106**	
Financed by :							
(*i*) Increase (+) or Decrease (—) in cash balances of Centre and States	—31	—191		—201		—24	
(*ii*) Increase (—) in Treasury bills of Centre ..	—955	—87		—554		—126	
(*iii*) Withdrawals from (—) or Additions to (+) cash balance investment accounts of States	+25	—11		—72		—10	
(*iv*) Increase (—) or Decrease (+) in ways and means advances and overdrafts from the Reserve Bank of India to States	+85	—		—34		+54	

* Includes effects of budget proposals. However, the figures of aggregate receipts and tax receipts for 1974-75 (Budget Estimates) do not include the expected yield of Rs. 136 crores during 1974-75 from the additional tax proposals incorporated in the Finance Bill No. 2 of the Central Government presented to the Parliament on July 31, 1974.

** Excludes market borrowings (Rs. 3 crores) by Jammu and Kashmir Electricity Board.

@ Excludes PL 480 transactions amounting to Rs. 1764 crores under the Indo-US Agreement, 1974.

Notes : 1. Figures are based on budget documents of Central and State Governments and are adjusted for inter-governmental transfers on the basis of data available in State Budgets. The combined overall position, however, remains unchanged.

2. Figures given here are not comparable with those given in the earlier Currency Reports due to changes in budgetary classification adopted in 1974-75. But in this table figures for the earlier years are also presented according to the revised classification and are comparable.

3. To maintain uniformity, data available for Gujarat, Haryana and Tamil Nadu on the basis of old classification for 1972-73 and 1973-74 have been broadly classified into the revised form.

Trends in Combined Receipts

Aggregate receipts during 1973-74 increased by 11.1 per cent over their level in 1972-73 on account of increases in both revenue and capital receipts. Tax receipts rose by 12.7 per cent and capital receipts by 9.3 per cent (Table V.2). However, total tax revenue as a proportion of national income(4) (at current prices) in 1973-74 was lower at 14.6 per cent as against 16.5 per cent in 1972-73 (Table V.3). This reversed the trend observed subsequent to the year 1967-68 and upto 1972-73 when the proportion of total tax revenue to national income (at current prices) rose gradually from 12.1 per cent to 16.5 per cent. In other words, Government tax receipts did not keep pace with the estimated increase in national income at current prices during 1973-74. One reason for this phenomenon was that whereas a substantial part of the increase in national income in 1973-74 originated in the agricultural sector, no significant measures were taken by the State Governments to tap agricultural incomes through taxation.

(4) National income figures for 1972-73 are based on quick estimates of CSO; those for 1973-74 are rough estimates.

Table V. 3 : Combined Tax Receipts and Disbursements 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	Per cent to National Income	Tax Receipts	Per cent to National Income	Combined Disburse-ments	Per cent to National Income	Develop-mental Expen-diture (*a*)	Col. (8) as Per cent of Col. (6)
1	2	3	4	5	6	7	8	9
1960-61	2986	22.5	1355	10.2	2917	21.9	1708	58.6
1961-62	2968	21.1	1537	10.9	3120	22.2	1824	58.5
1962-63	3743	25.2	1855	12.5	3871	26.0	2078	53.7
1963-64	4468	26.1	2313	13.5	4640	27.1	2413	52.0
1964-65	5180	25.8	2585	12.9	5313	26.5	2762	52.0
1965-66	5602	27.2	2902	14.1	5842	28.3	3177	54.4
1966-67	6511	27.2	3240	13.6	6812	28.5	3290	48.3
1967-68	6730	23.7	3423	12.1	6974	24.6	3395	48.7
1968-69	7099	24.8	3727	13.0	7373	25.7	3891	52.8
1969-70	8111	26.0	4182	13.4	8098	26.0	3792	46.8
1970-71	8421	24.8	4735	13.9	8847	26.1	4392	49.6
1971-72	9703	27.1	5565	15.6	10511	29.4	5314	50.6
1972-73	11443	29.4	6432	16.5	12319	31.7	7190 (6777)	58.4 (55.0)
1973-74 .. .. (Revised Estimates)	12711	25.6	7250	14.6	13572	27.3	8007 (7381)	59.0 (54.4)
1974-75 .. .. (Budget Estimates)	14295	—	8018	—	14401	—	8510 (8339)	59.1 (57.9)

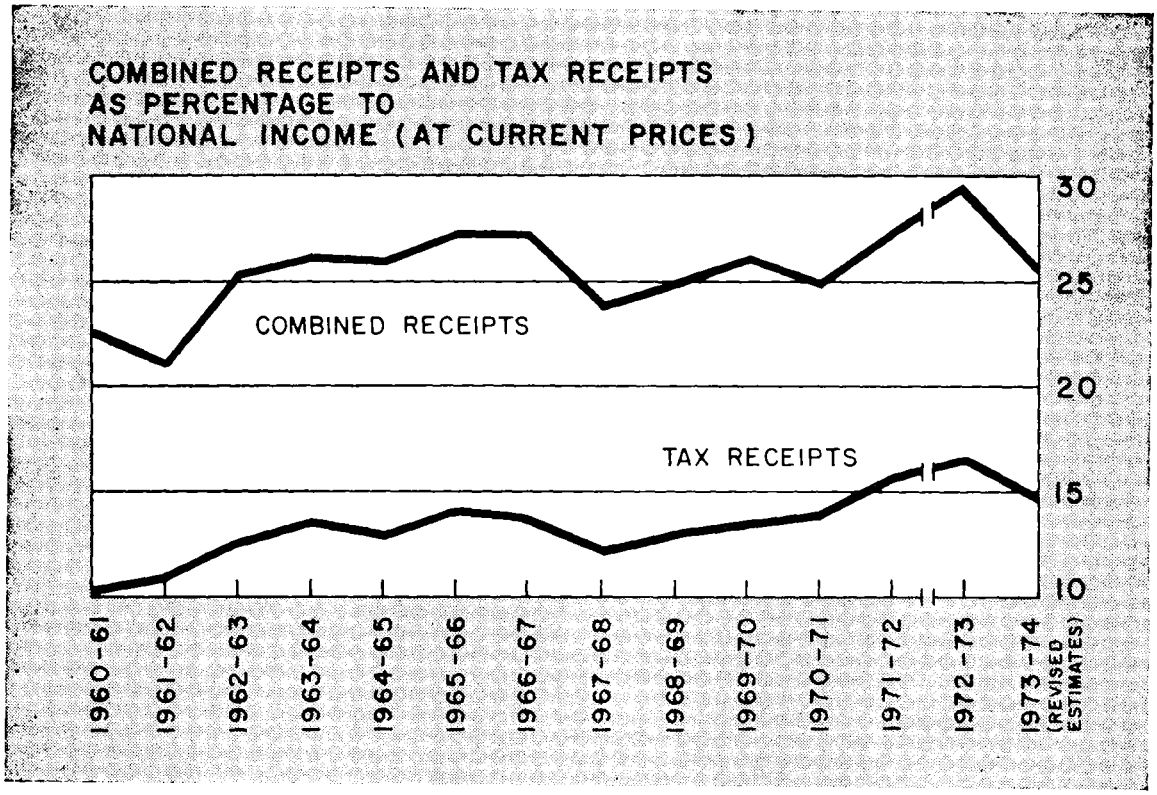
(*a*) This consists of developmental outlays under revenue and capital accounts plus loans and advances to third parties shown in the capital accounts of the Central and State budgets except loans granted to foreign governments from 1965-66 to 1971-72 (for these adjustments regarding loans and advances to foreign governments, since actuals are not available, revised estimates are taken into account). However, due to changes in accounting classification of the budgets, developmental expenditure since 1972-73 excludes (*i*) loans to government servants (in the case of States, loans other than housing loans to Government servants only are excluded); (ii) loans to foreign governments (other than export credit) by the Central Government and (*iii*) miscellaneous loans by State Governments.

Notes : (1) 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 from 1969-70 onwards are adjusted for net receipts/repayments of ways and means advances and overdrafts from/to the RBI; 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 from 1969-70 to 1971-72 will differ from those for earlier and later years. Further, as a result of changes in the accounting classification of budget heads, the figures from 1972-73 onwards are not comparable with those for the earlier years.

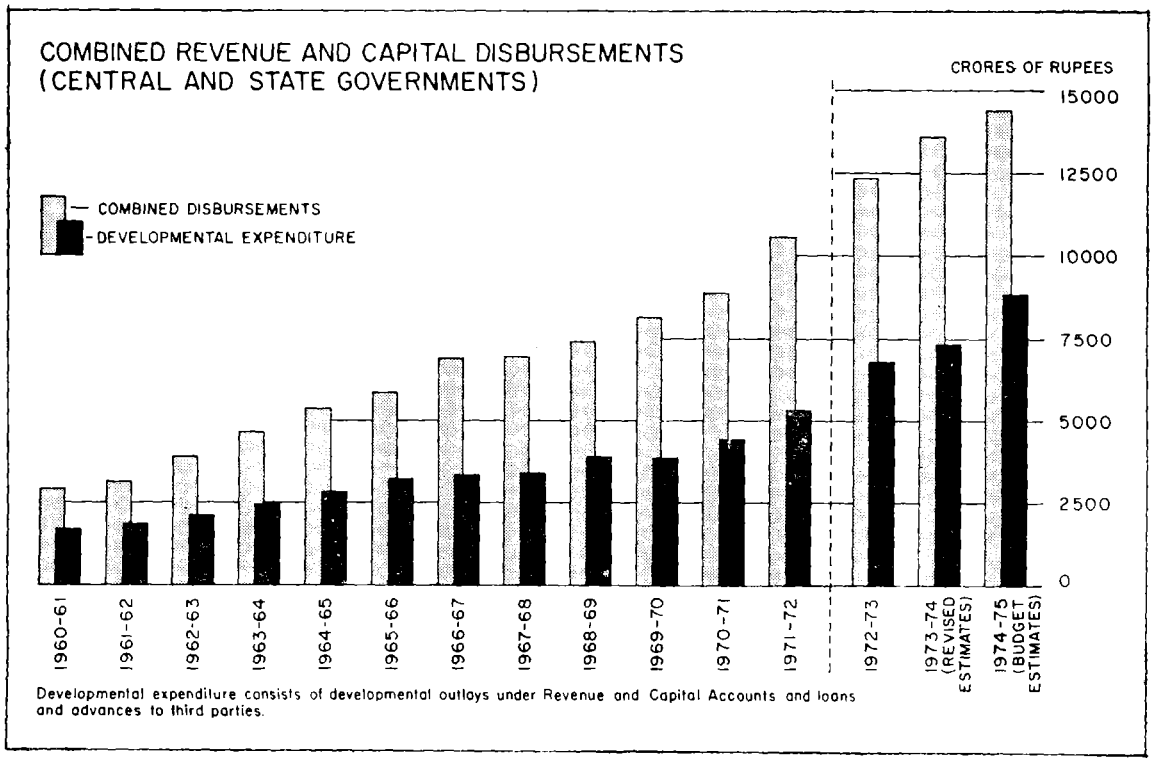
(2) National Income figures are based on C.S.O. estimates.

(3) Figures in brackets represent developmental expenditure exclusive of food subsidy and expenditure on natural calamities (which are otherwise included in it under the revised accounting classification).

Graph 30



Graph 31



Developmental expenditure consists of developmental outlays under Revenue and Capital Accounts and loans and advances to third parties.

The Central and State budgets for 1974-75 expect tax receipts to increase at a lower rate of 10.6 per cent as compared to 12.7 per cent in 1973-74. Inclusive of tax proposals under the Second Finance Bill of the Central Government, tax receipts are expected to rise by 12.5 per cent—almost the same as in 1973-74. The capital receipts as per budgets are expected to rise by 17.0 per cent as against 9.3 per cent in 1973-74.

Trends in Combined Disbursements

A rise of 10.2 per cent in aggregate disbursements in 1973-74 over the level of 1972-73 includes, *inter alia*, 13.4 per cent increase in developmental outlay and 9.5 per cent in non-developmental outlay. While the increase in developmental outlay was almost the same as anticipated in the budget (13.8 per cent), that in non-developmental outlay was about twice the rate of increase anticipated (5.0 per cent); such rise in non-developmental outlay was due to, among others, higher wages and dearness allowances disbursed to Government employees consequent on the implementation of the Third Pay Commission's recommendations and rise in the cost of living index.

The above figures of developmental outlay are *exclusive* of loans granted to third parties (comprising local bodies, public sector undertakings, co-operatives, private sector undertakings, etc.) mainly to finance developmental activities. Inclusive of such transfers to third parties by the Central and State Governments(5), the aggregate developmental expenditure in 1973-74 increased by 8.9 per cent(6).

For 1974-75, the budget estimates provide for an increase of 13.0 per cent(6) in developmental expenditure, resulting in an uptrend in the proportion of developmental expenditure in the total expenditure from 54.4 per cent to 57.9 per cent(6) (Table V.3). However, it is likely that this proportion may shrink somewhat considering the sizeable increases visualised by the Union Finance Minister, while presenting the Supplementary Demands for Grants, for food subsidy, for wages and salaries and for defence.

(5) For details see footnote (*a*) in Table V. 3.

(6) Exclusive of expenditure on food subsidy and natural calamities which, under the revised accounting classification are included under 'developmental expenditure'. See also footnote (3) in Table V. 3.

(7) Excluding an amount of Rs. 1764 crores on account of transactions regarding PL 480 and other funds under the Indo-US Agreement, 1974.

BUDGETARY OPERATIONS OF THE CENTRAL GOVERNMENT

The budget for 1973-74 had anticipated a modest overall deficit of Rs. 87 crores. According to the revised estimates for 1973-74, while aggregate expenditure recorded an increase of Rs. 793 crores over the budget estimates, aggregate receipts improved by Rs. 230 crores; consequently, the estimate of budgetary deficit had been revised to Rs. 650 crores in February 1974. Information available subsequently indicated that the overall deficit for 1973-74 was reduced from Rs. 650 crores to Rs. 320 crores probably on account of economies in expenditure and improvement in receipts, particularly customs revenue.

Aggregate expenditure of the Central Government during 1973-74 was higher by Rs. 793 crores at Rs. 9235 crores(7) over the budget estimates of Rs. 8442 crores. This increase was mainly due to: (i) additional expenditure arising out of the implementation of the Third Pay Commission's recommendation (Rs. 236 crores(8)); (ii) Central assistance to States for natural calamities (Rs. 220 crores) and special assistance to States for covering gap in resources (Rs. 183 crores) and (iii) larger food subsidy (Rs. 121 crores). The deterioration in the Railway finances also involved a draft of Rs. 109 crores on the Central budget. The increase in expenditure on account of these factors was neutralised to some extent by a decline mainly in other developmental expenditure. Of the total increase of Rs. 793 crores in aggregate expenditure, transfer to States and Union Territories accounted for Rs. 376 crores. Transfers for non-developmental purposes showed a rise of Rs. 393 crores, whereas those for developmental purposes declined by Rs. 17 crores.

Against such a substantial stepup in aggregate expenditure, aggregate receipts at Rs. 8585 crores(9) during 1973-74 recorded a rise of Rs. 230 crores over the budget estimates—Rs. 206 crores on capital account and Rs. 24 crores on revenue account. On capital account, net internal market borrowings at Rs. 472 crores were higher by Rs. 146 crores as compared to the budget estimates. Small savings col-

(8) This includes non-recurring expenditure of Rs. 25 crores.

(9) *Vide* footnote(7).

lections at Rs. 350 crores improved by Rs. 25 crores. Repayment of loans at Rs. 1385 crores showed a rise of Rs. 240 crores over the budget estimates; of this increase, repayment by States and Union Territories accounted for Rs. 50 crores and other parties (foreign governments, local bodies, industrial and commercial undertakings, etc.) for Rs. 190 crores. Increase in the repayment of loans by other parties was mainly on account of repayment of technical advances provided to USSR, other East European Countries, the Arabic Republic of Egypt, Sudan and Bangladesh. The budget provision of Rs. 42 crores for these credits was stepped up to Rs. 274 crores during 1973-74 to enable those countries to finance their purchases in India. These advances are repaid out of funds generated by imports from those countries under the respective trade agreements.

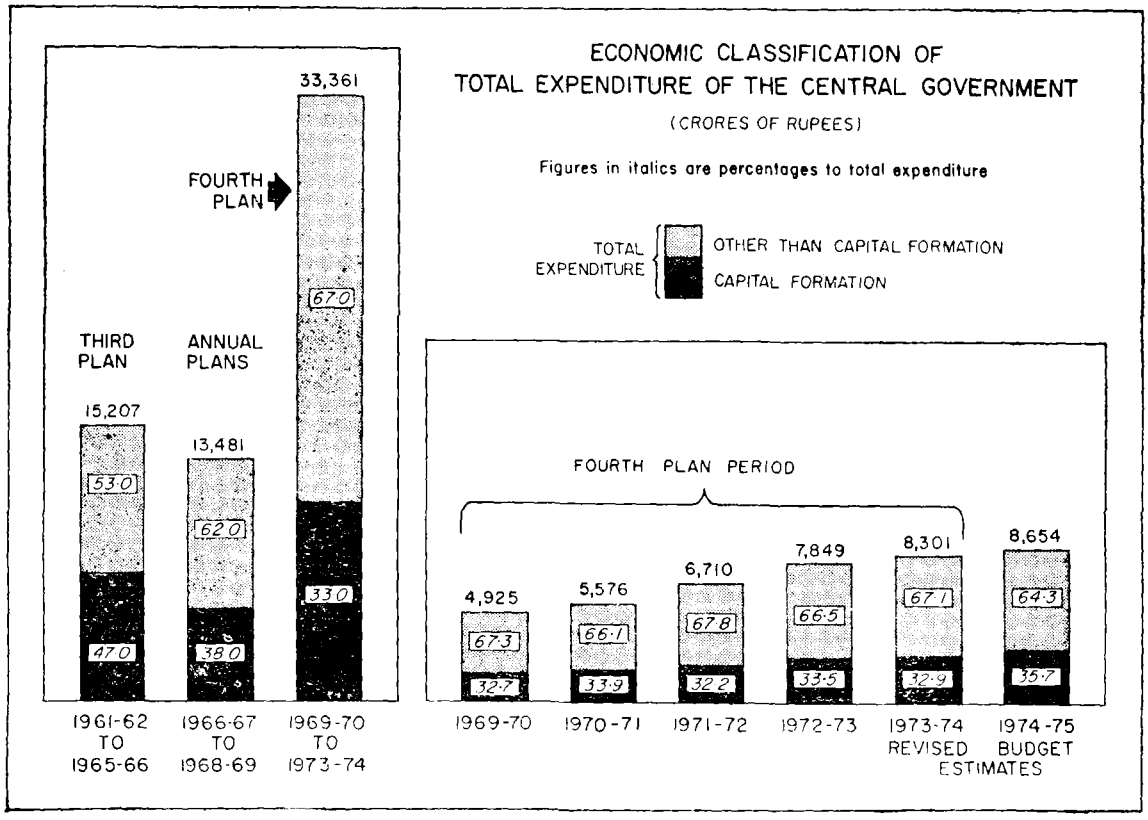
Under revenue receipts, tax collections (before transfer of States' share) showed a decline of Rs. 60 crores from the budget estimates of Rs. 5112 crores. This decline was solely under Union excise duties (Rs. 107 crores), whereas income tax and corporation tax together improved by Rs. 41 crores. The fall in excise collections is attributable mainly to stagnation in production of a number of major sectors of industry.

Economic and Functional Classification of the Central Government Budget

Expenditure Pattern in 1973-74

An analysis of economic and functional classification of the Central budget's revised estimates for 1973-74 shows that the pattern of expenditure envisaged in the budget estimates underwent a notable change. Thus, total expenditure and within it, non-developmental expenditure which were expected to decline, actually went up instead, whereas developmental expenditure which was budgeted to increase, registered a decline. Likewise, consumption expenditure, which was to remain practically unchanged at the 1972-73 level, showed an increase, but the expenditure on direct gross capital formation that was bud-

Graph 32



geted to rise by 32.5 per cent, in fact rose by just 13.4 per cent.

Functional Classification

According to the economic and functional Classification, total expenditure([10]) of the Central Government in 1973-74 at Rs. 8301 crores showed a rise of 5.8 per cent over the 1972-73 level; the budget estimates had envisaged a decline of 2.6 per cent. However, this rate of increase in expenditure (5.8 per cent) was not only the lowest during the Fourth Plan period but also much smaller when compared with the rate of increase ranging from 8.8 per cent to 20.3 per cent experienced in the previous four years (Table V.4). While non-developmental expenditure recorded a rise of 14.2 per cent in 1973-74 over the level of 1972-73, developmental expenditure (including social and economic services and block grants and loans) declined by 2.6 per cent. Hence the proportion of developmental expenditure to total expenditure declined from 50.3 per cent in 1972-73 to 46.3 per cent in 1973-74. The share of developmental expenditure in total expenditure in 1973-74 has been thus the lowest during the Fourth Plan period. This increase in non-developmental expenditure during 1973-74 was, as mentioned earlier, on account of larger resources required for payment of increased pay and allowances to Government employees following the acceptance of the recommendations of the Third Pay Commission, increase in food subsidy and larger assistance to States for natural calamities. The decline in developmental expenditure during 1973-74 from the level of 1972-73 was mainly under agriculture (Rs. 182 crores) and medical and public health (Rs. 57 crores).

Consumption expenditure (i.e., wages and salaries and commodities and services)([11]) in 1973-74 was estimated to remain almost the same as in 1972-73 but according to revised estimates, it rose by 3.1 per cent. This is attributable to the increase in wage bill.

Economic Classification

Capital formation expenditure (direct gross capital formation by the Central Government and transfers for capital formation) provided in the budget for 1973-74 was 9.7 per cent more than that in 1972-73, but according to revised estimates, it showed a rise of only 4.1 per cent which was considerably lower than 14.5 per cent to 21.6 per cent annual increases observed in the previous three years (Table V.5). Gross capital formation undertaken directly by the Central Government rose at the same rate (13.4 per cent) as in 1972-73. However, there was a decline in resources transferred for capital formation to non-departmental commercial undertakings (Table V.5).

As a result of this low rate of growth in capital formation expenditure in 1973-74, its proportion to total expenditure declined to 32.9 per cent from 33.5 per cent in 1972-73 (Table V. 6). This ratio has remained around 33 per cent throughout the Fourth Plan period, whereas it was as high as 47.0 per cent for the Third Plan period and 38.0 per cent during the Annual Plans period (1966-69). There has occurred a considerable increase in the proportion of total expenditure transferred to State Governments and other parties for purposes other than capital formation. In the Third Plan period when a high proportion of total expenditure was earmarked for capital formation, transfers for purposes other than capital formation constituted 25.0 per cent of the total expenditure; these increased to 33.2 per cent during the Annual Plans period and to 37.6 per cent during the Fourth Plan. The increase in such transfers only to State Governments and Union Territories is still steeper, rising from 11.0 per cent of the total expenditure in the Third Plan period, to 15.8 per cent in Annual Plans period and to 17.8 per cent for the Fourth Plan period.

(10) The figures of total expenditure as given in the Economic and Functional Classification are lower than those indicated in Statements 62 to 64 mainly due to exclusion from the former of (*i*) discharge of debt, (*ii*) interest transferred to departmental commercial undertakings, (*iii*) current expenditure of departmental commercial undertakings and (*iv*) transfers to funds.

(11) Consumption expenditure indicated here excludes the operations of departmental commercial undertakings.

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 (Accounts)		1973-74 (Budget Estimates)		1973-74 (Revised Estimates)		Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	
	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	Amount	Percent variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Total Expenditure (A + B) ..	**13481@ (100.0)**	**4925 (100.0)**	**+ 8.8**	**5576@@ (100.0)**	**+13.2**	**6710 (100.0)**	**+20.3**	**7849* (100.0)**	**+17.0**	**7642 (100.0)**	**— 2.6**	**8301 (100.0)**	**+ 5.8**	**33361 (100.0)**	**8654 (100.0)**	**+ 4.3**
A. Developmental Expenditure (*i* + *ii*)	**6893 (51.1)**	**2352 (47.8)**	**+ 5.2**	**2659 (47.7)**	**+13.1**	**3126 (46.6)**	**+17.6**	**3949 (50.3)**	**+26.3**	**4056 (53.1)**	**+ 2.7**	**3847 (46.3)**	**— 2.6**	**15933 (47.8)**	**4244 (49.0)**	**+10.3**
(*i*) Social Services ..	851 (6.3)	304 (6.2)	+10.5	364 (6.5)	+19.7	452 (6.7)	+24.2	664 (8.5)	+46.9	746 (9.8)	+12.3	638 (7.7)	— 3.9	2422 (7.3)	625 (7.2)	— 2.0
(*ii*) Economic Services**	6042 (44.8)	2048 (41.6)	+ 4.5	2295 (41.2)	+12.0	2674 (39.9)	+16.5	3285 (41.8)	+22.8	3310 (43.3)	+ 0.8	3209 (38.6)	— 2.3	13511 (40.5)	3619 (41.8)	+12.8
B. Non-Developmental Expenditure (*i* + *ii*) ..	**6588 (48.9)**	**2573 (52.2)**	**+12.3**	**2917 (52.3)**	**+13.4**	**3584 (53.4)**	**+22.9**	**3900 (49.7)**	**+ 8.8**	**3586 (46.9)**	**— 8.1**	**4454 (53.7)**	**+14.2**	**17428 (52.2)**	**4410 (51.0)**	**— 1.0**
(*i*) General Services ..	3914 (29.0)	1492 (30.3)	+ 6.4	1777 (31.9)	+19.2	2018 (30.1)	+13.6	2329 (29.7)	+15.4	2146 (28.1)	— 7.9	2495 (30.1)	+ 7.1	10111 (30.3)	2509 (29.0)	+ 0.6
(*ii*) Unallocable	2674 (19.9)	1081 (21.9)	+21.6	1140 (20.4)	+ 5.5	1566 (23.3)	+37.4	1571 (20.0)	+ 0.3	1440 (18.8)	— 8.3	1959 (23.6)	+24.7	7317 (21.9)	1901 (22.0)	— 3.0

@Excludes additional 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.

*Excludes transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts with the RBI.

**Include block grants and loans.

Note : Figures in brackets are percentages to total expenditure.

Source : Economic and Functional Classification of the Central Government Budget.

Table V.5 : Economic Classification of Total Expenditure of Central Government
(Growth in Expenditure Under Broad Economic Aggregates)

(Rupees Crores)

Items	1969-70 (Accounts)		1970-71 (Accounts)		1971-72 (Accounts)		1972-73 (Accounts)		1973-74 (Budget Estimates)		1973-74 (Revised Estimates)		Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	
	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	Amount	Percent variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
I. Total Expenditure (II+III)	**4925** (100.0)	+ 8.8	**5576*** (100.0)	+13.2	**6710** (100.0)	+20.3	**7849@** (100.0)	+17.0	**7642** (100.0)	— 2.6	**8301** (100.0)	+ 5.8	**33361** (100.0)	**8654** (100.0)	+ 4.3
II. Final Outlays (I+II)	**1870** (38.0)	+12.5	**2188** (39.2)	+17.0	**2652** (39.5)	+21.2	**2939** (37.4)	+10.8	**3166** (41.4)	+ 7.7	**3099** (37.3)	+ 5.4	**12748** (38.2)	**3602** (41.6)	+16.2
(*i*) Consumption Expenditure	1477 (30.0)	+ 6.6	1669 (29.9)	+13.0	2055 (30.6)	+23.1	2262 (28.8)	+10.1	2269 (29.7)	+ 0.3	2331 (28.1)	+ 3.1	9794 (29.4)	2734 (31.6)	+17.3
(*ii*) Gross Capital Formation ..	393 (8.0)	+42.4	519 (9.3)	+32.1	597 (8.9)	+15.0	677 (8.6)	+13.4	897 (11.7)	+32.5	768 (9.2)	+13.4	2954 (8.8)	868 (10.0)	+13.0
III. Financial Resources Provided to Third Parties	**3055** (62.0)	+ 6.7	**3388*** (60.8)	+10.9	**4058** (60.5)	+19.8	**4910** (62.6)	+21.0	**4476** (58.6)	— 8.8	**5202** (62.7)	+ 5.9	**20613** (61.8)	**5052** (58.4)	— 2.9
IV. Out of III, those provided for Capital Formation	**1219** (24.7)	—11.9	**1369**** (24.6)	+ 12.3	**1564** (23.3)	+14.2	**1950** (24.9)	+24.7	**1986** (26.0)	+ 1.8	**1966** (23.7)	+ 0.8	**8068** (24.2)	**2226** (25.7)	+13.2
V. Total Provision for Capital Formation (II(*ii*) + IV) ..	**1612**	— 2.9	**1888****	+17.1	**2161**	+14.5	**2627**	+21.6	**2883**	+ 9.7	**2734**	+ 4.1	**11022**	**3094**	+13.2

* 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.

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

@ Excludes transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts with the RBI.

Note : Figures in brackets represent percentages to total expenditure.

Source : Economic and Functional Classification of the Central Government Budget.

Table V. 6 : Economic Classification of Total Budgetary Expenditure of Central Government (Pattern of Expenditure)

(Rupees Crores)

Items	Third Plan Period (1961-62 to 1965-66)	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)
1	2	3	4	5	6
I. Total Expenditure (A+B)	**15207(100.0)**	**13481@(100.0)**	**4925 (100.0)**	**5576@@(100.0)**	**6710 (100.0)**
A. Final Outlays (*a*+*b*)	**6701 (44.1)**	**5121 (38.0)**	**1870 (38.0)**	**2188 (39.2)**	**2652 (39.5)**
(*a*) Consumption Expenditure ..	4256 (28.0)	3878 (28.8)	1477 (30.0)	1669 (29.9)	2055 (30.6)
(*b*) Gross Capital Formation ..	2445 (16.1)	1243 (9.2)	393 (8.0)	519 (9.3)	597 (8.9)
B. Financial Resources Provided to Third Parties (*a*+*b*)	**8506 (55.9)**	**8360 (62.0)**	**3055 (62.0)**	**3388 (60.8)**	**4058 (60.5)**
(*a*) For Capital Formation (*i*+*ii*)	**4708 (30.9)**	**3885 (28.8)**	**1219 (24.7)**	**1369 (24.6)**	**1564 (23.3)**
(*i*) To States and Union Territories ..	2837 (18.6)	2128 (15.8)	692 (14.0)	740 (13.3)	885 (13.2)
(*ii*) To Other Parties*	1871 (12.3)	1757 (13.0)	527 (10.7)	629 (11.3)	679 (10.1)
(*b*) For purposes other than Capital Formation (*i*+*ii*)	**3798 (25.0)**	**4475 (33.2)**	**1836 (37.3)**	**2019 (36.2)**	**2494 (37.2)**
(*i*) To States and Union Territories ..	1665 (11.0)	2128 (15.8)	961 (19.5)	910 (16.3)	1234 (18.4)
(*ii*) To Other Parties*	2133 (14.0)	2347 (17.4)	875 (17.8)	1109 (19.9)	1260 (18.8)
II. Total Capital Formation Expenditure	**7153 (47.0)**	**5128 (38.0)**	**1612 (32.7)**	**1888 (33.9)**	**2161 (32.2)**
III. Total Expenditure for purposes other than Capital Formation	**8054 (53.0)**	**8353 (62.0)**	**3313 (67.3)**	**3688 (66.1)**	**4549 (67.8)**

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)
	7	8	9	10	11
I. Total Expenditure (A+B)	**7849£(100.0)**	**7642 (100.0)**	**8301 (100.0)**	**33361 (100.0)**	**8654 (100.0)**
A. Final Outlays (*a*+*b*)	**2939 (37.4)**	**3166 (41.4)**	**3099 (37.3)**	**12748 (38.2)**	**3602 (41.6)**
(*a*) Consumption Expenditure	2262 (28.8)	2269 (29.7)	2331 (28.1)	9794 (29.4)	2734 (31.6)
(*b*) Gross Capital Formation	677 (8.6)	897 (11.7)	768 (9.2)	2954 (8.8)	868 (10.0)
B. Financial Resources Provided to Third Parties (*a*+*b*) ..	**4910 (62.6)**	**4476 (58.6)**	**5202 (62.7)**	**20613 (61.8)**	**5052 (58.4)**
(*a*) For Capital Formation (*i*+*ii*)	**1950 (24.9)**	**1986 (26.0)**	**1966 (23.7)**	**8068 (24.2)**	**2226 (25.7)**
(*i*) To States and Union Territories ..	1062 (13.6)	1167 (15.3)	1212 (14.6)	4591 (13.8)	1091 (12.6)
(*ii*) To Other Parties* ..	888 (11.3)	819 (10.7)	754 (9.1)	3477 (10.4)	1135 (13.1)
(*b*) For purposes other than Capital Formation (*i*+*ii*)	**2960 (37.7)**	**2490 (32.6)**	**3236 (39.0)**	**12545 (37.6)**	**2826 (32.7)**
(*i*) To States and Union Territories	1440 (18.3)	1065 (13.9)	1388 (16.7)	5933 (17.8)	1010 (11.7)
(*ii*) To Other Parties* ..	1520 (19.4)	1425 (18.7)	1848 (22.3)	6612 (19.8)	1816 (21.0)
II. Total Capital Formation Expenditure	**2627 (33.5)**	**2883 (37.7)**	**2734 (32.9)**	**11022 (33.0)**	**3094 (35.7)**
III. Total Expenditure for purposes other than Capital Formation	**5222 (66.5)**	**4759 (62.3)**	**5567 (67.1)**	**22339 (67.0)**	**5560 (64.3)**

*Comprise non-departmental commercial undertakings, local authorities, foreign governments, etc.

@Excludes additional 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.

£Excludes the transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts with the RBI.

Note : Figures in brackets represent percentages to total expenditure.

Source : Economic and Functional Classification of the Central Government Budget.

Savings of the Central Government

Gross savings of the Central Government (savings of the Government administration plus depreciation provision and retained profits of the departmental commercial undertakings) at Rs. 510 crores in 1973-74 were higher than Rs. 447 crores in 1972-73 (Table V.7). They could well have been still higher but for a net out-go of Rs. 42 crores from retained profits of the departmental commercial undertakings as against an inflow of Rs. 84 crores in 1972-73. Thus, gross savings showed a rise of 14.1 per cent over 1972-73. However, they financed only 18.7 per cent of gross capital formation as compared to 34.1 per cent envisaged in the budget for 1973-74. The relative proportion for the Fourth Plan was 18.4 per cent. According to budget estimates it was expected that net savings (i.e., gross savings minus expenditure on renewals and replacements in the case of departmental commercial undertakings) would exceed net investment by Rs. 87 crores during 1973-74. But net investment was higher than net savings by Rs. 258 crores according to revised estimates; the savings of Government administration as also of departmental commercial undertakings were much lower than those estimated in the budget.

Net savings at Rs. 351 crores during 1973-74 were higher by Rs. 43 crores over those of 1972-73. Savings of the Government administration as a proportion of its revenue receipts have increased from 5.1 per cent in 1972-73 to 8.3 per cent in 1973-74. For the Fourth Plan period, this proportion works out to 5.9 per cent as against 12.3 per cent and 4.0 per cent for the Third Plan and the Annual Plan periods, respectively.

Sources and Uses of Funds

Data on sources and uses of funds of Central Government indicate the gap between resources (consisting of current receipts, capital transfers and internal resources of departmental undertakings) and expenditure (for capital formation, consumption and other current expenditure). This resources gap is financed through internal and external borrowings and by indebtedness to the Reserve Bank. Inclusive of PL 480 transactions under the Indo-US Agreement, 1974([12]), the gap between sources of Rs. 8015 crores and total expenditure of Rs. 8301 crores for 1973-74 is estimated at Rs. 286 crores as against Rs. 1386 crores anticipated in the budget (Table V.8) and Rs. 2151 crores in 1972-73. Mainly because of the pre-payment of PL 480 loans, net external borrowings would show an out-go of Rs. 1177 crores. Thus, the gap between sources and uses of funds was financed by domestic borrowings and budgetary deficit. However, excluding the transactions of Rs. 1764 crores under Indo-US Agreement, 1974, the gap would amount to Rs. 2050 crores and was financed to the extent of Rs. 813 crores by net domestic borrowings, Rs. 587 crores by external borrowings and the remaining part by budgetary deficit([13]) of Rs. 650 crores.

Pattern of Expenditure for 1974-75: Budget Estimates

Total Expenditure

For 1974-75, the Central Government has budgeted for a total expenditure of Rs. 8654 crores, showing a rise of only Rs. 353 crores (or 4.3 per cent) as against 5.8 per cent during 1973-74. Thus, deceleration in Government expenditure observed since 1971-72 has continued during 1974-75. At this level of expenditure, the Central Government budget for 1974-75 has anticipated an overall deficit of Rs. 126 crores([14]) after taking into account the additional tax proposals amounting to Rs. 211 crores of which Centre's share is Rs. 185 crores. However, on account of "escalations of project costs accompanied by a further erosion in the internal resources

(12) Under Indo-US Agreement, 1974, Government of India have pre-paid PL 480 and other US Rupee loans totalling Rs. 1764.44 crores and the US Government have given grant to Government of India of Rs. 1664.00 crores. For details of the Agreement see Appendix IX.VII

(13) In the Economic and Functional Classification of Central Government Budget, this deficit is measured by net increase in holdings of Treasury bills by the RBI (ignoring funding of Treasury bills into dated securities) and withdrawal from cash balances, whereas in the Budget, the increase in total sales of Treasury bills is taken into account.

(14) Inclusive of additional tax proposals, the budget had originally anticipated an overall deficit of Rs. 125 crores during 1974-75. Tax concessions in the field of Union excise duties announced subsequent to the presentation of the budget would reduce the tax revenue by Rs. 88 lakhs (inclusive of States' share, the reduction would be Rs. 110 lakhs) in the case of Centre during 1974-75, which would increase the deficit to Rs. 126 crores.

Table V.7 : Savings of the Central Government

(Rupees Crores)

Items	Third Plan Period (1961-62 to 1965-66)	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	Per cent Variation of column	
											(9) over (7)	(11) over (9)
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Revenue Receipts of Government Administration (*i*+*ii*) ..	8252	7389	2882	3133	3817	4335	4815	4833	19000	5290	+11.5	+9.5
(*i*) Tax Revenue ..	6652	5867	2189	2434	2903	3418	3915	3858	14802	4278	+12.9	+10.9
(*ii*) Non-Tax Revenue	1600	1522	693	699	914	917	900	975	4198	1012	+6.3	+3.8
2. Current Expenditure ..	7240	7091	2640	2909	3777	4114	4110	4431	17871	4938	+7.7	+11.4
3. Savings of the Government Administration (1–2)	1012	298	242	224	40	221	705	402	1129	352	+81.9	—12.4
4. Depreciation Provision and Retained Profits of Departmental Commercial Undertakings (*i*+*ii*)	732	387	160	179	229	226	278	108	902	220	—52.2	+103.7
(*i*) Depreciation Provision	435	333	115	123	128	142	148	150	658	157	+5.6	+4.7
(*ii*) Retained Profits ..	297	54	45	56	101	84	130	—42	244	63		
5. Gross Savings of the Central Government(3+4)..	1744	685	402	403	269	447	983	510	2031	572	+14.1	+12.2
6. Expenditure on Renewals and Replacements ..	379	264	75	91	91	139	137	159	555	148	+14.4	—6.9
7. Net Savings (5—6) ..	1365	421	327	312	178	308	846	351	1476	424	+14.0	+20.8
8. Net Investment ..	2066	978	318	428	506	538	759	609	2399	721	+13.2	+18.4
9. Excess (+) or Shortfall (—) of Net Savings over Net Investment (7—8) ..	—701	—557	+9	—116	—328	—230	+87	—258	—923	—297		
10. Item (3) as per cent of Item (1)	12.3	4.0	8.4	7.1	1.1	5.1	14.6	8.3	5.9	6.7		

Source : Economic and Functional Classification of the Central Government Budget.

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 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-74)	1974-75 (Budget Estimates)		1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-74)	1974-75 (Budget Estimates)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Current Receipts ($a+b$)	2882	3133	3817	4335	4815	4833	19000	5290	1. Expenditure for Capital Formation ($a+b$) ..	1612	1888	2161	2627	2883	2734	11022	3094
(a) Tax Receipts ..	2189	2434	2903	3418	3915	3858	14802	4278	(a) Gross Capital Formation	1649	1854	2130	2615	2899	2715	10963	3091
(b) Income from Property, Enterprises and Miscellaneous Receipts	693	699	914	917	900	975	4198	1012	(b) Increase in Inventories	—37	34	31	12	—16	19	59	3
2. Capital Transfers ..	46	55	32	37	33	1697	1867	50	2. Expenditure for purposes other than Capital Formation ($a+b$)	3313	3688	4549	5222	4759	5567	22339	5560
3. Internal Resources of Departmental Undertakings	160	178	229	226	278	108	901	220	(a) Current Expenditure ($i+ii$)	2640	2908	3778	4114	4110	4431	17871	4938
4. Repayment of Loans ..	847	893	1054	1100	1130	1377	5271	1003	(i) Consumption Expenditure ..	1477	1669	2055	2262	2269	2331	9794	2734
									(ii) Current Transfers ..	1163	1239	1723	1852	1841	2100	8077	2204
									(b) Other Expenditure	673	780	771	1108	649	1136	4468	622
Total Receipts (1 to 4)	**3935**	**4259**	**5132**	**5698**	**6256**	**8015**	**27039**	**6563**	**Total Expenditure (1+2)**	**4925**	**5576**	**6710**	**7849**	**7642**	**8301**	**33361**	**8654**
Excess of Total Expenditure over Total Receipts	**990**	**1317**	**1578**	**2151**	**1386**	**286**	**6322**	**2091**									
Financed by :																	
1. Net Domestic Borrowings @	384	648	793	1046	864	813	3684	1116									
Of which : Net Market Borrowings	143	144	293	487	326	472	1539	498									
2. Net External Borrowings	539	343	325	274	437	—1177	304	850									
3. Budgetary Deficit ($a+b$)	67	326	460	831	85	650	2334	125									
(a) Net RBI holdings of Treasury Bills@@	84	400	290	917*	85	554	2245	125									
(b) Increase (—) or Decrease (+) in Cash Balances ..	—17	—74	+170	—86	—	+96	+89	—									

@Comprise market loans (net), small savings (net), provident funds (net), other debt (net), net increase in the holdings of Treasury bills other than to RBI, etc.

@@Ignores funding of Treasury bills into long-dated securities.

*Excludes transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts with the RBI.

Notes : (1) Savings of the Government Administration = Current Receipts—Current Expenditure.

(2) Figures for 1973-74 (Revised Estimates) are inclusive of transactions under Indo-US Agreement, 1974. Under the Agreement, Government of India have prepaid PL 480 and other Non-PL 480 rupee loans totalling Rs. 1764.44 crores and the U.S. Government have given a grant of Rs. 1664 crores to the Government of India.

Source : Economic and Functional Classification of the Central Government Budget.

of some of our public sector enterprises",(15) increase in food bubsidy, increase in defence expenditure and the higher burden of pay and allowances, the demands on the fisc could turn out to be greater than presently anticipated. Therefore, the Second Finance Bill attempted to mobilise additional resources for the year. Even so, "the potential deficit can by no means be covered by fresh taxation only and that there is clearly need to take other complementary steps to reduce the deficit".(15)

Developmental and Non-developmental Expediture

The budget has proposed a rise of 10.3 per cent in developmental expenditure during 1974-75 against a fall of 2.6 per cent in 1973-74. At this level, developmental expenditure would constitute 49.0 per cent of the total expenditure in 1974-75 as against 46.3 per cent in 1973-74 and 47.8 per cent during the Fourth Plan period. The increase in developmental expenditure is entirely under economic services (12.8 per cent); expenditure for social services, on the other hand, which had declined by 3.9 per cent during 1973-74, has further gone down by 2.0 per cent. Direct expenditure for developmental purposes at Rs. 1143 crores records a rise of 19.1 per cent over 1973-74; this rate of growth is higher than that achieved during the Fourth Plan period. Financial assistance provided to third parties for developmental purposes at Rs. 3101 crores shows a rise of 7.4 per cent as against a decline of 4.8 per cent in 1973-74. Even this increase in assistance is entirely to parties other than States and Union Territories. Assistance to States and Union Territories for developmental purposes, which had declined by 0.4 per cent during 1973-74, is budgeted to decline further by 15.5 per cent during 1974-75; that for non-departmental undertakings and others is anticipated to rise by 39.8 per cent.

Capital Formation Expenditure

Total provision for capital formation expenditure during 1974-75 at Rs. 3094 crores shows a rise of 13.2 per cent over the previous year. The percentage rise is almost the same, both under gross direct capital formation at Rs. 868 crores (13.0 per cent) and financial assistance provided for capital formation at Rs. 2226 crores (13.2 per cent). Total capital formation expenditure would constitute 35.7 per cent of the total expenditure—a ratio higher than that for the Fourth Plan period (33.0 per cent).

Function-wise, capital formation expenditure for developmental purposes at Rs. 3049 crores during 1974-75 also shows a rise of 13.2 per cent (Table V.9). Of this, expenditure on social services at Rs. 141 crores would be only marginally higher by Rs. 3 crores or 2.2 per cent. The provision for capital formation under economic services, on the other hand, has been substantially stepped up by Rs. 317 crores (16.6 per cent). Within economic services, sizeable increases in such provision have taken place for industry (Rs. 349 crores or 58.7 per cent) and transport and communications (Rs. 103 crores or 14.1 per cent); the provision for agriculture has been raised only marginally (Rs. 11 crores or 5.8 per cent); but that for other economic services is proposed to be pruned down by Rs. 146 crores (or 37.3 per cent).

Savings and Investment

As against an anticipated decline in the growth rate in current receipts during 1974-75, current expenditure is likely to show a rise. Consequently, savings of the Government Administration at Rs. 352 crores would be lower by 12.4 per cent during 1974-75 and account for 6.7 per cent of revenue receipts as against 8.3 per cent in 1973-74 (Table V.7). Gross savings of the Central Government at Rs. 572 crores are expected to be higher by Rs. 62 crores; but the rate of growth would be lower at 12.2 per cent as compared to 14.1 per cent in 1973-74. The retained profits of departmental commercial undertakings are budgeted at Rs. 63 crores against a net outgo of Rs. 42 crores in 1973-74. Net savings of the Central Government at Rs. 424 crores fall short of net investment by Rs. 297 crores, thereby increasing the gap in resources to be covered by borrowing from other sectors.

Assets and Liabilities

Net increase in financial assets and capital transfers is estimated at Rs. 1794 crores (Table V.10). Inclusive of the shortfall of savings over investments, they are to be met through creation of financial liabilities

(15) The Finance Minister's Speech presenting the Second Finance bill, p. 3.

Table V.9 : Provision for Capital Formation

(Rupees Crores)

Items	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	Per cent Variation of Column	
										(8) over (6)	(10) over (8)
1	2	3	4	5	6	7	8	9	10	11	12
I. Developmental (1 to 3) ..	**5031**	**1619**	**1863**	**2141**	**2614**	**2837**	**2693**	**10930**	**3049**	**+3.0**	**+13.2**
1. Social Services	191	63	82	95	122	166	138	500	141	+13.1	+2.2
2. Economic Services	3802	1008	1223	1441	1841	1933	1909	7422	2226	+3.7	+16.6
(*a to d*)											
(*a*) Agriculture	412	92	62	159	255	126	190	758	201	−25.5	+5.8
(*b*) Industry	1525	433	419	524	643	680	595	2614	944	−7.5	+58.7
(*c*) Transport and Communications	1347	382	545	587	711	713	733	2958	836	+3.1	+14.1
(*d*) Other Economic Services..	518	101	197	171	232	414	391	1092	245	+68.5	−37.3
3. Block Grants and Loans ..	1038	548	558	605	651	738	646	3008	682	−0.8	+5.6
II. Non-Developmental (*a*+*b*) ..	**97**	**−7**	**25**	**20**	**13**	**46**	**41**	**92**	**45**	**+215.4**	**+9.8**
(*a*) General Services	62	8	−4	24	42	52	42	112	45	—	+7.1
(*b*) Unallocable	35	−15	29	−4	−29	−6	−1	−20	—		
III. Total Provision for Capital Formation (I+II)	**5128**	**1612**	**1888***	**2161**	**2627**	**2883**	**2734**	**11022**	**3094**	**+4.1**	**+13.2**
IV. Total Developmental Expenditure	**6893**	**2352**	**2659**	**3126**	**3949**	**4056**	**3847**	**15933**	**4244**	**−2.6**	**+10.3**
V. (I) as per cent of (IV)	**73.0**	**68.8**	**70.1**	**68.5**	**66.2**	**69.9**	**70.0**	**68.6**	**71.8**		

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

Source : Economic and Functional Classification of the Central Government Budget.

Table V. 11 : Estimated Yield for a Full Year from the Budget Proposals (First and Second Finance Bills)

(Rupees Crores)

Items	First Finance Bill (*a*)			Second Finance Bill (*d*)			Total of Two Bills (*d*)		
	Centre's share	States' share	Total	Centre's share	States' share	Total	Centre's share	States' share	Total
1	2	3	4	5	6	7	8	9	10
I. Direct Taxes	—	—	—	**63** (25)	**2** (—)	**65** (25)	**63** (25)	**2** (—)	**65** (25)
1. (*i*) Income tax on Personal incomes	(*b*)	(*b*)	(b)						
(*ii*) Wealth tax	—	—	—	—	—	—	—	—	—
2. Capital Gains tax	—	—	—	3	2	5(f)	3	2	5(f)
3. Tax on Gross Interest received by Scheduled Banks on loans and advances made in India	—	—	—	60 (25)	— (—)	**60** (25)	60 (25)	— (—)	**60** (25)
II. Indirect Taxes	**185**	**26**	**211**	**147** (98)	**20** (13)	**167** (111)	**332** (283)	**46** (39)	**378** (322)
1. Union Excise Duties	165	26	**191**	146 (98)	20 (13)	**166** (111)	311 (263)	46 (39)	**357** (302)
2. Customs Duties	20	—	**20**	1(*e*)	—	**1(e)**	21	—	**21**
III. Grand Total (I + II)	**185**(*c*)	**26**	**211**(c)	**210** (123)	**22** (13)	**232** (136)	**395** (308)	**48** (39)	**443** (347)

(*a*) These represent estimated receipts after taking into account the effects of tax concessions announced subsequent to the presentation of the Budget.
(*b*) Effects of changes in wealth tax and of reduction in the rates of income tax on personal incomes have not been taken into account for budgetary purposes.
(*c*) Revisions in postal, telegraph and telephone tariffs would bring in an additional revenue of Rs. 42.80 crores during 1974-75 and Rs. 57.08 crores during a full year. These receipts have been accounted for in reckoning the internal resources of Posts and Telegraphs Department.
(*d*) Figures in brackets represent the yield for the remaining period of the financial year 1974-75 on account of taxation proposals of the Second Finance Bill.
(*e*) There is no change in Customs duties; additional revenue to the extent of Rs. 1 crore is expected from countervailing duties consequent on changes proposed in Central Excise duties.
(*f*) Effective from April 1, 1975. Yield from the revision in capital gains tax will be available from 1975-76 onwards.
Source : Central Government Budget Documents.

the view that prevalence of high tax rates is the first and the foremost reason for the spread of tax evasion and build up of black money(19). It had, therefore, suggested that the maximum marginal rate of income tax (inclusive of surcharge) should be reduced from the level of 97.75 per cent to 75 per cent, with appropriate reduction in tax rates at the middle and lower levels. Based on this, the highest basic marginal rate of income tax was reduced from 85 per cent to 70 per cent and the rate of surcharge to a uniform level of 10 per cent.

(19) The Direct Taxes Enquiry Committee : The Final Report (1971), p. 18.

The loss of yield on account of concessions in personal income tax would be about Rs. 36 crores in 1974-75 and Rs. 60 crores in a full year. This is not taken into account in 1974-75 as it is expected to be made good by better tax compliance and fuller disclosure of incomes by tax payers.

With a view to simplifying the assessment procedure, separate deductions are substituted by a standard deduction. The retirement gratuities payable under the Payment of Gratuity Act, 1972 have been exempted from income tax with suitable ceilings.

Table V.9 : Provision for Capital Formation

(Rupees Crores)

Items	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	Per cent Variation of Column	
										(8) over (6)	(10) over (8)
1	2	3	4	5	6	7	8	9	10	11	12
I. Developmental (1 to 3) ..	**5031**	**1619**	**1863**	**2141**	**2614**	**2837**	**2693**	**10930**	**3049**	**+3.0**	**+13.2**
1. Social Services	191	63	82	95	122	166	138	500	141	+13.1	+2.2
2. Economic Services	3802	1008	1223	1441	1841	1933	1909	7422	2226	+3.7	+16.6
(*a to d*)											
(*a*) Agriculture	412	92	62	159	255	126	190	758	201	−25.5	+5.8
(*b*) Industry	1525	433	419	524	643	680	595	2614	944	−7.5	+58.7
(*c*) Transport and Communications	1347	382	545	587	711	713	733	2958	836	+3.1	+14.1
(*d*) Other Economic Services..	518	101	197	171	232	414	391	1092	245	+68.5	−37.3
3. Block Grants and Loans ..	1038	548	558	605	651	738	646	3008	682	−0.8	+5.6
II. Non-Developmental (*a*+*b*) ..	**97**	**−7**	**25**	**20**	**13**	**46**	**41**	**92**	**45**	**+215.4**	**+9.8**
(*a*) General Services	62	8	−4	24	42	52	42	112	45	—	+7.1
(*b*) Unallocable	35	−15	29	−4	−29	−6	−1	−20	—		
III. Total Provision for Capital Formation (I+II)	**5128**	**1612**	**1888***	**2161**	**2627**	**2883**	**2734**	**11022**	**3094**	**+4.1**	**+13.2**
IV. Total Developmental Expenditure	**6893**	**2352**	**2659**	**3126**	**3949**	**4056**	**3847**	**15933**	**4244**	**−2.6**	**+10.3**
V. (I) as per cent of (IV)	**73.0**	**68.8**	**70.1**	**68.5**	**66.2**	**69.9**	**70.0**	**68.6**	**71.8**		

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

Source : Economic and Functional Classification of the Central Government Budget.

Table V. 10 : Pattern of Financing Capital Expenditure (Net)

(Rupees Crores)

Items	Third Plan Period (1961-62 to 1965-66)	Annual Plans Period (1966-67 to 1968-69)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	Fourth Plan Period (1969-70 to 1973-74)	1974-75 (Budget Estimates)	Per cent Variation of Column (9) over (7)	Per cent Variation of Column (11) over (9)
1	2	3	4	5	6	7	8	9	10	11	12	13
I. Total Capital Expenditure (Net) (1+2)	**5976**	**4495**	**1316**	**1629**	**1756**	**2459**	**2231**	**637**	**7797**	**2515**		
1. Acquisition of Assets (a + b) ..	5899	4328	1171	1491	1503	2068	1906	1967	8200	2225	— 4.9	+13.1
(a) Direct Net Investment ..	2066	978	318	429	506	538	759	609	2400	721	+13.2	+18.4
(b) Net Increase in Financial Assets (i — ii) ..	3833	3350	853	1062	997	1530	1147	1358	5800	1504	—11.2	+10.8
(i) Increase in Financial Assets ..	5076	4947	1700	1956	2051	2630	2277	2736	11073	2507	+ 4.0	— 8.4
(ii) Reduction in Financial Assets ..	1243	1597	847	894	1054	1100	1130	1378	5273	1003	+25.3	—27.2
2. Capital Transfers (Net) ..	77	167	145	138	253	391	325	—1330	— 403	290		
II. Financed by :												
A. Net Savings of the Central Government ..	**1365**	**421**	**327**	**312**	**178**	**308**	**846**	**351**	**1476**	**424**	**+14.0**	**+20.8**
B. Net Increase in Financial Liabilities (1 + 2) ..	**4609**	**4143**	**1006**	**1391**	**1408**	**2237**	**1385**	**190**	**6232**	**2091**		
1. Domestic Liabilities (a to d)	2344	2340	467	1047	1083	1963	948	1367	5927	1241	—30.4	— 9.2
(a) Market Borrowings ..	593	265	143	144	293	487	326	472	1539	498	— 3.1	+ 5.5
(b) Small Savings ..	570	355	129	184	224	373	325	350	1260	360	— 6.2	+ 2.9
(c) Other Liabilities ..	400	887	149	360	216	148	212	— 9	864	258		
(d) Sale of Treasury bills	781	833	46	359	350	955	85	554	2264	125	—42.0	—77.4
2. External Liabilities ..	2265	1803	539	344	325	274	437	—1177	305	850@		
C. Increase (—) or Decrease (+) in cash balances ..	**+2**	**—69**	**—17**	**—74**	**+170**	**—86**	**—**	**+96**	**+89**	**—**		
III. Net Increase in Assets (I.1) plus Increase in cash balances or minus Decrease in cash balances ..	**5897**	**4397**	**1188**	**1565**	**1333**	**2154**	**1906**	**1871**	**8111**	**2225**	**—13.1**	**+18.9**

@Includes miscellaneous external receipt of Rs. 340 crores.

Note : Figures for 1973-74 (Revised Estimates) are inclusive of transactions under the Indo-US Agreement, 1974. Under the Agreement, Government of India have pre-paid PL 480 and other non-PL 480 rupee loans totalling Rs. 1764.44 crores and the U.S. Government have given a grant of Rs. 1664 crores to Government of India.

Source : Economic and Functional Classification of the Central Government Budget.

estimated at Rs. 2091 crores. Domestic liabilities at Rs. 1241 crores are estimated to be lower by Rs. 126 crores than those in 1973-74. Net market borrowings at Rs. 498 crores and small savings at Rs. 360 crores are estimated to be higher by Rs. 26 crores and Rs. 10 crores, respectively. Thus the decline in domestic liabilities is accounted for by a lower provision of Rs. 125 crores for the sale of Treasury bills as compared to Rs. 554 crores in 1973-74. External liabilities at Rs. 850 crores will be higher than in 1973-74 (Rs. 587 crores exclusive of PL 480 transaction of Rs. 1764 crores under the Indo-US Agreement, 1974)([16]).

The second finance bill was presented to Parliament on July 31, 1974 for supplementing tax efforts of the original budget in the light of persisting inflationary pressures and with a view to containing the size of the deficit. This was followed by Supplementary Demands for Grants (General) presented on August 23, 1974.

Supplementary Demands

The supplementary demands for grants involved an additional expenditure of Rs. 352.70 crores. Details of the additional expenditure are given below:

(Rupees Crores)

Item	Additional Expenditure
1. Plan Expenditure for core projects	152.10
2. Foodgrains subsidy	125.00
3. Defence Services	75.00
4. Other Expenditure	0.60
Total	352.70

Apart from this additional expenditure of Rs. 352.70 crores, it is estimated that about Rs. 112 crores would be needed for further dearness allowance payable to Central Government employees in the remaining months of the year. The total additional expenditure estimated this year will thus amount to Rs. 464.70 crores. This is not fully covered by the additional taxation of Rs. 123 crores indicated in the supplementary budget and the cut of about Rs. 200 crores reportedly effected in Plan and non-Plan expenditure. It is indicated that besides further economies in expenditure, other measures like improving revenue collections, reducing the losses of some public sector enterprises and enhancing the profitability of others will also be attempted to reduce the budget deficit.

(16) Inclusive of PL 480 transactions under the Indo-US Agreement, 1974, external liabilities during 1973-74 show a net outgo of Rs. 1177 crores.

Tax Proposals—1974-75

The measures of additional resource mobilisation proposed in the original budget are expected to bring in Rs. 211 crores([17]) during 1974-75; this is exclusive of Rs. 43 crores on account of changes in postal, telegraph and telephone tariff rates which would be accounted for in reckoning the internal resources of the Posts and Telegraphs Department. Of the additional yield, Rs. 191 crores are from Union excise and Rs. 20 crores from Customs duties. Since Rs. 26 crores of the additional revenue will accrue to the States as their share in the divisible pool, net tax accrual to the Centre would be Rs. 185 crores (Table V.11).

The second finance bill has proposed further additional tax measures estimated to yield Rs. 136 crores during the remaining part of the year and Rs. 232 crores in a full year. Of these, the Centre would get Rs. 123 crores in 1974-75 and Rs. 210 crores in a full year and the States, the balance of Rs. 13 crores and Rs. 22 crores, respectively.

The total resource mobilisation of Rs. 347 crores during 1974-75 (or Rs. 443 crores in a full year) through fresh tax efforts under two Finance Bills is much higher than that made in any single year in the recent past. Major reliance has been placed on Union excise duties, the yield from which at Rs. 302 crores constitutes 87.0 per cent of the total.

A. Tax Proposals—Original Budget([18])

Personal Income Tax

In the field of direct taxes, the most important proposal in the original budget for 1974-75 related to the acceptance, in principle, of the recommendations of the Direct Taxes Enquiry Committee (Wanchoo Committee) regarding reduction in the rates of personal income tax. The Committee was of

(17) It includes subsequent tax concessions amounting to a reduction in revenue of Rs. 110 lakhs during 1974-75.

(18) For details, see Reserve Bank of India Bulletin May 1974 (pp. 893-898).

Table V. 11 : Estimated Yield for a Full Year from the Budget Proposals (First and Second Finance Bills)

(Rupees Crores)

Items	First Finance Bill (*a*)			Second Finance Bill (*d*)			Total of Two Bills (*d*)		
	Centre's share	States' share	Total	Centre's share	States' share	Total	Centre's share	States' share	Total
1	2	3	4	5	6	7	8	9	10
I. Direct Taxes	—	—	—	**63** (25)	**2** (—)	**65** (25)	**63** (25)	**2** (—)	**65** (25)
1. (*i*) Income tax on Personal incomes	(*b*)	(*b*)	(b)						
(*ii*) Wealth tax	—	—	—	—	—	—	—	—	—
2. Capital Gains tax	—	—	—	3	2	5(f)	3	2	5(f)
3. Tax on Gross Interest received by Scheduled Banks on loans and advances made in India	—	—	—	60 (25)	— (—)	**60** (25)	60 (25)	— (—)	**60** (25)
II. Indirect Taxes	**185**	**26**	**211**	**147** (98)	**20** (13)	**167** (111)	**332** (283)	**46** (39)	**378** (322)
1. Union Excise Duties	165	26	**191**	146 (98)	20 (13)	**166** (111)	311 (263)	46 (39)	357 (302)
2. Customs Duties	20	—	**20**	1(*e*)	—	1(e)	21	—	**21**
III. Grand Total (I + II)	**185**(*c*)	**26**	**211**(c)	**210** (123)	**22** (13)	**232** (136)	**395** (308)	**48** (39)	**443** (347)

(*a*) These represent estimated receipts after taking into account the effects of tax concessions announced subsequent to the presentation of the Budget.
(*b*) Effects of changes in wealth tax and of reduction in the rates of income tax on personal incomes have not been taken into account for budgetary purposes.
(*c*) Revisions in postal, telegraph and telephone tariffs would bring in an additional revenue of Rs. 42.80 crores during 1974-75 and Rs. 57.08 crores during a full year. These receipts have been accounted for in reckoning the internal resources of Posts and Telegraphs Department.
(*d*) Figures in brackets represent the yield for the remaining period of the financial year 1974-75 on account of taxation proposals of the Second Finance Bill.
(*e*) There is no change in Customs duties; additional revenue to the extent of Rs. 1 crore is expected from countervailing duties consequent on changes proposed in Central Excise duties.
(*f*) Effective from April 1, 1975. Yield from the revision in capital gains tax will be available from 1975-76 onwards.
Source : Central Government Budget Documents.

the view that prevalence of high tax rates is the first and the foremost reason for the spread of tax evasion and build up of black money[19]. It had, therefore, suggested that the maximum marginal rate of income tax (inclusive of surcharge) should be reduced from the level of 97.75 per cent to 75 per cent, with appropriate reduction in tax rates at the middle and lower levels. Based on this, the highest basic marginal rate of income tax was reduced from 85 per cent to 70 per cent and the rate of surcharge to a uniform level of 10 per cent.

(19) The Direct Taxes Enquiry Committee : The Final Report (1971), p. 18.

The loss of yield on account of concessions in personal income tax would be about Rs. 36 crores in 1974-75 and Rs. 60 crores in a full year. This is not taken into account in 1974-75 as it is expected to be made good by better tax compliance and fuller disclosure of incomes by tax payers.

With a view to simplifying the assessment procedure, separate deductions are substituted by a standard deduction. The retirement gratuities payable under the Payment of Gratuity Act, 1972 have been exempted from income tax with suitable ceilings.

Wealth Tax

Regarding wealth tax, the rates on slabs of Rs. 500,001 to Rs. 10,00,000 and Rs. 10,00,001 to Rs. 15,00,000 have been raised to 3 per cent and 4 per cent, respectively. Certain restrictions have been imposed in regard to the exemption permissible for some physical and financial assets. The new rate schedule would come into force from April 1, 1975. The changes in the wealth tax would yield Rs. 9.5 crores in 1975-76.

Companies Taxation

No changes are made in the basic rates of income tax applicable to companies. However, surtax is raised from 30 per cent to 40 per cent in respect of the chargeable profits in excess of 15 per cent of the capital. The aggregate tax liability (income tax and surtax) is limited to 70 per cent of the total income of an Indian company in which public are substantially interested and whose paid-up share capital is not less than 25 per cent of its capital and reserves. If the tax liability exceeds 70 per cent of the total income, the surtax will be reduced by the amount of such excess. The ceiling of 70 per cent is not applicable to foreign companies or closely held Indian companies. This measure would yield Rs. 5 crores during 1975-76.

Development Rebate

Tax concession by way of development rebate, which was to be withdrawn after May 31, 1974, would continue for one more year provided there is conclusive evidence to show that contracts for the purchase of ships/machinery/plant were finalised before December 1, 1973. This concession would also be available for machinery or plant manufactured by a tax-payer in his own undertaking provided steps for the manufacture of the same have been taken before December 1, 1973. Further, development rebate would be allowed to coal-fired boiler or machinery and plant for converting oil-fired boilers into coal-fired boilers, if they are installed after May 31, 1974 but before June 1, 1977.

Union Excise Duties

An overwhelming proportion of the additional yield from Union excise duties is due to the revision in rates of duties. The revision in the rates of Union excise duties would bring in an additional amount of Rs. 183 crores during 1974-75. The original budget has added six new items[20] which are expected to yield Rs. 8 crores during 1974-75. Suitable exemptions have been provided, wherever necessary, for smaller manufacturers.

Composition of Items

Based on a broad classification of the commodities subjected to additional excise levies, consumer goods (including consumer durable goods) account for about Rs. 74 crores (38.8 per cent) of the additional yield from excise levies. However, articles of mass consumption have been excluded from the increase in excise duties. Revision in duties on cotton textiles apply to *superfine*, *fine* and *medium* (A) varieties. With a view to restraining consumption of luxury items by the affluent sections of the society, rates of duty on refrigerators, T.V. sets, etc., have been raised significantly. Additional imposts on capital or basic goods are expected to yield about Rs. 27 crores. The major basic products such as iron or steel products and steel ingots would yield an additional revenue of Rs. 12 crores. Among intermediate products, which are expected to yield about Rs. 90 crores by way of revision in duty, motor spirit, cotton yarn and rayon and synthetic fibres and yarn account for Rs. 36 crores.

Customs Duties

At present, the auxiliary duties of customs are levied at three differential rates of 20 per cent, 10 per cent and 5 per cent. The rate applicable to the middle slab has been raised to 15 per cent. This change would yield Rs. 16 crores in a full year. The basic duty on alcoholic drinks has been revised.

Post and Telegraph Tariffs

The upward revisions in the postal, telegraph and telephone tariff rates are expected to yield additional revenues of Rs. 26 crores,

(20) They are : (*i*) toothpaste, (*ii*) electrical stampings and laminations, (*iii*) tape recorders, (*iv*) photographic paper, (*v*) specified cutting tools and (*vi*) permanent magnets.

Rs. 2 crores and Rs. 29 crores, respectively, in a full year.

B. Tax Proposals under the Second Finance Bill([21])

Direct Taxes

Levy on Banks' Interest Income

The Bill has proposed a levy of 7 per cent on gross amount of interest earned by the banks on their lendings. Interest on Government securities, debentures and securities issued by local authorities, companies, statutory corporations and interest on transactions between scheduled banks have been exempted from the proposed levy. The amount of tax thus borne, estimated at Rs. 60 crores in a full year and Rs. 25 crores in 1974-75, will be allowed as a deduction in computing taxable income.

Tax on Capital Gains

Tax on capital gains has been raised for both corporate and non-corporate tax payers. In the case of the former the rate of tax has been raised from 45 per cent to 55 per cent in respect of gains arising from transfer of lands and buildings; in the case of widely held companies having taxable income (other than long-term capital gains) not exceeding Rs. 1 lakh, the applicable rate would be 47 per cent. In the case of all companies, the rate of tax on gains arising from the transfer of other assets will be 45 per cent as against 35 per cent at present. For non-corporate tax payers, the deduction from long-term capital gains allowed in computing the taxable income is reduced from 35 per cent to 25 per cent where such gains relate to lands and buildings. In the case of other assets the deduction would be 40 per cent instead of 50 per cent at present. This will be effective from April 1, 1975 and apply to the assessment years 1975-76 onwards. The expected yield would amount to Rs. 5 crores in a full year.

Indirect Taxes

Excise Duties

A large part of additional resources will be raised through Union excise duties. Proposals in the field of Union excise duties are expected to yield Rs. 166 crores in a full year, of which Rs. 20 crores will accrue to the States and Rs. 146 crores to the Centre.

With the levy of 50 per cent basic duty on Caprolactam and 25 per cent effective basic duty on Dimethyl terephthalate (DMT), two more items have been included in the Union excise net. The new levies are expected to yield Rs. 12.40 crores in a full year. The revisions in Union excise duties on eighteen items are expected to yield Rs. 154.16 crores of which five items, viz., cigarettes, paper, rayon and synthetic fibres and yarn, cement and iron or steel products would yield Rs. 94.75 crores (61.5 per cent).

A broad classification of items subjected to excise levies shows that major reliance has been placed on commodities in the nature of basic and intermediate products which would yield over Rs. 100 crores. Levy on consumer goods (including consumer durables) is mainly on those items which do not enter into the category of mass consumption. Besides, the duties raised are on those items where the middlemen are retaining a large margin, to the detriment of both the consumer and the primary producer; these duties will thus help to mop up unintended gains accruing to the trade.

In view of the inflationary trends in international prices, no change has been proposed in the field of customs duties. However, additional revenue to the extent of Rs. 1 crore is expected from countervailing duties consequent on the changes proposed in the Union excise duties.

RAILWAY FINANCES

1973-74: Revised Estimates

The revised estimates for 1973-74 show a deterioration in the financial position of the Railways resulting in a large deficit of Rs. 99.7 crores([22]) against the surplus of Rs. 23.9 crores anticipated in the budget estimates([23]). Gross traffic receipts now estimated at Rs. 1170.0 crores show a short-

(21) For details, see Reserve Bank of India Bulletin, July 1974 (pp. 1282-85).

(22) According to the Railway supplementary budget 1974-75 the deficit for 1973-74 is estimated at Rs. 114.8 crores.

(23) Budget estimates for 1973-74 relate to modified budget estimates as passed by the Parliament.

rail of Rs. 93.2 crores over the budget estimates and are only Rs. 7.6 crores more than the 1972-73 level (Table V.12). The earnings from goods traffic now estimated at Rs. 709.6 crores would be lower by Rs. 75.1 crores than the budget estimates of Rs. 784.7 crores and are even lower than the level of 1972-73 (Rs. 720.7 crores). The shortfall in the goods traffic earnings was due to steep decline in the originating freight traffic which is now estimated at 192 million tonnes(24) as against 215 million tonnes anticipated in the budget estimates.

(24) As per latest figures given in the Railway supplementary budget, freight traffic for 1973-74 is estimated at 185 million tonnes.

Table V.12 : Financial Working of the Railways

(Rupees Crores)

	Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Actuals)	1973-74 (Modified B.E.)	1973-74 (R.E.)	1974-75 (B.E.) (At current rates of freights and fares)	1974-75 (B.E.) (At revised rates of freights and fares)
	1	2	3	4	5	6	7	8	9
I.	Gross Traffic Receipts	951.3	1006.7	1096.6	1162.4	1263.2	1170.0	1290.8	1427.2
II.	Total Expenditure (a+b)	804.7	861.9	927.6	998.0	1066.7	1101.1	1298.3	1298.3
	(*a*) Working Expenses (including contribution to Depreciation Reserve Fund, Pension Fund, Payment to Worked Lines)	790.1	847.5	912.0	982.8	1049.4	1084.1	1279.6	1279.6
	(*b*) Net Miscellaneous Expenditure	14.6	14.4	15.6	15.2	17.3	17.0	18.7	18.7
III.	Net Revenue (I–II)	146.6	144.8	169.0	164.4	196.5	68.9	—7.5	128.9
IV.	Dividend to General Revenues	156.4	164.6	151.2	161.5	172.6	168.6	181.7	181.7
V.	Net Surplus (+) or Deficit (—) (III—IV)	—9.8	—19.8	+17.8	+ 2.9	+23.9	—99.7	—189.2	—52.8
VI.	Liabilities on account of Works chargeable to Development Fund and Debt Servicing	—18.0	—23.8	—32.7	—18.7	—33.7	—22.7	—62.2	—62.2
VII.	**Total Surplus (+) or Deficit (—) (V+VI)**	**—27.8**	**—43.6**	**—14.9**	**—15.8**	**— 9.8**	**—122.4**	**—251.4**	**—115.0**
VIII.	Capital-at-charge @	3195.5	3330.8	3521.0	3725.8	3890.8	3886.4		4095.4
IX.	Operating Ratio (working expenses as percentage of gross receipts) ..	83.0	84.2	83.1	84.5	83.1	92.7		89.7
X.	Net Revenue as percentage of Capital-at-charge	4.6	4.3	4.8	4.4	5.1	1.8		3.1

@Excluding outlay on Metropolitan Transport Projects.

On the expenditure side, the revised estimates for ordinary working expenses at Rs. 953.0 crores show an increase of Rs. 34.8 crores over the budget estimates. The increase in the ordinary working expenses was mainly on account of implementation of the recommendations of the Third Pay Commission and three increases of dearness allowance sanctioned during the year. The additional expenditure on this account is estimated at Rs. 109.9 crores annually and Rs. 94.6 crores for 1973-74. Of this, Rs. 52.7 crores was disbursed during the year leaving a balance of Rs. 41.9 crores to be carried forward in the next year's budget. The dividend to General Revenues is estimated at Rs. 168.6 crores as compared to Rs. 172.6 crores provided in the budget estimates. The reduction in the dividend to General Revenues was on account of lower level of capital expenditure during the year due to economy measures and more loss anticipated to be sustained on the working of strategic lines.

The aggregate effect of all these developments was a net deficit of Rs. 99.7 crores which was covered by a loan from the General Revenues. In the absence of revenue surplus, the works chargeable to the Development Fund amounting to Rs. 20 crores was also met by a loan from the General Revenues.

1974-75: Budget Estimates

The Railway budget for 1974-75 envisages a deficit of Rs. 189.2 crores (at 1973-74 rates of fares and freights) as compared to the deficit of Rs. 99.7 crores in 1973-74. After taking into account the revisions in fares and freights which are expected to yield an additional revenue of Rs. 136.4 crores, the deficit for 1974-75 would be reduced to Rs. 52.8 crores. Besides, Railways have to meet the liabilities on account of works chargeable to Development Fund (Rs. 18.5 crores) and debt servicing (Rs. 43.7 crores). Thus, the Railways would borrow Rs. 115 crores from the General Revenues in 1974-75 to meet the revenue deficit and other liabilities mentioned above.

The Railway Minister presented a Supplementary Railway Budget on August 21, 1974 to the Parliament, which shows a further deterioration of Rs. 246.8 crores for the current year. The deterioration was due to decline in traffic receipts (Rs. 140 crores) on account of the Railway strike last May which disrupted the movement of goods and passenger traffic in the first quarter ending June 1974 and increase in expenses (Rs. 106.8 crores) due to post-budget developments. The increase in expenditure is mainly on account of additional dearness allowance (Rs. 56.4 crores) sanctioned from 1st January, 1st February and 1st April 1974, implementation of Miabhoy Award (Rs. 28.5 crores) and additional expenditure on fuel due to increase in coal prices from April 1974 (Rs. 9.7 crores). To cover a part of the financial gap, the Railway Minister proposed revision in fares and freights which is expected to yield Rs. 140.1 crores[25] in the remaining part of 1974-75. Besides, the Railway Minister has proposed some economy measures which are expected to save Rs. 50.4 crores in revenue expenditure in 1974-75. After taking into account the yield from revision in fares and freights and saving on account of economy measures, the Railways would still have a deficit of Rs. 109.1 crores for 1974-75.

In the budget estimates for 1974-75, the gross traffic receipts, at 1973-74 rates of fares and freights, are estimated at Rs. 1290.8 crores showing an increase of Rs. 120.8 crores (10.3 per cent) over 1973-74. Of this increase, as much as Rs. 102 crores is expected from goods traffic. The increase in the earnings from goods traffic is based on the assumption that the Railways would carry an additional 25 million tonnes of revenue earning originating freight traffic over the level likely to be achieved at the end of March 1974.

On the expenditure side, ordinary working expenses are estimated at Rs. 1148.4 crores involving an additional expenditure of Rs. 195.4 crores over 1973-74. More than half of the increase is due to escalation in staff costs (Rs. 123.1 crores) reflecting the full impact of the implementation of recommendations of the Third Pay Commission, increases in dearness allowance and throw-forward liability on this account from 1973-74.

(25) Due to exemption of gur and salt from the proposed increase in freights and because revision in fares and freights came into effect from September 15, 1974, instead of from September 9, 1974, the yield is now estimated at Rs. 136 crores.

Railway Convention Committee, 1973

The recommendations of the Railway Convention Committee, 1971, afforded certain reliefs to the extent of Rs. 107 crores in respect of dividend payable by the Railways to the General Revenues for the quinquennium 1969-74. The Railway Convention Committee, 1973, appointed in May 1973, submitted its *interim* report in December 1973; it has recommended that reliefs afforded by the 1971 Committee should be continued for 1974-75. As a result, Railways would get relief of Rs. 23.8 crores in 1974-75.

Railways' Plan Outlay

The Railways' revised Plan outlay(26) for 1973-74 is placed at Rs. 324.2 crores as against Rs. 337.5 crores envisaged in the budget estimates. The reduction in the Plan outlay was due to economy measures. Excluding the expenditure from the Depreciation Reserve Fund, the outlay for 1973-74 was Rs. 194.0 crores as compared to Rs. 237.9 crores in 1972-73 and Rs. 218.9 crores in 1971-72. For the Fourth Plan as a whole, the outlay is estimated at Rs. 1429.6 crores as compared to the revised target of Rs. 1420.0 crores (Table V.13).

For 1974-75, the Plan outlay has been placed at Rs. 368.1 crores(27) (including Rs. 115 crores met from Depreciation Reserve Fund). This represents an increase of Rs. 43.9 crores over the expenditure in 1973-74. The outlay for the Fifth Plan is envisaged at Rs. 2350 crores (excluding outlay on Metropolitan Transport Projects). About 68 per cent of the outlay is for rolling stock, track renewals and traffic facilities. It is anticipated that by the end of 1978-79 the level of freight traffic would reach 300 million tonnes which would be higher by more than 50 per cent over the existing level of freight traffic. As regards passenger traffic,

(26) Including the outlay on Metropolitan Transport Projects.

(27) In supplementary Railway budget the Railway Minister has proposed to save Rs. 25 crores in Plan expenditure.

Table V.13 : Development Expenditure of Railways

(Rupees Crores)

Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Actuals)	1973-74 (Revised Estimates)	Total for Fourth Plan	Fourth Plan Target (Revised)	1974-75 (Budget Estimates)	Fifth Plan Target
1	2	3	4	5	6	7	8	9	10
Expenditure									
1. Rolling Stock	99.2	101.8	109.8	127.4	148.9	**587.1**	**568.0**	162.4	**900.0**
2. Traffic Facilities	33.9	36.2	41.6	59.3	54.7	**225.7**	**234.0**	60.0	**500.0**
3. Track Renewals	21.2	26.1	30.7	40.4	42.0	**160.4**	**180.0**	44.8	**200.0**
4. Electrification	11.8	11.9	12.8	14.3	16.5	**67.3**	**73.0**	24.8	**120.0**
5. New Lines	10.7	14.1	13.3	14.2	14.7	**67.0**	**86.0**	13.1	**100.0**
6. Signalling and Interlocking Works, etc.	8.1	7.7	17.0	15.0	11.1	**58.9**	**49.0**	14.9	**110.0**
7. Staff Quarters	6.1	6.2	6.1	7.2	5.8	**31.4**	**36.0**	8.0	**40.0**
8. Plant and Machinery ..	3.0	2.9	3.2	6.4	6.1	**21.6**	**25.0**	8.1	**40.0**
9. Others	—1.5	44.7	75.3	67.3	24.4	**210.2**	**169.0**	32.0	**540.0**
Of which : Metropolitan Transport Projects	0.1	0.4	0.7	2.8	6.2	**10.2**	**20.0**	18.0	**200.0***
Total	**192.5**	**251.6**	**309.8**	**351.5**	**324.2**	**1429.6**	**1420.0**	**368.1**	**2550.0**

*This represents envisaged outlay for metropolitan rail projects in Calcutta, Bombay, Delhi and Madras and for taking techno-economic feasibility studies on rapid transit systems in five more cities namely, Ahmedabad, Bangalore, Hyderabad—Secunderabad, Kanpur and Poona.

Sources : (1) Explanatory Memoranda on Railway Budgets.
(2) Mid-term Appraisal of Fourth Five Year Plan.
(3) Draft Fifth Five Year Plan, 1974-79.

the Fifth Plan has estimated an increase of 4 per cent in passenger kilometres for non-suburban traffic and 5 per cent for suburban traffic.

Railways' Performance in the Fourth Plan

The Railways were expected to make a contribution of Rs. 265 crores, at 1968-69 rates of fares and freights, towards the financing of their development expenditure. As against this, they are now expected to make a negative contribution, at 1968-69 rates of fares and freights, of Rs. 286 crores thus showing a deterioration of Rs. 551 crores. Railways made up, however, a part of the deficit by raising additional resources of Rs. 327 crores as against Rs. 150 crores envisaged in the Fourth Plan. The deterioration in the financial position was mainly due to the combined effect of a considerable shortfall in freight traffic and substantial increase in the prices of the materials used by the Railways as well as a steep rise in working expenses. This has been reflected in the operating ratio ([28]) which increased from 82.5 per cent in 1968-69 to 92.7 per cent in 1973-74. The increase in gross traffic receipts (after taking into account Rs. 327 crores from the revision of fares and freight rates) was Rs. 271 crores during the Fourth Plan period. The working expenses recorded an increase of Rs. 345 crores. Thus, the entire receipts on account of revision in fares and freights was used for meeting the rise in working expenses. As a result of the deterioration in the financial working, Railways' indebtedness to the General Revenues increased from Rs. 25.3 crores at the beginning of the Fourth Plan to Rs. 208 crores at the end of the Fourth Plan.

Trends in Freight Traffic

In the Fourth Plan, the originating 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 freight traffic was considerably lower than the expectation during

(28) Ratio of working expenses to gross traffic receipts.

Table V.14 : Trends in Freight Traffic

Year	Target of Total Originating Freight Traffic (Million tonnes)	Actual Traffic: Revenue Earning Originating Traffic: Low Rated Commodities* (Million tonnes)	Actual Traffic: Revenue Earning Originating Traffic: Other Commodities (Million tonnes)	Actual Traffic: Revenue Earning Originating Traffic: Total (Million tonnes)	Actual Traffic: Railways' Own Traffic (Million tonnes)	Actual Traffic: Total (Million tonnes)	Tonne Kilometres (Million)	Average Lead of Traffic (all goods) (Kms.)
1	2	3	4	5	6	7	8	9
1965-66	245.0	123.5	38.5	162.0	41.0	203.0	116936	576
1966-67	219.0	127.1	36.9	164.0	37.6	201.6	116607	N.A.
1967-68	233.7	127.8	34.6	162.4	34.2	196.6	118860	605
1968-69	255.5	135.9	34.9	170.8	33.2	204.0£	125140	613
1969-70	211.9@ (207.9)	138.0	35.8	173.8	34.1	207.9	128248	617
1970-71	224.6@ (199.0)	133.0	34.9	167.9	28.6	196.5	127358	648
1971-72	237.2@ (210.0)	133.3	36.8	170.1	27.7	197.8	133265	674
1972-73	249.0@ (226.3)	N.A.	N.A.	175.3	26.0	201.3	136542	678
1973-74 (R.E.)	264.7@ (240.5)	N.A.	N.A.	161.7	30.3	192.0	130000	N.A.

@ Fourth Plan target.

* Commodities have been classified in to various classes ranging from 32.5 to 130 for determining the freight rates. Commodities which were charged below class 50 for wagon loads in 1971-72 have been treated as low rated commodities.

£ This does not include 0.8 million tonnes of iron for export loaded on the Balladilla-Kottavalasa section between April-October 1968, when the line was still under construction.

Note : Figures in brackets indicate target revised at the time of the Mid-term Appraisal of the Fourth Plan.

Source : A Review of the Performance of the Indian Railways.

the first two years of the Plan. The target was, therefore, scaled down to 240.5 million tonnes at the time of the Mid-term Appraisal of the Fourth Plan. The gap between the targets (both original and revised) and actual freight traffic has progressively widened over the Fourth Plan.

The shortfall in originating freight traffic was, however, set off to some extent by an increase in traffic lead i.e., average length of haul of freight traffic. The average lead of revenue earning freight traffic increased from 613 kms. in 1968-69 to 678 kms. in 1972-73. In 1973-74, due to various factors mentioned above, the average lead of revenue earning traffic during the first nine months of the year was lower by 2.4 per cent compared with the corresponding period of last year.

Trends in Passenger Traffic

In regard to passenger traffic, the Fourth Plan had estimated an increase of 20 per cent in passenger kilometres for non-suburban and 31 per cent in suburban traffic over the period of five years. These targets were achieved by 1972-73, with an increase of 22.3 per cent in non-suburban passenger kilometres and 36.3 per cent in suburban passenger kilometres (Table V.15). Passenger traffic received a set-back in 1973-74 mainly due to labour unrest which affected the Railways' operations and shortage of coal which resulted in cancellation of many trains. During the first nine months, i.e., upto December 1973, the non-suburban traffic showed a decline of about 4.5 per cent compared with the corresponding period of last year.

Table V.15 : Growth of Passenger Traffic

Year	Passengers Originating (in Millions)			Passenger Kilometres (in Millions)			Earnings from Passenger Traffic (Rs. Crores)	Average Lead of Non-Suburban Passenger Traffic (Kilometres)
	Non-Suburban	Suburban	Total	Non-Suburban	Suburban	Total		
1	2	3	4	5	6	7	8	9
1950-51	872	412	1284	59966	6551	66517	N.A.	69.1
1960-61	914	680	1594	65895	11770	77665	131.6	72.4
1965-66	1064	1018	2082	79130	17164	96294	219.2	74.8
1968-69	1129	1084	2213	87425	19515	106940	265.1	76.6
1969-70	1179	1159	2338	91214	22168	113382	278.9	76.4
1970-71	1204	1227	2431	95068	23052	118120	295.5	78.9
1971-72	1261	1275	2536	101079	24250	125329	320.1	80.2
1972-73	1268	1385	2653	106931	26596	133527	343.8	84.3
Percentage increase in 1972-73 over 1968-69 ..	12.3	27.8	19.9	22.3	36.3	24.9	29.7	10.1

Source : A Review of the Performance of the Indian Railways.

FINANCES OF THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT

1973-74: Revised Estimates

The revised estimates for 1973-74 show a deterioration in the financial working of Posts and Telegraphs Department (P & T). The surplus for 1973-74 is now estimated at Rs. 11.2 crores against Rs. 51.3 crores anticipated in the budget estimates. This deterioration was due to a shortfall in gross receipts and increase in working expenses (Table V.16). The increase in the working expenses was mainly due to implementation of the Third Pay Commission's recommendations and sanction of three increases in dearness allowance during the year. There was also an

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 (Actuals)	1973-74 (B.E.)	1973-74 (R.E.)	1974-75 (B.E.)@
1	2	3	4	5	6	7	8	9
1. Revenue Receipts ..	209.2	233.8	271.1	299.8	321.0	362.0	348.0	429.8
2. Working Expenses (net)	199.5£	205.6*	235.0	249.7	269.5	293.0	315.2	346.5
3. Net Receipts (1—2) ..	9.7	28.2	36.1	50.1	51.5	69.0	32.8	83.3
4. Dividend to General Revenues@@ ..	11.8	12.8	13.2	13.0	14.4	17.7	21.6	18.5
5. Surplus(+)/Deficit(—) (3—4)	**—2.1£**	**+15.4***	**+22.9**	**+37.1**	**+37.1**	**+51.3**	**+11.2**	**+64.8**
Appropriation to (+) or Withdrawal from (—)								
(*a*) Revenue Reserve Fund	—0.1	+13.4	+12.9	+ 2.1	+ 0.1	+5.3	+ 0.4	+ 1.8
(*b*) Capital Reserve Fund	—	—	+10.0	+35.0	+37.0	+46.0	+10.8	+63.0

@ Including the yield from the proposed revision in postal and telegraphic tariffs.

@@ 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 surplus as on 31st March 1960 (Rs. 29.8 crores) and balance in the Department's Renewal Reserve Fund at the end of 1963-64 (Rs. 52.7 crores), (*b*) at 6.75 per cent on capital advanced during 1st April 1964 to 31st March 1970, reduced by net accretion to the Renewal Reserve Fund during the same period and (*c*) at 6.75 per cent on capital advanced from 1st April 1970, reduced by the balance of P & T Capital Reserve Fund. With effect from 1st April 1970, the difference in interest at dividend rate and average rate on the Fund balance is also adjusted as reduction in the dividend payable. With effect from 1st April 1974, the P & T Department will pay dividend at 4.5% on the capital advanced upto the end of 31st March, 1964, mentioned at (*a*) above. On the capital advanced from 1st April 1964 to 31st March 1970, mentioned at (*b*) above and on the capital advanced thereafter the dividend payable will be at 6%.

£ 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.

Source : (1) Explanatory Memorandum on the Budget of the Central Government.
(2) Annual Reports of Posts and Telegraphs Department.

increase of Rs. 3.9 crores in the payment of dividend to General Revenues. The working results of different branches of P & T are presented in Table V.17.

Table V. 17 : Surplus (+) or Deficit (—) of Different Branches of Posts and Telegraphs Department

(Rupees Crores)

Year	Postal Services	Telecommunication Services	Total (2+3)
1	2	3	4
1969-70	— 5.1	+20.5	+15.4†
1970-71	— 1.0	+23.9	+22.9
1971-72	— 7.4	+44.5	+37.1
1972-73	—11.4	+48.5	+37.1
1973-74 .. .. (Budget Estimates)	— 7.6	+58.9	+51.3
1973-74 .. .. (Revised Estimates)	—32.5	+43.7	+11.2
1974-75 .. .. (Budget Estimates)*	—14.3	+79.1	+64.8

† 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.

* Including the yield from the proposed revision in postal and telegraphic tariffs.

Source : Explanatory Memoranda on the Budget of the Central Government.

The budget estimates of P & T for 1974-75 show a surplus of Rs. 22.0 crores, at 1973-74 rates of postal and telegraphic tariffs, as compared with the surpluses of Rs. 11.2 crores and Rs. 37.1 crores in 1973-74 and 1972-73, respectively. The budget envisages the revision of postal and telegraphic tariffs (which came into effect from May 1, 1974) which are expected to yield an additional revenue of Rs. 42.8 crores in 1974-75 and Rs. 57.1 crores in a full year; of the additional revenue in a full year, tariffs from telephone, postal and telegraphic services are expected to contribute Rs. 29.2 crores, Rs. 25.8 crores and Rs. 2.1 crores, respectively. After taking into account the yield from the proposed revision in tariffs, the surplus for 1974-75 would go up to Rs. 64.8 crores.

1974-75: Budget Estimates

Gross receipts for 1974-75, at 1973-74 rates of postal and telegraphic tariffs, are estimated at Rs. 387.0 crores which would be higher by Rs. 39.0 crores (11.2 per cent) over 1973-74. After taking into account the yield (Rs. 42.8 crores) from the proposed revision of postal and telegraphic tariffs, the gross receipts would go up to Rs. 429.8 crores. On the expenditure side, working expenses (net) for 1974-75 estimated at Rs. 346.5 crores would be higher by Rs. 31.3 crores (9.9 per cent) over 1973-74. After providing for dividend to General Revenues at Rs. 18.5 crores, the P & T would show a surplus of Rs. 64.8 crores.

Capital Outlay

According to the revised estimates for 1973-74, capital outlay is estimated at Rs. 125.0 crores as against Rs. 106.7 crores envisaged in the budget estimates (Table V.18). The total outlay for the Fourth Plan is estimated at Rs. 434.3 crores as against Rs. 492.3 crores originally envisaged in the Fourth Plan and revised outlay of Rs. 514.8 crores. The Plan outlay for 1974-75 is placed at Rs. 148.4 crores which represents an increase of Rs. 23.4 crores (18.7 per cent) over 1973-74. The Plan outlay for P & T for the Fifth Plan is estimated at Rs. 1087.5 crores (Rs. 57.5 crores for postal services and Rs. 1030.0 crores for telecommunication services). A major part of the outlay, i.e., 82.8 per cent (Rs. 900.0 crores) would be financed from the Department's internal resources to be generated during the Plan period.

Table V. 18 : Capital Outlay of Posts and Telegraphs Department

(Rupees Crores)

Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Actuals)	1973-74 (B.E.)	1973-74 (R.E.)	Total for 1969-70 to 1973-74	Fourth Plan Outlay	1974-75 (B.E.)
1	2	3	4	5	6	7	8	9	10
I. Expenditure									
(a) Postal	4.8	4.7	6.5	7.2	8.2	5.5	28.7	26.0	7.4
(b) Telecommunication ..	53.3	46.4	74.7	91.3	88.8	109.8	375.5	466.3 (488.8)	125.6
(c) Stores and manufacture suspense	—5.2	0.9	—1.1	25.8	9.7	9.7	30.1		15.4
Total Expenditure ..	**52.9**	**52.0**	**80.1**	**124.3**	**106.7**	**125.0**	**434.3**	**492.3 (514.8)**	**148.4**
II. Financed from :									
(i) Receipts and Recoveries on Capital Account ..	—	—	0.1	—	13.2	16.1	16.2		20.0
(ii) Advance Rentals Received under O.Y.T. and Other Schemes	8.7	10.0	8.9	—	9.0	17.0	44.6		10.0
(iii) Capital Reserve Fund ..	1.2	4.2	14.4	36.1	25.5	17.1	73.0		48.8
(*iv*) Depreciation on Historical Costs Transferred from Revenue	1.1@	16.2	17.5	19.7	24.3	23.1	77.6	289.0 (306.0)	27.5
(*v*) Contribution towards Capital Expenditure from Revenue	8.5	14.6	16.4	19.3	23.7	22.7	81.5		26.7
(vi) Capital Advanced from the General Revenues ..	33.4	7.0	22.8	49.2	11.0	29.0	141.4	203.3 (208.8)	15.4
Total ..	**52.9**	**52.0**	**80.1**	**124.3**	**106.7**	**125.0**	**434.3**	**492.3 (514.8)**	**148.4**

@ Met from Renewal Reserve Fund.

Note : Figures in brackets in column 9 indicate the targets revised at the time of Mid-term Appraisal of the Fourth Plan.

Sources : (1) Figures for 1969-70 are from Combined Finance and Revenue Accounts of the Central and State Governments in India,
(2) For 1971-72 and 1972-73 from Annual Reports of Indian P & T. Department.
(3) For 1973-74 (B.E. & R.E.) and 1974-75 (B.E.) from Explanatory Memorandum on the Budget of the Central Government.

BUDGETARY OPERATIONS OF STATE GOVERNMENTS

The revised estimates for 1973-74 show the deficit([29]) of all States together at Rs. 211 crores as compared with Rs. 202 crores([30]) envisaged in the budget estimates (Table V.19). The more recent data based on Reserve Bank records, however, indicate that the actual deficit would be Rs. 175 crores([31]).

The budgets of State Governments for 1974-75 were framed in the light of the recommendations of the Sixth Finance Commission which submitted its report in October 1973. According to the Commission's recommendations accepted by the Central Government, there will be a larger devolution of the resources from the Centre to the States than under Fifth Finance Commission's recommendations. The States will benefit in two ways. First, the Commission has recommended a substantial increase in transfer of resources from the Centre to States, particularly in grants-in-aid under Article 275 of the Constitution for covering non-Plan revenue deficits of States and for improvement in administrative and social services in some backward States where the level of these services is lower than the all-India average. Such grants-in-aid to States would increase from Rs. 711 crores during the Fourth Plan period to Rs. 2510 crores during the next five years. Also, the share of States in the divisible pool of taxes has been enlarged. The estimated share of States in Central taxes and duties would amount to Rs. 7099 crores during the Fifth Plan period compared with Rs. 4605 crores during the preceding five-year period. Secondly, the Commission, which reviewed the non-Plan capital gap of the States for the first time, has recommended consolidation of outstanding loans from the Centre and revision of terms of repayment as a result of which the States would get a debt relief of Rs. 1970 crores over a period of five years. Altogether, the States would derive an additional benefit of Rs. 6263 crores over the Fifth Plan period.

(29) For definition refer to footnote (3) on page 71.

(30) This deficit would differ slightly from that published in last year's Report due to revision in data by State Governments.

(31) Based on variations in cash balances, net ways and means advances from R. B. I. and holdings of Treasury bills as per R. B. I. records.

In the light of these recommendations, the Centre has made it clear that it would not provide any other special accommodation for covering the budgetary gap of States and accordingly, no provision has been made on this account in the Central budget for 1974-75. Despite this, as many as sixteen States have shown deficits (at 1973-74 rates of taxation) amounting to Rs. 193 crores; the remaining five States have shown surpluses aggregating Rs. 23 crores, thus leaving an overall gap of Rs. 170 crores (Table V.19). However, additional resource mobilisation measures are expected to yield Rs. 164 crores in 1974-75 as compared to Rs. 40 crores in 1973-74. After taking into account the yield from new measures proposed by the States as well as States' share in Centre's fresh tax measures proposed in 1974-75 budget, the overall budgetary position would show a surplus of Rs. 33 crores. Besides, Maharashtra has not taken credit for receipts from market borrowings (gross) of Rs. 27 crores([32]) during 1974-75; if credit is taken for this, States' surplus would go up further to that extent.

Revised Estimates : 1973-74

Trends in Receipts

Aggregate receipts, which in terms of the budget estimates were to rise by Rs. 431 crores (5.9 per cent) over 1972-73, recorded an increase of Rs. 674 crores (9.2 per cent) (Table V.20). The substantial improvement in the aggregate receipts was largely on account of increase in States' own revenue receipts, particularly in tax receipts; tax receipts increased by Rs. 269 crores (14.0 per cent) over 1972-73 as against the budgeted increase of Rs. 127 crores (6.6 per cent). The buoyancy in States' own tax receipts was due to increases in commodity prices and also because of the collection of tax arrears of 1972-73 accumulated in the wake of severe drought in several States. The resources transferred from the Centre in the form of States' share in Central taxes and grants-in-aid, which were budgeted to rise by Rs. 313 crores (15.8 per cent), actually increased by only Rs. 191 crores (9.6 per cent). The lower in-

(32) The Finance Minister of Maharashtra has indicated in his budget speech market borrowings of Rs. 13 crores (net) for 1974-75. Including the maturities of Rs. 14 crores Maharashtra's gross market borrowings can be taken at Rs. 27 crores.

Table V. 19 : Overall Surplus (+) or Deficit (—) of States

(Rupees Crores)

States	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
1	2	3	4	5	6	7	8
1. Andhra Pradesh	— 9.8	—34.3	—24.8	+71.0	— 4.8	—16.6	— 9.4 (— 8.2)
2. Assam ..	+20.1	— 5.4	— 9.8	+33.0	— 3.8	— 3.7	+ 3.1 (+ 4.6)
3. Bihar ..	+ 1.0	—17.4	—16.2	+44.7	—38.5 (—31.7)	—13.0	+18.5 (+20.1)
4. Gujarat ..	+ 6.0	—11.5	+ 2.8	—15.2	— 2.3	—11.6	— 7.2 (—)
5. Haryana ..	+ 3.8	— 9.8	—26.4	+32.6	—11.5 (— 6.4)	+ 0.8	— 12.8 (— 3.9)
6. Himachal Pradesh		+ 4.5$	— 9.8	— 4.4	—10.0	+10.1	— 1.7 (+ 0.2)
7. Jammu & Kashmir	+ 0.3	+ 0.3	— 1.6*	— 0.1	— 5.0@	—	— 8.7
8. Karnataka ..	+ 0.7	—12.8	—36.0	+54.0	—36.1 (—34.1)	—19.0	—4.8 (+12.4)
9. Kerala ..	— 5.5	— 9.1	—36.5	+49.0	—30.7	—10.3	— 2.08$$ (+ 4.7)
10. Madhya Pradesh	+14.1	+ 7.7	+ 9.4	— 2.0	—29.1 (—25.9)	—27.1	—23.2 (—22.4)
11. Maharashtra ..	—36.3	— 6.8	+ 7.8	— 3.1	—30.1† (—20.3)	—20.8	— 65.9† (—35.1)
12. Manipur ..		— 1.3	— 7.7	— 6.0	— 3.3	+ 0.3	+ 0.4$$
13. Meghalaya ..		— 0.2	+ 0.3	— 2.1	— 9.8	— 0.1	+ 1.0
14. Nagaland ..	+ 2.9	+ 0.3	— 0.4	+ 0.4	— 0.9	— 3.6	+ 0.2
15. Orissa ..	+28.0	+ 3.6	—18.9	+ 7.8	— 2.0	+ 1.0	— 1.9 (+ 5.9)
16. Punjab ..	+ 5.5	+10.1	— 3.9	+ 6.2	—31.7 (—27.1)	—24.7	—19.6 (— 1.9)
17. Rajasthan ..	+10.8	—46.0	—20.8	+89.4	—24.2 (—22.2)	— 6.2	— 3.8
18. Tamil Nadu ..	+ 5.7	—15.1	—38.9	+85.2	+ 5.0	—25.4	—13.1 (— 3.1)
19. Tripura ..			+ 4.3£	— 6.4	— 6.4	—11.6	— 2.8
20. Uttar Pradesh ..	+26.0	+10.7	—34.3	— 4.2	— 8.4 (— 4.4)	—20.4	— 4.3 (+ 22.5)
21. West Bengal ..	—14.2	— 8.6	—27.8	—15.9	— 0.1 (+ 2.6)	— 9.4	— 11.8 (+12.1)
TOTAL (1 to 21)	**+59.1**	**—141.1**	**—289.2***	**+413.9 (— 7.2)****	**—283.7 (—243.5)@@**	**—211.3**	**—169.8 (— 5.8)££**

$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 Limited is taken into account.

£This relates to the period from 21-1-1972 to 31-3-1972.

@To ensure uniformity in the presentation of data, market borrowings (Rs. 3.0 crores) by Jammu and Kashmir State Electricity Board are excluded.

†Excluding receipts from market borrowings.

$$Figures are provisional.

**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 R.B.I. as at the end of April 1972.

@@The overall deficit would be reduced further by Rs. 42 crores if the share of States in the additional tax measures undertaken by the Centre is taken into account.

££This deficit will be converted into a surplus if the States' share in Centre's additional taxation (Rs. 26 crores) is taken into account. This surplus would further go up by Rs. 13 crores if the States' share in Centre's additional taxes proposed in the supplementary budget presented on July 31, 1974 is taken into account.

Notes : 1. Figures in brackets indicate the overall position after taking into account the yield from proposed measures of additional resource mobilisation (including tax concessions) by States.

2. Data given in this Table and in Tables V. 20, 21, 23, 24 and 26 will slightly differ from those given in Annual Report due to revision in figures.

Table V. 20 : Resources by Main Groups—States

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)		1973-74 (Revised Estimates)		1974-75 (Budget Estimates)†	
	Amount	Amount	Precentage increase(+) or decrease (—)over the previous year	Amount	Percentage increase(+) or decrease (—)over the previous year	Amount	Percentage increase(+) or decrease (—)over the previous year
1	2	3	4	5	6	7	8
A. Revenue Account							
Total Revenue Receipts (1+2) ..	**4912**	**5383** (5465)	**+ 9.6** (+11.3)	**5499**	**+12.0**	**5859** (6049)	**+ 6.5** (+10.0)
1. Tax Revenue (a+b) ..	2989	3162 (3243)	+ 5.8 (+ 8.5)	3372	+12.8	3560 (3719)	+ 5.6 (+10.3)
(*a*) States' Own Tax Revenue ..	1928	2016 (2055)	+ 4.6 (+ 6.6)	2197	+14.0	2364 (2497)@	+ 7.6 (+13.7)
(*b*) Share from the Centre $ ..	1061	1146 (1188)	+ 8.0 (+12.0)	1175	+10.7	1196 (1222)	+ 1.8 (+ 4.0)
2. Non-Tax Revenue (a+b) ..	1923	2221 (2222)	+15.5 (+15.5)	2127	+10.6	2299 (2330)	+ 8.1 (+ 9.5)
(*a*) States' Own Non-Tax Revenue $$	997	1109 (1110)	+11.2 (+11.3)	1124	+12.7	1221 (1252)	+ 8.6 (+11.4)
(*b*) Grants-in-aid from the Centre	926	1112	+20.1	1003	+ 8.3	1078	+ 7.5
B. Capital Account							
Total Capital Receipts (a+b) ..	**2875** (2454)	**2332**	**—18.9** (— 5.0)	**2541**	**—11.6** (+ 3.5)	**2054**	**—19.2**
(*a*) States' Own Capital Receipts††	925	1030*	+11.4	949	+ 2.6	1020	+ 7.5
Of which : Market Borrowings ..	216£	193£*	—10.6	167£	—22.7	265	+58.7
(*b*) Loans from the Centre ..	1950 (1529)	1302	—33.2 (—14.8)	1592	—18.4 (+ 4.1)	1034	—35.1
C. Grand Total (Revenue and Capital Accounts) (A+B)	**7787** (7366)	**7715** (7797)	**—0.9** (+0.1) [+4.7] (+5.9)	**8040**	**+ 3.2** (+ 9.2)	**7913** (8103)	**— 1.6** (+0.8)

† Figures for Kerala and Manipur are provisional.

$ Comprises share of income tax, estate duty and union excise duties.

$$ Comprises interest receipts, dividends and receipts from general services, social and community services and economic services.

†† Comprise internal debt, loans and advances repaid to State Governments, small savings, provident funds, etc., (net), reserve funds (net), deposits and advances (net) and suspense and miscellaneous (net).

* To ensure uniformity in the presentation of data, market borrowings (Rs. 3 crores) by Jammu and Kashmir Electricity Board are excluded.

£ In the case of Tamil Nadu entire permanent debt has been taken into account as details are not available.

@ This would go up by Rs. 13 crores if the States' share in Centre's additional taxes proposed in the supplementary budget is taken into account.

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification.

2. In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74 (B.E. and R.E.) on the basis of the old classification have been broadly converted into revised classification.

3. Figures in brackets for 1972-73 (Accounts) exclude Rs. 421 crores of net ways and means asistance received from the Centre to clear States' outstanding overdrafts with R.B.I. as at the end of April 1972.

4. Figures in brackets for 1973-74 (B.E.) include the yield from measures for additional resource mobilisation undertaken by States (Rs. 40 crores) and share of States (Rs. 42 crores) in the additional tax measures undertaken by the Centre.

5. Figures in brackets for 1974-75 (B.E.) include the yield from measures for additional resource mobilisation proposed by States (Rs. 164 crores) and share of States (Rs. 26 crores) in the additional tax measures proposed by the Centre.

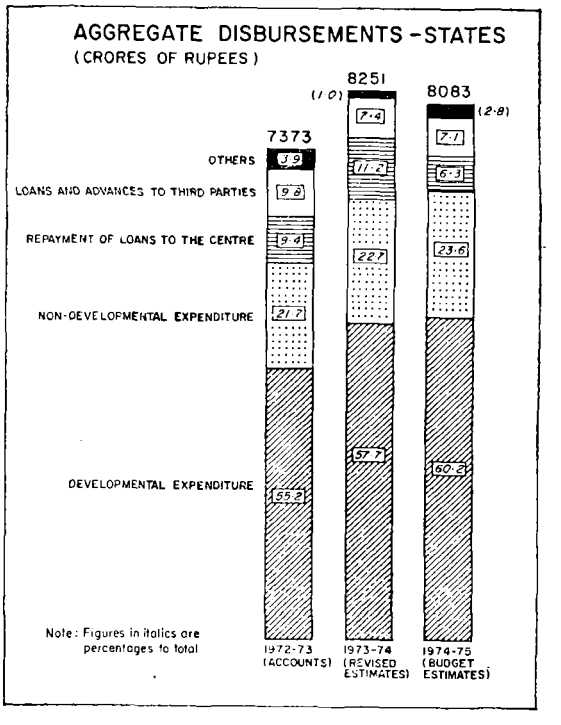
6. Figures in square brackets indicate percentage increase over bracketed figures for 1972-73 (Accounts).

crease on this account was due to lower grants-in-aid. This was, however, made good by an increase in loans from the Centre which increased by Rs. 63 crores(33) (4.1 per cent) to Rs. 1592 crores over 1972-73 as against a decline of Rs. 227 crores (14.8 per cent) anticipated in the budget estimates. The increase in loans from the Centre was mainly on account of ways and means advances given to some States and loans for non-Plan purposes particularly for relief works on account of natural calamities, special accommodation for covering the budgetary gap and loans out of small savings collection. Because of the Centre's economy measures, the States received loans for Plan schemes lower than anticipated in the budgets. States' own capital receipts, which were budgeted to rise by Rs. 105 crores (11.4 per cent), showed only a marginal increase of Rs. 24 crores (2.6 per cent) over 1972-73. This was the result of lower market borrowings and reduced recoveries of loans and advances granted to third parties compared to the budget estimates.

Trends in Disbursements

Aggregate disbursements which were budgeted to rise by Rs. 626 crores (8.5 per cent) over 1972-73, actually increased by Rs. 878 crores (11.9 per cent) (Table V.21). The States spent Rs. 375 crores on natural calamities relief in areas affected by drought against Rs. 296 crores in 1972-73. However, unlike in 1972-73 when a major portion of such expenditure was incurred in providing gratuitous relief, 65.9 per cent of such expenditure in 1973-74 was of a developmental nature like construction of roads, irrigation works, minor irrigation, etc. (Table V.22). Inclusive of expenditure on such relief, developmental expenditure increased by Rs. 692 crores (17.0 per cent) over 1972-73 as against an increase of Rs. 621 crores (15.3 per cent) anticipated in the budget estimates. Excluding the expenditure on natural calamities, developmental expenditure would show an increase of Rs. 613 crores (16.3 per cent) as against an increase of Rs. 645 crores (17.1 per cent) anticipated in the budget estimates. There was also a marginal increase in the States' non-developmental expenditure as compared to the budget estimates. Repayment of loans to the Centre which was estimated to show an increase of Rs. 90 crores (13.1 per cent) over 1972-73, actually increased by Rs. 232 crores (33.7 per cent). The repayment of ways and means advances and short-term loans received during the year accounted for this increase. Loans and advances to third parties which were estimated to show a decline of Rs. 163 crores (22.6 per cent), declined only by Rs. 112 crores (15.5 per cent).

Graph 33



Budget Estimates : 1974-75

Trends in Receipts

At current tax rates, aggregate receipts at Rs. 7913 crores are expected to be lower by Rs. 127 crores (1.6 per cent) than in 1973-74 mainly due to a sharp decline in loans from the Centre. However, after taking into account the yield from the new measures proposed by States (Rs. 164 crores) as well as States' share in Centre's fresh tax efforts (Rs. 26 crores)(34), aggre-

(33) Arrived at after excluding Rs. 421 crores of net ways and means assistance given by the Centre for clearing States' outstanding overdrafts as at the end of April 1972.

(34) States' share will go up to Rs. 39 crores if their share in additional taxes proposed in the supplementary budget presented on July 31, 1974 is taken into account.

gate receipts would go up by Rs. 190 crores to Rs. 8103 crores. The pattern of States' aggregate receipts reveals that the States' own tax receipts (at 1973-74 rates of taxation) at Rs. 2364 crores would show an increase of 7.6 per cent over 1973-74; after taking into account the yield from the new measures, these would show an increase of 13.7 per cent, that is, more or less the same as in 1973-74 (14.0 per cent).

Resources transferred from the Centre in the form of shared taxes and grants are budgeted to show an increase of 5.6 per cent as against

Table V. 21 : Disbursements by Main Groups—States

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
1	2	3	4	5
I. Total Revenue Expenditure (a+b+c) ..	**4982**	**5674** (+13.9)	**5725** (+14.9)	**5828** (+1.8)
(a) Developmental (i+ii)	**3350**	**3774** (+12.7)	**3813** (+13.8)	**3873** (+1.6)
(i) Social and Community Services (a)	2079	2333 (+12.2)	2398 (+15.3)	2316 (—3.4)
(ii) Economic Services (b) ..	1271	1441 (+13.4)	1415 (+11.3)	1557 (+10.0)
(b) Non-Developmental (c)	1582	1831 (+15.7)	1853 (+17.1)	1880 (+1.5)
(c) Compensation and Assignments to Local Bodies	50	69 (+38.0)	59 (+18.0)	75 (+27.1)
II. Total Capital Disbursements (a to e) ..	**2391**	**2325** (—2.8)	**2526** (+5.6)	**2255** (—10.7)
(a) Capital Outlay (1+2)	**740**	**947** (+28.0)	**972** (+31.4)	**1024** (+5.3)
1. Developmental (i+ii)	**718**	**915** (+27.4)	**947** (+31.9)	**996** (+5.2)
(i) Social and Community Services (a)	81	122 (+50.6)	102 (+25.9)	127 (+24.5)
(ii) Economic Services (b) ..	637	793 (+24.5)	845 (+32.7)	869 (+2.8)
2. Non-Developmental (d) ..	22	32 (+45.5)	25 (+13.6)	28 (+12.0)
(b) Discharge of Internal Debt ..	114	40 (—64.9)	49 (—57.0)	130 (+165.3)
(c) Repayment of Loans to the Centre	689	779 (+13.1)	921 (+33.7)	511 (—44.5)
(d) Loans and Advances by State Governments	721	558 (—22.6)	609 (—15.5)	574 (—5.7)
(e) Others (e)	127	1	—25	16
III. GRAND TOTAL (Revenue and Capital Accounts) (I+II)	**7373**	**7999** (+8.5)	**8251** (+11.9)	**8083** (—2.0)

(a) Comprise expenditure on education, art and culture, medical and public health, natural calamities relief, etc.
(b) Comprise expenditure on forests, industries, irrigation, multipurpose river valley projects, etc.
(c) Comprises debt servicing, interest payment, expenditure on administrative services, etc.
(d) Comprises outlay on public works for general services.
(e) Comprises appropriation to contingency fund and remittances (net).

Notes: 1. Figures given here are not comparable with those published in earlier Currency Reports due to changes in budgetary classification.
2. In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74 (B.E. and R.E.) on the basis of the old classification have been broadly converted into the revised classification.
3. Figures for Manipur and Kerala are provisional for 1974-75 (B.E.).
4. Figures in brackets represent percentage variation over the previous year.

Table V.22 : Expenditure on Natural Calamities by State Governments

(Rupees Crores)

Items	1972-73 (Accounts)		1973-74 (Budget Estimates)		1973-74 (Revised Estimates)		1974-75 (Budget Estimates)	
	Amount	Per cent to Total	Amount	Per cent to Total	Amount	Per cent to Total	Amount	Per cent to Total
1	2	3	4	5	6	7	8	9
1. Total Expenditure (a to d) ..	**295.60**	**100.0**	**271.87**	**100.0**	**375.45**	**100.0**	**71.40**	**100.0**
(*a*) Special Relief ..	6.71	2.3	10.02	3.7	10.35	2.8	5.96	8.3
(*b*) Gratuitous Relief	100.57	34.0	31.57	11.6	52.24	13.9	8.32	11.7
(*c*) Relief Works ..	131.16	44.4	143.22	52.7	247.52	65.9	18.44	25.8
(*d*) General ..	57.16	19.3	87.06	32.0	65.34	17.4	38.68	54.2
..	(5.81)	(2.0)	(11.73)	(4.3)	(12.16)	(3.2)	(29.00)	(40.6)

Notes : (1) Figures for Kerala and Manipur for 1974-75 (Budget Estimates) are provisional.
(2) Figures in brackets indicate transfers to Famine Relief Fund.

an increase of 9.6 per cent in 1973-74. States' share in Central taxes is expected to show an increase of 4.0 per cent as against an increase of 10.7 per cent in 1973-74. Grants-in-aid would also show a lower increase of 7.5 per cent as compared to an increase of 8.3 per cent in 1973-74. As pointed out earlier, under the Sixth Finance Commission's Award the fixed non-Plan grants to States under Article 275 of the Constitution would increase substantially. Accordingly, as per Central budget for 1974-75, such grants would increase to Rs. 482 crores from Rs. 131 crores in 1973-74. Further, the Sixth Finance Commission has recommended that instead of providing assistance to States for natural calamities relief on an *ad hoc* basis, provision should be made on a much larger scale for development of drought and flood-prone areas in the Fifth Plan, both in the State and Central sectors. Accordingly, no provision has been made in the Central budget for 1974-75 for grants for this purpose as against Rs. 145 crores given to States in 1973-74. Thus, a low rate of increase in grants-in-aid in 1974-75 is explained mainly by a decline in non-Plan grants (other than fixed grants).

As regards the capital receipts of States, the budgeted amount of Rs. 2054 crores shows a decline of 19.2 per cent as compared to 1973-74. States' own capital receipts which had shown a marginal increase of 2.6 per cent in 1973-74 are expected to show an increase of 7.5 per cent in 1974-75. Loans from the Centre, on the other hand, budgeted at Rs. 1034 crores would be lower by 35.1 per cent than those in 1973-74. The substantial decline in loans from the Centre is mainly due to the absence of provision for loans for meeting the expenditure on relief works on account of natural calamities and for covering the budgetary gaps as recommended by the Sixth Finance Commission.

States' own receipts are expected to show a rise of Rs. 499 crores (11.7 per cent) during 1974-75 as compared to a rise of Rs. 420 crores (10.9 per cent) in 1973-74. States' own tax receipts have shown a consistent and marked improvement during the last five years; such own tax receipts for 1974-75 budgeted at Rs. 2497 crores would show an improvement of Rs. 1141 crores (84.1 per cent) over 1969-70. States' own capital receipts for 1974-75 estimated at Rs. 1020 crores would represent an increase of Rs. 214 crores (26.6 per cent) over 1969-70. As regards the transfer of resources from the Centre, while the revenue transfers in the form of shared taxes and grants-in-aid have been consistently rising from 1969-70, loans from the Centre have not shown much rise except in 1972-73 and 1973-74 when States were given substantial loan assistance for non-Plan purposes, viz., for meeting the expenditure on natural calamities, purchasing fertilisers, to cover the gap in resources, etc.

In 1974-75 the transfer of resources from the Centre estimated at Rs. 3334 crores, would show a decline of Rs. 436 crores (11.6 per cent) over 1973-74 as against an increase of Rs. 254 crores (7.2 per cent) in 1973-74. This decline is on account of lower provision for loans from the Centre. However, if transfer of resources is taken as net of repayment of loans to the Centre, it would show a marginal decline of Rs. 26 crores as against an increase of Rs. 22 crores in 1973-74. The resources transferred from the Centre in the form of grants, shared taxes and loans (gross) accounted for 47.7 per cent of States' aggregate receipts in 1972-73. This proportion has declined to 46.9 per cent and 41.1 per cent in 1973-74 and 1974-75, respectively (Table V.23).

Table V.23 : Resources Transferred from the Centre to the States

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (B. E.)@	1973-74 (R. E.)	1974-75 (B. E.) £
1	2	3	4	5
I. Aggregate Receipts (Revenue and Capital Accounts)	**7787 (7366)**	**7797**	**8040**	**7913 (8103)**
Of which :				
(*a*) Share in Central Taxes ..	1061	1188	1175	1196 (1222)
(*a*) as per cent of I ..	13.6[14.4]	15.2	14.6	15.1[15.1]
(*b*) Grants-in-aid from the Centre	926	1112	1003	1078
(*b*) as per cent of I ..	11.9[12.6]	14.3	12.5	13.6[13.3]
(*c*) Loans from the Centre (gross)	1950 (1529)	1302	1592	1034
(*c*) as per cent of I ..	25.1[20.7]	16.7	19.8	13.1[12.7]
(*d*) Total Resources Transferred from the Centre (a+b+c)	3937 (3516)	3602	3770	3308 (3334)
(*d*) as per cent of I ..	50.6[47.7]	46.2	46.9	41.8[41.1]

@ Including yield from additional tax measures undertaken by States (Rs. 40 crores) and States' share in Centre's additional taxation (Rs. 42 crores).

£ Figures for Kerala and Manipur are provisional.

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification.
2. In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74(B.E. and R.E.) on the basis of the old classification have been broadly converted into the revised classification
3. Figures in round brackets for 1972-73 (Accounts) exclude Rs. 421 crores of net ways and means assistance received from the Centre to clear States' outstanding overdrafts with R.B.I.
4. Figures in round brackets for 1974-75 (B.E.) are after taking into account additional tax measures proposed by the States (Rs 164 crores) and States' share in Centre's additional taxation (Rs. 26 crores)
5. Figures in square brackets are percentages to aggregate receipts given in brackets.

Trends in Disbursements

Aggregate disbursements at Rs. 8083 crores would be lower by 2.0 per cent (Rs. 168 crores) (Table V.24). Developmental expenditure at Rs. 4869 crores would show an increase of 2.3 per cent over 1973-74 as against an increase of 17.0 per cent in 1973-74. However, excluding the expenditure on natural calamities, developmental expenditure would show a rise of Rs. 413 crores (9.4 per cent) as against an increase of Rs. 613 crores (16.3 per cent) in 1973-74. For expenditure on natural calamities, a provision of Rs. 71 crores has been made as against Rs. 375 crores in 1973-74. Non-developmental expenditure is expected to show a much smaller increase of 1.6 per cent over 1973-74 as against an increase of 17.1 per cent in 1973-74. In the light of the recommendations of the Sixth Finance Commission in respect of debt relief to States, repayment of loans to the Centre has been budgeted at Rs. 511 crores which would show a decline of 44.5 per cent over 1973-74. Loans and advances to third parties have been budgeted lower by 5.7 per cent over 1973-74.

Table V.24 : Aggregate Disbursements-States

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
1	2	3	4	5
I. Aggregate Disbursements	**7373**	**7999**	**8251**	**8083**
Of which :				
1. Developmental Expenditure	4068	4689	4760	4869
1 as per cent of I	55.2	58.6	57.7	60.2
2. Non-Developmental Expenditure	1604	1863	1878	1908
2 as per cent of I	21.7	23.3	22.7	23.6
Of which :				
(*a*) Interest on Debt	470	531	561	598
2 (*a*) as per cent of I	6.4	6.7	6.8	7.4
3. Discharge of Internal Debt	114	40	49	130
3 as per cent of I	1.5	0.5	0.6	1.6
4. Repayment of Loans to the Centre	689	779	921	511
4 as per cent of I	9.4	9.7	11.2	6.3
5. Total Debt Services (2 (*a*) +3+4)	1274	1350	1531	1239
5 as per cent of I	17.3	16.9	18.6	15.3
6. Loans and Advances to Third Parties	721	558	609	574
6 as per cent of I	9.8	7.0	7.4	7.1

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification.
2. Figures for Manipur and Kerala for 1974-75 (Budget Estimates) are provisional.

States' Plan Outlay

For 1974-75, the first year of the Fifth Five Year Plan, the States' Plan outlay is placed at Rs. 2117 crores which represents an increase of Rs. 281 crores (15.3 per cent) over the Plan outlay of Rs. 1836 crores for 1973-74. However, the Plan outlay for 1974-75 is not strictly comparable with that of 1973-74 because it has been formulated on the basis of the concept of gross capital formation and includes a number of other items which were not covered by the Annual Plan for 1973-74, as explained in a subsequent paragraph. The State-wise distribution of Plan outlay is shown in Table V.25. The Plan outlay for 1974-75 would be financed to the extent of Rs. 780 crores (36.8 per cent) by Central assistance and the remaining Rs. 1337 crores from States' own resources.

Proposals to Raise Additional Resources

During 1974-75, all States except Jammu and Kashmir, Manipur, Meghalaya, Nagaland, Rajasthan and Tripura have proposed additional resource mobilisation measures which, as mentioned earlier, are expected to yield Rs. 164 crores in 1974-75. While most of the States proposed the measures at the time of the presentation of their budgets, Punjab and Haryana announced new tax proposals subsequently. Most of the States propose to raise resources through conventional

Table V.25 : Plan Outlay of States and Union Territories

(Rupees Crores)

States/Union Territories	As proposed in					Total 1969-70 to 1973-74	Targets for IV Plan	As proposed in 1974-75
	1969–70	1970–71	1971–72	1972–73	1973–74			
1	2	3	4	5	6	7	8	9
1. Andhra Pradesh ..	62	80	87	105	87	421	421	127
2. Assam	34	48	50† (8)	48† (8)	65† (12)	245† (28)	262	54
3. Bihar	64	86	97	100	133	480	531	169
4. Gujarat	75	86	96	106	122	485	455	143
5. Haryana	23	40	61	82	71	277	225	82
6. Himachal Pradesh ..	@	@	21	27	31	79		31
7. Jammu and Kashmir	24	29	31	36	44	164	158	48
8. Karnataka	51	65	70	72	82	340	350	111
9. Kerala	34	46	60	64	70	274	258	74
10. Madhya Pradesh ..	49	67	90	109	146	461	383	152
11. Maharashtra ..	115	157	179	206	249	906	898	276
12. Manipur	@	@	@	8	9	17		12
13. Meghalaya	@	@	$	$	$			14
14. Nagaland	6	8	8	9	11	42	40	14
15. Orissa	32	42	48	57	66	245	223	71
16. Punjab	45	50	79	85	101	360	294	108
17. Rajasthan	43	54	63	65	75	300	302	80
18. Tamil Nadu	72	79	80	116	120	467	519	112
19. Tripura	@	@	@	8	12	20		11
20. Uttar Pradesh ..	160	179	209	225	250	1023	965	255
21. West Bengal	43	53	59	74	92	321	322	148
22. Union Territories ..	66	79	69	65	86	365	425	88
23. Hill and Tribal Areas								25
TOTAL (1 to 23) ..	**998**	**1248**	**1457**	**1667**	**1922**	**7292**	**7031**	**2205**

† Includes Plan outlay for 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 : (1) Annual Plan 1969-70 to 1974-75.
(2) Draft Fourth Five Year Plan 1969-74, Planning Commission, Government of India.

measures. The revision in sales tax rates alone is expected to contribute an additional revenue of Rs. 52 crores in 1974-75; other important taxes which are expected to raise additional revenue are State excise duties (Rs. 27 crores), taxes on passengers and goods (Rs. 14 crores) and stamps and registration (Rs. 11 crores) (Table V.26). Like Haryana which introduced the land holdings tax last year, Himachal Pradesh has introduced the agricultural land holdings tax this year; Maharashtra has proposed a holding surcharge on agriculturists based on (a) land revenue and local cess and (b) education cess, pending detailed examination of Raj Committee Report. Other States have yet to take steps in this direction. Some States have imposed new levies, namely, tax on accommodation tariffs in luxury hotels by Maharashtra and Uttar Pradesh, tax on large residential accommodation by Maharashtra, tax on buildings by Kerala and tax on urban land by Karnataka. Tamil Nadu has not proposed any new levies but through rationalisation of commercial taxes like sales tax, entertainment tax, motor vehicles tax, etc., it is expected to earn an additional revenue of Rs. 10 crores in 1974-75. Further, some States have proposed to augment their resources by collection of tax arrears and tightening of control on tax administration of collecting more revenue from existing taxes. Uttar Pradesh has given exemption from the 4.5 per cent purchase tax to wheat procured under the levy as a result of which the State exchequer would lose a revenue of Rs. 4 crores in 1974-75. Similarly, West Bengal has announced exemptions and reductions in tax on some commodities dealt in by small manufacturers and traders.

To sum up, the budgetary operations of the State Governments in 1974-75, after taking into account the States' share in Centre's additional taxation and yield from the additional taxation measures proposed by the States, are expected to end with a surplus of Rs. 33 crores. The States having budgetary gaps will have to raise adequate resources to balance their budgets as the Central Government is not expected to give any special accommodation for this purpose.

Table V. 26 : Estimated Yield From Budget Proposals 1974-75

1	Additional Yield (Rupees Crores) 2
By States	
1. Andhra Pradesh	1.20
2. Assam	1.46
3. Bihar	1.60
4. Gujarat	7.20
5. Haryana	8.95
6. Himachal Pradesh	1.90
7. Karnataka	17.16
8. Kerala	6.75
9. Madhya Pradesh	0.80
10. Maharashtra	30.79
11. Orissa	7.82
12. Punjab	17.70
13. Tamil Nadu	10.00
14. Uttar Pradesh	26.81
15. West Bengal	23.90
Total	**164.04**
By Major Heads	
1. Sales Tax	51.72
2. State Excise Duties	26.92
3. Tax on Passengers and Goods ..	14.34
4. Stamps and Registration	11.05
5. Entertainment Tax	3.95
6. Land Revenue	4.04
7. Electricity Duty	4.87
8. Motor Vehicles Tax	3.00
9. Others*	13.61
10. Non-Tax Revenue	30.54
Total	**164.04**

* Include yield of Rs. 10.00 crores from additional measures proposed by Tamil Nadu for which yield from individual measures is not available.

Note : The yield from the measures introduced in 1973-74 which was included in the additional resource mobilisation of 1974-75 by some of the State Governments, viz., Gujarat (Rs. 0.90 crore), Punjab and West Bengal (Rs. 0.05 crore each) and Rajasthan (Rs. 5.00 crores) is excluded. The yield from drive to collect arrears of taxes and tightening of tax administration machinery is also excluded.

FINANCIAL PERFORMANCE OF THE PUBLIC SECTOR PLANS

Public Sector Plan Outlays-Fourth Plan

According to available data, public sector Plan outlay (at current prices) during the Fourth Plan period (1968-69 to 1973-74) fell short of the original Plan estimate by about Rs. 105 crores. This is, however, subject to the limitation that the data on actual outlays during 1972-73 and 1973-74 are not available. Actual autlays in all the other years fell short of the respective Annual Plan provisions. They were lower than Plan provisions by Rs. 61 crores in 1969-70, by Rs. 298 crores in 1970-71 and by Rs. 28 crores in 1971-72. In 1972-73, there was reportedly no material shortfall in Plan expenditure. But, again, in 1973-74, the estimated shortfall in actual outlay was as much as Rs. 404 crores([35]); this was partly due to reduction in expenditure effected during the year as part of the measures to curb the rise in commodity prices.

Sector-wise, the picture that appears to emerge is that actual outlays on irrigation and power, social services and miscellaneous have outstripped Plan provisions, whereas those on transport and communications, and industry and mining have fallen much short of the provisions. The estimated actuals on agriculture and community development have almost matched the provisions (Table V.27).

The overall shortfall in actual Plan outlay at current prices over the original Fourth Plan provisions estimated at about Rs. 105 crores, is, however, very small as compared to the shortfall expressed in real terms, i.e., 1968-69 prices. Using a composite wholesale price index of commodity groups and sub-groups (with base: 1961-62=100)([36]) which are relevant for investment (including construction), actual outlays at current prices have been deflated to the 1968-69 price level. The result shows that the shortfall in total Plan outlay at 1968-69 prices amounted to Rs. 3,394 crores, or by as much as 21.3 per cent (Table V.28). This sizeable shortfall in public sector Plan outlay in real terms is the consequence of a steep increase in investment cost, particularly during the past two years of the Plan without there being a corresponding provision for stepup in financial outlays; in four out of five years, even the annual Plan provisions have not been fulfilled.

Fifth Plan

The draft Fifth Five Year Plan makes provision for an outlay of Rs. 37,250 crores in the public sector. But as the draft Plan recognises, the sum of sectoral outlays placed at Rs. 37,382 crores exceeds the public sector outlay envisaged in the Fifth Plan by Rs. 132 crores, implying thereby that a reduction in outlays to this extent would be effected subsequently, or alternatively, additional resources of a like amount would be generated. The Fifth Plan has been formulated on the basis of the concept of gross capital formation. It, therefore, includes the provisions for replacement of equipment and machinery as well as the cost of construction of buildings, which were kept outside the Plan during the Fourth Plan period.

Annual Plan-1974-75

The annual Plan outlay for 1974-75, placed at Rs. 4,844 crores, accounts for 13.0 per cent of total outlay envisaged for the Fifth Plan period. This outlay, as stated earlier, is on a gross basis, but it excludes committed expenditure on account of maintenance of Fourth Plan schemes completed at the end of 1973-74. In the absence of their details, it is difficult to carry out adjustments for them and place the outlay for 1974-75 comparable with that for 1973-74. However, the *Annual Plan: 1974-75* states that on a comparable basis in financial terms, the Plan outlay for 1974-75 is higher than the revised Plan outlay for 1973-74 by over 25 per cent([37])

(35) Vide Annual Plar : 1974-75 (Planning Commission, Government of India) p. 3.

(36) The relevant index numbers are :

Year (April-March)	Composite Index (1961-62=100)	Percentage Variation
1968-69	141.5	—
1969-70	148.7	+5.0
1970-71	161.2	+8.5
1971-72	171.9	+6.6
1972-73	186.3	+8.4
1973-74	215.9	+15.9

For method of construction, see this Report for 1972-73, p. 179.

(37) *Ibid*, p. 7.

Table V. 27 : Public Sector Plan Outlays by Major Heads of Development

(Rupees Crores)

Heads of Development	Fourth Plan Original Estimates	1969-70 Actual Outlays	1970-71 Actual Outlays	1971-72 Actual Outlays	1972-73 Plan Provision	1973-74 Plan Provision	Total Fourth Plan (Cols. 3 to 7)	Difference between Fourth Plan Original Estimates (Col. 2) and Estimated Results (Col. 8)	Draft Fifth Plan Provision	1974-75 Plan Provision
1	2	3	4	5	6	7	8	9	10	11
1. Agriculture and Community Development ..	2728 (17.2)	333 (15.1)	374 (14.8)	478 (15.3)	782 (19.7)	776 (17.8)	2743 (16.9)	+15	4730 (12.7)	638 (13.2)
2. Irrigation and Flood Control	1087 (6.8)	193 (8.7)	210 (8.3)	248 (7.9)	260 (6.5)	294 (6.7)	1205 (7.4)	+118	2681 (7.2)	385 (7.9)
3. Power	2447 (15.4)	470 (21.3)	514 (20.4)	606 (19.4)	603 (15.2)	687 (15.8)	2880 (17.8)	+433	6190 (16.5)	767 (15.8)
4. Industry and Mining	3631 (22.8)	485 (21.9)	508 (20.1)	639 (20.4)	794 (20.0)	811 (18.6)	3237 (20.0)	—394	8964* (24.0)	1162 (24.0)
5. Transport and Communications	3237 (20.4)	411 (18.6)	508 (20.1)	636 (20.3)	728 (18.3)	700 (16.0)	2983 (18.4)	—254	7115 (19.0)	1027 (21.2)
6. Social Services and Miscellaneous ..	2772 (17.4)	318 (14.4)	410 (16.3)	523 (16.7)	806 (20.3)	1096 (25.1)	3153 (19.5)	+381	7702 (20.6)	865 (17.9)
7. Total	**15902**	**2210**	**2524**	**3130**	**3973**	**4364** **3960****	**16201** **15797**	**+299** **—105**	**37382£** **37250**	**4844**
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)			(100.0)

*Represents mining, manufacturing (Rs. 8939 crores) and construction (Rs. 25 crores).

**As per Annual Plan 1974-75 (p. 3), the revised Plan outlay in 1973-74 was placed at about Rs. 3960 crores. However, sector-wise details are not available.

£The sectoral outlays total up to Rs. 37382 crores. However, the provision for the total Plan expenditure in the public sector is Rs. 37250 crores.

Notes : 1. The Draft Fifth Plan has been formulated on the basis of concept of gross capital formation (i.e., it includes the provisions for replacement of equipment and machinery as well as the cost of construction of buildings which were outside the Plan during the Fourth Plan period). While comparing the two Plans, therefore, this factor may be taken into account.

2. Figures in brackets are percentages to total outlays. However, in Col. No. 10, the percentages are based on the total of Rs. 37382 crores.

Source : (1) Economic Survey : 1973-74, (2) Draft Fifth Five Year Plan and (3) Annual Plan : 1974-75.

Table V.28 : Public Sector Plan Outlays at 1968-69 Prices

(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		2209.9	2523.5 (+14.2)	3130.3 (+24.0)	3973.4† (+26.9)	3960.0@ (— 0.3)	15797.1	—104.9 [— 0.7]£
(b) At 1968-69 prices	15902.0	2102.9	2215.1 (+ 5.3)	2576.9 (+16.3)	3017.8 (+17.1)	2595.4 (—14.0)	12508.1	—3393.9 [—21.3]£
2. Public Sector Outlays as percentage to National Income* (At current prices)		7.0	7.4	8.8	10.2	8.0		

† Plan Provision. @ As estimated in Annual Plan, 1974-75.
£ Represents shortfall/excess as a percentage of Fourth Plan Original Estimates.
* National Income estimates are those made by CSO.

Notes : (1) Public Sector Outlays at 1968-69 prices have been worked out by using the composite index numbers of wholesale prices of goods relevant for investment (monthly average).
(2) Figures in brackets represent percentage variations over the previous year.

Sources : (1) Economic Survey, 1973-74.
(2) Draft Fifth Five Year Plan.
(3) Annual Plan : 1974-75 (Planning Commission, Govt. of India).

However, the Central budget for 1974-75 has estimated the total public sector Plan outlay for the year at Rs. 4,769 crores and has made a Plan provision of Rs. 2,966 crores. Plan assistance to States and Union Territories is placed at Rs. 911 crores. Extra-budgetary resources are expected to yield Rs. 574 crores. Resources for State Plans, inclusive of Central assistance, are estimated at Rs. 2,059 crores.

It may, however, be mentioned that on account of the sustained rise in prices and also the constraints and uncertainties regarding internal and external resources, the Fifth Plan is likely to be recast. The non-core sector programmes are expected to be pruned so as to make it possible to maintain the outlays in the core sector as planned.

The Fourth Plan Mid-term Appraisal(38) had proposed significant revision in the pattern of financing. Substantial 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). To compensate for these shortfalls, relatively greater contribution was expected from market borrowings, additional resource mobilisation, small savings and State Provident Funds; an increase in the share of deficit financing was also visualised (from 5.4 per cent to 7.5 per cent) (Table V.29).

Pattern of Financing-The Fourth Plan

The latest estimates (39) of resources accrued from various sources and used for financing the Fourth Plan reveal that the balance from current revenues at 1968-69 rates of taxes turned into an overall deficit of Rs. 236 crores; this stands in sharp contrast to the surplus of about Rs. 802 crores anticipated from this source by the Mid-term Appraisal. The share

(38) The Mid-term Appraisal's revised estimates are based on the experiences of Plan financing during the first three years. These 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. (The Fourth Plan Mid-Term Appraisal, Planning Commission, December 1971).

(39) The latest estimates of resources used for financing the public sector outlays during the Fourth Plan are those given in the Draft Fifth Five Year Plan document. Item-wise break-up of these resources is available, but an year-wise break-up is not available.

Table V. 29 : 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$	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. A. 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)
6. B. Total : Latest Estimates @ ..	—236	1135	4280	296	2135	1162	874	2367	12013	2087	2060	16160
	(—1.4)	(7.0)	(26.5)	(1.8)	(13.2)	(7.2)	(5.4)	(14.6)	(74.3)	(12.9)	(12.8)	(100.0)
7. Fourth Plan Original 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)
9. Fifth Plan Estimates** 1974-75 to 1978-79	5612+	5988+	6850	—	7232	1850	1280	4995	33807	2443@@	1000	37250
	(15.1)	(16.1)	(18.4)		(19.4)	(5.0)	(3.4)	(13.4)	(90.8)	(6.5)	(2.7)	(100.0)
10. 1974-75 (Provisional)	718+	829+	618	—	891	360	225	545	4186	533	125	4844
	(14.8)	(17.1)	(12.8)		(18.4)	(7.4)	(4.6)	(11.3)	(86.4)	(11.0)	(2.6)	(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, Steel Equalisation Fund (net) and Miscellaneous Capital Receipts (net).

$ Exclusive of the special levies imposed for meeting the expenditure on relief of evacuees from Bangladesh.

@ As anticipated in the Draft Fifth Five Year Plan (p. 53); however, year-wise break-up is not available.

£ 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.

** At 1972-73 prices.

+ At 1973-74 rates of taxation, fares and freights.

@@ Includes suppliers' credit of Rs. 400 crores.

Note : Figures in brackets are percentages to total resources.

Sources : (1) Draft Fifth Five Year Plan.
(2) Annual Plan : 1974-75 (Planning Commission).

of contribution of public enterprises (at 1968-69 rates of fares and freights) at Rs. 1135 crores and which accounted for 7.0 per cent of total resources was nearer to the revised estimates made in the Mid-term Appraisal (7.4 per cent of the total). Market borrowings and external assistance turned out to be lower than those visualised by the Mid-term Appraisal by Rs. 591 crores and Rs. 453 crores, respectively. These shortfalls were more than made good by increased additional resource mobilisation, small savings collection, State Provident Funds and other accruals; there was also a substantial step up in deficit financing to the extent of Rs. 857 crores(40) as compared to the revised estimates made in the Mid-term Appraisal.

In Table V. 30, the contribution of each source to the financing of the public sector Plan outlays during 1969-70 through 1973-74 is compared with the original Fourth Plan target. For that purpose, resources from various sources have been deflated to the 1968-69 price level by using the annual variation in the investment deflator which is referred to earlier(41). Such an adjustment in resources for taking care of price changes during the period is needed to make the comparison with the original targets somewhat meaningful. It can be seen from these achievements in resources, roughly reduced to real terms, that substantial shortfall has occurred in balance from current revenues and contribution of public enterprises (both at 1968-69 rates); while in the case of the first there is a deficit, the actual achievement of the latter turns out to be only 46 per cent of its original target. In additional resource mobilisation, the achievement has matched the target; retained profits of the Reserve Bank of India, small savings, State Provident Funds and miscellaneous receipts, have all exceeded the targets. In the aggregate, the shortfall in total domestic budgetary resources worked out to about 25 per cent; in external assistance, the shortfall would be approximately 33 per cent. Finally, the actual gap met through deficit financing was about twice the original Plan estimate; it may turn out to be still higher when the exact actuals become available.

(40) Deficit financing may actually turn out to be higher.

(41) Since the latest estimates of resources raised during the Fourth Plan are not available on an annual basis (that is for all the five years of the Plan), we had to use the actuals for 1969-70, latest estimates for 1970-71 and 1971-72, and original estimates for 1972-73 and 1973-74 for the purpose of deflating to the 1968-69 price level. It is assumed that the proportionate difference thus arrived at as between the resources at current prices and those deflated, is applicable to the latest estimates of resources and the same have also been deflated by a like proportion.

Annual Plan-1974-75

In the financing of the Annual Plan for 1974-75 of Rs. 4844 crores, domestic budgetary resources are estimated to meet 86.4 per cent of total outlays. The rest would be covered by external assistance (11.0 per cent) and deficit financing (2.6 per cent).

PUBLIC DEBT

Introductory

Based on the recommendations of the second Report of the 'Team on Reforms in the Structure of Budget and Accounts,' cited at the outset, the heads of accounts in the 'Public debt' of the Central Government have been rationalised. A significant departure in this regard is the discontinuance of the existing distinction between 'Permanent debt' and 'Floating debt' on the ground that it is rather misleading as no debt or borrowing except amounts deposited with Governments as trust for utilisation of income derived from interest on such trusts, is a permanent debt.

However, the minor heads into which major heads of internal and external debt are divided are almost identical with those in earlier budgets. Thus, data on public debt of the Government of India as presented in 1974-75 budget are comparable with those in the earlier budgets.

Central Government's Debt Position

The outstanding public debt of the Government of India stood at Rs. 17056 crores at the end of March 1974 (Table V.31); it rose by Rs. 117 crores (or 0.7 per cent) during 1973-74 against as much as Rs. 1822 crores (or 12.1 per cent) in 1972-73. The rise in public debt during 1973-74 was entirely under internal debt; external debt registered a decline during the year. Internal

Table V. 30 : Sources of Fourth Plan Finance—Targets and Performance

(Rupees Crores)

Sources of Finance	Fourth Plan Original Estimates (at 1968-69 prices)	Mid-term Appraisal Estimates 1969-70 to 1973-74	Actual Resources raised during 1969-70 to '73-74 (at current prices) (4)		Actual Resources raised during 1969-70 to '73-74 Deflated to 1968-69 prices (5)		Col. 5(a) as percentage of Col. 2	Col. 5(b) as percentage of Col.2
1	2	3	4(a)	4(b)	5(a)	5(b)	6(a)	6(b)
1. Balance from Current Revenues at 1968-69 rates of taxes	1673 (10.5)	802 (5.1)	690 (4.2)	—236 (—1.4)	563	—193	33.7	—115.4
2. Contribution of Public Enterprises at 1968-69 rates of fares, freights and tariffs	2029 (12.8)	1171 (7.4)	1145 (6.9)	1135 (7.0)	934	926	46.0	45.6
3. Additional Resource Mobilisation	3198 (20.1)	3728 (23.5)	4238 (25.7)	4280 (26.5)	3178	3209	99.4	100.3
4. Retained Profits of R.B.I.	202 (1.3)	269 (1.7)	309 (1.9)	296 (1.8)	235	225	116.3	111.4
5. Market Borrowings (1)	2326 (14.6)	2726 (17.1)	2906 (17.6)	2135 (13.2)	2284	1678	98.2	72.1
6. Small Savings	769 (4.8)	1000 (6.3)	1057 (6.4)	1162 (7.2)	828	910	107.7	118.3
7. State Provident Funds	660 (4.2)	782 (4.9)	824 (5.0)	874 (5.4)	662	702	100.3	106.4
8. Others (2)	1581 (9.9)	1677 (10.5)	1729 (10.5)	2367 (14.6)	1377	1885	87.1	119.2
9. Total of Domestic Budgetary Resources (1 to 8)	**12438 (78.2)**	**12155 (76.5)**	**12898 (78.2)**	**12013 (74.3)**	**10061**	**9370**	**80.9**	**75.3**
10. External Assistance (Net)	2614 (16.4)	2540 (16.0)	2523 (15.3)	2087 (12.9)	2081	1721	79.6	65.8
11. Deficit Financing ..	850 (5.4)	1203 (7.5)	1066 (6.5)	2060 (12.8)	880	1700	103.5	200.0
12. All Sources	**15902 (100.0)**	**15898 (100.0)**	**16487 (100.0)**	**16160 (100.0)**	**13022(3)**	**12763**	**81.9**	**80.3**

(1) 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.

(2) Comprise Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds, Steel Equalisation Fund (net) and Miscellaneous Capital Receipts (net).

(3) This total is slightly different from the total given in Table V.28, because the source-wise details of the actual expenditures for 1969-70, 1970-71 and 1971-72 (given in that Table) are not available.

(4) Columns 4(a) and 4 (b) are as in items 6(a) and 6(b), respectively, of Table V. 29.

(5) Actual resources of Col. 4(a) have been deflated to the 1968-69 price level by using the investment deflator referred to in the text and the results are presented in Col. 5(a). The latest resources shown in Col. 4(b) have been deflated by the ratio between Cols. 4(a) and 5(a) and the results are presented in Col. 5(b).

Note : Figures in brackets represent percentages to total.

Source : As in Table V. 27.

Table V. 31 : 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 Esti-mates)	1973 (Revised Esti-mates)	1974 (Revised Esti-mates)	1975 (Budget Esti-mates)
1	2	3	4	5	6	7	8	9	10
A. Public Debt (1+2)	4757 (35.8)	8026 (38.9)	12496 (43.6)	13219 (42.4)	14147 (41.7)	15117 (42.3)	16939 (43.5)	17056 (34.4)	18411
1. Internal Debt (i to iv)	3975 (29.9)	5415 (26.2)	6859 (23.9)	7066 (22.7)	7662 (22.6)	8163 (22.8)	9778 (25.1)	11226 (22.6)	12029
(i) Current Market Loans	2595	3462	3928	4144	4441	4702	5280	5852	6339
(ii) Others£	..	..	..	..	..	134	137	146	146
(iii) Treasury Bills	1106	1612	2244	2232	2516	2623	3631	4498	4810
(iv) Special Floating Loans*	274	341	687	690	705	704	730	730	734
2. External Debt££	782 (5.9)	2611 (12.7)	5637 (19.7)	6153 (19.7)	6485 (19.1)	6954 (19.5)	7161 (18.4)	5830 (11.8)	6382
B. Other Liabilities (1+2)	1808	3324	4141	4488	5046	5558	6180	6213	6740
1. Unfunded Debt (a to d)	1524	2763	3377	3625	3889	4232	4606	4494	4958
(a) Small Savings	973	1541	1896	2025	2209	2419	2733	3155	3515
(b) State Provident Funds	289	527	686	761	841	942	1044	1126	1240
(c) PL 480 Deposits	240	561	582	667	678	644	624	—	—
(d) Other Unfunded Debt@	22	134	213	172	161	227	205	213	203
2. Reserve Funds and Deposits@@	284	561	764	863	1157	1326	1574	1719	1782
C. Aggregate Liabilities (A+B)	6565 (49.4)	11350 (55.0)	16637 (58.0)	17707 (56.8)	19193 (56.5)	20675 (57.8)	23119 (59.4)	23269 (46.9)	25151
D. Amount due from Pakistan on account of Pre-partition Debt	300	300	300	300	300	300	300	300	300
E. Net Liabilities (C—D)	6265	11050	16337	17407	18893	20375	22819	22969	24851

.. Not available

£ Comprise mainly balances of expired loans, Prize Bonds, Premium Prize Bonds, Banks Compensation Bonds, etc. Annuity Certificates are excluded from here and shown under Small Savings.

* These represent liability in respect of special rupee securities issued in payment of subscriptions to IMF, IBRD and IDA and contributions 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, Compulsory Deposits, Income-Tax Annuity Deposits, etc.

@@ Include depreciation and reserve funds of Railways and Posts and Telegraphs, deposits of local funds, departmental and judicial deposits, civil deposits, etc.

Note: Figures in brackets represent percentages to the C.S.O. estimates of national income at current prices. For 1973-74 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 Government and State Governments in India for end-March 1970 and 1971.
(3) Explanatory Memoranda of the Central Government Budgets for the period end-March 1972 to 1975.

debt rose by Rs. 1448 crores (or 14.8 per cent) as compared to a rise of Rs. 1615 crores (or 19.8 per cent) during 1972-73. External debt, on the other hand, contracted by Rs. 1331 crores (or 18.6 per cent) in contrast to a rise of Rs. 207 crores (or 3.0 per cent) in 1972-73. The decline was on account of pre-payment of PL 480 and other rupee loans of Rs. 1764 crores under the Indo-US Agreement of February 18, 1974.(42) If this special transaction is excluded, external debt would have increased by Rs. 433 crores as compared to a rise of Rs. 207 crores in 1972-73. Largely due to the pre-payment of PL 480 funds, the share of external debt in the total public debt declined from 42.3 per cent to 34.2 per cent, with a corresponding increase in the share of internal debt from 57.7 per cent to 65.8 per cent.

Public debt of the Government of India, expressed as a proportion of national income (at current prices), rose from 42.3 per cent in 1971-72 to 43.5 per cent in 1972-73 but declined to 34.4 per cent in 1973-74. This decline in 1973-74 was due to a larger increase in national income in money terms and almost negligible growth in public debt during the year.

At the end of March 1974, the liabilities of the Central Government other than public debt stood at Rs. 6213 crores registering a rise of Rs. 33 crores during 1973-74; the rise during 1972-73 was Rs. 622 crores. These liabilities comprise non-marketable debt of the Government of India such as small savings, state provident funds and balances in the various reserve funds and deposit accounts of departmental undertakings like Railways, Posts and Telegraphs, etc.

The gross aggregate liabilities of the Government of India (i.e., unadjusted for amount due from Pakistan on account of pre-partition debt) comprising public debt and 'other liabilities' rose by Rs. 150 crores (or 0.6 per cent) and stood at Rs. 23269 crores at the end of March 1974. The rise during 1972-73 was Rs. 2444 crores (or 11.2 per cent).

(42) For details of the Agreement see Appendix VIII.

Growth of Debt During Fourth Plan

During the Fourth Plan period, the aggregate liabilities (gross) of the Government of India rose from Rs. 16637 crores to Rs. 23269 crores, a rise of Rs. 6632 crores (or 39.9 per cent). More than two-thirds of this rise was under public debt and the balance under 'other liabilities'. Outstanding public debt liabilities went up by Rs. 4560 crores (or 36.5 per cent) from Rs. 12496 crores at the beginning of the Plan to Rs. 17056 crores at the end of the Plan. Outstanding liabilities other than public debt rose by 50 per cent from Rs. 4141 crores to Rs. 6213 crores. The rise in outstanding external debt being insignificant, the rise in outstanding public debt was mainly under internal debt. Outstanding internal debt rose from Rs. 6859 crores to Rs. 11226 crores, a rise of Rs. 4367 crores (or 63.7 per cent). External debt liabilities of the Government of India rose continuously from Rs. 5637 crores at the beginning of the Fourth Plan to Rs. 7161 crores at the end of the fourth year of the Plan, but declined steeply to Rs. 5830 crores at the end of the Plan mainly due to transactions under the Indo-US Agreement, referred to above.

Treasury bills and market loans of the Government of India mainly accounted for the increase in outstanding internal debt liabilities during the Fourth Plan period. Outstanding amount of Treasury bills more than doubled from Rs. 2244 crores at the beginning of the Plan to Rs. 4498 crores by the end of the Fourth Plan period. During the same period outstanding balances of market loans rose by Rs. 2070 crores (or 52.7 per cent) from Rs. 3928 crores to Rs. 5998 crores. Of the rise of Rs. 2070 crores, Rs. 450 crores was on account of the funding of *ad hoc* Treasury bills held by the Reserve Bank of India.

Under 'Other liabilities', outstanding balances against small savings rose by Rs. 1259 crores (or 66.4 per cent) from Rs. 1896 crores to Rs. 3155 crores and state provident funds by Rs. 440 crores (or 64.1 per cent) from Rs. 686 crores to Rs. 1126 crores. Outstanding PL 480 deposits rose from Rs. 582 crores at the beginning of the Plan to Rs. 678 crores at the end of the second year of the Plan and were

entirely liquidated by the end of the Plan under the said Indo-US Agreement.

During 1974-75, the gross aggregate liabilities of the Government of India are expected to rise by Rs. 1882 crores (or 8.1 per cent) to Rs. 25151 crores. The proportion of public debt to gross aggregate liabilities, which remained unchanged during 1973-74 at the 1972-73 level of 73.3 per cent, is expected to decline marginally to 73.2 per cent at the end of March 1975.

External Debt

The Central Government's external debt liabilities stood at Rs. 5830 crores at the end of March 1974, recording a fall of Rs. 1331 crores (or 18.6 per cent). This fall during 1973-74, as said earlier, was mainly under PL 480 loans secured from the U.S.A. (See Table V.32 and also Appendix VIII).

For 1974-75, the Central Government budget has assumed a credit of Rs. 850 crores (gross) and Rs. 552 crores (net) as receipts from external loans. Of the gross external loans of Rs. 850 crores, new credits are estimated at Rs. 220 crores. The balance comprises mainly loans from International Development Association (Rs. 281 crores), Japan (Rs. 55 crores), Federal Republic of Germany (Rs. 54 crores), United Kingdom (Rs. 51 crores), Canada (Rs. 46 crores) and U.S.A. (Rs. 38 crores).

Internal Debt

Internal debt liabilities of the Government of India at the end of March 1974 stood at Rs. 11226 crores, registering a rise of Rs. 1448 crores over the end March 1973 level; the rise in 1972-73 was Rs. 1615 crores. The rise of Rs. 1448 crores during 1973-74 was mainly under current loans (Rs. 572 crores) and Treasury bills (Rs. 867 crores). Net receipts of Rs. 472 crores from market borrowings and funding of Rs. 100 crores worth of *ad hoc* Treasury bills held by the Reserve Bank accounted for the increase in current loans during 1973-74.

Market Borrowings:[43] 1973-74

For 1973-74, the Central Government had budgeted for market borrowings of Rs. 880 crores (gross) or Rs. 326 crores (net), as against Rs. 478 crores (net) raised during 1972-73. The actual net market borrowings of the Central Government during 1973-74 aggregated Rs. 472 crores (Table V.33). The Central Government entered the market on three occasions. While the first two floatations were cash-cum-conversion offers, the third floatation was wholly based on cash subscriptions. One of the loans during the year was offered with a discount of 0.25 per cent and another with a discount of 0.50 per cent, while the rest were offered at par. As in the preceding two years, the highest nominal interest offered was $5\frac{3}{4}$ per cent.

During the Fourth Plan, the Government of India raised Rs. 1521 crores (net) through market borrowings, against the revised Plan target of Rs. 1000 crores.

1974-75

For the year 1974-75, the Central Government has budgeted for Rs. 700 crores (gross) or Rs. 498 crores (net) of market borrowings. Three loans for Rs. 400 crores have been floated on July 16, 1974 —5 per cent Loan, 1979, $5\frac{1}{2}$ per cent Loan, 1985, and 6 per cent Loan, 1998. Subscriptions to the three loans totalled Rs. 438.6 crores—Rs. 251.6 crores in cash and Rs. 187.0 crores in conversion. Allowing for cash repayment of Rs. 14.6 crores in respect of unconverted maturing securities, net market borrowings from this flotation amounted to Rs. 237.0 crores.

Treasury Bills

The revised estimates for 1973-74 had placed the increase in the outstanding of Treasury bills at Rs. 867 crores, but the actuals of the year showed a rise of only Rs. 340 crores. While the holdings of the Reserve Bank and of the public rose by Rs. 356 crores and Rs. 247 crores, respectively, those of approved bodies like State Governments and scheduled commercial banks declined by Rs. 263 crores. Of Rs. 4384 crores of Treasury bills outstanding at the end of March 1974, the Reserve Bank held Rs. 3741 crores (85.3

(43) Subscription figures are based on the Reserve Bank of India records.

Table V.32 : External Debt of the Government of India

(Rupees Crores)

End of March	Debt due to													Total
	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 (3 to 6)								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1973 (Revised Estimates)	788	1873	74	1596	59	3602	320	191	461	323	222	962	292	7161
1974 (Revised Estimates)	883	1884	64	—	—	1948	267	218	485	366	198	1171	294	5830
1975 (Budget Estimates)	903	1892	50	—	—	1942	230	258	481	371	181	1447	569@	6382

@Includes new credits worth Rs. 220 crores, country-wise details of which are not available.
Source : Explanatory Memoranda of the Central Government Budgets, 1973-74 and 1974-75.

Table V. 33 : Market Borrowings of the Government of India during 1973-74

(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
May 12, 1973 ..	4¾ per cent Loan, 1980	100.00		9	108	117		
	5 per cent Loan, 1984 (Second Issue)	99.50	500	43	157	200		
	5¾ per cent Loan, 2003	100.00		117	116	233		
				170	381	551	14	156
July 21, 1973 ..	4¾ per cent Loan, 1981	99.75		69	30	99		
	5½ per cent Loan, 1987	100.00	325	94	79	173		
	5¾ per cent Loan, 2003 (Second Issue)	100.00		48	37	85		
				212	146	358	13	199
December 21, 1973* ..	4¾ per cent Loan, 1981 (Second Issue)	99.75		27	—	27		
	5½ per cent Loan, 1987 (Second Issue)	100.00	115	70	—	70		
	5¾ per cent Loan, 2003 (Third Issue)	100.00		20	—	20		
				117	—	117	—	117
Total during 1973-74 ..			**940**	**499**	**527**	**1025**	**27†**	**472**

*Offered for cash subscription only.
†The difference between this figure and the corresponding figure in Statement 72 is due to difference in procedure of working out the outstanding balance of unconverted maturing securities.
Note : Break-up may not add upto total on account of rounding off.
Source : Reserve Bank of India Records.

per cent), approved bodies Rs. 155 crores (3.6 per cent) and the public Rs. 488 crores (11.1 per cent). (Vide Statement 80 in the Statistical Statements Section). During 1974-75, Treasury bills are expected to rise by Rs. 311 crores.

Special Floating Loans

Special floating loans represent special rupee securities issued to international financial institutions in payment of India's subscriptions or contributions towards their share capital.

Consequent on the decision of the Asian Development Bank (ADB) to increase its capital stock, increased subscription is to be paid in three equal annual instalments commencing from 1972-73. The first instalment of Rs. 8.17 crores—Rs. 3.27 crores in convertible currency and Rs. 4.90 crores in the form of special rupee securities—was paid in March 1973. The revised estimates for 1973-74 assume a credit of Rs. 4.91 crores for special securities to be issued to the ADB. In January 1973, an additional amount of Rs. 94 *lakhs* was paid to this institution in the form of these securities consequent on the change in the value of rupee in terms of gold from December 1971.

The revised estimates for 1973-74 also assume credits of Rs. 3.27 crores and Rs. 1.29 *lakhs* for rupee securities issued to the World Bank and the International Development Association, respectively, for maintenance of the value of India's subscription funds, following the devaluation of the US dollar in May 1972.

Maturity Pattern

The trend towards lengthening of the average maturity of Government of India rupee loans noticed in the past few years continued in 1973-74 as well. The maturity pattern of the Government of India rupee loans outstanding at end of March 1974 is presented in Statement 74 in the Statements Section of this Report. The proportion of long-dated securities (with maturity of 10 years or more, including the undated) to the total loans increased from 58.3 per cent at end-March 1973 to 61.3 per cent at end-March 1974; the share of medium-dated loans (maturing between 5 and 10 years), too, rose from 16.0 per cent to 22.6 per cent. Correspondingly, the share of short-dated loans (maturing in less than 5 years) dropped from 25.7 per cent to 16.1 per cent.

Small Savings

The Central Government had budgeted for Rs. 325 crores of net small savings collections during 1973-74. The revised estimates place these at Rs. 350 crores. Actual net collections during the year, however, aggregated Rs. 438 crores.

Media-wise details of year-wise accruals are presented in Table V.34.

Net small savings collections during the Fourth Plan amounted to Rs. 1334 crores and thus exceeded the revised Fourth Plan target of Rs. 1000 crores. The performance of the small savings movement has improved from year to year during the Plan period. As much as 33 per cent of net small savings collections during the Fourth Plan period were realised during 1973-74, the last year of the Plan, as against 10 per cent in 1969-70, 14 per cent in 1970-71, 18 per cent in 1971-72 and 25 per cent in 1972-73. In view of this encouraging trend, net small savings collection target for the Fifth Plan has been fixed higher at Rs. 1850 crores. The Central budget for 1974-75 has taken credit for Rs. 360 crores as net small savings collections during the year.

New Small Savings Schemes

With a view to rationalising the different kinds of small savings certificates and deposit accounts, two new schemes were introduced and two existing schemes were withdrawn during the year 1973-74. A 2-year Post Office Time Deposit Scheme with taxable interest of 7 per cent(44) was introduced from August 1, 1973 and a 7-year National Savings Certificate—V Issue with taxable compound interest of 7.50 per

(44) Raised to 7.50 per cent from April 1, 1974 and 8.50 per cent from July 23, 1974.

Table V. 34 : Small Savings Collections (Net)

(Rupees Crores)

Items	1969-70	1970-71	1971-72	1972-73	1973-74	Total Fourth Five Year Plan (2 to 6)
1	2	3	4	5	6	7
1. Post Office Savings Bank Deposits (1) ..	76.68	93.10	55.96	60.74	117.84	404.32
2. Cumulative Time Deposits	20.15	16.66	18.91	13.19	12.41	81.32
(*i*) 5-year	10.30	4.70	4.67	—1.74	—3.88	14.05
(*ii*) 10-year	7.16	8.87	10.83	11.00	12.58	50.44
(*iii*) 15-year	2.69	3.09	3.41	3.93	3.71	16.83
3. Post Office Time Deposits	—	76.85	150.56	266.78	215.48	809.67
(*i*) 1-year	—	5.18	11.24	12.21	12.34	40.97
(*ii*) 2-year	—	—	—	—	36.94	36.94
(*iii*) 3-year	—	2.82	21.85	38.28	28.14	91.09
(*iv*) 5-year	—	68.85	117.47	216.29	238.06	640.67
4. Post Office Recurring Deposits	—	1.28	6.59	15.42	23.89	47.18
5. 7-Year National Savings Certificates ..	3.59	88.03	95.98	75.52	56.41	319.53
(*i*) II Issue	2.33	54.36	51.89	41.35	30.14	180.07
(*ii*) III Issue	0.65	7.15	6.62	4.48	2.81	21.71
(*iii*) IV Issue	0.61	26.52	37.47	29.69	21.80	116.09
(*iv*) V Issue	—	—	—	—	1.66	1.66
6. Other Deposits and Certificates	28.28	—84.32	—93.19	—91.08	—88.14	—328.45
Total	**128.70**	**191.60**	**234.81**	**340.57**	**437.89**	**1333.57**

(1) Include Dead Savings Bank Account and interest credited to depositors' accounts from time to time.

Source : Accountant General, Posts and Telegraphs.

cent[45] from January 1, 1974. An individual or two adults jointly can hold a 2-year Time Deposit Account without any limit on holdings. A 2-year Time Deposit Account can at any time during its currency be converted into a 3-year account. The 7-year National Savings Certificates—V Issue are available in denominations of Rs. 10, Rs. 50 and Rs. 100. An individual or two adults jointly can invest in these certificates and there is no limit on holdings. The certificates have a lock-up period of 3 years after which these can be encashed, with some discount, before maturity.

The 5-year Cumulative Time Deposit Scheme offering 4.75 per cent and the 15-year

(45) Raised to 8.25 per cent (compound) from April 1, 1974.

Cumulative Time Deposit Scheme offering 5 per cent were withdrawn from October 1, 1973.

Statement 79 of the Statements Section gives important features such as interest rates, dates of issue, etc., pertaining to current small savings media during 1973-74. Balances outstanding against current as well as uncurrent media are presented in Statement 78.

Promotional Measures

One of the important measures taken during the year to step up small savings collections was the introduction on December 1, 1973 of the prize incentive scheme applicable to Post Office Savings Bank accounts. The scheme is restricted to single (including minor) and joint accounts. Such accounts with a minimum balance of Rs. 200 (which qualifies for interest for the months from December 1973 to March 1974) were eligible for participation in the draw for prizes held in July 1974. There were 11116 prizes worth Rs. 3250000 with individual prize money varying from Rs. 250000 to Rs. 50.

Commencing from the year 1974-75, there will be two draws in a year for the award of prizes. The first draw to be held in January will cover accounts having a balance of not less than Rs. 200 (which qualifies for interest for the first half year-April to September). The other draw will be held in July. Each draw will have 11116 prizes worth Rs. 2050000 with individual prize money varying between Rs. 100000 and Rs. 50.

Nine Post Office Savings Banks were reported to have been enrolled as sub-members of the local clearing houses during 1973-74, thus raising the total number of Post Office Savings Banks admitted to clearing houses to 133.

Consequent upon the upward revision of interest rates on commercial bank deposits twice during the year, once from April 1, 1974 and again from July 23, 1974, the Government of India raised correspondingly the rates of interest on almost all of the Small Savings media as shown in Table V.35.

Table V.35 : Interest Rates on Selected Small Savings Media

Small Savings Media	Rate of Interest per cent per annum		
	Upto March 31, 1974	From April 1, 1974	From July 23, 1974
1	2	3	4
1. Post Office Savings Bank Deposits in :			
(a) Single and Joint Accounts (b) Provident Fund Accounts (c) Sanchayika Accounts	4.00	5.00	5.00
2. 10-Year Cumulative Time Deposits	4.75*	5.25*	6.25*£
3. Post Office Time Deposits:			
(a) 1-year	6.00	6.75	8.00@
(b) 2-year	7.00	7.50	8.50@
(c) 3-year	7.00	7.50	9.00@
(d) 5-year	7.25	8.00	10.00@
4. Post Office Recurring Deposits	6.75	7.25	9.25£
5. 7—Year National Savings Certificates			
(a) II Issue	5.00	5.00	6.00@
(b) III Issue	5.00	5.00	6.00@
(c) IV Issue	7.50	8.25	10.25@
(d) V Issue	7.50*	8.25*	8.25*

* Compound.

£ Enhanced rates of interest shall be added as bonus to the maturity value of the existing accounts.

@ Enhanced rates of interest applicable to existing deposits in respect of unexpired period.

Note : The rate of interest on public provident fund accounts has been raised from 5.3 per cent per annum to 5.8 per cent per annum from April 1, 1974 and to 7.0 per cent as from August 1, 1974. Collections under the public provident scheme are included in the net small savings collections for the purpose of grant of loans to State Governments.

State Governments' Debt Position

In addition to the discontinuance of the distinction between 'Permanent debt' and 'Floating debt' referred to earlier, the minor heads of account of State debt too have undergone changes as per the recommendations contained in the second Report of the 'Team on Reforms in the Structure of Budget and Accounts'. Under the new classification the major heads of State debt are internal debt, loans and advances from the Central Government and provident funds, etc. Internal debt comprises minor heads of accounts such as market loans, Compensation and other bonds, ways and means advances from the Reserve Bank of India and loans from banks and other institutions.

With the adoption of this new classification by State Governments in their budgets for 1974-75, data for current years (i.e., outstanding balances from end-March 1973 onwards) are not strictly comparable, item by item, with those for earlier years. The limitations on such comparison are brought out at appropriate places in the following paragraphs.

The outstanding debt liabilities of State Governments rose by Rs. 1050 crores (9.9 per cent) during 1973-74 to Rs. 11621 crores at the end of March 1974.

Total Outstanding Debt

The rise during 1972-73 was Rs. 1003 crores (or 10.5 per cent). The outstanding debt liabilities of States are expected to rise further to Rs. 12450 crores at the end of March 1975(46).

The ratio of State debt liabilities to national income (at current prices) which had risen from 26.8 per cent in 1971-72 to 27.2 per cent in 1972-73, declined to 23.4 per cent in 1973-74. As in the case of Central Government debt, this decline was due to a faster rise in national income in money terms than that in State debt liabilities.

(46) For consolidated debt position of States see Statement 75, and for State-wise debt position see Statement 76 in the Statements' Section of this Report.

Loans and Advances from the Central Government

This constituent item of State debt is identical with the item 'Loans from the Central Government' in the old classification. Loans and advances from the Central Government which form a major item of State debt are granted for Plan purposes as well as non-Plan purposes and include loans against small savings collections.

Loans and advances from the Centre to the States rose by Rs. 671 crores during 1973-74 (Rs. 1261 crores during 1972-73) to Rs. 8688 crores at the end of March 1974; their share in total State debt, however, declined from 75.9 per cent at the end of March 1973 to 74.7 per cent at the end of March 1974. The rise in loans and advances from the Centre accounted for 64 per cent of the rise in State debt during 1973-74. States' indebtedness to the Centre is expected to rise by Rs. 523 crores during 1974-75.

Recommendations of the Sixth Finance Commission

An important development during the year that is expected to give relief to State Governments in their indebtedness to the Central Government is the latter's acceptance of the recommendations of the Sixth Finance Commission. The Commission reviewed the States' debt position with particular reference to the Central loans advanced to them and likely to be outstanding at the end of 1973-74. In brief, the Commission has recommended consolidation of numerous Central loans of diverse nature into a few specified categories to provide relief on a uniform basis to all States in respect of a large number of categories and discretionary relief in regard to other categories, on the basis of certain principles. Block loans for State plans, special accommodation loans, loans for relief of distress caused by natural calamities, loans for clearing overdrafts and miscellaneous development loans have been selected for discretionary treatment. These loans will be consolidated as on March 31, 1974 to be repaid in periods ranging between 15 to 30 years with a moratorium towards repayment ranging from 2 to 5 years for certain States.

Market Loans and Bonds

This item of State debt which mainly comprises loans, current and expired, floated on the market and bonds issued by State Governments in connection with abolition of zamindari, jagirdari, etc. corresponds to the item 'Permanent debt' of old classification. Market loans and bonds of State Governments rose by Rs. 157 crores during 1973-74 (Rs. 133 crores during 1972-73) and stood at Rs. 1622 crores at the end of March 1974. Market loans and bonds are estimated to rise further by Rs. 168 crores during 1974-75.

Market Borrowings:(47) 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 notified amount of Rs. 149.75 crores. As no State loan was maturing during the year, subscriptions to the new loans were accepted in cash only and these aggregated Rs. 166 crores, as against Rs. 134 crores raised during 1972-73.

During the Fourth Plan, State Governments together raised Rs. 585 crores through market borrowings as against the revised Fourth Plan target of Rs. 575 crores.

1974-75

During 1974-75, State Governments have so far borrowed Rs. 213 crores (net) from the market. On August 27, 1974, 16 State Governments issued 6 per cent 10-year loans maturing in 1984 and raised Rs. 130 crores (net). All the loans were issued at a discount of 1 per cent. A month later, on September 27, 1974, 8 of these State Governments re-entered the market alongwith 5 other State Governments which had not borrowed on earlier occasion. The loans offered were on the same terms as in August 1974, namely, 6 per cent ten year loans maturing in 1984 and issued at a discount of 1 per cent. Net collections from this second loan floatation were Rs. 83 crores.

(47) Subscription figures are based on the Reserve Bank of India records.

Ways and Means Advances from the Reserve Bank of India

Under the old classification, 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 were the constituent items of 'Floating debt'. Under the new classification, cash credits from the State Bank and other commercial banks have been grouped alongwith loans from the Reserve Bank of India and other autonomous bodies to State Governments. Ways and means advances from the Reserve Bank of India (including overdrafts repayable within seven days) outstanding at the end of March 1973 and thereafter are thus not strictly comparable with those for earlier dates where these represented the outstanding balances under 'Floating debt'.

Ways and means advances which had declined drastically by Rs. 506 crores during 1972-73 reflecting mainly the repayment by States of their outstanding overdrafts from the Reserve Bank of India in pursuance of the new policy on overdrafts, rose by Rs. 34 crores during 1973-74 and stood at Rs. 128 crores at the end of March 1974. Outstanding ways and means advances are expected to decline by Rs. 55 crores at the end of March 1975.

Loans from Banks and Other Institutions

This item corresponds to 'Other debt' of the old classification, but the two are non-comparable, as stated earlier, in regard to cash credits from the State Bank and other commercial banks which were formerly grouped under 'Floating debt' and which are now classified under this item. Loans from 'other institutions' comprise 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. While loans from the first two agencies are intended for re-lending through co-operatives to the rural sector, those from the last agency are utilised for financing development schemes like housing, water supply, etc. Loans from banks and other institutions to State Governments rose by Rs. 53 crores during 1973-74 to Rs. 326 crores at the end of March 1974 and are expected to rise by Rs. 87 crores during 1974-75.

Provident Funds, etc.

Transactions recorded under this head of State debt are the same as those formerly recorded under 'Unfunded debt'. The change of nomenclature has been recommended by the Team as it held that the transactions were not in the nature of borrowings by Government. Outstandings against the item provident funds, etc. which mainly comprises state provident funds, insurance and pension funds, trusts and endowments, etc. rose to Rs. 857 crores at the end of March 1974 from Rs. 722 crores a year ago; these are estimated to rise to Rs. 963 crores at the end of March 1975.

State Debt during Fourth Plan Period

Outstanding debt liabilities of State Governments rose continuously from Rs. 7440 crores at the beginning of the Fourth Plan to Rs. 11621 crores at the end of the Plan, a rise of Rs. 4181 crores (or 56.2 per cent) during the five-year period. Of the rise of Rs. 4181 crores in outstanding debt liabilities during the Plan period, Rs. 3104 crores (74.3 per cent) was under loans and advances from the Central Government, Rs. 587 crores (14.0 per cent) under internal debt and Rs. 490 crores (11.7 per cent) under provident funds, etc. All the major components of State debt registered continuous increases, with the important exception of the item 'ways and means advances from the Reserve Bank of India' (Floating debt under the old classification). Ways and means advances from the Reserve Bank of India, which stood at Rs. 241 crores at the beginning of the Fourth Plan and reached a record height of Rs. 600 crores at the end of third year of Plan, fell drastically to Rs. 94 crores a year later. This steep decline during the fourth year of the Plan was on account of the discontinuance, with effect from May 1, 1972, of overdrafts to State Governments from the Reserve Bank of India except for a temporary period of seven days. The outstandings of such overdrafts were cleared by special ways and means assistance from the Centre of Rs. 511 crores a part of which (Rs. 90 crores) was recovered during the year and the balance of Rs. 421 crores was converted into medium-term loan repayable over 5 years period. This was one of the important factors responsible for a striking increase of Rs. 1261 crores during the same year i.e., 1972-73 in loans and advances from the Central Government, the other important factor being assistance to States for meeting the additional expenditure on famine relief and for emergency agricultural production.

CHAPTER VI: CAPITAL MARKET

The principal indicators of investment activity in the private corporate sector for 1973-74 show that the overall magnitude of investment in absolute terms at current prices during the financial year 1973-74 was somewhat higher than that in 1972-73. Of the three major sources of investible funds for fresh investment (net of depreciation provision), fresh share (and debenture) capital raised from the market and retained earnings of companies(1) were significantly lower than in the previous year, but this was offset by a sharp increase in the aggregate disbursements under direct assistance by term-lending institutions. The failure of investment to pick up further during 1973-74 is also reflected in the relative constancy in the rates of gross and net fixed assets formation in respect of a sample of 362 public limited companies in the private sector.

In the stock exchanges, equity prices appreciated considerably during the major part of the year 1973-74 (July-June) but this was entirely wiped out in the subsequent period of a quarter between June 8, 1974 to end-September 1974 consequent upon the imposition of dividend restrictions and the levering up of Bank rate and a number of other rates; the general uncertainties prevailing in the economic scene also contributed to the precipitated fall in share prices.

The gilt-edged market, likewise, saw a downward adjustment in security prices as a result of the levering up of the interest rates initially in April 1974 and again in July 1974. Simultaneously, the Reserve Bank reduced twice in those very months the buying and selling rates of Central Government securities so as to adjust them to a higher yield pattern. In the fresh loan floatations of the year also, the yield rates fixed for both Central and State Government securities were higher than the corresponding rates of the previous year. The rate of discount on tap sales of treasury bills was revised upward.

(1) With the promulgation of the dividend limitation Ordinance, many of the companies which closed their accounts in March 1974 had perforce to declare lower dividends and to plough back higher amounts. Excluding this accounting adjustment, the retained earnings of companies which closed their accounts upto December 1973 declined by over 25 per cent.

Trends in Private Sector Investment

The available indicators of current and prospective investment in the private corporate sector have been presented in Tables VI.1 to VI.6. Total capital raised (other than through bonus and miscellaneous issues) by non-Government companies fell by 15.3 per cent from Rs. 133.9 crores in 1972 to Rs. 113.4 crores in 1973. Of this, the capital raised by public limited companies recorded a fall of 27.3 per cent in 1973, offset partially by the rise of 33.1 per cent in the capital raised by private limited companies. Likewise, the capital issues made by non-Government public limited companies during 1973 stood lower at Rs. 74.4 crores as against Rs. 98.1 crores in 1972, showing a decline of 24.2 per cent in contrast to a rise of over 100 per cent in the preceding year. This downtrend in capital issues continued in the first half of 1974.

On the other hand, disbursements of direct loans by the term-lending institutions registered a steep increase from Rs. 176.0 crores in 1972-73 (April-March) to Rs. 253.3 crores in 1973-74, showing a rise of 44 per cent—the highest for any year so far (Table VI.2).

Also, the aggregate project-costs of projects financed by the three major all-India term-lending, institutions, viz., IDBI, IFCI and ICICI, net of costs of projects jointly financed, worked out to as high a figure as Rs. 685.4 crores in 1973-74 as against Rs. 534.6 crores and Rs. 494.0 crores in 1972-73 and 1971-72, respectively (Table VI.3). Much the larger part of the increase in project-costs took place on account of the projects financed by ICICI.

Actual imports of machinery and transport equipment registered an increase of 18.2 per cent in 1973-74 as against an increase of 13.0

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
1967	71.9	14.6	86.5	81.6	150.6
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	45.9	84.9
	(—15.1)	(+67.1)	(— 2.2)	(—30.8)	(+75.1)
1972	107.3	26.6	133.9	98.1	111.9
	(+67.7)	(+13.7)	(+53.2)	(+113.7)	(+31.8)
1973	78.0	35.4	113.4	74.4	109.8
	(—27.3)	(+33.1)	(—15.3)	(—24.2)	(— 1.9)
January-June					
1973	25.5	0.1	25.6	36.0	49.8
1974	34.0	—	34.0	33.6	57.5

*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.
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
1966-67	108.0	122.0	107.8	125.6
1967-68	74.9	87.1	93.2	105.0
	(—30.6)	(—28.6)	(—13.5)	(—16.4)
1968-69	109.2	132.3	75.3	85.8
	(+45.8)	(+51.9)	(—19.2)	(—18.3)
1969-70	122.2	153.8	100.5	116.3
	(+11.9)	(+16.3)	(+33.5)	(+35.5)
1970-71	178.7	215.8	121.9	146.7
	(+46.2)	(+40.3)	(+21.3)	(+26.1)
1971-72	261.9	302.7	154.8	184.5
	(+46.6)	(+40.3)	(+27.0)	(+25.8)
1972-73	255.5	295.9	176.0	199.2
	(— 2.5)	(— 2.3)	(+13.7)	(+ 8.0)
1973-74	393.2	429.1	253.3	272.0
	(+53.9)	(+45.0)	(+43.9)	(+36.5)

(*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); 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 underwriting of and direct subscription to shares and debentures by all these institutions.
Note : Figures in brackets are percentage variations over the previous years.

Table VI.3 : Project-costs of Projects Financed 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	Of which those belonging to new companies only	
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)	224.2
1971-72 ..	329.5	271.3 (82.3)	272.9	208.3 (76.3)	260.6	116.4 (44.7)	863.0	596.0 (69.1)	494.0
1972-73 ..	242.3	75.2 (31.0)	251.9	149.6 (59.4)	299.9	173.3 (57.8)	794.1	398.1 (50.1)	534.6
1973-74 ..	146.9	103.2 (70.2)	247.7	116.4 (47.0)	451.3	144.9 (32.1)	845.9	364.5 (43.1)	685.4

* In order to avoid double counting, project-costs of projects jointly financed by more than one institution (except those 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.

Notes : (1) Figures in brackets are percentages to total project-costs.
(2) Data include a small number of public sector projects.

per cent in 1972-73 (Table VI.4). Domestic output of capital goods industries also expanded by as much as 13.7 per cent in 1973 (January-October) as against 8.6 per cent in 1972. (Table III.21).

Table VI.4 : 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
1967-68	81.1	83.6	164.7	503.1
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)	470.6 (+19.3)
1972-73	154.2 (+6.8)	113.9 (+5.7)	268.1 (+6.3)	532.0 (+13.0)
1973-74	130.5 (—15.4)	131.1 (+15.1)	261.6 (—2.4)	629.0 (+18.2)

Note : Figures in brackets are percentage variations over the previous years.

Source : Directorate of Research and Statistics, Office of the Chief Controller of Imports and Exports, New Delhi; for Col.5, D.G.C. I. & S.

The investment programmes of the private corporate sector benefited from a large number of industrial licences issued during the past few years. This is also reflected in a sharp uptrend in the registration of new non-Government companies, particularly in 1973-74 (April-September) (Table VI.5).

Table VI. 5 : 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, 1968-69 onwards)
1	2	3	4	5
1969	221	331	135	1102
1970	363	438	183	1487
1971	626	1015	245	1895
1972	563	877	257	2493
1973	596	899	265	—
				April-September
1971				1169
1972				1421
1973				1807

*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 Reports, Ministry of Industrial Development for columns 2, 3 and 4 and Annual Reports on the Working and Administration of the Companies Act, 1956 for column 5.

Gross and Net Fixed Assets Formation

Even so, the rising trend *albeit* gradual shown in the rates of gross and net fixed assets formation of different types of companies upto 1972-73, seems to have been arrested somewhat in 1973-74. According to the regular company finance studies of the Reserve Bank, the rates of gross and net fixed assets formation of medium and large public limited companies showed a rising trend between 1970-71 and 1972-73, the former rising from 6.8 per cent to 8.3 per cent and the latter from 2.7 per cent to 5.6 per cent. But, this rising trend does not seem to have continued in 1973-74 as is evident from a quick preliminary study of the finances of 362 non-Government non-financial public limited companies; the rates of gross and net fixed assets formation of these companies in 1973-74 worked out to 8.5 and 6.1 per cent, respectively as compared with the comparable rates of 8.9 and 6.1 per cent for the same companies in 1972-73 (Table VI.6).

Industrial Investment in the Public Sector

The investment programmes of public sector have an impact on the industrial investment in the private sector. The capital formation expenditure under the head 'industry' met out of the budgetary resources of the Central Government shrank from R . 643.7 crores in 1972-73 to Rs. 595.2 crores in 1973-74 as against a substantial improvement shown in 1972-73 (Table VI.7). Also, the total capital expenditure under the Railway Development Programme is placed at a lower level of Rs. 324.2 crores in 1973-74, recording a decline of Rs. 27.3

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 (At Current Prices)						
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	12.7	6.3
1971-72	7.3	7.6	—	10.6	—	6.1
1972-73	8.3	8.9	—	—	—	—
1972-73$	8.9	—	—	—	—	—
1973-74$	8.5	—	—	—	—	—
Net Fixed Assets Formation (At Current Prices)						
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	11.1	2.3
1971-72	3.6	3.6	—	9.6	—	1.7
1972-73	5.6	5.8	—	—	—	—
1972-73$	6.1	—	—	—	—	—
1973-74$	6.1	—	—	—	—	—

(—) Not available
*Number 1501 for 1967-68 to 1970-71 and 1650 for 1971-72 and 1972-73.
**Number 290 for 1967-68 to 1970-71 and 350 for 1971-72 and 1972-73.
@Number 750 for 1967-68 to 1970-71.
@@Number 701 for 1967-68 to 1970-71 and 1001 for 1971-72.
£Number 1085 for 1967-68, 1101 for 1968-69, 1111 for 1969-70 and 1121 for 1970-71.
££Number 81 for 1967-68, 93 for 1968-69, 101 for 1969-70, 105 for 1970-71 and 121 for 1971-72.
$Based on a preliminary study of 362 companies.
Source : RBI studies on company finances.

Table VI.7 : Capital Formation Expenditure 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
1965-66	1805.0	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	444.8	40.3	485.1
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	465.1	43.0	508.1
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	590.7	48.4	639.1
1972-73	2627.0 (+21.6)	927.2 (+18.3)	643.7 (+22.8)	760.3 (+18.7)	711.1 (+21.2)	351.5	127.4	78.6*	730.8	62.6	793.4
1973-74 (R.E.)	2734.0 (+4.1)	874.1 (— 5.7)	595.2 (— 7.5)	796.4 (+ 4.7)	732.5 (+3.0)	324.2	148.9	97.1*	751.6	59.8	811.4
1974-75 (B.E.)	3094.0 (+13.2)	1241.9 (+42.1)	944.3 (+58.7)	906.6 (+13.8)	836.3 (+14.2)	368.1	162.4	126.2*			

@Actuals upto 1971-72 and outlays for 1972-73 onwards.

*Cover 17 States only and hence the figures are not comparable with those of the earlier years. Also these are as per the revised budgetary classification.

Note : Figures in brackets are percentage variations over the previous years.

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.

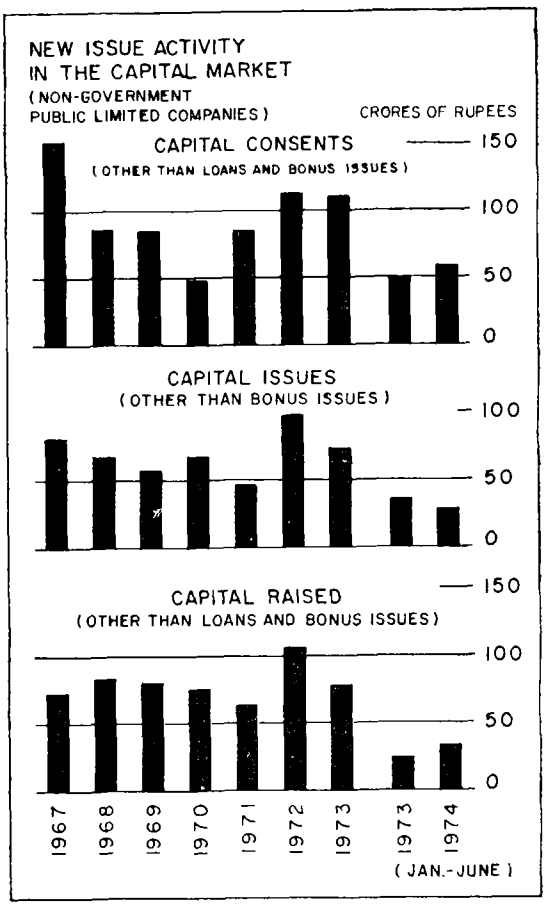
(2) For columns 7 and 8—Railway Budgets.

(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).

crores over the previous year. The Plan Outlay for 'Industry and Minerals' for 1973-74 stood at Rs. 751.6 crores, showing a small rise of Rs. 20.8 crores over the corresponding figure for 1972-73 as compared with a substantial increase of Rs. 140.1 crores envisaged in 1972-73.

Graph 34



New Issue Activity

Trends in Capital Raised and Capital Issues

Capital raised by non-Government public limited companies by way of shares (other than bonus) and debentures was lower at Rs. 78.0 crores during 1973 as compared to Rs. 107.3 crores during the preceding year. Almost the entire part of the decline took place in debentures (from Rs. 51.7 crores in 1972 to Rs. 14.9 crores in 1973). The capital raised through ordinary shares, on the other hand, increased from Rs. 47.6 crores to Rs. 56.0 crores (Table VI.8). Available data indicate that capital raised during the first half of 1974 (January-June) was higher at Rs. 34.0 crores as compared with Rs. 25.5 crores in the corresponding period of the previous year.

The new issue activity in 1973 was characterised by a large number of small issues as a result of which, the number of capital issues rose to 190 from 137 in 1972, but the total amount of capital issued declined to Rs. 74.4

Table VI.8 : 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) *or* (6+7)	New Companies	Existing Companies			
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 ..	47.6	8.0	51.7	107.3	19.2	88.1	34.9	6.1	148.3
1973* ..	56.0	7.2	14.9	78.0	22.7	55.3	41.3	4.5	123.9
(January-June)									
1973* ..	19.5	2.9	3.1	25.5	11.2	14.3	25.9	3.1	54.5
1974* ..	13.8	2.4	17.7	34.0	5.0	29.0	28.7	0.8	63.5

*Provisional

Note : Data relate to capital raised during the calendar year against consents granted during that year as well as earlier years.

Source : Office of the Controller of Capital Issues.

crores from Rs. 98.1 crores (Table VI.9). The liberal licensing policy in respect of medium and small-scale industries seems to have paved the way for a number of small companies to enter the capital market. On the other hand, uncertainties regarding the investment climate due to relative scarcities of key inputs like steel, non-ferrous metals and cement, and also due to power and transport bottlenecks, appear to have caused a general entrepreneurial hesitancy to enter the capital market with substantial issues in respect of large-sized projects.

As in capital raised, in the total capital issued during 1973, a steep decline occurred in debentures. Debenture issues declined to Rs. 3.1 crores (or 4.2 per cent of the total) from Rs. 18.0 crores (18.3 per cent) during 1972. Ordinary and preference shares registered marginal declines from Rs. 69.9 crores to Rs. 62.7 crores and from Rs. 10.2 crores to 8.6 crores, respectively.

Shares Offered to Public and Public Response

The amount offered for public subscription through prospectuses was Rs. 38.3 crores which formed 63.9 per cent of the total amount of capital issues through prospectuses in 1973. In 1972, of the total prospectus issues of Rs. 89.2 crores, Rs. 59.8 crores (or 67.0 per cent) were offered for public subscription.

Data on public response, available for 90 out of 113 equity issues, show that public response was better in 1973 than in 1972. Out of these 90 issues, as many as 78 (or 86.7 per cent) were over-subscribed as against 41 issues (67.2 per cent) out of 61 equity issues in 1972. The extent of over-subscription in respect of those over-subscribed equity issues in 1973 was phenomenal; those 78 equity issues together offered Rs. 19.9 crores for public subscription but fetched Rs. 259.3 crores (or over 13 times). In 1972, 41 over-subscribed equity issues had offered for public subscription Rs. 22.0 crores and fetched Rs. 67.7 crores (or just 3 times).

Capital Consents

The magnitude of consents/acknowledgements of proposals granted by the Controller of Capital Issues to non-Government public limited companies for issue of shares (other than bonus) and debentures during the calendar year 1973 was also lower at Rs. 109.8 crores than during the previous year (Rs. 111.9 crores)

Table VI.9 : New Capital Issues through Prospectus and Rights by Non-Government Public Limited Companies

(Rupees Crores)

Year	Issues through Prospectuses				Issues through Rights				Grand Total (5+9 or 11+12)	Distribution between	
	Ordinary Shares	Preference Shares	Debentures	Total (2+3+4)	Ordinary Shares	Preference Shares	Debentures	Total (6+7+8)		New Companies (Issues)	Existing Companies (Issues)
1	2	3	4	5	6	7	8	9	10	11	12
(January-December)											
1971 ..	26.1	5.4	4.3	35.8	8.7	1.4	—	10.1	45.9	25.3	20.6
	(72.9)	(15.1)	(12.0)	(100.0)	(86.1)	(13.9)		(100.0)	(100.0)	(55.1)	(44.9)
1972 ..	61.1	10.1	18.0	89.2	8.8	0.1	—	8.9	98.1	59.5	38.6
	(68.5)	(11.3)	(20.2)	(100.0)	(98.9)	(1.1)		(100.0)	(100.0)	(60.7)	(39.3)
1973 ..	49.9	7.4	2.6	59.9	12.8	1.2	0.5	14.5	74.4	59.9	14.5
	(83.3)	(12.4)	(4.3)	(100.0)	(88.3)	(8.3)	(3.4)	(100.0)	(100.0)	(80.5)	(19.5)
(January-June)											
1973 ..	24.1	3.9	1.0	29.0	6.1	0.9	—	7.0	36.0	24.0	12.0
	(83.1)	(13.4)	(3.5)	(100.0)	(87.1)	(12.9)		(100.0)	(100.0)	(66.7)	(33.3)
1974* ..	22.1	3.1	5.0	30.2	3.2	0.2	—	3.4	33.6	13.3	20.3
	(73.2)	(10.3)	(16.5)	(100.0)	(94.1)	(5.9)	(—)	(100.0)	(100.0)	(39.6)	(60.4)

* Provisional.

Note : Figures in brackets are percentages to totals.

Source : Prospectuses/Circular letters received from companies.

(Table VI.10). This was mainly due to a sizeable fall of Rs. 28.2 crores in the sanctions for debenture issues (to Rs. 22.0 crores). There was an impressive rise of Rs. 27.0 crores in the approvals for equity issues. Correspondingly, there was a rise in the proportion of equity issues to 71.2 per cent of the total while that of debentures declined to a mere 20.0 per cent from 44.9 per cent. Total consents for bonus issues at Rs. 50.6 crores was the largest sanctioned since 1966.

Data on consents granted during the first half of 1974 indicate an uptrend in sanctions. Consents/acknowledgements of proposals for issue of shares and debentures during January-June 1974 was higher at Rs. 57.5 crores as compared with Rs. 49.8 crores during the corresponding period of 1973 due to a rise of Rs. 10.0 crores in equity issues sanctioned. (to Rs. 39.1 crores).

Guidelines and Regulatory Measures

In March 1974, the Government announced the detailed guidelines for examination of bonus issue proposals by the Controller of Capital Issues. No bonus issues are permitted unless the partly-paid shares, if existing, are made fully-paid. It was also stipulated that bonus issues are to be made only out of genuine profits or share premium collected in cash only and that reserves created by revaluation of fixed assets are not to be capitalised. The Development Rebate Reserve is considered as free reserve for purposes of calculation of residual reserve and could be capitalised. The residual reserves after the proposed capitalisation should not be less than 33.3 per cent of the increased paid-up capital. In the case of composite proposals for issue of bonus shares and rights shares, the rights issues will be sanctioned only after a time lag. The existing guidelines such as that (i) no bonus issues will be permitted in *lieu* of dividend; (ii) not more than two bonus issues will be allowed to a company over a period of five years and (iii) there should be a time lag of at least 18 months between two bonus issues remain operative.

However, as a follow-up measure to the Ordinance restricting dividend payable by companies, the Government effected, on July 8, the revised guidelines for issue of bonus

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 Issues (Loans, etc.)	Grand Total (5+8+9)
	Ordinary Shares	Preference Shares	Debentures	Total (2+3+4) *or* (6+7)	Issues by new companies	Issues by existing companies			
1	2	3	4	5	6	7	8	9	10
(January-December)									
1969 ..	35.0	4.9	45.0	84.9	15.3	69.6	29.2	6.0	120.1
	(41.2)	(5.8)	(53.0)	(100.0)	(18.0)	(82.0)			
1970 ..	29.7	10.3	8.5	48.5	16.3	32.2	36.0	6.6	91.1
	(61.2)	(21.3)	(17.5)	(100.0)	(33.6)	(66.4)			
1971 ..	49.8	9.6	25.5	84.9	21.4	63.5	36.0	56.0£	176.9
	(58.7)	(11.3)	(30.0)	(100.0)	(25.2)	(74.8)			
1972 ..	51.2	10.5	50.2	111.9	25.8	86.1	32.1	45.4	189.4
	(45.7)	(9.4)	(44.9)	(100.0)	(23.1)	(76.9)			
1973@ ..	78.2	9.6	22.0	109.8	45.9	63.9	50.6	11.5	171.9
	(71.2)	(8.7)	(20.0)	(100.0)	(41.8)	(58.2)			
(January-June)									
1973@ ..	29.1	4.8	15.9	49.8	17.1	32.7	27.8	9.2	86.8
	(58.4)	(9.7)	(31.9)	(100.0)	(34.3)	(65.7)			
1974@ ..	39.1	4.3	14.1	57.5	21.2	36.3	26.5	16.5	100.5
	(68.0)	(7.5)	(24.5)	(100.0)	(36.9)	(63.1)			

*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.
@Provisional.
Note : Figures within brackets are percentages to totals.
Source : Office of the Controller of Capital Issues.

shares with a view to prohibiting the diversion of the funds accumulated due to undistributed profits. Accordingly, the time lag between two successive announcements of bonus issues by a company has been increased from 18 months to 40 months and the time lag for applying for issue of bonus shares, after the scrip in respect of the last bonus issue is listed on the Stock Exchange on the completion of despatch of share certificates thereon, has been increased from 12 months to 36 months. Again, on September 30, the Government stipulated that the amount of free reserves to be capitalised by issuing bonus shares should not exceed the total amount of paid-up capital of the company concerned.

Role of Term-lending Institutions in Industrial Finance

Overall Position

The sanctions and disbursements of the term-lending institutions recorded a sizeable uptrend during the fiscal year 1973-74 (Table VI.11). The total amount of assistance sanctioned by the four All-India term-lending institutions, State Financial Cor-

Graph 35

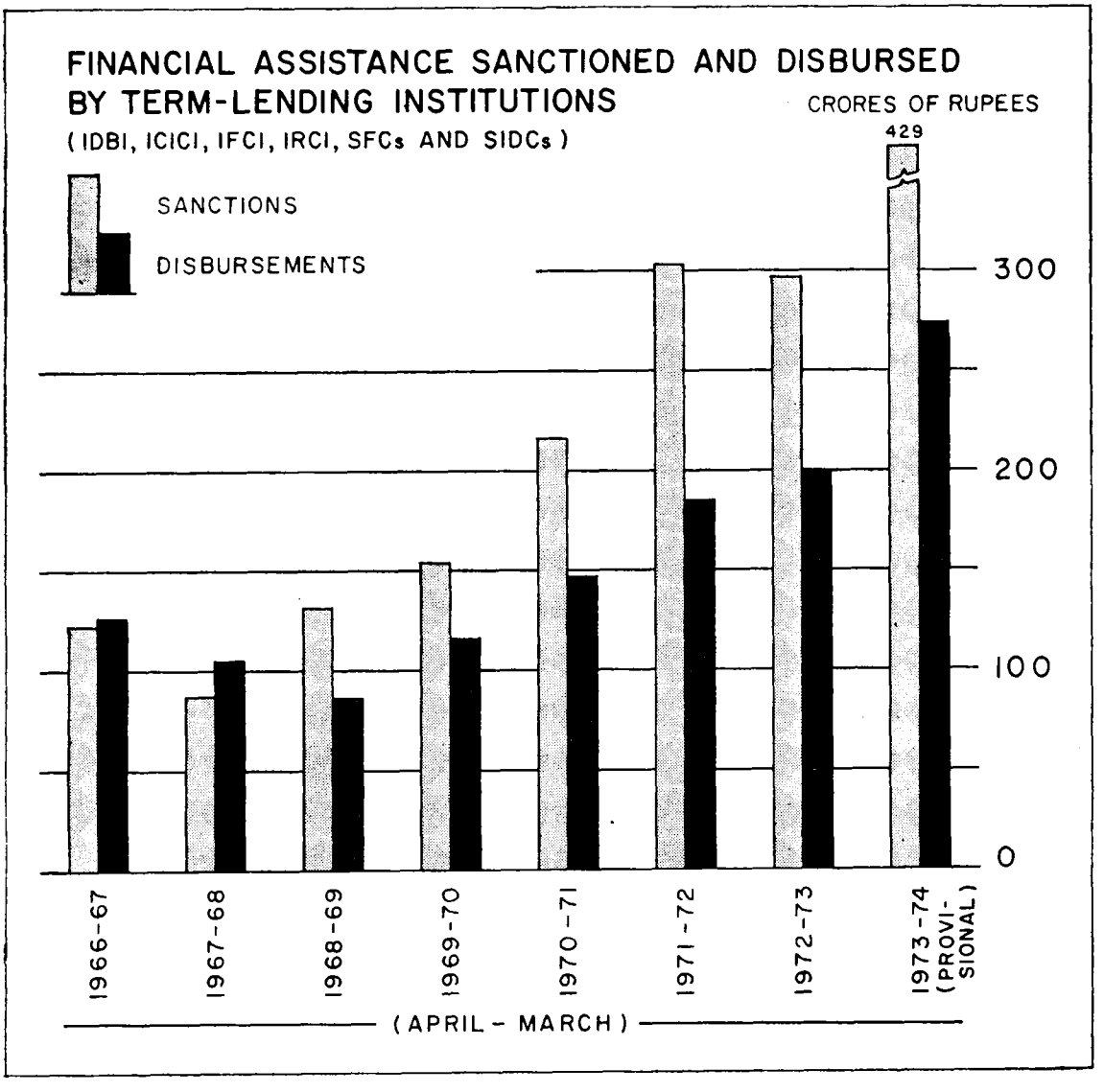


Table VI.11 : Assistance Sanctioned and Disbursed by Term-lending Institutions

(Year : April-March) (Rupees Crores)

Sanctions

Institution	Rupee loans		Foreign currency loans		Underwriting and direct subscriptions				Total	
					Ordinary and preference shares		Debentures			
	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74
1	2	3	4	5	6	7	8	9	10	11
IDBI ..	87.0* (25.2)	176.1* (34.5)	—	—	3.4	8.3	2.1	—	92.5 (25.2)	184.4 (34.5)
IFCI ..	37.3	36.2	4.3	4.3	3.1	3.4	1.0	—	45.7	43.9
ICICI ..	13.4	19.8	29.0	34.7	3.7	5.1	3.3	1.6	49.4	61.2
IRCI ..	6.1	7.2	—	—	—	—	—	—	6.1	7.2
SFCs£ ..	77.8	99.7	—	5.2	0.9	0.8	—	—	78.7	105.7
SIDCs£ ..	18.1	21.9	—	—	5.4	4.8	—	—	23.5	26.7
Total ..	**239.7**	**360.9**	**33.3**	**44.2**	**16.5**	**22.4**	**6.4**	**1.6**	**295.9**	**429.1**
UTI@ ..	—	—	—	—	3.2	3.8	6.7	4.1	9.9	7.9
LIC@ ..	11.6	17.1	—	—	4.8	4.9	3.7	3.9	20.1	25.9

Disbursements

Institution	Rupee loans		Foreign currency loans		Underwriting and direct subscriptions				Total	
					Ordinary and preference shares		Debentures			
	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74	1972-73	1973-74
	12	13	14	15	16	17	18	19	20	21
IDBI ..	62.4* (19.1)	113.4* (22.8)	—	—	3.5	4.9	0.8	—	66.7 (19.1)	118.3 (22.8)
IFCI ..	21.5	27.4	4.1	3.0	1.6	1.5	0.8	—	28.0	31.9
ICICI ..	7.9	13.8	28.0	26.3	2.5	1.9	1.3	1.5	39.7	43.5
IRCI ..	3.5	5.2	—	—	—	—	—	—	3.5	5.2
SFCs£ ..	44.1	54.1	—	—	0.6	0.5	—	—	44.7	54.6
SIDCs£ ..	12.7	15.3	—	—	3.9	3.2	—	—	16.6	18.5
Total ..	**152.1$**	**229.2$**	**32.1**	**29.3**	**12.1**	**12.0**	**2.9**	**1.5**	**199.2**	**272.0**
UTI@	—	—	—	—	1.7	2.3	4.0	5.5	5.6	7.8
LIC@	4.2	10.7	—	—	4.0	3.8	5.8	5.6	14.0	20.1

*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.
$Including disbursements, if any, on account of guarantees.
£Data are provisional.
@Data for 1973-74 are provisional and those for 1972-73 are revised.

porations (SFCs) and State Industrial Development Corporations (SIDCs) rose by Rs. 133.2 crores or 45 per cent to Rs. 429.1 crores in 1973-74, while their aggregate disbursements in 1973-74, amounted to 272.0 crores as compared with Rs. 199.2 crores in 1972-73, showing an increase of Rs. 72.8 crores or 36.5 per cent over the previous year. The higher aggregate disbursements during 1973-74 were mainly in terms of rupee loans which went up by Rs. 77.1 crores, there being a decline in the utilisation of foreign currency loans to the tune of Rs. 2.8 crores. Institution-wise, IDBI was mainly responsible for the improvement in total disbursements, accounting for Rs. 51.6 crores of the increase, followed by SFCs (Rs. 9.9 crores).

New Companies and Existing Companies

The total direct loans sanctioned and disbursed by the three major All-India term-lending institutions, viz., IDBI, IFCI and ICICI, to newly established and existing companies, presented in Table VI.12, show a substantial shift in disbursements in favour of newly established companies in 1973-74. Such disbursements for the newly established companies rose from Rs. 22.5 crores (31 per cent of the total) in 1972-73 to Rs. 69.7 crores (61 per cent) in 1973-74, while those for the existing companies declined from Rs. 50.7 crores to Rs. 45.2 crores. In amounts sanctioned, however, the distribution as between newly established companies and the existing companies remained the same as in the previous year.

Assistance to Small-scale Industries

The rising scale of financial assistance rendered by the term-lending institutions to the small-scale industries sector, particularly by SFCs and IDBI, are brought out in Table VI. 13. All the major financial institutions together sanctioned Rs. 99.8 crores and disbursed Rs. 55.8 crores in 1973-74 as against Rs. 79.8 crores and Rs. 46.1 crores, respectively, in 1972-73. However, such assistance—short-term and long-term —rendered to the small-scale industries sector by the commercial banks is still on a higher scale, as may be noticed in a subsequent paragraph.

Other Diversifications in Lending Operations

Recently, the term-lending institutions have been giving financial assistance to projects in the backward districts/areas on a rising scale. Such assistance rendered by the IDBI, IFCI, ICICI, IRCI, SFCs and SIDCs together, amounted to Rs. 118.2 crores in 1973-74 as compared with Rs. 69.5 crores in the previous year, while disbursements rose from Rs. 38.1 crores in 1972-73 to Rs. 56.5 crores in 1973-74. The loans extended by these institutions to the new/small entrepreneurs also registered a marked increase in 1973-74, both in terms of sanctions and disbursements (Table VI. 14).

The financial assistance sanctioned to the units in the co-operative sector by the term-lending institutions declined from Rs. 20.3 crores in 1972-73 to Rs. 14.9 crores in 1973-74 though the amount disbursed went up by Rs. 11.7 crores to Rs. 23.7 crores in 1973-74 (Table VI.15). The units in public sector also received a larger amount of assistance from IDBI, IFCI, IRCI, SFCs and SIDCs during 1973-74 (Table VI. 15).

Industrial Development Bank of India (IDBI):

The highlights of IDBI's operations during 1973-74 (July-June), the tenth year of its operation, were: (i) a vast expansion in financial assistance sanctioned and utilised; (ii) sizeable assistance to units located in backward areas; (iii) implementation of the IDA Scheme for refinancing loans given by SFCs to small and medium-sized industrial units for import of equipments and/or technical know-how from abroad; (iv) introduction of a 'Buyer's Credit Scheme' to enable foreign importers of Indian capital goods to finance such imports on a deferred payment basis and (v) grant of a foreign line of credit of Rs. 25 crores to financial institutions in Bangladesh.

The financial assistance sanctioned registered a significant rise of 71 per cent from Rs. 136.3 crores (2,997 applications) during 1972-73 to

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£				Direct Loans Disbursed£			
	Newly established companies	Existing Companies		Total (2+3+4)	Newly established companies	Existing Companies		Total (6+7+8)
		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	46.6 (49.1)	6.6 (7.0)	41.6 (43.9)	94.8 (100.0)	23.0 (34.2)	3.0 (4.4)	41.4 (61.4)	67.4 (100.0)
1972-73	48.7 (44.3)	8.9 (8.1)	52.3 (47.6)	109.9 (100.0)	22.5 (30.7)	4.9 (6.7)	45.8 (62.6)	73.2 (100.0)
1973-74*	72.6 (44.6)	20.8 (12.8)	69.2 (42.6)	162.6 (100.0)	69.7 (60.7)	6.6 (5.7)	38.6 (33.6)	114.9 (100.0)

£ Include foreign currency loans.
* Data are provisional.
Note : Figures in brackets are percentages to totals.

Table VI.13 : Financial Assistance Sanctioned and Disbursed by Term-lending Institutions to Projects in Small-scale Industries Sector.

(Year : April-March) (Rupees Crores)

Institution	1972-73		1973-74	
	Sanctioned	Disbursed	Sanctioned	Disbursed
1	2	3	4	5
1. IDBI@	22.4	15.8	33.3*	18.8*
2. IFCI	—	—	—	—
3. ICICI	0.2	0.1	0.1	0.2
4. IRCI	0.4	0.3	0.8	0.4
5. SFCs£	56.6	29.8	64.8	35.5
6. SIDCs$	0 .2	0 .1	0.8	0 .9
Total	79.8	46.1	99.8	55.8

@IDBI's assistance also includes assistance to small road transport operators under refinance of industrial loans.
*Includes refinance assistance sanctioned under IDA Line of Credit.
(—) means not relevant.
£Data relate to 18 SFCs.
$Data relate to 7 SIDCs.

Table VI.14 : 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							
	1970-71		1971-72		1972-73		1973-74*		1970-71		1971-72		1972-73		1973-74*	
	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments	Sanc-tions	Dis-burse-ments
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
IDBI@ ..	0.3	—	16.9	1.1	8.5	6.9	27.7	14.6	0.2	0.7	1.2	0.5	0.4	0.2	0.4	0.4
IFCI ..	5.6	6.3	10.9	0.5	17.1	8.0	20.4	10.4	0.2	0.9	1.5	2.1	5.4	1.7	5.4	4.1
ICICI ..	5.7	3.7	5.8	1.8	8.0	4.0	18.0	5.4	—	—	—	—	0.3	1.9	0.7	3.4
IRCI ..	—	—	2.4	0.5	1.3	1.9	1.1	0.9	—	—	—	—	—	—	—	—
SFCs£ ..	—	—	—	—	32.4	16.0	42.5	21.2	—	—	—	—	12.9	5.3	16.9	7.9
SIDCs££ ..	—	—	—	—	2.2	1.3	8.5	4.0	—	—	—	—	0.8	0.6	1.7	1.0
Total ..	**11.6**	**10.0**	**36.0**	**3.9**	**69.5**	**38.1**	**118.2**	**56.5**	**0.4**	**1.6**	**2.7**	**2.6**	**19.8**	**9.7**	**25.1**	**16.8**
L.I.C. ..	—	—	—	—	1.2	0.9	9.5	1.4	—	—	—	—	—	—	—	—

*Provisional.
@Data on assistance to backward districts/areas relate to concessional finance and those to new/small entrepreneurs cover assistance to technician entrepreneurs only.
£Data relate to 16 SFCs.
££Data relate to 7 SIDCs.
(—)means not available.

Table VI.15 : Financial Assistance Sanctioned and Disbursed by Term-lending Institutions to Industrial Companies in the Co-operative and Public Sectors

(Year : April March) (Rupees Crores)

Institution	Co-operative Sector								Public Sector							
	1970-71		1971-72		1972-73		1973-74*		1970-71		1971-72		1972-73		1973-74*	
	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements	Sanc-tions	Disbur-sements
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
IDBI@ ..	1.0	0.8	12.6	1.5	1.0	0.8	2.2	10.1	13.6	6.5	15.1	16.6	14.6	11.4	22.2	18.0
IFCI ..	9.1	8.2	12.1	6.4	15.7	8.9	9.9	11.4	0.6	..	0.8	0.9	3.9	0.3	0.1	1.2
ICICI£ ..	0.9	..	1.3	0.9	1.2	1.4	0.9	0.9	—	—	—	—	—	—	—	—
IRCI ..	—	—	—	—	—	—	—	—	N.A.	N.A,	N.A.	N.A,	2.6	1.2	4.7	2.1
SFCs££ ..	2.7	1.7	1.6	2.2	2.3	0.8	1.7	1.1	—	—	—	—	11.8	8.6	14.8	9.7
SIDCs** ..	N.A.	N.A.	N.A.	N.A.	0.1	0.1	0.2	0.2	N,A.	N.A.	N.A.	N.A.	8.7	3.9	8.2	5.0
Total ..	**13.7**	**10.7**	**27.6**	**11.0**	**20.3**	**12.0**	**14.9**	**23.7**	**14.2**	**6.5**	**15.9**	**17.5**	**41.6**	**25.4**	**50.0**	**36.0**
LIC ..	..	2.0	2.4	1.7	0.9	1.0	2.8	1.4	N.A.	N.A.	1.6	0.2	0.1	0.2	—	0.7

*Provisional.
@Total assistance under all schemes of IDBI (excluding guarantees and assistance to financial institutions).
£Industrial units in the public sector are not eligible for ICICI assistance.
(—) Means not relevant.
(N.A.) Not available.
££Data relate to 16 SFCs.
**Data relate to 7 SIDCs.

Rs. 232.6 crores (3,818 applications) during 1973-74 (Table VI.16). The assistance utilised by the assisted concerns also rose by 52 per cent from Rs. 106.6 crores to Rs. 162.2 crores. IDBI's performance was the best under the Bills Rediscounting Scheme. The face value of bills rediscounted during 1973-74 at Rs. 76.3 crores was higher than that in the previous year by Rs. 26.5 crores or 53 per cent. During the year, the facilities of the scheme were made available to 292 manufacturers/sellers (against 231 in the previous year) and to 804 purchaser-users (693 in the previous year).

Direct loans sanctioned to industrial concerns (other than for exports), too, rose by Rs. 14.9 crores to Rs. 58.1 crores, while such assistance utilised by assisted concerns went up by Rs. 21.6 crores to Rs. 46.8 crores. Sanctions under refinance of industrial loans rose appreciably by Rs. 14.4 crores to Rs. 45.1 crores. Contrary to the experience during the preceding year, direct loans for exports and refinance of export credit also were higher than those sanctioned during the preceding year probably as a result of the tight resource position experienced by commercial banks. In respect of assistance utilised by the assisted concerns, only underwriting of and direct subscriptions to shares and debentures and refinance of export credit fell short of the previous year's level of utilisation.

Table VI. 16 : Summary of Operations of IDBI

(Year : July-June) (Rupees Crores)

Type of assistance	Sanctions					Disbursements			
	1972-73		1973-74		Cumulative sanctions since inception upto end-June 1974	1972-73	1973-74	Cumulative disbursements since inception upto end-June 1974	Assistance outstanding as on June 30, 1974
	No. of Applications	Amount	No. of Applications	Amount		Amount	Amount		
1	2	3	4	5	6	7	8	9	10
1. Direct loans to industrial concerns (other than for exports)	54	43.2	49	58.1	284.2	25.2	46.8	171.3	128.5
2. Underwriting of and direct subscriptions to shares/debentures..	35	7.0	24	7.2	55.1	5.0	4.7	31.1	27.6
3. Refinance of industrial loans ..	2204	30.7	2926	45.1	222.2	25.0	27.7	194.8	87.6
4. Rediscounting of bills	693	49.8	804	76.3	261.3	42.5	63.7	221.5	149.6
5. Subscriptions to shares and bonds of financial institutions	5	2.8	5	10.2	49.2	2.8	11.6	47.7	45.1
**Total Project Assistance (1 to 5).. **	**2991**	**133.5**	**3808**	**196.9**	**872.0**	**100.5**	**154.5**	**666.5**	**438.4**
6. Direct loans for exports	4	2.7	4	7.9	58.0	3.9	6.7	35.7	25.1
7. Refinance of export credits ..	2	0.1	3	2.7	28.6	2.2	1.0	24.6	6.0
8. Foreign line of credit	—	—	3	25.0	25.0	—	—	—	—
**Total (1 to 8) .. .. .. **	**2997**	**136.3**	**3818**	**232.6**	**983.6**	**106.6**	**162.2**	**726.8**	**469.5**
9. Guarantees for loans and deferred payments	1	0.3	1	0.04	26.7	0.4*	—	19.6*	32.8
10. Advance payment guarantee (Export credit)	—	—	—	—	1.8	0.1*	..	1.8*	0.96

* Guarantees executed.
** Negligible.
Note : Number of applications in respect of item 4 relates to the number of purchasers/users and in respect of item 5 to the number of financial institutions.

A distinct feature of the year's direct sanctions was that about 70 per cent of them were in respect of new projects. The corresponding proportion for 1972-73 was 40 per cent.

Assistance to Backward Areas

The scheme of direct concessional assistance to projects in backward areas, operated since June 1970, was further revised during the year by extending its benefits to new projects as well as projects of expansion, modernisation and rehabilitation of existing units, irrespective of the sum involved. Under the liberalised scheme, concessional rupee loan assistance upto Rs. 2 crores and underwriting assistance upto Rs. 1 crore is available from IDBI, in participation with IFCI and ICICI. Further assistance in excess of this ceiling is available on normal terms, though exceptions may be made in special cases on merit. In the case of eligible units (with paid-up capital and reserves after expansion, where applicable, not exceeding Rs. 1 crore), concessional refinance assistance is available in respect of loans upto Rs. 30 lakhs given by banks and SFCs.

Of Rs. 51 crores of assistance sanctioned by IDBI for the projects in backward areas since June 1970, as much as Rs. 36 crores was on concessional basis. Thus, as much as 46 per cent of the total assistance sanctioned during the year was on concessional terms to such units as against a mere 14 per cent during the previous year. As may be observed from Table VI.17, IDBI's concessional assistance and refinance of loans for backward areas have been steadily increasing in terms of the number of applications and the amounts sanctioned and utilised.

Table VI. 17 : IDBI's Assistance to Backward Areas on Concessional Terms

(Year : April-March) (Rupees Crores)

Type of Assistance		1971-72		1972-73		1973-74@		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
1. Direct Assistance*	.. Sanctions	1	14.0	5	2.1	18	14.9	24	31.0
	.. Disbursement	—	—	—	3.1	—	7.8	—	10.9
2. Refinance of Industrial Loans	.. Sanctions	222	2.9	416	6.4	796	12.8	1434	22.1
	.. Disbursements	—	1.1	—	3.8	—	6.8	—	11.7
3. Total	.. Sanctions	**223**	**16.9**	**421**	**8.5**	**814**	**27.7**	**1458**	**53.1**
	.. Disbursement	—	**1.1**	—	**6.9**	—	**14.6**	—	**22.6**

@ Provisional.

* Comprising loans and underwritings/direct subscription.

Note : Amount disbursed during a particular year may also be out of some sanctions made during the previous year.

Assistance for Small-scale Industries

IDBI's assistance to small-scale industries and small road transport operators was also higher than that during the previous year, both in terms of number as well as amount sanctioned and disbursed (Table VI.18). Besides, IDBI's rediscounting assistance, a sizeable part of which percolates to small-scale units, registered a sharp increase, both in terms of sanctions and utilisation.

Table VI. 18 : IDBI's Assistance to Small-scale Industries and Small Road Transport Operators under Refinance of Industrial Loans.

(Rupees Crores)

Year (July-June)	Sanctions (gross)		Amount Disbursed
	Number	Amount	
1	2	3	4
1970-71	1453	15.3	11.3
1971-72	2073	22.3	13.9
1972-73 ..	2413	26.8	16.6
1973-74	2816	33.3*	18.6*

*Includes refinance assistance sanctioned under IDA line of credit.

Promotional Functions and Policies

During the year under review, IDBI continued its promotional and developmental activities initiated since 1970 to meet the twin objectives of balanced regional development and accelerated industrial growth. Industrial potential surveys of all States/Union Territories, demarcated as backward by the Pande Committee, have been completed in co-operation with other term-lending institutions. Project ideas numbering 336 have been identified and recommended for implementation in 13 States/Union Territories demarcated as backward (Table VI.19).

Inspired by the functioning of the two technical consultancy organisations, Kerala Industrial and Technical Consultancy Organisation Ltd. (KITCO) and the North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO), one more such organisation was formed in Bihar in June 1974. Action for setting up two more such organisations, one in U.P. and another, jointly for Andhra Pradesh and Orissa is being initiated.

Table VI. 19 : Projects Identified through Industrial Potential Surveys in Backward States/Union Territories

(Rupees Crores)

	Identified by study teams		Identified by other agencies		Total	
	No.	Cost	No.	Cost	No.	Cost
1	2	3	4	5	6	7
I. Total identified projects	**245**	**1690.1**	**91**	**189.1**	**336**	**1879.2**
of which :						
A. (*i*) Projects implemented or being implemented	37	145.0	2	0.9	39	145.9
(*ii*) Projects with entrepreneurs	114	1113.5	33	115.1	147	1228.6
(*iii*) Projects pending sanction of financial assistance	9	123.4	2	7.6	11	131.0
(*iv*) Projects found not feasible for the present	23	75.9	—	—	23	75.9
Total (A)	183	1457.8	37	123.7	220	1581.4
B. Project ideas pursued throu gh State-level Inter-Institutional Groups for identifying entrepreneurs and other rela ted matters.	—	—	—	—	116	297.7

Subscription to Shares and Debentures of Other Financial Institutions

With the contribution of Rs. 2.1 crores to the public issue of debentures and Rs. 2.9 crores to the special issue of debentures of ICICI during the year, total assistance of IDBI to ICICI since inception aggregated Rs. 24.7 crores as at end-June 1974. ICICI repayed Rs. 2.7 crores as the instalment of loans utilised by it in 1966-67, 1967-68 and 1968-69, bringing IDBI's total holding of ICICI debentures to Rs. 22.0 crores as at end-June 1974. A special loan of Rs. 5.0 crores was sanctioned to IFCI to ease the strain on its resources. An amount of Rs. 0.25 crore was subscribed by the RBI to the private issue of share capital by Haryana Financial Corporation. With this, IDBI's total subscription to the share capital and debentures of all SFCs together amounted to Rs. 9.2 crores.

IDBI's Lending Rates

The structure of the IDBI's lendng rates was revised with effect from July 27, 1974. The normal direct lending rate for new loans to industrial concerns was raised from 9 per cent to 10.25 per cent and the lending rate to eligible units in the backward areas from 7.5 per cent to 8.5 per cent. The revisions in other rates are shown in Table VI.20.

Table VI.20 : IDBI's Structure of Interest Rates

(Per cent per annum)

	Rates prevailing before July 27, 1974		Revised rates effective from July 27, 1974	
	IDBI Rate	Ceiling on the rate to be charged by the financial institutions	IDBI Rate	Ceiling on the rate to be charged by the financial institutions
1. Direct assistance to industrial concerns (other than for exports)				
(*a*) Normal rate	9.0	—	10.25	—
(*b*) Concessional rate to units in specified backward districts	7.50	—	8.50	—
2. Refinance of Industrial Loans				
(*a*) Normal rate	7.00	10.50	8.50	12.00
(*b*) Special rate for small-scale industrial units under 'credit guarantee scheme' and technician-entrepreneur scheme	5.00 (for assistance upto Rs. 25,000)	8.50	7.00	10.50
	5.50 (for assistance in excess of Rs. 25,000)	9.00		
(*c*) Special rate for units in the specified backward districts	4.00	7.50	5.50	9.00
2. (A) Refinance under IDA line of credit (Foreign currency component)				
(*a*) To small-scale industries covered under 'credit guarantee scheme', technician-entrepreneur scheme and units in specified backward districts	6.50	9.00	8.00	10.50
(*b*) Others	6.75	9.50	8.25	11.00
3. Bills Rediscounting Scheme—Unexpired usance bills/ promissory notes				
(*a*) 6 to 36 months	7.00	8.00*	9.00	10.00*
(*b*) Over 36 months and upto 84 months	6.50	7.50*	8.50	9.50*
4. Export Credit				
(*a*) Refinance against medium-term export credits	5.50	7.00£	5.50+ ((No change)	7.00+£
(*b*) Participation export finance scheme (*c*) Buyers' credit scheme	The rate on IDBI's portion of credit is such that after taking into account the participating bank's rate, the average rate to the exporter on the entire credit will generally be 6.50@ per cent (No change).			

* The maximum rate of discount chargeable by banks.
£ Maximum rate of interest chargeable by banks.
\+ The rate and the ceiling on it were raised from 4.50 per cent and 6.00 per cent to 5.50 per cent and 7.00 per cent, respectively, with effect from April 30, 1974.
@ The rate was raised from 5.50 per cent to 6.50 per cent with effect from April 30, 1974.

Resources

The resources of IDBI were further augmented by: (i) repayments by borrowers and sale of investments (Rs. 76.5 crores); (ii) borrowings from R.B.I.'s Long-Term Operations Fund (Rs. 69.6 crores); (iii) market borrowings (Rs. 15.2 crores); and (iv) an increase in share capital (Rs. 10.0 crores).

Industrial Reconstruction Corporation of India (IRCI):

From its inception, i.e., from April 1971 upto March 1974, the IRCI has sanctioned financial assistance of Rs. 20.2 crores to 74 sick/closed industrial units employing a total labour force of 63,471 (Table VI.21). Total amount disbursed during the same period amounted to Rs. 11.1 crores. The amount arranged through banks/other institutions by the Corporation for meeting the working capital needs of industries stood at Rs. 15.8 crores at the end of March 1974 as compared with Rs. 7.6 crores at the end of the previous year. The utilisation of assistance during 1973-74 amounted to Rs. 5.4 crores of which Rs. 2.1 crores (39 per cent) were for projects in public sector, Rs. 0.9 crore for projects in backward areas, and Rs. 0.4 crore for small-scale industries sector. While the amount disbursed in respect of projects in the public sector rose from Rs. 1.2 crores in 1972-73 to Rs. 2.1 crores in 1973-74, that in the case of projects in backward areas recorded a decline from Rs. 1.9 crores to Rs. 0.9 crore in 1973-74.

Some Aspects of Operations

Industrial Finance Corporation of India (IFCI):

The effective financial assistance sanctioned by the Industrial Finance Corporation during 1973-74 (April-March) at Rs. 43.9 crores was lower than that in 1972-73 (Rs. 45.7 crores). However, the amount disbursed was higher at Rs. 31.9 crores as compared to Rs. 28.0 crores in the previous year. Of the total loan assistance of Rs. 40.5 crores, Rs. 4.3 crores were foreign currency loans comprising 23 sub-loans in Deutsche Marks equivalent to Rs. 3.5 crores, 6 sub-loans in Pound Sterling of the value of Rs. 0.7 crore and one sub-loan in French Francs of the value of Rs. 0.1 crore.

The Corporation sanctioned Rs. 29.8 crores to 52 new projects during the year under review. Of the total assistance sanctioned

Table VI.21 : Summary of Assistance Sanctioned and Disbursed by Industrial Reconstruction Corporation of India

(Rupees Crores)

Year	Number of Units	Amount sanctioned			Total amount disbursed	Amount arranged through banks/ other institutions	Labourers involved
		Loans	Guarantees	Total			
1	2	3	4	5	6	7	8
April-March							
1972-73	20	6.4	(—) 0.3*	6.1	4.2	3.2	11,902
1973-74	10	7.7	(—) 0.2*	7.5	5.4	8.2	16,492
As at end of							
March 1973	64	12.3	0.4	12.7	5.7	7.6	46,979
March 1974	74	20.0	0.2	20.2**	11.1	15.8	63,471

* Effective sanctions.

** Reconstruction assistance of Rs. 31.94 lakhs sanctioned earlier has since been cancelled. Further, an amount of Rs. 0.75 lakh has since been repaid.

Note : Disbursements include guarantees issued and outstanding.

(Rs. 43.9 crores); a sum of Rs. 20.4 crores or 46.5 per cent was approved for 34 projects in notified backward districts; the corresponding share of such assistance in the total stood at 37 per cent in the previous year. Total financial assistance to 16 projects promoted by new entrepreneurs and 10 projects in the co-operative sector aggregated Rs. 5.4 crores and Rs. 9.9 crores, respectively.

Industry-wise, of the total financial assistance sanctioned by IFCI during the year, the sugar industry at Rs. 10.8 crores received the highest. The next in importance was textiles (Rs. 7.6 crores), followed by iron and steel and ferro-alloys (Rs. 6.9 crores), and chemicals and chemical products (Rs. 5.5 crores).

Interest Rates Charged

On July 12, 1973, the Corporation raised its lending rates by 0.5 per cent to 9.5 per cent and 10 per cent for rupee loans and foreign currency loans, respectively, subject to the usual rebate of 0.5 per cent for punctual repayment of instalments of principal and interest. The gross rate of interest charged by it in respect of projects located in notified backward districts was also increased to 8 per cent from 7.5 per cent. During the year under review, the Corporation decided to give foreign currency loans to projects in notified backward districts at a concessional rate of interest, viz., 9.5 per cent.(2)

Resources Augmented

The Corporation augmented its funds by floating bonds of the value of Rs. 13.2 crores during the year. The total outstanding bonds as on March 31, 1974 aggregated Rs. 85.2 crores. It obtained the twelfth line of credit of DM 8 million from the Kreditanstalt-fur Wiederaufbau, the total value of such credit aggregating DM 136.5 million. Out of these, the Corporation had sanctioned sub-loans of DM 133.7 million upto March 31, 1974. Besides, sub-loans of French Francs 14.4 million were sanctioned to industrial concerns against the equipment credit of French Francs 15 million from the Banque Francaise du Commerce Exterieur, Paris. The Corporation was granted a further allocation of £1.5 million under U.K./India Capital Investment Loan 1973 during the year under review, thus bringing the total sterling credit to £3.5 million. Of these, sub-loans of £2.7 million were sanctioned to industrial concerns as on March 31, 1974. As at the end of March 1974, the total amount of loans from USAID stood at U.S. $26.7 million and these credits stood fully committed.

(2) On September 11, 1974, IFCI revised again its interest rates structure. The revised rates were made applicable to all loans sanctioned on or after July 30, 1974. The lending rates on rupee loans and foreign currencs loans were raised to 11.25 per cent and 11.50 per cent respectively, while that for rupee loans and foreign currency loans in case of projects in notified backward districts/areas to 9.5 per cent and 10.5 per cent; the rebate for punctual repayment was also raised to 1 per cent. The rate of interest chargeable on soft loans to jute industry and export-oriented cotton textile mills and hotel projects would be 11.25 per cent instead of 9.5 per cent charged earlier, subject to rebate of 2 per cent for punctual repayment.

Industrial Credit and Investment Corporation of India (ICICI):

Operations

During 1973-74 (April-March), the operations of ICICI have further expanded as a result of higher sanctions both under foreign currency loans and rupee loans. Sanctions of foreign currency loans and rupee loans aggregated Rs. 34.7 crores and Rs. 19.8 crores, respectively, as against Rs. 29.0 crores and Rs. 13.4 crores during 1972-73. Disbursements under foreign currency loans were lower at Rs. 26.3 crores as compared to Rs. 28.0 crores in the previous year. However, disbursements under rupee loans increased from Rs. 7.9 crores to Rs. 13.8 crores.

During the quarter April-June 1974, total sanctions amounted to Rs. 15.8 crores as aganst Rs. 12.8 crores in the corresponding period of 1973. Of this total, the sanctions under foreign currency loans aggregated Rs. 6.2 crores as compared with Rs. 9.8 crores in 1973. Similar trends are discernible in the case of disbursements during April-June 1974 which totalled Rs. 11.7 crores as against Rs. 10.9 crores in 1973 (April-June), there being a decline in disbursements under foreign currency loans. As regards its assistance to small-scale industries, the Corporation sanctioned Rs. 10 lakhs in 1973-74 as against Rs. 15 lakhs during 1972-73. The disbursements, however, were considerably higher at Rs. 19 lakhs in 1973-74 as against Rs. 5 lakhs in the previous year.

Resources

The total resources (net of cancellations and repayments) of the Corporation at the end of March 1974 aggregated Rs. 279.4 crores comprising of Rs. 91.8 crores (32.9 per cent) of rupee resources and Rs. 187.6 crores (67.1 per cent) of foreign currency resources. During the year, the Corporation for the first time floated bearer bonds in the European Capital Market and raised 8 million Swiss Francs. Apart from this, the Corporation signed the tenth loan agreement with the IBRD for U.S. $70 million, the twelfth German loan agreement for DM 5 million with KfW and the fourth sterling loan for £1.5 million with the British Government for which Industrial Development Bank of India (IDBI) provided the necessary counter-part funds worth Rs. 2.9 crores. The Corporation raised rupee resources by floating fourth debenture issue for Rs. 8 crores in March 1973 and a rights share issue for Rs. 5 crores in November 1973.

Unit Trust of India (UTI):

During 1973-74 (July-June), there was a further increase in the sale of units; total sales under the Unit Scheme 1964 during the year rose to Rs. 30.3 crores from Rs. 23.0 crores during 1972-73 (Table VI.22).

Table VI. 22 : Trends in Sales of Units by UTI

(Rupees Crores)

Year (July-June)	Sale of units	Units Repurchased (face value)	Amount invested under the Reinvestment Plan	Investible Funds of the Trust at the end of the year	Dividend Rate (Per cent)
1	2	3	4	5	6
1964-65	19.1	0.4	—	24.7	6.10
1965-66	2.2	1.1	—	25.9	7.00
1966-67	9.2	2.0	0.1	33.9	7.00
1967-68	15.3	1.2	0.2	48.7	7.00
1968-69	17.2	1.7	0.2	65.4	7.10
1969-70	22.8	2.0	0.4	88.2	7.20
1970-71	18.0	3.2	0.5	105.1	8.00
1971-72	15.1	2.6	0.7	119.3	8.25
1972-73	23.0	3.0	0.9	142.0	8.50
1973-74	30.3	3.7	1.2	172.1	8.50

This may be attributed to the continuous efforts made by the Trust to make the units popular with the public. It has paid a steadily growing return to the unit holders, the rate of dividend paid rising from 6.1 per cent in 1964-65, the first year of its operations, to 8.5 per cent in 1972-73. This rate has been maintained at 8.5 per cent for 1973-74. The special offer price was also lowered from Rs. 10.60 in 1971-72 to Rs. 10.45 in 1972-73, and further to Rs. 10.30 in 1974-75. Units repurchased during 1973-74 aggregated Rs. 3.7 crores as against Rs. 3.0 crores in the previous year.

As at the end of June 1974, the total value of units sold and outstanding with the Trust stood at Rs. 151.4 crores in respect of unit holding accounts numbering 5.9 lakhs. Under the Reinvestment Plan of the Trust, an amount of Rs. 1.2 crores was reinvested by 25,893 applicants as against Rs. 0.9 crore by 21,333 unit holders in the preceding year. The sale of units under the Children's Gift Plan stood at Rs. 0.9 crore under 3,173 applications as against Rs. 0.7 crore under 2,333 applications last year.

As at the end of June 1974, the investible fund of the Trust aggregated Rs. 172.1 crores comprising investment in ordinary shares of Rs. 77.9 crores (45 per cent), preference shares of Rs. 16.4 crores (10 per cent) and debentures of Rs. 53.2 crores (31 per cent). The balance of Rs. 24.6 crores (14 per cent) represented investment in Government securities and bonds of financial corporations and Electricity Boards, advance deposits for debentures and preference shares, advance call deposits, bridging finance, other deposits, application money for ordinary and preference shares and call and short notice deposits with banks.

During the year ending June 30, 1974, 2,742 applicants joined the Unit-linked Insurance Plan for a target amount (i.e., contributions to be made over the ten-year period of the Plan) of Rs. 2.2 crores. Sales of units under the Plan amounted to Rs. 33.0 lakhs during 1973-74 as against Rs. 13.0 lakhs in the preceding year.

State Financial Corporations (SFCs) :

Operations

During 1973-74 (April-March), loans sanctioned by the 18 State Financial Corporations (including Tamil Nadu Industrial Investment Corporation Ltd. (TIIC)) amounted to Rs. 99.7 crores as compared with Rs. 77.8 crores in the preceding year. Disbursements at Rs. 54.1 crores were also higher by Rs. 10.0 crores over the previous year. Loans sanctioned and disbursed to small-scale indu trial units amounted to Rs. 64.8 crores and Rs. 35.5 crores, forming 65.0 per cent and 65.6 per cent, respectively, of total sanctions and disbursals during 1973-74.

Six SFCs (including TIIC) had underwritten shares of industrial concerns to the extent of Rs. 0.8 crore during 1973-74. In fulfilment of their underwriting obligations, the investments of eleven SFCs (including TIIC) in shares and subscription to debentures aggregated Rs. 11.5 crores as on March 30, 1974, of which TIIC alone held Rs. 8.0 crores.

Twelve SFCs (Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Uttar Pradesh, West Bengal) and TIIC provided guarantees for deferred payments by industrial units for purchase of indigenous capital goods which amounted to Rs. 7.2 crores as at the end of March 1974.

Lending Rates

The normal effective leding rates of SFCs on the loans to small-scale industries ranged between 7.5 per cent and 10.5 per cent per annum and for others between 9 per cent and 11 per cent per annum. In case where refinance from IDBI was available, these ranged between 7.5 per cent and 9 per cent per annum for small-scale industries and between 8.5 per cent and 10.5 per cent per annum for others. For units located in specified backward areas, the rates of interest ranged between 6.5 per cent and 10.5 per cent depending on whether or not the units are small-scale or availability or otherwise of refinance from the IDBI. In some cases, these rates were slightly higher than those in 1972-73.

Augmenting of Capital and Resources

The total paid-up capital of all the SFCs (including TIIC) stood at Rs. 26.3 crores as at the end of March 1974 as against Rs. 25.7 crores a year ago. Haryana Financial Corporation raised its paid-up capital by Rs. 50 lakhs and the Maharashtra State Financial Corporation received the balance contribution of Rs. 15 lakhs towards its paid-up capital from IDBI. The Reserve Bank has given its consent to Bihar and Kerala SFCs to increase their paid-up capital by Rs. 50 lakhs each. During 1973-74, fourteen SFCs issued bonds for a total amount of Rs. 19.5 crores (including excess subscription retained by the Corporations). The outstanding on account of bonds aggregated Rs. 115.8 crores as compared to Rs. 98.7 crores in the preceding year.

All SFCs availed themselves of the refinance facilities from IDBI on an increasing scale. The total refinance availed of during 1973-74 was Rs. 22.7 crores as against Rs. 19.5 crores during the previous year. The total amount of refinance outstanding increased from Rs. 52.8 crores as at end-March 1973 to Rs. 64.4 crores at the end of March 1974. As on March 29, 1974, the deposits accepted from public by the ten SFCs aggregated Rs. 13.9 crores, of which the share of TIIC was Rs. 8 crores (57 per cent). SFCs have recently been allowed to offer the same rates of interest on deposits for periods exceeding one year as are allowed to be offered by the larger commercial banks. During the period, the Reserve Bank of India sanctioned to twelve SFCs borrowing limits aggregating Rs. 10.1 crores against *ad-hoc* bonds. The outstanding borrowings of SFCs against *ad-hoc* bonds together with the borrowings against Government securities amounted to Rs. 4.7 crores as at the end of March 1974. The borrowings of six SFCs from their respective State Governments stood at Rs. 3.2 crores as on March 29, 1974.

Agency Work

At present four SFCs (Andhra Pradesh, Assam, Orissa and U.P.) act as agents for their respective State Governments for sanctioning and disbursing loans to small-scale industries. Loans outstanding under this arrangement amounted to Rs. 10.1 crores as on March 29, 1974.

The credit of U.S. $ 25 million made available by the International Development Association to India for financing through the SFCs small and medium industrial units which needed imports of capital equipment or technical know-how came into effect from June 22, 1973. Upto end-March 1974, SFCs received 274 applications for Rs. 18.0 crores (inclusive of both rupee and foreign exchange component) under this line of credit, of which 129 applications for Rs. 7.4 crores were sanctioned.

National Small Industries Corporation (NSIC):

Since its inception in 1955 upto the end of March 1974, the NSIC has given assistance under its hire-purchase scheme to nearly 13,033 units by way of supply of machinery worth the aggregate value of about Rs. 71 crores. During 1973-74, 2,492 applications for supply of machines worth Rs. 24.0 crores were received by the Corporation. Of these, 874 applications for machinery valued at Rs. 7.1 crores were accepted. The Corporation placed orders for machines worth Rs. 5.3 crores and the value of machines supplied to small-scale units amounted to Rs. 6.0 crores during 1973-74. The machines supplied so far cater to various types of industries such as plastic, leather including footwear, printing and stationery, readymade garments, automobile components and spares, electronic equipments, etc.

The Corporation has been securing Government contracts for small units and the value of government contracts secured since its inception upto March 1974 totalled Rs. 326 crores. The value of orders secured rose from Rs. 4 crores in 1960-61 to Rs. 30 crores in 1973-74. The number of units enlisted on March 31, 1974 as eligible for participation in the programme aggregated 20,797 which includes 586 new units enlisted during the current financial year.

The marketing activities of the Corporation include purchasing from the small-scale units and selling to inland and foreign buyers and its total turnover stood at a level of about Rs. 7 crores during 1973-74.

Two Committees—the Review Committee and the one man Committee (Sinha Committee) appointed in July 1971 and September 1972 respectively—have reviewed the entire activities of the Corporation. These committees have recommended many major shifts in the policy. As regards the Hire Purchase Scheme, it is now proposed that State Small Industries Corporations should be responsible for extending facilities in respect of indigenous machines only upto a value of Rs. 1 lakh, NSIC functioning as a Refinancing Agency for all such loans. As the integral feature of the refinance scheme is the guarantee by the State Government, negotiations with some State Governments are proceeding in this regard.

The Corporation has decided to adopt differential rates of interest to encourage development of the backward regions and technician-entrepreneurs.

Financing of Small-scale Industries by Scheduled Commercial Banks :

Scheduled Commercial Banks' Advances to Small-scale Industries

The total credit (including term loans and advances to qualified entrepreneurs) extended by the scheduled commercial banks to small-scale industries rose from Rs. 686.4 crores as at end-March 1973 to Rs. 858.5 crores at the end of December 1973 or by Rs. 172.1 crores as compared with an increase of Rs. 70.7 crores in the corresponding period of the previous year (Table VI.23). The limits sanctioned to this sector by banks showed an increase of Rs. 223.3 crores during the same period as against Rs. 133.9 crores in April-December 1972. The number of units assisted also recorded an uptrend and stood at 200,563 at the end of December 1973 as against 155,422 as at end-March 1973. The outstanding credit to small-scale industries at Rs. 858 crores as at end-December 1973 formed 12.2 per cent of the total bank credit as compared with 11.3 per cent as at end-March 1973.

The State Bank of India and its subsidiaries and the 14 nationalised banks together accounted for 89 per cent of the total bank credit sanctioned to small-scale industries at the end of 1973; the share of State Bank of India Group was 37 per cent and that of the 14 nationalised banks 52 per cent.

Table VI.23 : Advances of Scheduled Commercial Banks to Small-scale Sector

(Rupees Crores in Cols. 6 to 13)

Particulars as on the last Friday of	Number of Units				Limits in Force				Balance Outstanding			
	March 1973*	December 1973*	Increase (3—2)	Increase between March 1972 and December 1972	March 1973*	December 1973*	Increase (7—6)	Increase between March 1972 and December 1972	March 1973*	December 1973*	Increase (11—10)	Increase between March 1972 and December 1972
1	2	3	4	5	6	7	8	9	10	11	12	13
1. State Bank of India and its subsidiaries ..	70,429	89,547	19,118	8,722	418.6	466.3	47.7	47.3	272.9	317.0	44.1	28.0
2. 14 Nationalised Banks	75,179	1,00,658	25,479	10,501	580.0	731.8	151.8	69.3	334.3	449.8	115.5	32.8
3. Other Scheduled Banks	9,814	10,358	544	500	124.6	148.4	23.8	17.3	79.2	91.7	12.5	9.9
Total ..	**1,55,422**	**2,00,563**	**45,141**	**19,723**	**1123.2**	**1346.5**	**223.3**	**133.9**	**686.4**	**858.5**	**172.1**	**70.7**
Term Loans for Small-scale Industries												
4. All Scheduled Commercial Banks ..	33,614	41,882	8,268	2,862	156.8	176.7	19.9	1.7	112.7	137.8	25.1	7.2

*Provisional.

There was a steady decline in the average amount sanctioned per unit from Rs. 0.74 lakh in December 1972 to Rs. 0.67 lakh in December 1973, indicating the banks' involvement in financing the smaller units even among small-scale industries. The quantum of credit extended by banks in industrially backward States continued to rise and thus the percentage share of Orissa and Bihar, for instance, in total bank credit to small-scale industrial sector recorded an increase.

Term-Loans

The banks sanctioned term-loans amounting to Rs. 176.7 crores to 41,882 units as at the end of December 1973. The balance outstanding at Rs. 137.8 crores formed 16 per cent of the total outstanding credit to small-scale industries.

Credit Guarantee Scheme for Small-Scale Industries :

The Credit Guarantee Scheme as modified from February 1, 1970 has made further progress during the year 1973-74. By the end of March 1974, 14 unlicensed primary urban co-operative banks and one scheduled commercial bank were brought under the list of approved credit institutions under clause 2(c) of the Scheme. As many as 196 credit institutions including all major commercial banks, State Financial Corporations and co-operative banks have thus joined the Scheme.

The guarantees outstanding increased from Rs. 1,036 crores at end-March 1973 to Rs. 1,396 crores at end-March 1974. An aggregate amount of Rs. 89.7 lakhs was paid to credit institutions for their claims numbering 808 during the entire period from July 1960, when the Scheme was introduced, to March 1974. Of the total claims paid, Rs. 11.4 lakhs or 15 per cent were recovered in full in 82 cases by end-December 1973. The accounts reported under default which may eventually lead to invocation of guarantees stood at 8,834 involving an aggregate amount of Rs. 26.2 crores at end-December 1973 as against 5,491 accounts for Rs. 17.7 crores at end-December 1972.

There was an increase in the amount of claims pending settlement from Rs. 135.3 lakhs or 7.6 per cent of the total advance in default at end-December 1972 to Rs. 255.1 lakhs or 9.7 per cent of the total at end-December 1973, presumably due to the change brought about in July 1973 in the procedure for deducting legal expenses, incurred by credit institutions after the invocation of guarantees.

The proposal for extending guarantee facilities on a more liberal basis in respect of advances granted under the Schemes evolved by the credit institutions for financing technician-entrepreneurs received Government approval, and was made effective from April 1, 1974. The proposal envisaged increased guarantee cover of 90 per cent as against the usual 75 per cent, in respect of loans granted to such borrowers, without any increase in the rate of guarantee fee, subject to the loans not exceeding Rs. 3 lakhs per borrower. The higher cover would be available during the first five years from the date of first disbursal of an advance. Thereafter, the accounts would be brought under 75 per cent cover.

Similarly, with the approval of the Government, the scheme has been extended, with effect from April 8, 1974, to industrial co-operative societies functioning in a decentralised manner as production-cum-sale units, provided the original value of the combined investment in plant and machinery of the society and all its members does not exceed Rs. 7.5 lakhs. This liberalisation is expected to increase the flow of credit to a large number of hand-loom and power-loom weavers' societies working as production-cum-sale units.

Aggregate of Funds Mobilised Through the Capital Market :

During 1973-74 (July-June), the aggregate of funds mobilised through the capital market by Government, semi-Government and autonomous institutions and private corporate sector amounted to Rs. 1155.9 crores as against Rs. 1906.0 crores in the previous year, thus showing a substantial decline of Rs. 750.1 crores over the year (Table VI.24). The decline was mainly on account of the borrowings of the Central and State Governments (net of maturity and redemption), which witnessed a

Table VI.24 : Funds Mobilised Through Issue of Securities in the Capital Market

(Rupees Crores)

Funds mobilised From / By	1973-74 (July-June) (1)				1972-73 (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	310.7	330.6	641.3	482.2 (50.2)	800.0	746.5	1546.5	768.8 (70.2)
Of which :								
A. Central Government	310.7	164.1	474.8	315.7 (32.9)	800.0	529.0	1329.0	634.3 (57.9)
B. State Governments	—	166.5	166.5	166.5 (17.3)	—	217.5	217.5	134.5 (12.3)
2. Bonds, debentures and capital issued by Semi-Government and autonomous institutions (4)	16.7	422.6	439.3	402.9 (42.0)	29.6	259.7	289.3	255.9 (23.4)
3. New capital issues by the corporate sector	2.0 (5)	73.3	75.3	75.3 (7.8)	5.6 (5)	64.6	70.2	70.2 (6.4)
4. **Total (1+2+3)** ..	**329.4**	**826.5**	**1155.9**	**960.4 (100.0)**	**835.2**	**1070.8**	**1906.0**	**1094.9 (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, LIC and general insurance companies, provident funds, joint stock companies, trusts, ICICI, UTI and individuals.
(4) Include IDBI, IFCI, SFCs, SIDCs, ARC, central and 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 allotment.

marked reduction in 1973-74. However, capital issues by semi-Government and autonomous institutions, and by the non-Government public limited companies have recorded some increase as compared with the previous year.

THE SECURITIES MARKET

The Gilt-edged Market :

The Government securities market generally ruled steady till end-March 1974, but thereafter security prices slided down mainly in the process of adjustment to the higher pattern of interest rates following the upward revision of deposits rate of banks and also in the rate of discount for tap sales of treasury bills, effective April 1, 1974. The Reserve Bank's All-India Index for Government and Semi-Government Securities—New Series (Base : 1970-71 =100), which virtually remained constant at end-June 1973 level of 98.8 till the last week of March, started on a gradual downward course thereafter and slipped to 97.8 by end-June 1974. Indices for Central Government and State Governments' Securities eased by 1.3 points and 0.3 point, respectively, to 97.1 and 99.6 over the period.

The prices and yields of key individual loans in the Central list showed similar movements in consonance with the general pattern (Table VI.25). In the process of adjusting to the higher yield pattern, the Reserve Bank also effected reductions in buying and selling rates of securities once in April 1974 and again in July 1974. The subsequent loan floatations both of the Centre and States also carried

Table VI.25 : Prices and Yields of Selected Central Government Securities

Loans	As on				Variations	
	June 29, 1973		June 28, 1974		Price (Rs.)	Yield (Per cent)
	Price (Rs.)	Yield (Per cent)	Price (Rs.)	Yield (Per cent)		
1	2	3	4	5	6	7
Short-dateds						
4¼% 1975	99.60	4.45	99.30	4.92	—0.30	+0.47
4¼% 1976	99.30	4.50	98.75	4.92	—0.55	+0.42
7 % 1977 (Gold Bonds)	133.00	..	111.00	..	—22.00	..
4¾% 1978	100.15	4.72	99.15	4.99	—1.00	+0.27
Medium-shorts						
4¾% 1979	100.05	4.74	98.55	5.08	—1.50	+0.34
7 % 1980 (Gold Bonds)	133.00	1.74	115.55	..	—17.45	..
4¾% 1980	100.00	4.75	97.95	5.16	—2.05	+0.41
4 % 1981	93.50	4.99	94.40	4.95	+0.90	—0.04
5 % 1983	99.65	5.04	97.30	5.38	—2.35	+0.34
Medium-longs						
5 % 1984	99.60	5.05	96.65	5.44	—2.95	+0.39
4½% 1985	92.95	5.30	91.75	5.51	—1.20	+0.21
5¼% 1988	99.55	5.29	95.85	5.69	—3.70	+0.40
Long-dateds						
5½% 1999 (B.C. Bonds)	97.20	5.71	96.50	5.77	—0.70	+0.06
5½% 2000	97.60	5.67	92.05	6.12	—5.55	+0.45
5¾% 2001	100.20	5.74	94.75	6.15	—5.45	+0.41
5¾% 2001 (N.D. Loan)	100.20	5.74	94.70	6.15	—5.50	+0.41
5¾% 2002	100.10	5.74	94.30	6.18	—5.80	+0.44
5¾% 2003	100.10	5.74	93.70	6.22	—6.40	+0.48

higher yield rates than those offered for the corresponding scrips in the previous year.

In line with the Central scrips, the prices of State Governments' securities also tended to fall. The noteworthy variations were in respect of *medium-shorts* 5¾ per cent Loan, 1979 of Maharashtra (—Re. 1 to Rs. 99.75), 5¾ per cent Loan, 1981 of Bihar (—Rs. 1.75 to Rs. 98.45), 5¾ per cent Loan, 1982 of Gujarat (—Rs. 1.50 to Rs. 99) and 5¾ per cent Loan, 1981 of Uttar Pradesh (—Rs. 1.55 to Rs. 98.45) and *short-dateds* 4½ per cent 1974 Loans of Maharashtra and Tamil Nadu (+55 paise to Rs. 99.65 and +60 paise to Rs. 99.60, respectively). Significant yield changes* were registered in the *short-dateds* 4½ per cent 1974 Loans of Madhya Pradesh, Mysore, Punjab, Rajasthan and Uttar Pradesh (+1.60, +1.79, +1.60, +1.79 and +1.74 percentage points, respectively, to 6.99 per cent each) and 4¾ per cent 1976 and 5½ per cent 1977 Loans of Assam (−0.28 percentage point to 4.82 per cent and −0.22 percentage point to 5.50 per cent, respectively).

*The variations in yields relate to the period July 6, 1973 to June 21, 1974 as end-June data are not available.

Net Sales by RBI

The Reserve Bank's open market operations during 1973-74 (July-June) resulted in net sales of securities of Rs. 56.1 crores as compared with the net sales of Rs. 137.7 crores in the corresponding period of 1972-73. Both purchases and sales at Rs. 358.8 crores and Rs. 414.9 crores, respectively, were much lower than the comparable totals of Rs. 437.0 crores and Rs. 574.7 crores in 1972-73.

Industrial Securities Market :

Different Phases of Equity Prices

Equity prices recorded considerable gains during the major part of the year 1973-74 (July-June) but towards the close of the year and immediately thereafter, certain events like the dividend limitation law and upward revision in the Bank rate and in a number of other rates acted as a damper and the equity prices fell rather precipitately. As a result, the sizeable appreciation of 24.6 per cent that took place in these prices during the year upto the last but three weeks has been entirely wiped out in the subsequent period of a quarter. At

the beginning of the year, the R.B.I.'s All India Index of Variable Dividend Industrial Securities (Base: 1970-71 = 100) was 106.6: it scaled the peak of 136.2 by the week ended June 8, 1974, but backslided to 102.9 on September 28, 1974.

The rising trend in equity prices noticed since mid-February 1973 had continued upto the second week of November 1973, after receiving a temporary setback at the end of July 1973. The Index of Variable Dividend Industrial Securities rose from 106.6 at end-June 1973 to 129.9 for the week ended November 10, 1973 (Table VI.26). The buoyancy in the market sentiment was due to such factors as scarcity of good scrips in the face of the availability of investible funds and institutional support. The market sentiment was also influenced by relaxation in export duties on jute goods, prospects of a bumper *kharif* crop and price increases allowed in cement, fertilisers, steel and coal.

The downward movement in equity prices observed from mid-November 1973 continued till mid-January 1974; the equity index slipped to 115.3 on January 12, 1974. This was on account of tight money conditions in the wake of Reserve Bank's restrictive busy season credit policy including a hike in the minimum lending rates for bank advances.

Table VI. 26 : Movement in RBI's All India Index Number of Variable Dividend Industrial Security Prices (Base : 1970-71 = 100)

As on	Index
1	2
June 30, 1973	106.6
July 21, 1973	107.7 (+1.0)
July 28, 1973	106.7 (—0.9)
November 10, 1973	129.9 (+21.7)
January 12, 1974	115.3 (—11.2)
February 23, 1974 (Pre-budget Index)	122.7 (+6.4)
March 9, 1974	127.5 (+3.9)
March 30, 1974	125.5 (—1.6)
June 8, 1974	136.2 (+8.5)
June 29, 1974	132.8 (—2.4)
September 28, 1974	102.9 (—22.5) (— 24.4)@
Percentage variation of June 29, 1974 over June 30, 1973	+24.6
Percentage variation during the corresponding period of 1972-73	+9.9

@Percentage variation over the Index on June 8, 1974.
Note : Figures in brackets are percentage variations over the previous period.

From mid-January 1974, however, the trend was reversed on the hopes of a production-oriented budget for 1974-75, expectations of an early announcement of the retention prices of steel and cement and withdrawal of the textile strike in Bombay. The Index for the week ended February 23, 1974 moved up to 122.7 on the eve of the Budget and as the Budget did not contain any fresh impost on the corporate sector, the index recovered further to 127.5 on March 9, 1974. Besides, the selective extension of development rebate by a year in respect of plant and machinery ordered before end-December 1973 and significant tax concessions in personal taxation provided some impetus to share prices. Subsequently, except for a temporary reaction which brought down the index to 125.5 on March 30, 1974 due to strong rumours of a hike in the Bank rate, further restrictions on advances against shares, the fears of a further rise in prices of imported crude and emergence of acute power shortages in some states, the uptrend continued and the index reached 136.2 by the week ended June 8, 1974. It declined to 132.8 on June 29, 1974, as the markets turned cautious due to fears of a supplementary budget and of Government's decision to freeze dividends and wages to curb inflation. When the Ordinance restraining dividend distribution was actually promulgated on July 6, 1974, there ocurred a precipitate fall in share prices. The major stock exchanges took preventive measures to avoid undue fall in prices and the much-feared payments difficulties. These included restrictions on trading and fixation of floor prices at certain levels compared to the prices which prevailed before the issue of the Ordinance.

In Bombay the floor prices were initially fixed at 7 per cent below the July 4, 1974 official quotations but because of the persistent fall, the same were relaxed gradually to 17.5 per cent below the July 4 levels before the resumption of unrestricted trading on August 20, 1974.

The actual declines in important scrips generally ranged from 25 per cent to 40 per

cent by September 28, 1974 over July 4 levels. The Index of Variable Dividend Industrial Securities for Bombay (Base: 1970-71 = 100) declined from 135.6 at week ended July 6, 1974 to 101.9 on September 28, 1974, showing a fall of 24.9 per cent. The corresponding declines at other important centres were: Calcutta 24.7 per cent; Ahmedabad 22.5 per cent; and Madras 14.8 per cent.

The average index of equities for 1973-74 worked out to 121.8 (Base: 1970-71 = 100) compared to 97.8 in 1972-73. The average index numbers of preference shares and debentures, however, registered marginal declines during 1973-74. The average index of preference shares and debentures worked out to 94.0 and 97.2, respectively, as against 95.0 and 98.1 in the preceding year (Table VI.27).

Trends in Yield Rates of Industrial Securities

Consequent upon the upward revision of the Bank rate, the banks' deposit rates and other interest rates, the ceiling rate of dividend on preference shares prescribed by the Controller of Capital Issues (Government of India) was raised to 11.0 per cent and the interest rate on debentures to 10.0 per cent (for a term upto seven years) and 10.5 per cent (exceeding seven years), effective from September 12, 1974 (Table VI.28). Earlier, effective from November 21, 1973, these rates were fixed at 9.8 per cent for preference shares and 8.5 per cent for debentures. The actual rates offered on different issues of preference shares ranged between 9.5 and 9.8 per cent, i.e., generally a shade above the previous year. In debentures, on the other hand, the rates offered were significantly higher; such rates ranged between 8.0 per cent to 9.0 per cent as against the uniform rate of 7.75 per cent in 1972-73.

The appreciation in ordinary share values in the major part of the year is reflected in a sizeable decline in the average (gross) yield on equities from 6.9 per cent in 1972-73 (July-June) to 6.0 per cent in 1973-74, but this would have been restored in the subsequent month when there occurred an equal erosion in share values.

On the other hand, following marginal declines in their prices, the average gross yield on preference shares, and the average gross (redemption) yield on debentures edged up by 0.1 percentage point to reach 10.6 per cent and 9.8 per cent, respectively.

Table VI. 27 : Variations in RBI Index of Industrial Securities Prices.
(Base : 1970–71 = 100)

Week ended	Debentures	Preference Shares	Variable Dividend Industrial Securities
1	2	3	4
1971-72 (July-June)			
June 26, 1971	99.2	97.8	98.6
December 25, 1971	98.9	96.2	92.9
	(—0.3)	(—1.6)	(—5.8)
June 24, 1972	98.7	95.7	97.0
	(—0.2)	(—0.5)	(+4.4)
1972-73 (July-June)			
December 23, 1972	98.0	93.7	96.1
	(—0.7)	(—2.1)	(—0.9)
June 30, 1973	97.6	93.6	106.6
	(—0.4)	(—0.1)	(+10.9)
%variation over the year	—1.1	—2.2	+9.9
1973-74 (July-June)			
December 29, 1973	97.1	94.9	117.5
	(—0.5)	(+1.4)	(+10.2)
June 29, 1974	96.9	93.1	132.8
	(—0.2)	(—1.9)	(+13.0)
%variation over the year	—0.7	—0.5	+24.6
(July-June) Annual Averages			
1971-72	99.0	96.2	94.9
1972-73	98.1	95.0	97.8
1973-74	97.2	94.0	121.8

Note : Figures in brackets represent percentage variations over the previous period.

Table VI.28 : Returns on Securities Issued by Non-Government Public Limited Companies

(Year : July-June) (Percentages)

	1970-71			1971-72			1972-73			1973-74			1974-75
A. Ceiling Dividend/Interest Rates fixed by the Controller of Capital Issues :													
(*i*) Preference Shares	9.5*			9.5			9.5			9.8**			11.0@
(*ii*) Debentures	8.0*			8.0			8.0			8.5**			10.0@+ 10.5@£
	Lowest	Highest	Modal Rate	Lowest	Highest	Modal Rate	Lowest	Highest	Modal Rate	Lowest	Highest	Modal Rate	
B. Actual Dividend/Interest Rates offered on Public Issues :													
(*i*) Preference Shares (at par) ..	9.0	10.0	9.5	9.0	10.0	9.5	9.5	9.5	9.5	9.5	9.8	9.6	
(*ii*) Debentures (at par)	7.75	8.0	8.0	8.0	8.0	8.0	7.75	7.75	7.75	8.0	9.0	8.5	
	Lowest	Highest	Average of months	Lowest	Highest	Average of months	Lowest	Highest	Average of months	Lowest	Highest	Average of months	
C. Average (gross) Yield (RBI Data—Base: 1961-62 = 100)													
(*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	5.6 (5.0)	6.7 (5.9)	6.0 (5.4)	
(*ii*) Preference Shares	9.6	10.0	9.8	10.1	10.2	10.1	10.2	10.6	10.5	10.5 (10.3)	10.7 (10.5)	10.6 (10.4)	
(*iii*) (*a*) Debentures (Redemption Yield)	8.0	8.6	8.2	8.6	9.0	8.8	9.1	10.4	9.7	9.3 (8.7)	10.3 (9.2)	9.8 (8.9)	
(*b*) Debentures (Running Yield) ..	7.3	7.4	7.3	7.4	7.4	7.4	7.4	7.5	7.5	7.6 (8.0)	7.9 (8.0)	7.7 (8.0)	

*Effective from September 1970.
**Effective from November 1973.
@Effective from September 12, 1974.
\+ For a term upto 7 years.
£ For terms exceeding 7 years.

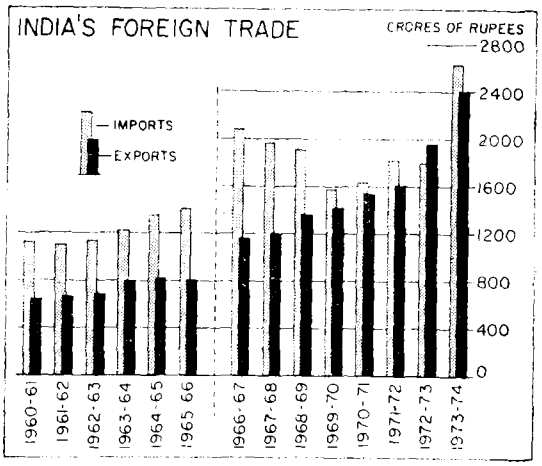
Note : (*i*) ICICI'S debenture issues made in June 1972 and March 1973 were offered at 6.0 per cent and that in June 1974 was offered at 6.25 per cent.
(*ii*) Average(gross) yield figures given in brackets for the year 1973-74 represent the 'new series' with base—1970-71 = 100. Comparable figures are not available for earlier years.

CHAPTER VII: DEVELOPMENTS IN TRADE AND TARIFFS

Trends in India's Foreign Trade

India's visible balance of trade turned adverse with a sizeable deficit of Rs. 438 crores during 1973-74 (April-March) in contrast to the trade surplus of Rs. 103 crores in 1972-73.(1) Such a sharp adverse swing in trade balance, despite an impressive increase in exports, was the result, mainly, of large imports of foodgrains at high international prices and a more than four-fold increase in international oil prices. The increase during the year in food and oil imports together accounted for a little over 70 per cent of the increase in aggregate imports. While the impact of higher oil prices was felt only partially during 1973-74, the oil crisis forebodes severe strain on India's foreign exchange resources and poses a serious challenge to her export promotion and import substitution efforts.

Graph 36



Total exports at Rs. 2,483 crores during 1973-74(2) showed an impressive rise of 26 per cent on top of an increase of 23 per cent in 1972-73.(3) The increase in export earnings during 1973-74 was mainly due to a rise in unit value realisation reflecting the buoyancy in world demand for commodities in the context of prevailing inflationary conditions, whereas in 1972-73 the improvement in exports was attributable to a rise in both unit value as well as quantum of exports. Besides, the nominal value of our exports, expressed in rupees, particularly in 1973-74, benefited from the depreciation of the rupee in terms of major currencies. These aspects of the country's export performance underline the need for sustained efforts to achieve a sizeable increase in the volume of exports, particularly in the altered circumstances created by the oil crisis.

Exports

Commodity-wise, both traditional and non-traditional items contributed to the increase in exports during 1973-74 (Table VII.1). Exports of major non-traditional items, viz., engineering goods, iron and steel, iron ore and chemicals at Rs. 421 crores were about 31 per cent higher over the previous year; however, their share in total exports at 17 per cent in 1973-74 was about the same as in 1972-73. Exports of iron and steel registered a sharp rise (38 per cent) during the year as against a nominal fall in the preceding year. Among other items, impressive increases were recorded in exports of cotton textiles, clothing, oilcakes, spices, fish and fish preparations, pearls and precious and semi-precious stones, sugar and coffee. In fact, cotton textiles, clothing and oilcakes together accounted for as much as 46 per cent of the increase in exports realised during the year. However, the two major traditional export commodities, namely, jute manufactures and tea, registered declines of 9 per cent and 1 per cent, respectively.

(1) The analysis in this Section is based on the annual data published by the DGCI&S in the *Monthly Statistics of Foreign Trade of India* (March 1974). These figures may, therefore, differ from those in Statement 83 in the Statistical Statments Section of this Report which is based on provisional press releases.

(2) With effect from April 1, 1973, export statistics are compiled on the basis of the finally passed shipping bills. Earlier, between November 1, 1970 and March 31, 1973, export statistics were compiled on the basis of the original copy of the shipping bills after making adjustments for short and shut-out shipments.

(3) Excluding exports to Bangladesh (the bulk of which was aid-financed), the growth rate in exports in 1972-73 works out to 15.2 per cent.

Table VII.1 : India's Principal Exports

(Rupees crores)

Commodities	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	Increase (+)/ Decrease (—) of (7) over (6)	
							Actual	Per-centage
1	2	3	4	5	6	7	8	9
A. Major Non-traditional Items								
Engineering goods	69	91	126	112	130	173	+ 43	+ 33
Iron and steel	79	87	91	41	42	58	+ 16	+ 38
Iron ore	88	95	117	105	110	133	+ 23	+ 21
Chemicals	24	30	36	35	40	57	+ 17	+ 43
B. Other Items								
Jute yarn and manufactures	218	207	190	265	250	227	— 23	— 9
Cotton yarn and manufactures	101	116	118	116	150	247	+ 97	+ 65
Tea	157	125	148	156	147	145	— 2	— 1
Hides, skins, leather and leather goods including footwear	87	99	87	103	188	186	— 2	— 1
Cashew kernels	61	57	52	61	69	74	+ 5	+ 7
Oilcakes	49	41	55	40	75	171	+ 96	+128
Pearls, precious and semi-precious stones, unworked/worked	45	42	42	53	79	108	+ 29	+ 37
Spices	25	34	39	36	29	55	+ 26	+ 90
Fish and fish preparations	23	31	31	42	54	88	+ 34	+ 63
Sugar	10	9	28	30	13	42	+ 29	+223
Coffee	18	20	25	22	33	46	+ 13	+ 39
Manganese ore	13	11	14	11	9	9	—	—
Tobacco (unmanufactured)	33	33	31	42	61	68	+ 7	+ 11
Cotton raw and waste	16	18	16	19	25	37	+ 12	+ 48
Clothing	15	22	30	38	56	96	+ 40	+ 71
C. Total (including others)	**1,358**	**1,413**	**1,535**	**1,608***	**1,971**	**2,483**	**+512**	**+ 26**

*Revised.

Note : Data for 1970-71, 1971-72 and 1972-73 are not comparable with those for the previous years and for 1973-74 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 between November 1, 1970 and March 31, 1973.

Source : DGCI & S.

Imports

Imports during 1973-74 at Rs. 2,921 crores showed a sizeable increase of 56 per cent over the level for 1972-73. As was mentioned earlier, imports of foodgrains and mineral oils were responsible for a substantial part of this increase (Table VII.2). Imports of foodgrains amounted to Rs. 473 crores during 1973-74 showing an increase of Rs. 392 crores over the previous year, while imports of mineral oils at Rs. 561 crores were higher by Rs. 357 crores. These two items together accounted for Rs. 749 crores of the total increase in imports of Rs. 1,054 crores during the year. Imports of fertilizers, animal and vegetable oils and fats, pearls, precious and semi-precious stones, non-ferrous metals as well as machinery other than electric also showed marked increases during the period. Among the important items to register declines were raw cotton (Rs. 39 crores or 44 per cent), electrical machinery (Rs. 10 crores or 8 per cent) and transport equipment (Rs. 12 crores or 12 per cent).

Direction of Foreign Trade

The directional pattern of trade during 1973-74 showed that the adverse turn in the overall trade balance reflected the substantial widening of the trade deficit with North America (from Rs. 39 crores to Rs. 235 crores) and 'other countries' which include oil producing countries (from Rs. 21 crores to Rs. 174 crores) (Table VII.3). As against this, the trade surplus with Japan increased from Rs. 39 crores to Rs. 100 crores while the trade deficit of Rs. 65 crores with

Table VII.2 : India's Principal Imports

(Rupees crores)

Commodities	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	Increase(+)/ Decrease(—) of (7) over (6)	
							Actual	Per-centage
1	2	3	4	5	6	7	8	9
1. Food (excluding cashewnuts)	372	293	243	169	128	518	+390	+305
Of which :								
Cereals and cereal preparations	336	261	213	131	81	473	+392	+484
2. Raw cotton	90	83	99	113	91	52	— 39	— 44
3. Raw jute and mesta	16	5	Neg.	Neg.	1	12	+ 11	+1100
4. Cashewnuts	31	28	29	28	32	29	— 3	— 9
5. Mineral oils	133	138	136	195	204	561	+ 357	+ 175
Of which :								
(*a*) Petroleum crude and partly refined	96	96	106	148	145	417	+ 272	+188
(*b*) Others	37	42	30	47	59	144	+ 85	+ 144
6. Chemicals	283	195	192	218	259	352	+ 93	+ 36
Of which :								
(*a*) Fertilisers manufactured	139	77	61	81	96	162	+ 66	+ 69
(*b*) Other chemicals	144	118	131	137	163	190	+ 27	+ 17
7. Iron and steel	86	82	147	238	226	243	+ 17	+ 8
8. Non-ferrous metals	89	75	119	102	109	140	+ 31	+ 28
9. Crude rubber (including synthetic and reclaimed)	5	10	4	4	4	4	—	—
10. Wool and other animal hair	11	17	16	14	12	21	+ 9	+ 75
11. Animal and vegetable oils and fats ..	19	30	39	47	25	65	+ 40	+ 160
12. Paper, paperboards and manufactures thereof	18	24	25	35	31	29	— 2	— 7
13. Pearls, precious and semi-precious stones	28	28	25	26	42	74	+ 32	+ 76
14. Machinery and transport equipment ..	514	396	395	471	532	629	+ 97	+ 18
Of which :								
(*a*) Machinery other than electric ..	366	280	258	271	298	417	+ 119	+ 40
(*b*) Electrical machinery	82	64	70	105	134	124	— 10	— 8
(*c*) Transport equipment	66	52	67	95	100	88	— 12	— 12
15. Others	214	163	165	165	171	192	+ 21	+ 12
Total	**1,909**	**1,567***	**1,634**	**1,825**	**1,867**	**2,921**	**+1054**	**+ 56**

* Revised. Commodity-wise details are not available.

Note : For more details, see Statement 85 in the Statistical Statements Section of this Report.

Source : DGCI&S.

Table VII.3 : Regional Pattern of India's Trade

(Rupees crores)

Region/Country	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
1. All Countries						
(*a*) Imports	1908.6	1582.1	1634.2	1824.5	1867.4	2920.9
(*b*) Exports	1357.8	1413.2	1535.2	1608.2*	1970.8	2483.2
(*c*) Balance	—550.8	—168.9	— 99.0	—216.3	+103.4	—437.7
2. ECAFE Countries excluding Japan						
(*a*) Imports	213.7	192.2	180.9	199.8	222.1	413.2
(*b*) Exports	183.8	198.7	206.0	242.3	350.9	375.7
(*c*) Balance	— 29.9	+ 5.5	+ 25.1	+ 42.5	+128.8	— 37.5
Japan						
(*a*) Imports	115.4	66.8	83.4	161.6	178.5	255.6
(*b*) Exports	158.3	179.4	203.5	182.3	217.2	355.1
(*c*) Balance	+ 42.9	+112.6	+120.1	+ 20.7	+ 38.7	+ 99.5
3. Africa excluding Arab Republic of Egypt						
(*a*) Imports	106.8	117.8	130.0	110.5	136.2	141.4
(*b*) Exports	51.0	53.5	82.9	109.0	69.4	86.1
(*c*) Balance	— 55.8	— 64.3	— 47.1	— 1.5	— 66.8	— 55.3
Arab Republic of Egypt						
(*a*) Imports	41.4	23.8	39.8	33.2	28.9	25.9
(*b*) Exports	21.8	34.6	56.4	23.1	31 7	14.8
(*c*) Balance	— 19.6	+ 10.8	+ 16.6	— 10.1	+ 2.8	— 11.1
4. East European Countries excluding U.S.S.R.						
(*a*) Imports	117.9	111.0	121.5	122.1	116.7	143.0
(*b*) Exports	118.2	131.3	152.6	134.9	164.9	194.3
(*c*) Balance	+ 0.3	+ 20.3	+ 31.1	+ 12.8	+ 48.2	+ 51.3
U.S.S.R.						
(*a*) Imports	191.7	170.4	106.1	87.3	114.4	249.8
(*b*) Exports	148.3	176.4	209.8	208.7	304.8	283.8
(*c*) Balance	— 43.4	+ 6.0	+103.7	+121.4	+190.4	+ 34.0
5. ECM Countries@ excluding U.K.						
(*a*) Imports	234.8	170.4	188.4	253.8	339.2	438.4
(*b*) Exports	111.5	100.5	98.6	124.6	235.2	335.9
(*c*) Balance	—123.3	— 69.9	— 89.8	—129.2	—104.0	—102.5
U.K.						
(*a*) Imports	127.5	100.4	126.8	220.8	237.2	244.8
(*b*) Exports	201.5	165.1	170.4	168.7	172.5	258.4
(*c*) Balance	+ 74.0	+ 64.7	+ 43.6	— 52.1	— 64.7	+ 13.6
6. EFTA Countries@@						
(*a*) Imports	42.7	28.8	29.3	30.0	38.7	52.1
(*b*) Exports	15.5	18.3	18.9	20.1	27.8	32.0
(*c*) Balance	— 27.2	— 10.5	— 10.4	— 9.9	— 10.9	— 20.1
7. North America (U.S.A. and Canada)						
(*a*) Imports	671.0	533.9	570.2	532.0	342.5	608.8
(*b*) Exports	264.1	264.3	235.3	302.5	303.9	373.6
(*c*) Balance	—406.9	—269.6	—334.9	—229.5	— 38.6	—235.2
U.S.A.						
(*a*) Imports	572.4	460.0	453.0	418.7	234.9	493.4
(*b*) Exports	234.4	238.0	207.3	263.1	275.7	342.8
(*c*) Balance	—338.0	—222.0	—245.7	—155.6	+ 40.8	—150.6
8. Other Countries						
(*a*) Imports	45.7	65.6	57.8	73.4	113.0	347.9
(*b*) Exports	83.8	91.1	100.8	92.0	92.5	173.5
(*c*) Balance	+ 38.1	+ 25.5	+ 43.0	+ 18.6	— 20.5	—174.4

* Includes adjustments for the incomplete recording of exports to Bangladesh by Government Agencies in the initial stages of the trade.

@ Includes Belgium, France, West Germany, Italy, Luxembourg and Netherlands for the years 1968-69 to 1972-73 and in addition Denmark and Ireland for 1973-74.

@@ Includes Austria, Denmark, Norway, Portugal, Sweden and Switzerland for the years 1968-69 to 1972-73 but excludes Denmark and Ireland for 1973-74.

Note : Also see statement 86 in the Statistical Statements Section of this Report.

Source : DGCI&S.

the UK turned into a modest surplus of Rs. 14 crores.

Imports from North America during the period surged from Rs. 343 crores in 1972-73 to Rs. 609 crores in 1973-74 while exports to the region showed an increase of Rs. 70 crores to Rs. 374 crores or about 23 per cent. The improvement in the trade balance with Japan was brought about by the relatively much larger rise in exports than in imports. Both imports from and exports to the ECM countries (excluding the UK) were substantially higher with the magnitude of the trade deficit remaining more or less unchanged. The trade balance with the ECAFE region (excluding Japan) was converted from a sizeable surplus of Rs. 129 crores to a deficit of Rs. 38 crores owing mainly to the substantially smaller exports to Bangladesh. The trade surplus with East European countries was markedly lower reflecting a sharp increase in imports (mainly on account of foodgrains imports) from and a slight decline in exports to USSR.

About one-half of India's foreign trade takes place with the USA, the ECM countries (including the UK) and Japan (Table VII.4). The share of these countries in India's imports was around 49 per cent during 1973-74 as against 55 per cent in 1968-69. India's exports to these countries during 1973-74 constituted about 52 per cent of the total which was the same as in 1968-69. Within this group of countries, the USA's share in India's imports declined from 30 per cent in 1968-69 to 17 per cent in 1973-74; on the other hand, the respective shares of the UK, other ECM countries and Japan showed increases. As regards exports, while the shares of Japan and the ECM countries (excluding the UK) showed increases during the period mentioned above, those of the USA and the UK—India's traditional markets—showed declines.

The East European countries accounted for about one-fifth of India's exports in 1973-74 which was almost the same as in 1968-69. Commodity-wise, exports of oil-seed cake and meal, leather, cashew kernels, iron ore, spices, castor oil and groundnut H.P.S. showed sizeable increases during 1973-74. As regards imports from these countries, while the percentage share to total imports showed a small decline from 16 to 13 during the period, in absolute terms there has been substantial in-

Table VII.4 : Regional Pattern of India's Trade (Percentage Shares)

Country	1968-69		1972-73		1973-74	
	Imports	Exports	Imports	Exports	Imports	Exports
1	2	3	4	5	6	7
U.S.A.	30.0	17.3	12.6	14.0	16.9	13.8
U.K.	6.7	14.8	12.7	8.8	8.4	10.4
East European Countries	16.2	19.6	12.4	23.8	13.4	19.3
Of which :						
U.S.S.R.	10.0	10.9	6.1	15.5	8.6	11.4
Japan	6.0	11.7	9.6	11.0	8.8	14.3
ECM Countries@ (excluding U.K.)	12.3	8.2	18.2	11.9	15.0	13.5
ECAFE Countries (excluding Japan)	11.2	13.5	11.9	17.8	14.1	15.1
Other Countries	17.6	14.9	22.6	12.7	23.4	13.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

@ Includes Belgium, France, West Germany, Italy, Luxembourg and Netherlands for the years 1968-69 to 1972-73 and in addition Denmark and Ireland for 1973-74.
Source : DGCI&S.

creases in respect of items such as machinery, fertilizers, paper and paper boards, medicines and pharmaceuticals as well as zinc and zinc alloys. The share of ECAFE countries (excluding Japan) in India's exports during 1973-74 was 15 per cent which was slightly higher than in 1968-69 (13.5 per cent). The share of imports from this region also went up from 11 per cent to 14 per cent over this period.

Developments in Trade Policy

Export Policy

Besides providing import replenishment licences in respect of selected export products, export trade continued to be assisted by the grant of cash compensatory support, drawback of customs and central excise duties, concessions in railway and air freight and liberal credit facilities at concessional rates.

Financial assistance provided to the exporters from the Marketing Development Fund, established in July 1965, amounted to Rs. 62 crores during 1972-73 and Rs. 54 crores during 1971-72. Assistance provided under this Scheme relates to grants-in-aid to the Export Promotion Councils and other Export Organizations as well as expenditure on compensatory support for development of exports of selected products. Besides, a sum of Rs. 47 crores was paid as drawback of customs and excise duties to the exporters during 1972-73; during 1971-72 it was Rs. 36 crores.

A Department of Export Production was established in the Ministry of Commerce in 1973 to pay greater attention to the problems of production, generation of surpluses and development of markets abroad for exportable items. To ensure quick disposal of applications from export-oriented units for import of capital goods, it was decided to process them through the Secretariat for Industrial Approvals. Details of the efforts made by individual public sector agencies engaged in foreign trade are given in succeeding paragraphs.

Mention may be made of the policy measures taken to increase the net foreign exchange earnings from exports by encouraging the export of higher value-added items. As substantial import of steel was necessitated on account of the shortfall in domestic availability, it was decided in June 1973 that imported steel would be made available only in respect of those export contracts whose f.o.b. export value is at least 25 per cent higher than the c.i.f. import cost of steel inputs, whether imported or domestic. To promote exports of finished leather instead of semi-processed hides and skins, quantitative restrictions were imposed on exports of the latter from August 1, 1973; concurrently, to assist the leather industry to step up production of finished leather, the licensing procedure in regard to capacity expansion was simplified. Similarly, exports of man-made fibres, blended yarns and certain categories of cotton yarn were banned, while restrictions were imposed on the export of indigenous raw wool. The ban on the export of silver and silver products, which had been in force since 1943, was lifted with a view to benefiting from the rise in world silver prices.

To arrest the decline in exports of jute goods, export duty on carpet backing was reduced in June 1973. In August 1973,(4) export duty on hessian was also reduced, while the duty on sacking was abolished. Subsequently, in March 1974 in view of the spurt in world prices of jute goods, export duties on hessian and carpet backing were restored to the levels existing before November 1972 and the duty on saking was reimposed.

TDA

The Trade Development Authority (TDA) continued its integrated approach towards export development through export-worthy units creating new capacities, applying new techniques, introducing new products, exploring new markets and adaptation and quality improvement of products to suit the needs of particular markets. During 1973-74 (April-March), the fourth year of the TDA's operations, there was a significant increase in its activities as evidenced by the increase in the number of its clients, both domestic and foreign and the addition of new markets and of new products. During the year,

(4) For details of commodities subject to export duties, see Statement 108 in the Statistical Statements Section of this Report.

TDA identified 92 new export-worthy units raising the total number of its clients to 551, of which nearly 60 per cent belongs to the small-scale sector.

In exploring the export potential of various States in India, the Authority assists in identifying commercially-viable and technically-competent units for export production. A highlight of the year was the collaborative arrangements forged by the TDA with Defence Ordnance factories and the STC for harnessing the spare capacities of various Ordnance factories for the export of certain items. During the year, 'flash-lights' were added to the TDA's product list, and a further enlargement of the product range is under way. Australia and New Zealand were included in the TDA's target markets which earlier comprised West Europe, USA, Canada and Japan. TDA also sponsored 31 cases covering import of capital goods, issue of industrial licences and approval of foreign collaboration. Moreover, it has drawn up a four-year comprehensive product adaptation programme under a United Nations Development Programme Scheme.

TDA's clients booked export orders for over Rs. 68 crores during 1973-74 compared with Rs. 35 crores during 1972-73. As against the export target of Rs. 52 crores fixed for 1973-74, the actual shipments amounted to about Rs. 45 crores, the shortfall being attributable to several factors, such as, acute shortage of raw materials, power and fuel, and capacity constraints. The target for 1974-75 has been set at Rs. 75 crores.

Electronic Export Processing Zone (EPZ)

The project for the establishment of the Export Processing Zone for electronic equipment and components near Santa Cruz airport at Bombay made further progress during the year. Soon after the guidelines for setting up industries in the Zone were finalised by the EPZ Board, 25 firms having an export potential of Rs. 38 crores were approved by mid-January 1974. Exports from the Zone have already commenced from September 1974.

Import Policy

In the context of the growing strain on foreign exchange resources due to the rising import bill, Import Policy for 1974-75, while maintaining the basic framework of earlier policy, accorded higher priority for meeting the import requirements of export-oriented industries. The policy provides for simplification of import licensing procedures, preferential treatment to selected industries linked to export performance, liberalised import of spare parts and modification of the scheme for eligible export houses to make it more export-oriented.

Import licensing procedures for small-scale industries, manufacturer-exporters and established importers have been simplified. In the case of small-scale industrial units, the licences for raw materials, components and spares issued for 1973-74 were automatically valid for 'repeat operation' to the extent of 50 per cent of their value for the period April-September 1974.(5) Manufacturer-exporters are allowed the facility of 'repeat operation' in respect of import replenishment licences and release orders for canalised items issued for 1973-74 after endorsement for revalidation by the licensing authorities. The value of licences utilised under this facility is subject to adjustment against normal entitlements over a period of 18 months from April 1, 1974. Established importers are permitted to utilise on a repeat basis, subject to certain conditions, their quota licences for 1973-74.

The system of preferential treatment accorded to actual industrial users on the basis of their export performance has undergone some modifications. Industrial units in the priority sector with an export performance of 10 per cent or more of their production during the previous year continue to be eligible for facilities for further expansion of their export production and for import from preferred sources of supply. Units in non-priority industries except a few specified industries would get prio-

(5) According to the changes in import policy announced on October 7, 1974, this automatic facility for 'repeat operation' has been withdrawn for the second half-year. These units have to apply for licences in respect of their entitlements for 1974-75 on the basis of the value of actual consumption during the preceding year. Licences would be issued subject to adjustment for the value permissible under the 'repeat operation'.

rity treatment, if they export 20 per cent or more of their production. Industrial units exporting 25 per cent or more of their production are eligible to import a higher quantum of their requirements against free foreign exchange. In the case of units in the small-scale sector engaged in priority or other industries, those exporting 10 per cent or more of their production but less than 25 per cent of their production, are allowed the same preferred sources of financing as are available to the units exporting 25 per cent or more of their production, provided their exports during 1973 or 1973-74 are at least twice the value of their exports during 1972 or 1972-73.

The policy for import of spare parts required for maintenance has been liberalised with a view to facilitating utilisation of installed capacity to the maximum extent possible. Large-scale units are allowed to import spare parts at the rate of 2.5 per cent of the value of imported machinery as against 2 per cent earlier, while the higher rate of 4 per cent for small-scale units is continued. The maximum limit for the grant of emergency licences to actual users for import of spare parts has been increased from Rs. 10,000 to Rs. 20,000 for large-scale units and from Rs. 4,000 to Rs. 8,000 for small-scale units. Small-scale industries set up in backward areas or by engineering graduates or by ex-service personnel would be issued import licences for raw materials and components to the extent of 70 per cent of the value of installed machinery subject to a maximum of Rs. 2 lakhs as against the existing 40 per cent and Rs. 1.5 lakhs.

The eligibility criteria for renewal of recognition of export houses have been revised to make the scheme more export-oriented. The minimum export limit of Rs. 25 lakhs of non-traditional items prescribed for the grant of eligibility certificate to export houses is continued. For renewal of eligibility certificate, an export house has to show an annual growth rate of 10 per cent in exports upto Rs. 3 crores and of 5 per cent for exports beyond Rs. 3 crores. It is also necessary that at least 60 per cent of exports made by an export house in a year should consist of goods manufactured by those manufacturing units to whom the imported raw materials are supplied by the export house.

Under a new scheme, actual users engaged in certain selected industries (e.g., polystyrene, polyethylene moulding powder and PVC resins) will be issued import licences for raw materials subject to the condition that 10 per cent of the production is set apart for registered exporters. Two industries, namely, tungsten carbide tips and tools and domestic refrigerators have been included in the list of large-scale units for compulsory export obligation of 5 per cent of their production.

The role of public sector agencies in import trade has been further enlarged by canalising the import of 10 more items through these agencies, raising the total number of such items to 210. The facilities provided by the Industrial Raw Materials Assistance Centre (IRMAC) of the State Trading Corporation and the Steel Bank set up by the Hindustan Steel Ltd., would continue to be made available to actual industrial users. With the increasing volume of indigenous production, imports of 75 items have been banned in addition to 220 items banned last year. These include cast iron foot valves, steel and stainless steel wire mesh, electrical conductor section, brass and bronze electrical wire, sodium nitrate, pesticides and specified drugs and medicines. Imports of 61 items which were hitherto allowed to actual users without restriction would be allowed on a restricted basis; these include certain types of drugs and medicines, chemicals, pure iron, iron powder, ball and roller bearing, industrial roller chains, components and parts of machinery. In respect of 5 items, quotas for established importers have been reduced; these cover spare parts of various medical and surgical equipments, spare parts of earth-moving machinery and skins of wild animals (See also Appendix XI).

To exercise some restraint on imports, the Union Budget for 1974-75 has made some selective upward revision in import duties. Auxiliary import duties have been raised from 10 per cent to 15 per cent on articles having 60 per cent *ad valorem* or more but less than 100 per cent *ad valorem* as the effective rate of basic customs (import) duty. The basic import duty on whisky, brandy, gin and certain other spirits has been increased from Rs. 60 per litre or 200 per cent *ad valorem*, whichever

is higher, to Rs. 80 per litre or 270 per cent *ad valorem,* whichever is higher.

The liberalised import policy followed in 1973-74 towards meeting the requirements of export-oriented industries was reflected in an increase of 26 per cent to Rs. 2,334 crores in the value of import licences issued during the year. Sector-wise, the value of licences issued to the Government Sector showed a significantly larger rise of 35 per cent as compared with an increase of 8 per cent in the value of licences issued to the private sector. Category-wise, licences issued to state trading agencies showed the largest increase of about 53 per cent and actual users licences a rise of nearly 29 per cent. As against these, licences issued to established importers and small-scale industries declined by 30 per cent and 4 per cent, respectively.(6)

The policy of enlarging the role of public sector agencies in import trade coupled with the growth of the public industrial sector has resulted over the years in a steady increase in the share of licences issued to the Government sector from around 37 per cent in 1967-68 to about 71 per cent in 1973-74 (Table VII.5). The share of state trading agencies in import licensing witnessed a four-fold rise over the period from 11 per cent to 41 per cent and that of the actual users category in the Government sector also increased from 14 per cent of the total in 1967-68 to 19 per cent in 1973-74. On the other hand, in the private sector, the proportion of licences issued to both actual users and established importers showed marked reductions from 13 per cent to 2 per cent and from 8 per cent to 2 per cent, respectively. Concurrently, the share of registered exporters grew from 5 per cent to 6 per cent, reflecting the orientation of import policy towards export promotion.

Table VII. 5 : Import Licences issued by C.C.I.E.: Percentage share of Government & Private Sectors, 1967-68 and 1973-74

(Percentages)

	1967-68	1973-74
1	2	3
I. GOVERNMENT	**37.3**	**70.9**
of which		
(*a*) Actual Users	14.4	18.5
(*b*) Capital Goods/Heavy Electrical Plants	7.3	5.6
(*c*) State Trading Agencies	10.5	40.5
II. PRIVATE	**62.7**	**29.1**
of which		
(*a*) Registered Exporters	4.8	6.4
(*b*) Capital Goods/Heavy Electrical Plants	7.5	5.6
(*c*) Raw Materials	20.7	8.2
(*d*) Small-scale Industries	4.5	3.6
(*e*) Actual Users	12.6	2.2
(*f*) Established Importers	7.5	1.6
Total (I + II)	**100.0**	**100.0**

Source : CCI & E.

(6) See Statement 109 in the Statistical Statements Section of this Report.

Institutional Arrangements for Development of Trade

The public sector agencies have continued to play an increasing role in the country's foreign trade. Among them, the two major trading agencies, viz., STC and MMTC, together achieved a share of 22 per cent in the country's total imports and 14 per cent in total exports during 1972-73; the corresponding proportions in 1969-70 were 9 per cent and 10 per cent.

STC

During 1972-73 (April-March), the total trade turnover (export, import and domestic trade) of the STC amounted to Rs. 347 crores as compared with Rs. 263 crores in 1971-72. Exports handled by it during 1972-73 at Rs. 170 crores were nearly double the target for that year (Rs. 92 crores). STC's imports during the same year amounted to Rs. 159 crores. The export target for 1973-74 was Rs. 244 crores, while imports were expected to touch Rs. 195 crores.

The number of export items handled by the STC rose from 10 in 1956-57 to 140 in 1971-72 (including 13 canalised items). Its chain of foreign offices has helped to develop trade contacts and popularise Indian products, both traditional and non-traditional. Special trading arrangements with major foreign trading houses and setting up of joint ventures with leading export firms are among the new trading techniques adopted by it to promote exports.

Over one-half of the STC's exports originate in the small-scale sector to which it has

been providing a package of services including supply of raw materials, technical service, finance, quality control, warehousing, documentation, shipping and export marketing.

MMTC

The total trade turnover of MMTC for 1973-74 at Rs. 478 crores showed a rise of 40 per cent over that in 1972-73. Exports by the Corporation during 1973-74 amounted to Rs. 125 crores which was higher by 20 per cent over the previous year while imports at Rs. 353 crores showed an increase of 48 per cent.

The MMTC has made successful efforts in locating new markets for iron ore which accounts for about three-fourths of its total export realisations. In the wake of a pick-up in European steel industry, the MMTC's initiative enabled it to secure contracts for exports to Western Europe of half a million tonnes of iron ore during 1973-74 and another 1.1 million tonnes during 1974-75. Also, it has succeeded in securing a substantial mark-up in the prices of iron ore exported to Japan. The sharp rise in imports handled by the Corporation during the year reflects partly its efforts to ensure steady supplies of canalised imports and partly the increase in international prices as well as higher import duties.

In June 1974, the Mica Trading Corporation was set up as a subsidiary of the MMTC to deal exclusively with mica trade.

Trade Agreements and Trade and Payments Arrangements

A revised trade agreement was signed with Bangladesh on July 5, 1973, initially for a period of three years from September 28, 1973, replacing the earlier limited payments arrangement. The agreement provides for trade in specified goods within the prescribed monetary ceiling for each under the Balanced Trade and Payments Arrangement; the aggregate value of the trade each way would be Rs. 30.5 crores. Trade in specified commodities above the ceilings and in those not covered by the Arrangement would be permitted in accordance with normal import, export and foreign exchange regulations.

The new Trade and Payments Agreement signed with Bulgaria on March 6, 1974 provides for balanced trade with that country and is effective for five years. To expand, diversify and strengthen the trade relations, an agreement for a Commercial Development Programme has been concluded with the Federal Republic of Germany. The Trade Expansion and Economic Co-operation Agreement between India, Egypt and Yugoslavia, which expired in March 1973, has been renewed for a further period of five years upto March 31, 1978. Besides the signing of the Indo-EEC Commercial Co-operation Agreement in December 1973, agreements were concluded with the Community regarding the reduction of tariffs on jute goods and coir manufactures exported by India (described in a subsequent paragraph). The trade agreement with the Mangolian People's Republic, which expired on February 13, 1974, was extended for a period of 3 years upto February 13, 1977. Annual trade plans were finalised with Czechoslovakia, Democratic People's Republic of Korea, German Democratic Republic, Hungary, Poland, Rumania and USSR.

Details of the trade agreements/arrangements entered into during 1973-74 are given in Appendix XII.

Developments in India's Commercial Relations

The main development during the year concerned India's commercial relationship with the enlarged European Economic Community (EEC). Consequent on its entry into the EEC, the UK was to implement a phased imposition of common external tariff from January 1974 which would have adversely affected India's exports of some major items to that country hitherto enjoying preferential treatment. The agreement reached with the Community for the continuation of duty free exports of jute goods and coir products to the UK and Denmark beyond 1974 has, however, helped to mitigate somewhat the threat posed to India's trade with these countries. Besides, under agreements on jute and coir concluded between India and the EEC in December 1973, the Community agreed to reduce the high tariffs on jute goods and coir manufactures in two stages. Accordingly, the tariffs on these products have been subjected to a 40

per cent cut from January 1, 1974 and a further reduction of 10 per cent on carpet backing and of 20 per cent on other items would be effective from January 1, 1975. The EEC has also made certain improvements in their Generalised System of Preferences (GSP) for 1974(7). The base year for the calculation of GSP ceilings for duty free entry has been shifted from 1968 to 1971 which would enhance the ceilings substantially.

The signing of the Indo-EEC Commercial Co-operation Agreement in December 1973 marks another significant step in India's trade relations with the Community. Under this Agreement, a Joint Commission has been set up which would, among other things, study and devise ways and means of removing trade barriers, particularly the non-tariff and quasi-tariff barriers. The Joint Commission has set up two sub-commissions, one of which would deal with the sectoral agreements on jute, coir, textiles, handicrafts and handloom products, while the other would be concerned with subjects, such as, efficient utilisation of GSP, liberalisation measures for products of interest to India, the study of specific measures including technical assistance for trade promotion and joint research and economic co-operation for diversifying trade between India and EEC.

Following negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT), the Long Term Agreement (LTA) on cotton textiles which expired on December 31, 1973 was replaced by a new multi-fibre arrangement which covers the entire range of textile products, wool and man-made fibres; the new arrangement is valid for a period of four years from January 1, 1974.(8) A notable feature of the new arrangement relates to special provisions facilitating substantial increase in export earnings from textile products of developing countries.

(7) See last year's Report, page 233.

(8) The new arrangement excludes handloom fabrics as well as handloom products, while the LTA had excluded only handloom fabrics. The exclusion of these items implies that restrictive measures cannot be applied to them by importing developed countries.

CHAPTER VIII: BALANCE OF PAYMENTS AND EXCHANGE CONTROL

Trends in Reserves during 1973–74

In the field of external payments, the country had to contend with three major adverse factors in July 1973-June 1974. First, large-scale imports of foodgrains had to be organised because of insufficient domestic production and inadequate stocks with the public sector agencies. Secondly, these food imports, along with those of fertilizers and non-ferrous metals, had to be undertaken at abnormally high international prices. Lastly, prices of crude oil which were steadily going up for sometime quadrupled at the end of 1973 imposing a heavy burden on the external payments account. The increase in exports, the loan of 2 million tonnes of wheat by U.S.S.R., and deferred payments arrangements negotiated early in 1974 in respect of a portion of our crude import needs helped to cover part of the payments deficit. Even so, a significant recourse to borrowings from the International Monetary Fund was required to prevent a sizeable fall in the foreign exchange reserves. An Export Compensatory drawing of Rs. 62 crores was made from the Fund in February 1974, and two months later the gold tranche of Rs. 72.2 crores was drawn, which was followed by the drawing of the first credit tranche of Rs. 220.3 crores in May 1974. With these drawals the foreign exchange reserves moved up during 1973-74 by Rs. 244 crores to reach the level of Rs. 1,126 crores at the end of June 1974; in the preceding year the reserves increased by Rs. 38 crores. Excluding the borrowing of Rs. 355 crores from the Fund and the appeciation in the rupee value of reserve assets on account of changes in exchange rates, the reserves would show a *decline* of Rs. 118 crores during July 1973-June 1974, as compared to a nominal rise of Rs. 3 crores in 1972-73. Since end-June 1974 upto end-September 1974, the reserves have registered a further decline of Rs. 148 crores.

Balance of payments data required to analyse the external payments position during the year under review are not yet available. Regrettably the position regarding the availability of the basic data has deteriorated further since the last Report was issued. The totals for import payments, export realizations and invisible transactions routed through authorized dealers are available only upto February 1974, and the monthly data on imports through the High Commission for India in London are available only for July 1973 and January-March 1974, while data on external assistance and debt service do not go beyond March 1974. Totals are, however, available in the customs data for export shipments and import arrivals for the year under review. According to these, export shipments were about 35 per cent higher in value than in July 1972-June 1973, and the rise in import arrivals was as much as 60 per cent. Export realizations in the first eight months of the year, on the other hand, were almost 30 per cent higher than in the corresponding period last year. Import payments through authorized dealers in the same eight months were only 3 per cent higher over the year, but government imports through the High Commission in London and the India Supply Mission in Washington during the entire year rose sharply by nearly 80 per cent over 1972-73 as a result of larger imports of foodgrains, and higher prices of fertilizers, non-ferrous metals and other items of imports. Total aid utilization—as also aid authorizations—showed modest improvement in fiscal 1973-74 over the preceding year, and official debt service payments increased marginally. In respect of invisible transactions put through authorized dealers, payments were 14 per cent higher in the eight months upto February 1974 over the corresponding period last year; receipts, however, were nearly 45 per cent higher. Probably, more foreign exchange was brought into the country through the banking system as the premium on gold in the domestic market declined and the discount at which the rupee was quoted in unofficial markets abroad fell.

Balance of Payments : 1972-73

As detailed balance of payments data for the fiscal year April 1972-March 1973 have

just become available, a brief review of the external payments position for that period is included here for record. During the year April 1972-March 1973 foreign exchange reserves marginally declined by Rs. 3 crores to Rs. 846 crores as against a rise of Rs. 116 crores during 1971-72. Unlike in 1971-72, there was no SDR allocation in 1972-73, but more dexterous management of the reserves portfolio secured in 1972-73 appreciation in the rupee value of the reserve assets of a higher magnitude than in the preceding year. Abstracting the appreciation in the rupee value of reserve assets and the SDR allocation in 1971-72, the reserves showed a fall of Rs. 33 crores in 1972-73 as against the the rise of Rs. 24 crores in 1971-72.

Table VIII. 1 : India's Balance of Payments (Preliminary)

(Rupees crores)

	April 1971 to March 1972	April 1972 to March 1973
A. Current Account		
Imports c.i.f.		
(*a*) Private	773.8	779.1
(*b*) Government	1219.8	1367.4
Total Imports (a + b) ..	1993.6	2146.5
Exports f.o.b.	1555.4	1895.5
Trade Balance	**—438.2**	**—251.0**
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	+74.5	+43.2
Other Invisibles (Net) ..	—37.8	—43.8
Current Account (Net) ..	**—401.5**	**—251.6**
B. Errors and Omissions (Net)	**—65.2**	**—31.6**
C. Capital Account		
Private Capital (Net) ..	**—4.3**	**—7.5**
(*a*) Long-term	—2.8	—6.9
(*b*) Short-term	—1.5	—0.6
Banking Capital (Net) ..	**+9.4**	**—17.5**
Official Capital (Net) ..	**+560.1**	**+274.8**
(*a*) Loans	+615.9	+585.6
(*b*) I.M.F.	—	—
(*c*) Amortisation	—210.1	—245.4
(*d*) Miscellaneous ..	+154.3	—65.4
Capital Account (Net) ..	**+565.2**	**+249.8**
D. Movement in Reserves* (A + B + C) (Increase (+) /Decrease (—)	**+98.5**	**—33.4**

*Excludes appreciation/depreciation due to changes in exchange rates.

Current Account

The merchandise account showed a distinct improvement in 1972-73 in comparison with the preceding year; the sizeable deficit of Rs. 438 crores in 1971-72 contracted to Rs. 251 crores. Exports recorded in the balance of payments statistics rose over the year by 22 per cent to Rs. 1,896 crores, while import payments increased by 8 per cent to Rs. 2,147 crores. Non-merchandise current account transactions showed a deterioration of a relatively modest amount; the net receipts under official transfer payments declined over the year from Rs. 75 crores to Rs. 43 crores, while the net deficit under other invisibles account increased by Rs. 6 crores to Rs. 44 crores. In the result, the deficit on current account narrowed from Rs. 402 crores in 1971-72 to Rs. 252 crores in 1972-73. At the same time, net outflow on account of unidentified transactions covered under 'errors and omissions' declined from Rs. 65 crores to Rs. 32 crores. The total deficit on current account together with errors and omissions thus contracted from Rs. 467 crores in 1971-72 to Rs. 283 crores in 1972-73.

Import Payments

The aggregate import bill of Rs. 2,147 crores during 1972-73 represented an increase of Rs. 153 crores or of 8 per cent over 1971-72. While aid financed imports recorded a fall, there was a substantial increase in imports financed from owned resources. Imports of iron and steel manufactures at Rs. 220 crores were higher over the year by Rs. 41 crores or 23 per cent, those of non-ferrous metals rose by Rs. 30 crores to Rs. 145 crores, and fertilizer imports almost doubled to Rs. 77 crores substantially as a result of the significant increases in their international prices. Imports of mineral oils grew only by Rs. 18 crores or 10 per cent to Rs. 203 crores. Imports of capital equipment showed a marginal fall and their share in the total imports declined from 28 per cent to 24 per cent over the year as investment slackened. Payments on imports of communication stores rose from Rs. 146 crores in 1971-72 to Rs. 185 crores in 1972-73. Import payments for electrical goods remained more or less unchanged, and those for vehicles including locomotives recorded a marginal rise. Despite the rise in prices, cashewnut imports declined by a little

less than two crores of rupees to Rs. 26 crores in 1972-73. Raw cotton imports registered a substantial fall in keeping with the improved domestic supplies. Imports of foodgrains at Rs. 128 crores in 1972-73 were Rs. 13 crores lower than in 1971-72 because domestic availabilities enabled imports to be largely held off till the end of the calendar year 1972.

Imports on Government Account

Imports on Government account, which mainly accounted for the rise in total import payments increased by 12 per cent to Rs. 1,367 crores. They went up despite the fall in aid financed imports, as imports of foodgrains and industrial inputs had to be stepped up in the last quarter of 1972-73. Major increases in Government import payments were recorded by fertilizers, iron and steel, non-ferrous metals and railway stores. The steep rise in prices nearly doubled the payments for imports of fertilizers to Rs. 77 crores and raised the payments for non-ferrous metals by 51 per cent to Rs. 122 crores. Imports of iron and steel on Government account increased by 91 per cent to Rs. 155 crores, and those of railway stores increased by 27 per cent to Rs. 27 crores. Among the few items that reflected declines in imports were the capital equipment, a large part of the imports of which is associated with the inflow of aid.

Imports on Private Account

At Rs. 779 crores, payments for imports on private account were only Rs. 6 crores or less than 1 per cent higher than in 1971-72. Private imports of foodgrains and vegetable oils, which are associated with the availability of relief grants from the U.S.A. under the PL-480 Title II programme, increased by about three crores of rupees to Rs. 57 crores in the wake of conditions created by drought in some parts of the country and floods in others. Machinery imports increased by 23 per cent to Rs. 183 crores, imports of mineral oils by 8 per cent to Rs. 113 crores and those of other chemicals excluding fertilizers by 18 per cent to Rs. 60 crores. On the other hand, imports of raw cotton fell by 18 per cent to Rs. 73 crores and those of manufacturers of iron and steel and other metals by 34 per cent to Rs. 88 crores. There was a marginal fall in the imports of ships and aircraft, but this was compensated by the rise in imports of vehicles including locomotives.

Exports

Exports (f.o.b.) rose by Rs. 340 crores or 22 per cent to Rs. 1,896 crores over the year. Exports of both traditional and non-traditional items expanded. As exports of non-traditional items increased by 25 per cent while the growth in case of traditional items was of 19 per cent, non-traditional items over the year increased their share in total exports from 47 per cent to 49 per cent. Depreciation of the Indian rupee in relation to major world currencies during 1972-73 and the rising international commodity prices continued to benefit our exports. Commodity-wise, the highest gains among non-traditional items were recorded by leather manufactures the export value of which almost doubled to Rs. 169 crores; precious stones exports of which rose by 40 per cent to Rs. 81 crores; fish and fish preparations exports of which increased by nearly a third to Rs. 60 crores and engineering goods which recorded a growth of 23 per cent to Rs. 164 crores. Coffee exports increased by 16 per cent to Rs. 32 crores and exports of cashew kernels by 15 per cent to Rs. 72 crores. Among the traditional items, oilcakes benefited in particular from the tight supply position in the international markets and the demand from East European countries and Japan, exports rising by 52 per cent to Rs. 89 crores. Larger offtake by the U.S.S.R. and Bangladesh contributed to the expansion of tobacco exports by 50 per cent to Rs. 68 crores. Exports of cotton and woollen manufactures increased to Rs. 172 crores and Rs. 43 crores, respectively, recording a growth of 37 per cent and 38 per cent. Competition from synthetics and re-emergence of Bangladesh jute industry dampened the growth of India's exports of jute manufacturers; at Rs. 291 crores, these were 14 per cent higher than in 1971-72. Tea exports were adversely affected by the competition from the East Africa, and declined by 5 per cent to Rs. 152 crores.

Invisibles Account

The surplus on account of official transfer payment transactions declined by Rs. 32 crores to Rs. 43 crores. There was a slight rise in the disbursements of grants out of PL-480 counterpart funds and in interest relief from West Germany, but the receipts of

Table VIII. 2 : India's Regional Balance of Payments on Current Account (Preliminary)

(Rupees crores)

	April 1971 to March 1972	April 1972 to March 1973
Sterling Area		
Imports c.i.f.	406.9	435.4
Exports f.o.b.	379.0	434.8
Trade Balance	—27.9	—0.6
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	—8.5	—12.1
Other Invisibles (Net)	+27.5	+10.0
Current Account (Net)	**—8.9**	**—2.7**
Dollar Area		
Imports c.i.f.	517.2	467.2
Exports f.o.b.	302.3	348.0
Trade Balance	—214.9	—119.2
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	+82.0	+56.0
Other Invisibles (Net)	—13.7	—3.1
Current Account (Net)	**—146.6**	**— 66.3**
O.E.C.D. Countries		
Imports c.i.f.	326.6	417.2
Exports f.o.b.	150.5	268.8
Trade Balance	—176.1	—148.4
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	+4.0	+7.2
Other Invisibles (Net)	—25.9	—34.6
Current Account (Net)	**—198.0**	**—175.8**
Rest of Non-Sterling Area		
Imports c.i.f.	742.9	826.7
Exports f.o.b.	723.6	843.9
Trade Balance	—19.3	+17.2
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	—	—
Other Invisibles (Net)	+4.2	+11.8
Current Account (Net)	**—15.1**	**+29.0**
International Institutions		
Imports c.i.f.	—	—
Exports f.o.b.	—	—
Trade Balance	—	—
Non-Monetary Gold Movement (Net)	—	—
Official Transfer Payments (Net)	—3.0	—7.9
Other Invisibles (Net)	—29.9	—27.9
Current Account (Net)	**—32.9**	**—35.8**

grants from Canada under the Colombo Plan declined sharply. There was no special food assistance which amounted to Rs. 4 crores last year and grants for family planning projects from the U.S.A. were also virtually absent this year. The increase in deficit on other invisibles account from Rs. 38 crores to Rs. 44 crores is attributable to somewhat higher rise in gross payments than in gross receipts. The increase in the gross outgo from Rs. 485 crores to Rs. 506 crores reflected higher investment income payments, mainly interest payments on loans and credits, and a modest rise in the payments under miscellaneous services. While payments on transportation account were slightly higher, there was a sharp reduction in the outgo on account of insurance. There was a rise in the gross receipts from Rs. 448 crores to Rs. 463 crores under other invisibles. While gross receipts under travel, transportation and insurance rose, receipts of donations on private account declined by Rs. 10 crores to Rs. 165 crores over the year.

Capital Account

The net capital inflow declined sharply from Rs. 565 crores in 1971-72 to Rs. 250 crores in 1972-73. Official capital transactions were responsible for almost the entire fall over the year, though the position deteriorated under both banking and private capital also. Receipts of official external assistance loans declined by Rs. 40 crores to Rs. 587 crores, while official amortization payments rose by Rs. 32 crores to Rs. 245 crores because of the rise in payments due to the U.S.A. and the U.S.S.R. The deterioration under miscellaneous official capital transactions, however, was much more striking: the net inflow of Rs. 154 crores in 1971-72 gave way to a net outflow of Rs. 65 crores during 1972-73. The major reasons for this turnabout were the absence of SDR allocation (receipts from which amounted to Rs. 75 crores in January 1972), the sizeable reduction in rupee liabilities to the East European countries along with the rise in technical credits extended to them, and the fall in rupee liabilities to Bangladesh. Because of changes in both assets and liabilities in rupee as well as in foreign currencies, the inflow of Rs. 9 crores under banking capital changed to a outflow of Rs. 18 crores in 1972-73. The net private capital outflow doubled over the year to Rs. 8 crores.

Area-wise, the current account deficit with the dollar area was more than halved while the deficits with 'O.E.C.D.' countries(1) and sterling area(2) countries narrowed down and that with rest of non-sterling area, countries turned into a surplus.

External Assistance : 1973-74

As indicated in the last Report, net external assistance receipts had declined in April 1972-March 1973 to the lowest level for ten years. In the fiscal year 1973-74 the net transfer of resources to the Indian economy under external assistance improved by 65 per cent but still amounted to a modest Rs. 208 crores, as a sizeable proportion of the aid-flows was absorbed by debt service payments.

(1) Austria, Belgium, Denmark, France, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and West Germany.
(2) As it was constituted till June 23, 1972.

Authorisations

The aid authorized during the year, comprising loans and grants, amounted to Rs. 1,021 crores, 61 per cent higher than in the preceding year (Table VIII.3). Release of funds earlier delayed under the third replenishment of its resources enabled the IDA to more than double its loan authorizations. Czechoslovakia which had not authorised any credits since May 1964, authorised loans of Rs. 80 crores, Rs. 50 crores in project aid and Rs. 30 crores in non-project aid. The IBRD, which had not authorised any assistance in 1972-73, authorised Rs. 53 crores in loans in 1973-74. Authorisations by the U.K. increased by a half to Rs. 157 crores. Switzerland, whose authorisations were negligible in the recent past, extended credits of the order of Rs. 16 crores during the year and Japan increased over the year the amount authorized

Table VIII. 3 : External Assistance

(Rupees crores)

	Loans	Grants	P. L. 480 Aid	Total (2+3+4)
	1	2	3	4
1. Amount undisbursed as at the end of March 1966	**1,618**	**86**	**108**	**1,812**
2. Amount undisbursed as at the end of March 1969	**1,649**	**25**	**123**	**1,797**
3. Authorisations during fiscal years				
(*a*) 1969-70	522	29	23	574
(*b*) 1970-71	679	63	—	742
(*c*) 1971-72	832	36	9	877
(*d*) 1972-73	600	35	—	635
(*e*) 1973-74	987	34	—	1,021
Total	**3,620**	**197**	**32**	**3,849**
4. Utilisation during fiscal years				
(*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
(*e*) 1973-74	676	16	—	692
Total	**3,422**	**158**	**155**	**3,735**
5. Amount undisbursed as at the end of March 1974	**1,847**	**64**	—	**1,911**

Note : 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/ 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.

by Rs. 11 crores to Rs. 38 crores, though at this level its authorizations were still way below the authorizations in 1971-72. On the other hand, authorisations by France and the U.S.A. declined over the year. The only authorization by the U.S.A. was that of a debt refinancing credit. Other countries including Canada and West Germany maintained the quantum of assistance authorised at the last year's level.

There was no noticeable change over the year in the maturity period and interest charges of the assistance authorized.

As in the past, loans accounted for the bulk (97 per cent) of the authorizations in 1973-74 (Table VIII.3). The IDA and the IBRD, which provided 46 per cent of the total authorizations during 1973 74, continued the emphasis on project assistance. Indeed, the share of project assistance by these institutions was as high as 84 per cent of their authorizations this year as against 73 per cent last year. The share of project assistance in the total loan authorizations rose to 63 per cent from 47 per cent last year (Table VIII.4).

Debt Relief

Debt relief authorized during 1973-74 amounted to Rs. 118 crores or about 12 per cent higher than in 1972-73 (Table VIII.5). As in the past, the bulk of the relief (Rs. 78 crores) was provided by way of refinancing credits. Except France and Italy, which had increased slightly the quantum of relief provided by them, other countries, including the U.S.A. maintained the relief provided at the last year's level. Relief by way of postponement of payments, which was provided by Canada, amounted to Rs. 1 crore, the same as last year. Japan, the only country which provided relief in the form of rescheduling of debt, increased its contribution to Rs. 31 crores from the previous year's level of Rs. 25 crores. Relief in the form of cancellation/reduction of interest charges, at Rs. 7 crores, was marginally higher than that given during the preceding year, with West Germany contributing the bulk of such relief.

Trends is Aid Utilization

At the beginning of the financial year 1973-74, the aid available in the pipeline (excluding the cancellations effected during the year) amounted to Rs. 1,583 crores, of which Rs. 1,249 crores or 79 per cent comprised project assistance and the balance Rs. 334 crores or 21 per cent non-project assistance, including grants. As noted earlier, over 60 per cent of the authorizations during the year were for projects. Consequently about 72 per cent of the total assistance available during the year was tied to projects. Since the utilization of project assistance inevitably takes longer than non-project assistance, utilization did not keep pace with the increase in authorizations. At Rs. 692 crores total aid utilization during 1973-74 was thus only Rs. 87 crores or 14 per cent higher over the year; utilization under loans increased from Rs. 594 crores to Rs. 676 crores and that under grants from Rs. 11 crores to Rs. 16 crores.

Debt Servicing

Debt service payments increased marginally to Rs. 484 crores (Table VIII.6). They continued to absorb a substantial proportion of the gross aid inflow, though this proportion dropped slightly from 79 per cent in 1972-73 to 70 per cent in 1973-74. Thanks to the continued growth in exports, debt service payments as a proportion of value of exports also declined over the year from 25 per cent to 20 per cent.

Cumulative Assistance

External assistance authorized from August 15, 1947 upto March 31, 1974, totalled Rs. 15,001 crores, of which 79 per cent was in the form of loans, 14 per cent in the form of PL 480/665 assistance, and the remaining 7 per cent in grants (Table VIII.7). The assistance utilized upto the end of March 1974 amounted to Rs. 13,202 crores or about 88 per cent of the total authorizations. The share of the U.S.A. in both total authorizations and total utilization continued to decline as it made no significant authorizations in the last two years; at 39 per cent and 45 per cent, respectively, these were some 2 percentage points lower than in 1972-73. The IBRD and the IDA together accounted for 19 per cent of the authorizations and 16 per cent of the utilization. The corresponding shares were 7 per

Table VIII. 4 : Loans Authorised and Utilised During 1972-73 and 1973-74 (Fiscal Years)

(Rupees crores)

Country/ Institution	Authorisations								Utilisation							
	1972-73				1973-74				1972-73				1973-74			
	Project	Non-Project	Debt Re-financing	Total	Project	Non-Project	Debt Re-finacing	Total	Non-Project	Non-Project	Debt Re-financing	Total	Project	Non-Project	Debt Re-financing	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. IBRD/IDA ..	150	56	—	206	397	75	—	472	137	34	—	171	184	85	—	269
2. Canada ..	10	42	—	52	7	42	—	49	23	28	—	51	12	28	—	40
3. France ..	41	16	4	61	25	12	6	43	12	14	4	30	26	8	6	40
4. Germany(West)	6	27	20	53	18	21	20	59	24	30	20	74	13	22	20	55
5. Italy ..	—	—	10	10	—	—	13	13	—	1	11	12	1	—	—	1
6. Japan ..	6	21	—	27	23	15	—	38	7	23	—	30	17	21	—	38
7. Netherlands ..	—	14	—	14	9	14	—	23	—	10	—	10	—	14	—	14
8. United Kingdom ..	29	61	14	104	79	64	14	157	34	71	14	119	47	63	14	124
9. Sweden ..	25	—	—	25	—	10	—	10	3	—	—	3	4	2	—	6
10. U. S. A. ..	16	—	22	38	—	—	22	22	36	11	22	69	2	35	22	59
11. Switzerland ..	—	—	—	—	16	—	—	16	2	—	—	2	2	—	—	2
12. Czechoslovakia	—	—	—	—	50	30	—	80	7	—	—	7	7	—	—	7
13. Others ..	1	6	3	10	1	1	3	5	11	1	4	16	16	2	3	21
**Total .. **	**284**	**243**	**73**	**600**	**625**	**284**	**78**	**987**	**296**	**223**	**75**	**594**	**331**	**280**	**65**	**676**

Table VIII. 5 : Debt Relief

(Rupees lakhs)

Country	Authorisations						Utilisation					
	Fiscal Years						Fiscal Years					
	1966-69	1969-70	1970-71	1971-72	1972-73	1973-74	1966-69	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Refinancing Credits												
1. Austria	1,72	82	1,13	67	1,70	1,70	1,66	82	1,13	67	1,70	1,70
2. Belgium	83	83	82	1,13	1,13	1,13	83	83	82	1,13	1,13	1,13
3. France	3,75	—	7,50	3,75	4,49	6,36	2,77	98	7,50	3,75	4,49	6,36
4. Germany (West) ..	16,35	11,63	15,60	14,55	20,08	20,08	16,35	12,22	15,60	14,55	20,08	20,08
5. Italy	4,13	5,55	—	—	9,71	12,60	—	—	4,13	—	11,02	—
6. United Kindgom ..	55,50	27,00		13,50	14,40	14,40	55,12	27,00	—	13,50	14,40	14,40
7. U. S. A.	—	—	—	—	21,86	22,01	—	—	—	—	21,86	22,01
Total A	**82,28**	**45,83**	**25,05**	**33,60**	**73,37**	**78,28**	**76,73**	**41,85**	**29,18**	**33,60**	**74,68**	**65,68**
B. Postponement of Payments												
1. I. B. R. D.	22,50	11,25	11,25	—	—	—	22,50	11,25	11,25	—	—	—
2. U. S. A.	6,53	6,53	6,53	6,53	—	—	6,53	61,53	6,53	6,53	—	—
3. Canada	1,13	68	—	60	1,38	1,38	1,13	67	—	60	1,38	1,38
Total B	**30,16**	**18,46**	**17,78**	**7,13**	**1,38**	**1,38**	**30,16**	**18,45**	**17,78**	**7,13**	**1,38**	**1,38**
C. Re-scheduling of Payments												
1. Japan	19,13	14,70	19,05	15,45	24,53	31,20	19,13	14,70	19,05	15,45	24,53	31,20
Total C	**19,13**	**14,70**	**19,05**	**15,45**	**24,53**	**31,20**	**19,13**	**14,70**	**19,05**	**15,45**	**24,53**	**31,20**
D. Grants												
1. Austria	37	38	37	—	—	—	37	38	37	—	—	—
2. Canada	7,80	—	—	—	—	60	7,80	—	—	—	—	60
3. Germany(West) ..	3,60	3,60	3,53	3,90	4,51	4,97	3,60	3,75	3,53	3,90	4,51	4,97
4. Netherlands ..	45	45	53	53	48	49	45	45	53	53	48	49
5. Sweden	—	—	—	—	36	41	—	—	—	—	36	41
6. Denmark	—	—	—	—	10	—	—	—	—	—	10	—
7. Norway	—	—	—	—	—	17	—	—	—	—	—	17
Total D	**12,22**	**4,43**	**4,43**	**4,43**	**5,45**	**6,64**	**12,22**	**4,58**	**4,43**	**4,43**	**5,45**	**6,64**
Grand Total .. .	**143,79**	**83,42**	**66,31**	**60,61**	**104,73**	**117,50**	**138,24**	**79,58**	**70,44**	**60,61**	**106,04**	**104,90**

Table VIII.6 : Inflow of External Assistance

(Rupees crores)

Fiscal Year	Gross aid utilisation	Amortisation payments	Interest payments	Total debt service (3+4)	Net inflow of aid (2—5)
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
1973-74	692	300	184	484	208

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 3 and 4.

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	1973-74
Japan ..	2	5	13	14	19	15	25	31
IBRD ..	—	11	11	11	11	—	—	—
U. S. A. ..	—	—	7	7	7	7	—	—
Canada ..	—	1	1	1	1	1	1	1
Total ..	**2**	**17**	**32**	**33**	**38**	**23**	**26**	**32**

Table VIII.7 : Aggregate External Assistance

(Rupees crores)

	Loans	Grants	P. L. 480/665 Aid and Third Country Currency Assistance	Total
	1	2	3	4
Authorisations				
1. Upto March 1966	5,964	617	1,511	8,092
2. Upto March 1969	8,235	784	2,133	11,152
3. During financial years				
(*a*) 1969-70	522	29	23	574
(*b*) 1970-71	679	63	—	742
(*c*) 1971-72	832	36	9	877
(*d*) 1972-73	600	35	—	635
(*e*) 1973-74	987	34	—	1,021
Total upto March 1974	**11,855**	**981**	**2,165@**	**15,001**
Utilisation				
1. Upto March 1966	4,346	531	1,403	6,280
2. Upto March 1969	6,586	759	2,122	9,467
3. During financial years				
(*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
(*e*) 1973-74	676	16	—	692
Total upto March 1974	**10,008**	**917**	**2,277@**	**13,202**

@P. L. 480 aid authorisations were fully utilised by the end of 1971-72. The difference between the rupee values of the total authoisations and total utilisation is attributable to the devaluation of rupee on June 6, 1966.

Note : Please refer to the note to Table VIII.3.

cent and 5 per cent for the U.S.S.R., while the U.K., West Germany and Japan accounted for 9 per cent, 8 per cent and 3 per cent respectively of both authorizations and utilization (Table VIII.8).

The aid available in the pipeline at the end of March 1974 amounted to Rs. 1,911 crores which was about 21 per cent higher than at the beginning of the year. As much as Rs. 1,543 crores or 81 per cent of the aid represented project assistance and the balance non-project assistance.

Aid for 1974-75

The Aid India Consortium which met in June 1974 noted with concern the unusually difficult economic situation India faced as a result of high prices of oil and other essential commodities, and a serious deterioration in the terms of trade. It was recognized that the major part of the problem was a consequence of the crisis of the general structure of world trade and monetary relations. In this context it was agreed that substantial new commitments, mostly in a fast-disbursable form, were required to maintain imports at a minimum adequate level and to avoid serious cutback in development. Towards this end the members of the Consortium agreed that commitments of non-project assistance, including free foreign exchange predominantly in the form of debt relief, of about $ 800 million and of project assistance of about $ 600 million would be desirable for 1974-75. At this level the Consortium aid would be about U.S. $ 300 million more than that in 1973-74. Indications given at the meeting amounted to about $ 1.3 billion, of which the IDA and the IBRD are expected to provide $ 650 million. Indications for non-project aid totalled $ 510 million, and those for debt delief 184 million, the remainder being account ed for by project aid.

Table VIII.8 : Aggregate External Assistance Source-wise

(Rupees crores)

Country/ Institution	Authorised upto March 1974				Utilised upto March 1974			
	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
IBRD/IDA ..	2,832	—	—	2,832 (18.9)	2,083	—	—	2,083 (15.8)
U. S. A.	3,443	286	2,165	5,894 (39.3)	3,391	277	2,277	5,945 (45.0)
U. S. S. R.	1,021	12	—	1,033 (6.9)	707	11	—	718 (5.4)
West Germany	1,108	36	—	1,144 (7.6)	1,034	36	—	1,070 (8.1)
United Kingdom	1,315	13	—	1,328 (8.9)	1,183	13	—	1,196 (9.1)
Japan	515	1	—	516 (3.4)	433	1	—	434 (3.3)
Others	1,621	633	—	2,254 (15.0)	1,177	579	—	1,756 (13.3)
Total	**11,855**	**981**	**2,165**	**15,001 (100.0)**	**10,008**	**917**	**2,277**	**13,202 (100.0)**

Notes : 1. Please refer to the note to Table VIII.3.

2. Figures in brackets represent percentages to total.

External Assistance extended by India

India continued to extend aid to other developing countries. It was appropriate that exceptional grants should be made available to Bangladesh in the wake of its independence, and as international effort to assist it developed India's grant could be more commensurate with India's own capabilities. Since Bangladesh has been the largest recipient of Indian assistance, the total assistance authorized declined consequently from Rs. 157 crores in 1972-73 to Rs. 66 crores in 1973-74 (Table VIII.9). While the grants authorized for Bangladesh dropped by Rs. 99 crores over the year (and in the even Bangladesh utilized barely a fourth of the authorized grant), the loans authorized for that country went up by Rs. 8.5 crores. The authorizations for Nepal increased over the year by more than a half, and those for Bhutan by nearly a half.

Total loan utilization amounted to Rs. 11.5 crores in 1973-74 or 15 per cent higher than in 1972-73. Utilization of grants other than those extended to Bangladesh totalled Rs. 17.7 crores or about 25 per cent more than in the preceding year.

Until the end of March 1974, the total assistance authorized amounted to Rs. 435 crores, of which nearly 50 per cent was Bangladesh. Nepal and Bhutan were the next major recipients, accounting for 26 per cent and 13 per cent respectively of the total authorizations. About 70 per cent of the assistance was provided as grants. By end-March 1974 about 82 per cent of the aid authorized was utilized.

Foreign Investment Policy

In terms of the Foreign Exchange Regulation Act, 1973 which came into force on January 1, 1974, all branches of foreign companies in India and Indian joint-stock companies in which non-resident interest is more than 40 per cent have to obtain fresh permission to carry on business and comply with directions that might be given by the Reserve Bank on foreign participation in the capital structure, borrowings, foreign exchange payments relating to repatriation of capital, etc. Such companies are expected to bring down their non-resident share holdings to 40 per cent within a period of two years. But under the guidelines issued for dealing with applications under Section 29 of the Act, companies in the basic and core industries(3) or engaged in a predominantly export oriented industry (minimum exports being 60 per cent of total production) or engaged in the manufacturing activities which need sophisticated technology, or run tea plantations are allowed to carry on business with non-resident interest upto 74 per cent. In the case of companies engaged in other manufacturing activities or predominantly in internal trading and commercial activities, in plantations (other than tea), in construction and consultancy work and other miscellaneous activities. foreign holdings should not exceed 40 per cent. However, in exceptional cases, the units that have developed expertise, skills or facilities (distribution net-work, etc.) which are not readily available indigenously and are contributing significantly to exports, may be allowed foreign share holdings upto 74 per cent depending upon the merits of each case.

The total value of consents granted by the Controller of Capital Issues to joint-stock companies for non-resident participation amounted to Rs. 26.5 crores during the year 1973-74 (April-March) as compared to Rs. 14.3 crores during 1972-73. There was an increase over the year of Rs. 9.2 crores in loans, Rs. 2.2 crores in bonus issues, and Rs. 1.7 crores in additional issues, while initial issues declined by Rs. 0.9 crore. The collaboration agreements approved during 1973-74 numbered 335 as against 256 in the previous year.

International Monetary Situation

The second formal devaluation of the U.S. dollar in February 1973 and the floating of the world's major currencies a month later failed to reduce the instability in the foreign exchange markets prevalent since 1971. The hopes that floating rates would help dampen speculative activities by increasing speculators' risks remained unfulfilled. The foreign exchange markets continued to be dominated by speculative activity as payments imbalances were further accentuated by high rates of inflation in most industrialised countries, and the unprecedented rise in oil prices in the last quarter of 1973.

In view of the deterioration in the U.K.'s economic situation and the downward drift of

(3) These industries are enumerated in Appendix I of the Industrial Licensing Policy announced in February 1973.

Table VIII.9 : External Assistance Extended by India

(Rupees crores)

Country	Authorised upto March 1973			Authorised during 1973-74			Utilised upto March 1973			Utilised during 1973-74			Undisbursed balance as at end-March 1974		
	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	—	—	—	13.1	—	13.1	1.3	—	1.3	3.2	—	3.2
Indonesia	10.0	—	10.0	—	—	—	10.0	—	10.0	—	—	—	—	—	—
Nepal	1.0	100.0	101.0	5.0	9.0	14.0	0.5	95.1	95.6	0.1	7.9	8.0	5.5	6.2	11.7
Bhutan	1.6	43.1	44.7	0.5	9.8	10.3	1.6	43.1	44.7	0.5	9.8	10.3	—	—	—
Mauritius	3.2	—	3.2	—	—	—	—	—	—	—	—	—	3.2	—	3.2
Tanzania	5.0	—	5.0	—	—	—	—	—	—	—	—	—	5.0	—	5.0
Bangladesh	34.9	132.8	167.7	32.0	10.1	42.1	19.0	123.0	142.0	9.7	2.6	12.3	38.4	17.3	55.7
Total	**93.1**	**275.9**	**369.0**	**37.5**	**28.9**	**66.4**	**64.2**	**261.2**	**325.4**	**11.6**	**20.3**	**31.9**	**55.3**	**23.5**	**78.8**

Notes : (1) 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.

(2) Aid to Bangladesh does not cover the relief goods of the value of Rs. 17 crores supplied to that country in 1971-72.

the pound sterling, the U.K. unilaterally offered on September 6 a six month extention of the guarantee arrangements in respect of official holdings of sterling. The extended guarantee was, however, offered at the rate of $ 2.4213 (compared with the previous $ 2.3760) for the average daily value of the holdings during the whole of the six-month period for which the arrangements would be operative. The guarantee was re-negotiated at the end of March 1974 for a further period of nine months on the basis of trade-weighted value of the pound sterling.

The currencies participating in the EEC joint float weakened in August as the U.S. dollar improved. But the viability of the EEC snake itself was threatened by the middle of September when the Netherlands guilder pierced the ceiling as the Netherlands was running a current account surplus at an annual rate of £ 800 million despite Netherlands guilder's appreciation by about 5 per cent on a trade-weighted basis from its Smithsonian level. With a view to protecting the snake, the Netherlands revalued the guilder by 5 per cent on September 17. Similarly with a view to keeping the Norwegian krone within the EEC joint float, Norway revalued the krone by 5 per cent on November 16.

The weakness of the European currencies became more pronounced in December and continued in early January as anxiety increased about their balance of payments prospects following the steep increase in the price of crude oil. Within the EEC joint float, the French franc weakened sharply and the spread between the franc and most of the snake's other currencies widened, necessitating, on some occasions, massive interventions to maintain the agreed margin among the EEC joint float currencies, which resulted in a steady drain on French reserves. Despite the underlying strength of the country's balance of payments which in 1973 showed a surplus of Fr. 6,683 million and the West German offer to support the franc with a credit worth $ 3 billion, France, therefore, decided on January 19 to float the franc independently of the other currencies in the joint float for a period of six months. The two-tier exchange system comprising the financial franc and the commercial franc introduced in August 1971 was, however, continued till March 20, 1974. At the same time, measures including a ban on loans to non-residents and a limit on export credits from French banks to their customers were taken to support the float.

In the context of the rapid strengthening of the U.S. dollar on the exchanges and the country's improving balance of payments position, the U.S. authorities lifted on January 29, 1974 all controls over capital outflows, some of which were more than a decade old. The U.S. Treasury stated that the decision was taken in view of the desirability of avoiding official restrictions on capital flows as the balance of payments positions of many countries changed by the impact of higher oil prices. Canada also relaxed capital controls on January 30. Subsequently a number of other major industrial countries lifted their controls on inward capital movements with a view to providing support to their balance of payments positions that would be affectetd adversely by the steep rise in oil prices. West Germany lifted nearly all controls on borrowings abroad by its residents on direct investment in the country by foreign corporations imposed in June 1972. Japan adopted a number of measures facilitating capital inflows and restricting financial and real investment abroad by Japanese residents. On January 4, Sweden permitted commercial banks to raise funds abroad for lending to domestic corporations provided such loans were in excess of Skr. 10 millions. The Bank of France removed reserve requirements on non-resident deposits in commercial banks to facilitate inflow of funds. France also adopted measures to restrict credit extension to foreigners and to accelerate repatriation of export earnings. Switzerland and the Netherlands also moved along these lines.

The initial assessment that the oil problem would have less adverse impact on the U.S. economy and the U.S. balance of payments than on Europe and Japan was also replaced by a more realistic view that all oil importing countries would be seriously affected by the high cost of oil. Further, in contrast to the generally tight liquidity policy in continental European countries, the U.S. adopted a somewhat easy monetary policy at a time when its inflation rate had reached a post-war peak be-

cause the Administration believed the threat of a full scale recession to be more immediate than that of uncontrolled inflation. By mid-March the U.S. domestic interest rates were the lowest of all industrial countries and were less than two-thirds the rates prevailing in France, Japan and the U.K. The termination of the controls on capital outflows by the U.S. and easing of controls on capital inflows by others together with their divergent monetary policies induced heavy movement of short-term capital out of the U.S. and these were estimated at about $ 5.5 billion by mid-May. Market sentiment was also affected late in March by a West German economic research institute's suggestion for a further revaluation of the deutsche mark. The DM gained strength from continued growth in West German exports and trade surplus. At the same time the unification of the dual exchange markets in France and Italy were viewed to facilitate renewed participation of these currencies in the EEC joint float, in which event the revaluation of the deutsche mark was seen certain. In its May estimates for 1974 the OECD projected that while the U.S. might more or less have an equilibrium in its balance of payments, West Germany might have a surplus of $ 4 billion to $ 5 billion, and that almost three quarters of the industrial countries' total deficit of $ 40 billion would be accounted for by Britain, Japan, Italy and France. These factors, added to the political uncertainties in the U.S. led to a serious bout of selling pressure on the dollar. By mid-May the dollar sank to its lowest level against major currencies except the pound sterling and the Italian lira, falling by over 33 per cent against deutsche mark and Swiss franc, by about 28 per cent against the Netherlands guilder and Austrian schilling, and by about 10 per cent against the French franc and yen from the Smithsonian parities. Thereafter the hardening of the U.S. prime rates and the emergence of a record U.S. basic balance surplus of $ 2.1 billion for the first quarter of 1974 helped the dollar and by end-June 1974 it improved slightly vis-a-vis the major currencies.

World Reserves

Aggregate global reserves comprising gold, foreign exchange, SDRs and reserve positions in the Fund increased in 1973 by $ 24.4 billion or by 15.3 per cent compared with the rise of $28.1 billion or 21.5 per cent in 1972. About 75 per cent of the growth represented an increase in foreign exchange holdings, 18 per cent an increase in gold holdings and the balance an increase in SDR holdings and reserve positions in the Fund. In 1972 nearly 90 per cent of the increase was accounted for by foreign exchange holdings, while both gold holdings and reserve positions in the Fund had recorded an absolute decline from their end-1971 levels. Of the $ 18.3 billion increase in foreign exchange reserves in 1973, developed countries shared $7.7 billion while Latin America and the Middle East accounted for $4.7 billion and $3.3 billion, respectively. Similarly, of the $4.3 billion increase in gold holdings, industrial countries alone accounted for $3.6 billion. Thus the distribution of the increase in aggregate reserves between developed and developing countries was, as in the past, far from equitable.

Gold Prices

It was indicated in the last Report that growing opinion in favour of official gold sales on the market and rising interest rates induced a downward trend in price of gold in July 1973. The improvement of the U.S. dollar on the exchanges, high interest rates in most major economies that increased the speculator's cost in carrying long positions in gold, and reduced industrial buying led to a sharp fall in the price to $ 92.50 per fine ounce (p.f.o.) by August 15. Thereafter the price moved in a narrow range of $100 to $107. In early October with the outbreak of hostilities in the Middle East, gold came in demand but only for a short period. The termination in November of the Washington arrangements of March 1968, under which the central banks of Belgium, Italy, the Netherlands, Switzerland, the U.K., the U.S. and West Germany agreed not to sell gold on the private market depressed the gold price to a low of $ 89.75 on November 23, 1973.

From December the London price of gold rose continually to reach a new peak of $174.40 p.f.o. on April 23, 1974, almost double the November 23 low. A substantial decline in supplies of new gold as also persistent industrial demand contributed to the surge in prices, but the major upward thrust came from the speculative demand. The weakening of the

U.S. dollar on the exchanges, and large fluctuations in exchange rates of major currencies since early January leading to a general loss of confidence in currencies coupled with accelerated inflation, particularly a sharp rise in prices of basic commodities, resulted in an increased preference for gold. Growing market expectations regarding restoration of gold to a pivotal role in a reformed monetary system at close to the free market price also added to the speculative buying of gold. As these expectations did not fully materialise the market turned quieter and the price of gold dropped to $ 160 p.f.o. by end-May 1974. Rising interest rates which increased the cost of carrying long positions in gold, and the conclusion reached by the Group of Ten decision on June 10 that gold could be used as collateral at a price different from the official gold price belied the hopes of an early decision on raising the official price of gold, and depressed the market sentiment further. By July 5, 1974 the gold price on the London market dropped to $ 132 p.f.o.

World Trade

Despite the unstable conditions on the exchanges, world trade continued to grow at a high rate during 1973. In value terms, world exports increased at an extraordinary rate of 36 per cent to estimated $510 billion in 1973. The exports of industrial countries, other developed areas and developing countries reached the level of $376 billion, $35 billion and $100 billion, respectively; the growth over the year ranged between 35 and 39 per cent, with developing countries recording the lowest growth rate. An unusually large increase in export prices reflecting a high level of world-wide inflation, and particularly the commodity boom, contributed substantially to the export growth in value terms. However, the volume of trade also expanded by 12 per cent, which was far above the average annual growth rate of 8 per cent in the past several years.

Development Assistance

Total net resource flows from members of the Development Assistance Committee(4) (DAC) of the OECD to developing countries, comprising official assistance, export credits, private lending, private investment and grants by private voluntary agencies, rose in U.S. dollar terms by as much as 22 per cent from $19.9 billion in 1972 to a new record of $24.2 billion in 1973. Because of change in exchange rates and increases in prices, however, the increase over the year was no more than 6 per cent in real terms. In relation to the GNP of donor countries, the total net flows remained in 1973 at the previous year's level of 0.78 per cent as against the target of one per cent of GNP set by the United Nations for the Development Decade and accepted by the majority of the members of the DAC. At the same time, the overall terms on which the resource transfer was provided hardened as the share of official development assistance that constitutes the bulk of the resource transfer on soft terms declined over the year from 44 per cent of the total net flow of financial resources to 30 per cent.

Total official development assistance flows from the members of the DAC increased in U.S. dollar terms by 9 per cent from $8.7 billion in 1972 to the record figure of $9.4 billion. As in the case of total resource flows, exchange rate changes and price increases inflated the dollar figures of official assistance. In real terms, DAC official development assistance actually declined over the year by about 6 per cent.

International Monetary Reform

The third meeting of the Commitee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues (Committee of Twenty) held at the end of July 1973 called upon their Deputies to prepare a draft outline of the reform for submission at the annual meeting of the Governors of the I.M.F. at Nairobi in September 1973. Accordingly, the Deputies presented a First Outline of Reform to the Committee of Twenty on September 24, 1973, which, however, showed that many issues remained unresolved and it became clear that the Deputies needed political direction regarding them. The Committee recognized this and while adopting a dead line of July 31, 1974 for reaching agreement on the main issues

(4) The members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, The Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Economic Community.

directed their Deputies to work intensively towards this end by forming working groups on major issues of reform, and to report on their work at the meeting of the Committee to be held in January 1974. In the light of this decision the Deputies set up four working groups to examine the questions of (a) adjustment, (b) intervention and settlement, (c) global liquidity and consolidation, and (d) the transfer of real resources from the developed countries to the developing countries to promote the latter's economic development.

The oil price explosion in the last quarter of 1973 that brought into prospect massive shifts in international payments positions and a slowdown in the economic activity at a time when rates of inflation in all countries, particularly in industrial countries, were at historically high levels, provided a setting for the fifth meeting of the Committee of Twenty in January 1974 at Rome. In their two-day meeting the Committee gave priority to the consideration of measures to deal with these problems and recognised that, under the changed circumstances, the process of working out a reformed international monetary system would be evolutionary rather than one to be achieved in a two-year period as envisaged when the Committee began their work in September 1972. They emphasised the need for the closest international cooperation in the management of international payments changes arising from higher oil prices, warned countries to avoid competitive depreciation and escalation of restrictions on trade and payments, and asked them to pursue policies that would sustain appropriate levels of economic activity and employment while minimising inflation. In particular, they agreed that the proposal of the Fund's Managing Director for a temporary supplementary facility should be urgently explored. As regards the evolutionary process of reform, it was agreed that priority should be given to certain important aspects of reform which could be put into operation promptly, including some intended to serve for an interim period. On the future structure of the International Monetary Fund, it was agreed that a permanent and representative Council of Governors having decision making powers to manage the monetary system should be established in addition to the existing Board of Governors and the Executive Directors. As an interim step pending such establishment of the Council, it was agreed that a Committee of the Board of Governors should be created and this Committee should come into being when the Committee of 20 completed their work. It was also agreed to base the valuation of the SDR on a basket of currencies for an interim period. The Committee asked the Deputies to work, in cooperation with the Executive Board, on many issues that still remained unresolved, like the yield on the SDR, the problem of transfer of real resources, including all aspects of capital transfers, and rules for floating, and report them in June 1974 at their sixth meeting in Washington. Following the new direction given by the Committee, the Deputies met in May and again in June and presented a Revised Outline of Reform to the sixth and final meeting of the Committee of Twenty on June 12-13, 1974 at Washington at which it was adopted. The Revised Outline of the Reform has been organized in two parts. The first part is patterned on the First Outline of Reform presented to the Nairobi meeting in September 1973 and gives a broad conception of the reformed system. The second part consists of a package measures to be given immediate effect.

Objectives of Reform

The main features of the Outline of Reform, in the general direction in which the Committee believed that the international monetary system could evolve in future, include: (a) an effective and symmetrical adjustment process, including better functioning of the exchange rate mechanism, with the exchange rate regime based on stable but adjustable par values and with floating rates recognised as providing a useful technique in particular situations; (b) cooperation in dealing with disequilibrating capital flows, (c) the introduction of an appropriate form of convertibility for the settlement of imbalances, with symmetrical obligations on all countries; (d) better international management of global liquidity, with the SDR becoming the principal reserve asset and the role of gold and of reserve currencies being reduced; (e) consistency between arrangements for adjustment, convertibility and global liquidity; and (f) promotion of the net flow if real reasources to developing countries.

The Committee recognized that it will be some time before a reformed system could be finally agreed and implemented. The Committee, therefore, agreed on a programme of immediate action to begin an evolutionary process of reform by dealing with the current problems facing both developed and developing countries. The programme for immediate action covered, among other things, the valuation and yield of SDRs, guidelines for floating currencies and setting up of an Interim Committee of the Board of Governors.

Valuation and Yield of SDR

The SDR would become the primary reserve asset of the reformed system replacing gold and other reserve currencies. It was decided that SDR valuation should be based for the interim period on a basket of currencies of sixteen countries whose individual share in world exports is more than one per cent. In view of the size of the U.S. economy and its importance to the world economy, the weight given to the U.S. dollar in the basket is 33 per cent. The remaining fifteen currencies have been assigned the following weights: Deutsche mark 12.5 per cent; pound sterling 9.0 per cent; Japanese yen and French franc 7.5 per cent each; Canadian dollar and Italian lira 6.0 per cent each; the Netherlands guilder 5.4 per cent; Belgium franc 3.5 per cent; Swedish krone 2.5 per cent; Norwegian and Danish krone, Australian dollar and Spanish peseta 1.5 per cent each; and Austrian schilling and South African rand 1 per cent each. Effective July 10, 1974 the interest rate on the SDR was raised from 1.5 per cent to 5 per cent per annum. The rate would, however, be reviewed twice annually on the basis of market rates in five prominent countries over the preceding quarter.

Interim Committee

The Interim Committee has the same composition as the Committee of Twenty and will guide the international monetary system till the Council of Governors is established. It will meet regularly three or four times a year as required and will have the necessary decision making power to manage and adapt the monetary system, to oversee the continuing operation of the adjustment process and in this connection review developments in global liquidity and transfer of real resources to developing countries.

New Oil Facility

Under the facility to deal with the oil related payments deficits, assistance would be available for seven years at market related interest rates to oil importing countries. The assistance would be related to the country's oil induced deficit, the size of its reserves and its quota in the Fund. The facility is initially envisaged for two years and most of the funds are expected to be raised from oil producing countries. The Fund hopes to lend about $ 3 billion in 1974 and a still larger sum in 1975 under this facility.

The Adjustment Process

The Committee of Twenty also recognized that in the interim period with significant changes in prospect for the world balance of payments, there was a need for closer international consultation and surveillance of the adjustment process. In this connection it called upon the members to pledge themselves on a voluntary basis not to introduce or intensify restrictive trade or other current account measures for balance of payments purposes without an evaluation by the Fund that there was a justification for such measures. The Commitee also made it clear that the Fund would seek to gain further experience in the use on an experimental basis, of objective indicators, including reserve indicators, as an aid in assessing the need for adjustment, but would not use pressures with any presumptive or automatic application. The pressures which may be applied to countries in large and persistant imbalances will continue to be those already available to the Fund. The Committee stressed the importance of avoiding competitive depreciation or under-valuation of national currencies and in the context of the general floating of exchange rates the Executive Directors adopted guidelines on floating on June 13.

G-24 Meeting

Prior to the meeting of the Committee of Twenty, the Ministers of the Inter-Government Group on International Monetary Affairs (G-24) representing the interest of developing nations met on June 10 at Washington. The G-24 put forward a minimum four-point programme necessary for

the improvement of the financial position of developing countries. The G-24 also stressed that no reform agreement would be endorsed by the developing countries which did not cover their minimum programme. The minimum programme put forth by the G-24 comprised: (i) Political acceptance of establishing a link between development finance and SDRs allocation; (ii) Establishment of an Extended Fund Facility before the end of July would make it possible for developing countries to borrow larger funds for a longer period of time and for broader purposes than permitted under the present Fund rules; (iii) Substantially higher share of both quotas and voting power in the Fund than the developing nations presently have. In this connection, it was pointed out that developing countries which are 101 out of a total membership of 126 in the Fund had only 29.1 per cent of quotas and 34.05 per cent of voting power; and (iv) Establishment of a Joint Fund-Bank Committee of Ministers to consider the transfer of real resources to developing countries.

In the light of the G-24 deliberations, the C-20 urged the Fund Executive Board to proceed to an early formulation and adoption of a new Extended Fund Facility under which developing countries would receive long-term balance of payment finance. On the question of the link between development finance and SDR allocations, the C-20 agreed that the new Interim Committee should reconsider the issue and present a scheme indicating the possibilities and modalities of establishing such a link for the approval of the Board of Governors by February 1975. The C-20 also recommended establishment of a Joint Ministerial Committee of the Fund and the World Bank on the transfer of real resources to developing countries. The Joint Ministerial Committee would carry forward the study of the problem and recommend measures to be adopted in order to implement its conclusions. The C-20 recommended that the preparatory work on this aspect should be started immediately in advance of the establishment of the Fund-Bank Committee.

In order to give effect to some of the recommendations of the C-20, the Fund's Articles of Agreement need to be amended suitably. These amendments could be presented for approval of the Fund's Board of Governors by the date fixed for completion of the current Sixth General Review of Fund Quotas, i.e. by February 1975.

Amendments of the Fund's Articles of Agreement

The agreement to set up an Asian Clearing Union (ACU) was referred to in the last Report. Iran and Sri Lanka signed the agreement at the ECAFE Session at Tokyo in April 1973. India signed the agreement on April 4, 1974 at the ECAFE Session in Colombo. Pakistan signed the agreement in June and Nepal in September. The union is to be formally inaugurated in December 1974.

Asian Clearing Union

Developments in Exchange Control

The Foreign Exchange Regulation Bill, 1972 referred to in last year's Report, became an Act in 1973 and came into force on January 1, 1974. Soon after the Act coming into force, the Government issued guidelines for dealing with applications under Section 29 of the Act. A reference to these guidelines has been made earlier in the paragraph relating to foreign investment policy.

Two significant steps relating to the exchange operations of the Bank were taken during the year, namely, (i) the provision of long-term forward exchange cover for exports and (ii) the extension of the spot and short-term forward exchange transactions to cover the deutsche mark and Japanese yen. Beginning 1st June 1974 the Bank has commenced providing long-term forward exchange cover in respect of exports of specified capital goods and producers goods effected on deferred payment terms, proceeds of which are denominated in pound sterling, U.S. dollar, deutsche mark and Japanese yen. The cover is available for the whole of the expected export proceeds, if the proceeds are payable in instalments or otherwise over a period of 18 months and above but not exceeding 10 years from the date of conclusion of the contract, and the offer of credit terms is authorised under the exchange control regu-

Long-term Forward Exchange Cover to Exporters

lations. The scheme is administered through authorized dealers and is available for the present at the Bombay Office of the Bank.

The rates for forward cover for pound sterling for different periods of deferment are as follows:

Period of forword contract	%Margin over the Bank's spot buying rate of £5.3333=Rs. 100	Margin in sterling per Rs. 100 on the Bank's spot buying rate	Forward rate of the Bank per Rs. 100
1. For 18 calendar months and above but not exceeding 5 years	1.25	£0.0667	£5.4000
2. Above 5 years but not exceeding 7 years ..	1.75	£0.0933	£5.4266
3. Above 7 years but not exceeding 10 years ..	2.50	£0.1333	£5.4666

The rates for forward purchases of U.S. dollars, deutsche mark and Japanese yen are the cross rate between the London market's spot buying rate for the currency concerned at the the close of previous working day and the Bank's forward buying rate for sterling for the appropriate period of forward contract as indicated above.

Sales and Purchases by Reserve Bank: Exchange Rates

The Bank started spot and short-term forward purchases of the deutsche mark and Japanese yen on March 4 and May 29, 1974 respectively, in addition to the existing operations in pound sterling and U.S. dollars. The temporary suspension of forward purchases of sterling by the Bank on February 13, 1973 in the wake of the closure of the main international exchange markets was withdrawn and purchases were resumed for delivery upto six months effective from March 8, 1973. With effect from August 20, 1973 the period of delivery was extended to nine months with an option for a further period of three months so that in effect the the period became twelve months from the date of contract which is the same as existed prior to the suspension of purchases in February 1973. The following margins to the Bank's buying rate for spot sterling were fixed:

Period of delivery	Margin (Per Rs. 100)
Upto 3 months	£ 0.0125
Upto 6 months	£ 0.0250
Upto 9 months	£ 0.0375

Purchases by the Bank of spot U.S. dollars and forward U.S. dollars for three months' delivery, suspended on February 12, 1973, were resumed with effect from September 3, 1973. Effective September 26, 1973, the Bank started purchasing forward dollars for delivery upto one month, two months and six months also. The buying rate for spot U.S. dollar is the cross rate between the London market's spot rate for U.S. dollar at the close of the preceding working day and the Bank's spot buying rate for sterling prevailing on the day of purchase. The rate for forward purchase is the cross rate between the London market's forward buying rate for the U.S. dollar for appropriate delivery at the close of the preceding working day and the Bank's current buying rate for three months/six months forward sterling as the case may be.

Spot purchases of the deutsche mark and Japanese Yen are made at the cross rate between London market's spot buying rate for these currencies at the close of business on the previous working day and the Bank's spot buying rate for sterling on the day of purchase. The rates for forward purchase for the deutsche mark for one month's and three months' delivery are the cross rates between the London market's buying rate for forward DM of appropriate delivery at the close of the preceding working day and the Bank's buying rate for forward sterling for three months on the day of purchase. The forward rate for two months' delivery is the cross rate between the interpolated two months' forward buying rates for DM based on London market's forward buying

rates for one month's and three months' delivery and the Bank's buying rate for forward sterling for three months on the day of purchase. The forward rates for the yen are the cross rates between the London market's buying rate for forward yen for one month's, two months' or three months' delivery, as the case may be, at the close of the previous working day, and the Bank's buying rate for forward sterling for three months' delivery ruling on the day of purchase.

The Bank withdrew on September 24, 1973 the stipulation that the transactions in sterling and U.S. dollar notes between authorized dealers and authorised money changers be effected at the rates laid down by the Bank for purchase and sale of these currency notes from and to the public, subject to a maximum rebate of 10 paise per unit of foreign currency. In future, dealings in pound sterling and U.S. dollar notes between authorised dealers and authorised money changers could be conducted at rates to be determined by market conditions, as in the case of other foreign currency notes.

Pre-Zero Sterling Accounts

Persons resident in India who held accounts expressed in pound sterling and in existence prior to July 8, 1947 (pre-zero accounts) could make payments out of the balances held on July 8, 1947 and take or send out of India cheques or drafts drawn on such foreign currency accounts without the prior approval of the Bank. These facilities were withdrawn from October 1, 1973 and the persons maintaining such accounts were required to repatriate the balances held in these accounts within one month from October 1, 1973 unless special permission was obtained to maintain such accounts and operate thereon.

Travellers' Jewellery

The value limit for taking out with prior approval personal jewellery made mainly or wholly of gold by persons ordinarily resident in India and going abroad, except to Pakistan, as part of their personal baggage or worn on their person was raised on June 3, 1973 from Rs. 2,000 to Rs. 5,000.

CHAPTER IX: CURRENCY AND COINAGE

'Currency in circulation' at Rs. 6,583.1 crores as at end-March 1974 showed a much larger expansion of Rs. 916.9 crores or 16.2 per cent in 1973-74 than Rs. 661.3 crores or 13.2 per cent registered in the preceding year. 'Notes in circulation' had a larger share in the sharp increase in 'currency in circulation' as compared with the shares of small coins and rupee coins. The rise in the circulation of rupee coins even in absolute terms was lower than that in the previous year. Thus, the ratio of notes in circulation to total currency improved *albeit* marginally from 92.0 per cent to 92.4 per cent and that of small coins in circulation remained more or less at the same level as in the last year (2.8 to 2.9 per cent); the proportion of rupee coins in circulation, declined to 4.8 per cent from 5.1 per cent in 1972-73 (Table IX.1).

Table IX. 1 : Details of Currency in Circulation

(In Crores of Rupees)

Financial Year	Notes in Circulation		Circulation of Rupee Coins		Circulation of Small Coins		Currency in Circulation (1+3+5)		*Of which with Banks*	
	Outstanding	Variation over the previous year	Outstanding	Variation over the previous year	Outstanding	Variation over the previous year	Outstanding	Variation over the previous year	Outstanding	Variation over the previous year
	1	2	3	4	5	6	7	8	9	10
1971-72	4594.0 (91.8)	+425.4	262.5 (5.2)	+15.3	148.4 (3.0)	+11.1	5004.9 (100)	+451.8	183.1	+13.4
1972-73	5210.3 (92.0)	+616.3	290.2 (5.1)	+27.7	165.7 (2.9)	+17.3	5666.2 (100)	+661.3	223.5	+40.4
1973-74	6083.4 (92.4)	+873.1	313.8 (4.8)	+23.6	185.9 (2.8)	+20.2	6583.1 (100)	+916.9	249.2	+25.7

Note : Figures in brackets represent proportions to total Currency in Circulation.

Circulation of Notes and Coins

Circulation of Notes

Besides the expansion in 'Notes in circulation' during the year being higher than in the previous year—Rs. 873.1 crores or 16.8 per cent against Rs. 616.3 crores or 13.4 per cent in 1972-73—the pattern of expansion during the year was also slightly different. Notes in Circulation which stood at Rs. 5,210.3 crores at end-March 1973, rose steadily to Rs. 5,467.7 crores by end-April 1973 and further to Rs. 5,655.8 crores towards the end of June 1973. At this level, 'notes in circulation' showed an expansion of Rs. 188 crores in the first two months of the conventional slack season of 1973 as compared with Rs. 112 crores in the corresponding period of 1972 slack season. There was a brief spell of contraction in the succeeding two months. In September, however, 'notes in circulation' continued the upward movement and by the end of October, expanded to Rs. 5,562.4 crores, resulting in an expansion of Rs. 94.8 crores in the 1973 slack season as a whole as against a contraction of Rs. 154.8 crores in the previous slack season. After a temporary decline in November, the expansionary trend gathered momentum during the rest of the period under review, and 'notes in circulation' reached the level of Rs. 6,083.4 crores at end of March 1974.

Denomination-wise, notes of the denomination of Rs. 100 continued to dominate in the total currency in circulation; the circulation of these notes increased by Rs. 367.8 crores, i.e., almost of the same magnitude as in 1972-73.(1) Its share in the total currency in circulation, however, declined to 48.8 per cent from 50.2 per cent in 1972-73.(2) The circulation of the denomination of 10 rupee notes—the second important denomination—also moved up sharply by Rs. 223.2 crores as compared with a smaller increase of Rs. 44.4 crores in 1972-73. Even so its share in the total has dropped to 30.1 per cent from 31.0 per cent at the end of March 1973. The denominations to show increases are those of Rs. 2, Rs. 5, Rs. 5,000 and Rs. 10,000. The denomination of Rs. 1,000 declined both in absolute and relative terms.

Table IX. 2 : Proportion of Notes of the Denominations of Rs. 10 and Rs. 100 to Total Currency in Circulation@

End of March	Percentage Share		Total of (2) + (3)
	Rs. 10	Rs. 100	
1	2	3	4
1961	37.8	40.1	77.9
1966	40.3	41.0	81.3
1972	34.2	49.6	83.8
1973	31.0	50.2	81.2
1974	30.1	48.8	78.9

@Inclusive of circulation of Small Coins.

During the year 1973-74, the rupee coins in circulation(3) about 86 per cent of which comprise one rupee notes issued by the Government of India, rose by Rs. 23.6 crores or 8.1 per cent to Rs. 313.8 crores; in 1972-73, the increase was Rs. 27.7 crores (10.6 per cent).

Circulation of Rupee and Small Coins

The provisional estimates of circulation of small coins indicated that in 1973-74, such coins registered a rise of Rs. 20.2 crores (12.2 per cent); the increases in the circulation of these coins during 1971-72 and 1972-73 were Rs. 11.1 crores (8.1 per cent) and Rs. 17.3 crores (11.6 per cent), respectively.

Mintage[4]

Decimal coins of different denominations valued at about Rs. 29.4 crores (excluding Development Oriented Design 20 Rupee and 10 Rupee coins issued by India Government Mint, Bombay) were minted in 1973-74. Since the introduction of decimal coinage in 1956-57, total mintage of coins amounted to those worth Rs. 182.5 crores.

Lost, Destroyed and Mutilated Notes[5]

The number of claims in respect of mutilated, lost and destroyed notes received during the year was 1,79,030 as compared with 1,94,124 in 1972-73, and the value of such claims worth at Rs. 325.3 lakhs was higher than Rs. 266.5 lakhs in the preceding year. Payments made against these as well as those admitted during the previous years amounted to Rs. 303.40 lakhs as against Rs. 271.8 lakhs in the last year.

Note Forgeries[6]

The total number of forged notes including one rupee notes received by the Bank at 22,032 and worth Rs. 1,93,997 during the year was the highest since 1963-64.

(1) See Statement No. 106 in the Statistical Statements Section of this Report.
(2) These ratios are to the total currency in circulation inclusive of small coins.
(3) They 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) See Statement Nos. 112 and 113 in the Statistical Statements Section of this Report.
(5) See Statement No. 109.
(6) See Statement No. 110.

APPENDIX I—SELECTIVE CREDIT CONTROLS : POSITION AS ON JUNE 30, 1974

No. and Date of Directive/ Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit* (4)	Complete Exemption (5)
			A. Foodgrains	
DBOD. No. Cre. BC. 126/ C. 218-73 dated November 17, 1973, as amended by circular letters DBOD. No. Cre. BC. 21/C.218-74 dated March 4, 1974, DBOD. No. Cre. BC. 36/C. 218-74 dated April 30, 1974 and DBOD. No. Cre BC. 50/C.218-74 dated June 24, 1974.	1. 45% on advances against paddy to rice mills. 2. 35% on advances against stocks of foodgrains (used as raw material) other than paddy and rice to foodgrains 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. 3. 25% on advances against wheat to roller flour mills. 4. 50% on advances against official warehouse receipts covering stocks of foodgrains 5. 60% on all other advances. *Exemptions* : (i) Advances against paddy/rice 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	13% 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 years (Nov.-Oct) Viz., 1972-73, 1971-72 and 1970-71 (separately in respect of advances against (i) Paddy & Rice and (ii) 'Other Foodgrains' (i. e. other than paddy and rice and wheat, but including coarse grains and pulses) *Note* : Credit limits granted to any party against wheat at any time during the preceding three years viz., 1972-73, 1971-72 and 1970-71 shall not be utilised by banks for granting credit against 'other foodgrains' (other than wheat) and banks shall strictly enforce this stipulation. *Additional Limit for New branches*: Combined limit for advances against any one or both the groups of foodgrains stated above for each new branch opened or or after 1.1. 1970 at a centre with a population of 1 lakh or below for granting advances to *new parties*: (a) Rs. 50,000 in States other than U.P., M.P. Bihar and West Bengal and (b) Rs. 1,00,000 in the States of U.P., M.P., Bihar and West Bengal. *Exemptions* : (i) Advances against *paddy/rice* made in a separate account to dealers or rice millers	The following categories of advances are *completely* exempted from control. *States* : (i) Advances in the States of Assam,@ Meghalaya, Nagaland, Jammu and Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. *Public Procurement, Storage and Distribution Agencies.* (ii) Advances to the Food Corporation of India and State Governments. (iii) 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.

*I. Credit against wheat to wholesale dealers is prohibited. However, credit against wheat may be given to licensed retail traders or such other authorised dealers (including roller flour mills), subject to the restrictions imposed by the State Government on stocks held by them. Credit facilities to traders are allowed also by way of purchase of demand documentary bills drawn in connection with the movement of wheat authorised by the appropriate Government agencies or by granting advances against such bills.

II. 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.

@ In view of the take-over of the wholesale trade in rice in Assam, advances to traders are banned, except to dealers authorised by the State Government to deal in paddy and rice.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
	which are covered by the Levy Scheme of the State Government, to the extent of the levy imposed in each State. (ii) 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. subject to a maximum of Rs. 20,000/- for each such trader, provided he undertakes to borrow against foodgrains from only one bank. (iii) Advances to manufacturing units and other borrowers, wholly or partly against the security of foodgrains which are covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organization, 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.		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. (ii) Advances against wheat granted to roller flour mills. (iii) 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., subject to a maximum of Rs. 20,000/- for each such trader, provided he undertakes to borrow against foodgrains from only one bank. (iv) 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 Organization, 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. (v) Advances against foodgrains to foodgrain processing units located at centres with a population of 1 lakh or below. (vi) Advances granted against the security of warehouse receipts issued by the Central or State Warehousing Corporations, provided that the amount does not exceed Rs. 25,000 per borrower.	(iv) 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 and Union Territories. (v) Advances granted to Wholesale Consumers, Co-operative Stores and State and National Federations of Consumers' Co-operatives. (vi) 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). *Others* : (vii) Advances against the security of maize and barley to manufacturing units (i.e. Industrial users). (viii) Advances granted to processing/manufacturing units covered under the Rural Industries Projects upto Rs. 20,000 per unit. (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 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. (xi) Advances directly granted to farmers and to primary co-operative societies for extending credit to their cultivator-members against foodgrains

@ In the case of wheat advances, such loans can be given only to licensed retail trades or authorised dealers.

No. and Date of Directive/Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Complete Exemption
(1)	(2)	(3)	(4)	(5)
				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. *Exports* : (xii) Pre-shipment credit granted to exporters against the security of rice on the basis of firm export orders/irrevocable letters of credit and post-shipment credit given in the form of purchase, negotiation or discounting of export bills or advances there against in respect of export of rice.
B. Groundnut and Other Oilseeds, viz. Rapeseed/Mustardseed, Castorseed and Linseed.				
DBOD. No. Cre. BC. 127/C.218(H) —73. Dated November 17, 1973, as amended by circular letter DBOD. No. Cre. BC. 21/ C.218-74 dated March 4, 1974.	*Castorseed and Linseed* 1. 60% on advances against castorseed and linseed. 2. 50% on advances against warehouse receipts issued by the Central or State Warehousing Corporations covering stocks of castorseed and linseed *Groundnut and rapeseed/mustardseed* 3. 60% on advances against groundnut and rapeseed/mustardseed. 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.	13% per annum for all parties	In respect of each party, separate ceiling for each of (*i*) Groundnut, (*ii*) Linseed and Castorseed; 100% of the peak level of credit maintained by the party in any of the three preceding years (Nov.-Oct.) viz., 1972-73, 1971-72 and 1970-71 *Exemptions* : (*a*) Advances against the security of oilseeds to registered oil mills* and vanaspati manufacturers. (*b*) Advances against the security of rapeseed/mustardseed. (*c*) Advances to traders wholly or partly against the security of oilseeds which are guaranteed by the Credit Guarantee Corporation of India Ltd., subject to a maximum of Rs. 20,000 for each trader provided he undertakes to borrow against oilseeds from only one bank. (*d*) Advances to manufacturing units	The following categories of advances are *completely* exempted from control. *States* : (*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. *Minor Oilseeds* (*b*) Advances against the security of oilseeds other than groundnut, mustardseed/rapeseed, castorseed and linseed. *Public Procurement, Storage and Distribution Agencies* : (*c*) Advances to the Food Corporation of India and the State Trading Corporation. (*d*) Advances to the Wholesale Consumers' Co-operative Stores and the

*All mills registered under the Factories Act, 1948 or licensed under the Industries (Development & Regulation) Act, 1951 or registered with the State Department of Industries and Commerce or any other Governmental authority.

No. and Date of Directive/ Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
	7. 40% on advances against stocks of rapeseed/mustardseed, equivalent to two months' consumption of each mill in all the States other than Rajasthan, U.P., M.P., Bihar and West Bengal. 8. 25% on advances against stocks of controlled edible oilseeds viz., groundnut and rapeseed/mustard-seed, equivalent tc two months consumption of each mill in Rajasthan, U.P., M.P., Bihar and West Bengal. *Exemptions* : (*a*) Advances to traders wholly or partly against the security of oil-seeds which are guaranteed by the Credit Guarantee Corporation of India Ltd., subject to a maximum of Rs. 20,000/- for each 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 oil-seeds, which are covered by the Credit Guarantee Corporation of India Ltd.,/Credit Guarantee Organization 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 does not exceed Rs. 2,500 per farmer or the amount of the crop loan outstanding, whichever is lower.		and other borrowers, wholly or partly against the security of oil-seeds, which are covered by the Credit Guarantee Corporation of India Ltd./Credit Guarantee Organization subject to a maximum of Rs. 20,000/- for each unit/borrower, provided it/he undertakes to borrow against oilseeds from only one bank. (*e*) 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 does not exceed Rs. 2,500 per farmer or the amount of the crop loan outstanding, whichever is lower. (*f* Advances against warehouse receipts issued by the Central cr State Warehousing Corporations, provided that the amount does not exceed Rs. 25,000 per borrower.	State and National Federations of Consumers' Co-operatives. *Exports* : (*e*) Credit limits in favour of exporters of oilseeds, de-oiled and/or de-fatted cakes in respect of oilseeds and/or extractions of oilseeds in respect of specific firm export contracts and/or against export bills. (*f*) Packing credit advances to the exporters of HPS groundnut against the security of groundnut to the extent of the value of raw material required (which should be reasonably assessed) for selecting HPS groundnut covered by the export order even though the value of the raw material exceeds the value of the relative export order, provided that such advances to the extent of the value of the residual groundnut shall be adjusted either by the sale proceeds of the residual groundnut or in cash, as soon as the selection of the HPS groundnut is completed, but within 30 days from the date of such advances and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bills. *Others* : (*g*) Advances against the security of or by way of purchase of demand documentary bills drawn in connection with the movement of oilseeds. (*h*) Advances granted to processing/ manufacturing units covered under the Rural Industries Projects, upto Rs. 20,000 per unit.

No. and Date of Directive/ Letter	Minimum Margin	Minimum Rate of Interest	Level of Credit	Complete Exemp ion
(1)	(2)	(3)	(4)	(5)
DBOD. No. Cre. BC. 127/ C. 218 (H)-73 dated November 17, 1973, as amended by circular letters DBOD. No. Cre. B.C. 21/C 218 -74 dated March 4, 1974 and DBOD. No. Cre. BC. 36/ C. 218-74 dated April 30, 1974.	1. *75% on advances against* ground nut 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.	**C. Vegetable oils (viz. Groundnut oil, rapeseed/Mustardseed Oil, Castorseed Oil and Linseed Oil) & Vanaspati.** 13% per annum to all parties	In respect of each party, 100% of the peak level of the credit maintained by the party in any of the three preceding years (Nov.-Oct.) viz., 1972-73, 1971-72 and 1970-71. *Exemptions* : (*a*) Advances against the security of rapeseed/mustardseed oil. (*b*) Advances against vegetable oils and vanaspati to vanaspati manufacturers and registered oil mills. (*c*) 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., subject to a maximum of Rs. 20,000 for each such trader, provided he undertakes to borrow against controlled vegetable oils (including vanaspati) from only one bank. (*d*) 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, subject to a maximum of Rs. 20,000 for each such unit/borrower, provided it/he undertakes to borrow against vegetable oils (including vanaspati) from only one bank. (*e*) Advances against warehouse receipts issued by the Central or State Warehousing Corporations, provided the	The following categories of advances are *completely* exempted from control : *States* : (*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. *Minor Oils* : (*b*) Advances against the security of vegetable oils other than groundnut oil, mustardseed / rapeseed oil, castorseed oil and linseed oil. *Public Procurement, Storage and Distribution Agencies* : (*c*) Advances to the Food Corporation of India & 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*) Advances to Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives. *Exports* : (*f*) 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

No. and Date of Directive/ Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
			amount does not exceed Rs. 25,000 per borrower.	required for producing cakes covered by the export order, even though the value of the raw material exceeds the value of the relative export orders, provided : (*i*) such advances to the extent of the value of by-product oil shall be adjusted by the sale proceeds of the by-product oil or in cash as soon as the oil is extracted and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bills, and (*ii*) advances against the by-product oil granted in a separate account are exempted for a period of 15 days from the date of such advances. (*g*) Pre-shipment credit granted to exporters against the security of linseed oil on the basis of firm export orders/irrevocable letters of credit and post-shipment credit given in the form of purchase, negotiation or discounting of export bills or advances there against in respect of export of linseed oil. *Others* : (*h*) 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. (*i*) Advances granted to processing/ manufacturing units covered under the Rural Industries Projects, upto Rs. 20,000 per unit.
	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 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 material 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 1972 to March 1973. *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)			

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
	depending on the location of the factory, based on one-third of the average weekly production 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 ana 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 pursuance of contracts entered into or to be entered into with any such Department. *Exemptions* : (*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., 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 subject to a maximum of Rs. 20,000 for each such unit/borrower, provided it/he undertakes to borrow against vegetable oils (including vanaspati) from only one bank.			

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
			D. Cotton and Kapas	
DBOD. No. Cre. BC. 128/c. 218 (F)–73 dated November 17-5-1973, as amended by circular letter dated DBOD. No. Cre. BC. 21/C 218 -74 dated March 4, 1974.	**A. To Mills :** *(1) Mills under Authorised Controllor : 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 :* 1. For Mills other than those in Bombay, Ahmedabad and in the States of Bihar and West Bengal. *i)* 25% for stocks of 14 weeks' consumption. *ii)* 50% for stocks in excess of 14 weeks' consumption. *II) For Mills in Bombay & Ahmedabad* *i)* 25% for stocks of 12 weeks' consumption. *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 cotton mills) :** *i)* 25% for stocks of (*a*) imported cotton and (b) new and / or long-staple varieties of cotton grown in India viz. Hybrid 4	(*a*) 12% per annum on advances to mills in respect of raw cotton stocks for which they are entitled for the benefit of lower margin as specified in the directive. (*b*) 13% per annum for other stocks of raw cotton held by the mills as well as to parties other than cotton mills.	In respect of each party other than a cotton mill: 100% of the peak level of credit maintained by that party with the bank in any of the three preceding years (Nov-Oct.), viz., 1972-73, 1971-72 and 1970-71. *Exemption :* 1. Advances to cotton mills. 2. Advances against cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for manufacture of surgical cotton and not for re-sale. 3. Advances against the security of stocks of (*a*) imported cotton and (*b*) new and/or long-staple varieties of cotton grown in India viz., Hybrid 4 (Shankar-4), Gujarat 67, MCU 4 and 5, Sujatha, Sea Island Andrews, Hampi, Varalaxmi, Maljhari, Narmada A-51/9, Khandwa 1, Suvin, Vishnu and Badnavar 1 and other cotton varieties viz., 320-F, Bengal Deshi, J-34 and H-14 grown in Punjab, Haryara and Upper Rajasthan. 4. Advances against warehouse receipts issued by Central or State Warehousing Corporations, provided the amount does not exceed Rs. 25,000 per borrower.	The following categories of advances are *completely* exempted from control: *States :* 1. Advances in the States of Assam, Meghalaya, Nagaland, Jammu & Kashmir, Himachal Pradesh, Orissa, Manipur, Tripura and the Union Territories of Arunachal Pradesh and Mizoram. *Exports :* 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 bill on shipment. 3. Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for the manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received either directly by the mills or by the merchant-exporters through whom the mills are exporting cotton textiles (including yarn), provided the contracts with merchant-exporters are registered with Cotton Textiles Export Promotion Council and other requirements of the pre-shipment finance are complied with. 4. Advances against the security of or by way of purchase or discount of export bills relating to export of cotton from India. 5. 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.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Level of Credit (4)	Complete Exemption (5)
	(Shankar 4), Gujarat 67, MCU 4 and 5, Sujatha, Sea Island Andrews, Hampi, Varalaxmi, Maljhari, Narmada A-51/9, Khandwa-1, Suvin, Vishnu and Badnavar-1 and other cotton varieties viz., 320 F, Bengal Deshi, J-34 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. *Exemptions* : 1. Advances against cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for manufacture of surgical cotton and not for re-sale. 2. Advances 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.@			*Others* 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 to processing/manufacturing units covered under the Rural Industries Projects, upto Rs. 20,000 per unit.

@ Minimum rate of interest of 12 per cent applies to advances against these stocks.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Complete Exemption (4)
D B O D. No. Cre. EC. 129/C-218(J)—73 dated November 17, 1973, as amended by circular letter D B O D. No. Cre. B.C. 21/C.218-74 dated March 4, 1974.	**A. To Sugar Factories** (*i*) 65% on advances against the stocks of free sale sugar which have been released for sale. (*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 : (*a*) 25% 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. (*b*) 15% 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.	**E. Sugar, Gur and Khandsari** (*i*) *For Sugar Factories* (*a*) 13% per anum in respect of free sale sugar stocks which have been released by Government for sale. (*b*) 12% per annum for free sale sugar stocks which have *not* been released by Government for sale. (*ii*) *For parties other than sugar factories* 13%	The following categories of advances are *completely* exempted from control. *Public procurement, storage and Distribution Agencies* : (*i*) Advances to Food Corporation of India. (*ii*) Advances to Wholesale Consumers' Co-operative Stores or State and National Federations of Consumers' Co-operatives. *Exports* : (*iii*) Advances granted in respect of stocks of sugar pledged/hypothecated with banks which are intended for export out of India. *Others* : (*iv*) Advances granted by way of purchase of demand documentary bills drawn in connection with movement of commodities covered by this directive. (*v*) Advances granted to processing/manufacturing units covered under the Rural Industries Projects, up to Rs. 20,000 per unit. (*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. (*vii*) 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 to the extent of quantum of sugar allotted to them by Government.

No. and Date of Directive/Letter (1)	Minimum Margin (2)	Minimum Rate of Interest (3)	Complete Exemption (4)
		F. Cotton Textiles including Cotton Yarn and Fabricks and Yarn made out of man-made Fibres (including Stocks-in-process).	
D B O D. No. Cre. BC. 130/C.218(T)-73 dated November 17, 1973, as amended by directive D B O D. No. Cre. B.C. 12/C.218(T)-74 dated January 21, 1974.	(*a*) *For Cotton Textile Mills or mills producing yarn or fabrics made out of man-made fibres and power-loom units.* Increase in the margin against existing credit limits by not less than 10 per cent of the value of the stock of the commodities and maintenance of a margin of 10 per cent above the usual margin in respect of fresh credit limits. (*b*) *For traders, dealers and agents*—40% *Exemption* : (*i*) Advances granted to the power-loom units which are covered by the credit guarantee scheme for Small Scale Industries up to Rs. 20,000 per unit, provided the unit undertakes to borrow from one bank only.	13% per annum for traders, dealers and agents.	*Exports* : (*i*) Advances in respect of pre-shipment credit for exports of cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres provided the advance is made in respect of firm export order and is repaid on negotiation of relevant export bills on shipment. (*ii*) Advances against the security of or by way of purchase or discount of export bills relating to export of cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres, from India. *Others* : (*iii*) Advances to traders wholly or partly against the security of cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres which are covered by the guarantee scheme of the Credit Guarantee Corporation of India Ltd., subject to a maximum of Rs. 20,000 for each such trader, provided he undertakes to borrow against these commodities from only one bank. (*iv*) Advances against the security of or by way of purchase of demand documentary bills drawn in connection with the movement of cotton textiles including cotton yarn and fabrics and yarn made out of man-made fibres. (*v*) Advances against the security of handloom and hand-woven cotton cloth. (*vi*) Advances against controlled cloth. (*vii*) Advances to Co-operatives and nominees of State Governments handling these commodities.

APPENDIX II

A. REFINANCE/REDISCOUNTING FACILITIES TO THE SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA

I. Basic Borrowing Limits

Significant changes were brought about in the refinance policy of the Reserve Bank of India during the year 1973-74. In order to provide operational manoeuvrability to scheduled commercial banks in meeting their transitional constraints on resources, the Bank extended to them basic borrowing limits related to their demand and time liabilities as of September 28, 1973—they were 1.5 per cent, 2 per cent and 1 per cent of demand and time liabilities for the periods—between December 8, 1973 and January 11, 1974, between January 12 and April 19, 1974 and between April 20 and May 31, 1974, respectively. Effective from June 1, 1974, the Bank continued to extend the basic borrowing limit of 1 per cent of demand and time liabilities as of March 29, 1974.

Any borrowings under these limits are charged at rates of interest determined with reference to the net liquidity ratio of banks and borrowings thereunder impair their net liquidity ratio. The net liquidity ratio for borrowings at the Bank rate has been increased from 39 per cent to 40 per cent effective from September 8, 1973; the rate of interest is increased by one per cent for every percentage fall or a fraction thereof in the net liquidity ratio below 40 per cent. The maximum rate of interest chargeable on borrowings from the Bank under the net liquidity ratio system has been increased from 15 per cent to 18 per cent with effect from July 23, 1974 in the wake of the hike in the Bank rate to 9 per cent per annum.

II. Refinance of Export Credit

The Bank extended special refinance limits to banks for meeting the credit needs of export sector. The export refinance equal to 10 per cent of a bank's weekly average export credit (pre-shipment and post-shipment) for the period January-September 1973 was initially allowed at the Bank rate up to the end of June 1974; however, borrowings under these refinance limits impaired the net liquidity ratio of banks, thus making their other refinance accommodation costlier. Any other special refinance accommodation concerning export credit was sanctioned only at the rates determined with reference to the net liquidity ratio of banks after detailed discussions with them. In July 1974, Reserve Bank withdrew the export refinance limits earlier sanctioned to banks, whenever necessary, and charged a rate of interest of 10 per cent per annum in respect of limits allowed to continue for exceptional considerations. Further, in the wake of the increase in the ceiling rate of interest on export credit from 9 per cent to 10.5 per cent per annum (with interest rate subsidy of 1.5 per cent per annum) to be charged by commercial banks effective from July 23, 1974, the refinance rate on export credit has also been increased to 11.5 per cent per annum; the earlier stipulation that borrowings under these refinance limits will impair the banks' net liquidity ratio continues. Considerable flexibility has been given to banks in respect of the security against which they could obtain refinance from the Reserve Bank. They need not necessarily borrow against government securities but could borrow against declaration of export bills and pre-shipment loans or advances.

III. Refinance for Food Procurement

The consortium arrangement for meeting the credit needs of public food procurement operations continues. With a view to relieving the pressure on the banking system, in the face of general resources constraint and continuing increase in demand for credit from other priority sectors as well, the Reserve Bank agreed to provide refinance accommodation at Bank rate to the members of the consortium in respect of the increase in the outstanding total public food credit beyond a level of Rs. 400 crores. Accordingly, refinance was granted to the extent of Rs. 148 crores at the peak of the last *rabi* food procurement season. Following the increase in the rate of interest charged by banks

on public food procurement credit effective from July 23, 1974, the rate of refinance has been raised to 10.5 per cent per annum.

IV. Refinance for Oil Companies

In a bid to meet the enlarged credit requirements following the steep hike in the prices of crude oil imports, the Reserve Bank constituted consortia arrangements for the various oil companies with suitable refinance accommodation after detailed discussions with the concerned banks. The rate of refinance, which was initially at 10.5 per cent, has been increased to 12 per cent per annum consequent on the rise in the minimum lending rate on advances from 11 per cent to 12.5 per cent per annum. This refinance accommodation is kept outside the purview of the net liquidity ratio system.

V. Refinance for Public Sector Undertakings

The spurt in the demand for credit by the public sector undertakings during the period under review could not be met fully by the State Bank of India—the traditional lender to a large number of these concerns. The Bank had, therefore, to provide support to the State Bank of India through refinance accommodation. More recently, the Bank has been initiating measures to distribute the financial needs of major public sector undertakings among the public sector banks on a consortium basis so as to provide a measure of relief to the State Bank of India.

VI. Bills Rediscounting Scheme

The Bills Rediscounting Scheme gathered remarkable momentum due largely to the stringency in resources experienced by banks during the greater part of the year. The policy of promoting the use of the bill of exchange as an instrument of credit was continued within the ambit of a relatively restrictive credit policy. The minimum rate of discount prescribed for bills eligible for rediscount under the scheme was lower than the minimum lending rate. The scheme was also liberalised with the waiver of the requirement of actual lodgement of individual bills up to the value of Rs. 10 lakhs. Previously, only bills of Rs. 2 lakhs and below were exempted from lodgement. Apart from this, the exceptional tightness in credit induced borrowers and banks alike to have larger recourse to bill finance.

The rapid increase in the utilisation of rediscounting facility for bills, in the context of restrictionary credit policy, called for some measures of restraint. Accordingly, enhancement in bill limits sought by banks with the progress of the busy season was permitted only on a selective basis and that also generally only up to end-June 1974. Further, the minimum rate of discount indicated for bills eligible for rediscount under the scheme was raised from 8 per cent to 9.5 per cent effective December 1, 1973. With effect from June 18, 1974, the minimum rate in respect of bills discounted at the instance of the drawee was raised to the same level as the then minimum lending rate viz., 11 per cent. The minimum rate of discount in respect of bills discounted for drawers was, however, continued at 9.5 per cent. In the wake of the increase in the minimum lending rate from 11 per cent to 12.5 per cent per annum effective from July 23, 1974, the minimum rate of discount was also raised to 11 per cent per annuam while the minimum rate of discount in respect of bills discounted at the instance of the drawees was increased to 12.5 per cent per annum to conform to the revised minimum lending rate. It was also reiterated to banks that in respect of bills rediscounted at the instance of the drawees, the rate of discount may be the same as the rate of interest applicable for advances against pledge/hypothecation of stocks subject to the minimum lending rate mentioned above.

At the commencement of the slack season, banks were told to effect during the season (by end-October 1974) a reduction in the bills rediscounted so as to bring the limits to about 40 per cent of the existing level for the banking system as a whole. Accordingly, banks had reduced their rediscount accommodation with the Bank to Rs. 108 crores as of October 25, 1974. Bill limits are now sanctioned on a six-monthly basis and not on an annual basis.

Although bills arising out of sale of commodities covered under selective credit controls are not eligible for rediscount under the Bills Rediscounting Scheme, an exception to this provision was made in respect of bills drawn by textile mills arising out of the sale of cotton textiles (including cotton yarn and fabrics) and yarn and fabrics made out of man-made fibres, with a usance not exceeding 45 days.

Further, to facilitate the extension of adequate credit support for purchasing jute required in the manufacture of jute goods by mills for export, banks were permitted to discount bills arising out of purchase of raw jute as part of the packing credit admissible to the mills at the concessional rate applicable to export credit. Such bills are eligible for interest subsidy.

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. Mention has been made in the last year's Report about amendment to the IDBI Act in December 1972, in pursuance of which IDBI has extended refinance facilities to units engaged in maintenance, repair, testing or servicing of machinery, etc., concerns engaged in fishing or providing shore facilities or maintenance thereof and also for setting up of industrial estates. The maximum period of the loan by scheduled commercial banks and State co-operative banks eligible for refinance 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 8½ per cent per annum, provided the primary lending institution charges not more than 12 per cent per annum.

(*ii*) For Loans to Small-Scale Industrial Units/ Road Transport Operators

Refinance is provided against term-loans granted by scheduled commercial banks, State co-operative banks and State Financial Corporations (SFCs) to small-scale units covered under the Credit Guarantee Scheme and to technicians covered under the Technician 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. Under the scheme introduced in December 1973 for refinancing of loans to industrial estates, all types of estates excepting those set up by the Central or State Governments which are financed out of budgetary allocation are eligible for refinance. The minimum amount of loans eligible for refinance is kept low at Rs. 2 lakhs. Loans granted to industrial estates for construction of sheds, development of land (but not acquisition thereof) and provision of infrastructure are eligible for refinance. Refinancing facilities are also available in respect of State Financial Corporations' loans to fishing units. The facility has not been extended to banks as the Agricultural Refinance Corporation (ARC) is already providing refinance to them in this regard.

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 at 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 cases) of such loans. The rate of interest for refinance in respect of loans to small-scale units covered under the Credit Guarantee Scheme and on loans under Technician Assistance Schemes of SFCs is 7 per cent provided the lending institutions do not charge more than 10½ per cent per annum. The period of loans normally refinanced is 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*) **For 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 5½ per cent provided the primary lending institutions do not charge more than 9 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 free reserves together of the recipient unit do not exceed Rs. 1 crore. While deciding the terms of refinance, IDBI takes into account the incentives such as dispensing with levy of commitment charge, 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 Loans under IDA Credit**

Hitherto the SFCs' clientele had to look to other financial institutions for meeting the foreign currency costs of their projects. To enable the SFCs to overcome this difficulty, IDBI successfully negotiated with International Development Association (IDA), an affiliate of the World Bank, for a Credit of $ 25 million in various currencies for onlending to SFCs for financing the import of capital goods and in special cases, technical know-how, by small and medium-sized industrial concerns. The Credit which became effective from June 22, 1973 is available for being channelised only through SFCs and is linked to a programme of improvement in the operational efficiency of SFCs. The SFCs are required to implement certain operational guidelines and institutional development programmes devised for each of them. IDA provides to IDBI 40 per cent of refinance disbursed by it to SFCs under the Credit. The eligibility criteria for loans to be covered under IDA Credit are the same as under normal refinancing scheme, excepting that the cost of the projects to be assisted under IDA Credit should not exceed Rs. 1 crore and should include foreign exchange element by way of imported machinery etc. The loans would comprise two parts viz., foreign currency component to cover the CIF value of imported capital goods and rupee component to cover the rupee expenditure. The period of the loans should be between 3 and 10 years, extendable on merits upto 15 years. Loans for a period of less than 3 years would also be considered on merits. The minimum amount of loan is fixed at Rs. 10,000 and the maximum limit is Rs. 30 lakhs which is the statutory limit for loans by the SFCs. The rate of interest charged by IDBI in respect of foreign exchange component of the refinance is fixed at 8 per cent for units in the small-scale sector, backward areas or those promoted by technician-entrepreneurs and at 8¼ per cent for the other units with corresponding rates to be charged by the SFCs on the loan being fixed at 10½ per cent and 11 per cent, respectively. The rates of interest on rupee component are the same as applicable under IDBI's normal refinancing scheme. The proposals involving IDBI refinance above Rs. 10 lakhs are required to be referred to IDA for their prior review.

(*v*) **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 indigeneous 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 of 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 of deferred payment facility 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 period of deferred payment is counted from the date of despatch of machinery or from the date of execution of bills/promissory notes, whichever is earlier. Deferred payment instalments should be on a half-yearly/yearly basis; the first instalment should not fall due later than one year from the date of despatch of machinery. Erection, commissioning, freight, transportation, handling charges etc. cannot be financed under the Scheme. These should be settled directly between the sellers and the purchasers outside the Scheme.

The current rediscounting rates are as follows: Bills/Promissory Notes having unexpired usance of

(1) 6 months to 36 months— 9 per cent per annum.

(2) Over 36 months and upto 84 months— $8\frac{1}{2}$ per cent per annum.

The discounting banks are required to charge discount at not more than 1 per cent above the corresponding rediscounting rates 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 has been fixed at Rs. 10,000. No minimum amount of the transaction is stipulated for the sales of agricultural machinery. Normally, the Scheme covers deferred payment purchases of machinery required by purchaser-users for industrial use only; when the machinery is not required for industrial use, prior clearance of IDBI will be necessary. However, 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.

Normally, the facilities under the Scheme are available only in respect of complete supply of machinery/capital equipment. If the delivery of machinery is to be made in several consignments spread over a longer period as in the case of turn-key projects and the manufacturer/seller requires finance in the interim period, he should raise temporary accommodation from his bank which could be adjusted once the supply is completed and bills relating thereto are discounted. However, if the manufacturer/seller intends to obtain finance under the Scheme, in respect of partial despatches of machinery, prior clearance of IDBI should be obtained.

The ceiling for rediscounting of bills/promissory notes relating to a single purchaser is placed at Rs. 50 lakhs (inclusive of deferred payment 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 limit year is fixed in the case of a new project till it goes on stream. The limit fixed for State Electricity Boards is Rs. 200 lakhs (inclusive

of deferred payment interest) per limit year. IDBI is also prepared to raise the annual limit upto Rs. 100 lakhs (inclusive of deferred payment interest) in the case of State Road Transport Corporations, on merits.

An important aspect of the Scheme is that the facilities can be utilised for financing purchases of indigenous machinery for export against equity participation by Indian concerns in companies abroad.

(*vi*) **For Financing of Exports**

IDBI provides refinance to the eligible banks against medium-term export credits granted by them to exporters of capital and other 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. Till recently, a uniform interest rate of $4\frac{1}{2}$ per cent per annum was charged by IDBI and the financing institutions were required not to charge the exporters more than 6 per cent per annum. Consequent on the Reserve Bank of India raising the ceiling on interest rates chargeable by scheduled commercial banks on their post-shipment credits for exports on deferred payment terms, IDBI raised its rate of interest on refinance assistance from the aforesaid 4.5 per cent to 5.5 per cent per annum, with effect from April 30, 1974 and the borrowing banks can now charge a maximum rate of 7 per cent per annum on their credit to the exporters.* Till recently, the scheme stipulated that export credits to be eligible should be repayable on the expiry of not less than six months and not more than ten years. Since keen international competition has forced Indian exporters also to offer long credit periods for exports of capital goods, it was felt that in suitable cases export credits extended for periods longer than ten years should also be eligible to be refinanced. Accordingly, effective February 18, 1974, the scheme has been amended so that export credits extended for periods upto fifteen years will be eligible to be refinanced by IDBI, subject, of course, to the transactions satisfying the other terms and conditions of the scheme. Refinance can also be provided to approved banks in respect of export credits 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 applies to the size of the export credit that may be refinanced.

* The rates have been raised by a further 1 per cent effective October 1, 1974.

APPENDIX III

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM DURING JULY 1973 TO JUNE 1974 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
(1)	(2)	(3)	(4)
	NIL		

APPENDIX IV

STATEMENT SHOWING THE POSITION IN REGARD TO LICENSING IN TERMS OF SECTION 23 OF THE BANKING REGULATION ACT, 1949 DURING JULY 1973 TO JUNE 1974

No. of licences issued for opening new offices	No. of licences issued for opening temporary/ seasonal offices	No. of licences issued for changing location of existing offices	Total number of licences issued
1,767	4	2	1,773

APPENDIX V

STATEMENT SHOWING THE NUMBER OF OFFICES OPENED OR CLOSED IN FOREIGN COUNTRIES BY INDIAN BANKS DURING JULY 1973 TO JUNE 1974

No. of offices opened : 6 (Rose Hill, Bangkok*, Male, Kowloon, Paris and Dubai)

No. of offices closed : Nil.

* Taken over the business of the branch of Indian Overseas Bank at Bangkok.

APPENDIX VI

PARTICULARS IN RESPECT OF AMALGAMATION AND TRANSFER OF LIABILITIES AND ASSETS OF BANKING COMPANIES DURING THE PERIOD JULY 1973 TO JUNE 1974

Name of the bank	No. of offices	Name of the transferee bank	Date of amalgamation or transfer
(1)	(2)	(3)	(4)
I. List of banks amalgamated under Section 44(A) of the B.R. Act, 1949	—	—	—
II. List of banks which have transferred their liabilities and assets to other banks (i) Hindusthan Mercantile Bank Ltd.	6	United Bank of India	With effect from the 22nd December 1973.
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 (i) Krishnaram Baldeo Bank Ltd.	8	State Bank of India	With effect from the 19th April 1974.

APPENDIX VII—TRENDS IN GOLD AND SILVER PRICES 1973-74 (July-June)

Gold in International Markets

The price of gold in the London Market, the major international free bullion market, maintained the uptrend, recording a further increase of 18.8 per cent during 1973-74 on top of the rise of 93.0 per cent recorded in 1972-73. This was mainly due to unabated speculative demand for gold fostered by several factors, *viz.* (a) continued uncertainties in major currencies; (b) energy crisis; (c) decision of the French Government to suspend participation in the EEC margins; and (d) reported cutback in the quantity of gold sold in the free markets by South Africa.

During the year, the trends in the price of gold in the London bullion market fell broadly into four phases. Starting from end-June 1973 level of $ 123.50 per fine ounce, the price rose to $ 127.00 on July 6 due to the outbreak of hostilities in the Middle-East. Thereafter, a somewhat easy trend developed and the price fluctuated between $ 126.00 and $ 97.25 till the end of October and then slipped to $ 89.75 on November 23, 1973. This easiness is attributed largely to the announcement by U.S. and six West-European countries of the abolition of two-tier price system of gold with effect from November 14. However, this easy trend was short-lived and soon the yellow metal was on the uptrend soaring to $ 178.00 on February 27 following uncertainties in the exchange markets created by a decision of the French Government to suspend participation in the EEC margins of 2.25 per cent against the currencies of Belgium, Denmark, Germany, Luxembourg and the Netherlands and cutback in the quantity of gold sold in the private markets by South Africa. During the first week of March 1974, the price suffered a temporary set-back and fell to $ 158.25 on March 6, but rose rapidly to $ 179.50, the highest for the year, on April 3 in the wake of rumours of a higher official price of gold. During May the price ruled high as $ 170.50 on May 2 and dropped to $ 154.25 on May 29 but again rose to $ 161.00 on May 30 following the reported move in the U.S. Senate to pass legislation allowing private holdings of gold. Subsequently during June, the price eased and dropped to $ 143.65 on June 27, 1974 and closed at $ 146.75 for the year, recording a gain of $ 23.25 (18.8 per cent) over the period.

Gold In Domestic Market

The price of gold in the Bombay bullion market moved in sympathy with the trends in the international markets. From its low level of Rs. 324 per 10 grammes in late June 1973, the gold price recorded a steady rise to Rs. 347.50 per 10 grammes on July 31 in response to higher prices in the London market and persistent rumours of demonetisation of notes of higher denominations. This uptrend continued in the early part of August with price rising to Rs. 400 by August 3. With the official denial of the rumours of demonetisation, the price dropped to Rs. 342 on August 16 but recovered to Rs. 356 by end-August. Thereafter, price ruled more or less steady till mid-November. In the wake of the announcement of scrapping of the two-tier gold prices system by the U.S. and the six West European countries referred to earlier, the gold quotation eased to Rs. 333 by November 21. But higher overseas advices alongwith good seasonal demand pushed up the price to Rs. 369 by December 31. Continued monetary uncertainties, rumours that oil producing countries were likely to demand payments in gold, and speculation in respect of increasing official price of gold by the European central banks to meet the huge payments deficit and the decision of the French Government to float Franc aided the bullish sentiment; consequently, price spurted to Rs. 435 by January 22 and further to Rs. 525 by February 27 on the eve of the Central Budget in line with the trends in international markets. Thereafter, prices in the domestic market eased for a short-while and dropped to Rs. 480 on March 1, but again gathered momentum and shot up to Rs. 520 by March 25 and further an all-time high of Rs. 565 on April 25 with good support from upcountry centres coupled with paucity of floating stocks. Gold price again eased to Rs. 500 on May 29, 1974 on lack of demand and moved both ways in sympathy with price movements in international markets during the rest of the period and closed at Rs. 494 (June

29, 1974) recording a substantial gain of Rs. 170 over the year (Table 1).

Silver

International Markets

The price of silver in the New York market fluctuated more widely than in any other year on record but in the phase of upswing also set new highs during the year under review. The silver price which closed at 269.5 cents at end-June rose in the wake of increasing uncertainties in world currency systems to 271.6 cents by July 3, 1973. Since this was the ceiling price fixed for silver under the U.S. Government Price and Wage Freeze Programme, all transactions in silver were suspended till August 13, 1973.

With the exemption of silver from price control under Phase IV, silver price soared to 286 cents on September 26, 1973, and continued its upward trend for several months owing to phenomenal rise in industrial demand, currency uncertainties and growing inflationary pressures. By December 27, 1973 the price rose to 328 cents. This uptrend in silver prices was further accelerated in the wake of speculative buying by investors in the early part of 1974 with the quotation reaching an all-time high of 670 cents on February 26, 1974. Thereafter, the price dropped to 498.5 cents by March 5 in sympathy with gold prices but recovered to 578 cents at the end-April and moved to 606 cents by mid-May. Subsequently, silver prices fluctuated between 597 cents and 459 cents and closed at 472.5 cents showing a net gain of 203.0 cents over the year.

Domestic Market

The price of ready silver in the Bombay bullion market which closed at Rs. 630 per kg. at end-June 1973 dropped to Rs. 621 on July 3 under heavy pressure of arrivals. Thereafter, the price rose to Rs. 695 on August 4, on rumours of demonetisation of notes of higher denominations. With increased demand for unauthorised exports following the steep rise in the white metal prices in the international markets, domestic silver price soared almost continuously and reached to Rs. 838 by December 31. This firm trend continued and gathered momentum in the early part of 1974 and silver prices moved in sympathy with the movements in prices of the yellow metal and touched a level of Rs. 957 by January 29, 1974.

The announcement of removal of official ban on export of silver and the rumours of demonetisation of notes of higher denominations on eve of 1974-75 Central Budget further accentuated the uptrend and price of white metal touched an all-time high of Rs. 1,420 by February 27. Lower overseas advices and heavy inflow from upcountry centres brought down the price to Rs. 1,190 by March 6 and further to Rs. 1,085 on April 13. This trend was reversed and price moved to Rs. 1,310 by April 29. With higher overseas advices the price of silver rose to Rs. 1,340 by mid-May but declined to Rs. 1,130 on May 29, 1974 in the absence of higher overseas advices and increased inflow. Thereafter, silver price improved to Rs. 1,208 on June 11 on reports that exporters were buying silver but closed at Rs. 1,125 on June 29, 1974, registering a gain of Rs. 495 over the period.

Notes : (1) During 1973, the estimated domestic production of gold at 3320 kgs. recorded a marginal rise of 0.9 per cent as against a decline of 10 per cent in the previous year. The output of silver at 4255 kgs., on the other hand, declined by 3.9 per cent as against a rise of 17.3 per cent in 1972.

(2) During 1973-74, under an amendment to the Gold Control (Licensing of Dealers) Rules, 1969, the Government of India, by notification No. 790 (E) dated December 21, 1973, facilitated grant of licence to established dealers to open shops at the International Airports and in the luxury hotels or in such other places where foreign tourists stay. Section 39 (4) (c) of the Gold (Control) Act, 1968 was amended (*a*) so as to extend the time limit for repayment of loans by the loanee goldsmiths from five years to seven years and (*b*) to permit apprenticeship of a minor child of certified goldsmith with any other certified goldsmith. The said Act was further amended to give effect to the recommendations of the Law Commission mainly dealing with (*i*) providing for raising a rebuttable presumption as to the admissibility and truth of contents of documents produced or seized, under any Act, from a person, against him. Prior to the amendment only documents produced or seized under the Gold (Control) Act, 1968 were admissible; and (*ii*) nature of offences and dealing with offenders in court/departmental proceedings. The Government of India under their notification No. F 125/4/71- GCI dated 27-7-1973 exempted the Export Inspection Agencies at Delhi, Jaipur and Bombay established under Section 7 of the Export Act of 1963 from the operation of the provisions of Sections 8, 11,17, 18 and 21 of the Gold Control Act of 1968 subject to following conditions: (*i*) maintenance of a true and correct record about name of the dealer, description of weight, fineness of sample, etc. and (*ii*) if the gold is received from the licenced dealer only in the form of ornaments with a stamp certifying the purity of gold.

Table 1 : Prices of Gold

	BOMBAY MARKET (In Rupees per 10 gms.)					
	1972-73			1973-74		
	Highest	Lowest	Average*	Highest	Lowest	Average*
1	2	3	4	5	6	7
July	235.50	230.50	233.07	347.50	323.50	333.10
August	255.00	233.50	239.40	400.00	342.00	359.55
September	256.50	250.00	252.30	362.00	353.00	356.85
October	250.00	241.00	246.78	360.00	350.50	356.09
November	251.50	241.00	245.14	357.00	333.00	347.17
December	249.50	242.00	245.76	369.00	345.00	360.23
January	254.50	241.50	248.08	435.00	368.00	402.94
February	288.00	252.00	264.89	525.00	414.00	454.62
March	283.00	266.00	273.03	520.00	480.00	502.04
April	332.00	279.00	305.62	565.00	510.00	538.14
May	341.00	319.00	328.35	557.00	500.00	527.83
June	334.00	321.00	325.77	512.00	470.00	494.83

	LONDON MARKET (In Dollars per fine ounce)					
	1972-73			1973-74		
	Highest	Lowest	Average£	Highest	Lowest	Average£
	8	9	10	11	12	13
July	68.90	64.25	65.58 (162.20)	127.00	114.00	120.36 (286.38)
August	70.00	64.75	66.92 (165.04)	117.00	92.50	106.45 (259.78)
September	67.20	63.40	65.59 (162.37)	106.98	100.00	103.14 (257.56)
October	65.70	64.10	64.87 (163.66)	103.75	97.00	99.92 (248.59)
November	64.13	60.10	62.73 (161.27)	101.50	89.75	94.65 (239.52)
December	65.40	62.75	63.78 (164.41)	112.75	100.00	106.24 (277.01)
January	66.20	64.10	65.13 (167.08)	141.75	112.25	128.30 (348.55)
February	89.00	66.40	73.97 (184.12)	178.00	132.00	150.00 (398.58)
March	91.50	80.25	84.10 (205.57)	177.00	158.25	168.30 (434.48)
April	91.25	89.25	90.44 (220.09)	179.50	166.75	172.22 (435.29)
May	114.50	90.30	101.62 (242.44)	170.50	154.25	163.57 (409.58)
June	127.00	115.50	119.80 (281.04)	160.75	143.65	154.01 (389.40)

* Average of closing quotations for working days. £ Average of daily quotations.

Notes : (1) The figures in brackets represent prices in rupees per 10 grammes.
(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.

APPENDIX VIII—AGREEMENT UNDER PUBLIC LAW 480 AND OTHER FUNDS BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA—BACKGROUND AND SUMMARY

The Indo-US Agreement signed on February 18, 1974 deals with the disposition of rupee funds—PL 480 as well as non-PL 480—held in India by the US Government. The US rupee funds have accumulated in two ways. Under USAID and other US agencies, dollar loans were given to the Indian Government and to private borrowers for development purposes. These were repayable in rupees and represented the non-PL 480 rupees. Under the US Public Law 480, the US sold to India agricultural products, for payment, either in whole or in part, in rupees; these represented the PL 480 rupees. Rupee costs of the imports were deposited with the Reserve Bank of India for credit to US Disbursing Officer's Account and simultaneously invested in special non-negotiable securities of the Government of India, repayable on demand and carrying interest at 1.5 per cent per annum. The special securities were encashed by the US authorities for providing assistance to the Government of India in the form of loans and grants, for cooley loans to private parties in India and for US's own uses in India. Repayment of principal and interest on PL 480 loans and other loans repayable in rupees and interest accruals on special securities were also deposited with the Reserve Bank and simultaneously invested in special securities.

Under the Agreement, signed on February 18, 1974 the Government of India have prepaid all the outstanding PL 480 and non-PL 480 rupee loans (Rs. 1752.33 crores inclusive of interest of Rs. 14.46 crores) and the US Embassy has encashed its securities with the Reserve Bank of India (Rs. 656.42 crores). In addition, repayments under PL 480 and other rupee loans made from April 1, 1973 to February 17,1974 amounted to Rs. 26.57 crores and interest payments Rs. 33.65 crores which were deposited in special securities. The repayment of the principal of Rs. 1764 crores has been adjusted against 'External Debt' and the encashment of securities against 'Unfunded Debt'.

The funds accrued on account of prepayments of loans by the Government of India and encashment of special securities by the US Government (Rs. 2408.75 crores) have been deposited by the US Government with the Reserve Bank of India within the public account of the Government of India as non-interest bearing deposits. Out of these funds the US Government has made a grant of Rs. 1664 crores to the Government of India, to be attributed within five years to the development projects included in the Fifth Plan and chosen by the Government of India. The balance of the funds will be utilised by the US Government for their established uses in India.

APPENDIX IX—COMPANY LEGISLATION

Companies (Amendment) Bill—1972*—Report of the Joint Committee

The Companies (Amendment) Bill, 1972, which was introduced in the Lok Sabha on August 11, 1972 as mentioned in the last year's Report, was referred to a Joint Committee of both the Houses of Parliament on August 23, 1972. The Committee submitted its Report on November 15, 1973. The important changes recommended by the Committee are as follows:

1. Since the enlarged definition of the expression "same management" proposed as per Section 4B of the Amendment Bill is so wide that it is likely to restrict the operations of small and medium-sized companies and is also likely to retard capital formation and impede inter-corporate investments, no change in the existing definition as given in the Companies Act, 1956 is called for. However, it was suggested that the wider definition of "same management" should be made applicable to the companies governed under the Monopolies and Restrictive Trade Practices Act (MRTP Act) and hence the proposed Section 4B should be incorporated in that Act.

2. The Amendment Bill had proposed that where one or more bodies corporate held 10 per cent (instead of 25 per cent hitherto) of the paid-up capital of a private limited company, the latter should become a public limited company. According to the Committee, the reduction of percentage of shareholding to ten is likely to hamper the formation and growth of private limited companies in the small sector, especially in rural areas, and so the provisions of the existing Section 43A(1) of the Companies Act, 1956 should not be disturbed. The Committee has inserted a new Section specifying that a private company, irrespective of its paid-up share capital, should become a public company if it has an average annual turnover of Rs. 1 crore or more since private companies which are less capital intensive may have a considerable consumer-employee and public interest because of high turnover. Besides, the Amendment Bill provided that a private company holding 10 per cent or more of the paid-up share capital of a public company would be deemed to be a public company. The Committee increased this percentage to 25 since the fixation of the percentage at 10 is likely to hamper the growth and formation of capital of public companies. The Committee has omitted another sub-clause of the Bill providing that a private company in which the entire share capital is held by another private company should become a public company.

3. The proposed Section 58A of the Amendment Bill provided that no company should invite or accept any deposit except after publication of an advertisement. According to the Committee's Report, such advertisement should not be required to be published for the acceptance of deposits from the directors or members of the company. It would be enough if acceptance by a company of deposits is made in accordance with the rules made by the Government in consultation with the Reserve Bank of India. The provisions regarding the refund of deposits already accepted by the companies as proposed in the Amendment Bill have been liberalised by the Committee.

4. The Committee has proposed that Sections 108A to 108H of the Amendment Bill providing safeguards against take-overs should be made applicable only to the cases relating to the shares of companies covered by the MRTP Act, 1969, since such cases arise in relation to the large-sized companies, control over which would tend towards concentration of economic power.

5. The Committee has proposed that a certain percentage of profits, not exceeding ten, should compulsorily be transferred to reserves, subject to the rules as may be made by the Central Government. But the Committee has also added a proviso to this new sub-section stating that voluntary transfer of a higher percentage of profits to reserves is not prohibited by the proposed sub-section.

*Since passed by Parliament.

6. The Amendment Bill had provided for rotation of audit work among auditors with a view to bringing about a dissociation of auditors from the management of companies so that the auditors may not conceal the shortcomings of the management from the shareholders, and there would also be a more equitable distribution of audit work among different auditors. With a view to achieving a similar objective, the Committee has proposed a ceiling of 20 companies for each auditor and out of these 20 companies, not more than 10 should be companies having paid-up capital of Rs. 25 lakhs or more. In the case of firms of auditors, the ceiling should be 20 per partner and if such a partner is a partner in more than one firm, the overall ceiling of 20 companies should be applicable.

7. The Central Government's approval should be required for contracts entered into with a director or his relative by a company having paid-up capital of not less than Rs. 1 crore and not as proposed originally, that is, by a company having paid-up capital of not less than Rs. 25 lakhs. The Joint Committee raised this limit with a view to avoiding inconvenience to small and medium-sized companies and reducing the work-load for the Government in having to deal with a large number of applications.

Besides, Parts I and II of Schedule VI of the Companies Act, 1956 were amended by a Notification dated October 30, 1973. This amendment aimed at helping the members of the companies and others to have a greater insight into the functioning of companies. Accordingly, the companies were required to give the following additional information in their annual accounts: 1. Part I (Form of Balance Sheet):

Under Assets, (i) Investments in the capital of partnership firms;

(ii) Under Current Assets—loans and advances—Advances and loans to partnership firms in which the company or any of its subsidiaries is a partner;

(iii) In the statement of investments as per Note (i) to the Balance Sheet, the names of bodies corporate under the same management in whose shares or debentures investments have been made and the nature and extent of such investments; as regards the investments in the capital of the partnership firms, the names of the firms with the names of all their partners, total capital and the share of each partner.

2. Part II (Requirements as to Profit & Loss Account):

(i) Amount and quantity of sales of each class of goods separately;

(ii) In the case of manufacturing company, (a) the value of the raw material consumed giving item-wise break-up and indicating the quantities thereof, (b) the opening and closing stocks of goods produced giving break-up in respect of each class of goods and indicating the quantities thereof, (c) the licensed capacity (where licence is in force), the installed capacity and the actual production in respect of each class of goods manufactured;

(iii) In the case of a trading company, the purchases made and the opening and closing stocks, giving break-up in respect of each class of goods traded and indicating the quantities thereof;

(iv) A break-up of the expenditure incurred on employees who—

(a) if employed throughout the financial year were in receipt of remuneration for that year to the extent of Rs. 36,000 or above or (b) if employed for a part of the financial year were receiving remuneration amounting to Rs. 3,000 or above per month, together with the names of employees belonging to both these categories;

(v) An item involving expenditure exceeding 1 per cent of the total revenue or Rs. 5,000 whichever is higher to be shown as a separate and distinct item against an appropriate account head and not to be combined with any item covered under 'Miscellaneous expenses';

(vi) The profits or losses incurred on account of membership of a partnership firm;

(vii) Value of imports calculated on a c.i.f. basis during the financial year in respect of (a) raw materials, (b) components and spare parts, (c) capital goods;

(viii) Expenditure in foreign currency on account of royalty, know-how, professional or consultation fees, interest and other matters;

(ix) Value of all imported and indigenous raw materials, spare parts and components consumed separately and the percentage of each to total consumption;

(x) The amount remitted in foreign currencies on account of dividends, with a specific mention of the number of non-resident shareholders, the number of shares held by them on which the dividends were due and the year to which the dividends related; and

(xi) Earnings in foreign exchange classified under (a) export of goods calculated on f.o.b. basis, (b) royalty, know-how, professional and consultation fees, (c) interest and dividend and (d) other income, indicating its nature.

Implementation of the Monopolies and Restrictive Trade Practices Act, 1969.

During the period between June 1, 1970 [when the Monopolies and Restrictive Trade Practices Act (MRTP Act) came into force] to March 31, 1974, 853 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 interconnected 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. The Department of Company Affairs receives notices/applications under Sections 21 and 22 of the MRTP Act from undertakings registered under Section 26 of the Act. The position of such notices/applications received during the past two years is given below:

	1972-73	1973-74
	(April — March)	
(*a*) For establishment of new units	29	56
(*b*) For substantial expansion of existing units, etc. ..	94	68
Total	123	124

The number of cases referred to the MRTP Commission are as under :—

	1972-73	1973-74
	(April — March)	
(*a*) For establishment of new units	3	3
(*b*) For substantial expansion of existing units, etc.	5	6
(*c*) For purchase of shares	2	—
Total ..	10	9

The particulars of applications/notices received upto March 31, 1974 under various Sections are given in Table 1.

Table 1—Disposal of Applications under MRTP Act.

	Number					
	Received	Approved	Rejected	Withdrawn	Section not found applicable	Under consideration
1	2	3	4	5	6	7
1. Notices under Section 21 relating to substantial expansion of activities	343	125	22	36	94	66
2. Applications under Section 22 relating to establishment of new undertakings	121	30	8	19	9	55
3. Applications under Section 23 relating to merger, amalgamation or takeover of undertakings	76	40	14	6	10	6
4. Applications under Section 25 relating to appointment of directors	101	86	3	11	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 14,912 agreements were received for registration during the period December 1, 1970 (the appointed day) to March 31, 1974 and the number of agreements registered on March 31, 1974 stood at 14,102.

Information relating to the registrations under Sections 26 and 35 are given below:

	Number as on	
	March 31, 1973	March 31, 1974
1. Companies registered under Section 26 of the MRTP Act, 1969	844*	853*
2. (*a*) Agreements received for registration under Section 35 of the MRTP Act, 1969	11,842	14,912
(*b*) Agreements registered	11,140	14,102

*These figures exclude 58 and 80 companies, respectively, which were deregistered.

Companies at Work

At the end of March 1973, there were at work 34,873 companies limited by shares with paid-up capital of Rs. 5345.1 crores. Of these, 390 were Government companies with paid-up capital of Rs. 2998.4 crores. The remaining 34,483 companies with paid-up capital of Rs. 2346.7 crores were non-Government companies. By the end of March 1974, the total number of joint stock companies at work rose to 38,335 with paid-up capital of Rs. 5659.7 crores comprising 450 Government companies with paid-up capital of Rs. 3229.7 crores and 37,885 non-Government companies having paid-up capital of Rs. 2430.0 crores. Among these non-Government companies, the public limited companies numbered 7,027 with paid-up capital of Rs. 1882.2 crores and the private limited companies stood at 30,858 accounting for Rs. 547.8 crores of paid-up capital (Table 2).

The State-wise distribution of companies at work as on March 31, 1973 and 1974 is presented in Table 3.

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
31-3-1969 ..	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	25,640	483.6	352	2369.1	32,211	2283.7
31-3-1973 ..	126	219.0	6,715	1840.0	264	2779.4	27,768	506.7	390	2998.4	34,483	2346.7
31-3-1974 ..	148	242.7	7,027	1882.2	302	2987.0	30,858@	547.8	450	3229.7	37,885@	2430.0

£ As defined in Section 617 of the Companies Act, 1956.
* Provisional.
@ Including one unlimited company registered in Delhi.

Table 3 : Joint Stock Companies

States/Union Territories	Public Limited Companies£								Private Limited			
	Government£				Non-Government				Government£			
	March 31 1973		March 31 1974		March 31 1973		March 31 1974		March 31 1973		March 31 1974	
	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
Andhra Pradesh ..	8	14.8	9	14.8	162	51.7	172	53.8	10	24.8	16	111.2
Assam & Meghalaya	2	5.5	3	5.8	93	34.2	99	35.4	13	10.0	14	13.7
Bihar	1	0.3	1	0.3	88	15.8	91	16.2	14	1522.6	18	1536.4
Gujarat	14	5.8	14	8.4	325	131.0	335	140.6	4	29.6	5	48.9
Haryana	1	0.2	1	0.2	61	7.7	69	8.6	3	4.6	4	4.6
Himachal Pradesh ..	1	0.8	1	0.8	12	2.7	12	2.8	4	2.1	6	2.2
Jammu & Kashmir..	1	0.1	1	0.1	8	1.0	12	1.0	7	13.4	7	13.6
Karnataka	10	11.8	10	11.8	248	48.8	264	60.3	22	195.1	25	204.4
Kerala	12	65.8	13	71.8	340	39.4	346	40.6	28	18.7	28	29.7
Madhya Pradesh ..	2	6.3	2	6.3	101	37.8	110	41.8	6	55.3	6	55.6
Maharashtra ..	10	9.7	10	11.0	1144	622.6	1193	623.2	23	129.1	32	166.8
Nagaland	—	—	—	—	2	—	2	—	2	1.6	2	5.3
Orissa	13	22.5	15	23.1	42	24.0	44	24.0	27	5.7	19	5.6
Punjab	1	*	1	*	82	8.8	87	9.7	1	0.1	1	0.1
Rajasthan	4	2.1	4	2.1	127	18.0	137	18.8	10	84.4	9	32.6
Tamil Nadu.. ..	12	38.8	18	46.0	701	181.9	728	184.8	12	116.3	15	125.2
Uttar Pradesh ..	15	20.9	20	23.9	273	50.5	288	52.8	14	21.9	21	24.4
West Bengal.. ..	8	8.2	14	10.7	2507	490.9	2579	487.0	17	64.4	22	140.4
Chandigarh	7	0.9	6	1.3	8	0.9	10	1.0	11	5.9	15	11.5
Delhi	2	3.6	2	3.6	368	68.5	427	75.2	32	473.5	32	454.4
Goa, Daman & Diu	1	0.6	1	0.6	16	3.1	15	3.9	1	—	1	—
Manipur	1	0.1	1	0.1	3	—	3	—	1	*	2	*
Pondicherry ..	—	—	—	—	3	0.7	3	0.7	1	—	1	0.3
Tripura	—	—	1	—	1	—	1	—	1	0.1	1	0.1
Andaman & Nicobar Islands. ...	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL ..	**126**	**219.0**	**148**	**242.7**	**6715**	**1840.0**	**7027**	**1882.2**	**264**	**2779.4**	**302**	**2987.0**

At Work—State-wise@

(Rupees Crores)

Companies				Public Limited & Private Limited Companies							
Non-Government				Government£				Non-Government			
March 31 1973		March 31 1974		March 31 1973		March 31 1974		March 31 1973		March 31 1974	
No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital
14	15	16	17	18	19	20	21	22	23	24	25
710	12.7	797	15.4	18	39.6	25	126.0	872	64.4	969	69.2
357	7.6	416	8.3	15	15.5	17	19.5	450	41.8	515	43.7
394	9.2	494	9.8	15	1522.9	19	1536.7	482	25.0	585	26.0
1368	33.2	1591	53.6	18	35.4	19	57.3	1693	164.2	1926	194.2
244	3.3	267	3.4	4	4.8	5	4.8	305	11.0	336	12.0
56	0.3	67	0.3	5	2.9	7	3.0	68	3.0	79	3.1
90	1.1	95	1.2	8	13.5	8	13.7	98	2.1	107	2.2
957	14.7	1110	15.9	32	206.9	35	216.2	1205	63.5	1374	76.2
795	8.5	878	9.2	40	84.5	41	101.5	1135	47.9	1224	49.8
347	10.8	422	11.4	8	61.6	8	61.9	448	48.6	532	53.2
6499	153.1	7272	156.4	33	138.8	42	177.8	7643	775.7	8465	779.6
7	—	7	0.1	2	1.6	2	5.3	9	—	9	0.1
171	1.6	182	1.6	40	28.2	34	28.7	213	25.6	226	25.6
838	11.4	958	12.4	2	0.1	2	0.1	920	20.2	1045	22.1
416	9.3	474	9.9	14	86.5	13	34.7	543	27.3	611	28.7
2507	41.1	2699	42.8	24	155.1	33	171.2	3208	223.0	3427	227.6
1233	18.1	1378	19.1	29	42.8	41	48.3	1506	68.6	1666	71.9
7178	110.7	7600	111.4	25	72.6	36	151.1	9685	601.6	10179	598.4
69	0.6	89	0.7	18	6.8	21	12.8	77	1.5	99	1.7
3332	46.7	3839+	51.0	34	477.1	34	458.0	3700	115.2	4266+	126.2
135	11.3	156	12.5	2	0.6	2	0.6	151	14.4	171	16.4
2	—	1	—	2	0.1	3	0.1	5	—	4	—
58	1.4	60	1.4	1	—	1	0.3	61	2.1	63	2.1
5	—	5	—	1	0.1	2	0.1	6	—	6	—
—	—	1	—	—	—	—	—	—	—	1	—
27768	**506.7**	**30858+**	**547.8**	**390**	**2998.4**	**450**	**3229.7**	**34483**	**2346.7**	**37885+**	**2430.0**

@ Provisional.
* Below Rs. 5 lakhs.
£ As defined in Section 617 of the Companies Act, 1956.
+ Including one unlimited company registered in Delhi.
Note : Individual statewise figures may not add up to totals due to rounding.

APPENDIX X—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS JULY 1973—JUNE 1974

A.—CHANGES IN EXPORT CONTROL

Item (1)	Month of Announcement (2)	Details (3)
1. Alcoholic beverages	August 1973	Export of potable alcoholic beverages such as whisky, gin, rum and brandy would be allowed freely.
2. Aluminium	May 1974	Export of aluminium semis in the form of sheets, extrusion rods would be allowed on merits. Exports of aluminium foils would also be allowed freely but export of aluminium metal of commercial grade, aluminium-EC grade in the form of ingots and aluminium circles used for manufacture of utensils would not be allowed.
3. Basmati rice	April 1974	Export of Basmati rice would be allowed to all permissible destinations exclusively through the State Trading Corporation of India Ltd. There would, however, be no ceiling on the quantum during the year 1974-75.
4. Beef and buffalo tallow	January 1974	Export was banned with effect from January 3, 1974. The ban, however, would not affect contracts entered into where irrevocable letters of credit had already been opened by foreign buyers.
5. Blended yarn	March 1974	Export of certain specified varieties of blended yarn was banned, effective from March 5, 1974, except in cases where irrevocable letters of credit were already opened by foreign buyers.
6. Castor oil	September 1973 and March 1974	Contracts concluded for export of medicinal/hydrogenated castor oil prior to the date of canalisation through the State Trading Corporation of India Ltd., (i.e April 27, 1973), would be honoured subject to the production of (a) irrevocable letter of credit (b) contract and (c) telegraphic offer and acceptance. Export of hydrogenated castor oil was, however, decanalised with effect from February 23, 1974.
7. Cinematographic films	November 1973	Export of cinematographic films (feature films) was canalised through the Film Finance Corporation, Bombay instead of the State Trading Corporation of India Ltd. and is effective from October 27, 1973.
8. Cotton, raw	August 1973 and March 1974	Export of raw cotton (Bengal Deshi) and miscellaneous fibres would be licensed freely during the cotton year 1973-74 subject to a maximum of 2.25 lakh bales. The target was reached in March 1974 and further exports were banned.
9. Cotton textiles—handloom products : exports to U.S.A.	August, October 1973 and January 1974	The shipment date allowed earlier for export of handloom made-ups under specified ICTA categories against quota allocated by Handloom Export Promotion Council was extended upto end-September 1973; for the quarter ended December 1973, the export including ready-made garments was allowed freely, against quota, on production of necessary documentary deeds and from January 1, 1974 export under specified ICTA categories would be licensed freely without any quota.
10. Cotton textiles—mill-made : exports to Austria	October 1973, January and May 1974	Licences to export all varieties of mill-made cotton textiles including ready-made garments, and made-up of handloom fabrics would be issued upto December 31, 1974 on the basis of quota certificates issued by the Cotton Textiles Export Promotion Council, Bombay, on first-come-first-served basis on the recommendation of the EEC-Austria Textiles Licensing Advisory Committee.
11. Cotton textiles—mill-made : exports to Denmark and Ireland	November 1973, January and May 1974	Export of mill-made cotton textiles to these countries was brought under the purview of export control order. During the licensing year (i.e. upto end-December 1973), licences would be issued, within ceilings, on the basis of quota certificate issued by TEXPROCIL on first-come-first-served basis. The year 1974 has been divided into 2 six-month licensing periods; upto end June 1974 licences would be issued on the same basis as earlier. During the second licensing period, licences would be issued in accordance with the decision of the EEC-Austria Textiles Licensing Advisory Committee.

Item (1)	Month of Announcement (2)	Details (3)
12. Cotton textiles—mill-made: exports to France, Italy and Benelux countries	October 1973, January and May 1974	The licensing period October 1, 1973 to December 31, 1974 was divided into three parts viz., October-December 1973, January-June 1974 and July-December 1974 as against 2 six-month periods for the year October 1973—September 1974 announced earlier. Licences would be issued on the basis of quota certificates issued by TEXPROCIL. The quota certificates of shipment in the first period would be issued on presentation of firm contracts and performance invoice. The quota for subsequent periods would be allotted by TEXPROCIL in accordance with the decision of EEC-Austria Textile Licensing Advisory Committee.
13. Cotton textiles—mill-made : exports to Sweden	February, April and May 1974	The licensing period for export of mill-made, handloom cotton blouses, shirts, jackets and bedlinens to Sweden was extended upto end-September 1974 as against March 31, 1974 announced earlier. Licences would be issued on the basis of quota certificates issued by TEXPROCIL, Bombay and its representatives at Calcutta,Delhi and Madras on the recommendations of the Sweden Textiles Licensing Advisory Committee. Export of jackets was covered under the scheme since April 1, 1974.
14. Cotton textiles—mill-made : exports to U.K.	October 1973 and January 1974	During the licensing period October 1, 1973 to December 31, 1974 export of mill-made cotton textiles including garments and made-up goods (altogether 20 specified categories) would be allowed, within the quota allotted against individual shipments by TEXPROCIL, Bombay or its authorised representatives, on first-come-first-served basis.
15. Cotton textiles—mill-made : exports to U.S.A.	September and October 1973	Licences to export some specified varieties out of a total of 64 ICTA categories of mill-made cotton textiles to U.S.A. during the six month period October 1, 1973 to March 31, 1974 would be issued on the basis of quota certificates issued by TEXPROCIL on the recommendations of the U.S.A. Textile Licensing Advisory Committee, whereas in the case of other varieties covered, quota/licences would be issued on the basis of first-come-first-served basis subject to the condition that as soon as the ceiling laid down was achieved, exports would be stopped forthwith. The scheme for the second six-month period, viz., April 1, 1974 to September 30, 1974 would be formulated later in accordance with the decisions of the U.S.A. Textile Licensing Advisory Committee.
16. Cotton textiles—mill-made : exports to West Germany	January and May 1974	The calendar year 1974 was divided into two six-month periods for licensing purpose and licences would be issued for export of mill-made cotton textiles including garments and made-ups on the basis of quota certificates issued by the TEXPROCIL, on the recommendations of the EEC-Austria Textiles Licensing Advisory Committee to both established exporters and new comers who were registered with TEXPROCIL. Quota for ready-made garments were opened also to those who were admitted as members of the Ready-Made Garments Panel of the TEXPROCIL.
17. Cotton Yarn	July, August 1973 and April 1974	Export of all types of cotton yarn except for certain specified varieties was banned till end-December 1974. Export of permissible singles and folded cotton yarn to all destination was,however,allowed.
18. Footwear	October, November 1973 and March 1974	In order to assist the bulk exporters of footwear, persons holding authorised contracts 'on account STC' involving export of at least 10,000 pairs to single destination would be allotted bulk licences valid for one year. However, leather footwear components were outside the purview of canalised item of footwear.
19. Groundnut cake, de-oiled	January 1974	Export of de-oiled groundnut cake (extraction) would be allowed within a limited ceiling during 1974 and would be canalised through the Groundnut Extraction Export Development Association (GEEDA), Bombay.
20. Groundnut oil	November 1973	Export of groundnut oil/refined groundnut oil was not allowed during the licensing period October 1973 to September 1974.

Item (1)	Month of Announcement (2)	Details (3)
21. Guar meal	December 1973, January and April 1974	All categories of exporters of guar meal would be allowed to export it to all permissible destinations within a ceiling upto end-March 1975.
22. Hides and skins	July, August, September 1973, January and March 1974	Quantitative restrictions were placed on export of all categories of semi-processed hides and skins effective from August 1, 1973; earlier exports having been freely allowed upto 1/3 of annual quota. During the period of restriction, 2/3rds of the annual quota of an exporter was allowed. The ceiling for the fiscal year 1974-75 was fixed at the same level as in the previous year.
23. Live sheep and goats	November 1973, February and March 1974	Export of live sheep and goat (including lambs/kids) was brought under export control with effect from November 7, 1973. Export of these items would be licensed freely on first-come-first-served basis, within a limited ceiling. However, export contracts concluded earlier may be allowed to be honoured subject to the production of irrevocable letter of credit and telegraphic offer and acceptance. The same policy would continue during the fiscal year 1974-75.
24. Mango slices	February 1974	Export of mango slices in brine and in vinegar would be allowed freely on shipping bills to all permissible destinations by all categories of exporters during April 1974-March 1975.
25. Metallurgical residues	April and May 1974	Export of zinc ash was brought under the Export Control Order and would be allowed on merits with effect from April 26, 1974 on receipt of specific instructions from Chief Controller of Imports and Exports, New Delhi. Contracts entered into prior to the date of the Order would also be considered by the Commerce Ministry where irrevocable letters of credit were already opened.
26. Mica	March, April and May 1974	The f.a.s. floor prices of various varieties, grades and qualities of mica were revised upwards and were effective from February 22, 1974. However, where contracts were already entered into and where irrevocable letters of credit were already opened and in respect of which shipment was due before end-February 1974 were excluded from the revised price list, provided the shipment was completed before end-April 1974. The f.a.s./f.o.b. prices of various varieties, grades and qualities of mica were revised again in May 1974.
27. Molasses and ethyl alcohol	March 1974	Export of molasses and ethyl alcohol or rectified spirit of any proof degree, whether denatured or not, would not be allowed till November, 1974.
28. Mustard/Rapeseed and mustard oil	May 1974	Export of mustard/rapeseed and mustard oil would be allowed within limited ceiling during 1974-75 subject to the conditions (a) that any export in excess of the stipulated ceiling would require fresh clearance on individual basis and (b) that the exports would be permitted only to those parties whose demand was genuine and for small quantity and was for personal consumption rather than for commercial sale.
29. Natural rubber	January 1974	Export of natural rubber was canalised through the State Trading Corporation of India Ltd., with effect from January 3, 1974.
30. Non-ferrous metals including powders thereof and semis	May 1974	Export of all non-ferrous metal powders, including copper powder, would be considered on merits after receipt of specific instructions from the Chief Controller of Imports and Exports, New Delhi.
31. Paper grade pulp	January 1974	Export of paper grade pulp, including bamboo pulp was banned effective from December 29, 1973, except where irrevocable letters of credit were already opened.
32. Pearl barley	May 1974	Export of pearl barley would be allowed freely within a limited ceiling on first-come-first-served basis by all categories of exporters to all permissible destinations on production of a firm sale contract or cable offer and acceptance.

Item (1)	Month of Announcement (2)	Details (3)
33. Pure milk ghee	June 1974	Export of pure milk ghee was banned with effect from June 7, 1974.
34. PVC compound and phenol	December 1973	Export of PVC compound and phenol was brought under Export Control Order and would be allowed on 'merits'.
35. PVC Resin	November 1973	Export of PVC resin was brought under Export Control Order and would be allowed on 'merits'.
36. Rayon filament yarn	August 1973 and March 1974	Export of rayon filament yarn except certain specified varieties was banned with effect from August 1, 1973. The exceptions relate to cases where advance payments had been received by Indian exporter in full and where consignments were in dock awaiting shipment if payments were to be received before end-February 1974.
37. Rayon tyre yarn, rayon tyre cord and rayon tyre fabrics	March 1974	Export of rayon tyre yarn, rayon tyre cord and rayon tyre fabrics was banned effective March 1, 1974 except (a) where irrevocable letters of credit were opened (b) where advance payments were received by Indian exporter in full and (c) where consignments were in docks awaiting shipments.
38. Rice bran, de-oiled	April 1974	During the fiscal year 1974-75 export of rice bran (de-oiled) would continue to be canalised through the Solvent Extractors' Association of India, Bombay.
39. Silver salt	February 1974	The ban on silver exports was lifted and the Government of India announced their decision to license freely except on consignment basis, export of silver bullion, silver sheets and plates which have not undergone any process of manufacturing subsequent to rolling, silver salts, silver chemicals and compounds with more than 50 per cent of silver contents and manufactures and products wholly or mainly of silver with more than 50 per cent silver contents.
40. Styrene monomar	May 1974	Export of styrene monomar was brought under control and would be allowed on merits.
41. Sunflower oil and seed	March 1974	Export of sunflower oil and seed was banned with effect from March 25, 1974.
42. Tobacco	January, February and May 1974	Minimum floor prices for export of different grades of tobacco for 1974 were announced.
43. Vanaspati	November 1973	Export of vanaspati would continue to be allowed freely during October 1973-September 1974 or till such time as the registered exporters' incentive scheme under which reimbursement was allowed for export of vanaspati by an equivalent of import of edible oils was operative, whichever is earlier.
44. Viscose staple fibre and fibre spun yarn	September 1973	Export of viscose staple fibre and fibre spun yarn was banned except where irrevocable letters of credit were opened prior to the date of imposition of ban.
45. Wheat bran	April 1974	Export of wheat bran would be allowed freely within a limited ceiling to all permissible destinations by all categories of exporters against firm sale contracts during 1974-75.
46. Wigs and wiglets	October 1974	Export of wigs and wiglets was canalised through the State Trading Corporation of India Ltd.
47. Wild life and wild life products	July, October 1973 and May 1974	Export of specified snake/lizard skins was subjected to a ceiling and exporters were to produce a certificate from the Leather Export Promotion Council. The ceiling for export of non-poisonous snake skins during 1973 was raised to Rs. 13 lakhs. Export of certain specified varieties of wild life, including Indian elephant, was banned.
48. Wollastonite	February 1974	Export of wollastonite within a limited ceiling would be allowed on first-come-first-served basis to all permissible destinations upto end-March 1975.

Item (1)	Month of Announcement (2)	Details (3)
49. Wool, raw	July 1973 and April 1974	Export of indigenous raw wool, except Angora goat hair and Mohair was brought under quantitative control. The level of individual quota for 1974-75 was the same as that allotted in the previous year. The quota for 1973-74 was allotted on the basis of best year's performance in the last 3 years.
50. Wood and timber	October 1973, April and May 1974	Export of wood and timber of Bhutan and Sikkim origin would be allowed in accordance with the existing export policy of wood and timber subject to the production of certificate from the State of Origin. Export of certain types of wood and timber was banned.
51. Writing and printing paper	December 1973 and February 1974	Export of writing and printing paper of all sorts was banned with effect from November 30, 1973 except in cases where irrevocable letters of credit were opened prior to the date of the imposition of ban.
52. Zinc hydroxide and zinc sulphate	April and May 1974	Export of zinc hydroxide and zinc sulphate would be allowed on merits effective from April 26, 1974 on receipt of specific instructions from Chief Controller of Imports and Exports, New Delhi. Where letters of credit were opened prior to April 26, 1974, the contracts would be considered by the Commerce Ministry.
53. Zinc oxide	November 1973	Export of zinc oxide would be allowed on merits.

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 covers almost all the commodities exported out of India. 3,214 additional brand rates were fixed upto November 15, 1973 in respect of individual articles made by different manufacturers. The "all industry" rates were revised on account of budgetary changes and were announced on June 1, 1973, effective from the same date. Wherever possible, individual brand rates have been replaced by all industry rates.

(2) *Awards for outstanding Export Performance* : During the financial year 1973-74, awards and merit certificates were given to firms and institutions for the years 1969-70, 1970-71 and 1971-72. The total number of recipient firms/institutions of awards were 23; and that of certificates of merits 63.

(3) *I.D.B.I's Buyer's Credit Scheme* : The Industrial Development Bank of India has introduced in December 1973 a Buyer's Credit Scheme, under which the I.D.B.I., in participation with the eligible commercial banks in India, grants credits directly to foreign buyers in connection with export of capital goods from India. The scheme is intended to enable Indian exporters (including export houses) in the private and public sectors to export capital goods. The exporter's obligation is to fulfil the commercial terms of the contracts and once this is done, they are paid for their exports out of the credits on a non-recourse basis. While no maximum limit for such credit is stipulated, applications are normally considered only in respect of high value contracts viz., those of the value of Rs. 1 crore and above. The buyer is required to have a stake in the transaction by way of advance/down payment. On the basis of the present interest rates (with bank rate at 9 per cent) the average cost of such credits to the foreign buyers under the scheme works out to 7½ per cent per annum (excluding other financial costs like guarantee, credit insurance charges, etc.). I.D.B.I. may also charge at its discretion a commitment fee of ½ per cent per annum on the undisbursed balance of the credit sanctioned.

APPENDIX XI — IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, JULY 1973 — JUNE 1974

Item	Month of Announcement	Details
(1)	(2)	(3)
A. IMPORT POLICY FOR 1973-74 (APRIL 1973—MARCH 1974)		
		1. Import Policy : General
Import Policy : April 1973-March 1974	April 1973	The salient features of the import policy for 1973-74 and changes made in the import policy upto June 1973 were given in the Report on Currency and Finance 1972-73 (pp. 288-293).
Facilities for Development and Research activities	July 1973	Import of bonafide technical and trade samples was allowed upto Rs. 1,000 without an import licence under O.G.L. IV.
Import of cars by disabled Indian nationals	September 1973	It was decided to ban the import of built-in cars fitted with disability devices/controls/gadgets with effect from September 5, 1973.
Special facilities for Indians returning from/ residing abroad	November 1973	It was decided to raise the ceiling for the import of machinery allowed to Indians returning/residing abroad for setting up industries in the small-scale sector from Rs. 5 lakhs to Rs. 25 lakhs.
		2. Small-Scale Industries
Issue of licences for raw materials, components and spares to proposed new units in the small-scale sector.	September 1973	It was decided that with effect from September 11, 1973, the second application from small-scale units in the priority sector could be considered even though the unit had not gone into production, provided the sponsoring authority certified that the unit had installed the requisite machinery. Earlier, the import policy for 1973-74, had provided that new units (small-scale) in the priority sector should make the first application for the import of raw materials, components and spares during the first-half of the licensing period and the second application should be made during the second-half of the licensing period and that the sponsoring authority should recommend an import licence against the second application only after the unit had gone into production.
		3. Open General Licence
Open General Licence Nos. XCV & XCVI	October 1973 & April 1974	Import of the following goods were brought under open general licence : (*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 country, except the Union of South Africa/South West Africa, Rhodesia, Tibet Region of China, Portugal and Pakistan.
		4. Import Policy for Registered Exporters
Silk carpets	July 1973	The exporters of silk carpets were granted import replenishment licences upto 25 per cent of the value of exports against the exports of silk carpets containing mulbery silk of less than 50 per cent by weight and where the f.o.b. value was less than Rs. 250/- per square metre. For exports of silk carpets containing 50 per cent or more of mulbery silk by weight, the percentage of import replenishment granted was higher at 40 per cent.
Caustic soda	September 1973	It was decided to allow import of caustic soda upto 10 per cent of the f.o.b. value of exports of specified items of drugs and drug-intermediates, synthetic coal tar dyes and other intermediates for dyes, soaps, paper and paperboards and cotton textiles.
Potassium chlorate	September 1973	It was decided to allow import of potassium chlorate against export of safety matches to the extent of 25 per cert.
Plastic materials	November 1973	It was decided to allow import of plastic materials to the extent of 50 per cent of the value of exports of wood cutting saws only.

Item (1)	Month of Announcement (2)	Details (3)
Zinc	November 1973	It was decided to allow import of zinc only against advance licences granted for the execution of firm export orders. No import of zinc would be allowed after export of zinc oxide has taken place. Further, the f.o.b. value of zinc oxide to be exported should be at least 25 per cent higher than the c.i.f. value of zinc imported. In cases where indigenous zinc is used, the value of zinc oxide to be exported should be atleast 25 per cent higher than the value of indigenous zinc used.
Miniature prefocused bulbs	December 1973	It was decided to allow import of miniature prefocused bulbs of 1.1 and 2.2 volts against exports of plastic torches at the rate of one bulb for each torch exported.
Cork granules/waste	February 1974	It was decided to allow import of cork granules/waste.
Supply of indigenous raw materials and components in discharge of export obligation.	February 1974	It was decided that the supply of indigenous raw materials to a person holding a valid Actual User's or REP licence was considered as an export for the purpose of satisfaction of an export obligation imposed on the indigenous producer. In case of goods which are free from export control and restrictions, the indigenous producer of such items will be entitled to the REP benefits as available on exports under the policy as may be in force from time to time.
Synthetic monofilament yarn	February 1974	It was decided to allow import of synthetic monofilament yarn to the extent of 25 per cent (instead of 10 per cent) against export of plastic dolls.
Methanol	February 1974	It was decided to allow import of methanol to the extent of 25 per cent of the licence value.
Additional import allocation	April 1974	Under the policy for registered exporters, it was decided to allow in respect of products for which the rate of import replenishment is less than 50 per cent, an additional allocation of 10 per cent of the normal replenishment against exports made on or after April 1, 1974.
Furnace oil	June 1974	In order to assist export production, it was decided that exporting units engaged in selected industries might be allowed to supplement their supplies of furnace oil by utilising part of their REP entitlements.
		5. Specified Commodities
Newsprint	July 1973 & June 1974	The Government reduced the basic entitlement of newsprint of individual newspapers/periodicals for the year 1973-1974 by 30 per cent. It, however, provided that the cut would be restored proportionately in the event of an improvement in the availability of newsprint. However, the quota was further reduced by 10 per cent to 40 per cent for the year 1974-75.
Dates from Muscat	September 1973	It was decided to grant licences for the import of 'dates' from Muscat during the licensing period July 1973-June 1974 to established importers on annual basis as follows :
		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/-.
Wool tops	October 1973	Import of wool tops was banned.
Stainless steel bars	February 1974	Import of stainless steel bars in straight lengths was allowed to the manufacturers of surgical instruments if the applicants supported their requests with non-availability certificates from notified indigenous producers.

Item (1)	Month of Announcement (2)	Details (3)
Fruits: dried, preserved or salted, etc., from Iran	September 1973 & February 1974	It was decided to grant import licences for dry fruits, dates, red oxide, asafoetida, medicinal herbs, crude drugs, gums, resins and lac from Iran during April 1973-March 1974 to established importers having past imports from that country within the prescribed basic years.
Bakery hops	February 1974	Import of bakery hops was banned with effect from February 19, 1974.
Dates from Iraq	April 1974	It was decided to grant licences for the import of 'dates' from Iraq during the licensing period 1973-74 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. 13,750/-.
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	72 per cent subject to a minimum of Rs. 4,75,000/-.
4.	Above Rs. 15 lakhs.	60 per cent subject to a minimum of Rs. 10,80,000/-.

X-ray films, X-ray diagnostic agents and X-ray intensifying screens	April 1974	Import of X-ray films, X-ray diagnostic agents and X-ray intensifying screens by hospitals and X-ray clinics for their use and by laboratories for research purposes were allowed upto a limit of Rs. 2,000 and Rs. 1,000, respectively, at any one time.

B. IMPORT POLICY FOR APRIL 1974—MARCH 1975

Import Policy : April 1974-March 1975	April 1974	The import policy for 1974-75 has laid stress on augmenting the country's export earnings by providing imported raw materials to strengthen the base for export production. The main features relate to simplification of import licensing procedures, preferential treatment to selected industries linked to export performance, liberalised import of spare parts and modification of the scheme for eligible export houses to make it more export-oriented. The salient features of the import policy for 1974-75 are set out below: (1) canalisation through public sector agencies of 10 more additional items bringing their total number to 210, (2) enhanced facilities for import of machinery, raw materials, components given to small-scale industrial units set up in backward areas or by engineering graduates or ex-service personnel, (3) industrial units in the priority sector with an export performance of 10 per cent or more of their production during the previous year continue to enjoy the facilities for further expansion of their export production and for import of their requirements from preferred sources of supply and units in the non-priority sector exporting 20 per cent or more of their production will also get similar treatment, (4) actual users engaged in certain selected industries (e.g. polystyrene, polyethylene moulding powder and PVC resins) will be issued import licences for raw materials subject to the condition that 10 per cent of the production is set apart for registered exporters, (5) two industries, viz., tungsten carbide tips and tools and domestic refrigerators have been included in the list of large scale units for compulsory export obligation of 5 per cent of their production, (6) imports of 75 items have been banned as against 220 items last year; these items include cast iron foot valves, steel and stainless steel wire mesh, electrical conductor section, brass and bronze electrical wire, sodium nitrate, pesticides and specified drugs and medicines, (7) imports of 61 items which were hitherto allowed to actual users without restriction would be allowed on a restricted

Item	Month of Announcement	Details
(1)	(2)	(3)
		basis; these include certain types of drugs and medicines, chemicals, pure iron, iron powder, ball and roller bearings, industrial roller chains, components and parts of machinery, (8) in respect of 5 items, quotas for established importers have been reduced, (9) in respect of small-scale industrial units in the priority sector, import licences for raw materials, components and spares issued for the licensing period April 1973-March 1974 are to be automatically valid for utilisation on a 'repeat' basis for 50 per cent of their value for the period April-September 1974; such units are also allowed the facility of 'repeat' operation in respect of release orders for canalised items for April-September 1974 after endorsement for revalidation by the licensing authorities, (10) the policy for import of spare parts required for maintenance has been liberalised; for large scale units, the imports of spare parts will be permitted at the rate of 2½ per cent of the value of imported machinery as against 2 per cent earlier. The small-scale units will be allowed as hitherto, to import spare parts at the rate of 4 per cent of the value of installed capacity. The entitlement of actual users for the grant of emergency licences for import of spare parts has been increased from Rs. 10,000 to Rs. 20,000 for large scale units and from Rs. 4,000 to Rs. 8,000 for small-scale units, (11) export houses will have to export minimum of Rs. 25 lakhs of non-traditional items as hitherto; for renewal of eligibility certificate, an export house has to show an annual growth rate of 10 per cent in exports up to Rs. 3 crores and of 5 per cent for exports beyond Rs. 3 crores; it is also necessary that a minimum of 60 per cent of exports made by an export house in a year should consist of goods produced by those manufacturing units to whom the imported raw materials were allocated by the export house.
		C. CHANGES IN IMPORT DUTIES
Union Budget for 1974-75	February 1974	The Union Budget for 1974-75 introduced following changes in the import duties : (a) Auxiliary import duties have been raised from 10 per cent to 15 per cent on articles on which the effective rate of basic customs (import) duty is 60 per cent *ad valorem* or more but less than 100 per cent *ad valorem*. (b) The basic import duty on whisky, brandy, gin and certain other spirits has been increased from Rs. 60 per litre or 200 per cent *ad valorem* whichever is higher, to Rs. 80 per litre or 270 per cent *ad valorem* whichever is higher.

APPENDIX XII — TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING JULY 1973 TO JUNE 1974.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Arab Republic of Egypt	October 9, 1973	October 1, 1973 to September 30, 1974	*Imports* : Cotton, rock phosphate, etc. *Exports* : Jute, tea, engineering goods, tobacco, drugs and pharmaceuticals, paper and paper products, ferro-manganese and manganese ore, radio components, ply-wood, text books, aluminium sulphate, pepper and spices, etc.	This is a trade arrangement for a period of one year beginning from October 1, 1973 signed within the framework of the Indo-UAR trade agreement of July 8, 1953.
Bangladesh	July 5, 1973	September 28, 1973 to September 27, 1976	*Imports* : Raw jute, newsprint and low grammage paper, fresh fish and dried fresh water fish salted or processed, semi-tanned cowhides including wet and blue, books, news-papers and periodicals, movies, spices, simul cotton (kapok), ayurvedic and unani medicines (including herbs and crude drugs), pharmaceuticals, etc. *Exports* : Raw cotton, coal, tobacco (unmanufactured), cement, cotton yarn, cotton textiles, asphalt, machinery and spare parts, etc.	This is a new balanced trade and payments arrangement, effective after the expiry of the limited payments arrangement on Spetember 27, 1973.
Bulgaria	November 15, 1973 and March 6, 1974	January 1, 1974 to March 5, 1974 and March 6, 1974 to December 31, 1978	*Imports* : Complete plants, machinery, equipment and spare parts, chemicals, fertilisers and pharmaceutical products, steel and non-ferrous metals, various agricultural and industrial raw materials and other goods, etc. *Exports* : Food products, tea, coffee, tobacco (unmanufactured), shellac and shellac based products, hides and skins, semi-processed and tanned, coir and fibres, yarn and manufactures, cotton waste, raw jute, bones crushed, mineral and allied materials, engineering goods, etc.	The Agreement signed on November 15, 1973 was a trade plan for 1974 and also extension of Trade and Payments Agreement signed on October 18, 1968 which expired on December 31, 1973 for a further period of one year or till a new Agreement was signed, whichever was earlier. The Agreement signed on March 6, 1974 is a new trade and payments agreement for five years i.e., March 6, 1974 to December 31, 1978.
Czechoslovakia	December 5, 1973	January 1, 1974 to December 31, 1974	*Imports* : Components, spares, tyres and raw materials for tractors under collaboration scheme, machine tools, capital goods, components and raw materials for Czecho-slovak-assisted and other projects, shunters and spares, organic and inorganic chemicals, rolled steel products, plates, sheets, seamless pipes, tubes and castings, news-print, etc.	This is a trade plan for the year 1974 concluded in terms of the trade and payments agreement dated October 31, 1969.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
			Exports : Iron ore, de-oiled cakes including animal feed compound and guar meals, jute manufactures, cotton yarn, coffee, engineering goods, tanned and semi-tanned hides and skins, mica and mica based products, finished leather, tobacco, tyres and tubes, M.S. pipes and pipe fittings, manganese ore, castings and forgings, cotton textiles, cotton ready-made garments, woollen hosiery, plastic manufactures including linoleum, black pepper, castor oil, tea, de-oiled rice bran, etc.	
Democratic People's Republic of Korea	February 18, 1974	February 18, 1974 to February 17, 1977	*Imports* : Graphite electrodes and carbon rods, special steel including high speed steel, alloy structure steel and stainless steel, mild steel billets, zinc (electrolytic), urea, pharmaceuticals, magnesia clinker, anthracite, refractories, etc. *Exports* : Wire ropes, various chemicals, tyres and tubes, raw rubber, cotton textiles, silk textiles, synthetic textiles, woollen textiles, cotton yarn (upto 20 counts), towels, jute bags and ropes, leather, black pepper, H. P. S. groundnuts, etc.	A trade plan for the year 1974 was concluded on February 18, 1974 in terms of the new trade and payments agreement.
France	July 4, 1974	January 1, 1974 to December 31, 1974	*Imports* : Not specified. *Exports* : Dried mushrooms, orange segments, miscellaneous textile articles made of handloom silk or cotton, jute cloth and bags, articles of coir-fibres, articles of woollen hosiery, etc.	The trade agreement is extended on year to year basis at the annual meeting of the Indo-French Joint Commission.
German Democratic Republic	November 23, 1973	January 1, 1974 to December 31, 1974	*Imports* : Potash fertiliser, machine tools and other machinery, ships, cinematographic colour films and X-ray films, photographic and sensitised material, rotary printing presses and other printing machinery, steel and steel products, organic and inorganic chemicals, potassium for industrial use, capital goods and equipment, optical and scientific instruments, laboratory equipment, meteorological and numerical instruments, etc. *Exports* : De-oiled cakes (groundnut extraction) other de-oiled cakes, tanned and semi-tanned hides and skins, jute manufactures, coffee, finished leather, cotton textiles, fittings, steel pipes and tubes, bones crushed, processed mica, tinned vegetables, fruits, juices and concentrates, leather goods including footwear, machine tools, cotton waste, etc.	This is a trade plan for the year 1974 in terms of the trade and payments protocol dated November 11, 1971.

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
Greece	January 31, 1973	One year	*Imports* : Dried fruits, fruit juices, vegetables and fruits prepared or preserved, olives and olive oil, vegetable fats, sulphur refined, chemical products, essential oils, chemical fertilisers (nitrogenous, phosphatic), pharmaceutical products, raw cotton, aluminium ingots, steel sheets, galvanised steel sheets, agricultural and industrial machinery tools and implements, well verticle turbine pumps, diesel engines, electric motors, insulators, transformers, switches, and plugs, photographic films and cameras, etc. *Exports* : Bristles, coffee, tea, spices, pickles, chutney and condiments, lac, unmanufactured tobacco, cement, iron and steel scrap, chemicals and pharmaceuticals (covered by BT Nos. 2701-3209), leather and leather products, handloom silk, woollen and cotton fabrics, jute goods, coir goods, iron and steel products, agricultural machinery, textile machinery, household sewing machines, bicycles, etc.	This is a trade agreement valid for one year.
Hungary	December 14, 1973	January 1, 1974 to December 31, 1974	*Imports* : Steel and steel products including tools, alloy and special steels and rolled steel products, drugs, medicines and pharmaceutical intermediates, chemicals, fertilisers, wheels, tyres and axles for rolling stock and other railway equipment, caprolactum, special electric motors, printing machinery, etc. *Exports* : De-oiled groundnut cake meal, other de-oiled cakes, jute manufactures, coffee, tea, cotton textiles, tanned and semi-tanned hides and skins, iron ore, pepper and spices, finished leather and leather goods, engineering goods, etc.	This is a trade plan for the year 1974 in terms of the trade and payments agreement dated March 3, 1971.
Iran	March 11, 1964	Valid till September 10, 1974	*Imports* : Dry fruits comprising almonds, pistachio, raisins, fresh fruits, dates, rice, saffron, medicinal herbs and plants, asafoetida, gums, cumin seeds, oil cakes, raw cotton, wool, hides and skins, red oxide, minerals and ores, carpets and rugs, handicrafts, leather goods and petroleum and chemicals, etc.	This is a trade arrangement in terms of the trade agreement signed on March 11, 1964,
Iran			*Exports* : Animal and marine products, agricultural products like cigars and cigarettes, hemp, fresh fruits, fruit products, plywood, cotton seed oil, coir and its products, tobacco (raw and manufactured), turmeric, vegetable oil, essential oils, beedi leaves, drugs, pharmaceuticals, chemicals and allied products, engineering products, mining products including mica bricks, sillimanite, magnesite, iron	

Country	Date of Agreement	Duration	Commodity details	Other particulars
(1)	(2)	(3)	(4)	(5)
			ore, manganese ore, plastics and sports goods, textile, cotton and woollen goods such as cotton, silk, art silk fabrics, durries, furnishing fabrics, garments, spices, preserved fruits and vegetable products, cane, jaggery and sugar, household and building materials, etc.	
Iraq	March 27, 1974	April 1, 1974 to March 31, 1975	*Imports* : Dates, sulphur, other items (excluding oil). *Exports* : Tea, other items (excluding complete projects exports that may be realised during the period).	This is a trade plan for 1974-75, concluded in terms of Indo-Iraq trade agreement dated September 24, 1971.
Kuwait	February 13, 1974 (Date of ratification June 9, 1974)	Five years from the date of ratification, with automatic renewal for further period of five years unless notice of termination in writing is given by either of the contracting parties, 3 months before the expiry of the agreement.	*Imports and Exports* : Not specified.	This is a general trade and economic agreement concluded with the Government of Kuwait.
Mar golian People's Republic	April 3, 1974	February 14, 1974 to February 13, 1977	*Imports* : Wool, skins of animals, fur, tanned skins, leather goods, leather coats, jackets, medicinal herbs, tungsten and other metals not containing iron. *Exports* : Fruits, nuts, pepper and other spices, canned fish, tobacco and tobacco goods, tea, shellac, gum and rubber, vegetable oils, non-ferrous metals and waxes, light industry machinery, other machinery, chemicals, medical equipment and pharmaceuticals, textiles, jute manufactures.	This is an extension of the trade agreement for three years originally signed on February 13, 1968.
Poland	December 7, 1973	January 1, 1974 to December 31, 1974	*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, mining machinery and equipment, agricultural tractors, spares and components for tractors, ships equipment, dye-intermediates, intermediates for pharmaceuticals, serra and vaccines, basic drugs in bulk, chemicals, wheel sets, wheels, tyres and axles for railway and wagon components, metal working machine tools, welding sets, textile machinery, refractory materials, etc.	This is a trade plan for 1974 in terms of the trade and payments arrangement signed on October 31, 1968.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
			Exports : De-oiled groundnut cakes, other de-oiled cakes, animal feed compounds, iron ore, rayon and synthetic fabrics, tea, cotton yarn (upto 40 count), cotton textiles, jute goods, iron and steel castings and forgings, electrical appliances for domestic and commercial use, processed mica, black pepper, handtools and pneumatic tools, tinned fruits and juices, handloom goods including cotton fabrics, carpets, cotton waste, coffee, aluminium cables and conductors, ready-made garments, woollen knitwear, steel pipes and fittings, auto-ancillaries, etc.	
Rumania	October 22, 1973	January 1, 1974 to December 31, 1974	*Imports* : Fertilisers, rolled steel and steel products, oil prospecting and drilling equipment, spare parts, tractor components, wheel sets and other components for railway wagons, capital goods, machinery and equipment, various organic and inorganic chemicals, machine tools, hydraulic diesel locomotives and spare parts, electronic television components and television picture tubes, lubricating oil and axle oil, etc. *Exports* : Iron ore, jute manufactures, hides and skins, decorticated de-oiled cottonseed extractions and rice bran extractions, coffee, finished leather, machine tools such as automatic lathes, ferro-manganese, ferro-chrome, mica, etc.	This is a trade plan for the year 1974 in terms of the long-term trade and payments agreement signed on March 24, 1971.
Sudan	August 27, 1973	January 1, 1974 to August 31, 1974	*Imports* : Cotton, groundnuts, sorghum (dura), sesame, hides and skins, etc. *Exports* : Tea, jute manufactures, textiles, engineering goods and spare parts, etc.	This is a trade plan for 1973 but extended up to August 31, 1974 in terms of the trade agreement signed on October 22, 1965.
Turkey	September 19, 1973	One year but automatically renewable unless a written notice of termination is given by either party.	*Imports* : Asbestos products, antimony concentrated and ore, boracite, sulphur, other serums of human blood, tanning extracts, pharmaceuticals, agricultural pesticides, insecticies, blister copper, electrolytic copper, ferro chromium products, iron and steel products, iron fittings, steam boilers and other heating machinery, steel pipes (seamed), valves, chains for cars, bicycles and others, nails, other base metals, boilers, cotton ginning machinery, cotton textile and weaving machines, electric cables, wire cables and ropes of copper wire, electric insulators, transformers, movie films, resins, dried figs, cereals, mercury, bodies for the motor vehicles, arsenic oxide, cotton, polyester fibres, canned fruits and vegetables, lead ore mixed with zinc. *Exports* : Coffee beans (raw), spices, natural gums and resins, essential oils, iron scrap, chemicals and pharmaceuticals, jute goods, pigiron, iron and steel products,	This is trade agreement valid for one year but automatically renewable unless notice for termination is given by either party.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
			manufactures of copper, handtools, small tools, internal combustion diesel engines and semi-diesel engines, scientific and laboratory equipment, paper, paper board and manufactures thereof, spare parts of textile machinery, typewriters, calculating machines and data processing machines, electrical machinery, surgical and medical instruments, ignition equipment, electrical spares, machine tools, communication equipmert, traffic light and signalling equipment marine diesel engines, spare parts for motor vehicles, transport equipment and parts, ferro-manganese, motion pictures.	
U.S.S.R.	January 21, 1974	January 1, 1974 to December 31, 1974	*Imports* : Components, equipment and raw materials needed for manufacturing programme of Soviet-assisted projects, spare parts to the equipment delivered for projects built with the USSR assistance, sea and river ships, tankers and bulk carriers, dredgers, marine engines and other equipment, construction and earthmoving equipment, air transportation means including helicopters, other equipment and spare parts, machine tools and metal working equipment including welding equipment, mining, prospecting, oil drilling, petrological and survey equipment and instruments, equipment for chemical industry, food processing industry, machinery for making thermos flasks, crushing, grinding and dressing equipment, pumps, compressors and equipment for electronic industry and computers, chemicals including reagents and laboratory chemicals and insecticides, laboratory testing equipment, control measuring and optical instruments, scientific apparatus and metal testing machinery, urea, ammonium sulphate, muriate of potash, kerosene, diesel oil, oil and lubricants, newsprint, asbestos, sulphur, copper and rolled copper products, nickel, zinc, etc. *Exports* : Woollen knitwear, spices, ready-made garments, bed-linen, towels and handkerchiefs, aluminium, handicrafts, power cables, detergents, automobile storage batteries, traction and other batteries, garage equipment, essential oils, medicines and pharmaceuticals, raw materials for production of medicines, dye-stuffs and intermediates, instant coffee, tea, jute manufactures, de-oiled cakes including cottonseed, rice bran cakes and compound animal feed, cashewkernels, tobacco, H.P.S. groundnuts, fruit juices, cardamom, surgical instruments, vacuum flasks including refills, goat skins semi-tanned and tanned, leather shoes, sports footwear and P.V.C. gum boots, coir goods, cigarettes, cotton textiles, tyres. machinery and equipment manufactured at Soviet-assisted industrial enterprises in India, etc.	This is a trade plan for 1974 in terms of the five year trade arrangement signed on December 26, 1970.

STATEMENTS

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NOTES ON THE STATEMENTS

In the Statistical Statements presented in this issue, annual data are generally given for the financial years 1960-61, 1965-66 and 1969-70 to 1973-74; thus data for 1973-74 refer to the year from April 1, 1973 to March 31, 1974. However, the statements on Industrial Production and Capital Raised by Non-Government and Government Companies are presented on calendar year basis, as the statistics compiled by the respective sources are on that basis. Further, data relating to (i) Agricultural Production, (ii) Financial Assistance Sanctioned by the Industrial Finance Corporation of India, (iii) Industrial Development Bank of India—Amount Sanctioned and Cash Disbursed, (iv) Agricultural Refinance Corporation and (v) Unit Trust of India are for the year ended June. In respect of Liabilities and Assets of the Industrial Development Bank of India, the data presented are as at the end of June.

The statement on "Money Rates" has been replaced with a new statement on "Structure of Interest Rates in India," to give a more comprehensive coverage of the subject.

The statement on "Consents for Capital Issues" has been dropped this time and in its place a new statement on "Working of Private Corporate Sector: Medium and Large Public Limited Companies—Important Items" has been included. The other statements newly included are:

(i) Gross Yields on Government and Industrial Securities,

(ii) Statewise Schemes Sanctioned by Agricultural Refinance Corporation and

(iii) Exports of (a) Marine Products and (b) Iron Ore and Concentrates to Principal Countries.

The data on "Index Numbers of Security Prices and Yields" have been presented on a revised basis, the new base being 1970-71=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. On December 20, 1971, India established a central rate for the Rupee at Rs. 18.9677 per Pound Sterling.

From November 1, 1956 (on which date the States Re-organisation Act, 1956 became effective) to April 30, 1960, the Indian Union consisted of fourteen States and a few centrally administered areas. The erstwhile 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, another new State viz. Haryana was formed. On April 2, 1970, State of Meghalaya was constituted within the State of Assam. On January 25, 1971, Himachal Pradesh and on January 21, 1972, two new States of Manipur and Tripura came into existence, thus 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 million 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 availabe;
— = 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.

The statistical data presented in the statements have been supplemented, wherever necessary, with suitable footnotes to explain the limitations, coverage, etc. In addition, detailed explanatory notes for certain statements are given below:

Statement 19 :

Spot prices of Gold relate to Gold Bullion upto August 27, 1963, 14-Carat Gold upto November 9, 1966 and to Standard Gold from July 10, 1967. Dealer to dealer quotations are not available for Gold since June 23, 1963.

Spot prices of Silver relate to below 0.996 fineness.

Forward trading in gold was banned throughout the country with effect from November 14, 1962 and that in silver from January 10, 1963.

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 Feb-

ruary 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, Rs. 209 crores from July 7, 1972 and Rs. 239 crores from July 6, 1973,

(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, Rs. 45 crores from July 7, 1972 and Rs. 85 crores from July 6, 1973 and

(v) National Industrial Credit (Long-term Operations) Fund of Rs. 10 crores from July 3, 1964, Rs. 15 crores from July 2, 1965, Rs. 20 crores from July 1, 1966, Rs. 30 crores from June 30, 1967, Rs. 55 crores from July 5, 1968, Rs. 75 crores from July 4, 1969, Rs. 95 crores from July 3, 1970, Rs. 135 crores from July 2, 1971, Rs. 175 crores from July 7, 1972 and Rs. 205 crores from July 6, 1973.

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 to Industrial Development Bank of India under Section 17 (4H) (a) of the Reserve Bank of India Act are 'nil'.

Statement 38 :

(a) The Reserve Bank of India rate (Bank Rate) was raised from 4 per cent to 4.5 per cent on January 3, 1963, to 5 per cent on September 26, 1964, to 6 per cent on February 17, 1965, was lowered to 5 per cent on March 3, 1968, was raised to 6 per cent from January 9, 1971, to 7 per cent on May 31, 1973 and to 9 per cent from July 23, 1974.

(b) Treasury bill rate of discount for sales on tap was 3.50 per cent per annum from July 16, 1965 to March 2, 1968. It was lowered to 3.00 per cent from March 4, 1968, raised to 3.50 per cent from January 9, 1971, to 4.00 per cent from June 1, 1973, to 4.25 per cent from April 1, 1974 and to 4.60 per cent from July 23, 1974.

(c) The call money rates are the weighted averages of the quotations, the weights being proportional to the amounts accepted during the period.

(d) The Bazar bill rate is the rate at which bills of small traders are reported to have been discounted by Shroffs. These are unofficial quotations.

(e) Deposits rates are for major banks having demand and time liabilities of Rs. 50 crores and above and for foreign banks. These rates were based on Inter-Bank Agreement upto September 1964 and on the Reserve Bank directives thereafter.

Statement 40 :

Under the Credit Guarantee Scheme, which is administered by the Reserve Bank of India 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 (cumulative) transferred to Government. The entire administrative expenditure of the Guarantee Organisation is borne by the Reserve Bank of India.

Under the Scheme, as modified from 1st February 1970 (when the number of Guarantees outstanding was 92,755) 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 re-

quired 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.

Advances under default :

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.

Statement 41 :

Net worth: Comprises share capital and reserves and surplus.

Current assets: Comprise (1) inventories, (2) loans and advances and other debtor balances, (3) investments in securities other than shares and debentures of subsidiary companies for 1501 companies/book value of quoted investments for 1650 companies, (4) cash and bank balances and (5) advance of income tax in excess of tax-provision.

Current liabilities: Comprise (1) tax provisions in excess of advance of income-tax and other current provisions, (2) borrowings *less* debt as defined above and (3) trade dues and other current liabilities.

Debt: Comprises (1) all borrowings from Government and semi-Government, Statutory Financial Corporations and other institutional agencies, (2) borrowings from banks against (i) other mortgages and (ii) own debentures for 1650 companies and (3) "Other borrowings" against own debentures and other mortgages and also deferred payment liabilities.

Equity is same as *Net worth*, explained above.

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 1974-75 relate to those presented to the Lok Sabha.

From 1957-58 the figures include self-balancing items in respect of grants under P.L. 480 and Steel Equalisation Funds. From 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds.

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 Jagir Resumption Compensation and Additional Rehabilitation Bonds, 2½% Bihar Zamindari Abolition Compensation Bonds, 3% Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961 Compensation Bonds (Repayable in instalments), Jenmikaram Payment (Abolition) Bonds, 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), 3% Maharashtra Revenue Patels (Abolition of Office) Act, 1962 Compensation Bonds, 4¼% Kerala House Sites and Houses for Families of Landless Workers (Compensation for Value of Lands) Bonds, 4½% Kerala House Sites and Houses for Families of Landless Workers (Compensation for Value of Lands) Bonds,

and only issues of:

West Bengal Estates Acquisition Compensation Bonds, 3% Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961 Compensation Bonds (Redeemable on Maturity), Assam State Acquisition of Zamindari Act, 1951 Compensation Bonds,

and only repayments of:

3¼% U.P. Encumbered Estates Act Bonds, 2½% Rajasthan Zamindari and Biswedari Abolition Compensation Bonds, 2¾% Mysore Inams Abolition Compensation Bonds, 3% Hyderabad (Abolition of Cash Grants) Act, 1952 Compensation Bonds.

During 1973-74, the total issues and repayments of these bonds amounted to Rs. 483 lakhs and Rs. 530 lakhs respectively, and

(iv) Rs. 100 crores of *ad hoc* Treasury Bills funded in January 1974.

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 75 :

State debt has been reclassified as recommended in the second report of the Team on Reforms in the Structure of Budget and Accounts. Outstanding debt liabilities from March 31, 1973 onwards presented in this Statement are, therefore, not strictly comparable, item by item, with those for earlier period. Total debt of State Governments used to be classified earlier under the following heads:

(i) Permanent Debt, (ii) Floating Debt, (iii) Loans from the Centre, (iv) Other Debt, and (v) Unfunded Debt.

Under the new classification the major heads are:

(i) Internal Debt, (ii) Loans and advances from the Central Government, and (iii) Provident Funds, etc.

Points relating to comparability between the two classifications are explained below:

I (a) Market loans and bonds—Comprises current and expired loans floated on the market and bonds issued in connection with abolition of Zamindari, Jagirdari, etc. This item is identical with 'Permanent Debt' as per the old classification.

I (b) Ways and Means Advances from the Reserve Bank of India—Represent ways and means advances and overdrafts (repayable within seven days) from the Reserve Bank of India. This item corresponds to 'Floating Debt' of the earlier classification except that cash credits from the State Bank of India and other commercial banks which are included in the floating debt are excluded from here. Figures in the statement against this item upto March 31, 1972 represent balances outstanding against 'Floating Debt' of the old classification and are thus not strictly comparable with balances outstanding subsequently.

I (c) Loans from banks and other institutions—Covers loans from State Bank of India and other commercial banks, National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Life Insurance Corporation of India, Employees' State Insurance Corporation, Khadi and Village Industries Commission, etc. The item corresponds to 'Other Debt' of the earlier classification except that it now includes cash credits from the State Bank of India and other commercial banks which were not included in 'Other Debt'. Figures against this item upto March 31, 1972, represent balances outstanding against 'Other Debt' under the old classification and are, therefore, not strictly comparable with balances outstanding subsequently.

II. Loans and Advances from the Central Government—Comprise loans and advances from the Central Government for plan as well as non-plan purposes including loans against small savings collections. The item is identical with the earlier item 'Loans from the Centre'.

III. Provident Funds, etc.—Include State Provident Funds, Insurance and Pension Funds, Trusts and Endowments, etc. and is identical with 'Unfunded Debt' of the old classification.

Statement 77 :

Survey of ownership pattern of the rupee debt of Central and State Government securities was conducted on an annual basis till 1971. The survey has now been placed on an *ad hoc* basis and the next Survey would relate to March 31, 1974. The 1972 position presented in this Statement has been worked out from sources other than Survey returns. Thus, while holdings of State Governments and Reserve Bank of India (own account) are based on the Reserve Bank of India records, those

of Life Insurance Corporation of India, provident funds of exempted establishments and Coal Mines Provident Fund Scheme are based on their annual reports. Holdings of commercial banks have been worked out from material supplied by these banks under the Survey of investments of commercial banks conducted by the Reserve Bank. The major categories of holders of Government securities not included in the 1972 position are co-operative banks and employees' provident fund scheme.

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:

Include 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, 4.0 per cent from June 1, 1973 to March 31, 1974 and 4.25 per cent thereafter.

Statements 83 to 86 :

The foreign trade data relate to 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 for the period November 1970 to March 1973 are based on original copy of the shipping bills whereas the figures for the rest of the period are based on the finally passed shipping bills.

Total figures shown in statements 84, 85 and 86 may not agree with those in statement 83, 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 (with amendments upto April 1972) except in the case of imports of (i) "Prescribed substances" under the Atomic Energy Act, 1962 and (ii) "Petroleum and Petroleum Products".

STATEMENT 1 — SELECTED ECONOMIC INDICATORS

Item	Unit/Base	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	1973-74
		1	2	3	4	5	6	7
I. POPULATION (ESTIMATES)	Millions	442.21	492.69	538.31	550.24	561.86	573.59	585.43
II. OUTPUT AND PRICES								
1. Net Domestic Product (*a*)								
(i) At current prices	Rs. crores	133,66	207,86	314,32	342,17	360,17	391,87**	..
(ii) At 1960-61 prices	,,	133,66	151,73	181,32	188,85	192,01	192,73**	..
2. Industrial Production—General Index (*b*)	1960 = 100	100.0	153.8	172.5	180.8	186.1†	199.4†	200.7†
3. Agricultural Production—All crops Index	Triennium ending 1961-62 = 100	102.7	95.8	122.5	131.4	130.4	118.5	..
4. Wholesale Prices Index								
(i) All Commodities	1961-62 = 100	99.8*	131.6	171.6	181.1	188.4	207.1	254.2
(ii) Food Articles	,,	99.9*	144.6	196.8	203.9	210.3	239.5	295.6
5. Consumer Prices Index—All-India								
(i) Industrial Workers	1960 = 100			177	186	192	207	250
(ii) Urban Non-manual Employees	,,		132	167	174	180	192	221
6. Security Prices Index—New Series								
(i) Government and Semi-Government Securities	1970-71 = 100					98.6£	98.7£	98.8
(ii) Ordinary Shares	,,					95.2£	96.5£	114.6
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	369.23
(ii) Silver	Rs. per Kg.	193.64	314.62	489.13	536.08	561.35	554.20	796.14
III. MONEY AND BANKING								
8. Money supply with the public	Rs. crores	2,869	4,529	6,387	7,140	8,138†	9,412†	10,836†
(i) Currency with the public	,,	2,098	3,034	4,010	4,383	4,822†	5,443†	6,334†
(ii) Deposit money with the public	,,	771	1,495	2,376	2,757	3,316	3,970	4,502†
9. Reserve Bank of India								
(i) Central Government's deposits	,,	76	51	168	251	215	54	140
(ii) State Governments' deposits	,,	29	26	8	13	5	17	19
(iii) Investments	,,	1,813	2,719	3,406	3,827	4,285	5,423	6,125
(iv) Other loans and advances (*d*)	,,	186	245	522	709	619	591	923
Of which :								
1. Scheduled commercial banks	,,		74	238	368	207	138	409
2. State co-operative banks	,,		166	276	306	323	322	317
10. Foreign exchange reserves (*e*)	,,	304	298	821	732	849	846	947

11. Scheduled commercial banks								
(i) Aggregate deposits	Rs. crores	1,746	2,950	5,028	5,906	7,106	8,643	10,132
(ii) Bank credit	,,	1,320	2,288	3,971	4,684	5,263	6,115	7,360
(iii) Investments in Government Securities	,,	559	811	1,167	1,362	1,650	2,161	2,364
(iv) Cash reserves	,,	117	171	322	364	447	487	856
(v) Credit deposit ratio	Per cent	75.6	77.6	79.0	79.3	74.1	70.8	72.6
12. Cheque clearances(*f*)	Rs. crores	1,046	1,746	2,756	3,080	3,592	4,029	4,728†
13. Inter-bank call money rate (Bombay) (*g*)	Per cent per annum	4.24	6.26	4.30	6.38	5.16	4.15	7.83
14. Gross redemption yield on 5½ per cent loan 1999	,,			5.48	5.50	5.63	5.62	5.63
IV. PUBLIC FINANCE								
A. Budgetary Position of Government of India								
15. Revenue Account								
(i) Receipts	Rs. crores	877	2,345	3,067	3,342	4,028	4,578	5,103
(ii) Expenditure	,,	826	2,025	2,942	3,179	4,128	4,592	4,955
16. Capital Account								
(i) Receipts	,,	1,156	1,646	2,508	2,524	3,031	2,974	3,482
(ii) Disbursements	,,	1,029	2,139	2,679	2,972	3,450	3,829	4,280
B. Debt position of Government of India								
17. Total Debt @	,,	6,565	11,350	17,707	19,193	20,675	23,119	23,269
(i) Internal	,,	5,783	8,739	11,554	12,708	13,721	15,958	17,439
Of which :								
1. Other Internal Debt	,,	2,595	3,462	4,144	4,441	4,836	5,417	5,998
2. Treasury Bills Outstanding	,,	1,106	1,612	2,232	2,516	2,623	3,631	4,498
3. Small Savings								
(i) Net Receipts	,,	104	151	129	184	210	314	422
(ii) Outstandings	,,	973	1,541	2,025	2,209	2,419	2,733	3,155
(ii) External (*h*)	,,	782	2,611	6,153	6,485	6,954	7,161	5,830
V. TRADE								
18. Imports	,,	1,122	1,409	1,582	1,634	1,825	1,827	2,636
19. Exports	,,	642	806	1,413	1,535	1,607	1,961	2,411
20. Net Balance of Trade	,,	—479	—603	—169	— 99	—218	+134	—225

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*) 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. £ Average of last week figures of the months. @ 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
Karnataka	**29.30**	**22.18**	11.25	10.93	**7.12**	3.72	3.40
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
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
10.18	4.07	2.72	0.42	0.05	0.44	0.60	0.18	0.60	0.27	0.82	19.12
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
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

A : At Current Prices

(In crores of rupees)

Industry	1960–61	1961–62	1962–63	1963–64	1964–65	1965–66	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
1. Agriculture	65,70	67,71	69,05	80,15	98,46	95,23	114,91	145,69	138,59	149,05	162,51	164,67	175,00
2. Forestry and logging	1,74	1,98	2,06	2,47	2,60	2,98	3,83	4,17	4,70	5,13	4,33	4,70	5,25
3. Fishing	77	86	86	95	1,08	1,24	1,37	1,54	1,73	1,96	2,35	2,86	2,72
4. Mining and quarrying	1,44	1,49	1,78	2,04	2,04	2,34	2,52	2,90	3,16	3,39	3,48	3,54	3,74
Sub - Total : Primary	**69,65**	**72,04**	**73,75**	**85,61**	**104,18**	**101,79**	**122,63**	**154,30**	**148,18**	**159,53**	**172,67**	**175,77**	**186,71**
5. Manufacturing													
5.1 Registered	10,71	11,76	12,98	15,18	16,86	18,39	19,70	20,41	21,92	24,83	25,97	28,69	31,67
5.2 Unregistered	7,85	8,64	9,42	10,82	11,82	12,25	13,25	14,60	15,56	16,94	18,11	19,46	21,38
6. Construction	6,20	6,53	7,01	7,92	8,94	9,42	10,72	12,65	12,89	14,85	18,66	20,02	23,37
7. Electricity, gas and water supply	68	77	87	1,09	1,28	1,44	1,77	2,00	2,43	2,66	3,24	3,36	3,59
Sub - Total : Secondary	**25,44**	**27,70**	**30,28**	**35,01**	**38,90**	**41,50**	**45,44**	**49,66**	**52,80**	**59,28**	**65,98**	**71,53**	**80,01**
8. Transport, storage and communication													
8.1 Railways	2,52	2,81	3,13	3,53	3,60	4,00	4,26	4,21	4,70	4,97	5,35	5,83	6,10
8.2 Transport by other means and storage	2,61	2,95	3,35	3,52	4,06	4,28	4,89	5,81	6,85	7,57	8,42	9,34	10,17
8.3 Communication	63	72	80	91	1,00	1,13	1,32	1,47	1,74	1,96	2,36	2,51	2,66
9. Trade and hotels and restaurants	12,94	13,81	14,85	16,96	20,59	22,24	6,50	30,52	31,16	33,44	36,09	38,59	43,44
Sub - Total : Transport, communication and trade	**18,70**	**20,29**	**22,13**	**24,92**	**29,25**	**31,65**	**36,97**	**42,01**	**44,45**	**47,94**	**52,22**	**56,27**	**62,37**
10. Banking and insurance	1,58	1,83	2,24	2,49	2,88	3,41	3,62	4,16	4,59	5,04	6,41	7,58	9,17
11. Real estate and ownership of dwellings and business services	4,34	4,52	4,97	5,80	6,18	6,57	7,07	7,36	7,83	8,20	7,49	8,04	8,74
Sub - Total : Finance and real estate	**5,92**	**6,35**	**7,21**	**8,29**	**9,06**	**9,98**	**10,69**	**11,52**	**12,42**	**13,24**	**13,90**	**15,62**	**17,91**
12. Public administration and defence	5,38	5,93	6,68	7,78	8,90	9,89	10,99	12,47	13,93	15,02	16,35	18,25	20,38
13. Other services	8,57	9,17	9,76	10,47	11,80	13,05	14,64	16,37	17,58	19,31	21,05	22,73	24,49
Sub - Total : Community and personal services	**13,95**	**15,10**	**16,44**	**18,25**	**20,70**	**22,94**	**25,63**	**28,84**	**31,51**	**34,33**	**37,40**	**40,98**	**44,87**
Total : Domestic product at factor cost	**133,66**	**141,48**	**149,81**	**172,08**	**202,09**	**207,86**	**241,36**	**286,33**	**289,36**	**314,32**	**342,17**	**360,17**	**391,87**

STATEMENT 3—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN—(*Concld.*)

B : AT CONSTANT PRICES
(1960-61 PRICES)

(In crores of rupees)

Industry	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	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
1. Agriculture	65,70	66,17	64,39	66,06	72,24	61,45	60,94	71,93	71,65	75,39	79,28	77,76	72,57
2. Forestry and logging	1,74	1,84	1,87	2,05	2,02	2,26	2,52	2,59	2,75	2,81	2,61	2,64	3,00
3. Fishing	77	80	76	83	91	93	95	94	1,04	1,05	1,08	1,16	1,10
4. Mining and quarrying	1,44	1,52	1,72	1,89	1,80	2,05	2,12	2,21	2,27	2,41	2,11	2,18	2,26
Sub - Total : Primary	**69,65**	**70,33**	**68,74**	**70,83**	**76,97**	**66,69**	**66,53**	**77,67**	**77,71**	**81,66**	**85,08**	**83,74**	**78,93**
5. Manufacturing													
5.1 Registered	10,71	11,78	12,91	14,21	15,43	15,72	15,79	15,93	16,64	17,63	18,36	19,05	19,89
5.2 Unregistered	7,85	8,49	8,86	9,49	10,07	9,90	10,05	10,51	10,92	11,29	11,43	11,58	11,99
6. Construction	6,20	6,27	6,61	7,27	7,45	7,14	7,39	8,11	7,86	8,39	10,47	10,66	11,64
7. Electricity, gas and water supply	68	79	88	1,07	1,18	1,31	1,40	1,52	1,71	1,87	1,96	2,09	2,24
Sub - Total : Secondary	**25,44**	**27,33**	**29,26**	**32,04**	**34,13**	**34,07**	**34,63**	**36,07**	**37,13**	**39,18**	**42,22**	**43,38**	**45,76**
8. Transport, storage and communication													
8.1 Railways	2,52	2,70	2,87	3,11	3,14	3,40	3,46	3,47	3,66	3,85	3,91	4,05	4,17
8.2 Transport by other means and storage	2,61	2,82	3,04	3,21	3,43	3,51	3,63	3,95	4,18	4,47	4,69	4,97	5,18
8.3 Communication	63	69	76	85	88	96	1,02	1,09	1,13	1,18	1,27	1,34	1,41
9. Trade and hotels and restaurants	12,94	13,80	14,49	15,64	16,71	16,76	17,22	17,80	18,43	19,33	19,79	20,37	20,96
Sub - Total : Transport, communication and trade	**18,70**	**20,01**	**21,16**	**22,81**	**24,16**	**24,63**	**25,33**	**26,31**	**27,40**	**28,83**	**29,66**	**30,73**	**31,72**
10. Banking and insurance	1,58	1,79	1,92	2,06	2,10	2,18	2,18	2,22	2,49	2,72	2,99	3,31	3,72
11. Real estate and ownership of dwellings and business services	4,34	4,43	4,60	4,85	4,91	5,08	5,28	5,40	5,51	5,69	4,93	5,01	5,08
Sub - Total : Finance and real estate	**5,92**	**6,22**	**6,52**	**6,91**	**7,01**	**7,26**	**7,46**	**7,62**	**8,00**	**8,41**	**7,92**	**8,32**	**8,80**
12. Public administration and defence	5,38	5,79	6,54	7,29	8,20	8,57	9,05	9,44	10,39	11,16	11,44	12,83	13,97
13. Other services	8,57	8,91	9,33	9,70	10,14	10,51	10,92	11,31	11,70	12,08	12,53	13,01	13,55
Sub - Total : Community and personal services	**13,95**	**14,70**	**15,87**	**16,99**	**18,34**	**19,08**	**19,97**	**20,75**	**22,09**	**23,24**	**23,97**	**25,84**	**27,52**
Total : Domestic product at factor cost	**133,66**	**138,59**	**141,55**	**149,58**	**160,61**	**151,73**	**153,92**	**168,42**	**172,33**	**181,32**	**188,85**	**192,01**	**192,73**

Note : Data from 1970-71 onwards are on the basis of revised classification of Industrial Sectors, adopted by the source and hence are not strictly comparable with those for the earlier years. The estimates for earlier years have been suitably adjusted on a pro-rata basis to conform to the revised classification.
*Provisional. @Quick estimates.

Source : Central Statistical Organisation.

STATEMENT 4 — FINANCIAL FLOWS : SECTOR-WISE : 1970-71*

(Rs. in crores)

Borrowing Sector / Lending 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 Sector	—	—	58.3	122.1	226.3	44.0	960.2	215.6	—104.0	—0.7	558.6	1127.5	**1699.4**	**1508.5**
2. Other financial institutions	144.3	47.6	—	—	76.3	—	266.2	16.7	—0.5	4.1	42.7	487.6	**529.0**	**556.0**
3. Private corporate business	27.1	224.6	—	111.7	—	—	16.0	57.1	—0.9	—35.3	—51.7	55.0	**—9.5**	**413.1**
4. Government	349.9	920.7	15.9	342.6	43.8	4.9	—	—	182.9	506.7	69.4	251.0	**661.9**	**2025.9**
5. Rest of the world	—74.6	—145.4	18.2	—0.4	—5.0	—	371.5	178.5	—	—	—	—	**310.1**	**32.7**
6. Households	1127.5	558.6	487.6	42.7	70.9	—35.8	251.0	69.4	—	—	—	—	**1937.0**	**634.9**
7. Items not classified elsewhere	76.2	37.3	21.9	14.2	2.5	1.0	549.4	157.7	—1.3	11.2	—	—	**648.7**	**221.4**
TOTAL	**1650.4**	**1643.4**	**601.9**	**632.9**	**414.8**	**14.1**	**2414.3**	**695.0**	**76.2**	**486.0**	**619.0**	**1921.1**	5776.6	5392.5
Discrepancy (Sources-Uses)														+384.1

* Provisional

STATEMENT 5 — FINANCIAL FLOWS : INSTRUMENT-WISE : 1970-71*

(Rs. in crores)

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 & Deposits	1401.7	—11.3	—	64.8	22.2	44.1	11.0	185.3	—	162.3	—	1120.1	**1434.9**	**1565.3**	—130.4
2. Investments	143.5	430.8	36.7	295.5	59.5	5.2	766.9	71.5	— 128.5	13.6	—	— 6.4	**878.1**	**810.2**	+67.9
3. Loans and advances	21.2	1203.2	76.8	195.0	314.7	—35.8	739.4	278.9	16.2	317.4	634.9	84.4	**1803.2**	**2043.1**	—239.9
4. Small savings	—	—	—	81.6	—	—	168.5	—	—	—	—	86.9	**168.5**	**168.5**	—
5. Life fund	—	—	213.0	—	—	—	7.7	—	—	0.8	—	219.9	**220.7**	**220.7**	—
6. Provident Fund	—	—	253.7	—	—	—	162.5	—	—	—	—	416.2	**416.2**	**416.2**	—
7. Trade debt or credit	—	—	—	—	15.9	—	246.8	—	—	—	—15.9	—	**246.8**	—	+246.8
8. Foreign claims not elsewhere classified	0.6	—16.6	—	—	—	—	—	157.1	157.0	—	—	—	**157.6**	**140.5**	+17.1
9. Other items not elsewhere classified	83.4	37.3	21.7	—4.0	2.5	0.6	311.5	2.2	31.5	—8.1	—	—	**450.6**	**28.0**	+422.6
TOTAL	**1650.4**	**1643.4**	**601.9**	**632.9**	**414.8**	**14.1**	**2414.3**	**695.0**	**76.2**	**486.0**	**619.0**	**1921.1**	5776.6	5392.5	+384.1

* Provisional

STATEMENT 6 — ESTIMATES OF (NET) SAVING OF THE PUBLIC 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
	1	2	3	4	5	6	7
Saving of the Public Sector	177.0	158.2	139.3	199.5	238.2	348.5	411.2
Per cent to National Income	*1.6*	*1.4*	*1.1*	*1.5*	*1.8*	*2.5*	*2.8*
Saving of the Domestic Corporate Sector	58.5	18.1	32.3	56.4	107.5	109.4	133.9
Per cent to National Income	*0.5*	*0.2*	*0.3*	*0.4*	*0.8*	*0.8*	*0.9*

Item	1963-64	1964-65	1965-66*	1966-67*	1967-68*	1968-69*	1969-70*	1970-71*
	8	9	10	11	12	13	14	15
Saving of the Public Sector	538.5	536.8	659.9	413.3	316.7	584.0	682.0	747.0
Per cent to National Income ..	*3.2*	*2.7*	*3.2*	*1.7*	*1.1*	*2.0*	*2.2*	*2.2*
Saving of the Domestic Corporate Sector	142.9	91.6	89.2	103.3	49.3	62.4	120.6	210.0
Per cent to National Income ..	*0.8*	*0.5*	*0.4*	*0.4*	*0.2*	*0.2*	*0.4*	*0.6*

* Provisional

STATEMENT 7—SAVING OF THE HOUSEHOLD SECTOR IN THE FORM OF FINANCIAL ASSETS

(Rupees 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	1969-70R	1970-71*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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**	**1090.3R**	**1194.2R**	**1324.6R**	**1479.1**	**1921.1**
(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*	*4.8*	*5.7*
(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	344.2
(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*	*1.0*
(b)	*11.9*	*14.5*	*26.9*	*24.6*	*22.0*	*15.3*	*23.6*	*21.1*	*14.9*	*26.3*	*11.5*	*13.5*	*20.5*	*22.7*	*17.9*
(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	548.1	775.9
(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*	*1.8*	*2.3*
(b)	*22.8*	*30.1*	*24.8*	*28.7*	*10.5*	*31.9*	*24.0*	*28.6*	*36.9*	*33.3*	*40.2*	*34.2*	*31.1*	*37.1*	*40.4*
(iii) Loans to Companies†	6.4	11.9	—4.9	13.8	67.1	48.5	71.4	53.3	43.8	22.9	78.1R	54.3R	102.5R	58.2	84.4
(a)	*0.1*	*0.1*	*—*	*0.1*	*0.5*	*0.3*	*0.5*	*0.3*	*0.2*	*0.1*	*0.3*	*0.2*	*0.4*	*0.2*	*0.3*
(b)	*1.5*	*3.1*	*—1.1*	*2.6*	*10.0*	*7.4*	*9.7*	*5.2*	*4.8*	*2.1*	*7.2*	*4.5*	*7.7*	*3.9*	*4.4*
(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	189.4	219.9
(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*	*0.7*
(b)	*5.7*	*5.9*	*7.8*	*8.5*	*9.2*	*11.2*	*12.4*	*9.1*	*10.7*	*8.2*	*13.0*	*12.6*	*13.9*	*12.8*	*11.4*
(v) Provident Funds ..	60.5	72.2	68.0	79.1	109.3	113.5	128.8	155.4	181.5	198.2	209.6R	268.8R	273.1R	358.2	416.2
(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*	*1.0*	*1.1*	*1.2*
(b)	*13.8*	*19.1*	*15.1*	*14.7*	*16.3*	*17.5*	*17.5*	*15.2*	*19.9*	*18.2*	*19.2*	*22.5*	*20.6*	*24.2*	*21.7*
(vi) Claims on Govt. ..	139.5	53.2	92.7	57.5	89.9	38.9	70.3	100.0	91.0	105.4	77.2R	104.6R	57.3R	—28.0	58.9
(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*	*0.2*
(b)	*31.9*	*14.0*	*20.6*	*10.7*	*13.4*	*6.0*	*9.5*	*9.8*	*10.0*	*9.7*	*7.1*	*8.8*	*4.3*	*—1.9*	*3.1*
(vii) Corporate(Private non/financial) & 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	—6.4	5.9
(a)	*0.5*	*0.4*	*0.2*	*0.4*	*0.9*	*0.5*	*0.2*	*0.7*	*0.1*	*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*	*2.7*	*0.5*	*—0.4*	*0.3*
(viii) Securities of Term lending & 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	0.9
(a)	*—*	*0.1*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*
(b)	*0.2*	*1.9*	*0.9*	*0.6*	*0.1*	*0.1*	*0.2*	*—*	*—0.2*	*0.2*	*0.3*	*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	14.8
(a)	..	..	..	..	..	..	..	..	*0.1*	*—*	*—*	*0.1*	*0.1*	*0.1*	*—*
(b)	..	..	..	..	..	..	..	..	*1.7*	*0.2*	*0.7*	*1.2*	*1.2*	*1.4*	*0.8*

STATEMENT 7—SAVING OF THE HOUSEHOLD SECTOR IN THE FORM OF FINANCIAL ASSETS—(*Concld.*)

(Rupees 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	1969-70R	1970-71*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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**	**543.7R**	**716.5**	**619.0**
(a)	*0.8*	*0.2*	*0.6*	*0.9*	*2.3*	*0.9*	*1.5*	*1.6*	*1.2*	*1.2*	*1.4*	*1.2*	*1.9*	*2.3*	*1.8*
(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	444.8R	629.6	558.6
(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*	*1.5*	*2.0*	*1.6*
(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*	*81.8*	*87.9*	*90.3*
(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	42.7
(a)	—	—	—	—	—	*0.1*	—	*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*	*4.9*	*4.5*	*6.9*
(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	7.7	40.1	69.4
(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*	*0.2*
(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*	*5.6*	*11.2*
(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	—35.8
(a)	—	—	—	—	—	—	*0.1*	*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*	*3.1*	*2.8*	*—5.8*
(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	—15.9
(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*	*8.8*	*—0.8*	*—2.6*
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**	**753.0R**	**836.1R**	**780.9R**	**762.6**	**1302.1**
(a)	*3.3*	*3.3*	*3.2*	*3.5*	*2.8*	*3.7*	*3.4*	*4.4*	*3.3*	*4.1*	*3.2*	*3.0*	*2.7*	*2.5*	*3.9*

Note : (1) Estimates presented here are based on the accounts of financial flows for the household sector anp are, therefore, consistent with the figures given in statements 4 and 5.

(2) Due to change in methodology, estimates of Bank advances to Household sector for 1968-69 and thereafter are not strictly comparable with those for earlier years.

† Including non-banking deposits; * Provisional. ** Including State Government and Postal Insurance Fund; R=Revised

@ Relates to Non-Government financial and non-financial companies.

(*a*) Percentage to National Income.

(*b*) Percentage to Financial Assets/Liabilities.

STATEMENT 8—AREA AND PRODUCTION OF

Commodity	1960-61		1965-66		1969-70	
	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
	1	2	3	4	5	6
FOODGRAINS						
Cereals						
1. Rice (*a*)	34,128	34,574	35,470	30,589	37,680	40,430
2. Wheat	12,927	10,997	12,572	10,394	16,626	20,093
3. Jowar	18,412	9,814	17,679	7,581	18,605	9,721
4. Bajra	11,469	3,283	11,965	3,752	12,493	5,327
5. Maize	4,407	4,080	4,739	4,823	5,862	5,674
6. Ragi	2,515	1,838	2,696	1,327	2,785	2,117
7. Barley	3,205	2,819	2,640	2,382	2,765	2,716
8. Small millets	4,955	1,909	4,564	1,555	4,733	1,732
Total Cereals	**92,018**	**69,314**	**92,385**	**62,403**	**101,547**	**87,810**
Pulses						
9. Gram	9,276	6,250	8,015	4,224	7,751	5,546
10. Other Pulses	14,287	6,454	14,703	5,720	14,272	6,145
Total Pulses	**23,563**	**12,704**	**22,718**	**9,944**	**22,023**	**11,691**
Total Foodgrains (Cereals and Pulses)	**115,581**	**82,018**	**115,103**	**72,347**	**123,570**	**99,501**
NON-FOODGRAINS						
11. Sugarcane						
(*i*) Cane	2,415	110,001	2,836	123,990	2,749	135,024
(*ii*) Gur		11,141		12,769		13,783
12. Oilseeds	21,380	8,847	23,210	8,010	22,542	9,624
(*i*) Groundnut (Nuts in shell)	6,463	4,812	7,698	4,263	7,125	5,130
(*ii*) Rapeseed/Mustard	2,883	1,347	2,913	1,298	3,172	1,564
(*iii*) Sesamum	2,169	318	2,509	424	2,309	448
(*iv*) Linseed	1,789	398	1,723	331	1,803	469
(*v*) Castorseed	466	107	405	80	402	123
(*vi*) Cottonseed	7,610	1,865	7,962	1,614	7,731	1,890
13. Cotton (Lint) (*b*)		5,293		4,582		5,255
14. Jute (*b*)	629	4,134	758	4,476	768	5,655
15. Mesta (*b*)	274	1,129	352	1,302	322	1,130
16. Tea	331	321	342	366	353	394
17. Coffee	114	42	129	64	131	64
18. Rubber	129	25	157	50	197	82
19. Tobacco	401	307	377	293	438	337

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; 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 and 1967-68

AGRICULTURAL COMMODITIES

(In thousands)

1970-71		1971-72		1972-73		Production target for 1973-74 (Tonnes)
Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	
7	8	9	10	11	12	13
37,592	42,225	37,758	43,068	36,019	38,633	45,000
18,241	23,832	19,139	26,410	19,881	24,923	30,000
17,374	8,105	16,777	7,722	14,811	6,442	8,700
12,913	8,029	11,773	5,319	11,716	3,795	6,500
5,852	7,486	5,668	5,100	5,726	6,206	6,500
2,472	2,155	2,425	2,208	2,286	1,914	2,500
2,555	2,784	2,455	2,577	2,406	2,327	2,000
4,783	1,988	4,477	1,669	4,176	1,474	1,500
101,782	**96,604**	**100,472**	**94,073**	**97,021**	**85,714**	**102,700**
7,839	5,199	7,912	5,081	6,940	4,469	5,300
14,695	6,619	14,238	6,013	13,468	5,019	6,700
22,534	**11,818**	**22,150**	**11,094**	**20,408**	**9,488**	**12,000**
124,316	**108,422**	**122,622**	**105,167**	**117,429**	**95,202**	**114,700**
2,615	126,368 12,979	2,390	115,378 11,626	2,481	123,968 12,636	N.A. 15,000
23,023	10,880	23,563	11,111	22,346	8,687	9,400@
7,326	6,111	7,240	6,181	6,877	3,924	N.A.
3,323	1,976	3,614	1,433	3,390	1,853	N.A.
2,433	562	2,392	450	2,232	355	N.A.
1,897	474	2,064	530	1,740	439	N.A.
439	136	453	154	403	136	N.A.
7,605	1,621 4,499	7,800	2,363 6,564	7,704	1,980 5,489	6,500
749	4,938	815	5,684	706	4,869	6,270
330	1,255	296	1,150	288	1,162	1,270
354	419	357	433	358(*p*)	450(*p*)	460
136	110(*c*)	139	69	N.A.	90(*p*)	90
203	92	208	101	214	112	125
447	362	458	419	434	364	350

are partially revised and 1968-69 onwards they are final estimates. The figures for 1972-73 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.
(*p*) Provisional.
N. A. = Not available. @ Excluding cotton seed.

Source : Ministry of Agriculture, Government of India 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	1972-73
	1	2	3	4	5	6	7
Rice	34.80	101.8	90.0	118.5	123.8	126.3	113.3
Wheat	8.36	98.8	93.4	180.6	214.2	237.3	223.9
Jowar	5.87	112.3	86.0	110.3	92.0	87.6	73.1
Bajra	2.53	94.4	107.8	153.0	230.6	152.8	109.0
Maize	2.40	98.8	115.8	132.9	175.3	119.4	145.3
Total cereals	**57.89**	**101.6**	**90.9**	**127.2**	**138.9**	**137.1**	**124.3**
Gram	3.85	106.2	71.7	94.2	88.3	86.3	75.9
Total Pulses	**7.97**	**105.5**	**82.4**	**96.7**	**97.7**	**91.7**	**78.8**
Total Foodgrains	**65.86**	**102.1**	**89.9**	**123.5**	**133.9**	**131.6**	**118.8**
Groundnut	5.40	101.5	92.1	110.8	132.0	133.5	84.8
Total Oilseeds	**11.44**	**102.7**	**98.0**	**117.1**	**133.4**	**130.8**	**107.3**
Cotton	3.27	119.1	104.1	119.4	102.2	149.1	124.7
Jute	1.34	82.8	89.6	113.2	99.1	114.1	97.7
Total Fibres	**5.04**	**106.6**	**98.8**	**114.6**	**100.2**	**133.8**	**113.5**
Tea	2.88	96.2	109.7	117.9	125.4	129.8	134.8
Total Plantation Crops	**3.26**	**96.7**	**112.8**	**123.9**	**138.8**	**137.7**	**146.6**
Chillies (Dry)	1.51	108.0	92.2	100.0	131.7	125.0	103.3
Total Condiments and Spices ..	**2.64**	**104.2**	**102.4**	**112.2**	**133.4**	**132.2**	**119.6**
Potatoes	1.22	102.5	145.5	139.7	171.6	172.3	159.7
Total Fruits and Vegetables ..	**2.32**	**101.4**	**133.0**	**130.8**	**143.6**	**143.3**	**136.7**
Sugarcane (Gur)	7.79	108.1	121.0	130.6	122.3	109.6	119.1
Tobacco	1.37	97.7	95.3	109.6	117.7	136.2	118.2
Total Miscellaneous	**9.44**	**106.4**	**115.6**	**126.3**	**122.1**	**113.4**	**117.9**
Total Non-Foodgrains	**34.14**	**103.8**	**107.1**	**120.5**	**126.6**	**128.0**	**117.8**
All Crops	**100.00**	**102.7**	**95.8**	**122.5**	**131.4**	**130.4**	**118.5**

Source : Ministry of Agriculture, Government of India.

STATEMENT 10 — INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base : 1960 = 100)

Input-based and Sector-based Classifications †

Year/Month	Input-based Classification			Sectoral Indicators	
	Agro-based industries	Metal-based industries	Chemical-based industries	Transport equipment and allied industries	Electricity and allied industries
Weight	**44.08**	**16.55**	**8.94**	**10.90**	**8.42**
	1	2	3	4	5
1961	105.2	115.9	111.6	115.2	114.0
1965	121.2	230.4	153.4	194.3	197.2
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	258.9	295.7	182.3	406.7
1973@	132.7	270.2	296.2	190.9	394.9
January 1973	139.0	277.7	308.3	188.8	402.6
February ,, ...	129.1	262.7	287.1	174.6	365.5
March ,, ...	128.9	316.7	330.0	212.7	412.6
April ,, ...	122.0	254.1	302.5	181.6	385.4
May ,, ...	125.8	265.6	280.5	181.5	393.8
June ,, ...	128.2	276.9	276.3	189.7	396.2
July ,, ...	136.2	265.0	297.2	196.2	392.6
August ,, ...	143.2	276.2	313.3	202.4	408.5
September ,, ...	142.0	259.2	284.8	188.1	397.0
October ,, ...	132.5	247.5	282.4	193.3	394.4

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.

† Reclassified in R. B. I.

@ Average of monthly indices from January to October 1973.

Source for basic data : *Monthly Statistics of the Production of Selected Industries of India*, C. S. O.

STATEMENT 11 — INDEX NUMBERS OF

(Base : 1960

Industry	Weight	1961	1965	1969	1970	1971†	1972†	1973†@
		1	2	3	4	5	6	7
I. Basic Industries	**25.11**	**112.7**	**164.3**	**212.0**	**221.7**	**233.8**	**254.3**	**248.6**
1. Mining and quarrying	9.72	105.4	131.7	147.4	149.0	153.4	164.2	161.7
2. Heavy inorganic chemicals	0.69	121.4	213.8	308.0	337.4	354.7	392.4	391.7
3. Fertilizers	0.46	138.9	252.3	548.2	668.7	841.3	977.9	1033.2
4. Cement	1.17	105.1	134.8	173.7	177.9	190.3	200.8	187.3
5. Iron and steel basic industries	6.23	121.0	185.3	201.2	187.8	186.3	204.0	200.2
6. Aluminium manufacturing	0.57	110.6	236.1	424.0	508.7	557.9	579.2	519.8
7. Electricity	5.37	116.3	190.9	301.1	334.0	358.5	390.7	376.8
II. Capital Goods Industries	**11.76**	**118 0**	**244.0**	**214.0**	**224.6**	**224.3**	**243.5**	**270.1**
1. Prime movers, boilers and steam generating plants	0.59	130.3	438.6	496.9	486.4	558.9	464.4	441.6
2. Industrial machinery	0.93	111.0	153.6	130.6	120.6	86.3	119.3	166.8
3. Machinery components and accessories	1.06	121.2	428.8	360.9	396.0	440.7	522.6	527.6
4. Electrical cables and insulated wires	0.68	104.2	198.3	201.9	220.1	256.3	302.6	304.9
5. Railroad equipment (*a*)	3.50	126.2	259.2	116.8	93.6	69.0	73.4	86.0
6. Motor vehicles	2.51	104.2	136.0	145.2	157.8	168.3	165.9	173.7
III. Intermediate Goods Industries	**25.88**	**105.8**	**140.2**	**154.4**	**158.8**	**160.4**	**171.2**	**171.6**
1. Cotton spinning	11.79	108.4	120.9	127.8	127.0	117.7	127.8	127.5
2. Spinning, weaving and finishing of jute manufactures	3.97	89.1	120.3	77.8	85.1	94.7	96.8	89.0
3. Wood and cork except manufacture of furniture	0.80	95.5	235.2	256.6	198.7	224.1	217.7	149.1
4. Tyres and tubes	1.48	114.2	173.5	255.0	258.3	295.4	313.1	303.4
5. Synthetic fibres	0.64	116.2	174.0	223.1	230.7	232.3	260.1	238.3
6. Dye-stuff and dyes	0.61	102.7	141.8	198.4	195.6	187.1	192.7	208.2
7. Petroleum refinery products	1.34	106.0	158.7	280.8	297.3	316.9	317.2	327.9
8. Structural clay products	0.77	118.5	124.1	280.9	302.3	317.8	381.8	388.2
9. Non-metallic mineral products (n.e.c.)	1.10	102.6	193.7	147.8	181.5	200.3	195.0	208.7
10. Fittings, fixtures and fasteners	0.85	107.3	197.2	98.8	104.8	111.0	118.7	113.6
IV. Consumer Goods Industries	**37.25**	**106.6**	**127.5**	**145.3**	**154.7**	**159.7**	**168.2**	**157.9**
A. Consumer Non-durable Goods Industries	**31.57**	**105.8**	**120.5**	**128.3**	**137.6**	**140.2**	**147.3**	**140.5**
1. Flour milling and grinding	1.49	100.7	127.6	185.9	231.0	251.7	280.8	204.2
2. Sugar factories and refineries (Sugar refined)	3.58	110.0	124.7	149.1	165.3	141.7	132.5	128.3
3. Hydrogenated oil (Vanaspati)	1.09	100.4	127.1	142.7	154.4	174.8	178.4	132.8
4. Tea	5.12	111.6	114.1	108.1	128.4	133.2	140.3	151.7
5. Cigarettes	2.15	106.7	146.1	161.4	168.0	177.9	167.1	162.8
6. Cotton weaving	9 39	100.3	100.0	91.5	92.7	89.5	93.6	92.6
7. Paper and paper products	1.61	105.8	147.2	201.4	216.5	225.7	226.1	239.7
8. Fine and pharmaceutical chemicals	2.21	114.6	133.7	156.7	156.6	157.6	193.7	167.0
9. Soaps and other washing and cleaning compounds	0.95	104.5	121.0	187.1	195.6	234.7	289.3	233.4
10. Matches	0.50	97.1	110.9	96.2	88.0	80.2	73.1	73.6
11. Glass and glass products	0.57	104.6	131.1	116.6	110.6	150.0	158.5	137.4
B. Consumer Durable Goods Industries	**5.68**	**110.8**	**166.5**	**239.7**	**249.5**	**268.0**	**284.2**	**254.9**
12. Metal products (n.e.c.)	1.30	108.0	195.7	240.9	263.1	290.0	297.3	293.5
13. Commercial office and household machines	0.53	128.4	137.6	125.3	143.6	177.5	180.2	171.0
14. Electrical appliances	0.56	108.2	152.5	183.4	190.9	228.2	282.4	254.5
15. Communication equipment	0.61	121.6	217.4	646.8	661.1	726.6	721.3	567.2
16. Motor cycles and bicyles	0.62	107.8	164.7	243.1	266.5	259.7	292.4	326.6
General Index	**100.00**	**109.2**	**153.8**	**172.5**	**180.8**	**186.1**	**199.4**	**197.3**

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 in Reserve Bank of India by combining the index numbers for the individual industries, constituting each group/sub-group, using the respective weights.

(*a*) Relates to production in private sector only upto 1964 and to both private and public sectors thereafter.

@ Average of monthly indices from January to October 1973. † Provisional.

INDUSTRIAL PRODUCTION

= 100)

1973†									
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.
8	9	10	11	12	13	14	15	16	17
270.8	**249.4**	**269.9**	**238.0**	**237.8**	**235.7**	**251.6**	**251.7**	**238.9**	**241.8**
175.6	168.5	174.5	168.1	166.1	159.1	154.8	153.8	151.5	145.1
429.8	388.8	410.1	392.3	381.6	368.7	412.6	421.0	358.0	354.4
1161.9	1146.3	1104.1	846.5	847.5	868.8	1107.0	1192.4	992.9	1064.9
216.6	171.1	187.0	172.2	171.0	166.2	203.3	198.0	187.5	200.5
230.8	214.1	243.6	170.7	176.3	182.6	206.5	200.5	184.8	192.2
569.8	506.0	578.6	533.5	490.4	487.4	505.6	536.8	473.0	516.9
395.4	349.3	384.6	363.7	364.1	357.3	389.1	390.1	385.1	389.2
273.0	**257.8**	**319.6**	**256.2**	**262.8**	**271.9**	**267.0**	**275.4**	**262.4**	**254.8**
457.1	369.8	624.8	438.1	406.5	320.9	446.9	469.5	500.5	381.6
136.1	167.5	196.6	158.9	156.4	167.6	182.7	183.9	161.2	157.0
512.9	528.0	497.0	546.0	507.2	547.7	539.8	531.9	549.4	515.9
336.0	325.6	327.6	302.0	304.6	303.3	308.5	286.8	289.7	265.1
73.8	78.6	118.6	70.2	78.2	86.2	84.0	89.9	84.7	95.3
196.6	140.7	207.1	182.8	178.0	182.1	178.0	180.6	127.9	162.8
171.4	**154.9**	**166.5**	**165.1**	**169.2**	**167.2**	**180.2**	**184.6**	**181.1**	**175.6**
131.3	112.2	116.1	111.3	120.0	122.9	139.8	141.1	143.6	136.5
87.8	87.3	99.2	88.6	92.9	85.3	88.1	91.5	86.0	83.1
158.2	144.2	141.6	176.9	173.6	148.7	164.3	140.4	66.2	176.6
284.6	288.8	290.8	279.8	278.0	304.0	318.0	343.8	366.9	279.5
276.9	245.1	271.3	243.9	246.1	229.2	229.6	229.7	198.8	212.7
220.0	211.6	235.7	201.6	234.6	179.7	201.3	198.8	196.4	202.7
277.7	275.2	350.2	312.8	313.0	314.1	355.8	353.3	343.1	384.0
397.6	313.4	398.2	384.5	414.9	406.1	413.0	405.9	383.5	365.4
205.7	180.1	200.0	193.8	225.1	197.0	197.4	233.6	237.8	216.9
116.3	116.7	120.1	94.1	97.8	130.1	94.4	118.9	130.1	117.8
167.2	**157.7**	**168.6**	**150.2**	**151.3**	**155.1**	**155.5**	**165.9**	**159.0**	**148.7**
146.8	**139.8**	**146.4**	**135.7**	**133.1**	**137.1**	**138.2**	**147.7**	**144.8**	**135.1**
225.5	217.7	240.0	204.5	201.0	208.7	205.8	199.0	178.0	161.5
353.8	336.1	302.1	155.6	51.6	12.1	9.6	13.6	18.3	30.0
167.9	163.2	157.6	135.9	96.0	126.7	114.7	129.3	123.5	113.0
27.5	22.7	22.1	107.7	175.4	190.7	216.8	260.5	248.8	244.7
166.6	166.4	105.2	155.2	158.9	210.6	176.5	163.5	171.5	153.2
94.8	85.2	90.9	86.8	93.9	92.6	97.4	95.3	97.7	91.2
209.1	215.1	246.7	237.0	224.6	226.0	260.6	245.3	275.9	256.4
153.6	163.2	303.2	170.5	148.4	152.7	104.7	213.5	133.9	126.8
295.6	253.0	242.5	301.2	239.5	241.3	262.1	136.0	236.7	125.9
68.1	66.3	64.2	62.8	69.5	77.3	88.9	87.4	83.7	67.7
150.6	147.5	152.8	139.1	158.6	141.0	105.8	134.6	133.6	110.3
280.5	**257.2**	**291.9**	**230.7**	**252.4**	**255.3**	**251.6**	**267.2**	**238.0**	**224.4**
363.4	377.5	391.1	245.2	275.3	285.0	272.1	259.7	256.8	208.6
155.2	139.7	172.2	155.7	187.9	185.0	185.9	203.3	177.9	147.0
270.9	239.0	272.3	263.4	245.6	284.0	234.0	256.9	236.7	242.6
555.0	483.3	616.1	554.3	647.7	665.8	508.2	612.2	470.6	558.9
341.6	318.8	328.7	311.5	331.0	339.3	351.7	334.9	308.8	299.6
206.7	**191.8**	**211.3**	**188.6**	**190.7**	**192.2**	**199.1**	**204.9**	**197.0**	**191.0**
(201.1)	**(194.7)**	**(201.8)**	**(193.1)**	**(195.2)**	**(195.4)**	**(197.4)**	**(205.4)**	**(199.3)**	**(198.5)**

Source : *Monthly Statistics of the Production of Selected Industries of India*, C.S.O.

STATEMENT 12—INDUSTRIAL

Industry	Unit	1960	1965	1969	1970	1971‡	1972‡	1973‡†
		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	6,66,09
2. Iron ore (*a*)	,,	1,06,80	1,68,96	2,09,64	2,22,24	2,75,46	3,30,78	2,78,97
3. Salt refining	00,000 Quintals	3,44	4,72	4,08	5,39	5,44	6,52	6,33
4. Sulphuric acid	000 Metric tons	3,54	6,85	11,81	10,78	10,20	11,31	10,81
5. Caustic soda	,,	98	2,15	3,47	3,73	3,75	3,94	3,39
6. Cement	,,	78,44	1,05,84	1,36,20	1,39,56	1,49,33	1,57,54	1,22,47
7. Ammonium Sulphate 'N'content	,,	77	88	1,36	1,26	1,25	1,19	1,03
8. Pig iron and ferro-alloys (*b*)	,,	42,64	71,23	75,01	72,19	69,40	73,46	63,55
9. Finished steel	,,	22,22	45,19	48,49	48,10	44,69	49,09	40,39
10. Bleaching powder (*c*)	Metric tons	5,928	7,356	15,576	13,740	16,718	18,761	13,370
11. Gold	Kilograms	4,992	4,068	3,060	3,240	3,662	3,290	2,698
12. Aluminium (*d*)	Metric tons	16,418	24,533	34,512	42,638	44,464	49,916	44,396
13. Brass (*d*) (*e*)	,,	27,228	13,428	16,020	14,916	16,593	16,581	12,723
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	51,59,83
II. Capital Goods Industries								
15. Diesel engines $	Numbers	52,752	96,744	1,44,562	71,413‡	86,034	74,283	1,11,582
16. Railway wagons (*g*)	,,	10,440	35,436	15,744	14,268	8,584	10,427	9,790
17. Motor vehicles £	,,	52,116	72,588	78,264	97,584	89,148	86,452	76,141
18. Electric motors	000's	1,22	2,66	2,75	3,45‡	2,77	2,94	3,08
19. Power transformers	000 k.v.a.	12, 82	43,16	50,50	70,99	87,85	96,66	99,63
20. Machine tools	Rs. lakhs	6,69	28,06	28,93	39,44	51,87	62,35	53,64
III. Intermediate Goods Industries								
21. Cotton spinning	00,000 kgs.	78,79	93,92	96,51	96,02	88,09	97,26	81,43
22. Woollen/worsted yarn @	,,	1,27	1,81	1,89	1,96	2,11	2,28	1,90
23. Jute manufactures (*h*)	000 Metric tons	11,08	13,36	8,94	9,54	10,81	11,11	8,50
(i) Hessian (*i*)	,,	4,30	5,29	2,87	3,50	3,20	3,32	2,68
(ii) Sacking	,,	5,50	5,90	3,07	4,19	4,83	4,83	3,48
24. Tyres (Automobiles)	000's	13,62	23,54	36,29	36,55	41,90	44,05	35,83
25. Paints and varnishes	000 Metric tons	52	71	62	66	68	75	63
26. Petroleum refinery products	,,	57,47	91,20	1,61,40	1,70,86	1,82,64	1,82,29	1,57,04
27. Synthetic fibres (*j*)	,,	45	82	1,16	1,21‡	1,23	1,38	1,11
IV. Consumer Goods Industries								
28. Sugar (refined) (*k*)	000 Metric tons	24,73	32,60	35,60	42,84	37,44	31,81	38,37
29. Tea (*l*)	00,000 kgs.	32,11	36,60	34,68	41,16	44,10	45,07	40,59
30. Hydrogenated oil (Vanaspati)	000 Quintals	33,77	42,96	48,24	52,20	59,01	60,23	37,35
31. Cigarette manufacturing	00,00,000's	36,97	54,04	59,65	62,17	65,80	61,77	50,15
32. Cotton weaving								
(i) Mill sector	00,000 Metres	4,61,62	4,58,76	4,16,88	3,92,88	3,95,68	4,23,06	3,44,38
(ii) Decentralised sector	000,000 ,,	20,16	30,60	35,38	36,92‡	33,99	37,79	30,45
33. Woollen/worsted fabrics (*m*) @	000 ,,	76,04	98,66	1,25,27	1,33,92	1,58,43	1,95,00	1,62,50
34. Footwear (Leather)	00,000 pairs	92	1,57	1,67	1,55	1,59	1,38	1,19
35. Footwear (Rubber)	,,	4,46	5,30	4,93	4,48	4,36	4,36	3,14
36. Paper and paper boards	000 Metric tons	3,45	5,37	7,07	7,59	7,77	7,51	5,67
37. Matches	Million sticks	28,93,68	26,74,20	27,83,28	25,46,16	23,19,88	21,38,06	17,74,39
38. Soap (*n*)	000 Metric tons	1,43	1,69	2,24	2,32	2,61	2,94	1,74
39. Enamelware	000 pieces	1,41,49	4,07,88	3,01,32	3,57,24	1,44,24	2,08,64	1,57,31
40. Bicycles	000's	10,50	15,36	19,20	20,52	18,92	22,46	20,44

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.

PRODUCTION

1973‡									
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.
8	9	10	11	12	13	14	15	16	17
70,26	68,61	70,23	67,66	68,12	66,42	66,17	66,59	64,11	57,92
35,43	31,47	32,59	32,77	29,49	24,10	22,15	20,21	23,64	27,12
31	46	88	1,08	1,22	1,47	32	14	21	24
1,05	1,08	102	1,02	1,04	1,12	1,06	1,19	1,14	1,09
37	31	34	33	32	30	39	38	34	31
14,16	11,19	12,22	11,26	11,18	10,86	13,29	12,94	12,26	13,11
10	11	12	10	10	10	10	10	10	10
6,97	6,53	7,30	6,27	6,19	5,86	6,44	6,32	5,62	6,05
4,71	4,43	5,16	3,38	3,37	3,60	4,08	4,00	3,74	3,92
2,194	1,498	1,589	1,365	957	1,109	1,165	1,489	650	1,354
265	282	336	195	241	262	244	288	325	260
4,527	3,140	4,776	4,823	4,538	4,532	4,163	4,780	4,802	4,315
1,410	1,485	1,365	990	1,271	1,331	1,300	1,194	1,207	1,170
5,41,50	4,78,40	5,26,70	4,98,09	4,98,58	4,89,23	5,32,87	5,34,15	5,27,36	5,32,95
10,511	10,012	11,824	10,536	10,737	10,646	11,126	12,295	12,440	11,455
823	790	1,252	834	938	946	956	1,089	1,003	1,159
8,540	6,436	9,391	7,937	7,729	79,08	7,729	7,845	5,556	7,070
34	31	35	31	28	29	32	31	30	27
7,81	8,24	10,78	10,56	10,74	11,63	8,56	10,41	11,34	9,56
5,50	5,57	4,87	5,10	4,99	5,00	5,32	5,25	5,59	6,45
8,34	7,23	7,52	7,19	7,75	7,90	8,89	8,90	9,08	8,63
19	19	19	19	19	19	19	19	19	19
84	83	95	84	88	81	84	88	83	80
26	26	29	28	30	29	27	26	24	23
36	35	40	35	36	30	32	36	35	33
3,38	3,37	3,39	3,29	3,30	3,62	3,78	4,06	4,30	3,34
7	6	6	6	6	6	6	7	6	7
13,30	13,18	16,77	14,98	14,99	15,04	17,04	16,92	16,43	18,39
13	11	13	11	12	11	10	11	9	10
7,63	7,25	6,52	3,36	1,11	26	21	29	40	65
74	61	59	2,88	4,69	5,10	5,80	6,97	6,66	6,55
4,73	4,59	4,43	3,82	2,70	3,56	3,23	3,64	3,47	3,18
5,13	5,13	3,24	4,78	4,90	6,49	5,44	5,04	5,28	4,72
35,72	31,82	33,34	32,31	34,99	34,70	36,42	35,42	36,05	33,61
3,31	2,94	1,83	1,73	2,54	3,20	3,55	3,98	3,82	3,55
16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25	16,25
11	12	15	12	14	11	11	14	11	8
30	29	31	29	29	45	29	38	24	30
57*	61	66	62	61	58	69	62	71	..
1,64,17	1,59,91	1,54,71	1,51,40	1,67,59	1,86,35	2,14,32	2,10,71	2,01,88	1,63,35
23	20	19	21	17	17	19	11	18	9
16,80	16,60	16,65	15,50	14,40	14,50	15,10	15,00	16,00	16,76
2,15	2,00	2,00	2,04	2,13	2,11	2,15	2,11	1,87	1,88

† Relate to 10 months from January to October 1973.

£ Provisional figures relate to Automobiles (excluding tempo three-wheelers). $ Relating to both vehicular type and stationary type.

@ Due to non-availability of production data, figure for the month of September 1971 has been repeated for all the subsequent months.

‡ Provisional.

* Estimated.

Source : *Monthly Statistics of the Production of Selected Industries of India*, C. S. O.

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	2,579	1,684	1,743	209	14,075	5,830
1971-72	847	317	1,473	..	..	2,595	1,000	245	15,320	18,260
1972-73	1,436	351	1,042	6,220	..	2,344	374	338	8,267	13,700
December 1972 ..	1,078	334	1,459	..	..	2,523	901	331	16,147	14,240
January 1973 ..	1,206	321	1,324	6,370	..	2,588	1,316	304	10,632	7,850
February ,, ..	1,358	320	1,144	6,340	..	2,476	1,773	311	10,081	5,080
March ,, ..	1,503	312	1,042	6,220	..	2,344	2,164	338	8,267	13,700
April ,, ..	1,649	296	992	5,600	..	2,264	2,196	386	4,973	14,420
May ,, ..	1,756	282	800	5,430	..	2,077	1,991	456	4,962	10,610
June ,, ..	1,782	278	664	5,290	..	2,093	1,722	545	5,409	17,270
July ,, ..	1,848	273	..	5,370	..	2,013	1,428	547	6,014	18,090
August ,, ..	1,780	261	..	5,960	..	1,902	1,150	529	7,070	14,460
September ,, ..	..	..	..	5,560	..	1,970	843	520	7,516	16,740
October ,, ..	..	..	..	5,100	..	1,805	562	501	5,394	18,610
November ,, ..	..	..	..	5,180	..	1,906	512	477	9,957	15,050
December ,, ..	..	..	..	5,490	..	..	865	447	9,583	14,090

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
1972-73	2,598	..	6,542	1,482	176	137	122	220	2,403	170
December 1972 ..	4,636	..	5,359	1,383	190	136	145	214	3,421	145
January 1973 ..	3,426	..	5,732	714	204	136	155	234	3,500	150
February ,, ..	3,641	..	4,879	876	194	136	157	253	3,460	160
March ,, ..	2,598	..	6,542	1,482	176	137	122	220	2,403	170
April ,, ..	1,286	..	5,974	1,426	221	137	144	218	2,614	190
May ,, ..	1,505	..	6,428	1,498	222	138	142	214	2,450	190
June ,, ..	1,480	..	6,197	1,150	242	138	131	215	2,265	160
July ,, ..	1,043	..	6,309	1,220	257	139	130	224	2,180	166
August ,, ..	958	..	7,149	1,068	278	137	132	252	2,665	180
September ,, ..	1,095	..	4,889	990	287	139	121	250	2,588	168
October ,, ..	535	..	4,910	1,062	328	139	118	248	2,162	145
November ,, ..	921	..	5,318	1,515	318	138	105	237	2,167	166
December ,, ..	849	..	5,624	1,774	281	139	126	296	1,122	155

Note : The Industries/products have been classified according to the National Standard Industrial and Occupational Classifications.

(*a*) Mill Stock; 1 Bale = 180 Kilograms. (*b*) Annual figures relate to August falling within the financial year. (*c*) Relating to mills in the membership of Indian Jute Mills' Association; 1 Bale = 180 Kilograms. (*d*) From January 1964 onwards figures relate to stock at minehead only; figures for Goa are excluded. (*e*) Annual figures relate to October falling within the financial year. (*f*) Stock relates to unsold Stock with Mills relating to civil consumption

COMMODITIES WITH INDUSTRIES

TURES

Cotton (a)		Jute (g)		Foot wear (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	27,000	58	91	33,105	12,000	517	11,100	10,000
195	274	24	49	3,571	19,000	57	90	49,790	9,669	606	..	8,500
142	327	26	50	3,721	21,000	55	93	60,125	10,000	801	..	9,282
121	308	28	52	3,947	20,000	55	112	55,102	10,034	837	..	8,000
76	237	25	48	3,775	21,000	54	114	50,099	8,000	606	..	8,000
195	274	24	49	3,571	19,000	57	90	49,790	9,669	606	..	8,500
320	281	27	50	3,523	..	59	168	47,125	9,716	540	..	8,000
329	284	30	62	3,297	..	60	105	45,295	9,461	531	..	7,500
269	256	34	62	3,235	..	65	106	43,120	8,745	657	..	7,000
247	203	37	62	3,390	20,000	65	110	38,790	11,307	516	..	7,500
173	236	37	73	3,325	20,000	67	126	34,115	10,585	346	..	8,000
146	233	44	68	3,514	20,000	69	127	33,010	8,957	129	..	8,808
140	201	43	56	3,142	20,000	67	127	34,880	9,809	406	..	8,773
174	206	35	45	2,973	20,000	67	109	35,490	10,818	155	..	9,101
..	..	32	58	3,137	20,000	66	124	31,845	14,686	433	..	8,541

TURES (*Concld.*)

Brass (Sheets and circles only) (j)	Hurricane lanterns	Enamelware	Diesel engines (k)	Sewing machines	Dry cells	Storage batteries	Electric lamps (l)	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
1,424	310	300	1,629	16,266	135	19	5,758	261	7,160	1,865	144
1,280	360	256	2,515	22,490	133	32	5,391	317	1,720	2,858	185
1,300	390	250	2,295	22,270	114	29	5,695	303	5,072	3,705	229
1,325	390	280	1,825	23,171	90	26	5,742	265	7,399	3,092	206
1,424	310	300	1,629	16,266	135	19	5,758	261	7,160	1,865	144
1,202	350	260	3,359	24,547	175	31	6,902	239	8,690	3,237	274
1,539	320	280	3,303	15,661	193	32	6,124	266	7,252	3,915	191
1,422	60	270	3,744	16,290	137	28	7,382	280	2,854	4,182	140
1,273	50	290	4,428	15,322	92	42	7,062	432	6,224	4,265	132
1,430	80	300	4,887	15,182	106	48	7,363	369	8,553	4,597	129
1,275	120	340	6,588	22,100	88	56	5,962	345	3,041	3,755	135
1,337	110	380	7,103	25,667	85	48	4,743	325	2,815	3,655	81
1,149	140	370	6,106	19,668	111	54	3,497	344	2,652	4,414	77
1,347	140	380	6,260	21,798	112	54	2,953	326	2,342	4,045	90

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*) Relating to both vehicular type and stationary type. (*l*) Excludes '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*, C.S.O.

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
1973-74	**250**	245	267	245	265	273	233	228	218	265	234
Monthly Indices											
March 1973	**216**	219	219	212	228	244	212	200	197	231	207
April ,, ...	**221**	222	226	216	234	253	217	204	199	235	209
May ,, ...	**228**	224	239	222	243	258	225	211	201	241	216
June ,, ...	**233**	230	260	226	247	256	230	213	204	250	217
July ,, ...	**243**	236	275	234	250	266	235	217	210	256	222
August ,, ...	**247**	233	287	241	258	260	227	220	211	259	232
September ,, ...	**248**	242	273	244	275	266	228	222	212	264	230
October ,, ...	**254**	247	273	255	275	277	228	240	214	272	230
November ,, ...	**259**	257	275	256	273	285	236	237	223	274	242
December ,, ...	**260**	262	267	254	274	289	238	238	226	274	252
January 1974	**264**	264	265	258	280	293	241	240	232	278	249
February ,, ...	**267**	260	273	263	284	289	243	241	236	280	255
March ,, ...	**275**	264	288	274	286	285	249	255	246	296	256

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
1973-74	271	239	251	249	229	236	292	263	256	253	277
Monthly Indices											
March 1973	230	211	224	209	212	209	232	211	207	222	240
April ,, ...	243	212	229	217	213	212	249	218	210	222	248
May ,, ...	244	218	239	224	217	218	255	237	217	228	259
June ,, ...	249	219	245	229	221	221	256	252	220	232	266
July ,, ...	263	225	255	238	226	228	264	267	259	241	281
August ,, ...	265	229	253	249	226	231	278	279	260	246	275
September ,, ...	258	234	247	244	224	231	280	269	261	243	281
October ,, ...	272	249	249	254	226	237	298	266	260	256	279
November ,, ...	275	251	249	254	231	247	305	274	279	263	282
December ,, ...	280	252	257	259	233	248	308	266	278	264	298
January 1974	290	256	257	268	238	254	321	271	275	276	293
February ,, ...	299	255	263	275	241	251	343	272	275	280	282
March ,, ...	312	270	271	278	248	257	347	286	277	290	279

(*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
1973-74	**221**	204	217	204	231	223	228	215	222	244	229	215	231	221	238	217	208
Monthly Indices																	
March .. 1973	**199**	191	193	181	213	206	204	193	203	214	203	203	206	198	210	198	186
April .. ,,	**202**	195	195	184	214	208	206	192	205	216	205	204	208	200	213	198	193
May .. ,,	**207**	201	198	189	218	213	212	198	212	221	209	205	213	206	215	200	191
June .. ,,	**211**	206	205	193	222	216	215	202	218	227	216	206	218	208	224	206	196
July .. ,,	**216**	208	208	197	224	220	220	207	221	233	219	209	225	214	233	209	202
August .. ,,	**218**	202	215	199	228	222	223	215	215	246	224	213	230	216	237	217	208
September .. ,,	**219**	200	217	202	226	221	232	214	220	244	224	211	228	218	242	219	205
October .. ,,	**223**	202	219	210	229	223	233	220	224	252	229	215	230	228	243	221	208
November .. ,,	**226**	205	223	211	235	228	235	221	225	253	230	219	241	231	244	221	214
December .. ,,	**228**	206	226	213	238	229	235	220	228	255	238	222	243	231	243	222	218
January .. 1974	**231**	206	229	214	240	229	237	226	231	256	248	223	245	232	248	224	220
February .. ,,	**233**	210	230	213	245	230	242	229	229	260	249	225	244	232	254	229	219
March .. ,,	**238**	213	236	219	250	237	246	235	233	266	259	227	250	239	258	237	217

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	**207.1**	**239.5**	247.5	229.2	329.9	217.8	229.0	231.2
1973-74	**254.2**	**295.6**	296.0	270.5	411.1	281.9	288.0	348.5
March 1973 ..	**220.0**	**251.1**	264.9	243.6	361.0	225.8	233.9	275.8
April ,, ..	**222.9**	**255.9**	263.6	242.2	359.7	225.4	244.5	287.0
May ,, ..	**231.6**	**270.4**	270.4	247.5	374.0	266.9	254.7	312.9
June ,, ..	**238.6**	**281.4**	276.2	253.9	376.6	274.9	270.6	324.7
July ,, ..	**248.5**	**293.4**	288.8	261.7	411.1	292.6	272.4	361.9
August ,, ..	**251.1**	**298.8**	293.5	268.8	405.0	284.4	295.9	359.2
September ,, ..	**250.3**	**296.3**	288.9	265.9	392.8	276.4	301.9	350.4
October ,, ..	**255.4**	**299.5**	292.9	266.8	410.7	282.4	310.4	358.6
November ,, ..	**260.0**	**301.1**	308.0	278.9	439.0	291.7	294.8	336.1
December ,, ..	**262.0**	**300.6**	305.4	277.8	429.9	282.7	289.2	348.2
January 1974 ..	**271.2**	**313.3**	313.2	285.7	437.2	298.3	303.8	382.4
February ,, ..	**275.0**	**315.9**	320.3	293.1	442.5	302.8	309.9	380.4
March ,, ..	**283.6**	**320.5**	331.0	303.6	454.5	304.3	307.3	379.9
April ,, ..	**289.9**	**325.5**	349.7	327.4	449.9	305.5	306.2	383.0
May ,, ..	**298.9**	**340.7**	370.8	351.3	458.8	329.3	319.7	397.3
June ,, ..	**306.0**	**351.2**	375.7	357.2	458.7	342.9	325.2	411.5
Last week ended Saturday of								
March 1973 ..	**218.5**	**250.1**	261.9	241.7	353.0	221.5	233.6	272.8
April ,, ..	**226.1**	**260.0**	266.3	243.7	368.2	239.0	245.4	299.3
May ,, ..	**233.4**	**274.1**	271.1	249.2	370.0	280.0	250.4	313.5
June ,, ..	**241.5**	**283.5**	279.0	255.5	385.1	282.6	262.7	337.9
July ,, ..	**251.6**	**299.2**	294.7	266.7	420.8	304.7	278.0	373.1
August ,, ..	**250.0**	**296.6**	289.7	267.0	392.1	271.9	300.1	352.8
September ,, ..	**252.4**	**297.2**	292.1	266.6	407.1	262.8	304.7	358.4
October ,, ..	**256.4**	**300.3**	294.3	267.9	413.2	289.0	311.8	350.6
November ,, ..	**260.0**	**299.8**	308.6	273.4	444.7	287.8	293.9	336.6
December ,, ..	**265.8**	**307.0**	307.3	279.8	431.5	293.0	293.6	360.9
January 1974 ..	**271.3**	**312.4**	314.4	288.8	429.9	300.5	307.0	376.5
February ,, ..	**276.1**	**317.2**	324.8	295.7	455.7	308.1	308.7	379.5
March ,, ..	**284.4**	**321.7**	336.1	309.8	454.5	305.2	306.1	379.3
April ,, ..	**293.4**	**331.0**	360.9	342.9	441.6	303.0	308.1	390.5
May ,, ..	**301.0**	**345.4**	375.2	355.7	463.1	343.3	322.8	399.5
June ,, ..	**308.9**	**357.1**	381.1	361.4	469.9	335.6	326.2	418.9

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	**233.0**	**180.7**	**204.0**	168.3	237.3	140.1	200.7
403.6	288.9	203.8	**251.2**	**213.9**	**299.1**	224.6	378.9	147.6	274.9
297.7	274.5	168.7	**246.1**	**187.5**	**239.6**	185.7	290.0	138.4	236.8
298.3	271.7	178.2	**244.9**	**187.6**	**246.8**	194.7	299.0	133.3	238.9
322.0	290.5	185.5	**247.4**	**187.9**	**267.0**	201.7	334.7	142.5	249.4
385.0	296.4	191.6	**245.2**	**189.3**	**282.8**	206.6	357.2	153.5	269.6
388.6	299.4	197.6	**244.3**	**190.2**	**312.3**	215.9	412.1	152.8	283.0
395.9	298.4	206.1	**247.5**	**191.0**	**305.2**	220.1	394.7	157.0	282.3
400.6	297.0	204.7	**244.6**	**194.5**	**294.5**	219.8	370.6	153.9	277.1
385.0	300.3	199.2	**249.1**	**194.6**	**306.3**	239.0	384.7	145.0	274.0
403.8	292.8	210.3	**250.3**	**236.1**	**298.1**	232.6	370.0	145.0	275.8
489.3	284.3	208.2	**251.8**	**235.1**	**307.6**	232.5	388.6	145.0	283.0
469.0	289.1	209.7	**253.0**	**235.7**	**321.2**	234.9	416.9	145.0	285.8
478.3	277.0	216.4	**261.8**	**237.3**	**325.5**	245.5	417.1	145.0	288.7
477.3	270.3	237.8	**272.7**	**287.6**	**323.2**	255.2	401.6	145.0	294.5
477.1	269.8	219.2	**269.2**	**287.2**	**324.2**	259.7	401.8	145.0	291.4
475.3	276.6	233.1	**293.8**	**312.0**	**326.1**	264.2	409.1	145.3	277.1
526.0	281.0	254.8	**304.5**	**312.8**	**335.1**	266.7	422.8	158.1	286.8
284.5	270.0	171.9	**249.1**	**187.6**	**236.4**	188.4	280.4	145.0	237.1
285.4	275.4	184.9	**245.0**	**187.6**	**256.9**	200.8	316.2	134.9	241.5
360.7	296.4	189.5	**248.1**	**187.6**	**269.4**	201.8	337.0	142.5	256.4
384.4	299.1	193.0	**246.1**	**190.1**	**295.6**	211.5	377.7	153.5	281.5
395.9	301.9	197.7	**245.3**	**190.1**	**315.8**	219.8	418.2	152.8	280.6
399.8	296.9	207.8	**245.6**	**192.7**	**301.4**	218.2	384.2	157.0	284.1
397.2	297.5	196.8	**245.7**	**194.5**	**301.4**	237.0	374.1	153.9	274.5
387.6	303.3	200.8	**249.1**	**194.7**	**303.3**	238.1	377.2	145.0	276.7
405.1	283.4	211.1	**250.7**	**235.1**	**300.1**	231.4	371.8	145.0	283.8
468.2	294.0	206.7	**252.6**	**235.1**	**313.6**	232.8	401.4	145.0	285.2
464.1	282.0	211.9	**252.7**	**237.3**	**319.5**	238.7	410.0	145.0	286.1
474.0	275.2	217.7	**264.7**	**237.3**	**325.2**	249.5	412.9	145.0	290.2
473.2	268.9	237.5	**272.2**	**287.6**	**322.6**	256.5	397.9	145.0	297.2
469.8	271.9	223.4	**268.4**	**286.8**	**326.2**	263.2	408.7	145.0	280.7
504.0	277.2	234.2	**302.5**	**312.0**	**326.3**	262.5	412.0	145.3	275.0
529.9	285.1	278.1	**305.0**	**312.8**	**336.0**	271.3	421.4	158.1	286.7

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	9	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	136.4	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		200.8	168.2	170.8	180.0	148.2	176.7	212.3
1973-74		219.8	184.4	182.5	201.7	154.9	205.6	268.0
March	1973	206.0	171.1	171.9	182.4	150.0	183.5	228.2
April	,,	208.4	172.6	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	175.2	175.7	188.9	150.0	187.9	232.6
July	,,	212.6	176.5	176.5	190.8	150.9	191.7	241.5
August	,,	214.5	177.7	179.1	191.7	151.1	194.7	245.0
September	,,	213.1	179.4	179.6	194.7	151.6	199.6	258.9
October	,,	211.3	181.1	182.4	196.5	152.4	206.8	276.9
November	,,	214.6	181.7	182.9	197.2	152.7	214.5	289.7
December	,,	216.0	187.7	184.4	208.4	153.2	216.5	289.8
January	1974	226.2	197.4	188.4	218.4	165.2	221.5	299.7
February	,,	238.0	198.5	188.4	219.3	167.8	227.3	306.9
March	,,	262.0	215.6	193.7	245.6	177.6	233.4	311.3
April	,,	271.6	220.5	197.0	252.8	178.3	241.7	317.0
May	,,	281.0	229.4	212.2	260.9	184.1	246.2	335.7
June	,,	286.8	233.4	223.4	263.9	187.3	249.3	339.4
Last week ended Saturday of								
March	1973	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	185.7	150.1	186.3	231.2
June	,,	209.5	175.7	175.9	189.9	149.9	188.9	237.4
July	,,	213.9	176.7	176.6	191.0	151.0	192.6	243.3
August	,,	214.5	178.0	177.3	192.3	151.1	196.0	248.0
September	,,	213.1	179.9	181.2	194.9	151.8	202.4	266.6
October	,,	211.3	181.6	182.9	197.2	152.5	209.9	288.2
November	,,	215.5	181.7	182.9	197.2	152.8	215.6	288.8
December	,,	216.0	190.2	185.4	212.9	153.5	217.4	292.8
January	1974	228.9	197.4	188.4	218.4	165.2	223.3	302.6
February	,,	245.2	199.3	188.4	219.3	170.5	228.6	310.1
March	,,	270.8	215.7	193.7	245.6	178.0	234.2	311.3
April	,,	271.8	222.8	204.0	255.0	178.9	244.5	320.4
May	,,	281.8	230.2	212.2	260.9	187.1	246.0	339.5
June	,,	286.8	234.9	227.5	265.0	187.3	249.9	339.6

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
190.4	189.1	227.2	183.9	171.4	108.4	162.8	148.4	342.3	132.5
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	165.7	160.2	102.6	161.3	140.6	316.6	129.5
179.6	176.4	206.1	172.1	162.6	104.2	161.3	143.3	372.3	129.5
182.5	179.6	212.0	180.9	165.9	107.3	161.3	143.3	352.0	129.9
185.3	184.3	215.2	185.3	167.1	107.3	161.3	144.4	334.1	131.9
189.9	188.8	226.4	190.0	170.3	107.3	163.5	147.1	329.1	132.6
196.3	195.0	243.5	193.1	173.0	107.3	163.5	149.5	328.2	132.9
198.8	195.5	246.9	193.5	175.3	110.6	163.5	151.8	366.8	133.8
202.5	198.9	249.5	197.4	182.3	111.5	163.5	151.8	384.3	133.8
208.0	205.8	255.9	199.1	186.4	120.0	168.2	159.3	369.3	141.7
214.4	215.4	256.3	205.1	195.1	122.1	165.6	170.9	365.4	145.0
223.4	228.9	256.5	213.9	200.9	123.8	166.7	190.5	355.7	167.9
224.6	230.4	256.6	216.2	202.8	125.4	167.8	194.1	348.5	168.3
227.5	227.4	256.9	221.6	228.8	125.4	176.2	212.2	344.2	168.8
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	160.1	104.2	161.3	140.6	331.4	129.5
180.3	177.0	206.1	175.7	164.9	104.2	161.3	143.3	368.4	129.5
183.4	181.2	212.0	181.6	166.1	107.3	161.3	143.3	353.8	129.9
186.8	185.4	218.9	189.7	168.5	107.3	161.3	144.4	334.4	132.4
191.0	189.7	231.6	190.2	171.1	107.3	163.5	147.1	319.8	132.6
197.9	195.4	246.4	193.3	173.7	107.3	163.5	151.8	350.3	133.3
199.1	195.5	246.9	194.2	175.2	110.6	163.5	151.8	375.9	133.8
204.0	201.7	250.3	198.0	183.3	111.8	163.5	151.8	380.7	133.8
208.9	206.9	256.1	199.1	185.9	116.0	169.9	167.9	371.3	142.1
215.6	216.2	256.4	206.0	200.1	122.1	165.6	170.9	365.7	146.4
226.1	233.9	256.6	213.9	202.7	125.4	167.8	194.1	350.2	168.2
223.4	227.9	256.6	217.1	202.8	125.4	167.8	194.1	347.3	168.4
228.1	225.8	256.9	223.8	228.7	125.4	209.8	213.4	338.3	168.8

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	1973-74	(3) over (2)	(4) over (3)	(5) over (4)	(6) over (5)	(7) over (6)
	1	2	3	4	5	6	7	8	9	10	11	12
I. All Commodities	**1000**	**131.6**	**171.6**	**181.1**	**188.4**	**207.1**	**254.2**	*+30.4*	*+ 5.5*	*+ 4.0*	*+ 9.9*	*+22.7*
Agricultural Commodities@	**332**	141.7	194.8	201.0	199.6	219.7	280.6	*+37.5*	*+ 3.2*	*— 0.7*	*+10.1*	*+27.7*
II. Food Articles	**413**	**144.6**	**196.8**	**203.9**	**210.3**	**239.5**	**295.6**	*+36.1*	*+ 3.6*	*+ 3.1*	*+13.9*	*+23.4*
Foodgrains	**147.85**	154.3	208.2	206.8	214.9	247.5	296.0	*+34.9*	*— 0.7*	*+ 3.9*	*+15.2*	*+19.6*
(*a*) Cereals	**121.01**	146.2	201.3	199.5	202.3	229.2	270.5	*+37.7*	*— 0.9*	*+ 1.4*	*+13.3*	*+18.0*
1. Rice	**66.91**	136.7	196.5	201.3	204.3	231.2	282.6	*+43.7*	*+ 2.4*	*+ 1.5*	*+13.2*	*+22.2*
2. Wheat	**32.21**	149.2	214.8	208.6	208.1	222.1	226.1	*+44.0*	*— 2.9*	*— 0.2*	*+ 6.9*	*+ 1.8*
3. Jowar	**9.09**	167.3	192.4	190.2	210.4	241.8	300.2	*+15.0*	*— 1.1*	*+10.6*	*+14.9*	*+24.2*
(*b*) Pulses	**26.84**	191.0	239.1	240.0	271.7	329.9	411.1	*+25.2*	*+ 0.4*	*+13.2*	*+21.4*	*+24.6*
1. Gram	**10.74**	198.2	269.5	229.4	236.3	302.3	463.2	*+36.0*	*—14.9*	*+ 3.0*	*+27.9*	*+53.2*
(*c*) Fruits and vegetables	**23.54**	139.8	182.7	199.9	204.3	217.8	281.9	*+30.7*	*+ 9.4*	*+ 2.2*	*+ 6.6*	*+29.4*
(*d*) Milk and milk products	**60.71**	141.5	202.3	215.3	218.5	229.0	288.0	*+43.0*	*+ 6.4*	*+ 1.5*	*+ 4.8*	*+25.8*
(*e*) Edible oils	**53.69**	150.8	206.1	232.2	203.1	231.2	348.5	*+36.7*	*+12.7*	*—12.5*	*+13.8*	*+50.7*
(*f*) Fish, eggs & meat	**20.24**	174.7	198.5	221.7	241.4	284.0	403.6	*+13.6*	*+11.7*	*+ 8.9*	*+17.6*	*+42.1*
(*g*) Sugar & allied products	**64.84**	132.1	173.1	172.0	218.0	280.6	288.9	*+31.0*	*— 0.6*	*+26.7*	*+28.7*	*+ 3.0*
1. Sugar	**36.76**	122.1	157.2	157.3	170.5	210.4	216.8	*+28.7*	*+ 0.1*	*+ 8.4*	*+23.4*	*+ 3.0*
2. Gur	**24.37**	145.1	192.6	194.6	292.3	383.4	392.3	*+32.7*	*+ 1.0*	*+50.2*	*+31.2*	*+ 2.3*
(*h*) Others	**42.13**	114.8	180.4	187.6	168.2	165.3	203.8	*+57.1*	*+ 4.0*	*—10.3*	*— 1.7*	*+23.3*
1. Tea	**19.41**	104.3	109.3	116.9	138.7	130.5	132.8	*+ 4.8*	*+ 7.0*	*+18.6*	*— 5.9*	*+ 1.8*
2. Coffee	**2.48**	132.8	163.4	210.4	156.9	166.9	180.0	*+23.0*	*+28.8*	*—25.4*	*+ 6.4*	*+ 7.8*
3. Spices & condiments	**11.98**	135.4	340.8	333.1	247.0	264.1	384.0	*+151.7*	*— 2.3*	*—25.8*	*+ 6.9*	*+45.4*
III. Liquor and Tobacco	**25**	**133.2**	**195.0**	**184.9**	**194.8**	**233.0**	**251.2**	*+46.4*	*— 5.2*	*+ 5.4*	*+19.6*	*+ 7.8*
1. Tobacco raw	**12.02**	134.7	190.2	154.6	151.0	215.9	227.2	*+41.2*	*—18.7*	*— 2.3*	*+43.0*	*+ 5.2*
IV. Fuel, Power, Light & Lubricants	**61**	**124.1**	**155.1**	**161.8**	**172.1**	**180.7**	**213.9**	*+25.0*	*+ 4.3*	*+ 6.4*	*+ 5.0*	*+18.4*
(*a*) Coal	**13.05**	121.8	166.0	167.9	170.9	176.8	190.2	*+36.3*	*+ 1.1*	*+ 1.8*	*+ 3.5*	*+ 7.6*
(*b*) Mineral oils	**30.20**	125.0	150.1	157.3	171.5	179.7	236.2	*+20.1*	*+ 4.8*	*+ 9.0*	*+ 4.8*	*+31.4*
1. Kerosene oil	**8.48**	146.6	172.1	176.6	186.0	202.9	235.2	*+17.4*	*+ 2.6*	*+ 5.3*	*+ 9.1*	*+15.9*
2. Petrol	**9.15**	127.0	160.0	175.5	204.5	213.1	313.9	*+26.0*	*+ 9.7*	*+16.5*	*+ 4.3*	*+47.3*
(*c*) Electricity	**13.36**	124.9	143.9	150.2	154.0	158.9	161.7	*+15.2*	*+ 4.4*	*+ 2.5*	*+ 3.2*	*+ 1.8*
V. Industrial Raw Materials	**121**	**132.8**	**180.1**	**197.3**	**191.0**	**204.0**	**299.1**	*+35.6*	*+ 9.6*	*— 3.2*	*+ 6.8*	*+46.6*
(*a*) Fibres	**41.14**	118.1	155.5	178.4	183.7	168.3	224.6	*+31.7*	*+14.7*	*+ 3.0*	*— 8.4*	*+33.5*
1. Cotton raw	**22.38**	118.8	170.9	209.1	222.5	179.5	277.3	*+43.9*	*+22.4*	*+ 6.4*	*—20.9*	*+54.5*
2. Jute raw	**5.81**	131.6	144.1	145.4	138.6	158.4	142.0	*+ 9.5*	*+ 0.9*	*— 4.7*	*+14.3*	*—10.4*

(*b*) Oil seeds	52.39	154.4	208.5	230.2	208.6	237.3	378.9	+35.0	+10.4	— 9.4	+13.8	+59.7
1. Groundnuts	25.17	141.8	199.3	214.8	197.4	242.3	388.2	+40.6	+ 7.8	— 8.1	+22.7	+60.2
2. Copra	6.66	199.0	232.0	299.2	228.0	236.9	428.4	+16.6	+29.0	—23.8	+ 3.9	+80.8
(*c*) Minerals	3.51	108.0	136.3	137.1	138.8	140.1	147.6	+ 26.2	+ 0.6	+ 1.2	+ 0.9	+ 5.4
1. Iron ore	1.09	67.3	113.9	109.1	104.2	111.1	113.5	+69.2	— 4.2	— 4.5	+ 6.6	+ 2.2
2. Manganese ore	0.85	95.5	121.8	114.7	127.7	128.1	137.3	+27.5	— 5.8	+11.3	+ 0.3	+ 7.2
3. Mica	1.33	147.8	168.0	173.2	173.2	173.2	178.2	+13.7	+ 3.1	—	—	+ 2.9
(*d*) Others	23.96	114.8	161.6	166.8	172.6	200.7	274.9	+40.8	+ 3.2	+ 3.5	+16.3	+37.0
1. Sugarcane	13.43	115.7	170.9	170.7	171.3	187.0	199.0	+47.7	— 0.1	+ 0.4	+ 9.2	+ 6.4
VI. Chemicals	7	125.9	183.8	188.0	197.0	200.8	219.8	+46.0	+ 2.3	+ 4.8	+ 1.9	+ 9.5
1. Caustic soda	2.09	126.7	141.9	149.9	156.9	169.3	182.4	+12.0	+ 5.6	+ 4.7	+ 7.9	+ 7.7
2. Sulphuric acid	1.16	138.3	244.8	227.7	242.5	250.7	268.2	+77.0	— 7.0	+ 6.5	+ 3.4	+ 7.0
VII. Machinery and Transport Equipment	79	117.7	136.4	148.0	159.0	168.2	184.4	+15.9	+ 8.5	+ 7.4	+ 5.8	+ 9.6
(*a*) Electrical machinery	18.80	121.7	134.4	147.1	158.8	170.8	182.5	+10.4	+ 9.4	+ 8.0	+ 7.6	+ 6.9
(*b*) Non-electrical machinery	38.71	117.5	138.9	154.8	167.2	180.0	201.7	+18.2	+11.4	+ 8.0	+ 7.7	+12.1
1. Tools and implements	4.11	119.9	142.4	161.6	175.9	192.1	215.4	+18.8	+13.5	+ 8.8	+ 9.2	+12.1
(*c*) Transport equipment	21.49	114.7	133.5	136.6	144.3	148.2	154.9	+16.4	+ 2.3	+ 5.6	+ 2.7	+ 4.5
1. Vehicles	19.43	116.0	135.5	138.4	146.2	150.9	157.6	+16.8	+ 2.1	+ 5.6	+ 3.2	+ 4.4
VIII. Manufactures	294	118.1	143.5	154.9	167.1	176.7	205.6	+21.5	+ 7.9	+ 7.9	+ 5.7	+16.4
A. Intermediate products	57.33	124.8	160.1	178.7	196.7	212.3	268.0	+28.3	+11.6	+10.1	+ 7.9	+26.2
(*a*) Textile yarn	25.58	105.8	133.2	154.5	181.0	182.8	221.3	+25.9	+16.0	+17.2	+ 1.0	+21.1
1. Cotton yarn	17.05	112.8	145.1	173.7	207.2	206.6	227.4	+28.6	+19.7	+19.3	— 0.3	+10.1
2. Rayon yarn	6.47	90.2	101.8	108.9	123.6	130.2	225.3	+12.9	+ 7.0	+13.5	+ 5.3	+73.0
3. Coir yarn	2.06	96.9	133.6	138.7	144.3	150.3	158.3	+37.9	+ 3.8	+ 4.0	+ 4.2	+ 5.3
(*b*) Leather	5.00	104.2	133.3	133.1	159.2	223.0	228.5	+27.9	— 0.2	+19.6	+40.1	+ 2.5
(*c*) Metals	24.40	146.6	188.7	207.4	217.7	239.1	316.2	+28.7	+ 9.9	+ 5.0	+ 9.8	+32.2
1. Pig iron	2.06	131.9	181.6	200.2	200.2	200.2	247.5	+37.7	+10.2	—	—	+23.6
B. Finished products	236.67	116.5	139.5	149.2	159.9	168.0	190.4	+19.7	+ 7.0	+ 7.2	+ 5.1	+13.3
(*a*) Textiles	113.48	115.6	137.9	150.4	166.8	169.3	189.1	+19.3	+ 9.1	+10.9	+ 1.5	+11.7
1. Cotton manufactures	78.79	114.4	133.8	146.1	161.6	165.8	183.5	+17.0	+ 9.2	+10.6	+ 2.6	+10.7
(*i*) Mill cloth	55.86	108.4	130.4	139.4	156.7	162.8	187.8	+20.3	+ 6.9	+12.4	+ 3.9	+15.4
(*ii*) Handloom cloth	22.93	129.2	142.1	162.5	173.4	172.9	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	202.5	+30.3	+10.5	+13.6	— 2.6	+ 7.3
3. Silk & rayon manufactures	7.64	105.3	114.6	118.5	126.6	128.9	157.3	+ 8.8	+ 3.4	+ 6.8	+ 1.8	+22.0
(*b*) Metal products	38.22	121.3	151.1	164.2	175.6	197.7	227.2	+24.6	+ 8.7	+ 6.9	+12.6	+14.9
1. Iron and steel	35.87	120.7	151.1	163.5	174.5	197.5	227.4	+25.2	+ 8.2	+ 6.7	+13.2	+15.1
(*c*) Chemical products	27.05	109.4	136.9	145.7	150.2	155.5	171.4	+25.1	+ 6.4	+ 3.1	+ 3.5	+10.2
1. Fertilizers	5.29	97.1	132.9	135.6	135.6	143.0	151.4	+36.9	+ 2.0	—	+ 5.5	+ 5.9
2. Drugs and medicines	10.29	105.2	130.1	142.6	148.7	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	108.4	— 3.0	— 3.3	+ 5.1	+ 2.6	+ 9.2
(*e*) Rubber products	10.00	124.4	156.7	155.9	157.1	159.3	162.8	+26.0	— 0.5	+ 0.8	+ 1.4	+ 2.2
(*f*) Paper products	9.70	105.8	120.2	122.2	129.8	137.5	148.4	+13.6	+ 1.7	+ 6.2	+ 5.9	+ 7.9
(*g*) Others												
1. Cement	7.64	122.7	145.7	151.8	160.0	166.2	170.9	+18.7	+ 4.2	+ 5.4	+ 3.9	+ 2.8
2. Matches	3.23	110.3	114.1	114.1	114.1	114.1	114.1	+ 3.4	—	—	—	—

@Derived series in R.B.I.

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*)	—	**13,856** (*a*)	5,704 (*b*)	241	—	**241**	—
1969-70	6 (*c*)(*d*)	155	**161** (*c*) (*d*)	17,651 (*b*)(*d*)	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**	—
1973-74	—	1,488	**1,488**	24,211	20,685	—	**20,685**	—

Note : The Alipore Mint did not undertake any refining work.

(*a*) Including gold received against 7% Gold Bonds, 1977 and 1980, National Defence Gold Bonds, 1980; gold received against National Defence Fund and gold received from Alipore Mint. (*b*) Including confiscated gold received from Customs, Central Excise Department and State Governments. (*c*) Including gold received against National Defence Fund and National Defence Gold Bonds, 1980. (*d*) Including gold received from Alipore Mint.

Source : India Government Mints.

STATEMENT 19 — PRICES OF GOLD AND SILVER — BOMBAY

Year /Month	Gold (Rs. per 10 grams)			Silver (Rs. per kilogram)		
	Spot			Spot		
	Highest	Lowest	Average	Highest	Lowest	Average
	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
1973-74	525.00	279.00	369.23	1420.00	612.50	796.14
March 1973 ..	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
July ,, ..	347.50	323.50	333.10	669.00	621.00	639.35
August ,, ..	400.00	342.00	359.55	695.00	668.00	685.50
September ,, ..	362.00	353.00	356.85	704.00	682.00	691.26
October ,, ..	360.00	350.50	356.09	782.00	705.00	743.24
November ,, ..	357.00	333.00	347.17	810.00	781.00	795.04
December ,, ..	369.00	345.00	360.23	838.00	799.00	823.75
January 1974 ..	435.00	368.00	402.94	957.00	825.00	878.08
February ,, ..	525.00	414.00	454.62	1420.00	937.00	1157.76
March ,, ..	520.00	480.00	502.04	1320.00	1190.00	1270.76
April ,, ..	565.00	510.00	538.14	1310.00	1085.00	1189.74
May ,, ..	557.00	500.00	527.83	1340.00	1130.00	1251.56
June ,, ..	512.00	470.00	494.83	1208.00	1121.00	1163.46

Please see "Notes on the Statements".

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 1973	**222.3**	**258.6**	**245.0**	248.4	227.3	370.4	**244.2**	202.8	165.8	**300.7**	329.6
April ,,	**226.0**	**261.7**	**246.4**	251.4	220.5	382.5	**255.8**	221.1	172.9	**315.2**	346.8
May ,,	**234.0**	**273.5**	**250.7**	254.3	222.3	395.8	**274.6**	237.5	167.2	**346.9**	384.2
June ,,	**238.0**	**279.3**	**253.7**	257.8	219.1	383.3	**282.6**	248.6	153.3	**356.2**	396.8
July ,,	**245.1**	**286.7**	**257.3**	263.2	218.2	406.2	**304.4**	271.3	131.6	**392.8**	438.5
August ,,	**245.6**	**286.9**	**259.7**	270.6	216.2	389.4	**297.9**	271.3	141.1	**375.2**	410.9
September ,,	**246.3**	**287.2**	**258.4**	270.6	216.0	385.7	**289.9**	269.4	143.9	**358.4**	374.5
October ,,	**252.8**	**293.5**	**264.6**	280.9	216.4	400.4	**300.1**	290.2	142.4	**376.5**	376.4
November ,,	**260.7**	**302.5**	**280.1**	295.5	235.5	419.5	**302.3**	294.0	141.6	**376.2**	365.2
December ,,	**265.7**	**309.1**	**285.9**	302.2	239.3	420.4	**309.2**	295.0	134.3	**393.5**	379.2
January 1974	**272.1**	**318.4**	**289.3**	308.6	232.3	433.4	**317.0**	281.3	125.9	**415.0**	390.4
February ,,	**277.8**	**322.9**	**296.0**	315.4	234.8	450.4	**324.8**	304.0	126.3	**422.6**	395.2
March ,,	**286.2**	**328.0**	**305.5**	328.2	239.1	466.7	**329.8**	337.1	121.0	**417.0**	390.8

Note : Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.

STATEMENT 21—MONEY SUPPLY WITH THE PUBLIC AND SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED COMMERCIAL BANKS—SEASONALLY ADJUSTED SERIES

(In crores of rupees)

Month	Money supply with the Public	Scheduled Commercial Banks				
		Net Demand Deposits	Net Time Deposits	Cash in hand	Investments in Government Securities	Bank Credit
	1	2	3	4	5	6
March 1973	9,259	3,751	4,935	232	2,225	5,934
April ,,	9,382	3,749	5,049	244	2,235	6,065
May ,,	9,518	3,767	5,138	247	2,263	6,136
June ,,	9,662	3,873	5,233	253	2,289	6,218
July ,,	9,829	3,914	5,329	261	2,285	6,262
August ,,	9,897	4,026	5,439	252	2,311	6,333
September ,,	10,056	4,060	5,553	260	2,280	6,484
October ,,	10,150	4,038	5,644	253	2,247	6,696
November ,,	10,251	4,126	5,748	262	2,227	6,906
December ,,	10,285	4,166	5,790	256	2,337	7,039
January 1974	10,432	4,238	5,847	244	2,336	7,002
February ,,	10,580	4,290	5,855	262	2,407	6,984
March ,,	10,660	4,276	5,918	260	2,433	7,140

Note: Adjusted for seasonality by using "Census Mehod 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	165,66†	223,52	**5,442,60†**	+620,73†
1973-74	6,083,37	313,78	185,95†	249,22†	**6,333,87†**	+891,27†
March 1973	5,210,28	290,18	165,66†	223,52	**5,442,60†**	+191,51†
April ,, ...	5,467,70	295,86	168,09†	237,20	**5,694,45†**	+251,85†
May ,, ...	5,636,11	305,48	170,54†	254,97	**5,857,16†**	+162,71†
June ,, ...	5,655,79	310,41	171,63†	308,45†	**5,829,38†**	— 27,78†
July ,, ...	5,535,51	305,08	173,05†	253,54†	**5,760,09†**	— 69,29†
August ,, ...	5,326,99	305,90	174,42†	245,32†	**5,561,99†**	—198,10†
September ,, ...	5,375,37	305,27	175,63†	248,03†	**5,608,24†**	+ 46,25†
October ,, ...	5,562,45	310,61	175,63†	261,53†	**5,787,15†**	+178,91†
November ,, ...	5,546,97	308,51	175,63†	264,80†	**5,766,31†**	— 20,84†
December ,, ...	5,596,02	306,95	180,30†	281,13†	**5,802,14†**	+ 35,83†
January 1974	5,754,71	307,19	182,02†	236,87†	**6,007,05†**	+204,91†
February ,, ...	5,930,17	308,91	183,82†	253,28†	**6,169,63†**	+162,58†
March ,, ...	6,083,37	313,78	185,95†	249,22†	**6,333,87†**	+164,25†

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†
3,918,26	51,36	**3,969,62**	+653,54	**9,412,23†**	+1,274,27†	5,102,03	**14,514,26†**	+2,200,27†
4,457,37†	44,71	**4,502,08†**	+532,46†	**10,835,96†**	+1,423,73†	6,104,67	**16,940,63†**	+2,426,37†
3,918,26	51,36	**3,969,62**	+212,93	**9,412,23†**	+404,45†	5,102,03	**14,514,26†**	+426,21†
3,867,07	45,06	**3,912,14**	— 57,49	**9,606,59†**	+194,36†	5,285,48	**14,892,07†**	+377,81†
3,883,09	46,04	**3,929,13**	+ 16,99	**9,786,29†**	+179,71†	5,374,98	**15,161,27†**	+269,20†
4,092,41†	40,49	**4,132,90†**	+203,78†	**9,962,29†**	+175,99†	5,490,98	**15,453,27†**	+292,00†
4,070,20†	43,76	**4,113,96†**	— 18,94†	**9,874,06†**	— 88,23†	5,634,17	**15,508,23†**	+ 54,96†
4,176,56†	37,25	**4,213,81†**	+ 99,85†	**9,775,81†**	— 98,25†	5,756,24	**15,532,05†**	+ 23,82†
4,153,31†	44,75	**4,198,06†**	— 15,75†	**9,806,29†**	+ 30,48†	5,861,00	**15,667,29†**	+135,24†
4,104,05†	34,43	**4,138,49†**	— 59,57†	**9,925,64†**	+119,35†	5,965,36	**15,891,00†**	+223,71†
4,189,59†	39,96	**4,229,55†**	+ 91,06†	**9,995,86†**	+ 70,22†	6,071,07	**16,066,93†**	+175,93†
4,322,32†	39,45	**4,361,77†**	+132,22†	**10,163,91†**	+168,05†	6,154,74	**16,318,65†**	+251,72†
4,310,32†	38,33	**4,348,65†**	— 13,13†	**10,355,70†**	+191,78†	6,173,82	**16,529,52†**	+210,87†
4,341,70†	33,84	**4,375,54†**	+ 26,89†	**10,545,16†**	+189,47†	6,141,21	**16,686,37†**	+156,85†
4,457,37†	44,71	**4,502,08†**	+126,54†	**10,835,96†**	+290,79†	6,104,67	**16,940,63†**	+254,26†

(*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		1969-70	
	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season
	1	2	3	4	5	6
A. MONEY SUPPLY WITH THE PUBLIC	**— 80**	**+235**	**— 43**	**+482**	**— 58**	**+703**
1. Currency with the public	— 89	+205	— 101	+349	— 149	+518
2. Other deposits with the Reserve Bank ..	+ 4	— 6	— 18	+ 6	— 20	+ 3
3. Bank money	+ 6	+ 36	+ 76	+126	+11	+183
B. FACTORS AFFECTING MONEY SUPPLY (1+2+3+4—5)						
1. Net Bank Credit to Government sector(*a*+*b*)	**—118**	**+108**	**+110**	**+389**	**— 14**	**+130**
(*a*) Reserve Bank's net credit to Government Sector (i—ii)	— 69	+235	— 31	+414	—226	+229
(i) Claims on Government ..	— 76	+215	— 33	+446	—232	+341
(ii) Government deposits with the Reserve Bank	— 6	— 20	— 2	+ 32	— 7	+112
(*b*) Other Banks' credit to Government sector	— 49	—126	+140	— 25	+212	— 98
2. Bank Credit to Commercial Sector(*a*+*b*)††	**+ 19**	**+191**	**— 50**	**+297**	**+136**	**+601**
(*a*) Reserve Bank's credit to commercial sector	—	—	+ 4	+ 2	+ 3	+ 1
(*b*) Other Banks' credit to commercial sector	+ 19	+191	— 54	+295	+133	+600
3. Net Foreign Exchange Assets of Banking Sector (*a*+*b*)	**— 33**	**— 53**	**— 43**	**+ 26**	**+ 59**	**+168**
(*a*) Net foreign exchange assets of the Reserve Bank†	— 28	— 47	— 41	+ 15	+ 78	+172
(*b*) Other Banks' net foreign exchange assets @	— 5	— 6	— 2	+ 10	— 19	— 5
4. Government's Net Currency Liabilities to the Public £	**— 1**	**+ 16**	**— 2**	**+ 18**	**—**	**+ 19**
5. Non-Monetary Liabilities of Banking Sector (*a*+*b*+*c*) ††	**— 53**	**+ 28**	**+ 57**	**+249**	**+239**	**+215**
(*a*) Time Deposits with Banks* ..	— 30	— 5	+104	+105	+248	+163
(*b*) Net Non-Monetary Liabilities of the Reserve Bank** †	— 20	+ 42	— 45	+ 64	— 15	+ 76
(*c*) Residual ££	— 3	— 9	— 2	+ 80	+ 6	— 24

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)

1970-71		1971-72		1972-73		1973-74		Outstanding as on April 26, 1974
Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	
7	8	9	10	11	12	13	14	15
+145	+581	+166	+796	+ 80	+1278	+319	+1266	11,191
— 33	+404	— 28	+444	—170	+ 934	+ 93	+ 786	6,573
+ 10	— 23	— 1	+ 26	— 10	— 21	— 11	+ 3	38
+168	+201	+195	+326	+259	+ 365	+237	+ 476	4,580
+111	+607	+388	+819	+462	+ 884	+602	+ 266	8,976
— 46	+565	+174	+672	— 68	+ 971	+412	+ 193	6,484
—117	+694	+108	+726	—222	+ 974	+407	+ 213	6,567
— 71	+129	— 66	+ 54	—154	+ 3	— 5	+ 20	83
+157	+ 43	+214	+148	+530	— 87	+191	+ 73	2,492
+346	+478	+248	+454	+194	+1038	+446	+1262	9,313
+ 21	+ 35	+ 33	+ 35	+ 4	+ 38	+ 54	+ 290	591
+325	+443	+215	+418	+190	+ 999	+392	+ 972	8,722
+ 36	— 85	+ 15	+ 46	— 79	+ 44	+ 1	+ 77	667
+ 42	—100	+ 38	+ 15	— 73	+ 44	+ 1	+ 77	647
— 6	+ 15	— 23	+ 32	— 6	—	—	—	+19
+ 6	+ 16	+ 10	+ 13	+ 11	+ 38	+ 22	+ 18	504
+357	+434	+496	+536	+508	+ 726	+753	+ 358	8,269
+277	+2 2	+435	+327	+480	+ 504	+680	+ 256	6,221
— 26	+112	+101	+223	— 29	+ 147	+ 60	+ 206	1,412
+106	+ 60	— 40	— 13	+ 57	+ 74	+ 13	— 104	636

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.

†† Classification and grouping of certain items have been modified.

££ 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+2+3+4—5)			
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*) Other Banks' Credit to Government Sector	591	+ 260	852
2. **Bank Credit to Commercial Sector (*a*+*b*) ††**	**1,503**	**+1,152**	**2,655**
(*a*) Reserve Bank's Credit to Commercial Sector	9	+ 38	47
(*b*) Other Banks' Credit to Commercial Sector	1,494	+1,114	2,608
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*) Other Banks' net foreign exchange assets@	— 7	+ 19	+ 12
4. **Government's Net Currency Liabilities to the Public £**	**206**	**+ 81**	**287**
5. **Non-Monetary Liabilities of Banking Sector (*a*+*b*+*c*)††**	**1,508**	**+ 785**	**2,294**
(*a*) Time Deposits with Banks*	1,095	+ 510	1,605
(*b*) Net Non-Monetary Liabilities of the Reserve Bank**†	250	+ 109	360
(*c*) Residual ££	163	+ 166	329

SUPPLY WITH THE PUBLIC

(In crores of rupees)

Variations during							Outstanding as on March 30, 1973	Outstanding as on March 29, 1974
1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	1973-74		
4	5	6	7	8	9	10	11	12
+ **199**	+ **449**	+ **607**	+ **753**	+ **998**	+**1,274**	+**1,424**	**9,412**	**10,836**
+ 167	+ 265	+ 328	+ 373	+ 439	+ 621	+ 891	5,443	6,334
— 4	— 5	— 23	— 14	+ 36	— 28	— 7	51	45
+ 36	+ 189	+ 302	+ 395	+ 524	+ 682	+ 539	3,918	4,457
— **17**	+ 467	+ **28**	+ **510**	+**1,182**	+**1,324**	+ **955**	**7,741**	**8,697**
+ **137**	+ 371	— 90	+ 311	+ 882	+ 800	+ 747	5,494	6,240
+ 136	+ 332	+ 8	+ 399	+ 838	+ 651	+ 836	5,564	6,400
— 1	— 38	+ 98	+ 88	— 44	— 149	+ 89	71	160
— 154	+ 96	+ 118	+ 199	+ 299	+ 524	+ 209	2,248	2,456
+ **238**	+ **286**	+ **713**	+ **888**	+ **850**	+**1,117**	+ **1,547**	**7,640**	**9,187**
—	+ 7	+ 3	+ 47	+ 108	+ 33	+ 297	265	562
+ 238	+ 279	+ 710	+ 841	+ 742	+ 1,084	+ 1,250	7,375	8,625
— **63**	— **24**	+ **250**	— **28**	+ **60**	— **37**	+ **107**	**571**	**678**
— 52	— 35	+ 264	— 40	+ 70	— 45	+ 107	551	659
— 11	+ 12	— 14	+ 12	— 10	+ 8	—	+19	+19
+ **10**	+ **12**	+ **20**	+ **22**	+ **26**	+ **45**	+ **44**	**456**	**500**
— **31**	+ **293**	+ **404**	+ **641**	+**1,120**	+**1,175**	+**1,230**	**6,996**	**8,226**
— 15	+ 187	+ 423	+ 498	+ 728	+ 926	+1,003	5,102	6,105
—	+ 19	+ 37	+ 80	+ 377	+ 128	+ 218	1,212	1,430
— 16	+ 87	— 56	+ 63	+ 15	+ 121	+ 9	682	691

For footnotes refer to the 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
1973-74	6,126,54	33,14	**6,159,68**	182,53	141,74	5,07	5,830,34
March 1973	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
July ,, ...	5,578,68	36,14	**5,614,82**	182,53	177,37	13,76	5,241,16
August ,, ...	5,370,16	47,40	**5,417,55**	182,53	177,37	12,94	5,044,72
September ,, ...	5,418,54	24,66	**5,443,20**	182,53	148,93	13,58	5,098,15
October ,, ...	5,605,62	37,24	**5,642,86**	182,53	125,93	8,23	5,326,16
November ,, ...	5,590,14	34,78	**5,624,92**	182,53	101,74	10,31	5,330,34
December ,, ...	5,639,19	52,33	**5,691,52**	182,53	101,74	11,90	5,395,35
January 1974	5,797,88	23,39	**5,821,27**	182,53	101,74	11,67	5,525,33
February ,, ...	5,973,34	21,19	**5,994,53**	182,53	101,74	9,94	5,700,33
March ,, ...	6,126,54	33,14	**6,159,68**	182,53	141,74	5,07	5,830,34
April ,, ...	6,373,73	50,76	**6,424,49**	182,53	141,74	5,53	6,094,69
May ,, ...	6,461,07	22,87	**6,483,94**	182,53	166,74	6,04	6,128,62
June ,, ...	6,472,71	37,19	**6,509,90**	182,53	166,74	7,51	6,153,12

(*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									Total liabilities or assets	ASSETS										
	DEPOSITS								Other liabilities		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	Government 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
1973–74 ..	140,47	19,39	609,70	15,66	1,34	2,80	129,68	**919,04**	1,447,78	**2,366,82**	33,21	388,14	—	237,56	408,52	317,36	196,88	256,79	141,75	294,17	92,46
March 1973..	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
July ,, ..	57,59	11,24	568,47	13,21	1,10	46	209,68	**861,76**	1,070,77	**1,932,53**	36,22	298,99	—	190,57	8,49	227,06	170,30	9,55	280,61	656,97	53,77
August ,, ..	82,76	34,88	600,60	13,81	1,18	55	73,13	**806,91**	1,167,55	**1,974,46**	47,48	262,45	—	96,96	6,37	241,01	166,14	2,12	655,95	449,23	46,75
September ,, ..	71,75	9,71	744,56	13,42	1,30	51	81,04	**922,29**	1,162,08	**2,084,36**	24,74	275,36	—	114,16	39,37	285,10	165,37	32,78	896,47	206,39	44,62
October ,, ..	53,34	9,38	740,29	13,80	1,24	60	70,98	**889,62**	1,180,10	**2,069,72**	37,33	268,76	—	165,96	80,45	316,24	166,28	35,42	535,84	417,02	46,42
November ,, ..	55,44	13,63	761,49	14,05	1,23	65	76,50	**922,99**	1,219,94	**2,142,93**	34,88	222,14	—	148,68	97,64	325,02	168,09	55,46	278,35	760,76	51,90
December ,, ..	56,81	6,13	662,40	16,50	1,26	55	76,64	**820,29**	1,246,50	**2,066,78**	52,39	241,24	—	173,56	211,38	349,50	173,86	109,53	218,39	463,12	73,81
January 1974..	52,76	13,69	753,99	15,36	1,29	51	75,56	**913,15**	1,267,13	**2,180,29**	23,44	237,26	—	211,25	229,40	357,68	185,98	149,43	287,62	423,08	75,15
February ,, ..	59,70	10,77	703,68	15,71	1,36	69	117,77	**909,68**	1,335,95	**2,245,63**	21,25	330,16	—	167,27	310,25	354,73	194,66	200,86	346,14	241,58	78,73
March ,, ..	140,47	19,39	609,70	15,66	1,34	2,80	129,68	**919,04**	1,447,78	**2,366,82**	33,21	388,14	—	237,56	408,52	317,36	196,88	256,79	141,75	294,17	92,46
April ,, ..	65,48	17,69	522,63	15,26	1,36	65	180,14	**803,20**	1,423,12	**2,226,32**	50,83	433,59	—	284,38	333,18	264,80	204,19	278,71	159,18	131,83	85,63
May ,, ..	50,91	13,84	581,84	15,84	1,36	69	372,66	**1,037,15**	1,472,81	**2,509,96**	22,97	602,75	—	214,28	407,38	243,20	220,72	267,99	130,94	234,08	165,66
June ,, ..	60,69	25,83	558,93	25,18	1,48	1,09	366,86	**1,040,06**	1,559,24	**2,599,30**	37,25	596,07	—	245,70	420,86	235,78	270,87	274,15	128,68	228,60	161,35

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. 239 crores from July 6, 1973, (iv) National Agricultural Credit (Stabilisation) Fund of Rs. 85 crores from July 6, 1973 and (v) National Industrial Credit (Long-term Operations) Fund of Rs. 205 crores from July 6, 1973. 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)		(b)		(c)		(d)		(c)		(c)		(e)	
	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	95,36*	12,20*	7,50	—	8	2	9,13	7,73	30	11	12,81	—	—	—
1973-74 ..	603,29	207,81	45,29*	11,17*	—	—	30	—	13,39	5,03	47	28	10,28	30	—	—

Year	National Agricultural Credit (Long-term Operations) Fund												Ordinary debentures of land development banks **	
	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 development banks			
	Against the pledge of Government and other trustee securities representing investment of Stabilization Funds of banks		Out of National Agricultural Credit (Stabilization) Fund		Agricultural purposes		Purchase of shares in co-operative sugar factories/processing societies							
	(c)		(d)		(d)		(c)		(g)		(f)			
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Purchase	Outstandings	Purchase (h)	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(i)	4,35(i)	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(j)	11,25	2,76(k)	32,61
1973-74 ..	10,89	12,05	92,45†	52,80†	6,02	17,00	40	1,17	8,02	68,00	20	11,28	1,09	29,27

Note : Outstandings are as at the end of the period under various Sections of the Reserve Bank of India Act, 1934.

(*a*) At 2 per cent below Bank Rate upto 1972-73 and from 1973-74 at ½ per cent below Bank Rate subject to rebate of 1½ per cent as per the Rebate Scheme excepting under Section 17 (4) (*a*) of the Reserve Bank of India Act which continues to be at 2 per cent below the Bank Rate. (*b*) At Bank Rate upto 1971, or at 2 per cent above Bank Rate upto 1973 and further raised to 3 per cent above Bank Rate from 1974. (*c*) At Bank Rate. (*d*) At 1½ per cent below Bank Rate. (*e*) At 2 per cent above Bank Rate. (*f*) Include special development debentures from 1962-63. (*g*) Rate of intrest 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. (*h*) Figures relate to book value of debentures. (*i*) Include Rephasement Account of Rs. 57 lakhs. (*j*) Rs. 45 lakhs at 5 ¼ per cent and Rs. 38 lakhs at 5 per cent. (*k*) Rs. 124 lakhs at 5¾ per cent and Rs. 152 lakhs at 6 per cent.

*Inclusive of amount in respect of limit sanctioned at Bank Rate for monopoly procurement of cotton and kapas.

†Inclusive of amount sanctioned from General Funds.

**Out of General Funds of the Bank.

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	2	4,000	—	9,527
1973-74	—	220	243	2	5,000	—	15,444

(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
1973-74	40	462	2
March 1973	—	288	42
April ,, ...	—	401	12
May ,, ...	—	458	12
June ,, ...	268	476	19
July ,, ...	154	489	17
August ,, ...	61	166	1
September ,, ...	—	168	10
October ,, ...	141	181	17
November ,, ...	70	173	5
December ,, ...	—	291	5
January 1974	—	405	—
February ,, ...	33	392	20
March ,, ...	40	462	2

@ Under Section 17 (4B) (b) of the Reserve Bank of India Act. † Including Tamilnadu Industrial Investment Corporation.

* Under Section 17 (4A) of the Reserve Bank of India Act. ‡ Under Section 17 (4) (a) of the Reserve Bank of India Act.

Also see "Notes on the Statements".

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	1974
	1	2	3	4	5	6
1. Andhra Pradesh	567	722	869	959	1,103	1,234
2. Assam	74	96	122	149	168	184
3. Bihar	273	361	453	541	593	672
4. Gujarat	752	919	1,105	1,234	1,320	1,436
5. Haryana	172	219	258	299	338	390
6. Himachal Pradesh	42	62	87	108	136	159
7. Jammu and Kashmir	35	74	101	116	139	164
8. Karnataka	756	954	1,124	1,292	1,479	1,621
9. Kerala	601	713	845	980	1,072	1,163
10. Madhya Pradesh	343	460	566	669	748	820
11. Maharashtra	1,118	1,304	1,471	1,679	1,866	2,005
12. Manipur	2	2	5	6	9	9
13. Meghalaya	7	11	15	16	17	18
14. Nagaland	2	4	5	5	6	7
15 Orissa	100	133	173	192	225	255
16 Punjab	346	465	556	651	772	869
17. Rajasthan	364	432	525	570	664	743
18. Tamilnadu	1,060	1,213	1,371	1,484	1,650	1,784
19. Tripura	5	6	12	12	14	18
20. Uttar Pradesh	747	932	1,147	1,324	1,497	1,673
21. West Bengal	504	588	684	760	882	987
22. Andaman and Nicobar Islands	1	2	2	4	4	5
23. Arunachal Pradesh	—	—	3	5	5	6
24. Chandigarh	20	26	28	33	41	44
25. Dadra and Nagar Haveli	—	1	3	4	4	4
26. Delhi	274	318	350	385	455	502
27. Goa, Daman and Diu	85	101	111	118	125	133
28. Lakshadweep	—	—	2	2	4	4
29. Mizoram	—	—	—	1	1	1
30 Pondicherry	12	13	20	24	25	26
TOTAL ..	**8,262**	**10,131**	**12,013**	**13,622**	**15,362**	**16,936**

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*	+ 34,40
Busy	1970-71	+190,22	+245,29	**+435,51**	+ 40,15	+ 12,34	*6.0*	+ 39,12	*22.7*	+394,16	*78.0*	+ 70,30
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	+314,23	**+624,39**	+ 4,22	+ 13,69	*6.0*	+143,95	*23.6*	+354,95	*71.7*	— 71,09
Slack	1972	+262,17	+442,48	**+704,64**	— 16,12	+ 51,06	*6.1*	+519,41	*28.1*	+ 67,35	*66.2*	— 1,27
Busy	1972-73	+335,74	+475,84	**+811,58**	+ 17,55	+ 52,60	*6.1*	— 89,57	*24.5*	+896,94	*70.3*	+ 5,69
Slack	1973	+251,40	+647,36	**+898,76**	+ 56,17	+464,47	*10.4*	+186,79	*24.1*	+345,65	*67.4*	— 57,06
Busy	1973-74	+451,70	+231,10	**+682,81**	+252,73	—218,24	*7.6*	+ 71,38	*23.2*	+1,005,18	*72.6*	+188,69
Outstanding as on April 26, 1974 ..		**4,443,69**	**5,895,17**	**10,338,86**	**333,18**	**780,99**		**2,400,06**		**7,508,16**		**424,06**

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	257,16	3,857,20	74,31	268,45	217,39	4,957,09	13,29	49,63	**8,814,29**	273,06	178,99	**452,05**	110,63
1973-74†	88	228,36	4,395,83	82,38	414,53	221,89	5,933,15	19,76	39,93	**10,328,99**	252,83	466,12	**718,95**	127,86
March 1973 ..	88	257,16	3,857,20	74,31	268,45	217,39	4,957,09	13,29	49,63	**8,814,29**	273,06	178,99	**452,05**	110,63
April ,, ..	88	280,21	3,796,95	123,40	283,80	239,62	5,131,12	17,29	52,97	**8,928,06**	212,88	83,47	**296,35**	123,42
May ,, ..	88	254,47	3,818,15	118,71	308,16	231,35	5,216,47	16,77	57,17	**9,034,61**	208,10	154,02	**362,12**	117,71
June ,, ..	88	285,02	4,018,08	64,48	356,35	261,92	5,327,95	23,49	61,86	**9,346,03**	186,45	193,58	**380,03**	135,28
July ,, ..	88	256,89	4,000,67	95,37	351,68	291,93	5,467,03	24,14	55,26	**9,467,69**	128,64	104,14	**232,78**	131,71
August ,, ..	88	236,78	4,104,09	101,42	348,47	287,69	5,583,83	21,43	61,29	**9,687,92**	147,42	95,67	**243,10**	140,53
September ,, ..	88	217,98	4,103,57	98,27	362,78	268,70	5,703,37	18,22	56,06	**9,806,94**	192,55	126,00	**318,55**	128,47
October ,, ..	88	219,30	4,043,36	107,38	377,20	245,28	5,790,60	15,21	57,46	**9,833,96**	216,64	176,78	**393,43**	135,57
November† ,, ..	88	240,19	4,129,60	110,36	355,55	240,43	5,896,15	15,37	65,33	**10,025,74**	202,07	208,26	**410,32**	116,92
December† ,, ..	87	229,45	4,262,24	43,96	363,66	240,29	5,984,15	18,31	61,74	**10,246,39**	227,58	322,30	**549,88**	124,39
January† 1974 ..	88	214,79	4,251,26	75,25	381,07	228,64	6,000,98	22,33	36,84	**10,252,24**	251,08	324,79	**575,87**	117,19
February† ,, ..	88	226,60	4,282,02	86,37	411,06	229,70	5,967,12	21,42	36,76	**10,249,13**	309,73	403,14	**712,87**	125,46
March† ,, ..	88	228,36	4,395,83	82,38	414,53	221,89	5,933,15	19,76	39,93	**10,328,99**	252,83	466,12	**718,95**	127,86
April† ,, ..	87	221,19	4,516,76	96,96	450,05	240,17	6,038,61	18,81	41,84	**10,555,37**	238,76	366,49	**605,25**	126,77
May† ,, ..	87	238,40	4,541,08	72,45	464,08	229,96	6,134,53	20,41	42,29	**10,675,61**	275,73	373,32	**649,05**	128,31
June† ,, ..	87	264,21	4,599,45	64,79	456,46	237,75	6,258,83	23,31	36,97	**10,858,28**	301,32	340,86	**642,18**	136,53

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 purchasesd and discounted			
	Cash in hand	Balances with Reserve Bank (*f*)	Total	*Percentage of (17) to (10)*				*Percentage of (21) to (10)*	Loans, cash credits and overdrafts	Due from banks	Inland	Foreign	Total (23+25 +26)	*Percentage of (27) to (10)*
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
1969-70	147,11	183,03	**330,13**	*6.4*	57,18	50,25	1,215,73	*23.7*	3,413,24	436,94	489,42	186,28	**4,088,93**	*79.7*
1970-71	168,38	205,36	**373,75**	*6.2*	77,51	37,47	1,416,43	*23.5*	3,831,81	481,02	765,01	210,71	**4,807,52**	*79.8*
1971-72	181,93	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**	*74.6*
1972-73	222,46	281,67	**504,13**	*5.7*	116,44	142,90	2,240,06	*25.4*	5,199,86	505,71	860,54	258,19	**6,318,59**	*71.7*
1973-74†	247,91	625,36	**873,27**	*8.4*	128,09	67,20	2,447,97	*23.7*	6,147,18	555,23	1,024,70	362,16	**7,534,04**	*72.9*
March 1973 ..	222,46	281,67	**504,13**	*5.7*	116,44	142,90	2,240,06	*25.4*	5,199,86	505,71	860,54	258,19	**6,318,59**	*71.7*
April ,, ..	236,01	313,74	**549,75**	*6.2*	118,00	199,24	2,220,93	*24.9*	5,215,03	464,26	892,28	251,61	**6,358.92**	*71.2*
May ,, ..	253,77	332,56	**586,32**	*6.5*	128,97	179,56	2,238,54	*24.8*	5,315,31	457,30	864,51	255,32	**6,435,14**	*71.2*
June ,, ..	307,15	526,74	**833,89**	*8.9*	139,90	141,93	2,259,86	*24.2*	5,406,52	457,00	937,62	249,52	**6,593,66**	*70.6*
July ,, ..	252,36	581,69	**834,05**	*8.8*	110,58	194,32	2,370,15	*25.0*	5,265,08	463,42	918,93	258,97	**6,442,98**	*68.1*
August ,, ..	244,09	614,41	**858,50**	*8.9*	117,72	209,54	2,474,00	*25.5*	5,211,78	495,94	882,20	280,13	**6,374,10**	*65.8*
September ,, ..	243,67	757,98	**1,001,65**	*10.2*	117,14	148,91	2,423,71	*24.7*	5,322,31	519,00	872,15	278,76	**6,473.22**	*66.0*
October ,, ..	260,90	754,09	**1,014,99**	*10.3*	115,77	152,40	2,410,64	*24.5*	5,441,78	556,67	903,19	307,78	**6,652,75**	*67.6*
November† ,, ..	263,52	775,54	**1,039,06**	*10.4*	126,71	124,63	2,399,20	*23.9*	5,559,08	565,86	922,81	295,26	**6,777,15**	*67.6*
December† ,, ..	279,86	678,89	**958,75**	*9.4*	119,30	48,79	2,484,50	*24.2*	5,927,36	572,02	942,06	330,76	**7,200,17**	*70.3*
January† 1974 ..	235,66	769,35	**1,005,01**	*9.8*	108,95	42,03	2,455,37	*24.0*	5,918,68	569,95	908,29	365,47	**7,192.45**	*70.2*
February† ,, ..	252,04	719,38	**971,42**	*9.5*	114,87	57,84	2,447,62	*23.9*	5,923,96	599,67	953,08	346,06	**7,223,10**	*70.5*
March† ,, ..	247,91	625,36	**873,27**	*8.4*	128,09	67,20	2,447,97	*23.7*	6,147,18	555,23	1,024,70	362,16	**7,534,04**	*72.9*
April† ,, ..	260,11	537,88	**797,99**	*7.6*	125,99	59,83	2,483,40	*23.5*	6,226,41	521,27	1,071.81	385,91	**7,684,13**	*72.8*
May† ,, ..	276,75	597,68	**874,43**	*8.2*	131,76	62,56	2,502,03	*23.4*	6,380,41	518,56	1,112,10	391,58	**7,884.09**	*73.8*
June† ,, ..	276,34	584,11	**860,45**	*7.9*	127,21	63,52	2,512,65	*23.1*	6,361,18	511,97	1,169,82	384,79	**7,915,79**	*72.9*

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. (*f*) As per weekly statement of affairs of the R.B.I. with effect from July 6, 1973.

£ Includes borrowings by Scheduled State co-operative banks under Section 17(4AA) from October 22, 1971; prior to that these were included under column 11.

† Provisional.

For further details, reference may be made to the footnotes to Statement 32.

STATEMENT 32 — SCHEDULED COMMERCIAL BANKS : BUSINESS IN INDIA

(Amount in lakhs of rupees)

Last Friday	No. of reporting banks	Demand liabilities				Time liabilities				Aggregate deposits (3+7)	Borrowings from Reserve Bank (a)			Borrowings from State Bank of India and/or a notified bank*
		Deposits		Borrowings from banks	Others	Deposits		Borrowings from banks	Others		Against usance bills and/or promissory notes	Others	Total	
		Inter-bank	Others			Inter-bank	Others							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1960-61	89	55,68	719,72	14,01	52,11	14,29	1,026,34	11,07	22,45	**1,746,06**	45,39	49,15	**94,53**	18,52
1965-66	76	80,46	1,426,86	39,59	75,22	41,50	1,522,97	26,75	17,82	**2,949,83**	43,25	30,26	**73,52**	52,39
1969-70	72	122,75	2,234,80	29,14	127,55	39,35	2,793,39	9,11	27,39	**5,028,19**	80,18	157,84	**238,02**	59,94
1970-71	73	158,01	2,626,13	28,27	149,72	26,76	3,280,04	7,99	41,57	**5,906,17**	202,40	165,97	**368,37**	49,02
1971-72	74	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	214,70	3,794,24	74,31	258,85	91,70	4,848,90	11,49	47,95	**8,643,14**	30,61	107,83	**138,45**	75,61
1973-74†	74	201,93	4,326,60	82,38	404,74	75,25	5,805,62	18,70	38,07	**10,132,22**	36,64	371,88	**408,52**	91,14
March 1973 ..	74	214,70	3,794,24	74,31	258,85	91,70	4,848,90	11,49	47,95	**8,643,14**	30,61	107,83	**138,45**	75,61
April ,, ..	74	243,32	3,740,58	123,40	275,01	108,14	5,016,71	15,42	51,10	**8,757,29**	1,30	22,98	**24,28**	87,45
May ,, ..	74	222,63	3,765,47	118,71	299,40	97,56	5,102,03	14,82	53,70	**8,867,45**	11,35	96,78	**108,13**	77,69
June ,, ..	74	244,60	3,958,19	64,48	346,62	122,27	5,207,07	21,53	60,02	**9,165,26**	31,30	109,24	**140,54**	94,68
July ,, ..	74	221,13	3,942,66	93,62	343,29	148,67	5,344,45	22,18	53,22	**9,287,11**	2,60	5,89	**8,49**	95,20
August ,, ..	74	198,16	4,049,06	99,22	339,66	139,45	5,458,88	19,47	59,87	**9,507,94**	1,35	5,02	**6,37**	101,38
September ,, ..	74	192,76	4,043,65	98,27	354,38	120,47	5,575,24	16,20	54,01	**9,618,89**	5,25	34,12	**39,37**	90,78
October ,, ..	74	193,71	3,991,99	107,13	369,33	95,98	5,664,07	14,49	55,37	**9,656,05**	7,25	73,20	**80,45**	101,19
November† ,, ..	74	215,67	4,074,46	110,36	347,37	90,26	5,769,02	14,64	63,15	**9,843,48**	6,00	91,64	**97,64**	84,46
December† ,, ..	73	202,88	4,203,05	43,86	354,90	94,57	5,859,91	17,55	59,49	**10,062,96**	15,00	196,38	**211,38**	88,42
January† 1974 ..	74	188,77	4,195,77	75,25	372,41	80,76	5,872,15	21,56	34,67	**10,067,92**	32,00	197,40	**229,40**	83,24
February† ,, ..	74	199,17	4,223,87	86,37	402,78	80,21	5,838,46	20,38	34,96	**10,062,32**	32,00	278,25	**310,25**	86,10
March† ,, ..	74	201,93	4,326,60	82,38	404,74	75,25	5,805,62	18,70	38,07	**10,132,22**	36,64	371,88	**408,52**	91,14
April† ,, ..	73	194,11	4,443,69	96,96	439,15	83,37	5,895,17	17,71	39,94	**10,338,86**	52,40	280,78	**333,18**	90,08
May† ,, ..	73	209,55	4,468,69	72,45	453,08	78,53	5,985,50	19,31	39,97	**10,454,19**	103,66	303,72	**407,38**	88,84
June† ,, ..	73	220,69	4,532,37	64,79	441,34	78,34	6,102,74	22,21	34,70	**10,635,11**	156,64	264,22	**420,86**	93,72

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 (*c*)	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** (56,40)	*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 ..	220,76	266,11	**486,87**	*5.6*	104,48	117,94	2,161,25	*25.0*	736,99	4,996,34	36,09	860,51	258,19	**6,115,04** (339,10)	*70.8*
1973-74† ..	246,13	609,70	**855,83**	*8.4*	121,19	44,35	2,364,30	*23.3*	923,85	5,973,13	43,66	1,024,57	362,16	**7,359,87** (366,76)	*72.6*
March 1973 ..	220,76	266,11	**486,87**	*5.6*	104,48	117,94	2,161,25	*25.0*	736,99	4,996,34	36,09	860,51	258,19	**6,115,04** (339,10)	*70.8*
April ,, ..	234,39	300,36	**534,75**	*6.1*	113,27	176,04	2,141,90	*24.5*	748,73	5,013,53	29,75	892,20	251,61	**6,157,33** (292,43)	*70.3*
May ,, ..	252,17	321,25	**573,41**	*6.5*	124,63	159,36	2,159,05	*24.4*	758,62	5,121,25	37,34	864,43	255,32	**6,241,01** (397,24)	*70.4*
June ,, ..	305,41	508,74	**814,15**	*8.9*	130,51	120,05	2,180,29	*23.8*	756,81	5,225,07	37,04	937,55	249,52	**6,412,14** (467,69)	*70.0*
July ,, ..	250,78	568,47	**819,25**	*8.8*	105,31	177,12	2,292,80	*24.7*	751,52	5,095,66	36,44	918,89	258,97	**6,273,52** (390,84)	*67.6*
August ,, ..	242,28	600,60	**842,88**	*8.9*	113,90	203,59	2,392,17	*25.2*	773,25	5,046,72	35,19	882,17	280,13	**6,209,01** (330,21)	*65.3*
September ,, ..	242,07	744,56	**986,63**	*10.3*	113,04	137,78	2,341,53	*24.3*	828,63	5,163,56	27,64	872,10	278,76	**6,314,42** (273,70)	*65.6*
October ,, ..	258,94	740,29	**999,23**	*10.4*	112,06	135,36	2,328,68	*24.1*	844,47	5,292,10	36,44	903,10	307,78	**6,502,98** (235,37)	*67.4*
November† ,, ..	261,83	761,49	**1,023,32**	*10.4*	123,14	116,27	2,316,64	*23.5*	864,86	5,410,14	32,89	922,75	295,26	**6,628,15** (279,99)	*67.3*
December† ,, ..	278,36	662,40	**940,76**	*9.4*	113,47	39,28	2,401,54	*23.9*	912,14	5,768,89	38,96	941,93	330,76	**7,041,58** (351,18)	*70.0*
January† 1974 ..	234,09	753,99	**988,08**	*9.8*	105,29	33,89	2,373,12	*23.6*	916,46	5,745,91	34,09	908,21	365,47	**7,019,59** (370,16)	*69.7*
February† ,, ..	250,33	703,68	**954,01**	*9.5*	110,30	32,00	2,365,06	*23.5*	919,82	5,755,52	43,92	952,94	346,06	**7,054,52** (382,35)	*70.1*
March† ,, ..	246,13	609,70	**855,83**	*8.4*	121,19	44,35	2,364,30	*23.3*	923,85	5,973,13	43,66	1,024,57	362,16	**7,359,87** (366,76)	*72.6*
April† ,, ..	258,36	522,63	**780,99**	*7.6*	122,44	32,07	2,400,06	*23.2*	929,46	6,050,57	31,82	1,071,68	385,91	**7,508,16** (424,06)	*72.6*
May† ,, ..	274,96	581,84	**856,80**	*8.2*	126,29	43,48	2,419,03	*23.1*	930,40	6,207,44	39,22	1,112,02	391,58	**7,711,04** (506,14)	*73.8*
June† ,, ..	274,52	558,93	**833,45**	*7.8*	116,73	46,75	2,429,72	*22.8*	969,31	6,178,65	37,98	1,169,72	384,79	**7,733,16** (519,91)	*72.7*

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. (*c*) As per weekly statement of affairs of the Reserve Bank of India with effect from July 6, 1973.

* 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 BANKS'

DIRECT

As on the Last Friday of	Direct finance to farmers for agricultural operations					
	Short-term			Medium/Long-term		
	No. of accounts	Limits sanctioned	Balance out-standing	No. of accounts	Limits sanctioned	Balance out-standing
	1	2	3	4	5	6
MARCH 1973						
1. State Bank of India and its Subsidiaries ..	2,12,668	36,08	24,20	81,843	61,08	38,89
2. 14 Nationalised Banks	3,81,034	65,17	56,72	2,23,319	118,75	102,88
3. Other Scheduled Commercial Banks ..	3,33,500	30,29	25,81	10,165	10,17	8,55
TOTAL	**9,27,202**	**131,53**	**106,73**	**3,15,327**	**189,99**	**150,31**
JUNE 1973						
1. State Bank of India and its Subsidiaries ..	2,44,878	40,57	28,44	98,814	66,94	46,84
2. 14 Nationalised Banks	3,91,749	66,42	56,79	2,42,687	129,80	112,82
3. Other Scheduled Commercial Banks ..	3,14,000	30,52	25,92	10,922	8,99	7,67
TOTAL	**9,50,627**	**137,51**	**111,15**	**3,52,423**	**205,73**	**167,33**
SEPTEMBER 1973						
1. State Bank of India and its Subsidiaries ..	2,78,250	45,49	34,00	1,01,931	66,55	48,93
2. 14 Nationalised Banks	4,70,802	80,16	70,20	2,56,659	138,48	119,77
3. Other Scheduled Commercial Banks ..	3,43,246	32,18	30,45	10,484	10,32	8,91
TOTAL	**10,92,298**	**157,84**	**134,65**	**3,69,074**	**215,35**	**177,61**
DECEMBER 1973						
1. State Bank of India and its Subsidiaries ..	3,22,406	51,93	39,07	1,06,726	74,10	53,10
2. 14 Nationalised Banks	5,33,281	90,49	82,65	2,66,586	145,75	128,66
3. Other Scheduled Commercial Banks ..	3,58,126	34,49	32,08	11,466	11,08	9,60
TOTAL	**12,13,813**	**176,92**	**153,80**	**3,84,778**	**230,94**	**191,36**

ADVANCES TO AGRICULTURE

(Amount in lakhs of rupees)

FINANCE

Other types of direct finance to farmers						Total of direct finance		
Short-term			Medium/Long-term					
No. of accounts	Limits sanctioned	Balance outstanding	No. of accounts	Limits sanctioned	Balance outstanding	No. of accounts	Limits sanctioned	Balance-outstanding
7	8	9	10	11	12	13	14	15
9,485	3,82	2,75	13,206	9,28	7,38	**3,17,202**	**110,24**	**73,21**
1,94,631	18,61	16,52	35,492	28,42	22,74	**8,34,476**	**230,95**	**198,85**
7,343	4,79	3,51	1,557	4,08	3,41	**3,52,565**	**49,31**	**41,27**
2,11,459	**27,21**	**22,77**	**50,255**	**41,78**	**33,53**	**15,04,243**	**390,51**	**313,34**
14,552	4,65	3,78	13,925	9,12	7,48	**3,72,169**	**121,28**	**86,54**
1,99,867	20,47	18,34	39,514	28,88	23,35	**8,73,817**	**245,57**	**211,30**
5,389	6,84	5,25	3,036	6,56	5,06	**3,33,347**	**52,92**	**43,91**
2,19,808	**31,97**	**27,37**	**56,475**	**44,57**	**35,90**	**15,79,333**	**419,77**	**341,75**
17,764	5,49	4,53	19,819	9,69	7,62	**4,17,764**	**127,23**	**95,08**
2,30,594	23,85	21,58	44,135	31,27	25,41	**10,02,190**	**273,77**	**236,96**
6,651	7,38	5,75	2,728	5,35	4,50	**3,63,109**	**55,23**	**49,61**
2,55,009	**36,73**	**31,86**	**66,682**	**46,31**	**37,53**	**17,83,063**	**456,22**	**381,65**
17,257	5,10	4,39	24,879	10,79	8,78	**4,71,268**	**141,93**	**105,33**
2,40,873	26,56	22,90	57,924	35,61	29,59	**10,98,664**	**298,41**	**263,80**
6,878	7,83	6,53	3,925	5,97	5,25	**3,80,395**	**59,38**	**53,46**
2,65,008	**39,50**	**33,82**	**86,728**	**52,36**	**43,62**	**19,50,327**	**499,72**	**422,60**

STATEMENT 33—SCHEDULED COMMERCIAL BANKS'

INDIRECT

As on the Last Friday of	Distribution of fertilisers and other inputs			Loans to Electricity Boards			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 1973									
1. State Bank of India and its Subsidiaries	1,168	79,64	41,30	—	—	—	13,831	11,91	4,11
2. 14 Nationalised Banks ..	3,787	40,39	11,94	918	77,81	70,73	89,003	14,84	7,28
3. Other Scheduled Commercial Banks	1,411	7,43	2,57	36	9,66	8,27	5,529	52	35
TOTAL	**6,366**	**127,45**	**55,82**	**954**	**87,47**	**78,99**	**1,08,363**	**27,27**	**11,74**
JUNE 1973									
1. State Bank of India and its Subsidiaries	1,288	89,59	44,37	—	—	—	72,883	12,12	4,24
2. 14 Nationalised Banks ..	4,045	44,45	15,35	119	82,05	72,64	98,893	15,94	7,51
3. Other Scheduled Commercial Banks	1,685	7,93	3,13	39	10,42	9,22	4,020	64	48
TOTAL	**7,018**	**141,97**	**62,84**	**158**	**92,47**	**81,86**	**1,75,796**	**28,69**	**12,22**
SEPTEMBER 1973									
1. State Bank of India and its Subsidiaries	1,610	85,04	40,70	—	—	—	70,416	13,89	6,02
2. 14 Nationalised Banks ..	5,448	46,70	11,53	123	94,84	77,41	1,11,371	18,04	8,71
3. Other Scheduled Commercial Banks	1,695	7,21	2,04	38	9,67	8,01	4,712	68	53
TOTAL	**8,753**	**138,94**	**54,26**	**161**	**104,52**	**85,42**	**1,86,499**	**32,60**	**15,25**
DECEMBER 1973									
1. State Bank of India and its Subsidiaries	1,491	76,25	32,01	—	—	—	80,127	14,25	6,60
2. 14 Nationalised Banks	5,038	43,12	11,96	129	160,49	83,81	1,13,928	20,89	10,04
3. Other Scheduled Commercial Banks	1,708	7,22	1,91	44	10,36	8,65	4,958	71	55
TOTAL	**8,237**	**126,59**	**45,88**	**173**	**170,85**	**92,46**	**1,99,013**	**35,85**	**17,19**

ADVANCES TO AGRICULTURE—(*Concld.*)

(Amount in lakhs of rupees)

FINANCE						TOTAL		
Other types of indirect finance			Total of indirect finance			Direct and 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
1,875	49,96	5,09	**16,874**	**141,50**	**50,51**	**3,34,076**	**251,75**	**123,72**
13,948	26,40	13,93	**1,07,656**	**159,44**	**103,88**	**9,42,132**	**390,39**	**302,73**
1,707	8,34	6,18	**8,683**	**25,94**	**17,37**	**3,61,248**	**75,26**	**58,65**
17,530	**84,70**	**25,21**	**1,33,213**	**326,88**	**171,76**	**16,37,456**	**717,39**	**485,10**
1,946	44,16	11,62	**76,117**	**145,87**	**60,22**	**4,48,286**	**267,15**	**146,77**
13,559	28,86	15,13	**1,16,616**	**171,30**	**110,63**	**9,90,433**	**416,87**	**321,92**
1,397	7,96	6,52	**7,141**	**26,94**	**19,34**	**3,40,488**	**79,86**	**63,25**
16,902	**80,97**	**33,26**	**1,99,874**	**344,10**	**190,19**	**17,79,207**	**763,88**	**531,94**
3,017	42,12	11,65	**75,043**	**141,05**	**58,36**	**4,92,807**	**268,28**	**153,45**
14,305	30,62	12,86	**1,31,247**	**190,19**	**110,50**	**11,33,437**	**463,96**	**347,47**
869	7,86	5,77	**7,314**	**25,42**	**16,34**	**3,70,423**	**80,65**	**65,95**
18,191	**80,60**	**30,28**	**2,13,604**	**356,66**	**185,21**	**19,96,667**	**812,89**	**566,86**
3,001	57,64	19,81	**84,619**	**148,14**	**58,41**	**5,55,887**	**290,07**	**163,74**
15,287	33,82	14,02	**1,34,382**	**258,32**	**119,83**	**12,33,046**	**556,73**	**383,63**
1,606	7,63	5,31	**8,316**	**25,92**	**16,43**	**3,88,711**	**85,30**	**69,89**
19,894	**99,09**	**39,14**	**2,27,317**	**432,38**	**194,67**	**21,77,644**	**932,10**	**617,27**

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 1973								
1. State Bank of India and its Subsidiaries..	70,429	94,477	418,60	272,86	5,299	5,328	12,52	6,86
2. 14 Nationalised Banks	75,179	101,655	580,00	334,29	33,739	34,583	71,81	52,12
3. Other Scheduled Commercial Banks ..	9,814	14,938	124,64	79,20	6,167	6,887	20,56	16,18
Total	**155,422**	**211,070**	**1,123,24**	**686,35**	**45,205**	**46,798**	**104,89**	**75,16**
June 1973								
1. State Bank of India and its Subsidiaries	77,809	101,804	421,10	276,86	6,266	6,299	14,43	8,29
2. 14 Nationalised Banks	80,547	108,274	616,39	364,92	36,782	37,634	75,70	54,52
3. Other Scheduled Commercial Banks	9,685	14,761	132,36	81,71	7,517	7,382	21,56	16,51
Total	**168,041**	**224,839**	**1,169,85**	**723,49**	**50,565**	**51,315**	**111,69**	**79,32**
September 1973								
1. State Bank of India and its Subsidiaries..	84,316	111,042	448,87	294,54	7,956	7,993	16,16	9,74
2. 14 Nationalised Banks	89,628	118,828	652,02	372,48	41,718	42,865	82,12	60,16
3. Other Scheduled Commercial Banks ..	10,230	15,437	139,78	84,98	6,998	7,747	22,50	17,32
Total	**184,174**	**245,307**	**1,240,67**	**752,00**	**56,672**	**58,605**	**120,78**	**87,22**
December 1973								
1. State Bank of India and its Subsidiaries	89,547	116,146	466,26	317,03	10,665	10,735	17,31	11,22
2. 14 Nationalised Banks	100,658	131,871	731,82	449,84	46,568	47,665	93,54	68,05
3. Other Scheduled Commercial Banks ..	10,358	15,799	148,42	91,73	7,115	8,332	23,69	18,68
Total	**200,563**	**263,816**	**1,346,50**	**858,60**	**64,348**	**66,732**	**134,54**	**97,95**

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 AND 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
3	3	2,01	5	75,731	99,808	433,13	279,77
15	23	5,85	3,52	108,933	136,261	657,66	389,93
17	20	60	46	15,998	21,845	145,80	95,84
35	**46**	**8,46**	**4,03**	**200,662**	**257,914**	**1,236,59**	**765,54**
3	3	2,02	4	84,078	108,106	437,55	285,19
18	28	11,82	4,12	117,347	145,936	703,91	423,56
14	27	64	53	17,216	22,170	154,56	98,75
35	**58**	**14,48**	**4,69**	**218,641**	**276,212**	**1,296,02**	**807,50**
3	3	2,02	4	92,275	119,038	467,05	304,32
22	31	12,61	5,21	131,368	161,724	746,75	437,85
18	24	37	29	17,246	23,208	162,65	102,59
43	**58**	**15,00**	**5,54**	**240,889**	**303,970**	**1,376,45**	**844,76**
2	2	5	5	100,214	126,883	483,62	328,30
20	34	15,10	5,92	147,246	179,570	840,46	523,81
12	18	35	25	17,485	24,149	172,46	110,66
34	**54**	**15,50**	**6,22**	**264,945**	**330,602**	**1,496,54**	**962,77**

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.

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	**10,128**	**4,028,63**	260	207,77	129	28,40	391	114,72	3,657	1,403,55
1973-74†	**11,153**	**4,728,44**	370	196,43	141	35,38	437	141,82	3,886	1,714,73
March 1973 ..	**11,231**	**5,438,09**	352	356,87	154	32,06	455	149,89	3,732	1,742,28
April† ,, ..	**10,295**	**4,326,85**	334	214,19	122	27,55	407	130,29	3,538	1,544,41
May† ,, ..	**10,531**	**4,419,11**	334	214,19	146	38,54	426	127,64	3,397	1,518,85
June† ,,	**10,239**	**4,087,51**	334	214,19	146	38,54	397	123,46	3,659	1,456,78
July† ,, ..	**10,556**	**4,465,89**	397	211,76	124	27,72	436	141,65	3,978	1,742,12
August† ,, ..	**10,819**	**4,405,90**	386	199,81	124	27,72	405	129,78	3,691	1,566,54
September† ,, ..	**11,295**	**4,677,72**	386	199,81	131	29,58	482	160,65	4,093	1,703,78
October† ,, ..	**10,974**	**4,426,02**	395	201,09	154	39,12	474	129,61	3,871	1,646.36
November† ,, ..	**11,707**	**5,013,75**	422	235,68	154	39,12	452	141,64	4,167	1,804,78
December† ,, ..	**11,370**	**5,020,09**	422	235,68	154	39,12	419	138,51	3,823	1,834,24
January† 1974 ..	**11,766**	**5,031,34**	287	101,77	142	40,71	448	151,71	4,207	1,886,55
February† ,, ..	**11,269**	**4,844,07**	229	98,26	142	40,71	415	143,04	3,820	1,753,85
March† ,, ..	**13,020**	**6,022,97**	520	230,69	155	36,09	477	183,84	4,386	2,118,52

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
1973-74†	162	71,37	72	33,07	551	292,36	83	23,29	44	13,20
March 1973 ..	171	74,49	86	36,70	785	286,50	85	15,36	43	10,85
April† ,, ..	159	71,48	86	36,70	577	224,64	85	19,98	42	11,46
May† ,, ..	182	74,24	76	31,16	573	258,61	85	19,73	43	13,22
June† ,,	152	63,64	76	31,16	635	235,59	76	17,71	43	13,22
July† ,, ..	156	65,47	76	31,16	322	224,29	69	17,17	41	11,68
August† ,, ..	152	64,03	76	31,16	850	274,02	92	23.07	39	10,36
September† ,, ..	152	64,03	76	31,16	637	295,29	84	24,93	41	11,20
October† ,, ..	146	59,38	76	31,16	620	293,27	66	25,91	45	12,74
November† ,, ..	177	74,23	66	27,03	489	314,08	84	25,81	46	15,37
December† ,, ..	171	74,45	73	36,27	488	321,96	85	23,43	45	13,40
January† 1974 ..	184	83,87	73	36,27	452	337,65	99	29,51	48	14,35
February† ,, ..	146	73,78	51	37,03	452	311,97	82	24,72	44	14,19
March† ,, ..	168	87,84	51	36,57	515	416,99	86	27,55	49	17,22

Note : Annual figures are averages of months. *Managed by the Reserve Bank of India.
†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
1,371	760,89	34	30,33	110	33,43	540	139,92	209	72,42	135	28,55	31	15,03
1,257	898,53	42	45,29	122	30,73	524	160,25	212	67,46	140	28,11	29	7,27
1,062	705,92	37	29,48	105	28,50	518	144,17	190	64,18	143	31,42	31	12,34
1,299	715,73	41	35,67	107	28,60	518	147,89	187	97,36	143	31,42	31	13,75
1,091	651,16	21	19,49	107	28,60	511	139,39	186	60,72	143	31,42	31	13,75
1,163	692,42	18	12,42	90	28,35	511	139,39	213	63,78	119	28,39	28	12,08
1,184	711,87	27	19,07	115	38,64	539	142,93	201	64,07	119	28,39	30	10,10
1,139	769,98	35	30,21	121	40,45	597	163,80	213	66,20	156	30,44	33	12,98
1,165	686,26	36	34,58	122	38,96	540	150,38	205	50,67	142	29,27	27	15,17
1,406	820,48	40	36,89	116	33,70	540	94,64	211	63,21	132	28,99	32	15,78
1,598	841,78	35	33,32	114	27,59	548	116,88	199	67,74	134	29,02	28	12,45
1,526	734,84	40	39,23	118	35,59	543	79,27	211	81,54	120	21,43	29	12,75
1,818	859,39	35	35,43	83	27,19	558	165,30	210	81,07	141	26,04	32	15,54
2,000	940,86	41	38,20	122	44,99	558	194,99	280	109,08	129	26,35	35	33,68

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	1,581	459,17
113	28,94	711	369,94	36	23,58	249	59,75	11	3,33	157	58,12	1,703	582,55
125	30,48	743	755,68	45	39,82	231	58,06	10	2,80	168	51,11	1,721	557,49
110	26,49	670	331,53	42	29,25	229	53.42	10	2,80	154	51,60	1,643	535,05
107	26,79	715	342,55	44	27,76	210	52,36	10	2,80	160	57,08	1,698	543,16
106	26,38	622	333,11	11@	7,27@	240	56,67	10	2,80	153	53,84	1,487	468,61
107	27,87	685	344,18	40@	17,08@	254	60,29	10	2,80	167	60,36	1,553	503,46
108	26,90	686	425,13	14@	12,90@	240	54,33	12	3,37	163	59,53	1,565	482,19
123	25,77	683	349,36	52@	33,15@	247	56,57	12	3,37	162	65,52	1,640	509,48
110	28,09	631	289,53	34	24,23	255	57,32	12	3,37	160	59,32	1,689	520,84
115	30,52	697	314,01	42	25,75	248	60,24	12	3,37	155	65,59	1,905	742,85
110	26,86	734	351,70	40	30,70	244	58,97	12	3,37	142	49,79	1,753	652,87
128	31,28	738	437,11	38	23,87	273	66,64	13	3,13	151	53,39	1,897	728,89
105	31,04	705	342,65	41	31,65	301	67,93	12	4,38	142	55,65	1,708	603,26
123	39,36	961	578,40	31	19,37	253	72,27	12	4,38	174	65,75	1,895	699,98

@ Clearing House at Patna remained suspended from June 9, 1973 to July 12, 1973 and from August 12, 1973 to September 3, 1973.

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
1972-73	7	**13,80**	**58**	18	40	**12,26**	**4,76**	4	4,72	**7,71**	17	7,54	31	44
December 1972 ..	7	**12,94**	**58**	18	40	**11,71**	**4,29**	—	4,29	**7,42**	—	7,42	19	46
January 1973 ..	7	**13,15**	**57**	18	39	**11,70**	**4,16**	—	4,16	**7,54**	—	7,54	39	49
February ,, ..	7	**13,36**	**57**	18	39	**11,93**	**4,26**	—	4,26	**7,67**	—	7,67	38	48
March ,, ..	7	**13,80**	**58**	18	40	**12,26**	**4,76**	4	4,72	**7,71**	17	7,54	31	44
April ,, ..	7	**14,03**	**59**	18	41	**12,91**	**5,06**	—	5,06	**7,85**	—	7,85	10	43
May ,, ..	7	**14,37**	**56**	18	38	**13,33**	**5,26**	—	5,26	**8,07**	—	8,07	3	45
June ,, ..	7	**15,05**	**59**	18	41	**13,94**	**5,58**	1	5,57	**8,37**	—	8,37	2	49

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*
1972-73	**13,75**	**53**	53	—	1,12	11	**7,82**	7,32	50	—	**3,22**	36	1,85	1,01	95	*4.3*	*63.8*	*26.3*
December 1972 ..	**12,77**	**57**	57	—	73	—	**7,91**	7,51	40	—	**2,97**	36	1,77	84	59	*4.9*	*67.5*	*25.4*
January 1973 ..	**12,95**	**52**	52	—	70	—	**8,06**	7,65	41	—	**3,00**	37	1,77	86	67	*4.4*	*68.9*	*25.6*
February ,, ..	**13,21**	**61**	61	—	76	3	**7,99**	7,48	51	7	**3,07**	36	1,80	91	68	*5.1*	*67.0*	*25.7*
March ,, ..	**13,75**	**53**	53	—	1,12	11	**7,82**	7,32	50	—	**3,22**	36	1,85	1,01	95	*4.3*	*63.8*	*26.3*
April ,, ..	**13,87**	**57**	57	—	1,37	14	**7,65**	7,07	58	—	**3,28**	36	1,86	1,06	86	*4.4*	*59.3*	*25.4*
May ,, ..	**14,24**	**57**	57	—	1,12	27	**7,65**	7,06	59	—	**3,78**	43	2,07	1,28	85	*4.3*	*57.4*	*28.4*
June ,, ..	**14,88**	**53**	53	—	1,55	39	**7,69**	7,28	41	—	**3,99**	45	2,10	1,44	73	*3.8*	*55.2*	*28.6*

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.

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	5	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	25,8	—	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
1973–74 ..	25	**225,09**	**125,58**	27,07	86,89	7	11,54	**292,91**	150,73	138,20	1,93	2,04	312,67	**42,36**	13,97	28,39
March 1973 ..	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
July ,, ..	25	**207,90**	**124,04**	36,57	75,69	1,76	10,03	**284,38**	147,29	132,21	2,73	2,15	227,43	**42,57**	8,92	33,66
August ,, ..	25	**207,96**	**124,49**	39,24	72,58	2,24	10,42	**292,02**	152,27	135,38	2,73	1,64	239,84	**44,44**	10,89	33,56
September ,, ..	25	**215,92**	**113,14**	25,90	77,26	4	9,94	**296,09**	152,33	138,65	2,79	2,32	282,34	**42,78**	11,56	31,22
October ,, ..	25	**208,06**	**106,89**	26,22	71,01	25	9,40	**294,16**	153,41	137,05	1,49	2,21	315,88	**38,46**	11,83	26,63
November ,, ..	25	**212,30**	**109,89**	25,25	74,83	1	9,80	**295,49**	154,21	137,47	1,51	2,31	315,77	**37,13**	7,94	29,19
December ,, ..	25	**210,96**	**114,22**	27,33	76,43	21	10,25	**288,29**	149,85	134,52	1,53	2,38	341,42	**40,65**	12,86	27,79
January 1974 ..	25	**211,89**	**109,44**	26,64	72,43	16	10,22	**295,15**	151,85	139,46	1,55	2,29	349,05	**40,00**	10,98	29,02
February ,, ..	25	**213,92**	**112,67**	27,97	74,76	9	9,84	**296,50**	153,55	139,16	1,82	1,98	405.26	**45,58**	15,79	29,80
March ,, ..	25	**225,09**	**125,58**	27,07	86,89	7	11,54	**292,91**	150,73	138,20	1,93	2,04	312,67	**42,36**	13,97	28,39
April ,, ..	25	**245,41**	**131,27**	28,31	90,33	3	12,60	**319,74**	160,29	155,08	1,97	2,40	264,04	**39,49**	10,21	29,28
May ,, ..	25	**251,18**	**135,61**	29,45	92,20	—	13,97	**318,93**	155,54	158,99	1,97	2,43	248,36	**42,88**	14,30	28,58
June ,, ..	25	**253,54**	**146,05**	44,35	86,15	—	15,55	**341,95**	170,17	167,39	1,99	2,41	245,82	**39,72**	10,47	29,25

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*
1973-74 ..	**17,76**	2,52	15,24	10,73	89,50	23,39	**197,31**	197,11	521,32	20	*7.9*	*39.8*	*87.7*
March 1973 ..	**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*	*43.8*	*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*
July ,, ..	**16,17**	2,19	13,98	9,29	82,85	18,37	**191,31**	191,21	437,44	10	*7.8*	*39.8*	*92.0*
August ,, ..	**17,47**	2,47	15,01	7,89	87,49	7,18	**187,01**	186,93	471,22	9	*8.4*	*42.1*	*89.9*
September ,, ..	**18,14**	2,23	15,92	8,01	87,90	12,28	**180,77**	180,66	501,80	11	*8.4*	*40.7*	*83.7*
October ,, ..	**17,26**	2,55	14,71	7,19	87,92	17,72	**171,04**	170,88	530,70	17	*8.3*	*42.3*	*82.2*
November ,, ..	**16,75**	2,40	14,34	7,31	88,52	9,07	**170,84**	170,73	543,52	11	*7.9*	*41.7*	*80.5*
December ,, ..	**18,61**	2,19	16,42	9,12	89,03	10,22	**180,18**	179,98	543,50	20	*8.8*	*42.2*	*85.4*
January 1974 ..	**16,80**	2,21	14,59	6,60	88,33	8,78	**195,43**	195,25	545,99	18	*7.9*	*41.7*	*92.2*
February ,, ..	**17,23**	2,38	14,85	7,86	88,28	26,46	**192,22**	191,99	565,73	24	*8.1*	*41.3*	*89.9*
March ,, ..	**17,76**	2,52	15,24	10,73	89,50	23,39	**197,31**	197,11	521,32	20	*7 9*	*39.8*	*87.7*
April ,, ..	**18,78**	2,50	16,28	7,24	89,40	27,62	**199,49**	199,26	500,41	23	*7.6*	*36.4*	*81.3*
May ,, ..	**18,64**	2,64	16,00	9,65	89,14	17,83	**200,72**	200,56	495,16	16	*7.4*	*35.5*	*79.9*
June ,, ..	**32,59**	2,81	29,78	14,35	89,1	14,77	**212.46**	212,23	496,59	23	*12 8*	*35.2*	*83 8*

(*a*) Includes borrowings from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from March 1, 1966. Borrowings from State Governments relate to Scheduled State Co-operative banks only and are included from August 12, 1966. (*b*) At book value ; includes Treasury Bills and Treasury Deposit Receipts. (*c*) Include advances of Scheduled State Co-operative banks to Central Co-operative banks and Primary Co-operative banks from week ended August 12, 1966 ; prior to this date these advances were included under ' Loans, cash credits and overdrafts.'

STATEMENT 38—STRUCTURE OF INTEREST RATES IN INDIA

A : Short-term/Commercial Banking Rates

(Per cent)

Year (April-March)	1960-61	1965-66	1970-71	1971-72	1972-73	1973-74	1974-75 (Upto September 1974 only)
	1	2	3	4	5	6	7
I. Bank Rate (*a*)	**4.0**	**6.0**	**5.0–6.0**	**6.0**	**6.0**	**6.0–7.0**	**7.0–9.0**
II. Treasury Bill Rate (*a*)	**2.65**	**3.50**	**3.00–3.50**	**3.50**	**3.50**	**3.50–4.00**	**4.25–4.60**
III. Call Money Rate (*a*)							
(1) State Bank of India :							
(*i*) Scheduled Commercial Banks	4.0–6.0	7.50–9.0	8.5–12.0	12.0–10.0	10.0	10.0–10.5 (June 1)	10.5–14.0
(*ii*) Co-operative Banks	4.0–4.5	6.75–8.0	7.5–8.5	8.5	8.5–9.0	9.0–9.5 (June 30)	9.5–13.0
(2) Other Selected Major Scheduled Commercial Banks :							
(*i*) Bombay	4.24	6.26	6.38	5.16	4.15	7.83	14.14
(*ii*) Calcutta	4.30	6.81	6.91	4.30	3.70	8.84	15.00
(*iii*) Madras	3.74	6.06	6.45	6.01	4.14	7.56	14.82
IV. Bazar Bill Rate (*a*)							
(*i*) Bombay	9.00–12.00	12.00–15.00	15.00	15.00	15.00	15.00–17.00	17.00
(*ii*) Calcutta	9.50–13.00	15.00	13.50	13.50–15.00	15.00	15.00	15.00–18.00
(*iii*) Madras	12.00–13.92	17.40–19.80	21.60–24.00	24.00–22.80	22.80–21.60	21.60–27.00	21.00–28.80
V. Hundi Rate (State Bank of India)	**5.25–6.50**	**9.25–9.75**	**9.50**	**8.75–10.50**	**8.75–10.50**	**8.0–13.0 (b)**	**9.5–14.0**
VI. Commercial Bank Rates							
(1) Deposit Rates (*a*) (ceiling)							
(*i*) 1 Year	3.75 (Nov.'60)	6.00	6.00 (Jan. 11)	6.00	6.00	6.00	8.00 (d) (July 23)
(*ii*) 3 Years	4.00 (Nov.'60)	6.25(c)	6.50 (c)(Jan. 11)	6.50(c)	6.50(c)	7.00 (April 1)	9.00 (d) (July 23)
(*iii*) 5 Years	4.50 (Nov.'60)	7.00	7.25 (Jan. 11)	7.25	7.25	7.25	10.00 (d) (July 23)
(2) Lending Rates :							
(*A*) State Bank of India : Advances Rate	4.5–5.0	7.0–7.5	7.0–8.5	8.5	8.5	8.5–9.0 (June 1)	9.0–12.5 (July 23) 13.5 (August 1)
(*B*) Key Lending Rates as prescribed by R.B.I. (All commercial banks including S.B.I.)							
(*i*) Ceiling rate : General	—	10.0(e)	—	—	—	—	—
(*ii*) Minimum rate : General	—	—	—	—	—	10.0(Nov. 16) 11.0 (Dec. 1)	12.5 (July 23)
(*iii*) Minimum rate: Selective Credit Controls	—	—	—	12.0	12.0	12.0–13.0	13.0–15.0
(*C*) Minimum rate : Bill Finance							
(*i*) Drawer's Bills						9.0 (Nov. 16) 9.5 (Dec. 1)	11.0 (June 18) 11.0 (July 23) 12.5 (July 23)
(*ii*) Drawee's Bills							
(*D*) Ceiling rate : Export Credit (Other than deferred payments)	—	—	—	7.0 (April 16)	7.0	8.0 (Nov. 16)	9.0 (April 19) 10.5 (July 23) 11.5 (Sept. 25)
(*E*) Ceiling rate : Food Procurement Credit	—	—	—	—	—	8.5	9.0 (April 18) 11.0 (July 23) (f) 12.0 (August 1)

STATEMENT 38—STRUCTURE OF INTEREST RATES IN INDIA (*Concld*)

B : Long-Term Rates (Per cent)

Year (April-March)	1960-61	1965-66	1970-71	1971-72	1972-73	1973-74	1974-75 (Up to September 1974 only)
	1	2	3	4	5	6	7
VII. Prime Lending Rates of Term-lending Institutions							
(*i*) I.D.B.I.	—	8.0	8.5	8.5	8.5	9.0	10.25
(*ii*) I.F.C.I.	7.0	8.5	9.0	9.0	9.0	9.5	9.5–11.25
(*iii*) I.C.I.C.I.	6.5	8.0	8.5	8.5	8.5	9.0	10.25
(*iv*) I.R.C.I.	—	—	—	—	—	8.5	8.5
(*v*) S.F.Cs.	—	8.0–9.0	7.5–10.5 (7.0–8.5)	8.5–11.0 (7.5–8.0)	8.5–10.5 (7.5–9.75)	9.0–11.0 (7.5–10.5)	N.A.
VIII. Ceiling Dividend/Interest Rates Fixed by the Controller of Capital Issues (Govt. of India)							
(*i*) Preference Shares ..	8.5-9.3	9.5	9.5 (Sept.)	9.5	9.5	9.8	9.8–11.0 (Sept. 12)
(*ii*) Debentures	7.0–7.5	7.0	8.0 (Sept.)	8.0	8.0	8.5	10.0–10.50 (Sept. 12)
IX. U.T.I. Dividend Rate (July-June)	—	7.0	8.0	8.25	8.50	8.50	—
X. Company Deposit Rates (Deposits accepted from public by well-established Private Sector Companies) (January-December)							
(*i*) 1-year	N.A.	N.A.	N.A.	7.0–15.0	7.5–15.0	8.0–12.0	8.0–12.0
(*ii*) 2-years	,,	,,	,,	7.5–15.0	8.0–15.0	8.0–13.0	8.5–13.0
(*iii*) 3-years	,,	,,	,,	8.0–15.0	8.0–15.0	8.5–13.0	9.0–14.0
(*iv*) 5-years	,,	,,	,,	8.0–15.0	8.0–15.0	9.0–12.5	9.5–14.0
XI. Average Annual (Gross) Yield							
(*A*) Industrial Securities :							
(*i*) Ordinary Shares	4.88	8.11	5.53	6.49	6.99 (g)	5.59	5.10 (April-June)
(*ii*) Preference Shares	5.32	8.92	9.72	10.09	10.36	10.34	10.44 (,,)
(*iii*) Debentures (Redemption)	4.11	7.36	8.11	8.70	9.40	8.86	9.18 (,,)
(*iv*) Debentures (Running Yield)	—	6.68	7.31	7.40	7.46	7.98	8.02 (,,)
(*B*) Government Securities :							
(*i*) Short-term (1 to 5 years) ..	3.44–3.85	4.10–6.11	4.06–4.42	4.21–4.70	4.46–4.98	4.47–5.05	..
(*ii*) Medium-term (5 to 15 years)	3.60–4.17	4.60–5.92	4.47–4.84	4.53–5.25	4.08–5.28	4.74–5.34	..
(*iii*) Long-term (15 years and over)	3.99–4.18	4.61–5.53	4.98–5.53	5.00–5.74	5.00–5.74	5.00–5.74	..

(*a*) See 'Notes on the Statements'.
(*b*) Changed from 8.75–10.50 to 8–12 with effect from June 1, 1973; from 8–12 to 9–13 from November 16, 1973 and from 9–13 to 9.50–13 from December 14, 1973.
(*c*) For deposits above 3 years, the rate was 6.50 upto January 10, 1971 and 7.0 between January 11, 1971 and March 31, 1973.
(*d*) As on April 1, 1974, the respective rates were 6.75, 7.75 and 8.0.
(*e*) A ceiling of 9 per cent was imposed on the lending rates of the Indian scheduled banks with aggregate demand and time liabilities of Rs. 50 crores and all the foreign scheduled banks with effect from September 25, 1964; the rate was raised to 10 per cent from February 17, 1965 but again reduced to 9.50 per cent from March 2, 1968. Since January 21, 1970, the ceiling on the lending rates was withdrawn.
(*f*) For procurement credit in respect of State Governments and their agencies, the rate fixed was 12.0 per cent.
(*g*) Relates to 9 months (April-December) only.

Notes : 1. Dates given in brackets represent the dates from which the changes in the rates have been effected.
2. Figures in brackets indicate lending rates charged to small-scale industries.

STATEMENT 39—SAVINGS DEPOSITS WITH COMMERCIAL BANKS

(In lakhs of rupess)

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	4,55
1973–74	**2,678,89**	2,518,97	159,92	5,66
March 1973	**2,225,04**	2,075,55	149,50	4,55
April ,, ...	**2,267,77**	2,117,86	149,90	4,82
May ,, ...	**2,291,30**	2,141,83	149,47	5,01
June ,, ...	**2,382.43**	2,229,61	152,82	5,21
July ,, ...	**2,421,71**	2,268,67	153,04	5,28
August ,, ...	**2,499,28**	2,342,55	156,73	5,33
September ,, ...	**2,520,48**	2,364,04	156,45	5,45
October ,, ...	**2,531,64**	2,375,01	156,63	5,42
November ,, ...	**2,543,99**	2,388,00	155,98	5,31
December ,, ...	**2,599,79**	2,441,34	158,45	5,40
January 1974	**2,621,31**	2,460,15	161,16	5,42
February ,, ...	**2,688,12**	2,529,52	158,59	5,52
March ,, ...	**2,678,89**	2,518,97	159,92	5,66

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
1973–74 ..	..	1,395,92	4,52	9,582	28,73	808	90	3,93

@The figures in column Nos. 3 and 8 represent the position as at the close of the previous half year.
‡Estimated.
*For details, refer to ' Notes on the Statements'.

STATEMENT 41—WORKING OF PRIVATE CORPORATE SECTOR : MEDIUM AND LARGE PUBLIC LIMITED COMPANIES– IMPORTANT ITEMS

(In crores of rupees)

Item	1501 Companies			1650 Companies		
	1965-66	1969-70	1970-71	1970-71	1971-72	1972-73
	1	2	3	4	5	6
A. BALANCE SHEET						
1. Total Liabilities/Assets	4,319	5,970	6,439	6,956	7,508	7,969
Liabilities						
2. Net Worth	1,870	2,356	2,509	2,659	2,829	3,002
Of which, paid-up capital	*1,050*	*1,369*	*1,421*	*1,556*	*1,603*	*1,652*
3. Borrowings	1,459	2,229	2,368	2,673	2,823	2,891
Of which, bank borrowings	*801*	*1,203*	*1,312*	*1,394*	*1,483*	*1,444*
4. Trade dues and other current liabilities	749	1,155	1,296	1,352	1,521	1,680
Assets						
5. Gross fixed assets	3,143	4,498	4,806	5,164	5,549	6,040
Of which, plant and machinery	*2,201*	*3,227*	*3,459*	*3,687**	*3,961**	*4,319**
6. Net fixed assets	1,836	2,452	2,522	2,849	2,958	3,151
7. Inventories	1,381	1,875	2,125	2,218	2,522	2,672
Of which :						
(*a*) *Raw materials, components, etc.*	*427*	*593*	*662*	*705*	*824*	*924*
(*b*) *Finished goods and work-in-progress*	*653*	*925*	*1,064*	*1,076*	*1,210*	*1,195*
8. Loans and advances and other debtor balances	752	1,194	1,322	1,377	1,494	1,587
9. Investments	146	169	178	178	186	199
Of which :						
(*a*) *Government and semi-Government Securities*	*14*	*14*	*15*	*14*	*15*	*16*
(*b*) *Industrial securities*	*88*	*101*	*105*	*110*	*115*	*120*
(*c*) *Shares and debentures of subsidiary companies*	*42*	*52*	*56*	*53*	*54*	*62*
B. PROFIT AND LOSS ACCOUNT						
1. Net sales£	4,081	5,950	6,719	6,939	7,770	8,635
2. Manufacturing expenses	2,588	3,801	4,343	4,446	5,006	5,372
Of which :						
Raw materials, components, etc. consumed	*2,071*	*3,024*	*3,468*	*3,541*	*4,001*	*4,262*
3. Salaries, wages and bonus	622	854	953	957	1,050	1,184
4. Gross profits	435	571	666	716	772	813
5. Profits before tax	333	397	469	496	516	541
6. Profits after tax	167	224	254	282	273	278
7. Dividends	105	128	144	146	152	165
8. Retained profits	62	96	109	136	121	113
C. SOURCES AND USES OF FUNDS†						
1. Total Sources/Uses of Funds	..	605	702	..	821	729
Sources						
2. Internal sources	..	331	403	..	474	509
3. External sources	..	274	299	..	347	220
(*a*) Paid-up capital	..	34	18	..	24	15
(*b*) Total borrowings	..	112	139	..	143	56
Of which, bank borrowings	..	*74*	*109*	..	*88*	*—39*
Uses						
4. Gross fixed assets	..	306	304	..	378	461
Of which, plant and machinery	..	*217*	*231*	..	*267**	*338**
5. Inventory	..	135	250	..	304	149
D. PROFITABILITY RATIOS						
1. Gross profits as percentage of total capital employed (total net assets)	10.1	9.6	10.4	10.3	10.3	10.2
2. Gross profits as percentage of net sales £	10.7	9.6	9.9	10.3	9.9	9.4
3. Profits after tax as percentage of net worth	8.9	9.5	10.1	10.6	9.7	9.3
E. OTHER IMPORTANT RATIOS						
1. Debt as percentage of equity	27.2	33.8	31.5	38.4	37.0	36.5
2. Ratio of current assets to current liabilities	1.23	1.21	1.22	1.22	1.23	1.23

* Excluding capital work-in-progress.
£ Net of rebate and discount and excise duty and cess.
† Adjusted for revaluation due to devaluation/revaluation of foreign currencies, etc. wherever necessary. Also see 'Notes on the Statements'.

STATEMENT 42 — CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1970					1971				
	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 ..	21,41	—	1,18	5,71	**28,30**	17,69	—	1,79	9,58	**29,05**
Preference ..	5,80	—	14	14	**6,08**	3,86	—	1	37	**4,24**
Further (*b*)										
Ordinary ..	18,81	—	10,19	8,00	**37,00**	17,34	3	11,19	12,97	**41,53**
Preference ..	4,40	—	77	13	**5,30**	2,36	—	1,05	44	**3,84**
Debentures ..	12,73	—	—	—	**12,73**	8,72	—	—	—	**8,72**
	63,15	—	12,28	13,98	**89,41**	49,97	3	14,03	23,36	**87,38**
Bonus ..	44,28	7,52	—	—	**51,81**	26,87	4,94	—	—	**31,81**
Miscellaneous (Loans, etc.) ..	6,75	—	—	—	**6,75**	4,04	—	—	—	**4,04**
Total ..	**114,19**	**7,52**	**12,28**	**13,98**	**147,98**	**80,87**	**4,97**	**14,03**	**23,36**	**123,23**
										B. Government
Initial (*a*)										
Ordinary ..	—	—	1,33	14,26	**15,59**	4,50	—	1,56	7,35	**13,41**
Preference ..	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary ..	24	—	33,58	125,90	**159,72**	—	—	7,68	84,01	**91,69**
Preference ..	6	—	18	—	**25**	—	—	—	—	—
Debentures ..	5,22	—	—	—	**5,22**	15,38	—	2,20	—	**17,58**
	5,53	—	35,09	140,16	**180,78**	19,88	—	11,44	91,36	**122,68**
Bonus ..	—	—	—	—	—	2,00	—	54	—	**2,54**
Miscellaneous (Loans, etc.)	—	—	—	16	**16**	—	—	—	—	—
Total ..	**5,53**	—	**35,09**	**140,32**	**180,94**	**21,88**	—	**11,99**	**91,36**	**125,23**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1970, 1971, 1972 and 1973 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, 1974. These do not take into account the capital raised by companies for which no reports were received.

AND GOVERNMENT COMPANIES

(In lakhs of rupees)

1972 (Revised)					1973 (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									
13,23	—	3,75	10,35	**27,33**	15,82	22	5,35	16,16	**37,55**
2,00	—	17	22	**2,40**	1,51	—	3	12	**1,65**
19,52	2	11,08	15,31	**45,94**	27,77	11	7,04	18,46	**53,37**
5,71	—	10	65	**6,45**	5,15	—	53	31	**6,00**
51,71	—	—	—	**51,71**	14,86	—	—	—	**14,86**
92,18	2	15,10	26,53	**133,83**	65,10	33	12,95	35,05	**113,44**
34,94	1,22	—	—	**36,16**	41,30	8,71	—	—	**50,00**
6,12	—	—	—	**6,12**	4,52	—	—	—	**4,52**
133,24	**1,24**	**15,10**	**26,53**	**176,11**	**110,91**	**9,04**	**12,95**	**35,05**	**167,96**
Companies									
6,19	—	26,81	2,21	**35,21**	2,49	—	5,40	65	**8,54**
—	—	—	—	—	—	—	—	—	—
96	—	82,72	371,28	**454,96**	2,14	—	26,35	63,37	**91,86**
30	—	—	—	**30**	—	—	—	—	—
7,60	—	—	—	**7,60**	7,71	—	—	—	**7,71**
15,05	—	109,53	373,49	**498,07**	12,34	—	31,75	64,02	**108,11**
—	1,00	—	—	**1,00**	—	55	—	—	**55**
2,65	—	—	—	**2,65**	—	—	—	—	—
17,70	**1,00**	**109,53**	**373,49**	**501,72**	**12,34**	**55**	**31,75**	**64,02**	**108,66**

Figures given in columns 3 & 4, 8 & 9, 13 & 14 and 18 & 19 are based on the returns received from the Registrars of Companies.

(*a*) Issues of new companies (*b*) Issues of existing companies.

Source : Office of the Controller of Capital Issues.

STATEMENT 43—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
1970–71 Total	170.9	114.9	34.6	23.8	14.7	13.2	26.7	8.0	246.9	159.9
I. D. B. I.	70.5	51.1(*d*)	—	—	2.1	4.7	0.7	—	73.3	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	168.9	112.2	34.6	23.8	9.4	9.4	5.4	1.3	218.4	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	263.3	153.2	25.3	23.9	34.9	11.1	17.7	3.1	341.2	191.4
I. D. B. I.	127.1	77.4(*d*)	—	—	13.3	1.0	—	0.4	140.4	78.8
I. F. C. I.	23.7	16.1(*e*)	2.8	3.4	2.2	0.8	—	—	28.7	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.	16.4	10.7	—	—	7.1	3.6	0.1	@	23.6	14.4
Sub-total	249.2	152.3	25.3	23.9	27.0	7.6	1.6	0.6	303.1	184.5
U. T. I. *	—	—	—	—	3.2	1.0	11.8	0.6	15.0	1.6
L. I. C.	14.1	0.9	—	—	4.7	2.5	4.3	1.9	23.1	5.3
Sub-total	14.1	0.9	—	—	7.9	3.5	16.1	2.5	38.1	6.9
1972–73 Total	256.5	154.9	34.3	32.1	27.9	18.2	17.2	12.0	335.9	217.2
I. D. B. I.	86.9	62.4(*d*)	—	—	3.4	3.5	2.1	0.8	92.4	66.7
I. F. C. I.	38.2	21.8(*e*)	5.2	4.1	3.1	1.6	1.0	0.8	47.5	28.3
I. C. I. C. I.	13.4	7.9	29.1	28.0	3.7	2.5	3.3	1.3	49.5	39.7
I. R. C. I.	6.1	3.5	—	—	—	—	—	—	6.1	3.5
S. F. Cs.	77.8	44.1(*e*)	—	—	0.9	0.6	—	—	78.7	44.7
S. I. D. Cs.	24.6	13.2	—	—	8.8	4.5	0.1	@	33.5	17.7
Sub-total	247.0	152.9	34.3	32.1	19.9	12.7	6.5	2.9	307.7	200.6
U. T. I. *	—	—	—	—	3.2	1.6	7.0	4.0	10.2	5.6
L. I. C.	9.5(*f*)	2.0	—	—	4.8	3.9	3.7	5.1	18.0	11.0
Sub-total	9.5	2.0	—	—	8.0	5.5	10.7	9.1	28.2	16.6

(*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. (*f*) Does not include Rs. 2.5 crores converted into loan out of Rs. 7.0 crores debentures sanctioned earlier.

*Data for 1972–73 are provisional and those for 1971–72 are revised. @Negligible.

Source : Life Insurance Corporation of India and Industrial Development Bank of India.

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	—	3,84	92,90	61	**109,44**
1970	20,00	14,58	—	26,27	176,79	5,79	**243,43**
1971	30,00	18,23	—	55,04	173,09	7,49	**283,85**
1972	40,00	21,38	12,65	92,82	166,51	11,67	**345,03**
1973	40,00	24,97	28,69	129,09	157,63	13,99	**394,37**
1974	50,00	29,45	43,89	198,70	145,76	20,44	**488,24**

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
1974	13,60	70,88	93,65	153,60	149,62	6,89

Note : Data relate to General Fund and Development Assistance Fund.
*Inclusive of cash on hand/in transit and balances with banks.

Source : 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)	Foreign line of credit	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	9
1965-66 ..	32,42	20,13	2,25	6,01	1,68	**62,49**	10,65		**51,10**
1969-70 ..	15,44	14,70	24,07	6,13	50	**60,84**	8		**52,31**
1970-71 ..	46,96	36,60	28,48	4,07	8,60	**124,71**	3,22		**79,81**
1971-72 ..	69,50	29,91	45,29	14,17	3,21	**162,08**	11		**93,99**
1972-73 ..	46,22	30,84	49,84	6,98	2,77	**136,66**	31		**106,58**
1973-74 ..	66,06	47,83	76,30	7,20	10,20	**207,60**	4	25,00	**162,56**

*Gross sanctions *minus* subsequent reductions/cancellations of sanctions.

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
1974	18	26,32	92	8,73	115,20	14,04	4,48	64,06	3,39	71	27,59

As on last Friday of March	Total Liabilities or Assets	ASSETS						
		Cash in hand and balances with banks	Investments in Government securities	Investments in shares	Loans and advances	Debentures	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
1974	**265,44**	9,60	1,38	10,93	215,34	57	7,11	20,51

(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.

Source : State Financial Corporations.

STATEMENT 47 — OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

	Corporation	Capital as at the end of March 1974	Outstandings of bonds issued as at the end of March 1974	Total assets as at the end of March 1974	Loans sanctioned (*a*) during					
					1965-66	1969-70	1970-71	1971-72	1972-73	1973-74
		1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh ..	1,50	8,83	18,63	2,21	2,13	3,58	4,01	6,53	8,17
2.	Assam	1,00	2,60	6,38	46	28	16	45	49	1,44
3.	Bihar	1,00	3,81	10,03	31	35	1,12	2,81	4,38	5,04
4.	Delhi	1,00	2,54	6,96		1,30	2,35	2,48	1,61	2,49
5.	Gujarat	3,00	14,54	31,01	1,28	5,95	8,51	10,71	13,58	17,57
6.	Haryana	1,50	4,95	13,53		1,41	2,38	4,37	3,70	4,97
7.	Himachal Pradesh ..	61	28	2,78		31	60	82	1,07	1,52
8.	Jammu and Kashmir..	77	1,10	3,23	37	88	1,58	1,16	1,19	1,48
9.	Karnataka	1,50	7,73	19,27	1,49	1,64	3,37	5,05	5,24	8,10
10.	Kerala	1,00	8,70	13,45	1,28	1,24	2,09	4,06	5,32	3,65
11.	Madhya Pradesh ..	1,00	5,61	10,15	1,97	95	1,07	1,31	1,61	1,90
12.	Maharashtra ..	2,95	20,36	37,21	2,36	8,22	12,11	10,63	7,92	16,68
13.	Orissa	1,00	3,50	6,24	32	50	79	91	1,58	1,24
14.	Punjab	75	3,12	8,82	2,41	1,14	2,27	3,75	4,87	4,84
15.	Rajasthan (*c*) ..	1,00	4,71	10,95	1,23	1,84	2,47	2,82	3,88	4,09
16.	Tamilnadu	2,99	11,47	36,16	4,70	2,58	3,68	3,10	4,38	5,57
17.	Uttar Pradesh ..	2,25	7,32	21,03	75	4,17	4,62	10,07	7,93	8,68
18.	West Bengal	1,50	4,03	9,61	1,96	92	1,47	1,04	2,53	2,25
	Total	**26,32**	**115,20**	**265,44**	**23,10**	**35,81**	**54,22**	**69,55**	**77,81**	**99,68**

	Corporation	Loans disbursed during						Loans outstanding as at the end of March					
		1965-66	1969-70	1970-71	1971-72	1972-73	1973-74	1966	1970	1971	1972	1973	1974
		10	11	12	13	14	15	16	17	18	19	20	21
1.	Andhra Pradesh	1,55	1,02	2,29	2,68	3,28	4,09	4,24	7,79	9,48	11,36	13,56	15,82
2.	Assam ..	34	35	21	26	40	66	3,67	4,29	4,46	4,57	4,80	5,28
3.	Bihar	24	42	75	1,39	1,86	2,97	2,33	2,90	3,49	4,55	6,67	9,28
4.	Delhi (*b*) ..		80	1,51	1,72	1,26	1,31		2,03	3,29	4,75	5,58	6,33
5.	Gujarat	1,02	3,45	5,51	5,54	6,97	8,47	2,54	8,02	12,06	15,69	20,58	25,97
6.	Haryana (*b*) ..		1,13	1,10	2,02	2,61	3,51		6,02	6,47	7,98	9,94	12,32
7.	Himachal Pradesh(*b*)		8	54	60	61	1,08		28	78	1,27	1,61	2,31
8.	Jammu and Kashmir	25	74	1,29	1,04	87	1,10	44	1,52	2,17	2,52	2,55	2,77
9.	Karnataka ..	79	1,36	1,99	3,21	3,77	4,47	2,82	6,40	7,89	10,47	13,71	16,02
10.	Kerala	45	1,16	1,31	1,69	2,84	2,09	1,95	4,89	6,01	7,65	10,25	12,00
11.	Madhya Pradesh	1,41	79	77	84	93	1,01	3,39	6,08	6,51	7,03	7,51	7,77
12.	Maharashtra ..	2,46	4,40	8,21	6,51	6,45	9,18	9,08	16,25	22,42	26,16	28,89	33,77
13.	Orissa	47	45	30	64	81	86	1,88	2,89	3,03	3,39	3,79	4,38
14.	Punjab	1,63	77	1,02	1,77	1,94	2,74	6,30	3,59	3,84	5,34	6,88	7,97
15.	Rajasthan (*c*) ..	62	1,12	1,19	1,60	1,88	2,18	2,52	4,57	5,13	6,16	7,47	8,94
16.	Tamilnadu ..	2,88	1,37	3,32	2,56	2,23	3,43	9,96	13,74	16,12	17,64	19,08	20,26
17.	Uttar Pradesh ..	82	1,59	2,18	4,10	4,52	4,24	2,68	4,86	6,53	9,94	14,11	16,84
18.	West Bengal ..	1,15	65	64	67	80	72	5,76	6,77	7,10	7,15	7,19	7,28
	Total	**16,08**	**21,65**	**34,13**	**38,84**	**44,03**	**54,11**	**59,56**	**102,89**	**126,78**	**153,62**	**184,17**	**215,31**

(*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.

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	1974
	1	2	3	4	5	6	7
1. Capital issued and paid-up ..	5,00	8,35	8,35	8,35	8,35	9,17	10,00
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	1,00
(*ii*) Other reserves	70	4,52	9,05	10,46	11,71	13,02	14,54
3. Reserve for doubtful debts ..	15	14	89	1,19	1,54	2,03	2,73
4. Provision for taxation	50	1,17	5,99	2,41	2,43	5,10	6,71
5. Bonds and debentures	22,24	33,48	52,74	57,69	61,25	72,01	85,18
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	67,35
8. Borrowings in foreign currency	—	7,65	20,72	21,12	22,03	24,00	23,11
9. Guarantees and underwriting agreements per contra	4,77	23,66	25,06	21,91	16,90	14,76	11,53
10. Other liabilities	1,60	3,92	9,81	10,40	11,35	12,57*	15,66
11. **Total liabilities or assets**	**51,09**	**135,36**	**214,59**	**215,23**	**212,59**	**225,01**	**237,82**
12. Cash in hand and with banks ..	3,00	2,05	9,70	12,54	7,15	7,54	3,93
13. **Investments in :**							
(*i*) Government securities ..	—	—	3,31	2,01	—	—	—
(*ii*) Shares/Stocks	95	8,01	10,83	11,80	11,80	12,58	13,90
(*iii*) Bonds/Debentures	—	3,96	6,69	6,11	6,05	6,02	4,90
(*iv*) Subscription to initial capital of U. T. I.	—	21	21	21	21	21	21
14. Loans and advances	40,74	95,43	149,70	155,71	161,75	175,83	192,56
15. Guarantees and underwriting agreements per contra ..	4,77	23,66	25,06	21,91	16,90	14,76	11,53
16. Other assets	1,62	2,05	9,10	4,94	8,73	8,08	10,79

†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		1973	
	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*
	1	2	3	4	5	6	7	8	9	10	11	12
Sugar	480@	*22.6@*	288	*6.6*	465	*24.0*	829	*23.5*	945	*24.1*	1992	*43.2*
Cotton Textiles	217	*10.2*	265	*6.1*	335	*17.3*	273	*7.7*	145	*3.7*	374	*8.1*
Synthetic Fibres	—	—	200	*4.6*	169	*8.7*	532	*15.1*	134	*3.4*	51†	*1.1†*
Jute Textiles	—	—	—	—	150	*7.8*	—	—	65	*1.6*	225	*4.9*
Paper	350	*16.5*	339	*7.8*	54	*2.8*	70	*2.0*	188	*4.8*	356	*7.7*
Rubber Products	172	*8.1*	—	—	77	*4.0*	—	—	301	*7.7*	123	*2.7*
Basic Industrial Chemicals	24*	*1.1**	260*	*6.0**	30	*1.5*	57	*1.6*	157	*4.0*	85	*1.8*
Fertilizers					75	*3.9*	6	*0.2*	773	*19.7*	—	—
Glass	97	*4.6*	14	*0.3*	58	*3.0*	—	—	56	*1.4*	89	*1.9*
Cement	50	*2.4*	378	*8.7*	50	*2.6*	50	*1.4*	20	*0.5*	215	*4.6*
Iron and Steel	—	—	526	*12.1*	—	—	479	*13.6*	319	*8.2*	190	*4.1*
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*	213	*4.6*
Machinery	70	*3.3*	495	*11.4*	22	*1.1*	95	*2.7*	109	*2.8*	88	*1.9*
Electrical Machinery and Equipments	55	*2.6*	172	*4.0*	59	*3.0*	299	*8.5*	162	*4.2*	83	*1.8*
Transport Equipment ..	—	—	113	*2.6*	54	*2.8*	240	*6.8*	211	*5.4*	58	*2.1*
Others	417	*19.7*	429	*9.9*	80	*4.1*	189	*5.3*	103	*2.6*	435	*9.4*
TOTAL	**21,21**	*100.0*	**43,53**	*100.0*	**19,38**	*100.0*	**35,32**	*100.0*	**39,16**	*100.0*	**46,15**	*100.0*

Note : Data for the year ended June 1961 relate only to loans sanctioned while for the subsequent years they relate to total financial assistance comprising direct loans, guarantees for loans and deferred payments, direct subscription to shares and debentures and underwritings.

@Relates to food manufacturing industries (except beverage industries).

*Including Fertilizers.

†Includes Resins.

Source : 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	1973-74
	1	2	3	4	5	6	7
1. Paid-up capital	5,00	7,50	7,50	7,50	10,00	10,00	12,50
2. Reserve fund	76	2,72	5,57	7,34	8,56	9,81	10,96
3. Reserve for doubtful debts ..	—	—	60	90	1,20	1,50	1,85
4. **Total borrowings**	**11,68**	**62,63**	**115,79**	**127,92**	**137,67**	**158,03**	**178,54**
(*i*) Debentures	—	—	11,00	11,00	11,00	18,00	26,00
(*ii*) From Government of India $	7,50	32,50	31,80	30,58	28,45	26,06	23,39
(*iii*) From I.D.B.I.	—	—	12,30	14,10	15,90	15,10	17,15
(*iv*) In foreign currency ..	4,18	30,13	60,69	72,24	82,32	98,87	112,00
5. Provision for taxation	38	1,33	2,19	2,28	3,74	5,51	6,53
6. Other liabilities	60	1,77	3,58	3,21	3,71	12,51	5,09
7. **Total liabilities* or assets** ..	**18,42**	**75,95**	**135,23**	**149,15**	**164,88**	**197,36**	**215,47**
8. *Contingent liabilities on account of* :							
(*i*) Shares and debentures partly paid held as investment ..	61	70	52	37	54	87	69
(*ii*) Guarantees and underwriting	45	2,42	4,63	5,09	4,58	5,52	6,45
9. Cash in hand	4,47	7,35	8,56	8,68	8,27	15,21	10,19
10. **Investments@ in :**							
(*i*) Government securities ..	55	1,24	50	50	57	50	50
(*ii*) Bonds and debentures ..	2,38	5,05	13,51	13,50	13,05	13,69	15,04
(*iii*) Shares and stocks ..	3,97	10,22	14,60	15,90	17,14	18,24	18,95
(*iv*) Unit Trust of India and I.R.C.I. £	—	13	13	13	25	25	26
11. **Loans and advances :**							
(*i*) Rupee loans $	2,19	17,65	25,08	25,07	28,54	31,54	40,15
(*ii*) Foreign currency loans ..	4,18	31,45	65,65	77,73	88,05	104,87	116,95
12. Other assets	68	2,86	7,20	7,64	9,01	13,06	13,43

* 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—OPERATIONS OF AGRICULTURAL REFINANCE CORPORATION

(Amount in lakhs of rupees)

Year ended June	Number of Schemes sanctioned	Total Financial assistance sanctioned	A.R.C.'s commitment in respect of col. No. 2	Amount utilised @
	1	2	3	4
1965-66	36	34,73	28,57	4,90
1969-70	371	259,51	214,89	59,09
1970-71	458	293,00	248,66	89,71
1971-72	711	404,75	350,79	124,69
1972-73	923	575,23	501,43	218,83
1973-74	1,457	806,90	704,10	316,67

Note : 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.

@ Figures reported under this column relate to the loans drawn from and debentures subscribed to by A.R.C.

Source : Agricultural Refinance Corporation.

STATEMENT 52—STATE-WISE SCHEMES SANCTIONED BY AGRICULTURAL REFINANCE CORPORATION AS AT THE END OF JUNE 1974

(Amount in lakhs of rupees)

State	No. of Schemes	Total Financial assistance	A.R.C.'s commitments	Amount utilised@
	1	2	3	4
1. Andhra Pradesh	165	69,26	59,99	33,13
2. Gujarat	77	67,12	59,56	43,73
3. Haryana	71	53,03	46,31	30,77
4. Karnataka	188	91,56	77,17	25,31
5. Kerala	52	16,54	13,82	3,61
6. Madhya Pradesh	173	90,12	80,58	13,23
7. Maharashtra	186	70,78	61,25	32,31
8. Punjab	78	58,35	51,26	33,44
9. Rajasthan	52	29,79	26,03	6,62
10. Tamilnadu	127	70,75	61,24	42,02
11. Uttar Pradesh	176	118,99	105,15	39,16
12. Others	112	70,61	61,74	13,34
Total	**1,457**	**806,90**	**704,10**	**316,67**

Note : 'Others' include Assam, Bihar, Delhi, Goa, Himachal Pradesh, Jammu and Kashmir, Meghalaya, Nagaland, Orissa, Pondicherry and West Bengal.

@ Figures reported under this column relate to the loans drawn from and debentures subscribed to by A.R.C.

Source : Agricultural Refinance Corporation.

STATEMENT 53—OPERATIONS OF UNIT TRUST OF INDIA

(Number in thousands; 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	1,35	19,14	3	41	1,32	18,73
1965-66	10	2,15	7	1,09	1,35	19,80
1966-67	42	9,24	7	1,99	1,70	27,05
1967-68	57	15,34	8	1,22	2,19	41,16
1968-69	58	17,16	8	1,67	2,69	56,65
1969-70	74	22,83	9	2,04	3,35	77,45
1970-71	62	18,00	13	3,19	3,84	92,25
1971-72	61	15,08	10	2,60	4,35	104,72
1972-73	82	23,04	11	2,97	5,06	124,79
1973-74	1,00	30,31	14	3,68	5,92	151,43

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.

Source : Unit Trust of India.

STATEMENT 54—GROSS YIELDS ON GOVERNMENT AND INDUSTRIAL SECURITIES (NEW SERIES)—ALL-INDIA

(Per cent per annum)

Average of months/month	Govt. of India Securities		State Government Securities		Debentures of Joint Stock Companies		Preference Shares	Ordinary Shares
	Redemption yield	Running yield	Redemption yield	Running yield	Redemption yield	Running yield		
	1	2	3	4	5	6	7	8
1973-74	5.18	4.94	5.63	5.59	8.86	7.98	10.34	5.59
April 1973	5.18	4.95	5.62	5.59	8.73	7.99	10.36	5.89
May ,, ...	5.16	4.94	5.62	5.59	8.76	7.99	10.34	5.89
June ,, ...	5.17	4.94	5.62	5.59	8.74	7.97	10.35	5.92
July ,, ...	5.17	4.94	5.62	5.59	8.74	7.97	10.36	5.90
August ,, ...	5.17	4.94	5.63	5.59	8.76	7.97	10.37	5.88
September ,, ...	5.17	4.94	5.63	5.59	8.76	7.96	10.36	5.59
October ,, ...	5.18	4.94	5.63	5.59	8.76	7.95	10.34	5.42
November ,, ...	5.18	4.94	5.63	5.59	8.91	7.99	10.31	5.09
December ,, ...	5.19	4.94	5.64	5.60	8.97	8.00	10.29	5.34
January 1974	5.19	4.94	5.65	5.60	9.00	8.00	10.34	5.54
February ,, ...	5.19	4.94	5.65	5.60	9.05	8.01	10.35	5.39
March ,, ...	5.19	4.94	5.65	5.60	9.08	8.01	10.33	5.20
April ,, ...	5.44	5.06	5.66	5.60	9.12	8.02	10.39	5.21
May ,, ...	5.50	5.09	5.69	5.61	9.19	8.03	10.44	5.12
June ,, ...	5.49	5.07	5.71	5.61	9.21	8.03	10.47	4.96

Note : For details regarding the method of compilation, etc. of the New Series, a reference may be made to the article "Yields on Government and Industrial Securities—New Series" published in the August 1974 issue of R.B.I. Bulletin.

STATEMENT 55—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1973-74

(In rupees)

Loans	As on		Average (*a*)					1973-74	
	Jan. 9, 1971	May 31, 1973	March 1973	June 1973	Sept. 1973	Dec. 1973	March 1974	Highest	Lowest
	1	2	3	4	5	6	7	8	9
Terminable									
Under 5 Years									
3¾% 1974	98.45	99.10	99.09	99.10	99.35	99.35	99.35	99.50	99.10
4¼% 1975	99.70	99.60	99.59	99.60	99.65	99.60	99.60	99.65	99.60
2¾% 1976	91.50	92.50	92.66	93.50	95.60	92.62	94.00	95.60	92.50
4¼% 1976	99.40	99.30	99.10	99.30	99.30	99.30	99.30	99.30	99.00
4½% 1977	100.20	99.50	99.48	99.50	99.50	99.45	99.45	99.50	99.45
7 % 1977 (Gold Bonds) (*b*)	115.25	132.20	128.30	131.48	131.00	114.59	118.33	133.00	110.35
4¾% 1978		100.20	100.00	100.20	100.15	100.15	100.20	100.20	100.00
Between 5 and 10 Years									
4 % 1979	96.10	95.50	95.55	95.50	95.70	95.70	95.68	95.70	94.75
4¾% 1979		100.05	100.05	100.05	100.12	100.05	100.05	100.15	100.05
4½% 1979‡		97.25	97.22	97.25	97.25	97.25	97.25	97.25	97.20
4 % 1980	95.55	94.85	94.09	94.83	94.83	94.63	94.86	95.20	94.00
7 % 1980 (Gold Bonds)	118.40	130.00	126.50	131.38	132.00	115.00	124.76	133.00	110.00
4¾% 1980 (*c*)		100.00		100.00	100.00	99.90	99.90	100.00	99.90
4 % 1981	94.95	93.50	93.42	93.50	93.50	94.40	94.40	94.40	93.25
4¾% 1981 (*d*)					99.75	99.80	99.80	99.80	99.75
5 % 1981†		100.00	100.00	100.03	100.05	100.05	100.05	100.05	100.00
5 % 1982	102.25	100.00	100.00	100.00	100.02	100.05	100.05	100.10	99.00
5 % 1983		99.60	99.60	99.64	99.65	99.69	99.70	99.70	99.55
Between 10 and 15 Years									
5 % 1984		99.60	99.54	99.60	99.55	99.65	99.65	99.65	99.55
4½% 1985	95.85	92.95	92.95	92.95	92.95	93.19	93.25	93.25	92.50
4½% 1986	95.15	92.50	92.45	92.50	92.50	92.50	92.50	92.50	91.00
5½% 1986		100.00	100.00	100.00	100.18	100.20	100.20	100.20	100.00
5¼% 1986†		100.05	100.05	100.05	100.05	100.05	100.05	100.05	100.05
5½% 1987 (*d*)					100.05	100.05	100.05	100.10	100.00
5¼% 1988		99.55	99.55	99.54	100.00	99.90	100.00	100.00	99.50
Over 15 Years									
4¾% 1989	97.00	93.05	93.05	93.05	93.05	93.23	93.25	93.25	92.85
5½% 1990	103.50	101.20	101.20	101.20	101.15	101.15	101.20	101.20	101.15
5½% 1991	102.40	101.00	100.98	101.00	101.00	101.00	100.75	101.00	99.80
5½% 1992	101.50	100.60	100.57	100.60	100.60	100.55	100.55	100.60	100.55
5½% 1995	101.00	99.35	99.35	99.31	99.35	99.50	99.50	99.50	99.00
5½% 1999	100.45	98.30	98.30	98.29	98.26	98.10	98.30	98.30	97.20
5½% 1999‡		97.10	96.80	97.10	97.22	97.46	97.09	98.00	96.65
5½% 2000	100.05	97.60	97.60	97.60	97.60	97.44	97.55	97.60	97.25
5¾% 2001		100.10	100.15	100.18	100.20	100.20	100.20	100.20	100.10
5¾% 2001†		100.15	100.00	100.16	100.18	100.20	100.20	100.20	100.00
5¾% 2002		100.10	100.10	100.11	100.15	100.15	100.13	100.15	99.75
5¾% 2003 (*c*)		100.15		100.11	100.15	100.20	100.15	100.20	99.50
Non-terminable									
3 % 1986 or later	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
3 % 1986-97	59.50	59.50	59.20	59.50	59.50	59.50	59.00	59.50	58.40

Note: The maturity classification is as of March 31, 1974. (*a*) Average of closing quotations for working days. (*b*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*c*) Quoted from May 15, 1973. (*d*) Quoted from July 24, 1973.

‡ Banks Acquisition and Transfer Compensation Bonds. †National Defence Loan.

Source: Bombay Stock Exchange.

STATEMENT 56—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on		Average					Annual Average	
	Jan. 9, 1971	May 31, 1973	March 1973	June 1973	Sept. 1973	Dec. 1973	March 1974	1973-74	1972-73
	1	2	3	4	5	6	7	8	9
Terminable									
Under 5 Years									
3¾% 1974	4.23	4.58	4.46	4.61	4.55	4.88		4.70	4.52
4½% 1975	4.32	4.44	4.44	4.45	4.45	4.51	4.55	4.47	4.46
2¾% 1976	4.46	5.26	5.07	4.94	4.33	5.68	5.35	5.05	4.98
4½% 1976	4.37	4.49	4.54	4.50	4.52	4.54	4.58	4.53	4.54
4½% 1977	4.46	4.62	4.63	4.63	4.63	4.66	4.67	4.64	4.68
4¾% 1978		4.70	4.75	4.70	4.71	4.71	4.70	4.71	4.75
Between 5 and 10 Years									
4 % 1979	4.56	4.86	4.80	4.86	4.86	4.90	4.94	4.89	4.84
4¾% 1979		4.74	4.74	4.74	4.72	4.74	4.74	4.74	4.74
4½% 1979‡		5.02	5.02	5.03	5.05	5.07	5.09	5.05	4.98
4 % 1980	4.58	4.86	4.97	4.87	4.90	4.97	4.95	4.91	4.98
4¾% 1980 (*a*)		4.75		4.75	4.75	4.77	4.77	4.76	
4 % 1981	4.61	4.98	4.97	4.99	5.01	4.89	4.92	4.95	4.99
4¾% 1981 (*b*)					4.79	4.78	4.78	4.78	
5 % 1981†		5.00	5.00	4.99	4.99	4.99	4.99	4.99	5.00
5 % 1982	4.74	5.00	5.00	5.00	5.00	4.99	4.99	5.00	5.02
5 % 1983		5.05	5.05	5.04	5.04	5.04	5.04	5.04	5.05
Between 10 and 15 Years									
5 % 1984		5.05	5.05	5.05	5.05	5.04	5.04	5.05	5.06
4½% 1985	4.90	5.30	5.28	5.30	5.31	5.29	5.30	5.31	5.27
4½% 1986	4.95	5.31	5.30	5.31	5.32	5.33	5.35	5.34	5.28
5¼% 1986		5.25	5.25	5.25	5.23	5.23	5.23	5.24	5.25
5¼% 1986†		5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24
5¼% 1987 (*b*)					5.24	5.24	5.24	5.24	
5¼% 1988		5.29	5.29	5.30	5.25	5.26	5.25	5.26	5.29
Over 15 Years									
4¾% 1989	5.00	5.41	5.40	5.41	5.42	5.40	5.41	5.41	5.39
5½% 1990	5.21	5.39	5.39	5.39	5.39	5.39	5.39	5.39	5.39
5½% 1991	5.31	5.41	5.41	5.41	5.41	5.41	5.43	5.41	5.42
5½% 1992	5.38	5.45	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	5.54	5.54	5.55	5.55
5½% 1999	5.47	5.63	5.63	5.63	5.63	5.64	5.63	5.63	5.62
5½% 1999‡		5.71	5.74	5.72	5.71	5.69	5.72	5.71	5.74
5½% 2000	5.50	5.67	5.67	5.67	5.68	5.69	5.68	5.68	5.67
5¾% 2001		5.74	5.74	5.74	5.73	5.74	5.73	5.74	5.74
5¾% 2001†		5.74	5.75	5.74	5.74	5.74	5.73	5.74	5.74
5¾% 2002		5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
5¾% 2003 (*a*)		5.74		5.74	5.74	5.74	5.74	5.74	
Non-terminable									
3 % 1986 or later (*c*)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3 % 1896-97 (*c*)	5.04	5.04	5.07	5.04	5.04	5.04	5.07	5.05	5.04

Note: The maturity classification is as of March 31, 1974. Yields are gross *i.e.*, not allowing for income-tax and are based on prices quoted at Bombay. (*a*) Quoted from May 15, 1973. (*b*) Quoted from July 24, 1973. (*c*) Flat Yield.

‡ Banks Acquisition and Transfer Compensation Bonds. † National Defence Loan.

STATEMENT 57—INDEX NUMBERS OF SECURITY PRICES—REGIONAL

(New Series—Base : 1970-71 = 100)

Last Week ended Saturday	BOMBAY				CALCUTTA				MADRAS				AHMEDABAD		DELHI	
	Government and Semi-Government Securities	Debentures of Joint Stock Companies	Preference Shares	Ordinary Shares	Government and Semi-Government Securities	Debentures of Joint Stock Companies	Preference Shares	Ordinary Shares	Government and Semi-Government Securities	Debentures of Joint Stock Companies	Preference Shares	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares	Ordinary Shares
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1971–72 ..	98.6	98.0	93.5	96.5	98.4	100.2	95.7	100.6	98.1	99.6	100.4	93.1	89.2	90.3	100.6	95.8
1972–73 ..	99.0	96.3	91.2	105.0	98.7	100.3	92.6	100.4	98.3	98.4	100.4	100.4	86.3	100.1	99.8	98.4
1973–74 ..	99.1	94.9	91.4	127.4	98.8	99.1	93.3	123.5	98.3	99.9	100.8	121.1	87.2	127.3	100.4	114.8
April 1973 ..	99.0	95.7	91.1	102.9	98.8	100.3	92.5	98.6	98.3	98.4	100.5	100.4	86.4	98.5	99.8	99.3
May ,, ..	99.0	95.8	91.2	108.0	98.8	100.2	93.3	100.0	98.3	98.4	100.6	101.0	86.4	98.9	99.8	101.6
June ,, ..	99.0	95.8	90.4	110.6	98.8	100.2	93.3	101.0	98.3	99.0	100.6	102.0	86.1	105.1	99.8	104.5
July ,, ..	99.0	95.7	90.7	110.6	98.8	100.3	93.4	100.2	98.3	99.0	100.9	104.0	84.4	105.2	99.8	103.6
August ,, ..	99.0	95.7	90.7	113.9	98.8	100.3	93.6	102.1	98.3	99.3	100.8	105.1	84.3	107.2	100.0	103.6
September ,, ..	99.1	95.8	90.8	121.7	98.8	100.3	93.5	110.9	98.3	99.9	101.0	114.0	84.3	121.1	100.0	112.7
October ,, ..	99.1	95.3	91.4	126.6	98.8	100.4	93.8	119.8	98.3	99.9	100.6	115.8	84.5	127.5	100.0	117.8
November ,, ..	99.0	95.1	91.8	129.4	98.8	99.2	93.6	125.7	98.3	99.9	101.1	122.6	86.8	129.6	100.0	117.2
December ,, ..	99.0@	95.1@	92.9@	118.5@	98.8	99.2	93.2	115.8	98.2@	99.9@	101.2@	116.2@	86.8	116.8	100.0	109.0
January 1974 ..	99.0	95.1	91.9	119.0	98.8	99.2	93.2	114.1	98.3	99.9	101.2	115.6	86.0	120.4	100.0	108.9
February ,, ..	99.0	95.0	91.8	125.2	98.8	99.1	93.2	118.4	98.3	99.9	101.4	118.5	86.8†	125.4†	100.0	112.4
March ,, ..	99.1	94.9	91.4	127.4	98.8	99.1	93.3	123.5	98.3	99.9	100.8	121.1	87.2	127.3	100.4	114.8
April ,, ..	97.4	94.8	90.4	131.7	98.0	99.1	93.7	124.0	98.3	99.8	100.7	122.6	87.2	131.8	100.5	116.3
May ,, ..	97.6	94.6	89.9	136.4	97.6	99.1	93.7	130.0	97.9	99.8	100.3	122.8	86.9	133.9	100.1	117.0
June ,, ..	97.5	94.7	88.9	134.9	97.3	99.1	93.7	131.6	97.9	99.8	99.9	126.0	86.4	130.6	100.5	123.9

@Figures relate to week ended December 22, 1973. † Figures relate to week ended February 16, 1974.

STATEMENT 58—INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

(New Series** — Base : 1970 - 71 = 100)

Average of weeks ended Saturday	GOVERNMENT AND SEMI-GOVERNMENT SECURITIES				DEBENTURES OF JOINT STOCK COMPANIES						
	Total	Government of India	State Governments	Semi-Government Institutions	**All Industries***	Cotton Textiles	Textiles other than cotton	Aluminium	Transport equipment	Engineering other than transport equipment	Electricity generation and supply
	1	2	3	4	5	6	7	8	9	10	11
1971-72 @ ..	**98.6**	98.1	99.7	99.9	**99.1**	98.4	98.6	100.5	97.7	99.9	97.4
1972-73 @ ..	**98.7**	98.2	99.8	100.3	**98.4**	97.2	97.6	100.4	95.8	99.5	96.6
1973-74 ..	**98.8**	98.4	99.9	100.8	**97.4**	97.3	96.9	100.9	93.4	99.7	92.8
April 1973 ..	**98.8**	98.4	99.9	100.7	**97.5**	95.1	97.2	100.9	93.3	99.9	94.0
May ,, ..	**98.8**	98.4	99.9	100.7	**97.4**	95.1	97.4	100.9	92.7	99.5	94.3
June ,, ..	**98.8**	98.4	99.9	100.7	**97.5**	96.5	97.7	100.9	92.9	99.3	93.6
July ,, ..	**98.8**	98.4	99.9	100.8	**97.6**	96.8	97.7	100.9	93.5	99.7	93.7
August ,, ..	**98.8**	98.4	99.9	100.8	**97.6**	97.0	97.7	100.9	93.5	99.9	93.7
September ,, ..	**98.9**	98.4	99.9	100.8	**97.6**	97.1	97.7	100.9	93.5	99.9	93.4
October ,, ..	**98.9**	98.4	99.9	100.8	**97.7**	98.4	97.7	100.9	93.5	99.9	92.8
November ,, ..	**98.8**	98.4	99.9	100.8	**97.3**	98.4	96.0	100.9	93.5	99.9	92.0
December ,, ..	**98.8**	98.4	99.8	100.8	**97.2**	98.2	95.9	100.9	93.5	99.9	92.0
January 1974 ..	**98.8**	98.4	99.8	100.8	**97.1**	98.1	95.9	100.9	93.5	99.9	92.0
February ,, ..	**98.8**	98.4	99.8	100.8	**97.0**	98.1	95.9	100.9	93.5	99.3	91.5
March ,, ..	**98.8**	98.4	99.8	100.8	**97.0**	98.1	95.9	100.9	93.5	99.3	91.3
April ,, ..	**98.2**	97.6	99.8	100.8	**97.0**	97.9	95.9	100.9	93.5	99.3	91.1
May ,, ..	**97.9**	97.2	99.7	100.7	**96.8**	97.9	95.9	100.9	93.5	99.3	90.6
June ,, ..	**97.8**	97.1	99.6	100.7	**96.9**	97.9	96.9	100.9	93.5	99.3	90.6

STATEMENT 58—INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY) (*Contd.*)

(New Series**-Base : 1970 – 71 = 100)

Average of weeks ended Saturday	PREFERENCE SHARES																	
	All Industries	Agriculture and allied activities	Processing and Manufacturing														Other Industries	
		Plantations, etc.	Total*	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Iron and steel	Aluminium	Transport equipment	Electrical machinery, apparatus, appliances, etc.	Machinery other than transport and electrical	Chemical fertilisers	Other basic industrial chemicals	Cement	Paper and paper products	Total*	Electricity generation and supply
	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1971–72 @ ..	**96.7**	97.1	**96.8**	100.0	95.1	103.4	93.8	91.7	99.2	97.1	101.8	86.9	92.8	97.2	100.1	99.3	**95.8**	**97.4**
1972–73 @ ..	**94.3**	96.5	**94.5**	101.1	93.2	105.3	88.7	85.8	97.5	93.2	101.7	85.1	91.0	95.3	100.7	98.0	**92.2**	93.3
1973–74 ..	**94.1**	97.0	**94.7**	101.9	103.5	100.3	88.9	84.3	96.3	87.1	101.1	87.7	89.7	95.8	99.6	99.0	**89.0**	90.4
April 1973..	**93.7**	98.2	**94.0**	102.6	99.4	102.7	88.4	83.7	96.9	88.9	100.8	83.3	90.9	95.9	100.7	97.8	**90.7**	91.2
May ,, ..	**93.8**	98.2	**94.2**	101.8	99.7	102.6	88.6	83.8	96.9	88.9	100.8	83.7	90.9	95.9	101.0	98.1	**90.2**	90.3
June ,, ..	**93.7**	97.4	**94.2**	101.5	100.4	100.6	88.8	83.8	96.4	88.8	100.8	84.1	90.9	95.0	100.8	98.0	**90.0**	90.5
July ,, ..	**93.7**	97.5	**94.2**	101.5	101.2	100.7	89.0	83.1	96.4	86.8	100.8	85.0	90.9	95.6	99.9	98.5	**89.3**	90.6
August ,, ..	**93.6**	95.3	**94.2**	101.5	101.9	101.5	89.2	82.3	96.4	86.9	100.8	86.2	89.2	96.0	99.7	97.9	**89.1**	90.1
September ,, ..	**93.7**	94.8	**94.3**	101.5	103.3	100.8	89.1	82.5	96.5	87.0	101.4	86.8	88.9	96.3	99.7	98.0	**89.4**	90.6
October ,, ..	**94.0**	95.3	**94.5**	101.5	104.6	98.7	88.7	82.6	96.5	86.7	101.3	90.3	88.9	96.3	99.0	98.0	**89.8**	91.5
November ,, ..	**94.3**	96.1	**94.9**	101.5	105.4	99.0	88.8	84.7	96.4	86.1	101.4	91.4	88.9	96.0	97.9	98.7	**89.9**	91.8
December ,, ..	**95.0**	97.3	**95.8**	101.9	106.6	98.5	88.6	85.9	96.2	86.1	101.5	92.0	89.1	95.8	98.3	100.8	**89.0**	91.0
January 1974..	**94.3**	98.0	**95.1**	102.7	106.3	98.5	88.6	85.7	96.1	85.1	101.5	91.9	89.2	95.8	98.3	100.6	**88.1**	90.3
February ,, ..	**94.3**	97.7	**95.2**	102.7	106.5	99.2	89.0	86.1	95.4	86.1	101.2	89.6	89.2	95.8	99.8	100.3	**87.3**	89.8
March ,, ..	**94.3**	97.6	**95.4**	102.5	105.6	101.2	90.0	86.9	95.6	86.8	101.1	88.5	89.2	95.2	100.0	100.9	**86.1**	88.0
April ,, ..	**93.9**	97.1	**95.0**	102.8	102.5	101.1	89.6	86.4	95.6	85.8	101.1	88.3	89.2	94.2	100.1	100.7	**85.6**	87.0
May ,, ..	**93.5**	96.5	**94.6**	102.4	102.0	100.8	89.5	84.7	94.2	85.6	101.1	88.0	89.2	94.2	100.2	101.0	**85.6**	87.2
June ,, ..	**93.3**	96.3	**94.4**	101.9	101.7	101.1	88.7	83.8	94.4	85.5	100.6	88.0	89.2	94.2	100.2	100.6	**85.4**	87.3

STATEMENT 58—INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY) (*Contd.*)

(New Series**-Base : 1970 - 71 = 100)

Average of weeks ended Saturday	ORDINARY SHARES																	
				Processing and Manufacturing														
	All Industries	Agriculture and allied activities		Total	Foodstuffs, Textiles, etc.									Metals, Chemicals and Products thereof				
					Total	Foodstuffs				Textiles, etc.				Total	Metals and Products thereof			
		Total*	Tea plantations			Total*	Sugar	Tobacco	Breweries and distilleries	Total*	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles		Total*	Iron and steel	Aluminium	Transport equipment
	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47
1971–72 @ ..	95.2	104.1	108.4	95.1	95.5	95.5	89.3	105.3	90.0	95.5	88.2	117.6	99.0	94.8	94.2	75.2	94.5	87.7
1972–73 @ ..	96.5	96.9	100.1	96.8	101.3	95.6	91.4	108.9	73.8	102.9	94.4	120.8	110.7	95.2	90.6	58.5	79.4	82.7
1973–74	114.6	95.0	95.1	116.0	124.5	101.2	106.3	111.1	79.1	131.4	128.0	134.8	133.1	113.2	102.9	61.5	76.8	92.8
April 1973 ..	102.7	93.8	96.2	103.6	107.8	98.3	95.6	112.4	74.8	110.7	104.1	104.3	118.7	103.2	94.0	58.3	71.5	84.8
May ,, ..	103.1	93.3	95.3	104.0	107.9	97.5	97.3	110.4	74.2	111.0	104.3	103.1	119.0	103.2	93.7	57.7	71.0	85.9
June ,, ..	105.8	92.0	94.2	106.9	109.9	96.3	96.2	109.3	74.1	113.9	106.7	102.8	123.4	106.8	96.2	55.9	73.6	87.5
July ,, ..	107.3	88.1	88.6	108.1	111.5	96.8	100.3	107.3	74.7	115.9	108.2	105.5	127.0	107.9	96.9	53.3	72.8	86.9
August ,, ..	107.9	89.1	89.4	108.6	113.2	97.7	105.3	105.8	76.4	117.7	111.9	107.2	126.5	108.0	97.3	54.1	72.7	85.1
September ,, ..	115.6	91.6	91.4	116.8	124.9	101.5	110.3	107.0	85.4	131.8	129.0	129.5	134.4	114.5	103.1	56.5	78.7	94.6
October ,, ..	119.8	93.3	92.5	121.2	130.0	100.1	109.6	103.4	81.8	138.8	137.5	138.2	137.6	118.7	108.1	68.1	79.9	101.7
November ,, ..	127.7	96.4	95.5	130.1	140.4	105.4	111.4	112.2	85.7	150.7	150.3	161.0	146.5	126.7	116.1	76.0	86.5	110.8
December ,, ..	120.3	97.3	96.4	122.0	133.6	104.1	109.2	113.1	82.2	142.3	140.6	159.1	140.0	117.0	107.9	64.1	80.7	96.9
January 1974 ..	116.2	96.2	95.6	117.8	130.5	102.9	109.8	113.6	78.8	138.6	137.0	153.6	136.7	112.3	103.6	61.2	76.9	90.7
February ,, ..	120.2	98.4	97.0	122.0	136.4	103.9	113.5	114.4	76.2	146.0	147.2	159.9	138.3	116.3	105.8	62.5	75.9	92.7
March ,, ..	126.2	108.2	107.3	128.1	144.7	108.6	115.9	122.2	82.5	155.4	154.3	183.9	146.5	121.7	110.1	70.0	79.9	95.7
April ,, ..	127.1	113.3	113.3	128.5	144.5	109.5	114.9	127.3	80.1	154.8	154.5	177.1	146.8	122.1	109.9	67.6	76.2	98.2
May ,, ..	131.2	113.0	113.1	133.0	148.9	112.1	116.2	128.8	83.4	159.7	161.1	172.6	151.3	126.3	113.2	70.1	76.9	102.8
June ,, ..	134.8	118.3	117.8	136.6	150.6	115.4	119.1	134.1	84.7	161.0	160.7	171.8	155.6	128.9	116.5	70.3	80.4	104.3

STATEMENT 58—INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY) (*Concld.*)

(New Series** — Base : 1970 - 71 = 100)

Average of weeks ended Saturaay	ORDINARY SHARES — (*Concld.*)																	
	Processing and Manufacturing — (*Concld.*)													Other Industries				
	Metals, Chemicals and Products thereof — (*Concld.*)									Other Processing and Manufacturing				Total*	Electri-city genc-ration and supply	Trad-ing	Shipp-ing	Invest-ments
	Metals and Products thereof (*Concld.*)				Chemicals and Products thereof													
	Electrical machi-nery, appa-ratus, applian-ces, etc.	Machi-nery other than trans-port and electri-cal	Found-ries and enginee-ring work-shops	Metal pro-ducts	Total*	Chemical ferti-lisers	Other basic indus-trial chemi-cals	Medi-cines and pharma-ceutical prepa-rations	Other chemi-cal pro-ducts	Total*	Cement	Paper and paper produ-cts	Rubber and rubber products					
	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
1971–72 @ ..	104.4	93.6	113.8	106.4	**95.5**	96.4	95.7	92.8	96.4	**95.8**	96.6	103.6	90.2	**93.3**	92.7	99.8	90.9	86.7
1972–73 @ ..	107.6	94.1	131.0	111.5	**101.3**	109.2	99.4	94.1	100.6	**94.4**	94.7	103.1	88.0	**93.1**	81.3	113.3	95.4	80.3
1973–74 ..	121.6	117.6	174.1	131.5	**126.8**	169.0	118.4	111.7	115.5	**110.8**	101.8	131.3	106.3	**107.1**	81.9	136.3	132.6	81.2
April 1973..	111.0	104.7	155.2	117.9	**115.4**	140.5	109.2	107.9	108.3	**97.1**	96.9	107.2	90.5	**96.4**	79.1	116.9	111.3	81.6
May ,, ..	109.6	104.5	158.4	117.2	**115.8**	143.4	109.9	105.4	108.4	**99.4**	100.6	110.1	92.2	**97.0**	78.9	119.0	113.2	80.9
June ,, ..	115.2	108.0	163.8	119.8	**120.7**	157.5	112.7	106.2	113.4	**101.7**	99.2	115.7	95.8	**99.1**	78.2	125.2	118.2	78.4
July ,, ..	118.0	110.9	165.2	122.6	**122.5**	160.0	115.1	106.7	112.3	**102.6**	92.9	117.5	103.2	**105.7**	78.7	132.1	136.7	80.6
August ,, ..	118.4	112.5	168.5	124.0	**122.2**	160.5	114.8	108.4	110.4	**102.7**	93.8	116.6	101.2	**106.5**	79.4	130.0	140.5	81.7
September ,, ..	121.9	119.5	177.9	130.4	**129.5**	169.9	122.0	116.1	116.5	**110.8**	101.4	127.9	108.1	**111.5**	81.0	136.2	149.7	84.0
October ,, ..	124.4	124.2	181.1	135.2	**132.8**	180.1	124.1	114.6	119.7	**114.8**	103.6	134.9	111.4	**113.6**	82.4	141.2	151.1	87.5
November ,, ..	133.0	130.1	193.6	145.0	**140.6**	196.8	130.9	119.9	123.4	**124.1**	109.8	153.6	118.9	**113.7**	84.5	147.4	142.0	82.9
December ,, ..	126.7	124.4	181.6	141.3	**129.0**	175.5	120.1	110.7	117.4	**120.0**	108.3	146.4	113.3	**109.9**	84.6	145.4	129.8	82.3
January 1974..	124.0	118.3	174.2	137.8	**123.6**	166.6	115.1	105.6	113.9	**115.3**	103.4	139.8	109.4	**106.1**	84.3	140.6	120.9	79.9
February ,, ..	126.0	122.7	179.1	140.2	**130.2**	179.2	120.0	116.2	117.6	**116.9**	103.3	144.7	112.0	**108.9**	85.3	144.2	129.8	78.6
March ,, ..	128.9	128.4	187.3	144.3	**137.0**	193.0	125.4	120.9	122.5	**121.8**	106.4	156.2	117.5	**115.2**	85.7	153.4	145.3	80.8
April ,, ..	129.9	129.4	189.0	142.7	**138.1**	189.4	126.8	122.6	128.9	**123.5**	108.0	158.0	118.0	**117.0**	85.9	154.5	152.6	79.2
May ,, ..	132.7	134.8	196.0	143.1	**143.6**	188.8	131.7	137.9	136.6	**129.7**	108.6	162.6	134.9	**118.4**	84.2	157.5	157.7	78.0
June ,, ..	138.9	138.3	196.8	148.8	**145.3**	194.2	132.7	137.3	138.9	**140.0**	110.6	190.8	136.2	**121.1**	84.6	162.9	163.4	77.9

**For technical note on compilation of the New Series, please refer to page Nos. 1802–1838 of the November 1973 issue of the Reserve Bank of India Bulletin.

*Includes the sub - group ' Miscellaneous'. @Average of last week figures of the months.

STATEMENT 59—GROSS YIELDS ON ORDINARY SHARES: (NEW SERIES)—

Average of months/month	All Industries	Agriculture and Allied Activities		PROCESSING					
					Foodstuffs,				
						Foodstuffs			
		Total*	Tea plantations	Total	Total	Total*	Sugar	Tobacco	Breweries and distilleries
	1	2	3	4	5	6	7	8	9
1973-74	5.59	6.59	6.40	5.36	6.15	7.07	9.30	6.23	6.26
April 1973	5.89	7.48	7.29	5.63	6.46	7.60	10.04	7.08	6.17
May ,, ...	5.89	7.19	6.93	5.64	6.49	7.33	9.90	6.43	6.21
June ,, ...	5.92	6.91	6.81	5.70	6.72	7.39	10.08	6.24	6.24
July ,, ...	5.90	7.00	6.89	5.69	6.74	7.30	9.81	6.39	6.22
August ,, ...	5.88	6.65	6.47	5.68	6.75	7.31	9.66	6.51	6.18
September ,, ...	5.59	6.57	6.33	5.38	6.24	7.23	9.69	6.41	6.02
October ,, ...	5.42	6.47	6.25	5.20	5.97	7.07	9.08	6.52	6.30
November ,, ...	5.09	6.36	6.18	4.84	5.46	6.47	8.17	5.95	5.99
December ,, ...	5.34	6.26	6.09	5.12	5.76	6.64	8.46	5.91	6.30
January 1974	5.54	6.25	6.07	5.31	5.92	6.78	8.57	5.95	6.56
February ,, ...	5.39	6.14	5.98	5.16	5.75	6.86	8.81	5.86	6.70
March ,, ...	5.20	5.79	5.54	4.97	5.55	6.81	9.32	5.51	6.20
April ,, ...	5.21	5.96	5.81	5.00	5.67	6.91	9.74	5.27	6.41
May ,, ...	5.12	6.13	6.03	4.89	5.62	6.59	9.63	4.66	6.14
June ,, ...	4.96	5.91	5.80	4.72	5.67	6.38	9.68	4.19	6.06

Average of months/month	PROCESSING								
	Metals, Chemicals and Products thereof (*Concld.*)								
	Metals and Products thereof (*Concld.*)				Chemicals and Products thereof				
	Electrical machinery, apparatus, appliances, etc.	Machinery other than transport and electrical	Foundries and engineering workshops	Metal products	Total*	Chemical fertilisers	Other basic industrial chemicals	Medicines and pharmaceutical preparations	Other chemical products
	19	20	21	22	23	24	25	26	27
1973-74 ..	5.61	5.71	4.96	5.39	5.03	2.57	4.97	6.08	6.96
April 1973	5.90	5.72	4.20	5.83	4.83	2.94	5.04	5.51	5.73
May ,,	6.13	5.77	4.22	5.89	5.07	3.10	5.05	5.98	6.74
June ,,	5.84	5.88	4.56	5.76	5.19	2.78	5.03	6.44	7.65
July ,,	5.46	5.86	4.81	5.65	5.17	2.69	5.02	6.39	7.65
August ,,	5.67	5.80	4.73	5.60	5.16	2.70	5.11	6.31	7.34
September ,,	5.59	5.56	4.71	5.47	4.98	2.55	4.86	5.90	7.04
October ,,	5.50	5.36	4.70	5.39	4.92	2.37	4.81	6.00	6.88
November ,,	5.23	5.09	5.17	5.07	4.69	2.18	4.53	5.82	6.74
December ,,	5.46	5.48	5.53	5.18	5.05	2.35	4.97	6.24	6.95
January 1974	5.60	5.88	5.73	5.30	5.28	2.46	5.23	6.59	7.13
February ,,	5.53	6.10	5.64	4.81	5.09	2.41	5.08	6.00	6.98
March ,,	5.44	6.04	5.51	4.67	4.95	2.35	4.94	5.85	6.75
April ,,	5.46	6.04	5.45	4.75	5.06	2.54	5.10	5.77	6.75
May ,,	5.39	5.79	5.30	4.69	4.96	2.58	4.86	5.11	7.42
June ,,	5.18	5.68	5.29	4.72	4.61	2.46	4.27	5.14	7.34

Note : For details regarding the method of compilation, etc. of the New Series, a reference may be made to the article "Yields on Government and Industrial Securities—New Series" published in the August 1974 issue of R.B.I. Bulletin.

*Includes the sub-group 'Miscellaneous'.

ALL-INDIA (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

AND MANUFACTURING

Textiles, etc.				Metals, Chemicals and Products thereof				
Textiles, etc.				Metals and Products thereof				
Total*	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Total	Total*	Iron and steel	Aluminium	Transport equipment
10	11	12	13	14	15	16	17	18
5.88	5.82	9.03	5.96	**4.82**	**4.66**	4.44	3.21	3.34
6.13	6.10	11.59	5.75	**4.99**	**5.10**	4.48	5.40	3.66
6.24	6.25	11.62	5.87	**4.98**	**4.92**	4.67	3.39	3.61
6.52	6.54	11.18	6.39	**5.00**	**4.86**	4.80	3.18	3.55
6.58	6.70	10.82	6.29	**4.96**	**4.81**	5.08	3.16	3.54
6.59	6.63	10.83	6.41	**4.96**	**4.80**	4.92	3.20	3.43
5.94	5.86	9.01	6.07	**4.79**	**4.64**	4.69	3.05	3.28
5.64	5.53	8.17	5.89	**4.66**	**4.47**	4.19	2.88	3.19
5.17	5.01	7.09	5.51	**4.41**	**4.20**	3.59	2.70	2.95
5.50	5.44	7.18	5.75	**4.72**	**4.47**	4.23	2.86	3.12
5.66	5.58	7.39	5.95	**4.93**	**4.66**	4.38	2.97	3.31
5.42	5.20	7.21	5.95	**4.80**	**4.51**	4.26	3.00	3.25
5.18	5.05	6.31	5.70	**4.66**	**4.44**	3.95	2.67	3.22
5.31	5.23	6.45	5.75	**4.66**	**4.35**	4.13	1.72	3.23
5.33	5.30	6.34	5.72	**4.55**	**4.23**	3.90	1.68	3.15
5.46	5.57	5.58	5.76	**4.36**	**4.18**	3.90	1.62	3.21

AND MANUFACTURING (*Concld.*)

Other Processing and Manufacturing				Other Industries				
Total*	Cement	Paper and paper products	Rubber and rubber products	Total*	Electricity generation and supply	Trading	Shipping	Investments
28	29	30	31	32	33	34	35	36
5.94	8.21	5.89	3.59	**7.65**	10.22	6.26	5.74	8.67
6.50	8.17	7.31	4.16	**8.10**	10.45	6.94	6.49	8.54
6.58	8.75	7.02	4.12	**8.03**	10.34	6.83	6.32	8.57
6.44	8.90	6.56	3.86	**7.98**	10.39	6.62	6.03	8.80
6.51	9.50	6.41	3.71	**7.73**	10.29	6.32	5.50	8.57
6.46	9.35	6.41	3.75	**7.67**	10.18	6.48	5.35	8.44
6.01	8.53	5.82	3.60	**7.51**	10.17	6.17	5.00	8.26
5.83	8.36	5.47	3.46	**7.35**	10.42	5.97	4.86	8.61
5.29	7.32	4.86	3.15	**7.33**	10.12	5.80	5.48	8.69
5.43	7.32	5.18	3.33	**7.44**	10.11	5.96	5.95	8.64
5.62	7.70	5.44	3.44	**7.71**	10.17	6.16	6.48	8.89
5.44	7.64	5.33	3.35	**7.59**	10.03	5.98	6.02	9.13
5.12	6.95	4.93	3.18	**7.33**	9.97	5.89	5.41	8.94
5.04	6.83	4.87	3.14	**7.19**	9.96	5.87	5.24	9.09
4.84	6.53	4.79	2.73	**7.24**	10.22	5.84	5.12	9.18
4.36	5.85	4.07	2.22	**7.16**	10.14	5.67	5.09	8.95

STATEMENT 60—

A. Public Sector Plan Outlay

Head of Development	Third Plan : 1961-66		Annual Plans : 1966-69		1969-70	1970-71
	Total	Annual Average	Total	Annual Average		
	1	2	3	4	5	6
1. Agriculture and allied sectors ..	1,089 (12.7)	218	1,167 (17.3)	389	333	374
2. Irrigation and flood control ..	665 (7.8)	133	457 (6.8)	152	193	210
3. Power	1,252 (14.6)	251	1,182 (17.5)	394	470	514
4. Village & small industries ..	241 (2.8)	48	144 (2.1)	48	40	43
5. Industry and minerals ..	1,726 (20.1)	345	1,575 (23.3)	525	445	465
6. Transport & communications	2,112 (24.6)	422	1,239 (18.3)	413	411	508
7. Education	589 (6.9)	118	322 (4.8)	108	87	115
8. Scientific research	72 (0.8)	14	51 (0.8)	17	13	18
9. Health	226 (2.6)	45	140 (2.1)	47	40	52
10. Family planning	25 (0.3)	5	75 (1.1)	25	37	48
11. Water supply and sanitation	106 (1.2)	21	101 (1.5)	33	51	66
12. Housing, urban and regional development	127 (1.5)	25	63 (0.9)	21	32	43
13. Welfare of backward classes ..	99 (1.2)	20	69 (1.0)	23	21	25
14. Social welfare	19 (0.2)	4	12 (0.2)	4	4	5
15. Labour welfare and craftsmen training	56 (0.7)	11	36 (0.5)	12	4	5
16. Other programmes	173 (2.0)	35	123 (1.8)	41	29	33
17. Special schemes	—	—	—	—	—	—
Total ..	**8,577 (100.0)**	**1,715**	**6,756* (100.0)**	**2,252**	**2,210**	**2,524**

Note : Figures in brackets are percentages to the total.

* According to the Economic Survey, 1973-74, this is now placed at Rs. 6,625 crores. **In the Annual Plan for 1974-75 the outlay in 1973-74 was placed at about Rs. 3,960 crores.

@ The Draft Fifth Plan has been formulated on the basis of concept of gross capital formation. As a result, this includes the provisions for replacement of equipment and machinery as well as the cost of construction of buildings-residential or administrative which were outside the Plan during the Fourth Plan period. Accordingly the Annual Plan of Rs. 4,844 crores includes provisions for a number of items which were not covered by Annual Plan 1973-74 e.g. replacement of equipment and machinery, market borrowings and the negotiated loans by the semi-government

FIVE YEAR PLANS

(at current prices)

(Rupees Crores)

Fourth Plan : 1969-74					Draft Fifth Five Year Plan 1974-79		1974-75 Plan Provision
1971-72	1972-73 Plan Provision	1973-74 Plan Provision	1969-70 to 1973-74		Total	Annual Average	
			Original Estimate (at 1968-69 prices)	Anticipated (5+6+7+8+9)			
7	8	9	10	11	12	13	14
478	782	776	2,728 (17.2)	2,743 (16.9)	4,730 (12.7)	946	638
248	260	294	1,087 (6.8)	1,205 (7.4)	2,681 (7.2)	536	385
606	603	687	2,448 (15.4)	2,880 (17.8)	6,190 (16.6)	1,238	767
48	63	60	293 (1.8)	254 (1.6)	—	—	69
591	731	751	3,338 (21.0)	2,983 (18.4)	8,939 (24.0)	1,788	1,093
636	728	700	3,237 (20.3)	2,983 (18.4)	7,115 (19.1)	1,423	1,027
158	195	218	823 (5.2)	773 (4.8)	1,726 (4.6)	345	185
24	42	33	140 (0.9)	131 (0.8)	419 (1.1)	84	61
66	87	91	434 (2.7)	336 (2.1)	796 (2.2)	159	83
59	63	55	315 (2.0)	262 (1.6)	516 (1.4)	103	54
87	102	123	407 (2.6)	428 (2.6)	1,022 (2.7)	205	118
52	62	63	237 (1.5)	253 (1.6)	1,143 (3.1)	229	110
32	42	41	142 (0.9)	162 (1.0)	226 (0.6)	45	40
6	29	27	41 (0.3)	70 (0.4)	229 (0.6)	46	21
5	8	14	40 (0.2)	35 (0.2)	57 (0.2)	11	7
34	51	56	192 (1.2)	203 (1.3)	961 (2.6)	192	111
—	125	375	—	500 (3.1)	500 (1.3)	100	75
3,130	**3,973**	**4,364****	**15,902 (100.0)**	**16,201 (100.0)**	**37,250 (100·0)**	**7,450**	**4,844@**

bodies, construction of residential or administrative buildings, etc. On the other hand, Plan outlay of Rs. 4,844 crores excludes committed expenditure on account of maintenance of Fourth Plan schemes completed at the end of 1973-74. A provision of about Rs. 500 crores has been transferred to the non-plan side in 1974-75 for this purpose. Taking both the factors into account the Plan outlay for 1974-75 on a comparable basis in financial terms would be higher than the revised Plan outlay for 1973-74 by over 25%.

Source : Economic Survey, 1973-74, Fourth Plan Document, Annual Plan 1974-75 and Draft Fifth Five Year Plan, Planning Commission, Government of India.

STATEMENT 60 — FIVE
B — Pattern of Financing :
(At current

Mode	THIRD PLAN 1961–66		ANNUAL PLANS 1966-69		FOURTH	
	Total	Annual Average	Total	Annual Average	1969-70 Latest Estimates	1970-71 Latest Estimates
	1	2	3	4	5	6
A. Mainly through own resources	**2,908** (33.9)	**582** (33.9)	**1,622** (24.0)	**541** (24.0)	**610** (27.7)	**827** (29.6)
1. Balance from current revenues at pre-plan rates of taxation	—419	—84	303	101	158 (a)	157 (a)
2. Additional taxation including measures to increase the surplus of public enterprises	2,892	579	910	304	191	429
3. Retained profits of Reserve Bank	—	—	—	—	8 (c)	47 (c)
4. Surplus of Public Sector Undertakings exclusive of yield from measures adopted for raising additional resources for the Plan	435	87	409	136	253	194
(i) Railways	62	12	—112	—38	27	—19
(ii) Others	373	75	521	174	226 (d)	213 (d)
B. Mainly through domestic borrowings	**3,246** (37.9)	**649** (37.9)	**2,708** (40.1)	**902** (40.1)	**1,015** (46.2)	**1,419** (50.8)
1. Loans from the public including State enterprises' borrowings from the market and term loans from financial institutions (Net)	823	165	719	240	359 (e)	548 (e)
2. Small Savings	565	113	355	118	129	191
3. Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds	117	23	65	22	—34	—18
4. State Provident Funds	336	67	301	100	156	144
5. Steel Equalisation Fund (Net)	34	7	586	195	347	189
6. Miscellaneous Capital Receipts (Net)	238	48				
7. Deficit Financing (f)	1,133	226	682	227	58	365
8. Others	—	—	—	—	—	—
C. Domestic Resources (A+B)	**6,154** (71.8)	**1,231** (71.8)	**4,330** (64.1)	**1,443** (64.1)	**1,625** (73.9)	**2,246** (80.4)
D. External Assistance	**2,423** (28.2)	**484** (28.2)	**2,426(g)** (35.9)	**809** (35.9)	**574** (26.1)	**547** (19.6)
E. Total Resources (C+D)	**8,577** (100.0)	**1,715** (100.0)	**6,756** (100.0)	**2,252** (100.0)	**2,199** (100.0)	**2,793** (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 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 item whereas such repayments in the earlier Plan periods were netted under B 1. (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 borrowing 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) This and the figures for

YEAR PLANS—(*Concld.*)

Public Sector Plan

prices)

(Rupees Crores)

PLAN : 1969-74					DRAFT FIFTH FIVE YEAR PLAN : 1974-79		1974-75 Plan Provision
1971-72 Latest Estimates	1972-73 Plan Provision	1973-74 Plan Provision	1969-70 to 1973-74 Original Estimate (at 1968-69 Prices)	1969-70 to 1973-74 Anticipated (5+6+7+8+9)	Total	Annual Average	
7	8	9	10	11	12	13	14
921	**2,001**	**2,023**	**7,102**	**6,382**	**20,186**	**4,037**	**2,165**
(29.2)	(50.4)	(46.3)	(44.7)	(38.7)	(54.1)	(54.1)	(44.7)
– 61	381	55	1,673	690	7,348	1,469	718
(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	(*j*)		
715	1,235	1,668	3,198	4,238	6,850	1,370	618
(*b*)	(*b*)			(*b*)	(*k*)		
60	89	105	202	309	—	—	—
(*c*)	(*c*)	(*c*)	(*c*)	(*c*)	(*l*)	(*l*)	(*l*)
207	296	195	2,029	1,145	5,988	1,198	829
					(*h*)	(*h*)	(*h*)
– 35	– 41	– 111	265	—179			—51
242	337	306	1,764	1,324			880
(*d*)	(*d*)	(*d*)	(*d*)	(*d*)			
1,663	**1,592**	**1,893**	**6,186**	**7,582**	**14,621**	**2,924**	**2,146**
(52.6)	(40.0)	(43.4)	(38.9)	(46.0)	(39.3)	(39.3)	(44.3)
500	645	854	2,326	2,906	9,312	1,862	10,60
(*e*)	(*e*)	(*e*)	(*e*)	(*e*)			(*e*)
182	230	325	769	1,057	1,850	370	360
—18	—16	—18	—104	—104			
154	167	203	660	824	1,280	256	225
462	391	444	1,685	1,833	1,008	202	376
							(*i*)
383	175	85	850	1,066	1,000	200	125
—	—	—	—	—	171	34	—
2,584	**3,593**	**3,916**	**13,288**	**13,964**	**34,807**	**6,961**	**4,311**
(81.8)	(90.4)	(89.7)	(83.6)	(84.7)	(93.4)	(93.4)	(89.0)
574	**380**	**448**	**2,614**	**2,523**	**2,443**	**489**	**533**
(18.2)	(9.6)	(10.3)	(16.4)	(15.3)	(6.6)	(6.6)	(11.0)
3,158	**3,973**	**4,364**	**15,902**	**16,487**	**37,250**	**7,450**	**4,844**
(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

subsequent years are at the new exchange rate. (*h*) Unlike in the previous years the surplus of public enterprise is estimated on a gross basis and includes estimates of depreciation provision. (*i*) Includes Annuity Deposits, etc. (*j*) Includes Rs. 1,736 as transfer current revenues to (*i*) sinking funds and (*ii*) other funds (net). (*k*) Refers to additional resource mobilisation. (*l*) During the Fourth Plan period the retained profits of the Reserve Bank of India included (*i*) loans by the Reserve Bank to the ARC and the IDBI, (*ii*) contribution by the Reserve Bank to the share capital of the IDBI and (*iii*) loans by the Reserve Bank to the State Governments for participation in the share capital of co-operatives. The scheme of financing the Fifth Plan and the Annual Plan for 1974-75 takes into account only the loans to State Governments for participation in the share capital of co-operatives. These are included in item B1.

Source : Third Plan Document, Fourth Plan Document, The Fourth Plan Mid-term Appraisal, Annual Plans for the years 1972-73 to 1974-75 and Draft Fifth Five Year Plan, Planning Commission, Government of India.

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	13294	10.2	22.4	21.9
1965-66 ..	3689	2902	3411	+278	1801	2431	—630	5490	5842	—352	20621	14.1	26.6	28.3
1968-69 ..	4846	3727	4742	+104	2145	2631	—486	6991	7373	—382	28678(*c*)	13.0	24.4	25.7
1969-70 ..	5273	4182	5197	+76	2838	2901	— 63	8111	8098	+ 13	31174(*c*)	13.4	26.0	26.0
1970-71 ..	5810	4735	5666	+144	2611	3181	—570	8421	8847	—426	33946(*c*)	13.9	24.8	26.1
1971-72 ..	6840	5565	6933	— 93	2863	3578	—715	9703	10511	—808	35756(*c*)	15.6	27.1	29.4
1972-73 ..	8233	6432	8317	— 84	3210	4002	—786	11443	12319	—876	(38921*c*)	16.5	29.4	31.7
1973-74 (Budget Estimates) (*d*) ..	9060	7175	8968	+ 92	3527	3908	—381	12587	12876	—289	N.A.			
1973-74 (Revised Estimates) .	9201	7250	9279	— 78	3510(*e*)	4293(*e*)	—783	12711(*e*)	13572(*e*)	—861	N.A.			
1974-75 (Budget Estimates) (*d*) ..	10188	8018	9735	+458	4107	4666	—559	14295	14401	—106	N.A.			

Notes: (1) Due to changes in the accounting classification of budget heads, the figures from 1972-73 onwards are not comparable with those for the earlier years.

(2) 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. The data on the supplementary budget presented by the Government of India are not included in this statement.

(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) Figures from 1969-70 to 1971-72 are not comparable with those for the earlier and later years mainly because of the change in treatment of net contribution of departmental undertakings in the case of State Governments.

(*a*) Exclude Treasury bill receipts (net).

(*b*) National income is at current prices and is based on C.S.O. estimates.

(*c*) Provisional.

(*d*) Include effects of budget proposals. However, the figures of aggregate receipts and tax receipts for 1974-75 (Budget Estimates) do not include the expected yield of Rs. 136 crores during 1974-75 from the additional tax proposals incorporated in the Finance Bill No. 2 of the Central Government presented to the Parliament on July 31, 1974.

(*e*) Excludes PL 480 transactions of Rs. 1764 crores under the Indo-US Agreement, 1974. N.A. = Not available.

STATEMENT 62—BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75* (Budget Estimates)
	1	2	3	4	5	6	7	8
I. Revenue Account								
A. Revenue	2345	3067	3342	4028	4578	5079	5103	5455 (5640)
B. Expenditure	2025	2942	3179	4128	4592	4778	4955	5408
C. *Surplus* (+) *or Deficit* (—)	*+320*	*+125*	*+163*	*—100*	*— 14*	*+301*	*+148*	*+ 47 (+232)*
II. Capital Account								
A. Receipts (*a*) (*b*)	1646	2508	2524	3031	2974	3276	3482@@	3598
B. Disbursements	2139	2679	2972	3450	3829@	3664	4280@@	3956
C. *Surplus* (+) *or Deficit* (—)	*—493*	*—171*	*—448*	*—419*	*—855@*	*—388*	*—798*	*—358*
III. Overall Surplus (+) or Deficit (—) (IC + IIC)	**—173**	**— 46**	**—285**	**—519**	**—869@**	**— 87**	**—650**	**—311 (—126)**
Financed by :								
A. Increase in (—) Treasury bills (*c*) ..	—218	— 63	—359	—349	—955@	— 87	—554	—126
B. Cash Balance Decrease (—) or Increase (+)	+ 45	+ 17	+ 74	—170	+ 86	—	— 96	—
(*i*) Opening balance	— 2	+112	+156	+230	+ 60	+ 55	+146	+ 50
(*ii*) Closing balance	+ 43	+129	+230	+ 60	+146	+ 55	+ 50	+ 50

Notes : (1) Budget estimates for 1974-75 relate to those presented to the Lok Sabha on February 28, 1974.

(2) Figures of receipts and disbursements given in Statements 62 to 64 are not comparable with those given in earlier Currency Reports due to changes in accounting classification of the Budget.

* At 1973-74 rates of taxation. The effects of additional taxation adjusted for tax concessions are given in brackets. Details of financing are in respect of overall deficit after taking credit for yield from additional taxation.

@ Excludes the transfer of Rs. 421 crores on account of Centre's assistance to States for clearing their overdrafts with the Reserve Bank of India.

@@ Excluding PL 480 transactions of Rs. 1764 crores under Indo-US Agreement, 1974.

(*a*) Excluding Treasury bill receipts.

(*b*) Excludes *ad hoc* Treasury bills of Rs. 50 crores in 1965-66, Rs. 75 crores each in 1969-70 and 1970-71 and Rs. 100 crores each in 1971-72, 1972-73 and 1973-74 (revised estimates) converted into dated securities.

(*c*) Mostly sold to the Reserve Bank of India.

STATEMENT 63—CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4	5	6	7	8
RECEIPTS								
1. Internal Market Borrowings (*a*)—Gross	279	537	428	627	778	880	1,025	700
,, ,, ,, —Net	124	143	144	294	487	326	472	498
2. Other Debt (*b*) (*c*)	40	—	94	4	—1	—	6	—9
3. External Debt—Gross	570	633	526	540	510	662	712	850
,, ,, —Net	482	454	332	346	292	400	470@@	553
4. Small Savings (*b*)	151	129	184	224	373	325	350	360
5. Public Provident Fund (*b*)		1	2	3	4	4	4	5
6. State Provident Funds (*b*)	55	79	89	103	93	111	94	114
7. Repayment of Loans (*i*+*ii*)	373	905	923	1,297	1,155	1,145	1,385	1,080
(*i*) State and Union Territory Governments ..	276	633	658	855	678	850	900	520
(*ii*) Others	97	272	265	442	477	295	485	560
8. Railway Reserve Funds (*b*) (*d*)	14	35	33	33	18	—2	6	26
9. Other Receipts (*b*) (*e*)	164	189	245	200	44	151	—100@@	472
10. Total Capital Receipts	**1,646**	**2,508**	**2,524**	**3,031**	**2,974**	**3,276**	**3,482@@**	**3,598**
DISBURSEMENTS								
A. Developmental Outlay (a+b)	**579**	**535**	**605**	**901**	**814**	**711**	**772**	**963**
(a) **Social and Community Services**					**49**	**44**	**42**	**64**
Of which :								
(*i*) Scientific Services and Research						12	15	30
(*ii*) Medical, Public Health and Water Supply	—	—	1	1	2	2	—1	2
(*iii*) Housing and Urban Development					35	12	12	16
(*iv*) Broadcasting	1	2	3	4	5	9	9	12

(b) **Economic Services** (*i to viii*)	**578**	**533**	**601**	**896**	**765**	**667**	**730**	**899**
(*i*) General Economic Services	..	..	..	..	20	33	33	77
(*ii*) Agriculture and allied Services ..	3	23	22	24	—14	—6	40	21
(*iii*) Industry and Minerals (a to e) ..	148	271	257	46º	296	257	276	343
(a) Machinery and Engineering Services	56	3	1	83	20	10	10	11
(b) Petroleum, Chemical and Fertilizer Industries	20	36	40	46	93	120	133	139
(c) Atomic Energy Development ..	31	9	11	24	31	15	27	34
(d) Mining and Metallurgical Industries	28	186	105	292	75	82	78	119
(e) Other Industries	13	37	100	24	77	30	28	40
(*iv*) Water and Power Development ..	21	37	56	58	76	87	75	90
(*v*) Transport and Communications ..	66	55	87	96	129	113	110	126
(*vi*) Railways	245	94	136	191	209	172	167	227
(*vii*) Posts and Telegraphs	31	33	7	23	49	11	29	15
(*viii*) Others (*f*)	64	20	36	35	..	..	..	..
B. Non-developmental Capital Outlay (*i*+*ii*) ..	**117**	**113**	**336**	**215**	**161**	**164**	**163**	**260**
(*i*) Defence	123	135	148	178	213	195	202	235
(*ii*) Others (*g*)	—6	—22	188	37	—52	—31	—39	25
C. Loans and Advances (*i*+*ii*)	**1,200**	**1,458**	**1,553**	**1,807**	**2,345@**	**1,973**	**2,550**	**2,234**
(*i*) Loans to State and Union Territory Governments	829	1,057	1,028	1,209	1,541@	1,342	1,591	1,040
(*ii*) Other Loans and Advances	371	401	525	598	804	631	959	1,194
D. Discharge of Debt (*i*+*ii*)	**243**	**573**	**478**	**527**	**509**	**816**	**795@@**	**499**
(*i*) Internal Loans	155	394	284	333	291	554	553	202
(*ii*) External Loans	88	179	194	194	218	262	242	297
E. Total Capital Disbursements (A+B+C+D) ..	**2,139**	**2,679**	**2,972**	**3,450**	**3,829@**	**3,664**	**4,280@@**	**3,956**
F. *Surplus* (+) *or Deficit* (—)	*—493*	*—171*	*—448*	*—419*	*—855@*	*—388*	*—798*	*—358*

Notes : (1) Figures of Capital receipts and disbursements in this statement are higher than those shown in the Budget documents due to the presentation of internal and external loans on a gross basis. (2) Treasury bill receipts have been excluded from this statement.

(*a*) Excludes *ad hoc* Treasury bills of Rs. 50 crores in 1965-66, Rs. 75 crores each in 1969-70 and 1970-71 and Rs. 100 crores each in 1971-72, 1972-73 and 1973-74 (revised estimates) converted into dated securities. (*b*) Figures are net. (*c*) Includes special securities issued to I M F, IBRD, IDA and ADB, prize bonds, annuity certificates, etc. (*d*) Comprise depreciation reserve funds, revenue reserve fund, development fund, pension fund and accident compensation, Safety and passenger amenities fund. (*e*) Includes PL480 deposits, deposits and advances, suspense and miscellaneous receipts, remittances and reserve funds other than railway reserve funds. (*f*) Since break down of items like capital outlay on general economic services, scientific services and research, housing and urban development, social security and welfare are not available separately upto 1971-72 they have been included under this head. (*g*) Comprise Capital outlay on general services other than defence and write back to revenues.

@Excludes the transfer of Rs. 421 crores on account of Centre's assistance to states for clearing their overdrafts with the RBI.

@@Excludes PL 480 Transactions of Rs. 1764 crores under Indo-US Agreement, 1974.

STATEMENT 64—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revenue Account)

(In crores of rupees)

Item	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4	5	6	7	8
REVENUE								
I. Taxes on Income and Expenditure (1+2+3) ..	**454**	**509**	**484**	**547**	**699**	**743**	**768**	**879**
Taxes on Income other than Corporation Tax	272	448	473	537	630	651	673	709
Less : States' Share	123	293	359	462	493	516	532	491
1. Net Receipts	149	155	114	75	137	135	141	218
2. Corporation Tax	305	354	370	472	558	608	627	661
3. Other Taxes on Income and Expenditure ..	—	—	—	—	4	—	—	—
II. Taxes on Property and Capital Transactions (1 to 5)	**20**	**24**	**27**	**39**	**53**	**57**	**55**	**56**
Estate Duty	7	7	8	9	10	9	10	9
Less : States' Share	7	7	6	8	7	9	11	9
1. Net Receipts	—	—	2	1	3	—	—1	—
2. Taxes on Wealth	12	15	15	25	36	43	40	40
3. Gift Tax	2	2	3	4	4	4	4	4
4. Stamps and Registration	6	7	7	9	10	10	12	12
5. Land Revenue (*a*)	—	—	—	—	—	—	—	—
III. Taxes on Commodities and Services (1 to 7) ..	**1311**	**1668**	**1940**	**2342**	**2691**	**3133**	**3055**	**3179** (3,364)
Customs :								
Imports (Gross)	548	327	423	640	793	920	914	850
Exports (Gross)	2	76	68	75	93	82	85	91
Other Revenue (Gross)	5	51*	70*	13*	12	12	15	15
Less : Refunds	16	31	37	33	41	40	40	40
1. Net Receipts	539	423	524	695	857	974	974	916 (936)
Union Excise Duties	898	1524	1759	2061	2324	2741	2634	2853 (3,044)
(Of which : Additional Excise Duties)	(47)	(61)	(75)	(106)	(135)	(169)	(169)	(176)
Less : States' Share	146	321	390	475	567	653	631	672 (698)
2. Net Receipts	752	1,203	1,369	1,586	1,757	2,088	2,003	2,181 (2346)

3.	Sales Tax (*b*)	12	25	28	31	36	38	44	47
4.	State Excise (*b*)	2	5	5	6	7	7	9	10
5.	Taxes on Vehicles (*c*)	1	2	3	3	3	4	4	4
6.	Taxes on Goods and Passengers (*c*)	@	@	@	@	26	11	10	12
7.	Other Taxes and Duties on Commodities and Services (*d*)	5	10	11	21	5	11	11	9
IV.	**Total Tax Revenue (I+II+III)**	**1,785**	**2,201**	**2,451**	**2,928**	**3,443**	**3,935**	**3,878**	**4,114 (4,299)**
V.	**Interest Receipts (1+2+3+4)**	**307**	**595**	**574**	**599**	**713**	**771**	**786**	**862**
1.	State and Union Territory Governments	152	282	259	296	382	385	385	410
2.	Railways	90	128	138	131	143	156	155	169
3.	Posts and Telegraphs	5	10	10	11	12	14	17	16
4.	Other Interest Receipts	60	175	167	161	176	216	229	267
VI.	**Dividends (1+2+3)**	**82**	**123**	**121**	**144**	**164**	**184**	**183**	**191**
1.	Railways	26	28	26	20	—	17	13	13
2.	Posts and Telegraphs	1	3	3	2	—	3	4	2
3.	Others (*e*)	55	92	92	122	164	164	166	176
	(Of which : Profits of RBI)	(48)	(70)	(75)	(100)	(120)	(130)	(130)	(135)
VII.	**Currency and Mint**	**16**	**26**	**26**	**28**	**30**	**25**	**31**	**36**
VIII.	**General Services (*f*)**	**155**	**122**	**170**	**329**	**60**	**35**	**67**	**48**
IX.	**Social and Community Services (*g*)**					**51**	**49**	**54**	**62**
X.	**Economic Services (*h*)**					**117**	**82**	**104**	**142**
XI.	**Total Non-tax Revenue (V to X)**	**560**	**866**	**891**	**1,100**	**1,135**	**1,146**	**1,225**	**1,341**
XII.	**Total Revenue (IV+XI)**	**2,345**	**3,067**	**3,342**	**4,028**	**4,578**	**5,079**	**5,103**	**5,455 (5,640)**

STATEMENT 64—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA (*Concld.*)

(On Revenue Account)

(In crores of rupees)

Item	1965-66 (Accounts)	1969-70 (Accounts)	1970-71 (Accounts)	1971-72 (Accounts)	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4	5	6	7	8
EXPENDITURE								
I. Developmental Expenditure (A+B+C)	**503**	**783**	**872**	**1,413**	**1,557**	**1,798**	**1,668**	**1,573**
A. Social and Community Services	**130**	**199**	**223**	**374**	**290**	**432**	**324**	**451**
Of which :								
1. Education, Art, Culture and Scientific Services and Research	87	137	159	178	196	202	195	261
2. Medical, Public Health and Family Planning	15	24	28	32	36	40	37	42
3. Labour and Employment	8	10	11	14	15	22	21	24
B. Economic Services	**137**	**232**	**263**	**358**	**573**	**706**	**660**	**603**
Of which :								
1. Agriculture and allied Services ..	18	59	56	100	186	222	328	222
Of which : (Food subsidy)					(117)	(130)	(251)	(100)
2. Industries and Minerals	36	37	39	43	92	102	101	120
3. Foreign Trade and Export Promotion ..	20	42	41	5	78	78	77	87
4. Transport and Communications ..	27	43	50	60	59	73	76	72
C. Grants-in-aid to State and Union Territory Governments for Developmental Purposes ..	**236**	**352**	**386**	**681**	**694**	**660**	**684**	**519**
II. Non-Developmental Expenditure (*i to ix*) ..	**1,522**	**2,159**	**2,307**	**2,715**	**3,035**	**2,980**	**3,287**	**3,835**
(*i*) Collection of Taxes and Duties	30	42	48	52	50	56	61	73
(*ii*) Audit	13	20	24	27	30	38	40	45

(*iii*)	Interest Payments and Servicing of Debt ..	371	565	606	670	776	835	897	975
(*iv*)	Administrative Services	69	144	166	203	224	234	235	389
	Of which :								
	(*a*) Police	32	86	102	119	131	123	126	156
	(*b*) External Affairs	10	19	22	27	24	30	29	33
(*v*)	Grants to State and Union Territory Governments for Non-developmental Purposes	88	236	226	209	252	209	312	528
(*vi*)	Compensation and Assignments to Local Bodies	5	10	12	12	19	17	17	18
(*vii*)	Technical and Economic Co-operation with other Countries	15	26	24	29	128	53	46	43
(*viii*)	Defence Expenditure (net)	762	966	1,052	1,347	1,439	1,405	1,551	1,680
(*ix*)	Others (*i*)	169	150	149	166	117	133	128	84
III.	**Total Expenditure (I+II)**	**2,025**	**2,942**	**3,179**	**4,128**	**4,592**	**4,778**	**4 955**	**5,408**
IV.	*Surplus* (+) *or Deficit* (—) *on Revenue Account* ..	*+320*	*+125*	*+163*	*—100*	*—14*	*+301*	*+148*	*+47* (*+232*)

Note : Figures in brackets are inclusive of budget proposals. (*a*) Includes royalty from quarries in the Union Territories without Legislature. (*b*) Receipts relate mainly to Delhi and Chandigarh. (*c*) Receipts relate mainly to Delhi. (*d*) Include foreign travel tax, inland travel tax, entertainment tax, betting tax, etc. (*e*) Comprise profits of RBI and dividends, etc. from Commercial and other undertakings. (*f*) Include receipts from administrative services like public service commission, police, jails, supplies and disposals, stationery and printing, public works and pensions and other general miscellaneous services. (*g*) Receipts from education, art and culture, medical, family planning, public health, sanitation and water supply, housing, urban development, information and publicity, broadcasting, labour and employment, social security welfare and other social and community services are included under this head. (*h*) Comprise receipts from agriculture and allied services, industry and minerals, water and power development, transport and communications and general economic services. (*i*) Include expenditure on currency, coinage and mint, pensions and other retirement benefits, other general services and accounting transfers and write backs.

*Includes additional duties (net).

@Included under other taxes and duties.

Also see "Notes on the Statements".

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* (Accounts)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)†
	1	2	3	4	5	6	7	8
I. Basic Duties—Total	**378,96**	**837,64**	**1,463,83**	**1,694,43**	**1,944,41**	**2,143,89**	**2,377,37**	**2,582,73**
A. Food and Beverages—Total	**53,01**	**73,01**	**115,59**	**161,93**	**186,06**	**194,60**	**204,30**	**221,70**
Of which :								
Sugar	44,19	53,69	85,01	109,01	133,55	140,66	147,80	153,00
Tea	7,47	17,21	25,10	36,99	33,96	31,51	32,00	41,40
B. Tobacco—Total	**53,73**	**98,88**	**180,74**	**202,41**	**231,51**	**226,34**	**245,75**	**253,31**
Unmanufactured Tobacco	53,73	98,88	180,74	74,44	76,88	78,38	78,00	80,50
Cigarettes and Smoking Mixtures				127,97	154,63	147,96	167,75	172,81
C. Petroleum Products—Total	**101,07**	**272,78**	**530,50**	**608,18**	**708,39**	**767,42**	**887,50**	**974,80**
Of which :								
Refined Diesel Oil and Vaporising Oil	36,38	104,09	222,73	231,99	263,86	283,79	298,00	295,00
Motor Spirit	40,46	82,88	143,76	173,10	219,66	228,18	304,00	401,80
Kerosene	8,29	44,25	96,28	120,97	123,36	137,91	152,00	130,00
Furnace Oil	13,01	18,78	28,91	33,25	31,75	24,82	28,50	34,00
Diesel Oil (not otherwise specified)		15,88	24,09	22,56	21,87	20,15	24,60	33,00
Asphalt, Bitumen and Tar	2,93	5,54	5,58	9,22	12,51	16,70	18,00	17,00
Petroleum Products (not otherwise specified)	—	1,36	9,15	17,09	26,62	43,45	47,50	48,00
D. Vegetable Oils and Fats—Total	**17,32**	**8,55**	**11,62**	**15,00**	**14,43**	**16,45**	**16,45**	**19,05**
E. Chemicals—Total	**4,39**	**31,93**	**81,29**	**95,03**	**116,47**	**147,86**	**161,52**	**175,46**
Of which :								
Plastic Materials and Synthetic resins	8	5,75	18,55	23,75	28,39	34,10	37,00	38,00
Patent and Proprietary Medicines	26	7,23	12,77	13,18	15,30	17,09	19,50	22,00
Soap	2,38	4,73	7,81	8,68	11,74	11,44	9,00	11,00
Paints and Varnishes	1,40	4,10	6,14	6,56	7,21	9,75	10,60	11,20
Synthetic Organic Dyestuffs	9	2,94	5,82	6,11	5,82	9,95	11,00	12,00
Cosmetics and Toilet Preparations	7	2,41	4,01	4,06	5,84	5,93	7,50	8,20
F. Metals—Total	**16,72**	**86,22**	**100,02**	**126,06**	**129,49**	**160,90**	**166,12**	**187,20**
Of which :								
Iron in any crude form	97	4,70	4,07	4,31	4,84	5,62	6,00	6,40
Iron and Steel Products	13,14	70,86	69,51	67,39	69,64	96,83	94,00	103,40
Aluminium	1,17	3,73	16,33	34,10	34,10	33,56	36,00	43,50
Copper and Copper Alloys	7	4,63	4,16	4,51	4,52	4,56	5,00	6,80

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* (Accounts)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)†
	1	2	3	4	5	6	7	8
G. Manufctured Goods—Total	**112,76**	**221,53**	**377,84**	**402,56**	**445,95**	**500,64**	**552,28**	**594,26**
Of which :								
Cotton Fabrics	45,94	50,49	57,49(*a*)	51,27	53,89	51,76	63,05	65,50
Cotton Yarn	13	25,63	34,07	32,96	34,98	33,65	34,50	36,00
Woollen Yarn	2	2,04	3,39(*a*)	3,30	5,51	4,20	3,50	3,80
Rayon and Synthetic Fibres and Yarn	2,82	20,01	82,10	88,73	89,88	104,97	124,00	130,00
Jute Manufactures	—	7,17	19,67	21,35	24,18	23,22	23,00	26,10
Tyres and Tubes	13,54	29,58	53,12	54,91	63,13	69,46	78,00	86,00
Rubber Products	—	1,84	7,35	7,84	10,46	12,31	13,00	14,00
Cement	18,45	30,73	42,57	44,07	48,74	54,89	55,50	64,00
Matches	18,08	23,24	27,37	28,49	29,47	26,85	29,60	30,50
Paper	8,38	18,09	23,37	24,39	26,25	31,18	34,00	36,00
Glass and Glassware	11	3,58	5,46	6,90	9,14	10,22	11,20	12,50
H. Machinery and Transport Equipment—Total	**15,08**	**42,54**	**64,91**	**80,36**	**110,61**	**127,50**	**140,95**	**154,20**
Of which :								
Motor Vehicles	8,03	20,09	23,89	27,94	35,61	37,29	39,50	41,00
Electric Batteries and Parts thereof	1,88	3,51	7,08	7,65	9,88	12,79	13,50	14,70
Electric Wires and Cables	—	4,56	7,61	8,89	11,07	13,07	11,60	12,75
Electric Motors	80	2,79	5,26	6,59	6,60	9,84	11,80	13,40
Refrigerating and Air-conditioning Appliances and Machinery	2	2,93	7,52	12,20	15,35	15,08	18,00	19,50
II. Cess on Commodities—Total	**6,73**	**17,24**	**22,98**	**29,68**	**30,54**	**32,43**	**35,54**	**38,90**
Of which :								
Coal and Coke	5,40	14,08	18,52	16,01	15,61	16,86	19,09	21,59
Handloom Cess on Cotton Fabrics	—	@@	@@	5,33	5,86	5,84	5,65	5,90
Rubber	—	1,27	2,01	1,97	2,70	3,04	3,39	3,72
Salt	73	98	99	1,05	1,08	1,18	1,59	1,63
Tea	—	—	—	1,84	1,69	1,74	1,85	1,90
III. Additional Duties—Total	**33,60**	**47,15**	**60,61**	**74,78**	**106,21**	**135,62**	**169,60**	**176,52**
Sugar	10,91	16,38	17,79	26,84	33,12	36,60	40,30	43,00
Textiles	17,01	20,52	20,68	23,45	29,77	36,54	42,05	43,75
Tobacco	5,68	10,25	22,14	24,49	43,32	62,48	87,25	89,77
Total Gross Revenue@	**419,29**	**907,36**	**1,547,42**	**1,798,89**	**2,104,08**	**2,393,38**	**2,683,84**	**2,912,94**
Less : Refunds and Drawbacks	2,94	9,44	23,11	7,45	24,93	44,48	50,00	60,00
Total Net Revenue	**416,35**	**897,92**	**1,524,31**	**1,791,44**	**2,079,15**	**2,348,90**	**2,633,84**	**2,852,94**
Less : States' Share	75,10	145,92	321,51	390,05	474,62	566,74	630,69	672,40
Net Receipts	**341,25**	**752,00**	**1,202,80**	**1,401,39**	**1,604,53**	**1,782,16**	**2,003,15**	**2,180,54**

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 1973-74 rates of taxation. @@Included under basic duties. *Actuals as per Departmental records.

(*a*) Includes cess realisations.

@ Including regulatory/auxiliary duties. The regulatory duties of excise levied from 1963 were intended as special fiscal measures to be resorted to only for certain purposes. From 1973, they have been replaced by auxiliary duties which are in the nature of straight forward revenue raising provisions.

STATEMENT 66 — BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS

(On Revenue Account)

(Rupees Lakhs)

State/Year	REVENUE							EXPENDITURE						Surplus (+) or Deficit (—) (7-13)
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			Total Revenue (3+6)	TOTAL EXPENDITURE						
	Tax revenue (a)	Non-tax revenue (b)	Total (1+2)	Share in Central taxes (a)	Grants-in-aid and Other Contributions	Total (4+5)		Social and Community Services (c)	Economic Services (d)	Developmental (8 + 9)	Non-Developmental (e)	Compensation and Assignments to Local Bodies	Total (10 + 11+12)	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Andhra Pradesh														
1972-73 (Accounts) ..	132,41	78,61	**211,02**	79,98	66,01	**145,99**	**357,01**	147,44	97,61	**245,05**	101,43	6,27	**352,75**	+4,26
1973-74 (Revised) ..	170,57	90,15	**260,72**	88,60	61,21	**149,81**	**410,53**	169,85	114,14	**283,99**	124,37	6,95	**415,31**	—4,78
1974-75 (Budget) ..	192,47	79,01	**271,48**	94,12	76,10	**170,22**	**441,70**	170,07	119,92	**289,99**	126,81	10,81	**427,61**	+14,09
							(442,90)							**(+15,29)**
2. Assam														
1972-73 (Accounts) ..	31,06	15,78	**46,84**	24,86	45,74	**70,60**	**117,44**	45,02	43,24	**88,26**	37,44	80	**126,50**	— 9,06
1973-74 (Revised) ..	31,81	17,10	**48,91**	28,79	57,97	**86,76**	**135,67**	56,79	42,13	**98,92**	57,24	2,29	**158,45**	—22,78
1974-75 (Budget) ..	34,14	17,60	**51,74**	31,70	73,50	**105,20**	**156,94**	61,63	43,92	**105,55**	57,92	2,29	**165,76**	— 8,82
							(158,40)							**(—7,36)**
3. Bihar														
1972-73 (Accounts) ..	105,91	48,13	**154,04**	111,31	59,67	**170,98**	**325,02**	121,16	86,56	**207,72**	124,84	1,40	**333,96**	— 8,94
1973-74 (Revised) ..	121,22	58,10	**179,32**	128,26	55,27	**183,53**	**362,85**	128,41	94,32	**222,73**	139,78	1,76	**364,27**	— 1,42
1974-75 (Budget) ..	139,43	59,76	**199,19**	121,50	55,11	**176,61**	**375,80**	143,60	85,37	**228,97**	111,47	1,51	**341,95**	+33,85
							(377,40)							**(+35,45)**
4. Gujarat														
1972-73 (Accounts)@ ..	140,97	57,50	**198,47**	53,06	39,60	**92,66**	**291,13**	140,05	69,90	**209,95**	81,49	98	**292,42**	— 1,29
1973-74 (Revised)@ ..	151,24	68,34	**219,58**	58,79	59,74	**118,53**	**338,11**	159,98	76,78	**236,76**	93,04	1,23	**331,03**	+ 7,08
1974-75 (Budget) ..	163,45	70,07	**233,52**	60,76	33,06	**93,82**	**327,34**	122,03	73,97	**196,00**	96,14	4,90	**297,04**	+30,30
							(334,54)							**(+37,50)**

5. Haryana															
1972-73 (Accounts)@	..	59,91	43,36	**103,27**	17,19	15,14	**32,33**	**135,60**	39,75	36,31	**76,06**	40,95	3	**117,04**	**+18,56**
1973-74 (Revised)	..	73,51	43,56	**117,07**	19,01	17,30	**36,31**	**153,38**	42,60	48,67	**91,27**	43,98	9	**135,34**	**+18,04**
1974-75 (Budget)	..	81,37	51,78	**133,15**	19,63	13,33	**32,96**	**166,11**	46,26	65,50	**111,76**	46,42	9	**158,27**	**+ 7,84**
								(175,06)							**(+16,79)**
6. Himachal Pradesh															
1972-73 (Accounts)	..	9,98	15,50	**25,48**	7,39	28,71	**36,10**	**61,58**	23,85	26,15	**50,00**	17,50	9	**67,59**	**—6,01**
1973-74 (Revised)	..	10,60	17,98	**28,58**	8,17	27,10	**35,27**	**63,85**	25,03	27,09	**52,12**	19,61	8	**71,81**	**—7,96**
1974-75 (Budget)	..	11,89	17,12	**29,01**	7,32	43,95	**51,27**	**80,28**	28,89	31,28	**60,17**	22,11	9	**82,37**	**—2,09**
								(82,18)							**(— 19)**
7. Jammu and Kashmir															
1972-73 (Accounts)	..	11,84	27,20	**39,04**	9,76	45,79	**55,55**	**94,59**	28,65	38,51	**67,16**	29,89	—	**97,05**	**—2,46**
1973-74 (Revised)	..	12,03	28,80	**40,83**	10,81	43,82	**54,63**	**95,46**	31,95	51,40	**83,35**	31,95	1	**115,31**	**—19,85**
1974-75 (Budget)	..	12,92	31,32	**44,24**	9,81	66,73	**76,54**	**120,78**	31,83	61,13	**92,96**	35,87	1	**128,84**	**— 8,06**
8. Karnataka															
1972-73 (Accounts)	..	132,63	94,90	**227,53**	53,45	36,46	**89,91**	**317,44**	129,47	98,50	**227,97**	92,57	6,05	**326,59**	**— 9,15**
1973-74 (Revised)	..	146,04	96,88	**242,92**	58,05	33,03	**91,08**	**334,00**	127,14	101,70	**228,84**	107,02	6,59	**342,45**	**— 8,45**
1974-75 (Budget)	..	158,55	110,54	**269,09**	63,61	34,62	**98,23**	**367,32**	133,28	111,96	**245,24**	110,64	6,93	**362,81**	**+ 4,51**
								(384,48)							**(+21,67)**
9. Kerala															
1972-73 (Accounts)	..	82,90	35,02	**117,92**	44,03	35,45	**79,48**	**197,40**	101,77	41,89	**143,66**	60,23	46	**204,35**	**— 6,95**
1973-74 (Revised)	..	90,60	35,35	**125,95**	47,29	36,69	**83,98**	**209,93**	114,55	42,19	**156,74**	69,57	77	**227,08**	**—17,15**
1974-75 (Budget)*	..	102,91	43,35	**146,26**	45,17	61,97	**107,14**	**253,40**	129,91	53,51	**183,42**	74,70	85	**258,97**	**— 5,57**
								(260,15)							**(+ 1,18)**
10. Madhya Pradesh															
1972-73 (Accounts)	..	110,86	97,10	**207,96**	78,47	51,88	**130,35**	**338,31**	128,08	70,85	**198,93**	89,89	95	**289,77**	**+48,54**
1973-74 (Revised)	..	126,20	98,36	**224,56**	83,47	55,14	**138,61**	**363,17**	156,03	79,84	**235,87**	101,57	1,11	**338,55**	**+24,62**
1974-75 (Budget)	..	138,78	111,58	**250,36**	89,28	51,69	**140,97**	**391,33**	174,22	100,71	**274,93**	107,64	1,12	**383,69**	**+ 7,64**
								(392,13)							**(+ 8,44)**
11. Maharashtra															
1972-73 (Accounts)	..	302,82	79,03	**381,85**	113,21	97,48	**210,69**	**592,54**	295,43	115,38	**410,81**	235,02	4,82	**650,65**	**—58,11**
1973-74 (Revised)	..	364,24	121,62	**485,86**	125,30	138,34	**263,64**	**749,50**	385,40	135,14	**520,54**	302,86	5,23	**828,63**	**—79,13**
1974-75 (Budget)	..	392,50	130,57	**523,07**	121,71	48,52	**170,23**	**693,30**	274,69	146,61	**421,30**	300,47	6,65	**728,42**	**—35,12**
								(724,09)							**(—4,33)**
12. Manipur															
1972-73 (Accounts)	..	96	1,60	**2,56**	1,51	13,81	**15,32**	**17,88**	7,99	4,62	**12,61**	6,89	1	**19,51**	**— 1,63**
1973-74 (Revised)	..	96	1,66	**2,62**	1,74	14,85	**16,59**	**19,21**	8,53	5,02	**13,55**	7,89	1	**21,45**	**— 2,24**
1974-75 (Budget)*	..	1,03	2,29	**3,32**	2,24	25,84	**28,08**	**31,40**	10,49	7,35	**17,84**	12,98	2	**30,84**	**+ 56**

STATEMENT 66—BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS—(*Concld.*)

(On Revenue Account)

(Rupees Lakhs)

State/Year	REVENUE							EXPENDITURE						
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			Total Revenue (3+6)	TOTAL EXPENDITURE						Surplus (+) or Deficit (—) (7-13)
	Tax revenue (*a*)	Non-tax revenue (*b*)	Total (1+2)	Share in Central taxes (*a*)	Grants-in-aid and Other Contributions	Total (4+5)		Social and Community Services (*c*)	Economic Services (*d*)	Developmental (8+9)	Non-Developmental (*e*)	Compensation and Assignments to Local Bodies	Total (10+11+12)	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
13. Meghalaya														
1972-73 (Accounts) ..	1,23	93	**2,16**	2,10	13,23	**15,33**	**17,49**	6,15	7,02	**13,17**	4,99	2	**18,18**	— **69**
1973-74 (Revised) ..	1,02	91	**1,93**	2,31	13,67	**15,98**	**17,91**	7,12	8,31	**15,43**	4,98	—	**20,41**	— **2,50**
1974-75 (Budget) ..	1,24	2,41	**3,65**	2,14	24,95	**27,09**	**30,74**	8,73	11,29	**20,02**	7,60	—	**27,62**	+ **3,12**
14. Nagaland														
1972-73 (Accounts) ..	98	1,69	**2,67**	84	34,80	**35,64**	**38,31**	8,40	9,79	**18,19**	11,66	—	**29,85**	+ **8,46**
1973-74 (Revised) ..	1,33	1,59	**2,92**	86	28,91	**29,77**	**32,69**	8,87	10,87	**19,74**	12,25	—	**31,99**	+ **70**
1974-75 (Budget) ..	1,48	1,94	**3,42**	1,17	35,70	**36,87**	**40,29**	9,42	11,11	**20,53**	15,18	—	**35,71**	+ **4,58**
15. Orissa														
1972-73 (Accounts) ..	39,95	37,84	**77,79**	42,07	48,27	**90,34**	**168,13**	73,50	50,95	**124,45**	66,63	1,70	**192,78**	**—24,65**
1973-74 (Revised) ..	42,71	46,27	**88,98**	46,67	48,77	**95,44**	**184,42**	77,84	67,98	**145,82**	70,25	2,33	**218,40**	**—33,98**
1974-75 (Budget) ..	50,26	47,32	**97,58**	46,20	86,29	**132,49**	**230,07** (237,89)	84,65	66,28	**150,93**	78,33	2,18	**231,44**	— **1,37** (+6,45)
16. Punjab														
1972-73 (Accounts) ..	109,58	42,64	**152,22**	25,84	37,71	**63,55**	**215,77**	73,88	63,36	**137,24**	51,45	50	**189,19**	**+26,58**
1973-74 (Revised) ..	124,01	43,40	**167,41**	28,42	37,87	**66,29**	**233,70**	99,13	68,66	**167,79**	52,09	49	**220,37**	**+13,33**
1974-75 (Budget) ..	134,37	47,45	**181,82**	28,53	24,58	**53,11**	**234,93** (252,63)	91,78	61,81	**153,59**	59,50	52	**213,61**	**+21,32** (+39,02)

17. Rajasthan															
1972-73 (Accounts) ..	74,90	55,63	**130,53**	48,80	54,12	**102,92**	**233,45**	107,40	54,94	**162,34**	78,97	72	**242,03**	**— 8,58**
1973-74 (Revised) ..	85,45	57,07	**142,52**	54,84	61,64	**116,48**	**259,00**	160,82	57,48	**218,30**	96,57	86	**315,73**	**—56,73**
1974-75 (Budget) ..	89,85	69,34	**159,19**	54,71	80,05	**134,76**	**293,95**	116,21	70,61	**186,82**	99,57	95	**287,34**	**+ 6,61**
18. Tamil Nadu															
1972 73 (Accounts)@ ..	228,65	82,01	**310,66**	81,08	46,34	**127,42**	**438,08**	190,44	101,99	**292,43**	115,15	9,45	**417,03**	**+21,05**
1973-74 (Revised)@ ..	249,46	87,66	**337,12**	90,75	40,13	**130,88**	**468,00**	201,21	128,23	**329,44**	133,29	10,11	**472,84**	**— 4,84**
1974-75 (Budget) ..	239,71	86,98	**326,69**	106,80	37,20	**144,00**	**470,69**	192,44	134,27	**326,71**	142,24	14,30	**483,25**	**—12,56**
							(480,69)							**(— 2,56)**
19. Tripura															
1972-73 (Accounts) ..	66	1,84	**2,50**	2,34	17,91	**20,25**	**22,75**	12,20	7,68	**19,88**	7,55	—	**27,43**	**— 4,68**
1973-74 (Revised) ..	67	1,90	**2,57**	2,61	20,27	**22,88**	**25,45**	12,93	8,83	**21,76**	11,30	—	**33,06**	**— 7,61**
1974-75 (Budget) ..	75	2,01	**2,76**	3,28	28,02	**31,30**	**34,06**	13,46	9,76	**23,22**	10,82	—	**34,04**	**+ 2**
20. Uttar Pradesh															
1972-73 (Accounts) ..	177,90	140,99	**318,89**	176,36	83,54	**259,90**	**578,79**	194,72	168,41	**363,13**	203,72	6,09	**572,94**	**+ 5,85**
1973-74 (Revised) ..	211,36	151,85	**363,21**	193,64	96,21	**289,85**	**653,06**	241,29	163,51	**404,80**	235,86	7,90	**648,56**	**+ 4,50**
1974-75 (Budget) ..	223,89	177,70	**401,59**	189,07	92,09	**281,16**	**682,75**	273,16	194,56	**467,72**	213,80	10,75	**692,27**	**— 9,52**
							(709,56)							**(+17,29)**
21. West Bengal															
1972-73 (Accounts) ..	172,38	39,02	**211,40**	87,60	54,64	**142,24**	**353,64**	203,96	76,52	**280,48**	123,96	9,87	**414,31**	**—60,67**
1973-74 (Revised) ..	181,82	55,89	**237,71**	96,36	54,77	**151,13**	**388,84**	182,21	82,51	**264,72**	138,32	10,56	**413,60**	**—24,76**
1974-75 (Budget) ..	193,14	60,02	**253,16**	97,58	84,82	**182,40**	**435,56**	199,52	95,47	**294,99**	149,53	10,90	**455,42**	**—19,86**
							(459,46)							**(+4,04)**
TOTAL (1 to 21)															
1972-73 (Accounts) ..	**1,928,48**	**996,32**	**2,924,80**	**1,061,25**	**926,30**	**1,987,55**	**4,912,35**	**2,079,31**	**1,270,18**	**3,349,49**	**1,582,22**	**50,21**	**4,981,92**	**— 69,57**
1973-74 (Revised) ..	**2,196,85**	**1,124,44**	**3,321,29**	**1,174,74**	**1,002,70**	**2,177,44**	**5,498,73**	**2,397,68**	**1,414,80**	**3,812,48**	**1,853,79**	**58,37**	**5,724,64**	**—225,91**
1974-75 (Budget) ..	**2,364,13**	**1,220,16**	**3,584,29**	**1,196,33**	**1,078,12**	**2,274,45**	**5,858,74**	**2,316,27**	**1,556,39**	**3,872,66**	**1,879,74**	**74,87**	**5,827,27**	**+ 31,47**
							(6,022,78)							**(+195,51)**

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification. 2. Figures given here may differ from those given in the Budget papers as certain adjustments have been made to ensure uniformity in presentation. 3. Figures for 1974-75 (Budget Estimates) are before tax changes; the position after taking into account tax changes is shown in brackets. 4. Data given here will differ slightly from those given in the Annual Report due to revision in figures.

@ The data given on the basis of the old classification have been broadly converted into the revised classification.

* Figures are provisional.

(*a*) For details regarding coverage of various items included under these heads, a reference may be made to Statement-68.

(*b*) Comprises interest receipts, dividends and receipts from general services, social and community services and economic services.

(*c*) Comprise expenditure on education, art and culture, medical and public health, natural calamities relief, etc.

(*d*) Comprise expenditure on forests, industries, irrigation, multipurpose river valley projects, etc.

(*e*) Comprises debt servicing, interest payments, administrative services, pensions, etc.

STATEMENT 67 — CONSOLIDATED BUDGETARY POSITION OF STATES

(Rs. Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4
I. Revenue Account				
A. Revenue	4912.3	5382·8 (5423·0)	5498.7	5858.8 (6022.8)
B. Expenditure	4981.9	5673·6	5724.6	5827.3
C. **Surplus (+) or Deficit (—)**	**—69.6**	**—290.8 (—250.6)**	**—225.9**	**+31.5 (+195.5)**
II. Capital Account				
A. Receipts (*a*)	2875.0 (2453.9)	2332.3£	2541.0	2053.9
B. Disbursements (*a*)	2297.0	2310.8	2543.8	2239.5
C. **Surplus (+) or Deficit (—)**	**+578.0 (+156.9)**	**+21.5**	**—2.8**	**—185.6**
III. **Remittances (net)**	**—94.5**	**—14.4**	**+17.4**	**—15.7**
IV. **Overall Surplus (+) or Deficit (—) (IC+IIC+III)**	**+413.9 (—7.2)**	**—283.7 (—243.5)(*b*)**	**—211.3**	**—169.8 (—5.8)(*c*)**
Financed by :				
I. **Increase (+) or Decrease (—) in Cash Balance**	**—117.4**	**—273.0**	**—105.2**	**—214.0**
II. **Purchase (+) or Sale (—) of Securities**	**+25.0**	**—10.7**	**—72.4**	**—10.2**
III. **Increase in (—) or Repayment of (+) Ways and Means Advances and Overdrafts from the Reserve Bank of India**	**+506.3 (+85.2)**	**—**	**—33.7**	**+54.4**

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification.

2. Figures given here may differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation.

3. In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74 (Budget Estimates and Revised Estimates) on the basis of the old classification have been broadly converted into the revised classification.

4. Figures in brackets for 1973-74 (Budget Estimates) and 1974-75 (Budget Estimates) indicate the position after taking into account yield from additional measures for resource mobilisation by States.

5. Figures in brackets for 1972-73 (Accounts) exclude Rs. 421.1 crores of net ways and means assistance given to the States by the Centre to clear their outstanding overdrafts with the Reserve Bank of India as on April 30, 1972.

6. Figures for Kerala and Manipur for 1974-75 (Budget Estimates) are provisional.

7. Data given here and those in Statements No. 68 and 69 will differ slightly from those given in the Annual Report due to the revision in figures.

(*a*) Excluding ways and means advances and overdrafts from the Reserve Bank of India and purchase/sale of securities.

(*b*) This deficit will go down if the share of States (Rs. 42 crores) in the additional taxation measures undertaken by the Centre is taken into account.

(*c*) This deficit will be converted into a surplus if the share of States (Rs. 39 crores) in the additional taxation measures proposed by the Centre is taken into account.

£ To ensure uniformity in the presentation of data, market borrowings (Rs. 3.0 crores) by Jammu and Kashmir Electricity Board are excluded.

STATEMENT 68—REVENUE AND EXPENDITURE OF STATES

(On Revenue Account)

(Rupees Crores)

Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4
I. TOTAL REVENUE (A+B)	**4912.3**	**5382.8 (5423.0)**	**5498.7**	**5858.8 (6022.8)**
A. TAX REVENUE (1+2)	**2989.7**	**3162.1**	**3371.6**	**3560.5**
1. States' Own Tax Revenue (i to iii)	**1928.5**	**2015.9**	**2196.9**	**2364.2**
(i) **Taxes on Income**	**14.4**	**13.9**	**14.4**	**20.1**
Agricultural Income Tax	12.4	12.0	11.7	12.9
Profession Tax	2.0	1.9	2.7	7.2
(ii) **Taxes on Property and Capital Transactions**	**242.0**	**273.7**	**296.0**	**307.5**
Stamps and Registration	144.5	143.3	149.1	160.4
Land Revenue	92.9	124.4	142.3	142.0
Surcharge on Cash Crops	0.3	0.4	0.1	—
Urban Immovable Property Tax	4.3	5.6	4.5	5.1
(iii) **Taxes on Commodities and Services**	**1672.1**	**1728.3**	**1886.5**	**2036.6**
Sales Tax (a)	976.5	1016.2	1109.0	1224.0
State Excise Duties	279.1	282.0	318.9	315.9
Taxes on Vehicles	126.5	136.2	138.6	151.7
Taxes on Goods and Passengers	86.4	95.1	102.6	124.4
Electricity Duties	73.2	75.1	75.5	89.1
Entertainment Tax	76.6	72.6	87.7	105.5
Other Taxes and Duties (b)	53.8	51.1	54.2	26.0
2. Share in Central Taxes	**1061.2**	**1146.2**	**1174.7**	**1196.3**
Income Tax	487.8	518.9	527.2	505.7
Estate Duty	7.3	8.4	10.1	8.7
Union Excise Duties	566.1	618.9	637.4	681.9
B. NON-TAX REVENUE (3+4)	**1922.6**	**2220.7**	**2127.1**	**2298.3**
3. States' Own Non-tax Revenue (c)	996.3	1109.0	1124.4	1220.2
4. Grants-in-aid-from the Centre	926.3	1111.7	1002.7	1078.1
II. TOTAL EXPENDITURE (A+B+C)	**4981.9**	**5673.6**	**5724.6**	**5827.3**
A. Developmental Expenditure (i+ii)	**3349.5**	**3774.0**	**3812.5**	**3872.7**
(i) Social and Community Services (d)	2079.3	2332.9	2397.7	2316.3
(ii) Economic Services (e)	1270.2	1441.1	1414.8	1556.4
B. Non-Developmental Expenditure (f)	**1582.2**	**1831.0**	**1853.8**	**1879.7**
Of which : Interest on Debt	470.4	531.5	560.7	598.0
C. Compensation and Assignments to Local Bodies	**50.2**	**68.6**	**58.3**	**74.9**
Surplus (+) or Deficit (—) (I—II)	**—69.6**	**—290.8 (—250.6)**	**—225.9**	**+31.5 (+195.5)**

Notes : (1) Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification.

(2) Figures given here may differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation.

(3) In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74 (B. E. and R. E.) on the basis of the old classification have been broadly converted into the revised classification.

(4) Figures in brackets for 1973-74 (B.E.) and 1974-75 (B.E.) indicate the position after taking into account the yield from additional tax measures by States.

(5) Figures for Kerala and Manipur for 1974-75 (B.E.) are provisional.

(*a*) Comprises general sales tax, Central sales tax, sales tax on motor spirit and purchase tax on sugarcane.

(*b*) Comprise tax on prize competitions, betting tax, tax on raw jute, surcharge and cess on sugarcane, etc.

(*c*) Comprises interest receipts, dividends and receipts from general services, social and community services and economic services.

(*d*) Comprise expenditure on education, art and culture, medical and public health, natural calamities relief, etc.

(*e*) Comprise expenditure on forests, industries, irrigation, multipurpose river valley projects, etc.

(*f*) Comprises debt servicing, interest payments, administrative services, pensions, etc.

STATEMENT 69 — CAPITAL BUDGET OF STATES

(Rupees Crores)

	Items	1972-73 (Accounts)	1973-74 (Budget Estimates)	1973-74 (Revised Estimates)	1974-75 (Budget Estimates)
		1	2	3	4
A.	**TOTAL RECEIPTS (1 to 9)**	**2875.0 (2453.9)**	**2332.3**	**2541.0**	**2053.9**
	1. Internal Debt £	261.7	290.0	259.2	384.4
	Of which : Market Loans	215.6**	193.3**†	167.2**	265.1
	2. Loans from the Centre	1950.2 (1529.1)	1302.4	1591.8	1033.8
	3. Recovery of Loans and Advances	182.3	271.8	235.6	272.3
	4. Small Savings, Provident Funds, etc. (net)	100.6	104.3	135.0	106.0
	5. Inter-State Settlement (net)	1.3	—0.1	—0.1	0.6
	6. Contingency Fund (net)	31.7	—11.6	1.6	—6.6
	7. Reserve Funds (net)	152.4 $	258.5 $	217.3 $	95.2
	8. Deposits and Advances (net)	78.5	47.1	40.7	48.3
	9. Susperse and Miscellaneous @ (net)	116.3	69.9	59.9	119.9
B.	**TOTAL DISBURSEMENTS (1 to 5)**	**2391.5**	**2325.2**	**2526.4**	**2255.2**
	1. Total Capital Outlay (i+ii)	740.5	946.7	971.9	1024.3
	(i) Developmental Outlay (a+b)	718.2	914.5	947.4	996.3
	(a) Social and Community Services	80.7	121.4	102.2	127.1
	(b) Economic Services	637.5	793.1	845.2	869.2
	(ii) Non-Developmental Outlay@@	22.3	32.2	24.5	28.0
	2. Discharge of Internal Debt £	113.5	40.5	49.0	129.9
	Of which : Market Loans	81.4	1.0	5.0	99.8
	3. Repayment of Loans to the Centre	689.6	779.1	920.5	510.8
	4. Loans and Advances to Third Parties	720.8	557.5	609.4	574.3
	5. Others*	127.1	1.4	—24.4	15.9
	Surplus (+) or Deficit (—) on Capital Account (A—B)	**+483.5 (+62.4)**	**+7.1**	**+14.6**	**—201.3**

Notes : 1. Figures given here are not comparable with those given in earlier Currency Reports due to changes in budgetary classification. 2. Figures given here may differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation. 3. In the case of Gujarat, Haryana and Tamil Nadu the data given for 1972-73 (Accounts) and 1973-74 (Budget Estimates and Revised Estimates) on the basis of the old classification have been broadly converted into the revised classification. 4. Figures in brackets for 1972-73 (Accounts) exclude Rs. 421.1 crores of net ways and means assistance given to the States by the Centre to clear their outstanding overdrafts with the Reserve Bank of India as on the 30th of April, 1972. 5. Figures for Kerala and Manipur are provisional for 1974-75 (Budget Estimates).

£ Excludes ways and means advances and overdrafts from the Reserve Bank of India and includes market loans, land compensation bonds, cash credits and loans from State Bank of India (net) and 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 Commission, etc. @ Exclude purchase/sale of securities. @@ Comprises expenditure on general services. *Comprise appropriation to contingency fund and remittances (net). $ Includes deposits and advances (net) and suspense and miscellaneous (net) in the case of Bihar, Gujarat, Haryana and Tamil Nadu since details under these heads are not available. **Includes land compensation bonds in the case of Tamil Nadu. † To ensure uniformity in the 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	Treasury Bills	*Percentage to Col. 15*	Special Floating Loans (*a*)	*Percentage to Col. 15*	Other Internal 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 & Deposits (*e*)	*Percentage to Col.15)*	**Total Internal Debt & Other Obligations**	External Debt (*f*)	**Total Debt**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1961	1,106	*19.1*	274	*4.8*	2,595	*44.9*	973	*16.8*	289	*5.0*	262	*4.5*	284	*4.9*	**5,783**	782	**6,565**
1966	1,612	*18.5*	341	*3.9*	3,462	*39.6*	1,541	*17.6*	527	*6.0*	695	*8.0*	561	*6.4*	**8,739**	2,611	**11,350**
1969	2,244	*20.4*	687	*6.3*	3,928	*35.7*	1,896	*17.2*	686	*6.2*	795	*7.2*	764	*7.0*	**11,000**	5,637	**16,637**
1970	2,232	*19.3*	690	*6.0*	4,144	*35.9*	2,025	*17.5*	761	*6.6*	839	*7.3*	863	*7.4*	**11,554**	6,153	**17,707**
1971	2,516	*19.8*	705	*5.5*	4,441	*35.0*	2,209	*17.4*	841	*6.6*	839	*6.6*	1,157	*9.1*	**12,708**	6,485	**19,193**
1972 (Revised Estimates)..	2,623	*19.1*	704	*5.1*	4,836	*35.2*	2,419	*17.6*	942	*6.9*	871	*6.4*	1,326	*9.7*	**13,721**	6,954	**20,675**
1973 (Revised Estimates)..	3,631	*22.8*	730	*4.6*	5,417	*33.9*	2,733	*17.1*	1,044	*6.5*	829	*5.2*	1,574	*9.9*	**15,958**	7,161	**23,119**
1974 (Revised Estimates)..	4,498	*25.8*	730	*4.2*	5,998	*34.4*	3,155	*18.1*	1,126	*6.4*	213	*1.2*	1,719	*9.9*	**17,439**	5,830	**23,269**
1975 (Budget Estimates) ..	4,810	*25.6*	734	*3.9*	6,485	*34.6*	3,515	*18.7*	1,240	*6.6*	203	*1.1*	1,782	*9.5*	**18,769**	6,382	**25,151**

Note : Figures in this Statement may differ from those given in the other Statements because of differences in sources.

(*a*) Represents liability in respect of special rupee securities issued in payment of subscriptions to IMF, IBRD and IDA and contribution towards share capital of ADB.

(*b*) Includes loans floated on the market bearing interest, not bearing interest as well as interest free loans and (from 1971) Bank Compensation Bonds but excludes Annuity Certificates which are shown under Small Savings.

(*c*) Includes 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*) Includes depreciation and reserve fund of Railways and Posts and Telegraphs, deposits of local funds, departmental and judicial deposits, 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, Combined Finance and Revenue Accounts of the Central and State Governments in India for end-March 1970 and 1971 and Explanatory Memoranda of the Central Government Budgets for end-March 1972 to 1975.

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 (Revised Estimates)	1974-75 (Budget Estimates)
	1	2	3	4	5	6	7	8
Debt and Liabilities of the Government of India								
I. Public Debt								
A. Debt raised in India								
(*a*) **Permanent Debt**								
(1) Current Loans	2,556	3,417	4,097	4,307	4,702	5,280	5,852	6,339
(2) Compensation Bonds	—	—	5	79	84	84	84	84
(3) Prize Bonds	15	11	2	1	1	—	1	1
(4) Loans in course of Repayment	23	34	43	46	49	53	61	61
Total	**2,594**	**3,462**	**4,147**	**4,433**	**4,836**	**5,417**	**5,998**	**6,485**
(*b*) **Floating Debt**								
(1) Treasury Bills	1,106	1,612	2,398	2,310	2,623	3,631	4,498	4,810
(2) Special Floating Loans	274	341	689	721	704	730	730	734
(3) Treasury Deposit Receipts and Other Floating Loans	—	—	—	—	—	—	—	—
Total	**1,380**	**1,953**	**3,087**	**3,031**	**3,327**	**4,361**	**5,228**	**5,544**
Total Debt Raised in India (*a*+*b*)	**3,974**	**5,415**	**7,234**	**7,464**	**8,163**	**9,778**	**11,226**	**12,029**
B. Debt Raised Outside India								
(1) England @								
Loans	107	263	547	622	704	788	883	903
Others	15	—	—	—	—	—	—	—
(2) U.S.A.								
Loans	211	750	1,713	1,792	1,893	1,873	1,884	1,892
P.L. 480 Rupee Loans	78	528	1,516	1,420	1,603	1,596	—	—
U.S. Export-Import Bank	25	101	100	75	90	74	64	50
P.L. 480 Local convertible currency credit	—	—	74	257	94	59		
(3) U.S.S.R.	58	244	379	367	360	320	267	230
(4) Canada	14	18	97	141	168	191	218	258
(5) Federal Republic of Germany	103	206	376	407	448	461	485	481
(6) Japan	10	62	223	260	292	323	366	371
(7) International Bank for Reconstruction and Development	140	180	252	251	235	222	198	181
(8) International Development Association		171	666	759	790	962	1,171	1,447
(9) Other Countries		67	198	226	277	292	294	569@@
Total Debt Raised Outside India	**761**	**2,590**	**6,141**	**6,577**	**6,954**	**7,161**	**5,830**	**6,382**
Total Public Debt (A+B)	**4,735**	**8,005**	**13,375**	**14,041**	**15,117**	**16,939**	**17,056**	**18,411**
II. Other Liabilities								
A. Unfunded Debt								
(*i*) Small Savings Schemes (including Annuity Certificates)	974	1,542	2,020	2,169	2,419	2,733	3,155	3,515
(*ii*) Other Unfunded Debt	551	1,222	1,586	1,649	1,813	1,873	1,339	1,443
Total A	**1,525**	**2,764**	**3,606**	**3,818**	**4,232**	**4,606**	**4,494**	**4,958**
B. Reserve Funds and Deposits								
(*i*) Bearing Interest	142	275	197	248	309	383	408	475
(*ii*) Not bearing Interest	142	285	667	729	1,017	1,191	1,311	1,307
Total B	**284**	**560**	**864**	**977**	**1,326**	**1,574**	**1,719**	**1,782**
Total Other Liabilities (A+B)	**1,809**	**3,324**	**4,470**	**4,795**	**5,558**	**6,180**	**6,213**	**6,740**
Total Debt and Liabilities (I+II)	**6,544**	**11,329**	**17,845**	**18,836**	**20,675**	**23,119**	**23,269**	**25,151**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	**—300**	**—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**	**22,969**	**24,851**

I.	**Capital Outlay**								
A.	**Outlay on Departmental Undertakings**								
	(1) Railways	1,512	2,672	3,218	3,313	3,475	3,711	3,889	4,116
	(2) Posts and Telegraphs	140	265	384	398	413	341	371	386
	(3) Atomic Energy Development	15	69	203	213	235	269	306	370
	(4) Mints	4	4	5	5	6	6	6	8
	(5) Electricity Schemes	3	1	48	67	105	161	213	280
	(6) Undertakings of Industrial and Economic Development	2	5	6	8	12	12	8	8
	(7) Others*	6	14	28	32	35	38	41	56
	Total A	**1,682**	**3,030**	**3,892**	**4,036**	**4,281**	**4,538**	**4,834**	**5,224**
B.	**Investments in Autonomous Corporations, Companies, etc.**								
	(*a*) **Government Companies and Corporations**								
	(1) Hindustan Steel	300	528	557	557	595	612	1,320**	1,331**
	(2) Bokaro Steel	—	20	363	410	600	600		
	(3) Fertilizer Corporation of India	40	52	97	116	138	203	299	386
	(4) Food Corporation of India	—	9	53	65	77	83	84	85
	(5) Others*	252	732	1,058	1,217	1,425	1,666	1,755	1,990
	Total	**592**	**1,341**	**2,128**	**2,365**	**2,835**	**3,164**	**3,458**	**3,792**
	(*b*) **Financial Institutions**								
	(1) International Monetary Fund	296	352	527	693	670	670	670	670
	(2) International Bank for Reconstruction and Development	37	37	57	71	64	64	68	68
	(3) International Development Association	5	19	29	29	30	30	30	31
	(4) International Finance Corporation	2	2	2	2	2	2	2	2
	(5) Asian Development Bank	—	—	28	28	35	43	49	57
	(6) Reserve Bank of India	11	6	6	6	6	6	6	6
	(7) Life Insurance Corporation	5	5	5	5	5	5	5	5
	(8) Others*	2	2	31	119	141	188	136	203
	Total	**358**	**424**	**685**	**953**	**953**	**1,008**	**966**	**1,042**
	(*c*) **Other Companies, Corporations, etc.**	**10**	**33**	**39**	**39**	**36**	**33**	**32**	**32**
	Of which: Oil India	8	27	26	24	22	25	25	25
	Total B (*a*+*b*+*c*)	**960**	**1,798**	**2,852**	**3,357**	**3,824**	**4,205**	**4,456**	**4,866**
C.	**Other Capital Outlay**								
	(1) Defence Services	454	874	1,321	1,412	1,565	1,774	1,987	2,222
	(2) Public Works (including roads)	181	425	607	657	727	834	938	1,025
	(3) Government Trading Schemes								
	(*i*) Purchase of Foodgrains	137	90	41	—16	—24	—87	—73	—74
	(*ii*) Other Schemes	—15	—19	6	50	41	33	74	78
	(4) Others*	191	387	605	660	751	789	886	985
	Total C	**948**	**1,757**	**2,580**	**2,763**	**3,060**	**3,343**	**3,812**	**4,236**
	Total Capital Outlay (A+B+C)	**3,590**	**6,585**	**9,324**	**10,156**	**11,165**	**12,086**	**13,102**	**14,326**
II.	**Loans Advanced by the Government of India**								
	(1) State Governments	1,910	3,970	5,874	6,235	6,670	7,910	8,654	9,159
	(2) Union Territory Governments	—	40	124	157	92	61	73	89
	(3) Foreign Governments	29	28	58	58	102	114	171	198
	(4) Government Servants	5	12	28	43	75	71	78	96
	(5) Other Parties	591	1,329	2,723	2,918	3,032	3,239	3,723	4,311
	Total Loans Advanced by the Government of India	**2,535**	**5,379**	**8,807**	**9,411**	**9,971**	**11,395**	**12,699**	**13,853**
	Total Capital Outlay and Loans Advanced (I+II)	**6,125**	**11,964**	**18,131**	**19,567**	**21,136**	**23,481**	**25,801**	**28,179**
	Excess (+) or Shortfall (—) of Debt and Liabilities (net) over Capital Outlay and Loans Advanced	**+119**	**—935**	**—586**	**—1,031**	**— 761**	**— 662**	**—2,832**	**—3,328**

@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.

@@Includes 'New Credits' of Rs. 220 crores.

*Residual.

**Refers to Steel Authority (India) Ltd.

STATEMENT 72 — MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1973-74

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 ..	**665,00**				**733,47**	**496,53**		**236,94**	**733,47**	**63,73**	**+432,80**
State Governments ..	**197,25**				**220,77**	**172,93**		**44,71**	**217,64**	**39,41**	**+133,52**
Total ..	**862,25**				**954,24**	**669,46**		**281,65**	**951,11**	**103,14**	**+566,32**
1973-74											
Central Government											
4¾% Loan, 1980 ..		7	100.00	4.75	117,29	9,52		107,77	117,29		
5 % Loan, 1984 (Second Issue) ..	500,00	11	99.50	5.06	200,09	43,45	4% Loan, 1973	156,64	200,09		
5¾% Loan, 2003 ..		30	100.00	5.75	233,21	117,02		116,19	233,21		
4¾% Loan, 1981 ..		8	99.75	4.79	99,26	68,64		30,62	99,26		
5¼% Loan, 1987 ..	325,00	14	100.00	5.25	173,36	94,54	4¼% Loan, 1973	78,82	173,36	27,79	+470,98
5¾% Loan, 2003 (Second Issue) ..		30	100.00	5.75	85,03	48,41		36,62	85,03		
4¾% Loan, 1981 (Second Issue) ..		8	99.75	4.79	26,59	26,59	—	—	26,59		
5¼% Loan, 1987 (Second Issue) ..	115,00	14	100.00	5.25	70,41	70,41	—	—	70,41		
5¾% Loan, 2003 (Third Issue) ..		30	100.00	5.75	20,19	20,19	—	—	20,19		
Total of Central Government ..	**940,00**				**1,025,43**	**498,77**		**526,66**	**1,025,43**	**27,79**	**+470,98**

State Governments											
5¼% Andhra Pradesh S.D. Loan, 1985	11,75	12	100.00	5.75	13,03	13,03	—	—	13,03		
5¼% Assam Loan, 1985 ..	5,00	12	100.00	5.75	5,54	5,54	—	—	5,54		
5¼% Bihar S. D. Loan, 1985 ..	10,00	12	100.00	5.75	11,09	11,09	—	—	11,09		
5¼% Gujarat S. D. Loan, 1985 ..	8,75	12	100.00	5.75	9,70	9,70	—	—	9,70		
5¼% Haryana S. D. Loan, 1985 ..	7,25	12	100.00	5.75	8,04	8,04	—	—	8,04		
5¼% Himachal Pradesh S.D. Loan, 1985	1,25	12	100.00	5.75	1,38	1,38	—	—	1,38		
5¼% Jammu & Kashmir S.D. Loan, 1985	2,25	12	100.00	5.75	2,48	2,48	—	—	2,48		
5¼% Kerala S.D. Loan, 1985 ..	4,25	12	100.00	5.75	4,97	4,97	—	—	4,97		
5¼% Madhya Pradesh S.D. Loan, 1985	5,00	12	100.00	5.75	5,57	5,57	—	—	5,57		
5¼% Maharashtra S.D. Loan, 1985	11,75	12	100.00	5.75	13,03	13,03	—	—	13,03		
5¼% Manipur S.D. Loan, 1985 ..	1,25	12	100.00	5.75	1,38	1,38	—	—	1,38	—	+166,61
5¼% Meghalaya S.D. Loan, 1985 ..	1,00	12	100.00	5.75	1,11	1,11	—	—	1,11		
5¼% Mysore S.D. Loan, 1985 ..	8,25	12	100.00	5.75	9,12	9,12	—	—	9,12		
5¼% Nagaland S.D. Loan, 1985	1,75	12	100.00	5.75	1,99	1,99	—	—	1,99		
5¼% Orissa Govt. Loan, 1985 ..	6,00	12	100.00	5.75	6,65	6,65	—	—	6,65		
5¼% Punjab Loan, 1985 ..	5,00	12	100.00	5.75	5,54	5,54	—	—	5,54		
5¼% Rajasthan S.D. Loan, 1985 ..	14,00	12	100.00	5.75	15,55	15,55	—	—	15,55		
5¼% Tamil Nadu Loan, 1985 ..	11,75	12	100.00	5.75	13,05	13,05	—	—	13,05		
5¼% U.P.S.D. Loan, 1985 ..	26,50	12	100.00	5.75	29,63	29,63	—	—	29,63		
5¼% West Bengal Loan, 1985	7,00	12	100.00	5.75	7,76	7,76	—	—	7,76		
Total of State Governments ..	**149,75**				**166,61**	**166,61**		—	**166,61**	—	+166,61
Total of Central and State Governments	**1,089,75**				**1,192,04**	**665,38**		**526,66**	**1,192,04**	**27,79**	+637,59

Note : Figures in columns 5, 6 and 9 to 11 include Prize Bonds. Also see "Notes on the Statements".

* Inclusive of conversion.

STATEMENT 73—CENTRAL AND STATE GOVERNMENT LOANS (OUTSTANDINGS AS ON MARCH 31, 1974)

(In thousands of rupees)

Central Government Loans	Amount Outstanding
3¾% Loan, 1974	2,01,63,53
4½% 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	1,01,36,27
4½% Banks (Acquisition & Transfer) Compensation Bonds, 1979	6,70,00
4% Loan, 1980	1,48,05,17
4¾% Loan, 1980	1,17,28,69
4% Loan, 1981	70,96,55
4¾% Loan, 1981	1,25,82,68
4½% Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981	4,46,86
5% National Defence Loan, 1981	74,93,34
5% Loan, 1982	2,50,14,55
5% Loan, 1983	3,23,58,40
5% Loan, 1984	2,75,37,23
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, 1987	2,43,64,99
5¼% Loan, 1988	84,64,39
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	2,88,57,64
5¾% Loan, 2003	3,38,28,94
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	8,93,30
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	**59,34,53,54**

Loans not bearing Interest

Central Government Loans	**27,31,99**
Of which : Prize Bonds	1,74,23
Hyderabad Loans	**45,81**
TOTAL	**59,62,31,34**

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, 1974)

(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	22,65,91
5¼% Andhra Pradesh State Development Loan, 1985	13,03,45
	1,42,96,71
Loans not bearing interest	43,12
TOTAL	**1,43,39,83**
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	4,97,12
5¾% Assam Loan, 1985	5,54,11
Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	17,03
TOTAL	**44,13,94**
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	13,19,85
5¾% Bihar State Development Loan, 1985	11,09,41
2½% Bihar Zamindari Abolition Compensation Bonds	18,31,04
	87,05,09
Loans not bearing interest	23,31
TOTAL	**87,28,40**
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	13,79,89
5¾% Gujarat State Development Loan, 1985	9,68,66
3 % Bombay Land Abolition Acts (Gujarat) Compensation Bonds and 4½% Gujarat Agricultural Lands Ceiling Act, 1960, Compensation Bonds and 3 % Gujarat Surviving Alienations Abolition Act, 1963, Compensation Bonds	98,67
	1,22,71,27
Loans not bearing interest	10,15
TOTAL	**1,22,81,42**

STATEMENT 73 — CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1974)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount Outstanding
HARYANA		
5¼%	Haryana State Development Loan, 1979	2,82,87
5½%	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
5¾%	Haryana State Development Loan, 1985	8,03,50
	TOTAL	**38,69,74**
HIMACHAL PRADESH		
5¼%	Himachal Pradesh State Development Loan, 1984	1,10,50
5¾%	Himachal Pradesh State Development Loan, 1985	1,37,50
	TOTAL	**2,48,00**
JAMMU AND KASHMIR		
5¼%	Jammu and Kashmir State Development Loan, 1984	2,20,26
5¾%	Jammu and Kashmir State Development Loan, 1985	2,48,00
	TOTAL	**4,68,26**
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	8,53,02
5¾%	Kerala State Development Loan, 1984	7,73,14
5¾%	Kerala State Development Loan, 1985	4,91,12
4½%	Kerala House Sites and Houses Bonds	1,46,78
4½%	Kerala H. S. and H. for F.L.W.C. Bonds	1,41,69
	Jenmikaram Payment (Abolition) Bonds	17,35
		64,87,80
	Loans not bearing interest	15,50
	TOTAL	**65,03,29**
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	9,96,51
5¾%	Madhya Pradesh State Development Loan, 1985	5,54,66
		75,19,19
	Loans not bearing interest	37,30
	TOTAL	**75,56,49**
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Repayable in instalments)	2,55,63
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Redeemable on maturity)	3,27
3 %	Maharashtra Revenue Patels (Abolition of Offices) Act, 1962, Compensation Bonds	1,46
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts (Bombay) Compensation Bonds	32,33
3 %	Bombay Land Tenure Abolition Acts (Maharashtra) Compensation Bonds	14,08
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	21,77,57
5¾%	Maharashtra State Development Loan, 1985	13,02,84
		2,04,07,74
	Loans not bearing interest	20,68
	TOTAL	**2,04,28,41**

STATEMENT 73 — CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1974)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount Outstanding
MANIPUR		
5¾%	Manipur State Development Loan, 1984	1,10,88
5¾%	Manipur State Development Loan, 1985	1,37,50
	TOTAL	**2,48,38**
MEGHALAYA		
5¾%	Meghalaya State Development Loan, 1984	1,10,50
5¾%	Meghalaya State Development Loan, 1985	1,10,50
	TOTAL	**2,21,00**
MYSORE		
4½%	Mysore State Development Loan, 1974	6,59,08
4¾%	Mysore State Development Loan, 1976	7,01,13
5¼%	Mysore State Development Loan, 1977	5,29,77
5½%	Mysore State Development Loan, 1978	4,13,12
5¾%	Mysore State Development Loan, 1979	6,54,89
5¾%	Mysore State Development Loan, 1980	6,59,88
5¾%	Mysore State Development Loan, 1981	10,99,75
5¾%	Mysore State Development Loan, 1982	11,58,40
5¾%	Mysore State Development Loan, 1983	11,01,45
5¾%	Mysore State Development Loan, 1984	15,67,58
5¾%	Mysore State Development Loan, 1985	9,12,37
3 %	Bombay Land Tenure Abolition Acts (Mysore) Compensation Bonds	2,55
2¾%	Mysore Inams Abolition Compensation Bonds	2,68
		94,62,65
	Loans not bearing interest	11,90
	TOTAL	**94,74,56**
NAGALAND		
5¾%	Nagaland State Development Loan, 1984	1,10,88
5¾%	Nagaland State Development Loan, 1985	1,98,50
	TOTAL	**3,09,38**
ORISSA		
4½%	Orissa Government Loan, 1974	7,71,63
4¾%	Orissa Government Loan, 1976	8,76,23
5¼%	Orissa Government Loan, 1977	8,37,32
5½%	Orissa Government Loan, 1978	6,21,80
5¾%	Orissa Government Loan, 1979	4,39,82
5¾%	Orissa Government Loan, 1980	4,99,48
5¾%	Orissa Government Loan, 1981	7,17,66
5¾%	Orissa Government Loan, 1982	6,67,55
5¾%	Orissa Government Loan, 1983	7,76,29
5¾%	Orissa Government Loan, 1984	9,35,78
5¾%	Orissa Government Loan, 1985	6,64,85
		78,08,41
	Loans not bearing interest	66,80
	TOTAL	**78,75,20**
PUNJAB		
4½%	Punjab Loan, 1974	3,64,88
5¼%	Punjab Loan, 1977	5,10,82
5½%	Punjab Loan, 1978	4,01,66
5¾%	Punjab Loan, 1979	3,00,62
5¾%	Punjab Loan, 1980	3,32,56
5¾%	Punjab Loan, 1981	6,63,60
5¾%	Punjab Loan, 1982	5,81,71
5¾%	Punjab Loan, 1983	6,62,81
5¾%	Punjab Loan, 1984	6,93,02
5¾%	Punjab Loan, 1985	5,53,80
		50,65,48
	Loans not bearing interest	12,41
	TOTAL	**50,77,89**
RAJASTHAN		
4½%	Rajasthan State Development Loan, 1974	4,94,74
4¾%	Rajasthan State Development Loan, 1976	5,24,28
5¼%	Rajasthan State Development Loan, 1977	5,14,38
5½%	Rajasthan State Development Loan, 1978	5,03,85
5¾%	Rajasthan State Development Loan, 1979	4,09,90
5¾%	Rajasthan State Development Loan, 1980	5,52,20
5¾%	Rajasthan State Development Loan, 1981	7,71,15
5¾%	Rajasthan State Development Loan, 1982	6,62,08
5¾%	Rajasthan State Development Loan, 1983	8,02,27
5¾%	Rajasthan State Development Loan, 1984	18,46,00
5¾%	Rajasthan State Development Loan, 1985	15,55,09

STATEMENT 73 — CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*)
(OUTSTANDINGS AS ON MARCH 31, 1974)

(In thousands of rupees)

State Government Loans—(*Concld.*)	Amount Outstanding
RAJASTHAN—(*Contd.*)	
2½% Rajasthan Jagir Resumption Additional Rehabilitation Bonds	2,62,83
2½% Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	88,25
2½% Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	19,19
	90,06,20
Loans not bearing interest	19,52
TOTAL	**90,25,72**
TAMIL NADU	
4½% Madras Loan, 1974	13,26,03
4¾% Madras Loan, 1976	14,33,15
5¼% 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% Tamil Nadu Loan, 1981	21,94,68
5¾% Tamil Nadu Loan, 1982	18,20,07
5¾% Tamil Nadu Loan, 1983	21,47,03
5¾% Tamil Nadu Loan, 1984	22,11,32
5¾% Tamil Nadu Loan, 1985	13,02,80
	1,89,87,45
Loans not bearing interest	64,24
TOTAL	**1,90,51,68**
UTTAR PRADESH	
4½% Uttar Pradesh State Development Loan, 1974	8,60,26
4¾% Uttar Pradesh State Development Loan, 1976	10,22,16
5¼% Uttar Pradesh State Development Loan, 1977	10,68,28
5¼% Uttar Pradesh State Development Loan, 1978	10,81,47
5½% Uttar Pradesh State Development Loan, 1979	12,33,83
5½% 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	15,33,34
5¾% Uttar Pradesh State Development Loan, 1983	17,30,84
5¾% Uttar Pradesh State Development Loan, 1984	21,73,72
5¾% Uttar Pradesh State Development Loan, 1985	28,46,62
3¼% U.P.E.E. Act Bonds	23,01
3½% U.P. Land Ceiling Compensation Bonds	45,88
U.P. Zamindari Abolition Rehabilitation Grant Bonds@	18,58,21
2½% U.P. Urban Areas Zamindari Abolition Compensation Bonds	43,18
U.P. Zamindari Abolition Compensation Bonds and Stock Certificates	34,55,40
	2,15,23,78
Loans not bearing interest	1,08,28
TOTAL	**2,16,32,06**
WEST BENGAL	
4½% West Bengal Loan, 1974	7,03,28
4¾% West Bengal Loan, 1976	7,00,09
5¼% 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	14,32,02
5¾% West Bengal Loan, 1985	7,73,78
West Bengal Estates Acquisition Compensation Bonds	3,39,93
	1,09,27,74
Loans not bearing interest	6,18
TOTAL	**1,09,33,92**
TOTAL OF ALL STATES	
Loans bearing interest	**16,22,48,20**
Loans not bearing interest	**4,39,37**
TOTAL	**16,26,87,57**

@ 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**
1974	257,83	*4.3*	3,380,05	*57.0*	1,339,60	*22.6*	957,05	*16.1*	**5,934,54**

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. Also see "Notes on the Statements."

STATEMENT 75—DEBT POSITION OF STATES

(In crores of rupees)

Item	OUTSTANDING AS ON MARCH 31, 1961	1966	1969	1970	1971	1972	1973	1974 (Revised Estimates)	1975 (Budget) Estimates
	1	2	3	4	5	6	7	8	9
I. Internal Debt (*a to c*)	**592**	**1,178**	**1,489**	**1,542**	**1,847**	**2,190**	**1,832**	**2,076**	**2,276**
(*a*) Market Loans and Bonds (i + ii)	500	827	1,047	1,131	1,233	1,332	1,465	1,622	1,790
(*i*) Market Loans	410	720	950	1,038	1,143	1,224	1,358*	1,520*	1,686*
(*ii*) Compensation and other Bonds	90	107	97	93	90	108	107	102	104
(*b*) Ways and Means Advances from the Reserve Bank of India	42	189	241	182	375	600	94	128	73
(*c*) Loans from Banks and other Institutions ..	50	162	201	229	239	258	273	326	413
II. Loans and Advances from the Central Government ..	**2,014**	**4,110**	**5,584**	**5,987**	**6,365**	**6,756**	**8,017**	**8,688**	**9,211**
III. Provident Funds, etc.	**133**	**231**	**367**	**446**	**537**	**622**	**722**	**857**	**963**
(Of which State Provident Funds)	(113)	(200)	(324)	(400)	(471)	(552)	(643)	(770)	(867)
IV. Total Debt (I to III)	**2,739**	**5,519**	**7,440**	**7,975**	**8,749**	**9,568**	**10,571**	**11,621**	**12,450**

Notes : (1) Figures are revised. (2) States have no external debt liabilities. (3) State debt has been reclassified. Thus, I(*a*) comprises current and expired loans floated on the market and bonds issued in connection with the abolition of zamindari, jagirdari, etc. *I(b)* represents ways and means advances and overdrafts (repayable within seven days) from the Reserve Bank of India, *I(c)* covers loans from State Bark of India and other commercial banks, National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, Employees' State Insurance Corporation, Khadi and Village Industries Commission, etc.; II comprises loans and advances from the Central Government for Plan and non-Plan purposes, including loans against small savings collections; III includes state provident funds, insurance and pension funds, trusts and endowments, etc. For comparison of the new classification with the old, please see note to this statement in the 'Notes on the Statements portion of this Report. (4) Market loans outstanding at the end of March 1975 would be understated to the extent of receipts (gross) from market borrowings by Maharashtra for which no credit has been taken by the State Government in its budget for 1974–75. (5) During 1974–75, State Governments (including Maharashtra) have so for raised Rs. 213 crores (net) through market loans.

*Include Compensation and other bonds in case of Tamilnadu as details are not available separately. As figures of market borrowings of Haryana during 1972-73 are not available in budget documents, these are taken from the Reserve Bank of India records.

Sources : Figures upto 1971 are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India; for subsequent years figures are based on State Budgets.

STATEMENT 76—STATE-WISE COMPOSITION OF

States	As at the end of March 1973 (Accounts)				As at the end of	
	Internal Debt	Loans and Advances from the Central Government	Provident Funds, etc.	Total Debt	Internal Debt	Loans and Advances from the Central Government
	1	2	3	4	5	6
1. Andhra Pradesh	160 (18.1)	690 (78.1)	34 (3.8)	**884 (100.0)**	172 (18.9)	698 (76.9)
2. Assam	41 (9.6)	369 (86.2)	18 (4.2)	**428 (100.0)**	46 (9.9)	402 (86.3)
3. Bihar	100 (10.8)	751 (81.2)	74 (8.0)	**925 (100.0)**	116 (11.6)	808 (80.6)
4. Gujarat	139 (30.0)	297 (64.0)	28 (6.0)	**464 (100.0)**	150 (28.5)	344 (65.3)
5. Haryana	42 (15.6)	214 (79.6)	13 (4.8)	**269 (100.0)**	50 (16.9)	228 (77.0)
6. Himachal Pradesh	2 (1.5)	118 (88.7)	13 (9.8)	**133 (100.0)**	4 (2.5)	139 (88.0)
7. Jammu and Kashmir	7 (2.2)	286 (91.7)	19 (6.1)	**312 (100.0)**	9 (2.5)	329 (91.4)
8. Karnataka	123 (21.1)	424 (72.6)	37 (6.3)	**584 (100.0)**	135 (21.6)	450 (72.0)
9. Kerala	73 (15.9)	344 (74.9)	42 (9.2)	**459 (100.0)**	78 (15.8)	365 (73.9)
10. Madhya Pradesh	96 (16.2)	416 (70.0)	82 (13.8)	**594 (100.0)**	126 (19.6)	416 (64.8)
11. Maharashtra	233 (24.2)	629 (65.4)	100 (10.4)	**962 (100.0)**	266 (24.4)	691 (63.3)
12. Manipur	1 (3.3)	30 (100.0)	—1 (—3.3)	**30 (100.0)**	3 (7.3)	39 (95.1)
13. Meghalaya	2 (33.3)	4 (66.7)	— (—)	**6 (100.0)**	3 (25.0)	8 (66.7)
14. Nagaland	1 (4.0)	23 (92.0)	1 (4.0)	**25 (100.0)**	3 (9.7)	26 (83.9)
15. Orissa	93 (15.8)	470 (79.7)	27 (4.5)	**590 (100.0)**	111 (16.7)	520 (78.4)
16. Punjab	67 (19.7)	243 (71.5)	30 (8.8)	**340 (100.0)**	68 (18.9)	258 (71.7)
17. Rajasthan	95 (11.4)	705 (84.7)	32 (3.9)	**832 (100.0)**	111 (12.0)	776 (84.1)
18. Tamil Nadu	227 (32.8)	415 (60.0)	50 (7.2)	**692 (100.0)**	238 (31.5)	424 (58.9)
19. Tripura	— (—)	33 (97.1)	1 (2.9)	**34 (100.0)**	— (—)	39 (97.5)
20. Uttar Pradesh	218 (19.3)	830 (73.5)	82 (7.2)	**1,130 (100.0)**	260 (20.7)	897 (71.3)
21. West Bengal	112 (12.8)	726 (82.7)	40 (4.5)	**878 (100.0)**	127 (12.7)	831 (82.9)
Total	**1,832 (17.3)**	**8,017 (75.9)**	**722 (6.8)**	**10,571 (100.0)**	**2,076 (17.9)**	**8,688 (74.7)**

Notes : (1) Figures in brackets indicate percentages to total outstanding debt of each State.

(2) For new classification of State-debt please see footnotes (2) and (3) to Statement 75.

(3) During 1974-75, State Governments (including Maharashtra) have so far raised Rs. 213 crores (net) through market loans.

* Internal debt outstanding at the end of March 1975 would be understated to the extent of receipts (gross) from market borrowings by Maharashtra for which no credit has been taken by the State Government in its budget for 1974-75.

OUTSTANDING DEBT

(In crores of rupees)

March 1974 (Revised Estimates)		As at the end of March 1975 (Budget Estimates)			
Provident Funds, etc.	Total Debt	Internal Debt	Loans and Advances from the Central Government	Provident Funds, etc.	Total Debt
7	8	9	10	11	12
38	**908**	183	726	41	**950**
(4.2)	**(100.0)**	(19.3)	(76.4)	(4.3)	**(100.0)**
18	**466**	51	424	20	**495**
(3.8)	**(100.0)**	(10.3)	(85.7)	(4.0)	**(100.0)**
79	**10,03**	123	873	85	**1081**
(7.8)	**(100.0)**	(11.3)	(80.8)	(7.9)	**(100.0)**
33	**527**	169	361	37	**567**
(6.2)	**(100.0)**	(29.8)	(63.7)	(6.5)	**(100.0)**
18	**296**	59	231	24	**314**
(6.1)	**(100.0)**	(18.8)	(73.6)	(7.6)	**(100.0)**
15	**158**	8	152	18	**178**
(9.5)	**(100.0)**	(4.5)	(85.4)	(10.1)	**(100.0)**
22	**360**	12	351	24	**387**
(6.1)	**(100.0)**	(3.1)	(90.7)	(6.2)	**(100.0)**
40	**625**	156	483	43	**682**
(6.4)	**(100.0)**	(22.9)	(70.8)	(6.3)	**(100.0)**
51	**494**	90	377	61	**528**
(10.3)	**(100.0)**	(17.0)	(71.4)	(11.6)	**(100.0)**
100	**642**	115	448	117	**680**
(15.6)	**(100.0)**	(16.9)	(65.9)	(17.2)	**(100.0)**
134	**10,91**	305*	714	146	**11,65**
(12.3)	**(100.0)**	(26.2)	(61.3)	(12.5)	**(100.0)**
—1	**41**	4	48	—1	**51**
(—2.4)	**(100.0)**	(7.8)	(94.1)	(—1.9)	**(100.0)**
1	**12**	6	9	1	**16**
(8.3)	**(100.0)**	(37.5)	(56.3)	(6.2)	**(100.0)**
2	**31**	9	26	2	**37**
(6.4)	**(100.0)**	(24.3)	(70.3)	(5.4)	**(100.0)**
32	**663**	115	550	36	**701**
(4.9)	**(100.0)**	(16.4)	(78.5)	(5.1)	**(100.0)**
34	**360**	79	265	40	**384**
(9.4)	**(100.0)**	(20.6)	(69.0)	(10.4)	**(100.0)**
36	**923**	128	786	40	**954**
(3.9)	**(100.0)**	(13.4)	(82.4)	(4.2)	**(100.0)**
58	**720**	242	451	63	**756**
(9.6)	**(100.0)**	(32.0)	(59.7)	(8.3)	**(100.0)**
1	**40**	2	44	2	**48**
(2.5)	**(100.0)**	(4.2)	(91.6)	(4.2)	**(100.0)**
101	**12,58**	277	979	114	**13,70**
(8.0)	**(100.0)**	(20.2)	(71.5)	(8.3)	**(100.0)**
45	**10,03**	143	913	50	**11,06**
(4.4)	**(100.0)**	(12.9)	(82.5)	(4.6)	**(100.0)**
857	**11,621**	**2,276***	**9,211**	**963**	**12,450**
(7.4)	**(100.0)**	**(18.3)**	**(74.0)**	**(7.7)**	**(100.0)**

Source : State Budget documents.

STATEMENT 77—OWNERSHIP OF CENTRAL

Category of Holders	Central and State Government Securities					
	End March 1970	Per cent to Total	End March 1971	Per cent to Total	End March 1972	Per cent to Total
	1	2	3	4	5	6
I. Total	**4,921.9**	**100.0**	**5,305.9**	**100.0**	**5,800.6**	**100.0**
Of which :						
II. State Governments (i to iv)	**274.3**	**5.6**	**261.5**	**4.9**	**256.9**	**4.5**
(*i*) Cash Balance Investment Account	41.2	0.9	43.0	0.8	55.7	1.0
(*ii*) Sinking Fund Investment Account	159.7	3 2	147.3	2.8	134.9	2.3
(*iii*) Zamindari Abolition Fund Account	6.0	0.1	4.4	0.1	4.3	0.1
(*iv*) Others	67.4	1.4	66.8	1.2	62.0	1.1
III. Reserve Bank of India (Own Account)*	**1,457.8**	**29.6**	**1,485.7**	**28 0**	**1,557.2**	**26.8**
IV. Commercial Banks	**1,180.2**	**24.0**	**1,338.3**	**25.2**	**1,605.0**	**27.7**
V. Life Insurance Corporation of India@	**684.7**	**13.9**	**748.4**	**14.1**	**819.9**	**14.1**
VI. Provident Funds of Exempted Establishments	**454.8**	**9.2**	**508.3**	**9.6**	**567.4**	**9.8**
VII. Coal Mines Provident Fund Scheme	**50.1**	**1.0**	**43.9**	**0.8**	**23.9**	**0.4**
VIII. Other Categories of Holders	**870.1**	**17.7**	**963.7**	**18.2**	**970.3**	**16.7**
Of which :						
(*i*) Co-operative Banks	88.7	1.8	93.8	1.8	..	..
(*ii*) Employees' Provident Fund Scheme	366.6	7.5	412.0	7.8	..	..
(*iii*) Others	364.7	7.4	414.0	7.8	..	..

*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. Figures for end—March 1972 are exclusive of 4½ per cent Jayanti Shipping Company (Acquisition of Shares) Compensation Bonds, 1981.

@End—March 1972 figures represent the Corporation's invesments pertaining to life business only and exclude those pertaining to general insurance business (including capital redemption and annuity certain business).

AND STATE GOVERNMENT SECURITIES£

(Amount in crores of rupees)

Central Government Securities						State Government Securities					
End March 1970	Per cent to Total	End March 1971	Per cent to Total	End March 1972	Per cent to Total	End March 1970	Per cent to Total	End March 1971	Per cent to Total	End March 1972	Per cent to Total
7	8	9	10	11	12	13	14	15	16	17	18
3,789.6	**100.0**	**4,078.0**	**100.0**	**4,473.1**	**100.0**	**1,132.3**	**100.0**	**1,227.9**	**100.0**	**1,327.5**	**100.0**
141.7	**3.7**	**140.7**	**3.5**	**139.8**	**3.1**	**132.6**	**11.7**	**120.8**	**9.8**	**117.1**	**8.8**
30.2	0.8	31.7	0.8	44.1	1.0	11.0	1.0	11.3	0.9	11.6	0.9
66.3	1.7	66.4	1.6	60.0	1.3	93.4	8.2	80.9	6.6	74.9	5.6
2.2	0.1	0.6	—	0.5	—	3.8	0.3	3.8	0.3	3.8	0.3
43.0	1.1	42.0	1.1	35.2	0.8	24.4	2.2	24.8	2.0	26.8	2.0
1,457.8	**38.5**	**1,485.7**	**36.4**	**1557.2**	**34.8**	—	—	—	—	—	—
781.9	**20.6**	**862.8**	**21.2**	**1057.4**	**23.6**	**398.3**	**35.2**	**475.5**	**38.7**	**547.6**	**41.3**
431.7	**11.4**	**485.2**	**11.9**	**544.2**	**12.2**	**253.0**	**22.3**	**263.2**	**21.4**	**275.7**	**20.8**
454.8	**12.0**	**508.3**	**12.5**	**567.4**	**12.7**	—	—	—	—	—	—
49.2	**1.3**	**43.0**	**1.1**	**23.0**	**0.5**	**0.9**	**0.1**	**0.9**	**0.1**	**0.9**	**0.1**
..	..	..	..	..	..	..	..	..	..	..	..
13.7	0.4	13.5	0.4	..	..	75.0	6.6	80.3	6.6	..	..
355.0	9.4	397.9	9.7	..	..	11.6	1.0	14.1	1.1	..	..
..	..	..	..	..	..	..	..	..	..	..	..

* Excludes holdings of 4 per cent Loan, 1973, *ad hoc* issue, created in July 1958.
.. Not Available.
Note : Please see note to this Statement in the 'Notes on the Statements' portion of this Report.

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	628,33	1,107,00	22,46	57,02	19,62	69,14	4,56	21,04	**46,64**	**147,20**
1973-74	777,91	1,224,84	20,99	53,14	23,31	81,72	4,73	24,75	**49,03**	**159,61**
March 1973 ..	118,68	1,107,00	2,23	57,02	2,47	69,14	50	21,04	**5,20**	**147,20**
April ,, ..	59,09	1,098,67	1,46	56,39	1,45	69,73	31	21,28	**3,22**	**147,40**
May ,, ..	60,16	1,083,21	1,81	56,44	1,76	70,68	38	21,60	**3,95**	**148,72**
June ,, ..	59,36	1,085,89	1,73	56,73	1,82	71,79	39	21,92	**3,94**	**150,44**
July ,, ..	60,16	1,097,90	1,78	56,66	1,87	72,42	40	22,26	**4,05**	**151,34**
August ,, ..	59,47	1,110,61	1,75	56,50	1,87	72,86	38	22,56	**4,00**	**151,92**
September ,, ..	50,17	1,114,64	1,73	56,16	1,78	73,58	36	22,85	**3,87**	**152,59**
October ,, ..	49,17	1,117,17	1,66	55,91	1,78	74,55	40	23,19	**3,84**	**153,65**
November ,, ..	59,40	1,125,24	1,77	55,79	1,90	75,73	39	23,50	**4,06**	**155,02**
December ,, ..	53,91	1,130,66	1,58	55,57	2,04	77,16	44	23,85	**4,06**	**156,58**
January 1974 ..	48,40	1,132,28	1,77	54,92	1,82	78,31	33	24,10	**3,92**	**157,33**
February ,, ..	55,35	1,137,10	1,72	53,69	2,07	79,59	39	24,38	**4,18**	**157,66**
March ,, ..	163,27	1,224,84	2,23	53,14	3,15	81,72	56	24,75	**5,94**	**159,61**

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 (*f*)		Total Deposits	
	I-Year		2-Year(*e*)		3-Year		5-Year		Total					
	Receipts	Out-standings	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	23	24
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 ..	21,68	28,63			38,69	62,95	218,05	402,61	**278,42**	**494,19**	16,66	23,29	**970,05**	**1,771,68**
1973-74 ..	28,43	40,97	37,07	36,94	32,36	91,09	244,20	640,67	**342,06**	**809,67**	26,38	47,18	**1,195,38**	**2,241,30**
March 1973 ..	2,58	28,63			4,78	62,95	32,62	402,61	**39,98**	**494,19**	2,07	23,29	**165,93**	**1,771,68**
April ,, ..	1,68	28,14			3,61	66,32	13,30	414,89	**18,59**	**509,35**	1,50	24,64	**82,40**	**1,780,06**
May ,, ..	1,58	28,49			3,94	70,00	10,86	424,48	**16,38**	**522,97**	1,86	26,33	**82,35**	**1,781,23**
June ,, ..	1,84	29,09			4,28	74,04	11,64	435,25	**17,76**	**538,38**	1,88	27,97	**82,94**	**1,802,68**
July ,, ..	1,14	29,01			4,45	78,23	14,95	448,80	**20,54**	**556,04**	1,95	29,88	**86,70**	**1,835,16**
August ,, ..	1,58	29,48	2,94	2,93	3,53	81,45	11,40	459,93	**19,45**	**573,79**	1,95	31,64	**84,87**	**1,867,96**
September ,, ..	1,35	29,79	3,50	6,43	1,82	83,01	15,28	474,70	**21,95**	**593,93**	2,09	33,52	**78,08**	**1,894,68**
October ,, ..	4,10	32,75	4,84	11,30	1,56	84,28	23,93	498,17	**34,43**	**626,50**	2,01	35,33	**89,45**	**1,932,65**
November ,, ..	1,86	33,38	5,70	17,00	1,74	85,76	26,49	524,30	**35,79**	**660,44**	2,70	37,80	**101,95**	**1,978,50**
December ,, ..	1,83	34,12	4,04	20,98	1,73	87,13	26,90	550,77	**34,50**	**693,00**	2,43	39,98	**94,90**	**2,020,22**
January 1974 ..	2,05	34,97	4,92	25,85	1,61	88,28	30,60	578,90	**39,18**	**728,00**	2,41	42,14	**93,91**	**2,059,75**
February ,, ..	3,55	37,25	4,52	30,35	1,47	89,19	21,14	601,75	**30,68**	**758,54**	2,47	44,36	**92,68**	**2,097,66**
March ,, ..	5,87	40,97	6,61	36,94	2,62	91,09	37,71	640,67	**52,81**	**809,67**	3,13	47,18	**225,15**	**2,241,30**

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 1, 1962. (*d*) Introduced from March 16, 1970. (*e*) Introduced from August 1, 1973. (*f*) Introduced from April 1, 1970.

STATEMENT 78 — SMALL SAVINGS (ANNUAL AND MONTHLY) — (*Contd.*)

(In lakhs of rupees)

Year/Month	CURRENT SERIES—CERTIFICATES										Total Current Series		UNCURRENT SERIES (OUTSTANDINGS)	
	7-Year National Savings Certificates								Total Certificates					
	II Issue (*g*)		III Issue (*h*)		IV Issue (*i*)		V Issue (*j*)						5-Year Fixed Deposits	15-Year Annuity Certificates
	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings		
	25	26	27	28	29	30	31	32	33	34	35	36	37	38
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	41,77	149,93	4,53	18,90	30,36	94,29			**76,66**	**263,12**	**1,046,71**	**2,034,80**	8,05	1,72
1973-74	35,32	180,07	3,16	21,71	23,64	116,09	1,66	1,66	**63,78**	**319,53**	**1,259,16**	**2,560,83**	6,10	1,33
March 1973 ..	7,61	149,93	98	18,90	3,45	94,29			**12,04**	**263,12**	**177,97**	**2,034,80**	8,05	1,72
April ,, ..	2,48	152,18	20	19,07	1,97	96,16			**4,65**	**267,41**	**87,05**	**2,047,47**	7,67	1,68
May ,, ..	2,66	154,60	25	19,30	2,18	98,25			**5,09**	**272,15**	**87,44**	**2,053,38**	7,43	1,65
June ,, ..	2,32	156,62	18	19,46	2,20	100,32			**4,70**	**276,40**	**87,64**	**2,079,08**	7,24	1,62
July ,, ..	1,83	158,16	2	19,47	2,11	102,30			**3,96**	**279,93**	**90,66**	**2,115,09**	7,07	1,58
August ,, ..	1,64	159,52	57	20,03	2,99	105,20			**5,20**	**284,75**	**90,07**	**2,152,71**	6,90	1,55
September ,, ..	2,29	161,37	22	20,23	1,49	106,60			**4,00**	**288,20**	**82,08**	**2,182,88**	6,75	1,52
October ,, ..	2,38	163,48	27	20,47	1,60	108,13			**4,25**	**292,08**	**93,70**	**2,224,73**	6,61	1,49
November ,, ..	3,50	166,50	15	20,59	1,46	109,43	—	—	**5,11**	**296,52**	**107,06**	**2,275,02**	6,47	1,46
December ,, ..	2,35	168,26	22	20,78	1,43	110,62	—	—	**4,00**	**299,66**	**98,90**	**2,319,88**	6,36	1,43
January 1974 ..	3,70	171,34	26	20,96	1,81	112,16	28	28	**6,05**	**304,74**	**99,96**	**2,364,49**	6,21	1,39
February ,, ..	3,54	174,18	31	21,22	1,49	113,41	49	77	**5,83**	**309,58**	**98,51**	**2,407,24**	6,24	1,36
March ,, ..	6,63	180,07	51	21,71	2,91	116,09	89	1,66	**10,94**	**319,53**	**236,09**	**2,560,83**	6,10	1,33

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 (*g*)	10-Year Defence Deposit Certificates 4½% (*h*)	10-Year National Savings Certificates (I Issue)(*i*)	Total Uncurrent Series*	Total Current and Uncurrent Series	
		12-Year	7-Year	5-Year	3½%	4%							Net Receipts	Outstandings*
	39	40	41	42	43	44	45	46	47	48	49	50	51	52
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	4,42	11	4	68	5,81	..	103,90	510,74	78,39	48,79	**763,07**	**340,57**	**2,797,87**
1973-74	36	3,50	—	3	64	4,55	..	58,92	490,09	62,94	46,47	**674,93**	**437,89**	**3,235,76**
March 1973 ..	42	4,42	11	4	68	5,81	..	103,90	510,74	78,39	48,79	**763,07**	**111,72**	**2,797,87**
April ,, ..	42	4,33	7	4	68	5,67	..	100,77	509,24	76,99	48,55	**756,11**	**5,71**	**2,803,58**
May ,, ..	42	4,17	6	3	68	5,56	..	97,07	507,74	76,12	48,30	**749,23**	**—97**	**2,802,61**
June ,, ..	42	4,15	5	3	67	5,46	..	93,13	506,60	75,14	48,03	**742,55**	**19,02**	**2,821,63**
July ,, ..	43	4,10	5	3	66	5,23	..	89,35	505,43	73,72	47,82	**735,47**	**28,93**	**2,850,56**
August ,, ..	43	4,29	5	3	65	5,15	..	85,51	504,49	72,24	47,59	**728,88**	**31,03**	**2,881,59**
September ,, ..	43	4,26	4	3	65	5,05	..	81,44	503,61	71,12	47,41	**722,31**	**23,60**	**2,905,19**
October ,, ..	43	4,03	5	2	65	5,00	..	77,70	502,65	70,04	47,20	**715,87**	**35,41**	**2,940,60**
November ,, ..	42	3,83	6	2	65	4,95	..	74,23	501,59	68,58	46,94	**709,20**	**43,62**	**2,984,22**
December ,, ..	41	3,71	4	2	65	4,86	..	70,20	498,50	67,49	46,68	**700,35**	**36,01**	**3,020,23**
January 1974 ..	39	3,64	—	2	65	4,80	..	65,41	495,92	66,13	46,42	**690,98**	**35,24**	**3,055,47**
February ,, ..	38	3,58	—	2	64	4,75	..	62,29	493,77	65,22	46,83	**685,08**	**36,85**	**3,092,32**
March ,, ..	36	3,50	—	3	64	4,55	..	58,92	490,09	62,94	46,47	**674,93**	**143,44**	**3,235,76**

(*g*) 12-Year National Defence Certificates were issued from November 15, 1962; replaced by 7-Year National Savings Certificates (II issue) on March 16, 1970 (*h*) 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. (*i*) 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. (*j*) Issued from October 1, 1973.

* 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.

Also see "Notes on the Statements".

Source : Accountant General, Posts & Telegraphs.

STATEMENT 79—SMALL SAVINGS MEDIA CURRENT DURING 1973-74

Certificates/Deposits	Date of Issue	Rate of Interest per cent per annum (Simple unless otherwise stated)	Whether or not interest income exempt from tax	Amount outstanding as on March 31, 1974@@ (Rs. Lakhs)	Limits for holding
1		2	3	4	5
A. CERTIFICATES					
7 — Year National Savings Certificates					
(i) II Issue	March 16, 1970	5.00£	Exempted	180,07	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	,,	5.00	,,	21,71	-do-
(iii) IV Issue	,,	7.50	Taxable	116,09	These certificates can be held by an individual or two adults jointly. There is no limit on holdings.
(iv) V Issue	January 1, 1974	7.50£	,,	1,66	-do-
B. DEPOSITS					
1. Post Office Savings Bank Deposits	Year 1896	4.00*	Exempted	1224,84+	The maximum limits are Rs. 25,000 for individual accounts and Rs. 50,000 for joint accounts. There is no limit on holdings in other accounts.
2. Cumulative Time Deposits					
(i) 5 — Year	January 2, 1959**	4.75£	Exempted	53,14	The maximum limit for monthly deposits in individual and joint accounts is 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.
(ii) 10 — Year	January 2, 1959	4.75£	,,	81,72	
(iii) 15 — Year	June 1 ,1962**	5.00£	,,	24,75	
3. Post Office Time Deposits					
(i) 1 — Year	March 16, 1970	6.00	Taxable	40,97	An individual or two adults jointly and institutions (for provident fund investments) can hold these deposits. There is no limit on maximum holdings.
(ii) 2 — Year	August, 1, 1973	7.00	,,	36,94	
(iii) 3 — Year	March 16, 1970	7.00	,,	91,09	
(iv) 5 — Year	,,	7.25	,,	640,67	
4. Post Office Recurring Deposits	April 1, 1970	6.75	,,	47,18	An individual or two adults jointly can hold these deposits. There is no limit on holdings.

@@ Rs. 6,74,93 lakhs have been outstanding against uncurrent media. £ Compound.

\+ Include Dead Savings Bank Account and interest credited to depositors' accounts from time to time.

* The rate of interest is 4 per cent on single, joint, sanchayika and provident fund accounts, 3½ per cent on public accounts and 3 per cent on security deposit accounts and other accounts. ** Discontinued from October 1, 1973.

Note :—Rates of interest on small savings media have been revised as follows :—

(A) 7—year National Savings Certificates—II and III Issues—6 per cent from July 23, 1974, IV Issue 8.25 per cent from April 1, 1974 and 10.25 per cent from July 23, 1974, V Issue 8.25 per cent from April 1, 1974, (B) Post Office Savings Bank Deposits 5 per cent from April 1, 1974 on single, joint, Sanchaika and provident fund accounts, 10 year Cumulative Time Deposits 5.25 per cent from April, 1, 1974 and 6.25 per cent from July 23, 1974, Post Office Time Deposites 1 year—6.75 per cent from April 1, 1974 ard 8 per cent from July 23, 1974, 2 – year—7.5 per cent from April 1, 1974 and 8.5 per cent from July 23, 1974, 3 year—7.5 per cent from April 1, 1974 and 9 per cent from July 23, 1974, 5—year 8 per cent from April 1, 1974 and 10 per cent from July 23, 1974, Post Office Recurring Deposits—7.25 per cent from April 1, 1974 and 9.25 per cent from July 23, 1974.

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**
1973-74 ..			108,46	1,368,08	**1,476,54**	1,229,64	*3.92*	14,426,65	1,779,28	487,68	3,741,41	155,21	**4,384,30**
March 1973			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**
July ,,			14,77	137,82	**152,59**	64,08	*4.00*	945,69	252,31	276,68	3,740,41	477,41	**4,494,50**
August ,,			9,76	168,36	**178,12**	55,15	*4.00*	1,266,82	393,20	399,64	3,335,41	770,86	**4,505,92**
September ,,			3,62	121,27	**124,89**	68,94	*4.00*	942,90	204,35	455,60	3,155,41	849,86	**4,460,88**
October ,,			14,40	94,60	**109,00**	153,69	*4.00*	1,350,64	112,79	410,92	3,350,41	696,69	**4,458,02**
November ,,			10,49	57,04	**67,53**	177,02	*4.00*	1,581,82	107,51	301,42	3,850,41	424,65	**4,576,49**
December ,,			2,24	166,32	**168,56**	129,64	*4.00*	747,90	44,16	340,34	3,570,41	259,46	**4,170,20**
January 1974			12,43	187,55	**199,98**	117,93	*4.00*	1,435,69	59,75	422,39	3,555,41	190,88	**4,168,68**
February ,,			7,75	139,08	**146,83**	49,86	*4.00*	1,371,82	41,15	519,36	3,575,41	145,32	**4,240,09**
March ,,			2,44	138,42	**140,86**	172,55	*4.00*	937,90	54,31	487,68	3,741,41	155,21	**4,384,30**
April ,,			10,48	131,57	**142,05**	197,21	*4.25*	1,266,69	117,14	432,52	3,786,41	212,75	**4,431,68**
May ,,			8,23	143,20	**151,43**	165,55	*4.25*	1,806,82	28,00	418,40	3,961,41	183,30	**4,563,12**
June ,,			2,72	130,82	**133,54**	124,92	*4.25*	937,90	36,07	427,02	4,011,41	81,21	**4,619,65**

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 was 4.00 per cent from June 1, 1973 to March 31, 1974 and 4.25 per cent thereafter. (*c*) As at the end of period.

Also see "Notes on the Statements".

STATEMENT 81—RAILWAY FINANCES

(Rupees Crores)

	Items	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 (Accounts)	1973-74 (Modified Budget)*	1973-74 (Revised)	1974-75 (Budget)*
		1	2	3	4	5	6	7	8	9	10	11	12
I.	**Capital-at-charge**	**1,521**	**2,680**	**2,842**	**2,978**	**3,101**	**3,196**	**3,331**	**3,521**	**3,726**	**3,891**	**3,886**	**4,095**
II.	**Gross Traffic Receipts (1 to 4)**	**457**	**734**	**769**	**818**	**899**	**951**	**1,007**	**1,097**	**1,162**	**1,263**	**1,170**	**1,427**
	1. Passenger	132	219	229	253	265	279	296	320	344	379	370	421
	2. Other Coaching	27	39	39	39	45	48	62	70	65	66	57	73
	3. Goods	286	466	482	503	563	594	618	675	721	785	710	900
	4. Other Earnings (*a*)	12	10	19	23	26	30	31	32	32	33	33	33
III.	**Total Expenses (1 to 5)**	**369**	**599**	**655**	**708**	**756**	**805**	**862**	**928**	**998**	**1,066**	**1,101**	**1,298**
	1. **Ordinary Working Expenses (i to viii)**	**313**	**486**	**526**	**588**	**637**	**685**	**732**	**795**	**857**	**918**	**953**	**1,148**
	(*i*) Administration	37	56	61	67	71	75	83	88	92	98	103	122
	(*ii*) Repairs and Maintenance	100	158	170	190	209	224	249	273	310	338	356	433
	(*iii*) Operating Staff	63	102	112	124	134	141	157	176	184	197	208	253
	(*iv*) Operation (Fuel)	63	101	110	127	139	151	147	156	162	172	167	208
	(*v*) Operation (other than Staff and Fuel)	18	26	27	31	34	37	38	42	45	46	49	52
	(*vi*) Miscellaneous	24	26	28	28	29	33	34	36	36	38	38	40
	(*vii*) Labour Welfare	10	19	20	22	23	24	26	28	30	32	35	42
	(*viii*) Suspense	—2	—2	—2	—1	—2	—	—2	—4	—2	—3	—3	—2
	2. **Appropriation to Depreciation Reserve Fund**	**45**	**85**	**100**	**95**	**95**	**95**	**100**	**105**	**110**	**115**	**115**	**115**
	3. **Payment to Worked Lines**	—	—	—	—	—	—	—	—	—	—	—	—
	4. **Miscellaneous Expenses (i + ii)**	**11**	**16**	**15**	**15**	**14**	**15**	**15**	**16**	**15**	**17**	**17**	**19**
	(*i*) Open line works	12	11	10	9	8	8	7	7	7	8	7	8
	(*ii*) Others (net)	—1	5	5	6	6	7	8	9	8	9	10	11
	5. **Appropriation to Pension Fund (*b*)**	—	**12**	**14**	**10**	**10**	**10**	**15**	**12**	**16**	**16**	**16**	**16**
IV.	**Net Revenue (II — III)**	**88**	**135**	**114**	**110**	**143**	**146**	**145**	**169**	**164**	**197**	**69**	**129**
V.	**Dividend to General Revenues (*c*)**	**56**	**104**	**132**	**142**	**151**	**156**	**165**	**151**	**161**	**173**	**169**	**182**
VI.	**Payment to General Revenues in lieu of Tax on Railway Passenger Fares**	—	**12**										
VII.	**Surplus (+) or Deficit (—)(IV-V-VI)**	**+32**	**+19**	**—18**	**—32**	**—8**	**—10**	**—20**	**+18**	**+3**	**+24**	**—100**	**—53**
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	+3		—	—
	2. Revenue Reserve Fund	—	—	—18	—32	—8	—1	—	+9	—	+24	—	—
	3. General Revenues	—	—	—	—	—	—9	—20	—	—	—	—100	—53

* 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 Committees, 1965 and 1971 and the interim recommendations of the Railway Convention Committee, 1973, the payment of dividend with effect from 1966-67 combines the two separate payments that were till then being made as dividend and as special payment in lieu of tax on passenger fares. According to the new arrangement, dividend to General Revenues is at 5.5 per cent on capital-at-charge as on 31-3-1964 and 6 per cent on fresh capital thereafter. Out of the 1 per cent dividend payable on capital invested upto 31-3-1964, a sum of Rs. 16 crores is for transfer to States in lieu of tax on passenger fares and the balance is to assist the States to finance safety works.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 82—CAPITAL OUTLAY OF RAILWAYS (INCLUDING CURRENT DEPRECIATION)

(Rupees Crores)

Items	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 of Railways (including current depreciation) (II + III)	**189**	**1,044**	**234**	**364**	**1,686**	**279**	**258**	**226**	**763**

Items	1969-70 (Actuals)	1970-71 (Actuals)	1971-72 (Actuals)	1972-73 (Actuals)	1973-74 (Modified Budget Estimates)	1973-74 (Revised Estimates)	Total Fourth Plan	1974-75 (Budget Estimates)
	10	11	12	13	14	15	16	17
I. Capital-at-charge	**3,196**	**3,331**	**3,521**	**3,726**	**3,891**	**3,886**		**4,095**
II. Capital Outlay met out of General Revenues †	**94**	**136**	**191**	**207**	**172**	**161**	**789**	**209**
III. Capital Outlay met out of Railways' Funds (a to d)	**98**	**116**	**119**	**142**	**166**	**157**	**632**	**141**
(*a*) Depreciation Reserve Fund	74	91	91	114	138	130	500	115
(*b*) Development Fund	17*	18*	21*	21*	20*	20*	97	19*
(*c*) Revenue Reserve Fund	—	—	—	—	—	—	—	—
(*d*) Open Line Works (Revenue)	7	7	7	7	8	7	35	7
IV. Total Capital Outlay of Railways (including current depreciation) (II + III)	**192**	**252**	**310**	**349**	**338**	**318**	**1,421**	**350**

† 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 the 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. 15.7 crores in 1972-73, Rs. 8.6 crores in 1973-74 (B.E.) and Rs. 22.7 crores in 1973-74 (R.E.). The budget estimates for 1974-75 have provided for a loan from General Revenues amounting to Rs. 24.4 crores to finance expenditure on works (Rs. 18.5 crores) chargeable to the Fund and interest (Rs. 5.9 crores) payable on loans taken earlier from the General Revenues.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 83—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	1,827,00	1,960,88	**+ 133,88**	..	..	..
1973-74*	2,636,30	2,411,26	**—225,04**	..	..	..
March 1973	261,29	264,40	**+ 3,11**	..	..	..
April* ,, ...	135,22	144,90	**+ 9,68**	..	..	..
May* ,, ...	163,73	173,42	**+ 9,69**	..	..	..
June* ,, ...	195,82	142,05	**— 53,77**	..	..	..
July* ,, ...	211,92	199,45	**— 12,47**	..	..	..
August* ,, ...	204,29	191,42	**— 12,87**	..	..	..
September* ,, ...	202,56	223,12	**+ 20,56**	..	..	..
October* ,, ...	208,05	203,29	**— 4,76**	..	..	..
November* ,, ...	259,62	208,79	**— 50,83**	..	..	..
December* ,, ...	212,36	204,46	**— 7,90**	..	..	..
January* 1974	245,42	228,68	**— 16,74**	..	..	..
February* ,, ...	309,20	227,40	**— 81,80**	..	..	..
March* ,, ...	272,97	263,46	**— 9,51**	..	..	..

*Provisional.

Please see "Notes on the Statements".

Source : *Monthly Statistics of the Foreign Trade of India*, D.G.C.I. & S.

STATEMENT 84—INDIA'S EXPORTS OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

Commodity	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
I. Food and Live Animals	**198,05**	**240,74**	**345,59**	**412,68**	**435,91**	**521,96**	**353,58**	**473,35**
1. Fish and fish preparations	4,62	6,59	30,83	30,54	41,39	53,79	40,02	59,63
2. Fruits and vegetables*	7,08	5,93	12,91	12,95	9,02	12,34	9,28	8,87
3. Cashew kernel	18,91	27,40	57,42	52,07	61,33	68,82	56,52	63,00
4. Coffee	7,22	12,94	19,62	25,10	22,07	32,93	22,70	37,96
5. Tea (Black)	122,61	102,68	122,13	145,11	154,99	145,28	118,60	114,18
6. Spices	16,62	23,09	34,49	38,81	36,18	29,13	17,65	30,22
(*i*) Pepper (Black)	8,50	10,85	16,13	15,20	14,73	14,24	7,25	15,42
7. Oilcakes	14,30	34,64	41,47	55,42	40,15	74,77	41,13	120,35
8. Sugar (*a*)	3,28	11,19	8,84	29,30	31,03	13,78	10,12	22,16
9. Others	3,41	16,28	17,88	23,37	39,75	91,12	37,56	16,99
II. Beverages and Tobacco	**15,77**	**21,69**	**33,36**	**32,57**	**45,11**	**64,05**	**52,94**	**52,93**
Of which :								
1. Tobacco unmanufactured	14,61	19,58	32,71	31,40	42,25	61,07	50,28	51,00
III. Crude Materials, Inedible except Fuels	**112,06**	**135,04**	**231,43**	**251,66**	**240,62**	**254,35**	**190,29**	**218,29**
1. Hides and skins (raw)	9,46	9,55	8,31	3,77	63	83	78	1,25
2. Wool and other animal hair	7,72	7,46	4,96	5,09	4,27	6,99	4,45	6,01
3. Cotton (raw and waste)	11,56	13,09	17,77	16,41	18,31	24,66	20,51	19,25
4. Mica	10,15	11,27	15,22	15,56	15,38	16,61	14,27	9,09
5. Iron ore (including concentrates)	17,03	39,36	94,62	117,28	104,70	109,79	80,14	88,99
6. Manganese ore (including concentrates)	14,06	11,05	11,06	13,98	10,60	8,67	6,74	5,91
7. Lac	6,32	4,27	4,78	5,00	6,59	6,19	4,47	9,52
8. Others	35,76	39,00	74,72	74,58	80,15	80,61	58,94	78,27
IV. Mineral Fuels, Lubricants and Related Materials	**7,41**	**9,31**	**9,49**	**12,58**	**11,58**	**32,12**	**10,21**	**8,15**
V. Animal and Vegetable Oils and Fats	**9,80**	**4,55**	**5,07**	**7,12**	**7,91**	**25,46**	**14,98**	**24,79**
Of which :								
1. Vegetable oils	8,54	4,09	4,95	7,03	7,57	24,63	14,71	24,57
VI. Chemicals	**7,19**	**11.10**	**30,35**	**36,37**	**35,45**	**40,49**	**29,70**	**33,30**
Of which :								
1. Dyeing, tanning and colouring materials	46	1,20	4,03	7,26	5,45	9,27	7,34	6,82
2. Medicinal and pharmaceutical products	99	2,64	6,01	8,47	9,63	10,34	6,92	9,18
VII. Manufactured Goods	**263,34**	**343,26**	**630,10**	**615,96**	**665,14**	**816,29**	**591,04**	**693,95**
1. Leather and leather manufactures	24,97	28,46	81,54	72,18	90,77	174,51	114,72	122,90
2. Cotton textiles	57,55	63,29	86,63	97,47	100,05	126,72	91,08	161,07
3. Textile yarn and thread	11,24	15,07	40,92	34,48	28,12	37,34	27,99	20,95
4. Jute manufactures (*b*)	135,15	182,84	206,65	190,44	265,28	249,97	192,68	183,83
5. Woollen carpets and rugs	4,79	4,52	11,34	10,21	12,93	21,94	15,54	18,54
6. Pearls and precious and semi-precious stones, unworked or worked	20	14,77	41,98	41,94	53,03	79,15	55,08	66,19
7. Manufacture of metals (n.e.s.)	2,25	4,96	23,86	27,98	24,47	30,22	23,10	23,39
8. Iron and Steel	9,76	12,39	86,80	90,64	40,93	41,76	29,76	39,11
9. Others	17,43	16,96	50,38	50,62	49,56	54,69	41,08	57,99
VIII. Machinery and Transport Equipment	**7,19**	**11,19**	**56,17**	**83,29**	**75,56**	**86,64**	**61,82**	**70,55**
1. Machinery other than electric	3,08	5,08	24,36	28,42	24,72	30,90	22,43	29,29
2. Electrical machinery, apparatus and appliances	1,25	3,23	14,60	16,19	18,74	23,75	18,34	18,60
3. Transport equipment	2,85	2,88	17,22	38,68	32,11	31,99	21,04	22,65
Total Exports (*c*)	**642,32**	**805,64**	**1,413,28**	**1,535,16**	**1,608,22**	**1,960,89**	**1,390,77**	**1,691,73**

Note : The figures presented in this statement may not tally with the 'total' of country-wise export figures of individual commodities presented elsewhere in this Report due to slight differences in coverage and/or revisions carried out by D.G.C.I. & S. Also see 'Notes on the Statements.'

(*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 1972-73 and April to December 1973.

* Excluding Cashew kernel.

Source : *Monthly Statistics of the Foreign Trade of India*, D.G.C.I. & S.

STATEMENT 85—INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

	Commodity	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December 1972	April to December 1973
		1	2	3	4	5	6	7	8
I.	**Food and Live Animals**	**214,06**	**354,08**	**320,70**	**271,79**	**196,93**	**159,73**	**77,72**	**328,53**
	1. Cereals and Cereal Preparations	**181,38**	**322,00**	**260,98**	**213,01**	**131,21**	**80,78**	**21,67**	**281,61**
	(*i*) Wheat	153,20	264,74	184,33	173,37	102,60	48,16	3,43	182,80
	(*ii*) Rice	22,44	41,90	58,25	29,82	18,07	10,71	10,32	5,89
	(*iii*) Others	5,74	15,36	18,41	9,82	10,53	21,92	7,92	92,92
	2. Cashewnuts	9,61	15,06	27,60	29,41	27,91	31,81	22,92	21,01
	3. Spices	1,83	60	72	47	88	83	58	67
	4. Others	21,24	16,42	31,39	28,89	36,95	46,31	32,54	25,24
II.	**Beverages and Tobacco**	**79**	**56**	**1,03**	**31**	**28**	**28**	**22**	**32**
	1. Tobacco unmanufactured	23	2	51	—	2	8	7	3
III.	**Crude Materials, Inedible except Fuels**	**155,36**	**123,09**	**176,79**	**200,31**	**212,91**	**188,66**	**144,69**	**137,59**
	1. Hides and skins (raw)	2,47	2,36	1,69	1,54	1,33	99	85	46
	2. Copra	11,63	6,26	2,78	3,18	1,66	70	53	—
	3. Crude rubber	10,78	4,90	9,62	3,85	3,60	3,66	2,70	2,89
	4. Cotton raw other than linters	81,74	46,20	82,78	98,83	113,39	90,88	76,33	47,92
	5. Jute raw including cuttings and waste	7,54	9,16	1,08	14	—	1,13	65	12,14
	6. Wool raw and other animal hair	10,41	5,12	17,24	16,07	14,23	11,70	9,62	13,78
	7. Others	30,78	49,10	61,58	76,69	78,71	79,59	54,01	60,40
IV.	**Mineral Fuels, Lubricants and Related Materials**	**69,52**	**68,42**	**137,91**	**136,01**	**194,57**	**204,27**	**149,41**	**279,94**
	1. Petroleum crude and partly refined (*a*)	17,36	34,87	96,33	105,90	147,47	144,83	106,35	200,02
	2. Petroleum products	52,07	33,35	41,24	30,00	46,67	59,21	42,95	79,60
	3. Others	9	20	34	12	43	23	10	32
V.	**Animal and Vegetable Oils and Fats**	**4,60**	**13,62**	**29,57**	**38,50**	**46,48**	**24,76**	**15,16**	**51,96**
VI.	**Chemicals**	**85,70**	**104,98**	**195,09**	**192,28**	**218,48**	**247,76**	**155,87**	**227,26**
	1. Chemical elements and compounds	39,34	35,86	67,42	67,98	71,85	88,87	59,19	73,16
	2. Dyeing, tanning and colouring materials	12,91	6,58	7,06	9,24	8,36	9,11	6,74	7,05
	3. Medicinal and pharmaceutical products	10,50	8,73	18,30	24,27	26,56	22,94	16,81	18,63
	4. Fertilisers, manufactured	9,61	38,97	77,07	61,20	81,20	89,95	47,42	94,57
	5. Others	13,34	14,84	25,24	29,59	30,51	36,88	25,72	33,84
VII.	**Manufactured Goods**	**234,16**	**216,31**	**229,99**	**344,69**	**440,43**	**430,09**	**310,36**	**362,88**
	1. Paper, paperboard and manufactures thereof	12,10	13,48	23,74	25,07	34,92	30,73	18,43	19,66
	(*i*) Newsprint	5,95	6,18	18,57	18,73	27,59	20,52	13,53	12,50
	2. Art silk yarn and thread	13,65	4,95	2,24	4,40	5,72	3,17	2,59	2,22
	3. Iron and Steel	122,54	97,94	81,51	147,04	237,60	217,14	156,88	160,35
	4. Non-ferrous Metals	47,31	68,45	74,27	118,83	101,66	100,95	76,21	94,42
	5. Metal manufactures	22,94	18,17	7,34	9,28	12,13	17,13	12,91	14,59
	6. Others	15,62	13,32	40,88	40,07	48,39	60,99	43,34	71,63
VIII.	**Machinery and Transport Equipment**	**332,98**	**492,14**	**395,88**	**394,69**	**470,59**	**496,07**	**349,32**	**432,60**
	1. Machinery other than electric	203,37	333,80	280,35	257,81	270,86	284,98	209,65	291,18
	2. Electric machinery, apparatus and appliances	57,22	87,80	64,32	70,35	105,14	123,99	85,06	80,51
	3. Transport equipment	72,39	70,55	51,22	66,54	94,59	87,11	54,61	60,91
	(*i*) Railway vehicles	25,37	24,98	11,74	14,01	19,94	20,20	13,54	16,62
	(*ii*) Others	47,02	45,56	39,48	52,53	74,66	66,91	41,07	44,29
IX.	**Miscellaneous Manufactured Articles**	**17,40**	**18,69**	**25,19**	**32,55**	**32,86**	**34,42**	**25,60**	**28,15**
	Total Imports (*b*)	**1,121,62**	**1,408,53**	**1,582,10**	**1,634,20**	**1,824,54**	**1,796,45**	**1,236,68**	**1,855,30**

(*a*) Excluding natural gasolene from April 1965. (*b*) Includes 'Miscellaneous Transactions and Commodities' and excludes value of articles under reference for 1972-73 and April to December 1973.

Also see "Notes on the Statements".

Source : *Monthly Statistics of the Foreign Trade of India*, D.G.C.I. & S.

STATEMENT 86—DIRECTION OF INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Item	Australia	Canada	Czecho-slovakia	France	Federal Republic of Germany	Iran	Italy	Japan	Nepal	Poland
	1	2	3	4	5	6	7	8	9	10
1960-61										
Imports (—)	17,79	19,86	8,76	21,13	122,52	29,55	25,97	60,78	3	4,42
Exports (+)	22,39	17,62	7,30	8,84	19,87	5,41	9,27	35,27	36	3,87
Balance	+4,60	—2,24	—1,46	—12,29	—102,65	—24,15	—16,69	—25,51	+33	—55
1965-66										
Imports (—)	24,18	30,52	21,15	18,05	137,15	34,08	19,86	79,33	11,24	13,66
Exports (+)	17,54	20,29	15,83	11,24	18,16	5,99	8,46	57,12	19,65	9,12
Balance	—6,63	—10,24	—5,32	—6,81	—118,99	—28,09	—11,41	—22,22	+8,41	—4,54
1969-70										
Imports (—)	31,31	74,87	23,02	23,73	84,44	83,43	39,85	67,41	14,40	23,56
Exports (+)	24,46	26,33	30,08	21,72	29,89	24,02	12,94	179,36	27,28	21,34
Balance	—6,85	—48,54	+7,06	—2,00	—54,55	—59,41	—26,91	+111,95	+12,88	—2,22
1970-71										
Imports (—)	36,58	117,23	20,20	21,33	107,47	91,64	28,86	83,43	9,44	28,03
Exports (+)	24,46	27,96	29,46	17,98	32,31	26,65	14,01	203,48	23,46	22,14
Balance	—12,13	—89,27	+9,26	—3,35	—75,16	—64,98	—14,85	+120,05	+14,02	—5,89
1971-72										
Imports (—)	29,40	113,33	10,17	37,07	127,04	126,36	24,47	161,60	10,27	50,45
Exports (+)	28,00	39,41	30,49	24,21	37,10	19,75	24,22	182,27	28,44	19,91
Balance	—1,40	—73,91	+20,32	—12,86	—89,94	—106,60	—25	+20,66	+18,17	—30,54
1972-73										
Imports (—)	32,39	105,08	15,52	36,90	160,72	121,46	35,59	170,22	9,51	34,48
Exports (+)	25,98	28,20	46,10	45,90	62,28	24,77	48,85	217,16	35,07	44,18
Balance	—6,41	—76,88	+30,58	+9,00	—98,44	—96,69	+13,25	+46,95	+25,57	+9,69
April-December 1972										
Imports (—)	26,47	49,61	11,17	26,00	115,49	90,68	22,90	118,67	7,58	25,24
Exports (+)	18,96	22,13	32,86	31,66	44,33	20,42	34,52	155,15	25,31	29,59
Balance	—7,51	—27,48	+21,69	+5,66	—71,16	—70,26	+11,62	+36,48	+17,74	+4,34
April-December 1973										
Imports (—)	29,89	84,42	21,70	50,66	130,91	145,35	33,13	169,93	10,28	29,67
Exports (+)	34,72	22,32	27,07	30,20	59,04	25,42	46,25	247,27	18,98	31,91
Balance	+4,83	—62,11	+5,37	—20,47	—71,87	—119,94	+13,12	+77,35	+8,70	+2,24

STATEMENT 86—DIRECTION OF INDIA'S FOREIGN TRADE (*Concld.*)

(In lakhs of rupees)

Item	Sudan	U.A.R.	U.K.	U.S.A.	U.S.S.R.	Yugoslavia	Other Countries	ALL COUNTRIES
	11	12	13	14	15	16	17	18
1960-61								
Imports (—)	9,41	16,42	217,15	327,56	15,87	4,44	219,96	**1,121,62**
Exports (+)	9,48	13,41	172,48	102,53	28,81	3,33	182,08	**642,32**
Balance	+8	—3,01	— 44,68	—225,03	+12,94	—1,11	—37,88	**—479,30**
1965-66								
Imports (—)	5,74	19,96	150,09	535,08	83,17	11,90	213,37	**1,408,53**
Exports (+)	8,17	27,06	145,71	147,75	92,99	11,30	189,26	**805,64**
Balance	+2,42	+7,10	—4,38	—387,33	+9,82	—60	—24,11	**—602,89**
1969-70								
Imports (—)	27,22	21,69	102,59	467,22	171,33	6,18	319,85	**1,582,10**
Exports (+)	19,85	34,64	165,07	237,97	176,37	33,99	347,97	**1,413,28**
Balance	—7,38	+12,95	+62,48	—229,25	+5,04	+27,81	+28,12	**—168,82**
1970-71								
Imports (—)	20,94	39,84	126,76	452,95	106,13	7,65	335,71	**1,634,20**
Exports (+)	38,27	56,37	170,44	207,34	209,85	39,36	391,63	**1,535,16**
Balance	+17,33	+16,53	+43,68	—245,61	+103,72	+31,70	+55,92	**—99,03**
1971-72								
Imports (—)	25,32	33,22	220,81	418,69	87,32	5,44	343,59	**1,824,54**
Exports (+)	51,80	23,07	168,70	263,08	208,70	24,37	434,69	**1,608,22**
Balance	+26,48	—10,15	—52,11	—155,61	+121,38	+18,94	+91,10	**—216,32**
1972-73								
Imports (—)	45,81	28,87	225,48	224,59	105,72	6,79	437,33	**1,796,45**
Exports (+)	20,71	31,72	172,53	275,74	304,82	12,44	564,44	**1,960,89**
Balance	—25,10	+2,85	—52,96	+51,16	+199,10	+5,66	+127,11	**+164,45**
April-December 1972								
Imports (—)	33,22	28,37	159,97	149,14	68,21	4,73	299,23	**1,236,68**
Exports (+)	15,68	21,64	134,71	207,69	226,69	9,50	359,94	**1,390,77**
Balance	—17,54	—6,74	—25,26	+58,55	+158,48	+ 4,77	+60,70	**+154,09**
April-December 1973								
Imports (—)	18,74	24,58	179,62	361,87	76,21	6,07	482,25	**1,855,30**
Exports (+)	14,65	9,72	185,86	241,74	219,42	17,51	459,64	**1,691,73**
Balance	—4,08	—14,86	+6.24	—120,14	+143,21	+11,44	—22,61	**—163,58**

Please see "Notes on the Statements".

Source : Monthly Statistics of the Foreign Trade of India, D.G.C.I. & S.

STATEMENT 87 — INDEX NUMBERS OF EXPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX						QUANTUM INDEX					
	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**106**	**111**	**161**	**173**	**171**	**191**	**97**	**113**	**112**	**124**	**126**	**142**
1. Fish and fish preparations	101	155	331	298	401	468	79	73	161	177	178	188
2. Fruits and vegetables	108	128	231	240	250	260	114	123	144	128	133	148
3. Coffee	77	101	124	170	134	146	131	178	220	206	229	314
4. Tea	104	98	110	126	126	128	87	86	83	86	91	84
5. Spices	149	177	355	352	244	287	126	148	110	125	168	115
6. Oilseed cake	108	139	208	215	184	262	178	335	268	346	293	383
II. Beverages and Tobacco	**114**	**112**	**208**	**222**	**240**	**204**	**85**	**119**	**98**	**90**	**115**	**193**
III. Crude Materials, Inedible except Fuels	**103**	**87**	**130**	**128**	**131**	**140**	**106**	**150**	**172**	**190**	**178**	**176**
7. Hides and skins, undressed	143	112	185	140	192	256	95	120	62	37	5	5
8. Wool and other animal hair	105	104	98	101	109	145	79	75	54	54	42	52
9. Raw cotton other than linters	109	126	192	204	242	264	50	54	55	50	48	58
10. Cotton, waste		88	131	163	217	221		51	22	9	7	12
11. Crude minerals excluding coal, petroleum, etc.	100	107	167	174	191	188	108	108	105	103	88	100
12. Metalliferrous ores and metal scrap	92	68	110	108	102	105	140	288	355	434	391	395
13. Animal and vegetable crude materials	103	133	176	209	224	269	116	103	126	120	122	107
IV. Mineral Fuels and Lubricants, etc.	**93**	**100**	**161**	**238**	**223**	**407**	**82**	**96**	**61**	**55**	**37**	**81**
14. Coal and coke	96	137	202	205	200	235	62	37	18	35	10	24
V. Animal and Vegetable Oils and Fats	**96**	**138**	**167**	**231**	**219**	**319**	**124**	**40**	**37**	**37**	**41**	**97**
VI. Chemicals	**172**	**152**	**277**	**243**	**210**	**279**	**94**	**171**	**247**	**338**	**345**	**327**
VII. Manufactured Goods Classified chiefly by Materials	**118**	**129**	**206**	**202**	**230**	**255**	**102**	**122**	**140**	**139**	**131**	**146**
15. Leather and manufactures thereof	121	115	183	160	172	237	112	134	241	245	287	394
16. Textile yarn and thread	114	126	197	221	247	261	82	99	173	130	94	118
17. Cotton fabrics of standard type	115	103	171	180	201	214	108	132	109	117	107	127
18. Fabrics of jute	130	154	264	247	289	320	97	121	108	90	113	88
19. Fabrics of synthetic fibres and spun glass	32	30	56	64	73	89	187	213	83	107	134	141
20. Bags and sacks for packing	131	148	213	231	264	297	104	108	38	56	60	61
21. Floor coverings	107	133	229	223	233	260	97	76	89	86	103	125
VIII. Machinery and Transport Equipment	**91**	**73**	**103**	**110**	**92**	**97**	**239**	**845**	**3168**	**4024**	**4537**	**5123**
IX. Miscellaneous Manufactured Articles	**109**	**136**	**207**	**240**	**235**	**281**	**126**	**187**	**360**	**374**	**412**	**474**
GENERAL	**110**	**113**	**171**	**173**	**180**	**202**	**100**	**124**	**143**	**153**	**151**	**168**
TERMS OF TRADE	**115**	**109**	**122**	**118**	**121**	**130**	**128**	**124**	**90**	**83**	**92**	**79**

Note : Indian rupee was devalued on June 6, 1966.

Source : D. G. C. I. & S.

STATEMENT 88 — INDEX NUMBERS OF IMPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX						QUANTUM INDEX					
	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**95**	**94**	**153**	**152**	**155**	**210**	**104**	**203**	**117**	**100**	**71**	**43**
1. Dairy products, eggs and honey	80	61	80	83	136	153	106	170	216	184	220	201
2. Cereals and cereal preparations	91	93	148	144	141	198	107	223	118	99	63	27
3. Fruits and vegetables	127	146	233	261	250	257	92	89	107	95	87	119
II. Beverages and Tobacco	**98**	**93**	**159**	**175**	**179**	**179**	**41**	**31**	**33**	**9**	**8**	**8**
III. Crude Materials, Inedible except Fuels	**90**	**122**	**158**	**159**	**154**	**170**	**213**	**124**	**140**	**157**	**173**	**139**
4. Copra	110	125	153	178	156	119	101	48	17	17	10	6
5. Wool and other animal hair	93	95	130	113	102	127	101	49	120	128	126	83
6. Raw cotton other than linters	82	117	166	170	171	193	326	129	163	190	217	154
7. Crude fertilizers	91	144	156	155	132	138	154	182	273	341	413	405
IV. Mineral Fuels and Lubricants, etc.	**96**	**75**	**108**	**112**	**135**	**143**	**95**	**120**	**168**	**160**	**190**	**188**
8. Petroleum crude, etc.	89	75	104	108	135	143	63	128	256	271	302	280
V. Animal and Vegetable Oils and Fats	**98**	**112**	**133**	**150**	**195**	**120**	**107**	**312**	**506**	**584**	**542**	**470**
VI. Chemicals	**91**	**62**	**72**	**62**	**72**	**65**	**145**	**259**	**393**	**475**	**463**	**584**
9. Chemical elements and compounds	95	85	117	119	111	104	144	148	201	201	228	300
10. Dyeing, tanning and colouring materials	103	86	149	156	166	175	142	87	54	68	56	59
11. Fertilizers manufactured	72	52	54	44	52	46	180	911	1515	1693	1901	2381
VII. Manufactured Goods classified chiefly by Materials	**101**	**103**	**196**	**213**	**175**	**185**	**122**	**112**	**63**	**87**	**135**	**125**
12. Paper, paper board, etc.	95	92	146	155	164	168	150	176	197	195	257	221
13. Textile yarn and thread	93	48	43	47	46	39	111	89	41	67	90	60
14. Iron and steel	96	94	175	198	171	175	128	106	47	76	142	127
15. Copper	133	212	382	438	331	330	122	116	92	102	114	109
16. Aluminium	99	97	199	193	166	407	129	108	13	29	94	11
17. Zinc	126	160	213	241	251	258	119	131	63	149	116	133
18. Manufactures of metals	118	149	245	245	133	147	90	63	15	20	47	61
VIII. Machinery and Transport Equipment	**98**	**135**	**194**	**263**	**225**	**308**	**134**	**146**	**81**	**59**	**81**	**65**
19. Machinery other than electric	99	136	227	302	255	383	145	175	88	61	75	53
20. Electric machinery, etc.	93	143	423	206	139	188	123	124	31	69	149	134
21. Transport equipment	98	128	141	151	161	166	119	92	59	65	88	88
IX. Miscellaneous Manufactured Articles	**96**	**122**	**134**	**156**	**185**	**140**	**102**	**90**	**110**	**123**	**103**	**145**
GENERAL	**96**	**104**	**140**	**147**	**149**	**155**	**128**	**154**	**128**	**127**	**139**	**133**

Note : Indian rupee was devalued on June 6, 1966.

Source : D. G. C. I. & S.

STATEMENT 89—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Afghanistan	87	1,50	6,22	6,53	6,46	5,78	3,84	3,05
Australia	1,05	1,88	2,57	2,06	2,05	2,07	1,48	1,58
Canada	4,42	2,16	2,42	2,28	2,83	1,84	1,54	1,40
Federal Republic of Germany ..	1,31	1,31	3,56	3,70	3,84	5,04	4,60	5,59
Iran	3,23	2,51	2,88	3,49	4,16	3,74	3,04	3,56
Irish Republic	4,07	3,98	2,91	4,06	4,13	5,21	4,30	2,89
Netherlands	80	1,52	1,84	2,03	2,00	9,28	8,04	8,70
Sudan	2,66	1,46	2,87	5,64	12,56	8,56	4,95	4,56
U.A.R.	7,17	7,82	6,88	7,67	7,37	8,56	4,80	3,78
U. K.	77,53	55,28	46,46	64,87	50,29	39,42	36,87	31,55
U. S. A.	5,27	3,38	5,68	5,45	6,06	4,79	3,87	4,39
U. S. S. R.	7,95	12,36	23,88	26,39	32,99	32,42	26,48	26,41
Other Countries	6,28	7,52	13,96	10,94	20,24	18,57	14,80	16,70
Total	**122,61**	**102,68**	**122,13**	**145,11**	**154,99**	**145,28**	**118,60**	**114,18**

Source : *Monthly Statistics of the Foreign Trade of India*, D. G. C. I. & S.

STATEMENT 90—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Czechoslovakia	9	3,54	3,98	6,59	3,40	8,05	2,91	5,29
German Democratic Republic ..	63	4,22	3,46	5,62	4,89	4,24	2,89	5,61
Hungary	1	3,15	2,67	3,39	5,28	4,70	3,67	6,73
Japan	—	54	4,23	9,32	7,34	13,03	6,82	21,00
Poland	1,32	4,47	8,78	10,67	6,17	13,99	8,22	9,02
U. K.	10,77	12,96	10,69	8,66	3,75	6,96	5,17	13,12
U. S. S. R.	—	3,02	4,08	4,36	3,44	10,15	5,13	6,56
Yugoslavia	29	76	2,43	3,85	1,80	26	26	2,05
Other Countries	1,19	1,98	1,15	2,96	4,08	13,39	6,07	50,98
Total	**14,30**	**34,64**	**41,47**	**55,42**	**40,15**	**74,77**	**41,13**	**120,35**

Source : *Monthly Statistics of the Foreign Trade of India*, D. G. C. I. & S.

STATEMENT 91—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Australia	60	82	1,55	1,22	1,35	1,31	1,21	1,55
Canada	69	90	1,67	2,55	4,23	6,94	5,52	3,24
German Democratic Republic ..	20	1,32	1,30	2,39	75	1,60	1,28	51
Japan	8	27	47	1,02	1,43	2,24	1,86	4,07
U. K.	1,34	1,23	1,75	1,07	1,67	1,97	1,54	1,46
U. S. A.	12,54	14,74	21,48	24,58	28,69	23,70	19,20	21,30
U. S. S. R.	2,25	6,34	24,71	14,68	18,01	23,99	20,55	25,67
Other Countries	1,21	1,78	4,49	4,56	5,20	7,08	5,36	5,18
**Total .. ..

STATEMENT 93—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	1972-73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Gunny Bags								
Australia	9,11	4,39	73	56	1,38	46	40	38
Cuba	7,13	29	—	—	—	—	—	—
Sudan	1,40	2,34	4,27	7,32	7,27	4,95	4,28	4,29
U. A. R.	4,32	12,24	2,31	8,49	2,94	7,26	4,82	1,80
U. S. A.	4,82	8,03	5,69	5,94	7,10	9,62	7,67	8,30
U. S. S. R.	2,09	19,25	13,97	23,15	22,21	33,22	21,67	20,63
Other Countries	28,43	21,01	7,61	9,53	25,73	20,74	18,16	16,77
Total	**57,30**	**67,55**	**34,58**	**54,99**	**66,64**	**76,24**	**57,00**	**52,16**
Gunny Cloth								
Australia	3,18	4,47	8,13	8,54	9,87	6,92	5,09	9,09
Canada	7,42	9,96	13,80	11,51	15,78	9,41	7,95	7,23
Czechoslovakia	7	74	1,05	1,82	2,31	3,50	2,37	1,53
Iran	52	1,02	1,96	1,55	1,75	6,61	5,71	4,35
New Zealand	84	1,02	2,20	1,94	3,16	2,26	1,74	2,86
U. A. R.	62	1,07	1,37	3,82	43	4,45	2,95	16
U. K.	6,22	6,85	3,80	1,99	6,26	4,16	3,13	3,14
U. S. A.	39,74	63,69	106,71	71,97	117,76	88,76	68,41	67,60
U. S. S. R.	1,58	6,23	7,94	11,27	8,96	19,39	15,25	4,36
Yugoslavia	17	50	94	1,70	1,13	22	20	14
Other Countries	13,71	13,37	19,11	13,94	23,83	18,76	15,54	22,92
Total	**74,07**	**108,92**	**167,01**	**130,05**	**191,24**	**164,42**	**128,34**	**123,38**

Source : *Monthly Statistics of the Foreign Trade of India*, D. G. C. I. & S.

STATEMENT 94—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December 1972	April to December 1973
	1	2	3	4	5	6	7	8
Afghanistan	2,16	1,31	58	68	9	46	30	14
Australia	4,45	1,86	2,23	2,85	2,86	2,07	1,53	5,04
Burma	1,47	30	1,41	67	—	—	—	—
Canada	1,45	1,64	1,26	99	1,25	1,27	96	1,15
Federal Republic of Germany ..	49	73	2,21	1,33	1,48	2,01	1,49	3,05
France	—	23	2,55	1,02	1,41	2,09	1,32	1,94
Indonesia	1,02	—	19	7	5	6	2	33
Kenya	2,40	1,08	43	22	14	7	5	24
Malaysia (*a*)	3,85	1,80	1,81	1,57	1,24	1,16	81	3,25
Netherlands	55	18	10	20	10	25	20	94
New Zealand	1,20	1,29	88	1,14	1,42	92	59	1,62
Nigeria	1,64	1,45	5	8	1,17	94	69	82
South Yemen People's Republic ..	2,25	1,50	1,33	67	66	54	48	47
Sri Lanka	3,04	1,35	1,85	62	39	14	10	13
Sudan	4,25	1,97	4,12	13,95	16,45	1,04	83	2,82
Tanzania Republic (*b*)	1,37	2,02	26	6	2	3	3	29
U. K.	15,27	12,10	14,94	12,67	14,26	17,89	11,75	29,47
U. S. A.	1,73	5,95	8,35	8,08	10,50	14,91	10,66	20,20
U. S. S. R.		4,08	6,49	10,29	7,37	28,88	20,44	10,71
Other Countries	8,77	14,86	19,78	19,49	17,67	28,69	21,15	54,96
Total ..	**57,36**	**55,69**	**70,84**	**76,65**	**78,53**	**103,42**	**73,42**	**137,57**

(*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.

Source : *Monthly Statistics of the Foreign Trade of India*, D. G. C. I. & S.

STATEMENT 95—EXPORTS OF LEATHER AND LEATHER MANUFACTURES @ TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Czechoslovakia	2	87	4,11	3,44	3,06	4,41	3,64	1,78
France	1,28	2,53	3,40	4,20	6,98	20,60	14,83	6,67
German Democratic Republic ..	—	9	4,77	3,41	2,51	3,30	2,19	1,63
Italy	67	2,08	4,60	4,29	14,01	35,85	24,66	15,48
Japan	1,09	1,27	3,88	4,31	4,16	8,05	5,57	10,48
U. K.	14,60	10,88	17,40	15,75	20,02	28,30	19,19	22,42
U. S. A.	1,47	4,10	4,45	2,66	2,76	7,01	5,24	5,47
U. S. S. R.	—	59	19,66	18,05	16,69	25,77	15,01	36,42
Yugoslavia	24	1,00	8,66	6,28	3,50	2,86	1,47	2,84
Other Countries	5,58	5,05	10,60	9,78	17,08	38,37	23,00	19,71
**Total .. ..

STATEMENT 97—EXPORTS OF MARINE PRODUCTS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Australia	3	43	1,31	91	1,11	1,54	1,00	1,24
Belgium	—	—	36	23	16	44	5	87
Canada	2	1	1	10	13	7	4	8
Federal Republic of Germany	1	1	25	34	17	20	17	69
France	1	46	72	58	88	1,92	1,40	1,03
German Democratic Republic	1	1	17	36	25	2	2	—
Hongkong	11	12	37	50	24	29	19	31
Japan	—	48	9,41	11,96	22,40	29,32	20,65	37,92
Netherlands	—	3	8	17	9	58	41	26
Singapore	17	—	56	69	44	46	33	32
Sri Lanka	2,58	65	1,35	1,57	1,28	40	37	71
U.K.	13	30	92	1,26	1,14	2,20	1,21	2,30
U.S.A.	69	4,10	16,88	14,61	14,02	18,89	15,90	17,36
Other Countries	88	58	47	95	94	1,10	66	71
Total ..	**4,64**	**7,18**	**32,8**	**34,23**	**43,25**	**57,43**	**42,40**	**63,80**

Source : *Monthly Statistics of the Foreign Trade of India*, D.G.C.I. & S.

STATEMENT 98—EXPORTS OF IRON ORE AND CONCENTRATES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1969-70	1970-71	1971-72	1972-73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Belgium	—	72	1,27	1,96	91	70	55	40
Czechoslovakia	3,97	3,07	4,35	3,47	3,80	4,59	3,31	2,10
Federal Republic of Germany	45	1,96	2,16	2,38	43	—	—	—
German Democratic Republic	41	10	2	38	—	—	—	—
Hungary	27	56	57	88	69	54	54	80
Italy	68	39	17	—	5	—	—	—
Japan	8,94	29,96	76,13	93,15	86,33	90,72	67,09	71,34
Netherlands	—	19	6	16	3	—	—	—
Poland	66	1,08	2,47	2,24	2,50	2,87	1,80	2,09
Rumania	34	2,26	5,46	9,12	6,23	6,95	5,15	8,20
U.K.	—	—	40	53	66	—	—	34
Yugoslavia	94	1,59	88	91	1,35	91	81	—
Other Countries	37	22	68	2,10	1,72	2,51	89	3,72
Total ..	**17,03**	**42,10***	**94,62**	**117,28**	**104,70**	**109,79**	**80,14**	**88,99**

*Revised.

Source : *Monthly Statistics of the Foreign Trade of India*, D.G.C.I. & S.

STATEMENT 99—EXPORTS OF IRON AND STEEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960–61	1965–66	1969–70	1970–71	1971–72	1972–73	April to December	
							1972	1973
	1	2	3	4	5	6	7	8
Burma	1	19	2,22	2,20	2,28	53	52	1
Iran	—	70	9,42	7,51	2,33	1,66	1,36	1,46
Japan	1,35	—	24,30	24,73	5,34	5,63	3,46	6,77
Saudi Arabia	—	2	5,41	2,97	30	93	72	1,92
Sri Lanka	3	9	1,44	2,11	9	28	23	8
Sweden	—	—	90	1,95	5	1,98	1,03	1
U. A. R.	—	21	1,30	2,93	1,76	68	66	13
U. K.	1,15	56	1,92	2,12	17	19	13	1,00
U. S. A.	4,30	3,93	7,24	6,02	2,42	6,40	4,59	3,05
U. S. S. R.	—	—	5,05	17,68	7,77	9,42	6,55	7,46
Yugoslavia	—	10	1,17	3,61	56	50	50	6
Other Countries	2,96	6,81	26,47	16,81	17,75	13,53	10,05	17,16
Total	**9,79**	**12,61**	**86,83**	**90,64**	**40,83**	**41,76**	**29,81**	**39,11**

Source : *Monthly Statistics of the Foreign Trade of India*, D. G. C. I. & S.

STATEMENT 100—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**
1972–73 ..	74	420,60	441,85	**862,45**	195,10	21,39	15,73	**232,22**	**1094,67**
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**
March ..	74	420,60	441,85	**862,45**	195,10	21,39	15,73	**232,22**	**1094,67**
1973–74									
June ..	74	390,28	525,48	**915,76**	208,12	20,06	16,13	**244,31**	**1160,07**
September ..	74	404,23	466,64	**870,87**	238,87	24,03	14,70	**277,60**	**1148,47**
December† ..	75	420,38	502,88	**923,26**	269,46	31,04	15,62	**316,12**	**1239,38**

Note : Data based on Form XII. † Provisional.

STATEMENT 101—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	1970-71
	1	2	3	4	5	6
LOANS						
A. REPAYABLE IN FOREIGN CURRENCIES						
1. From International Institutions						
1. IBRD	451,89	379,98	71,91	30,88 (—)	30,38	30,00
2. IDA	275,65	200,56	75,09	323,25 (—)	88,13	125,92
2. From Foreign Countries						
1. Austria	8,49	4,70	3,79	7,66 (—)	81	1,10
2. Belgium	11,42	4,89	6,53	12,15 (—)	2,25	10,13
3. Canada	45,38	27,25	18,13	106,03 (97)	48,78	26,36
4. Denmark	1,38	—	1,38	8,55 (2,07)	—	—
5. France	70,46	20,95	49,51	68,07 (—)	—	41,94
6. Germany (West)	441,15	339,61	101,54	135,13 (—)	63,12	51,79
7. Italy	80,95	11,65	69,30	27,37 (—)	17,51	6,00
8. Japan	154,85	104,23	50,62	85,85 (—)	18,73	5,25
9. Netherlands	22,80	9,51	13,29	23,31 (—)	8,34	8,29
10. Norway	—	—	—	17 (—)	—	—
11. Sweden	2,21	—	2,21	13,63 (—)	73	18,12
12. Switzerland	22,88	6,04	16,84	—	—	—
13. United Kingdom	360,50	292,27	68,23	189,33 (29,33)	98,10	84,78
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	44,75 (—)	13,50	21,03
(c) AID Loans	655,67	498,21	157,46	639,66 (56,74)	15,00	236,30
(d) U.S. banks' loans to Air India and Indian Airlines	23,35	15,66	7,69	30,73 (—)	2,25	9,39
(e) Boeing Aircraft Company's loans to Air India and Indian Airlines	2,53	1,17	1,36	2,65 (—)	150	2,10
(f) P.L. 480 Convertible Currency Credits	—	—	—	121,28 (—)	112,87	—
15. Bulgaria	—	—	—	11,25 (—)	—	—
16. Czechoslovakia	61,08	12,61	48,47	—	—	—
17. Hungary	—	—	—	25,00 (—)	—	—
18. Poland	24,23	11,34	12,89	—	—	—
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	**3502,25**	**2484,12**	**1018,13**	**2211,67 (89,11)**	**522,16**	**678,50**

AUTHORISED AND UTILISED

(In lakhs of rupees)

Authorisations			Utilisation						Aid undisbursed as at the end of March 1974*
1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
7	8	9	10	11	12	13	14	15	16
45,00	—	52,50	77,80 (2,25)	20,89	36,54	29,11	34,46	26,07	75,83
334,50	205,65	419,25	347,05 (11,04)	84,88	45,37	79,20	136,28	242,59	673,32
71	2,07	1,70	9,67 (28)	2,31	1,79	77	1,75	1,75	1,70
3,00	3,37	3,75	3,51 (—)	10,53	4,27	4,23	2,38	2,03	17,96
38,51	51,92	48,55	58,01 (1,20)	35,09	46,13	48,81	51,07	39,82	70,75
—	4,00	—	6,43 (24)	1,26	1,42	1,41	87	1,56	2,80
24,00	61,32	43,36	54,42 (—)	15,56	36,78	44,84	29,92	40,40	84,64
51,44	52,87	59,01	187,32 (4,10)	55,85	52,21	73,43	74,58	54,92	85,96
6,04	9,71	12,60	91,05 (10)	18,35	10,67	12,00	12,26	1,05	42,94
94,39	27,55	38,11	122,30 (6,00)	30,73	17,49	26,29	30,12	37,90	81,56
10,19	14,09	23,41	19,35 (61)	14,93	17,02	11,75	10,35	14,23	20,58
—	—	—	—	—	—	10	7	—	—
3,75	25,38	10,15	4,81 (—)	92	3,97	8,44	3,47	6,37	47,27
68	—	15,51	12,24 (1,10)	2,01	2,09	2,12	1,56	1,56	20,49
98,10	103,50	156,60	223,69 (4,02)	81,21	75,17	95,65	119,30	124,15	120,60
—	—	—	—	—	—	—	—	—	—
—	9,26	—	56,84 (4,93)	7,89	30,86	28,30	10,99	1	19
42,00	21,85	22,01	593,22 (20,80)	162,70	185,99	156,82	42,96	58,80	50,05
—	5,03	—	19,66 (1,50)	6,37	14,65	16,72	14,45	—	—
—	2,17								
79,50	—	—	103,91 (—)	61,96	44,40	103,09	29	—	—
—	—	—	—	—	—	—	—	—	11,25
—	—	80,00	36,19 (81)	8,17	1,33	1,38	6,71	6,60	95,47
—	—	—	—	—	—	—	—	—	25,00
—	—	—	4,05 (14)	4,17	2,79	2,42	55	2,35	3,89
—	—	—	136,62 (4,37)	49,52	36,75	14,03	8,52	13,79	315,22
—	—	—	11,40 (2,11)	25,52	21,74	—	—	—	—
831,81	**599,74**	**986,51**	**2179,54 (65,60)**	**700,82**	**689,43**	**760,91**	**592,91**	**675,95**	**1847,47**

STATEMENT 101—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	1970-71
	1	2	3	4	5	6
B. REPAYABLE IN RUPEES						
1. Denmark	99	60	39	—	—	—
2. U.S.A.						
(a) DLF/AID Loans	233,01	224,41	8,60	13,50 (—)	33	—
(b) Asian Economic Development Fund Credit for Orissa Iron Ore Project	8,72	8,45	27	—	—	..
(c) TCA Loans	42,22	42,22	—	—	—	—
TOTAL—B	**284,94**	**275,68**	**9,26**	**13,50 (—)**	**33**	—
TOTAL—I (A+B)	**3787,19**	**2759,80**	**1027,39**	**2225,17 (89,11)**	**522,49**	**678,50**
II. GRANTS						
1. Australia	25,67	19,67	6,00	19,61 (—)	2,94	3,28
2. Austria	—	—	—	38 (—)	38	38
3. Canada	174,49	134,36	40,13	119,40 (—)	10,79	31,85
4. Czechoslovakia	40	40	—	—	—	—
5. Denmark	—	—	—	—	84	—
6. Germany (West)	2,74	2,59	15	6,33 (—)	6,48	4,84
7. Japan	48	48	—	—	—	11
8. Netherlands	—	—	—	45 (—)	45	52
9. New Zealand	4,28	3,68	60	17 (—)	—	49
10. Norway	5,13	5,13	—	2,22 (—)	—	3,77
11. Sweden	3,81	3,49	32	2,75 (—)	—	1,94
12. United Kingdom	1,80	1,26	54	5,23 (—)	2,47	1,25
13. U.S.A.‡	168,13	160,93	7,20	5,68 (82)	61	15,14
14. U.S.S.R.	4,96	4,96	—	3,92 (—)	—	—
15. E.E.C.	—	—	—	—	3,81	—
16. Ireland	—	—	—	—	—	—
TOTAL—II	**391,89**	**336,95**	**54,94**	**166,14 (82)**	**28,77**	**63,57**
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)	**5777,36**	**4499,85**	**1189,98**	**3012,68 (239,21)**	**624,91**	**742,07**

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 debt relief in the form of rescheduling/postponement of amortisation/interest payments as under:

	1966—69	1969—70	1970—71	1971—72	1972—73	1973—74
I.B.R.D.	11,25	11,25	11,25	—	—	—
U.S.A.	6,53	6,53	6,53	6,53	—	—
Canada	1,13	68	—	60	1,38	1,38
Japan	19,13	14,70	19,05	15,45	24,53	31,20
TOTAL	**38,04**	**33,16**	**36,83**	**22,58**	**25,91**	**32,58**

AUTHORISED AND UTILISED—(*Concld*).

(In lakhs of rupees)

Authorisations			Utilisation						Aid undisbursed as at the end of March 1974*
1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
7	8	9	10	11	12	13	14	15	16
—	—	—	53 (13)	—	—	—	—	—	—
—	—	—	19,99 (1,58)	—69	85	1,10	92	8	—
—	—	—	42 (1)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	**20,94 (1,72)**	**—69**	**85**	**1,10**	**92**	**8**	—
831,81	**599,74**	**986,51**	**2200,48 (67,32)**	**700,13**	**690,28**	**762,01**	**593,83**	**676,03**	**1847,47**
2,32	—	—	27,22 (—)	3,74	3,03	2,57	—	—	79
—	—	—	38 (—)	38	38	—	—	—	—
27,90	10,34	11,98	167,61 (3,10)	12,98	35,68	27,83	5,31	9,71	14,56
—	—	—	—	—	—	—	—	—	—
—	10	—	—	84	—	—	10	—	—
3,89	4,51	4,97	6,19 (—)	6,67	4,93	3,89	4,51	4,97	1,65
—	—	—	—	—	11	—	—	—	—
53	48	49	45 (—)	45	52	53	48	49	—
—	—	—	29 (—)	—	80	—	—	—	33
—	—	17	1,69 (—)	—	1,16	1,72	—	17	1,30
—	19,35	16,36	3,06 (—)	—	1,94	—	36	78	34,77
1,44	—	—	5,49 (—)	52	3,41	1,44	—	—	26
—	—	—	10,63 (64)	3	—	12,50	5	—	9,66
—	—	—	2,78 (—)	—	62	—	—	—	52
—	—	—	—	3,75	—	—	—	—	—
—	—	27	—	—	—	—	—	27	—
36,08	**34,78**	**34,24**	**225,79 (3,74)**	**29,36**	**52,58**	**50,48**	**10,81**	**16,39**	**63,84**
22,50	—	—	719,43 (62,10)	107,46	37,71	8,78	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
22,50	—	—	**719,43 (62,10)**	**107,46**	**37,71**	**8,78**	—	—	—
890,39	**634,52**	**1020,75**	**3145,70 (133,16)**	**836,95**	**780,57**	**821,27**	**604,64**	**692,42**	**1911,31**

@ 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.

‡ 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.

* 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 1974.

£ 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.I. 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 102—PURPOSE-WISE DISTRIBUTION

Purpose and Country/Institution	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid un-disbursed as at the end of Third Plan	1966-69 @
	1	2	3	4	5
I. Transport and Communications					
1. IBRD					
(i) Loans fully utilised upto the end of March 1969 ..	Public	210,33	205,87	4,46	9,02 (—)
(ii) (a) Expansion of P.T.T. Services—III (June 18, 1969)	,,	—	—	—	—
2. IDA					
(i) Loans fully utilised upto the end of March 1969..	Public	125,59	112,86	12,73	51,00 (—)
(ii) (a) Railways-X (September 24, 1969) ..	,,	—	—	—	—
(b) Bombay Port-I (September 14, 1962) ..	,,	7,73	1,63	6,10	—
(c) Expansion of P.T.T. Services-III (June 18, 1969)	,,	—	—	—	—
(d) Expansion of P.T.T. Services—IV (May 3, 1971)	,,	—	—	—	—
(e) Railways—XI (January 24, 1972)	,,	—	—	—	—
(f) Shipping Project (September 26, 1972) ..	,,	—	—	—	—
(g) Expansion of P.T.T. Services—V (June 21, 1973)	,,	—	—	—	—
(h) Railways—XII (December 21, 1973) ..	,,	—	—	—	—
3. Canada					
(i) Loans fully utilised upto the end of March 1969	Public	3,39	3,39	—	—
(ii) (a) Wind Tunnel Project (July 24, 1964) ..	,,	1,85	1,18	67	—
(b) Diesel Locos for Calcutta Port (April 24, 1966)	,,	—	—	—	97 (97)
(c) Diesel Locos for Railways (December 28, 1966)	,,	—	—	—	4,81 (—)
(d) P.T. Loan (September 30, 1969)	,,	—	—	—	—
(e) Diesel Loco Works, Varanasi (September 2, 1970)	,,	—	—	—	—
(f) Kandla Port Project (August 12, 1971) ..	,,	—	—	—	—
(g) Satellite Communication Dehra Dun (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	6,00 (—)
(b) Air India	,,	—	—	—	—
5. DLF/AID					
(i) Loans fully utilised upto the end of March 1969	Public	70,31	66,74	3,57	—
(ii) Railways—III (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 (December 12, 1966)	,,	—	—	—	9,56 (—)

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	15,83 (37)	—	—	—	—	—	—
20,63	—	—	—	—	—	—	—	9,81	9,32	1,51	—
—	—	—	—	—	69,44 (2,81)	—	—	—	—	—	—
41,25	—	—	—	—	—	3,53	17,49	20,23	—	—	—
—	—	—	—	—	6,73 (88)	34	2,02	—	—	—	—
20,63	—	—	—	—	—	4,53	7,52	7,32	1,26	—	—
—	—	58,50	—	—	—	—	—	—	5,33	22,73	30,43
—	—	56,25	—	—	—	—	—	4,55	24,60	26,50	60
—	—	—	62,25	—	—	—	—	—	11,42	42,63	8,20
—	—	—	—	60,00	—	—	—	—	—	—	60,00
—	—	—	—	60,00	—	—	—	—	—	2,95	57,05
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	80 (9)	18	1	1	—	—	—
—	—	—	—	—	1,44 (—)	9	—	—	—	—	—
—	—	—	—	—	4,76 (—)	—	5	—	—	—	—
27,75	—	—	—	—	—	—	—	5,24	13,71	2,88	5,92
—	4,16	—	—	—	—	—	—	1,87	2,33	39	35
—	—	69	1,80	—	—	—	—	—	11	87	1,52
—	—	—	1,21	—	—	—	—	—	—	93	28
—	—	—	—	—	23,55 (—)	—	—	—	—	—	—
—	—	—	—	—	4,72 (23)	1,56	2,96	82	1,22	15	48
8,20	—	—	—	—	—	26	1,69	5,28	84	—	—
—	—	—	—	—	6,22 (20)	—	—	—	—	—	—
—	—	—	—	—	78 (15)	23	2	—	—	—	—
—	—	—	—	—	[2,02 (17)	—	—	—	—	—	—
—	—	—	—	—	9,52 (—)	4	—	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
I. Transport and Communications—(*Contd.*)					
6. **U.S. Exim Bank**—(*Contd.*)					
(b) Air India—III (June 4, 1968)	Public	—	—	—	18,75 (—)
(c) Air India—IV (July 8, 1969)	,,	—	—	—	—
(d) Indian Air Lines Boeing Loan (June 18, 1970) ..	,,	—	—	—	—
(e) Air India—V (June 10, 1972)	,,	—	—	—	—
7. **U. S. Banks' Loans to Air India and Indian Airlines**	Public	23,35	15,66	7,69	30,73 (—)
8. **Boeing Aircraft Company's Loans to Air India and Indian Airlines**	Public	2,53	1,17	1,36	2,65 (—)
TOTAL—I		**525,10**	**465,93**	**59,17**	**133,49 (97)**
II. Power Projects					
1. IBRD					
(i) Loans fully utilised upto the end of March 1969	Public	32,34	32,34	—	1,40 (—)
	Private	11,19	11,13	6	—
(ii) (a) Kothagudam—II (June 11, 1965)	Public	6,67	2,49	4,18	—
(b) Power Transmission (June 11, 1965)	,,	27,62	—	27,62	—
2. IDA					
(i) Loans fully utilised upto the end of March 1969	Public	9,52	6,41	3,11	—
(ii) (a) D.V.C.—IV (February 14, 1962)	,,	7,87	5,71	2,16	—
(b) Koyana Power (August 8, 1962)	,,	8,33	4,31	4,02	—
(c) Beas Project (June 29, 1966)	,,	—	—	—	17,25 (—)
(d) Power Transmission (May 3, 1971)	,,	—	—	—	—
(e) Power Transmission (May 9, 1973)	,,	—	—	—	—
3. Canada					
(a) Ranapratap Sagar Hydro-Electric Power Project (December 4, 1963)	Public	3,47	3,19	28	—
(b) Candu Atomic Power Project (April 27, 1964) ..	,,	16,29	1,71	14,58	—
(c) Candu Atomic Power Project (Additional) (April 30, 1968)	,,	—	—	—	4,51 (—)
(d) Rajasthan Atomic Power Project (Candu Supplementary) (May 22, 1970)	,,	—	—	—	—
(e) Kotah Hydro-Electric Power Project (February 18, 1965)	,,	2,46	42	2,04	—
(f) Rajasthan Atomic Power Project —II (February 28, 1967)	,,	—	—	—	26,72 (—)
(g) Rajasthan Atomic Power Project—Stage II (May 5, 1971)	,,	—	—	—	—
(h) Idikki Hydro-Electric Project (October 27, 1967) ..	,,	—	—	—	7,63 (—)
(i) Kundah Hydel Project (August 8, 1973)	,,	—	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	Aid undisbursed as at the end of March 1974*
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	76 (—)	3,76	7,58	6,65	—	—	—
13,50	—	—	—	—	—	43	2,77	8,90	1,40	—	—
—	9,39	—	—	—	—	—	7,98	1,41	—	—	—
—	—	—	9,26	—	—	—	—	—	9,26	—	—
2,25	9,39	—	5,03	—	19,66 (1,50)	6,37	14,65	16,72	14,45	—	—
1,50	2,10	—	2,17	—							
135,71	**25,04**	**115,44**	**81,72**	**120,00**	**166,23 (6,40)**	**21,32**	**64,74**	**88,81**	**95,25**	**101,54**	**164,83**
—	—	—	—	—	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	—	—	—	—
—	—	—	—	—	7,30 (—)	1,51	1,45	90	3,65	1,64	80
—	—	56,25	—	—	—	—	—	—	2	84	55,39
—	—	—	—	63,75	—	—	—	—	—	—	63,75
—	—	—	—	—	38 (3)	1	3	—	—	—	—
—	—	—	—	—	20,06 (64)	3,59	2,92	82	1,03	8	5
—	—	—	—	—							
—	—	—	—	—							
—	1,39	—	—	—							
—	—	—	—	—	2,75 (29)	2	—	—	2	1	23
—	—	—	—	—	4,15 (—)	5,23	4,63	4,57	3,36	1,28	4,59
—	—	1,05	—	—							
—	—	—	—	—	—	—	2,68	2,12	39	83	1,61
—	—	—	—	2,76	—	—	—	—	—	1,98	78

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
II. Power Projects—(*Contd.*)					
4. France					
(a) Nasik Thermal Power Station	Public	9,52	—	9,52	—
(b) Department of Atomic Energy (March 20, 1972)	,,	—	—	—	—
(c) Department of Atomic Energy (February 7, 1973)	,,	—	—	—	—
(d) Department of Atomic Energy (February 12, 1974)	,,	—	—	—	—
5. DLF/AID					
(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 (December 24, 1958) ..	Public	4,52	4,76	—24	—
(b) Barauni (June 30, 1960)	,,	1,68	1,68	—	—
(c) Durgapur (June 30, 1960)	,,	8,57	7,65	92	—
(d) Barapani (December 5, 1960)	,,	79	85	—6	—
(e) Talchar (August 16, 1961)	,,	13,51	10,35	3,16	—
(f) Birsinghpur (August 16, 1961)	,,	3,63	2,45	1,18	—
(g) Sharavathi—II (August 16, 1961)	,,	6,66	5,84	82	—
(h) Cambay Power (February 26, 1962)	,,	15,77	15,19	58	—
(i) Bandel Power (June 21, 1962)	,,	17,77	15,75	2,02	—
(j) Pambakakki (June 28, 1962)	,,	8,57	8,19	38	—
(k) Trombay Power (June 28, 1962)	Private	8,44	7,79	65	—
(l) Delhi Power (March 8, 1963)	Public	6,57	2,84	3,73	—
(m) Satpura Power (March 8, 1963)	,,	8,81	5,48	3,33	—
(n) Ramagundam (May 21, 1963)	,,	3,63	77	2,86	—
(o) Chandrapura—II (October 21, 1963) ..	,,	5,61	3,69	1,92	—
(p) Tarapur Nuclear Power (December 7, 1963)	,,	34,18	14,04	20,14	—
(q) Sharavathi—III (November 30, 1964) ..	,,	86	—	86	—
(r) Dhuwaran Power (June 1, 1966)	,,	—	—	—	8,95 (8,95)
(s) Beas Project (June 16, 1966)	,,	—	—	—	10,83 (—)
TOTAL—II		**303,89**	**193,15**	**110,74**	**77,29 (8,95)**

OF FOREIGN LOANS/CREDITS—*(Contd.)*

(In lakhs of rupees)

Autho.isations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	7,67 (—)	—	6,51	—	—	—	—
—	—	—	4,72	—	—	—	—	—	19	28	4,25
—	—	—	7,56	—	—	—	—	—	—	1,27	6,29
—	—	—	—	8,10	—	—	—	—	—	—	8,10
—	—	—	—	—	1,39 (10)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—38	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
33	—	—	—	—	1,39 (1)	38	—	—	—	—	—
—	—	—	—	—	5 (3)	—15	—	—	—	—	—
—	—	—	—	—	4,19 (70)	38	—	—	—	—	—
—	—	—	—	—	1,84 (—)	1	—	—	—	—	—
—	—	—	—	—	1,87 (3)	—1,42	5	—	—	—	—
—	—	—	—	—	75 (1)	17	—2	—	—	—	—
—	—	—	—	—	2,79 (10)	38	1	—	—	—	—
—	—	—	—	—	57 (6)	1	—1	—	—	—	—
—	—	—	—	—	97 (8)	1	—	—	—	—	—
—	—	—	—	—	5,20 (50)	42	—3	—	—	—	—
—	—	—	—	—	4,77 (1,07)	32	—1	—	—	—	—
—	—	—	—	—	3,43 (28)	16	33	22	13	7	—
—	—	—	—	—	2,86 (21)	8	5	—	—	—	—
—	—	—	—	—	25,03 (3,21)	4,02	45	39	—	—	—
—	—	—	—	—	62 (—)	77	—4	—	—	—	—
—	—	—	—	—	10 (—)	2,79	6,15	2,87	81	39	92
—	—	—	—	—	6,80 (—)	1,15	78	1,10	92	8	—
33	**1,39**	**57,30**	**12,28**	**74,61**	**145,38 (7,83)**	**30,96**	**41,85**	**13,04**	**10,52**	**8,75**	**146,76**

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
III. Steel and Steel Projects					
1. IBRD					
(i) Loans fully utilised upto the end of March 1969 ..	Private	74,59	74,59	—	—
(ii) (a) I.I.S. Co.—III (December 22, 1961)	,,	8,85	2,25	6,60	—
(b) I.I.S. Co.—IV (July 7, 1966)	,,	—	—	—	1,30 (—)
2. Canada					
Amco Furnace of Durgapur Steel Project (October 16, 1964)	Public	67	42	25	—
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) (December 12, 1962)	,,	47,62	33,13	14,49	—
(b) Rourkela Services (DM 56 million) (December 12, 1962)	,,	6,67	4,46	2,21	—
(c) Mysore Alloy Steel—I (DM 60 million) (November 26, 1963)	,,	7,14	1,62	5,52	—
(d) Rourkela Expansion—II (DM 14 million) (November 26, 1963)	,,	1,66	—	1,66	—
(e) Rourkela Expansion—III (DM 10 million) (December 22, 1965)	,,	1,19	—	1,19	—
(f) Mysore Alloy Steel—II (DM 13 million) (September 15, 1964)	,,	1,55	12	1,43	—
(g) Mysore Alloy Steel-III (DM 8 8 million) (September 15, 1964)	,,	1,05	—	1,05	—
(h) Mysore Alloy Steel—IV (DM 6.1 million) (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. DLF/AID					
(i) Loans fully utilised upto the end of March 1969	Public	11,90	11,90	—	—
(ii) (a) Steel Loan—I (December 24, 1958)	,,	8,53	8,63	—10	—
(b) Steel Loan—II (December 24, 1958)	,,	10,44	10,54	—10	—
(c) Steel Loan—III (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) Bokaro Credit (January 25, 1965)	,,	100,50	—	100,50	8,38 (—)
TOTAL—III		**497,08**	**351,56**	**145,52**	**9,68** (—)

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	6,05 (30)	1,10	1,22	84	38	63	—
—	—	—	—	—	85 (—)	45	—	—	—	—	—
—	—	—	—	—	52 (6)	— 2	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	20,08 (60)	2,00	43	—	—	—	—
—	—	—	—	—	1,49 (16)	1,04	36	—	29	11	21
—	—	—	—	—	7,21 (1,25)	43	16	—	5	14	—
—	—	—	—	—	—	—	17	7	81	1,14	67
—	—	—	—	—	—	—	—	—	6	—6	2,17
—	—	—	—	—	1,48 (—)	3	23	10	8	—	40
—	—	—	—	—	1,34 (—)	25	8	—	14	—12	78
—	—	—	—	—	—	—	24	13			
—	—	—	—	—	63 (—)	—	—	—	—	—	—
—	—	—	—	—	7,02 (83)	2,24	1,47	59	2,05	—	—
—	5,58	—	—	—	—	—	42	1,58	31	25	3,02
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—15	—	—	—	—	—
—	—	—	—	—	—	—15	—	—	—	—	—
—	—	—	—	—	—	— 8	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	72,09 (—)	43,52	31,18	8,44	4,28	87	6,28
—	**5,58**	—	—	—	**118,76 (3,20)**	**50,66**	**35,96**	**11,75**	**8,45**	**2,96**	**13,53**

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
IV. Orissa Iron Ore Project					
1. Japanese Credit (March 1958)	Public	2,61	2,02	59	—
2. U.S. Credit (June 30, 1957)	,,	8,72	8,45	27	—
TOTAL—IV		**11,33**	**10,47**	**86**	—
V. Industrial Development					
1. IBRD					
(i) Loans fully utilised upto the end of March 1969	Private	54,16	47,67	6,49	83 (—)
(ii) (a) I.C.I.C.I.—IV (May 28, 1965)	Private	22,71	21	22,50	—
(b) I.C.I.C.I.—VII (September 19, 1967)	,,	—	—	—	18,33 (—)
(c) I.C.I.C.I.—VIII (June 3, 1970)	,,	—	—	—	—
(d) I.C.I.C.I.—IX (October 27, 1971)	,,	—	—	—	—
(e) I.C.I.C.I.—X (June 8, 1973)	,,	—	—	—	—
2. IDA					
(i) Loans fully utilised upto the end of March 1969	Public	90,48	50,01	40,47	161,25 (—)
(ii) (a) Industrial Imports credit—V (January 22, 1969)	,,	—	—	—	93 75 (—)
(b) Industrial Imports credit—VI (April 24, 1970)	,,	—	—	—	—
(c) Industrial Imports credit–VII (September 26, 1972)	,,	—	—	—	—
(d) Industrial Development Bank of India credit (February 9, 1973)	,,	—	—	—	—
(e) Industrial Imports credit—VIII (June 25, 1973)	,,	—	—	—	—
3. Austria					
(a) Credit for Capital Goods—I (November 23, 1962) (1962-63)	Pub./Prvt.	2,38	2,24	14	—
(b) Credit for Capital Goods—II (December 11, 1963) (1963-64)	,,	1,83	1,39	44	—
(c) Credit for Capital Goods—III (April 5, 1965) (1964-65)	,,	1,90	1,07	83	—
(d) Suppliers' Credit (1965-66)	Private	48	—	48	—
(e) Credit for Capital Goods—IV (November 12, 1965) (1965-66)	Pub./Prvt.	1,90	—	1,90	—
(f) Credit for Capital Goods—V (December 5, 1966) (1966-67)	,,	—	—	—	2,87 (—)
(g) Credit for Capital Goods—VI (December 15, 1967) (1967-68)	,,	—	—	—	1,61 (—)
(h) Suppliers' Credit (1967-68)	Private	—	—	—	75 (—)
(i) Credit for Capital Goods—VII (December 22, 1972)	Pub./Prvt.	—	—	—	—
4. Belgium					
(i) Loans fully utilised upto the end of March 1969	Private	4,76	4,76	—	—
	Pub./Prvt.	—	—	—	90 (—)
(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 (December 22, 1967)	Pub./Prvt.	—	—	—	1,87 (—)
(d) Third Credit (December 18, 1968) (1968-69)	,,	—	—	—	1,05 (—)

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	91	—	—	—	—	—	—
					(1)						
—	—	—	—	—	42	—	—	—	—	—	—
					(1)						
—	—	—	—	—	**1,33**	—	—	—	—	—	—
					(2)						
—	—	—	—	—	10,33	—	—	—	—	—	—
					(1,24)						
—	—	—	—	—	17,15	6,74	6,92	3,06	1,19	3	20
					(25)						
—	—	—	—	—	—	3,77	6,51	5,37	1,97	25	46
—	30,00	—	—	—	—	—	5,27	9,05	9,09	4,32	2,28
—	—	45,00	—	—	—	—	—	61	12,13	15,84	16,42
—	—	—	—	52,50	—	—	—	—	—	3,43	49,07
—	—	—	—	—	221,13	—	—	—	—	—	—
					(6,79)						
—	—	—	—	—	21,60	72,15	—	—	—	—	—
					(—)						
—	56,25	—	—	—	—	—	15,21	41,04	—	—	—
—	—	—	56,25	—	—	—	—	—	34,60	21,65	—
—	—	—	18,75	—	—	—	—	—	—	—	18,75
—	—	—	—	75,00	—	—	—	—	—	63,48	11,52
—	—	—	—	—	— 6	9	11	—	—	—	—
					(1)						
—	—	—	—	—	61	2	3	—	—	—	—
					(6)						
—	—	5	—	—	1,01	1	11	8	1	—	2
					(10)						
—	—	—	—	—	—	2	21	—	—	—	53
—	—	—	—	—	2,89	—	—	—	—	—	4
					(11)						
—	—	—	—	—	2,03	63	13	2	4	—	2
					(—)						
—	—	—	—	—	78	73	10	1	—	—	—
					(—)						
—	—	—	—	—	—	—	—	—	—	—	75
—	—	—	37	—	—	—	—	—	—	5	32
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	90	—	—	—	—	—	—
					(—)						
—	—	—	—	—	—	7,29	—	—	—	—	—
—	—	—	—	—	—	1,30	1,69	—	—	—	—
—	—	—	—	—	1,78	9	—	—	—	—	—
					(—)						
—	—	—	—	—	—	1,02	2	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development—(*Contd.*)					
4. Belgium—(*Contd.*)					
(e) Suppliers' Credit—IV (1968-69)	Private	—	—	—	7,50 (—)
(f) Fourth Credit (December 8, 1969)	Pub./Prvt.	—	—	—	—
(g) Fifth Credit (December 21, 1970)	,,	—	—	—	—
(h) Suppliers' Credit—V (1970-71)	Private	—	—	—	—
(i) Sixth Credit (November 5, 1971)	Pub./Prvt.	—	—	—	—
(j) Seventh Credit (October 13, 1972)	,,	—	—	—	—
(k) Eighth Credit (October 19, 1973)	,,	—	—	—	—
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 (February 21, 1967)	Pub./Prvt.	—	—	—	8,06 (—)
(b) Indian Aluminium Company Expansion—III (August 11, 1967) ..	Private	—	—	—	3,82 (—)
(c) Industrial Commodities Loan (October 27, 1967) ..	Pub./Prvt.	—	—	—	6,94 (—)
(d) Geological Survey of India (July 28, 1967) ..	Public	—	—	—	1,39 (—)
(e) Non-Project Non-Commodity Loan (February 8, 1968)	Pub./Prvt.	—	—	—	13,42 (—)
(f) Industrial Commodities loan (December 20, 1968)	,,	—	—	—	10,41 (—)
(g) Commodity Loan (August 6, 1969)	Public	—	—	—	—
(h) Industrial Commodities Loan—I (April 22, 1970) ..	,,	—	—	—	—
(i) Industrial Commodities Loan—II (August 25, 1970)	,,	—	—	—	—
(j) Credit to Oil & Natural Gas Commission (April 7, 1971)	,,	—	—	—	—
(k) Industrial Commodities Loan—III (April 7, 1971)	,,	—	—	—	—
(l) Industrial Commodities Loan—IV (June 10, 1972)	,,	—	—	—	—
(m) Synthetic Rubber Project at Koyali (March 16, 1973)	,,	—	—	—	—
(n) Industrial Commodities Loan (July 18, 1973) ..	,,	—	—	—	—
(o) Credit to Oil and Natural Gas Commission (October 4, 1973)	,,	—	—	—	—
6. Denmark					
(a) First Credit (May 30, 1963)	Public	1,00	60	40	—
(b) Second Credit (November 4, 1964)	Pub./Prvt.	1,36	—	1,36	—
(c) Third Credit (April 29, 1968)	,,	—	—	—	4,00 (—)
(d) Fourth Credit (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 (June 1961) (Third Plan-I) ..	,,	23,81	18,17	5,64	—
(b) Credit of $20 million (July 1962) (Third Plan-II)	,,				
(c) Credit of $10 million to I.F.C. (July 1965)	Private	4,76	9	4,67	—
(d) Credit of $20 million (April 1965) (Third Plan-V)	Pub./Prvt.	9,52	—	9,52	—
(e) Credit of $30 million (November 1966)	,,	—	—	—	9,75 (—)

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	1,35	—	—	615
1,42	—	—	—	—	—	—	79	61	—	1	1
—	1,80	—	—	—	—	—	94	81	5	—	—
—	7,50	—	—	—	—	—	—	—	—	—	7,50
—	—	1,88	—	—	—	—	—	34	1,11	39	3
—	—	—	2,25	—	—	—	—	—	10	51	1,64
—	—	—	—	2,63	—	—	—	—	—	—	2,63
—	—	—	—	—	43 (9)	—	—	—	—	—	—
—	—	—	—	—	6,50 (—)	1,19	36	2	—	—	—
—	—	—	—	—	—	—	1,35	1,56	36	10	45
—	—	—	—	—	4,55 (—)	1,18	1,12	9	—	—	—
—	—	—	—	—	—	—	19	21	12	31	56
—	—	—	—	—	4,60 (—)	2,46	3,14	1,20	2,52	—	—
—	—	—	—	—	—	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	1,44	1,53
—	—	27,75	—	—	—	—	—	19,54	7,80	1	—
—	—	—	34,69	—	—	—	—	—	17,74	12,63	4,32
—	—	—	5,20	—	—	—	—	—	—	59	4,61
—	—	—	—	34,69	—	—	—	—	—	10,73	23,96
—	—	—	—	4,16	—	—	—	—	—	—	4,16
—	—	—	—	—	53 (13)	—	—	—	—	—	—
—	—	—	—	—	1,80 (24)	9	12	—	—	—	—
—	—	—	—	—	4 (—)	27	1,12	1,34	78	2	43
—	—	—	4,00	—	—	—	—	—	9	1,54	2,37
—	—	—	—	—	25,75 (—)	—	—	—	—	—	—
—	—	—	—	—	5,06 (—)	3,39	—	—	—	—	—
—	—	—	—	—	1,12 (—)	16	5,00	—			
—	—	—	—	—	—	3,60	3,87	5,17	51	15	1,29
—	—	—	—	—	—	16	—	7,60			

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development—(*Contd.*)					
7. France—(*Contd.*)					
(f) Credit of $17 million (November 1966) ..	Pub./Prvt.	—	—	—	12,75 (—)
(g) Credit to Oil & Natural Gas Commission (September 1961) ..	Public	3,81	—	3,81	—
(h) Credit of $15 million (April 5, 1968) ..	Pub./Prvt.	—	—	—	11,39 (—)
(i) Credit of $15 million (April 5, 1968) ..	,,	—	—	—	11,39 (—)
(j) Non-Project Credit (January 3, 1969) ..	Public	—	—	—	7,60 (—)
(k) Project Credit (January 3, 1969)	,,	—	—	—	11,39 (—)
(l) Non-Project Credit (August 4, 1970)	Public	—	—	—	—
(m) Project Credit (August 4, 1970)	Pub./Prvt.	—	—	—	—
(n) Non-Project Credit (January 21, 1971)	Public	—	—	—	—
(o) Project Credit (January 21, 1971)	Pub./Prvt.	—	—	—	—
(p) Project Credit (June 22, 1971)	,,	—	—	—	—
(q) Non-Project Credit (June 22, 1971)	Public	—	—	—	—
(r) Project Credit (March 20, 1972)	Pub./Prvt.	—	—	—	—
(s) Non-Project Credit (March 20, 1972)	Public	—	—	—	—
(t) Project Credit (February 7, 1973)	Pub./Prvt.	—	—	—	—
(u) Non-Project Credit (February 7, 1973)	Public	—	—	—	—
(v) General Credit (February 12, 1974)	Pub./Prvt.	—	—	—	—
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 (Dec. 12, 1962) (1962-63)	Pub./Prvt.	37,30	35,66	1,64	—
(b) DM 118.5 million Credit (November 26, 1963) .. (1963-64)	,,	14,10	6,20	7,90	—
(c) DM 162.9 million Credit (September 15, 1964) (1964-65)	,,	19,37	2,22	17,15	—
(d) DM 210 million Credit (December 22, 1965) (1965-66)	,,	24,99	—	24,99	—
(e) DM 224 million Credit (February 28, 1967) (1966-67)	,,	—	—	—	42,00 (—)
(f) DM 221 million Credit (October 4, 1967) (1967-68)	,,	—	—	—	38,45 (—)
(g) DM 172 million Credit (July 25, 1968) (1968-69) ..	,,	—	—	—	32,25 (—)
(h) DM 231 million Credit (July 1969) (1969-70) ..	,,	—	—	—	—
(i) DM 176.5 million Credit (November 19, 1970) (1970-71)	,,	—	—	—	—
(j) DM180million Credit (December 2,1971)(1971-72)	,,	—	—	—	—
(k) DM 160 Million Credit (December 15, 1972) (1972-73)	,,	—	—	—	—
(l) DM 190 million Credit (August 23, 1973) (1973-74)	,,	—	—	—	—
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	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	9,69 (—)	1,17	56	56	2	2	49
—	—	—	—	—	2,29 (—)	—	3,31	—	—	—	—
—	—	—	—	—	4 (—)	1,72	4,20	3,04	83	3	20
—	—	—	—	—	—	3,27	1,27	2,51	104	52	1,51
—	—	—	—	—	—	1,09	3,24	2,38	—10	1	12
—	—	—	—	—	—	—	1,12	4,03	1,98	2,03	95
—	6,75	—	—	—	—	—	—	4,47	1,38	4	86
—	10,13	—	—	—	—	—	20	4,35	48	4,46	64
—	7,43	—	—	—	—	—	—	3,76	1,24	14	2,29
—	10,13	—	—	—	—	—	—	2,29	3,59	1,31	2,94
—	—	10,80	—	—	—	—	—	30	2,72	4,86	2,91
—	—	9,45	—	—	—	—	—	63	7,15	1,23	44
—	—	—	12,83	—	—	—	—	—	1,17	8,79	2,87
—	—	—	7,42	—	—	—	—	—	3,23	4,04	15
—	—	—	15,53	—	—	—	—	—	—	2,89	12,64
—	—	—	8,77	—	—	—	—	—	—	1,97	6,80
—	—	—	—	28,90	—	—	—	—	—	—	28,90
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	1,91 (27)	21	7	14	1	2	—
—	—	—	—	—	10,35 (63)	17	5	18	16	20	1,08
—	—	—	—	—	20,81 (49)	1,51	1,07	1,08	2,08	24	13
—	—	—	—	—	17,17 (47)	6,33	2,15	5,65	5,37	49	3,81
—	—	—	—	—	33,78 (—)	56	1,56	3,29	1,89	32	1,33
—	—	—	—	—	18,67 (—)	10,37	3,19	4,70	1,57	97	55
—	—	—	—	—	6,08 (—)	12,72	5,21	6,22	4,28	1,10	1,49
43,30	—	—	—	—	—	6,22	13,83	16,55	1,03	2,26	8,30
—	36,15	—	—	—	—	—	3,12	14,67	6,35	6,25	5,85
—	—	36,89	—	—	—	—	—	—	21,29	4,92	10,68
—	—	—	32,79	—	—	—	—	—	6,98	10,50	15,31
—	—	—	—	38,93	—	—	—	—	—	6,21	32,72
—	—	—	—	—	10 (10)	—	—	—	—	—	—
—	—	—	—	—	87,75 (—)	—	—	—	—	—	—
—	—	—	—	—	1,74 (—)	18,35	—5	—	—	1,05	15

STATEMENT 102—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	1966 69 @
	1	2	3	4	5
V. Industrial Development—(*Contd.*)					
9. Italy—(*Contd.*)					
(b) Suppliers' Credit of $32 million (1966-67) ..	Pub./Prvt.	—	—	—	21,75 (—)
(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	31,16 (—)
	Private	4,76	4,76	—	—
(ii) (a) Credit of 21.6 million Yen (June 25, 1965) ..	Pub./Prvt.	28,57	2,04	26,53	—
(b) Credit of 14 million Yen (September 5, 1967) ..	,,	—	—	—	28,73 (—)
(c) Credit of 10.1 billion Yen (February 14, 1969) ..	Public	—	—	—	20,71 (—)
(d) Ninth Yen Credit (March 3, 1970)	,,	—	—	—	—
(e) V. O. H. Credit (April 20, 1970)	,,	—	—	—	
(f) Tenth Yen Credit (April 20, 1971)	,,	—	—	—	—
(g) Deep Sea Oil Exploration (May 11, 1971) ..	,,	—	—	—	—
(h) Eleventh Yen Credit (February 1, 1972) ..	,,	—	—	—	—
(i) Twelfth Yen Credit (February 2,1973) ..	,,	—	—	—	—
(j) Thirteenth Yen Credit (February 29, 1974) ..	,,	—	—	—	—
(k) Bombay Deep Sea Oil Exploration (January 1, 1974)	,,	—	—	—	—
11. Netherlands					
(i) Loans fully utilised upto the end of March 1969 ..	Pub./Prvt.	14,54	9,51	5,03	5,39 (—)
(ii) (a) Financial (Export) Credit (Third Plan)	,,	7,36	—	7,36	—
(b) Suppliers' Credit (1965-66)	,,	90	—	90	—
(c) Financial (Export) Credit (1966-67)	,,	—	—	—	2,85 (—)
(d) General Purpose Loan (November 21, 1967) ..	,,	—	—	—	5,39 (—)
(e) Financial (Export) Credit (1967-68)	,,	—	—	—	2,85 (—)
(f) General Purpose Loan (July 16, 1968) ..	,,	—	—	—	6,83 (—)
(g) General Purpose Loan (January 1, 1970) ..	,,	—	—	—	—
(h) General Purpose Loan (October 28, 1970) ..	,,	—	—	—	—
(i) General Purpose Loan (May 18, 1971) ..	,,	—	—	—	—
(j) General Purpose Loan (July 19, 1972) ..	,,	—	—	—	—
(k) General Purpose Loan (August 22, 1973) ..	,,	—	—	—	—
12. Norway					
Development Credit (September 16, 1968) ..	Public	—	—	—	17 (—)
13. Sweden					
(a) First Credit (September 29, 1964)	Pub./Prvt.	2,21	—	2,21	—
(b) Second Credit (June 29, 1966)	,,	—	—	—	3,48 (—)

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	6,60	12,00			
12,00	—	—	—	—	—	—	—	—	1,24	—	25,95
—	6,00	—	—	—	—	—	—	—			
—	—	6,04	—	—	—	—	—	—			
—	—	—	—	—	66,15 (5,52)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	26,27 (47)	12,61	1,48	—	—	—	—
—	—	—	—	—	23,72 (—)	5,01	—	—	—	—	—
—	—	—	—	—	—	13,11	7,60	24	—	—	—
18,73	—	—	—	—	—	—	8,30	8,59	1,47	37	—
—	5,25	—	—	—	—	—	11	1,69	13	99	2,33
—	—	19,04	—	—	—	—	—	7,53	9,12	1,69	70
—	—	10,77	—	—	—	—	—	8,24	—	2,54	—
—	—	64,58	—	—	—	—	—	—	19,40	27,99	17,19
—	—	—	27,55	—	—	—	—	—	—	4,32	23,23
—	—	—	—	14,63	—	—	—	—	—	—	14,63
—	—	—	—	56	—	—	—	—	—	—	56
—	—	—	—	—	12,96 (61)	—	—	—	—	—	—
—	—	—	—	—	2,91 (—)	8,07	62	—	—	—	—
—	—	—	—	—	—	—	—	1,42	—	—	—
—	—	—	—	—	—	—	2,85	—	—	—	—
—	—	—	—	—	3,48 (—)	1,91	—	—	—	—	—
—	—	—	—	—	—	—	1,28	—	1,57	—	—
—	—	—	—	—	—	4,95	1,88	—	—	—	—
8,34	—	—	—	—	—	—	8,34	—	—	—	—
—	8,29	—	—	—	—	—	2,05	6,24	—	—	—
—	—	10,19	—	—	—	—	—	4,09	6,10	—	—
—	—	—	14,09	—	—	—	—	—	2,68	11,40	—
—	—	—	—	23,41	—	—	—	—	—	2,83	20,58
—	—	—	—	—	—	—	—	10	7	—	—
—	—	—	—	—	3,33 (—)	6	9	—	—	—	—
—	—	—	—	—	1,48 (—)	48	60	39	42	2	9

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development—(*Contd.*)					
13. Sweden—(*Contd.*)					
(c) Third Credit (June 28, 1968)	Pub./Prvt.	—	—	—	4,35 (—)
(d) Fourth Credit (June 28, 1968) ..	,,	—	—	—	5,80 (—)
(e) Fifth Credit (March 11, 1971) ..	,,	—	—	—	—
(f) Wheat Storage Project (August 23, 1971) ..	,,	—	—	—	—
(g) Sixth Credit (November 11, 1972) ..	,,	—	—	—	—
(h) Seventh Credit (June 18, 1973) ..	,,	—	—	—	—
14. Switzerland					
(a) First Credit Tranche—I (November 18, 1960)	Pub./Prvt.	6,54	3,02	3,52	—
(b) First Credit Tranche—II (July 13, 1962)	,,	8,72	3,02	5,70	—
(c) Second Credit (March 7, 1966)	,,	7,62	—	7,62	—
(d) Development Credit (October 9, 1973) ..	,,	—	—	—	—
15. U. K.					
(i) Loans fully utilised upto the end of March 1969 ..	Pub./Prvt.	183,33	179,92	3,41	52,93 (13,33)
	Public	48,00	42,82	5,18	11,55 (—)
(ii) (a) Credit of September 4, 1962 (Third Plan) ..	,,	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 (September 9, 1964) (Third Plan) ..	Private	2,00	—	2,00	—
(e) Third General Credit (September 9, 1964) (Third Plan) ..	,,	2,03	—	2,03	—
(f) Fourth General Credit (September 9, 1964) (Third Plan) ..	,,	1,33	—	1,33	—
(g) Fifth General Credit (September 9, 1964) (Third Plan) ..	Public	1,66	40	1,26	—
(h) Sixth General Credit (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	—	—	—	6,44 (6,44)
(m) Credit of April 20, 1966 (Sindri Fertilizers) ..	,,	—	—	—	23 (23)
(n) Credit of May 10, 1966 (Bhopal) ..	,,	—	—	—	4,00 (4,00)
(o) Credit of May 10, 1966 (Kipping Loan IV) ..	Private	—	—	—	5,33 (5,33)
(p) Credit of June 19, 1967 (Kipping Loan V) ..	,,	—	—	—	14,70 (—)
(q) Barclays Bank Ltd.'s Credit of October 20, 1966	Public	—	—	—	5,35 (—)
(r) Capital Investment Loan (December 5, 1968)..	Pub./Prvt.	—	—	—	15,30 (—)

OF FOREIGN LOANS/CREDITS—*(Contd.)*

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
73	—	—	—	—	—	19	67	3,60	41	2	20
—	—	—	—	—	—	19	2,61	2,43	30	—	27
—	18,12	—	—	—	—	—	—	2,02	2,34	1,98	11,78
—	—	3,75	—	—	—	—	—	—	—	—	3,75
—	—	—	25,38	—	—	—	—	—	—	4,35	21,03
—	—	—	—	10,15	—	—	—	—	—	—	10,15
—	—	68	—	—	12,24 (1,10)	2,01	2,09	2,12	1,56	1,56	4,98
—	—	—	—	15,51	—	—	—	—	—	—	15,51
—	—	—	—	—	65,74 (30)	—	—	—	—	—	—
—	—	—	—	—	19,04 (90)	—	—	—	—	—	—
—	—	—	—	—	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	—	—	—
—	—	—	—	—	7,64 (—)	44	41	49	—	—	—
—	—	—	—	—	—	8	9	13	—	—	—
—	—	—	—	—	2,63 (—)	1,97	55	25	—	—	—
—	—	—	—	—	4,69 (—)	1,09	54	93	—	—	—
—	—	—	—	—	2,44 (—)	4,09	3,45	2,62	—	—	—
—	—	—	—	—	—	—	—	4,23	36	—	—
—	—	—	—	—	—	11	4,39	7,96	2,84	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development—*(Contd.)*					
15. U. K.—*(Contd.)*					
(s) Non-Project Loan (December 5, 1968) ..	Pub./Prvt.	—	—	—	12,60 (—)
(t) Mixed Project Loan (December 5, 1968) ..	,,	—	—	—	3,60 (—)
(u) I.C.I.C.I. Loan (December 5, 1968) ..	Private	—	—	—	1,80 (—)
(v) I.C.I.C.I. Loan (November 28, 1969) ..	,,	—	—	—	—
(w) Credit of Capital Goods (November 28, 1969) ..	Pub./Prvt.	—	—	—	—
(x) Mixed Project Loan (November 28, 1969) ..	,,	—	—	—	—
(y) Credit of November 28, 1969 (Kipping Loan-VII) ..	,,	—	—	—	—
(z) Maintenance Loan (November 28, 1969)	,,	—	—	—	—
(aa) Mixed Imports Credit (November 28, 1969) ..	,,	—	—	—	—
(ab) Maintenance Loan (February 11, 1970)	Public	—	—	—	—
(ac) Capital Investment Loan (March 18, 1971) ..	,,	—	—	—	—
(ad) I.C.I.C.I. Loan (March 18, 1971) ..	Private	—	—	—	—
(ae) Mixed Project Loan (March 18, 1971) ..	Pub./Prvt.	—	—	—	—
(af) Maintenance Loan—II (September 24, 1970) ..	Public	—	—	—	—
(ag) Mixed Imports Loan (March 31, 1971) ..	Pub./Prvt.	—	—	—	—
(ah) Maintenance Loan (November 18, 1971) ..	Public	—	—	—	—
(ai) Mixed Project Loan (November 18, 1971) ..	Pub./Prvt.	—	—	—	—
(aj) Capital Investment Loan (March 17, 1972) ..	Public	—	—	—	—
(ak) Mixed Project Loan (November 9, 1972) ..	Pub./Prvt.	—	—	—	—
(al) Maintenance Loan (November 9, 1972) ..	Public	—	—	—	—
(am) Capital Investment Loan (May 21, 1973) ..	Public	—	—	—	—
(an) Maintenance Loan (February 1, 1974) ..	,,	—	—	—	—
(ao) Mixed Project Loan (March 27, 1974) ..	Pub./Prvt.	—	—	—	—
(ap) Capital Investment Loan (March 27, 1974) ..	Public	—	—	—	—
16. U. S. A.					
(1) DLF/AID					
(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 (December 29, 1958) ..	,,	14,00	13,63	37	—
(b) N.S.I.C. (April 10, 1961)	,,	4,02	4,21	—19	—
(c) Patherdy Coal Washery (June 21, 1962) ..	Public	1,88	1,71	17	—
(d) Non-Project Imports—I (June 21, 1962) ..	Pub./Prvt.	95,08	95,10	—2	—
(e) I.F.C. — II (June 28, 1962)	Private	8,84	2,40	6,44	—
(f) Hindustan Motors—I (November 8, 1962) ..	,,	7,45	6,99	46	—
(g) Non-Project Imports—II (February 23, 1963) ..	Pub./Prvt.	113,53	114,22	—69	—
(h) Central Ropeway 'F' Project (October 21, 1963) ..	Public	3,52	3,00	52	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	4,39	4,25	2,66	1,13	4	14
—	—	—	—	—	—	—	2,10	1,50	—	—	—
—	—	—	—	—	—	—	27	58	70	25	—
1,80	—	—	—	—	—	—	—	—	—	1,46	34
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	1,28	94
16,20	—	—	—	—	—	12,65	3,55	—	—	—	—
—	21,60	—	—	—	—	—	—	—	3,37	6,06	12,17
—	1,80	—	—	—	—	—	—	—	—	—	1,80
—	5,40	—	—	—	—	—	—	—	5,40	—	—
—	46,80	—	—	—	—	—	38,65	8,15	—	—	—
—	3,60	—	—	—	—	—	—	—	—	85	2,76
—	—	48,60	—	—	—	—	—	39,60	9,00	—	—
—	—	14,40	—	—	—	—	—	—	8,01	6,39	—
—	—	21,60	—	—	—	—	—	—	—	3,24	18,36
—	—	—	28,80	—	—	—	—	—	—	26,93	1,87
—	—	—	60,30	—	—	—	—	—	60,30	—	—
—	—	—	—	25,20	—	—	—	—	—	—	25,20
—	—	—	—	63,00	—	—	—	—	—	63,00	—
—	—	—	—	32,40	—	—	—	—	—	—	32,40
				21,60	—	—	—	—	—	—	21,60
—	—	—	—	—	56 (9)	—	—	—	—	—	—
—	—	—	—	—	9,63 (1,06)	—	—	—	—	—	—
—	—	—	—	—	56 (35)	—22	—	—	—	—	—
—	—	—	—	—	—25 (3)	—21	—	—	—	—	—
—	—	—	—	—	29 (—)	—	—	—	—	—	—
—	5	—	—	—	5 (—)	— 3	5	—	—	—	—
—	—	—	—	—	7,46 (53)	46	89	1,06	—	—	—
—	—	—	—	—	68 (7)	2	—	—	—	—	—
—	—	—	—	—	—1,01 (—)	— 7	— 2	—	—	—	—
—	—	—	—	—	56 (3)	27	— 2	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development—(*Contd.*)					
16. U. S. A.—(*Contd.*)					
(i) Dugda Coal Washery (November 29, 1963)	Public	2,38	2,13	25	—
(j) Non-Project Imports—III (February 24, 1964)	Pub./Prvt.	106,90	94,62	12,28	—
(k) Non-Project Imports—IV (November 30, 1964)	,,	23,47	20,38	3,09	—
(l) Consultancy Services (March 1, 1965)	Public	24	8	16	—
(m) Hindustan Motors—II (May 3, 1965)	Private	10,40	—	10,40	—
(n) Hindustan Motors—III (May 3, 1965)	,,	1,33	13	1,20	—
(o) Non-Project Imports—V (June 17, 1965)	Pub./Prvt.	90,09	34,01	56,08	—
(p) Non-Project Imports—VI (May 13, 1966)	,,	—	—	—	46,21 (46,21)
(q) Non-Project Imports—VII (July 8, 1966)	,,	—	—	—	112,09 (—)
(r) Operation Hardrock (May 25, 1966)	Public	—	—	—	1,58 (1,58)
(s) Non-Project Imports—VIII (May 10, 1967)	Pub./Prvt.	—	—	—	37,41 (—)
(t) Non-Project Imports—IX (October 20, 1967)	,,	—	—	—	98,43 (—)
(u) Trombay Fertilizers (December 26, 1968)	Public	—	—	—	—
(v) Production Loan—I (May 12, 1968)	Pub./Prvt.	—	—	—	167,80 (—)
(w) Production Loan—II (December 26, 1968)	,,	—	—	—	145,10 (—)
(x) Private Capital Equipment Loan (November 16, 1969)	Private	—	—	—	—
(y) Production Loan — III (June 23, 1970)	Pub./Prvt.	—	—	—	—
(z) Production Loan — IV (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 (October 4, 1968)	Pub./Prvt.	—	—	—	15,00 (—)
(b) Exim Bank Loan — VI (April 2, 1970)	,,	—	—	—	—
(c) Indian Aluminium (September 8, 1967)	Private	—	—	—	1,44 (—)
(d) Shree Synthetic Loan (September 11, 1970)	,,	—	—	—	—
(3) TCA Loans (excluding P. L. 665)	Public	42,22	42,22	—	—
17. Bulgaria					
Credit for Capital Goods (May 2, 1967)	Public	—	—	—	11,25 (—)
18. Czechoslovakia					
(a) First Credit (November 24, 1959)	Public	21,08	12,61	8,47	—
(b) Second Credit (May 11, 1964)	,,	40,00	—	40,00	—
(c) Third Credit (December 5, 1973)	,,	—	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	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	—	—	—
—	—	—	—	—	87,16 (2,21)	— 6	— 4	—	—	—	—
—	—	—	—	—	74,84 (—)	—1,70	—	—	—	—	—
—	—	—	—	—	112,36 (—)	—	— 1	—	—	—	—
—	—	—	—	—	1,28 (—)	55	50	15	—	—	—
—	—	—	—	—	32,73 (—)	4,63	4	5	— 8	— 1	9
—	—	—	—	—	89,77 (—)	8,62	26	3	—	— 1	3
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	57,20 (—)	82,37	28,46	27	—47	—	—
—	—	—	—	—	—	39,69	93,21	12,54	—34	— 9	9
15,00	—	—	—	—	—	—	2,05	6,33	1,90	67	4,06
—	120,00	—	—	—	—	—	47,89	59,09	1,54	7,30	4,18
—	116,25	26,25	—	—	—	—	—	69,23	9,20	27,37	36,86
—	—	—	—	—	12,89 (1,05)	—	—	—	—	—	—
—	—	—	—	—	31,56 (3,62)	—	—	—	—	—	—
—	—	—	—	—	—	3,66	10,94	40	—	—	—
—	10,18	—	—	—	—	—	91	9,27	—	—	—
—	—	—	—	—	—	—	68	44	32	—	—
—	1,46	—	—	—	—	—	—	1,25	1	1	19
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	11,25
—	—	—	—	—	10,66 (48)	2,23	11	5	—	—	—
—	—	—	—	—	25,53 (33)	5,94	1,22	1,35	6,71	6,60	15,47
—	—	—	—	80,00	—	—	—	—	—	—	80,00

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
V. Industrial Development — (*Contd.*)					
19. Hungary					
(a) Credit for Import of Capital Goods (June 15, 1966)	Public	—	—	—	12,50 (—)
(b) Suppliers' Credit	,,	—	—	—	12,50 (—)
20. Poland					
(a) Credit for Third Plan—I (May 7, 1960)	Public	14,70	10,96	3,74	—
(b) Credit for Third Plan—II (November 16, 1962)	,,	3,63	38	3,25	—
(c) Credit for Third Plan—III (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 (November 9, 1957)	,,	59,53	44,51	15,02	—
(b) Barauni Oil Refinery (September 28, 1959)	,,	11,91	11,31	60	—
(c) Credit for Third Plan—I (September 12, 1959)	,,	178,58	133,56	45,02	—
(d) Credit for Third Plan—II (February 21, 1961)	,,	59,53	18,50	41,03	—
(e) Credit for Fourth Plan (December 10, 1966)	,,	—	—	—	250,00 (—)
22. Yugoslavia					
(a) Credit for Capital Goods—I (January 21, 1960)	Public	17,98	9,71	8,27	—
(b) Credit for Capital Goods—II (June 18, 1966)	,,	—	—	—	46,59 (—)
TOTAL — V		**2200,84**	**1528,73**	**672,11**	**1746,91 (77,12)**
VI. Agricultural Development					
1. IBRD					
(i) Loans fully utilised upto the end of March 1969	Public	3,43	3,43	—	—
(ii) Tarai Seed Project (June 18, 1969)	,,	—	—	—	—
2. IDA					
(i) Loans fully utilised upto the end of March 1969	Public	22,56	18,87	3,69	—
(ii) (a) Salandi Irrigation (November 22, 1961)	,,	3,57	76	2,81	—
(b) Kadana Irrigation Project (February 9, 1970)	,,	—	—	—	—
(c) Gujarat Agricultural Credit (June 3, 1970)	,,	—	—	—	—
(d) Punjab Agricultural Credit (June 24, 1970)	,,	—	—	—	—
(e) Andhra Pradesh Agricultural Credit (January 1, 1971)	,,	—	—	—	—
(f) Agricultural Aviation Project (January 28, 1971)	,,	—	—	—	—

OF FOREIGN LOANS/CREDITS—*(Contd.)*

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	—	—	—	—	—	12,50
—	—	—	—	—	—	—	—	—	—	—	12,50
—	—	—	—	—	2,97 (13)	12	26	25	7	84	1,30
—	—	—	—	—	1,02 (1)	23	1	2	8	1,45	2,31
—	—	—	—	—	6 (—)	3,82	2,52	2,15	40	6	28
—	—	—	—	—	9 (—)	—	—	—	—	—	—
—	—	—	—	—	1,99 (8)	36	30	21	1	1	20,73
—	—	—	—	—	56 (5)	2	—	1	—	—	33
—	—	—	—	—	23,69 (2,80)	3,01	1,14	61	56	69	39,67
—	—	—	—	—	24,56 (1,44)	2,14	3,26	1,07	2,64	10,72	19,40
—	—	—	—	—	13,64 (—)	47	87	3,69	1,03	1,50	228,81
16	—	—	—	—	11,40 (2,11)	26	31	—	—	—	—
—	—	—	—	—	—	25,26	21,43	—	—	—	—
186,26	**551,75**	**359,80**	**357,05**	**523,27**	**1510,84 (45,48)**	**468,97**	**459,04**	**498,58**	**340,22**	**431,02**	**1088,69**
—	—	—	—	—	—	—	—	—	—	—	—
9,75	—	—	—	—	—	—	1,55	35	38	6	7,40
—	—	—	—	—	5,72 (17)	—	—	—	—	—	—
—	—	—	—	—	4,27 (—)	15	—	—	—	—	—
26,25	—	—	—	—	—	—	83	2,84	5,10	8,53	8,95
—	26,25	—	—	—	—	—	—	1,50	18,58	4,04	2,13
—	20,62	—	—	—	—	—	—	—	—	12	20,50
—	18,30	—	—	—	—	—	—	51	7,24	2,84	7,71
—	4,50	—	—	—	—	—	—	—	—	—	4,50

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
VI. Agricultural Development—(*Contd.*)					
2. IDA —(*Contd.*)					
(g) Hariyana Agricultural Credit (June 11, 1971)	Public	—	—	—	—
(h) Tamil Nadu Agricultural Credit (June 11, 1971)	,,	—	—	—	—
(i) Wheat Storage Credit (August 23, 1971)	,,	—	—	—	—
(j) Pochampad Irrigation (August 23, 1971)	,,	—	—	—	—
(k) Mysore Agricultural Credit (January 7, 1972)	,,	—	—	—	—
(l) Maharashtra Agricultural Credit (March 29, 1972)	,,	—	—	—	—
(m) Bihar Agricultural Credit (March 29, 1972)	,,	—	—	—	—
(n) Cochin Fertilizer—II Credit (August 23, 1971)	,,	—	—	—	—
(o) Gorakhpur Fertilizer Credit (January 7, 1972)	,,	—	—	—	—
(p) Nangel Fertilizer Credit (February 9, 1973)	,,	—	—	—	—
(q) Mysore Agricultural Market Credit (May 9, 1973)	,,	—	—	—	—
(r) Madhya Pradesh Agricultural Credit (May 29, 1973)	,,	—	—	—	—
(s) Uttar Pradesh Agricultural Credit (May 29, 1973)	,,	—	—	—	—
(t) Bihar Agricultural Credit (November 30, 1973)	,,	—	—	—	—
(u) Himachal Pradesh Apple Processing Marketing Credit (January 22, 1974)	,,	—	—	—	—
3. Canada					
(a) Fertilizer Loan (July 28, 1967)	Public	—	—	—	6,94 (—)
(b) Fertilizer Loan (December 20, 1968)	,,	—	—	—	10,41 (—)
(c) Fertilizer Loan (August 6, 1969)	,,	—	—	—	—
(d) Fertilizer Loan (April 7, 1971)	,,	—	—	—	—
(e) Fertilizer Loan (July 20, 1973)	,,	—	—	—	—
4. Germany (West)					
Loans fully utilised upto the end of March 1969	Public	1,40	—	1,40	—
5. Italy					
Fertilizer Loan (August 4, 1966)	Public	—	—	—	1,50 (—)
6. Japan					
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—	5,25 (—)
(ii) Bhatinda Fertilizer (March 30, 1974)	,,	—	—	—	—
7. U.K.					
Food Emergency Loan (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	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	18,75	—	—	—	—	—	—	3,38	2,72	12,65
—	—	26,25	—	—	—	—	—	—	3,51	13,07	9,67
—	—	3,75	—	—	—	—	—	—	—	11	3,64
—	—	29,25	—	—	—	—	—	—	10,66	5,60	12,99
—	—	30,00	—	—	—	—	—	—	2,54	5,96	21,50
—	—	22,50	—	—	—	—	—	—	3,46	5,00	14,05
—	—	10,50	—	—	—	—	—	—	—	—	10,50
—	—	15,00	—	—	—	—	—	25	46	5,04	9,25
—	—	7,50	—	—	—	—	—	—	47	2,11	4,92
—	—	—	43,50	—	—	—	—	—	—	3,05	40,45
—	—	—	—	6,00	—	—	—	—	—	—	6,00
—	—	—	—	24,75	—	—	—	—	—	9	24,66
—	—	—	—	28,50	—	—	—	—	—	1,23	27,27
—	—	—	—	24,00	—	—	—	—	—	—	24,00
—	—	—	—	9,75	—	—	—	—	—	—	9,75
—	—	—	—	—	6,27 (—)	55	12	—	—	—	—
—	—	—	—	—	80 (—)	5,11	4,49	1	—	—	—
5,55	—	—	—	—	—	33	2,60	2,62	—	—	—
—	—	6,94	6,94	—	—	—	—	—	23	1,71	11,94
—	—	—	—	6,94	—	—	—	—	—	3,05	3,89
—	—	—	—	—	2,25 (—)	—	—	—	—	—	—
—	—	—	—	—	1,46 (—)	—	—	—	—	—	4
—	—	—	—	—	5,25 (—)	—	—	—	—	—	—
—	—	—	—	22,92	—	—	—	—	—	—	22,92
—	—	—	—	—	13,11 (66)	91	23	61	—	—	—
—	—	—	—	—	31,07 (3,47)	—	—	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
VI. Agricultural Development (*Contd.*)					
8. U.S.A.I.D.—(*Contd.*)					
(ii) (a) Fertilizer Commodity Loan (July 19, 1968) ..	Public	—	—	—	17,25 (—)
(b) Farmers Fertilizer Corporation (June 18, 1971) ..	,,	—	—	—	—
TOTAL— VI		**64,77**	**25,87**	**38,90**	**41,35** (—)
VII. FOOD AID					
1. U.S.A.					
(i) Loans fully utilised upto the end of March 1969	Public	90,31	90,31	—	—
(ii) P.L. 480 Convertible Currency Credits†	,,	—	—	—	121,28 (—)
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	—	—	—	2,07 (2,07)
(ii) Food Assistance Loan—II (March 25, 1968) ..	,,	—	—	—	2,48 (—)
4. Austria					
Food Assistance Loan (December 15, 1967)	Pub./Prvt.	—	—	—	75 (—)
TOTAL— VII		**106,02**	**106,02**	—	**126,58** (207)
VIII. DEBT RELIEF					
2. Austria					
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—	1,68 (—)
(ii) (a) Credit for 1969-70 (October 16, 1969)	,,	—	—	—	—
(b) Credit for 1970-71 (June 29, 1970)	,,	—	—	—	—
(c) Credit for 1971-72 (November 4, 1971)	,,	—	—	—	—
(d) Credit for 1972-73 (October 9, 1972)	,,	—	—	—	—
(e) Credit for 1973-74 (December 28, 1973)	,,	—	—	—	—
2. Belgium					
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—	83 (—)
(ii) (a) Debt Refinancing Credit for 1969-70 (November 8, 1969)	,,	—	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	—	—	—	63 (—)	16,20	42	—	—	—	—
—	—	15,75	—	—	—	—	—	4,15	7,28	1,07	3,26
41,55	**69,67**	**186,19**	**50,44**	**122,86**	**70,83 (4,30)**	**23,25**	**10,24**	**12,84**	**63,29**	**65,40**	**324,54**
—	—	—	—	—	—	—	—	—	—	—	—
112,87	—	79,50	—	—	103,91 (—)	61,96	44,40	103,09	29	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	3,26 (—)	—	—	—	—	—	—
—	—	—	—	—	1,33 (—)	90	18	7	—	—	—
—	—	—	—	—	73 (—)	—	—	—	—	—	2
112,87	—	**79,50**	—	—	**109,23 (—)**	**62,86**	**44,58**	**103,16**	**29**	—	**2**
—	—	—	—	—	1,68 (—)	—	—	—	—	—	—
81	—	—	—	—	—	81	—	—	—	—	—
—	1,10	—	—	—	—	—	1,10	—	—	—	—
—	—	66	—	—	—	—	—	66	—	—	—
—	—	—	1,70	—	—	—	—	—	1,70	—	—
—	—	—	—	1,70	—	—	—	—	—	1,70	—
—	—	—	—	—	83 (—)	—	—	—	—	—	—
83	—	—	—	—	—	83	—	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
VIII. DEBT RELIEF—(*Contd.*)					
2. Belgium—(*Contd.*)					
(b) Debt Refinancing Credit for 1970-71 (December21, 1970)	Public	—	—	—	—
(c) Debt Refinancing Credit for 1971-72 (November 5, 1971)	,,	—	—	—	—
(d) Debt Refinancing Credit for 1972-73 (October 13, 1972)	,,	—	—	—	—
(e) Debt Refinancing Credit for 1973-74 (October 19, 1973)	,,	—	—	—	—
3. Germany (West)					
(i) Loans fully utilised upto the end of March 1969	Public	77,82	77,82	—	16,43 (—)
(ii) (a) DM 62 millior Debt Refinancing Credit (July 25, 1969)	,,	—	—	—	—
(b) DM 73.6 million Debt Refinancing Credit (December 18, 1970)	,,	—	—	—	—
(c) DM 90 million Debt Refinancing Credit (December 2, 1971)	,,	—	—	—	—
(d) DM 98 million Debt Refinancing Credit (December 4, 1972)	,,	—	—	—	—
(e) DM 98 million Debt Refinancing Credit (March 28, 1973)	,,	—	—	—	—
4. France					
(i) Loans fully utilised upto the end of March 1969	Public	—	—	—	3,80 (—)
(ii) (a) Debt Relief (December 11, 1970)	,,	—	—	—	—
(b) Debt Relief (December 11, 1970)	,,	—	—	—	—
(c) Debt Relief (June 22, 1971)	,,	—	—	—	—
(d) Debt Relief (December 15, 1972)	,,	—	—	—	—
(e) Debt Relief (September 18, 1973)	,,	—	—	—	—
5. Italy					
(i) Loans fully utilised upto the end of March 1969 ..	Public	—	—	—	4,12 (—)
(ii) (a) Debt Relief (1969-70) (November 20, 1969) ..	,,	—	—	—	—
(b) Debt Relief (1970-71) (July 26, 1972) ..	,,	—	—	—	—
(c) Debt Relief (1971-72) (February13, 1973) ..	,,	—	—	—	—
(d) Debt Relief (1972-73) (September 21, 1973) ..	,,	—	—	—	—
6. U.K.					
(i) Loans fully utilised upto the end of March 1969 ..	Public	—	—	—	55,50 (—)
(ii) (a) Debt Refinancing Loan (July 2, 1969) ..	,,	—	—	—	—
(b) Debt Refinancing Loan (March 24, 1970) ..	,,	—	—	—	—

OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	83	—	—	—	—	—	83	—	—	—	—
—	—	1,12	—	—	—	—	—	1,12	—	—	—
—	—	—	1,12	—	—	—	—	—	1,12	—	—
—	—	—	—	1,12	—	—	—	—	—	1,12	—
—	—	—	—	—	16,43 (—)	—	—	—	—	—	—
11,62	—	—	—	—	—	12,19	—	—	—	—	—
—	15,64	—	—	—	—	—	15,64	—	—	—	—
—	—	14,55	—	—	—	—	—	14,55	—	—	—
—	—	—	20,08	—	—	—	—	—	20,08	—	—
—	—	—	—	20,08	—	—	—	—	—	20,08	—
—	—	—	—	—	2,80 (—)	1,00	—	—	—	—	—
—	3,75	—	—	—	—	—	3,75	—	—	—	—
—	3,75	—	—	—	—	—	3,75	—	—	—	—
—	—	3,75	—	—	—	—	—	3,75	—	—	—
—	—	—	4,49	—	—	—	—	—	4,49	—	—
—	—	—	—	6,36	—	—	—	—	—	6,36	—
—	—	—	—	—	—	—	4,12	—	—	—	—
5,51	—	—	—	—	—	—	—	—	5,51	—	—
—	—	—	5,51	—	—	—	—	—	5,51	—	—
—	—	—	4,20	—	—	—	—	—	—	—	4,20
—	—	—	—	12,60	—	—	—	—	—	—	12,60
—	—	—	—	—	55,50 (—)	—	—	—	—	—	—
13,50	—	—	—	—	—	13,50	—	—	—	—	—
13,50	—	—	—	—	—	13,50	—	—	—	—	—

STATEMENT 102—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	1966-69 @
	1	2	3	4	5
VIII. DEBT RELIEF—(*Contd.*)					
6. U. K. (*Contd.*)					
(c) Debt Refinancing Loan (September 6, 1971) ..	Public	—	—	—	—
(d) Debt Renfinancing Loan (December 11, 1972) ..	,,	—	—	—	—
(e) Debt Refinancing Loan (February 1, 1974) ..	,,	—	—	—	—
7. U.S.A.					
(a) Debt Refinancing Loan (March 30, 1973) ..	Public	—	—	—	—
(b) Debt Refinancing Loan (March 30, 1973) ..	,,	—	—	—	—
(c) Debt Refinancing Loan (June 7, 1974) £ ..	,,	—	—	—	—
TOTAL— VIII		**77,82**	**77,82**	—	**82,36** (—)
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 (June 2, 1967)	Public	—	—	—	5,48 (—)
(b) Loan for Indian family planning programme (June 29, 1968)	,,	—	—	—	2,03 (—)
3. IDA					
(a) Credit for Population Project (June 14, 1972) ..	Public	—	—	—	—
(b) Credit for Education Project (November 10, 1972)	,,	—	—	—	—
(c) Bombay Water Supply Project (May 17, 1973)	,,	—	—	—	—
(d) Calcutta Urban Development Project (September 12, 1973)	,,	—	—	—	—
TOTAL—IX		**34**	**25**	**9**	**7,51** (—)
GRAND TOTAL		**3787,19**	**2759,80**	**1027,39**	**2225,17** **(89,11)**

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 loan-wise 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 1974.

† Include amounts authorised for purchase of cotton and Soyabean oil.

£ Though the agreement was signed on June 7, 1974, the debt-relief related to the period 1973-74.

OF FOREIGN LOANS/CREDITS—*(Concld.)*

(In lakhs of rupees)

Authorisations					Utilisation						Aid undisbursed as at the end of March 1974*
1969-70	1970-71	1971-72	1972-73	1973-74	1966-69 @	1969-70	1970-71	1971-72	1972-73	1973-74	
6	7	8	9	10	11	12	13	14	15	16	17
—	—	13,50	—	—	—	—	—	13,50	—	—	—
—	—	—	14,40	—	—	—	—	—	14,40	—	—
—	—	—	—	14,40	—	—	—	—	—	14,40	—
—	—	—	4,16	—	—	—	—	—	4,16	—	—
—	—	—	17,69	—	—	—	—	—	17,69	—	—
—	—	—	—	22,01	—	—	—	—	—	22,01	—
45,77	**25,07**	**33,58**	**73,35**	**78,27**	**77,24** (—)	**41,83**	**29,19**	**33,58**	**74,66**	**65,67**	**16,80**
—	—	—	—	—	9 (9)	—	—	—	—	—	—
—	—	—	—	—	55 (—)	28	4,51	14	—	—	—
—	—	—	—	—	—	—	17	13	1,14	3	56
—	—	—	15,90	—	—	—	—	—	—	19	15,71
—	—	—	9,00	—	—	—	—	—	—	—	9,00
—	—	—	—	41,25	—	—	—	—	—	47	40,78
—	—	—	—	26,25	—	—	—	—	—	—	26,25
—	—	—	**24,90**	**67,50**	**64** (9)	**28**	**4,68**	**27**	**1,14**	**69**	**92,30**
522,49	**678,50**	**831,81**	**599,74**	**986,51**	**2200,48** (67,32)	**700,13**	**690,28**	**762,01**	**593,83**	**676,03**	**1847,47**

STATEMENT 103—EXTERNAL ASSISTANCE

	Authorisations									
	Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
	1	2	3	4	5	6	7	8	9	10
A. Loans										
1. Burma										
Credit of March 12, 1959 ..	20,00	—	—	—	—	—	—	—	—	—
2. Nepal										
(*i*) First Credit of September 29, 1964	—	1,00	—	—	—	—	—	—	—	—
(*ii*) Second Credit of February 23, 1973	—	—	—	—	—	—	—	—	—	5,00
TOTAL	—	**1,00**	—	—	—	—	—	—	—	**5,00**
3. Sri Lanka										
(*i*) First credit of February 14, 1966	—	2,00	—	—	—	—	—	—	—	—
(*ii*) Second credit of August 16, 1967	—	—	—	5,00	—	—	—	—	—	—
(*iii*) Third credit of June 30, 1969	—	—	—	—	—	5,00	—	—	—	—
(*iv*) Fourth credit of November 26, 1971	—	—	—	—	—	—	—	5,00	—	—
(*v*) Fifth credit of November 27, 1971	—	—	—	—	—	—	—	40	—	—
TOTAL	—	**2,00**	—	**5,00**	—	**5,00**	—	**5,40**	—	—
4. Indonesia										
First 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	—	—	—	—	—	—	—	70	—	—
(*iv*) Loans in 1973-74	—	—	—	—	—	—	—	—	—	45
TOTAL	—	—	—	—	—	**60**	**30**	**70**	—	**45**
6. Mauritius										
First credit of September 4, 1972	—	—	—	—	—	—	—	—	3,21	—
7. Tanzania										
First credit of December 6, 1972	—	—	—	—	—	—	—	—	5,00	—
8. Bangladesh										
(*i*) Foreign Exchange Loan ..	—	—	—	—	—	—	—	9,50	—	—
(*ii*) Rehabilitation of Railway system etc.	—	—	—	—	—	—	—	29	9,71	—
(*iii*) Supply of two aircrafts and two ships	—	—	—	—	—	—	—	1,50	4,50	—
(*iv*) Loan to cover crude supplies	—	—	—	—	—	—	—	—	8,10	—
(*v*) Supply of 150 buses ..	—	—	—	—	—	—	—	—	1,33	—
(*vi*) Supply of Textile Machinery	—	—	—	—	—	—	—	—	—	6,00
(*vii*) Amount kept for over-runs	—	—	—	—	—	—	—	—	—	2,13
(*viii*) Supply of commodities ..	—	—	—	—	—	—	—	—	—	10,00
(*ix*) Miscellaneous	—	—	—	—	—	—	—	—	—	14,00
TOTAL	—	—	—	—	—	—	—	**11,29**	**23,64**	**32,13**
TOTAL—A	**20,00**	**3,00**	**10,00**	**5,00**	—	**5,60**	**30**	**17,39**	**31,85**	**37,58**
B. GRANTS										
1. Nepal	9,60	20,60	8,40	8,80	11,00	12,00	9,00	11,80	9,00	9,00
2. Bhutan	—	10,50	20,00	—	—	—	—	5,60	7,00	9,85
3. Bangladesh	—	—	—	—	—	—	—	23,48	109,46	10,00
TOTAL—B	**9,60**	**31,10**	**28,40**	**8,80**	**11,00**	**12,00**	**9,00**	**40,88**	**125,46**	**28,85**
GRAND TOTAL	**29,60**	**34,10**	**38,40**	**13,80**	**11,00**	**17,60**	**9,30**	**58,27**	**157,31**	**66,43**

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 expenditures on training of Nepalese scholars in India.

EXTENDED BY INDIA

(In lakhs of rupees)

Utilisation										
Upto March 1961	1961-62 to 1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	Aid undisbursed as at the end of March 1974
11	12	13	14	15	16	17	18	19	20	21
20,00	—	—	—	—	—	—	—	—	—	—
—	13	13	6	5	3	—	—	15	—	45
—	—	—	—	—	—	—	—	—	—	5,00
—	**13**	**13**	**6**	**5**	**3**	—	—	**15**	—	**5,45**
—	—	1,40	60	—	—	—	—	—	—	—
—	—	—	—	1,21	2,72	57	4	—	—	46
—	—	—	—	—	35	2,76	1,19	34	1	35
—	—	—	—	—	—	—	—	1,60	1,02	2,38
—	—	—	—	—	—	—	—	—	30	10
—	—	**1,40**	**60**	**1,21**	**3,07**	**3,33**	**1,23**	**1,94**	**1,33**	**3,29**
—	—	2	6,20	3,59	8	11	—	—	—	—
—	—	—	—	—	60	—	—	—	—	—
—	—	—	—	—	—	30	—	—	—	—
—	—	—	—	—	—	—	70	—	—	—
—	—	—	—	—	—	—	—	—	45	—
—	—	—	—	—	**60**	**30**	**70**	—	**45**	—
—	—	—	—	—	—	—	—	—	—	3,21
—	—	—	—	—	—	—	—	—	—	5,00
—	—	—	—	—	—	—	9,50	—	—	—
—	—	—	—	—	—	—	—	—	3,95	6,05
—	—	—	—	—	—	—	1,50	—	4,50	—
—	—	—	—	—	—	—	—	7,97	—	13
—	—	—	—	—	—	—	—	—	1,28	5
—	—	—	—	—	—	—	—	—	—	6,00
—	—	—	—	—	—	—	—	—	—	2,13
—	—	—	—	—	—	—	—	—	—	10,00
—	—	—	—	—	—	—	—	—	—	14,00
—	—	—	—	—	—	—	**11,00**	**7,97**	**9,73**	**38,36**
20,00	**13**	**1,55**	**6,86**	**4,85**	**3,78**	**3,74**	**12,93**	**10,06**	**11,51**	**55,31**
9,00	20,60	8,37	8,81	10,98	12,01	9,00	9,10	7,20	7,87	6,26
—	10,50	2,70	3,40	4,20	5,00	4,70	5,60	7,00	9,85	—
—	—	—	—	—	—	—	23,48	99,50	2,68	17,28
9,00	**31,10**	**11,07**	**12,21**	**15,18**	**17,01**	**13,70**	**38,18**	**113,70**	**20,40**	**23,54**
29,00	**31,23**	**12,62**	**19,07**	**20,03**	**20,79**	**17,44**	**51,11**	**123,76**	**31,91**	**78,85**

3. Figures for aid to Bangladesh do not cover the relief goods of the value of Rs. 17 crores supplied to that country in 1971-72.

STATEMENT 104 — INDIA'S OVERALL BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)

A. CURRENT ACCOUNT

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise (*a*)															
A. Private	440,25	181,22	+259,03	469,46	211,74	+257,72	447,63	181,96	+265,67	523,89	204,05	+319,84	1881,23	778,97	+1102,26
B. Government	3,39	249,46	—246,07	5,35	295,46	—290,11	3,52	322,88	—319,36	1,87	499,57	—497,70	14,13	1367,37	—1353,24
2. Non-monetary Gold Movement ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel (*b*) ..	7,86	4,73	+3,13	9,44	5,37	+4,07	9,86	5,47	+4,39	10,68	3,76	+6,92	37,84	19,33	+18,51
4. Transportation ..	30,22	17,11	+13,11	30,43	20,45	+9,98	29,70	14,68	+15,02	31,46	18,65	+12,81	121,81	70,89	+50,92
5. Insurance	3,66	2,90	+76	4,16	3,15	+1,01	4,76	3,19	+1,57	4,12	3,02	+1,10	16,70	12,26	+4,44
6. Investment Income ..	5,97	66,52	—60,55	9,78	67,85	—58,07	5,04	56,58	—51,54	8,69	94,86	—86,17	29,48	285,81	—256,33
7. Government, not included elsewhere (*c*) ..	10,83	5,49	+5,34	6,29	5,92	+37	6,29	4,80	+1,49	7,58	6,51	+1,07	30,99	22,72	+8,27
8. Miscellaneous	11,02	15,27	—4,25	14,16	20,35	—6,19	12,31	21,82	—9,51	22,81	26,55	—3,74	60,30	83,99	—23,69
9. Transfer Payments ..															
(*i*) Official	5,04	6,77	—1,73	1,52	3,75	—2,23	44,56	2,51	+42,05	12,67	7,49	+5,18	63,79	20,52	+43,27
(*ii*) Private (*d*) ..	33,02	3,27	+29,75	41,49	2,54	+38,95	43,21	2,20	+41,01	47,57	3,24	+44,33	165,29	11,25	+154,04
10. **Total Current Transactions**	**551,26**	**552,74**	**—1,48**	**592,08**	**636,58**	**—44,50**	**606,88**	**616,09**	**—9,21**	**671,34**	**867,70**	**—196,36**	**2421,56**	**2673,11**	**—251,55**
Errors & Omissions			*—52,75*			*—49,98*			*—50,96*			*+121,94*			*—31,75*

(*a*) Exports *f. o. b.*, imports *c. i. f.*

(*b*) Credits are provisional estimates.

(*c*) Credits include U. S. Embassy expenditure in India met out of P.L. 480 funds.

(*d*) Credits include contra-entries for imports under P. L. 480 Title II programme.

STATEMENT 104 — INDIA'S OVERALL BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Private (*a*)	**16,37**	**17,32**	**—95**	**12,34**	**14,75**	**—2,41**	**15,54**	**11,76**	**+3,78**	**13,11**	**20,97**	**—7,86**	**57,36**	**64,80**	**—7,44**
1. Long-term ..	16,08	16,84	—76	12,22	14,56	—2,34	15,41	11,49	+3,92	13,08	20,76	—7,68	56,79	63,65	—6,86
2. Short-term ..	29	48	—19	12	19	—7	13	27	—14	3	21	—18	57	1,15	—58
II. Banking (*b*)	**20,08**	**17,99**	**+2,09**	**16,75**	**21,34**	**—4,59**	**17,21**	**22,90**	**—5,69**	**12,22**	**21,56**	**—9,34**	**66,26**	**83,79**	**—17,53**
III. Official (*c*)	**171,05**	**117,96**	**+53,09**	**197,96**	**96,48**	**+101,48**	**238,55**	**176,47**	**+62,08**	**321,01**	**229,39**	**+91,62**	**928,57**	**620,30**	**+308,27**
1. Loans (*d*) ..	116,17	20	+115,97	85,72	43	+85,29	169,44	55	+168,89	215,55	22	+215,33	586,88	1,40	+585,48
2. Amortisation (*e*)	—	51,21	—51,21	—	55,49	—55,49	—	76,06	—76,06	—	62,52	—62,52	—	245,28	—245,28
3. Miscellaneous (*f*)	34,53	49,79	—15,26	50,67	40,56	+10,11	39,07	74,05	—34,98	70,51	95,65	—25,14	194,78	260,05	—65,27
4. Reserves (*g*) ..	20,35	16,76	+3,59	61,57	—	+61,57	30,04	25,81	+4,23	34,95	71,00	—36,05	146,91	113,57	+33,34
IV. Total Capital and Monetary Gold	**207,50**	**153,27**	**+54,23**	**227,05**	**132,57**	**+94,48**	**271,30**	**211,13**	**+60,17**	**346,34**	**271,92**	**+74,42**	**1052,19**	**768,89**	**+283,30**

(*a*) Includes drawings and repayments on account of IBRD loans and other foreign government loans to private sector in India.

(*b*) Excluding the Reserve Bank of India.

(*c*) Including the Reserve Bank of India.

(*d*) Credits represent utilisation of various loans and credits obtained by the official sector as well as rupee loans out of P. L. 480 and P. L. 665 counterpart funds. Debits relate to the loans and credits extended to foreign governments.

(*e*) Debits represent repayment of loans on official account; credits represent repayment of loans by Ceylon.

(*f*) Covers capital receipts and payments on official account other than loans and amortisation transactions.

(*g*) Represents changes in the official foreign exchange assets, gold holdings of the R. B. I. and SDR holdings of the Government.

STATEMENT 105 — INDIA'S BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	92,12	44,37	+47,75	103,54	42,72	+60,82	109,88	32,15	+77,73	119,74	34,55	+85,19	425,28	153,79	+271,49
(*b*) Government ..	3,02	61,35	—58,33	3,25	62,55	—59,30	2,18	60,81	—58,63	1,06	96,84	—95,78	9,51	281,55	—272,04
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	3,05	1,08	+1,97	3,99	1,19	+2,80	3,73	1,00	+2,73	3,97	1,01	+2,96	14,74	4,28	+10,46
4. Transportation ..	9,22	6,79	+2,43	7,51	7,25	+26	6,73	5,46	+1,27	7,40	7,05	+35	30,86	26,55	+4,31
5. Insurance	1,40	1,91	—51	1,67	1,74	—7	2,24	2,38	—14	1,28	1,73	—45	6,59	7,76	—1,17
6. Investment Income ..	1,41	16,16	—14,75	5,84	8,74	—2,90	2,40	14,48	—12,08	4,89	13,31	—8,42	14,54	52,69	—38,15
7. Government, not included elsewhere	1,87	2,01	—14	98	1,93	—95	64	1,68	—1,04	1,77	2,30	—53	5,26	7,92	—2,66
8. Miscellaneous	3,88	5,07	—1,19	5,53	5,80	—27	4,27	6,08	—1,81	8,23	6,71	+1,52	21,91	23,66	—1,75
9. Transfer Payments ..															
(*i*) Official	3	6,73	—6,70	1	2,84	—2,83	—	1,12	—1,12	—	1,30	—1,30	4	11,99	—11,95
(*ii*) Private	9,45	1,84	+7,61	12,14	1,52	+10,62	11,17	1,33	+9,84	13,02	2,16	+10,86	45,78	6,85	+38,93
10. **Total Current Transactions**	**125,45**	**147,31**	**—21,86**	**144,46**	**136,28**	**+8,18**	**143,24**	**126,49**	**+16,75**	**161,36**	**166,96**	**—5,60**	**574,51**	**577,04**	**—2,53**

Note : Please see footnotes to Statement No. 104.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	96,12	30,70	+65,42	95,62	35,45	+60,17	76,13	32,97	+43,16	77,58	39,03	+38,55	345,45	138,15	+207,30
(*b*) Government ..	18	66,31	—66,13	1,27	53,16	—51,89	91	62,22	—61,31	35	147,35	—147,00	2,71	329,04	—326,33
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	3,23	1,99	+1,24	3,45	2,42	+1,03	4,01	1,90	+2,11	3,97	1,37	+2,60	14,66	7,68	+6,98
4. Transportation ..	6,21	4,10	+2,11	7,23	3,84	+3,39	7,04	2,15	+4,89	5,32	3,79	+1,53	25,80	13,88	+11,92
5. Insurance	38	54	—16	40	94	—54	42	66	—24	34	83	—49	1,54	2,97	—1,43
6. Investment Income ..	79	29,25	—28,46	69	30,23	—29,54	76	21,66	—20,90	1,26	37,65	—36,39	3,50	118,79	—115,29
7. Government, not included elsewhere ..	3,32	1,06	+2,26	1,20	1,39	—19	2,34	1,31	+1,03	2,30	1,58	+72	9,16	5,34	+3,82
8. Miscellaneous	2,96	3,13	—17	3,33	4,92	—1,59	2,84	5,64	—2,80	1,89	5,61	—3,72	11,02	19,30	—8,28
9. Transfer Payments ..															
(*i*) Official	4,90	1	+4,89	1,47	—	+1,47	44,55	52	+44,03	5,56	—	+5,56	56,48	53	+55,95
(*ii*) Private	19,92	42	+19,50	23,36	33	+23,03	27,22	24	+26,98	29,75	18	+29,57	100,25	1,17	+99,08
10. **Total Current Transactions**	**138,01**	**137,51**	**+50**	**138,02**	**132,68**	**+5,34**	**166,22**	**129,27**	**+36,95**	**128,32**	**237,39**	**—109,07**	**570,57**	**636,85**	**—66,28**

Note : Please see footnotes to Statement No. 104.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	54,19	37,11	+17,08	64,36	43,71	+20,65	67,42	36,51	+30,91	81,71	36,55	+45,16	267,68	153,88	+113,80
(*b*) Government ..	14	43,54	—43,40	47	52,11	—51,64	38	78,90	—78,52	—	88,68	—88,68	99	263,23	—262,24
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	89	1,25	—36	1,16	1,34	—18	1,27	91	+36	1,63	80	+83	4,95	4,30	+65
4. Transportation ..	2,58	2,72	—14	3,08	4,98	—1,90	3,27	3,96	—69	3,94	4,76	—82	12,87	16,42	—3,55
5. Insurance	40	12	+28	49	33	+16	53	10	+43	64	12	+52	2,06	67	+1,39
6. Investment Income ..	98	12,46	—11,48	2,56	8,19	—5,63	1,00	12,09	—11,09	1,86	13,35	—11,49	6,40	46,09	—39,69
7. Government, not included elsewhere	93	82	+11	95	89	+6	1,00	54	+46	67	1,31	—64	3,55	3,56	—1
8. Miscellaneous	2,27	3,08	—81	2,43	3,69	—1,26	2,54	5,48	—2,94	2,61	5,36	—2,75	9,85	17,61	—7,76
9. Transfer Payments ..															
(*i*) Official	11	—	+11	2	—	+2	1	—	+1	7,11	1	+7,10	7,25	1	+7,24
(*ii*) Private	2,98	31	+2,67	5,24	37	+4,87	3,98	34	+3,64	3,70	59	+3,11	15,90	1,61	+14,29
10. **Total Current Transactions .. .. ..**	**65,47**	**101,41**	**—35,94**	**80,76**	**115,61**	**—34,85**	**81,40**	**138,83**	**—57,43**	**103,87**	**151,53**	**—47,66**	**331,50**	**507,38**	**—175,88**

Note : Please see footnotes to Statement No. 104.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	197,82	69,04	+128,78	205,94	89,86	+116,08	194,20	80,33	+113,87	244,86	93,92	+150,94	842,82	333,15	+509,67
(*b*) Government ..	5	78,26	—78,21	36	127,64	—127,28	5	120,95	—120,90	46	166,70	—166,24	92	493,55	—492,63
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	69	41	+28	84	42	+42	85	1,66	—81	1,11	58	+53	3,49	3,07	+42
4. Transportation ..	12,21	3,50	+8,71	12,61	4,38	+8,23	12,66	3,11	+9,55	14,80	3,05	+11,75	52,28	14,04	+38,24
5. Insurance	1,48	33	+1,15	1,60	14	+1,46	1,57	5	+1,52	1,86	34	+1,52	6,51	86	+5,65
6. Investment Income ..	75	18	+57	68	11,54	—10,86	88	2,53	—1,65	68	21,34	—20,66	2,99	35,59	—32,60
7. Government, not included elsewhere	4,17	1,60	+2,57	2,62	1,71	+91	1,93	1,27	+66	2,06	1,32	+74	10,78	5,90	+4,88
8. Miscellaneous	1,89	3,99	—2,10	2,73	5,94	—3,21	2,59	4,57	—1,98	9,72	8,72	+1,00	16,93	23,22	—6,29
9. Transfer Payments ..															
(*i*) Official	—	—	—	2	—	+2	—	—	—	—	—	—	2	—	+2
(*ii*) Private	67	70	—3	75	32	+43	84	29	+55	1,07	31	+76	3,33	1,62	+1,71
10. **Total Current Transactions**	**219,73**	**158,01**	**+61,72**	**228,15**	**241,95**	**—13,80**	**215,57**	**214,76**	**+81**	**276,62**	**296,28**	**—19,66**	**940,07**	**911,00**	**+29,07**

Note : Please see footnotes to Statement No. 104.

STATEMENT 105—INDIA'S BALANCE OF PAYMENTS, 1972-73 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In lakhs of rupees)

Item	April-June 1972			July-September 1972			October-December 1972			January-March 1973			1972-73		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Government ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Transportation ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Investment Income ..	2,04	8,47	—6,43	1	9,15	—9,14	—	5,82	—5,82	—	9,21	—9,21	2,05	32,65	—30,60
7. Government, not included elsewhere	54	—	+54	54	—	+54	38	—	+38	78	—	+78	2,24	—	+2,24
8. Miscellaneous	2	—	+2	14	—	+14	7	5	+2	36	15	+21	59	20	+39
9. Transfer Payments ..															
(*i*) Official	—	3	—3	—	91	—91	—	87	—87	—	6,18	—6,18	—	7,99	—7,99
(*ii*) Private	—	—	—	—	—	—	—	—	—	3	—	+3	3	—	+3
10. Total Current Transactions	**2,60**	**8,50**	**—5,90**	**69**	**10,06**	**—9,37**	**45**	**6,74**	**—6,29**	**1,17**	**15,54**	**—14,37**	**4,91**	**40,84**	**—35,93**

Note : Please see footnotes to Statement No. 104.

STATEMENT 106 — FOREIGN EXCHANGE RESERVES

(In lakhs of rupees)

End of	Gold	SDRs	Foreign Exchange	Total Reserves (1+2+3)	Variations over the previous year/month
	1	2	3	4	5
1960-61	117,76	—	185,85	**303,61**	—59,25
1965-66	115,89	—	182,09	**297,98**	+48,30
1969-70	182,53	92,05	546,37	**820,95**	+244,25
1970-71	182,53	111,69	438,12	**732,34**	—88,61
1971-72	182,53	185,77	480,38	**848,68**	+116,34
1972-73	182,53	184,86	478,90	**846,29**	—2,39
1973-74	182,53	183,71	580,78	**947,02**	+ 100,73
March 1973 ..	182,53	184,86	478,90	**846,29**	+ 28,85
April ,, ..	182,53	183,94	473,56	**840,03**	—6,26
May ,, ..	182,53	183,94	477,87	**844,34**	+ 4,31
June ,, ..	182,53	183,94	516,12	**882,59**	+ 38,25
July ,, ..	182,53	183,94	542,27	**908,74**	+ 26,15
August ,, ..	182,53	183,94	516,95	**883,42**	—25,32
September ,, ..	182,53	183,94	495,95	**862,42**	—21,00
October .. ,, ..	182,53	183,94	446,34	**812,81**	—49,61
November ,, ..	182,53	183,94	394,48	**760,95**	—51,86
December ,, ..	182,53	183,94	376,75	**743,22**	—17,73
January 1974 ..	182,53	183,94	412,23	**778,70**	+ 35,48
February ,, ..	182,53	183,71	523,29	**889,53**	+ 110,83
March ,, ..	182,53	183,71	580,78	**947,02**	+ 57,49
April ,, ..	182,53	182,77	663,32†	**1028,62†**	+ 81,60†
May ,, ..	182,53	181,89	768,09†	**1132,51†**	+103,89†
June ,, ..	182,53	181,89	761,68†	**1126,10†**	—6,41†

Notes: (1) Gold is valued at Rs. 53.58 per 10 grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter.
(2) SDRs are valued at Rs. 7.50 per unit.
(3) All foreign exchange holdings are valued at par/central rates upto June 1972 except for the holdings of Canadian dollars from June 1970 to June 1972 which are valued on the basis of the monthly averages of spot buying and selling rates in New York, and the holdings of deutsche marks from May to November 1971 and of yen and sterling from September to November 1971 which are valued on the basis of the monthly averages of spot buying and selling rates in London. From July 1972 holdings in sterling are valued at the average of the Bank's spot buying and selling rates while all other foreign exchange holdings are valued on the basis of the monthly averages of the spot buying and selling rates in London from July 1972 to April 1974, and on the basis of the averages of spot buying and selling rates in London from May 1974.
† Provisional.

STATEMENT 107 — STERLING TRANSACTIONS OF THE RESERVE BANK OF INDIA (*a*)

Year/Month	Purchases (*b*)		Sales(*c*)		Net Purchases (+)/Sales (—)	
	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)
	1	2	3	4	5	6
1960-61	31,310	41,74	62,112	82,88	—30,802	— 41,14
1965-66	122,183	162,91	81,972	109,41	+40,211	+ 53,50
1969-70	165,755	298,36	175,918	317,66	—10,163	— 19,30
1970-71	140,196	252,35	190,116	343,29	—49,920	— 90,94
1971-72	149,971	270,28	156,915	289,57	— 6,944	— 19,29
1972-73	188,400	352,52	93,145	175,63	+95,255	+176,89
1973-74	389,448	726,76	180,095	339,48	+209,353	+387,28
March 1973	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
July ,, ...	30,857	57,51	12,870	24,26	+17,987	+ 33,25
August ,, ...	33,867	63,13	20,510	38,66	+13,357	+ 24,47
September ,, ...	35,627	66,50	13,000	24,51	+22,627	+ 41,99
October ,, ...	39,898	74,43	18,585	35,03	+21,313	+ 39,40
November ,, ...	35,546	66,35	12,140	22,88	+23,406	+ 43,47
December ,, ...	21,987	41,06	14,410	27,16	+ 7,577	+ 13,90
January 1974	51,138	95,45	22,520	42,45	+28,618	+ 53,00
February ,, ...	45,191	84,37	36,935	69,62	+ 8,256	+ 14,75
March ,, ...	30,507	57,01	18,040	34,01	+12,467	+ 23,00
April ,, ...	36,731	68,65	39,340	74,16	— 2,609	— 5,51
May ,, ...	31,509	58,82	14,995	28,27	+16,514	+ 30,55
June ,, ...	38,597	71,96	23,625	44,53	+14,972	+ 27,43

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 108 — COMMODITIES SUBJECT TO EXPORT DUTY DURING 1973-74*

Item	Rate of Duty as on June 30, 1974	Changes during the year		Effective Date
		From	To	
1. Jute Manufactures				
(a) Hessian (other than carpet backing and jute specialities)	Rs. 600 per tonne	Rs. 600 per tonne Rs. 200 per tonne	Rs. 200 per tonne Rs. 600 per tonne	August 28, 1973 March 23, 1974
(b) Sacking (cloth, bags, twist, yarn, rope and twine) excluding jute wool sacks	Rs. 150 per tonne	Rs. 150 per tonne Nil	Nil Rs. 150 per tonne	August 28, 1973 March 23, 1974
(c) (i) Carpet backing weighing 7½ ounces or more per square yard	Rs. 650 per tonne	Rs. 200 per tonne	Rs. 650 per tonne	March 23, 1974
(ii) Carpet backing weighing less than 7½ ounces per square yard	Rs. 750 per tonne	Rs. 300 per tonne	Rs. 750 per tonne	March 23, 1974
(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	No change		October 14, 1966
(ii) Bengal Deshi	Rs. 700 per tonne			
(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

STATEMENT 108 — COMMODITIES SUBJECT TO EXPORT DUTY DURING 1973-74* (*Concld.*)

Item	Rate of Duty as on June 30, 1974	Changes during the year		Effective Date
		From	To	
7. Mica				
(i) Mica loose splittings of grade numbers 5½ and 6 and mica mixed torn loose grade numbers 5 and 5½	15 per cent *ad valorem*	No change		January 1, 1973
(ii) Mica splittings of all grades other than those specified against Sr No. (*i*) above	20 per cent *ad valorem*	No change		January 1, 1973
(iii) Mica blocks and cordenser films of all grade numbers 2 and grades superior thereto	30 per cent *ad valorem*	No change		April 28, 1973
(iv) Mica blocks and condenser films of all grade other than those specified against Sr. No. (iii) above	20 per cent *ad valorem*	No change		April 28, 1973
(v) Fabricated mica	10 per cent *ad valorem*	No charge		May 1, 1972
8. Hides and skins and leather, tanned and untanned, all varieties excluding leather manufactures				
(i) Snake skins	20 per cent *ad valorem*	10 per cent *ad valorem*	20 per cent *ad valorem*	January 1, 1974
(ii) Other varieties (excluding (a) finished leather of goat, sheep and bovine animal and of their young ones, (b) tanned hides of bovine animals but excluding calf skin)	20 per cent *ad valorem*	10 per cent *ad valorem*	20 per cent *ad valorem*	January 1, 1974
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
13. Iron Ore			
(a) Lumpy iron ore			
(i) Lumpy iron ore having manganese content less than 10 per cent and combined manganese and iron content less than 3 per cent (commonly known as Black Iron Ore)	Rs. 7 per tonne	No change	May 28, 1973
(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		
(iv) Lumpy iron ore having less than 58 per cent of iron content	Rs. 4 per tonne		
(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. 4 per tonne	No change	August 2, 1966
17. Chrome concentrates	Rs. 15 per tonne	No change	August 2, 1966

*Relates to the period July 1973 to June 1974.

@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 109—ISSUE OF IMPORT LICENCES

(April-March)

(Rupees crores)

Category		1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
		1	2	3	4	5	6	7
Established Importers	G	—	—	—	—	5.3	1.9	—
	P	83.6	44.5	43.8	41.8	35.5	53.4	38.5
	T	83.6	44.5	43.8	41.8	40.8	55.3	38.5
Actual Users (Non-DGTD, Non-SSI)	G	160.1	113.2	175.9	213.4	306.6	330.6	431.3
	P	140.3	129.2	125.3	98.5	61.7	45.4	52.1
	T	300.4	242.4	301.2	311.9	368.3	376.0	483.4
Raw Materials for Scheduled Industries (DGTD units) ..	G	—	—	25.3	57.4	18 2	3.3	6.8
	P	230.0	232.1	249.5	327.6	234.5	167.9	191.4
	T	230.0	232.1	274.8	385.0	252.7	171.2	198.2
Small-Scale Industries	G	—	—	—	—	—	—	—
	P	49.8	36.7	65.6	83.3	118.0	86.4	82.9
	T	49.8	36.7	65.6	83.3	118.0	86.4	82.9
Registered Exporters/Export Promotion Schemes ..	G	—	—	0.3	1.6	0.6	0.9	1.6
	P	51.9	63.8	86.5	93.3	92.9	135.1	149.7
	T	51.9	63.8	86.8	94.9	93.5	136.0	151.3
Capital Goods/Heavy Electrical Plants	G	81.1	48.4	24.0	52.1	144.4	154.1	130.5
	P	83.6	35.4	49.2	75.0	107.8	113.9	131.1
	T	164.7	83.8	73.2	127.1	252.2	268.0	261.6
State Trading Agencies	G	116.3	150.5	242.8	444.5	587.6	620.9	948.3
	P	—	—	—	—	—	—	—
	T	116.3	150.5	242.8	444.5	587.6	620.9	948.3
Others@	G	57.0	61.0	78.1	114.1	118.6	115.8	135.1
	P	56.7	29.7	37.4	31.3	22.0	26.1	34.5
	T	113.7	90.7	115.5	145.4	140.6	141.9	169.6
TOTAL	**G**	**414.5**	**373.1**	**546.4**	**883.1**	**1,181.3**	**1,227.5**	**1,653.6**
	P	**695.9**	**571.4**	**657.3**	**750.8**	**672.4**	**628.2**	**680.2**
	T	**1,110.4**	**944.5**	**1,203.7**	**1,633.9**	**1,853.7**	**1,855.7**	**2,333.8**

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 : 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 110—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†$**	*5.6*	69,96	*1.3*	371,46	*6.8*	1,756,93	*32.4*	2,848,12	*52.5*	43,41	*0.8*	19,08	*0.4*	10,25	*0.2*	**5,424,44**	165,74£
1974 ..	282,77	45,87†	**328,64†$**	*5.4*	82,92	*1.4*	411,69	*6.7*	1,980,12	*32.4*	3,215,80	*52.7*	35,22	*0.6*	25,08	*0.4*	26,01	*0.4*	**6,105,48**	185,95£

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 various commemorative Ten Rupee coins.

$ Does not include one rupee notes/coins worth Rs. 9,72,000 and Rs. 8,18,000 as at the end of March, 1973 and 1974 respectively held in the Banking Department.

STATEMENT 111—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (DENOMINATION-WISE)

[**Absorption (+) or Return (—)**]

(In thousands of rupees)

Year	Half Rupee	Four Anna	Two Anna	One Anna	Half Anna	Single Pice	Half Pice	Pie	Fifty Paise/ Naye Paise	Twenty five Paise/ Naye Paise	Twenty Paise	Ten Paise/ Naye Paise	Five Paise/ Naye Paise	Three Paise	Two Paise/ Naye Paise	One Paisa/ Naya Paisa	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	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**
1973–74* ..	+ 2,58	— 5,99	— 90	— 22	— 6	—	—	—	+6,15,03	+7,07,87	+ 1,27	+4,18,32	+1,95,57	+ 2,79	+37,25	+ 63	+**19,74,14**

* Provisional.

STATEMENT 112—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*	1973-74*
	1	2	3	4	5	6	7
I. Quaternary Silver							
Half Rupee	— 10	—	— 1	—	—	—	—
Quarter Rupee	— 23	—	—	—	—	—	—
Total	**— 33**	**—**	**— 1**	**—**	**—**	**—**	**—**
II. Pure Nickel							
Half Rupee	+ 18	+ 35	— 19	+ 26	+ 11	— 4	+ 3
Quarter Rupee	+ 2	+ 19	— 17	+ 23	+ 9	— 2	— 6
Fifty Paise/Naye Paise	+ 71	+ 1,83	+ 2,72	+ 2,06	+ 2,97	+ 3,21	+ 6,15
Twenty- five Paise/Naye Paise	+ 2,85	+ 1,82	+ 67	+ 39	+ 79	+ 6,42	+ 7,08
Total	**+ 3,76**	**+ 4,18**	**+ 3,03**	**+ 2,94**	**+ 3,96**	**+ 9,57**	**+ 13,20**
III. Cupro-Nickel/Aluminium Bronze							
Quarter Rupee	—2	—	—	—	—	—	—
Twenty Paise			+ 1,64	+ 3,40	+ 2,65	+ 14	+ 1
Ten Paise/Naye Paise	+ 1,89	+ 1,67	+ 1,40	+ 59	+ 1,46	+ 4,89	+ 4,18
Total	**+ 1,87**	**+ 1,67**	**+ 3,04**	**+ 3,99**	**+ 4,11**	**+ 5,03**	**+ 4,19**
IV. Cupro-Nickel/Nickel Brass							
Two Anna	— 3,41	— 5	— 3	— 2	— 1	— 1	— 1
One Anna	— 1,00	— 11	— 3	— 3	— 2	— 1	—
Half Anna	— 47	— 2	—	—	—	—	—
Total	**— 4,88**	**— 18**	**— 6**	**— 5**	**— 3**	**— 2**	**— 1**
V. Cupro-Nickel/Aluminium Magnesium							
Five Paise/Naye Paise	+ 1,18	+ 1,00	+ 1,55	+ 2,28	+ 2,00	+ 2,06	+ 1,96
Three Paise		+ 57	+ 34	+ 62	+ 73	+ 14	+ 3
Two Paise/Naye Paise	+ 69	+ 49	+ 39	+ 30	+ 29	+ 41	+ 37
Total	**+ 1,86**	**+ 2,06**	**+ 2,28**	**+ 3,20**	**+ 3,03**	**+ 2,61**	**+ 2,36**
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	+ 1
Total Small Coins (*a*)	**+ 2,88**	**+ 8,06**	**+ 8,55**	**+ 10,19**	**+ 11,14**	**+ 17,27**	**+ 19,74**

(*a*) Including negligible amounts of standard silver small coins returned from circulation.

* Provisional.

STATEMENT 113—LOST, DESTROYED AND MUTILATED NOTES, 1973-74

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	2	2,000	2,000	—
2. Half notes	—	—	—	—	—
3. Mutilated notes :					
(*i*) Registered (Denominations above Rs. 100)	80	97	1,44,000	1,42,000	1,41,000
(*ii*) Unregistered (Denominations of Re. 1 to Rs. 100)	1,78,948	69,82,859	3,23,79,411	3,33,78,038	3,01,98,922
Of which Government of India one rupee notes		32,46,481	32,46,481	57,13,169	53,58,072

@Includes amount approved/paid during the year in respect of claims received/approved in previous years.

STATEMENT 114—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**
1973-74 ..	26	478	13,431	4,696	3,265	136	—	**22,032**	**1,93,997**

(*a*) Relates to notes received during the year.

(*b*) Includes one forged note of Rs. 50 received at Kanpur.

STATEMENT 115 — DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1974

Denomination	Gross Weight	Composition (Proportion of Metals)	Diameter	Edge	Shape
	1	2	3	4	5
Nickel Coins					
Rupee (*a*)	180 Grains	Nickel 100 per cent	1.1"	Milled and security edged	Round coin
Half Rupee (*a*)	90 ,,	,,	0.95"	Milled	,,
Quarter Rupee (*a*)	45 ,,	,,	0.75"	,,	,,
		DECIMAL COINS			
Silver Coins					
Development Oriented Design Twenty Rupee*	30.00 Grams	50 per cent Silver, 40 per cent Copper, 5 per cent Nickel and 5 per cent Zinc	44 Millimetres	Milled with serrations numbering 200	Round coin
Mahatma Gandhi Centenary Ten Rupee	15.00 ,,	80 per cent Silver and 20 per cent Copper	34 Millimetres	Milled with serrations numbering 155	,,
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	39 Millimetres	Milled with serrations numbering 180	,,
Development Oriented Design Ten Rupee *	22.50 ,,	,,	,,	,,	,,
Nickel Coins					
Mahatma Gandhi Centenary One Rupee	10.00 ,,	Nickel 100 per cent	28 Millimetres	Milled and security edged with serrations numbering 200	,,
Decimal Rupee	10.00 ,,	,,	,,	Millled and security edged	,,
Jawaharlal Nehru Commemorative Decimal Rupee	10.00 ,,	,,	,,	Milled with a serrated or upright milling the serrations numbering 200	,,
Mahatma Gandhi Centenary Fifty Paise	5.00 ,,	,,	24 Millimetres	Milled with serrations numbering 150	,,
Fifty Paise / Naye Paise	5.00 ,,	,,	,,	Milled	,,
Jawaharlal Nehru Commemorative Fifty Paise	5.00 ,,	,,	,,	Milled with serrations numbering 150	,,
Twenty - five Paise / Naye Paise	2.50 ,,	,,	19 Millimetres	Milled	,,
Aluminium Bronze Coins					
Mahatma Gandhi Centenary Twenty Paise	4.50 ,,	92 per cent Copper, 6 per cent Aluminium and 2 per cent Nickel	22 Millimetres	Milled with serrations numbering 112	,,
World Food and Agriculture Organisation Commemorative Twenty Paise	4.50 ,,	,,	,,	,,	,,
Twenty Paise	4.50 ,,	,,	,,	Milled with serrations numbering 114	,,
Ten Paise	4.25 ,,	,,	23 Millimetres across scallops	Plain	Scalloped coin

Cupro - Nickel Coins						
Fifty Paise	5.00	,,	75 per cent Copper and 25 per cent Nickel	24 Millimetres	Milled with serrations numbering 150	Round coin
Independence Day Silver Jubilee Commemorative Fifty Paise	5.00	,,	,,	,,	Milled and security edged with serrations numbering 205	,,
Development Oriented Design Fifty Paise	5.00	,,	,,	,,	,,	,,
Twenty - five Paise	2.50	,,	,,	19 Millimetres	Milled with serrations numbering 100	,,
Ten Paise / Naye Paise@	5.00	,,	,,	23 Millimetres (Outer)	Plain	Scalloped Coin
Five Paise / Naye Paise (*a*)	4.00	,,	,,	22 Millimetres across corners, 19 Millimetres across flats	,,	Square coin with rounded corners
Two Paise / Naye Paise (*a*)	3.00	,,	,,	18 Millimetres (Outer)	,,	Scalloped coin
Aluminium Magnesium Coins						
Ten Paise	2.30	,,	96.5 per cent Aluminium and 3.5 per cent Magnesium	26 Millimetres	12 Scalopped with Unmilled rim	,,
Five Paise	1.50	,,	Aluminium with 3.5 to 4 per cent Magnesium	22 Millimetres across corners, 19 Millimetres across flats	Unmilled rim	Square coin with rounded corners
Three Paise	1.25	,,	,,	19.55 Millimetres across flats, 21 Millimetres across corners	Plain	Hexagonal shape with rounded corners
Two Paise	1.00	,,	,,	20 Millimetres (Outer)	,,	Scalloped coin
One Paisa	0.75	,,	,,	17 Millimetres between opposite corners, 14.70 Millimetres across flats	,,	Square coin with rounded corners
Bronze Coins						
One Naya Paisa	1.50	,,	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	16 Millimetres	,,	Round coin
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.
* Issued in uncirculated sets by India Government Mint, Bombay.
@ Issue and reissue of these coins have been discontinued.

STATEMENT 116—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****
1973-74 @@	—	—	—	—	—	—	15,65	3,09	10,64	**29,37**

@ 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.
@@ Excluding Development Oriented Design 20 Rupee and 10 Rupee Coins issued by India Government Mint, Bombay.

STATEMENT 117—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1973-74

(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	1,00,130	500,65	—	—	53,240	266,20	**1,53,370**	**766,85**
25 Paise	2,25,152	562,88	83,056	207,64	1,22,680	306,70	**4,30,888**	**1,077,22**
20 Paise	—	—	—	—	—	—	—	—
10 Paise	4,00,570	400,57	10,970	10,97	3,97,920	397,92	**8,09,460**	**809,46**
5 Paise	2,01,020	100,51	1,19,100	59,55	1,54,340	77,17	**4,74,460**	**237,23**
3 Paise	—	—	—	—	—	—	—	—
2 Paise	—	—	1,53,300	30,66	79,350	15,87	**2,32,650**	**46,53**
1 Paisa	—	—	—	—	—	—	—	—
TOTAL	**9,26,872**	**1,564,61**	**3,66,426**	**308,82**	**8,07,530**	**1,063,86**	**21,00,828**	**2,937,29**

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