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
1992-93

VOLUME I

ECONOMIC REVIEW

Price { Inland Rs. 100.00 / Foreign US $ 40.00 } postage free

Published by S.D.J. Pandian, Director, Division of Reports, Reviews and Publications, Department of Economic Analysis and Policy for the Reserve Bank of India, Bombay – 400 023 and printed at Associated Advertisers & Printers, 505, Tardeo Arthur Road, Bombay – 400 034.

CONTENTS

CONTENTS

CONTENTS

CONTENTS

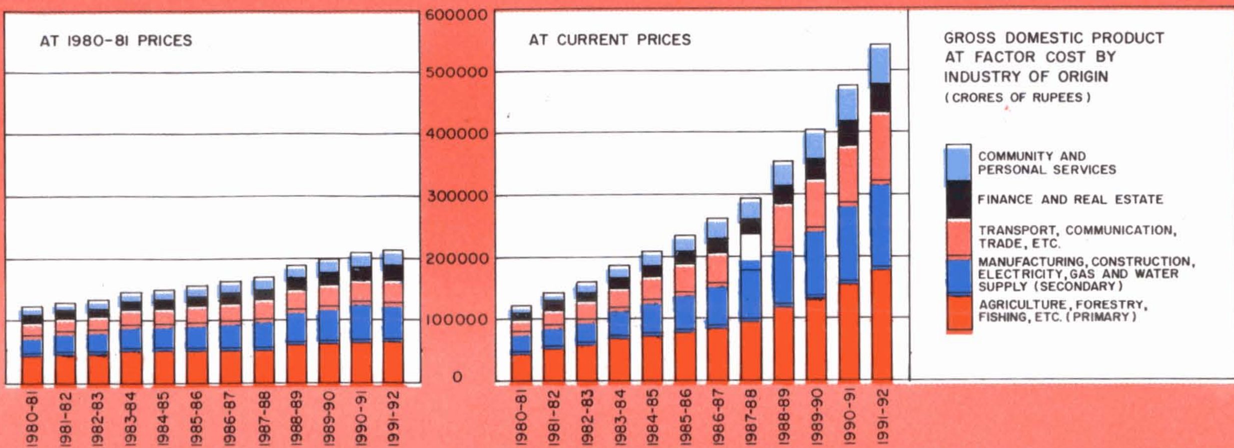
CONTENTS

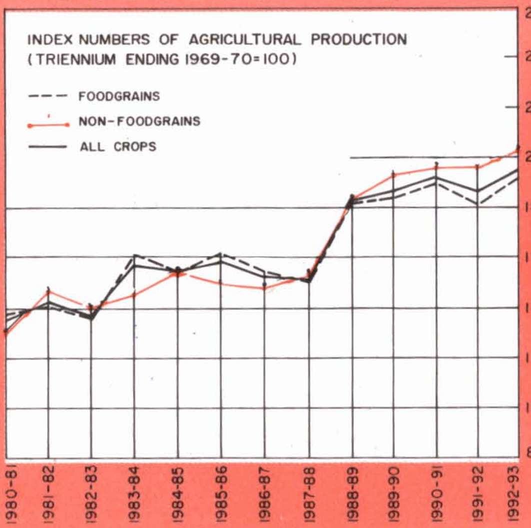
LIST OF SELECTED ABBREVIATIONS

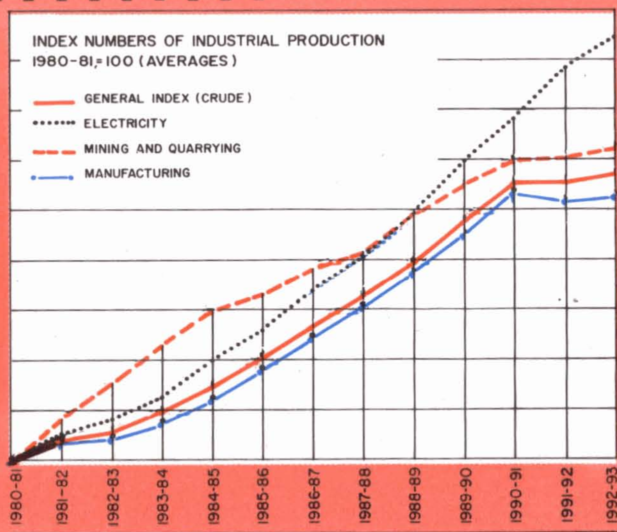
ACU	Asian Clearing Union
ADB	Asian Development Bank
ADF	Asian Development Fund
ARM	Additional Resource Mobilisation
BCR	Balance from Current Revenue
BIFR	Board for Industrial and Financial Reconstruction
CACP	Commission for Agricultural Costs and Prices
CADA	Command Area Development Authority
CCFF	Compensatory and Contingency Financing Facility
CD	Certificate of Deposit
CDC	Commonwealth Development Corporation
CIS	Commonwealth of Independent States
CMA	Credit Monitoring Arrangement
CP	Commercial Paper
CPI	Consumer Price Index
CRISIL	Credit Rating Information Services of India Limited
CRR	Cash Reserve Ratio
DFHI	Discount and Finance House of India
DGCI&S	Directorate General of Commercial Intelligence and Statistics
DGFT	Directorate General of Foreign Trade
DTL	Demand and Time Liabilities
ECGC	Export Credit Guarantee Corporation of India
EFF	Extended Fund Facility
EMS	European Monetary System
EMU	Economic and Monetary Union
EOU	Export Oriented Unit
EPC	Export Promotion Council
EPZ	Export Processing Zone
ESAF	Enhanced Structural Adjustment Facility
FC(B&O)D	Foreign Currency (Banks and Others) Deposits
FCNRA	Foreign Currency Non-Resident Accounts
FIIs	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
GATT	General Agreement on Tariffs and Trade
GCA	General Currency Area
GDP	Gross Domestic Product
GDRs	Global Depository Receipts
GDS	Gross Domestic Saving
GFD	Gross Fiscal Deficit
GNP	Gross National Product
HUDCO	Housing and Urban Development Corporation
IBRD	International Bank for Reconstruction and Development
ICICI	Industrial Credit and Investment Corporation of India
ICRR	Incremental Cash Reserve Ratio
IDA	International Development Association
IDBI	Industrial Development Bank of India
IEBR	Internal and Extra Budgetary Resources
IFAD	International Fund for Agricultural Development
IIP	Index of Industrial Production
IMF	International Monetary Fund
IPRS	International Price Reimbursement Scheme

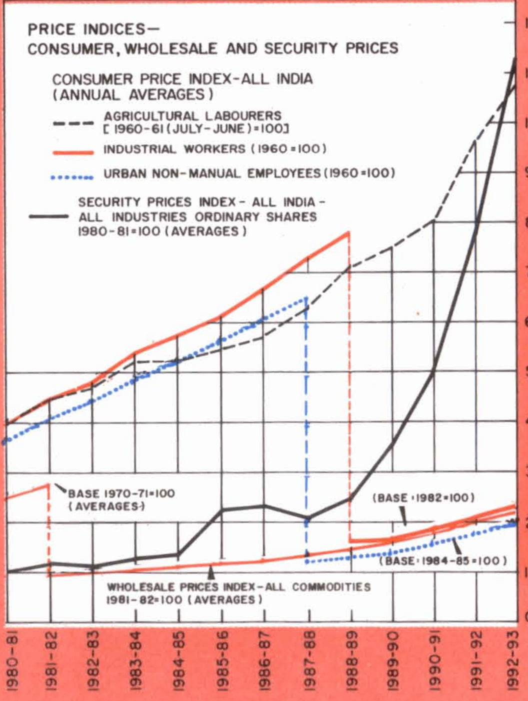
IRBI	Industrial Reconstruction Bank of India
IRDP	Integrated Rural Development Programme
JRY	Jawahar Rozgar Yojna
LERMS	Liberalised Exchange Rate Management System
MFA	Multi Fibre Arrangement
MMMFs	Money Market Mutual Funds
MOU	Memorandum of Understanding
MPBF	Maximum Permissible Bank Finance
NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agricultural Co-operative Marketing Federation
NAS	National Accounts Statistics
NBFCs	Non-Banking Financial Companies
NDA	Net Domestic Assets
NDDB	National Dairy Development Board
NDP	Net Domestic Product
NDS	Net Domestic Saving
NEER	Nominal Effective Exchange Rate
NEF	National Equity Fund
NHB	National Housing Bank
NNP	Net National Product
NPA	Non-Performing Asset
NPDP	National Pulses Development Project
NR(E)RA	Non-Residents (External) Rupee Accounts
NSEI	National Stock Exchange of India
OCB	Overseas Corporate Body
OECD	Organisation for Economic Co-operation and Development
OECF	Overseas Economic Co-operation Fund
OGL	Open General Licence
OPP	Oilseeds Production Project
OTCEI	Over The Counter Exchange of India
PSCFC	Post Shipment Credit in Foreign Currency
REER	Real Effective Exchange Rate
REPOS	Repurchase Obligations
RPA	Rupee Payment Area
SAARC	South Asian Association for Regional Co-operation
SAF	Structural Adjustment Facility
SAP	State Advised Price
SDRs	Special Drawing Rights
SEBI	Securities and Exchange Board of India
SEEUY	Scheme for Self-Employment to the Educated Unemployed Youth
SEPUP	Self-Employment Programme for Urban Poor
SFAC	Small Farmers' Agri-Business Consortium
SFPP	Special Foodgrains Production Programme
SHCIL	Stock Holding Corporation of India Limited
SIA	Secretariat for Industrial Approvals
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio
SMP	Statutory Minimum Price
SRPP	Special Rice Production Programme
SUME	Scheme for Urban Micro Enterprises
TMO	Technology Mission on Oilseeds
WPI	Wholesale Price Index

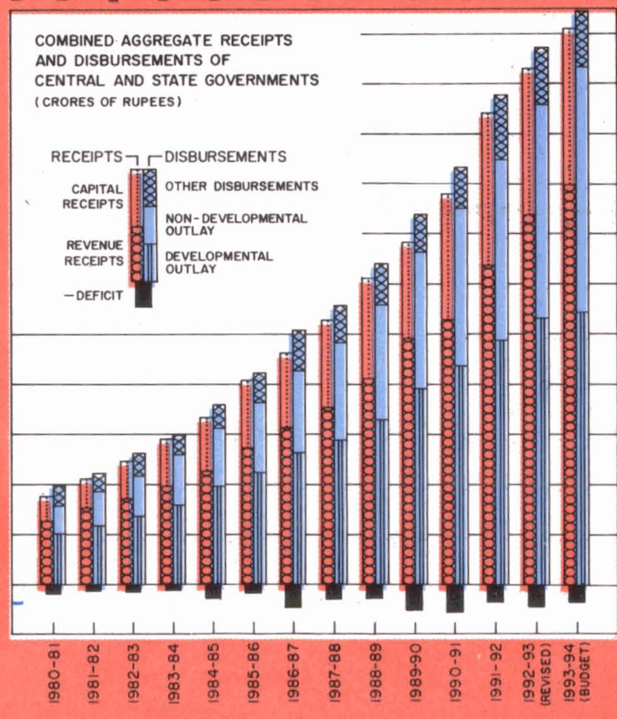
SELECTED ECONOMIC INDICATORS





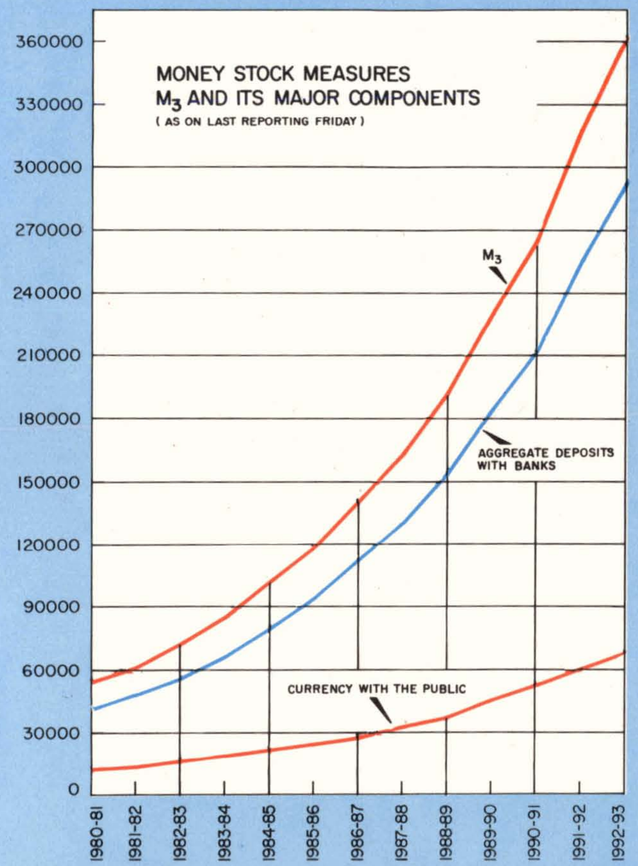


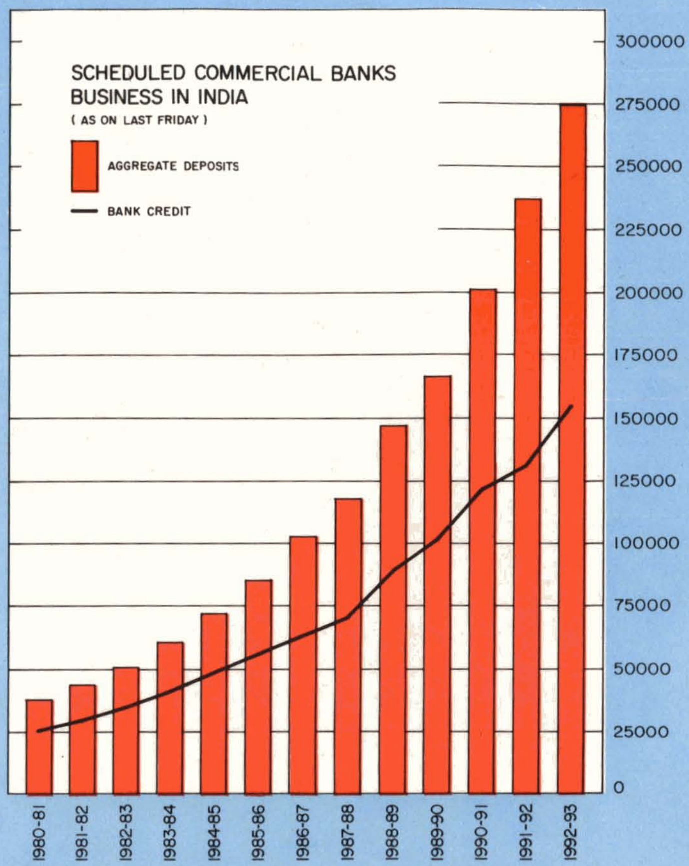


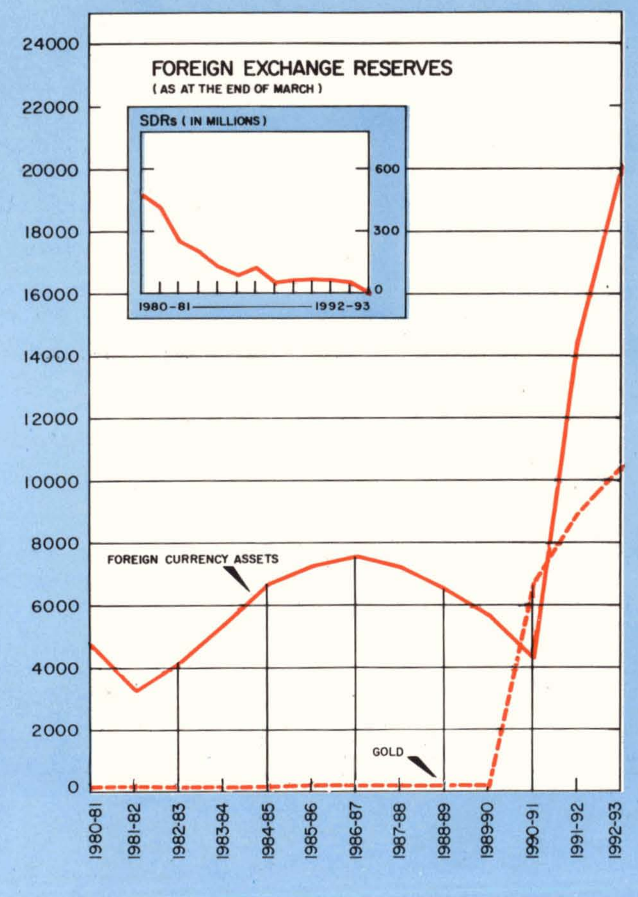


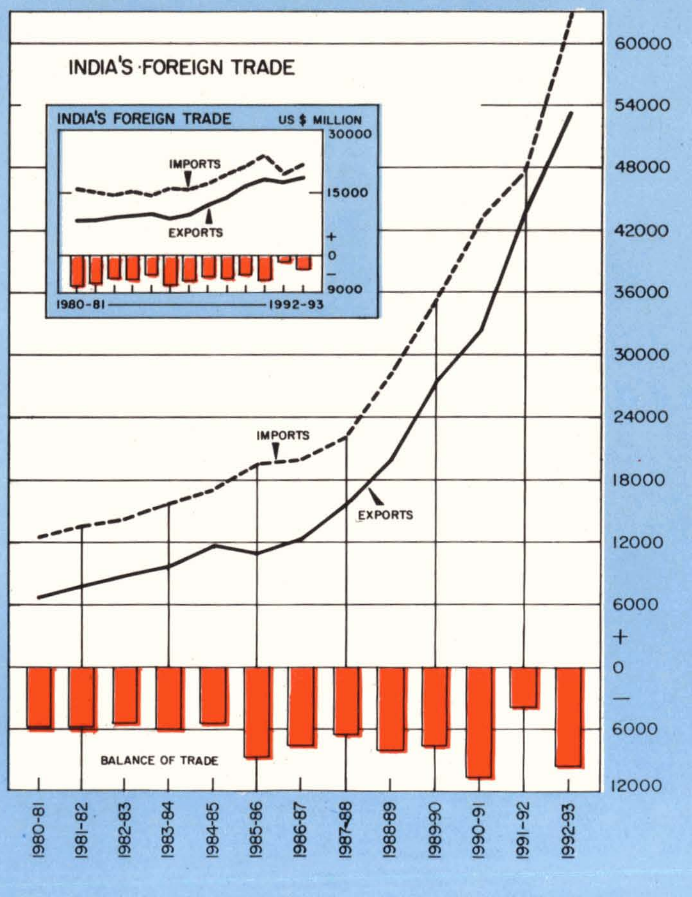
SELECTED ECONOMIC INDICATORS

(CRORES OF RUPEES)









CHAPTER I

REVIEW OF DEVELOPMENTS

Review of Indian economy during 1992-93 *

The Indian economy showed a significant recovery during 1992-93 (April-March), with real Gross Domestic Product (GDP) at factor cost growing at a higher rate of 4.0 per cent as compared with 1.1 per cent during 1991-92. The recovery was mainly because of the strong performance of the agricultural sector. According to the RBI estimates, the gross domestic saving rate would be 22.1 per cent in 1992-93 as against 22.9 per cent in 1991-92; the decline reflects the sharp fall in financial savings of the household sector. The rate of gross investment, however, is placed higher at 24.3 per cent in 1992-93, as against 23.9 per cent in 1991-92 due to increased net inflow of foreign resources.

Agricultural production is estimated to have shown a smart recovery in 1992-93 with a growth rate of 3.9 per cent, aided by favourable seasonal conditions arising out of normal rainfall for the fifth year in succession.Consequently, total foodgrains production is expected to be around 180.0 million tonnes as compared with 168.4 million tonnes in 1991-92.

Industrial output, on the other hand, showed a moderate revival during 1992-93, with a growth of 1.8 per cent as compared with a stagnant position in the previous year. There was lower growth of 5.0 per cent in electricity generation against 8.5 per cent in 1991-92 and modest increases of 1.5 per cent and 1.2 per cent respectively in the output of mining and quarrying and manufacturing sectors. Reflecting the revival of industrial output, the new issues market exhibited sharp buoyancy. New issues by non-Government public limited companies at Rs.19,825.6 crore in 1992-93 (1037 issues) registered a phenomenal rise of 244.4 per cent in terms of amount as compared with Rs.5,756.8 crore in 1991-92 (517 issues). Equity issues at Rs.9,981.1 crore accounted for a major share followed by convertible debentures (Rs.7,864.8 crore). There was subdued activity in the secondary market, reflecting the impact of the irregularities in securities transactions during the early part of 1992-93, and the RBI all-India (Weekly) Index Numbers of Ordinary Share Prices (Base: 1980-81=100) declined by 39.9 per cent during the year on a point-to-point basis.

Monetary policy was oriented towards containing inflation by limiting monetary expansion, while ensuring at the same time adequate availability of credit for revival of economic activity. Broad money (M_3) increased by Rs.45,184 crore (14.2 per cent) in 1992-93 which was lower than that of Rs.51,653 crore (19.4 per cent) in 1991-92. A lower rate of increase in net RBI credit to Government at Rs.4,433 crore (4.7 per cent) in 1992-93 as against Rs.5,168 crore (5.8 per cent) in the previous year, and modest accretion to net foreign exchange assets of RBI led to moderation in the rate of growth in reserve money which in turn resulted in deceleration in money supply. Narrow money (M_1) also registered a lower expansion at Rs.8,440 crore (7.3 per cent) in 1992-93 as compared with Rs.21,946 crore (23.6 per cent) in 1991-92 because of slower pace of expansion in both currency and demand deposits.

A noteworthy feature of the year was the sharp deceleration in price increases. The inflation rate, as measured by the Wholesale Price Index (WPI) , was 7.0 per cent in 1992-93 as against 13.6 per cent in the previous year on a point-to-point basis. A welcome development in the price situation was the slower pace of increase in the prices of essential commodities of mass consumption.

* The reference period of the Report is the financial year 1992-93 (April-March); more recent data/information are furnished in this Chapter wherever available. Wherever revisions occur in the data, they would differ from those given in the rest of the Volume.

The Central Government budget for 1992-93 envisaged a budget deficit (conventional) of Rs.5,389.0 crore. The outturn, however, was Rs.12,312.0 crore. The worsening in the net position on revenue account was mainly responsible for the sharp increase in the deficit.

The pressure on the external sector had eased, allowing for a build-up of foreign currency assets of the Reserve Bank of India. These assets increased from US $ 5,631 million at the end of March 1992 to US $ 6,434 million at the end of March 1993. According to quick estimates of balance of payments, exports in value terms rose by 3.1 per cent to US $ 18,789 million in 1992-93 as against a decline of 1.4 per cent to US $ 18,223 million in 1991-92. Imports increased by 12.5 per cent to US $ 22,895 million over the low base of US $ 20,347 million in 1991-92. The current account deficit during 1992-93 is estimated at US $ 4,921 million or 2.1 per cent of GDP as compared with US $ 2,135 million or 0.9 per cent of GDP in 1991-92 and US $ 9,679 million or 3.3 per cent of GDP in 1990-91. The net inflow of external assistance declined substantially during 1992-93 and gross utilisation of loans and grants was lower at US $ 3,737 million as compared with US $ 4,744 million during 1991-92; exceptional financing amounted to US $ 855 million in 1992-93. The dual exchange rate arrangement introduced in March 1992 under the Liberalised Exchange Rate Management System (LERMS) marked an important first step towards a market-determined exchange rate system. The LERMS as a system in transition performed well in augmenting the volume of foreign exchange transactions in the market. The stability imparted by LERMS enabled the introduction of a unified exchange rate system from March 1,1993.

Developments in 1993-94

The economic developments in 1993-94 so far point to continued modest growth in GDP, the CSO's estimate being 3.8 per cent. Agricultural output is placed at near the previous year's peak level. Industrial production index for the first seven months of the year indicates a modest improvement. The supply position on the whole has been relatively comfortable. This position is buttressed by substantially large accretion to foreign exchange reserves. The fiscal position, however, is difficult,with the budget deficit running well above the budgeted estimate. Money supply expansion has also been higher than what was initially envisaged for the year. As a consequence, there has been some hardening of prices, particularly those of primary articles.The external trade deficit has been very small, with exports growing at over 21 per cent in the first ten months of the current year and imports being only marginally higher than the previous year's level.

Agriculture

Seasonal conditions were favourable and for the sixth successive year, there was normal rainfall during the 1993 South-West monsoon season (June-September). Present indications are that production of foodgrains during the *kharif* season would be around 98.9 million tonnes as against 100.5 million tonnes in the previous season. *Rabi* output is expected to be around 80.2 million tonnes, which would be a moderate improvement over the level of 79.5 million tonnes in the earlier *Rabi* season. Thus, total foodgrains production during 1993-94 is expected to be around 179.1 million tonnes as compared with 180.0 million tonnes in 1992-93. As regards non-food crops, the prospects are good in respect of oilseeds. The output of oilseeds is likely to be about 20.5 million tonnes which would be slightly higher than the previous year's level. The output of cotton is expected to be around 10.6 million bales as compared with the record level of 11.6 million bales in 1992-93. Production of jute and mesta is placed at around 8.3 million bales as compared with 9.0 million bales in the previous year. As regards sugarcane, the estimated output of 231.0 million tonnes would be marginally higher than that of 230.8 million tonnes in the previous year.

The favourable aspect of the agricultural situation is the high build-up of stocks of foodgrains facilitated by relatively large procurement and limited pick-up in the off-take.

Foodgrains stocks at the end of December 1993 stood higher at 23.52 million tonnes than that of 13.19 million tonnes a year ago, in excess of the prescribed norms.

Industry

The performance of the industrial sector has been modest, with the index of industrial production (IIP) recording a rise of mere 1.6 per cent during April-October 1993 as compared with that of 4.0 per cent in the corresponding period of 1992. This outcome was due to a sharp fall in the growth rate in the manufacturing sector (with a weight of 77.11 per cent in IIP) to just 1.0 per cent as compared with 3.9 per cent during the first seven months of the previous year and a decline of 1.6 per cent in the output of mining and quarrying sector. Disaggregated data on manufacturing show that while 14 industrial groups (with a weight of 65.18 per cent in IIP) registered positive growth during April-October 1993 as compared with 9 groups (with a weight of 53.45 per cent) in the corresponding period of 1992, there was sharp fall in output in respect of 3 other sub-groups (with a weight of 11.93 per cent); the sub-groups which registered output declines were electrical machinery, food and food products and textile products.

A silver lining in an otherwise modest industrial growth is the performance of infrastructure industries which has been comparatively better during the year so far (April-December 1993). The composite index of these industries recorded a rise of 5.1 per cent as compared with that of 4.0 per cent in April-December 1992. Industry-wise, electricity and coal performed better than in the previous year with growth rates of 7.4 per cent and 4.7 per cent respectively. The output of saleable steel increased moderately by 4.6 per cent during the period as compared with a growth of 12.5 per cent in the corresponding period of 1992, reflecting the impact of demand recession. Also the growth in cement output at 5.9 per cent was lower than that of 7.6 per cent in the same period of the previous year.Output of petroleum refinery products stagnated, the growth rate being a mere 0.1 per cent as against a rise of 7.6 per cent in April-December 1992. The output of crude oil declined by 2.2 per cent during April-December 1993 due to closing down of wells for maintenance and pipeline burst in Bombay High.

It appears likely that there would be some improvement in the performance of the industrial sector especially the intermediate, consumer durable and basic goods segments, during the remainder of the year. The capital goods segment would recover if the expected pick-up in investment towards the end of the year materialises. The recent responses to credit policy and the exhortations to banks to provide increased credit for genuine production purposes seem to be encouraging. Non-food credit during the busy season (October 29, 1993 to February 18, 1994) expanded by Rs.4,234 crore. Though lower than the position which obtained in the comparable period of the previous year, it represents a sharp revival from the situation a couple of months earlier. Other factors which could facilitate an industrial revival are the extremely buoyant infrastructural sector and the primary capital market, and the absence of foreign exchange constraints for importing critical raw materials and components. The rise in agricultural incomes for the second year in succession would give some fillip to consumer goods segment. On balance, the overall industrial output may be expected to rise by around 4.0 per cent in 1993-94.

Capital Market

The first ten months of the current financial year witnessed hectic activity in the primary market which was reflected in a significant increase both in the number and amount of new capital issues. According to provisional data,there were 871 new capital issues by non-Government public limited companies for a total amount of Rs. 15,821.3 crore during the period April 1993-January 1994. Public sector undertakings, Government companies and public sector banks and financial institutions floated issues for Rs.5,161 crore during the same period. Put together the total issues offered amounted to about Rs. 20,982 crore as compared with about Rs.18,929 crore in the corresponding period of 1992-93.

Term financing also shows evidence of a favourable investment climate. According to provisional data, sanctions by all-India financial institutions during the first nine months (April-December 1993) at Rs.27,539.5 crore showed an increase of 24.4 per cent over the level in 1992. Disbursements during the same period at Rs.14,654.4 crore, however, rose by only 2.9 per cent.

The secondary segment of the market which was subdued in the initial months of 1993-94 has also become buoyant since August. The recent uptrend owes mainly to widespread support from financial institutions and foreign institutional investors and the favourable reports about the economic outlook and policy stance. Since then share prices have been generally firm . The RBI Index of Ordinary Share Prices which stood at 892.1 as on March 27, 1993 moved up to 1361.3 by January 29,1994, recording a rise of 52.6 per cent over the period.

Fiscal Developments

The Central Government's budget for 1993-94 envisaged a budget deficit of Rs.4,314 crore. The revised estimate is Rs. 9,060 crore as against the actual deficit of Rs.12,312 crore in 1992-93. In 1993-94 revenue receipts from major taxes were relatively low. Coupled with large expenditure overruns, the magnitude of the budget deficit as well as net RBI credit to the Central Government has been well above the budgeted level for the major part of the year. The budget deficit, as per RBI records, stood at Rs.12,721 crore as on February 25, 1994 and net RBI credit to Centre was Rs.5,088 crore.

To overcome the fiscal imbalance , the Central Government resorted to substantially larger borrowings from the market through issue of both long and short dated Government securities. It mobilised the budgeted amount of Rs.4,848.0 crore (gross) and Rs.3,700.0 crore (net) by way of market borrowings through five auctions of dated Government of India securities. The Central Government also issued in January 1994 a five-year zero coupon bond for an aggregate nominal value of Rs.3000.0 crore for which the cash realisation was Rs.1,624.27 crore. Twentythree State Governments on their part mobilised a gross amount of Rs.4,130.32 crore (Rs.3,623.63 crore in net terms) at a fixed coupon rate of 13.50 per cent, thereby fully achieving the budgeted amount for the current fiscal year.

The Central Government has also raised substantial funds from the market through auctions of treasury bills. The outstanding amount of 364-day treasury bills increased from Rs.1,653.93 crore (face value) as on March 31,1993 (after conversion of Rs. 7,122.81 crore of outstanding bills into 12.75 per cent Government Stock, 1996) to Rs.18,136.21 crore as on February 18, 1994. Thus, during the current financial year so far, an amount of Rs.16,482.28 crore was mobilised. The implicit yield at the cut-off price varied between 10.63 per cent and 11.36 per cent.

Auctions of 91-day treasury bills introduced in fiscal 1992-93 gathered momentum in 1993-94. The outstanding amount of 91-day auctioned treasury bills increased from Rs.1,350.0 crore as on March 31, 1993 to Rs.3,950.0 crore as on February 19, 1994 after conversion of Rs.4,088 crore of outstanding treasury bills into 12 per cent Government Stock 1995. The implicit yield at the cut-off price for the auctions in the current financial year ranged between 7.79 per cent and 11.10 per cent.

Monetary Developments and Credit Policy

The large fiscal imbalance explains only in part the higher than initially estimated rate of growth of broad money (M_3) during the current financial year upto February 18, 1994 (16.3 per cent or Rs. 59,271 crore). The sharp rise in foreign exchange assets that occurred since the beginning of the third quarter of 1993-94 has also contributed significantly to monetary expansion. The increase in net RBI credit to Government was Rs.4,466 crore while the increase in the net foreign exchange assets of RBI amounted to

Rs. 19,009 crore. Banks provided large support to Government by investing in Government securities. There was a sharp deceleration in the rate of growth of bank credit to the commercial sector. This is one variable which worked as a measure of sterilisation of the liquidity impact arising from the rise in foreign exchange inflows and credit to Government.

Banking Trends

Scheduled commercial banks' operations during the current financial year so far (i.e., March 19, 1993 to February 18, 1994) have been characterised by a sharp deceleration in the growth of bank credit, in particular of non-food credit. Food credit, however, rose significantly by Rs.4,427 crore or 65.7 per cent as compared with a rise of Rs.1,612 crore or 34.5 per cent during the previous year. The rise in non-food credit was modest at Rs.6,138 crore or 4.2 per cent as compared with the significant increase of Rs.21,534 crore or 17.8 per cent in the previous year.

Aggregate deposits increased sharply in absolute amounts by Rs.41,052 crore as compared with Rs. 34,109 crore in the previous year. In percentage terms, the rise was marginally higher at 15.3 per cent than that of 14.8 per cent in the previous year. Demand deposits increased particularly sharply by Rs.8,758 crore or 18.8 per cent as against a decline of Rs.1,006 crore or 2.2 per cent in the corresponding period of the previous year. The growth in time deposits, on the other hand, was lower at Rs.32,294 crore or 14.5 per cent as compared with Rs.35,114 crore or 18.9 per cent during the previous year. Clearly, these developments reflected a preference for liquidity.

There were a number of factors which contributed to the slack in supply of credit. Factors such as cautious approach of banks to lending to avoid an increase in non-performing assets, write-off of large amounts of loans by banks, large investments by banks in risk-free Government securities in view of their attractive rates of return, comfortable liquidity position of the corporate sector due to large mobilisation of resources from the capital market, gradual reduction in inventory build-up, easy access to suppliers' credit abroad and a sharp spurt in issue of commercial paper by a large number of companies contributed to the low expansion in non-food credit during the current financial year so far. Again, it would need to be noted that the previous year's non-food credit figure itself was inflated because of the reduction in the bills rediscounted and the inclusion in the advances portfolio of claims on banks/institutions relating to the securities irregularities.

The monetary and credit policy for 1993-94 aims at further consolidation of price stability together with a stimulus for industrial recovery and agricultural development through adequate credit availability. The credit policy for the year also took into account the broad framework of the ongoing process of financial sector reform and formulated various measures intended to give banks greater autonomy in the deployment of their funds.

The major policy measures envisaged in 1993-94 included a phased reduction in the Statutory Liquidity Ratio (SLR) from 37.75 per cent to 34.75 per cent (and a bringing forward of the base date to September 17, 1993), a lowering of the incremental SLR from 30 per cent to 25 per cent, a reduction in the Cash Reserve Ratio (CRR) from 15 per cent to 14 per cent, the removal of the system of ceiling on limits for Certificates of Deposit issued by scheduled commercial banks (excluding RRBs), the grant of permission to authorised dealers in India to rediscount export bills abroad at rates related to international interest rates, the rationalisation of lending rate slabs from four to three, and the provision of pre-shipment export credit in foreign currency.

The lending and deposit rates were reduced in stages. The interest rate adjustments have been made against the backdrop of the overall improvement in the economic situation and the inflation rate. On the first occasion, effective June 24, 1993, lending rate for borrowers in the category of over Rs.2 lakh was brought down by one percentage point from 17.0 per cent (minimum) to 16.0 per cent (minimum) and for borrowers in the category of over Rs.25,000 and upto Rs.2 lakh by half a percentage point from 16.5 per cent to 16.00 per cent (fixed). A reduction in the savings deposit rate by one percentage point from 6.0 per cent per annum to 5.0 per cent per annum was effected from July 1, 1993. The second occasion of revision in lending and deposit rates took place effective September 2, 1993. The lending rate for borrowers in the category of over Rs.2 lakh was reduced by one percentage point from 16.0 per cent (minimum) to 15.0 per cent (minimum) and for those in the category of over Rs.25,000 and upto Rs.2 lakh also by one percentage point from 16.0 per cent (fixed) to 15.0 per cent (fixed). The deposit rates for maturity of 46 days to 3 years and above were reduced by one percentage point to 'not exceeding 10.0 per cent per annum'. The other policy measures included relaxation in the norms for calculating maximum permissible bank finance and reduction in the minimum margins for loans to individuals against shares and debentures/bonds from 75 per cent to 50 per cent and redefining priority sector norms for foreign banks to include export credit in the target for priority sector lending. A new Foreign Currency (Non-Resident) Accounts (Banks) Scheme was introduced, while the Foreign Currency (Non-Resident) Accounts Scheme which carried with it the exchange rate guarantees to banks had undergone considerable changes with the withdrawal of deposits of all maturity periods other than the deposits with a single maturity period of '3 years only'.

Taking into account the price-output situation, changes were effected in selective credit controls. They were abolished in the case of wheat and the minimum margins and level of credit ceilings were relaxed for paddy/rice. In the case of oilseeds and vegetable oils, the controls were tightened. In respect of cotton and kapas, the exemptions from these controls given to borrowers from October 12, 1993 were withdrawn from February 19, 1994. The minimum margins on advances against stocks of cotton and kapas will be 45 percent for 'others'(other than mills/processing units) and 30 per cent against warehouse receipts.

Price Situation

The developments on the price front during 1993-94 so far (upto February 12, 1994) have been a matter of concern.The Wholesale Price Index (WPI) of 'all commodities' (provisional) increased by 8.2 per cent, on a point-to-point basis, which was higher than that of 6.7 per cent during the corresponding period of the previous year. The price increase, on a year-on-year basis, based on final figures was still higher at 8.8 per cent till December 18, 1993.

The build-up of inflationary potential has been concentrated mainly in the 'primary articles' segment which recorded a sharp increase of 9.3 per cent as on February 12,1994 as compared with 4.2 per cent in the comparable period of the previous year. This is essentially a manifestation of the demand effect arising from the income growth sourced to agriculture and services. The relatively sluggish rise in prices of manufactured goods (6.8 per cent) is a reflection of the industrial recession. The impact of the rise in prices of primary articles can be seen in the rise in the Consumer Price Index (CPI) for Industrial Workers by 8.2 per cent upto January 1994, on a point-to-point basis, which was higher than that of 5.2 per cent in the corresponding period of 1992-93. This development has implications in that demands for protecting living standards would mount up. Prices of commodities in the 'fuel' group recorded a lower increase of 12.0 per cent during the current financial year so far (upto February 12,1994), as against 12.6 per cent during the previous year. The annualised inflation rate during the year could well be at the threshold of the two-digit level, once the final data become available.

External Sector

One of the important positive developments during 1993-94 relates to the external sector. A sharp contraction of the current account deficit in the balance of payments and large inflows of foreign capital enabled a build up of foreign exchange reserves.During the first eleven months of the current financial year, foreign currency assets of the RBI more than doubled to over US $ 13,000 million.

There was a distinct improvement in the trade balance. Export growth has been robust in comparison with that of the previous year. The early months of the year witnessed high growth rates; while these growth rates were moderated over the following months, exports at US $ 17,799 million during April 1993 - January 1994 recorded a growth of 21.4 per cent which is significant when seen against the export performance of recent years. Import demand remained weak with the absolute level of US $ 18,380 million during April 1993-January 1994 only marginally higher by 0.7 per cent than that during April 1992-January 1993. The softening of international crude oil prices enabled a measure of saving on POL imports, despite a quantum increase in import need. Non-POL imports rose by 5.8 per cent to US $ 13,673 million from the level recorded during April 1992-January 1993 (US $ 12,922 million), reflecting sluggish industrial growth and the freer trade and payments policies which facilitated economy in imported inventories. The trade deficit during the first ten months of the year at US $ 582 million witnessed a turnaround of US $ 3.0 billion as compared with the trade deficit of US $ 3,596 million during April 1992-January 1993.

On the invisibles account, too, there was improvement. Travel receipts,however, were adversely affected by the decline in tourist arrivals in the country by 4.0 per cent during April-December 1993 as against a rise of 6.7 per cent during the corresponding period of the previous year. The broad trends in the inflow of current receipts indicate that private transfer receipts comprising mainly remittances from Indians employed overseas are likely to show a significant rise. The low profile of international interest rates would have reduced the interest outgo related to the variable interest component of external debt.

Given these developments and the expected seasonal pick-up in exports in the closing months of the year, the current account deficit for the year as a whole could well move close to near balance in terms of its proportion to GDP at current market prices.

The large net inflows under the capital account reflected compositional shifts in favour of new forms of capital. Foreign investment, both direct and portfolio, recorded a significant increase. Foreign institutional investment in stock markets amounted to US $ 1,212 million during the period April 1993 - January 1994. The successful launching of Euro-issues, both debt and equity, yielded net inflows under Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) of US $ 746 million and US $ 681 million respectively during the same period. Direct foreign investment inflows amounted to US $ 472 million during the same period (Table 1).

Table I – 1: Net Inflows of Foreign Investment April 1993-January 1994@

(US $ million)

1	2
A. Direct Investment	472
a. Government (SIA/FIPB)	244
b. RBI	58
c. NRIs	170
B. Portfolio Investment	1966
a. Euro Issues (GDRs)	746
b. FIIs	1212
c. NRIs	8
Total (A+B)	**2438**

@ Excluding US$681 million mobilised through Foreign Currency Convertible Bonds.

The Non-Resident (NR) deposit schemes underwent structural changes. The emphasis was on the reduction in exchange guarantees by the RBI while preserving the attractiveness of the schemes to the depositors. Policy measures taken during the year to reduce the burden of exchange guarantee under the FCNRA Scheme resulted in large net outflows. The newly instituted schemes i.e., the Non-Resident (Non-Repatriable) Rupee

Deposit Scheme [NR(NR)RD] and the Foreign Currency (Non-Resident) Banks Scheme [FC(NR)B], attracted inflows of US $ 899 million and US $ 753 million, respectively during the first ten months of the year, more than compensating for the net outflow under FCNRA. Thus, the non-resident deposits when taken together, but excluding the FC(B&O)D Scheme yielded an inflow during the first ten months of the year (Table 2).

Table I – 2 : Variations in Non-Resident Deposits@ April1993-January 1994

(US $ million)

1	2
NR(E)RA	136+
FCNRA	-1,050
FCNR(B)	753 *
NR(NR)D	899*
FC(ON)	15*
Total	**753**

@ The data are inclusive of accrued interest for NR(E)RA, FCNRA and FC(NR)B and exclusive of accrued interest for NR(NR)RD and FC(ON) schemes.
+ Up to end–December 1993. * Up to January 21, 1994.
Note: The data are tentative estimated from reportings by banks and are subject to reconciliation adjustments.

The long-term net capital flows in the form of external assistance and commercial borrowings were damped by subdued disbursements and large repayments. Short-term debt was reduced substantially; in particular, the overhang of short-term liabilities on account of public sector undertakings, which stood at US $ 1,030 million at the end of March 1993 was completely extinguished. The gaps in external financing created by the shortfall in external assistance and commercial borrowings were filled by non-debt creating flows reducing the need for recourse to bilateral and multilateral balance of payments support.

The sharp narrowing down of the current account deficit and substantial inflows of foreign capital in the form of foreign investment and deposits in non-resident accounts resulted in excess supply of foreign exchange in the inter-bank market. In the face of weak market absorption, the excess supply accrued to the foreign exchange reserves in the form of purchases of foreign currency by the RBI. The accretion to the reserves enabled a strengthening of the foreign currency assets of the RBI. The liabilities in the form of swaps which were US $ 1,243 million were liquidated completely. Outstanding deposits under the FC(B&O)D Scheme were reduced by US $ 521 million. The net purchases of US $ 7,794 million during the first ten months of the year by the RBI thus composed of a mixture of current and capital flows.

Under the new exchange rate system in which most foreign exchange transactions are put through the market, the buying exchange rate of the RBI has remained steady around Rs. 31.37 per US $ for a number of months. In the swap market, the premia declined for all maturities of swaps reflecting the stability of the spot rate and the underlying interest rate differentials which attracted large inflows. The premia fell all through July, August and September 1993. Apart from a brief firming up in the second week of October 1993, the premia stabilised at around 4 per cent for a six-month swap. In January 1994, however, the premia fell to below 1 per cent.

While the prospects for the growth in GDP appear reasonable, a large part of its foundation still depends on the performance of the agricultural sector. The industrial sector has not so far performed upto expectations but it is expected that it would eventually respond to the overall policy initiatives and the general macro economic environment including larger availability of foreign exchange and bank credit. The very satisfactory key commodity stocks position should help dampen price expectations. An early correction of the fiscal imbalance and appropriate responses to the rise in primary liquidity would be essential to avoid a resurgence of inflationary pressures. This is essential for the overall reform process and building upon some of the gains achieved during the last two years.

CHAPTER II

NATIONAL INCOME, SAVING AND INVESTMENT

The Indian economy witnessed distinct recovery in 1992-93 and indications are that the economy could return to the high growth path which characterised the macro-economic performance during the 1980s. Gross Domestic Product (GDP) at factor cost in real terms (at 1980-81 prices) which had increased at the trend rate of 5.4 per cent in the eighties dropped to 1.2 per cent in 1991-92 as a sequel to import compression measures, introduced as part of the stabilisation programme. The noticeable improvement in real GDP growth to 4.2 per cent in 1992-93 was aided largely by a surge in agricultural production. The recovery in the industrial sector was, however, partial and somewhat below expectations.

Performance during 1992-93

The revival of economic activity is manifest in the estimates of various national accounting aggregates for 1992-93. The real Net Domestic Product (NDP) at factor cost is estimated to register a growth of 4.1 per cent in 1992-93 as against 0.7 per cent in 1991-92 and 5.1 per cent in 1990-91. Gross National Product (GNP) (at factor cost at 1980-81 prices) is estimated to register a growth of 4.2 per cent in 1992-93 in comparison to 1.4 per cent in 1991-92 and 5.2 per cent in 1990-91. Similarly, growth of real national income (Net National Product (NNP) at factor cost at 1980-81 prices) is estimated to rebound to 4.2 per cent in 1992-93; the growth in real national income had decelerated to 0.9 per cent in 1991-92 from 5.2 per cent a year before. Recovery in national income growth to a rate higher than population trend rate effected a turnaround in the growth rate of real per capita income to 2.2 per cent in 1992-93 in contrast to a decline of 1.1 per cent a year before. The growth in 1990-91 was, however, higher at 3.0 per cent (Table II-1).

Estimates of saving and investment during 1992-93, reveal a sizable decline in gross and net saving rates, but a marginal rise in the gross investment rate. Gross Domestic Saving (GDS) rate which had increased marginally from 23.7 per cent of GDP in 1990-91 to 23.8 per cent in 1991-92 is estimated to drop to 22.8 per cent in 1992-93. The decline is mainly due to the steep fall in household saving rates, particularly in respect of their financial saving (Table II-3). Net Domestic Saving (NDS) rate is also estimated to register a sharp decline to 14.4 per cent in 1992-93 from a rate of 15.2 per cent in 1991-92 and 15.3 per cent a year before (Table II-4). The public sector saving rate, however, improved reflecting sustained efforts to reduce dissaving of administrative departments and to improve the performance of non- departmental undertakings as part of the structural reforms. The gross investment rate is estimated to improve to 25.0 per cent of GDP in 1992-93 from 24.8 per cent in 1991-92. The net investment rate also improved from 16.3 per cent in 1991-92 to 16.9 per cent in 1992-93 despite a fall in the saving rate due to significant increase in net inflow of foreign resources. As a percentage of NDP, the inflows increased from 1.1 per cent in 1991-92 to 2.5 per cent in 1992-93.

A. Trends in National Product

Structural transformation

Trends in sectoral composition of real GDP based on the National Accounts Statistics from 1950-51 to 1991-92 bring to fore the structural transformation in the Indian economy. The share of real income originating from agriculture and allied activities has been steadily declining, while that originating from industry and services has been increasing (Table II-2). During the '50s, agriculture and allied activities on an average, accounted for more than half the real GDP. Its average share has declined to about 34 per cent since 1980-81. While the share of industry has improved from 14 per cent to over 23 per cent, that of the services sector rose from about 32 per cent to around 43 per cent. On an average, industry has grown at a somewhat higher rate than the services sector. Notwithstanding the dwindling share of agriculture and allied activities, the sector recorded a higher average growth of 3.1 per cent since 1980-81 compared with 1.7 per cent in the '70s and 1.5 per cent in the '60s. Within industry, 'electricity, gas and water supply', has expanded at the fastest rate with an annual average growth rate of 9.1 per cent since 1950-51. 'Mining and quarrying', as well as 'manufacturing sector' recorded an average growth rate exceeding 5.0 per cent per annum. Among services, 'financing, insurance, real estate and business services' has recorded a high growth rate of 7.2 per cent per annum since 1980-81.

Sectoral composition in recent years

The share of primary sector in real GDP is estimated to decline from 33.6 per cent in 1989-90 to 33.5 per cent in 1990-91, and further to 32.7 per cent in 1991-92. The GDP emanating from agriculture registered a growth rate of 4.9 per cent in 1990-91 against 1.1 per cent in 1989-90, but declined by 1.8 per cent in 1991-92.

The gain in the share of secondary sector from 27.3 per cent in 1989-90 to 27.8 per cent in 1990-91 was reversed in 1991-92 with a decline of 0.4 percentage point to 27.4 per cent in 1991-92. The principal reason for the reversal is a negative growth rate of 2.3 per cent in manufacturing sector in 1991-92 as compared with high growth rates of 7.5 per cent in 1990-91 and 7.1 per cent in 1989-90. While the growth rate in construction declined from 6.1 per cent in 1989-90 to 4.9 per cent in 1990-91 and further to 4.7 per cent in 1991-92, the fall in growth rate in 'electricity, gas and water supply' from 9.9 per cent to 6.9 per cent was followed by increase to 8.0 per cent, during the same period.

The growth in real GDP originating from the tertiary sector, which decelerated from 7.8 per cent in 1989-90 to 4.2 per cent in 1990-91 recovered marginally to 4.3 per cent in 1991-92. Within the tertiary sector, the sub-sector 'transport, communication and trade', showed a marginal rise in its growth rate from 5.4 per cent in 1989-90 to 5.5 per cent in 1990-91, but is estimated to decline to 3.4 per cent in 1991-92. The growth in 'financing, insurance, real estate and business services' which had fallen sharply from 10.8 per cent in 1989-90 to 2.8 per cent in 1990-91 is estimated to show a significant acceleration and record a growth rate of 8.0 per cent in 1991-92. Growth in 'banking and insurance' registered a noticeable recovery, the rates registered being 19.1 per cent in 1989-90, 2.1 per cent in 1990-91 and 11.7 per cent in 1991-92. The growth in 'community, social and personal services', however, continued to decelerate from 8.8 per cent in 1989-90 to 3.3 per cent in 1990-91 and further to 2.3 per cent in 1991-92. It is also worth noting that 'public administration and defence' showed a substantial decline in its growth rate from 8.4 per cent in 1989-90 to 0.4 per cent in 1990-91, and further to 0.3 per cent in 1991-92.

The real national income (NNP at factor cost) at 1980-81 prices which had increased by 5.2 per cent in 1990-91 to Rs.1,84,460 crore rose by only 0.9 per cent to Rs.1,86,135 crore in 1991-92. In 1992-93, it is estimated to register a substantially higher growth of 4.2 per cent aggregating Rs.1,93,940 crore. Accordingly, the real per capita income which had risen by 3.0 per cent to Rs.2,199 in 1990-91 and subsequently declined by 1.1 per cent to Rs.2,174 in 1991-92 is now estimated to increase by 2.2 per cent to Rs.2,222 in 1992-93. The nominal national income which rose by 16.8 per cent to Rs.4,13,943 crore in 1990-91 and by 14.3 per cent to Rs.4,73,246 crore in 1991-92 is estimated to improve by 16.0 per cent to Rs.5,48,770 crore in 1992-93. Thus, the nominal per capita income increased by 14.4 per cent to Rs.4,934 in 1990-91, by 12.1 per cent to Rs.5,529 in 1991-92 and by 13.7 per cent to Rs.6,286 in 1992-93 (Table II-1).

B. Trends in Domestic Saving

The gross domestic saving (GDS) which increased by Rs.19,175 crore or 15.2 per cent to Rs.1,45,132 crore in 1991-92 is estimated to show a lower increase by Rs.14,852 crore or 10.2 per cent to Rs.1,59,984 crore in 1992-93. The rate of GDS which had improved marginally from 23.7 per cent of GDP in 1990-91 to 23.8 per cent in 1991-92, is however estimated to record a sizable decline to 22.8 per cent in 1992-93. While the saving rate of the domestic private corporate sector remained at 2.7 per cent in both 1990-91 and 1991-92 and that of the public sector improved from 1.1 per cent to 1.7 per cent during the same period, the household sector saving declined from 20.0 per cent to 19.4 per cent. In 1992-93, the domestic private corporate sector and public sector saving rates improved to 2.8 per cent and 2.0 per cent, respectively. However, there was a marked decline in the rate of GDS in 1992-93 due to a sharp fall in household saving rate from 19.4 per cent in 1991-92 to 17.9 per cent in 1992-93, essentially reflecting the slump in the ratio of household saving in financial assets (net of liabilities) from 9.1 per cent of GDP in 1991-92 to 7.9 per cent in 1992-93. The share of household sector in GDS is estimated to show a secular decline. This may be seen from the fall from 84.2 per cent in 1990-91 to 81.5 per cent in 1991-92 and further to 78.8 per cent in 1992-93. The share of the public sector in GDS is slated to improve steadily from 4.4 per cent to 7.0 per cent and then to 9.0 per cent over the same years. The share of private corporate saving is estimated to show a marginal improvement from 11.3 per cent in 1990-91 to 11.4 per cent in 1991-92 and further to 12.2 per cent in 1992-93. The gross investment rate is estimated to drop from 27.1 per cent of GDP in 1990-91 to 24.8 per cent in 1991-92 but rise thereafter to 25.0 per cent in 1992-93. In nominal terms, the gross investment which rose by Rs.7,451 crore or 5.2 per cent from Rs.1,43,917 crore in 1990-91 to Rs.1,51,368 crore in 1991-92, is estimated to rise substantially by Rs.24,338 crore or 16.1 per cent to Rs.1,75,706 crore in 1992-93 (Table II-3).

The Net Domestic Saving (NDS), increased by Rs.9,841 crore or 13.5 per cent to Rs.82,991 crore in 1991-92, and further by Rs.8,499 crore or 10.2 per cent to Rs.91,490 crore in 1992-93. The rate of NDS however, deteriorated from 15.3 per cent of NDP in 1990-91 to 15.2 per cent in 1991-92 and further to 14.4 per cent in 1992-93. The share of net public sector saving in NDS improved steadily from (-) 24.8 per cent in 1990-91 to (-) 21.9 per cent in 1991-92 and further to (-) 20.7 per cent in 1992-93, while that of household sector deteriorated from 118.4 per cent to 115.4 per cent, and then to 114.2 per cent during the same period. The share of domestic private corporate sector in NDS showed marginal improvement from 6.3 per cent in 1990-91 to 6.5 per cent in 1991-92 and 1992-93. The rate of net domestic investment is estimated to register a rise from 16.3 per cent of NDP in 1991-92 to 16.9 per cent in 1992-93 as the sizable increase in the rate of net inflow from abroad from 1.1 per cent to 2.5 per cent more than compensated the decline in the rate of NDS during the same period (Table II-4).

Saving of the household sector

The household sector encompasses individuals, non-government, non-corporate enterprises and non-profit organisations. This sector holds its saving in (a) financial assets and (b) physical assets. The saving in financial assets is measured as an addition to financial assets net of financial liabilities.

(a) *Saving in financial assets*

The saving of the household sector in financial assets (net of financial liabilities) which increased sizably by Rs.9,630 crore from Rs.46,042 crore in 1990-91 to Rs.55,672 crore in 1991-92 is now estimated to show a small rise by Rs.131 crore to Rs.55,803 crore in 1992-93. Accordingly, the share of household financial saving in gross household saving, which initially rose from 43.4 per cent in 1990-91 to 47.0 per cent in 1991-92, is estimated to decline to 44.3 per cent in 1992-93. Household financial saving as a proportion to

GDP at current market prices after rising from 8.7 per cent in 1990-91 to 9.1 per cent in 1991-92 is estimated to deteriorate to 7.9 per cent in 1992-93.

The saving in the form of total financial assets, having increased by Rs.8,920 crore from Rs.57,384 crore in 1990-91 to Rs.66,303 crore in 1991-92, is likely to record a smaller rise of Rs.6,403 crore to Rs.72,706 crore in 1992-93. The ratio of these assets to GDP which rose from 10.8 per cent to 10.9 per cent is envisaged to decline to 10.3 per cent during the same period (Table II-5).

Box 1

Estimation of Household Sector's Saving in Financial Assets

Household sector's saving in financial assets is measured as additions to total financial assets net of all financial liabilities. Instrument-wise, bulk of the 'currency with the public' is held by the household sector. As per the past holding pattern, 93 per cent of total currency with the public is apportioned to the household sector. The household share in current, saving and fixed deposits of commercial banks is obtained from the biennial RBI survey on 'Ownership of Deposits with scheduled commercial banks (BSR-4)'. As the estimates pertain to domestic saving, all foreign currency and NRE deposits are netted out from the fixed deposits before apportioning the household share in these deposits. Similarly, Certificate of Deposits (CDs) are also netted out from the fixed deposits of commercial banks as these do not constitute household assets. The household deposits with co-operative banks, credit and non-credit societies are obtained from 'Statistical Statements Relating to Co-operative Movement in India', published by NABARD. Household deposits with non- government non-financial companies are obtained from the consolidated balance sheet of the annual RBI sample study of non- financial public and private limited companies. The sample deposit figures are blown-up on the basis of the ratio of total paid-up capital to sample paid-up capital to obtain an estimate of total deposits while deposits with non-banking financial companies are obtained from the annual RBI survey of non-banking deposits.

The addition to provident and pension funds (PF), including interest, net of withdrawals/loans during the year is treated as household saving. The PF contributions to central and state governments and public PF scheme are obtained from the budget documents while the contribution to non-government PF is obtained mainly from the annual reports of Employees Provident Fund (EPF) Scheme and special returns from other statutory corporations. Life Fund of the LIC arising strictly out of its life insurance business in India (net of transfer to government) is included in the saving of the household sector. The household saving in the form of 'claims on government' comprises mainly small savings, government securities and a variety of government bonds floated from time to time. The data on the small savings are taken from the budget documents; the household share is derived by adjusting for institutional investments such as non-government PF. The household investment in government securities is limited; the information on other government bonds is provided in the finance account of central government which is supplemented by the information available from within the Reserve Bank of India (i.e., Department of Government and Bank Accounts and Public Debt Office).

The information on capital raised through equity and preference shares is available from the Department of Company Affairs (DCA), Government of India. Total funds mobilised through debentures are available from the combined balance sheets of company finance studies. These data are supplemented by the information on 'Capital Issues' compiled and published by the RBI. The household investment in shares and debentures of non-government companies is derived as a residual by subtracting the investment of other institutions as obtained from the flow-of-funds accounts of these

Box 1 (Concld.)

institutions. The share capital of co-operative instituions contributed by 'individuals and others' is treated as household investment. The household share in total sale of units of UTI net of repurchase is obtained from UTI while that of other mutual funds are compiled from their annual accounts. The household investment in the form of trade debt (net) is estimated as a change of trade dues in respect of sundry creditors minus changes in loans and advances to trade debtors as obtained from the RBI study on 'company finances'.

The loans and advances from commercial banks account for bulk of household sector's financial liabilities. The share of the household sector in commercial bank credit is estimated by utilising the data collected through Basic Statistical Returns (BSR-1A) and sectoral deployment of credit. In order to derive household share, loans to 'proprietorship and partnership firms', individuals and small loans of Rs.25,000 or less are treated as loans to household sector. The household share is applied to Section 42 data on non-food bank credit to estimate commercial bank loans to household sector.

The household sector's total financial assets are netted out for financial liabilities (loans from co-operative institutions, central and state governments, and financial institutions; the data sources are the same as those utilised for compiling the financial assets) to derive saving in financial assets. The financial saving so estimated forms part of the household as well as the domestic saving.

References :

1. ***A System of National Accounts,*** *United Nations, New York, 1968.*

2. ***National Accounts Statistics, Sources and Methods,*** *Central Statistical Organisation, Government of India, New Delhi, 1989.*

3. ***Report of the Working Group on Savings (Chairman : K.N. Raj),*** *Reserve Bank of India, February 1982.*

(i) *Currency*

The currency holding of the household sector, which increased by Rs.1,906 crore from Rs.6,251 crore in 1990-91 to Rs.8,157 crore in 1991-92, is now estimated to decline by Rs.1,414 crore to Rs.6,743 crore in 1992-93. Consequently, the marginal enhancement of currency - GDP ratio from 1.2 per cent in 1990-91 to 1.3 per cent in 1991-92 is now estimated to revert and dip to 1.0 per cent in 1992-93. As a share of total financial assets, the currency holding is estimated to first rise from 10.9 per cent to 12.3 per cent and then decline to 9.3 per cent during the three years under consideration.

(ii) *Deposits*

The household saving in deposits comprising deposits with commercial banks, co-operative banks, credit/non-credit societies and non-banking companies, increased by Rs.2,153 crore (11.7 per cent) from Rs.18,468 crore in 1990-91 to Rs.20,621 crore in 1991-92 and is further slated to improve by Rs.7,622 crore (37.0 per cent) to Rs.28,243 crore in 1992-93. The saving in the form of deposits - GDP ratio which declined from 3.5 per cent in 1990-91 to 3.4 per cent in 1991-92 improved substantially to 4.0 per cent in 1992-93. As proportion to total financial assets, the household savings in deposits, which initially declined from 32.2 per cent in 1990-91 to 31.1 per cent in 1991-92, is now estimated to increase to 38.9 per cent in 1992-93.

The household sector's saving in the form of deposits with commercial banks, which displayed a rise of Rs.2,109 crore (or 14.5 per cent) from Rs.14,564 crore in 1990-91 to Rs.16,673 crore in 1991-92, is now estimated to increase substantially by Rs.7,101 crore (or 42.6 per cent) to Rs.23,774 crore in 1992-93. In respect of co-operative sector, the household saving in the form of deposits which declined by Rs.253 crore from Rs.1,864 crore in 1990-91 to Rs.1,611 crore in 1991-92, is estimated to rise considerably by Rs.627 crore to Rs.2,238 crore in 1992-93. The households' deposits with non-banking companies during the year are estimated to decrease by Rs.107 crore (4.6 per cent) to Rs.2,230 crore in 1992-93 from Rs.2,337 crore in 1991-92. The rise in household saving through bank deposits was countered by the decrease in currency holding in 1992-93. The combined share of household saving in the form of currency and bank deposits in gross financial assets is, however, estimated to expand from 39.9 per cent in 1991-92 to 45.1 per cent in 1992-93.

(iii) *Social Security Funds*

Saving in social security funds forms the second major category of household financial saving after deposits. It constitutes saving under provident fund (PF) schemes, contributory as well as non-contributory, pension and life insurance funds. The magnitude of these funds has improved by Rs.2,428 crore (14.5 per cent) from Rs.16,756 crore in 1990-91 to Rs.19,184 crore in 1991-92 and is further estimated to show an increase by Rs.2,504 crore (13.1 per cent) to Rs.21,688 crore in 1992-93. The share of social security funds in total financial assets, which deteriorated from 29.2 per cent in 1990-91 to 28.9 per cent in 1991-92, is slated to recover to an estimate of 29.8 per cent in 1992-93. The saving rate in social security funds is estimated to decline marginally from 3.2 per cent of GDP in 1990-91 to a ratio of 3.1 per cent in the two subsequent years.

Saving in life insurance funds, comprising Life Funds, Postal Insurance and Annuity Fund, Central Government and State Government Insurance Funds, which rose from Rs.5,599 crore in 1990-91 to Rs.6,918 crore in 1991-92, is envisioned to rise further by only Rs.301 crore to Rs.7,219 crore in 1992-93. Thus, it is slated to lose its share in the accretion in households total financial assets from 10.4 per cent in 1991-92 to 9.9 per cent in 1992-93; this share was 9.8 per cent in 1990-91. As a percentage to GDP, the life insurance funds declined marginally from 1.1 per cent in 1990-91 and 1991-92, to 1.0 per cent in 1992-93. Saving under provident and pension funds, having increased from Rs.11,157 crore in 1990- 91 to Rs.12,266 crore in 1991-92, is estimated to improve by Rs.2,203 crore to Rs.14,469 crore in 1992-93. Having lost its share in households total financial assets from 19.4 per cent in 1990-91 to 18.5 per cent in 1991-92, it is estimated to recover to 19.9 per cent in 1992-93. Such saving declined from 2.1 per cent of GDP in 1990-91 to 2.0 per cent in 1991-92, but is estimated to recover to 2.1 per cent in 1992-93.

(iv) *Claims on Government*

Saving of the household in the form of claims on government predominantly consists of investment in small savings. Claims on government which showed a substantial decline of Rs.3,034 crore from Rs.7,942 crore in 1990-91 to Rs.4,908 crore in 1991-92 are estimated to decrease further by Rs.1,206 crore to Rs.3,702 crore in 1992-93. Consequently, the share of this item in households' total financial assets declined sharply from 13.8 per cent in 1990-91 to 7.4 per cent in 1991-92, and further to 5.1 per cent in 1992-93. As a ratio to GDP, claims on government showed a continuous fall from 1.5 per cent in 1990-91 to 0.8 per cent in 1991-92, and further to 0.5 per cent in 1992-93.

The small savings, which declined substantially from Rs.7,811 crore in 1990-91 to Rs.5,156 crore in 1991-92, is estimated to decline further to Rs.3,702 crore in 1992-93. The rise in household investment in government securities from

Rs.67 crore in 1990-91 to Rs.71 crore in 1991-92 is now estimated to decline to Rs.59 crore in 1992-93.

Other investments in claims on government comprise National Rural Development Bonds, National Deposit Scheme, Capital Investment Bonds, Deposit Scheme for retired Government employees, Relief Bonds, Compulsory Deposits and Special Bearer Bonds. The repayments under Compulsory Deposits are estimated to follow the decline from Rs.135 crore in 1990-91 to Rs.103 crore in 1991-92, and further to Rs.15 crore in 1992-93. Similarly, repayments under National Rural Development Bonds are estimated to fall from Rs.19 crore in 1990-91 to about Rs.3 crore in 1991-92, and further to about Rs.1 crore in 1992-93. While the repayments under National Deposit Scheme have declined from Rs.9 crore in 1990-91 to Rs.6 crore in 1991-92 before becoming negligible in 1992-93, the repayments under Capital Investment Bonds have risen from negligible amount to Rs.51 crore in 1992-93. The repayments under Special Bearer Bonds are envisaged to decline from Rs.526 crore in 1991-92 to Rs.133 crore in 1992-93. The household investment in Relief Bonds, had increased from Rs.222 crore in 1990-91 to Rs.314 crore in 1991-92 but declined to Rs.140 crore in 1992-93. Deposits under the scheme for Retired Government employees are estimated to decrease to around Rs.1 crore in 1992-93.

(v) *Investment in Shares, Debentures and Units*

Household investment in shares and debentures, including units of UTI, which showed a substantial rise of Rs.5,567 crore or 66.3 per cent from Rs.8,403 crore in 1990-91 to Rs.13,970 crore in 1991-92, declined sharply by Rs.1,841 crore or 13.2 per cent to Rs.12,129 crore in 1992-93. Therefore, their percentage share in households' total financial assets which rose from 14.6 per cent in 1990-91 to 21.1 per cent in 1991-92 is estimated to have declined sharply to 16.7 per cent in 1992-93. Household investment in these instruments, relative to GDP, which improved from 1.6 per cent in 1990-91 to 2.3 per cent in 1991-92 accordingly plummeted to an estimated 1.7 per cent in 1992-93.

The household investment in units of UTI, improved from Rs.3,438 crore in 1990-91 to Rs.9,906 crore in 1991-92, but declined sharply to Rs.4,655 crore in 1992-93. However, investments in the mutual funds (other than UTI) have shown an unabated increase from Rs.1,953 crore in 1990-91 to Rs.2,127 crore in 1991-92, and further to Rs.3,132 crore in 1992-93. The household sector's direct investment in equities and debentures of private corporate business, which declined from Rs.2,488 crore in 1990-91 to Rs.1,373 crore in 1991-92, is also estimated to rise to Rs.4,141 crore in 1992-93. However, the investment in public sector bonds is estimated to rise first from Rs.497 crore to Rs.520 crore followed by a sharp decline to Rs.100 crore during the period 1990-91 to 1992-93.

(vi) *Trade debt (Net)*

The trade debt (net) represents the credit extended by the household sector to private corporate sector. The household saving in the form of trade debt estimated for 1992-93 was of the order of Rs.200 crore. The financial flows were in the reverse direction at Rs. (-) 437 crore and Rs. (-) 537 crore in 1990-91 and 1991- 92, respectively. The share of trade debt (net) in household financial saving (gross) estimated at (-) 0.8 per cent in 1990- 91 and 1991-92, improved to 0.3 per cent in 1992-93 (Table II-5).

(b) *Saving in Physical Assets*

Household saving in physical assets takes the form of investment in fixed assets of construction and 'machinery and equipment' and changes in stocks. The gross saving in these assets which increased by Rs.2,610 crore or 4.3 per cent from Rs.60,057 crore in 1990-91 to Rs.62,667 crore in 1991-92 is estimated to rise substantially by Rs.7,633 crore or 12.2 per cent to Rs.70,300 crore in 1992-93. Such saving declined from 11.3 per cent of GDP in 1990-91 to 10.3 per cent in 1991-

92, and further to 10.0 per cent in 1992-93 (Table II-3).

Financial Liabilities

The household sector's financial liabilities comprising borrowings from banks (commercial and co-operative), co-operative credit/non-credit societies, LIC, term lending institutions, central and state governments, are estimated to show a sharp increase by Rs.6,272 crore from Rs.10,631 crore in 1991-92 to Rs.16,903 crore in 1992- 93. These liabilities aggregated to Rs.11,341 crore in 1990-91. The financial liabilities declined from 2.1 per cent of GDP in 1990-91 to 1.7 per cent in 1991-92, but are estimated to move up to 2.4 per cent in 1992-93 (Table II-5). The loans and advances from banks, accounting for the bulk of financial liabilities, which declined by Rs.1,611 crore or 19.0 per cent from Rs.8,480 crore in 1990-91 to Rs.6,869 crore in 1991-92, are estimated to register a substantial rise of Rs.6,139 crore or 89.4 per cent to Rs.13,008 crore in 1992-93.

Saving of the public and private corporate sectors

Public sector comprises government administration, departmental and non-departmental enterprises. The rate of gross public sector saving, in terms of GDP, displayed a steady improvement from 1.1 per cent in 1990-91 to 1.7 per cent in 1991-92 and further to 2.0 per cent in 1992-93. The saving of public sector as percentage of GDS also showed commensurate improvement from 4.5 per cent in 1990-91 to 7.0 per cent in 1991-92 and further to 9.0 per cent in 1992-93. In nominal terms, gross saving of the public sector went up substantially by Rs.4,585 crore or 82.0 per cent from Rs.5,591 crore in 1990-91 to Rs.10,176 crore in 1991-92 and further by Rs.4,149 crore or 40.8 per cent to Rs.14,325 crore in 1992-93.

The domestic private corporate sector comprises all non-government financial/non-financial corporate enterprises and co-operative institutions. As a proportion to GDP, the private corporate sector saving remained stationary at 2.7 per cent in 1990-91 and 1991-92 and rose marginally to 2.8 per cent in 1992-93. Its share in GDS is estimated to improve from 11.3 per cent in 1990-91 to 12.2 per cent in 1992- 93. In nominal terms, the gross saving of the private corporate sector which rose by Rs.2,350 crore from Rs.14,267 crore in 1990-91 to Rs.16,617 crore in 1991-92 is estimated to increase by Rs.2,939 crore to Rs.19,556 crore in 1992-93.

C. Trends in Capital Formation

The aggregate gross domestic capital formation increased from Rs.1,43,917 crore in 1990-91 to Rs.1,51,368 crore in 1991-92 and further to Rs.1,75,706 crore in 1992-93. As a percentage of GDP, aggregate gross domestic capital formation, however,is estimated to decline from 27.1 per cent in 1990-91 to 24.8 per cent in 1991-92 but increase thereafter to 25.0 per cent in 1992-93 (Table II-3).

According to the National Accounts Statistics (NAS), 1993 released by the Central Statistical Organisation (CSO), the gross capital formation in the Public Sector, at current prices, increased from Rs.55,721 crore in 1990-91 to Rs.57,949 crore in 1991-92. As a percentage of GDP, it deteriorated from 10.5 per cent in 1990-91 to 9.5 per cent in 1991-92. Similar estimates for 1992-93 are not yet available.

However, the Economic and Functional Classification of Central Government Budget, 1992-93 indicates that the gross capital formation of the Central Government Administration and Departmental Commercial Undertakings which rose by Rs.917 crore or 10.7 per cent to Rs.9,519 crore in 1991-92, is now estimated to increase substantially by Rs.2,268 crore or 23.8 per cent to Rs.11,787 crore in 1992-93 with an increase in the share of gross direct fixed asset formation from 95.0 per cent in 1991-92 to 95.5 per cent in 1992-93.

The gross capital formation in Central Government's Non-Departmental Industrial and

Commercial Undertakings increased by Rs.3,726 crore or 17.6 per cent to Rs.24,881 crore in 1991-92 with gross fixed assets formation improving its share considerably from 77.5 per cent to 92.3 per cent with *pari passu* change in the share of inventories. The total financial assistance for capital formation extended by the Central Government to the State governments, Union Territories, local authorities and their non-departmental commercial undertaking, which had declined by Rs.230 crore or 0.9 per cent to Rs.26,226 crore in 1991-92, rose by Rs.580 crore (2.2 per cent) to Rs.26,806 crore in 1992-93. The financial assistance provided to States and Union Territories rose by Rs.485 crore or 2.5 per cent to Rs.19,840 crore in 1992-93 in comparison with a marginal increase of Rs.78 crore to Rs.19,355 crore in 1991-92. However, the financial assistance to non-departmental commercial undertakings declined by Rs.477 crore or 8.6 per cent to Rs.5,064 crore in 1991-92 but thereafter registered a marginal rise of Rs.11 crore to Rs.5,075 crore in 1992-93 (Table II-6).

Table II-1 : Trends In Gross National Product, Net National Product and Per Capita Income

Description	1988-89	1989-90	1990-91	1991-92	1992-93
1	2	3	4	5	6
1. Gross Domestic Product (GDP) at Factor Cost (Rupees Crore)					
At 1980-81 Prices	1,88,943	1,99,503	2,09,791	2,12,316	2,21,168
	(10.9)	(5.6)	(5.2)	(1.2)	(4.2)
At Current Prices	3,53,517	4,05,827	4,72,660	5,41,888	6,24,097
	(19.9)	(14.8)	(16.5)	(14.6)	(15.2)
2. Gross National Product (GNP) at Factor Cost (Rupees Crore)					
At 1980-81 Prices	1,85,708	1,96,132	2,06,375	2,09,306	2,18,158
	(10.5)	(5.6)	(5.2)	(1.4)	(4.2)
At Current Prices	3,49,021	4,00,076	4,65,827	5,35,055	6,17,264
	(19.4)	(14.6)	(16.4)	(14.9)	(15.4)
3. Net Domestic Product (NDP) at Factor Cost (Rupees Crore)					
At 1980-81 Prices	1,69,467	1,78,771	1,87,876	1,89,145	1,96,950
	(11.5)	(5.5)	(5.1)	(0.7)	(4.1)
At Current Prices	3,14,596	3,60,257	4,20,776	4,80,079	5,55,603
	(20.3)	(14.5)	(16.8)	(14.1)	(15.7)
4. Net National Product (NNP) at Factor Cost (Rupees Crore)					
At 1980-81 Prices	1,66,232	1,75,400	1,84,460	1,86,135	1,93,940
	(11.0)	(5.5)	(5.2)	(0.9)	(4.2)
At Current Prices	3,10,100	3,54,526	4,13,943	4,73,246	5,48,770
	(19.8)	(14.3)	(16.8)	(14.3)	(16.0)
5. Per Capita NNP (Rupees)					
At 1980-81 Prices	2,065	2,134	2,199	2,174	2,222
	(8.6)	(3.3)	(3.0)	(-1.1)	(2.2)
At Current Prices	3,852	4,313	4,934	5,529	6,286
	(17.3)	(12.0)	(14.4)	(12.1)	(13.7)

Sources and Notes : (1) Estimates upto 1990-91 are provisional and for 1991-92 are Quick Estimates by Central Statistical Organisation (CSO), Government of India. Estimates for 1992-93 at 1980-81 prices are Advance Estimates by CSO, while those at current prices are RBI Estimates.

(2) Figures in brackets are percentage changes over the previous year.

Table II-2 : Trends In Sectoral Composition of Real GDP (Averages)

(Per cent)

Item	Period I (1950-51 to 1959-60)	Period II (1960-61 to 1969-70)	Period III (1970-71 to 1979-80)	Period IV (1980-81 to 1991-92)	Period V (1950-51 to 1991-92)
1	2	3	4	5	6
1. **Agriculture and Allied Activities**	53.8	45.8	41.0	34.3	43.3
1.1 Agriculture	48.0	40.8	36.6	31.6	38.9
2. **Industry**	14.0	18.1	20.2	23.3	19.1
2.1. Mining & Quarrying	1.1	1.4	1.4	1.8	1.4
2.2. Manufacturing	12.4	15.7	17.3	19.5	16.4
2.3. Electricity, Gas & Water Supply	0.4	0.9	1.4	2.0	1.2
3. **Services**	32.2	36.1	38.8	42.4	37.6
3.1. Trade, Hotels, Transport and Communication	11.5	13.9	15.4	17.4	14.7
3.2. Financing, Insurance, Real Estate and Business Services	8.8	8.3	8.6	9.5	8.8
3.3. Community, Social and Personal Services *	11.9	14.0	14.9	15.5	14.1
Gross Domestic Product (1+2+3)	100.0	100.0	100.0	100.0	100.0

* Inclusive of Construction.

Note : The totals may not add up due to rounding off differences.

Table II-3 : Estimates of Gross Domestic Saving and Investment

(Rs. crore)

Item	1990-91 P	1991-92 P	1992-93*
1	2	3	4
1. Public Sector	5,591 (4.4)	10,176 (7.0)	14,325 (9.0)
Percentage of GDP at Current Market Prices	1.1	1.7	2.0
2. Domestic Private Corporate Sector (including co-operatives)	14,267 (11.3)	16,617 (11.4)	19,556 (12.2)
Percentage of GDP at Current Market Prices	2.7	2.7	2.8
3. Household Sector	1,06,099 (84.2)	1,18,339 (81.5)	1,26,103 (78.8)
Percentage of GDP at Current Market Prices	20.0	19.4	17.9
3.1. Financial Assets (Net)	46,042	55,672	55,803
Percentage of GDP at Current Market Prices	8.7	9.1	7.9
3.2. Physical Assets	60,057	62,667	70,300
Percentage of GDP at Current Market Prices	11.3	10.3	10.0
4. Gross Domestic Saving (1+2+3)	1,25,957 (100.0)	1,45,132 (100.0)	1,59,984 (100.0)
Percentage of GDP at Current Market Prices	23.7	23.8	22.8
5. Net Inflow of Foreign Resources	17,960	6,236	15,722
Percentage of GDP at Current Market Prices	3.4	1.0	2.2
6. Gross Domestic Investment (4+5)	1,43,917	1,51,368	1,75,706
Percentage of GDP at Current Market Prices	27.1	24.8	25.0

P Provisional.

* Preliminary Estimates.

Notes : (1) Figures in brackets are percentages to total.

(2) The totals may not add up due to rounding off differences.

(3) According to the arrangement arrived at between CSO and RBI, RBI will estimate savings in the form of financial assets of the household sector and savings of the private corporate sector; whereas CSO will provide public sector's savings estimate and those in the form of physical assets of the household sector. Accordingly, the financial assets and domestic private corporate sector data are estimated in the Bank and savings in the form of physical assets of the household sector and those of the public sector up till 1991-92 are as per the CSO's quick estimates (1993). However, as the CSO estimates for 1992-93 are not available, savings estimates of physical assets of household sector and those of the public sector for 1992-93 are RBI estimates. There may be some differences in estimates published here and those in CSO's National Accounts Statistics due to differences in the timing between the two publications and the consequent revisions in data base.

Table II-4 : Estimates of Net Domestic Saving and Investment

(Rs. crore)

Description	1990-91^P	1991-92^P	1992-93*
1	2	3	4
1. Public Sector	-18,125	-18,189	-18,976
	(-24.8)	(-21.9)	(-20.7)
Percentage of NDP at Current Market Prices	-3.8	-3.3	-3.0
2. Domestic Private Corporate Sector	4,632	5,410	5,987
(including co-operatives)	(6.3)	(6.5)	(6.5)
Percentage of NDP at Current Market Prices	1.0	1.0	0.9
3. Household Sector	86,643	95,770	1,04,479
	(118.4)	(115.4)	(114.2)
Percentage of NDP at Current Market Prices	18.1	17.5	16.5
3.1. Financial Assets (Net)	46,042	55,672	55,803
Percentage of NDP at Current Market Prices	9.6	10.2	8.8
3.2. Physical Assets	40,601	40,098	48,676
Percentage of NDP at Current Market Prices	8.5	7.3	7.7
4. Net Domestic Saving (1+2+3)	73,150	82,991	91,490
	(100.0)	(100.0)	(100.0)
Percentage of NDP at Current Market Prices	15.3	15.2	14.4
5. Net Inflow of Foreign Resources	17,960	6,236	15,722
Percentage of NDP at Current Market Prices	3.7	1.1	2.5
6. Net Domestic Investment (4+5)	91,110	89,227	1,07,212
Percentage of NDP at Current Market Prices	19.0	16.3	16.9

P Provisional.
* Preliminary Estimates.

Notes : (1) Figures in brackets are percentages to total.
(2) The totals may not add up due to rounding off differences.
(3) Net Domestic Savings of private corporate sector are worked out by subtracting depreciation from gross saving at book value. There may be some differences in estimates published here and those in CSO's National Accounts Statistics where consumption of fixed capital is estimated by Perpetual Inventory Method.

Table II-5 : Composition of Financial Saving of The Household Sector

(Rs. crore)

	Description	1990-91P	1991-92P	1992-93*
	1	2	3	4
A.	**Total Financial Assets (1 to 7)**	**57,384**	**66,303**	**72,706**
	(a)	10.8	10.9	10.3
	(b)	100.0	100.0	100.0
1.	Currency	6,251	8,157	6,743
	(a)	1.2	1.3	1.0
	(b)	10.9	12.3	9.3
2.	Deposits	18,468	20,621	28,243
	(a)	3.5	3.4	4.0
	(b)	32.2	31.1	38.9
3.	Insurance	5,599	6,918	7,219
	(a)	1.1	1.1	1.0
	(b)	9.8	10.4	9.9
4.	Provident and Pension Funds	11,157	12,266	14,469
	(a)	2.1	2.0	2.1
	(b)	19.4	18.5	19.9
5.	Claims on Government	7,942	4,908	3,702
	(a)	1.5	0.8	0.5
	(b)	13.8	7.4	5.1
6.	Investment in Shares and Debentures including units of UTI	8,403	13,970	12,129
	(a)	1.6	2.3	1.7
	(b)	14.7	21.1	16.7
7.	Trade Debt (Net)	-437	-537	200
	(a)	-0.1	-0.1	-
	(b)	-0.8	-0.8	0.3
B.	**Total Financial Liabilities (1 to 4)**	**11,341**	**10,631**	**16,903**
	(a)	2.1	1.7	2.4
	(b)	100.0	100.0	100.0
1.	Bank Advances	8,480	6,869	13,008
	(a)	1.6	1.1	1.9
	(b)	74.8	64.6	77.0
2.	Loans and Advances from Other Financial Institutions	1,348	1,520	1,600
	(a)	0.3	0.2	0.2
	(b)	11.9	14.3	9.5
3.	Loans and Advances from Government	1,253	1,936	2,000
	(a)	0.2	0.3	0.3
	(b)	11.0	18.2	11.8
4.	Loans and Advances from Co-operative Non-credit Societies	260	306	295
	(a)	-	0.1	-
	(b)	2.3	2.9	1.8
C.	**Financial Saving (A-B)**	**46,042**	**55,672**	**55,803**
	(a)	8.7	9.1	7.9

P Provisional.

* Preliminary Estimates.

(a) Percentage to Gross Domestic Product at current market prices.

(b) Percentage to Financial Assets/Liabilities.

Table II-6 : Capital Formation Through Central Government Budget
(At Current Prices)

(Rs. crore)

Item	1990-91+	1991-92*	1992-93**
1	2	3	4
I. Central Government Administration and Departmental Commercial Undertakings			
1. Gross Capital Formation	8,602	9,519	11,787
	(100.0)	(100.0)	(100.0)
1.1. Gross Direct Fixed Asset Formation	8,193	9,046	11,255
	(95.2)	(95.0)	(95.5)
1.1.1. Buildings and other construction	4,618	5,082	6,008
	(53.7)	(53.4)	(51.0)
(a) New Outlay	3,492	3,772	4,599
(b) Renewals and replacements	1,126	1,310	1,409
1.1.2. Machinery and Equipments	3,575	3,964	5,247
	(41.5)	(41.6)	(44.5)
(a) New Outlay	2,438	2,866	3,728
(b) Renewals and replacements	1,137	1,098	1,519
1.2. Change in Inventories	409	473	532
	(4.8)	(5.0)	(4.5)
II. Central Government's Non-Departmental Industrial and Commercial Undertakings			
1. Gross Capital Formation	21,155	24,881	N.A.
	(100.0)	(100.0)	
1.1 Gross Fixed Assets	16,397	22,968	N.A.
	(77.5)	(92.3)	
1.2 Change in Inventories	4,758	1,913	N.A.
	(22.5)	(7.7)	
III. Financial Assistance for Capital Formation	26,456	26,226	26,806
1. To States, Union Territories	19,277	19,355	19,840
2. Non-Departmental Commercial Undertakings	5,541	5,064	5,075
2.1 Financial Concerns	1,198	1,306	1,023
2.2 Others	4,343	3,758	4,052
3. Other Institutions	1,638	1,807	1,891

Notes : 1) Figures in brackets are percentages to the total.
2) Figures in item I & II cannot be added and compared with item III as these are drawn from different sources.
+ Accounts.
* Revised.
** Budget Estimates.
N.A. = Not Available.

Sources: 1. An Economic and Functional Classification of the Central Government Budget, 1992-93.
2. Annual Report on Working of Industrial and Commercial Undertakings of the Central Government, 1991-92.

CHAPTER III

AGRICULTURAL PRODUCTION AND PROGRAMMES

Overview

Agriculture in the Eighth Five Year Plan

One of the objectives of the Eighth Five Year Plan (1992-93 to 1996-97) is the growth and diversification of agriculture so as to achieve self-sufficiency in food and to generate surpluses for exports. The strategy envisaged to achieve this goal is a mix of extending cultivation to the hitherto agriculturally under-developed areas such as the North-Eastern Region and drylands as also of increasing production through improved productivity.

The value of gross output in agriculture during the Eighth Plan is expected to grow at an annual compound rate of 4.1 per cent. The share of agriculture in the Gross Domestic Product (GDP), however, is slated to decline from 27.7 per cent in 1991-92 to 24.6 per cent in 1996-97 as other sectors, mainly manufacturing, are anticipated to grow faster. The share of investment in agriculture in total public and private investment in the economy as a whole during the Eighth Plan would be about 18.7 per cent as compared with 11.2 per cent during the Seventh Plan. Private sector is expected to account for nearly two-thirds of the investment in agriculture.

Draft Agricultural Policy Resolution (DAPR)

The Draft Agricultural Policy Resolution (DAPR), placed in Parliament in December 1992, broadly reflects the Eighth Plan's strategy for agriculture. Thus, according to DAPR, the objective of agricultural policy is to accelerate all-round development and economic viability of agriculture including horticulture, livestock, fisheries and sericulture. It aims at infusing new dynamism through public investments in infrastructural development, and a much greater impetus for private investment. It envisages necessary support, encouragement and thrust to farming so that the rural people could look to this occupation for a future of all-round development, and well-being. It places emphasis on the development of suitable post-harvest technologies together with improvements in the marketing of agricultural produce in different regions of the country and abroad. It also envisages the setting up of agro-processing units in the rural areas to generate employment opportunities. Besides, it emphasises the Government's commitment to ensure remunerative prices for the farming community. In short, it aims at creating a positive trade and investment climate for agriculture so as to convert this sector into a commercial enterprise.

Minimum Support Prices/Issue Prices

The Government announce minimum support prices(MSP) for 22 major agricultural commodities, with a view to ensure remunerative prices to the growers to pursue their efforts of production and investment. Each year, MSP is fixed on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of the State Governments and concerned Central Ministries. There had been substantial upward revisions in both the minimum support prices for various agricultural commodities and the issue prices of foodgrains under the public distribution system (PDS). The MSP for wheat and rice for the marketing season 1992-93 were revised upwards by 22.2 per cent and 16.0 to 17.4 per cent, respectively, and further by 20.0 per cent and 14.8 to 20.7 per cent, respectively, for 1993-94 season. The extent of revision in MSP for commercial crops ranged from 6.7 per cent for raw jute to 20.3 per cent for soyabean for 1992-93 marketing season and for 1993-94 season, from 6.3 for sunflowerseed to 13.4 per cent for rapeseed/mustardseed. The objective of these revisions was partly to cover the increase in input costs following the freeing of the prices of certain types of fertilisers and partly to ensure remunerative prices to the growers (Annexure). Similarly, with effect from January 11, 1993, the issue prices of foodgrains under PDS were raised by 17.9 per cent for wheat and 13.1 per cent to 15.9 per cent for rice. The increase was aimed mainly at reducing the burden of subsidy on the Central Government.

Monsoon

The weather conditions during 1992-93 were generally conducive to better performance of a number of crops. For the fifth year in succession, the country received normal rainfall. During the South-West monsoon season (June 1 to September 30, 1992), 30 out of 35 meteorological subdivisions received normal to excess rainfall. Besides, after the middle of July 1992, the distribution of rainfall over time and space was generally good and favourable for crops particularly coarsegrains, oilseeds and cotton. However, late arrival of rains in certain areas in Andhra Pradesh had affected rice production; drought conditions reduced sugarcane output in Maharashtra and Uttar Pradesh; and floods resulted in lower production of jute in West Bengal and Assam.

Trends in Production

Reflecting the favourable environment, agricultural production during 1992-93 registered an all-round improvement. The index number of agricultural production (base: triennium ending 1969-70 = 100) for 1992-93 at 195.9 showed an increase of 4.9 per cent over 1991-92 in contrast to a decline of 2.7 per cent during the previous year. The indices for foodgrains at 191.9 and non-foodgrains at 204.3 for 1992-93 were higher by 5.3 per cent and 3.1 per cent, respectively, over the previous year (Table III-1).

Total foodgrains production during 1992-93 was placed at 181.2 million tonnes showing an increase of 8.5 per cent over 1991-92 due mainly to a quantum jump in the output of coarsegrains (Table III-1). Seasonwise, both *kharif* and *rabi* output were higher. The estimated *kharif* crop at 103.2 million tonnes and *rabi* crop at 78.0 million tonnes during 1992-93 were higher by 12.9 per cent and 3.1 per cent, respectively, over the previous year. Production of cereals at 166.5 million tonnes and pulses at 14.7 million tonnes during 1992-93 were higher by 7.4 per cent and 22.0 per cent, respectively, over 1991-92.

Among non-foodgrains, production of both oilseeds and cotton scaled new highs during 1992-93. Output of nine major oilseeds aggregated 20.6 million tonnes during 1992-93, showing an increase of 12.9 per cent over 1991-92. Similarly, cotton production during 1992-93 totalled 11.7 million bales which was higher by 18.5 per cent over 1991-92. On the other hand, production of sugarcane at 238.0 million tonnes and raw jute at 7.6 million bales was lower by 4.5 per cent, and 25.2 per cent, respectively, over 1991-92. Among plantation crops, production of both tea and coffee registered decline (Table III-1).

Foodgrains

All Foodgrains

Production: Annual

Foodgrains production during 1992-93 scaled a new high of 181.2 million tonnes registering an increase of 8.5 per cent over 1991-92 (167.1 million tonnes) and only marginally lower than the target set for the year (183.0 million tonnes). The record performance was attributabed mainly to the generally favourable monsoon. While area under cultivation rose by 2.8 per cent over 1991-92, yield per hectare improved by 5.5 per cent from 1,374 kgs. during 1991-92 to 1,450 kgs. during 1992-93. Production of *cereals* during 1992-93 aggregated 166.5 million tonnes registering an increase of 7.4 per cent over the preceding year (155.0 million tonnes) due mainly to a substantial increase (5.2 per cent) in the yield per hectare. Production of pulses during 1992-93 was estimated at 14.7 million tonnes registering a sharp increase of 22.0 per cent over 1991-92 (12.1 million tonnes) due mainly to an improvement of 15.5 per cent in the yield per hectare and partly to an expansion, by 5.5 per cent, in the area under cultivation (Table III-2).

Season-wise

Total *kharif* foodgrains output during 1992-93 was estimated at 103.2 million tonnes which was higher by 12.9 per cent over the *kharif* output of 91.4 million tonnes in 1991-92 and only nominally lower than the target set for 1992-93 (103.3 million tonnes). The 1992-93 *rabi* production was placed at 78.0 million tonnes, showing an increase of 3.1 per cent over the production of 75.6 million tonnes during 1991-92 but slightly lower than the target set for 1992-93 (79.7 million tonnes) (Table III-3).

Sub-group/Crop-wise

Production of cereals during 1992-93 *kharif* season was placed at 96.9 million tonnes which was higher by 11.4 per cent over the previous *kharif* season (87.0 million tonnes) but slightly lower than the target set for the year (97.3 million tonnes) (Table III-4). *Rabi* production of cereals during 1992-93 was estimated at 69.6 million tonnes - higher (by 2.4 per cent) than that during the preceding *rabi* season (68.0 million tonnes) but lower (by 2.3 per cent) than the target (71.3 million tonnes)

Output of pulses during *kharif* 1992-93 at 6.3 million tonnes was higher by 41.9 per cent over 1991-92 (4.4 million tonnes). The increase was mainly on account of a sharp improvement in the yield per hectare by 37.9 per cent over the year. *Rabi* production of pulses during 1992-93 at 8.4 million tonnes was also higher by 10.4 per cent than in 1991-92 (7.6 million tonnes) (Table III-5).

Availability

The net availability of foodgrains declined from 158.1 million tonnes in the calendar year 1991 to 152.5 million tonnes in 1992 due to decline in foodgrains production in 1991-92 and the consequent reduction in the marketed surplus. Per capita net availability of foodgrains per day correspondingly decreased from 511.0 grams in 1991 to 476.4 grams in 1992. Per capita net availability of cereals decreased from 470.7 grams per day in 1991 to 443.0 grams per day in 1992 while that of pulses came down from 40.3 grams in 1991 to 33.4 grams in 1992 (Table III-6).

High Yielding Varieties Programme (HYVP)

Expansion of area under location-specific high yielding variety seeds has been a major component of the strategy to increase foodgrains production in the country. Under this programme, total area under major foodgrains during 1991-92 was anticipated at 65.6 million hectares showing an increase of 4.1 per cent over the actual during 1990-91 (63.0 million hectares). Notwithstanding the unfavourable weather conditions, the anticipated achievement in 1991-92 constituted 95.1 per cent of the target set for the year (69.0 million hectares) and 70.2 per cent of the total cropped area. For 1992-93, a target of 70.5 million hectares showing an increase of 7.5 per cent over the anticipated achievement in 1991-92 was set (Table III-7).

The anticipated achievement during 1991-92 was higher in respect of all crops except paddy. While area under HYV for wheat at 21.4 million hectares was marginally higher over that in 1990-91, those under jowar, bajra and maize were substantially higher. There was, however, a marginal decline in respect of paddy due probably to unfavourable weather conditions at the time of sowing of the *kharif* crop. The target set for 1992-93 for paddy at 30.5 million hectares was higher by 12.1 per cent over 1991-92. The increase in the targets for other crops ranged from 3.7 per cent in respect of wheat to 6.7 per cent for maize (Table III-7). During 1992-93, HYVP continued to have the support of Minikit Demonstration Programme.

Cereals

Rice

A large part of the area under rice is rainfed and, therefore, it is grown mainly during the *kharif* or winter season. *Rabi* or summer rice crop is cultivated mainly in a few States like Andhra Pradesh, West Bengal, Orissa, Karnataka and Tamil Nadu.

Production

Production of rice during 1992-93 was estimated at 72.6 million tonnes showing a decline of 1.4 per cent over 1991-92 and a shortfall of over 6.0 per cent in relation to the production target of 77.3 million tonnes. Both *kharif* and *rabi* crops were estimated to be lower than the targets. *Kharif* rice was placed at 64.6 million tonnes against the target of 68.8 million tonnes. *Rabi* rice was estimated at 8.0 million tonnes against the target of 8.5 million tonnes (Table III-8). The setback in the production during 1992-93 was attributed to shrinkage in the area by 2.2 per cent following the late onset of the monsoon in various rice growing tracts of the country. Also, deficient rains in some of the major rice growing States had an adverse impact on the productivity of the crop.

Integrated Programme of Rice Development

The ongoing Integrated Programme of Rice Development (IPRD), which envisages extension of area under location-specific high yielding varieties as also propagation and adoption of improved rice production technology with increased and efficient use of inputs, was continued during 1992-93. Under IPRD, farmers received assistance in the use of inputs like certified seeds, micronutrients, improved farm implements, plant protection equipments, herbicides, power tillers, pesticides, etc. They also received the necessary training. During 1992-93, the Central Government had allocated Rs.90.0 crore for this scheme.

Wheat

Production

Wheat production during 1992-93 was placed at 57.0 million tonnes thus achieving the target set for the year and showing an increase of 3.5 per cent over 1991-92 (55.1 million tonnes) The increase was brought about by an expansion in area by 6.8 per cent from 23.0 million hectares during 1991-92 to 24.5 million hectares during 1992-93 which had more than neutralized the decline of 3.1 per cent in the yield per hectare (Table III-9).

Special Foodgrains Production Programme (SFPP) - Wheat

During 1992-93, SFPP-Wheat was implemented in all the districts of the seven wheat growing States. This scheme envisages assistance to the farmers to obtain various inputs at subsidised rates, including plant protection chemicals. The Government had made a budgetary allocation of Rs. 30.0 crore for 1992-93.

Coarsegrains

Production

Coarse cereals include jowar, bajra, maize, ragi, small millets and barley and their production depends upon appropriate weather conditions. The output of coarsegrains during 1992-93 was placed at 36.9 million tonnes which was higher not only over the production during 1991-92 (by 40.5 per cent) but also over the target set for 1992-93 (34.2 million tonnes). Incidentally, at this level, production surpassed, by 6.0 per cent, the previous peak of 34.8 million tonnes, achieved during 1989-90. Season-wise, *kharif* production stood at 32.3 million tonnes which showed a sharp increase of 45.8 per cent over 1991-92; at that level, it surpassed the target (28.5 million tonnes) by over 13 per cent. *Rabi* production stood at 4.6 million tonnes which was higher by 12.2 per cent over the previous *rabi* season though it fell short of the target (5.7 million tonnes) (Table III-10). The exceptional performance was attributable mainly to favourable weather conditions for these crops during 1992-93.

Special Foodgrains Production Programme - Maize and Millets (SFPP-Maize and Millets)

During 1992-93, SFPP-Maize and Millets was implemented in 14 States. This scheme envisages the distribution of inputs to the farmers at subsidised and nominal costs. For 1992-93, the Government made a total provision of Rs. 20.0 crore for this scheme.

Pulses

Pulses are grown mainly in unirrigated tracts. Production of pulses during 1992-93 was estimated at 14.7 million tonnes, surpassing notionally the target of 14.5 million tonnes set for the year and showing a quantum jump of 22.0 per cent over the actual production of 12.1 million tonnes during 1991-92. The improvement was due mainly to a sharp increase of 15.5 per cent in the yield per hectare (Table III-5).

With effect from August 1990, pulses were brought under the purview of Technology Mission. Under this arrangement, certain programmes are being implemented to increase the production of pulses. The National Pulses Development Project (NPDP) is being operated with the objective of increasing production of pulses through the adoption of location-specific varieties and improved technology. During 1992-93, the Government provided Rs.25.3 crore for this programme. The second programme *viz.*, Special Foodgrains Production Programme - Pulses (SFPP-Pulses) has two schemes: (i) Plant Protection Umbrella on Gram and Arhar against control of pod borer, cut worm and termites and (ii) Expansion of Area under summer Moong/Urad. Under the latter scheme, short duration varieties were introduced in irrigated areas after the harvest of potato, sugarcane, etc. An outlay of Rs.5.5 crore was allotted for SFPP - Pulses for 1992-93.

Public Distribution System

Policy Developments :

(i) Revamped Public Distribution System

The primary objective of the public distribution system (PDS) is to supply foodgrains and other essential commodities to consumers at reasonable prices. It functions through a wide network of fair price / ration shops. With a view to improving its reach to the consumers living in areas of relative economic disadvantage,the Government have taken certain measures to strengthen and streamline the existing PDS. About 1,700 blocks, covered under various area-development programmes, were identified by the State Governments/Administrators of the Union Territories for inclusion in the Revamped PDS (RPDS). The Government augmented the supply of wheat and rice for distribution in these areas to the tune of approximately 2 million tonnes; it supplied these items at reduced Central Issue Prices; it also liberalised its financial assistance programmes for acquiring vans and for building godowns in these areas; and it included items such as tea, salt, pulses and soaps for distribution under RPDS. (For further details of PDS, please see pages 15 to 17 of the last Report for 1991-92).

(ii) Central Assistance

The Government is providing financial assistance to States/Union Territories in the form of loan/subsidy for the purchase of vans and for the construction of godowns so as to further improve the supply of essential commodities under PDS to far-flung, inaccessible, hilly and tribal areas. Certain modifications were effected in these schemes during 1992-93. The subsidy component in the scheme for the purchase of mobile vans was enhanced from 25 per cent to 50 per cent from the current financial year. The quantum of assistance per van was raised from Rs.2.5 lakh to Rs.4.0 lakh. Moreover, permissible use of vans was liberalised. Besides functioning as mobile fair price shops, they could now be used as foodgrains carriers for effecting door-to-door delivery in the areas covered under RPDS. The scheme for providing assistance to State Governments/Union Territories for the construction of godowns in interior areas, earlier restricted to North-Eastern States, Himachal Pradesh, Sikkim, Jammu and Kashmir and the Andaman and Nicobar Islands, was extended to include the blocks identified under the RPDS.

During 1992-93, an amount of Rs.2.68 crore was disbursed to different States and Union Territories for acquiring 67 vehicles and Rs.4.80 crore was approved for the construction of godowns.

(iii) Issue Prices of Foodgrains under PDS

The Central Issue Prices (CIP) under PDS are periodically revised by the Government keeping in view, *inter alia,* the increase in the procurement prices, transport and distribution costs. On these considerations, during 1992-93, CIP were once revised. With effect from January 11, 1993, CIP of common, fine and superfine varieties of rice supplied through PDS were raised by 15.9 per cent, 13.7 per cent and 13.1 per cent, respectively, to Rs.437 per quintal, Rs.497 per quintal and Rs.518 per quintal, respectively. Similarly, with effect from the same date, the issue price of wheat supplied through PDS was raised by 17.9 per cent to Rs.330 per quintal (Table III-11). Under RPDS, foodgrains are distributed at specially subsidised rates; the price of wheat is Rs.3.05 per kg. and that of common rice Rs.4.12 per kg.

Procurement

Total procurement of foodgrains during 1992-93 did not show any appreciable variation over 1991-92 though there was a perceptible change in the composition. During 1992-93, total procurement stood at 19.6 million tonnes showing an increase of 7.5 per cent over 1991-92. Procurement of rice during 1992-93 aggregated 12.6 million tonnes constituting 17.5 per cent of the production and was higher by 20.6 per cent over the previous year (10.5 million tonnes). Procurement of wheat at 6.4 million tonnes, during 1992-93, however, was lower by 17.7 per cent over 1991-92. In terms of production, wheat procurement declined from 14.1 per cent during 1991-92 to 11.2 per cent in 1992-93.

Procurement during 1993-94 (up to end-June) was much higher due to larger production and the sharp increase in the procurement prices. During April-June 1993, foodgrains procurement aggregated 14.4 million tonnes showing a sharp increase of 92.8 per cent over the corresponding quarter of 1992-93 (7.5 million tonnes). While procurement of rice at 1.5 million tonnes was higher by 34.2 per cent over the corresponding quarter of the previous year (1.1 million tonnes), procurement of wheat at 12.7 million tonnes was more than twice the quantum procured during the corresponding period of 1992 (6.4 million tonnes) (Table III-12).

Procurement of coarsegrains till end-June 1993 during the 1992-93 marketing season (i.e. October-September) aggregated 0.8 million tonnes. There was no procurement of coarsegrains during the corresponding period of the last season.

Off-take

Off-take of foodgrains during 1992-93 and in the first quarter of 1993-94 was lower due mainly to the narrowing of the differences between market prices and the issue prices under PDS and the availability of choice of varieties at the open market. During 1992-93, a total of 17.2 million tonnes of foodgrains were distributed (including 0.39 million tonnes under Jawahar Rozgar Yojana and 0.02 million tonnes of open market sale of wheat by Food Corporation of India) which was lower by 10.4 per cent over that during 1991-92 (19.1 million tonnes). Off-take during 1992-93 comprised 9.4 million tonnes of rice, 7.7 million tonnes of wheat, both lower by 6.4 per cent and 14.9 per cent, respectively, as compared with 10.1 million tonnes of rice and 9.1 million tonnes of wheat during 1991-92. During the first quarter of 1993-94 (April-June), total off-take of foodgrains at 3.1 million tonnes was lower by 26.8 per cent as compared with 4.3 million tonnes during the corresponding quarter of the preceding year due mainly to a steep decline in the off-take of wheat by 48.4 per cent (Table III-13). Total off-take under the RPDS during June-December, 1992 was about 2.2 million tonnes comprising 1.1 million tonnes of wheat and 1.1 million tonnes of rice.

Stocks

As at end-March 1993, total stocks of foodgrains stood at 14.7 million tonnes which were substantially higher, by 20.7 per cent, over the level a year ago (12.2 million tonnes) and notionally higher than the prescribed norms. Component-wise, stocks of rice at 11.0 million tonnes and wheat at 3.0 million tonnes were higher by 13.0 per cent and 24.2 per cent, respectively, over the previous end-March level. As compared with the norms, stocks of rice were nominally higher while those of wheat were substantially lower.

As at end-June 1993, stocks of foodgrains aggregated 26.4 million tonnes comprising 10.4 million tonnes of rice and 15.2 million tonnes of wheat. At these levels, they were higher by 74.4 per cent, 24.6 per cent and 126.2 per cent, respectively, over end-June 1992. The stocks at end-June 1993 had substantially exceeded the norms; a year ago, however, stocks were notably short of the norms (Table III-14).

Non-Foodgrains

Oilseeds

Production

Total oilseeds production during 1992-93 not only exceeded the target of 19.0 million tonnes but also scaled an all-time high of 20.6 million tonnes registering an increase of 12.9 per cent over the previous year (18.3 million tonnes). The spurt in production could be attributed mainly to the widespread rainfall. There was an increase of 13.4 per cent in yield, from

719 kgs. per hectare in 1991-92 to 815 kgs. per hectare in 1992-93, which had more than compensated a notional decline in the area under cultivation (Table III-15). The production target for nine oilseeds for 1993-94 has been proposed at 21.0 million tonnes comprising 11.5 million tonnes for *kharif* and 9.5 million tonnes for *rabi.*

Season-wise, 1992-93 *kharif* oilseeds at 11.5 million tonnes was higher by 29.3 per cent as compared with the previous *kharif* season (8.9 million tonnes) (Table III-16). The 1992-93 *rabi* production was placed at 9.1 million tonnes which had marginally exceeded the target but showed a decline of 2.7 per cent over the previous *rabi* season (Table III-17).

Among major oilseeds, except rapeseed/ mustardseed, which registered decline, production of all other oilseeds had been higher during 1992-93. Among traditional oilseeds, production of groundnut (in-shell) rose from 7.1 million tonnes during 1991-92 to 8.5 million tonnes during 1992-93 (20.3 per cent). Among other oilseeds, production of soyabean went up from 2.3 million tonnes during 1991-92 to 3.1 million tonnes during 1992-93 (36.6 per cent) (Table III-18).

Policy Developments

An Integrated Policy Statement on Oilseeds was made in 1989, which provided incentives to oilseeds growers to increase production, simultaneously aiming at protecting the interests of the consumers and oilseed processing industry. The objective is sought to be achieved through the Technology Mission on Oilseeds (TMO). The TMO aims at harnessing best of production, processing and management technologies to accelerate the achievement of self-reliance in oilseeds. Towards this end, it has designed a four-pronged strategy. The strategy is being implemented through different organisations/institutions. Thus, (i) the improvement of oilseeds crop technology for higher yield is being looked after by the Indian Council of Agricultural Research (ICAR), Department of Biotechnology and State Agricultural Universities; (ii) improvement of processing and post-harvest technology to increase the yield of oilseeds is entrusted to the Council for Scientific and Industrial Research (CSIR) and the Department of Civil Supplies; and (iii) the task of providing input and service support to the farmers is assigned to the State Agricultural Departments, National Dairy Development Board (NDDB), NABARD and National Oilseeds and Vegetable Oil Development Board (NOVODB); and (iv) the price support, storage, processing and marketing functions are left to the National Co-operative Development Corporation (NCDC), NDDB, National Agricultural Co-operative Marketing Federation of India Ltd.(NAFED), Department of Civil Supplies, Khadi and Village Industries Corporation (KVIC) and NOVODB.

Of these institutions, NAFED took up price support operations and procured over 32,000 tonnes of oilseeds during 1991-92 and a further quantum of over 38,000 tonnes up to end-October 1992. The NDDB took up market intervention activities. Between July 1992 and March 1993, it procured over 3.5 lakh tonnes of oilseeds at average prices much higher than MSP. The NDDB had also taken up retail marketing activities in Dhara brand of edible oils in small consumer packs to provide relief to consumers.

The NDDB and NCDC have created storage capacities as shown in the table over leaf :

The input and service support to farmers is being offered under two programmes: Oilseed Production Programme (OPP) and NOVODB. During 1992-93, OPP covered 324 districts in 21 States. The strategy adopted under OPP to achieve the objective of promoting oilseeds production includes

(1) increasing production of oilseeds through expansion of area under oilseeds by introducing double / multiple cropping system and availability of quality seeds (particularly of groundnut and soyabean), (2) opening of additional retail outlets of seeds in remote areas, (3) distribution of seed minikits, plant protection chemicals and sprinkler sets, improved farm implements etc., (4) distribution of rhizobium culture for groundnut and soyabean, and (5) field demonstration of improved technology.

The Central outlay under OPP was raised from Rs.60.0 crore in 1991-92 to Rs.89.8 crore in 1992-93 of which Rs.83.3 crore were sanctioned for 21 States to provide various input supply and services to farmers, the expenditure being shared by Government of India and State Governments on 75:25 basis. A sum of Rs.1.5 crore was also sanctioned to National Seeds Corporation and State Farms Corporation of India to augment production and supply of foundaction and certified seeds. A sum of Rs.4.7 crore was sanctioned to ICAR for production of breeder seeds organising improved technology on farm fields and improved implements for oilseeds crops.

The NOVODB supplements OPP's efforts to increase oilseeds production. It implements many schemes on a smaller scale and mainly outside the OPP operative areas. It also provides financial assistance to the Department of Agriculture and other organisations in the States.

Minimum Support Price (MSP)

The Government fixes Minimum Support Price (MSP) for major oilseeds to induce farmers to make investment and to increase production and improve their incomes. The Government raised MSP for rapeseed/mustardseed, safflower seed and toria, to be marketed in 1993-94, by 13.4 per cent, 12.5 per cent and 12.4 per cent, respectively, from Rs.670 per quintal, Rs.640 per quintal and Rs.645 per quintal applicable for 1992-93 season to Rs.760 per quintal, Rs.720 per quintal and Rs.725 per quintal, respectively (Annexure). NAFED continued to be the central nodal agency for implementing the minimum support price scheme for oilseeds. Up to end-October 1992 during the financial year 1992-93, NAFED procured 0.38 lakh tonnes of oilseeds as compared with 0.32 lakh tonnes during the entire 1991-92.

Cotton

Production

The area under cotton crop during 1992-93 season (September-August) was estimated

Storage Capacity

(Lakh tonnes)

Institutions	During 1991-92			Cumulative		
	Oilseeds	Edible oil	Processing	Oilseeds	Edible oil	Processing
1	2	3	4	5	6	7
NDDB	0.10	0.95	0.99	2.75*	1.70*	0.06098* (Per day)
NCDC	0.16	0.03	0.91	0.66@	0.91@	6.59@

*Upto end-June 1992
@Upto end-March 1992

at 7.5 million hectares which was lower by 3.0 per cent as compared with 7.7 million hectares in the previous season. Production during 1992-93 season, however, was much higher due mainly to favourable weather conditions. According to the estimates of the Ministry of Agriculture, cotton production during 1992-93 season reached an all-time high of 11.7 million bales, showing an increase of 18.5 per cent over that in 1991-92 (9.8 million bales). Cotton production this year surpassed the previous high of 11.4 million bales achieved in 1989-90. An increase of 22.1 per cent in yield per hectare over 1991-92 which had more than compensated a decline of 3.0 per cent in area under the crop, had brought about this improved performance. Production during 1992-93 was, however, marginally lower than the target set for the year (12.0 million bales) (Table III-19). The Government have set the target for 1993-94 at 12.5 million bales which, if realised, would be higher by 7.2 per cent over the estimated production for 1992-93.

Balance Sheet

At the meeting held on May 21, 1993, the Cotton Advisory Board (CAB), revised its earlier estimates and placed the cotton output during 1992-93 season higher at 13.0 million bales due to higher production in major cotton growing States *viz.*, Punjab, Haryana, Gujarat, Maharashtra and Andhra Pradesh.

According to CAB estimates, total availability of cotton during 1992-93 season at 16.4 million bales which was higher by 13.1 per cent as compared with 14.5 million bales in 1991-92. The larger availability during the 1992-93 season was due both to a higher opening stock (3.3 million bales as compared with 2.3 million bales last season) and to a higher level of output (13.0 million bales as compared with 11.9 million bales) as also imports of 0.73 lakh bales. On the demand side also, the off-take both on domestic and export accounts during 1992-93 season was placed much higher as compared with the previous season. The total off-take during 1992-93 was placed at 13.8 million bales showing an increase of 23.2 per cent over the previous year (11.2 million bales). The estimated mill consumption during 1992-93 at 11.2 million bales would be higher by 8.6 per cent over the previous season's consumption of 10.3 million bales. Non-mill user demand would be constant at 0.8 million bales. Exports during 1992-93 season was placed at an all-time high of 1.8 million bales as against a meagre 0.08 million bales during the earlier season. The closing stock as at the end of 1992-93 season would be lower at 2.6 million bales as compared with 3.3 million bales during the previous season (Table III-20).

Price Policy

The Government's price policy for 1992-93 season continued to be guided by the twin objectives of assuring remunerative prices to the farmers and ensuring reasonable prices to the user industry. Accordingly, the MSP for 1992-93 season for two basic varieties of cotton *viz.*, F-414/H-777/Agatti for short and medium staple and H-4 variety for long staple group, were raised by the Government from Rs.695 per quintal and Rs.840 per quintal, respectively, applicable for the 1991-92 season, to Rs.800 per quintal and Rs.950 per quintal, respectively; these were raised further to Rs.900 per quintal and Rs.1,050 per quintal, respectively, for the 1993-94 season (Annexure). For other major varieties of cotton, the prices were fixed by a Committee under the Chairmanship of the Textile Commissioner, taking into consideration the prices recommended by CACP.

Procurement Agencies

The Cotton Corporation of India (CCI)

undertakes procurement operations in all States except Maharashtra. In Maharashtra, the State owned agency *viz.*, Maharashtra State Co-operative Cotton Growers' Marketing Federation (MSCCGMF), undertakes the procurement operations under its monopoly procurement scheme at the guaranteed prices fixed by the Maharashtra Government which are generally higher than MSP. For the 1992-93 season, these guaranteed prices were initially the same as MSP announced by the Union Government, but they were raised later to include an advance additional price of Rs.50 per quintal for long and medium staple varieties and Rs.100 per quintal for short staple varieties over and above the guaranteed prices.

During 1992-93 season, CCI purchased 1.2 million bales of cotton as compared with 1.0 million bales during 1991-92 season. The purchases were made mainly in Punjab, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Andhra Pradesh. In Maharashtra, MSCCGMF procured 2.0 million bales of cotton which was substantially higher (by 83.2 per cent) as compared with 1.1 million bales procured during 1991-92 season.

Intensive Cotton Development Programme (ICDP)

During 1992-93, ICDP, which aims at increasing production and productivity of cotton, was implemented in 43 districts of all cotton growing States namely, Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh. The Central outlay under the scheme was Rs.9.4 crore during 1992-93, as compared with Rs.4.0 crore in the previous year.

Raw Jute and Mesta

According to the estimates of the Ministry of Agriculture, raw jute and mesta production declined by 25.3 per cent from 10.2 million bales in 1991-92 season (July-June) to 7.6 million bales in 1992-93 season. Lower yield per hectare (21.2 per cent) and fall in area under cultivation (5.4 per cent) contributed to the decline. As compared with the target set at 9.2 million bales, production at 7.6 million bales showed an achievement ratio of 82.7 per cent (Table III-21). Both raw jute and mesta production showed declines.

According to the estimates of the Office of the Jute Commissioner 10.4 million bales of jute and mesta were available for distribution during the 1992-93 season as compared with 10.8 million bales during the preceding season. The decline of 0.4 million bales (3.7 per cent) was on account of the lower production of 7.4 million bales in 1992-93, as compared with 9.0 million bales in 1991-92, which had more than neutralised a higher carry forward stock of 2.9 million bales at the beginning of the 1992-93 season (as compared with 1.7 million bales in the previous season) and a larger import of 0.1 million bales (as compared with 0.05 million bales in the earlier season). The off-take (both for domestic consumption and exports) was higher during the 1992-93 season. The mill consumption during the 1992-93 season was 7.8 million bales (4.8 per cent higher) as compared with 7.4 million bales in 1991-92. The non-mill consumption was marginally higher at 0.5 million bales. The total off-take for domestic use in 1992-93 was thus 8.3 million bales (5.2 per cent higher) as compared with 7.9 million bales in the previous season. The off-take for exports in 1992-93 was 0.05 million bales as compared with a negligible 0.02 million bales in the earlier year. The closing stock at the end of the 1992-93 season at 2.0 million bales was lower by 0.84 million bales as compared with that for the 1991-92 season (Table III-22).

The 1993-94 target for raw jute and

mesta production is 9.3 million bales which, if materialises, would be higher by 22.2 per cent over the estimated production during 1992-93. The target is sought to be achieved through (i) accelerating the production and distribution of seeds, (ii) increased emphasis on timely supply of critical inputs responsible for increasing the productivity or quality, (iii) intensive efforts on demonstrative programmes for improving production technology at the grass root level for disseminating the same to the growers, (iv) creating additional retting facilities in different areas and motivating farmers for adopting technology on improvement of fibre quality, and (v) supplementing the developmental efforts through appropriate price and marketing policies.

Raw jute and mesta are subject to MSP. Jute growers could sell their produce at MSP either to the Jute Corporation of India (JCI) or to the co-operatives acting as JCI's agents. The main objective of the Government's MSP policy relating to raw jute is to safeguard the interests of jute growers by ensuring remunerative price for their produce. Accordingly, during the year, the MSP for the basic variety of raw jute TD-5 grade in Assam was raised by 6.7 per cent from Rs.375 per quintal for the 1991-92 season to Rs.400 per quintal for the 1992-93 season and further to Rs.450 per quintal (12.5 per cent) for the 1993-94 season. The corresponding minimum support prices of all other grades of jute/mesta in different jute/mesta growing States were notified by the Jute Commissioner.

During the 1992-93 season, the JCI had procured 0.8 million bales which was higher by 31.1 per cent over that during the preceding season (0.6 million bales).

Special Jute Development Programme(SJDP)

The SJDP aims at increasing productivity and quality of the jute fibre through (i) timely supply of inputs, (ii) intensive efforts to demonstrate programmes on improved technology at grass root levels, (iii) creating additional retting facilities in different areas and motivating farmers to adopt improved technology, and (iv) supplementing efforts through appropriate price and marketing policies. Under this programme, during 1992-93, 5,765 quintals of certified jute seeds and 3,028 quintals of mesta seeds were distributed; 9,516 package- demonstrations of 2 hectares each were conducted in programmed areas; fungal culture packets were distributed for improvement of barky jute.

Sugarcane

Production

After a continuous increase for seven years, the production of sugarcane declined during 1992-93 (October-September) due mainly to a shrinkage in area by 3.7 per cent, and partly due to unfavourable weather conditions in certain important canegrowing States such as Maharashtra. Consequently, the yield per hectare at 65,200 kgs. during 1992-93 was lower by 0.9 per cent over that during 1991-92. Production of sugarcane during 1992-93 was placed at 238.0 million tonnes which was lower by 2.1 per cent and 4.5 per cent as compared with the target set for the year (243.0 million tonnes) and the actual during 1991-92 (249.3 million tonnes) (Table III-23 and Statement 18 in Volume II).

Strategy

The Government set a target of 250.0 million tonnes (5.0 per cent higher than the actual during 1992-93) for sugarcane production for the 1993-94 season. The target is sought to be achieved through increased productivity. The strategy envisaged for this purpose includes: (i) production and distribution of quality seeds; (ii) better water management; (iii) judicious use of fertilizer application; (iv) better management of ratoons;

(v) larger coverage under plant protection; (vi) transfer of technology through various extension systems including demonstrations with companion crops; (vii) training of sugarcane development personnel; and (viii) greater participation of sugarcane factories in cane development.

Price Policy

The Government had raised Statutory Minimum Price (SMP) of sugarcane, payable by sugar factories for 1992-93 season, by 19.2 per cent to Rs.31.0 per quintal, linked to a basic recovery of 8.5 per cent with proportionate premium for every 0.1 per cent increase, from Rs.26.0 per quintal for 1991-92 season. The SMP for 1993-94 sugar season was raised further by 11.3 per cent to Rs.34.5 per quintal, linked to the basic recovery of 8.5 per cent (Annexure). These prices are higher than those recommended by CACP for the 1992-93 and 1993-94 seasons, *viz.* Rs.29.00 per quintal and Rs.31.50 per quintal, respectively. The actual price payable by the factories depends upon the State Advised Prices (SAP) which are usually higher than SMP.

Tea

The main tea growing States are Assam, West Bengal, Tamil Nadu, Kerala and Karnataka with Assam Valley alone contributing over one-half of the all-India production. The total area under tea plantations during 1992 (calendar year) stood at 4.2 lakh hectares registering an increase of 0.2 per cent over the preceding year.

Production

Tea production during the calendar year 1992 aggregated 703.9 million kgs. which was lower by 37.8 million kgs. (5.1 per cent) as compared with an all-time high of 741.7 million kgs. in 1991. Furthermore, in terms of the target (750.0 million kgs.), production during 1992 worked out to 93.9 per cent. The decline was mainly on account of unfavourable agro-climatic conditions, particularly in South India where production declined by 26.4 million kgs. (14.3 per cent) from 185.0 million kgs. in 1991 to 158.6 million kgs. in 1992. Production in North India also showed a downtrend from 556.7 million kgs. in 1991 to 545.3 million kgs. in 1992. But the decline of 11.4 million kgs. (2.0 per cent) was lower than that in South-India. Geographically, tea production in Assam Valley during 1992 amounted to 387.9 million kgs. constituting 55.1 per cent of the all-India production. Domestic consumption of tea, measured in terms of retention, had gone up from 520.0 million kgs. in 1991 to 540.0 million kgs. in 1992 (Table III-24).

The target for tea production for 1993 was fixed at 750.0 million kgs. which, if achieved, would be higher by 46.1 million kgs. (6.5 per cent) over that in 1992. The available data indicate the possible achievement of the target. Between January and May 1993, for instance, the all-India output of tea totalled 181.8 million kgs. which was higher by 30.0 million kgs. (19.8 per cent) over that during the corresponding period of the previous year (151.8 million kgs.). Production in both North and South India was higher at 115.0 million kgs. and 66.8 million kgs. during the period as compared with 97.7 million kgs. and 54.2 million kgs., respectively, during the corresponding period of the previous year.

Coffee

Production

The area under coffee plantation in 1990-91 was 2,70,800 hectares (latest data available) shared more or less equally by Arabica and Robusta varieties. Karnataka occupied 52 per cent of total area, followed by Kerala (28 per cent) and Tamil Nadu

(14 per cent). The estimated production of coffee during the 1992-93 season (October-September) was 1.6 lakh tonnes which was lower by 10.3 per cent than that during the 1991-92 season (1.8 lakh tonnes). Variety-wise, during 1992-93, production of Arabica was placed at 0.8 lakh tonnes and Robusta at 0.8 lakh tonnes. The target for the 1993-94 season is 2.1 lakh tonnes comprising 1.0 lakh tonnes of Arabica (24.0 per cent higher than that during the 1992-93 season) and 1.14 lakh tonnes of Robusta (38.3 per cent higher than that during 1992-93) (Table III-25). The present strategy to increase output is to conso-lidate and improve the productivity by replanting, intensive cultivation, irrigation and development of water resources and provision of timely and adequate finance to small size garden holders.

Policy Measures

Of the various measures implemented by the Government during 1992-93 to improve coffee output, mention may be made to (i) the grant of permission to coffee growers to sell 30 per cent of their produce in the open market, (ii) the raising of the minimum release price, with effect from January 12, 1993, of Arabica from Rs.23.93 per kg to Rs.28.93 per kg. and that of Robusta from Rs.19.21 per kg. to 23.48 per kg. and (iii) the abolition, with effect from February 28, 1993, of the Central Excise Duty on coffee which was then being levied at Rs.500 per tonne.

Coffee Board

During the fiscal year 1992-93, the Coffee Board had disbursed a total sum of Rs.4.1 crore towards loans and Rs.0.96 crore towards subsidy. During the financial year 1993-94, a budget provision of Rs.4.1 crore for loans and Rs.2.7 crore for subsidies has been approved by the Government.

Tobacco

India ranks third in the world in terms of production and second in terms of area under coverage. Both Virginia and non-Virginia varieties of tobacco are grown in the country.

Production

The latest data available relate to 1991-92. The total area and production of tobacco during 1991-92 at 4.3 lakh hectares and 579.0 million kgs., respectively, were higher by 3.9 per cent and 3.8 per cent, respectively, over those during 1990-91 (Table III-26). Higher production during 1991-92 was attributed to favourable weather conditions, good rainfall throughout the season and over-planting in certain States by the growers in excess of the authorised area in anticipation of good prices. State-wise, the production was higher during 1991-92 in Andhra Pradesh and Karnataka and lower in Gujarat, Tamil Nadu and Uttar Pradesh. According to available partial estimates, the production of Virginia tobacco during 1992-93 aggregated 129.0 million kgs. in Andhra Pradesh — lower by 3.0 per cent over that during 1991-92 and 33.0 million kgs. in Karnataka - higher by 26.9 per cent over the previous year. The higher production in Karnataka during 1992-93 was due to excess area coming under tobacco which had more than neutralised the decline in productivity due to unfavourable weather conditions.

Price

The Government fixed MSP for two basic grades i.e. F2 and L2 of VFC tobacco for 1992-93 at Rs.16.0 and Rs.17.5 per kg., respectively. Based on these prices, the Tobacco Board had fixed MSP for other grades taking into account the market price differentials between the grades. The Tobacco Board ensures MSP through purchases, if necessary. Since 1988-89, the Tobacco Board has introduced the concept of Minimum Guaranteed Prices (MGP) under which the traders indicate, before plantation, the minimum price that they would offer to the growers for tobacco in the ensuing season. The MGP are more than MSP.

The Virginia tobacco is being sold in auction conducted by the Tobacco Board in different tobacco growing areas in Andhra Pradesh and Karnataka. Up to July 10, 1993 during 1993-94 season, about 113.5 million kgs. of Virginia tobacco was sold in Andhra Pradesh, at an average price of Rs.21.6 per kg. which was lower by 21.7 per cent as compared with the price realisation of Rs.27.6 per kg. during the preceding season. In Karnataka about 33.2 million kgs. were sold at an average price of Rs.27.3 per kg. which was lower by 35.2 per cent as compared with Rs.42.1 per kg. during the same period of 1992-93..

Measures taken by the Government to develop tobacco cultivation is at present limited to providing technical guidance to the State Governments and the farmers for increasing the productivity of all types of tobacco by popularising the latest improved package of practices. Under the State Sector Plan Schemes, necessary allocation for demonstration plots, training, etc. are made to improve the yield and quality of tobacco. The Directorate of Tobacco Development operates schemes for production and distribution of pure seeds and seedlings and for imparting training to growers in Andhra Pradesh, Gujarat and Karnataka with 100 per cent central assistance.

Measures to Promote Production

The Government have been implementing various programmes and measures to increase the production of different agricultural commodities. Measures meant for specific crops were briefly explained while discussing production trends in the respective commodities. Other measures applicable for multiple crops are briefly presented here :

Fertilizers

With the introduction of HYV and development of irrigation, the consumption of fertilizers has been continuously increasing over the years. Between 1980-81 and 1990-91, the consumption of fertilizers rose by about 130.6 per cent from 55.2 lakh tonnes to 127.3 lakh tonnes. According to the Ministry of Agriculture, fertiliser consumption during 1992-93 was targeted at 143.0 lakh tonnes of nutrients compared to the previous year's 127.3 lakh tonnes (Table III- 27). The Economic Survey - 1992-93, Govt. of India, however, places the consumption of fertilizers during 1992-93 at the 1991-92 level of 127.0 lakh tonnes.

Accepting the major recommendations of the Joint Parliamentary Committee (JPC), which was set up to estimate the revised price structure for fertilisers, the Government, in August 1992, reduced the price of urea by 10 per cent and withdrew the control over price and movement of phosphatic and potassic fertilizers. Import of naptha and di-ammonium phosphate (DAP) was decanalised. Consequently the prices of DAP, Muriate of Potash and complexes rose sharply. To partly compensate the rise in the prices the Government had announced a concession of Rs.1,000 per tonne on decontrolled fertilisers. This concession was to be passed on to the farmers by the State Governments. A sum of Rs.340 crore was made available for this purpose. Besides, a new scheme providing assistance to State Governments to, *inter-alia,* promote the use of fertiliser in low consumption areas was introduced, at a cost of Rs.500 crore.

Seeds

Supply of seeds involves three stages. In the first, breeder seeds are produced by the scientists in the Indian Council of Agricultural Research (ICAR) and in the Agricultural Universities. In the second stage, the foundation seed is produced from the breeder seed. In the final stage, certified or quality seed is produced. During 1992-93, uniform prices were fixed in advance for breeder seeds of paddy, maize, sorghum, bajra, wheat, ragi, barley, pulses, fibre crops, fodder crops and oilseeds to enable indenting agencies to have better idea about the future costs.

Production of breeder seeds during 1992-93 was placed at 34,000 quintals as against the achievement of 33,900, quintals during the previous year. Production of foundation seed was estimated at 3.93 lakh quintals during 1992-93 as compared with 3.74 lakh quintals during 1991-92. The target for distribution of certified/quality seeds was fixed at 53 lakh quintal in 1991-92 (Table III-28).

Policy Developments

Under the National Seeds Project Phase-III (NSP-III), 32 ICAR institutions were identified for strengthening Varietal Development Programme for which Rs.8.95 crore were released; ten State seed certification agencies were strengthened at a cost of Rs.5.0 crore and NABARD was granted Rs.147.1 crore to ensure growth of private seed industry; out of this NABARD had sanctioned Rs.57.0 crore for the development of infrastructure and research and development activities.

To improve the seed production technology and also to import parental material into the country, seed companies have entered into financial or technological collaboration with foreign companies for transfer of parental line/technology under the New Policy. The Department of Agriculture and Co-operation had recommended the import of 38.5 lakh seedlings/cuttings and 4,115 quintals of various seeds and export of 500 quintals of various seeds up to September, 1992 during 1992-93.

Plant Protection and Pesticides

With a view to maximising production and protecting crops from pest attack, major emphasis is placed on Integrated Pest Management (IPM) approach. This approach minimises over-dependence on chemical pesticides and thereby avoids its harmful effects. Popularisation of IPM among the farming community is done by 26 Central Integrated Pest Management Centres (CIPMCs) established in 22 States and UTs.

The demand for pesticides for the year 1992-93 was assessed at 84,300 tonnes and its overall availability position was satisfactory. During the year, pest surveillance for monitoring incidence of pests and diseases of major *rabi* and *kharif* crops were maintained in order to forewarn the likelihood of pest incidence. A total sample area of 5.4 lakh hectares was scanned by October 1992 and an area of 2.1 lakh hectares was targeted for protection during 1992-93 *rabi* season.

With biological control, the natural enemies of pest species were conserved and augmented in order to minimise the use of hazardous pesticides and to reduce environmental pollution. During 1992-93, 12,087 million parasites, predators and phytophagous insects were released in 2.2 lakh hectares of cropped area in 11 States against various insects and weeds. Furthermore, in order to check the entry of exotic pests and diseases through international trade, the plant quarantine regulations were implemented at 26 Plant Quarantine and Fumigation stations in the country, located at major international airports, sea ports and land frontiers. During 1992-93, a total of 1.3 million tonnes of agricultural commodities and 1.1 million plants/plant materials were undertaken from plant quarantine angle. A total of 321 import permits for plants/plant materials meant for sowing/propagation were issued.

The Locust Warning Organisation with

four circles and 24 outposts is responsible for surveillance, forecasting and control of locust population over 2.0 lakh sq.kms. of scheduled desert area in parts of Rajasthan, Gujarat and Haryana. During the year under review, satellite imageries were analysed and forecasting of habitats made in the Thar desert area. This supplemented the locust survey over an area of 36.0 lakh hectares. Also, between June and October 1992, five Indo-Pak border meetings were held to exchange locust information.

During 1992-93, till October 1992, the Central Plant Protection Training Institute (CPPTI) organised 16 long and short duration training courses and 6 in-State courses. The Central Insecticides Laboratory tested 1,023 samples for monitoring the quality status of the pesticides till October 1992. The Laboratory had also tested 35 samples for bioeffectiveness, 12 samples of acute oral dermal (LD50) toxicity studies and 97 samples for packing specification.

Irrigation Schemes

Upto 1992-93, the gross irrigated area was 81.3 million hectares (71.9 per cent of the potential). The cumulative achievement of Major and Medium Irrigation and Minor Irrigation stood at 31.0 million hectares and 50.3 million hectares, respectively. The emphasis placed on these forms of irrigation is on account of the short gestation period and labour intensity. A target of additional irrigation potential of 2.7 million hectares was set for 1992-93, of which Minor Irrigation accounted for 2.0 million hectares (71.2 per cent) (Table III-29). An outlay of Rs.5,537.2 crore was envisaged to achieve this target (Tables III-30).

Command Area Development Programme

The centrally sponsored Command Area Development (CAD) programme was launched in 1974-75 with the objective of bridging the gap between the creation and utilisation of irrigation potential. The activities under the programme include on-farm development works like development of field channels and drains, land levelling, enforcement of proper system of warabandi, development of ground water, development and maintenance of the drainage and modernisation, maintenance and efficient operation of irrigation systems. The targets and achievement during 1991-92 and the target set for 1992-93 are set out in Table III-31. For 1991-92, the total outlay for CAD programme was Rs.330.6 crore. The targetted outlay for 1992-93 was Rs.327.6 crore (Table III-30).

Agricultural Implements and Machinery

During 1992-93, various measures were taken to popularise and distribute improved hand tools and machinery amongst small and marginal farmers. Upto October 1992 88,030 tractors, 4,313 power tillers and 22 combine harvesters were sold. The Farm Machinery Training and Testing Institutes at Bundi (M.P.), Hissar (Haryana) and Garlatinne (A.P.) have undertaken training on use and testing of farm machinery.

During the Eighth Five Year Plan, the approach to agriculture is to modernise this sector through increased use of implements and machinery for seed bed preparation, seedling, planting, harvesting and threshing operations. Further, the use of farm implements would be popularised by encouraging individually owned powertillers, tractors, reapers, threshers, etc. and by arranging custom services of the machines for the benefit of small and marginal farmers. A greater emphasis would be given for the development of human resources and for quality upgradation of the machines. During the year, a Farm Machinery Training and Testing Institute has been set up at Biswanath Chariali (Assam) for training personnel in the operation, repair, maintenance and management of machinery.

During the year, a Central Sector Scheme on Promotion of Agricultural Mechanisation through small tractors has been implemented on a pilot basis at all-India level. Under the scheme, tractors below 18 PTO HP will be supplied to the farmers/group of farmers having perennially irrigated land holdings between 6 to 8 acres, on 30 per cent subsidy, subject to a limit of Rs.30,000 per tractor set with matching implements. A budgetary provision of Rs.500 lakh has been made for the scheme during 1992-93.

Agricultural Extension

Agricultural extension services help in the transfer of modern technology to the farmers and thereby bridge the gap between actual and potential production. The agricultural extension system, known as Training and Visit (T&V) System, introduced as a pilot project in 1974, is now in operation in 17 major States.

Training institutions like National Institute for Management of Agricultural Extension (MANAGE), Hyderabad, 15 Advanced Centres of Training and four Extension Education Institutes were developed and it organised 26 training courses during 1992 (upto October 1992). Advanced centres of training, serving as a centre of excellence in the specialised subjects, have organised 20 workshops upto October, 1992. Extension Education Institutes, functioning as regional institutes, have conducted 62 courses. Since 1990-91, a scheme of exchange of farmers within the country has been taken up to provide farmers an opportunity to visit agriculturally developed areas. During 1992-93, Rs.5.0 lakh have been earmarked for this purpose to benefit 500 farmers.

Agro Industries Corporations

Agro Industries Corporations have been functioning in 18 States and one Union Territory to manufacture and distribute fertilisers, pesticides, improved agricultural implements and installation and servicing of bio-gas plants, irrigation pumpsets, extraction of edible oils and processing of fruits and vegetables. During 1991-92, the turnover of the State Agro-Industries Corporations (excluding Manipur and Pondicherry) was Rs.1106.2 crore.

Area Development Measures

National Watershed Development Projects

Importance is given to their development of rainfed areas in view of :

(i) the projected requirements of 240 million tonnes of annual food production by 2000 AD;

(ii) reducing regional disparity between irrigated and rainfed areas;

(iii) restoring ecological balance in the degraded rainfed eco-systems; and

(iv) enhancing employment opportunities for the rural poor.

In pursuance of this strategy, vigorous efforts were made during 1992-93 to operationalise the restructured National Watershed Development Project for Rainfed Areas (NWDPRA). Out of the 127 agro-climatic zones in the country, the project is being implemented in 115 agro-climatic zones. So far, 107 model watershed plans have been technically approved by the Government, out of which 1,707 projects have been approved by State Level Sanctioning Committees. A total number of 1,849 composite nurseries have been established for producing planting material for conservation and production of flora suited to local conditions.

International co-operation in the areas of watershed management and sustainable agriculture is also being sought. The ongoing World Bank *viz.*, the Pilot Project for Watershed Development in Rainfed Areas in

Andhra Pradesh, Karnataka, Maharashtra and Madhya Pradesh which were implemented upto December 1992 have been given further extension by another two years on a year-to-year basis. After successful implementation, the Himalayan Watershed Management Project came to a close on September 30, 1992. Another, Integrated Watershed Development Project (Plains and Hills), has been operationalized with World Bank assistance. Comprehensive Watershed Development Projects aided by DANIDA in Orissa, Tamil Nadu, Karnataka and Madhya Pradesh are under progress. Another project assisted by European Economic Community (EEC) in Doon valley is recently under implementation in Uttar Pradesh, Federal Republic of Germany (FRG) Kredipanstalt fur Wiederaufbau (KfW) assisted projects were in advance stage of finalisation in Karnataka and to be shortly executed in Maharashtra. Thus, during the year under-review, multinational/ bilateral donor agencies evinced considerable interest in our national programme for watershed management.

Drought Prone Area Programme and Desert Development Programme

Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP) are mainly meant for the restoration of ecological balance through a harmonious development of land and water resources in arid and semi-arid areas of the country. These objectives are sought to be achieved through afforestation, sand dune stabilisation, shelter belt plantation, grassland development, soil and moisture conservation and water resources development. The expenditure on DPAP is equally shared by the Government of India and the States concerned, whereas DDP is implemented with 100 per cent Central financial assistance. The core components of the Programme are soil and land development, water resources and moisture conservation and development, afforestation and pasture development. At least 75 per cent of the annual allocation are to be earmarked for core activities.

Activities under DPAP have been taken up on a micro-watershed approach in each of the 615 blocks of 92 districts in 13 States covered under the programme. During 1992-93, up to September 1992. 3,070 hectares of land were treated for soil and moisture conservation, 280 hectares were covered under water resources development and 2,290 hectares under afforestation and pasture development (Table III-32).

During 1992-93, Rs.102.2 crore was allocated for DPAP, of which Rs.41.4 crore (40.5 percent) was spent upto November 1992.

Activities under DDP have been taken up in 131 blocks of 21 districts in 5 States. During 1992-93, up to September 110 hectares of land was treated for soil and moisture conservation, 120 hectares were covered under water resource development and 1,190 hectares were covered under afforestation and pasture development (Table III-33). Of Rs.50.0 crore allocated for DDP during 1992-93, Rs.20.5 crore (41.1 per cent) was spent up to November 1992.

Annexure

Procurement and Minimum Support Prices

(Marketing year)

(Rs. per quintal)

Sr. No.	Commodity	Season	Type	Variety	1990-91	1991-92	1992-93	1993-94	Percentage Variations Col.7 over Col.6	Col.8 over Col.7	Col.9 over Col.8
1	2	3	4	5	6	7	8	9	10	11	12
Foodgrains											
1	Paddy	Oct.-Sept.	P	Common	205	230	270	310	12.20	17.39	14.81
2	Paddy	Oct.-Sept.	P	Fine	215	240	280	330	11.63	16.67	17.86
3	Paddy	Oct.-Sept.	P	Super Fine	225	250	290	350	11.11	16.00	20.69
4	Wheat	April-March	P*	FAQ	215	225	275 $	330 $	4.65	22.22	20.00
5	Jowar	Oct.-Sept.	P	FAQ	180	205	240	260	13.89	17.07	8.33
6	Bajra	Oct.-Sept.	P	FAQ	180	205	240	260	13.89	17.07	8.33
7	Maize	Oct.-Sept.	P	FAQ	180	210	245	265	16.67	16.67	8.16
8	Ragi	Oct-Sept.	P	FAQ	180	205	240	260	13.89	17.07	8.33
9	Barley	April-March	M	FAQ	180	200	210	260	11.11	5.00	23.81
10	Gram	April-March	M	FAQ	421	450	500	600	6.89	11.11	20.00
11	Moong	April-March	M	FAQ	480	545	640	700	13.54	17.43	9.38
12	Urad	April-March	M	FAQ	480	545	640	700	13.54	17.43	9.38
13	Tur	April-March	M	FAQ	480	545	640	700	13.54	17.43	9.38
Non-Foodgrains											
14	Groundnut (in shell)	Nov.-Oct.	M	FAQ	580	645	750	800	11.21	16.28	6.67
15	Soyabean	Nov.-Oct.	M	Black	350	395	475	525	12.86	20.25	10.53
16	Soyabean	Nov.-Oct.	M	Yellow	400	445	525	580	11.25	17.98	10.48
17	Sunflowerseed	Nov.-Oct.	M	FAQ	600	670	800	850	11.67	19.40	6.25
18	Rapeseed / Mustard	April-March	M	FAQ	575	600	670	760	4.35	11.67	13.43
19	Toria	April-March	M	FAQ	545	570	645	725	4.59	13.16	12.40
20	Safflowerseed	April-March	M	FAQ	550	575	640	720	4.55	11.30	12.50
21	Copra	Jan.-Dec.	M	FAQ	1600	1700	-	2150	6.25	-	-
22	Cotton	Sept.-Aug.	M	F-414/H-777	620	695	800	900	12.10	15,11	12.50
23	Cotton	Sept.-Aug.	M	H-4	750	840	950	1050	12.00	13.10	10.53
24	Jute	July-June	S	TD-5	320	375	400	450	17.19	6.67	12.50
25	Sugarcane @	Nov.-Oct.	S	FAQ	23.00	26.00	31.00	34.50	13.04	19.23	11.29
26	Tobacco	March-Feb.	M	VFC-F2	1325	1475	1600	-	11.32	8.47	-
27	Tobacco	March-Feb.	M	L-2	1425	1600	1750	-	12.28	9.38	-

M - Minimum Support Price P - Procurement Price
S - Statutory Minimum Price FAQ - Fair Average Quality
$ - Including a Central bonus of Rs. 25 per quintal.
@ - These prices are linked to a basic recovery of 8.5 per cent with a proportionate premium for every 0.1 per cent increase above that level.
* - Since 1992-93, Government have been announcing the minimum support prices for wheat.

Table III-1 : Production of Major Agricultural Commodities

(1980-81 to 1992-93)

Details	Unit	Season	Average of 1980-81 to 1990-91	1990-91	1991-92 (Final)	1992-93 (Likely)
1	2	3	4	5	6	7
I. All Crops (1+2)	Index (Triennium ending 1969-70 = 100)	(July- June)	155.90	192.0	186.8(P)	195.9 (P)
1. Foodgrains	-do-	-do-	156.10	189.5	181.4(P)	191.9 (P)
2. Non-foodgrains	-do-	-do-	155.50	197.3	198.2(P)	204.3 (P)
II. Foodgrains	Million tonnes		149.30	176.39	167.06	181.20
Season-wise						
Kharif	-do-	(April-Sept.)	85.20	99.44	91.42	103.20
Rabi	-do-	(Oct.-March)	64.10	76.95	75.64	78.00
Commodity Groupwise						
Cereals	-do-	-	134.41	162.13	155.01	166.50
Rice	-do-	(April-Sept.)	59.77	74.29	73.66	72.60
Wheat	-do-	(Oct.-March)	44.77	55.14	55.09	57.00
Coarsegrains	-do-	(April-Sept.)	29.87	32.70	26.26	36.90
Pulses	-do-	(Oct.-March)	12.13	14.26	12.05	14.70
III. Non-foodgrains						
Oilseeds	-do-	(Nov.-Oct.)	13.22	18.61	18.28	20.63
Kharif	-do-	(April-Sept.)	7.31	9.80	8.92	11.53
Rabi	-do-	(Oct.-March)	5.91	8.81	9.36	9.10
Sugarcane	-do-	(Nov.-Oct.)	190.63	241.05	249.26	238.00
Cotton	Million Bales of 170 kg. each	(Sept.- Aug.)	7.48	9.84	9.84	11.66
Raw jute and Mesta	Million Bales of 180 kg.each	(July- June)	8.42	9.23	10.18	7.61
Tobacco	Million Kg.	(Mar.- Feb.)	494.00	555.90	578.80	-
Coffee	-do-	(Oct.-Sept.)	149.00	170.00	180.00	161.50
Tea	-do-	(Jan.-Dec.)	634.00	720.34	741.72	703.93

P = Provisional.

Sources : (i) Ministry of Agriculture. (ii) Coffee Board. (iii) Tea Board. (iv) Tobacco Board.

Table III-2 : Foodgrains : Area, Production and Yield (Annual)

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Cereals					
Average of 1980-81 to 1990-91	103.75	-	134,41	-	1296
1990-91	103.17	161.50	162.13	100.39	1571
	(-0.18)	(0.78)	(2.50)		(2.68)
1991-92	99.14	167.00	155.01	92.82	1565
	(3.91)	(3.41)	(-4.39)		(-0.38)
1992-93	101.18	168.50	166.50	98.81	1646
	(2.06)	(0.90)	(7.41)		(5.18)
Pulses					
Average of 1980-81 to 1990-91	23.07	-	12.13	-	526
1990-91	24.66	15.00	14.26	95.13	578
	(5.29)	(1.69)	(11.41)		(5.28)
1991-92	22.56	15.50	12.05	77.74	534
	(-8.52)	(3.33)	(-15.56)		(-7.61)
1992-93	23.81	14.50	14.70	101.38	617
	(5.54)	(-6.45)	(21.99)		(15.54)
Total					
(Cereals + Pulses)					
Average of 1980-81 to 1990-91	126.82	-	146.54	-	1156
1990-91	127.83	176.50	176.39	99.94	1380
	(0.84)	(0.86)	(3.15)		(2.30)
1991-92	121.60	182.50	167.06	91.54	1374
	(-4.87)	(3.40)	(-5.29)		(-0.43)
1992-93	124.99	183.00	181.20	99.02	1450
	(2.79)	(0.27)	(8.46)		(5.53)

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

Source: Ministry of Agriculture.

Table III-3 : Foodgrains : Area, Production and Yield (Season-wise)

(1980-81 to 1992-93)

Year	Area under cultivation	Production			Yield per Hectare (Kg.)
	(Million Hectares)	Target (Million Tonnes)	Achievement (Million Tonnes)	Achievement as Percentage of Target	
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	81.26	-	85.20	-	953
1990-91	80.78 (-0.76)	99.10 (0.10)	99.44 (-1.54)	100.34	1231 (-0.81)
1991-92	78.39 (-2.96)	103.20 (4.14)	91.42 (-8.07)	88.59	1166 (-5.28)
1992-93	78.94 (0.70)	103.30 (0.10)	103.20 (12.89)	99.90	1307 (12.09)
Rabi					
Average of 1980-81 to 1990-91	45.64	-	64.10	-	1281
1990-91	47.05 (3.70)	77.40 (0.52)	76.95 (9.93)	99.42	1635 (6.00)
1991-92	43.21 (-8.16)	79.30 (2.45)	75.64 (-1.70)	95.38	1751 (6.96)
1992-93	46.05 (6.57)	79.70 (0.50)	78.00 (3.12)	97.87	1694 (-3.26)
Total ***(Kharif + Rabi)***					
Average of 1980-81 to 1990-91	126.90	-	149.30	-	1176
1990-91	127.83 (0.84)	176.50 (0.86)	176.39 (3.15)	99.94	1380 (2.30)
1991-92	121.60 (-4.87)	182.50 (3.40)	167.06 (-5.29)	91.54	1374 (-0.43)
1992-93	124.99 (2.79)	183.00 (0.27)	181.20 (8.46)	99.02	1450 (5.53)

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

Source : Ministry of Agriculture.

Table III-4 : Cereals : Area, Production and Yield (Season-wise)

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	70.48	-	80.40	-	1142
1990-91	69.29 (-0.90)	93.60 (1.03)	94.03 (-1.52)	100.46	1357 (-0.66)
1991-92	67.02 (-3.28)	97.10 (3.74)	86.98 (-7.50)	89.58	1298 (-4.35)
1992-93	67.25 (0.34)	97.25 (0.15)	96.87 (11.37)	99.61	1440 (10.94)
Rabi					
Average of 1980-81 to 1990-91	33.20	-	56.50	-	1516
1990-91	33.89 (1.35)	67.90 (0.44)	68.10 (8.61)	100.29	2010 (7.20)
1991-92	32.02 (-5.52)	69.90 (2.95)	68.03 (-0.10)	97.32	2125 (5.72)
1992-93	33.93 (5.97)	71.25 (1.93)	69.64 (2.37)	97.74	2052 (-3.44)
Cereal : Total					
Average of 1980-81 to 1990-91	103.68	-	136.90	-	1296
1990-91	103.18 (-0.18)	161.50 (0.94)	162.13 (2.50)	100.39	1571 (2.68)
1991-92	99.14 (-3.91)	167.00 (3.41)	155.01 (-4.39)	92.82	1565 (-0.38)
1992-93	101.18 (2.06)	168.50 (0.90)	166.51 (7.42)	98.82	1646 (5.18)

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

Source : Ministry of Agriculture.

Table III-5 : Pulses : Area, Production and Yield (Season-wise)

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	10.79	-	4.70	-	437
1990-91	11.49	5.50	5.41	98.36	471
	(0.09)	(3.77)	(-1.81)		(-1.88)
1991-92	11.38	6.10	4.44	72.79	391
	(-0.96)	(10.91)	(-17.93)		(-16.99)
1992-93	11.69	6.00	6.30	105.00	539
	(2.72)	(-1.64)	(41.89)		(37.85)
Rabi					
Average of 1980-81 to 1990-91	12.44	-	7.60	-	606
1990-91	13.17	9.50	8.85	93.16	672
	(10.39)	(0.53)	(20.41)		(9.09)
1991-92	11.19	9.40	7.61	80.96	680
	(-15.03)	(-1.05)	(-14.01)		(1.19)
1992-93	12.12	8.50	8.40	98.82	693
	(8.31)	(-9.57)	(10.38)		(1.62)
Pulses : Total					
Average of 1980-81 to 1990-91	23.23	-	12.30	-	526
1990-91	24.66	15.00	14.26	95.07	578
	(5.29)	(1.69)	(11.41)		(5.28)
1991-92	22.57	15.50	12.05	77.74	534
	(-8.48)	(3.33)	(-15.50)		(-7.61)
1992-93	23.81	14.50	14.70	101.38	617
	(5.49)	(-6.45)	(21.99)		(15.54)

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

Source : Ministry of Agriculture.

Table III-6 : Availability of Foodgrains

(Million Tonnes)

Year (Jan. to Dec.)	Gross Output (1)	Net Output (2)	Net Imports	Change in Govt. Stocks (4)	Net Avail-lability (3)	Per Capita Net Availability Per Day (in grams)		
						Cereals	Pulses	All Foodgrains
1	2	3	4	5	6	7	8	9
1984	152.4	133.3	2.4	+ 7.1	128.6	437.8	41.9	479.7
1985	145.5	127.4	0.4	+ 2.7	124.3	415.6	38.4	454.0
1986	150.4	131.6	0.5	- 1.6	133.8	434.2	43.9	478.1
1987	143.4	125.5	- 0.2	- 9.5	134.8	435.4	36.4	471.8
1988	140.4	122.8	3.8	- 4.6	130.8	411.8	36.7	448.5
1989	169.9	148.7	1.2	+ 2.6	147.2	452.6	41.9	494.5
1990	171.0	149.7	1.3	+ 6.2	144.8	435.3	41.1	476.4
1991	176.4	154.3	- 0.6	- 4.3	158.1	470.7	40.3	511.0
1992	167.1	146.2	1.2	- 3.5	152.5	443.0	33.4	476.4
1993 @	180.3	157.8		+ 11.2$				

Notes : 1. Output data relate to agricultural year (July-June).

2. Net output has been taken as 87.5 per cent of the gross output, 12.5 per cent being provided for feed, seed requirements and wastages.

3. Net availability = Net production (+) Net imports (-) change in Government stocks.

4. Figures in respect of change in stocks with trader and producers are not available. The estimates of net availability should not, therefore, be taken to be strictly equivalent to consumption.

@ Preliminary estimates.

$ Change in stocks : end-June 1993 over end-June 1992.

Source : Economic Survey, 1992-93.

Table III-7 : Total Area and Area Under High Yielding Varieties (HYV)

(Crop-wise)

(Million Hectares)

Crop	1990-91			1991-92					1992-93
	Total Cropped Area	Area Under HYV	(3) as percentage of (2)	Total Cropped Area	Area under HYV				Area under HYV (Target*)
					Target	Anticipated achievement	(7) as % of (5)	(7) as % of (6)	
1	2	3	4	5	6	7	8	9	10
Paddy	42.70 (1.26)	27.55 (5.15)	64.52	42.03 (-1.57)	30.00	27.20 (-1.27)	64.72	90.67	30.50 (12.13)
Wheat	24.20 (2.98)	21.03 (3.60)	86.90	22.98 (-5.04)	22.00	21.41 (1.81)	93.17	97.32	22.20 (3.69)
Jowar	14.40 (-2.96)	6.70 (-2.90)	46.53	12.59 (-12.57)	8.00	8.00 (19.40)	63.54	100.00	8.30 (3.75)
Bajra	10.50 (-3.67)	5.14 (-8.21)	48.95	10.03 (-4.48)	6.00	6.00 (16.73)	59.82	100.00	6.30 (5.00)
Maize	5.95 (0.51)	2.58 (12.17)	43.46	5.18 (-12.94)	3.00	3.00 (16.28)	57.92	100.00	3.20 (6.67)
TOTAL	97.70 (0.38)	63.00 (2.77)	64.48	93.41 (-4.39)	69.00	65.61 (4.14)	70.24	95.09	70.50 (7.45)

Figures in brackets, except in column 10, are percentage variations over the previous year.

* Figures in brackets in column 10 are percentage variations over anticipated achievement in 1991-92 (Col.7).

Source : 1. Ministry of Agriculture.
2. Economic survey

Table III-8 : Rice : Area, Production and Yield

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	38.48	-	55.36	-	1436
1990-91	39.70 (1.04)	65.70 (1.9)	66.32 (0.67)	100.94	1671 (-0.36)
1991-92	39.04 (-1.70)	68.50 (4.26)	64.82 (-2.26)	94.63	1660 (-0.66)
1992-93	38.36 (-1.74)	68.75 (0.36)	64.60 (-0.34)	93.96	1684 (1.45)
Rabi					
Average of 1980-81 to 1990-91	2.36	-	5.74	-	2394
1990-91	2.99 (4.18)	8.00 (-)	7.97 (3.64)	99.63	2666 (-0.45)
1991-92	3.27 (9.36)	8.00 (-)	8.84 (10.92)	110.50	2703 (1.39)
1992-93	3.03 (-7.34)	8.50 (6.25)	8.00 (-9.50)	94.12	2640 (-2.33)
Rice : Total					
Average of 1980-81 to 1990-91	40.84	-	61.10	-	1470
1990-91	42.69 (1.23)	73.70 (1.66)	74.29 (0.98)	100.80	1740 (-0.29)
1991-92	42.31 (-0.89)	76.50 (3.80)	73.66 (-0.85)	96.29	1741 (0.06)
1992-93	41.39 (-2.17)	77.25 (0.98)	72.60 (-1.44)	93.98	1754 (0.75)

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

Source : Ministry of Agriculture.

Table III-9 : Wheat : Area, Production and Yield

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Average of 1980-81 to 1990-91	23.40	-	45.70	-	1951
1990-91	24.17	54.50	55.14	101.17	2281
	(2.85)	(0.93)	(10.61)		(7.54)
1991-92	22.98	55.00	55.09	100.16	2397
	(-4.92)	(0.92)	(-0.09)		(5.09)
1992-93	24.54	57.00	57.00	100.00	2323
	(6.79)	(3.64)	(3.47)		(-3.09)

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

Source : Ministry of Agriculture.

Table III-10 : Coarsegrains : Area, Production and Yield

(1980-81 to 1992-93)

Year	Area under cultivation (Million Hectares)	Production: Target (Million Tonnes)	Production: Achievement (Million Tonnes)	Production: Achievement as Percentage of Target	Yield per Hectare (Kg.)
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	31.99	-	25.08	-	786
1990-91	29.59	27.90	27.71	99.32	936
	(-3.36)	(-0.88)	(-6.39)		(-3.21)
1991-92	27.98	28.55	22.16	77.62	792
	(-5.44)	(2.33)	(-20.03)		(-15.4)
1992-93	28.88	28.50	32.30	113.33	1118
	(3.22)	(-0.18)	(45.76)		(41.16)
Rabi					
Average of 1980-81 to 1990-91	7.47	-	5.04	-	677
1990-91	6.73	5.40	4.99	92.41	741
	(-4.81)	(-3.57)	(-3.29)		(1.51)
1991-92	5.77	5.45	4.10	75.23	711
	(-14.26)	(0.93)	(17.84)		(-4.05)
1992-93	6.37	5.75	4.60	80.00	722
	(10.40)	(5.50)	(12.20)		(1.55)
Total *(Kharif + Rabi)*					
Average of 1980-81 to 1990-91	39.46	-	30.10	-	765
1990-91	36.32	33.30	32.70	98.20	900
	(-3.63)	(-1.33)	(-5.93)		(-2.39)
1991-92	33.75	34.00	26.26	77.24	776
	(-7.08)	(2.10)	(-19.69)		(-13.78)
1992-93	35.25	34.25	36.90	107.74	1047
	(4.44)	(0.74)	(40.52)		(34.92)

Note : Figures in brackets are percentage variations over the previous year.
Source : Ministry of Agriculture.

Table III-11 : Central Issue Prices of Foodgrains

(Since May 1,1990)

(Rs. per quintal)

Effective Date	Rice			Wheat *
	Common	Fine	Super Fine	
1	2	3	4	5
May 1,1990	244@ (2.09)	304@ (15.15)	325@ (16.49)	234 (14.71)
June 1,1990	289 (18.44)	349 (14.80)	370 (13.85)	N.C.
December 28,1991	377 (30.45)	437 (25.21)	458 (23.78)	280 (19.66)
January 11,1993	437 (15.92)	497 (13.73)	518 (13.10)	330 (17.86)

* : For Public Distribution System
@ : Effective from January 25,1989.
N.C. : Not Changed.

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

Source : Ministry of Food.

Table III-12 : Procurement of Foodgrains

(1990-91 to 1992-93)

(Million Tonnes)

Year (April-March)	Procurement			Procurement as Percentage of Production	
	Rice	Wheat	Total*	Rice	Wheat
1	2	3	4	5	6
1990-91	12.85 (15.04)	11.06 (22.89)	24.08 (18.39)	17.29	20.07
1991-92	10.45 (-18.68)	7.75 (-29.93)	18.26 (-24.17)	14.18	14.07
1992-93 (P)	12.60 (20.57)	6.38 (-17.68)	19.62 (7.45)	17.52	11.21
April-June 1992	1.11	6.35	7.46	-	-
April-June 1993 (P)	1.49 (34.23)	12.73 (100.47)	14.38 (92.76)	-	-

P : Provisional
* : Including coarsegrains

Note : Figures in brackets are percentage variations over the previous year/quarter.

Source : Ministry of Food.

Table III-13 : Off-take of Foodgrains

(1990-91 to 1993-94)

(Million Tonnes)

Year (April-March)	Rice *	Wheat *@	Total $
1	2	3	4
1990-91	7.85	8.22	16.07
	(-6.77)	(12.14)	(1.77)
1991-92	10.07	9.07	19.14
	(28.28)	(10.34)	(19.10)
1992-93	9.43	7.72	17.15
	(6.36)	(-14.88)	(-10.40)
1992 (April-June)	2.33	1.92	4.25
1993 (April-June) (P)	2.12	0.99	3.11
	(-9.01)	(-48.44)	(-26.82)

P : Provisional

* Including negligible quantity under Jawahar Rozgar Yojana, Employment Guarantee Scheme, etc.

@ Including negligible quantity for open market sales.

$ Including negligible quantity of coarsegrains.

Figures in brackets are percentage variations over the previous year/quarter.

Source : Ministry of Food.

Table III-14 : Stocks of Foodgrains

(Million Tonnes)

As at End-March	Rice	Wheat	Total*	As percentage of Norms		
				Rice	Wheat	Total
1	2	3	4	5	6	7
1991	11.24	5.80	17.27	104.07	156.76	119.10
	(42.10)	(58.90)	(47.23)			
1992	9.77	2.40	12.17	90.46	64.86	83.93
	(-13.08)	(-58.62)	(-29.53)			
1993	11.04	2.98	14.69	102.22	80.54	101.31
	(13.00)	(24.17)	(20.71)			
June 1992	8.38	6.73	15.11	91.09	51.37	67.76
June 1993	10.44	15.22	26.35	113.48	116.18	118.16
	(24.58)	(126.15)	(74.39)			

Figures in paranthesis are percentage variation over the previous year.

Norms of Stocks

(Million Tonnes)

As on	Rice	Wheat	Total
April 1	10.80	3.70	14.50
July 1	9.20	13.10	22.30
October 1	6.00	10.60	16.60
January 1	7.70	7.70	15.40

* Including coarsegrains.

Source : Ministry of Food.

Table III- 15 : Total Oilseeds : Area, Production and Yield : Annual (1980-81 to 1992-93)

Year (November - October)	Area under Cultivation (Lakh Hect.)	Production (Lakh Tonnes)	Yield per Hectare (Kg./Hect.)	Target (Lakh Tonnes)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	199.55	132.19	662	-	-
1990-91	241.48	186.09	771	180.00	103.38
	(+5.91)	(+9.96)	(+3.91)	(+9.09)	
1991-92	254.28	182.77	719	185.00	98.79
	(+5.30)	(-1.78)	(-6.74)	(+2.78)	
1992-93	253.27	206.31	815	190.00	108.58
	(-0.40)	(+12.88)	(+13.35)	(+2.70)	

* : Annual average form 1980-81 to 1990-91.

Figures in brackets are percentage variations over the year.

Source : Ministry of Agriculture.

Table III- 16 : Total Oilseeds : Area, Production and Yield : Kharif Season (1980-81 to 1992-93)

Year (November - October)	Area under Cultivation (Lakh Hect.)	Production (Lakh Tonnes)	Yield per Hectare (Kg./Hect.)	Target (Lakh Tonnes)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	117.44	73.10	622	-	-
1990-91	140.40	97.96	698	100.00	97.97
	(+0.91)	(+1.85)	(+1.01)	(+12.36)	
1991-92	150.04	89.23	595	101.00	88.35
	(+6.87)	(-8.91)	(-14.76)	(+1.00)	
1992-93	148.72	115.33	776	100.00	115.33
	(-0.88)	(+29.25)	(+30.42)	(-0.99)	

* : Annual average from 1980-81 to 1990-91.

Figures in brackets are percentage variations over the year.

Source : Ministry of Agriculture.

Table III- 17 : Total Oilseeds : Area, Production and Yield : Rabi Season (1980-81 to 1992-93)

Year (November - October)	Area under Cultivation (Lakh Hect.)	Production (Lakh Tonnes)	Yield per Hectare (Kg./Hect.)	Target (Lakh Tonnes)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	82.10	59.11	720	-	-
1990-91	101.08	88.13	872	80.00	110.16
	(+13.75)	(+20.63)	(+6.08)	(+5.26)	
1991-92	104.24	93.54	897	84.00	111.36
	(+3.13)	(+6.14)	(+2.87)	(+5.00)	
1992-93	104.55	90.98	870	90.00	101.09
	(+0.30)	(-2.74)	(-3.01)	(+7.14)	

* : Annual average from 1980-81 to 1990-91.

Figures in brackets are percentage variations over the year.

Source : Ministry of Agriculture.

Table III-18 : Nine Major Oilseeds : Area, Production and Yield

Oilseeds/ Year (Nov-Oct)	Area (Lakh Hectares)	Production (Lakh Tonnes)	Yield(kg.per Hectare)	Target (Lakh Tonnes)	Achievement as percentage of Target[(3)as % of(5)]
1	2	3	4	5	6
Groundnut (in shell)					
1980-81 to 1990-91*	75.13	66.52	878.00		
1990-91	83.09	75.15	904.00	88.50	84.92
	(-4.60)	(-7.23)	(-2.80)		
1991-92	86.72	70.66	815.00	82.00	86.17
	(4.37)	(-5.97)	(-9.85)		
1992-93	83.33	85.00	1020.00	80.00	106.25
	(-3.91)	(20.29)	(25.15)		
Rapeseed/Mustard					
1980-81 to 1990-91*	43.73	31.86	729.00		
1990-91	57.82	52.29	904.00	44.00	118.84
	(16.41)	(26.76)	(8.78)		
1991-92	64.70	58.41	903.00	50.00	116.82
	(11.90)	(11.70)	(-0.11)		
1992-93	60.99	54.02	886.00	56.00	96.46
	(-5.73)	(-7.52)	(-1.88)		
Soyabean					
1980-81 to 1990-91*	15.04	10.57	749.00		
1990-91	25.64	26.02	1015.00	18.00	144.56
	(13.80)	(44.10)	(26.72)		
1991-92	28.21	22.75	806.00	23.00	98.91
	(10.02)	(-12.57)	(-20.59)		
1992-93	36.29	31.08	856.00	24.00	129.50
	(28.64)	(36.62)	(6.20)		
Sunflowerseed					
1980-81 to 1990-91*	8.86	4.00	468.00		
1990-91	16.33	8.73	535.00	6.30	138.57
	(37.00)	(38.35)	(1.13)		
1991-92	20.97	11.85	565.00	7.50	158.00
	(28.41)	(35.62)	(5.61)		
1992-93	20.89	12.45	596.00	8.00	155.62
	(-0.38)	(5.06)	(5.49)		
Sesamum					
1980-81 to 1990-91*	23.17	5.87	253.00		
1990-91	25.15	8.35	332.00	5.70	146.49
	(5.41)	(12.08)	(6.41)		
1991-92	26.08	6.74	258.00	7.00	96.28
	(3.70)	(-19.28)	(-22.29)		
1992-93	22.20	8.51	383.00	7.00	121.57
	(-14.88)	(26.26)	(48.45)		

Table III-18 : Nine Major Oilseeds : Area, Production and Yield (Concld.)

Oilseeds/ Year (Nov-Oct)	Area (Lakh Hectares)	Production (Lakh Tonnes)	Yield(kg.per Hectare)	Target (Lakh Tonnes)	Achievement as percentage of Target[(3)as % of(5)]
1	2	3	4	5	6
Castroseed					
1980-81 to 1990-91*	6.15	3.74	589.00		
1990-91	8.10	7.16	884.00	5.50	130.18
	(15.38)	(38.49)	(20.11)		
1991-92	7.14	5.75	806.00	5.50	104.55
	(11.85)	(-19.69)	(-8.82)		
1992-93	6.82	6.46	947.00	6.00	107.67
	(-4.62)	(12.35)	(17.49)		
Safflowerseed					
1980-81 to 1990-91*	8.48	4.17	493.00		
1990-91	8.23	3.20	389.00	5.50	58.18
	(2.26)	(-34.29)	(-32.70)		
1991-92	4.91	1.98	403.00	4.00	49.50
	(40.34)	(-38.13)	(3.60)		
1992-93	7.40	3.48	470.00	4.00	87.00
	(50.71)	(75.76)	(16.63)		
Linseed					
1980-81 to 1990-91*	13.58	3.84	285.00		
1990-91	10.91	3.32	302.00	4.50	73.78
	(-2.22)	(1.84)	(4.14)		
1991-92	9.13	2.98	326.00	4.00	74.50
	(-16.92)	(-1024)	(7.95)		
1992-93	9.62	3.61	375.00	3.00	120.00
	(5.37)	(21.14)	(29.45)		
Nigerseed					
1980-81 to 1990-91*	5.99	1.64	273.00		
1990-91	6.11	1.86	305.00	2.00	93.00
	(-1.77)	(-0.11)	(1.67)		
1991-92	6.42	1.65	257.00	2.00	82.50
	(5.07)	(-11.29)	(-15.74)		
1992-93	5.73	1.70	297.00	2.00	85.00
	(-10.75)	(3.03)	(15.56)		

* : Annual averages from 1980-81 to 1990-91.
Figures in brackets are percentage variations.

Source : Ministry of Agriculture, Government of India.

Table III- 19 : Cotton (Lint) : Area, Production and Yield (1980-81 to 1992-93)

Year (September-August)	Area under Cultivation (Million Hect.)	Production (Million Bales of 170 kg.each)	Yield per Hectare (000 Kg.)	Target (Million Bales of 170 kg.each)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	8.12	7.48	185	-	-
1990-91	7.44 (-3.38)	9.84 (-13.84)	225 (-10.71)	11.50	85.57
1991-92	7.70 (+3.49)	9.84 (—)	217 (-3.56)	12.00	82.00
1992-93	7.47 (-2.99)	11.66 (+18.50)	265 (22.12)	12.00	97.17

* : Annual average from 1980-81 to 1990-91.

Figures in brackets are percentage variations over the year.

Annual data are not strictly comparable due to changes in coverage and methods of estimation.

Source : Ministry of Agriculture.

Table III-20 : Supply-Demand Position of Cotton (CAB's estimates).

(Million bales of 170 kg. each)

Items	(September-August)		
	1990-91	1991-92	1992-93*
1	2	3	4
I. SUPPLY (1+2+3)	15.00	14.46	16.35
	(-4.88)	(-3.60)	(+13.07)
1. Opening Stock	3.30	2.26	3.28
	(+50.00)	(-31.52)	(+45.13)
2. Crop	11.70	11.90	13.00
	(-13.78)	(+1.71)	(+9.24)
3. Imports	(-)	0.30	0.07
		(-)	(-76.67)
II. DEMAND (6+7)	12.74	11.19	13.79
	(+2.17)	(-12.17)	(+23.24)
4. Mill consumption	10.80	10.31	11.20
	(+3.35)	(-4.54)	(+8.63)
5. Ex-factory consumption@	0.75	0.80	0.80
	(+15.38)	(+6.67)	(-)
6. Total Domestic consumption (4+5)	11.55	11.11	12.00
	(+4.05)	(-3.81)	(+8.01)
7. Exports	1.19	0.08	1.79**
	(-13.14)	(-93.28)	(+2137.50)
III. CLOSING STOCK (I-II)	2.26	3.28	2.56
	(-31.52)	(+45.13)	(-21.95)

Note : Figures in brackets are percentage variations.

@ : Including Ambar Charkha, Surgical Dressing Factories & Waste Spinning Units.

* : As per CAB meeting held on May 21, 1993.

** : Inclusive 2.90 lakh bales released for exports subsequent to CAB's estimates.

Source : Cotton Advisory Board.

Table III- 21 : Raw Jute and Mesta : Area, Production and Yield (1980-81 to 1992-93)

Year (July-June)	Area under Cultivation (Million Hect.)	Production (Million Bales of 180 kg.each)	Yield per Hectare (Kg./Hect.)	Target (Million Bales of 180 kg.each)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	1.09	8.42	1394	-	-
1990-91	1.02	9.23	1634	9.10	101.43
1991-92	1.11 (+8.82)	10.18 (+10.29)	1656 (+1.35)	9.10	111.87
1992-93	1.05 (-5.41)	7.61 (-25.25)	1305 (-21.20)	9.20	82.72

Note : Figures in brackets are percentage variations over the year.
Annual data are not strictly comparable due to changes in coverage and methods of estimation.

* : Annual average from 1980-81 to 1990-91.

Source : Ministry of Agriculture.

Table III- 22 : Supply-Demand Position of Raw Jute and Mesta

(Million bales of 180 kg. each)

Items	1990-91	1991-92	1992-93@
1	2	3	4
I. Supply (1+2+3)	10.50 (+9.95)	10.75 (+2.38)	**10.35 (-3.72)**
1. Opening Stock	1.35 (-30.00)	1.70 (+25.93)	2.85 (+67.65)
2. Crop	9.00 (+24.14)	9.00 (-)	7.40 (-17.78)
3. Imports	0.15 (-40.00)	0.05 (-66.67)	0.10 (+100.00)
II. Demand (6+7)	8.79 (+7.20)	7.91 (-10.01)	**8.35 (+5.56)**
4. Mill consumption	8.34 (+7.61)	7.44 (-10.79)	7.80 (+4.84)
5. Other Domestic Consumption	0.40 (-)	0.45 (+12.50)	0.50 (+11.11)
6. Total Domestic consumption (4+5)	8.74 (+7.24)	7.89 (-9.73)	8.30 (+5.20)
7. Exports	0.05 (-)	0.02 (-60.00)	0.05 (+150.00)
III. Closing Stock (I-II)	1.71 (+26.67)	2.84 (+66.08)	**2.00 (-29.58)**

Note : Opening stock figures for the year 1991-92 and 1992-93 are taken according to the latest balance sheet issued by the Office of the Jute Commissioner.
Figures in brackets are percentage variations.
@ Estimated.

Source : Jute Commissioner's Office.

Table III- 23 : Sugarcane : Area, Production and Yield

Year (October-September)	Area under Cultivation (Million Hect.)	Production (Million Tonnes)	Yield per Hectare (000 Kg.)	Target (Million Tonnes)	Achievement as percentage of Target [(3) as % of (5)]
1	2	3	4	5	6
1980-81 to 1990-91*	3.18	190.63	59.87	-	-
1990-91	3.69	241.05	65.40	220.00	109.57
	(+7.27)	(+6.86)	(-0.32)	(+6.80)	
1991-92	3.79	249.26	65.83	230.00	108.37
	(+2.71)	(+3.41)	(+0.65)	(+4.55)	
1992-93	3.65	238.00	65.20	243.00	97.94
	(-3.69)	(-4.52)	(-0.86)	(+5.65)	

Note : Figures in brackets are percentage variations over the year.
Annual data are not strictly comparable due to changes in coverage and methods of estimation.

* : Annual average from 1980-81 to 1990-91.

Source : Ministry of Agriculture.

Table III-24 : Tea : Area, Production and Yield

Year (January-December)	Area under Cultivation (Lakh Hect.)	Production (Million Kgs)	Yield per Hectare (Kg)	Target (Million Kgs)	Achievement as percentage of Target [(3) as % of (5)]	Estimated Internal Consumption (Million Kgs)
1	2	3	4	5	6	7
1980-81 to 1990-91 *	4.02	634.00	1573	-	-	-
1990	4.17	720.34	1729	720.00	100.05	500.00
1991	4.19	741.72	1770	735.00	100.91	520.00
	(+0.48)	(+2.97)	(+2.37)	(+2.08)		
1992	4.20	703.93	1678	750.00	93.86	540.00
	(+0.24)	(-5.09)	(-5.20)	(+2.04)		

Note : Figures in brackets are percentage variations over the year.
Annual data are not strictly comparable due to changes in coverage and methods of estimation.

* : Annual average from 1980-81 to 1990-91.

Source : Ministry of Agriculture.

Table III- 25 : Coffee : Area, Production and Yield

Year (October-September)	Area under Cultivation (Lakh Hect.)	Production (000 tonnes)	Yield per Hectare (kg)	Target (000 tonnes)	Achievement as percentage [(3) as % of target (5)]	Estimated Domestic consumption (000 tonnes)
1	2	3	4	5	6	7
1980-81 to 1990-91*	2.37	149.00	628	-	-	-
1990-91	2.71	170.00 (E)	627	173.00	98.27	54.15
1991-92	N.A.	180.00 (E) (+5.88)	-	210.00 (+21.39)	85.71	49.20
1992-93	N.A.	161.50 (E) (-10.28)	-	150.00 (-28.57)	107.67	N.A.

Note : Figures in brackets are percentage variations over the year.
Annual data are not strictly comparable due to changes in coverage and methods of estimation.

N. A. : Not available

* : Annual average from 1980-81 to 1990-91. E=Estimated.

Source : Ministry of Agriculture.

Table III- 26 : Tobacco : Area, Production and Yield

Year	Area (Lakh Hectares)	Production (Million Kgs.)	Yield per Hectare (000 Kg.)
1	2	3	4
1980-81 to 1990-91*	4.16	494	1189
1990-91	4.10 (-0.73)	558 (+1.09)	1361 (+1.80)
1991-92 P	4.26 (+3.90)	579 (+3.76)	1359 (-0.15)
1992-93	-	-	-

Note : Figures in brackets are percentage variations over the year.

* : Annual average from 1980-81 to 1990-91.

P : Provisional figures.

Source : Ministry of Agriculture.

Table III-27: Fertiliser Consumption

(Million tonnes of nutrients)

Year (April- March)	Nitrogenous (N)	Phosphatic (P)	Potassic (K)	Total (N+P+K)
1	2	3	4	5
1990-91 over				
1980-81	8.11	10.25	7.85	8.58
1990-91	0.80	0.32	0.14	1.26
	(8.11)	(6.67)	(13.70)	(8.62)
1991-92	0.80	0.33	0.14	1.27
	(-)	(3.13)	(-)	(0.79)
1992-93	0.84	0.32	0.11	1.27
	(5.00)	(-3.03)	(-21.43)	(-)

Note : According to Ministry of Agriculture, total fertiliser consumption during 1991-92 and 1992-93 were i.27 million tonnes and 1.43 million tonnes, respectively.
Figures in brackets represent percentage variations over the previous year.

Source : Economic Survey.

Table III-28: Trends in Consumption of Selected Agricultural Inputs

Items	Unit	1980-81	1988-89	1989-90	1990-91	1991-92	1992-93 Target
1	2	3	4	5	6	7	8
A. Production/distribution of seeds							
i) Production of breeder seeds	Thousand quintal	5.27	32.13	30.54	33.89	33.90	34.00
ii) Foundation seed production	Lakh quintal	-	-	3.54	3.35	3.74	3.93
iii) Production of certified seeds	Lakh quintal	21.86	65.06	67.65	-	-	-
iv) Distribution of certified/ quality seeds	Lakh quintal	25.01	56.80	57.04	57.10	43.00+	53.00+
B. Consumption of Pesticides (Technical Grade Material)	Thousand Tonnes	45.00	55.00	86.00(A)	82.00	83.00	-

A = Anticipated.
+ = Certified seeds only.
- = Not available.

Source : Ministry of Agriculture.

Table III-29: Development of Irrigation Potential

(Million hectares)

Item	Ultimate	Created upto VII Plan 1989-90	Additional Achievement during 1990-91	Anticipated Additional Achievement during 1991-92	Anticipated Cumulative Achievement upto 1991-92	Targets for 1992-93
1	2	3	4	5	6	7
A. Major and medium irrigation	58.00	29.92	0.44	0.62	30.98	0.70
B. Minor irrigation	55.00	46.60	1.87	1.87	50.28	2.01
a) Surface water	15.00	10.90	0.28	0.30	11.48	0.34
b) Ground water	40.00	35.70	1.53	1.57	38.80	1.67
Total (A+B)	113.00	76.52	2.26	2.49	81.27	2.71

Source : Ministry of Water Resources.

Table III-30: Financial Outlays on Major, Medium and Minor Irrigation

(Rs. Crore)

Item	VII Plan (1985-90)	1990-91 (Anticipated)	1991-92 (Outlay)	1992-93 (Outlay)
1	2	3	4	5
A. Major and Medium Irrigation	11107.00	2565.00	2754.00	3142.00
B. Minor Irrigation	6179.35	1507.75	1647.24	2067.60
i) Government Sector	3118.35	832.16	977.22	1044.00
ii) Institutional Sector	3061.00	675.59	670.02	1023.60
C. Command Area Development	1433.35	285.47	330.64	327.56
Total (A+B+C)	18719.70	4358.22	4731.88	5537.16

Source : Ministry of Water Resources.

Table III-31: Achievements under Command Area Developement Programme

(Million Hectares)

Item	VII Plan (1985-86 - 1989-90)		1991-92		1992-93
	Target	Achievement	Target	Achievement	Target
1	2	3	4	5	6
1. Construction of Field Channels	4.99	3.17	0.95	0.50	0.93
2. Land Levelling	0.81	0.38	0.10	0.04	0.12
3. Warabandi	6.19	3.74	0.89	0.57	0.92
4. Field Drains	0.15 *	0.42	0.19	0.05	0.38

* Targets are in respect of 1988-89 & 1989-90.

Source : Ministry of Water Resources.

Table III - 32 : Achievements under Drought Prone Area Programme

('000 hectares)

	1989-90	1990-91	1991-92(P)	1992-93(p)*
1	2	3	4	5
1. Area treated under soil moisture conservation	117.28	143.03	84.56	3.07
2. Water Resources Development	27.58	21.52	15.30	0.28
3. Forestry and pasture	87.65	80.00	63.13	2.29

* Upto September 1992.

P : Provisional.

Source : Ministry of Rural Develpoment.

Table III -33 :Achivements under Desert Development Programme.

('000 hectares)

Item	Achievements			1992-93*	
	1989-90	1990-91	1991-92(P)	Target	Achievement
1	2	3	4	5	6
1. Soil and Moisture Conservation	14.93	12.53	8.54	1.12	0.11
2. Forestry and Pasture Development	17.09	13.83	22.77	1.63	1.19
3. Water Resources Development	9.64	6.40	7.54	1.06	0.12

* Up to September 1992

P : Provisional.

Source : Ministry of Rural Develpoment.

CHAPTER IV

INDUSTRIAL PERFORMANCE

Performance of Industrial Sector during 1992-93

During 1992-93 the index of industrial production registered a modest rise of 1.8 per cent as compared with an unchanged situation in the previous year. The performance of infrastructure industries was also moderate; this was reflected in the 2.5 per cent rise in their production as against 6.1 per cent growth recorded in 1991- 92.

The increase of 1.8 per cent in the IIP in 1992-93 reflected the improved performance of 'manufacturing' and 'mining and quarrying' sectors. The manufacturing sector recorded 1.2 per cent rise in output as against a decline of 1.5 per cent in 1991-92. The 'mining and quarrying' registered a higher growth of 1.5 per cent than the 0.1 per cent recorded in the preceding year. Electricity generation recorded a lower growth rate of 5.0 per cent as compared with the rise of 8.5 per cent in 1991-92 (Table IV-1).

One of the characteristics of industrial performance during the year was that the improvement was confined only to the first three quarters of the year. There was a significant rise of 5.2 per cent in the first quarter as compared to 2.3 per cent decline in the same quarter in the preceding year. The second and third quarters recorded increases of 2.7 per cent and 3.6 per cent, respectively, as compared to 0.2 per cent and 0.05 per cent registered in the corresponding quarters of 1991-92. The last quarter of 1992-93, on the other hand, witnessed an unprecedented decline of 3.3 per cent in output in contrast to the rise of 1.6 per cent recorded in the corresponding quarter of the previous year. There was a sharp output decline of 5.2 per cent in the manufacturing sector in the last quarter of 1992-93 essentially reflecting the economic and social disturbances.

Disaggregated data of manufacturing sector (at the 2–digit level) show that, during 1992-93, eight industrial groups (with weight 42.38 per cent in IIP) as compared with just three industrial groups (with weight 17.08 per cent in IIP) in the comparable period of last year, recorded accelerated growth. However, it was moderated by a deceleration in the output of three groups (with weight 16.03 per cent in IIP) and decline in the output of six other industrial groups (with 18.70 per cent weight in IIP).

The relative contributions of some of the subsectors during the first three quarters (April-December 1992) as a whole and during the last quarter (January-March 1993) as given in Table IV-1A show that till December 1992, the manufacturing sector as a whole performed reasonably well, recording an output expansion of 3.9 per cent as against a decline of 2.5 per cent in the corresponding period of previous year. The industrial groups contributing to the acceleration during the first nine months of 1992-93 included electrical machinery, followed by chemicals, cotton textiles and transport equipment. During the last quarter, electrical machinery fell very sharply followed by machinery and machine tools, metal products and paper and paper products. This almost outweighed the gains made during the first 9 months of the year. Thus the total manufacturing output during the full financial year turned out to be marginally higher (1.2 per cent) than during the previous year.

Even though the industrial performance was modest, the withdrawal of import restrictions during 1992-93 has helped to improve the availability of imported inputs. Moreover, there are reasons specific to industry groups like chemical industries which registered a sharp rise in their growth rate on account of a) the substantial decline in the raw material prices in international markets, b) the lower interest burden partly due to decline in lending rates and partly because of high premia commanded by a number of new issues during the year and c) the boost to exports resulting from devaluation. As the unprecedented weak performance of the manufacturing sector in the last quarter has to do with non-economic factors, especially, in the western region, one need not necessarily rule out a strong revival during 1993-94, in particular in some of the groups like chemicals, transport equipments and cotton textiles.

Latest data available up to January 1993, indicate that industrial output as per the use-based classification has shown some improvement. Capital goods sector recorded a growth rate of 3.9 per cent (as against -9.3 per cent in the corresponding period last year) and intermediate goods industries increased by 3.8 per cent (-2.3 per cent last year). On the other hand the growth of consumer goods remained almost unchanged at 0.1 per cent and basic goods industries registered positive but lower growth rate of 3.2 per cent in comparison with the growth rate of 6.6 per cent in the pervious year's corresponding period (Table IV-1B).

During the year under review, the performance of infrastructure industries had been relatively sluggish with the composite index of infrastructure industries registering a lower rate of growth of 2.5 per cent as compared with a rise of 6.1 per cent last year. Among the infrastructure industries, with the exception of petroleum refinery products all the other industries have registered lower rates of growth. In particular, the output of petroleum crude showed a decline of 11.2 per cent during this period.

Among the infrastructure industries, electricity, coal, saleable steel and cement recorded lower rates of growth during 1992-93. Electricity generation registered a lower rate of growth of 5.0 per cent as against a rise of 8.5 per cent during the preceding year. Deceleration in electricity generation may be attributed to lower hydro-power generation. Coal industry recorded a lower growth rate of 3.9 per cent during the year as compared with the rise of 8.3 per cent in the previous year. Total despatches of coal during the year were 5.7 per cent higher than the amount despatched in 1991-92. Despite higher despatches, the total pithead stocks of coal increased to 51.6 million tonnes at the end of March 1993, which is more than twice the optimal stock level (about 20 million tonnes). Cement and steel industries too were affected by the slack in demand. Output of saleable steel (excluding output from VSP and secondary producers) registered a lower rate of growth of 3.9 per cent as compared with the rise of 8.1 per cent in the preceding year. The sharp deceleration in the output of cement to 0.2 per cent (10.9 per cent last year) had been the consequence of the following factors : a) the reduction in the Government off-take, b) the fall in cement prices and c) the higher interest burden due to build up of inventories.

There was a continued decline in the output of petroleum crude (11.2 per cent during 1992-93, on top of 8.1 per cent in 1991-92). The decline in crude oil output in spite of adequate oil reserves was mainly due to shut down of off-shore structures for preventive maintenance and disturbed conditions in oil producing areas in the North-East. However, the declining trend in crude oil production could also be traced to such factors as i) the resource constraint leading to underinvestment in exploration and slowdown of drilling operation; and ii) the non-generation of investible surpluses by oil producing companies. The output of petroleum refinery products, however, recorded a significant rise of 4.0 per cent during the year as against a fall of 0.7 per cent in the preceding year.

Structural Reforms in the Industrial Sector

As part of continuing economic restructuring, a number of policy initiatives were taken during the year. These included the withdrawal of the condition of dividend balancing except for specified consumer goods industries, the permission to use foreign trade marks/brand names, the relaxation of guidelines for engagement of foreign technicians by Indian companies and the determination by shareholders of the price of equity for higher foreign equity participation by the existing companies.

Employment in Organised Sector

Employment in the organised sector at 268.2 lakh by the end of March 1991, recorded a higher rate of growth of 1.9 per cent during 1990-91 as compared with the rise of 1.6 per cent in 1989-90 (Table IV-2A). Within the organised sector, employment of public sector registered a growth rate of 1.3 per cent during 1990-91 (-1.4 per cent in the previous year) while the rate of growth in the private sector accelerated to 3.5 per cent (1.8 per cent in the previous year).

Within the public sector the highest rate of growth of employment during 1989-90 was in quasi-Government (2.5 per cent). Employment in the State Governments recorded a rate of growth of 1.3 per cent, while employment in Central Government registered an increase of 0.1 per cent. Employment in Local bodies declined by 0.7 per cent (Table IV-2B).

Employment Situation

The number of employment seekers registered with employment exchanges rose by 1.4 per cent from 36.3 million at the end of December 1991 to 36.8 million by the end of December 1992 (Statement 17 of Vol II of this Report).

Small Scale Sector

The performance of small scale industries (SSI) improved during 1992-93 registering an estimated growth rate of production of 5.6 per cent as against that of 3.0 per cent in 1991-92 (Table IV-3). However, the rise in employment was slightly lower at 3.3 per cent than that of 3.6 per cent in the previous year.

In pursuance of the New Industrial Policy for SSI announced in August 1991, a number of measures for the development of the Small Scale Sector have been taken, the most important among them being the issuance of an Ordinance on September 23, 1992, which would ensure timely settlement of dues to small scale industries for the supplies made/services rendered by them. The Ordinance stipulates an interest rate higher than the lending rate by 5 percentage points for delayed payments. Equity participation by other industrial undertakings in SSI units upto 24 per cent is another measure, which would encourage ancillarisation, quality improvement and technology upgradation. This would also enable small scale units to raise capital which is difficult for them to avail of from the capital market in the normal course.

The number of items reserved for exclusive manufacture of small scale sector continued to be 836. The Government has almost doubled the allocation of funds for 'village and small scale industries' from Rs.3,249.3 crore in the Seventh Plan to Rs.6,334.2 crore in the Eighth Plan.

Based on the recommendations of the P.R.Nayak Committee with regard to the adequacy of institutional credit to SSI sector and related aspects, the Reserve Bank of India has issued the following fresh instructions to banks :

i) The banks should step up credit flow to meet the legitimate requirements of the SSI sector and should draw their annual credit budget accordingly.

ii) The system of classification of advances should be revised so as to classify them into four categories, viz., standard, sub-standard, doubtful and loss. The concerned bank branch should accordingly watch carefully the financial health of the unit, its operation, etc.

iii) A new definition of sick SSI units has been adopted wherein a sick unit will be one where principal or interest has remained overdue for a period exceeding two and half years and there is erosion in net worth to the extent of 50 per cent or more. (For detailed definition please see the footnote to (Table IV-5B).

iv) Banks should set up separate 'sick units cell' at their regional and controlling offices, in order to tackle the problem of sickness among the SSI units more expeditiously.

The Government has set up a Standing Committee on sickness in SSI sector on 9.11.1992 with Secretary (SSI & ARI) as its Chairman. The Committee would assess the magnitude of sickness, suggest additional rehabilitation measures and necessary revision in the existing institutional framework for dealing with the problems of sickness.

District Industries Centres

With a view to developing and promoting small, tiny and cottage sector industries at the district level and generate greater employment opportunities in rural areas, the District Industries Centre (DIC) programme was started in May 1978 as a centrally sponsored scheme. Till this year (1992-93), the expenditure on this programme is being shared by the Central Government and the State Governments on 50 : 50 basis. However, from 1993-94 the scheme stands transferred to the State sector.

Presently, 422 DICs have been set up under the scheme, which cover 431 districts in the country. According to the estimates made by the Development Commissioner for the small scale industries, the total number of new units established has increased by 0.2 per cent from 4.25 lakh units in 1991-92 to 4.26 lakh units in 1992-93 (comprising 3.01 lakh artisan based units and 1.25 lakh small-scale units). These units generated additional employment to 11.03 lakh persons. The credit assistance provided by financial institutions through DICs is estimated to be around Rs.1,700 crore.

Box 2

Report of the Committee on Industrial Sickness and Corporate Restructuring (Goswami Committee)

A Committee under the Chairmanship of Prof.Omkar Goswami set up by the Government to look into the various aspects of industrial sickness and issues relating to corporate restructuring, submitted its report in July 1993. The major recommendations of the Committee are as follows :

a) The responsibility of industrial and corporate reorganisation must shift from secured creditors and the State to the defaulting debtor firms, for bringing about corporate and industrial restructuring.

b) The Board for Industrial and Financial Reconstruction (BIFR) should be a fast track facilitator by taking decisions instead of seeking clarifications and explanations. The Committee has also suggested some short term measures for bringing about organisational changes in BIFR. According to the Committee, the Government should appoint eight members who are experts from areas like finance, taxation and corporate law in BIFR at the bench level.

c) BIFR should make use of the winding up provisions of Sick Industrial Companies (Special Provisions) Act of 1985 (SICA), i.e., Section 20(4) more frequently so as to facilitate the sale of unviable units and thereby speeding up the pace of decision making among the affected parties.

Box 2 (Contd.)

d) There should be 5 self-financing recovery tribunals exclusively for recovering corporate debts to secured creditors. There should be a 'complete code for recovery', i.e., consistent and closed, which can then ensure an independent jurisdiction of these tribunals and so circumvent the problems of overlappping jurisdiction.

e) In view of the past practices of banks and term lending institutions in terms of unsound project appraisal, poor identification and inadequate provisioning of tainted portfolios, insufficient capital adequacy, etc., the financial institutions have to shoulder larger losses. Therefore, the financial sector requirements should be very closely monitored and expedited so as to quicken the process of industrial restructuring. The RBI guidelines for rehabilitation should need to be altered to abjure the notion of sacrifices and instead address the basic issues in appraisal. The Committee has specified that (i) there should be no write-off of new loans; (ii) if a partial write-off is necessary, it should be explicit and only on part debt; and (iii) the non-written off exposure to be charged and discounted at market rate of interest. Further, write-off, if any, should be in the form of debt-equity conversion.

f) The Central Board of Direct Taxes (CBDT) should remove all tax hurdles that prevent banks and financial institutions from converting debt to equity of sick companies particularly, when recommended by BIFR;

g) The definition of sickness needs to be modified to facilitate early detection. Focus should be on incipient sickness in place of the negative net worth criteria. The definition of sickness should be (i) default of 180 days or more on repayment to term lending institutions or (ii) irregularities in cash credit or working capital for 180 days or more. With the change in definition, SICA should legislate the following procedures :

i) The secured creditor of a 'sick' company would have the option of moving High Courts or Recovery Tribunals to recover the secured assets of the company. It would not be upto the firm to seek time-bound protection from the BIFR;

ii) If the company refers to BIFR, the Board would instruct the management/promoter to prepare a reorganisation plan within 90 days that can satisfy secured creditor(s);

iii) If creditors representing three-fourths of the secured debt were satisfied by the plan, it would become a sanctioned scheme of the BIFR. If not, alternative plan would have to be prepared in consultation with secured creditors, government and labour within another 60 days;

iv) If the above plan is not accepted by creditors representing more than three-fourths of secured debt, then BIFR would automatically recommend the company to the Recovery Tribunals or to be wound up under SICA [Section 20(4)];

h) In order to detect sickness at the incipient stage, the Committee has recommended that the Irregular Statement (IS) has to be revised and further the Revised Irregular Statement (RIS) should be examined by RBI. Also, the health coding system presently used has to be replaced with four categories [satisfactory, irregular, suspect and Managerial Input Required (MIR)] instead of earlier two categories (satisfactory and irregular);

Box 2 (Concld.)

i) All financial institutions and scheduled commercial banks should prepare a list of defaulting creditors depending upon the frequency and magnitude of defaults and the list should be updated every quarter;

j) The Tandon and Chore Committee norms have become outdated and therefore it is essential to get away from the interest specific norms and prescribe more flexible company specific, technology specific, demand-specific and product-specific guidelines. Since financial institutions and banks may find difficulties in framing guidelines, it may be necessary for credit rating agencies to prepare such guidelines;

k) The Companies Act, 1956 should be amended in order to enable the secured creditors to implement de facto *changes in management and/or the Board of Directors, in instances of repeated debt defaults.*

l) India has enough labour laws (including provisions in the Industrial Disputes Act, 1957 (IDA) and court judgements to take care of labour interest. Hence, it is unnecessary to have yet another sanctioning authority, viz., the State Labour Commissioners under sections 25(N) and 25(O) of the IDA Act. Therefore, the Committee recommended the elimination of Section 25(N) and 25(O) of IDA which are working as a barrier in the restructuring of work force in various states;

m) The Provisional Liquidator (PL), to take care of the company's assets should be appointed by the High Court as soon as BIFR's recommendations are forwarded; and

n) In view of several procedures associated with winding up of a firm by Court, there must be five fast track Winding-up Tribunals situated in Bombay, Calcutta, Madras, Delhi and Bangalore. The Government should investigate the possibility of barring overlapping jurisdiction of Civil Courts in the affairs of Winding-up Tribunals. The Committee has also exhorted the Government to seriously consider introducing summary procedures in winding up cases.

Industrial Sickness

Industrial sickness continued to be a serious problem during the year under review. The total bank credit locked up in sick/weak units increased from Rs.10,767.82 crore as at end-March 1991 to Rs.11,533.30 crore as at end-March 1992, constituting 17.6 per cent of the total outstanding bank credit to 'Industry' at the end of March 1992. Small scale industries accounted for about one- fourth of the total bank credit outstanding against sick/weak units in the country as at end-March 1992.

Non-SSI Sick Units

The number of non-SSI sick units as defined under the Sick Industrial Companies (Special Provisions) Act, 1985 increased from 1461 in March 1991 to 1536 in March 1992 and the outstanding credit to these units rose from Rs.5,105.57 crore to Rs.5,786.55 crore, respectively (Table IV-5).

Region-wise, the Western Region accounted for the highest share, i.e., 34.1 per cent of the total non-SSI sick units and about 40.5 per cent of the total outstanding bank credit as at the end of March 1992. As regards State-wise position of non-SSI sick units, the largest number continues to be in Maharashtra followed by West Bengal, Gujarat, Andhra Pradesh, Tamilnadu, Uttar Pradesh and Karnataka. These seven states accounted for 73.1 per cent of the total number of non-SSI sick units and 78.5 per cent of the total bank credit outstanding against such units. Industry-wise, the sickness was prominent in textiles, engineering, chemicals, paper and iron and steel. These five industrial groups accounted for 61.0 per cent of the total number of non-SSI sick units and 60.9 per cent of the total bank credit outstanding against them as at the end of March 1992.

Non-SSI Weak Industrial Units

The number of non-SSI weak industrial units decreased from 876 in March 1991 to 813 in March 1992; the outstanding bank credit to these units also declined from Rs.2,870.21 crore to Rs.2,646.08 crore respectively. State-wise, the number of non-SSI weak units was the highest in Maharashtra (133 units), with outstanding bank credit of Rs.242.42 crore, followed by West Bengal, Andhra Pradesh and Karnataka. Industry- wise, the weak units were predominant in textile and engineering industry (Table IV-5A).

Sick SSI Units

The number of sick small-scale units increased from 2,21,472 units (outstanding bank credit of Rs.2,792.04 crore) as at end- March 1991 to 2,45,575 units (outstanding bank credit of Rs.3,100.67 crore) as at end-March 1992. Region-wise, the majority of sick SSI units was in the Southern region (Table IV-5B). Industry-wise details of sick SSI units are given in Table IV-5C.

The viability studies conducted by commercial banks in respect of 2,42,546 units as at the end of March 1992, show that 19,210 of these units were considered viable. Of the viable units 13,289 units were put under nursing programme with banks.

National Renewal Fund

With a view to providing a social safety net to the labour force, which may be affected as a result of modernisation, technology upgradation and industrial restructuring under the New Industrial Policy, the Government has set up a National Renewal Fund. The Fund, to begin with, is of a non-statutory nature and may include contributions from the Government of India, State Governments, financial institutions, insurance companies and industrial undertakings. For the year 1992-93, a budgetary outlay of Rs.200 crores was made and further accretions to the tune of Rs.1,950 crores are expected from other sources. It will provide assistance for i) retraining and redeployment of workers, ii) employment generation schemes and iii) payment of compensation to workers on closure of units either under BIFR's orders or otherwise or for the payment of dues under voluntary retirement schemes.

A. *Basic Industries*

(a) Coal

The production of coal (excluding lignite) registered a lower rate of growth of 4.0 per cent during 1992-93 as compared with the rate of growth of 8.4 per cent in 1991-92 (Table IV-6). Deceleration in coal output was largely on account of slippage in output of Singareni Collieries Company Limited (SCCL), which fell short of its target by 3.8 per cent. Coal India Limited (CIL), however, achieved an output level of 211.2 million tonnes in 1992-93 as against the target of 210.0 million tonnes set for the year. Among the subsidiary companies under CIL, excepting Eastern Coalfields Ltd. (ECL), all other companies, viz., Bharat Coking Coal Ltd. (BCCL), Central Coalfields Ltd. (CCL), Northern Coalfields Ltd. (NCL), Western Coalfields Ltd. (WCL) and South-Eastern Coalfields Ltd. (SECL) achieved their respective targets.

The aggregate despatches of coal during 1992-93 at 230.5 million tonnes were higher than 219.0

million tonnes despatched last year. The railways are the major agency for coal transportation. The daily average coal loading by CIL increased by 14.6 per cent from 14,472 wagons per day in 1991-92 to 16,592 wagons per day in 1992-93. Coal loading in SCCL also showed an increase, it being 58.0 per cent from 1,234 wagons per day in 1991-92 to 1,950 wagons per day in 1992-93. In spite of increased despatches, the pit-head stocks of coal increased to 51.4 million tonnes in 1992-93 as compared to 48.5 million tonnes at the end of the previous year. Higher pit stocks, it may be noted, add to cost of production and pose a serious threat of fire due to autocombustion.

In February 1993, prices of coal of CIL as well as SCCL were raised by 12.8 per cent and 11.8 per cent respectively, on the basis of escalation formula prescribed by BICP.

(b) Iron Ore

Iron ore production in the country during 1992-93 at 57.9 million tonnes was 0.7 per cent higher than the output level of 57.5 million tonnes in the previous year (Table IV-7), but was far below the trend growth rate of 5.4 per cent during the last 11 years. The relative share of public sector mines in total production of iron ore declined from 60 per cent in 1991-92 to 57 per cent in 1992- 93. State-wise, Madhya Pradesh contributed nearly 24 per cent of the total iron ore production in the country, followed by Karnataka (23 per cent), Goa (22 per cent), Bihar (17 per cent) and Orissa (13.5 per cent). Nominal production was reported by some other states such as Andhra Pradesh, Maharashtra, Rajasthan and Haryana.

The increase in the domestic demand for iron ore with the commissioning of the Visakhapatnam Steel Plant and development of the indigenous sponge iron industry, led to rise in internal despatches of iron ore to 26.5 million tonnes during 1992-93, as compared to 25.8 million tonnes despatched in the preceding year. However, the exports of iron ore at 21.9 million tonnes during 1992-93, registered a decline of 25.8 per cent (on top of the fall of 9.2 per cent in 1991-92) mainly on account of a fall in production in the Kudremukh plant which was affected by heavy rains.

(c) Cement

The performance of cement industry during the year 1992-93 was sluggish with growth being a mere 0.2 per cent as against 10.6 per cent in 1991-92 (Table IV-8). The near stagnation in the cement sector was across the board. Output in the case of private sector units,which account for about 90 per cent of the total cement output, was almost unchanged during the year, while public sector units (which account for little less than 10 per cent) registered a small rise of 1.9 per cent in the output. It also reflects the lower capacity utilisation during the year (79.8 per cent against 81.6 per cent in 1991-92). The output also fell short of its target of 56.5 million tonnes set for the year by 4.2 per cent. The shortfall was larger in case of public sector units (16.5 per cent) as compared to private sector (2.6 per cent).

The slowdown in the cement sector could be attributed to lower off-take of cement by Government agencies and general recession in most major user industries. Despatches for domestic consumption increased marginally (0.6 per cent) in 1992-93 as against a rise of 10.0 per cent in 1991- 92. The exports of cement, however, registered an impressive growth to reach 0.8 million tonnes as compared to 0.4 million tonnes in 1991-92. As the demand recession led to a build-up of inventory and thus to a rise in the interest burden, and as cement prices recorded declines during the year, the profitability of the cement plants was adversely affected.

(d) Iron and Steel

The iron and steel industry achieved a record production during the year 1992-93 at 15 million tonnes. The growth of both saleable steel and pig iron have been higher than their respective trend growth rates during the last eleven years. The saleable steel production registered a rise of 7.2 per cent (5.9 per cent last year) and output of pig iron grew by 15.7 per cent (6.3 per cent last year). All the integrated steel plants (excepting Durgapur) and mini steel plants performed well during the year. The secondary sector raised its contributions to total saleable steel output to 24.7 per cent (24.3 per cent last year), and total pig iron output to 8.7 per cent (6.4 per cent last year).

During 1992-93, the off-take of saleable steel was lower by 0.6 per cent which reflects the general recessionary conditions in user industries like construction and engineering. However, there was a rise in export of finished steel from the integrated plants. On the other hand, the domestic sales of pig iron during 1992-93 recorded a substantial rise of 14.1 per cent as against 2.7 per cent in 1991-92.

The record production and poor off-take resulted in the pile up of stocks with steel plants (Table IV-10). The year-end stocks of both saleable steel and pig iron increased by more than 100 per cent in 1992-93. However, as per demand and supply projections, pig iron is in short supply in the country. Total demand of pig iron at the end of Eighth Five Year Plan is projected to be 30.3 lakh tonnes and therefore efforts are being made to create facilities for its manufacture in the secondary sector. Nine units with a proposed capacity of 10 lakh tonnes are expected to come up shortly.

Reforms in the iron and steel sector during the year were characterised by liberalisation of import and export of steel materials (barring pig iron and mild steel scrap which are in negative list of exports). As part of liberalisation measures, the price and distribution controls were abolished in January 1992. However, requirements of Defence, Railways, smallscale industries, exports of engineering goods and the North-Eastern region continue to be met on priority. The Development Commissioner for Iron and Steel with assistance from JPC, will look after this arrangement. There was an increase of prices by an average of 15 per cent by integrated steel plants in May 1992 which was followed by a marginal rise in the last quarter of 1992-93. Prices were raised to off-set the increase in input costs.

(e) Electricity

The generation of electricity during 1992-93 at 301.0 billion Kwh (marginally lower than the target of 302.7 billion Kwh set for the year) registered a lower growth rate of 5.0 per cent as compared to 8.5 per cent achieved in the previous year (Table IV-12). The growth rate was far below the trend growth rate of 8.7 per cent during the last 11 years. Source-wise, while the growth rate of both thermal and hydel power generation decelerated, the nuclear power generation recorded a higher growth rate of 19.6 per cent as against a decline of 9.7 per cent in 1991-92.

As against the programmed (target) capacity addition (electricity generation) of 4,458.0 mw, the actual capacity addition in 1992- 93 was only 79.3 per cent (3,537.3 mw). Source-wise, the maximum achievement in capacity addition (in relation to target) was in nuclear plants (100 per cent), followed by thermal plants (87.7 per cent) and hydel plants (42.4 per cent).

In view of the growing demand and supply gap in power sector (Table IV-12A), the Government, in a major shift in the policy has decided to end the state monopoly and throw open the power generation to private sector. The import and excise duties on power sector capital goods were reduced. Further, the sovereign guarantee has been assured by the Government for the IBRD and multilateral assistance to the private power projects.

(f) Crude Oil and Petroleum Refinery Products

The crude oil production (including on-shore and off-shore) declined further by 11.2 per cent during the year 1992-93 on top of 8.1 percent fall in 1991-92 and 3.1 percent fall in the year 1990-91 (Table IV-13). The growing domestic demand and continued decline in the indigenous production necessitated larger imports during 1992-93 too. The decline in domestic crude oil output was mainly on account of shut down of off-shore structure for preventive maintenance and disruption in oil production in North-East. The structural causes like under-investment in exploration and slow-down of drilling operation and lack of investible surpluses by the oil companies continued to influence the trends in crude output.

The production of petroleum refinery products, however, recorded a significant rise of 4.1 per cent during 1992-93 as against a fall of 0.4 per cent during the preceding year. The performance in 1992-93, however, was still lower than the trend growth rate of 6.4 per cent during the last eleven years. The domestic demand for refinery products being higher than the increased indigenous production, an import of 11,283 thousand tonnes of POL was made during the year 1992-93.

B. Capital Goods Industries

(a) Engineering Industries

The composite index of output of the engineering industry (comprising basic metals, machinery and machine tools, transport equipment, metal products and parts and electrical machinery) accounting for 30.5 per cent of total weight in the index of industrial production (IIP) declined by 0.8 per cent on top of a fall of 4.5 per cent during 1991-92, reflecting mainly the persistent recession in the industrial sector.

Metal products within the engineering sector registered a sharp fall (-9.7 per cent) followed by machinery and machine tools (-4.0 per cent) and electrical machinery (-3.1 per cent). Transport equipment, and basic metal and alloy industries, however recorded rise of 3.9 per cent and 3.6 per cent respectively, during the year.

The engineering industry is faced with a number of problems, such as, weak design and engineering base, inadequate upgradation of technology and research and development, high cost of inputs and demand constraint. Therefore in the Eighth Plan special emphasis has been placed on qualitative upgradation . There will as a result be greater stress on import of drawings and designs rather than on import of equipment.

i) Heavy Mechanical Engineering Industries.

The performance of the automobile segment of the heavy engineering group continued to be sluggish. Their production and sales further declined giving rise to unsold stocks. The output of passanger cars, commercial vehicles and two wheelers declined during the year (Table IV-14). However, the output of jeeps showed a surge recording a 36.4 per cent increase against a decline of 28.2 per cent in the previous year. During 1992-93, a majority of prominent items of the heavy engineering group including steel castings (-9.0 per cent), railway wagons (- 0.9 per cent), road rollers (-81.9 per cent), and agricultural tractors (-11.6 per cent) fared badly. However, the output of lifts, structurals and diesel engines recorded a positive growth rate of 19.8 per cent (-11.2 per cent previous year), 5.2 per cent (2.6 per cent in the previous year), 0.3 per cent (-3.1 per cent), respectively, during the year (Table IV-14).

ii) Light Mechanical Engineering Industries.

Among the selected light mechanical engineering industries, production of all the items (except wrist watches) including typewriters, bicycles, sewing machines, razor blades registered declines. Wrist watches showed a significant rise of 10.6 per cent as against a decline of 18.8 per cent during the previous year (Table IV-15).

iii) Electrical Engineering Industries

Electrical engineering industries continued the downtrend registering a decline of 3.1 per cent as compared to 12.4 per cent in 1991-92. Among the light electrical engineering goods, the decline in output was almost pervasive. All the items (except incandescent and fluorescent lamps) including electrical fans, radio receivers, storage batteries, dry cells and domestic refrigerators registered sharp decline in production. Output of incandescent lamps rose by 26.8 per cent and fluorescent lamps by 14.9 per cent during the year.

In the heavy engineering category, the output of electrical motors and power driven pumps fell by 11.5 per cent and 1.2 per cent, respectively. While, the output of power transformers recorded a fall of 1.0 per cent during the year on top of 2.5 per cent decline in 1991-92 (Table IV-16).

(b) Metallurgical Industries (other than Iron and Steel).

i) Aluminium

During the year 1992-93, the production of aluminium decreased to 4.83 lakh tonnes as against 5.12 lakh tonnes in 1991-92 (Table IV-17). The shortfall in production is mainly due to the power shortage faced by the Indian Aluminium Company Limited (INDAL) which has resulted in closure of their Belgaum Smelter in Karnataka.

With the commissioning of National Aluminium Company Limited (NALCO) and improved performance of Bharat Aluminium Company Limited (BALCO), the industry has sustained growth in production. The country has become surplus in aluminium and is in a position to increase its exports. During 1991-92, NALCO alone earned foreign exchange worth Rs.385 crore by way of exports of 3.78 lakh tonnes of alumina and 61,000 tonnes of metal, registering a 38 per cent rise over the previous year's earnings.

ii) Copper

The production of refined copper by Hindustan Copper Limited (HCL) during the year 1992-93 was at 45,300 tonnes, as against that of 45,100 tonnes during 1991-92. Copper produced by HCL is presently insufficient to meet the growing demand of copper in the country and the gap between demand and indigenous supply is plugged by imports. As per the statement of Industrial Policy, 1991, although the processing of copper has been delicensed, mining of copper is kept reserved for public sector. For increasing indigenous production of copper, HCL has planned to take up various schemes during the Eighth Five Year Plan, which include opening of Banwas Mine (2,000 TPD Ore), expansion of Rakha Mine/Concentrator (2,000 TPD Ore), modernisation of concentrators, expansion of Khetri Smelter (45,000 TPD Copper), etc.

iii) Zinc and Lead

Consequent upon the successful completion of the integrated project of Rampura - Agucha Mine and Chanderiya Lead - Zinc Smelter by Hindustan Zinc Limited (HZL) in May 1991, additional capacities of 70 thousand tonnes per annum of zinc and 35 thousand tonnes per annum of lead have been created during 1991-92. The production of zinc reached 119 thousand tonnes during the year 1992-93. The country has become almost self-sufficient in case of zinc and this would mean saving of precious foreign exchange spent hitherto on imports.

The production of lead increased to 39 thousand tonnes in 1992-93 as against that of 32 thousand tonnes in 1991-92.

Keeping in view the vital role played by non-ferrous metals in the development of industry, the Union Government has announced a wide range of fiscal concessions by way of reduction in excise, customs and import duties. The New Mineral Policy announced by the Government in March 1993 has dereserved all the 13 minerals (including copper, lead and zinc) which had hitherto been the exclusive preserve of the public sector. The new policy aims at inducting foreign technology and foreign participation in exploration and mining of high value and scarce minerals; for this purpose, the Government has relaxed foreign equity participation norms.

The aluminium industry has already been delicensed under the Industrial Policy of 1991 and has also been included under 34 selected industries (Annexure III of Industrial Policy Statement, 1991) for automatic approval for 51 per cent foreign equity participation and technical collaboration.

C. Intermediate Goods Industries

(a) Jute Textiles

The year 1992-93 started on a very weak note for the Jute industry after the dismal performance in 1991-92 due to heavy losses of production and exports arising mainly from the increased use of synthetic substitutes. The setback in domestic market was due to reduced demand for jute bags by the Government and other grain packing agencies.

During the year 1992-93, total production of jute textiles at 1,310.8 thousand tonnes increased by 2.3 per cent as against a decline of 10.6 per cent in the previous year. Category-wise, all items, excepting 'hessian', recorded a rise in output; production of hessian declined by 6.1 per cent during 1992-93 against a rise of 2.2 per cent in 1991-92. The production of carpet backing and other jute goods recorded a moderate increase of 25.6 per cent and 14.1 per cent (a rise of 26.3 per cent and decline of 2.3 per cent, respectively, in the preceding year). Similarly, the production of sacking at 659.6 thousand tonnes recorded a rise of 1.4 per cent as against a decline of 19.6 per cent in the previous year.

The consumption of jute goods showed a marginal rise of 1.7 per cent at 1,098.5 thousand tonnes compared to a decline of 12.5 per cent at 1,080.3 thousand tonnes in 1991-92. Category-wise, the major decline in consumption was registered in carpet backing which fell sharply by 57.9 per cent and in sacking by 3.4 per cent in 1992-93 compared to the previous year. However, the consumption of hessian recorded a rise of 18.4 per cent over the previous year (Table IV-18).

The exports of jute goods showed a decline of 12.2 per cent to Rs.340 crore from Rs.387.24 crore in 1991-92. Dislocation of regular exports to erstwhile USSR considerably affected the export earnings from jute goods in 1992-93.

The Government has initiated a series of development programmes and schemes/measures for bringing in diversification in the jute industry and to ensure the structural changes in the present product range. The Government enacted Jute Packaging Materials Act, 1987, to protect the interest of the sector. The Jute Modernisation Fund Scheme and the Special Jute Development Fund Scheme were created for revamping the jute industry.

(b) Rubber and Rubber Manufactures

The total production of rubber (natural, synthetic and reclaimed) at 512 thousand tonnes in 1992-93 was higher by 6.9 per cent than the growth rate of 8.6 per cent at 479 thousand tonnes produced last year. The slowdown in 1992-93 was largely due to decelaration in the output of natural rubber and stagnation in the output of synthetic rubber. The continuous and heavy rain affected rubber tapping and consequently the production of rubber (Table IV-19). Both natural and synthetic rubber registered lower growth rates than their respective trend growth rates during the last twelve years. The production of reclaimed rubber, however, increased by 13.0 per cent in 1992-93 (Table IV-19).

There was a sharp rise in the total consumption of rubber during 1992-93 of 8.0 per cent compared to 3.4 per cent (540 thousand tonnes) during 1991-92 and this was reflected in the increase in the output of automobile tyres (7.9 per cent), automobile tubes (22.0 per cent), cycle tyres (10.0 per cent) and rubber footwear (8.3 per cent) (Table IV-20). The increased output of rubber goods was facilitated significantly by the improved export performance especially of tyres.

The gap between domestic production and consumption was met through imports mainly in the form of synthetic rubber. The import of 66 thousand tonnes of rubber during 1992-93 was mainly to meet the requirements of export production of rubber goods. The year-end stocks declined by 10.4 per cent at 86 thousand tonnes in 1992-93 as against 96 thousand tonnes in 1991-92.

The Rubber Board continued to implement various measures for enhancing the production of natural rubber which include granting of financial and technical assistance for new planting and replanting and distribution of inputs for improving productivity. The fair price fixed in January 1991 for RMA-IV grade was revised in January 1993 to Rs.2,345 per quintal. During the lean production period, The State Trading Corporation of India (STC) had released rubber to manufacturers to ensure adequate supply of rubber. The simple average price of RMA-IV grade rubber during 1992-93 was Rs.2,550 as against Rs.2,141 in the previous year.

(c) Chemicals and Chemical Products

The performance of the chemicals and chemical products group during the year 1992-93 was better than in the previous two years, having recorded a growth rate of 5.2 per cent as compared with the moderate rates of 2.6 per cent in 1990-91 and 3.4 per cent in 1991-92.

i) Fertilizers

During 1992-93, the overall production of fertilizer nutrients was around 97.0 lakh tonnes comprising 74.1 lakh tonnes of nitrogen and 22.9 lakh tonnes of phosphates (Table IV-21). This would fall short of the target set for the year at 104.5 lakh tonnes (comprising 77.0 lakh tonnes of nitrogen and 27.5 lakh tonnes of phosphates). The shortfall in the production was mainly due to the substantial drop in the consumption of phosphatic and complex fertilizers consequent upon a steep increase in the prices of these fertilizers following their decontrol in August, 1992. Shortage of ammonia, restrictions in gas supply, frequent equipment breakdowns and funds constraints in some of the fertilizer plants together with demand and price uncertainties are some of the other factors which affected adversely the production of both nitrogenous and phosphatic fertilizers.

In view of the importance of fertilizers as an essential input in agricultural production, the industry has been recipient of a variety of subsidies. The retention price-cum-subsidy scheme which was introduced in 1977 covered indigenous nitrogenous fertilizer units and was later on extended to phosphatic and other fertilizers. Besides, 'equated freight subsidy' is paid to fertilizer manufacturers to cover the cost of transportation from production points to consumption centres. In addition, subsidy is also paid on imported fertilizers, to take care of the difference between the cost of imports and the statutorily fixed consumer price.

The quantum of subsidy borne by the Government went up year after year, from Rs.375 crore in 1981-82 to Rs.4,389 crore in 1990-91. This growing burden of fertilizer subsidy necessitated the Government to increase the selling price of fertilizers by 30 per cent on an average from August 1991 after a gap of ten years. In the meantime the Government had also set up a Joint Parliamentary Committee (JPC) in December 1991 to go into the various aspects of fertilizer pricing and subsidy. As a follow-up of the recommendations of JPC, a number of relief measures/concessions were announced by the Government during the year 1992-93, which included abolition of customs duty on import of capital goods for new fertilizer plants and revamping of the old plants, abolition of customs duty on import of phosphoric acid, concessions in interest rates on long term loans, etc. All price and distribution controls on phosphatic and potassic fertilizers were removed and the selling price of urea was reduced by 10 per cent w.e.f. August 25, 1992. Simultaneously, to maintain relative price parity among all nitrogenous fertilizers, low analysis nitrogenous fertilizers (namely, urea, ammonium chloride, calcium ammonium nitrate and ammonium sulphate) were brought back under the price and distribution control. In order to cushion the impact of increase in the prices of decontrolled fertilizers on farmers during 1992-93 Rabi season, a special subsidy of Rs.1,000 per tonne on DAP and Muriate of Potash (MOP) and corresponding relief in the case of complex fertilizers was given.

ii) Inorganic chemicals

The inorganic chemical industry constitutes a major sector of the country's economy. The important inorganic chemicals are soda ash, caustic soda, carbon black and calcium carbide which together account for more than 50 per cent of total weight of inorganic chemicals in the Index of Industrial Production. The production of caustic soda during 1992-93 was 1,080 thousand tonnes, as against that of 1,036 thousand tonnes in 1991-92. The production of soda ash, which was at 1,408 thousand tonnes during 1991-92, decreased to 1,392 thousand tonnes during 1992-93.

iii) Drugs and Pharmaceuticals

The drugs and pharmaceutical sector continued to maintain a steady growth in terms of production as well as range of products in 1992-93. Production of the bulk drugs is estimated to be of the value of Rs.1,045 crores, registering a growth rate of 16.1 per cent. The country is almost fully self-reliant in terms of formulation technology, and drug formulations valued at Rs.5,520 crore were manufactured during 1992-93, recording a yearly rise of 15 per cent. The sector has also made a significant contribution to exports. During 1992-93, drugs and pharmaceuticals valued at Rs.1,900 crore were exported, as against Rs.1,445 crore in 1991-92.

iv) Petrochemicals

Petrochemicals are manufactured from Petroleum feedstock like naphtha and natural gas and also from alcohol and calcium carbide. Of these, naphtha and natural gas, due to their easy availability, are more dominant feedstock. With the expectation that the industry would register higher growth rates during the Eighth Plan period, the Government have sanctioned the setting up of new/additional capacities of major petrochemicals, such as, ethylene, benzene, O-xylene, etc., through the naphtha/gas cracker complex. This would help cut down imports of many items.

D. Consumer Goods Industries.

(a) Sugar

Sugar Production:

Owing mainly to a shrinkage in area and unfavourable weather conditions, particularly in Maharashtra, sugarcane production during 1992-93 season (October-September) was estimated to be lower. Consequently, production of sugar upto end-June 1993 aggregated 10.54 million tonnes which was lower by 2.68 million tonnes or 20.3 per cent than that during the corresponding period of the previous season (13.22 million tonnes). Taking into account a carry over stock of 4.90 million tonnes from the previous season, the total availability during 1992-93 season (till end- June 1993) was 15.44 million tonnes which was lower by 1.11 million tonnes or 6.7 per cent as compared with that during the corresponding period of the previous season (16.55 million tonnes). Total off-take till end-June 1993 was placed at 9.31 million tonnes which was higher by 0.48 million tonnes or by 5.4 per cent than that during the corresponding period of the previous season (8.83 million tonnes). The end-June 1993 stocks at 6.13 million tonnes were lower by 20.6 per cent as compared to 7.72 million tonnes at end-June 1992 (Table IV-22).

Policy Measures

The Government of India had raised the Statutory Minimum Price (SMP) of sugarcane for 1992-93 season to Rs.31.00 per quintal and further to Rs.34.50 per quintal for 1993-94 season, linked to a basic recovery of 8.5 per cent with proportionate premium for higher recoveries.

The Government had announced, in February 1993, a new package of measures for the sugar industry. The measures include (i) a hike in the issue price of sugar through PDS by 20.3 per cent from Rs.6.90 per kg. to Rs.8.30 per kg., (ii) a revision in the levy - free sale ratio of sugar release from 45:55 to 40:60, and (iii) a proposal to create a buffer stock of 5 lakh tonnes of sugar effective April 1, 1993, and sugar factories to be reimbursed for the cost of such holdings from the Sugar Development Fund.

Further, certain incentive schemes for the new sugar factories and for the expansion projects licensed between September 7, 1990 and end-March 1991 were announced. According to these, the new sugar unit in the "high recovery area" would be entitled for 100 per cent free sale quota for eight years and units located in "other recovery areas" would be entitled for such incentive for ten years - 100 per cent free sale for nine years and 66 per cent free sale for one year. The expansion projects in the high recovery areas would be entitled for 100 per cent free sale for five years and those in "other recovery areas" for six years.

Incentives were also announced to encourage sugar mills to maximise sugar production during the current season. Accordingly, the levy - free sale ratio of sugar release in respect of the incremental production during the period between January 1, and April 30, 1993 over the corresponding period of 1992 would be 20:80 against the normal ratio of 40:60. Similarly, the ratio in respect of production between May 1 and July 31, 1993 would be 38:62 as against the normal 40:60.

The total release of sugar during 1992-93 amounted to 11.80 million tonnes (comprising 4.26 million tonnes of levy sugar and 7.54 million tonnes of free sale sugar) as against 11.35 million tonnes (comprising 4.25 million tonnes of levy sugar and 7.10 million tonnes of free sale sugar) during 1991-92 season. The release of free sale sugar of 7.54 million tonnes during 1992-93 was higher by 0.44 million tonnes or by 6.2 per cent than in 1991-92 (7.10 million tonnes) (Table IV-23).

Licensing Policy

The licensing policy relating to sugar units was discussed in detail in the last Report (pp 88- 89). These guidelines continued to operate during the year under review.

Sugar Development Fund (SDF)

Sugar Development Fund was set up under the Sugar Development Fund Act, 1982 for providing financial assistance to sugar factories for undertaking rehabilitation and modernisation programme as also for research aimed at development of sugar industry. A cess is being imposed under the Sugar Cess Act, 1982 on sugar produced in the country and the amounts collected as cess were credited to SDF. Since 1982 up to September 1992, Rs.1,200 crore had been credited to SDF, out of which Rs.362 crore (up to December 1992) had been sanctioned for sugarcane development, Rs.351 crore for modernisation of mills and Rs.30 crore for research and development as grants-in-aid. In addition, the cost of maintenance of buffer stock of five lakh tonnes was also to be financed through SDF.

Levy Sugar Price Equalization Fund

The Levy Sugar Price Equalization Fund Act, 1976 has been in force from April 1, 1976. During the year under review, a sum of Rs.2.97 crore was recovered from the sugar mills and credited to the Fund bringing the total amount thus credited since the commencement of the Fund to Rs.19.71 crore. In addition, the Food Corporation of India, under order of courts of law, had so far collected Rs.23.11 crore by way of such recovery from sugar mills.

(b) Textiles - Cotton and Synthetics

The total production of cotton and blended yarn during 1992-93 at 1,895 million kgs. was higher by 4.9 per cent than that of 1,806 million kgs. in 1991-92 (Table IV-24). This may be attributed to the rise in cotton yarn output by 5.0 per cent as against a decline of 4.0 per cent in the previous year. The production of both blended/mixed yarn and 100 per cent man-made fibre spun yarn decelerated to 5.6 per cent and 2.4 per cent, respectively, during the year (13.0 per cent and 14.0 per cent in 1991-92).

Domestic consumption of yarn at 1,385 million kgs. in 1992-93 was higher by 4.4 per cent, reflecting mainly an improvement in the consumption of yarn by the decentralised sector of 8.7 per cent in contrast to the decline of 4.4 per cent in the previous year. Consumption of yarn by the mill sector, however, registered a sharp decline of 16.2 per cent to 191 million kgs. over and above the decline of 8.8 per cent recorded in the year 1991-92.

The total production of fabrics (cotton, blended/mixed and man-made fabrics) recorded a rise of 6.1 per cent during 1992-93 as compared to a decline of 1.5 per cent last year (Table IV-25). As reflected by the consumption pattern of yarn by different sectors, the rise in the total output of fabric was entirely on account of the decentralised sector which expanded by 8.7 per cent during the year as against a fall of 0.6 per cent in 1991-92. The production in the mill sector declined for the third year in succession, and sharply by 15.8 per cent on top of fall of 8.2 per cent in 1991- 92 and 2.9 per cent in 1990-91.

Domestic consumption of cloth rose by 4.5 per cent (fall of 5.2 per cent last year), while textile exports recorded a sharp rise of 35.5 per cent.

Details regarding the number of mills closed and the corresponding installed capacity and workers on roll is given in Table IV-25 A.

In pursuance of the liberalised industrial policy of the Government, Textiles (Development and Regulation) Order 1992 has now replaced the Textiles (Control) Order 1986. Under the policy, textile units (SSI Units including powerlooms as well as non-SSI Units) have been allowed to expand capacity, subject only to certain rules relating to locational and environmental guidelines of the Centre and States.

(c) Paper, Paper Boards and Newsprint

Paper and Paper Boards

The production of paper and paper boards recorded a moderate increase of 2.6 per cent during 1992 compared to an unchanged situation in the previous year (Table IV-26). However, it was lower than the trend growth rate of 3.9 per cent during the past eleven years. India is self sufficient in the production of most varieties of paper and paper boards. Only certain varieties of paper are being imported. With the removal of price and distribution controls on white printing paper required by the educational sector in 1988, paper industry (especially large units) was able to get remunerative prices. However, a majority of paper mills still use outdated technology/machinery. Various measures have been taken by the Government in recent years to help the industry to improve its productivity and financial viability which include liberalised facility for import of raw materials, excise concessions for use of non-conventional raw materials, broad-banding of different varieties of paper and paper boards and delicensing the manufacture of paper based on a minimum 75 per cent pulp from bagasse, agricultural residues and other non-conventional materials.

Newsprint

There are at present 6 units with installed capacity of 3.5 lakh tonnes licensed for manufacturing newsprint in the country. The production of newsprint during the year 1992 estimated at 3.1 lakh tonnes is higher by 6.9 per cent than that of 2.9 lakh tonnes produced in the previous year. The requirement of newsprint in the country is being met partly by indigenous production and partly by imports. In order to reduce the dependence on imports, industrial licences/letters of intent for creating additional capacity of 10.28 lakh tonnes have been sanctioned. Under certain conditions, now paper mills can also take up manufacture of newsprint.

Table IV-1 : Trends in Index of Industrial Production * (Base : 1980-81 = 100)

Sector	Weight	April-March					
		1990-91		1991-92		1992-93	
		Index	Contribution to growth	Index	Contribution to growth	Index	Contribution to growth
1	2	3	4	5	6	7	8
Mining and Quarrying	11.46	221.2 (+4.5)	6.78	221.5 (+0.1)	-27.66	224.8 (+1.5)	10.03
Manufacturing	77.11	207.8 (+8.9)	81.19	204.6 (-1.5)	1985.45	207.1 (+1.2)	51.15
Electricity	11.43	236.8 (+7.8)	12.03	257.0 (+8.5)	-1857.79	269.8 (+5.0)	38.82
General Index (Crude)	100.00	212.6 (+8.2)	100.00	212.5 (-)	100.00	216.3 (+1.8)	100.00

* : Provisional
Note : Figures in brackets are percentage variations over the previous year.
Source : Central Statistical Organisation (C.S.O.).

Table IV-1A : Growth in Index of Seventeen Major Groups of Manufacturing Sector (1992-93)*
(Base : 1980-81 = 100)

Industry Group	Weight	Percentage Variation			Relative Contribution		
		April-March	April-Dec.	January-March	April-March	April-Dec.	January-March
1	2	3	4	5	6	7	8
I. Positive							
Acceleration (During 1992-93)							
1. Chemicals and chemical products	12.51	5.3	7.2	0.2	89.3	39.4	0.8
2. Food and food products	5.33	5.1	0.1	15.9	23.5	0.1	18.6
3. Transport Equipment	6.39	3.9	3.4	5.0	24.3	6.9	7.1
4. Wood and wood products	0.45	2.9	-1.5	16.7	1.2	-0.2	1.4
5. Rubber, plastic and petroleum products	4.00	2.9	2.1	5.1	10.2	2.4	3.8
6. Cotton textiles	12.31	1.7	3.3	-2.9	13.6	8.7	-4.7
7. Leather and leather and fur products	0.49	1.2	6.0	-9.6	0.6	0.9	-1.2
8. Other Manfg. Industries	0.90	0.2	-0.9	3.1	0.3	-0.4	0.9
Deceleration (During 1992-93)							
9. Basic metal and alloys industries	9.80	3.6	-0.3	14.6	30.9	-1.0	26.6
10. Non-metallic mineral products	3.00	1.3	1.2	1.6	4.2	1.3	1.1
11. Paper and paper products	3.23	0.6	4.4	-9.2	2.3	5.0	-7.2
II. Negative (During 1992-93)							
12. Textile Products (including wearing apparel)	0.82	-20.0	-19.3	-22.3	-8.2	-2.7	-1.7
13. Metal products	2.29	-9.7	-5.7	-19.6	-16.0	-3.0	-7.4
14. Beverages, tobacco and tobacco products	1.57	-4.5	-12.0	22.5	-4.4	-4.0	3.8
15. Machinery and machine tools	6.24	-4.0	-0.9	-11.3	-23.5	-1.8	-15.7
16. Jute, hemp and mesta textiles	2.00	-3.7	-14.2	50.6	-3.5	-5.0	6.1
17. Electrical machinery	5.78	-3.1	13.2	-29.1	-45.2	53.2	-132.3
Manufacturing	77.11	1.2	3.9	-5.2	100.0	100.0	-100.0

* : Provisional.

Table IV-1B : Growth Rate of Industrial Production : Use-based Classification * (Base 1980-81 = 100)

Industry Group	Weight	All Industries						
		Annual average percentage growth						
		1987-88	1988-89	1989-90	1990-91	1991-92	1991-92 (Apr.-Jan.)	1992-93 (Apr.-Jan.)
1	2	3	4	5	6	7	8	9
A. Basic Goods Industries	39.42	+5.5	+9.9	+5.4	+6.9	+6.4	+6.6	+3.2
B. Consumer Goods	23.65	+9.8	+3.9	+6.5	+6.8	-3.1	-2.8	+0.1
(a) Consumber Durables	2.55	+7.5	+22.3	+2.4	+10.7	-10.0	-12.4	-1.6
(b) Consumer Non-durables	21.10	+10.3	+0.1	+7.6	+5.8	-1.2	-0.3	+0.2
C. Capital Goods	16.42	+16.0	+7.0	+21.9	+15.9	-8.5	-9.3	+3.9
D. Intermediate Goods	20.51	+2.9	+11.7	+4.3	+4.7	-1.6	-2.3	+3.8
GENERAL INDEX	100.00	+7.3	+8.7	+8.6	+8.2	-	-0.2	+2.9

* : Figures are based on indices compiled by RBI, by re-classifying the individual items, as contained in 'Monthly Production of Selected Industries of India (MPSI), CSO.

Table IV-1C : Trends in Production of Infrastructure Industries

Industry	Weight	Unit	April-March		
			1990-91	1991-92	1992-93
1	2	3	4	5	6
Electricity	11.43	Billion Units	264.23	286.71 (+8.5)	300.99 (+5.0)
Coal	6.61	Million Tonnes	211.70	229.29 (+8.3)	238.22 (+3.9)
Saleable Steel (excluding VSP and Secondary Producers)	5.21	"	9.31	10.07 (+8.1)	10.45 (+3.9)
Cement	1.60	"	48.69	54.01 (+10.9)	54.14 (+0.2)
Petroleum Crude	2.41	"	33.03	30.35 (-8.1)	26.95 (-11.2)
Petroleum Refinery Products	1.52	"	48.15	47.82 (-0.7)	49.74 (+4.0)
Composite Index of Infrastructure Industries	28.77	Numbers	215.0	228.2 (+6.1)	233.9 (+2.5)

Note : Figures in brackets are percentage variations over the previous year.
Source : Ministry of Planning and Programme Implementation.

Table IV-2A : Employment in Organised Sector

At the end of	Employment (in lakh)			Percentage change over the previous year		
	Public sector	Private sector	Total	Public sector	Private sector	Total
1	2	3	4	5	6	7
March 1990	187.29	75.90	263.19	-1.4	+1.8	+1.6
March 1991	189.65	78.54	268.19	+1.3	+3.5	+1.9

Source: Economic Survey, Ministry of Finance, Government of India.

Table IV-2B : Employment in Public Sector

(in lakh)

Public Sector	End December		
	1988	1989	Growth %
1	2	3	4
Central Government	33.92	33.96	+0.1
State Government	68.62	69.48	+1.3
Quasi Government	59.93	61.43	+2.5
Local Bodies	22.37	22.21	-0.7
Total	**184.84**	**187.08**	+1.2

Source : Directorate General of Employment & Training, Ministry of Labour, Government of India.

Table IV-3 : Small Scale Sector

Item	April-March		
	1990-91	1991-92	1992-93 (P)
1	2	3	4
1. Number of units (Lakh Nos.)	19.48 (+6.9)	20.82 (+6.9)	22.35 (+7.3)
2. Production (Rupees crore at 1990-91 prices)			
a) Target	1,59,062	1,60,000 (+0.6)	1,68,000 (+5.0)
b) Achievement	1,55,340	1,60,000 (+3.0)	1,68,960 (+5.6)
3. Production (Rupees crore at current prices)	1,55,340	1,78,699 (+15.0)	2,09,300 (+17.1)
4. Exports (Rupees crore)	9,762.7 (+22.2)	13,626.6 (+39.6)	15,154.1 (+11.2)
5. Employment (Lakh persons)	125 (+4.8)	130 (+3.6)	134 (+3.3)

P : Provisional.

Note : 1) Figures in brackets indicate percentage change over the preceding year.

2) Data pertain to modern SSI sector only i.e., exclusive of tiny units such as Handlooms, Coir, Khadi, etc.

Source : i) Office of the Development Commissioner, Small Scale Industries, Ministry of Industry.

ii) Small Industrial Development Bank of India (SIDBI).

Table IV-4 : Performance of District Industries Centres

Item	Total Achievements (April-March)			Per DIC Achievement (April-March)		
	1990-91	1991-92*	1992-93**	1990-91	1991-92	1992-93
1	2	3	4	5	6	7
1. No. of DICs sanctioned	422	422	422	1	1	1
2. No. of DICs reporting	422	422	422	1	1	1
3. New Registration done (No.in lakh)	3.30	3.36	3.42	782	796	810
4. New units established (No.in lakh) @						
i) Artisans	3.01	3.01	3.01	713	713	713
ii) SSI	1.23	1.24	1.25	291	293	296
Total	4.24	4.25	4.26	1004	1006	1009
5. Credit assistance provided by financial institutions through DICs (Rs. crore)	1,700@@	1,700@@	1,700@@	400	400	400
6. Additional employment generated (No. in lakh)	11.42	11.07	11.03	2706	2623	2614
7. Units given technical and other assistance (Nos.)	-	-	-	-	-	-

* : Provisional. ** : Estimated.

@ Includes Small Scale Sector,other units of VSI sector and Non-SIDO units.

@@ It is estimated that due to credit squeeze, there will be no increase in gross credit during 1991-92 and 1992-93.

Source : Ministry of Industry, Government of India.

Table IV-5 : State-wise and Industry-wise Classification of Non- SSI Sick Industrial Units and Outstanding

States/Union Territories	Engineering		Electrical		Textiles		Jute		Paper		Rubber	
	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s
1	2	3	4	5	6	7	8	9	10	11	12	13
Eastern Region												
Assam	1	0.31	-	-	-	-	-	-	-	-	-	-
Meghalaya	-	-	-	-	-	-	-	-	-	-	-	-
Bihar	11	23.41	-	-	4	3.30	1	0.25	4	2.11	-	-
Arunachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-
West Bengal	35	160.13	4	36.29	18	60.40	33	163.76	15	40.04	4	11.25
Nagaland	-	-	-	-	-	-	-	-	-	-	-	
Orissa	8	13.44	-	-	5	11.78	1	0.90	2	9.34	-	-
Sikkim	-	-	-	-	-	-	-	-	-	-	-	-
Total	**55**	**197.29**	**4**	**36.29**	**27**	**75.48**	**35**	**164.91**	**21**	**51.49**	**4**	**11.25**
(Eastern Region)	**(19.85)**	**(18.77)**	**(10.00)**	**(11.73)**	**(9.12)**	**(5.14)**	**(92.11)**	**(96.24)**	**(18.10)**	**(17.13)**	**(16.66)**	**(11.63)**
Northern Region												
Uttar Pradesh	14	31.67	7	22.21	21	100.08	1	3.29	12	20.47	1	0.69
Delhi	7	13.21	1	0.33	1	2.22	-	-	3	0.79	-	-
Punjab	9	17.28	1	9.50	4	4.44	-	-	4	5.72	1	1.99
Haryana	19	116.61	-	-	11	22.90	-	-	3	4.92	1	1.57
Chandigarh	2	3.74	1	0.63	2	4.05	-	-	4	4.05	-	-
Jammu & Kashmir	1	1.99	-	-	-	-	-	-	-	-	-	-
Himachal Pradesh	3	7.88	-	-	-	-	-	-	8	16.61	-	-
Rajasthan	6	7.82	2	10.55	16	46.82	-	-	6	10.74	-	-
Total	**61**	**200.20**	**12**	**43.22**	**55**	**180.51**	**1**	**3.29**	**40**	**63.3**	**3**	**4.25**
(Northern Region)	**(22.02)**	**(19.05)**	**(30.00)**	**(13.97)**	**(18.58)**	**(12.30)**	**(2.63)**	**(1.92)**	**(34.48)**	**(21.05)**	**(12.50)**	**(4.39)**
Western Region												
Gujarat	22	46.80	2	1.27	71	359.54	-	-	6	39.11	1	13.10
Maharashtra	70	330.23	7	57.32	70	589.52	-	-	11	27.88	4	17.97
Daman & Diu	-	-	-	-	-	-	-	-	-	-	1	4.08
Goa	1	1.82	-	-	-	-	-	-	-	-	-	-
Dadra & Nagar Haveli	-	-	1	1.01	-	-	-	-	-	-	-	-
Madhya Pradesh	2	2.03	2	5.40	15	72.37	-	-	6	3.58	1	0.50
Total	**95**	**380.88**	**12**	**65.00**	**156**	**1021.43**	**-**	**-**	**23**	**70.57**	**7**	**35.65**
(Western Region)	**(34.30)**	**(36.24)**	**(30.00)**	**(21.01)**	**(52.70)**	**(69.62)**	**(-)**	**(-)**	**(19.83)**	**(23.47)**	**(29.17)**	**(36.84)**
Southern Region												
Andhra Pradesh	26	78.82	4	7.46	14	29.03	2	3.16	13	85.32	2	5.31
Karnataka	9	38.47	3	9.39	13	64.42	-	-	8	15.43	4	3.14
Tamil Nadu	22	126.40	2	2.09	22	61.66	-	-	8	10.10	1	0.50
Kerala	8	28.34	3	145.89	9	34.72	-	-	1	1.47	3	36.66
Pondicherry	1	0.62	-	-	-	-	-	-	2	2.97	-	-
Total	**66**	**272.65**	**12**	**164.83**	**58**	**189.83**	**2**	**3.16**	**32**	**115.29**	**10**	**45.61**
(Southern Region)	**(23.83)**	**(25.94)**	**(30.00)**	**(53.29)**	**(19.60)**	**(12.94)**	**(5.26)**	**(1.84)**	**(27.59)**	**(38.35)**	**(41.67)**	**(47.14)**
TOTAL	**277**	**1051.02**	**40**	**309.34**	**296**	**1467.25**	**38**	**171.36**	**116**	**300.65**	**24**	**96.76**

Note : According to Sick Industrial Companies (Special Provisions) Act, 1985, a non-ssi sick unit means 'An industrial company (being a company registered for not less than 7 years) which has at the end of the any financial year accumulated losses equal to or exceeding its entire net worth and has also suffered cash losses in such financial year and the financial year immediately preceding such financial year.'

Bank Credit as at the End of March 1992

(Amount in Rs. crores)

Cement		Iron & Steel		Sugar		Chemicals		Miscellaneous		Total	
No.of Units	Amount o/s	No.of Units	amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s
14	15	16	17	18	19	20	21	22	23	24	25
-	-	-	-	-	-	1	1.74	5	3.01	7	5.06
-	-	-	-	-	-	1	1.14	-	-	1	1.14
2	15.89	5	4.84	3	11.59	2	10.66	12	33.79	44	105.84
-	-	-	-	-	-	-	-	2	10.62	2	10.62
-	-	19	44.75	1	5.57	9	31.26	59	268.63	197	822.08
-	-	-	-	-	-	-	-	1	4.88	1	4.88
-	-	6	21.15	-	-	6	19.07	9	42.08	37	117.76
-	-	-	-	-	-	-	-	1	3.05	1	3.05
2	**15.89**	**30**	**70.74**	**4**	**17.16**	**19**	**63.87**	**89**	**366.06**	**290**	**1070.43**
(5.56)	**(7.28)**	**(26.32)**	**(19.28)**	**(22.22)**	**(15.75)**	**(13.48)**	**(21.01)**	**(20.41)**	**(26.29)**	**(18.88)**	**(18.50)**
1	1.61	4	7.93	2	6.47	10	13.96	36	168.77	109	377.15
-	-	3	15.64	-	-	-	-	7	37.31	22	69.50
-	-	-	-	1	6.36	2	16.83	10	29.96	32	92.08
-	-	6	17.39	-	-	2	2.52	13	15.03	55	180.94
-	-	-	-	-	-	1	0.61	2	6.88	12	19.96
-	-	-	-	-	-	-	-	1	7.85	2	9.84
-	-	3	6.24	-	-	3	4.95	5	14.53	22	50.21
3	10.80	5	8.78	1	5.25	4	6.38	11	36.62	54	143.76
4	**12.41**	**21**	**55.98**	**4**	**18.08**	**22**	**45.25**	**85**	**316.95**	**308**	**943.44**
(11.11)	**(5.69)**	**(18.42)**	**(15.25)**	**(22.22)**	**(16.59)**	**(15.60)**	**(14.89)**	**(19.50)**	**(22.77)**	**(20.05)**	**(16.30)**
5	44.56	11	33.16	-	-	12	17.07	25	96.40	155	651.01
3	35.69	26	136.13	3	20.47	32	97.13	75	208.74	301	1521.08
-	-	-	-	-	-	-	-	-	-	1	4.08
-	-	-	-	-	-	-	-	4	5.39	5	7.21
-	-	-	-	-	-	-	-	2	2.46	3	3.47
4	2.05	4	22.37	1	4.59	4	9.35	20	34.96	59	157.20
12	**82.30**	**41**	**191.66**	**4**	**25.06**	**48**	**123.55**	**126**	**347.95**	**524**	**2344.05**
(33.33)	**(37.73)**	**(35.96)**	**(52.23)**	**(22.22)**	**(23.00)**	**(34.04)**	**(40.65)**	**(28.90)**	**(24.99)**	**(34.12)**	**(40.51)**
10	82.20	4	5.52	2	4.76	21	25.86	47	127.93	145	455.37
8	25.33	8	34.24	4	43.90	5	3.28	30	98.92	92	336.52
-	-	10	8.84	-	-	17	21.69	42	103.73	124	335.01
-	-	-	-	-	-	9	20.43	15	27.54	48	295.05
-	-	-	-	-	-	-	-	2	3.09	5	6.68
18	**107.53**	**22**	**48.60**	**6**	**48.66**	**52**	**71.26**	**136**	**361.21**	**414**	**1428.63**
(50.00)	**(49.30)**	**(19.30)**	**(13.24)**	**(33.34)**	**(44.66)**	**(36.88)**	**(23.45)**	**(31.19)**	**(25.95)**	**(26.95)**	**(24.69)**
36	**218.13**	**114**	**366.98**	**18**	**108.96**	**141**	**303.93**	**436**	**1392.17**	**1536**	**5786.55**

Table IV-5A : State-wise and Industry-wise Classification of Non-SSI

States/Union Territories	Engineering		Electrical		Textiles		Jute		Paper		Rubber	
	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s
1	2	3	4	5	6	7	8	9	10	11	12	13
Eastern Region												
Assam	-	-	-	-	1	0.25	-	-	2	1.34	-	-
Bihar	2	142.69	-	-	1	0.53	3	2.15	-	-	-	-
West Bengal	14	54.05	3	17.84	5	12.16	6	22.30	3	5.88	3	22.78
Orissa	6	4.19	1	1.10	6	30.97	1	0.39	1	0.53	-	-
Tripura	-	-	-	-	-	-	1	5.91	-	-	-	-
Andaman & Nicobar Islands	-	-	-	-	-	-	-	-	-	-	-	-
Total	**22**	**200.93**	**4**	**18.94**	**13**	**43.91**	**11**	**30.75**	**6**	**7.75**	**3**	**22.78**
(Eastern Region)	**(24.18)**	**(42.31)**	**(16.67)**	**(18.36)**	**(9.03)**	**(8.90)**	**(84.62)**	**(93.13)**	**(26.09)**	**(7.95)**	**(25.00)**	**(48.81)**
Northern Region												
Uttar Pradesh	9	67.74	2	11.16	10	104.49	-	-	-	-	1	4.06
Delhi	1	0.81	-	-	-	-	-	-	-	-	-	-
Punjab	2	7.16	1	0.11	4	12.98	-	-	-	-	1	2.59
Haryana	7	22.17	1	5.49	2	3.38	-	-	-	-	-	-
Chandigarh	-	-	1	1.70	-	-	-	-	-	-	-	-
Himachal Pradesh	-	-	-	-	3	3.00	-	-	1	0.50	-	-
Rajasthan	2	2.73	-	-	9	33.69	-	-	-	-	-	-
Total	**21**	**100.61**	**5**	**18.46**	**28**	**157.54**	**-**	**-**	**1**	**0.50**	**2**	**6.65**
(Northern Region)	**(23.08)**	**(21.19)**	**(20.83)**	**(17.89)**	**(19.44)**	**(31.91)**	**-**	**-**	**(4.35)**	**(0.51)**	**(16.67)**	**(14.25)**
Western Region												
Gujarat	9	38.17	-	-	23	94.18	-	-	-	-	-	-
Maharashtra	13	55.69	4	6.84	38	53.41	-	-	6	8.36	5	6.00
Daman & Diu	-	-	-	-	-	-	-	-	-	-	-	-
Goa	1	0.06	-	-	-	-	-	-	-	-	-	-
Dadra & Nagar Haveli	-	-	-	-	1	0.86	-	-	-	-	-	-
Madhya Pradesh	4	15.33	-	-	5	6.64	-	-	3	5.32	-	-
Total	**27**	**109.25**	**4**	**6.84**	**67**	**155.09**	**-**	**-**	**9**	**13.68**	**5**	**6.00**
(Western Region)	**(29.67)**	**(23.00)**	**(16.67)**	**(6.63)**	**(46.53)**	**(31.41)**	**-**	**-**	**(39.13)**	**(14.04)**	**(41.66)**	**(12.86)**
Southern Region												
Andhra Pradesh	8	14.27	5	14.91	9	11.50	2	2.27	3	0.84	-	-
Karnataka	4	5.00	2	13.54	10	25.46	-	-	2	56.55	2	11.24
Tamil Nadu	6	7.80	3	7.74	14	89.12	-	-	1	6.21	-	-
Kerala	2	33.16	1	22.73	2	3.03	-	-	1	11.94	-	-
Pondicherry	1	3.90	-	-	1	8.06	-	-	-	-	-	-
Total	**21**	**64.13**	**11**	**58.92**	**36**	**137.17**	**2**	**2.27**	**7**	**75.54**	**2**	**11.24**
(Southern Region)	**(23.07)**	**(13.50)**	**(45.83)**	**(57.12)**	**(25.00)**	**(27.78)**	**(15.38)**	**(6.87)**	**(30.43)**	**(77.50)**	**(16.67)**	**(24.08)**
TOTAL	**91**	**474.92**	**24**	**103.16**	**144**	**493.71**	**13**	**33.02**	**23**	**97.47**	**12**	**46.67**

Note : With a view to cover categories of non-SSI industrial units, which do not come under the purview of Sick Industrial Companies (Special Provisions) Act, 1985, a non-SSI unit is defined as 'weak' unit, if it has at the end of any accounting year, accumulated losses equal to or exceeding 50 per cent of its peak net worth in the immediately preceding five accounting years. It is clarified that 'weak' units will include all categories of borrowers, i.e., limited companies, partnership firms, proprietory concerns, etc.

Weak Industrial Units and Outstanding Bank Credit as at the End of March 1992

(Amount in Rs. crores)

Cement		Iron & Steel		Sugar		Chemicals		Miscellaneous		Total	
No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s	No.of Units	Amount o/s
14	15	16	17	18	19	20	21	22	23	24	25
-	-	1	1.48	1	1.55	2	54.38	24	45.64	31	104.64
2	2.60	-	-	2	6.80	1	1.06	11	23.28	22	179.11
2	2.78	4	16.78	-	-	7	21.98	56	114.39	103	290.94
2	1.62	-	-	1	1.27	2	43.14	12	44.99	32	128.20
-	-	-	-	-	-	-	-	4	1.54	5	7.45
-	-	-	-	-	-	-	-	1	2.96	1	2.96
6	**7.00**	**5**	**18.26**	**4**	**9.62**	**12**	**120.56**	**108**	**232.80**	**194**	**713.30**
(31.58)	**(9.19)**	**(13.89)**	**(11.80)**	**(19.05)**	**(15.80)**	**(20.00)**	**(30.46)**	**(29.19)**	**(32.81)**	**(23.86)**	**(26.96)**
1	33.23	2	3.49	10	43.22	5	9.45	22	87.27	62	364.11
-	-	-	-	-	-	-	-	11	41.54	12	42.35
-	-	1	2.13	1	0.84	-	-	5	2.79	15	28.60
-	-	2	5.90	-	-	1	62.66	9	15.84	22	115.44
-	-	-	-	-	-	-	-	1	0.38	2	2.08
-	-	-	-	-	-	3	2.89	2	2.94	9	9.33
1	0.44	1	12.55	-	-	2	1.62	13	20.22	28	71.25
2	**33.67**	**6**	**24.07**	**11**	**44.06**	**11**	**76.62**	**63**	**170.98**	**150**	**633.16**
(10.53)	**(44.18)**	**(16.67)**	**(15.56)**	**(52.38)**	**(72.38)**	**(18.33)**	**(19.36)**	**(17.03)**	**(24.10)**	**(18.45)**	**(23.93)**
2	19.00	-	-	-	-	2	2.57	20	31.14	56	185.06
-	-	13	23.23	2	0.19	8	11.38	44	77.32	133	242.42
-	-	-	-	-	-	-	-	1	0.37	1	0.37
-	-	2	35.58	-	-	-	-	12	15.70	15	51.34
-	-	-	-	-	-	-	-	-	-	1	0.86
4	3.13	-	-	2	5.09	5	4.35	15	31.88	38	71.74
6	**22.13**	**15**	**58.81**	**4**	**5.28**	**15**	**18.30**	**92**	**156.41**	**244**	**551.79**
(31.58)	**(29.04)**	**(41.66)**	**(38.01)**	**(19.05)**	**(8.68)**	**(25.00)**	**(4.62)**	**(24.86)**	**(22.04)**	**(30.01)**	**(20.85)**
2	2.99	3	7.74	1	0.62	7	8.75	36	57.53	76	121.42
2	3.43	3	37.49	-	-	7	137.11	32	55.27	64	345.09
-	-	2	6.24	1	1.29	5	2.67	25	20.99	57	142.06
1	6.99	2	2.10	-	-	2	30.87	11	13.65	22	124.47
-	-	-	-	-	-	1	0.91	3	1.92	6	14.79
5	**13.41**	**10**	**53.57**	**2**	**1.91**	**22**	**180.31**	**107**	**149.36**	**225**	**747.83**
(26.31)	**(17.59)**	**(27.78)**	**(34.63)**	**(9.52)**	**(3.14)**	**(36.67)**	**(45.56)**	**(28.92)**	**(21.05)**	**(27.68)**	**(28.26)**
19	**76.21**	**36**	**154.71**	**21**	**60.87**	**60**	**395.79**	**370**	**709.55**	**813**	**2646.08**

Table IV-5B : State-wise Classification of Sick Small Scale Industrial Units and Outstanding Bank Credit as at the End of March 1992

(Amount in Rs.crore)

State/Union Territory	No. of units	Amount outstanding
1	2	3
Eastern Region		
Assam	5,317	31.88
Meghalaya	68	0.50
Mizoram	1	0.15
Bihar	7,823	91.84
Arunachal Pradesh	50	0.36
West Bengal	32,022	268.11
Nagaland	2,039	4.98
Manipur	2,277	1.34
Orissa	8,415	54.38
Sikkim	75	0.44
Tripura	670	1.91
Andaman & Nicobar Islands	22	0.03
Total	**58,779**	**455.92**
	(23.94)	**(14.70)**
Northern Region		
Uttar Pradesh	34,150	257.67
Delhi	4,705	206.02
Punjab	5,485	100.28
Haryana	3,467	73.96
Chandigarh	342	9.28
Jammu & Kashmir	769	7.89
Himachal Pradesh	1,481	18.68
Rajasthan	14,420	67.00
Total	**64,819**	**740.78**
	(26.39)	**(23.89)**
Western Region		
Gujarat	6,581	221.01
Maharashtra	20,153	603.10
Daman & Diu	41	2.63
Goa	1,066	12.27
Dadra & Nagar Haveli	5	0.64
Madhya Pradesh	22,333	151.01
Total	**50,179**	**990.66**
	(20.43)	**(31.95)**
Southern Region		
Andhra Pradesh	29,586	270.51
Karnataka	17,316	189.12
Lakshadweep	—	—
Tamil Nadu	9,797	291.04
Kerala	14,883	157.26
Pondicherry	216	5.38
Total	**71,798**	**913.31**
	(29.24)	**(29.46)**
TOTAL (All India)	**2,45,575**	**3,100.67**

Notes : i) An SSI unit may be classified as sick when any of its borrowal accounts has become a 'doubtful' advance i.e. principal or interest in respect of any of its borrowal accounts has remained overdue for a period exceeding two and half years, and there is erosion in the net worth due to accumulated cash losses to the extent of 50 per cent or more of its peak net worth during the preceding two accounting years.

ii) Figures in brackets indicate percentage share to the total.

Table IV-5C : Industry-wise Classification of Sick Small Scale Industrial Units and Outstanding Bank Credit as at the End of March 1992

(Amount in Rs. crore)

Industry	No. of units	Amount outstanding
1	2	3
Engineering	27,253	633.29
Electrical	6,918	180.35
Textiles	19,162	210.67
Jute	204	5.52
Paper	2,533	54.23
Rubber	2,989	50.50
Cement	1,296	22.41
Iron & Steel	3,403	157.05
Sugar	374	16.04
Chemicals	10,027	318.56
Miscellaneous	1,71,416	1,452.06
TOTAL	**2,45,575**	**3,100.68**

Table IV-6 : Performance of Coal Industry

(Million tonnes)

Item	April-March		
	1990-91	1991-92	1992-93(P)
1	2	3	4
1. Production			
a) Coal (i+ii)	**211.6**	**229.4**	**238.5**
	(+5.3)	**(+8.4)**	**(+4.0)**
(i) Coking coal	44.8	45.9	45.2
	(+0.8)	(+2.5)	(-1.5)
(ii) Non-coking coal	166.8	183.5	193.3
	(+6.6)	(+10.0)	(+5.3)
b) Lignite	**14.1**	**16.0**	**16.2**
	(+10.2)	**(+13.5)**	**(+1.2)**
2. Imports (Coking coal)	**5.7**	**5.9**	**6.4**
	(+6.5)	**(+3.5)**	**(+8.5)**
3. Despatches (i+ii)	**200.9**	**219.0**	**230.5**
	(+4.7)	**(+9.0)**	**(+5.3)**
(i) Coking coal	40.4	42.7	44.2
	(-1.6)	(+5.7)	(+3.5)
(ii) Non-coking coal	160.5	176.3	186.3
	(+6.4)	(+9.8)	(+5.7)
4. Exports	**0.1**	**0.1**	**0.1**
	(-43.8)	**(-)**	**(-)**
5. Year-end Pit head stocks (i+ii)	**42.5**	**48.5**	**51.4**
	(+13.5)	**(+14.1)**	**(+6.0)**
(i) Coking coal	14.1	16.7	15.8
	(+21.1)	(+18.4)	(-5.4)
(ii) Non-coking coal	28.4	31.8	35.6
	(+10.1)	(+12.0)	(+11.9)

P : Provisional.

Notes : 1) Figures in brackets represent percentage variations over the previous year.

2) Figures of year-end stocks cannot be arrived at on the basis of other figures in the table, as the figures relating to export of coal represent actual exports and not despatches for exports.

Source : Ministry of Coal, Office of the Coal Controller, Calcutta.

Table IV-7 : Performance of Iron Ore Industry

(Million tonnes)

Item	April-March		
	1990-91	1991-92	1992-93 P
1	2	3	4
1. Production	55.5	57.5	57.9
	(+0.2)	(+3.6)	(+0.7)
2. Despatches for internal consumption	23.0	25.8	26.5
	(+4.5)	(+12.2)	(+2.7)
3. Despatches for exports	32.5	29.5	21.9
	(-8.7)	(-9.2)	(-25.8)
4. Year-end stocks	4.8	5.2	4.7
	(+17.1)	(+8.3)	(-9.6)

P : Provisional.
Note : Figures in brackets represent percentage variations over the previous year.
Source : Indian Bureau of Mines, Ministry of Mines, Government of India.

Table IV-8 : Performance of Cement Industry

(Million tonnes)

Item	April-March		
	1990-91	1991-92	1992-93 P
1	2	3	4
1. Installed Capacity	64.0	66.2	67.8
	(+3.2)	(+3.4)	(+2.4)
2. Production	48.8	54.0	54.1
	(+7.5)	(+10.6)	(+0.2)
3. Despatches	45.8	50.4	50.7
	(+6.5)	(+10.0)	(+0.6)
4. Average Capacity Utilisation (per cent)	76.3	81.6	79.8
5. Imports	Nil	Nil	Nil
6. Exports	0.3	0.4	0.8
7. Year-end stocks	0.6	0.8	0.8

P : Provisional.
Notes : 1) Figures in brackets represent percentage variations over the previous year.
2) Data relating to installed capacity, production and capacity utilisation relate to the industry as a whole, while those of despatches and year-end stocks are exclusive of mini and white cement plants.
Source : Ministry of Industry, Government of India.

Table IV-9 : Output of Cement Industry

(Million tonnes)

Item	April-March		
	1990-91	1991-92	1992-93 P
1	2	3	4
1. Public Sector	**5.0**	**5.2**	**5.3**
	(-5.7)	**(+4.0)**	**(+1.9)**
(a) Cement Corporation of India	2.9	3.2	3.0
	(+3.6)	(+10.3)	(-6.2)
(b) Others	2.1	2.0	2.3
	(-16.0)	(-4.8)	(+15.0)
2. Private Sector	**40.8**	**45.4**	**45.4**
	(+8.5)	**(+11.3)**	**(-)**
3. Mini and White Cement Plants	**3.0**	**3.4**	**3.4**
	(+20.0)	**(+13.3)**	**(-)**
Total (1 to 3)	**48.8**	**54.0**	**54.1**
	(+7.5)	**(+10.6)**	**(+0.2)**

P : Provisional.
Note : Figures in brackets represent percentage variations over the previous year.
Source : Ministry of Industry, Government of India.

Table IV-10 : Production of Iron and Steel *

(Thousand tonnes)

	Pig Iron			Saleable Steel		
	1990-91	1991-92	1992-93	1990-91	1991-92	1992-93
1	2	3	4	5	6	7
A. Production						
1. Rourkela	50.0	40.7	29.6	1,087.0	1,125.3	1,179.4
	(-30.9)	(-18.6)	(-27.3)	(-2.2)	(+3.5)	(+4.8)
2. Bhilai	95.6	174.9	134.8	2,794.9	3,104.0	3,118.3
	(-70.3)	(+82.9)	(-22.9)	(+7.8)	(+11.1)	(+0.5)
3. Durgapur	87.5	69.9	17.3	727.2	681.5	640.6
	(-57.7)	(-20.1)	(-75.3)	(+3.9)	(-6.3)	(-6.0)
4. Bokaro	332.0	170.9	153.5	2,426.2	2,730.4	2,998.6
	(-14.9)	(-48.5)	(-10.2)	(+4.3)	(+12.5)	(+9.8)
Total (SAIL)	**565.1**	**456.4**	**335.2**	**7,035.3**	**7,641.2**	**7,936.9**
	(-43.0)	**(-19.2)**	**(-26.6)**	**(+4.5)**	**(+8.6)**	**(+3.9)**
5. IISCO	307.8	388.8	429.6	329.2	387.4	398.3
	(+26.6)	(+26.3)	(+10.5)	(-1.1)	(+17.6)	(+2.9)
6. TISCO	0.4	-	-	1,944.3	2,038.0	2,122.3
	(-94.7)			(-1.1)	(+4.8)	(+4.1)
7. VSP	520.2	642.2	914.3	19.7	503.7	818.0
	(-)	(+23.4)	(+42.4)	-	(@)	(+62.4)
Total (1 to 7)	**1,393.5**	**1,487.4**	**1,679.1**	**9,328.5**	**10,570.3**	**11,275.5**
	(+12.2)	**(+6.7)**	**(+12.9)**	**(+3.3)**	**(+13.3)**	**(+6.7)**
8. Secondary Producers	102.0	101.9	160.0	3,860.0	3,400.0	3,700.0
	(+10.9)	(-0.1)	(+57.0)	(+7.9)	(-11.9)	(+8.8)
Total (A)	**1,495.5**	**1,589.3**	**1,839.1**	**13,188.5**	**13,970.3**	**14,975.5**
	(+12.1)	**(+6.3)**	**(+15.7)**	**(+4.6)**	**(+5.9)**	**(+7.2)**
B. Sales						
1. Sales (Domestic)	1,214.6	1,246.9	1,423.0	7,740.0	8,489.8	8,370.3
	(+0.4)	(+2.7)	(+14.1)	(+2.2)	(+9.7)	(-1.4)
2. Imports	188.9	152.4	90.0	1,263.8	996.5	1,060.0
	(@)	(-19.3)	(-40.9)	(+115.1)	(-21.2)	(+6.4)
Total (B)	**1,403.5**	**1,399.3**	**1,513.0**	**9,003.8**	**9,486.3**	**9,430.3**
	(+16.0)	**(-0.3)**	**(+8.1)**	**(+10.4)**	**(+5.4)**	**(-0.6)**
C. Year-end stocks	**80.8**	**123.2**	**297.0**	**446.1**	**472.7**	**1,045.9**
	(+95.2)	**(+52.5)**	**(+141.1)**	**(-14.5)**	**(+6.0)**	**(+121.3)**

* : Provisional.
@ : Shows a very large percentage variation.
Note : Figures in brackets indicate percentage variations over the previous year.
Source : Joint Plant Committee and Steel Authority of India Ltd.

Table IV-11 : Installed Plant Capacity

(Mega Watt)

As at the end of March	Thermal	Hydel	Nuclear	Non-conventional	Total
1	2	3	4	5	6
1991	45,737	18,754	1,565	30	66,086
	(+4.6)	(+2.4)	(-)	(+14.3)	(+3.9)
1992	48,054	19,194	1,785	32	69,065
	(+5.1)	(+2.3)	(+14.1)	(+6.7)	(+4.5)
1993	50,713	19,569	2,005	32	72,319
	(+5.5)	(+2.0)	(+12.3)	(-)	(+4.7)

P : Provisional.
Note : Figures in brackets indicate percentage variations over the previous year.
Source : Central Electricity Authority.

Table IV-12 : Source-wise Targets, Generation and Achievement of Electric Power

(Billion Kilo Watt Hours)

Source	April-March								
	1990-91			1991-92			1992-93(P)		
	Target	Generation	Percentage Achievement	Target	Generation	Percentage Achievement	Target	Generation	Percentage Achievement
1	2	3	4	5	6	7	8	9	10
1. Thermal	201.4	186.5	92.6	211.7	208.6	98.5	229.0	224.4	98.0
	(+10.5)	(+4.5)		(+5.1)	(+11.8)		(+8.2)	(+7.6)	
2. Hydel	63.0	71.5	113.5	64.9	72.6	111.9	66.3	69.8	105.3
	(+1.6)	(+15.3)		(+3.0)	(+1.5)		(+2.2)	(-3.9)	
3. Nuclear	6.9	6.2	89.9	6.9	5.6	81.2	7.4	6.7	90.5
	(-1.4)	(+34.8)		(-)	(-9.7)		(+7.2)	(+19.6)	
4. Total	271.3	264.2	97.4	283.5	286.7	101.1	302.7	301.0	99.4
	(+8.0)	(+7.8)		(+4.5)	(+8.5)		(+6.8)	(+5.0)	

P : Provisional.
Note : Figures in brackets represent percentage variations over the previous year.
Sources : 1. Ministry of Planning & Programme Implementation.
: 2. Central Electricity Authority.

Table IV-12A : All India/Region-wise Demand and Supply of Electricity and Deficit

(Billion Kilo Watt Hours)

Region	1990-91			1991-92			1992-93 (P)		
	Requirement	Availability	Deficit (Percentage)	Requirement	Availability	Deficit (Percentage)	Requirement	Availability	Deficit (Percentage)
1	2	3	4	5	6	7	8	9	10
Northern Region	79.8	75.5	5.4	86.9	81.8	5.9	92.2	87.0	5.7
Western Region	81.4	78.5	3.6	89.1	85.0	4.6	93.7	88.6	5.5
Southern Region	70.7	63.0	10.9	74.2	66.5	10.4	79.9	71.8	10.1
Eastern Region	32.7	26.7	18.3	34.1	28.8	15.6	35.8	29.4	17.9
North-Eastern Region	3.0	2.9	3.3	3.4	3.1	8.8	3.7	3.1	16.2
All India	**267.6**	**246.6**	**7.8**	**287.7**	**265.2**	**7.8**	**305.3**	**279.9**	**8.3**

P : Provisional.
Source : Central Electricity Authority.

Table IV-13 : Crude Oil and Petroleum Refinery Products

(Thousand tonnes)

Item	April-March 1990-91	1991-92	1992-93 (P)
1	2	3	4
A) Crude Oil			
a) **Production (i+ii)**	**33,021**	**30,346**	**26,945**
	(-3.1)	**(-8.1)**	**(-11.2)**
i) On-shore	11,830	11,383	11,196
	(-4.4)	(-3.8)	(-1.6)
ii) Off-shore	21,191	18,963	15,749
	(-2.4)	(-10.5)	(-16.9)
b) Imports	**20,699**	**23,994**	**29,247**
	(6.2)	**(15.9)**	**(21.9)**
B) Petroleum Refinery Products			
a) **Production**	**48,562**	**48,349**	**50,354**
	(-0.3)	**(-0.4)**	**(4.1)**
Of which :			
i) Naphtha	4,859	4,546	4,620
	(-7.0)	(-6.4)	(1.6)
ii) Kerosene	5,471	5,339	5,290
	(-4.0)	(-2.4)	(-0.9)
iii) High Speed Diesel Oil	17,185	17,404	18,284
	(-3.1)	(1.3)	(5.1)
b) **Imports**	**8,660**	**9,445**	**11,283**
	(31.9)	**(9.1)**	**(19.5)**
Of which :			
i) Naphtha	—	—	—
ii) Kerosene	3,340	3,367	3,463
	(28.7)	(0.8)	(2.9)
iii) High Speed Diesel Oil	4,680	5,329	7,159
	(53.5)	(13.9)	(34.3)

P : Provisional.
Note : Figures in brackets represent percentage variations over the previous year.
Source : Ministry of Petroleum and Natural Gas.

Table IV-14 : Output of Selected Heavy Mechanical Industries

Item	Unit	April- March		
		1990-91	1991-92	1992-93P
1	2	3	4	5
1. Automobiles				
i) Passanger cars	'000 Nos.	179.6	164.6	160.6
		(-1.1)	(-8.4)	(-1.5)
ii) Commercial vehicles	"	145.8	149.8	132.6
		(+15.1)	(+2.7)	(-11.5)
iii) Jeeps	"	38.3	27.5	37.5
		(-16.0)	(-28.2)	(+36.4)
2. Scooters, motor cycles & mopeds	"	1,863.2	1,605.2	1,496.1
		(+6.4)	(-13.8)	(-6.8)
3. Structurals	'000 Tonnes	146.8	150.6	158.4
		((+21.6)	(+2.6)	(+5.2)
4. Steel castings**	"	375.1	393.3	358.1
		(+3.7)	(+4.9)	(-9.0)
5. Diesel engines**	"	1,729.2	1,675.9	1,681.4
		(-2.5)	(-3.1)	(+0.3)
6. Railway wagons (in terms of four wheelers)	"	23.6	25.2	25.0
		(+6.3)	(+6.8)	(-0.9)
7. Road rollers	Nos.	342.0	193.0	35.0
		(-8.8)	(-43.6)	(-81.9)
8. Lifts	"	3,248.0	2,884.0	3,456.0
		(+60.5)	(-11.2)	(+19.8)
9. Tractors	'000 Nos.	150.0	166.3	146.9
		(+19.9)	(+10.9)	(-11.6)

P : Provisional.
** : Includes production from small-scale sector.
Note : Figures in brackets indicate percentage variations over the corresponding period of the previous year.
Source : Ministry of Industry, Government of India.

Table IV-15 : Output of Selected Light Mechanical Engineering Industries

Item	Unit	April- March		
		1990-91	1991-92	1992-93P
1	2	3	4	5
Typewriters	'000 Nos.	115.9	115.9	109.1
		(+0.7)	(–)	(-5.8)
Bicycles	"	6,763.6	7,149.9	6,963.4
		(-0.5)	(+5.7)	(-2.6)
Sewing machines	"	92.8	151.2	121.0
		(-36.7)	(+62.9)	(-20.0)
Razor blades	Mill. Nos.	3,369.6	3,466.7	3,085.3
		(+12.0)	(+2.9)	(- 11.0)
Wrist watches	"	11.7	9.5	10.6
		(+19.4)	(-18.8)	(+10.6)

P : Provisional.
Note : Figures in brackets denote percentage variations over the previous year.
Source : C.S.O. and Ministry of Industry, Government of India.

Table IV-16 : Output of Selected Electrical Engineering Industries

Item	Unit	April- March		
		1990-91	1991-92	1992-93P
1	2	3	4	5
A. Light Electrical Engineering				
1. Electrical Lamps				
i) Incandescent	Mill.Nos.	255.1	288.8	366.3
		(+1.3)	(+13.2)	(+26.8)
ii) Fluorescent	"	59.8	72.3	83.1
		(+6.2)	(+20.9)	(+14.9)
2. Electrical fans**	"	5.4	5.3	5.2
		(+12.5)	(+1.9)	(-3.0)
3. Radio receivers	'000 Nos.	649.9	281.6	245.1
		(-2.7)	(-56.7)	(-12.9)
4. Storage batteries	"	3,652.3	3,818.0	2,414.3
		(-5.0)	(+4.5)	(-36.8)
5. Dry cells	Mill. Nos.	1,234.9	1,303.2	1,192.5
		(-3.1)	(+5.5)	(-8.5)
6. Domestic refrigerators	'000 Nos.	1,282.6	1,133.6	997.1
		(+21.9)	(-11.6)	(-12.0)
B. Heavy Electrical Engineering				
1. Power transformers	Mill.KVA.	35.3	34.4	34.1
		(-6.6)	(-2.5)	(-1.0)
2. Electric motors	Mill.H.P.	6.0	6.1	5.4
		(+15.4)	(+1.7)	(-11.5)
3. Power driven pumps	'000 Nos.	508.0	531.4	525.1
		(+5.7)	(+4.6)	(-1.2)

P : Provisional.
** : Includes production from the small-scale sector.
Note : Figures in brackets represent percentage variations over the previous year.
Source : CSO and Ministry of Industry, Government of India.

Table IV-17 : Production of Non-ferrous Metals

(Thousand tonnes)

Item	April-March		
	1990-91	1991-92	1992-93(P)
1	2	3	4
Virgin Metals			
1. Aluminium	449.0	511.5	483.3
	(+3.8)	(+13.9)	(-5.5)
2. Copper Metal (Cathodes)	40.6	45.1	45.3
	(-1.2)	(+11.1)	(+0.4)
3. Zinc	72.8	93.8	119.0
	(+8.5)	(+28.8)	(+26.9)
4. Lead	27.3	31.7	38.7
	(+27.6)	(+16.1)	(+22.1)
Semi-Manufactures			
1. Aluminium			
a) Sheets & Circles Rolled	79.9	83.9	63.4
Products	(-0.9)	(+5.0)	(-24.4)
b) Wire Rods for Aluminium			
Conductors Steel Reinforced	59.7	56.9	24.1
(ACSR)/(AAC)	(+27.6)	(-4.7)	(-57.7)
2. Copper/Brass Sheets & Circles	31.6	27.7	20.5
Products	(+6.4)	(-12.3)	(-26.0)

P : Provisional.
Note : Figures in brackets represent percentage variations over the corresponding period of the previous year.
Source : Ministry of Industry, Government of India.

Table IV-18 : Jute Textiles

(Thousand tonnes)

Item	Year (April-March)	Hessian	Sacking	Carpet backing	Others	Total
1	2	3	4	5	6	7
Production	1990-91	331.4	808.1	19.8	270.6	1,429.9
		(-4.6)	(+20.5)	(-41.8)	(+7.2)	(+9.6)
	1991-92	338.6	650.1	25.0	264.5	1,278.2
		(+2.2)	(-19.6)	(+26.3)	(-2.3)	(-10.6)
	1992-93 (P)	317.9	659.6	31.4	301.9	1,310.8
		(-6.1)	(+1.4)	(+25.6)	(+14.1)	(+2.3)
Consumption	1990-91	192.3	788.5	4.9	249.0	1,234.7
		(+8.0)	(+15.0)	(-22.2)	(+3.6)	(+11.4)
	1991-92	184.0	648.6	3.8	243.9	1,080.3
		(-4.3)	(-17.7)	(-22.4)	(-2.0)	(-12.5)
	1992-93 (P)	217.8	626.4	1.6	252.7	1,098.5
		(+18.4)	(-3.4)	(-57.9)	(+3.6)	(+1.7)
Year-end Stocks	1990-91	27.6	22.8	3.7	14.4	68.5
		(+12.2)	(+1.3)	(-17.8)	(+21.0)	(+7.9)
	1991-92	20.3	18.2	2.1	9.9	50.5
		(-26.4)	(-20.2)	(-43.2)	(-31.3)	(-26.3)
	1992-93 (P)	22.8	19.8	7.0	15.4	65.0
		(+12.3)	(+8.8)	(+233.3)	(+55.6)	(+28.7)

P : Provisional.
Note : Figures in brackets represent percentage variations over the preceding year.
Source : Ministry of Textiles, Office of the Jute Commissioner.

Table IV-19 : Rubber*

(Thousand tonnes)

Item	April-March		
	1990-91	1991-92	1992-93
1	2	3	4
PRODUCTION	**441**	**479**	**512**
	(+10.6)	**(+8.6)**	**(+6.9)**
Natural	330	367	393
	(+10.9)	(+11.2)	(+7.1)
Synthetic	57	58	58
	(+7.1)	(+1.8)	(-)
Reclaimed	54	54	61
	(+12.6)	(-)	(+13.0)
IMPORTS	**104**	**55**	**66**
	(+24.5)	**(-47.1)**	**(+20.0)**
Natural	52	15	16
	(+16.9)	(-71.2)	(+6.7)
Synthetic	52	40	50
	(+33.1)	(-23.1)	(+25.0)
TOTAL AVAILABILITY	**545**	**534**	**578**
	(+12.9)	**(-2.1)**	**(+8.2)**
Natural	382	382	409
	(+11.7)	(-)	(+7.1)
Synthetic	109	98	108
	(+18.1)	(-10.1)	(+10.2)
Reclaimed	54	54	61
	(+11.8)	(-)	(+13.0)
CONSUMPTION	**522**	**540**	**583**
	(+8.3)	**(+3.4)**	**(+8.0)**
Natural	364	380	414
	(+6.6)	(+4.4)	(+8.9)
Synthetic	105	106	107
	(+11.9)	(+1.0)	(+0.9)
Reclaimed	53	54	62
	(+13.4)	(+1.9)	(+14.8)
CONSUMPTION MET THROUGH IMPORTS (%)	**19.9**	**10.2**	**11.3**
Natural	14.3	3.8	4.0
Synthetic	49.5	37.7	46.6
YEAR END STOCKS	**110**	**96**	**86**
	(+27.2)	**(-12.5)**	**(-10.4)**
Natural	86	81	71
	(+24.1)	(-5.8)	(-12.3)
Synthetic	20	11	12
	(+48.1)	(+45.0)	(+9.1)
Reclaimed	4	4	3
	(+2.9)	(-)	(-25.0)

* : Provisional.

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

Source : Rubber Board, Government of India.

Table IV-20 : Production of Tyres, Tubes and Footwear

(Lakh numbers)

Year (April-March)	Automobile Tyres		Automobile Tubes	Cycle Tyres	Rubber Footwear
	Total	of which Giant Tyres			
1	2	3	4	5	6
1989-90	172.0	57.9	138.0	256.0	362.0
	(+3.0)	(+2.7)	(-4.8)	(-1.5)	(+2.5)
1990-91	200.7	N.A.	145.2	248.0	305.0
	(+16.7)		(+5.2)	(-3.1)	(-15.7)
1991-92(P)	193.7	N.A.	145.1	234.6	277.0
	(-3.5)		(-)	(-5.4)	(-9.2)
1992-93(P)	209.0	N.A.	177.0	258.0	300.0
	(+7.9)		(+22.0)	(+10.0)	(+8.3)

N.A. : Not Available. P : Provisional.
Note : Figures in brackets represent percentage variations over the preceding year.
Source : Department of Industrial Development, Ministry of Industry.

Table IV-21 : Production of Major Chemicals and Chemical Products

(Thousand tonnes)

Item	April-March		
	1990-91	1991-92	1992-93(P)
1	2	3	4
1. Nitrogenous Fertilizers (N content)	7,031.5	7,235.3	7,406.9
	(+3.9)	(+2.9)	(+2.4)
2. Phosphatic Fertilizers (P_2O_5)	2,098.5	2,535.8	2,289.5
	(+16.4)	(+20.8)	(-9.7)
3. Caustic Soda	978.2	1,036.3	1,079.6
	(+6.0)	(+5.9)	(+4.2)
4. Soda Ash	1,383.6	1,408.2	1,391.5
	(+1.4)	(+1.8)	(-1.2)
5. Paints & Varnishes*	314.0	301.9	298.8
	(-8.2)	(-3.9)	(-1.0)
6. Soaps*	1,559.8	1547.3	1,453.5
	(+2.3)	(-0.8)	(-6.1)
7. Synthetic Detergents	246.3	239.9	276.4
	(+2.9)	(-2.6)	(+15.2)
8. Drugs & Pharmaceuticals (Rs. Crores)			
i) Bulk Drugs	730.00	900.00	1,045.00
	(+14.1)	(+23.3)	(+16.1)
ii) Formulations	3,840.00	4,800.00	5,520.00
	(+12.3)	(+25.0)	(+15.0)
9. Petrochemicals			
i) Low Density Polyethelene (LDPE)	87.0	87.6	154.4
	(+8.6)	(+0.7)	(+76.2)
ii) PVC Resins	125.0	155.2	250.8
	(-5.6)	(+24.2)	(+61.6)
iii) DMT	126.9	128.5	117.1
	(+2.7)	(+1.3)	(-8.9)
iv) Caprolactum	19.9	35.9	41.2
	(-3.9)	(+80.4)	(+14.8)

P : Provisional.
* Includes production in small-scale sector.
Note : Figures in brackets represent percentage variations over the corresponding period of the preceding year.

Sources : 1) Ministry of Industry, Government of India.
2) Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilisers.

Table IV-22 : Balance Sheet of Sugar

(October-September)

(Lakh tonnes)

Item		1990-91	1991-92	October-June 1991-92	October-June 1992-93
1		2	3	4	5
1.	Opening Stock	22.21 (80.72)	33.30 (49.93)	33.30 (49.93)	49.02 (47.21)
2.	Production	120.46 (9.64)	134.09 (11.31)	132.23 (11.46)	105.36 (-20.32)
3.	Total Supply (1+2)	142.67 (14.52)	167.39 (17.33)	165.53 (17.53)	154.38 (-6.74)
4.	Internal Consumption	107.14* (4.90)	112.75 (5.24)	84.26 (7.35)	89.34 (6.03)
5.	Exports	2.23 (869.57)	5.62 (152.02)	4.07 (192.81)	3.72 (-8.60)
6.	Total off-take (4+5)	109.37 (6.84)	118.37 (8.23)	88.33 (10.58)	93.06 (5.35)
7.	Closing Stock (3-6)	33.30 (49.93)	49.02 (47.21)	77.20 (26.64)	61.32 (-20.57)

* Includes 0.80 lakh tonnes of imported sugar.

Note : Figures in brackets are percentage variations over the previous year/period.

Source : Indian Sugar Mills Association.

Table IV-23 : Sugar Releases During 1991-92 and 1992- 93 Season

(Lakh tonnes)

Month	1991-92 Levy	1991-92 Free-sale	1991-92 Total	1992-93 Levy	1992-93 Free-sale	1992-93 Total
October	4.00	7.50	11.50	4.11	7.35	11.46
November	3.50	6.50	10.00	3.50	6.50	10.00
December	3.50	5.90	9.40	3.50	6.20	9.70
January	3.50	5.50	9.00	3.50	5.35	8.85
February	3.50	5.45	8.95	3.50	5.50	9.00
March	3.50	5.45	8.95	3.50	6.50	10.00
April	3.50	5.40	8.90	3.50	6.50	10.00
May	3.50	5.55	9.05	3.50	6.50	10.00
June	3.50	5.75	9.25	3.50	6.25	9.75
July	3.50	5.75	9.25	3.50	6.30	9.80
August	3.50	6.15	9.65	3.50	6.20	9.70
September	3.50	6.15	9.65	3.50	6.20	9.70
Total	**42.50**	**71.05**	**113.55**	**42.61**	**75.35**	**117.96**
Monthly Average	**3.53**	**5.92**	**9.45**	**3.55**	**6.28**	**9.83**

Table IV-24 : Production, Consumption And Stock Position Of Yarn

(Million kgs.)

Item	April-March		
	1990-91	1991-92	1992-93
1	2	3	4
Installed Capacity (Spindles in millions)	26.7	27.8	28.1
Capacity Utilisation (%)	80	75	78
A. Production (i+ii+iii)	**1,824**	**1,806**	**1,895**
	(+10.4)	**(-1.0)**	**(+4.9)**
i) Cotton Yarn	1,510	1,450	1,523
	(+10.1)	(-4.0)	(+5.0)
ii) Blended/Mixed Yarn	207	234	247
	(+19.6)	(+13.0)	(+5.6)
iii) 100 per cent Man-made Fibre Spun Yarn	107	122	125
	(-)	(+14.0)	(+2.4)
B. Domestic Consumption (all yarn) (i+ii)	**1,398**	**1,326**	**1,385**
	(+7.7)	**(-5.2)**	**(+4.4)**
i) Mill Sector ++	250	228	191
	(-11.3)	(-8.8)	(-16.2)
ii) Decentralised Sector +	1,148	1,098	1,194
	(+13.0)	(-4.4)	(+8.7)
C. Exports (Cotton Yarn)			
i) Quantity	517	989	1,168
	(+42.0)	(+91.3)	(+18.1)
ii) Value (Rs. crore)	90	126	129
	(+45.1)	(+40.0)	(+2.4)
D. Year-end Stocks (Unsold) (all yarn)	**67**	**68**	**73**
	(+52.3)	**(+1.5)**	**(+7.4)**

++ : Relates to consumption for weaving cloth only.
+ : Including deliveries of yarn to hosiery and other purposes.
Sources : 1. Office of the Textile Commissioner, Ministry of Textiles.
2. Indian Cotton Mills Federation.

Table IV-25 : Production, Consumption and Stock Position of Cotton and Man-made Textiles

(Million square metres)

Item	April-March		
	1990-91	1991-92	1992-93 (P)
1	2	3	4
Installed Capacity (Looms in thousands)	178	169	161
	(-1.7)	(-5.1)	(-4.7)
Capacity Utilisation (%)	58	56	51
	(-3.2)	(-9.8)	(-10.9)
A. Production (i+ii)#	**22,928**	**22,588**	**23,963**
	(+11.3)	**(-1.5)**	**(+6.1)**
i) Mill Sector (a+b+c)	2,589	2,376	2,000
	(-2.9)	(-8.2)	(-15.8)
a) Cotton Fabrics	1,859	1,651	1,407
	(-5.0)	(-11.2)	(-14.8)
b) Blended/Mixed Fabrics	689	666	532
	(+4.7)	(-3.3)	(-20.1)
c) 100 per cent Man-made	41	59	61
Fibre Fabrics	(-21.1)	(+43.9)	(+3.4)
ii) Decentralised Sector (a+b+c)	20,339	20,212	21,963
	(+13.4)	(-0.6)	(+8.7)
a) Cotton Fabrics	13,572	12,996	14,994
	(+11.3)	(-4.2)	(+15.4)
b) Blended/Mixed Fabrics	1,682	2,046	2,130
	(+15.2)	(+21.6)	(+4.1)
c) 100 per cent Man-made	5,085	5,170	4,839
Fibre Fabrics	(+13.2)	(+1.7)	(-6.4)
B. Domestic Consumption (all cloth)+	**20,603**	**19,527**	**20,411**
	(+12.0)	**(-5.2)**	**(+4.5)**
C. Year-end Stocks (unsold)++	**135**	**116**	**98**
(all cloth)	**(+3.1)**	**(-14.1)**	**(-15.5)**
D. Exports Cotton Fabrics (mills/			
powerlooms, made up, handloom)	**7,736.2**	**11,052.1**	**14,980.3**
(Rs. crore)		**(+42.9)**	**(+35.5)**

P : Provisional.
: Data of cloth are revised and are inclusive of hosiery fabrics.
+ : Relates to total availability.
++ : Relates to mill sector only.
Sources : 1) Office of the Textile Commissioner, Ministry of Textiles, Government of India.
2) Indian Cotton Mills Federation.

Table IV-25A : Number of Cotton/Man-made Fibre Textile Mills

Year	No. of Mills			No. of Mills Closed	Closure of Cotton/Man-made/Textile Mills		
					Installed Capacity		Workers on Roll (Lakhs)
	Spinning	Composite	Total		Spindles (Millions)	Looms (Lakhs)	
1	2	3	4	5	6	7	8
As at the end of							
March 1986	702	282	72	72	1.77	0.18	0.95
March 1987	744	283	1,027	90	2.38	0.26	1.27
March 1988	752	283	1,035	133	3.36	0.33	1.61
March 1989	769	282	1,051	142	3.36	0.38	1.86
March 1990	770	281	1,051	121	3.39	0.35	1.58
March 1991	777	285	1,062	105	3.12	0.35	1.61
March 1992	846	271	1,117	130	3.82	0.41	1.94
March 1993				123	3.53	0.37	1.78

Source : Office of the Textile Commissioner, Ministry of Textiles, Government of India.

Table IV-26 : Paper, Paper Boards and Newsprint

(Production and capacity in lakh tonnes)

Year (As at the end of December)	No. of Units	Installed Capacity	Production	Capacity Utilisation Ratio (per cent)
1	2	3	4	5
A. Paper and Paper Boards				
1989	305	30.1	18.5 (+7.6)	61.4
1990	311	30.5	19.6 (+5.9)	64.3
1991	327	32.8	19.6 (-)	59.8
1992 (P)	334	34.2	20.1 (+2.6)	58.8
B. Newsprint				
1989	5	3.0	2.8 (+7.4)	93.3
1990	5	3.0	2.7 (-3.6)	90.0
1991	5	3.1	2.9 (+7.4)	93.5
1992 (P)	6	3.5	3.1 (E) (+6.9)	88.6

P : Provisional.
E : Estimated.
Notes : 1. Data on installed capacity, production and capacity utilisation ratio relate to organised sector and are as given by Ministry of Industry.
2. Figures in brackets indicate percentage variation over the corresponding period of the previous year.
Source : Ministry of Industry, Government of India and Central Statistical Organisation.

CHAPTER V

PRICE TRENDS AND PRICE POLICY

Price Trends :

Salient Features

The year 1992-93 saw a sharp deceleration in the rate of inflation on a sustained basis. The inflation rate as measured by the changes in Wholesale Price Index (WPI), on a point-to-point basis, recorded a marked deceleration of 7.0 per cent in 1992-93 compared with those of 13.6 per cent and 12.1 per cent recorded in 1991-92 and 1990-91, respectively. The increase, on an average basis at 10.0 per cent was also lower in 1992-93 than that of 13.7 per cent in the previous year (Table V-1). The inflation rate showed by and large a downward trend since the beginning of 1992-93 and came to single digit level in a sustained manner from November 1992 onwards.

The deceleration in wholesale prices also moderated the rise in the cost of living index. The rate of increase in Consumer Price Index for Industrial Workers, on a point-to point basis, at 6.1 per cent was considerably lower than that of 13.9 per cent in 1991-92. On an average basis, the rate of increase at 9.9 per cent was also lower than that of 13.5 per cent in 1991-92 (Table V-3).

The main factors that contributed to the deceleration in price rise were, *inter alia,* the planned reduction in the fiscal deficit of the Union Government in relation to GDP and the moderation in the monetary expansion as also the improvement in the supply position. A favourable monsoon resulted in a bumper *Kharif* crop. There has also been an improvement in *Rabi* output. Imports of foodgrains and allied products have helped ease the pressure on food prices. The revival of industrial activity, though very modest in comparison with the situation in the 'eighties, helped dampen inflationary expectations.

The movement in prices in 1992-93 could be distinctly marked in terms of three phases. In the first phase covering the period between end-March and end-August 1992, the price rise, on a point-to-point basis, was considerably lower than that in the comparable period of the previous year. Both 'primary articles' and 'manufactured products' witnessed highest order of price rise in this phase. In the second phase, between end-August and end-December 1992, the expected seasonal fall in prices did not come through for the third year in succession. During this phase, all the major groups witnessed contra- seasonal increases except 'primary articles' which showed a marginal decline of 0.8 per cent. During the corresponding phase of the previous year, the contra-seasonal increases were noticed in all major groups. During the final phase covering the period end-December 1992 to end-March 1993, the price rise was subdued as compared with that in the final phase of 1991-92. The 'primary articles' group which had witnessed a marginal decline in its index in the second phase, also experienced a decline of 2.2 per cent in the third phase.

Commodity/Group-wise Trends

A commodity group-wise analysis of price trends during 1992-93 shows that the deceleration, on a point-to-point basis, in the general price level was mainly due to the lowest price rise in 'primary articles' at 3.0 per cent (as compared with 15.3 per cent in the previous year) followed by 'manufactured products' which registered an increase of 7.9 per cent (as compared with a higher increase of 12.6 per cent in the previous year). 'Fuel' group, however, recorded the highest rise of 15.2 per cent on a point-to-point basis, on top of a substantial rise of 13.2 per cent in the previous year. As regards the weighted contributions of these groups to the general increase in WPI, the 'primary articles' contributed the least at 14.4 per cent, against 37.1 per cent in the previous year. The 'manufactured products', on the other hand, contributed the most at 63.0 per cent as against a lower contribution of 52.7 per cent in the previous year. The contribution of 'fuel' group was also higher at 22.6 per cent during the year under review as against 10.2 per cent last year [Table V-2 (A, B and C)].

Primary Articles

The low order of price increase in the 'primary articles' group during 1992-93 can be attributed to the substantial gains in agricultural output and imports of foodgrains and allied products, during the year.

There was a marked deceleration in the prices of 'food articles'; this was rendered possible because of the fall in prices of cereals, particularly coarse cereals in response to the smart recovery in agricultural production, in particular of coarse grains during 1992-93. Likewise, there were other commodities which contributed to the deceleration in the index of food articles, such as, pulses, milk, fruits and vegetables and condiments and spices which recorded lower increases as compared with those in the previous year. On the other hand, prices of eggs, fish and meat continued to record a high increase of 17.1 per cent on top of a rise of 16.3 per cent last year. Prices of coffee increased substantially by 15.8 per cent in sharp contrast to the decline of 22.2 per cent in 1991-92. Tea prices also increased substantially by 30.8 per cent as compared with a negligible increase of 0.4 per cent in the previous year.

Among non-food articles, prices of raw cotton declined markedly by 10.9 per cent due to record increase in its production. Oilseeds prices also declined by 8.7 per cent in contrast to a rise of 4.7 per cent in 1991-92 following substantial improvement in its production during 1992-93. Sugarcane prices, on the other hand, rose by 21.4 per cent, over and above the rise of 12.3 per cent recorded in the previous year due to fall in its production coupled with increase in statutory minimum price for sugarcane.

Among 'minerals', the price rise of iron-ore was particularly sharp at 31.0 per cent during the year.

Fuel, Power, Light and Lubricants

The movements in the indices of the major group 'fuel, power, light and lubricants' generally reflect the changes effected in administered prices. This group, which had recorded a price rise of 13.2 per cent in 1991-92, experienced a higher increase of 15.2 per cent in 1992-93, attributable to revisions in the administered prices. [Table V-2(B)].

Manufactured Products

The index of this major group recorded an increase of 7.9 per cent in 1992-93 as compared with a higher increase of 12.6 per cent in the previous year [Table V-2(C)].

Group-wise, the deceleration in price rise was reflected in the decline in dairy products, edible oils and lower increases in prices of grain mills products, chemicals and chemical products, beverages, tobacco and tobacco products, paper and paper products, rubber and plastic products, textiles, non-metallic mineral products and machinery and machine tools. This was, however, partially offset by higher increases in prices of sugar, *khandsari* and *gur,* leather and leather products and basic metals, alloys and metal products. Commoditywise, prices of sugar rose sharply by 13.9 per cent on top of a sizeable increase of 18.9 per cent in 1991-92. Fertiliser prices rose substantially by 42.6 per cent on top of an increase of 28.8 per cent in the previous year. Prices of basic pig iron rose by 25.6 per cent following the hike in prices of pig iron announced by the Steel Authority of India Ltd., (SAIL) from time to time during the year. Cement prices, however, declined by 3.5 per cent in contrast to a rise of 17.4 per cent in 1991-92. Prices of different edible oils also declined substantially in the range of 17 per cent to 23 per cent during the year.

Weighted Contribution

An analysis of weighted contribution of different groups/commodities to the increase in the general index of Wholesale Prices shows that on a point-to-point basis, the 'manufactured products' group with a weight of 57.0 per cent in the general index, contributed the most at 63.0 per cent to the total price rise in 1992-93 which was also higher than the contribution of 52.7 per cent in 1991-92. This was followed by a contribution of 22.6 per cent by 'fuel' group as compared with 10.2 per cent in 1991-92. The 'primary articles' contributed the lowest at 14.4 per cent; this was also substantially lower as compared with 37.1 per cent in the previous year.

Price Trends during the period 1985-86 to 1992-93

During the period 1985-86 to 1992-93, the inflation rate, on an average basis, was 8.4 per cent in terms of WPI and 9.3 per cent in terms of CPI for Industrial Workers.

Consumer Price Indices (CPI)

The deceleration in WPI was reflected in all the three consumer price indices. The increases of 6.1 per cent and 6.8 per cent, on a point-to-point basis, in the Consumer Price Indices for Industrial Workers and Urban Non-manual Employees in 1992-93 were lower than the 7.0 per cent rise in WPI. The rise of 9.9 per cent and 10.5 per cent registered in the CPI for Industrial Workers and for Urban Non-manual Employees, respectively were close, on an average basis, to the increase of 10.0 per cent, in the general index of WPI in 1992- 93. The CPI for Agricultural Labourers has shown a substantially lower increase of 0.7 per cent on a point-to-point basis, reflecting the large decline in food prices which have a larger weightage in this CPI (Table V-3). However, it has shown a higher increase of 12.4 per cent, on an average basis, as compared with 10.0 per cent registered by WPI.

The CPI for Industrial Workers increased steadily from 231 in April 1992 to 243 in March 1993 with spells of stability in August and November 1992. The CPI recorded increases in all major centres. The highest increase in the index was registered at Quilon (21.0 per cent) followed by Alwaye (12.4 per cent), Faridabad (11.8 per cent), Thiruvananthapuram (11.6 per cent), Delhi (11.4 per cent) and Goa (10.9 per cent).

With the exception of Srinagar for which there was no change in CPI for Urban Non-manual Employees, since January 1990, in almost all other centres, the index registered increases during the year; the highest increase recorded was in Calicut (13.7 per cent).

Price Trends During 1993-94 (April-August)

The general index of Wholesale Prices during the five-month ending August 1993 registered a higher increase of 6.6 per cent as compared with the increase of 5.5 per cent in the corresponding period of 1992-93. The annualised inflation rate ruled below the year-end (March 1993) level of 7.0 per cent during the early part of the current fiscal year. From end July 1993, it started showing up and as on August 28, 1993 the inflation rate stood at 8.2 per cent - one percentage point lower than 9.2 per cent recorded in the corresponding period of the previous year. Of the major groups, index of 'primary articles' has shown the highest increase of 9.5 per cent which was also higher than that of 6.2 per cent in the first five months of 1992-93. This has been due to significant increases in the indices of all the three sub-groups. In the sub-group 'food articles', the rise was noticeable in rice, pulses, fruits and vegetables and coffee; in the sub-group 'non-food articles', fibres and oilseeds witnessed faster price increases and in the sub-group 'minerals', the rise was mainly in petroleum crude and natural gas. 'Fuel' group also registered a higher increase of 3.4 per cent as compared with 0.3 per cent in the previous comparable period on account of substantial increases in the indices of electricity by 9.4 per cent and of coal by 4.8 per cent during the first five months of 1993-94. The price increase in the major group 'manufactured products', however, showed deceleration; the price increase up to end-August of 1993-94 was of the order of 5.7 per cent as against that of 6.0 per cent in the corresponding period of the previous year.

During 1993-94 up to August, the CPI for Industrial Workers, on a point-to-point basis, registered a rise of 5.3 per cent which was somewhat lower than that of 5.7 per cent recorded in the corresponding period of 1992-93. On an average basis, the increase at 5.5 per cent was much lower than the increase of 13.3 per cent in the previous corresponding period.

Price Policy

The price policy of the Government during the year 1992-93 and thereafter continued to show market orientation. The thrust of the policy was on improving the supply-response through providing appropriate price incentives and rationalising the price structure. The general direction thus was towards decontrol and deregulation so that market forces would timely reflect the actual scarcities and effective demand. The Government intervention sought to focus on core areas, e.g., in fertilisers and as an exception rather than as a rule.

The stocks of foodgrains with the public distribution system (PDS) were comfortable as Chapter III of the Report has shown. Chapter III has also highlighted the hike in procurement / support prices of foodgrains and minimum support prices of cotton, raw jute, sugarcane, tobacco, groundnut, copra, etc.

Excise duty on all categories of tea including instant tea was abolished with effect from February 28, 1993. The prices for coffee sold were raised by an average Rs.6/- per kilogram based mainly on the average sales realisations in the internal auctions.

To make coal available to consumers in the small and tiny sectors, the sale policy of coal was liberalised in January 1993.

Effective February 17, 1993, the prices of coal were increased by 12.42 per cent with an exemption of soft coke used by domestic sector. Again, in June 1993, these prices were revised upwards by Rs.18 per tonne, exempting soft coke from the hike, which was 4.89 per cent increase in case of CIL coal.

In order to make available at international prices, the import of Naphtha (with effect from 31.12.92), Liquified Petroleum Gas, Superior Kerosene Oil and Low Sulphur High Stock (with effect from 28.4.93) have been decanalised. Liquified Petroleum Gas, Superior Kerosene Oil and Low Sulphur High Stock have been brought under a scheme of parallel marketing whereby the private entrepreneurs are allowed to import and market these products freely at market related prices.

Furnace oil is being made available at international prices to 100 per cent export oriented units and those holding advance licenses.

Controls on pricing of RPC/CPC nave been removed and the marketing companies have been allowed to fix the prices of these products based on market considerations with effect from August 3, 1993.

To stimulate sugar production, the Union Government came out with a new package of measures on February 16, 1993, a hike in issue prices of sugar, a higher statutory minimum price (SMP) for sugarcane and additional incentives to the sugar mills. The hike in retail issue price of levy sugar was of the order of 20.3 per cent (Rs.1.40 per kg.) making the price Rs.8.30 per kg. As per the new incentive scheme 1993, new units in the High Recovery Areas would be allowed 100 per cent free sale of sugar for the first 8 years while units located in Other Recovery Areas would be entitled for incentives for 10 years comprising 100 per cent free sale for 9 years and 66 per cent free sale for one year. Expansion projects in High Recovery Area would be given incentives at 100 per cent free sale for 5 years and those in Other Recovery Areas for six years. The quantum of incentive for expansion projects would be worked out with reference to the excess production achieved. The levy : free sale ratio of sugar has been revised to 40:60, as compared to the earlier 45:55, enabling the sugar mills to sell an additional 5 per cent of their output in the open market. In addition, mid, late and early crushing incentives have also been announced. Additional free sale entitlement would be given to those mills which increase their production during the period January 1, 1993 to April 30, 1993 over the production level in the corresponding period of the previous year at 80 per cent free sale quota of incremental production as against normal 60 per cent. Similarly, the sugar production during May 1, 1993 to July 31, 1993 would be entitled for 72 per cent free sale quota, as against the normal 60 per cent. The sugar production during the early season, October 1, 1993 to November 15, 1993 would be entitled for 72 per cent free sale quota as against normal 60 per cent.

Following the projection of Food Ministry of a steep decline of around 25 lakh tonnes in sugar output during the current year, it has been decided by the Government to halt export of sugar until domestic production improves and to terminate further export commitments. However, this does not cover the export of preferential quota to USA/EEC and a small quantity of levy sugar exported to Nepal.

As the availability of indigenous edible oils was comfortable, the Government had no proposal for the import of palmolein oil during 1992-93. The groundnut oil prices were under pressure for some time as the market intervention operation (MIO) of the National Dairy Development Board (NDDB) has failed to keep them in the band of Rs.26,000 to Rs.34,000 per tonne, as directed by the empowered committee on oilseeds policy (ECOP). The groundnut oil prices reportedly touched Rs.40,000 per tonne in August 1993.

The Government has made an allocation of Rs.3,500 crore towards the payment of fertilizer subsidy out of which nitrogenous fertilizers account for Rs.2,900 crore. The Government earmarked Rs.756 crore for 1993-94 to ensure concessional sale of decontrolled fertilizers to farmers. The Government also decided to decanalise the import of potassic fertilizers to benefit from the subdued global prices. On June 12, 1993, it was announced that the fertilisers concession scheme would be continued during 1993-94 and would be extended to Single Super Phosphate (SSP) also with a concession of Rs.340/- per tonne. In the case of Di-ammonium Phosphate (DAP) and Complex fertilizers, the concession was restricted to the indigenous product only. The scheme was implemented through the respective State Govrnments/Union Territory Administrations. The States/Union Territories were advised to ensure that the sale price of decontrolled fertilizers after concession remains in a particular price range viz., Rs.6,400-6,600 per tonne for indigenous DAP, Rs. 3,600 - 3,800 per tonne for Muriate of Potash (MOP) and Rs.1,900-2,000 per tonne for SSP. The States were also asked to maintain the price level comparable and competitive with the price of imported fertilizer.

After the price revision by main steel producers in May 1992, and up to February 3, 1993, the input cost of steel escalated by Rs.418 per tonne. To neutralise the increase in their input costs, Steel Authority of India Limited (SAIL) and the Tata Iron and Steel Company (TISCO) resorted to a price hike of 3.5 to 5 per cent with effect from the midnight of February 2, 1993. The price increase amounted to only Rs.314 per tonne for SAIL as part of the cost escalation was absorbed, to the tune of Rs.104 per tonne, by the SAIL.

The Union Government brought out revisions in the prices of pharmaceuticals controlled under Drugs (Prices Control) Order, 1987. During the financial year prices of 68 bulk drugs were revised to give effect to the increases in input costs. During the same period the prices of two bulk drugs (Ethambutol HCL and Lignocaine HCL) were reduced due to reduction in the cost of manufacture. Subsequently, from April to September 1993, the prices of 24 drugs had been increased due to increase in input costs and the prices of 38 bulk drugs were reduced mainly due to reduction in customs duty.

During 1992-93, the prices of 1399 formulations (both old and new) had been recommended for price notification. This included 220 items, the prices of which were revised on *suo moto* basis. In addition, from April 1993 to September 1993, prices of 927 formulations (including 337 items the prices of which were recommended for revision on *suo moto* basis) had been recommended for notification. All those recommendations related to price revision of old formulations and new formulations proposed to be introduced in the market for the first time. The price recommendations/notifications reflected the factors relevant for ensuring availability at reasonable prices and stimulating production growth.

Table V-1 : Extent of Price Rise Based On Index Number of Wholesale Price
(Major Groupwise)

(Base : 1981-82=100)

Item	Weight	Percentage Variations						Weighted Contribution					
		Point-to-Point basis			Average basis			Point-to-Point basis			Average basis		
		1990-91	1991-92	1992-93	1990-91	1991-92	1992-93	1990-91	1991-92	1992-93	1990-91	1991-92	1992-93
1	2	3	4	5	6	7	8	9	10	11	12	13	14
All Commodities	100.000	12.1	13.6	7.0	10.3	13.7	10.0	100.0	100.0	100.0	100.0	100.0	100.0
Primary Articles	32.295	17.1	15.3	3.0	13.1	18.2	7.3	44.6	37.1	14.4	40.4	43.2	24.9
Fuel, Power, Light & Lubricants	10.663	14.4	13.2	15.2	12.3	13.1	14.1	12.2	10.2	22.6	12.0	9.8	14.4
Manufactured Products	57.042	8.9	12.6	7.9	8.4	11.3	10.9	43.0	52.7	63.0	47.4	47.0	60.6

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

Table V-2 (A) : Index Numbers of Wholesale Prices : Primary Articles
(Base: 1981-82=100)

(In percentage)

Major Groups/Groups/Sub-Groups/ Commodities	Weight	End-Mar 1991	End-Mar 1992	End-Mar 1993	Variations (Point-to-Point) End-March 1992 Over End-March 1991	Variations (Point-to-Point) End-March 1993 Over End-March 1992	Weighted Contribution (Approximate) 1991-92	Weighted Contribution (Approximate) 1992-93
1	2	3	4	5	6	7	8	9
ALL COMMODITIES	**100.000**	**191.8**	**217.8**	**233.1**	**13.6**	**7.0**	**100.0**	**100.0**
PRIMARY ARTICLES	**32.295**	**195.5**	**225.4**	**232.2**	**15.3**	**3.0**	**37.1**	**14.4**
A. Food Articles	**17.386**	**210.8**	**254.8**	**268.5**	**20.9**	**5.4**	**29.4**	**15.6**
(i) Food Grains	7.917	196.1	243.2	238.5	24.0	-1.9	14.3	-2.4
a) Cereals	6.824	190.4	241.6	235.0	26.9	-2.7	13.4	-2.9
Rice	3.685	187.5	245.1	244.6	30.7	-0.2	8.2	-0.1
Wheat	2.248	204.9	230.1	236.2	12.3	2.7	2.2	0.9
Jowar	0.420	154.2	255.2	204.2	65.5	-20.0	1.6	-1.4
Bajra	0.178	152.0	265.8	176.8	74.9	-33.5	0.8	-1.0
b) Pulses	1.093	231.6	253.4	260.2	9.4	2.7	0.9	0.5
Gram	0.410	196.8	195.0	241.6	-0.9	23.9	0.0	1.2
(ii) Fruits & Vegetables	4.089	205.3	244.3	267.9	19.0	9.7	6.1	6.3
Vegetables	1.291	195.7	209.7	242.1	7.2	15.5	0.7	2.7
Fruits	2.798	209.7	260.2	279.8	24.1	7.5	5.4	3.6
(iii) Milk	1.961	220.1	250.2	274.3	13.7	9.6	2.3	3.1
(iv) Eggs, Fish & Meat	1.783	200.4	233.1	272.9	16.3	17.1	2.2	4.6
Fish	0.507	197.4	236.4	308.6	19.8	30.5	0.8	2.4
Mutton	0.521	238.8	255.6	287.3	7.0	12.4	0.3	1.1
(v) Condiments & Spices	0.947	318.6	450.2	463.5	41.3	3.0	4.8	0.8
(vi) Other Food Articles	0.689	264.6	251.5	321.6	-5.0	27.9	-0.3	3.2
Tea	0.564	246.8	247.8	324.0	0.4	30.8	0.0	2.8
Coffee	0.125	344.9	268.3	310.6	-22.2	15.8	-0.4	0.3
B. Non- Food Articles	**10.081**	**210.5**	**227.6**	**224.4**	**8.1**	**-1.4**	**6.6**	**-2.1**
(i) Fibres	1.791	201.5	230.5	206.4	14.4	-10.5	2.0	-2.8
Raw Cotton	1.335	185.7	231.5	206.2	24.7	-10.9	2.4	-2.2
Raw Jute	0.160	318.2	214.1	218.2	- 32.7	1.9	-0.6	0.0
(ii) Oilseeds	3.861	211.8	221.7	202.4	4.7	-8.7	1.5	-4.9
Groundnut seed	1.296	233.6	234.7	199.7	0.5	-14.9	0.1	-3.0
Rape and Mustard seed	0.661	196.0	193.3	194.9	-1.4	0.8	-0.1	0.1
Copra	0.111	262.4	321.5	328.7	22.5	2.2	0.3	0.1
(iii) Other Non-food Articles	4.429	213.1	231.6	250.8	8.7	8.3	3.2	5.6
Sugarcane	2.706	181.9	204.2	247.9	12.3	21.4	2.3	7.7
Tobacco	0.275	308.0	295.9	249.0	-3.9	-15.8	-0.1	-0.8
Raw Rubber	0.114	141.3	157.1	170.4	11.2	8.5	0.1	0.1
Logs & timber	0.571	230.0	275.1	256.2	19.6	-6.9	1.0	-0.7
C. Minerals	**4.828**	**109.0**	**114.7**	**117.9**	**5.2**	**2.8**	**1.1**	**1.0**
(i) Metallic Minerals	0.231	164.8	198.0	247.0	20.1	24.7	0.3	0.7
Iron Ore	0.154	170.3	182.2	238.6	7.0	31.0	0.1	0.6
(ii) Other Minerals	0.323	194.3	231.3	218.6	19.0	-5.5	0.5	-0.3
Lime Stone	0.070	222.8	214.2	214.2	-3.9	0.0	0.0	0.0
(iii) Petroleum Crude And Natural Gas	4.274	99.5	101.4	103.3	1.9	1.9	0.3	0.5

Table V-2 (B) : Index Numbers of Wholesale Prices : Fuel, Power, Light & Lubricants
(Base: 1981-82=100)

(In percentage)

Major Groups/Groups/Sub-Groups/ Commodities	Weight	End-Mar 1991	End-Mar 1992	End-Mar 1993	Variations (Point-to-Point)		Weighted Contribution (Approximate)	
					End-March 1992 Over End-March 1991	End-March 1993 Over End-March 1992	1991-92	1992-93
1	2	3	4	5	6	7	8	9
FUEL, POWER, LIGHT & LUBRICANTS	**10.663**	**188.6**	**213.5**	**245.9**	**13.2**	**15.2**	**10.2**	**22.6**
A. Coal Mining	**1.256**	**232.7**	**296.5**	**334.2**	**27.4**	**12.7**	**3.1**	**3.1**
Coking Coal	0.353	253.8	320.0	367.6	26.1	14.9	0.9	1.1
Non-coking Coal	0.798	228.4	292.8	329.1	28.2	12.4	2.0	1.9
Coke	0.064	162.2	218.4	244.0	34.6	11.7	0.1	0.1
B. Mineral Oils	**6.666**	**170.1**	**185.8**	**220.8**	**9.2**	**18.8**	**4.0**	**15.2**
Liquified petroleum gas	0.677	132.1	159.4	208.2	20.7	30.6	0.7	2.2
Petrol	0.806	209.7	253.8	272.4	21.0	7.3	1.4	1.0
Kerosene	0.868	161.4	146.7	146.7	-9.1	0.0	-0.5	0.0
Aviation turbine fuel	0.341	216.8	264.1	290.5	21.8	10.0	0.6	0.6
High Speed Diesel Oil	2.154	172.0	176.1	212.7	2.4	20.8	0.3	5.2
Light Diesel Oil	0.203	155.6	171.9	218.3	10.5	27.0	0.1	0.6
Furnace Oil	0.641	150.0	166.6	206.8	11.1	24.1	0.4	1.7
Lubricants	0.453	202.9	240.4	322.4	18.5	34.1	0.7	2.4
C. Electricity	**2.741**	**213.4**	**242.7**	**266.5**	**13.7**	**9.8**	**3.1**	**4.3**

Table V-2 (C) : Index Numbers of Wholesale Prices : Manufactured Products
(Base: 1981-82=100)

(In percentage)

Major Groups/Groups/Sub-Groups/ Commodities	Weight	End-Mar 1991	End-Mar 1992	End-Mar 1993	Variations (Point-to-Point) End-March 1992 Over End-March 1991	Variations (Point-to-Point) End-March 1993 Over End-March 1992	Weighted Contribution (Approximate) 1991-92	Weighted Contribution (Approximate) 1992-93
1	2	3	4	5	6	7	8	9
MANUFACTURED PRODUCTS	**57.042**	**190.3**	**214.3**	**231.2**	**12.6**	**7.9**	**52.7**	**63.0**
A. FOOD PRODUCTS	**10.143**	**190.8**	**210.2**	**224.4**	**10.2**	**6.8**	**7.6**	**9.4**
(a) Dairy Products	**0.642**	**200.6**	**260.7**	**252.5**	**30.0**	**-3.1**	**1.5**	**-0.3**
(b) Grain Mills Products	**1.530**	**197.9**	**236.9**	**244.8**	**19.7**	**3.3**	**2.3**	**0.8**
(c) Sugar, Khandsari and Gur	**4.059**	**147.3**	**155.4**	**198.8**	**5.5**	**27.9**	**1.3**	**11.5**
Sugar	2.013	142.8	169.8	193.4	18.9	13.9	2.1	3.1
Khandsari	0.300	141.4	131.6	167.0	-6.9	26.9	-0.1	0.7
Gur		1.746	153.5	142.9	210.6	-6.9	47.4	-0.7
(d) Edible Oils	**2.445**	**251.8**	**256.7**	**238.6**	**1.9**	**-7.1**	**0.5**	**-2.9**
Hydrogenated vanaspati	0.517	268.1	272.5	224.7	1.6	-17.5	0.1	-1.6
Solvent extracted groundnut oil	0.021	283.9	241.5	190.7	-14.9	-21.0	0.0	-0.1
Rape & mustard Oil	0.276	213.7	228.5	189.2	6.9	-17.2	0.2	-0.7
Groundnut oil	0.526	250.9	245.6	189.3	-2.1	-22.9	-0.1	-1.9
B. BEVERAGES,TOBACCO & TOBACCO PRODUCTS	**2.149**	**246.6**	**284.8**	**296.5**	**15.5**	**4.1**	**3.2**	**1.6**
C. TEXTILES	**11.545**	**177.7**	**197.7**	**208.5**	**11.3**	**5.5**	**8.9**	**8.1**
(i) Cotton Textiles	**6.093**	**181.5**	**210.5**	**222.1**	**16.0**	**5.5**	**6.8**	**4.6**
Cotton yarn	1.232	196.8	253.7	250.7	28.9	-1.2	2.7	-0.2
Cotton cloth (mills)	3.159	167.9	197.3	205.7	17.5	4.3	3.6	1.7
(ii) Man-Made Textiles	**2.921**	**134.9**	**150.7**	**160.6**	**11.7**	**6.6**	**1.8**	**1.9**
(iii) Jute,hemp & Mesta Textiles	**0.689**	**299.6**	**282.6**	**281.5**	**-5.7**	**-0.4**	**-0.5**	**0.0**
D. PAPER AND PAPER PRODUCTS	**1.988**	**235.3**	**300.5**	**324.9**	**27.7**	**8.1**	**5.0**	**3.2**
Newsprint	0.137	213.1	318.0	318.0	49.2	0.0	0.6	0.0
E. LEATHER & LEATHER PRODUCTS	**1.018**	**230.3**	**228.4**	**234.5**	**-0.8**	**2.7**	**-0.1**	**0.4**
Footwear Western Type	0.353	259.5	310.2	323.8	19.5	4.4	0.7	0.3
F. RUBBER AND PLASTIC PRODUCTS	**1.592**	**165.6**	**182.3**	**188.5**	**10.1**	**3.4**	**1.0**	**0.6**
Tyres and tubes	0.766	153.7	173.4	180.3	12.8	4.0	0.6	0.3
G. CHEMICALS & CHEMICAL PRODUCTS	**7.355**	**154.0**	**177.8**	**200.5**	**15.5**	**12.8**	**6.7**	**10.9**
Fertilizers	1.748	99.1	127.6	181.9	28.8	42.6	1.9	6.2
Drugs and medicines	1.065	153.1	165.8	173.6	8.3	4.7	0.5	0.5
H. NON-METALLIC MINERAL PRODUCTS	**2.477**	**196.7**	**229.7**	**236.7**	**16.8**	**3.0**	**3.1**	**1.1**
CEMENT, LIME AND PLASTER	**0.916**	**194.5**	**224.7**	**217.4**	**15.5**	**-3.2**	**1.1**	**-0.4**
Cement	0.860	185.0	217.1	209.4	17.4	-3.5	1.1	-0.4
I. BASIC METALS,ALLOYS & METAL PRODUCTS	**7.632**	**228.1**	**241.7**	**264.9**	**6.0**	**9.6**	**4.0**	**11.6**
(a) Basic Metals and Alloys	**4.784**	**214.5**	**226.2**	**250.2**	**5.5**	**10.6**	**2.2**	**7.5**
(i) Iron & Steel	**2.441**	**206.7**	**216.0**	**242.3**	**4.5**	**12.2**	**0.9**	**4.2**
Basic pig iron	0.023	303.3	305.1	383.1	0.6	25.6	0.0	0.1
Bars & rods	0.955	201.8	206.2	226.4	2.2	9.8	0.2	1.3
Stainless steel	0.113	102.2	102.2	102.2	0.0	0.0	0.0	0.0
Heavy light structurals	0.215	266.6	315.7	341.9	18.4	8.3	0.4	0.4
Sheets	0.301	221.2	224.0	274.7	1.3	22.6	0.0	1.0
Axles, wheels & tyres	0.029	515.3	516.7	516.7	0.3	0.0	0.0	0.0
Pipes & tubes	0.569	230.4	230.4	251.7	0.0	9.2	0.0	0.8
(ii) Ferro Alloys	**0.196**	**223.0**	**234.6**	**257.4**	**5.2**	**9.7**	**0.1**	**0.3**
(ii) Non-ferrous Metals	**1.025**	**263.5**	**281.2**	**300.4**	**6.7**	**6.8**	**0.7**	**1.3**
Alluminium	0.454	226.8	231.2	250.8	1.9	8.5	0.1	0.6
(b) Metal Products	**1.823**	**243.7**	**260.1**	**283.5**	**6.7**	**9.0**	**1.1**	**2.8**
J. MACHINERY & MACHINE TOOLS INCLUDING ELECTRICAL MACHINERY	**6.268**	**188.8**	**222.5**	**232.8**	**17.8**	**4.6**	**8.1**	**4.2**
(a) Non-electrical Machinery & Parts	**3.277**	**199.8**	**237.0**	**244.5**	**18.6**	**3.2**	**4.7**	**1.6**
(b) Electrical Machinery	**2.991**	**176.7**	**206.7**	**219.9**	**17.0**	**6.4**	**3.5**	**2.6**
(c) Transport Equipment & Parts	**2.705**	**190.8**	**212.1**	**217.4**	**11.2**	**2.5**	**2.2**	**0.9**
K. OTHER MISC.MFG. INDUSTRIES	**0.972**	**123.0**	**137.7**	**141.5**	**12.0**	**2.8**	**0.5**	**0.2**

Table V-3 : Consumer Price Indices

Items	1990-91	1991-92	1992-93
1. Consumer Price Index for Industrial Workers (Average) (Base : 1982 = 100)	192.8	218.8	240.4
2. Per cent variation in (1)	+11.2	+13.5	+9.9
3. Consumer Price Index for Industrial Workers (For March) (Base : 1982 = 100)	201.0	229.0	243.0
4. Per cent variation in (3)	+13.6	+13.9	+6.1
5. Consumer Price Index for Urban Non-Manual Employees (Average) (Base : 1984-85 = 100)	161.1	182.8	202.0
6. Per cent variation in (5)	+11.0	+13.5	+10.5
7. Consumer Price Index for Urban Non-Manual Employees (For March) (Base : 1984-85 = 100)	169.0	192.0	205.0
8. Per cent variation in (7)	+13.4	+13.6	+6.8
9. Consumer Price Index for Agricultural Labourers (Average) (Base : July 1960-June 1961 = 100)	802.9	957.8	1076.3
10. Per cent variation in (9)	+7.6	+19.3	+12.4
11. Consumer Price Index for Agricultural Labourers (For March) (Base : July 1960-June 1961 = 100)	858.0	1046.0	1053.0
12. Per cent variation in (11)	+16.6	+21.9	+0.7

Source : Labour Bureau, Ministry of Labour and Central Statistical Organisation, Government of India .

Table V-4 : Variations In Index Numbers of Wholesale Prices
(Base : 1981-82=100)

(In percentage)

Major Groups/Groups/Sub-Groups/ Commodities	Weight	April - August Point-to-point basis	
		1992-93	1993-94
1	2	3	4
ALL COMMODITIES	100.000	5.5	6.6
I. PRIMARY ARTICLES	32.295	6.2	9.5
1. Food articles	17.386	7.8	8.5
a. Cereals	6.824	1.6	8.2
i) Rice	3.685	2.7	11.7
ii) Wheat	2.248	0.3	5.9
b. Pulses	1.093	6.2	16.9
c. Fruits and vegetables	4.089	17.9	10.8
d. Milk	1.961	2.0	4.8
e. Eggs, fish & meat	1.783	6.4	7.1
f. Condiments & spices	0.947	17.3	5.8
g. Other food articles@	0.689	6.2	6.2
i) Tea	0.564	7.5	5.2
ii) Coffee	0.125	0.4	11.4
2. Non-food articles	10.081	4.3	10.0
a. Fibres	1.791	-1.3	13.1
i) Raw cotton	1.335	2.2	9.9
b. Oilseeds	3.861	15.9	18.0
3. Minerals	4.828	1.7	15.1
i) Petroleum crude & natural gas	4.274	1.9	19.4
II. FUEL, POWER, LIGHT AND LUBRICANTS	10.663	0.3	3.4
a. Coking coal	0.353	0.0	4.8
b. Mineral oils	6.666	0.1	0.1
c. Electricity	2.741	0.9	9.4
III. MANUFACTURED PRODUCTS	57.042	6.0	5.7
a. Sugar, *khandsari* & *gur*	4.059	18.0	27.4
i) Sugar	2.013	3.7	3.9
ii) *Khandsari*	0.300	19.1	18.5
iii) *Gur*	1.746	37.4	53.3
b. Edible oils	2.445	7.6	11.2
c. Cotton textiles	6.093	1.8	5.3
d. Chemicals & chemical products	7.355	11.5	3.9
e. Cement	0.860	-5.2	-2.2
f. Iron & steel	2.441	8.8	5.0

@: Comprise tea and coffee.

CHAPTER VI

MONETARY DEVELOPMENTS

Overall Trends

During the financial year 1992-93, there was a significant deceleration in the growth of M_1 and M_3 as well as reserve money (RM). Among the components of broad money (M_3), currency with the public and demand deposits with banks decelerated, which more than offset the acceleration in the growth of time deposits and 'other' deposits with the RBI. Of the sources, only bank credit to commercial sector expanded at an accelerated rate. Net bank credit to Government decelerated for the second year in succession. Net foreign exchange assets of banking sector showed a decline for the greater part of the year which, however, recorded a modest increase by the year-end mainly due to revaluation of these assets in March 1993 following unification of exchange rates. Banking sector's net non-monetary liabilities, the offsetting item, recorded a significant rise in contrast to the decline in 1991-92.

Trends in Monetary Aggregates

The slower pace of increase in liquidity in the economy was evident from the sharp deceleration in the growth of narrow money (M_1). M_1 (comprising currency with the public, demand deposits with banks and 'other' deposits with the Reserve Bank) expanded by only Rs.8,440 crore (7.3 per cent) in 1992-93 as against a much larger expansion of Rs. 21,946 crore (23.6 per cent) in 1991-92 (Table VI-1). In fact, the M_1 growth in 1992-93 was the lowest since 1982-83. On an average basis, the rate of growth of M_1 in 1992-93 was lower at 15.3 per cent as compared with that of 19.2 per cent in 1991-92.

Expansion in M_3 (comprising M_1 and time deposits with banks) was lower at 14.2 per cent as a result of deceleration in the growth of reserve money following the lower increase in net RBI credit to the Central Government and significant deceleration in the accretion to Reserve Bank's net foreign exchange assets. Though the increase in M_3 by Rs. 45,184 crore (14.2 per cent) was lower than that of Rs.51,653 crore (19.4 per cent) in the previous year, and in fact, lower than the growth rate in any year since 1982-83, it exceeded the target of 10.4 per cent growth set for 1992-93. The expansion in M_3 on an average basis was higher at 18.3 per cent as against 17.2 per cent in 1991-92.

The expansion in M_2 (M_1 plus post office savings bank deposits) in 1992-93 at Rs. 8,495 crore (7.1 per cent) was much smaller than that of Rs. 22,361 crore (23.0 per cent) in 1991-92. Expansion in M_4 (M_3 plus total post office deposits) also decelerated to Rs.46,185 crore (13.7 per cent) as against an expansion of Rs.57,113 crore (20.4 per cent) in the previous year.

During 1992-93, expansion in reserve money was lower at 11.5 per cent (Rs.11,438 crore) as compared with an increase of 13.4 per cent (Rs.11,726 crore) during 1991-92.

Money Supply - Components

As mentioned earlier, currency with the public and demand deposits with banks witnessed deceleration whereas time deposits and 'other' deposits with RBI increased at an accelerated rate. The expansion in currency with the public at Rs.7,414 crore (12.1 per cent) was lower than that of Rs.8,050 crore (15.2 per cent) in the previous year. Demand deposits increased by only Rs.408 crore (0.8 per cent) as against Rs.13,685 crore (34.9 per cent) in the previous year, whereas time deposits expanded by Rs.36,744 crore (18.1 per cent) as compared with Rs.29,707 crore (17.2 per cent) during the same period. This reflects a shift in the preference of the public for time deposits which may have been partly attributable to the uncertainties arising out of irregularities in securities transactions. On balance, however, there was a deceleration in the growth of aggregate deposits with banks which rose by Rs.37,152 crore (14.5 per cent) in 1992-93 as compared with the substantial expansion of Rs.43,392 crore (20.5 per cent) in 1991-92. External deposits expanded by Rs. 5,843 crore (20.7 per cent) which was modestly higher in absolute terms as compared with Rs. 5,632 crore (24.8 per cent) in 1991-92. 'Other' deposits with the Reserve Bank rose sharply by Rs.618 crore (69.8 per cent) as against an increase of Rs.211 crore (31.3 per cent) in 1991-92. The increase in 'other' deposits, during the first three quarters of the year on reporting Fridays, was substantially higher as the financial institutions deposited their surplus funds with the Reserve Bank following lack of demand for their funds due to the prohibition of ready forward transactions in securities. With the introduction of Repos auctions in Government securities from December 1992, such bulges in 'other' deposits on reporting Fridays were moderated.

Sources of Change in Broad Money

As mentioned earlier, there was deceleration in broad money growth primarily due to the deceleration in net bank credit to the Government and net foreign exchange assets of the banking sector.

During 1992-93, net bank credit to Government rose by Rs.17,826 crore (11.3 per cent) as compared with Rs.18,070 crore (12.9 per cent) in the previous year (Table VI-2). Of this, the net RBI credit to Centre decelerated to Rs.4,257 crore (4.6 per cent) as against Rs.5,508 crore (6.3 per cent) in the previous year and Rs.14,745 crore (20.5 per cent) in 1990-91. Although net RBI credit to Centre ruled much above this level during most part of the year, the fortnightly averages of such credit expansion was only Rs.6,718 crore as compared with the large increase of Rs.10,209 crore in 1991-92. The expansion in other banks' credit to Government at Rs.13,393 crore (20.8 per cent) was, however, higher in absolute terms than that of Rs.12,902 crore (25.1 per cent) in 1991-92.

Among the sources, bank credit to commercial sector rose at a faster pace of Rs.28,380 crore (15.1 per cent) as against Rs. 16,225 crore (9.4 per cent) in the previous year. This was entirely on account of the increase in other banks' credit to commercial sector by Rs.29,420 crore (16.3 per cent) as against Rs.15,307 crore (9.3 per cent) in 1991-92. There was substantial increase in food credit and export credit during the year under consideration. Such an expansion was facilitated by the augmentation of lendable resources of the commercial banks which in turn was attributable to higher RBI accommodation to commercial banks, the reduction in SLR and the withdrawal of incremental CRR.

Accretion to net foreign exchange assets of the banking sector recorded a significant deceleration at Rs.3,809 crore (18.0 per cent) as compared with the accretion of Rs.10,624 crore (100.4 per cent) in the preceding year. Excluding the appreciation in the value of gold due to revaluation, the increase in net foreign exchange assets was of a lower order of Rs.2,369 crore (11.2 per cent) in 1992-93 as compared with Rs. 8,910 crore (84.2 per cent) in 1991-92.

Increase in net non-monetary liabilities (NNML) of the banking sector has considerably moderated the monetary growth impulse in 1992-93. While RBI's NNML rose modestly by Rs.641 crore (2.3 per cent) as against Rs.393 crore (1.5 per cent) last year, other banks' NNML rose by Rs.4,284 crore (17.7 per cent) in contrast to a fall of Rs.7,044 crore (22.5 per cent) in 1991-92.

Seasonal Trends

During the slack season of 1992 (end-April to end-October), M_1 declined by Rs.1,384 crore

(1.2 per cent) in contrast to an increase of Rs.6,988 crore (7.2 per cent) in previous slack season (Table VI-3). This was on account of a increase in currency by Rs.27 crore as compared with Rs.299 crore (0.5 per cent) and a decline in demand deposits by Rs.4,425 crore (8.2 per cent) in contrast to an increase of Rs.6,937 crore (17.6 per cent) in the preceding year. The decline in demand deposits was partly owing to withdrawal of the margin requirements imposed earlier on imports. Broad money (M_3) recorded an increase of Rs.23,926 crore (7.3 per cent) which was modestly higher than that of Rs.19,434 crore (7.1 per cent) in the slack season of the previous year. Time deposits with banks and 'other' deposits with RBI accelerated sharply. Time deposits rose by Rs.25,310 crore (12.3 per cent) as against Rs.12,446 crore (7.0 per cent) and 'other' deposits expanded by Rs.3,014 crore (144.3 per cent) in contrast to a decline of Rs.248 crore (22.9 per cent) in the slack season of 1991. Source-wise, net bank credit to Government recorded considerable deceleration over the rate in the 1991 slack season whereas net foreign exchange assets of the banking sector recorded an absolute fall. These were offset by a larger expansion in bank credit to commercial sector and decline in net non-monetary liabilities of the banking sector.

The slowdown in the liquidity expansion during the slack season of 1992 was carried over to the busy season of 1992-93 also. During the busy season of 1992-93 (end-October to end-April), M_1 recorded an increase of 11.5 per cent as compared with 16.1 per cent in the previous busy season. M_3 also registered a smaller increase of 8.2 per cent as compared with 11.5 per cent in the busy season of 1991-92. All the components of M_3 recorded deceleration over the rates of growth witnessed in the previous busy season. Source-wise, net bank credit to Government increased at a faster pace than in the previous busy season. But this was more than offset by the decelerating trend in bank credit to commercial sector, accretion to net foreign exchange assets and a sharp increase in the net non-monetary liabilities of the banking sector.

Reserve Money and Net Domestic Assets of the Reserve Bank

There was a modest deceleration in the growth of reserve money from 13.4 per cent in 1991-92 to 11.5 per cent in 1992-93. In absolute terms, the increase in reserve money was Rs.11,438 crore in 1992-93 as against Rs.11,726 crore in 1991-92. On a fortnightly average basis also, the growth of reserve money at 14.7 per cent was lower than that of 17.3 per cent during 1991-92. This reflected an overall restrictive monetary policy. Component-wise, only 'other' deposits with RBI showed a substantial acceleration, with all other components experiencing deceleration as compared to the growth rates in 1991-92.

Source-wise, only RBI's claims on commercial and co-operative banks accelerated, the acceleration being Rs.4,783 crore (93.7 per cent) in contrast to the decline of Rs.4,905 crore (49.0 per cent) in 1991-92. Net RBI credit to Central Government and net foreign exchange assets of RBI increased at a slower pace. The increase in Reserve Bank's net claims on Government at Rs.4,433 crore (4.7 per cent) was lower than that of Rs.5,168 crore (5.8 per cent) during 1991-92 and was lower than the year-end ceiling of Rs.5,400 crore. RBI's net non-monetary liabilities rose at a faster pace than in the previous year (Table VI-4).

The Reserve Bank's net domestic assets (NDA)* showed a substantial increase of Rs.7,629 crore (9.5 per cent) in 1992-93 as compared with a very small increase of Rs.871 crore (1.1 per cent) in the previous year. The performance criteria in respect of NDA and net RBI credit to the Central Government set for 1992-93 were fully met at the year-end as well as in all the four quarters (Table VI-5).

* Net domestic assets equal reserve money minus net foreign exchange assets of RBI.

Some Monetary Relationships

During 1992-93, monetary relationships underwent changes reflecting the responses to macro-economic policy measures. The fiscal and monetary measures employed to contain the reserve money growth have been largely successful. Real GDP growth recovered from a low rate of 1.2 per cent during 1991-92 to an estimated 4.2 per cent during 1992-93 and the inflation rate was contained at 7.0 per cent. As a result of these factors, the average income velocity of aggregate deposits, narrow money and broad money showed decline *albeit* marginally. The currency ratio increased modestly as the growth of nominal GDP was sharp relative to currency expansion. The incremental broad money multiplier ($\Delta M_3/\Delta RM$) declined on a point-to-point basis, in reversal of the trends observed in the preceding two years. The reversal of the trend is attributable to the unusual phenomenon of the rise in incremental currency-deposit ratio and incremental bank reserves to deposit ratio on a point-to-point basis.

Income Velocity of Money

The income velocity of broad money, i.e., the ratio of GDP at current market prices to M_3 which increased to 2.130 in 1990-91 from 2.123 in 1989-90, came down to 2.085 in 1991-92 and further to 2.033 in 1992-93 (Table VI-7). The income velocity of M_1 declined marginally during 1992-93 as compared with a larger decline in 1991-92. Analytically, this is indicative of the rising money demand which in turn reflects the changes in income and interest rates.

Monetary Trends during April-August 1993

During the first five months of the current financial year 1993-94, there was deceleration in M_3 growth but M_1 growth witnessed acceleration. M_3 increased by Rs.23,150 crore (6.4 per cent) as against Rs.22,760 crore (7.2 per cent) in the comparable period of the previous year. M_1 recorded an increase of Rs.4,845 crore (3.9 per cent) as against an increase of Rs.3,686 crore (3.2 per cent) during the same period last year. Component-wise, currency with the public increased at a faster pace, whereas all other components showed deceleration/decline. Source-wise, net bank credit to Government and net foreign exchange assets of banking sector recorded higher increases than those in the corresponding period of the preceding year. Net of revaluation of gold, however, the accretion to net foreign exchange assets was substantially moderated. There was a sharp deceleration in bank credit to commercial sector. The increase in net non-monetary liabilities of the banking sector, an off-setting item, was substantial in contrast to the decline witnessed in the previous corresponding period. The growth of reserve money at Rs.12,387 crore (11.2 per cent), during the first five months of 1993-94, was much higher than that of Rs.6,174 crore (6.2 per cent) recorded in the corresponding period of 1992-93. Component-wise, currency with the public and bankers' deposits with RBI increased at a faster pace. Source-wise, while net RBI credit to Government and commercial sector accelerated, RBI's claims on commercial and co-operative banks recorded a large decline of 49.2 per cent in contrast to an increase of 12.5 per cent in the previous comparable period. Net foreign exchange assets of RBI, net of revaluation of gold, witnessed an acceleration. Net non-monetary liabilities of RBI showed a small increase during this period.

Currency and Coinage

Currency in circulation (comprising currency with the public and cash with banks) expanded by Rs.7,561 crore (11.9 per cent) during 1992-93, of which, notes in circulation was as much as Rs.7,468 crore (Table VI–8). The share of notes in total currency in circulation increased fractionally from 97.1 per cent in 1990-91 to 97.3 per cent in 1991-92 and further to 97.5 per cent in 1992-93. While there was a larger expansion in the circulation of rupee coins, the circulation of small coins increased by a lower amount than in 1991-92. The share of rupee coins in total currency was lower at 1.4 per cent at the end of March 1993 as compared with 1.5 per cent, a year ago. The share of small coins in total currency also fell from 1.2 per cent in 1991-92 to 1.1 per cent in 1992-93.

During the period April-August 1993, the expansion in currency in circulation at Rs.4,372 crore (6.1 per cent) was more than treble the expansion of Rs.1,261 crore (2.0 per cent).

Data on denomination-wise share of notes in total notes issued during the period 1981 to 1992 are presented in Table VI-9. The secular trend of a shift in the composition of total notes from lower to higher denominations witnessed up to 1991 was partially reversed in 1991-92. While the share of Rs.2 and Rs.20 declined, the ratios of notes in the denominations of Rs.5 and Rs.10 registered a fractional increase. The share of notes in the denomination of Rs.100 rose in 1991-92 after witnessing a declining trend during the last four years. On the other hand, the ratio of notes in the denominations of Rs.50 and Rs.500 declined during 1991-92.

Issue of Notes and Coins

During the financial year 1992-93, decimal coins of various denominations, valued at Rs.28.74 crore, were minted.

Two new coins were issued for general circulation during the year :

a) One rupee coin in ferritic stainless steel with a diameter of 25 mm. and a weight of 4.85 gms.; and

b) Five rupee coins in cupro-nickel alloy with a diameter of 23 mm. and a weight of 9 gms.

Commemorative one rupee coins were issued for general circulation on the following occasions during the year:

i) "World Food Day" on October 16,1992; and

ii) "89th Inter-Parliamentary Union" on April 11, 1993.

The new series of notes issued by the Reserve Bank include those in the denominations of two rupees, five rupees and ten rupees with minor modifications in the existing designs as per the descriptions presented below:

a) Notes in the denomination of two rupees (Tiger head design) incorporating capital letter 'B' inset in the numbering panel bearing the signature of Shri S. Venkitaramanan, Governor;

b) Notes in the denomination of two rupees and five rupees bearing the signature of Dr. C. Rangarajan, Governor;

c) Notes in the denomination of ten rupees (Yacht design) incorporating single line prefix in the numbering panel; and

d) Notes in the denomination of ten rupees (Shalimar Garden design) with capital letter 'A' inset in the numbering panel.

Lost, Destroyed and Mutilated Notes

During the year 1992-93, various offices of the Reserve Bank received 2.16 lakh claims in respect of mutilated notes involving 250.51 lakh pieces valued at Rs.25.36 crore. Out of these, 1.91 lakh claims in respect of 246.98 lakh pieces amounting to Rs.27.97 crore were approved for payment. Payments against approved claims during 1992-93 totalled Rs.28.65 crore (Statement 149, Vol. II).

It is significant to note that during 1992-93, the number of claims in respect of mutilated notes received by the currency chest branches of public sector banks including State Bank of India and its associates has been markedly higher. The value of such claims received was placed at Rs.52.80 crore and accounted for 67.6 per cent of the total claims received by all offices including the Reserve Bank. The share of State Bank of India and its associates was Rs. 31.54 crore accounting for 40.4 per cent of the total claims.

Note Forgeries

According to the reports received from various offices, the volume of forged/counterfeit notes in circulation decreased sharply in 1992-93. The total number of forged notes including one rupee notes detected at the issue offices of the Reserve Bank and branches of other banks throughout the country declined markedly from 44,613 pieces in 1991-92 to 11,153 pieces in 1992-93. The value of the forged notes detected during the financial year 1992-93 also went down concomitantly to Rs.4.54 lakh from Rs.23.72 lakh during the previous financial year.

Currency Management

There was a marginal improvement in the availability of fresh notes from the existing presses at Nashik and Dewas, but in view of the rising demand for notes, an overall shortage was experienced. This was sought to be mitigated by suitable adjustments in the denominational mix of notes produced as also by printing of Rs.500 notes by the Dewas Press. In order to meet the rising requirements, it has become necessary to salvage notes for reissue to the maximum extent from the soiled notes returning from currency chests. This has, naturally, affected the quality of notes in circulation. The Bank had also to effect inter- and intra-circle diversions of notes from surplus currency chests on a large scale to meet the demand from the deficit ones.

To ease the situation in the long-term, it has been decided to introduce a new family of notes of reduced sizes in denominations of Rs.10 and above at the earliest. The introduction of the new family of notes of reduced sizes is expected to increase the volume of notes to be produced by the presses by around twenty per cent thereby augmenting the supplies of fresh notes to that extent. Notwithstanding the above efforts, the shortage in the supply of fresh notes would continue till such time that the modernisation programme of the existing note printing presses gets under way and the two new note presses at Mysore and Salboni are commissioned and start production.

New Note Press Project

Civil construction for the first line of production is getting into the finishing stages at both Mysore and Salboni sites. Progress is also being maintained on the railway sidings and provision of power and water supplies. Choice of suppliers for various items of auxiliary equipment has also been finalised and the choice of successful tenderer is expected to be made shortly in respect of the main plant and equipment.

Trends in Bullion Prices

Gold

The year 1992-93 was an eventful period for bullion markets in terms of significant policy announcements. The process of liberalisation initiated with the new Gold Import Policy in the Union Budget 1992-93 got reinforced with the announcement of a new liberal Silver Import Policy on February 8, 1993. Under this policy, import of silver up to a maximum of 100 kilograms is allowed for incoming passengers of Indian origin or those holding Indian passports on payment of customs duty of Rs.500 per kilogram in convertible foreign currency. Up to August 31, 1993 an amount of 1,795 tonnes of silver has been imported under the policy. Another significant policy development relates to the announcement of the Gold Bonds Scheme, 1993 on February 18, 1993. Under this Scheme, which was open to the public between March 15 and June 14, 1993, any Indian resident, including a firm or a company, would receive Gold Bonds against gold for a minimum amount of 500 grams of 0.995 fineness with no upper limit. The Gold Bonds would be either in the form of Government Promissory Notes or Stock Certificates. They would be issued for a period of five years and an interest of Rs.40 per one gram would be paid at the end of that period, along with the return of the original amount of gold subscribed. The Scheme mobilised 41.12 tonnes of gold - the largest amount collected under similar schemes floated once in 1962 and twice in 1965. When the first Gold Bond Scheme was announced in March 1962, the Government could garner only 16.3 tonnes of gold. The earlier two gold bonds schemes of 1965 could collect less than 20 tonnes together. Besides, on March 24, 1993, the Government announced two schemes for direct import of gold of 18 carats and above for the benefit of the exporting units situated in the domestic tariff area (DTA). The first scheme relates to non-transferable replenishment license issued on post-export basis. The second scheme entails a non-transferable gold import license issued on pre-export basis to an exporter who has an annual average export performance of plain and studded gold jewellery of Rs.3.0 crore and above. Further, as announced on March 29, 1993, import of gold and silver is permitted under the Duty Exemption Scheme. These liberalised policy measures have had significant bearing on the domestic prices of gold and silver.

*Gold Prices in Domestic Markets**

Following the announcement of the Gold Import Policy, the domestic price of gold during 1992-93 started exhibiting downward trend which continued up to December 1992. However, the expectation of the imminent Gold Bonds Scheme, which was subsequently announced on February 18, 1993, led to buoyancy in gold markets. The upward movement in gold price continued till July 1993 with a moderate decline in June. Also, depreciation of the Rupee *vis-a-vis* the US dollar before the Union Budget 1993-94 led to an increase in the domestic price of contraband gold which was also buttressed by reduced inflow of contraband gold due to tighter border security measures. The uptrend in domestic gold price was also in sympathy with the increase in international gold price owing to heavy speculative investment abroad.

In the Bombay bullion market, the average gold price which opened at Rs.4,497 per 10 grams in April 1992 declined to Rs.3,967 per 10 grams (or by 6.6 per cent over March 1992 level) in December 1992, but rose thereafter to Rs.4,094 per 10 grams (or by 3.2 per cent) in March 1993 (Table VI-10). The average gold price, both on year-end and annual average basis, recorded declines of 3.6 per cent and 4.5 per cent, respectively, in contrast to increases of 20.7 per cent and 25 per cent, respectively, in the previous year (Table VI-11).

The spread between the Bombay and London gold prices which was as high as 67.0 per cent in March 1985 and 73.3 per cent in March 1988 came down to 22.4 per cent in March 1993 with the lowest spread of 16.5 per cent being recorded in February 1993. In the first four months of the fiscal year 1993-94, the spread widened to 25.7 per cent in April before reverting to 22.2 per cent in May, 19.1 per cent in June and 15.3 per cent in July 1993. It widened to 18.5 per cent in August, 1993.

Silver

A sharp deceleration in the price of silver in Bombay market, especially after the announcement of a liberal silver import policy, characterise the domestic market trends in 1992-93 (Table VI-12). The downward trend was also aided by weak upcountry advices and good arrivals of raw silver. However, since April 1993, domestic price of silver recovered to some extent in sympathy with the gradual hardening of the international price (Table VI-13).

The average price of silver (0.999 fineness) in Bombay market in March 1993 recorded a fall of 30.1 per cent in 1992-93 in contrast to an increase of 17.7 per cent in 1991-92. The annual average price also fell by 3.5 per cent in contrast to the increase of 8.5 per cent witnessed last year. In the international market, both on year-end and

* Trends in gold prices in international markets are reviewed in Chapter XI : Balance of Payments and International Monetary Developments.

annual average basis, silver price fell during 1992-93.

The spread between Bombay and New York silver prices which was as high as 174.1 per cent in March 1991, came down to 99.8 per cent in March 1992 and further to 50 per cent in March 1993 - the lowest during the year. In the first four months of 1993-94, the spread had steadily come down, recording 27.6 per cent in July 1993. However, in the month of August 1993, it widened to 32.0 per cent.

Table VI-1 : Money Supply And Its Components

(Rupees crore)

Items	Variations during the financial year*						Out-standing as on March 31, 1993 @	Variations during *			
	1990-91		1991-92		1992-93@			April-August 1992 @		April-August 1993 @	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage		Absolute	Percentage	Absolute	Percentage
1	2	3	4	5	6	7	8	9	10	11	12
M_1 (a+b+c)	11,832	14.6	21,946	23.6	8,440	7.3	1,23,278	3,686	3.2	4,845	3.9
a. Currency with the public	6,748	14.6	8,050	15.2	7,414	12.1	68,512	1,293	2.1	4,382	6.4
b. Demand deposits with banks	5,008	14.7	13,685	34.9	408	0.8	53,263	-3,378	-6.4	-803	-1.5
c. 'Other' deposits with RBI	76	12.7	211	31.3	618	69.8	1,503	5,771	652.1	1,266	84.2
Post Office Saving Bank Deposits	211	5.3	415	9.9	55	1.2	4,675	- 446	-9.7	-	-
M_2 (M_1 + Post Office Saving Bank Deposits)	12,043	14.2	22,361	23.0	8,495	7.1	1,27,953	3,240	2.7	4,845	3.8
Time deposits with banks	23,046	15.4	29,707	17.2	36,744	18.1	2,39,387	19,074	9.4	18,305	7.6
M_3 (M_1 + Time Deposits with banks)	34,878	15.1	51,653	19.4	45,184	14.2	3,62,665	22,760	7.2	23,150	6.4
Total Post Office Deposits	1,701	13.1	5,460	37.2	1,001	5.0	21,142	-299	-1.5	-	-
M_4 (M_3 + Total Post Office Deposits)	36,579	15.0	57,113	20.4	46,185	13.7	3,83,807	22,461	6.7	23,150	6.0

@ Data are provisional.

* Based on March 31, except scheduled commercial banks' data which pertain to last reporting Friday of March.

Table VI-2: Sources Of Money Stock (M_3)

(Rupees crore)

Items	Variations during the financial year *						Outstanding as on March 31, 1993 @	Variations during *			
	1990-91		1991-92		1992-93@			April-August 1992 @		April-August 1993 @	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage		Absolute	Percentage	Absolute	Percentage
1	2	3	4	5	6	7	8	9	10	11	12
M_3 (1+2+3+4-5)	**34,878**	**15.1**	**51,653**	**19.4**	**45,184**	**14.2**	**3,62,665**	**22,760**	**7.2**	**23,150**	**6.4**
1. Net Bank Credit to Government (A+B)	**23,042**	**19.7**	**18,070**	**12.9**	**17,826**	**11.3**	**1,76,089**	**10,948**	**6.9**	**23,262**	**13.2**
A. RBI's net credit to Government (i+ii)#	15,165	20.6	5,168	5.8	4,433	4.7	98,449	3,907	4.2	14,501	14.7
i) Net claims on Central Government(a-b)	14,745	20.5	5,508	6.3	4,257##	4.6	96,523##	5,657	6.1	16,245	16.8
a. Claims on Central Government	15,086	20.6	5,904	6.7	3,273	3.5	97,621	3,688	3.9	15,202	15.6
b. Deposits of Central Government	341	25.4	396	23.5	-984	-47.3	1,098	-1,969	-94.6	-1,043	-95.0
ii) Net claims on State Governments (a-b)	420	25.1	-340	-16.3	176	10.1	1,926	-1,750	-100.0	-1,744	-90.6
a. Claims on State Governments	420	25.1	-340	-16.3	176	10.1	1,926	-1,732	-99.0	-1,731	-89.9
b. Deposits of State Governments	-	-	-	-	-	-	-	18	£	13	£
B. Other banks' credit to Government	7,877	18.1	12,902	25.1	13,393	20.8	77,640	7,041	11.0	8,761	11.3
2. Bank Credit to Commercial Sector (A+B)	**20,065**	**13.2**	**16,225**	**9.4**	**28,380**	**15.1**	**2,16,374**	**8,351**	**4.4**	**1,020**	**0.5**
A. RBI's credit to commercial sector $	-7	-0.1	918	14.5	-1,040	-14.3	6,220	-1,186	-16.3	66	1.1
B. Other banks' credit to commercial sector (i+ii+iii)	20,072	13.8	15,307	9.3	29,420	16.3	2,10,154	9,537	5.3	954	0.5
i) Bank credit by commercial banks	14,859	14.6	9,299	8.0	26,387	21.0	1,52,036	8,973	7.1	-550	-0.4
ii) Bank credit by co-operative banks	2,077	10.0	3,497	15.3	613	2.3	27,037	315	1.2	1,272	4.7
iii) Investments by commercial and co-operative banks in other approved securities	3,136	13.6	2,511	9.6	2,420	8.4	31,081	249	0.9	232	0.7
3. Net Foreign Exchange Assets of Banking Sector (A+B)**	**3,763 (-2,785)**	**55.2 (-40.8)**	**10,624 (8,910)**	**100.4 (84.2)**	**3,809 (2,369)**	**18.0 (11.2)**	**25,014**	**693 (504)**	**3.3 (2.3)**	**3,498 (1,458)**	**14.0 (5.8)**
A. RBI's net foreign exchange assets (i-ii)	1,915	31.6	10,855	136.0	3,809	20.2	22,647	693	3.7	3,498	15.4
i) Gross foreign assets	5,149	84.9	12,400	110.5	7,072	29.9	30,689	1,868	7.9	4,264	13.9
ii) Foreign liabilities	3,234	£	1,545	47.8	3,263	68.3	8,042	1,175	24.6	766	9.5
B. Other banks' net foreign exchange assets	1,848	246.4	-231	-8.9	-	-	2,367	-	-	-	-
4. Government's Currency Liabilities to the Public	**66**	**4.2**	**83**	**5.1**	**94**	**5.5**	**1,798**	**46**	**2.7**	**53**	**2.9**
5. Banking Sector's Net Non-monetary Liabilities other than Time Deposits (A+B)	**12,058**	**26.1**	**- 6,651**	**-11.4**	**4,925**	**9.5**	**56,610**	**-2,722**	**-5.3**	**4,683**	**8.3**
A. Net non-monetary liabilities of RBI **	9,486	54.1	393	1.5	641	2.3	28,056	-2,076	-7.6	867	3.1
B. Net non-monetary liabilities of other banks (residual)	2,572	8.9	-7,044	-22.5	4,284	17.7	28,554	-646	-2.7	3,816	13.4

@ Provisional.

* Based on March 31, except scheduled commercial banks' data which pertain to last reporting Friday of March.

Includes special securities.

$ RBI's credit to commercial sector excludes, since the establishment of NABARD, its refinance to banks.

** Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17,1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities. Figures within parentheses are exclusive of such revaluation.

Includes Rs.751.64 crore (equivalent to SDRs 211.95 million) incurred on account of Reserve Assets Subscription made to the IMF towards Quota increase effective December 11,1992.

£ Increase over zero.

Table VI-3 : Seasonal Variations In M3 And Its Sources of Change

(Rupees crore)

Items	Variations during							
	Slack Season				Busy Season			
	1991		1992 @		1991-92		1992-93 @	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
1	2	3	4	5	6	7	8	9
I. M1 (a+b(i)+c)	**6,988**	**7.2**	**-1,384**	**-1.2**	**16,633**	**16.1**	**13,658**	**11.5**
II. M3 (a+b+c)	**19,434**	**7.1**	**23,926**	**7.3**	**33,826**	**11.5**	**28,802**	**8.2**
a. Currency with the public	299	0.5	27	Neg.	7,959	14.1	8,434	13.1
b. Aggregate deposits with banks (i+ii)	19,383	9.0	20,885	8.0	24,614	10.4	19,919	7.1
i) Demand deposits	6,937	17.6	-4,425	-8.2	7,421	16.0	4,775	9.7
ii) Time deposits	12,446	7.0	25,310	12.3	17,193	9.1	15,144	6.5
c. 'Other' deposits with RBI	-248	-22.9	3,014	144.3	1,253	149.9	449	8.8
III. Sources of change in M3 (1+2+3+4-5)								
1. Net Bank Credit to Government(A+B)	**11,477**	**7.9**	**7,052**	**4.3**	**7,028**	**4.5**	**14,618 $**	**8.5**
A. RBI's net credit to Government(i+ii) #	5,716	6.3	1,822	1.9	1,179	1.2	9,087	9.1
i) Net claims on Central Government(a-b)	5,603	6.2	1,892	1.9	1,162	1.2	9,247	9.3
a. Claims on Central Government	5,515	6.1	1,760	1.8	1,295	1.3	9,248	9.3
b. Deposits of Central Government	-88	-62.9	-132	-71.4	133	255.8	1	1.9
ii) Net claims on State Governments (a-b)	113	38.7	-70	-16.6	17	4.2	-160	-45.5
a. Claims on State Governments	113	36.9	-108	-22.8	54	12.9	-96	-26.3
b. Deposits of State Governments	-	-	-38	-74.5	37	264.3	64	492.3
B. Other banks' credit to Government	5,761	10.5	5,230	7.8	5,849	9.6	5,531	7.7
2. Bank Credit to Commercial Sector (A+B)	**2,413**	**1.4**	**9,453**	**4.8**	**21,276**	**12.2**	**17,205**	**8.4**
A. RBI's credit to commercial sector *	-78	-1.4	-1,498	-19.9	2,066	37.9	437	7.3
B. Other banks' credit to commercial sector (i+ii+iii)	2,491	1.5	10,951	5.8	19,210	11.4	16,768	8.4
i) Bank credit by commercial banks	1,172	1.0	8,442	6.4	13,663	11.5	14,847	10.5
ii) Bank credit by co-operative banks	767	3.4	1,029	3.9	3,057	13.0	1,408	5.1
iii) Investments by commercial and co-operative banks' in other securities	552	2.1	1,480	5.1	2,490	9.4	513	1.7
3. Net Foreign Exchange Assets of the Banking Sector (A+B) **	**4,736**	**53.3**	**-498**	**-2.4**	**7,174**	**52.7**	**6,706**	**33.1**
A. RBI's net foreign exchange assets(i-ii)	3,557	56.6	-498	-2.7	8,584	87.3	6,706	37.4
i) Gross foreign assets	4,863	51.8	697	3.0	8,872	62.3	8,794	36.9
ii) Foreign liabilities	1,306	42.0	1,195	25.4	288	6.5	2,088	35.4
B. Other banks' net foreign exchange assets	1,179	45.4	-	-	-1,410	-37.3	-	-
4. Government's Currency Liabilities to the Public	**36**	**2.2**	**62**	**3.6**	**50**	**3.0**	**61**	**3.4**
5. Banking Sector's Net Non-monetary Liabilities other than Time Deposits (A+B)	**-772**	**-1.4**	**-7,857**	**-14.0**	**1,702**	**3.1**	**9,788**	**20.3**
A. Net non-monetary liabilities of RBI**	1,194	4.5	-1,417	-5.6	-2,182	-7.9	3,439	14.4
B. Net non-monetary liabilities of other banks (residual)	-1,966	-6.8	-6,440	-21.0	3,884	14.5	6,349	26.1

@ Provisional. * RBI's credit to commercial sector excludes, since the establishment of NABARD, its refinance to banks.

\# Includes special securities.

** Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17,1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

$ Includes Rs 751.64 crore (equivalent to SDRs 211.95 million) incurred on account of Reserve Assets Subscription made to the IMF towards Quota increase effective December 11, 1992.

Neg. Negligible.

Table VI-4 : Reserve Money - Components and its Sources of Change

(Rupees crore)

Items	Variations during $ 1991-92 Absolute	1991-92 Percentage	1992-93* Absolute	1992-93* Percentage	Out-standing as on March 31, 1993*	Variations during $ April-August 1992-93* Absolute	April-August 1992-93* Percentage	April-August 1993-94* Absolute	April-August 1993-94* Percentage
1	2	3	4	5	6	7	8	9	10
Reserve Money (1+2+3+4)	**11,726**	**13.4**	**11,438**	**11.5**	**1,10,943**	**6,174**	**6.2**	**12,387**	**11.2**
1. Currency with the public	8,050	15.2	7,414	12.1	68,512	1,293	2.1	4,382	6.4
2. 'Other' deposits with RBI	211	31.3	618	69.8	1,503	5,771	652.1	1,266	84.2
3. Cash with banks	406	18.2	148	5.6	2,788	-32	-1.2	-11	-0.4
4. Bankers' deposits with RBI	3,059	9.6	3,258	9.3	38,140	-858	-2.5	6,750	17.7
Sources of Reserve Money (1+2+3+4+5-6)	**11,726**	**13.4**	**11,438**	**11.5**	**1,10,943**	**6,174**	**6.2**	**12,387**	**11.2**
1. Net RBI credit to Government #	5,168	5.8	4,433@@	4.7	98,449@@	3,907	4.2	14,501	14.7
2. RBI's claims on commercial and co-operative banks@	-4,905	-49.0	4,783	93.7	9,885	638	12.5	-4,864	-49.2
3. RBI's credit to commercial sector	918	14.5	-1,040	-14.3	6,220	-1,186	-16.3	66	1.1
4. Net foreign exchange assets of RBI **	10,855	136.0	3,809	20.2	22,647	693	3.7	3,498	15.4
	(9,141)	(114.5)	(2,369)	(12.6)		(504)	(2.7)	(1,458)	(6.4)
5. Government's currency liabilities to the public	83	5.1	94	5.5	1,798	46	2.7	53	2.9
6. Net non-monetary liabilites of RBI **	393	1.5	641	2.3	28,056	-2,076	-7.6	867	3.1
Net Domestic Assets of RBI	871	1.1	7,629	9.5	88,296	5,481	6.8	8,889	10.1

* Provisional.

$ Based on data pertaining to March 31, except scheduled commercial banks' data which pertain to the last reporting Friday of March.

@ Including NABARD.

@@ Includes Rs 751.64 crore (equivalent to SDRs 211.95 million) incurred on account of Reserve Assets Subscription made to IMF towards Quota increase effective December 11, 1992.

\# Includes special securities.

** Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities. Figures within parentheses are exclusive of such revaluation.

Table VI-5 : Ceiling On Net Domestic Assets And Actual Performance

(Rupees crore)

Items	Outstanding as on March 31, 1992	Targeted Expansion Over March 31,1992				Targeted Outstan-ding as on March 31, 1993	Actual performance so far: Expansion Over March 31, 1992				Actual Outstanding as on March 31, 1993(P)
		June 26, 1992	September 18, 1992	December 25, 1992	March 31, 1993		June 26, 1992	Sept.18, 1992	Dec.25, 1992 (P)	March 31, 1993 (P)	
1	2	3	4	5	6	7	8	9	10	11	12
1. Reserve Money (RM)	99,505	7,100	5,900	10,900	13,700	1,13,200 [13.8]	5,908	5,470	4,552	11,438	1,10,943 [11.5]
Net Domestic Assets (NDA)	80,667	10,900	9,300	13,600	16,200	96,871	5,059	5,367	7,315	7,629	88,296
Adjusted NDA	92,798	9,246 @	7,373 @	13,389 @	12,131@	[20.1]					[9.5]
RBI Credit to Government	94,016	7,300	7,500	7,400	5,800	99,200 [5.5]	2,320	3,836	223	4,433	98,449 [4.7]
o/w Credit to Centre	92.266	7,400	7,600	7,000	6,100 5,400@@	97,666 [6.6]	3,913	5,513	1,450 *	4,257*	96,523* [4.6]
RBI claims on others	12,362	3,700	2,100	6,500	10,700	23,100 [86.8]	663	- 1,006	1,903	3,743	16,105 [30.3]
o/w (i) Banks	5,102						570	227	3,166	4,783	9,885
(ii) Commercial Sector	7,260						93	-1,233	-1,263	-1,040	6,220
Other items (net)	25,711					25,100	-2,076	-2,547	-5,190	547	26,258
Net Foreign Assets	18,838	-3,800	-3,400	-2,700	- 2,500	16,300 [-13.5]	849	94	-2,763	3,809	22,647 [20.2]
2. Indicative Targets											
Net Bank credit to General Government (Ceiling)	1,58,263	9,400	10,600	11,400	10,400	1,68,700	6,442	10,875	12,455	17,826	1,76,089
Broad Money (M_3)	3,17,481	9,600 (3.0)	11,700 (3.7)	25,200 (8.0)	32,700 (10.4)	3,47,800 [10.4]	19,293	24,433	36,469	45,184	3,62,665 [14.2]

@ Net of adjustments of the following factors, *viz.*, changes in exchange rates, revaluation of gold, reserve requirements and net international reserves floor. P : Provisional.

@@ Year-end target as on March 31,1993.

* Figures are inclusive of Rs. 752 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets Subscription made to the IMF towards Quota increase.

Notes : 1. To determine compliance with the ceilings on RBI variables for June, September and December, the simple average was taken of the four Fridays leading up to (and including) the last reporting Friday; for March, the data was averaged over the last four Fridays of March and March 31 (after the closure of Government accounts).

2. Figures in square brackets are growth rates over the financial year.

3. Figures in parentheses represent percentages.

4. Targets are based on provisional figures for 1991-92.

Table VI-6 : Monetary Ratios

Items	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 @
1	2	3	4	5	6	7
A. Point-to-point Basis as on March 31						
a) Currency/Aggregate deposits	0.258	0.248	0.252	0.250	0.239	0.234
b) Currency/M_3	0.204	0.198	0.200	0.200	0.192	0.189
c) Aggregate deposits/M_3	0.793	0.798	0.797	0.798	0.805	0.807
d) Bank reserves/Aggregate deposits	0.150	0.155	0.167	0.161	0.147	0.140
Incremental Ratios						
a) Δ Currency/ Δ Aggregate deposits	0.298	0.198	0.269	0.241	0.186	0.200
b) Δ Currency/ Δ M_3	0.229	0.163	0.213	0.193	0.156	0.164
c) Δ Aggregate deposits/ Δ M_3	0.767	0.827	0.790	0.804	0.840	0.822
d) Δ Bank reserves/ Δ Aggregate deposits	0.197	0.182	0.228	0.120	0.080	0.092
Money Multiplier						
a) M_1/RM	1.095	1.061	1.045	1.058	1.154	1.111
b) M_3/RM	3.071	3.073	2.977	3.028	3.191	3.269
Incremental Money Multiplier						
a) $\Delta M_1/\Delta$RM	0.811	0.869	0.975	1.161	1.872	0.738
b) $\Delta M_3/\Delta$RM	2.608	3.086	2.560	3.423	4.405	3.950
B. Averages of all Reporting Fridays of months from April to March $						
a) Currency/Aggregate deposits	0.259	0.250	0.250	0.253	0.247	0.234
b) Currency/M_3	0.205	0.200	0.200	0.201	0.197	0.187
c) Aggregate deposits/M_3	0.793	0.798	0.798	0.795	0.798	0.801
d) Bank reserves/Aggregate deposits	0.149	0.153	0.151	0.146	0.150	0.141
Incremental Ratios						
a) Δ Currency/ Δ Aggregate deposits	0.244	0.204	0.250	0.268	0.218	0.162
b) Δ Currency/ Δ M_3	0.196	0.169	0.199	0.208	0.178	0.133
c) Δ Aggregate deposits/ Δ M_3	0.802	0.828	0.796	0.776	0.816	0.821
d) Δ Bank reserves/ Δ Aggregate deposits	0.255	0.179	0.138	0.116	0.170	0.095
Money Multiplier						
a) M_1/RM	1.083	1.061	1.077	1.082	1.108	1.115
b) M_3/RM	3.077	3.084	3.096	3.086	3.109	3.207
Incremental Money Multiplier						
a) $\Delta M_1/\Delta$ RM	0.772	0.930	1.163	1.109	1.211	1.157
b) $\Delta M_3/\Delta$ RM	2.482	3.127	3.159	3.026	3.096	3.878

@ Provisional.

RM : Reserve Money.

$ Average of outstandings of all reporting Fridays of months during April-March and of March 31.

Note :
1. On a point-to-point basis, the ratios are based on March 31 data while on an average basis, the ratios have been worked out on the basis of average of reporting Fridays of the year.
2. Bank reserves comprise of cash with banks and bankers' deposits with RBI.
3. Reserve Money comprises of currency with the public, bank reserves and 'other' deposits with RBI.
4. Money multiplier refers to ratio of money supply [M_1 or M_3] to reserve money.

Table VI-7 : Income Velocity Of Narrow Money (M_1) And Broad Money (M_3)

(Rupees crore)

Financial year	Gross Domestic Product (at Current Market Prices)		Currency with the public*		Aggregate Deposits (AD)*		Narrow Money (M_1)*		Broad Money (M_3)*		Average Income Velocity of			
	Amount	Annual Percentage Increase	Amount	Average Annual Percentage Increase	Amount	Average Annual Percentage Increase	Amount	Average Annual Percentage Increase	Amount	Average Annual Percentage Increase	Currency (C)	Aggregate Deposits (AD)	Narrow Money (M_1)	Broad Money (M_3)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1988-89	3,96,593	19.0	35,934	14.1	1,43,556	17.9	61,877	14.5	1,79,884	17.2	11.037	2.763	6.409	2.205
1989-90	4,53,986	14.5	42,678	18.8	1,70,554	18.8	74,370	20.2	2,13,807	18.9	10.637	2.662	6.104	2.123
1990-91	5,30,865	16.9	50,046	17.3	1,98,066	16.1	87,375	17.5	2,49,282	16.6	10.608	2.680	6.076	2.130
1991-92	6,09,500	14.8	57,675	15.2	2,33,125	17.7	1,04,194	19.2	2,92,260	17.2	10.568	2.614	5.850	2.085
1992-93P	7,03,000	15.3	64,798	12.4	2,77,078	18.9	1,20,182	15.4	3,45,828	18.3	10.849	2.537	5.849	2.033

P Provisional.

* Average of all reporting Fridays of the months during April–March and of March 31.

Table VI-8 : Details Of Currency In Circulation

(Rupees crore)

Financial Year	Notes in circulation		Circulation of rupee coins		Circulation of small coins		Currency in circulation		Of which cash with banks	
	Outstanding	Variation	Outstanding	Variation	Outstanding	Variation	Outstanding	Variation	Outstanding	Variation
1	2	3	4	5	6	7	8	9	10	11
1990-91	53,661 (97.1)	+6,931	936 (1.7)	+20	685 (1.2)	+46	55,282 (100.0)	+6,997	2,234	+248
1991-92	62,034 (97.3)	+8,373	975 (1.5)	+39	729 (1.2)	+44	63,738 (100.0)	+8,456	2,640	+406
1992-93 P	69,502 (97.5)	+7,468	1,030 (1.4)	+55	767 (1.1)	+38	71,299 (100.0)	+7,561	2,788	+148
April-August 1992	63,249 (97.3)	+1,215	999 (1.5)	+24	751 (1.2)	+22	64,999 (100.0)	+1,261	2,608	-32
April-August 1993 P	73,820 (97.6)	+4,318	1,063 (1.4)	+33	788 (1.0)	+21	75,671 (100.0)	+4,372	2,777	-11

P Provisional.

Notes : 1. Figures in brackets are proportions to total currency.

2. Financial year data relate to March 31.

Table VI-9 : Denomination-wise Share of Notes In Total Notes Issued

(Percent)

End of March	Rs. 2	Rs. 5	Rs. 10	Rs. 20	Rs. 50	Rs. 100	Rs. 500	Total (2 to 8)	Share of Total Notes Issued in Total Currency Issued *
1	2	3	4	5	6	7	8	9	10
1981	2.2	4.6	15.3	7.9	16.1	53.9	-	100.0	95.8
1982	2.6	4.7	13.4	8.2	18.4	52.7	-	100.0	95.9
1983	2.5	4.7	10.4	8.3	17.5	56.6	-	100.0	96.3
1984	2.3	5.0	8.8	7.3	18.1	58.5	-	100.0	96.7
1985	2.4	5.3	9.4	7.0	16.7	59.2	-	100.0	96.9
1986	2.5	5.1	9.9	7.0	16.8	58.7	-	100.0	96.5
1987	2.4	4.5	8.7	6.6	18.3	59.5	-	100.0	96.1
1988	2.0	4.2	8.4	6.9	21.5	56.5	0.5	100.0	96.2
1989	1.8	3.8	7.7	6.8	24.5	54.8	0.6	100.0	94.6
1990	1.7	3.7	7.5	6.6	26.9	50.9	2.7	100.0	96.8
1991	1.7	3.6	7.4	5.8	29.0	48.2	4.3	100.0	96.9
1992	1.5	3.8	8.2	4.4	28.1	51.1	2.9	100.0	97.4

* Inclusive of issue of small coins.

Table VI-10 : Gold Prices In Bombay And London (Monthly Averages)

(Rupees per 10 grams)

Month		Bombay	London	London (US Dollars per troy oz.)	Spread between Bombay and London Prices	
					Absolute	Percentage
1		2	3	4	5	6
March	1985	2,097.27	1,256.06	303.20	841.21	67.0
March	1986	2,128.43	1,365.92	346.09	762.51	55.8
March	1987	2,606.42	1,700.23	408.85	906.19	53.3
March	1988	3,209.09	1,851.25	443.49	1,357.84	73.3
March	1989	3,153.25	1,943.13	390.27	1,210.12	62.3
March	1990	3,316.92	2,169.93	393.66	1,146.99	52.9
March	1991	3,520.70	2,256.06	363.39	1,264.64	56.1
March	1992	4,247.79	3,178.62	344.64	1,069.17	33.6
March	1993	4,094.39	3,344.74	330.03	749.65	22.4
1992-93						
April	1992	4,497.18	3,365.70	338.73	1,131.48	33.6
May	1992	4,176.77	3,287.43	337.04	889.34	27.1
June	1992	4,110.15	3,313.26	340.78	796.89	24.1
July	1992	4,136.55	3,428.00	352.45	708.55	20.7
August	1992	4,094.00	3,323.88	343.60	770.12	23.2
September	1992	4,086.13	3,336.85	345.30	749.28	22.5
October	1992	4,079.00	3,320.23	344.26	758.77	22.9
November	1992	3,998.61	3,241.48	334.91	757.13	23.4
December	1992	3,966.81	3,305.05	334.69	661.76	20.0
January	1993	3,977.24	3,271.32	329.15	705.92	21.6
February	1993	4,027.10	3,457.45	329.31	569.65	16.5
March	1993	4,094.39	3,344.74	330.03	749.65	22.4
1993-94						
April	1993	4,331.27	3,446.90	341.95	884.37	25.7
May	1993	4,518.50	3,697.13	366.48	821.37	22.2
June	1993	4,468.20	3,752.33	371.91	715.87	19.1
July	1993	4,564.59	3,957.87	391.69	606.72	15.3
August	1993	4,526.57	3,819.41	379.80	707.15	18.5

Notes :

1. Based on closing quotations for Bombay market and morning fixing for London market.
2. The conversion factor is 1 ounce = 0.0311035 kg.
3. Till February 1992, the price has been worked out after converting the quotations in dollars per troy ounce in London market into rupees per 10 grams, at the cross rates based on the daily average of spot buying and selling rates of U.S. dollars in London and average of Reseve Bank's spot buying and selling rates of sterling. From March 1992 the quotations have been converted at the daily average of FEDAI's spot buying and selling rate of U.S. dollars in Bombay.

Sources :

1. Bombay Bullion Association, Bombay.
2. Press Trust of India.

Table VI-11 : Gold Prices In Bombay And London
(Financial Year Averages)

(Rupees per 10 grams)

Year	Bombay	London	London (US Dollars per troy oz.)	Spread between Bombay and London Prices	
				Absolute	Percentage
1	2	3	4	5	6
1970-71	184.96	88.71	36.81	96.25	108.5
1975-76	544.99	416.06	149.48	128.93	31.0
1980-81	1,522.44	1,484.67	584.92	37.77	2.5
1981-82	1,719.17	1,209.94	420.95	509.23	42.1
1982-83	1,722.54	1,250.38	401.43	472.16	37.8
1983-84	1,858.47	1,342.06	404.15	516.41	38.5
1984-85	1,983.92	1,293.78	340.01	690.14	53.3
1985-86	2,125.47	1,289.72	327.75	835.75	64.8
1986-87	2,323.49	1,577.02	383.33	746.47	47.3
1987-88	3,082.43	1,912.54	458.84	1,169.89	61.2
1988-89	3,175.22	1,960.38	422.01	1,214.84	62.0
1989-90	3,229.33	2,063.01	384.79	1,166.32	56.5
1990-91	3,451.50	2,164.26	374.65	1,287.24	59.5
1991-92	4,297.63	2,841.08	357.40	1,456.55	51.3
1992-93	4,103.66	3,332.95	338.35	770.71	23.2

Notes :
1. Based on closing quotations for Bombay market and morning fixing for London market.
2. The conversion factor is 1 ounce = 0.0311035 kg.
3. Till February 1992, the price has been worked out after converting the quotations in dollars per troy ounce in London market into rupees per 10 grams, at the cross rates based on the daily average of spot buying and selling rates of U.S. dollars in London and average of Reseve Bank's spot buying and selling rates of sterling. From March 1992 the quotations have been converted at the daily average of FEDAI's spot buying and selling rate of U.S. dollars in Bombay.

Sources :
1. Bombay Bullion Association, Bombay.
2. Press Trust of India.

Table VI-12 : Silver Prices In Bombay And New York (Monthly Averages)

(Rupees per kg.)

Month		Bombay	New York	New York (Cents per troy oz.)	Spread between Bombay and New York Prices	
					Absolute	Percentage
1		2	3	4	5	6
March	1985	3,937.05	2,490.48	601.36	1,446.57	58.1
March	1986	3,999.00	2,226.34	564.13	1,772.66	79.6
March	1987	4,778.50	2,366.40	568.98	2,412.10	101.9
March	1988	6,175.95	2,676.86	641.28	3,499.09	130.7
March	1989	6,803.63	2,951.56	592.98	3,882.07	131.5
March	1990	6,712.08	2,795.75	505.82	3,925.49	140.9
March	1991	6,754.22	2,464.17	396.90	4,290.05	174.1
March	1992	7,948.92	3,978.92	410.36	3,970.00	99.8
March	1993	5,554.22	3,703.81	365.27	1,850.41	50.0
1992-93						
April	1992	8,395.41	3,998.67	403.00	4,396.74	110.0
May	1992	7,973.09	3,976.31	406.83	3,996.78	100.5
June	1992	7,255.88	3,942.41	405.64	3,313.47	84.0
July	1992	7,537.00	3,686.19	394.98	3,850.81	104.5
August	1992	7,626.14	3,660.16	378.38	3,965.98	108.4
September	1992	7,351.50	3,638.57	376.52	3,712.93	102.0
October	1992	7,196.33	3,608.26	373.75	3,588.07	99.4
November	1992	6,539.35	3,645.50	376.32	2,893.85	79.4
December	1992	6,644.71	3,663.73	370.79	2,980.98	81.4
January	1993	6,810.35	3,654.02	367.92	3,156.33	86.4
February	1993	6,056.71	3,820.80	364.24	2,235.91	58.5
March	1993	5,554.22	3,703.81	365.27	1,850.41	50.0
1993-94						
April	1993	5,809.41	3,999.53	396.38	1,809.88	45.3
May	1993	6,187.13	4,479.20	444.03	1,707.93	38.1
June	1993	6,009.88	4,407.98	437.55	1,601.90	36.3
July	1993	6,481.48	5,080.34	502.08	1,401.14	27.6
August	1993	6,362.35	4,819.75	477.86	1,542.60	32.0

Notes :
1. Based on closing quotations for Bombay market and afternoon fixing for New York market.
2. The conversion factor is 1 ounce = 0.0311035 kg.
3. Till February 1992, the price has been worked out after converting the quotations in cents per troy ounce in New York market into rupees per kg. at the cross rates based on the daily average of spot buying and selling rates of U.S. dollars in London and average of Reseve Bank's spot buying and selling rates of sterling. From March 1992 the quotations have been converted at the daily average of FEDAI's spot buying and selling rate of U.S. dollars in Bombay.

Sources :
1. Bombay Bullion Association, Bombay.
2. Press Trust of India.

Table VI-13 : Silver Prices In Bombay And New York (Financial Year Averages)

(Rupees per kg.)

Year	Bombay	New York	New York (Cents per troy oz.)	Spread between Bombay and New York Prices	
				Absolute	Percentage
1	2	3	4	5	6
1970-71	536.06	412.18	170.90	123.90	30.1
1975-76	1,169.36	1,221.33	437.36	-51.97	-4.3
1980-81	2,616.63	4,020.30	1,585.14	-1,403.67	-34.9
1981-82	2,636.06	2,627.05	914.52	-9.01	-0.3
1982-83	2,798.34	2,829.74	906.49	-31.40	-1.1
1983-84	3,505.80	3,516.66	1,060.64	-10.86	-0.3
1984-85	3,593.59	2,810.19	740.98	783.40	27.9
1985-86	3,918.35	2,396.35	609.00	1,522.00	63.5
1986-87	4,247.10	2,220.03	539.87	2,027.07	91.3
1987-88	5,538.83	3,016.70	721.53	2,522.13	83.6
1988-89	6,366.76	2,971.52	639.95	3,395.24	114.3
1989-90	6,841.91	2,846.31	531.61	3,995.60	140.4
1990-91	6,760.79	2,579.49	449.86	4,181.30	162.1
1991-92	7,332.41	3,269.94	409.34	4,062.02	124.2
1992-93	7,078.39	3,749.86	381.97	3,328.52	88.7

Notes :
1. Based on closing quotations for Bombay market and afternoon fixing for New York market.
2. The conversion factor is 1 ounce = 0.0311035 kg.
3. Till February 1992, the price has been worked out after converting the quotations in cents per troy ounce in New York market into rupees per kg. at the cross rates based on the daily average of spot buying and selling rates of U.S. dollars in London and average of Reseve Bank's spot buying and selling rates of sterling. From March 1992 the quotations have been converted at the daily average of FEDAI's spot buying and selling rate of U.S. dollars in Bombay.

Sources :
1. Bombay Bullion Association, Bombay.
2. Press Trust of India.

CHAPTER VII

BANKING DEVELOPMENTS

During the financial year 1992-93, scheduled commercial banks' operations were characterised by a moderate expansion in aggregate deposits and, in particular, demand deposits, and a quantum jump in bank credit, particularly food credit. Banks' investment in Government and other approved securities recorded a deceleration. However, a shift in the pattern of holdings of securities took place during the year.

Trends on a Point-to-Point Basis

Aggregate Deposits

Aggregate deposits of scheduled commercial banks which had recorded a marked increase of 19.8 per cent (Rs.38,216 crore) during 1991-92 registered a lower growth rate of 16.4 per cent (Rs.37,813 crore) in 1992-93 (Table VII-1). The growth rate recorded in 1992-93 was lower than the average growth rate of above 18.0 per cent between 1980-81 and 1991-92. However, it overshot the initial working estimate of Rs.27,000 crore by almost 40 per cent which was the highest order of deviation since 1982-83. In terms of constituents, the growth in demand deposits was the lowest since 1980-81, being only 3.0 per cent (Rs.1,373 crore) in sharp contrast to the previous year's growth rate of 35.8 per cent (Rs.11,895 crore). This could be attributed to the absence of two special factors in 1992-93 which had boosted the demand deposits in the previous year, viz., deposits on account of India Development Bonds and margin money deposits kept by the canalising agencies.

The upward trend in the growth of time deposits since the beginning of the current decade got reinforced during 1992-93 when it recorded an impressive growth of 19.6 per cent (Rs.36,440 crore) in comparison with that of 16.5 per cent (Rs. 26,321 crore) during the previous year. Such large accrual of time deposits was mainly due to telescoping of deposit rate structure that helped to make interest rates positive in real terms, the removal of tax deductions at source on interest earnings from bank deposits, and the expansion of deposits in the wake of irregularities in securities transactions.

Quarter-wise, the expansion of aggregate deposits was higher in the first quarter of 1992-93 because of larger accretion in FC (B & O) Deposits (Table VII-2). It, however, slackened in the second quarter followed by a flare-up in the third quarter before decreasing again in the fourth quarter. In terms of proportionate contribution, the share of demand deposits in aggregate deposits had declined to 17.3 per cent from 19.5 per cent whereas the share of time deposits had increased to 82.7 per cent from 80.5 per cent (Tables VII-3 and 4).

The shift in favour of interest-bearing deposits was more prominent when analysed in terms of pattern of deposit holdings of scheduled commercial banks (Table VII-5). The share of current deposits which in 1992 was 17.9 per cent declined to 15.7 per cent in 1993. The share of savings deposits which exhibited a consistent downtrend recorded a significant fall in 1993 to 20.5 per cent from 23.7 per cent in 1992. The share of fixed deposits at 63.8 per cent in 1993 was not only much higher than that of 58.4 per cent in 1992 but also the highest since 1983.

Expansion in Bank Credit

As mentioned earlier, bank credit, notably food credit, recorded phenomenal expansion during 1992-93. The sharp growth of bank credit by 21.0 per cent (Rs.26,390 crore) during 1992-93 was more than two times and a half of that of 8.0 per cent (Rs.9,291 crore) in the preceding year (Table VII-1). The substantial increase of food credit at Rs.2,073 crore (44.4 per cent) as compared with a meagre rise of Rs.164 crore (3.6 per cent) was occasioned by large *kharif* procurement following the bumper foodgrains production and the enhancement in procurement prices. In absolute terms, this increase was, with the exception of 1990-91, the highest in any one year since 1980-81. Non-food credit also leapfrogged to the extent of 20.1 per cent (Rs.24,317 crore) as compared with the previous year's expansion of 8.2 per cent (Rs.9,127 crore). This essentially reflected the increased industrial activity and the added thrust given to exports.

The large expansion in bank credit was rendered possible by the release of the lendable resources of banks. A number of measures were taken in this regard: they include *inter alia* (i) elimination of the 10 per cent Incremental Cash Reserve Ratio (ICRR), (ii) reduction of Statutory Liquidity Ratio (SLR) in a phased manner, (iii) release of impounded cash balances under ICRR and (iv) provision of Rs.1,000 crore to the needy sectors through NABARD and IDBI. Other supporting measures were also taken, such as, the removal of the prescription of an incremental net non-food credit-deposit ratio, reduction in the minimum lending rate, withdrawal of the restriction on banks'credit for purchases of consumer durables and other non-priority sector personal loans, and enhancement of the threshold limit for providing term loans.

Consequent upon the large acceleration in the growth of bank credit, credit-deposit ratio and non-food credit-deposit ratio increased to 56.6 per cent and 54.1 per cent from 54.4 per cent and 52.4 per cent, respectively, of the previous year.

Trends in Investments

Banks' investment in Government and other approved securities registered a smaller rise of 17.1 per cent than that of 20.2 per cent in the previous year. Investment in Government securities rose marginally to Rs.13,218 crore from Rs.12,729 crore in the previous year in absolute terms. The increase in other approved securities at Rs.2,242 crore was of lower order in comparison with the previous year's rise of Rs.2,402 crore.

Other Assets and Liabilities

During 1992-93, banks' cash balances with the Reserve Bank declined in contrast to a large accretion during the previous year reflecting not only the lower expansion of bank deposits but also the impact of the removal of the stipulations about the incremental cash reserve ratio.

Trends in the First Quarter of 1993-94

Banking trends depicted deceleration during the first quarter of 1993-94 (April-June) (Table VII-1). Aggregate deposits increased by only 3.7 per cent (Rs.9,817 crore) as compared with the rise of 5.3 per cent (Rs.12,256 crore) in the corresponding period of the previous year. The increase in the aggregate deposits during the quarter was a little over one half of the initial working estimate of Rs.17,000 crore for the first half of 1993-94 (April-September). Both demand deposits and time deposits registered lower rates of growth during the quarter compared with those in the corresponding period of 1992-93.

The monetary policy for the first half of the financial year 1993-94 was formulated with the objective of converting hesitant industrial recovery in 1992-93 to a strong revival by meeting the genuine credit requirements of the production sectors of the economy including agriculture, small-scale industries and exports. Bank credit, however, decelerated during the first quarter of 1993-94, the expansion in it being 1.8 per cent (Rs.2,703 crore) as compared with the growth of 6.4 per cent (Rs.8,052 crore) during April-June 1992-93. Food credit, however, recorded a sharp growth of 42 per cent (Rs.2,833 crore) and exceeded the initial working estimate of Rs.2,000 crore as projected by the monetary policy for the first quarter of 1993-94. In the first quarter of 1992-93, food credit growth was low at Rs.431 crore (9.2 per cent).

The consequential decline in non-food credit during April-June 1993 of Rs.130 crore (0.1 per cent) clearly makes it difficult to reach the working estimate of non-food credit growth of Rs.10,000 crore placed for the first half of 1993-94 (April-September). This could be attributed to a number of factors, one of the important factors being the strict adherence by banks to the rules relating to provisioning and the related system of classification of risk-assets and of capital adequacy. The other significant contributory factors include large amount of write-offs by banks in March 1993, greater recourse to commercial paper market by the borrowers, reduced bank borrowing by public sector units particularly engaged in trading activities, surplus liquidity with the companies which had raised funds from the primary equity market and finally, April-June being a slack season period, there is seasonal return flow of credit.

Year-end Bulge in Banking Variables

Both aggregate deposits and bank credit of scheduled commercial banks tended to show a bulge between the last Friday of March and last day of March as in the recent years, with the former increasing by Rs.6,147 crore (2.2 per cent) as compared with the previous year's increase of Rs.4,503 crore (1.9 per cent). Bank credit also displayed a similar behaviour when it increased by Rs.4,518 crore (2.9 per cent) as against the increase of Rs.4,079 crore (3.1 per cent) in 1991-92. As in the past, the unwinding of such a large increase in deposits took place in the following reporting week of April 1993 (Table VII-6).

Trends on an Average Basis

Almost all the indicators of banking - aggregate deposits (within which demand and time deposits), bank credit (within which non-food credit) and balances with the Reserve Bank - showed trends similar to those given in our analysis of these indicators on a point-to-point basis (Table VII-7). The only notable exception was in respect of banks' investments in Government and other approved securities which showed a larger increase of 18.7 per cent (Rs.15,508 crore) during 1992-93 than that of 16. 1 per cent (Rs.11,545 crore) during 1991-92. Investment in both the Government and other approved securities had increased sharply during the year under view.

The proportion of average aggregate deposits to GNP at current market prices had displayed a rising trend since the onset of the present decade when it stood at 36.3 per cent during 1992-93 (Table VII-8).

Credit Policy

Credit policy during 1992-93 was mainly geared towards revival of industrial and agricultural production, and increase in exports. In order to meet the genuine credit needs of the productive sectors, various measures were initiated to augment the lendable resources of banks without in any way jeopardising the anti-inflationary stance of monetary policy, and the need to pursue further the financial sector reforms. In pursuance of these considerations, monetary policy also had put in place a stringent set of prudential norms and regulations.

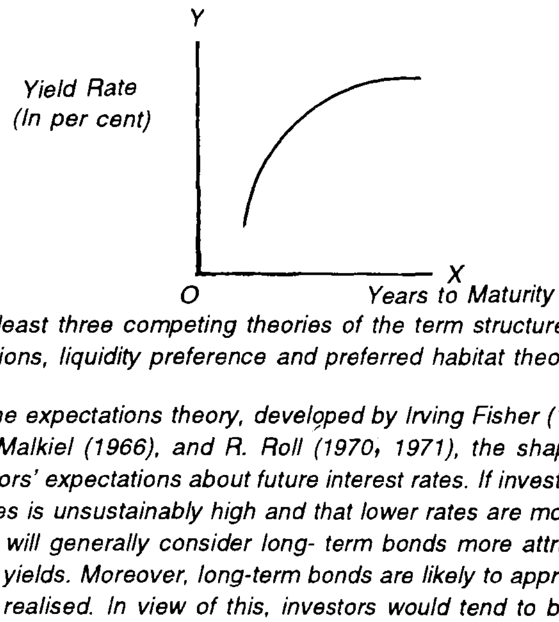
As the inflation rate decelerated, the minimum lending rate of scheduled commercial banks had been lowered. Commensurately, the maximum deposit rates were reduced during the year. Effective April 22, 1992, the deposit rate structure hitherto in existence was disbanded and in its place, deposit rates for maturity of 46 days to 3 years and above were placed under a single prescription of "not exceeding 13.0 per cent per annum". Considering the planned reduction in the gross fiscal deficit of the Government and keeping in view the recommendations of the Narasimham Committee on Financial System, a beginning was made to reduce the Statutory Liquidity Ratio

(SLR) in a phased manner. Besides, one-third of the additional cash balances maintained under 10 per cent incremental Cash Reserve Ratio (CRR) was released to banks. As a part of the overall objective of developing the Government securities market, various policy measures were introduced, the important of which related to the introduction of a Government Securities Refinance Facility and the introduction of Repos (Repurchase Agreement) Auctions for Government dated securities. The detailed credit policy measures are given in Annexures I and II.

Box 3

Term Structure of Interest Rate

The term structure of interest rates implies the relationship among interest rates or more strictly the redemption yields on securities of different terms to maturity (i.e., repayment). Typically, but not invariably, this structure which can be exhibited in a yield curve (see diagram) is one in which shorter term assets produce lower yields than longer term assets.



There are, at least three competing theories of the term structure of interest rates. These are known as expectations, liquidity preference and preferred habitat theories.

According to the expectations theory, developed by Irving Fisher (1896), J.R. Hicks (1939), F.A. Lutz (1940), B.G. Malkiel (1966), and R. Roll (1970, 1971), the shape of the yield curve can be explained by investors' expectations about future interest rates. If investors believe that the prevailing level of interest rates is unsustainably high and that lower rates are more probable than higher ones in future, investors will generally consider long- term bonds more attractive than short-term issues if both sell at equal yields. Moreover, long-term bonds are likely to appreciate in value if expectations of falling rates are realised. In view of this, investors would tend to bid up the prices of long-term bonds, forcing their yields to decline and simultaneously sell off short-term securities, causing their prices to fall and yields to rise. Thus, a descending yield curve with short issues yielding more than long ones could be explained by expectations of lower future rates. Similarly, an ascending yield curve with longer issues yielding more than shorter ones postulates expectations of rising future rates.

The liquidity preference theory argues further that in a world of uncertainty, short-term issues are more liquid. If there is no premium on holding of long-term bonds, most investors would show a preference for holding short-term issues so as to minimise the variability of the nominal value of their portfolios. Even if interest rates are expected to remain unchanged, the yield curve should be upward sloping as the yields of long-term bonds will be augmented by risk premia necessary to induce investors to hold them. Unless a sharp fall in long rates is anticipated far exceeding the risk premium and thereby forcing the yield curve to descend, the normal shape of the yield curve should be upward sloping.

Box 3 (Concld.)

Liquidity may be a critical consideration for investors with temporary influx of funds. Culbertson (1957) and Modigliani and Sutch (1966) argue that bond investors are not alike and therefore liquidity consideration is not the only additional influence on them. The life insurance company, pension funds and even a retired employee may prefer to hedge against the risk of interest rate fluctuations in the short-run and may therefore, prefer long rather than short maturities. As different investors have specific preference for either short or long-term bonds, they cannot necessarily be tempted out of their preferred habitats only with the promise of a higher yield on a bond of any maturity. Therefore, under preferred habitat theory, there is no reason for term premia to be necessarily an increasing function of maturity. As an extreme form under this theory, the short and long markets are segmented, and the short and long yields are determined by the supply of and demand for bonds in each of the segmented market.

References: Culbertson, J.M. (1957), "The Term Structure of Interest Rates," Quarterly Journal of Economics, November; Fisher, I. (1896), "Appreciation and Interest" Publications of the American Economic Association; Hicks, J.R. (1939), Value and Capital, London, Oxford University Press; Lutz. F.A. (1940), "The Structure of Interest Rates," Quarterly Journal of Economics, 55; Malkiel, B.G. (1966), The Term Structure of Interest Rates: Expectations and Behaviour Patterns, Princeton, Princeton University Press; Modigliani, F.R. and R. Sutch (1966), "Innovations in Interest Rate Policy", American Economic Review, May, 56; R. Roll (1970), The Behaviour of Interest Rate, New York, Basic Book.

Other Major Policy Developments

Payment of cheques/pay orders

It had come to Reserve Bank's notice that banks had undertaken large value transactions with third parties on significant scale by means of cheques drawn on their accounts maintained with the Reserve Bank of India in the names of other banks maintaining accounts with RBI. As the facility of maintaining accounts with RBI has been granted mainly to enable banks to fulfill their statutory obligations, settlement of transactions with RBI/Government, settlement of inter-bank transactions or adverse clearing balances, it was reiterated that facilitating credit to accounts of third parties was not in order. Banks were also advised that in the case of "Account Payee" cheques, wherein a bank is payee, the payee bank should always ensure that there are clear instructions for disposal of proceeds thereof from the drawer of the instrument. In the absence of any such instruction, the cheque is to be returned to the sender.

Delegation of powers - writing-off of bad debts/losses, compromise proposals, etc.

Banks had represented to the Reserve Bank that in the absence of higher delegated powers below the Board level, there was delay in the disposal of cases involving write-off of bad debts/losses and compromise proposals. With a view to expediting decision making, it was decided that boards of Directors of individual banks may delegate suitable powers for write-off of bad debts/losses and compromise proposals to various functionaries, subject to such safeguards/conditions and reporting as the Boards may prescribe. While approving such proposals, banks have to scrupulously follow the following norms:

(a) the authority approving the write-off proposal should not have sanctioned the advance in question in his individual capacity;

(b) the sanctioning authority in the case of advances should have exercised his powers judiciously and ought to have adhered to the guidelines and terms and conditions prescribed by the banks;

(c) there should have been no laxity in the conduct and post disbursement supervision of advances;

(d) that there have been no acts of commission or omission on the part of the staff leading to the debt proving irrecoverable;

(e) that all possible steps should have been taken to recover the dues.

Prudential Guidelines relating to capital adequacy and accounting standards

As a part of the reformative process, a prudential system of recognition of income, classification of assets, and provisioning for bad debts has been put in place beginning financial year 1992-93. The prudential norms were outlined in the Report on Currency and Finance, 1991-92. In response to certain suggestions, an informal working group in the Reserve Bank looked into the issues and implications for banks in meeting the stipulated norms for income recognition, provisioning, classification and capital adequacy. Out of the Working Group's discussions, emerged a number of clarifications. These are : (a) an amount should be considered past due when it remains outstanding for 30 days beyond due date; (b) advances granted for agricultural purposes, where interest payment is on half yearly basis synchronising with harvest, banks should adopt agricultural season as the basis; (c) net worth of borrower/guarantor need not be taken into account for the purpose of treating an advance as non-performing asset (NPA); (d) negligible salvage value of security may not be considered while providing for loss assets; (e) while for project financing which involved moratorium or gestation period, the reckoning for past due shall commence only from the due date for payment; (f) credit facilities backed by Central/State Government guarantees need not be treated as NPA; (g) the treatment of NPA is to be borrower-wise; and (h) for purpose of compliance with prudential accounting standards, credit facilities with an outstanding balance of Rs.25,000 and above alone need be considered. However, in respect of amounts below Rs.25,000, aggregate provisioning to the extent of 2.5 per cent of the total outstanding should be made. Banks have also been advised that they need not reverse or make provision for uncollected interest, fees, commission, etc., debited and taken to income account during the previous years. However, for the purpose of treatment of a credit facility as NPA as on March 31, 1993, the period for which interest, etc., have remained uncollected including the period prior to 1991-92 is to be reckoned. With regard to phasing of provisions (so as to enable banks to absorb the impact of prudential norms), banks are to make 100 per cent provision in respect of loss assets, and not less than 30 per cent of the total provisioning needed in respect of substandard advances, doubtful advances and other advances requiring provision during the year ending March 31, 1993. The balance of provisioning needed in respect of the above categories of advances not provided for as on March 31, 1993 together with the fresh provisioning needed in respect of credit facilities identified in the year ending March 31, 1994 should be made as on that date.

Impact of prudential norms

The new prudential norms will ensure that the books of banks will reflect their financial position more accurately and in accordance with the internationally accepted accounting practices. These changes will help in more effective bank supervision. Because of the new norms, however, banks will have to make large provisions amounting to over Rs.10,000 crore for bad and doubtful advances in their portfolio. As the provisioning norms are being introduced in two stages the first impact would be felt in the year ending March 31, 1993 with a further impact in the next year. As the resulting losses would erode the already inadequate capital of the banks, the viability and financial health of the banking system was sought to be protected by a capital contribution of Rs.5,700 crore by the Union Government in the Budget for 1993-94. This will meet the gap created by the application of first stage of provisioning norms. The Government's contribution will be in the form of bonds. While undertaking such a large injection of capital into the banks, specific commitments will be taken from each banks to ensure that their future management practices ensure a high level of loan portfolio quality so that problems of losses do not recur. As the capital contribution is only partial, additional losses will arise again in 1994-95, and provisioning will need to be made again. As this burden cannot be borne by the Central Budget alone, the Government has decided that the State Bank of India and nationalised banks which are in a position to do so would be allowed to access the capital market to raise fresh equity to meet shortfalls in their capital requirements over the next three years. Additional capital thus mobilised would help banks to expand their lending which otherwise would be constrained by inadequacy of capital. The Government would, however, continue to retain effective control in the public sector banks. Necessary legislation to give effect to this decision in respect of public sector banks will be introduced later.

Board for Financial Supervision

The Board for Financial Supervision would soon be set up under the aegis of the Reserve Bank of India. All the modalities relating to its organisational structure have been completed. The Board would perform supervisory functions not only in respect of commercial banks but also other financial institutions.

Export Credit

Incentives for Exports

It is recognised that exports need to expand, and credit needs for exports should be sufficient. But unlimited export credit refinance would place constraints on the efficacy of monetary control. To moderate the rapidly rising export credit refinance limits, it was decided that effective October 31, 1992, the banks were provided (1) export credit (rupee) refinance to the extent of 60 per cent of the increase in outstanding export credit over the monthly average level of 1988-89 up to the monthly average level of 1989-90 plus 110 per cent of the increase over the monthly average level of outstanding export credit in 1989-90 as against 125 per cent hitherto and (2) under the refinance facility against Post-Shipment Credit in Foreign Currency (PSCFC) banks were made eligible for export credit refinance limits equivalent to 120 per cent of such credit provided by banks as against 133 1/3 per cent hitherto. Though these two measures would effect a small reduction in export credit refinance limit of a little over Rs.500 crore, banks would still have adequate resources to meet all vital credit requirements including the export sector, given the increase in lendable resources facilitated by the policy measures referred to above.

Banks were advised to attain by June 1993 a level of export credit equivalent to 10 percent of each bank's net bank credit. Failure to achieve this stipulation would invite bank-specific policy action which could include raising of reserve requirements and withdrawal of refinance facility.

Export Credit Refinance

The export credit refinance limit as a percentage ratio of outstanding export credit increased from 52.3 per cent as in March 1992 to 69.2 per cent as in March 1993 and 66.7 per cent in July 1993.

Export Credit Refinance

(Rs. crore)

As on Last Reporting Friday	Export Credit (outstanding)	Export Credit Refinance credit limits	Ratio of col. (3) to col.(2) (per cent)
1	2	3	4
March 1992	10,695	5,594	52.3
June 1992	12,020	7,163	59.6
July 1992	12,365	7,656	61.9
March 1993	15,038	10,402	69.2
June 1993	16,977	11,227	66.1
July 1993	17,344	11,562	66.7

Export Credit - Performance of Banks

Data relating to 66 scheduled commercial banks which account for about 9.2 per cent of bank credit of all scheduled commercial banks show that their outstanding export credit increased from Rs.10,695 crore as on March 20, 1992 to Rs.15,038 crore as on March 19, 1993, thus registering a growth of 40.6 per cent during 1992-93. During the first quarter of 1993-94, export credit increased by Rs.1,939 crore (12.9 per cent).

Interest Rates on Export Credit

In the context of the reduction in the lending rate on credit limits of over Rs.2 lakh and also to provide relief to export sector, interest rates on export credit (Rupee) were reduced by one percentage point effective, October 9, 1992 and further by one percentage point from March 1, 1993. The schedule is given in Table VII-9.

Rediscounting of Export Bills Abroad

Recognising the need to derive the benefit of internationally competitive rates, the Reserve Bank decided to allow with effect from April 7.1993 authorised dealers in India to rediscount export bills abroad at rates linked to international interest rates.

A new Foreign Currency (Non-Resident) Accounts (Banks) Scheme was introduced, the salient features of which are given in the Chapter on Balance of Payments and International Monetary Developments of this Report.

Non-Resident Deposit Accounts

Under the Non-Resident (External) Rupee Accounts (NR (E) RA) Scheme, an amount of US $ 88 million (Rs.264 crore) (excluding the estimated interest element) was accrued during 1992-93. There was an inflow of US $ 86 million (Rs.223 crore) under the Foreign Currency (Non-Resident) Accounts (FCNRA) in 1992-93. Put together, non-resident deposits under the above schemes amounted to US $ 8,221 million during 1992-93. The Non-Resident (Non-Repatriable) Deposit Scheme introduced in July 1992 registered a net inflow of around US $ 600 million (Rs.1,912 crore). The FC (B & O) D Scheme was suspended with effect from July 31, 1992 at the end of which the outstanding deposits were placed at US $ 2,232 million. Following the suspension of the Scheme, there were sizeable withdrawals in the succeeding months. At the end of the year, outstanding deposit under the Scheme stood at US $ 1,039 million and at the end of June 1993, US $ 932 million.

Trends in the Short-term Money Market

DFHI

Discount and Finance House of India Limited (DFHI)'s functions were spelt out in the previous Report on Currency and Finance. During 1992-93, its turnover in the call money market (including notice funds) was significantly higher at Rs.4,57,013 crore as compared with Rs.2,94,373 crore in the preceding year. As a result, the daily average lending by DFHI in the call money market increased to Rs.1,243 crore in 1992-93 as against Rs.799 crore in 1991-92. DFHI commenced its operations in Central Government dated securities in April 1992 and the cumulative turnover was Rs.18, 645 crore in 1992-93. There was a sharp decline in cumulative turnover of DFHI in Commercial Bills which came down to Rs.786 crore in 1992-93 from Rs.6,995 crore in 1991-92. This reflected the impact of the Reserve Bank's action in July 1992 to curb irregular use of the bill discounting/rediscounting facility. DFHI's turnover in CDs was marginally higher at Rs.33 crore in 1992-93 as against Rs.22 crore last year, while in case of CPs, there was no transaction notwithstanding some bids received by the DFHI. (Tables VII-10,11, 13 and 14).

Call Money Market

The significant reduction in reserve requirements facilitated the decline in the monthly weighted average lending rate of DFHI from 29.36 per cent in April 1992 and 23.99 per cent in May 1992 to 14.75 per cent in June 1992. Since July 1992, the call money market remained easy and rates were generally quoted in the range of 9.00 to 12.00 per cent till the last week of March 1993. In the last week of March 1993, the call money rates, however, turned slightly firm and the DFHI's lending rate went up to 25 per cent (Table VII-14).

The firmness in call money market in the last week of March 1993 was on account of increased demand for funds due to year-end considerations and a number of holidays during the fortnight ended April 2, 1993. The firmness in the call money rates remained for a few days and the call money rates came down to the level of 10-12 per cent in the first week of April 1993. The call rates turned easier subsequently in the months of May, June and July 1993.

364-Day Treasury Bills

As part of the overall development of the Government securities market, the Government of India introduced 364-day Treasury bills on an auction basis on April 28, 1992. Up to April 28, 1993, 27 auctions were held for their sale. The new instrument has proved to be a phenomenal success and a large amount of Rs.9,586.6 crore was collected within a short period. All holders of 364-day Treasury bills maturing during 1993-94 (April 29, 1993 to March 18, 1994) were given an option of converting such bills into 12.75 per cent Government Stock, 1996. Accordingly, holders of 364-day Treasury bills for an amount of Rs.7,122.8 crore opted for conversion into 3-year Government Stock as on April 19, 1993. Consequently, the amount of 364-day Treasury bills outstanding as on April 30, 1993 stood at Rs.2,460.4 crore. The cut-off yield on these bills ranged between 10.96 per cent and 11.42 per cent per annum in the auctions held during the period April 28, 1992 to April 28, 1993 (Table VII-15). During the financial year 1993-94 (up to August 6, 1993), an amount of Rs.5,031.57 crore was raised through 364-day Treasury bills auctions.

91-Day Treasury Bills

The Government of India also announced in January 1993, a scheme of auctions for the sale of 91-day Treasury bills. Accordingly, the first such auction was held on January 8, 1993. Up to March 27, 1993, 12 such auctions were held with an outstanding amount of Rs.1,350 crore. During 1993-94, up to July 30, 1993, 30 auctions were held for sale of 91-day Treasury bills. The amount outstanding as on July 31, 1993 was Rs.1,475 crore. In the absence of encouraging response from banks and financial institutions, the Reserve Bank of India was required to extend support in the auctions for 91-day Treasury bills. Of the total outstanding amount of Rs.1,525 crore as on April 30, 1993, Rs.832.40 crore (54.6 per cent) was held by Reserve Bank of India (Table VII-16).

Certificates of Deposit

The limits for issue of CDs by banks were enhanced to 10.0 per cent of the fortnightly average outstanding aggregate deposits for 1991-92 from 1989-90. The outstanding amount of Certificates of Deposit (CDs) issued by 51 scheduled commercial banks as on March 19, 1993, was Rs.9,803 crore as compared with that of Rs.5,682 crore by 50 scheduled commercial banks as on March 20, 1992 (Table VII-17). During the fiscal year 1993-94 (up to June 11, 1993), the amount raised through CDs by 50 banks aggregated to Rs.1,941 crore, the outstanding amount being Rs.11,744 crore. The typical interest rates for CDs with a maturity of 3 months which were in the range of 15 to 16 per cent in the month of June 1992 have come down to a range of 14.5 per cent to 15.5 per cent in March 1993. The typical rates of interest on CDs with a maturity of one year have also come down marginally from 15-16.5 per cent to 16 per cent per annum in March 1993. Six all India financial institutions, viz., IDBI, ICICI, IFCI, IRBI, SIDBI, and EXIM Bank have also been permitted to issue CDs with maturity of more than one year and up to 3 years for an aggregate amount of Rs.2,500 crore. The outstanding amount of CDs issued by 3 financial institutions, viz., IDBI, ICICI, and IFCI amounted to Rs.1,044 crore as on March 1993. While other 3 financial institutions have not yet issued CDs, the rates of interest offered on CDs by financial institutions broadly ranged between 15.0 per cent and 16.5 per cent.

Commercial Paper

The outstanding amount of Commercial Paper (CP) increased from Rs.332 crore issued by 20 companies as on March 31, 1992 to Rs.577 crore by 33 companies as on March 31, 1993 and further to Rs.1,453.50 crore by 57 companies as on July 31, 1993, which incidentally, was also the peak level of the outstanding amount of CP. Most of the CPs issued during the year 1992-93 offered effective interest rates ranging from 15.5 per cent to 17.5 per cent per annum. However, in recent months, the majority of CP issues carried lower effective interest rates of around 12.0 per cent to 13.0 per cent per annum. Scheduled commercial banks have emerged as significant holders of CPs.

Repo Auctions of Central Government Dated Securities

In order to improve short term management of liquidity in the system, and to even out interest rates in the call money market, the Reserve Bank introduced the Repurchase Agreements (Repo) Auctions in the Central Government dated securities on December 10, 1992. Up to September 3, 1993, 39 auctions were held. The face value of the securities of the accepted bids which was Rs.2,120 crore on December 11, 1992, amounted to Rs.5,110 crore on March 31, 1993 and at present stands at Rs.4,457 crore as on September 4, 1993 (Table VII-18).

Bills Rediscounting Market

Following the instructions regarding discounting and rediscounting of commercial bills to banks in the wake of irregularities in securities transactions, the activity in the bills discounting/rediscounting market has come down considerably. The outstanding amount of commercial bills rediscounted by scheduled commercial banks and financial institutions came down from Rs.4,612 crore in April 1992 to Rs.820 crore in January 1993.

Government Securities Refinance Facility

As referred to earlier, a new refinance facility called Government Securities Refinance Facility was introduced from the fortnight beginning October 31, 1992 under which banks are provided refinance at an interest rate of 14.0 per cent per annum. This facility was utilised by only four banks on a few occasions. The outstanding amount of refinance under this as on April 22, 1993 was nil.

Securities Trading Corporation of India

In order to develop a secondary market in Government dated securities and public sector bonds, the Reserve Bank decided on April 7, 1993, to set up a specialised institution called 'Securities Trading Corporation of India', with an initial paid-up capital of Rs.500 crore under broad-based ownership of Reserve Bank, commercial banks, co-operative banks, financial institutions, mutual funds and public sector units. The Corporation, besides trading in Government Securities and public sector bonds, would also hold short-term money market assets like Treasury bills as a part of its liquidity management.

Selective Credit Control

During the year under review, selective credit controls were subject to continuous review. Following the improved supply-price situation relating to a number of sensitive commodities, the selective credit control measures were significantly relaxed during the year under review. The minimum margins on advances against foodgrains, oilseeds/vegetable oils and cotton and kapas were lowered and the level of credit ceilings were enhanced during the year. The lending rate for commodities coming under the purview of selective credit controls was also reduced. The details regarding the changes in the control stipulations effected during the year are set out below in chronological order.

October 1992

Lending Rate under Selective Credit Controls

The lending rate for commodities within the purview of selective credit controls was reduced from 19.0 per cent per annum (minimum) to 18.0 per cent per annum (minimum), effective October 9, 1992.

December 1992

Minimum Margins on Advances against Cotton and Kapas

Effective December 11, 1992, the minimum margins on advances against cotton and kapas were lowered by 15 percentage points, setting them at 60 per cent to 'others' (other than mills/processing units)and 45 per cent for advances against warehouse receipts. Mills/processing units continued to be exempt from the control provisions.

January 1993

Minimum Margins on Advances against Oilseeds/Vegetable Oils

Effective January 19, 1993, the minimum margins on bank advances against oilseeds and vegetable oils (including vanaspati) were lowered by 15 percentage points, setting them at 45 per cent for mills/processing units and against warehouse receipts and 60 per cent for 'others' (mainly trade).

Minimum Margins on Advances against Cotton and Kapas.

Effective January 19, 1993, the minimum margins on bank advances against cotton and kapas were lowered further by 15 percentage points, setting them at 45 per cent for 'Others' (other than mills/processing units) and 30 per cent against warehouse receipts. Mills/processing units continued to be exempt from the controls.

March 1993

Lending Rate on Advances against Commodities

Effective March 1, 1993, the lending rate for commodities within the purview of selective credit control was lowered from 18.0 per cent per annum (minimum) to 17.0 per cent per annum (minimum).

April 1993

Minimum Margins on Foodgrains

Effective April 8, 1993, the minimum margins on bank advances against paddy/rice, wheat, pulses and 'other foodgrains' were reduced by 15 percentage points, setting them uniformly at 45 per cent for mills/processing units and against warehouse receipts and 60 per cent for 'Others' (mainly trade).

Minimum Margins on Oilseeds/Vegetable Oils

Effective April 8, 1993, the minimum margins on bank advances against oilseeds/vegetable oils (including vanaspati) were again lowered by 15 percentage points, setting them at 30 per cent for mills/processing units and against warehouse receipts and 45 per cent for 'others' (mainly trade).

Level of Credit on Advances against Commodities

Effective April 8, 1993, for commodities where there is a stipulation of level of credit ceilings, the reference period was brought forward by one year to the three year period ending 1991-92 (November-October).

Level of Credit Ceilings on Sensitive Commodities

The level of credit ceilings, wherever applicable, were raised by 15 percentage points, setting them at 85 per cent in the case of paddy/rice and wheat and 100 per cent in respect of pulses, 'other foodgrains', oilseeds and vegetable oils (including vanaspati) and cotton and kapas (to other than mills/processing units), effective April 8, 1993.

June 1993

Minimum Margins on Advances against Wheat

Minimum margins on bank advances against wheat were lowered by 15 percentage points setting them at 30 per cent for mills/processing units and against warehouse receipts and 45 per cent for 'others' (mainly trade), effective June 24, 1993.

Level of Credit Ceilings on Wheat and Cotton and Kapas

The level of credit ceilings for advances against wheat and cotton and kapas were raised by 15 percentage points, effective June 24, 1993, setting them at 100 per cent in the case of wheat and 115 per cent for cotton and kapas of the peak level of credit maintained by the party in any of the three years ended 1991-92 (November-October).

Lending Rate under Selective Credit Controls

The lending rate on advances against commodities covered under selective credit control was lowered from 17.0 per cent per annum (minimum) to 16.0 per cent per annum (minimum), effective June 24, 1993.

The revised structure of minimum margins and level of credit ceiling stipulations applicable to the commodities covered under selective credit control as on June 24, 1993 is set out in Table VII-19. Scheduled commercial banks' outstanding advances against selected commodities are indicated in Table VII-20. Security-wise advances to mills/factories and industrial users as a percentage to total credit against sensitive commodities is set out in Table VII-21.

The provisions of the directives on selective credit controls in force as on June 24, 1993 are given in Annexure-II.

Qualitative changes in Banking Development

Sectoral Deployment of Credit*

Gross bank credit during the financial year 1992-93 exhibited a phenomenal growth of 16.7 per cent (Rs.21,066 crore) as compared with the last year's expansion of 6.8 per cent (Rs.7,986 crore) (Table VII-22). The share of gross credit

* Basic Statistical Returns(BSR) brought out by DESACS of RBI also give detailed data on this subject. But as the latest data of BSR pertain only to end–March 1991, these are not provided in this volume.

to medium and large industries as a percentage of total non-food credit in incremental terms increased to 60.7 per cent from the previous year's level of only 33.0 per cent. A similar trend was noticed in case of export credit whose incremental share shot up to 26.6 per cent from the previous year's level of 14.2 per cent. Gross bank credit to this sector which increased by only 12.1 per cent (Rs.1,108 crore) during 1991-92 registered a substantial growth of 49.1 per cent (Rs.5,054 crore) during 1992-93. The incremental share of wholesale trade as a ratio of gross non-food credit recorded a nominal improvement to 4.0 per cent from the last year's level of 3.1 per cent.

A disquieting feature of credit deployment during 1992-93 was the reduction in the priority sector's share in gross non-food credit on incremental basis to 22.8 per cent from a high of 32.1 per cent during 1991-92. The incremental share of advances to agriculture was reduced to almost half of the previous year's level. However, the share of 'other priority sectors' in the gross non-food credit, on incremental basis, had increased during 1992-93.

Industry-wise Deployment of Credit

The industry-wise deployment of gross bank credit is presented in Table VII-23. The proportion of gross bank credit to industrial sector as a percentage share of total gross bank credit was higher at 53.5 per cent on an outstanding basis as on March 19, 1993 and 63.7 per cent on an incremental basis during 1992-93 as against 51.8 per cent and 44.5 per cent, respectively, in 1991-92. The groups of industries which recorded sharp increases were coal, iron and steel, food processing, paper and paper products, fertilisers, petro-chemicals, gems and jewellery and petroleum. The groups of industries which experienced decline in shares in gross credit in 1991-92 but improved during 1992-93 were jute textiles, petro-chemicals, and petroleum.

Financing of Inventories by Companies

Some interesting informations on the role of bank credit in corporate performance are available in RBI's studies on Company Finances (Table VII-24). They reveal that in respect of 645 large public limited companies, the ratio of total bank borrowings to total inventories declined from 58.8 per cent in 1988-89 to 56.8 per cent in 1989-90 and declined further to 54.6 per cent in 1990-91. The ratio of short-term bank borrowings to total inventories also showed similar down trend from 1988-89 (47.2 per cent) to 1990-91 (45.2 per cent). The ratio of total inventories to sales of these companies fractionally declined to 24.8 per cent in 1989-90 from 25.5 per cent in 1988-89 but again increased to 25.5 per cent in 1990-91. A similar pattern was observed in respect of 2,131 Public Limited Companies also.

Credit Targets and Achievements

Advances to Priority Sectors
Public Sector Banks

The public sector banks increased lending under priority sector advances to Rs.46,595.64 crore as at the end of December 1992, from Rs.43,036.01 crore as at the end of December 1991 but the share of priority sector lending in total bank credit has declined. It fell from 41.9 per cent as at the end of December 1990 to 41.2 per cent as at the end of December 1991 and further to 37.9 per cent as at the end of December 1992, which is below the stipulated target of 40 per cent (Table VII-25).

It may be seen from Table VII-25 that direct agricultural advances increased from about Rs.16,214 crore to Rs.17,729 crore at the year ended December 1992. However, the share of direct agricultural advances in net bank credit declined from 15.5 per cent to 14.4 per cent over the year, as against the stipulated target of 18.0 per cent for the sector. Within priority sectors, advances to weaker sections at Rs.11,377 crore as at the end of December 1992 formed 9.25 per cent of total outstanding advances and was thus somewhat lower than the prescribed target of 10 per cent. The outstanding priority sector advances for SCs/STs increased to Rs.3,997 crore in December 1992 from Rs.3,507 crore in December 1991. The priority sector advances to minority communities amounted to Rs.911 crore as at end-September 1992 as against Rs.806 crore as at end-June 1991.

Private Sector Banks

Private sector commercial banks which also required to achieve various targets and sub-targets for priority sector advances provided as at the end of March 1992, Rs.1,886 crore under priority sector accounting for 31.7 per cent of their net bank credit. Their direct finance to agriculture and advances to small scale industries formed respectively 7.3 per cent and 14.8 per cent of their net bank credit as at the end of March 1992.

Foreign Banks

Foreign banks were advised in August 1988 to bring their priority sector advances to a level of 15 per cent of their net bank credit as at the end of March 1992 and further advised in April 1993 to 32 per cent by March 1994. However, the foreign banks' priority sector advances stood at 7.86 per cent of their net bank credit as at end-March 1992.

Within the enhanced target of 32 per cent for priority sector advances, two sub-targets of 10 per cent each in respect of advances to (i) small scale industries and (ii) exports sector have been stipulated for these banks. Any shortfall in the achievement of the enhanced target for priority sector lending by the prescribed time limit will have to be made good by placing a deposit with SIDBI for a period of one year at the interest rate of 10.0 per cent per annum.

Special Programmes

Integrated Rural Development Programme (IRDP)

During the annual plan of 1992-93, banks assisted 11.40 lakh beneficiaries under IRDP up to December 1992. A total amount of Rs.557.15 crore as loan and Rs.388.79 crore as subsidy was disbursed to the beneficiaries under IRDP during the above period. Out of 11.40 lakh beneficiaries assisted during the year, 5.65 lakh belonged to Scheduled Castes/Scheduled Tribes and 3.68 lakh were women beneficiaries.

Scheme for Self-Employment to the Educated Unemployed Youth

The scheme for providing Self-employment to the Educated Unemployed Youth (SEEUY) which was introduced during the year 1983-84 was continued during the financial year 1992-93. The last year's Report had outlined the objectives of the Scheme. The performance of the Scheme is as under :

(Rs. lakh)

Programme Year	Target (Number)	Loan sanctioned	
		No. of beneficiaries	Amount
1989-90	1,25,000	1,07,000	22,481.00
1990-91	1,25,000	1,00,100	22,097.07
1991-92*	1,25,000	77,698	17,730.26

* Provisional.
Source : Ministry of Industry

The Scheme of Urban Micro-Enterprises (SUME)

The performance under SUME since its inception is as under :

(Rs. lakh)

Year	Sanctioned		Disbursed
	No. of A/cs.	Amount	
1990-91*	69,042	3,067.45	1,710.37
1991-92*	1,09,663	6,589.14	4,295.39

* Provisional.

DRI Scheme

The outstanding advances of public sector banks under the DRI Scheme as at the end of September 1992 amounted to Rs.692.10 crore in 30.69 lakh borrowal accounts as against Rs.683.33 crore in 34.53 lakh accounts a year ago in September 1991. The DRI advances of the banks as at the end of September 1992 formed 0.65 per cent (target 1 per cent) of the total advances outstanding as at the end of previous year (March 1991). As at the end of September 1992 the outstanding advances granted under the Scheme to the beneficiaries belonging to SC/ST amounted to Rs.348.70 crore in 14.63 lakh borrowal accounts, forming 50.38 per cent of the total DRI advances which exceeded the prescribed target of 40 per cent.

With a view to affording greater degree of flexibility to the banks in granting higher quantum of working capital to the beneficiaries, the earlier loan limit of Rs.2,500 under the Scheme was increased to Rs.5,000.

This assistance will be independent of the productive loan limit of Rs.6,500 eligible under the Scheme. Housing Loans upto Rs.5,000 to SC/ST beneficiaries who satisfy the income criteria stipulated under the Scheme may now be classified by banks under DRI Scheme.

Twenty-Point Programme - 1986

Under the revised 20-Point Programme of August 1986, the outstanding advances of the public sector banks within the priority sector advances as at the end of September 1992 stood at Rs.11,357.58 crore in 212.46 lakh borrowal accounts as against Rs.13,476.05 crore in 258.81 lakh borrowal accounts as at the end of September 1991.

Produce (Marketing) Loan Scheme

The Scheme, the details of which were discussed in last year's Report is now in operation in 82 districts in the country.

Financial assistance to persons affected by natural calamities, riots/disturbances, etc.

There were no changes in the guidelines except that the loan limit for general consumption purposes in areas affected by natural calamities has been raised from Rs.250 to Rs.1,000 (per family) to eligible persons in States where the State Governments have constituted risk funds for such lendings by commercial banks.

Central Interest Subsidy Scheme for November 1984 riot affected borrowers

An amount of Rs.21.00 crore so far released by Government of India has been disbursed to banks as interest subsidy under the Scheme.

In the context of riots in 1992 and 1993 banks were advised to extend rehabilitation assistance to the people affected on account of the above on a priority basis on the lines of our standing guidelines for relief measures by banks in areas affected by natural calamities.

Recovery of Dues - Direct agricultural advances

The table below gives the position of recovery of direct agricultural advances of public sector banks for the period June 1990 to June 1992.

Recovery of Direct Agricultural Advances (Public Sector Banks)

(Rs. crore)

Year ended June	Demand	Recoveries	Overdues	Percentage of recovery to demand
1990	6,915	3,371	3,544	48.7
1991	8,496	4,937	3,559	58.1
1992*	8,719	4,686	4,033	53.7

* Provisional.

It may be seen from the above table that the recovery of public sector banks in respect of their direct agricultural advances as a percentage of demand was 48.7 per cent for the year 1989-90 (July-June). It improved to 58.1 per cent during the year 1990-91 (partly due to the write-off under the ARDR Scheme) but declined to 53.7 per cent during 1991-92.

IRDP Loans

The table below gives the position of recovery of IRDP loans of public sector banks for the period June 1990 to June 1992.

Recovery of IRDP Loans (Public Sector Banks)

(Rs. crore)

Year ended June	Demand	Recoveries	Overdues	Percentage of recovery
1990	1,069	330	739	30.9
1991	1,272	526	746	41.4
1992	1,439	457	982	31.8

It may be seen from the above table that the recovery of public sector banks in respect of their IRDP advances as a percentage of demand was 30.9 per cent during the year 1989-90. It improved to 41.4 per cent during 1990-91 but declined again to 31.8 per cent during 1991-92.

Oilseeds Production Programme

The Government of India has decided to continue the Oilseeds Production Programme (OPP) during 1992-93. The programme covers 9 oilseeds namely groundnut, rapeseed/mustard, soyabean, sunflower, sesamum, safflower, niger, linseed and castor. The progress made under the programme is to be reviewed at the State Level Bankers' Committee meetings.

Agricultural and Rural Debt Relief Scheme, 1990

So far, an amount of Rs.7,829 crore has been provided under the Scheme. The contributions of public sector banks, regional rural banks and co-operative banks stand at Rs.2,834 crore, Rs.795 crore and Rs.4,200 crore respectively. During the last three years (1990-91, 1991-92, and 1992-93), Government of India had released Rs.1,500 crore, Rs.1,425 crore and Rs.1,500 crore respectively and Rs.80 crore in 1993-94 out of the budgetary allocation of Rs.500 crore. The amount utilised by the public sector banks was Rs.2,158.04 crore, regional rural banks Rs.672 crore and co-operatives Rs.1,674.16 crore. A loan amount of Rs.1,674.16 crore was provided by the Government of India through NABARD to State Governments.

Geographical and Functional coverage of Branch Licensing Policy

Two significant developments during the year under review pertain to bank licensing policy and the entry of banks in the private sector. Commercial banks were given freedom in October 1992 to shift the existing branches within the same locality, to open their controlling/administrative offices on their own discretion, to open specialised branches, to open extension counters, to convert existing non-viable rural branches into satellite offices and to spin-off business of a branch without seeking RBI's prior approval.

As regards the Approach to Future Branch Expansion, the previous year's Report had delineated the policy procedures. The Reserve Bank had so far allowed 264 rural centres and 1285 semi-urban centres to eligible banks. Out of the 993 unbanked/under-banked localities allotted, banks have so far opened their branches at 371 such localities.

On the strength of the recommendations of the Narasimham Committee, the Reserve Bank decided in January 1993 to remove the barriers to entry of new banks in the private sector provided they conform to some requirements, such as, the start-up capital, the maintenance of capital adequacy and prudential norms with regards to accounting and provisioning, computerisation and other aspects of operations.

Branch Expansion

The total number of branches of commercial banks (including RRBs) in the country as on March 31, 1993 was 60,884 of which 35,313 (constituting 58 per cent of the total number of branches) were in rural areas. The average population per bank office remained at 11,000 and for rural/semi-urban areas, it was 13,000.

Branch expansion at unbanked centres came down progressively over the last few years. During 1991-92 (April-March), bank branches at unbanked centres were 87 (25 per cent) of the total new branches of 344 and in 1992-93 (April-March), it further dwindled to 62 (20 per cent) out of the total of 313 new branches (Table VII-26).

During 1992-93, branch expansion exhibited a shift in the pattern from rural and semi-urban to urban centres (Table VII-27). The percentage share of rural and semi-urban banks in total bank branches had come down from 58.3 per cent and 18.7 per cent as on March 31, 1992 to 58.0 per cent and 18.6 per cent respectively as on March 31, 1993, whereas the share of urban banks had shot up from 12.8 per cent to 13.2 per cent during the same period. The share of metropolitan/port town banks had remained almost static at 10.2 per cent.

Indian Banks Abroad

During the year, the total number of branches abroad of nine Indian banks declined from 116 to 108. The number of representative offices would go up from 12 to 13 after the opening of an office of State Bank of India in Uzebekistan. The number of wholly-owned subsidiaries (including three deposit-taking companies) had gone up from 8 to 10 whereas the number of joint ventures/affiliates remained at 7.

Foreign Banks in India

There is no change in the existing policy relating to the entry of foreign banks in India. Effective April 1, 1993, foreign banks have to maintain capital funds equivalent to 8 per cent of the risk-weighted assets. During the year, Hongkong Bank opened its twenty-first branch in Bangalore and American Express Bank opened its fourth branch in Madras. Thus, the total number of 24 foreign banks in India as on August 3, 1993 stood at 140 excluding BCCI (O) Ltd., whose operations have been overtaken by the State Bank of India. The total number of representative offices stood at 25. Further, 13 foreign banks/Financial Institutions have tie-up agency arrangements either with Indian companies or individuals.

Primary (Urban) Co-operative Banks

Progress

The number of Primary (Urban) Co-operative Banks (PCBs) decreased notionally from 1,401 as at the end of June, 1992 to 1,399 as at the end of March, 1993 (this includes 92 salary earners' banks, 40 Mahila banks and 49 banks under liquidation). However, the number of offices of PCBs increased from 3,450 as on December 31, 1991 to 3,599 as on June 30, 1992. Total deposits of PCBs rose marginally by 3.6 per cent from Rs.10,590 crore as at end-December 1991 to Rs.10,973 crore as at end-June 1992. Outstanding loans of PCBs also increased marginally from Rs.8,314 crore to Rs.8,643 crore during the same period showing a rise of 4.0 per cent. The owned funds of PCBs also rose by 22.3 per cent during the year 1991-92 (July- June) (Table VII-28).

Licensing and Inspection

The criteria for the issue of licences for setting up new PCBs are the requirement and potential of the Centre. During the period July 1, 1992 to March 31, 1993, one PCB was issued licence to commence banking business. The total number of licensed PCBs stood at 1,039 as at the end of March 1993.

During July 1992 to March 1993, statutory inspections of 332 PCBs were undertaken under

Section 35 of the Banking Regulation Act, 1949 (as applicable to Co- operative Societies).

Refinance Facilities

Short-term credit limits aggregating Rs.10.64 crore were sanctioned to State Co-operative Banks, during April 1, 1992 to March 31, 1993 on behalf of 20 PCBs for financing cottage/small/tiny industrial units. The outstandings against the limits amounted to Rs.7.19 crore as on March 31, 1993 as compared to Rs.8.83 crore a year ago.

Priority Sector Lending

The PCBs are required to lend 60 per cent of their total advances to priority sectors, of which at least 25 per cent should be to weaker sections. As at the end of March 1992, of the reporting 408 PCBs, 255 had achieved the target.

Weak and Non-viable Banks

As on March 31, 1993, 211 PCBs were categorised as weak and non-viable *vis-a-vis* 217, a year ago. Four PCBs were under Directions as per Section 35A of the Banking Regulation Act. 1949 (as applicable to Co-operative Societies). Thus, the total number of PCBs under Direction was 13, with six banks under orders of moratorium of which 5 were to be amalgamated with other strong units.

Bankers to Issue

Two PCBs *viz;* Saraswat Co-operative Bank Ltd., Bombay and Development Co-operative Bank Ltd., Bombay were accorded permission to function as Bankers to Issue of shares/debentures, etc., subject to their obtaining necessary clearance from Securities and Exchange Board of India.

Income Recognition, Assets Classification, Provisioning, etc.

PCBs were advised to adopt the guidelines on income recognition, assets classification, provisioning, etc., as applicable to commercial banks, while finalising annual accounts for the year ended March 1993.

Assessment of Working Capital Requirements.

In order to enable borrowers to obtain higher working capital limits, the following modifications were made effective February 25, 1993, in regard to term loan instalments payable within the next 12 months:

(a) two-thirds of the instalment would be treated as items of current liability but for calculating current ratio the entire amount would be treated as current liability; and

(b) one-third of the non-overdue loan instalments would not be accounted for while computing net working capital.

Committee on Licensing of New Urban Co-operative Banks (Marathe Committee)

The Reserve Bank has accepted the recommendations of the Committee with certain modifications as enumerated below:

a) The organization of Urban Co-operative Banks would be such as to give an impetus to its growth in regions where it is not active and to give further boost in the advanced States, by removing the impediments thereto.

b) The "one district-one bank" approach would be dispensed with and new Urban Co-operative Banks are to be permitted on the basis of need and potential and achievement of revised viability norms.

c) The viability norms and entry point norms according to population strata for new Urban Co-operative Banks have been revised.

d) Entry point norms for new Urban Co-operative Banks in the least developed

States/desert areas/tribal areas and less developed States as also 'Mahila Banks' and banks for Scheduled Castes/Scheduled Tribes are relaxed.

e) Norms for issue of licences to the existing unlicensed Urban Co-operative Banks have been relaxed.

f) Extension of area of operations to be allowed to banks operating in metropolitan centres to urban agglomeration areas thereof and to the banks operating in urban/semi-urban centres to the rural areas pertaining thereto within a distance of 10 kms.

g) Weak and non-viable banks are to be weeded out and steps are to be taken to consolidate the system on sound and viable lines.

h) Upgradation of the regulatory as well as supervisory systems in PCBs.

i) Legislative measures to be undertaken by promoting suitable amendments to the Banking Regulation Act,1949 (as applicable to Co-operative Societies) and the respective State Co-operative Societies Acts.

Interest Rates Revision

The interest rates on advances and deposits of PCBs were revised, in alignment with periodical revisions effected in the rates of Commercial Banks. These are as enumerated below:

a. *Lending Rates*

Effective June 24, 1993, lending rate slabs have been reduced from the then existing 4 categories to 3 categories by merging the first 2 slabs. The lending rate for borrowers in the category over Rs.2 lakh was lowered from 17 per cent per annum (minimum) to 16 per cent per annum (minimum) as given below:

Size of loan	Interest rate per annum	
Upto Rs.25,000	15.5*	
Rs.25,000 to Rs.2 lakh	16.0	(fixed)
Over Rs.2 lakh	16.0	(minimum)

* 15 per cent per annum in respect of term loans to SSI, small road and water transport operators and professionals.

b. *Deposit Rates*

Consequent upon the reduction in the lending rates, the interest rate on term deposits for maturity of 46 days to 3 years and above has been reduced to 11 per cent per annum effective March 1, 1993.

Effective July 1, 1993 interest rate on saving deposits was reduced from 6 per cent per annum to 5 per cent per annum.

Effective July 1, 1993, no interest shall be paid on Non-Resident (External) Rupee, Current Accounts. Thus, the interest rate structure on deposits of PCBs effective July 1, 1993 shall be as under:

Category of deposits	Rate of interest (Effective July 1, 1993) per cent p.a.	
Domestic deposits		
Current	Not exceeding	0.5
Savings	" "	5.0
Term deposits (46 days to 3 years)	" "	11.0

Primary co-operative banks may, at their discretion, allow additional interest at a rate not exceeding one per cent per annum on all savings deposits and at a rate not exceeding half per cent per annum on all term deposits.

Deposits under Non-Resident (External) Rupee Account Scheme

Category of account	Rate of interest (Effective July 1, 1993) per cent per annum	
Current		
Savings		6.0
Term deposits (Above 46 days)	Not exceeding	12.0

Regional Rural Banks
Branch Expansion

Mention was made in the last year's report regarding the criterion of merit for opening new branches of RRBs. Accordingly, the number of districts covered by RRBs increased to 397 as at end-September 1992 from 385 as at the end of September 1991. The number of RRB branches stood at 14,540 as at end-September 1992, of which seven States, viz., Uttar Pradesh (3,056), Bihar (1,892), Madhya Pradesh (1,602), Andhra Pradesh (1,126), Karnataka (1,075) and Rajasthan (1,068) together accounted for about 68 per cent of the total branches. In other States, the number of branches were less than 1,000 each. The State-wise position of the RRB branches is presented in Table VII-29.

Operations of RRBs

The aggregate outstanding deposits of 196 RRBs registered an increase of 20.8 per cent (Rs. 1,098 crore) during 1992-93 as compared with that of 15.6 per cent (Rs. 711 crore) during 1991-92 (Table VII-30). Aggregate advances (direct and indirect) of RRBs grew by 12.7 per cent (Rs.500 crore) as compared with that of 13.0 per cent (Rs.454 crore) in the previous year. Of the total outstanding advances 47 per cent were for agriculture and allied activities. The credit-deposit ratio declined from 75.0 per cent as at the end of March 1992 to 69.9 per cent as at end-March 1993.

Refinance from NABARD

Details of NABARD's short-term credit limits sanctioned to 120 RRBs in the year 1992-93 (July-March) are as follows :

NABARD Credit Limits for RRBs

(Rs. crore)

1.	Short-term (for seasonal agricultural operations)	345.00
2.	Short-term (other than seasonal agricultural operations)	108.00
3.	Oil Production Programme	34.00
	Total	487.00

The outstandings under SAO and other short-term limits stood at Rs. 345 crore and Rs. 116 crore, respectively, as at the end of March 1993. During 1992-93, medium-term credit limits (non-schematic) aggregating Rs. 54 crore were sanctioned to 88 RRBs as against Rs.72 crore to 102 RRBs in 1991-92. The outstandings against these limits stood at Rs. 229 crore as at end-March 1993 as against Rs. 246 crore as at end-March 1992. NABARD sanctioned medium-term (conversion) loans amounting to Rs. 0.03 crore to one RRB during 1992-93. Total outstandings under medium-term (conversion) loans stood at Rs. 4 crore as at the end of March 1993 as against Rs. 7 crore a year ago. Over and above these limits, the RRBs were also provided with schematic refinance by NABARD.

Refinance from Sponsor Banks and other Institutions

The amount of refinance availed of by RRBs from their respective sponsor banks increased to Rs.324 crore as at the end of September 1992 from Rs.305 crore as at the end of September 1991. Besides, RRBs had also availed of refinance to the tune of Rs.16 crore from

IDBI/SIDBI and Rs.21.63 crore from other institutions/ sources.

R & D Fund

During 1992-93, NABARD continued to offer assistance to RRBs from its R & D Fund for setting up technical, monitoring and evaluation cells for preparation and evaluation of schemes under project lending. Out of 196 RRBs, 103 have taken advantage of the scheme as compared with 96 RRBs in the previous year.

Working of Other Schemes

An annotative review of various schemes which merited special attention during the year under review is presented below.

Credit Monitoring Arrangement (CMA)

Mention was made regarding the nature and operation of CMA in the previous year's Report. During 1992-93, there was some further policy liberalisation keeping in mind the need to boost industrial growth and promote larger exports. Accordingly, banks have been permitted to allow deviations in norms/past trends not exceeding 20 per cent of the standard norm for the industry and/or past trends. Further, working capital limit of Rs. 10 crore and more should now be reported for post-sanction scrutiny as against the earlier threshold limit of Rs. 5 crore or more.

In order to ensure that credit requirements of the export sector are promptly met, banks were advised that additional credit needs of exporters arising out of firm orders/confirmed letters of credit should be met in full even if sanction of such additional credit exceeds maximum permissible bank finance (MPBF). Further, to encourage exports by small scale industries, units having to their credit, exports of not less than 25 per cent of their total turnover during the previous accounting year, have been allowed to assess their MPBF under the first method of lending provided their aggregate working capital limit from the banking system is less than Rs. 1 crore.

With a view to providing some relief to the industrial sector, banks have been advised to treat only one-third of term loan instalments payable within the next twelve months as current liabilities for arriving at MPBF. Further, companies/organisations engaged in the marketing/trading of the products of village, tiny and small scale industrial units have been allowed to assess their MPBF under the first method of lending, subject to the fulfillment of certain conditions.

Housing Finance

For the year 1992-93, scheduled commercial banks were advised to continue computing their respective share of housing finance allocation at 1.5 per cent of their incremental deposits during the preceding year. As the deposits with the banks during the year 1991-92 had shown a substantial increase, the overall housing finance target for banks for the year 1992-93 on the above basis was higher at Rs. 569 crore as against the overall quantum of Rs. 365 crore earmarked during the preceding year. Banks have been permitted to exceed their housing finance targets if their resources positions so permit. There was no change in distribution of housing finance under direct and indirect lending.

The restriction imposed during the previous year 1991-92 on the "Real Estate" loans (outstanding not to exceed the balance outstanding as on 9.10.1991) continued during 1992-93. However, this restriction does not apply to housing finance even when it exceeded the target/allocation fixed for a bank.

National Housing Bank

The paid-up capital of the National Housing Bank (NHB), entirely subscribed by RBI, amounts to Rs. 250 crore. RBI has also advanced to NHB, loans amounting to Rs. 175 crore out of the National Housing Credit (Long Term Operations) Fund, so far. NHB has till date issued 5 series of Bonds, amounting to Rs. 293 crore guaranteed by the Central Government. By the end of March 1993, NHB has also availed of loans amounting to Rs.717 crore from LIC and Rs. 50 crore from UTI.

Reference was made in the previous Report for 1990-91 about the loan raised by NHB under the USAID Government Housing Guarantee Programme and from the Overseas Economic Co-operation Fund (OECF) of Japan. Support from USAID under their Housing Guarantee Programme (HGP) continues to be extended to NHB. Negotiations for finalising various issues relating to raising further US $ 25 million under the HGP were concluded satisfactorily. A number of training and technical assistance related activities are also supported through the Development Management and Training (DM&T) Project of USAID. Discussions with USAID are also being held for a follow-up programme, viz., the Housing Finance System Expansion Programme. The programme will enable NHB to raise funds to the tune of US $ 50 million over the period 1992-96. Additionally, US $ 4.3 million will be made available in support of training and technical assistance related activities under the Project Grant Agreement. The agreement was signed between USAID, Government of India and NHB on April 30, 1992.

As per reports received from various implementing institutions, it is estimated that a total deposit of Rs.300 crore was mobilised under Home Loan Accounts Scheme up to the end of March 1993.

Reference was also made in the previous Report for 1991-92 regarding NHB's Capital Gains Bonds Scheme. Under the Scheme Rs. 159.79 crore was collected upto the end of September 1992, the date after which the scheme has been discontinued consequent to deletion of Section 54 E of the Income Tax Act, 1961, by the Finance Act 1992. National Housing Bank (Voluntary Deposits) Scheme 1991 was formulated under the Voluntary Deposits (Immunities and Exemptions) Act, 1991. The scheme was opened for deposits on October 1, 1991 at designated branches of 9 banks and was closed on January 31, 1992. As per reports received from banks, the total amount deposited under the Scheme was Rs. 153.78 crore. As stipulated in the Scheme, 40 per cent of the amount deposited is to be credited to a special fund to be utilised for financing slum clearance and low cost housing. Accordingly, an amount of Rs. 61.51 crore has been credited to the special fund. The bank had since framed guidelines for the utilisation of the said funds. NHB continued to provide refinance to scheduled banks, HFIs and State Level Apex Co-operative Housing Finance Societies in respect of eligible loans disbursed by them. The cumulative disbursement under NHB Refinance Schemes through the eligible primary lenders together with subscription to Special Rural Housing Debentures floated by Agricultural Rural Development Banks in respect of their eligible housing loans amounted to Rs. 1,515.08 crore by the end of March 1993 and Rs. 1,697.11 crore by the end of July 1993. Of the refinance provided, HFCs accounted for 81.5 per cent, co-operative sector institutions 12.2 per cent and commercial banks 6.3 per cent.

NHB's strategy to address the housing problem is based on simultaneous intervention in the financial and real sector. To bring about a balance between demand and supply of serviced plots/built-up houses, NHB has also extended refinance for Land Development and Shelter Projects (LD&SP) for which guidelines have been issued earlier. Of the Rs. 1,515.08 crore refinance disbursed, Rs. 132.01 crore is for such projects. State-wise details with regard to disbursals in respect of LD & SPs as at the end of March 1993 undertaken by various agencies are given in Table VII-31.

Table VII-31 : **State-wise Distribution of LD & SPs**

(Rs. crore)

	States	Amount
1.	Andhra Pradesh	3.00
2.	Goa	2.05
3.	Gujarat	2.29
4.	Karnataka	2.00
5.	Maharashtra	1.05
6.	Madhya Pradesh	11.20
7.	Rajasthan	0.30
8.	Sikkim	0.58
9.	Uttar Pradesh	107.13
10.	West Bengal	2.41
	Total	132.01

NHB also extends equity support to building industries particularly those aimed at locally produced low cost building industries material, material produced by using agricultural, industrial and other wastes and reduce the use of scarce resources like wood etc. Out of the 4 projects cleared earlier for equity subscription of Rs. 1.16 crore an amount of Rs. 70 lakh has since been released. Two out of the four units supported by NHB are nearing completion and are likely to start commercial production shortly.

As on March 31, 1992, the eighteen Housing Finance Companies (including HUDCO) approved by NHB had a network of 246 branches, catering to the housing needs in 171 out of 465 districts in India. NHB has participated in the equity capital of 4 HFCs so far.

Housing Finance Companies (NHB) Directions, 1989

Consequent upon the recommendations of the Working Group appointed by RBI to make an in-depth study of the role of Non-Banking Financial Companies and to suggest regulatory and control measures to ensure healthy growth and operations of these companies, NHB made certain changes in the Directions applicable to the Housing Finance Companies (HFCs). The important changes that have been made effective from July 5, 1993 are :

i) the minimum period for which the HFCs can accept deposits has since been reduced to more than 12 months instead of more than 24 months stipulated earlier;

ii) the maximum interest rate on deposits has been reduced to 14 per cent per annum;

iii) No HFC can repay any deposit within a period of three months from the date of its acceptance;

iv) No interest is payable on deposits repaid after three months but before the expiry of six months;

v) An interest rate of 'not exceeding 10 per cent' per annum can be paid on deposits withdrawn after a period of six months but before expiry of 12 months;

vi) In case of premature withdrawal of deposits beyond a period of 12 months but before the date of maturity, the rate of interest would be one percentage point less than the contracted rate; and

vii) In terms of the Directions issued earlier, every HFC is required to maintain 10 per cent of the deposits outstanding in the books of the company on any day either in an account with a scheduled bank (free from any charge or lien) or in unencumbered approved securities (such securities being valued at their market value for the time being) or partly in such an account or partly in such securities. The HFCs are now allowed to keep such amount as deposits with NHB as well. Further, the HFCs have to ensure that investments in Central and/or State Government securities or Government-guaranteed bonds including bonds issued by NHB, is not less than 2.5 per cent of the deposits. The HFCs have been advised to achieve this level in two six-monthly phases, i.e., one and a quarter per cent of the deposits on or before January 5, 1994 and the balance one and quarter per cent of the deposits on or before July 5, 1994.

Changes in the Refinance Policy and Refinance Schemes

RBI has revised the interest rates thrice in the recent past - first in March 1993 and then in April and June 1993. Further, as enumerated earlier several changes have taken place on the resources front for NHB. In view of these developments, a review of NHB's refinance policy was made and the following changes have been introduced in the interest rates and refinance scheme:

Table : Interest rates of Refinance from NHB

(a) Loans to individual beneficiaries (all primary lenders)

Loan Amount (Rs.)	Interest Rate % p.a.	
	Refinance Rate	Lending Rate*
New Dwelling Units		
Upto 25,000	10.00	12.00
25,001 - 2,00,000	14.75	16.00
Repairs & upgradation		
Upto 30,000	14.75	16.00

(b) Project Loans undertaken by (refinance through scheduled commercial banks and HFCs)

i) Public Agencies ii) Co-operative Housing Societies	16.00	17.00
iii) Professional Developers iv) Rental Housing v) Infrastructure Development	19.00	20.00

* Exclusive of interest rate whichever applicable.

Note: Though interest rates stipulated are uniformly applicable to all primary lenders, HFCs have been allowed following relaxations.

1. In respect of refinanced loans upto Rs. 1.00 lakh the lending rates stipulated shall be treated as the ceiling whereas for refinanced loans in excess of Rs. 1.00 lakh, the rate prescribed shall be treated as the floor rate.

2. They shall be free to adopt different rates of interest for housing loans not covered by NHB refinance scheme.

Refinance Scheme

Annual limits shall be fixed for all the primary lenders based on various parameters, e.g., average refinance drawn during the previous years, prompt repayment of refinance earlier availed from NHB and NHB's resource position. Annual limits will be so fixed that no HFC gets more than 25 per cent of aggregate of limits fixed for all the HFCs. Further, in respect of HFCs the refinance policy provides for computing overall refinance eligibility as :

Basic Refinance Limit :- Up to 5 times of Net Owned Funds (NOF).

Additional Refinance Limit :- In case HFCs with NOF up to Rs. 10 crore, three times of deposits. For HFCs with NOF above Rs. 10 crore it shall be restricted to twice the amount of deposits.

This shall now be further restricted so as to ensure that refinance availed of by any HFC is no more than 60 per cent of its total outstanding housing loans at any point of time.

HFCs whose overdue for over 3 months exceeds 5 per cent of the aggregate demand for the year shall be ineligible to draw further refinance.

Deposit Insurance and Credit Guarantee Corporation

During the year 1992-93, the Deposit Insurance and Credit Guarantee Corporation (DICGC) continued to provide insurance cover to depositors in banks through its Deposit Insurance Scheme and guarantee cover to eligible credit institutions for their priority sector advances to small borrowers and small-scale industries through its three credit guarantee schemes - two for small borrowers and one for SSIs.

The number of insured banks under the Deposit Insurance Scheme was 1,931 as on March 31, 1993 comprising 276 commercial banks (including 196 RRBs) and 1,655 co-operative banks in 16 States and 3 Union Territories. 87 co-operative banks in 9 States and 4 Union Territories are yet to be brought within the purview of the scheme. The matter regarding extension of the Scheme to co-operative banks in the States of Bihar, Assam, Manipur and Sikkim is under consideration.

The limit of insurance cover and the rate of insurance premium have been enhanced from Rs. 30,000 to Rs. 1,00,000 per depositor per bank (in the same right and capacity) w.e.f. May 1, 1993 and from 4 paise to 5 paise per Rs. 100 per annum w.e.f. July 1, 1993 respectively. An aggregate sum of Rs. 105.97 crore was received towards insurance premium (including interest on overdue premium) during the year. The fully protected accounts formed 95.8 per cent of the total number of accounts and the insured deposits of Rs. 1,64,527 crore formed 67.3 per cent of the assessable deposits at Rs. 2,44,375 crore as at end-June 1992. The aggregate amount of claims paid till March 31, 1993 was Rs. 178.11 crore (including Rs. 38.99 crore paid during the year) in respect of 25 commercial banks and 24 co-operative banks.

The number of banks participating in the Small Loans Guarantee Scheme, 1971 as on 31st March 1993 was 248 comprising 55 commercial banks and 193 RRBs. The co-operative banks participating in the Small Loans (Co-operative banks) Guarantee Scheme, 1984 numbered 29. The guaranteed advances under these two schemes for small borrowers amounted to Rs. 24,444 crore as on March 31, 1992 showing a decline of 16.2 per cent over the previous year. The Corporation received 36,81,272 claims for Rs. 883.29 crore and settled 24,92,375 claims for Rs. 565.95 crore during the year.

The number of institutions participating in the Corporation's Small Loans (Small Scale Industries) Guarantee Scheme, 1981 was 344 comprising 203 commercial banks (including 149 RRBs) and 141 co-operative banks as on March 31, 1993. The guaranteed advances to SSI Sector increased by 10.4 per cent over the previous year and stood at Rs. 19,162 crore as on March 31, 1992. The Corporation received 1,29,968 claims for Rs. 259.98 crore and settled 1,18,147 claims for Rs. 243.21 crore during the year.

During the year 1992-93, the Corporation received guarantee fee of Rs. 702.78 crore (including the ploughed back provisions in respect of earlier years). The gap between the guarantee claims' receipt and guarantee fee receipt for the year widened to Rs.440.49 crore. On a review of the viability of Credit Guarantee Schemes, the rate of guarantee fee for the Small Loans Guarantee Scheme, 1971 has been enhanced to 2.5 per cent p.a. w.e.f. April 1, 1993. The rate of guarantee fee for the remaining two schemes, viz., Small Loans (SSI) Guarantee Scheme, 1981 and Small Loans (Co-operative Banks) Guarantee Scheme, 1984 remains unchanged at 1.5 per cent per annum.

Export Credit Guarantee Corporation of India Ltd. (ECGC)

The policies and guarantees in force at the end of the year 1992-93 stood at 20,420, showing an increase of 4.69 per cent over that of the previous year. Concomitantly, the total value of the business covered by the Corporation during the year, registered an impressive growth rate of 23.73 per cent (Table VII-32). The total premium income of the Corporation during the year was Rs. 105.10 crore as compared to Rs. 89.51 crore in the previous year, registering an increase of 17.42 per cent. Gross claims paid during the year totalled Rs. 105.14 crore, almost the same as the preceding year's figure of Rs. 105.35 crore. Recoveries of claims paid added to Rs. 19.08 crore as compared to Rs. 34.75 crore recovered in 1991-92, thus bringing the net claims paid by the Corporation during the year to Rs. 86.06 crore as against Rs. 70.60 crore in the preceding year.

Non-Banking Financial Companies (NBFC)

In view of the growing importance of NBFCs in the functioning of the financial system of the economy, the need for subjecting these companies to financial sector reform was felt. As recognised by the Narasimham Committee, these companies should have prudential norms and guidelines as in the case of commercial banks. Accordingly, the Reserve Bank had constituted a Working Group on Financial Companies in May 1992 under the Chairmanship of Dr. A.C. Shah. The Group had submitted its report in September 1992. The major recommendations of the Working Group are :

(i) Category-wise classification of financial companies may be abolished and uniform regulations may be applied to all financial companies.

(ii) Regulatory attention by the Reserve Bank may be confined to companies with net owned funds of Rs.50 lakh and above.

(iii) As regards new financial companies, entry norms, viz., minimum net owned funds of Rs.50 lakh and a cooling period before accepting deposits, have been proposed by the Group.

(iv) The regulations should be on the asset side, such as, limit on credit concentration, prohibiting investments in undesirable activities, etc.

(v) Capital adequacy standards may be laid down based on risk assessment of assets and credit conversion factors for off-balance sheet items.

(vi) The 'exempted' category of deposits should be removed and all deposits should be brought under regulatory framework. A clear distinction should be made between deposits and borrowings from banks/institutions.

(vii) Non-banking financial companies may be allowed to accept deposits for a period ranging between 12 months and 84 months. Furthermore, so long as interest rates on bank deposits are regulated, interest rates on deposits accepted by non-banking financial companies should be 2 or 3 percentage points more than those offered by commercial banks.

(viii) Prudential norms for income recognition, transparency of accounts and provisions for bad and doubtful debts, may be prescribed.

The Reserve Bank had decided to implement these recommendations, with some modifications, in a phased manner so as to avoid undue discomfort to these companies. Accordingly, the Bank introduced a number of changes in the directions with effect from April 12, 1993, the important ones are given in the following paragraphs.

In the first phase, the minimum period of deposits of NBFCs has been brought down from 'over 24 months' to 12 months. The maximum period of deposits has been reduced from 120 months to 84 months in the case of residuary non-banking companies. Inter-corporate deposits/borrowings, monies received from directors and shareholders of private limited companies and monies raised through issue of debentures or bonds secured by mortgage of immovable property which were hitherto in the exempt category have been brought under the purview of Bank's Directions.

Hire purchase finance and equipment leasing companies will be required to maintain liquid assets at 10 per cent of deposits out of which 5 per cent should be in the form of

Government Securities and/or Government Guaranteed bonds. The residuary non-banking companies will also have to maintain investment in Government Securities and/or Government Guaranteed bonds to the extent of 10 per cent of their deposits within the limit of 70 per cent investment in approved securities. These companies have been allowed time up to the end of March 1994 to reach the target. The rules regarding the premature withdrawal of deposits have also been revised. Further, companies having net owned funds of Rs. 50 lakh and above have been advised to register with the Bank.

Chit Funds Act, 1982

The validity of the Chit Funds Act, 1982 had been challenged in different Courts and Supreme Court. The Supreme Court has upheld the act. The Act has been brought into force in 19 States and Union Territories as mentioned in the last Report.

Trends in the Growth of Deposits

Deposits' data of companies are available upto 1991-92. During 1991-92, the aggregate deposits of reporting non-banking companies registered an increase of Rs. 8,298 crore (18.3 per cent) (Table VII-33), from Rs. 45,261 crore held by 10,166 companies in 1991 to Rs. 53,559 crore held by 12,817 companies in 1992. The total regulated deposits of the reporting companies went up by Rs. 1,362 crore, while the exempted one by Rs.6,936 crore. Non-financial companies accounted for 52.8 per cent of aggregate deposits while financial companies accounted for 41.5 per cent, and miscellaneous non-banking companies and residuary non-banking companies for 5.7 per cent. The regulated deposits held by the non-banking sector was equivalent to 4.0 per cent of the aggregate deposits of all scheduled commercial banks as on March 20, 1992.

Rural Credit

Institutional Finance for Agriculture

Institutional credit structure for rural sector continues to be the same as before, consisting of Co-operatives, Scheduled Commercial Banks (SCBs) and Regional Rural Banks (RRBs).

a) Direct Finance

The data on direct institutional finance for agriculture and allied activities for the year 1992-93 are available only for State Governments and RRBs.

The direct institutional loans issued together by the co-operatives, State Governments, Scheduled Commercial Banks and Regional Rural Banks (RRBs) during the year 1991-92 (June-July) for agriculture and allied activities amounted to Rs.11,540.3 crore as against Rs.10,760.6 crore in 1990-91, registering a rise of 7.2 per cent.

Co-operatives' direct advances for agriculture and allied activities showed an increase of Rs.407.6 crore (7.6 per cent) from Rs.5,392.0 crore in 1990-91 to Rs.5,799.6 crore in 1991-92 (July-June). During the same period, the short-term loans disbursed by PACS (including LAMPS and FSS) increased by Rs.470.9 crore (12.0 per cent) from Rs.3,932.0 crore to Rs.4,402.9 crore, whereas medium term and long-term loans issued by PACS and CLDBs during the year 1991-92 declined by Rs.63.3 crore (4.3 per cent) from Rs.1,460.0 crore to Rs.1,396.7 crore. Disbursement of loans by State Governments increased by Rs.89.5 crore (26.4 per cent) from Rs.338.5 crore in 1991-92 to Rs.428.0 crore in 1992-93. Loans issued by Scheduled Commercial Banks during the year 1991-92 (June-July) aggregated Rs.4805.9 crores, showing a rise of Rs.130.4 crore or 2.8 per cent over the previous year. Total loans outstanding of Scheduled Commercial Banks as on June 30, 1992, aggregated Rs.16981 crore, as compared to Rs.17,031.6 crore in the preceding year. Loans issued by the RRBs also increased during 1992-93 by 11.63 per cent from Rs.596.3 crore in 1991-92 to Rs.665.7 crore in 1992-93.

Co-operative loans outstanding aggregated Rs.11,593.9 crore by the end of June 1992 as compared to Rs.10,531.0 crore as at the end of June 1991 (10.1 per cent). Outstanding loans in the case of RRBs aggregated Rs.2,132.2 crore by the end of June 1993 as compared to Rs.1,984.3 crore as at the end of June 1992 (7.5 per cent increase) (Table VII-34).

The total direct loans outstanding for agriculture and allied activities by institutional agencies together amounted to Rs.30,559.2 crore as at end of June 1992 as against Rs.29,315.5 crore as at end of June 1991. Complete data for the subsequent year are not available (Table VII-34).

(b) Indirect Finance

The data relating to indirect institutional finance to agriculture and allied activities for the year 1992-93 is available only for RRBs (Table VII-35). Loans disbursed by scheduled commercial banks (excluding RRBs) were marginally lower at Rs.198 crore during 1991-92 as against Rs.200 crore a year ago. Disbursement of loans by RRBs remained almost at the same level of 1991-92 (revised) at Rs.7 crore during 1992-93.

The outstanding loans of scheduled commercial banks as at end March 1992 stood at Rs.1,433 crore as against Rs.1,189 crore as at end-March 1991. In the case of RRBs, the outstanding advances at the end of march 1992 was Rs.91 crore, showing a considerable increase of Rs.67 crore over that of Rs.24 crore (revised) as at the end of June 1991. However, these outstandings recorded a moderate decline of Rs.17 crore to Rs.74 crore at the end of March 1993.

THE NATIONAL BANK AND RURAL CREDIT

Sources and Uses of Funds

Aggregate net resources mobilised by the National Bank for Agriculture and Rural Development (National Bank or NABARD) during 1992-93 amounted to Rs.1,215 crore. Contributions made out of the operating surpluses of the National Bank to National Rural Credit (Long-term Operations) (NRC-LTO) and NRC (Stabilisation) Fund, borrowing from the Reserve Bank of India under the General Line of Credit I (GLC I) and General Line of Credit II (GLC II) and accretion to the reserves and market borrowings mainly augmented the resources of the National Bank during 1992-93 (Table VII-36).

During 1992-93, the National Bank contributed Rs.525 crore and Rs.20 crore, respectively, to the NRC(LTO) and NRC (Stabilisation) Fund, out of its profits for the year as compared with Rs.515 crore and Rs.20 crore, respectively, during the preceding year. The RBI did not make any contribution to these Funds during the year, in view of its unprecedently large transfer of profits to the Government. The Reserve Bank of India has, however, sanctioned Rs.3,750 crore, comprising Rs.3,100 crore under GLC-I and Rs.650 crore under GLC- II, for financing seasonal agricultural operations (SAO) and for purposes other than SAO, respectively. Net borrowings from RBI for short-term lending operations during 1992-93 amounted to Rs.415 crore as compared with Rs.631 crore in the previous year.

Outstanding borrowings from the Government of India, by way of rupee equivalent of foreign exchange against amounts disbursed under various projects supported by external agencies, amounted to Rs.1,463 crore as at the end of March 1993. If the repayment of Rs.152 crore for earlier loans to the Government of India is taken into account, the net outstanding borrowing works out to Rs.1,311 crore.

Market borrowing by way of issue of bonds amounted to Rs.832 crore as at end-March 1993 as compared with Rs.732 crore in the previous year. As at end-March 1993, outstanding total borrowings from different sources, such as RBI, Government of India and the market, amounted to Rs.5,732 crore.

Out of the total fund of Rs.15,787 crore, as on March 31, 1993, Rs.8,085 crore (51 per cent) was distributed as medium-term and long-term project loans, Rs.3,463 crore (22 per cent) as production and marketing credit, and Rs.1,688 crore (10.7 per cent) was invested in the Government of India securities.

Progress of Externally Aided Projects

Total credit routed/to be routed through the National Bank in respect of 49 externally aided projects (of which 44 have been closed/completed) aggregated US $ 2,858 million (including U.S. $ 774 million under bilateral credits and U.S. $ 57 million under on-going projects) as at end-March 1993. The utilisation of credit in respect of completed projects was U.S. $ 1,917 million (95 per cent) of the allocated amount (US $ 2,027 million), excluding bilateral credit.

Under the Schematic Lending Programme, the National Bank is supporting the World Bank assisted National Sericulture Project (NSP). During 1992-93, the World Bank agreed to support the Rubber Development Project. There was no fresh line of credit from the World Bank/donor agencies during the year.

Assistance for Agriculture and Allied Activities

The National Bank continued to extend support to a broad spectrum of production activities in the rural sector. The details of financial assistance provided by the National Bank to co-operative and the State Governments as well as the rates of interest charged are set out in Table VII-37. The progress of credit facilities are reviewed in the following paragraphs.

Credit Limits

Short-term Credit

During 1992-93 (July-June), the National Bank sanctioned short-term credit limits for financing seasonal agricultural operations aggregating Rs.3,266 crore as compared with Rs.3,059 crore during 1991-92. Out of these the limits for Oilseeds Production Programme (OPP) aggregated Rs.414 crore as compared to Rs.358 crore in the previous year.

Medium-term Credit

During the calendar year 1992, credit limits for medium-term agricultural purposes sanctioned by the National Bank to SCBs on behalf of CCBs and drawals against these limits amounted to Rs.120 crore and Rs.116 crore, respectively. The outstanding amount at the end of December 1992 was Rs.77 crore which was much higher at Rs.65 crore as compared to the previous year's outstanding of Rs.12 crore.

Conversion Loans

During 1992-93 (July-June), SCBs/CCBs were sanctioned credit limits of Rs.244 crore to convert short-term agricultural loans (including reshaping and rescheduling of loans) into medium-term loans due to failure of crops following drought/floods. The outstandings under these limits amounted to Rs.157 crore as in June 1993 as against Rs.134 crore as in June 1992.

Long-term Credit

During the financial year 1992-93, the National Bank sanctioned long-term credit limits amounting to Rs.24 crore to State Governments to enable them to contribute to the share capital of co- operative credit institutions. Of the amount sanctioned, the drawals aggregated Rs.24 crore.

Policy Changes and Major Developments

Farm and non-farm sectors

During 1992-93, the National Bank was engaged in reorienting its policies in tune with emerging needs and took some major initiatives. These included : (1) refinement and updating of Potential Linked Credit Plans and their synthesis with service area plan; (2) allowing certain relaxations in credit discipline by upward revision in ceiling norms for sanction of short- term/full-term credit limits; (3) rationalization of interest rates for its ultimate borrowers; and (4) creation of a Co-operative Development Fund to promote institutional strengthening activities.

Under non-farm sector, the major developmental initiatives taken related to (a) introduction of new refinance schemes for marketing of rural non-farm products, ancillarisation/sub-contracting, and establishment of mother units; (b) formulation of the District Rural Industries Project; and (c) setting up of Agriculture and Rural Enterprises Incubation Fund.

Policy Initiatives in Credit Management

Credit Limit for SAO

In view of the increase in the funds requirements of the ultimate borrowers following a general hike in the cost of production, implementation of special programmes of Government of India such as Special Foodgrains Production Programme (SFPP), Integrated Programme for Rice Development (IPRD), Oilseeds Production Programme (OPP) etc., the National Bank decided to revise upwards the ceiling norms for sanction of Short–Term SAO credit limits to DCCBs with effect from July 1, 1992, as detailed below.

Co-operative Development Fund

In pursuance of the recommendations of the Parliamentary Committee on Agriculture, the Co-operative Development Fund for providing assistance to co-operative credit institutions was created. The corpus of the Fund was Rs.10 crore, transferred from the operative surplus of National Bank for the year 1992-93. The Fund will be built up through contributions from the National Bank, Central and State Governments and Multilateral and International agencies.

Relaxation in Eligibility Criteria

For the purpose of computing eligibility for drawing refinance from National Bank for the year 1992-93, the Demand, Collection and Balance position of the banks as on June 30, 1991 was taken as the basis instead of June 30, 1992. This relaxation was made to mitigate the difficulties of a large number of banks which continued to have low recoveries due to the effect of

Audit rating of the DCCB on whose behalf the limit is sanctioned	Upper ceiling up to which limit could be sanctioned as a multiple of Owned Fund			
	Pre-revised Norms		Revised Norms	
	Without Govt. Guarantee	With Govt. Guarantee	Without Govt. Guarantee	With Govt. Guarantee
A	6	6	7	7
B	4	5	5	6
C	3	5	4	6

Agricultural and Rural Debt Relief (ARDR) Scheme, 1990.

Rates of Interest to Ultimate Beneficiaries

Following the revision in interest rates on advances of banks effected by the Reserve Bank of India, the National Bank had revised the interest rates chargeable by the participating banks from the ultimate borrowers with effect from April 22, 1992. Details of the revision are given below:

Size Limit	Rate of Interest (Per cent per annum)
Upto and inclusive of Rs.7,500	11.5
Over Rs.7,500 and upto Rs.25,000	13.5
Over Rs.25,000 and upto Rs.2 lakh	16.5
Over Rs.2 lakh	19.0*(minimum)

* The minimum rate of 19 per cent on loan limits over Rs.2 lakh was reduced to 18 per cent and subsequently to 17 per cent with effect from October 9, 1992 and March 1, 1993, respectively.

Rates of interest on working capital and term loans raised upto Rs.25,000 were the same for agriculture, SSI and small road transport operators (owning upto two vehicles). For term loans exceeding Rs.25,000 for agriculture, SSI, etc., lower rates of interest were fixed as under:

Size Limit	Rate of interest (Per cent per annum)
a) Advance over Rs.25,000 and upto Rs.2 lakh	15.0
b) Advance over Rs.2 lakh	15.0 (Minimum)

Interest rates on loan limits exceeding Rs.2 lakh would be kept around the minimum level prescribed as under:-

a. **Farm Sector**

i) Schemes for wasteland development, rainfed farming, 100 per cent export oriented agricultural projects and minor irrigation schemes implemented by co-operatives/public sector co-operatives.	15.0 per cent
ii) All other schemes supported by National Bank	16.5 per cent

b. **Non-Farm Sector**

i) For advances over Rs.2 lakh and upto Rs.7.5 lakh	16.5 per cent
ii) Over Rs.7.5 lakhs	18.0 per cent

The SLDBs were, however, allowed to retain the floor rate of 15 per cent in respect of loans exceeding Rs.2 lakh.

Rates of Interest on Refinance

Consequent upon the revision in ultimate lending rates, the interest rates on refinance had also been revised with effect from April 22, 1992 as under:

Size of limit at ultimate borrowers' level	Rate of Interest on Refinance
i) Upto Rs.25,000	6.5 per cent
ii) Over Rs.25,000 and upto Rs.2 lakh	10.5 per cent

a. Farm Sector

i) Schemes for wasteland development, rainfed	10.5 per cent

farming/dryland farming, 100 per cent export oriented agricultural projects and minor irrigation schemes implemented by co-operatives/public sector corporations	
ii) All other schemes supported by National Bank	12.0 per cent
b. Non-Farm Sector	
i) Over Rs.2 lakh & upto Rs.7.5 lakh @	12.0 per cent
ii) Above Rs.7.5 lakh @	13.5 per cent

@ modified to Rs.10 lakh with effect from April 8, 1993

The National Bank advised commercial banks (including RRBs) that the rate of interest on term loans routed through Primary Agricultural Credit Societies/Farmers' Service Societies/Large Sized Adivasi Multi-Purpose Societies should be 1.5 per cent lower than the rate stipulated for the ultimate borrowers for the respective size of the limit for term loans.

Long-term refinance assistance under various schemes

During the year 1992-93, the National Bank sanctioned 6,493 schemes involving refinance commitments of Rs.2,896 crore as against 6,706 schemes involving Rs.2,236 crore of refinance commitments during the preceding year. Disbursement during the year amounted to Rs.2,359 crore as against Rs.2,054 crore during 1991-92. As at end-March 1993, the cumulative number of schemes sanctioned by the National Bank stood at 1,02,712 with commitments at Rs.23,431 crore and the disbursements aggregated Rs.18,723 crore.

Purpose-wise, Integrated Rural Development Programme (IRDP) accounted for the largest share in refinance disbursements during 1992-93. Next in importance was minor irrigation which had the highest number of schemes sanctioned and amounts committed. Details of purpose-wise sanctions/commitments/disbursements are given in Table VII-38. Agency-wise, the shares of State Land Development Banks, Scheduled Commercial Banks, Regional Rural Banks and State Co-operative Banks in the National Bank's disbursements stood at Rs.885 crore (37.5 per cent), Rs.1,004 crore (42.6 per cent), Rs.168 crore (7.1 per cent), and Rs.302, crore respectively, during 1992-93 (Table VII-38). For details on Agency-wise sanctions and disbursements of refinance assistance by National Bank refer Table VII-39.

Region-wise, while shares of the Eastern and Western regions recorded no changes during the year, the Northern and Southern regions showed increase whereas North Eastern and Central regions recorded decline in the disbursement of refinance by the National Bank (Table VII-40). The National Bank's disbursements in less developed and/or under-banked States rose from Rs.2,054 crore in 1991- 92 to Rs.2,359 crore in 1992-93 and formed 42.3 per cent of the total disbursement at the all-India level as against 45.2 per cent during the preceding year (Table VII-41).

Integrated Rural Development Programme

Under the IRDP, a major poverty alleviation programme launched on October 2, 1980, 18.75 lakh families were targetted to be assisted with an allocation of Rs.662.22 crore during 1992-93. However, only 20.69 lakh families had been assisted during 1992- 93 utilising Rs.336.69 crore. The progress in implementation of the programme is indicated in Table VII-42.

Refinance under IRDP

The National Bank's refinance assistance during 1992-93 (April-March) under IRDP amounted to Rs.649 crore (disbursements) as against Rs.647 crore during the previous year.

Commercial Banks, other than RRBs continued to avail the largest share of refinance, the amount showing a rise of Rs.9 crore from Rs.342 crore in 1991-92 to Rs.351 crore in 1992-93. The disbursement by SCBs recorded an increase of Rs.1 crore during 1992-93 as compared to the previous year. The share of SLDBs recorded a rise of Rs.4 crore to Rs.18 crore in 1992-93 compared to Rs.14 crore in 1991-92. However, disbursements by RRBs recorded a fall of Rs.12 crore in 1992- 93 (Table VII-43).

State Land Development Banks (SLDBs)

Lending Programme and Resources

The major sources of funds for SLDBs are the special development debentures (SDD) and ordinary debentures. The total lending and debenture programme of SLDBs for the year 1992-93 was fixed at Rs.975 crore as compared with Rs.881 crore during 1991-92. The resources for this programme were raised mainly by floatation of SDD to the extent of Rs.872 crore as against Rs.771 crore during the preceding year and subscribed by National Bank and Central and State Governments.

The ordinary debenture programme was supported by the institutional investors. The details of resources mobilised by SLDBs are presented in Table VII-44.

Strengthening and future development of co-operative credit structure

Institutional Strengthening Programme

The initiatives taken for strengthening the cooperative credit structure during the earlier years such as deposit guarantee scheme for PACS and preparation of business oriented development plans for PACS and CCBs were continued during the year. Further, the components and guidelines of the Institutional Strengthening Programme aimed at making non-solvent banks viable units were firmed up. The programme encompasses investigations of overdues, measures for recovery and provision thereof, rationalising loan policies and procedures, expansion and diversification of loan portfolio, mobilisation of resources, revitalisation of primaries, reduction in management costs and redeployment of manpower and resources, etc. The package, *inter-alia,* envisages administrative support and financial assistance from Central and State Governments, Reserve Bank of India and National Bank. One of the major constraints is lack of resources required to underwrite losses and bad debts of weak cooperative banks, to make them viable. On the basis of their financial position as at the end of 1990- 91 (after taking into account relief provided under ARDR Scheme 1990), 1 SCB, 21 DCCBs, 3 SLDBs, 332 PLDBs were classified as "non-solvent" banks and 16 DCCBs, 1 SLDB and 18 PLDBs as "near-non-solvent" banks.

Deposit Insurance Scheme for PACs

While the main thrust of Business Development Plan (BDP) is on deposit mobilisation by PACS, absence of insurance cover has so far been the major constraint in deposit mobilisation at PACS level. For overcoming this, a working group was constituted by the Government for the formulation of a model deposit insurance scheme. The scheme would be applicable only to viable PACS implementing BDPs, and could be implemented with suitable modifications to meet local needs.

Under this scheme, the PACS covered should have deposits of maturity period of more than six months and such deposits should be at least Rs.25,000 per society. Under the model scheme, the guarantee for deposits of PACS would be provided by the concerned CCB, while the guarantee fee at 0.30 per cent on total deposits would be shared by the PACS, CCBs and SCB in the ratio of 0.15 per cent, 0.10 per cent and 0.05 per cent, respectively. The amount of guarantee cover for deposits would not exceed Rs.30,000 per depositor.

The Model Co-operative Societies Act

The Committee to review the status of co-operative laws and recommend a model for the same submitted its report in May 1991. The main thrust of the Model Act is to impart a federal character to co-operatives, facilitate self-reliance and to minimise Government control and interference. State Governments would, however, be incorporating the amendments of the Model Act in a phased manner.

Licensing of Co-operative Banks

During 1992-93, one PCB was issued a licence under Section 22 of the Banking Regulations Act 1949 (as applicable to Co-operative Societies). With this, the total number of licensed PCBs stood at 1,038. During the year there was no fresh issue of licences for SCBs and CCBs. The total number of licenses issued to Co-operative banks at the end of the year 1992-93 was 1,088. Further, licences have been issued to 20 SCBs and 210 PCBs to open branches in their respective areas of operation. The license application of the banks would be subject to a thorough review during the course of inspection (Table VII-45).

Comprehensive Crop Insurance Scheme

Details of the progress made under the Comprehensive Crop Insurance Scheme (CCIS) introduced in *Kharif* 1985 and implemented by the General Insurance Corporation of India (GIC) are presented in Table VII-46. During *Kharif* 1992, 17 States implemented the Scheme, covering an area of 72.10 lakh hectares. The sum insured aggregated to Rs.1,156.20 crore and total insurance charges amounted to Rs.18.15 crore. As for *Rabi* 1992-93, 16 States implemented the Scheme covering an area of 10.56 lakh hectares, involving an insured sum of Rs.219.76 crore. The total insurance charges amounted to Rs.3.95 crore.

Commercial Banks and Rural Credit

Since the nationalisation of some of the commercial banks in 1969, banks have been increasingly disbursing credit to the rural sector, in particular to the priority sector. As at end-March 1993, the share of public sector banks' priority sector advances in the total credit stood at 36.6 per cent.

Outstanding advances of public sector banks to priority sectors, direct advances to agriculture and outstanding advances to weaker sections are presented in Table VII-47. It could be observed therefrom that the outstanding direct advances of public sector banks to agriculture aggregated Rs.18,559 crore as at end-March 1993 as compared to Rs.16,926 crore as in the previous year. The advances outstanding to weaker sections during the same period amounted to Rs.11,866 crore as against Rs.10,881 crore in the previous year.

Disbursements of Credit for Agriculture and Allied Activities

During 1991-92 (July-June), credit disbursed for agriculture and allied activities by scheduled commercial banks amounted to Rs.4,806 crore registering an increase of Rs.131 crore or 2.8 per cent compared with the amount of Rs.4,675 crore disbursed during the previous year. A sizeable portion of the credit (Rs.3,027 crore or 63.0 per cent) was disbursed by nationalised banks during 1991-92.

The State Bank of India group accounted for Rs.1,582 crore (32.9 per cent) and foreign and other scheduled commercial banks accounted for Rs.198 crore (4.1 per cent) (Table VII-48).

Purpose-wise Disbursement

During 1991-92 (July-June), scheduled commercial banks (excluding RRBs) issued short-term loans aggregating Rs.2,341.2 crore which formed 48.7 per cent of the total loans disbursed.

During the same period, disbursements of term loans for agriculture and allied activities amounted to Rs.2,464.5 crore (51.3 per cent), of which Rs.1,730.4 crore constituting 70.2 per cent were provided for agriculture alone. Tractors, agricultural implements and machinery accounted for the bulk of the loans disbursed (Rs.846.4 crore or 34.3 per cent). The minor irrigation schemes, another important purpose under agriculture, accounted for Rs.260.5 crore. The details of purpose-wise disbursements of loans are given in Table VII-49.

Region-wise Disbursement

Region-wise, Southern region, where the credit expansion was to the extent of Rs.2,413.1 crore or 50.2 per cent of the total credit distributed during 1991-92, continued to account for bulk of the credit disbursed. In sharp contrast to this, the loans issued for both Eastern and North-Eastern region together was Rs.403 crore representing 8.3 per cent of the total credit. The share of Central region at Rs.730 crore accounted for 15 per cent of the total credit.

Risk Fund for Consumption Credit

Effective 1977-78, the risk fund for consumption credit has been operating as a non-plan scheme covering all the States and Union Territories. Under the scheme, the commercial banks, co-operative banks and RRBs are expected to extend consumption credit to the weaker sections in the rural areas.

During 1992-93, an amount of Rs.20 lakh was released for six States and a budgetary provision of Rs.25 lakh has been made for the year 1993-94.

Other Institutions in the Field of Rural Credit

National Co-operative Development Corporation (NCDC)

By 1992-93, the NCDC completed three decades as an institution providing development finance to co-operatives under the schematic pattern of assistance. The NCDC-III, IDA assisted project, was completed during the year and steps to implement NCDC-IV with an outlay of Rs.1,000 crore of which Rs.775 crore is proposed to be IDA assistance, are being formulated. In addition, EEC assisted projects for mustard seed, coconut development, inland fisheries and a co-operative rural growth centre were under implementation.

During 1992-93, the NCDC provided Rs.340 crore as financial assistance as compared to Rs.327 crore in 1991-92. It extended Rs.217 crore for central schemes during the year 1992-93 (Rs.219 crore in 1991-92) and Rs.123 crore for Corporation sponsored schemes (Rs.108 crore in 1990-91) (Table VII-50). State-wise, the bulk of the assistance (of Rs.340.31 crore) was disbursed to Maharashtra (21 per cent) followed by Rajasthan (13 per cent), Tamil Nadu (12 per cent), Uttar Pradesh (11 per cent) and Karnataka (10 per cent). With the disbursal of Rs.340 crore in 1992-93, NCDC's total assistance to various State Governments and other agencies aggregated Rs.2,638.91 crore upto March 31, 1993.

The Integrated Co-operative Development Project (ICDP) was launched by NCDC during the Seventh Plan period for area development in selected districts through co-operatives in the agricultural, allied and non-farm sectors. Till March 1993, 36 districts were sanctioned schemes involving a project cost of Rs.174.55 crore, including the NCDC's share of Rs.164.09 crore.

Agricultural Finance Corporation Ltd.

Agricultural Finance Corporation Ltd. (AFC) continued its activities of project formulation, monitoring and evaluation studies relating to agriculture and rural development. During the year, 147 assignments were undertaken by the Corporation of which 78 assignments have been completed and the remaining 69 were at various stages of implementation. AFC, as in the past, continued to be involved in large size assignments both at the national and state levels. Work relating to the assignments on Concurrent Evaluation of Integrated Programme on Rice Development (IPRD), Oilseeds Production Programme (OPP), and National Pulses Development Programme (NPDP) continued during the year. Further, AFC was assigned the task of preparation of a micro Level Development Plan by the Government of Maharashtra for the implementation of projects under the Small Farmers' Agribusiness Consortium. During the year, the National Bank entrusted AFC with a study to examine the system and procedures existing in co-operative and commercial banks for extending credit (crop loans) to agriculture.

AFC's activities in the sphere of external consultancy during 1992-93 reflected a significant increase over that of the previous year. Earnings from international consultancies more than doubled from Rs.2.5 million in 1991-92 to Rs.5.12 million in 1992-93. The implementation of the Kerala Horticulture Development Programme funded by the EEC was initiated in August 1992.

ANNEXURE -I

Credit Policy Measures	Effective Date
(1)	(2)
A. Reserve Ratios	
1. Cash Reserve Ratio (CRR)	
(i) Average Cash Reserve Ratio (CRR) -15 per cent	October 8, 1992
(ii) Banks exempted from maintenance of CRR on Foreign Currency (Ordinary) Non-Repatriable Deposits (FCON)	October 8, 1992 (Announcement Date)
(iii) The average Cash Reserve Ratio (CRR) to be maintained by scheduled commercial banks reduced from 15.0 per cent to 14.0 per cent in two phases of 0.5 percentage point each as set out below:	
CRR on Net Demand & Time Liabilities (per cent)	Fortnight beginning from
14.5	April 17, 1993
14.0	May 15, 1993
(iv) Certificates of Deposit issued by scheduled commercial banks over the pre-May 2, 1992 limit equivalent to 5.0 per cent of the fortnightly average outstanding aggregate deposits in 1989-90 was subjected to CRR.	Fortnight beginning April 17, 1993
(v) Deposits under the Foreign Currency (Non-Resident) Accounts (Banks) Scheme fully exempted from maintenance of CRR requirements.	May 15, 1993
2. Incremental Cash Reserve Ratio	
(i) Scheduled commercial banks were exempted from the maintenance of the 10 per cent incremental cash reserve ratio for any increase in net demand and time liabilities over the level as on April 17, 1992. The 10 per cent incremental cash reserve ratio, however, continued to be operative upto the level of net demand and time liabilities as on April 17, 1992.	April 21, 1992 (Announcement Date)
(ii) It was decided to release one-third of the additional cash balances maintained under the 10 per cent incremental CRR by each bank, upto the level of April 17, 1992 in three equal instalments in the fortnights beginning October 17, 1992, November 14, 1992 and December 12, 1992.	
3. Interest on Banks' Cash Balances	
(i) Under the two-tier formula of payment of interest to banks on eligible cash balances held with the Reserve Bank, for the second tier, i.e., on the increase on eligible cash balances based on the net DTL maintained after March 23, 1990, under the average 15 per cent CRR as well as eligible cash balances maintained under the 10 per cent incremental CRR, interest was paid at a rate of 3 per cent per annum (reduced from 5 per cent per annum).	Fortnight beginning May 2, 1992
(ii) On the increase in eligible cash balances based on net DTL maintained after March 23, 1990 under the average 15 per cent CRR as well as eligible cash balances maintained under the 10 per cent incremental CRR no interest is being paid.	Fortnight beginning October 17, 1992
4. Statutory Liquidity Ratio (SLR)	
(i) SLR was reduced from 38.5 per cent to 30 per cent for any increase in net demand and time liabilities above the April 3, 1992 level. However, the SLR remained frozen at 38.5 per cent upto the level of outstanding net demand and time liabilities (excluding non-resident liabilities) as on April 3, 1992.	February 29, 1992 (Announcement Date)

(ii)	SLR to be maintained by scheduled commercial banks (excluding Regional Rural Banks), upto the level of outstanding net demand and time liabilities (excluding FCNR & NRE deposits) as on April 3, 1992 was reduced from 38.5 per cent to 37.75 per cent in three phases of 0.25 percentage point each as set out below:	October 8, 1992 (Announcement Date)

SLR on Net Demand and Time Liabilities (excluding FCNR and NRE Deposits), (per cent)	Fortnight beginning from
38.25	January 9, 1993
38.00	February 6, 1993
37.75	March 6, 1993

(iii)	Banks exempted from maintenance of SLR on Foreign Currency (Ordinary) Non-Repatriable Deposits (FCON)	October 8, 1992 (Announcement Date)
(iv)	SLR to be maintained by scheduled commercial banks (excluding Regional Rural Banks) upto the level of outstanding net demand and time liabilities (excluding non-resident liabilities) as on April 3, 1992 would be reduced further from 37.75 per cent to 36.75 per cent in four phases of 0.25 percentage point each as set out below:	April 7, 1993 (Announcement Date)

SLR on Net Demand and Time Liabilities (excluding FCNR & NRE Deposits) (per cent)	Fortnight beginning from
37.50	August 21, 1993
37.25	September 18, 1993
37.00	October 16, 1993
36.75	November 13, 1993

(v)	Deposits under the Foreign Currency (Non-Resident) Accounts (Banks) Scheme fully exempted from maintenance of SLR requirements.	May 15, 1993

Credit Policy Measures		**Effective date**
B.	**Lending Rates**	
i)	The lending rate on credit limits of over Rs.2 lakh was reduced by one percentage point from 18.0 per cent(minimum) to 17.0 per cent (minimum). Banks were advised that they should reduce the rates of interest charged for all borrowers under this category by a minimum of one percentage point over the rates being charged to such borrowers.	March 1, 1993
	The lending rate for commodities coming within the purview of selective credit controls was also reduced from 18.0 per cent (minimum) to 17.0 per cent (minimum).	March 1, 1993
	In the context of the reduction in the lending rate on credit limits of over Rs.2 lakh and also to provide further support to the export effort, the interest rates on export credit (Rupee) provided by scheduled commercial banks were reduced by one percentage point across-the-board.	March 1, 1993
ii)	With a view to rationalising lending rates of scheduled commercial banks, the existing four categories of lending rates were reduced to three categories according to the size of the credit limit by merging the first two slabs in the existing structures.	April 8, 1993

	Size of Credit Limit	Rates prior to April 8,1993	Rates effective April 8,1993
1.	Up to and inclusive of Rs.7,500/-	11.5	12.0
2.	Over Rs.7,500/-and up to Rs.25,000/-	13.5	12.0
3.	Over Rs.25,000/- and up to Rs.2 lakh	16.5	16.5
4.	Over Rs.2 lakh	17.0 (minimum)	17.0 (minimum)

iii) The lending rates at the upper end of the interest rate structure, i.e., for limits of 'over Rs.25,000/- and upto Rs.2 lakh' and 'over Rs.2 lakh' were lowered. Banks were once again advised that they should reduce the rates charged for all borrowers in the category of over Rs.2 lakh by a minimum of one percentage point over the rates being charged to such borrowers. The changes made were as follows: — June 24, 1993

Size of Credit Limit June 24, 1993	Rates prior to June 24, 1993	Rates effective June 24, 1993
Over Rs.25,000/- and up to Rs. 2 lakh	16.5	16.0 (Fixed)
Over Rs.2 lakh	17.0 (minimum)	16.0 (minimum)

The reduction in the lending rate for borrowers in the category over Rs.25,000 and up to Rs. 2 lakh was intended to help borrowers, particularly in agriculture and small scale industry sectors.

The lending rate for commodities coming within the purview of selective credit controls was also reduced from 17.0 per cent (minimum) to 16.0 per cent (minimum).

C. Deposit Rates

(i) Term Deposit Rates (Domestic)

a) In view of the reduction in lending rates, a reduction in the deposit rate was considered necessary to maintain the viability of banks. Accordingly, the deposit rates for maturity of 46 days to 3 years and above were reduced by one percentage point to 'not exceeding 11.0 per cent per annum'. The revised structure of deposit rates were applicable only to fresh deposits and on renewals of maturing deposits. — March 1, 1993

b) **Term Deposits under Non-Resident (External) Rupee Accounts (NRE Accounts)**

To rationalise term deposit rates of NRE Accounts in accord with domestic deposit rates, the term deposit rates for NRE Accounts for maturity of 46 days to 3 years and above were reduced by one percentage point from the existing 'not exceeding 13.0 per cent per annum' to 'not exceeding 12.0 per cent per annum'. The revised deposit rates were applicable only to fresh deposits and on renewals of maturing deposits. — April 8, 1993.

(ii) Savings Deposit Rate

In consonance with the reduction in the maximum term deposit rate it was considered appropriate to reduce the savings deposit rate. Accordingly, the savings deposit rate was reduced by one percentage point from 6.0 per cent per annum to 5.0 per cent per annum. — July 1, 1993

D. RBI Refinance Accommodation
Export Credit Refinance.

(i) Scheduled commercial banks would be provided Export Credit (rupee) refinance to the extent of 60 per cent of the increase in outstanding export credit over the monthly average level of 1988-89 up to the monthly average level of 1989-90 plus 100 per cent of the increase over the monthly average level of outstanding export credit in 1989-90, as against 110 per cent hitherto. — Fortnight beginning May 15, 1993

(ii) Under the refinance facility against Post-shipment Export Credit Denominated in US Dollars, banks would be eligible for export credit refinance limits equivalent to 100 per cent of such outstanding credit provided by banks as against 120 per cent hitherto. — **Fortnight beginning May 15, 1993**

E. Mobilisation Of Foreign Currency Deposits

1. Foreign Currency (Non-Resident) (Banks) Scheme

In April 1993, a new Foreign Currency (Non-Resident) Accounts (Banks) Scheme was introduced with the following salient features: May 15, 1993

(i) As in the case of the existing FCNR Scheme, repatriation of funds will be freely permitted in foreign currencies.

(ii) The Reserve Bank will not provide exchange rate guarantee to banks for deposits under the new scheme. The exchange rate guarantee will be provided to the depositors by the Authorised Dealers and accordingly, the exchange risk would be borne by the banks.

(iii) The deposit rates under the new scheme would be identical to those prescribed for the existing FCNR Scheme.

(iv) The deposits under the new scheme would be fully exempted from maintenance of CRR and SLR requirements and accordingly, these liabilities would not form part of net demand and time liabilities for the purpose of reserve requirements.

(v) Lending out of resources mobilised under this scheme would not be subject to any lending rate stipulations.

(vi) Lending out of resources mobilised under this scheme would not be considered as part of the net bank credit for the purpose of determining priority sector lending. The other terms and conditions applicable to the existing FCNR scheme are applicable to the new FCNR (Banks) Scheme.

2. Modifications in the existing FCNR Scheme

The existing four maturities under the present FCNR scheme were compressed by withdrawing the first maturity viz., '6 months and above but less than 1 year'. Accordingly, FCNR deposits can be mobilised by the Authorised Dealers for the following three maturity period, viz., '1 year and above but less than 2 years', '2 years and above but less than 3 years' and '3 years only' under both schemes. Deposits of '6 months and above but less than one year' would be permitted to be accepted only under the new FCNR (Banks) Scheme and this maturity would be withdrawn for the existing FCNR scheme. Deposits in the maturity slab of '6 months and above but less than one year' under the existing FCNR Scheme will be allowed to continue till maturity. As far as the non-resident depositor is concerned, there is no change in the exchange cover provided under the FCNR facility.

F. Measures To Promote Industrial & Agricultural Growth

1. Additional Resources to National Bank for Agriculture and Rural Development

Considering the increase in prices of agricultural inputs and also to enable NABARD to extend adequate credit support for the Rabi crop operations, the limits under the General Line of Credit-I (GLC-I) provided by RBI to NABARD which had not been altered since 1989-90 were enhanced by Rs.400 crore from Rs.2,700 crore to Rs.3,100 crore. This would enable NABARD to provide larger credit to finance short-term agricultural operations. January 18, 1993 (Announcement date)

The limits under GLC-I were further increased by Rs.200 crore to Rs.3,300 crore. This measure was intended to improve the flow of credit to small borrowers in the agricultural sector. April 7, 1993 (Announcement date)

2. Special Refinance Facility to Industrial Development Bank of India to stimulate Investment in Capital & Intermediate Goods Industries

With a view to providing additional financial assistance to the manufacturers of commercial vehicles, machinery manufacturers, hire purchase/equipment leasing companies and Road January 18, 1993 (Announcement date)

Transport Corporations, so as to enable the capital and intermediate goods industries to step up their sales, arrangements were made to enlarge the resources available to them through the IDBI schemes of Bill Rediscounting, Direct Discounting and assistance to hire purchase/leasing companies. To enable IDBI to set up a corpus of funds to the extent of Rs.600 crore, the Reserve Bank of India provided accommodation to IDBI by way of refinance limits to the tune of Rs.400 crore. The short-term accommodation was provided to IDBI under Section 17 (4H)(b) at a fixed rate of interest at 14.0 per cent per annum under a special refinance facility to IDBI. The remaining Rs.200 crore would be provided by IDBI out of its own resources. Channeling of additional short-term accommodation to IDBI would enable IDBI to provide more effective support by way of sanctioning additional limits, thereby stimulating the demand for capital and intermediate goods industries.

3. Threshold Limit for Term Loans by Scheduled Commercial Banks

The threshold limit for cost of projects which could be financed by banks in participation with state level institutions such as State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs) irrespective of the paid-up capital and reserves of the borrowing company, which had not been raised since July 1985, was increased from Rs.3 crore to Rs.10 crore, considering various developments since then. While undertaking enhancement in the term loan for projects, banks, particularly smaller banks were advised to ensure that asset-liability mismatch was avoided. — January 18, 1993 (Announcement date)

4. Lending Discipline and Norms-Term Loan Instalments as Source of Funds

In terms of the then existing guidelines, the term loan instalments falling due for repayment during the next twelve months were treated as items of current liabilities by banks for determining the Maximum Permissible Bank Finance (MPBF). As such, the working capital gap (current assets minus current liabilities) got reduced and borrowers were sanctioned lower working capital credit limits than what would have been the case, had these instalments not been treated as current liabilities. In view of the fact that such funds are not available during the entire year, it was decided that henceforth, banks would treat two-thirds of such instalments falling due within the next 12 months as current liabilities and the remaining one-third would be kept outside for the purpose of assessment of MPBF. Consequently, the MPBF would increase. — January 20, 1993 January 18, 1993 (Announcement date)

In the context of the easing of the pressure on banks' resources and with a view to providing further relief to borrowers, in April 1993, it was decided that henceforth only one-third of such term loan instalments payable within the next 12 months would be treated as items of current liabilities for the purpose of arriving at the MPBF. As a consequence, the MPBF would increase further. — April 7, 1993 (Announcement date)

5. Special Package of Measures for Financing of Small Scale Industries

Considering the contribution of the SSI Sector to overall industrial production, exports and employment and also recognising the need to give a fillip to this sector, a special package of measures was devised to ensure adequate and timely credit to this sector. While doing so, the recommendations of the Committee to Examine the Adequacy of Institutional Credit to the Small Scale Industries Sector and Related Aspects headed by Shri P.R.Nayak and other factors were taken into account. The salient features of the package are set out below : — April 7, 1993 (Announcement date)

(a) The banks should step up the credit flow to meet the legitimate requirements of the SSI Sector in full during the 8th Five Year Plan. For this purpose, the banks should draw annual credit budgets on bottom up basis. These budgets should reflect consolidated position of the budgets prepared by each bank at the branch level in consultation with the SSI units and also taking into account other relevant factors.

(b) As a measure of simplification, the existing instructions relating to the First and Second Methods of Lending and the Norms for Inventories and Receivables would be replaced by a simplified formula under which a minimum of 20 per cent of the annual turnover of the SSI units would be made available to SSI units as working capital finance. The SSI units, on their part, will be required to bring in 5 per cent of their annual turnover as margin money. This facility would, however, be available only to those SSI units whose fund based credit requirements do not exceed Rs.50 lakh. The other SSI units would continue to be governed by the existing Methods of Lending and Norms for Inventories and Receivables.

(c) For the redressal of the large number of grievances of SSI units, an institutional framework was to be introduced. Each bank was asked to create, both at the regional and head office levels, an effective grievance redressal machinery. The SSI units would be free to refer their grievances to these bodies directly and it shall be the duty of these agencies to deal with such grievances within the time limit prescribed by the banks. It is also proposed to set up a grievance redressal machinery by the Reserve Bank.

(d) To arrest the problem of sickness in the SSI sector, the definition of a sick SSI unit was modified so that potentially viable SSI units could be helped in their rehabilitation efforts at an early stage.

G. Measures Relating To Money Market

i) Certificates of Deposit

To enable banks to mobilise deposits on competitive terms, it was decided to further enhance the limits for issue of CDs. Accordingly, scheduled commercial banks (excluding Regional Rural Banks) could issue CDs equivalent to 10 per cent of the fortnightly average outstanding aggregate deposits in 1991-92. Consequently, the aggregate limits for issue of CDs by eligible banks increased from Rs.15,038 crore to Rs.20,552 crore.

Fortnight beginning April 17, 1993

ii) Setting up of a Securities Trading Corporation of India

In the last five years significant efforts had been made to develop the short-term money market and the secondary market for money market assets has been developed largely as a result of the activities of the Discount and Finance House of India Ltd. (DFHI). In the area of Government dated securities and public sector bonds, there was a need to undertake the development of an institutional infrastructure which could provide the base for an active secondary market in these securities. There was no institution which was exclusively or mainly engaged in the development of a secondary market for such securities.

April 17, 1993 (Announcement date)

In this context, there was a need for a specialised institution which could be entrusted with the task of fostering the development of an efficient secondary market in these securities. Accordingly, it was decided to set up a Securities Trading Corporation of India. While the development of a secondary market in Government dated securities and public sector bonds would be the main task of the new institution, it could also hold short-term money market assets like Treasury bills as part of its liquidity management. The new institution would have an initial paid-up capital of Rs.500 crore and the ownership of the Corporation would be broad based covering Reserve Bank of India, commercial banks, co-operative banks, financial institutions, mutual funds and public sector units.

H. Measures To Promote Exports

i) Stipulation of Export Credit Target

It was considered imperative that the banking system recognised the paramount need to promote exports and brought about a significant and enduring increase in export credit. Therefore, in November 1992 scheduled commercial banks were advised to endeavour to reach, by June 1993, a level of export credit equivalent to 10 per cent of each bank's net bank credit. Failure to achieve the stipulated level of export credit and/or failure to show a distinct improvement in export performance would invite bank-specific policy responses which could include raising of reserve requirements and withdrawal of refinance facilities.

November 11, 1992 (Announcement date)

ii)	**Rediscounting of Export Bills Abroad**	
	It was decided to allow authorised dealers in India to rediscount export bills abroad at rates linked to international interest rates. This measure would improve the competitiveness of exports. This facility will come into effect after detailed operating guidelines are issued.	April 7, 1993 (Announcement date)
I.	**Other Credit Policy Measures**	
	Restriction on Bank Advances against Shares and Debentures/Bonds	
	In view of the substantial decline in share prices, it was decided to reduce the minimum margin on loans to individuals against shares and debentures/bonds from 75 per cent to 50 per cent. Furthermore, the stipulation that banks should ensure that there is no increase, effective October 9, 1991 in the credit outstanding to individuals against shares and debentures/bonds was withdrawn. The existing limit of Rs.5.00 lakh for advances to an individual borrower against the security of shares/debentures prescribed in January 1988 continues to be in force.	April 8, 1993
J.	**Selective Credit Control**	
1)	**Minimum Margins on Advances against Cotton and Kapas**	
	The minimum margins on advances against cotton and kapas were lowered by 15 percentage points, setting them at 60 per cent to 'Others' (other than mills/processing units) and 45 per cent for advances against warehouse receipts. Mills/processing units continued to be exempted from the control provisions.	December 11, 1992
2)	**Minimum Margins on Advances against Oilseeds/Vegetable Oils**	
	The minimum margins on bank advances against oilseeds and vegetable oils (including vanaspati) were lowered by 15 percentage points, setting them at 45 per cent for mills/processing units and against warehouse receipts and 60 per cent for 'Others' (mainly trade).	January 19, 1993
3)	**Minimum Margins on Advances against Cotton and Kapas**	
	The minimum margins on advances against cotton and 'kapas were lowered further by 15 percentage points, setting them at 45 per cent for 'Others' (other than mills/processing units) and 30 per cent against warehouse receipts. Mills/processing units continued to be exempted from the controls.	January 13, 1993
4)	**Lending Rate on Advances against Commodities**	
	The lending rate for commodities within the purview of selective credit control was lowered further from 18.0 per cent per annum (minimum) to 17.0 per cent per annum (minimum).	March 1, 1993
5)	**Minimum Margins on Foodgrains**	
	The minimum margins on banks advances against paddy/rice, wheat, pulses and 'Other foodgrains' were reduced by 15 percentage points, setting them at 45 per cent for mills/processing units and against warehouse receipts and 60 per cent for 'Others' (mainly trade).	April 8, 1993
6)	**Minimum Margins on Oilseeds/Vegetable Oils**	
	The minimum margins on bank advances against oilseeds/vegetable oils (including vanaspati) were lowered by 15 percentage points, setting them at 30 per cent for mills/processing units and against warehouse receipts and 45 per cent for 'Others' (mainly trade).	April 8, 1993

7) Level of Credit on Advances against Commodities

For commodities where there is a stipulation of level of credit ceilings, the reference period was brought forward by one year to the three year period ended 1991-92 (November-October). April 8, 1993

8) Level of Credit Ceilings on Sensitive Commodities

The level of credit ceilings, wherever applicable, were raised by 15 percentage points, setting them at 85 per cent in the case of paddy/rice and wheat and 100 per cent in respect of pulses, 'Other foodgrains', oilseeds and vegetable oils (including vanaspati) and cotton and kapas (to other than mills/processing units). April 8, 1993

The minimum margins on bank advances against wheat were reduced across-the-board by 15 percentage points. The level of credit ceiling for advances against wheat and cotton/kapas were raised by 15 percentage points from 85 per cent to 100 per cent and from 100 per cent to 115 per cent, respectively, of the peak level of credit maintained by a party in any of the three-year period 1989-90 through 1991-92 (November-October). June 24, 1993

The structure of minimum margins/level of credit ceilings on advances against commodities covered by selective credit control as on June 24, 1993 is set out in the Appendix.

The Structure of Minimum Margins and Level of Ceiling on Bank Advances Against Commodities Subject to Selective Credit Controls:

(In per cent)

Commodities	Minimum Margins (effective June 24, 1993)			Level of credit ceiling Base Year : Three years ending 1991-92 (Nov.-Oct.)
	Mills/ processing units	Others	Ware-house receipts	
1	2	3	4	5
1. Paddy/Rice	45	60	45	85
2. Wheat	30	45	30	100
3. Pulses	45	60	45	100
4. Other foodgrains	45	60	45	100
5. Oilseeds (viz., groundnut, rapeseed/mustard, cottonseed, linseed, castorseed and all imported oilseeds)	30	45	30	100
6. Vegetable oils (viz., groundnut oil, rapeseed/ mustard oil, cottonseed oil, castor oil, vanaspati and all imported vegetable oils)	30@	45	30	100
7. Sugar				
(a) Buffer stock	0	—	—	—
(b) Unreleased stock	20	—	—	—
(c) Released stock	75	75	60	—
8. Gur and khandsari	45	75	60	—
9. Cotton & Kapas	X	45	30	115+

@ Applicable to registered oil mills and vanaspati manufacturers.

X Exempt from the selective credit control stipulations.

\+ Applicable to other than mills/processing units.

— Not applicable.

ANNEXURE - II

SELECTIVE CREDIT CONTROL

PROVISIONS OF THE DIRECTIVES APPLICABLE TO SCHEDULED COMMERCIAL BANKS ON ADVANCES AGAINST SELECTED COMMODITIES

(Position as on June 24, 1993)

A. PADDY/RICE, WHEAT, PULSES AND "OTHER FOODGRAINS" (Viz., Jowar, Bajra, Maize, Barley, Ragi and all other foodgrains including coarsegrains)

Rate of interest : 16.00 per cent per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Level of Credit	Exemption from minimum margin, level of credit and rate of interest
1	2	3
I. PADDY/RICE i) 45% on advances against stocks of paddy/rice to processing units/mills. ii) 60% on advances against stocks of paddy/rice to parties other than processing units/mills iii) 45% on advances against warehouse receipts covering stocks of paddy/rice. **II. WHEAT** i) 30% on advances against stocks of wheat to mills/processing units. ii) 45% on advances against stocks of wheat to parties other than mills/processing units iii) 30% on advances against warehouse receipts covering stocks of wheat. **III. PULSES** i) 45% on advances against stocks of pulses to processing units/mills. ii) 60% on advances against stocks of pulses to parties other than processing units/mills. iii) 45% on advances against warehouse receipts covering stocks of pulses.	For each party, 85% separately in respect of paddy/rice, 100% for wheat, pulses and other foodgrains of the peak level of credit maintained by the party in any of the 3 years (November-October) 1989-90, 1990-91 and 1991-92. **EXEMPTION** i) Advances against "other foodgrains" to foodgrains processing units. ii) Advances to mills/dealers against pledge/hypothecation of paddy/rice held to the extent of the levy quota to be surrendered statutorily to the State Governments.	**A. States** Advances to all parties in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Tripura and Sikkim. **B. Public Procurement, Storage and Distribution Agencies** i) Advances to the Food Corporation of India and State Governments. ii) 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 Governments to the extent of the stocks held by them as such agents. iii) 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. iv) Advances to Central and State Governments/Agencies entrusted with the procurement of pulses at support prices fixed by the Government of India. v) Advances to rice millers against pledge/hypothecation of paddy and rice held to the extent they act as Government agents, provided the stocks are purchased at support prices fixed by Government of India.

1	2	3

IV. "Other foodgrains" (viz., jowar, bajra, maize, barley, ragi and all other foodgrains including coarsegrains)

i) 45% on advances against stocks of "other foodgrains" to processing units/mills.
ii) 60% on advances to parties other than processing units/mills.
iii) 45% on advances against warehouse receipts covering stocks of "other foodgrains".

V. Exemption

i) Advances to mills/dealers against pledge/hypothecation of paddy/rice held to the extent of the levy quota to be surrendered statutorily to the State Governments.

C. OTHERS

i) Advances against the security of maize and barley to manufacturing units (i.e., industrial users) and against soji (rawa), flour (atta) and maida to biscuit manufacturers.
ii) Advances against the security of, or by way of purchase of, demand documentary bills drawn in connection with the movement of foodgrains.
iii) 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 Sec.5 of the said Act.
iv) Advances to Khadi and Village Industries Commission and its associate institutions.
v) Advances to Wholesale Consumers' Co-operative Stores and State/National Federations of Consumers' Co-operatives.
vi) Advances upto an aggregate limit of Rs.1 lakh per borrower are exempt from all the provisions of the Selective Credit Control subject to the condition that the borrower deals with one bank only.

D. Exports

Pre-shipment credit granted to exporters against the security of foodgrains 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 thereagainst in respect of export of foodgrains.

Notes:

i) Usance bills arising out of sale of commodities covered under Selective Credit Control should not be discounted by banks. Banks should not open inland L/Cs providing a clause therein which enables other banks to discount usance bills under the L/Cs.
ii) No bank shall advance against the security of any of the foodgrains where a ban on trading has been imposed in respect of that foodgrain except to wholesale or retail traders who are authorised by the State Government to deal in that foodgrain and to processing units to the extent to which and the manner in which such processing is allowed by the respective State Governments.
iii) Warehouse receipts are those issued by Central/State Warehousing Corporations or rural godowns, set up under a Government Scheme and godowns set up by Regulated Market Yards.
iv) States and categories of advances indicated in column 3 above, though exempted from rate of interest, minimum margin and level of credit prescribed, will continue to be governed by other instructions issued prohibiting banks from discounting usance bills, allowing book debts and clean credit facilities, etc. In case of advances mentioned at item C(vi) in column 3 above, however, these instructions will not be applicable.
v) Where credit limits have been sanctioned against the security of more than one commodity and/or against any other type of security (i.e., composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in the directive shall be made applicable to each such segregated limit.

B. INDIGENOUS OILSEEDS (VIZ., GROUNDNUT, RAPESEED/MUSTARDSEED, COTTONSEED, CASTORSEED AND LINSEED) AND ALL IMPORTED OILSEEDS

Rate of Interest : 16.00 per cent per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Level of Credit	Exemption from minimum margin, level of credit and rate of interest
1	2	3
Indigenous oilseeds (viz., groundnut, rapeseed/mustardseed, cottonseed, castorseed and linseed) and all imported oilseeds i) 30% on advances to processing units/mills. ii) 45% on advances to parties other than processing units/mills. iii) 30% on advances against warehouse receipts representing stocks of oilseeds. **Exemption** 1. Advances against all imported oilseeds for a period not exceeding 8 weeks after arrival of the goods in India. 2. Advances to State level oilseeds growers' co-operative federations under the National Dairy Development Board's Oilseeds Project, against stocks of oilseeds purchased from grower members. 3. Advances against stocks of oilseeds procured from grower members and of oils thereof to oilseeds processing units of State Co-operative Marketing Federations in Madhya Pradesh, Uttar Pradesh and Rajasthan set up under the aegis of National Co-operative Development Corporation (NCDC) under the European Economic Community assisted project.	In respect of each party, separate ceiling for each of (i) groundnut, (ii) cottonseed, (iii) linseed and castorseed together: 100% of the peak level of credit maintained by the party in any of the 3 years (November-October), viz., 1989-90, 1990-91 and 1991-92 **Exemption** i) Advances against imported oilseeds. ii) Advances to State level oilseeds growers' co-operative federations under the National Dairy Development Board's Oilseeds Project against stocks of oilseeds purchased from grower members. iii) Advances against stocks of oilseeds procured from grower members and of oils thereof to oilseeds processing units of State Co-operative Marketing Federations in Madhya Pradesh, Uttar Pradesh and Rajasthan set up under the aegis of National Co-operative Development Corporation (NCDC) under the European Economic Community assisted project.	**A. States** Advances to all parties in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Tripura and Sikkim. **B. Public Procurement, Storage and Distribution Agencies** i) Advances to the Food Corporation of India and the State Trading Corporation against stocks of oilseeds. ii) Wholesale and retail dealers appointed/licensed by the Government and/or operating under statutory rationing/fair price distribution system in all the States and Union Territories to the extent of the quantum meant for public distribution. iii) Advances to Central and State Governments/Agencies entrusted with procurement of oilseeds at support prices fixed by the Government of India. **C. Exports** i) Credit limits in favour of exporters, against oilseeds, all varieties of oil cakes meant for exports and extractions of oilseeds in respect of specific firm export contracts and/or against export bills. ii) Packing credit advances to exporters of HPS groundnut against the security of groundnut to the extent of the value of raw materials required (which should be reasonably assessed) for selecting HPS groundnut covered by the export order even though the value of raw materials exceed 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 selec-

1	2	3
		tion of the HPS groundnut is completed, within 15 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 bill.
		D. Others
		i) Advances to Khadi and Village Industries Commission and its associate institutions.
		ii) Advances upto an aggregate limit of Rs.1 lakh per borrower are exempt from all provisions of the Selective Credit Controls subject to the condition that the borrower deals with one bank only.
		iii) Advances granted by way of purchase of demand documentary bills drawn in connection with movements of commodities covered by the directive.
		iv) Advances to the Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives.
		v) Advances against high-yielding and hybrid seeds used for growing oilseeds under contract with 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 Seeds Act, 1966 and seeds notified under Section 5 of the said Act.

Notes:

i) Banks should refrain from granting additional limits against oilseeds to parties other than Government and Government supported organisations; even in the case of such organisations, a strict scrutiny on drawals should be maintained.

ii) Usance bills arising out of the sale of commodities covered under Selective Credit Control should not be discounted by banks. Banks should not open inland L/Cs providing a clause therein which would enable other banks to discount usance bills under the L/Cs.

iii) No bank shall issue, either to a Court or to Government, or any other person, a guarantee on behalf of, or on account of, any importers guaranteeing payment of customs duty and/or import duty, or other levies, payable in respect of import of essential commodities without taking, as security for issue of such guarantees, a cash margin *equivalent to at least one half of the amount payable* under the guarantee. The term "essential commodities" shall mean such commodities as may be specified by the Reserve Bank of India from time to time.

iv) Warehouse receipts are those issued by Central/State Warehousing Corporations or rural godowns set up under a Government Scheme and godowns set up by Regulated Market Yards.

v) States and categories of advances indicated in column 3 above, though exempted from rate of interest, minimum margin and level of credit prescribed, will continue to be governed by other instructions issued prohibiting banks from discounting usance bills, allowing book debts and clean credit facilities, etc. In case of advances mentioned at item D(ii) in column 3 above, however, these instructions will not be applicable.

vi) Where credit limits have been sanctioned against the security of more than one commodity and/or against any other type of security (i.e. composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in the directive shall be made applicable to each such segregated limit.

vii) Oilcakes of the oilseed specified in the annexure including deoiled cakes not meant for exports are also subject to selective credit control.

C. VEGETABLE OILS (INDIGENOUS OILS, VIZ. GROUNDNUT OIL, RAPESEED OIL/MUSTARD OIL, CASTOR OIL, LINSEED OIL, COTTONSEED OIL) AND VANASPATI AND ALL IMPORTED OILS

Rate of Interest : 16.00 per cent per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Level of Credit	Exemption from minimum margin, level of credit and rate of interest
1	2	3
Indigenous and imported oils i) 30% to registered oil mills and vanaspati manufacturers. ii) 45% to other than (i) above. iii) 30% against warehouse receipts representing stocks of oils. **Exemptions** i) Advances to consumers' co-operatives in respect of stocks held under the Centrally Sponsored Scheme for the distribution of essential consumer articles. ii) Advances against all imported vegetable oils for a period not exceeding 4 weeks after arrival of the goods in India. iii) Advances granted to vanaspati manufacturers against the security of imported oils used as raw materials by them in the manufacture of vanaspati. iv) Advances to State level oilseeds growers' co-operative federations under the National Dairy Development Board's Oilseeds Project, against stocks of oils extracted from oilseeds purchased from grower members. v) Advances to vanaspati manufacturers against cottonseed oil.	In respect of each party, 100% of peak level of credit maintained by the party in any of the 3 years (November-October) viz., 1989- 90, 1990-91 and 1991-92 **Exemptions** i) Advances to consumers' co-operatives in respect of stocks held under the Centrally Sponsored Scheme for distribution of essential consumer articles. ii) Advances against all imported vegetable oils. iii) Advances to State level oil seeds growers' co-operative federations under the National Dairy Development Board's Oilseeds Project, against stocks of oils extracted from oilseeds purchased from grower members.	**A. States** Advances to all parties in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Tripura and Sikkim. **B. Public Procurement, Storage and Distribution Agencies** i) Advances to the Food Corporation of India and the State Trading Corporation against the stocks of vegetable oils and vanaspati. ii) 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 the quantum meant for public distribution. **C. Exports** i) Packing credit advances to the exporters of deoiled and/or defatted cakes against the security of oilseeds and/or other raw material to the extent of the value of raw material required for producing cakes covered by the export order, even though the value of the raw material exceeds the value of the relative export order; **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 but within a period not exceeding 30 days from the date of advance and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bills and advances, if any, against the by-product oil granted in a separate account are exempted for a period of 30 days from the date of such advance. ii) Pre-shipment credit granted to exporters against the security of vegetable oils 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 thereagainst in respect of export of vegetable oils.

1	2	3
Banks should not establish letters of credit on more than 45 days' D/A basis for import of edible oils, as far as possible. In case banks establish letters of credit on more than 45 days' D/A basis, they should stipulate that, after 30 days from the date of arrival of the goods in the port, the importer will deposit with them an amount equivalent to the margin amount which he would have provided under the directives had he availed himself of advances against the commodity. Banks should refrain from granting additional limits against vegetable oils to parties other than Government and Government supported Organisations; even in the case of such organisations a strict scrutiny on drawals should be maintained.		**D. Others** i) Advances by way of purchase of demand documentary bills drawn in connection with the movement of vegetable oils and vanaspati. ii) Advances to Khadi & Village Industries Commission and its associate institutions. iii) Advances upto an aggregate limit of Rs.1 lakh per borrower are exempt from all provisions of the Selective Credit Controls subject to the condition that the borrower deals with one bank only. iv) Advances against stocks of oil processed from linseed oil and castor oil for use as industrial raw material by factories. v) Advances against receivables arising out of sale of vegetable oils (including vanaspati) delivered to Army Purchase Organisation and against stocks of vanaspati held by vanaspati manufacturers for being delivered to the Army Purchase Organisation in the Ministry of Food and Agriculture, Government of India, New Delhi and with the prior approval of the Reserve Bank of India, other agencies designated for the purpose by the Central and State Governments, in pursuance of contracts entered into or to be entred into with the said organisation by the said manufacturers. vi) Advances to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives.

Notes:

i) Usance bills arising out of sale of commodities covered under Selective Credit Control should not be discounted by banks. Banks should not open inland L/Cs providing a clause therein which would enable other banks to discount usance bills under the L/Cs.

ii) No bank shall issue, either to a Court or to Government, or any other person, a guarantee on behalf of or on account of, any importer guaranteeing payment of customs duty and/or import duty or other levies payable in respect of import of essential commodities without taking, as security for issue of such guarantees, cash margin *equivalent to at least one half of the amount payable under the guarantee.* The term 'essential commodities' shall mean such commodities as may be specified by the Reserve Bank of India from time to time.

iii) Warehouse receipts are those issued by Central/State Warehousing Corporations or rural godowns set up under a Government Scheme and godowns set up by Regulated Market Yards.

iv) States and categories of advances indicated in column 3 above, though are exempted from rate of interest, minimum margin and level of credit prescribed, will continue to be governed by other instructions issued, prohibiting banks from discounting usance bills, allowing book debts and clean credit facilities, etc. In case of advances mentioned at item D(iii) in column 3 above, however, these instructions will not be applicable.

v) Where credit limits have been sanctioned against the security of more than one commodity and/or against any other type of security (i.e. composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in the directive shall be made applicable to each such segregated limit.

vi) Advances against groundnut oil, rapeseed/mustard oil, cottonseed oil, linseed oil and castor oil cover their solvent extracted oils also.

D. SUGAR, GUR AND KHANDSARI

Rate of Interest : 16.00 per cent per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Exemption from minimum margin, and rate of interest
1	2

1) Advances against Sugar

(a) To sugar factories

i) Nil against Buffer stock stipulated by the Government.

ii) 75% on advances to parties manufacturing sugar in respect of such stocks as have been released for sale by the Government and have left the factory or mill premises and on which excise duty has been paid.

iii) 20% on advances to parties manufacturing sugar other than those referred to 1(a) and (ii) above.

(b) 75% to parties other than sugar factories.

(c) 60% on advances against warehouse receipts covering stocks of sugar.

2) Advances against Gur and Khandsari

i) 45% on advances to manufacturing units.

ii) 75% on advances to others.

iii) 60% on advances against warehouse receipts covering stocks of gur and khandsari.

Exemption

Advances to Consumers' Co-operatives in respect of stocks held under schemes of public distribution organised by Government.

Public Procurement, Storage and Distribution Agencies

i) Advances to Food Corporation of India

ii) Advances against sugar granted to wholesale and retail dealers appointed/licensed by Government and/or operating under statutory rationing/fair price distribution system in all the States and Union Territories to the extent of quantum of sugar allotted to them by the Government.

B. Exports

Advances granted in respect of stocks of sugar pledged/hypothecated with banks which are intended for export out of India.

C. Others

i) Advances granted by way of purchase of demand documentary bills drawn in connection with movement of commodities.

ii) Advances granted to industrial users such as confectionaries, bakeries, biscuit manufacturers, etc. against stocks of sugar, gur and khandsari pledged/hypothecated with banks.

iii) Advances to Khadi and Village Industries Commission and its associate institutions.

iv) Advances upto an aggregate limit of Rs.1 lakh per borrower are exempt from all provisions of the Selective Credit Controls subject to the condition that the borrower deals with one bank only.

v) Advances to Wholesale Consumers' Co-operative Stores or State and National Federations of Consumers' Co-operatives.

Notes:

i) Stocks of levy sugar shall be valued at the levy price fixed by Government and the free sale sugar (including buffer stocks) at the average of the price realised in the preceding three months (moving average), or the current market price, whichever is lower. The prices for this purpose shall be exclusive of excise duty.

ii) Usance bills arising out of sale of commodities covered under Selective Credit Control should not be discounted by banks. Banks should not open inland L/Cs providing a clause therein which would enable other banks to discount usance bills under the L/Cs.

iii) No bank shall issue, either to a Court or to Government, or any other persons, a guarantee on behalf of, or on account of, any importers guaranteeing payment of customs duty and/or import duty or other levies, payable in respect of import of essential commodities without taking, as security for issue of such guarantees, a cash margin *equivalent to at least one half of the amount payable under* the guarantee. The term, 'essential commodities' shall mean such commodities as may be specified by the Reserve Bank of India from time to time.

iv) States and categories of advances indicated in Column 2 above, though are exempted from rate of interest and minimum margin prescribed, will continue to be governed by other instructions issued prohibiting banks from discounting usance bills, allowing book debts and clean credit facilities, etc. In case of advances mentioned at item C(iv) in column 2 above, however, these instructions will not be applicable.

v) Where credit limits have been sanctioned against the security of more than one commodity and/or against any other type of security (i.e. composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in the directive shall be made applicable to each such segregated limit.

E. COTTON AND KAPAS

Rate of interest : 16.00 per cent per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Level of Credit	Exemption from minimum margin, level of credit and rate of interest
1	2	3
i) 45% for parties other than cotton mills including spinning mills ii) 30% for advances against warehouse receipts. **Exemption** i) Advances against cotton and kapas to industrial users such as manufacturers of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for processing and not for resale.	In respect of each party other than a cotton mill : 115%of the peak level of credit maintained by the party with the bank in any of the 3 years (November-October)viz., 1989-90, 1990-91 and 1991-92 **Exemption** i) Advances against cotton and kapas to industrial users such as manufacturers of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for processing and not for resale.	**A. States** Advances to all parties in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Tripura and Sikkim. **B. Exports** i) Advances in respect of pre-shipment credit for cotton exports, provided the advances are made in respect of firm export order and repaid on negotiation of the 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 from India. **C. Others** i) Advances granted by way of purchase of demand documentary bills drawn in connection with the movement of cotton and kapas. ii) Advances to Khadi and Village Industries Commission and its associate institutions. iii) Advances upto an aggregate limit of Rs.1 lakh per borrower are exempt from all provisions of the Selective Credit Controls subject to the condition that borrower deals with one bank only. iv) Advances against stocks of cotton and kapas to National Textile Corporation (NTC) including its subsidiaries.

Notes:

i) Usance bills arising out of sale of commodities covered under Selective Credit Control should not be discounted by banks. Banks should not open inland L/Cs providing a clause therein which would enable other banks to discount usance bills under the L/Cs.

ii) Warehouse receipts are those issued by Central/State Warehousing Corporations or rural godowns set up under Government Scheme or godowns of Regulated Market Yards.

iii) States and categories of advances indicated in column 3 above, though are exempted from rate of interest, minimum margin and level of credit prescribed will continue to be governed by other instructions issued prohibiting banks from discounting usance bills, allowing book debts and clean credit facilities, etc. In case of advances mentioned at item C(iii) in column 3 above, however, these instructions will not be applicable.

iv) Where credit limits have been sanctioned against the security of more than one commodity and/or against any other type of security (i.e., composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in the directive shall be made applicable to each such segregated limit.

v) Advances granted to cotton textile mills shall continue to be exempt from Selective Credit Control measures.

Table VII-1 Variation in Scheduled Commercial Banks' Data (Seasonal, Annual and Quarterly)

(Rs. crore)

Item	Seasonal Variations				Annual Variations (April-March)		Quarterly Variations (April-June)	
	Slack Season 1991	Busy Season 1991-92	Slack Season 1992	Busy Season 1992-93	1991-92	1992-93	1992-93	1993-94
1	2	3	4	5	6	7	8	9
Aggregate Deposits	17,558	21,074	20,857	19,654	38,216	37,813	12,256	9,817
					(19.8)	(16.4)	(5.3)	(3.7)
a) Demand Deposits	6,204	6,581	-3,374	4,683	11,895	1,373	159	421
					(35.8)	(3.0)	(0.4)	(0.9)
b) Time Deposits	11,354	14,493	24,231	14,972	26,321	36,440	12,097	9,396
					(16.5)	(19.6)	(6.5)	(4.2)
Borrowings from Reserve Bank	-7,774	2,324	-1,120	1,414	-2,891	1,042	1,039	-1,020
					(-83.4)	(180.5)	(180.0)	(-63.0)
Cash in hand and balances with Reserve Bank	-37	6,436	-2,496	5,058	10,522	5,359	-1,856	3,239
					(41.0)	(-2.3)	(-5.1)	(10.5)
Money at call and Short Notice	-24	671	327	129	904	1,283	512	-303
					(62.6)	(54.6)	(21.8)	(-8.3)
Investments	5,873	8,479	7,780	5,924	1,513	15,460	4,291	6,544
					(20.2)	(17.1)	(4.8)	(6.2)
a) Government Securities	5,291	6,163	6,313	5,519	12,729	13,218	4,076	6,647
					(25.5)	(21.1)	(6.5)	(8.8)
b) Other approved securities	582	2,315	1,467	405	2,402	2,242	215	-103
					(9.6)	(8.2)	(0.8)	(-0.4)
Bank Credit	1,265	12,754	8,810	14,843	9,291	26,390	8,052	2,703
					(8.0)	(21.0)	(6.4)	(1.8)
a) Food procurement advances	-233	349	69	2,836	164	2,073	431	2,833
					(3.6)	(44.4)	(9.2)	(42.0)
b) Other Advances	1,498	12,405	8,741	12,007	9,127	24,317	7,621	-130
					(8.2)	(20.1)	(6.3)	(-0.1)

Notes : 1. The seasonal variations are based on outstandings as on last reporting Friday of April and October, annual variations are based on last reporting Friday of March.

2. Figures in brackets indicate percentage change over the correspondiing period.

3. No sign has been indicated for positive variations.

Table VII-2 : Quarterly Variations In Deposits of scheduled Commercial Banks

(Rs. crore)

Quarter	Demand Deposits		Time Deposits		Aggregate Deposits	
	1991-92	1992-93	1991-92	1992-93	1991-92	1992-93
1	2	3	4	5	6	7
April-June	1238 (+3.7)	159 (+0.4)	5328 (+3.3)	12097 (+6.5)	6566 (+3.4)	12256 (+5.3)
July-September	2015 (+5.9)	-2856 (-6.3)	8066 (+4.9)	8857 (+4.5)	10081 (+5.1)	6001 (+2.5)
October-December	6207 (+17.0)	2054 (+4.8)	5371 (+3.1)	11540 (+5.6)	11578 (+5.5)	13594 (+5.5)
January-March	2435 (+5.7)	2016 (+4.5)	7556 (+4.2)	3947 (+1.8)	9991 (+4.5)	5963 (+2.3)
Total	11895	1373	26321	36441	38216	37814

Note : Figures in brackets indicate percentage growth rate.

Source : Returns submitted by banks under Section 42(2) of the RBI Act, 1934.

Table VII-3 : Share of Demand and Time Deposits to Aggregate Deposits of Scheduled Commercial Banks (As on the last Reporting Friday of March)

(In percentage)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
1	2	3	4	5	6	7	8
Demand Deposits	18.7	17.2	16.7	17.3	17.2	19.5	17.3
Time Deposits	81.3	82.8	83.3	82.7	82.8	80.5	82.7

Table VII-4 : Percentage Growth in Demand, Time and Aggregate Deposits of Scheduled Commercial Banks

(in percentage)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
1	2	3	4	5	6	7	8
Aggregate Deposits	+20.3	+14.9	+18.7	+19.1	+15.3	+19.8	+16.4
Demand Deposits	+23.2	+5.3	+15.3	+23.6	+15.0	+35.8	+3.0
Time Deposits	+19.6	+17.1	+19.4	+18.2	+15.4	+16.5	+19.6

Table VII-5 : Deposits of Scheduled Commercial Banks (excluding RRBs) according to type

(Rs. crore)

As on the last Friday of March	Current Deposits	Savings Deposits	Fixed Deposits	Total
1	2	3	4	5
March 30, 1984	9,272 (15.4)	14,050 (23.3)	36,887 (61.3)	60,209
March 29, 1985	11,684 (16.4)	16,973 (23.7)	42,872 (59.9)	71,529
March 28, 1986	12,838 (15.2)	19,105 (22.6)	52,525 (62.2)	84,468
March 27, 1987	15,934 (15.7)	22,359 (22.0)	63,110 (62.3)	1,01,403
March 25, 1988	16,106 (13.9)	31,972 (27.6)	67,876 (58.5)	1,15,954
March 31, 1989	23,112 (16.0)	36,891 (25.6)	84,235 (58.4)	1,44,238
March 30, 1990	27,544 (16.3)	43,451 (25.6)	98,565 (58.1)	1,69,560
March 29, 1991	31,652 (16.1)	48,938 (24.9)	1,15,965 (59.0)	1,96,555
March 27, 1992	41,506 (17.9)	55,085 (23.7)	1,35,588 (58.4)	2,32,179
March 26, 1993	43,201 (15.7)	56,387 (20.5)	1,75,935 (63.8)	2,75,523

Source: Returns in Form X submitted by banks under Section 27 of the Banking Regulation Act, 1949.

Notes: 1. In the case of current and fixed deposits presented above, inter-bank deposits are excluded.

2. Figures in the brackets represent percentage share.

Table VII-6 : Variations in Selected Items of Scheduled Commercial Banks : Last Week of March 1992 and 1993

(Rs. crore)

Item		Variations during last week of March 1992					Variations during last week of March 1993			
	March 20, 1992 over March 22, 1991	March 27, 1992 over March 20, 1992	March 31, 1992 over March 27, 1992	March 31, 1992 over March 20, 1992	April 3, 1992 over March 31, 1992	March 19, 1993 over March 20, 1992	March 26, 1993 over March 19, 1993	March 31, 1993 over March 26, 1993	March 31, 1993 over March 19, 1993	April 2, 1993 over March 31, 1993
1	2	3	4	5	6	7	8	9	10	11
Aggregate Deposits	38,217	6,807	4,503	11,310	-6,329	37,814	6,366	6,147	12,513	-1,225
	(19.8)	(2.9)	(1.9)	(4.9)	(-2.6)	(16.4)	(2.4)	(2.2)	(4.7)	(-0.4)
		[17.8]	[11.8]	[29.6]	[16.6]		·[16.8]	[16.3]	[33.1]	[3.2]
Demand Deposits	11,896	3,805	2,847	6,652	-5,060	1,373	3,080	4,367	7,447	-1,147
	(35.8)	(8.4)	(5.8)	(14.8)	(-9.8)	(3.0)	(6.6)	(8.8)	(16.0)	(-2.1)
		[32.0]	[23.9]	[55.9]	[42.5]		[224.3]	[318.1]	[542.4]	[83.5]
Time Deposits	26,321	3,002	1,656	4,658	-269	36,441	3,286	1,780	5,066	-78
	(16.5)	(1.6)	(0.9)	(2.5)	(-0.7)	(19.6)	(1.5)	(0.8)	(2.3)	(0.0)
		[11.4]	[6.3]	[17.7]	[4.8]		[9.0]	[4.9]	[13.9]	[0.2]
Bank Credit	9,291	5,928	4,079	10,007	-3,593	26,390	2,856	4,518	7,374	-593
	(8.0)	(4.7)	(3.1)	(8.0)	(-2.6)	(21.0)	(1.9)	(2.9)	(4.9)	(-0.4)
		[63.8]	[43.9]	[107.7]	[38.7]		[10.8]	[17.1]	[27.9]	[2.2]
Food Credit	164	-63	237	174	-266	2,073	45	222	267	-
	(3.6)	(-1.3)	(5.1)	(3.7)	(-5.5)	(44.4)	(0.7)	(3.3)	(4.0)	
		[38.4]	[144.5]	[106.1]	[162.2]		[2.2]	[10.7]	[12.9]	
Non-food Credit	9,127	5,991	3,842	9,833	-3,327	24,317	2,811	4,296	7,107	-593
	(8.2)	(5.0)	(3.0)	(8.1)	(-2.5)	(20.1)	(1.9)	(2.9)	(4.9)	(-0.4)
		[65.6]	[42.1]	[107.7]	[36.5]		[11.6]	[17.7]	[29.2]	[2.4]

Notes :
1. Figures in parentheses indicate percentage variations.
2. Figures in square brackets indicate absolute variations as percentage of financial year variation.
3. No sign is indicated for positive variations.

Table VII-7 : Variations in Scheduled commercial Banks' Data (Average of last reporting Friday of months)

(Rs. crore)

Items	Outstanding			Variations	
	1990-91	1991-92	1992-93	1991-92	1992-93
1	2	3	4	5	6
Aggregate Deposits	1,80,281	2,12,080	2,52,799	31,799 (17.6)	40,719 (19.2)
(a) Demand deposits	30,871	38,936	44,658	8,065 (26.1)	5,722 (14.7)
(b) Time deposits	149,410	1,73,144	2,08,141	23,734 (15.9)	34,997 (20.2)
Borrowings from the Reserve Bank	2,669	2,798	2,436	129 (4.8)	362 (-12.9)
Cash in hand and Balances with the Reserve Bank	27,846	34,173	36,941	6,327 (22.7)	2,768 (8.7)
Money at Call and Short Notice	1,488	1,911	3,156	423 28.4	1,245 (65.1)
Investments	71,513	83,058	98,566	11,545 (16.1)	15,508 (18.7)
(a) Government Securities	47,992	57,348	69,817	9,356 (19.5)	12,469 (21.7)
(b) Other Approved Securities	23,521	25,710	28,749	2,189 (9.3)	3,039 (11.8)
Bank Credit	1,07,191	1,19,136	1,39,812	11,945 11.1	20,676 17.4
(a) Food Procurement Advances	3,769	4,652	5,075	883 (23.4)	423 (9.1)
(b) Other Advances	1,03,422	1,14,484	1,34,737	11,062 (10.7)	20,253 (17.7)

Notes : 1. Figures in brackets indicate percentage change over the corresponding period.
2. No sign has been indicated for positive variations.

Source : Returns submitted by banks in terms of Section 42(2) of the R.B.I. Act, 1934.

Table VII-8 : Percentage of Aggregate Deposits to GNP at Current Market Price

(Rs. crore)

Fiscal Years	Average** Aggregate Deposits	GNP at current market prices	Deposits at % of GNP
1	2	3	4
1980-81	35030	136358	25.7
1981-82	41795	159800	26.2
1982-83	48233	177498	27.2
1983-84	56923	206645	27.5
1984-85	67062	229919	29.2
1985-86	79862	260814	30.6
1986-87	95126	291144P	32.7
1987-88	111319	330582P	33.7
1988-89	131386	392097P	33.5
1989-90	154899	448255P	34.6
1990-91	180281	524032P	34.4
1991-92	212080	602667@	35.2
1992-93	252799	696167#	36.3

** Average of 12 – month period, i.e., last Friday of April to last Friday of March up to 1988-89 and from March 24, 1989 onwards reporting Fridays are taken.

@ Quick estimates.

\# Estimated

P : Provisional

Table VII-9 : Interest Rates on Export Credit of Scheduled Commercial Banks

(per cent)

Item	With effect from			
	March 2, 1992	October 9, 1992	March 1, 1993	June 23, 1993
I. Pre-shipment Credit				
i) Upto 180 days	15.0	14.0	13.0	13.0
ii) Beyond 180 days and up to 270 days	17.0	16.0	15.0	15.0
II. Post-shipment Credit				
i) Upto 90 days	15.0	14.0	13.0	13.0
ii) Beyond 90 days and up to 180 days	19.0	18.0	17.0	16.0
iii) Beyond 180 days	24.0	23.0	22.0	21.0
III. Export Credit not Otherwise Specified	19.0 (minimum)	18.0 (minimum)	17.0 (minimum)	16.0 (minimum)

Table VII-10 : Total Turnover of the DFHI in Money Market Instruments

(Rs. crore)

Instrument	Fiscal Year 1992-93	Fiscal Year 1991-92	During the year 1993-94 (up to August 13, 1993)	Corresponding period of the year 1992-93
1	2	3	4	5
1. Call Funds (including Notice Funds)	4,57,013	2,94,373	1,93,258	1,78,528
2. Treasury Bills	16,019	23,413	3,532	10,325
3. Commercial Bills	786	6,995	16	563
4. Certificates of Deposits	33	22	119	6
5. Commercial Paper	-	42	-	-
6. Term Deposits	3,797	5,959	991	2,341
7. Dated Central Government Securities	18,645	-	12,534	3,583

Table VII-11 : Reserve Bank Refinance to DFHI

(Rs. crore)

As on the last day of	Refinance Against the Collaterals of 182-Day Treasury Bills Sold Through Auctions				Refinance Against short-term Commercial Bills				Refinance Against Dated Securities of the Central Government*			
	Limit	Outstanding	Peak level utilisation during the month	Limit corresponding to the peak utilisation as in Col.4	Limit	Outstanding	Peak level utilisation during the month	Limit corresponding to the peak utilisation as in Col.8	Limit	Outstanding	Peak level utilisation during the month	Limit corresponding to the peak utilisation as in Col.12
1	2	3	4	5	6	7	8	9	10	11	12	13
1992												
March	600.00	Nil	580.48 (28.2.92)	600.00	50.00	Nil	50.00 (27.3.92)	50.00	-	-	-	-
June	100.00	26.55	87.75 (19.5.92)	100.00	200.00	151.20	200.00 (22.6.92)	200.00	100.00	28.00	100.00 (27.6.92)	100.00
September	100.00	1.15	100.00 (7.9.92)	100.00	100.00	Nil	-	100.00	100.00	Nil	-	100.00
December	100.00	57.69	57.69 (30.12.92)	100.00	100.00	Nil	-	100.00	100.00	Nil	100.00 (1.12.92)	100.00
1993												
March	300.00	Nil	288.91 (22.3.93)	300.00	100.00	Nil	100.00 (27.3.93)	100.00	100.00	Nil	41.85 (30.3.93)	100.00
June	100.00	Nil	Nil	100.00	100.00	Nil	Nil	100.00	100.00	Nil	Nil	100.00
July	100.00	Nil	Nil	100.00	100.00	Nil	Nil	100.00	100.00	Nil	Nil	100.00

Effective April 2, 1992.

Table VII-12 : RBI Accommodation to Scheduled Commercial Banks @

(Rs. crore)

As on Last Reporting Friday of	Export Credit Refinance						Government securities Refinance		Grand Total	
	Rupee Denominated		Dollar Denominated		Total					
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
1	2	3	4	5	6	7	8	9	10	11
1992										
March	5,564.21	494.30	30.10	0.57	5,594.31	494.87	-	-	5,594.31	494.87
June	6,939.32	1,467.05	224.02	64.78	7,163.34	1,531.83	-	-	7,163.34	1,531.83
July	7,136.22	1,405.32	519.39	157.04	7,655.61	1,562.36	-	-	7,655.61	1,562.36
September	5,561.06	722.69	1,993.23	363.64	7,554.29	1,086.33	-	-	7,554.29	1,086.33
December	4,797.66	2,295.36	3,347.45	1,371.78	8,145.11	3,667.14	1,027.79	-	9,172.90	3,667.14
1993										
March	5,834.15	994.19	4,567.64	556.01	10,401.79	1,550.20	1,027.79	-	11,429.58	1,550.20
June	6,548.36	194.34	4,679.09	343.24	11,227.45	537.58	1,027.79	-	12,255.24	537.58
July	6,743.28	316.34	4,818.95	690.40	11,562.23	1,006.74	1,027.79	-	12,590.02	1,006.74

@ Excluding special refinance against shipping loans, duty drawback, etc.

Table VII-13 : Interest Rates for Reserve Bank Refinance to DFHI

(per cent per annum)

	Refinance Against Holdings of Treasury Bills Sold Through Auctions			Refinance Against Commercial Bills			Refinance Against Dated Securities	
	Effective Date	Rate of Interest		Effective Date	Rate of Interest		Effective Date	Rate of Interest
	1	2		3	4		5	6
1992			**1992**			**1992**		
July	1	10.00	July	1	17.00	July	1	12.00
September	19	11.00	July	11	15.00			
	21	10.00						
1993								
February	12	11.00						
	13	10.00						
March	15	11.00						
	16	10.00						
	20	11.00						
	22	12.00						
April	3	10.00						

Table VII-14 : Call Money Lending Rates Of DFHI

(per cent per annum)

For the fortnight ended		Lending rate		
		Trough	Peak	Average of middle rate*
1		2	3	4
1991				
July	12	10.25	38.50	23.40
	26	5.00	27.00	14.05
August	9	5.00	17.50	12.60
	23	9.00	15.00	13.40
September	6	3.50	15.00	10.95
	20	3.00	14.50	10.85
October	4	5.00	50.00	18.60
	18	4.00	35.25	19.65
November	1	10.00	24.50	14.90
	15	15.00	36.00	23.25
	29	3.00	36.00	20.55
December	13	2.00	21.00	9.35
	27	3.50	16.25	9.60
1992				
January	10	3.25	16.25	9.95
	24	4.00	10.75	9.25
February	7	2.75	10.00	8.40
	21	3.00	10.00	8.30
March	6	4.50	9.75	8.75
	20	2.00	20.25	10.30
April	3	6.00	15.00	26.70
	17	4.00	36.50	18.00
May	1	20.00	86.00	42.05
	15	6.00	51.00	34.15
	29	3.50	36.00	17.05
June	12	4.50	16.50	11.45
	26	5.00	22.00	15.00
July	10	3.00	18.50	12.70
	24	1.25	16.50	8.70
August	7	3.50	12.50	9.20
	21	3.00	12.50	8.65
September	4	3.00	12.50	9.10
	18	3.00	12.00	10.15
October	2	2.00	14.00	10.10
	16	3.50	13.00	10.55
	30	3.00	13.25	8.40
November	13	4.50	11.75	10.20
	27	1.50	12.75	8.45
December	11	5.00	10.75	8.40
	25	9.00	11.75	10.05
1993				
January	8	10.25	13.00	11.25
	22	5.00	11.75	10.65
February	5	3.00	11.50	9.80
	19	5.00	12.25	10.70
March	5	10.50	12.50	11.30
	19	5.00	13.50	11.85
April	2	5.00	25.00	16.55
	16	2.00	20.00	10.00
	30	4.00	10.75	8.30
May	14	2.50	10.50	6.65
	28	3.25	10.25	6.50
June	11	5.00	9.25	6.40
	25	3.00	8.25	5.45
July	9	4.25	8.00	5.55
	23	3.50	6.75	5.30

* This is a simple average of daily middle rates.

Table VII-15 : Auctions Of 364-Day Government Of India Treasury Bills

(Rs. crore)

Date of Auction		Date of Issue		Bids Tendered		Bids Accepted		Cut-off price	Implicit yield at cut-off price	Amount outstanding (cumulative) +	
				No.	Total Face Value	No.	Total Face Value	(per cent)	(per cent)	Before Funding	After Funding
1		2		3	4	5	6	7	8	9	10
1992											
April	28	April	30	75	1,128.65	53	666.15	89.75	11.4206	666.15	3.43
May	13	May	15	57	1,396.43	44	961.48	89.75	11.4206	1,627.63	176.76
	27		29	60	1,087.23	41	797.75	89.75	11.4206	2,425.38	333.01
June	9	June	11	43	537.64	33	412.64	89.75	11.4206	2,838.02	378.11
	24		26	85	1,756.16	66	1474.16	89.75	11.4206	4,312.18	755.76
July	7	July	10	26	589.00	10	387.00	89.80	11.3586	4,699.18	786.26
	22		24	56	1,979.65	16	854.60	89.87	11.2718	5,553.78	860.86
August	5	August	7	67	1,623.35	21	795.85	89.93	11.1976	6,349.63	1,009.36
	19		21	55	997.80	35	810.00	89.95	11.1729	7,159.63	1,255.36
September	2	September	4	17	163.00	12	139.50	89.95	11.1729	7,299.13	1,262.86
	16		18	25	118.00	15	43.00	89.95	11.1729	7,342.13	1,274.86
	29	October	1	13	165.60	10	130.60	89.85	11.2966	7,472.73	1,291.46
October	13		16	16	337.00	10	264.00	89.85	11.2966	7,736.73	1,305.46
	28		30	18	116.80	10	69.80	89.85	11.2966	7,806.53	1,306.93
November	11	November	13	26	265.00	3	20.00	89.86	11.2842	7,826.53	1,306.93
	25		27	49	485.11	9	75.11	89.88	11.2595	7,901.64	1,326.93
December	8	December	11	5	40.00	2	20.00	89.91	11.2223	7,921.64	1,346.93
	22		24	35	591.60	19	451.60	89.91	11.2223	8,373.24	1,470.43
1993											
January	6	January	8	32	340.00	4	45.00	89.95	11.1729	8,418.24	1,510.43
	19		22	22	131.02	2	6.00	90.00	11.1111	8,424.24	1,510.43
February	3	February	5	24	426.00	2	53.00	90.12	10.9632	8,477.24	1,513.43
	17		18	18	151.00	14	134.00	90.08	11.0124	8,611.24	1,577.43
March	3	March	5	10	42.50	9	41.50	90.05	11.0494	8,652.74	1,613.93
	17		19	29	163.50	21	124.00	90.00	11.1111	8,776.74	1,653.93
	31	April	2	17	77.00	4	20.00	90.01	11.0988	8,796.74	1,673.93
April	13		16	61	1,132.00	22	585.00	90.10	10.9878	9,381.74	2,258.93
	28		30	15	219.85	12	204.85	90.10	10.9878	8,920.44	2,460.35
May	13	May	14	28	223.75	23	156.75	90.05	11.0494	8,115.71	2,443.77
	26		28	26	229.20	26	229.20	89.90	11.2347	7,547.16	2,516.72
June	9	June	11	24	258.20	19	219.20	89.87	11.2718	7,353.72	2,690.82
	23		25	53	539.00	50	509.00	89.80	11.3586	6,388.56	2,822.17
July	7	July	9	31	448.00	23	367.00	89.80	11.3586	6,368.56	3,158.67
	21		23	54	1,313.00	46	1,052.00	89.80	11.3586	6,565.96	4,136.07
August	4	August	6	60	1,154.00	54	1,044.00	89.80	11.3586	6,814.11	5,031.57

\+ As on 19-4-1993. Bills for an aggregate face value of Rs. 7122.81 crore maturing in 1993-94 were converted into 12.75 per cent Government Stock. 1996.

Table VII-16 : Auctions Of 91-Day Government Of India Treasury Bills

(Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Tendered No.	Bids Tendered Total Face Value	Bids Accepted No.	Bids Accepted Total Face Value	Subscription by RBI	Cut-off price (per cent)	Implicit yield at cut-off price (per cent)	Amount outstanding (cumulative) Total	Amount outstanding (cumulative) Outside RBI	Amount outstanding (cumulative) With RBI
1	2	3	4	5	6	7	8	9	10	11	12	13
1993												
January 8	January 9	250	10	226.00	4	50.50	199.50	97.80	8.9980	250.00	50.50	199.50
15	16	100	4	11.00	3	6.00	94.00	97.78	9.0816	350.00	56.50	293.50
22	23	100	6	86.00	4	6.00	94.00	97.65	9.6262	450.00	62.50	387.50
29	30	100	4	31.00	4	31.00	69.00	97.62	9.7521	550.00	93.50	456.50
February 5	February 6	100	5	7.85	4	7.35	92.65	97.60	9.8361	650.00	100.85	549.15
12	13	100	27	93.25	19	66.75	33.25	97.55	10.0461	750.00	167.60	582.40
18	20	100	4	1.00	0	0.00	100.00	97.60	9.8361	850.00	167.60	682.40
26	27	100	6	8.00	6	8.00	92.00	97.50	10.2564	950.00	175.60	774.40
March 5	March 6	100	6	2.50	6	2.50	97.50	97.45	10.4669	1,050.00	178.10	871.90
12	13	100	9	7.00	6	4.50	95.50	97.40	10.6776	1,150.00	182.60	967.40
19	20	100	2	10.50	2	10.50	89.50	97.35	10.8885	1,250.00	193.10	1,056.90
26	27	100	3	10.00	3	10.00	90.00	97.33	10.9730	1,350.00	203.10	1,146.90
April 2	April 3	100	11	73.50	10	73.00	27.00	97.30	11.0997	1,450.00	276.10	1,173.90
8	10	150	18	220.00	8	150.00	0.00	97.38	10.7620	1,350.00	375.60	974.40
16	17	200	47	770.00	8	200.00	0.00	97.68	9.5004	1,450.00	569.60	880.40
22	23	150	11	180.00	5	140.00	10.00	97.68	9.5004	1,500.00	703.60	796.40
29	30	125	4	20.00	4	20.00	105.00	97.60	9.8361	+1,525.00	692.60	832.40
May 7	May 8	50	10	121.00	5	50.00	0.00	97.62	9.7521	1,475.00	735.25	739.75
14	15	50	16	120.00	3	50.00	0.00	97.65	9.6262	1,425.00	718.50	706.50
21	22	50	9	50.00	8	45.00	5.00	97.63	9.7101	1,375.00	763.50	611.50
28	29	75	16	123.00	9	74.50	0.50	97.62	9.7521	1,350.00	830.00	520.00
June 4	June 5	100	12	87.00	12	87.00	13.00	97.58	9.9201	1,350.00	914.50	435.50
11	12	100	20	245.00	8	100.00	0.00	97.57	9.9621	1,350.00	1,010.00	340.00
18	19	100	18	185.00	12	100.00	0.00	97.55	10.0461	1,350.00	1,099.50	250.50
25	26	100	30	219.00	11	87.00	13.00	97.54	10.0882	1,350.00	1,176.50	173.50
July 2	July 3	100	32	312.00	15	100.00	0.00	97.55	10.0461	1,350.00	1,203.50	146.50
9	10	100	26	351.00	9	100.00	0.00	97.56	10.0041	1,300.00	1,153.50	146.50
16	17	150	34	526.00	5	150.00	0.00	97.60	9.8361	1,250.00	1,103.50	146.50
23	24	250	48	756.00	24	250.00	0.00	97.60	9.8361	1,350.00	1,213.50	136.50
30	31	250	49	1,043.00	23	250.00	0.00	97.62	9.7521	1,475.00	1,443.50	31.50

+ as on 30-4-1993.

Auction was held for 91-day Treasury bills from January 8, 1993 onwards.

Table VII-17 : Issue Of Certificates Of Deposit (CDs) By Scheduled Commercial Banks

Fortnight ended		Number of banks which issued CDs	Total Outstanding (Rupees crore)	Effective interest rate (range) of CDs (per cent per annum)
1		2	3	4
1992				
July	10	53	7,308	13.50 - 17.75
	24	52	7,800	13.00 - 19.76
August	7	52	8,160	13.00 - 17.30
	21	52	8,145	13.50 - 17.30
September	4	51	8,187	13.50 - 17.30
	18	51	8,249	13.00 - 20.00
October	2	51	8,469	13.50 - 17.24
	16	50	8,520	13.00 - 17.50
	30	49	8,458	13.00 - 17.30
November	13	49	9,044	13.00 - 17.30
	27	49	9,332	13.00 - 17.19
December	11	49	9,380	13.00 - 17.19
	25	48	9,955	12.25 - 17.50
1993				
January	8	51	10,016	12.50 - 17.50
	22	51	9,962	13.50 - 16.50
February	5	50	10,261	13.00 - 17.20
	19	50	10,106	13.06 - 17.19
March	5	51	10,163	12.50 - 17.19
	19	51	9,803	12.50 - 16.50
April	2	51	9,885	13.00 - 18.00
	16	51	10,319	12.50 - 17.25
	30	50	10,648	11.50 - 17.00
May	14	50	10,797	12.00 - 17.00
	28	49	11,267	12.00 - 16.00
June	11	50	11,744	12.00 - 16.50

Table VII-18 : Auctions Of Repos By The Reserve Bank

(Rs. crore)

Date of Auction		Date of Sale		Repo Period (No.of Days)	Bids Tendered No.	Bids Tendered Total Face Value	Bids Accepted No.	Bids Accepted Total Face Value	Cut-off repo rate (per cent)
1		2		3	4	5	6	7	8
1992									
December	10	December	11	1	13	2,120	13	2,120	6.00
	17		18	1	66	10,595	29	6,075	9.25
	23		24	2	49	8,295	49	8,295	12.50
	31	January	1 '93	1	56	11,519	26	3,130	11.50
1993									
January	7	January	8	1	54	7,163	19	2,743	8.00
	14		15	1	25	2,587	3	402	10.50
	19		22	1	36	4,285	16	2,645	6.00
	28		29	1	11	1,175	2	250	9.50
February	4	February	5	1	28	4,063	9	2,935	5.00
	11		12	1	13	2,335	2	890	10.50
	17		18	2	25	4,162	19	3,787	5.50
	25		26	1	18	2,705	2	930	10.50
March	4	March	5	1	82	9,749	58	8,374	10.50
	11		12	1	52	8,397	34	6,650	12.50
	17		19	1	70	9,837	63	9,570	11.75
	23		26	1	50	6,847	13	4,730	14.50
	30		31	2	22	5,160	21	5,110	19.50
April	1	April	2	1	38	3,817	22	3,077	7.00
	7		8	2	32	4,430	2	400	11.50
	8		10	7	34	2,591	5	450	10.00
	22		23	10	47	2,571	7	515	7.75
May	4	May	5	10	28	1,761	12	1,008	7.50
	12		13	2	16	1,649	15	1,648	5.00
	19		20	9	24	1,887	16	1,775	7.00
	22		24	5	22	2,557	9	1,550	5.75
	28		29	14	44	4,370	15	1,543	7.75
June	3	June	4	1	24	3,117	23	3,116	7.75
	10		11	1	49	9,349	45	8,249	8.75
	17		18	1	77	10,201	75	9,801	9.50
	24		25	1	109	14,247	73	10.817	8.50
	25		25	14	51	2,682	32	1,475	8.50
	30	July	2	8	74	4,733	19	2,967	7.00
July	13		14	10	81	7,795	37	4,703	6.50
	16		17	7	66	3,930	14	727	6.50
	23		24	14	63	6,389	22	4,130	6.50
	29		30	8	60	5,116	20	1,041	6.00

Table VII-19 : Minimum Margins And Level Of Credit Ceilings On Bank Advances Against Commodities Subject To Selective Credit Controls (Effective June 24, 1993)

(Percentages)

Commodities	Minimum Margins			Level of credit ceiling (Base Year: Three years ending 1991-92 November-October)
	Mills/ Proce-ssing units	Others	Ware-house receipts	
1	2	3	4	5
1. Paddy/Rice	45	60	45	85
2. Wheat	30	45	30	100
3. Pulses	45	60	45	100
4. Other foodgrains	45	60	45	100
5. Oilseeds (viz., groundnut, rapeseed/mustard, cottonseed, linseed, castorseed and all imported oilseeds)	30	45	30	100
6. Vegetable oils (viz., groundnut oil, rapeseed/mustard oil, cottonseed oil, linseed oil, castor oil, vanaspati and all imported vegetable oils)	30 @	45	30	100
7. Sugar				
a) Buffer	0	-	-	-
b) Unreleased stocks	20	-	-	-
c) Released	75	75	60	-
8. Gur and Khandsari	45	75	60	-
9. Cotton & Kapas	x	45	30	115+

x Exempt from the stipulations.
@ Applicable to registered oil mills and vanaspati manufacturers.
\+ Applicable to other than mills/processing units.
\- Not applicable.

Table VII-20 : Scheduled Commercial Banks' Outstanding Advances Against Selected Commodities

(Rs. crore)

Commodities	As on the last Friday of					
	March 1991		March 1992		March 1993*	
	Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total
1	2	3	4	5	6	7
1. Foodgrains (excluding food procurement advances)	**607.4**	**22.6**	**702.3**	**25.3**	**864.3**	**24.9**
(a) Paddy/rice	392.1	14.6	452.0	16.3	618.9	17.8
(b) Wheat	71.3	2.7	85.6	3.1	89.5	2.6
(c) Pulses	87.8	3.3	99.5	3.6	47.3	1.4
(d) Other foodgrains	56.2	2.1	65.3	2.4	108.6	3.1
2. Sugar (including Khandsari and gur)	**836.3**	**31.2**	**817.4**	**29.5**	**1214.3**	**34.9**
(a) Sugar	806.8	30.1	773.2	27.9	1178.8	33.9
(b) Khandsari	26.1	1.0	35.6	1.3	32.4	0.9
(c) Gur	3.3	0.1	8.7	0.3	3.0	0.1
3. Major Oilseeds	**181.2**	**6.8**	**152.9**	**5.5**	**158.7**	**4.6**
(a) Groundnut	43.7	1.6	24.7	0.9	24.4	0.7
(b) Rapeseed/Mustard	15.0	0.6	18.1	0.7	23.3	0.7
(c) Linseed	0.6	0.0	1.1	0.0	0.6	0.0
(d) Castorseed	6.0	0.2	3.7	0.1	3.1	0.1
(e) Cottonseed	10.8	0.4	13.7	0.5	11.0	0.3
(f) Soyabean	92.2	3.4	72.0	2.6	78.7	2.3
(g) Other Oilseeds	13.0	0.5	19.5	0.7	17.5	0.5
4. Major Vegetable Oils and Vanaspati	**249.8**	**9.3**	**270.5**	**9.8**	**314.8**	**9.1**
(a) Groundnut Oil	29.5	1.1	37.5	1.4	47.7	1.4
(b) Rapeseed/Mustard Oil	29.6	1.1	44.2	1.6	57.4	1.7
(c) Castor Oil	41.7	1.6	11.2	0.4	11.9	0.3
(d) Linseed Oil	5.8	0.2	1.6	0.1	2.0	0.1
(e) Cottonseed Oil	16.5	0.6	18.5	0.7	21.5	0.6
(f) Soyabean Oil	23.4	0.9	39.6	1.4	44.2	1.3
(g) Other Veg. Oil	35.4	1.3	41.3	1.5	43.8	1.3
(h) Vanaspati	67.8	2.5	76.4	2.8	86.3	2.5
5. Cotton and Kapas	**661.5**	**24.7**	**689.8**	**24.9**	**769.2**	**22.1**
6. Raw Jute	**146.5**	**5.5**	**139.4**	**5.0**	**154.2**	**4.4**
Total	**2682.7**	**100.0**	**2772.3**	**100.0**	**3475.6**	**100.0**

* Data are provisional.

Note : Data on advances against cotton and kapas, raw jute, oilseeds and oils are exclusive of advances to Cotton Corporation of India, Jute Corporation of India, and National Dairy Development Board, respectively.

Source : Estimates are based on Basic Statistical Return-3 received from head offices of banks.

Table VII-21 : Security-Wise Advances To Mills/Factories And Industrial Users (As Percentage To Total Credit Against Sensitive Commodities)

Commodities	Last Friday of		
	March 1993	March 1992	March 1991
1	2	3	4
1. Linseed	100.0	63.6	83.3
2. Vanaspati	98.7	97.6	98.7
3. Castor Oil	98.3	97.3	94.0
4. Sugar	97.9	95.6	95.7
5. Cottonseed	97.3	92.0	92.6
6. Cottonseed Oil	94.0	94.1	97.6
7. Linseed Oil	95.0	93.8	96.5
8. Groundnut Oil	93.3	93.9	92.5
9. Raw Jute	91.4	92.1	92.4
10. Rapeseed/Mustard Oil	91.3	87.1	77.4
11. Khandsari	90.4	93.0	92.0
12. Wheat	88.3	86.7	91.3
13. Other Vegetable Oils	87.0	91.3	72.9
14. Soyabean	83.9	83.1	56.7
15. Paddy and Rice	82.4	77.1	81.4
16. Rapeseed/Mustard	80.3	80.7	81.3
17. Soyabean Oil	69.5	37.9	91.0
18. Cotton and Kapas	69.5	76.2	72.2
19. Pulses	64.3	89.9	86.7
20. Castorseed	61.3	100.0	93.3
21. Other Oilseeds	58.9	52.8	84.6
22. Groundnut	40.2	42.1	73.0
23. Gur	33.3	9.2	21.2
24. Other Foodgrains	28.8	73.5	63.3
All Selected Commodities	**83.8**	**84.0**	**84.0**

Source : Basic Statistical Return-3.

Table VII-22 : Sectoral Deployment Of Gross Bank Credit By Major Sectors

(Rs. crore)

Sectors	Outstanding as on			Variations during April-March	
	March 19, 1993	March 20, 1992	March 22, 1991	1992-93	1991-92
1	2	3	4	5	6
I. Gross Bank Credit (1+2)	**1,47,071**	**1,26,005**	**1,18,019**	**21,066**	**7,986**
1. Public Food Procurement Credit	**6,743**	**4,670**	**4,506**	**2,073**	**164**
	(4.6)	**(3.7)**	**(3.8)**		
2. Non-food Gross Bank Credit	**1,40,328**	**1,21,335**	**1,13,513**	**18,993**	**7,822**
	(95.4)	**(96.3)**	**(96.2)**	**[100.0]**	**[100.0]**
A) Priority Sectors	**49,758**	**45,425**	**42,915**	**4,333**	**2,510**
	(33.8)	**(36.1)**	**(36.4)**	**[22.8]**	**[32.1]**
i) Agriculture	19,884	18,157	16,750	1,727	1,407
	(13.5)	(14.4)	(14.2)	[9.1]	[18.0]
ii) Small Scale Industries	20,027	18,150	17,181	1,877	969
	(13.6)	(14.4)	(14.6)	[9.9]	[12.4]
iii) Other Priority Sectors	9,847	9,118	8,984	729	134
	(6.7)	(7.2)	(7.6)	[3.8]	[1.7]
B) Industry (Medium and Large)	**58,627**	**47,090**	**44,508**	**11,537**	**2,582**
	(39.9)	**(37.4)**	**(37.7)**	**[60.7]**	**[33.0]**
C) Wholesale Trade (other than food procurement)	**6,909**	**6,154**	**5,910**	**755**	**244**
	(4.7)	**(4.9)**	**(5.0)**	**[4.0]**	**[3.1]**
D) Other Sectors	**25,034**	**22,666**	**20,180**	**2,368**	**2,486**
	(17.0)	**(18.0)**	**(17.1)**	**[12.5]**	**[31.8]**
II. Export Credit [included under item I (2)]	**15,348**	**10,294**	**9,186**	**5,054**	**1,108**
	(10.4)	**(8.2)**	**(7.8)**	**[26.6]**	**[14.2]**

Notes : 1. Data are provisional and relate to 48 scheduled commercial banks which account for about 95 per cent of bank credit of all scheduled commercial banks. Gross bank credit data include bills rediscounted with RBI, IDBI, EXIM Bank and other approved financial institutions and inter-bank participations. Net bank credit data are exclusive of bills rediscounted with RBI, IDBI, EXIM Bank and other approved financial institutions.

2. Figures in parentheses are proportions to Gross Bank Credit.

3. Figures in square brackets are percentages of non-food gross bank credit on incremental basis.

Table VII-23 : Industry-wise Deployment Of Gross Bank Credit @

(Rs. crore)

Industry	Outstanding as on			Variations during	
	March 19, 1993	March 20, 1992	March 26, 1991	April-March 1992-93	April-March 1991-92
1	2	3	4	5	6
Industry (Total of Small, Medium and Large Scale)	78,654	65,240	61,689	13,414	3,551
1. Coal	341	246	229	95	17
2. Iron and Steel	5,691	3,692	3,292	1,999	400
3. Other Metals and Metal Products	2,691	2,312	2,227	379	85
4. All Engineering	17,065	14,842	13,931	2,223	911
Of which: Electronics	2,308	2,092	1,874	216	218
5. Electricity generation and transmission	1,405	1,298	1,152	107	146
6. Cotton Textiles	4,665	4,278	4,073	387	205
7. Jute Textiles	349	330	339	19	-9
8. Other Textiles	4,647	3,970	3,761	677	209
9. Sugar	1,254	899	639	355	260
10. Tea	791	658	608	133	50
11. Food Processing	1,423	1,241	1,216	182	25
12. Vegetable Oil (including Vanaspati)	1,015	898	865	117	33
13. Tobacco and Tobacco Products	741	550	391	191	159
14. Paper and Paper Products	1,590	1,501	1,482	89	19
15. Rubber and Rubber Products	1,186	1,077	989	109	88
16. Chemicals, Dyes, Paints, etc.	10,114	8,280	7,743	1,834	537
Of which:					
i) Fertilisers	1,715	1,357	1,309	358	48
ii) Petro-chemicals	943	614	680	329	-66
iii) Drugs & Pharmaceuticals	1,316	1,127	987	189	140
17. Cement	1,099	986	899	113	87
18. Leather and Leather Products	1,092	1,086	998	6	88
19. Gems and Jewellery	1,601	1,300	1,236	301	64
20. Construction	1,566	1,344	1,321	222	23
21. Petroleum	436	19	54	417	-35
22. SAFAUNS*	46	68	87	-22	-19
23. Other Industries	17,846	14,365	14,157	3,481	208

@ Provisional

* Ships acquired from abroad under new scheme.

Table VII-24 : Ratio of Inventories to Sales and Bank Borrowings to inventories (Public Limited Companies in the Private Sector)

Year	Total inventories as percentage of Sales @	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
645 Large Public Limited Companies #				
1988-89	25.5	31.9	47.2	58.8
1989-90	24.8	32.3	46.1	56.8
1990-91	25.5	32.4	45.2	54.6
2,131 Public Limited Companies +				
1988-89	25.7	31.3	53.6	67.2
1989-90	25.0	32.2	53.2	66.0
1990-91	25.4	32.0	51.9	63.5

@ Net of rebates, discounts, excise duty and cess.
# Each with a paid-up capital of Re. 1 crore and above.
+ Including small companies, each with a paid-up capital of less than Rs. 5 lakh.

Source : RBI studies on company finances.

Table VII-25 : Public Sector Banks' Advances to Priority Sector

Sector	December 1991			December 1992		
	Amount	Percentage to		Amount	Percentage to	
		Total priority Sector advances	Net Bank Credit		Total priority Sector advances	Net Bank Credit
1	2	3	4	5	6	7
I. Agriculture						
Direct	16213.91	37.7	15.5	17729.42	38.0	14.4
Indirect	1315.90	3.1	1.3	1544.50	3.3	1.3
Total	17529.81	40.8	16.8	19273.92	41.3	15.7
II. Small Scale Industries	16817.98	39.1	16.1	18356.44	39.4	14.9
III. Other Priority Sectors	8688.22	20.1	8.3	8965.28	19.2	7.3
Grand Total	43036.01	100.0	41.2	46595.64	100.0	37.9

Table VII-26 : State-wise Distribution of Commercial Bank Branches and Population per Bank Office as at the end of June 1969, March 1992 and March 1993

State/Union Territory	No. of branches at the end of June 1969	No. of branches at the end of March 1992	No. of branches at the end of March 1993	No. of branches opened during April 91 to March 92	of which at un-banked centres	No. of branches opened during April 92 to March 93	of which at un-banked centres	Average population per bank office (in thousands) as at the end of June 1969	March 1992	March 1993
1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	567	4620	4650	39	3	26	5	75	12	12
Arunachal Pradesh		68	68	1	1	-	-	-	9	9
Assam	74	1218	1219	10	5	1	-	198	16	16
Bihar	273	4862	4876	14	3	12	2	207	14	14
Goa	85#	256	258	-	-	2	-	8	4	4
Gujarat	752	3374	3396	9	1	21	9	34	10	10
Haryana	172	1269	1279	11	-	7	2	57	10	10
Himachal Pradesh	42	735	738	3	2	3	3	80	6	6
Jammu & Kashmir	35	783	786	13	9	3	2	114	8	8
Karnataka	756	4281	4307	16	5	25	2	38	9	9
Kerala	601	2842	2863	13	3	19	2	35	9	9
Madhya Pradesh	343	4350	4384	37	8	19	3	116	12	12
Maharashtra	1118	5596	5626	19	4	31	6	44	11	11
Manipur	2	85	85	1	1	-	-	497	17	17
Meghalaya	7	173	174	11	10	1	-	147	8	8
Mizoram	-	75	75	2	2	-	-	-	7	7
Nagaland	2	70	70	-	-	-	-	205	11	11
Orissa	100	2098	2112	22	7	11	4	212	13	13
Punjab	346	2140	2159	6	1	16	-	42	8	8
Rajasthan	364	3058	3079	21	2	14	3	70	11	11
Sikkim	-	29	33	1	1	4	3	-	11	11
Tamil Nadu	1060	4299	4341	18	2	41	5	37	11	11
Tripura	5	178	179	2	1	1	-	276	12	12
Uttar Pradesh	747	8499	8538	46	7	32	9	119	13	13
West Bengal	504	4208	4220	19	7	10	2	87	13	13
Andaman & Nicobar Islands	1	26	26	5	2	-	-	82	7	7
Chandigarh	20	109	112	1	-	3	-	7	4	4
Dadra & Nagar Haveli	-	7	7	-	-	-	-	-	15	15
Daman & Diu	-	10	10	-	-	-	-	-	8	8
Delhi	274	1225	1136	4	-	10	-	10	6	6
Lakshdweep	-	8	8	-	-	-	-	-	5	5
Pondicherry	12	69	70	-	-	1	-	31	9	9
Total	8262	60528	60884	344	87	313	62	65	11	11

\# Include Daman & Diu.

* The difference between the increase in the number of branches as on 31st March 1992 and 31st March 1993 as against no. of offices opened is due to late receipt of information of offices opened prior to 31.3.1992.

Table VII-27 : Bank-Group-wise/Population-Group-wise Distribution of Commercial Bank Branches in India

Bank Group	19th July 1969*					31st March 1992@@					31st March 1993@@				
	Rural	Semi-Urban	Urban	Metro-politan/Port Town	Total	Rural	Semi-Urban	Urban	Metro-politan/Port Town	Total	Rural	Semi-Urban	Urban	Metro-politan/Port Town	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
State Bank of India	462	796	163	150	1571	4417	2183	1147	816	8563	4431	2181	1196	824	8632
	(29.4)	(50.7)	(10.4)	(9.5)	(100.0)	(51.6)	(25.5)	(13.4)	(9.5)	(100.0)	(51.3)	(25.3)	(13.9)	(9.5)	(100.0)
Associate Banks of SBI	358	375	86	75	894	1506	1194	627	425	3752	1513	1201	649	437	3800
	(40.0)	(42.0)	(9.6)	(8.4)	(100.0)	(40.2)	(31.8)	(16.7)	(11.3)	(100.0)	(39.8)	(31.6)	(17.1)	(11.5)	(100.0)
Nationalised Banks	703	1465	928	1072	4168@	14612	5747	5089	4233	29681	14626	5745	5244	4273	29888
	(16.9)	(35.1)	(22.3)	(25.7)	(100.0)	(49.2)	(19.4)	(17.1)	(14.3)	(100.0)	(48.9)	(19.2)	(17.6)	(14.3)	(100.0)
Regional Rural Banks	-	-	-	-	-	13453	921	147	4	14525	13453	922	147	4	14526
						(92.6)	(6.4)	(1.0)	(-)	(100.0)	(92.6)	(6.4)	(1.0)	(-)	(100.0)
Other Commercial Banks	337	708	279	364	1688	1287	1263	778	679	4007	1290	1265	796	687	4038
	(20.0)	(41.9)	(16.5)	(21.6)	(100.0)	(32.1)	(31.5)	(19.4)	(17.0)	(100.0)	(32.0)	(31.3)	(19.7)	(17.0)	(100.0)
Total	1860	3344	1456	1661	8321	35275	11308	7788	6157	60528	35313	11314	8032	6225	60884
	(22.5)	(40.2)	(17.5)	(20.0)	(100.0)	(58.3)	(18.7)	(12.8)	(10.2)	(100.0)	(58.0)	(18.6)	(13.2)	(10.2)	(100.0)

* Population group-wise classification as per 1961 census.

@@ Population Group-wise classification as per 1981 census.

@ Pertains to 14 Nationalised Banks.

Note: Figures in brackets indicate percentage to total in each group.

Table VII-28 : Deposits with the Non-banking Corporate Sector

(Rs. crore)

Category	1990-91				1991-92*			
	No. of reporting companies	Regulated Deposits Rs.	Exempted Deposits Rs.	Total Rs.	No. of reporting companies	Regulated Deposits Rs.	Exempted Deposits Rs.	Total Rs.
1	2	3	4	5	6	7	8	9
Aggregate Deposits	10166	7907	37354	45261	12817	9269	44290	53559
Of which held by :								
i) Non-Financial Companies	2367 (23.3)	4618 (58.4)	21829 (58.4)	26447 (58.4)	2,393 (18.7)	4608 (49.7)	23673 (53.4)	28281 (52.8)
ii) Financial Companies	6663 (65.5)	2013 (25.5)	14589 (39.1)	16602 (36.7)	8656 (67.5)	2904 (31.3)	19311 (43.6)	22215 (41.5)
iii) Miscellaneous Non-Banking Companies and Residuary Non- Banking Companies	1136 (11.2)	1276 (16.1)	936 (2.5)	2212 (4.9)	1768 (13.8)	1757 (19.0)	1306 (3.0)	3,063 (5.7)

* Provisional.

Table VII-29 : State-wise Branches of Regional Rural Banks
(As at the end of September 1992)

State	No. of RRBs	No. of districts	No. of branches covered
1	2	3	4
Arunachal Pradesh	1	4	19
Andhra Pradesh	16	23	1126
Assam	5	23	404
Bihar	22	47	1892
Gujarat	9	17	430
Haryana	4	15	291
Himachal Pradesh	2	4	129
Jammu & Kashmir	3	12	268
Karnataka	13	20	1075
Kerala	2	6	269
Madhya Pradesh	24	44	1602
Maharashtra	10	17	591
Manipur	1	8	29
Meghalaya	1	4	51
Mizoram	1	3	50
Nagaland	1	7	8
Orissa	9	13	819
Punjab	5	11	201
Rajasthan	14	30	1068
Tamil Nadu	3	7	208
Tripura	1	3	90
Uttar Pradesh	40	61	3056
West Bengal	9	18	864
Total	**196**	**397**	**14540**

Table VII-30 : Important Banking Indicators - RRBs

(Rs. crore)

	Outstanding as on March 19, 1993	Variations @ 1990-91	1991-92	1992-93
1	2	3	4	5
No. of Reporting Banks	196	196	196	196
Aggregate Deposits	6369	745	711	1098
		(19.5)	(15.6)	(20.8)
Demand Deposits	1092	124	103	48
		(15.2)	(10.9)	(4.6)
Time Deposits	5277	621	608	1050
		(20.7)	(16.8)	(24.8)
Borrowings from RBI	-	-	-	-
Bank Credit	4451	88	454	500
		(2.6)	(13.0)	(12.7)
Investments	47	10	8	23
		(166.7)	(50.0)	(95.8)
Government Securities	10	4	-1	2
		(80.0)	(-11.1)	(25.0)
Other Approved Securities	37	5	11	20
		(500.0)	(183.3)	(117.7)
Cash in hand	74	10	8	10
		(21.7)	(14.3)	(15.6)
Credit-Deposit ratio	69.9	76.7	75.0	69.9

@ Data are based on last reporting Friday of March.

Table VII-32 : ECGC's Guarantees to Banks And Policies to Exporters - No. of Policies and Guarantees

Sl. No.	Type of Scheme	No. of Policies and Guarantees (April - March) Issued during 1991-92	Issued during 1992-93	In force at end of 1991-92	In force at end of 1992-93	Value of business covered during year (Rs. crore) 1991-92	1992-93
1	2	3	4	5	6	7	8
1.	Standard Policies, incl. Transfer Guarantees	6,708	7,510	13,847	14,351	9,065	9,949
2.	Long-term Policies	42	52	484	484	742	651
3.	Packing Credit Guarantees	323	293	349	291	30,273	38,308
4.	Post-Shipment Guarantees	1,230	1,414	1,209	1,207	14,071	18,374
5.	Export Finance Guarantees	373	250	361	203	158	133
6.	Export Production Finance Guarantees	23	8	18	9	40	90
7.	Export Performance Guarantees (Short-term)	2,032	1,968	2,433	3,077	191	214
8.	Export Performance Guarantees (Long-term)	185	201	804	798	485	366
Total excluding long-term policies and guarantees		**10,689**	**11,443**	**18,217**	**19,138**	**53,798**	**67,068**
Total including long-term policies and guarantees		**10,916**	**11,696**	**19,505**	**20,420**	**55,025**	**68,085**

Note : Revised figures are given for the year 1991-92. Figures for 1992-93 are provisional.

Table VII-33 : Progress of Primary (Urban) Co-operative Banks

	Co-operative Year (July-June)			
	1989-90	1990-91	1991-92	.1992-93@
1	2	3	4	5
No. of PCBs	1,390	1,397	1,401	1,399
	(92)	(92)	(92)	(92)
No. of offices of PCBs	3,358	3,433	3,599	-
	(260)	(261)	(278)	-
Deposits (Rs. crore)	8,660	10,157	10,973	-
Loans Outstanding (Rs. crore)	6,802	8,003	8,643	-

- : Not available.
@ : As on March 30, 1993.

Note : Figures in brackets relate to Salary Earners' Societies.

Table VII-34 : Direct Institutional Finance For Agriculture And Allied Activities

(Rupees crore)

Source of Finance	Loans issued during the year (July-June)					Loans outstanding as on June 30				
	1988-89	1989-90	1990-91	1991-92	1992-93	1989	1990	1991	1992	1992
1	2	3	4	5	6	7	8	9	10	11
I. Co-operatives	**4,873.1 P**	**5,453.4 P**	**5,392.0P**	**5,799.6 P**	..	**9,407.7 P**	**10,789.4**	**10,531.0 P**	**11,593.9 P**	..
Of which :										
(a) Short-term loans by PACS (including LAMPS and FSS)	3,594.2	4,079.2	3,932.0	4,402.9 p	..	4,667.7	5,391.7	5,178.0	5,816.2 P	..
(b) Medium and Long-term loans by PACS/CLDBs@	1,278.9	1,374.2	1,460.0	1,396.7 p	..	4,740.0	5,397.7	5,353.0	5,777.7 P	..
	(676.4)	(734.9)	(713.0)	(826.3)	..	(3,167.3)	(3,499.0)	(3,654.0)	(4,055.2)	..
II. State Governments#	**274.5**	**291.8**	**358.6 P**	**338.5 P**	**428.0 P**	..	..	..	..	..
III. Scheduled Commercial Banks (excluding RRBs)	**3,813.6**	**4,282.4**	**4,675.5**	**4,805.9**	..	**12,840.2**	**15,283.0**	**17,031.6**	**16,981.0**	
Of which :										
(a) Short-term loans	1,765.3	1,897.9	2,047.6	2,341.2	..	3,414.0	4,004.5	4,234.7	4,630.6	..
(b) Term Loans	2,047.9	2,394.5	2,627.9	2,464.7	..	9,426.2	11,278.5	12,796.9	12,350.5	..
IV. Regional Rural Banks$	**419.9**	**647.2**	**334.5 R**	**596.3 R**	**665.7 P**	**1,551.8**	**1,837.9**	**1,752.9 R**	**1,984.3 R**	**2,132.2P**
Of which :										
(a) Short-term loans	250.1	335.6	124.9	336.5	398.6	479.1	574.8	589.7	678.8	789.2
(b) Term loans	169.8	311.6	209.6	259.8	267.1	1,072.7	1,263.1	1,163.2	1,305.5	1,343.0
V. Total Direct Finance (I to IV)	**9,381.7**	**10,674.8**	**10,760.6**	**11,540.3**	..	**23,799.7**	**27,910.3**	**29,315.5**	**30,559.2**	..
Of which :										
(a) Short-term loans	5,884.1	6,604.5	6,463.1	7,419.1	..	8,560.8	9,971.0	10,002.4	11,125.6	..
(b) Medium and Long-term loans	3,497.6	4,080.3	4,297.5	4,121.2	..	15,238.9	17,939.3	19,313.1	19,433.6	..

P = Provisional.
.. = Not available.
R = Revised.
@ = Figures in brackets relate to long-term loans by CLDBs.
\# = Taken as short-term loans and relate to financial year April- March.
$ = Loans outstanding for 1992 is as on March 31.

Source : i) National Bank for Agriculture and Rural Development.
ii) Annual Budgets of the State Governments.

Table VII-35 : Indirect Institutional Finance For Agriculture And Allied Activities

(Rupees crore)

Source of Finance	Loans issued during the year (July-June)					Loans outstanding as on June 30				
	1988-89	1989-90	1990-91	1991-92	1992-93	1989	1990	1991	1992	1993
1	2	3	4	5	6	7	8	9	10	11
I. Co-operatives@	**1,942.2**	**1,687.7**	**1,727.3E**	..	**2,381.7**	**2,230.1**	**2,355.1 E**	..	..	..
Of which :										
(a) State Co-operative Banks@@	416.4	494.5	327.5E	..	..	889.3	837.6	892.8E	..	..
(b) Central Co-operative Banks@@	1,525.8	1,193.2	1,399.8E	..	..	1,492.4	1,392.5	1,462.3E	..	..
II. Scheduled Commercial Banks (excluding RRBs)#	**193.9**	**207.4**	**199.9**	..	..	**1,541.2**	**1,428.6**	**1189.4**	**1,433.2**	..
III. Regional Rural Banks+	**10.7**	**9.7**	**8.8**	**6.9R**	**7.0 P**	**43.6**	**43.7**	**23.7R**	**91.17**	**73.98P**
IV. Rural Electrification Corporation##	**804.5**	**712.8**	**709.1**	**586.3P**	..	**3,457.7 R**	**3,959.1**	**4,524.0**	**4,829.5**	..
V. TOTAL INDIRECT FINANCE	**2,951.3**	**2,617.6**	**2645.1**	..	..	**7,424.2**	**7,661.5**	**8092.2**	..	..

.. = Not available.
R = Revised.
E = Estimates.
@ = Taken as short-term loans.
@@ = Loans issued include food procurement finance but these are not included in loans outstanding which mainly cover direct advances given to non-agricultural credit socities operating at apex, regional or primary levels.
# = The outstandings are as on the last Friday of June, and outstanding for 1992 is upto March 1992.
= Taken as long-term loans. Financial year (April-March).
+ = Loans issued for 1990-91, 1991-92 and 1992-93 and outstanding for 1992-93 refer to April-March.
P = Provisional

Source : i) National Bank for Agriculture and Rural Development.

Table VII-36 : Resources (net) Mobilised by National Bank During 1991-92 and 1992-93 (April-March)

(Rupees crore)

Resources	1991-92	1992-93
1	2	3
Reserves and Surplus	105	78
NRC (LTO) Fund	915	525
NRC (Stabilisation) Fund	40	20
Deposits	69	(-) 8
Bonds and Debentures	99	100
Borrowings from GOI	(-) 127	(-) 146
Borrowings from RBI	631	415
ARDR Scheme, 1990	31	58
Other Liabilities	58	173
Total	**1821**	**1215**

NRC : National Rural Credit.
LTO : Long-term Operations.
ARDR : Agricultural and Rural Debt Relief.
GOI : Government of India.
Source : National Bank for Agriculture and Rural Development.

Table VII-37 : The National Banks' Credit to Co-operative and State Governments During 1990-91, 1991-92 and 1992-93

(Rs. crore)

Section of the NABARD Act, 1981	Term-wise/Purpose-wise Finance	Period for which limits are sanctioned	1991-92 Limits sanc-tioned	1992-93 Drawals	Repay-ments	Out-standings	Limits sanc-tioned	Drawals	Repay-ments	Out-standings
1	2	3	4	5	6	7	8	9	10	11
	I. Short-term	**Total**	**3,732**	**4,126**	**3,778**	**2,412**	**3,888**	**3,709**	**3,125**	**2,996**
21(1)(i)/2(i)	(i) (a) Seasonal Agricultural Operations	July- June	3,059	3,305	2,861	2,010	3,266	2,669	2,134	2,545
21(1)(i)/3	(b) Out of which : for Oilseeds Production Programme	July- June	358	290	249	213	414	234	159	288
	(c) Out of which : for National Pulses Development Programme	July-June	-	-	-	-	27	12	-	12
21(1)(i)/3(b)	(ii) (a) Produce (Marketing) Loan Scheme (as applicable to SAO loans)	July- June	7	2	1	1	3	2	1	2
	(b) Marketing of crops including cotton	July-June	12	2	5	-	1	-	-	-
21(1)(ii)/3(b)	(iii) Purchase and Distribution of Fertilizers (at 1% above Bank Rate)	January-December	71	122	137	35	85	169	163	41
21(1)(v)/3(a)	(iv) Production and Marketing Activities of Handloom Products (at 2-1/2% below Bank Rate from March 1978)	April- March	452	582	562	344	492	810	773	381
	(v) Financing of Other Cottage and Small scale industries including rural artisans. (2-1/2% below Bank Rate from March 1978) $	April- March	16	13	15	13	20	17	13	17
21(1)(iv)/21(4)	(vi) Purchase and sale of Yarn (at Bank Rate)	April-March	19	80	84	6	21	42	38	10
	(vii) Working Capital requirements of co-operative Sugar Factories against stock of sugar (at 5% above Bank Rate)	July-June	90	20	110	-	-	-	-	-
21(1)(iii)/ 21(2)(a)	(viii) Against pledge of securities earmarked towards Agricultural Credit Stabilisation Fund for meeting the share of SCBs in M.T. (conversion) loans (at Bank Rate)	Specified period	3	-	3	3	-	-	3	-
21(1)(iii)/ 21(3)(i)	(ix) Financing of collection and marketing of minor forest produce (Bank Rate)	July- June	3	-	-	-	-	-	-	-

Table VII-37 : The National Banks' Credit to Co-operative and State Governments During 1990-91, 1991-92 and 1992-93 (Concld.)

(Rs. crore)

Section of the NABARD Act, 1981	Term-wise/Purpose-wise Finance	Period for which limits are sanctioned	1991-92 Limits sanctioned	1992-93 Drawals	Repayments	Outstandings	Limits sanctioned	Drawals	Repayments	Outstandings
1	2	3	4	5	6	7	8	9	10	11
	II. Medium-term	**Total**	**87**	**64**	**212**	**149**	**364**	**185**	**98**	**236**
24	(i) Approved Agricultural purposes (at 3% below Bank Rate upto October 31, 1991 and 8.5% with effect from November 1, 1991)	January-December	11	4	8	12	120	116	51	77
	(ii) Purchase of shares in co-operative sugar factories/processing societies (at Bank Rate upto October 31, 1991 and 8.5% with effect from November 1, 1991)	January-December	2	1	1	3	-	-	1	2
22	(iii) Conversion of Short-term loans into Medium-term loans in scarcity affected areas including rephasement/reschedulement (as applicable to SAO loans converted)	July-June	74	59	203	134	244	69	46	157
	III. Long-term	**Total**	**32**	**29**	**19**	**236**	**24**	**24**	**25**	**235**
27	Loans to State Governments for contribution to Share capital fo co-operative credit institutions (at 6%)	April-March	32	29	19	236	24	24	25	235
	Total Credit (I+II+III)		**3,851**	**4,219**	**4,009**	**2,797**	**4,276**	**3,918**	**3,248**	**3,467**

- : Nil or Negligible.
$: Includes financing of individual rural artisans through PACS (at 3% below Bank Rate).
Source : National Bank for Agriculture and Rural Development.

Table VII-38 : Purpose-wise Sanctions, Disbursements & Refinance by National Bank

(April-March)

(Rs. crore)

Purpose	1991-92			1992-93			Cumulative Position as on March 31, 1993		
	No. of Schemes Sanctioned	Commit-ments	Disbur-sements	No. of Schemes Sanctioned	Commit-ments	Disbur-sements	No. of Schemes Sanctioned	Commit-ments	Disbur-sements
1	2	3	4	5	6	7	8	9	10
Minor Irrigation	2,255	444	502	2,582	728	560	41,156	8,111	6,300
Land Development/CAD	88	15	14	129	22	13	2,442	545	332
Farm Mechanisation	45	389	381	106	516	519	11,377	8,408	3,249
Plantation/Horticulture	1,216	166	99	973	218	104	11,307	1,700	896
Poultry/Sheep Breeding/Piggery	1,148	119	85	771	129	62	9,446	808	521
Fisheries	396	52	31	427	112	31	4,086	513	247
Dairy Development	1,043	124	84	1,143	176	102	9,323	1,056	625
Storage/Market Yards	37	13	9	39	15	15	2,054	342	306
IRDP	-	661	647	-	649	649	-	5,256	4,939
Others #	478	253	202	320	331	305	11,501	1,692	1,308
Total	**6,706**	**2,236**	**2,054**	**6,493**	**2,896**	**2,359**	**102,712**	**23,431**	**18,723**

\# : Includes Bio-gas, Forestry, Non-Farm Sector, SCAP/STAP, etc.

* : Excludes schemes sanctioned under Automatic Refinance Facility.

Source : National Bank for Agriculture and Rural Development.

Table VII-39 : Agency-wise Sanctions and Disbursements of Refinance Assistance by National Bank during 1991-92 and 1992-93 (April-March)

(Rs. crore)

Agency	Number of schemes*		Financial Assistance		National Banks' Commitments		Disbursements by National Bank		Cumulative Position as on March 31, 1993			
	1991-92	1992-93	1991-92	1992-93	1991-92	1992-93	1991-92	1992-93	No. of Schemes	Financial Assistance by Agencies	National Bank's Commitments	Disbursements by National Bank
1	2	3	4	5	6	7	8	9	10	11	12	13
1. State Land Development Banks	2,397	2,531	813	1,225	694	1,075	658	885	34,464	9,665	8,447	6,537
2. Scheduled Commercial Banks	3,516	3,265	1,583	2,081	1,037	1,271	952	1,004	59,938	16,051	11,159	8,927
3. Regional Rural Banks	410	397	356	439	320	348	295	302	5,146	2,962	2,577	2,314
4. State Co-operative Banks	383	300	205	258	185	202	149	168	3,164	1,447	1,248	945
Total	**6,706**	**6,493**	**2,957**	**4,003**	**2,236**	**2,896**	**2,054**	**2,359**	**102,712**	**30,124**	**23,431**	**18,723**

* : Excludes schemes sanctioned under Automatic Refinance Facility.

Source : National Bank for Agriculture and Rural Development.

Table VII-40 : Region-wise Disbursements of Refinance by National Bank During 1991-92 and 1992-93 (April - March)

(Rs. crore)

Region	1991-92		1992-93	
	Amount	Percentage to All India	Amount	Percentage to All India
1	2	3	4	5
Northern	307	15	368	16
North-Eastern	40	2	36	1
Eastern	228	11	249	11
Central	540	26	566	24
Western	349	17	402	17
Southern	590	29	738	31
All India	**2,054**	**100**	**2,359**	**100**

Northern Region : Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab and Rajasthan.

North-Eastern Region : Assam, Manipur, Meghalya, Mizoram, Nagaland, Tripura and Arunachal Pradesh.

Eastern Region : Sikkim, Bihar, Orissa, West Bengal and Andaman & Nicobar Islands.

Central Region : Madhya Pradesh and Uttar Pradesh.

Western Region : Goa, Daman & Diu, Dadra & Nagar Haveli, Gujarat and Maharashtra.

Southern Region : Andhra Pradesh, Karnataka, Kerala, Pondicherry and Tamil Nadu.

Source : National Bank for Agriculture and Rural Development.

Table VII-41 : Disbursement of Refinance by National Bank to Less Developed and/or Under-banked States During 1991-92 and 1992-93 (April-March) (Schematic Lending)

(Rs. crore)

State / Union Territories	1991-92	1992-93
1	2	3
Uttar Pradesh	382	412
Madhya Pradesh	159	153
Bihar	89	81
Rajasthan	104	129
Orissa	43	61
Jammu & Kashmir	6	7
West Bengal	94	106
Assam and Other North - Eastern States	40	36
Himachal Pradesh	10	11
Andaman and Nicobar Islands	-	-
Sikkim	1	1
(A) Total	**928**	**997**
(B) Total disburements (All-India)	**2,054**	**2,359**
Percentage of A to B	**45.2**	**42.3**

Source : National Bank for Agriculture and Rural Development.

Table VII-42 : Progress of Integrated Rural Development Programme

Item	Unit	During VII Five Year Plan	1990-91	1991-92	1992-93	
					Target	Achievement
1	2	3	4	5	6	7
1. Central Allocation	Rs. Crore	1,513.84	374.56	-	331.65	-
2. Central Releases	Rs. Crore	1,397.00	346.59	-	-	336.69
3. Total Expenditure including State's share	Rs. Crore	3,315.82	809.49	773.09	662.22	693.08
4. Term Credit Disbursed	Rs. Crore	5,372.53	1,190.03	1,147.54	972.11	1,036.81
5. No. of Families Assisted						
Of which :	Rs. Lakh	181.77	28.98	25.37	18.75	20.69
6. No. of SC/ST	Rs. Lakh	81.97	14.46	12.96	9.38	10.64

Source : Ministry of Rural Development, Government of India.

Table VII-43 : National Bank's Refinance Assistance Under IRDP During 1991-92 and 1992-93 (April-March)

(Rupees crore)

Agency	Disbursements		Cumulative Assistance upto the end of March 1993
	1991-92	1992-93	
1	2	3	4
SLDBs	14	18	136
	(-)	(-)	(-)
Commercial Banks	342	351	2,530
(Excluding RRBs)	(138)	(135)	(969)
RRBs	222	210	1,804
	(98)	(87)	(892)
SCBs	69	70	469
	(23)	(18)	(131)
Total	**647**	**649**	**4,939**
	(259)	**(240)**	**(1,992)**

Notes : IRDP - Integrated Rural Development Programme.
SLDB - State Land Development Bank.
SCB - Scheduled Commercial Banks.
RRB - Regional Rural Bank.
Figures in brackets indicate disbursement for Industries, Services and Business Component.

Source : National Bank for Agriculture and Rural Development.

Table VII-44 : Resources of SLDBs (April-March)

(Rs. crore)

Item	1991-92	1992-93
1	2	3
Lending Programmes/Resources	**881**	**975**
a) Special Development Debentures		
1. Programme	771	872
2. Achievement	735	885
B) Internal Resources	N.A.	N.A.
c) Ordinary Debentures		
1. Target	106	103
2. Actual Floatation	106	103
i) Subscription to ordinary Debentures received from Central & State Govts.	19	20
ii) LIC	40	40
iii) SBI Group	20	20
(iv) Commercial Banks	14	12
v) Mutual Support/Self-help	13	11
Total Amount Raised [a(2)+c(2)]	**841**	**908**

Source : National Bank for Agriculture and Rural Development.

Table VII-45 : Licences Issued to Co-operative Banks During 1990-91, 1991-92 and 1992-93 (July-June)

Item	1990-91				1991-92				1992-93			
	SCBs	CCBs	PCBs	Total	SCBs	CCBs	PCBs	Total	SCBs	CCBs	PCBs*	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
Licences issued to carry on/commence banking business	-	-	15	15	2	-	13	15	-	-	1	1
No. of Licensed banks at the end of the year	8	40	1,028	1,076	10	40	1,039	1,089	10	40	1,038	1,088
Licences issued for opening new offices	3 (5)	-	55	58	2 (6)	-	38 (45)	-	20	-	210	230

.. Not available.

* Position as on March 31, 1993.49 PCBs were under liquidation.

\- Nil or Negligible.

Table VII-46 : Progress of Comprehensive Crop Insurance Scheme

Season	No. of States and UTs Implementing	No. of Farmers Covered (lakhs)	Area Covered (lakh hectares)	Sum insured (Rs. crore)	Total insurance Charges (Rs. crore)	Claims paid (Rs. crore)
1	2	3	4	5	6	7
Kharif 1985	11+2	26.36	53.74	542.73	9.42	84.15
Rabi 1985-86	14+2	12.12	23.18	238.41	4.48	3.12
Kharif 1986	15+3	39.56	77.40	856.20	14.99	169.37
Rabi 1986-87	15+2	11.28	21.00	242.37	4.52	4.59
Kharif 1987	18+3	46.32	84.11	1,140.68	19.10	277.40
Rabi 1987-88	17+2	21.28	32.36	475.44	8.85	12.08
Kharif 1988	13+0	29.64	52.35	547.89	8.82	29.19
Rabi 1988-89	9+0	8.73	10.13	164.10	3.12	3.87
Kharif 1989	15+2	42.27	66.45	873.89	14.48	34.35
Rabi 1989-90	16+1	6.60	9.59	151.56	2.76	2.88
Kharif 1990	17+0	19.43	34.09	515.15	7.66	79.62
Rabi 1990-91	16+0	7.94	10.70	196.28	3.50	4.04
Kharif 1991	17+0	37.61	68.61	931.41	14.43	150.83
Rabi 1991-92	15	7.76	10.95	199.94	3.55	5.46
Kharif 1992	17	41.00	72.10	1,156.20	18.15	5.74
Rabi 1992-93 (Provisional)	16	7.23	10.56	219.76	3.95	N.A.

N.A. = Not Available.
Source : General Insurance Corporation of India.

Table VII-47 : Outstanding Advances of Public Sector Banks

(Rupees crore)

Item	End-March 1990	End-March 1991	End-March 1992	End-March 1993
1	2	3	4	5
i) Outstanding advances to priority sectors	39,418	42,276	44,581	48,653
Percentage to total credit	43.2	40	39.8	36.6
ii) Outstanding direct advances to agriculture	15,082	15,857	16,926	18,559
Percentage to total credit	16.5	15	15.1	14.0
iii) Outstanding advances to weaker sections	9,897	10,260	10,881	11,866
a. Percentage to priority sector advances	25.1	24.3	24.4	24.4
b. Percentage to total credit	10.9	9.7	9.7	8.9

Table VII-48 : Disbursements of Credit for Agriculture and Allied Activities by Scheduled Commercial Banks During 1988-89 to 1991-92 (July-June)

(Rupees crore)

Category of Banks	1988-89	1989-90	1990-91	1991-92
1	2	3	4	5
Nationalised Banks	2,366 (62.0)	2,681 (62.6)	3,001 (64.2)	3,026 (63.0)
State Bank of India Group	1,296 (34.0)	1,446 (33.8)	1,494 (32.0)	1,582 (32.9)
Foreign and Other Scheduled Commercial Banks	151 (4.0)	155 (3.6)	180 (3.8)	198 (4.1)
Total	**3,813** **(100.0)**	**4,282** **(100.0)**	**4,675** **(100.0)**	**4,806** **(100.0)**

Note : Figures in brackets indicate the share of each category of banks in the total loans disbursed.

Table VII-49 : Purpose-wise/Region-wise Distribution of Credit by Scheduled Commercial Banks During 1991-92 (July-June)

(Rupees Crore)

Purpose	Northern Region	North-Eastern Region	Eastern Region	Central Region	Western Region	Southern Region	Total
1	2	3	4	5	6	7	8
I. Short-term Loans	**106.9**	**6.4**	**121.6**	**170.2**	**239.6**	**1696.5**	**2341.2**
(Including crop loans)	(4.6)	(0.3)	(5.2)	(7.3)	(10.2)	(72.5)	(100.0)
	(16.8)	(24.6)	(32.3)	(23.3)	(38.5)	(70.3)	(48.7)
II. Term Loans (A+B)	**530.6**	**19.6**	**255.4**	**559.8**	**382.7**	**716.6**	**2464.5**
	(21.5)	(0.8)	(10.4)	(22.7)	(15.5)	(29.1)	(100.0)
	(83.2)	(75.4)	(67.7)	(76.7)	(61.5)	(29.7)	(51.3)
A. Loans for Agriculture	431.8	6.7	146.2	452.4	258.7	434.8	1730.4
i) Minor Irrigation Schemes	25.4	0.2	25.9	65.2	60.7	83.2	260.5
ii) Reclamation and Land Development Schemes	3.1	0.2	2.3	6	10.9	33.1	55.5
iii) Tractors and Agricultural implements and Machinery	305.1	1.5	62.9	270.8	73.8	132.2	846.4
iv) Plantations	2.7	2.7	13.2	9.3	14.8	47.6	90.3
v) Other term loans	95.5	2.1	41.9	101.1	98.5	138.7	477.7
B. Loans for Allied Activities	98.8	12.9	109.2	107.4	124	281.8	734.1
i) Dairying	43.3	3.5	48.4	53.5	53.7	102.3	304.6
ii) Poultry Farming, Piggery and Bee-keeping	12.7	3.7	15.2	12.2	16.6	53.7	114.1
iii) Fisheries	0.7	2	14.5	2.2	13.5	33.5	66.5
iv) Others	42.1	3.7	31.1	39.5	40.2	92.3	248.9
Grand Total (I+II)	**637.5**	**26**	**377**	**730**	**622.3**	**2413.1**	**4805.7**
Region-wise share (Percentage)	**(13.3)**	**(0.5)**	**(7.8)**	**(15.2)**	**(12.9)**	**(50.2)**	**(100.0)**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Note : (i) Due to rounding off of figures, the constituent items may not add up to the totals shown.

(ii) Figures in the first brackets indicate the share of each region to the total loans disbursed under the main categories i.e., short-term and medium-term loans.

(iii) Figures in second brackets indicate the share of each category of loans disbursed to the grand total.

Table VII-50 : NCDC's Financial Assistance (Disbursements) From 1990-91 To 1992-93 (April-March)

(Rupees crore)

Schemes / Purposes	Amount Disbursed+		
	1990-91	1991-92	1992-93
1	2	3	4
I. Central Schemes	**140**	**219**	**217 @@**
a) Co-operative Storage Porgrammes with International aid	105	172	121
b) Co-operative Marketing, Processing and Storage programmes in under-developed States/Union Territories	10	9	11
c) Margin Money Assistance to the village societies for Distribution of consumer Articles in Rural Areas	2	2	-
d) Co-operative Sugar Factories, Co-operative Spinning Mills, NAFED, etc.	16	36	40
e) Miscellaneous	1	-	-
II. Corporation Sponsored Schemes	**120**	**108**	**123**
a) Storage	8	4	6
b) Agro-processing	64	53	51
c) Weaker Sections	22	30	4
d) Agricultural Marketing	13	7	24
e) Rural Consumer Activity	3	2	4
f) Agro-Services and Promotional and Developmental Programmes, etc.	10	12	35
III. TOTAL (I + II)	**260**	**327**	**340**

+ : Details of constituent items in respect of central and corporation schemes are not available and hence may not add upto the totals shown.
@ : Including Rs.45 crore from Sugar Development Fund.

Source : National Co-operative Development Corporation.

CHAPTER VIII

FISCAL DEVELOPMENTS

The Chapter on 'Fiscal Developments' has six sections. Section I deals with the budgetary developments of the Central Government. Section II discusses the developments in the State Governments finances. Section III provides an analysis of the combined budgetary position of the Central and State Governments. In Sections IV and V the discussion is focussed on Finances of Department of Posts and Department of Telecommunications and Railways, respectively. Section VI presents the developments in Public Debt and other liabilities of the Central and State Governments as also the combined debt position.

I. Budgetary Operations of the Central Government

The budgetary operations of the Central Government during 1992-93 (Revised Estimates) and 1993-94 (Budget Estimates) including the major tax proposals announced by the Finance Minister in the Budget for 1993-94 were discussed in an article on "Finances of the Government of India: 1993-94" in the May 1993 issue of Reserve Bank of India Bulletin

In this Report, a brief account of the budgetary developments of the Central Government during 1992-93 and 1993-94 is presented in order to highlight the major issues in the Central Government Finances.

Major Budgetary Developments during 1992-93

The alternative measures of budget deficit were placed higher in the revised estimates for 1992-93 than the levels emanating from the budget estimates (Table VIII-1). The worsening of the deficit indicators, particularly Gross Fiscal Deficit (GFD) and the revenue deficit from their budgeted levels essentially reflect the overshooting of revenue expenditure* to Rs.98,944.0 crore (+5.6 per cent) and the near stagnancy in revenue receipts in relation to Gross Domestic Product (GDP). The step up in the revenue expenditure was on account of enhanced provision for non- Plan expenditure viz., interest payments (by Rs.500.0 crore), subsidies (by Rs.1,621.0 crore), pensions (by Rs.305.0 crore), security-related expenditure (by Rs.285.0 crore) and due to higher Plan provision (by Rs.2,181.0 crore).

Capital expenditure at Rs.29,747.0 crore was, however, contained more or less within the budgeted level (an increase of only 0.8 per cent) (Table VIII-2).$

During 1992-93, the major cause for concern was the high year-end conventional deficit. According to the RBI Records, the conventional deficit at end-March 1993, after the closure of Government accounts, stood at Rs.12,757.0 crore, which was nearly two and half times the budget estimates and 77.1 per cent more than the revised estimates.

The latest indications are that the GFD-GDP ratio would turn out to be 5.6 per cent in 1992-93 reflecting the lower than estimated accretion of receipts especially in the last quarter of the year.

The monetisation of GFD, according to the revised estimates of 1992-93, was contained at less than 15.0 per cent as against 15.7 per cent in the budget estimates and 28.0 per cent on an average during the latter half of the 'eighties. According to RBI Records, the monetised deficit was placed at Rs.4,257.0 crore or 0.61 per cent of GDP as against Rs. 5,400.0 crore or 0.77 per cent in the revised estimates. Besides, the average monetised deficit during 1992-93 was placed lower at Rs. 6,718.0 crore than Rs. 10,209.0 crore in 1991-92.

* In this Report, the budgetary position of Government of India is inclusive of Departmental Commercial Undertakings in the Revenue Account.

$ Also see Statement 90 in the volume II of the Report.

Budget Estimates: 1993-94

The major thrust of the Central Government Budget for 1993-94 is on giving further boost to the ongoing structural adjustment programme. Accordingly, priority has been accorded to continuation of fiscal correction, and for placing the economy on a sustainable path of development. The Budget, therefore, proposed a number of measures for strong industrial revival and rural development, besides envisaging financial sector reforms, capital market development, export stimulation and exchange rate unification.

The principal measures of deficit, relative to GDP, as estimated by the Budget are lower than their high levels in the recent past (Table VIII-3). The GFD-GDP ratio is placed by the Budget at 4.71 per cent during 1993-94 as against 5.22 per cent in 1992-93 and on an average 7.24 per cent during the 'eighties. The monetised deficit as proportion to GDP has been placed at 0.55 per cent against 0.77 per cent in 1992-93 and on an average 2.25 per cent during the 'eighties. At this level, the monetisation of GFD would be around 12.0 per cent in 1993-94 as against 15.0 per cent in 1992-93; on an average, this was around 32.0 per cent in the 'eighties. The overall or conventional deficit as proportion to GDP is estimated to show a downward drift to 0.55 per cent in 1993-94 as against 1.02 per cent in 1992-93. During the 'eighties, this ratio stood at 1.63 per cent.

The improvement in the major deficit indicators is expected to be brought about essentially through a policy of expenditure reduction, particularly, in the non-interest non-Plan component. The non-interest non-Plan expenditure budgeted at Rs. 52,072.0 crore during 1993-94 would show a reduction of Rs.3,181.0 crore (5.8 per cent) over the level of 1992-93. In real terms, the decline would be still higher by 11.1 per cent. The major reductions are estimated in the areas of subsidies (-30.8 per cent), non-Plan grants to the States (-17.2 per cent), while defence expenditure would register an increase of 10.7 per cent.

Given the net lending and net interest payments, the net primary deficit (i.e. net fiscal deficit minus net interest payments) is also estimated to be lower than the high levels in the past (Table VIII-1).

The easing of the fiscal constraints through reduction in non- interest non-Plan expenditure has enabled the Central Government to step up Plan expenditure by Rs.4,278.0 crore or 11.6 per cent to Rs.41,251.0 crore in 1993-94. With the enhancement in Plan expenditure, the Central assistance to States and Union Territories Plan would rise by Rs.671.0 crore or 3.9 per cent as also budgetary allocation for Central Plan by Rs.3,607.0 crore or 18.4 per cent. The increased budgetary allocation together with an expected rise of Rs.10,610.0 crore or 35.3 per cent in the Internal and Extra Budgetary Resources (IEBR) of the Public Sector Enterprises have boosted the aggregate Central Plan outlay during 1993-94 by Rs.14,217.0 crore or 28.6 per cent to Rs.63,936.0 crore from Rs.49,719.0 crore in 1992-93.

Along with the fiscal correction measures, the Budget for 1993- 94 seeks to carry forward the reforms in the tax structure which were initiated in the Budget for 1992-93. The major part of the tax proposals announced in the Budget for 1993-94 has been drawn from the recommendations of the Tax Reform Committee (Chairman: Professor R.J.Chelliah).* While accepting all the major recommendations of the Committee in principle, the Budget has sought to have a phased transition in the tax structure, since a comprehensive tax reform would entail decisive action in many critical areas than marginal improvement on all fronts and the short run expenditure requirements would need to be addressed, even if they do not seem to be consistent with some of the tax reform measures.

The tax reforms undertaken so far in respect of direct and indirect taxes have resulted in a marginal shift in their composition in the total receipts. During 1993-94, the share of direct taxes is estimated to be 22.5 per cent as against 22.0 per cent in 1992-93 and 21.2 per cent in 1980-81 (Table VIII-4).

* Refer to RBI Bulletin February 1993 and June 1993 for the Summary of the major recommendations of the Tax Reforms Committee.

Notwithstanding a transition from a period of fiscal crisis to a phase of stability, certain areas of concern still persist. The persistence of the revenue deficit at the Centre and the pre-emption of high cost borrowed funds to bridge this gap indicate that the root cause of fiscal dis-equilibrium has not yet been addressed. That the revenue deficit has been financed by high cost borrowed funds is evident from the financing pattern of GFD. There has been a distinct shift in the composition of financing items of GFD. The item 'Other liabilities' which includes mainly small savings and provident funds accounts for 63.5 per cent of the GFD in 1993-94 as against 58.3 per cent in 1992-93 and 41.5 per cent in 'eighties (Table VIII- 10). To the extent that these schemes have fiscal concessions they carry high effective rates of interest which are implicitly borne by the Government.

The revenue deficit is estimated to account for as much as 47.7 per cent of the GFD in 1993-94 as against 45.5 per cent in 1992-93 and 24.3 per cent in the 'eighties (Table VIII-5). A near stagnancy in the revenue receipts to GDP ratio coupled with an inadequate reduction in revenue expenditure is attributable to such a large revenue imbalance. The principal component which pre-empt the lion's share of the revenue receipts are the obligatory expenditures, viz., interest payments, defence, police, pension and non-Plan grants to States. These expenditures together would account for around 70.4 per cent of the revenue receipts in 1993- 94 as against 67.3 per cent in 1992-93 and 60.9 per cent in the 'eighties. The increasing levels of revenue expenditures, particularly, non-Plan components financed through borrowed funds have led to an exponential increase in interest payments of the Central Government. As a result, interest payments during 1993-94 at Rs.38,000.0 crore are estimated to pre-empt 45.0 per cent of the revenue receipts as against 41.0 per cent in 1992-93 and around 27.0 per cent during the 'eighties.

Another disquieting aspect is the declining share of capital outlay in total expenditure as also in GDP. The share of capital outlay in total expenditure is estimated to be around 10.0 per-cent during 1993-94 as against 15.0 per cent

Box 4

Primary Deficit

One of the measures of public sector deficit that has gained prominence in recent years is the primary deficit. This concept also referred to as non-interest deficit, measures the impact of discretionary policy of the Government Budget and can be utilised for evaluating the sustainability of Government deficits.

The Gross Fiscal Deficit (GFD) measures the total borrowing requirements of the Government. It is defined as the excess of the total expenditure including loans net of recovery over revenue receipts (including external grants) and non-debt capital receipts. The GFD could be decomposed into revenue deficit, capital outlay and net lending (i.e., loans and advances less recovery of loans). Since a part of the GFD is utilised for lending operations by the Government, fiscal deficit may be defined on a net basis, i.e. not taking into account net lending by the government. This is otherwise referred to as net fiscal deficit.

There is, however, no unanimity of views regarding the primary deficit that is derived from the GFD. One view is that primary deficit should be represented by GFD less interest payments of the Government. Another view is that it is equivalent to GFD less net interest payments. When net interest payments (interest payments less interest receipts) are deducted from net fiscal deficit, what is obtained is the net primary deficit - a concept which is relevant for determining the stability of debt to GDP ratio.

References :

World Bank (1988) World Development Report, p.56; Mario I. Blejer and Adrienne Cheastty (1991), "The Measurement of Fiscal Deficits-Analytical and Methodological Issues", Journal of Economic Literature, December.

during the 'eighties (Table VIII-6). Capital outlay as proportion of GDP is estimated to be 1.6 per cent during 1993-94 as against an average of 2.7 per cent during the 'eighties. Besides, the annual growth rate in real capital outlay which averaged 8.6 per cent during the 'eighties has turned out to be negative during 1990-91 and 1991-92 and will continue to be negative during 1993-94 (Table VIII-7). The deterioration in capital outlay is the inevitable outcome of the diversion of major portion of the high cost borrowed funds for meeting the growing and persistent revenue deficit. As a result, capital outlay during 1993-94 is estimated to be 34.6 per cent of the GFD as against 38.2 per cent during the 'eighties. In addition, the decline in the share of developmental expenditure in the total expenditure is yet another matter of concern (Table VIII-8).

II. Budgetary Operations of the State Governments*

Budgetary Developments During 1992-93

The overall position during 1992-93 turned out to be a deficit of Rs.1,256.5 crore in the revised estimates in contrast to a surplus of Rs.88.4 crore in the budget estimates.The deterioration was the result of aggregate disbursements(Rs.1,22,595.5 crore) increasing by a higher amount of Rs.3,351.9 crore or 2.8 per cent than aggregate receipts (Rs.1,21,339.0 crore) by Rs.2,007.0 crore or 1.7 per cent. In particular, the widening of revenue deficit together with reduced surplus in the capital account resulted in the deterioration in the overall position (Table VIII-11).

The revenue deficit increased to Rs.4,116.8 crore in the revised estimates from Rs.3,517.0 crore in the budget estimates on account of an upsurge in revenue expenditure by Rs.2,044.3 crore or 2.2 per cent which could not be offset by the increase in revenue receipts of Rs.1,444.5 crore or 1.6 per cent. The increase in revenue expenditure was essentially on account of the developmental component which increased by Rs.3,246.6 crore or 5.2 per cent. The relatively lower growth in revenue receipts is explained by the decline in States' own tax revenue (-Rs.239.9 crore or - 0.6 per cent) and States' own non-tax revenue (- Rs.111.6 crore or -0.9 per cent).

Notwithstanding the increase in revenue deficit, the GFD was revised to go down by Rs. 875.1 crore or 4.2 per cent to Rs. 19,988.0 crore as a result of a reduction in capital outlay (Rs.11,132.4 crore) by Rs.230.0 crore or 2.0 per cent and net lending (Rs.4,738.8 crore) by Rs.1,244.9 crore or 20.8 per cent.

Net transfers from the Centre to States (gross transfers less interest payments and repayment of loans) at Rs.42,576.3 crore were lower by Rs.584.7 crore or 1.4 per cent than the budget estimates. Net transfers as percentage of aggregate disbursements (excluding interest payments and repayment of loans) were revised downwards to 37.6 per cent from 39.3 per cent in the budget estimates.

Budget Estimates : 1993-94 – Major Developments

The consolidated budgetary operations of the State Governments during 1993-94 indicate that the major indicators of deficit, viz., conventional/overall deficit, revenue deficit and gross fiscal deficit(GFD) would show deterioration reflecting further accentuation of imbalances in State Government finances. The conventional deficit at Rs.2,639.7 crore is budgeted to be more than double the level of 1992-93 (Rs.1,256.5 crore). The revenue deficit is budgeted to be higher by Rs.407.4 crore or 9.9 per cent than the levels of 1992-93 to reach the level of Rs. 4,524.2 crore. The deficit on revenue account has been a persisting phenomenon since 1987-88. The GFD is also budgeted higher at Rs.23,706.6 crore showing a rise of Rs. 3,726.6 crore or 18.6 per cent over 1992-93. The decomposition of GFD reveals a disquieting trend as the pre-emption of borrowed funds by revenue deficit continues to remain high at as much as 19.1 per cent during 1993-94 (Table VIII-12). The financing pattern of GFD reveals that loans from the Centre as a proportion of GFD is estimated to decline to 43.1 per cent from around 45.6 per cent in 1992-93

* Also see "Finances of the State Governments-1993-94:Highlights" published in October 1993 issue of RBI Bulletin.

(Table VIII-12A). The rising GFD of the State Governments has resulted in large outstanding debt which is budgeted to reach a level of Rs.1,58,144.0 crore as at end- March 1994 as against Rs.1,40,079.0 crore as at end- March 1993. The high level of debt has increased the interest burden of the States, pre-empting a sizeable portion of revenue receipts. The ratio of gross interest payments to revenue receipts during 1993-94 is estimated to go up to 16.0 per cent from 14.7 per cent in 1992-93.

The expenditure pattern continues to show a much faster growth in the non-developmental expenditure as against developmental expenditure. Furthermore, there has been a faster growth in the non-developmental component of revenue expenditure which accounts for about 98.0 per cent of total non-developmental expenditure in 1993-94. The rapid upsurge in interest payments (by Rs.2,759.9 crore or 19.6 per cent), administrative services (by Rs.2,603.0 crore or 29.4 per cent) and pensions (Rs.447.7 crore or 10.7 per cent) have led to the sharp increase in non-developmental expenditure.

Gross transfer of resources from the Centre at Rs.55,728.5 crore is expected to decelerate to 7.1 per cent in 1993-94 from a rise of 15.2 per cent in 1992-93. The slowdown would be entirely on account of current transfers viz., shareable tax revenue and grants from the Centre (Table VIII-13). After adjusting for debt service payments to the Centre, net transfer is budgeted at Rs.44,197.5 crore and would finance 36.0 per cent of the States' aggregate disbursements (excluding interest payments and repayment of loans) in 1993-94 as compared with around 37.6 per cent in the previous year.

On account of the slowdown in the current transfers from the Centre, the proportion of Central funding of States' revenue expenditure would decline from 40.6 per cent in 1992-93 to 38.8 per cent in 1993-94. However, due to a higher growth in gross loans from the Centre in the current year (13.1 per cent), the component of capital disbursements financed by Central loans would increase to 52.4 percent in 1993-94 from 48.7 per cent in 1992-93. The consolidated position indicating transactions in the revenue account and capital account are given in Statement 98 through 101 in the Volume II of the Report, respectively.

State-wise Position

During 1993-94, thirteen State Governments have proposed Additional Resource Mobilisation measures aggregating Rs. 1,030.0 crore which would be partly offset by the States' share in the loss from the tax changes announced in the Central Budget (Rs.541.4 crore)(Table VIII-23). After adjusting for the ARM measures, twenty one State Governments show a deficit in their respective overall positions (Table VIII-14). The State-wise overall position, revenue account, capital account, pattern of aggregate disbursements and GFD are set out in Table VIII-14 through Table VIII-18.

The approved Plan outlay for 1993-94 is placed at Rs.33,694.5 crore showing a substantial rise of 33.2 per cent over the revised approved outlay (Rs.25,302.1 crore). The State-wise data are presented in Table VIII-19 and Table VIII-20.

The emerging scenario in the budgetary operations of the State Governments as discussed in the preceding paragraphs, as a matter of fact, indicates a near identical pattern to Centre's fiscal imbalance. Therefore, credible fiscal actions on the part of the Central Government are vital not only to correct its own deficit but also to set an example for States whose finances have been showing disturbing trends in recent years. However, given the Central Government's budgetary constraints in the short run particularly in the context of on-going fiscal correction, indications are that the current practice of correcting the States' fiscal imbalance by higher non- statutory transfers from the Centre would not be continued for long.It would, therefore, be necessary for the States to reduce their non-interest non-plan expenditure, particularly on administrative services, to enhance non-interest non-tax revenues through upward revision of user charges on social and economic services and to ensure profitable working of the State level public enterprises.

This would enable the States to generate larger primary revenue surpluses to meet the rising interest obligations.

III. Combined Budgetary Developments of the Centre and State Governments

Revised Estimates 1992-93 :

According to the revised estimates for 1992-93, the overall conventional (combined) deficit at Rs.8,458.0 crore exceeded the budgeted target by Rs. 3,157.0 crore or 60.0 per cent. This was essentially on account of deterioration in the revenue account (Table VIII-24). The deficit in the revenue account at Rs. 20,817.0 crore had overshot the budgeted level by Rs. 3,418.0 crore or 19.6 per cent. The deterioration in the revenue account could be attributed to a near stagnancy in the revenue receipt to GDP ratio at around 21.0 per cent together with the upsurge in the revenue expenditure to GDP ratio which increased to around 24.0 per cent from 23.0 per cent in the budget estimates.

The GFD was placed higher at Rs. 47,829.0 crore or 6.8 per cent of GDP than Rs. 46,327.0 crore or 6.6 per cent of GDP in the budget estimates. The upsurge in GFD in the revised estimates for 1992-93 was mainly on account of rise in the revenue deficit from the budgeted level. The decomposition of GFD revealed that revenue deficit accounted for around 44.0 per cent of the total borrowing requirements as against about 38.0 per cent in the budget estimates. On the other hand, the proportions of net lending and capital outlay in GFD were kept lower than the respective levels in the budget estimates(Table VIII-25).

According to the latest indications, the actual outturn would be higher by about 0.47 percentage point than the revised estimates due mainly to the increase in Central Government's GFD to 5.62 per cent from 5.22 per cent in the budget estimates.

The expenditure pattern emerging from the revised estimates for 1992-93 indicates that aggregate disbursements would be Rs. 2,14,477.0 crore or 30.5 per cent of GDP as compared with Rs. 2,05,776.0 crore or 29.3 per cent of GDP in the budget estimates showing a rise of 4.2 per cent. Developmental expenditure at Rs. 1,17,378.0 crore accounted for about 55.0 per cent of the aggregate disbursements as compared with 54.0 per cent in the budget estimates, while non-developmental expenditure amounting to Rs.85,720.0 crore or 40.0 per cent of the aggregate disbursements as compared with 42.0 per cent in the budget estimates. The decline in the non-developmental expenditure was mainly reflected in the capital component (Table VIII-26).

Budget Estimates 1993-94 :

The budget estimates for 1993-94 reveal an across-the-board reduction in the major deficit indicators relative to GDP as compared with the ratios in the revised estimates for 1992-93 (Table VIII-24). This essentially reflects the intent of the Central Government to effect expenditure reduction as part of fiscal adjustment. However, a matter of concern is the high revenue deficit-GDP ratio which is budgeted to be 2.8 per cent - almost the same proportion as prevalent on an average, during the latter half of the 'eighties. At this level, the revenue deficit is estimated to pre-empt around 42.0 per cent of the total borrowing requirements.

During 1993-94, as per budget estimates, aggregate disbursements amounting to Rs. 2,29,020.0 crore would account for 29.2 per cent of GDP as compared with 30.5 per cent in the previous year (Table VIII-26). This reduction in expenditure is essentially on account of reduction in the Central Government's non-interest expenditure which is revealed in the concept of net primary deficit. The combined net primary deficit at Rs. 8,801.0 crore is estimated to be lower by Rs. 3,151.0 crore or 26.4 per cent than the levels of the revised estimates (Rs.11,952.0 crore). The share of the Central Government in the combined net primary deficit is estimated at around 39.0 per cent in 1993-94 as against 50.0 per cent during 1992-93, whereas the share of the State Governments is placed at around 61.0 per cent in 1993-94 (Table VIII-27).

Thus, to achieve stability in the fiscal policy of the combined Government, effective measures are needed to reduce the net primary deficit of State Governments.

IV. Finances of the Department of Posts and the Department of Telecommunications

The financial position of the Department of Posts and the Department of Telecommunications is presented in the following paragraphs.

A. Finances of the Department of Posts Revised Estimates 1992-93 :

According to the revised estimates for 1992-93, the financial position of the Department of Posts showed a deficit of Rs.159.4 crore as against a deficit of Rs.148.7 crore in the budget estimates and Rs.214.3 crore in 1991-92 (Actuals). The rise in postal deficit in the revised estimates vis-a-vis the budget estimates was mainly on account of higher working expenses than the revenue receipts. The net postal deficit in 1992-93 was met by transler from General Revenues of the Government.

Revenue receipts during 1992-93 were placed at Rs.990.0 crore as against Rs.960.0 crore in the budget estimates showing an increase of 3.1 per cent, while the working expenses at Rs.1,627.7 crore witnessed an increase of 4.4 per cent over the budget estimates. The details of the financial position of the Department of Posts are set out in Table VIII-29.

The capital outlay of the Department of Posts amounting to Rs. 57.2 crore, was lower than the budget estimates of Rs.68.8 crore. The Plan component of the capital outlay amounted to Rs.54.9 crore and the non-plan was placed at Rs.2.3 crore (Table VIII-30).

Budget Estimates 1993-94:

The budget estimates for 1993-94 have placed the net postal deficit at Rs.138.3 crore as compared with a deficits of Rs.159.4 crore in the 1992-93 revised estimates and Rs.214.3 crore in 1991-92(Actuals). The budgeted lower order of net postal deficit is mainly on account of decline in the growth in the net working expenses (-1.0 per cent). The net working expenses are budgeted lower because of higher provisions for credit to working expenses (Rs.550.0 crore) than in 1992-93 revised estimates (Rs. 478.4 crore). Capital outlay of the Department of Posts is budgeted at Rs.67.2 crore as against Rs.57.2 crore in the revised estimates.

B. Department of Telecommunications Revised Estimates 1992-93 :

The revenue receipts in the budget estimates were placed at Rs.4,554.0 crore. According to revised estimates revenues during the year amounted to Rs.4,554.0 crore higher by Rs.679.5 crore (17.5 per cent) than Rs.3,874.5 crore in 1991-92.

The working expenses at Rs.3,064.0 crore showed an increase of Rs.639.6 crore (26.4 per cent) over the levels of the budget estimates. Details of the working expenses are set out in Table VIII-31.

The net working expenses at Rs.2,726.0 crore were higher by Rs.581.4 crore (27.1 per cent) than those in 1991-92 (Rs.2,144.6 crore). The payment of Dividend to General Revenues placed at Rs.255.8 crore in 1992-93 as compared with Rs.246.6 crore in 1991-92. The surplus of Rs.1,572.2 crore in 1992-93 was utilised to make appropriations to the Revenue Reserve Fund and Capital Reserve Fund of Rs.30.0 crore and Rs.1,542.2 crore, respectively.

Capital Outlay 1992-93 :

The Capital outlay, in the revised estimates at Rs.4,013.0 crore for 1992-93 showed an increase of Rs.1,093.0 crore or 37.3 per cent over the previous year (Rs.2,920.0 crore). The total plan expenditure registered an increase of Rs.963.2 crore (34.5 per cent) and was placed at Rs.3,753.0 crore. As against this, the non-plan expenditure registered an almost 100.0 per cent increase over 1992-93 and was placed at Rs.260.0 crore (Table VIII-32).

Budget Estimates 1993-94 :

The budget estimates for 1993-94 envisages a much higher surplus of Rs.2,552.0 crore than a surplus of Rs.1,572.2 crore in 1992-93. The revenue receipts showed an increase of Rs.1,973.0 crore (43.3 per cent) and are placed at Rs.6,527.0 crore as against Rs.4,554.0 crore in 1992-93. The working expenses at Rs.4,143.0 crore would also register an increase of Rs.1,079.0 crore (35.2 per cent) as compared with Rs.3,064.0 crore in 1992-93. The net working expenses are budgeted to rise by Rs.988.0 crore from Rs.2,726.0 crore to Rs.3,714.0 crore in 1993-94. The net receipts are estimated to be higher at Rs.2,813.0 crore than in 1992-93 (Rs.1,828.0 crore).

The Capital outlay at Rs. 5,083.0 crore would show an increase of Rs.1,070.0 crore or 26.7 per cent over 1992-93. The plan expenditure would experience a substantial increase at Rs.4,763.0 crore as compared with Rs. 3,753.0 crore while the non-plan expenditure would rise modestly from Rs. 260.0 crore in 1992-93 to Rs. 320.0 crore in 1993-94.

V. Railway Finances @

Revised Estimates 1992-93 :

The net financial results of the Railways in the revised estimates for 1992-93 showed a distinct improvement with a surplus of Rs.756.7 crore as against a surplus of Rs.563.5 crore in the budget estimates and Rs.435.0 crore in 1991-92 (Table VIII-33). This improvement was mainly on account of cost reduction and economy measures coupled with the implementation of a detailed action plan to augment earnings and to plug leakages of revenue through intensive checks.

According to the revised estimates for 1992-93, the gross traffic receipts at Rs.16,115.0 crore showed a rise of Rs.231.0 crore or 1.5 per cent over the budget estimates (Rs.15,884.0 crore). This increase was essentially on account of increase in goods earnings. Receipts from passenger traffic were lower by Rs.318.0 crore (-6.8 per cent) than the budget estimates. A point worth noting here is that the projected goods traffic of 354 million tonnes did not materialise resulting in a downward revision of the target to 350 million tonnes. The anticipated increase of 5 per cent in passenger traffic also did not materialise.

The total working expenses at Rs.14,075.0 crore in the revised estimates for 1992-93 recorded a marginal increase of Rs.115.0 crore or 0.8 per cent as compared with the budget estimates of Rs.13,960.0 crore.

The net traffic receipts (Gross traffic receipts less total working expenses) at Rs.2,040.0 crore in 1992-93 (revised estimates) were higher at Rs.116.0 crore or 6.0 per cent than the budget estimates (Rs.1,924.0 crore). The net railway revenue at Rs.2,244.7 crore was higher by Rs.114.7 crore than the budget estimates (Rs.2,130.0 crore). After making allowance for dividend payments to general revenue of Rs.1,146.0 crore and payment of deferred dividend to the tune of Rs.342.0 crore from the net railway revenues the revised estimates for the year 1992-93 showed a larger surplus of Rs.756.7 crore as against the budget estimates of Rs.563.5 crore.

The improvement in the net financial results of the Railways in 1992-93 was reflected in a lower operating ratio albeit marginally at 87.0 per cent as compared with 87.7 per cent in the budget estimates. The proportion of net railway revenue to capital-at- charge was higher at 11.4 per cent than 10.9 per cent in the budget estimates.

The Annual Plan outlay for the year 1992-93 amounted to Rs.5,710.0 crore. The internal and extra-budgetary resources financed 66.1 per cent of the Plan as against 67.4 per cent in 1991-92. The emphasis in the Plan was on rolling stock (42.4 per cent), track renewals (22.0 per cent) and traffic facilities (14.9 per cent). The details

@ Also see the April 1993 issue of RBI Bulletin for a detailed discussion on Railway Finances, 1992-93 and 1993-94 including the proposals for adjustments in freight rates and fares in the Railway Budget, 1993-94.

of the developmental expenditure are set out in Table VIII-34.

During the year under review the Railways incurred losses on account of social obligations amounting to Rs.2,250.2 crore as against Rs.2,098.7 crore in 1991-92 (Table VIII-35).

Budget Estimates 1993-94 :

At the existing rates of fare and freight, the Railway budget for 1993-94 envisages a surplus of Rs.347.0 crore. This is for the first time since 1985-86 that the Railways have shown a surplus budget at the existing rates of fare and freight. After taking into account the additional resource mobilised by way of revision in fare and freight amounting to Rs.1,848.0 crore, the surplus would rise to Rs.2,195.0 crore as compared with that of Rs.756.7 crore in 1992-93.

The gross traffic receipts for 1993-94, after taking into account, the additional resource mobilisation of Rs.1,848.0 crore from the proposed upward revisions in the fare and freight rates are budgeted at Rs.19,021.0 crore registering an increase of Rs.2,906 crore or 18.0 per cent over 1992-93.

The total working expenses for 1993-94 are estimated at Rs.15,855.0 crore recording an increase of Rs.1,780.0 crore or 12.6 per cent over the revised estimates for 1992-93.

The net traffic receipts are budgeted at Rs.3,166.0 crore in 1993-94 which would be higher by Rs.1,126.0 crore or 55.2 per cent than the amount of Rs.2,040.0 crore in 1992-93. The distinct improvement in the net financial results in the budget estimates for 1993-94 is reflected in the operating ratio which would be lower at 83.1 per cent in 1993-94 than 87.0 per cent in 1992-93. The percentage of net revenue to capital-at-charge is estimated to be higher at 15.3 per cent than 11.4 per cent recorded in 1992-93 (Table VIII-33).

The Annual Plan outlay for the Railways during 1993-94 to meet the developmental expenditure is budgeted at Rs.6,500.0 crore showing a rise of 13.8 per cent over the previous year (Rs.5,710.0 crore). A distinct feature of the Plan outlay is the shift in financing pattern. During 1993-94 budgetary support at Rs.960.0 crore would finance around 14.8 per cent as against 33.9 per cent in the previous year. On the other hand, internal resources at Rs.4,640.0 crore would account for around 71.4 per cent of the total resources to finance the Annual Plan as compared with 49.3 per cent in 1992-93.

VI. Public Debt and Other Liabilities : Centre, States and Combined Position

Central Government

(i) Magnitude

The persistent rise in the gross fiscal deficit of the Central Government during the 'eighties led to an increasing recourse to borrowings by the Government which in turn resulted in high debt- GDP ratio. As a result, the outstanding aggregate liabilities (including internal debt, external debt and other liabilities, e.g., small savings, provident funds, reserve funds, and deposits of different kinds of the Central Government) which were placed at Rs.59,749.0 crore or 43.9 per cent of GDP as at end-March 1981 increased to Rs.3,54,662.1 crore or 58.2 per cent of GDP as at end-March 1992. Concerned about the GFD position, the Central Government during 1992-93 scaled down its market borrowing programme as a result of which the outstanding aggregate liabilities amounting to Rs.3,96,481.7 crore accounted for 56.4 per cent of the GDP as compared with 58.2 per cent as on end-March 1992. The Budget for 1993-94 envisages a further reduction in the market borrowing and consequently the outstanding liabilities are placed at Rs.4,36,459.6 crore as at end-March 1994 constituting 55.6 per cent of GDP. The aggregate liabilities of the Central Government on an average stood at 48.5 per cent of the GDP in the first half of the 'eighties and 57.2 per cent in the latter half. Details of the outstanding liabilities of the Central Government are set out in Table VIII-36.

Public debt (comprising external and internal debt) which accounts for about 59.1 per cent of the aggregate liabilities increased by a smaller magnitude of 11.7 per cent to reach the level of Rs.2,34,252.4 crore as at end-March 1993 compared with the rise of 13.0 per cent in the previous year. The Budget for 1993-94 envisaged a moderate increase in the growth of the outstanding public debt by 7.2 per cent to reach the level of Rs.2,51,143.0 crore as at end-March 1994. The public debt on an average grew at a rate of 15.6 per cent during the period 1980-85 and 16.0 per cent during the period 1985-90.

During 1992-93 the outstanding internal debt of the Centre stood at Rs.1,93,034.6 crore which was higher by Rs.20,284.8 crore (11.7 per cent) than that in the previous year. The other liabilities comprising small savings, provident funds, other accounts, reserve funds and deposits increased by Rs.17,265.2 crore (11.9 per cent) from Rs.1,44,964.0 crore at end - March 1992 to Rs.1,62,229.3 crore at end - March 1993. According to the Budget for 1993-94, internal debt and other liabilities would show a rise of 6.0 per cent and 14.2 per cent, respectively, in 1992-93 and 1993-94.

A component-wise analysis of the growth in the aggregate liabilities gives an insight into the financing pattern followed by the Government. Though all the components of aggregate liabilities experienced high growth during the 'eighties, their relative importance in the total was significantly different. In its endeavour to raise resources outside the captive the Government offered various savings schemes at moderate nominal rates of interest but with substantial fiscal concessions. As a result, the share of internal debt which includes all marketable debts but excludes external and other internal liabilities in total liabilities, declined from 51.9 percent in 1980-81 to 48.9 per cent in 1990-91 and is estimated to be still lower at 46.9 per cent in 1993-94. On the other hand the share of other liabilities in the aggregate liabilities is estimated to increase to 42.5 per cent as at end-March 1994 from 41.0 per cent at end- March 1991 and 29.6 per cent at end-March 1981.

During the year 1992-93 there was a perceptible shift from the long dated securities to the debt instruments of short maturity. The Central Government mobilised an amount of Rs.9,285.5 crore by auctioning of 364-day Treasury bills and the borrowings from the longer dated securities showed a decline over the budgeted figure. The market loans which amounted to 50.8 per cent of the internal debt during 1980-85, declined to 48.0 per cent on an average during 1985-90 and further to 44.0 per cent on an average during 1990-93.

Among the different components of other liabilities, it is the small savings and provident funds which have come to occupy a very important position over the years. During 1993-94, small savings and provident funds are estimated to be 19.3 per cent of the total outstanding liabilities of the Central Government. As compared to this, these two components accounted for 34.1 per cent during the three year period in 1990-93, 26.8 per cent in 1985-86 and 23.4 per cent in 1980-81.

(ii) Problems

The direct consequence associated with the existence of a large public debt is the need to service the debt, both interest and amortisation payments. The gross interest payments on debt as a proportion to revenue receipts stood at 21.0 per cent during 1980-81. It increased to 39.1 per cent during the 1990-91 and is estimated at 43.1 per cent in 1993-94. Moreover, the compression of maturities combined with increasing resort to market borrowings over the years have given rise to the problem of bunching of repayments in future years. Other things remaining the same, the mean repayment amount for the Centre which was placed at Rs.1,084.2 crore during the three year period upto 1994-95 would rise to Rs.1,551.1 crore during the five year period ending 2005-06 and jump to Rs.7,881.2 crore during the six years ending 2011-12. The position with regard to the repayment obligations would deteriorate if the fresh borrowings are taken into account. At present loan repayments are financed out of fresh borrowings budgeted for the year. But with humps in repayment schedule, the Government would be compelled to go in for larger borrowings to effect repayments. However, this method cannot be sustained, since it will lead to deepening of the debt problem.

Internal Debt Management Policy and Operations

There were a number of policy changes during 1992-93 to activate internal debt management policy. The monetary policy of April 1992 heralded a new approach to internal debt management by introducing market orientation in regard to absorption of Government of India dated rupee securities and longer term Treasury bills and this was to be facilitated by the overall reduction in the borrowing programme in 1992-93.

One of the main features of the market oriented internal debt management policy is to make Government dated securities attractive to holders of these securities. In pursuit of the objective of developing dated securities of Government of India as a monetary instrument with flexible yields to meet investors' expectations, various steps were taken during the year 1992-93. These were in line with the recommendations of the Chakravarty Committee and Narsimhan Committee. The Government of India for the first time offered to sell dated securities on an auction basis in June 1992. In addition to this Government introduced 364-day Treasury bills and 91-day Treasury bills on an auction basis from April 1992 and December 1992, respectively. Moreover, auctions of repurchase agreements (REPOS) of dated Government securities were introduced from December 1992.

These developments in the first place will have implications for monetised deficit. Moreover, they might lead to discipline in use of borrowed funds at relatively high rates of interest. Besides, they would impart liquidity as well as flexibility to investors.

In order to develop an institutional infrastructure for providing an active secondary market in Government dated securities and public sector bonds it has been proposed to set up a Securities Trading Corporation of India. The proposed institution will have an initial paid up capital of Rs.500.0 crore and the ownership of the Corporation would be broad based including Reserve Bank of India, commercial and cooperative banks, financial institutions, mutual funds and public sector units. The details of the new debt instruments introduced recently as also the market borrowing programmes for 1992-93 and 1993-94 are set out below.

182-day Treasury bills

The outstanding of 182-day Treasury bills at the end of March 1992 amounted to Rs.3,985.5 crore, which were fully repaid by mid October 1992 as no fresh 182-day Treasury bills were issued after April 16, 1992.

364-day Treasury bills

The auction of new instrument of 364-day Treasury bills on a fortnightly basis was introduced in April 1992. These auctions evoked good response from investors. The outstanding amount of 364-day Treasury bills amounted to Rs.8,796.7 crore as on March 31, 1993. The implicit yield rates at the cut-off prices in these auctions ranged between 10.96 per cent and 11.42 per cent. The entire subscription to these longer dated bills is by the market and no part of it is held by the Reserve Bank.

The amount of 364-day Treasury bills which were due to mature in 1993-94 were large. Therefore, in order to obviate the problems inherent in the sharp increase in liquidity, the Government offered to sell on April 29, 1993, 12.75 per cent Government stock, 1996, in conversion of 364-day Treasury bills maturing in 1993-94. The bills eligible for conversion amounted to Rs.8,776.7 crore face value of which bills amounting to Rs.7,122.8 crore were offered for conversion representing 81.2 per cent of the eligible bills. The amount converted into the 12.75 per cent Central Government stock, 1996, aggregated Rs.6,959.6 crore (sale value). (Table VIII-37).

91-day Treasury bills

Another step towards an active debt management operation was the introduction of an auction scheme for the issue of 91- day Treasury bills at a pre-determined amount. The cut- off yields have been significantly higher than the fixed discount rate of 4.6 per cent per annum on such bills sold on tap. The outstanding 91-day Treasury bills as at the end of March 1993 amounted to Rs.1,350 crore. (Table VIII-38).

Market Borrowings : 1992-93

During the year 1992-93, the Central Government mobilised Rs.4,820.9 crore in five auctions of dated government securities. After accounting for the repayments of Rs.1,150.9 crore the net market borrowings amounted to Rs.3,670.0 crore. The cut-off yield ranged between 12.0 per cent for five year dated security and 12.75 per cent for 10-year dated security (Table VIII-39).

Market Borrowings : 1993-94

The Budget for 1993-94 envisages the gross market borrowings to the tune of Rs.4,848.0 crore. After accounting for repayments of Rs.1,148.0 crore, the net market borrowings would amount to Rs.3,700 crore. Upto September 1993, the Government mobilised Rs.4,000.0 crore through four auctions of 5-year, 6-year, 7-year and 9-year dated securities. The cut-off yields varied from 13.0 per cent to 13.40 per cent for the 5-year to 9-year dated securities.

State Governments

The outstanding debt of all the States reached the level of Rs.1,40,327.0 crore or 20.0 per cent of GDP as at end - March 1993 as against Rs. 1,24,277.0 crore or 20.4 per cent of GDP as at end-March 1992. The debt - GDP ratio during the eighties was around 19.0 per cent. It is budgeted to increase to Rs. 1,58,393.0 crore or 20.1 per cent by end-March 1994.

Loans and Advances from the Centre

The share of loans and advances from the Centre in total debt of State Governments has been going down continuously. During the latter half of the eighties, it accounted for 70.8 per cent of the total outstanding liabilities of the States. It averaged around 66.9 per cent in the triennium 1990-93. The outstanding loans and advances from the Centre (consisting of loans for Plan and non-Plan schemes including loans against small savings collections and ways and means advances from the Centre) increased by Rs.9,118.0 crore (11.0 per cent) during the year 1992-93 as against Rs.83,254.0 crore in 1991-92. As per the budget estimates 1993-94 it is expected to increase by Rs.10,207.0 crore (11.0 per cent). Statement No. 113 (in volume II of the Report)

Internal Debt

With the reduction in the availability of funds from the Centre, the States have been mobilising more funds by way of internal debt. During 1992-93 internal debt accounted for 18.3 per cent (Rs.25,792.0 crore) of total liabilities as against 17.8 per cent during the triennium 1990-93 and 16.7 per cent during the quinquennium 1985-90. It needs to be recognised that the entailed high interest burden in future needs to be counteracted by reduction in the size of borrowing so that its effect on the gross fiscal deficit of the States remains at a manageable level. In the case of States the mean repayment amount which is estimated at Rs.1,028.4 crore during the five year period ending 2001- 2002 would move up to Rs.2,502.5 crore during the year ending 2011-12.

Provident Funds

The State Provident Funds witnessed a steady increase over the years and became an important source of financing the gross fiscal deficit of the States. In 1992-93 provident funds financed 17.5 per cent of the State GFD as against 23.0 per cent in 1990-91 and 9.5 per cent in 1984-85. The outstanding amount under these funds formed 15.8 per cent (Rs.22,163 crore) of the total liabilities in 1992-93 as against 14.6 per cent in 1990-91 and 14.6 per cent in 1984-85. During the year 1993-94 the outstanding amount of provident funds are budgeted to grow by Rs.3,739 crore (16.9 per cent) to Rs.25,902 crore from Rs.22,163 crore at end-March 1993.

Market Borrowings of the State Governments : 1992-93

During the year 1992-93, 24 State Governments mobilised Rs.3,804.7 crore by way of gross market borrowings. After accounting for repayments of Rs.333.6 crore the net market borrowings amounted to Rs.3,471.1 crore. These loans were issued at par with maturity period of 15 years and a coupon rate of 13.00 per cent.

Market Borrowings of the State Governments 1993-94

During 1993-94 twenty four States mobilised Rs.4,130.3 crore in three tranches. These loans were issued at par with a maturity period of 10 years and carried a coupon rate of 13.50 per cent. After providing for repayment of Rs.506.7 crore, net borrowing amounted to Rs.3,623.6 crore.

Combined Debt

As alluded to earlier, the debt liabilities of both Centre and State Governments wirnessed a sharp rise during the decade of eighties. The combined debt which stood at Rs1,26,609 crore or 54.7 per cent of GDP as at end-March 1985 shot up to Rs.2,96,623 crore as at end-March 1990 or 65.3 per cent of GDP and rose further to Rs.4,92,274 crore or 62.7 per cent of GDP as at end-March, 1994.

Table VIII-1 : Alternative Measures of Deficit of the Central Government

(Rs. crores)

Year	Gross Fiscal Deficit	Net Fiscal Deficit	Net Primary Deficit	Monetised Deficit*	Conventional Deficit	Revenue Deficit
1	2	3	4	5	6	7
1980-81	8,299	5,110	4,301	3,551	2,477	2,037
	(6.10)	(3.76)	(3.16)	(2.61)	(1.82)	(1.50)
1990-91	44,632	30,692	17,651	14,746	11,347	18,562
	(8.41)	(5.78)	(3.32)	(2.78)	(2.14)	(3.50)
1991-92	36,325	24,623	8,982	5,508	6,855	16,261
	(5.96)	(4.04)	(1.47)	(0.90)	(1.12)	(2.67)
1992-93	34,408	23,940	5,408	5,389	5,389	13,882
(Budget Estimates)	(4.89)	(3.41)	(0.77)	(0.77)	(0.77)	(1.97)
1992-93	36,722	26,037	5,974	5,400	7,202	16,700
(Revised Estimates)	(5.22)	(3.70)	(0.85)	(0.77)	(1.02)	(2.38)
1993-94	36,959	26,926	3,457	4,314	4,314	17,630
(Budget Estimates)	(4.71)	(3.43)	(0.44)	(0.55)	(0.55)	(2.25)

* Actuals as per RBI Records.

Note: Figures in brackets are percentages to GDP at current market prices.

Table VIII-2 : Budgetary Position of the Central Government

(Rs.crores)

Item	1989-90 (Accounts)	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)*
1	2	3	4	5	6	7
I. Revenue Account						
A. Revenue	54,614	57,650	69,117	79,648	82,244	88,685
B.Expenditure	66,528	76,212	85,378	93,530	98,944	1,06,315
C.Surplus(+)/Deficit(-)	-11,914	-18,562	-16,261	-13,882	-16,700	-17,630
II. Capital Account						
A. Receipts**	30,020	38,997	38,528	38,010	39,245	42,800
B.Expenditure**	28,698	31,782	29,122	29,517	29,747	29,484
C.Surplus(+)/Deficit(-)	1,322	7,215	9,406	8,493	9,498	13,316
III. Overall Surplus(+)/Deficit(-)	-10,592	-11,347	-6,855	-5,389	-7,202	-4,314

Note : Budgetary position of Government of India in this report is inclusive of Departmental Commercial Undertakings in the Revenue Account.

* Includes effect of Budget proposals. Post budget tax concessions are not adjusted.

** Includes loans to States against Small Savings collections and Railways capital expenditure matched by receipts.

Table VIII-3 : Alternative Measures of Deficit of the Central Government as Percentages of GDP at Market Prices

Year	Gross Fiscal Deficit	Net Fiscal Deficit	Net Primary Deficit	Monetised Deficit	Conventional Deficit	Revenue Deficit
1	2	3	4	5	6	7
1980-81 to 1984-85 (Average)	6.26	3.73	2.99	2.21	1.19	1.11
1985-86 to 1989-90 (Average)	8.22	5.40	3.80	2.29	2.07	2.58
1980-81 to 1989-90 (Average)	7.24	4.56	3.39	2.25	1.63	1.84
1990-91	8.41	5.78	3.32	2.78	2.14	3.50
1991-92	5.96	4.04	1.47	0.90	1.12	2.67
1992-93 (Revised Estimates)	5.22 (5.62)$	3.70	0.85	0.77 (0.61)@	1.02 (1.81)@	2.38
1993-94 (Budget Estimates)	4.71	3.43	0.44	0.55	0.55	2.25

$ Based on latest estimates.

@ Actuals according to RBI Records.

Table VIII-4 : Tax Receipts of the Central Government

(Rs. crores)

Item	1980-81 (Accounts)	1989-90 (Accounts)	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7	8
I. Tax Receipts (A + B)*	9,388	38,349	42,978	50,069	56,456	58,179	62,739
I as per cent of total receipts	42.2	45.3	44.5	46.5	48.0	47.9	47.7
I as per cent of GDP*	6.9	8.4	8.1	8.2	8.0	8.3	8.0
A. Direct Taxes	1,992	6,081	6,903	10,096	11,285	12,817	14,125
A) as per cent of tax receipts	21.2	15.9	16.1	20.2	20.0	22.0	22.5
B. Indirect Taxes **	7,396	32,268	36,075	39,973	45,171	45,362	48,614
B) as per cent of tax receipts	78.8	84.1	83.9	79.8	80.0	78.0	77.5

* Figures may differ from those published earlier due to revision in figures of GDP.

** Includes taxes of Union Territories, net of assignments to local bodies.

Table VIII-5 : Composition of Gross Fiscal Deficit of Central Government

(Rs. crores)

	1980-81 to 1989-90 (Average)	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7
1. Revenue Deficit	5,573	18,562	16,261	13,882	16,700	17,630
	(24.3)	(41.6)	(44.8)	(40.3)	(45.5)	(47.7)
2. Capital Outlay	7,259	12,148	11,400	12,558	12,837	12,796
	(38.2)	(27.2)	(31.4)	(36.5)	(34.9)	(34.6)
3. Net Lending	7,151	13,922	11,702	10,468	10,685	10,033
	(37.5)	(31.2)	(32.2)	(30.4)	(29.1)	(27.1)
4. Disinvestment of equity holdings of Public Sector Undertakings	–	–	3,038	2,500	3,500	3,500
			(8.4)	(7.2)	(9.5)	(9.4)
5. Gross Fiscal Deficit	**19,983**	**44,632**	**36,325**	**34,408**	**36,722**	**36,959**
(1 + 2 + 3 − 4)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Note : Figures in brackets are percentages to Gross Fiscal Deficit.

Table VIII-6 : Central Government Expenditures and Receipts as Percentages of GDP

(Percent)

Item	1980-81 to 1989-90 (Average)	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7
I. Total Expenditure (A + B)	**18.0**	**19.3**	**17.8**	**16.6**	**17.4**	**16.4**
A. Revenue Expenditure	12.6	14.4	14.0	13.3	14.1	13.5
Of which:						
i) Interest payments, Subsidies,Defence and non-Plan grants to States and UTs	7.5	9.1	8.9	8.1	8.5	7.9
B. Capital Expenditure (including Net lending)	5.4	4.9	3.8	3.3	3.3	2.9
Of which:						
i) Capital Outlay	2.7	2.3	1.9	1.8	1.8	1.6
II. Revenue Receipts	10.7	10.9	11.3	11.3	11.7	11.3
Of which:						
(i) Tax Revenue(Net)	7.8	8.1	8.2	8.0	8.3	8.0
III. I A (i) as proportion of II	71.2	84.1	78.4	71.8	72.6	70.3
IV. I B (i) as proportion of I	14.8	11.9	10.5	10.8	10.5	9.9

Table VIII-7 : Growth of Real Expenditures of the Central Government

(Percent)

Year	Aggregate Expenditure	Revenue Expenditure	Capital Outlay
1	2	3	4
1980-81 to 1984-85 (Average)	7.62	8.74	12.72
1985-86 to 1989-90 (Average)	8.45	10.47	3.97
1990-91	2.22	3.26	- 7.27
1991-92	- 6.55	- 1.26	- 17.29
1992-93 (R.E.)	1.56	4.71	1.73
1993-94 (B.E.)	- 0.52	1.30	- 6.02
1990-91 to 1992-93 (Average)	- 0.92	2.24	- 7.61

Notes: 1. Real expenditure has been worked out by deflating the nominal expenditure by GDP deflator.
2. Expenditure inclusive of Departmental Commercial Undertakings.

Table VIII-8 : Developmental and Non-developmental Expenditure of the Central Government

(Rs.crores)

	1980-81 to 1989-90 (Average)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6
1. Developmental Expenditure	29,695	61,807	61,137	65,877	65,245
	(57.3)	(54.0)	(49.7)	(51.2)	(48.0)
2. Non-Developmental Expenditure	22,118	52,693	61,910	62,814	70,554
	(42.7)	(46.0)	(50.3)	(48.8)	(52.0)
Total (1+2)	**51,813**	**1,14,500**	**1,23,047**	**1,28,691**	**1,35,799**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Note: Figures in brackets are percentages to total.

Table VIII-9 : Expenditure on Subsidies by the Central Government

(Rs. crores)

Item	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5
A. Major Subsidies (1+2+3)	**9,809**	**7,980**	**9,480**	**7,000**
	(+2.4)	**(-18.6)**	**(-3.4)**	**(-26.2)**
1. Food.	2,850	2,500	2,800	3,000
	(+16.3)	(-12.3)	(-1.8)	(+7.1)
2. Fertilisers. (a+b+c)	5,205	5,000	5,800	3,500
	(+18.6)	(-3.9)	(+11.4)	(-39.7)
(a) Indigenous	3,500	3,500	4,800	3,000
	(-6.1)	(-)	(+37.1)	(-37.5)
(b) Imported	1,300	1,500	1,000	500
	(+97.3)	(+15.4)	(-23.1)	(-50.0)
(c) To Small and Marginal Farmers.	405	–	–	–
3. Export Promotion and Market Development	1,754	480	880	500
	(-36.0)	(-72.6)	(-49.8)	(-43.2)
B. Other Subsidies.	**2,461**	**2,507**	**2,628**	**1,376**
	(-4.5)	**(+1.9)**	**(+6.8)**	**(-47.6)**
C. Total(A+B)	**12,270**	**10,487**	**12,108**	**8,376**
	(+0.9)	**(-14.5)**	**(-1.3)**	**(-30.8)**

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

Table VIII-10 : Financing Pattern of Gross Fiscal Deficit of the Central Government

(Rs. crores)

Item	1980-81 to 1989-90 (Average)	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7
1. External Loans(net)	1,772	3,181	5,421	4,509	4,430	5,454
	(9.7)	(7.1)	(14.9)	(13.1)	(12.1)	(14.8)
2. Internal Market Loans	4,959	8,001	7,510	5,000	3,670	3,700
	(26.9)	(17.9)	(20.7)	(14.5)	(10.0)	(10.0)
3. Other Liabilities	8,621	22,103	16,539	19,510	21,420	23,491
	(41.5)	(49.5)	(45.5)	(56.7)	(58.3)	(63.5)
4. Budget Deficit	4,632	11,347	6,855	5,389	7,202	4,314
	(21.9)	(25.5)	(18.9)	(15.7)	(19.6)	(11.7)
5. Total Finance/Gross Fiscal Deficit	**19,984**	**44,632**	**36,325**	**34,408**	**36,722**	**36,959**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Note : Figures in brackets are percentages to total.

Table VIII-11 : Overall Budgetary Position of State Governments

(Rs. crores)

Items	1991-92 (Accounts)*	Percentage variation over the previous year	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	Percentage variation 1992-93(RE) over 1992-93(BE)	Percentage variation over the previous year	1993-94 (Budget Estimates)	Percentage variation over the previous year
1	2	3	4	5	6	7	8	9
I Aggregate Receipts (A+B)	1,14,885.1	25.8	1,19,332.0	1,21,339.0	1.7	5.6	1,30,884.2	7.9
			(1,16,959.0)		(3.7)		(1,30,395.6)	(7.5)
A.Revenue Receipts (1+2)	80,535.7	21.2	89,989.4	91,433.9	1.6	13.5	1,00,562.1	10.0
			(87,616.4)		(4.4)		(1,00,073.5)	(9.4)
1. Tax Receipts (a+b)	52,603.9	18.0	60,156.3	60,524.0	0.6	15.1	68,216.5	12.7
			(57,909.5)		(4.5)		(67,931.1)	(12.2)
a. States' Taxes	35,756.0	17.8	40,288.1	40,048.2	-0.6	12.0	46,284.1	15.6
			(39,541.3)		(1.3)		(45,457.3)	(13.5)
b. Share in Central Taxes	16,847.9	18.3	19,868.2	20,475.8	3.1	21.5	21,932.4	7.1
			(18,368.2)		(11.5)		(22,473.8)	(9.8)
2. Non-Tax Receipts (c+d)	27,931.8	27.7	29,833.1	30,909.9	3.6	10.7	32,345.6	4.6
			(29,706.9)		(4.0)		(32,142.4)	(4.0)
c. Grants from the Centre	15,225.7	20.4	17,177.0	18,365.4	6.9	20.6	18,890.0	2.9
d. States' Non-Tax Receipts	12,706.1	37.6	12,656.1	12,544.5	-0.9	-1.3	13,455.6	7.3
			(12,529.9)		(0.1)		(13,252.4)	(5.6)
B.Capital Receipts (1+2)	34,349.4	38.2	29,342.6	29,905.1	1.9	-12.9	30,322.1	1.4
1. States' Capital Receipts *of which:*	21,280.4	95.7	13,258.2	16,724.7	26.1	-21.4	15,416.0	-7.8
a. Market Borrowings (Gross)	1,868.4	-27.0	2,583.9	2,470.6	-4.4	32.2	2,552.2	3.3
b. Recovery of Loans and Advances	3,310.2	120.6	1,081.8	2,278.3	110.6	-31.2	1,302.8	-42.8
2. Loans from the Centre	13,069.0	-6.5	16,084.4	13,180.4	-18.1	0.9	14,906.1	13.1
II Aggregate Disbursements (A to E)	1,14,981.4	26.0	1,19,243.6	1,22,595.5	2.8	6.6	1,33,523.9	8.9
A. Developmental Expenditure@ (1 + 2)	73,934.7	16.7	76,933.1	79,952.0	3.9	8.1	85,420.6	6.8
1. Social Services *of which:*	33,579.9	12.1	36,628.6	38,001.4	3.7	13.2	41,415.4	9.0
Expenditure on Natural Calamities	1,047.1	19.5	813.2	867.8	6.7	-17.1	605.4	-30.2
2. Economic Services	40,354.8	20.8	40,304.5	41,950.6	4.1	4.0	44,005.2	4.9
B. Non-Developmental Expenditure@	27,811.4	23.1	34,009.4	32,724.8	-3.8	17.7	39,081.6	19.4
C. Repayment of Loans to the Centre	3,695.5	-7.5	4,067.1	4,062.1	-0.1	9.9	4,699.3	15.7
D. Discharge of Internal Debt *of which :*	7,823.8	2,220.9	3,244.5	5,063.0	56.0	-35.3	3,286.8	-35.1
Market Loans(Gross)	4.1	-18.0	279.6	256.5	-8.3	6,156.1	364.3	42.0
E. Others#	1,716.0	82.9	989.5	793.6	-19.8	-53.8	1,035.6	30.5
III Overall Surplus(+)/Deficit(-)(I-II)	-96.3		88.4	-1,256.5			-2,639.7	
			(-2,284.6)				(-3,128.3)	

Note: 1. Figures outside brackets under budget estimates for 1993-94 include the estimated net yield of Rs.1,030.0 crore from Additional Resource Mobilisation measures proposed by the States and a revenue loss of Rs.541.4 crore as States' share in the Centre's additional resource mobilisation proposed in the Union Budget for 1993-94.

2. Figures outside brackets under budget estimates for 1992-93 include the estimated net yield of Rs.873.0 crore from additional Resource Mobilisation measures proposed by the States and the States' share of Rs.1,500.0 crore in the Centre's additional resource mobilisation proposed in the Union Budget for 1992-93.

* Figures for Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

@ Comprise expenditure on Revenue and Capital accounts and Loans and Advances extended by States.

\# Comprise compensation and assignments to local bodies, remittances(net) and reserve with Finance Department.

Table VIII-12 : Composition of the Gross Fiscal Deficit of the State Governments

(Rs. crores)

Year	Revenue Deficit	Capital Outlay	Net Lending	Gross Fiscal Deficit (2+3+4)
1	2	3	4	5
1980-81	-1,486	3,201	1,998	3,713
	(-40.0)	(86.2)	(53.8)	(100.0)
1981-82	-1,376	3,588	1,850	4,062
	(-33.9)	(88.3)	(45.6)	(100.0)
1982-83	-888	3,719	2,155	4,986
	(-17.8)	(74.6)	(43.2)	(100.0)
1983-84	-211	4,277	2,292	6,358
	(-3.3)	(67.3)	(36.0)	(100.0)
1984-85	924	4,910	2,365	8,199
	(11.3)	(59.9)	(28.8)	(100.0)
1985-86	-654	5,453	2,722	7,521
	(-8.7)	(72.5)	(36.2)	(100.0)
1986-87	-170	6,277	3,162	9,269
	(-1.8)	(67.7)	(34.1)	(100.0)
1987-88	1,088	6,655	3,477	11,220
	(9.7)	(59.3)	(31.0)	(100.0)
1988-89	1,807	7,077	2,788	11,672
	(15.5)	(60.6)	(23.9)	(100.0)
1989-90	3,682	7,963	3,788	15,433
	(23.9)	(51.6)	(24.5)	(100.0)
1990-91	5,309	9,223	4,255	18,787
	(28.3)	(49.1)	(22.6)	(100.0)
1991-92	5,651	10,096	3,153	18,900
	(29.9)	(53.4)	(16.7)	(100.0)
1992-93(RE)	4,117	11,132	4,739	19,988
	(20.6)	(55.7)	(23.7)	(100.0)
1993-94(BE)	4,524	12,773	6,410	23,707
	(19.1)	(53.9)	(27.0)	(100.0)

Note: Figures in brackets are percentages to GFD.
'_' sign indicates surplus.

Table VIII-12A : Financing Pattern of the Gross Fiscal Deficit of the State Governments

(Rs. crores)

Year	Loans from the Central Government (net)	Market Borrowings (net)	Others $	Gross Fiscal Deficit (2+3+4)
1	2	3	4	5
1980-81	1,564	184	1,965	3,713
	(42.1)	(5.0)	(52.9)	(100.0)
1981-82	2,000	339	1,723	4,062
	(49.2)	(8.4)	(42.4)	(100.0)
1982-83	2,735	393	1,858	4,986
	(54.8)	(7.9)	(37.3)	(100.0)
1983-84	3,031	563	2,764	6,358
	(47.7)	(8.8)	(43.5)	(100.0)
1984-85	3,580	693	3,926	8,199
	(43.7)	(8.4)	(47.9)	(100.0)
1985-86	5,757	1,011	753	7,521
	(76.6)	(13.4)	(10.0)	(100.0)
1986-87	4,786	1,147	3,336	9,269
	(51.6)	(12.4)	(36.0)	(100.0)
1987-88	5,832	1,524	3,864	11,220
	(52.0)	(13.6)	(34.4)	(100.0)
1988-89	6,688	1,973	3,011	11,672
	(57.3)	(16.9)	(25.8)	(100.0)
1989-90	7,917	2,298	5,218	15,433
	(51.3)	(14.9)	(33.8)	(100.0)
1990-91	9,978	2,556	6,253	18,787
	(53.1)	(13.6)	(33.3)	(100.0)
1991-92	9,374	1,864	7,662	18,900
	(49.6)	(9.9)	(40.5)	(100.0)
1992-93(RE)	9,118	2,214	8,656	19,988
	(45.6)	(11.1)	(43.3)	(100.0)
1993-94(BE)	10,207	2,188	11,312	23,707
	(43.1)	(9.2)	(47.7)	(100.0)

$ Includes reserve funds, deposits and advances, provident funds, loans from banks and financial institutions,etc.

Note: Figures in brackets are percentages to GFD.

Source : Budget documents of State Governments.

Tables VIII-13 : Transfer of Resources from the Centre to the State Governments

(Rs. crores)

	1991-92 (Accounts)@	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5
I States' Share in Central Taxes	16,847.9	19,868.2	20,475.8	21,932.4
		(18,368.2)		(22,473.8)
II Grants from the Centre (1 to 4)	15,225.7	17,177.0	18,365.4	18,890.0
1 State Plan Schemes	7,963.7	9,206.8	9,353.5	10,536.0
2 Central Plan Schemes	537.8	771.5	1,016.3	831.2
3 Centrally Sponsored Schemes	3,889.8	4,692.5	5,008.3	5,075.1
4 Non-Plan Grants (a to c)	2,834.4	2,506.2	2,987.3	2,447.7
a) Statutory Grants	1,681.7	1,348.9	1,439.0	1,358.0
b) Grants for Natural Calamities	134.8	169.5	194.8	147.7
c) Non-Plan Non-Statutory Grants	1,017.9	987.8	1,353.5	942.0
III Gross Loans from the Centre	13,069.0	16,084.4	13,180.4	14,906.1
IV Gross Transfer (I+II+III)	45,142.6	53,129.6	52,021.6	55,728.5
		(51,629.6)		(56,269.9)
V Repayment and Interest Payments Liabilities (a + b)	8,131.6	9,968.6	9,445.3	11,531.0
a)Repayment of Loans to the Centre	3,695.5	4,067.1	4,062.1	4,699.3
b)Interest Payments on the Loans from the Centre	4,436.1	5,901.5	5,383.2	6,831.7
VI Net Transfer of Resources from the Centre (IV-V)	37,011.0	43,161.0	42,576.3	44,197.5
		(41,661.0)		(44,738.9)
VII Aggregate Receipts(including loans from the Centre on a net basis)	1,11,189.6	1,15,265.0	1,17,277.0	1,26,184.9
VIII Aggregate Disbursements (excluding repayment of loan instalments and interest payment on loans from the Centre)	1,07,355.7	1,09,875.1	1,13,323.1	1,22,781.5

Note :1. Figures outside brackets under 1992-93(Budget Estimates) include the States' share of Rs. 1,500.0 crore in the Centre's additional taxation proposed in the Union Budget for 1992-93.

2. Figures outside brackets under 1993-94(Budget Estimates) include a revenue loss of Rs. 541.4 crore as States' share in Centre's additional taxation proposed in the Union Budget for 1993-94.

@ Figures for Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

Table VIII-14 : Aggregate Receipts/disbursements and Overall Surplus(+)/deficit(-) of State Governments – State-wise Details

(Rs. crores)

States	1991-92(Accounts)			1992-93(Budget Estimates)			1992-93(Revised Estimates)			1993-94(Budget Estimates)				
	Aggregate Receipts	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disburse ments	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Receipts adjusted by ARM and States' share in Centre's additional taxation	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Overall Surplus(+)/ Deficit(-) adjusted by ARM and States' share in Centre's additional taxation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Andhra Pradesh	7,877.2	7,785.8	+91.4	8,529.0	8,626.4	-97.4	8,630.3	8,632.4	-2.1	9,423.8	9,479.0	9,648.8	-225.0	-169.8
2 Arunachal Pradesh	458.4	452.4	+6.0	481.3	560.7	-79.4	549.6	497.4	+52.2	557.1	552.2	691.8	-134.7	-139.6
3 Assam	2,747.8	2,780.8	-33.0	3,713.4	3,527.1	+186.3	3,291.6	3,252.6	+39.0	3,427.2	3,406.5	3,722.2	-295.0	-315.7
4 Bihar	6,756.6	6,804.7	-48.1	8,122.0	8,066.4	+55.6	7,701.3	7,743.5	-42.2	8,786.6	8,731.8	8,909.7	-123.1	-177.9
5 Goa	407.0	474.5	-67.5	484.5	505.0	-20.5	473.4	517.1	-43.7	523.2	535.0	570.6	-47.4	-35.6
6 Gujarat	6,921.4	6,948.5	-27.1	6,904.0	6,878.9	+25.1	7,725.4	7,880.8	-155.4	7,378.9	7,434.8	7,651.5	-272.6	-216.7
7 Haryana	2,746.7	2,731.8	+14.9	3,184.9	3,138.2	+46.7	3,008.5	3,081.2	-72.7	3,465.5	3,459.6	3,471.5	-6.0	-11.9
8 Himachal Pradesh	2,259.7	2,325.0	-65.3	1,383.2	1,522.2	-139.0	1,386.3	1,549.7	-163.4	1,722.3	1,711.7	1,722.2	+0.1	-10.5
9 Jammu and Kashmir	1,864.3	2,285.7	-421.4	1,965.8	2,530.9	-565.1	2,280.6	2,320.5	-39.9	2,085.9	2,066.6	2,800.7	-714.8	-734.1
10 Karnataka	6,241.2	6,210.2	+31.0	7,285.9	7,241.4	+44.5	7,103.6	7,309.2	-205.6	8,633.0	8,654.5	8,790.0	-157.0	-135.5
11 Kerala	3,957.1	4,029.7	-72.6	4,368.9	4,317.6	+51.3	4,597.6	4,593.3	+4.3	4,946.3	5,098.9	5,030.9	-84.6	+68.0
12 Madhya Pradesh	9,112.1	9,067.8	+44.3	8,805.8	8,762.0	+43.8	9,586.8	9,799.1	-212.3	9,190.6	9,151.4	9,187.4	+3.2	-35.9
13 Maharashtra	13,032.7	12,110.7	+922.0	13,515.5	13,491.0	+24.5	13,869.3	13,758.0	+111.3	14,904.5	15,176.7	15,313.9	-409.4	-137.2
14 Manipur	521.7	547.9	-26.2	512.8	537.2	-24.4	549.5	526.3	+23.2	535.9	529.5	530.2	+5.7	-0.7

Table VIII-14 : Aggregate Receipts/disbursements and Overall Surplus(+)/deficit(-) of State Governments – State-wise Details *(Concld.)*

(Rs. crores)

States	1991-92(Accounts)			1992-93(Budget Estimates)			1992-93(Revised Estimates)			1993-94(Budget Estimates)				
	Aggregate Receipts	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disburse ments	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Receipts adjusted by ARM and States' share in Centre's additional taxation	Aggregate Disbursements	Overall Surplus (+)/ Deficit (-)	Overall Surplus(+)/ Deficit(-) adjusted by ARM and States' share in Centre's additional taxation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
15 Meghalaya	447.2	478.8	-31.6	519.1	594.0	-74.9	521.7	592.2	-70.5	610.5	611.6	707.7	-97.2	-96.1
16 Mizoram	402.7	418.2	-15.5	422.3	403.5	+18.8	486.5	483.0	+3.5	475.5	469.4	476.6	-1.1	-7.2
17 Nagaland	586.1	647.9	-61.8	599.7	596.7	+3.0	728.6	856.9	-128.3	700.7	704.4	649.1	+51.6	+55.3
18 Orissa	3,574.0	3,636.8	-62.8	4,477.4	4,403.8	+73.6	4,234.7	4,260.7	-26.0	4,772.0	4,931.4	4,772.1	-0.1	+159.3
19 Punjab	4,890.8	5,017.9	-127.1	4,898.1	5,022.0	-123.9	4,081.9	4,167.4	-85.5	5,096.8	5,189.5	5,196.7	-99.9	-7.2
20 Rajasthan	6,349.2	6,094.7	+254.5	6,346.8	6,293.5	+53.3	6,436.9	6,379.4	+57.5	7,039.1	7,009.1	7,201.5	-162.4	-192.4
21 Sikkim	207.2	228.8	-21.6	243.4	253.2	-9.8	258.2	279.5	-21.3	261.0	259.6	272.3	-11.3	-12.7
22 Tamil Nadu	9,603.6	9,823.9	-220.3	8,188.9	8,238.3	-49.4	8,616.7	8,651.2	-34.5	8,978.0	8,928.5	9,338.0	-360.0	-409.5
23 Tripura	634.3	677.7	-43.4	774.5	789.8	-15.3	686.9	703.6	-16.7	813.4	804.9	846.4	-33.0	-41.5
24 Uttar Pradesh	17,020.9	17,110.0	-89.1	15,631.2	15,225.3	+405.9	16,833.5	17,026.4	-192.9	17,587.3	17,502.6	17,581.4	+5.9	-78.8
25 West Bengal	6,265.2	6,291.2	-26.0	7,973.6	7,718.5	+255.1	7,699.6	7,734.1	-34.5	8,480.5	8,484.9	8,440.7	+39.8	+44.2
ALL STATES	**1,14,885.1**	**1,14,981.4**	**-96.3**	**1,19,332.0**	**1,19,243.6**	**+88.4**	**1,21,339.0**	**-1,22,595.5**	**1,256.5**	**1,30,395.6**	**1,30,884.2**	**1,33,523.9**	**-3,128.3**	**-2,639.7**

Note :1. Aggregate disbursements include remittances(net).

2. Figures for individual State for 1992-93(Budget Estimates) include the estimated net yield of Rs. 873.0 crore from Additional Resource Mobilisation measures introduced by the States and States' share of Rs. 1,500.0 crore in the Centre's Additional Resource Mobilisation measures proposed in the Union Budget for 1992-93.

3. Figures for individual State for 1993-94(Budget Estimates) include the estimated net yield of Rs. 1,030.0 crore from Additional Resource Mobilisation measures introduced by the States and a revenue loss of Rs.541.4 crore as States' share in the Centre's Additional Resource Mobilisation measures proposed in the Union Budget for 1993-94.

4. Figures for 1991-92 (Accounts) in respect of Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

Table VIII-15 : Transactions on Revenue Account, 1987-88 to 1993-94 -- State-wise Details

(Rs. crores)

States	1987-88(Accounts)			1988-89(Accounts)			1989-90(Accounts)			1990-91(Accounts)		
	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Andhra Pradesh	3,478.1	3,440.9	+37.2	4,279.0	4,245.7	+33.3	4,476.9	4,715.1	-238.2	5,347.2	5,504.8	-157.6
2 Arunachal Pradesh	296.4	245.7	+50.7	299.3	208.7	+90.6	289.1	257.6	+31.5	358.2	258.1	100.1
3 Assam	1,241.1	1,325.5	-84.4	1,372.9	1,435.4	-62.6	1,532.1	1,668.8	-136.7	1,776.6	1,920.4	-143.8
4 Bihar	2,968.7	2,932.6	36.1	3,488.1	3,210.6	+277.5	3,911.2	3,944.6	-33.4	4,321.6	4,887.7	-566.1
5 Goa	161.0	168.5	-7.5	210.8	198.8	+12.0	217.2	228.3	-11.1	282.6	275.4	7.2
6 Gujarat	2,806.5	3,093.1	-286.6	3,235.7	3,362.4	-126.7	3,601.2	3,727.4	-126.2	3,379.2	4,081.9	-702.7
7 Haryana	1,303.9	1,287.5	+16.4	1,441.1	1,442.9	-1.8	1,607.2	1,701.7	-94.3	1,913.4	1,933.1	-19.7
8 Himachal Pradesh	649.8	608.8	+41.0	698.4	768.2	-69.8	721.2	782.5	-61.3	806.7	901.5	-94.8
9 Jammu and Kashmir	754.0	860.7	-106.7	901.8	965.7	-63.9	958.0	1,081.2	-123.2	1,157.8	1,249.0	-91.2
10 Karnataka	2,556.9	2,666.8	-109.9	2,963.6	3,002.3	-38.7	3,336.4	3,482.9	-146.5	3,892.2	3,971.1	-78.9
11 Kerala	1,586.1	1,780.7	-194.6	1,897.1	2,061.0	-163.9	2,047.6	2,298.1	-250.5	2,402.9	2,824.9	-422.0
12 Madhya Pradesh	2,994.2	3,053.1	-58.9	3,471.7	3,617.6	-145.9	3,876.7	3,805.8	+70.9	4,545.4	4,746.1	-200.7
13 Maharashtra	5,578.2	5,504.4	+73.8	6,299.8	6,540.7	-240.9	7,528.7	7,902.5	-373.7	8,699.0	8,753.6	-54.6
14 Manipur	287.0	214.6	+72.4	322.3	273.2	+49.1	332.0	299.3	+32.7	395.7	307.2	88.5
15 Meghalaya	256.4	189.6	+66.8	302.3	224.6	+77.7	309.2	258.8	+50.4	353.1	310.9	42.2
16 Mizoram	193.8	246.1	-52.3	273.8	230.9	+42.9	304.3	239.6	+64.7	461.9	304.8	157.1
17 Nagaland	350.9	328.3	+22.6	384.7	343.5	+41.2	347.3	393.2	-45.9	416.7	421.9	-5.2
18 Orissa	1,333.1	1,407.6	-74.5	1,550.9	1,658.7	-107.8	1,740.7	1,846.1	-105.4	2,170.9	2,190.5	-19.6
19 Punjab	1,404.5	1,633.5	-229.0	1,623.4	1,867.5	-244.1	1,800.0	2,021.0	-221.0	1,975.7	2,519.9	-544.2
20 Rajasthan	2,183.1	2,539.2	-356.1	2,352.2	2,570.7	-218.5	2,667.6	2,697.6	-30.0	3,647.9	3,480.0	167.9
21 Sikkim	126.4	98.5	+27.9	149.5	113.2	+36.3	134.3	115.3	+19.0	159.5	128.1	31.4
22 Tamil Nadu	3,091.9	3,374.8	-282.9	3,488.9	3,763.0	-274.1	4,199..0	4,550.1	-350.3	5,087.9	5,641.3	-553.4
23 Tripura	314.2	294.3	+19.9	395.6	380.5	+15.1	427.0	419.6	+7.4	495.3	497.0	-1.7
24 Uttar Pradesh	5,331.9	5,079.9	+252.0	5,652.2	6,256.	-604.6	6,623.2	7,654.1	-1030.9	8,310.2	9,538.5	-1,228.3
25 West Bengal	2,912.2	3,027.5	-115.3	3,337.4	3,474.6	-137.2	3,494.1	3,971.3	-477.2	4,109.2	5,128.1	-1,018.9
ALL STATES	**44,160.3**	**45,402.2**	**-1,241.9**	**50,392.5**	**52,217.2**	**-1,824.7**	**56,483.0**	**60,062.5**	**-3,579.5**	**66,466.8**	**71,775.8**	**-5,309.0**

Table VIII-15 : Transactions on Revenue Account, 1987-88 to 1993-94 -- State-wise Details *(Concld.)*

(Rs. crores)

States	1991-92(Accounts)*			1992-93(Revised Estimates)			1993-94(Budget Estimates)@		
	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)
1	14	15	16	17	18	19	20	21	22
1 Andhra Pradesh	6,282.0	6,451.6	-169.6	6,952.9	7,147.6	-194.7	7,745.0	7,924.7	-179.7
2 Arunachal Pradesh	445.7	287.5	158.2	501.7	333.7	+168.0	493.8	493.2	+0.6
3 Assam	2,417.7	2,148.1	269.6	2,842.3	2,538.9	+303.4	2,935.6	2,774.5	+161.1
4 Bihar	4,853.7	5,738.7	-885.0	5,963.6	6,569.6	-606.0	6,844.7	7,266.2	-421.5
5 Goa	322.3	331.8	-9.5	388.7	389.4	-0.7	441.4	429.6	+11.8
6 Gujarat	4,662.6	5,238.2	-575.6	5,915.8	6,160.6	-244.8	5,969.5	5,947.7	+21.8
7 Haryana	2,241.8	2,274.0	-32.2	2,506.1	2,489.4	+16.7	2,867.1	2,829.3	+37.8
8 Himachal Pradesh	992.4	982.6	9.8	1,075.1	1,153.0	-77.9	1,140.5	1,327.1	-186.6
9 Jammu and Kashmir	1,625.4	1,521.4	104.0	2,048.9	1,781.9	+267.0	1,827.0	1,680.8	+146.2
10 Karnataka	4,775.5	4,954.1	-178.6	5,953.2	5,848.4	+104.8	7,005.0	6,588.5	+416.5
11 Kerala	2,852.1	3,216.5	-364.4	3,366.2	3,851.2	-485.0	7,113.8	4,306.8	-465.6
12 Madhya Pradesh	5,377.0	5,420.8	-43.8	6,462.4	6,157.9	+304.5	12,157.5	6,595.0	+518.8
13 Maharashtra	9,772.6	10,048.7	-276.1	10,912.6	11,486.4	-573.8	12,168.8	12,500.6	-343.1
14 Manipur	450.8	377.5	73.3	460.4	364.1	+96.3	479.3	388.8	+90.5
15 Meghalaya	403.7	368.0	35.7	449.1	433.6	+15.5	525.4	516.6	+8.8
16 Mizoram	400.0	321.1	78.9	426.9	376.2	+50.7	417.9	364.9	+53.0
17 Nagaland	495.1	488.8	6.3	514.2	527.1	-12.9	533.0	501.3	+31.7
18 Orissa	2,447.3	2,635.0	-187.7	3,147.2	3,331.3	-184.1	3,603.8	3,626.0	-22.2
19 Punjab	3,715.8	4,196.7	-480.9	2,815.6	3,314.2	-498.6	3,245.3	4,001.1	-755.8
20 Rajasthan	4,128.8	4,080.2	48.6	4,915.1	4,961.7	-46.6	5,174.3	5,404.7	-230.4
21 Sikkim	182.4	155.1	27.3	230.6	184.9	+45.7	230.6	186.4	+44.2
22 Tamil Nadu	6,775.7	8,679.5	-1903.8	6,661.2	7,669.8	-1,008.6	6,940.4	8,300.9	-1,360.5
23 Tripura	563.1	547.6	15.5	618.2	591.3	+26.9	661.5	662.8	-1.3
24 Uttar Pradesh	9,674.6	10,399.2	-724.6	10,840.5	11,763.8	-923.3	11,852.5	13,172.8	-1,320.3
25 West Bengal	4,677.6	5,323.7	-646.1	5,465.4	6,124.7	-659.3	6,516.0	7,296.0	-780.0
ALL STATES	**80,535.7**	**86,186.4**	**-5,650.7**	**91,433.9**	**95,550.7**	**-4,116.8**	**1,00,562.1**	**1,05,086.3**	**-4,524.2**

* Figures for Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

@ Include the estimated net yield of Rs. 1,030.0 crore from Additional Resource Mobilisation measures proposed by the States' and a revenue loss of Rs. 541.4 crore as States' share in the Centre's additonal taxation proposed in the Union Budget for 1993-94.

Table VIII-16 : Transactions on the Capital Account from 1987-88 to 1993-94-- State-wise Details

(Rs. crores)

States	1987-88(Accounts)			1988-89(Accounts)			1989-90(Accounts)			1990-91(Accounts)		
	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Andhra Pradesh	923.4	858.8	+64.6	1,000.7	972.7	+28.0	1,221.5	1,037.8	183.7	1,250.9	1,065.7	+185.2
2 Arunachal Pradesh	-1.4	91.7	-93.1	79.0	128.3	-49.3	80.7	146.6	-65.9	93.0	171.7	-78.7
3 Assam	525.1	458.4	+66.7	533.3	448.4	+84.9	658.0	619.3	38.7	986.6	783.5	+203.1
4 Bihar	1,503.5	1,328.9	+174.6	967.2	1,250.8	-283.6	1,308.6	1,300.8	7.8	1,713.6	1,328.8	+384.8
5 Goa	181.6	71.8	+109.8	49.2	97.6	-48.4	121.0	100.9	20.1	151.3	123..1	+28.2
6 Gujarat	1,157.0	993.7	+163.3	1,257.5	1,038.2	+219.3	1,328.6	1,077.8	250.8	2,136.6	1,393.4	+743.2
7 Haryana	354.4	376.9	-22.5	449.0	429.9	+19.1	436.0	416.6	19.4	538.3	461.7	+76.6
8 Himachal Pradesh	172.5	198.8	-26.3	176.4	205.3	-28.9	190.3	202.1	-11.8	361.4	215.6	+145.8
9 Jammu and Kashmir	448.5	387.3	+61.2	502.7	438.8	+63.9	653.4	530.1	123.3	588.1	771.9	-183.8
10 Karnataka	964.7	808.0	+156.7	833.0	782.8	+50.2	1,115.8	943.3	172.5	1,351.9	1,010.3	+341.6
11 Kerala	658.5	465.5	+193.0	577.0	414.0	+163.0	816.9	559.1	257.8	957.1	559.7	+397.4
12 Madhya Pradesh	1,094.1	899.0	+195.1	918.2	1,029.2	-111.0	1,139.2	1,037.9	101.3	1,324.0	1,192.7	+131.3
13 Maharashtra	1,427.7	1,389.8	+37.9	1,933.0	1,523.3	+409.7	2,484.3	1,893.7	590.6	2,349.2	2,067.7	+281.5
14 Manipur	21.8	96.5	-74.7	55.4	115.5	-60.1	42.1	155.8	-113.7	85.7	146.8	-61.1
15 Meghalaya	22.8	84.4	-61.6	34.5	91.2	-56.7	40.0	95.1	-55.1	47.7	87.5	-39.8
16 Mizoram	7.3	45.9	-38.6	19.7	81.4	-61.7	110.0	68.4	41.6	66.6	213.7	-147.1
17 Nagaland	53.3	107.3	-54.0	53.0	105.0	-52.0	126.4	121.6	4.8	102.4	130.2	-27.8
18 Orissa	670.8	580.9	+89.9	775.3	613.7	+161.6	594.9	613.3	-18.4	1,002.9	855.4	+147.5
19 Punjab	1,238.4	981.0	+257.4	1,362.2	962.6	+399.6	1,134.2	894.2	240.0	1,431.1	847.4	+583.7
20 Rajasthan	1,013.6	837.0	+176.6	1,130.3	838.7	+291.6	943.7	875.8	67.9	997.6	1,249.7	-252.1
21 Sikkim	2.2	35.8	-33.6	18.5	47.9	-29.4	46.1	51.4	-5.3	28.0	49.7	-21.7
22 Tamil Nadu	1,037.1	818.2	+218.9	1,058.4	853.1	+205.3	1,308.7	949.0	359.7	1,452.0	965.5	+486.5
23 Tripura	58.7	100.3	-41.6	74.3	121.7	-47.4	174.7	106.8	67.9	127.0	114.4	+12.6
24 Uttar Pradesh	1,514.3	1,647.1	-132.8	2,252.2	1,624.0	+628.2	2,716.2	1,937.5	778.7	3,884.4	2,767.8	+1,116.6
25 West Bengal	1,022.8	933.4	+89.4	1,073.9	840.0	+233.9	1,306.8	911.1	395.7	1,819.4	892.3	+927.1
ALL STATES	**16,072.7**	**14,596.4**	**+1,476.3**	**17,183.9**	**15,054.1**	**+2,129.8**	**20,098.1**	**16,646.0**	**3,452.1**	**24,846.8**	**19,466.2**	**+5,380.6**

Table VIII-16 : Transactions on the Capital Account from 1987-88 to 1993-94-- State-wise Details *(Concld.)*

(Rs. crores)

States	1991-92(Accounts)*			1992-93(Revised Estimates)			1993-94(Budget Estimates)		
	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)	Receipts	Expenditure	Surplus (+)/ Deficit (-)
1	14	15	16	17	18	19	20	21	22
1 Andhra Pradesh	1,595.2	1,334.3	+260.9	1,677.4	1,484.8	+192.6	1,733.9	1,724.1	+9.8
2 Arunachal Pradesh	12.7	164.9	-152.2	47.9	163.8	-115.9	58.4	198.6	-140.2
3 Assam	330.1	632.7	-302.6	449.3	713.7	-264.4	470.9	947.7	-476.8
4 Bihar	1,902.8	1,065.9	+836.9	1,737.7	1,173.9	+563.8	1,887.1	1,643.5	+243.6
5 Goa	84.8	142.8	-58.0	84.7	127.7	-43.0	93.7	140.9	-47.2
6 Gujarat	2,258.8	1,710.2	+548.6	1,809.6	1,720.3	89.3	1,465.3	1,703.9	-238.6
7 Haryana	504.9	457.8	+47.1	502.4	591.8	-89.4	592.6	642.2	-49.6
8 Himachal Pradesh	1,267.2	1,342.4	-75.2	311.2	396.7	-85.5	571.2	395.1	+176.1
9 Jammu and Kashmir	238.9	764.3	-525.4	231.7	538.6	-306.9	239.6	1,119.9	-880.3
10 Karnataka	1,465.8	1,256.1	+209.7	1,150.4	1,460.8	-310.4	1,649.4	2,201.5	-552.1
11 Kerala	1,105.0	813.2	+291.8	1,231.4	741.9	489.5	1,257.7	724.1	+533.6
12 Madhya Pradesh	3,735.1	3,647.0	+88.1	3,124.4	3,641.2	-516.8	2,048.9	2,592.4	-543.5
13 Maharashtra	3,260.1	2,061.9	+1,198.2	2,956.7	2,271.6	+685.1	3,007.9	2,813.4	+194.5
14 Manipur	70.9	170.5	-99.6	89.1	162.2	-73.1	50.2	141.3	-91.1
15 Meghalaya	43.5	110.8	-67.3	72.7	158.6	-85.9	86.2	191.1	-104.9
16 Mizoram	2.7	97.2	-94.5	59.6	106.8	-47.2	51.6	111.7	-60.1
17 Nagaland	91.0	159.1	-68.1	214.4	329.7	-115.3	171.4	147.8	+23.6
18 Orissa	1,126.8	1,001.8	+125.0	1,087.5	929.4	+158.1	1,327.7	1,146.1	+181.6
19 Punjab	1,174.9	821.2	+353.7	1,266.3	853.2	+413.1	1,944.2	1,195.6	+748.6
20 Rajasthan	2,220.5	2,014.5	+206.0	1,521.8	1,417.7	+104.1	1,834.9	1,796.8	+38.1
21 Sikkim	24.8	73.7	-48.9	27.5	94.6	-67.1	28.9	85.9	-57.0
22 Tamil Nadu	2,827.9	1,144.4	+1,683.5	1,955.5	981.4	+974.1	1,988.1	1,037.1	+951.0
23 Tripura	71.1	130.0	-58.9	68.7	112.4	-43.7	143.4	183.5	-40.1
24 Uttar Pradesh	7,346.3	6,710.8	+635.5	5,993.0	5,262.6	+730.4	5,650.1	4,408.7	+1,241.4
25 West Bengal	1,587.6	967.5	+620.1	2,234.2	1,609.4	+624.8	1,968.8	1,144.7	+824.1
ALL STATES	**34,349.4**	**28,795.0**	**+5,554.4**	**29,905.1**	**27,044.8**	**+2,860.3**	**30,322.1**	**28,437.6**	**+1,884.5**

* Figures for Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

Table VIII-17 : Pattern of Aggregate Disbursements-- State-wise Details

(Rs. crores)

States	Developmental Expenditure 1991-92 (Accounts)	Developmental Expenditure 1992-93 (Revised Estimates)	Developmental Expenditure 1993-94 (Budget Estimates)	Social Services 1991-92 (Accounts)	Social Services 1992-93 (Revised Estimates)	Social Services 1993-94 (Budget Estimates)	Economic Services 1991-92 (Accounts)	Economic Services 1992-93 (Revised Estimates)	Economic Services 1993-94 (Budget Estimates)
1	2	3	4	5	6	7	8	9	10
1 Andhra Pradesh	5,609.4 (72.0)	6,151.1 (71.3)	6,752.6 (70.0)	2,571.3	2,970.9	3,379.3	3,038.1	3,180.2	3,373.3
2 Arunachal Pradesh	337.4 (74.6)	392.7 (79.0)	477.6 (69.0)	112.0	132.9	157.7	225.4	259.8	319.9
3 Assam	2,127.6 (76.5)	2,226.6 (68.5)	2,301.0 (61.8)	992.8	1,129.4	1,110.0	1,134.8	1,097.2	1,191.0
4 Bihar	4,390.5 (64.5)	4,893.7 (63.2)	5,863.8 (65.8)	2,308.1	2,367.1	2,816.6	2,082.4	2,526.6	3,047.2
5 Goa	347.7 (73.3)	384.9 (74.4)	409.5 (71.8)	174.7	188.7	194.6	173.0	196.2	214.9
6 Gujarat	5,139.0 (74.0)	5,714.3 (72.5)	5,147.4 (67.3)	2,050.3	2,245.6	2,530.0	3,088.7	3,468.7	2,617.4
7 Haryana	1,852.0 (67.8)	2,161.0 (70.1)	2,349.1 (67.7)	758.5	937.3	1,048.6	1,093.5	1,223.7	1,300.5
8 Himachal Pradesh	869.9 (37.4)	978.9 (63.2)	1,095.8 (63.6)	450.6	500.0	579.8	419.3	478.9	516.0
9 Jammu and Kashmir	1,434.2 (62.7)	1,518.3 (65.4)	1,585.5 (56.6)	702.3	824.7	710.7	731.9	693.6	874.8
10 Karnataka	4,505.4 (72.5)	5,215.1 (71.3)	6,477.1 (73.7)	2,015.7	2,395.8	2,851.5	2,489.7	2,819.3	3,625.6
11 Kerala	2,421.8 (60.1)	2,891.9 (63.0)	3,202.2 (63.7)	1,430.4	1,717.6	1,952.7	991.4	1,174.3	1,249.5
12 Madhya Pradesh	4,719.5 (52.0)	5,386.9 (55.0)	5,815.8 (63.3)	2,226.4	2,505.2	2,746.1	2,493.1	2,881.7	3,069.7
13 Maharashtra	7,774.8 (64.2)	8,735.0 (63.5)	9,002.3 (58.8)	3,735.0	4,232.0	4,093.9	4,039.8	4,503.0	4,908.4
14 Manipur	388.6 (70.9)	334.2 (63.5)	363.1 (68.5)	178.1	174.6	167.9	210.5	159.6	195.2
15 Meghalaya	370.6 (77.4)	438.6 (74.1)	535.4 (75.7)	167.0	204.5	237.4	203.6	234.1	298.0
16 Mizoram	326.2 (78.0)	371.8 (77.0)	354.3 (74.3)	130.3	146.9	139.5	195.9	224.9	214.8
17 Nagaland	414.1 (63.9)	453.6 (52.9)	425.8 (65.6)	156.8	184.0	169.4	257.3	269.6	256.4
18 Orissa	2,472.5 (68.0)	2,969.6 (69.7)	3,229.4 (67.7)	1,105.7	1,443.6	1,506.2	1,366.8	1,526.0	1,723.2
19 Punjab	3,879.2 (77.3)	2,766.7 (66.4)	2,909.8 (56.0)	1,072.1	1,223.7	1,299.9	2,807.1	1,543.0	1,609.9
20 Rajasthan	4,141.4 (68.0)	4,327.9 (67.8)	4,677.1 (64.9)	1,819.8	2,051.6	2,223.5	2,321.6	2,276.3	2,453.6
21 Sikkim	182.3 (79.7)	224.3 (80.3)	211.7 (77.8)	69.3	84.4	84.9	113.0	139.9	126.8
22 Tamil Nadu	7,421.8 (75.5)	6,157.7 (71.2)	6,430.3 (68.9)	3,112.2	3,436.8	3,668.9	4,309.6	2,720.9	2,761.4
23 Tripura	495.9 (73.2)	495.3 (70.4)	625.6 (73.9)	245.5	261.0	303.2	250.4	234.3	322.4
24 Uttar Pradesh	8,374.0 (48.9)	9,650.7 (56.7)	9,612.9 (54.7)	3,651.1	3,997.2	4,184.9	4,722.9	5,653.5	5,428.0
25 West Bengal	3,938.9 (62.6)	5,106.7 (66.0)	5,574.6 (66.0)	2,343.9	2,641.4	3,197.6	1,595.0	2,465.3	2,377.0
ALL STATES	**73,934.7 (64.3)**	**79,947.5 (65.2)**	**85,429.7 (64.0)**	**33,579.9**	**37,996.9**	**41,354.8**	**40,354.8**	**41,950.6**	**44,074.9**

Table VIII-17 : Pattern of Aggregate Disbursements-- State-wise Details *(Concld.)*

(Rs. crores)

States	Non-Developmental Expenditure			Others			Aggregate Disbursements		
	1991-92 (Accounts)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)	1991-92 (Accounts)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)	1991-92 (Accounts)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	11	12	13	14	15	16	17	18	19
1 Andhra Pradesh	1,861.1	2,158.5	2,502.0	315.3	322.8	394.2	7,785.8	8,632.4	9,648.8
	(23.9)	(25.0)	(25.9)	(4.0)	(3.7)	(4.1)			
2 Arunachal Pradesh	8.8	96.1	197.2	26.2	8.6	17.0	452.4	497.4	691.8
	(19.6)	(19.3)	(28.5)	(5.8)	(1.7)	(2.5)			
3 Assam	542.1	725.1	1,031.4	111.1	300.9	389.8	2,780.8	3,252.6	3,722.2
	(19.5)	(22.3)	(27.7)	(4.0)	(9.3)	(10.5)			
4 Bihar	2,094.1	2,426.5	2,644.0	320.1	423.3	401.9	6,804.7	7,743.5	8,909.7
	(30.8)	(31.3)	(29.7)	(4.7)	(5.5)	(4.5)			
5 Goa	102.2	114.7	142.3	24.6	17.5	18.8	474.5	517.1	570.6
	(21.5)	(22.2)	(24.9)	(5.2)	(3.4)	(3.3)			
6 Gujarat	1,474.8	1,790.9	2,109.4	334.7	375.6	394.8	6,948.5	7,880.8	7,651:6
	(21.2)	(22.7)	(27.6)	(4.8)	(4.8)	(5.2)			
7 Haryana	784.5	783.9	990.6	95.3	136.5	131.8	2,731.8	3,081.4	3,471.5
	(28.7)	(25.4)	(28.5)	(3.5)	(4.4)	(3.8)			
8 Himachal Pradesh	350.1	417.5	477.2	1,105.0	153.3	149.2	2,325.0	1,549.7	1,722.2
	(15.1)	(26.9)	(27.7)	(47.5)	(9.9)	(8.7)			
9 Jammu and Kashmir	647.1	736.7	817.1	204.4	65.5	398.1	2,285.7	2,320.5	2,800.7
	(28.3)	(31.7)	(29.2)	(8.9)	(2.8)	(14.2)			
10 Karnataka	1,457.3	1,749.0	1,929.3	247.5	345.2	383.6	6,210.2	7,309.3	8,790.0
	(23.5)	(23.9)	(21.9)	(4.0)	(4.7)	(4.4)			
11 Kerala	1,229.2	1,372.0	1,600.9	378.7	329.4	227.8	4,029.7	4,593.3	5,030.9
	(30.5)	(29.9)	(31.8)	(9.4)	(7.2)	(4.5)			
12 Madhya Pradesh	1,534.1	1,836.9	2,097.5	2,814.2	2,575.3	1,274.1	9,067.8	9,799.1	9,187.4
	(16.9)	(18.7)	(22.8)	(31.0)	(26.3)	(13.9)			
13 Maharashtra	3,855.1	4,727.8	5,789.1	480.8	295.2	522.5	12,110.7	13,758.0	15,313.9
	(31.8)	(34.4)	(37.8)	(4.0)	(2.1)	(3.4)			
14 Manipur	133.1	127.8	140.0	26.2	64.1	27.1	547.9	526.1	530.2
	(24.3)	(24.3)	(26.4)	(4.8)	(12.2)	(5.1)			
15 Meghalaya	112.0	136.1	155.2	-3.8	17.5	17.1	478.8	592.2	707.7
	(23.4)	(23.0)	(21.9)	(-0.8)	(3.0)	(2.4)			
16 Mizoram	81.6	104.5	113.3	10.4	6.7	9.0	418.2	483.0	476.6
	(19.5)	(21.6)	(23.8)	(2.5)	(1.4)	(1.9)			
17 Nagaland	182.7	203.8	196.5	51.1	199.4	26.8	647.9	856.8	649.1
	(28.2)	(23.8)	(30.3)	(7.9)	(23.3)	(4.1)			
18 Orissa	919.5	1,093.2	1,326.1	244.8	197.9	216.6	3,636.8	4,260.7	4,772.1
	(25.3)	(25.7)	(27.8)	(6.7)	(4.6)	(4.5)			
19 Punjab	997.1	1,242.5	1,851.0	141.6	158.2	435.9	5,017.9	4,167.4	5,196.7
	(19.9)	(29.8)	(35.6)	(2.8)	(3.8)	(8.4)			
20 Rajasthan	1,466.9	1,723.1	1,958.6	486.4	328.4	565.8	6,094.7	6,379.4	7,201.5
	(24.1)	(27.0)	(27.2)	(8.0)	(5.1)	(7.9)			
21 Sikkim	41.5	50.2	54.7	5.0	5.0	5.8	228.8	279.5	272.2
	(18.1)	(18.0)	(20.1)	(2.2)	(1.8)	(2.1)			
22 Tamil Nadu	1,750.9	2,123.1	2,483.0	651.2	370.4	424.7	9,823.9	8,651.2	9,338.0
	(17.8)	(24.5)	(26.6)	(6.6)	(4.3)	(4.5)			
23 Tripura	159.0	182.3	191.1	122.8	26.0	29.7	677.7	703.6	846.4
	(23.5)	(25.9)	(22.6)	(3.4)	(3.7)	(3.5)			
24 Uttar Pradesh	4,148.5	4,746.2	6,004.0	4,587.5	2,629.5	1,964.5	17,110.0	17,026.4	17,581.4
	(24.2)	(27.9)	(34.1)	(26.8)	(15.4)	(11.2)			
25 West Bengal	1,798.1	2,060.9	2,271.0	554.2	566.5	595.1	6,291.2	7,734.1	8,440.7
	(28.6)	(26.6)	(26.9)	(8.8)	(7.3)	(7.1)			
ALL STATES	**27,811.4**	**32,729.3**	**39,072.5**	**13,235.3**	**9,918.7**	**9,021.7**	**1,14,981.4**	**1,22,595.5**	**1,33,523.9**
	(24.2)	**(26.7)**	**(29.3)**	**(11.5)**	**(8.1)**	**(6.8)**			

Notes: 1. Figures in brackets indicate percentages to Aggregate Disbursements.

2. Figures in respect of Bihar, Jammu and Kashmir and Nagaland for the year 1991-92 (accounts) relate to revised estimates

Table VIII-18 : Gross Fiscal Deficit - State-wise Details

(Rs. crores)

States	(1991-92) (Accounts)			1992-93 (Budget Estimates)*			1992-93 (Revised Estimates)			1993-94 (Budget Estimates)*		
	Receipts	Expen-diture	Surplus/ Deficit (Col3 -Col2)	Receipts	Expen-diture	Surplus/ Deficit (Col6-Col5)	Receipts	Expen-diture	Surplus/ Deficit (Col9-Col8)	Receipts	Expen-diture	Surplus/ Deficit (Col12-Col11)
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Andhra Pradesh	6,282.0	7,707.3	1,125.3	6,903.2	8,258.0	1,354.8	6,952.0	8,273.8	1,320.9	7,745.0	9,217.6	1,472.6
2 Arunachal Pradesh	445.7	425.4	-20.3	448.7	551.0	102.3	501.7	488.4	-13.3	493.8	674.1	180.3
3 Assam	2,417.7	2,672.4	254.7	3,324.6	3,217.3	-107.3	2,842.3	2,953.7	111.4	2,935.6	3,333.9	398.3
4 Bihar	4,853.7	6,470.7	1,617.0	6,121.4	7,534.7	1,513.3	5,963.6	7,294.5	1,330.9	6,844.7	8,468.7	1,624.0
5 Goa	322.3	447.6	125.3	374.0	484.0	110.0	388.7	497.0	108.3	441.4	549.2	107.8
6 Gujarat	4,662.6	6,538.3	1,875.7	5,088.3	6,427.8	1,339.5	5,915.8	6,968.4	1,052.6	5,969.5	7,102.8	1,133.3
7 Haryana	2,241.8	2,616.5	374.7	2,585.2	2,996.1	410.9	2,506.1	2,928.7	422.6	2,867.1	3,317.3	450.2
8 Himachal Pradesh	992.4	1,216.2	223.8	1,071.6	1,365.3	293.7	1,075.1	1,391.4	816.3	1,140.5	1,568.4	4427.9
9 Jammu and Kashmir	1,625.4	2,074.1	448.7	1,713.7	2,320.2	606.5	2,048.9	2,252.4	203.5	1,827.0	2,399.7	572.7
10 Karnataka	4,775.5	5,693.3	917.8	5,985.1	6,920.9	935.8	5,953.2	6,996.3	1,043.1	7,005.0	8,443.7	1,438.7
11 Kerala	2,852.1	3,655.5	803.4	3,224.9	4,139.2	914.3	3,366.2	4,277.6	911.4	3,841.2	4,840.7	999.5
12 Madhya Pradesh	5,377.0	6,361.0	984.0	6,494.1	7,566.2	1,072.1	6,462.4	7,316.5	854.1	7,113.8	7,960.5	846.7
13 Maharashtra	9,772.6	11,429.5	1,656.9	10,555.7	12,917.8	2,362.1	10,912.6	13,366.0	2,453.4	12,157.5	14,701.2	2,543.7
14 Manipur	450.8	519.9	69.1	468.0	507.9	39.9	460.4	460.1	-0.3	479.3	500.8	21.5
15 Meghalaya	403.7	475.9	72.2	450.0	573.8	123.8	449.1	571.8	122.7	525.4	687.6	162.2
16 Mizoram	400.0	404.8	4.8	380.2	392.9	12.7	426.9	472.7	45.8	417.9	464.1	46.2
17 Nagaland	495.1	590.8	95.7	536.3	557.7	21.4	514.2	652.4	652.4	138.2	533.0	616.3
18 Orissa	2,447.3	3,360.5	913.2	3,138.5	4,140.1	1,001.6	3,147.2	4,003.5	856.3	3,603.8	4,511.4	907.6
19 Punjab	3,715.8	4,866.3	1,150.5	2,627.6	4,609.1	1,981.5	2,815.6	3,994.6	1,179.0	3,245.3	4,736.7	1,491.4
20 Rajasthan	4,128.8	4,921.2	792.4	4,726.3	5,690.2	963.9	4,915.1	5,963.7	1,048.6	5,174.3	6,547.8	1,373.5
21 Sikkim	182.4	223.5	41.1	218.2	247.7	29.5	230.6	272.1	41.5	230.6	264.5	33.9
22 Tamil Nadu	6,775.7	8,075.6	1,299.9	6,634.8	7,822.0	1,187.2	6,661.2	8,264.0	1,602.8	6,940.4	8,944.1	2,003.7
23 Tripura	563.1	657.0	93.9	644.9	762.2	117.3	618.2	678.9	60.7	661.5	816.1	154.6
24 Uttar Pradesh	9,674.6	12,511.2	2,836.6	10,345.7	13,447.3	3,101.61	10,840.5	14,409.9	3,569.4	11,852.5	15,626.4	3,773.9
25 West Bengal	4,677.6	5,821.3	1,143.7	5,928.4	7,303.1	1,374.7	5,465.4	6,673.5	1,208.1	6,516.0	7,975.2	1,459.2
ALL STATES	**80,535.7**	**99,435.8**	**18,900.1**	**89,989.4**	**1,10,852.5**	**20,863.1**	**91,433.9**	**1,11,421.9**	**19,988.0**	**1,00,562.1**	**1,24,268.8**	**23,706.7**

* Includes the estimated net yield from the Additional Resource Mobilisation measures proposed by the States and also the States' share in the Centre's additional taxation proposed in the Union Budgets, 1992-93 and 1993-94, respectively.

Minus sign indicates surplus.

Table VIII-19 : Plan Outlay of State Governments -1985-86 to 1993-94

(Rs. crores)

States	Actual Expenditure during the Fourth Plan (1969-70 to 1973-74)	Actual Expenditure during the Fifth Plan (1974-75 to 1978-79)	Actual Expenditure during the Sixth Plan (1980-81 to 1984-85)	Seventh Plan Approved Outlay (1985-86 to 1989-90)	1985-86 (Actual Expenditure)	1986-87 (Actual Expenditure)	1987-88 (Actual Expenditure)	1988-89 (Actual Expenditure)	1989-90 (Actual Expenditure)	1990-91 (Actual Expenditure)	1991-92 (Actual Expenditure)	1992-93 (Revised Approved Outlay)	1993-94 (Approved Outlay)	Percentage variation over the previous year(Col.14 over Col.13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Andhra Pradesh	426	1,449	3,221	5,200	943	1,205	1,123	1,341	1,351	1,486	1,675	1,675	1,851	+ 10.5
2 Arunachal Pradesh	–	–	–	–	72	88	112	127	154	166	207	235	290	+ 23.4
3 Assam	198	433	1,280	2,100	401	499	572	420	626	597	695	700	1,027	+ 46.7
4 Bihar	479	1,185	2,949	5,100	932	1,281	1,195	1,269	1,365	1,258	1,032	1,100	2,300	+109.1
5 Goa	–	–	–	–	–	73	89	99	113	135	159	153	170	+ 11.1
6 Gujarat	545	1,374	3,880	6,000	825	965	1,102	1,077	1,350	1,567	2,022	1,875	2,137	+ 14.0
7 Haryana	358	671	1,569	2,900	423	481	464	561	581	615	682	805	920	+ 14.3
8 Himachal Pradesh	113	236	669	1,050	192	239	277	288	321	378	407	491	560	+ 14.1
9 Jammu and Kashmir	162	376	919	1,400	274	338	405	446	543	557	649	623	880	+ 41.3
10 Karnataka	374	1,039	2,665	3,500	638	696	702	844	957	1,173	1,597	1,915	3,025	+ 58.0
11 Kerala	333	661	1,645	2,100	366	427	390	470	526	596	672	750	1,000	+ 33.3
12 Madhya Pradesh	476	1,396	3,865	7,000	1,010	1,169	1,413	1,505	1,680	1,703	1,818	1,792	2,400	+ 33.9
13 Maharashtra	1,005	2,612	6,521	10,500	1,747	1,964	2,191	2,433	2,449	2,530	2,969	3,209	3,804	+ 18.5
14 Manipur	31	93	243	430	70	84	105	116	135	165	184	171	230	+ 34.5
15 Meghalaya	36	99	260	440	74	89	110	126	140	166	187	241	281	+ 16.6
16 Mizoram	–	–	–	–	48	62	73	84	103	125	152	165	185	+ 12.1
17 Nagaland	39	97	230	400	64	74	95	113	120	142	160	110	204	+ 85.5
18 Orissa	249	640	1,562	2,700	446	574	701	752	793	1,086	1,030	1,055	1,450	+ 37.4
19 Punjab	428	940	1,892	3,285	468	679	790	713	869	991	1,068	856	1,150	+ 34.3
20 Rajasthan	309	872	2,135	3,000	428	528	645	702	796	973	1,184	1,410	1,700	+ 20.6
21 Sikkim	–	41	148	230	42	53	58	66	71	79	97	110	120	+9.1
22 Tamil Nadu	552 *	1,143	3,584	5,750	999	1,151	1,277	1,279	1,386	1,496	1,651	1,767	2,101	+ 18.9
23 Tripura	35	75	293	440	94	115	138	167	173	201	229	240	310	+ 29.2
24 Uttar Pradesh	1,163	2,909	6,519	10,447	1,710	2,005	2,215	2,523	2,758	3,026	3,514	3,150	4,050	+ 28.6
25 West Bengal	364	1,230	2,433	4,125	700	715	783	985	1,156	1,150	907	704	1,550	+ 120.2
A. Total (ALL STATES)	**7,675**	**19,571**	**48,482 $**	**78,097**	**12,966**	**15,554**	**17,025**	**18,506**	**20,516**	**22,361**	**24,947**	**25,302**	**33,695**	**+ 33.2**
B. Hill Areas Including Western Ghats	–	170 *	557 #	870	168 ++	188	200	238	–	287 @	290 $	290		
C. Tribal Areas	–	167	485	756	140 ++	155	15	185	–	232 @	250	250		

Table VIII-19 : Plan Outlay of State Governments -1985-86 to 1993-94 *(Concld.)*

(Rs. crores)

States	Actual Expenditure during the Fourth Plan (1969-70 to 1973-74)	Actual Expenditure during the Fifth Plan (1974-75 to 1978-79)	Actual Expenditure during the sixth Plan (1980-81 to 1984-85)	Seventh Plan Approved Outlay (1985-8 to 1989-90)	1985-86 (Actual Expenditure)	1986-87 (Actual Expenditure)	1987-88 (Actual Expenditure)	1988-89 (Actual Expenditure)	1989-90 (Actual Expenditure)	1990-91 (Actual Expenditure)	1991-92 (Actual Expenditure)	1992-93 (Revised Approved Outlay)	1993-94 (Approved Outlay)	Percentage variation over the previous year(Col.14 over Col.13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
D. Union Territories	278	655	2,008	3,768	574	631	708	765	846	997	1,274	290		
E. North Eastern Council	–	91	385	675	114+	144	150	214	–	202@	230	232		
F. Border Areas	–	–	–	200	–	30	–	213	–	86	85	85		
G. Other Special Areas Development Programme	–	–	–	58	**	N.A.	–	–	–	47	–	–		
Grand Total(A to G)	**7,953**	**20,654**	**51,917**	**84,424**	**13,962**	**16,702**	**18,098**	**20,121**	**21,362**	**24,212**	**27,076**	**26,449**	**33,695**	**+27.4**

Relates to release of Fund.

* The same amount as outlay released as actual expenditure is not known.

** Included under (A).

+ Includes Rs.10 crore for LIC loans.

++ Actual expenditures are not available, hence revised estimates are repeated.

@ Includes actual expenditure for Union Territories of Daman and Diu also.

$ Subsequent revisions are not included.

Table VIII 20 : States' Plan Outlay by Heads of Development

(Rs. crores)

Sectors	1991-92 (Actual Expenditure)	1992-93 (Revised Approved Outlay)	1993-94 (Approved Outlay)	Variation Col.4 over Col.3 Amount	Variation Col.4 over Col.3 Percentage
1	2	3	4	5	6
I Agriculture and Allied Services including Co-operation(i+ii)	2,219.0	2,228.0	2,922.0	694.0	31.1
	(8.9)	(8.8)	(8.7)		
i) Agriculture and Allied Services	1,934.0	1,995.0	2,598.0	603.0	30.2
	(7.8)	(7.9)	(7.7)		
ii) Co-operation	285.0	233.0	324.0	91.0	39.1
	(1.1)	(0.9)	(1.0)		
II Irrigation, Flood Control and Power(i+ii)	11,399.0	10,763.0	14,187.0	3,424.0	31.8
	(45.7)	(42.5)	(42.1)		
i) Power	7,416.0	6,574.0	8,631.0	2,057.0	31.3
	(29.7)	(26.0)	(25.6)		
ii) Irrigation and Flood Control	3,983.0	4,189.0	5,556.0	1,367.0	32.6
	(16.0)	(16.6)	(16.5)		
III Industry and Minerals(i+ii)	1,224.0	1,196.0	1,703.0	507.0	42.4
	(4.9)	(4.7)	(5.1)		
i) Village and Small Industries	536.0	535.0	707.0	172.0	32.1
	(2.1)	(2.1)	(2.1)		
ii) Medium and Large Scale Industries and Mining	688.0	661.0	996.0	335.0	50.7
	(2.8)	(2.6)	(3.0)		
IV Transport and Communications	1,944.0	2,011.0	2,794.0	783.0	38.9
	(7.8)	(7.9)	(8.3)		
V Others	8,161.0	9,104.0	12,089.0	2,985.0	32.8
	(32.7)	(36.0)	(35.9)		
Total(I to V)	24,947.0	25,302.0	33,695.0	8,393.0	33.2

Note : Figures in brackets indicate percentages to total.

Table VIII-21 : Sources of Revenue Receipts of State Governments – Percentage Distribution

Item	1985-86 (Accounts)	1988-89 (Accounts)	1989-90 (Accounts)	1990-91 (Accounts)	1991-92 (Accounts)@	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7	8
Total Revenue (I+II)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
I. Tax Revenue (A+B)	65.2	65.8	69.2	67.1	65.3	66.2	67.8
A. States' Own Tax Revenue (i to iii)	43.5	44.5	46.0	45.7	44.4	43.8	46.0
(i) Taxes on Income (a+b)	0.8	0.6	0.8	1.0	0.8	0.7	0.7
(a) Agricultural Income Tax	0.4	0.1	0.2	0.3	0.3	0.2	0.2
(b) Tax on Professions, Trades. Callings and Employment	0.4	0.5	0.6	0.7	0.5	0.5	0.5
(ii) Taxes on Property and Capital Transactions (a to c)	3.6	4.2	4.5	4.1	4.1	3.9	4.2
(a) Stamps and Registration fees	2.6	1.2	3.3	3.2	3.3	3.4	3.5
(b) Land Revenue	1.0	3.0	1.2	0.9	0.8	0.5	0.7
(c) Urban Immovable Property Tax	–	–	–	–	–	–	–
(iii) Taxes on Commodities and Services (a to g)	39.1	39.7	40.7	40.6	39.5	39.2	41.1
(a) Sales Tax	25.2	26.1	26.7	26.6	26.2	26.2	27.3
(b) State Excise Duties	6.1	6.1	6.8	7.2	6.7	6.4	6.8
(c) Taxes on Vehicles	2.5	2.6	2.5	2.4	2.3	2.4	2.6
(d) Taxes on Passengers and Goods	1.7	1.7	1.6	1.6	1.4	1.4	1.5
(e) Electricity Duties	1.9	2.0	1.9	1.8	2.0	1.9	1.6
(f) Entertainment Tax	0.9	0.8	0.6	0.6	0.4	0.4	0.4
(g) Other Taxes and Duties	0.8	0.4	0.6	0.4	0.5	0.5	0.9
B. Share in Central Taxes (a to c)	21.7	21.3	23.2	21.4	20.9	22.4	21.8
(a) Income Tax	5.2	5.5	7.0	6.0	6.2	6.6	6.9
(b) Estate Duty	0.1	–	–	–	–	–	–
(c) Union Excise Duties	16.4	15.8	16.2	15.4	14.7	15.8	14.9
II. Non-tax Revenue (C + D)	34.8	34.2	30.8	32.9	34.7	33.8	32.2
C. Grants from the Centre	18.9	19.1	15.0	19.0	18.9	20.1	18.8
D. States' own Non-Tax Revenue (a to f)	15.9	15.1	15.8	13.9	15.8	13.7	13.4
(a) Interest Receipts	4.1	4.7	4.7	3.6	6.6	4.6	4.1
(b) Dividends and Profits	0.1	0.1	–	–	0.1	–	0.1
(c) General Services	2.0	1.9	2.0	2.9	2.1	1.9	1.8
(d) Social Services	1.4	1.1	1.2	0.9	1.0	0.9	0.8
(e) Economic Services	8.3	7.3	7.9	6.5	6.0	6.3	6.6
(f) Fiscal Services	–	–	–	–	–	–	–

@ Figures for Bihar, Jammu and Kashmir and Nagaland relate to revised estimates.

Table VIII-21A : Pattern of Revenue Expenditure of State Governments – Percentage Distribution

Items	1985-86 (Accounts)	1988-89 (Accounts)	1989-90 (Accounts)	1990-91 (Accounts)	1991-92 (Accounts)@	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6	7	8
Total Expenditure (I+II+III+IV)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
I Developmental Expenditure (A+B)	70.4	69.4	66.9	68.1	67.1	65.3	62.5
A Social Services (1 to 11)	40.8	39.4	39.9	39.0	36.0	36.9	36.3
1 Education, Sports, Art and Culture	20.9	20.9	22.5	21.6	19.8	20.6	20.7
2 Medical and Public Health and Family Welfare	7.9	6.7	6.6	6.4	5.9	6.0	6.0
3 Water Supply and Sanitaton	2.0	2.7	2.5	2.3	2.1	2.1	1.9
4 Housing	0.6	0.5	0.6	0.5	0.5	0.5	0.5
5 Urban Development	0.7	0.9	0.9	0.9	0.9	0.8	0.7
6 Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2.6	2.5	2.4	2.5	2.4	2.4	2.5
7 Labour and Labour Welfare	0.8	0.7	0.7	0.6	0.6	0.7	0.6
8 Social Security and Welfare	2.3	1.9	1.8	1.9	1.7	2.0	1.8
9 Nutrition	0.5	0.7	0.7	0.7	0.7	0.7	0.7
10 Relief on account of Natural Calamities	2.3	1.7	0.9	1.2	1.2	0.9	0.6
11 Others*	0.4	0.3	0.3	0.3	0.3	0.3	0.3
B Economic Services (1 to 9)	29.6	30.0	27.0	29.1	31.2	28.5	26.2
1 Agriculture and Allied Activities	9.5	8.2	8.0	8.7	8.1	8.5	7.5
2 Rural Development	6.7	7.0	4.3	6.5	5.9	6.2	6.2
3 Special Area Programmes	0.5	0.6	0.6	0.5	0.5	0.5	0.5
4 Irrigation and Flood Control	5.8	6.4	5.6	4.8	4.8	4.9	5.0
5 Energy	0.7	1.5	1.8	1.4	5.8	2.7	1.3
6 Industry and Minerals	1.8	1.7	2.0	1.6	1.5	1.5	1.4
7 Transport and Communications	3.3	3.3	2.8	3.3	2.8	2.6	2.5
8 Science, Technology and Environment	–	–	–	–	–	0.1	0.1
9 General Economic Services	1.4	1.4	1.8	2.3	1.7	1.6	1.7
II Non-Developmental Expenditure (A to F)	28.4	29.5	32.2	30.8	31.7	33.6	36.5
A. Organs of State	1.0	1.0	1.3	1.0	1.1	1.0	0.9
B. Fiscal Services	3.3	2.2	3.3	2.3	3.0	3.3	3.1
C. Interest Payments and Servicing of Debt	10.3	12.1	12.7	12.9	13.3	14.8	16.0
of which:							
(i) Interest on Loans from the Centre	5.2	6.9	7.0	5.3	5.1	5.6	6.5
(ii) Interest on Internal Debt	1.9	1.9	2.1	1.6	1.6	1.9	2.1
D Administrative Services }	10.1	9.6	10.0	9.8	9.0	9.3	10.9
E Pensions }	3.7	4.6	4.9	5.0	4.3	4.4	4.4
F Miscellaneous General Services }					0.9	1.0	1.1
III Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	1.2	1.1	0.9	1.1	1.2	1.1	1.0
IV Reserve with Finance Department	–	–	–	–	–	–	–

@ Figures for Bihar, Jammu and Kashmir and Nagaland relate to Revised Estimates.

Table VIII-22 : States' Own Tax Receipts

(Rs.crores)

Taxes	1992-93 (Revised Estimates)		1993-94 (Budget Estimates)	
	Amount	Percentage variation over the previous year	Amount*	Percentage variation over the previous year
1	2	3	4	5
1 Sales Tax	23,923.9	13.6	27,463.5	14.8
2 State Excise Duties	5,892.2	8.3	6,877.0	16.7
3 Land Revenue	489.4	-23.0	665.6	36.0
4 Taxes on Vehicles	2,205.2	20.0	2,563.6	16.3
5 Taxes on Passengers and Goods	1,278.9	12.6	1,527.3	19.4
6 Taxes and Duties on Electricity	1,710.9	7.2	1,614.1	-5.7
7 Stamps and Registration Fees	3,066.9	20.1	3,509.6	14.4
8 Agricultural Income-Tax	140.2	-30.7	162.1	15.6
9 Entertainment Tax	366.2	5.0	409.2	11.7
10 Others@	974.4	3.3	1,492.1	53.1
TOTAL: ALL STATES	**40,048.2**	**12.0**	**46,284.1**	**15.6**

* Includes Additional Resource Mobilisation measures proposed by the individual State Governments.

@ Includes tax on Professions, Trades, Callings and Employment, Urban immovable property tax and other taxes.

Table VIII-23 : Estimated Net Yield from Additional Resource Mobilisation Measures by the State Governments

(Rs. crores)

States	1992-93	1993-94
1	2	3
1 Andhra Pradesh	-	94.0
2 Assam	40.0	-
3 Bihar	-	5.0
4 Goa	17.9	14.7
5 Gujarat	50.1	73.0
6 Haryana	60.0	-
7 Himachal Pradesh	40.0	-
8 Karnataka	244.9	43.6
9 Kerala	129.4	169.3
10 Madhya Pradesh	10.0	-
11 Maharashtra	21.3	300.0
12 Meghalaya	9.7	6.0
13 Nagaland	-	11.0
14 Orissa	-	188.4
15 Punjab	42.8	100.0
16 Rajasthan	2.5	-
17 Tamil Nadu	85.0	-15.0
18 Uttar Pradesh	61.4	-
19 West Bengal	58.0	40.0
Total	873.0	1,030.0
By Major heads:		
1 Tax on Professions, Trade, Callings and Employment	3.8	2.0
2 Stamps and Registration Fees	83.0	49.5
3 Land Revenue	15.0	26.2
4 Sales Tax	192.8	20.6
5 State Excise Duties	125.4	281.4
6 Tax on Vehicles	94.2	137.7
7 Tax on Passengers and Goods	35.1	-
8 Entertainment Tax	1.9	10.4
9 Other Taxes and Duties	195.6	299.0
10 Non-Tax Revenue	126.2	203.2
Total	**873.0**	**1,030.0**

Table VIII-24 : Combined Deficits of Central and State Governments

(Rs. crores)

Year	Gross Fiscal Deficit	Net Fiscal Deficit	Net Primary Deficit	Revenue Deficit	Conventional Deficit	Monetised Deficit
1	2	3	4	5	6	7
1980-81	10,780	6,824	5,613	551	3,374	4,038
	(7.9)	(5.0)	(4.1)	(0.4)	(2.5)	(3.0)
1981-82	10,607	6,800	5,197	+987	2,420	3,996
	(6.6)	(4.3)	(3.3)	(0.6)	(1.5)	(2.5)
1982-83	11,116	8,803	7,004	420	2,476	2,508
	(6.2)	(4.9)	(3.9)	(0.2)	(1.4)	(1.4)
1983-84	15,971	12,238	9,319	2,329	1,978	3,987
	(7.7)	(5.9)	(4.5)	(1.1)	(1.0)	(1.9)
1984-85	22,013	16,806	13,595	5,149	5,183	7,541
	(9.5)	(7.3)	(5.9)	(2.2)	(2.2)	(3.3)
1985-86	22,172	18,342	13,850	5,235	3,627	4,328
	(8.5)	(7.0)	(5.3)	(2.0)	(1.4)	(1.7)
1986-87	30,789	23,143	16,837	7,608	8,928	7,607
	(10.5)	(7.9)	(5.7)	(2.6)	(3.0)	(2.6)
1987-88	33,441	26,173	17,726	10,225	5,882	6,402
	(10.0)	(7.9)	(5.3)	(3.1)	(1.8)	(1.9)
1988-89	36,764	29,654	18,809	12,322	5,262	6,928
	(9.3)	(7.5)	(4.7)	(3.1)	(1.3)	(1.7)
1989-90	43,126	35,367	21,301	15,596	10,753	14,068
	(9.5)	(7.8)	(4.7)	(3.4)	(2.4)	(3.1)
1990-91	43,608	45,224	25,932	23,871	11,275	15,166
	(8.2)	(8.5)	(4.9)	(4.5)	(2.1)	(2.9)
1991-92	45,850	40,369	19,104	21,911	6,951	5,168
	(7.5)	(6.6)	(3.1)	(3.6)	(1.1)	(0.8)
1992-93	47,829	41,286	11,952	20,817	8,458	5,576
(Revised Estimates)	(6.8)	(5.9)	(1.7)	(3.0)	(1.2)	(0.8)
1993-94	52,976	44,224	8,801	22,154	6,954	N.A
(Budget Estimates)	(6.7)	(5.6)	(1.1)	(2.8)	(0.9)	(–)

Note : Figures in brackets are percentages to GDP at current market prices.

Table VIII-25 : Composition of Combined Gross Fiscal Deficit of Central and State Governments

(Rs. crores)

Item	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5
Revenue Deficit	21,911	17,399	20,817	22,154
	(47.8)	(37.6)	(43.5)	(41.8)
Net Lending	5,481	7,509	6,543	8,752
	(12.0)	(16.2)	(13.7)	(16.5)
Capital Outlay	18,458	21,419	20,469	22,070
	(40.2)	(46.2)	(42.8)	(41.7)
Gross Fiscal Deficit	45,850	46,327	47,829	52,976
	(100.0)	(100.0)	(100.0)	(100.0)

Note: Figures in brackets are percentages to Gross Fiscal Deficit.

Table VIII-26 : Combined Receipts and Disbursements of the Central and State Governments

(Rs. crores)

Item	1989-90 (Accounts)	1990-91 (Accounts)		1991-92 (Accounts)		1992-93 (Budget Estimates)			1992-93 (Revised Estimates)			1993-94+ (Budget Estimates)	
	Amount	Amount	Percentage variation over the previous year	Amount	Percentage variation over the previous year	Amount	Percentage variation over the Budget Estimates	Percentage variation over the previous year	Amount	Percentage variation over the Budget Estimates	Percentage variation over the Previous year	Amount	Percentage variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Total Disbursements @	**1,47,524**	**1,66,836**	**13.1**	**1,95,456**	**17.2**	**2,05,776**	**10.0**	**5.3**	**2,14,477**	**4.2**	**9.7**	**2,29,020**	**6.8**
of which:													
1. Developmental (a+b+c)	**88,790**	**98,690**	**11.1**	**1,08,766**	**10.2**	**1,11,253**	**4.6**	**2.3**	**1,17,378**	**5.5**	**7.9**	**1,21,080**	**3.2**
a) Revenue	63,158	71,290	12.9	81,013	13.6	82,293	6.6	1.6	87,924	6.8	8.5	89,618	1.9
b) Capital	15,085	16,364	8.5	16,221	-0.9	18,008	2.0	11.0	18,269	1.4	12.6	19,363	6.0
c) Loans	10,547	11,036	4.6	11,532	4.5	10,952	-4.7	-5.0	11,185	2.1	-3.0	12,099	8.2
2. Non-Developmental (a+b+c)	**54,808**	**63,411**	**15.7**	**72,956**	**15.1**	**85,640**	**16.0**	**17.4**	**85,720**	**0.1**	**17.5**	**98,069**	**14.4**
a) Revenue	49,823	57,554	15.5	67,303	16.9	79,262	17.0	17.8	79,525	0.3	18.2	91,339	14.9
b) Capital	4,690	5,006	6.7	5,275	5.4	5,912	2.7	12.1	5,699	-3.6	8.0	6,207	8.9
c) Loans	295	851	188.5	378	-55.6	466	25.3	23.3	496	6.4	31.2	523	5.4
II. Total Receipts (A+B)	**1,36,805**	**1,55,561**	**13.7**	**1,88,505**	**21.2**	**2,00,475**	**12.6**	**6.3**	**2,06,019**	**2.8**	**9.3**	**2,22,066**	**7.8**
A. Revenue Receipts	**98,041**	**1,05,757**	**7.9**	**1,27,405**	**20.5**	**1,45,148**	**13.4**	**13.9**	**1,47,655**	**1.7**	**15.9**	**1,59,872**	**8.3**
of which:													
i) Tax Receipts (a+b+c)	77,441	87,564	13.1	1,02,674	17.3	1,16,612	12.3	13.6	1,18,703	1.8	15.6	1,30,956	10.3
a) Taxes on commodities and services	63,495	72,242	13.8	82,437	14.1	93,665	10.9	13.6	94,051	0.4	14.1	1,03,168	9.7
b) Taxes on Income and Property	13,026	14,267	9.5	19,040	33.5	21,383	18.0	12.3	23,086	8.0	21.3	26,000	12.6
c) Taxes of Union Territories (Without Legislature)	920	1,055	14.7	1,197	13.5	1,564	22.0	30.7	1,566	0.1	30.8	1,788	14.2
ii) Non-Tax Receipts	20,600	18,193	-11.7	24,731	35.9	28,536	18.5	15.4	28,952	1.5	17.1	28,916	-0.1
B. Capital Receipts	**38,764**	**49,804**	**28.5**	**61,100**	**22.7**	**55,327**	**10.4**	**-9.4**	**58,364**	**5.5**	**-4.5**	**62,194**	**6.6**
of which:													
i) Market Borrowings (Gross)	10,211	11,189	9.6	10,789	-3.6	8,735	-24.5	-19.0	7,292	-16.5	-32.4	7,400	1.5
ii) Market Borrowings (Net)	9,273	10,185	9.8	9,374	-8.0	7,304	-28.0	-22.1	5,885	-19.4	-37.2	5,888	0.1
iii) Small Savings (Net)	8,575	9,104	6.2	6,640	-27.1	7,200	-10.0	8.4	5,500	-23.6	-17.2	5,500	–
iv) State Provident Funds(Net)	3,004	3,709	23.5	4,195	13.1	4,609	34.8	9.9	4,997	8.4	19.1	5,339	6.8
III. Overall Surplus (+)/Deficit(-)(II-I)	**-10,719**	**-11,275**		**-6,951**		**-5,301**			**-8,458**			**-6,954**	
Financing Surplus (+)/Deficit(-)													
i) Increase (+)/Decrease (-) in cash balance of Centre and States	+ 364	+156		-597		+311			-2,657			-2,567	

Table VIII-26 : Combined Receipts and Disbursements of the Central and State Governments *(Concld.)*

(Rs. crores)

Item	1989-90 (Accounts) Amount	1990-91 (Accounts) Amount	1990-91 (Accounts) Percentage variation over the previous year	1991-92 (Accounts) Amount	1991-92 (Accounts) Percentage variation over the previous year	1992-93 (Budget Estimates) Amount	1992-93 (Budget Estimates) Percentage variation over the Budget Estimates	1992-93 (Budget Estimates) Percentage variation over the previous year	1992-93 (Revised Estimates) Amount	1992-93 (Revised Estimates) Percentage variation over the Budget Estimates	1992-93 (Revised Estimates) Percentage variation over the previous year	1993-94+ (Budget Estimates) Amount	1993-94+ (Budget Estimates) Percentage variation over the previous year
1	2	3	4	5	6	7	8	9	10	11	12	13	14
ii) Increase (-)/Decrease(+) of Treasury Bills of Centre	-10,911	-11,769		-6,887		-5,389			-5,334			-4,314	
iii) Withdrawals from (-)/Additions to (+) Cash Balances Investment Accounts to States (Net)	+60	+265		+685		-150			-396			-73	
iv) Increase(-)/Decrease(+) in Ways and Means Advances and Overdrafts from RBI to States (Net)	-232	+73		-152		-73			-71			–	
IV. I as per cent of GDP*	**+ 32.5**	**+ 31.4**		**+ 32.1**		**+ 29.3**			**+ 30.5**			**+ 29.2**	
V. II as per cent of GDP*	**+ 30.1**	**+ 29.3**		**+ 30.9**		**+ 28.5**			**+ 29.3**			**+ 28.3**	
VI. IIA as per cent of GDP*	**+ 21.6**	**+ 19.9**		**+ 20.9**		**+ 20.6**			**+ 21.0**			**+ 20.4**	
VII. IIA(i) as per cent of GDP*	**+ 17.1**	**+ 16.5**		**+ 16.8**		**+ 16.6**			**+ 16.9**			**+ 16.7**	

Note : Data relate to 25 State Governments. Data relating to State Governments for 1991-92 to 1993-94 are from Vote-on-Account Budgets of 11 States and final budgets of 14 States. Further, data in respect of Nagaland, Bihar and Jammu and Kashmir for the year 1991-92 are Revised Estimates.

\+ Including effects of budget proposals.

@ The sum of Developmental and Non-Developmental expenditure will not add up to Total Disbursements of Central and State Governments due to the inclusion of 'Other' disbursements which comprise discharge of internal and external debt, compensation and assignments to local bodies and Panchayat Raj Institutions, appropriation to contingency funds and net remittances and are adjusted for figures of repayments of loans by State Governments to the Central Government.

* Figures may differ from those published earlier due to revision in figures of GDP.

Source: Budgets of the Central and State Governments.

Table VIII-27 : Break-up of Combined Revenue Deficit, Conventional Deficit, Net Fiscal Deficit and Net Primary Deficit of Central and State Governments

(Rs. crores)

Item	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5
Revenue Deficit				
(a) Centre	16,261	13,882	16,700	17,630
	(74.2)	(79.8)	(80.2)	(79.6)
(b) States	5,650	3,517	4,117	4,524
	(25.8)	(20.2)	(19.8)	(20.4)
(c) Combined	21,911	17,399	20,817	22,154
	(100.0)	(100.0)	(100.0)	(100.0)
Conventional Deficit				
(a) Centre	6,855	5,389	7,202	4,314
	(98.6)	(101.7)	(85.2)	(62.0)
(b) States	96	+ 88	1,256	2,640
	(1.4)	(– 1.7)	(14.8)	(38.0)
(c) Combined	6,951	5,301	8,458	6,954
	(100.0)	(100.0)	(100.0)	(100.0)
Net Fiscal Deficit				
(a) Centre	24,623	23,940	26,037	26,926
	(61.0)	(61.7)	(63.1)	(60.9)
(b) States	15,746	14,878	15,249	17,298
	(39.0)	(38.3)	(36.9)	(39.1)
(c) Combined	40,369	38,818	41,286	44,224
	(100.0)	(100.0)	(100.0)	(100.0)
Net Primary Deficit				
(a) Centre	8,982	5,404	5,974	3,457
	(47.0)	(53.9)	(50.0)	(39.3)
(b) States	10,122	4,626	5,977	5,344
	(53.0)	(46.1)	(50.0)	(60.7)
(c) Combined	19,104	10,030	11,951	8,801
	(100.0)	(100.0)	(100.0)	(100.0)

Note: Figures in brackets are percentages to the respective Combined Deficits.

Table VIII-28 : Trends in Budgetary Deficits and Net RBI Credit to Governments

(Rs. crores)

Year	Budgetary Surplus (+)or Deficit (-) ($)			Net RBI Credit to Government (a)		
	Centre	States	Total	Centre	States	Total
1	2	3	4	5	6	7
1971-72	-519	-289	-808	583	287	870
1972-73	-869	-7	-876	1,211	-386	825
1973-74	-328	-226	-554	630	134	764
1974-75	-721	-31	-752	528	134	662
1975-76	-366	75	-291	-288	91	-197
1976-77	-131	50	-81	816	22	838
1977-78	-933	-229	-1,162	-260	142	-118
1978-79	-1,506	1,010	-496	2,191	-419	1,772
1979-80	-2,433	-187	-2,620	2,650	339	2,989
1980-81	-2,477	-897	-3374	3,551	487	4,038
1981-82	-1,400	-1,020	-2,420	3,207	789	3,996
1982-83	-1,656	-820	-2,476	3,368	-860*	3,368
1983-84	-1,417	-551	-1,968	3,949	38	3,987
1984-85	-3,745	-1,438	-5,183	6,055	1,485	7,540
1985-86	-5,315	1,688	-3,627	6,190	-1,862	4,328
1986-87	-8,261	-890	-9,151	7,091	516	7,607
1987-88	-5,816	234	-5,582	6,559	-157	6,402
1988-89	-5,642	164	-5,478	6,503	425	6,928
1989-90	-10,592	-161	-10,753	13,813	255	14,068
1990-91	-11,347	72	-11,275	14,746	420	15,166
1991-92	-6,855	-96	-6,951	5,508	-340	5,168
1992-93 (Budget Estimates)	-5,389	88	-5,301			
1992-93 (Revised Estimates)	-7,202	-1,256	-8,458	5,400	176	5,576
1993-94 (Budget Estimates)	-4,314	-2,640**	-6,954	4,314		4,314

(a) Comprising net changes in (i)RBI holdings of Treasury Bills, other Government Securities,rupee-coins in Issue Department, ways and means advances to State Governments and (ii) Government's balances with RBI so that an increase in cash balances will imply a decline in RBI credit to Government and vice versa. Data refer to full fiscal year (i.e. from April to March) and take into account adjustments made at the time of final closure of Government Accounts.

$ Budgetary deficit or surplus is measured (a) in the case of the Central Government by (i) net increase / decrease in outstanding Treasury Bills and (ii) Withdrawals from / additions to cash balances, and (b) in the case of States by (i) net increase / decrease in the RBI credit in the form of ways and means advances, (ii) decline in / additions to cash balances; and (iii) net sales / purchases of securities held by States in their Cash Balance Investment Account.

* These disregard changes in components of sources on July 12,1982, following reclassification of aggregates necessitated by the establishment of NABARD.

** Regarding State Governments, data relating to 11 States are from Vote-on-Account Budgets.

Table VIII-29 : Financial Working of Department of Posts*

(Rs. crores)

Item		1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
	1	2	3	4	5
1	Revenue Receipts	947.9	960.0	990.0	1,000.0
2	Working Expenses of which:	1,506.8	1,558.7	1,627.7	1,688.3
	i) Operation	1,042.8	1,057.3	1,109.6	1,136.5
	ii) General Administration	90.8	105.0	106.5	108.6
	iii) Engineering	18.5	22.9	24.0	24.5
	iv) Pension	182.3	176.5	186.5	204.0
	v) Accounts and Audit	33.3	39.5	39.8	38.1
	vi) Stationery and Printing	66.2	74.7	76.0	81.3
	vii) Agency Services	54.8	58.4	61.4	42.5
	viii) Depreciation	6.0	7.5	6.9	8.0
	ix) Others	12.0	16.9	17.1	19.4
3	Credit to Working Expenses	344.6	450.0	478.4	550.0
4	Net Working Expenses (2-3)	1,162.2	1,108.7	1,149.3	1,138.3
5	Net Receipts (1-4)	-214.3	-148.7	-159.4	-138.3
6	Dividend to General Revenues	–	–	–	–
7	Surplus (+)/Deficit (-) before making contributions towards Capital Expenditure (5-6)	-214.3	-148.7	-159.4	-138.3
8	Contributions towards Capital Expenditure	–	–	–	–
9	Surplus (+)/Deficit (-) after making contributions towards Capital Expenditure	-214.3	-148.7	-159.4	-138.3
10	Appropriations to (+)/Withdrawals from (-) @				
	a.Revenue Reserve Fund.	–	–	–	–
	b.Capital Reserve Fund.	–	–	–	–

* The erstwhile combined Posts and Telegraphs Department has been bifurcated into Department of Post and Department of Telecommunications with effect from 31.12.1984.

@ Consequent on the constitution of two distinct departments viz; Department of Posts and Department of Telecommunications,the surplus transferred to P&T Revenue Reserve Fund & withdrawals from Capital Reserve Fund from 1987-88 entirely relates to Telecommunications.

Source: Detailed Demand for Grants of Department of Posts-1993-94.

Table VIII-30 : Capital Outlay of Department of Posts

(Rs. crores)

Item	1990-91 (Accounts)			1991-92 (Accounts)			1992-93 (Budget Estimates)			1992-93 (Revised Estimates)			1993-94 (Budget Estimates)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1 Expenditure	31.5	0	31.5	33.2	-0.7	32.5	65.9	2.9	68.8	54.9	2.3	57.2	65.2	2.0	67.2
2 Financed from:															
i) Receipts and Recoveries on (a+b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Capital Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Under Stores Supense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Capital Reserve Fund @	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Depreciation on Historical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs Transferred from Revenue	-	5.4	5.4	-	6.1	6.1	-	7.5	7.5	-	8.0	8.0	-	8.0	8.0
iv) Contributions towards Capital															
Expenditure from Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--
v) Capital Advanced from General															
Revenue	31.5	-5.4	26.1	33.2	-6.8	26.4	65.9	-4.6	61.3	54.9	-5.7	49.2	65.2	-6.0	59.2
Total (i to v)	**31.5**	**0**	**31.5**	**33.2**	**-0.7**	**32.5**	**65.9**	**2.9**	**68.8**	**54.9**	**2.3**	**57.2**	**65.2**	**2.0**	**67.2**

@ Consequent on the Constitution of the two distinct departments viz., Department of Post and Department of Telecommunications, the surplus transferred to P & T Revenue Reserve Fund and withdrawals from Capital Reserve Fund from 1989-90 entirely relates to Telecommunications.

Source: Detailed Demand for Grants of Department of Posts - 1993-94.

Table VIII-31 : Financial Working of Department of Telecommunications*

(Rs. crores)

	Item	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
	1	2	3	4	5
1	Revenue Receipts	3,874.5	4,917.0	4,554.0	6,527.0
2	Working Expenses	2,424.4	2,864.0	3,064.0	4,143.0
	of which:				
	i) Operation	450.1	508.7	524.1	578.2
	ii) General Administration	200.8	240.0	242.3	273.2
	iii) Engineering	878.9	998.8	1,029.1	1,169.7
	iv) Pension	102.7	130.0	125.0	145.0
	v) Accounts and Audit	15.6	18.1	18.1	19.6
	vi) Stationery and Printing	8.5	15.0	12.0	18.0
	vii) Agency Services	24.3	17.8	4.6	40.7
	viii) Depreciation	491.7	621.0	638.9	787.0
	ix) others	251.8	314.6	469.9	1,111.6
3	Credit to Working Expenses	279.8	337.8	338.0	429.0
4	Net Working Expenses(2-3)	2,144.6	2,526.2	2,726.0	3,714.0
5	Net Receipts(1-4)	1,729.9	2,390.8	1,828.0	2,813.0
6	Dividend to General Revenues	246.6	250.8	255.8	261.0
7	Surplus(+)/Deficit(-) before making contributions towards Capital Expenditure(5-6)	1,483.3	2,140.0	1,572.2	2,552.0
8	Contributions towards Capital Expenditure	-	-	-	-
9	Surplus(+)/Deficit(-) after making contributions towards Capital Expenditure	1,483.3	2,140.0	1,572.2	2,552.0
10	Appropriations to (+)/Withdrawals from(-) @				
	a. Revenue Reserve Fund.	19.2	30.0	30.0	70.0
	b. Capital Reserve Fund.	1,464.1	2,110.0	1,542.2	2,482.0

* The erstwhile combined Posts and Telegraphs Department has been bifurcated into Department of Posts and Department of Telecommunications with effect from 31.12.1984.

@ Consequent on the constitution of two distinct departments viz; Department of Posts and Department of Telecommunications,the surplus transferred to P&T Revenue Reserve Fund & withdrawals from Capital Reserve Fund from 1987-88 entirely relates to Telecommunications.

Source: Detailed Demand for Grants of Department of Telecommunications-1993-94.

Table VIII-32 : Capital Outlay of Department of Telecommunications

(Rs. crores)

Item	1990-91 (Accounts)			1991-92 (Accounts)			1992-93 (Budget Estimates)			1992-93 (Revised Estimates)			1993-94 (Budget Estimates)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1 Expenditure(a+b)	2,224.2	252.0	2,476.2	2,789.8	130.3	2,920.1	3,753.0	260.0	4,013.0	3,753.0	260.0	4,013.0	4,763.0	320.0	5,083.0
a) Telecommunication Services	2,224.2	-	2,224.2	2,789.8	-	2,789.8	3,753.0	-	3,753.0	3,753.0	-	3,753.0	4,763.0	-	4,763.0
b) Understores and Manufacture Suspense	0.0	252.0	252.0	-	130.3	130.3	-	260.0	260.0	-	260.0	260.0	-	320.0	320.0
2 Financed from :															
i) Receipts and Recoveries on (a + b + c)	172.4	158.6	331.0	602.3	232.2	834.5	878.3	235.0	1,113.3	1,368.2	235.0	1,603.2	1,175.2	290.0	1,465.2
a) Capital Account	0.4	-	0.4	0.3	-	0.3	0.3	-	0.3	0.2	-	0.2	0.2	-	0.2
b) Understores and Manufacture Suspense	0.0	158.6	158.6	-	232.2	232.2	-	235.0	235.0	-	235.0	235.0	-	290.0	290.0
c) Deposits of Mahanagar Telephone Nigam Ltd.	172.0	-	172.0	602.0	-	602.0	878.0	-	878.0	1,368.0	-	1,368.0	1,175.0	-	1,175.0
ii) Advance Rentals Received under Telex O.Y.T. and Other Schemes	27.4	-	27.4	59.0	-	59.0	146.7	-	146.7	290.8	-	290.8	314.8	-	314.8
iii) Deposits Received under Telex Deposit Scheme	6.4	-	6.4	12.0	-	12.0	2.0	-	2.0	2.0	-	2.0	3.0	-	3.0
iv) Capital Reserve Fund @	1,217.1	93.4	1,310.5	1,464.1	-	1,464.1	2,079.0	25.0	2,104.0	1511.3	25.0	1,536.3	2448.0	30.0	2,478.0
v) Depreciation on Historical Cost Transferred from Revenue	387.9	-	387.9	491.7	-	491.7	621.0		621.0	638.9		638.9	787.0	-	787.0
vi) Contributions towards Capital Expenditure from Revenue	-	-	0.0	-	-	0.0	-	-	0.0	-	-	0.0	-	-	0.0
vii) Capital Advanced from General Revenue	393.0	-	393.0	140.7	-101.9	38.8	6.3	-	6.3	-78.2	-	-78.2	15.0	-	15.0
viii) Repayments of Loans by Mahanagar Telephone Nigam Ltd.	20.0	-	20.0	20.0	-	20.0	20.0	-	20.0	20.0	-	20.0	20.0	-	20.0
Total (i to viii)	**2,224.2**	**252.0**	**2,476.2**	**2,789.8**	**130.3**	**2,920.1**	**3,753.3**	**260.0**	**4,013.3**	**3,753.7**	**260.0**	**4,013.0**	**4,763.0**	**320.0**	**5,083.0**

* The erstwhile combined Posts and Telegraphs Department has been bifurcated into Department of Posts and Department of Telecommunications with effect from 31.12.1984.

@ Consequent on the constitution of the two distinct departments viz., Department of Posts and Department of Telecommunications, the surplus transferred to P & T Revenue Reserve Fund and withdrawals from Capital Reserve Fund from 1989-90 entirely relates to Telecommunications.

Source: Detailed Demand for Grants of Department of Posts -1993-94.

Table VIII-33 : Railway Budget at a Glance

(Rs. crores)

Item	1991-92 (Actuals)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)	Variation			
					Col. 4 over Col.3		Col.5 over Col.4	
					Amount	Percentage	Amount	Percentage
1	2	3	4	5	6	7	8	9
I Gross Traffic Receipts (a to d)*	13,729.7	15,884.0	16,115.0	19,021.0 (17,173.0)	231.0	1.5	2,906.0 (1,058.0)	18.0 (6.6)
a) Passenger Earnings	3,684.6	4,648.0	4,330.0	5,110.0	–318.0	–6.8	780.0	18.0
b) Goods Earnings	9,462.1	10,568.0	11,100.0	13,173.0	532.0	5.0	2,073.0	18.7
c) Sundry Other Earnings(including Suspense)	184.6	253.0	255.0	278.0	2.0	0.8	23.0	9.0
d) Other Coaching Earnings	398.4	415.0	430.0	460.0	15.0	3.6	30.0	7.0
II Total Working Expenses(Net)(a to c)	12,389.2	13,960.0	14,075.0	15,855.0	115.0	0.8	1,780.0	12.6
a) Ordinary Working Expenses(Net)	9,209.2	10,460.0	10,575.0	11,955.0	115.0	1.1	1,380.0	13.0
b) Appropriation to Depreciation Reserve Fund	2,000.0	2,300.0	2,300.0	2,400.0	–	–	100.0	4.3
c) Appropriation to Pension Fund	1,180.0	1,200.0	1,200.0	1,500.0	–	–	300.0	25.0
III Net Traffic Receipts (I-II)	1,340.5	1,924.0	2,040.0	3,166.0	116.0	6.0	1,126.0	55.2
IV Net Miscellaneous Receipts (a-b)	200.4	206.0	204.7	282.0	–1.3	–0.6	77.3	37.8
a) Total Miscellaneous Receipts $	384.0	414.7	412.4	433.5	–2.3	–0.6	21.1	5.1
b) Total Miscellaneous Expenditure $$	183.6	208.7	207.7	151.5	–1.0	–0.5	–56.2	–27.1
V Net Railway Revenue (III + IV)	1,540.9	2,130.0	2,244.7	3,448.0	114.7	5.4	1,203.3	53.6
VI Payment to General Revenues @	1,031.5	1,150.0	1,146.0	1,253.0	–4.0	–0.3	107.0	9.3
VII Surplus(+)/Deficit(–)$$$	435.0	563.5	756.7	2,195.0	193.2	34.3	1,438.3	190.1
VIII Appropriation to(+) or Withdrawals from(–)								
a) Railway Development Fund	435.0	563.5	386.6	235.0	–176.9	–31.4	–151.6	–39.2
b) Railway Revenue Reserve Fund	–	–	–	–	–	–	–	–
c) Deferred Dividend Liability Fund	74.5	416.5	342.0	–	–74.5	–17.9	–342.0	–
d) Capital Fund	–	–	370.1	1,960.0	370.1	–	1,589.9	429.6
IX Operating Ratio(Per cent)@@	89.5	87.7	87.0	83.1				
X Capital-at-charge **	17,712.5	19,409.8	19,477.5	20,267.5	67.7	0.3	790.0	4.1
XI Net Railway Revenue as percentage of Capital-at-charge***	8.7	10.9	11.4	15.3				
XII Surplus/Deficit as percentage of Capital-at-charge	2.5	2.9	3.9	10.8				

* Includes receipts of worked lines.

** Excludes capital outlay on Metropolitan transport projects and Circular Railways(Eastern Railway).

*** Ratio based on net Revenue before payment of dividend to General Revenues.

$ Includes mainly receipts from subsidised companies, surcharge on passengers, subsidy from General Revenue towards dividend relief and other concessions.

$$ Includes mainly expenditure on subsidy, payment to worked lines, surveys, open line works, Revenue and Appropriation to Accident Compensation, Safety and Passenger Amenities Fund.

$$$ Net of amount appropriated to the Deferred Dividend Liability Fund.

@ Includes Dividend to General Revenues, Payment in lieu of passenger fare tax and contribution to Railway safely workes Fund.

@@ Excludes Metro Railway Calcutta.

Note : Figures in brackets exclude Additional Resource Mobilisation of Rs.1,848.0 crore proposed in the Budget for 1993-94.

Source : Explanatory Memorandum on the Railway Budget, 1993-94.

Table VIII-34 : Developmental Expenditure and Financing Pattern of Railways

(Rs. crores)

Items	1991-92 (Actuals)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)	Variation: Col.4 over Col.3 Amount	Col.4 over Col.3 Percentage	Col.5 over Col.4 Amount	Col.5 over Col.4 Percentage
1	2	3	4	5	6	7	8	9
1 Rolling Stock @	2,298.0	2,380.0	2,418.2	2,824.6	38.2	1.6	406.4	16.8
	(42.6)	(41.8)	(42.4)	(43.5)				
2 Traffic Facilities	614.4	832.4	848.7	1,161.7	16.3	2.0	313.0	36.9
	(11.4)	(14.6)	(14.9)	(17.9)				
3 Track Renewals	1,333.3	1,248.9	1,257.0	1,273.0	8.1	0.6	16.0	1.3
	(24.7)	(21.9)	(22.0)	(19.6)				
4 Electrification $	290.4	303.4	303.5	345.7	0.1	–	42.2	13.9
	(5.4)	(5.3)	(5.3)	(5.3)				
5 New Lines	254.2	186.0	226.0	188.4	40.0	21.5	–37.6	–16.6
	(4.7)	(3.3)	(4.0)	(2.9)				
6 Signalling and Telecommunication Works	133.8	150.4	150.2	165.6	–0.2	–0.1	15.4	10.3
	(2.5)	(2.6)	(2.6)	(2.5)				
7 Staff Quarters	33.3	25.0	25.1	27.5	0.1	0.4	2.4	9.6
	(0.6)	(0.4)	(0.4)	(0.4)				
8 Plant and Machinery	53.8	90.0	90.7	85.0	0.7	0.8	–5.7	–6.3
	(1.0)	(1.6)	(1.6)	(1.3)				
9 Workshops including Production Units	148.7	300.4	222.5	260.5	–77.9	–25.9	38.0	17.1
	(2.8)	(5.3)	(3.9)	(4.0)				
10 Computerisation	18.9	45.0	29.2	60.0	–15.8	–35.1	30.8	105.5
	(0.3)	(0.8)	(0.5)	(0.9)				
11 Others (adjusted to credits or recoveries)	214.5	138.5	138.9	108.0	0.4	0.3	–30.9	-22.2
of which:	(4.0)	(2.4)	(2.4)	(1.7)				
Metropolitan Transport Projects	170.2	171.5	173.0	171.3	1.5	0.9	–1.7	–1.0
	(3.2)	(3.0)	(3.0)	(2.6)				
Total (1 to 11)	5,393.3	5,700.0	5,710.0	6,500.0	10.0	0.2	790.0	13.8
	(100.0)	(100.0)	(100.0)	(100.0)				
Financing Pattern:								
1 Budgetary Support	1,756.0	1,925.0	1,935.0	960.0	10.0	0.5	–975.0	–50.4
	(32.6)	(33.8)	(33.9)	(14.8)				
2 Market Borrowings	1,503.0	1,200.0	962.0	900.0	–238.0	–19.8	–62.0	–6.4
	(27.8)	(21.0)	(16.8)	(13.8)				
3 Internal Resources	2,134.3	2,575.0	2,813.0	4,640.0	238.0	9.2	1827.0	64.9
	(39.6)	(45.2)	(49.3)	(71.4)				
Total (1 to 3)	5,393.3	5,700.0	5,710.0	6,500.0	10.0	0.2	790.0	13.8
	(100.0)	(100.0)	(100.0)	(100.0)				

Note : Figures in brackets represent percentages to the total.

@ Includes a sum of Rs 1,503.3 crore (Actuals,1991-92) and Rs.962.2 crore (Revised Estimates, 1992-93) and Rs.900.0 crore (Budget Estimates, 1993-94) raised or proposed to be raised through market borrowings by the Indian Railway Finance Corporation(IRFC) for financing Plan investment of the Railways.

* Includes restoration of dismantled lines, gauge conversion, doubling, yard remodelling, etc.

$ Includes 'Other electrical works' also.

Source: Explanatory Memorandum on the Railway Budget, 1993-94.

Table VIII-35 : Financial Impact of Social Obligations of Railways

(Rs. crores)

Items	1990-91 (Actuals)	1991-92 (Actuals)	1992-93 (Revised Estimates)
1	2	3	4
1 Loss on Coaching Services (Suburban and Non-Suburban, Passenger Traffic, Parcel, Luggage,etc.)	1,795.9 (81.6)	1,775.9 (84.6)	2,004.9 (89.1)
2 Loss on Low-rated Freight like Foodgrains, Fodder, Charcoal, Firewood, Fruits, and Vegetables, etc.	405.7 (18.4)	322.8 (15.4)	245.3 (10.9)
3 Total (1 + 2)	**2,201.6** **(100.0)**	**2,098.7** **(100.0)**	**2,250.2** **(100.0)**

Note: Figures in brackets represent percentages to total.

Source : 1. Indian Railway Year Book, 1991-92.
2. Explanatory Memorandum on the Railway Budget, 1993-94.

Table VIII-36 : Public Debt and other Liabilities of the Government of India (As at the end of March)

(Rs. crores)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Budget Estimates)	1992-93 (Revised Estimates)	1993-94 (Budget Estimates)
1	2	3	4	5	6
(A) Public Debt (1+2)	1,85,528.8	2,09,698.1	2,27,584.0	2,34,252.4	2,51,143.0
1 Total Interal Debt (i to x)	1,54,003.8	1,72,749.8	1,88,019.4	1,93,034.6	2,04,690.3
i) Market Loans	70,520.4	78,023.1	83,020.3	81,693.1	85,393.1
ii) Market Loans in course of repayment	45.6	52.3	45.8	52.3	52.3
iii) Others@	788.3	1,110.4	1,352.9	-	300.0
iv) Special Bearer Bonds	951.0	276.9	1.0	1,142.5	1,203.5
v) 91-day Treasury bills	6,953.3	8,840.4	17,021.3	14,174.4	14,507.4
vi) 91-day Treasury bills funded into Special Securities	66,000.0	71,000.0	66,000.0	71,000.0	71,000.0
vii) Special securities issued to RBI	1,101.4	1,046.4	1,046.4	1,046.4	1,046.4
viii) 182-day Treasury bills		1,077.6	3,985.5	3,577.6	-
ix) 364-day Treasury bills	-	-	-	9,285.5	15,285.5
x) Special securities issued to International Financial Institutions+	6,566.2	8,414.8	15,954.1	14,640.4	15,902.1
2 External Debt $	31,525.0	36,948.3	39,564.6	41,217.8	46,452.7
(B) Other Liabilities (a to d)	1,29,029.1	1,44,964.0	1,67,754.6	1,62,229.3	1,85,316.6
(a) Small Savings Schemes	50,100.2	55,754.6	61,790.2	59,954.6	63,854.6
(b) Provident Funds(i+ii)	11,670.3	13,927.2	16,418.3	16,717.3	19,867.3
i) State Provident Funds	8871.7	10157.0	11,769.6	11,657.0	13,257.0
ii) Public Provident Funds	2,798.6	3,770.3	4,648.7	5,060.3	6,610.3
(c) Other Accounts*	45,336.4	51,818.2	62,244.8	60,474.0	74,817.5
(d) Reserve Funds and Deposits** (i+ii)	21,922.2	23,463.9	27,301.3	25,083.4	26,777.2
i) Bearing Interest	10,589.4	11,805.1	14,854.1	13,424.5	15,043.0
ii) Not-bearing Interest	11,332.8	11,658.8	12,447.2	11,658.9	11,734.2
(C) Aggregate Liabilities (A+B)	3,14,557.9	3,54,662.1	3,95,338.6	3,96,481.7	4,36,459.6
(D) Amount due from Pakistan on account of Pre-partition debt (Approx.)	-300.0	-300.0	-300.0	-300.0	-300.0
(E) Net Liabilities of Central Government(C-D)	3,14,257.9	3,54,362.1	3,95,038.6	3,96,181.7	4,36,159.6

@ Comprises Compensation and Other Bonds such as National Rural Development Bonds and Capital Investment Bonds. Annuity certificates are excluded from here and shown under Small Savings.

\+ These represent non-negotiable non-interest bearing securities issued to International Financial Institutions.

* Includes mainly Postal Insurance and Life Annuity Fund,Borrowings under Compulsory Deposits and Income-Tax Annuity Deposits,Special Deposits of non-Governments Provident Funds.

** Includes Depreciation and Reserve Funds of Railways & Department of Posts and Department of Telecommunications, Deposits of Local Funds, Departmental and Judicial Deposits, Civil Deposits,etc.

$ Balances are according to book value. The figures do not include credits extended by the erstwhile Soviet Union for Defence supplies.

Note: Figures in brackets represent percentages to CSO estimates of Gross Domestic Product at Current Market Prices.

Source: 1. Finance Accounts, Government of India.
2. Receipts Budget,1993-94, Government of India.

Table VIII-37 : 364-day Treasury Bills 1992-93

(Rs. crores)

Date of Auction	Amount offered	Amount Accepted	Cut-off Price	Implicit Yield	Outstanding Amount
1	2	3	4		5
28 April, 1992	1,120.65	666.15	89.75	11.42	666.15
13 May, 1992	1,396.48	961.48	89.75	11.42	1,627.63
27 May, 1992	1,087.23	797.75	89.75	11.42	2,425.38
9 June, 1992	537.64	412.64	89.75	11.42	2,838.02
24 June, 1992	1,756.16	1,474.16	89.75	11.42	4,312.18
7 July, 1992	589.00	387.00	89.80	11.36	4,699.18
22 July, 1992	1,979.65	854.60	89.87	11.27	5,553.78
5 August, 1992	1,623.35	795.85	89.93	11.20	6,349.63
19 August, 1992	997.80	810.00	89.95	11.17	7,159.63
2 September, 1992	163.00	139.50	89.95	11.17	7,299.13
16 September, 1992	118.00	43.00	89.95	11.17	7,342.13
29 September, 1992	165.60	130.60	89.85	11.30	7,472.73
13 October, 1992	337.00	264.00	89.85	11.30	7,736.73
28 October, 1992	116.00	69.80	89.85	11.30	7,806.53
11 November, 1992	265.00	20.00	89.86	11.28	7,826.53
25 November, 1992	485.11	75.11	89.88	11.26	7,901.64
8 December, 1992	40.00	20.00	89.91	11.22	7,921.64
22 December, 1992	591.60	451.60	89.91	11.22	8,373.24
6 January, 1993	340.00	45.00	89.95	11.17	8,418.24
19 January, 1993	131.02	6.00	90.00	11.11	8,424.24
3 February, 1993	426.00	53.00	90.12	10.96	8,477.24
17 February, 1993	151.00	134.00	90.08	11.01	8,611.24
3 March, 1993	42.50	41.50	90.05	11.05	8,652.74
17 March, 1993	163.50	124.00	90.00	11.11	8,776.74 *
31 March, 1993	77.00	20.00	90.01	11.10	8,796.74

* Consequent upon the Government Notification dated April 7,1993 these 364 - day Treasury bills maturing on different dates from 29th April, 1993 to 18th March,1994 were converted into 12.75 per cent Government stock 1996. However, these 12.75 per cent Government stock 1996 aggregating Rs.6,959.58 crore had been issued against the conversion.In view of this, to arrive at the outstanding amount of 364 - day Treasury bills, this amount of stock i.e., Rs.6,959.58 crore will be subtracted from the total amount outstanding. Hence, the amount outstanding would be Rs. 1,837.16 crore as end-March 1993.

Table VIII-37A : 364-day Tresury Bills 1993-94

(Rs. crores)

Date of Auction	Amount offered	Amount Accepted	Cut-off Price	Outstanding Amount
1	2	3	4	5
13 April, 1993	1132.00	585.00	90.10	2258.93
28 April, 1993	219.85	204.85	90.10	2460.35
13 May, 1993	223.25	156.75	90.05	2443.77
26 May, 1993	229.20	229.20	89.90	2516.72
9 June, 1993	258.20	219.20	89.87	2690.82
23 June, 1993	539.00	509.00	89.80	2822.17
7 July, 1993	448.00	367.00	89.80	3158.67
21 July, 1993	1313.00	1052.00	89.80	4136.07
4 August, 1993	1154.00	1044.00	89.80	5031.57
18 August, 1993	1572.50	902.25	89.82	5687.82

TABLE VIII-38 : 91-day Treasury Bills 1992-93

(Rs. crores)

Date of Auction	Notified Amount	Cut-off Price	Face Value of accepted Bids
1	2	3	4
8 January, 1993	250.00	97.80	50.50
15 January, 1993	100.00	97.78	6.00
22 January, 1993	100.00	97.65	6.00
29 January,, 1993	100.00	97.62	31.00
5 February, 1993	100.00	97.60	7.35
12 February, 1993	100.00	97.55	66.75
18 February, 1993	100.00	97.60	0.00
26 February, 1993	100.00	97.50	8.00
5 March, 1993	100.00	97.45	2.50
12 March, 1993	100.00	97.40	4.50
19 March, 1993	100.00	97.35	10.50
26 March, 1993	100.00	97.33	10.00

Table VIII-38A : 91-day Treasury Bills 1993-94

(Rs. crore)

Date of Auction	Notified Amount	Cut-off Price	Face Value of Accepted bids
1	2	3	4
2 April, 1993	100.00	97.30	73.00
8 April, 1993	150.00	97.38	150.00
16 April, 1993	200.00	97.68	200.00
22 April', 1993	150.00	97.68	140.00
29 April, 1993	125.00	97.68	125.00
7 May, 1993	50.00	97.62	50.00
14 May, 1993	50.00	97.65	50.00
21 May, 1993	50.00	97.63	50.00
28 May, 1993	75.00	97.62	74.50
4 June, 1993	100.00	97.58	87.00
11 June, 1993	100.00	97.57	100.00
18 June, 1993	100.00	97.55	100.00
25 June, 1993	100.00	97.54	87.00
2 July, 1993	100.00	97.55	100.00
9 July, 1993	100.00	97.56	100.00
16 July, 1993	150.00	97.60	150.00
23 July, 1993	250.00	97.60	250.00
30 July, 1993	250.00	97.62	250.00
6 August, 1993	350.00	97.69	350.00
13 August, 1993	450.00	97.72	450.00
20 August, 1993	500.00	97.74	500.00
27 August, 1993	500.00	97.76	500.00

Table VIII-39 : Market Borrowings of Government of India 1992-93

(Rs crores)

Date of Auction/ Date of Issue	Notified Amount	No. of Bids Received	Total Face Value Bids Received	No. of Bids Accepted	Total Face Value of Bids Received	Cut-off Price/ Yield	Loans Issued	Face Value	Cash	Conver-sion	Gross Market Borrowings	Repayment in Cash for un-covered Maturing Securities	Net Market Borrowings Col.(12-13+11)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
3.6.92/5.6.92	1,000.00	100	1,479.05	21	713.25	12.00	12.00 Govt.Stock (1997)	10,000.00	1,000.00	-	1,000.00		
3.7.92/5.7.92	1,000.00	80	1,390.50	56	646.50	12.75	12.75% Govt.Stock (2002)	10,000.00	1,000.00	-	1,000.00		
1.12.92/3.12.92	1,000.00	82	660.50	26	261.25	12.30	12.30% Govt.Stock (1998)	10,000.00	1,000.00	-	1,000.00	1,005.40	3,670.00
1.2.93/3.2.93	1,000.00	76	770.56	59	628.56	12.60	12.60% Govt.Stock (2000)	10,000.00	1,000.00	-	1,000.00		
26.2.93/27.2.93	820.85	59	575.00	20	357.29	12.70	12.70% Govt.Stock (2001)	10,000.00	1,000.00	145.45	820.85		
Total	4,820.85	397	4,875.61	182	2,606.85			50,000.00	5,000.00	145.45	4,820.85	1,005.40	3,670.00

Table VIII-40 : Net Market Borrowings of Local Authorities and Institutions Sponsored by the Central and State Governments

(Rs. crores)

Institutions	1991-92	1992-93
1	2	3
A. Local Authorities		
Municipal Corporations	33.90	61.34
B. Institutions Sponsored by the Central Government	2,688.00	1,749.46
1. Industrial Devlopment Bank of India	1,177.00	500.00
2. Industrial Credit & Investment Corporation of India	385.00	–
3. Industrial Finance Corporation of India	440.00	439.96
4. Exim Bank	70.00	70.00
5. Industrial Reconstruction Bank of India	72.00	90.00
6. National Bank for Agriculture and Rural Development	99.00	100.00
7. Rural Electrification Corporation	53.00	30.00
8. Housing & Urban Development Corporation	77.00	40.00
9. National Co-op.Development Corporation	70.00	40.00
10. Damodar Valley Corporation	50.00	30.00
11. Shipping Credit &Investment Corporation of India	38.00	–
12. Delhi co-operative Housing Society Ltd.	22.00	20.00
13. National Housing Bank	88.00	45.00
14. Power Finance Corporation	22.00	14.50
15. Tourism Finance Corporation of India	25.00	–
16. Small Industrial Development Bank of India	–	330.00
C. Institutions Sponsored by State Governments	1,062.24	1,058.99
1. State Electricity Boards	578.99	501.69
2. State Financial Corporations	363.00	350.02
3. Industrial Investment Corporation and Industrial Development Corporations	23.30	17.54
4. Land Development Banks	1.91	–
5. Housing Boards	14.17	14.54
6. Other Institutions	80.87	175.20
D.Grand Total (A+B+C)	3,750.24	2,808.45

CHAPTER IX

CAPITAL MARKET

Overview

During the year 1992-93, the new issues market witnessed an unprecedented upsurge in activities both in terms of number and volume of capital issues. According to provisional data, new capital issues by the non-Government public limited companies at Rs.19,825.6 crore through 1037 issues recorded a rise of 244.4 per cent in volume and 100.6 per cent in number. However, only Rs.1,062.5 crore could be raised through PSU bonds during the year as against the targeted amount of Rs.6,290.6 crore. In 1991-92, Rs.5,210.8 crore were mobilised through such bonds.

The secondary market, on the other hand, had virtually a sustained slide during the year excepting for temporary upsurges in September 1992 and February 1993. Detection of the irregularities in securities transactions had a cramping effect on the stock markets from which the markets could hardly recover. Reflecting this, the RBI All-India (Weekly) Index Numbers of Ordinary Share Prices (Base: 1980-81=100) decelerated by 39.9 per cent during 1992-93, on a point-to-point basis, as against the phenomenal net gain of 181.4 per cent in 1991-92.

The sanctions and disbursements by the All-Financial Institutions (i.e., All-India and State-level Financial Institutions) during 1992-93, at Rs.31,107.5 crore and Rs.21,304.9 crore, respectively, recorded a significant rise of 36.0 per cent and 33.9 per cent, respectively, over the previous year.

A number of important policy announcements relating to capital market were made during 1992-93 with a view to promoting and strengthening the market and bringing it closer to international standards. In this direction, SEBI issued guidelines/regulations on a variety of aspects. The Government of India and the Reserve Bank also initiated a number of policies. Under the emerging competitive scenario, the financial institutions had taken steps to re-orient and diversify their operations and they had to raise significant proportion of their fund requirements at market-related rates in view of the constraints in the availability of funds from concessional sources. The Rangarajan Committee on Disinvestment of Shares in Public Sector Enterprises submitted its Report in April, 1993.

Policy Initiatives and Developments

During the year 1992-93, far-reaching policy initiatives and developments took place in the area of capital market. These along with subsequent developments are discussed in brief here.

The Securities and Exchange Board of India (SEBI)

It was mentioned in the last year's Report that SEBI had been vested with wide ranging powers with a view to promoting the development of the capital market and to effectively regulate it. SEBI, during 1992-93, issued a number of guidelines covering different aspects of its jurisdiction and responsibilities.

After the abolition of the Capital Issues Controls with effect from May 29, 1992, SEBI was made the regulatory authority for new issues of companies. As discussed in the last year's Report, SEBI issued guidelines for disclosures and investor protection (followed by a series of clarifications) to be observed by the companies coming out with capital issues in the primary market. The clarification VII to these guidelines was issued by SEBI on August 10, 1993 which provided for substantial modifications in respect of promoter contribution for issue of capital at premium by a new company being promoted by existing companies having a track record, minimum promoter contribution from friends/relatives, and reservations to various institutions/persons such as mutual funds, financial institutions/foreign institutional investors, eligible employees and shareholders.

SEBI issued a separate set of guidelines for development financial institutions in September 1992 for disclosure and investor protection regarding their raising of funds from the market. As per the guidelines, there is no need for promoter's contribution. Besides, underwriting is not mandatory. Moreover, free pricing is permitted subject to consistent track record for three years and credit rating is compulsory for debentures and bonds of more than 18 months.

In exercise of the powers conferred by Section 29 of the Securities and Exchange Board of India (SEBI) Act, 1992, the Central Government announced the SEBI (Stock Brokers and Sub-Brokers) Rules 1992 on August 20, 1992. Accordingly, no person can act as a Stock-Broker for the purpose of buying/selling or dealing in securities, unless he holds a certificate granted by SEBI and conditions for grant of such certificates have been laid down in the rules. SEBI issued regulations relating to Stock-Brokers and Sub-Brokers in October 1992 which, *inter alia*, cover registration of brokers and sub-brokers, their general obligations and responsibilities, procedures for inspection of their operations and actions to be initiated in case of default.

SEBI issued regulations pertaining to "Insider Trading" in November 1992 prohibiting dealings, communication or counselling in matters relating to insider trading. It also empowers SEBI to investigate into matters relating to insider trading.

SEBI's regulations on Merchant Bankers issued in December 1992 brought the merchant bankers under its regulatory framework. It covers, among other things, registration of merchant bankers, their obligations and responsibilities, procedures for inspection and action to be initiated against defaulting merchant bankers.

SEBI, by a notification in January 1993, sought to regulate the activities of Portfolio Managers covering, *inter alia*, their registration, code of conduct, inspection of their books of accounts and actions to be initiated in case of default.

Regulations on mutual funds issued by SEBI in January 1993 cover activities of mutual funds excepting those of money market mutual funds established for investments exclusively in money market instruments and mutual funds established outside India. It lays down details relating to registration, constitution and management of mutual funds, investment objectives and valuation policies, general obligations of the mutual funds, inspection and disciplinary proceedings and procedures for action in case of default.

SEBI issued regulations relating to registrars to issues and share transfer agents effective from May 31, 1993. The regulations stipulate, *inter alia*, the capital adequacy requirements, general obligations and responsibilities, procedures for inspection, and actions in case of default.

SEBI issued guidelines in August 1993 for introduction of market makers in Indian stock exchanges. Market makers would be introduced in a phased manner starting with the stock exchanges of Bombay, Calcutta, Delhi and Madras. Market makers would be approved by SEBI taking into account the recommendations of the concerned stock exchanges and after considering their financial strength under various criteria. Each market maker approved by SEBI would be required to make a market for a minimum of 5 scrips, initially, for those which are not included in the BSE National Index. Each market maker will be required to acquire atleast 30,000 shares in each of the scrip. The market maker would be required to give a continuous two-way quote for the scrips he/she has been authorised to deal. The buying and selling spreads would be determined by the supply and demand conditions prevailing in the market.

Government of India

Operational guidelines for investments by foreign institutional investors (FIIs) were issued by the Government of India in September 1992, the details of which were discussed in the last Report. By end-July 1993, 56 FIIs have registered themselves with SEBI and RBI.

The Government of India raised the interest rate on tax-free PSU bonds to 10.5 per cent with effect from November 25, 1992.

The Government of India issued notification facilitating corporate membership in the stock exchanges in November 1992 amending Rule 8 of the Securities Contracts (Regulation) Rules, 1957. As per the revision, a company, as defined in the Companies Act, 1956 shall be eligible to be elected as a member of a stock exchange subject to certain conditions. In this connection it may be mentioned that Delhi and Calcutta stock exchanges have already enrolled corporate members and other exchanges are taking steps in this direction.

Reserve Bank of India

The Reserve Bank of India, in its credit policy announcement of April 1993, indicated the formation of Securities Trading Corporation of India to promote and develop secondary market in Government securities and public sector bonds. Its initial capital would be Rs.500.0 crore and the ownership of the Corporation would be broad-based covering Reserve Bank of India, commercial banks, co-operative banks, financial institutions, mutual funds and public sector units. Further, the freeze on outstanding loans to individuals against shares and debentures/bonds imposed in October 1991 was withdrawn and the minimum margin for such loans was reduced to 50 per cent effective April 8, 1993 from the earlier level of 75 per cent.

Alongwith the guidelines for market makers issued by SEBI, RBI came out with the following guidelines on August 5, 1993 for granting advances to market makers by scheduled commercial banks.

i) Market makers who have been approved by SEBI would be eligible to approach scheduled commercial banks for grant of advances;

ii) While granting advances to market makers, scheduled commercial banks may exercise their commercial judgment in determining the working capital requirements;

iii) Banks may prescribe normal prudential margins based on their commercial judgment while providing advances to market makers. It is clarified that the existing minimum margin of 50 per cent on loans to individuals against shares, debentures/bonds would not be applicable to bank advances to market makers;

iv) The prescribed interest rate on such advances will depend upon the amount borrowed; the banks are free to determine the rate of interest on credit limits over Rs.2 lakh which is subject to a minimum of 16 per cent at present;

v) Banks may accept as collateral for the advances to the market makers scrips other than the scrip in which the market making operations are undertaken;

vi) The credit limits to market makers should be determined by the banks taking into account the market making operations;

vii) Banks should ensure that advances provided for market making are not diverted for investment in shares other than the scrip earmarked for market making purpose. For this purpose, a suitable follow-up and monitoring mechanism must be evolved; and

viii) Under the existing guidelines, it is stipulated that loans not exceeding Rs.5 lakh can be provided to an individual borrower for meeting contingencies and needs of personal nature or for subscription for rights or new issues of shares/debentures or secondary market purchases against the security of existing shares, debentures/bonds. The ceiling of Rs.5 lakh would not be applicable to market makers.

Other Developments

During the year, the financial institutions came out with new services/products and set up new organisations. IDBI, as the nodal agency, is setting up the National Stock Exchange of India Ltd. for comprehensive, nation-wide, screen-based trading. IDBI is also setting up a credit rating agency viz. Credit Analysis and Research Ltd. (CARE), a company in the name of Investor Services of India Ltd.(ISL) for transfer and custodial services and a joint venture to undertake a full range of investment banking activities. Financial institutions like ICICI, UTI and HDFC are planning to diversify into banking business and they have got approval in-principle to set up commercial banks.

The resources position of the term lending institutions underwent drastic changes with the reduced availability of concessional resources through guaranteed bonds, and with the Reserve Bank making no allocation into the Long-Term Operations (LTO) Fund. The institutions have, therefore, proposed to resort to borrowing at market-related rates in the capital market.

The financial institutions effected a two-stage reduction in lending rates, in November 1992 and March 1993 in line with the lending rates charged by the commercial banks. It may be mentioned that the interest rates on financial assistance provided by term-lending institutions were made flexible with effect from August 16, 1991 and they are now charging interest rates in accordance with the perceived risk and credit-worthiness of their borrowers. The interest rate band of the financial institutions as at end-June, 1993 ruled around 17-19 per cent .

The Committee on Disinvestment of Shares in Public Sector Enterprises, with Dr. C. Rangarajan as its Chairman, submitted the Report to the Government in April 1993. The Committee recommended that the limit of Government ownership be 51 per cent in respect of units reserved for the public sector, which could be reduced to 26 per cent for other PSEs. The Committee recommended broadening of the clientele so as to include the general public, mutual funds, NRIs and foreign investors, employees and other stakeholders. The Committee also recommended the setting up of a Standing Committee on Public Enterprise Disinvestment to guide the public enterprises and Government in preparatory measures for disinvestment.

Primary Market

1. Approvals by CCI and SEBI for raising capital

Approvals for capital issues to Government and non-Government companies given by the Controller of Capital Issues (CCI) till end-May 1992 and clearance of offer documents by the Securities and Exchange Board of India (SEBI) thereafter for raising capital in the form of equities (including premium), debentures/bonds and bonus shares (excludes bonus shares from June 1992 onwards) aggregated Rs.21,221.0 crore during 1992-93, registering an increase of 9.4 per cent over those in the preceding year. The bulk of the approvals was accounted for by non-Government public limited companies (Statement No. 79 in Volume II of the Report).

i) Approvals/clearance given to non-Government Companies

During 1992-93, CCI gave consents/acknowledgements for raising capital by way of equities/debentures/bonds till May, 1992 amounting to Rs.2,245.0 crore to the non-Government public limited companies. After the abolition of Capital Issues Control with effect from May 29, 1992, SEBI has been vetting letters of offers/prospectuses of the non-Government companies. During 1992-93 (June-March), SEBI cleared offer documents to the tune of Rs.18,596.0 crore. The total approvals during 1992-93 (CCI and SEBI together) in respect of non-Government companies aggregated to Rs.20,841.0 crore. Instrument-wise, approvals for equities at Rs.10,183.0 crore, registered an increase of 137.3 per cent over the preceding year. Approvals for debentures/bonds aggregated Rs.10,658.0 crore recording 32.4 per cent rise over those in 1991-92. The share of equities in total approvals shot up to 48.9 per cent during the year from 34.8 per cent in 1991-92. Correspondingly, the share of debentures/bonds declined from 65.2 per cent in 1991-92 to 51.1 per cent.

ii) Approvals to Government Companies

According to available information, approvals/clearance given by the CCI and SEBI to Government companies for raising capital aggregated Rs.380.0 crore through 3 issues during 1992-93 as against Rs.7,061.0 crore through 20 issues during 1991-92.

2. New Issues Market

The market for new issues exhibited accelerated activities in 1992-93 reflecting in part the abolition of Capital Issues Controls with effect from May 29, 1992 and the freeing of the pricing of issues that followed as a consequence. According to the data compiled by the Reserve Bank of India, during 1992-93, there were 1037 new issues amounting to Rs.19,825.6 crore registering a 244.4 per cent increase over those in the previous year (Table IX-1).

The data on new issues indicate that the amount of equities and debentures was almost equally split. Equity issues at Rs.9,981.1 crore (through 867 issues) stood substantially higher than those in 1991-92. There was only one preference share issue for Rs.0.5 crore during 1992-93 as against Rs.1.5 crore for 3 issues in 1991-92. Debenture issues aggregated Rs.9,844.0 crore (through 169 issues) in 1992-93 recording a rise of 144.6 per cent over the preceding year (Rs.4,024.0 crore through 146 issues). The amount of convertible debenture issues went up by 124.9 per cent and non-convertible debentures spurted up by 275.5 per cent during the year under review.

A notable feature during the year was the floatation of a record number of 34 mega issues (a mega issue being defined as one for a minimum of Rs.100 crore) to raise an amount aggregating Rs.8,971.8 crore. This consisted of 8 prospectus issues amounting to Rs.2,653.1 crore and 26 rights issues for Rs.6,318.7 crore. In contrast, there were only 9 mega issues aggregating Rs.1,984.7 crore during 1991-92 (7 rights issues for Rs.1,676.4 crore and 2 prospectus issues for Rs.308.3 crore).

The year also witnessed a spurt in equity issues with 'premium', particularly, in the form of rights issues. There were 324 equity issues floated at 'premium' as against 58 such issues in 1991-92. The total amount of premium in respect of such issues at Rs.5,184.1 crore constituted 51.9 per cent of the total equity issues during 1992-93 (Rs.227.5 crore or 13.1 per cent in 1991-92)

The number of issues by new companies (i.e., companies which have made public issues for the first time since their incorporation as public limited companies under the Companies Act, 1956 which may or may not have commenced commercial production/business) during 1992-93 increased to 201 from 108 in 1991-92. The amount of issues by the new companies during 1992-93 at Rs.3,204.2 crore indicated a sharp increase of 258.5 per cent over the preceding year (Rs.893.9 crore in 1991-92). In regard to issues by existing companies, the number as well as amount of issues showed spectacular progress. The number of issues of existing companies moved up from 409 to 836, while the amount of issues sharply increased to Rs.16,621.4 crore from Rs.4,862.9 crore in 1991-92 (Table IX-2).

During the first quarter of 1993-94 (i.e., April-June, 1993), the activities in the primary market continued to be hectic with total capital issues of Rs.4,025.4 crore through 200 issues. The amount of issues was, however, lower by 7.3 per cent as compared to the amount issued during the corresponding quarter of the previous year (Rs.4,342.4 crore through 198 issues). While the amount in respect of equity issues showed a rise of 23.7 per cent, in respect of debentures there was a decline of 30.4 per cent. The number of mega issues at 9 was higher in 1993-94 (April-June) than the 7 in the corresponding quarter of 1992-93, whereas the volume of mega issues at Rs.1,694.4 crore was lower by Rs.1,371.7 crore over the corresponding period of the preceding year.

In recent years, a host of innovative/hybrid instruments have been introduced in the capital market after accounting for the various preferences of investors and issuers or borrowers. These instruments are : a) Secured premium notes with detachable warrants, (b) Non-convertible debentures with detachable equity warrants, (c) Zero interest equity shares with detachable equity warrants and (d) Fully convertible cumulative redeemable preference shares. Available information show that issues for Rs.4,703.0 crore have been floated through these instruments in the market during 1992-93 as against Rs.198.0 crore in the preceding year.

Box 5

Innovative/Hybrid Financial Instruments introduced in New Issues Market

A few innovative instruments have been introduced in the Indian capital market in recent years. These instruments are basically synthetic in nature as derivative instruments are yet to be allowed in the market. The important characteristic features of the major innovative/hybrid instruments are set out below.

I. Secured Premium Notes (SPN) with Detachable Warrants

SPN, which is issued along with a detachable warrant, is redeemable after a notified period, say, 4 to 7 years. The warrants attached to it ensure the holder the right to apply and get allotted equity shares, provided SPN is fully paid.

There is a lock-in-period for SPN during which no interest will be paid for the invested amount. The SPN holder has an option to sell back the SPN to the company at par value after the lock-in-period. If the holder exercises this option, no interest/premium will be paid on redemption. In case, the SPN holder holds it further, the holder will be repaid the principal amount along with additional amount of interest/premium on redemption in instalments, as decided by the company. The conversion of detachable warrant into equity shares will have to be done within the time limit notified by the company.

II. Non-Convertible Debentures (NCDs) with Detachable Equity Warrants

The holder of NCDs with detachable equity warrants is given an option to buy a specific number of shares from the company at a pre-determined price within a definite time frame.

The warrants attached to NCDs will be issued subject to full payment of NCDs value. There is a specific lock-in-period after which the detachable warrant holders have to exercise their option to apply for equities. If the option to apply for equities is not exercised, the unapplied portion of shares would be disposed of by the company at its liberty.

III. Zero Interest Fully Convertible Debentures (FCDs)

The investors in zero interest fully convertible debentures will not be paid any interest. However, there is a notified period after which fully paid FCDs will be automatically and compulsorily converted into shares.

There is a lock-in-period up to which no interest will be paid. Conversion is allowed only for fully paid FCDs. In the event of company going for rights issue prior to the allotment of equity resulting from the conversion of equity shares into FCDs, FCD holders shall be offered securities as may be determined by the company.

Box 5 (Concld.)

IV. Equity Shares with Detachable Warrants

In this category, along with fully paid equity shares, detachable warrants are issued which will entitle the warrant holder to apply for a specified number of shares at a determined price.

Detachable warrants are separately registered with the stock exchanges and traded separately. The terms and conditions relating to issue of equities against warrants would be determined by the company.

V. Fully Convertible Cumulative Preference Share (Equipref)

Equipref is a very recent introduction in the market. It has two parts: A and B. Part A, is convertible into equity shares automatically and compulsorily on the date of allotment without any further act or application by the allottee and part B will be redeemed at par/converted into equity shares after a lock-in-period at the option of the investors.

Conversion into equity shares after the lock-in-period will take place at a price which would be 30 per cent lower than the average market price. The average market price shall be the average of the monthly high and low price of the shares in a stock exchange for a period of six months to the date of conversion including the month in which the conversion would take place.

The dividend on fully convertible cumulative preference shares shall be fixed and shall be given only for the portion that represents part B shares. Upon conversion of each part of the equipref shares, the face value of it will stand reduced proportionately and the equipref shares shall be deemed to have been redeemed to the extent of each part on their respective dates of conversion.

VI. Preference Shares with Warrants attached

Under this instrument, each preference share should carry certain number of warrants entitling the holder to apply for equity shares for cash at 'premium' at any time in one or more stages between the third and fifth year from the date of allotment. If the warrant holder fails to exercise his option, the unsubscribed portion will lapse. The holders of warrants would be entitled to all rights/bonus shares that may be issued by the company. From the date of allotment, the preference shares with warrants attached would not be transferred/sold for a period of three years.

VII. Secured Zero interest Partly Convertible Debentures (PCDs) with Detachable and separately tradeable Warrants

This instrument has two parts - part A is convertible into equity shares at a fixed amount on the date of allotment and part B - non-convertible, to be redeemed at par at the end of a specific period from the date of allotment. Part B will carry a detachable and separately tradeable warrant which will provide an option to the warrant holder to receive equity share for every warrant held at a price as worked out by the company.

VIII. Fully Convertible Debentures (FCDs) with interest (Optional)

This instrument will not yield any interest for a short period, say 6 months. After this period, option is given to the holders of FCDs to apply for equities at 'premium' for which no additional amount needs to be payable. This option needs to be indicated in the application form itself. However, interest on FCDs is payable at a determined rate from the date of first conversion to second/final conversion and in lieu of it equity shares will be issued.

3. Public Sector Bonds

According to available information, five Public Sector Undertakings (PSUs) raised Rs.1,062.5 crore during the year 1992-93 through issue of bonds. These bonds were totally privately placed with banks (Rs.9.5 crore) and financial institutions (Rs.1,053.0 crore). Of the total PSU bonds issued, Rs.10.5 crore constituted tax-free ones, issued at 10.5 per cent rate of interest and the remaining issues were taxable and attracted interest rate of 18 per cent.

The details in respect of capital raised by the PSUs through issue of bonds since 1985-86 are given in Table IX-3.

Secondary Market

1. Industrial Security Market

Contrary to the unprecedented buoyancy witnessed during 1991-92, the stock markets remained subdued during most of 1992-93 as a fall out of the detection of irregularities in securities transactions. Reflecting the trend, the RBI All-India (Weekly) Index Numbers of Ordinary Share Prices (Base : 1980-81=100) drifted downward sharply from 1485.4 for the week ended March 28, 1992 to 892.1 for the week ended March 27, 1993, thereby, registering a net loss of 39.9 per cent over the year, on a point-to-point basis, against the phenomenal net gain of 181.4 per cent during the preceding year (Table IX-4). The monthly average of the index, however, showed a rise of 47.1 per cent against the higher rise of 55.1 per cent in 1991-92. The average gross yield of the scrips included in the RBI index went down to 1.69 for the year 1992-93 from 2.09 in 1991-92.

Trends in Share Prices during 1992-93 and first quarter of 1993-94

i) Quarter-wise trends:

During the first quarter of 1992-93, i.e., April-June 1992, equity prices witnessed a deceleration after the RBI Index reached all time peak of 1656.9 for the week ended April 4, 1992. The Index for the week ended June 27, 1992 at 1157.5 indicated a fall of 30.1 per cent from the peak level (Table IX-5). The sharp decline in equity prices was triggered by the detection of the irregularities in securities transactions involving banks, financial institutions and stock brokers. Although the depressed sentiment continued in the second quarter, i.e., July-September, 1992, a short recovery in equity prices was noticed after the middle of August 1992. The index for the week ended September 26, 1992 stood at 1234.1, registering a net gain of 6.6 per cent for the quarter. There was considerable erosion in share prices during the third quarter, i.e., October-December 1992 on account of various adverse factors such as announcement of discouraging half yearly results by many big companies, the political uncertainty and social disturbances besides the entry of large number of companies with rights/public issues posing liquidity problems in the secondary market. Reflecting this trend, the index declined to 998.2 for the week ended December 26, 1992, registering a fall of 19.1 per cent during the quarter. The subdued trend continued during the last quarter of the financial year as well, notwithstanding the temporary revival witnessed during February 1993. The index declined to 892.1 for the week ended March 27, 1993 showing a loss of 10.6 per cent over the quarter. The series of bomb blasts in Bombay on March 12, 1993 including the one in the Bombay Stock Exchange (BSE) could be partly responsible for the continuation of the subdued sentiment till the end of the year, although swift arrangements by the BSE authorities to resume trading had ensured that panic had not struck the investors.

ii) Industry-wise trends:

The industry-wise analysis as reflected by the RBI Index Numbers of Ordinary Share Prices showed that all the industry groups, with the exception of Aluminium, showed net losses. The industry groups which recorded substantial declines were Cement (66.2), followed by Rubber and Rubber Products (63.6), Man-made Fibres (59.2), Paper and Paper Products (56.9), Shipping (55.6), Cotton Textiles (52.8) and Electrical and Electronic Machinery (50.0). Aluminium industry, however, recorded a gain of 6.5 per cent (Table IX-6).

iii) Share price trend during first-quarter of 1993-94 :

During the first quarter of the financial year 1993-94 (i.e., April-June, 1993) the equity prices displayed a mixed trend, though the overall trend continued to be subdued. While the RBI Index went down by 6.9 per cent in April 1993, it edged up by 4.7 per cent in the month of May 1993 before recording a decline of 1.8 per cent in June 1993. The index for the week ended June 26, 1993 at 853.7 indicated a net loss of 4.3 per cent over the level for the week ending March 27, 1993. The average of the RBI index for the quarter April-June, 1993 at 852.0 was 38.0 per cent lower compared to the average index for the corresponding previous quarter, i.e., April-June, 1992.

2: Operations of Bombay Stock Exchange (BSE)

The Bombay Stock Exchange (BSE) Sensitive Index (Base: 1978-79=100) showed the same trend during 1992-93 as that of the RBI Index of Ordinary Share Prices, discussed earlier (Table IX-6A). The other major indicators, viz., monthly turnover, market capitalisation and price-earning(P/E) ratio also reflected the subdued trend witnessed in the secondary market during the year 1992-93. The average monthly turnover of the BSE at Rs.3,808.0 crore recorded a decline of 36.3 per cent over the year. The P/E ratio of the 30 scrips included in the BSE Sensitive Index showed a declining trend from the high level of 52.6 in April 1992 to 29.3 in the March 1993, excepting temporary upsurges in September 1992 and February 1993. The average monthly P/E ratio for the year 1992-93 at 36.2 was, however, much higher than that of 1991-92 (26.0). The market capitalisation of the shares at BSE aggregated Rs. 2,10,952 crore at end-March 1993 which was 34.8 per cent lower as compared with Rs.3,23,363 crore, a year ago. Market capitalisation as a percentage of gross domestic product, which was as high as 53.1 in 1991-92, came down to 30.0 during the year 1992-93.

The BSE authorities took several steps during 1992-93 to streamline stock market operations. These included introduction of circuit breaker mechanism, beginning of weekly settlement for non-specified securities and commencement of a new trading ring.

3. Over the Counter Exchange of India (OTCEI)

OTCEI, which was set up in August 1989, became operational on September 29, 1992 and trading operations started on October 6, 1992. By end-March 1993, 7 scrips were listed with OTCEI (increased to 8 scrips by end-June, 1993). The monthly turnover of OTCEI moved upto Rs.40.1 lakh during March 1993 from Rs.16.9 lakh in October 1992. OTCEI has decided to offer the benefit of their trading to investors for shares currently listed on other exchanges. The trading on 25 Permitted Securities will commence very shortly. OTCEI has started trading in debt instruments with effect from May 20, 1993 with Infrastructure Leasing and Financial Services Ltd., (IL&FS) as the compulsory market maker.

Open Market Operations And Internal Debt Management

During the fiscal 1992-93, both sales and purchases of Central Government securities under Reserve Bank's Open Market Operations were much higher than in 1991-92. Net sales of Central Government securities at Rs.5,520.1 crore were also substantially higher as compared with the net sales of Rs.4,082.3 crore in the previous year.

Since the beginning of 1992-93, an increasing role is being given to open market operations as an instrument of monetary policy. Accordingly, various steps have been taken to alter the composition, maturity structure and yield of government securities. As mentioned in the last Report, both Central Government's long-dated securities as well as 364-day Treasury bills were placed on auction basis in 1992-93. Since January 1993, 91-day Treasury bills were also sold in auctions. The maturity structure of dated securities has been shortened from 20 years to 15 years in 1991-92. The Reserve Bank also introduced sale of securities from its own account on the basis of repurchase agreement (Repo). The State Government dated securities, are however, sold, as before, at fixed coupon rates. Their maturity period was shortened to 10 years in 1993-94, and the coupon rate was fixed at 13.5 per cent. This serves as a fixed maximum rate. The yield rates have improved significantly over the last two years, details of which are given in Statement 84 of Vol. II. To facilitate banks to hold securities, a new refinance facility called Government Securities Refinance Facility was introduced effective October 1992.

Yet another development relates to the sale/purchase list of the Reserve Bank. The Bank now offers for sale only a select number of securities which it wishes to undertake, in response to market conditions, instead of maintaining a list including all dated-securities in its portfolio. Also the Reserve Bank has put on its purchase list a couple of securities for cash with a view to providing liquidity to at least a few securities.

Purchase of Central Government securities almost doubled to Rs.6,273.4 crore (93.3 per cent) while sales also increased markedly to Rs.11,793.5 crore (61.0 per cent) in 1992-93. As a result, there were net sales amounting to Rs.5,520.1 crore which were a third higher as compared with net sales of Rs.4,082.3 crore in 1991-92. If transactions effected out of surplus funds of Welfare Commissioner, Bhopal Gas Victims are taken into account, the position shows net sales of Rs.5,485.8 crore in 1992-93 as compared with the comparable net sales of Rs.4,043.9 crore in 1991-92 (Table-6 B).

During the first quarter of 1993-94, sales of Central Government securities amounted to Rs.568.2 crore while purchases amounted to Rs.446.3 crore. These were only 16 per cent and 8 per cent of the sales and purchases, respectively, during the first quarter of 1992-93. As a result, the net sales of Rs.121.9 crore were also much lower when compared with the net sales of Rs.4,193.6 crore in the corresponding quarter of 1992-93. There were no transactions under buy-back arrangement in the first quarter of both 1992-93 and 1993-94.

Buy-back Arrangement

As mentioned in the previous year's Report, effective April 1, 1992, no commercial banks and other institutions, other than Welfare Commissioner, Bhopàl Gas Victims (earlier Registrar General of the Supreme Court), can have buy-back arrangements in Government of India dated securities. As on March 31, 1993 such securities held by the Welfare Commissioner solely for the purpose of investing the funds held by him on behalf of victims of Bhopal Gas Tragedy, were valued at Rs.1,042.16 crore; the relative amount held on March 31, 1992 was Rs.932.94 crore.

Gilt-edged Market

The gilt-edged market displayed a subdued trend during 1992-93 with prices fluctuating within a narrow band (Statement 81 of Vol. II). The price index of Central Government securities as well as semi-government securities remained steady whereas the index of State Government securities declined by 0.2 percentage point. The maximum coupon rate of newly-issued Central Government securities stood higher at 12.75 per cent for a shorter maturity period (10 years) than the rate (12.50 per cent) for a 15-year security in 1991-92.

The all-India index of Government and semi-Government securities prices (base: 1980-81 = 100) opened at 89.0 and ruled at that level till end-August but it eased to 88.9 in the first week of September and remained at that level till March-end except for the week ended December 12, 1993 when it dipped to 88.6. During 1992-93 the index recorded a fall of 0.1 percentage point as compared with a rise of 0.2 percentage point in the previous year.

The price index of Central Government securities remained steady at 86.7 throughout 1992-93 with the exceptions of the weeks ended June 13 and 20, 1992, when the index rose fractionally to 86.8. Over the year, the index recorded no change as compared with a marginal increase of 0.2 percentage point in the previous year.

The index of State Government securities opened at 98.1 in April, and except for a brief dip to 97.8 in June, it continued at that level till August when it declined to 98.0. On December 12, 1992 the index declined further to 95.7 but recovered to the previous level in the following week where it ruled till the year-end. Over the year under review, the index declined marginally by 0.2 percentage point in contrast to a rise of 0.4 percentage point in the previous year.

The index of semi-government securities had remained stable at 98.9 throughout the year except in the week ended April 18, 1992 when it fell briefly to 98.2. Thus, over the year, the index recorded no change as compared to the 0.7 percentage point increase in the previous year.

In Bombay, the prices of all the Central Government securities remained steady in 1992-93, with the increase in the yield ranging between 0.01 per cent for long-dated securities and 8.20 per cent for short-dated securities. Only the yield of 11.50 per cent loan, 2006 decreased by 0.01 per cent.

Prices of all the State Government loans remained steady except for the 6.75 per cent loan, 1992 of West Bengal which decreased by Re.1.00.

During the first quarter of 1993-94 (April-June 1993) only the index of State Government securities registered some change. The all-India price index of Government and semi-government securities remained steady at 88.9 throughout the quarter. The price index of Central Government securities also remained stable at 86.7. But the index of State Government securities declined to 97.9 in the first week of April 1993, recovering to the previous level of 98.0 in the second week of April 1993. It again dipped to 97.7 in the first week of June 1993 and remained at that level till June-end. The price index of semi-Government securities remained stable at 98.9 throughout the quarter. In Bombay, the prices of all the Central Government securities remained steady in the first quarter of 1993-94 with increase in the yield ranging between 0.01 per cent and 4.55 per cent. Prices of all the securities of State Governments remained steady except for one security of Uttar Pradesh which declined by Rs.10.50.

Operations of All Financial Institutions @

During 1992-93, the assistance sanctioned by All Financial Institutions (AFIs) (net of inter-institutional flows) stood at Rs.31,107.5 crore, indicating an increase of 36.0 per cent over those in the previous year (Table IX-7). Disbursement of assistance by AFIs during the year at Rs.21,304.9 crore showed a rise of 33.9 per cent.

Institution-wise operations indicated that financial assistance sanctioned and disbursed by all-India Development Banks consisting of IDBI, IFCI, ICICI, SIDBI and IRBI registered a substantial rise over the previous year. During the year, sanctions of these Development Banks at Rs.20,897.9 crore and disbursements at

@ All Financial Institutions comprise All-India Development Banks viz., Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India Limited (IFCI), Industrial Credit and Investment Corporation of India Limited (ICICI), Small Industries Development Bank of India (SIDBI), Industrial Reconstruction Bank of India (IRBI), Specialised financial institutions viz., Risk Capital and Technology Finance Corporation Limited (RCTC), Technology Development and Information Company of India Limited (TDICI), SCICI Ltd. (formerly known as Shipping Credit and Investment Company of India Limited), Tourism Finance Corporation of India Limited (TFCI), Investment Institutions viz., Unit Trust of India (UTI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and its Subsidiaries and State-level Institutions viz., State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs).

Rs.13,906.9 crore registered increases of 24.7 per cent and 21.5 per cent, respectively, over those in the preceding year. Sanctions and disbursements of specialised financial institutions viz., RCTC, TDICI, SCICI, and TFCI also showed a phenomenal increase during the year. While sanctions by these institutions at Rs.929.5 crore witnessed an increase of 71.4 per cent, disbursements at Rs.579.6 crore showed a still higher increase of 136.2 per cent, over those in 1991-92.

Investment institutions (UTI, LIC and GIC and its Subsidiaries) combinedly registered substantial increase in their sanctions and disbursements during the year. These institutions sanctioned Rs.9,293.1 crore and disbursed Rs.6,963.6 crore during 1992-93; while sanctions were higher by 59.0 per cent, disbursements were up by 78.1 per cent compared to those in the preceding year. Total sanctions and disbursements of State-level institutions (18 SFCs and 26 SIDCs) during the year at Rs.3,291.3 crore and Rs.2,349.8 crore, respectively, registered increase of 9.6 per cent and 5.8 per cent, respectively.

The sanctions and disbursements of All-India Financial Institutions, during 1992-93, aggregated Rs.29,808.4 crore and Rs.20,288.0 crore, respectively. While the sanctions registered an increase of 34.9 per cent over the previous year, the disbursements showed an increase of 34.8 per cent.

1. Development Banks

i) Industrial Development Bank of India (IDBI)

Aggregate assistance sanctioned by IDBI during 1992-93 was Rs.9,459.4 crore registering a growth of 24.6 per cent over the previous year (Rs.7,590.0 crore). Disbursements of assistance at Rs.6,668.5 crore recorded an increase of 15.7 per cent over the previous year level of Rs.5,762.8 crore (Table IX-8). While the sanctions of the rupee loans increased by 18.0 per cent to Rs.4,956.3 crore, that of foreign currency loans spurted by 73.2 per cent to Rs.591.1 crore partly due to lifting of import curbs. Disbursements of foreign currency loans, during the year amounted to Rs.531.4 crore, registering an increase of 27.4 per cent over those in 1991-92. As regards assistance sanctioned for underwriting and direct subscriptions, it showed a significant increase, having moved up to Rs.681.2 crore in 1992- 93 from Rs.161.4 crore in 1991-92, reflecting the buoyancy in the primary market. The cumulative sanctions and disbursements of the IDBI as at end-March 1993 stood at Rs.64,695.5 crore and Rs.47,087.7 crore, respectively.

In order to provide a wide range of services under direct finance for meeting specific requirements of its customers, IDBI introduced new products/services viz., Venture Capital Fund and Technology Upgradation. Such assistance is also provided by way of Equipment Finance, Asset Credit and Equipment Leasing. During the year, the sanctions of direct finance went up by 42.1 per cent to Rs.7,064.4 crore covering 794 projects. Disbursements of direct assistance at Rs.4,881.7 crore, recorded a growth of 33.6 per cent. Sanctions by way of guarantees registered a more than two-fold increase to Rs.587.1 crore.

During 1992-93, IDBI provided assistance of Rs.7.0 crore to 18 projects from Venture Capital Fund Scheme. Disbursements during the year amounted to Rs.8.9 crore. Since the inception of the scheme upto the current year, venture capital assistance to the tune of Rs.46.8 crore was sanctioned to 70 projects, whereas cumulative disbursements aggregated Rs.38.3 crore. The predominant projects assisted under this scheme related to electronics, computer software and engineering equipment industries. For technological upgradation, IDBI sanctioned assistance to the tune of Rs.25.8 crore for 8 proposals during the year against which an amount of Rs.47.5 crore was disbursed. Cumulative sanctions and disbursements upto end-March 1993 for technology upgradation stood at Rs.204.9 crore and Rs.156.6 crore, respectively.

An important service provided by IDBI under non-project assistance related to Equipment Finance for Energy Conservation (EFEC) and Energy Audit Subsidy (EAS) and sanctions under these schemes aggregated to Rs.61.0 crore for 4 projects and Rs.2.8 lakh to 5 companies, respectively. Disbursements under the two schemes aggregated Rs.19.8 crore (Rs.19.7 crore for EFEC and Rs.1 lakh for EAS).

The IDBI was accorded category-I status by the SEBI to carry out merchant banking activities which cover professional advice and services to industry for raising capital from the market, acquisition of assets on lease and mergers/take-over of existing units. During the first year of its operation, the Merchant Banking Division became lead manager for 12 public and 23 rights issues involving Rs.1,450.0 crore and Rs.3,337.0 crore, respectively. Six more issues for an amount of Rs.341.0 crore opened during the year but closed in the next financial year. IDBI also commenced debenture trustee services to expand its product range through fee-based activities.

IDBI provided resources support to financial intermediaries during the year amounting to Rs.417.9 crore. IFCI, State-level Financial Institutions, etc., got a sanction of Rs.235.1 crore, while leasing companies accounted for sanctions amounting to Rs.182.8 crore.

Under the changing competitive environment, the resources raising pattern of IDBI underwent drastic changes with increased dependence on borrowings at market-related interest rates mostly due to substantial reduction in the allocation of Government guaranteed bonds and withdrawal of deposit schemes with tax incentives. Borrowings at market-related rates of interest accounted for 54.4 per cent of total borrowings during 1992-93 as against 32.1 per cent in 1991-92.

The total resources raised by IDBI during the year aggregated Rs.10,356.1 crore comprising Rs.3,929.2 crore of borrowings and Rs.6,426.9 crore by way of internal generation of funds. IDBI had raised Rs.810.0 crore from the domestic market through Government-guaranteed bonds as against Rs.1,177.0 crore in 1991-92. It has also issued three types of unsecured bonds, viz., Term Discount Bonds, Step Discount Bonds and Regular Return Bonds with a minimum targeted subscription of Rs.200.0 crore. An amount of Rs.697.9 crore was raised by way of Certificates of Deposits. The sale of 3 year Capital Bonds totalled Rs.205.0 crore during the year. The Reserve Bank during the year, provided resource support to IDBI to the tune of Rs.400.0 crore for providing assistance to commercial vehicle manufacturers, machinery manufacturers, hire purchase/equipment leasing companies and road transport corporations to enable them to step up their sales.

As far as multilateral lines of credit are concerned, IDBI resorted to the following major drawals during the year.

(i) Rs.40.2 crore (US $ 16.5 million) under the Asian Development Bank line of credit of US $ 100 million for on-lending to small and medium sectors.

(ii) Rs.193.6 crore under the various IBRD lines of credit routed through Government of India.

(iii) Rs.20.4 crore under the line of credit for Industrial Pollution Control Projects for which an amount of US $ 43.1 million was committed upto end-March 1993, and

(iv) Cumulative drawals upto end-March 1993, aggregating US $ 25.4 million under the IBRD lines of credit of US $ 101 million for Electronics Industry.

During the year, a third untied loan of Yen 15 billion was raised by IDBI from the Export-Import Bank of Japan. Against this facility, an amount of Yen 3.4 billion was committed and Yen 3 billion was drawn during the year. IDBI also entered into an agreement with Export-Import Bank of the United States and the Chemical Bank, USA for US Exim Bank Securitised Financing Facility for US $ 50 million. Further, IDBI entered into a loan agreement with Barclays Bank PLC, London for a line of credit of Italian Lira of 33.7 billion. During the year, an amount of DM 28.4 million was committed to IDBI under German lines of credit;

drawals during the year under these lines of credit amounted DM 35.5 million.

ii) Industrial Finance Corporation of India Ltd. (IFCI)

The Industrial Finance Corporation of India incorporated under IFC Act, 1948 has been converted into a limited company under the Companies Act, 1956 under the provisions of Industrial Finance Corporation (Transfer of Undertaking and Repeal) Bill, 1993 passed by Parliament on April 2, 1993. Consequent to this, a Company by name, The Industrial Finance Corporation of India Ltd. was formed and has started functioning as a public limited company with effect from July 1, 1993.

Financial assistance sanctioned by IFCI under various schemes amounted to Rs.2,492.0 crore (in respect of 444 projects) during 1992-93, recording a rise of 2.3 per cent over the year. The disbursements at Rs.1,732.5 crore were higher by 8.0 per cent as compared with those in 1991-92 (Table IX-9). Cumulatively, the assistance sanctioned since inception up to March 31, 1993 aggregated Rs.15,427.5 crore (in respect of 4,267 projects), while disbursements amounted to Rs.10,382.7 crore.

Component-wise, sanctions of rupee loans during 1992-93 at Rs.1,627.4 crore were lower by 3.9 per cent, while disbursements under this head rose by 16.2 per cent to Rs.1,350.3 crore. Sanctions in respect of foreign currency loans at Rs.265.9 crore were higher by 2.4 per cent, while disbursements declined by 11.6 per cent to Rs.278.6 crore, during the year. Sanctions by way of underwriting and direct subscriptions moved up by 47.3 per cent from Rs.184.4 crore to Rs.271.7 crore, while disbursements under this head were higher by 45.9 per cent from Rs.30.7 crore to Rs.44.8 crore. Sanctions by way of guarantees at Rs.221.3 crore were higher by 4.0 per cent while disbursements at Rs.30.3 crore were lower by 52.7 per cent.

The salient features of the assistance sanctioned during the year were: a) 116 new projects for Rs.911.8 crore, b) 40 projects of modernisation for Rs.173.6 crore, c) 13 projects under co-operatives for an aggregate amount of Rs.40.3 crore, and d) 196 projects in notified backward districts for Rs.1,070.8 crore.

Merchant Banking and Allied Services Department (MB&AD) of IFCI handled 144 merchant banking assignments during the year of which 56 related to public issue management, 63 assignments related to project appraisal for obtaining CCI/SEBI clearance, 23 debenture trusteeship assignments and two for loan syndication. Cumulatively, since inception in 1986 till March 31, 1993, MB&AD has handled 509 assignments, which included 211 public issue management helping to mobilise funds to the extent of Rs.2,996.0 crore.

So far as rupee funds are concerned, IFCI raised Rs.518.1 crore by issuing bonds during the year 1992-93. It borrowed Rs.200.0 crore from UTI, Rs.150.0 crore from LIC and Rs.50.0 crore from GIC. It further raised Rs.91.0 crore through Certificates of Deposits and Rs.4.6 crore through other sources.

During 1992-93, IFCI got a fresh allocation from Kreditanstalt-fur-Wiederaufbau (KfW) for DM 25.0 million and with the latest borrowing (XXVI) Line, the total amount of credit lines made available by KfW to IFCI amounted to DM 433 million as on March 31, 1993. IFCI also entered into Export Credit Agreement with Chemical Bank, New York during the year for US $ 50 million guaranteed by US Exim Bank, Washington. Under Chemical Bank Line of Credit, US $ 12 million were sanctioned. The sanction under ADB Line of Credit amounted to US $ 11 million and letters of credit for US $ 43 million were opened during the year. As on March 31, 1993 cumulative net sanctions in respect of Euro-Dollar loans amounted to US $ 379 million and Japanese Yen loans amounted to JY 27,355 million.

iii) Industrial Credit and Investment Corporation of India Limited (ICICI)

Financial assistance sanctioned and disbursed by ICICI during 1992-93 aggregated Rs.5,882.7

crore and Rs.3,315.2 crore, respectively, registering significant increases of 43.7 per cent and 41.0 per cent, respectively, over those in the preceding year (Table IX-10). The cumulative sanctions and disbursements at end-March 1993 stood at Rs.29,328.0 crore and Rs.18,499.3 crore, respectively.

During 1992-93, sanctions of rupee loans rose by 60.4 per cent to Rs.2,742.6 crore, while those by way of foreign currency loans declined by 25.0 per cent to Rs.581.7 crore. In regard to disbursements, while rupee loans during the year rose sharply by 74.7 per cent to Rs.1,862.6 crore, foreign currency loans at Rs.727.1 crore more or less remained at the previous year's level. This was partly due to the liberalised measures initiated on the availability of foreign currency for imported capital goods.

Sanctions by way of underwriting during the year at Rs.681.8 crore were significantly higher by 158.0 per cent over the previous year. Disbursements under this head also moved up sharply by 117.6 per cent to Rs.18.5 crore.

Sanctions by way of direct subscriptions moved up sharply from Rs.47.3 crore in 1991-92 to Rs.399.7 crore in 1992-93 and disbursements increased from Rs.71.3 crore to Rs.123.8 crore. Sanctions under financial services rose by 20.1 per cent to Rs.1,174.2 crore during the year. Disbursements under this head went up by 20.5 per cent to Rs.583.2 crore.

The assistance sanctioned to backward areas as a percentage of total sanctions formed 42.8 per cent during 1992-93 as compared to 51.4 per cent during 1991-92.

Sector-wise, as in the last year, private sector accounted for the largest share of the project (direct) finance at Rs.4,430.3 crore (94.1 per cent) followed by joint sector, at Rs.164.1 crore (3.5 per cent), public sector Rs.99.4 crore (2.1 per cent) and co-operative sector Rs.14.8 crore (0.3 per cent).

During the year, the Merchant Banking Division of ICICI completed 201 assignments and helped its clients in raising Rs.8,359.0 crore, including Rs.7,628.0 crore from the capital market.

ICICI mobilised resources aggregating Rs.2,747.0 crore during 1992-93 in rupee as well as foreign currency of which Rs.2,368.0 crore were mobilised from the domestic market.

ICICI during the year, raised foreign currency lines of credit equivalent to US $ 120 million. It also signed two agreements with Kreditanstalt fur Wiederaufbau (KfW) for DM 54 million, two agreements aggregating SF 40 million for financing imports from Switzerland, and an agreement for BF 250 million for financing imports from Belgium. In addition to this, the Corporation entered into an agreement for a line of credit of US $ 50 million under which medium term notes would be placed in the US market with the guarantee of Exim Bank of the US.

During 1992-93, ICICI introduced two projects with the help of USAID i.e., (i) Agricultural Commercialisation and Enterprise (ACE) Project and (ii) Trade in Environmental Services and Technologies (TEST) programme. The grant involved for the former is US $ 20 million and the latter US $ 25 million.

iv) Small Industries Development Bank of India (SIDBI)

Sanctions and disbursements of SIDBI during 1992-93 at Rs.3,549.9 crore and Rs.2,787.3 crore indicated rise of 4.2 per cent and 7.7 per cent, respectively, over those in the previous year (Table IX-11). A major part of the sanctions and disbursements was in the form of indirect finance. The direct component of financial assistance, however, showed a rising trend. SIDBI's assistance to backward areas by way of refinance and bills rediscounting, went down substantially during the year. Sanctions at Rs.823.9 crore witnessed a decline of 19.7 per cent, while disbursements at Rs.619.6 crore were lower by 14.8 per cent.

To widen its scope for larger coverage of schemes, SIDBI liberalised its terms of assistance and simplified systems and procedures apart from introducing new schemes during the year.

The scope of Single Window Scheme (SWS) was enlarged to cover units in identified areas; the extent of refinance against cash credit sanctioned by banks under SWS was raised from 50 to 75 per cent; the limit of term loans under the Automatic Refinance Scheme (ARS) was enhanced from Rs.10 lakh to Rs.50 lakh and the extent of refinance from 75 to 90 per cent, and the ARS was extended to cover seven additional schemes during the year.

SIDBI introduced firstly equipment financing for assistance to existing well-run small-scale units for technology upgradation/modernisation during the year.

Secondly, a refinance scheme envisaging resettlement of voluntarily retired workers of National Textile Corporation (NTC) and helping them in purchase of looms-maximum upto four looms from it was introduced.

Thirdly, a venture capital fund with an initial corpus of Rs.10 crore was created during the year. Entrepreneurs with assistance under conventional route are eligible for assistance under this Fund.

SIDBI got itself enrolled as member of OTCEI during the year, thus improving prospects for the larger among the small-scale units to get access to capital market through OTCEI in cost-effective manner.

SIDBI raised resources to the tune of Rs.513.3 crore during the year through a) Contribution of Government of India to National Equity Fund (NEF), b) ADB Line of Credit, c) SLR bonds, and d) Public issue of unsecured bonds.

v) Industrial Reconstruction Bank of India (IRBI)

Sanctions by the IRBI at Rs.294.3 crore during 1992-93 showed a 6.0 per cent increase over the year, while disbursements of Rs.183.9 crore were the same as in the preceding year (Table IX-12). The analysis of component-wise assistance sanctioned by IRBI indicated that 'term loans' accounted for as much as 97.8 per cent of the total assistance sanctioned.

Of the 'term loans' sanctioned, the share of projects located in backward areas constituted 32.4 per cent during the year as against 23.4 per cent in 1991-92. During the year, disbursements to projects located in backward areas accounted for a share of 29.4 per cent as in the previous year.

Sector-wise, private sector continued tó dominate others with sanctions accounting for Rs.249.9 crore or 86.9 per cent of total sanctions, followed by public sector (7.0 per cent), joint sector (5.5 per cent) and co-operative sector (0.7 per cent). As in the past, IRBI laid emphasis during the year on modernisation of productive capacity and upgrading of technology.

vi) Risk Capital and Technology Finance Corporation Limited (RCTC)

Assistance sanctioned by RCTC during 1992-93 moved up by 35.1 per cent, from Rs.11.1 crore in 1991-92 to Rs.15.0 crore and disbursements by 23.8 per cent from Rs.8.4 crore to Rs.10.4 crore (Table IX-13). Cumulatively, sanctions aggregated Rs.71.1 crore and disbursements Rs.48.5 crore as at the end of March 31, 1993. Sizeable portion of sanctions and disbursements was accounted by Venture Capital Fund with a share of 66.7 per cent and 46.2 per cent, respectively.

vii) Technology Development and Information Company of India Limited (TDICI)

During 1992-93, sanctions by TDICI moved up from Rs.18.6 crore in 1991-92 to Rs.28.6 crore in 1992-93 recording a rise of 53.8 per cent over the year (Table IX-14). Disbursements also rose from Rs.17.8 crore in 1991-92 to Rs.23.2 crore in 1992-93 registering a rise of 30.3 per cent. Cumulative sanctions and disbursements by TDICI as at the end of March 1993 stood at Rs.81.2 crore and Rs.66.1 crore, respectively. The authorised capital of Venture Capital Unit Scheme-I (VECAUS-I) was increased from Rs.20.0 crore to Rs.30.0 crore during the year to facilitate follow-on finance to portfolio companies. TDICI has already received Rs.3.5 crore of additional capital from investors. The VECAUS-I fund has approved investments of an aggregate amount of Rs.25.8 crore in 42 companies. The VECAUS-II fund has so far approved investment of Rs.46.0 crore in 79 companies.

viii) SCICI Limited (formerly Shipping Credit and Investment Company of India Limited)

Shipping Credit and Investment Company of India Limited was renamed as SCICI Limited with effect from October 20, 1992. The total financial assistance sanctioned by SCICI Ltd. during 1992-93 aggregated Rs.760.9 crore, recording a rise of 86.0 per cent over those in the preceding year (Table IX-15). The total disbursements during the year at Rs.486.3 crore recorded a significant rise of 184.6 per cent over those of 1991-92. The high growth in disbursements was largely due to low disbursements in the previous year on account of foreign exchange restrictions and subsequent significant revival of ship acquisitions activity during the year under review. Cumulatively, as at the end of March 1993, sanctions and disbursements by SCICI Ltd. aggregated Rs.2,278.4 crore and Rs.1,248.3 crore, respectively. The aggregate rupee and foreign currency resources upto March 31, 1993 amounted to Rs.1,621.7 crore of which Rs.809.2 crore constituted foreign currency borrowings.

SCICI diversified its operations to cover all sectors of economy with focus on sectors with special significance to exports and infrastructure. Consequent upon full scale diversification of activities, SCICI's portfolio now includes a variety of industries such as automobiles and its ancillaries, chemicals and petrochemicals, electronics and information technology, engineering, power generation and distribution, steel and steel products, other metals, textiles and food processing, besides shipping and fishing industries.

However, shipping and fishery industries continued to be the priorities for the SCICI. During the year, SCICI commenced assistance for meeting medium and long-term working capital requirement of its constituents which has helped many a company to tide over liquidity constraints.

ix) Tourism Finance Corporation of India Limited (TFCI)

During 1992-93, assistance sanctioned by TFCI at Rs.125.0 crore registered an increase of 20.8 per cent over the previous year. Disbursements during 1992-93 at Rs.59.7 crore was higher by 23.6 per cent (Table IX-16).

During the year, the assistance sanctioned was mainly in the form of rupee loans aggregating Rs.94.5 crore which constituted 75.6 per cent of the total sanctions. A notable development in the TFCI's financial assistance during 1992-93 was the increase in the proportion of sanctions for leasing to total sanctions. It rose to 21.4 per cent in 1992-93 from 1.3 per cent in 1991-92. In regard to disbursements, rupee loans at Rs.57.7 crore accounted for 96.6 per cent of the total.

The cumulative sanctions and disbursements of TFCI as at the end of March 1993 aggregated Rs.366.2 crore and Rs.160.0 crore, respectively.

2. Investment Institutions

Institution-wise, operations of Investment Institutions during 1992-93 are set out in the following paragraphs.

i) Unit Trust of India (UTI)

Sanctions and disbursements by the Unit Trust of India (UTI) amounted, respectively, to Rs.7,399.2 crore and Rs.5,433.1 crore during 1992-93 (April-March), recording a sharp rise of 93.6 per cent in sanctions and 86.9 per cent in disbursements over those in the previous year (Table IX-17). A major part of the financial assistance was in the form of rupee term loans followed by underwriting and direct subscriptions and special deposits.

Investible funds of UTI as at June 30, 1993 amounted to Rs.38,976.8 crore registering an improvement of 22.5 per cent over those at Rs.31,805.7 crore as on June 30, 1992 (Table IX-18). Investments in the corporate sector by way of equity and preference shares, debentures and special deposits, etc., accounted for 81.4 per cent of total investment as against 67.2 per cent a year ago.

Sales and repurchases of UTI declined considerably during the year. Sales during 1992-93 (July-June) went down by 46 per cent from Rs.11,685.5 crore to Rs.6,306.5 crore in sharp contrast to the 156.7 per cent increase in 1991-92. Repurchases at Rs.2,062.0 crore also recorded a decline of 30.3 per cent in contrast to the 52.8 per cent increase in the previous year (Table IX-19).

UTI introduced 12 schemes during 1992-93 (July-June); three of them were open-ended and the rest close-ended. The open-ended schemes were: Rajlakshmi Unit Scheme '92, Institutional Investors' Special Fund Unit Scheme '93 and Senior Citizens' Unit Plan '93; sales under these schemes aggregated Rs.599.7 crore during the year.

The nine close-ended schemes introduced were : Deferred Income Unit Scheme '92 (DIUS 92), Growing Monthly Income Unit Scheme with Bonus (I) and (II), Monthly Income Scheme with Bonus-93 (MISB-93), Unit Scheme '92, Master Equity Plan '93 (MEP-93), Mastergrowth Unit Scheme '93, Grandmaster Unit Scheme '93 and Bhopal Gas Victim Monthly Income Plan (BGVMIP). Sales from these schemes amounted to Rs.2,797.7 crore.

ii) Life Insurance Corporation of India (LIC)

During 1992-93, financial assistance sanctioned at Rs.1,089.8 crore recorded a decline of 2.3 per cent over those in the previous year, while disbursements at Rs.945.4 crore registered a decline of 2.8 per cent (Table IX-20). Cumulatively, sanctions and disbursements amounted to Rs.6,539.1 crore and Rs.5,214.1 crore, respectively, as at end-March 1993; the amount outstanding aggregated Rs.6,585.5 crore at the same date.

Investments by LIC rose by 7.6 per cent to Rs.5,919.7 crore during 1992-93 (Table IX-21). Bulk of these investments was in stock exchange securities (68.0 per cent), followed by loans and special deposits with Central Government, etc.

Lending rates of LIC for different classes of companies and industrial co-operatives during the year were:

Term Loans	Net rate of interest by LIC
1. Consortium	In the band of 18 per cent to 20 per cent payable quarterly (inclusive of interest tax) upto 6.12.1992 and the rate was reduced to 17.5 per cent to 19.5 per cent payable quarterly from 7.12.1992 and further to 17 per cent to 19 per cent payable quarterly with effect from March 11, 1993.
2. Non-consortium	Same as above. However, loans to public financial institutions *viz.*, ICICI, IFCI, and IDBI were sanctioned at the rate of 16.5 per cent (no interest tax is payable for these loans).
3. Group Gratuity	20 per cent payable quarterly and was reduced to 19 per cent from 11.3.1993.
4. Group Super-annuation	-do-

Note : 1. Interest on bridge loans will continue to carry an additional interest of 1 per cent and will be levied from the date of first disbursement.

2. 1 per cent additional interest is charged in case of closely held/unlisted companies.

iii) General Insurance Corporation of India (GIC)

The General Insurance Corporation of India and its Subsidiaries@ sanctioned during 1992-93, financial assistance aggregating Rs.464.1 crore, which was lower by 29.4 per cent over the previous year (Table IX-22). Disbursements during the year at Rs.445.1 crore was, however, significantly higher by 84.1 per cent. Sanctions by way of loans declined by 42.6 per cent to Rs.115.9 crore during the year, while disbursements of loans rose by 9.8 per cent to Rs.86.0 crore. Sanctions by way of underwriting and direct subscription for equities, preference shares, debentures and bonds declined during the year to Rs.348.2 crore from Rs.455.2 crore in 1991-92, while disbursements under this head moved up significantly from Rs.163.5 crore in 1991-92 to Rs.359.1 crore in 1992-93.

Sector-wise, private sector accounted for the largest share of the total sanctions (Rs.386.6 crore or 83.3 per cent), followed by public sector (Rs.41.9 crore or 9.0 per cent), joint sector (Rs.34.9 crore or 7.5 per cent) and co-operative sector (Rs.0.7 crore or 0.2 per cent).

Although GIC and its subsidiaries did not sanction any financial assistance to areas classified as 'backward' during the year, disbursements to these areas aggregated Rs.5.4 crore.

3. State-level Institutions

i) State Financial Corporations (SFCs)

According to the available information, the total sanctions and disbursements of SFCs during 1992-93 at Rs.2,151.7 crore and Rs.1,652.8 crore, respectively, registered growth of 8.2 per cent and 7.3 per cent, respectively, over the preceding year (Table IX-23). However, in 1991-92 sanctions and disbursements of these SFCs indicated an increase of 6.7 per cent and 21.2 per cent, respectively, over those in 1990-91.

ii) State Industrial Development Corporations (SIDCs)

During the year, sanctions by SIDCs at Rs.1,139.6 crore registered an increase of 12.4 per cent over the previous year (Rs.1,013.6 crore) and the disbursements rose moderately by 2.5 per cent from Rs.680.0 crore to Rs.697.0 crore (Table IX-24). As against this, in 1991-92, sanctions and disbursements indicated substantial increases of 23.1 per cent and 13.7 per cent, respectively, over the preceding year.

4. Credit Rating Agencies

i) The Credit Rating Information Services of India Ltd. (CRISIL)

During 1992-93, CRISIL rated 225 debt instruments of 164 companies valued at Rs.18,818.0 crore. Since the commencement of its operations in 1988 upto end-March 1993, CRISIL has rated in all 558 debt instruments issued by 442 companies valued at over Rs.30,000.0 crore. During the year, CRISIL has launched banking rating services and has rated proposed debt instruments of three nationalised banks and one private sector bank. It has also completed credit assessment of 78 companies by the end of March 1993.

ii) Investment Information and Credit Rating Agency of India Limited (ICRA)

Investment Information and Credit Rating Agency of India Limited (ICRA) during 1992-93 (April-March), rated 87 debt instruments including 26 instruments of financial companies and 61 instruments of manufacturing companies, all together involving Rs.5,328.8 crore, as against Rs.2,215.4 crore worth of instruments rated in the previous year. Cumulatively upto March 31, 1993, ICRA has rated instruments worth Rs.7,544.2 crore. During the year, ICRA also completed eight credit assessment and two general assessment assignments.

@ National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd., and United India Insurance Company Ltd.

5. Other Institutions

i) Export-Import Bank of India (Exim Bank)

During 1992-93, funded assistance sanctioned by the Exim Bank under the various schemes at Rs.1,590.2 crore was 39.5 per cent higher than the sanctions in the preceding year (Table IX-25). Disbursements of loans during the same period at Rs.1,295.6 crore, however, registered a smaller increase of 17.0 per cent. The outstanding loans (under funded assistance) at end-March 1993, aggregating to Rs.1,841.9 crore, marked an increase of Rs.225.8 crore over the outstanding loans at the end of March 1992.

In respect of sanctions of non-funded assistance in the form of guarantees, Exim Bank had sanctioned Rs.126.8 crore (Rs.53.0 crore in 1991-92), and disbursed Rs.104.3 crore.

During 1992-93, the Exim Bank negotiated commitments-in-principle amounting to Rs.890.0 crore for loans and Rs.602.0 crore for guarantees. The Indian exporters during the year bagged 69 contracts valued at Rs.1,266.0 crore with the help of commitments-in-principle made during 1992-93 and earlier.

Region-wise, South Asia accounted for the largest share of sanctions amounting to Rs.152.9 crore (43.2 per cent) of the funded assistance during the year, followed by Americas Rs.75.1 crore (21.2 per cent), West Asia Rs.69.5 crore (19.6 per cent), South East Asia/Far East and Pacific Rs.37.2 crore (10.5 per cent), Europe and USSR, together accounted for Rs.10.7 crore (3.0 per cent) and Sub-Saharan Africa, Rs.8.9 crore (2.5 per cent) (Table IX-26). Region-wise, West Asia with Rs.71.2 crore had the largest share of the disbursements (37.4 per cent) followed by South Asia Rs.45.7 crore (24.0 per cent), South East Asia/Far East & Pacific Rs.22.7 crore (11.9 per cent), North Africa Rs.20.5 crore (10.7 per cent), Sub-Saharan Africa Rs.20.3 crore (10.6 per cent), and Europe & USSR Rs.10.3 crore (5.4 per cent).

Industry-wise, as in the past, transport vehicles accounted for the largest share of Rs.145.2 crore (21.7 per cent) of sanctions of loans under funded programmes during the year, followed by other capital and engineering goods at Rs.127.1 crore (19.0 per cent), construction goods, equipments and related services at Rs.46.4 crore (6.9 per cent), the remaining industry groups at Rs.223.4 crore (33.3 per cent) and miscellaneous accounted for Rs.127.8 crore (19.1 per cent) (Table IX-27). In case of disbursements, other capital and engineering goods accounted for the largest share Rs.130.7 crore (28.6 per cent) and the rest Rs.326.6 crore (71.4 per cent) being accounted for by other industries.

With a view to promoting exports, Exim Bank introduced three schemes during the year. These are :

i) **Production Equipment Finance Programme:** This programme offers rupee term finance to eligible export-oriented units for acquisition of equipment. An amount of Rs.93.0 crore was sanctioned under the scheme during 1992-93.

ii) **Export Marketing Finance:** Under this programme, the focus is on Indian manufacturing companies to undertake strategic export marketing activities based on long term and structured export plans with industrialised country markets. The funding programme has both loan and grant components. During 1992-93, sanctions and disbursements under the programme were Rs.19.0 crore and Rs.12.0 crore, respectively.

iii) **Export Vendor Development Finance:** This programme seeks to provide integrated financing packages to manufacturer exporters and export/trading houses to implement strategic vendor development plans. The focus is on enhancement of export capabilities through creation, strengthening of backward linkages with vendors, etc. Sanctions under this scheme amounted to Rs.25.0 crore during the year.

ii) Stock Holding Corporation of India Limited (SHCIL)

During 1992-93, SHCIL processed business of the order of Rs.4,470.0 crore recording a rise of 60.2 per cent over those in 1991-92. While the value of purchases processed during the year at Rs.3,700.0 crore was more than twice that in the preceding year, that of sales processed at Rs.770.0 crore was lower by 30 per cent. The total holdings in safe-custody doubled from nine million certificates as at March 31, 1992 to 18 million certificates as at the end of March 1993.

At present, SHCIL is handling market operations and also providing custodial services to financial institutions and mutual funds. Over and above these, SHCIL acts as Security Agent (in India) to Morgan Stanley Bank for India Magnum Fund. In view of the proposed trading in the National Stock Exchange of India Limited (NSEI) by the end of 1993, the SHCIL has invested 5 man- years of efforts in developing software modules for online trade reporting, matching clearance and depository towards Electronic Clearance Settlement and Depository (ECSD).

iii) Infrastructure Leasing and Financial Services Ltd. (IL&FS)

During the year 1992-93, IL & FS made significant progress in commercialisation of infrastructural projects. It was associated with various central and state government agencies for developing infrastructure projects in roadways, power generation, telecommunications, water supply, water transport system, etc.

Important projects mandated during the year include Rao-Pithampur Link Road, Worli-Bandra Link Bridge, Delhi-Noida Link Bridge, Thanjavur District Area Development and Panvel By Pass at the estimated total cost of Rs.72.0 crore for these projects. The company would be acting as a catalyst for development of Hyderabad Light Rail Transport System Projects involving an estimated capital outlay of Rs.50.0 crore.

In the field of investment banking, the company has set up a specialised cell to provide corporate advisory services. Apart from offering merchant banking services, the company would focus on value enhancement to the corporate sector by providing them strategic advice on financial structuring and assistance in its implementation.

The company is a member of the Delhi Stock Exchange and Over-the-Counter Exchange of India. The company operates in broking market for equities, securities and bonds of public sector undertakings, etc.

6. Housing Finance

i) Housing and Urban Development Corporation Limited (HUDCO)

During 1992-93, HUDCO sanctioned loans aggregating Rs.1,110.4 crore and disbursed Rs.858.9 crore; this marked a 17.6 per cent decline in sanctions and a 3.0 per cent increase in disbursements over the previous year. Cumulatively, till end-March 1993, HUDCO has financed 9,419 projects involving a total project cost of about Rs.12,490.0 crore with HUDCO's loan commitment of about Rs.7,745.0 crore. This has led to sanctions for 55 lakh houses, about 45.5 per cent of them in rural areas. HUDCO had disbursed Rs.5,217.0 crore till the end of March 1993. It may be mentioned that out of HUDCO's loans, 55 per cent and 15 per cent are reserved for economically weaker sections and lower income group categories and rural areas, respectively.

Under the category of integrated programme for low cost sanitation and scavenger rehabilitation schemes, loans amounting to Rs.13.5 crore have been sanctioned upto end-March, 1993. HUDCO's loan commitments as at the end of March 1993 for 34 night shelter schemes amounted to Rs.5.8 crore (formulated for rehabilitation of footpath dwellers in cities with over one million population).

To improve the quality of construction, promote appropriate technologies and building systems and improve the skills and economic condition of building artisans, Ministry of Urban Development and HUDCO have launched a nation-wide programme for setting up 250 building centres. By the end of March 1993, 110 of them became fully functional.

ii) Housing Development Finance Corporation Ltd. (HDFC)

During 1992-93, the HDFC sanctioned and disbursed assistance aggregating Rs.859.1 crore and Rs.719.9 crore, respectively, registering a rise of 20.7 per cent in sanctions and 14.7 per cent in disbursements over those in the preceding year (Table IX-28). Cumulatively, sanctions and disbursements amounted to Rs.4,474.1 crore and Rs.3,594.3 crore, respectively, as at the end of March 1993. The cumulative loan approvals were in respect of 7.19 lakh units spread over 2,380 cities and towns in the country.

The Unit Trust of India in association with HDFC, launched a Housing Unit Scheme during the year under which investors are entitled to obtain housing loans from HDFC upto three times the value of units purchased after a period of four years or four times the value of units purchased after a period of seven years.

During the year, HDFC raised the housing loan limit to Rs.10.0 lakh per individual per unit; for home improvement the loan amount was raised from Rs.30,000 to Rs.5 lakh.

HDFC raised Rs.12.0 crore by way of term loans from commercial banks, apart from mobilising Rs.158.9 crore from various deposit schemes. It also availed of Rs.141.7 crore from National Housing Bank (NHB) under its refinance scheme. As on March 31, 1993, the outstanding term loan and deposits were Rs.1,504.5 crore and Rs.1,029.2 crore, respectively.

The United States Agency for International Development (USAID) has refinanced a loan of US $ 13 million to HDFC during the year. HDFC also signed a loan agreement with Commonwealth Development Corporation (CDC) for a loan of £ 25 million under a special line to be drawn in two tranches, the first of which (15 million) was drawn in March 1993.

Table IX-1 : New Capital Issues by Non-Government Public Limited Companies*

(Rs. crore)

Year (April-March)	Equity Shares		Preference Shares		Debentures Convertible		Debentures Non-Convertible		Total (CD + NCD)		Grand Total	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13
1988 - 89	256	1,033.6	6	3.3	48	1,795.9	31	392.0	79	2,187.9	341	3,224.8
	(47)	(110.2)										(110.2)
1989 - 90	269	1,220.2	4	7.9	109	4,801.1	25	480.7	134	5,281.8	407	6,509.9
	(56)	(273.4)										(273.4)
1990 - 91	246	1,284.3	3	13.1	94	2,356.6	21	658.2	115	3,014.8	364	4,312.2
	(40)	(127.9)										(127.9)
1991- 92 **	368	1,731.3	3	1.5	133	3,496.9	13	527.1	146	4,024.0	517	5,756.8
	(58)	(227.5)										(227.5)
1992 - 93 **	867	9,981.1	1	0.5	150	7,864.8	19	1,979.2	169	9,844.0	1037	19,825.6
	(324)	(5,184.1)										(5,184.1)
April-June												
1992**	158	1,849.1	-	-	38	1,494.4	2	998.9	40	2,493.3	198	4,342.4
	(20)	(802.1)										(802.1)
1993 **	163	2,287.2	1	2.5	30	1,386.1	6	349.6	36	1,735.7	200	4,025.4
	(78)	(1,416.1)										(1,416.1)

* Exclude Bonus shares. ** Provisional.

CD : Convertible Debentures. NCD : Non-Convertible Debentures.

Note : 1) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

2) Data exclude issues privately placed with financial institutions, etc., and include amounts raised by ICICI, HDFC, SCICI and issues through OTCEI.

3) Debentures include bonds.

4) Convertible debentures include partly convertible debentures.

5) Non-convertible debentures include secured premium notes.

6) Data include amount of over-subscriptions and under-subscriptions in cases where specific information was available.

Source : Prospectus/Letters of Offer/Circulars/Advertisements issued by companies; replies given by the companies to the Reserve Bank's questionnaires; information received from Stock Exchanges, Press Reports, etc.

Table IX-2 : Capital Issues Through Prospectus and Rights by Non-Government Public Limited Companies*

(Rs. crore)

	1990-91 (April-March)	1991-92** (April-March)	1992-93** (April-March)	1992** (April-June)	1993** (April-June)
1	2	3	4	5	6
I. Issues through Prospectus					
No. of Issues	**152**	**209**	**531**	**97**	**106**
	(15)	(16)	(105)	(4)	(30)
Amount (a+b+c)	**2,048.1**	**1,911.7**	**7,033.6**	**1,977.6**	**2,090.5**
	(74.1)	(26.7)	(876.8)	(4.0)	(509.4)
a) Equity Shares	995.0	1,043.3	3,846.0	759.4	967.6
	(74.1)	(26.7)	(876.8)	(4.0)	(509.4)
b) Preference Shares	13.0	0.5	-	-	2.5
c) Debentures	1,040.1	867.9	3,187.6	1,218.2	1,120.4
Of which					
Convertible	877.0	856.1	2,567.1	658.2	920.4
Non-convertible	163.1	11.8	620.5	560.0	200.0
II Issues through Rights					
No. of Issues	**212**	**308**	**506**	**101**	**94**
	(25)	(42)	(219)	(16)	(48)
Amount (a+b+c)	**2,264.1**	**3,845.1**	**12,792.0**	**2,364.8**	**1,934.9**
	(53.8)	(200.8)	(4,307.3)	(798.1)	(906.7)
a) Equity Shares	289.3	688.0	6,135.1	1,089.7	1,319.6
	(53.8)	(200.8)	(4,307.3)	(798.1)	(906.7)
b) Preference Shares	0.1	1.0	0.5	-	-
c) Debentures	1,974.7	3,156.1	6,656.4	1,275.1	615.3
Of which					
Convertible	1,479.6	2,640.8	5,297.7	836.2	465.7
Non-convertible	495.1	515.3	1,358.7	438.9	149.6
Grand Total (I+II)					
No. of Issues	**364**	**517**	**1037**	**198**	**200**
Amount	**4,312.2**	**5,756.8**	**19,825.6**	**4,342.4**	**4,025.4**
	(127.9)	**(227.5)**	**(5,184.1)**	**(802.1)**	**(1,416.1)**
Distribution between					
No. of issues by	86	108	201	44	36
New companies					
Amount	737.4	893.9	3,204.2	1,743.0	754.3
No. of issues by	278	409	836	154	164
Existing companies					
Amount	3,574.8	4,862.9	16,621.4	2,599.3	327.1
	(127.9)	(227.5)	(5,184.1)	(802.1)	(1,416.1)

For footnotes refer to Table IX-1.

Table IX-3 : Amount of Bonds Issued by PSUs During 1985-86 to 1992-93

(Rs. crore)

Year (April-March)	Tax Free Bonds	Taxable Bonds	Total (2+3)
1	2	3	4
1985-86	-	353.7	353.7
1986-87	899.6	774.6	1,674.2
1987-88	1,739.3	946.9	2,686.2
1988-89	2,070.0	446.3	2,516.3
1989-90	2,817.0	912.0	3,729.0
1990-91	2,545.0	3,118.2	5,663.2
1991-92	2,368.6	2,842.2	5,210.8
1992-93*	10.5	1,052.0	1,062.5

* Provisional.

Source : Returns received from respective Public Sector Undertakings.

Table IX-4 : RBI All-India Index Numbers of Ordinary Share Prices and Yield

(Base : 1980-81=100)

Year (April-March)	End of the Year (week-ended Saturday)	Highest	Lowest	Annual average of Weekly Index	Average Gross Yield (per cent per annum)
1	2	3	4	5	6
1987-88	189.3	227.1	189.3	207.3 (-10.1)	4.32
1988-89	308.2	308.2	187.1	247.5 (+19.4)	3.76
1989-90	400.0	411.4	317.7	359.4 (+45.2)	3.18
1990-91	527.9	654.2	395.6	500.3 (+39.2)	2.59
1991-92	1485.4	1485.4	536.9	776.2 (+55.1)	2.09
1992-93	892.1	1656.9	892.1	1142.1 (+47.1)	1.69
1992-93 (April-June)	1157.5	1656.9	1148.9	1373.4	
1993-94 (April-June)	853.7	873.8	799.5	852.0	

Note : Figures in brackets are percentage variations over the year.

Table IX-5 : RBI All-India Index Numbers of Ordinary Share Prices (Year : April-March)

(Base : 1980-81 = 100)

Month	1990-91				1991-92				1992-93				1993-94			
	Monthly Average	High	Low	Last week-end of the month	Monthly Average	High	Low	Last week-end of the month	Monthly Average	High	Low	Last week-end of the month	Monthly Average	High	Low	Last week-end of the month
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
April	399.9	405.7	395.6	401.6	554.9	568.0	536.9	568.0	1620.2	1656.9	1597.3	1622.0	853.1	872.4	830.3	830.3
	(+5.8)			(+0.4)	(+4.4)			(+7.6)	(+21.2)			(+9.2)	(-6.5)			(-6.9)
May	409.4	413.5	402.7	413.5	563.8	570.2	558.9	570.2	1345.5	1519.3	1206.8	1206.8	841.7	873.8	799.5	869.2
	(+2.4)			(+3.0)	(+1.6)			(+0.4)	(-17.0)			(-25.6)	(-1.3)			(+4.7)
June	414.9	420.0	408.9	419.3	571.3	579.6	563.8	568.6	1161.6	1174.3	1148.9	1157.5	863.8	869.9	853.7	853.7
	(+1.3)			(+1.4)	(+1.3)			(-0.3)	(-13.7)			(-4.1)	(+2.6)			(-1.8)
July	450.9	481.4	430.4	481.4	607.8	644.3	569.3	644.3	1141.7	1159.2	1108.8	1108.8				
	(+8.7)			(+14.8)	(+6.4)			(+13.3)	(-1.7)			(-4.2)				
August	506.3	527.5	488.6	527.5	715.1	752.2	693.4	752.2	1077.2	1134.2	1032.3	1134.2				
	(+12.3)			(+9.6)	(+17.7)			(+16.7)	(-5.6)			(+2.3)				
September	599.1	643.0	555.9	643.0	771.9	792.3	751.8	779.9	1214.7	1243.5	1168.4	1234.1				
	(+18.3)			(+21.9)	(+7.9)			(+8.7)	(+12.8)			(+8.8)				
October	617.3	654.2	587.4	587.4	761.2	781.3	750.9	756.7	1181.8	1227.5	1122.8	1122.8				
	(+3.0)			(-8.6)	(-1.4)			(-3.0)	(-2.7)			(-9.0)				
November	588.1	608.7	567.3	567.3	801.3	821.4	781.8	813.4	1045.6	1102.1	1010.8	1010.8				
	(-4.7)			(-3.4)	(+5.3)			(+7.5)	(-11.5)			(-10.0)				
December	518.3	552.1	490.7	490.7	805.4	821.0	788.5	808.7	1003.1	1022.4	979.2	998.2				
	(-11.9)			(-13.5)	(+0.5)			(-0.6)	(-4.1)			(-1.2)				
January	468.6	471.5	463.6	463.6	840.7	868.8	822.1	868.8	985.9	1002.2	966.1	1002.2				
	(-9.6)			(-5.5)	(+4.4)			(+7.4)	(-1.7)			(+0.4)				
February	483.3	510.8	462.7	510.8	990.3	1095.3	923.3	1095.3	1009.0	1024.6	993.4	1007.8				
	(+3.1)			(+10.2)	(+17.8)			(+26.1)	(+2.3)			(+0.6)				
March	531.3	536.2	527.9	527.9	1337.3	1485.4	1271.5	1485.4	912.9	955.7	892.1	892.1				
	(+9.9)			(+3.3)	(+35.0)			(+35.6)	(-9.5)			(-11.5)				
(April-March)@	500.3	654.2	395.6	527.9	776.2	1485.4	536.9	1485.4	1142.1	1656.9	892.1	892.1				
	(+39.2)			(+32.0)	(+55.1)			(+181.4)	(+47.1)			(-39.9)				

@ Based on weekly averages.

Note : Figures in brackets are percentage variations over the previous month/year.

Table IX-6 : RBI All-India Index Numbers of Ordinary Share Prices (Industry-wise)

(Base : 1980-81=100)

Sr. No.	Industries	March 28,1987	March 26,1988	March 25,1989	March 31,1990	March 30,1991	March 28,1992	March 27,1993
	1	2	3	4	5	6	7	8
1.	All Industries	219.3	189.3	308.2	400.0	527.9	1,485.4	892.1
		(-8.4)	(-13.7)	(+62.8)	(+29.8)	(+32.0)	(+181.4)	(-39.9)
2.	Tea Plantations	462.7	458.6	658.7	1,068.8	1,423.5	3,633.9	2734.8
		(+20.6)	(-0.9)	(+43.6)	(+62.3)	(+33.2)	(+155.3)	(-24.7)
3.	Cotton Textiles	115.8	86.8	106.1	160.0	296.4	764.9	361.4
		(-15.3)	(-25.0)	(+22.2)	(+50.8)	(+85.3)	(+158.1)	(-52.8)
4.	Silk Woollen and Rayon Textiles	84.3	88.9	185.1	325.9	436.7	1,150.0	814.9
		(-4.2)	(+5.5)	(+108.2)	(+76.1)	(+34.0)	(+163.3)	(-29.1)
5.	Aluminium	303.1	252.3	852.7	1,204.4	1,574.3	3,106.5	3309.3
		(+15.9)	(-16.8)	(+237.4)	(+41.2)	(+30.7)	(+97.3)	(+6.5)
6.	Automobile and Auto-ancillaries	236.4	212.2	379.7	493.6	580.0	1,156.2	776.4
		(-18.7)	(-10.2)	(+78.9)	(+30.0)	(+17.5)	(+99.3)	(-32.8)
7.	Electricals and Electronic Machinery	132.8	128.3	189.1	229.4	256.6	711.7	356.2
		(-16.3)	(-3.4)	(+47.4)	(+21.3)	(+11.9)	(+177.4)	(-50.0)
8.	Chemical Fertilisers	323.6	226.6	340.4	433.9	512.2	1,385.1	792.0
		(-24.5)	(-30.0)	(+50.2)	(+27.5)	(+10.0)	(+170.4)	(-42.8)
9.	Man-made Fibres	180.4	139.7	236.7	264.8	211.7	471.3	192.4
		(-32.5)	(-22.6)	(+69.4)	(+11.9)	(-20.1)	(+122.6)	(-59.2)
10.	Cement	183.6	138.7	188.6	208.7	738.8	3,281.5	1109.5
		(-15.9)	(-24.5)	(+36.0)	(+10.7)	(+254.0)	(+344.2)	(-66.2)
11.	Rubber and Rubber Products	271.8	347.6	573.0	424.0	506.2	1,867.3	680.0
		(+32.4)	(+27.9)	(+64.8)	(-26.0)	(+19.4)	(+268.9)	(-63.6)
12.	Paper and Paper Products	118.3	76.6	141.3	256.9	435.8	1,169.3	503.7
		(-15.3)	(-35.2)	(+84.5)	(+81.8)	(+69.6)	(+168.3)	(-56.9)
13.	Electricity Generation and Supply	181.2	173.7	251.3	385.6	894.8	2,318.7	1507.1
		(-16.5)	(-4.1)	(+44.7)	(+53.4)	(+132.1)	(+159.1)	(-35.0)
14.	Shipping	45.2	46.5	121.3	233.6	179.6	1,222.2	543.0
		(-39.1)	(+2.9)	(+160.9)	(+92.6)	(-23.1)	(+580.5)	(-55.6)

Note : Figures in brackets are percentage variations over the last week-end of the previous financial year.

Table IX-6A : Operations of Bombay Stock Exchange

Month	1991-92			1992-93			1993-94		
	BSE Sensitive Index (1978-79 =100)	Monthly Turnover (Rs. crore)	P/E Ratio (of 30 scrips of BSE Index)	BSE Sensitive Index (1978-79 =100)	Monthly Turnover (Rs. crore)	P/E Ratio (of 30 scrips of BSE Index)	BSE Sensitive Index (1978-79 =100)	Monthly Turnover (Rs. crore)	P/E Ratio (of 30 scrips of BSE Index)
1	2	3	4	5	6	7	8	9	10
April	1255.25	3732.46	21.09	4131.01	7393.68	52.60	2205.37	2945.63	27.36
May	1291.74	3248.52	21.73	3366.55	4642.63	42.80	2248.01	5434.47	28.81
June	1295.15	6476.98	21.52	3088.59	2138.64	39.60	2281.95	4520.59	29.26
July	1440.72	5940.82	23.24	2797.27	1467.03	33.55			
August	1723.82	3863.90	26.24	2829.96	3508.05	33.57			
September	1833.34	8284.46	24.75	3243.19	5813.60	38.76			
October	1789.05	5630.01	23.79	3075.28	4669.80	37.60			
November	1890.09	6631.39	24.10	2618.20	3283.35	32.15			
December	1872.31	6424.92	23.98	2535.64	2811.70	31.35			
January	2073.60	8759.88	26.55	2532.86	1621.46	30.72			
February	2464.74	6475.42	31.33	2708.72	3652.36	32.93			
March	3487.19	6308.56	44.32	2398.27	4693.47	29.34			
Average	1868.08	5981.44	26.05	2943.80	3807.98	36.25			

	End-March 1991	End-March 1992	End-March 1993
1) Market Capitalisation of BSE (Rs. crore)	90,836	3,23,363	2,10,952
2) Market Capital of BSE as a percentage of GDP	17.1	53.1	30.0

Note : BSE Sensitive Index and P/E Ratio are average of the month.

Source : Bombay Stock Exchange.

Table IX-6B : Reserve Bank's Open Market Operations In Central Government Securities

Year	Purchase	Sales	Net Sales
1	2	3	4
1988-89	2,403.5 (12,373.1)	3,888.7 (12,236.6)	1,485.2 (136.5)
1989-90	3,551.8 (14,287.1)	4,739.0 (15,631.2)	1,187.2 (1,344.1)
1990-91	2,291.2 (14,157.0)	2,238.1 (13,725.2)	-53.1 (-431.8)
1991-92	3,244.8 (5,321.7)	7,327.1 (9,365.6)	4,082.3 (4,043.9)
1992-93	6,273.4 (6,307.7)	11,793.5 (11,793.5)	5,520.1 (5,485.8)
April-June			
1992-93	2,791.3	6,984.9	4,193.6
1993-94	4,46.3	568.2	121.9

Note: Figures shown in brackets are inclusive of purchases/sales effected from time to time out of the surplus funds of IDBI, EXIM Bank, NABARD and other institutions under a special buy-back arrangement. However, by March 1992, this facility has been phased out for all institutions, except the Welfare Commissioner, Bhopal gas victims (earlier Registrar General of Supreme Court).

Table IX-7 : Assistance by All Financial Institutions

(Rs. crore)

(Year : April-March)

Institutions		1991-92		1992-93		Percentage change in 1992-93 over 1991-92	
		S	D	S	D	S	D
1		2	3	4	5	6	7
A. All India Development Banks	@	**16,759.7**	**11,447.7**	**20,897.9**	**13,906.9**	**+24.7**	**+21.5**
(1 to 5)	@@	**14,543.3**	**10,082.5**	**18,905.7**	**12,574.0**	**+30.0**	**+24.7**
1 IDBI		7,590.0	5,762.8	9,459.4	6,668.5	+24.6	+15.7
	@	7,106.2	5,279.0	9,320.5	6,529.5	+31.2	+23.7
	@@	6,414.1	4,760.8	8,701.9	6,042.1	+35.7	+26.9
2. IFCI		2,435.0	1,604.8	2,492.0	1,732.5	+2.3	+8.0
3. ICICI		4,094.9	2,351.3	5,882.7	3,315.2	+43.7	+41.0
4. SIDBI	@	2,845.9	2,027.4	2,908.4	2,145.8	+2.2	+5.8
	@@	1,321.6	1,180.4	1,534.8	1,300.3	+16.1	+10.2
5. IRBI		277.7	185.2	294.3	183.9	+6.0	-0.7
B. Specialised Financial Institutions (6 to 9)		**542.2**	**245.4**	**929.5**	**579.6**	**+71.4**	**+136.2**
6. RCTC		11.1	8.4	15.0	10.4	+35.1	+23.8
7. TDICI		18.6	17.8	28.6	23.2	+53.8	+30.3
8. SCICI		409.0	170.9	760.9	486.3	+86.0	+184.6
9. TFCI		103.5	48.3	125.0	59.7	+20.8	+23.6
C. Investment Institutions (10+11+12)		**5,843.4**	**3,910.8**	**9,293.1**	**6,963.6**	**+59.0**	**+78.1**
	@	4,793.4	3,360.8	7,981.0	5,801.5	+66.5	+72.6
10. UTI		3,670.9	2,646.5	7,089.2	5,123.1	+93.1	+93.6
	@	3,020.9	2,146.5	6,427.1	4,411.0	+112.8	+105.5
11. LIC		1,515.3	1,022.5	1,739.8	1,395.4	+14.8	+36.5
	@	1,115.3	972.5	1,089.8	945.4	-2.3	-2.8
12. GIC		657.2	241.8	464.1	445.1	-29.4	+84.1
D. Total Assistance by All-India Financial Institutions (A@+B+C@)		**22,095.3**	**15,053.9**	**29,808.4**	**20,288.0**	**+34.9**	**+34.8**
E. State-level Institutions (13 and 14)		**3,002.0**	**2,220.1**	**3,291.3**	**2,349.8**	**+9.6**	**+5.8**
13. SFCs		1,988.4	1,540.1	2,151.7	1,652.8	+8.2	+7.3
14. SIDCs		1,013.6	680.0	1,139.6	697.0	+12.4	+2.5
F. Total Assistance by All Financial Institutions (A@@+B+C@+E)		**22,880.9**	**15,908.8**	**31,107.5**	**21,304.9**	**+36.0**	**+33.9**

S= Sanctions. D= Disbursements.

@ Data are adjusted for inter-institutional (all-India) flows.

@@ Data are adjusted for inter-institutional (all-India and state level) flows.

Note : 1. Data for 1992-93 are provisional for all institutions and estimated for SFCs and SIDCs.

2. Data have been adjusted for inter-institutional flows. This involves adjustment in regard to loans to and investments in shares and bonds of financial institutions by IDBI, IDBI/SIDBI's refinance assistance to SFCs and SIDCs and seed capital assistance, term loans given by LIC to IFCI and ICICI, and special deposits by UTI to IDBI, IFCI and ICICI.

3. UTI data excludes housing finance.

Source : Financial Institutions.

Table IX-8 : Scheme-wise Assistance Sanctioned and Disbursed by Industrial Development Bank of India

(Rs. crore)

(Year : April-March)

Type of Assistance	Sanctions						Disbursements		
	1991-92		1992-93		Cumulative (upto end-March 1993@		1991-92	1992-93	Cumulative (upto end-March 1993@
	No.	Amount	No.	Amount	No.	Amount			
1	2	3	4	5	6	7	8	9	10
1. Direct Assistance (a to f)	**832**	**4,971.7**	**794**	**7,064.4**	**8214**	**30,863.8**	**3,652.8**	**4,881.7**	**21,122.5**
a) Rupee loans		4,200.8		4,956.3		24,050.6	3,206.8	4,202.3	18,067.8
b) Foreign currency loans		341.3		591.1		3,070.0	417.1	531.4	2,064.2
c) Underwriting and direct subscriptions		161.4		681.2		2,062.0	13.2	40.3	399.9
d) Guarantees for loans/deferred payments$$		186.2		587.1		1,229.6	3.5	31.4	406.3 $
e) Venture capital +		12.5		9.0		142.5	11.6	10.9	118.3
f) Equipment leasing		69.5		239.7		309.1	0.6	65.4	66.0
2. Refinance of industrial loans	**1692**	**681.1**	**1374**	**546.7**	**911887**	**17,518.5**	**523.8**	**430.1**	**13,134.7**
3. Bills finance	**5484**	**1,310.9**	**4603**	**1,430.4**	**31195**	**12,665.7**	**938.9**	**1,028.2**	**9,412.3**
4. Loans and investment in shares and bonds of financial intermediaries	**35**	**626.3**	**49**	**417.9**	**135**	**3,647.5**	**647.3**	**328.5**	**3,418.2**
Total (1 to 4)	**8043**	**7,590.0**	**6820**	**9,459.4**	**951431**	**64,695.5**	**5,762.8**	**6,668.5**	**47,087.7**

Notes : 1. No. in respect of item 3 indicates the number of purchaser-users, in respect of item 4 the number of financial intermediaries and in respect of items 1 and 2 the number of projects/proposals.

2. In case of bills finance, sanctions mean face value of bills discounted/rediscounted, while disbursements mean net cash outgo after deducting discount/rediscount charges.

3. Rupee equivalent of outstanding guarantees for foreign currency loans is based on exchange rate prevailing at the end of year.

@ Includes assistance to small sector upto March 31, 1990.

\+ Included in seed capital.

$ Guarantees executed.

$$ Includes other guarantees of Rs.24 crore sanctioned and disbursed and Rs.62.6 crore outstanding.

Source : Industrial Development Bank of India.

Table IX-9 : Financial Assistance Sanctioned and Disbursed by IFCI

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93*		Cumulative Assistance as at the end of March 1993*	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
1. Rupee loans	1,692.6	1,162.2	1,627.4	1,350.3	10,926.9	7,992.9
2. Foreign currency loans	259.7	315.0	265.9	278.6	2,339.6	1,657.6
3. Underwriting (i to iii)	96.1	10.6	208.5	7.4	772.7	107.9
i) Equity shares	61.3	1.2	115.6	5.3	564.5	73.1
ii) Preference shares	-	-	-	-	11.5	8.5
iii) Debentures	34.8	9.4	92.9	2.1	196.7	26.3
4. Direct subscriptions (i to iii)	88.3	20.1	63.2	37.4	260.2	132.6
i) Equity shares	2.9	7.8	17.2	9.7	88.7	71.9
ii) Preference shares	0.4	1.5	-	0.4	8.4	4.0
iii) Debentures	85.0	10.8	46.0	27.3	163.1	56.7
5. Guarantees	212.8	64.0	221.3	30.3	649.9	221.7
6. Leasing	85.5	32.9	105.7	28.5	478.2	270.0
Total (1 to 6)	**2,435.0**	**1,604.8**	**2,492.0**	**1,732.5**	**15,427.5**	**10,382.7**

* Provisional.

Source : Industrial Finance Corporation of India Limited.

Table IX-10 : Financial Assistance Sanctioned and Disbursed by ICICI

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93 *		Cumulative Assistance as at the end of March 1993*	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
I. Direct Finance (1 to 4)	**3,117.2**	**1,867.2**	**4,708.5**	**2,732.0**	**24,171.6**	**15,687.3**
1. Loans	2,485.2	1,787.2	3,324.3	2,589.7	20,639.6	14,996.7
i. Rupee loans	1,709.8	1,066.1	2,742.6	1,862.6	10,387.8	7,013.6
ii. Foreign currency loans	775.4	721.1	581.7	727.1	10,251.8	7,983.1
2. Underwriting (i to iv)	264.3	8.5	681.8	18.5	1,578.1	159.4
i) Equity shares	55.0	1.4	362.6	2.7	850.2	88.6
ii) Preference shares	-	0.1	9.0	-	26.0	12.8
iii) Debentures	209.3	7.0	309.7	15.8	701.4	58.0
iv) Bonds	-	-	0.5	-	0.5	-
3. Direct subscriptions (i to iii)	47.3	71.3	399.7	123.8	902.1	520.6
i) Equity shares	16.4	16.2	195.8	70.4	394.6	240.0
ii) Preference shares	1.6	3.0	0.1	1.2	18.5	13.6
iii) Debentures	29.3	52.1	203.8	52.2	489.0	267.0
4. Guarantees	320.4	0.2	302.7	-	1,051.8	10.6
II. Financial Services (i to iv)	**977.7**	**484.1**	**1,174.2**	**583.2**	**5,156.4**	**2,812.0**
i) Deferred credit	582.4	184.4	464.2	156.0	2,751.6	1,417.4
ii) Leasing	140.7	78.0	340.9	175.0	1,181.2	663.8
iii) Instalment sale	-	1.3	-	-	59.9	22.9
iv) Asset credit	254.6	220.4	369.1	252.2	1,163.7	707.9
Total (I + II)	**4,094.9**	**2,351.3**	**5,882.7**	**3,315.2**	**29,328.0**	**18,499.3**

* Provisional.

Source : Industrial Credit and Investment Corporation of India Limited.

Table IX-11 : Assistance Sanctioned and Disbursed by SIDBI

(Year : April-March) (Rs. crore)

Schemes	1991-92		1992-93	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Direct Assistance (a to g)	**231.6**	**165.0**	**607.9**	**486.8**
a) Direct discounting	185.3	147.7	499.8	428.1
b) Marketing scheme	10.7	2.9	1.1	2.0
c) Assistance to leasing companies	26.0	7.2	51.3	32.6
d) Quality testing	-	-	-	-
e) Infrastructural development	2.2	0.2	4.7	0.5
f) Factoring service	7.0	7.0	20.0	11.0
g) Others	0.4	-	31.0	12.6
2. Indirect Assistance (h to j)	**3,137.6**	**2,396.3**	**2,922.1**	**2,272.6**
h) Refinance	2,299.0	1,634.5	2,026.8	1,449.9
i) Bills Rediscounting	277.9	201.1	253.8	181.2
j) Short term bills	560.7	560.7	641.5	641.5
3. Equity Support (k to n)	**11.6**	**9.7**	**9.9**	**8.0**
k) Seed capital	0.2	0.3	0.2	0.3
l) National Equity Fund (NEF)	2.1	1.4	3.3	2.5
m) Special Scheme for Ex-servicemen (SEMFEX)	7.2	6.5	4.3	3.7
n) Mahila Udyam Nidhi Scheme (MUN)	2.1	1.5	2.1	1.5
4. Resources Support (o to q)	**25.8**	**17.1**	**10.0**	**19.9**
o) National Small Industries Corporation Ltd. (NSIC)	5.0	4.0	-	1.0
p) State Small Industries Development Corpns.	20.8	13.1	10.0	18.9
q) New Debt Instrument	-	-	-	-
Total (1 to 4)	**3,406.6**	**2,588.1**	**3,549.9**	**2,787.3**

Source : Small Industries Development Bank of India.

Table IX-12 : Financial Assistance Sanctioned and Disbursed by IRBI

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93 *		Cumulative Assistance as at the end of March 1993 *	
	Sanctions (Gross)	Disbursements	Sanctions (Gross)	Disbursements	Sanctions (Effective)	Disbursements
1	2	3	4	5	6	7
1. Term loan	251.9 (84)	169.8 (72)	287.7	173.1	1,698.4	1,230.6
a) Projects located in areas classified as backward	58.8	52.0	93.2	50.8	505.3	368.2
b) Projects in small-scale industries sector	2.0	1.0	1.5	0.9	25.6	18.7
2. Textile Processing Corporation of India Ltd. (TPCI)	-	-	-	-	4.4	4.4
3. Equipment leasing scheme	0.7	4.1	2.6	6.6	20.8	16.4
4. Hire purchase assistance	-	-	-	-	6.8	5.8
5. Equipment Finance	18.1	11.3	4.0	4.2	33.2	24.8
6. Lines of credit scheme for assisting sick small-scale units through various state-level agencies	-	@	-	-	14.5	6.2
7. Other Schemes : Underwriting and direct subscriptions	7.0	-	-	-	7.0	-
Total (1 to 7)	**277.7**	**185.2**	**294.3**	**183.9**	**1,785.1**	**1,288.2**

* Data are provisional. @ Rs. 4 lakh only.

Note : Figures in brackets indicate number of fresh term loan cases sanctioned during the year.

Source : Industrial Reconstruction Bank of India.

Table IX-13 : Scheme-wise Assistance Sanctioned and Disbursed by RCTC

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93		Cumulative Assistance as at March 31, 1993	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
1. Risk Capital Scheme						
(i) Rupee loans	-	1.0	-	-	23.9	23.9
(ii) Direct subscription	3.0	2.4	4.7	2.8	10.7	6.7
2. Technology Finance Scheme						
(i) Rupee loans	1.6	1.9	-	2.1	11.6	9.1
(ii) Direct subscription	0.3	0.4	0.3	0.7	7.6	1.3
3. Other Schemes						
Venture Capital Unit Scheme	6.2	2.7	10.0	4.8	17.3	7.5
Total (1 to 3)	**11.1**	**8.4**	**15.0**	**10.4**	**71.1**	**48.5**

Source : Risk Capital and Technology Finance Corporation Limited.

Table IX-14 : Assistance Sanctioned and Disbursed by TDICI

(Year : April-March) (Rs. crore)

	1991-92	1992-93*	Cumulative Sanctions/ Disbursements up-to end of March 1993
1	2	3	4
Assistance Sanctioned	18.6	28.6	81.2
Assistance Disbursed	17.8	23.2	66.1

* Provisional.
Source : Industrial Development Bank of India.

Table IX-15 : Financial Assistance Sanctioned and Disbursed by SCICI Limited

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Rupee loans	80.3	72.9	298.2	119.6
2. Foreign currency loans	310.9	93.7	253.3	328.4
3. Underwriting/Investment	3.2	1.3	109.2	16.8
4. Line of credit	12.0	-	1.6	-
5. Guarantees	2.6	3.0	77.1	-
6. Leasing	-	-	21.5	21.5
Total (1 to 6)	**409.0**	**170.9**	**760.9**	**486.3**

Source : SCICI Ltd.

Table IX-16 : Financial Assistance Sanctioned and Disbursed by TFCI

Year : (April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93		Cumulative as on March 31, 1993	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
1. Rupee loans	100.7	47.6	94.5	57.7	327.3	156.8
2. Direct subscription to equity including underwriting	1.5	0.3	3.7	1.8	7.5	2.4
3. Leasing	1.3	0.4	26.8	0.2	31.4	0.8
Total (1 to 3)	**103.5**	**48.3**	**125.0**	**59.7**	**366.2**	**160.0**

Source : Tourism Finance Corporation of India Limited.

Table IX-17 : Financial Assistance Sanctioned and Disbursed by UTI

(Year : April-March) (Rs. crore)

Type of Assistance	1991-92		1992-93	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Rupee term loans	1,108.6	654.4	2,245.6	1,750.8
2. Underwriting and direct subscriptions (i+ii+iii)	1,778.0	1,362.3	3,960.9	2,496.0
i) Equity shares	68.8	43.8	897.6	437.1
ii) Preference shares	0.1	3.1	5.7	4.7
iii) Debentures	1,709.1	1,315.4	3,057.6	2,054.2
3. Special Deposits *	934.9	889.9	1,192.7	1,186.3
Total (1 to 3)	**3,821.5**	**2,906.6**	**7,399.2**	**5,433.1**

* Includes deposits with IDBI, IFCI, ICICI and Housing Finance.

Note : Data are provisional.

Source : Unit Trust of India.

Table IX-18 : Investments by UTI

(Rs. crore)

Type of Investment	As on June 30, 1992	As on June 30, 1993
1	2	3
A. Total Investment in Corporate Sector (1 to 9)	**21,375.6**	**31,735.1**
	(67.2)	**(81.4)**
Of which:		
1. Equity shares	8,861.8	14,920.0
	(27.8)	(38.3)
2. Preference shares	21.9	21.4
	(0.1)	(0.1)
3. Debentures	6,185.5	8,822.0
	(19.4)	(22.6)
4. Advance deposits against investment commitments	105.4	164.5
	(0.3)	(0.4)
5. Unsecured short-term deposits	767.2	825.7
	(2.4)	(2.1)
6. Bridge Finance	67.2	250.8
	(0.2)	(0.7)
7. Application Money	17.4	4.6
	(0.1)	(..)
8. Term loans	2,689.7	3,594.9
	(8.5)	(9.2)
9. Special deposits	2,659.5	3,131.2
	(8.4)	(8.0)
B. Other investments (10 to 12)	**10,430.1**	**7,241.7**
Of which:	**(32.8)**	**(18.6)**
10. Call deposits	3,099.3	3,143.8
	(9.7)	(8.1)
11. Government securities	5,755.5	3,949.6
	(18.1)	(10.1)
12. Bill Rediscounting Scheme	1,575.3	148.3
	(5.0)	(0.4)
C. Total investible funds (A+B)	**31,805.7**	**38,976.8**
	(100.0)	**(100.0)**

Note : 1. Data are provisional.
2. Figures in brackets indicate percentage to total.
.. Negligible.

Source : Unit Trust of India.

Table IX-19 : Scheme-wise Sales and Repurchases by Unit Trust of India

(Year : July-June) (Rs. crore)

Schemes	Sales		Repurchases		Outstanding (as on June 30)		Dividend rate (Per cent)	
	1991-92	1992-93*	1991-92	1992-93*	1991-92	1992-93*	1991-92	1992-93
1	2	3	4	5	6	7	8	9
1. Unit Scheme 1964	1,069.5	1,684.7	2,006.9	659.0	6,325.9	7,351.6	25.00	26.00
2. Unit Scheme 1971(ULIP)	325.7	367.7	60.1	99.4	994.1	1,262.5	16.00	16.50
3. Scheme For Charitable and Religious Trust and Registered Societies 1981(CRTS)	29.5	145.4	2.8	35.3	214.3	324.4	17.00	18.00
4. Capital Gains Unit Scheme 1983	648.9	217.0	263.9	308.0	1,460.6	1,369.7	10.50	10.50
5. Children's Gift Growth Fund Unit Scheme 1986	184.0	191.2	1.6	2.0	682.9	872.1	13.00	14.00
6. Parents' Gift and Growth Fund Unit Scheme 1987	-	-	23.9	-	-	-	-	N.A.
7. Omni Unit Plan 1991	44.1	48.3	43.4	-	0.7	49.0	(a)	N.A.
8. Housing Unit Scheme 1992	-	14.7	-	-	-	14.7	-	-
9. Rajlakshmi Unit Scheme 1992	-	298.6	-	-	-	298.6	-	-
10. Institutional Investors Special Fund Unit Scheme '93	-	294.7	-	-	-	294.7	-	-
11. Senior Citizens' Unit Plan '93	-	6.4	-	-	-	6.4	-	-
12. Monthly Income Unit Scheme with Growth@	-	-	500.1	675.5	1,350.3	674.8	12.00	12.00
13. India Fund Unit Scheme 1986	-	-	-	-	170.6	170.6	(b)	(b)
14. Mutual Fund (Subsidiary) Unit Scheme 1986	-	-	-	-	349.9	349.9	18.00	18.00
15. Growing Income Unit Scheme@@	95.4	40.0	35.7	280.3	1,071.4	831.1	-	13.00
16. India Growth Fund 1988	-	-	-	-	43.3	43.3	(d)	(d)
17. Venture Capital Unit Scheme (I)1989	-	-	-	-	20.0	20.0	15.00	-
18. Venture Capital Unit Scheme (II)1990	31.6	-	-	-	48.7	48.7	15.00	-
19. 7 Year Monthly Income Schemes$	178.2	200.0	19.3	1.2	3,187.8	3,386.5	13.00	(c)13.00
20. Deferred Income Unit Scheme 1990	-	-	-	-	105.4	105.4	-	-
21. Unit Growth Scheme 2000	-	-	-	1.3	193.9	192.6	-	-
22. Master Equity Plan 1991	-	-	-	-	286.3	286.3	-	-
23. Capital Growth Unit Scheme 1991 (Mastergain)	-	-	-	-	123.5	123.5	-	-
24. Deferred Income Unit Scheme 1991	205.2	-	-	-	205.2	205.2	-	-
25. Venture Capital Unit Scheme (III)	5.0	-	-	-	5.0	5.0	-	-
26. Unit Growth Scheme '5000	276.9	-	-	-	276.9	276.9	-	-
27. Growing Monthly Income Unit Scheme$$	1,830.3	-	0.4	-	1,799.2	1,799.2	14.50	14.50
28. Masterplus 1991	992.4	-	-	-	992.1	992.1	-	-
29. Master Equity Plan 1992	1,296.6	-	-	-	1,252.0	1,252.0	-	-
30. Capital Growth Unit Scheme 1992 (Mastergain '92)	4,472.2	-	-	-	3,655.4	3,655.4	-	-
31. Deferred Income Unit Scheme 1992	-	127.0	-	-	-	127.0	-	-
32. Growing Monthly Income Unit Scheme with Bonus-1992(I)	-	360.5	-	-	-	360.5	-	14.00
33. Growing Monthly Income Unit Scheme with Bonus-1992(II)	-	398.2	-	-	-	398.2	-	14.00
34. Monthly Income Unit Scheme with Bonus '93	-	600.0	-	-	-	600.0	-	14.00
35. Unit Scheme 1992	-	308.2	-	-	-	308.2	-	-
36. Master Equity Plan 1993	-	403.5	-	-	-	403.5	-	-
37. Mastergrowth Unit Scheme 1993	-	500.0	-	-	-	500.0	-	-
38. Grandmaster Unit Scheme 1993	-	100.0	-	-	-	100.0	-	-
39. Bhopal Gas Victim Monthly Income Plan	-	0.4	-	-	-	0.4	-	-
Total	**11,685.5**	**6,306.5**	**2,958.1**	**2,062.0**	**24,815.4**	**29,060.0**		

* Provisional. N.A. : Not Available.

@ Includes Monthly Income Schemes with Growth (5)1985, (6)1986, (7)1986, (8)1987, (9)1987, (10)1988, (11)1988, (12)1989, and (13)1989.

@@ Includes Growing Income Unit Scheme 1986, 1987, (II) 1987, (III) 1987, 1989, (II) 1989, 1990.

$ Includes New 7 Year Monthly Income Unit Scheme with Yearly Bonus and Growth 1990, (II) 1990, 1991.

$$ Includes Growing Monthly Income Unit Scheme 1991, 1992, 1992 (II).

(a) Upto November 3, 1991 - 9 per cent, from November 4, 1991 to June 30, 1992 - 11 per cent.

(b) 1.5 pence per share for 1991-92 and 2.7 pence for share for 1992-93.

(c) 12 per cent yearly dividend plus one per cent bonus dividend at the end of the year.

(d) US $1.56 per share for the Calendar year 1992.

Source : Unit Trust of India.

Table IX-20 : Financial Assistance Sanctioned and Disbursed by LIC

(Year : April-March) (Rs. crore)

Item	1991-92		1992-93		Cumulative Assistance as at the end of March 1993		Amount outstanding as on March 31, 1993
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	
1	2	3	4	5	6	7	8
1. Term loans **(a+b+c)	414.2	311.9	293.7	188.6	2,460.0 *	1,862.6 *	2,066.4 *
a. Public Sector	155.0	154.1	104.0	76.6			
b. Private Sector (Including Joint Sector)	259.2	156.8	189.7	109.9			
c. Co-operative Sector	-	1.0	-	2.1			
2. Underwriting and direct subscriptions (i+ii)	701.1	660.6	796.1	756.8	4,079.1	3,351.5	4,519.1 @
i) Equity and Preference shares	17.1	44.0	216.0	83.3	527.6	349.2	1,483.7
ii) Debentures	684.0	616.6	580.1	673.5	3,551.5	3,002.3	3,035.4
Total (1+2)	**1,115.3**	**972.5**	**1,089.8**	**945.4**	**6,539.1**	**5,214.1**	**6,585.5**

* Sector-wise break-up is not available. @ This includes market purchases also.

** Relates to term loans (excluding short and medium term loans) to companies, industrial and sugar co-operatives.

Note : Data exclude short and medium term loans.

Source : Life Insurance Corporation of India.

Table IX-21 : Investments by LIC

(Rs. crore)

Type of Assistance	As at the end of March		Net change during April-March	
	1992	1993	1991-92	1992-93
1	2	3	4	5
1. Public Sector	24,457.3	28,956.3	4,445.6	4,499.0
2. Private Sector	4,207.6	5,417.1	929.3	1,209.6
3. Joint Sector	174.9	284.3	9.7	109.4
4. Co-operative Sector	1,562.6	1,664.4	118.2	101.7
Total (1 to 4)	**30,402.4**	**36,322.1**	**5,502.8**	**5,919.7**
Of which:				
a) Stock Exchange Securities	19,056.7	23,082.5	3,214.5	4,025.7
b) Loans	9,618.4	11,585.4	2,201.8	1,967.0
c) Others*	1,727.3	1,654.2	86.5	-73.0

* Others include special deposits with Central Government, contribution to the initial capital of Unit Trust of India, LIC Housing Finance, LIC Mutual Fund, LIC International and loans on bills rediscounting.

Source : Life Insurance Corporation of India.

Table IX-22 : Financial Assistance Sanctioned and Disbursed by GIC and its Subsidiaries

(Year : April-March) (Rs. crore)

Item	1991-92		1992-93	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
A. Type of Assistance				
1. Loans	202.0	78.3	115.9	86.0
2. Underwriting and direct subscriptions (i+ii)	455.2	163.5	348.2	359.1
i) Equity and Preference shares	4.4	8.4	109.8	100.1
ii) Debentures	450.8	155.1	238.4	259.0
Total (1 to 2)	**657.2**	**241.8**	**464.1**	**445.1**
B. Sector-wise Assistance				
1. Public Sector	147.7	9.2	41.9	66.7
2. Private Sector	374.4	224.9	386.6	351.5
3. Co-operative Sector	-	0.2	0.7	0.9
4. Joint Sector	135.1	7.5	34.9	26.0
Total (1 to 4)	**657.2**	**241.8**	**464.1**	**445.1**

Source : General Insurance Corporation of India.

Table IX-23 : Operations of State Financial Corporations

(Year : April-March) (Rs. crore)

	1991-92	1992-93*	Cumulative Sanctions/ Disbursements upto end of March 1993*
1	2	3	4
Assistance Sanctioned	1,988.4	2,151.7	15,629.4
Assistance Disbursed	1,540.1	1,652.8	11,835.1

* Data are estimated.
Source : Industrial Development Bank of India.

Table IX-24 : Operations of State Industrial Development Corporations

(Year : April-March) (Rs. crore)

	1991-92	1992-93*	Cumulative Sanctions/ Disbursements upto end of March 1993*
1	2	3	4
Assistance Sanctioned	1,013.6	1,139.6	7,707.1
Assistance Disbursed	680.0	697.0	5,620.9

* Data are estimated.
Source : Industrial Development Bank of India.

Table IX-25 : Operations of Export-Import Bank of India

(Year : April-March) (Rs. crore)

Lending Programmes	1991-92			1992-93		
	Sanctions	Disbursements	Outstandings	Sanctions	Disbursements	Outstandings
1	2	3	4	5	6	7
A. Funded Assistance	**1,139.9**	**1,107.4**	**1,616.1**	**1,590.2**	**1,295.6**	**1,841.9**
1. Supplier's Credit	58.5	97.5	504.3	156.1	108.4	562.1
2. Pre-shipment Credit	90.7	89.2	155.6	79.9	70.5	126.8
3. Export Oriented Units Finance	86.8	70.5	121.8	168.2	107.8	193.6
4. Agency Credit Line	2.2	11.0	17.9	-	0.6	14.4
5. Computer Software Exports	18.6	3.2	9.5	2.8	19.0	24.3
6. Export Marketing Fund II	44.8	16.5	23.3	27.8	42.8	61.1
7. Export Marketing Finance	-	-	-	18.9	12.0	12.0
8. Overseas Investment Finance	-	1.3	6.6	-	0.3	5.9
9. Production Equipment Finance	-	-	-	147.0	92.6	92.3
10. Export Vendor Development Finance	-	-	-	25.0	-	-
11. Lines of credit	25.9	24.5	273.6	74.2	36.2	253.7
12. Buyer's credit	-	0.4	112.7	-	0.4	108.6
13. Export Bills Rediscounting	631.5	631.5	176.0	687.0	687.0	174.0
14. Refinance of Export Credit	60.4	41.4	143.0	124.0	38.8	144.5
15. Bulk Import Finance	119.9	119.9	70.2	79.3	79.2	68.3
16. Others	0.6	0.5	1.6	-	-	0.3
B. Guarantees	**53.0**	**94.6***	**1,214.2**	**126.8**	**104.3***	**1,213.4**

* Guarantees issued.

Note : All sanctions, disbursements and outstanding amounts in foreign currencies have been converted into rupees using the exchange rate prevailing at the time of sanctions or disbursements or at the end of the year (for outstandings).

Source : Export-Import Bank of India.

Table IX-26 : Region-wise Operations of Export-Import Bank of India

(Year : April-March) (Rs. crore)

Regions	1992-93			
	Sanctions	% share	Disbursements	% share
1	2	3	4	5
1. South Asia	152.9	43.2	45.7	24.0
2. Americas	75.1	21.2	-	-
3. West Asia	69.5	19.6	71.2	37.3
4. South-East Asia/ Far East and Pacific	37.2	10.5	22.7	11.9
5. Europe and USSR	10.7	3.0	10.3	5.4
6. Sub-Saharan Africa	8.9	2.5	20.3	10.7
7. North Africa	-	-	20.5	10.7
Total	**354.3**	**100.0**	**190.7**	**100.0**

Note : This table includes sanctions and disbursements under Supplier's Credit, Export Credit Refinance, Buyer's Credit, Lines of Credit, Overseas Investment Finance, Production Equipment Finance and Export Vendor Development Finance.

Source : Export-Import Bank of India.

Table IX-27 : Industrial Distribution of loans by Export-Import Bank of India

(Year : April-March) (Rs. crore)

Industry	1992-93			
	Sanctions	% share	Disbursements	% share
1	2	3	4	5
1. Transport vehicles	145.2	21.7	28.6	6.3
2. Other capital and engg. goods	127.1	19.0	130.7	28.6
3. Construction goods, equipments and related services	46.4	6.9	32.7	7.2
4. Agricultural products and food processing	39.9	6.0	36.6	8.0
5. Machine tools and accesories	39.3	5.9	16.0	3.5
6. Chemicals, drugs and pharmaceuticals	39.2	5.8	25.7	5.6
7. Power generation and distribution equipment	37.2	5.5	27.7	6.0
8. Textiles and garments	33.7	5.0	36.4	8.0
9. Leather and leather products	25.5	3.8	22.2	4.8
10. Telecommunications	5.5	0.8	22.5	4.9
11. Computer software	2.8	0.4	20.7	4.5
12. Consultancy services	0.3	0.1	9.9	2.2
12A. Railway rolling stock	-	-	3.3	0.7
13. Miscellaneous	127.8	19.1	44.3	9.7
Total	**669.9**	**100.0**	**457.3**	**100.0**

Note : This table includes sanctions and disbursements under Supplier's Credit, Export Oriented Unit, Agency Credit Line, Computer Software Exports, Export Marketing, Overseas Investment Finance, Buyer's Credit and Export Credit Refinance, Production Equipment Finance, Export Vendor Development Finance and disbursements under Lines of Credit.

Source : Export-Import Bank of India.

Table IX-28 : Operations of HDFC

(Year : April-March) (Rs. crore)

Item	1990-91	1991-92	1992-93	Cumulative Sanctions/ Disbursements
1	2	3	4	5
Loan Approvals/Sanctions	813.8	711.9	859.1	4,474.1
Loan Disbursements	668.5	627.8	719.9	3,594.3
Housing loan outstanding (at the end of March)	1,726.9	2,129.9	..	..

.. Not available.

Source : Housing Development Finance Corporation Limited.

CHAPTER X

DEVELOPMENTS IN FOREIGN TRADE

Overall Trend

The trade deficit during 1992-93 was the lowest for more than a decade with the exception of 1991-92 which experienced a sharp import compression. The moderation in the trade deficit during 1992-93 could be ascribed to the less than expected rise in non-oil imports reflecting sluggish growth in industrial production. According to the provisional data available from the Directorate General of Commercial Intelligence and Statistics (DGCI&S), the trade deficit during 1992-93 stood at US $ 3,305 million compared to US $ 1,545 million in 1991-92. The break-up of the trade deficit into 'oil' and 'non-oil' components indicates that the former rose by 13.6 per cent to US $ 5,624 million in 1992-93. The sharp rise in oil deficit was partially offset by the continued surplus on non-oil account. The modest recovery in exports recorded during April-November 1992 was partially offset by a contra-seasonal fall in the subsequent months in the wake of disturbances in Bombay and the continuing recessionary trends in the European countries. In US dollar terms, receipts from exports increased by 3.1 per cent to US $ 18,421 million in 1992-93 as against a marginal decline of 1.5 per cent in the preceding year. With the removal of import compression measures, imports recovered, with a growth of 20 per cent in US dollar terms during the first half of the year. In the second half of the year, however, the recovery was not sustained with imports recording a growth of only around 3-4 per cent. As a result, aggregate imports at US $ 21,726 million recorded a smaller rise of 11.9 per cent.

The trade data in rupee terms as well as in SDR terms showed trends similar to the above account, with the magnitude of the deficit reflecting the combined impact of import compression and depreciation of the rupee (Table-1).

The export-import ratio, which reflects capacity of exports to finance imports, at 84.8 per cent during 1992-93 was lower than 92.0 per cent observed during the preceding year. However, when compared with an average of the preceding three years, it was higher.

Trade with the Rupee Payment Area (RPA) and the General Currency Area (GCA)

Exports to the General Currency Area (GCA) at US $ 17,741 million represented an accelerated growth rate of 10.4 per cent in 1992-93 as against an average growth rate of around 9.1 per cent in the previous two years. The upward shift in exports is largely due to exports responding positively to the liberalised trade and exchange rate regimes. Exports have been subjected to a small negative list; there were successive tariff reductions. Price incentives have improved with competitive exchange rate and a reduction in the inflation rate on a point-to-point basis. However, there was a deviation from the seasonal rise of exports during November and December 1992 due to exogenous factors and internal disturbances.

Exports to the Rupee Payment Area (RPA) declined by 62.2 per cent on top of a decline of 41.4 per cent in the previous year. The steep fall in exports to the RPA depressed the overall rate of growth of exports during the year. Besides, total trade turnover with the RPA which fell by 44.4 per cent in 1991-92 declined further by 59.5 per cent in 1992-93. Exports to the RPA were adversely affected mainly because of the economic uncertainties in the former Soviet Union Countries.

Imports from the GCA in dollar terms rose by 14.7 per cent in sharp contrast to a decline of 17.2 per cent in 1991-92. Imports from the RPA which declined by 50.0 per cent in 1991-92 declined further by 53.5 per cent during the year under review (Table X-2).

Composition of Exports

The composition of exports by major groups of commodities together with the growth rates, as presented in Table X-3, show that while exports of manufactured goods rose in US dollar terms by 6.0 per cent, exports of primary products declined by 8.6 per cent. Consequently, the share of manufactured goods in total exports increased from 73.6 per cent in 1991-92 to 75.7 per cent in 1992-93, while the share of primary products slid down from 23.1 per cent to 20.5 per cent during the period. The major declines under primary products were recorded in tea (31.7 per cent) and iron ore (34.6 per cent). The divergent trends in the export performance of primary products and manufactured goods sectors continued to prevail for the second year in succession. Exports of manufactured products which rose by 1.2 per cent in 1991-92 rose further by 6.0 per cent in 1992-93. In contrast, exports of agriculture and allied products declined by 5.2 per cent in 1992-93 on top of a decline of 4.5 per cent in the previous year.

An analysis of industry-wise data shows that the bulk of the increase in exports in US dollar terms was contributed by thrust sectors, viz.,gems and jewellery (11.5 per cent), readymade garments (8.6 per cent) and cotton yarn fabrics, made-ups (4.4 per cent). The exports of some '*Extreme Focus Products*' like sugar and molasses suffered declines.

The Projections for 1993-94

The Eighth Five Year Plan (1992-97) envisaged an export growth rate of 13.6 per cent per annum in volume terms. Keeping in view the Eighth Plan target of US $ 33.6 billion in 1996-97, the Union Ministry of Commerce have fixed an export target of US $ 22,138 million for the year 1993-94. The export projection for 1993-94 represents a rate of growth of about 20 per cent over the actual achievement of US $ 18,421 million during 1992-93. Details of export target for 1993-94 by principal commodity groups over the actual achievement in 1992-93, in terms of US dollar, indicate unusually high growth rates postulated in respect of few items, *viz.*, textiles including handicrafts and carpets (41.1 per cent), agriculture and allied products (18.4 per cent), leather and leather manufactures (16.9 per cent) and ores and minerals (17.3 per cent). Notwithstanding the low trend rate of growth in exports, the 27.8 per cent rise in exports during the first quarter (April-June) of 1993-94 gives hope that the annual export growth target of 20 per cent for 1993-94 is possible, assuming that there is already a movement up the J-curve.

The trends in India's principal exports both in rupee and US dollar terms are given in Table X-3. The export performance during 1992-93 showed a mixed trend. While primary products comprising agricultural and allied products and ores and minerals showed a decline of 8.6 per cent to US $ 3,776 million during the year, manufactured goods, which include six major commodities, viz., leather and leather manufactures, chemicals and allied products, engineering goods, readymade garments, cotton yarn, fabrics, made ups, etc., and gems and jewellery, showed an increase of 6.0 per cent to US $ 13,941 million. In the preceding year, primary products declined by 4.4 per cent while manufactured goods showed a rise of 1.2 per cent. The measures taken during 1990-91 and 1991-92 to compress imports would vitiate any comparison of the trade data for these two years with that of the year under review.

Agriculture and allied Products

Following a decline in exports during the year under review, the share of *agricultural exports* in the total exports came down to 16.5 per cent from 17.9 per cent during the preceding year. Interestingly, the continued decline in the exports of *agriculture and allied products* for the second year in succession was both in absolute and percentage terms. This phenomenon is quite intriguing in view of the fact that our agricultural prices are in line with world prices and in many cases even lower. Most of the individual commodities in the group registered declines in US dollar terms; however, a few commodities registered increases and this helped to offset partly the overall decline in agricultural exports. The commodities which recorded increases were rice (9.5 per cent), tobacco (9.0 per cent), oil meal (42.0 per cent), processed foods, etc. (5.5 per cent) and marine products (2.8 per cent).

The volume of exports of some agricultural commodities and their unit value realisations are presented in Table X-4. In volume terms, except for coffee, tobacco, cashew kernels and marine products, all other agricultural exports registered declines during 1992-93. Again, the commodities for which the unit value realisation improved during the same year were rice, oil meal and sugar and molasses. It would be interesting to observe how the final tally of export earnings of these commodities is made up of. In the case of tea, raw cotton and spices, decline in export earnings resulted from declines in both quantum and unit value realisation. In respect of coffee and cashew kernels, the decline resulted from a fall in unit value realisation, despite a rise in quantum. The fall in unit value realisation reflected a drop in international prices of these commodities. In the case of sugar and molasses, however, the fall came from decline in quantum, the unit value realisation showing a rise. In respect of commodities recording increases in export earnings, the increases in the case of rice and oil meal came from rise in unit value realisation. In the case of tobacco and marine products, the rise in earnings came from increases in quantum.

The major markets towards which our agricultural exports found their way varied from commodity to commodity. For instance, the UK, the CIS (the erstwhile USSR), Iran and Poland together accounted for over 60 per cent of our tea exports during 1992-93. However, the share of these countries stood at over 70 per cent in the preceding year. In the case of coffee, the CIS, Germany, Italy and Poland accounted for over 60 per cent. Saudi Arabia accounted for 48.5 per cent of our rice exports and Netherlands and the USA taken together absorbed nearly two-third of our exports of cashew kernels during the same year. The break-up of the erstwhile Soviet Union has resulted in a diversification of export markets for spices with the USA accounting for 31.6 per cent of these exports during 1992-93 (as compared to 19.6 per cent in the preceding year) and around 40 per cent being accounted for by countries like Canada, Germany, Japan, Singapore, Pakistan, Saudi Arabia, Sri Lanka, the UAE and the UK. Nearly 35 per cent of our exports of oil meal were accounted for by Singapore and Thailand (Statement 126, Vol.II).

Ores and Minerals

The fall in export earnings under *ores and minerals* was on account of a fall both in quantum as well as in unit value realisation.

Manufactured Exports

The share of manufactured exports in our total exports rose marginally from 73.6 per cent during 1991-92 to 75.7 per cent during the year under review. All the major manufactured exports except chemicals and allied products, jute manufactures and natural silk yarn, fabrics, etc., registered positive growth rates in US dollar terms during 1992-93, though ranging from 0.5 per cent for leather and leather manufactures to 11.5 per cent for gems and jewellery.

Exports of *leather and leather manufactures* at US $ 1,275 million during 1992-93 were almost stagnant at the preceding year's level. Destination-wise, Germany continues to be the largest market for Indian leather goods with a steady increase in exports and accounting for 23.6 per cent of these exports during 1992-93. Other major markets for Indian leather goods were the USA (16.2 per cent), the UK (11.1 per cent) and

Italy (9.5 per cent). Germany, Italy, the UK and the USA taken together accounted for about 60 per cent of total exports of leather and leather manufactures during the year. The share of the CIS came down to 6.3 per cent from 12.6 per cent in 1991-92.

Exports of *chemicals and allied products* fell sharply by 15.6 per cent to US $ 1,248 million during 1992-93 as compared to a rise of 13.2 per cent during the previous year. The decline was notable in exports to the CIS whose share came down from 29.1 per cent in 1991-92 to 6.2 per cent during the year under review. However, other markets like the USA (14.3 per cent), Germany (9.6 per cent) and the UK (5.6 per cent) showed improved performance.

Exports of *engineering goods* comprise diverse range of items like ferro alloys, non-ferrous metals, manufactures of metals, machinery and transport equipment, iron and steel, electronic goods, computer software and project goods. Their exports rose by 9.4 per cent to US $ 2,465 million during 1992-93 as compared to a nominal rise of 0.1 per cent in the previous year. The encouraging performance of the engineering exports can be explained in terms of extended coverage of the International Price Reimbursement Scheme (IPRS) enabling the exporters to utilise indigenous iron and steel and yet remain internationally competitive. The export performance of engineering goods is commendable in the face of continued recession in the European countries, severe competition from developed countries and disruption of trade with the CIS. In fact, the share of the CIS in India's exports of engineering goods declined sharply from 17.1 per cent in 1991-92 to 4.2 per cent during the year under review. During 1992-93, the USA emerged as the largest market for these goods with a share of 11.1 per cent followed by Singapore (6.9 per cent), the UAE (5.6 per cent), the UK (5.2 per cent), the CIS (4.2 per cent), Sri Lanka (4.0 per cent) and Japan (3.9 per cent). The other emerging markets for our engineering goods are Germany, France, Italy, Bangladesh and Malaysia.

Exports of *readymade garments*, which include garments made from cotton, silk, manmade fibres, wool and other textile materials, rose by 8.6 per cent to US $ 2,389 million in contrast to a decline of 1.6 per cent in the previous year. The USA accounted for nearly 30 per cent of our exports of readymade garments during 1992-93 (up from 27.3 per cent in 1991-92) followed by Germany (13.3 per cent), the UK (10.8 per cent) and France (6.4 per cent). The performance of garment sector has been impressive in view of quota restrictions imposed under the Multi-Fibre Arrangement (MFA).

Cotton yarn, fabrics, made-ups, etc., witnessed a modest increase of 4.4 per cent to US $ 1,356 million, a slow-down from an increase of 11.1 per cent achieved during the previous year. The markets for exports of these items are diverse with the USA accounting for 14.2 per cent followed by Bangladesh (12.4 per cent), the UK (11.4 per cent) and Germany (7.2 per cent). The other emerging markets are Italy, Japan, France and the UAE.

Exports of *gems and jewellery* rose by 11.5 per cent to US $ 3,052 million during 1992-93 as against a decline of 6.4 per cent during the previous year. The turnaround in respect of gems and jewellery exports may be attributed to the setting in of the revival of the US economy which is a major importer. Gems and jewellery was the largest gross foreign exchange earner in our export basket during 1992-93 followed by engineering goods, readymade garments, cotton yarn, fabrics, made-ups, leather and leather manufactures and chemicals and allied products, in that order. Most of these items belong to the "Extreme Focus Products" category. The bulk of our gems and jewellery are imported by the USA (37.7 per cent), Hongkong (17.3 per cent), Belgium (14.5 per cent) and Japan (14.1 per cent).

Commodity-wise Imports

Consequent upon the removal of import compression measures, the imports of all major groups witnessed a rebound during the year under review. Both bulk and non-bulk imports rose by 12.2 per cent and 11.7 per cent in dollar terms, respectively, during 1992-93. As a result , the share of bulk imports in the total imports increased marginally to 44.9 per cent in 1992-93 from 44.8 per cent in the preceding year. The main items under bulk imports which showed spurt were POL, cereal and cereal preparations, and metalliferrous ores and metal scrap, etc. Imports of iron and steel showed a decline. Almost 32 per cent of the increase in total imports was under POL. This was because of a fall in the domestic production of crude petroleum in 1992-93 of about 11 per cent. Imports of crude oil and petroleum products at US $ 6,100 million during 1992-93 were higher by 13.7 per cent as compared to the preceding year. Imports of crude oil went up from 24.0 million tonnes in 1991-92 to 29.2 million tonnes in 1992-93. Imports of petroleum products also increased from 9.4 million tonnes to 11.1 million tonnes during the year mainly to meet the shortfall arising out of the shut-down of some refining facilities for maintenance purposes. The relatively smaller increase in POL import bill reflected lower international prices of POL. Important items under non-bulk imports which recorded increases were pearls, precious and semi-precious stones and capital goods.

Between 1989-90 (pre-compression year) and 1992-93, while aggregate imports remained almost at the same level, shares of different categories of imports underwent a change. Due to a sharp increase in POL imports, the share of bulk imports went up while the share of non-bulk imports came down correspondingly during the period (Table X-5).

Data on quantum imports of commodities under bulk imports and the cost per unit import of these commodities are given in Table X-6. It would be seen that except for vegetable oils and pulp and waste paper, the cost per unit of import of all other bulk commodities has gone down during 1992-93. The import cost of edible oils increased by 28.2 per cent to US $ 570.1 per tonne from US $ 444.7 per tonne last year. There was a perceptible decline in the cost per unit of imports of iron and steel from US $ 641.1 per tonne during 1991-92 to US $ 378.9 per tonne during the year under review, reflecting improved terms of trade. The prices paid for per unit import of rice, pulses, fertilisers and paper, paper boards, etc., were also lower during 1992-93 as compared to the previous year.

As regards the sources of supplies of our imports, wheat was imported almost entirely from Australia, Canada and the USA during 1992-93. Pulses were imported mainly from Myanmar (49.5 per cent) and Australia (13.9 per cent) and edible oils from the USA (46.1 per cent), Germany (23.9 per cent) and Malaysia (18.4 per cent) during the same year. Again, bulk of pulp and waste paper was imported from the USA (32.6 per cent), Canada (24.6 per cent) and the UAE (8.1 per cent) during 1992-93. Imports of iron and steel were made during the year mainly from Germany (19.6 per cent), Japan (16.9 per cent) and South Korea (9.2 per cent).

Among the non-bulk items, capital goods imports, which comprise electrical and non-electrical machinery, transport equipment, manufactures of metals and project goods, rose by 5.4 per cent to US $ 4,463 million as against a sharp decline of 27.5 per cent recorded in the previous year. Except for import of project goods which declined by 18.8 per cent in US dollar terms, all other categories of capital goods registered increases during the year. The major countries from which capital goods were imported during 1992-93 were Germany (22.1 per cent), Japan (18.9 per cent), the USA (14.6 per cent) and the UK (6.2 per cent).

There was a spurt in the imports of pearls, precious and semi-precious stones by 23.7 per cent to US $ 2,421 million as compared to a decline of 6.0 per cent in the previous year. A sharp recovery in imports of pearls, precious and semi-precious stones had its reflection in buoyant exports of gems and jewellery during the year. The bulk of these imports were from Belgium (65.7 per cent) and the UK (26.8 per cent) during 1992-93.

Direction of Trade

By and large, the industrial market economies belonging to the OECD group of countries continued to provide major outlets for India's exports as also to account for major sources of India's imports.

The developments in the international arena over the last two years, however, have resulted in a shift in the direction of India's foreign trade. For example, the disintegration of the erstwhile USSR and the turmoil in other East European countries led to disruption of trade with this group of countries and as a result the share of India's exports to them declined from 10.9 per cent in 1991-92 to 4.3 per cent in 1992-93 . In the case of imports, the share of the East European countries fell from 5.1 per cent to 2.6 per cent during the same period. In the case of exports, there was increased offtake by the OECD group of countries (2.7 percentage points), Developing countries (2.7 percentage points) and the OPEC (1 percentage point) during 1992-93 as compared to the previous year. In the case of imports, the shares of the OECD and OPEC groups as sources of India's imports increased by around 1.7 and 2.2 percentage points, respectively, during the same period.

During 1992-93 also, the group of OECD countries continued to be India's largest trading partner, absorbing 61 per cent of India's exports and 56 per cent of her imports. The Developing countries followed with an offtake of around 23 per cent of exports and 20 per cent of imports (Tables X-7 and X-8 and also Statement 125 in Vol.II).

Development in Foreign Trade Policy

The various policy measures pertaining to trade liberalisation adopted since July 1991 and which culminated in the announcement of a five-year Export-Import (EXIM) Policy on March 31, 1992, were discussed in detail in the previous year's Report.

The EXIM policy, 1992-97, which runs co-terminus with the Eighth Plan period, formed an integral part of the structural reforms and was intended to provide further thrust to the process of trade liberalisation. The emphasis of the five-year EXIM policy is to allow free exports and imports of goods and services subject to negative lists of exports and imports which have been substantially pruned and are under constant review. Apart from the liberalisation, the broad thrust of the new EXIM policy is on ensuring export incentives are available uniformly to all exporters. Changes in Import Control and Export Control/Promotion measures announced during 1992-93 are covered in Appendices I and II.

The EXIM Policy, 1992-97, announced in March 1992 has, therefore, set in motion elimination/simplification of procedures and a series of policy adjustments designed to enable the trade sector to help move towards greater competitive efficiency and further globalisation of the economy. The modifications announced on March 31, 1993 represent a sequenced stage in this process.

In the modifications, the principal objectives of the current EXIM Policy have been redefined with a view to enhancing export capabilities of the agriculture, mining and services sectors by promoting productivity, modernisation and competitiveness thereof.

The broad outline of the modifications to the EXIM Policy, 1992-97, is discussed below:

1. Negative List of Exports and Imports

The two lists, which are indicators of surviving quantitative controls, comprise items which are prohibited or generally not allowed for export or import except under licensing or under canalisation. During the year under review, in

August 1992, the negative list of imports was shortened. Effective April 1, 1993, the negative list for exports was pruned with the removal of 144 entries from the list.

2. Agricultural Sector

To encourage the establishment of Export-Oriented Units (EOUs) in the agricultural sector, EOUs engaged in agriculture, acquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry and sericulture can avail of the benefits of duty free imports under the EOU/EPZ Scheme provided they export at least 50 per cent of their production in value terms. These units can sell upto 50 per cent of their production in the Domestic Tariff Area (DTA) as against the limit of 25 per cent permitted for the non-agricultural sector, subject to fulfilment of stipulations of minimum value addition and export obligation.

The definition of 'capital goods' under the modified policy has been widened to cover capital goods used in agriculture, mining and services so that EOUs engaged in these sectors can avail of the Export Promotion Capital Goods (EPCG) Scheme for importing their equipment at a concessional rate of duty. Further, as a part of the on-going review of the policy, certain inputs and materials required by the agricultural sector have been removed from the negative list of imports so as to enlarge the list of goods importable under OGL. These items are shrimps and poultry feed, edible wax for waxing fresh fruits and vegetables, grape guard paper, dipping oil for treatment of grapes, wheat glutten and fish meal in powdered form.

3. Import of Second Hand Capital Goods

Under the EXIM Policy, 1992-97, second hand capital goods may be imported with or without licence depending on the goods.The list of second hand capital goods which may be imported without a licence has been expanded under the modifications announced on March 31, 1993. Any other second hand capital goods may be imported in accordance with a licence issued on this behalf. The second hand capital goods shall not be more than seven years old and shall have a minimum residual life of five years. In appropriate cases, the condition of seven years may be relaxed. They shall be subject to Actual User condition in all cases.

4. Export Promotion Capital Goods (EPCG) Scheme

With the introduction of EXIM Policy, 1992-97, two windows were available under the Scheme for import of capital goods at concessional rate of customs duty. Effective April 1, 1993, the first window of import at 25 per cent customs duty was discontinued in view of general lowering of customs duties in the Central Budget for 1993-94. Under the other window, capital goods (including spares upto 10 per cent of the CIF value of capital goods) may be imported at a concessional rate of customs duty of 15 per cent subject to an export obligation of four times the CIF value of imports. The export obligation shall be fulfilled within a period of five years from the date of issue of the import licence. Import of capital goods under the Scheme shall be subject to Actual User condition. Both new and second hand capital goods (conditions mentioned at 3 above will apply) may be imported under the Scheme.

The EPCG Scheme, as it is operative at present, has been extended to the services sector, covering professionals like architects, economists, doctors, lawyers, hotels, restaurants, travel agents, diagnostic centres, etc., or any other service providers, as may be specified by a Public Notice in this behalf, earning foreign exchange from their activities either in India or abroad.

5. Duty Exemption Scheme

Under this Scheme, import of raw materials, intermediates, components, consumables, parts, accessories, packing materials and software (referred to as "inputs") required for direct use in the product to be exported are permitted duty-free by the competent authority under the following categories of licences - Advance Licence, Value-based Advance Licence, Quantity-based Advance Licence, Advance Intermediate Licence, Special Imprest Licence, Advance Customs Clearance Permit and Quantity-based Advance Licence for gold and silver jewellery and articles.

In order to facilitate quick disposal of applications for duty free licences under the Scheme, the number of export products for which input-output norms have been standardised and published has increased substantially from 1517 as on April 1, 1992 to 2212 as on April 1, 1993. Efforts would continue to be made to standardise such norms for other export products. The growth strategy of import-led export growth is sought to be achieved by the Duty Exemption Scheme. Certain loose ends in the implementation of the Duty Exemption Scheme have been suitably taken care of with a view to preventing the likely misuse and to facilitate easy monitoring of fulfilment of export obligations.

6. Export Oriented Units (EOUs) and Units in Export Processing Zones (EPZs)

The schemes of EOU and EPZ were liberalised in the EXIM Policy, 1992-97. Among others, such units may be engaged in production of software, agriculture, acquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry and sericulture. Units engaged in service activities may also be considered on merits.

In the modifications announced on March 31, 1993 the formula for value addition for EOU/EPZ units has been rationalised by counting only the physical imports and not the indigenously sourced inputs, and allowing in capital-intensive projects, amortization of capital goods over a longer period. With a view to promoting sports within the country, national/state level organisations and eminent sportsmen have been allowed to import specified categories of sports goods without a licence.

7. Export Promotion Councils (EPCs), Export Houses, Trading Houses and Star Trading Houses

The crucial role of EPCs, Export Houses, Trading Houses and Star Trading Houses has been recognised, and they have, therefore, been granted autonomy. At present, there are 19 EPCs, whose basic objective is to promote and develop exports. Registration-cum-Membership Certificate (RCMC) by EPCs will continue to be an essential requirement for any importer/exporter to avail of the benefits and concessions under the new policy.

The criterion for recognition of Export Houses/Trading Houses/Star Trading Houses, which was earlier based on Net Foreign Exchange (NFE) earnings, was changed with effect from April 1, 1993. Henceforth, the criterion is based on the average free-on-board (FOB) value of physical exports during the preceding three licensing years (i.e. fiscal years) or the FOB value of physical exports during the preceding licensing year, whichever is satisfied.

For the Star Trading Houses, while the average FOB value of physical exports during the preceding three licensing years is Rs.250 crore, the FOB value of physical exports during the preceding licensing year is Rs.300 crore. For Trading Houses, the criterion is Rs.50 crore and Rs.75 crore, respectively, and for Export Houses the criterion is Rs.10 crore and Rs.15 crore, respectively. For the purpose of the above criterion, the physical export of the products shall be counted at 20 per cent of the actual FOB value of exports. Consequently, the scheme for Special Import Licences for these Houses has been revised. The Special Import Licences will hence forth be based on the FOB value of physical exports instead of the NFE. The maximum value of the Special Import Licences will be calculated at 4 per cent, 3 per cent and 2 per cent of the FOB value of physical exports in the preceding licensing year for the Star Trading Houses, Trading Houses and Export Houses, respectively.

For manufacturers who have acquired the prescribed quality certification, the value of the Special Import Licences will be calculated at 1 per cent of the FOB value of physical exports in the preceding licensing year. In the case of diamonds, gems and jewellery, only 20 per cent of the FOB value of physical exports will be counted.

Double weightage shall be assigned to physical export of products manufactured by small-scale industries, handlooms and handicrafts including sports goods, hand-knotted carpets and silk products. Further, FOB value of exports made by a subsidiary company of the exporter, whether in the Domestic Tariff Area (DTA) or situated in the Export Processing Zone or as an Export Oriented Unit, shall be counted towards export performance of the parent company for the purpose of eligibility.

Rationalisation of Tariff Structure

The gamut of trade policy measures undertaken since July 1991 aims at integrating the Indian economy with the global trading system. This is reflected in moving towards an exchange rate regime based on market forces. The continued reduction in the maximum import tariff rate (basic plus auxiliary) from 150 per cent to 110 per cent in the Central Budget for 1992-93 and further to 85 per cent, except for a few items including passenger's baggage and alcoholic beverages, in the Central Budget for 1993-94, is expected to result in competitive efficiency of our system, and help facilitate globalisation of the Indian economy. Pursuant to the recommendations of the Tax Reforms Committee (Chelliah Committee), the Government proposes to further reduce the average and maximum tariffs and rationalise the tariff structure to bring the level in line with those of other developing countries.

The Budget for 1993-94 has effected a reduction in import duty on specified capital goods from an average of 40 per cent to 25 per cent. Presently the average ad-valorem tariff rates are 35 per cent for capital goods, 25 per cent for project machinery, 40 per cent each for tools and electronic equipment and 15 per cent for chemicals. The reduction in import duty is expected to further boost the exports from these sectors. Customs tariff on specified items for extreme focus export areas such as food processing, horticulture has been reduced to 25 per cent. Reduction in import duties, in the Central Budget for 1993-94, in the areas in which the country enjoys comparative advantage such as textiles, leather and gems and jewellery is expected to result in further gains to the export sector. On these items the duty has been reduced to 25 per cent.

Other Measures

Given the importance of finance in the export promotion strategy, credit policy has been geared to ensure increased availability of credit to exporting units at lower cost. In keeping with the developments in the international export credit markets, the rate of interest on refinance against post-shipment export credit denominated in US dollar was reduced from 6.5 per cent to 5.5 per cent per annum. Banks have been directed to continue to adhere to the stipulated target for export credit of 10 per cent of net bank credit during 1993-94. The authorised dealers in India have been allowed to rediscount export bills abroad at rates linked to international interest rates.

The introduction of the unified exchange rate of the rupee replacing the Liberalised Exchange Rate Management System (LERMS) with effect from March 1, 1993 has given yet another boost to external trade. Under the 'LERMS', while a non-exporter-manufacturer could recover the high cost of imports at market determined exchange rate, an exporter-manufacturer had to be satisfied with 60 per cent conversion at market rate even on imports which were paid for at market rates. Hence, LERMS acted as a tax on exports. The unified exchange rate system would eliminate such a tax and have beneficial impact on exports.

The list of 15 thrust sectors has been further disaggregated and enlarged so as to cover new items. The enlarged list called "Extreme Focus Products" now covers 34 commodities. These items have been identified on the basis of their potential to achieve 30 per cent growth in exports per annum in the medium term scenario for focussing attention.

Trade Agreements and Economic and Technical Co-operation Agreements

The Government of India enters into Economic and Technical Co-operation Agreements with different countries periodically. These agreements which are valid for stipulated periods of time are meant to promote bilateral trade and technical co-operation. While some agreements indicate detailed list of commodities for two-way transactions during a given period along with value stipulations for both sides, other agreements indicate only broad guidelines for promotion of trade and technical co-operation. In the case of those agreements which indicate only broad guidelines, annual protocols are signed after taking into account the present needs of both the countries and international economic environment. The agreements facilitate smooth business transactions between the two countries and both exporters and importers in both the countries find these arrangements convenient. During the year 1992-93, such trade protocols/agreements were signed by India with many countries, details of which are given in Appendix - III.

International Trade Negotiations

GATT

The General Agreement on Tariffs and Trade (GATT), operational since January 1948 and, the only multilateral instrument laying down agreed rules for international trade is currently subscribed to by 111 member countries accounting for nearly 90 per cent of world trade.

The most authoritative arm of GATT, the Session of Contracting Parties, met on 2-3 December 1992 to assess the recent trends in world trade and progress of the Uruguay Round. The session expressed concern over the United States' recent announcement of preliminary countervailing duties on certain steel imports. The other important issues discussed in the Session were (i) US and EC export subsidies on wheat, (ii) US trade embargo on Cuba, (iii) US/EC oilseeds dispute, (iv) EC import regime for bananas, and (v) Norway's subsidy related to a tender for a hydro-electric project in Costa Rica.

The Uruguay Round

In the absence of any agreement between the major trading partners on issues such as export subsidy in agriculture, domestic subsidies in general and the negotiations for increased market access, very little progress was made in the Uruguay Round during 1992. Following the 'Blair House' agreement (Washington, 20 November, 1992) between the US and the EC on agriculture, intensified efforts were made by the contracting parties to conclude the Round in time to meet the March 1993 deadline for the US Administration's 'fast track negotiating authority'. The US Congress has since given an extension of eight months to its 'fast track negotiating authority' till December 15, 1993.

In the G-7 Summit held at Tokyo in July 1993, some efforts for reviving the stalled Uruguay Round negotiations were made. The summit countries signed on the market-access agreement, which aimed at providing the global economy a stimulus by lowering barriers to trade. In this direction, the so-called quad group - US, Canada, European Community and Japan - reached an accord to eliminate and lower tariffs on a broad spectrum of manufactured goods. The agreement proposes :

- elimination of tariffs on eight categories of manufactured products - pharmaceuticals, medical equipment, construction equipment, steel, farm equipment, beer, furniture and distilled spirits.

- cutting of peak tariffs by up to 50 per cent where existing duties exceed 15 per cent (mainly in four groups - ceramics, glass, textiles and apparel), with some agreed exceptions.

- harmonisation of tariffs on chemical products at low rates, including a zero rate on some products, and an understanding to negotiate harmonisation of rates in other product areas.

- negotiation of tariff cuts averaging at least one-third on other products, with the possibility of cuts of more than 50 per cent on some items.

The negotiations also produced agreement to progress towards greater trade liberalisation in the services sector, particularly financial services and basic telecommunications. Among the four largest trading blocks, no accord has yet been reached on trade in services. An agreement on financial services may soon be reached if Japan and Korea agree to greater liberalisation of their financial services sector. The negotiations on maritime services and telecommunications are, however, far from conclusion.

Closely following the G-7 Summit, GATT negotiations were resumed in Geneva on July 14 1993, when Mr. Peter Sutherland, the new Director General of GATT, called a meeting of the Trade Negotiations Committee (TNC) at the offical level. Various country groups have vowed to work towards conclusion of the Uruguay Round before the end of the year.

International Agreements in respect of Selected Commodities during 1992-93

Food and Agriculture

According to FAO's latest Food Outlook Report, global cereal supplies - especially wheat and coarse grains - will decline in 1993 after the recovery in 1992. At its 18th session (Rome, 29 March - 1 April, 1993), FAO Committee on World Food Security noted with concern, existence of acute localised food problems despite overall improved global food security situation. At its 12th session (Rome, 26 April - 4 May, 1993) the FAO Committee on Agriculture emphasised the need for alleviating rural poverty, achieving food security and protecting the environment on a priority basis.

Grains

The 25th session of the FAO Intergovernmental Group on Grains (Rome, 25-28 May, 1993) noted that world grain output in 1992-93 had recovered to the 1990-91 level. According to FAO estimates, world grain trade will grow at a slower rate in the 1990s compared with the preceding two decades. The Group welcomed the provisions in the Draft Final Act of the Uruguay Round calling for compensation to the net food importing developing countries in the event of higher import bills. It also agreed with the general objectives of liberalisation in international trade in foodgrains.

Wheat

The 119th session of the International Wheat Council (London, 21-22 June, 1993) noted that in 1993, world wheat production is likely to reach the third highest level, world consumption will be at the same level as in 1992 and world trade in wheat will decline.

At a World Grain Conference (London, 23 June, 1993) organised by the International Wheat Council, participants discussed issues related to finding means to prevent further occurance of famine, organisation of the grain system in the countries of former USSR, implications of the GATT Uruguay Round on wheat trade and the difficulties of developing exporting countries.

Rice

At its 36th session (Rome, 28 June - 1 July, 1993), the Inter- governmental Group on Rice noted that in 1993 the global rice market will be characterised by depressed prices due to the prevailing glut conditions. Several developments that will facilitate the attainment of the objectives of the Guidelines for National and International Action on Rice were noted. Some of these were: increased production and trade among developing countries, reduced rice shortages and a greater share of rice in the International Emergency Food Reserve and Protracted Refugee Operations.

Cocoa

A new International Cocoa Agreement (ICA) was negotiated and adopted at the 5th session of the UN Cocoa Conference (Geneva, 5- 16 July, 1993) which will come into force after completion of legal formalities, will be for a duration of five years with the possibility of two extensions of two years each. The ICA seeks to achieve adequate supply at prices acceptable to both producers and consumers. It also aims at promoting transparency in the working of the world cocoa economy. There are no provisions for buffer stocks under the new ICA. A production committee set up by the International Cocoa Council will draw up a production management plan and each exporting member will be responsible for its own production management programme.

Coffee

The 59th session of the International Coffee Council (London, 21-30 September, 1992) agreed to define a universal quota: "exports of coffee from all exporting Members to all destinations." It was to be the premise of the new International Coffee Agreement (ICA) then under negotiation. The negotiations, however, failed because of conflicting views of producers and consumers on technical issues of continuity of the new ICA. While consumers wanted any new accord to run uninterrupted for three years, the producers favoured greater flexibility so that they would not be stuck with very low prices under the accord.

In June 1993, the Executive Board of the International Coffee Organisation obtained approval of the required majority for its recommendation to extend the ICA 1983 to September 30, 1994 to provide time for negotiation of a new ICA. Meanwhile, major producers of coffee in Latin America have agreed on a retention scheme to boost coffee prices. African producers are also reported to have decided to curb exports.

Natural Rubber

A meeting (Kuantan, Malaysia, 7-8 October, 1992) of the Association of Natural Rubber Producing Countries agreed to devise means to raise the depressed price of rubber on account of industrial slowdown of the developed countries.

The International Natural Rubber Organisation (INRO) announced after its Council Meeting (Kuala Lumpur, 31 March-1 April, 1993) that the majority of its members were against renegotiating the International Natural Rubber Agreement (INRA), 1987 which expires on 28 December 1993, since it failed to raise rubber price.

During the talks on the renegotiation of the INRA (Kuala Lumpur, 24-28 May 1993) producers and consumers differed on the reference price that determines market intervention by the INRO.

Cotton

The 51st meeting of the International Cotton Advisory Committee (ICAC) (Liverpool, 28 September-2 October, 1992) reviewed the cotton market situation and noted an excess world supply of raw cotton as well as textile manufactures in relation to demand resulting in depressed prices in 1992-93. In 1993-94, with the world economy expected to grow, demand may pick up. Hence, the ICAC urged the GATT Contracting Parties to quickly conclude the Uruguay Round to reap benefits of an increased demand.

Sugar

The 1992 International Sugar Agreement, the fifth since 1937 and the successor to the 1987

Agreement, entered into force on January 20, 1993. The Agreement, negotiated under UNCTAD auspices, provides the basis for strengthened international co-operation on world trade in sugar. However, it does not provide for price regulating measures. The 1992 Agreement will remain in force until December 31, 1995 but it can be extended for successive periods of two years on each occasion.

Table X-1 : India's Foreign Trade

Year (April-March)	In Rs. Crore			In US $ million			In SDR million		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
1	2	3	4	5	6	7	8	9	10
1990-91 P	32,527	43,171	-10,644	18,128	24,060	-5,932	13,090	17,373	-4,283
	(17.5)	(21.9)		(9.0)	(13.1)		(1.0)	(4.8)	
1991-92 P	43,978	47,813	-3,835	17,840	19,396	-1,556	13,154	14,301	-1,147
	(35.2)	(10.8)		(-1.6)	(-19.4)		(0.5)	(-17.7)	
1992-93 P	53,351	62,923	-9,572	18,421	21,726	-3,305	14,364	16,941	-2,577
	(21.3)	(31.6)		(3.3)	(12.0)		(9.2)	(18.5)	
1990-91	32,553	43,193	-10,640	18,143	24,073	-5,930	13,100	17,382	-4,282
	(17.6)	(22.0)		(9.1)	(13.2)		(1.1)	(4.9)	
1991-92	44,042	47,851	-3,809	17,866	19,411	-1,545	13,173	14,313	-1,140
	(35.3)	(10.8)		(-1.5)	(-19.4)		(0.6)	(-17.7)	
1992-93 P	53,351	62,923	-9,572	18,421	21,726	-3,305	14,364	16,941	-2,577
	(21.1)	(31.5)		(3.1)	(11.9)		(9.0)	(18.4)	

Note : Figures in brackets relate to percentage variation over the previous year.
P- Provisional.

Source : D.G.C.I & S.

Table X-2 : India's Foreign Trade - RPA and GCA

Year (April-March)	RPA			GCA			Total		
	Exports	Imports	Trade balance	Exports	Imports	Trade balance	Exports	Imports	Trade balance
1	2	3	4	5	6	7	8	9	10
				Rupees Crore					
1989-90 P	5,173	2,679	2,494	22,508	32,737	-10,229	27,681	35,416	-7,735
	(63.6)	(61.9)		(31.9)	(23.2)		(36.8)	(25.4)	
1990-91	5,507	2,869	2,638	27,046	40,324	-13,278	32,553	43,193	-10,640
	(6.5)	(7.1)		(20.2)	(23.2)		(17.6)	(22.0)	
1991-92	4,433	1,970	2,463	39,609	45,881	-6,272	44,042	47,851	-3,809
	(-19.5)	(-31.3)		(46.5)	(13.8)		(35.3)	(10.8)	
1992-93 P	1,970	1,076	894	51,381	61,847	-10,466	53,351	62,923	-9,572
	(-55.6)	(-45.4)		(29.7)	(34.8)		(21.1)	(31.5)	
				US $ million					
1989-90 P	3,107	1,609	1,498	13,519	19,663	-6,144	16,626	21,272	-4,646
	(42.3)	(40.8)		(14.7)	(7.1)		(19.0)	(9.1)	
1990-91	3,069	1,599	1,470	15,073	22,474	-7,400	18,143	24,073	-5,930
	(-1.2)	(-0.6)		(11.5)	(14.3)		(9.1)	(13.2)	
1991-92	1,798	799	999	16,068	18,612	-2,544	17,866	19,411	-1,545
	(-41.4)	(-50.0)		(6.6)	(-17.2)		(-1.5)	(-19.4)	
1992-93 P	680	372	308	17,741	21,354	-3,613	18,421	21,726	-3,305
	(-62.2)	(-53.5)		(10.4)	(14.7)		(3.1)	(11.9)	

Note : (1) Figures in brackets represent percentage variation over the previous year.
(2) Till 1989-90 five countries are included in RPA, namely, USSR, Romania, Czechoslovakia, GDR and Poland. Beginning from 1990-91, the RPA covers only the first three of the countries mentioned above.
P- Provisional.

Source : D.G.C.I & S.

Table X-3 : India's Exports of Principal Commodities

Commodity Group	In Rs. crore					Percentage variation		In US $ million					Percentage variation	
	1988-89	1989-90 P	1990-91	1991-92	1992-93 P	(5)/(4)	(6)/(5)	1988-89	1989-90 P	1990-91	1991-92	1992-93 P	(12)/(11)	(13)/(12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Primary products	4,696	6,465	7,754	10,187	10,937	31.4	7.4	3,243	3,883	4,322	4,132	3,776	-4.4	-8.6
	(23.2)	(23.4)	(23.8)	(23.1)	(20.5)			(23.2)	(23.4)	(23.8)	(23.1)	(20.5)		
A. Agriculture & allied products	3,501	4,750	6,019	7,895	8,791	31.2	11.4	2,417	2,853	3,354	3,203	3,035	-4.5	-5.2
	(17.3)	(17.2)	(18.5)	(17.9)	(16.5)			(17.3)	(17.2)	(18.5)	(17.9)	(16.5)		
of which:														
Tea	609	917	1,070	1,212	973	13.2	-19.7	421	551	596	492	336	-17.6	-31.7
Coffee	294	347	252	332	366	31.7	10.3	203	208	141	135	126	-4.2	-6.1
Rice	331	427	462	756	972	63.7	28.6	229	256	257	306	336	19.1	9.5
Cotton raw (incl. waste)	21	128	846	305	196	-64.0	-35.8	15	77	471	124	68	-73.8	-45.4
Tobacco	126	175	263	377	483	43.1	28.1	87	105	147	153	167	4.2	9.0
Cashew kernels (incl. CNSL)	276	368	447	676	749	51.1	10.9	191	221	249	274	259	10.0	-5.6
Spices	275	277	234	372	369	59.1	-0.9	190	166	130	151	127	15.8	-15.6
Oil meal	409	610	609	922	1,539	51.6	66.8	282	366	339	374	531	10.3	42.0
Fruits and vegetables	170	202	213	349	361	63.6	3.6	118	121	119	142	125	19.1	-11.8
Processed fruits, juices & misc. processed items	177	210	122	190	236	55.8	23.9	122	126	68	77	81	13.4	5.5
Marine products	630	687	960	1,443	1,743	50.3	20.8	435	413	535	585	602	9.4	2.8
Sugar & molasses	10	33	38	157	107	318.6	-31.7	7	20	21	64	37	204.6	-41.8
Meat & meat preparations	94	114	140	231	257	65.0	11.4	65	68	78	94	89	20.1	-5.2
B. Ores & minerals	1,195	1,716	1,735	2,292	2,146	32.1	-6.4	825	1,030	967	930	741	-3.9	-20.3
	(5.9)	(6.2)	(5.3)	(5.2)	(4.0)			(5.9)	(6.2)	(5.3)	(5.2)	(4.0)		
of which:														
Iron ore	673	928	1,049	1,435	1,102	36.8	-23.2	465	557	585	582	381	-0.4	-34.6
Mica, coal and other ores & minerals	522	788	686	857	1,043	24.8	21.8	360	473	382	347	360	-9.2	3.7
II. Manufactured goods	14,641	19,932	23,310	32,413	40,375	39.1	24.6	10,110	11,972	12,991	13,149	13,941	1.2	6.0
	(72.4)	(72.0)	(71.6)	(73.6)	(75.7)			(72.4)	(72.0)	(71.6)	(73.6)	(75.7)		
of which:														
Leather & leather manufactures	1,522	1,950	2,600	3,128	3,692	20.3	18.1	1,051	1,171	1,449	1,269	1,275	-12.4	0.5
Chemicals & allied products	1,179	1,981	2,344	3,648	3,615	55.6	-0.9	814	1,190	1,307	1,480	1,248	13.2	-15.6
Engineering goods	2,319	3,326	4,038	5,554	7,140	37.5	28.6	1,601	1,998	2,250	2,253	2,465	0.1	9.4
Readymade garments	2,102	3,226	4,012	5,422	6,918	35.1	27.6	1,451	1,938	2,236	2,199	2,389	-1.6	8.6
Cotton yarn, fabrics, made-ups	1,155	1,507	2,100	3,204	3,929	52.6	22.6	798	905	1,170	1,300	1,356	11.1	4.4
Natural silk yarn, fabrics, made-ups	185	205	235	350	404	48.9	15.4	128	123	131	142	139	8.4	-1.8
Jute manufactures	233	296	298	391	358	31.0	-8.4	161	178	166	159	124	-4.7	-22.0
Coir & coir manufactures	32	41	48	70	92	46.2	30.5	22	25	27	28	32	6.4	11.0
Handicrafts	5,103	6,168	6,167	8,349	10,848	35.4	29.9	3,524	3,705	3,437	3,387	3,746	-1.5	10.6
of which:														
Gems & jewellery	4,392	5,296	5,247	6,750	8,839	28.6	31.0	3,033	3,181	2,924	2,738	3,052	-6.4	11.5
Carpets (handmade)	413	502	519	1,004	1,237	93.5	23.1	285	301	289	407	427	40.8	4.8
Works of art (excl. floor coverings)	298	371	402	595	772	48.2	29.7	206	223	224	242	267	7.9	10.4
III. Petroleum products	505	697	938	1,022	1,379	9.0	34.9	349	418	523	415	476	-20.7	14.8
	(2.5)	(2.5)	(2.9)	(2.3)	(2.6)			(2.5)	(2.5)	(2.9)	(2.3)	(2.6)		
IV. Others	389	588	551	419	659	-23.9	57.2	269	353	307	170	228	-44.6	33.8
	(1.9)	(2.1)	(1.7)	(1.0)	(1.2)			(1.9)	(2.1)	(1.7)	(1.0)	(1.2)		
Total Exports (I to IV)	20,232	27,681	32,553	44,042	53,351	35.3	21.1	13,970	16,626	18,143	17,866	18,421	-1.5	3.1

Note : Figures in brackets represent percentage to total exports.

P Provisional.

Source : D.G.C.I & S

Table X-4 : India's Exports of Principal Commodities- Volume and Unit Value Realisation

Commodity Group	Unit of Quantity	Quantum				Percentage variation		Unit value realisation ($ per tonne)				Percentage variation	
		1989-90 P	1990-91	1991-92	1992-93 P	(5)/(4)	(6)/(5)	1989-90 P	1990-91	1991-92	1992-93 P	(11)/(10)	(12)/(11)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. **Primary goods**													
A. **Agriculture & allied products**													
Of which:													
Tea	Mill.Kgs.	211.4	199.1	216.4	167.8	8.7	-22.5	2,604.8	2,995.9	2,271.3	2,001.4	-24.2	-11.9
Coffee	Mill.Kgs.	115.6	86.5	98.4	104.9	13.7	6.6	1,803.3	1,624.3	1,369.0	1,205.6	-15.7	-11.9
Rice	Thou.Tonnes	421.7	505.0	678.2	607.0	34.3	-10.5	607.4	509.4	451.9	552.9	-11.3	22.3
Cotton raw (incl. waste)	Thou.Tonnes	53.1	374.4	160.2	100.4	-57.2	-37.3	1,453.3	1,259.3	772.0	672.7	-38.7	-12.9
Tobacco	Mill.Kgs.	70.7	87.0	84.3	97.2	-3.1	15.3	1,486.7	1,687.3	1,814.3	1,715.9	7.5	-5.4
Cashew kernels (incl. CNSL)	Thou.Tonnes	45.8	55.5	52.4	57.4	-5.6	9.5	4,820.4	4,488.2	5,229.5	4,504.5	16.5	-13.9
Spices	Thou.Tonnes	112.1	103.1	141.8	128.0	37.5	-9.7	1,484.3	1,264.6	1,064.6	994.9	-15.8	-6.5
Oil meal	Thou.Tonnes	33230.6	2447.8	7758.1	3676.6	216.9	-52.6	11.0	138.5	48.2	144.5	-65.2	199.6
Marine products	Thou.Tonnes	124.9	158.9	190.2	211.9	19.7	11.4	3,303.3	3,367.6	3,077.0	2,840.3	-8.6	-7.7
Sugar & molasses	Thou.Tonnes	158.9	191.0	445.7	211.2	133.3	-52.6	122.9	109.6	143.1	175.7	30.6	22.7
B. **Ores & minerals**													
Of which:													
Iron ore	Mill.Tonnes	35.6	32.5	29.5	22.0	-9.2	-25.4	15.7	18.0	19.7	17.3	9.7	-12.4
Mica	Mill.Kgs.	37.9	42.0	34.4	26.8	-18.1	-22.1	475.5	462.4	415.6	310.6	-10.1	-25.3
Coal	Thou.Tonnes	223.2	411.8	134.9	496.5	-67.2	268.1	45.0	11.8	45.2	35.5	284.4	-21.6
II. **Manufactured goods**													
Of which													
Inorganic, organic and agro-chemicals	Mill.Kgs.	91.0	137.1	166.4	198.4	21.4	19.2	1,753.8	1,326.9	1,204.4	1,028.2	-9.2	-14.6
Iron and steel	Thou.Tonnes	176.6	1164.7	309.5	754.9	-73.4	144.0	560.1	138.3	496.0	382.9	258.6	-22.8
Jute manufactures	Lakh Tonnes	2.8	2.2	2.4	2.1	11.2	-12.5	628.3	770.2	660.5	588.8	-14.2	-10.9

P Provisional.
Source- D.G.C.I & S.

Table X-5 : India's Imports of Principal Commodities

Commodity Group	In Rs. crore					Percentage variation		In US $ million					Percentage variation	
	1988-89	1989-90 P	1990-91	1991-92	1992-93 P	(5)/(4)	(6)/(5)	1988-89	1989-90 P	1990-91	1991-92	1992-93 P	(12)/(11)	(13)/(12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Bulk Imports	11,420	14,439	19,685	21,337	27,736	8.4	30.0	7,886	8,672	10,971	8,694	9,754	-20.8	12.2
	(40.4)	(40.8)	(45.6)	(44.6)	(44.1)			(40.4)	(40.8)	(45.6)	(44.8)	(44.9)		
Cereal & cereal preparations	774	378	182	173	924	-4.9	432.9	534	227	102	70	319	-30.8	353.6
of which:														
Wheat	433	21	22	-	698	-	-	299	13	12	-	241	-	-
Rice	231	283	39	11	73	-72.1	570.2	159	170	22	4	25	-79.7	470.4
Pulses	385	228	481	255	316	-46.9	23.8	266	137	268	104	109	-61.4	5.3
Fertilizers	934	1,777	1,766	2,352	2,827	33.2	20.2	645	1,067	984	954	976	-3.1	2.3
of which:														
Crude	190	253	347	455	458	31.3	0.6	131	152	193	185	158	-4.5	-14.4
Sulphur & unroasted iron pyrites	251	295	278	307	350	10.2	14.1	173	177	155	124	121	-19.8	-2.9
Manufactured	492	1,228	1,141	1,591	2,020	39.4	27.0	340	738	636	645	697	1.5	8.1
Vegetable oils, fixed (edible)	730	211	326	248	172	-23.9	-30.4	504	127	182	101	60	-44.6	-40.8
Paper, paper boards & manufactures thereof	303	358	456	488	483	7.0	-1.1	210	215	254	198	167	-22.1	-15.8
Metalliferrous ores, metal scrap, etc.	796	1,084	1,528	1,175	1,792	-23.1	52.5	549	651	852	477	619	-44.0	29.8
Petroleum, petroleum products & related materials	4,358	6,274	10,816	13,127	17,153	21.4	30.7	3,009	3,768	6,028	5,364	6,100	-11.0	13.7
Pulp & waste paper	260	304	458	299	400	-34.8	34.0	179	183	255	121	138	-52.5	14.1
Iron & steel	1,933	2,305	2,334	2,197	2,291	-5.9	4.3	1,335	1,384	1,301	891	791	-31.5	-11.2
Sugar	-	97	9	1	-	-91.1	-	-	58	5	-	-	-	-
Non-ferrous metals	776	1,253	1,102	840	1,119	-23.8	33.3	536	753	614	341	386	-44.5	13.4
Crude rubber (including synthetic & reclaimed)	173	172	226	182	258	-19.6	41.7	119	103	126	74	89	-41.5	20.6
II. Non-bulk Imports	16,815	20,977	23,508	26,514	35,187	12.8	32.7	11,611	12,599	13,102	10,717	11,972	-18.2	11.7
	(59.6)	(59.2)	(54.4)	(55.4)	(55.9)			(59.6)	(59.2)	(54.4)	(55.2)	(55.1)		
A. Capital goods	6,956	8,831	10,471	10,436	12,926	-0.3	23.9	4,803	5,304	5,836	4,233	4,463	-27.5	5.4
	(24.6)	(24.9)	(24.2)	(21.8)	(20.5)			(24.6)	(24.9)	(24.2)	(21.8)	(20.5)		
Machinery other than electrical	2,872	3,532	4,240	4,020	5,339	-5.2	32.8	1,983	2,122	2,363	1,631	1,843	-31.0	13.0
Electrical machinery	1,563	1,922	1,702	1,552	2,358	-8.8	51.9	1,079	1,154	949	630	814	-33.6	29.3
Transport equipment	753	1,526	1,670	915	1,336	-45.2	46.0	520	916	931	371	461	-60.1	24.3
Manufactures of metals	193	271	302	321	433	6.3	34.7	133	163	168	130	149	-22.6	14.7
Project goods	1,575	1,580	2,556	3,626	3,460	41.9	-4.6	1,088	949	1,425	1,471	1,195	3.3	-18.8
B. Pearls, precious and semi-precious stones	3,176	4,242	3,738	4,825	7,011	29.1	45.3	2,193	2,548	2,083	1,957	2,421	-6.0	23.7
	(11.2)	(12.0)	(8.7)	(10.1)	(11.1)			(11.2)	(12.0)	(8.7)	(10.1)	(11.1)		
C. Others	6,684	7,905	9,300	11,254	15,251	21.0	35.5	4,615	4,748	5,183	4,527	5,088	-12.7	12.4
	(23.7)	(22.3)	(21.5)	(23.5)	(24.2)			(23.7)	(22.3)	(21.5)	(23.3)	(23.4)		
Organic & inorganic chemicals	1,894	2,135	2,289	3,399	4,242	48.5	24.8	1,308	1,283	1,276	1,379	1,465	8.1	6.2
Professional, scientific controlling instruments, photographic optical goods	679	886	1,060	1,004	1,484	-5.3	47.8	469	532	591	407	512	-31.0	25.8
Artificial resins & plastic materials, etc.	809	996	1,095	1,402	1,206	28.1	-13.9	558	598	610	569	417	-6.8	-26.8
Textile yarn, fabrics, made-ups, etc.	269	349	443	338	417	-23.7	23.5	186	210	247	137	144	-44.4	5.1
Medicinal and pharmaceutical products	236	272	468	559	713	19.2	27.7	163	163	261	227	246	-13.2	8.7
Non-metallic mineral manufactures	164	168	203	219	250	7.9	14.0	113	101	113	89	86	-21.4	-2.9
Chemical materials & products	187	222	286	338	450	18.2	33.0	129	133	159	137	155	-14.0	13.2
Synthetic & regenerated fibre	33	65	56	48	71	-13.0	46.2	23	39	31	20	24	-36.7	24.5
Cashew nuts	61	77	134	267	360	99.0	35.1	42	46	75	108	124	44.9	15.0
Total Imports (I + II)	28,235	35,416	43,193	47,851	62,923	10.8	31.5	19,497	21,272	24,073	19,411	21,726	-19.4	11.9

Note : Figures in brackets represent percentage to total imports.

P Provisional.

Source : D.G.C.I & S.

Table X-6 : India's Imports of Principal Commodities- Volume and Cost per Unit

Commodity Group	Unit of Quantity	Quantum				Percentage variation		Cost per Unit ($ per tonne)				Percentage variation	
		1989-90 P	1990-91	1991-92	1992-93 P	(5)/(4)	(6)/(5)	1989-90 P	1990-91	1991-92	1992-93 P	(11)/(10)	(12)/(11)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. **Bulk Imports**													
Cereal & cereal preparations	Thou. tonnes	761.2	307.9	187.7	1567.5	-39.0	735.1	298.4	330.0	374.8	203.6	13.6	-45.7
of which:													
Wheat	Thou. tonnes	39.6	62.6	-	1368.5	-	-	324.7	198.3	-	176.2	-	-
Rice	Thou. tonnes	544.5	66.0	12.1	89.5	-81.7	639.3	312.1	330.8	366.8	283.0	10.9	-22.8
Pulses	Thou. tonnes	429.1	791.9	312.6	566.8	-60.5	81.3	319.0	338.6	331.3	192.4	-2.2	-41.9
Fertilizers													
of which:													
Crude	Thou. tonnes	2059.8	2682.2	2428.8	2174.1	-9.4	-10.5	73.9	72.0	76.0	72.7	5.5	-4.4
Sulphur & unroasted iron pyrites	Thou. tonnes	1181.0	1199.2	1082.2	1282.9	-9.8	18.5	150.1	129.4	114.9	94.2	- 11.2	-18.1
Manufactured	Thou. tonnes	3840.9	3678.9	3415.8	3893.7	-7.2	14.0	192.0	172.9	188.9	179.1	9.3	-5.2
Vegetable oils, fixed (edible)	Thou. tonnes	292.2	525.8	226.0	104.4	-57.0	-53.8	433.4	345.3	444.7	570.1	28.8	28.2
Paper, paper boards & manufactures thereof	Thou. tonnes	260.2	286.4	260.0	260.1	-9.2	-	825.9	887.5	761.2	640.6	- 14.2	-15.8
Pulp & waste paper	Thou. tonnes	450.6	678.2	385.5	435.2	-43.2	12.9	405.1	376.4	314.3	317.6	-16.5	1.1
Iron & steel	Thou. tonnes	3600.9	1920.5	1390.4	2088.0	-27.6	50.2	384.4	677.3	641.1	378.9	-5.3	-40.9
Sugar	Thou. tonnes	134.3	12.0	2.6	1.3	-78.3	-50.0	434.1	431.5	129.5	114.2	-70.0	-11.8
Crude rubber (including synthetic and reclaimed)	Thou. tonnes	83.0	105.1	55.6	67.7	-47.1	21.8	1,241.9	1,200.2	1,328.0	1,315.7	10.7	-0.9
B. **Others**													
Synthetic & regenerated fibre	Thou. tonnes	30.0	21.2	12.8	14.7	-39.6	14.8	1,304.6	1,460.6	1,531.7	1,659.9	4.9	8.4

P Provisional
Source : D.G.C.I & S.

Table X-7 : Direction of India's Foreign Trade

(Rs. crore)

Country	1980-81			1989-90 P			1991-92			1992-93 P		
	Exports	Imports	Trade balance	Exports	Imports	Trade balance	Exports	Imports	Trade balance	Exports	Imports	Trade balance
1	2	3	4	5	6	7	8	9	10	11	12	13
I. OECD Countries	3,126	5,747	-2,621	15,478	21,271	-5,814	25,481	25,939	-459	32,351	35,147	-2,796
	(46.6)	(45.8)		(55.9)	(60.1)		(57.9)	(54.2)		(60.6)	(55.9)	
EEC	1,447	2,639	-1,192	6,906	11,752	-4,866	11,899	13,966	-2,067	15,166	18,976	-3,811
	(21.6)	(21.0)		(24.9)	(33.2)		(27.0)	(29.2)		(28.4)	(30.2)	
North America	806	1,851	-1,045	4,738	4,713	25	7,666	5,608	2,058	10,659	7,285	3,373
	(12.0)	(14.8)		(17.1)	(13.3)		(17.4)	(11.7)		(20.0)	(11.6)	
Asia and Oceania	708	932	-224	3,099	3,774	-676	4,628	4,988	-359	4,916	6,664	-1,749
	(10.5)	(7.4)		(11.2)	(10.7)		(10.5)	(10.4)		(9.2)	(10.6)	
Other OECD Countries	165	325	-160	734	1,031	-297	1,287	1,378	-90	1,611	2,221	-610
	(2.5)	(2.6)		(2.7)	(2.9)		(2.9)	(2.9)		(3.0)	(3.5)	
II. OPEC	745	3,490	-2,745	1,841	5,074	-3,234	3,850	9,420	-5,569	5,156	13,779	-8,623
	(11.1)	(27.8)		(6.6)	(14.3)		(8.7)	(19.7)		(9.7)	(21.9)	
III. Eastern Europe	1,486	1,296	185	5,336	2,974	2,362	4,814	2,444	2,369	2,276	1,610	666
	(22.1)	(10.3)		(19.3)	(8.4)		(10.9)	(5.1)		(4.3)	(2.6)	
IV. Developing Countries	1,266	1,971	-705	4,315	6,085	-1,770	8,848	10,043	-1,195	12,148	12,385	-238
	(18.9)	(15.7)		(15.6)	(17.2)		(20.1)	(21.0)		(22.8)	(19.7)	
Asia	880	1,428	-548	3,646	4,465	-819	7,441	7,081	360	9,975	9,240	735
	(13.1)	(11.4)		(13.2)	(12.6)		(16.9)	(14.8)		(18.7)	(14.7)	
SAARC	236	140	96	697	102	595	1,532	326	1,206	2,067	527	1,540
	(3.5)	(1.1)		(2.5)	(0.3)		(3.5)	(0.7)		(3.9)	(0.8)	
Other Asian Developing Countries	644	1,288	-644	2,949	4,363	-1,414	5,909	6,755	-847	7,908	8,713	-805
	(9.6)	(10.3)		(10.7)	(12.3)		(13.4)	(14.1)		(14.8)	(13.8)	
Africa	345	204	141	544	891	-346	1,088	2,072	-984	1,616	2,215	-599
	(5.1)	(1.6)		(2.0)	(2.5)		(2.5)	(4.3)		(3.0)	(3.5)	
Latin American Countries	32	303	-271	125	729	-605	319	890	-571	556	930	-374
	(0.5)	(2.4)		(0.5)	(2.1)		(0.7)	(1.9)		(1.0)	(1.5)	
V. Others	63	45	18	14	12	2	28	5	23	41	2	39
	(0.9)	(0.4)		(0.1)	(-)		(0.1)	(-)		(0.1)	(-)	
Total (I to V)	6,711	12,549	-5,838	27,681	35,416	-7,734	44,042	47,851	-3,809	53,351	62,923	-9,572

Note : 1 Exports of petroleum products amounting to Rs. 25 crore in 1980-81, Rs. 697 crore in 1989-90, Rs. 1,022 crore in 1991-92 and Rs. 1,379 crore in 1992-93 are taken into account in total but are not included in countrywise details.

2. Data for German Democratic Republic for the years 1991-92 and 1992-93 are included under Federal Republic of Germany and hence under EEC.
3. Figures in brackets relate to percentage to total.

P Provisional.

Source : D.G.C.I & S.

Table X-8 : Direction of India's Foreign Trade

(US $ million)

Country	1980-81			1989-90 P			1991-92			1992-93 P		
	Exports	Imports	Trade balance	Exports	Imports	Trade balance	Exports	Imports	Trades balance	Exports	Imports	Trade balance
1	2	3	4	5	6	7	8	9	10	11	12	13
I. OECD Countries	3,953	7,267	-3,314	9,296	12,776	-3,480	10,336	10,522	-186	11,170	12,135	-965
	(46.6)	(45.8)		(55.9)	(60.1)		(57.9)	(54.2)		(60.6)	(55.9)	
EEC	1,830	3,337	-1,507	4,148	7,059	-2,910	4,827	5,665	-839	5,236	6,552	-1,316
	(21.6)	(21.0)		(24.9)	(33.2)		(27.0)	(29.2)		(28.4)	(30.2)	
North America	1,019	2,341	-1,321	2,846	2,831	15	3,110	2,275	835	3,680	2,515	1,165
	(12.0)	(14.8)		(17.1)	(13.3)		(17.4)	(11.7)		(20.0)	(11.6)	
Asia and Oceania	895	1,179	-283	1,861	2,267	-406	1,878	2,023	-146	1,697	2,301	-604
	(10.5)	(7.4)		(11.2)	(10.7)		(10.5)	(10.4)		(9.2)	(10.6)	
Other OECD Countries	209	411	-202	441	619	-178	522	559	-37	556	767	-210
	(2.5)	(2.6)		(2.7)	(2.9)		(2.9)	(2.9)		(3.0)	(3.5)	
II. OPEC	942	4,413	-3,471	1,106	3,048	-1,942	1,562	3,821	-2,259	1,780	4,757	-2,977
	(11.1)	(27.8)		(6.6)	(14.3)		(8.7)	(19.7)		(9.7)	(21.9)	
III. Eastern Europe	1,879	1,639	240	3,205	1,786	1,419	1,953	992	961	786	556	230
	(22.1)	(10.3)		(19.3)	(8.4)		(10.9)	(5.1)		(4.3)	(2.6)	
IV. Developing Countries	1,601	2,492	-891	2,592	3,655	-1,063	3,589	4,074	-485	4,194	4,276	-82
	(18.9)	(15.7)		(15.6)	(17.2)		(20.1)	(21.0)		(22.8)	(19.7)	
Asia	1,113	1,806	-693	2,190	2,682	-492	3,018	2,872	146	3,444	3,190	254
	(13.1)	(11.4)		(13.2)	(12.6)		(16.9)	(14.8)		(18.7)	(14.7)	
SAARC	298	177	121	419	61	357	621	132	489	714	182	532
	(3.5)	(1.1)		(2.5)	(0.3)		(3.5)	(0.7)		(3.9)	(0.8)	
Other Asian Developing Countries	814	1,629	-814	1,771	2,620	-849	2,397	2,740	-343	2,731	3,008	-278
	(9.6)	(10.3)		(10.7)	(12.3)		(13.4)	(14.1)		(14.8)	(13.8)	
Africa	436	258	178	327	535	-208	441	841	-399	558	765	-207
	(5.1)	(1.6)		(2.0)	(2.5)		(2.5)	(4.3)		(3.0)	(3.5)	
Latin American Countries	40	383	-343	75	438	-363	129	361	-232	192	321	-129
	(0.5)	(2.4)		(0.5)	(2.1)		(0.7)	(1.9)		(1.0)	(1.5)	
V. Others	80	57	23	9	7	2	11	2	9	15	1	14
	(0.9)	(0.4)		(0.1)	(-)		(0.1)	(-)		(0.1)	(-)	
Total (I to V)	8,486	15,868	-7,382	16,626	21,272	-4,646	17,866	19,411	-1,545	18,421	21,726	-3,305

Note : 1. Exports of petroleum products amounting to US $ 31 million in 1980-81, US $ 418 million in 1989-90, US $ 415 million in 1991-92 and US $ 476 million in 1992-93 are taken into account in total but are not included in countrywise details.

2. Data for German Democratic Republic for the years 1991-92 and 1992-93 are included under Federal Republic of Germany and hence under EEC.

3. Figures in brackets relate to percentage to total.

P Provisional.

Source : D.G.C.I & S.

CHAPTER XI

BALANCE OF PAYMENTS AND INTERNATIONAL MONETARY DEVELOPMENTS

Balance of Payments

There was a distinct improvement in the balance of payments during 1992-93. The signs of stabilisation which were in evidence from the latter half of 1991-92 onwards strengthened during the year, although visceral effects of the policy measures undertaken in response to the unprecedented payments crisis of 1990-91 held back a full fledged recovery. Notwithstanding the continued sluggishness in world trade, the disruption in external transactions with the Commonwealth of Independent States (CIS) and internal disturbances, exports to the General Currency Area (GCA) exhibited a resilience which was noteworthy. Import growth was moderate in relation to the underlying trend, although in absolute terms, imports were higher than the depressed level of the preceding year. As a result, despite the continuing deterioration in the invisibles account, the current account deficit in 1992-93 was even lower than in pre-import compression years such as 1988-89 and 1989-90. The shortfall in the usual modes of financing such as external assistance, commercial borrowings and non-resident deposits during 1992-93 was counterbalanced by the mobilisation of exceptional financing from various bilateral and multilateral sources, including the International Monetary Fund (IMF). The equilibrating dual exchange rate mechanism of the transitional Liberalised Exchange Rate Management System (LERMS) obviated the need for official settlement of the balance of payments. Benefiting therefrom, the foreign exchange reserves were built up for the second successive year. By the end of March 1993 the reserves comprising the RBI's foreign currency assets, SDRs and gold attained a level of US $ 9832 million (Rs.30,745 crore) having risen by US $ 612 million (Rs.6895 crore) over the year.

The availability of balance of payments data presently follows a three-stage procedure. Preliminary actuals of the balance of payments are now available for the year 1990-91. Provisional estimates are available for the year 1991-92 which closely approximate the actuals. For the year 1992-93, and the first quarter of the current financial year i.e., April-June 1993, quick estimates are prepared taking into account available information from various sources. The quick estimates serve the purpose of setting out broad magnitudes of the country's external transactions.

Balance of payments data for the years 1990-91 to 1992-93 are presented in a format in which in the year of imports,the value of defence related imports are recorded under imports with credits financing such imports included under commercial borrowing disbursement in the capital account. Interest payment on defence debt owed to the General Currency Area (GCA) as and when they are made are recorded under investment income payments in the invisibles account and principal repayments under amortisation of commercial borrowings in the capital account. In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item'Rupee Debt Service' in the capital account. This is in line with the recomendation of the High Level Committee on Balance of Payments (Chairman: Dr. C. Rangarajan).

During 1992-93, the trade deficit widened by US $ 2.0 billion to a little over US $ 4.1 billion, reflecting a subdued growth in exports and a moderate expansion in imports**. As stated ear-

** The imports data for 1992-93 exclude, however, the value of gold and silver brought in by returning Indians under the liberalised baggage rules amounting to US $ 1.6 billion inclusion of which would have resulted in larger trade deficit.

lier, the widening of the trade deficit over that in 1991-92 essentially reflected the compression of imports during the latter year. Under the invisibles account, the deceleration in the growth rate of tourist arrivals to 2.2 per cent from that of 10.4 per cent in 1991-92 mirrored the unsettled social conditions in the country which marred the onset of the tourist season. Payments on account of transportation, interest, royalties, technical fees, professional services, etc., continued to maintain the rising trend of earlier years. Private transfer receipts which comprise remittances from non-resident Indians remained broadly at the preceding year's level. There were also indications of the diversion of remittances into the capital account, transiting through deposit accounts to derive the interest rate benefit as also a better rate of conversion into rupees as applicable under the Liberalised Exchange Rate Management System (LERMS). The current account deficit for 1992-93 is estimated to have been US $ 4921 million (Rs.14631 crore) or 2.1 per cent of GDP. In 1991-92, the current account deficit was estimated to have been significantly lower at US $ 2135 million (Rs.5186 crore) or 0.9 per cent of GDP. The data for 1990-91 which are now available show that the current account deficit had amounted to US $ 9680 million (Rs.17368 crore) or 3.3 per cent of GDP (Table XI-1A and Table XI-2). This mainly reflected the cost and quantum escalation of POL imports and other deleterious effects of the Gulf crisis in terms of loss of exports and workers' remittances. However, the current account balance in 1992-93 is not comparable with that of the preceding two years which were characterised by special factors including mainly an important policy intervention.

Under the capital account in 1992-93, a sharp fall in the utilisation of external assistance resulted in a decline of over US $ 1 billion in terms of net inflow under the head. Given the unfavourable international credit ratings, India refrained from seeking access to international financial markets for the third year in succession. However, there were disbursements of trade related credits of the order of US $ 1001 million during the year. The trend of net outflows from NRI deposit accounts which had begun in October 1990 reversed with the revival of international confidence. From the month of October 1992 onwards there were net inflows into these accounts. The year closed with a net inflow of US $ 125 million under the FCNRA and NR(E)RA taken together. However, the NR(NR)RD Scheme introduced in June 1992 registered a substantial inflow of about US $ 600 million during 1992-93 primarily in response to attractive market-determined interest rates. On the other hand, there were large net outflows from the discontinued FCBOD Scheme. During the year, balance of payments support was obtained from the IMF of the order of US $ 1288 million (net), from the World Bank (US $ 452 million), from the Asian Development Bank (US $ 150 million) and from bilateral sources (US $ 224 million). On a balance of payments basis, the foreign exchange reserves rose by US $ 728 million in 1992-93 over and above an accretion of US $ 3575 million in 1991-92.

The balance of payments for the first three months of 1993-94 has begun to form. The current account deficit for April-June 1993 is tentatively placed at US $ 683 million (Rs. 2141 crore) reflecting essentially a strong export performance and weak import demand (Table XI-1B). There were net outflows of US $ 189 million under the FCNRA Scheme in response to restructuring of the Scheme as well as switching of deposits into newly instituted schemes such as FCNR(B) and NR(NR)RD which are described later in this chapter. The NR(NR)RD Scheme, in particular continued to attract substantial inflows. The remarkable stability of the exchange rate in the wake of unification of the dual rates of the LERMS has brought in substantial inflows of foreign exchange under the market based exchange rate regime. The excess supply of foreign exchange in the market was attributable to faster repatriation of export proceeds and inward remittances, funds flowing into the banking system from illegal channels, a surge in interest of foreign institutional investors in the stock market and indifferent import demand. This overspill had accrued to the foreign exchange reserves which rose by US $ 270 million (Rs.846 crore) during the first quarter of 1993-94 on a balance of payments basis.

Developments in Foreign Exchange Reserves

India's foreign exchange reserves (comprising foreign currency assets of the RBI, gold held by the RBI and SDR balances held by the Government of India) rose from US $ 9,220 million (Rs.23,850 crore) at the end of March 1992 to US $ 9,832 million (Rs.30,745 crore) at the end of the March 1993 showing an increase of US $ 612 million (Rs.6,895 crore). Exclusive of gold revaluation and also of transactions with the IMF, the foreign exchange reserves declined by US $ 525 million (or increased by Rs.2,111 crore*) during 1992-93 as against a rise of US $ 2794 million (Rs.8,640 crore) during 1991-92.

The foreign currency assets of the Reserve Bank of India increased by US $ 803 million (Rs.5,562 crore) during 1992-93 (April-March)as compared to a rise of US $ 3395 million (Rs.10,190 crore) in 1991-92.

The SDR holdings declined by SDR 53.0 million to SDR 12.7 million during 1992-93 as compared with a decline of SDR 10.2 million in 1991-92. During 1992-93 repurchases from the IMF effected in SDRs amounted to SDR 54.1 million, while payment of charges on the use of Fund resources and interest on SDR allocation aggregated SDR 230 million. Sale of SDRs during the year amounted to SDR 231.0 million. Payment of SDR 212 million was made to the IMF towards increase in India's quota. Acquisition of SDRs during the year was worth SDR 224.7 million.

IMF drawals which were credited to the SDR account amounted to SDR 446.0 million. Receipts from the Fund on account of interest on SDR holdings and remuneration amounted to SDR 3.0 million and SDR 0.4 million, respectively. During 1991-92, repurchases from the IMF had amounted to SDR 337.5 million and payment of charges on the use of Fund resources had aggregated SDR 225.0 million. Sale of SDRs during 1991-92 amounted to SDR 76.2 million while acquisition of SDRs had amounted to SDR 225.0 million. IMF drawals amounted to SDR 397.2 million. Receipts by way of interest on SDR holdings and interest subsidy were SDR 6.1 million and SDR 0.2 million, respectively.

Gold holdings of the Reserve Bank stood at US $ 3380 million (Rs. 10,549 crore) as at the end of March 1993. They were higher by Rs.1,510 crore (or lower by US $ 119 million) than those of US $ 3499 million (Rs.9,039 crore) as at the end of March 1992 reflecting mainly revaluation of gold holdings consequent upon a fall in the international market price of gold though in rupee terms the movement in the international price of gold would show as a rise. There was also an addition to gold stocks of 3.32 tonnes valued at US $ 31.9 million (Rs.89.32 crore) (raising the total gold holdings to 354.25 tonnes) due to purchase of gold of 3.07 tonnes valued at US $ 29.4 million (Rs.82.57 crore) by the Reserve Bank from the Government of India during December 1992 to March 1993 and receipt of interest of 0.25 tonnes valued at US $ 2.5 million (Rs.6.75 crore) on gold holdings kept abroad.

During the first quarter of 1993-94 (April-June 1993), the foreign currency assets of the Reserve Bank rose by US $ 119 million (Rs.343 crore) as against a rise of US $ 590 million (Rs.1,547 crore) in the corresponding quarter of 1992-93. SDR holdings increased by SDR 120.5 million to SDR 133.2 million. Repurchases under the EFF amounted to SDR 29.2 million and charges on the use of Fund resources amounted to SDR 48.1 million. Acquisition of SDRs during the quarter amounted to SDR 92.5 million. Receipts by way of interest on SDR holdings amounted to SDR 0.3 million. Out of the final

* Due to exchange rate factor.

tranche of SDR 231 million drawn under the stand-by arrangement with the IMF, SDR 105 million were credited to the SDR account. During the corresponding period of the preceding year, the SDR holdings had increased by SDR 14.4 million.

Gold holdings of the Reserve Bank declined by Rs.1,398 crore during April-June 1993 to Rs.11,946 crore. In dollar terms, the value of gold at end-June 1993 stood at US $ 3807 million. On the whole, foreign exchange reserves (foreign currency assets of RBI, gold and SDR holdings) rose by US $ 715 million (Rs.2,271 crore) as compared with a rise of US $ 575 million (Rs.1,504 crore) during the corresponding period of 1992.

Box 6

Report of the High Level Committee on Balance of Payments

The High Level Committee on Balance of Payments constituted by the Government of India under the chairmanship of Dr. C. Rangarajan submitted its Interim Report in February 1992 and its Final Report in April 1993. The Committee made wide-ranging recommendations pertaining to various aspects of India's balance of payments and a number of important recommendations of the Committee were inputs into the policy decisions of the recent period.

Favouring a realistic exchange rate, the Committee recommended the unification of the exchange rates as an important step towards full convertibility. In pursuance, the unified exchange rate system was introduced with effect from March 1, 1993.

The Committee also recommended that a reserve target range should be fixed from time to time taking into account the need to accommodate three months of imports and other payments obligations. In the Committee's view, reserves should not be allowed to fall below the floor level. The Committee also recommended that the option of the Reserve Bank converting gold into foreign currency resources should be constantly reviewed though the immediate case for exercising such an option is not established. Additionally, the Committee recommended that a part of the gold reserves should be available for conversion at short notice into currency resources to meet contingencies.

In regard to external asistance, the Committee suggested that 10 per cent of external assistance may be passed on to States for all sectors. It considered that commercial borrowings with a maturity period of less than five years should not be encouraged and favoured a cautious approach to public guaranteeing of external borrowings. It suggested an annual limit of US $ 2.5 billion in the case of disbursement of external commercial borrowings. Furthermore, the Committee concluded that debt-equity conversion is not a desirable option for debt management in India. The Committee recommended launching of gold bonds as an experiment.

To reduce the volatility and cost of NRI borrowings, the Committee recommended a minimum maturity period of one year in the case of FCNR deposits and gradual reduction in the differential between the international interest rates and FCNR rates. The Committee has also favoured development of markets for NRI bonds to attract medium-term investment by NRIs.

The Committee observed that short-term debt should be permitted only for trade-related purposes. The Committee also recommended the setting up of a monitoring system for short-term debt for ascertaining the extent of outstanding short-term debt at any point of time. With a view to attracting foreign investment, the Committee favoured a National Investment Law for codifying the existing policy and practices relating to dividend repatriation, disinvestment and employment of foreign nationals.

For the medium-term the Committee considered it necessary to achieve an annual growth in export of at least 15 per cent in dollars terms. Furthermore, it felt that a current account deficit of 1.6 per cent of GDP can be maintained through a sustained level of net capital receipts.

Foreign Investment : Policy and Developments

(A) NRI Investment

The inflow of funds from Non Resident Indians (NRI) has often been viewed as a means of easing the balance of payments constraint. In the recent past, however, such flows have exhibited considerable volatility, essentially reflecting the vicissitudes of the external payments position. Therefore, the policy towards attracting financial flows from NRIs is continously reviewed and new initiatives are under taken from time to time to improve the domestic investment climate for emigrant Indian communities. Investments by the NRIs may broadly take the conduits of (i) the various deposits schemes like the Non-Resident (External) Rupee Accounts [NR(E)RA] Scheme, Foreign Currency Non-Resident Accounts (FCNRA) Scheme, Non-Resident (Non-Repatriable) Rupee Deposit Scheme [NR(NR)RD], and Foreign Currency (Ordinary Non-Repatriable) Deposit (FCON) Scheme; (ii) direct equity participation under various schemes; and (iii) portfolio investment.

Under the NR(E)RA Scheme, as against a withdrawal of US $ 27 million (Rs.44 crore) (excluding the estimated interest element) during 1991-92, there was an estimated inflow of US $ 40 million (Rs.111 crore) during 1992-93. Under the FCNRA Scheme, net outflows which had occurred month after month cumulating into a massive outflow of US $ 1611 million (Rs.3,641 crore) during 1991-92, tapered off with the revival of international confidence and from the month of October 1992 onwards there were net inflows. For the year 1992-93 as a whole, the FCNRA recorded a net accretion of US $ 86 million (Rs.223 crore). During the first quarter of 1993-94 (i.e. April-June 1993) there was an outflow of US $ 189 million (Rs.592 crore) under the Scheme (Table XI-4). This reflected a restructuring of the Scheme with the removal of the maturity slab of six months to one year as well as the introduction of the new FCNR (Banks) Scheme with effect from May 1993. There is evidence of some switching of short- term deposit from the existing scheme to the new scheme. The salient features of the new Scheme are discussed in the Box 6A.

The outstanding liability under NRI deposits (both NR(E)RA and FCNRA Schemes) stood at US $ 8221 million (Rs.25,790 crore) as at the end of March 1993 as against US $ 7847 million (Rs.21,679 crore) as at end March 1992, showing an increase in dollar terms of US $ 374 million during the year (Table XI-5).

While firm data on the accretion to the Non-Resident (Non-Repatriable) Rupee Deposit [NR(NR)RD] Scheme which was introduced in June 1992 are yet to become available, there are indications of a sizeable inflow. Partial information available indicates an inflow of about $ 600 million (Rs.1,912 crore) under the NR(NR)RD Scheme (inclusive of accrued interest) in 1992-93. Under FCNR (Banks) Scheme there was an inflow of around $ 67 million by the end of June 1993.

Responding to the climate created by the liberalisation in foreign investment policy, a sizeable amount of investment proposals from NRIs and OCBs for direct and portfolio investment in India were approved since early 1992. As against direct investment (on repatriation basis) approvals of just Rs.207 crore (US $ 91 million) during 1991, the amount approved during 1992 and the first six months of 1993 stood at Rs.1,354 crore (US $ 458 million) and Rs.1,049 crore (US $ 332 million), respectively. However, as in the earlier years, approvals granted under the 40 per cent scheme continued to account for more than 90 per cent of total approvals. Data on actual foreign investment in respect of these approvals are not available. The value of approvals under the portfolio investment scheme (both repatriable and non-repatriable) registered a more than five-fold increase from Rs.5 crore (US $ 2 million) during 1991 to Rs.28 crore (US $ 10 million) during

Box 6A

Deposit Schemes For Non-Resident Indians

	Name of the Scheme	Introduced in	Designated in	Repatriability	Rate of Interest	Other Features
1.	Non-Resident (External) Rupee Account [NR(E)RA]	February 1970	Indian Rupee	Repatriable	Ceiling of 11 per cent on term deposits	Maintained in savings and fixed deposits. Exempted from income tax, wealth tax and gift tax. Statutory Liquidity Ratio (SLR) of 30 per cent applicable to these deposits on an outstanding basis and Cash Reserve Ratio (CRR) of 14 per cent on an average basis.
2.	Foreign Currency Non-Resident Account [FCNRA]	November 1975	U.S. dollar, Pound sterling, Yen and. Deutsche Mark	Repatriable	Interest rates fixed by RBI keeping in view movements in international interest rates	Maintained in term deposits with maturities of 2 to 3 years and 3 years only. Exchange risk guaranteed by RBI. SLR of 30 per cent applicable to these deposits on an outstanding basis and CRR of 14 per cent on an average basis. Exempted from income tax, wealth tax and gift tax.
3.	Foreign Currency (Ordinary Non-repatriable) Deposit Scheme [FCON]	June 1991	U.S. dollar	Non-repatriable	Banks are free to determine rates of interest on varying maturities	Maintained in term deposits with maturities ranging from 6 months to 3 years. Exempted from income tax, gift tax and wealth tax. Deposits are exempted from CRR and SLR. No exchange guarantee provided by RBI.

Box 6A (Concld.)

4. Non-Resident (Non-Repatriable) Rupee Deposit Scheme [NR(NR)RD]	*June 1992*	*Indian Rupee*	*Non-repatriable*	*Banks are free to determine rates of interest on varying maturities*	*Authorised Dealers (ADs) are free to fix maturities between 6 months to 3 years. Deposits are exempted from CRR and SLR and would not form part of net demand and time liabilities for the purpose of determining priority sector lending. Exempted from income tax and gift tax.*
5. Foreign Currency Non-Resident (Banks) Account Scheme [FCNR (B)]	*May 1993*	*Same as FCNRA*	*Repatriable*	*Fixed by the R.B.I. as for FCNRA.*	*Maturities of 6 months to 3 years. No exchange risk guarantee provided by RBI but by ADs. Deposits are exempted from CRR and SLR and would not form part of net demand and time liabilities for the purpose of determining priority sector lending.*
6. Resident Foreign Currency Accounts [RFCA]	*February 1992*	*Any permitted currency*	*Complete freedom to utilise funds for deposit holders*	*Banks are free to determine rates of interest on varying maturities*	*Facility available to those NRIs returning to India after a minimum continuous stay of one year for permanent settlement in India. Deposits are exempted from CRR and SLR and would not form part of net demand and time liabilities for the purpose of determining priority sector lending. No loan or overdraft facilities are permitted against these deposits.*

1992. For the first six months of 1993 the amount of approval stood at Rs.10 crore (US $ 3 million).

(B) Foreign Collaboration

Foreign collaboration approvals, both in terms of number and amount, registered a phenomenal increase in the post-liberalisation period, reflecting the interest of the international business community in Indian industrial activity. As against 950 collaboration proposals (both financial and technical) approved during 1991, approvals granted during 1992 and the first half of 1993 stood at 1520 and 525 (comprising approvals granted by the Reserve Bank, the Secretariat of Industrial Approvals and the Foreign Investment Promotion Board), respectively. While the approvals under equity participation amounted to Rs.534 crore (US $ 235 million) in 1991 they surged to a level of Rs.3,888 crore (US $ 1331 million) and Rs.3,951 crore (US $ 1253 million) during 1992 and the first half of 1993, respectively (Table XI-7). In the post-liberalisation period as a whole (i.e. August 1991 to June 1993), the total amount of foreign equity participation approvals amounted to Rs.8,240 crore (US $ 2,820 million). About 90 per cent of the amount approved so far are in the high priority industries (See September 1991 issue of the RBI Bulletin for list of industries).

The number of Foreign Institutional Investors (FIIs), for whom approvals have been granted to operate in the stock market, stood at 18 at the end of March 1993 rising to 40 at the end of June 1993. The cumulative amount (net investment) by them amounted to Rs.6 crore (US $ 2 million) at the end of March 1993 and to Rs.142 crore (US $ 45 million) at the end of June 1993.

With a view to offering new instruments to Indian Companies to raise foreign currency resources from abroad, the Indian corporate sector, specifically companies with good track records are permitted to seek access to international capital markets by issuing Global Depository Receipts (GDRs)*. Reliance Industries Ltd., Grasim Industries Ltd., Essar Gujarat Ltd., and HINDALCO Ltd., have successfully secured entry into European Capital Markets by floating GDRs and have raised around US $ 150 million, US $ 90 million, US $ 70 million and US $ 69 million, respectively. Several corporate entities have secured approvals for issuance of instruments whereby they could raise funds in international capital markets.

There were 294 joint ventures as at the end of October 1992, out of which 161 were in operation and 133 were at different stages of implementation. Equity participation by the Indian companies in joint ventures which were in operation abroad was about Rs.121.56 crore (US $ 70.73 million) as at the end of October 1992 as against Rs.120.92 crore (US $ 46.80 million) at the end of December 1991. The approved Indian participation in the equity of joint ventures under implementation stood at Rs.918.22 crore (US $ 305.72 million) at the end of October 1992. Out of the 161 joint ventures in operation 91 (57 per cent) were in the manufacturing sector and 70 (43 per cent) were in the non-manufacturing sector. Region-wise, East Asia accounted for 36 per cent (58) of operating joint ventures, followed by Europe-America with 19 per cent (31) and Africa with 17 per cent (28). South Asia accounted for 13.6 per cent (22), West Asia for 11.28 per cent (18) and Oceania for 2.4 per cent (4) of Indian joint ventures abroad.

(Rs. crore)

Calendar year	Dividend	Other Repatriation
1988	17.6	48.3
1989	30.7	60.1
1990	29.7	64.6
1991	41.5	72.3
1992 (end October 1992)	48.3	79.1

The remittances of dividends received from abroad stood at Rs.48.3 crore as at the end of October 1992 as against Rs.41.5 crore as at the end of December 1991. The amount received by

* GDRs are in the nature of convertible debentures floated by Indian companies in the international capital market.

(Rs. crore)

Year	Total	Turn-key and Construction Projects	Engineering Consultancy
1	2	3	4
1989-90	560	341	220
1990-91	1115	803	312
1991-92	1417	697	720
1992-93 (April to October 1992)	288	216	72

way of fees for technical know-how, engineering services, management fee, royalty, etc., increased to Rs.79.1 crore during the same period.

The number of 'wholly owned subsidiaries' (owned by one or more Indian bodies corporate) was 78 as at the the end of October 1992 out of which 46 were in operation and the remaining 32 were under various stages of implementation. The UK (14) and the USA (12) accounted for 57 per cent of the subsidiaries under operation. The value of total equity held in these subsidiaries amounted to Rs.111.37 crore of which Rs.58.13 crore was in subsidiaries which were in operation and the remaining Rs.53.24 crore was in subsidiaries which were at various stages of implementation.

Exports of projects (broadly, construction contracts, turn-key contracts and engineering consultancy contracts) have recorded a consistent growth over the years as shown above.

(C) Policy and Developments

As part of the continuing efforts to provide an investment friendly environment in India for foreign investors, the following policy initiatives were undertaken during the year:

(i) Under the Union Budget, 1993-94, portfolio investments by Foreign Institutional Investors (FIIs) were made more attractive by reducing the tax rate on short-term capital gains from 65 per cent earlier to 30 per cent.

(ii) To keep pace with the ever expanding global technological revolution in the field of computers, an Electronic Hardware Technology Park (EHTP) Scheme was set up allowing for 100 per cent equity participation, duty free import of capital goods and a tax holiday i.e. exemption from corporate income tax for a block of 5 years commencing from the date of the starting of commercial production.

(iii) In the new National Mineral Policy, the ceiling on foreign equity participation in Indian companies engaged in mining activities was hiked to 50 per cent. In the area of non-captive mines, equity participation of over 50 per cent by foreign partners could be considered on a case by case basis.

(iv) Disinvestment norms for equity holding by foreign investors were liberalised considerably. The Reserve Bank of India (RBI) now permits on a near-automatic basis, proposals for transfer/sale of shares for the purpose of disinvestment. The sale of shares, however, has to be effected in a stock exchange in India through a registered merchant banker or a stock broker. Permission is also given by the RBI for disinvestment proposals where the foreign investor wishes to sell his/her shares not through a stock exchange but on a private basis to another non-resident, including one of the co-promoters/residents. As regards pricing, the Reserve Bank will satisfy itself that the shares have been sold at a price arrived at by taking the average of quotations on the stock exchange for one calendar month preceding the date of application or the prevailing market price on the date of application or the price sought for by the applicant, whichever was the lowest. In the absence of a market price, as in the case of unlisted companies, whether closely held as partnership concerns or in the case of listed companies where shares are not regularly traded, the SEBI will be guided by the 'net asset value' and "earnings per share".

(v) Authorised dealers were delegated powers to allow remittance of dividend (including interim dividend) on equity/preference shares to non-resident shareholders of all Indian companies, as also those in which investments have been made by NRIs/OCBs under the 40 per cent scheme or any other scheme with repatriation benefits.

(vi) NRIs were allowed to invest up to 100 per cent on non-repatriation basis, in any partnership/proprietorship concern or in private/public limited companies (except in agricultural/plantation activities) without seeking prior approval of the RBI. However, OCBs are not permitted to invest in proprietorship/partnership concerns.

External Assistance

Aid flows from multilateral and bilateral sources have been the most important source of foreign capital for India, financing up to 35 per cent of the current account deficit in the eighties. In recent years, however, net transfers of external assistance have been declining. Several extraneous developments like a shrinkage in the absolute quantum of resource transfers from the North to the South, the growing claims of other developing countries, the tied character of a large proportion of concessional finance and a distinct political content embodied in these flows have adversely affected the availability of external assistance to India. However, it is the tardy utilisation of the available assistance which has emerged as an issue of serious policy concern, particularly in the face of the consistent rising trend in debt service payments. Lags surrounding externally aided projects ranging from project approval to actual implementation, long gestation periods, non-adherence to financial and other covenants and resultant cost overruns, shortfalls in budgetary support, have all slowed down the pace of utilisation considerably. The result has been the accumulating stock of unutilised assistance placed at US $ 20.3 billion at the end of March 1993 which has begun to deter donors from making fresh aid commitments to India.

Authorisations

During 1992-93 fresh authorisations of external assistance declined by US $ 594 million or by 11 per cent to US $ 4599 million (In rupee terms, however, authorisations would show an increase reflecting conversion at the market rate of exchange which implies an effective depreciation of 11 per cent over the rate of conversion in 1991-92). [Table XI-9].

Loan authorisations from the Asian Development Bank and Germany rose by US $ 667 million and US $ 305 million respectively whereas those from Japan, the IBRD and the IDA recorded a fall of US$ 185 million, US$ 923 million and US$ 264 million, respectively.

Reflecting the fall in authorisations of loan assistance from the IBRD as well as the IDA, the share of the World Bank Group in total authorisations of loans declined from 59 per cent in 1991-

92 to 39 per cent in 1992-93. Authorisations of grants at US $ 330 million during the year under review were also lower than in the preceding year [Table XI-10 and XI-11].

Aid Pledge for 1993-94

At the Aid-India Consortium meeting held in Paris in June 1993, members pledged US $ 7.4 billion of assistance to India for 1993-94 (July-June). The total assistance pledged was higher by US $ 200 million than in the preceding year. Of the total commitment, US $ 4.2 billion came from multilateral sources and US $ 3.2 billion came from bilateral countries. The share of fast disbursing loans in the total aid commitment for 1993-94 has also gone up to US $ 2.2 billion (US $ 1.4 billion from multilateral sources and US $ 850 million from bilateral sources). The World Bank group with a total commitment at US $ 3.0 billion continued to be the largest donor. Within the bilateral group, Japan's commitments at US $ 1.11 billion constituted the largest share.

Utilisation

The utilisation of aid at US $ 3552 million in 1992-93 recorded a substantial decline of 25.2 per cent from that of US $ 4746 million in the preceding year. Among the factors underlying poor utilisation of external assistance in India which were cited earlier, mention would need to be made of the budget constraint imposed by the ongoing programme of fiscal consolidation which resulted in paucity of matching rupee resources for externally aided projects.

Under loans, the decline in utilisation by US$ 1080 million during 1992-93 over the preceding year was mainly due to a fall in the utilisation of loans pledged by the IBRD (by US $ 505 million), Japan (by US $ 332 million) and the ADB (by US $ 214 million). However, there was a modest rise of US $ 71 million in the utilisation of loans from the IDA.

The utilisation of grants declined over the year by US $ 114 million to US $ 262 million during 1992-93. This was mainly due to a fall in the utilisation of grants from Japan (by US $ 26 million) and the UK (by US $ 47 million).

The utilisation ratio, measured as the proportion of gross utilisation to fresh authorisations declined from 91.4 per cent in 1991-92 to 77.2 per cent in 1992-93.

The utilisation patterns in the years 1992-93 and 1991-92 were characterised by the efforts towards balance of payments adjustment involving the mobilisation of exceptional financing from multilateral and bilateral donors in the form of quick disbursing assistance. As against US $ 1 billion of such assistance received in 1991-92 US $ 826 million were raised in 1992-93 from the World Bank (US $ 452 million), ADB (US $ 150 million), Japan (US$ 134 million), Germany (US $ 62 million) and Netherlands (US $ 28 million).

During the first quarter of 1993-94, i.e., April-June 1993 utilisation of aid amounted to US$351 million. Gross utilisation during the quarter included exceptional financing from the World Bank of US $ 40 million which was the first tranche of the Trade Sector Adjustment Loan.

Debt Service Payments and Net Inflow

Debt service payments at US $ 2,970 million (Rs.9,102 crore) were higher by US $ 250 million (Rs.2,446 crore) in 1992-93, (36.7 per cent) than those of US $ 2,720 million (Rs.6,656 crore) in the preceding year. The net inflow of external assistance at US $ 582 million (Rs.1,783 crore) was also lower by US $ 1444 million (Rs.3,176 crore) than that of US $ 2026 million (Rs.4,959 crore) in the preceding year (Table XI-13). During April-June 1993, debt service payments amounted to US $ 594 million. As a result, there was a net outflow of US $ 243 million under external assistance during the quarter.

Cumulative Assistance

Cumulative assistance on account of loans, grants and other assistance authorised to India upto end-March 1993 aggregated Rs.1,20,824 crore. Of this loans accounted for Rs.1,08,280 crore or 89.6 per cent, grants Rs.9,770 crore or 8.1 per cent and PL 480/665 assistance accounted for the balance of Rs.2,774 crore or 2.3 per cent. The cumulative assistance utilised up to end-March 1993 amounted to Rs.82,811 crore and formed 68.5 per cent of total authorisations. Of the total assistance utilised, loans accounted for Rs.71,195 crore or 86.0 per cent, grants amounted to Rs.8,797 crore or 10.6 per cent and PL 480/665 assistance, amounted to Rs.2,819 crore or 3.4 per cent (Table XI-12).

As at end-March 1993, the share of the World Bank Group at 44.2 per cent in total authorisations remained slightly lower than the level at end-March 1992 (45.3 per cent). The share of the World Bank Group in the utilisation of aggregate assistance at 47.1 per cent at end-March 1993 was higher than at the end of the preceding year (45.9 per cent). Among individual countries, the major donors were the erstwhile West Germany, Japan, USA, U.K. and ADB which together accounted for 32.9 per cent of the total authorisations as at end March 1993.

Purpose-wise authorisations, utilisation and undisbursed balances as at end-March 1992 and end-March 1993 are given in (Table XI-14). Out of the total loans authorised during 1992-93 the share of the energy sector was the highest at 30.4 per cent, followed by the loans received for structural adjustment sector (24.1 per cent) and infrastructure sector (18.6 per cent) and the Agriculture sector (6.3 per cent).

In terms of utilisation of loan assistance during 1992-93, the Energy sector accounted for the largest share (32.3 per cent) followed by Structural Adjustment sector (18.0 per cent) and Industry sector (11.9 per cent).

Aid in the Pipeline

In keeping with the treatment accorded to rouble debt in the new form of presentation of external debt statistics recommended by the Policy Group/Task Force on External Debt Statistics of India, unutilised Rouble balances are not included in the gross aid available in the pipeline. They are, instead, indicated separately, as a memorandum item. Total aid comprising loans and grants in the pipeline (excluding those in Roubles from USSR) amounted to US $ 20314 million up to end March 1993, or Rs.63,101 crore at current exchange rate. This was higher by US $ 1388 million (Rs.7,122 crore) than the corresponding amount of US $ 18926 million (Rs.55,979 crore) at end-March 1992. Out of the total aid in the pipeline, loans constituted (91.6 per cent and grants 8.4 per cent). The World Bank group accounted for the largest share of loan assistance in the pipeline at 56.5 per cent, followed by the ADB at 16.2 per cent. Country-wise, unutilised aid in respect of Japan was the highest at 17.6 per cent. Aid in the pipeline in respect of other countries/institutions remained negligible. In addition, an amount of Roubles 7,821 million was also available in the pipeline.

Purpose-wise Distribution of unidsbursed loans

As on March 31, 1993 undisbursed balance (excluding the undisbursed balances in respect of USSR) stood at US $ 17,498 million (Rs.54,656 crore) as compared to that of US $ 17,143 million (Rs.53,531 crore) as at end March 1992. (Table XI-15) presents data on purpose-wise classification of undisbursed loans. These data would show the largest proportion of undisbursed balance as on March 1993 under the Energy Sector (41.9 per cent) followed by the Infrastructure Sector (13.2 per cent), in particular from the IBRD. On the whole, covering all purpose groups, the World Bank Group dominated accounting for 53.8 per cent of aid undisbursed as at end-March 1993.

India's Financial Assistance to other countries

Authorisation

The total external assistance authorised by India during 1992-93 at Rs.73 crore was lower by Rs.79 crore than that of Rs.152 crores in the preceding year. Authorisations of loans at Rs.35 crore, of which 86 per cent was to Bangladesh, was lower than that of Rs.44 crore authorised during the preceding year. The total amount of grants authorised during 1992-93 at Rs.38 crore was mainly for ITEC and was significantly lower than that of Rs.108 crore authorised during preceding year.

Utilisation

The utilisation of aid, comprising loans and grants, extended by India during 1992-93 at Rs.47 crore was lower by Rs.122 crore than that of Rs.169 crore in the preceding year. Utilisation of loans at Rs.15 crore was lower by Rs.58 crore than that of the previous year. Except in the case of Bangladesh, the pace of utilisation was higher in 1992-93 as compared with the preceding year. Utilisation of grants was lower under ITEC, constituting 81 per cent of the grants authorised, whereas Nepal utilised the entire amount of Rs.5 crore of authorised aid. The ratio of utilisation to authorisations declined from 111 per cent during 1991-92 to 64 per cent in 1992-93. Componentwise, the utilisation ratio for grants was higher than that for loans, (Table XI-16).

Cumulative Assistance extended by India

Total aid authorised by India, comprising loans and grants, amounted to Rs.2511 crore up to the end of March 1993 of which 36.8 per cent was by way of loans and the balance of 63.2 per cent by way of grants (Table XI-17). The principal beneficiaries, on aggregate basis, were Bhutan (38.4 per cent), Nepal (22.1 per cent), Bangladesh (12.9 per cent), Vietnam (6.7 per cent), and the group of countries under ITEC (10.0 per cent). Utilisation against total aid extended by India as at end-March 1993 amounted to Rs.2,246 crore or 89.5 per cent of aid authorisations. Bhutan, Nepal, Bangladesh and Vietnam together accounted for 82.2 per cent of the total utilisation.

As the fresh authorisations of aid (loans and grants) during the year under review was higher than the utilisation, undisbursed aid increased marginally to Rs.265 crore by the end of March 1993. Nepal, Bangladesh, Sri Lanka and group of countries under ITEC accounted for 94.7 per cent of the undisbursed balances. Bhutan, among the major beneficiaries could utilise almost the entire assistance extended to it till end-March 1993.

External Debt

As mentioned in last year's Report, the Policy Group and Task Force on External Debt Statistics of India recommended a new definition and classification of external debt. The new classification is exhaustive and includes, in addition to the components covered hitherto, the interest credited to the accounts under the FCNRA scheme, and convertible debentures. It excludes lease transactions and rupee rouble credits from the main debt statistics (the latter appear as memo items). Under short-term debt, all credits up to six month maturity are excluded. It also follows the recommendation of the Group that the data on non-civilian debt be disclosed as a memo item in view of the need for greater transparency of the debt statistics. Table XI-18 presents India's external debt based on the new definition and classification. India's long term debt rose from US $ 62 billion (Rs.1,05,940 crore) as at the end of March 1990 to US $ 73 billion (Rs.2,27,464 crore) as at the end of March 1993. The short-term debt declined from US $ 5.5 billion (Rs.9,465 crore) to US $ 4.5 billion (Rs.13,909 crore) during this period. The total debt including those given as memo items amounted to US $ 85 billion (Rs.2,66,214 crore) as at the end of March 1993.

In relation to GDP at current market prices, the total debt excluding those under memo items rose from 23.3 per cent in 1990 to 32.4 per cent as at end-March 1993. If the memo items are included the debt stock as per cent of GDP would show a rise from 28.3 per cent as at end March 1990 to 37.9 per cent as on March 31, 1993. The debt service ratio [i.e. ratio of debt service payments to export of goods and services excluding official transfers] is estimated to have declined fractionally from 26.2 per cent in 1991-92 to 26.1 per cent in 1992-93.

Rupee Rouble Debt

According to the agreement reached in the beginning of 1993, the amount of (principal) debt outstanding as on April 1, 1992 is to be converted into Indian rupees and repaid in Indian rupees as set out below:

(i) The outstanding debt as on April 1, 1992 will be converted into rupees as per the rupee-rouble rate of exchange (in accordance with the provisions of the protocol dated November 25, 1978) prevailing as on January 1, 1990 (Rs.19.9 per rouble).

(ii) The debt will also be converted into rupees as per the exchange rate as on April 1, 1992 (Rs.31.8 per rouble).

The difference between the two amounts will be repaid with no interest in equal annual instalments over a period of 45 years starting from April 1, 1993. There is no protection against any fluctuation in the value of the rupee for five years from April 1, 1992. Thereafter, this will be reviewed once every five years and if there is more than three per cent depreciation of the rupee per year on an annual average basis vis-a-vis the SDR, the payment due on this account could be indexed to the rupee value of the SDR for the next five year period.

The debt, as converted at the rate of exchange prevailing as on January 1, 1990, will be repaid with interest in accordance with the payment schedule in force for each loan agreement. In case the value of the rupee vis-a-vis the SDR changes on any day after April 1, 1992 by more than three per cent either way as compared to the base value of the rupee which is Rs.35.3637 on April 1, 1992, the amount of principal and interest repaid on any day after April 1, 1992 will be readjusted proportionately to the change.

With this agreement, the advantage to the country is that the increase in debt between January 1, 1990 to April 1, 1992 due to variation in the exchange rate of the rupee vis-a-vis the rouble as per the protocol would be repaid in 45 years without any interest.

Exchange Rate Developments

The year under review marked an important transitional phase in the evolution of India's exchange rate regime. Under the Liberalized Exchange Rate Management System (LERMS), which was in operation from March 1, 1992 to February 1993, a dual exchange rate structure was instituted, characterised by the co- existence of the official exchange rate determined by the Reserve Bank of India (RBI) and the market rate determined in the inter-bank foreign exchange market. Each leg of the dual rate system equilibrated between separately designated categories of transactions (Details on the mechanism and working of the LERMS were covered in the previous year's Report). The LERMS imparted stability to both the official and the market rate. The spread between the official rate and market rate which indicates the premium over the official rate ranged from a low of 13.77 per cent in March 1992 to a high of 24 per cent in February 1993,the latter brought about by speculation-driven depreciation of the market rate,reflecting pre-Union Budget expectations. However, over the greater part of the LERMS period the spread remained broadly stable at around 17 percent.

Nevertheless, implicit in the dual exchange rate system was a tax on exports as only 60 per cent of export proceeds could be converted at the market rate and the rest at the much lower official rate. Moreover, as some imports were financed by foreign exchange available at the relatively subsidised official rate of exchange this could lead to distortions in resource allocation if continued for long. Therefore, the dual exchange rate system was replaced by the unified market-determined exchange rate system, effective March 1, 1993.

Under the unified exchange rate system, all foreign exchange transactions, both current and capital, are put through by authorised dealers (ADs) at market-determined rates of exchange. The new regime continues to operate within the framework of exchange control in terms of the obligation to surrender all foreign exchange receipts to ADs. However there is no obligation on the part of ADs to surrender any portion of such receipts to the RBI. All payments involving foreign exchange are also effected at market-determined exchange rates through ADs.

The RBI fixes its rates of exchange on the basis of the prevailing market rates within a margin of 5 per cent on either side of the market rate. It buys U.S. dollars from ADs for spot deliveries and sells the same for such purposes as are approved by the Government of India, i.e. (a) Debt service payments on behalf of the Government of India, and (b) as a transitionary arrangement, (i) for meeting 40 per cent of the value of imports under advance licences, imprest licences, replenishment licences for import of raw materials for gem and jewellery exports, as per instructions to be issued by the epartment of Economic Affairs, Government of India; (ii) For meeting the full value of imports under Exim scrips, REP and such other licences treated on par with Exim scrips.

The RBI does not ordinarily buy spot Pound Sterling, Deutsche Mark or Japanese Yen. It does not buy or sell any currency forward but is prepared to enter into swap transactions under which it buys U.S. dollar spot and sells forward for periods ranging from two to six months.

The RBI will, at its discretion, intervene in the foreign exchange market, by buying and selling U.S. dollars, to smoothen erratic fluctuations in the market rates and thus quell speculative pressures from destabilising the process of stabilisation presently underway.

In addition to its buying and selling rates for transactions with ADs, the RBI announces its Reference rate on a daily basis. This rate is based on the rates quoted by a few select banks in Bombay at noon. The RBI Reference rate is used for effecting transactions in SDRs as well as for transactions with countries in the Asian Clearing Union.

The experience with the unified exchange rate system during the first few months of its operation was favourable. The rupee remained remarkably stable, disproving expectations to the contrary. On several occasions it actually strengthened against the U.S. dollar, the Pound Sterling and the D.M. (Table XI-20). Although the RBI followed the market, in quoting its own two-way rates every day the oversupply of foreign exchange in the market and weak import demand resulted in hosts of market quotes converging around the RBI's rate. Thus the RBI's buying rate implicitly set a ceiling for market rates, holding down the strong upward pressure of the rupee. The RBI's rate was supported by substantial purchases of foreign exchange by the RBI which indirectly took the form of passive intervention against the strength of the rupee.

Movement in the Official Exchange Rate

During 1992-93, the depreciation of the rupee with respect to selected currencies was lower than during the preceding year. In respect of currencies of the major developed countries, the depreciation of the rupee ranged between 1.11 per cent against the Canadian Dollar and 13.9 per cent against the French Franc. Against the currencies of India's major trade competitors in

Asia, the rupee's depreciation ranged between 1.2 per cent against the Bangladeshi Taka and 13.5 per cent against the Malaysian Ringgit (Table XI-19).

In terms of monthly averages, although the rupee depreciated against the SDR in seven out of twelve months during 1992-93, the weakening of the rupee vis-a-vis the SDR was confined to a narrow range of 0.4 per cent to 2.2 per cent till February 1993.In November 1992, however, the rupee appreciated by 3.5 percent against the SDR. In March 1993 there was a sharp depreciation of the rupee against the SDR by 17.4 per cent essentially due to the introduction of the unified exchange rate system and the consequent shift to the market- based RBI reference rate for the purpose of computing the Rupee/SDR rate. In fact, during the first quarter of 1993-94, the rupee remained reasonably firm against the SDR, depreciating by 1.6 per cent as compared to a 3.3 per cent depreciation in the corresponding period of the preceding year.

During the period of operation of the LERMS, the RBI effected two downward revisions in its buying and selling rates for US Dollar, first on March 5, 1992 when the selling rate was revised from Rs.25.9551 to Rs.25.9538 per U.S. dollar and second on December 4, 1992 when the buying and selling rates were lowered to Rs.26.1335 and Rs.26.2640 per U.S. dollar respectively.

The rupee depreciated against the Pound Sterling during the first five months of 1992-93. However, since September 1992, its strength against the Pound Sterling was in evidence in all the months except December 1992.

The movement of the rupee against the Deutsche Mark (D.M.) was similar to its movement against the Pound Sterling. It reversed its negative trend against the D.M. in September 1992 and since then it continuously firmed up in the subsequent months, with the exception of December 1992, when it recorded a decline of 1.3 per cent.

Against the Japanese Yen, the rupee depreciated in seven out of the eleven months in 1992-93. It strengthened against the Yen during April, August and November 1992 and January 1993.

Movement in FEDAI Indicative Exchange Rates

During 1992-93, in terms of monthly average FEDAI (indicative) rates, with the exception of May, June, August, September and October 1992 and March 1993, the rupee weakened against the U.S. dollar in all other months. During the first quarter of 1993-94, the rupee marginally strengthened by 0.4 per cent as against a weakening of 2.6 per cent in the corresponding period of the preceding year.

The movements in the monthly average FEDAI (indicative) rates of the rupee vis-a-vis the Pound Sterling conformed to the movements in the corresponding official rates. During the first quarter of 1993-94 the rupee marginally depreciated by 3.0 per cent as against a depreciation of 7.1 per cent in the corresponding quarter of the preceding year.

Against the D.M., apart from an occasional strengthening, as was witnessed in May, October and November 1992 and January and March 1993, the rupee ruled easy in all other months. During the first quarter of 1993-94, the rupee strengthened by 0.6 per cent as against a depreciation of 5.4 per cent in the corresponding quarter of the preceding year.

In relation to the Japanese Yen, the rupee exhibited a negative trend in all the months except in August and November 1992. During the first quarter of 1993-94, the cumulative depreciation of the rupee was 8.2 per cent as against 4.8 per cent in the corresponding quarter of the preceding year.

International Monetary Developments *

The world output growth recovered modestly to 1.8 per cent in 1992, from 0.6 per cent in 1991. The recovery is uneven as some industrial countries have managed to come out of recession, whereas in many other countries, growth has suffered because of extensive balance sheet restructuring, considerable financial tensions, tight monetary conditions and low consumer and business confidence. The comparatively strong performance of a growing number of developing countries in 1992 is mainly the result of sustained stabilisation efforts and reforms following the outward-oriented policies. World output is projected to grow at 2.2 per cent in 1993 and strengthen further to 3.4 per cent in 1994.

Domestic Activity

Industrial Countries

Industrial countries as a group registered a modest recovery in output growth to 1.5 per cent in 1992 following a near-stagnation in 1991. Growth in 1993 is estimated to be moderate (1.7 per cent) and strengthen (2.9 per cent) in 1994. This mild recovery was mainly fuelled by the upswing in US economy, which had strengthened markedly in the second half of 1992, whereas activity remained weak in the United Kingdom and Canada.

The United States' output grew by 2.1 per cent in 1992 as against a decline of 1.2 per cent in 1991. Among other leading industrial countries, Germany, France and Canada recorded higher real GDP growth during 1992 than in 1991. In Japan, output growth decelerated to 1.3 per cent in 1992 from 4.0 per cent in 1991. The weakening of Japanese economy was mainly because of decline in asset prices and the resultant fall in the rates of investment and consumer spending on durable goods. Added to this was a sharp rise in non-performing loans in the Japanese banking sector. In the smaller industrial countries, activity continued to remain weak in 1992 due to faltering demand in export markets, budgetary imbalances and other domestic difficulties in a number of countries.

Consumer price inflation in industrial countries declined from 4.5 per cent in 1991 to 3.2 per cent in 1992 signifying the success of structural reforms facilitating price flexibility and the credibility of countries' commitment to containing inflation. During 1992, the highest inflation rate among the major industrial countries was in Italy (5.5 per cent), followed by Germany (4.5 per cent) and United Kingdom (3.7 per cent).

Monetary conditions in major industrial countries generally eased since early September 1992 mainly due to slow economic growth and weak inflationary pressures. Both short-term and long-term interest rates continued to be lower in 1992. The monetary conditions were eased mainly in US, Canada and Japan. Despite increasing signs of an economic slowdown and the prolonged crisis in European foreign exchange markets, the official interest rates remained high in Germany. In the US, discount rate of the Federal Reserve has been maintained at July 1992 level of 3 per cent, while the federal funds rate was lowered to 3 per cent in September. In Japan, the official discount rate was reduced in July 1992 from 3.75 per cent to 3.25 per cent. In view of the improved prospects for inflation (including indications of slower monetary growth) and budgetary consolidation, the Bundesbank reduced in February 1993 its discount rate from 8.25 per cent to 8 per cent and its Lombard rate from 9.5 per cent to 9 per cent. In mid-March, the Bundesbank further lowered the discount rate to 7.5 per cent. In order to safeguard franc against speculative attacks, the official interest rates in France remained high so as to keep the exchange rate within the ERM band. The overall trend in short-term interest rates nevertheless remained downward with the average rate for the seven major industrial countries declining from 7.8 per cent in 1991 to 6.3 per cent in 1992. Long-term

* This section is based upon information contained in IMF's *World Economic Outlook*, May, 1993

interest rates also declined in the G-7 countries, from 8.3 per cent in 1991 to 7.5 per cent in 1992, indicating downward revisions to expectation of growth and inflation.

Changes in monetary aggregates showed a divergent trend in G-7 countries in that the broad money decelerated from 3.6 per cent in 1991 to 2.9 per cent in 1992, while narrow money grew at a higher rate of 9.1 per cent in 1992 from 6.7 per cent in 1991. In the United States, broad money grew at a lower rate of 1.5 per cent in 1992 (3.0 per cent in 1991) and the narrow money at a higher rate of 14.2 per cent in 1992 (8.7 per cent in 1991). In the case of Japan, broad money declined in 1992 whereas narrow money registered a lower growth in 1992.

The combined current account deficit of the industrial countries is estimated to have increased from $ 20.5 billion in 1991 to $ 38.5 billion in 1992 mainly due to a halt in war-related transfers from countries in Middle East and a somewhat higher import growth in industrial countries.

Developing Countries

GDP growth in the developing countries (excluding the countries in transition *) strengthened to 6.1 per cent in 1992, against 4.2 per cent in 1991, due largely to a strong recovery in Middle East. The output is expected by the IMF to grow at 5.1 per cent in 1993. The average inflation rose by 38.7 per cent in 1992 against 35.7 per cent in 1991. Real output growth in the developing countries in Africa remained weak in 1992 at 0.9 per cent as terms of trade deteriorated by 5.5 per cent and export receipts fell. Inflation in Africa accentuated (40.2 per cent in 1992 against 32.2 per cent in 1991) mainly because of the drought in Southern Africa. Real output in Asia grew by 7.9 per cent in 1992 as compared with 5.8 per cent in 1991, while inflation fell to 7.4 per cent in 1992 mainly because of the cautious financial policies followed by most Asian countries. During 1993, growth in real GDP in Asia is expected by the IMF to decline to 6.7 per cent, whereas inflation is expected to be at the same level as in 1992. The real GDP in Middle East increased substantially by 9.9 per cent in 1992 (2.1 per cent in 1991) reflecting a robust recovery following the 1990-91 Gulf crisis. The inflation rate in the Middle East was contained at 20.6 per cent in 1992 as against 23.8 per cent in 1991. Western Hemisphere registered a lower growth in 1992 mainly because of a sudden and significant decline in output in Brazil. The inflation in this region rose to 169.9 per cent in 1992 from 135.8 per cent in 1991.

Countries in Transition

Central Europe

During 1992, economic conditions improved for some of the economies of Central Europe. Output for the region as a whole, fell at a lower rate of 7.5 per cent in 1992 than 13.5 per cent last year. With the strengthening of market reforms, most central European countries are expected to achieve positive real growth in 1993-94, depending crucially on their ability to contain fiscal deficits and inflation and on their performance in the export markets.

Inflation, as measured by consumer prices, for the Central Europe increased to 196.6 per cent in 1992 from 119.4 per cent in 1991. In most of the Central European countries considerable strains on Government budgets emerged or continued during 1992. Due to increased exports to Western Europe, the aggregate current account deficit of the Central European countries declined markedly during 1992 to only $ 0.5 billion compared to $ 6.5 billion in 1991.

Republics of the former Soviet Union

During 1992, economic conditions in the former Soviet Union further deteriorated with the

* The central European countries, namely, Albania, Bulgaria, the former Czechoslovakia, Hungary, Poland, Romania, the former Yugoslavia, and the fifteen Republics of the former Soviet Union and Mongolia.

Russia's real GDP declining by 19 per cent as compared with a decline of 9.0 per cent in 1991. The decline in GDP was much higher in many other countries of the region mainly due to adjustment problems in the early stages of transition causing high inflation, compression of imports, and disruption in intra-republics trade.

Consumer prices registered a twelve-fold rise during 1992 in the former Soviet Union. In Russia, the inflation accelerated in the last quarter of 1992 and early 1993 mainly because of easy fiscal and monetary policies. Inflation declined significantly in Latvia and in Estonia, following the introduction of the Estonian Kroon, pegged to the deutsche mark. The aggregate current account deficit of the Republics widened during 1992 following a decline in exports, particularly of oil. The Systemic Transformation Facility (STF) established in the Fund is likely to be availed of by several Republics of the former Soviet Union.

International Trade and Payments

The world trade growth at 4.2 per cent in 1992 compared with 2.3 per cent in 1991 was facilitated by the growth of intra-regional trade, particularly in Asia, and by higher import growth in industrial countries. In view of the anticipated improvement in industrial recovery and expansion of developing country output and trade links, the growth of world trade is expected to be higher at 5.2 per cent in 1993. The export volume in industrial countries grew at a higher rate of 3.2 per cent in 1992 as compared to 2.9 per cent growth in 1991. Similarly, import volume growth in industrial countries increased to 4.0 per cent in 1992 from 2.4 per cent in 1991. The volume growth of exports in developing countries increased to 8.4 per cent in 1992 as against 7.7 per cent in 1991, while the import volume surged even higher by 10.2 per cent in 1992 than that of 9.1 per cent in 1991.

The modest recovery in the growth of industrial countries was reflected in the increase in prices of manufactures to 3.7 per cent in 1992 against a fall of 0.5 per cent in 1991. However, the prices of manufactures are expected to decline by 3.0 per cent in 1993.

The terms of trade of developing countries declined further to 1.4 per cent in 1992. The terms of trade of fuel exporters showed a higher deterioration of 3.2 per cent in 1992, while that of non-fuel exporters declined by 0.8 per cent.

The external current account deficit of the United States stood at \$ 62.4 billion in 1992 compared with \$ 3.7 billion in 1991 when war-related transfers had brought it down from \$ 90 billion in 1990. The deficit is likely to widen to \$ 101.1 billion in 1993. Japan's current account surplus increased from \$ 72.9 billion in 1991 to \$ 117.6 billion in 1992. It is expected to rise further to \$ 137.2 billion in 1993. The increase in Japan's current account surplus is due to a sharp fall in domestic demand during 1992, lower world commodity prices, and the appreciation of the yen in 1991-92 resulting in increase in dollar value of exports. The current account deficit of Germany was higher at \$ 25.1 billion in 1992 than that of \$ 19.8 billion in 1991 and is expected to rise to \$ 26.7 billion in 1993.

The combined current account deficit of developing countries fell from \$ 81.9 billion in 1991 (9.6 per cent of exports of goods and services) to \$ 78.4 billion in 1992 (8.4 per cent of exports of goods and services) following the substantial reduction of the current account deficit in Middle East due to easing of the impact of the 1990-91 Gulf war. This deficit is expected to decline further to \$ 74.4 billion in 1993 (7.2 per cent of exports of goods and services).

International Monetary Fund

Systemic Transformation Facility

On April 23, 1993 the Fund created a new temporary facility, called the Systemic Transformation Facility (STF), to extend financial assistance to members facing systemic disruptions in their trade and payments arrangements due to a shift from centrally planned economies to market-based system. The STF will be in effect through 1994. The STF is meant to help such members which are at an early stage of the transition process and as yet unable to formulate a programme that could be supported by the Fund under its existing facilities and policies. The assistance under the Facility is available to members experiencing balance of payments needs arising out of (i) a sharp fall in total export receipts on account of a shift from a significant reliance on trading at non-market prices to multilateral, market-based trade; (ii) a substantial and permanent increase in net import costs, due to a shift towards world market pricing, particularly for energy products; or (iii) a combination of both. Disbursements under the STF are made from the Fund's General Resources Account. The rate of charge is the same as for other uses of the Fund's general resources. The repayment term is 4 1/2 -10 years. Kyrgyzstan became the first member to use this Facility.

The ESAF Successor

In July 1992, the IMF decided to extend the deadline for commitments of resources under the Enhanced Structural Adjustment Facility (ESAF) by one year to the end of November 1993. The ESAF is a concessional facility to assist low-income countries to achieve a substantial and sustainable strengthening of the balance of payments position. The decision reflects growing realisation of the fact that the external environment for the low- income countries continues to remain uncertain. The Fund is currently examining the operational modalities and funding alternatives of a possible successor to the ESAF after November 1993.

SDR Allocation and SDR Interest Rate

The Special Drawing Rights (SDRs) created by the Fund in 1970 were allocated during the first and the third basic periods in six instalments, aggregating upto 1981, SDR 21.4 billion. There has been no further allocation of SDRs since then. The interest/remuneration rate on SDRs is calculated weekly and is equal to the weighted average interest rate or yield on specified short-term instruments in the money markets of the USA, the UK, France, Germany and Japan whose currencies are included in the SDR valuation basket. In line with the falling short-term interest rates in these countries, the SDR interest/remuneration rate has come down from an average of 6.48 per cent for the quarter ended June 1992 to 4.74 per cent for the quarter ended June 1993 (Table XI-21).

Table XI-21 : SDR Interest and Remuneration Rates

(Per cent per annum)

For the quarter ended	SDR Interest Rate/Rate of Remuneration @
June 1992	6.48
September 1992	6.24
December 1992	5.63
March 1993	5.31
June 1993	4.74

@ Average of the weekly rates.

Tenth General Review of Quotas

The work of the Tenth General Review of Quotas of the IMF has been taken up and the Board of Governors has requested the Executive Board to submit a final report not later than December 31, 1994. The Executive Board has established a Committee of the Whole for the purpose. The work of the Committee will include an examination of the working of the quota formulae to ensure that the formulae take adequate account of all relevant developments bearing on Quotas.

Box 7

IMF Quotas *

Each member of the IMF is assigned a quota which is expressed in terms of SDRs and is equal to the subscription the member must pay, in full, to the Fund. Up to 25 per cent of the subscription has to be paid in reserve assets specified by the Fund (SDRs or usable currencies) and the remainder in the member's own currency. Quota forms a pool of resources that the Fund can draw from to lend to members in financial difficulty. A member's quota is the most fundamental element in its financial and organisational relations with the Fund. First, it determines a member's voting power in the Fund (that is, above the basic votes of 250 for each member), based on one vote for each SDR 100,000 of quota, in the election of Executive Directors, and for various operational and policy decisions of the Executive Board, as well as of the Board of Governors. Second, it determines a member's maximum access to the financial resources of the Fund (that is, the amount of balance of payments assistance it can obtain from the Fund). Third, it determines a participant's share in the allocation of SDRs.

Under the Articles of Agreement, the Board of Governors is required to conduct a general review of quotas at intervals not longer than five years and to propose any adjustments that it deems appropriate. Reviews and adjustments of quotas are designed to reflect the changing relative economic size and circumstances of member countries.

Determination of quotas

The Articles of Agreement do not indicate how a member's quota should be determined, although from the very start quotas have been related to, but not strictly determined by, economic factors, such as national incomes and the values of external trade and payments. The initial quotas of the original members of the Fund (participants at the Bretton Woods Conference in 1944) were related to, but not strictly determined by, a formula known as the Bretton Woods Formula that included basic economic variables such as the values of annual average import and export flows, gold holdings and dollar balances, and national income. This formula served through the early 1960s as a basis for determining initial quotas of new members.

The Bretton Woods formula was revised in 1962-63 by redefining the exports variability component and reducing its coefficient and by scaling down the weights of other components to make the sum of the resulting calculations correspond roughly with the Fund quotas then in force. This formula was supplemented by four other formulas containing the same basic variables but different coefficients in which weights were increased for trade and variability and reduced for national income and reserves. Also, the nonlinear element, comprising the ratio of exports to national income in the Bretton Woods formula, was eliminated in two of the four reweighted formulas. The coverage of data was also extended. The results of calculations with these formulas were used for determining the initial quotas of new members and in quota reviews up to 1980.

Under the Eighth General Review of Quotas, major changes were introduced in the way quotas were calculated. The economic criteria that entered into the quota calculations were improved by modifying the definitions of some of the economic data. National income was replaced by GDP, and a wider concept of average external reserves that included SDRs, ECUs (European Currency Units), and reserve positions in the Fund was introduced in the place of year-end gold and foreign exchange reserves. Furthermore, the role of the variability component in the formulas was extensively examined, and its coefficient was reduced by 20 per cent in all formulas, except the Bretton Woods formula, that contained high weights for this variable; reserves were added to the formulas that did not contain this variable. More broadly based data for current receipts and payments (debits and

Box 7 (Concld.)

credits on goods, services and private transfers) were used in place of the corresponding data for "visible" trade. The calculated quota employed in connection with the Eighth General Review was defined as the higher of the Bretton Woods calculation or the average of the lowest two of the remaining four calculations. Under the Ninth General Review, the formulas employed to determine calculated quotas were the same as under the Eighth General Review, as discussed above, but were based on data for the period ended 1985.

New member's quota

When a country applies for membership, its quota can be expected to be determined within the same range as the quotas of members the Fund considers to be in a comparable situation. The other terms of membership, such as the proportion of subscription to be paid in reserve assets, are set so as not to discriminate in other respects between applicants and existing members in similar circumstances. The country must enact any legislation necessary to enable it to sign the Articles of Agreement, after which it becomes a member. A member is not eligible to use the Fund's resources until it has paid its quota subscription in full.

**Source : 'Financial Organisation and Operations of the IMF', Treasurer's Department, IMF.*

Rate of charge, overdue obligations and burden sharing

The basic rate of charge on the use of ordinary resources of the Fund is presently set as a proportion of the weekly SDR interest rate. For the year 1993-94 (May-April), the basic rate of charge has been fixed at 111 per cent of the SDR interest rate. In 1992-93, the rate was 97.9 per cent of the SDR interest rate.

The basic rate of charge and the rate of remuneration together with the adjustments to them on account of Deferred income, Special Contingent Account-1 and Special Contingent Account-2 are summarised in Table XI-22 for the four quarters ended April 30, 1993.

The amount of overdue financial obligations to the Fund in 1992-93 came down for the first time since 1982. The overdue obligations amounted to SDR 3 billion on April 30, 1993, compared with SDR 3.5 billion on April 30, 1992. In 1992-93, the declaration of ineligibility with respect to Peru was lifted following the full settlement of its arrears to the Fund. As on April 30, 1993, declarations of ineligibility remained in effect with respect to Vietnam, Liberia, Sudan, Zambia, Sierra-Leone, Somalia and Zaire.

Use of IMF Resources

Net disbursements by the IMF out of its General Resources Account during 1992 amounted to SDR 0.6 billion compared with SDR 2.7 billion in 1991 (Table XI-23). The fall in net disbursements was on account of a decline of SDR 2.6 billion in gross disbursements amounting to SDR 4.8 billion in 1992. Repurchases by member countries were, however, lower at SDR 4.2 billion as against SDR 4.7 billion in 1991. Facility-wise, gross disbursements during 1992 were higher under standby arrangements, aggregating SDR 3.1 billion as against SDR 2.6 billion in 1991. Under extended arrangements and the Compensatory and Contingency Financing Facility (CCFF), the disbursements during 1992 amounted to SDR 0.9 billion and SDR 0.6 billion, respectively. During 1991, disbursements under EFF aggregated SDR 2.6 billion and under CCFF SDR 3.0 billion. Under CCFF, during 1991, many members obtained fund resources under the temporary oil facility to overcome balance of payments problems due to increase in oil prices in the wake of the Gulf-crisis.

During the first half of 1993, total purchases and repurchases amounted to SDR 2.3 billion and SDR 2.0 billion respectively, as against the purchases of SDR 2.0 billion and repurchases of SDR 2.3 billion in corresponding period of 1992. Thus, there was a net Fund disbursement of SDR 0.3 billion in the first half of 1993 as against a net repayment of SDR 0.3 billion in the corresponding period of 1992.

The outstanding Fund credit from General Resources Account as at end-June 1993 was SDR 24.2 billion.

Disbursements under the Structural Adjustment Facility (SAF) declined to SDR 20.0 million in 1992 from SDR 149.0 million in 1991 and those under the Enhanced Structural Adjustment Facility (ESAF) declined to SDR 524.3 million in 1992 from SDR 633.0 million in the previous year. The total outstanding loans under SAF and ESAF together as at end-December 1992 and end-June 1993 were SDR 3,671.0 million and SDR 3,732.9 million, respectively. An amount of SDR 157.7 million was outstanding under Trust Fund loans as at end-June 1993. As at the end of June 1993, 42 arrangements were in effect which included 13 standby arrangements, 5 extended arrangements, while 3 under SAF and 21 under ESAF.

Membership and Quotas

The Fund membership increased to 178 countries, with Micronesia becoming a member on June 24, 1993. The total quotas in the Fund stood at SDR 144.62 billion as on that date.

International Reserves

During 1992, international non-gold reserves which include foreign exchange reserves, reserve position in the Fund and SDRs increased by 3.1 per cent to SDR 693.1 billion as against a rise of 5.4 per cent to SDR 672 billion in 1991. The aggregate reserves of industrial countries further declined during 1992 by SDR 3.9 billion or 0.9 per cent to reach SDR 396.7 billion by the end of the year. As compared to this, the non-gold reserves of the developing countries increased for the sixth consecutive year to SDR 296.4 billion at the end of 1992, an increase of SDR 25 billion or 9.2 per cent during the year (Table XI-24).

During the first quarter of 1993, the non- gold reserves of all member countries declined by SDR 10.8 billion to SDR 682.2 billion. While the reserves of industrial countries declined by SDR 11.3 billion to SDR 38.5 billion, that of developing countries rose marginally by SDR 0.5 billion to SDR 296.8 billion at the end of first quarter of 1993.

Among the components of international non-gold reserves, foreign exchange reserves rose by SDR 40.3 billion or 6.4 per cent to SDR 665.9 billion in 1992. While the foreign exchange reserves of industrial countries declined by SDR 7.6 billion (2.1 per cent) to SDR 352.8 billion, those of developing countries increased by SDR 313.1 billion or 18.0 per cent during the year.

The reserve position in the Fund for all member countries taken together, improved from SDR 25.8 billion to SDR 33.9 billion during 1992, a rise of SDR 8.0 billion or 3.0 per cent mainly reflecting the quota increase under the Ninth General Review of Quotas which came into effect on November 11,1992.

The SDR holdings of all countries declined by SDR 7.7 billion or 3.7 per cent during 1992 from SDR 20.6 billion to SDR 12.9 billion. Correspondingly the SDR holdings of IMF increased from SDR 0.8 billion to SDR 8.6 billion.

Gold in International Markets

During 1992, gold prices fluctuated in the range of US $ 332 to US $ 361 per troy ounce as against US $ 343 to US $ 404 in the previous year. While higher prices in the range of US $ 400 to US $ 450 had been forecast for 1992, gold witnessed considerable weakness during 1992 mainly due to (a) uncertainties related to central bank activity resulting in speculation regarding the perception of central banks towards the monetary role of gold, (b) considerable producer hedging in the markets, and (c) continued recessionary conditions in OECD countries. During 1993, the loosening of currencies in the exchange rate grid of EC spurred gold price on July 30, to $ 411.30 an ounce, its highest point since the start of the Gulf War.

As per 'Gold Fields Mineral Services' (GFMS) estimates, total gold supply in 1992 stood at about 3480 tonnes, higher by 400 tonnes over the 1991 level. On the demand side, fabrication demand stood at 3107 tonnes, hoarding 288 tonnes, and gold loan 85 tonnes.

The year 1992 witnessed net divestments of 599 tonnes of gold by the official sector, the highest level since 1968. Official gold holdings are estimated at about 35,000 tonnes of which, about 1300 tonnes is estimated to be deployed in the gold lease market.

Major sales were initiated by Belgium (202 tonnes) between March and June 1992 followed by a number of other central banks. The Netherlands Bank sold 400 tonnes towards the end of 1992 through forward sales. Canada continued its policy of divesting its gold reserves and sold 94 tonnes. Uruguay, Hungary, Austria and Israel were amongst the others who divested their holdings.

Developments in exchange rates of major currencies

Activity in the foreign exchange markets since 1992 was characterized by several unprecedented developments. The strains within the Exchange Rate Mechanism (ERM) of the European Community which characterized last few months of 1992 were considerably eased after mid-February 1993. Both the US dollar and the Japanese yen continued to appreciate against European currencies. The yen also appreciated against the dollar and reached a new record high in mid-April 1993.

The rebound in the US dollar which occurred in early 1991 continued through the 1992 and early 1993. The US dollar witnessed sharp appreciation against the European currencies till March 1993 and notwithstanding some downward movement afterwards, it continued to rule at rates well above those prevailing at end-August, 1992. During 1992, it appreciated by 6 1/2 per cent against the deutsche mark and French franc, and by about 15 per cent against the pound sterling and Italian lira. Against the Japanese yen, however, it experienced a fall of 2 per cent. The projections of stronger economic recovery in the United States as compared to European countries seem to have contributed towards the strengthening of the US dollar.

In April 1993, however, the US dollar depreciated significantly against most major currencies, and fell to record lows against the Japanese yen. The deutsche mark and most other European currencies also rose against the dollar. The US dollar fell 2.7 per cent in effective terms in April, while the Japanese yen rose by 3.4 per cent against the US dollar. This amounted to appreciation of the yen against the US dollar by 12.4 per cent since end-1992.

Given Japan's steadily mounting trade surplus, the yen continued to show appreciation against European currencies. Its value against the US dollar increased sharply in the early months of 1993. The strength of the yen can also be attributed to the anticipation and eventual announcement in April 1993, of an additional fiscal package in Japan for economic stimulation.

In the ERM, which had witnessed considerable turmoil in the latter part of 1992, there was a reduction in tensions after early February. During the period of intense pressures in ERM in mid-September 1992, the pound sterling and Italian lira were suspended from the mechanism. Between end-August 1992 and mid-April 1993, these two currencies have depreciated in nominal effective terms by 14 per cent and 23 per cent, respectively. There were also a series of realignments involving depreciations of the Spanish peseta, the Portuguese escudo, and the Irish pound. In April 1993, the tensions within the ERM were moderated due to the strengthening of the French franc as well as other European currencies. Most of the currencies witnessed strengthening against the US dollar as market sentiment turned favourable towards these currencies following their depreciations since September, 1992.

With tensions mounting once again in the ERM, the EC finance ministers and central bankers decided at a crisis meeting on August 2, 1993 in Brussels to widen the ERM bands from 2.25 per cent and six per cent on either side to 15 per cent on either side of their central rates. The deutsche mark and the Dutch guilder, however, would continue to hold their earlier limits of 2.25 per cent.

Debt Strategy

Despite substantial progress having been made in the debt restructuring of several middle income countries, many of them still continue to face serious debt problems. The debt restructuring packages include both commercial bank debt restructuring and debt restructuring by official bilateral creditors. Apart from the provision of financial support by creditors and donors, sustained adjustment and structural reform programmes on the part of debtor countries continue to retain their importance.

During 1992, official creditors have made substantial progress in providing debt relief under enhanced Toronto terms for several low-income developing countries. Further, several agreements in line with the Paris Club menu involving a 50 per cent reduction in the net present value of debt service have also been concluded. Bulgaria has reached an agreement with its official creditors for a debt reduction package covering external debt of all maturities as also debt-service obligations. The Russian Federation is also trying to negotiate with Paris Club creditors for rescheduling of debt owed by the former Soviet Union.

The debt restructuring agreements completed in 1992 amounted to restructuring of commercial bank debt totaling $ 35 million and a net reduction of arrears of $ 15 billion. Much of the amount was, however, concentrated in the Western Hemisphere. The debt structuring packages with low income countries of Bolivia, Guyana and Uganda have made substantial progress. Debt reduction programmes have been preponderant in the Latin American region. Between 1985-91, about 80 per cent of the amount involved in debt reduction was concentrated in four Latin American countries, viz., Argentina, Brazil, Chile and Mexico. Further, among the instruments, debt-equity swaps turn out to be most popular, forming 38 per cent of the total debt conversion transactions during 1985-91.

External Debt Situation

At the end of 1992, the total external debt of developing countries (excluding IMF credit) stood at US $ 1385.6 billion (Table XI-25). The increase by 2.2 per cent during 1992 was, however, much less compared to increase of 6.2 per cent during the previous year. The Fund estimates that in 1993, total external debt of all developing countries will increase to a projected US $ 1423.5 billion, and further to US $ 1477.0 billion in 1994.

During 1992, most of the country groups in developing world either witnessed a fall or comparatively smaller increase in their total external debt. The external debt of Africa decreased by US $ 3.2 billion to reach US $ 223.6 billion. In Asia, the external debt increased by US $ 18.6 billion to US $ 429.4 billion. In the Middle East and Europe too, total external debt increased by US $ 6.8 billion to US $ 286.1 billion. The developing countries of Western Hemisphere registered an increase of US $ 8.0 billion in their external debt to US $ 446.5 billion in 1992.

Keeping in line with the trend of improvement in debt indicators since 1986, the debt- export ratio and debt-GDP ratios for developing countries showed signs of further improvement during 1992, while debt-service ratio showed a marginal deterioration. The ratio of total debt to export earnings, in dollar terms, of the developing countries declined by about 7 percentage points to 119.9 per cent in 1992. The debt-export ratio fell, to a varying extent, for all the developing country groups. The debt-export ratio declined most in the Western Hemisphere by 8 percentage points to 249.7 per cent in 1992. The developing countries of Asia also experienced significant improvement in debt-export ratios, due to stronger economic performance combined with borrowing on a smaller scale. The fall in debt-exports ratio for African countries and Middle East and Europe was, however, comparatively modest.

The ratio of external debt to GDP for developing countries declined from 32.2 per cent in 1991 to 28.6 per cent during 1992. Regionwise, developing countries of Middle East and Europe and Western Hemisphere experienced significant improvements in their debt-GDP ratios. The ratio came down from 23.5 per cent in 1991 to 19.6 per cent in 1992 for Middle East and Europe, from 43.4 per cent to 36.8 per cent in case of Western Hemisphere and from 25.4 per cent to 24.1 per cent for Asia. Despite witnessing a decline during 1992, Africa continued to register the highest ratio at 56.5 per cent.

The debt-service ratio for developing countries as a group, increased to 14.9 per cent in 1992, from 14.5 per cent in 1991. Across regions, this ratio worsened further for Africa and Western Hemisphere. However, for developing countries of Middle East, Asia and Europe, this ratio showed improvement.

European Economic and Monetary Union

The Maastricht Treaty (See, Report on Currency and Finance, 1991-92, Vol. I, pages 431 and 432) was ratified by Britain on August 2, 1993 making Britain the eleventh of the 12 EC states (with the exception of Germany) to ratify the treaty. In the recent past, the turmoil in the currency markets and the problem crisis of rising unemployment in Europe indicated that European monetary policies and exchange rate arrangements have become counter productive. Thus, until EMU takes effect which is intended to occur between 1997 and 1999, the Community will need to strengthen the convergence process and ensure monetary cooperation so as to minimise the effects of conflicts between domestic and external policy objectives.

Given the speculators' attacks on the exchange rate mechanism (ERM), the Maastricht treaty is indeed under threat. ERM by fixing the relative values of Europe's currencies within the European Monetary System (EMS), provides currency stability, an important criterion according to the proponents of Maastricht, for achieving economic and monetary union (EMU). To save the battered ERM, the EC finance ministers agreed on August 2, 1993 to widen the trading bands from 2.25 per cent and 6 per cent to 15 per cent (except for DM and Dutch guilder). The decision which amounted to a 'free float' of the currencies was aimed at freeing governments to cut interest rates and boost economic growth.

Asian Development Bank *

During 1992, the Asian Development Bank's total approvals of new operations (lending, equity investments and equity underwriting) amounted to US $ 5,125 million, 6.6 per cent higher than the previous year's total of US $ 4,809 million. This included US $ 5,059 million in government and government - guaranteed loans, US $ 50 million in direct private sector lending without government guarantee, US $ 11 million in four private sector equity investments and US $ 5 million in one equity underwriting. Loans from ordinary capital resources (OCR) increased by 15.2 per cent over 1991 to US $ 3,954 million, while that from the concessional Asian Development

* Source: ADB Annual Report, 1992.

Fund (Table XI-26) at US $ 1,155 million recorded a decline of 14.2 per cent. The loans were composed of project loans (US $ 3,202), sector loans (US $ 1,074 million), program loans (US $ 580 million), credit lines (US $ 196.5 million), technical assistance loans (US $ 6.4 million) and unguaranteed private sector loans (US $ 50 million). The sectoral details of lending indicate that energy sector emerged as the major area of Bank lending for the second successive year accounting for US $ 1,491 million, or 29 per cent of the total lending, followed by transport and communications (US $ 1,221 million or 24.0 per cent), social infrastructure (US $ 694 million or 13.6 per cent), agriculture and agro industry (US $ 684 million or 13.0 per cent), financial sector (US $ 671.5 million or 13.0 per cent), and industry and non-fuel minerals (US $ 133 million or 3.0 per cent). The technical assistance grants approved during 1992 amounted to US $ 108 million, an increase of 2.4 per cent over 1991. The Bank mobilised a record US $ 3,150 million by way of co- financing for 22 projects and programs, crossing the three billion mark for the first time with official sources contributing US $ 2,133 million, export credits US $ 746 million and commercial sources US $ 272 million.

Loan disbursements during 1992 decreased 11 per cent to US $ 2,767 million; OCR disbursements were lower by 9 per cent at US $ 1,880 million and ADF disbursements lower 14 per cent at US $ 887 million. Disbursements in 1992 were affected by a slower progress in project implementation but the main reason for these being lower than in 1991 was that disbursements in 1991 were swelled by extraordinary disbursements made under special Assistance, Gulf Crisis Assistance and Cyclone Assistance projects.

The net transfer of resources (disbursements minus capital repayments, payments of interest and other charges, plus equity investments) to the developing member countries decreased by 28 per cent to US $ 1,179 million.

The Fifth Asian Development Fund (the soft loan window of the ADB) replenishment (ADFVI) came into effect in August 1992 with an amount of unqualified contribution received by Bank exceeding the specified target of US $ 2,100 million.

World Bank Group *

During fiscal 1993 (July 1992-June 1993), sustainable reduction in poverty remained the fundamental objective of the World Bank. This was to be achieved by promotion of broad-based economic growth and provision of basic social services. The donor nations provided financial strength to the Bank to pursue its objectives by reaching an agreement on a tenth replenishment of the International Development Association's (IDA) resources for the period 1994-96. The replenishment amounting to SDR 13 billion (or $18 billion equivalent) maintains the real value of IDA's ninth replenishment. The Bank also worked out environmental strategies for several key regions and countries and also expanded its research on a wide range of environmental topics. By the end of fiscal 1993, sixty-four countries participating in the Global Environment Facility (GEF) have pledged $1.3 billion for the first phase. This amount will be used for providing grants to the developing countries aimed at protecting the global environment in ways that are consistent with national development goals. The Bank's operations have also been providing stimulus to private sector development through systemic reform for improving the business environment and promoting entrepreneurial activity; public enterprise restructuring and privatization; and financial- sector development.

During fiscal 1993, the IBRD's membership increased further with the joining of Latvia, Lithuania and eleven additional republics of the former Soviet Union. The Czechoslovakia ceased to be a member and was succeeded by the Czech

* Source: The World Bank, Annual Report 1993.

Republic and the Slovak Republic effective January 1, 1993. The Socialist Federal Republic of Yugoslavia also ceased to be a member and was succeeded by Croatia and Slovenia effective February 25, 1993, bringing total membership in the IBRD to 176. The total membership in the IDA increased to 152.

Total commitments by the World Bank of \$23.7 billion increased by 9.2 per cent as compared with a decline of 4.3 per cent in fiscal 1992. The increase was mainly attributable to a rise of \$1.7 billion in lending commitments of the IBRD; IDA lending commitments increased by \$201 million. Disbursements by the World Bank increased by \$ 1.5 billion to \$ 17.9 billion in fiscal 1993 attributable to a rise in disbursements of both IBRD (\$ 1276 million) and IDA (\$ 181 million) (Table XI-27).

Assistance by the World Bank to the poorest countries (with a per capita gross national product of \$ 635 or less in terms of 1991 US dollars) amounted to \$ 9956.6 million. Of the total World Bank commitments of \$ 23.7 billion, \$ 4.0 billion or 17 per cent of total commitments was in the form of sector-adjustment loans.

International Bank for Reconstruction and Development(IBRD)

The commitments of the IBRD increased by \$1.8 billion (or 11.8 per cent) to \$16.9 billion in fiscal 1993, with the number of projects approved being higher at 122 than 112 in fiscal 1992. In fiscal 1992, five countries, viz., China, India, Russian Federation, Argentina and Mexico secured total commitments in amounts exceeding \$1 billion each and together accounted for \$7.8 billion or 46 per cent of the total amount approved for all the projects. China received the highest loan commitment. (\$2.15 billion), followed by Argentina (\$1.96 billion), Russian Federation (\$1.37 billion), Mexico (\$1.15 billion), and India (\$1.14 billion). In fiscal 1993, India accounted for 6.7 per cent of the total IBRD loan commitments as against 7.7 per cent in fiscal 1992. The projects for which the IBRD loans were approved for India are indicated in Table XI-28.

Total medium-term and long-term borrowing of the IBRD were in twelve currencies and currency units, amounting to \$12.7 billion. The total medium-term and long-term funding outstanding amounted to \$93.7 billion or 96 per cent of total outstanding debt at the end of fiscal 1993. The average maturity of total medium-term and long-term borrowings outstanding was 6.4 years, with an average cost, after swaps, of 6.90 per cent. The short-term borrowings outstanding at the end of June 1993 amounted to the equivalent of \$3.8 billion with the average cost of 3.58 per cent, compared with 3.75 per cent at the end of fiscal 1992.

The reserve position of IBRD improved to \$12.0 billion due to an addition of \$250 million of net income of the IBRD in fiscal 1992 to the general reserves. The reserves to loan ratio declined marginally to 11.4 per cent at the end of fiscal 1993 as against 11.5 per cent at the end of fiscal 1993.

In addition to the continuation of the reduction of the IBRD's commitment fee on undisbursed balances from seventy-five to twenty-five basis points, the IBRD waived, during fiscal 1993, thirty-five basis points of the semester interest rate on loans. This was subject to the condition that the borrowers had made all loan-service payments within thirty days of their due date. At the end of fiscal 1993, approximately 80 per cent of all the IBRD borrowers were eligible for the interest spread waiver. The IBRD's semi-annual variable lending rate was 7.60 per cent for the first semester and 7.43 per cent for the second semester of fiscal 1993.

The total subscribed capital of the IBRD at the end of fiscal 1993 amounted to \$165.6 billion, accounting for 90 per cent of the authorised capital of \$184.05 billion. During fiscal 1993, thirty-three countries subscribed in all \$11.5 billion to the General Capital Increase (GCI) of $74.8 billion approved in April 1988. The total subscription till the end of fiscal 1992 amounted to $63 billion or 78 per cent of the total GCI allocations, including additional GCI shares allocated to new members that joined after April 1988.

International Development Association (IDA)

During fiscal 1993, lending commitments of IDA at $6.8 billion showed a rise of $201 million or 3.1 per cent as compared with an increase of $256 million or 4.1 per cent in fiscal 1992. Disbursements from IDA which had increased by 4.7 per cent in fiscal 1992 showed a rise of 3.8 per cent to $4.9 billion in fiscal 1993. IDA approved 123 credits as against 110 credits approvals granted a year earlier. India received the highest share in IDA credits at $1.5 billion or 22.7 per cent, followed by China, $1.0 billion or 15.1 per cent. The projects for which IDA credits were sanctioned to India during fiscal 1991 to 1993 are shown in Table XI-29.

IDA's commitment fee for fiscal 1994 has been set at 0 per cent (the same as the fee set since 1989) for all IDA credits, including Special Fund credits approved in fiscal 1983 and fiscal 1984.

In December 1992, the IDA deputies reached an agreement for a tenth replenishment of IDA resources (IDA-10) to cover the period July 1, 1993 to June 30, 1996. The replenishment amounting to SDR 13 billion maintains the real value of IDA's ninth replenishment.

International Finance Corporation (IFC)

The International Finance Corporation (IFC) set up with the objective of promoting private enterprise in its developing member countries, witnessed exceptionally strong growth in its operations during fiscal 1993. The IFC approved financing for its own account (loans, guarantees, equity and quasi-equity investments) of $2.1 billion for 135 projects, compared with $1.8 billion for 167 projects in fiscal 1992. The share of equity and quasi-equity investments (amounting to $519 million) was increased to 24 per cent of the total financing approved for IFC's own account in fiscal 1993. The approvals granted for mobilization of financing through loan syndications and the underwriting of securities issues and investment funds aggregate $1.4 billion in fiscal 1993. The projects approved by the IFC involved total investment costs of $17 billion implying that other investors and lenders will provide seven dollars for every dollar approved by the IFC. The new commitments signed during the year increased to $1.5 billion, compared with $1.3 billion in fiscal 1992. In contrast, the disbursements came down one per cent from fiscal 1992 and totalled $1.1 billion. The volume of capital markets projects approved by the IFC increased to $385 million.

In fiscal 1993, the IFC's net income reached $142 million, representing a return of 5.6 per cent on its net worth. It borrowed $1.3 billion in the international markets in fiscal 1993 as compared with $664 million in the previous year.

The membership of the IFC increased to 155 countries in fiscal 1993. In order to accommodate the memberships of the former Soviet Republics and the Marshall Islands and to support the expansion of IFC's operations during the fiscal year, the Board of Governors approved a $150 million selective capital increase.

Multilateral Investment Guarantee Agency(MIGA)

The MIGA was established in April 1988 with the aim of encouraging the flow of foreign direct investment to, and among, developing member countries. The Agency offers non commercial investment insurance cover to private investors and provides promotional and advisory services. With a steady growth of private investment in developing countries taking place, the demand for MIGA's services and guarantees is increasing rapidly resulting in expansion of the regional coverage of its guarantee programme.

During fiscal 1993, MIGA issued twenty-seven contracts amounting to $374 million in coverage. This facilitates around $1.9 billion in foreign investments and will benefit fourteen host governments by way of job creation, technology transfer and employee training.

As part of its promotional and advisory role, MIGA organised a regional investment promotion conference in Botswana. Some other investment missions were also held to promote investment opportunities in El Salvador, Namibia, Uganda and Guyana. MIGA conducted significant work on the legal framework for foreign direct investment in member States and concluded legal-protection agreements with six member countries which will make it easier for MIGA to issue investment guarantees. During fiscal 1993, the Foreign Investment Advisory Service (FIAS) completed thirty-one advisory projects in twenty-eight countries, of which approximately one-third were concentrated in Africa and one- fourth in Asia.

During fiscal 1993 the country membership in MIGA jumped from 85 at the beginning of the year to 107 by June 30, 1993. Of these twenty-two new members, fourteen belong to the countries from central and eastern Europe and the Middle East. With this increase in membership, MIGA's subscribed capital has increased to $ 948 million.

Exchange Management and Exchange Control

Comprehensive amendments to the FERA were effected in a Presidential Ordinance on January 8, 1993. These changes were in keeping with the recent emphasis in the stance of policy towards liberalisation and openness and prepared the economy to receive an augmented inflow of foreign investment. The Ordinance also incorporated all notifications issued by the RBI/Government of India.

The details of important changes are as follows:

a) Section 11 of the Act provided statutory backing to RBI to block securities of persons migrating abroad as well as to block the bank accounts and securities of respective emigrants. Since the RBI no longer blocks such accounts which are treated as non- resident accounts on the emigrants becoming non-residents, Section 11 has lost its relevance and hence stands deleted.

b) Section 12 of the Act empowered the Central Government to direct certain payments to be made into a special account. This section never operated in the past and has been deleted.

c) Trade in gold and silver will now be regulated by the EXIM policy while trade in foreign exchange, Indian currency and gold or silver coins will continue to be regulated under Section 13 of the Act. Accordingly, Section 17 which dealt with the powers to regulate uses etc. of imported gold and silver has become redundant because of the changes in Section 13 and hence has been deleted.

d) A new Section i.e., 18A has been introduced permitting the taking out of goods on rental, lease, hire or any other arrangement which does not amount to the disposal of such goods, thereby granting an important relaxation for exporters and others.

e) The earlier regulation of transfer of shares between non-residents under Section 19(5) has now been done away with. However, transfers by a non-resident to a resident or by a foreign national resident in India to another resident will still be regulated as it involves the questions of valuation of shares and remittances out of India. The scope of 19(5) has also been widened to include bonds and debentures.

f) Restrictions on payments in respect of Government securities created or issued for raising public loans before; the independence of the country, have now lost relevance and hence have been deleted.

g) Restrictions on issue of bearer securities will continue but the powers of the Central Government have now been given to the RBI.

h) The powers of the Central Government for acquisition of foreign securities for purposes of strengthening foreign exchange position has never been invoked and may cause avoidable misapprehensions and fears among foreign investors and hence has been deleted.

i) Restriction on holding of immovable property outside India has now been amended suitably to enable RBI to grant general permission subject to certain conditions, as may be notified by the RBI from time to time.

j) Earlier restrictions of FERA companies in the matter of borrowings funds or raising deposits in India have been done away with by deleting sub-sections (1) to (5) and (7) of Section 26 of the Act.

k) Restrictions on persons resident in India associating themselves with or participating in concerns outside India have been done away with.

l) FERA companies are not subject to any restriction regarding acceptance of appointment as an agent or technical or managerial adviser or for the use of trade marks. Foreign companies, foreign citizens and non-residents continue to remain subject to such restrictions.

m) Section 29 of the Act has been amended to exempt FERA companies from the restrictions on the establishment of a branch office or a liaison office even when the non-resident interest in such companies exceeds 40 per cent.

Such companies are also permitted to acquire whole or part of any undertaking in India for carrying on trade, commerce and industry (except for agriculture and plantation activities).

n) No prior permission is now necessary by foreign nationals before taking up employment in India.

o) Henceforth FERA companies, unlike foreign companies or foreign citizens, need not take the permission of RBI for acquiring, holding, transfering or disposing of by sale, mortgage, deed, lease, gift etc., any immovable property situated in India.

p) The limit for possessing foreign currency by resident Indians has been raised from Rs.250 equivalent to Rs.15,000 which is equal to US$ 500 approximately.

q) A new section i.e. 73A has been added to empower the RBI to impose a penalty not exceeding Rs.10,000 and recurring penalty upto Rs.2,000 per day against Authorised Dealers etc., to ensure strict compliance with the directions given to them, particularly on the submission of periodic returns.

Liberalised baggage rules

The Government has reduced the rate of customs duty applicable to specified 35 baggage items from the previous 255 per cent advalorem to 150 per cent advalorem (105% plus auxiliary 45%) with effect from February 9, 1993. The items include fax machines, personal computers, video cameras, cordless telephones, cellular telephones (for cars) and other household goods such as washing machines, T.V. sets, VCRs, compact disc players, dish washers, refrigerators etc.

There is no condition of minimum stay prescribed for availing the concessional rate of duty. The total value of the goods which would be eligible for this rate has, however, been fixed at Rs.1.50 lakhs. This exemption is in addition to the duty free allowance and other concessions available to the passengers under the baggage rules.

Import of Silver

With effect from 8th February, 1993 the Government has permitted free import of silver, including ornaments, by passengers of Indian origin or passengers holding Indian passports on payment of a concessional rate of import duty of Rs.500 per kg. (payable in convertible foreign currency) upto 100 Kgs. per passenger.

Opening of Branch Offices in India by Foreign Companies

Foreign companies are now permitted, on application to RBI, to open branch offices in India for the purpose of carrying on the following activities in India:

(i) To represent the parent company/other foreign companies in various matters in India, e.g. acting as buying/selling agents in India, etc.

(ii) To conduct research work in which the parent company is engaged provided the results of the research are made available to the Indian companies.

(iii) To undertake export/import trading activities.

(iv) To promote possible technical and financial collaborations between the Indian companies and overseas companies.

Earlier these companies were allowed to open offices in India only for carrying on liaison work connected with overseas parent company's normal business activities (liaison offices) or for execution of approved projects/contracts (site/project offices).

Engagement of foreign technicians

Indian firms/companies are now free to engage the services of foreign technicians without seeking permission of the RBI provided the terms of their engagement conform to the following guidelines:

(a) Prior clearance of the Ministry of Home Affairs if the period of engagement of any single foreign technician exceeds three months at one time;

(b) the total duration of engagement of foreign technicians by such firm or company does not exceed twelve months in a calendar year;

(c) the remuneration or fee payable to the foreign technicians does not exceed US$ 1000 or its equivalent per day;

(d) in case of engagement of foreign technicians from any firm or company outside India, the total remuneration or fee payable to such company outside India does not exceed US$ 200000 or its equivalent in a calendar year.

The above restrictions on per diem rate, duration of engagement etc. are not applicable if the remittances are effected out of funds held under Exchange Earners' Foreign Currency (EEFC) Accounts of Indian companies/firm, provided prior clearance of the Ministry of Home Affairs was obtained where the period of engagement of a single foreign technician exceeded three months at one time.

Indian software reproducers may conclude agreements without prior approval from the Reserve Bank for reproduction of software with overseas copy right holders upon payment of royalty, on the basis of a percentage of the Indian published price. In cases where such rate of royalty does not exceed 30 per cent of the Indian published price, ADs may allow the remittances of royalty subject to certain conditions. If the rate exceeds 30 per cent, the applicant would have to obtain the prior approval of the Government of India (Deptt. of Electronics).

Forward cover for dividend due to overseas investors

Authorised dealers may now offer forward cover to their resident corporate clients in respect of the amount of dividend due to their overseas investors on account of direct foreign investment in India. Authorised dealers, however, should offer such cover only after the final accounts of the company concerned have been drawn up and the Board of Management has decided on the rate of dividend payable and the amount remittable to the overseas investors becomes identifiable. The forward cover should be extended only for the remittable amount (net of taxes) and the cost of such cover may be borne either by the overseas investor(s) or the Indian Company.

Opening of ordinary non-resident rupee accounts in the names of foreign notionals of non-Indian origin

Authorised dealers are now permitted to open NRO accounts in the names of foreign nationals of non-Indian origin (even other than tourists and whether on a visit to India or not) for meeting local expenses subject to certain conditions. Outward remittances from India from these accounts are, however, subject to prior approval to Reserve Bank.

Loans for non-residents

Requests are now considered on merit basis from resident firms/companies to avail of loans from their non-resident partners, shareholders, directors or overseas corporate bodies if the loans are being raised on non-repatriation basis. The repayment of such loans together with the accrued interest will, in approved cases, be permitted to be credited to the Ordinary Non-Resident Rupee Account of the non-resident lender.

Foreign Exchange Conservation (Travel) Tax

The Foreign Exchange Conservation (Travel) Tax which was introduced in 1987 was abolished with effect from June 1, 1992. Accordingly, Authorised dealers (ADs) and full fledged money changers have been advised not to collect the said tax from the travellers on foreign exchange sold to them on or after June 1, 1992.

Investment in Proprietorship/Partnership concerns

Reserve Bank has granted general permission to NRIs/OCBs to make investment in India on non-repatriation basis subject to certain conditions; specifically, all profits due to the non-resident investor may be credited either to the Ordinary Non-resident Rupee Account (NRO) Acount, of the investor with a bank in India or ploughed back in the business on non-repatriation basis.

Companies in India are now permitted to issue shares (both equity and preference) or convertible debentures to NRIs/OCBs, on non-repatriation basis by way of new, rights or bonus issue without prior permission of Reserve Bank.

Other FERA Liberalisations in Exchange Control

Pursuant to the liberalisation of the Foreign Exchange Regulation Act, numerous relaxations of exchange control regulations and delegation of powers to ADs were effected during the year. The authority to release exchange to the students for higher studies abroad has been delegated to authorised dealers. Under the revised rules any student who has passed higher secondary examination (10+2) of a recognised Board in India with not less than 55 per cent marks or is a graduate from a recognised university in India will be eligible for release of exchange not exceeding US$ 30,000 per annum provided he has secured, admission in an university abroad for a full-time course leading to a degree/diploma or post graduate degree, the duration of which is not less than one academic year. However, if the student is in receipt of full assistance from the concerned university/institution, an amount not exceeding US$ 1000 by way of initial expenses and if the student is on full sponsorship of a close relative etc., an amount not exceeding US$ 500 towards incidental expenses may be permitted. To enable students to proceed in advance of the commencement of course, ADs may release exchange amounting US$ 1000 or its equivalent towards "settling in Allowance" in lieu of pre-session allowance and Initial Equipment Allowance. Authorised dealers are now permitted to release exchange for travel abroad for business/study tour/conference/specialised training without any stipulation of per diem scale of exchange when the amount of exchange asked for does not exceed US$ 5000. (Exchange will be released at the existing per diem scale if the exchange asked for exceeds US$ 5000).

The per diem rates are as follows:

a) Business travel - US$ 300 per day upto 45 days.

b) Conference - US$ 300 per day for actual duration of the conference plus 2 days.

c) Study tour - US$ 300 per day upto 30 days.

d) Specialised Training - US$ 200 per day upto 30 days.

Exchange may be released at the appropriate per diem rate for the Reserve Bank for each type of travel abroad as given above.

The monetary limit upto which ADs and money changers (including those functioning at airports and seaports) have been permitted to sell foreign currency notes and coins to travellers going abroad (other than those proceeding to Bangladesh, Bhutan and Nepal) has been raised from US $ 20 or its equivalent to US $50 or its equivalent, per person. ADs are permitted to allow remittance upto US $ 5000 for various sundry purposes after satisfying themselves about the bonafides of the remittance. ADs can now allow reduction in invoice value (not exceeding 10% of invoice value)/remittance of quality claim (upto 15% of invoice value)(after satisfying themselves with documentary evidence etc.,) and also the remittance of dividend by FERA companies to their non-resident shareholders. Overseas companies excuting projects in India are now allowed by ADs to open foreign currency accounts with funds received from abroad in foreign exchange for meeting local expenses in connection with the project executed by them. For other purposes like repair charges for imported machinery, medical treatment, legal expenses, recurring remittance by foreign nationals not permanently resident in India, etc., release of exchange are allowed by the ADs subject to certain conditions.

Exchange position of ADs

Authorised dealers have been advised that they should not have an oversold position in the rupee against foreign currencies in excess of US$ 1 million or its equivalent at the close of business every day. This is an aggregate ceiling applicable to the ADs for all its position maintaining branches. Authorised dealers may, however, include specific transactions of the day i.e. sales of rupees against purchase of foreign currency from customers and for funding of vostro accounts while arriving at the oversold overnight position.

Introduction of stock invest in primary capital market for NRIs/OCBs

With a view to enabling non-residents of Indian nationality/origin (NRIs) and overseas corporate bodies predominantly owned by such persons (OCBs) to avail of the stock invest facility to apply for shares/debentures of Indian companies with repatriation benefits, under public issues with RBI's prior permission, it has been decided that ADs may issue stock invest of light green colour against lien on NRE/FCNR accounts of the investor, subject to guidelines issued by the Department of Banking Operations and Development.

Investment by non-residents of Indian nationality/origin in Housing and Real Estate Development

Till recently existing or new companies engaged or proposing to engage in financing of housing/real estate development i.e. development of property and construction of roads, bridges, etc. were permitted to issue equity shares/convertible debentures to non-residents of Indian nationality/origin (NRIs) and Overseas Corporate Bodies predominantly owned by such persons (OCBs) on non-repatriation basis only upto 100 per cent of the new issue. With a view to further encouraging NRI investment in housing and real estates companies are now permitted to issue equity shares/convertible debentures upto 100 per cent with full repatriation benefits for the purpose of engaging in the following activities.

(i) Development of service plots and construction of built-up residential premises.

(ii) Real estate covering construction of residential and commercial premises including business centres and offices.

(iii) Development of townships.

(iv) City and region level urban infrastructure facilities including roads and bridges.

(v) Manufacturing of building materials.

(vi) Financing of housing development.

However, OCBs (predominantly owned by NRIs) are not eligible to invest on repatriation basis in the above areas and repatriation of original NRI investment will be allowed with prior permission of the Reserve Bank only after a lock in period of three years from the date of issue of equity shares/convertible debentures.

Residential Property

Earlier on January 20, 1992 foreign citizens of Indian origin, whether resident in India or not, were permitted to acquire, hold, transfer or dispose of by sale or inheritance, immovable properties situated in India subject, inter alia, to the condition that the sale proceeds of such properties and income accruing thereon will not be eligible for repatriation outside India. Repatriation of original investment in residential properties subject to a maximum of two houses is now permitted provided.

(i) the residential properties are purchased on or after May 26, 1993;

(ii) the properties are not transferred or disposed of by way of sale for a period of three years from the date of the final purchase deed or from the date of payment of final instalment where the agreement for purchase so provide;

(iii) only the amount of sale proceeds equivalent to the original investment in foreign exchange, if so after three years, will be allowed to be repatriated outside India and the balance amount of sale proceeds should be credited to seller's Non-resident Ordinary (NRO) Account with an authorised bank in India.

Repatriation of sale proceeds of commercial properties are also now permitted subject to certain conditions.

Change of Status/addition of names/transfer/gifting of shares etc.

General permission has been granted by the Reserve Bank to Indian companies to enter in their register/books, overseas address of holder of securities consequent on change of status of such holder from resident to non-resident subject to the company obtaining an undertaking from the holder that he will not seek repatriation of income, dividend or sale proceeds of securities.

General permission has also been granted to NRIs to convert their share holdings into joint holdings by addition of name(s) of another NRI/resident Indian. Transfer of shares held by NRIs by way of gift to their close relatives resident in India, is also permitted, subject to certain conditions.

Remittance of savings by foreign nationals

Authorised dealers have now been permitted to allow remittances of savings for family maintenances by foreign nationals resident but not permanently resident in India upto 75% of their net monthly income, without approval of the RBI.

Table XI-1A : India's Overall Balance of Payments

Item	Rs. crores 1992-93 (Q.E.)	Rs. crores 1991-92 (Q.E.)	Rs. crores 1990-91 (preliminary)	US $ millions 1992-93 (Q.E.)	US $ millions 1991-92 (Q.E.)	US $ millions 1990-91 (preliminary)
1	2	3	4	5	6	7
A. Current Account						
1. Exports, f.o.b.	54,418	44,923	33,153	18,789	18,223	18,477
2. Imports, c.i.f.	65,945	50,159	50,086	22,895	20,347	27,914
3. Trade Balance	-11,527	-5,236	-16,933	-4,106	-2,124	-9,437
4. Official Transfers, net	1,091	1,050	828	356	426	461
5. Other Invisibles, net	-4,195	-1,000	-1,263	-1,171	-437	-704
6. Current Account Balance	-14,631	-5,186	-17,368	-4,921	-2,135	-9,680
B. Capital Account						
1. External Assistance, net	5,645	7,188	3,965	1,842	2,916	2,210
Disbursements	10,362	10,644	6,095	3,381	4,318	3,397
Amortisation	-4,717	-3,456	-2,130	-1,539	-1,402	-1,187
2. Commercial Borrowings, net	-1,461	4,060 @	4,035	-451	1,647@	2,249
Disbursements	3,562	7,457 @	7,630	1,188	3,025@	4,253
Amortisation	-5,023	-3,397	-3,595	-1,639	-1,378	-2,004
3. NR Deposits, net	5,419	-1,111	2,756	1,949	-454	1,536
4. Rupee debt service	-2,994	-3,260	-2,140	-977	-1,332	-1,193
5. Other Capital, net	6,124	6,077	4,045	1,998	2,152	2,254
6. Total Capital Account	12,733	12,954	12,661	4,361	4,929	7,056
C. IMF, net	**3,363**	**2,077**	**2,178**	**1,288**	**781**	**1,214**
D. SDR Allocation	-	-	-	-	-	-
E. Total Capital Account, I.M.F. and SDR Allocation	**16,096**	**15,031**	**14,839**	**5,649**	**5,710**	**8,270**
F. Total Current Account, Capital Account, I.M.F. and SDR Allocation	**1,465**	**9,845**	**-2,529**	**728**	**3,575**	**-1,410**
F. Errors & Omissions	**1,098**	-	**236**	-	-	**132**
H. Reserves and Monetary Gold (Increase-, Decrease+)	**-2,563**	**-9,845**	**2,293**	**-728**	**- 3,575**	**1,278**

@ Include India Development Bonds.

Q.E.: Quick Estimates.

P.E.: Provisional Estimates.

Errors and Omissions for 1992-93 arise due to different exchange rates applied to receipts and payments as per the provisions of LERMS.

Note : 1. Data on Non-Monetary gold have been adjusted under merchandise or official miscellaneous capital depending upon the nature of the transaction.

2. Balance of payments for 1992-93 exclude gold and silver brought in by returning Indians under the liberalised baggage rules.

Table XI-1B : India's Overall Balance of Payments

Item	1993-94 (Apr-June) (Q.E.)	
1	Rs. Crore	US $ Million
A. Current Account		
1. Exports, f.o.b.	16396	5230
2. Imports, c.i.f.	17985	5737
3. Trade Balance	-1589	-507
4. Official Transfers, net	260	83
5. Other Invisibles, net	-812	-259
6. Current Account Balance	-2141	-683
B. Capital Account		
1. External Assistance, net	-169	-54
Disbursements	937	299
Amortisation	-1106	-353
2. Commercial Borrowings, net	-292	-93
Disbursements	723	231
Amortisation	-1015	-324
3. NR Deposits, net	806	257
4. Rupee debt service	-862	-275
5. Other Capital, net	2591	827
6. Total Capital Account	2074	662
C. IMF, net	**913**	**291**
D. SDR Allocation	-	-
E. Total Capital Account, I.M.F. and SDR Allocation	**2987**	**953**
F. Total Current Account, Capital Account, I.M.F. and SDR Allocation	**846**	**270**
G. Errors & Omissions	-	-
H. Reserves and Monetary Gold (Increase-, Decrease+)	**-846**	**-270**

Table XI-2 : Current Account Transactions as Proportion of GDP at Current Market Prices

(in per cent)

Item	1992-93 * (Q.E.)	1991-92 * (P.E.)	1990-91 *	Seventh Five Year Plan (Annual average)	Sixth Five Year Plan (Annual average)
1	2	3	4	5	6
1. Exports	7.7	7.3	6.2	5.1	5.0
2. Imports	9.3	8.2	9.4	8.3	8.4
3. Trade deficit	1.6	0.9	3.2	3.2	3.4
4. Invisible receipts @	3.3	3.3	2.5	2.9	3.6
5. Invisible payments	3.8	3.3	2.6	1.9	1.5
6. Invisibles (net) (4-5) @	-0.5	0.0	-0.1	0.9	2.1
7. Current Account deficit (3-6) @	2.1	0.9	3.3	2.2	1.3

@ Include official grants which are treated as part of current account receipts here.

* Percentages including accrued interest on NRI deposits.

Note : Figures may not tally due to rounding off.

Table XI-3A : Interest Rates on FCNRA Deposits

(per cent per annum)

	US $				Pound Sterling				DM				Yen			
Effective Dates	6 months and above to less than 1 year	1 year and above to less than 2 years	2 years and above to less than 3 years	3 years only	6 months and above to less than 1 year	1 year and above to less than 2 years	2 years and above to less than 3 years	3 years only	6 months and above to less than 1 year	1 year and above to less than 2 years	2 years and above to less than 3 years	3 years only	6 months and above to less than 1 year	1 year and above to less than 2 years	2 years and above to less than 3 years	3 years only
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
January 14, 1991	8.25	8.50	9.00	9.25	11.50	11.75	12.00	12.00	10.00	10.25	10.50	10.50	8.50	8.50	8.50	8.50
February 8, 1991	7.50	8.00	8.50	9.00	13.25	13.25	13.25	13.25	10.00	10.25	10.50	10.50	8.50	8.50	8.50	8.50
December 12, 1991	6.50	6.75	7.25	8.00	12.00	12.00	12.00	12.00	10.00	10.25	10.50	10.50	7.50	7.50	7.50	7.50
January 27, 1992	5.50	5.75	6.75	7.50	12.00	12.00	12.00	12.00	10.25	10.25	10.50	10.50	7.00	7.00	7.00	7.00
March 27, 1992	5.75	6.25	7.50	8.25	12.00	12.00	12.00	12.00	10.50	10.50	10.50	10.50	6.00	6.00	6.50	7.00
July 13, 1992	4.75	5.25	6.25	7.00	11.00	11.00	11.00	11.00	10.50	10.50	10.50	10.50	5.75	6.00	6.00	6.50
October 12, 1992	4.00	4.50	5.50	6.25	9.75	10.00	10.00	10.25	9.75	9.75	9.75	9.75	4.75	5.00	5.25	5.75
November 2, 1992	4.50	5.00	6.00	6.75	8.00	8.00	8.75	9.25	9.00	9.00	9.00	9.00	4.75	5.00	5.25	5.75
February 22, 1993	4.25	4.75	5.75	6.50	7.00	7.00	7.50	8.00	8.75	8.50	8.25	8.25	4.25	4.50	4.75	5.25
March 15, 1993	4.00	4.25	5.25	5.75	6.75	6.75	7.25	7.75	8.00	8.00	8.00	8.00	4.25	4.50	4.50	5.00
May 10, 1993	4.00	4.25	5.00	5.50	6.75	7.00	7.75	8.25	8.00	7.50	7.50	7.50	4.00	4.25	4.50	5.00
June 8, 1993	4.25	4.50	5.50	6.00	6.75	7.00	7.75	8.25	8.00	7.50	7.50	7.50	4.00	4.25	4.50	5.00
July 29, 1993	4.25	4.75	5.50	6.00	6.75	7.00	7.50	8.00	7.75	7.50	7.50	7.50	4.00	4.25	4.50	5.00

Table XI 3B: Interest Rates on Non-resident (External) Rupee Accounts Scheme [NR(E)R]

(per cent per annum)

Maturity Period	Effective April 16,1990	Effective April 13,1991	Effective October 9,1992	Effective April 8,1993
1	2	3	4	5
i) Savings Accounts	5.0	5.0	6.0	6.0
ii) Term Deposits				
a) For deposits for 46 days and above but less than 1 year	8.5	8.5		
b) For deposits for 1 year and above but less than 2 years	10.5	10.5	Max 13.0 for all other maturities	Max 12.0 for all other maturities
c) For deposits for 2 years and above but less than 3 years	11.0	11.0		
d) For deposits for 3 years and above but less than 5 years	12.0	13.0		
e) For deposits for 5 years and above	13.0	14.0		

Note : The maturity range of 15 days to 45 days is abolished from April 16, 1990.

Table XI : 4 Inflows Under NR(E)RA and FCNRA Schemes

(Rs. crore)

Fiscal Year	Non-Resident (External) Rupee Accounts @	Foreign Currency Non-Resident Accounts	Total
1	2	3	4
1988-89	235	2230	2465
1989-90	277	2165	2719
1990-91	156	255	411
1991-92	-44	-3605	-3649
1992-93	264 p	223	487 p

@ Excluding the estimated accured interest. p : Provisional.

Table XI-5 : Outstanding Liabilities Under NR(E)R and FCNR Accounts

(as at end March) (Rs. crore)

Year	NE(E)R Accounts*	FCNR Accounts				Total (3 to 6)	Grand Total (2 + 7)
		US $	Pound Sterling	DM	YEN		
1	2	3	4	5	6	7	8
1989	5899	6648	535	700	372	8255	14154
	(3774)	(4245)	(343)	(448)	(239)	(5275)	(9049)
1990	6507	9304	337	1028	655	11324	17831
	(3777)	(5409)	(195)	(598)	(384)	(6586)	(10363)
1991	7349	11270	305	1005	825	13405	20754
	(3746)	(5754)	(154)	(509)	(421)	(6838)	(10584)
1992	8071	10300	2002	447	859	13608	21679
	(2591)	(3978)	(774)	(173)	(331)	(5256)	(7847)
1993	9218 p	10107	3557	431	2477	16572	25790 p
	(2934)	(3236)	(1131)	(138)	(782)	(5287)	(8221)

* Figures include accrued interest. p : Provisional.

Note : 1. Figures in brackets indicate US dollar million.

2. Since March 1992 outstandings under NR(E)R Accounts are converted into US dollar at Market rates.

Table XI-6 : Value of Approvals for Investment by Non-residents of Indian Nationality/Origin

(Rs. crore)

Calendar Year ended	DIRECT INVESTMENT						PORTFOLIO INVESTMENT			Grand Total
	On Repatriation Basis				On Non-Repatriation Basis	Total	Repatriation Basis	Non-Repatriation Basis	Total	
	40% Scheme	74% Scheme	100% Automatic Approvals Scheme	Total (2 to 4)		(5+6)			(8+9)	(7+10)
1	2	3	4	5	6	7	8	9	10	**11**
1988	174.65	18.09		192.74	42.83	235.57	7.52	0.39	7.91	**243.48**
1989	328.25	8.80		337.05	65.20	402.25	2.21	0.88	3.09	**405.34**
1990	194.10	8.36		202.46	17.24	219.70	2.41	3.77	6.18	**225.88**
1991	204.56	2.52		207.08	7.04	214.12	4.07	0.80	4.87	**228.99**
1992	1292.37	—	62.01	1354.38	2.02	1356.40	26.51	1.23	27.74	**1384.14**
1993 (upto June)	967.58	—	81.83	1049.41	—	1049.41	8.69	1.25	9.94	**1059.35**

Table XI-7 : Foreign Collaborations Approved

Country	Total Number of Proposals Approved				Amount of Foreign Investments Approved (Rs. crore)			
	1989	1990	1991	1992	1989	1990	1991	1992
1	2	3	4	5	6	7	8	9
1. U.S.A	127 (34)	133 (42)	178 (53)	332 (155)	62.16	34.48	174.89	1231.50
2. U.K.	66 (21)	102 (21)	135 (38)	185 (74)	33.46	9.07	31.29	117.67
3. Germany	112 (38)	128 (40)	157 (35)	198 (81)	120.33	19.51	37.60	86.27
4. France	23 (3)	38 (12)	40 (11)	59 (20)	8.45	8.88	19.33	29.64
5. Japan	62 (11)	46 (9)	72 (15)	108 (44)	8.78	5.00	52.04	610.23
6. Italy	37 (14)	40 (15)	61 (22)	68 (22)	6.90	6.83	17.82	89.39
7. Switzerland	22 (9)	36 (6)	51 (10)	82 (37)	7.74	13.51	35.50	689.76
8. Singapore	11 (4)	_ (-)	18 (8)	35 (24)	3.49	0	1.37	60.21
9. Others	145 (59)	143 (49)	245 (97)	453 (235)	65.36	31.04	146.86	972.87
Total	605 (193)	666 (194)	957 (289)	1520 (692)	316.67	128.32	516.70	3887.54

Note : 1. Figures in brackets indicate number of collaboration approvals with financial participation.
2. Amount approved correspond to proposals with technical-cum- financial participation.

Table XI-8 : External Assistance
(Fiscal years)

(Rs. crore)

Items	Loans	Grants	Total (2+3)
1	2	3	4
1. Authorisations during			
a) 1980-81	3,237 @	76	3,313
	(4093)	(96)	(4189)
b) 1981-82	2,767	207	2,974
	(3085)	(231)	(3316)
c) 1982-83	2,550	423	2,973
	(2638)	(438)	(3076)
d) 1983-84	1,701	387	2,088
	(1645)	(374)	(2019)
e) 1984-85	4,409	471	4,880
	(3709)	(396)	(4105)
f) 1985-86	5,337	313	5,650
	(4362)	(256)	(4618)
g) 1986-87	5,730	430	6,160
	(4484)	(337)	(4821)
h) 1987-88	8,203	1,062	9,265
	(6327)	(819)	(7146)
i) 1988-89	12,856	214	13,070
	(8877)	(148)	(9025)
j) 1989-90	10,106	720	10,826
	(6070)	(432)	(6502)
k) 1990-91	7,601	522	8,123
	(4236)	(291)	(4527)
l) 1991-92R	11,806	902	12,708
	(4824)	(369)	(5193)
m) 1992-93 P	13,083	1,012	14,095
	(4269)	(330)	(4599)
2. Utilisation during			
a) 1980-81	1,228@	397	1,625
	(1553)	(502)	(2055)
b) 1981-82	1,519	346	1,865
	(1694)	(386)	(2080)
c) 1982-83	1,909	343	2,252
	(1975)	(355)	(2330)

Table XI-8 : External Assistance
(Fiscal Years) *(concld.)*

(Rs. crore)

Items	Loans	Grants	Total (2+3)
1	2	3	4
d) 1983-84	1963	303	2266
	(1898)	(293)	(2191)
e) 1984-85	1962	397	2359
	(1650)	(334)	(1984)
f) 1985-86	2493	443	2936
	(2038)	(362)	(2400)
g) 1986-87	3176	429	3605
	(2485)	(336)	(2821)
h) 1987-88	4574	478	5052
	(3528)	(369)	(3897)
i) 1988-89	4739	566	5305
	(3272)	(391)	(3663)
j) 1989-90	5138	665	5803
	(3086)	(399)	(3485)
k) 1990-91	6170	534	6704
	(3439)	(297)	(3736)
l) 1991-92 R	10696	919	11615
	(4370)	(376)	(4746)
m) 1992-93 P	10082	803	10885
	(3290)	(262)	(3552)
3. Amount undisbursed	**57782 ***	**5319**	**63101 ***
as at end of March 1993 P	**(18595)**	**(1719)**	**(20314)**

Notes : 1. Amounts of authorisations and utilisation under 'loans' are inclusive of Government and Non-Government loans.
2. Loan amounts are net of surrenders, de-obligations and cancellations etc.
3. Amount undisbursed as at the end of March 1993 represent rupee values calculated at the rates prevalent at end March 1993.
4. Figures in brackets represent amounts in millions of US dollars. These are converted at annual average rates for the respective years and amount undisbursed are converted from donor currencies to US dollar at end-March rates.
@ Excludes IMF Trust Fund.
R : Revised.
P : Provisional.
* Excludes undisbursed balances of Roubles 7821 million in respect of USSR.

Table XI-9 : Loans Authorised and Utilised during 1991-92 and 1992-93 (Fiscal Years)

(Rs. crore)

Country/ Institution	Authorisations		Utilisation		Aid Undisbursed as at the end of	
	1991-92R	1992-93P	1991-92R	1992-93P	March 1992(R)	March 1993(P)
1	2	3	4	5	6	7
1. IBRD	3,670	1,768	3,295	2,579	21,064	20,201
	(1500)	(577)	(1346)	(841)	(6773)	(6497)
2. IDA	3,325	3,353	2,547	3,407	11,084	12,549
	(1358)	(1094)	(1041)	(1112)	(4281)	(4018)
3. IFAD	49	-	14	8	136	154
	(20)	(-)	(6)	(3)	(53)	(49)
4. ADB	1,610	4,060	1,352	1,038	5,521	9,350
	(658)	(1325)	(553)	(339)	(1775)	(3007)
5. Austria	25	-	7	14	33	20
	(10)	(-)	(3)	(5)	(135)	(7)
6. Belgium	-	24	3	11	20	32
	(-)	(8)	(1)	(4)	(6)	(10)
7. United Kingdom	43	-	36	-	-	-
	(17)	(-)	(15)	(-)	(-)	(-)
8. Denmark	-	-	-	1	32	32
	(-)	(-)	(-)	(-)	(10)	(10)
9. France	118	-	252	354	955	629
	(48)	(-)	(103)	(116)	(312)	(205)
10. W.Germany	129	1,098	840	1,082	2,197	2,243
	(53)	(358)	(343)	(353)	(716)	(729)
11. Italy	-	-	61	11	860	849
	(-)	(-)	(25)	(4)	(277)	(273)
12. Japan	2,638	2,740	1,873	1,328	7,516	10,178
	(1079)	(894)	(765)	(433)	(2432)	(3290)
13. Netherlands	98	-	74	13	115	102
	(40)	(-)	(30)	(4)	(38)	(33)
14. Sweden	-	-	98	66	158	50
	(-)	(-)	(40)	(21)	(51)	(16)
15. Switzerland	101	-	2	46	156	114
	(41)	(-)	(1)	(15)	(51)	(37)
16. Spain	-	-	8	-	-	-
	(-)	(-)	(3)	(-)	(-)	(-)
17. U.S.A.	-	-	52	68	332	247
	(-)	(-)	(21)	(22)	(107)	(79)
18. Hungary	-	-	-	-	622	622
	(-)	(-)	(-)	(-)	(200)	(200)
19. OPEC*	-	-	45	18	398	372
	(-)	(-)	(18)	(6)	(130)	(123)
20. U.S.S.R.	-	-	137	35	-	-
	(-)	(-)	(56)	(11)	(-)	(-)
21. Australia	-	40	-	3	-	38
	(-)	(13)	(-)	(1)	(-)	(12)
Total	11,806	13,083	10,696	10,082	51,199**	57,782**
	(4824)	(4269)	(4370)	(3290)	(17347)	(18595)

* Comprises Iran, Iraq, Kuwait, Abu Dhabi, Saudi Arabia and OPEC Special Fund.

** Excludes undisbursed balances of USSR amounting to Roubles 7832 million and Roubles 7821 million for end-March 1992 and end-March 1993, respectively.

R: Revised. P: Provisional.

Note : Figures in brackets represent millions of US dollars. These are converted at annual average rates for the respective years and amounts undisbursed are converted from donor currencies to US dollars at end-March rates.

Table XI-10 : Grants @ Authorised and Utilised during 1991-92 and 1992-93 (Fiscal Years)

(Rs. crore)

Country/ Institution	Authorisations		Utilisation		Aid Undisbursed as at the end of	
	1991-92R	1992-93 P	1991-92R	1992-93P	March 1992(R)	March 1993(P)
1	2	3	4	5	6	7
1. Australia	—	—	—	—	83	77
	(—)	(—)	(—)	(—)	(27)	(25)
2. Canada	11	50	21	26	1030	968
	(4)	(17)	(9)	(9)	(332)	(308)
3. Denmark	40	178	52	24	526	755
	(17)	(58)	(21)	(8)	(172)	(246)
4. France	12	4	—	1	—	3
	(5)	(1)	(—)	(—)	(—)	(1)
5. West Germany	3	—	1	—	53	68
	(1)	(—)	(—)	(—)	(17)	(22)
6. Japan	39	104	96	39	85	179
	(17)	(34)	(39)	(13)	(28)	(58)
7. Netherlands	20	22	112	181	44	215
	(8)	(7)	(46)	(59)	(14)	(70)
8. Sweden	125	193	59	47	405	389
	(51)	(63)	(24)	(15)	(132)	(125)
9. Norway	17	33	34	21	88	77
	(7)	(11)	(14)	(7)	(28)	(25)
10. Switzerland	130	22	64	68	21	138
	(53)	(7)	(26)	(22)	(6)	(45)
11. U.K.	451	210	362	310	1194	869
	(184)	(68)	(148)	(101)	(388)	(282)
12. U.S.A. other	54	150	46	9	666	691
than P.L. 480/665	(22)	(49)	(19)	(3)	(214)	(222)
13. E.E.C.	—	46	41	42	585	890
	(—)	(15)	(17)	(14)	(221)	(290)
14. Other International	—	—	31	35	—	—
Institutions	(—)	(—)	(13)	(11)	(—)	(—)
Total	**902**	**1012**	**919**	**803**	**4780**	**5319**
	(369)	**(330)**	**(376)**	**(262)**	**(1579)**	**(1719)**

Note : Figures in brackets represent millions of US Dollars. These are converted at annual average rates for the respective years and amounts undisbursed are converted from donor currencies to US dollars at end-March rates.

R: Revised P: Provisional.

@ Including debt relief as under:

Country	Authorisations		Utilisation	
	1991-92	1992-93 P	1991-92	1992-93 P
1		2	3	4
By way of Grants	18.7	14.8	20.8	0.13
Japan	(7.6)	(4.8)	(8.5)	(0.03)

Table XI-11 : External Assistance
(Fiscal Years)

(Rs. crore)

Period	Loans		Grants		PL 480/665 Aid and third Country Currency Assistance		Total Authorisa-tions	Total Utilisation
	Authorisa tions	Utilisation	Authorisa tions	Utilisation	Authorisa tions	Utilisation	(2+4+6)	(3+5+7)
1	2	3	4	5	6	7	8	9
1. From Aug.15,1947 Upto March 1980	**18,894**	**15,546**	**3,031**	**2,174**	**2,774**	**2,819**	**24,699**	**20,539**
a) 1980-81	3,237@	1,228@	76	397	—	—	3,313	1,625
	(4093)	(1553)	(96)	(502)	(—)	(—)	(4189)	(2055)
b) 1981-82	2,767	1,519	207	346	—	—	2,974	1,865
	(3085)	(1694)	(231)	(386)	(—)	(—)	(3316)	(2080)
c) 1982-83	2,550	1,909	423	343	—	—	2,973	2,252
	(2638)	(1975)	(438)	(355)	(—)	(—)	(3076)	(2330)
d) 1983-84	1,701	1,963	387	303	—	—	2,088	2,266
	(1645)	(1898)	(374)	(293)	(—)	(—)	(2019)	(2191)
e) 1984-85	4,409	1,962	471	397	—	—	4,880	2,359
	(3709)	(1650)	(396)	(334)	(—)	(—)	(4105)	(1984)
f) 1985-86	5,337	2,493	313	443	—	—	5,650	2,936
	(4362)	(2038)	(256)	(362)	(—)	(—)	(4618)	(2400)
g) 1986-87	5,730	3,176	430	429	—	—	6,160	3,605
	(4484)	(2485)	(337)	(336)	(—)	(—)	(4821)	(2821)
h) 1987-88	8,203	4,574	1,062	478	—	—	9,265	5,052
	(6327)	(3528)	(819)	(369)	(—)	(—)	(7146)	(3897)
i) 1988-89	12,856	4,739	214	566	—	—	13,070	5,305
	(8877)	(3272)	(148)	(391)	(—)	(—)	(9025)	(3663)
j) 1989-90	10,106	5,138	720	665	—	—	10,826	5,803
	(6070)	(3086)	(432)	(399)	(—)	(—)	(6502)	(3485)
k) 1990-91	7,601	6,170	522	534	—	—	8,123	6,704
	(4236)	(3439)	(291)	(297)	(—)	(—)	(4527)	(3736)
l) 1991-92 R	11,806	10,696	902	919	—	—	12,708	11,615
	(4824)	(4370)	(369)	(376)	(—)	(—)	(5193)	(4746)
m) 1992-93 P	13,083	10,082	1,012	803	—	—	14,095	10,885
	(4269)	(3290)	(330)	(262)	(—)	(—)	(4599)	(3552)
2. Total Upto March 1993	**1,08,280**	**71,195**	**9,770**	**8,797**	**2,774**	**2,819**	**1,20,824**	**82,811**

R : Revised. P : Provisional.

Notes : 1. Refer to notes of table XI-8.

2. Figures in brackets represent millions of U.S. dollars converted at the annual average rates for the respective years.

Table XI-12 : Aggregate External Assistance Source-wise (Upto End-March 1993) $$

(Rs. crore)

Country/ Institution	Authorisations				Utilisation			
	Loans	Grants	PL 480/ 665 Aid and Third Country Currency Assistance	Total (2+3+4)	Loans	Grants	PL 480/ 665 Aid and Third Country Currency Assistance	Total (6+7+8)
1	2	3	4	5	6	7	8	9
IBRD	29,201	—	—	29,201 (24.17)	18,625	—	—	18,625 (22.49)
IDA	24,256	—	—	24,256 (20.08)	20,349	—	—	20,349 (24.57)
EEC	41$	1,030	—	1,071 (0.88)	42	1,160	—	1,202 (1.45)
IFAD	249	—	—	249 (0.20)	219	—	—	219 (0.26)
ADB	8,907	—	—	8,907 (7.37)	3,004	—	—	3,004 (3.63)
Canada	889	1,135	—	2,024 (1.68)	716	672	—	1,388 (1.68)
France	2,293	72	—	2,365 (1.96)	2,538	56	—	2,594 (3.13)
Netherlands	1,137	447	—	1,584 (1.31)	1,161	833	—	1,994 (2.41)
West Germany	6,448	71	—	6,519 (5.40)	5,798	53	—	5,851 (7.07)
Japan	12,216	478	—	12,694 (10.51)	7,412	445	—	7,857 (9.49)
Sweden	348	1,267	—	1,615 (1.34)	525	758	—	1,283 (1.55)
U.S.A.	3,251	739	2,774	6,764 (5.60)	3,460	363	2,819	6,642 (8.02)
USSR	14,020	9	—	14,029 (11.61)	2,708	8	—	2,716 (3.28)
U.K.	1,266	3,673	—	4,939 (4.08)	1,292	3,298	—	4,590 (5.54)
OPEC *	2,066	12	—	2,078 (1.72)	1,844	7	—	1,851 (2.24)
OTHERS	1,692	837	—	2,529 (2.09)	1,502	1,144	—	2,646 (3.19)
TOTAL	**1,08,280**	**9,770**	**2,774**	**1,20,824 (100.0)**	**71,195**	**8,797**	**2,819**	**82,811 (100.0)**

* Comprises Iran, Iraq, Kuwait, Abu-dhabi, Saudi Arabia and OPEC Special Fund.

$ Relates to Special Action Credit.

$$ Provisional.

Note : Figures in brackets represent percentage to the total.

Table XI-13 : Inflow of Foreign Assistance - Gross and Net (Fiscal Year)

(Rs. crore)

Year	Gross Utilisation	Amortisation payment	Interest Payments	Total Debt Services (3+4)	Net Inflow of Aid (2-5)
1	2	3	4	5	6
1980-81	1,625 (2055)	518 (655)	286 (362)	804 (1017)	821 (1038)
1981-82	1,865 (2080)	538 (600)	311 (347)	849 (947)	1,016 (1133)
1982-83	2,252 (2330)	587 (607)	360 (372)	947 (979)	1,305 (1351)
1983-84	2,266 (2191)	616 (596)	417 (403)	1,033 (999)	1,233 (1192)
1984-85	2,359 (1984)	647 (544)	529 (445)	1,176 (989)	1,183 (995)
1985-86	2,936 (2400)	776 (634)	591 (483)	1,367 (1117)	1,569 (1283)
1986-87	3,605 (2821)	1,176 (920)	853 (668)	2,029 (1588)	1,576 (1233)
1987-88	5,052 (3897)	1,581 (1219)	1,043 (804)	2,624 (2023)	2,428 (1874)
1988-89	5,305 (3663)	1,646 (1136)	1,300 (898)	2,946 (2034)	2,359 (1629)
1989-90	5,803 (3485)	1,987 (1193)	1,699 (1020)	3,686 (2213)	2,117 (1272)
1990-91	6,704 (3736)	2,329 (1298)	1,953 (1088)	4,282 (2386)	2,422 (1350)
1991-92R	11,615 (4746)	3,650 (1492)	3,006 (1228)	6,656 (2720)	4,959 (2026)
1992-93P	10,885 (3552)	4,788 (1562)	4,314 (1408)	9,102 (2970)	1,783 (582)

R : Revised.
P : Provisional.

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) above.

2. Figures in brackets represent millions of US dollars at the annual average rates for the respective years.

Table XI-14 : Statement Showing Purpose-wise Distribution of Loans

(Rs. lakhs)

Purpose		Authorisations				Utilisation				Aid undis-bursed as at the end of March 1993 (P)
		1985-90	1990-91	1991-92	1992-93 P	1985-90	1990-91	1991-92	1992-93 P	
1		2	3	4	5	6	7	8	9	10
I. Agriculture Sector		1,78,708	98,401	74,615	68,347	1,24,576	48,501	65,865	1,03,163	3,87,689
II. Energy Sector	- Coal	1,29,204	-	11,723	-	1,13,136	7,407	3,010	34,938	1,90,814
	- Power	18,26,293	3,84,689	2,59,219	3,32,047	4,15,856	1,74,128	2,83,740	2,73,165	28,78,609
	- Oil	1,31,608	5,922	2,49,192	-	1,70,246	30,361	1,18,979	38,381	1,94,803
	Total	20,87,105	3,90,611	5,20,134	3,32,047	6,99,238	2,11,896	4,05,729	3,46,484	32,64,226
III. Fertiliser Sector		62,281	-	7,312	71,954	90,895	4,728	2,870	12,973	1,18,927
IV. Industry Sector		7,75,044	1,36,158	97,126	61,623	2,53,847	1,62,057	1,94,470	1,27,628	7,31,454
V. Infrastructure Sector	- Railway	90,763	-	11,413	68,960	82,826	24,023	19,204	18,836	2,04,455
	- Road	1,05,561	-	70,141	46,893	11,741	8,922	25,770	25,109	2,75,613
	- Telecom	1,01,279	-	-	-	49,647	10,527	7,144	12,043	64,921
	- Port	23,950	23,146	89	87,349	36,397	6,162	10,681	3,485	1,52,561
	- General	26,472	-	-	-	15,187	3,503	2,092	1,558	21,297
	Total	3,48,025	23,146	81,643	2,03,202	1,95,798	53,137	64,891	61,031	7,18,847
VI. Irrigation Sector		2,43,594	-	37,779	14,785	1,05,162	51,058	82,052	72,693	3,66,687
VII. Social Sector		1,78,123	1,74,500	62,322	25,745	1,00,736	15,779	23,801	37,723	4,26,780
VIII. Urban Development Sector		1,48,226	21,868	67,668	43,704	57,629	44,723	37,184	43,912	3,07,274
IX. Loans Under Structural Adjustment		-	-	1,76,173	2,63,797	-	-	1,10,892	1,93,326	1,71,468
X. Others		3,99,811	10,138	1,00,774	7,882	1,43,447	44,105	77,516	73,188	8,87,448
Total (I to X)		44,20,917	8,54,822	12,25,546	10,93,086	17,71,328	6,35,984	10,65,270	10,72,121	73,80,800

P : Provisional.

Notes : 1. Authorisations are shown net of de-obligations/cancellations.

2. Authorisations and utilisation figures in this statement for the years 1990-91 to 1992-93 and un-disbursed balances as at end-March 1993 are not strictly comparable with those appearing in the statement No.121 of Volume II and similar figures appearing in Volume I because of the inclusion of some more sub-projects.

Table XI-15 : Purpose-Wise Distribution Of Aid Undisbursed

(Rs. crore)

Sector and Country/ Institutions	Aid undisbursed as at the end of March 1992	Aid undisbursed as at the end of March 1993 P
1	2	3
I. Agriculture Sector		
1. IDA	2074.64	2526.21
2. IBRD	886.50	814.37
3. Japan	370.36	404.49
4. Others	158.60	131.82
Total I	**3490.10**	**3876.89**
II. Energy Sector		
1. IDA	438.08	743.05
2. IBRD	12254.97	11416.57
3. ADB	1716.96	3184.05
4. FRG	1641.19	1028.50
5. Italy	786.18	17.42
6. Japan	5254.33	5820.10
7. Others	1465.61	671.57
Total II	**23557.32**	**22881.26**
III. Fertiliser Sector		
1. IBRD	89.67	43.72
2. Japan	319.39	1017.04
3. Others	20.00	128.51
Total III	**429.06**	**1189.27**
IV. Industry Sector		
1. IDA	625.56	563.80
2. IBRD	4563.38	1357.85
3. ADB	727.75	419.83
4. Japan	171.84	193.83
5. Others	317.45	3175.16
Total IV	**6405.98**	**5710.47**
V. Infrastructure Sector		
1. IDA	445.35	765.95
2. IBRD	1693.17	1466.94
3. ADB	2695.02	4097.98
4. Japan	608.52	127.59
5. Others	303.91	730.01
Total V	**5745.97**	**7188.47**
4	5	6
VI. Irrigation Sector		
1. IDA	3366.36	2347.13
2. IBRD	1085.37	906.53
3. Others	258.55	413.21
Total VI	**4710.28**	**3666.87**
VII. Social Sector		
1. IDA	3838.26	3729.73
2. Japan	271.64	311.34
3. Others	235.50	226.73
Total VII	**4345.40**	**4267.80**
VIII. Urban Development Sector		
1. IDA	2157.63	1748.67
2. IBRD	244.02	226.89
3. Japan	529.84	1079.84
4. FRG	35.68	17.34
Total VIII	**2967.17**	**3072.74**
IX. Loans Under Structural Adjustment		
1. IDA	203.11	764.61
2. IBRD	310.99	-
3. ADB	388.38	854.74
4. F.R.G.	-	95.33
Total IX	**902.48**	**1714.68**
X. Others		
1. France	339.32	146.93
2. FRG	253.60	170.92
3. Others	384.03	769.29
Total X	**976.95**	**1087.14**
Grand Total I to X	**53530.71**	**54655.59**

Note : Undisbursed balances as at end of March 1993 are not strictly comparable with those appearing in statement No.121 of Vol.II and similar figures appearing in Volume I because of the inclusion of some more sub-projects and also because of exclusion of undisbursed balances of USSR amounting to Roubles 7832 million and Roubles 7821 million for end-March 1992 and end-March 1993, respectively.

Table XI-16 : Assistance Extended By India To Other Countries (Fiscal Years)

(Rs. crore)

Country/ Programme	Authorisations						Utilisation					
	1991-92			1992-93 P			1991-92			1992-93 P		
	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
1. Bangladesh	—	1.8	1.8	30.0	—	30.0	—	2.0	2.0	3.8	—	3.8
2. Bhutan	—	57.8	57.8	—	—	—	—	57.8	57.8	—	—	—
3. Mauritius	5.0	—	5.0	—	—	—	4.9	—	4.9	2.6	—	2.6
4. Nepal	35.0	15.6	50.6	—	5.0	5.0	55.0	14.2	69.2	—	5.0	5.0
5. Sri Lanka	—	—	—	—	—	—	1.0	—	1.0	0.7	—	0.7
6. Vietnam	—	—	—	—	—	—	3.0	—	3.0	3.2	—	3.2
7. Guyana	—	—	—	—	—	—	7.8	—	7.8	2.5	—	2.5
8. Cambodia	1.5	—	1.5	—	—	—	1.5	—	1.5	—	—	—
9. Seychelles	2.5	—	2.5	—	—	—	—	—	—	2.5	—	2.5
10. Surinam	—	—	—	5.0	—	5.0	—	—	—	—	—	—
11. ITEC*	—	33.2	33.2	—	32.6	32.6	—	21.9	21.9	—	26.4	26.4
Total	**44.0**	**108.4**	**152.4**	**35.0**	**37.6**	**72.6**	**73.2**	**95.9**	**169.1**	**15.3**	**31.4**	**46.7**

P: Provisional.

* Includes grants provided under SCAAP (Special Commonwealth African countries Assistance Plan) and SAARC programmes and also aid to other developing countries.

Notes : 1. Aid to Nepal excludes grant expenditure on Kosi and Gandak schemes executed by the Bihar Government and grant expenditure on training to Nepalese scholars in India.

2. Authorisations are net of de-obligations /cancellations.

Table XI-17 : Aggregate Assistance Extended by India to Other Countries (Up to March 1993)

(Rs. crore)

Country/ Programme	Authorisations			Utilisation			Amount undisbursed at end March 1993 P		
	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total
1	2	3	4	5	6	7	8	9	10
1. Afghanistan	6.40	0.00	6.40	6.40	0.00	6.40	0.00	0.00	0.00
2. Bangladesh	165.40	158.80	324.20	115.40	142.10	257.50	50.00	16.70	66.70
3. Bhutan	156.30	808.10	964.40	156.30	807.80	964.10	0.00	0.30	0.30
4. Burma	20.00	0.00	20.00	20.00	0.00	20.00	0.00	0.00	0.00
5. Cambodia	1.50	0.00	1.50	1.50	0.00	1.50	0.00	0.00	0.00
6. Ghana	4.90	0.00	4.90	4.90	0.00	4.90	0.00	0.00	0.00
7. Guyana	10.00	0.00	10.00	10.70	0.00	10.70	(-)0.70	0.00	(-)0.70
8. Indonesia	10.00	0.00	10.00	10.00	0.00	10.00	0.00	0.00	0.00
9. Kenya	5.00	0.00	5.00	5.00	0.00	5.00	0.00	0.00	0.00
10. Mauritius	34.50	0.00	34.50	33.80	0.00	33.80	0.70	0.00	0.70
11. Mozambique	8.10	0.00	8.10	8.00	0.00	8.00	0.10	0.00	0.10
12. Nepal	186.90	368.50	555.40	139.90	324.60	464.50	47.00	43.90	90.90
13. Nicaragua	12.50	0.00	12.50	11.30	0.00	11.30	1.20	0.00	1.20
14. Democratic Republic of Yemen	1.00	0.00	1.00	1.00	0.00	1.00	0.00	0.00	0.00
15. Seychelles	4.40	0.00	4.40	4.40	0.00	4.40	0.00	0.00	0.00
16. Sri Lanka	94.40	0.00	94.40	72.10	0.00	72.10	22.30	0.00	22.30
17. Surinam	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00	5.00
18. Tanzania	14.20	0.00	14.20	14.20	0.00	14.20	0.00	0.00	0.00
19. Uganda	6.50	0.00	6.50	6.50	0.00	6.50	0.00	0.00	0.00
20. Vietnam	167.50	0.00	167.50	160.10	0.00	160.10	7.40	0.00	7.40
21. Zambia	5.80	0.00	5.80	5.80	0.00	5.80	0.00	0.00	0.00
22. Zimbabwe	4.80	0.00	4.80	4.80	0.00	4.80	0.00	0.00	0.00
23. Assistance Under ITEC *	0.00	250.20	250.20	0.00	179.30	179.30	0.00	70.90	70.90
TOTAL	**925.10**	**1585.60**	**2510.70**	**792.10**	**1453.80**	**2245.90**	**133.00**	**131.80**	**264.80**

P Provisional.

* Includes grants provided under SCAAP (Special Commonwealth African Countries Assistance Plan) and SAARC programmes and also aid to other developing countries.

Notes : 1. Aid to Nepal excludes grant expenditure on Kosi and Gandak schemes executed by the Bihar Government and grant expenditure on training to Nepalese scholars in India.

2. Authorisations are net of deobligations/cancellations.

3. Aid to Bangaladesh do not cover the relief goods of the value of Rs. 17 crore supplied to that country in 1971-72.

Table XI-18 : India's External Debt
(Revised Classification)
As at the end of March

(Rs. crore)

Item		1990	1991	1992	1993p
1		2	3	4	5
I.	**MULTILATERAL**	32,886	40,386	68,263	77,398
		(19,164)	(20,900)	(23,089)	(24,898)
A.	**Government borrowing**	31,575	38,429	63,787	71,950
		(18,399)	(19,887)	(21,651)	(23,139)
i)	Concessional	21,760	25,849	40,990	48,117
		(12,672)	(13,377)	(14,320)	(15,474)
a)	IDA	21,055	25,221	40,017	47,078
		(12,261)	(13,052)	(13,974)	(15,140)
b)	Others	705	628	973	1,039
		(411)	(325)	(346)	(334)
ii)	Non-concessional	9,815	12,580	22,797	23,833
		(5,727)	(6,510)	(7,331)	(7,665)
a)	IBRD	9,752	12,161	21,134	21,355
		(5,690)	(6,293)	(6,796)	(6,868)
b)	Others	63	419	1,663	2,478
		(37)	(217)	(535)	797)
B.	**Non-Government borrowing**	1,311	1,957	4,476	5,448
		(765)	(1,013)	(1,438)	(1,759)
i)	Concessional	0	0	0	0
ii)	Non-concessional	1,311	1,957	4,476	5,448
		(765)	(1,013)	(1,438)	(1,759)
a)	Public sector	158	303	1,424	1,789
		(92)	(157)	(458)	(578)
i)	IBRD	158	303	962	1,312
		(92)	(157)	(308)	(424)
ii)	Others	0	0	462	477
				(150)	(154)
b)	Financial institutions	799	1,270	2,349	2,869
		(465)	(657)	(754)	(926)
i)	IBRD	503	872	1,720	1,777
		(292)	(451)	(553)	(574)
ii)	Others	296	398	629	1,092
		(173)	(206)	(201)	(352)
c)	Private sector	354	384	703	790
		(208)	(199)	(226)	(255)
i)	IBRD	313	330	628	687
		(184)	(171)	(202)	(222)
ii)	Others	41	54	78	103
		(24)	(28)	(25)	(33)
II.	**BILATERAL**	22,993	27,378	47,603	48,623
		(13,564)	(14,168)	(15,466)	(15,629)
A.	**Government borrowing**	19,444	23,065	40,371	40,575
		(11,489)	(11,936)	(13,099)	(13,050)
i)	Concessional	19,444	23,065	40,371	40,575
		(11,489)	(11,936)	(13,099)	(13,050)
ii)	Non-concessional	0	0	0	0

Table XI-18 : India's External Debt (Contd.)
(Revised Classification)

(Rs. crore)

			1990	1991	1992	1993p
		1	2	3	4	5
B.		**Non-Government borrowing**	3,549	4,313	7,232	8,048
			(2.075)	(2,232)	(2,367)	(2,579)
	i)	Concessional	··441	514	928	1,253
			(261)	(266)	(348)	(403)
	a)	Public sector	7	0	0	0
			(4)			
	b)	Financial institutions	431	514	928	1,253
			(255)	(266)	(348)	(403)
	c)	Private sector	3	0	0	0
			(2)			
	ii)	Non-concessional	3,108	3,799	6,304	6,795
			(1,814)	(1,966)	(2,019)	(2,176)
	a)	Public sector	2,581	2,957	4,472	4,726
			(1,507)	(1,530)	(1,432)	(1,513)
	b)	Financial institutions	271	527	1,236	1,571
			(158)	(273)	(396)	(503)
	c)	Private sector	256	315	596	498
			(149)	(163)	(191)	(160)
III.		**IMF**	2,572	5,132	8,934	14,985
			(1,493)	(2,623)	(3,451)	(4,799)
IV.		**EXPORT CREDIT**	8,002	8,374	12,418	13,127
			(4,655)	(4,301)	(3,990)	(4,206)
	a)	Buyers' credit	1,877	2,230	3,566	3,989
			(1.096)	(1,154)	(1,142)	(1,277)
	b)	Suppliers' credit	950	933	1,380	2,050
			(555)	(483)	(442)	(656)
	c)	Export credit component of bilateral credit	1,340	1,390	2,428	3,314
			(790)	(719)	(791)	(1,065)
	d)	Defence related export credit	3,835	3,821	5,044	3,774
			(2,214)	(1,945)	(1,615)	(1,208)
V.		**COMMERCIAL BORROWING**	15,988	19,727	35,664	36,251
			(9,335)	(10,209)	(11,700)	(11,606)
	a)	Commercial bank loans	11,453	13,200	20,933	20,156
			(6,687)	(6,831)	(6,704)	(6,453)
	b)	Securitized borrowings (inclu. IDBs)	4,227	5,840	13,219	13,990
			(2,468)	(3,022)	(4,512)	(4,479)
	c)	Loans/securitized borrowings, etc.	308	687	1,512	2,105
		with multilateral/bilateral guarantee and IFC(W)	(180)	(356)	(484)	(674)
VI.		**NRI & FC(B&O) Deposits**	13,998	16,418	19,581	23,124
		(ABOVE ONE-YEAR MATURITY)	(8,135)	(8,319)	(7,056)	(7,403)
	a)	NRI deposits	13,998	16,231	18,934	22,296
		of Which :	(8,135)	(8,224)	(6,806)	(7,138)
		Accrued interest (interest credited)	1,729	2,379	3,749	4,474
		on the FCNR deposits	(1,004)	(1,212)	(1,448)	(1,432)
	b)	FC(B&O) deposits	0	187	647	828
				(95)	(250)	(265)

Table XI-18 : India's External Debt (Concld.)
(Revised Classification)

(Rs. crore)

	1990	1991	1992	1993p
1	2	3	4	5
VII. TOTAL LONG-TERM DEBT	96,439	1,17,415	1,92,463	2,13,508
(I to VI)	(56,346)	(60,520)	(64,753)	(68,541)
VIII. SHORT-TERM DEBT	9,465	11,683	15,881	13,909
	(5,485)	(6,006)	(5,556)	(4,453)
a) NRI deposits (less than one year maturity)	5,562	6,902	6,494	7,837
	(3,232)	(3,572)	(2,489)	(2,509)
b) FC(B&O) deposits	0	328	924	2,433
		(167)	(357)	(779)
c) Others (above 6 months)	3,903	4,453	8,463	3,639
	(2,253)	(2,267)	(2,710)	(1,165)
IX. GROSS TOTAL (VII+VIII)	1,05,904	1,29,098	2,08,344	2,27,417
	(61,831)	(66,526)	(70,309)	(72,994)
Memo items:				
Short-term debt of 6 months (Rs.crore)	3,472	4,976	4,738	5,601
	(2,004)	(2,533)	(1,517)	(1,793)
Rupees suppliers' credit	58	65	72	67
	(33)	(33)	(20)	(21)
Civilian Rouble debt	1,741	2,259	3,088	2,905
	(1,016)	(1,164)	(1,178)	(934)
Non-Civilian Rouble Debt	17,276	22,875	28,796	30,177
	(9,972)	(11,645)	(9,222)	(9,661)
X. TOTAL INCLUDING MEMO ITEMS	1,28,451	1,59,273	2,45,038	2,66,167
	(74,856)	(81,906)	(82,246)	(85,403)
Debt Indicators:				
Debt Stock - GDP Ratio (in per cent)				
a) Excluding Memo items	23.3	24.3	34.2	32.4
b) Including Memo items	28.3	30.0	40.2	37.9
Debt Service Ratio* (for fiscal year) (in per cent)				
a) Excluding debt servicing on non-civilian credits	24.9	25.2	26.2	26.1
b) Including debt servicing on non-civilian credits	29.9	30.5	31.6	30.8

* Includes accrued interest on NRI deposits. P: Provisional.

Note : Figures in brackets indicate US dollar million.

Table X1-19 : Exchange Rate of Indian Rupee

(Annual Averages)* (April-March)

(Rupees per unit of SDR/Foreign Currency)

Currency	1988-89	1989-90	1990-91	1991-92	1992-93	1992-93
			Official			Market
1	2	3	4	5	6	7
SDR	19.2619	21.3684	24.8491	33.4325	37.1415	-
		(-9.9)	(-14.0)	(-25.7)	(-10.0)	
U.S.Dollar	14.4800	16.6500	17.9400	24.4700	26.4300	30.6500
		(-13.0)	(-7.2)	(-26.7)	(-7.4)	
Pound Sterling	25.6000	26.9200	33.1900	42.5200	44.5600	51.6900
		(-4.9)	(-18.9)	(-21.9)	(-4.6)	
Deutsche Mark	8.0500	9.0900	11.4400	14.6200	16.9100	19.5900
		(-11.4)	(-20.5)	(-21.8)	(-13.5)	
Japanese Yen	0.1130	0.1166	0.1279	0.1845	0.2124	0.2459
		(-3.1)	(-8.8)	(-30.7)	(-13.1)	
French Franc	2.3703	2.6802	3.3871	4.2985	4.9918	5.7895
		(-11.6)	(-20.9)	(-21.2)	(-13.9)	
Canadian Dollar	11.9597	14.0931	15.4787	21.2666	21.5047	24.9370
		(-15.1)	(-9.0)	(-27.2)	(-1.11)	
Swiss Franc	9.5672	10.3368	13.4493	16.6702	18.6825	21.6690
		(-7.4)	(-23.1)	(-19.3)	(-10.8)	
Italian Lira	0.0109	0.0124	0.0154	0.0196	0.0203	0.0236
		(-12.1)	(-19.5)	(-21.4)	(-3.4)	
Netherlands Guilder	7.1438	8.0641	10.1775	12.9830	15.0199	17.4190
		(-11.4)	(-20.8)	(-21.6)	(-13.6)	
Bangladesh Taka	0.4636	0.5308	0.5234	0.6806	0.6892	0.7992
		(-12.7)	(+1.4)	(-23.1)	(-1.2)	
Thailand Baht	0.5750	0.6514	0.7101	0.9770	1.0419	1.2018
		(-11.1)	(-8.3)	(-27.3)	(-6.2)	
Indonesian Rupiah	0.0085	0.0093	0.0096	0.0124	0.0129	0.0150
		(-8.6)	(-3.1)	(-22.6)	(-3.9)	
South Korean Won	0.0205	0.0247	0.0251	0.0329	0.0337	0.0390
		(-17.0)	(-1.6)	(-23.7)	(-2.4)	
Sri Lankan Rupee	0.4487	0.4456	0.4509	0.5904	0.6021	0.6985
		(0.7)	(-1.2)	(-23.6)	(-1.9)	
Pakistan Rupee	0.7907	0.8002	0.8274	1.0214	1.0595	1.2291
		(-1.2)	(-3.3)	(-19.0)	(-3.6)	
Singapore Dollar	7.2868	8.6239	10.1189	14.4255	16.2180	18.8046
		(-15.5)	(-14.8)	(-29.9)	(-11.1)	
Hongkong Dollar	1.8558	2.1368	2.3072	3.1534	3.4181	3.9633
		(-13.2)	(-7.4)	(-26.8)	(-7.7)	
Malaysian Ringgit	5.4534	6.1751	6.6368	8.9883	10.3888	12.0471
		(-11.7)	(-7.0)	(-26.2)	(-13.5)	

* Based on monthly averages

Notes: 1. (a) The official rates have been worked out as follows: The SDR rate is as given in the IMF survey. Upto February 1992, the Pound Sterling rate was the middle rate of the RBI quotations and rates for all other currencies were average rates in the London market crossed with the RBI middle rate for Pound Sterling. From March 1992 to February 1993 the U.S. dollar rate was the middle rate of RBI quotations and the rates for all other currencies were the average rates in the New York/London market crossed with RBI middle rate for the U.S. dollar. The rates for March 1993 have been worked out by crossing foreign currencies/U.S. dollar rates wih Rupee/U.S. dollar RBI reference rates.

(b) The market rates for 1992-93 have been worked out by crossing foreign currency/U.S. dollar rates with Rupee/U.S. dollar FEDAI (Indicative) rates.

2. Figures in brackets indicate percentage appreciation(+)/depreciation(-) of the rupee in terms of the SDR/currency concerned over the previous fiscal year.

Table XI-20 : Exchange Rate of the Indian Rupee - Monthly Averages

(Rupees per unit of SDR/Foreign Currency)

Month/Year	SDR	U.S. Dollar		Pound Sterling		Deutsche Mark		Japanese Yen	
		Official	FEDAI	Official	FEDAI	Official	FEDAI	Official	FEDAI
1	2	3	4	5	6	7	8	9	10
March 1991	26.6358	19.2009	-	35.0742	-	11.9658	-	0.1400	-
1991-92									
April	26.9490	19.8373	-	34.7331	-	11.6621	-	0.1450	-
May	27.6335	20.5374	-	35.4271	-	11.9545	-	0.1487	-
June	27.7722	21.0053	-	34.6572	-	11.7874	-	0.1504	-
July	33.7851	25.4663	-	42.0150	-	14.2566	-	0.1848	-
August	34.5066	25.6303	-	43.1760	-	14.7097	-	0.1875	-
September	35.0719	25.8978	-	44.6708	-	15.2737	-	0.1927	-
October	35.2641	25.8131	-	44.4662	-	15.2733	-	0.1975	-
November	35.8539	25.8494	-	45.9876	-	15.9420	-	0.1995	-
December	36.3976	25.8747	-	47.2545	-	16.5510	-	0.2022	-
January	36.5374	25.9841	-	47.0721	-	16.4778	-	0.2075	-
February	36.0715	25.8986	-	46.0448	-	16.0063	-	0.2030	-
March	35.3472	25.8901	29.4551	44.6766	51.9588	15.6030	18.1709	0.1949	0.2270
1992-93									
April	35.4851	25.8900	30.9253	46.4609	54.2564	15.7252	18.7554	0.1939	0.2316
	(-0.4)	(-)	(-4.8)	(-3.8)	(-4.2)	(-0.8)	(-3.1)	(+0.5)	(-2.0)
May	35.9313	25.8900	30.3407	46.8376	54.8817	15.9647	18.7136	0.1981	0.2325
	(-1.2)	(-)	(+1.9)	(-0.8)	(-1.1)	(-1.5)	(+0.2)	(-2.1)	(-0.4)
June	36.5507	25.8900	30.2361	47.7878	55.9065	16.4642	19.1931	0.2042	0.2383
	(-1.7)	(-)	(+0.3)	(-2.0)	(-1.8)	(-3.0)	(-2.5)	(-3.0)	(-2.4)
July	37.3848	25.8900	30.2524	49.7209	57.9710	17.4130	20.2759	0.2057	0.2407
	(-2.2)	(-)	(-0.1)	(-3.9)	(-3.6)	(-5.4)	(-5.3)	(-0.7)	(-1.0)
August	37.7091	25.8900	30.0885	50.3837	58.3626	17.9209	20.6825	0.2054	0.2378
	(-0.9)	(-)	(+0.5)	(-1.3)	(-0.7)	(-2.8)	(-2.0)	(+0.1)	(+1.2)
September	37.6950	25.8900	30.0584	47.5667	55.4053	17.8085	20.7172	0.2114	0.2450
	(-)	(-)	(+0.1)	(+5.9)	(+5.3)	(+0.6)	(-0.2)	(-2.8)	(-2.9)
October	37.1616	25.8900	30.0471	42.8616	49.8933	17.4242	20.2505	0.2136	0.2481
	(+1.4)	(-)	(-)	(+11.0)	(+11.0)	(+2.2)	(+2.3)	(-1.0)	(-1.2)
November	35.9097	25.8900	30.0824	39.5345	45.9348	16.3108	19.0096	0.2091	0.2430
	(+3.5)	(-)	(-0.1)	(+8.4)	(+8.6)	(+6.8)	(+6.5)	(+2.2)	(+2.1)
December	36.3293	26.1540	30.7005	40.5776	47.4215	16.5266	19.4070	0.2110	0.2477
	(-1.2)	(-1.0)	(-2.0)	(-2.6)	(-3.1)	(-1.3)	(-2.0)	(-0.9)	(-1.9)
January	36.0815	26.1986	30.8833	40.1408	47.3135	16.2441	19.0531	0.2097	0.2465
	(+0.7)	(-0.2)	(-0.6)	(+1.1)	(+0.2)	(+1.7)	(+1.9)	(+0.6)	(+0.5)
February	35.9388	26.1986	32.6456	37.7036	46.9305	15.9521	19.8792	0.2169	0.2695
	(+0.4)	(-)	(-5.4)	(+6.5)	(+0.8)	(+1.8)	(-4.2)	(-3.3)	(-8.5)
March	43.5206	-	31.5256	-	45.9520	-	19.1156	-	0.2695
	(-17.4)		(+3.6)		(+2.1)		(+4.0)		(-)
1993-94									
April	44.2741	-	31.3105	-	48.4066	-	19.6442	-	0.2794
	(-1.7)		(+0.7)		(-5.1)		(-2.7)		(-3.5)
May	44.3400	-	31.3283	-	48.5172	-	19.5046	-	0.2841
	(-0.1)		(-0.1)		(-0.2)		(+0.7)		(-1.7)
June	44.2402	-	31.4068	-	47.4174	-	19.0123	-	0.2929
	(+0.2)		(-0.2)		(+2.3)		(+2.6)		(-3.0)

Notes : 1. Figures in brackets indicate percentage appreciation (+)/depreciation(-) of the rupee in terms of SDR/Foreign currency concerned over preceding month.

2. FEDAI : Foreign Exchange Dealers' Association of India.

Table XI- 22 : Rate of Charge and Remuneration

(per cent)

For the quarter ended	Rate of charge: Basic Rate*	Rate of charge: Adjustment#	Rate of charge: Adjusted Rate	Rate of Remuneration: Unadjusted Rate@	Rate of Remuneration: Adjustment#	Rate of Remuneration: Adjusted Rate
1	2	3	4	5	6	7
July 31, 1992	6.28	1.01	7.29	6.41	(-)1.28	5.13
October 31, 1992	5.95	1.02	6.97	6.08	(-)1.21	4.87
January 31, 1993	5.44	0.92	6.36	5.56	(-)1.11	4.45
April 30, 1993	5.02	0.87	5.89	5.12	(-)1.02	4.10

* This is determined by assuming that all charges due and accrued would be paid.

\# This is on account of burden sharing of overdue charges and the amounts to be placed in Special Contingent Account-1 and Special Contingent Account-2.

@ This is equivalent to the average SDR rate of interest for the quarter concerned.

Table XI- 23 : Fund Purchases and Repurchases

(Billion SDRs)

	1990	1991	1992	January-June 1992	January-June 1993
1	2	3	4	5	6
1. Total Purchases@	4.3	7.4	4.8	2.0	2.3
2. Total Repurchases@	5.9	4.7	4.2	2.3	2.0
3. Net Purchases (1-2)	(-)1.6	2.7	0.6	(-)0.3	0.3

@ Excludes reserve tranche purchases.

Source : International Financial Statistics, August 1993.

Table XI-24 : International Reserves (Excluding Gold)

(SDR million)

Country Group	Total Reserves (excluding Gold)		SDRs		Reserve Position in the Fund		Foreign Exchange Reserves	
	1991	1992	1991	1992	1991	1992	1991	1992
1	2	3	4	5	6	7	8	9
All Countries	672,069	693,120	20,551	12,867	25,888	33,903	625,630	646,350
Industrial Countries	400,636	396,724	17,455	10,468	22,774	29,511	360,406	356,745
Developing Countries	271,433	296,395	3,096	2,399	3,114	4,392	265,224	289,605

Source : International Financial Statistics, July 1993.

Table XI-25 : External Debt and Debt-Service of Developing Countries

(US $ billion)

	1990	1991	1992
1	2	3	4
External Debt			
All Developing Countries	1276.3	1355.4	1385.6
Africa	222.5	226.8	223.6
Asia	364.3	410.8	429.4
Middle East and Europe	265.9	279.3	286.1
Western Hemisphere	423.7	438.5	446.5
External Debt to Exports of Goods & Services(in per cent)			
All Developing Countries	126.9	126.8	119.9
Africa	219.6	230.4	229.1
Asia	69.8	69.3	64.7
Middle East and Europe	124.4	134.6	132.8
Western Hemisphere	250.9	257.9	249.7
External Debt to GDP (in per cent)			
All Developing Countries	31.3	32.2	28.6
Africa	58.9	58.8	56.5
Asia	23.2	25.4	24.1
Middle East and Europe	25.0	23.5	19.6
Western Hemisphere	40.0	43.4	36.8
Debt Service Ratio (in per cent)			
All Developing Countries	14.2	14.5	14.9
Africa	23.3	25.2	26.5
Asia	8.8	7.7	7.5
Middle East and Europe	13.9	14.5	13.2
Western Hemisphere	25.9	31.7	37.9

Source : World Economic Outlook, International Monetary Fund, May 1993.

Table XI-26 : Lending Activities of Asian Development Bank

(Amount in US$ million)

	1991	1992	1966-1992#
1	2	3	4
Total lending			
Amount	4,780.7*	5,109.4	42,458.9*
Number of Projects @	75*	65	1,103*
OCR loans			
Amount	3,433.5*	3,954.4	28,894.6*
Number of loans	43*	35	641*
Disbursements	2,066.2	1,879.6	14,723.6
ADF loans			
Amount	1,347.2	1,155.0	13,564.3
Number of loans	33	32	569
Disbursements	1,037.4	887.5	7,490.7
Equity Investments			
Amount	28.0	10.6	174.8*
Number of Investments	7	4	60*
Equity Underwriting			
Amount	—	5.2	45.7
Number of Commitments	—	1	7

Cumulative number of projects excludes supplementary loans.
* Amounts and numbers adjusted to exclude withdrawals and cancellations.
@ Projects finaned from both OCR and ADF are counted only once.

Table XI-27 : Lending by the World Bank - Fiscal 1992 and 1993

(US $ million)

	IBRD		IDA		World Bank	
	1992	1993	1992	1993	1992	1993
1	2	3	4	5	6	7
1. Lending commitments	15,156@	16,945@	6,550	6,751	21,706	23,696
	(-7.5)	(+11.8)	(+4.1)	(+3.1)	(-4.3)	(+9.2)
2. Disbursements	11,666@	12,942@	4,765#	4,946#	16,431	17,888
	(+2.1)	(+10.9)	(+4.7)	(+3.8)	(+2.8)	(+8.9)

Figures in brackets indicate percentage variation over the previous year.
@ Excludes loans to IFC.
# Includes disbursements from the Special Fund.

Table XI-28 : IBRD'S Assistance to India - Sector-wise, Fiscal Years 1991-93

(US $ million)

Sector	1991	1992	1993
1	2	3	4
Agriculture and Rural Development	63.0	—	—
Education	—	—	—
Oil, gas and coal	450.0	150.0	—
Power	200.0	615.0	845.0
Industry	369.0	—	—
Population, Health and Nutrition	10.0	—	—
Highways	—	153.0	—
Urban Development	20.0	—	—
Water supply and sewerage	—	—	—
Others	—	250.0	300.0
Total	1,112.0	1,168.0	1,145.0
Total loans sanctioned by IBRD	16,392.2	15,156.0	16,944.5
Percentage share of India	6.8	7.7	6.8

Table XI-29 : IDA's Assistance to India - Sector-wise, Fiscal Years 1991-93

(US $ million)

Sector	1991	1992	1993
1	2	3	4
Agriculture and Rural Development	392.8	243.0	369.7
Education	307.1	—	165.0
Population, Health and Nutrition	96.0	377.5	779.0
Transportation-Highways	—	153.0	—
Area Development	—	—	—
Industry	31.6	—	—
Water supply and sewerage	109.9	—	92.0
Others	—	250.0	127.0
Total	937.4	1,023.5	1,532.7
Total loans sanctioned by IDA	6,293.3	6,549.7	6,751.4
Percentage share of India	14.5	15.6	22.7

CHAPTER XII

SOME MAJOR DEVELOPMENTS IN STATES AND UNION TERRITORIES

This Chapter attempts to present an analytical view of the developments in the States and Union Territories (UTs) based on most recent official data on some of the important economic aspects.

State Domestic Product

The latest data on net State Domestic Product (SDP) relate to the year 1991-92. The SDP data are at factor cost and constant (1980-81) prices. Annual growth rates in SDP of States and Union Territories, together with those on net domestic product (NDP) at factor cost at 1980-81 prices for all-India, for the period 1986-87 – 1991-92 are presented in Table XII-1. The compound annual growth rate during this period for all-India NDP was 5.3 per cent. Data for 1991-92 in respect of Sikkim, Tripura and Delhi are not available. Among other States/UTs the lowest and the highest compound annual growth rates recorded during the period were : 0.8 per cent for Andaman and Nicobar Islands and 8.1 per cent for Goa.

During 1991-92, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra and Rajasthan recorded negative growth rates. Among the other States/Union Territories, those which registered positive growth rates in NSDP of above five per cent were Assam, Karnataka, Kerala, Manipur, Meghalaya, Punjab and West Bengal. Reflecting the sum total of performance of States/Union Territories, the all-India NDP growth rate for 1991-92 stood at 0.7 per cent. The States/UTs in different size-class categories of annual compound growth rates during the period 1986-87 through 1991-92 are listed below:

Compound Annual Growth Rates -1986-87 to 1991-92 : States/Union Territories

Compound Annual Growth rate, size-class	No. of States/ Union Territories	States/Union Territories
(1)	(2)	(3)
1. Less than 3 per cent	3	Jammu & Kashmir Andaman & Nicobar Islands and Pondicherry
2. Between 3 per cent and less than 4 per cent	2	Bihar and Nagaland
3. Between 4 per cent and less than 5 per cent	4	Gujarat, Himachal Pradesh, Tamil Nadu and Uttar Pradesh
4. Between 5 per cent and less than 6 per cent	5	Assam, Karnataka, Orissa, Punjab and West Bengal
5. Between 6 per cent and less than 7 per cent	6	Andhra Pradesh, Arunachal Pradesh, Madhya Pradesh, Manipur, Rajasthan and Delhi@
6. 7 per cent and above	7	Goa, Haryana, Meghalaya, Kerala, Maharashtra, Sikkim@ and Tripura@

Note : Data are at constant (1980-81) prices.

@ Compound growth rates are calculated between 1986-87 and 1990-91 due to non-availability of data for 1991-92.

Source : Directorate of Economics & Statistics of respective State Governments.

It may be seen from the above table that the compound growth rates for the period 1986-87 to 1991-92 were lower than the all-India average (5.3 per cent) in respect of 9 States/UTs; five

States had compound growth rates around the all-India level while 13 States recorded compound growth rates which were above the all- India level.

Sectoral Growth Rates

Sectoral growth rates in different States/UTs during 1990-91 and 1991-92 for selected sectors are furnished in Table XII-2. At the all-India level, there was a deterioration in the agricultural sector. State-wise, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu recorded declines during 1991-92. The adverse impact of the performance of these States was partly offset by the highly positive growth rates recorded by Arunachal Pradesh, Assam, Karnataka, Kerala, Manipur, Nagaland, Orissa, Punjab and Andaman and Nicobar Islands. The manufacturing sector was yet another sector which showed negative growth, the rate being 3.5 per cent in 1991-92 in contrast to a positive one of 7.6 per cent during 1990-91 at the all-India level. During 1991-92, most of the States either recorded declines in output or registered moderate gains. The major States which contributed to the adverse performance were Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra and Orissa. As regards mining and quarrying, a number of States/UTs recorded declines in output. Important States in this category were : Arunachal Pradesh, Assam, Bihar, Gujarat, Haryana and Jammu and Kashmir.

The sector-wise compound annual growth rates during the period 1986-87 through 1991-92, are furnished in Table XII-3. Data in respect of Sikkim, Tripura and Delhi have been computed only for the period 1986-87 to 1990-91 due to non-availability of data for 1991-92. The data show that barring Bihar, Jammu & Kashmir and Pondicherry, the rest of the States/UTs have recorded positive compound growth rates in agriculture. In regard to manufacturing, Jammu & Kashmir, Nagaland, and Andaman & Nicobar Islands recorded negative (compounded) growth rates during the period under review.

Share of Agriculture and Manufacturing

Shares of agriculture and manufacturing in the aggregate state domestic product (SDP) for two years 1990-91 to 1991-92, State/UT-wise, are presented in Table XII-4. These data show that output from agriculture provides an important source of income for most States/UTs. For seventeen States/UTs in 1991-92, agricultural output contributed between 30 and 49 per cent of state domestic product. The agricultural sector of Haryana, Madhya Pradesh, Punjab, Rajasthan and Uttar Pradesh account for more than 40 per cent of the State Domestic Product. There were, however, certain exceptions. Delhi (1990-91) and Pondicherry earned only less than 10 per cent of their SDP from agriculture. Share of Goa's agriculture in her SDP was 12.1 per cent. The shares of Gujarat, Maharashtra and Tamil Nadu ranged between 16-22 per cent. Over the year to 1991-92, the share of agriculture remained by and large unchanged, though a few States did record variations. The share of the manufacturing sector is an indicator of the level of industrial activity in a State. The share of the manufacturing sector in the NDP at the all- India level stood at around 20 per cent during the two years 1990-91 and 1991-92. Within the States/UTs, however, there were wide variations. The contribution of the manufacturing sector to the SDP in the case of Goa, Gujarat and Maharashtra ranged between 27-29 per cent for both the years. In respect of Tamil Nadu, West Bengal, Delhi and Pondicherry, the share of the manufacturing sector in their respective SDPs ranged between 22-26 per cent during the period. There were quite a few States/UTs where the contribution of manufacturing to their SDP was below 10 per cent. These States were Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Nagaland, Orissa, Sikkim, Tripura and Andaman and Nicobar Islands.

State-wise shares in All-India NDP

Details of State-wise share in All-India NDP at constant (1980-81) prices are given in Table

XII-5. These data show that during the period 1986-87 to 1991-92, the shares of most of the States in All-India NDP have remained more or less constant. State-wise, Maharashtra led with a share of 13.8 per cent in 1991-92. The other States/UTs whose share in the national NDP was above five per cent during the year were Uttar Pradesh, West Bengal, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Gujarat, Karnataka and Bihar.

Agricultural Production

Data on production of selected foodgrains in respect of States/Union Territories are available upto 1991-92 and these are presented in Statement 19 of Volume II of this Report.

These data indicate that foodgrains output in 1991-92 had fallen below the level of 1990-91 in most of the States viz., Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Rajasthan, Sikkim, Tripura, and Uttar Pradesh. The downward movement in foodgrains output was reflected more under pulses, than under cereals. Rice production in 1991-92 showed an increase over the level reached two years earlier in Arunachal Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Sikkim, Tripura and West Bengal. On the other hand wheat production during the same period went up in most of the States except Andhra Pradesh, Gujarat, Maharashtra, Orissa, Sikkim and West Bengal.

State-wise data on production of selected non-foodgrains are indicated in Statement 20 of Volume II of this Report. Among the States which are major producers of oil seeds[1] more than half of them recorded spurt in output in 1991-92. However leading States like Gujarat, Madhya Pradesh and Maharashtra witnessed declines in output. In the case of cotton, among the major producing States,[2] Andhra Pradesh,. Haryana, Karnataka and Punjab recorded increases in output in 1991–92 and Gujarat, Maharashtra and Rajasthan registered a fall in output in 1991-92 compared with the good performance in the previous year. In respect of sugarcane, all the major producing States,[3] excepting Assam, Bihar, Gujarat, Maharashtra and Tamil Nadu, recorded increases in output in 1991-92. In 1990-91, Assam, Karnataka and Punjab registered declines in output among the major sugarcane producing States. In regard to raw jute and mesta, all the major producing States excepting Maharashtra and Orissa recorded output increase in 1991-92. During 1990-91, all the States except Karnataka and Maharashtra recorded increases in output over the preceding year.

Area Under High Yielding Varieties Programme

The data on State-wise area covered under high yielding varieties (HYV) programme for the period 1985-86 to 1990-91 have been presented in Table XII-6. The State-wise data on total cropped area are available only for limited number of years viz., 1986-87 and 1987-88. The coverage of the area under the high yielding varieties programme in absolute terms improved in 1990-91 over that in the preceding year in almost all the States excepting Andhra Pradesh, Assam, Gujarat, Haryana, Jammu & Kashmir, Manipur and Mizoram. As proportion of the total cropped area, the area covered under HYV in 1987-88 was higher in Arunachal Pradesh, Bihar, Haryana, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Sikkim, Tamil Nadu, Tripura and West Bengal as compared to that in 1986-87. It may be noted that in all these regions barring Bihar, Haryana, and Mizoram, the

1 The States are identified on the basis of the annual average output of a minimum of 1 million tonnes a year during the five-year period ending 1991-92.

2 The States are identified on the basis of the mean output level of more than 500 thousand bales (of 170 kgs. each) per year during the period 1987-88 to 1991-92.

3 The States are identified on the basis of the annual average output of a minimum of 1 million tonnes a year during the five year period ending 1991-92.

total cropped area in 1987-88 was higher than that in the previous year.

Consumption of Fertilisers

The region-wise information on the consumption of fertilisers in terms of kilograms per hectare is available only upto 1991-92. It showed improvement in all the States except Meghalaya as compared to the position in 1985-86 (Table XII-7). In Meghalaya, the per hectare consumption of fertilisers recorded a steady decline from 16.49 kgs. in 1986-87 to 12.51 kgs. in 1991-92. The per hectare consumption of fertilisers in 1991-92 was the highest in Punjab (169.90 kgs.) followed by Haryana (135.97 kgs.), Andhra Pradesh (130.18 kgs.), Tamil Nadu (124.73 kgs.), Uttar Pradesh (92.05 kgs.), West Bengal (90.16 kgs.) and Kerala (77.40 kgs.). In comparison with the top rankers, the per hectare consumption was low in the case of Assam, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Orissa, Rajasthan and Meghalaya. Bihar, Gujarat, Karnataka and Maharashtra crossed the level of the consumption of fertilisers at 50 kgs. per hectare. Assam recorded the lowest level of consumption at 9.60 kgs. per hectare.

Industrial Sector

The main aspects of industrialisation in the States/UTs are captured from the data indicated in the Annual Survey of Industries (ASI) published by the Central Statistical Organisation (CSO). The latest survey pertains to 1988-89. Some of the indicators culled out from the Survey are presented in Table XII-8 for two reference years viz., 1984-85 and 1988-89, covering in the process a period of five years.

One of the striking features was the concentration of registered factories only in a few States. The number of factories was the highest in Maharashtra in both the reference years. Andhra Pradesh had the second highest number of factories in 1988-89 followed by Tamil Nadu, Gujarat, Uttar Pradesh, Punjab, Kartnataka and West Bengal. Together, factories in these eight States accounted for over 75 per cent of factories all over India in 1984-85 as well as in 1988-89. Meghalaya had the lowest number of factories in 1988-89. Over the period, 1984-85 through 1988-89, the number of factories declined in Assam, Bihar, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Goa, Daman & Diu and Delhi. The number of employees in 6 out of 26 States/UTs viz., Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal accounted for about 66 per cent and 65 per cent, respectively in 1984-85 and 1988-89 of the total employees all over India. Although the number of employees in many States moved up during 1988-89 compared to the 1984-85 level, the total number of employees at the all-India level showed a marginal fall of 1.6 per cent. In terms of the value of fixed capital, the highest amount was recorded by Maharashtra in both the initial and terminal years under review. In 1984-85, the five States which followed Maharashtra in terms of the value of fixed capital were Uttar Pradesh, Bihar, Madhya Pradesh, Gujarat and Tamil Nadu. In 1988-89, there was some change in the order of the top six States. Maharashtra was followed by Uttar Pradesh, Tamil Nadu, Gujarat, West Bengal and Andhra Pradesh.

The top five States in terms of value of output during 1984-85 as well as 1988-89 were : Maharashtra, Gujarat, Tamil Nadu, Uttar Pradesh and West Bengal. During this period, the nominal value of output increased in all the States except in Meghalaya where it recorded a fall of 52 per cent. Output value in nominal terms went up by 74.6 per cent at the all-India level. Both in 1984-85 and 1988-89, the nominal net value added was the highest in Maharashtra. Next in order came Tamil Nadu, Gujarat, West Bengal, Andhra Pradesh and Uttar Pradesh in 1984-85 and Tamil Nadu, Gujarat, Uttar Pradesh, Bihar and West Bengal in 1988-89.

Some of the structural and technical ratios based on the important indicators of the industrial sector are indicated in Table XII-9. Gross output per employee, which may be regarded as a very rough measure of labour-output relationship, rose in all the States/UTs over the period except in Assam. Fixed capital per employee, a proxy measure of non-inventory investment to labour ratio, had also shown a rise over the five-year period in all the States/UTs other than Himachal Pradesh, Jammu & Kashmir, Meghalaya and Delhi. The ratio of fixed capital to output remained constant over the period in Gujarat, increased in Andhra Pradesh, Assam, Maharashtra, Manipur, Orissa, Tamil Nadu, Tripura and Pondicherry and recorded a fall in the remaining States/UTs. Productivity as measured by net value added to output declined in majority of the States/UTs except in Bihar, Maharashtra, Manipur, Orissa, Uttar Pradesh and Pondicherry where it increased and in Himachal Pradesh and Madhya Pradesh where it remained constant. Fixed capital to net value added ratio remained unchanged in Haryana and Rajasthan and moved up in Andhra Pradesh, Assam, Gujarat, Karnataka, Kerala, Manipur, Tamil Nadu, Tripura, West Bengal, Andaman and Nicobar Islands and moved downward in the remaining States.

The Annual Survey of Industries (ASI) also provides information about the share of seven most important industry – groups in the total value of gross output in ten major States. The share of the seven industry – groups together ranged between 69 per cent and 90 per cent of the total industrial output in the selected States during 1984-85 and 1988-89. States, where the industry groups had more than 10 per cent share in the value of the industrial output, are enumerated below:

Industry – Groups with share of 10 per cent and above in industrial output

Sr. No.	Industry Group	States
1.	Food Products	Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh
2.	Chemicals & Chemical Products	Andhra Pradesh, Gujarat, Madhya Pradesh and Maharashtra
3.	Basic Metals and Alloys	Bihar, Madhya Pradesh, Punjab and West Bengal
4.	Rubber, Plastic, etc. products	Bihar, Gujarat, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal
5.	Cotton textiles	Tamil Nadu
6.	Electricity	Uttar Pradesh and West Bengal
7.	Electrical Machinery	Andhra Pradesh, Karnataka and Madhya Pradesh

Of the industry – groups, 'Food Products' and 'Rubber Plastic, etc. Products' were the ones which had considerable presence in most of the selected States. Next in terms of the number of industry groups with shares above the threshold limit of 10 per cent, came 'Chemicals and Chemical Products' in Andhra Pradesh, Gujarat, Madhya Pradesh and Maharashtra followed by 'Basic Metals and Alloys' and 'Rubber, Plastic, etc. Products'. 'Cotton Textiles' group was prominent only in Tamil Nadu, whereas 'Electricity' was prominent in Uttar Pradesh and West Bengal. 'Electrical Machinery' had a share above the threshold limit in Andhra Pradesh, Karnataka and Madhya Pradesh.

Banking Developments

Latest data on selected banking indicators available for all the States/UTs relate to the period ended March 1993. The details of the number of scheduled commercial bank offices, deposits, credit and credit-deposit (CD) ratios for two reference years viz., March 1988 and March 1993, based on BSR data, are given in Table XII-10. The five-year period has been chosen to get a snapshot picture of the medium-term trends in banking developments in the various regions and States and UTs. The table indicates that while in all the regions the number of bank offices had accelerated between the two reference years, growth was impressive in North–Eastern Region (22.5 per cent) followed by Eastern Region (16.7 per cent), Central Region (12.4 per cent), Western Region (10.8 per cent), Northern Region (9.8 per cent) and Southern Region (8.0 per cent). As on the last Friday of March 1988, the highest CD ratio was recorded by the Southern Region at 86.7 per cent, followed by 70.2 per cent by the Western Region. As on that date, the lowest CD ratio of 50.3 per cent was recorded by the North-Eastern Region as compared with 63.1 per cent at the all-India level. As on the last Friday of March 1993, the North–Eastern Region continued to record the lowest Credit-Deposit ratio of 43.9 per cent, while the Southern Region continued to record the highest CD ratio of 74.6 per cent as against the all- India ratio of 60.5 per cent. During the five-year period, except Northern Region all other Regions recorded declines in the CD ratio. In respect of Northern Region the CD ratio improved from 50.8 per cent to 65.4 per cent during the period.

A better idea of the performance of the banking sector in these States/UTs can be had from the data on bank deposits and bank credit per office (Table XII-11). Bank deposits per office increased in all States/UTs. Over the period, the increase was more than 100 per cent in Arunachal Pradesh, Goa, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Chandigarh, Dadra and Nagar Haveli and Daman and Diu as against the all-India rise of 107.4 per cent. In regard to the remaining States excepting in Manipur, Mizoram, Sikkim and Andaman & Nicobar Islands where the increase was less than 50 per cent, the increases ranged between 50 and 100 per cent. The increase in per office bank credit was more than 100 per cent during the period in Maharashtra, Tamil Nadu, Daman & Diu and Delhi as against the all-India increase of 97.8 per cent. A decline of 4.3 per cent and 19.0 per cent was recorded in Sikkim and Lakshadweep, respectively. In the remaining States/UTs, the increase ranged between 50 and 100 per cent.

The banking habit has spread in a substantial way in rural areas in recent years. The share of rural offices in total number of scheduled commercial bank offices increased in most of the States except in Haryana, Punjab, Chandigarh, Delhi, Kerala and Pondicherry (Table XII-12). These shares as on last Friday of March 1993 were relatively high in North-Eastern Region (73.8 per cent), Eastern Region (68.7 per cent) and Central Region (68.4 per cent). A similar trend was witnessed in respect of shares of deposits and credit relating to tne rural branches in the total deposits and credit of scheduled commercial banks. The share of rural credit in total credit exceeded the relative shares of deposits with rural offices in North-Eastern Region, Eastern and Southern Regions as on last Friday of March 1993. The performance of scheduled commercial banks in rural areas is indicated in Table XII-13. The growth rate in rural offices in North-Eastern Region was 30.7 per cent and that in Eastern Region was 23.5 per cent as against the all-India growth rate of 15.7 per cent. While all the States/UTs recorded positive growth rates in rural offices, Goa, Kerala, Chandigarh and Delhi recorded negative growth rates during the period. Reflecting this development, deposits with rural offices in the above Regions increased substantially. The highest growth rate in bank deposits between the last Fridays of March 1988 and 1993 was observed in Central Region, followed by North-Eastern Region, Eastern Region, Western Region and Northern Region. Similarly the highest growth rate in bank credit during the period was observed in Northern Region (119.5 per cent) and the lowest in Southern Region (92.2 per cent) as against the all- India growth rate of 106.7 per cent. Credit-deposit ratio of rural offices was the highest in Southern Region (86.4 per cent) and the lowest in the Northern Region (45.1 per cent) in both the reference years.

Priority Sector Advances

The data on state-wise share of priority sector advances relating to scheduled commercial banks in total bank credit are presented in Table

XII-14. The data show that at the end of March 1992, the North-Eastern, Central and Southern Regions had achieved the target of 40 per cent share for priority sector advances. The Eastern Region was close to the target while the Northern and Western Regions recorded a steep shortfall. It would be interesting to note that the latter two regions showed a deterioration in their position over March 1990 - from close to the target to a default position. State-wise, most of the States and Union Territories had achieved the target of 40 per cent lending, excepting Chandigarh, Delhi, Sikkim, West Bengal, Andaman & Nicobar Islands, Gujarat, Maharashtra, Goa and Tamil Nadu, as at the end of March 1992.

The sub-target of 18 per cent of total bank credit for direct finance to agriculture and allied activities was achieved by Haryana, Punjab, Rajasthan, Nagaland, Tripura, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh and Kerala (Table XII-15). The share of Himachal Pradesh, Arunachal Pradesh, Karnataka and Pondicherry was close to the target. Among others, West Bengal and Maharashtra were the major States whose shares were below 10 per cent.

State-wise Financial Assistance by All-India Financial Institutions and Industrial Development Bank of India

The data on State-wise financial assistance sanctioned by All-India financial institutions and Industrial Development Bank of India (IDBI) for the years 1987-88, 1990-91, 1991-92 and the cumulative position upto end-March 1992 are presented in Table XII-16. The financial assistance sanctioned and disbursed by Industrial Development Bank of India for the year 1991-92 formed 32.6 per cent of the amount sanctioned and 35.9 per cent of the amount disbursed by All-India Financial Institutions. Each State's share in financial assistance sanctioned by these institutions is given in Table XII-17. Of the total amount sanctioned during 1991-92 Maharashtra accounted for 26.24 per cent followed by Gujarat (11.89 per cent), West Bengal (9.42 per cent), Tamil Nadu (8.89 per cent), Andhra Pradesh (6.74 per cent) and Uttar Pradesh (6.28 per cent). The smaller States such as Arunachal Pradesh, Assam, Goa, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura had relatively lower share of less than 1 per cent each. As regards disbursements during 1991-92, Maharashtra had the largest share at 26.20 per cent followed by Gujarat (11.60 per cent), Andhra Pradesh (10.22 per cent), Tamil Nadu (8.22 per cent) and Uttar Pradesh (7.51 per cent). As in the case of the sanctions, the share of smaller States in the amount of disbursement was very low. The data on cumulative position upto end-March 1992 also revealed more or less similar trends. Table XII-18 indicates state-wise share of financial assistance sanctioned and disbursed by IDBI. The State-wise sanctions and disbursals by IDBI indicated similar trends in State-wise dispersion as in the case of All-India financial institutions, during 1991-92.

Socio-economic Indicators

i) Minor Irrigation Facilities

The total cropped area increased in all the States except Bihar, Himachal Pradesh and Tamil Nadu over the period 1985-86 and 1991- 92. The proportion of the area covered by minor irrigation facilities also moved up in all the States excepting Assam, Haryana, Jammu & Kashmir, Kerala, Mizoram, Punjab, Tamil Nadu, Tripura and Pondicherry during the period under review (Table XII-19). In Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab and Pondicherry this proportion was above 50 per cent during 1991-92. Of the States for which the data on wells, tube wells and canals have been reported here, the number of wells was the highest in Tamil Nadu at 16,80,262 followed by Madhya Pradesh (12,30,880), Rajasthan (11,98,013), Karnataka (4,66,133) and Bihar (1,05,340) in 1991-92. During the same year the number of tube wells was the highest in Bihar at 7,70,370 followed by Karnataka (96,813), Tamil Nadu (89,747), Rajasthan (82,993) and Madhya Pradesh (76,784). The number of canals was higher in major States like Bihar (2,760) and Tamil Nadu (2,290).

ii) Health Facilities

The data on health facilities available in the two years 1985-86 and 1992-93 are presented for some States in Table XII-20. As the table shows, the number of hospitals increased in almost all the States excepting Haryana, Himachal Pradesh, Kerala, Orissa, Punjab, Tamil Nadu and West Bengal during the period under view. Uttar Pradesh had the highest number of hospitals at 7,470 followed by Gujarat (2,370), Maharashtra (830), West Bengal (392), Madhya Pradesh (388), Andhra Pradesh (340), Karnataka (293), Arunachal Pradesh (276), Tamil Nadu (269), Bihar (240), Punjab (230) and Rajasthan (218) in 1992-93. Gujarat had the highest number of dispensaries at 7,248 in 1992-93 followed by Bihar (2,488), Karnataka (2,093), Maharashtra (1,702) and Punjab (1,473). The number of beds increased in all the States with the exceptions of Haryana, Himachal Pradesh, Punjab and Tamil Nadu.

iii) Educational Institutions and Students'Enrolment in School

The data on the number of schools and students' enrolment in schools are presented in Table XII-21. The number of primary, middle, secondary/higher secondary schools increased in all the States except Haryana, Karnataka, Kerala, Tamil Nadu, West Bengal and Pondicherry between 1985-86 and 1992-93. In Haryana, Karnataka, Kerala and Pondicherry the number of primary schools declined marginally, whereas in Tamil Nadu and West Bengal, the number of middle schools indicated a fall. The students' enrolment moved up at the primary and middle school levels between 1985-86 and 1992-93 in all the States/UTs. At the secondary/higher secondary levels, the enrolment of students showed an increase in all the States/UTs excepting in the case of Arunachal Pradesh where the enrolment fell sharply from 27,251 in 1985-86 to 17,231 in 1992-93.

iv) Drinking Water Facilities

The number of villages where drinking water is available increased in all the States reported here between 1985-86 and 1992-93 excepting Karnataka. In Karnataka the number of villages remained unchanged at 26,483 during the period under review (Table XII- 22). In Bihar, Haryana, Lakshadweep and Pondicherry all the villages were reported to have drinking water facilities during 1992-93. In States like Assam, Gujarat, Himachal Pradesh, Jammu & Kashmir, Kerala, Punjab, Rajasthan, Sikkim and Tamil Nadu, the coverage of villages where drinking water facilities were available was close to the total number of villages in 1992-93. Goa and Mizoram had the lowest coverage of the villages in regard to the drinking water facilities.

v) Rural Road Length

The proportion of rural road length increased in all the States except Arunachal Pradesh, Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, Tripura and Pondicherry between 1985-86 and 1992-93 (Table XII-23). Lakshadweep had 100 per cent rural road length in 1992-93 followed by Bihar (95.2 per cent), Orissa (88 per cent), Kerala (74.4 per cent), Andhra Pradesh (73.4 per cent) and Madhya Pradesh (66.9 per cent). The rural road length at 21.7 per cent was the lowest in West Bengal in 1992-93.

vi) Rural Electrification

The data on total number of villages and number of villages electrified during 1985-86 and 1992-93 are presented for most States in Table XII-24. In Kerala, Sikkim, Lakshadweep and Pondicherry, all the villages were electrified during 1992-93 whereas in Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Tamil Nadu, the coverage of rural electrification was nearer the 100 per cent level. In Assam, Goa, Madhya Pradesh, Rajasthan, Uttar Pradesh and West Bengal the coverage of rural electrification was above 70 per cent.

Table XII-1 : Annual Growth Rates and Compound Growth Rates of Net State Domestic Product at Constant (1980-81) Prices

(Per cent)

Sr. No.	States/Union Territories	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	Compound Growth Rates	Average Growth Rates
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	-4.1	6.6	12.6	—	—	2.8	6.5	4.5
2.	Arunachal Pradesh	6.4	5.2	6.7	0.4	14.9	4.9	6.3	6.4
3.	Assam	1.7	5.5	2.0	11.3	0.6	9.0	5.3	4.8
4.	Bihar	8.1	-6.1	8.7	-3.8	23.9	-1.9	3.6	4.8
5.	Goa	4.9	11.0	21.5	4.4	2.4	2.5	8.1	7.8
6.	Gujarat	7.5	-8.6	37.9	1.5	0.9	-1.9	4.8	6.2
7.	Haryana	0.1	-2.1	24.2	3.1	10.1	2.0	7.1	6.2
8.	Himachal Pradesh	7.2	-0.9	7.5	11.0	4.1	-0.7	4.1	4.7
9.	Jammu & Kashmir	4.2	-12.6	17.0	—	N.A.	3.7	1.1	3.1
10.	Karnataka	9.4	5.1	10.6	3.6	-0.8	7.4	5.1	5.9
11.	Kerala	-2.6	2.6	7.9	5.5	12.9	6.6	7.0	5.5
12.	Madhya Pradesh	-4.2	14.4	7.4	2.4	15.2	-6.0	6.4	4.9
13.	Maharashtra	-0.6	8.2	9.2	10.0	12.0	-3.7	7.0	5.9
14.	Manipur	0.6	6.5	5.8	-0.3	9.9	10.4	6.4	5.5
15.	Meghalaya	1.6	9.1	5.0	3.1	14.9	6.4	7.6	6.7
16.	Nagaland	6.4	10.8	9.7	—	N.A.	4.0	3.8	7.7
17.	Orissa	-0.1	-1.4	15.0	6.0	5.5	4.0	5.7	4.8
18.	Punjab	4.0	4.9	5.6	9.3	1.2	5.1	5.2	5.0
19.	Rajasthan	9.6	-6.9	41.3	-3.5	16.1	-8.4	6.2	8.0
20.	Sikkim	18.0	20.6	—	—	N.A.	N.A.	11.0 @	19.3
21.	Tamil Nadu	-0.9	3.2	7.7	7.5	2.1	3.0	4.7	3.8
22.	Tripura	4.3	8.4	6.4	7.3	10.3	N.A.	8.1 @	7.3
23.	Uttar Pradesh	4.8	3.1	9.1	3.3	7.6	0.7	4.7	4.8
24.	West Bengal	4.7	6.1	7.5	—	N.A.	5.8	5.0	6.0
25.	Andaman & Nicobar Islands	4.7	6.4	12.4	1.7	-15.7	1.5	0.8	1.8
26.	Delhi	10.3	6.2	—	—	N.A.	N.A.	6.9 @	8.3
27.	Pondicherry	6.7	4.8	0.7	2.1	5.5	1.4	2.9	3.5
28.	**ALL-INDIA**	**4.1**	**4.1**	**11.5**	**5.5**	**5.1**	**0.7**	**5.3**	**5.2**

@ : Between 1986-87 and 1990-91.
N.A. : Not Available.
Source : Directorate of Economics & Statistics of respective State Governments.

Table XII-2 : Sectoral Growth Rates, 1990-91 and 1991-92

(Per cent)

Sr. No.	States/Union Territories	Agriculture		Forestry and Logging		Fishing		Mining and Quarrying		Manufacturing	
		1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92
1	2	3	4	5	6	7	8	9	10	11	12
1.	Andhra Pradesh	N.A.	1.4	N.A.	-2.4	N.A.	-2.1	N.A.	5.4	N.A.	1.8
2.	Arunachal Pradesh	-8.2	6.5	52.6	7.7	21.6	20.1	-46.6	-17.9	-215.2	9.5
3.	Assam	-7.6	5.5	-31.4	-0.7	-25.8	2.1	-39.7	8.3	-4.0	16.0
4.	Bihar	21.8	-11.4	29.7	-2.1	2.2	15.5	34.0	-4.4	77.6	4.9
5.	Goa	-4.0	1.2	-2.6	4.3	0.8	4.9	-5.3	—	0.3	0.2
6.	Gujarat	-10.9	-14.1	N.A.	21.4	26.9	0.7	1.6	-6.6	2.4	-0.9
7.	Haryana	10.5	1.1	48.1	9.0	17.6	4.8	9.1	-18.3	11.1	-3.7
8.	Himachal Pradesh	1.4	-1.7	-5.6	—	6.8	17.4	455.2	1.9	40.9	-6.4
9.	Jammu & Kashmir	N.A.	1.6	N.A.	-37.9	N.A.	2.8	N.A.	-2.5	N.A.	0.8
10.	Karnataka	-5.4	13.6	229.6	-2.0	-5.8	9.9	-0.2	1.9	-18.9	1.0
11.	Kerala	-0.4	6.0	45.2	-13.0	0.4	13.0	57.6	12.8	41.2	11.1
12.	Madhya Pradesh	21.3	-12.8	6.9	-4.0	16.6	16.9	2.7	3.6	15.7	-5.0
13.	Maharashtra	5.9	-22.7	45.9	—	-0.8	-1.4	-15.7	9.7	16.8	-1.5
14.	Manipur	13.5	11.7	26.3	1.2	47.4	17.7	—	—	5.5	9.5
15.	Meghalaya	-1.0	2.3	-17.0	5.2	12.8	1.9	56.0	12.2	21.7	7.5
16.	Nagaland	N.A.	7.0	N.A.	11.5	N.A.	16.9	—	—	N.A.	7.4
17.	Orissa	0.7	6.9	10.6	-6.4	-6.4	9.6	34.1	7.9	32.1	-9.5
18.	Punjab	0.4	6.0	449.6	-15.3	89.2	22.1	-27.1	17.7	-0.5	6.6
19.	Rajasthan	26.4	-17.7	3.3	2.7	-12.9	44.9	1.4	22.5	2.7	-0.5
20.	Tamil Nadu	0.5	-3.9	-4.1	-2.8	2.2	2.8	6.3	4.5	4.1	3.7
21.	Tripura	3.7	N.A.	-63.4	N.A.	3.0	N.A.	N.A.	N.A.	3.2	N.A.
22.	Uttar Pradesh	7.3	0.5	-15.0	7.3	7.5	8.7	56.5	44.3	4.1	0.5
23.	West Bengal	N.A.	9.7	N.A.	-6.9	N.A.	7.1	N.A.	7.4	N.A.	0.7
24.	Andaman & Nicobar Islands	-21.1	30.0	-14.7	1.2	26.1	34.3	—	12.0	-23.1	-13.6
25.	Pondicherry	-1.2	—	N.A.	N.A.	5.7	3.5	N.A.	N.A.	2.2	—
26.	**ALL-INDIA**	**5.0**	**-2.0**	**1.6**	**2.0**	**7.8**	**5.6**	**2.9**	**2.8**	**7.6**	**-3.5**

Note : Computed on basis of data at constant (1980-81) prices.
N.A. : Not available.
Source : Directorate of Economics & statistics of respective State Governments.

Table XII-3 : Compound Annual Growth Rates, Major Sector-Wise (Period 1986-87 to 1991-92 Based on Data at Constant (1980-81 Prices)

Sr. No.	States/Union Territories	Agricul-ture	Forestry and Logging	Fishing	Mining and Quarrying	Manufac-turing	SDP
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	6.8	15.8	-1.8	1.7	4.1	6.5
2.	Arunachal Pradesh	6.0	0.9	25.6	-24.7	31.9	6.3
3.	Assam	2.2	-9.2	1.5	-6.6	9.6	5.3
4.	Bihar	-3.9	5.1	6.5	7.9	20.0	3.6
5.	Goa	7.2	21.7	3.8	-9.2	0.1	8.1
6.	Gujarat	0.7	38.3	8.8	4.8	4.9	4.8
7.	Haryana	7.5	7.0	9.1	-3.7	7.6	7.1
8.	Himachal Pradesh	3.0	—	17.6	48.6	8.3	4.1
9.	Jammu & Kashmir	-1.0	-17.4	3.4	-9.8	-7.7	1.1
10.	Karnataka	2.9	12.8	4.8	-2.9	3.4	5.1
11.	Kerala	5.8	-11.7	3.3	12.2	13.8	7.0
12.	Madhya Pradesh	3.8	-5.1	11.9	12.3	13.3	6.4
13.	Maharashtra	6.0	9.5	4.5	4.0	6.8	7.0
14.	Manipur	3.8	1.1	26.6	—	7.9	6.4
15.	Meghalaya	2.4	28.5	5.2	17.2	9.9	7.6
16.	Nagaland	4.8	11.8	17.3	—	-0.1	3.8
17.	Orissa	4.2	12.1	10.1	8.9	6.1	5.7
18.	Punjab	5.1	20.1	29.8	10.6	7.6	5.2
19.	Rajasthan	6.6	40.3	-15.7	8.3	4.4	6.2
20.	Sikkim *	13.7	-19.0	—	34.3	5.1	11.0
21.	Tamil Nadu	1.8	34.5	0.2	9.8	1.5	4.7
22.	Tripura *	3.1	-1.9	7.4	—	0.8	8.1
23.	Uttar Pradesh	3.5	-7.1	5.4	18.3	4.0	4.7
24.	West Bengal	4.6	-11.5	6.5	-5.9	5.5	5.0
25.	Andaman & Nicobar Islands	0.3	24.9	10.5	-19.7	-7.2	0.8
26.	Delhi *	4.1	11.9	—	-7.4	8.6	6.9
27.	Pondicherry	-1.7	—	-0.3	—	4.3	2.9
28.	**ALL-INDIA**	**4.3**	**1.3**	**7.0**	**5.7**	**5.7**	**5.3**

* : Computed for the period 1986-87 to 1990-91.
N.A. : Not available.
Source : Central Statistical Organisation.

Table XII-4 : Share of Real Output from Agriculture and Manufacturing in SDP

(Per cent)

		1990-91		1991-92	
Sr. No.	States/Union Territories	Agriclture/ SDP	Manufacturing/ SDP	Agriclture/ SDP	Manufacturing/ SDP
1	2	3	4	5	6
1.	Andhra Pradesh	38.2	11.6	37.8	11.5
2.	Arunachal Pradesh	36.6	6.0	37.1	6.3
3.	Assam	35.7	13.4	34.5	14.2
4.	Bihar	36.4	18.9	32.9	20.3
5.	Goa	12.3	27.6	12.1	27.0
6.	Gujarat	22.2	28.8	19.4	29.1
7.	Haryana	45.8	19.1	45.4	18.1
8.	Himachal Pradesh	36.4	9.2	36.0	8.7
9.	Jammu & Kashmir	38.0	6.3	37.3	6.1
10.	Karnataka	33.4	17.8	35.3	16.7
11.	Kerala	31.6	17.3	31.4	18.1
12.	Madhya Pradesh	42.9	16.1	39.8	16.3
13.	Maharashtra	19.8	28.8	15.9	29.4
14.	Manipur	32.3	6.0	32.7	5.9
15.	Meghalaya	26.5	3.8	25.5	3.8
16.	Nagaland	20.8	1.7	21.4	1.8
17.	Orissa	43.0	9.4	44.4	8.2
18.	Punjab	48.3	16.2	48.7	16.5
19.	Rajasthan	47.3	9.9	42.5	10.7
20.	Sikkim	45.2	4.6	N.A.	N.A.
21	Tamil Nadu	23.1	21.6	21.6	21.7
22.	Tripura	37.6	4.0	N.A	N.A
23.	Uttar Pradesh	42.6	13.5	42.5	13.4
24.	West Bengal	28.9	26.3	30.0	25.0
25.	Andaman & Nicobar Islands	35.5	9.5	45.5	8.0
26.	Delhi	3.4	24.9	N.A	N.A
27.	Pondicherry	7.0	22.9	6.9	22.5
28.	**ALL-INDIA**	**31.0**	**20.6**	**30.2**	**19.8**

Note : Computed on the basis of data at constant (1980-81) prices.
N.A. : Not available.
Source : Directorate of Economics & Statistics of respective State Governments.

Table XII-5 : State-wise Percentage Share in All-India NDP at Constant (1980-81) Prices

(Per cent)

Sr. No.	States/Union Territories	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	6.0	6.1	6.2	NA	6.2	6.3
2.	Arunachal Pradesh	0.1	0.1	0.1	0.1	0.1	0.1
3.	Assam	2.3	2.3	2.1	2.2	2.1	2.3
4.	Bihar	5.6	5.2	5.1	4.6	5.4	5.3
5.	Goa	0.3	0.3	0.3	0.3	0.3	0.3
6.	Gujarat	5.7	5.0	6.1	5.9	5.7	5.5
7.	Haryana	2.8	2.6	2.9	2.9	3.0	3.0
8.	Himachal Pradesh	0.6	0.6	0.6	0.6	0.6	0.6
9.	Jammu & Kashmir	0.9	0.7	0.8	—	0.7	0.7
10.	Karnataka	5.3	5.4	5.3	5.2	4.9	5.3
11.	Kerala	2.7	2.7	2.6	2.6	2.8	2.9
12.	Madhya Pradesh	5.4	5.9	5.7	5.5	6.0	5.6
13.	Maharashtra	12.8	13.3	13.0	13.5	14.4	13.8
14.	Manipur	0.2	0.2	0.2	0.2	0.2	0.2
15.	Meghalaya	0.2	0.2	0.2	0.2	0.2	0.2
16.	Nagaland	0.1	0.1	0.1	—	0.1	0.1
17.	Orissa	2.7	2.6	2.7	2.7	2.7	2.8
18.	Punjab	4.2	4.2	4.0	4.1	4.0	4.2
19.	Rajasthan	3.9	3.5	4.4	4.0	4.5	4.1
20.	Sikkim	0.1	0.1	—	—	0.1	NA
21.	Tamil Nadu	6.4	6.3	6.1	6.2	6.1	6.2
22.	Tripura	0.2	0.2	0.2	0.2	0.2	NA
23.	Uttar Pradesh	12.3	12.2	11.9	11.7	11.9	11.9
24.	West Bengal	7.5	7.6	7.3	—	7.0	7.3
25.	Andaman & Nicobar Islands	0.1	0.1	0.1	0.1	0.1	0.1
26.	Delhi	2.4	2.5	—	—	2.5	NA
27.	Pondicherry	0.2	0.2	0.2	0.1	0.1	0.2
28.	**ALL-INDIA**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

N.A : Not available.
Note : Data are at constant (1980-81) prices.
Source : Central Statistical Organisation.

Table XII-6 : State-Wise Total Coverage of Area Under High Yielding Varieties

(Lakh hectares)

STATE	1985-86			1986-87			1987-88		
	Total cropped area	Area under High Yielding Varieties	% of Col.3 to Col.2	Total cropped area	Area under High Yielding Varieties	% of Col.6 to Col.5	Total cropped area	Area under High Yielding Varieties	% of Col.9 to Col.8
1	2	3	4	5	6	7	8	9	10
Andhra Pradesh	-	36.60	-	116.93	41.93	35.57	121.55	34.18	28.12
Arunachal Pradesh	-	0.04	-	2.01 +	0.08	3.98	2.20	0.09	4.32
Assam	-	11.17	-	36.44 +	11.58	31.78	37.00	10.66	28.81
Bihar	-	47.18	-	104.32	54.78	52.51	103.27	58.00	56.16
Goa	-	0.43 *	-	1.30	0.38	29.23	1.46	0.42	28.81
Gujarat	-	20.25	-	109.62	20.74	18.92	103.84	12.92	12.44
Haryana	-	25.37	-	56.61	27.00	47.69	46.86	23.60	50.36
Himachal Pradesh	-	4.90	-	9.83	5.01	50.97	9.75	4.32	44.31
Jammu & Kashmir	-	5.20	-	10.26	5.47	53.31	10.43	5.30	50.81
Karnataka	-	17.51	-	118.21	21.63	18.30	122.45	18.35	14.99
Kerala	-	3.50	-	28.70	4.17	14.53	29.00	3.53	12.17
Madhya Pradesh	-	49.57	-	222.14	41.41	18.64	226.94	49.29	21.72
Maharashtra	-	67.13	-	198.38	57.40	28.93	207.43	66.02	31.83
Manipur	-	0.92	-	1.89 +	0.96	50.79	1.88	0.93	49.47
Meghalaya	-	0.48	-	2.06 +	0.45	21.84	2.15	0.50	23.26
Mizoram	-	0.07	-	0.71 +	0.08	11.27	0.66	0.08	12.58
Nagaland	-	0.25	-	1.91	0.23	12.09	1.92	0.24	12.92
Orissa	-	17.77	-	92.70	18.95	20.44	90.92	18.28	20.11
Punjab	-	48.84	-	72.17	50.42	69.86	73.26	47.60	64.97
Rajasthan	-	27.45	-	176.40	29.48	16.71	133.08	20.48	15.39
Sikkim	-	0.38	-	1.34	0.39	29.10	1.35	0.41	30.37
Tamil Nadu	-	29.60	-	65.08	26.01	39.97	67.28	27.83	41.36
Tripura	-	1.53	-	4.08	1.55	37.99	4.27	1.77	41.45
Uttar Pradesh	-	114.00	-	251.98	114.94	45.61	244.28	105.08	43.02
West Bengal	-	23.06	-	82.11	26.41	32.16	83.79	30.59	36.51
Andaman & Nicobar Islands	-	0.08	-	-	NA	-	-	N.A.	-
Chandigarh	-	NA	-	-	0.02	-	-	N.A.	-
Dadra & Nagar Haveli	-	0.06	-	-	-	-	0.08	0.07	-
Daman & Diu	-	NA	-	NA	NA	-		N.A.	-
Delhi	-	0.59	-	2.02	0.61	-	1.79	0.47	-
Pondicherry	-	0.27	-	-	NA	-	-	NA	-
TOTAL	-	554.20	-	1769.20	561.74	31.75	1728.81	541.03	31.29

* : Includes Daman & Diu also. + Forest data have been utilised in estimating gross cropped area.

NA : Not available.

Source : 1) Indian Agriculture in Brief - 22nd, 23rd and 24th Edition.

2) Ministry of Agriculture.

Table XII-6 : State-wise Total Coverage of Area Under High Yielding Varieties (Concld.)

(Lakh hectares)

STATE	1988-89			1989-90			1990-91		
	Total cropped area	Area under High Yielding Varieties	% of Col.12 to Col.11	Total cropped area	Area under High Yielding Varieties	% of Col.15 to Col.14	Total cropped area	Area under High Yielding Varieties	% of Col.18 to Col.17
	11	12	13	14	15	16	17	18	19
Andhra Pradesh	-	44.67	-	-	48.88	-	-	45.25	-
Arunachal Pradesh	-	0.15	-	-	0.24	-	-	0.35	-
Assam	-	11.76	-	-	13.63	-	-	10.88	-
Bihar	-	40.27	-	-	34.64	-	-	35.40	-
Goa	-	0.43	-	-	0.44	-	-	0.48	-
Gujarat	-	28.02	-	-	26.57	-	-	25.73	-
Haryana	-	26.73	-	-	27.06	-	-	26.93	-
Himachal Pradesh	-	5.22	-	-	5.28	-	-	5.39	-
Jammu & Kashhmir	-	5.74	-	-	6.32	-	-	4.18	-
Karnataka	-	20.76	-	-	20.58	-	-	31.65	-
Kerala	-	1.60	-	-	1.56	-	-	1.63	-
Madhya Pradesh	-	58.40	-	-	58.04	-	-	69.77	-
Maharashtra	-	67.66	-	-	73.16	-	-	76.29	-
Manipur	-	0.94	-	-	1.06	-	-	0.90	-
Meghalaya	-	0.51	-	-	0.51	-	-	0.51	-
Mizoram	-	0.10	-	-	0.13	-	-	0.10	-
Nagaland	-	0.32	-	-	0.35	-	-	0.40	-
Orissa	-	21.46	-	-	23.86	-	-	26.13	-
Punjab	-	49.71	-	-	51.82	-	-	53.77	-
Rajasthhan	-	31.46	-	-	28.27	-	-	30.74	-
Sikkim	-	0.46	-	-	0.45	-	-	0.48	-
Tamil Nadu	-	24.57	-	-	25.58	-	-	26.64	-
Tripura	-	1.86	-	-	1.94	-	-	2.13	-
Uttar Pradesh	-	125.55	-	-	127.48	-	-	137.33	-
West Bengal	-	30.90	-	-	33.44	-	-	35.76	-
Andaman & Nicobar Islands	-	0.08	-	-	0.08	-	-	0.07	-
Chandigarh	-	NA	-	-	0.02	-	-	0.02	-
Dadra & Nagar Haveli	-	0.07	-	-	0.08	-	-	0.08	-
Daman & Diu	-	NA	-	-	0.03	-	-	0.02	-
Delhi	-	0.58	-	-	0.40	-	-	0.57	-
Pondichherry	-	0.26	-	-	0.26	-	-	0.26	-
TOTAL	-	600.25	-	-	612.16	-	-	649.84	-

Table XII-7 : Per Hectare State-Wise Consumption of Fertilisers (N+P+K) 1985-86 to 1991-92

(Kg./Ha.)

STATE	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
1	2	3	4	5	6	7	8
Andhra Pradesh	73.39	77.10	79.54	111.50	126.07	133.26	130.18
Assam	4.41	4.59	6.43	6.89	6.39	10.18	9.60
Bihar	47.68	50.57	47.06	58.88	54.62	57.95	58.46
Gujarat	38.43	38.74	42.59	61.97	66.97	68.03	71.61
Haryana	66.45	73.28	84.06	108.66	114.27	125.12	135.97
Himachal Pradesh	24.30	26.56	25.89	31.07	33.55	35.49	34.58
Jammu & Kashmir	35.02	29.56	37.40	51.31	45.55	40.84	46.06
Karnataka	49.84	47.86	45.60	65.32	63.63	68.02	73.97
Kerala	49.31	52.74	62.93	73.77	73.26	84.27	77.40
Madhya Pradesh	18.99	22.22	22.39	30.15	29.73	35.80	35.68
Maharashtra	32.66	32.61	35.67	42.96	56.98	63.51	60.94
Orissa	15.18	16.37	16.68	17.78	22.52	21.19	21.56
Punjab	153.42	154.58	151.72	152.46	156.28	163.50	169.90
Rajasthan	12.18	14.01	16.14	22.95	21.46	27.88	33.13
Tamil Nadu	98.00	103.63	100.92	114.24	116.25	123.51	124.73
Uttar Pradesh	67.58	66.60	65.39	87.44	85.63	91.74	92.05
West Bengal	51.18	60.80	66.98	75.78	80.09	89.88	90.16
Manipur	26.04	29.95	33.69	38.85	36.72	43.68	46.69
Meghalaya	14.04	16.49	15.13	14.24	13.29	12.32	12.51
Total	**47.39**	**48.94**	**50.81**	**63.86**	**66.91**	**72.57**	**73.62**

Source : Indian Agriculture in Brief, 24th Edition, for data for the years 1985-86 to 1989-90 and Ministry of Agriculture for the years 1990-91 and 1991-92.

Table XII-8 : Some Indicators of Industrial Sector

(Value in Rs. crore)

STATE	No. of Factories		No. of Employees		Fixed Capital		Value of output		Net Value Added	
	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90
1	2	3	4	5	6	7	8	9	10	11
1. Andhra Pradesh	10174	14292	683311	724606	3519	6075	6259	11448	1432	1821
2. Assam	1721	1644	113363	116377	482	1157	1314	2171	343	378
3. Bihar	4271	3449	349680	381732	5142	6053	6024	9960	1142	2577
4. Gujarat	10349	11103	685019	668635	4928	8240	12079	20116	2132	3389
5. Haryana	2662	2761	224912	227960	1653	2827	3315	6468	588	1007
6. Himachal Pradesh	213	261	32343	53149	605	961	388	809	145	299
7. Jammu & Kashmir	437	264	43783	16278	244	86	288	344	58	33
8. Karnataka	5298	5649	395861	401399	2078	3746	4352	7996	1049	1626
9. Kerala	2998	3072	247788	235499	1277	2040	2569	4863	684	950
10. Madhya Pradesh	3711	3636	392854	318036	5064	4628	5335	8779	1063	1715
11. Maharashtra	15187	15127	1255632	1214162	8773	14743	23547	39043	4760	8215
12. Manipur	48	44	778	1410	1	8	3	7	1	5
13. Meghalaya	32	28	5496	1564	74	2	23	11	9	4
14. Orissa	1349	1430	141327	155296	1462	4712	1635	4381	233	883
15. Punjab	5356	5997	308865	375412	2496	4251	4227	8396	617	1069
16. Rajasthan	2701	3162	220473	230849	2448	3950	2840	5514	548	884
17. Tamil Nadu	13076	13099	884214	897288	3943	8523	11122	19552	2355	3760
18. Tripura	250	266	11803	13776	11	77	28	49	11	9
19. Uttar Pradesh	7940	9404	749436	755288	8150	9771	8649	16698	1378	2975
20. West Bengal	5369	5419	917840	763099	3768	6317	8597	12263	1832	2195
21. Andaman & Nicobar Islands	40	52	5125	4746	7	7	17	25	2	1
22. Dadra & Nagar Haveli	N.A.	105	N.A.	4408	N.A.	67	N.A.	373	N.A.	27
23. Chandigarh	268	299	12092	12813	24	37	124	301	28	56
24. Delhi	3104	3101	161827	137422	819	482	2340	3778	383	576
25. Goa, Daman and Diu	229	218	16890	16017	190	200	404	746	79	133
26. Pondicherry	162	195	11000	16183	44	138	86	259	14	47
27 ALL-INDIA	**96947**	**104077**	**7871712**	**7743344**	**54842**	**89099**	**105566**	**184349**	**20887**	**34635**

Source : Annual Survey of Industries.

Table XII-9 : Selected Ratios Relating to the Industrial Sector

States/Union Territories	Gross Output per Employee*		Fixed Capital per Employee*		Fixed Capital to Output		Net Value Added to Output		Fixed Capital to Net Value Added	
	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90	1984-85	1989-90
1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	0.92	1.58	0.46	0.84	0.50	0.53	0.23	0.16	2.21	3.34
Assam	1.16	0.87	0.43	0.99	0.37	0.53	0.26	0.17	1.41	3.06
Bihar	3.72	2.61	1.47	1.59	0.85	0.61	0.19	0.26	4.50	2.35
Gujarat	1.76	3.01	0.72	1.23	0.41	0.41	0.18	0.17	2.31	2.43
Haryana	1.47	2.84	0.73	1.24	0.50	0.44	0.18	0.16	2.81	2.81
Himachal Pradesh	1.20	1.52	1.87	1.81	1.56	1.19	0.37	0.37	4.17	3.21
Jammu & Kashmir	0.66	2.11	0.56	0.53	0.85	0.25	0.20	0.10	4.21	2.61
Karnataka	1.10	1.99	0.52	0.93	0.48	0.47	0.24	0.20	1.98	2.30
Kerala	1.04	2.06	0.52	0.87	0.50	0.42	0.27	0.20	1.87	2.15
Madhya Pradesh	1.36	2.76	1.29	1.46	0.95	0.53	0.20	0.20	4.76	2.70
Maharashtra	1.88	3.22	0.70	1.21	0.37	0.38	0.20	0.21	1.84	1.79
Manipur	0.39	0.50	0.13	0.57	0.33	1.14	0.33	0.71	1.00	1.60
Meghalaya	0.42	0.70	1.35	0.13	3.22	0.18	0.39	0.36	8.22	0.50
Orissa	1.16	2.82	1.03	3.03	0.89	1.00	0.14	0.20	6.27	5.34
Punjab	1.37	2.24	0.01	1.13	0.59	0.51	0.15	0.13	4.05	3.98
Rajasthan	1.29	2.39	1.11	1.71	0.86	0.72	0.19	0.16	4.47	4.47
Tamil Nadu	1.26	2.18	0.45	0.55	0.35	0.44	0.21	0.19	1.67	2.27
Tripura	0.24	0.36	0.09	0.36	0.39	1.57	0.39	0.18	1.00	8.56
Uttar Pradesh	1.15	2.21	1.09	1.29	0.94	0.59	0.16	0.18	5.91	3.28
West Bengal	0.17	1.61	0.41	0.63	2.35	0.52	0.21	0.18	2.06	2.88
Andaman & Nicobar Islands	0.33	0.53	0.14	0.15	0.44	0.28	0.12	0.04	3.50	7.00
Dadra & Nagar Haveli	NA	0.46	NA	1.52	0.41	0.18	NA	0.07	NA	2.48
Chandigarh	1.03	2.35	0.20	0.29	0.19	0.12	0.23	0.19	0.86	0.66
Delhi	1.45	2.75	0.51	0.35	0.35	0.13	0.16	0.15	2.14	0.84
Goa, Daman and Diu	2.39	4.66	1.12	1.25	0.47	0.27	0.20	0.18	2.41	1.50
Pondicherry	0.78	1.60	0.40	0.85	0.51	0.53	0.16	0.18	3.14	2.94
ALL-INDIA	**1.34**	**2.38**	**0.70**	**1.15**	**0.52**	**0.48**	**0.20**	**0.19**	**2.63**	**2.57**

* In Rs. lakhs.

Source : Computed on the basis of the data presented in the Annual Surveys of Industries, C.S.O., Government of India.

Table XII-10 : State-Wise Distribution of the Number of Reporting Offices, Aggregate Deposits and Gross Bank Credit of all Scheduled Commercial Banks

(Amount in lakhs of rupees)

States/Union Territories	As on the last Friday of March 1988				As on the last Friday of March 1993			
	No. of Offices	Bank Deposits	Bank Credit	Credit Deposit Ratio (Per cent)	No. of Offices	Bank Deposits	Bank Credit	Credit Deposit Ratio (Per cent)
1	2	3	4	5	6	7	8	9
I. Northern Region	**8521**	**2644545**	**1342829**	**50.8**	**9357**	**5460729**	**3573107**	**65.4**
Haryana	1201	228713	149093	65.2	1286	506399	280980	55.5
Himachal Pradesh	616	83679	31398	37.5	742	185579	58941	31.8
Jammu & Kashmir	730	116329	52537	45.2	795	223339	99386	44.5
Punjab	2050	647380	277139	42.8	2169	1266111	538309	42.5
Rajasthan	2757	315876	198077	62.7	3090	725610	400352	55.2
Chandigarh	109	84072	70286	83.6	117	197761	100124	50.6
Delhi	1058	1168495	564301	48.3	1158	2355926	2095012	88.9
II. North-Eastern Region	**1529**	**201547**	**101401**	**50.3**	**1873**	**412324**	**181184**	**43.9**
Arunachal Pradesh	56	7063	1531	21.7	68	20050	2758	13.8
Assam	1023	135102	74556	55.9	1221	266785	130058	48.8
Manipur	61	5688	3839	67.5	85	10511	8865	84.3
Meghalaya	134	20709	5021	24.2	174	45776	7717	16.9
Mizoram	50	5316	1392	26.2	75	11300	2359	20.9
Nagaland	68	12514	5049	40.3	70	24170	9761	40.4
Tripura	137	15156	9112	60.1	180	33726	19665	58.3
III. Eastern Region	**9698**	**1944824**	**992527**	**51.0**	**11322**	**3877711**	**1922737**	**49.6**
Bihar	4287	587471	226489	38.6	4897	1110872	431201	38.8
Orissa	1794	146687	131178	89.4	2124	359109	239404	66.7
Sikkim	19	6224	1785	28.7	33	12186	2958	24.3
West Bengal	3583	1201160	631914	52.6	4242	2387625	1246869	52.2
Andaman & Nicobar Islands	15	3282	1162	35.4	26	7917	2303	29.1
IV. Central Region	**11534**	**1671268**	**850280**	**50.9**	**12969**	**3487531**	**1665882**	**47.8**
Madhya Pradesh	3866	450853	294455	65.3	4412	944403	588581	62.3
Uttar Pradesh	7668	1220415	555825	45.5	8557	2543128	1077300	42.4
V. Western Region	**8460**	**2944817**	**2068576**	**70.2**	**9371**	**8350329**	**4902064**	**58.7**
Goa	253	95485	29793	31.2	260	198785	60761	30.6
Gujarat	3134	720979	413670	57.4	34225	1614534	846121	52.4
Maharashtra	5057	2124456	1623922	76.4	5669	6525720	3992857	61.2
Dadra & Nagar Haveli	6	739	482	65.2	7	2869	835	29.1
Daman & Diu	10	3158	709	22.5	10	8419	1488	17.7
VI. Southern Region	**15128**	**2460800**	**2134707**	**86.7**	**16343**	**5818166**	**43386**	**74.6**
Andhra Pradesh	4274	640942	532363	83.1	4678	1389578	1111736	80.0
Karnataka	4010	577166	537679	93.2	4334	1336673	1003196	75.1
Kerala	2763	476999	313144	65.6	2885	1172671	570667	48.9
Tamil Nadu	4013	745516	740985	99.4	4368	1874515	1633465	87.1
Lakshadweep	5	491	105	21.4	8	1361	135	9.9
Pondicherry	63	19686	10432	53.0	70	43366	19444	44.8
VII. ALL-INDIA	**54870**	**11867801**	**7490320**	**63.1**	**61235**	**27406793**	**16583621**	**60.5**

Note : Data are inclusive of those relating to RRBs.

Table XII-11 : Per Office Bank Deposits and Credit
(As on Last Friday of March)

(Rs. crore)

Sr. No.	States/Union Territories	Bank Deposits		Bank Credit	
		1988	1993	1988	1993
1	2	3	4	5	6
1.	Andhra Pradesh	1.50	2.97	1.25	2.38
2.	Arunachal Pradesh	1.26	2.95	0.27	0.41
3.	Assam	1.32	2.18	0.74	1.07
4.	Bihar	1.37	2.27	0.53	0.88
5.	Goa	3.77	7.65	1.18	2.34
6.	Gujarat	2.30	4.71	1.32	2.47
7.	Haryana	1.90	3.94	1.24	2.18
8.	Himachal Pradesh	1.36	2.50	0.51	0.79
9.	Jammu & Kashmir	1.59	2.81	0.72	1.25
10.	Karnataka	1.44	3.00	1.34	2.31
11.	Kerala	1.73	4.06	1.13	1.98
12.	Madhya Pradesh	1.17	2.14	0.76	1.33
13.	Maharashtra	4.20	11.51	3.21	7.04
14.	Manipur	0.93	1.24	0.63	1.04
15.	Meghalaya	1.55	2.63	0.37	0.44
16.	Mizoram	1.06	1.51	0.28	0.31
17.	Nagaland	1.84	3.45	0.74	1.39
18.	Orissa	0.82	1.69	0.73	1.13
19.	Punjab	3.16	5.84	1.35	2.48
20.	Rajasthan	1.15	2.35	0.72	1.30
21	Sikkim	3.28	3.69	0.94	0.90
22.	Tamil Nadu	1.86	4.29	1.85	3.74
23.	Tripura	1.11	1.87	0.67	1.09
24.	Uttar Pradesh	1.59	2.97	0.72	1.26
25.	West Bengal	3.35	5.63	1.76	2.94
26.	Andaman & Nicobar Islands	2.19	3.05	0.77	0.89
27.	Chandigarh	7.71	16.90	6.45	8.56
28.	Dadra & Nagar Haveli	1.23	4.10	0.80	1.19
29.	Daman & Diu	3.16	8.42	0.71	1.49
30.	Delhi	11.04	20.34	5.33	18.09
31.	Lashadweep	0.98	1.70	0.21	0.17
32.	Pondicherry	3.12	6.20	1.66	2.78
ALL-INDIA		**2.16**	**4.48**	**1.37**	**2.71**

Table XII-12 : Share of Rural to Total Offices, Deposits and Credit of Scheduled Commercial Banks (As on last Friday of March)

(Per cent)

	States/Union Territories	Rural/Total Offices 1988	Rural/Total Offices 1993	Rural/Total Deposits 1988	Rural/Total Deposits 1993	Rural/Total Credit 1988	Rural/Total Credit 1993
	1	2	3	4	5	6	7
I.	**Northern Region**	**55.5**	**56.3**	**15.4**	**16.9**	**14.2**	**11.7**
	Haryana	58.4	57.9	22.8	28.6	26.3	31.1
	Himachal Pradesh	87.2	88.9	67.5	70.4	65.2	70.6
	Jammu & Kashmir	71.8	72.2	29.7	33.6	18.1	16.4
	Punjab	54.5	54.2	27.9	29.3	23.9	30.6
	Rajasthan	64.1	65.9	19.9	21.8	25.0	24.9
	Chandigarh	11.9	10.3	2.1	2.2	2.0	1.3
	Delhi	6.9	6.0	1.5	1.8	0.7	0.3
II.	**North-Eastern Region**	**69.2**	**73.8**	**23.6**	**27.8**	**29.3**	**35.2**
	Arunachal Pradesh	98.2	98.5	97.1	98.6	98.8	99.1
	Assam	68.5	72.5	21.8	25.0	27.3	33.2
	Manipur	57.4	67.1	11.1	17.0	26.1	30.6
	Meghalaya	70.9	75.9	14.4	18.5	30.3	39.6
	Mizoram	84.0	89.3	21.8	24.3	35.9	40.4
	Nagaland	64.7	65.7	20.2	25.0	22.8	23.1
	Tripura	62.8	71.7	25.8	27.1	37.9	45.8
III.	**Eastern Region**	**65.0**	**68.7**	**15.8**	**19.0**	**17.9**	**20.2**
	Bihar	73.6	75.7	24.8	31.7	35.4	41.5
	Orissa	74.9	76.8	25.5	29.1	34.0	34.6
	Sikkim	78.9	84.8	19.6	28.6	25.7	27.7
	West Bengal	49.9	56.5	10.2	11.5	8.3	10.1
	Andaman & Nicobar Islands	60.0	61.5	22.1	25.6	22.5	21.5
IV.	**Central Region**	**66.8**	**68.4**	**23.0**	**26.9**	**25.6**	**26.7**
	Madhya Pradesh	68.4	70.1	19.5	22.1	23.2	22.7
	Uttar Pradesh	66.0	67.6	24.3	28.7	26.8	28.9
V.	**Western Region**	**44.8**	**47.0**	**8.2**	**6.7**	**7.2**	**6.4**
	Goa	62.1	59.2	32.9	32.1	20.2	18.1
	Gujarat	48.1	49.8	15.0	16.6	15.0	17.2
	Maharashtra	41.8	44.7	4.7	3.4	4.9	3.9
	Dadra & Nagar Haveli	100.0	100.0	100.0	100.0	100.0	100.0
	Daman & Diu	10.0	10.0	3.5	3.3	4.2	2.6
VI.	**Southern Region**	**45.8**	**46.4**	**14.3**	**13.7**	**16.7**	**15.8**
	Andhra Pradesh	57.0	57.2	17.9	17.7	22.9	20.8
	Karnataka	54.3	55.1	17.3	16.8	20.2	18.8
	Kerala	22.1	18.9	8.9	8.1	10.4	8.6
	Tamil Nadu	41.8	44.4	12.2	11.9	12.4	13.1
	Lakshadweep	100.0	100.0	100.0	100.0	100.0	100.0
	Pondicherry	42.1	40.0	15.3	16.2	18.2	16.1
VII.	**ALL-INDIA**	**55.2**	**57.6**	**14.6**	**14.8**	**15.0**	**14.0**

Table XII-13 : Performance of Scheduled Commercial Banks in Rural Areas — By States/UTs

(Per cent)

	States/Union Territories	Growth between the last Fridays of March 1988 and 1993			Credit Deposit Ratio as on last Friday of	
		No. of Offices	Bank Deposits	Bank Credit	March 1988	March 1993
	1	2	3	4	5	6
I.	**Northern Region**	**11.4**	**127.6**	**119.5**	**46.7**	**45.1**
	Haryana	6.3	177.1	122.7	75.2	60.4
	Himachal Pradesh	22.9	131.4	103.4	36.2	31.9
	Jammu & Kashmir	9.5	117.1	71.1	27.6	21.7
	Punjab	5.2	104.8	148.8	36.6	44.5
	Rajasthan	15.2	151.0	101.3	78.6	63.0
	Chandigarh	-7.7	153.0	-9.4	82.8	29.6
	Delhi	-5.5	136.6	70.1	20.8	15.0
II.	**North-Eastern Region**	**30.7**	**141.7**	**114.7**	**62.6**	**55.6**
	Arunachal Pradesh	21.8	188.2	80.6	22.1	13.8
	Assam	26.2	126.9	109.3	70.0	64.6
	Manipur	62.9	183.3	170.6	158.9	151.8
	Meghalaya	38.9	184.0	100.7	51.0	36.0
	Mizoram	59.5	136.9	90.6	43.2	34.8
	Nagaland	4.5	141.0	96.1	45.9	37.3
	Tripura	50.0	133.8	161.3	88.2	98.6
III.	**Eastern Region**	**23.5**	**139.5**	**118.9**	**57.8**	**52.8**
	Bihar	17.5	140.9	123.5	54.9	50.9
	Orissa	21.5	180.0	85.6	119.6	79.3
	Sikkim	86.7	186.1	78.8	37.6	23.5
	West Bengal	34.7	124.6	140.7	42.7	45.7
	Andaman & Nicobar Islands	77.8	180.1	90.0	36.0	24.5
IV.	**Central Region**	**15.1**	**144.3**	**104.7**	**56.5**	**47.3**
	Madhya Pradesh	16.9	137.8	95.9	77.7	64.0
	Uttar Pradesh	14.2	146.2	108.7	50.2	42.6
V.	**Western Region**	**16.3**	**130.9**	**112.2**	**61.4**	**56.5**
	Goa	-1.9	103.2	82.6	19.1	17.2
	Gujarat	13.2	147.9	135.9	57.1	54.3
	Maharashtra	19.9	120.0	96.3	79.4	70.9
	Dadra & Nagar Haveli	16.7	288.2	73.2	65.2	29.1
	Daman & Diu	—	150.9	30.0	27.3	14.1
VI.	**Southern Region**	**9.5**	**126.4**	**92.2**	**101.8**	**86.4**
	Andhra Pradesh	9.9	114.8	89.6	106.7	94.2
	Karnataka	9.8	124.9	73.7	109.2	84.3
	Kerala	-10.5	122.5	49.2	77.4	51.9
	Tamil Nadu	15.6	144.1	133.8	100.6	96.3
	Lakshadweep	60.0	177.2	28.6	21.4	9.9
	Pondicherry	3.7	132.6	64.5	63.1	44.7
VII.	**ALL-INDIA**	**15.7**	**134.0**	**106.7**	**64.4**	**56.9**

Table XII-14 : State-Wise Share of Priority Sector Advances Relating to Scheduled Commercial Banks in Total Bank Credit

(Per cent)

	States/Union Territories	Shares of Priority Sector Advances in Total Bank Credit		
		March 1990	March 1991	March 1992
	1	2	3	4
I.	**Northern Region**	**38.92**	**31.43**	**31.20**
	Haryana	67.14	63.19	63.50
	Himachal Pradesh	60.68	55.34	57.91
	Jammu & Kashmir	60.94	31.69	41.44
	Punjab	61.38	58.63	56.40
	Rajasthan	57.08	53.20	53.11
	Chandigarh	36.87	28.88	29.44
	Delhi	18.02	13.25	12.65
II.	**North-Eastern Region**	**53.06**	**51.88**	**53.65**
	Arunachal Pradesh	70.59	73.68	68.42
	Assam	49.17	48.11	51.42
	Manipur	68.42	66.18	65.79
	Meghalaya	62.90	56.06	53.52
	Mizoram	60.00	65.22	50.00
	Nagaland	63.16	62.20	64.77
	Tripura	67.68	63.46	61.26
	Sikkim	40.00	45.00	35.71
III.	**Eastern Region**	**37.38**	**36.24**	**36.78**
	Bihar	63.60	60.82	61.22
	Orissa	54.48	50.96	53.44
	West Bengal	25.78	25.38	25.71
	Andaman & Nicobar Islands	47.06	40.00	38.10
IV.	**Central Region**	**53.50**	**52.77**	**53.12**
	Madhya Pradesh	52.65	50.56	52.08
	Uttar Pradesh	53.97	54.03	53.70
V.	**Western Region**	**38.92**	**23.38**	**22.68**
	Goa	36.21	36.70	29.88
	Gujarat	39.30	38.07	38.57
	Maharashtra	21.07	19.71	19.02
	Dadra & Nagar Haveli	57.14	37.50	55.56
	Daman & Diu	90.91	78.57	92.86
VI.	**Southern Region**	**44.11**	**40.46**	**39.97**
	Andhra Pradesh	47.25	45.28	44.90
	Karnataka	44.98	41.23	41.54
	Kerala	44.39	42.98	43.04
	Tamil Nadu	41.30	36.10	43.06
	Pondicherry	41.56	40.46	43.18
	Lakshadweep	100.00	50.00	50.00
VII.	**ALL-INDIA**	**37.70**	**34.56**	**34.24**

Table XII-15 : Priority Sector Advances for Agriculture and Allied Activities — Direct Finance — March 1992

(Rs. crore)

	States/Union Territories	Direct Finance for Agriculture and Allied Activities	Total Bank Credit	Percentage of column (2) to column (3)
	1	2	3	4
I.	**Northern Region**	**3201**	**27801**	**11.51**
	Haryana	707	2318	30.50
	Himachal Pradesh	83	506	16.40
	Jammu & Kashmir	42	835	5.03
	Punjab	1249	4605	27.12
	Rajasthan	860	3263	26.36
	Chandigarh	154	1036	14.86
	Delhi	106	15238	0.70
II.	**North-Eastern Region**	**202**	**1506**	**13.41**
	Assam	133	1089	12.21
	Manipur	6	76	7.89
	Meghalaya	11	71	15.49
	Nagaland	23	88	26.14
	Tripura	20	111	18.02
	Arunachal Pradesh	4	24	16.67
	Mizoram	2	19	10.53
	Sikkim	3	28	10.71
III.	**Eastern Region**	**1770**	**16249**	**10.89**
	Bihar	832	3522	23.62
	Orissa	370	1965	18.83
	West Bengal	566	10741	5.27
	Andaman & Nicobar Islands	2	21	9.52
IV.	**Central Region**	**3208**	**14288**	**22.45**
	Madhya Pradesh	1166	5100	22.86
	Uttar Pradesh	2042	9188	22.22
V.	**Western Region**	**2551**	**40729**	**6.26**
	Goa	34	512	6.64
	Gujarat	936	7269	12.88
	Maharashtra	1579	32925	4.80
	Dadra & Nagar Haveli	1	9	11.11
	Daman & Diu	1	14	7.14
VI.	**Southern Region**	**6465**	**37610**	**17.19**
	Andhra Pradesh	2063	9319	22.14
	Karnataka	1449	8409	17.23
	Kerala	946	4652	20.34
	Tamil Nadu	2177	15052	14.46
	Pondicherry	30	176	17.05
	Lakshadweep	0	2	0.00
VII.	**ALL-INDIA**	**17397**	**138183**	**12.59**

Table XII-16 : State-wise Financial Assistance Sanctioned and Disbursed by All-India Financial Institutions and IDBI

(Rs. crore)

STATE	ALL-INDIA FINANCIAL INSTITUTIONS								INDUSTRIAL DEVELOPMENT BANK OF INDIA							
	1987-88		1990-91		1991-92		Cumulative upto end-March 1992		1987-88		1990-91		1991-9 2		Cumulative upto end-March 1992	
	S	D	S	D	S	D	S	D	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Andhra Pradesh	768.4	483.1	1544.9	950.9	1450.4	1454.3	8977.7	6382.0	417.5	310.0	640.2	487.3	580.5	606.3	4689.4	3441.5
2. Arunachal Pradesh	1.4	0.9	3.9	1.4	0.5	1.4	22.0	17.0	1.4	0.8	1.1	0.6	0.1	0.8	14.2	11.9
3. Assam	46.6	36.7	69.1	71.8	120.3	116.1	786.1	548.5	34.0	27.0	37.3	31.3	33.3	56.4	458.4	348.6
4. Bihar	278.8	174.8	199.9	116.0	470.1	317.3	2684.7	1761.3	116.8	80.8	56.1	42.8	315.1	123.3	1403.9	764.8
5. Goa	60.3	32.5	88.5	83.4	128.6	107.5	883.3	653.8	42.9	26.7	37.5	37.9	53.9	49.4	531.3	406.8
6. Gujarat	976.8	756.1	2538.9	1413.5	2556.4	1650.4	14428.8	9693.4	532.8	427.2	801.6	469.8	935.1	557.4	6578.8	4575.6
7. Haryana	218.8	114.5	346.7	316.9	474.5	399.3	2880.9	2043.7	130.5	77.3	118.5	145.7	191.3	139.3	1567.6	1148.2
8. Himachal Pradesh	84.6	43.7	322.3	75.3	347.2	130.3	1413.7	684.6	67.0	36.5	146.5	26.2	82.2	52.6	747.5	424.1
9. Jammu & Kashmir	47.3	48.5	54.3	39.8	38.4	35.2	512.4	411.9	45.6	38.4	18.2	10.2	4.6	13.9	374.1	312.5
10. Karnataka	434.9	277.5	908.4	559.4	1174.1	678.0	6242.5	4591.1	283.0	200.9	344.4	209.7	350.7	252.2	3240.2	2487.9
11. Kerala	148.8	118.2	283.1	200.5	356.2	263.8	2151.7	1652.9	122.4	103.8	121.1	76.2	143.7	111.5	1402.4	1082.0
12. Madhya Pradesh	496.7	345.0	1191.2	634.0	983.7	683.4	6034.8	3937.2	226.2	153.9	548.9	300.0	382.3	313.6	2999.6	2079.7
13. Maharashtra	1335.8	1019.1	4151.6	2245.0	5643.0	3728.7	24173.8	16114.6	617.2	508.4	1349.0	678.7	1330.7	1040.0	8482.6	5698.8
14. Manipur	4.7	4.9	2.6	4.8	3.1	4.4	41.0	34.7	4.4	4.9	0.8	2.0	0.1	1.0	32.3	25.9
15. Meghalaya	8.5	6.6	5.4	7.7	7.8	4.9	90.7	77.2	6.4	5.2	2.7	4.0	5.9	2.6	72.0	59.7
16. Mizoram	4.0	4.2	4.5	4.0	1.7	1.8	32.6	28.9	4.0	4.2	1.1	0.4	-	0.4	27.5	23.9
17. Nagaland	3.5	3.6	3.3	3.6	6.2	2.6	42.8	38.1	3.0	3.0	0.8	0.5	4.0	1.1	31.1	26.7
18. Orissa	164.6	126.9	302.6	293.7	263.1	313.3	2677.0	2000.7	112.7	75.8	110.0	129.5	108.2	137.5	1541.0	1202.2
19. Punjab	231.4	238.2	439.6	357.4	457.0	339.0	3172.0	2402.0	136.3	127.5	116.2	108.4	163.5	129.6	1605.7	1213.6
20. Rajasthan	293.7	222.8	776.5	429.3	781.7	547.4	4852.5	3020.7	214.2	131.4	332.8	157.9	217.8	226.2	2405.7	1550.0
21. Sikkim	3.6	5.4	1.2	3.6	2.8	4.5	36.3	28.9	2.6	3.5	0.2	2.0	0.2	2.5	27.9	20.9
22. Tamil Nadu	857.4	591.4	1389.4	981.0	1912.6	1170.4	10296.6	7402.7	485.7	333.6	512.7	361.1	690.2	416.0	5150.2	3824.1
23. Tripura	2.0	2.8	1.3	2.3	2.6	2.0	36.8	27.2	2.0	1.7	-	0.3	0.1	0.1	27.2	20.0
24. Uttar Pradesh	891.8	828.4	1358.3	908.7	1350.2	1068.9	9932.2	6922.3	501.5	527.8	582.2	340.2	416.9	376.4	5134.4	3670.1
25. West Bengal	301.0	271.1	664.9	443.2	2026.7	479.7	6616.3	3938.9	179.2	157.7	199.1	155.9	701.8	210.4	2897.6	1837.3
26. Union Territories	215.1	158.4	398.4	209.3	944.3	785.2	3219.8	2380.6	101.0	81.5	80.2	54.9	298.7	292.6	1210.7	970.5
TOTAL	**7880.5**	**5915.3**	**17056.8**	**10356.5**	**21504.9**	**14229.8**	**112247.1**	**76795.2**	**4390.3**	**3449.6**	**6159.2**	**3832.5**	**7010.9**	**5113.1**	**52653.7***	**37227.8@**

S : Sanctioned. D : Disbursed.

* : Includes assistance of Rs.37 lakhs sanctioned to Bhutan. @ : Includes assistance of Rs.29 lakhs disbursed to Bhutan.

Note : Figures upto 1989-90 and cumulative upto end-March 1992 are inclusive of assistance to small sector.

Table XII-17 : State-Wise Share of Financial Assistance Sanctioned and Disbursed by All-India Financial Institutions

(Per cent)

STATE	1987-88		1990-91		1991-92		Cumulative upto end-March 1992	
	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9
1 Andhra Pradesh	9.75	8.17	9.06	9.18	6.74	10.22	8.00	8.31
2 Arunachal Pradesh	0.02	0.02	0.02	0.01	—	0.01	0.02	0.02
3 Assam	0.59	0.62	0.41	0.69	0.56	0.82	0.70	0.71
4 Bihar	3.54	2.96	1.17	1.12	2.19	2.23	2.39	2.29
5 Goa	0.77	0.55	0.52	0.81	0.60	0.76	0.79	0.85
6 Gujarat	12.40	12.38	14.88	13.65	11.89	11.60	12.85	12.62
7 Haryana	2.78	1.94	2.03	3.06	2.21	2.38	2.57	2.66
8 Himachal Pradesh	1.07	0.74	1.89	0.73	1.61	0.92	1.26	0.89
9 Jammu & Kashmir	0.60	0.82	0.32	0.38	0.18	0.25	0.46	0.54
10 Karnataka	5.52	4.69	5.32	5.40	5.46	4.76	5.56	5.98
11 Kerala	1.89	2.00	1.66	1.94	1.66	1.85	1.92	2.15
12 Madhya Pradesh	6.30	5.83	6.98	6.12	4.57	4.80	5.38	5.13
13 Maharashtra	16.95	17.23	24.33	21.67	26.24	26.20	21.54	20.98
14 Manipur	0.06	0.08	0.01	0.05	0.01	0.03	0.04	0.05
15 Meghalaya	0.11	0.11	0.03	0.07	0.04	0.03	0.08	0.10
16 Mizoram	0.05	0.07	0.03	0.04	0.01	0.01	0.03	0.04
17 Nagaland	0.04	0.06	0.02	0.03	0.03	0.02	0.04	0.05
18 Orissa	2.09	2.14	1.77	2.84	1.22	2.20	2.38	2.61
19 Punjab	2.94	4.03	2.58	3.45	2.13	2.38	2.83	2.13
20 Rajasthan	3.73	3.77	4.55	4.15	3.63	3.85	4.32	3.93
21 Sikkim	0.05	0.09	0.01	0.03	0.01	0.03	0.03	0.04
22 Tamil Nadu	10.88	9.99	8.14	9.47	8.89	8.22	9.17	9.64
23 Tripura	0.02	0.05	0.01	0.02	0.01	0.01	0.03	0.04
24 Uttar Pradesh	11.32	14.00	7.96	8.77	6.28	7.51	8.85	9.01
25 West Bengal	3.82	4.58	3.90	4.28	9.42	3.37	5.89	5.13
26 Union Territories	2.73	2.68	2.34	2.02	4.39	5.52	2.87	3.10

S : Sanctioned.
D : Disbursed.

Table XII-18 : State-Wise Share of Financial Assistance Sanctioned and Disbursed by IDBI

(Per cent)

STATE		1987-88		1990-91		1991-92		Cumulative upto end-March 1992	
		S	D	S	D	S	D	S	D
1		2	3	4	5	6	7	8	9
1	Andhra Pradesh	9.51	8.99	10.39	12.71	8.28	11.86	8.91	9.24
2	Arunachal Pradesh	0.03	0.02	0.02	0.02	—	0.02	0.03	0.03
3	Assam	0.77	0.78	0.61	0.82	0.47	1.10	0.87	0.94
4	Bihar	2.66	2.34	0.91	1.12	4.49	2.41	2.67	2.05
5	Goa	0.98	0.77	0.61	0.99	0.77	0.97	1.01	1.09
6	Gujarat	12.14	12.38	12.38	12.26	13.34	10.90	12.49	12.29
7	Haryana	2.97	2.24	1.92	3.80	2.73	2.72	2.98	3.08
8	Himachal Pradesh	1.53	1.06	2.38	0.68	1.17	1.03	1.42	1.14
9	Jammu & Kashmir	1.04	1.11	0.30	0.27	0.07	0.27	0.71	0.84
10	Karnataka	6.45	5.82	5.59	5.45	5.00	4.93	6.15	6.68
11	Kerala	2.79	3.01	1.97	1.99	2.05	2.18	2.66	2.91
12	Madhya Pradesh	5.15	4.46	8.91	7.83	5.45	6.13	5.70	5.59
13	Maharashtra	14.06	14.74	21.90	17.71	18.98	20.34	16.11	15.31
14	Manipur	0.10	0.14	0.01	0.05	-	0.02	0.06	0.07
15	Meghalaya	0.15	0.15	0.04	0.10	0.08	0.05	0.14	0.16
16	Mizoram	0.09	0.12	0.02	0.01	-	0.01	0.05	0.06
17	Nagaland	0.07	0.09	0.01	0.01	0.06	0.02	0.06	0.07
18	Orissa	2.57	2.20	1.79	3.38	1.54	2.69	2.93	3.23
19	Punjab	3.10	3.70	1.89	2.83	2.33	2.53	3.05	3.26
20	Rajasthan	4.88	3.81	5.40	4.12	3.11	4.42	4.57	4.16
21	Sikkim	0.06	0.10	-	0.05	-	0.05	0.05	0.06
22	Tamil Nadu	11.06	9.67	8.32	9.42	9.84	8.14	9.78	10.27
23	Tripura	0.05	0.05	-	0.01	-	-	0.05	0.05
24	Uttar Pradesh	11.42	15.30	9.45	8.88	5.95	7.36	9.75	9.86
25	West Bengal	4.08	4.57	3.23	4.07	10.01	4.11	5.50	4.94
26	Union Territories	2.30	2.36	1.30	1.43	4.26	5.72	2.30	2.61

S : Sanctioned.
D : Disbursed.

Table XII-19 : Minor Irrigation Facilities

(Area : Lakh hectares)

STATE	Total cropped Area		Area covered by minor irrigation facilities		Percentage of column		Number of					
					4 to 2	5 to 3	Wells		Tube Wells		Canals	
	1985-86	1991-92	1985-86	1991-92	1985-86	1991-92	1985-86	1991-92	1985-86	1991-92	1985-86	1991-92
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Andhra Pradesh	121.00	131.92	21.40	31.66	17.69	24.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2. Arunachal Pradesh	2.18	2.19	Neg.	N.A.	0.46	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3. Assam	30.35	36.84*	1.38	1.40*	4.55	3.80*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Bihar	105.17	104.85*	35.92	46.06*	34.15	43.93*	40149	105340	405441	770370	1499	2760
5. Goa	N.A.	1.54	N.A.	0.20	N.A.	12.99	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6. Gujarat	104.39	107.04+	23.81	29.04+	22.80	27.13+	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
7. Haryana	56.01	59.19*	36.13	35.75*	64.51	60.40*	—	—	—	—	—	—
8. Himachal Pradesh	9.74	9.71@	5.83	5.82@	59.86	59.94@	—	—	—	—	—	—
9. Jammu & Kashmir	10.30	10.66*	7.32	7.31*	71.07	68.57*	—	—	—	—	—	—
10. Karnataka	111.46	123.93	11.02	17.05	9.90	13.76	414177	466133	18380	96813	107	110
11. Kerala	28.66	30.43*	2.01	1.64*	7.01	5.39*	21271	15395	363	358	—	—
12. Madhya Pradesh	230.16	239.95*	16.82	26.71*	7.31	11.13*	1072005	1230880	21850	76784	1475	N.A.
13. Maharashtra	202.66	204.79	1.22	1.55@	0.60	0.76@	—	—	—	—	—	—
14. Meghalaya	2.34	2.41@	0.02	0.24@	0.86	9.96@	N.A.	625@	1	5@	8	94@
15. Mizoram	0.66	0.85	Neg.	Neg.	1.13	0.59	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
16. Orissa	92.59	96.42*	12.11	15.64*	13.08	16.22*	6449	27384	232	105	N.A.	N.A.
17. Punjab	71.58	75.02*	41.97	42.18*	58.63	56.23*	—	—	—	—	—	—
18. Rajasthan	181.37	193.80*	38.63	46.52*	21.30	24.00*	1072005	1198013 *	51981	82993*	N.A.	N.A.
19. Sikkim	N.A.	N.A.	0.01	Neg.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	78	41 *
20. Tamil Nadu	68.19	66.32*	22.26	19.74*	32.64	29.76*	1519719	1680262*	62903	89747*	2381	2290*
21. Tripura	4.23	4.56*	0.42	0.45*	9.93	9.87	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
22. Uttar Pradesh	N.A.	N.A.	N.A.	170.37	—	—	—	196.00	—	2591	605	—
23. West Bengal	73.10	76.34@	0.31	0.90@	0.42	1.18@	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
24. Lakshadweep	0.03	0.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
25. Pondicherry	0.46	0.46	0.38	0.36	82.61	78.26	N.A.	N.A.	6255	5988	88	88

N.A. : Not available. * : Data relate to the year 1990-91.

@ Data relate to the year 1989-90 + : Data relate to the year 1988-89.

Table XII-20 : Health Facilities Available

STATE	No. of Hospitals		No. of Dispensaries		No. of Beds	
	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93
1	2	3	4	5	6	7
1. Andhra Pradesh	364	340@	3217	N.A.	29915	31426@
2. Arunachal Pradesh	119	276@	27	19@	2083	2260@
3. Assam	81	142@	418	335@	8220	12303@
4. Bihar	190	240	1039	2488	20920	31114
5. Goa	N.A.	129	N.A.	28	N.A.	4212
6. Gujarat	914	2370	1930	7248	40084	67886
7. Haryana	87	79@	229	214@	8175	7405@
8. Himachal Pradesh	68	59@	227	213@	4536	4015@
9. Jammu & Kashmir	47	67@@	648	610@@	5066	8202@@
10. Karnataka	249	293@	1921	2093@	39202	47722@
11. Kerala	157	149	520	54@	29868	28030
12. Madhya Pradesh	289	388	N.A.	255@	23659	28570
13. Maharashtra	769	830@	1782	1702@	99487	115747@
14. Meghalaya	N.A.	8@	N.A.	23@	N.A.	1811@
15. Mizoram	10	11	20	38	420	1488
16. Orissa	311	276	281	195	14931	16769
17. Punjab	258	230#	1790	1473#	21504	20549#
18. Rajasthan	187	218	764	302	22546	34066
19. Sikkim	5	5	N.A.	N.A.	25	575
20. Tamil Nadu	301	269#	2025	357#	51371	43723#
21. Tripura	1	10@	225	470@	1750	1918@
22. Uttar Pradesh	4893*	7470*@	-	-	54130	67369@
23. West Bengal	412	392@	551	551@	53837	54767@
24. Lakshadweep	2	2	2	3	120	140
25. Pondicherry	8	8	51	57	1795	2922

@ Data relate to the year 1991-92. # : Data relate to the year 1990-91.
@@ Data relate to the year 1989-90. * : Includes no. of dispensaries also.

Table XII-21 : Educational Institutions and Students' Enrolment in School

STATE	Number of Schools						Students' Enrolment in Schools					
	Primary		Middle		Secondary/ Higher Secondary		Primary		Middle		Secondary/ Higher Secondary	
	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Andhra Pradesh	42054	50201	5580	6330	5018	6749	5242000	6084000	1757000	2119000	2323000	2993000
2. Arunachal Pradesh	1268	1393 *	154	264 *	66	130 *	63828	134874 *	23399	27823 *	27251	17231 *
3. Assam	26382	29358 *	4782	5703 *	2574	3451 *	2345432	2971500 *	762556	1201499 *	897212	1160922 *
4. Bihar	50916	53292	11905	13495	3684	4086	5466033	5951154	3658614	4340687	1521915	1778567
5. Goa	N.A.	1281	N.A.	445	N.A.	395	N.A.	105047	N.A.	81366	N.A.	89465
6. Gujarat	27765 @	32229 @	@	@	4297	N.A.	6035 @	7395 @	@	@	1260000	N.A.
7. Haryana	5078	4915	1121	1401	2046	2584	692806	819859	381174	485085	1338803	1772574
8 Himachal Pradesh	6802	7548	982	1061	885	1154	613496	677310	100644	126410	316270	479150
9. Jammu & Kashmir	7860	9438	2139	2669	976	1234	344109	443869	352718	433222	346830	425221
10. Karnataka	24108	23806	14747	16962	4676	5310	4051	5541	1605	2516	1068	1613
11. Kerala	6845	6779	2869	2931	2422	2558	2595396	2362250	1777076	1903330	1343679	1593808
12. Madhya Pradesh	62846	68973 *	12320	15410 *	3091	4692 *	2097000	2674000 *	1142000	1833000 *	9744000	12223000 *
13. Maharashtra	54406	61410 #	N.A.	N.A.	8177	10708	9418000	10684000	N.A.	N.A.	4585000	6170000
14. Meghalaya	4129	4273 **	622	805 **	268	447 **	204420	242340 @	47960	56900 @	61470	73350
15. Mizoram	1000	1066	415	553	143	273	92411	98771	34108	42028	16004	31828
16. Orissa	36993	41204	8436	11706	3657	4921	3254000	3780000	794000	1250000	403000	793000
17. Punjab	12331	12464	1436	1436	2542	2780	1865683	1898498	171596	248733	1088393	1564192
18. Rajasthan	27628	30005 *	7991	9330 *	2983	4126 *	2717667	3174720 *	1915070	2206887 *	1140855	1714532 *
19. Sikkim	478	527	121	122	67	81	27277	36062	22445	24468	33301	42169
20. Tamil Nadu	29118	29979 **	5691	5624 #*	4123	5144 **	5042849	5558355 **	2895383	2988120 **	2986895	4012000 **
21. Tripura	1898	2067 **	389	427 **	331*	455 **	354590	394931 **	88440	131995 **	47370	70388 **
22. Uttar Pradesh	74051	77487 *	16432	14937 *	5667	6142 *	10782	14820*	2324	3498 *	4279	5030 *
23. West Bengal	50811	51021	3130	2999	5580	6885	8040	10117	2837	4603	1356	1959
24. Lakshadweep	18	19 **	4	4 **	9	9 **	7092	7073 **	2975	3778 **	1266	2162 **
25. Pondicherry	351	341	103	118	83	119	48056	50440	49085	51424	59179	91773

* : Data relate to the year 1991-92.
** : Data relate to the year 1990-91.
@ Primary & middle together.

Table XII-22 : Number of Villages Having Drinking Water Facilities

STATE	Total No. of Villages		No. of Villages where drinking water is available	
	1985-86	1992-93	1985-86	1992-93
1	2	3	4	5
1. Andhra Pradesh	27379	27379	12874	24646
2. Arunachal Pradesh	3257	3649 *	N.A.	2693 *
3. Assam	19234	21715	13980	21189
4. Bihar	67566	67566	58367	67566
5. Goa	N.A.	383	N.A.	42
6. Gujarat	18114	18114	13636	17932
7. Haryana	6745	6745	4431	6745
8. Himachal Pradesh	16807	16807	13268	16470
9. Jammu & Kashmir	6477	6477	3518	6156
10. Karnataka	29386	29386 *	26483	26483 *
11. Kerala	1219	1384	1203	1379
12. Madhya Pradesh	71352	71352	57080	67044
13. Meghalaya	4902	5492	1575	4819
14. Mizoram	721	689	60	145
15. Orissa	50887	50972	N.A.	42176
16. Punjab	12342	12342	10068	11834
17. Rajasthan	34968	34968	24274	34541
18. Sikkim	440	440	121	415
19. Tamil Nadu	15831	15831 @	11504	15810 @
20. Tripura	864	856	N.A.	N.A.
21. Uttar Pradesh	112566	112804 *	49224	103817 *
22. West Bengal	38024	38024	15740	24115
23. Lakshadweep	11	11 *	11	11 *
24. Pondicherry	292	291 *	291	291 *

@ : Data relate to the year 1990-91.
* : Data relate to the year 1991-92.

Table XII-23 : Rural Roads Length

STATE	Total Road length (K.M.)		Rural Road length (K.M.)		Percentage of col. 4 to col. 2	Percentage of col. 5 to col. 3
	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93
1	2	3	4	5	6	7
1. Andhra Pradesh	120895	126086@	85406	92541@	70.6	73.4@
2. Arunachal Pradesh	5362	10267@@	2842	5290 @@	53.0	51.5@@
3. Assam	26772	30086 *	N.A.	N.A.	N.A.	N.A.
4. Bihar	1842	886 @	1790	843@	97.2	95.2@
5. Goa	N.A.	7242	N.A.	N.A.	N.A.	N.A.
6. Gujarat	57845	68244	23512	17078	40.6	25.0
7. Haryana	25522	25831 #	N.A.	N.A.	N.A.	N.A.
8. Himachal Pradesh	22096	24031 #	N.A.	N.A.	N.A.	N.A.
9. Jammu & Kashmir	13014	13093 #	N.A.	N.A.	N.A.	N.A.
10. Karnataka	112923	120606 @	87044	79461 @	77.1	65.9@
11. Kerala	108748	135828 @	81539	101067 @	75.0	74.4@
12. Madhya Pradesh	77721	92613@	47890	61965@	61.6	66.9@
13. Maharashtra	153671	174494@	76839	62159@	50.0	35.6@
14. Meghalaya	5139	5689	N.A.	N.A.	N.A.	N.A.
15. Mizoram	N.A.	515818@	N.A.	N.A.	N.A.	N.A.
16. Orissa	161131	208350@@	137526	183383@@	85.4	88.0@@
17. Punjab	48945	54096#	N.A.	N.A.	N.A.	N.A.
18. Rajasthan	50436	59913@	19768	29002@	39.2	48.4@
19. Sikkim	N.A.	12 *	N.A.	4 *	N.A.	33.3 *
20. Tamil Nadu	160942	172120 *	63381	62972 *	39.4	36.6 *
21. Tripura	5515	5964@	N.A.	N.A.	N.A.	N.A.
22. Uttar Pradesh	57328	71773@@	17844	29484@@	31.1	41.1@@
23. West Bengal	8543	9004	1858	1957	21.6	21.7
24. Lakshadweep	1	4 @@	1	4 @@	100.0	100.0@@
25. Pondicherry	2189	2376	1459	1453	66.7	61.1

@ : Data relate to the year 1991-92. * Data relate to the year 1989-90.
# : Data relate to the year 1988-89. @@ Data relate to the year 1990-91.

Table XII-24 : Rural Electrification

STATE	Total No. of villages		No. of villages electrified		Percentage of col.4 to col.2	Percentage of col.5 to col.3
	1985-86	1992-93	1985-86	1992-93	1985-86	1992-93
1	2	3	4	5	6	7
1. Andhra Pradesh	27379	27379	24037	27358	87.8	99.9
2. Arunachal Pradesh	3257	3649 *	917	1532 *	28.2	42.0 *
3. Assam	25590	25590 *	13648	21464 *	53.33	83.8*
4. Bihar	67546	67546	34997	46863	51.8	69.4
5. Goa	N.A.	383	N.A.	360	N.A.	94.0
6. Gujarat	18114	18114	16135	17985	89.1	99.3
7. Karnataka	27024	27024	24667	26483	91.3	98.0
8. Kerala	1219	1384	1219	1384	100.0	100.0
9. Madhya Pradesh	71352	71352	43846	65468	61.5	91.4
10. Maharashtra	39354	39354 @	33218	39106 @	84.4	99.4
11. Meghalaya	4902	5494 *	1321	2315 *	26.9	42.1*
12. Mizoram	721	689 *	163	442 *	22.6	64.2*
13. Orissa	50887	50972 *	24903	32482 *	48.9	63.7 *
14. Rajasthan	34968	34968 *	21590	28507 *	61.7	81.5*
15. Sikkim	405	405 #	224	405 #	55.3	100.0 #
16. Tamil Nadu	15831	15831 #	15715	15822 #	99.3	99.9 #
17. Tripura	4727	4727	2094	3228	44.3	68.3
18. Uttar Pradesh	112566	112804 *	67561	83309 *	60.0	73.9*
19. West Bengal	38024	38024	20531	28455	53.9	74.8
20. Lakshadweep	11	11	11	11	100.0	100.0
21. Pondicherry	292	292	292	292	100.0	100.0

@ : Data relate to the year 1989-90 # Data relates to the year 1990-91.
* : Data relate to the year 1991-92.

APPENDIX — I

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS (APRIL 1992 - MARCH 1993)

Sr. No.	Items	Month	Details
1	2	3	4
1.	Hides and skin	April 1992	Due to short supply, exports were not allowed.
2.	Gangajal, Indian films/ Indian music records/ cassettes/compact discs.	May 1992	The sanctions on exports of these items to South Africa were lifted and the items were allowed to be exported freely.
3.	Finished leathers of all kinds.	May 1992	Exports were allowed without a licence but were subject to the specified terms and conditions.
4.	Culled live sheep and goats (adults)	May 1992	Exports were allowed within an overall ceiling of 60,000 and 1,70,000 numbers, respectively, for the year 1992-93.
5.	Rice, guargum and meat.	June 1992	Minimum export price (MEP) was fixed for rice and varieties of meat. MEP for guargum was not fixed.
6.	Paddy seeds of all cultivated varieties.	July 1992	Exports of these commodities are covered under the Negative list of exports of the EXIM policy 1992-97, and its exports are permitted subject to licensing.
7.	Iodised salt (used for human consumption).	July 1992	Exports were allowed without being subjected to quantitative ceiling.
8.	Meat of Indian sheep.	July 1992	Export ceiling of 10,896 Metric Tons (M.T.) was released for 1992-93.
9.	Cotton seed expeller cakes.	August 1992	A ceiling of 1,00,000 tonnes was released for 1992-93 and placed at the disposal of Port Licensing Authorities.
10.	Readymade garments (other than leather garments).	August 1992	Special Value-based Advance Licensing Scheme was introduced for the export of readymade garments.
11.	Handicraft items and articles made of peacock tail feathers.	August 1992	Exports were allowed within a limited ceiling of 9.5 lakh pieces.
12.	Meat of Indian goat.	September 1992	Exports were allowed subject to a monthly ceiling of 458 M.T. for the year 1992-93.
13.	Manufactured articles made out of processed cut material and shavings and whole antlers or shed antlers of Sambhar and Chital.	September 1992	Exports which were hitherto prohibited were allowed within a limited ceiling during the period 1992-93.
14.	Mica flakes, mica powder, etc.	November 1992	Minimum Export Prices (MEPs) were revised.
15.	Kumkum including bindies and sindoor.	December 1992	Exports to South Africa were freely allowed.
16.	Safflower seed (Kardi seed).	December 1992	The export ceiling of 2,500 M.T. was released for 1992-93 and placed at the disposal of Indian Oil and Produce Exporters Association (IOPEA), Bombay.

Sr. No.	Items	Month	Details
1	2	3	4
17.	Bajra and jowar.	December 1992	The export ceiling of 5,000 M.T. each was released and put at the disposal of the Agricultural and Processed Food Product Export Development Authority (APEDA), New Delhi.
18.	Non-basmati rice - super fine.	January 1993	Exports were freely allowed subject to the export price being not less than US$ 275 per M.T. FOB. The quantitative ceilings imposed earlier have been removed.
19.	Safflower seed (Kardi seed).	March 1993	The export ceiling was revised upwards from 2,500 M.T. to 7,500 M.T.

APPENDIX— II
IMPORTANT ANNOUNCEMENTS WITH REGARD TO IMPORT CONTROL POLICY (APRIL 1992 - MARCH 1993)

Sr. No.	Items	Month	Details
1	2	3	4
1.	Policy for import of life-saving drugs, medicines and equipment	April 1992	Pending notification of the list of life saving drugs, medicines and equipment, imports of which were allowed at official exchange rate under LERMS with effect from March 1, 1992, their imports would be allowed at the market-determined exchange rate. Authorised dealers in foreign exchange may open Letters of Credit for import of such items at market exchange rate. Import licence is not necessary.
2.	Imports of consumer spares for maintenance of computer systems	April 1992	Any public sector agency approved by the Department of Electronics were eligible to import spares, tools, consumables, technical drawing material and testing equipment in bulk, upto a maximum value of 5 per cent per annum of the CIF value of imported computer systems maintained by users, who registered themselves with the Computer Maintenance Corporation Limited or designated public sector agency.
3.	Imports of aircraft and helicopters.	April 1992	Aircraft and helicopters may be imported by the following agencies without an import licence from the Chief Controller of Imports and Exports (redesignated as Director General of Foreign Trade (DGFT) since June, 1992), Ministry of Commerce, Government of India: (a) Air India (b) Indian Airlines (c) Vayudoot Limited (d) Pawan Hans Limited (e) National Airports Authority of India (g) Indira Gandhi Rashtriya Uran Academy (IGRUA) (h) any other party who has been granted permission by the Ministry of Civil Aviation, Government of India, for operating air taxies subject to the condition that the import of the aircraft or helicopter and their use shall be in accordance with that permission. All other category of importers, not mentioned above, shall require an import licence to be granted by the DGFT.
4.	Expansion in the list of supplies treated as Deemed Exports.	May 1992	Amendments have been made in paras 56 and 121 of EXIM Policy 1992-97, so as to include certain supplies to be treated as Deemed Exports and also to qualify for the grant of Special Imprest Licences for duty free imports of inputs under the Duty Exemption Scheme. These supplies include (1) supplies made to projects financed by Exim Bank of Japan and (2) supplies made to Kerala Cooperative Milk Marketing Federation for their North Kerala Dairy Development Project.
5.	Exports of imported goods-Minimum Value Addition fixed.	June 1992	A Minimum Value Addition of 5 per cent of the CIF value of imported goods will be applicable for export of imported goods. The export proceeds should be realised in convertible currency and the items concerned should not be in the Negative list of exports.
6.	Imports of passenger cars and automobile vehicles	June 1992	Passenger cars and automobile vehicles are included in the Negative list of imports. Such vehicles can be imported without a licence by eligible categories of imports subject to the following conditions: (i) the payment for the vehicle is made abroad and such payment does not involve, directly or indirectly, any remittance of foreign exchange from India; (ii) the payment of Customs duty is made in foreign exchange, unless expressly exempted; (iii) the conditions specified against each category of eligible imports are

Sr. No.	Items	Month	Details
1	2	3	4
			fulfilled; (iv) in the case of those importers returning to India for permanent settlement, a declaration to that effect is given to the Customs at the time of clearance of the car.
7.	Import licences against export of electronic products.	June 1992	Video projectors and projection TV sets and consumer tele- communication equipment have been added to the list of export products. Such exports will entitle the exporters to the grant of an import licence for import of items mentioned against them.
8.	Computer software under Duty Exemption Scheme.	June 1992	Computer software can also be imported under Duty Exemption Scheme for the purpose of export production.
9.	Definition of consumer goods made restricted.	June 1992	Accessories, components, parts and spares of consumer durables will also be covered under the definition of consumer goods and hence their imports have been included in the Negative list of imports. Consequently, their imports will not be allowed without a licence subject to Actual User condition and those requiring these items will have to obtain import licence from DGFT, New Delhi.
10.	Policy for issuing licences to travel agents, etc., liberalised.	June 1992	Travel agents, tour operators and restaurants are granted licences against their foreign exchange earnings. The value of such licences which was earlier equal to 2.5 per cent of their foreign exchange earnings during the preceeding licensing year has now been raised to 10 per cent.
11.	Imports of accessories, components, parts and spares of consumer durables allowed to manufacturers.	July 1992	Accessories, components, parts and spares of consumer durables except those which are specifically included in the Negative list of imports may be imported by a manufacturer of consumer durables without a licence. Imports will be subject to Actual User condition.
12.	Value Addition norms for the Rupee Payment Area.	July 1992	The following Value Addition norms shall be adopted for exports to the Rupee Payment Area: (a) if the trade takes place in hard currency outside the ambit of the trade protocol, the Value Addition norms will be same as applicable to the General Currency Area. (b) if the trade takes place through the clearing mechanism within the ambit of the trade protocol, the maximum Value Addition norms will be 100 per cent instead of the present 233 per cent.
13.	Imports of second-hand capital goods without a licence.	August 1992	Imports of capital goods in second-hand condition may also be made without a licence in the following sectors subject to conditions contained in paragraphs 27 and 28 of the Export and Import Policy: i) Textiles including Textile Processing Industry (ii) Electronics Component Industry (iii) Dye-stuff Industry (iv) Food Processing Industry (FPI).
14.	Policy for import of cinematograph feature films and video films.	August 1992	Imports of cinematograph feature films and video films may be made without a licence by Doordarshan, All India Radio, National Film Archives of India, Film and Television Institute of India, Childrens' Film Society of India and the National Film Development Corporation.
15.	Electronic Hardware Technology Park Scheme.	September 1992	The Central Government has notified a Scheme for building up a strong electronics industry in the country with focus on enhancing its export potential and developing an efficient electronic component industry in the country. The Scheme will be administered by the Department of Electronics, Government of India, New

Sr. No.	Items	Month	Details
1	2	3	4
			Delhi. An Electronic Hardware Technology Park Scheme may import free of duty all types of goods, including capital goods, required by it for its production, provided they are not prohibited items in the Negative list of imports of the EXIM Policy 1992-97.
16.	Imports of di-ammonium phosphate decanalised.	September 1992	The import of di-ammonium phosphate has been decanalised and is permissible for import without a licence by all persons at the market rate of foreign exchange.
17.	Policy relating to import of crude palm stearin.	September 1992	Crude palm stearin may be imported without a licence subject to the following conditions that (i) imports may be made by only those importers who hold an industrial licence or an approval of authorisation from the Secretariat of Industrial Approvals of the Department of Industrial Development, Government of India; (ii) only crude palm stearin admixed with at least 100 per cent free fatty acids will be allowed to be imported; (iii) the import is subject to Actual User condition.
18.	Special Import Licences.	October 1992	Policy for the grant of Special Import Licences to Deemed Exporters, Export Houses/Trading Houses/Star Trading Houses, manufacturers who have acquired prescribed quality standards and exporters to ACU countries, has been announced. The value will be based on net foreign exchange earnings which will be calculated on the FOB value of exports minus the CIF value of imports (other than capital goods) imported by the exporter.
19.	Import policy for computer system made restrictive.	November 1992	Computer systems, including personal computers, upto a CIF value of Rs.1.50 lakhs or individual items like monitors and key boards upto a CIF value of Rs.7,500 are covered under the Negative list of imports. For this purpose, a computer system will consist of a single CPU including one monitor and a key board, and inbuilt peripherals, but excluding any add-on peripherals.
20.	More items added to the Sensitive List.	November 1992	More items have been added to the list of sensitive items for the grant of Advance Licences. All items of import bearing Customs duty from zero to 10 per cent are added to the list and Advance licence will be issued with both value and quantity as limiting factors and the individual CIF value for the import of these items shall not be utilised for import of other items permitted in the licence.
21.	HHEC designated as import agency for gold.	December 1992	The Handicrafts and Handloom Export Corporation has been authorised to import gold of 0.995 fineness. The HHEC need not deposit the imported gold in the Government Mint and the same can be supplied directly to the exporters without conversion by the Government Mint.
22.	Imports of naphtha decanalised.	December 1992	The import of naphtha has been deleted from the list of canalised imports. It has now been included in the list of miscellaneous items in the Negative list of imports. The import of the item is permitted subject to the condition that the importer shall sell in return steam naphtha to crude oil refineries only.
23.	Imports of cars and automobile vehicles.	December 1992	Indian nationals or foreign nationals coming to India for permanent settlement are eligible to import one passenger car with engine size not exceeding four cylinders and not exceeding 1600 cc - whether the car is new or old subject to the condition that the

Sr. No.	Items	Month	Details
1	2	3	4
			importer has stayed abroad continuously for a period of at least two years prior to his coming to India for permanent settlement and the payment of the car has been made abroad before his return to India.
24.	Imports of rough diamonds from RPA.	December 1992	EXIM scrips or REP licences issued for the purpose of imports from RPA can be utilised for import of rough diamonds from RPA, for the purpose of export of cut and polished diamonds to GCA subject to (1) the total overall imports of rough diamonds permitted from RPA shall not exceed Rs.6 crore and such imports are permitted upto 31st December 1992; (2) the imports shall be made only through the Bombay Customs; (3) the ad-hoc licence and the goods imported are against Actual User condition; (4) the export obligation shall be fulfilled within a period of seven months from the date of clearance of the first consignment through Customs and (5) the exporter shall fulfill the export obligation by making exports to GCA.
25.	Imports of toxic pulses banned.	January 1993	Some countries have been exporting toxic alternative lentil, namely, Blache Fleur or Vicia Sativa which could result in possible health hazard. Hence import of such pulses have been prohibited.
26.	Imports of tourist vehicles allowed without licence.	February 1993	Imports of (i) Air-conditioned cars for a value not exceeding US $ 35,000 per unit and (ii) Air-conditioned coaches for a value not exceeding US $ 1,00,000 per unit, required for development of tourism in the country, may be made, without a licence, by specified importers namely State Tourism Corporations, Classified Hotels, Tour Operators and Travel Agencies approved by the Director General of Tourism at a concessional rate of Customs duty.
27.	New conditions to Value-based Advance Licensing Scheme.	February 1993	The Government has mentioned certain conditions against import of items against the Value-based Advance Licensing Scheme. The exports of such products are divided into 3 groups, namely, (i) metals, (ii) chemicals and (iii) components and parts, assemblies and sub-assemblies. The value addition is 75 per cent. Flexibility for import under a Value-based Advance Licence will be available within the group only.
28.	Imports of gold and silver.	March 1993	Silver in any form has been included in the Negative list of imports. Also spinnerettes made mainly of gold have been included in the Negative list of imports. Provision has been made that import of silver in the form of coils from Nepal may be made by any person up to the value of Nepalese Rs.100/- at any one time.
29.	Procedure for debiting the earlier Advance Licences further clarified.	March 1993	In cases where the transactions for imports and exports are denominated in freely convertible currency other than US dollars, the rupee equivalent calculated at the Customs Exchange Rate will be re-converted into US dollars and the US dollars so arrived at shall form the basis for debit to the licences.
30.	Policy relating to the imports of currency paper (water-mark bank note paper)	March 1993	Imports of water-mark bank note paper may be made, without a licence, by the Note Printing Presses of the Government of India, namely, Currency Note Press, Nashik, and Bank Note Press, Dewas, subject to Actual User condition on a specific Letter of Approval from the Ministry of Finance, Government of India for

Sr. No.	Items	Month	Details
1	2	3	4
			the import. The Letter of Approval should be submitted to the Customs for clearance of the import. The importer shall furnish quarterly returns of the quantity and value of the imports made by him to the Ministry of Finance for the quarter ending 30th June, 30th September, 31st December and 31st March of each financial year.
31.	Imports of populated, loaded or stuffed printed circuit boards.	March 1993	Imports of populated, loaded or stuffed printed circuit boards as spares for operation and maintenance of capital goods installed or used by the importer in his factory/establishment/institution may be made by the Actual Users subject to specified conditions.
32.	Imports of crude drugs required for the manufacture of Ayurvedic and Unani medicines.	March 1993	Specified crude drugs required for the manufacture of Ayurvedic and Unani medicines, may be imported by a manufacturer of the concerned medicines holding valid manufacturing licence, without an import licence, subject to the Actual User condition. Imports of jade, pearls and corals will be allowed only in powder form and of non-jewellery quality only, for the above purpose.

APPENDIX - III

IMPORTANT TRADE AGREEMENTS/TRADE PROTOCOLS, ETC., SIGNED BETWEEN INDIA AND OTHER COUNTRIES

(APRIL 1992 - MAY 1993)

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
1.	**Belarus**	Memorandum of Understanding signed on 20.10.1992		**Exports :** Hides & skins, timber and its products, capro lactam, phthalic anhydride, potassium fertilizer, nitrogen fertilizer, ammonia chemicals, petro-chemicals, H.V. transformers, heavy trucks, heavy earth moving equipment. **Imports** : Sugar, resin, medicines, medical equipments, soda ash, tea, coffee, cigarettes, food stuffs, cattle feed, computer equipment, consumer electronic items.	The two sides have finalised and agreed on the text of the draft agreement on trade and economic co-operation. They agreed that the imports and exports of goods from either country, whether in hard currency or on the basis of barter/counter-trade, shall be on the basis of national Import-Export policy. Further, all payments in trade & economic co-operation between the Republic of Belarus and the Republic of India shall be effected in freely convertible currencies. Natural and juridical persons of either country shall also be free to import and export goods and services from each other on the basis of barter, counter-trade or any other internationally recognised form of business co-operation with payment in freely convertible currencies. With respect to counter-trade transactions, similar arrangement as with Ukraine, mentioned below, was agreed upon.
2.	**Ukraine**	Memorandum of Understanding signed in October, 1992. Valid for calendar year 1992.		**Exports:** Medicines, medical equipments, castor oil (technical), considiostatics, folbeks, tilan, colour picture tubes (J.C.T.), cycles, rubber, shoe uppers, chrome plated half finished products, thermo-elastic plastic for shoe soles, chrome plated leather items for shoe uppers, artificial leather for lining, artificial fur like leather for boot tops. Chemicals for production of leather items, heap jute fabric, jute fiber, cotton fabric, rice, coffee, natural beans, crankshaft forgings and tea. **Imports:** Tolling mills, blast furnace smelting mills, hot rolled mills, automatic devices for mines, diesel generators, power transformers, bicycles, industrial fittings, pithead winch, light for mines, combines, pumps, automatic KRAZ, tyres in pairs, steam engines, steam engine spare parts, buckets for pouring molten steel.	Under Article VIII of the Agreement signed on March 27, 1992, the two sides agreed that in order to facilitate counter- trade transactions the Reserve Bank of India and the National Bank of Ukraine may permit the Ukrainian exporters of goods or their banks to open Escrow accounts with commercial banks in India, to the effect that the taxes and other obligatory payments required under the Ukraine law shall be paid out of the proceeds of exports from Ukraine. Under the counter-trade mechanism, imports into India shall first be carried out and payment for such imports credited to Escrow account. Exports from India shall take place thereafter to the extent funds are available in the Escrow accounts. All goods permitted for export under the Import- Export Policy of respective Governments can be exported under the counter-trade arrangements. The prices of goods to be imported and exported between India and Ukraine under the counter-trade arrangements shall be fixed at competitive rates and on commercial considerations.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
					The imports by Indian parties of power, steel and coal mining equipment and other equipments and spares to be mutually agreed upon under the counter-trade mechanism shall be paid for partly in hard currency and partly in counter-trade, the extent of hard currency to be decided by the contracting parties on a case to case basis.
3.	**China**	Trade Protocol signed on 5.1.1993. Valid for the calendar year 1993.	**Exports :** Oil meals, ores and minerals, chemicals, manufacture of metals, iron and steel and cotton yarn, fabrics, made-ups, etc. **Imports**: Raw silk, textile yarn, fabrics, made-ups, etc., metalli ferrous ores and metal scrap, coal, coke and briquettes, organic and inorganic chemicals, medicinal and pharmaceutical products and capital goods.	**Exports**: Mineral ores, agricultural products, chemicals, engineering products, plywood, jewels and processed diamonds, synthetic fibre and yarn. **Imports**: Raw silk and silk yarn, agricultural products and native produce, pulses, spices, resin, light industrial products and stationery, metals and minerals, mercury and antimony, coking coal, other mineral products, chemicals and petroleum products, chemical materials, dye stuffs, petroleum and petrochemical products, tyres and tubes, fresh water cultivated pearls, engineering products, tools, power station equipment, oil drilling equipment, pharmaceuticals, pig iron, newsprint.	Both sides agreed that to the extent possible, they will encourage direct trade between the two countries. The contracting parties agreed to promote the exchange of delegations in specific areas and to encourage their respective trade organisations and traders to explore the possibilities of promoting bilateral trade through various forms of trade and co-operation. The imports and exports of the commodities mentioned herein or other commodities shall be subject to the import and export regulations of the respective countries. The import and export of specific items given in the protocol and their quantities/values will be decided according to the needs and the capability to supply of the respective countries.
4.	**Tajikistan**	Trade Agreement dated 15.2.1993. Valid for a period of 5 years. The period of validity of the Agreement shall be automatically extended for successive period of one year unless either of the contracting parties informs the other party in writing of its intention to cancel the Agreement at least six months prior to its expiry.			The contracting parties shall accord to each other Most-Favoured-Nation treatment in all matters of trade and commercial co-operation. Imports and exports of goods and services shall take place on the basis of the contracts to be concluded between the natural and juridical persons of the two countries at international prices in accordance with their laws and regulations and international trade practices. Trade and commercial transactions between the two countries shall be conducted by payment in freely convertible currencies unless otherwise specifically agreed upon between the two contracting parties. Natural and juridical persons of either country shall also be free to import or export goods and services from each other on the basis of counter-trade, compensation arrangements, leasing and buy-back arrangements or any other internationally recognised form of business co-operation in accordance with the laws and regulations of the two countries.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
5.	**Cote D'Ivoire (Ivory Coast)**	Trade Agreement signed on 17.2.1993. Valid for a period of 3 years and is renewable year to year by tacit consent except for its cancellation in writing by one of the contracting parties through a 3 months notice before its expiry.	**Exports :** Transport equipment, cotton yarn, fabrics, made-ups, etc. **Imports:** Cashew nuts, and wood and wood products.		Both sides shall accord Most-Favoured-Nation treatment to each other and shall communicate to the extent possible all useful informations which could contribute to the development of commercial exchanges between the two countries. India and Ivory Coast have also agreed to cooperate for the development of closer ties in the field of maritime transport of cargo generated by bilateral trade and for the conclusion of favourable arrangement for the development of maritime transport between the two countries. The contracting parties shall accord the Most Favoured Nation treatment to each other's merchant vessels sailing under their flag in respect of all matters relating to navigation, access to ports open to foreign trade and use of port and harbour facilities. The exchange of goods within the framework of the present agreement will be carried out on the basis of contracts arrived at between juridical or natural persons of India on the one part and the Republic of Cote D'Ivoire on the other part. Payments relating to goods traded as a result of the present agreement as well as other payments admissible in conformity with the laws and regulations relating to exchange control in force in the respective countries shall be made in freely convertible currencies.
6.	**Romania**	Trade Agreement signed on 23.2.1993. Valid for an indefinite period and may be terminated upon written notice by either of the contracting parties.	**Exports :** Iron ore, manganese ore, raw cotton, soyameal cake, some items of machinery, etc. **Imports:** Interalia steel products, chemicals, newsprint, wood pulp and equipment for railways.		The contracting parties shall accord to each other the Most- Favoured-Nation treatment in respect of Custom duties and all other charges and taxes as well as rules and formalities applicable to transit of commodities in accordance with the provisions of the GATT. All commercial and non-commercial transactions between natural and juridical persons of the two countries shall be made in freely convertible currencies with effect from April 1, 1993 unless otherwise specifically agreed upon between the two contracting parties in accordance with the foreign exchange laws and regulations in force in each country. Natural and juridical persons of either country shall be free to import and export goods and services from each other also on the basis of counter- trade, barter, commodity exchange, buy-back operation or any internationallly recognised form of business co-operation.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
7.	**Armenia**	Trade Agreement signed on 11.3.1993. Valid for a period of 5 years. The period of validity of the agreement shall be automatically extended for successive period of one year unless either of the contracting parties informs the other party in writing of its intention to cancel the agreement at least six months prior to its expiry.			The contracting parties shall accord to each other Most-Favoured-treatment in respect of import and export licences, Custom duties and all other charges and taxes applicable to import, export or transit of commodities. Imports and exports of goods and services shall take place on the basis of the contracts to be concluded between the natural and juridical persons of the two countries at international prices in accordance with their laws and regulations and international trade practices. All payments of a commercial and non-commercial nature between India and Armenia shall be made in freely convertible international currencies unless otherwise specifically agreed upon between the two contracting parties. Natural and juridical persons of either country shall also be free to import or export goods and services from each other on the basis of counter-trade, compensation arrangements, leasing & buy-back arrangements or any other internationally recognised form of business co-operation in accordance with the laws and regulations of the two countries.
8.	**Czech Republic**	Trade Agreement signed on 15.3.1993. Valid for a period of 5 years. Unless either of the contracting parties has notified the other in writing about its intention to terminate it six months prior to the expiry of the aforesaid period of 5 years, it shall be considered as automatically extended for another year and thereafter.	**Exports :** Coffee, tobacco (unmanufactured), cashew, oil meals, castor oil, leather and manufactures, cotton yarn, fabrics, made ups, etc., and readymade garments. **Imports:** Iron and steel, capital goods, artificial resins and plastic materials.		In terms of this agreement which is effective from January 1, 1993, all trade and payment transactions with the Czech Republic will be settled in convertible foreign currencies in accordance with the Exchange Control Regulations in force in each country. Natural and juridical persons of the Czech Republic and India shall be free to import and export goods and services from each other on the basis of counter-trade, compensation arrangements, leasing and buy-back arrangements or any other internationally recognized form of business co-operation. All payments arising from export/import contracts and agreements and all other contracts/agreements concluded before December 31, 1992 shall continue to be effected in non-convertible Indian rupees, the modalities of which are outlined in Liquidation Protocol concluded separately. The rupee balances shall be used for payments towards exports from India to the Czech Republic of such goods and services as shall be mutually agreed upon.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
	Czech Republic	Trade protocol on liquidation of non-convertible Rupee Balances signed on 15.3.1993. This protocol will enter into force on the date of signing of the trade agreement between the two countries.		**Annexure to the Liquidation Protocol List of commodities** (in Million Indian rupees) 1) Tea including packed tea and tea bags, bulk tea 2) Coffee including value added coffee green beans 3) Black pepper 4) Spices 5) Cashew kernels 6) De-oiled cakes - soya bean extraction 7) De-oiled cakes, others 8) Castor oil 9) Rice (non-basmati type) 10) Tobacco (unmanufactured) 11) Ground nut H.P.S. 12) Mica 13) Iron ore, manganese ore, chrome ore 14) Finished leather 15) Leather products 16) Cotton yarn 17) Raw cotton 18) Cotton and woollen ready-made garments, hosiery and knitwear 19) Woollen carpets 20) Jute manufactures 21) Polyester yarn and other synthetic staple fibres (excluding viscose staple fibres) 22) Pharmaceutical products 23) Toiletries and cosmetics 24) Engineering items including consumer products 25) Bicycles and components 26) Handicrafts 27) Steel products 28) Ferro alloys 29) Sesame seed and 30) Fresh fruits.	According to this Protocol, payments in respect of all contracts and agreements concluded on or before December 31, 1992 shall continue to be made through the existing non-convertible rupee accounts maintained by the Ceskoslovenska Obchodni Bank a.a.s., Praha (CSOB). These non-convertible rupee accounts of CSOB maintained with the commercial banks in India, with the exception of one non-convertible rupee account with one of the nationalised commercial banks, shall be closed on December 31, 1993 and the balances shall be transferred to a new account to be opened in the name of the aforesaid bank with the Reserve Bank of India to be called the "New Central Account". The funds accruing in the existing Central Account and in the "New Central Account" shall be used for payments of imports by the Czech Republic. For liquidation of rupee balances, the Indian exporters shall be entitled to enter into contracts even after December 31, 1992 in non-convertible Indian rupees for exports to Czech Republic and payments for exports shall be made in non-convertible Indian rupees out of the existing and the "New Central Account" of CSOB till the rupee balances are liquidated. The goods to be exported for the purpose of liquidation of balances due to Czech Republic are listed in the adjacent Annexure.
9.	**Moldova**	Trade Agreement signed on 19.3.1993. Valid for a period of 5 years. The period of validity of this Agreement shall be automatically extended for successive period of one year unless either of the contracting parties informs the other party in writing of its intention to terminate it at least six months prior to its expiry.			All payments of a commercial and non-commercial nature between India and Moldova shall be made in freely convertible international currencies, unless otherwise specifically agreed upon between the two contracting parties. Natural and juridical persons of either country shall also be free to import or export goods and services from each other on the basis of counter-trade, compensation arrangements, leasing and buy-back arrangements or any other internationally recognised form of business co- operation in accordance with the laws and regulations of the two countries.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
10.	**Slovakia**	Trade Agreement signed on 14.5.1993. Valid for a period of five years. Unless either of the contracting parties has notified the other in writing about its intention to terminate the present agreement six months prior to the expiry of the aforesaid period of 5 years.			The trade agreement with Slovakia is on the same lines as with the Czech Republic. With effect from January 1, 1993, all trade and payment transactions with Slovakia will be settled in convertible foreign currencies.
	Slovakia	Protocol on liquidation of non-convertible Rupee balances signed on 14.5.1993. This protocol will enter into force on the date of signing of the Trade Agreement between the two countries.		**Annexure to the Liquidation Protocol List of commodities** (in Million Indian rupees) 1) Tea including packed tea and tea bags, bulk tea 2) Coffee including value added coffee green beans, value added coffee 3) Black pepper 4) Spices 5) Cashew kernels, 6) De-oiled Cakes - soya bean extraction 7) De-oiled cakes, others 8) Castor oil 9) Rice (non-basmati type) 10) Tobacco (unmanufactured) 11) Groundnut H.P.S. 12) Mica 13) Iron ore, manganese ore, chrome ore 14) Finished leather 15) Leather products 16) Cotton yarn 17) Raw cotton 18) Cotton and woollen ready-made garments, hosiery and knitwear 19) Woollen carpets 20) Jute manufactures 21) Polyester yarn and other synthetic staple fibres (excluding viscose staple fibres) 22) Pharmaceutical products 23) Toiletries and cosmetics 24) Engineering items including consumer products 25) Bicycles and components 26) Handicrafts 27) Steel products 28) Ferro alloys 29) Sesame seed 30) Fresh fruits and 31) Sugar.	This protocol is on the same lines as with Czech Republic.

Sr. No.	Country	Date of Agreement/ Trade Protocol/ Trade Plan Review & duration thereof	Major items of regular Exports and Imports from/ to India	Commodities of Exports/Imports covered under the Protocol	Remarks
1	2	3	4	5	6
11.	**Uzbe-kistan**	Trade Agreement signed on 24.5.1993. Valid for a period of 5 years. The period of validity of this Agreement shall be automatically extended for further successive period of one year unless either of the contracting parties informs the other party in writing of its intention to terminate the Agreement at least six months prior to its expiry.			Both the countries shall accord to each other the Most-Favoured-Nation treatment in respect of import and export licences, Customs duties and all other charges and taxes applicable to import, export or transit of commodities. Imports and exports of goods and services shall take place on the basis of the contracts to be concluded between the natural and juridical persons of the two countries at international prices in accordance with their laws and regulations and international trade practices. All payments of commercial and non-commercial nature between India and Uzbekistan shall be made in freely convertible currencies unless otherwise specifically agreed upon between the two contracting parties. Natural and juridical persons of either country shall also be free to import and export goods and services from each other on the basis of counter-trade, compensation arrangements, leasing & buy-back arrangements or any other internationally recognized form of business co-operation.

Subject Index

Subject Index

Subject Index