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 1993-94



VOLUME I

ECONOMIC REVIEW

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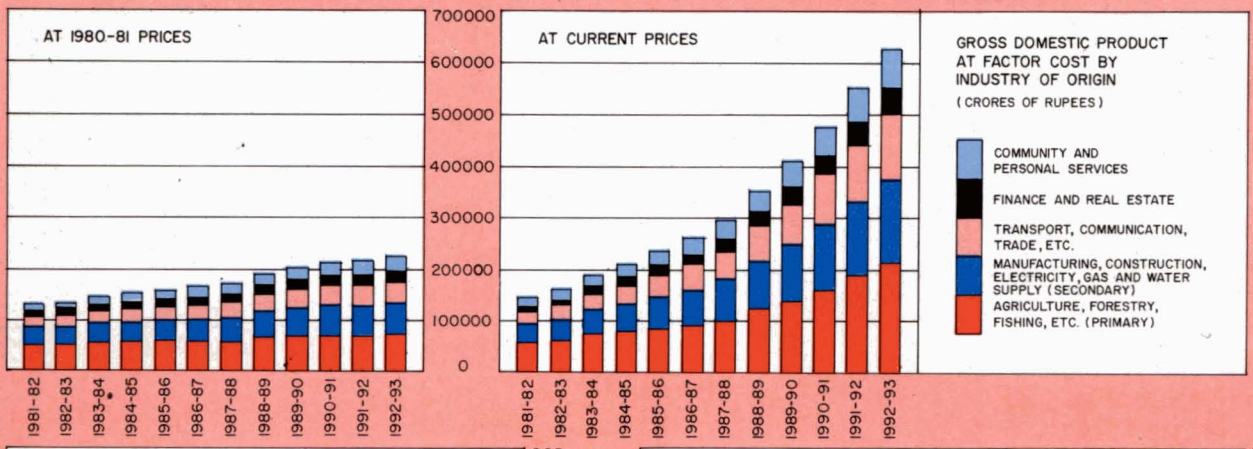
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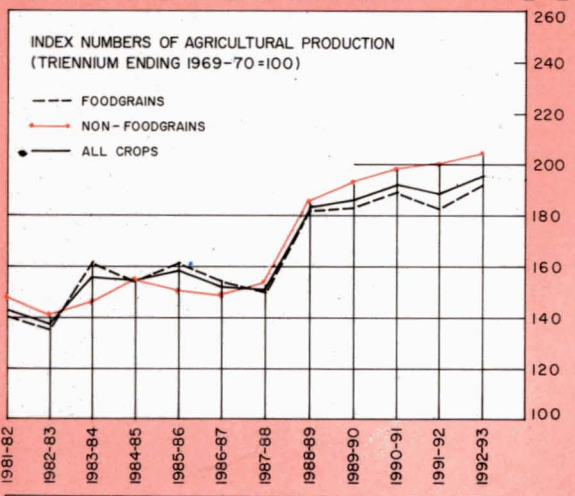
ADs	Authorised Dealers
ADB	Asian Development Bank
ADF	Asian Development Fund
AFC	Agricultural Finance Corporation
ARDR	Agricultural and Rural Debt Relief Scheme
ARM	Additional Resource Mobilisation
ASI	Annual Survey of Industries
AU	Actual User
BFS	Board for Financial Supervision
BIFR	Board for Industrial and Financial Reconstruction
CAB	Cotton Advisory Board
CACP	Commission for Agricultural Costs and Prices
CAD	Command Area Development
CCIS	Comprehensive Crop Insurance Scheme
CD	Certificates of Deposit
CDC	Commonwealth Development Corporation
CIF	Cost, Insurance and Freight
CIS	Commonwealth of Independent States
CP	Commercial Paper
CPI	Consumer Price Index
CRISIL	The Credit Rating Information Services of India Ltd.
CRR	Cash Reserve Ratio
CSO	Central Statistical Organisation
DDP	Desert Development Programme
DFHI	Discount and Finance House of India Ltd.
DGCI&S	Directorate General of Commercial Intelligence and Statistics
DGFT	Director General of Foreign Trade
DIC	District Industries Centre
DICGC	Deposit Insurance and Credit Guarantee Corporation of India
DoS	Department of Supervision
DPAP	Drought Prone Area Programme
DRI	Differential Rate of Interest
ECGC	Export Credit Guarantee Corporation
EEC	European Economic Community
EEFC	Exchange Earners' Foreign Currency
EFF	Extended Fund Facility
EHTP	Electronic Hardware Technology Park
EOU	Export Oriented Unit
EPCG	Export Promotion Capital Goods
EPZ	Export Processing Zone
ESAF	Enhanced Structural Adjustment Facility
FAO	Food and Agricultural Organisation
FC(B&O)D	Foreign Currency (Banks and Others) Deposit Scheme
FCCBs	Foreign Currency Convertible Bonds
FCNRA	Foreign Currency (Non-Resident) Accounts
FCNR(B)	Foreign Currency Non-Resident (Banks)
FCON	Foreign Currency Ordinary Non-Repatriable Deposit
FEDAI	Foreign Exchange Dealers' Association of India
FERA	Foreign Exchange Regulation Act
FIIs	Foreign Institutional Investors

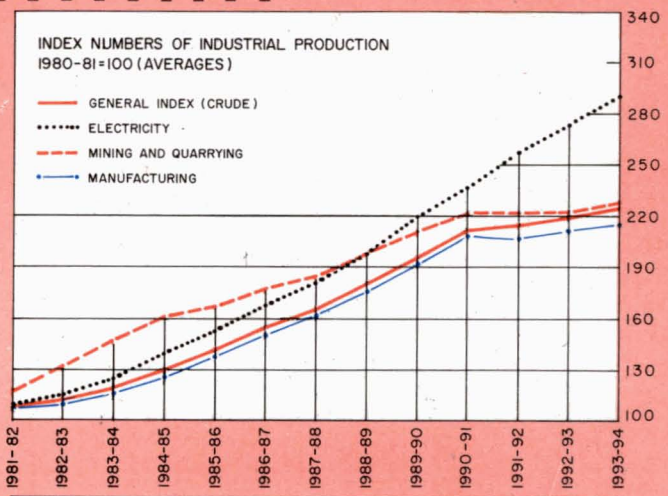
FIPB	Foreign Investment Promotion Board
FOB	Free on Board
FRB	Floating Rate Bond
FRN	Floating Rate Note
FSS	Farmers' Service Societies
GATT	General Agreement on Tariffs and Trade
GDCF	Gross Domestic Capital Formation
GDP	Gross Domestic Product
GDRs	Global Depository Receipts
GDS	Gross Domestic Saving
GFD	Gross Fiscal Deficit
GNP	Gross National Product
HDFC	Housing Development Finance Corporation Ltd.
HUDCO	Housing and Urban Development Corporation Ltd.
HYVP	High yielding Varieties Programme
IBP	Inter Bank Participations
IBRD	International Bank for Reconstruction and Development
ICICI	Industrial Credit and Investment Corporation of India Ltd.
IDA	International Development Association
IDBI	Industrial Development Bank of India
IFCI	Industrial Finance Corporation of India Ltd.
IFFCO	Indian Farmers' Fertiliser Co.operative Ltd.
IIP	Index of Industrial Production
IMF	International Monetary Fund
IRBI	Industrial Reconstruction Bank of India
IRDP	Integrated Rural Development Programme
ITO	International Trade Organisation
JCI	Jute Corporation of India
KfW	Kreditanstalt-fur wideraufbau
LAMPs	Large sized Adivasi Multi-purpose societies
LERMS	Liberalised Exchange Rate Management System
LIBOR	London Inter-Bank Offered Rate
MFA	Multi-fibre Arrangement
MFN	Most Favoured Nation
MGP	Minimum Guarantee Price
MIGA	Multilateral Investment Guarantee Agency
MLR	Minimum Lending Rate
MNCs	Multi-National Corporations
MODVAT	Modified Value Added Tax
MOU	Memorandum of Understanding
MPBF	Maximum Permissible Bank Finance
MSP	Minimum Support Price
NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agricultural Co-operative Marketing Federation
NALCO	National Aluminium Company Ltd.
NAS	National Accounts Statistics
NCDC	National Co-operative Development Corporation
NDA	Net Domestic Assets
NDCF	Net Domestic Capital Formation
NDDB	National Dairy Development Board
NDS	Net Domestic Saving

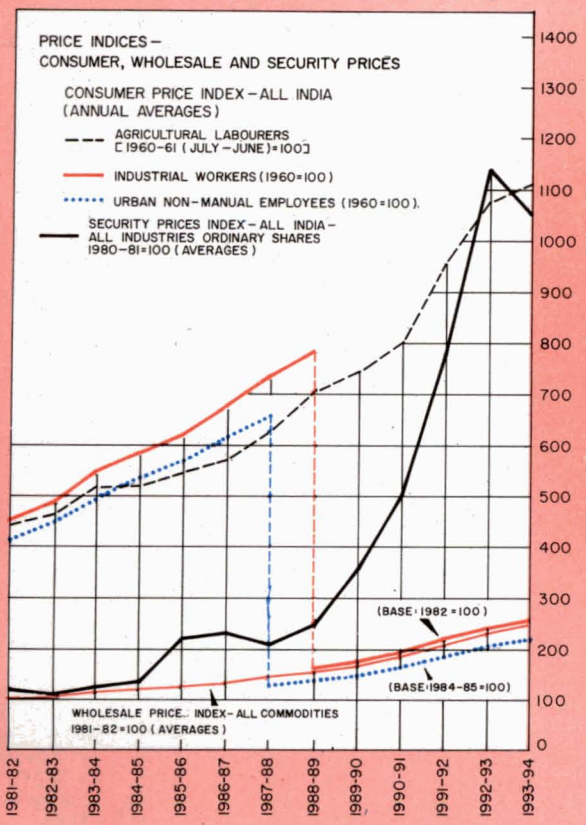
NEER	Nominal Effective Exchange Rate
NFEA	Net Foreign Exchange Assets
NHB	National Housing Bank
NIC(LTO)	National Industrial Credit (Long Term Operations)
NICs	Newly Industrialised Countries
NNP	Net National Product
NPDP	National Pulses Development Project
NR(E)RA	Non-Resident (External) Rupee Account
NR(NR)D	Non-Resident (Non-Repatriable) Rupee Deposit
NSDP	Net State Domestic Product
NSEI	National Stock Exchange of India
OCBs	Overseas Corporate Bodies
OECD	Organisation for Economic Co-operation and Development
OECF	Overseas Economic Co-operation Fund
OGL	Open General Licence
OPEC	Organisation of Petroleum Exporting Countries
OPP	Oilseeds Production Programme
OTCEI	Over the Counter Exchange of India
PACS	Primary Agricultural Credit Societies
PCFC	Pre-shipment Credit in Foreign Currency
PE or P/E ratio	Price-earning ratio
POL	Petroleum Oil and Lubricants
PSCFC	Post-Shipment Credit in Foreign Currency (denominated in US Dollars)
REER	Real Effective Exchange Rate
REPOS	Repurchase Agreements
RM	Reserve Money
SAF	Structural Adjustment Facility
SDRs	Special Drawing Rights
SEBI	Securities and Exchange Board of India
SFCs	State Financial Corporations
SFPP	Special Foodgrains Production Programme
SGL	Subsidiary General Ledger
SHCIL	Stock Holding Corporation of India Ltd.
SIA	Secretariat for Industrial Approvals
SICA	Sick Industrial Companies (Special Provision) Act
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporation
SJDP	Special Jute Development Programme
SLR	Statutory Liquidity Ratio
SMP	Statutory Minimum Price
STCI	Securities Trading Corporation of India Ltd.
TFCI	Tourism Finance Corporation of India Ltd.
TRIMS	Trade Related Investment Measures
TRIPs	Trade-Related Intellectural Property Rights
VCF	Venture Capital Fund
WMA	Ways and Means Advances
WPI	Wholesale Price Index
WTO	World Trade Organisation

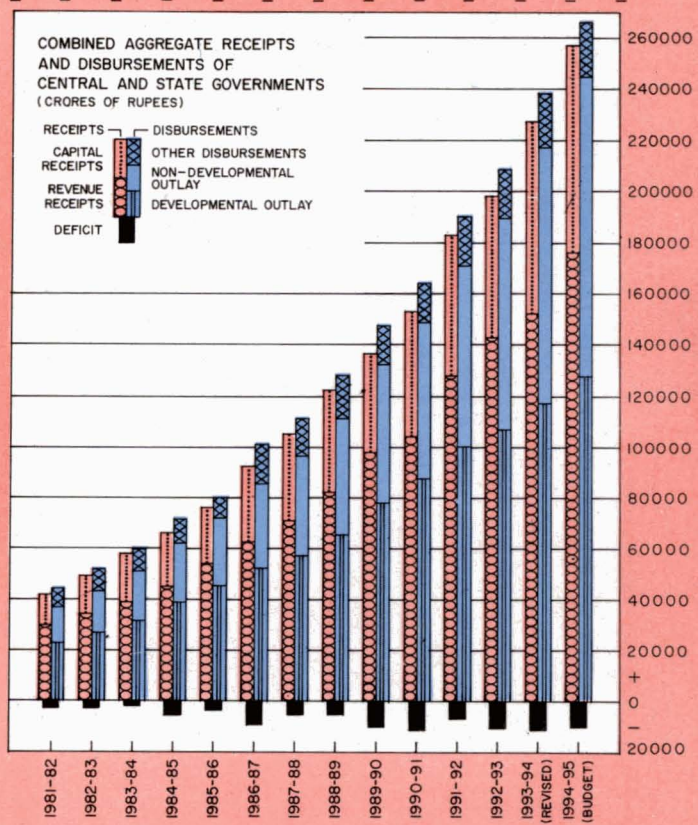
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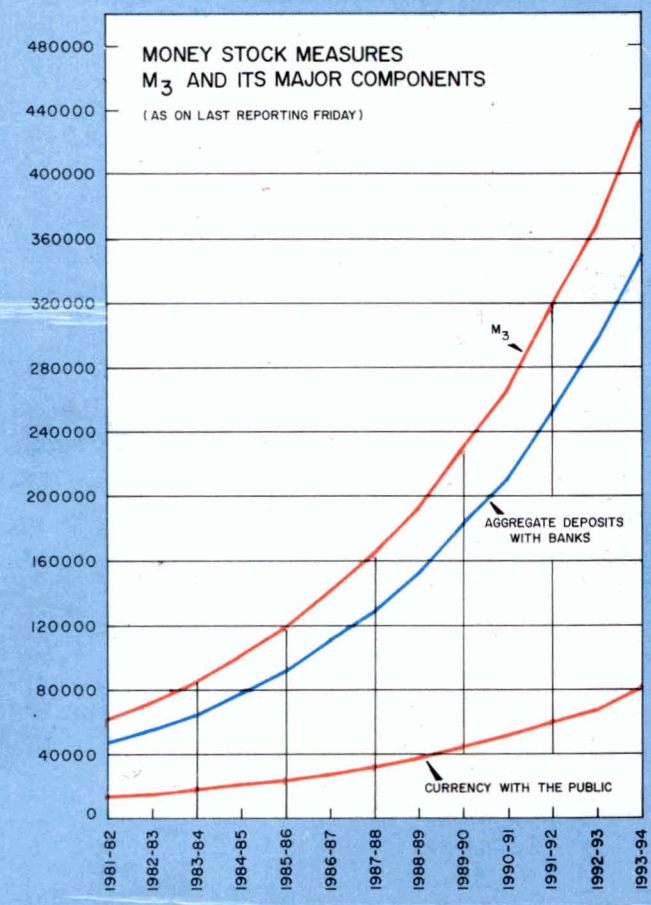


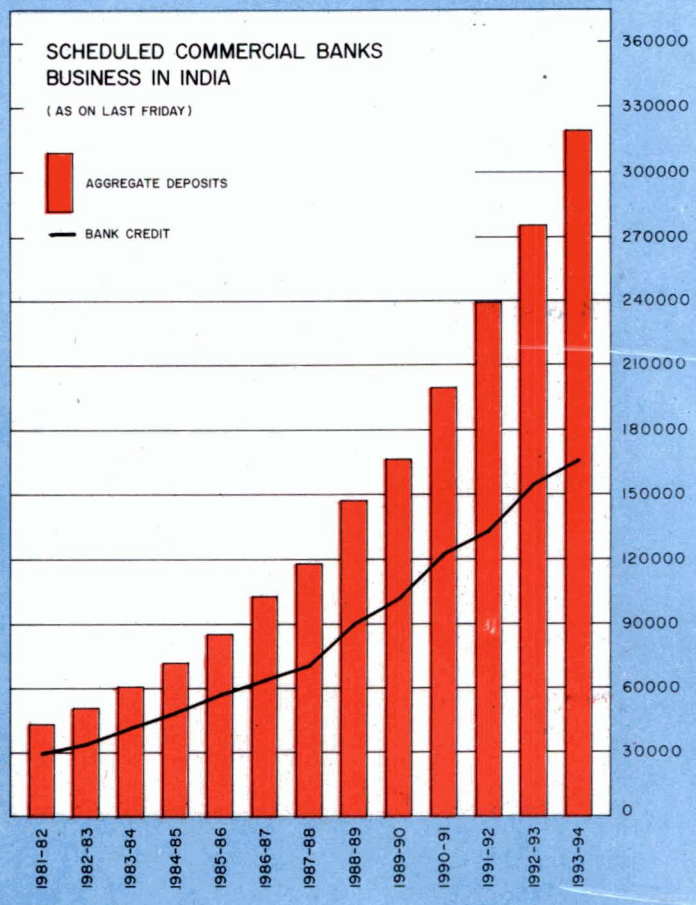


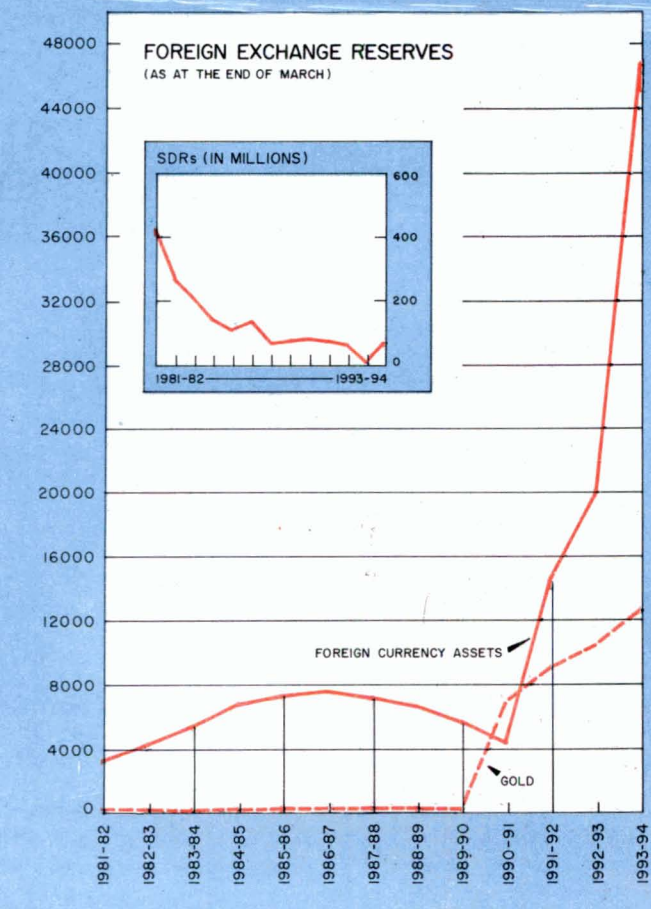


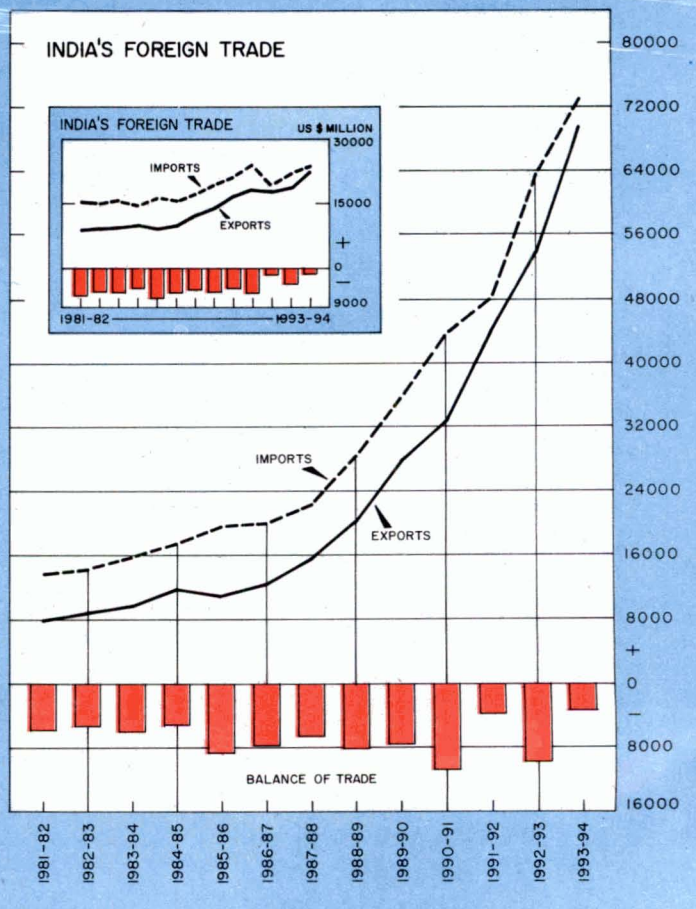
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CHAPTER I

REVIEW OF DEVELOPMENTS*

Review of Indian Economy during 1993-94

The economic recovery which was clearly discernible during 1992-93 was sustained during 1993-94..The growth rate in real Gross Domestic Product (GDP) at factor cost during 1993-94 at 4.3 per cent was the same as that in 1992-93. Agriculture once again posted a significant rate of growth. Industrial production, however, remained subdued though the growth rate was better than in the previous year. On the basis of the revised data released by the CSO, gross domestic saving rate stood at 20.2 per cent, as against 20.0 per cent in 1992-93.

Agricultural production which touched a new peak in 1992-93, registered further improvement in 1993-94, although the rate of growth was lower than that in the previous year. The value added in agriculture and allied activities is estimated to have increased by 2.3 per cent on top of the increase of 5.0 per cent in 1992-93. It appears from most indicators that productivity in agriculture, as measured by yield per hectare, has shown an improvement. The total foodgrains output reached a record level of 182.0 million tonnes surpassing the earlier peak of 180.0 million tonnes in 1992-93. Production of almost all major non-food crops also registered an improvement. Production of oilseeds scaled a new high of 21.8 million tonnes,recording an increase of 1.5 million tonnes or 7.4 per cent over the previous year. Production of sugarcane at 239.9 million tonnes was higher than the output of 230.8 million tonnes in the previous year. The output of cotton and jute and mesta posted declines, to 11.4 million bales and 8.5 million bales respectively as compared with 11.6 million bales and 9.0 million bales respectively in the previous year.

The industrial sector registered a growth rate of 4.1 per cent, showing a gain of 1.8 percentage point over that of the preceding year. The 'manufacturing sector' recorded a growth rate of 3.6 per cent as against 2.1 per cent in the previous year. The performance of 'mining and quarrying' and 'electricity' sectors was better than that in the previous year with growth rates of 2.5 per cent and 7.4 per cent, respectively. In terms of use-based classification, the performance of the consumer durables sector was impressive with a growth rate of 15.2 per cent as against a decline of 0.7 per cent during 1992-93. The output of basic goods industries and intermediate goods sector improved with growth rates of 5.9 per cent (2.6 per cent in 1992-93) and 11.4 per cent respectively (5.4 per cent). Consumer non-durables recorded marginal improvement of 0.5 per cent (2.4 per cent in 1992-93). Capital goods industries, on the other hand, recorded a decline of 5.3 per cent, as against a decline of 0.1 per cent in 1992-93. The output of infrastructure industries comprising electricity, coal, saleable steel, crude petroleum, petroleum refinery products and cement showed a higher increase compared with the previous year.

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* The reference period of the Report is the financial year, April-March.This Chapter provides latest data and information which may differ from those given in the subsequent Chapters which were prepared on the basis of information available at different points of time in 1994.Footnotes at the beginning of each Chapter indicate cut-off date for providing information and analysis.

Together they grew by 5.1 per cent as compared with 2.2 per cent in 1992-93. Industrial production on the whole posted a moderate growth.

The capital market displayed considerable buoyancy. New issues by both Government and non-Government companies registered a sharp increase. There was a spurt in capital issues by banks and financial institutions in the public sector from Rs.356 crores in 1992-93 to Rs.3,743 crores in 1993-94. Public sector undertakings floated bonds and equities for an aggregate amount of Rs.6,067 crores, reflecting an increase of 307 per cent over that in the previous year. In the secondary market, the subdued conditions which prevailed during the first quarter of the year gave way to buoyancy, with widespread rise in equity prices as the market sentiment improved considerably on active participation by foreign institutional investors. The RBI's Weekly All India Index Number of Ordinary Share Prices, (Base: 1980-81 = 100) on a point to point basis, registered a substantial increase of 49.3 per cent in contrast to a decline of 39.9 per cent in the previous year. Responding to the underlying strengthening of the real sectors of the economy and the array of measures of liberalisation in areas of external trade and payments and exchange markets, the financial sector, industrial policy and capital markets, foreign capital inflows into the economy began to rise significantly from about the third quarter of 1993-94.

The capital inflows have in their turn influenced monetary and exchange rate management. While the major considerations underlying monetary policy such as ensuring adequate credit support for industrial revival, exports and growth in other key sectors and facilitating financial sector reforms, continue to be given emphasis, the implications of the sharp increase in primary liquidity brought about by the phenomenal growth in net foreign exchange assets on price stability have needed attention. Both reserve money (RM) and broad money(M_3) increased far beyond the levels initially anticipated. RM increased by 25.1 per cent and broad money (M_3) by 18.2 per cent. Currency with the public increased by 20.4 per cent. Demand deposits accelerated sharply while time deposits registered a lower order of increase. A distinctive feature was the sharp reduction in net RBI credit to Government, in particular to the Central Government particularly because of the extensive open market operations. Other banks' credit to Government rose by Rs. 26,697 crores. But as against this,the increase in bank credit to the commercial sector was lower. As a result monetary expansion *largely* reflected the accretion to net foreign exchange assets of the banking sector in response to a massive surge in capital inflows. The operations of scheduled commercial banks during the year showed that while the deposit growth improved over the year, there were shifts in portfolios, from loans to investments.

An important development of serious concern during the year was the persistence of inflationary pressures. The wholesale price index of all commodities was on an uptrend almost throughout the year, although the year-on-year inflation rate was more pronounced in the last quarter of the year. Consequently, the inflation rate, on a point to point basis, turned out to be higher at 10.8 per cent as compared with 7.0 per cent in 1992-93. On an average basis, the inflation rate turned out to be lower at 8.3 per cent than that of 10.0 per cent in the previous year. A disconcerting feature of the price situation was the sharp rise in prices of items of mass consumption such as foodgrains and edible oils.

The budgetary position of the Central Government in 1993-94 showed a significant deterioration in contrast to the marked improvement in the previous two years. This was mainly on account of the sharp increase

in revenue deficit, arising out of shortfall in revenues and expenditure overruns. The revenue deficit during the year widened very sharply to Rs.34,058 crores from Rs.18,574 crores in 1992-93. As a result, the gross fiscal deficit (GFD) stood much higher at Rs.58,551 crores as compared with Rs.40,173 crores in the preceding year. In relation to GDP, GFD formed about 7.3 per cent in 1993-94 as against 5.7 per cent in 1992-93. Also the other major indicators of the deficit *viz.*, conventional deficit and primary deficit as a percentage of GDP increased by wide margins.

Notwithstanding the increase in gross fiscal deficit and a marginal gap between private investment and private savings, the current account of the balance of payments showed a distinct improvement. The foreign currency assets of RBI rose by US $ 8,634 million in 1993-94 to a historical peak of US $15,068 million by the end of March 1994.

The strong improvement in the external current account was facilitated by robust export growth and slack in imports. Exports, according to DGCI&S data, registered a growth rate of about 20.0 per cent in dollar terms as compared with only 3.8 per cent in 1992-93. Imports increased by a mere 6.5 per cent despite a pick up towards the end of the year.There was some improvement in the invisibles account as well. Overall, the current account deficit is estimated at US $ 315 million or 0.1 per cent of GDP as compared with a much larger deficit of US$ 3,526 million or about 2.2 per cent of GDP in 1992-93.

The build-up in external reserves took place despite a decline in net external assistance. Foreign investment inflow, consisting of US $ 620 million of direct foreign investment, GDR issues of US $ 1,460 million,foreign institutional investors' portfolio investments worth US $ 1,665 million and off-shore funds including NRI investments of US $ 365 million, amounted in all to US $ 4,110 million during 1993-94 as compared with only US $ 585 million in 1992-93. Capital inflows under non-resident deposits amounted to a net of US $ 940 million while net commercial borrowings were US $ 839 million.

With the introduction of a unified exchange rate regime in March 1993,the exchange rate of the rupee was left to be determined by the play of market forces. The rupee/dollar rate settled at Rs.31.37 per dollar by early July 1993 and remained so during the rest of the year. With current account at near balance, the large capital inflows and accretion to non-resident deposit accounts led to excess of foreign exchange. The consequent upward pressure of the rupee was staved off by Reserve Bank's intervention in the market in the form of spot purchases. The Reserve Bank's intervention in the market was motivated by the need to protect India's export competitiveness.

Developments in 1994-95

Agriculture

The favourable South-West monsoon and the announcement of higher procurement/minimum support price in respect of 1994 *kharif* crops have raised expectations of a strong output performance. The *kharif* foodgrains production, according to available indicators,is likely to be around 102 million tonnes as against 99.6 million tonnes in the preceding *kharif* season. Assuming the *rabi* output to be at last year's level of around 83 million tonnes, the total foodgrains production during 1994-95 could be placed at a little less than 185 million tonnes, which will be a new peak. All the major non-food crops (with the exception of cotton) *viz.*, oilseeds, jute and mesta and sugarcane are expected to show an improvement in output over the levels reached in 1993-94.

The year so far has been characterised by continued high procurement of foodgrains and a somewhat reduced off-take. As a consequence, stocks of foodgrains were high at 31.0 million tonnes as at end-December 1994 as compared with 23.5 million tonnes a year ago.

Industry

After a prolonged period of sluggishness, the industrial sector showed signs of accelerated growth. The index of industrial production increased by 8.0 per cent during April-October 1994 as compared with a smaller growth rate of 3.8 per cent during the corresponding period last year. The most encouraging feature of the turnaround in the industrial sector is the impressive performance of the 'manufacturing' sector (with a weight of 77.11 per cent in the index) which recorded a growth rate of 8.3 per cent as compared with 3.1 per cent in the corresponding period last year. A more significant aspect is the sharp increase in the output of capital goods sector by 21.7 per cent,in contrast to a decline of 8.7 per cent during April-October,1993. This signifies the potential build-up of capacities. Consumer non-durables showed an increase of 7.1 per cent as against an increase of 0.7 per cent in the previous year. The performance of infrastructure industries showed a marked improvement, with a higher growth rate of 8.3 per cent during April-December,1994 as compared with that of 5.0 per cent during last year. Among these industries,electricity, saleable steel, cement, petroleum crude and petroleum refinery products registered improved outturn whereas coal output decelerated.

Capital Market

The primary segment of the capital market continued to be active reflecting the industrial revival as well as improvement in corporate performance. New capital issues by all companies aggregated Rs.14,844.6 crores during April-December 1994, compared with Rs.15,991.6 crores in the corresponding period of the previous year. The amount of capital issued in April-December 1994 was lower on account of decline in the debentures issued by the private corporate sector. In addition, the amount brought into the country by way of GDR issues totalled about Rs.5,414 crores during the first three quarters of 1994-95 as against Rs.1,066 crores in the corresponding period of 1993-94. Non-Government public limited companies accounted for 88.5 per cent of the total capital issues. Sanctions and disbursements by all-India financial institutions increased by 60.6 per cent and 26.5 per cent respectively during April-December 1994 as compared with the corresponding period last year.

The first half of the fiscal year witnessed considerable buoyancy in equity prices aided by support from foreign institutional investors, mutual funds and various financial institutions and reports of a favourable macroeconomic outlook.Since the third week of September 1994 the equity prices declined. At 3454.89 as on February 24,1995, the BSE Sensitive Index (Base: 1978-79=100) was lower than that at end-March 1994 by 8.6 per cent.

Fiscal Developments

The budgetary position of the Central Government has shown a remarkable turnaround in the current year so far,largely under the impact of a sharp improvement in tax receipts and moderation in expenditure growth. A fundamental and historic agreement was signed between the Government and Reserve Bank on September 9, 1994 under which *automatic* monetisation of the budget deficit through issue of *ad hoc* treasury bills would be phased out over a period of three years. Under this arrangement,the increase in *ad hoc* treasury bills at the end of 1994-95 is.

not to exceed Rs.6,000 crores and during the year the increase should not go beyond Rs.9,000 crores for more than 10 days;in case this ceiling is exceeded the Reserve Bank would sell fresh Government paper in the market to bring down the excess. The latest data, according to RBI records, indicate that the budgetary position showed a surplus of Rs.2,963 crores as on February 17, 1995 while net RBI credit to Centre was higher than the level at the end of March 1994 by Rs.719 crores; in the previous year for the corresponding period the budget deficit was Rs.12,840 crores while the net RBI credit to Government was Rs.5,609 crores. The outstanding *ad hocs* (face value) declined by Rs.1,790 crores upto February 17, 1995 during the current fiscal year as against a rise of Rs.8,730 crores during the corresponding period of 1993-94.

The Centre's reliance on borrowing from market sources has been substantial. The Centre mobilised gross normal market borrowings of Rs.4,654 crores for 1994-95 by July 29, 1994 which, net of repayments, amounted to Rs.3,700 crores (budgeted). The Centre also mobilised upto February 17, 1995 an amount of Rs.16,597 crores by way of other medium and long term borrowings (inclusive of conversion of treasury bills into funded securities and those government stock for which payments are to be made in instalments) which exceeded the budget estimate of Rs.11,000 crores by Rs.5,597 crores. Under 364-day treasury bills, a net amount of Rs.1,363 crores has been raised upto February 17, 1995. Taking into account the market borrowings and also borrowings under 91-day treasury bills, including ad hocs, the total net borrowings in the current financial year upto February 17, 1995 amounted to Rs.16,561 crores as compared with Rs.38,847 crores in the comparable period last year.

The term structure of interest rates on Government securities as reflected in the primary market has shown both a downward drift and a flattening of the yield curve in the recent period as compared with that prevailing in the previous year. The yield curve in respect of Government securities is not a smooth one and reflects market imperfection which would,in due course get smoothened out as market participants see advantage in movements along the yield curve as the secondary market for Government securities becomes active. Since December 1994, the yield curve at the short end of Government paper in the secondary market has experienced a very sharp increase reflecting the increase in call money rates.

The market borrowing of the State Governments was revised upwards for the year 1994-95 and the States mobilised a total amount of Rs.5,123 crores as against the budget estimate of Rs.4,943 crores. The coupon rate was 12.50 per cent for a 10-year maturity as compared with a higher rate of 13.50 offered in the previous year for a similar maturity. A distinctive feature of the market borrowing this year has been the merger of market borrowings of the State bodies with that of State Governments.

Monetary Trends

The demand pressures in the economy have mounted since the middle of 1993-94 mainly on account of large infusion of primary liquidity engendered by a surge in capital flows. In the current year too, the pace of monetary expansion has remained high upto February 3,1995. Broad money (M_3) expansion at Rs.69,324 crores was higher by 16.0 per cent over the level at end-March 1994. During the corresponding period of the previous year, monetary expansion was 15.3 per cent. Reserve money growth at Rs.20,044

crores was 14.5 per cent in the current fiscal year upto February 3, 1995 as against the increase of 18.3 per cent in the comparable period of last year. The expansion in net foreign assets of RBI of Rs.17,488 crores formed 87.2 per cent of the increase in reserve money. The incremental money multiplier in the current financial year is 3.3 as compared with 2.7 for 1993-94. The monetary expansion (M_3) so far during the year is in excess of the projection of 16 per cent for 1994-95 as a whole and is a cause of concern as a large monetary expansion would contribute to an acceleration of inflationary pressures.

Componentwise, aggregate deposits registered a higher increase of Rs.51,136 crores in absolute terms than that of Rs.43,591 crores during the corresponding period of the previous year; in percentage terms it was the same at 14.7 per cent. The expansion in currency, was higher both in absolute and percentage terms.

Banking Trends

The expansion in aggregate deposits of scheduled commercial banks during the current financial year upto February 3,1995 at Rs.47,260 crores was higher in absolute terms as compared with the previous year's increase of Rs.40,382 crores; in percentage terms it was the same at 15.0 per cent. The working estimate of deposit growth for the year as a whole was placed at Rs.53,000 crores. Bank credit expansion which remained subdued during the past two years has accelerated since the beginning of July 1994, reflecting the gradual and yet strong industrial recovery. Bank credit expanded significantly by Rs.31,490 crores or 19.2 per cent as compared with a relatively low rise of Rs.10,016 crores or 6.6 per cent last year. More importantly, non-food credit, registered a substantial increase of Rs.28,879 crores or 18.8 per cent as compared with a modest expansion of Rs.5,864 crores or 4.0 per cent a year ago. There has also been a very substantial increase in the flow of resources from banks to the commercial sector during the current year so far in the form of increased holding of PSU bonds, commercial paper and corporate equity and bonds. With Government securities being issued at market- related rates of interest, banks' investments in Government securities increased by Rs.16,820 crores which was, however, low as compared with the increase of Rs.22,000 crores in 1993-94 upto February 4, 1994.

Monetary and Credit Policy

The monetary policy for 1994-95 aimed at a substantial reduction in the inflation rate. Given this objective, the thrust of the policy was towards reining in monetary expansion especially in the context of the monetisation of the large foreign capital inflows. Accordingly, a number of policy measures were announced. An important instrument to sterilise a part of the expansionary impact of foreign capital inflow is the cash reserve ratio (CRR). This was raised in the case of scheduled commercial banks (including RRBs) from 14 per cent to 15 per cent in three phases. Yet another measure to neutralise the expansionary impact of capital inflows was the prescription of cash reserve ratio of 7.5 per cent in respect of deposit liabilities under Foreign Currency (NR) Accounts (Banks) Scheme, with effect from the fortnight beginning October 29, 1994. This ratio was further raised to 15.0 per cent from the fortnight beginning January 21, 1995. Also, scheduled commercial banks were required to maintain a cash reserve ratio of 7.5 per cent on liabilities under Non-Resident (Non-Repatriable) Rupee Deposit (NRNR) Scheme from the fortnight beginning January 21, 1995.

As a further step towards the objective of bringing down the statutory liquidity ratio (SLR) to 25 per cent by March 1996, SLR to be maintained by banks up to the level of outstanding domestic net demand and time liabilities (NDTL) as on September 17, 1993 was reduced from 34.75 to 33.75 in two phases. Effective October 29, 1994, the SLR was further reduced to 31.50 per cent and the base brought forward to September 1994. The incremental SLR on domestic NDTL was left unchanged at 25 per cent.

With a view to aligning the deposit rates in respect of NRE accounts with the domestic term deposit rates, the maximum term deposit rate on NRE accounts was reduced by 1 percentage point from the existing prescription of 'not exceeding 11 per cent per annum' to 'not exceeding 10 per cent per annum', effective May 16, 1994. Effective October 1994, this was further reduced by two percentage points to 'not exceeding 8 per cent';the rate on savings deposits under NRE accounts was also reduced from 5 per cent to 4.5 per cent per annum. Also the minimum maturity of term deposit of NRE accounts was raised from 46 days to 6 months from May 1994. Changes were also effected in the provisions governing bank advances against selected agricultural commodities. As in the past, the minimum margins on advances against these commodities were eliminated/ altered, depending upon price -output situation obtaining in these commodities.

An important measure having wide ramifications for financial sector reforms has been the deregulation of lending rates of scheduled commercial banks in respect of credit limits of over Rs.2 lakhs, effective October 1,1994. Banks were thus given freedom to fix the lending rates on such loans; each bank is now required to declare its prime lending rate. As a result, administered interest rates would prevail only in regard to two slabs viz., upto and inclusive of Rs.25,000 and over Rs.25,000 and up to Rs.2 lakhs. The saving deposit rate in respect of domestic deposits was reduced from 5 per cent per annum to 4.5 per cent per annum. The maximum term deposit rate of scheduled commercial banks which was kept at 10.0 per cent till February 9, 1995 has been raised by 1 percentage point from 'not exceeding 10.0 per cent per annum' to 'not exceeding 11.0 percent per annum', effective February 10, 1995. The lending and deposit rates of all cooperative banks, however, were totally deregulated subject to a minimum lending rate of 12.0 per cent.

Price Situation

The persistence of inflationary pressures, during the current year is a matter of serious concern. The annualised rate of inflation reckoned in terms of the wholesale price index crossed the double digit level in early March 1994 and stood at 10.8 per cent, on a point to point basis, at the end of March 1994; it moved up further to 12.1 per cent by the week ended April 23, 1994. Thereafter, under the impact of expected large availabilities of agricultural goods, better fiscal control and monetary restraint, inflationary expectations abated, especially from July 1994 onwards. The annualised rate dropped to single digit (as per final data) for a period of 12 weeks till the week ended November 12, 1994. It had reached 8.4 per cent as per final data for the week ended October 1, 1994. However, it started rising since then and touched 10.9 per cent as at the week ended December 3,1994. As per the latest provisional data, the annualised inflation rate as on February 3, 1995 rose further to 11.4 per cent. A matter of great concern is the sharp increase in prices of primary articles of mass consumption such as cereals and pulses, edible oils, textiles, eggs, fish and meat during the current fiscal year. The index of 'primary articles' group rose by 13.4 per cent during the financial year

upto January 28, 1995 while the indices of other major groups *viz.*, 'manufactured products' and 'fuel, power, light' rose by 8.5 per cent and 1.2 per cent respectively.

External Sector

A major highlight of the macro-economic performance during the current year pertains to distinct improvement in the balance of payments, and in particular in the foreign currency reserves. During the first nine months of the current financial year (April-December), exports grew by 16.9 per cent in US dollar terms as compared with 19.9 per cent during April-December 1993. Although there is a deceleration in export growth in the current year, it has to be seen that the increase last year was over a low base while the increase this year is over a high base. Imports registered a much higher growth rate of 23.9 per cent in contrast to a fall of 1.3 per cent during April-December 1993, reflecting the continued recovery in domestic industrial activity. Non-oil imports, in particular, recorded a sharp rise of 33.1 per cent in U.S. dollar terms as against an almost stagnant position in the corresponding period of last year. As a result, the trade deficit during the first nine months of the current fiscal year rose to US $ 2,012 million from US $ 731 million during the comparable period of the previous year.

On the invisibles account, travel receipts are expected to be higher as tourist arrivals during April-September rose by 13.5 per cent as against a decline of 10 per cent during the corresponding period of the previous year. Private transfer receipts are likely to show a rise, while the relatively lower international interest rates have moderated the interest outgo related to the variable interest components of external debt. The external current account deficit for the first half of 1994-95 was US$ 436 million.

In the capital account, there were large inflows in the form of foreign investments and the non-resident deposit schemes accompanied by a reduction in the reliance on traditional sources of capital such as external aid and external commercial borrowing. During the first nine months of 1994-95, inflows under foreign investment (both direct and portfolio) amounted to US$ 3,897 million and inclusive of US$ 34 million and US$ 167 million mobilised through Foreign Currency Convertible Bonds (FCCBs) and Floating Rate Notes (FRNs) respectively, the inflows amounted to US$ 4,098 million. A greater part of these inflows, however, relates to portfolio investments in the form of Global Depository Receipts (GDRs) by Indian corporates (US$ 1,726 million) and investments by Foreign Institutional Investors (FIIs) in the domestic capital market (US$ 1,195 million) (Table I-1).

Table I-1 : Foreign Investment Inflows during April-December, 1994.

(US $ million)

Direct Investment	756
Portfolio Investment	3141
i) GDRs	1726
ii) FIIs	1195
iii) Others	220
Memo item :	
FCCBs	34
FRNs	167

During the first half of the current year the net inflows under the various non-resident deposit schemes [(including FC(B&O)D]

amounted to US$ 641 million (Table I-2).

Table I-2 : Inflows(+)/ outflows(-) under various NRI Deposits* during April-December,1994.

(US $ million)

FCNR	-1875
FCNR(B)	1694
NR(E)R	948
NR(NR)RD	443
FCON	-11
FC(B&O)D	-558
Total	641

* All figures are inclusive of accrued interest.

The favourable external sector developments have contributed to a substantial improvement in the foreign currency assets of the RBI during the current year. India accepted Article VIII obligations of the Articles of Agreement of the International Monetary Fund, effective August 20, 1994 and as such full current account convertibility has been attained. Between the end of March 1994 and end-January 1995, the foreign currency assets rose by US $ 4,625 million to US$ 19,693 million which would be equivalent to around 11 months of imports and 9 months of imports and debt servicing.

The exchange rate of the rupee continued to be stable at Rs.31.3700 per US dollar during the first seven months of 1994-95. During the current financial year up to October, 1994 the nominal effective exchange rate (NEER) of the rupee measured in terms of a thirty six country export weighted index depreciated in all months except in August 1994 essentially due to the weakness of the U.S. dollar against major currencies. The NEER for October 1994 depreciated by 4.8 per cent as compared with the level in March 1994; during the corresponding period of 1993-94 the NEER had depreciated by 1.3 per cent. The nominal depreciation of the rupee was partly offset by the rise in inflation differentials between India and its major trading partners. The real effective exchange rate (REER) for October 1994 recorded a marginal appreciation of 0.5 per cent over the level in March 1994, as against an appreciation of 5.7 per cent in the corresponding period of the preceding year.

Outlook for the full year, 1994-95.

The moderate economic recovery witnessed during 1993-94 is expected to gather momentum during 1994-95 and the growth in overall real GDP is estimated at 5.3 per cent, in view of the perceptible improvement in both agriculture and industry and a relatively high trend growth rate in the services sector. The amounts raised in the capital market and the rising trend in disbursement of financial assistance by term lending institutions are indicative of the favourable investment climate. The fiscal position in 1994-95, in sharp contrast to the marked deterioration in 1993-94, has shown a significant improvement with buoyant revenues coupled with expenditure restraint. The budget deficit tended to decline while net RBI credit to Government showed a moderate rise during the current fiscal year so far. The surge in capital inflows while indicating international confidence has made monetary management difficult. A number of measures such as institution of reserve requirements on FCNR(B) deposits and NR (NR) deposits, active open market operations, mandatory provisions relating to utilisation of foreign funds through GDR issues have been envisaged to ensure that monetary pressures from the external sector are moderated.

The trends in exports during the first nine months of the current year would suggest that

exports could expand by well over 15 per cent during 1994-95 as a whole. With the sharp revival in industrial activity, imports have surged ahead with non-oil imports accounting for the entire increase. While this inevitably increases the trade deficit during 1994-95, the external current account position is expected to be very small in view of the favourable invisibles account.

The inflationary situation, in particular reflected through the prices of primary and consumer goods has been a matter of serious concern. One element in the price situation is money supply. Several measures have been taken to moderate monetary growth, the impact of which would be felt in the coming months. Combined with supply management, this should help reduce inflationary pressures.

CHAPTER II

NATIONAL INCOME, SAVING AND INVESTMENT*

The recovery experienced by the Indian economy in 1992-93 was broadly maintained in 1993-94. The real Gross Domestic Product (GDP) at factor cost registered a fractionally lower growth of 3.8 per cent in 1993-94 as compared with 4.0 per cent in the preceding year. Significantly, the growth in 1993-94 was widely distributed across sectors. 'Agriculture and allied activities' recorded a 2.3 per cent growth on top of a 5.0 per cent growth in the preceding year, while a noticeable upswing in industrial production since December 1993 resulted in an improved growth of around 3.0 per cent in its value added during the year. Services sector also expanded at a rate higher than last year's, with 'financing, insurance, real estate and business services' as also 'construction' recording noticeable acceleration.

The strengthening of the economic activity was accompanied by a pick-up in domestic saving in the economy and a contraction in saving- investment gap to around 0.3 per cent of GDP from 2.0 per cent in 1992-93. The Gross Domestic Saving (GDS) was estimated significantly higher at 24.2 per cent in 1993-94,in comparison with the preceding year's saving rate of 22.5 per cent. The increase in domestic saving rate largely reflects the increase in financial surplus of the household sector. The aggregate investment rate was estimated at 24.4 per cent in 1993-94 indicating some downward drift in capital formation since 1990-91. However, the investment rate is still well above the average investment rate for the 'eighties.

* This chapter is based on information/data available upto November 1994.

a. Trends in National Product

Performance during 1993-94

The performance of the real sector, as reflected by various national accounting aggregates, was satisfactory. The real Gross National Product (GNP) at factor cost recorded a 3.9 per cent growth. In nominal terms, the GNP was placed at Rs. 7,08,824 crore which is 15.0 per cent higher than in the preceding year. The Net National Product (NNP) at factor cost, also known as the national income, is estimated at Rs. 6,24,930 crore in 1993-94, recording an increase of 14.7 per cent in nominal terms. In real terms, the national income expanded by 3.8 per cent and was estimated at Rs. 2,00,523 crore at 1980-81 prices. The growth in real national income, though lower than in the preceding year, is nonetheless reasonable considering that national income had registered a decline of 0.1 per cent in 1991-92 with the fall in per capita terms being 2.1 per cent. The quick recovery which followed has resulted in real per capita national income expanding by 2.3 per cent and 1.9 per cent in the next two years, respectively, measuring Rs. 2,258 in 1993-94. In nominal terms, the per capita income at Rs. 7,038 in 1993-94 was higher by 12.6 per cent (Table II -1).

Sectoral Performance in recent years

Real economic activity had suffered a set-back in 1991-92 when the GDP growth declined to 1.1 per cent from 4.9 per cent in the preceding year and a trend growth of 5.4 per cent in the 'eighties. Output in 'agriculture' and 'manufacturing' sectors

contracted by 2.7 per cent and 3.2 per cent, respectively, in 1991-92, while growth in 'mining & quarrying' decelerated sharply to 3.7 per cent from 10.7 per cent in the preceding year. Noticeable deceleration was also observed in 'construction', 'trade, hotels and restaurants' and 'storage' activities. However, a number of sectors recorded acceleration in productive activity even in a year in which economic growth suffered a reversal. These include 'fishing', 'electricity, gas and water supply', transport, communication', 'real estate & business services' and most notably 'banking and insurance' with its record growth of 21.7 per cent.

The revival in 1992-93 was effected mainly by an impressive growth of 5.3 per cent in value added in 'agriculture' and a turnaround in ' manufacturing' activity which recorded a 2.0 per cent expansion in its output. The recovery was faster in the 'unregistered' segment of the manufacturing sub-sector which has a higher employment-intensity than the 'registered'. Recovery in 'manufacturing' has been sustained in 1993-94 with a significant surge in output since December 1993. Among services, activity in 'trade, hotels & restaurants', 'storage' and 'communication' recorded acceleration in 1992-93. 'Construction' and 'banking & insurance' posted lower growth of 0.1 per cent and 2.5 per cent, respectively, though estimates for 1993-94 show a renewed buoyancy in both these sectors. 'Public administration & defence services' have recorded markedly lower growth in the 'nineties averaging 2.5 per cent in the first three years, against an average growth of 8.6 per cent in the second half of 'eighties. The deceleration mainly reflects moderation in defence spending.

Structural Transformation

Comparisons of sectoral shares in GDP indicate continuity with the pattern of structural transformation in the Indian economy in conformity with the development process. Development theory suggests that a relative transfer of resources from agriculture to non-agricultural sectors may be expected as per capita income increases. With diminishing returns and resource transfers accompanying decrement in the agricultural labour force for a given increment in productivity, the share of agriculture in the total economy would tend to contract, even though the marginal productivity of labour may improve. The share of 'agriculture and allied activities' in GDP thus is observed to have declined from 53.8 per cent in the 'fifties to 34.9 per cent in the 'eighties and further to 30.4 per cent during the period 1990-91 to 1992-93. On the other hand, the shares of industry and services sectors expanded from 14.0 per cent and 32.2 per cent , respectively, in the 'fifties to 23.0 per cent and 42.1 per cent in the 'eighties and further to 24.9 per cent and 44.6 per cent during the period 1990-91 to 1992-93 (Table II - 2).

The decade-wise comparisons of the sectoral real growth rates show that the industrial sector has grown at the fastest rate: exceeding 5.0 per cent per annum in each of the first four decades beginning the 'fifties and reaching a high of 7.4 per cent in the 'eighties (Table II-3). Services sector also recorded a noticeable acceleration in the 'eighties with an average growth of 6.4 per cent per annum, compared with 4.4 per cent in the preceding decade. Despite a deceleration in the early 'nineties, the growth in services has outpaced that in industry, as the manufacturing sector - a predominant sub-sector of industry - recorded a dismal growth of 1.7 per cent per annum in the first three years of the current decade. Services outputs are known to possess higher income elasticities of demand, particularly so at higher income levels and there is considerable evidence to the effect that while services

sector may increase at a rate lower than the industrial sector initially, the process may be reversed at higher income levels, when agricultural surplus labour is exhausted and transfer of labour takes place from the industrial to the services sector. The increase in the services sector share at the expense of the industrial sector share tends to occur when agricultural share is already very small. Clear evidence of this fact, however, is yet to emerge in the case of Indian economy. Growth in real GDP originating in 'agriculture' has gone up from 1.9 per cent in the 'seventies to 3.1 per cent in the 'eighties. However, as 'agriculture and allied activities' continue to grow at a trend rate which is considerably below that of the other two sectors, its share in real GDP can be expected to continue shrinking.

b. Trends in Domestic Saving and Investment

Aggregate Saving and Investment

Preliminary estimates of domestic saving and investment rates during 1993-94 reveal a remarkable pick-up in the domestic saving. The Gross Domestic Saving (GDS) rate which had slumped from 24.2 per cent in 1991-92 to 22.5 per cent in 1992-93, rebounded to the earlier peak of 24.2 per cent in 1993-94 (Table II-4). The Net Domestic Saving (NDS) rate also recovered to 15.3 per cent from 13.3 per cent in 1992-93 (Table II-5), but was still lower than the peak of 16.4 per cent attained in 1978-79. The aggregate investment rate was estimated at 24.4 per cent in gross terms and 15.6 per cent in net terms and were lower than their peak rates realised in 1990-91.

Historically, the saving and investment rates have shown an impressive rise over years. The inter-decadal matrix of frequency distribution of years across the GDS and GDCF rates is *almost* a diagonal matrix, demonstrating sustained rise in saving and investment over the successive decades (Matrix I).

The GDS rate broke out of a low level of around 10.0 per cent in the latter half of the 'fifties and edged up to around 15.0 per cent by mid-'sixties. The saving rate increased more rapidly from 1973-74 onwards peaking at 23.2 per cent in 1978-79. The high saving phase of the 'seventies was aided, *inter-alia*, by the institutional build-up of banking infrastructure, higher currency expansion to support large foodgrains procurement operations and larger acquisition of physical assets supported partly by increased flows of institutional credit. However, the saving rate declined thereafter due to a fall in saving rates for physical saving of the households and for the public sector and was estimated at 18.2 per cent in 1984-85. The growth in household saving in bank deposits also decelerated in early 'eighties. Thereafter, in a U-turn, the saving rate increased, touching nearly 24 per cent by the end of the 'eighties and increasing further to 24.2 per cent in 1993-94. In terms of NDS, the saving rate behaviour was similar to that in GDS except that the NDS rate peaked at 16.4 per cent in 1978-79. The Con-

Matrix I: Frequency Distribution of Years Across the Various Classes of GDS/Investment Rates

GDS/ Investment rate classes	DECADE									
	'Fifties		'Sixties		'Seventies		'Eighties		'Nineties@	
	S*	I**	S*	I**	S*	I**	S*	I**	S*	I**
1	2	3	4	5	6	7	8	9	10	11
5-10	2	2	0	0	0	0	0	0	0	0
10-15	8	7	8	2	0	0	0	0	0	0
15-20	0	1	2	8	6	8	5	1	0	0
20-25	0	0	0	0	4	2	5	7	4	3
25-30	0	0	0	0	0	0	0	2	0	1

@ Pertains to the four-year period 1990-91 to 1993-94.
* Number of years in the decade falling under the respective GDS rate class.
** Number of years in the decade falling under the respective investment rate class.

sumption of Fixed Capital (CFC) was markedly higher in the first half of 'eighties than in late 'seventies . The rise in CFC was partly the result of change in CSO's method of estimating depreciation resulting in the NDS rising at a somewhat slower pace than the GDS. The aggregate investment in terms of gross domestic capital formation (GDCF) also reached a high of 23.3 per cent in 1978-79, followed by a U-turn with a trough of 19.6 per cent in 1984-85, but reached a new peak of 27.2 per cent in 1990-91 aided by a rise in domestic saving rate to 23.9 per cent and a surge in inflow of foreign resources to 3.4 per cent of GDP at current market prices. The rate of net domestic capital formation (NDCF) reached a new peak at 19.3 per cent in 1990-91 (Matrix II).

MATRIX II: Decadal Peaks & Troughs in Saving and Investment Rates

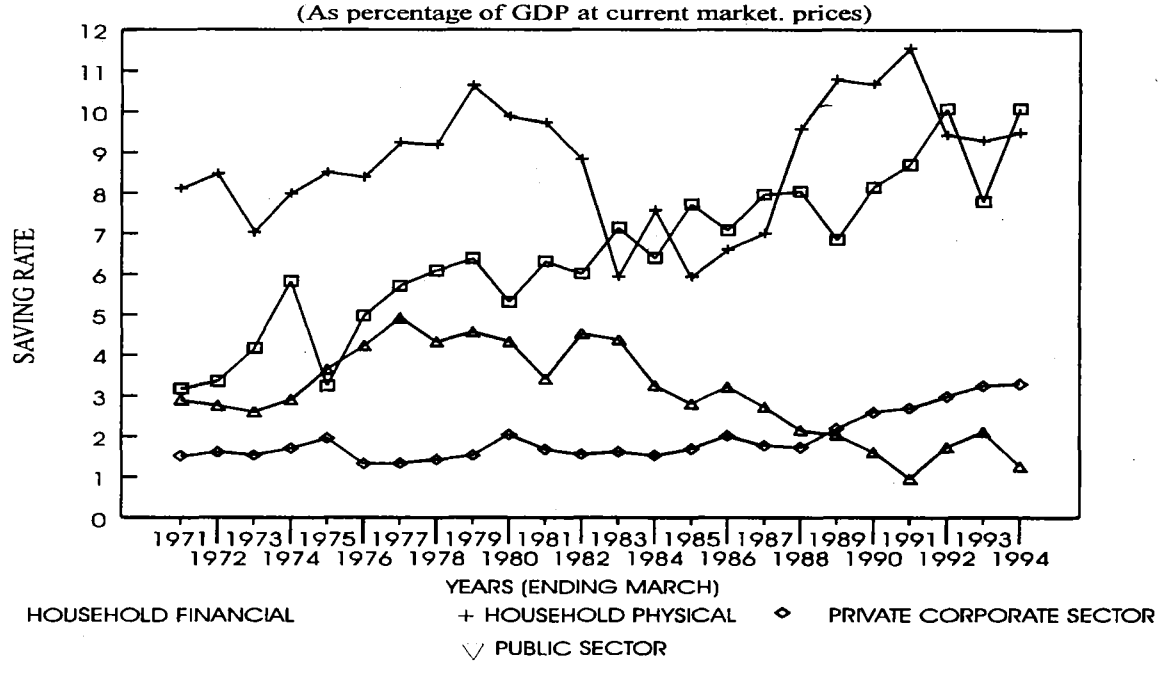
		'50s		'60s		'70s		'80s		'90 so far	
		Peak	Trough	Peak	Trough	Peak	Trough	Peak	Trough	Peak	Trough
1	2	3	4	5	6	7	8	9	10	11	12
GDS	Year	1955-56	1952-53	1966-67	1961-62	1978-79	1972-73	1989-90	1984-85	1991-92 1993-94	1992-93
	Rate	13.9	8.2	15.3	12.2	23.2	15.4	23.1	18.2	24.2	22.5
NDS	Year	1955-56	1952-53	1966-67	1961-62	1978-79	1972-73	1989-90	1984-85	1990-91	1992-93
	Rate	9.1	3.9	9.3	6.5	16.4	8.8	14.3	9.6	15.7	13.3
GDCF	Year	1956-57	1952-53	1966-67	1961-62	1978-79	1972-73	1989-90	1984-85	1990-91	1993-94
	Rate	16.0	7.9	18.4	14.2	23.3	15.9	25.9	19.6	27.2	24.4
NDCF	Year	1956-57	1952-53	1966-67	1968-69	1978-79	1972-73	1989 90	1984 85	1990-91	1992-93
	Rate	11.6	3.5	12.6	8.0	16.5	9.4	17.4	11.1	19.3	15.6

The rates of saving and investment have risen to impressive levels. Nearly quarter of the GDP is saved and invested and this, while being less than in some of the newly emerging industrialised countries, nonetheless compares favourably with many developed countries. India has depended far less on foreign saving than most developing countries. Domestic saving has typically financed over 93 per cent of the investment in India. Foreign saving has averaged less than 2 per cent of GDP since 'eighties.

Sectoral Saving and Investment

Private saving has been the mainstay of capital accumulation in the Indian economy. In 1993-94, private saving, comprising the saving of the households and of the private corporate sector, increased to 22.9 per cent of the GDP from 20.4 per cent in the preceding year. In contrast, the public sector saving rate declined from 2.1 per cent to 1.3 per cent due to a sharp deterioration in the saving of the government administration on current account. The rise in private saving rate mainly reflects the increased financial intermediation of household surplus through bank deposits, a larger draft routed through capital markets and increased holding of currency. These three factors resulted in household sector's saving in financial assets to rebound to 10.1 per cent of GDP after having dipped to 7.8 per cent in 1992-93. Private corporate saving rate has remained at

Graph 1
Sectoral Saving Rates
(As percentage of GDP at current market. prices)



a high of 3.3 per cent of GDP.

Private saving is being increasingly routed through the financial sector. The wide gap between household saving in physical assets and that in financial assets which prevailed in the 'seventies has since been bridged (Graph I). The rate of household saving in financial assets (net of liabilities) improved from an average of 4.8 per cent of GDP in 'seventies to 7.2 per cent in the 'eighties, while that for physical assets declined from 8.7 per cent to 8.3 per cent. Financial instruments accounted for 35.1 per cent of the total household saving in the 'seventies. Supported by financial deepening, its share improved to 47.3 per cent in the 'eighties. *Per contra* the share of physical assets declined from 64.9 per cent to 52.7 per cent. In more recent period, household preference for physical assets was high during the four year period 1987-88 to 1990-91 and again in 1992-93 when it outstripped the saving in financial assets but the rate for financial assets has climbed back once again, raising the investible surplus in the economy. Private corporate savings which had been hovering around abysmally low rates of below 2 per cent of GDP for most of the years during the 'seventies picked up from 1988-89 and has crossed 3.0 per cent of GDP in the 'nineties.

Saving, Investment & Resource Gap:
Annual Averages
(Percentages to GDP)

Period	Private			Public		
	GDS	GCF	S-I gap	GDS	GCF	S-I gap
1980-81 to 1984-85	16.0	11.9	4.1	3.7	10.2	-6.5
1985-86 to 1989-90	18.6	13.5	5.1	2.4	11.1	-8.7
1990-91 to 1992-93	22.0	14.7	7.3	1.6	10.3	-8.7
	(22.2)			(1.5)		

Figures in bracket below the GDS rates give averages for the 'nineties upto 1993-94. The sector-wise rates for gross capital formation (GCF) are unadjusted for errors & omissions and estimates for the same are not available for 1993-94.

The steady deterioration in public sector saving constitutes erosion of investible surplus in the economy. Public sector saving rate averaged 3.7 per cent of GDP in the first half of 'eighties but could average only 2.4 per cent in the latter half. In the 'nineties, the

public sector saving rate has fallen further to 1.5 per cent of GDP on an average basis. The private saving rate, on the other hand, increased from an average of 16.0 per cent in the first half of 'eighties to 22.2 per cent so far in the 'nineties. Concomitantly, private investment has also picked up from an average of 11.9 per cent of GDP in the first half of 'eighties to 13.5 per cent in the latter half and further to 14.7 per cent in the current decade so far, *pari-passu* with a decline in public sector investment to 10.3 per cent from 11.1 per cent in the latter half of 'eighties.

As ratios to GDP, private investment has risen along with private saving, both for the households and the corporates. Therefore, the phenomenon of "crowding out" of private investment by public investment in its classical sense does not appear to be a matter of concern, as may be the case for economies with full employment where increasing government expenditure may cause bond prices to fall and interest rates to rise leading to crowding out of private investment in the long run.

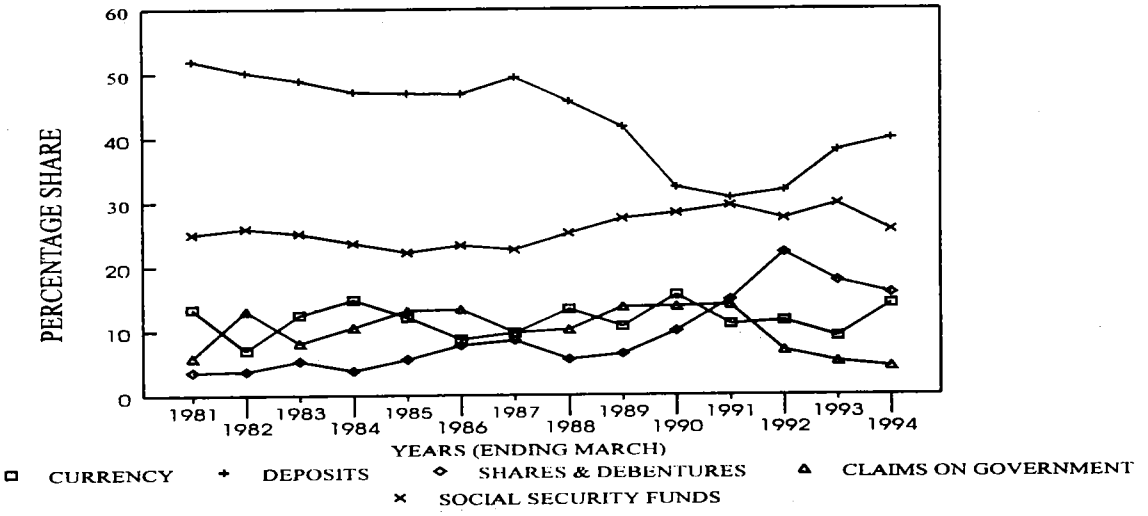
The positive real deposit rates in general have helped to foster real capital formation in the economy. The surplus of the private sector has risen to 7.1 per cent of GDP in the 'nineties (from 4.1 per cent in the first half of the 'eighties,) with the shortfall in the case of the private corporate sector declining to 1.8 per cent of GDP from 2.7 per cent for the same periods. Simultaneously, the deficit of the public sector has increased to 8.7 per cent of GDP from 6.5 per cent, so that while the investment of public sector as a ratio of GDP has by and large remained stagnant through a draft on the rising private surplus, the decline in its saving has become a matter of some concern from the viewpoint of overall resource generation. This underscores the need for restructuring public finances in a manner that improves the public sector saving, an aspect which has been dealt with in detail in the chapter on fiscal developments of this Report.

Household Saving in Financial Instruments

Household sector's saving in financial instruments is measured as their additions to total financial assets net of all financial liabilities. The estimation of household's financial saving is undertaken by the Reserve Bank annually and its procedure was explained in Box 1 of last year's Report on Currency and Finance. The estimation undertaken this year reveals that household's saving in financial instruments which had dipped to 7.8 per cent of GDP in 1992-93 from 10.1 per cent in 1991-92, recovered to the earlier rate in 1993-94. As a percentage of NDP, the financial savings of the household now amounts to 11.3 per cent compared with 8.7 per cent a year ago (Table II-5). The revival of financial saving reflects a shift in household preferences for financial assets. By providing savers with a richer menu of portfolio choices with different maturities and different risks, and by operating on a scale which enables them to pool independent risks, financial intermediaries have been able to raise and allocate savings more efficiently. This has helped in raising aggregate saving and investment in the economy as is reflected in a steadily rising financial saving since the 'seventies.

Apart from the additions to financial savings, the asset-preferences of the households have also shifted in recent times, resulting in a portfolio substitution in favour of shares and debentures and against deposits in the latter half of 'eighties (Graph II). In the 'nineties, household investment in shares and debentures (including units of UTI) rose steeply to aggregate Rs. 15,704 crore in 1991-92 constituting 22.2 per cent of their total accretion to financial assets. Recent estimates show that the share has declined to 16-18 per cent in the next two years, mainly on account of lower resource mobilisation by UTI from households compared with an extraordinary spurt in 1991-92 when UTI raised large sums

Graph 2
Percentage Distribution of Gross Financial Savings (Households)



through four major schemes, such as Mastergain-'92, MEP-'92, Masterplus-91 and GMIS-91. Household investments in shares and debentures of mutual funds other than UTI are also estimated to have declined from Rs. 2,127 crore in 1991-92 to around Rs. 1,500 crore in the last two years. However, household investments in shares and debentures of non-financial companies increased sharply in 1992-93 to Rs. 4,717 crore, more than double that in 1991-92. In 1993-94, it has registered a small decline to Rs. 4,190 crore.

The rapid decline in the share of bank deposits in household saving in gross financial assets from 45.8 per cent in 1980-81 to 29.3 per cent in 1991-92 was arrested in the next two years, indicating a reversal in disintermediation of household financial saving. Household saving in bank deposits increased from Rs. 20,755 crore in 1991-92 to Rs. 25,463 crore in 1992-93 and further to Rs. 34,854 crore in 1993-94 improving its share in gross financial assets to 37.3 per cent in 1993-94. Household deposits with non-banking companies also increased steeply in 1991-92 and 1992-93, with the non-banking financial companies segment recording sizable accretions to such deposits during these years.

The currency holding of the households registered a phenomenal rise in 1993-94, with currency- GDP ratio recording a jump from 0.9 per cent to 1.7 per cent. As a result of large currency expansion, which in turn reflected the monetary impact of surge in net foreign assets (NFA) in 1993-94, currency holding of the households increased to Rs. 13,241 crore in 1993-94 compared with Rs. 6,562 crore in the preceding year.

Contractual saving in the form of social security funds continues to account for the second largest share in financial saving after deposits as an instrument of saving. Such saving is constituted by provident fund (PF) schemes, contributory as well as non-contributory pension and life insurance funds. The magnitude of such funds has improved steadily, though its share has been largely stable, comprising around a quarter of gross

financial saving. In 1993-94, household saving in social security funds aggregated Rs. 24,013 crore maintaining an annual increase of 11-12 per cent observed in the preceding five years.

Saving of the households in the form of claims on government, consisting predominantly of small savings aggregated to Rs. 7,942 crore in 1990-91 but declined in the two successive years. In 1993-94, such saving is estimated at Rs. 4,096 crore, marginally higher than in the preceding year but still substantially lower than in 1990-91.

Household saving in gross financial assets is netted for their financial liabilities to arrive at the financial saving estimate for the sector. Household sector's financial liabilities comprising borrowings from commercial and co-operative banks, co-operative credit and non-credit societies, insurance and term-lending institutions, central and state governments and electricity boards registered a sharp increase in 1992-93 with accretions totalling Rs. 17,256 crore compared with Rs. 8,866 crore in 1991-92. The increase was mainly on account of lending activities of commercial and co-operative banks and of non-banking financial corporations. In 1993-94, the flow of household liabilities is estimated at Rs. 12,451 crore (Table II-6).

c. Flow of Funds and Sectoral Financial Surpluses/Deficits

Saving and investment in the economy can also be approached through an analysis of flow of funds in the economy (See Box 1). For each sector of an economy, the changes in financial liabilities constitute the sources of funds while the changes in the financial assets comprise the uses of funds. For any sector, the financial surplus, i.e., the excess of total uses over total sources of funds, is interpreted as the saving-investment gap of the sector, which can be lent to a deficit sector for bridging its resource requirements. Different sectors in the economy can be grouped into two broad categories (a) financial and (b) non-financial. The financial sector comprising the bank and non-bank financial institutions perform the role of intermediation and are, therefore, neither net savers, nor net investors. It is the non-financial sector where the economic agents aggregated across sectors can be lenders or borrowers on a net basis.

The households in India typically have a financial surplus and they lend this surplus to finance the deficits of private corporate business and the government which are the net borrowers with investment over and above their own savings. Since domestic non-financial sectors, in aggregate, face deficits, with investment exceeding savings, the deficits are bridged in most of the years through inflow of resources which is reflected in an external current account deficit. Such foreign saving inflows are captured in a surplus for the rest of the world sector in the flow of funds accounts.

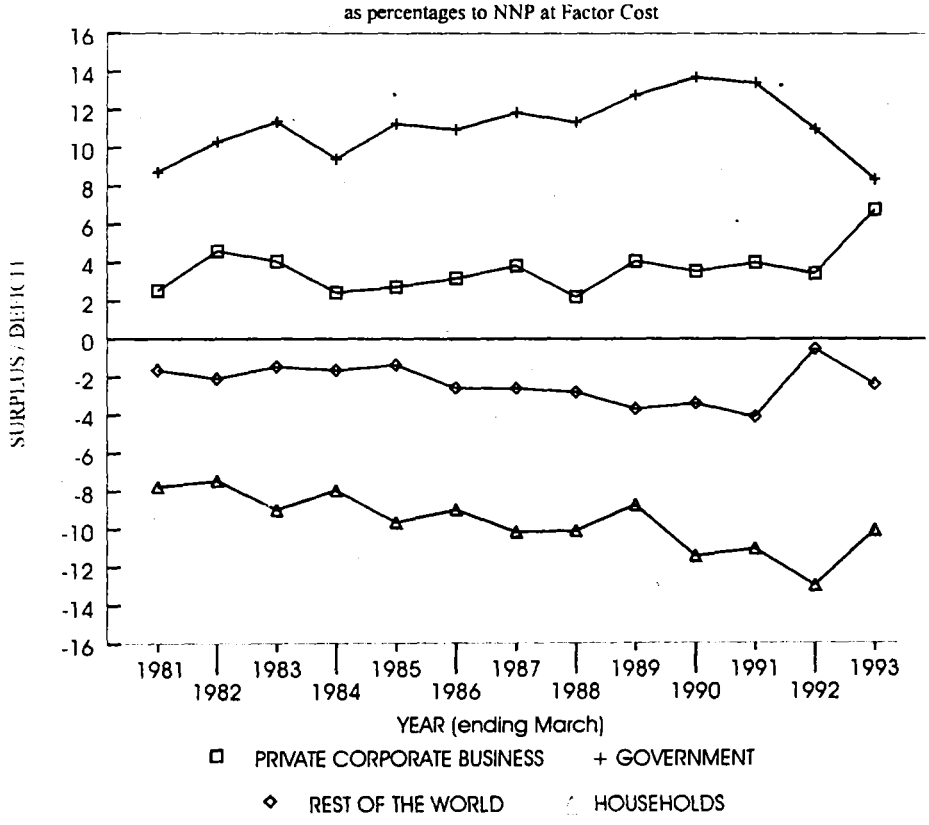
Saving-investment gaps of the non-financial sectors, reflected in their financial surpluses/deficits, as a ratio of economic activity are presented in Graph III. It may be observed that since 'seventies, household sector has steadily increased its surplus resulting in a rise in its ratio to NNP from around 4 per cent in 1970-71 to nearly 12 per cent in 1992-93. Financial intermediaries, over the years have helped to raise the level of financial savings of the households, enabling government and the private corporate sectors to raise their investment through a draft on household savings. Deficit of the private corporate sector as a percentage of NNP has been higher in 'eighties, averaging 3.3 per cent, compared with 1.6 per cent in the 'seventies.

Quite noticeably, the twin deficits of a macro-economy, viz., the public sector and

Graph 3

Surplus/deficit of Non-Financial Sectors

as percentages to NNP at Factor Cost



the current account of the balance of payments increased in the 'eighties. This is reflected in the increased divergence of the surplus of the rest of world and deficit of the government sector from the X-axis in the graph. Unlike in 'seventies, the rest of the world has been in surplus throughout the 'eighties reflecting external current account deficits. The deficit of the government sector which stood at 4.5 per cent of NNP at the beginning of the 'seventies dipped to less than 2 per cent in 1973-74, increased to nearly 14 per cent of NNP by the end of the decade before declining somewhat to around 8 per cent in 1992-93.

The role of the Indian financial system in capital accumulation is best gauged by certain financial deepening ratios. Evidence on these ratios is provided in Table II-7. A number of points emerge from the Table:

(i) Total financial claims issued by non-financial sectors (primary issues) and financial sectors (secondary issues) have risen sharply as a ratio of national income, with the finance ratio climbing up in successive decades from 7.4 per cent in the 'fifties to 36.8 per cent in the 'eighties. The finance ratio has been estimated close to 40 per cent in 1990-91 and 1992-93, with the ratio jumping to 43.6 per cent in 1991-92 due to a spurt in financial issues.

(ii) The relationship between financial development and capital formation captured by the financial inter-relations ratio (the ratio of total financial claims issued during the year to net capital formation) has also increased from 0.88 in the 'fifties to 2.40 in the 'eighties. The financial inter-relations ratio is estimated to be fractionally higher in 1991-

Box-1

Flow of Funds Accounts

The genesis of flow of funds accounts (FOF) dates back to 1944 when Wesley Michell produced an unpublished paper on this topic. The first significant contribution was, however, made after eight years when Morris Copeland (1952) came up with the seminal paper entitled "A study of Money flows in United States". After the completion of Copeland's study, the responsibility for preparing flow of funds accounts in the United States was taken up by Federal Reserve System. This trend was seen in many other countries, including India where Reserve Bank of India, published flow-of-funds accounts in the RBI Bulletins from time to time, with the first one appearing in March 1967 and the last one in June 1993. The FOF accounts for India are available right from 1951-52.

The flow-of-funds accounts form one of the components of a comprehensive and inter-connected system of national accounts [Stone (1965)]. They reflect the disaggregated savings and investment flows among the broad sectors of an economy through various credit and capital market instruments. In these accounts the "financial surplus" of a sector - the net amount (total uses less total sources) of funds available for or arising from transactions in financial markets - is derived from the statistics of the sector's gross saving and capital expenditure adjusted for net capital transfer. National accounts identity ensures that, in principle, the financial surpluses of all the sectors together must add to zero. Further, the aggregated amount of net transactions through each of the financial instruments must also be zero as each transaction simultaneously generates an asset to the holder and a liability to the issuer. In practice, differences (from zero) do arise and signify discrepancies.

In a comprehensive system of national accounts, the flow of funds account must also be linked with the accounts for the rest of the world. The normal procedure is to treat the rest of the world as one of the sectors, whose financial surplus is equal to the balance of payment deficit on current account. Foreign assets held by the domestic sector are treated as the financial liability of foreign residents and the investment by foreigners in domestic financial instruments form the assets of rest of the world.

The savings-investment gap of a sector, which also reflects financial surplus/deficit position of that sector, is bridged by financial flows. As such, only those funds can be admitted in these accounts, which are transacted through financial instruments, such as loans and advances, borrowed funds, external aid flows from the rest of the world sector. In other words, the increase or decrease in liabilities/assets of a sector, owing to the external borrowings or lending to the outside sectors, are the result of financial flows. To illustrate, an increase in paid-up capital of private corporate sector as a result of transfer of funds from reserve to paid-up capital (bonus shares) is not a financial flow. However, the subscription to the right issues or new issues by economic agents outside the corporate entity is a financial flow to the private corporate sector. Owned funds spent on creation of real capital formation also do not constitute the financial flows though any corresponding inter-sectoral financial flows arising therefrom are captured. The concern of these accounts are primarily the sectoral saving-investment gaps. On the same logic all the intra-sectoral flows, even financial, cannot be categorised as financial flows for preparing the accounts, as they cancel out within the sector. Unilateral transfers like gifts, donations, etc. are also not considered as financial flows as they do not form the part of borrowing/lending of a sector from the outside sectors of the economy.

Flow of funds accounts are essential for any comprehensive analysis of financial market behaviour, because they help to identify both the role of finance in generation of income, savings and expenditure, and the influence of economic activities on financial markets (Bank

Box-1 (Contd.)

of England, 1972). Besides, a temporal and cross-section comparison of these accounts provide an insight into changing patterns and the degree of development in the process of financial intermediation, the increasing distance between the saver and the ultimate investor, and the channel through which savings find a way into investing sectors. The volume of financial flows with respect to the index of economic activities, say GNP, NNP, or capital formation, also provide a reliable indicator of the growing use of financial instruments and increasing complexities of financial structure in the process of economic development of a country. For instance, the role of the Indian financial system in capital accumulation has been brought to fore through certain financial deepening ratios by Rangarajan (1994). Flow of funds accounts are also employed as an important tool for financial planning, given their potential to highlight the behaviouristic pattern of inter-sectoral disposition of funds. They are being employed by central banks across the globe for monetary planning through use of credit aggregates (Greenspan et. al., 1958, Reid and Schreft 1993). Also, the accounting constraints built into these accounts supplemented by behavioural relationships, have formed the basis for macro-modeling of many a computable general equilibrium models, following the approach shown by Brainard and Tobin (1968).

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92 than the average for the 'eighties.

(iii) The intermediation ratio defined as the proportion of secondary claims which are issued by financial institutions to the primary claims issued by non-financial institutions increased from 0.42 in 'fifties to 0.76 in 'seventies, but declined marginally in the 'eighties as the private corporate business and government - two of the non-financial sectors increased their shares (also see Table II-7 and II-8).

(iv) The new issues ratio, which measures the proportion of primary claims issued by non-financial institutions to net capital formation witnessed a continuous rising trend over the decades and averaged 1.39 in the 'eighties compared with only 0.61 in the 'fifties. The new issues ratio is estimated marginally lower in the 'nineties.

The flow of funds accounts organised along two dimensions - by economic sectors and by type of financial instruments - are

presented in Volume II of this report for the years 1991-92 and 1992-93. Aggregate financial flows by sectors are also presented in Table II-8. These accounts reveal that intermediation through financial sectors increased markedly in 1991-92, reflecting in a jump in their share in total financial issues from 41.7 per cent in the previous year to 46.5 per cent. In 1992-93, financial issues through non-bank financial intermediaries declined. Private corporate business markedly increased its share in 1992-93, reflecting the buoyancy of primary capital market when Rs. 14,582 crore were raised by the sector through issue of corporate securities, registering a jump of 58 per cent over the preceding year. The share of government sector in total financial issues has declined to around 30 per cent in 1991-92 and 1992-93 from an average exceeding 40 per cent in the 'fifties and 'sixties and around 35 per cent in 'seventies and 'eighties. The reduced share of government sector in total financial issues in 1991-92 and 1992-93 in part reflects a decline in small savings and reduced draft of the government sector on funds of the banking sector in general and Reserve Bank in particular. Household sector accounted for 8.1 per cent of total sources of funds in 1992-93. On the uses side, their holdings of currency and deposits increased markedly. The sector continues to be in a large surplus, lending to private corporate business and government through a variety of instruments.

ADDENDUM

The Central Statistical Organisation (CSO) released its Quick Estimates of National Income, Consumption Expenditure, Saving and Capital Formation for 1993-94 along with Advance Estimates of National Income, 1994-95 on February 14, 1995. As per these estimates, the real Gross Domestic Product (GDP) at factor cost has gone up by 4.3 per cent in each of the years 1992-93 and 1993-94 (Table 1).

Table 1: Growth Rate of Selected Macroeconomic Aggregates

(In per cent)

Items	1992-93@	1993-94*
(1)	(2)	(3)
1. Gross Domestic Product at factor cost (at 1980-81 prices)	4.3	4.3
of which:		
1) Agriculture and allied activities	5.1	2.9
2) Industry	3.4	3.9
3) Services #	4.3	5.4
2. Gross Domestic Product at factor cost (at current prices)	13.7	12.7
3. Net National Product at factor cost		
1) At 1980-81 prices	4.1	4.4
2) At current prices	13.5	13.2
4. Per capita national income		
1) At 1980-81 prices	2.2	2.5
2) At Current prices	11.4	11.1

* Quick Estimates @ Provisional Estimates
\# Inclusive of Construction
Source: Quick Estimates of National Income, Consumption Expenditure, Saving and Capital Formation, 1993-94.

Latest CSO estimates show that the gross domestic savings rate declined sharply to 20.0 per cent in 1992-93 and improved only marginally to 20.2 per cent in 1993-94. This was mainly on account of sharp fall in the rates of household sector saving in physical assets and in the public sector saving. Under the present methodology, once the gross capital formation in the economy as a whole is estimated, and capital formation of the public sector and private corporate sector are worked out, the household sector's capital formation is derived as a residual which in fact represents the sector's saving in physical assets. In view of this methodology, the household sector's physical saving rate dropped from 9.4 per cent in 1991-92 to 7.7 per cent in 1992-93 and to 5.6 per cent in 1993-94, mainly because of a sharp increase in capital formation in the private corporate sector. Public sector saving deteriorated sharply to 0.2 per cent in 1993-94 from 1.5 per cent, in the previous year. The private corporate sector saving, however, has shown a one percentage point improvement in 1993-94. The sectoral composition of net domestic saving continues to be characterised by a large dissaving rate by the public sector and a fall in the household physical saving rate in 1993-94 (Table 2). Aggregate investment rate in 1993-94 has also declined from that of 1992-93.

Table 2 : Estimates of Domestic Saving and Investment Rates

(In per cent)

Sector/Fiscal year	Gross Saving and Investment as percentage of GDP at Current Market Prices		Net Saving and Investment and percentage of NDP at Current Market Prices	
	1992-93$	1993-94*	1992-93$	1993-94*
(1)	(2)	(3)	(4)	(5)
1) Household Sector Saving	15.5	15.9	13.3	14.0
of which : Saving in				
a) Financial Assets	7.8	10.3	8.6	11.5
b) Physical Assets	7.7	5.6	4.6	2.5
2) Public Sector	1.5	0.2	- 3.5	- 4.9
3) Domestic Private Corporate Sector	3.0	4.0	1.1	2.0
4) Total Domestic Saving (1+2+3)	20.0	20.2	10.8	11.1
5) Net Inflow of Foreign Resources	2.0	0.3	2.2	0.3
6) Aggregate Investment (4+5)	22.0	20.4	13.0	11.4
GDP/NDP at Current Market Prices (Rupees Crore)	702829.0	786355.0	630564.0	706286.0

* Quick Estimates $ Provisional Estimates

Note: Figures may not add up to the totals because of rounding off differences.

Source: Quick Estimates of National Income, Consumption

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

Description	1950-51	1960-61	1970-71	1980-81	1989-90	1990-91	1991-92	1992-93	1993-94
1	2	3	4	5	6	7	8	9	10
1. Gross Domestic Product (GDP) at Factor Cost (Rupees Crore)									
At 1980-81 Prices	42,871	62,904	90,426	1,22,427	2,01,453	2,11,260	2,13,590	2,22,089	2,30,578
		(7.1)	(5.0)	(7.2)	(6.9)	(4.9)	(1.1)	(4.0)	(3.8)
At Current Prices	8,979	15,254	39,708	1,22,427	4,08,661	4,75,604	5,51,552	6,27,913	7,20,233
		(9.5)	(6.4)	(19.5)	(15.9)	(16.4)	(16.0)	(13.8)	(14.7)
2. Gross National Product (GNP) at Factor Cost (Rupees Crore)									
At 1980-81 Prices	42,644	62,532	89,465	1,22,772	1,98,082	2,07,488	2,08,651	2,17,597	2,26,086
		(7.0)	(5.1)	(7.3)	(6.9)	(4.7)	(0.6)	(4.3)	(3.9)
At Current Prices	8,938	15,182	39,424	1,22,772	4,02,930	4,68,059	5,40,143	6,16,504	7,08,824
		(9.4)	(6.4)	(19.7)	(15.7)	(16.2)	(15.4)	(14.1)	(15.0)
3. Net Domestic Product (NDP) at Factor Cost (Rupees Crore)									
At 1980-81 Prices	40,681	58,974	83,172	1,10,340	1,80,923	1,89,455	1,90,442	1,97,714	2,05,015
		(7.1)	(5.1)	(7.3)	(7.1)	(4.7)	(0.5)	(3.8)	(3.7)
At Current Prices	8,615	14,314	36,787	1,10,340	3,63,662	4,24,040	4,89,277	5,56,344	6,36,339
		(9.3)	(6.0)	(19.7)	(15.9)	(16.6)	(15.4)	(13.7)	(14.4)
4. Net National Product (NNP) at Factor Cost (Rupees Crore)									
At 1980-81 Prices	40,454	58,602	82,211	1,10,685	1,77,552	1,85,683	1,85,503	1,93,222	2,00,523
		(7.0)	(5.2)	(7.5)	(7.1)	(4.6)	(-0.1)	(4.2)	(3.8)
At Current Prices	8,574	14,242	36,503	1,10,685	3,57,931	4,16,495	4,77,868	5,44,935	6,24,930
		(9.3)	(6.0)	(19.9)	(15.7)	(16.4)	(14.7)	(14.0)	(14.7)
5. Per Capita NNP (Rupees)									
At 1980-81 Prices	1,127	1,350	1,520	1,630	2,160	2,213	2,167	2,216	2,258
		(7.0)	(5.2)	(7.5)	(4.9)	(2.5)	(-2.1)	(2.3)	(1.9)
At Current Prices	239	328	675	1,630	4,354	4,964	5,583	6,249	7,038
		(9.3)	(6.0)	(19.9)	(13.3)	(14.0)	(12.5)	(11.9)	(12.6)

Sources and Notes : (1) Estimates from 1989-90 to 1991-92 are provisional and for 1992-93 are Quick Estimates (1994) by Central Statistical Organisation , Government of India. Estimates for 1993-94 are of Reserve Bank of India.

(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 1989-90)	Period V (1990-91 to 1992-93)
1	2	3	4	5	6
1. Agriculture and Allied Activities	**53.8**	**45.8**	**41.0**	**34.9**	**30.4**
1.1. Agriculture	48.0	40.8	36.6	32.1	28.3
2. Industry	**14.0**	**18.1**	**20.2**	**23.0**	**24.9**
2.1. Mining & Quarrying	1.1	1.4	1.4	1.7	2.0
2.2. Manufacturing	12.4	15.7	17.3	19.3	20.5
2.3. Electricity, Gas & Water Supply	0.4	0.9	1.4	2.0	2.4
3. Services	**32.2**	**36.1**	**38.8**	**42.1**	**44.6**
3.1.Trade, Hotels, Transport and Communication	11.5	13.9	15.4	17.3	18.1
3.2. Financing, Insurance, Real Estate and Business Services	8.8	8.3	8.6	9.3	10.6
3.3.Community , Social and Personal Services	8.3	9.1	10.0	10.8	11.4
3.4.Construction	3.5	4.9	4.8	4.6	4.5
Total Gross Domestic Product (1+2+3)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

Table II - 3 : Trends in Sectoral Growth Rates of Real GDP *

(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 1989-90)	Period V (1990-91 to 1992-93)
1	2	3	4	5	6
1. Agriculture and Allied Activities	2.7	1.5	1.7	2.9	2.1
1.1 Agriculture	2.9	1.3	1.9	3.1	2.2
2. Industry	6.1	5.1	5.1	7.4	2.5
2.1. Mining & Quarrying	4.1	5.0	4.6	7.4	6.1
2.2. Manufacturing	6.1	4.7	4.9	7.3	1.7
2.3. Electricity, Gas & Water Supply	10.2	11.5	7.4	9.0	7.0
3. Services	4.3	4.8	4.4	6.4	4.7
3.1.Trade, Hotels , Transport and Communication	5.3	4.7	5.3	6.4	4.3
3.2. Financing, Insurance, Real Estate and Business Services	3.1	3.1	4.4	7.2	6.1
3.3. Community , Social and Personal Services	3.5	5.2	3.7	6.5	4.5
3.4. Construction	5.9	6.9	3.1	4.2	3.8
Total Gross Domestic Product (1+2+3)	3.7	3.3	3.4	5.4	3.3

* Based on semi-logarithmic trends.

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

(Rs.crore)

Item	1991-92 P	1992-93 P	1993-94 *
1	2	3	4
1. Public Sector	10,740	14,978	10,254
	(7.2)	(9.4)	(5.3)
Percentage of GDP at Current Market Prices	1.7	2.1	1.3
2. Domestic Private Corporate Sector (including co-operatives)	18,413	23,010	26,566
	(12.3)	(14.5)	(13.7)
Percentage of GDP at Current Market Prices	3.0	3.3	3.3
3. Household Sector	1,20,062	1,20,552	1,57,349
	(80.5)	(76.0)	(81.0)
Percentage of GDP at Current Market Prices	19.5	17.1	19.6
3.1. Financial Assets (Net)	61,991	54,933	81,044
Percentage of GDP at Current Market Prices	10.1	7.8	10.1
3.2. Physical Assets	58,071	65,619	76,305
Percentage of GDP at Current Market Prices	9.4	9.3	9.5
4. Gross Domestic Saving (1+2+3)	1,49,215	1,58,540	1,94,169
	(100.0)	(100.0)	(100.0)
Percentage of GDP at Current Market Prices	24.2	22.5	24.2
5. Net Inflow of Foreign Resources	3,679	14,062	2,149
Percentage of GDP at Current Market Prices	0.6	2.0	0.3
6. Aggregate Investment (4+5)	1,52,894	1,72,602	1,96,318
Percentage of GDP at Current Market Prices	24.8	24.5	24.4

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 saving of the private corporate sector ; whereas CSO will provide public sector's saving 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 upto 1992-93 are as per the CSO's quick estimates (1994). However, as the CSO estimates for 1993-94 are not available, savings estimates of physical assets of household sector and those of the public sector for 1993-94 are RBI estimates. There may be differences in estimates published here and those published 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- 5 : Estimates of Net Domestic Saving and Investment

(Rs. crore)

Item	1991-92 P	1992-93 P	1993-94 *
1	2	3	4
1. Public Sector	-18,060	-18,184	-28,499
	(-21.3)	(-21.5)	(-25.8)
Percentage of NDP at Current Market Prices	-3.3	-2.9	-4.0
2. Domestic Private Corporate Sector	5,427	7,426	9,854
(including co-operatives)	(6.4)	(8.8)	(8.9)
Percentage of NDP at Current Market Prices	1.0	1.2	1.4
3. Household Sector	97,496	95,331	1,28,920
	(114.9)	(112.7)	(116.9)
Percentage of NDP at Current Market Prices	17.6	15.0	17.9
3.1. Financial Assets (Net)	61,991	54,933	81,044
Percentage of NDP at Current Market Prices	11.2	8.7	11.3
3.2. Physical Assets	35,505	40,398	47,876
Percentage of NDP at Current Market Prices	6.4	6.4	6.7
4. Net Domestic Saving (1+2+3)	84,863	84,573	1,10,275
	(100.0)	(100.0)	(100.0)
Percentage of NDP at Current Market Prices	15.3	13.3	15.3
5. Net Inflow of Foreign Resources	3,679	14,062	2,149
Percentage of NDP at Current Market Prices	0.7	2.2	0.3
6. Aggregate Investment (4+5)	88,542	98,635	1,12,424
Percentage of NDP at Current Market Prices	16.0	15.6	15.6

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-6 : Composition of Financial Saving of the Household Sector

(Rs.crore)

Item	1991-92 P	1992-93 P	1993-94 *
1	2	3	4
A. Total Financial Assets (1 to 7)	**70,857**	**72,189**	**93,495**
(a)	11.5	10.2	11.6
(b)	100.0	100.0	100.0
1. Currency	8,157	6,562	13,241
(a)	1.3	0.9	1.7
(b)	11.5	9.1	14.2
2. Deposits	23,062	28,941	38,037
(a)	3.8	4.1	4.7
(b)	32.6	40.1	40.7
3. Insurance	7,003	7,118	8,359
(a)	1.1	1.0	1.0
(b)	9.9	9.9	8.9
4. Provident and Pension Funds	12,502	14,397	15,654
(a)	2.0	2.0	2.0
(b)	17.6	19.9	16.7
5. Claims on Government	4,904	3,763	4,096
(a)	0.8	0.5	0.5
(b)	6.9	5.2	4.4
6. Investment in Shares and Debentures including units of UTI	15,704	12,831	14,798
(a)	2.6	1.8	1.8
(b)	22.2	17.8	15.8
7. Trade Debt (Net)	-475	-1423	-690
(a)	-0.1	-0.2	-0.1
(b)	-0.7	-2.0	-0.7
B. Total Financial Liabilities (1 to 4)	8,866	17,256	12,451
(a)	1.4	2.4	1.5
(b)	100.0	100.0	100.0
1. Bank Advances	6,466	14,445	9,138
(a)	1.1	2.0	1.1
(b)	72.9	83.7	73.4
2. Loans and Advances from Other Financial Institutions	1,612	1,957	2,450
(a)	0.3	0.3	0.3
(b)	18.2	11.3	19.7
3. Loans and Advances from Government	483	559	564
(a)	0.1	0.1	0.1
(b)	5.4	3.2	4.5
4. Loans and Advances from Co-operative Non-credit Societies	306	295	300
(a)	-	-	-
(b)	3.5	1.7	2.4
C. Financial Saving (A - B)	**61,991**	**54,933**	**81,044**
(a)	10.1	7.8	10.1

P Provisional.
* Preliminary Estimates.

Notes : (a) Percentages to Gross Domestic Product at current market prices.
(b) Percentages to Financial Assets / Liabilities.

Table II-7 : Selected Indicators of Financial Development

(Rs.Crore)

Item	1951-52 to 1959-60	1960-61 to 1969-70	1970-71 to 1979-80	1980-81 to 1989-90	1990-91	1991-92*	1992-93*
1	2	3	4	5	6	7	8
1. Secondary Issues	268	962	6,269	33,710	68,598	96,895	91,361
2. Primary Issues	542	1,945	8,472	45,474	95,982	1,11,579	1,22,083
2.1. Domestic Sectors	616	1,926	7,850	46,263	1,03,032	1,04,327	1,25,603
2.2. Rest of the World	-74	19	623	-789	-7,050	7,252	-3,520
3. Total Issues (1+2)	810	2,907	14,741	79,184	1,64,580	2,08,474	2,13,444
4. National Income **	10,382	22,771	62,290	2,08,678	4,16,495	4,77,868	5,44,935
5. Net Capital Formation #	859	2,475	8,962	33,203	94,167	86,440	1,01,339
6. Finance Ratio (3 as a percentage of 4)	7.4	12.6	22.1	36.8	39.5	43.6	39.2
7. Rate of Capital Formation (5 as a percentage of 4)	8.1	10.9	13.8	15.6	22.6	18.1	18.6
8. Financial Inter-Relations Ratio (Ratio of 3 to 5)	0.88	1.17	1.60	2.40	1.75	2.41	2.11
9. New Issues Ratio (Ratio of 2 to 5)	0.61	0.79	0.91	1.39	1.02	1.29	1.20
10. Intermediation Ratio (Ratio of 1 to 2)	0.42	0.48	0.76	0.72	0.71	0.87	0.75

* Provisional.
** NNP at factor cost at current prices.
\# Adjusted for errors and omissions.

Table II- 8 : Financial Flows by Sectors

(Rs. Crore)

Sector	1951-52 to 1959-60	1960-61 to 1969-70	1970-71 to 1979-80	1980-81 to 1989-90	1990-91	1991-92*	1992-93 *
1	2	3	4	5	6	7	8
1. Banking	1,812	6,509	44,665	2,21,863	37,410	52,207	55,616
	(24.8)	(22.4)	(30.3)	(27.5)	(22.7)	(25.0)	(26.1)
2. Other Financial Institutions	602	3,112	18,025	1,13,004	31,188	44,688	35,745
	(8.3)	(10.7)	(12.2)	(14.0)	(19.0)	(21.4)	(16.7)
3. All Financial Institutions (1+2)	2,414	9,621	62,690	3,34,867	68,598	96,895	91,361
	(33.1)	(33.1)	(42.5)	(41.5)	(41.7)	(46.5)	(42.8)
4. Private Corporate Business	1,194	3,536	14,590	1,03,264	24,928	33,043	46,510
	(16.4)	(12.2)	(9.9)	(12.8)	(15.1)	(15.8)	(21.8)
5. Government	3,618	12,658	48,795	3,04,846	66,757	62,418	61,837
	(49.6)	(43.5)	(33.1)	(37.8)	(40.6)	(29.9)	(29.0)
6. Rest of the World	-666	186	6,229	-6,898	-7,050	7,252	-3,520
	(-9.1)	(0.6)	(4.2)	(-0.9)	(-4.3)	(3.5)	(-1.6)
7. Households	734	3,067	15,113	71,071	11,347	8,866	17,256
	(10.1)	(10.6)	(10.3)	(8.8)	(6.9)	(4.3)	(8.1)
8. All Non-Financial Institutions (4 to 7)	4,880	19,447	84,727	4,72,283	95,982	1,11,579	1,22,083
	(66.9)	(66.9)	(57.5)	(58.5)	(58.3)	(53.5)	(57.2)
9. Total Claims Issued (3+8)	7,294	29,068	1,47,417	8,07,150	1,64,580	2,08,474	2,13,444
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

* Provisional.

Note : Figures in brackets are percentages to total.

CHAPTER III

AGRICULTURAL PRODUCTION AND PROGRAMMES*

Overview

The year under review (1993-94) witnessed important developments in the agricultural sector. In terms of policy, a significant development was the placing of the modified agricultural policy resolution in the Parliament. Yet another development of considerable significance was the signing of the GATT agreement in view of its far reaching implications for Indian agriculture. Other important policy developments include the announcement of modified strategy to increase foodgrains production, and the increases in the minimum support prices (MSP)/procurement prices for various agricultural crops.

Production of major agricultural commodities scaled new highs due mainly to favourable weather conditions. The increase in production seems to have been brought about by an all-round improvement in productivity. Large foodgrains production, in the face of the limited improvement in the off-take, led to accumulation of high level of stocks with the Food Corporation of India (FCI).

Trends in Production

For the second year in succession, agricultural production during 1993-94 registered an all-round improvement due mainly to favourable weather conditions. The index number of agricultural production for 1993-94 with the triennium ending 1969-70 as the base was placed at 197.9. This showed an increase of a little less than 2.0 per cent over 1992-93 as compared with an increase of 3.2 per cent during the previous year. The deceleration in growth reflects the fact that the output level in the preceding year was already very high. This was overtaken not merely because of favourable weather conditions, an exogenous factor, but also by effecting gains in productivity (Box 1). The indices for both foodgrains and non-foodgrains at 196.2 and 201.6, respectively, for 1993-94 showed increases of 2.6 per cent, and 0.5 per cent, respectively, over 1992-93 (Table III-1).

Quantitatively, production of total foodgrains was placed at 182.0 million tonnes showing an increase of 1.1 per cent over 1992-93. The increase was due to higher production of rice which had more than compensated a substantial fall in the output of coarsegrains. Season-wise, *kharif* foodgrains at 99.2 million tonnes was lower as compared to the previous *kharif* season (100.6 million tonnes). *Rabi* output at 82.8 million tonnes during 1993-94 was not only a new peak but also higher by 4.2 per cent over that in the previous year. Crop-wise, production of both cereals and pulses were higher during 1993-94; production of cereals at 167.3 million tonnes and pulses at 14.7 million tonnes were higher by 0.5 per cent and 8.1 per cent, respectively, over 1992-93.

Among non-foodgrains, production of oilseeds scaled new highs (Table III-1). Output of nine major oilseeds aggregated 21.8 million tonnes showing an increase of 7.4 per cent over 1992-93. Sugarcane production at 239.9 million tonnes was higher by 3.9 per cent over the previous year. In contrast, cotton production at 11.4 million bales was lower by 1.7 per cent as compared with last year. Similarly, jute and mesta output was also lower by 5.6 per cent as compared with the previous year.

* This chapter is based on information/data available upto end-September, 1994.

Box 1

Productivity in Indian Agriculture

Productivity is a measure of the relationship between output and inputs. There are two ways of knowing about productivity of any economy. Partial Factor Productivity *is often perceived as one measure. It is the ratio of output to any specific input; it indicates the individual contribution of an input to output. The second, and a more comprehensive measure is the* total Factor Productivity *which is the ratio of output to the sum of all selected inputs, each weighted with its share in the output. Determinants of* Total Factor Productivity *(TFP) include,* interalia, *changes in the institutions, factor proportions, and, broadly, technical progress.*

Measuring total factor productivity in agriculture has been a major challenge. Non-availability of an input in time *could lead to very substantial output losses beyond the technical relationship between the inputs and output. Most of the essential inputs are natural resources: their quality differ from place to place, time to time and could have different effects on different crops, depending on the soil, weather conditions and use of other inputs. Besides, multiple cropping presents difficulties in terms of measurement. In certain instances, one crop serves as an input for others.*

Given the problems of measurement in terms of TFP, yield per hectare is most commonly used to describe productivity in agriculture. But it should be noted that productivity per hectare is estimated through crop cutting experiments, and is used in conjunction with area under crop, to estimate total production. The concept of yield per hectare as used is derived by dividing total production with the gross sown area, which is what is obtained through crop cutting experiments. Given the area under crop which is said to be not growing in recent years, the rise in the level of production could be obtained only by improvements in yields per hectare.

Available studies show that agricultural productivity in India (defined as yield per hectare) varied widely between crops, between regions, and between time periods. A general consensus is that the productivity has risen since mid-'sixties in respect of certain foodgrains crops (especially wheat) in specific areas (e.g., Punjab, Haryana). There have, however, been some shifts, of late, towards new crops (e.g., oilseeds, and pulses) and new areas (e.g., Madhya Pradesh, and Orissa).

Despite the improvements in the yield rate, productivity of most of the crops in India are below the international levels. This is attributable largely to failures to develop right kind of seeds, pesticides, etc., lack of adequate and proper irrigation facilities, low intake of fertiliser, and lack of mechanisation.

References:

1. *Narain, Dharam,(1977)* ***"Growth of Productivity in Indian Agriculture,"*** *Indian Journal of Agricultural Economics, Vol.XXXII, No.I, January-March.*

2. *Auhuwalia, Deepak, (1991)* ***Growth performance in Indian Agriculture,*** *Journal of Indian School of Political Economy, Vol.3 No.4 October—December.*

3. *Dholakia, Bakul H. and Ravindra H. Dholakia (1993),* ***"Growth of Total Factor Productivity in Indian Agriculture"*** *, Indian Economic Review, Vol.28,No.1.*

Owing mainly to higher production and partly to high support prices, the Food Corporation of India had procured a massive 27.2 million tonnes of foodgrains during 1993-94. Off-take (including for open market sales), however, totalled 17.8 million tonnes. Consequently, stocks at 22.2 million tonnes at end-March 1994 were higher as compared with both the 'norms' and the level a year ago. These trends continued during the first quarter of 1994-95 as well, with stocks reaching a historic peak of 31.9 million tonnes by end-May 1994.

Minimum Support Prices/Issue Prices

The Central Government fixes Minimum Support Prices (MSP) on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of the State Governments and concerned Central Ministries. The main objective of MSP is to ensure remunerative prices to the growers, as well as to cover the increase in the prices of various inputs. During 1993-94, both MSP for various agricultural commodities and the Central Issue Prices (CIP) of foodgrains under the public distribution system (PDS) were revised upwards (Annexure Statement).

Foodgrains

Production : Annual

Foodgrains production during 1993-94 scaled a new high of 182.0 million tonnes, registering an increase of 1.1 per cent over 1992-93 (180.0 million tonnes). This increase was brought about exclusively by an improvement of 2.0 per cent in the yield from 1,445 kgs. per hectare during 1992-93 to 1,473 kgs. per hectare during 1993-94, which had more than neutralised the effect of a decline of 0.8 per cent in the area under foodgrains. Production of *cereals* during 1993-94 aggregated 167.3 million tonnes registering a marginal increase of 0.5 per cent over the preceding year (166.4 million tonnes) due to an increase in the yield by 1.5 per cent. Production of *pulses* during 1993-94 was estimated at 14.7 million tonnes registering an increase of 8.3 per cent over 1992-93 (13.6 million tonnes) due mainly to a substantial improvement of 8.7 per cent in the yield per hectare (Table III-2).

Production : Season-wise

Production during *kharif* season was lower but a better performance during *rabi* season had more than compensated the decline. Thus, total *kharif* foodgrains crop during 1993 at 99.2 million tonnes was lower by 1.3 per cent over the previous *kharif* output (100.6 million tonnes) due to a decline in the area under foodgrains. Production of foodgrains during 1993-94 *rabi* season was estimated at 82.8 million tonnes showing an increase of 4.2 per cent over the previous *rabi* season (79.5 million tonnes). The improvement in the *rabi* output was due to an increase in both area and yield (2.1 per cent each) (Table III-3). Production of cereals during 1993 *kharif* season declined to 93.5 million tonnes (1.3 per cent) from 94.7 million tonnes in the previous *kharif* season due mainly to a reduction in the area. However, production of cereals during 1993-94 *rabi* season was placed higher at 73.8 million tonnes (2.9 per cent) as compared with that during the preceding *rabi* season (71.7 million tonnes). The output of 1993-94 *rabi* cereals was also higher, by 1.1 per cent, over the target of 73.0 million tonnes (Table III-4).

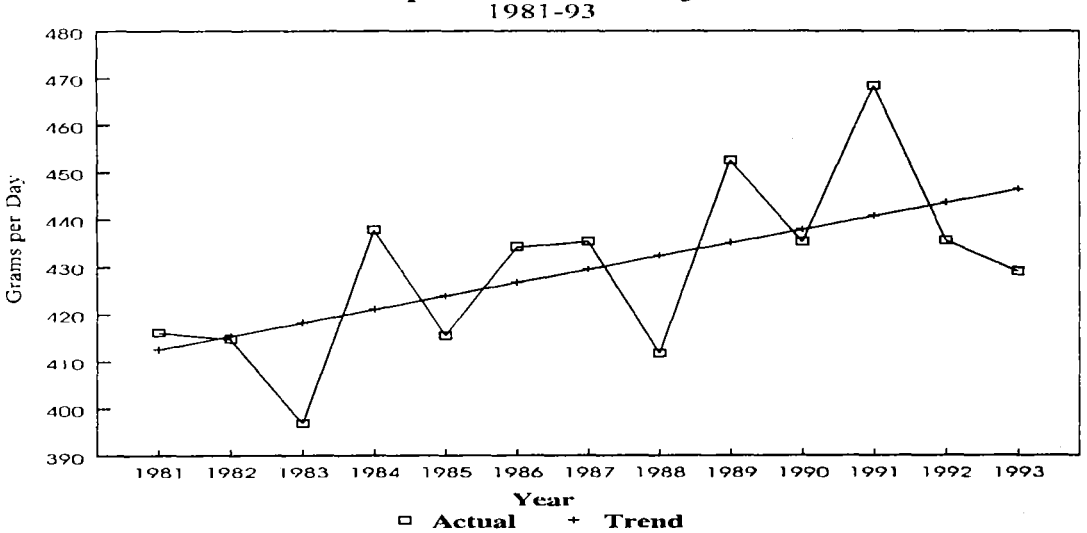
Output of pulses at 5.7 million tonnes during 1993 *kharif* season was lower by 2.1 per cent over 1992 *kharif* season (5.9 million tonnes). The decline in production was on account of somewhat less favourable rainfall during 1993 in pulses growing regions. Production of pulses during 1993-94 *rabi* season at 9.0 million tonnes was, however, higher by 16.1 per cent than that during 1992-93 *rabi* season (7.8 million tonnes) due mainly to a substantial improvement (15.0 per cent) in yield (Table III-5).

Availability

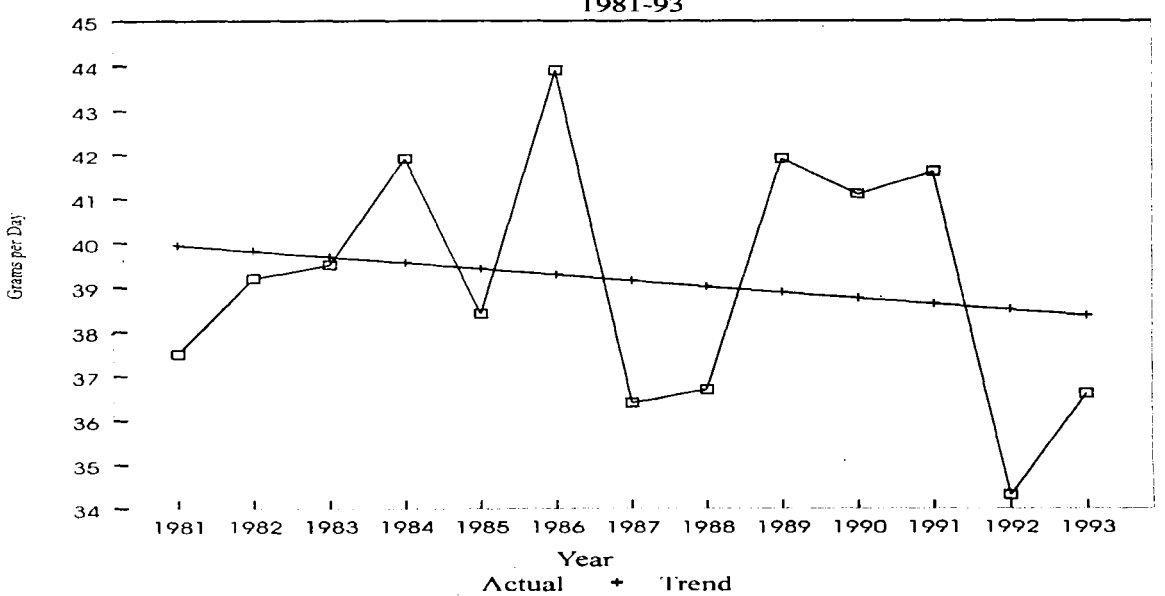
Net availability of foodgrains decreased

nominally from 150.0 million tonnes during the calendar year 1992 to 149.6 million tonnes during 1993, despite the increase in the production of foodgrains. However, reflecting a relatively higher rate of growth in the population, the per capita net availability of foodgrains per day declined from 469.9 grams in 1992 to 465.6 grams in 1993. While the per capita net availability of cereals declined from 435.6 grams per day in 1992 to 429.0 grams per day in 1993, that of pulses improved from 34.3 grams in 1992 to 36.6 grams in 1993 (Table III-6). Graph 1(A) & Graph 1 (B) show that over time, per capita net availability of cereals has gone up while that of pulses has moved down.

Graph 1(A)
Per Capita Availability of Cereals
1981-93



Graph 1(B)
Per Capita Availability of Pulses
1981-93



High Yielding Varieties Programme (HYVP)

One of the factors contributing to the increase in the production of foodgrains is the extension of area under HYVP. Under the programme, the total area under major foodgrains during 1992-93 was anticipated at 65.5 million hectares showing an increase of 0.5 per cent over the actual during 1991-92 (65.2 million hectares). The anticipated achievement in 1992-93 constituted 93.0 per cent of the target set for the year (70.5 million hectares) and 68.4 per cent of the total cropped area. The target set for 1993-94 was 75.0 million hectares which was higher by 14.5 per cent over the anticipated achievement in 1992-93 (Table III-7).

The anticipated achievement in HYVP during 1992-93 would be higher in respect of paddy and wheat and lower in respect of coarse cereals. Thus, the area under HYV for paddy and wheat would be higher by 3.9 per cent and 3.5 per cent, respectively, while those for jowar, bajra and maize would be lower by 9.5 per cent, 6.9 per cent, and 10.5 per cent, respectively. The target set for 1993-94 for paddy, wheat, jowar, bajra, and maize were higher by 12.9 per cent, 3.2 per cent, 41.9 per cent, 22.3 per cent, and 37.3 per cent, respectively, over the anticipated outcomes in respect of these crops during 1992-93 (Table III-7).

Cereals

Rice

Production

Production of rice during 1993-94 was estimated at 78.0 million tonnes showing an increase of 7.5 per cent over 1992-93 and fractionally surpassing the target set for the production of this commodity, notwithstanding the unfavourable monsoon in some parts of major rice growing States. Performance during both 1993 *kharif* and 1993-94 *rabi* season were better than those during the previous corresponding seasons. Production of rice during 1993 *kharif* season was placed at 69.2 million tonnes showing an increase of 8.0 per cent over the previous *kharif* season (64.1 million tonnes). The better performance was due mainly to higher productivity. Production of rice in 1993-94 *rabi* season was estimated at 8.8 million tonnes which was also higher by 3.4 per cent over the previous *rabi* season (8.5 million tonnes), but this improvement was due to larger area under cultivation. However, the increase in production during 1993-94 as a whole was attributable largely to increase in the yield per hectare (6.1 per cent) (Table III-8).

Integrated Programme of Rice Development

The Integrated Programme of Rice Development (IPRD) was continued during 1993-94 (for details of the programme see previous *Report*, p.19). During 1993-94, the Central Government allocated Rs.80.0 crore for disbursement under this scheme.

As mentioned earlier, from 1994 *kharif* season onwards, IPRD was modified and being implemented as ICDP-Rice in 1,200 blocks in 17 States having productivity of rice below State/ national average.

Minimum Support Price (MSP)

For 1994-95 marketing year (October-September), MSP for common, fine and superfine varieties of rice were raised by 9.7 per cent, 9.1 per cent, and 8.6 per cent, respectively, to Rs.340 per quintal, Rs.360 per quintal, and Rs.380 per quintal, respectively.

Wheat

Production

Wheat production during 1993-94 was placed at 57.8 million tonnes which was higher by 1.8 per cent than the output of 1992-93 (56.8 million tonnes). The increase during 1993-94 was due mainly to an increase (1.8 per cent) in the yield

per hectare (Table III-9).

Special Foodgrains Production Programme - Wheat (SFPP-Wheat)

During 1993-94, SFPP-Wheat, a thrust programme providing assistance to the wheat growing States to increase area coverage and to raise productivity levels, was continued. For 1993-94, the Government made a budgetary allocation of Rs.60 crore for disbursement under this scheme.

From 1994-95, SFPP-Wheat would be recast as Integrated Cereal Development Programme of Wheat (ICDP-Wheat) and implemented in the major wheat growing States on the same conditions outlined in respect of the Programme for rice.

Minimum Support Price (MSP)

The MSP for fair average quality wheat for 1994-95 marketing season (April - March) was raised by 6.1 per cent to Rs.350 per quintal.

Coarse Cereals

Production

Production of coarse cereals is dependent upon weather conditions as these are grown largely on rainfed and dryland tracts. Coarse cereals comprise jowar, bajra, maize, ragi, small millets, and barley. During 1993-94, the temporal distribution of rainfall was not favourable to *kharif* coarse cereals. Hence, production of coarse cereals during 1993 *kharif* season aggregated 24.3 million tonnes showing a sharp decline of 20.8 per cent over 1992 (30.6 million tonnes). However, production during 1993-94 *rabi* season totalled 7.2 million tonnes which was higher by 12.1 per cent over that during the previous *rabi* season (6.4 million tonnes). Notwithstanding the sharp recovery in the *rabi* season, total output of coarse cereals during 1993-94 was estimated at 31.5 million tonnes which was lower by 15.0 per cent over that during 1992-93 (37.0 million tonnes). The setback in the production during 1993-94 was attributed to declines both in area (4.3 per cent) and yield per hectare (11.2 per cent) (Table III-10).

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

During 1993-94, SFPP-Maize and Millets was implemented in 14 States and the Government had made a total provision of Rs.25 crore for disbursement under this scheme.

As in the case of rice and wheat, the programme for coarsegrains was also modified in 1994-95. During *kharif* 1994, the Integrated Cereals Development Programme in Coarse Cereals-based cropping system areas (ICDP-Coarse Cereals) would be implemented in six States.

Minimum Support Price (MSP)

The marketing year for jowar, bajra, maize, and ragi is October - September and, for barley, April - March. For 1994-95 marketing year, MSP for jowar, bajra, and ragi were raised by 7.7 per cent *each* to Rs.280 per quintal *each*. The MSP for maize was revised upwards by 9.4 per cent to Rs.290 per quintal. The MSP for barley was increased by 5.8 per cent to Rs.275 per quintal.

Pulses

Production of pulses during 1993-94 was estimated at 14.7 million tonnes showing an increase of 8.3 per cent over that during 1992-93 (13.6 million tonnes). The increase in the production during the year was on account of an increase in the yield per hectare (8.7 per cent) (Table III-5).

With a view to increasing the production of pulses and to minimising fluctuations in the output, pulses were brought under the purview of the Technology Mission in 1990. Besides, the National Pulses Development Project (NPDP), which laid emphasis on increasing the area through multiple cropping and intercropping as also improving the

yield per hectare through modern methods of cultivation, was continued during 1993-94.

Of the other measures for increasing the production of pulses, mention may be made of the liberalisation of credit facilities. Considering the importance attached by the Government of India for the production of pulses, NABARD had agreed to sanction separate lines of credit to Central Co-operative Banks (CCBs) in identified pulses growing districts. Separate lines of credit were also sanctioned to State Co-operative Banks (SCBs) on behalf of CCBs functioning in the identified districts. During the co-operative year July 1992 to June 1993, 28 CCBs were sanctioned credit limits amounting to Rs.26.67 crore across six States and the maximum utilization was the order of Rs.11.59 crore.

Minimum Support Prices (MSP)

For the marketing year 1994-95 (April - March), MSP for fair average quality of gram, was raised by 6.7 per cent and that of moong, urad, and tur were raised by 8.6 per cent, respectively, to Rs.640 per quintal, and Rs.760 per quintal, respectively.

Public Distribution System

The Public Distribution System (PDS) operates through a network of fair price shops (FPS) for the distribution of essential commodities such as rice, wheat, edible oils, and kerosene, at prices generally lower than the market prices. Over the years, this has served as an important instrument to moderate open market prices and to ensure food security at the household level.

Issue prices of foodgrains under PDS

During 1993-94, the Government revised the Central Issue Prices (CIP) once. With effect from February 1, 1994, CIP of common, fine and superfine varieties of rice, supplied through PDS, were raised by 22.9 per cent, 24.1 per cent and 25.1 per cent, respectively, to Rs.537 per quintal, Rs.617 per quintal, and Rs.648 per quintal, respectively. Similarly, with effect from the same date, the issue price of wheat supplied through PDS was raised by 21.8 per cent to Rs.402 per quintal (Table III-11).

Procurement

Owing partly to higher production and partly to remunerative MSP, procurement of foodgrains during 1993-94 totalled 27.2 million tonnes showing a substantial increase of 41.6 per cent over that during 1992-93. Procurement of rice during 1993-94 aggregated 14.2 million tonnes constituting 18.2 per cent of production; this was also higher by 13.1 per cent over the previous year (12.6 million tonnes). Procurement of wheat during 1993-94 aggregated 12.8 million tonnes and constituted 22.2 per cent of production: it was more than twice the level in 1992-93. However, procurement activities had slowed down during 1994-95. Procurement during April-June 1994, for example, aggregated 13.3 million tonnes which was lower by 7.3 per cent over the corresponding quarter of 1993 (14.4 million tonnes). The decline was due to reduction in the procurement of wheat which, at 11.8 million tonnes, was lower by 7.0 per cent over the corresponding period of 1993 (12.7 million tonnes). Procurement of rice at 1.5 million tonnes was at the same level as in the corresponding quarter of the previous year (Table III-12).

Off-Take

During 1993-94, total off-take of foodgrains stood at 17.8 million tonnes (including 0.31 million tonnes under Jawahar Rozgar Yojana and 2.8 million tonnes of wheat for open market sale by FCI) which was higher by 3.7 per cent over that during 1992-93 (17.2 million tonnes). Component-wise, the off-take comprised 9.0 million tonnes of rice and 8.9 million tonnes of wheat. As compared with the off-take in 1992-93, off-take of rice was lower by 5.1 per cent while offtake of wheat was higher by 14.5 per cent. During the first quarter of 1994-95 (April-June), total off-take of foodgrains

at 3.2 million tonnes was higher by 3.6 per cent as compared with 3.1 million tonnes during the corresponding quarter of the preceding year (Table III-13).

Stocks

As at end-March 1994, total stocks of foodgrains stood at 22.2 million tonnes which were substantially higher (51.0 per cent) over the corresponding day of the previous year (14.7 million tonnes) and much higher than the prescribed norms. Component-wise, stocks of both rice at 14.7 million tonnes and wheat at 7.3 million tonnes, were higher by 32.7 per cent and 144.3 per cent, respectively, over the previous end-March level.

Foodgrains stocks reached a historical peak level of 31.9 million tonnes as at end-May 1994. As at end-June 1994, stocks of foodgrains aggregated 31.3 million tonnes comprising 14.4 million tonnes of rice and 16.7 million tonnes of wheat. At these levels, they were higher by 38.1 per cent, 9.8 per cent, and 18.8 per cent, respectively, over end-June 1993. The stocks at end-June 1994 had substantially exceeded the norms (Table III-14) (Graph 2).

In view of the excess stocks, the Government had authorised FCI to sell upto 3.0 million tonnes of wheat in the open market. From January 1994, FCI had also been permitted to carry out open market sale in rice.

Non-Foodgrains

Oilseeds

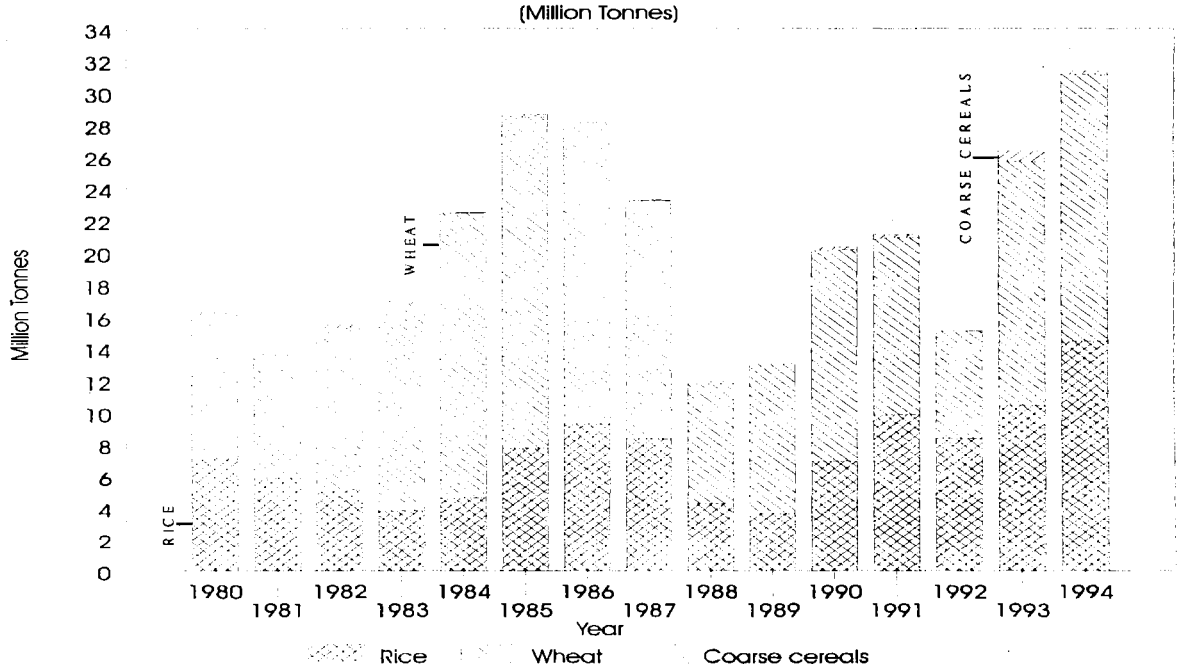
Production

Production of oilseeds scaled an all-time high of 21.7 million tonnes during 1993-94, registering an increase of 7.2 per cent over the previous year (20.3 million tonnes). The increase in the production was due both to an increase of 2.9 per cent in the total area under oilseeds cultivation (from 255.7 lakh hectares to 263.1 lakh hectares) and to an increase of 4.3 per cent in yield (from 793 kgs. per hectare in 1992-93 to 827 kgs. per hectare in 1993-94)(Table III-15).

Production during both *kharif* and *rabi* seasons were higher during 1993-94 as compared with the

Graph 2

Stock of Foodgrains (End-June)



previous year. They were also higher than the target set for the year.

Production of oilseeds during 1993 *kharif* season at 12.1 million tonnes was higher by 3.3 per cent as compared to the previous *kharif* season and by 5.6 per cent as compared with the target. Similarly, production during 1993-94 *rabi* season at 9.6 million tonnes was higher by 12.7 per cent over the previous *rabi* season and nominally exceeded the target fixed for the year.

Among major oilseeds, *kharif* groundnut production suffered a setback due to the poor rainfall particularly in Saurashtra and Andhra Pradesh. Groundnut production had declined also in Maharashtra and Tamil Nadu. Total groundnut production was estimated at 7.6 million tonnes during 1993-94 which was much lower (13.9 per cent) than that during 1992-93 (8.9 million tonnes) (Table III-16).

The shortfall in *kharif* groundnut crop was offset to a significant extent by a bumper production of rapeseed/mustard and soyabean during 1993-94 *rabi* season. Production of rapeseed/mustard at 5.7 million tonnes was higher by 17.0 per cent as compared to the previous year (4.9 million tonnes). Production of soyabean at 4.6 million tonnes during 1993-94 *rabi* season was an all time high and significantly higher (48.8 per cent) over the previous year (3.1 million tonnes).

Policy Development

To attain self reliance in oilseeds production, a four-pronged action plan, involving different organisations and institutions and an Integrated Policy on Oilseeds was framed in 1989 (for details please see this Report for 1992-93, P 23).

Under the ongoing Oilseeds Production Programme (OPP), 324 districts in 21 states were covered during 1993-94. During 1993-94, the Central outlay for OPP was Rs.97.5 crore as against Rs.83.3 crore earmarked for 1992-93.

Minimum Support Price (MSP)

The Government raised MSP for groundnut (in shell), sunflower seed, soyabean yellow, and soyabean black from Rs.800 per quintal, Rs.850 per quintal, Rs.580 per quintal, and Rs.525 per quintal, to Rs.860 per quintal, Rs.900 per quintal, Rs.650 per quintal, and Rs.570 per quintal, respectively.

NAFED Operations

The National Agricultural Co-operative Marketing Federation of India Ltd. (NAFED) continued to implement price support scheme in oilseeds. During 1992-93, NAFED procured 6,090 tonnes of oilseeds under price support operations and an additional 53,535 tonnes under commercial operations, and 27,398 tonnes under price support operation upto end-November 1993 during 1993-94.

The National Dairy Development Board (NDDB) which acts as the Market Intervention Agency for the procurement of oilseeds and oils for building up a buffer stock, procured 1,33,709 tonnes of oilseeds during 1993-94 at prices much higher than the minimum support price. Under its Market Intervention Operations (MIO), NDDB undertook retail marketing of Dhara Brand of edible oils, in small consumer packs, to moderate retail price of edible oils.

Foreign Trade in Edible Oils

With a view to bridging the gap between domestic demand and supply, the Government had, in the past, resorted to imports of edible oils. However, with the concerted efforts to increase the production of edible oilseeds/oils the dependence on imports has gone down considerably in recent years. With the result, imports of edible oils declined from 6.1 lakh tonnes in 1989-90 to 0.4 lakh tonne in 1993-94. Furthermore, with a view to helping the Indian industry to develop export market, the Government

had allowed exports of vegetable oils other than groundnut oil in consumer packs upto five kgs.

Cotton

Production

According to the Union Ministry of Agriculture and Co-operation, production of cotton during 1993-94 season aggregated 11.4 million bales which was lower (1.6 per cent) than that during the previous season (11.6 million bales) (Table III-17). The lower production was mainly on account of reduction in the area which had more than off-set a marginal improvement in the productivity. Indifferent weather conditions and pest attacks were other reasons. Late rains and widespread pest attack caused extensive damage to cotton crop in the northern belt particularly in Punjab and Haryana and inadequate and untimely rains in Gujarat, late rains in Madhya Pradesh, and unfavorable weather conditions in Karnataka had affected the crop in these States.

The Cotton Advisory Board (CAB) has placed the output of cotton for 1993-94 season lower at 12.2 million bales (9.6 per cent) as compared with 13.5 million bales for the 1992-93 season. On the supply side, according to CAB estimates, the opening stocks for the season amounted to 3.0 million bales while imports were 0.3 million bales. Thus, total availability of cotton during the 1993-94 season was 15.5 million bales which was lower (8.5 per cent) than the 16.9 million bales in 1992-93. On the demand side, mill consumption in 1993-94 was placed at 11.5 million bales which was higher (2.0 per cent) than the previous season's consumption (11.3 million bales). Non-mill consumption was constant at 0.8 million bales and that of small spinners was higher by 19.1 per cent, as compared with that in the previous season. Exports during 1993-94 season declined drastically to 0.4 million bales from 1.4 million bales (71.4 per cent) in the previous year. Thus, total off-take during 1993-94 was placed at 13.2 million bales showing a decline of 5.0 per cent over that in the previous year (13.9 million bales). Closing stocks as at the end of 1993-94 season at 2.3 million bales were lower as compared with 3.0 million bales last season (Table III-18).

Price Policy

During 1993-94 season, the Government raised MSP for the two basic varieties of cotton viz. F-414/H-777/Agatti (short and medium staple) and H-4 variety (long staple group) from Rs.800 per quintal and Rs.950 per quintal, respectively, applicable for the 1992-93 season to Rs.900 per quintal and Rs.1,050 per quintal, (Annexure Statement).

Procurement operations

The Cotton Corporation of India (CCI) continued its purchase operations with its set objectives (for details see this Report 1992-93, p 26). During 1993-94 season, it purchased 0.8 million bales of cotton as compared with 1.2 million bales during 1992-93 season. The purchases were made mainly in Punjab, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Andhra Pradesh. The entire quantity of 0.8 million bales was purchased on commercial basis.

In Maharashtra, the state owned Maharashtra State Co-operative Cotton Growers' Marketing Federation (MSCCGMF) undertakes procurement operations under the Monopoly Procurement Scheme at the guaranteed prices fixed by the Maharashtra Government, which are generally higher than MSP announced by the Central Government. For 1993-94 season, the guaranteed prices were initially the same as MSP but they were raised later to include an advance additional price of Rs.200 per quintal for long staple varieties and Rs.250 per quintal for other varieties of super and FAQ grade over and above the guaranteed prices. Under the Scheme, MSCCGMF procured 1.3 million bales of cotton during 1993-94 season as compared with 2.0 million bales during 1992-93 season.

Intensive Cotton Development Programme (ICDP)

During 1993-94 ICDP, which aims at increasing production and productivity of cotton, was continued in 43 districts of all cotton growing states. Total outlay under the scheme during 1993-94 was Rs.12.85 crore as compared with Rs.9.43 crore during the previous year.

Raw Jute and Mesta

According to the estimates of the Union Ministry of Agriculture and Co-operation, production of raw jute and mesta during 1993-94 season (July-June) was 8.5 million bales which was lower (5.8 per cent) than that during the previous season (9.0 million bales). Both raw jute and mesta production showed declines. The decline in the production was due mainly to a fall in the area under cultivation by as much as 6.1 per cent, the effects of which was only moderated by an increase in the yield per hectare by 0.5 per cent (Table III-19).

According to the Office of the Jute Commissioner, Government of India, 9.2 million bales of jute and mesta (comprising an opening stock of 2.2 million bales, production of 6.5 million bales and imports of 0.5 million bales) were available for distribution during 1993-94 as against 10.4 million bales during 1992-93 season. The decline in the availability was due to lower production during the season and to lower carry forward stock at the beginning of 1993-94 season. Imports during 1993-94 had gone up substantially to 0.5 million bales of jute and mesta. Off-take for domestic consumption during 1993-94 was 8.3 million bales as compared with 8.4 million bales during 1992-93. Mill consumption during 1993-94 season at 7.7 million bales was almost at the same level as in the previous year (7.8 million bales). Non-mill consumption during 1993-94 was 0.6 million bales as compared with 0.5 million bales during 1992-93. There were no exports during 1993-94. The closing stocks at the end of 1993-94 season at 0.9 million bales were substantially lower over the closing stock as at the end of previous year (1992-93) (2.0 million bales) (Table III-20).

Price Policy

During the year, MSP for the basic variety of raw jute, TD-5 grade in Assam was raised by 12.5 per cent from Rs.400 per quintal for the 1992-93 season to Rs.450 per quintal for the 1993-94 season, and further to Rs.470 per quintal (4.4 per cent) for the 1994-95 season. The corresponding MSP of all other grades of jute/mesta in different jute/mesta growing states were notified by the Jute Commissioner.

JCI Operations

The Jute Corporation of India (JCI) stabilises raw jute prices by buying directly from the farmers and farmers'co-operatives. During the 1993-94 season, however, JCI procured only a negligible quantity of 7,000 bales of raw jute as against 9,38,000 bales during the previous season mainly due to the prevailing firm open market prices.

Special Jute Development Programme (SJDP)

The SJDP with its objectives of increasing the productivity and improving fibre quality was continued during 1993-94 (see the previous *Report*, page 27). During 1993-94, under this programme, 2879.51 quintals of certified jute seeds and 905.48 quintals of quality mesta seeds were distributed, technology demonstrations were laid out on 4,553 hectares in programmed areas and 1,99,425 fungal culture packets were distributed for qualitative improvement of barky jute.

Sugarcane

Production

Production of sugarcane, which declined by 9.1 per cent in 1992-93, staged a partial recovery to 239.9 million tonnes in 1993-94 season (October-September) showing an increase of 3.9 per cent

over the year (Table III-21). The improved performance during 1993-94 was due to better yield per hectare which had risen by 6.9 per cent from 63,765 kg. to 68,142 kg. during the year, compensating a decline (2.8 per cent) in the area under cultivation.

Statutory Minimum Price (SMP)

The Government raised SMP for sugarcane for 1993-94 season to Rs.34.50 per quintal which was higher by 11.3 per cent over that for the previous season (Rs.31.00 per quintal). The SMP for 1994-95 season was fixed at Rs.37.00 per quintal which was higher by 7.3 per cent over that for 1993-94. The rates are linked to a basic recovery of 8.5 per cent with proportionate premium for higher recoveries.

Tea

Production

Production of tea during the calender year 1993 was estimated at 758.1 million kgs. which was higher (7.7 per cent) over the previous year (703.9 million kgs.). This was also higher than the target set for the year (750.0 million kgs.). The increase was due mainly to favourable agro-climatic conditions, particularly in South India where production increased by 20.7 million kgs. (13.2 per cent) from 158.6 million kgs. in 1992 to 179.3 million kgs. in 1993. Production in North India also showed an increase of 6.1 per cent from 545.3 million kgs. in 1992 to 578.7 million kgs. in 1993. Domestic consumption of tea continued to show a rising trend; it rose from 540.0 million kgs. in 1992 to 560.0 million kgs. in 1993 (Table III-22). Performance of tea continued to be good in 1994. Between January and June 1994 the all-India output of tea was estimated at 279.4 million kgs., which was higher by 16.3 million kgs. (6.2 per cent) over that during the corresponding period of the previous year (263.1 million kgs.). During this period, production in North India and South India at 181.41 million kgs. and 98.0 million kgs. were higher as compared with 177.8 million kgs. and 85.3 million kgs., respectively, during the corresponding period of the previous year.

Coffee

Production

During the 1993-94 season (October-September), an estimated 2.1 lakh tonnes of coffee was produced which was higher (28.8 per cent) than that during the 1992-93 season (1.6 lakh tonnes). Variety-wise, production of Arabica was placed at 0.9 lakh tonnes and Robusta at 1.2 lakh tonnes (Table III-23). The estimated production during 1994-95 season was fixed lower at 1.9 lakh tonnes as compared with 2.1 lakh tonnes during 1993-94. The target for 1994-95 comprise 0.8 lakh tonnes of Arabica (11.1 per cent lower than that during the previous season) and 1.1 lakh tonnes of Robusta (8.3 per cent lower than during 1993-94).

Strategy

The strategy being followed to enhance productivity and output focusses upon the consolidation of existing coffee growing areas. This is sought to be achieved by increasing productivity through replanting, developing water resources and provision of timely credit.

Coffee Board

The Coffee Board is the apex institution which coordinates various production and marketing programmes/activities relating to coffee. During the fiscal year 1993-94, the Coffee Board had disbursed loans amounting to Rs.1.80 crore as against Rs.4.10 crore disbursed during the previous year (i.e. 1992-93).

Tobacco

Production

The latest data available on tobacco production

relate to 1992-93. These showed a decline of 0.7 per cent in the production from 584.4 million kgs. in 1991-92 to 580.6 million kgs. in 1992-93 due to a reduction (2.1 per cent) in the area (Table III-24). The estimated production of Virginia Tobacco during 1992-93 was 161.4 million kgs. which was lower by 2.0 per cent as compared with that in the previous year. The decrease in the area and production was recorded mainly in Andhra Pradesh, Tamil Nadu and Orissa.

Prices

During 1993-94, MSP for the two basic grades i.e. F2 and L2 of VFL tobacco were fixed at Rs.18 and Rs.20 per kg., respectively, which were higher by 12.5 per cent and 14.3 per cent, respectively, over that for the previous year. Based on these prices, the Tobacco Board fixed MSP prices for the other grades of tobacco.

According to the prevailing practice before plantation, the growers are offered the Minimum Guarantee Prices (MGP) at which the traders would be willing to buy tobacco during the ensuing season. MGP are usually higher than MSP.

The virginia tobacco is being sold through auctions at various centres. In Karnataka, during 1993-94 season, 32.9 million kgs. of VFL tobacco were sold at an average price of Rs.20.77 per kg. In Andhra Pradesh, 76.6 million kgs. of VFL tobacco were sold at an average price of Rs.20.95 per kg. The measures initiated by the Government for the development of tobacco cultivation were briefly noted in the previous Report, (p.30). They were continued during 1993-94.

Agricultural Exports

During 1993-94 exports of agricultural products witnessed an impressive turnaround recording a growth of 27.4 per cent, as against a decline in the preceeding two years. The jump in exports was brought about by increases in both quantum and value of exportables (for details refer Chapter X). The buoyancy in exports is attributable to the liberalised policy initiatives undertaken by the Government, increased international demand, as well as favourable domestic production and stocks of exportables.

Policy initiatives

The introduction of a unified exchange rate, lowering of customs duties, easier availability of credit for exports on softer terms, expansion of the definition of terms 'manufacture' and 'capital goods', in the EXIM Policy 1992-97 to include agriculture, and simpliification of preshipment inspection procedures helped trigger the turnaround. Further, allocation for promoting exports of horticultural products and processed foods had been substantially stepped up in the Eighth Plan. The extension of Schemes of Export Oriented Units and the Export Processing Zones (EPZS) to the agricultural sector, extension and reduction in duties in capital goods and raw materials required in the food processing sector in the Budget proposals for 1993-94, also helped the spectacular performance.

GATT (Uruguay Round)

Another significant development was the conclusion of the Uruguay Round under the auspices of GATT. It brought, for the first time, foreign trade in agriculture under the purview of GATT. It stipulates the gradual opening of domestic markets, upto certain ratios, in the developed countries for the import of agricultural products. Moreover, it requires a phased reduction (to 10 per cent) in the aggregate measure of support in the nature of product specific and general agricultural subsidies which would substantially raise the international prices of these products.

India expects to benefit from the GATT Agreement. On the one hand, there exists a great variety of climatic and soil conditions and wide range of climatic zones which enables the production of a variety of fruits and vegetables, flowers and cereals. On the other hand, the aggregate measure of support presently available

to the Indian farmer is nominal and in certain cases negative which would imply a very high price advantage. Furthermore, the cost of production is low on account of low wages and limited import intensity. Finally, the export basket is wider to include horticulture and floriculture in addition to the traditional cereals and acquaculture.

However, Indian agriculture exports need to overcome two major constraints to realise the full potential. First, production needs to grow at an adequately faster pace to cater to the growing domestic demand and to generate adequate exportable surplus. If this is not achieved, inflationary trends are bound to appear with their deleterious overall effects. Secondly, while the production base is reasonably strong, appropriate linkages for marketing, quality control, storage, transport, and other infrastructural facilities are inadequate and these are major bottlenecks. Aware of this aspect, the Government have been attempting to rectify the situation. The establishment of agro-business consortia is an example.

Measures to Promote Production

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

Fertilisers

With the propagation of HYVs and spread of irrigation, the consumption of fertilisers has been on the rise over the years. Fertiliser consumption during 1993-94 was estimated at 13.9 million tonnes of nutrients which was higher by 13.9 per cent over that of the previous year (12.2 million tonne) (Table III-25).

The improvement in consumption is generally attributed to an increase in the price subsidy in respect of decontrolled fertilisers and the decanalisation of imports of Diammonium Phosphate (DAP) and Muriate of Potash (MOP) at cheaper prices. The consumption mix, however, continued to be a cause for concern. The latest data on the consumption mix related to 1992-93. The NPK consumption ratio for that year at 9.5:3.2:1 was at a substantial variance with the ideal mix of 4:2:1. The distortion appeared to stem from the price differentials.

To partly compensate the rise in the prices of decontrolled varieties of fertilisers during the year 1993-94, the Government had provided for a concession of Rs.340 per tonne for single super phosphate (SSP) which would be in addition to the concession of Rs.1,000 per tonne being given for MOP and indigenously produced DAP and complexes. Towards this subsidy, the Government had earmarked Rs.756 crore for 1993-94. Furthermore, with the objective of promoting balanced use of NPK fertilisers alongwith micronutrient fertilisers and organic manures, the scheme of "Balanced and Integrated use of Fertilisers", which was launched during 1991-92 was continued during 1993-94.

Seeds

Production of breeder seeds during 1993-94 was targeted at 36,450 quintals as against the achievement of 35,984 quintals during the previous year. Production of foundation seed was estimated at 4.0 lakh quintals during 1993-94 as compared with 3.9 lakh quintals during 1992-93. The target for distribution of certified/quality seeds was fixed at 57.0 lakh quintals in 1993-94 as against 58.5 lakh quintals during 1992-93 (Table III-26).

Plant Protection and Pesticides

The demand for pesticides for the year 1992-93 was assessed at 75,000 tonnes and the overall availability position was satisfactory. During the year, pest surveillance for monitoring incidence of pests and diseases of major *rabi* and *kharif* crops was maintained, in order to forewarn the likelihood

of pest incidence. A total sample area of 4.6 lakh hectares was scanned till October 1993, and an area of 3.0 lakh hectares was targeted for protection during 1993-94 *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. Accordingly, IPM centres had mass-reared and released 666 million parasites, predators and phytophagous insects in 1.7 lakh hectares of cropped area by the end of October 1993. It has been targeted to release 686 million agents over an area of 1.42 lakh hectares during *rabi* 1993-94. Furthermore, in order to check the entry of exotic pests and diseases through international trade, 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.

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. Till October 1993, an area of 3,10,255 hectares had been located for ground and aerial control operations against locust swarms and hoppers.

Irrigation Schemes

By 2010 A.D., gross irrigation potential in the country is targeted to reach 113 million hectares, divided almost equally between Major and Medium Irrigation (58 million hectares) and Minor Irrigation (55 million hectares). Towards achieving this objective, the VIII Plan envisaged an outlay of Rs.22,415 crore for expenditure on major and medium irrigation projects which is expected to create a potential of 5.09 million hectares of irrigated land. While the cumulative achievement upto the end of 1991-92 of Major and Medium Irrigation and Minor Irrigation stood at 30.8 million hectares and 50.4 million hectares, respectively, anticipated additional achievement during 1992-93 was 0.6 million hectares for major and medium irrigation and 1.8 million hectares for minor irrigation in surface and ground water. A target of additional irrigation potential at 2.7 million hectares was set for 1993-94, of which minor irrigation accounted for 2.0 million hectares (73.6 per cent) (Table III-27). An outlay of Rs.6,139.15 crore was envisaged to reach this target (Table III-28).

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 and maintenance of 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-29. The targetted outlay for 1993-94 was Rs.413.00 crore.

Area Development Measures

Development of Watershed Approach

During 1993-94 the decision to develop rural areas on a watershed basis continued to be the over-riding concept for the area development schemes. Under this approach the entire watershed is divided into various types of existing and prospective types of land uses and various activities required to develop the watershed are integrated into one composite whole which complements and reinvigorates the existing natural system.

Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP)

Drought Prone Area Programme and Desert Development Programme 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 (For details see last year's Report pp.34). The new initiatives during the current year are as under:

i) A Technical Committee under the Chairmanship of Prof.C.H.Hanumantha Rao, has been constituted to review all aspects of both the programmes and recommend situable measures for improvement.

ii) Maximum project cost for Minor Lift Irrigation Scheme has been increased from Rs.5.00 lakhs to Rs.15.00 lakhs.

iii) In order to improve the implementation of the programme, R&D facilities for cold and hot desert areas were being proposed.

Activities under DPAP have been taken up on a micro-watershed approach in each of the 627 blocks of 96 districts in 13 States covered under the programme.

Upto September 1993 during 1993-94, 45,855 hectares of land were treated for soil and moisture conservation, 7,714 hectares were covered under water resources development, and 44,277 hectares were covered under afforestation and pasture development (Table III-30).

During 1993-94, Rs.153.34 crore was allocated for DPAP, of which Rs.43.31 crore (28.2 per cent) was spent upto November 1993.

Activities under DDP have been taken up in 131 blocks of 21 districts in 5 States. Upto September 1993 during 1993-94, 2,313 hectares of land was treated for soil and moisture conservation, 1,452 hectares were covered under water resource development and 5,701 hectares were covered under afforestation and pasture (Table III-31). Of Rs.74.25 crore allocated for DDP during 1993-94, Rs.41.06 crore (55.3 per cent) was spent upto November 1993.

Annexure
Procurement And Minimum Support Prices
(Marketing Year)

(Rs. per quintal)

Sr. No.	Commodity	Season	Type	Variety	1991-92	1992-93	1993-94	1994-95	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	230	270	310	340	17.39	14.81	9.68
2	Paddy	Oct.-Sept.	P	Fine	240	280	330	360	16.67	17.86	9.09
3	Paddy	Oct.-Sept.	P	Super Fine	250	290	350	380	16.00	20.69	8.57
4	Wheat	April-March	P	FAQ	225	275$	330	350	22.22	20.00	6.06
5	Jowar	Oct.-Sept.	P	FAQ	205	240	260	280	17.07	8.33	7.69
6	Bajra	Oct.-Sept.	P	FAQ	205	240	260	280	17.07	8.33	7.69
7	Maize	Oct.-Sept.	P	FAQ	210	245	265	290	16.67	8.16	9.43
8	Ragi	Oct.-Sept.	P	FAQ	205	240	260	280	17.07	8.33	7.69
9	Barley	April-March	M	FAQ	200	210	260	275	5.00	23.81	5.77
10	Gram	April-March	M	FAQ	450	500	600	640	11.11	20.00	6.67
11	Moong	April-March	M	FAQ	545	640	700	760	17.43	9.38	8.57
12	Urad	April-March	M	FAQ	545	640	700	760	17.43	9.38	8.57
13	Tur	April-March	M	FAQ	545	640	700	760	17.43	9.38	8.57
NON-FOODGRAINS											
14	Groundnut (in shell)	Nov.-Oct.	M	FAQ	645	750	800	860	16.28	6.67	7.50
15	Soyabean	Nov.-Oct.	M	BLACK	395	475	525	570	20.25	10.53	8.57
16	Soyabean	Nov.-Oct.	M	YELLOW	445	525	580	650	17.98	10.48	12.07
17	Sunflowerseed	Nov.-Oct.	M	FAQ	670	800	850	900	19.40	6.25	5.88
18	Rapeseed/Mustard	April-March	M	FAQ	600	670	760	810	11.67	13.43	6.58
19	Toria	April-March	M	FAQ	570	645	725		13.16	12.40	-
20	Safflowerseed	April-March	M	FAQ	575	640	720	760	11.30	12.50	5.56
21	Copra	Jan.-Dec.	M	FAQ	1700	—	2150		-	-	4.44
22	Cotton	Sept.-Aug.	M	F-414\H-777	695	800	900	1000	15.11	12.50	11.11
23	Cotton	Sept.-Aug.	M	H-4	840	950	1050	1200	13.10	10.53	14.29
24	Jute	July-June	S	TD-5	375	400	450	470	6.67	12.50	4.44
25	Sugarcane @	Nov.-Oct.	S	FAQ	26.00	31.00	34.50	37.00	19.23	11.29	7.25
26	Tobacco	March-Feb.	M	VFC-F2	1475	1600	—		8.47	-	-
27	Tobacco	March-Feb.	M	L-2	1600	1750	—		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 premimum for every 0.1 per cent increase above that level.

Table III-1 : Production of Major Agricultural Commodities

(1980-81 to 1993-94)

	Detail	Unit	Season	Average of 1980-81 to 1990-91	1991-92	1992-93 Final	1993-94 Likely
	1	2	3	4	5	6	7
I.	All Crops (1+2)	Index (Triennium ending 1969-70=100)	(July-June)	155.90	188.5	195.8	197.9 (p)*
	1.Foodgrains	-do-	-do-	156.10	182.8	191.6	196.2 *
	2. Non-food	-do-	-do-	155.50	198.2	204.3	201.6 *
II.	Foodgrains	Million tonnes	—	149.26	168.38	180.01	182.04
	Season-wise						
	Kharif	-do-	(April-Sept.)	85.16	91.59	100.55	99.22
	Rabi	-do-	(Oct.-Mar.)	64.10	76.79	79.46	82.82
	Commodity Groupwise						
	Cereals	-do-	—	136.91	156.36	166.41	167.31
	Rice	-do-	(April-Sept.)	61.10	74.68	72.61	78.04
	Wheat	-do-	(Oct.-Mar.)	45.70	55.69	56.76	57.80
	Coarse cereals	-do-	(April-Sept.)	30.11	25.99	37.04	31.47
	Pulses	-do-	(Oct.-Mar.)	12.35	12.02	13.60	14.73
III.	Non-food						
	Oilseeds	-do-	(Nov.-Oct.)	13.22	18.60	20.27	21.75
	Kharif	-do-	(April-Sept.)	7.31	9.31	11.76	12.15
	Rabi	-do-	(Oct.-Mar.)	5.91	9.29	8.51	9.60
	Sugarcane	-do-	(Nov.-Oct.)	190.63	254.00	230.83	239.86
	Cotton	Million Bales of 170 kg.each	(Sept.-Aug.)	8.12	9.71	11.58	11.40
	Raw jute and Mesta	Million Bales of 180 kg.each	(July-June)	8.42	10.29	9.00	8.48
	Tobacco	Million Kg.	(Mar.-Feb.)	494.00	984.40	580.60	—
	Coffee	-do-	(Oct.-Sept.)	149.00	180.00	161.50	268.00
	Tea	-do-	(Jan.-Dec.)	634.00	754.19	703.93	758.06

P = Provisional. * = RBI estimates

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 1993-94)

Year	Area under cultivation (Million Hectare)	Production (Million Tonnes)			
		Target (Million Tonnes)	Achievement	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	—	136.91	—	1320
1991-92	99.33	167.00	156.36	93.63	1574
	(3.73)	(3.41)	(-3.56)	—	(0.19)
1992-93	100.84	168.50	166.41	98.76	1650
	(1.52)	(0.90)	(6.43)	—	(4.83)
1993-94	99.90	172.50	167.31	96.99	1675
	(- 0.93)	(2.37)	(0.54)	—	(1.49)
Pulses					
Average of 1980-81 to 1990-91	23.07	—	12.35	—	535
1991-92	22.54	15.50	12.02	77.55	533
	(-8.60)	(3.33)	(-15.71)	—	(-7.79)
1992-93	23.74	14.50	13.60	93.79	573
	(5.32)	(-6.45)	(13.14)	—	(7.43)
1993-94	23.66	15.50	14.73	95.03	623
	(-0.34)	(6.90)	(8.31)	—	(8.68)
Total (Cereals + Pulses)					
Average of 1980-81 to 1990-91	126.82	—	149.26	—	1177
1991-92	121.87	182.50	168.38	92.26	1382
	(-4.67)	(3.40)	(-4.54)	—	(0.14)
1992-93	124.58	183.00	180.01	98.37	1445
	(2.22)	(0.27)	(6.91)	—	(4.58)
1993-94	123.56	188.00	182.04	96.83	1473
	(-0.82)	(2.73)	(1.13)	—	(1.96)

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 1993-94)

Year	Area under cultivation (Million Hectare)	Production (Million Tonnes)			Yield per Hectare (Kg.)
		Target (Million Tonnes)	Achievement	Achievement as Percentage of Target	
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	81.26	—	85.16	—	1048
1991-92	78.02	103.20	91.59	88.75	1174
	(-3.42)	(4.14)	(-7.89)		(-4.63)
1992-93	78.01	103.30	100.55	97.34	1289
	(-0.01)	(0.10)	(9.78)		(9.80)
1993-94	76.00	105.50	99.22	94.05	1306
	(-2.58)	(2.13)	(-1.32)		(1.29)
Rabi					
Average of 1980-81 to 1990-91	45.64	—	64.10	—	1404
1991-92	43.85	79.30	76.79	96.83	1751
	(-6.82)	(2.45)	(-0.21)		(7.09)
1992-93	46.57	79.70	79.46	99.70	1706
	(6.20)	(0.50)	(3.48)		(-2.57)
1993-94	47.56	82.50	82.82	100.39	1741
	(2.13)	(3.51)	(4.23)		(2.06)
Total ***(Kharif + Rabi)***					
Average of 1980-81 to 1990-91	126.90	—	149.26	—	1176
1991-92	121.87	182.50	168.38	92.26	1382
	(-4.67)	(3.40)	(-4.54)		(0.14)
1992-93	124.58	183.00	180.01	98.37	1445
	(2.22)	(0.27)	(6.91)		(4.58)
1993-94	123.56	188.00	182.04	96.83	1473
	(-0.82)	(2.73)	(1.13)		(1.96)

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 1993-94)

Year	Area under cultivation (Million Hectare)	Production (Million Tonnes)			Yield per Hectare (Kg.)
		Target (Million Tonnes)	Achievement	Achievement as Percentage of Target	
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	70.48	—	80.43	—	1141
1991-92	66.78	97.10	87.17	89.77	1305
	(-3.62)	(3.74)	(-7.30)		(-3.83)
1992-93	66.35	97.25	94.70	97.38	1427
	(-0.64)	(0.15)	(8.64)		(9.34)
1993-94	64.54	99.50	93.49	93.96	1449
	(-2.73)	(2.31)	(-1.28)		(1.49)
Rabi					
Average of 1980-81 to 1990-91	33.20	—	56.48	—	1701
1991-92	32.55	69.90	69.19	98.98	2126
	(-3.95)	(2.95)	(1.60)		(5.77)
1992-93	34.49	71.25	71.71	100.65	2079
	(5.96)	(1.93)	(3.64)		(-2.19)
1993-94	35.36	73.00	73.82	101.12	2088
	(2.52)	(2.46)	(2.94)		(0.41)
Total ***(Kharif + Rabi)***					
Average of 1980-81 to 1990-91	103.68	—	136.91	—	1321
1991-92	99.33	167.00	156.36	93.63	1574
	(-3.73)	(3.41)	(-3.56)		(0.19)
1992-93	100.84	168.50	166.41	98.76	1650
	(1.52)	(0.90)	(6.43)		(4.83)
1993-94	99.90	172.50	167.31	96.99	1675
	(-0.93)	(2.37)	(0.54)		(1.49)

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 1993-94)

Year	Area under cultivation (Million Hectare)	Production (Million Tonnes)			Yield per Hectare (Kg.)
		Target (Million Tonnes)	Achievement	Achievement as Percentage of Target	
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	10.79	—	4.73	—	438
1991-92	11.24	6.10	4.42	72.46	393
	(-2.18)	(10.91)	(-18.30)		(-16.56)
1992-93	11.66	6.00	5.85	97.50	502
	(3.74)	(-1.64)	(32.35)		(27.59)
1993-94	11.46	6.00	5.73	95.50	500
	(-1.72)		(-2.05)		(-0.34)
Rabi					
Average of 1980-81 to 1990-91	12.44	—	7.62	—	613
1991-92	11.30	9.40	7.60	80.85	673
	(-14.20)	(-1.05)	(-14.12)		(0.15)
1992-93	12.08	8.50	7.75	91.18	642
	(6.90)	(-9.57)	(1.97)		(-4.61)
1993-94	12.20	9.50	9.00	94.74	738
	(0.99)	(11.76)	(16.13)		(14.99)
Pulses : Total					
Average of 1980-81 to 1990-91	23.23	—	12.35	—	532
1991-92	22.54	15.50	12.02	77.55	533
	(-8.60)	(3.33)	(-15.71)		(-7.78)
1992-93	23.74	14.50	13.60	93.79	573
	(5.32)	(-6.45)	(13.14)		(7.43)
1993-94	23.66	15.50	14.73	95.03	623
	(-0.34)	(6.90)	(8.31)		(8.68)

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	Net Output	Net Imports	Change in Govt. Stocks $	Net Avail-lability	Per Capita Net Availability Per Day (in grams)		
						Cereals	Pulses	All Foodgrains
1	2	3	4	5	6	7	8	9
1984	152.4	133.4	2.4	7.1	128.7	437.8	41.9	479.7
1985	145.5	127.3	0.4	2.7	125.0	415.6	38.4	454.0
1986	150.4	131.6	0.5	- 1.6	133.7	434.2	43.9	478.1
1987	143.4	125.5	- 0.2	- 9.5	135.0	435.4	36.4	471.8
1988	140.4	122.9	3.8	- 4.6	131.3	411.8	36.7	448.5
1989	169.9	148.7	1.2	2.6	147.3	452.6	41.9	494.5
1990	171.0	149.6	1.3	6.2	144.7	435.3	41.1	476.4
1991	176.4	154.4	- 0.6	- 4.4	158.8	468.5	41.6	510.1
1992	168.4	147.4	1.1	- 1.5	150.0	435.6	34.3	469.9
1993	180.0	157.5	2.4	10.3	149.6	429.0	36.6	465.6
1994@	182.0	159.3		7.8				

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 1994 over end-December 1993.

Source : Economic Survey, 1993-94 and Ministry of Food, Government of India.

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

(Crop-wise)

(Million Hectares)

Crop	1991-92			1992-93					1993-94
	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	42.65	27.20	63.77	41.64	30.50	28.25	67.84	92.62	31.90
	(-0.11)	(-1.27)		(-2.37)		(3.86)			(12.92)
Wheat	23.26	21.41	92.05	24.43	22.20	22.15	90.67	99.77	22.86
	(-3.88)	(1.81)		(5.03)		(3.46)			(3.21)
Jowar	12.36	7.67	62.06	13.11	8.30	6.94	52.94	83.61	9.85
	(-14.17)	(14.48)		(6.07)		(-9.52)			(41.93)
Bajra	10.03	6.06	60.42	10.58	6.30	5.64	53.31	89.52	6.90
	(-4.48)	(17.90)		(5.48)		(-6.93)			(22.34)
Maize	5.86	2.85	48.63	6.02	3.20	2.55	42.36	79.69	3.50
	(-1.51)	(10.47)		(2.73)		(-10.53)			(37.25)
TOTAL	94.16	65.19	69.23	95.78	70.50	65.53	68.42	92.95	75.01
	(-3.62)	(3.48)		(1.72)		(0.52)			(14.47)

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 1992-93 (Col.7).

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

Table III-8 : Rice : Area, Production and Yield
(1980-81 to 1993-94)

Year	Area under cultivation (Million Hectares)	Production (Million Tonnes)			
		Target (Million Tonnes)	Achievement	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	—	1439
1991-92	39.59	68.50	66.37	96.89	1676
	(-0.28)	(4.26)	(0.08)		(0.30)
1992-93	38.55	68.75	64.10	93.24	1663
	(-2.63)	(0.36)	(-3.42)		(-0.81)
1993-94	38.82	69.50	69.24	99.63	1784
	(0.70)	(1.09)	(8.02)		(7.27)
Rabi					
Average of					
1980-81 to 1990-91	2.36	—	5.74	—	2432
1991-92	3.06	8.00	8.31	103.88	2716
	(2.34)	(—)	(4.27)		(1.88)
1992-93	3.09	8.50	8.51	100.12	2754
	(0.98)	(6.25)	(2.41)		(1.41)
1993-94	3.38	8.50	8.80	103.53	2604
	(9.39)	(-)	(3.41)		(-5.46)
Rice : Total					
Average of					
1980-81 to 1990-91	40.84	—	61.10	—	1496
1991-92	42.65	76.50	74.68	97.62	1751
	(-0.09)	(3.80)	(0.52)		(0.63)
1992-93	41.64	77.25	72.61	93.99	1744
	(-2.37)	(0.98)	(-2.77)		(-0.41)
1993-94	42.20	78.00	78.04	100.05	1849
	(1.34)	(0.97)	(7.48)		(6.05)

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 1993-94)

Year	Area under cultivation (Million Hectares)	Production (Million Tonnes)			
		Target (Million Tonnes)	Achievement	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	—	1953
1991-92	23.26	55.00	55.69	101.25	2394
	(-3.77)	(0.92)	(1.00)		(4.95)
1992-93	24.43	57.00	56.76	99.58	2323
	(5.03)	(3.64)	(1.92)		(-2.96)
1993-94	24.44	58.50	57.80	98.80	2365
	(0.04)	(2.63)	(1.83)		(1.79)

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

Table III-10 : Coarse Cereals : Area, Production and Yield

(1980-81 to 1993-94)

Year	Area under cultivation (Million Hectares)	Production (Million Tonnes)			Yield per Hectare (Kg.)
		Target (Million Tonnes)	Achievement	Achievement as Percentage of Target	
1	2	3	4	5	6
Kharif					
Average of 1980-81 to 1990-91	31.99	—	25.08	—	784
1991-92	27.19	28.55	20.80	72.85	765
	(-8.11)	(2.33)	(-24.94)		(-18.27)
1992-93	27.80	28.50	30.60	107.37	1101
	(2.24)	(-0.18)	(47.12)		(43.89)
1993-94	25.72	30.00	24.25	80.83	943
	(-7.48)	(5.26)	(-20.75)		(-14.34)
Rabi					
Average of 1980-81 to 1990-91	7.47	—	5.04	—	675
1991-92	6.23	5.45	5.19	95.23	833
	(-7.43)	(0.93)	(4.01)		(12.42)
1992-93	6.97	5.75	6.44	112.00	924
	(11.88)	(5.50)	(24.08)		(10.91)
1993-94	7.54	6.00	7.22	120.33	958
	(8.18)	(4.35)	(12.11)		(3.64)
Total ***(Kharif + Rabi)***					
Average of 1980-81 to 1990-91	39.46	—	30.11	—	763
1991-92	33.42	34.00	25.99	76.44	778
	(-7.98)	(2.10)	(-20.52)		(-13.56)
1992-93	34.77	34.25	37.04	108.15	1065
	(4.04)	(0.74)	(42.52)		(36.98)
1993-94	33.26	36.00	31.47	87.42	946
	(-4.34)	(5.11)	(-15.04)		(-11.18)

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	Suger Fine	
1	2	3	4	5
May 1,1990	244 @	304 @	325 @	234
	(2.09)	(15.15)	(16.49)	(14.71)
June 1,1990	289	349	370	234
	(18.44)	(14.80)	(13.85)	(-)
December 28,1991	377	437	458	280
	(30.45)	(25.21)	(23.78)	(19.66)
January 11,1993	437	497	518	330
	(15.92)	(13.73)	(13.10)	(17.86)
February 1,1994	537	617	648	402
	(22.88)	(24.14)	(25.10)	(21.82)

* : For Public Distribution System
@ : Effective January 25,1989.
Note : Figures in brackets are percentage variations over the previous year.
Source : Ministry of Food.

Table III-12 : Procurement of Foodgrains

(1991-92 to 1993-94)

(Million Tonnes)

Year (April-March)	Procurement			Procurement as Percentage of Production	
	Rice	Wheat	Total*	Rice	Wheat
1	2	3	4	5	6
1991-92	10.46	7.75	18.27	14.01	13.91
	(-18.60)	(-29.93)	(-24.13)		
1992-93	12.56	6.38	19.21	17.30	11.24
	(20.08)	(-17.68)	(5.15)		
1993-94 (P)	14.21	12.84	27.20	18.21	22.21
	(13.14)	(101.25)	(41.59)		
April-June 1993	1.49	12.72	14.35	—	—
April-June 1994	1.48	11.83	13.31	—	—
	(-0.67)	(-7.00)	(-7.25)		

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

(1991-92 to 1993-94)

(Million Tonnes)

Year (April-March)	Rice *	Wheat*@	Total
1	2	3	4
1991-92	10.07	9.07	19.14
	(28.28)	(10.34)	(19.10)
1992-93	9.44	7.73	17.17
	(-6.26)	(-14.77)	(-10.29)
1993-94	8.96	8.85	17.81
	(-5.08)	(14.49)	(3.73)
1993 (April-June)	2.12	0.99	3.10
1994 (April-June)	1.83	1.38	3.21
	(-13.68)	(39.39)	(3.55)

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

@ Including open market sales.

Totals may not tally due to rounding off.

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
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)			
1994	14.65	7.28	22.18	135.65	196.76	152.97
	(32.70)	(144.30)	(50.99)			
June 1993	10.44	15.22	26.35	113.48	116.18	118.16
June 1994	14.42	16.71	31.31	156.74	127.56	140.40
	(38.12)	(9.79)	(18.82)			

Norms of Stocks

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.

Figures in paranthesis are percentage variation over the previous year.

Source : Ministry of Food.

Table III-15 : Total Oilseeds:Area,Production & Yield (Season- wise)

(1980-81 to 1993-94)

Year (November-October)	Area under cultivation (Lakh Hectares)	Production (Lakh Tonnes)	Yield per Hectare (Kg./Hect.)	Target (Lakh Tonnes)	Achievements as percentage of Target (3)as %of (5)
1	2	3	4	5	6
Kharif					
1980-81 to 1990-91 *	117.44	7.08	622		
1991-92	154.06	93.12	604	101.00	92.20
	(9.73)	(-4.94)	(-13.47)	(1.00)	
1992-93	150.96	117.60	779	100.00	117.60
	(-2.01)	(26.29)	(28.97)	(-0.99)	
1993-94	158.68	121.45	765	115.00	105.60
	(5.11)	(3.27)	(-1.80)	(15.00)	
Rabi					
1980-81 to 1990-91 *	82.10	59.11	720		
1991-92	104.80	92.88	886	84.00	110.57
	(3.68)	(5.39)	(1.61)	(5.00)	
1992-93	104.78	85.18	813	90.00	94.64
	(-0.02)	(-8.29)	(-8.24)	(7.14)	
1993-94	104.43	96.02	919	95.00	101.07
	(-0.33)	(12.73)	(13.04)	(5.56)	
Total Kharif+Rabi					
1980-81 to 1990-91 *	199.55	132.19	662		
1991-92	258.86	186.00	719	185.00	100.54
	(7.20)	(-0.05)	(-6.74)	(2.78)	
1992-93	255.74	202.77	793	190.00	106.72
	(-1.21)	(9.02)	(10.29)	(2.70)	
1993-94	263.11	217.47	827	210.00	103.56
	(2.88)	(7.22)	(4.29)	(10.53)	

* : Annual average from 1980-81 to 1990-91.
Figures in brackets are percentage variations over the year.

Source: Ministry of Agriculture.

Table III-16 : Nine Major Oilseeds : Area, Production & Yield
(1980-81 to 1993-94)

OILSEEDS Year (Nov-Oct)	Area (Lakh Hectare)	Production (Lakh Tonnes)	Yield per Hectare	Target (Lakh Tonnes) (3) as % of (5)	Achievement as percentage of Target
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	86.68	70.95	819.00	82.00	86.52
	(4.32)	(-5.59)	(-9.40)		
1992-93	83.51	88.54	1060.00	80.00	110.68
	(-3.66)	(24.79)	(29.43)		
1993-94	83.74	76.26	911.00	82.00	93.00
	(0.28)	(-13.87)	(-14.06)		
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	65.53	58.63	895.00	50.00	117.26
	(13.33)	(12.12)	(-1.00)		
1992-93	63.05	48.72	773.00	56.00	87.00
	(-3.78)	(-16.90)	(-13.63)		
1993-94	60.36	57.00	944.00	57.00	100.00
	(-4.27)	(17.00)	(22.12)		
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	31.85	24.92	782.00	23.00	108.35
	(24.22)	(-4.23)	(-22.96)		
1992-93	36.27	31.06	856.00	24.00	129.42
	(13.88)	(24.64)	(9.46)		
1993-94	42.46	46.22	1088.00	31.00	149.10
	(17.07)	(48.81)	(27.10)		
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	21.14	11.94	565.00	7.50	159.20
	(29.45)	(36.77)	(5.61)		
1992-93	20.93	11.85	566.00	8.00	148.13
	(-0.99)	(-0.75)	(0.18)		
1993-94	25.03	13.80	551.00	14.00	98.57
	(19.59)	(16.46)	(-2.65)		
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	26.27	7.06	269.00	7.00	100.86
	(4.45)	(-15.45)	(-18.98)		
1992-93	23.64	8.53	361.00	7.00	121.86
	(-10.01)	(20.82)	(34.20)		
1993-94	20.83	6.86	329.00	9.00	76.22
	(-11.89)	(-19.58)	(-8.86)		

contd.

Table III-16 : Nine Major Oilseeds : Area, Production & Yield (Concld.)

(1980-81 to 1993-94)

OILSEEDS Year (Nov-Oct)	Area (Lakh Hectare)	Production (Lakh Tonnes)	Yield per Hectare	Target (Lakh Tonnes) (3) as % of (5)	Achievement as percentage of Target
1	2	3	4	5	6
Castorseed					
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	7.12	5.76	809.00	5.50	104.73
	(-12.10)	(-19.55)	(-8.48)		
1992-93	6.59	6.17	936.00	6.00	102.83
	(-7.44)	(7.12)	(15.70)		
1993-94	7.65	7.62	996.00	7.00	108.86
	(16.08)	(23.50)	(6.41)		
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	5.01	2.03	406.00	4.00	50.75
	(-39.13)	(-36.56)	(4.37)		
1992-93	7.07	3.42	484.00	4.00	85.50
	(41.12)	(68.47)	(19.21)		
1993-94	7.76	4.54	585.00	4.00	113.50
	(9.76)	(32.75)	(20.87)		
Linseed					
1980-81 to 1990-91*	13.58	3.84	285.00		
1990-91	10.99	3.32	302.00	4.50	73.78
	(-2.22)	(1.84)	(4.14)		
1991-92	8.86	2.92	330.00	4.00	73.00
	(-19.38)	(-12.05)	(9.27)		
1992-93	8.79	2.68	305.00	3.00	89.33
	(-0.79)	(-8.22)	(-7.58)		
1993-94	9.57	3.32	347.00	4.00	83.00
	(8.87)	(23.88)	(13.77)		
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	6.40	1.80	281.00	2.00	90.00
	(4.75)	(-3.23)	(-7.87)		
1992-93	5.90	1.82	309.00	2.00	91.00
	(-7.81)	(1.11)	(9.96)		
1993-94	5.71	1.85	324.00	2.00	92.50
	(-3.22)	(1.65)	(4.85)		

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

Source : Ministry of Agriculture, Government of India.

Table III-17 : Cotton (Lint) : Area, Production and Yield

(1980-81 to 1993-94)

Year (September-August)	Area under Cultivation (Million Hect.)	Production (Million Bales of 170 kg. each)	Yield Kg./Hectre	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*	7.48	8.12	185	9.01	90.12
1991-92	7.66	9.71	215	12.00	80.92
	(+2.96)	(-1.32)	(-4.44)		
1992-93	7.54	11.58	261	12.00	96.50
	(-1.57)	(+19.26)	(+21.40)		
1993-94	7.31	11.40	265	12.50	91.20
	(-3.05)	(-1.55)	(+1.53)		

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

Figures in brackets are percentage variation over the year.

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

Source : Ministry of Agriculture.

Table III-18 : Supply-Demand Position of Cotton (CAB's estimates)

(Million bales of 170 kgs. each)

	(September-August)		
	1991-92	1992-93	1993-94
1	2	3	4
I. Supply (1+2+3)	14.46	16.90	15.47
	(-3.60)	(+16.87)	(-8.46)
1. Opening Stock	2.26	3.28	3.02
	(-31.52)	(+45.13)	(-7.93)
2. Crop	11.90	13.50	12.15
	(+1.71)	(+13.45)	(-10.00)
3. Imports	0.30	0.12	0.30
	(—)	(-60.00)	(+150.00)
II. Demand (7+8)	11.19	13.88	13.19
	(-12.17)	(+24.04)	(-4.97)
4. Mill Consumption	10.31	11.28	11.50
	(-4.54)	(+9.41)	(+1.95)
5. Small Spinners' Consumption	—	0.42	0.50
	(—)	(—)	(+19.05)
6. Ex-factory Consumption@	0.80	0.80	0.80
	(+6.67)	(—)	(—)
7. Total Domestic Consumption (4+5+6)	11.11	12.50	12.80
	(-3.81)	(+12.51)	(+2.40)
8. Exports	0.08	1.38	0.39
	(-93.28)	(+1625.00)	(-71.74)
III. Closing Stock (I-II)	3.28	3.02	2.28
	(+45.13)	(-7.93)	(-24.50)

Note : Figures in brackets are percentage variations.

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

Source : Cotton Advisory Board

Table III- 19 : Raw Jute and Mesta : Area, Production and Yield (1980-81 to 1993-94)

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	1390.00		
1991-92	1.11	10.29	1669.00	9.10	113.08
	(+8.82)	(+11.48)	(+2.46)		
1992-93	0.98	9.00	1653.00	9.20	97.83
	(-11.71)	(-12.54)	(-0.96)		
1993-94	0.92	8.48	1661.00	9.30	91.18
	(-6.12)	(-5.78)	(+0.48)		

* : 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 Raw Jute and Mesta

(Million bales of 180 kgs. each)

ITEMS	1991-92*	1992-93*	1993-94*(E)
1	2	3	4
I. Supply (1+2+3)	10.75	10.35	9.20
	(+2.38)	(-3.72)	(-11.11)
1. Opening Stock	1.70	2.85	2.20
	(+25.93)	(+67.65)	(-22.81)
2. Crop	9.00	7.40	6.50
	(—)	(-17.78)	(-12.16)
3. Imports	0.05	0.10	0.50
	(-66.67)	(+100.00)	(+400.00)
II. Demand (6+7)	7.91	8.35	8.30
	(-10.01)	(+5.56)	(-0.60)
4. Mill consumption	7.44	7.80	7.70
	(-10.79)	(+4.84)	(-1.28)
5. Other Domestic Consumption	0.45	0.50	0.60
	(+12.50)	(+11.11)	(20.00)
6. Total Domestic Consumption (4+5)	7.89	8.30	8.30
	(-9.73)	(+5.20)	—
7. Exports	0.02	0.05	—
	(-60.00)	(+150.00)	
III. Closing Stock(I-II)	2.84	2.00	0.90
	(+66.08)	(-29.58)	(-55.00)

Figures in brackets are percentage variations over the year. E = Estimated

* Opening stock figures for the year 1991-92, 1992-93 and 1993-94 are taken according to the latest balance sheet issued by the Office of the Jute Commissioner.

Source: Jute Commissioner's Office.

Table III- 21 : Sugarcane : Area, Production and Yield (1980-81 to 1993-94)

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		
1991-92	3.79 (+2.71)	254.00 (+5.37)	67.02 (+2.59)	230.00 (+4.55)	110.43
1992-93	3.62 (-4.49)	230.83 (-9.12)	63.77 (-4.85)	243.00 (+5.65)	94.99
1993-94	3.52 (-2.76)	239.86 (+3.91)	68.14 (+6.85)	250.00 (2.88)	95.94

* : Annual average from 1980-81 to 1990-91.
Figures in brackets are percentage variations over the year.
Annual rate are not strictly comparable due to changes in coverage and methods of estimation.
Source : Ministry of Agriculture.

Table III-22 : Tea : Area, Production and Yield (1980 to 1993)

Year (January-December)	Area under Cultivation (Lakh Hect.)	Production (Million Kg.)	Yield per Hectare (Kg.)	Target (Million Kg.)	Achievement as percentage of Target (3) as % of (5)	Estimated Internal Consumption (Million kg.)
1	2	3	4	5	6	7
1980 to 1990 *	4.02	634.00	1573			
1991	4.19 (+0.48)	754.19 (+4.70)	1800 (+4.11)	735.00	102.61	520.00
1992	4.23 (+0.95)	703.93 (-6.70)	1664 (-7.60)	750.00	93.86	540.00
1993	4.25 (+0.5)	758.06 (+7.7)	1784 (+7.2)	750.00	101.07	560.00

* : Annual average from 1980 to 1990.
Figures in brackets are percentage variations over the year.
Annual rate are not strictly comparable due to changes in coverage and methods of estimation.
Source : Ministry of Agriculture.

Table III- 23 : Coffee, Area, Production and Yield (1980-81 to 1993-94)

Year (October-September)	Area under Cultivation (Lack Hect.)	Production (000 Tonnes)	Yield per Hectare (Kg.) @	Target (000 Tonnes)	Achievement as percentage of Target (3) as % of (5)	Estimated Domestic Consumption (000 tonnes)
1	2	3	4	5	6	7
1980-81 to 1990-91*	2.37	149.00	711.00			
1990-91	2.71	170.00 (E)	731.00	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.
1993-94	N.A.	208.00 (28.79)	—	212.00 (41.33)	98.11	

* : Annual average from 1980-81 to 1990-91. E=Estimated.
@ : Based on bearing areas only.
Figures in brackets are percentage variations over the year.
Annual rate are not strictly comparable due to changes in coverage and methods of estimation.
Source : Ministry of Agriculture.

Table III- 24 : Tobacco : Area, Production and Yield (1980-81 to 1992-93)

Year	Area (Lakh Hectares)	Production (Million Kg.)	Yield per Hectare (000 Kg.)
1	2	3	4
1980-81 to 1990-91*	4.16	494.00	1189.00
1990-91	4.11	555.90	1352.55
	(-0.56)	(+0.78)	(+1.29)
1991-92	4.27	584.40	1368.62
	(+3.89)	(+5.13)	(+1.19)
1992-93 (@)	4.18	580.60	1389.00
	(-2.11)	(-0.65)	(+1.49)
1993-94	—	—	—

* : Annual average from 1980-81 to 1990-91.
Figures in brackets are percentage variations over the year.
@ : Provisional figures.

Source : Ministry of Agriculture.

Table III-25: 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
1991-92	8.0	3.3	1.4	12.7
	(—)	(3.13)	(-)	(0.79)
1992-93	8.4	2.9	0.9	12.2
	(5.00)	(-3.03)	(-21.43)	(-3.94)
1993-94	9.7	3.2	1.0	13.9
	(15.48)	(10.34)	(11.11)	(13.9)

Figures in brackets represents percentage variations over the previous year.

Note : According to Ministry of Chemicals and Fertiliseres, total fertiliser consumption during 1993-94 is anticipated to be 13.2 million tonnes.

Source : Economic Survey, Government of India.

Table III-26: Trends in Consumption of Selected Agricultural Inputs

Items	Unit	1980-81	1990-91	1991-92	1992-93	1993-94 Target
1	2	3	4	5	6	7
A. Production/distribution of seeds						
i) Production of breeder seeds	Thousand quintal	5.27	33.89	33.90	35.98	36.45
ii) Foundation seed production	Lakh quintal	—	3.35	3.74	3.93	4.00
iii) Production of certified seeds	Lakh quintal	21.86	—	—	—	—
iv) Distribution of certified/ quality seeds	Lakh quintal	25.01	57.10	57.50	58.50	57.00
B. Consumption of Pesticides (Technical Grade Material)	Thousand Tonnes	45.00	82.00	72.10	75.00 @	—

@ : Estimated.

- : Not available.

Source : Ministry of Agriculture, Directorate of Economics & Statistics, Government of India.

Table III-27: Development of Irrigation Potential

(Million hectares)

Item	Ultimate	Created upto VII Plan 1985-90	Additional Achievement during Annual Plans (1990-92)	Cumulative Achievement upto end of 1991-92	Anticipated Additional Achievement during 1992-93	Targets 1993-94
1	2	3	4	5	6	7
A. Major and medium irrigation	58.00	29.92	0.83	30.75	0.60	0.71
B. Minor irrigation	55.00	46.60	3.75	50.35	1.79	1.98
a) Surface water	15.00	10.90	0.48	11.38	0.20	0.24
b) Ground water	40.00	35.70	3.27	38.97	1.59	1.74
Total (A+B)	**113.00**	**76.52**	**4.58**	**81.10**	**2.39**	**2.69**

Source : Ministry of Water Resources, Government of India.

Table III-28: Financial Outlays on Major, Medium and Minor Irrigation

(Rs. Crore)

Item	VII Plan (1985-90)	1990-92	1992-93 (Anticipated)	1993-94 (Outlay)
1	2	3	4	5
A. Major and Medium Irrigation	11107.07	5458.85	2806.41	3841.74
B. Minor Irrigation	6179.35	3005.88	1773.29	2297.41
i) Government Sector	3118.35	1656.29	961.81	1222.63
ii) Institutional Sector	3061.00	1349.59	811.48	1074.78
C. Command Area Development	1427.64*	619.44	339.88	413.00
Total (A+B+C)	**18714.06**	**9084.17**	**4919.58**	**6552.15**

* : This includes the State Sector expenditure incurred by the State of Punjab which is not sponsored Scheme of Command Area Development Programme.

Source : Ministry of Water Resources, Government of India.

Table III-29: Achievements under Command Area Developement Programme

Item	VII Plan (1985-86 - 1989-90)		1992-93		1993-94
	Target	Achievement	Target	Achievement	Target
1	2	3	4	5	6
1. Construction of Field Channels	4.99	3.17	0.88	0.37	0.53
2. Land Levelling	0.81	0.38	0.12	0.03	0.06
3. Warabandi	6.19	3.74	0.95	0.64	1.04
4. Field Drains	0.15*	0.42	0.38	0.07	0.18

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

Source : Ministry of Water Resources, Government of India.

Table III -30:Achievement under Drought Prone Area Programme

('000 hectares)

	1990-91	1991-92	1992-93(p)	1993-94 *
1	2	3	4	5
1. Area treated under soil moisture conservation	143.03	105.64	97.80	45.86
2. Water Resources Development	21.52	19.36	15.78	7.71
3. Forestry and pasture	80.00	76.93	64.81	44.28

* Upto September 1993

P : Provisional.

Source : Ministry of Rural Develpoment, Government of India.

Table III -31:Achievement under Desert Development Programme

('000 hectares)

Item	Achievements			1993-94*	
	1990-91	1991-92	1992-93(p)	Targets	Achievements
1	2	3	4	5	6
1. Soil and Moisture Conservation	12.53	9.52	9.39	15.51	2.31
2. Forestry and pasture Development	13.83	23.48	13.03	17.47	5.70
3. Water Resources Development	6.40	8.79	6.00	10.86	1.45

* Upto September 1993.
P Provisional.

Source : Ministry of Rural Develpoment, Government of India.

CHAPTER IV

INDUSTRIAL PERFORMANCE*

Performance of Industrial Sector during 1993-94

Introduction

Industrial sector posted a moderate performance for the third year in succession. At 3.1 per cent, the growth in industrial output in 1993-94 was not significantly higher than the increase of 2.3 per cent registered in 1992-93 (Table IV-1). The moderate industrial performance is essentially a manifestation of the adjustment process to which the manufacturing segment was subjected to. The relative contribution of this segment to the overall industrial production index declined in 1993-94 from that of the previous year. In terms of weighted contributions, 'mining and quarrying' and 'electricity' fared better during the year under review.

The sluggish industrial growth for the third year in succession is essentially prompted by factors that are endogenous to the economic system. It largely reflected the cumulative impact of the array of measures to which the sector has been subjected to since early 1991-92. Once the impact runs its course, the industrial sector, it could be expected, will rebound and lead to higher levels of activity.

Among the measures, the ones which had severe impact need to be closely studied, so that corrective actions could be taken even now if the measures have prolonged unfavourable effects. In this context, the Annual Report of the Reserve Bank of India for 1993-94 made some pertinent remarks. "The severe credit and exchange restrictions during 1991-92 had an adverse effect on industrial output. The exchange rate adjustments in July 1991, March 1992 and March 1993 sharply raised import costs, requiring units to restructure their operations. In addition, there were cut-backs in public outlays which had been an important source of effective demand for goods produced by the industrial sector. As a consequence, a shift in the pattern of demand has emerged. The weak domestic demand had to be made good by increasing sales to foreign markets at competitive prices; here, however, lags operated and exports rose sharply only in 1993-94. Changes in the overall industrial policy including elimination of the barriers to entry and growth of firms, and the easing of policies relating to foreign trade, particularly, the relaxation of import and exchange control restrictions and reductions in tariff rates, have indeed altered the market structure in which Indian firms have to now operate. A greater element of competition, both domestic and international, has got introduced" (pp. 109-110). All these factors have required Indian industry to undergo a structural change and face severe problems of adjustment. While these factors broadly explain the general sluggish industrial performance in the last three years, sectoral and industry-group-wise analysis are needed to know the actual causes behind the low out-turn in many of the major manufacturing groups. Moreover, it needs to be seen whether the lags in effect have petered out, and whether the recovery has set in, in areas where consumer demand, both domestic and foreign, is expected to be buoyant. These are some of the questions that are being addressed in this chapter with reference to the performance indicators of 1993-94 and of the first three months of 1994-95.

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* This Chapter is based on the information/data available upto September, 1994.

During the first quarter of 1993-94 (April-June), the industrial production index registered a mere 1.0 per cent rise. There was, however, a considerable improvement in performance in the remaining three quarters pointing to a turnaround. In the second quarter, output increased by 3.5 per cent, and in each of the third and fourth quarters, it registered a growth rate of 3.8 per cent. The momentum has been furthered in the first three months of 1994-95. The overall index recorded a rise of 7.8 per cent. The manufacturing segment in particular registered a sharp increase of 8.8 per cent during this quarter. This is an advance indicator that industrial recovery has set in.

Analysis of Manufacturing Industries at two-digit level

An analysis of the disaggregated data of manufacturing sector at the 2- digit level for 1993-94, shows that eleven industrial groups (with weight totalling 47.97 per cent in IIP) as compared with just 8 industrial groups (with weight aggregating 29.54 per cent in IIP) last year, recorded accelerated growth. Four industrial groups (with 12.83 per cent weight in IIP) recorded negative growth during the year as compared with six groups (weight 22.44 per cent) last year.

The industrial groups contributing to the acceleration during 1993-94 included 'beverages, tobacco and tobacco products', followed by 'jute, hemp and mesta textiles', 'chemicals and chemical products', 'paper and paper products' , 'transport equipment', 'basic metal and allied products', 'machinery and machine tools and parts', 'non-metalic and mineral products', 'metal products', and 'leather and leather and fur products' (Table IV-1A). Better performance of some of these groups can be attributed mainly to the withdrawal of import restrictions on inputs imposed during 1991-92. Two industries, *viz.*, 'cotton textiles' and rubber, plastic and petroleum products' (weight 16.31 per cent) together made a decelerated relative contribution of 18.9 per cent during 1993-94 as against three industries, *viz.*, basic metal and allied products, non-metalic mineral products and cotton textiles (weight 25.11 per cent) making decelerated contribution of 44.7 per cent towards aggregate growth of the sector in the preceding year.

Four groups (weight 12.83 per cent in IIP) registered negative growth rates mainly due to demand slack. Among them, electrical machinery made a negative contribution of as much as 48.3 per cent followed by food and food products(23.9 per cent). The decline in 'food and food products' was mainly due to fall in sugar production during the year . The output of electrical machinery (which forms a significant part of capital goods industries with a weight of 5.78 per cent) suffered reportedly on account of lower government spending on electricity generation and distribution.

Performance by use-based classification

Industrial performance by use-based classification shows that intermediate goods and consumer durable goods industries improved their performance during 1993-94 by 11.2 per cent (5.3 per cent during 1992-93), and by 15.2 per cent (-0.7 per cent in 1992-93) (Table IV -1B). Basic goods industries also performed better by recording a growth of 4.1 per cent during 1993-94 as against 2.6 per cent during 1992-93. However, capital goods industries and the consumer non-durables registered declines in their growth rates; capital goods industries declined by 5.0 per cent over and above the decline of 0.1 per cent in 1992-93 and consumer non-durables had a negative growth rate of 1.1 per cent as against a rise of 2.5 per cent in 1992-93.

Infrastructure Industries - Performance

During the year, performance of infrastructure sector was encouraging, with the composite index of infrastructure industries recording an increase of 5.4 per cent as compared with that of 2.8 per cent in the previous year (Table IV -1C). All the infrastructure industries, excepting coal, saleable steel and petroleum refinery products, showed improved performance; generation of electricity, increased by 7.4 per cent against 5.0 per cent in

1992-93 and cement output registered a growth rate of 7.0 per cent compared with 0.4 per cent in the previous year. The sharp rise in thermal power generation has helped to improve the performance of the electricity sector. Coal recorded a lower growth of 3.2 per cent as compared with 4.0 per cent registered in the previous year. Saleable steel also registered a lower growth of 5.5 per cent in 1993-94 than that of 7.3 per cent in the previous year.

The output of petroleum refinery products registered a low growth of 1.4 per cent as compared with that of 4.2 per cent in the corresponding period of last year. Petroleum Crude output which had been affected by the rupture at Bombay High, Uran and Hut pipelines, could post only a modest growth of 0.3 per cent during the year.

Performance during the First Quarter of 1994-95

There are signs of industrial recovery in 1994-95 as evidenced by the substantial increase in the index of industrial production during the first quarter of 1994-95. The overall industrial production rose by 7.8 per cent in April-June 1994 as against a sluggish growth rate of mere 1.0 per cent in the corresponding period last year. Manufacturing sector recorded 8.4 per cent growth in April, slightly retreated to 8.2 per cent in May and improved in June 1994 to 9.9 per cent giving an average growth rate of 8.8 per cent for the first quarter of 1994-95, as against a decline of 0.6 per cent in April-June 1993. The improvement in manufacturing sector was mainly contributed by better performance of electrical machinery, chemicals, transport equipments, and basic metal and allied products which together accounted for almost 84 per cent of industrial growth.

Other Pointers to Industrial Recovery in 1994-95

The buoyancy in the new issues market and the rising trend in the disbursement of term-lending institutions, point to an increase in the level of private investment. Based on the expected phasing of capital expenditures on the projects assisted by major term lending institutions, corporate investment is estimated to go up by 15.5 per cent in nominal terms and by about 10 per cent in real terms during 1994-95. The expected improvement in agricultural sector is likely to provide impetus to domestic demand for consumer goods, in particular its non-durable segment. The access to foreign technology, the liberal import policy and access to international financial markets not only provide the necessary blocks for building productivity but also to enable the units to compete effectively both in domestic and foreign markets. The cases of mergers of some of the companies in 1993-94 also point to the corporate sector's willingness to exploit the economies of scale. A number of proposals for joint ventures are also being considered. Efforts are being made to effectively involve private sector as well as foreign corporate participation in infrastructure development (*e.g.*, power projects). Infrastructure industries as a whole have been performing well in 1994-95, so far (Table IV-1C).

The industrial policy ambience too is favourable to sharp improvement in industrial sector activity. There is in place a 5-year tax holiday scheme for industrial concerns which set up industries in the industrially- backward States and Union Territories. Since March 1993, 13 minerals which were earlier reserved exclusively for the public sector were opened up for private sector. There are presently only six industries, *viz.*, defence products, coal and lignite, mineral oils, atomic energy, railway transport and minerals specified in the schedule to the Atomic Energy Order 1953 exclusively reserved for the public sector. Consumer industries such as 'motor car' and 'white goods' industries and certain leather and leather products industries were delicensed in April 1993, thereby bringing down the number of industries under compulsory licensing to fifteen. The rationalisation of excise duty on capital goods and reduction of import duties during 1993-94 have tended to lower the capital costs and encourage competition. The scope economies have also been

touched. Large scale undertakings could now manufacture readymade garments which was earlier reserved for exclusive manufacture by ancillary/SSI units. The power sector has now been opened for private sector (both domestic and foreign). A number of incentives have been provided for this sector, including a tax holiday and a tax exemption to the extent of 30 per cent for a further period of five years for all new power projects. To address the problem of industrial sickness, the Sick Industrial Companies (Special Provision) Act, 1985 (SICA) was amended in December 1993, to facilitate early detection of sickness in companies and speedy enforcement of remedial measures. The public sector units have also been brought under the purview of the said Act.

Given the early indications and the favourable policy environment, it is expected that industrial output will record a growth of 7.0 per cent to 8.0 per cent in 1994-95.

Employment in the Organised Sector

Employment in the organised sector (Public and Private) at 267.3 lakh by the end of March 1991, was marginally higher by 1.4 per cent over the level a year ago (Table IV-2). Within the organised sector, employment in public sector increased by 1.5 per cent during 1990-91 (1.4 per cent in the previous year) while in the private sector including (i) larger establishments employing 25 or more workers and (ii) smaller establishment employing 10-24 workers), the increase in employment was modest at 1.2 per cent (1.7 per cent in the previous year).

Within the public sector, comparatively larger increase in employment was recorded during 1990-91 by local bodies (4.0 per cent), followed by state governments (1.9 per cent), quasi-governments (0.8 per cent), and central government (0.4 per cent) (Table IV-3).

The number of employment seekers registered with the employment exchanges declined by 1.3 per cent from 36.8 million at the end of December 1992 to 36.3 million by the end of December 1993 (Statement 18 of Vol.II of this Report).

Small -Scale Sector

During the year 1993-94, Small-Scale Industries (SSI) sector continued to play an important role in the Indian economy, with 23.84 lakh units, employing 139.38 lakh persons, producing a diverse range of about 7500 products (including 836 reserved items), contributing about 40 per cent of the total industrial output and accounting for over 34 per cent of exports (Table IV-4).

It may be recalled that keeping in view the important role played by the SSI sector in industrial production and generating employment, a comprehensive policy for this sector was announced in August, 1991 with the objective of imparting vitality and impetus to SSI sector. (Details of the New Industrial Policy for Small Scale Sector have been given in our Report on Currency & Finance, 1990-91). The new policy measures apart from removing all licensing restrictions for production by the small scale sector, reduced the locational restrictions to the minimum, enhanced the investment limit in the SSI sector from Rs.35 lakhs to Rs.60 lakhs and allowed equity investment by large industry in SSI sector up to 24 per cent .

Reacting to the recommendations of the Nayak Committee, which examined the adequacy of institutional credit to the SSI sector, the RBI has already issued necessary guidelines to the banks accepting most of its recommendations. In particular, a recommendation to set up specialised bank branches to cater exclusively to SSI units has been accepted by RBI.

In the field of credit, a normative supply of working capital to the minimum of 20 per cent of project turnover of the SSI sector has been stipulated. Banks and State Financial Corporations have been designated specially to meet the credit requirements of SSI sector in 85 districts, where these units are concentrated, through Single Window Scheme.

A new scheme - Integrated Infrastructural Development Scheme - has been launched recently to strengthen infrastructural facilities in 50 centres in rural and backward areas. So far eight centres have been approved and funds have been sanctioned. The amount would be released by SIDBI to the concerned implementing agencies.

A Quality Certification Scheme assisted by awareness programme and financial support has been launched in 1994 to improve the quality of SSI products to acquire ISO 9000 or similar international quality standards.

A new Entrepreneurship Development Institute has been set up at Guwahati, Assam for improving the entrepreneurial base for the North Eastern Region. In the field of technology services in SSI, five new tool rooms have been set up at Ahmedabad, Aurangabad, Indore, Bhubaneshwar and Jamshedpur to create facilities for manufacture and design. A joint programme has been initiated with SBI for modernisation and technology upgradation of industry clusters. Technology related consultancy services are being expanded and special development programmes for vendor development, awareness programmes in quality certification and pollution control, *etc.*, have been initiated. Barefoot manager scheme has been introduced to train prospective entrepreneurs in rural and backward areas.

Prime Minister's Rojgar Yojana (PMRY) introduced during 1993-94 is designed to provide employment to more than a million persons by setting up 7 lakh micro enterprises by the educated unemployed youth. The scheme which operated only in urban areas in 1993-94 has now been extended to the whole of the country from 1994-95.

District Industries Centres (DICs)

The District Industries Centre (DIC) Programme was started in May, 1978 as a centrally sponsored scheme with the main objective to develop and promote small, tiny and cottage industries in the country and to generate greater employment opportunities especially in rural and backward areas, and presently, the total number of such District Industries Centres (DICs) in the country is 422. During the year 1993-94, an outlay of Rs. 20.00 crore was provided by the Government of India. In accordance with the directives of the Planning Commission, the scheme was transferred to the State Sector in 1992-93, and funds were surrendered to the Ministry of Finance for further release to the States and Union Territories under the scheme.

Industrial Sickness

Industrial sickness and its overall impact on the economy continue to cause concern. The total bank credit locked up in 2,47,924 sick/weak units increased from Rs.11,533.30 crore as at end-March 1992 to Rs.12,586.41 crore in 2,35,868 units as at end-September 1992, constituting 17.6 per cent of the total outstanding bank credit to 'Industry' at the end of September 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 1,536 in March 1992 to 1,599 in September 1992 and the outstanding credit to these units rose from Rs.5,786.55 crore to Rs.6,804.52 crore respectively (Table IV-5). Region-wise the Western region has the largest number of such units (*i.e.* 535 units with bank credit outstanding at Rs.2,391.64 crore) as on end-September 1992. Statewise, the largest number of non-SSI sick units continues to be in Maharashtra followed by West Bengal, Andhra Pradesh, Gujarat, Tamil Nadu and Uttar Pradesh. These six states together accounted for 67.2 per cent of the total bank credit outstanding against such units. Industry-wise, the sickness was prominent in engineering, textile, chemical, iron and steel and paper. These five industrial groups accounted for 60.7 per cent of the total number of non-SSI sick units and 62.9 per cent of the total

bank credit outstanding against them as at end-September 1992.

Non-SSI weak units

The number of non-SSI weak units increased from 813 in March 1992 to 828 in September 1992; however, the bank credit outstanding in respect of these units decreased from Rs.2,646.08 crore to Rs.2,436.35 crore over the same period. The number of non-SSI weak units in Maharashtra was the highest followed by West Bengal, Andhra Pradesh and Karnataka. Industry-wise, non-SSI weak units were prominent in textile, engineering, chemical and iron and steel (Table IV 5-A).

Sick SSI units

The number of sick SSI units * decreased from 2,45,575 units in March 1992 to 2,33,441 units in September 1992. However, the outstanding bank credit in respect of these units increased from Rs.3,100.67 crore in March 1992 to Rs.3,345.54 crore in September 1992. Region-wise, the majority of sick SSI units was in Southern region (Table IV-5B).

Industry-wise details of sick SSI units are given in Table IV-5C.

Viability studies conducted by commercial banks in respect of 2,31,058 units as at the end of September 1992 showed that 17,450 of these units were considered as viable. Of the viable units, 13,141 units were put under nursing programme with banks.

Considering the magnitude of industrial sickness, the Reserve Bank has been assisting the banks and financial institutions to formulate workable rehabilitation packages in respect of those units, which have the potential of being commercially viable. In respect of units where BIFR (Board for Industrial and Financial Reconstruction) has either sanctioned rehabilitation package or ordered winding up of the unviable unit, the Bank holds discussions with the banks and financial institutions for improving their efforts in quickening the process.

The RBI had set up a committee under the Chairmanship of Shri M. Balasubramanian to study the problems of sick and weak units of Leather Industry and to suggest measures for their redressal. The Committee had submitted its report in January 1994 and its suggestions are under consideration.

National Renewal Fund

As a part of the New Industrial Policy of 1991, the National Renewal Fund (NRF) was set up in February 1992 with a view to protecting the interests of the workers who may be affected by the restructuring of the Indian industry. The main objectives of the NRF are to 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 payment of dues under voluntary retirement schemes. 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. During 1992-93, assistance to the tune of Rs.650.24 crore was made available for funding the Voluntary Retirement Schemes (VRS) of the Central Public Sector Undertakings out of a total outlay of Rs.829.66 crore. In the year 1993-94, a total amount of Rs.700 crore has been allocated in the Budget for the NRF to be utilised for VRS of PSUs and an additional amount of Rs.270 crore has been proposed for workers'

* A sick SSI unit is defined thus: A small scale industrial unit should be considered as sick 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. The same definition is applied also in the case of tiny and decentralised sector. However, in the case of such units where it is difficult to get the financial particulars, a unit may be considered as 'sick' if it defaults continuously for a period of one year in the payment of interest or instalments of principal and there are persistent irregularities in the operation of its credit limit with the bank.

payments arising out of closures or rehabilitation packages.

Six pilot projects proposed by different organisations have been approved by the Expenditure Finance Committee for workers' retraining and redeployment. The names of the organisations (and the areas proposed by them) are as under:

i) Confederation of Indian Industry(CII) - Bombay
ii) Small Industries Service Institute (SISI)- Indore
iii) Gandhi Labour Institute (GLI) - Ahmedabad
iv) Associated Chambers of Commerce and Industry (ASSOCHAM) - Kanpur
v) National Small Industries Corporation(NSIC)- Calcutta
vi) Department of Labour - at six identified Central Government and 15 State Government institutions.

These pilot schemes cover about 12000 rationalised workers and the schemes will be evaluated after one year.

A. Basic Industries

(a) Coal

Coal output (excluding lignite) at 246.14 million tonnes registered a lower growth of 3.2 per cent during 1993-94 than that of 4.0 per cent in 1992-93 and 8.4 per cent in 1991-92 (Table-IV-6). Coal India Ltd (CIL), which accounts for nearly 88 per cent of coal production in the country fully achieved the target (216 million tonnes) fixed for the year. Among the subsidiary companies under CIL, only Eastern Coal Fields Ltd (ECL) fell short of its target by 11.4 per cent.

The aggregate despatches during 1993-94 at 242.6 million tonnes were higher than 230.5 million tonnes in the preceding year. Sector-wise (including imports and excluding lignite despatches), the thermal power sector continued to be the major coal consumer with consumption in 1993-94 at 154.41 million tonnes followed by steel plants and washeries and cement plants. The pit-head stocks of coal, inspite of higher despatches, were at 50.8 million tonnes at the end of 1993-94 as against the pit-head stocks of 51.4 million tonnes at the end of the previous year.

One of the major issues concerning the coal industry has been the low productivity of both labour and machinery in underground mines as well as in open cast mines. However, productivity measured in terms of raw coal output per manshift (OMS) in CIL increased from 1.46 tonnes in 1992-93 to 1.52 tonnes in 1993-94, little more than 4 per cent over the last year. In June 1993, CIL increased coal prices to Rs.382 per tonne and SCCL to Rs.452 per tonne. On April, 1994 only SCCL increased the coal price to Rs.482 per tonne. CIL price of coal has been further revised to Rs.401 per tonne and that of SCCL to Rs.503 per tonne with effect from June 17, 1994. In view of mounting losses, CIL's coal prices have been set well above the cost of production since 1991-92 and the prices of different varieties of coal in the open market are higher than their administered prices.

(b) Iron Ore

Iron ore output in the country during 1993-94 at 58.3 million tonnes was 4.5 per cent higher than the output level of 55.8 million tonnes in the previous year (Table IV-7). The relative share of public sector mines in total iron ore output has increased from 57 per cent in 1992-93 to 60 per cent in 1993-94. State-wise, Madhya Pradesh accounted for 26 per cent of the total iron ore output in the country, followed by Goa (23 per cent), Karnataka (20 per cent), Bihar (18 per cent) and Orissa (12 per cent). Nominal production was also reported by some other states, such as, Andhra Pradesh, Maharashtra, Rajasthan and Haryana.

The steady increase in the internal despatches

over the years indicates a perceptible uptrend in domestic demand for iron ore. During 1993-94 the internal despatches increased to 28.4 million tonnes as against 27.4 million tonnes and 25.9 million tonnes in 1992-93 and 1991-92, respectively.

The performance of the iron ore exports during the year was impressive at 28.8 million tonnes registering a growth of 29.7 per cent as against a decline of 24.7 per cent in the previous year.

(c) Cement

During the year the installed capacity of the Indian cement industry (including mini and white cement plants) was stepped up by 10.9 per cent to 75.2 million tonnes. The cement output in the country during 1993-94 at 58.0 million tonnes was 7.0 per cent higher than the level of 54.2 million tonnes in the previous year (Table IV-8). (The target achievement for the year was 97 per cent). However, the average capacity utilisation in the cement industry at 79.9 per cent was lower than the last year's level (77.1 per cent). The private sector cement plants increased their output by 6.8 per cent in 1993-94 as compared to a rise of only 0.2 per cent in 1992-93 (Table IV-9). Notwithstanding the recessionary tendencies brought about by steep decline in Government demand and increasing cost of production, despatches for domestic consumption increased to 0.4 per cent in 1992-93 and further to 6.7 per cent in 1993-94, thus indicating a recovery in demand. The cement exports also increased substantially to 2.9 million tonnes in 1993-94 as against 1.2 million tonnes in 1992-93.

(d) Iron and steel

Saleable steel production by major producers at 11.96 million tonnes during 1993-94 was higher by 5.5 per cent than 11.33 million tonnes during 1992-93(Table IV-10). Barring Rourkela and Bokaro steel plants, all the other integrated steel plants performed better than in the last year. However, due to a 20 per cent decline in the saleable steel production by secondary producers, the overall production of saleable steel during 1993-94 at 14.66 million tonnes was marginally lower by 0.3 per cent as compared with 14.71 million tonnes achieved in the previous year. The output of pig iron registered a higher growth of 19.4 per cent (16.1 per cent last year) due to better performance of both integrated steel plants and secondary producers.

During 1993-94, the off-take of domestic saleable steel increased by 9.8 per cent as against a decline by 1.5 per cent in the preceding year. Imports of saleable steel were lower by 8.4 per cent in 1993-94 as against a rise of 8.9 per cent in 1992-93. The domestic sales of pig iron during 1993-94 at 1.25 million tonnes was on the other hand lower by 12.3 per cent as against a rise of 14.1 per cent recorded in the previous year. Quite notably there has been a steady decline in the imports of pig iron during the last three years. On the export front, the industry has done fairly well; while the exports of pig iron increased from a meagre 16.1 thousand tonnes in 1992-93 to 618.5 thousand tonnes, that of saleable steel recorded a rise of 663.9 thousand tonnes from 894.6 thousand tonnes in 1992-93 to 1558.5 thousand tonnes in 1993-94.

The year-end stock of saleable steel and pig iron in 1993-94 declined by 20.5 per cent and 31.3 per cent respectively as against a rise of 91.0 per cent and 138.5 per cent respectively in the 1992-93. In the case of pig iron, the decline in domestic sales seems to have been more than compensated by increase in exports while there has been a sizeable increase in domestic sales as well as exports of saleable steel.

The improvement in the performance has been attributed to recent liberalization measures, such as, the abolition of Steel Development Fund (SDF), the modernisation and upgradation of technology, the compulsory cost reduction through quality improvement and optimum capacity utilisation, and the switchover to product-mix of higher value.

(e) Electricity

The power sector had a generating capacity (installed plant capacity) of 76,718 MW as at end-March 1994 comprising 20,366 MW of hydel, 54,347 of MW of thermal and 2,005 MW of nuclear power capacity and the actual capacity addition during the year 1993-94 at 4,399 MW almost met the target set for the year (Table IV-11). The capacity of the nuclear and non-conventional power segments remained unchanged in the year 1993-94 while the thermal and hydel power segments increased their capacity by 7.1 per cent and 4.1 per cent, respectively.

The generation of electricity during 1993-94 at 323.5 billion kwh exceeded the target of 316.7 billion kwh set for the year and registered a higher growth rate of 7.4 per cent than the 5.0 per cent achieved in the previous year (Table IV-12). The improvement in electricity generation in 1993-94 could be achieved because of better performance of thermal and hydel power plants. On the other hand, nuclear power generation declined by 19.4 per cent as against a substantial rise of 19.6 per cent in the preceding year.

The actual power availability during year 1993-94 at 299.4 billion kwh fell short of estimated requirement of 323.2 billion kwh by 7.4 per cent ~~(Table IV-12A)~~. The deficit was the highest in the Eastern Region (14.2 per cent), followed by the North-Eastern Region (10.8 per cent).

Although the private sector had been participating in generation and supply of electricity from the beginning, the Government of India introduced in 1991 a policy to encourage greater participation by domestic and foreign private investment in the electricity generation, supply and distribution. The Indian Electricity Act, 1910 and Electricity Supply Act, 1948 have accordingly been amended and a number of incentives have been announced in the form of a package which includes, among other things, higher debt-equity ratio at 4:1 for financing new schemes, capitalisation of interest during construction period, 100 per cent equity participation by foreign-agencies, a guaranteed rate of return of 16 per cent on the paid-up and subscribed capital in the case of generating companies and a reasonable rate of return of five per cent above the Bank rate in the case of licensees, reduction of import duty on power projects to 20 per cent, and a five-year tax holiday and tax exemption up to 30 per cent for a further period of five years for new power projects. Any future strategy proposed in the power sector has to focus on the issues relating to financial and operational working of the SEBs. Lack of access to the final market for electricity and poor finances of the SEBs are some of the major constraints in attracting private investment into this sector.

(f) Crude Oil and Petroleum Refinery Products

The crude oil output (both off-shore and on-shore) staged a recovery during 1993-94 from the down-trend witnessed over the last three years. In 1993-94, the crude oil production at 270.3 lakh tonnes was 0.3 per cent higher than in the previous year (269.5 lakh tonnes) (Table IV-13). The improvement, though small, was due to the increase in on-shore production. Although imports of crude oil during the year continued to remain higher than the domestic production level, the rise in import in 1993-94 at 5.4 per cent was lower than that in 1992-93 (21.9 per cent).

During the year 1993-94, crude oil output could stage a recovery while the output of petroleum refinery products increased by 1.4 per cent to 510.8 lakh tonnes. As in the previous years, the production of POL products could not meet adequately the demand from various sectors; as against the consumption of POL products at 60.70 million tonnes in 1993-94, the indigenous production of the POL products at 51.08 million tonnes left a gap of 9.62 million tonnes, to be met through imports. During 1993-94, imports of petroleum refinery products registered a lower growth

of 7.0 per cent than the 19.5 per cent in 1992-93; while there was a steep decline in imports of high speed diesel oil, kerosene imports were stepped up sharply in 1993-94.

The oil sector, reserved till recently exclusively for public sector, has now been opened to private sector, both domestic and foreign. To improve the supply conditions and to reduce the fiscal burden owing to sale of subsidised petroleum products, the Government has set up Parallel Marketing System for Kerosene, LPG and LSHS certain petroleum products. Under this system, private sector is allowed to import and distribute the petroleum products through their own distribution network at market determined prices. A significant development in this context is the entry of a number of MNCs into joint ventures with the Public Sector oil companies to exploit the existing marketing network.

B. Capital Goods Industries

(a) Engineering Industries

The 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 the total weight in the index of the industrial production (IIP) showed a modest turnaround when it increased by 0.1 per cent in contrast to the decline of 0.4 per cent during 1992-93. Within the engineering sector, basic metals registered a rise of 5.4 per cent, followed by transport equipment (5.8 per cent), machinery and machine tools (3.4 per cent) and metal products and parts (1.5 per cent). However, electrical machinery output declined by 6.8 per cent during the year.

i) Heavy Mechanical Engineering Industries

The performance of the automobile segment of the heavy engineering group was quite encouraging during the year. The output of passenger cars, commercial vehicles, and two wheelers registered increases of 29.0 per cent, 5.7 per cent and 18.8 per cent, respectively as against declines of 1.2 per cent, 11.1 per cent and 5.9 per cent during the previous year. However, the heavy and medium commercial vehicles could not keep pace with the general uptrend of the automobile industry and recorded a negative growth of 13.2 per cent in 1993-94 over and above the decline of 15.1 per cent in 1992-93. Output of jeeps increased by 22.5 per cent on top of the growth of 42.9 per cent recorded in the earlier year. The other items of heavy engineering industries showed a mixed trend. While steel castings, road rollers and lifts recorded rise in their output, structurals, diesel engines, railway wagons and tractors registered declines during the year under review (Table IV-14).

ii) Light Mechanical Engineering Industries

Among the selected light mechanical engineering industries, production of typewriters, sewing machines and wristwatches declined. However, bicycles and razor blades showed significant rise of 11.1 per cent and 11.2 per cent, respectively as against declines of 2.6 per cent and 10.6 per cent during the previous year (Table IV - 15).

iii) Electrical Engineering Industries

Electrical engineering industries as a group continued to display the downtrend, registering a decline of 6.7 per cent as compared with that of 2.0 per cent in 1992-93. However, the output of incandescent and fluorescent lamps increased during the year. Production of radio receivers showed a downward slide for the third successive year. Electrical fans, storage batteries, dry cells and domestic refrigerators registered noteworthy the acceleration in production.

In the heavy engineering category, while the output of power transformers and power driven pumps fell by 3.5 per cent and 8.7 per cent respectively, as against a rise of 1.2 per cent and a decline of 1.5 per cent, respectively, the output of

electric motors rose by 13.6 per cent as compared with a decline of 13.0 per cent in the previous year. (Table IV-16).

b) Metallurgical Industries (other than Iron and Steel)

i) Aluminium

During 1993-94, production of aluminium is estimated to be slightly lower at 4.65 lakh tonnes, as compared with the previous year (4.87 lakh tonnes); the shortfall is mainly attributed to the power shortage faced by the INDAL plant at Belgaum (Karnataka) and sluggishness in domestic demand (Table IV-17).

In recent years the industry has been facing demand recession; however it is expected that with the major industries like automobiles and cables coming out of recession, the demand for the metal will go up. Moreover, keeping in view the surplus availability of aluminium in the country, it has become possible to increase exports. During 1992-93 the National Aluminium Company Ltd. (NALCO) exported 4,24,595 tonnes of alumina and 85,771 tonnes of metal, earning foreign exchange worth Rs.538.57 crore (42 per cent over the previous year's export earnings).

ii) Copper

During the year 1993-94 the production of refined copper by Hindustan Copper Ltd. (HCL) is estimated at 49.7 thousand tonnes as against that of 47.0 thousand tonnes during 1992-93. Copper produced by HCL is insufficient to meet the growing demand in the country and the gap between demand and indigenous supply had to be met by imports. Free entry of private sector for the creation of new capacities would facilitate a change in the situation relating to copper supply in the country. The HCL, the sole indigenous producer of primary copper in the country, is shifting the thrust of its expansion plans from mining to smelting. The company proposes to take up a revamping plan, which *inter alia*, envisages rationalisation of work force, phasing out of high cost mines and expansion of smelter and refinery at Khetri Copper Complex, Khetri.

iii) Zinc and Lead

Zinc production in the country is expected to reach 141.6 thousand tonnes during 1993-94, as against 126.5 thousand tonnes in 1992-93. The production of lead, on the other hand, is expected to be lower at 28 thousand tonnes during 1993-94 as compared with 40 thousand tonnes in 1992-93. The new integrated project of Rampura-Agucha Mine and Chanderiya Lead-Zinc smelter by Hindustan Zinc Ltd. (HZL) has helped to narrow the demand-supply gap to an appreciable extent.

The New Mineral Policy announced in May 1993, envisages market-oriented initiatives aimed at attracting foreign investment in the mineral sector. Certain minerals which were exclusively reserved for exploitation by the public sector, have now been thrown open for mining by the private sector also. The policy raises the ceiling on foreign equity in the mining industry from 40 per cent to 50 per cent. These changes have enhanced the scope for cooperation between domestic and foreign interests in the mineral sector including setting up of joint ventures in India and in other countries.

C. Intermediate Goods Industries

(a) Jute Textiles

The year 1993-94 witnessed a paradoxical scenario in the jute goods manufacture. Initially during the year the demand and prices were depressed but as the year progressed, particularly in the second half, there was a surge in seasonal demand, leading to a sharp increase in prices. Total production of jute textiles as a result increased by 10.4 per cent to 14.48 lakh tonnes in 1993-94 from 13.10 lakh tonnes in 1992-93 (Table IV-18). Category-wise, hessian and sacking recorded significant rise in output while carpet backing and miscellaneous jute textiles recorded decline in

production during the year. Production of hessian increased by 7.5 per cent to 341.8 thousand tonnes as against a decline of 6.1 per cent in the previous year, while production of sacking showed a sharp increase of 18.9 per cent compared to 1.4 per cent in the previous year. There was a decline in the production of carpet backing by 25.4 per cent as against a rise of 25.2 per cent during 1992-93.

The internal consumption of jute goods showed an impressive growth of 12.9 per cent at 12.40 lakh tonnes during 1993-94 as compared with a rise of 1.7 per cent during the previous year at 10.98 lakh tonnes. Category-wise, the major increase in consumption was in respect of sacking (Table IV-18). The export of jute goods increased from 1.96 lakh tonnes in 1992-93 to 2.3 lakh tonnes in 1993-94. In terms of value, jute exports registered an increase of 5.3 per cent to Rs.370.16 crore in 1993-94 as against a decline of 9.2 per cent in 1992-93 (Rs.351.69 crore).

In order to improve the working of the jute industry a number of remedial measures have been announced recently by the Government, some of which are:

i) Development programmes and schemes/ measures have been initiated for bringing in diversification in the industry so as to ensure that structural changes occur in the present product range. Efforts are on to strengthen the supply base for traditional production for domestic as well as the export market and to diversify into new areas like jute handlooms and handicrafts, jute rigid packing, non-woven and industrial applications and geo-textiles, etc.

ii) The government has enacted Jute Packaging Materials (Compulsory Use in Packing Commodities) Act.,1987, to protect the interest of the sector.

iii) The Jute Modernisation Fund Scheme (with a corpus of Rs.150 crore) and the Special Jute Development Fund Scheme (with a corpus of Rs.100 crore) have been created for revamping the industry.

iv) A national centre for Jute diversification has been set up by the government to undertake product development keeping in view the consumer preference.

v) The multifibre policy has been redefined so as to enable the use of jute by other industries thereby broadening the scope of jute usage.

vi) UNDP and the Government have jointly taken up a jute development programme co-terminus with the Eighth plan, aiming at overall development of the jute industry including raw jute, modernisation, diversification and export promotion aspects.

(b) Rubber and Rubber Manufactures

The total production of rubber (natural, synthetic and reclaimed) at 547 thousand tonnes during 1993-94 registered a 6.6 per cent increase over the previous year, compared to the 7.1 per cent increase in the previous year. While production of natural rubber (accounting for around 90 per cent of total rubber production) increased by 10.7 per cent to 435 thousand tonnes in 1993-94, there was a steep decline in the output of synthetic rubber by 15.5 per cent (Table IV-19). As against this, the consumption of rubber during 1993-94 increased by 6.7 per cent (8.1 per cent last year). In view of the demand-supply gap, particularly in respect of synthetic rubber, 81 thousand tonnes of rubber were imported during 1993-94, (67 thousand tonnes in 1992-93 and 54 thousand tonnes in 1991-92) essentially to meet the needs of exporters of rubber goods.

The Rubber Board continued to implement, during the year various measures for enhancing the production of natural rubber which included granting of financial and technical assistance for new planting and replanting and distribution of inputs for improving productivity. The floor price fixed in January 1993 for RSS -IV grade was

revised upwards in February 1994 to Rs.2,490 per quintal.

The production of automobile tyres increased by 5.3 per cent and automobile tubes by 6.1 per cent during the year as against 1.0 per cent and 1.3 per cent growth, respectively, in 1992-93, reflecting the sharp recovery in the automobile industry during the year (Table IV-20). The output of cycle tyres also displayed acceleration in contrast to a steep decline in the previous year. The manufacture of rubber footwear went up by 4.9 per cent during the year as compared with a lower growth of 2.6 per cent in 1992-93.

(c) Chemicals and Chemical Products

Chemicals and chemical products have been showing steady improvement during the last few years. The group, which recorded a growth of 2.6 per cent in 1990-91, and 3.4 per cent in 1991-92, expanded sharply by 5.3 per cent in 1992-93 and 7.4 per cent in 1993-94.

The production scenario of major chemicals and chemical products is presented in Table IV-21.

i) Fertilisers

During the year 1993-94 the production of fertiliser nutrients- nitrogenous and phosphatic- is estimated to be lower at 73.93 lakh tonnes and 18.81 lakh tonnes, as compared with the target set at 78.00 lakh tonnes and 22.00 lakh tonnes, respectively. In the case of phosphatic fertilisers, compared to the previous year, there was a steep decline in production (20.8 per cent) while the nitrogenous fertilisers' production declined by 1.4 per cent. The main reasons for the decline in the production of phosphatic fertilisers were the substantial drop in the consumption of phosphatic and complex fertilisers caused by the rise in open market prices after the decontrol in August 1992, the inadequate availability of gas supply and the financial constraints coupled with price and demand uncertainties. Besides, shortage of ammonia also affected production of units dependent on imported ammonia. The shortfall in the production of nitrogenous fertilisers was mainly due to the production losses suffered by the units of Fertiliser Corporation of India (FCI) and Hindustan Fertiliser Corporation (HFC) as a result of frequent equipment breakdown and funds constraints. During the year, several reliefs/concessions were granted to the industry to make it more competitive *vis-a-vis* imports. These included the abolition of import duty on phosphoric acid, the lowering of railway freight on certain fertilisers and their raw materials, the import substitution incentives to the producers of rock phosphates and iron pyrites, the abolition of customs duty on capital goods, both for new and existing plants, and the interest concessions on long term loans. All phosphatic and potassic fertilisers were removed from price and movement control in August 1992. In order to cushion the impact of increased prices of decontrolled fertilisers, a special subsidy of Rs.1000 per tonne on purchase of indigenous DAP and imported Muriate of Potash (MOP) as also a corresponding concession in the case of indigenous fertilisers and SSP were given to the farmers through State Governments during the year 1993-94.

As a part of the strategy for increasing production of nitrogenous fertilisers, the Government has approved a project in September 1993 for doubling the capacity of IFFCO's existing gas-based urea plant at Anola (UP), at an estimated cost of Rs.960 crore with foreign exchange component of Rs.330 crore. The Government has also approved a proposal for doubling of the production capacity of the gas-based urea plant of M/s. National Fertilisers Ltd. at Vijaipur (MP) at an estimated cost of Rs.987 crore with a foreign exchange component of Rs.349 crore. During the year, the Government also cleared a proposal of M/s. Fertilisers & Chemicals, Travancore Ltd. (FACT) to set up a new ammonia plant of 900 tonnes per day capacity at a cost of Rs.618 crore with a foreign exchange component of Rs.172 crore.

ii) Inorganic Chemicals

Among the inorganic chemicals, the production of soda ash during 1993-94 increased to around 15.50 lakh tonnes from that of 13.91 lakh tonnes in 1992-93. The production of caustic soda is 11.14 lakh tonnes during 1993-94 recording a marginal rise over the previous year's production.

iii) Drugs and Pharmaceuticals

The drugs and pharmaceuticals industry in India has been maintaining a steady progress in terms of production as well as range of products in recent years. It is in a position to manufacture bulk drugs belonging to several major therapeutic groups requiring various manufacturing processes and to meet 70 per cent of the requirement of bulk drugs and almost all requirements of its formulations. During 1993-94, the production of bulk drugs and formulations is estimated to have been of the order of Rs.1,130 crore and Rs.5,960 crore, respectively, recording in the process, a 15 per cent growth over the previous year's production.

The high quality of the products and good manufacturing practices have enabled Indian pharmaceuticals to emerge as a net exporter of pharmaceuticals in recent years. From a meagre Rs.65.9 crore exports of pharmaceuticals in 1982-83, the exports have risen to Rs.1,410 crore in 1992-93. During the year, 220 letters of intents for manufacture of various bulk drugs/drug intermediates/formulations with an estimated investment of about Rs.1,450 crore have been issued. Having regard to the growing demand for penicillin, it has now been dereserved from the public sector and seven private sector companies have been given industrial approvals for its manufacture.

iv) Petrochemicals

The petrochemical industry is one of the fastest growing sectors in Indian economy. Petrochemicals are manufactured from petroleum feedstocks, such as, naphtha, gas, *etc.* Naphtha is widely used in the manufacture of basic chemicals, such as, ethylene, propylene and butadiene, *etc.* which are in turn used for manufacturing synthetic rubber, polyester fibres and yarns and plastics. Hence the price of feedstock, particularly of naphtha, is an important factor, which affects the cost of producing petrochemicals. In order to meet the growing demand of petrochemicals the Government has sanctioned several mega petrochemical complexes, both gas-based and naphtha-based, involving investment of about Rs.25,000 crore and has taken measures to ensure that these feedstocks are available to local manufacturers at competitive rates.

Customs duties on various petrochemicals were reduced in the 1993-94 Union Budget and a number of steps were taken to provide level playing field to the domestic petro-chemical production. Some of them are (i) petrochemical items such as LDPE, LLDPE, HDPE, PP, PVC and SBR have been put under the sensitive list for import against value based advance licences as recommended by the Department, (ii) imports of feed stocks like naphtha, LPG and kerosene were decanalised, (iii) in the face of cheaper imports of products like PVC, Polyestyrene, HDPE, PP, SBR, anti-dumping duty has been levied on PVC, (iv) an expert group on petrochemicals under the Chairmanship of Dr. Rakesh Mohan, Economic Adviser, Ministry of Industry has been set up to look at the perspective of the petro-chemical sector in the areas of demand-supply, tariffs, import-exports, feed stocks, technology, manpower, environment, *etc.*

D. Consumer Goods Industry

(a) Sugar Production

Production of sugar during 1992-93 sugar season (October-September) amounted to 10.61 million tonnes (Table IV-22). With an opening stock of 4.90 million tonnes, and no imports, total availability for the season was 15.51 million tonnes.

Total offtake was 12.29 million tonnes comprising 11.88 million tonnes for internal consumption and 0.41 million tonnes for exports. Closing stocks for the season was 3.23 million tonnes.

The latest data on availability of sugar relate to the position as at end-June 1994. These show that, during the current sugar season, up to end-June 1994, sugar production aggregated 9.57 million tonnes which was lower by 0.97 million tonne (9.2 per cent) than that during the corresponding period of the previous year (10.54 million tonnes). The lower sugar production is attributed mainly to the loss of sugarcane crop in Maharashtrea and large scale diversion of sugarcane to gur and khandsari production in Uttar Pradesh. Taking into account a carry over stock of 3.23 million tonnes from the previous season, the total availability during 1993-94 season (upto end-June 1994) was 12.80 million tonnes, which was lower by 2.64 million tonnes or 17.1 per cent as compared with that during the corresponding period of the previous season (15.44 million tonnes). Uptill June 1994 there had been no imports of sugar. Total off-take exclusively for domestic consumption (there were no exports till end-June 1994), was placed at 8.57 million tonnes, which was also lower by 0.74 million tonne or by 7.9 per cent than that during the corresponding period of the previous season (9.31 million tonnes). The end-June 1994 closing stocks at 4.23 million tonnes were also lower by 31.1 per cent as compared to 6.13 million tonnes as at end-June 1993 (Table IV-22).

The total release of sugar during 1993-94 (October-September) was lower at 11.31 million tonnes (comprising 4.20 million tonnes of levy sugar and 7.11 million tonnes of free sale sugar) as compared to 11.90 million tonnes (comprising 4.31 million tonnes of levy sugar and 7.59 million tonnes of free sale sugar) during the 1992-93 season (Table IV-23). The release of free sale sugar of 7.11 million tonnes was lower by 0.48 million tonnes or by 6.3 per cent than during 1992-93 (7.59 million tonnes). Release of levy sugar was also nominally lower. The lower availability, especially the free sale sugar, appears to have influenced albeit partly, the price trends, particularly from April 1994 onwards.

The Government announced, on April 18, 1994, the import of sugar under Open General Licence (OGL) to bridge the gap between the domestic demand and supply. Available information shows that till mid-July 1994, 0.62 million tonne of sugar was imported.

Policy Measures

In order to boost sugarcane and sugar production, the Central Government had raised the Statutory Minimum Price (SMP) for sugarcane from Rs. 31.00 per quintal during 1992-93 season to Rs. 34.50 per quintal for the 1993-94 season and further to Rs. 37.00 per quintal for 1994-95 season. Presently, the State Governments announce State Advised Prices (SAP) which are higher than the SMP and are paid by the sugar factories to the farmers. Recently, the Union Government had constituted a Ministerial Committee to suggest measures to synchronise SMP and SAP.

Further, with a view to boost production, the Government have formulated the Sugar Incentive Scheme, 1993. Under this, financial incentives would be provided for projects licensed during the period September 7, 1990 to March 31, 1994. The incentives are expected to mitigate the hardships of the entrepreneurs involved in the execution of high cost sugar projects as well as to enable them to be viable by utilising surplus funds generated through higher free sale quota which can be used for repayment of term loans advanced by the Central Financial Institutions and Sugar Development Fund.

Licensing Policy

The screening of the proposal for the expansion of the existing units used to be carried out by the screening committee as per the norms announced on November 8, 1991 (for details see Report on Currency & Finance, 1991-92 pp. 88-89).

However, hereafter such cases will be processed on merits in the Food Ministry.

Sugar Development Fund (SDF)

Sugar Development Fund was set up under Sugar Development Fund Act, 1982. It is funded by transfer of proceeds of sugar cess levied (at Rs. 14 per quintal), collected under Sugar Cess Act 1982 on all sugar produced in the country. This fund is being utilised by the Government, for providing financial assistance to sugar factories for rehabilitation/modernisation as also for the establishment of a research institution aimed at the development of the sugar industry. In addition to this, the fund is utilised for the building up and maintenance of buffer stocks, for stabilising sugar prices. Since 1982 upto October 1993, a Cess amount of Rs. 1,408 crore has been collected and an amount of Rs. 1,299 crore has been transferred to SDF, out of which Rs. 413 crore (upto November 1993) had been sanctioned for sugarcane development, Rs. 417 crore for modernisation/rehabilitation of sugar factories and Rs. 30 crore for research and development as grants-in-aid.

Levy Sugar Price Equalization Fund

The Levy Sugar Price Equalization Fund Act, 1976 has been in force from April 1, 1976. During 1993-94, a sum of Rs. 0.47 crore had been recovered from the sugar mills and credited to the Fund bringing the total amount thus credited since the commencement of the Fund to Rs. 20.18 crore. In addition, Food Corporation of India (FCI) under orders of courts of law has so far collected a sum of Rs. 23.11 crore by way of such recovery from sugar mills.

(b) Textiles - Cotton and Synthetics

The total production of cotton and blended and man-made fibre spun yarn during 1993-94 at 2,142 million kgs. was 10.4 per cent higher than that of 1,941 million kgs.in 1992-93 (Table IV-24). While cotton yarn output went up by 6.5 per cent as against 5.0 per cent in the previous year, the production of both blended/mixed yarn and 100 per cent man-made fibre spun yarn accelerated by 23.5 per cent and 12.0 per cent, respectively, during the year (5.6 per cent and 2.5 per cent respectively in 1992-93). Domestic consumption of yarn at 1,497 million kgs. in 1993-94 was higher by 7.6 per cent, reflecting mainly an improvement in the consumption of yarn by the decentralised sector, of 10.4 per cent as against 9.3 per cent in the previous year. Consumption of yarn by the mill sector, however, registered a decline for the third consecutive year of 9.9 per cent to 172 million kgs., over and above the decline of 16.2 per cent recorded in the year 1992-93.

The decentralised sector continued to perform better; the overall increase in the total output of fabric was entirely accounted for by the decentralised sector which expanded by 10.9 per cent during the year as against a 13.5 per cent increase in 1992-93 (Table IV-25). The production of fabrics in the mill sector, however, declined for the third year in succession. Domestic consumption of cloth rose by 12.5 per cent, while textile exports recorded a sharp rise of 29.4 per cent.

Details regarding the total number of mills and the number of mills closed and the corresponding installed capacity and workers on rolls are given in Table IV-25 A. As may be seen, at the end of March 1994, 132 mills (cotton/man-made fibre textile mills), with 1.73 lakh workers on roll, remained closed.

The Textile (Development and Regulation) Order 1992, has now replaced the Textiles (Control) Order 1986. At present there is no control over the prices of textile items except for Nylon Filament Yarn, for which the Government fixes the maximum ceiling price. During the year, the cotton prices witnessed a rising trend. The Government reacted by allowing the mills to import raw cotton free of customs duty. In addition, the Government expanded the Cotton Control

Order,1986, in terms of Section 3 of the Essential Commodities Act, 1955 empowering thereby the Textile Commissioner to control cotton stocks with the manufacturers of yarn. These measures could help in bringing down the cotton prices to some extent.

In 1993-94, the garment exports segment, which was reserved for the SSI sector, was opened for large scale undertakings as well, with 50 per cent export obligation. Investment in plant and machinery in this regard was not to exceed Rs.3 crore.

(c) Paper and Paper Boards

The production of paper and paper boards registered a decelerated growth of 3.3 per cent during 1993 as against 8.7 per cent in the previous year on account of sluggish domestic market conditions and recessionary conditions in international markets (Table IV-26). Besides, the industry suffers from uneconomical plant sizes coupled with technological obsolesence. Despite reduction in duty on import of waste paper, there are constraints on raw material availability in the form of depleted forest based raw materials, poor quality agroresidues and high cost of waste paper. The paper industry, having problems relating to product quality and cost effectiveness, is in an urgent need for restructuring with a long term policy frame work.

Newsprint

There are at present 6 units in the public sector with an aggregate installed capacity of 5.1 lakh tonnes licensed for manufacturing newsprint in the country. The production of newsprint during the year 1993 estimated at 3.4 lakh tonnes was 9.7 per cent higher than in the previous year (3.1 lakh tonnes). 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 7.2 lakh tonnes have been sanctioned. Besides, 22 IEMs had been filed upto November 1993 for a capacity of 12.65 lakh tonnes. Under certain conditions, now paper mills can also take up manufacture of newsprint. With a view to encouraging the indigenous availability of newsprint, the paper mills who are producing satisfactory quality paper conforming to BIS standards for newsprint are being considered by Government for inclusion in Schedule I of the Newsprint Control Order, 1962.

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

Sector	Weight	April-March				April-June	
		1993-94		1992-93		1994-95	1993-94
		Index	Contribution to growth (%)	Index	Contribution to growth (%)	Index	Index
1	2	3	4	5	6	7	8
Mining and Quarrying	11.46	228.3 (+2.0)	7.92	223.7 (+0.6)	2.71	210.8 (+2.0)	206.6 (+1.7)
Manufacturing	77.11	215.7 (+2.4)	57.91	210.7 (+2.1)	68.28	215.9 (+8.8)	198.4 (-0.6)
Electricity	11.43	289.8 (+7.4)	34.17	269.9 (+5.0)	29.01	299.5 (+7.1)	279.6 (+8.4)
General Index	100.00	225.6 (+3.1)	100.00	218.9 (+2.3)	100.00	224.9 (+7.8)	208.7 (+1.0)

* : Provisional.

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

Source : Central Statistical Organisation(C.S.O.).

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

Industry Group	Weight	Index			Percentage variation		Relative Contribution (per cent)	
		1993-94	1992-93	1991-92	1993-94	1992-93	1993-94	1992-93
1	2	3	4	5	6	7	8	9
I. ACCELERATION (During 1993-94)								
1. Beverages, tobacco and tobacco products	1.57	137.8	113.7	107.3	21.2	5.9	9.7	2.9
2. Jute, hemp and mesta textiles	2.00	103.1	87.0	90.8	18.5	-4.2	8.2	-2.2
3. Chemicals and chemical products	12.51	298.1	276.9	261.2	7.6	6.0	67.2	57.6
4. Paper and paper products	3.23	224.7	210.9	203.0	6.5	3.9	11.4	7.3
5. Leather and leather and fur products	0.49	199.2	187.7	181.3	6.1	3.5	1.4	0.9
6. Transport equipment	6.39	212.3	200.6	191.1	5.8	5.0	19.1	17.7
7. Basic metal and alloys products	9.80	177.5	168.5	167.8	5.4	0.4	22.8	1.8
8. Wood and wood products	0.45	198.7	190.5	185.0	4.3	3.0	0.9	0.8
9. Non-metallic mineral products	3.00	216.6	209.0	205.2	3.6	1.8	5.8	3.3
10. Machinery, machine tools and parts	6.24	187.3	181.1	183.3	3.4	-1.2	9.9	-3.9
11. Metal products	2.29	126.5	124.6	133.1	1.5	-6.4	1.1	-5.7
II. DECELERATION (During 1993-94)								
12. Cotton textiles	12.31	155.5	150.1	139.0	3.6	8.0	16.9	39.6
13. Rubber, plastic and petroleum products	4.00	176.6	174.6	172.0	1.1	1.5	2.0	3.1
III. NEGATIVE (During 1993-94)								
14. Food and food products	5.33	157.7	175.3	178.0	-10.0	-1.6	-23.9	-4.3
15. Electrical machinery	5.78	450.9	483.6	493.7	-6.8	-2.0	-48.3	-16.9
16. Other manufacturing industries	0.90	264.7	281.3	269.9	-5.9	4.2	-3.8	3.0
17. Textile products (including wearing apparel)	0.82	74.2	75.8	97.2	-2.2	-22.0	-0.3	-5.1
MANUFACTURING (TOTAL)	**77.11**	**215.7**	**210.7**	**206.2**	**2.4**	**2.1**	**100.0**	**100.0**

* : Provisional

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

(per cent)

Industry Group	Weight	April-March		April-June	
		1993-94	1992-93	1994-95	1993-94
1	2	3	4	5	6
A. Basic Goods Industries	39.42	+ 4.1	+ 2.6	+ 6.1	+ 3.8
B. Capital Goods	16.42	- 5.0	- 0.1	+ 18.3	- 11.1
C. Intermediate Goods	20.51	+ 11.2	+ 5.3	+ 6.0	+ 8.7
D. Consumer Goods	23.65	+ 1.9	+ 1.9	+ 4.4	- 1.6
(a) Consumer Durables	2.55	+ 15.2	- 0.7	+ 12.6	+ 6.5
(b) Consumer Non-durables	21.10	- 1.1	+ 2.5	+ 2.5	- 3.3
GENERAL INDEX	**100.00**	**+ 3.1**	**+ 2.3**	**+ 7.8**	**+ 1.0**

* : Provisional.

Source : Central Statistical Organisation (C.S.O)

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

Industry	Weight	Unit	April-March		April-September	
			1993-94	1992-93	1994-95	1993-94
1	2	3	4	5	6	7
Electricity	11.43	Billion Units	323.50 (+7.4)	301.10 (+5.0)	167.63 (+6.9)	156.76 (+8.6)
Coal	6.61	Million Tonnes	246.10 (+3.2)	238.50 (+4.0)	102.87 (+0.7)	102.11 (+5.6)
Saleable Steel *	5.21	--"--	11.96 (+5.5)	11.33 (+7.3)	6.01 (+7.8)	5.58 (+5.3)
Cement	1.6	--"--	58.00 (+7.0)	54.20 (+0.4)	29.82 (+5.0)	28.40 (+7.9)
Petroleum Crude	2.41	--"--	27.02 (+0.3)	26.95 (-11.2)	15.22 (+16.0)	13.13 (-4.4)
Petroleum Refinery Products@	1.52	--"--	51.08 (+1.4)	50.35 (+4.2)	25.95 (+4.1)	24.94 (+1.7)
Composite Index of Infrastructure Industries#	28.77		249.1 (+5.4)	236.4 (+2.8)	248.9 (+6.5)	233.7 (+5.9)

\# : (Base:1980-81 = 100).

* : Data on Production of Secondary producers not included.

@ : Represents 93 per cent of the refinery throughput.

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

Sources :
1. Central Electricity Authority.
2. Ministry of Coal, Office of the Coal Controller.
3. Joint Plant Committee and Steel Authority of India Ltd.
4. Ministry of Industry.
5. Ministry of Petroleum and Natural Gas.
6. Ministry of Planning and Programme Implementation.

Table IV-2 : 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	187.71	75.82	263.53	+ 1.4	+ 1.7	+1.5
March 1991	190.58	76.75	267.33	+ 1.5	+ 1.2	+1.4

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

Table IV-3 : Employment in Public Sector

(in lakh)

Public Sector	Estimated at end- March		
	1990	1991	Growth (%)
1	2	3	4
Central Government	33.97	34.00	0.4
State Government	69.79	71.13	1.9
Quasi-Government	61.72	62.22	0.8
Local Bodies	22.23	23.13	4.0
TOTAL	**187.71**	**190.58**	**1.5**

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

Table IV - 4 : Small-Scale Sector

Item	April-March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
1. Number of units (Lakh No.s)	20.82	22.35	23.84
	(+6.9)	(+7.3)	(+6.7)
2. Production (Rs. crore at 1990-91 prices)			
a) Target	1,60,000	1,68,000	1,79,760
	(+0.6)	(+5.0)	(+7.0)
b) Achievement	1,60,000	1,68,960	1,80,956
	(+3.0)	(+5.6)	(+7.1)
3. Production (Rs.crore at current prices)	1,78,699	2,09,300	2,41,648
	(+15.0)	(+17.1)	(+15.4)
4. Exports (Rs. crore)	13,883.4	17,784.8	22,764.0
	(+42.2)	(+28.1)	(+28.0)
5. Employment (Lakh persons)	129.80	134.06	139.38
	(+3.6)	(+3.3)	(+4.0)

P : Provisional.

Notes : 1) Figures in brackets indicate percentage change over the preceding year.
2) Data pertain to modern SSI sector (exclusive of powerlooms and traditional industries).

Source : (i) Office of the Development Commissioner, Small-Scale Industries, Ministry of Industry.
(ii) Small Industrial Development Bank of India (SIDBI).

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

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	0.30	-	-	-	-	-	-	-	-	-	-
Meghalaya	-	-	-	-	-	-	-	-	-	-	-	-
Bihar	11	162.47	-	-	4	3.37	1	0.26	4	2.19	-	-
Arunachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-
West Bengal	38	239.90	5	43.35	17	68.33	33	161.31	15	41.02	5	21.16
Nagaland	-	-	-	-	-	-	-	-	-	-	-	-
Orissa	8	13.70	-	-	2	6.92	1	0.59	2	7.61	1	0.23
Sikkim	-	-	-	-	-	-	-	-	-	-	-	-
Total	**58**	**416.37**	**5**	**43.35**	**23**	**78.62**	**35**	**162.16**	**21**	**50.82**	**6**	**21.39**
(Eastern Region)	**(19.33)**	**(30.82)**	**(10.41)**	**(11.41)**	**(7.85)**	**(5.17)**	**(87.50)**	**(94.48)**	**(18.42)**	**(16.32)**	**(20.00)**	**(19.45)**
Northern Region												
Uttar Pradesh	15	40.38	9	26.21	24	104.26	1	3.50	9	16.05	1	0.69
Delhi	7	13.74	1	0.32	1	2.22	-	-	3	0.80	-	-
Punjab	9	16.84	2	9.84	4	4.40	-	-	4	5.87	1	1.99
Haryana	20	120.37	1	1.96	11	25.23	-	-	3	4.92	1	1.59
Chandigarh	2	3.44	1	0.63	1	1.31	-	-	4	5.33	-	-
Jammu & Kashmir	1	1.99	-	-	-	-	-	-	-	-	-	-
Himachal Pradesh	3	8.27	-	-	-	-	-	-	9	16.96	1	0.11
Rajasthan	6	8.65	3	31.78	14	38.18	-	-	6	11.23	-	-
Total	**63**	**213.68**	**17**	**70.74**	**55**	**175.6**	**1**	**3.5**	**38**	**61.16**	**4**	**4.38**
(Northern Region)	**(21.00)**	**(15.82)**	**(35.42)**	**(18.62)**	**(18.77)**	**(11.55)**	**(2.50)**	**(2.04)**	**(33.33)**	**(19.64)**	**(13.33)**	**(3.98)**
Western Region												
Gujarat	23	52.01	2	1.19	71	346.74	-	-	6	44.54	1	0.13
Maharashtra	77	351.61	9	61.14	70	580.93	-	-	12	25.63	5	19.52
Daman & Diu	-	-	-	-	-	-	-	-	-	-	1	4.10
Goa	-	-	-	-	-	-	-	-	-	-	-	-
Dadra & Nagar Haveli	-	-	1	1.01	-	-	-	-	-	-	-	-
Madhya Pradesh	2	2.05	2	5.42	15	71.87	-	-	6	3.62	2	5.03
Total	**102**	**405.67**	**14**	**68.76**	**156**	**999.54**	**0**	**0**	**24**	**73.79**	**9**	**28.78**
(Western Region)	**(34.00)**	**(30.04)**	**(29.17)**	**(18.10)**	**(53.24)**	**(65.76)**	**(0.00)**	**(0.00)**	**(21.05)**	**(23.70)**	**(30.00)**	**(26.16)**
Southern Region												
Andhra Pradesh	32	86.94	4	28.67	15	23.45	4	5.97	12	89.73	2	5.31
Karnataka	10	46.36	3	12.09	14	55.22	-	-	9	21.71	5	14.54
Tamil Nadu	26	151.98	2	2.15	23	155.07	-	-	7	9.20	1	0.50
Kerala	8	29.00	3	154.16	7	32.50	-	-	1	1.90	3	35.10
Pondicherry	1	0.62	-	-	-	-	-	-	2	3.10	-	-
Total	**77**	**314.90**	**12**	**197.07**	**59**	**266.24**	**4**	**5.97**	**31**	**125.64**	**11**	**55.45**
(Southern Region)	**(25.67)**	**(23.32)**	**(25.00)**	**(51.87)**	**(20.20)**	**(17.52)**	**(10.00)**	**(3.48)**	**(27.19)**	**(40.35)**	**(36.67)**	**(50.41)**
TOTAL(All India)	**300**	**1350.62**	**48**	**379.92**	**293**	**1520.00**	**40**	**171.63**	**114**	**311.41**	**30**	**110.00**

Notes : 1) According to Sick Industrial Companies (Special Provisions) Act, 1985, 'A non-SSI unit is defined as 'Sick' unit, if an industrial company (being a company registered for not less than 7 years) has at the end of 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.

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

Source : Industrial & Export Credit Department, Reserve Bank of India.

Outstanding Bank Credit as at the end of September 1992

(Amount in Rs. crore)

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
-	-	-	-	-	-	2	71.81	6	5.56	9	77.67
-	-	-	-	-	-	1	1.14	-	-	1	1.14
3	18.07	4	4.84	4	15.22	2	8.98	18	42.98	51	258.38
-	-	-	-	-	-	-	-	2	11.42	2	11.42
-	-	19	45.08	1	5.66	11	38.73	58	266.30	202	930.84
-	-	-	-	-	-	-	-	1	4.88	1	4.88
-	-	6	19.91	-	-	8	59.69	10	56.62	38	165.27
-	-	-	-	-	-	-	-	1	3.49	1	3.49
3	**18.07**	**29**	**69.83**	**5**	**20.88**	**24**	**180.35**	**96**	**391.25**	**305**	**1453.09**
(6.98)	**(6.92)**	**(25.22)**	**(16.83)**	**(26.32)**	**(21.46)**	**(16.11)**	**(26.35)**	**(21.43)**	**(26.03)**	**(19.07)**	**(21.35)**
1	2.76	4	9.06	1	4.96	10	12.07	38	213.48	113	433.42
-	-	4	18.21	-	-	-	-	5	27.16	21	62.45
-	-	-	-	1	3.88	2	18.75	10	25.54	33	87.11
-	-	6	17.67	-	-	3	60.96	15	18.05	60	250.75
-	-	-	-	-	-	2	178.35	2	6.98	12	196.04
-	-	-	-	-	-	-	-	1	7.80	2	9.79
-	-	3	6.56	-	-	3	6.84	4	13.72	23	52.46
3	8.22	7	45.63	1	2.58	4	5.58	14	38.01	58	189.86
4	**10.98**	**24**	**97.13**	**3**	**11.42**	**24**	**282.55**	**89**	**350.74**	**322**	**1281.88**
(9.30)	**(4.20)**	**(20.87)**	**(23.42)**	**(15.79)**	**(11.74)**	**(16.11)**	**(41.28)**	**(19.87)**	**(23.33)**	**(20.14)**	**(18.84)**
7	58.72	11	33.10	-	-	11	18.78	27	62.99	159	618.20
3	37.96	26	138.23	3	17.71	30	117.67	71	238.64	306	1589.04
-	-	-	-	-	-	-	-	-	-	1	4.10
-	-	-	-	-	-	-	-	3	3.76	3	3.76
-	-	-	-	-	-	-	-	2	1.97	3	2.98
4	2.56	4	24.29	1	4.59	3	5.18	24	48.95	63	173.56
14	**99.24**	**41**	**195.62**	**4**	**22.3**	**44**	**141.63**	**127**	**356.31**	**535**	**2391.64**
(32.56)	**(37.99)**	**(35.65)**	**(47.16)**	**(21.05)**	**(22.92)**	**(29.53)**	**(20.69)**	**(28.35)**	**(23.71)**	**(33.46)**	**(35.15)**
13	104.47	4	5.63	2	5.77	26	29.87	54	156.90	168	542.71
9	28.48	8	38.01	4	35.62	5	3.31	29	109.82	96	365.16
-	-	9	8.59	1	1.29	17	27.16	38	103.92	124	459.86
-	-	-	-	-	-	9	19.66	13	30.95	44	303.27
-	-	-	-	-	-	-	-	2	3.19	5	6.91
22	**132.95**	**21**	**52.23**	**7**	**42.68**	**57**	**80**	**136**	**404.78**	**437**	**1677.91**
(51.16)	**(50.89)**	**(18.26)**	**(12.59)**	**(36.84)**	**(43.87)**	**(38.26)**	**(11.69)**	**(30.36)**	**(26.93)**	**(27.33)**	**(24.66)**
43	**261.24**	**115**	**414.81**	**19**	**97.28**	**149**	**684.53**	**448**	**1503.08**	**1599**	**6,804.52**

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	0.36	-	-	2	1.34	-	-
Bihar	1	8.65	-	-	1	0.61	3	2.11	-	-	-	-
West Bengal	9	34.51	3	17.60	5	10.55	6	12.42	3	6.09	-	-
Orissa	4	3.63	1	1.10	9	37.63	1	0.09	1	0.36	-	-
Tripura	-	-	-	-	-	-	1	5.96	-	-	-	-
Andaman & Nicobar Islands	-	-	-	-	-	-	-	-	-	-	-	-
Total	**14**	**46.79**	**4**	**18.70**	**16**	**49.15**	**11**	**20.58**	**6**	**7.79**	**0**	**0**
(Eastern Region)	**(17.28)**	**(14.28)**	**(18.18)**	**(14.40)**	**(10.88)**	**(10.88)**	**(91.67)**	**(91.47)**	**(25.00)**	**(8.85)**	**(0.00)**	**(0.00)**
Northern Region												
Uttar Pradesh	9	77.97	1	2.16	8	126.41	-	-	-	-	1	4.30
Delhi	1	0.81	-	-	-	-	-	-	-	-	-	-
Punjab	3	9.53	-	-	3	9.45	-	-	-	-	-	-
Haryana	6	25.07	1	5.43	3	5.06	-	-	-	-	-	-
Chandigarh	-	-	1	2.01	-	-	-	-	-	-	-	-
Jammu & Kashmir	-	-	-	-	-	-	-	-	-	-	-	-
Himachal Pradesh	-	-	-	-	2	2.17	-	-	1	0.50	-	-
Rajasthan	2	1.22	-	-	8	18.68	-	-	-	-	-	-
Total	**21**	**114.60**	**3**	**9.60**	**24**	**161.77**	**0**	**0**	**1**	**0.50**	**1**	**4.30**
(Northern Region)	**(25.93)**	**(34.98)**	**(13.64)**	**(7.39)**	**(16.33)**	**(35.80)**	**(0.00)**	**(0.00)**	**(4.17)**	**(0.57)**	**(14.29)**	**(39.89)**
Western Region												
Gujarat	5	1.95	-	-	24	92.57	-	-	1	0.25	-	-
Maharashtra	15	47.71	4	13.54	38	63.12	-	-	7	11.13	4	3.17
Daman & Diu	-	-	-	-	1	0.62	-	-	-	-	-	-
Goa	2	1.88	-	-	-	-	-	-	-	-	-	-
Dadra & Nagar Haveli	-	-	-	-	1	0.86	-	-		-	-	-
Madhya Pradesh	4	8.37	-	-	5	6.75	-	-	4	7.14	-	-
Total	**26**	**59.91**	**4**	**13.54**	**69**	**163.92**	**0**	**0**	**12**	**18.52**	**4**	**3.17**
(Western Region)	**(32.10)**	**(18.28)**	**(18.18)**	**(10.43)**	**(46.94)**	**(36.28)**	**(0.00)**	**(0.00)**	**(50.00)**	**(21.03)**	**(57.14)**	**(29.41)**
Southern Region												
Andhra Pradesh	10	90.37	4	6.85	10	11.46	1	1.92	2	0.59	1	2.95
Karnataka	5	5.39	1	11.89	10	28.48	-	-	1	42.23	1	0.36
Tamil Nadu	4	6.14	3	8.94	14	26.05	-	-	1	6.49	-	-
Kerala	-	-	3	60.32	3	2.94	-	-	1	11.94	-	-
Pondicherry	1	4.44	-	-	1	8.07	-	-	-	-	-	-
Total	**20**	**106.34**	**11**	**88.00**	**38**	**77.00**	**1**	**1.92**	**5**	**61.25**	**2**	**3.31**
(Southern Region)	**(24.69)**	**(32.46)**	**(50.00)**	**(67.78)**	**(25.85)**	**(17.04)**	**(8.33)**	**(8.53)**	**(20.83)**	**(69.55)**	**(28.57)**	**(30.70)**
Total (All India)	**81**	**327.64**	**22**	**129.84**	**147**	**451.84**	**12**	**22.50**	**24**	**88.06**	**7**	**10.78**

Notes : (i) With a view to cover categories of non-SSI industrial units, which do not come under the purview of Sick Industrial Companies (Special Provision) 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.'

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

Source : Industrial and Export Credit Department, Reserve Bank of India.

Weak Industrial Units and Outstanding Bank Credit as at the end of September 1992

(Amount in Rs. crore)

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	1	0.45	21	46.78	27	51.96
1	1.15	1	0.17	1	2.06	2	1.83	6	8.00	16	24.58
2	3.08	4	72.75	-	-	6	20.76	57	114.14	95	291.90
2	1.64	-	-	1	0.56	-	-	12	51.69	31	96.70
-	-	-	-	-	-	-	-	5	1.80	6	7.76
-	-	-	-	-	-	-	-	1	2.96	1	2.96
5	**5.87**	**6**	**74.40**	**3**	**4.17**	**9**	**23.04**	**102**	**225.37**	**176**	**475.86**
(31.25)	**(7.46)**	**(14.29)**	**(33.29)**	**(15.00)**	**(1.65)**	**(15.25)**	**(9.01)**	**(25.63)**	**(28.41)**	**(21.26)**	**(19.53)**
1	40.31	2	3.24	11	44.02	6	9.60	25	93.70	64	401.71
-	-	-	-	-	-	-	-	16	75.18	17	75.99
-	-	1	2.36	1	0.84	1	5.43	4	3.06	13	30.67
-	-	2	4.63	-	-	-	-	6	15.04	18	55.23
-	-	-	-	-	-	-	-	1	0.38	2	2.39
-	-	2	19.14	-	-	-	-	-	-	2	19.14
-	-	1	1.91	-	-	3	2.41	3	3.69	10	10.68
1	0.50	-	-	-	-	2	1.70	12	18.54	25	40.64
2	**40.81**	**8**	**31.28**	**12**	**44.86**	**12**	**19.14**	**67**	**209.59**	**151**	**636.45**
(12.50)	**(51.85)**	**(19.05)**	**(14.00)**	**(60.00)**	**(82.28)**	**(20.34)**	**(7.48)**	**(16.83)**	**(26.42)**	**(18.24)**	**(26.12)**
2	17.67	-	-	-	-	2	5.89	21	30.57	55	148.90
-	-	12	17.77	2	0.19	9	13.47	43	61.83	134	231.93
-	-	-	-	-	-	-	-	2	2.66	3	3.28
-	-	2	40.30	-	-	-	-	13	15.22	17	57.40
-	-	-	-	-	-	-	-	-	-	1	0.86
4	2.71	-	-	2	4.68	7	17.82	17	26.91	43	74.38
6	**20.38**	**14**	**58.07**	**4**	**4.87**	**18**	**37.18**	**96**	**137.19**	**253**	**516.75**
(37.50)	**(25.89)**	**(33.33)**	**(25.98)**	**(20.00)**	**(8.93)**	**(30.51)**	**(14.53)**	**(24.12)**	**(17.30)**	**(30.55)**	**(21.21)**
-	-	5	10.52	1	0.62	4	2.81	51	73.70	89	201.79
2	3.62	4	40.39	-	-	7	148.52	35	50.95	66	331.83
-	-	3	6.52	-	-	6	3.96	32	42.13	63	100.23
1	8.03	2	2.32	-	-	2	20.21	12	52.62	24	158.38
-	-	-	-	-	-	1	0.94	3	1.61	6	15.06
3	**11.65**	**14**	**59.75**	**1**	**0.62**	**20**	**176.44**	**133**	**221.01**	**248**	**807.29**
(18.75)	**(14.80)**	**(33.33)**	**(26.73)**	**(5.00)**	**(1.14)**	**(33.90)**	**(68.98)**	**(33.42)**	**(27.87)**	**(29.95)**	**(33.14)**
16	**78.71**	**42**	**223.50**	**20**	**54.52**	**59**	**255.80**	**398**	**793.16**	**828**	**2436.35**

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

(Amount in Rs.crore)

State/Union Territory	Total Sick Units	
	No. of units	Amount outstanding
1	2	3
Eastern Region		
Assam	5,483	33.69
Meghalaya	171	0.75
Mizoram	37	0.24
Bihar	8,254	94.39
Arunachal Pradesh	62	0.37
West Bengal	31,849	272.95
Nagaland	2,039	7.65
Manipur	2,341	1.48
Orissa	9,862	66.73
Sikkim	75	0.44
Tripura	661	2.27
Andaman & Nicobar Islands	22	0.03
Total(Eastern Region)	**60,856**	**480.99**
	(23.94)	(14.38)
Northern Region		
Uttar Pradesh	31,949	287.95
Delhi	4,634	222.51
Punjab	5,673	107.23
Haryana	3,613	107.00
Chandigarh	299	9.78
Jammu & Kashmir	681	8.16
Himachal Pradesh	1,509	19.70
Rajasthan	14,813	69.83
Total (Northern Region)	**63,171**	**832.16**
	(26.39)	(24.87)
Western Region		
Gujarat	6,391	228.16
Maharashtra	19,935	632.78
Daman & Diu	26	1.53
Goa	1,149	17.11
Dadra & Nagar Haveli	11	1.56
Madhya Pradesh	8,232	108.79
Total(Western Region)	**35,744**	**989.93**
	(20.43)	(29.59)
Southern Region		
Andhra Pradesh	30,044	308.95
Karnataka	17,458	225.67
Lakshadweep		
Tamil Nadu	10,953	323.15
Kerala	14,754	176.86
Pondicherry	461	7.83
Total(Southern Region)	**73,670**	**1,042.46**
	(29.24)	**(31.16)**
TOTAL(All India)	**2,33,441**	**3,345.54**

Notes : i) A small scale industrial unit should be considered as 'sick' 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. In the case tiny and decentralised sector also a unit may be considered as sick if it satisfies the above definition. However, in the case of such units where it is difficult to get the the financial particulars, a unit may be considered as 'sick' if it defaults continuously for a period of one year in the payment of interest or instalments of principal and there are persistent irregularities in the operation of its credit limit with the bank.

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

Source : Industrial & Export Credit Department, Reserve Bank of India.

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

(Amount in Rs.crore)

Industry	Total Sick Units	
	No. of units	Amount outstanding
1	2	3
Engineering	26,954	619.59
Electrical	6,890	202.10
Textiles	18,869	219.83
Jute	314	19.71
Paper	2,684	76.24
Rubber	2,952	57.56
Cement	1,300	25.27
Iron & Steel	4,169	125.19
Sugar	348	15.46
Chemicals	10,206	314.40
Miscellaneous	1,58,755	1,670.21
TOTAL	**2,33,441**	**3,345.56 ***

Source : Industrial & Export Credit Department, Reserve Bank of India.

* : Due to rounding off, the amounts outstanding shown against the total sick SSI units in Table Nos. IV-5B and IV-5C vary.

Table - IV-6 : Performance of Coal Industry

(Million Tonnes)

Item	April-March		
	1991-92	1992-93	1993-94(p)
1	2	3	4
1. Production			
a) Coal (i+ii)	**229.4**	**238.5**	**246.1**
	(+8.4)	**(+4.0)**	**(+3.2)**
(i) Coking coal	45.9	45.2	44.6
	(+2.5)	(-1.5)	(-1.3)
(ii) Non-coking coal	183.5	193.3	201.5
	(+10.0)	(+5.3)	(+4.2)
b) Lignite	**16.0**	**16.6**	**18.1**
	(+13.5)	**(+3.8)**	**(+9.0)**
2. Imports (Coking coal)	**5.9**	**6.5**	**6.8**
	(+3.5)	**(+10.2)**	**(+4.6)**
3. Despatches (i+ii)	**219.0**	**230.5**	**242.6**
	(+9.0)	**(+5.3)**	**(+5.2)**
(i) Coking coal	42.7	44.2	44.6
	(+5.7)	(+3.5)	(+0.1)
(ii) Non-coking coal	176.3	186.3	198.0
	(+9.8)	(+5.7)	(+6.3)
4. Exports	**0.1**	**0.1**	**0.1**
	(-)	(-)	(-)
5. Year-end Pit head stocks (i+ii)	**48.5**	**51.4**	**50.8**
	(+14.1)	**(+6.0)**	**(-1.2)**
(i) Coking coal	16.7	15.8	14.8
	(+18.4)	(-5.4)	(-6.3)
(ii) Non-coking coal	31.8	35.6	36.0
	(+12.0)	(+11.9)	(+1.1)

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		
	1991-92	1992-93 (P)	1993-94 (P)
1	2	3	4
1. Production	58.5 (+5.4)	55.8 (+4.6)	58.3 (+4.5)
2. Despatches for internal consumption	25.9 (+12.6)	27.4 (+5.8)	28.4 (+3.6)
3. Despatches for exports	29.5 (-9.2)	22.2 (-24.7)	28.8 (+29.7)
4. Year-end stocks	4.8 (-)	4.7 (-2.1)	4.9 (+4.3)

P : Provisional.

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

2) Year-end stocks relate to stock position at mine-heads only.

Source : Indian Bureau of Mines, Ministry of Mines, Government of India.

Table IV-8 : Performance of Cement Industry

(Million tonnes)

Item	April-March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
1. Installed Capacity	66.3 (+3.6)	67.8 (+2.3)	75.2 (+10.9)
2. Production	54.0 (+10.6)	54.2 (+0.4)	58.0 (+7.0)
3. Despatches	50.5 (+10.3)	50.7 (+0.4)	54.2 (+6.7)
4. Average Capacity Utilisation (Per cent)	81.4	79.9	77.1
5. Imports	Nil	Nil	Nil
6. Exports	0.4	1.2	2.9
7. Year-end stocks	0.8	0.8	0.7

P : Provisional.

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

Source : Ministry of Industry, Government of India.

Table IV-9 : Output of Cement Industry

(Million tonnes)

Item	April-March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
1. Public Sector	**5.2**	**5.3**	**5.5**
	(+4.0)	**(+1.9)**	**(+3.8)**
a) Cement Corporation of India	3.2	3.0	2.8
	(+10.3)	(-6.2)	(-6.7)
b) Others	2.0	2.3	2.7
	(-4.8)	(+15.0)	(+17.4)
2. Private Sector	**45.4**	**45.5**	**48.6**
	(+11.3)	**(+0.2)**	**(+6.8)**
3. Mini and white Cement plants	**3.4**	**3.4**	**3.9**
	(+13.3)	**(-)**	**(+14.7)**
Total (1 to 3)	**54.0**	**54.2**	**58.0**
	(+10.6)	**(+0.4)**	**(+7.0)**

P : Provisional.

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

Source : Ministry of Industry, Government of India.

Table IV - 10 : Production of Iron and Steel*

('000 tonnes)

	Pig Iron			Saleable Steel		
	1991-92	1992-93	1993-94	1991-92	1992-93	1993-94
1	2	3	4	5	6	7
A. Production						
1. Rourkela	40.7	29.9	47.6	1,125.3	1,179.3	1,130.1
	(-18.6)	(-26.6)	(+59.2)	(+3.5)	(+4.8)	(-4.2)
2. Bhilai	174.9	134.8	300.4	3,104.0	3,118.3	3,335.1
	(+82.9)	(-22.9)	(+122.8)	(+11.1)	(+0.5)	(+7.0)
3. Durgapur	69.9	17.3	35.3	681.5	640.5	641.6
	(-20.1)	(-75.3)	(+104.0)	(-6.3)	(-6.0)	(+0.2)
4. Bokaro	170.9	153.5	202.6	2,730.4	2,998.5	3,205.2
	(-48.5)	(-10.2)	(+32.0)	(+12.5)	(+9.8)	(+6.9)
Total (SAIL)	**456.4**	**335.5**	**585.9**	**7,641.2**	**7,936.6**	**8,312.0**
	(-19.2)	**(-26.5)**	**(+74.6)**	**(+8.6)**	**(+3.9)**	**(+4.7)**
5. IISCO	388.8	429.6	405.8	387.4	398.3	333.1
	(+26.3)	(+10.5)	(-5.6)	(+17.6)	(+2.9)	(-16.4)
6. TISCO	-	-	-	2,038.0	2,123.7	2,153.7
				(+4.8)	(+4.2)	(+1.4)
7. VSP	642.2	914.3	985.5	503.7	879.1	1165.4
	(+23.4)	(+42.4)	(+7.8)	@	(+74.5)	(+32.5)
Total(1 to 7)	**1,487.4**	**1,679.4**	**1,977.2**	**10,570.3**	**11,337.0**	**11,964.2**
	(+6.7)	**(+12.9)**	**(+17.7)**	**(+13.3)**	**(+7.3)**	**(+5.5)**
8. Secondary Producers	101.9	165.0	225.0	3,400.0	3,377.0	2,700.0
	(-0.1)	(+61.9)	(+36.4)	(-11.9)	(-0.7)	(-20.0)
Total (A)	**1,589.3**	**1,844.4**	**2,202.2**	**13,970.3**	**14,714.7**	**14,664.2**
	(+6.3)	**(+16.1)**	**(+19.4)**	**(+5.9)**	**(+5.3)**	**(-0.3)**
B. Consumption						
1. Sales (Domestic)	1,246.9	1,422.9	1,248.3	8,489.8	8,369.0	9,190.1
	(+2.7)	(+14.1)	(-12.3)	(+9.7)	(-1.5)	(+9.8)
2. Imports	152.4	73.0	20.9	996.5	1,085.2	994.0
	(-19.3)	(-52.1)	(-71.4)	(-21.2)	(+8.9)	(-8.4)
Total (B)	**1,399.3**	**1,495.9**	**1,269.2**	**9,486.3**	**9,454.2**	**10,184.1**
	(-0.3)	**(+6.9)**	**(-15.2)**	**(+5.4)**	**(-0.3)**	**(+7.7)**
C. Exports	**-**	**16.1**	**618.5**	**373.3**	**894.6**	**1,558.5**
		(-)	**@**	**(-)**	**(+39.6)**	**(+74.2)**
D. Year-end stocks	**123.5**	**294.6**	**202.4**	**534.8**	**1,021.7**	**811.8**
	(+52.8)	**(+138.5)**	**(-31.3)**	**(+19.9)**	**(+91.0)**	**(-20.5)**

* : Provisional.

@ : Indicates 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 : Electricity Installed Plant Capacity

(Mega Watt)

As at the end of March	Thermal	Hydel	Nuclear	Non-conventional	Total
1	2	3	4	5	6
1992	48,054 (+5.1)	19,194 (+2.3)	1,785 (+14.1)	32 (+6.7)	69,065 (+4.5)
1993	50,713 (+5.5)	19,569 (+2.0)	2,005 (+12.3)	32 (-)	72,319 (+4.7)
1994(P)	54,315 (+7.1)	20,366 (+4.1)	2,005 (-)	32 (-)	76,718 (+6.1)

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								
	1991-92			1992-93			1993-94(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	211.7 (+5.1)	208.6 (+11.8)	98.5	229.0 (+8.2)	224.4 (+7.7)	98.0	243.2 (+6.2)	247.8 (+10.4)	101.9
2. Hydel	64.9 (+3.0)	72.6 (+1.5)	111.9	66.3 (+2.2)	69.8 (-3.9)	105.3	67.5 (+1.8)	70.3 (+0.7)	104.1
3. Nuclear	6.9 (-)	5.6 (-9.7)	81.2	7.4 (+7.2)	6.7 (+19.6)	90.5	6.0 (-18.9)	5.4 (-19.4)	90.0
4. Total	283.5 (+4.5)	286.7 (+8.5)	101.1	302.7 (+6.8)	301.1 (+5.0)	99.4	316.7 (+4.6)	323.5 (+7.4)	102.1

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 - 13 : Crude Oil and Petroleum Refinery Products

(Thousand tonnes)

Item	April - March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
A) Crude Oil			
a) Production (i+ii)	**30,346**	**26,950**	**27,026**
	(-8.1)	**(-11.2)**	**(+0.3)**
i) On-shore	11,383	11,204	11,651
	(-3.8)	(-1.6)	(+4.0)
ii) Off-shore	18,963	15,746	15,375
	(-10.5)	(-17.0)	(-2.4)
b) Imports(Gross)	**23,994**	**29,247**	**30,822**
	(+15.9)	**(+21.9)**	**(+5.4)**
B) Petroleum Refinery Products			
a) Production	**48,349**	**50,359**	**51,084**
	(-0.4)	**(+4.2)**	**(+1.4)**
Of which			
i) Naphtha	4,546	4,586	4,666
	(-6.4)	(+0.9)	(+1.7)
ii) Kerosene	5,339	5,200	5,266
	(-2.4)	(-2.6)	(+1.3)
iii) High Speed Diesel Oil	17,404	18,289	18,809
	(+1.3)	(+5.1)	(+2.8)
b) Imports(Gross)	**9,445**	**11,283**	**12,076**
	(+9.1)	**(+19.5)**	**(+7.0)**
Of which			
i) Naphtha	-	-	-
ii) Kerosene	3,367	3,463	3,946
	(+0.8)	(+2.9)	(+13.9)
iii) High Speed Diesel Oil	5,329	7,159	7,555
	(+13.9)	(+34.3)	(+5.5)

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		
		1991-92	1992-93	1993-94(P)
1	2	3	4	5
1. Automobiles				
i) Passanger cars	'000 Nos.	164.6	162.6	209.7
		(-8.4)	(-1.2)	(+29.0)
ii) Commercial vehicles	--"--	149.8	133.2	140.7
		(+2.7)	(-11.1)	(+5.7)
iii) Jeeps	--"--	27.5	39.3	48.1
		(-28.2)	(+42.9)	(+22.5)
2. Scooters, Motor cycles & mopeds	--"--	1,605.2	1,509.8	1,794.0
		(-13.8)	(-5.9)	(+18.8)
3. Structurals	'000 tonnes	150.6	158.5	151.0
		(+2.6)	(+5.2)	(-4.8)
4. Steel castings*	--"--	393.3	359.4	374.6
		(+4.9)	(-8.6)	(+4.2)
5. Diesel engines*	--"--	1,675.9	1,681.9	1,672.8
		(-3.1)	(+0.4)	(-0.5)
6. Railway wagons (in terms of four wheelers)	--"--	25.2	25.0	19.2
		(+6.8)	(-0.8)	(-23.2)
7. Road rollers	Nos.	193.0	35.0	53.0
		(-43.6)	(-81.9)	(+51.4)
8. Lifts	--"--	2,884.0	3,283.0	3,697.0
		(-11.2)	(+13.8)	(+12.6)
9. Tractors	'000 Nos.	166.3	146.4	138.6
		(+10.9)	(-12.0)	(-5.3)

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		
		1991-92	1992-93	1993-94(P)
1	2	3	4	5
Typewriters	'000 Nos.	115.9	108.9	78.3
		(-)	(-6.0)	(-28.1)
Bicycles	--"--	7,149.9	6,964.4	7,739.7
		(+5.7)	(-2.6)	(+11.1)
Sewing Machines	--"--	151.2	127.0	111.8
		(+62.9)	(-16.0)	(-12.0)
Razor Blades	Mill. Nos.	3,466.7	3,099.3	3,446.9
		(+2.9)	(-10.6)	(+11.2)
Wrist Watches	--"--	9.5	9.7	8.3
		(-18.8)	(+2.1)	(-14.5)

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		
		1991-92	1992-93	1993-94(P)
1	2	3	4	5
A. Light Electrical Engineering				
1. Electrical Lamps				
i) Incandescent	Mill.Nos.	288.8	303.1	324.2
		(+13.2)	(+5.0)	(+7.0)
ii) Fluorescent	--"--	72.3	69.4	76.1
		(+20.9)	(-4.0)	(+9.7)
2. Electrical Fans*	--"--	5.3	5.1	6.0
		(+1.9)	(-3.8)	(+17.1)
3. Radio Receivers	000 Nos.	281.6	245.1	152.0
		(-56.7)	(-13.0)	(-38.0)
4. Storage Batteries	--"--	3,818.0	2,653.9	2,819.7
		(+4.5)	(-30.5)	(+6.3)
5. Dry Cells	Mill. Nos.	1,303.2	1,192.5	1,214.9
		(+5.5)	(-8.5)	(+1.9)
6. Domestic Refrigerators	000 Nos.	1,133.6	997.1	1,276.9
		(-11.6)	(-12.0)	(+28.1)
B. Heavy Electrical Engineering				
1. Power Transformers	Mill.KVA.	34.4	34.8	33.5
		(-2.5)	(+1.2)	(-3.5)
2. Electric Motors	Mill.H.P.	6.1	5.3	6.0
		(+1.7)	(-13.0)	(+13.6)
3. Power Driven Pumps	000 Nos.	531.4	523.5	478.2
		(+4.6)	(-1.5)	(-8.7)

P : Provisional.

* : Includes production from the small-scale sector.

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

Source : Ministry of Industry, Government of India.

Table IV-17 : Production of Non-ferrous Metals

(Thousand tonnes)

Item	April-March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
Virgin Metals			
1. Aluminium	511.5	487.0	465.2
	(+13.9)	(-4.8)	(-4.5)
2. Copper Metal (cathodes)	45.1	47.0	49.7
	(+11.1)	(+4.2)	(+5.7)
3. Zinc	93.8	126.5	141.6
	(+28.8)	(+34.9)	(+11.9)
4. Lead	31.7	40.0	28.0
	(+16.1)	(+26.2)	(-30.0)
Semi-manufactures			
1. Aluminium			
a) Sheets and Circles Rolled Products	83.9	84.9	101.7
	(+ 5.0)	(+ 1.2)	(+19.8)
b) Wire Rods for Aluminium Conductors Steel Reinforced (ACSR/AAC)	56.9	25.6	27.2
	(- 4.7)	(-55.0)	(+ 6.2)
2. Copper/Brass Sheets & Circles Rolled Products	27.7	22.9	36.4
	(-12.3)	(-17.3)	(+58.9)

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	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	317.9	659.6	31.3	301.9	1,310.4
		(-6.1)	(+1.4)	(+25.2)	(+14.1)	(+2.5)
	1993-94(P)	341.8	784.3	23.4	298.6	1,448.1
		(+7.5)	(+18.9)	(-25.4)	(-1.1)	(+10.4)
Consumption	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	217.8	626.2	1.6	252.7	1,098.3
		(+18.4)	(-3.4)	(-57.9)	(+3.6)	(+1.7)
	1993-94(P)	242.3	752.5	1.7	243.0	1,239.5
		(+11.2)	(+20.2)	(+6.3)	(-3.8)	(+12.9)
Year-end Stocks	1991-92	20.3	18.2	2.1	9.9	50.5
		(-26.4)	(-20.2)	(-43.2)	(-31.3)	(-26.3)
	1992-93	22.8	19.8	7.0	15.4	65.0
		(+12.3)	(+8.8)	(+233.3)	(+55.6)	(+28.7)
	1993-94(P)	26.1	23.1	3.3	16.6	69.1
		(+14.4)	(+16.7)	(-52.9)	(+7.8)	(+6.3)

P : Provisional.

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

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

Table IV - 19 : Rubber

(Thousand tonnes)

Item	April-March		
	1991-92	1992-93	1993-94*
1	2	3	4
PRODUCTION	**479**	**513**	**547**
	(+8.6)	**(+7.1)**	**(+6.6)**
Natural	367	393	435
	(+11.2)	(+7.1)	(+10.7)
Synthetic	58	58	49
	(+1.8)	(-)	(-15.5)
Reclaimed	54	62	63
	(-)	(+14.8)	(+1.6)
IMPORTS	**54**	**67**	**81**
	(-48.1)	**(+24.1)**	**(+20.9)**
Natural	14	16	21
	(-73.1)	(+14.3)	(+31.3)
Synthetic	40	50	60
	(-23.1)	(+25.0)	(+20.0)
TOTAL AVAILABILITY	**533**	**580**	**628**
	(-2.2)	**(+8.8)**	**(+8.3)**
Natural	381	409	456
	(-0.3)	(+7.3)	(+11.5)
Synthetic	98	108	109
	(-10.1)	(+10.2)	(+0.9)
Reclaimed	54	62	63
	(-)	(+14.8)	(+1.6)
CONSUMPTION	**540**	**584**	**623**
	(+3.4)	**(+8.1)**	**(+6.7)**
Natural	380	414	450
	(+4.4)	(+8.9)	(+8.7)
Synthetic	106	107	110
	(+1.0)	(+0.9)	(+2.8)
Reclaimed	54	62	63
	(+1.9)	(+14.8)	(+1.6)
CONSUMPTION MET THROUGH IMPORTS (%)	**10.0**	**11.5**	**13.0**
Natural	**3.7**	**3.9**	**4.7**
Synthetic	**37.7**	**46.7**	**54.5**
YEAR END STOCKS	**96**	**86**	**94**
	(-12.7)	**(-10.4)**	**(+9.3)**
Natural	81	71	77
	(-5.8)	(-12.3)	(+8.5)
Synthetic	11	12	15
	(-45.0)	(+9.1)	(+25.0)
Reclaimed +	4	3	2
	(-)	(-25.0)	(-33.3)

* : Provisional. + Stocks with manufacturers only.

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
1990-91	200.7	N.A.	145.2	248.0	305.0
	(+16.7)		(+5.2)	(-3.1)	(-15.7)
1991-92	193.7	N.A.	145.1	234.6	277.0
	(-3.5)		(–)	(-5.4)	(-9.2)
1992-93(P)	195.6	N.A.	147.0	193.8	284.2
	(+1.0)		(+1.3)	(-17.4)	(+2.6)
1993-94(P)	206.0	N.A.	156.0	204.4	298.0
	(+5.3)		(+6.1)	(+5.5)	(+4.9)

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, Government of India.

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

(Thousand Tonnes)

Item	April-March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
1. Nitrogenous Fertilisers	7235.3	7497.6	7393.0
(N content)	(+2.9)	(+3.6)	(-1.4)
2. Phosphatic Fertilisers	2535.8	2375.9	1881.3
(P_2O_5)	(+20.8)	(-6.3)	(-20.8)
3. Caustic Soda	1036.3	1072.8	1114.1
	(+5.9)	(+3.5)	(+3.8)
4. Soda Ash	1408.2	1391.5	1550.4
	(+1.8)	(-1.2)	(+11.4)
5. Paints & Varnishes*	301.9	299.3	309.0
	(-3.9)	(-0.9)	(+3.2)
6. Soaps of all kinds*	1547.3	1457.2	1453.8
	(-0.8)	(-5.8)	(-0.2)
7. Synthetic Detergents	239.9	279.5	309.8
	(-2.6)	(+16.5)	(+10.8)
8. Drugs & Pharmaceuticals (Rs. Crores)			
i) Bulk Drugs	900.00	1045.00	1130.00
	(+23.3)	(+16.1)	(+8.1)
ii) Formulations	4800.00	5520.00	5960.00
	(+25.0)	(+15.0)	(+8.0)
9. Petrochemicals			
i) Low Density Polyethylene (LDPE)	87.6	151.8	174.2
	(+0.7)	(+73.3)	(+14.7)
ii) PVC Resins	155.2	250.0	313.0
	(+24.2)	(+61.1)	(+25.2)
iii) DMT/PTA	128.5	124.2	113.4
	(+1.3)	(-3.4)	(-8.7)
iv) Caprolactum	35.9	42.6	73.2
	(+80.4)	(+18.7)	(+71.8)

P : Provisional.

* : Includes production in small-scale sector.

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

Source : 1) Ministry of Industry, Government of India.

2) Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilisers, Government of India.

Table IV-22 : Balance Sheet of Sugar
(October- September)

(Lakh tonnes)

	Item	1991-92	1992-93	1992-93 (Oct- June)	1993-94 (Oct- June)
	1	2	3	4	5
1.	Opening Stock	33.30	49.02	49.02	32.25
		(49.93)	(47.21)	(47.21)	(-34.21)
2.	Production	134.09	106.09	105.36	95.71
		(11.31)	(-20.88)	(-20.32)	(-9.16)
3.	Import	—	—	—	—
4.	Total Supply (1+2+3)	167.39	155.11	154.38	127.96
		(17.33)	(-7.34)	(-6.74)	(-17.11)
5.	Internal Consumption	112.75	118.75	89.34	85.68
		(5.24)	(5.32)	(6.03)	(-4.09)
6.	Exports	5.62	4.11	3.72	—
		(152.02)	(-26.87)	(-8.60)	
7.	Total off-take (5+6)	118.37	122.86	93.06	85.68
		(8.23)	(3.79)	(5.35)	(-7.93)
8.	Closing Stock (4-7)	49.02	32.25	61.32	42.28
		(47.21)	(-34.21)	(-20.57)	(-31.05)

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

Source : Indian Sugar Mills Association.

Table IV-23 :Sugar Releases During 1992-93 and 1993-94 Season

(Lakh tonnes)

Month	1992-93			1993-94		
	Levy	Free-sale	Total	Levy	Free-sale	Total
1	2	3	4	5	6	7
October	4.12	7.35	11.47	3.92	7.00	10.92
November	3.53	6.50	10.03	3.66	7.20	10.86
December	3.51	6.20	9.71	3.52	6.10	9.62
January	3.51	5.35	8.86	3.51	5.75	9.26
February	3.51	5.50	9.01	3.50	5.65	9.15
March	3.54	6.50	10.04	3.50	6.00	9.50
April	3.51	6.50	10.01	3.35	5.40	8.70
May	3.51	6.50	10.01	3.35	4.90	8.25
June	3.51	6.75	10.26	3.35	5.60	8.95
July	3.56	6.30	9.86	3.35	6.00	9.35
August	3.53	6.20	9.73	3.35@	5.75@	9.10@
September	3.81	6.20	10.01	3.65@	5.75@	9.40@
Total	**43.15**	**75.85**	**119.00**	**42.01**	**71.10**	**113.11**
Monthly Average	**3.60**	**6.32**	**9.93**	**3.50**	**5.93**	**9.43**

Sources : Indian Sugar Mills Association.

@ : Figures from Press Release.

Table IV - 24 : Production, Consumption and Stock Position of Yarn

(Million Kgs.)

Item	April - March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
Installed Capacity (Spindles) (in Millions)	27.8	28.1	28.3
Capacity Utilisation (%)	76	78	84
A. Production (i+ii+iii+iv)	**1,806**	**1,941**	**2,142**
	(-1.0)	**(+7.5)**	**(+10.4)**
i) Cotton Yarn	1,450	1,523	1,622
	(-4.0)	(+5.0)	(+6.5)
ii) Blended/Mixed Yarn	234	247	305
	(+13.0)	(+5.6)	(+23.5)
iii) 100 per cent Man-made Fibre Spun Yarn	122	125	140
	(+14.0)	(+2.5)	(+12.0)
iv) Cotton yarn by SS Spg. Units		46	75
	N.A.	(-)	(+63.0)
B. Domestic Consumption (all cotton yarn)(i+ii)	**1,326**	**1,391**	**1,497**
	(-5.1)	**(+4.9)**	**(+7.6)**
i) Mill Sector ++	228	191	172
	(-8.4)	(-16.2)	(-9.9)
ii) Decentralised Sector *	1,098	1,200	1,325
	(-4.4)	(+9.3)	(+10.4)
C. Exports (Cotton Yarn)			
i) Quantity	126	129	179
	(+40.0)	(+2.4)	(+38.8)
ii) Value (Rs. crore)	989	1,167	1,609
	(+91.7)	(+18.0)	(+37.9)
D. Year-end Stocks (Unsold) (all yarn)	**56**	**59**	**39**
	(+3.7)	**(+5.4)**	**(-33.9)**

P : Provisional.

++ : Relates to consumption for weaving cloth only.

* : Excluding deliveries of cotton yarn to other purposes.

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

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

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

(Million square metres)

Item	April - March		
	1991-92	1992-93	1993-94(P)
1	2	3	4
Installed Capacity (Looms in thousands)	169	158	159
	(-5.1)	(-6.5)	(+0.6)
Capacity Utilisation (%)	56	51	52
	(-3.4)	(-8.9)	(+2.0)
A. Production (i+ii)#	**22,978**	**25,375**	**27,902**
	(-1.5)	**(+10.4)**	**(+10.0)**
i) Mill Sector (a+b+c)	2,376	2,000	1,990
	(-8.2)	(-15.8)	(-0.5)
a) Cotton Fabrics	1,651	1,407	1,356
	(-11.2)	(-14.8)	(-3.6)
b) Blended/Mixed Fabrics	666	532	575
	(-3.3)	(-20.1)	(+8.1)
c) 100 per cent Man-made Fibre Fabrics	59	61	59
	(+43.9)	(+3.4)	(-3.3)
ii) Decentralised Sector (a+b+c+d)	20,602	23,375	25,912
	(-0.7)	(+13.5)	(+10.9)
a) Cotton Fabrics	12,996	14,836	16,434
	(-4.2)	(+14.2)	(+10.8)
b) Blended/Mixed Fabrics	2,046	2,152	2,580
	(+21.6)	(+5.2)	(+19.9)
c) 100 per cent Man-made Fibre Fabrics	5,170	5,957	6,468
	(+1.7)	(+15.2)	(+8.6)
d) Khadi wool silk	390	430	430
	(-3.0)	(+10.3)	(-)
B. Domestic Consumption (all cloth)*	**19,527**	**20,411**	**22,971**
	(-5.2)	**(+4.5)**	**(+12.5)**
C. Year-end Stocks (unsold)++ (all cloth)	**116**	**98**	**85**
	(-14.1)	**(-15.5)**	**(-13.3)**
D. Exports Cotton Fabrics (mills/ powerlooms, made up, handloom) (Rs. crore)	**11,149**	**15,129**	**19,581**
	(+42.1)	**(+35.7)**	**(+29.4)**

P : Provisional.

: Data of cloth are revised and are inclusive of hosiery fabrics.

* : Relates to total availability.

++ : Relates to mill sector only.

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

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

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	984	72	1.77	0.18	0.95
March 1987	744	283	1027	90	2.38	0.26	1.27
March 1988	752	283	1035	133	3.36	0.33	1.61
March 1989	769	282	1051	142	3.35	0.38	1.86
March 1990	770	281	1051	121	3.39	0.35	1.58
March 1991	777	285	1062	105	3.13	0.35	1.61
March 1992	846	271	1117	130	3.82	0.41	1.94
March 1993	874	268	1142	123	3.52	0.37	1.78
March 1994	906	269	1175	132	3.59	0.36	1.73

Source : 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				
1990	311	30.5	19.6 (+5.9)	64.3
1991	327	32.8	19.6 (-)	59.8
1992(P)	334	34.2	21.3 (+8.7)	62.3
1993(P)	340	35.5	22.0 (+3.3)	62.0
B) Newsprint				
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 (+6.9)	88.6
1993(P)	6	5.1	3.4 (E) (+9.7)	66.7

P : Provisional. E : Estimated.

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

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

CHAPTER V

PRICE TRENDS AND PRICE POLICY*

Price Trends

Highlights

A disconcerting feature of 1993-94 was the presence of persistent inflationary pressures. The Wholesale Price Index (WPI), on a point-to-point basis, recorded a marked increase of 10.8 per cent in 1993-94 compared with that of 7.0 per cent in 1992-93. The monthly annualised inflation rate (as measured by the movements in WPI) was in the range of 6.7 per cent and 7.2 per cent in the first quarter of 1993-94; it moved up to touch 8.5 per cent by September 1993. This rate was maintained more or less till December 1993. In the last quarter of the year, the rate edged up very sharply to touch double-digit level by March 1994. On an average basis, however, the increase at 8.3 per cent during 1993-94 was lower than that of 10.0 per cent in the previous year. Nonetheless, it was higher than the average of 7.8 per cent for the last eleven years.

The major factors contributing to the rise in prices were, *inter alia*, the marked increase in Government expenditure, the large net capital inflows and the resultant strong monetary expansion and the increase in procurement as well as administered prices with a view to bringing them closer to market related rates. Supply shortages in certain commodities also fuelled inflationary expectations.

The acceleration in wholesale prices pushed up the cost of living indices. The rate of increase in Consumer Price Index for Industrial Workers, on a point-to-point basis, at 9.9 per cent in 1993-94 was considerably higher than that of 6.1 per cent in 1992-93. On an average basis, however, the increase at 7.3 per cent was lower than that of 9.9 per cent in 1992-93.

An analysis of phase-wise behaviour of prices in 1993-94 revealed that in the first phase, namely, the end-March to end-August 1993, the price rise, on a point-to-point basis, was higher than that in the comparable phase of the previous year. In the second phase, between end-August and end-December 1993, the usual seasonal fall in prices did not materialise for the fourth year in succession. In this phase, all the major groups except 'manufactured products' witnessed contra-seasonal increases. During the corresponding phase of the previous year, on the other hand, contra-seasonal increases were recorded in all major groups except 'primary articles'. During the final phase covering the period end-December 1993 to end-March 1994, the price rise was sharper than in the comparable phase of 1992-93. On the whole, while 'primary articles' and 'manufactured products' witnessed extremely high orders of price rise in the first phase,the 'fuel' group experienced the highest increase in the third phase.

Commodity/Group-wise Trends over the year

A commodity group-wise analysis of price trends during 1993-94 shows that the acceleration, on a point-to-point basis, in the general price level was mainly due to higher increases in the prices of 'primary articles' and 'manufactured products' at 11.5 per cent and

* This chapter is based on information/data available up to end-August 1994.

9 9 per cent, respectively (as compared with 3.0 per cent and 7.9 per cent in the previous year). 'Fuel' group, however, recorded a lower rise of 13.1 per cent, on a point-to-point basis, as compared with rise of 15.2 per cent in the previous year. As regards the weighted contributions of these groups to the general increase in WPI, the 'manufactured products' contributed the maximum at 52.1 per cent (63.0 per cent in the previous year) followed by 'primary articles' group at 34.3 per cent (14.4 per cent in the previous year). The 'fuel' group contributed the least at 13.6 per cent during the year under review which was also lower than 22.6 per cent in the previous year (Table V-1).

(a) *Primary Articles*

The price increase of 11.5 per cent recorded by the 'primary articles' group during 1993-94 was nearly quadruple of the rise of 3.0 per cent recorded in the previous year (Table V-2(a)).

Within the 'primary articles' group, prices of food articles rose by 4.4 per cent (5.4 per cent last year). Prices of non-food articles, on the other hand, increased by 24.9 per cent as against a decline of 1.4 per cent in the preceding year. Prices of minerals also registered an increase of 17.0 per cent which was far above the rise of 2.8 per cent in the previous year.

The deceleration in the prices of 'food articles' was mainly on account of decreases in the prices of jowar, fruits and condiments and spices and tea. Other food articles which recorded lower increase in prices were: vegetables, milk and fish. As against this, prices of rice, wheat, bajra, pulses, eggs, fish and meat and coffee recorded increases in contrast to declines or deceleration in the previous year. Prices of bajra spurted by 50.2 per cent in sharp contrast to the decline of 33.5 per cent in 1992-93. Gram prices also increased substantially by 42.3 per cent on top of an increase of 23.9 per cent in the previous year.

Among non-food articles, prices of raw cotton, raw jute and oilseeds increased markedly by 93.3 per cent, 73.9 per cent and 14.1 per cent, respectively, due to higher demand as against declines in raw cotton and oilseeds and a small price increase in the case of raw jute in 1992-93. Sugarcane prices increased by 11.7 per cent which was lower than the rise of 21.4 per cent recorded in the previous year due to lower production for the third successive year.

Among 'minerals', the price increases in lime stone and petroleum crude in particular were sharp at 14.8 per cent and 19.9 per cent, respectively as compared with no variation and 1.9 per cent, respectively, in the previous year.

(b) *Fuel, Power, Light and Lubricants*

The movements in the indices of the 'fuel, power, light and lubricants' group reflected mainly the changes effected in administered prices. This group, which had recorded a price rise of 15.2 per cent in 1992-93, recorded a lower increase of 13.1 per cent in 1993-94. Prices of electricity in particular recorded steep increase of 30.7 per cent as compared with 9.8 per cent in the previous year (Table V-2(b)). Price of petrol increased by 7.7 per cent (7.3 per cent last year). There was deceleration in the prices of coal, LPG, diesel oil and lubricants.

(c) *Manufactured Products*

The index of this group recorded an increase of 9.9 per cent in 1993-94 as compared with a lower increase of 7.9 per cent in the previous year (Table V-2(c)).

Group-wise, the high price rise was mainly on account of higher increases in grain mills products, sugar, *khandsari*, beverages,

tobacco and tobacco products, textiles, leather and leather products, non-metallic mineral products, machinery and machine tools and other miscellaneous manufacturing industries. The prices of dairy products, edible oils and jute, hemp and mesta textiles also registered higher increases in prices in contrast to declines in the previous year. As against this, prices of man-made textiles, paper and paper products, rubber and plastic products, chemicals and chemical products, basic metals and alloys, ferro alloys, non-ferrous metals and metal products recorded lower increases than those recorded in 1992-93. Prices of sugar and *khandsari* rose sharply by 18.2 per cent and 29.4 per cent, respectively, on top of a sizeable increase of 13.9 per cent and 26.9 per cent in 1992-93. Prices of stainless steel spurted by 154.0 per cent following the hike in the prices of steel announced by the Steel Authority of India Ltd. (SAIL) from time to time during the year. Cement prices increased marginally by 0.7 per cent in contrast to a decline of 3.5 per cent in 1992-93. Prices of various edible oils also increased substantially in the range of 1.4 per cent to 22.8 per cent during the year in contrast to declines in the previous year.

Weighted Contribution of Groups

An analysis of weighted contribution of different groups/commodities to the increase in the general index of wholesale prices reveals that, on a point-to-point basis, the 'manufactured products' with a weight of 57.0 per cent in the general index, contributed the most at 52.1 per cent to the total price rise in 1993-94 which was, however, lower than the contribution of 63.0 per cent made in 1992-93. This was followed by a contribution of 34.3 per cent by 'primary articles' group which was significantly higher as compared with 14.4 per cent in 1992-93. The 'fuel' group contributed the lowest at 13.6 per cent; this was substantially lower as compared with 22.6 per cent in the previous year.

Monthly Annualised Inflation Rate (1982-83 to 1993-94)

After remaining relatively stable during the 'eighties, inflationary pressures gathered momentum in the 'nineties, peaking during the year 1992-93. The average inflation rate was 10.9 per cent per annum during the period 1990-91 through 1993-94. While this average annual rate was higher than the average annual rate of 7.0 per cent during the 'eighties, it must be noted that because of significant structural reforms taking place in the economy, substantial upward price revisions took place in the 'nineties. The Government had effected substantial increases in 'administered' prices as well as in the minimum support prices of foodgrains, thereby contributing to the inflationary pressures. Moreover, domestic and external demand had been generally strong in the 'nineties so far.

Table 1: Frequency Distribution of Annualised Inflation Rate: Month-wise

Range of Annualised Inflation Rates (in per-cent)	Frequency Distribution of Months		
	1982-90	1990-94	1982-94
0 - 5.0	16 (16.7)	0 (0.0)	16 (11.1)
5.1 - 7.0	42 (43.8)	0 (0.0)	42 (29.2)
7.1 - 9.0	29 (30.2)	19 (39.6)	48 (33.3)
9.1 -11.0	9 (9.3)	10 (20.8)	19 (13.2)
11.1 -15.0	0 (0.0)	17 (35.4)	17 (11.8)
Over 15.0	0 (0.0)	2 (4.2)	2 (1.4)

Note: Figures in bracket give proportions to the total number of months under review.

Movements in the month-wise annualised inflation rates based on WPI for 'all commodities' during the period 1982-83 to 1993-94 reveal a possible downward inflexibility during the 'nineties. Table 1 shows that the annualised inflation rate for 1982-90 was concentrated in the range of 5.1 to 7.0 per cent in almost one half of total months under review. It is particularly striking to note that during 1982-90 the annualised inflation rate was

distributed in the range up to 7.0 per cent in about 60 per cent of total months, whereas in the 'nineties the rate never came down below 7.0 per cent. In the latter period around 60 per cent of the total months recorded annualised inflation rates in the range of 7.1 to 11.0 per cent, whereas more than one third of months registered annualised inflation rates in the higher span of 11.1 per cent to 15.0 per cent. On two occasions the annualised rate was above 15 per cent. During the combined period (1982-94), the annualised inflation rate frequented mostly in the range of 7.1 to 9.0 per cent (33.3 per cent) followed by the range of 5.1 to 7.0 per cent (29.2 per cent).

The arithmetic mean of monthly annualised inflation rates which remained in the range of 4.4 - 7.7 per cent during 1982-83 to 1989-90 crossed double digit during two years *viz.*, 1990-91 and 1991-92. It has shown a declining trend in the last two years and reached 7.2 per cent in 1993-94. This seems to provide a clue to the phenomenon of stickiness in prices in that the downward flexibility of prices below a rate becomes conspicuous by its absence (see Box).

In regard to 'primary articles', stickiness in prices seemed to be less prominent. During the 48 month period of 1990-91 to 1993-94 the inflation rate remained below 7 per cent in 11 months. However, the number of occasions in which the annualised inflation rate was above 15 per cent has risen from 2 (out of 96 months during 1982-83 to 1989-90) to 16 (out of 48 months during 1990-91 to 1993-94).

In the 'manufactured products' group, the monthly annualised inflation rate remained below 7 per cent in 54 months out of 96 months during 1982-83 to 1989-90. This rate moved in the range of 7.1 to 15.0 per cent in 46 out of 48 months during the period 1990-91 to 1993-94.

Since the 'nineties, a greater variability in the monthly annualised inflation rate was observed. The coefficient of variation (c.v.) which fluctuated in the range of 6.9 to 37.1 per cent in 'eighties, has increased significantly to 22.0 per cent in 1992-93 and thereafter reached an all time high of 42.9 per cent.

Consumer Price Indices (CPI)

The acceleration in the Wholesale Price Index was reflected in all the three consumer price indices. The increases of 9.9 per cent and 8.3 per cent on a point-to-point basis in the Consumer Price Indices for Industrial Workers and Urban Non-Manual Employees in 1993-94 were however lower

Box

Stickiness of Wages and Prices

The wage-price flexibility which was at the heart of the classical economic thinking was questioned by John Maynard Keynes who suggested in 1936, that wages are often sticky and inflexible downward. Keynes postulated the notion of 'money illusion' on the part of the workers, whereby any reduction in wages will be protested, even if accompanied by a decline in the price level. Consequently wages turn out to be sticky downwards. Following the 'Keynesian revolution', a number of economists during the 'fifties and 'sixties have tried to formalise the idea that commodity markets too are characterized by price stickiness. These formalisations, often referred to as 'fix-price' models, stand in contrast to the earlier 'flex-price' models of the Classical-Neo-Classical tradition.

The notion of wage-price rigidity however came under attack in the 'seventies with the advent of the New Classical Macroeconomics. Economists belonging to the New Classical tradition

Box (Concld.)

argued that Keynesian economics was theoretically faulty and proposed that macroeconomics must be built on sound microeconomic foundations. They came out with macro-economic theory based on the postulates that markets always clear, economic agents always optimise and agents do not make any systematic errors in perceiving the market signals. Wage-price stickiness was completely ruled out in the medium term. In the short-run, however, the persistence of wage-price rigidity has been rationalised in terms of misperception of the rational economic agents.

In recent years there has been a revival of interest in favour of wage-price stickiness. The novelty of the new ideas of the New Keynesians is that their formalisation of the possibility of wage-price stickiness maintains the assumption of rational and optimising economic agents. Nevertheless, even among the New Keynesians, there is no consensus regarding the reasons underlying such wage-price stickiness. A number of views emerge, among which the following deserve special mention.

One of the major reasons behind wage-price stickiness as pointed out by the New Keynesians is the notion of ***costly price adjustment,*** *whereby considerable economic regidities can be generated even by small barriers to nominal price flexibility. The obstacles can come from a number of independent sources. As for example, the barrier to changing nominal prices can come from the fixed cost associated with it - such cost has been termed as* ***menu cost*** *in the literature. It can also come from small departure from full optimisation on the part of the economic agents - such behaviour has been referred to as* ***near rationality****.*

An important source of wage-price stickiness is the prevalence of longer term wage contracts. The possibility of wage-price rigidity has been shown to exist in a situation where there is ***staggered wage negotiation****, and where prices and wages specified in the contracts are* ***not*** *continuously adjusted but instead are fixed for considerable period (e.g., a year). Furthermore, such type of price inertia has been shown to increase with the length of production process.*

Yet another reason behind wage-price stickiness is ***imperfect competition****. The presence of imperfect competition in the product and labour market by itself may not be a source behind such stickiness. Nevertheless, imperfect competition coupled with costly price adjustment is capable of generating considerable stickiness in wages and prices.*

The existence of "co-ordination failure" also plays a part in explaining wage-price regidity. For example, a wage cut on the part of a ***single*** *firm may induce its labourers to leave the firm - thereby in the absence of co-ordination among all firms, no firm will ever make such an attempt.*

While there can be elements of truth in the theories in the New Keynesian tradition, theories on ***efficiency*** *wage have particularly been advocated in the context of developing economies. According to this theory, wage acts as an incentive device for motivating the labour. Thus even in the presence of unemployment, wage rate does not go below the efficiency wage, i.e., below which any further wage cut will reduce labour efficiency and hence effective labour supply .*

The existence of wage-price rigidity has been tested by a number of economists for advanced countries for fairly long sample periods. Parallel works in the context of the developing countries, however, are not much in evidence. Nevertheless, some empirical works on the experience of some Latin American countries have shown that price stickiness can arise from a number of exogenous factors like structural rigidities and wage indexation.

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than 10.8 per cent recorded in the WPI. The increase of 8.3 per cent, on an average basis, in the general index of WPI in 1993-94, was, on the other hand, higher than those of 7.3 per cent and 6.9 per cent registered by the CPIs for Industrial Workers and for Urban Non-manual Employees, respectively. The CPI for Agricultural Labourers has shown a substantially higher increase of 11.6 per cent on a point-to-point basis, reflecting the acceleration in food prices which have a large weight in this CPI (Table V-3). However, it has shown a lower increase of 3.5 per cent, on an average basis, as compared with 8.3 per cent registered in WPI.

The index of CPI for Industrial Workers increased steadily from 245 in April 1993 to 267 in March 1994. Centrewise, CPI for Industrial Workers recorded increases in all major centres. The highest increase in the index was registered in Bhavnagar (18.0 per cent) followed by Salem (17.7 per cent), Monghyr (14.7 per cent), Thiruvananthapuram (13.9 per cent),Rajkot (13.3 per cent), D.D. Tinsukia and Surat (each 13.1 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 Bhavnagar (17.1 per cent).

Price Policy during 1993-94.

The price policy of the Government during the year 1993-94 continued to reflect its emphasis on market orientation. As a corollary to the market reforms undertaken in the economy, the price structure was further rationalised so that the market signals effectively indicate the actual shortages. Besides providing appropriate price incentives to bring about better supply-response, the progressive move towards price deregulation has continued during the year under review.

The foodgrains stocks with the public sector agencies remained comfortable throughout the year under review, reaching a high of 31.89 million tonnes by May 1994. To boost agricultural production by ensuring remunerative prices to growers, the support price of *kharif* crops and *rabi* crops were raised in July 1993 and October 1993, respectively. In order to contain the rising subsidy burden, the issue prices were hiked on February 1, 1994. However, the issue prices of wheat and rice under the revamped Public Distribution System were kept below the central issue prices by Rs. 50 per quintal. The Government also authorised FCI to undertake open market sale of procured wheat from October 1993 and of rice from January 1994 in a bid to stabilise prices.

Cotton prices continued to show a downward trend up to August 1993. In order to stem the decline in cotton prices, the Government released export quota of 18 lakh bales of cotton and several credit control measures related to cotton were also liberalised by the Reserve Bank. However, from September onwards, with the onset of the new cotton season, prices of cotton began to move up. In a two-pronged measure to combat the rising cotton prices, the Government freezed the exports of cotton till March 1994 and allowed duty-free imports.

Effective from October 13, 1992 an Internal Sale Quota for coffee was introduced at the rate of 30 per cent of the production and excise duty on coffee was abolished from February 28, 1993. As a further measure of liberalisation, effective from January 14, 1994, a maximum of up to 50 per cent of the produce was permitted as Free Sale Quota (FSQ) to growers. For the 1994-95 crop season status quo remained.

To maintain price stability, the Government allowed import of 42,000 tonnes of edible oil (RBD Palmolein) through State

Trading Corporation (STC) for the financial year 1993-94. Besides, a quantity of 37,400 MTs of Crude Degummed Soyabean Oil was also received as gift under US AID (PL 480) by STC on behalf of the Government. In addition, the National Dairy Development Board (NDDB) continued its Market Intervention Operation (MIO).

In 1993-94, sugar prices showed sharp increases when production declined to 98.12 lakh tonnes as compared with 106.09 lakh tonnes during the previous season. As a measure of caution, the Government hiked its monthly release quota for sugar. In January 1994, intensive dehoarding operations were undertaken and the limit of sugar stocks with traders was reduced by one-half. In mid-March 1994, to augment domestic availability, importation of sugar under OGL was allowed and STC and Minerals and Metals Trading Corporation (MMTC) were asked to import a total of 8.5 lakh tonnes. Up to December 1994, 9.77 lakh tonnes of sugar was imported by STC and MMTC for distribution through PDS. Further, in May 1994, sugar factories were asked to sell or despatch at least 20 per cent of their monthly quota each week.

The administered average prices of coal were hiked by Rs. 18 per tonne in July 1993. Effective April 1, 1994, the price of coal produced by Singareni Collieries Company Ltd. (SCCL) was increased by Rs. 30 per tonne. Subsequently in June 1994, prices of coal produced by Coal India Ltd. (CIL) and SCCL were enhanced for neutralising the increased cost of inputs. The landed prices of imported coal, however, came down due to reduction in import duty on coal.

The ex-storage point prices of Liquified Petroleum Gas (LPG) were raised by Rs. 704.23 per metric tonne effective January 14, 1994. The import duty on LPG was reduced from 85 per cent to 25 per cent effective January 12, 1994 and further to 15 per cent effective March 1, 1994 to encourage the private sector. Effective February 2, 1994, price of petrol was raised by Re. 1 per litre and diesel by Re. 0.75 a litre while that of kerosene was kept unchanged.

Though price, distribution and movement of phosphatic and potassic fertilizers were decontrolled in August 1992, Government decided to continue the scheme of concessional sale of decontrolled fertilisers to farmers. It may be recalled that in September-October, 1992, the Government, subject to the specifications prescribed under the Fertiliser Control Order (FCO), 1985, decanalised the import of di-ammonium phosphate (DAP), murate of potesh (MOP) and mono-ammonium phosphate (MAP). The Government released an amount of Rs. 517.34 crore for continuation of *ad hoc* subsidy scheme for decontrolled potassic and phosphatic fertilisers during the financial year 1993-94.

Effective September 21, 1993, Steel Authority of India Ltd. (SAIL) raised the prices of a number of hot-rolled (HR) products by amounts ranging between Rs.300 to Rs. 350 per tonne. Further on January 1, 1994, SAIL hiked prices for all products except thinner gauge cold-rolled products by Rs. 500 per tonne. TISCO followed suit in January 14, 1994. Another price revision by SAIL, followed by other steel undertakings came in March 1, 1994, to counter the burden of higher excise duty imposed by the Union Budget.

On November 17, 1993, the proposed national drug policy calling for the abolition of industrial licencing but retaining price controls in the sensitive sector was cleared. The creation of an autonomous body, the National Drug Authority, was also approved which was recommended by the Haathi Committee under a separate Act of the Parliament. The new policy has declared drug sector as a priority sector.

Table V - 1 : Inflation Rates*
(Major Group-wise)

Items	Weight	Percentage Variations				Weighted Contributions			
		Point-to-point basis		Average basis		Point-to-point basis		Average basis	
		1992-93	1993-94	1992-93	1993-94	1992-93	1993-94	1992-93	1993-94
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
All Commodities	100.000	7.0	10.8	10.0	8.3	100.0	100.0	100.0	100.0
Primary Articles	32.295	3.0	11.5	7.3	6.9	14.4	34.3	24.9	27.5
Fuel, Power, Light & Lubricants	10.663	15.2	13.1	14.1	15.5	22.6	13.6	14.4	19.7
Manufactured Products	57.042	7.9	9.9	10.9	7.8	63.0	52.1	60.7	52.8

* Inflation rates are measured by the movements in the Index Numbers of Wholesale Prices.
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 1992	End-Mar 1993	End-Mar 1994	Variations (Point-to-Point) End-March 1993 Over End-March 1992	Variations (Point-to-Point) End-March 1994 Over End-March 1993	Weighted Contributions (Approximate) 1992-93	Weighted Contributions (Approximate) 1993-94
1	2	3	4	5	6	7	8	9
ALL COMMODITIES	100.000	217.8	233.1	258.3	7.0	10.8	100.0	100.0
PRIMARY ARTICLES	32.295	225.4	232.2	259.0	3.0	11.5	14.4	34.3
A. Food Articles	17.386	254.8	268.5	280.4	5.4	4.4	15.6	8.2
(i) Food Grains	7.917	243.2	238.5	279.9	-1.9	17.4	-2.4	13.0
a) Cereals	6.824	241.6	235.0	271.1	-2.7	15.4	-2.9	9.8
Rice	3.685	245.1	244.6	275.6	-0.2	12.7	-0.1	4.5
Wheat	2.248	230.1	236.2	279.8	2.7	18.5	0.9	3.9
Jowar	0.420	255.2	204.2	198.2	-20.0	-2.9	-1.4	-0.1
Bajra	0.178	265.8	176.8	265.6	-33.5	50.2	-1.0	0.6
b) Pulses	1.093	253.4	260.2	334.9	2.7	28.7	0.5	3.2
Gram	0.410	195.0	241.6	343.9	23.9	42.3	1.2	1.7
(ii) Fruits & Vegetables	4.089	244.3	267.9	244.9	9.7	-8.6	6.3	-3.7
Vegetables	1.291	209.7	242.1	250.0	15.5	3.3	2.7	0.4
Fruits	2.798	260.2	279.8	242.6	7.5	-13.3	3.6	-4.1
(iii) Milk	1.961	250.2	274.3	283.9	9.6	3.5	3.1	0.7
(iv) Eggs, Fish & Meat	1.783	233.1	272.9	323.2	17.1	18.4	4.6	3.6
Fish	0.507	236.4	308.6	396.2	30.5	28.4	2.4	1.8
Mutton	0.521	255.6	287.3	325.6	12.4	13.3	1.1	0.8
(v) Condiments & Spices	0.947	450.2	463.5	376.4	3.0	-18.8	0.8	-3.3
(vi) Other Food Articles	0.689	251.5	321.6	245.3	27.9	-23.7	3.2	-2.1
Tea	0.564	247.8	324.0	218.7	30.8	-32.5	2.8	-2.4
Coffee	0.125	268.3	310.6	365.2	15.8	17.6	0.3	0.3
B. Non-food Articles	10.081	227.6	224.4	280.2	-1.4	24.9	-2.1	22.3
(i) Fibres	1.791	230.5	206.4	378.5	-10.5	83.4	-2.8	12.2
Raw Cotton	1.335	231.5	206.2	398.5	-10.9	93.3	-2.2	10.2
Raw Jute	0.160	214.1	218.2	379.5	1.9	73.9	0.0	1.0
(ii) Oilseeds	3.861	221.7	202.4	231.0	-8.7	14.1	-4.9	4.4
Groundnut seed	1.296	234.7	199.7	238.2	-14.9	19.3	-3.0	2.0
Rape and Mustard seed	0.661	193.3	194.9	214.4	0.8	10.0	0.1	0.5
Copra	0.111	321.5	328.7	236.3	2.2	-28.1	0.1	-0.4
(iii) Other Non-food Articles	4.429	231.6	250.8	283.3	8.3	13.0	5.6	5.7
Sugarcane	2.706	204.2	247.9	276.9	21.4	11.7	7.7	3.1
Tobacco	0.275	295.9	249.0	265.6	-15.8	6.7	-0.8	0.2
Raw Rubber	0.114	157.1	170.4	175.6	8.5	3.1	0.1	0.0
Logs & Timber	0.571	275.1	256.2	296.2	-6.9	15.6	-0.7	0.9
C. Minerals	4.828	114.7	117.9	138.0	2.8	17.0	1.0	3.9
(i) Metallic Minerals	0.231	198.0	247.0	268.9	24.7	8.9	0.7	0.2
Iron Ore	0.154	182.2	238.6	239.2	31.0	0.3	0.6	0.0
(ii) Other Minerals	0.323	231.3	218.6	231.0	-5.5	5.7	-0.3	0.2
Lime Stone	0.070	214.2	214.2	245.8	0.0	14.8	0.0	0.1
(iii) Petroleum Crude and Natural Gas	4.274	101.4	103.3	123.9	1.9	19.9	0.5	3.5

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 1992	End-Mar 1993	End-Mar 1994	Variations (Point-to-Point) End-March 1993 Over End-March 1992	Variations (Point-to-Point) End-March 1994 Over End-March 1993	Weighted Contributions (Approximate) 1992-93	Weighted Contributions (Approximate) 1993-94
1	2	3	4	5	6	7	8	9
FUEL, POWER, LIGHT & LUBRICANTS	10.663	213.5	245.9	278.0	15.2	13.1	22.6	13.6
A. COAL MINING	1.256	296.5	334.2	349.6	12.7	4.6	3.1	0.8
Coking Coal	0.353	320.0	367.6	385.3	14.9	4.8	1.1	0.2
Non-coking Coal	0.798	292.8	329.1	344.6	12.4	4.7	1.9	0.5
Coke	0.064	218.4	244.0	254.9	11.7	4.5	0.1	0.0
B. MINERAL OILS	6.666	185.8	220.8	235.6	18.8	6.7	15.2	3.9
Liquified petroleum gas	0.677	159.4	208.2	233.8	30.6	12.3	2.2	0.7
Petrol	0.806	253.8	272.4	293.5	7.3	7.7	1.0	0.7
Kerosene	0.868	146.7	146.7	146.7	0.0	0.0	0.0	0.0
Aviation turbine fuel	0.341	264.1	290.5	290.5	10.0	0.0	0.6	0.0
High Speed Diesel Oil	2.154	176.1	212.7	235.2	20.8	10.6	5.2	1.9
Light Diesel Oil	0.203	171.9	218.3	243.1	27.0	11.4	0.6	0.2
Furnace Oil	0.641	166.6	206.8	206.8	24.1	0.0	1.7	0.0
Lubricants	0.453	240.4	322.4	346.9	34.1	7.6	2.4	0.4
C. ELECTRICITY	2.741	242.7	266.5	348.4	9.8	30.7	4.3	8.9

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 1992	End-Mar 1993	End-Mar 1994	Variations (Point-to-Point) End-March 1993 Over End-March 1992	Variations (Point-to-Point) End-March 1994 Over End-March 1993	Weighted Contributions (Approximate) 1992-93	Weighted Contributions (Approximate) 1993-94
1	2	3	4	5	6	7	8	9
MANUFACTURED PRODUCTS	57.042	214.3	231.2	254.2	7.9	9.9	63.0	52.1
A. Food Products	10.143	210.2	224.4	252.1	6.8	12.3	9.4	11.1
(a) Dairy Products	0.642	260.7	252.5	258.1	-3.1	2.2	-0.3	0.1
(b) Grain Mills Products	1.530	236.9	244.8	267.5	3.3	9.3	0.8	1.4
(c) Sugar, *Khandsari* and *Gur*	4.059	155.4	198.8	241.4	27.9	21.4	11.5	6.9
Sugar	2.013	169.8	193.4	228.6	13.9	18.2	3.1	2.8
Khandsari	0.300	131.6	167.0	216.1	26.9	29.4	0.7	0.6
Gur	1.746	142.9	210.6	260.4	47.4	23.6	7.7	3.5
(d) Edible Oils	2.445	256.7	238.6	253.6	-7.1	6.3	-2.9	1.5
Hydrogenated vanaspati	0.517	272.5	224.7	227.9	-17.5	1.4	-1.6	0.1
Solvent extracted groundnut oil	0.021	241.5	190.7	233.0	-21.0	22.2	-0.1	0.0
Rape & mustard oil	0.276	228.5	189.2	210.6	-17.2	11.3	-0.7	0.2
Groundnut oil	0.526	245.6	189.3	232.5	-22.9	22.8	-1.9	0.9
B. Beverages, Tobacco & Tobacco Products	2.149	284.8	296.5	317.3	4.1	7.0	1.6	1.8
C. Textiles	11.545	197.7	208.5	243.5	5.5	16.8	8.1	16.0
(i) Cotton Textiles	6.093	210.5	222.1	268.0	5.5	20.7	4.6	11.1
Cotton yarn	1.232	253.7	250.7	353.6	-1.2	41.0	-0.2	5.0
Cotton cloth (mills)	3.159	197.3	205.7	241.3	4.3	17.3	1.7	4.5
(ii) Man-made Textiles	2.921	150.7	160.6	163.4	6.6	1.7	1.9	0.3
(iii) Jute, Hemp & Mesta Textiles	0.689	282.6	281.5	344.6	-0.4	22.4	-0.0	1.7
D. Paper and Paper Products	1.988	300.5	324.9	333.9	8.1	2.8	3.2	0.7
Newsprint	0.137	318.0	318.0	318.1	0.0	0.0	0.0	0.0
E. Leather & Leather Products	1.018	228.4	234.5	251.8	2.7	7.4	0.4	0.7
Footwear Western Type	0.353	310.2	323.8	352.8	4.4	9.0	0.3	0.4
F. Rubber and Plastic Products	1.592	182.3	188.5	190.9	3.4	1.3	0.6	0.2
Tyres and tubes	0.766	173.4	180.3	185.9	4.0	3.1	0.3	0.2
G. Chemicals & Chemical Products	7.355	177.8	200.5	215.8	12.8	7.6	10.9	4.5
Fertilizers	1.748	127.6	181.9	179.8	42.6	-1.2	6.2	-0.1
Drugs and medicines	1.065	165.8	173.6	194.8	4.7	12.2	0.5	0.9
H. Non-Metallic Mineral Products	2.477	229.7	236.7	264.2	3.0	11.6	1.1	2.7
Cement, Lime and Plaster	0.916	224.7	217.4	221.3	-3.2	1.8	-0.4	0.1
Cement	0.860	217.1	209.4	210.9	-3.5	0.7	-0.4	0.1
I. Basic Metals, Alloys & Metal Products	7.632	241.7	264.9	286.5	9.6	8.2	11.6	6.5
(a) Basic Metals and Alloys	4.784	226.2	250.2	272.4	10.6	8.9	7.5	4.2
(i) Iron & Steel	2.441	216.0	242.3	261.6	12.2	8.0	4.2	1.9
Basic pig iron	0.023	305.1	383.1	383.1	25.6	0.0	0.1	0.0
Bars & rods	0.955	206.2	226.4	238.8	9.8	5.5	1.3	0.5
Stainless steel	0.113	102.2	102.2	259.6	0.0	154.0	0.0	0.7
Heavy light structurals	0.215	315.7	341.9	341.9	8.3	0.0	0.4	0.0
Sheets	0.301	224.0	274.7	296.9	22.6	8.1	1.0	0.3
Axles, wheels & tyres	0.029	516.7	516.7	516.7	0.0	0.0	0.0	0.0
Pipes & tubes	0.569	230.4	251.7	273.8	9.2	8.8	0.8	0.5
(ii) Ferro Alloys	0.196	234.6	257.4	260.7	9.7	1.3	0.3	0.0
(iii) Non-Ferrous Metals	1.025	281.2	300.4	314.3	6.8	4.6	1.3	0.6
Alluminium	0.454	231.2	250.8	290.4	8.5	15.8	0.6	0.7
(b) Metal Products	1.823	260.1	283.5	307.7	9.0	8.5	2.8	1.8
J. Machinery & Machine Tools including Electrical Machinery	6.268	222.5	232.8	244.3	4.6	4.9	4.2	2.9
(a) Non-Electrical Machinery & Parts	3.277	237.0	244.5	252.3	3.2	3.2	1.6	1.0
(b) Electrical Machinery	2.991	206.7	219.9	235.5	6.4	7.1	2.6	1.9
(c) Transport Equipment & Parts	2.705	212.1	217.4	229.1	2.5	5.4	0.9	1.3
K. OTHER MISC.MFG. INDUSTRIES	0.972	137.7	141.5	165.6	2.8	17.0	0.2	0.9

Table V-3 : Consumer Price Indices

Items	1991-92	1992-93	1993-94
1. Consumer Price Index for Industrial Workers (average) (Base : 1982 = 100)	218.8	240.4	257.9
2. Per cent variation in (1)	+13.5	+9.9	+7.3
3. Consumer Price Index for Industrial Workers (For March) (Base : 1982 = 100)	229.0	243.0	267.0
4. Per cent variation in (3)	+13.9	+6.1	+9.9
5. Consumer Price Index for Urban Non-manual Employees (Average) (Base : 1984-85 =100)	182.8	202.0	216.0
6. Per cent variation in (5)	+13.5	+10.5	+6.9
7. Consumer Price Index for Urban Non-manual Employees (For March) (Base :1984-85 =100)	192.0	205.0	222.0
8. Per cent variation in (7)	+13.6	+6.8	+8.3
9. Consumer Price Index for Agricultural Labourers (Average) (Base : July 1960 - June 1961 = 100)	957.8	1,076.3	1,113.8
10. Per cent variation in (9)	+19.3	+12.4	+3.5
11. Consumer Price Index for Agricultural Labourers (For March) (Base : July 1960 - June 1961 = 100)	1,046.0	1,053.0	1,175.0
12. Per cent variation in (11)	+21.9	+0.7	+11.6

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

CHAPTER VI

MONETARY DEVELOPMENTS*

The Highlights

The year 1993-94 was characterised by a number of interesting monetary developments. The rate of growth of reserve money was higher than that of broad money (M_3), a phenomenon which was in evidence only on seven occasions between 1970-71 and 1992-93. In regard to reserve money, source-wise, while the expansion in foreign currency assets of the Reserve Bank was very large, the net domestic assets of the Reserve Bank recorded an absolute decline, a phenomenon that was witnessed last in 1977-78. The currency expansion during the year under review was one of the largest in the recent past. The monetised deficit which used to be the dominating factor in reserve money expansion turned out to be insignificantly low during the year.

Overall Trends in Money Supply and its Components

Broad money (M_3) increased by 18.2 per cent (15.7 per cent last year) despite negligible year-end increase in net RBI credit to the Centre and sluggish growth in bank credit to commercial sector. This was mainly a result of two major factors at work: (i) the unparalleled large capital inflows, and (ii) the large scale investments in Government securities by commercial and co-operative banks. Broad money growth was substantially higher than the desired level of growth of 14 per cent postulated for the whole of 1993-94. It was also higher than the average rate of growth of 17.2 per cent in the 1980s. Following the sharp surge in net foreign exchange assets, reserve money growth was rapid and reached a high of 25.1 per cent which was, however, fractionally lower than the record growth of 25.5 per cent registered a decade ago during 1983-84, when it was essentially on account of a large increase in net RBI credit to the Centre.

The narrow money (M_1) comprising currency with the public, demand deposits with the banks and 'other' deposits with the Reserve Bank also recorded an accelerated growth at Rs.26,234 crore or 21.1 per cent, which was more than two and half times the growth of Rs.9,660 crore or 8.4 per cent in 1992-93 (Table VI-1). This order of expansion was higher than the average rate of growth of 15.1 per cent in the 1980s as also the 15.4 per cent growth rate during the first three years of the 1990s.

The most striking increase was in currency with the public at Rs.13,925 crore or 20.4 per cent, almost twice that of Rs.7,175 crore or 11.7 per cent in the previous year, consistent with the sharp acceleration in primary liquidity. The increase in aggregate deposits was Rs.51,601 crore or 17.4 per cent as compared with that of Rs.42,173 crore or 16.5 per cent during 1992-93. The expansion was more pronounced in respect of demand deposits which increased by Rs.11,094 crore or 20.4 per cent, more than five times the expansion of Rs.2,057 crore or 3.9 per cent in 1992-93. The sharp increase in demand deposits reflected *inter alia* excess float funds in the banking system arising from a reduction of the cash reserve ratio (CRR) and inflow of foreign capital particularly for portfolio

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* This Chapter is prepared on the basis of information/ data available up to end-August 1994.

investment by foreign institutional investors. Time deposits decelerated somewhat, the increase being Rs.40,507 crore or 16.7 per cent as compared with the rise of Rs.40,116 crore or 19.8 per cent in 1992-93. 'Other' deposits with the Reserve Bank too registered a large increase of Rs.1,215 crore as compared with Rs.428 crore last year. This impact reflected the short-term nature of the funds parked by the financial institutions to enable them to participate in the auctions of the Government instruments as also the excess funds available in the system during the year.

Sources of Change in Broad Money

As stated earlier, there were some marked deviations in the sources of change in money supply during the year under review. Net RBI credit to the Centre grew only by Rs.260 crore or 0.3 per cent as compared with Rs.4,257 crore or 4.6 per cent during 1992-93. The subdued growth in monetised deficit was on March 31 basis. Monetised deficit, however, was very high during the first three quarters of the year. The year-end modest increase in monetised deficit was facilitated by the fact that the Reserve Bank of India undertook open market operations on a very large scale in the last quarter of the year. The large expansion in other banks' credit to the Government sector at Rs.26,697 crore or 34.3 per cent was almost twice the increase of Rs.13,542 crore or 21.1 per cent in 1992-93 (Table VI-2). As a result, the increase in the banking system's credit to the Government sector at Rs.27,548 crore or 15.6 per cent was much larger than that of Rs.17,975 crore or 11.4 per cent in the preceding year. Although the commercial banks' investments in Government securities in 1993-94 included investments of Rs.5,700 crore towards recapitalisation, it would not have a monetary effect as there would be an equivalent increase in the capital of the commercial banks which form part of non-monetary liabilities of banks and thus act as an offsetting factor.

The pace of expansion in credit to commercial sector was substantially lower at Rs.17,068 crore or 7.8 per cent than that of Rs.32,142 crore or 17.1 per cent during the previous year, notwithstanding the reductions in SLR and CRR. In particular, other banks' credit to commercial sector increased by Rs.16,843 crore or 7.9 per cent, which was almost one half of the expansion of Rs.33,182 crore or 18.4 per cent during 1992-93. There are a number of reasons adduced for such a deceleration in other banks' credit. Corporate entities raised large amount of funds from three major sources, *viz.*, the domestic capital market, the international markets through the issue of Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) and through the issue of Commercial Papers (CP) at rates which were much below the minimum lending rates. This apart, with comfortable foreign exchange reserve position and easy availability of foreign exchange for import of raw materials, there was better inventory management which implied lower credit requirement.

Following a number of liberalisation measures and an overall improvement in the investors' confidence, there was a spurt in the capital inflow boosting up the net foreign exchange assets of the banking system. The acquisition of these assets by the Reserve Bank amounted to a historic peak of Rs.28,775 crore or 127.1 per cent, which was more than seven times that of Rs.3,809 crore or 20.2 per cent during the previous year.

Net non-monetary liabilities of the banking sector grew by Rs.6,764 crore or 12.0 per cent which was higher than that of Rs.4,187 crore or 8.0 per cent during 1992-93. This was entirely due to increase in other banks' net non-monetary liabilities which rose by Rs.8,976 crore in 1993-94 over and above the rise of Rs.3,356 crore in 1992-93 mainly due to recapitalisation and revaluation of assets by the commercial banks.

Net non-monetary liabilities of the Reserve Bank, however, registered a fall of Rs.2,212 crore or (-) 7.8 per cent as against an expansion of Rs.831 crore or 3.0 per cent during the previous year.

Seasonal Trends

During the slack season of 1993 (end-April to end-October), M_1 declined by Rs.1,793 crore or (-)1.3 per cent as compared with the fall of Rs.1,384 crore or (-) 1.2 per cent in the previous slack season (Table VI-3). Currency experienced a much higher expansion of Rs.1,906 crore or 2.6 per cent as compared with an increase of a mere Rs.27 crore during the previous slack season.On the other hand, demand deposits, 'other' deposits with the Reserve Bank and time deposits registered lower expansion during the slack season of 1993. As a result, broad money (M_3) increased by a lower amount of Rs.18,040 crore or 4.7 per cent than that of Rs.23,926 crore or 7.3 per cent during the previous slack season. Source-wise, there was a much higher expansion in other banks' credit to Government which outweighed the substantial reduction in net RBI credit to Government. Consequently, net bank credit to Government showed only a modest expansion. Bank credit to commercial sector grew at a much lower pace, while net foreign exchange assets of the banking sector showed a spurt in contrast to a decline in the previous slack season.

The decelerating trend of liquidity during the slack season of 1993 was, however, reversed during the busy season of 1993-94 (end-October to end-April). Both M_1 and M_3 recorded larger increases than those during the previous busy season. All the components of M_3 with the exception of 'other' deposits with the RBI recorded accelerated growth. Source-wise, despite a reduction in net RBI credit to the Centre, net bank credit to Government increased in absolute terms due to a large expansion in other banks' credit. While bank credit to commercial sector grew at a lower pace, net foreign exchange assets of the banking sector registered an unprecedented spurt.

Reserve Money and Net Domestic Assets of the Reserve Bank

The reserve money growth at 25.1 per cent during 1993-94 outpaced the growth of broad money at 18.2 per cent following significant changes in its structural composition. Unlike in the past, when monetised deficit was the driving force behind the expansion in reserve money, it was the unprecedented accrual of foreign exchange assets during the fiscal year 1993-94, which caused the reserve money expansion (Table VI-4). Component-wise, currency with the public rose by Rs.13,925 crore or 20.4 per cent,while bankers' deposits with Reserve Bank rose by Rs.12,611 crore or 33.1 per cent.

Net Reserve Bank credit to the Central Government which used to account on an average, for over 80 per cent of the reserve money in the 1980s, was hardly one per cent of the increase in the reserve money during 1993-94. Although monetised deficit at the end of the year recorded a low growth of Rs.260 crore, it had remained at very high levels during major part of the year. It in fact touched the peak of nearly Rs.19,000 crore in the first week of July 1993. Though there was some moderation in the subsequent period, it was only towards the end of January 1994 that there was noticeable improvement in the monetised deficit of the Central Government. On a fortnightly average basis, net RBI credit to the Centre grew by Rs.10,302 crore as compared with Rs.6,717 crore in the previous year.The Reserve Bank's claims on commercial and co-operative banks declined by Rs.4,334 crore or (-)43.8 per cent as against an increase of Rs.4,783 crore or 93.7 per cent in the preceding year which reflects *inter alia*, the general slowdown in

the overall credit to the commercial sector. The net foreign exchange assets of the Reserve Bank rose by Rs.28,775 crore or 127.1 per cent surpassing the growth in reserve money of Rs.27,843 crore. Consequently, the net domestic assets of the Reserve Bank registered a decline of Rs.932 crore or (-)1.1 per cent as against an increase of Rs.7,465 crore or 9.3 per cent in the previous year. The pace of expansion in reserve money during 1993-94 fuelled by large capital inflow was to some extent neutralised by the large scale open market operations undertaken by the Reserve Bank in the form of outright sale of Government securities to the tune of Rs.9,047 crore from its own holdings. The placement of 91-day Treasury bills in the market through auctions since January 1993 also facilitated larger market absorption of these bills. Had not these factors softened the monetised deficit during 1993-94, reserve money growth during the year would have been much sharper.

Some Monetary Relationships

There has been a marked degree of seasonality in monetary expansion during the last year,caused by an unseasonal factor, namely, the large accretion to foreign exchange assets. As this accrual took place during the second half of 1993-94, the growth rate of reserve money (RM) turned out to be sharply higher than that of M_3. This was reflected in the lower value of incremental broad money multiplier at 2.40 during 1993-94 on the basis of the year- end numbers. The simple broad money multiplier was 3.13 when the year end outstandings were considered (Table VI-5). However, based on averages of all reporting Fridays of the year, the discrepancy between the incremental and average money multiplier had narrowed down. Reflecting mainly the growth in primary liquidity and moderation in bank deposits, both currency/aggregate deposits (C/AD) ratio and bank reserves/aggregate deposits (BR/AD) ratio showed an upward movement. While the upward drift in C/AD could be explained in terms of growth in NFA, the increase in BR/AD ratio, against the background of a fall in CRR, implied the maintenance of excess reserves by scheduled commercial banks as also a moderation in bank deposit expansion. The ratio of net foreign exchange assets to currency rose sharply in the context of the increase in NFA. The NFA/currency ratio, which was 29.6 per cent in March 1992, rose to 31.8 per cent in March 1993 and further to 60.3 per cent in March 1994. As on August 19, 1994, the ratio was still higher at 69.1 per cent. The trend in this ratio shows that during the period of the upswing in foreign exchange assets, the currency expansion was lower than the capital inflow. As such, when capital outflow emerges, the foreign exchange reserves would be large enough to meet the outflow. This ratio provides a rough indicator of the quality of monetary management.

Income Velocity of Money

The income velocity of broad money, i.e., the ratio of GDP at current market prices to M_3, moved down from 2.04 in 1992-93 to 2.00 during the year under review (Table VI-6). The sharp fall in income velocity of M_3 is indicative of the rising money demand. Nevertheless, the income velocity for M_1 registered a modest increase during the year under review, thus implying the economic units' relative preference for holding of interest-bearing money.

Monetary Trends during April-August 1994

During the period April-August 1994, M_1 registered a higher expansion of Rs.7,198 crore or 4.8 per cent as compared with that of Rs.4,532 crore or 3.7 per cent last year. While M_3 recorded a higher increase in absolute terms of Rs.28,042 crore as compared with Rs.24,066 crore during the

corresponding period of the previous year, in percentage terms, the growth at 6.5 per cent was 0.1 percentage point lower. Currency with the public grew at a faster pace and demand deposits registered a small expansion as against a substantial reduction in the corresponding period last year. Time deposits registered a higher increase in absolute terms; in percentage terms, however, its expansion at 7.4 per cent was 0.6 percentage point lower than that during the corresponding period of the previous year. The increase in M_3 is explained mainly by two factors, *viz.*, other banks' credit to Government and net foreign exchange assets of the Reserve Bank which went up by Rs.15,386 crore or 14.7 per cent and Rs.11,709 crore or 22.8 per cent, respectively.

The growth in reserve money during the period April-August 1994 at Rs.12,296 crore or 8.9 per cent was lower than that of Rs.12,565 crore or 11.3 per cent during the comparable period of the previous year. Net foreign exchange assets of the RBI emerged as the single-most important source contributing to expansion in reserve money. NDA of the Reserve Bank, therefore, grew by a lower amount of Rs.587 crore or 0.7 per cent as compared with that of Rs.9,067 crore or 10.3 per cent during the comparable period of the previous year.

Currency and Coinage

The share of notes in currency in circulation increased marginally from 97.4 per cent in 1992-93 to 97.7 per cent during the year under review(Table VI-7). The share of both rupee coins and small coins in currency in circulation fell in line with the long term trends. During the period April-August 1994, the expansion in currency in circulation at Rs.5,998 crore or 7.0 per cent was more than that of Rs.4,377 crore or 6.1 per cent during the comparable period of the preceding year.

Denomination - wise share of notes in total notes issued during the period 1981 to 1993 indicates that the earlier long-term trend of shift in the composition of total notes from lower to higher denomination broadly continued reflecting fall in the vlaue of money (Table VI-8). While the shares of Rs.2, Rs.5, Rs.10 and Rs.20 declined, the shares of Rs.50 and Rs.500 in the total currency issued registered increase. The share of notes in the denomination of Rs.100 declined this year after showing an increase during 1991-92. The share of notes in the denomination of Rs.500 has a significant increase and has, in fact, doubled during 1992-93.

Issue of Coins and Notes

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

a) Rupee one coin on the occasion of the Golden Jubilee of "Quit India Movement" on July 12, 1993,
b) Rupees two coin on :
   i) "World Population Day" on July 11, 1993,
   ii) "World Food Day" on October 15, 1993, and
   iii) "National Land Conservation Week" in November 1993.

The new series of notes issued by the Reserve Bank include those in the denominations of Rs.10, Rs.50, Rs.100 and Rs.500 bearing the signature of the Governor, Dr. C. Rangarajan, and in the case of the first three denominations with minor modifications in the existing designs as described below:

a) Notes in denomination of Rs.10 (Shalimar garden design) incorporating capital letter 'B' inset in the numbering panel;

b) Notes in denomination of Rs.50 incorporating capital letters 'B' and 'C' inset

in the numbering panel; and

c) Notes in denomination of Rs.100 incorporating capital letter 'A' inset in the numbering panel.

Lost, Destroyed and Mutilated Notes

During the year 1993-94, various offices of the Reserve Bank received 2.02 lakh claims (2.16 lakh claims last year) in respect of mutilated notes involving 292.82 lakh pieces (250.51 lakh pieces last year) valued at Rs.27.01 crore (Rs. 25.36 crore last year). Out of these, 1.91 lakh claims in respect of 290.06 lakh pieces amounting to Rs. 30.99 crore were approved for payment. Payments against approved claims during 1993-94 totalled Rs. 30.63 crore (Statement 173, Vol. II)

The number of claims in respect of mutilated notes received from the currency chest branches of public sector banks including State Bank of India and its associates continued to remain at high levels during 1993-94. The aggregate value of such claims received during 1993-94 by all banks (RBI, SBI and its associates and other public sector banks) was Rs.121.09 crore (Rs. 78.16 crore last year). It is pertinent to note that the strong presence of the public sector banks in handling the claims of mutilated notes follows delegation of full powers to them to accept all types of mutilated notes from the public and pay exchange under the RBI Note Refund Rules. The share in the value of such claims received by the public sector banks other than SBI and its associates was Rs.60.40 crore (Rs.21.25 crore last year) accounting for 50 per cent of total claims as compared with 27 per cent in the previous year. The value of claims received by SBI and its associates was Rs.33.68 crore accounting for 27.8 per cent as against 40.3 per cent last year and those received by the RBI was Rs.27.01 crore accounting for 22.3 per cent (32.5 per cent last year) of the total claims. Similar trend is noticeable in respect of the claims approved also.

Note forgeries

A mention was made in the last year's Report about the declining trend in note forgeries. According to information received from National Crime Records Bureau, New Delhi and reports received from various offices of the Reserve Bank, the volume of forged/counterfeit notes in circulation has declined further in 1993-94. The total number of forged notes detected declined from 10,889 pieces in 1992-93 to 9,952 pieces in 1993-94. The value of the forged notes detected during the financial year 1993-94 also went down to Rs. 4.07 lakh from Rs.4.52 lakh during the previous financial year.

Currency Management

There was a marginal increase in the supply of fresh notes from the existing Presses at Dewas and Nashik. The two note presses were able to meet the Bank's indent for the year 1993-94 (April-March) to the extent of 34 per cent in terms of volume and 30 per cent in terms of value. As a result, the process of salvaging maximum number of notes for reissue continued during 1993-94 to meet the demand, eventhough this would imply a lower quality of notes in circulation. The Bank also continued to effect inter and intra circle diversion of notes from surplus currency chests to deficit ones. The process of coinisation of lower denomination notes of Re.1, Rs.2 and Rs.5 which was expected to be completed by 1995 has been postponed to 1998 pending modernisation of the mints. It was mentioned in the last year's Report that a new family of notes with reduced size to increase the production by around twenty per cent was to be introduced. It has since been decided that the existing size of the notes may be retained. The shortage in the supply of fresh notes is likely to continue till such time the modernisation programme of the existing two note presses gets under way and the two new note presses are

commissioned for production.

Trends in Bullion Prices

Policy Developments

The liberalisation process which started with the scrapping of the Gold Control Act, 1968 in 1990, continued during 1993-94. In continuation of the liberalised import procedures in case of gold, the EXIM policy, announced on March 30, 1994, allowed gold to be imported against the Special Import Licences issued to exporters after payment of the prescribed customs duty in foreign exchange. In order to mitigate the difficulties and security hazards faced by NRIs in bringing gold with them as personal baggage, the Government of India had approved a proposal to allow State Bank of India and MMTC Ltd. to import gold on consignment basis and sell the same within the country to those NRIs who are eligible to bring in gold under the NRI scheme. Other terms and conditions for NRI import would continue to be applicable. The agencies are in the process of finalising the scheme.

The silver import scheme for Non-Resident Indians and returning Indians announced by the Government on February 8, 1993 received good response as evident from the fact that about 3946 tonnes of silver was imported under this scheme during the period February 1993-August 1994. This fetched the Government about Rs.198 crore in foreign exchange as customs duty on this account.

Gold Prices in Domestic Markets[1]

In the Bombay bullion market, the average price of gold per 10 grams stood at Rs.4,331 in April 1993. It reached a peak of Rs.4,659 or 13.8 per cent over March 1993 level by January 1994 but fell thereafter to Rs.4,598 or 1.3. per cent over the peak level by March 1994 (Table VI-9). The price of gold, both on an year-end and monthly average basis, rose by 11.1 per cent and 10.4 per cent respectively, as against a decline of 4.5 per cent, each on both the bases, in the previous year (Table IV-10). The rise in domestic price of gold, while reflecting the trends in international price as in the past, could also be attributed to higher demand coinciding with the period of currency of the Gold Bond Scheme. Notwithstanding the increase in domestic prices, the spread between Bombay and London gold prices narrowed to 18.8 per cent in March 1994 from 22.4 per cent in March 1993 reflecting a fall in the premium over the international prices, and the process of integration of the domestic market with the international market. On a financial year average basis too, the spread was lower at 20.3 per cent than that of 23.1 per cent recorded during 1992-93.

During the first five months (i.e., April-August) of the financial year 1994-95, the movement in gold price showed a somewhat mixed trend. The uptrend witnessed in the initial months tapered off since June 1994 but recovered later in August 1994. There was a seasonal reduction in the spread between the Bombay and London gold price up to July 1994 which however, widened to 20.0 per cent in August 1994.

Silver

The process of liberalisation of imports was more rapid in the case of silver than with regard to gold essentially due to two major factors *viz.*, i) in July 1993, as a part of further relaxation of the Advance Licensing Scheme of the 1992-97 Export-Import Policy, the Government decided to permit import of silver as an input for export production,

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

allowing import of silver free of customs duties by engineering and other exporters, and ii) the customs authorities, for the first time, sold confiscated silver from August 7, 1993 in four major centres of New Delhi, Madras, Calcutta and Bombay at 5 per cent discount on the previous day's official closing rate, announced by the Bombay Bullion Association.

Silver price (monthly average) in the domestic market for the year ending March 1994 registered a sharp increase of 27.2 per cent over March 1993, in contrast to a decline of 30.1 per cent in 1992-93 (Table VI-11). The marked pick-up in the year-end silver price was, however, the outcome of special factors such as the shortfall in supplies from abroad, following the spurt in overseas prices and the absence of sale of silver by the Customs department towards the end of the year i.e., since March 7, 1994. However, on an average basis, silver price witnessed a fall of 10.3 per cent over and above the fall of 3.5 per cent during the previous year (Table VI-12).

In the international market silver price witnessed a spurt, both on a point-to-point basis and average basis, unlike in the domestic market. The annual average spread between the Bombay and New York price narrowed substantially to 33.9 per cent from 88.8 per cent, a year ago.

During the first five months (i.e., April-August) of financial year 1994-95, silver price registered a downturn in the domestic market. In the international market too, there has been a tendency of tapering off of the spread between Bombay and New York silver prices.

Table VI-1 : Money Supply and its Components

(Rupees crore)

Item	Variations during financial year*						Out-standing as on March 31, 1994 @	Variations during *			
	1991-92		1992-93		1993-94 @			April-August 1993		April-August 1994@	
	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)	21,514	23.2	9,660	8.4	26,234	21.1	1,50,300	4,532	3.7	7,198	4.8
a. Currency with the public	8,050	15.2	7,175	11.7	13,925	20.4	82,198	4,547	6.7	6,049	7.4
b. Demand deposits with banks	13,253	33.8	2,057	3.9	11,094	20.4	65,574	-1,453	-2.7	357	0.5
c. 'Other' deposits with RBI	211	31.3	428	48.4	1,215	92.5	2,528	1,438	109.5	792	31.3
Post Office Savings Bank Deposits	415	9.9	204	4.4	-328	-6.8	4,496	-445	-9.2	—	—
M_2 (M_1 + Post Office Savings Bank Deposits)	21,929	22.6	9,864	8.3	25,906	20.1	1,54,796	4,087	3.2	7,198	4.6
Time deposits with banks	29,707	17.2	40,116	19.8	40,507	16.7	2,83,266	19,534	8.0	20,844	7.4
M_3 (M_1 + Time Deposits with banks)	51,221	19.3	49,776	15.7	66,741	18.2	4,33,566	24,066	6.6	28,042	6.5
Total Post Office Deposits	5,460	37.2	1,448	7.2	395	1.8	21,984	-78	-0.4	—	—
M_4 (M_3 + Total Post Office Deposits)	56,681	20.2	51,224	15.2	67,136	17.3	4,55,550	23,988	6.2	28,042	6.2

@ 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)

Item	Variations during the financial year*						Outstanding as on March 31, 1994@	Variations during*			
	1991-92		1992-93		1993-94@			April-August 1993		April-August 1994@	
	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)	**51,221**	**19.3**	**49,776**	**15.7**	**66,741**	**18.2**	**4,33,566**	**24,066**	**6.6**	**28,042**	**6.5**
1. Net Bank Credit to Government (A+B)	**18,070**	**12.9**	**17,975**	**11.4**	**27,548**	**15.6**	**2,03,786**	**22,526**	**12.8**	**9,452**	**4.6**
A. RBI's net credit to Government (i+ii)#	5,168	5.8	4,433	4.7	851	0.9	99,300	14,501	14.7	-5,934	-6.0
i) Net claims on Central Government (a-b)	5,508	6.3	4,257##	4.6	260##	0.3	96,783##	16,245	16.8	-3,760	-3.9
a. Claims on Central Government	5,904	6.7	3,273	3.5	1,348	1.4	98,969	15,202	15.6	-5,894	-6.0
b. Deposits of Central Government	396	23.5	-984	-47.3	1,088	99.1	2,186	-1,043	-95.0	-2,134	-97.6
ii) Net claims on State Governments (a-b)	-340	-16.3	176	10.1	591	30.7	2,517	-1,744	-90.6	-2,174	-86.4
a. Claims on State Governments	-340	-16.3	176	10.1	591	30.7	2,517	-1,731	-89.9	-2,159	-85.8
b. Deposits of State Governments	—	—	—	—	—	—	—	13	@@	15	@@
B. Other banks'credit to Government	12,902	25.1	13,542	21.1	26,697	34.3	1,04,486	8,025	10.3	15,386	14.7
2. Bank Credit to Commercial Sector (A+B)	**16,224**	**9.4**	**32,142**	**17.1**	**17,068**	**7.8**	**2,37,203**	**-833**	**-0.4**	**2,402**	**1.0**
A. RBI's credit to commercial sector $	918	14.5	-1,040	-14.3	225	3.6	6,445	66	1.1	-1	—
B. Other banks'credit to commercial sector (i+ii+iii)	15,306	9.3	33,182	18.4	16,843	7.9	2,30,758	-899	-0.4	2,403	1.0
i) Bank credit by commercial banks	9,299	8.0	26,395	21.0	12,435	8.2	1,64,479	-786	-0.5	2,701	1.6
ii) Bank credit by co-operative banks	3,497	15.3	4,385	16.6	2,374	7.7	33,183	-951	-3.1	-21	-0.1
iii) Investments by commercial and co-operative banks in other approved securities	2,510	9.6	2,402	8.4	2,034	6.5	33,096	838	2.7	-277	-0.8
3. Net Foreign Exchange Assets of Banking sector (A+B)**	**10,645 (8,931)**	**100.6 (84.4)**	**3,726 (2,286)**	**17.6 (10.8)**	**28,775 (26,904)**	**115.3 (107.8)**	**53,727**	**3,498 (1,458)**	**14.0 (5.8)**	**11,709 (11,652)**	**21.8 (21.7)**
A. RBI's net foreign exchange assets(i-ii)	10,855	136.0	3,809	20.2	28,775	127.1	51,422	3,498	15.4	11,709	22.8
i) Gross foreign assets	12,400	110.5	7,072	29.9	29,392	95.8	60,081	4,264	13.9	8,122	13.5
ii) Foreign liabilities	1,545	47.8	3,263	68.3	617	7.7	8,659	766	9.5	-3,587	-41.4
B. Other banks' net foreign exchange assets	-210	-8.1	-83	-3.5	—	—	2,305	—	—	—	—
4. Government's Currency Liabilities to the Public	**83**	**5.1**	**120**	**7.0**	**114**	**6.3**	**1,938**	**59**	**3.2**	**52**	**2.7**
5. Banking Sector's Net Non-monetary Liabilities other than Time Deposits (A+B)	**-6,199**	**-10.6**	**4,187**	**8.0**	**6,764**	**12.0**	**63,088**	**1,184**	**2.1**	**-4,427**	**-7.0**
A. Net non-monetary liabilities of RBI **	393	1.5	831	3.0	-2,212	-7.8	26,034	695	2.5	-2,258	-8.7
B. Net non-monetary liabilities of other banks (residual)	-6,592	-21.1	3,356	13.6	8,976	32.0	37,054	489	1.7	-2,169	-5.9

@ Provisional. @@ Increase over zero.

* 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.

Table VI-3: Seasonal Variations in M_3 and its Sources of Change

(Rupees crore)

Item	Variations during							
	Slack Season				Busy Season			
	1992		1993 @		1992-93		1993-94 @	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
1	2	3	4	5	6	7	8	9
I. M_1 (a+b(i)+c)	**-1,384**	**-1.2**	**-1,793**	**-1.3**	**14,363**	**12.1**	**26,680**	**20.3**
II. M_3 (a+b+c)	**23,926**	**7.3**	**18,040**	**4.7**	**31,113**	**8.9**	**47,402**	**11.9**
a. Currency with the public	27	—	1,906	2.6	8,355	13.0	12,654	17.0
b. Aggregate deposits with banks (i+ii)	20,885	8.0	19,594	6.5	22,309	7.9	34,893	10.8
i) Demand deposits	-4,425	-8.2	-239	-0.4	5,559	11.3	14,171	25.9
ii) Time deposits	25,310	12.3	19,833	8.0	16,750	7.2	20,722	7.7
c.'Other' deposits with RBI	3,014	144.3	-3,460	-62.3	449	8.8	-145	-6.9
III. Sources of change in M_3 (1+2+3+4-5)								
1. Net Bank Credit to Government (A+B)	**7,052**	**4.3**	**8,783**	**4.7**	**14,713**	**8.6**	**15,376**	**7.9**
A. RBI's net credit to Government(i+ii) #	1,822	1.9	-2,378	-2.2	9,087	9.1	-10,210	-9.6
i) Net claims on Central Government (a-b)	1,892	1.9	-2,361	-2.2	9,247	9.3	-10,276	-9.7
a. Claims on Central Government	1,760	1.8	-2,362	-2.2	9,248	9.3	-10,275	-9.7
b. Deposits of Central Government	-132	-71.4	-1	-1.9	1	1.9	1	1.9
ii) Net claims on State Governments (a-b)	-70	-16.6	-17	-8.9	-160	-45.5	66	37.7
a. Claims on State Governments	-108	-22.8	-79	-29.4	-96	-26.3	69	36.3
b. Deposits of State Governments	-38	-74.5	-62	-80.5	64	492.3	3	20.0
B. Other banks'credit to Government	5,230	7.8	11,161	14.4	5,626	7.8	25,586	28.8
2. Bank Credit to Commercial Sector (A+B)	**9,452**	**4.8**	**1,842**	**0.8**	**18,632**	**9.1**	**14,997**	**6.6**
A. RBI's credit to commercial sector *	-1,499	-19.9	-178	-2.8	438	7.3	148	2.4
B. Other banks'credit to commercial sector (i+ii+iii)	10,951	5.8	2,020	0.9	18,194	9.1	14,849	6.8
i) Bank credit by commercial banks	8,442	6.4	411	0.3	14,848	10.5	11,549	7.4
ii) Bank credit by co-operative banks	1,029	3.9	-247	-0.8	2,855	10.4	3,485	11.6
iii) Investments by commercial and co-operative banks' in other securities	1,480	5.1	1,856	6.0	491	1.6	-185	-0.6
3. Net Foreign Exchange Assets of the Banking Sector (A+B) **	**-581**	**-2.8**	**3,070**	**11.4**	**6,706**	**33.2**	**27,117**	**90.4**
A. RBI's net foreign exchange assets(i-ii)	-498	-2.7	3,070	12.5	6,706	37.4	27,117	97.9
i) Gross foreign assets	697	3.0	3,821	11.7	8,794	36.9	23,455	64.4
ii) Foreign liabilities	1,195	25.4	751	9.4	2,088	35.4	-3,662	-41.9
B. Other banks' net foreign exchange assets	-83	-3.5	—	—	—	—	—	—
4. Government's Currency Liabilities to the Public	**62**	**3.6**	**74**	**4.0**	**61**	**3.4**	**79**	**4.1**
5. Banking Sector's Net Non-monetary Liabilities other than Time Deposits (A+B)	**-7,941**	**-14.2**	**-4,271**	**-7.5**	**8,999**	**18.7**	**10,167**	**19.3**
A. Net non-monetary liabilities of RBI**	-1,417	-5.6	-2,312	-8.5	3,439	14.4	-649	-2.6
B. Net non-monetary liabilities of other banks (residual)	-6,524	-21.2	-1,959	-6.6	5,560	23.0	10,816	38.9

@ 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.

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

(Rupees crore)

Item	Variations during $				Outstanding as on March 31, 1994 *	Variations during $			
	1992-93		1993-94*			April-August 1993-94		April-August 1994-95*	
	Absolute	Percentage	Absolute	Percentage		Absolute	Percentage	Absolute	Percentage
1	2	3	4	5	6	7	8	9	10
Reserve Money (1+2+3+4)	**11,274**	**11.3**	**27,843**	**25.1**	**1,38,622**	**12,565**	**11.3**	**12,296**	**8.9**
1. Currency with the public	7,175	11.7	13,925	20.4	82,198	4,547	6.7	6,049	7.4
2. 'Other' deposits with RBI	428	48.4	1,215	92.5	2,528	1,438	109.5	792	31.3
3. Cash with banks	413	15.6	92	3.0	3,145	-170	-5.6	-51	-1.6
4. Bankers' deposits with RBI	3,258	9.3	12,611	33.1	50,751	6,750	17.7	5,506	10.8
Sources of Reserve									
Money (1+2+3+4+5-6)	**11,274**	**11.3**	**27,843**	**25.1**	**1,38,622**	**12,565**	**11.3**	**12,296**	**8.9**
1. Net RBI credit to Government #	4,433	4.7	851	0.9	99,300	14,501	14.7	-5,934	-6.0
2. RBI's claims on commercial and co-operative banks @	4,783	93.7	-4,334	-43.8	5,551	-4,864	-49.2	4,212	75.9
3. RBI's credit to commercial sector	-1,040	-14.3	225	3.6	6,445	66	1.1	-1	—
4. Net foreign exchange assets of RBI **	3,809	20.2	28,775	127.1	51,422	3,498	15.4	11,709	22.8
	(2,369)	(12.6)	(26,904)	(118.8)		(1,458)	(6.4)	(11,652)	(22.7)
5. Government's currency liabilities to the public	120	7.0	114	6.3	1,938	59	3.2	52	2.7
6. Net non-monetary liabilites of RBI **	831	3.0	-2,212	-7.8	26,034	695	2.5	-2,258	-8.7
Net Domestic Assets of RBI	7,465	9.3	-932	-1.1	87,200	9,067	10.3	587	0.7

* Provisional.

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

@ Including NABARD. # Includes special securities.

** Inclusive of appreciation in the value of gold following its revaluation close to international market prices 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 : Monetary Ratios

Item	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94 @
1	2	3	4	5	6	7
A. Point-to-point basis as on March 31						
a) Currency/Aggregate deposits	0.248	0.252	0.250	0.240	0.230	0.236
b) Currency/ M_3	0.198	0.200	0.200	0.192	0.186	0.190
c) Aggregate deposits/M_3	0.798	0.797	0.798	0.805	0.810	0.805
d) Bank reserves/Aggregate deposits	0.155	0.167	0.161	0.147	0.139	0.155
Incremental ratios						
a) Δ Currency/Δ Aggregate deposits	0.198	0.269	0.241	0.187	0.170	0.270
b) Δ Currency/Δ M_3	0.163	0.213	0.193	0.157	0.144	0.209
c) Δ Aggregate deposits/Δ M_3	0.827	0.790	0.804	0.390	0.847	0.773
d) Δ Bank reserves/Δ Aggregate deposits	0.182	0.228	0.120	0.081	0.087	0.246
Money multiplier						
a) M_1/RM	1.061	1.045	1.058	1.150	1.120	1.084
b) M_3/ RM	3.073	2.977	3.028	3.186	3.311	3.128
Incremental money multiplier						
a) Δ M_1/Δ RM	0.869	0.975	1.161	1.835	0.857	0.942
b) Δ M_3/Δ RM	3.086	2.560	3.423	4.368	4.415	2.397
B. Averages of all reporting Fridays of months from April to March $						
a) Currency/Aggregate deposits	0.250	0.250	0.253	0.247	0.233	0.238
b) Currency/M_3	0.200	0.200	0.201	0.197	0.187	0.190
c) Aggregate deposits/M_3	0.798	0.798	0.795	0.798	0.802	0.801
d)Bank reserves/Aggregate deposits	0.153	0.151	0.146	0.150	0.144	0.141
Incremental ratios						
a) Δ Currency/Δ Aggregate deposits	0.204	0.250	0.268	0.218	0.160	0.265
b) Δ Currency/Δ M_3	0.169	0.199	0.208	0.178	0.131	0.212
c) Δ Aggregate deposits/Δ M_3	0.828	0.796	0.776	0.816	0.823	0.800
d) Δ Bank reserves/Δ Aggregate deposits	0.179	0.138	0.116	0.170	0.094	0.140
Money multiplier						
a) M_1/RM	1.065	1.078	1.090	1.108	1.115	1.090
b) M_3/RM	3.094	3.099	3.111	3.108	3.213	3.209
Incremental money multiplier						
a)Δ M_1/Δ RM	0.930	1.163	1.109	1.210	1.166	0.931
b)Δ M_3/Δ RM	3.127	3.129	3.026	3.095	3.925	3.182

@ 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.

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 or aggregate monetary resources to reserve money.

Table VI-6 : 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
1989-90	4,56,820	15.4	42,678	20.2	1,70,554	17.9	74,370	19.7	2,13,807	18.4	10.704	2.678	6.143	2.137
1990-91	5,32,030	16.5	50,046	17.3	1,98,066	16.1	87,375	17.5	2,49,282	16.6	10.631	2.686	6.089	2.134
1991-92	6,15,655	15.7	57,675	15.2	2,33,109	17.7	1,04,178	19.2	2,92,244	17.2	10.675	2.641	5.910	2.107
1992-93	7,05,566	14.6	64,781	12.3	2,77,659	19.1	1,20,254	15.4	3,46,375	18.5	10.892	2.541	5.867	2.037
1993-94P	8,03,632	13.9	76,344	17.8	3,21,362	15.7	1,36,235	13.3	4,01,014	15.8	10.526	2.501	5.899	2.004

P Provisional.

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

Table VI-7 : 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
1991-92	62,034	8,373	975	39	729	44	63,738	8,456	2,640	406
	(97.3)		(1.5)		(1.2)		(100.0)			
1992-93	69,502	7,468	1,044	69	780	51	71,326	7,588	3,053	413
	(97.4)		(1.5)		(1.1)		(100.0)			
1993-94 P	83,405	13,903	1,127	83	811	31	85,343	14,017	3,145	92
	(97.7)		(1.3)		(1.0)		(100.0)			
April-August '93	73,820	4,318	1,084	40	799	19	75,703	4,377	2,883	-170
	(97.5)		(1.4)		(1.1)		(100.0)			
April-August '94 P	89,351	5,946	1,161	34	829	18	91,341	5,998	3,094	-51
	(97.8)		(1.3)		(0.9)		(100.0)			

P Provisional

Note : 1. Figures in brackets are proportions to total currency.
2. Financial year data relate to March 31.

Table VI-8 : Denomination-wise Share of Notes in Total Notes Issued

(Percentages)

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	96.4
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	98.9
1993	1.0	2.9	6.2	3.3	32.5	47.0	7.1	100.0	98.9

* Inclusive of issue of Small and Rupee coins.

Table VI-9 : Gold Prices in Bombay and London (Monthly Averages)

(Rupees per 10 grams)

Month	Bombay	London	London (US Dollars per troy oz.)	Spread betrween 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
March 1994	4,598.19	3,870.67	383.65	727.52	18.8
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	707.16	18.5
September 1993	4,401.63	3,584.30	355.36	817.33	22.8
October 1993	4,483.64	3,671.37	364.00	812.27	22.1
November 1993	4,587.09	3,773.22	374.22	813.87	21.6
December 1993	4,637.46	3,865.33	383.24	772.13	20.0
January 1994	4,659.04	3,907.58	387.11	751.46	19.2
February 1994	4,606.21	3,849.28	381.66	756.93	19.7
March 1994	4,598.19	3,870.67	383.65	727.52	18.8
1994-95					
April 1994	4,641.04	3,814.20	378.19	826.84	21.7
May 1994	4,665.38	3,842.86	381.34	822.52	21.4
June 1994	4,593.58	3,885.92	385.51	707.66	18.2
July 1994	4,597.42	3,887.18	385.41	710.24	18.3
August 1994	4,602.83	3,835.65	380.14	767.18	20.0

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 dollors 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. dollors 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-10 : Gold Prices in Bombay and London (Financial Year 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
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	23.1
1993-94	4,531.87	3,766.28	373.42	765.59	20.3

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 dollors 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. dollors 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 : 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	6,833.63	2,951.56	592.98	3,882.07	131.5
March	1990	6,712.08	2,786.59	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
March	1994	7,062.58	5,488.13	543.86	1,574.45	28.7
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	1,993	6,362.35	4,819.75	477.86	1,542.60	32.0
September	1993	6,071.67	4,207.65	417.17	1,864.02	44.3
October	1993	5,974.68	4,385.63	434.83	1,589.05	36.2
November	1993	6,070.13	4,566.08	452.50	1,504.05	32.9
December	1993	6,562.65	4,973.97	493.17	1,588.68	31.9
January	1994	6,746.00	5,167.31	513.14	1,578.69	30.6
February	1994	6,839.50	5,317.54	527.24	1,521.96	28.6
March	1994	7,062.58	5,488.13	543.86	1,574.45	28.7
1994-95						
April	1994	7,046.25	5,369.34	532.06	1,676.91	31.2
May	1994	6,980.96	5,472.96	543.13	1,508.00	27.6
June	1994	6,784.88	5,432.66	539.30	1,352.22	24.9
July	1994	6,707.35	5,331.92	528.65	1,375.43	25.8
August	1994	6,661.22	5,246.51	519.66	1,414.71	27.0

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. dollors 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 (Financial Year Averages)

(Rupees per kg.)

Month	Bombay	New York	New York (cents per troy oz.)	Spread betrween Bombay and New York Prices	
				Absolute	Percentage
1	2	3	4	5	6
1970-71	536.08	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	88.8
1993-94	6,348.12	4,741.09	469.98	1,607.03	33.9

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. dollors 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*

The operations of scheduled commercial banks during 1993-94 were marked by two significant developments. First, there was a sharp accretion to demand deposits together with deceleration in time deposits; aggregate deposits grew at a faster pace than in the previous year. Secondly, there was a discernible shift in portfolios in favour of Government securities ; consequently bank credit decelerated.

Trends on a point to point basis

Aggregate Deposits

During 1993-94, aggregate deposits of scheduled commercial banks expanded by 17.3 per cent as compared with 16.4 per cent in 1992-93, it was, however, lower than the 13-year average of 17.86 per cent in the recent past (1981-82 to 1992-93)(Table VII-1). In the first half of 1993-94, accretion to aggregate deposits at Rs.17,836 crore was within expected range. In the later half, however, aggregate deposits showed a phenomenal increase mainly under the influence of the liquidity effect engendered by large capital inflows (Table VII-2). Consequently, the actual growth at the end of March 1994 overshot the initial working estimate of Rs.34,750 crore by 34 per cent.

The growth in aggregate deposits was composed of a sharp rise of Rs.10,111 crore or 21.8 per cent in demand deposits and an increase of Rs.36,449 crore or 16.4 per cent in time deposits. It is of significance to note here that while demand deposits grew at a much higher rate than the average of 16.5 per cent for last 13-years, time deposits rose much below the average of 18.3 per cent for the same period. The significant growth in demand deposits reflects the preference for liquidity in the face of a host of emerging investment opportunities.

Bank Credit

The expansion in bank credit at Rs.12,436 crore or 8.2 per cent was subdued in 1993-94 essentially due to a marked slowdown in non-food credit. Food credit expanded by Rs.4,164 crore or 61.8 per cent on the top of an increase of Rs.2,073 crore or 44.4 per cent a year ago reflecting record procurement of foodgrains. Non-food credit registered a lower increase of Rs.8,271 crore or 5.7 per cent as compared with that of Rs.24,317 crore or 20.1 per cent in the previous year. The moderate expansion in non-food credit is attributable to a number of factors. First, rated corporates were flush with funds by raising large amounts from the domestic capital market and from the international markets through the issue of Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs). Secondly, good companies mobilised large resources through the issue of Commercial Papers at rates of interest much less than the minimum lending rate. Thirdly, better inventory management in the wake of liberalised import policy reduced the demand for credit. Finally, the slower pace of industrial recovery also affected the demand for credit. Moreover, the banks have also been somewhat cautious in lending due to associated credit risk in view of the prudential norms.

Both the credit-deposit ratio and the non-food credit-deposit ratio registered significant declines. The credit-deposit ratio fell from 56.6 per cent to

* This includes developments in credit and money markets. This Chapter is based on information/data available upto end-October 1994.

52.2 per cent while non-food credit-deposit ratio declined from 54.1 per cent to 48.7 per cent.

Investments

During the year under review, investments recorded a marked increase of Rs.26,866 crore (25.4 per cent) as compared with Rs.15,460 crore (17.1 per cent) in 1992-93. Investment in Government Securities, recorded a faster growth of Rs.25,256 crore (33.3 per cent) on the top of an increase of Rs.13,218 crore (21.1 per cent) in the previous year. This was facilitated by the banks' restructuring of their portfolios in favour of risk-free assets and by the easy availability of auctioned Government securities at market related rates.

Bankers' Deposits with RBI

During 1993-94 banks' cash balances with RBI increased significantly by Rs.19,215 crore (62.3 per cent) in contrast to a decline of Rs.5,359 crore (14.8 per cent) during the previous year partly reflecting their idle balances with RBI. The excess reserves held by banks also reflect relatively low opportunity cost of banks' investments and advances.

Trends in the First Five Months of 1994-95 (April-August)

During the first five months of 1994-95, the growth in aggregate deposits of scheduled commercial banks was marginally lower at 6.1 per cent (Rs.19,173 crore) as compared with a growth of 6.2 per cent (Rs.16,760 crore) a year ago. This expansion is in line with the projected expansion of Rs.25,000 crore in the first half of 1994-95. However, bank credit recorded a growth of 1.6 per cent as against a fall of 0.5 per cent in the corresponding period. Food-credit expanded by Rs.769 crore (7.1 per cent) and non-food credit by Rs.1,932 crore which is significant as compared with an absolute decline of Rs.3,178 crore in the previous corresponding quarter. Investments registered an accelerated growth of Rs.14,365 crore (10.8 per cent) as against Rs.8,290 crore (7.8 per cent) mainly due to a sharp rise in investment in Government securities by Rs,14,720 crore (14.5 per cent). Thus, the first five months of 1994-95 shows the continuation of emphasis on investment portfolio observed in 1993-94. At the same time, the improved industrial atmosphere was reflected in a pick-up in non-food credit.

Trends on an average basis

On an average basis, major banking trends for 1993-94 showed significant differences from the results on a point-to-point basis. Growth in demand deposits and investments in Government securities were lower at 9.9 per cent (Rs.4,424 crore) as against 21.8 per cent (Rs.10,111 crore) for demand deposits and 24.7 per cent (Rs.17,235 crore) as compared with 33.3 per cent (Rs. 25,256 crore) for investments in Government securities. However, bank credit on average basis registered a higher growth of 12.3 per cent (Rs.17,229 crore) as compared with 8.2 per cent (Rs.12,436 crore) (Table VII-3).

Sectoral Deployment of Credit

Data on sectoral deployment of credit for 1993-94 set out in Table VII-4, indicate that non-food gross bank credit expansion at Rs. 5,601 crore during 1993-94 was significantly lower as compared with a larger rise of Rs.18,993 crore in the previous year. Priority sector advances showed an increase of Rs.4,117 crore during 1993-94 as against a slightly larger rise of Rs.4,333 crore during 1992-93. Segment-wise, advances to agriculture and other priority sectors recorded lower increases while small scale industries registered larger expansion during the year under review. Advances to priority sectors, as a proportion to net bank credit marginally increased to 35.3 per cent as on March 18, 1994 from 35.1 per cent as on March 19, 1993. Bank credit to medium and large industry witnessed a decline of Rs.755 crore during 1993-94 as against a substantial rise of Rs.11,537 crore during 1992-93. Bank credit to wholesale trade, however,

showed a moderate increase of Rs.425 crore as compared with a higher rise of Rs.755 crore during 1992-93.

Industry-wise deployment of credit

Credit to industries such as other metals and metal products, gems and jewellery, coal, jute textiles, leather and leather products and paper and paper products registered expansion in 1993-94. On the other hand, credit to industries such as iron and steel, engineering, chemicals group, petroleum, and tobacco and tobacco products showed a decline (Table VII-5).

Financing of Inventories by Companies

The ratio of total bank borrowings to total inventories of 648 large public limited companies showed an upward shift from 59.2 per cent in 1990-91 to 60.3 per cent in 1991-92. The ratio of short term borrowings to total inventories also increased from 48.1 per cent to 50.5 per cent. The ratio of total inventories to sales, however, declined from 25.1 per cent to 24.5 per cent in 1991-92 (Table VII-6).

Advances to Priority Sectors

Policy changes relating to priority sector advances are set out in Annexure I. The public sector banks lending under priority sector advances increased to Rs.49,821.9 crore as at the end of December 1993 from Rs. 46,595.6 crore as at the end of December 1992 but the share of priority sector lending in total net bank credit declined to 36.4 per cent from 37.9 per cent during the period, which is below the stipulated target of 40 per cent (Table VII-7).

The share of direct agricultural advances in net bank credit declined from 14.4 per cent to 13.8 per cent during the above period as compared with the stipulated target of 18 per cent though in absolute terms there has been an expansion of Rs.1,080.5 crore. Advances to weaker sections at Rs.12,396.52 crore at the end of December 1993 formed 9.06 per cent of net bank credit and were lower than the prescribed target of 10 per cent.

As at the end of September 1993 priority sector advances of private banks amounted to Rs.2,474 crore accounting for 31.6 per cent of their net bank credit. While direct finance to agriculture and advances to small scale industries formed 6.2 per cent and 16.6 per cent, respectively, indirect finance for agriculture as on that date was 0.6 per cent of net bank credit.

Export Credit

In order to provide export credit at globally competitive interest rates, the following measures were taken :

(i) From October 1993, a Scheme of Rediscounting of Export Bills Abroad, at rates linked to international interest rates was made operative.

(ii) A new Scheme of Pre-shipment Export Credit in Foreign Currency (PSCFC) was introduced from November 8, 1993. Under the scheme, exporters can avail of credit in major foreign currencies for financing imported as well as domestic inputs of goods exported on the basis of confirmed/firm export orders and/or confirmed letters of credit, at London Inter Bank Offer Rate (LIBOR) related rates of interest. Effective May 18, 1994, the scheme has been liberalised by making available a running account facility to exporters with good track record.

Export Credit - Performance of banks

The export credit refinance limits of all scheduled commercial banks were reduced by Rs.1,689 crore (16.2 per cent) from Rs.10,402 crore as on March 19, 1993 to Rs.8,713 crore as on March 18, 1994. Export credit (Rupee) refinance limits were reduced by Rs.3,159 crore from Rs.5,834 crore as on March 19, 1993 to Rs.2,676 crore as on March 18, 1994, while export credit refinance limits against post-shipment credit denominated in US dollars (PSCFC) increased by

Rs.1,469 crore (32.2 per cent) from Rs.4,568 crore to Rs.6,037 crore during the period under reference. However, due to easy conditions in the money market, the daily average utilisation of export refinance limits particularly export credit (rupee refinance limits) came down significantly.

Export Credit Refinance

(Amount in Rs. crore)

As on last reporting Friday of	Outstanding Export Credit @	Export Credit Refinance Limits	Percentage of Col.3 to Column 2
(1)	(2)	(3)	(4)
March 1993	15,038	10,402	69.2
June 1993	16,977	11,227	66.1
Sept. 1993	16,238	10,482	64.6
March 1994	16,986	8,713	51.3
June 1994	16,960	7,430	43.8

@ Eligible for export credit refinance.

While the proportion of the outstanding export credit to net bank credit of the banking system increased from 9.9 per cent to 10.4 per cent during that period, the proportion of export credit refinance limits of banks to their outstanding export credit eligible for such refinance declined from 69.2 per cent to 51.3 per cent.

Interest Rates on Export Credit

Interest rates on preshipment credit remained the same during 1993-94. Interest rates on post-shipment credit beyond 90 days to 180 days was reduced from 17.0 per cent on March 1, 1993 to 16.0 per cent on June 24, 1993 and further to 15.0 per cent on September 2, 1993. Interest rate on post-shipment credit beyond 180 days was also reduced from 22.0 per cent to 20.0 per cent during the same period while export credit not otherwise specified also lowered by 2 percentage points from 17.0 per cent to 15.0 per cent. (Table VII-8).

Special Programmes

Integrated Rural Development Programme (IRDP)

During 1993-94 (upto February 1994) banks assisted 19.45 lakh beneficiaries under IRDP with Rs.1,083.74 crore as loan and Rs.719.27 crore as subsidy. Out of the total beneficiaries, 9.79 lakh belonged to SC/STs and 6.26 lakh were women.

The recovery position of IRDP loans of public sector banks is presented in the table below. It indicates that the recovery of IRDP advances as a percentage to demand showed a marginal decline to 30.3 per cent in 1993 from 31.8 per cent during 1992. Apparently the better recovery position in 1991 was essentially due to loan waiver under Agricultural & Rural Debt Relief Scheme, 1990.

(Amonts in Rs. crore)

Year ended	Demand	Recovery	Overdues	Percentage of recovery to demand
1	2	3	4	5
1991	1272	526	746	41.4
1992	1439	457	982	31.8
1993*	1657	502	1155	30.3

* Data are provisional and relate to 25 banks

Scheme for Self Employment to the Educated Unemployed Youth

Effective April 1, 1994, this scheme has been subsumed with the Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY). Loans to the tune of Rs.3,890.3 crore were sanctioned to 18,494 beneficiaries during 1993-94.

Scheme of Urban Micro Enterprises (SUME)

The performance under SUME in the last 3 years is as under :

Year	Sanctioned		Disbursed Amount
	No.of Accounts	Amount (Rs. in lakhs)	(Rs. in lakhs)
1991-92	1,51,033	8,139.57	5,907.96
1992-93	1,60,506	10,246.05	7,932.43
1993-94*	32,840	2,036.92	1,625.53

* Provisional

Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)

Launched on October 2, 1993 for operation in urban areas only and extended to the rest of the country from April 1994, PMRY's objective is to provide sustained employment to about 10 lakh educated unemployed youth in micro enterprises during the Eighth Five Year Plan. Educated unemployed youth in the age group of 18 to 35 years, whose family income do not exceed Rs.24,000 and who have been resident of the area for more than 3 years are eligible for assistance. While the beneficiary is required to bring in 5 per cent as margin money, Government would provide a subsidy of 15 per cent of the project cost subject to a maximum of Rs.7,500 and projects upto Rs.1 lakh will be eligible for finance by banks. A reservation of 22.5 per cent for SC/STs and 27 per cent for Other Backward Classes (OBCs) has been provided. No third party guarantee/collateral is necessary and the advances under the scheme are treated as advances under priority sector. Out of the targeted 42,040 applicants for 1993-94, around 30,000 applications have been sanctioned. The target for 1994-95 is 2,21,140.

Scheme of Liberation and Rehabilitation of Scavengers (SLRS)

Introduced in 1993, SLRS has the objective to liberate and rehabilitate all scavengers and their dependents from their existing hereditary and obnoxious occupation of manually removing night soil and filth and to provide them with alternative and dignified occupation. Government provides 50 per cent of the cost of project as subsidy subject to a maximum of Rs.10,000; margin money assistance to the extent of 15 per cent of the project cost as loans are provided by banks at 4 per cent interest. All loans upto Rs.6,500 will be treated as DRI loans. No collateral/third party guarantee is necessary.

DRI Scheme

The outstanding advances of public sector banks under DRI Scheme at end-December 1993 amounted to Rs.690.20 crore in 27.26 lakh borrowal accounts as against Rs.699.56 crore in 30.25 lakh accounts a year ago. The DRI advances of banks at end-December 1993 formed 0.62 per cent as against the target of 1 per cent of the total outstanding advances. As at the end of December 1993 the outstanding advances granted under the Scheme to the beneficiaries belonging to SC/ST amounted to Rs.357.63 crore in 11.90 lakh borrowal accounts, forming 51.82 per cent of the total DRI advances which exceeded the prescribed target of 40 per cent.

Twenty Point Programme - 1986

Under the 20 Point Programme of 1986, the outstanding advances of the public sector banks within the priority sector advances as at the end of December 1993 stood at Rs.15,334.68 crore in 274.38 lakh borrowal accounts as against Rs.14,693.48 crore in 269.34 lakh borrowal accounts as at the end of December 1992.

Advances to Weaker Sections

As at the end of March 1994, the advances of public sector banks to weaker sections, comprising (i) small and marginal farmers with land holdings upto 5 acres, landless labourers, tenant farmers and share-croppers, (ii) artisans, village and cottage industries enjoying credit limit upto Rs.25,000, (iii) IRDP, DRI beneficiaries, and (iv) beneficiaries belonging to scheduled castes/scheduled tribes, aggregated Rs.12,779 crore constituting 9.07 per cent of their net bank credit as against the target of 10 per cent.

Recovery of Direct Agricultural Advances

The performance of public sector banks in recovery of direct agricultural advances for the

period June 1991 to June 1993 is presented in the table below:

(Amounts in Rs. crore)

Year ended June	Demand	Recoveries	Overdues	Percentage of recovery to demand
1	2	3	4	5
1991	8496.34	4937.00	3559.34	58.1
1992	9104.75	4924.92	4179.83	54.0
1993*	9906.47	5381.95	4524.52	54.3

* Provisional

Lead Bank Scheme

As on March 31, 1994 the Lead Bank Scheme covered 493 districts in the country. During 1993-94, the lead bank responsibility in respect of 12 new districts formed as a result of reorganisation/ bifurcation of some of the existing districts was assigned to Public Sector Banks.

With a view to ascertaining the reasons for low credit-deposit ratio obtaining in certain States and to suggest remedial measures, Task Forces had been constituted for U.P., Bihar, West Bengal, Rajasthan, Kerala and Pondicherry. While the Task Forces for Bihar, U.P., West Bengal and Rajasthan have submitted their reports, the same for Kerala and Pondicherry are awaited.

Service Area Approach

In the light of past experience certain flexibilities have been brought in the Service Area Approach. Now the Service Area branches can be grouped block-wise and can open mobile or satellite offices in North Eastern region and backward districts of certain other States (Annexure I).

Branch Expansion/Branch Licensing Policy

Banks have been given some flexibility in rationalising their existing branch networks in rural areas. Though closure of loss making branches at rural centres having one commercial bank branch was not considered desirable, closure of one branch through mutual consent at centres having two commercial bank branches (including RRBs) was allowed. The closure required the approval of District Consultative Committee. The proposal had to be submitted to RBI through the State Government for prior approval.

Regional Rural Banks were allowed to relocate their existing loss making branches at new places, like village markets, agricultural produce centres and block/district headquarters. They have also been allowed to open extension counters in areas of their choice subject to the condition that they should be principal bankers to the institution at the premises of which the extension counter is proposed to be opened.

To promote investment in agriculture, particularly in hightech areas such as horticulture, tissue culture etc., it was decided that there should be at least one Specialised Agricultural Finance Branch (SAFB) of a commercial bank in each State. Details of branch expansion in the States are set out in Tables VII-9 and Table VII-10.

Indian Banks abroad

During the year, no new branches were opened abroad by Indian Banks. The total number of branches came down from 109 to 103 due to closures and mergers. As at the end of March 1994 the number of wholly-owned subsidiaries (including three deposit-taking companies) has remained at 10. The number of joint venture banks/ affiliates stood at 7.

Foreign Banks in India

The number of branches of 23 foreign banks stood at 141. While the total number of representative offices were 24, three banks have both branches and representative offices in India. Further, 13 foreign banks had tie up or agency arrangements either with Indian companies or individuals.

Regional Rural Banks

Branch Expansion

The number of RRBs remained unchanged at 196 while their coverage of districts went up from 396 to 405 at the end of September 1993. The number of RRB branches increased from 14,540 at end-September, 1992 to 14,546 at end-September, 1993. Uttar Pradesh had the largest number of branches (3,055) followed by Bihar (1,892) and Madhya Pradesh (1,604) (Table VII-11).

Operation of RRBs

Aggregate deposits of RRBs rose by Rs.1,676 crore during 1993-94 recording a growth of 26.3 per cent.

Aggregate advances (direct and indirect) increased by Rs.573 crore to Rs.5,024 crore as at the end of March 1994 from Rs.4,451 crore as at the end of March 1993, registering a growth of 12.9 per cent (Table VII-12).

Primary (Urban) Co-operative Banks

Progress

As at the end of March 1993, the number of Primary (Urban) Co-operative Banks (PCBs) stood at 1,399 against 1,401 as at the end of March 1992, but the number of licensed PCBs remained at 1,039. The number of offices of PCBs increased to 3,691 from 3,599 during 1992-93. Deposits of PCBs increased by Rs.2,423 crore or 21.8 per cent to Rs.13,531 crore as at end-March 1993, while outstanding loans increased by Rs.1,419 crore or 16.3 per cent to Rs.10,132 crore (Table VII-13).

The latest data available pertain to December 1993. The number of PCBs remained unchanged, while the number of offices increased to 3,819 at end-December 1993. Total deposits of PCBs rose by Rs.3,179 crore or 25.8 per cent over the previous year, while outstanding loans increased by Rs. 1,725 crore or 18.2 per cent. Owned funds of PCBs rose by 24.2 per cent from Rs.2,063 crore to Rs.2,562 crore over the year ending December 1993 (Table VII-13).

Eligibility Criteria for Inclusion in the Second Schedule of RBI Act

By a notification dated September 24, 1993, the Government of India had modified the eligibility criteria for the inclusion of a primary co-operative bank in the Second Schedule of the Reserve Bank of India Act, 1934. According to the modification, the minimum demand and time liability requirement was raised to Rs.100 crore from the existing level of Rs.50 crore.

Refinance Facilities

The Reserve Bank of India (RBI) had extended refinance facilities at the Bank Rate to eligible PCBs against their advances to tiny industrial units. Short-term credit limits extended to State Co-operative Banks during 1993-94 aggregated Rs.7.01 crore as compared with Rs.10.64 crore during 1992-93. As on March 31, 1994, outstanding credit against the limits sanctioned amounted to Rs.3.90 crore as compared with Rs.9.32 crore a year ago.

Priority Sector Lending

The PCBs are required to lend 60 per cent of their total advances to priority sectors and of the 60 per cent, at least 25 per cent should be to the weaker sections. As at the end of March 1993, of the reporting 756 PCBs, 518 had achieved the target.

Weak and Non-viable Banks

As on March 31, 1993, 224 PCBs were categorised as weak and non-viable as compared with 211 a year ago. Further, directions were issued to four PCBs taking the total number to 15, placing restrictions on making payments to depositors and sanctioning fresh advances etc. During the year, two banks were placed under

orders of moratorium for amalgamation with strong units.

Provisioning

In March 1994, advances secured against term deposits, National Saving Certificates, Indira Vikas Patras and Kisan Vikas Patras were exempted from the provisioning requirements of PCBs.

Assessment of Working Capital Requirements

With effect from December 1993, for the purpose of calculating the Maximum Permissible Bank Finance (MPBF), PCBs were allowed to exclude the entire term loan installments falling due in the next 12 months from the current liabilities. Further, they were advised to compute the working capital requirements of small scale industrial units on the basis of a simple formula.

Advances to Equipment Leasing and Hire Purchase Companies

The norms for lending to equipment leasing and hire purchase companies were liberalised in December 1993. According to the revision, PCBs were allowed to lend to equipment leasing and hire purchase companies in consortium with Commercial Banks upto 4 times of owned funds of the individual company instead of 3 times earlier.

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 enumerated below:

a. Lending Rates

Categorisation of advances into `A' and `B' for the purpose of interest rates was discontinued since September 1993. The rates of interest on advances of PCBs effective from March 1, 1994 were :

Size of Credit Limit	Rate of Interest (Per cent per annum)	
	Term loans for 3 years & above	All other advances
Upto and inclusive of Rs.25,000	14	14
Over Rs.25,000 and upto Rs.2 lakh	14	15
Over Rs.2 lakh	14 (minimum)	15 (minimum)

b. Deposit Rates

Effective July 1, 1993, interest rate on saving deposits has been reduced from 6 per cent to 5 per cent per annum. Similarly, with effect from September 2, 1993, the rate of interest on term deposits for 46 days and above has been lowered from 11 per cent to 10 per cent per annum.

Primary co-operative banks may, at their discretion, allow an additional interest at a rate not exceeding one per cent per annum on all saving deposits and at a rate not exceeding half a per cent per annum on all term deposits.

Acceptance of Term Deposits

PCBs have been allowed to accept term deposits for a period exceeding 10 years subject to the limit dictated or justified by common prudence and in consultation with their federation.

Credit Policy

Credit policy during 1993-94 sought to ensure that adequate support was provided by the banking system to the revival of output and to promote reduction in the inflation rate (see Annexure I for details). The opening up of the external sector implied that transmission of impulses from the domestic to the external sector and vice versa would be significant. The monetization effect of large foreign capital inflows and the consequent

inflationary impact of the monetary expansion during the year was a matter of major concern. As it was necessary to take measures to offset the impact of large increases in the net foreign exchange assets, active open market operations by the Reserve Bank in Government securities were undertaken as an integral part of the monetary policy. Besides, a number of policy measures taken during the year under review were dovetailed to the medium-term perspective of banking and financial sector reforms initiated since 1992. With a view to improving the profitability of the banking sector which has been at the core of the reform process, the statutory liquidity ratio was reduced. As a further measure of liberalisation, the interest rate structure was simplified and the minimum lending rate (MLR) was lowered during 1993-94. Effective October 18, 1994, the MLR for credit limits of over Rs.2 lakh was abolished and banks were free to fix the lending rate for such credit limits. In the context of capital adequacy, income recognition and provisioning norms, necessary legislative changes were effected to enable the commercial banks to tap the capital markets to beef up their capital structure. Furthermore, a series of measures were taken to give banks greater autonomy in determining the credit requirements of borrowers and promote larger and more effective flows of credit (see Annexure II for the progress of financial sector reforms during the last three years).

Selective Credit Controls

Selective Credit Controls were under continuing review during the year under reference and changes in the control measures were made on the basis of commodity balances and prices. In response to the favourable price-output situation in wheat and cotton during the first half of 1993-94, these commodities were exempted from the selective credit control provisions. However,when the cotton situation showed a deterioration in the second half of 1993-94, the controls on cotton were reimposed. The minimum margins were raised and the level of credit ceilings lowered on advances against oilseeds/vegetable oils, pulses and cotton and kapas during the year. The details regarding the changes in the control stipulations effected during the year are set out below in chronological order.

September 1993

Lending Rate on Advances under Selective Credit Controls

The lending rate on advances against commodities covered under selective credit control was reduced from 16.0 per cent per annum (minimum) to 15.0 per cent per annum (minimum), effective September 2, 1993.

October 1993

Exemption for Advances against Wheat

Bank advances against wheat to all borrowers were exempted from all the provisions of selective credit control with effect from October 12, 1993.

Exemption for Advances against Cotton and Kapas

Effective October 12, 1993, bank advances against cotton and kapas to all borrowers were exempt from all the stipulations of selective credit control.

Minimum Margins on Advances against Paddy/Rice

Effective October 12, 1993, the minimum margins on bank advances against paddy/rice were lowered across the board 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).

Minimum Margins on Advances against Oilseeds/Vegetable Oils

The minimum margins on advances against oilseeds/vegetable oils (including vanaspati) were

raised across the board by 15 percentage points, effective October 12, 1993, setting them at 45 per cent for mills/processing units and against warehouse receipts and 60 per cent for `others' (mainly trade).

Level of Credit Ceiling on Advances against Paddy/Rice

The level of credit ceiling on advances against paddy/rice was enhanced from 85 per cent to 100 per cent of the peak level of credit maintained by the party in any of the three years ended 1991-92 (November-October), with effect from October 12, 1993.

February 1994

Reintroduction of Selective Credit Controls on Cotton and Kapas

Effective February 19, 1994, bank advances against cotton and kapas were brought back under the selective credit control measures. The minimum margin was stipulated at 45 per cent for `others' (other than cotton mills including spinning mills) and 30 per cent against warehouse receipts. The level of credit ceiling was also set at 100 per cent of the peak level of credit maintained by the party in any of the three years ended 1991-92 (November - October). Mills and processing units are exempted from the provisions of selective credit control.

May 1994

Minimum Margins on Advances against Pulses, Oilseeds and Vegetable Oils

Effective May 16, 1994, the minimum margins on bank advances against pulses and oilseeds/ vegetable oils were raised across the board by 15 percentage points setting them at 60 per cent for mills/processing units and against warehouse receipts and 75 per cent for `others'.

Minimum Margins on Advances against Cotton and Kapas

Effective May 16, 1994, the minimum margins on bank advances against cotton and kapas were raised across the board by 15 percentage points, setting them at 60 per cent for `others' (viz., other than cotton mills including spinning mills) and 45 per cent against warehouse receipts covering stocks of cotton and kapas. Cotton mills including spinning mills were exempted from the provisions of the selective credit control.

Level of Credit Ceilings

For commodities where there is a stipulation on the level of credit ceiling, the reference period has been brought forward by one year to the three years ending 1992-93 (November-October), with effect from May 16, 1994.

Level of Credit Ceilings on Advances against Pulses, Oilseeds/Vegetable Oils and Cotton and Kapas

Effective May 16, 1994, the level of credit ceilings on advances against pulses, oilseeds/ vegetable oils and cotton and kapas (to other than cotton mills including spinning mills), were lowered by 15 percentage points, setting them at 85 per cent of the peak level of credit maintained by the party in any of the three years ended 1992-93 (November-October).

Minimum Margins to Certain State Level Co-operative Institutions

The concessional minimum margin of 10 per cent applicable on bank advances against oilseeds and vegetable oils to certain State co-operative institutions if a State Government guarantee is available was raised to 25 per cent, effective May 16, 1994.

Minimum Margin on Imported Sugar

Considering the price-output situation and with a view to facilitating sizeable imports of sugar, effective May 27, 1994, the minimum margin on bank advances against stocks of sugar imported on a cash basis (sight Letter of Credit) was reduced to 25 per cent for a period not exceeding eight weeks (lowered to six weeks with effect from September 3, 1994) after the arrival of sugar stocks in India. This concession is available upto end-November 1994 and would be applicable only at the first stage at the importers' level and this would not be available at the level of stockists and other traders of imported sugar.

In the case of imports made on usance Letters of Credit (L/Cs), viz., documents against acceptance (D/A) basis, banks are not, as far as possible, allowed to establish L/Cs for more than 45 days (reduced to 30 days effective September 3, 1994) on D/A basis for import of sugar. In case, however, banks establish L/Cs for more than 45 days (30 days effective September 3, 1994) on D/A basis, after 45 days (30 days effective Septmber 3, 1994) from the date of arrival of the commodity in the port till date of retirement of the import bills, the importer is required to deposit with banks an amount equivalent to the margin amount as applicable to the bank advances against sugar produced in the country.

The revised structure of minimum margins and level of credit ceiling stipulations applicable to the commodities covered under selective credit control as on May 16, 1994 is set out in Table VII-14. Scheduled commercial banks' outstanding advances against selected commodities are indicated in Table VII-15. Security-wise advances to mills/factories and industrial users as a percentage to total credit against sensitive commodities are set out in Table VII-16.

The provisions of the directives on selective credit controls in force, as on May 16, 1994, are given in Annexure - III.

Other Measures

i) Lending Discipline and Norms

With a view to enlarging the credit facilities available to borrowers as well as to facilitate a smooth flow of credit, greater flexibility and operational automony has been given to banks relating to their lending discipline and norms.

In the case of multiple lending, the threshold limit for obligatory consortium arrangement has been raised in October 1993 from Rs. 5 crore to Rs.50 crore. Thus, the mandatory consortia arrangements would be applicable to only 76 large borrowal accounts instead of 934 borrowal accounts hitherto. As an alternative to the obligatory consortium arrangement over the new threshold limit of Rs. 50 crore, the banks may, at their discretion, organise syndication of credit limits.

Moreover, greater discretion have been given to banks in deciding the credit limits of borrowers, subject to the observance of prescribed prudential norms. The existing guidelines for determining the maximum permissible bank finance (MPBF) were altered. Henceforth, banks may themselves decide the levels of holding of individual items of inventory and receivables, taking into account production, processing cycle and other relevant factors. Banks would also be free to decide the period and quantum of *ad hoc* credit limits without levy of additional interest.

Furthermore, from October 1993 onwards the entire amount of term loans instalments falling due for payment within the next 12 months would not be reckoned as current liability for the purpose of calculating MPBF. Consequently, the availability of bank credit to borrowers subject to MPBF increased further by about Rs.1,500 crore to Rs.2,000 crore.

ii) Investments in and underwriting of PSU Bonds

In view of the comfortable liquidity position

of scheduled commercial banks, the ceiling of 1.5 per cent for investment by banks in PSU bonds was increased in October 1993 to 5 per cent and from January 1994, banks have been given freedom to invest in PSU bonds without any ceiling.

iii) Investments in Shares & Debentures of Corporate Bodies

With effect from January 24, 1994, some operational flexibility has also been provided to banks in respect of investments in shares and debentures of corporate bodies. Banks which were hitherto required to acquire shares/debentures of corporate bodies only through devolvement of underwriting obligations have been permitted to directly subscribe through private placements. The limit for acquisition of shares and debentures including devolvement on account of underwriting obligations was also raised from 1.5 per cent to 5 per cent of the incremental deposits of the previous year subject to the sub-ceiling of 1.5 per cent on corporate shares. In May 1994, this sub-ceiling was also abolished.

iv) Restructuring the Non-Resident Deposits Scheme

A number of steps were taken in 1993-94 to develop a variety of non-resident deposit schemes with attractive features and to reduce reliance on Foreign Currency (Non-Resident) Accounts (FCNRA) scheme which carried guarantee against exchange loss for banks. Two new schemes, viz., Non-Resident (Non-Repatriable) Rupee Deposit Scheme [NR (NR) RD] and the Foreign Currency Non-Resident (Banks) Scheme [FCNR (B)], have received favourable response from the non-resident depositors.

In order to spread the deposits over various schemes, the maturity structure of FCNRA Scheme was compressed in a phased manner between April 1993 and February 1994 from four maturities to a single maturity of three years only. This single maturity was also eliminated effective August 15, 1994. However, since the Authorised Dealers (ADs) are permitted to accept deposits of various maturities under FCNR(B) scheme, the non-resident depositors get a wide choice of maturity.

Non-Resident Deposit Account

During the financial year 1993-94, the deposits in non-resident deposit accounts under [NR(NR) RD], [FCNR (B)], and Non-Resident (External) Rupee Accounts [NR(E)RA] scheme increased by US $1,187 million, US $ 1,075 million and US $727 million, respectively, during the financial year 1993-94. However, the overall growth in non-resident deposits showed a lower net inflow of US $1,113 million mainly due to outflows under FCNRA and FC(B&O)D Schemes to the extent of US $1,317 million and US $ 576 million, respectively. All the figures cited here are inclusive of estimated accrued interest.

v) Disclosure on Defaulting Borrowers

With a view to alert banks and financial institutions against defaulting borrowers and improving payments discipline and recovery climate, the Reserve Bank in April 1994 announced a scheme for disclosure of information regarding defaulting borrowers of banks and financial institutions with outstandings aggregating Rupees one crore and above as on March 31 and September 30, every year. The Reserve Bank would publish a booklet containing the list of suit filed accounts and also an update on half yearly basis.

vi) Debts Recovery Tribunals

For expeditious adjudication of recovery cases, Debt Recovery Tribunals are being set up in four metros. The Debt Recovery Tribunal has started functioning at Calcutta. The Appellate Tribunal at Bombay and the Debt Recovery Tribunal at Delhi have been established. However, the Delhi High Court has stayed the operations of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 within Delhi.

vii) Private Sector Banks

The Banking Regulation (Amendment) Act, 1949 was passed in the Parliament to ease entry barriers of private sector banks. So far four private banks have started banking business and 'in principle' approval for setting up of private banks has been granted in respect of six more applicants.

viii) Board for Financial Supervision

The Government has approved the statutory regulations under the provisions of Section 58 of the RBI Act, 1934 in connection with the setting up of the Board for Financial Supervision (BFS) and notification has been issued to this effect on July 28, 1994. A new Department of Supervision (DOS) was set up on December 22, 1993 to give operational support to BFS. The Board will undertake supervision of commercial banks and in due course its supervisory functions would be extended to financial institutions and non-banking financial companies as well.

ix) Prudential Norms relating to capital adequacy and provisioning

Commercial banks are required to attain the prescribed ratio of unimpaired capital to risk-weighted assets on an ongoing basis from the financial year, 1992-93. Out of 27 public sector banks, 18 banks have achieved the stipulated 4 per cent capital adequacy norm on March 31, 1993. With recapitalisation of 19 nationalised banks to the tune of Rs.5,700 crore on January 1, 1994, all the public sector banks have achieved the norm of 4 per cent as on January 1, 1994. All the foreign banks operating in India had achieved the 8 per cent norm at end-March 1993. Indian banks having branches abroad have been given one year extension to achieve the capital adequacy norm of 8 per cent by March 31, 1995. All other banks have to comply with the stipulation of the 8 per cent norm by March 31, 1996.

Banks were required 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 sub-standard and doubtful advances and advances with outstanding balances less than Rs.25,000 too for the year ended March 31, 1993. For the year ended March 31, 1994, in addition to the carry forward provision for 1992-93, fresh provision in respect of credit facilities identified as non-performing assets during the year should also be provided. In respect of advances with balances less than Rs.25,000 the provision has been enhanced to 5 per cent in 1993-94 from 2.5 per cent required in 1992-93.

With the infusion of Rs.5,700 crore in 1993-94, capital and reserves (including surplus) of the nationalised banks increased from Rs.7,009 crore in March 1993 to Rs.12,709 crore in January 1994. The recipient banks have been required to invest the Government's capital subscription in Government Bonds known as '10 per cent Recapitalisation Bonds, 2006'. For the first time, these recapitalisation bonds have been made transferable.

The programme of recapitalisation of banks has been supplemented by a stipulation of time bound 'performance criteria' for each recipient bank. The allocations of capital have been made conditional upon the banks drawing up business restructuring plan aimed at achieving viability over the medium-term of 2-3 years. These commitments have been formalised into agreements between the Reserve Bank and the management of each of the banks receiving capital from the Government.

Some of the public sector banks are also tapping the capital market directly to mobilise equity funds from the public. For this purpose, the scope of State Bank of India's (SBI) provision for partial private shareholding in its Statute was enhanced by issuing an Ordinance in October 1993 for amending the State Bank of India Act, 1955. The SBI was the first public sector bank to access the capital market and it raised Rs.2,210 crore in the form of equity and Rs.1,000 crore through bonds. With this issue, the shareholding of the

Reserve Bank in the equity of SBI has come down to 68.93 per cent from 98.20 per cent. The Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970/80 have also been amended to enable the public to subscribe to the capital of the nationalised banks up to 49 per cent of their total capital. Government will however continue, to hold at least 51 per cent of the equity of each of the nationalised banks. While some nationalised banks intend to raise capital directly from the capital market, such banks will need to begin to carefully monitor and manage their portfolio ratios.

Open Market Operations and Internal Debt Management

The shift from the direct instruments of monetary control (e.g., reserve requirements, administered interest rates, and credit controls) to indirect methods requires as a necessary prerequisite, development of a truly active and transparent internal market for government securities. Open market operations would gain significance only in such an environment. The fiscal year 1993-94 has been a landmark year when the Reserve Bank undertook outright sales of Government securities on a large scale. The level of sales* of Central Government securities (at nominal value) under Reserve Bank's Open Market Operations at Rs.10,804.6 crore was lower by 8.4 per cent as compared with Rs.11,792.5 crore in the previous year, but purchases decreased significantly by 84.6 per cent to Rs.967.6 crore from Rs.6,273.4 crore in the previous year. This is mainly because the devolvement on the RBI of primary issues came down significantly to Rs.434.80 crore from Rs.2,214 crore in 1992-93. As a result, the *net* sales of Central Government securities at Rs.9,837 crore (nominal) showed substantial improvement as compared with the net sales of Rs.5,519.1 crore in the previous year (Table VII-17). This would be equivalent to a direct monetary control measure of an increase in cash reserve ratio of 2.8 per cent. The resort to open market operations on a large scale heralded a new approach to internal debt management in that the earlier practice of switch operations were discontinued, as it failed to have monetary impact.

The regular auctioning of Central Government dated securities, 364-day Treasury bills and 91-day Treasury bills were continued during the year under review. The entire conventional market borrowing of the Centre was put through auctions at maturities between 5 and 9 years and the coupon rates ranged between 13.0 per cent and 13.4 per cent. The yields on Government securities depicted more flexibility during 1993-94. When the Zero Coupon Bond was issued for a 5-year maturity, the yield on 5 year maturity shifted downward from 13.0 per cent to 12.75 per cent; second, for a 10-year maturity offered in conversion of 364-day Treasury Bills, the rate significantly shifted downward from 13.5 per cent to 12.5 per cent. Thus, the primary issues market has responded by adjusting to the secondary market yields thereby reflecting a trend towards integration of the two markets. In the case of State loans, although they were issued at the pre-announced coupon rates, the maturity has been reduced from 15 years in 1992-93 to 10 years in 1993-94. The coupon rate of State loans at 13.5 per cent for 10-year maturity in 1993-94 was significantly higher compared with 13.0 per cent for 15-year maturity during 1992-93.

The policy of keeping select securities issued during the year in the purchase list at par was continued, assuring the market complete liquidity in those securities. The Reserve Bank has been varying its sale prices in accordance with the immediate objectives of open market operations. Thus, the pricing followed by the Reserve Bank essentially reflects the specific objectives it has in the management of liquidity, rather than the secondary market prices.

* All the figures for purchase and sales of Government securities are at face value and hence they may differ from those published in Bank's Annual Report, 1993-94.

Funding Operations

Funding of 364-day Treasury bills and 91-day auction Treasury bills was effected in 1993-94, through conversion of these bills into dated securities of three and ten-year maturity in case of 364-day Treasury bills and two-year maturity in case of 91-day Treasury bills at rates attractive to the market. The funding of 364-day Treasury bills and 91-day Treasury bills aggregated Rs. 19,060 crore (face value) and Rs. 4,088 crore (face value), respectively, during 1993-94. Apart from the fact that these funding operations were large, with the back up of liquidity through the Repos facility, these securities provided a bench mark for other operations.

Trends during the first Quarter of 1994-95

During the first quarter of 1994-95, both sales and purchases of Central Government securities were subdued compared with the corresponding period in the previous year; sales amounted to Rs.167.9 crore (nominal) while purchases amounted to Rs.80.5 crore as compared with Rs.568.2 crore and Rs.446.3 crore, respectively in the previous year. As a result, net sales amounted to Rs.87.4 crore, which were significantly lower when compared with the net sales of Rs.121.9 crore in the corresponding quarter of 1993-94.

Buy-back Arrangement

As on March 31, 1994 securities held by the Welfare Commissioner solely for the purpose of investing the funds held by him on behalf of the victims of the Bhopal Gas Tragedy, were valued at Rs.1,003.02 crore; the relative amount held on March 31, 1993 was Rs.1,042.16 crore. During the year 1993-94, no transactions were effected out of surplus funds of Welfare Commissioner, Bhopal Gas Victims.

Repos Transactions

Another major development in the domain of active open market operations has been the development of the instrument of repurchase agreements (Repos) between the RBI and the commercial banks since December 1992. During the year 1993-94 the Bank continued with the policy of efficient short period liquidity management through Repos auctions (see Repo auctions of Central Government Securities).

Gilt-edged Market

Although gilt-edged securities are traded in Bombay Stock Exchange (BSE), the quotations available from BSE show hardly any movement. In more recent period, trading in Government securities in BSE is conspicuous by near absence. Transactions in Government securities by banks are being put through the Subsidiary General Ledger (SGL) accounts maintained with the Reserve Bank. The National Stock Exchange has started trading in Government securities since June 30, 1994, although the volume of transactions has so far been low.

As a move towards greater transparency, the transactions of Government securities through SGL accounts are being made public by the Reserve Bank of India on a regular basis since September 1, 1994. While this institutional mechanism facilitates operations in the market, open market operations can emerge as an important monetary policy tool only if the market becomes more vibrant and acquires depth. To develop the market a separate institution, the Securities Trading Corporation of India (STCI) has been set up in May 1994. It has begun its operations since June 1994. DFHI too has been performing this function, although as an institution it is primarily dedicated to the development of the money market. The market would gain in depth when primary dealer system emerges, an appratus which is being favourably considered.

Trends in the short term money market

DFHI

The turnover of Discount and Finance House

of India Ltd. (DFHI) in call/notice money market (including notice funds) was significantly higher at Rs.5,91,432 crore during 1993-94 as compared with Rs.4,57,013 crore in 1992-93. As a result, the daily average lending by DFHI in the call money market increased to Rs.1,606 crore in 1993-94 as against Rs.1,243 crore in 1992-93. However, there was a decline in cumulative turnover of DFHI in Commercial Bills, Government Dated Securities and Term Deposits. DFHI's cumulative turnover in other money market instruments like CDs, CP was higher in 1993-94 than that in 1992-93 (Table VII-18).

Call Money Market

Call Money Market remained easy throughout 1993-94, reflecting relatively comfortable liquidity conditions arising out of reduced reserve requirements and slack demand for non-food credit. The average of middle rates of DFHI which showed a sharp drop from 16.6 per cent on April 2, 1993 to 8.3 per cent by end-April 1993 moved further down to 5.5 per cent by end-June 1993 and fluctuated around the same rate till June 1994. However, a rising trend is noticed from the fortnight ended June 24, 1994 as the banks had to meet the enhanced CRR obligation(VII-19).

364-Day Treasury Bills

The implicit cut off yield on auctioned 364-day Treasury bills picked up from 10.99 per cent on April 13, 1993 to 11.36 per cent during June-July 1993. The yield rate then showed a steady decline to 9.42 per cent at the end of September 1994, excepting a brief spurt during June 1994.

During the year 1993-94, a gross amount of Rs.20,322.76 crore was raised through auctions of 364-day Treasury bills. During 1994-95, up to September 30, 1994, Rs.15,237.38 crore (gross) have been raised (VII-20).

91 - Day Treasury Bills

The implicit cut-off yield on auctioned 91-day Treasury bills was high at 11.1 per cent in April 1993 but then showed a downward drift till the beginning of May 1994 when it reached 7.21 per cent. Since mid-June 1994, the trend firmed up to 9.08 per cent in the first week of July and after a brief downward trend the rate again touched 9.08 per cent at the end of September 1994. During 1993-94, a gross amount of Rs.15,011.5 crore was raised from the market while during 1994-95 up to September 28, 1994 another Rs,7,740.20 crore (gross) was raised (Table-VII-21).

Repo Auctions of Central Government Securities

The Reserve Bank continued its policy of providing with an outlet for efficient short period liquidity management through Repo auctions. The Repo period has stabilised to 14 days since August 1993. The Repo rate moved in alignment with other short term rates. From 11.50 per cent on April 7, 1993, the cut off Repo rate fell to 5.75 per cent at end-March 1994. It then moved gradually upwards, with some fluctuations, to 7.0 per cent at the end of September 1994. Total face value of bids accepted was very high during June and August 1993. In 1994-95, they remained within Rs.1,000 crore almost in all the auctions conducted so far [Table VII-22].

Bills Rediscounting Market

The activity in the bills rediscounting market continued to be sluggish in 1993-94 reflecting the comfortable liquidity condition in the market. The outstanding amount of commercial bills rediscounted by scheduled commercial banks with various financial institutions as at the end of March 1994 was only Rs.547 crore (provisional) as compared with that of Rs.779 crore as at the end of March 1993.

Certificates of Deposit (CDs)

To provide greater flexibility to banks for mobilisation of deposits at competitive rates and also as a step in the direction of deregulating interest rates, bank-wise limits stipulated for the

issue of CDs were withdrawn from the fortnight beginning October 16, 1993. The outstanding amount of CDs issued by 46 scheduled commercial banks as on April 29, 1994, at Rs.6,121 crore, formed 2.1 per cent of the aggregate deposits of these banks (Table VII-23). The typical interest rates for CDs with a maturity of 3 months which were in the range of 14.0 to 15.0 per cent during the month of April 1993 came down to a range of 9.0 to 10.0 per cent per annum in the month of April 1994. The typical rates of interest for a maturity of one year also came down from 15.0 to 16.0 per cent in April 1993 to a range of 11.0 per cent to 12.0 per cent per annum in the month of April 1994.

The outstanding amount of CDs issued by eight all-India financial institutions viz. IDBI, ICICI, IFCI, IRBI, SIDBI, EXIM Bank, SCICI and TFCI amounted to Rs.2,249 crore as on May 13, 1994. Interest rates offered on CDs by these institutions came down from the range of 15.5 to 16.0 per cent in April 1993 to the range of 10.5 to 11.0 per cent per annum in the month of April 1994.

Commercial Paper(CP)

The outstanding amount of CP issued increased sharply from Rs.577.25 crore as on March 31, 1993 to Rs.3,264.05 crore as on March 31, 1994 and further to Rs.3,343 crore as on May 15, 1994. The peak level of outstanding amount of CP was Rs.3,818.2 crore as on January 31, 1994. During the period April-June 1993, the CP issued carried interest rates in the range of 14.75 - 16.25 per cent per annum. However, these rates declined considerably in the subsequent period due to excess liquidity in the market and generally ruled in the range of 9.50 to 11.75 per cent per annum till end-December 1993 (Table VII-24).

Deposit Insurance and Credit Guarantee Corporation (DICGC)

The Deposit Insurance Scheme and the two Credit Guarantee Schemes of DICGC were continued in 1993-94. The number of insured banks under the Deposit Insurance Scheme was 1,990 as on March 31, 1994 comprising 80 commercial banks, 196 Regional Rural Banks and 1,714 Co-operative banks in 19 States and 3 Union Territories. Thirty three Co-operative banks in 6 States and 4 Union Territories are yet to be brought within the purview of the Scheme. The move to bring into force the provisions of DICGC, 1961 in the State of Sikkim is under consideration.

The limit of insurance cover and the rate of insurance premium are Rs.1 lakh per depositor per bank and 5 paise per Rs.100 per annum, respectively. An aggregate sum of Rs.156.35 crore was received towards insurance premium (including interest on overdue premium) during the year under review. The fully protected accounts formed 99.1 per cent of the total number of accounts and the insured deposits at Rs.1,68,405 crore formed 67.6 per cent of the assessable deposits at Rs.2,49,034 crore as at end-June 1993. The aggregate amount of claims paid since inception till March 31, 1994 was Rs.178.69 crore (including Rs.0.57 crore paid during the year) in respect of 25 commercial banks and 27 co-operative banks.

The number of banks participating in the Small Loans Guarantee Scheme, 1971 as on March 31, 1994 was 233, comprising 47 commercial banks and 186 Regional Rural Banks. Besides, 22 co-operative banks participated in the Small Loans (Co-operative banks) Guarantee Scheme, 1984. The guaranteed advances under these two schemes for small borrowers stood at Rs.26,348 crore as on March 31, 1993. The Corporation received 46,72,885 claims for Rs.1,167.60 crore and settled 33,58,702 claims for Rs.1,026.36 crore under these schemes during the year.

The total number of credit institutions participating in the Small Loans (Small-Scale Industries) Guarantee Scheme, 1981 was 308, comprising 47 commercial banks, 150 Regional Rural Banks and 111 co-operative banks as on March 31, 1994. The guaranteed advances to SSI

Sector stood at Rs.15,503 crore as on March 31, 1993. The Corporation received 1,44,165 claims for Rs.323.16 crore and settled 1,23,031 claims for Rs.287.72 crore under the scheme during the year.

The Corporation received guarantee fee of Rs.846.09 crore during the year. The guarantee fee rate for Small Loans Guarantee Scheme, 1971 remained at 2.5 per cent per annum. The guarantee fee rate for other two schemes viz., Small Loans (Co-operative Banks) Guarantee Scheme, 1984 and Small Loans (SSI) Guarantee Scheme, 1981 is 1.5 per cent per annum. The guarantee claims receipt exceeded the guarantee fee receipt during the year by Rs.644.67 crore.

National Housing Bank (NHB)

The Refinance Schemes of the NHB have been revised during the year under view. Refinance shall be considered upto the eligible amount of loan for units whose total plinth/super-built-up area (which includes apportioned area of horizontal and vertical circulation and common space etc.) does not exceed 50 sq.mtr., out of which, such apportioned areas do not exceed 20 per cent of the plinth/super-built area. The cost of dwelling units remains at Rs.2 lakh as stipulated earlier. Refinance of loans for upgradation or major repairs continues to be restricted to 25 per cent of the total refinance released. A total refinance amounting to Rs.1,933.12 crore was provided to HFIs and State level Apex Cooperative Housing Finance societies. Of this, 80.6 per cent refinance was provided to HFCs, 11.1 per cent to cooperative sector and the balance 8.3 per cent to commercial banks.

The State-wise details with regard to disbursals in respect of Land Development and Shelter Projects (LDSP) as at the end of May 1994 undertaken by various agencies are as under:

Table: State-wise Distribution of LD and SPs

	States	Amount (Rs. crore)
	1	2
1.	Andhra Pradesh	3.00
2.	Assam	1.45
3.	Goa	2.50
4.	Gujarat	2.43
5.	Karnataka	2.00
6.	Maharashtra	4.63
7.	Madhya Pradesh	24.26
8.	Rajasthan	10.06
9.	Sikkim	0.58
10.	Uttar Pradesh	143.16
11.	West Bengal	0.96
12.	Tamil Nadu	1.35
Total		**196.38**

Revised Structure of Interest Rates Of Refinance from NHB

(a) Loans to individual beneficiaries (all primary lenders)

	Loan amount Rs.	Interest rate to be charged by NHB	To be charged from ultimate beneficiary
i) For acquisition/ construction of new housing units	Upto Rs.25,000	10.00	12.00
	Rs.25,001-100000	14.25	15.50
	Rs.100001-200000	14.25	15.50
ii) For upgradation/major repairs	Rs.30,000	14.25	15.50

Note: While finance rates are uniformly applicable to all primary lenders, in case of HFCs, lending rates mentioned in respect of loan size upto Rs.1 lakh are the ceiling rate while in respect of loans above Rs.1 lakh these are deregulated.

b)	Project Loans undertaken by refinance through scheduled commercial banks and HFCs		
i)	Public agencies)	15.50	16.50
ii)	Co-op. Societies)		
iii)	Rental Housing	17.00	18.00
iv)	Professional Developers	17.00	18.50
c)	Slum Development Projects		
	Upto Rs.25,000	8.00	9.00
	Rs.25,001-45,000	11.00	12.00
d)	Housing infrastructure Development		
	Public agencies and Co-op. Housing Societies	15.50	16.50
	Others	17.50	18.50

Peerless Abasan Finance Ltd. has been recognised by NHB for availing refinance from it. Thus the number of Housing Finance companies approved by NHB is 19 now. Under the popular Home Loan Account scheme, Rs.286.15 crore have been mobilised upto end-March 1993.

Export Credit Guarantee Corporation of India Ltd. (ECGC)

The policies and guarantees in force at the end of the year 1993-94 stood at 20,625 as compared to 20,484 at the end of the previous year. The total value of the business covered by the Corporation during the year showed growth rate of 27 per cent. Table VII-25 presents the scheme-wise details of the Corporation for the years 1992-93 and 1993-94.

The total premium income of the Corporation for the year 1993-94 was Rs.133.49 crore, registering an increase of 27 per cent over the previous year (Rs.105.10 crore). The total amount of Rs.162.23 crore was paid as gross claims during the year under report, compared to Rs.105.14 crore in the previous year. Recoveries of claims paid added upto Rs.10.8 crore as compared to Rs.19.08 crore recovered in 1992-93, thus bringing the net claims paid by the Corporation during the year to Rs.151.43 crore as compared with Rs.86.06 crore a year ago.

Non-Banking Companies

Trends in Growth of Non-banking Deposits

The aggregate deposits, according to provisional data, reported by 14,761 non-banking companies stood at Rs.65,212.3 crore at the end of March 1993 as against Rs.52,927.9 crore reported by 11,318 companies at the end of March 1992 showing an increase of Rs.12,284.4 crore during the year 1992-93. While the regulated deposits of all these reporting companies increased by Rs.2234.3 crore to Rs.11,487.2 crore at the end of March 1993, the exempted deposits rose by Rs.9,864.3 crore and stood at Rs.53,725.1 crore. Non-financial companies accounted for 57.4 per cent of aggregate deposits followed by financial companies accounting for 36.5 per cent and miscellaneous and residuary companies for the balance 6.1 per cent (Table VII-26). The regulated deposits of non-banking companies were equivalent to 4.2 per cent of the aggregate deposits of all scheduled commercial banks as at the end of March 1993.

Working Group on Financial Companies

In accordance with the recommendations of the Working Group on Financial Companies under the Chairmanship of Dr.A.C. Shah, the Reserve Bank had made certain changes in April/May 1993 in the directions issued to non-banking financial companies which were detailed in the last Report. The companies having net owned fund of Rs.50 lakh and above were asked to register with the Reserve Bank. Accordingly, the Bank has received 891 applications for registration.

Prudential Norms For Non-Banking Financial Companies

The Reserve Bank issued detailed guidelines on June 13, 1994 on prudential norms for income recognition, accounting standards, provisioning for bad and doubtful debts, capital adequacy and concentration of credit and investments to be followed by the registered financial companies (Box I). The guidelines are generally on the lines prescribed for commercial banks.

Deposit acceptance by Non-Financial Companies

The acceptance of deposits by non-banking non-financial companies is regulated under the Companies (Acceptance of Deposit) Rules, 1975 framed under Section 58A of the Companies Act, 1956 by Government of India. The Rules were amended on December 10, 1993 bringing down the maximum rate of interest the non-banking non-financial companies can pay on deposits accepted by them from 15 per cent per annum to 14 per cent per annum. Interest can be paid at rests which

Box I

Guidelines to Non-Banking Financial Companies on Prudential Norms for Income Recognition, Accounting Standards, Asset Classification, Provisioning for Bad and Doubtful Debts, Capital Adequacy and Concentration of Credit/Investments

A. Income Recognition

Income past due but not received within a period of six months is not to be booked till such time income is actually received. Assets are to be classified as non-performing based on recovery record. Interest on non-performing assets should not be booked as income if such interest has remained outstanding for more than six months on and from March 31, 1995.

B. Calculation of Provisioning Requirements against Non-Performing Assets as at the end of March 31, 1995*

Status as		Provision Required	
i) Sub-standard Asset (Classified as NPA for a period not exceeding two years)		A general provision of 10 per cent of total outstanding amount	
ii) Doubtful Asset (Classified as NPA for a period exceeding 2 years)	Period for which asset has been considered as doubtful	Provision required on secured portion (as % of secured portion)	Provision on unsecured portion (as % of unsecured portions)
	a) Up to 1 year:	20	100
	b) 1 to 3 years:	30	100
	c) More than 3 years	50	100
iii) Loss Asset i.e., an asset considered un-collectable (Identified so by the NBFC or internal or external auditors or the RBI inspection)		Entire asset should be written off. If the asset is permitted to remain in the books 100 per cent of the total outstanding amount should be provided for	

C. Capital Adequacy

Ratio of capital to risk weighted assets and off balance sheet items should be a minimum of 6 per cent by March 31, 1995 and 8 per cent by March 31, 1996.

D. Credit Rating

NBFC and residuary non-banking companies are required to get themselves rated at least once every year for fixed deposits by one of the following three credit rating agencies and secure minimum rating as indicated below :

Name of the Credit Rating Agency	Minimum Rating
CRISIL	FA -
ICRA	MA -
CARE	CARE BBB(FD)

While companies with net owned funds of Rs. two crore and above must get the rating by March 31, 1995, those having net owned funds below Rs. two crore have the option to get the rating by March 31, 1996.

** A "non-performing asset" is defined as a credit-facility in respect of which interest remained "past due" in the year ended March 31, 1995 for a period of more than 6 months.*

shall not be shorter than monthly rests. This measure aligns the rate of interest payable by non-banking non-financial companies with that payable by non-banking financial companies.

Chit Funds Act, 1982

The Act has so far been brought into force in 13 States and 6 Union Territories. The remaining States/Union Territories are being urged to extend the provisions of the Act into their territories.

Acceptance of deposits by Unincorporated bodies

So far 30 States/Union Territories have issued notifications authorising suitable officers to take action against errant unincorporated bodies, as envisaged in Section 45 T and Section 58 E of the Reserve Bank of India Act, 1934. Necessary follow-up action is being taken in respect of the remaining States/Union Territories. Since the time the legislation has come into effect, the Bank has initiated prosecution proceedings against 19 unincorporated bodies.

Rural Credit*

Institutional finance for the rural sector consists essentially of loans granted by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Co-operatives comprising Primary Agricultural Credit Societies (PACS), Large-Sized Adivasi Multi-purpose Societies (LAMPS), Farmers' Service Societies (FSS) and Central Land Development Banks (CLDBs).

Institutional Finance for Agriculture and Allied Activities

a) Direct Finance

The direct institutional loans issued together by the Co-operatives, State Governments, Scheduled Commercial Banks and Regional Rural Banks during the year 1992-93 (July-June) for agriculture and allied activities amounted to Rs.12,839.7 crore as against Rs.11,540.3 crore in 1991-92, registering a rise of 11.3 per cent. The total outstanding direct loans for agriculture and allied activities by the institutional agencies amounted to Rs.33,663.9 crore as at end of June 1993 as against Rs.30,539.3 crore as at end of June 1992, recording a rise of 10.2 per cent (Table VII-27).

Direct advances for agriculture and allied activities by the Co-operatives recorded an increase of Rs.994.1 crore (17.1 per cent) from Rs.5,799.6 crore in 1991-92 to Rs.6,793.7 crore in 1992-93 (July-June). During the same period, the short-term loans disbursed by PACS including LAMPS and FSS increased by Rs.1,172.3 crore (26.6 per cent) from Rs.4,402.9 crore to Rs.5,575.2 crore, whereas medium term and long-term loans issued by PACS and CLDBs during the year 1992-93 declined by Rs.178.2 crore (12.8 per cent) from Rs.1,396.7 crore to Rs.1,218.5 crore. Disbursement of loans by State Governments increased by Rs.50.0 crore (14.8 per cent) from Rs.338.5 crore in 1991-92 to Rs.388.5 crore in 1992-93. Loans issued by Scheduled Commercial Banks during the year 1992-93 (July-June) aggregated Rs.4,959.9 crore, showing a rise of Rs.154 crore or 3.2 per cent over the previous year. Loans issued by the RRBs also increased during 1992-93 by 17.0 per cent from Rs.596.3 crore to Rs.697.6 crore (Table VII-27).

Total outstanding loans of Scheduled Commercial Banks as on June 30, 1993 aggregated Rs.18,287.8 crore, as compared to Rs.16,981.0 crore in the preceding year. Outstanding loans of the Co-operatives aggregated Rs.13,243.9 crore by the end of June 1993 as compared to Rs.11,593.9 crore as at the end of June 1992 (an increase of 14.2 per cent). Outstanding loans of RRBs aggregated Rs.2,132.2 crore as at the end of June 1993 as compared to Rs.1,984.3 crore as at the end of

* This portion was based on information/data available as on October 11, 1994.

June 1992 showing a rise of 7.5 per cent (Table VII-27).

b) Indirect Finance

Total indirect institutional finance outstanding for agriculture and allied activities, provided by Co-operatives, Scheduled Commercial Banks, Regional Rural Banks and Rural Electrification Corporation as on June 1993 amounted to Rs.939.1 crore, recording a rise of Rs.557.1 crore or 6.3 per cent, as compared to the previous year's amount of Rs.8,834.0 crore. Outstanding loans provided by the Rural Electrification Corporation of India stood at Rs.5,174.9 crore as on March 31, 1993 as against Rs.4,874.9 crore a year ago. Data in repsct of the loans disbursed by Scheduled Commercial Banks (excluding RRBs) are available upto 1991-92. The same was marginally lower at Rs.197.6 crore during 1991-92 as against Rs. 199.9 crore a year ago. Disbursement of loans by RRBs during 1992-93 was Rs.4.5 crore (Table VII-28).

NABARD and Rural Credit

Assistance for Agriculture and Allied Activities

National Bank for Agriculture and Rural Development (NABARD) continued to extend support to a broad spectrum of production activities in the rural sector. The details of financial assistance provided by NABARD to co-operatives, Regional Rural Banks and State Governments are set out in Table VII-29. It shows that during 1993-94 (July-June), NABARD sanctioned short-term credit limits to State Co-operative Banks for financing seasonal agricultural operations aggregating Rs.3,948 crore. The outstanding amount stood at Rs.2,232 crore in 1993-94 against Rs.2,068 crore in the preceding year. The limits for Production and Marketing Activities of Co-operative Weavers' Societies aggregated Rs.526 crore. The outstanding at the end of 1993-94 at Rs.278 crore was lower by Rs. 104 crore than that a year ago. Short-term credit limits for RRBs during the above period was Rs.557 crore. At Rs.528 crore, the outstanding short-term credit of RRBs stood higher than the level of Rs.498 crore at end June 1993.

The medium-term credit limits for approved agricultural purposes sanctioned by NABARD to State Co-operative Banks in 1993-94 amounted to Rs.7.9 crore while those for converting short-term agricultural loans (including reshaping and rescheduling of loans) into medium-term loans in scarcity affected areas amounted to Rs.39 crore. The outstandings under the limits on account of conversion amounted to Rs.105 crore as on June 1994 as against Rs.156.8 crore as on June 1993.

During the financial year 1993-94, NABARD sanctioned long term credit limits amounting to Rs.39.7 crore to State Governments to enable them to contribute to the share capital of co-operative credit institutions (Table VII-29).

Co-operative Development Fund

The Co-operative Development Fund was created in 1992-93 for the development of infrastructure for deposit mobilisation, human resource development, building of better management information system, computerisation etc. in the Co-operative Banks. The corpus of the Fund was Rs.10 crore. As on March 31, 1994, a total assistance of Rs.629.9 lakh has been sanctioned to 10 State Co-operative Banks and 3 SLDBs.

ARDR Scheme, 1990

Under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 an assistance of Rs.4,985.6l crore were provided to 2.22 crore beneficiaries. Details of agency-wise number of

beneficiaries and the amount provided are given below.

Agency	No. of ARDR Beneficiaries (lakhs)	Relief Provided (Rs. crore)
State Co-operative Banks	162	3,346.55
State Land Development Banks	24	846.24
Regional Rural Banks	36	792.82
Total	**222**	**4,985.61**

NABARD sanctioned Rs.2,410.12 crore by way of 'Grant' and Rs.1,667.56 crore as `Loans' to the Co-operatives and RRBs as at the end of 1993-94 out of the funds made available by the Reserve Bank of India.

Interest Rates

NABARD had revised the rates of interest on refinance and the interest rates chargeable by the participating banks for the ultimate borrowers. The revised rates of interest on refinance to Co-operatives, RRBs and Commercial Banks and rates of interest to ultimate beneficiaries in respect of term loans (3 years and above) with effect from March 1, 1994 are as under:

Size Limit	Rate of Interest (Per cent per annum)	Rate of interest on Refinance (Per cent per annum)	
		Co-op/RRBs	Comm. Banks
1. Upto and inclusive of Rs.25,000	12.0	6.5	7.5
2. Over Rs.25,000 and upto Rs.2 lakh	14.0	9.5	10.0
3. Advances over Rs.2 lakh			
A. Farm Sector			
i) Thrust areas	14.0	9.5	10.0
ii) Other schemes	15.0	10.5	11.0
B. Non-farm Sector	15.0	10.5	11.0

For short-term loans, the revised rates of interest at the ultimate beneficiaries level are given below:

	Size Limit	Rate of interest (Per cent per annum)
1.	Upto and inclusive of Rs.25,000	12.0
2.	Over Rs.25,000 and upto Rs.2 lakh	15.0
3.	Over Rs.2 lakh	15.0 (Minimum)

Schematic Lending

During 1993-94 (April-March), total refinance disbursed by NABARD under its various schematic lending operations recorded a 16.4 per cent rise from Rs. 2,359 crore to, 2,745 crore. Purpose-wise, agency-wise and region-wise data on refinance assistance provided by NABARD are set out in Tables VII-30, VII-31 and VII-32, respectively.

Purpose-wise, Integrated Rural Development Programme (IRDP) accounted for the largest share in refinance disbursements during 1993-94. Next in importance was farm mechanisation followed by minor irrigation. Disbursement of refinance for non-farming activities like fisheries, poultry/sheep breeding etc. increased considerably during the year (Table VII-30).

Agency-wise data on disbursement of refinance shows that all entities excepting the Scheduled Commercial Banks received increased amounts of refinance. The amount of refinance disbursed to Scheduled Commercial Banks having remained almost stagnant, their share in total refinance disbursed by NABARD declined drastically from 42.6 per cent in 1992-93 to 37.5 per cent in 1993-94 (Table VII-31).

Region-wise, the Southern Region accounted for the highest share (33.2 per cent) in refinance from NABARD, followed by the Central Region (21.3 per cent), the Western Region (18.2 per cent) and the Northern Region (16.5 per cent). During the year, while the shares of the Southern, Western and Northern Regions have gone up, those of the Central and Eastern Regions declined (Table VII-32).

Refinance facilities extended to the less developed and/or under-banked States rose from Rs.997 crore in 1992-93 to Rs.1,045 crore in 1993-94. However, the share of these States in the total disbursement at the all-India level declined to 38 per cent from 42 per cent during the preceding year (Table VII-33).

Refinance under IRDP

NABARD's refinance assistance during 1993-94 under IRDP amounted to Rs.662 crore (disbursements) as against Rs.649 crore during the previous year. Details of bank-wise refinance assistance provided by NABARD are given in Table VII-34.

State Land Development Bank (SLDBs)

The major sources of funds for SLDBs are the special development debentures and ordinary debentures. During 1993-94 flotation of special development debentures were to the tune of Rs.1,113 crore as against Rs.990 crore during the preceding year. The ordinary debenture programme was supported by the institutional investors. The details of resources mobilised by SLDBs are presented in Table VII-35. The total lending programme of SLDBs for the year 1993-94 was fixed at Rs.1,125 crore as compared with Rs.975 crore during 1992-93.

Licensing of Co-operative Banks

During 1993-94, 10 PCBs were issued licenses 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 1,045. During the year there was no fresh issue of licenses 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, licenses have been issued to 202 PCBs to open branches in their respective areas of operation (Table VII-36).

Comprehensive Crop Insurance Scheme

Details of the progress made under the Comprehensive Crop Insurance Scheme (CCIS) introduced during Kharif 1985 and implemented by the General Insurance Corporation of India (GIC) are presented in Table VII-37. During Kharif 1993, 17 States implemented the Scheme, covering an area of 72.1 lakh hectares. The sum insured aggregated to Rs.1,286.5 crore and total insurance charges amounted to Rs.20.2 crore. As for Rabi 1993-94, 16 States implemented the Scheme covering an area of 10.69 lakh hectares involving an insured sum of Rs.258.9 crore. The total insurance charges amounted to Rs.4.6 crore.

Commercial Banks and Rural Credit

Since the nationalisation of some of the Commercial Banks in 1969, these banks have been increasingly disbursing credit to the rural sector, in particular to the priority sector. However, of late, Commercial Banks are not able to meet the stipulated target of 40 per cent of bank credit to priority sector. As at end-March 1994, the share of priority sector advances in the total outstanding advances of the public sector banks stood at 37.8 per cent, those of agriculture at 13.7 per cent, and those of the weaker section at 9.1 per cent (Table VII-38). The outstanding direct advances of public sector banks to agriculture recorded a growth of 4.4 per cent during the period, March 1993 (Rs.18,450 crore) to March 1994 (Rs.19,256 crore), which turned out to be lower than the growth of 9.9 per cent in the banks' total priority sector advances.

Disbursements of Credit for Agriculture and Allied Activities

During 1992-93 (July-June), credit disbursed for agriculture and allied activities by Scheduled Commercial Banks amounted to Rs.4,960 crore registering an increase of Rs.154 crore or 3.2 per cent over the amount disbursed during the previous

year (Table VII-39). The disbursement of credit by the nationalised banks during 1992-93 at Rs.3,110 crore recorded a growth of 2.8 per cent over the previous year.

Purpose-wise Disbursement

During 1992-93 (July-June), Scheduled Commercial Banks (excluding RRBs) issued short-term loans for agriculture and allied activities aggregating Rs.2,431.8 crore which formed 49.0 per cent of the total loans disbursed for agriculture and allied activities. During the same period, disbursements of term loans for agriculture and allied activities amounted to Rs.2,528.1 crore (51.0 per cent). Of the term loans, Rs.1,773.8 crore, constituting 70.0 per cent, were provided for agriculture alone. Tractors, agricultural implements and machinery accounted for the bulk (Rs.965.2 crore) of the term loans disbursed. The minor irrigation schemes accounted for Rs.286.4 crore. The details of purpose-wise disbursements of loans are given in Table VII-40.

Region-wise Disbursement

Region-wise, Southern Region, continued to account for bulk of the credit disbursed (70.4 per cent of short-term loans, 29.5 per cent of term-loans, and 49.6 per cent of total credit). The Eastern and North-Eastern Regions together accounted for only 7.6 per cent of the total credit (Table VII-40).

National Co-operative Development Corporation(NCDC)

NCDC is a promotional and developmental organisation for the co-operative sector in the country. Its main objective is to promote, strengthen and develop the institution of farmers' co-operatives. The corporation's focus is on programmes for agricultural inputs, processing, storage and marketing of agricultural produce and supply of consumer goods in the rural areas.

The financial assistance (disbursement) provided by the Corporation for Central Schemes and Corporation Sponsored Schemes during 1993-94 (April-March) declined to Rs.286.7 crore from Rs.340.3 crore in the previous year. Financial assistance for co-operative storage programme with international aid and Agro-processing declined during 1993-94 (Table VII-41). Among the States, Tamil Nadu (22.2 per cent) and Maharashtra (20.6 per cent) accounted for the bulk of the total financial assistance.

During the Seventh Five Year Plan, the Corporation launched a scheme called Integrated Cooperative Development Project (ICDP) for area development in selected districts through Cooperatives. Upto March 1994, the scheme has been sanctioned in 45 districts involving a project cost of Rs.252.1 crore, of which NCDC's share was of the order of Rs.235.5 crore.

During 1993-94, total funds released by NCDC for Internationally Aided Projects was Rs.44.3 crore. There has been a significant increase in storage capacity assisted by the Corporation and owned by cooperatives from 11 lakh tonnes in 1962-63 to over 130.9 lakh tonnes as on March 31, 1994.

During the Eighth Five Year Plan, the Corporation's focus will be on the promotion and development of Weaker Sections' Cooperatives, poultry, dairy, handloom, coir, sericulture etc. An outlay of Rs.1,941.7 crore has been envisaged for implementing the projects during the Eighth Five Year Plan.

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 1993-94, 130 assignments were undertaken by the Corporation, of which 85 assignments have been completed and the remaining 45 were at various stages of preparation. Work relating to the assign-

ments on Concurrent Evaluation of Oilseeds Production Programme and Concurrent Evaluation of National Pulses Development Programme continued during the year. The preparation of an Integrated Plan for the development of Commercial Agriculture in Pune district was completed in the reporting year.

AFC's activities in the sphere of external consultancy during 1993-94 reflected a significant increase over that of the previous year. The implementation of the Kerala Horticulture Development Programme funded by the EEC continued during 1993-94. Earnings from consultancy assignments abroad in foreign exchange amounted to Rs. 9 million in 1993-94. Consultancy fees earned within the country amounted to Rs.59.3 million.

ANNEXURE - I

CREDIT POLICY MEASURES

Credit Policy Measures — **Effective Date**

A) LEADING RATES

i) Lending rates of scheduled commercial banks were lowered by one percentage point — September 2, 1993

Size of Credit Limit	Rates Prior to September 2, 1993. (Per Cent Per Annum)	Rates effective September 2, 1993 (Per Cent Per Annum)
Over Rs.25,000 and upto Rs.2 lakh.	16.0 (fixed)	15.0 (fixed)
Over Rs.2 lakh	16.0 (minimum)	15.0 (minimum)

ii) The minimum lending rate of scheduled commercial banks on term loans of three years and above was brought down by one percentage point as follows : — March 1, 1994

Size of Credit Limit	Rates prior to March 1, 1994	Rates effective March 1, 1994	
		Term Loans of 3 years and above	All other advances
Over Rs.25,000 and upto Rs.2 lakh	15.0	14.0	15.0
Over Rs.2 lakh	15.0 (minimum)	14.0 (minimum)	15.0 (minimum)

B) DEPOSIT RATES

1) Term Deposit Rates (Domestic)
Term deposit rates of scheduled commercial banks 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.' — September 2, 1993

2) Interest Rates on Deposits under Non-Resident (External) Rupee Accounts (NRE Accounts)

i) To rationalise the deposit rates of NRE Accounts in accord with the domestic term deposit rates, the savings deposit rate under this scheme was reduced from 6.0 per cent to 5.0 per cent and term deposit rate for maturity of 46 days to 3 years and above was reduced from 'not exceeding 12.0 per cent per annum' to 'not exceeding 11.0 per cent per annum'. — October 12, 1993

ii) To align the deposit rates on NRE Accounts in accord with the domestic term deposit rates, the maximum term deposit rate on NRE Accounts was reduced by one percentage point from 'not exceeding 11.0 per cent per annum' to 'not exceeding 10 per cent per annum'. Furthermore, the minimum maturity of a term deposit under this scheme was raised from 46 days to 6 months. — May 16, 1994

Credit Policy Measures	Effective Date

C) RESERVE RATIOS

1. Cash Reserve Ratio (CRR)

The CRR to be maintained by scheduled commercial banks was increased from 14.0 per cent to 15.0 per cent in three phases as set out below: — May 14, 1994 (Announcement date)

Phasing of CRR Increase for Scheduled Commercial Banks (Excluding Regional Rural Banks)	
CRR on Net Demand and Time Liabilities (Per cent)	Fortnight beginning from
14.50	June 11, 1994
14.75	July 9, 1994
15.00	August 6, 1994

2. Statutory Liquidity Ratio (SLR)

i) The net demand and time liabilities base for the purpose of maintaining SLR was shifted forward from April 3, 1992 to September 17, 1993. — October 11, 1993 (Announcement date)

ii) The incremental SLR was reduced. Accordingly, with effect from the fortnight beginning October 16, 1993, upto the level of outstanding liabilities as on September 17, 1993, the SLR was reduced to 34.75 per cent. For any increase in liabilities above the September 17,1993 level, the SLR was stipulated at 25 per cent. The earlier and revised prescriptions on SLR are set out below : — October 11, 1993 (Announcement date)

Statutory Liquidity Ratio

	Earlier prescriptions	SLR (per cent)		Revised prescriptions effective October 16, 1993	SLR (per cent)
1.	SLR on net Demand and Time Liabilities excluding external liabilities upto the level as on April 3, 1992.	37.25*	1.	SLR on Net Demand and Time Liabilities excluding external liabilities upto the level as on September 17,1993.	34.75
2.	Incremental SLR	30.00	2.	Incremental SLR	25.00

* The remaining two phases of SLR reduction for banks announced on April 7,1993 from 37.25 per cent to 37.0 per cent from the fortnight beginning from October 16,1993 and further to 36.75 per cent from the fortnight beginning from November 13,1993 were superseded by this measure.

iii) With the progressive move to market related rates of interest on government borrowing, the need for a high statutory liquidity ratio (SLR) has diminished. Accordingly, the SLR to be maintained by scheduled commercial banks (excluding regional rural banks) upto the level of outstanding domestic net demand and time liabilities as on September 17, 1993 — May 14, 1994 (Announcement date)

Credit Policy Measures	Effective Date
will be reduced from 34.75 per cent to 33.75 per cent in two phases of 0.50 percentage point each as set out below :	
SLR on Domestic Net Demand and Time Liabilities outstanding as on September 17, 1993 (per cent)	Fortnight beginning from
34.25	August 20, 1994
33.75	September 17, 1994

D) Foreign Currency (Non-Resident) Accounts Scheme (FCNRA)

i) Under the FCNRA Scheme, which carries exchange guarantees to banks the maturity '1 Year and above but less than 2 years' was withdrawn. — October 12, 1993

ii) The maturity '2 Years and above but less than 3 years' was also withdrawn under this scheme and Authorised Dealers were permitted to mobilise FCNRA deposits for a single maturity period of '3 years only'. — February 15, 1994

E) Measures Related to Export Credit

1. Export Credit Refinance — Fortnight beginning

i) In the case of export credit (rupee) refinance facility, the base year for the two-tier export credit refinance formula was brought forward by one year. Banks were provided export credit (rupee) refinance to the extent of 60 per cent of the increase in the outstanding export credit over the monthly average level of 1989-90 *plus* 100 per cent of the increase in the monthly average level of outstanding export credit in 1990-91. — October 30, 1993

ii) Under the refinance facility against post-shipment export credit denominated in US Dollars (PSCFC) banks were provided export credit refinance equivalent to 90 per cent of such outstanding export credit provided by them as against 100 per cent till then. — October 30, 1993

iii) Export credit (rupee) refinance was provided to the extent of 60 per cent of the increase in the outstanding export credit over the monthly average level of 1990-91 upto the monthly average level of 1991-92 *plus* 100 per cent of the increase in export credit over the monthly average level of export credit in 1991-92. — May 28, 1994

iv) Under the refinance facility against Post-shipment Export Credit denominated in U.S. dollars (PSCFC), the banks were eligible for export credit refinance limits equivalent to 80 per cent of such outstanding export credit provided by banks as against 90 per cent. — May 28, 1994

2. Rediscounting of Export Bills Abroad

Exporters were allowed to rediscount their export bills abroad through the Authorised Dealers in India at rates linked to international interest rates. — October 6, 1993

3. Pre-shipment Credit in Foreign Currency (PCFC)

i) In order to enable Indian exporters to compete in the international market, a new scheme of Pre-shipment Export Credit in Foreign Currency was introduced. Under this scheme exporters are provided pre-shipment credit in foreign currency for financing imported and domestic inputs of goods exported on the basis of confirmed/firm export orders and/or confirmed letters of credit. Such credit carries LIBOR related rates of interest; the lending rate to exporters under the scheme not to exceed 2 per cent over LIBOR. — November 8, 1993

Credit Policy Measures	Effective Date
ii) The running account facility under PCFC which was hitherto not available to exporters except for Gems and Jewellery was made available to all exporters with a good track record.	May 18, 1994
F) Measures to Promote Agricultural and Industrial Growth	
1. Additional Resources to National Bank for Agriculture and Rural Development	
i) To support the Rabi agricultural operations the limits under the General Line of Credit-I (GLC-I) were enhanced by Rs.400 crore from Rs.3,300 crore to Rs.3,700 crore.	October 11, 1993 (Announcement date)
ii) To enable NABARD to provide adequate refinance support, the General Line of Credit I for seasonal agricultural operations was further enhanced by Rs.400 crore to Rs.4,100 crore in May 1994. Furthermore, to meet the enhanced need of the non-farm sector, the General Line of Credit II was increased by Rs.100 crore from Rs.650 crore to Rs.750 crore.	May 14, 1994 (Announcement date)
2. Relaxation in Refinance Eligibility Conditions to State Co-operative Banks and Regional Rural Banks	
State Co-operative Banks and Regional Rural Banks were required to recover at least 40 per cent of the demand of previous years to be eligible for refinance from NABARD. In order not to deny credit to new and non-defaulting members of co-operatives and RRBs, this condition was relaxed in December 1993 so as to enable these institutions to obtain refinance to the extent of recovery. This relaxation was continued upto June 30, 1995 to help many of the areas afflicted by retarded credit and to increase agricultural production.	May 14, 1994 (Announcement date)
3. Action Plans for Agricultural Lending	
Public Sector banks were advised to prepare specific action plans for the current financial year to enhance agricultural lending. These plans were to be ready for implementation not later than June 15, 1994. The banks were advised to ensure that they attained their sub-target for lending to the agricultural sector; banks with shortfalls were advised to make concerted efforts to make up the shortfall.	May 14, 1994 (Announcement date)
4. Opening of Specialised Agricultural Finance Branches (SFABs)	
With a view to promoting investment in agriculture, particularly in the high-tech area, such as agriculture, floriculture, tissue culture, it was stipulated that there should be at least one specialised branch of a commercial bank in each state (set up by the convenors of the respective state level Bankers Committees) to adequately deal with high-tech agricultural loans.	June 8, 1994
5. Consortium arrangements	
In cases of multiple lending the threshold limit for obligatory consortium arrangement was raised from Rs.5 crore to Rs.50 crore. Borrowers were given the freedom to induct new banks into a consortium. The banks also had the freedom to leave the consortium after a minimum period of 2 years of joining a consortium. However, to ensure financial discipline, these relaxations in entry and exit from the consortium were made subject to the banks fulfilling certain procedural requirements.	October 28, 1993

Credit Policy Measures	Effective Date
6. Lending Norms	
To ensure that borrowers were able to obtain adequate and timely finance to meet their working capital needs, banks were given greater discretion in deciding the credit limits of borrowers, subject to the observance of prescribed prudential norms.	
i) The guidelines for determining the maximum permissible bank finance were revised and banks were given the freedom to decide the levels of holding of individual items of inventory and receivables, taking into account production, processing cycle and other relevant factors. Banks were also free to decide the period and quantum of *ad-hoc* credit limits without levy of additional interest. The requirement of maintaining a minimum current ratio of 1.33 was however continued. As returns under Quarterly Information System are an essential part of credit management, the guidelines in this regard continue to be enforced. For the benefit of banks which do not have an adequate infrastructure for determining the inventory norms, the Reserve Bank would advise the overall levels of current assets for different industries which could be used as broad indicators.	October 28, 1993
ii) Banks had been advised in April 1993 to assess working capital needs of borrowers on the basis of 20 per cent of the projected turnover of village, tiny and other SSI units having working capital limits upto Rs.50 lakh. This was now extended to all borrowers having working capital limits upto Rs.1 crore from the banking system.	October 28, 1993
7. Treatment of Term Loan Instalments for Assessment of Working Capital Requirements	
Considering the favourable liquidity position in the banking system and also with a view to providing further relief to borrowers, the norms for calculating Maximum Permissible Bank Finance were further relaxed. Earlier, banks were required to treat only one-third portion of the term loan instalments payable within the next twelve months as an item of current liabilities for the purpose of arriving at the maximum permissible bank finance (MPBF). Banks were advised that the balance of one-third portion of term loan instalments falling due in the next twelve months need not be treated as an item of current liability, i.e. the entire term loan instalments falling due for payment in the next year need not be reckoned as an item of current liability for the purpose of arriving at the MPBF.	October 11, 1993
8. Bank Borrowings by Equipment Leasing and Hire Purchase Companies	
Within the overall ceiling of borrowings by hire-purchase and equipment leasing companies of 10 times the net owned funds, banks were earlier allowed to lend upto 3 times the net owned funds. Banks are now allowed to provide credit to such companies upto 4 times the net owned funds within the overall ceiling of 10 times the net owned funds.	October 12, 1993
G. MEASURES RELATING TO THE MONEY MARKET	
1. Commercial Paper (CP)	
According to the guidelines prevailing till October 1993, no CP could be issued for a period of less than 3 months and more than 6 months from the	October 18, 1993

Credit Policy Measures	Effective Date
date of issue. The maximum maturity for issue of CP has been increased and CP can be issued by the companies for maturities between 3 months and less than one year from the date of issue. Furthermore, for a company to be eligible to issue commercial paper, the minimum net worth was reduced from Rs.5 crore to Rs.4 crore and the minimum working capital (fund based) limit was also reduced from Rs.5 crore to Rs.4 crore.	
2. Certificates of Deposit (CDs)	
To provide greater flexibility to banks for mobilisation of deposits at competitive rates of interest and also as a step in the direction of deregulating interest rates, the bank-wise limits stipulated for issue of CDs were withdrawn, leaving banks free to issue CDs depending on their requirements.	Fortnight beginning October 16, 1993
3. Inter-Bank Participations (IBPs) with Risk Sharing	
According to the guidelines relating to the scheme of Inter-Bank Participations(IBPs),the issuing bank and the participating bank had the freedom to determine the interest rates on inter-bank participations with risk-sharing subject to a minimum rate of 14 per cent per annum. In order to provide greater flexibility to banks, the stipulation relating to the minimum rate of interest of 14 per cent per annum on IBPs with risk-sharing was withdrawn. The issuing banks and the participating banks are now free to determine the rate of interest on IBPs with risk-sharing.	October 12, 1993
4. Allowing Select All India Financial Institutions to operate as Borrowers in Term Money Market	
With a view to providing some flexibility to financial institutions and also to develop the term money market, select financial institutions (IDBI, IFCI, ICICI, IRBI, SIDBI, EXIM Bank and NABARD) were permitted to borrow from the term money market for periods in the maturity range of 3 months to 6 months within limits stipulated for each institution.	October 11, 1993
H) OTHER MEASURES	
1. Investments in and Underwriting of Bonds issued by Public Sector Undertakings (PSUs)	
i) With a view to facilitating normalisation of the PSU bonds market and to enable scheduled commercial banks having comfortable liquidity conditions to lend support to the floatations by the PSUs,the ceiling for investment by banks in such bonds/debentures were raised from 1.5 per cent to 5.0 per cent.	October 11, 1993
ii) With a view to enabling banks to deploy their surplus funds more remuneratively, the stipulated ceiling on investments by banks in PSU bonds of 5.0 per cent of incremental deposits of the previous year was withdrawn.	January 25, 1994
2. Investment in and Underwriting of Shares and Debentures of Corporate Bodies	
i) With a view to enabling banks to deploy their surplus funds more remuneratively and also to enlarge securitisation of debt, it was decided to simplify the procedure and also raise the limits. Accordingly, banks were advised that the earlier condition of acquiring shares/debentures of corporate bodies only through devolvement of underwriting obligations would henceforth not apply and banks could directly subscribe, including	January 24, 1994

Credit Policy Measures	Effective Date
through private placement, to shares and debentures of corporate bodies. The limit for acquisition of shares and debentures of corporate bodies including devolvement arising out of underwriting obligations was also raised from 1.5 per cent to 5 per cent of the incremental deposits of the previous year and within this overall ceiling, the acquisition of corporate shares was not to exceed 1.5 per cent of the incremental deposits of the previous year.	
ii) With a view to giving banks greater flexibility in their operations, the sub-ceiling of 1.5 per cent was abolished. As such banks would have flexibility within the overall ceiling of 5 per cent, to hold shares (including PSU equity) or debentures.	May 18, 1994
3. Composition of Priority Sector Lending	
Taking into account the need to recognise emerging priorities and the need to alter the size of limits which were fixed quite some time back, two important changes were made in the composition of priority sector lending by commercial banks. They are :	October 21, 1993
i) Clubbing of Direct & Indirect Advances for Agriculture	
Since the ultimate objective of the agricultural credit, whether direct or indirect is to help agricultural production, it was decided to club the 'direct' and 'indirect' advances for agriculture within the target of 18 per cent for agricultural lending as a whole. To ensure that the focus of the banks on the direct agricultural lending does not get diluted, it was stipulated that lendings for indirect agriculture should not exceed one-fourth of the total agricultural lending target of 18 per cent of the net bank credit.	
ii) Small-Scale Industries	
The advances by commercial banks to small-scale industries having investment in plant and machinery upto Rs.35 lakh (Rs.45 lakh in the case of ancillary units) were treated as priority sector advances. Since the Government of India has redefined small-scale industry with the investment in plant and machinery upto Rs.60 lakh (Rs.75 lakh in the case of ancillary units and export oriented units),it was indicated that all advances granted by the banks to the small-scale industries as per revised definition of the Government might be treated as priority sector advances. To ensure that the smaller units receive adequate credit, it was decided that 40 per cent of the total credit to small-scale industries by each bank should be given to the cottage industries, khadi and village industries, artisans and tiny industries with investment in plant and machinery upto Rs.5 lakh and other small-scale industrial units availing credit limits upto Rs.5 lakh.	
In May 1994, it was reiterated that banks should adhere to the priority sector targets and sub-targets and effective steps should be taken to correct any shortfalls. Taking into account the structure of credit institutions and the changing credit requirements, certain definitional changes were made in the priority sector which are set out below :	May 17, 1994
i) With a view to encouraging sponsor banks to make more funds available to Regional Rural Banks (RRBs), it was decided that the net funds provided by sponsor banks to RRBs will be treated as priority sector lending of the sponsor banks.	

Credit Policy Measures	Effective Date
ii) In view of the importance of activities allied to agriculture such as dairy, poultry, piggery, fishery and the need to ensure the availability of inputs for such activities, it was decided that advances upto Rs.5 lakh granted for financing distribution of inputs for the allied activities, such as cattle feed, poultry feed, etc. would be reckoned as indirect agricultural advances under the priority sector.	
iii) Taking into consideration the higher cost of equipment on account of technological advancement and the importance of the services rendered by professional and self employed persons, the ceiling of Rs.2 lakh was raised to such borrowers to Rs.5 lakh, of which not more than Rs.1 lakh should be for working capital requirements. In the case of professionally qualified medical practitioners setting up practice in semi-urban and rural areas, a higher ceiling of Rs.10 lakh with a sub-ceiling of Rs.2 lakh for working capital requirements, was fixed. Further, an advance granted to a qualified medical practitioner for purchase of one motor vehicle within the abovementioned revised ceilings was also allowed to be reckoned under the priority sector lendings.	
4. Service Area Approach	
In the light of the experience gained in the implementation of the Service Area Approach and the findings of the evaluation studies, the following modifications were introduced in the Service Area Approach.	May 24,1994
i) Service Area branches may be grouped blockwise without disturbing their Service Area identities or their obligation to prepare village level plans/Service Area Plans so that borrowers will have the flexibility to approach other branches in a block, in the event of inability of the Service Area branch to adequately meet their requirements.	
ii) In Service Area which are very large and less banked regions, like tribal and hilly tracts and underdeveloped districts in certain States and the North Eastern Region, mobile or satellite offices can be opened.	
iii) The area of operations of specified branches such as Agricultural Development Branches, Agriculture Banking Divisions and Gram Vikas Kendras may be suitably enlarged taking into account their unutilised infrastructural facilities.	
iv) Scattered Service Areas should be suitably realigned.	
v) Exemptions were granted from the Service Area Approach in respect of large projects covering several districts/States.	
In December 1993, RRBs with disbursals during 1992-93 of less than Rs.2 crore had been freed from their Service Area obligations and could extend financial assistance throughout the areas of their jurisdiction. In May 1994 on a further review it was decided that all the remaining RRBs may be allowed to operate within their entire command areas (district/s) subject to the obligations of extending financial assistance in their respective service areas.	
5. Measures to Activate the Secondary Market in Government Securities	
To develop a vibrant secondary market in government securities, the Securities Trading Corporation of India (STCI) was set up. By May 1994 the	May 14, 1994

Credit Policy Measures	Effective Date
STCI had obtained the certificates of incorporation and capital from the shareholders was being called up to enable commencement of operations in the few weeks. To further strengthen the institutional structure in May 1994, the Reserve Bank proposed to set up a system of Primary Dealers. The role of the Primary Dealers would be to underwrite the auctions of government securities, act as a "market maker" by providing two way quotes and access securities to final investors and thereby broaden and develop the government securities market. The endeavour of the Primary Dealers would be to increase the turnover of government securities rather than becoming a mere repository of these securities. To impart Liquidity to their operations, Primary Dealers would be provided special facilities by the Reserve Bank. In turn, the Primary Dealers would have certain obligations in terms of a presence in the auctions and also quote two way quotes for these securities. Primary Dealers would be subject to prudential norms. This would be a major step in activating the secondary market in government securities and strengthen the instruments of indirect monetary control via open market operations.	
I. SELECTIVE CREDIT CONTROLS	
1. Lending Rate on Advances under Selective Credit Controls	
The lending rate was lowered from 16.0 per cent per annum (minimum) to 15.0 per cent per annum (minimum).	September 2, 1993
2. Exemption for Advances against Wheat	
Bank advances against wheat to all borrowers were exempted from all the provisions of selective credit controls.	October 12, 1993
3. Exemption for Advances against Cotton and Kapas	
Bank advances against cotton and kapas to all borrowers were exempt from all the stipulations of selective credit controls.	October 12, 1993
4. Minimum Margins on Advances against Paddy/Rice	
The minimum margins on bank advances against paddy/rice were lowered across the board 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).	October 12, 1993
5. Minimum Margins on Advances against Oilseeds/Vegetable Oils	
The minimum margins on advances against oilseeds/vegetable oils (including vanaspati) were raised across the board 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).	October 12, 1993
6. Level of Credit Ceiling on advances against Paddy/Rice	
The level of credit ceiling on advances against paddy/rice was raised by 15 percentage points from 85 per cent to 100 per cent of the peak level of credit maintained by the party in any of the three years ended 1991-92 (November-October).	October 12, 1993

Credit Policy Measures	Effective Date
7. Reintroduction of Selective Credit Controls on Cotton and Kapas	
Bank advances against cotton and kapas were brought back under the selective credit control measures. The minimum margin was stipulated at 45 per cent for 'others' (other than cotton mills including spinning mills) and 30 per cent against warehouse receipts. The level of credit ceiling was also set at 100 per cent of the peak level of credit maintained by the party in any of the three years ended 1991-92 (November-October). Mills and processing units are exempted from the provisions of selective credit control.	February 19, 1994
8. Minimum Margins on Advances against Pulses,Oilseeds and Vegetable Oils	
The minimum margins on bank advances against pulses and oilseeds/ vegetable oils were raised across the board by 15 percentage points setting them at 60 per cent for mills/processing units and against warehouse receipts and 75 per cent for 'others'.	May 16,1994
9. Minimum Margins on Advances against Cotton and Kapas	
The minimum margins on bank advances against cotton and kapas were raised across the board by 15 percentage points, setting them at 60 per cent for 'others',(viz.other than cotton mills including spinning mills) and 45 per cent against warehouse receipts covering stocks of cotton and kapas. Cotton mills including spinning mills are exempted from the provisions of the selective credit control.	May 16, 1994
10. Level of Credit Ceilings	
For commodities where there is a stipulation on the level of credit ceiling, the reference period has been brought forward by one year to the three years ending 1992-93 (November-October).	May 16, 1994
11. The level of credit ceilings, on advances against pulses, oilseeds/ vegetable oils and cotton and kapas to 'others' (viz. other than cotton mills including spinning mills), were lowered by 15 percentage points, setting them at 85 per cent of the peak level of credit maintained by the party in any of the three years ended 1992-93 (November-October).	May 16, 1994
12. Minimum Margins to certain State Level Cooperative Institutions	
The concessional minimum margin of 10 per cent applicable on bank advances against oilseeds and vegetable oils to certain State Level co-operative institutions if a State Government guarantee is available was raised to 25 per cent.	May 16, 1994
13. The minimum margin on bank advances against stocks of sugar imported on a cash basis (sight Letter of Credit), was stipulated at 25 per cent for a period not exceeding eight weeks after the arrival of sugar stocks in India. This concession is available upto end-November 1994 and would be available only at the importers' level and not available at the level of stockists and other traders of imported sugar.	May 27, 1994
The new structure of minimum margins and level of credit ceilings as on May 16, 1994 is given in the Appendix.	

ANNEXURE II : PROGRESS OF FINANCIAL SECTOR REFORMS

Issues / Year	1992-93	1993-94	1994-95
1	2	3	4
I. Overall Monetary Policy			
1. Reserve Requirements			
a) Cash Reserve Ratio (CRR)	i) The scheduled commercial banks were exempted from the maintenance of the 10 per cent incremental CRR for any increase in net demand and time liabilities (DTL) over the level as on April 17, 1992.	i) The average CRR on net DTL was reduced from 15 per cent to 14 per cent in two phases i.e., 14.5 per cent from fortnight beginning from April 17, 1993 and 14 per cent from May 15, 1993.	i) CRR was increased from 14 per cent to 15 per cent in three phases: 14.5 per cent, 14.75 per cent and 15 per cent from the fortnights beginning June 11, 1994, July 9, 1994 and August 6, 1994 respectively.
	ii) One-third of additional cash balances maintained under the 10 per cent incremental CRR by each bank upto the level of April 17, 1992 was released in three equal instalments in the fortnights beginning October 17, November 14 and December 12, 1992.		ii) From the fortnight beginning January 7, 1995 banks are required to maintain at least 85 per cent of the CRR balances required to be maintained on each of the first 13 days of the reporting fortnight, failing which they would not be paid interest for that/those day/days eventhough there is no shortfall in the maintenance of CRR. On the 14th day of the reporting fortnight banks will be allowed to maintain less than 85 per cent of the required cash balances to adjust the average of daily balances to the required level.
	iii) Effective from the fortnight beginning October 17, 1992, no interest is being paid 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.		
b) Statutory Liquidity Ratio (SLR)	i) It was announced on February 29, 1992 that upto the level of the outstanding domestic net DTL as on April 3, 1992 SLR will remain frozen at 38.5 per cent and for any increase in domestic net DTL	i) SLR on domestic net DTL as on April 3, 1992 was reduced to 37.5 per cent from August 21, and 37.25 per cent from September 18, 1993.	i) SLR to be maintained by scheduled commercial banks upto the level of domestic net DTL as on September 17, 1993 was reduced from 34.75 per cent

1	2	3	4
	over April 3, 1992 level, the SLR was reduced from 38.5 per cent to 30 per cent.	ii) The base date for SLR on domestic net DTL was brought forward from April 3, 1992 to September 17, 1993 and SLR was fixed at 34.75 per cent of domestic net DTL upto the level as on September 17, 1993.	to 34.25 per cent effective August 20, 1994 and 33.75 per cent effective September 17, 1994.
	ii) SLR to be maintained by scheduled commercial banks upto the level of outstanding domestic net DTL as on April 3, 1992 was reduced from 38.5 per cent to 37.75 per cent in three phases, i.e., 38.25 per cent effective from the fortnight beginning from January 9, 38.0 per cent from February 6 and 37.75 per cent from March 6, 1993.	iii) SLR for any increase in domestic net DTL over the level as on September 17, 1993 was reduced from 30 per cent to 25 per cent.	ii) The base date for SLR on domestic net DTL was brought forward from September 17, 1993 to September 30, 1994 and SLR was fixed at 31.5 per cent and for any increase in domestic net DTL over the level as on September 30, 1994 the SLR would be 25 per cent.
c) Exemption from Reserve Requirements	i) Liabilities under the following schemes were exempt from both CRR & SLR requirements : a) Non-Resident Non-Repatriable Rupee Deposit Scheme(NRNR), b)Foreign Currency Non-Resident Accounts (Banks) [FCNR(B)] Scheme, c) ESCROW Accounts, d)Inter-bank Foreign Currency Deposit(IBFCD) Accounts, e) Foreign Currency (FC) Accounts, f) Resident Foreign Currency(RFC) Accounts, and g)Foreign Currency Non-Resident (Ordinary) Non-Repatriable (FCON) Accounts.	i) The number of schemes exempt from both CRR & SLR requirements remained the same as in 1992-93.	i) From the fortnight beginning October 29, 1994 a CRR of 7.5 per cent was prescribed on liabilities under the FCNR(B) Scheme. However, liabilities under FCNR(B) Schemes were exempted from SLR requirement.
	ii) CDs issued over the pre-May 2, 1992 limit equivalent to 5 per cent of the fortnightly average outstanding aggregate deposits in 1989-90 were exempted from CRR requirements.	ii) CDs issued over pre-May 2,1992 limit were brought under the purview of CRR.	
2. Interest Rates			
a) Interest Rate Structure	i) The lending rates structure was rationalised into four categories from the earlier six categories of which one was a minimum rate. Deposit interest rates were subject to only one ceiling rate and rates on CDs were freely determined in the market.	i) Effective April 8, 1993, the existing four categories of lending rates were reduced to three categories. ii) Effective October 16, 1993, bank-wise limits on issue of CDs were withdrawn.	

1	2	3	4
		iii) The minimum maturity of a term deposit under the Non-Resident (External) Rupee (NRE) Deposit scheme was raised upwards from 46 days to 6 months effective May 16, 1994.	
b) Lending Rate	i) The minimum lending rate(MLR) for credit limit of over Rs.2 lakh was reduced from 20 per cent to 19 per cent effective March 2, 1992, 18 per cent effective October 9, 1992 and further to 17 per cent effective March 1, 1993.	i) MLR was further reduced to 16 per cent effective June 24, 1993 and to 15 per cent effective September 2, 1993. ii) MLR on term loan of 3 years and above was lowered from 15 per cent to 14 per cent effective March 1, 1994. iii) The fixed interest rate on term loans over Rs.25,000 and upto Rs.2 lakh was reduced from 15 per cent to 14 per cent effective March 1, 1994.	i) Effective October 18, 1994 MLR for credit limits of over Rs.2 lakh was abolished and banks are free to fix the lending rate for such credit limits. ii) Effective October 18, 1994 the lending rate for credit limits of over Rs.25,000 and upto Rs.2 lakh for all advances including term loans would be a uniform 13.5 per cent. iii) The stipulation of effective interest rate on bill discounting of over Rs.2 lakh being at one percentage point below the lending rate under this category was withdrawn from October 18, 1994.
c) Deposit Rate	i) Banks' maximum deposit rate was reduced from 'not exceeding 13 per cent' to 'not exceeding 12 per cent' effective October 9, 1992 and further to 'not exceeding 11 per cent' effective March 1, 1993. ii) The interest rate on savings accounts under the NRE scheme was raised from 5 per cent to 6 per cent with effect from October 9, 1992.	i) Effective July 1, 1993 interest rate on savings deposits was reduced from 6 per cent to 5 per cent. ii) Effective April 8,1993 maximum term deposit rate under NRE Scheme was reduced from 'not exceeding 13 per cent' to 'not exceeding 12 per cent', effective October 12, 1993 to 'not exceeding 11 per cent'and further to 'not exceeding 10 per cent' effective May 16,1994. iii) Term deposit rate was reduced	i) Effective November 1, 1994 the savings deposit rate for deposits including under NRE accounts was reduced to 4.5 per cent from 5 per cent. ii) Effective October 18,1994 term deposit rate for NRE accounts for maturity of 6 months to 3 years and above was reduced from 'not exceeding 10 per cent' to 'not exceeding 8 per cent'.

1	2	3	4
		to not exceeding 10 per cent' effective September 2, 1993. iv) New FCNR (Bank) scheme was introduced effective May 15, 1993 entailing the commercial banks to provide the exchange rate guarantee to depositors.	
3. Internal Debt Management Policies	i) During the year, an active debt management policy was persued to prudently influence the composition, maturity structure and yield of Government securities which by reducing monetised deficit and effectively controlling money supply enhanced the efficacy of monetary policy. Accordingly, many reform measures were introduced such as : a) auctions of 364-day and 91-day Treasury bills. b)auction of Government dated securities of varied maturities, and c)Repurchase Agreement (Repo) auction. ii) With the introduction of auction system, the interest rates on Government borrowing instruments were closely market related. The cut-off yields of 91-day Treasury bills were significantly higher than the earlier fixed discount rate of 4.6 per cent per annum. The cut-off-yield of 364-day Treasury bills ranged between 10.96 per cent and 11.42 per cent. The coupon rate on 15-year State Government securities turned out to be 13.0 per cent.	i) In order to develop an efficient secondary market for Government securities, the Reserve Bank decided to set up 'Securities Trading Corporation of India' (STCI). ii) The maximum maturity period of State Government securites was reduced from 15 years to 10 years. iii) The Coupon rate on 10 year State Government securities was hiked from 13.0 per cent to 13.5 per cent in order to make these securites attractive. iv) A new instrument, Zero Coupon Bond of five year maturity was introduced on auction basis in January 1994. v) Funding of Treasury bills was effected as an important aspect of internal debt management.	i) A historic agreement was signed on September 9,1994 between RBI and the Government on the net issue of ad hoc Treasury Bills. As per the agreement, the net issue of ad hoc Treasury Bills for the year 1994-95 should not exceed Rs.6000 crore ; if the net issue of ad hoc Treasury Bills exceeds Rs.9000 crore for more than ten consecutive working days at any time during the year, the Reserve Bank would automatically reduce the level of ad hoc Treasury Bills by auctioning Treasury Bills or selling fresh Government dated securities in the market. Similar ceilings for the net issue of ad hoc Treasury Bills would be stipulated for 1995-96 and 1996-97. From 1997-98 the system of ad hoc Treasury Bill would be totally discontinued. ii) STCI has commenced operations from June 27, 1994. iii) From 1994-95 the allocations of open market borrowings would be made only to State Governments and not to State guaranteed institutions.

1	2	3	4
			iv) From August 1994, State Governments and non-Government provident funds were allowed to participate in 91 day Treasury Bills auctions on a non-competitive basis with allotment at weighted average price.
			v) Government, for the first time, issued securities on a tap basis. 11.64 per cent Government Stock 2000 was sold on tap basis on July 29, 1994. An amount of Rs.1,653.68 crore was mopped up.
			vi) Particulars of transactions in government securities including Treasury Bills put through SGL accounts at Public Debt Office at Bombay were being released to the Press daily beginning September 1, 1994.
			vii) Government issued, for the first time, Government Stock (securities)of 8 year tenor for which payment was made in instalments on November 14, 1994 for an aggregate nominal amount of Rs.2000 crore.
			viii) Repo facility with RBI in Government dated securities was extended to STCI and DFHI to provide liquidity support to their operations.
			ix) To strengthen Government securities market, Primary Dealer System in government securities would be set up shortly.
			x) A system of Delivery versus Payment in SGL transactions is

1	2	3	4
			to be introduced to improve payment and settlement system in Government securities transactions. This will reduce counter-party risks and the risk of diversion of funds through SGL transactions.
II. In-House Issues			
a) Capital Adequacy Norms	i) In order to improve the financial health of the banking system, the Reserve Bank introduced a risk-asset ratio system for banks in India as a capital adequacy measure. Accordingly, all Indian banks with international presence were asked to achieve a capital to risk-asset ratio of 8 per cent by March 31, 1994. Foreign banks operating in India were asked to achieve this norm of 8 per cent by March 31, 1993. Other banks were asked to achieve 4 per cent by March 31, 1993 and 8 per cent by March 31, 1996.	i) The Government of India had made a provision of Rs.5,700 crore in the 1993-94 Union Budget for recapitalisation of nationalised banks. Recapitalisation of 19 nationalised banks was made on January 1, 1994 subjecting the banks under time bound 'performance obligations'. The recipient banks were required to invest the Government's capital subscription in Government bonds known as '10 per cent Recapitalisation Bonds, 2006'. ii) Indian banks having branches abroad were given one year extension to achieve the capital adequacy norm of 8 per cent by March 31, 1995. iii) 'The State Bank of India Act, 1955' was amended by an Ordinance in October 1993 to enhance the scope of the provision for partial private shareholding. iv) SBI was the first public sector bank to tap the capital market with an equity cum bond issue of Rs.2,532 crore.	i) The Banking Companies (Acquisition and Transfer of undertakings) Acts, 1970/1980 were amended with effect from July 15, 1994 permitting the public to contribute to the share capital upto 49 per cent. ii) A provision of Rs.5,600 crore has been made in the Union Budget for 1994-95 towards further recapitalisation of nationalised banks.

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b) Income Recognition and Provisioning	i) In order to reflect actual financial health of banks, the Reserve Bank instructed the commercial banks to treat an amount in respect of term loans, overdrafts and cash credit accounts, bills purchased and discounted and other accounts as "Past due" when not been paid on the due date (since revised to 30 days beyond the due date). ii) Banks were instructed not to charge and take to income account interest on all non-performing assets (NPA). A 'non-performing asset' is defined as a credit facility in respect of which interest has remained 'past due' for a period of four quarters ending March 31, 1993, three quarters ending March 31, 1994, two quarters ending March 31, 1995 and onwards. iii) Banks were required to classify their advances into 4 broad groups : standard assets, sub-standard assets, doubtful assets and loss assets. iv) From a practical viewpoint, aggregate provisioning in respect of amounts less than Rs.25,000 to the extent of 2.5 per cent of the total outstanding was asked to be made rather than a case by case evaluation of a very large number of small accounts. v) Provisioning of NPAs was stipulated at 30 per cent of the total provisions on sub-standard assets, doubtful assets and advances with balances less than Rs.25,000. For loss assets, the entire amount was to be provided for by March 1993.	i) Banks were required to make full stipulated provision against NPAs identified during 1993-94 besides the carried forward provisioning for 1992-93. ii) In respect of advances with balances less than Rs.25,000 the required provision for the year ended March 31, 1994 was enhanced from 2.5 per cent to 5 per cent without reckoning the DICGC/ECGC cover.	i) The provisioning requirement for NPAs with balances of less than Rs.25,000 has been increased from 5 per cent of the aggregate amount outstanding to 7.5 per cent for the year ending March 31, 1995 and further to 10 per cent for the year ending March 31, 1996.

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c) Recovery of Bank Loans		i) In order to effect speedy recovery of bank loans, a new Act 'Recovery of Debts due to Banks and Financial Institutions Act, 1993', for the creation of Special Recovery Tribunals was passed by the Parliament on August 10, 1993.	i) Debt Recovery Tribunal has started functioning at Calcutta. The Appellate Tribunal positioned at Bombay and the Debt Recovery Tribunal at Delhi have been established. However, Delhi High Court has stayed the operations of the Recovery of Debts due to Banks and Financial Institutions Act 1993 as the Act has been challenged by Delhi Bar Association.
d) Lending Norms	i) For calculation of Maximum Permissible Bank Finance (MPBF) only two-thirds of term loan instalments falling due for payment during the next 12 months were treated as current liabilities effective January 8, 1993.	i) Only one third of term loan instalment (since revised to none falling due for payment during next 12 months) was treated as current liabilities for purpose of the calculation of MPBF. ii) Banks were allowed to decide the levels of holding of individual items of inventory and of receivables while assessing credit requirements of borrowers. iii) Threshold limit for obligatory consortium lending was raised from Rs.5 crore to Rs.50 crore. iv) Banks were permitted to extend bridge loans/interim finance against capital issues/market borrowing (domestic) upto 50 per cent of the amount "called up" on each occasion without the prior approval of the Reserve Bank. v) There was a major change in policy by linking bank participation in term loans to	i) Banks are advised to extend cash credit facilities to farmers with irrigation facilities and also to other farmers undertaking off farm/ allied activities. ii) For term loans for any project the ceiling of Rs.50 crore for individual banks stands withdrawn and the limit of Rs.200 crore for the banking system as a whole has been raised to Rs.500 crore subject to sanction of such term loans conforming to the prudential exposure norms. iii) The stipulated margin of not less than 25 per cent for advances granted against deposits stands withdrawn; banks are free to determine the margin on a case by case basis. iv) Banks along with financial institutions are permitted to extend bridge loans against public issues/market borrowing (domestic) upto 75 percent of the amount called up on each

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		quantum instead of to cost of project. Banks were allowed to lend individually upto Rs.50 crore and the banking system collectively up to Rs.200 crore for each project subject to compliance with prudential exposure norms. vi) Jilani Committee set up to review the cash credit system submitted its Report in October 1993. vii) Banks were permitted to provide term loans to entrepreneurs/ private sector undertakings for technically feasible, financially viable and bankable projects involving creation of infrastructure facilities subject to the terms and conditions and extent of participation governing sanction of term loans. Banks, however.were not allowed to extend term loans for infrastructure facilities created out of budgetary allocations.	occasion (as against 50 per cent earlier by banks). Banks are advised not to extend bridge loans/interim finance loans in the form of bridging nature to all non-banking financial companies. v) Banks were advised that bank credit to loan and investment companies and residuary non-banking financial companies should not exceed twice the net owned fund(NOF) as against three times the NOF as hitherto. In respect of credit to equipment leasing and hire purchase companies, the present limit of four times the NOF would continue provided such borrowers were predominantly engaged in equipment leasing/ hire purchase business; otherwise, bank credit should be restricted to three times the NOF. vi) Banks were permitted to extend finance to public sector undertakings (registered under the Companies Act, 1956 or as a corporation under the relevant Act) for projects involving creation of infrastructure facilities subject to the same terms and conditions as applicable to the private sector. Additionally banks were asked to ensure that such PSUs were run on commercial lines and repayment was made out of income generated by the project and not out of Government subsidies.

1	2	3	4
e) Investment Norm		i) Ceiling on bank's investment in PSU bonds was withdrawn.	i) Standby facility for CP was abolished: after issuance of CP, the bank would effect a 'pro tanto' reduction in the cash credit limit.
f) Computerisation		i) Decks were cleared for further computerisation of banks following agreements with trade union in October, 1993.	i) A High Powered Committee headed by Shri W.S. Saraf has been set up to study the technology issues relating to payment and settlement system in the banking industry.
III. Other Issues			
a) Supervision System		i) A decision to set up a Board for Financial Supervision within the Reserve Bank was taken in May 1993 to ensure implementation of regulations in the areas of credit management, asset classification, income recognition, capital adequecy and treasury operation.	i) To enable the BFS to perform some of the function of the Central Board of the Reserve Bank of India, the Reserve Bank of India (BFS) Regulations, 1994 framed under Section 58 of the RBI Act, 1934 came into effect from July 28, 1994.
		ii) Operational support to BFS was to come from the new Department of Supervision (DOS) set up within the Bank in December 1993. DOS started exercising supervision over commercial banks.	ii) BFS under the Chairmanship of Governor of the Reserve Bank became functional with a Vice Chairman and six other members from November 16, 1994. BFS and the Advisory Council constituted under the RBI (BFS) Regulations, 1994 would each have a term of two years.
b) Bank Branch License	i) Bank branch licensing policy was considerably liberalised. Banks were permitted to shift their existing branches within the same locality, open specialised branches, convert the existing non-viable rural branches into satellite offices, spin-off business of a branch.	i) Banks were allowed to decide the closure, on mutual consultation, of one loss making branch at rural centres served by two commercial bank branches (excluding RRBs). Such closure proposals required the Reserve Bank's permission.	
	ii) Banks which attained the stipulated capital adequacy norms and prudential	ii) RRBs were allowed in December	

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	accounting standards were permitted to set up new branch offices / upgrade the extension counters into full-fledged new branches without the prior approval of the Reserve Bank.	1993 to relocate their loss making branches at new places within their service area/ area of operation. iii) It was decided in June 1994 to advise such banks which attained capital adequecy ratio of 8 per cent to submit to the Reserve Bank a plan of action for opening of new branches during the next one year for prior approval. iv) In June 1994, scheduled commercial banks were asked to open at least one specialised Agricultural Finance Branch in each State where they are convenors of the respective State Level Bankers Committee.	
c) Private Sector Banks	i) In order to introduce greater competition in the banking system, the Reserve Bank gave approval 'in principle' for the establishment of new banks in private sector.	i) The Banking Regulation Act, 1949 was amended raising the ceiling of voting rights of an individual shareholder in a private bank from one per cent to ten per cent in the bank.	i) Four private banks, viz., UTI Bank Ltd., IndusInd Bank Ltd., ICICI Banking Corporation Ltd, and Global Trust Bank Ltd. commenced banking business out of 'in principle' approval given for setting up ten private banks.
d) Priority Sector Lending		i) Effective April 1993, foreign banks were advised to bring their priority sector advances from 15 per cent hitherto fixed to 32 per cent by March 1994. Within the enhanced target of 32 per cent, two sub-targets of 10 per cent each in respect of advances to (a) small scale industries and (b) export sector were fixed.	

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e) Customer Services	i) Customer services in the banking sector was perceived as an integral part of the overall financial sector reforms. Accordingly, the Reserve Bank initiated speedy action relating to (a) advancing of working hours, (b) extension of business hours, (c) acceptance of small denomination notes, (d) exchange of soiled and mutilated notes, (e) immediate credit of local cheques upto Rs.5,000 and (f) payment of interest at enhanced rate on delayed collection of outstation instruments at minimum lending rates when the proceeds of the instruments were to be credited to cash credit.	i) As a part of implementation of the recommendations of the Goiporia Committee on customer service in banks, the Reserve Bank advised all commercial banks to monitor and evaluate 25 core recommendations of the Committee in the prescribed format. The branches were required to send their evaluation reports on a quarterly basis to their controlling offices, which would in turn consolidate them and send a report to their head offices as also to the Reserve Bank at prescribed intervals (half-yearly).	
f) Credit to Small Scale Industries (SSIs)	i) The system of credit delivery to the SSIs constitutes an important plank in the financial sector reforms. Accordingly, the Reserve Bank took the following decisions : a) The banks should step up the credit flow to meet the legitimate requirements of SSI sector in full during the Eighth Five-Year Plan. b) Working capital limits upto Rs.50 lakh would be provided. c) The definition of a sick SSI unit was modified so that viable SSI units could be helped in their rehabilitation efforts at an early stage. d) Banks should set up an institutional frame-work for redressal of grievances of SSI units.	i) Government of India redefined SSI with investment in plants and machinery worth upto Rs.60 lakh. All advances granted to SSI as per revised definition were treated as priority sector advances.	i) Banks were advised to consider on merits proposals for term finance/loans in the form of lines of credit to State Industrial Development Corporations and State Financial Corporations subject to the observance of terms and conditions advised to banks from time to time. The extent of such loans to SSI units would be treated as a part of priority sector lending.
g) Frauds and Malpractices in Banks	i) Banks were instructed to implement the recommendations of Ghosh Committee on frauds and malpractices in banks.		
h) Export Credit	i) The Reserve Bank directed the commercial banks to set up State Level Committee for Export Promotion.		i) Sub-suppliers of export orders would be provided credit within the overall permissible

1	2	3	4
			preshipment export credit wherever letters of credit were opened by the export order holder.
i) Bank Merger		i) New Bank of India was merged with the Punjab National Bank in September 1993.	
j) RRBs			i) As recommended by the Bhandari Committee, 49 RRBs are being taken up for restructuring and revival.
IV. Reforms in Co-operative Banking			
a) Co-operative Banks	i) Licensing of new urban co-operative banks was liberalised greatly. Apart from prescribing entry point/viability norms and the guidelines relating to their operations, the Reserve Bank also placed on urban co-operative banks stipulations in respect of income recognition, classification of assets, and provisioning on the lines suggested for commercial banks.	i) The National Co-operative Bank of India (NCBI) was registered on August 5, 1993 as a Multi State Co-operative Society. ii) A co-operative Development Fund was set up by NABARD to help improve managerial systems and skills in co-operative banks. iii) For the first time scheduled PCBs were considered for investing their surplus funds in CDs and CPs with credit rating P1 or A1 from CRISIL/ICRA.	i) Co-operative credit structure is set to be strengthened through state specific development action plans, and through MOU between NABARD, State Governments, SCBs and CCBs. ii) Lending and deposit rates of all co-operative banks excluding urban co-operative banks were deregulated in October 1994 subject to a MLR of 12 per cent. iii) Effective October 18, 1994, MLR for credit limits of over Rs.2 lakh was abolished and urban co-operative banks were free to fix their lending rates for such credit limits.
V. Reforms in Non-bank Financial Sector			
a) Non-bank Financial Companies (NBFCs)	i) In order to integrate NBFCs within the mainstream of overall financial sector reform, the Reserve Bank initiated	i) The recommendations of the Shah Committee Report on NBFCs were accepted and the	i) Detailed prudential guidelines to NBFCs were issued in June 1994. The registered NBFCs

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	a comprehensive programme of reform of the financial companies.	first phase of implementation was initiated.	were required to achieve a minimum capital adequacy norm of 6 per cent by March 31, 1995 and 8 per cent by March 31, 1996.
b) Insurance Sector	i) The insurance sector had till recently not been brought within the ambit of the reform process; however, the Committee on Reforms in the Insurance Sector under the Chairmanship of Shri. R.N.Malhotra was set up to make recommendations on reforms in this sector.	i) Malhotra Committee on the insurance sector submitted its report which is under consideration.	
c) Term Lending Institutions		i) Term lending institutions viz., IDBI,IFCI,ICICI,IRBI and Exim Bank were required to achieve a capital adequacy norm of 4 per cent by the end of March 1994. Such of the FIs having dealings with agencies abroad were required to achieve a norm of 8 per cent by March 31,1995 while the rest are to attain 8 per cent norm by March 31,1996.	

Annexure - III

Selective Credit Controls

Provisions of The Directives Applicable to Scheduled Commercial Banks On Advances Against Selected Commodities

(Position as on May 16,1994)

A. Paddy/Rice, Pulses, and "Other Foodgrains", (viz., Other Than Wheat, Paddy/Rice and Pulses but Inclusive of Jowar, Bajra, Maize, Barley, Ragi And All other Foodgrains Including Coarsegrains)

Rate of Interest : 15% 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) 30% on advances against stocks of paddy and rice to processing units/mills. ii) 45% on advances against stocks of paddy/rice to parties other than processing units/mills. iii) 30% on advances against warehouse receipts covering stocks of paddy/rice. **II. Pulses** i) 60% on advances against stocks of pulses to processing units/mills. ii) 75% on advances against stocks of pulses to parties other than processing units/mills. iii) 60% on advances against warehouse receipts covering stocks of pulses. **III. "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.	For each party, 100% separately in respect of paddy/rice and other foodgrains and 85% in respect of pulses of the peak level of credit maintained by the party in any of the 3 years (November-October) 1990-91, 1991-92 and 1992-93. **Exemption** i) Advances against "other foodgrains" to foodgrains processing units. ii) Advances to millers/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

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A. Paddy/Rice, Pulses, and "Other Foodgrains", (viz., Other Than Wheat, Paddy/Rice and Pulses but Inclusive of Jowar, Bajra, Maize, Barley, Ragi And All other Foodgrains Including CoarseGrains) (Contd..)

Rate of Interest : 15% 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
ii) 60% on advances to parties other than processing units/mills. iii) 45% on advances against warehouse receipts covering stocks of "other foodgrains". **Exemption** Advances to millers/dealers against pledge/hypo-thecation of paddy/rice held to the extent of the levy quota to be surrendered statutorily to the State Governments.		act as Government agents. provided the stocks are purchased at support prices fixed by Government of India. **C. Others** i) Advances against the security of maize and barley to manufacturing units (i.e. industrial users). 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.

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A. Paddy/Rice, Pulses, and "Other Foodgrains", (viz., Other Than Wheat, Paddy/Rice and Pulses but Inclusive of Jowar, Bajra, Maize, Barley, Ragi And All other Foodgrains Including CoarseGrains) (Contd..)

Rate of Interest : 15% 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
		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 Government.

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 the case of advances mentioned at item c(vi)in column 3 above, 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, Rapseed/Mustardseed, Cottonseed, Castorseed and Linseed) and All Imported Oilseeds

Rate of interest : 15 % 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, castorseed, cottonseed and linseed) and all imported oilseeds. i) 60% on advances to processing units/mills. ii) 75% on advances to parties other than processing units/mills. iii) 60% 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 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 : 85% of the peak level of credit maintained by the party in any of the 3 years (November-October), viz., 1990-91, 1991-92 and 1992-93. **Exemption** 1) Advances against imported oilseeds. 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.	**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

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B. Indigenous Oilseeds (Viz., Groundnut, Rapseed/Mustardseed, Cottonseed, Castorseed and Linseed) and All Imported Oilseeds (Contd..)

Rate of interest : 15 % 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
Banks have been advised to charge a concessional margin of 25% if a State Government guarantee is available (effective May 16, 1994) to certain State level co-operative institutions which are exempt from the minimum margin and level of credit ceiling stipulations.		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 selection 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 the provisions of the Selective Credit Control 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 Wholesale Consumers' Co-operative Stores and State/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

Contd.

B. Indigenous Oilseeds (Viz., Groundnut, Rapseed/Mustardseed, Cottonseed, Castorseed and Linseed) and All Imported Oilseeds (Contd..)

Rate of interest : 15 % 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
		said Corporation or as the case may be, the concerned State Government or of any certification agencies authorised under the Seeds Act,1966 and seeds notified under Section 5 of the said Act.

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 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 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, 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 the 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 oilseeds specified in the Annexure including deoiled cakes not meant for exports are also subject to the Selective Credit Control provisions.

C. Vegetable Oils (Indigenous Oils, Viz., Groundnut Oil, Rapeseed/Mustard Oil, Castor Oil, Linseed Oil, Cottonseed Oil) and Vanaspati and All Imported Oils

Rate of interest : 15 % 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) 60% registered oil mills and vanaspati manufacturers

ii) 75% other than (i) above

iii) 60% against warehouse receipts representing stocks of oils.

Exemption

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, 85% of peak level of credit maintained by the party in any of the three years (November-October) viz., 1990-91, 1991-92 and 1992-93.

Exemption

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.

iii) 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.

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 vegetable oils and vanaspati.

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.

C. Exports

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

Contd.

C. Vegetable Oils (Indigenous Oils, Viz., Groundnut Oil, Rapeseed/Mustard Oil, Castor Oil, Linseed Oil, Cottonseed Oil) and Vanaspati and All Imported Oils (Contd..)

Rate of interest : 15 % 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
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. Banks have been advised to charge a concessional margin of 25% if a State Government guarantee is available (effective May 16, 1994) to certain State level co-operative institutions which are exempt from the minimum margin and level of credit ceiling stipulations.		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. **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 and Village Industries Commission and its associate institutions. iii) Advances up to an aggregate limit of Rs.1 lakh per borrower are exempt from all provisions of the Selective Credit Control subject to the condition that 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

Contd.

C. Vegetable Oils (Indigenous Oils, Viz., Groundnut Oil, Rapeseed/Mustard Oil, Castor Oil, Linseed Oil, Cottonseed Oil) and Vanaspati and All Imported Oils (Contd..)

Rate of interest : 15 % 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
		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 entered 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, 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.

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 the 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, cotonseed oil, linseed oil and castor oil cover their solvent extracted oil also.

D. Sugar, Gur and Khandsari

Rate of interest : 15 % 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 in 1(a)(i) 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** i) Advances to consumers' co-operatives in respect of stocks held under schemes of public distribution organised by Government. Effective May 27,1994, the minimum margin on bank advances against stocks of sugar imported on a cash basis (sight L/C) would be 25% for a period not exceeding 8 weeks (reduced to six weeks with effect from September 3,1994) after the arrival of sugar stocks in India. This concessional margin is applicable only at the first stage at the importers level and not available at the level of stockists and other traders of imported sugar. This concession is available only up to end-November 1994.	**A. 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 confectioneries, 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.

Contd.

D. Sugar, Gur and Khandsari (Contd..)

Rate of interest : 15 % per annum (minimum) for all loans/advances/cash credits/overdrafts

Minimum Margin	Exemption from minimum margin and rate of interest
1	2
Banks should not, as far as possible, establish L/Cs for more than 45 days (reduced to 30 days effective September 3,1994)on D/A basis for import of sugar. In case, banks establish L/Cs for more than 45 days (reduced to 30 days from September 3, 1994) on D/A basis, after 45 days(30 days from September 3,1994)from the date of arrival of the commodity in the port, till date of retirement of the import bills,the importer is required to deposit with banks an amount equivalent to the margin amount as applicable to the bank advances against sugar produced in the country.	iv) Advances upto an aggregate limit of Rs. 1 lakh per borrower are exempt from all provisions of 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 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 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 of 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 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 the 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 : 15 % 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) 60% for parties other than cotton mills including spinning mills. ii) 45% for advances against warehouse receipts. **Exemptions** 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. ii) Advances against stocks of cotton and kapas to Cotton Corporation of India for procurement of cotton under commercial operations.	In respect of each party other than cotton mills including spinning mills : 85% of the peak level of credit maintained by the party with the bank in any of the 3 years (November-October) viz., 1990-91, 1991-92 and 1992-93. **Exemptions** 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. ii) Advances against stocks of cotton and kapas to Cotton Corporation of India for procurement of cotton under commercial operations.	**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. 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. v) Advances against stocks of cotton and kapas to Cotton Corporation of India for procurement of cotton at support prices fixed by Government of India.

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 a Government Scheme and 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 the 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 including spinning mills are exempt from the Selective Credit Control measures.

Table VII-1 : Variations in Scheduled Commercial Banks' Data (Seasonal, Annual & Quarterly)

(Rs. crore)

Items	Seasonal Variations				Annual Variations (April - March)		Variations (April - August)	
	Slack Season 1992	Busy Season 1992-93	Slack Season 1993	Busy Season 1993-94	1992-93	1993-94	1993	1994*
1	2	3	4	5	6	7	8	9
Aggregate Deposits	19,608	19,654	16,954	34,026	37,814	46,560	16,760	19,173
					(16.4)	(17.3)	(6.2)	(6.1)
(a) Demand deposits	-3,964	4,682	-200	12,242	1,373	10,111	-790	886
					(3.0)	(21.8)	(0.0)	(1.6)
(b) Time deposits	23,573	14,972	17,154	21,784	36,441	36,449	17,550	18,287
					(19.6)	(16.4)	(7.9)	(7.1)
Borrowings from the Reserve Bank	-3,584	1,414	-1,995	-96	1,042	194	-213	3,408
					(180.6)	(12.0)	(-13.2)	(188.0)
Cash in hand and Balances with the Reserve Bank	-4,988	5,058	1,936	5,905	-5,359	19,215	15,155	7,397
					(-14.8)	(62.3)	(49.2)	(14.8)
Money at Call and Short Notice	-534	129	-187	535	1,283	-570	-855	680
					(54.6)	(-15.7)	(-23.5)	(22.2)
Investments	6,388	5,924	11,848	25,002	15,460	26,866	8,290	14,365
					(17.1)	(25.4)	(7.8)	(10.8)
(a) Government securities	5,005	5,519	10,307	25,347	13,218	25,256	7,576	14,720
					(21.1)	(33.3)	(10.0)	(14.5)
(b) Other appr. securities	1,383	405	1,540	-344	2,242	1,610	714	-355
					(8.2)	(5.4)	(2.4)	(-1.1)
Bank Credit	8,439	14,843	411	10,662	26,390	12,436	-786	2,700
					(21.0)	(8.2)	(-0.5)	(1.6)
(a) Food Procurement Advances	112	2,836	2,571	163	2,073	4,164	2,392	769
					(44.4)	(61.8)	(35.5)	(7.1)
(b) Other Advances	8,327	12,007	-2,160	10,499	24,317	8,271	-3,178	1,932
					(20.1)	(5.7)	(-2.2)	(1.3)

* Provisional.

Notes : 1. The seasonal variations are based on outstanding as on the last Friday of April and October; annual variations are based on the data as on the last Friday of March.
2. Figures in brackets indicate percentage change over the corrresponding period.
3. 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-2 : Quarterly Variations In Deposits of Scheduled Commercial Banks

(Rs.Crore)

Quarter	Demand Deposits		Time Deposits		Aggregate Deposits	
	1992-93	1993-94	1992-93	1993-94	1992-93	1993-94
1	2	3	4	5	6	7
April-June	159	421	12097	9396	12256	9817
	(0.4)	(0.9)	(6.5)	(4.2)	(5.3)	(3.7)
July-September	-2856	-1749	8857	9767	6001	8019
	(-6.3)	(-3.7)	(4.5)	(4.2)	(2.5)	(2.8)
October-December	2054	4697	11540	9515	13594	14211
	(4.8)	(10.4)	(5.6)	(3.9)	(5.5)	(5.0)
January-March	2016	6742	3947	7771	5963	14513
	(4.5)	(13.5)	(1.8)	(3.1)	(2.3)	(4.8)
Total	1373	10111	36441	36449	37814	46560
	(3.0)	(21.8)	(19.6)	(16.4)	(16.4)	(17.3)

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 : Variation in Scheduled Commercial Bank's Data (Average of last reporting Friday of months)

(Rs.crore)

	Outstanding			Variations	
	1991-92	1992-93	1993-94	1992-93	1993-94
1	2	3	4	5	6
Aggregate Deposits	212080	252799	291929	40719	39130
				(19.2)	(15.5)
(a) Demand deposits	38936	44658	49082	5722	4424
				(14.7)	(9.9)
(b) Time deposits	173144	208141	242847	34997	34706
				(20.2)	(16.7)
Borrowings from the Reserve Bank	2798	2436	1685	-362	-751
				(-12.9)	(-30.8)
Cash in hand and Balances with the Reserve Bank	34173	36941	43740	2768	6799
				(8.1)	(18.4)
Money at Call and Short Notice	1911	3156	2699	1245	-457
				(65.1)	(-14.5)
Investments	83058	98566	117602	15508	19036
				(18.7)	(19.3)
(a) Government Securities	57348	69817	87052	12469	17235
				(21.7)	(24.7)
(b) Other Approved Securities	25710	28749	30550	3039	1801
				(11.8)	(6.3)
Bank Credit	119136	139812	157041	20676	17229
				(17.4)	(12.3)
(a) Food Procurement Advances	4652	5075	9809	423	4734
				(9.1)	(93.3)
(b) Other Advances	114484	134737	147232	20253	12495
				(17.7)	(9.3)

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-4: Sectoral Deployment of Gross Bank Credit (As on the last reporting/last Friday)

(Rs. crore)

Sectors	Outstanding as on			Variations over Financial year	
	March 1992	March 1993	March 1994	1992-93	1993-94
1	2	3	4	5	6
I. Gross Bank Credit	126005	147139	156836	21134	9697
	(100.0)	(100.0)	(100.0)		
1. Public Food Procurement credit	4670	6743	10907	2073	4164
	(3.7)	(4.6)	(7.0)		
2. Non-food Gross Bank credit	121335	140396	145929	19061	5533
	(96.3)	(95.4)	(93.0)		
A) Priority Sectors	45425	49832	53875	4407	4043
	(36.1)	(33.8)	(34.4)		
i) Agriculture	18157	19963	21208	1806	1245
	(14.4)	(13.5)	(13.5)		
ii) Small Scale Industries	18150	20026	22620	1876	2594
	(14.4)	(13.6)	(14.4)		
iii) Other priority Sectors	9118	9843	10047	725	204
	(7.2)	(6.7)	(6.4)		
B) Industry (Medium and Large)	47090	58636	57872	11546	-764
	(37.4)	(39.9)	(36.9)		
C) Wholesale Trade (other	6154	6969	7334	815	365
than food procurement)	(4.9)	(4.7)	(4.7)		
D) Other Sectors	22666	24959	26848	2293	1889
	(18.0)	(17.0)	(17.1)		
II. Export Credit [included under item (I(2))]	10294 (8.2)	15356 (10.4)	17094 (10.9)	5062	1738
III. Net Bank Credit (including inter-bank participation)	1,17,443	1,41,800	1,52,735	24,357	10,935

Notes : 1. Data are provisional and relate to 48 scheduled commercial banks which account for about 90- 95 per cent of bank credit (47 from Sept. 1993) 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 brackets are percentage to Gross Bank Credit.

Table VII-5: Industry wise Deployment of Gross Bank Credit@
(As on the last reporting/last Friday)

(Rs.crore)

Industry	Outstanding as on			Variations over Financial Year	
	March 1992	March 1993	March 1994	1992-93	1993-94
1	2	3	4	5	6
Coal	246	340	457	94	117
	(0.2)	(0.2)	(0.3)		
Iron and Steel	3692	5710	4530	2018	-1180
	(2.9)	(3.9)	(2.9)		
Other Metals and	2312	2679	3202	367	523
Metal Products	(1.8)	(1.8)	(2.0)		
All Engineering	14842	17094	17106	2252	12
Of which :	(11.8)	(11.6)	(10.9)		
Electronics	2092	2327	2517	235	190
	(1.7)	(1.6)	(1.6)		
Electricity generation	1298	1404	1426	106	22
and transmission	(1.0)	(1.0)	(0.9)		
Cotton Textiles	4278	4645	4805	367	160
	(3.4)	(3.2)	(3.1)		
Jute Textiles	330	348	409	18	61
	(0.3)	(0.2)	(0.2)		
Other Textiles	3970	4653	4937	683	284
	(3.2)	(3.2)	(3.1)		
Sugar	899	1256	1367	357	111
	(0.7)	(0.9)	(0.9)		
Tea	658	782	917	124	135
	(0.5)	(0.5)	(0.6)		
Food Processing	1241	1423	1598	182	175
	(1.0)	(1.0)	(1.0)		
Vegetable Oil	898	1017	1075	119	58
(including Vanaspati)	(0.7)	(0.7)	(0.7)		
Tobacco and Tobacco Products	550	739	623	189	-116
	(0.4)	(0.5)	(0.4)		
Paper and Paper Products	1501	1595	1734	94	139
	(1.2)	(1.1)	(1.1)		
Rubber and Rubber Products	1077	1186	1196	109	10
	(0.9)	(0.8)	(0.8)		
Chemicals, Dyes, Paints, etc.	8280	10117	10027	1837	-90
Of which :	(6.6)	(6.9)	(6.4)		
i) Fertilisers	1357	1713	1533	356	-180
	(1.1)	(1.2)	(1.0)		
ii) Petro-chemicals	614	945	752	331	-193
	(0.5)	(0.6)	(0.5)		
iii) Drugs & Pharmaceuticals	1127	1309	1437	182	128
	(0.9)	(0.9)	(0.9)		
Cement	986	1103	1218	117	115
	(0.8)	(0.7)	(0.7)		
Lether and Leather Products	1086	1095	1284	9	189
	(0.9)	(0.7)	(0.8)		
Gems and Jewellery	1300	1624	1966	324	342
	(1.0)	(1.1)	(1.3)		
Construction	1344	1567	1669	223	102
	(1.1)	(1.1)	(1.1)		

Contd.

Table VII-5: Industry wise Deployment of Gross Bank Credit@
(As on the last reporting/last Friday) *(Contd..)*

(Rs.crore)

Industry	Outstanding as on			Variations over Financial Year	
	March 1992	March 1993	March 1994	1992-93	1993-94
1	2	3	4	5	6
Petroleum	19	436	227	417	-209
	(—)	(0.3)	(0.1)		
SAFAUNS*	68	46	30	-22	-16
	(0.1)	(0.0)	(0.0)		
Other Industries	14365	17803	18689	3438	886
	(11.4)	(12.1)	(11.9)		
Credit to	65240	78662	80492	13422	1830
Industries	(51.8)	(53.5)	(51.3)		
Gross Bank	126005	147139	156836	21134	9697
Credit	(100.0)	(100.0)	(100.0)		

@ Provisional.

* Ships acquired from abroad under new scheme.

Note : Figures in brackets are % to Gross Bank Credit.

Table VII-6 : 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 of percentage as total inventories
1	2	3	4	5
648 Large Public Limited Companies #				
1990-91	25.1	32.7	48.1	59.2
1991-92	24.5	30.6	50.5	60.3

@ : Net of rebates, discounts, excise duty and cess.
\# : Each with a paid-up capital of Rs. 1 crore and above.

Source : RBI studies on company finance.

Table VII-7 : Public Sector Banks : Advances to Priority Sector

(Rs. crore)

Sector	December 1992			December 1993		
	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	17729.42	38.0	14.4	18809.94	37.8	13.8
Indirect	1544.5	3.3	1.3	1703.47	3.4	1.2
Total	19273.92	41.3	15.7	20513.41	41.2	15.0
II. Small Scale Industries	18356.44	39.4	14.9	19949.97	40.0	14.6
III. Other Priority Sectors	8965.28	19.2	7.3	9358.47	18.8	6.8
Grand Total	**46595.64**	**100.0**	**37.9**	**49821.85**	**100.0**	**36.4**

Table VII-8 : 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 24, 1993	Sept 2, 1993
1	2	3	4	5	6
I. Preshipment Credit					
i) Upto 180 days	15.0	14.0	13.0	13.0	13.0
ii) Beyond 180 days and up to 270 days	17.0	16.0	15.0	15.0	15.0
II. Post-shipment Credit					
i) Upto 90 days	15.0	14.0	13.0	13.0	13.0
ii) Beyond 90 days and upto 180 days	19.0	18.0	17.0	16.0	15.0
iii) Beyond 180 days	24.0	23.0	22.0	21.0	20.0
III. Export Credit not Otherwise Specified	19.0 (minimum)	18.0 (minimum)	17.0 (minimum)	16.0 (minimum)	15.0 (minimum)

Table VII- 9 : State- wise Distribution of Commercial Bank Branches and Population per Bank Office as at the end of June 1969, March 1993 and March 1994

State/Union Teritory	No.of branches at the end of			No. of branches opened during				Average population per bank branch (in thousands) as at the end of		
	June 1969	March 1993	March 1994	April 92 to March 93	Of which at un-banked centres	April 93 to March 94	Of which at un-banked centres	June 1969	March 1993	March 1994
1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	567	4650	4732	26	5	63	14	75	12	11
Arunachal Pradesh	-	68	68	-	-	-	-	-	9	9
Assam	74	1219	1223	1	-	4	2	198	16	16
Bihar	273	4876	4902	12	2	15	1	207	14	14
Goa	85*	258	262	2	-	3	-	8	4	4
Gujarat	752	3396	3444	21	9	30	3	34	10	10
Haryana	172	1279	1310	7	2	11	-	97	10	10
Himachal Pradesh	42	738	753	3	3	5	-	80	6	6
Jammu & Kashmir	35	786	785	3	2	-	-	114	8	8
Karnataka	756	4307	4344	25	2	21	-	38	9	9
Kerala	601	2863	2939	19	2	53	2	35	9	9
Madhya Pradesh	343	4384	4416	19	3	12	1	116	12	12
Maharashtra	1118	5626	5691	31	6	33	3	44	11	11
Manipur	2	85	85	-	-	-	-	497	17	17
Meghalaya	7	174	178	1	-	2	-	147	8	7
Mizoram	-	75	76	-	-	-	-	-	7	6
Nagaland	2	70	71	-	-	1	-	205	11	11
Orissa	100	2112	2135	11	4	12	1	212	13	12
Punjab	346	2159	2206	16	-	24	1	42	8	8
Rajasthan	364	3079	3130	14	3	31	2	70	11	11
Sikkim	-	33	40	4	3	2	-	-	11	8
Tamil Nadu	1060	4341	4414	41	5	57	17	37	11	11
Tripura	5	179	181	1	-	1	-	276	12	11
Uttar Pradesh	747	8538	8601	32	9	32	3	119	13	13
West Bengal	504	4220	4250	10	2	15	2	87	13	13
Andaman & Nicobar Islands	1	26	29	-	-	1	-	82	7	6
Chandigarh	20	112	115	3	-	2	-	7	4	4
Dadra & Nagar Haveli	-	7	7	-	-	-	-	-	15	15
Daman and Diu	-	10	10	-	-	-	-	-	8	8
Delhi	274	1136	1153	10	-	9	-	10	6	5
Lakshdweep	-	8	8	-	-	-	-	-	5	5
Pondicherry	12	70	72	1	-	1	-	31	9	8
All India (Total)	**8262**	**60884**	**61630**	**313**	**62**	**440**	**52**	**65**	**11**	**11**

* Include Daman & Diu

Table VII-10 : Bank-Group-wise/Population-Group-wise Distribution of Commercial Bank Branches in India

Bank Group	19th July 1969*					31st March 1993 @@					31st March 1994@@				
	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	4431	2181	1196	824	8632	4458	2193	1231	833	8715
	(29.4)	(50.7)	(10.6)	(9.5)	(100.0)	(51.3)	(25.3)	(13.9)	(9.5)	(100.0)	(51.2)	(25.2)	(14.1)	(9.5)	(100.0)
Associate Bank of SBI	358	375	36	75	894	1513	1201	649	437	3800	1527	1235	681	447	3890
	(40.0)	(42.0)	(9.6)	(8.4)	(100.0)	(39.8)	(31.60	(17.1)	(11.5)	(100.0)	(39.3)	(31.7)	(17.5)	(11.5)	(100.0)
Nationalised Banks	703	1465	928	1072	4168@	14626	5745	5244	4273	29888	14710	5951	5372	4323	30356
	(16.9)	(35.1)	(22.3)	(25.7)	(100.0)	(48.9)	(19.2)	(17.6)	(14.3)	(100.0)	(48.5)	(19.6)	(17.7)	(14.2)	(100.0)
Regional Rural Banks	—	—	—	—	—	13453	922	147	4	14526	13437	936	149	4	14526
						(92.6)	(6.4)	(1.0)	(—)	(100.0)	(92.5)	(6.5)	(1.0)	(—)	(100.0)
Other Commercial Banks	337	708	279	364	1688	1290	1265	796	687	4038	1290	1327	828	698	4143
	(20.0)	(41.9)	(16.5)	(21.6)	(100.0)	(32.0)	(31.3)	(19.7)	(17.0)	(100.0)	(31.1)	(32.0)	(19.9)	(17.0)	(100.0)
Total	**1860**	**3344**	**1456**	**1661**	**8321**	**35313**	**11314**	**8032**	**6225**	**60884**	**35422**	**11642**	**8261**	**6305**	**61630**
	(22.5)	**(40.2)**	**(17.5)**	**(20.0)**	**(100.0)**	**(58.0)**	**(18.6)**	**(13.2)**	**(10.2)**	**(100.0)**	**(57.5)**	**(18.9)**	**(13.4)**	**(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-11 : State-wise Branches of Regional Rural Banks (As at the end of September 1993)

State	No. of RRBs	No. of districts	No. of branches covered
1	2	3	4
Arunachal pradesh	1	5	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	269
Karnataka	13	20	1075
Kerala	2	6	269
Madhya Pradesh	24	44	1604
Maharashtra	10	17	591
Manipur	1	8	29
Meghalaya	1	4	51
Mizoram	1	3	51
Nagaland	1	7	8
Orissa	9	18	820
Punjab	5	12	201
Rajasthan	14	31	1070
Tamil Nadu	3	7	208
Tripura	1	3	90
Uttar Pradesh	40	61	3055
West Bengal	9	18	864
Total	**196**	**405**	**14546**

Table VII-12: Important Banking Indicators - RRBs

	Outstanding as on March 18,1994	Variations @	
		1992-93	1993-94
1	2	3	4
No. of Reporting Banks	196	—	—
Aggregate Deposits	8045	1098	1676
		(20.8)	(26.3)
Demand Deposits	1394	48	302
		(4.6)	(27.7)
Time Deposits	6651	1050	1374
		(24.8)	(26.0)
Borrowings from RBI	—	—	—
Bank Credit	5024	500	573
		(12.7)	(12.9)
Investments	91	22	44
		(88.0)	(93.6)
Government Securities	39	2	29
		(25.0)	(290.0)
Other Approved Securities	52	20	15
		(117.6)	(40.5)
Cash in hand	86	10	12
		(15.6)	(16.2)
Credit-Deposit ratio	62.5	45.5	34.2

@ Data are based on last reporting Friday of March.

Note : Figures in brackets indicate percentage changes over the corresponding period.

Table VII-13 : Progress of Primary (Urban) Co-operative Banks

	End March	End March	End December		Variation	
	1992	1993	1992	1993	col.(3) over col.(2)	col.(5) over col.(4)
1	2	3	4	5	6	7
No. of PCBs	1,401	1,399	1,399	1,399	-2	0
	(92)	(92)	(92)	(91)	(0)	(-1)
No.of Licensed PCBs	1,039	1,039	1,039	1,045	0	6
No. of offices of PCBs	3,599	3,691	3,691	3,819	92	128
	(278)	(281)	(281)	(281)	(3)	(0)
Deposits (Rs. crore)	11,108	13,531	12,285	15,464	2,423	3,179
Loans Outstanding (Rs. crore)	8,713	10,132	9,461	11,186	1,419	1,725
Owned Funds	1,766	2,224	2,063	2,562	458	499

Note : Figures in brakets relate to Salary Earners' Societies.

Table VII-14 : Minimum Margins and Level of Credit Ceilings on Bank Advances against Commodities subject to Selective Credit Controls (Effective May 16, 1994)

(Percentages)

Commodities	Minimum Margins			Level of credit ceiling (Base Year : Three Years ending 1992-93 November-October)
	Mills/ processing units	Others	Warehouse receipts	
1	2	3	4	5
1. Paddy/Rice	30	45	30	100
2. Pulses	60	75	60	85
3. Other Foodgrains (other than paddy/rice, wheat & pulses)	45	60	45	100
4. Oilseeds (viz., Groundnut,Rapeseed/ Mustard,Cottonseed, Linseed,Castorseed and all Imported Oilseeds)	60	75	60	85
5. Vegetable oils (viz., Groundnut oil, Rapeseed/Mustard oil,Cottonseed oil Linseed oil,Castor oil,Vanaspati and all Imported Vegetable Oils)	60@	75	60	85
6. Sugar				
a) Buffar	0	—	—	—
b) Unreleased Stocks	20	—	—	—
c) Released	75	75 ++	60	—
7. Gur and Khandsari	45	75	60	—
8. Cotton and Kapas	X	60	45	85 +

@ Applicable to registered oil mills and vanaspati manufacturers

— Not applicable

x Exempted from the stipulations

\+ Applicable to other than cotton mills including spinning mills

++ A concessional minimum margin of 25 per cent (effective May 27,1994) against stocks of sugar imported on a cash basis for a period not exceeding 8 weeks (reduced to 6 weeks from September 3, 1994) after the arrival of sugar stocks in India. This concession is available upto end-November 1994.

Table VII-15 : Scheduled Commercial Banks'Outstanding Advances against Selected Commodities

(Rs. crore)

Commodities	As on the last Friday of					
	March 1992		March 1993		March 1994*	
	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)	**700.6**	**25.3**	**864.3**	**24.9**	**912.6**	**27.8**
(a) Paddy/rice	450.0	16.3	618.9	17.8	606.4	18.5
(b) Wheat	85.9	3.1	89.5	2.6	96.6	2.9
(c) Pulses	99.5	3.6	47.3	1.4	47.7	1.5
(d) Other foodgrains	65.3	2.4	108.6	3.1	161.9	4.9
2. Sugar (including khandsari and gur)	**818.9**	**29.6**	**1214.3**	**34.9**	**1036.1**	**31.5**
(a) Sugar	773.4	27.9	1178.8	33.9	991.0	30.2
(b) Khandsari	36.9	1.3	32.4	0.9	41.3	1.3
(c) Gur	8.5	0.3	3.0	0.1	3.9	0.1
3. Major Oilseeds	**153.3**	**5.5**	**158.7**	**4.6**	**208.5**	**6.3**
(a) Groundnut	24.9	0.9	24.4	0.7	30.6	0.9
(b) Rapeseed/Mustard	18.1	0.7	23.3	0.7	28.7	0.9
(c) Linseed	1.1	0.0	0.6	0.0	0.5	0.0
(d) Castorseed	3.7	0.1	3.1	0.1	3.8	0.1
(e) Cottonseed	13.8	0.5	11.0	0.3	12.0	0.4
(f) Soyabean	72.0	2.6	78.7	2.3	112.7	3.4
(g) Other Oilseeds	19.7	0.7	17.5	0.5	20.3	0.6
4. Major Vegetable oils and Vanaspati	**269.3**	**9.7**	**314.8**	**9.1**	**298.4**	**9.1**
(a) Groundnut Oil	37.5	1.4	47.7	1.4	21.0	0.6
(b) Rapeseed/Mustard Oil	43.6	1.6	57.4	1.7	58.6	1.8
(c) Castor Oil	11.1	0.4	11.9	0.3	20.8	0.6
(d) Linseed Oil	1.6	0.1	2.0	0.1	2.3	0.1
(e) Cottonseed Oil	18.5	0.7	21.5	0.6	25.3	0.8
(f) Soyabean Oil	39.6	1.4	44.2	1.3	28.9	0.9
(g) Other Vegetable Oil	41.3	1.5	43.8	1.3	43.8	1.3
(h) Vanaspati	76.0	2.7	86.3	2.5	97.6	3.0
5. Cotton and Kapas	**686.6**	**24.8**	**769.2**	**22.1**	**686.2**	**20.9**
6. Raw Jute	**139.4**	**5.0**	**154.2**	**4.4**	**143.2**	**4.4**
Total	**2768.0**	**100.0**	**3475.6**	**100.0**	**3285.1**	**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-16 : Security-wise Advances to Mills/Factories and Industrial Users (As Percentage To Total Credit Against Sensitive Commodities)

Sr. No.	Commodities	Last Friday of		
		March 1994	March 1993	March 1992
1	2	3	4	5
1	Linseed Oil	100.0	95.0	93.8
2	Vanaspati	98.2	98.7	97.6
3	Cottonseed Oil	98.0	94.0	94.1
4	Sugar	97.3	97.9	95.6
5	Soyabean Oil	95.5	69.5	37.9
6	Khandsari	94.4	90.4	93.2
7	Soyabean	93.3	83.9	83.1
8	Raw Jute	90.4	91.4	92.1
9	Wheat	89.1	88.3	87.1
10	Rapeseed/Mustard Oil	88.4	91.3	86.7
11	Other Vegetable Oils	84.2	87.0	91.3
12	Pulses	80.1	64.3	89.9
13	Linseed	80.0	100.0	63.6
14	Castor Oil	78.8	98.3	97.3
15	Cotton and Kapas	77.2	69.5	76.4
16	Groundnut Oil	77.1	93.3	93.9
17	Paddy and Rice	76.7	82.4	76.9
18	Rapeseed/Mustard	71.8	80.3	80.1
19	Other Oilseeds	70.9	58.9	52.8
20	Castorseed	68.4	61.3	100.0
21	Cottonseed	45.0	97.3	91.3
22	Gur	41.0	33.3	9.4
23	Groundnut	38.2	40.2	42.6
24	Other Foodgrains	18.5	28.8	73.5
	All Selected Commodities	**82.7**	**83.8**	**84.1**

Source : Basic Statistical Return-3

Table VII-17 : Reserve Bank's Open Market Operations In Central Government Securities

(Nominal Values in Rs. crore)

Year	Sales	Purchases	Net Sales
1	2	3	4
1988-89	3,888.7	2,403.5	1,485.2
	(12,236.6)	(12,373.1)	(136.5)
1989-90	4,739.0	3,551.8	1,187.2
	(15,631.2)	(14,287.1)	(1,344.1)
1990-91	2,238.1	2,291.2	-53.1
	(13,725.2)	(14,157.0)	(-431.8)
1991-92	7,327.1	3,244.8	4,082.3
	(9,365.6)	(5,321.7)	(4043.9)
1992-93	11,792.5	6,273.4	5,519.1
	(11,792.5)	(6,307.7)	(5,484.8)
1993-94	1,0804.6	967.6	9,837.0
	(10,804.6)	(967.6)	(9,837.0)
April - June			
1993-94	568.2	446.3	121.9
1994-95	167.9	80.5	87.4

Note : Figures shown in brackets are inclusive of purchases / sales effected from time to time out of 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 VII-18 : Cumulative Turnover of the Fiscal Years Discount and Finance House of India Ltd. (During the 1992-93 to 1994-95)

(Rs.crore)

Instrument	Fiscal Year		During the year 1994-95 April 1,1994 to June 3,1994	Corresponding period of the last year
	1992-93	1993-94		
1	2	3	4	5
1. Call Money Funds (including Notice Money)	457013	591432	139298	135687
2. Treasury Bills	16019	21597	6087	2697
3. Commercial Bills	786	32	38	16
4. Certificates of Deposits(CDs)	33	187	—	18
5. Commercial Paper(CP)	—	211	—	—
6. Term Deposits	3797	1542	4	616
7. Central Government Dated Securities	18645	14447	825	11315
Daily Average Lending during the year in the Call Money	1243	1606		

Table VII-19 : Call Money Lending Rates of Discount and Finance House of India Limited

(Per cent per annum)

For the fortnight ended		Lending rate			For the fortnight ended		Lending rate			For the fortnight ended		Lending rate		
		Trough	Peak	Average of middle rate*			Trough	Peak	Average of middle rate*			Trough	Peak	Average of middle rate*
1		2	3	4	5		6	7	8	9		10	11	12
1992-93					1993-94					1994-95				
July	10	2.50	18.50	12.70	July	9	4.25	8.00	5.55	July	8	1.50	9.60	7.00
	24	1.25	16.50	8.70		23	2.50	6.75	5.30		22	1.00	7.00	4.80
August	7	3.50	12.50	9.20	August	6	1.25	6.50	4.30	August	5	0.50	3.00	4.47
	21	3.00	13.00	8.65		20	2.00	6.00	5.20		19	5.00	8.00	7.86
September	4	3.00	12.50	9.10	September	3	1.50	5.59	4.40					
	18	3.00	12.00	10.15		17	3.75	5.75	4.75					
October	2	2.00	14.00	10.10	October	1	1.75	9.25	6.00					
	16	3.50	13.00	10.55		15	1.75	7.00	4.90					
	30	3.00	13.25	8.40		29	1.75	7.25	5.65					
November	13	4.50	11.75	10.20	November	12	2.50	6.50	5.50					
	27	1.50	12.75	8.45		26	3.00	7.25	6.35					
December	11	5.00	10.75	8.40	December	10	1.00	7.25	4.60					
	25	9.00	12.75	10.05		24	4.25	6.00	5.50					
January	8	10.25	13.00	11.25	January	7	2.00	6.00	5.30					
	22	5.00	11.50	10.65		21	6.25	6.50	6.10					
February	5	3.00	11.50	9.80	February	4	1.25	6.24	5.00					
	19	5.00	12.25	10.70		18	3.00	6.25	5.45					
March	5	10.50	12.38	11.30	March	4	0.25	6.75	4.10					
	19	5.00	13.50	11.85		18	2.50	7.00	3.80					
April	2	5.00	25.00	16.55	April	1	1.00	8.00	5.70					
	16	2.00	20.00	10.00		15	0.50	7.00	3.60					
	30	4.00	10.75	8.30		29	1.25	6.25	5.20					
May	14	2.50	10.50	6.65	May	13	2.25	9.50	6.20					
	28	3.25	10.25	6.50		27	1.50	7.25	6.30					
June	11	5.00	9.25	6.40	June	10	5.50	6.50	5.55					
	25	3.00	8.25	5.45		24	5.00	13.00	9.00					

* This is a simple average of daily middle rates.

Table VII-20: Auctions of 364 Day Treasury Bills

(Rs. crore)

Date of Auction	Date of Issue	No. of bids Received	Total Face Value of Bids Received	No. of bids Accepted	Total Face Value of Bids Accepted	Cut-off price (percent)	Implicit-yield at cut-off prices (percent)	Amount outstanding as on the date of Issue
1	2	3	4	5	6	7	8	9
31-Mar-93	02-Apr-93	17	77.00	4	20.00	90.01	11.0988	8796.74
13-Apr-93	16-Apr-93	61	1132.00	22	585.00	90.10	10.9878	9381.74
28-Apr-93	30-Apr-93	15	219.85	12	204.85	90.10	10.9878	2460.35 *
13-May-93	14-May-93	28	223.75	23	156.75	90.05	11.0494	2443.77
26-May-93	28-May-93	26	229.20	26	229.20	89.90	11.2347	2516.72
09-Jun-93	11-Jun-93	24	258.20	19	219.20	89.87	11.2718	2690.82
23-Jun-93	25-Jun-93	53	539.00	50	509.00	89.80	11.3586	2822.17
07-Jul-93	09-Jul-93	31	448.00	23	367.00	89.80	11.3586	3158.67
21-Jul-93	23-Jul-93	54	1313.00	46	1052.00	89.80	11.3586	4136.07
04-Aug-93	06-Aug-93	60	1154.00	54	1044.00	89.80	11.3586	5031.67
18-Aug-93	20-Aug-93	59	1572.50	35	902.25	89.82	11.3338	5687.82
01-Sep-93	03-Sep-93	68	1368.00	50	1029.50	89.83	11.3214	6709.82
15-Sep-93	17-Sep-93	85	2585.70	27	1034.60	89.89	11.2471	7732.42
29-Sep-93	01-Oct-93	42	821.00	30	686.00	89.90	11.2347	8401.82
12-Oct-93	15-Oct-93	49	1854.00	26	1250.00	89.93	11.1976	9637.82
27-Oct-93	29-Oct-93	42	557.10	30	437.10	89.92	11.2100	10073.45
10-Nov-93	12-Nov-93	61	1307.25	18	347.50	89.94	11.1852	10420.95
24-Nov-93	26-Nov-93	57	2001.00	24	815.00	89.95	11.1729	11215.95
07-Dec-93	10-Dec-93	77	2193.00	24	456.00	89.97	11.1482	11651.95
22-Dec-93	24-Dec-93	105	3483.75	25	1318.75	90.07	11.0248	12847.20
05-Jan-94	07-Jan-94	125	3552.01	54	1356.01	90.13	10.9508	14163.21
19-Jan-94	21-Jan-94	91	3001.00	8	1012.00	90.21	10.8525	15175.21
02-Feb-94	04-Feb-94	120	3840.00	36	1713.00	90.29	10.7542	16885.21
16-Feb-94	18-Feb-94	131	3459.00	31	1315.00	90.39	10.6317	18136.21
02-Mar-94	04-Mar-94	162	4668.05	47	1163.05	90.55	10.4362	19262.76
16-Mar-94	18-Mar-94	139	5147.00	14	1100.00	90.93	9.9747	20322.76
1994-95								
30-Mar-94	04-Apr-94	49	1114.00	16	717.00	90.93	9.9747	9102.97 **
13-Apr-94	15-Apr-94	130	2880.50	53	895.50	90.96	9.9384	9963.47
27-Apr-94	29-Apr-94	113	3368.00	32	1146.00	91.02	9.8660	11009.62
10-May-94	13-May-94	101	2567.50	64	1686.00	91.06	9.8177	12548.87
24-May-94	27-May-94	60	1708.00	30	1194.00	91.10	9.7695	13600.67
08-Jun-94	10-Jun-94	74	1021.00	65	949.00	91.06	9.8177	14454.47
22-Jun-94	24-Jun-94	21	678.31	13	453.31	90.92	9.9868	14654.78
06-Jul-94	08-Jul-94	44	923.00	22	307.00	90.88	10.0352	14708.78
20-Jul-94	22-Jul-94	110	2645.00	28	1274.00	91.06	9.8177	15546.78
03-Aug-94	05-Aug-94	113	3888.00	48	2120.00	91.15	9.7093	17369.78
17-Aug-94	19-Aug-94	165	4028.00	21	2220.00	91.32	9.5050	19290.53
31-Aug-94	02-Sep-94	150	2803.64	81	1900.50	91.40	9.4092	12095.77@@
14-Sep-94	16-Sep-94	42	536.07	14	343.07	91.40	9.4092	12329.34
28-Sep-94	01-Oct-94	19	105.20	7	32.00	91.39	9.4212	12329.34

* 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.

** As on 23-3-1994, bills for an aggregate face value of Rs.11936.79 crore maturing in 1994-95 were converted into 12.50 per cent Government Stock,2004.

@@ As on 02-9-1994, bills for an aggregate face value of Rs.8693.76 crore were converted into 11.75 per cent Government Stock,2001.

Table VII-21: Auctions of 91 Day Government of India Treasury Bills

(Rs. Crore)

Date of Auction	Date of Issue	Notified Amount	No. of bids Received	Total Face Value of Bids Received	No. of bids Accepted	Total Face Value of Bids Accepted	Subscription by RBI	Cut-off price (per cent)	Implicit yld. at cut-off pr. (per cent)	Amount outstanding as on the date of issue		
										Total	Outside RBI	With RBI
1	2	3	4	5	6	7	8	9	10	11	12	13
02-Apr-93	03-Apr-93	100.00	11	73.50	10	73.00	27.00	97.30	11.0997	1450.00	276.10	1173.90
08-Apr-93	10-Apr-93	150.00	18	220.00	8	150.00	0.00	97.38	10.7620	1350.00	375.60	974.40
16-Apr-93	17-Apr-93	200.00	47	770.00	8	200.00	0.00	97.68	9.5004	1450.00	569.60	880.40
22-Apr-93	23-Apr-93	150.00	11	180.00	5	140.00	10.00	97.68	9.5004	1500.00	703.60	796.40
29-Apr-93	30-Apr-93	125.00	4	20.00	4	20.00	105.00	97.60	9.8361	1525.00	692.60	832.40
07-May-93	08-May-93	50.00	10	121.00	5	50.00	0.00	97.62	9.7521	1475.00	735.25	739.75
14-May-93	15-May-93	50.00	16	120.00	3	50.00	0.00	97.65	9.6262	1425.00	718.50	706.50
21-May-93	22-May-93	50.00	9	50.00	8	45.00	5.00	97.63	9.7101	1375.00	763.50	611.50
28-May-93	29-May-93	75.00	16	123.00	9	74.50	0.50	97.62	9.7521	1350.00	830.00	520.00
04-Jun-93	05-Jun-93	100.00	12	87.00	12	87.00	13.00	97.58	9.9201	1350.00	914.50	435.50
11-Jun-93	12-Jun-93	100.00	20	245.00	8	100.00	0.00	97.57	9.9621	1350.00	1010.00	340.00
18-Jun-93	19-Jun-93	100.00	18	185.00	12	100.00	0.00	97.55	10.0461	1350.00	1099.50	250.50
25-Jun-93	26-Jun-93	100.00	30	219.00	11	87.00	13.00	97.54	10.0882	1350.00	1176.50	173.50
02-Jul-93	03-Jul-93	100.00	32	312.00	15	100.00	0.00	97.55	10.0461	1350.00	1203.50	146.50
09-Jul-93	10-Jul-93	100.00	26	351.00	9	100.00	0.00	97.56	10.0041	1300.00	1153.50	146.50
16-Jul-93	17-Jul-93	150.00	34	526.00	5	150.00	0.00	97.60	9.8361	1250.00	1103.50	146.50
23-Jul-93	24-Jul-93	250.00	48	756.00	24	250.00	0.00	97.60	9.8361	1350.00	1213.50	136.50
30-Jul-93	31-Jul-93	250.00	49	1043.00	23	250.00	0.00	97.62	9.7521	1475.00	1443.50	31.50
06-Aug-93	07-Aug-93	350.00	60	1260.40	4	350.00	0.00	97.69	9.4585	1775.00	1743.50	31.50
13-Aug-93	14-Aug-93	450.00	65	1627.00	33	450.00	0.00	97.72	9.3328	2175.00	2143.50	31.50
20-Aug-93	21-Aug-93	500.00	36	1879.00	18	500.00	0.00	97.74	9.2490	2625.00	2598.50	26.50
27-Aug-93	28-Aug-93	500.00	35	1676.00	15	500.00	0.00	97.76	9.1653	3050.00	3024.00	26.00
03-Sep-93	04-Sep-93	500.00	38	1003.00	21	500.00	0.00	97.78	9.0816	3450.00	3437.00	13.00
10-Sep-93	11-Sep-93	500.00	52	2350.00	7	500.00	0.00	97.82	8.9143	3850.00	3837.00	13.00
17-Sep-93	18-Sep-93	500.00	44	2258.50	9	500.00	0.00	97.87	8.7054	4250.00	4237.00	13.00
24-Sep-93	25-Sep-93	500.00	42	1810.00	5	500.00	0.00	97.95	8.3716	4650.00	4650.00	0.00
01-Oct-93	04-Oct-93	500.00	20	828.00	13	500.00	0.00	97.95	8.3716	5050.00	5050.00	0.00
08-Oct-93	09-Oct-93	500.00	44	1837.00	3	500.00	0.00	98.00	8.1633	5450.00	5450.00	0.00
15-Oct-93	16-Oct-93	500.00	35	1292.00	12	500.00	0.00	98.02	8.0800	1838.50	1838.50	0.00 *
22-Oct-93	23-Oct-93	400.00	28	438.00	24	400.00	0.00	97.98	8.2466	2135.05	2135.05	0.00
29-Oct-93	30-Oct-93	350.00	18	630.00	4	350.00	0.00	98.00	8.1633	2455.05	2455.05	0.00
05-Nov-93	06-Nov-93	350.00	16	305.00	14	290.00	60.00	97.98	8.2466	2805.05	2745.05	60.00
12-Nov-93	16-Nov-93	200.00	12	276.00	2	200.00	0.00	98.00	8.1633	2940.39	2880.39	60.00
19-Nov-93	20-Nov-93	200.00	8	251.00	8	200.00	0.00	97.92	8.4967	3127.39	3067.39	60.00
26-Nov-93	27-Nov-93	200.00	27	419.00	21	200.00	0.00	97.89	8.6219	3276.39	3216.39	60.00
03-Dec-93	04-Dec-93	200.00	44	676.00	17	200.00	0.00	97.90	8.5802	3255.14	3195.14	60.00

Contd.

Table VII-21: Auctions of 91 Day Government of India Treasury Bills *(Contd.)*

(Rs. Crore)

Date of Auction	Date of Issue	Notified Amount	No. of bids Received	Total Face Value of Bids Received	No. of bids Accepted	Total Face Value of Bids Accepted	Subscription by RBI	Cut-off price (per cent)	Implicit yld. at cut-off pr. (per cent)	Amount outstanding as on the date of issue		
										Total	Outside RBI	With RBI
1	2	3	4	5	6	7	8	9	10	11	12	13
10-Dec-93	11-Dec-93	200.00	43	1089.00	3	200.00	0.00	98.03	8.0384	3436.73	3376.73	60.00
17-Dec-93	18-Dec-93	200.00	30	1027.00	8	200.00	0.00	98.05	7.9551	3311.23	3251.23	60.00
24-Dec-93	27-Dec-93	200.00	22	409.00	3	200.00	0.00	98.08	7.8303	3461.23	3401.23	60.00
30-Dec-93	01-Jan-94	300.00	35	860.00	12	300.00	0.00	98.09	7.7888	3300.00	3240.00	60.00 @
07-Jan-94	08-Jan-94	400.00	22	407.00	22	400.00	0.00	98.02	8.0800	3700.00	3640.00	60.00
14-Jan-94	15-Jan-94	400.00	11	49.00	11	49.00	351.00	97.96	8.3299	3600.00	3189.00	411.00
21-Jan-94	22-Jan-94	400.00	18	172.00	16	162.00	238.00	97.90	8.5802	3600.00	2951.00	649.00
28-Jan-94	29-Jan-94	250.00	19	736.00	5	250.00	0.00	97.92	8.4967	3500.00	2851.00	649.00
04-Feb-94	05-Feb-94	400.00	41	536.00	32	400.00	0.00	97.93	8.4550	3550.00	2961.00	589.00
11-Feb-94	12-Feb-94	400.00	47	705.00	20	400.00	0.00	97.95	8.3716	3750.00	3161.00	589.00 @@
18-Feb-94	19-Feb-94	400.00	34	572.00	27	400.00	0.00	97.95	8.3716	3950.00	3361.00	589.00
25-Feb-94	26-Feb-94	400.00	50	1576.00	21	400.00	0.00	97.98	8.2466	4150.00	3561.00	589.00
04-Mar-94	05-Mar-94	400.00	53	1647.00	7	400.00	0.00	98.08	7.8303	4350.00	3761.00	589.00
11-Mar-94	12-Mar-94	500.00	53	1930.00	11	500.00	0.00	98.17	7.4565	4650.00	4061.00	589.00
18-Mar-94	19-Mar-94	700.00	49	2169.00	17	700.00	0.00	98.26	7.0832	5150.00	4561.00	589.00
25-Mar-94	26-Mar-94	900.00	24	913.00	17	884.00	16.00	98.20	7.3320	5850.00	5245.00	605.00 @@@
1994-95												
31-Mar-94	04-Apr-94	500.00	12	595.00	11	500.00	0.00	98.17	7.4565	6050.00	5445.00	605.00
07-Apr-94	09-Apr-94	300.00	46	960.00	25	300.00	0.00	98.20	7.3320	1807.30	1202.30	605.00 **
15-Apr-94	16-Apr-94	500.00	31	885.00	12	500.00	0.00	98.22	7.2490	1926.30	1672.30	254.00
22-Apr-94	23-Apr-94	500.00	21	800.00	11	500.00	0.00	98.22	7.2490	2148.30	2132.30	16.00
29-Apr-94	30-Apr-94	500.00	19	407.00	16	377.00	123.00	98.22	7.2490	2648.30	2509.30	139.00
06-May-94	07-May-94	500.00	16	1110.00	5	500.00	0.00	98.23	7.2076	3107.60	2968.60	139.00
13-May-94	14-May-94	500.00	14	200.00	14	200.00	300.00	98.16	7.7980	3597.73	3158.73	439.00
20-May-94	21-May-94	300.00	15	97.20	10	88.20	211.80	98.14	7.5810	3879.03	3228.23	650.80
27-May-94	28-May-94	200.00	17	158.00	17	158.00	42.00	98.10	7.7472	4072.21	3379.41	692.80
03-Jun-94	04-Jun-94	150.00	18	412.00	10	150.00	0.00	98.10	7.7472	4216.03	3523.23	692.80
10-Jun-94	11-Jun-94	250.00	18	141.00	18	141.00	109.00	98.04	7.9967	4462.25	3660.45	801.80
17-Jun-94	18-Jun-94	250.00	15	267.00	11	250.00	0.00	97.93	8.4550	4476.00	3674.20	801.80
24-Jun-94	25-Jun-94	250.00	6	30.00	3	15.00	235.00	97.86	8.7472	4700.00	3679.20	1020.80
01-Jul-94	02-Jul-94	250.00	10	65.00	10	65.00	185.00	97.78	9.0816	4450.00	3244.20	1205.80 @@@@
08-Jul-94	09-Jul-94	150.00	20	484.00	7	150.00	0.00	97.78	9.0816	4300.00	3094.20	1205.80
15-Jul-94	16-Jul-94	200.00	41	822.00	15	200.00	0.00	97.82	8.9143	4000.00	2794.20	1205.80
22-Jul-94	23-Jul-94	250.00	42	1010.00	17	250.00	0.00	97.90	8.5802	3750.00	2544.20	1205.80
29-Jul-94	30-Jul-94	250.00	34	324.00	30	250.00	0.00	97.86	8.7472	3500.00	2417.20	1082.80

Contd.

Table VII-21: Auctions of 91 Day Government of India Treasury Bills *(Concld.)*

(Rs. Crore)

Date of Auction	Date of Issue	Notified Amount	No. of bids Received	Total Face Value of Bids Received	No. of bids Accepted	Total Face Value of Bids Accepted	Subscription by RBI	Cut-off price (per cent)	Implicit yld. at cut-off pr. (per cent)	Amount outstanding as on the date of issue		
										Total	Outside RBI	With RBI
1	2	3	4	5	6	7	8	9	10	11	12	13
05-Aug-94	06-Aug-94	250.00	69	1588.25	6	250.00	0.00	97.98	8.2466	3250.00	2167.20	1082.80
12-Aug-94	13-Aug-94	500.00	82	1837.50	23	500.00	0.00	98.04	7.9967	3250.00	2467.20	782.80 ******
19-Aug-94	20-Aug-94	500.00	44	882.00	21	500.00	0.00	98.04	7.9967	3450.00	2879.00	571.00 @@@@@@
26-Aug-94	27-Aug-94	500.00	34	545.00	28	500.00	0.00	98.02	8.0800	3750.00	3221.00	529.00 &&&&
02-Sep-94	03-Sep-94	500.00	51	685.75	35	500.00	0.00	98.02	8.0800	4100.00	3571.00	529.00 #
08-Sep-94	10-Sep-94	500.00	42	721.03	27	500.00	0.00	98.02	8.0800	4350.00	3930.00	420.00 ##
16-Sep-94	17-Sep-94	500.00	11	28.00	10	23.00	477.00	97.94	8.4133	4600.00	3703.00	897.00 &&
23-Sep-94	24-Sep-94	300.00	8	313.75	7	300.00	0.00	97.78	9.0816	4650.00	3988.00	662.00 ++
28-Sep-94	01-Oct-94	300.00	17	97.00	10	73.00	227.00	97.78	9.0816	4700.00	3996.00	704.00 +++

* Treasury Bills amounting to Rs.4088.31 crore converted into 2 year dated security at 12.00 per cent on Oct. 15, 1993.

@ The figures are as of January 3, 1994.

@@ Indicates outstanding balance as on Feb 15,1994.

@@@ Indicates outstanding balance as on March 28,1994.

** Treasury Bills amounting to Rs.4464.70 crore converted into 5 year dated security at 12.00 per cent on Apr. 7, 1994.

@@@@ Indicates outstanding balance as on July 4,1994.

****** One non-competitive bid for an amount of Rs.50 crore from Government of Tamil Nadu was accepted at the weighted average price.

@@@@@@ One non-competitive bid for an amount of Rs.20 crore from Government of Tamil Nadu was accepted at the weighted average price.

&&&& One non-competitive bid for an amount of Rs.10 crore from Government of Tamil Nadu was accepted at the weighted average price.

\# One non-competitive bid for an amount of Rs.20 crore from Government of Tamil Nadu was accepted at the weighted average price.

One non-competitive bid for an amount of Rs.20 crore from Government of Tamil Nadu was accepted at the weighted average price.

&& One non-competitive bid for an amount of Rs.10 crore from Government of Tamil Nadu was accepted at the weighted average price.

++ One non-competitive bid for an amount of Rs.287.25 crore (partial allotment) from Government of Maharashtra was accepted at the weighted average price.

+++ One non-competitive bid for an amount of Rs 25 crore from Goverment of Maharashtra was accepted at the weighted average price.

Table VII-22: Results of Repo Auctions Conducted by Reserve Bank of India Till Date

(Rs. crore)

Date of Auction	Date of Sale	Repo Period (no.of days)	No. of bids Received	Total Face Value of Bids Received	No. of bids Accepted	Total Face Value of Bids Accepted	Cut-off repo rate (per cent)
1	2	3	4	5	6	7	8
01-Apr-93	02-Apr-93	1	38	3817.00	22	3077.00	7.00
07-Apr-93	08-Apr-93	2	32	4430.00	2	400.00	11.50
08-Apr-93	10-Apr-93	7	34	2591.00	5	450.00	10.00
22-Apr-93	23-Apr-93	10	47	2571.00	7	515.00	7.75
04-May-93	05-May-93	10	28	1761.00	12	1008.00	7.50
12-May-93	13-May-93	2	16	1649.00	15	1648.00	5.00
19-May-93	20-May-93	9	24	1887.00	16	1775.00	7.00
22-May-93	24-May-93	5	22	2557.00	9	1550.00	5.75
28-May-93	29-May-93	14	44	4370.00	15	1543.00	7.75
03-Jun-93	04-Jun-93	1	24	3117.00	23	3116.00	7.75
10-Jun-93	11-Jun-93	1	49	9349.00	45	8249.00	8.75
17-Jun-93	18-Jun-93	1	77	10201.00	75	9801.00	9.50
24-Jun-93	25-Jun-93	1	109	14247.00	73	10817.00	8.50
25-Jun-93	26-Jun-93	14	51	2682.00	32	1475.00	8.50
30-Jun-93	02-Jul-93	8	74	4733.00	19	2967.00	7.00
13-Jul-93	14-Jul-93	10	81	7795.00	37	4703.00	6.50
16-Jul-93	17-Jul-93	7	66	3930.00	14	727.00	6.50
23-Jul-93	24-Jul-93	14	63	6389.00	22	4130.00	6.50
29-Jul-93	30-Jul-93	8	60	5116.00	20	1041.00	6.00
06-Aug-93	07-Aug-93	14	59	6887.00	20	5398.00	6.00
20-Aug-93	21-Aug-93	14	43	6037.00	8	4368.00	6.00
03-Sep-93	04-Sep-93	14	46	5534.00	18	4457.00	5.85
17-Sep-93	18-Sep-93	16	54	5771.00	27	4044.00	6.00
01-Oct-93	04-Oct-93	12	25	4337.00	16	1750.00	6.50
15-Oct-93	16-Oct-93	14	49	4628.00	36	3628.00	6.50
29-Oct-93	30-Oct-93	17	42	3365.00	10	2510.00	6.50
12-Nov-93	16-Nov-93	11	29	3059.00	11	2052.00	6.50
26-Nov-93	27-Nov-93	14	21	2915.00	4	2185.00	6.50
10-Dec-93	11-Dec-93	16	39	4870.00	17	3202.00	6.25
24-Dec-93	27-Dec-93	12	31	1508.00	21	1285.00	6.25
07-Jan-94	08-Jan-94	14	27	1148.00	17	902.00	6.25
21-Jan-94	22-Jan-94	14	6	166.00	1	35.00	6.25
04-Feb-94	05-Feb-94	14	39	2612.00	15	1317.00	6.20
18-Feb-94	19-Feb-94	14	15	742.00	9	477.00	6.20
04-Mar-94	05-Mar-94	14	47	2169.00	11	822.00	5.75
18-Mar-94	19-Mar-94	14	16	906.00	9	815.00	5.75
1994-95							
31-Mar-94	04-Apr-94	12	13	1166.00	6	960.00	5.90
15-Apr-94	16-Apr-94	14	31	2596.00	10	965.00	5.75
29-Apr-94	30-Apr-94	14	18	1246.00	8	675.00	5.75
13-May-94	14-May-94	14	8	245.00	5	175.00	6.25
27-May-94	28-May-94	14	15	845.00	7	465.00	6.25
10-Jun-94	11-Jun-94	14	19	1456.00	3	195.00	6.20
24-Jun-94	25-Jun-94	14	9	95.00	2	30.00	6.50
08-Jul-94	09-Jul-94	14	12	195.00	3	55.00	6.50
22-Jul-94	23-Jul-94	14	13	1216.00	1	1000.00	5.50
05-Aug-94	06-Aug-94	14	12	1575.00	3	1100.00	5.40
19-Aug-94	20-Aug-94	14	6	230.00	2	60.00	6.00
02-Sep-94	03-Sep-94	14	10	550.00	3	278.00	6.00
16-Sep-94	17-Sep-94	14	4	50.00	0	0.00	0.00 **
28-Sep-94	1-Oct-94	14	3	160.00	1	50.00	7.00

** All bids received on September 16, 1994 were rejected.

Table VII-23 : Issue of Certificates of Deposits (CDs) by Scheduled Commercial Banks

Fortnight ended		Number of banks which issued CDs (as at the end of fortnight)	Total Outstanding (Rupees crore)	Effective interest rate (range) of CDs issued during the fortnight for all maturities (per cent per annum)
1		2	3	4
1993				
March	19	51	9803	12.50-16.50
April	2	51	9885	13.00-18.00
	16	51	10319	12.50-17.25
	30	50	10648	11.50-17.00
May	14	50	10797	12.00-17.00
	28	49	11267	12.00-16.00
June	11	50	11744	12.00-16.50
	25	50	12529	11.00-16.50
July	9	49	12557	11.00-17.00
	23	49	11997	10.50-16.75
August	6	50	11498	10.00-16.60
	20	49	10687	8.00-15.50
September	3	49	9735	8.00-15.00
	17	49	8692	8.00-15.00
October	1	49	8131	7.50-15.00
	15	48	7301	7.25-15.00
	29	50	6952	7.50-15.00
November	12	49	6716	7.00-15.00
	26	49	6755	7.50-15.00
December	10	49	6893	7.00-12.60
	24	47	6622	7.10-15.00
1994				
January	7	48	6103	7.20-16.25
	21	48	5780	7.25-16.00
February	4	48	5499	7.25-15.00
	18	48	5131	7.50-12.00
March	4	48	5142	7.00-12.00
	18	48	5571	7.00-12.20
April	1	48	6041	7.00-12.00
	15	47	5897	7.00-12.50
	29	46	6121	7.25-12.00
May	13	45	6110	7.25-12.00
	27	43	6016	7.25-12.00
June	10	44	5884	7.00-12.00

TABLE 24 : Commercial Paper (Issued by Companies)

Fortnight ended		Amount Issued during the fortnight (Rs.crore)	Total CP amount issued and outstanding at the end of the fortnight (Rs.crore)	Typical Effective Interest rates (per cent per annum)
1		2	3	4
1993				
March	31	67.25	577.25	15.76 — 16.00
April	15	37.05	462.25	15.51 — 16.25
	30	133.00	568.75	15.51 — 16.00
May	15	398.00	842.75	15.51 — 16.00
	31	314.50	1049.25	14.76 — 15.50
June	15	119.50	1101.25	Below 14.75
	30	389.75	1314.75	13.07 — 14.75
July	15	256.00	1392.75	12.01 — 14.00
	31	245.75	1453.50	11.26 — 13.00
August	15	268.00	1571.00	10.51 — 12.25
	31	463.50	1762.50	10.51 — 11.75
September	15	410.00	2042.50	9.01 — 11.25
	30	519.75	2327.00	9.01 — 10.50
October	15	630.50	2601.00	9.01 — 10.25
	31	294.05	2625.30	9.01 — 10.25
November	15	437.25	2761.55	9.01 — 10.50
	30	657.75	3046.30	9.01 — 10.50
December	15	719.30	3352.10	9.01 — 10.25
	31	482.10	3322.45	9.01 — 10.50
1994				
January	15	588.50	3243.45	12.50 — 13.00
	31	767.50	3716.90	12.50
February	15	569.80	3818.20	12.50 — 13.00
	28	412.75	3540.95	12.50
March	15	538.10	3541.50	12.50
	31	482.40	3264.05	11.01 — 12.00
April	15	387.75	3108.30	11.26 — 12.25
	30	581.25	3117.50	11.26 — 12.50
May	15	775.05	3343.55	11.01 — 12.00
	31	368.00	3093.55	10.75 — 11.50
June	15	549.75	3171.90	11.00 — 12.50
	30	759.50	3496.05	11.00 — 12.50
July	15	631.00	3693.05	10.50 — 11.50
	31	1027.55	4210.55	10.50 — 11.50

Table VII-25: ECGC's Guarantee to Banks and Policies to Exporters-No. of Policies and Guarantees

Sl. No.	Type of Scheme	No. of Policies and Guarantees (April-March)				Value of business covered during the year (Rs.crore)	
		Issued during		In force at end of			
		1992-93	1993-94	1992-93	1993-94	1992-93	1993-94
1	2	3	4	5	6	7	8
1	Standard Policies, incl. Transfer Guarantees	7510	6245	14359	14229	9949	11866
2	Long-term Policies	52	56	540	600	651	894
3	Packing Credit Guarantees	293	283	291	313	38308	45105
4	Post-Shipment Guarantees	1414	1123	1207	1078	18374	27496
5	Export Finance Guarantees	250	247	203	205	133	96
6	Export Production Finance Guarantees	8	7	9	13	90	14
7	Export Performance Guarantees (Short-term)	1968	1850	3077	3248	214	260
8	Export Performance Guarantees (Long-term)	201	206	798	939	366	766
Total including long-term policies and guarantees		11443	9755	19146	19086	67068	84837
Total excluding long-term policies and guarantees		11696	10017	20484	20625	68085	86497

Note : Figures for the year 1993-94 are provisional.

Table VII-26 : Deposits with the Non-banking Corporate Sector as at the end of March 1993.

(Rs crore)

Category	1991-92				1992-93*			
	No. of reporting companies	Regulated Deposits Rs.	Exempted# Deposits Rs.	Total Deposits Rs.	No. of reporting companies	Regulated Deposits Rs.	Exempted# Deposits Rs.	Total Deposits Rs.
1	2	3	4	5	6	7	8	9
Aggregate Deposits	11318	9234.5	43693.4	52927.9	14761	11487.2	53725.1	65212.3
Of which held by :								
i) Non-Financial Companies	2355 (20.8)	4672.4 (50.6)	26073.9 (59.7)	30746.3 (58.1)	2317 (15.7)	4780.0 (41.6)	32648.1 (60.7)	37428.1 (57.4)
ii) Financial Companies	7556 (66.8)	2823.5 (30.6)	16480.9 (37.7)	19304.4 (36.5)	10725 (72.7)	4228.6 (36.8)	19586.5 (36.5)	23815.1 (36.5)
iii) Miscellaneous Non-Banking Companies and Residuary Non-Banking Companies	1407 (12.4)	1738.6 (18.8)	1138.6 (2.6)	2877.2 (5.4)	1719 (11.6)	2478.6 (21.6)	1490.5 (2.8)	3969.1 (6.1)

* Provisional.

\# Include money received from (i) Central and State Governments/Local authorities, (ii) directors and shareholders by private limited companies,(iii)security deposits from employees (iv) purchasing/selling or other agents for the purpose of business,(v) joint stock companies and (vi) chit subscribers by miscellaneous non-banking companies. Monies received against item (ii)and (v) have been withdrawn from the exempted category w.e.f. April 12, 1993.

Note : Figures in parentheses are percentages to total number of reporting companies/regulated/exempted/total deposits as the case may be.

Table VII-27 : Direct Institutional Finance for Agriculture and Allied Activities

(Rs. Crore)

Source of Finance	Loans issued during the year (July-June)				Loans outstanding as on June 30			
	1989-90	1990-91	1991-92	1992-93	1990	1991	1992	1993
1	2	3	4	5	6	7	8	9
I. Co-operatives of which:	**5,406.8**	**4,819.1**	**5,799.6 p**	**6,793.7 p**	**10,565.7**	**10,531.0p**	**11,593.9p**	**13,243.9 p**
(a) Short-term loans by PACS (including LAMPS and FSS)	3,974.0	3,447.6	4,402.9 p	5,575.2 p	4,947.8	5,178.0	5,816.2p	7,935.3 p
(b) Medium and Long-term loans by PACS/CLDBs@@	1,432.8 (742.6)	1,371.5 (836.4)	1,396.7 p (826.3)	1,218.5 p (..)	5,617.9 (3,899.2)	5,353.0 (3,654.0)	5,777.7p (4,055.2)	5,308.6 p (..)
II. State Governments#	**291.8**	**358.6**	**338.5**	**388.5 p**	..	..	..	..
III. Scheduled Commercial Banks (excluding RRBs) of which:	**4,282.4**	**4,675.5**	**4,805.9**	**4,959.9**	**15,283.0**	**17,031.6**	**16,981.0**	**18,287.8**
(a) Short-term loans	1,897.9	2,047.6	2,341.2	2,431.8	4,004.5	4,234.7	4,630.6	4,988.2
(b) Term Loans	2,384.5	2,627.9	2,464.7	2,528.1	11,278.5	12,796.9	1,2350.5	13,299.6
IV. Regional Rural Banks$ of which:	**647.2**	**334.5**	**596.3**	**697.6**	**1,837.9**	**1,752.9R**	**1,984.3**	**2,132.2**
(a) Short-term loans	335.6	124.9	336.5	450.8	574.8	589.7	678.8	789.2
(b) Term loans	311.6	209.6	259.8	246.9	1,263.1	1,163.2	1,305.5	1,343.0
V. Total Direct Finance(I to IV) of which:	**10,628.2**	**10,852.7**	**11,540.3**	**12,839.7**	**27,686.6**	**29,315.5**	**30,559.3**	**33,663.9**
(a) Short-term loans	6,499.3	6,643.7	7,419.1	8,846.3	9,527.1	10,002.4	11,125.6	13,712.7
(b) Medium and Long-term loans	4,128.9	4,209.0	4,121.2	3,993.5	18,159.5	19,313.1	19,433.6	19,951.2

Note :
P : Provisional.
.. : Not available.
@@ : Figures in brackets relate to long-term loans by CLDBs
# : Taken as short-term loans and relates to April-March.
$: Relates to April - March.

Source : 1) National Bank for Agriculture and Rural Development.
2) Reserve Bank of India.
3) Budget Documents of the State Governments.

Table VII- 28 : Indirect Institutional Finance for Agriculture and Allied Activities

(Rs. Crore)

Source of Finance	Loans issued during the year (July-June)				Loans outstanding as on June 30			
	1989-90	1990-91	1991-92	1992-93	1990	1991	1992	1993
1	2	3	4	5	6	7	8	9
I. Co-operatives @	1,687.7	1,727.3E	2,002.3E	2,072.7E	2,230.1	2,355.1E	2,487.2E	2,590.5E
of which:								
(a) State Co-operative Banks @@	494.5	327.5E	360.4E	393.0E	837.6	892.8E	951.6E	982.0E
(b) Central Co-operative Banks @@	1,193.2	1,399.8E	1,642.2E	1,679.7E	1,392.5	1,462.3E	1,535.6E	1,608.5E
II. Scheduled Commercial Banks (excluding RRBs)	207.4 *	199.9 *	197.6 *	..	1,428.6 #	1189.4 #	1,433.2 #	1,551.7 #
III. Regional Rural Banks ##	9.7	8.8	6.9	4.5	48.2	23.7	38.7	73.98 p
IV. Rural Electrification Corporation ###	712.8	709.1	587.8	474.3	3,959.1	4,524.0	4,874.9	5,174.9
V. TOTAL INDIRECT FINANCE	**2,617.6**	**2,645.1**	**2,794.6**	..	**7,666.0**	**8,092.2**	**8,834.0**	**9,391.1**

Note :

.. : Not available.

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.

: Priority Sector advances as at the end of March

: Relates to April-march

: Taken as long-term loans during April-March

* : Disbusrement to Priority sectors as at the end of June.

Source : 1. National Bank for Agriculture and Rural Development.
2. Reserve Bank of India.
3. Rural Electrification Corporation.

Table VII-29 : NABARD's Credit to Co-operatives, Regional Rural Banks and State Governments During 1991-92, 1992-93 and 1993-94

(Rs. crore)

Agency/Purpose	Period	1991-92		1992-93		1993-94	
		Limits sanctioned	Outstandings	Limits sanctioned	Outstandings	Limits sanctioned	Outstandings
1	2	3	4	5	6	7	8
I. State Co-operative Banks							
A. Short-term							
(i) (a) Seasonal Agricultural Operations	July-June	3,059	2,010	3216	2068	3948	2232
(b) Out of (a) : for Oilseeds Production Programme	July-June	358	213	415	192	417	248
(c) Out of (a) : for National Pulses Development Programme	July-June	—	—	24	5	23	5
(ii) Produce (Marketing) Loan Scheme	July-June	7	1	3	1	5	1
(iii) Marketing of crops including cotton and kapas	July-June	12	—	9	1	4	—
(iv) Purchase and Distribution of Fertilizers	January-December	71	34	85	41	69	—
(v) Production and Marketing Activities of Co-operative weavers Society	April-March	452	344	492	382	526	278
(vi) Financing of Production & Marketing activities of small scale Industries.	April-March	11	8	14	12	16	13
(vii) Working Capital requirements of co-operative Sugar Factories against stock of sugar	July-June	90	—	—	—	—	—
(viii) Against pledge of securities earmarked towards Agricultural Credit Stabilisation Fund for meeting the share of SCBs in M.T.(conversion) loans	July-June	3	3	—	—	—	—
(ix) Financing of collection and marketing of minor forest produce	July-June	3	—	—	—	—	—
(x) Financing of Individual Rural Artisans through PACS	April-March	6	5	6	5	7	6
B. Medium-term							
(i) Approved Agricultural purposes	January-December	11	13	120	77	8	53
(ii) Purchase of shares in co-operative sugar factories/processing societies	January-December	2	3	—	2	—	1
(iii) Conversion of Short-term loans into Medium-term loans in scarcity affected areas including rephasement/reschedulment	July-June	74	134	244	157	39	105
II. Regional Rural Banks							
A. Short-term							
Seasonal Agricultural Operations	July-June	490	447	502	498	557	528
B. Medium-Term							
i) Non-Schematic	July-June	77	246	58	224	58	199
ii) Conversion of ST loans into MT loans	July-June	—	7	3	5	4	2
III. State Governments							
Long-term loans to State Governments for contribution to share capital of co-operative credit Institutions	April-March	32	236	24	235	40	237

\- : Nil or Negligible

Source : National Bank for Agriculture and Rural Development.

Table VII-30 : Purpose-wise Sanctions, Disbursements & Refinance by NABARD during 1992-93 and 1993-94 (April-March)

(Rs. Crore)

Purpose	No.of Schemes Sanctioned *			Commitments			Disbursement		
	1992-93	1993-94	Annual % Variation	1992-93	1993-94	Annual % Variation	1992-93	1993-94	Annual % Variation
1	2	3	4	5	6	7	8	9	10
Minor Irrigation	2,582.0 (39.8)	2,926.0 (42.9)	13.3	728.0 (25.1)	706.0 (21.8)	-3.0	561.0 (23.8)	589.0 (21.5)	5.0
Land Development/ CAD	129.0 (2.0)	147.0 (2.2)	14.0	22.0 (0.8)	32.0 (1.0)	45.5	13.0 (0.6)	18.0 (0.7)	38.5
Farm Mechanisation	106.0 (1.6)	— (0.0)	—	515.0 (17.8)	631.0 (19.5)	22.5	518.0 (22.0)	631.0 (23.0)	21.8
Plantation / Horticulture	973.0 (15.0)	995.0 (14.6)	2.3	218.0 (7.5)	265.0 (8.2)	21.6	105.0 (4.5)	122.0 (4.4)	16.2
Poultry / Sheep Breeding Piggery	771.0 (11.9)	805.0 (11.8)	4.4	129.0 (4.5)	121.0 (3.7)	-6.2	62.0 (2.6)	96.0 (3.5)	54.8
Fisheries	427.0 (6.6)	563.0 (8.3)	31.9	113.0 (3.9)	114.0 (3.5)	0.9	31.0 (1.3)	55.0 (2.0)	77.4
Dairy Development	1,146.0 (17.6)	918.0 (13.5)	-19.9	176.0 (6.1)	157.0 (4.9)	-10.8	102.0 (4.3)	148.0 (5.4)	45.1
Storage / Market Yards	39.0 (0.6)	67.0 (1.0)	71.8	15.0 (0.5)	38.0 (1.2)	153.3	15.0 (0.6)	16.0 (0.6)	6.7
IRDP	— (0.0)	— (0.0)	—	649.0 (22.4)	662.0 (20.5)	2.0	649.0 (27.5)	662.0 (24.1)	2.0
Others #	320.0 (4.9)	— (0.0)	—	331.0 (11.4)	— (0.0)	—	305.0 (12.9)	— (0.0)	—
TOTAL	**6,493.0 (100.0)**	**6,814.0 (100.0)**	**4.9**	**2,896.0 (100.0)**	**3,232.0 (100.0)**	**11.6**	**2,359.0 (100.0)**	**2,745.0 (100.0)**	**16.4**

Note :

: Figures in brackets represent Percentage to total.

\# : Includes Bio-gas, Forestry, Non-Farm Sector, etc,.

* : Excludes schemes sanctioned under Automatic Refinance Facility.

CAD : Command Area Development.

IRDP : Integrated Rural Development Programme.

Source : National Bank for Agriculture and Rural Development

Table VII-31: Agency-wise Sanctions and Disbursements of Refinance Assistance by NABARD during 1992-93 and 1993-94 (April-March)

(Rs.Crore)

Agency	Number of schemes*			NABARD'S Commitments			Disbursements by NABARD		
	1992-93	1993-94	Annual % Variation	1992-93	1993-94	Annual % Variation	1992-93	1993-94	Annual % Variation
1	2	3	4	5	6	7	8	9	10
1.State Land Development Banks	2,531.0 (39.0)	2,231.0 (32.7)	-11.9	1,075.0 (37.1)	1,164.0 (36.0)	8.3	885.0 (37.5)	1,113.0 (40.5)	25.8
2.Scheduled Commercial Banks	3,265.0 (50.3)	3,687.0 (54.1)	12.9	1,271.0 (43.9)	1,375.0 (42.5)	8.2	1,004.0 (42.6)	1,029.0 (37.5)	2.5
3.Regional Rural Banks	397.0 (6.1)	401.0 (5.9)	1.0	348.0 (12.0)	386.0 (11.9)	10.9	302.0 (12.8)	358.0 (13.0)	18.5
4.State Co-operative Banks	300.0 (4.6)	495.0 (7.3)	65.0	202.0 (7.0)	307.0 (9.5)	52.0	168.0 (7.1)	245.0 (8.9)	45.8
TOTAL	**6,493.0 (100.0)**	**6,814.0 (100.0)**	**4.9**	**2,896.0 (100.0)**	**3,232.0 (100.0)**	**11.6**	**2,359.0 (100.0)**	**2,745.0 (100.0)**	**16.4**

Note :

* : Excludes schemes sanctioned under Automatic Refinance Facility.

: Figures in brackets represent perant to total.

Source : National Bank for Agriculture and Rural Development.

Table VII-32 : Region-wise Disbursements of Refinance by NABARD during 1992-93 & 1993-94 (April-March)

(Rs. crore)

Region	No.of Schemes Sanctioned			NABARD'S Commitments			Disbursement		
	1992-93	1993-94	Annual % Variation	1992-93	1993-94	Annual % variation	1992-93	1993-94	Annual % variation
1	2	3	4	5	6	7	8	9	10
Northern	732.0 (11.3)	528.0 (7.7)	-27.9	414.0 (14.3)	479.0 (14.8)	15.7	368.0 (15.6)	453.0 (16.5)	23.1
North-Eastern	63.0 (1.0)	103.0 (1.5)	63.5	53.0 (1.8)	55.0 (1.7)	3.8	36.0 (1.5)	40.0 (1.5)	11.1
Eastern	260.0 (4.0)	291.0 (4.3)	11.9	280.0 (9.7)	274.0 (8.5)	-2.1	249.0 (10.6)	256.0 (9.3)	2.8
Central	674.0 (10.4)	569.0 (8.4)	-15.6	606.0 (20.9)	554.0 (17.1)	-8.6	566.0 (24.0)	585.0 (21.3)	3.4
Western	1,565.0 (24.1)	1,764.0 (25.9)	12.7	452.0 (15.6)	665.0 (20.6)	47.1	402.0 (17.0)	499.0 (18.2)	24.1
Southern	3,194.0 (49.2)	3,559.0 (52.2)	11.4	1,090.0 (37.6)	1,205.0 (37.3)	10.6	738.0 (31.3)	912.0 (33.2)	23.6
All India	**6,493.0 (100.0)**	**6,814.0 (100.0)**	**4.9**	**2,896.0 (100.0)**	**3,232.0 (100.0)**	**11.6**	**2,359.0 (100.0)**	**2,745.0 (100.0)**	**16.4**

Note :

Northern Region : Chandigarh, Delhi, Haryana, H.P., J & K, 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.

: Figures in brackets represent the percentages to all-India.

Source : National Bank for Agriculture and Rural Development.

Table VII-33 : Disbursement of Refinance by NABARD to less Developed and / or Under-Banked States During 1992-93 and 1993-94 (April-March)

(Rs.Crore)

State / Union Territories	1992-93	1993-94	Annual % Variation
1	2	3	4
Uttar Pradsesh	412.0	447.0	8.5
Madhya Pradesh	153.0	138.0	-9.8
Bihar	81.0	81.0	0.0
Rajasthan	129.0	142.0	10.1
Orissa	61.0	73.0	19.7
Jammu & Kashmir	7.0	6.0	-14.3
West Bengal	106.0	100.0	-5.7
Assam and Other North - Eastern States	36.0	40.0	11.1
Himachal Pradesh	11.0	16.0	45.5
Andaman and Nicobar Island	—	1.0	—
Sikkim	1.0	1.0	0.0
(A) Total	**997.0**	**1,045.0**	**4.8**
(B) Total disbursement (all-India)	**2,359.0**	**2,745.0**	**16.4**
Percentage of A to B	**42.0**	**38.0**	

Source : National Bank for Agriculture and Rural Development.

Table VII-34 : NABARD's Refinance Assistance under IRDP during 1992-93 and 1993-94 (April-March)

(Rs.Crore)

Agency	Disbursements	
	1992-93	1993-94
1	2	3
SLDBs	18	16
	(-)	(-)
Commercial Banks	351	330
(Excluding RRBs)	(135)	(126)
RRBs	210	236
	(87)	(96)
SCBs	70	80
	(18)	(31)
Total	**649**	**662**
	(240)	**(253)**

Note : IRDP- Integrated Rural Development Programme.
SLDB- State Land Development Bank.
SCB- Scheduled Commercial Bank.
RRB- Regional Rural Bank.
Figures in brackets indicates disbursement for Industries, Services and Business Component.

Source : National Bank for Agriculture and Rural Development.

Table VII-35 : Resources of SLDBs (April-March)

(Rs. crore)

Item	1992-93	1993-94*
1	2	3
Lending Programme	975	1,125
Resources		
A) Special Development Debentures		
1. Programme	872	1,039
2. Achievement	990 #	1,113 #
B) Ordinary Debentures		
1. Target	103	86
2. Actual Floatation	103	86
i) Subscription to ordinary Debentures received from Central & State Governments.	20	17
ii) LIC	40	38
iii) SBI Group	20	20
iv) Commercial Banks	12	9
v) Mutual Support / Self-help	11	3
Total Amount Raised [A(2)+B(2)]	**1,093**	**1,199 ****

Note :
: NABARD's Refinance only
* : Provisional
** : Government contribution not included.

Source : National Bank for Agriculture and Rural Development.

Table VII-36 : Licences Issued to Co-operative Banks During 1991-92, 1992-93 and 1993-94 (July-June)

Item	1991-92				1992-93				1993-94			
	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
No. of Licences issued to carry on/commence banking business	2	—	13	15	—	—	1	1	—	—	10	10
No.of Licensed banks at the end of year	10	40	1,039	1,089	10	40	1,038	1,088	—	—	1,045	1,045
No.of Licences issued for opening new offices	—	2	—	38	—	20	210	230	—	—	202	202

— : Nil or Negligible

Table VII-37: Progress of Crop Insurance Scheme

Season	No. of States & UTs Implementing	No. of Farmers Covered (lakh)	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	13	26.36	53.74	542.73	9.42	84.15
Rabi 1985-86	16	12.12	23.18	238.41	4.48	3.12
Kharif 1986	18	39.56	77.40	856.20	14.99	169.37
Rabi 1986-87	17	11.28	21.00	242.37	4.52	4.59
Kharif 1987	21	46.32	84.11	1,140.68	19.10	277.40
Rabi 1987-88	19	21.28	32.36	475.44	8.85	12.08
Kharif 1988	13	29.64	52.35	547.89	8.82	29.19
Rabi 1988-89	9	8.73	10.13	164.10	3.12	3.87
Kharif 1989	17	42.27	66.46	873.89	14.48	34.41
Rabi 1989-90	17	6.60	9.59	151.56	2.77	2.88
Kharif 1990	17	19.43	34.09	515.15	7.66	81.56
Rabi 1990-91	16	7.94	10.70	196.28	3.50	4.04
Kharif 1991	17	37.61	68.61	931.41	14.43	195.27
Rabi 1991-92	15	7.76	10.95	199.94	3.55	6.03
Kharif 1992	17	41.16	72.27	1,154.66	18.12	41.30
Rabi 1992-93	16	7.41	10.16	228.35	4.10	4.77
Kharif 1993	17	41.24	72.08	1,286.51	20.20	9.41
Rabi 1993-94	16	7.70	10.69	258.86	4.56	0.00

Source : General Insurance Corporation of India.

Table VII-38: Outstanding Advances of Public Sector Banks to Priority Sector

(Rs. crore)

Item	End-March 1992	End-March 1993	End-March 1994p	Percent Variation (3)over(2)	Percent Variation (4) over (3)
1	2	3	4	5	6
i) Outstanding advances to priority sectors	44,692	48,384	53,197	8.3	9.9
Percentage to total credit	39.3	36.5	37.8		
ii) Outstanding direct advances to agriculture	16,944	18,450	19,256	8.9	4.4
Percentage to total credit	14.9	13.9	13.7		
iii) Outstanding advances to weaker sections	10,902	11,860	12,779	8.8	7.7
Percentage to priority sector advances	24.4	24.5	24		
Percentage to total credit	9.6	8.9	9.1		

p : Provisonal

Table VII-39: Disbursements of Credit for Agriculture and Allied Activities (Direct) by Scheduled Commercial Banks during 1989-90 to 1992-93 (July-June)

(Rs. Crore)

Category of Banks	1989-90	1990-91	1991-92	1992-93
1	3	4	5	6
Nationalised Banks	2,681 (62.6)	3,001 (64.2)	3,026 (63.0)	3,110 (62.7)
State Bank of India Group	1,446 (33.8)	1,494 (32.0)	1,582 (32.9)	1,640 (33.1)
Foreign and Other Scheduled Commercial Banks	155 (3.6)	180 (3.8)	198 (4.1)	209 (4.2)
Total	**4,282 (100.0)**	**4,675 (100.0)**	**4,806 (100.0)**	**4,960 (100.0)**

Note : Figures in brackets indicate the share of each category of banks in the total loans disbursed.

Table VII-40 : Purpose-wise/Region-wise Disbursement of Credit for Agriculture and allied Activities by Scheduled Commercial Banks During 1992-93 (July-June)

(Rs. 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	118.9	6.5	131.1	179.6	283.1	1,712.7	2,431.8
(Including crop loans)	(4.9)	(0.3)	(5.4)	(7.4)	(11.6)	(70.4)	(100.0)
	[16.8]	[25.3]	[37.2]	[24.7]	[40.9]	[69.6]	[49.0]
II. Term Loans (A+B)	585.9	19.2	221.1	546.5	408.9	746.4	2,528.1
	(23.2)	(0.8)	(8.7)	(21.6)	(16.2)	(29.5)	(100.0)
	[83.1]	[74.7]	[62.8]	[75.3]	[59.1]	[30.4]	[51.0]
A. Loans for Agriculture	466.6	7.1	144.6	438.3	258.8	458.3	1,773.8
	(26.3)	(0.4)	(8.2)	(24.7)	(14.6)	(25.8)	(100.0)
	[66.2]	[27.6]	[41.1]	[60.4]	[37.4]	[18.6]	[35.8]
i) Minor Irrgiation Schemes	33.3	0.1	31.8	66.8	59.0	95.3	286.4
ii) Reclamation and Land Development Schemes	2.6	1.8	4.0	5.1	3.5	34.9	51.9
iii) Tractors and Agricultural Implements and Machinery	342.3	0.9	64.7	290.5	101.8	165.5	965.2
iv) Plantations	3.4	1.7	14.3	101.8	12.3	52.4	94.1
v) Other Term Loans	85.0	2.6	29.8	65.9	82.2	110.2	375.7
B. Loans for Allied Activities	119.3	12.1	76.5	108.2	150.1	288.1	754.3
	(15.8)	(1.6)	(10.1)	(14.3)	(19.9)	(38.2)	(100.0)
	[16.9]	[47.1]	[21.7]	[14.9]	[21.7]	[11.7]	[15.2]
i) Dairying	37.6	3.4	29.7	60.0	54.2	114.6	299.5
ii) Poultry Farming, Piggery and Bee-keeping	9.5	2.8	7.8	11.7	13.8	35.0	80.6
iii) Fisheries	0.7	1.4	9.7	3.0	11.8	45.1	71.6
iv) Others	71.5	4.5	29.3	33.5	70.3	93.5	302.6
Grand Total (I+II)	**704.8**	**25.7**	**352.2**	**726.1**	**692.0**	**2,459.1**	**4959.9**
	(14.2)	**(0.5)**	**(7.1)**	**(14.6)**	**(14.0)**	**(49.6)**	**(100.0)**
	[100.0]	**[100.0]**	**[100.0]**	**[100.0]**	**[100.0]**	**[100.0]**	**[100.0]**

Note : 1. Due to rounding off of figures, the constituent items may not add up to the totals.
2. Figures in the first brackets indicate the share of each region to the total loans disbursed.
3. Figures in square brackets indicate the share of each category of loans disbursed to the grand total.

Table VII-41 : NCDC's Financial Assistance (Disbursements) from 1991-92 to 1993-94 (April-March)

(Rs. crore)

Schemes / Purposes	Amount Disbursed		
	1991-92	1992-93	1993-94
1	2	3	4
I. Central Schemes	**219**	**217**	**197**
a) Co-operative Storage Porgrammes with international aid	172	33	7
b) Co-operative Marketing, Processing and Storage programmes in under-developed states/Union Territories	9	11	24
c) Margin Money assistance to the village societies for distribution of consumer articles in rural areas	2	—	—
d) Finance for Co-operatives sugar factories, Co-operatives spinning mills, NAFED, etc.	36	128	129
e) Miscellaneous	—	45	37
II. Corporation Sponsored Schemes	**108**	**123**	**90**
a) Storage	4	7	4
b) Agro-processing	53	73	26
c) Weaker Sections	30	22	42
d) Agricultural Marketing	7	17	16
e) Rural Consumer Activity	2	2	—
f) Agro-Services and Promotional and Developmental Programmes, etc.	12	2	2
III. TOTAL (I + II)	**327**	**340**	**287**

Source : National Co-operative Development Corporation.

CHAPTER VIII

FISCAL DEVELOPMENTS[1]

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 Government 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

A detailed account of the budgetary operations of the Central Government during 1993-94 (Revised Estimates) and 1994-95 (Budget Estimates) was presented in an article on "Finances of Central Government : 1994-95" in the May 1994 issue of the Reserve Bank of India Bulletin. In this Report, the major budgetary developments during 1993-94 and 1994-95 are highlighted.

Major Budgetary Developments during 1993-94[2]

The finances of Central Government had suffered a set back during 1993-94 with the major deficit indicators relative to GDP being substantially higher than the budget estimates. This was in marked contrast to the improvements achieved during the previous two years (Table VIII-1). Such a fiscal slippage stemmed from the overshooting of revenue deficit by Rs. 16,428 crore (+ 93.2 per cent) which, in turn caused the conventional deficit surpassing its budget estimate by Rs. 4,746 crore (+ 110.0 per cent). As a cumulative impact, the Gross Fiscal Deficit (GFD) which was budgeted at 4.7 per cent of the GDP, had outstripped the target by Rs. 21,592 crore (+ 58.4 per cent) and constituted 7.3 per cent of the GDP. The surge in GFD was accompanied by an increase in net primary deficit [3] by Rs. 18,368 crore and constituted 2.7 per cent of the GDP. The monetised deficit, however, declined significantly to Rs. 260 crore as compared to the budget estimate of Rs. 4,314 crore.

The deterioration in revenue deficit was partly the outcome of the negative growth in revenue receipts[4] (- 9.0 per cent) to Rs. 80,712 crore and partly the result of overshooting of expenditure (8.0 per cent) to Rs. 1,14,770 crore [Statement 105. Vol. II]. The revenue receipts as proportion of GDP declined from the budgeted level of 11.0 per cent to 10.0 per cent whereas revenue expenditure moved up from 13.2 per cent to 14.3 per cent (Table VIII-2). The set back in revenue receipts had largely emanated from sharp deceleration in tax receipts resulting

1. The cut off date for analysis of Finances of Central Government and Public debt is September 30, 1994 and for the finances of State Government October 31, 1994.
2. All comparisons in this Section relate to 1993-94 revised estimates over budget estimates unless otherwise specified.
3. Net primary deficit is defined as net fiscal deficit (gross fiscal deficit minus net lending) minus net interest payment (gross interest payment minus interest receipt).
4. In this Report, the budgetary position of Government of India is inclusive of receipts of Commercial undertakings in the Revenue Account.

from substantial shortfall in customs duty (-Rs. 5,227 crore), and Union excise duty (- Rs. 1,561 crore). Although the Budget had introduced a number of measures to improve the tax buoyancy, the slow growth in imports and sluggish industrial recovery belied the Budget expectation of achieving a 7.8 per cent growth in tax receipts. As a consequence, the tax receipts as a proportion of revenue receipts had fallen substantially from around 71 per cent to 68 per cent, and the share of tax receipts in GDP declined from 7.8 per cent to 6.8 per cent [Table VIII-2 and Statement 106. Vol-II]. The uptrend in revenue expenditure was essentially an outcome of a sharp increase in the non-Plan components, mainly subsidies (+ Rs. 4,024 crore or 48.0 per cent) and defence expenditure (+ Rs. 1,264 crore or 9.2 per cent) and a step-up in Plan revenue expenditure (+ Rs. 2,169 crore or 9.0 per cent). Interest payments were lower by Rs.500 crore and non-Plan grants to States and Union Territories were more or less within the budgeted limit.

The capital disbursements at Rs. 33,648 crore registered an increase of Rs. 4,164 crore or 14.1 per cent. Nevertheless, a proportionately larger increase in capital receipts amounting to Rs. 15,846 crore or 37.0 per cent stimulated capital surplus to Rs. 24,998 crore over the budget estimates of Rs. 13,316 crore. A significantly larger proportion of capital receipts was mobilized at market related rates through 364 days Treasury bills, conversion of Treasury bills into dated Government stocks and Zero Coupon Bonds[5], while external loans and disinvestment of equity holding of Public Sector Enterprises fell short of the budget estimates. The increased recourse to borrowing at market related rates, besides enlarging the size of GFD, also changed the pattern of its financing. The financing of GFD indicated a market shift in the share of market loans from 10 per cent to 30 per cent, while external loans declined from 14.8 per cent to 6.6 per cent and 'other liabilities'[6] reduced significantly to 47.7 per cent from the budget estimates of 63.5 per cent (Table VIII-4).

The resurgence of fiscal crisis during 1993-94 tilted the composition of Gross Fiscal Deficit as well. The revenue deficit - GFD ratio which was budgeted at 47.7 per cent surged to 58.2 per cent, more than twice the level of 24.3 per cent in the 'eighties. As a consequence, capital outlay as a proportion of GFD, shrunk markedly to 22.6 per cent from 34.6 per cent and net lending declined from 27.2 per cent to 23.5 per cent (Table VIII-5).

A positive outturn, as alluded to earlier, during 1993-94 was the containment of monetised deficit to Rs. 260 crore or 0.03 per cent of GDP as compared with the budget estimates of Rs. 4,314 crore or 0.54 per cent of GDP [Table VIII-1 and VIII-6]. This was the combined outcome of open market operation in Government securities on a large scale by the Reserve Bank of India and mobilisation of substantially large amount of resources by the Government from market. However, the fortnightly average of the monetised deficit (net RBI Credit to Centre), as per the Reserve Bank of India records, during 1993-94 remained substantially higher than in 1992-93. As a consequence, the fiscal year average of net RBI credit to the Centre stood higher at Rs. 10,302 crore during 1993-94 than Rs. 6,717 crore during 1992-93. The average conventional deficit, as per RBI Records, during 1993-94 was higher at Rs. 14,163 crore as against Rs. 11,815 crore during 1992-93 (Table VIII-6).

A tentative technical exercise through the decomposition of GFD into cyclical and structural deficits (see Box 1 on page VIII-6)

5. Zero Coupon Bonds of 5 years tenor are interest free bonds sold at discount.

6. Includes Small Savings, Provident Funds, Special Deposits and Reserve Funds.

reveals that the Structural component in GFD is quite predominant and the impact of cyclical component is relatively low[7]. The structural and cyclical components may, however, show slight variations depending upon the base year that is adopted. With 1989-90 as base year, structural component would be 5.44 per cent of GDP and the cyclical component would be 0.56 per cent of GDP in 1994-95.

Budget Estimates : 1994-95

The major agenda of the budget for 1994-95 is the correction of fiscal slippage that emerged during 1993-94. At the same time, the budget emphasised the need for further strengthening the process of structural reforms, providing stimulus for a strong industrial recovery, and reorientation of development policies and social sector development. Accordingly, the budget has contained the magnitude of the major deficit indicators. The Gross Fiscal Deficit has been budgeted at 6.0 per cent of GDP as compared with 7.3 per cent during 1993-94. The revenue deficit and conventional deficit are budgeted at 3.6 per cent and 0.7 per cent of GDP respectively, as compared with 4.2 per cent and 1.1 per cent in the previous year (Table VIII-1).

As an important measure of strengthening fiscal discipline, the Government has announced its intention to gradually phase out the practice of unlimited recourse to credit from the Reserve Bank through creation of *ad hoc* Treasury bills (see Box 2). Historically, net Reserve Bank credit to the Central Government has been the main factor contributing to the growth of primary liquidity. Against this background it has been decided that, beginning with the fiscal year 1994-95, the Central Government's access to *ad hoc* Treasury bills would be phased out over a three-year period by 1997-98. The budget has also placed a cap on the net issue of *ad hocs* during the course of the fiscal year 1994-95; while the net issue of *ad hocs* in 1994-95 should not normally exceed the estimated budget deficit of Rs. 6,000 crore for the year as a whole, at any point of time during the year *ad hocs* should not exceed Rs. 9,000 crore for more than ten continuous working days. If this limit is breached, the Reserve Bank will sell fresh Government paper to reduce the level of *ad hocs*. In subsequent years when the recourse to *ad hocs* is completely phased out, the Central Government will cease to have direct credit from the Reserve Bank for financing its deficit, and will meet its entire financing needs through borrowings from the market.

The reduction in deficit indicators is sought to be achieved through enhancement of receipts and planned reduction in expenditures. The budget anticipates a 8.2 per cent growth in receipts and 5.6 per cent growth in expenditures. Accordingly, the aggregate receipts have been placed at Rs. 1,50,836 crore and the aggregate disbursements at Rs. 1,56,836 crore [Statement 105. Vol. II]. Revenue receipts, which are estimated to grow by 13.0 per cent, would be stepped up mainly through more tax receipts specifically customs duties (+ Rs. 2,700 crore), Union excise duties (+ Rs. 3,234 crore) and corporate tax (+ Rs. 1,980 crore). The non-tax receipts would, however, continue to show a moderate growth of 8.5 per cent [Statement 106. Vol. II]. To achieve larger buoyancy in tax receipts, the budget proposed a number of tax reform measures which, *inter alia*, encompass restructuring of direct taxes, reduction in peak customs duties (from 85 per cent to 65 per cent), rationalization of excise duty structure and extension of *Modvat* to cover capital goods and petroleum products[8]. In the case of capital receipts, accrual from the conventional market loans, 364 days Treasury bills, small savings, provident funds and deposit schemes are estimated to be more or less stagnant at the previous year level. The additional receipts, therefore, are

7. Also see the Chapter on Fiscal Developments in the Reserve Bank of India, Annual Report for 1993-94.

8. For details on tax proposals, see the article on "Finances of Central Government : 1994-95" published in the Reserve Bank of India Bulletin, May 1994.

anticipated mainly from Gold bonds (+ Rs. 850 crore) and disinvestment (+ Rs. 1,500 crore) [Statement 108. Vol. II].

The expenditure side measures to curb fiscal deficit include the containment of non-interest non-Plan revenue expenditures and compression in capital disbursements. The revenue expenditure budgeted at Rs. 1,23,948 crore would register a growth of 8.0 per cent as compared with 19.4 per cent in 1993-94 and the capital disbursements at Rs. 32,888 crore would be lower by 2.3 per cent as against a rise of 12.5 per cent in 1993-94 [Statements 107 and 109, Vol-II]. The non-Plan expenditure measures basically include the cut back in subsidies (Rs. 2,937 or 23.7 per cent) (Table VIII-7). The compression of capital disbursements would be accomplished mainly by reducing loans and advances to States and Union Territories (Rs. 651 crore or 4.5 per cent). However, the budgetary support to Central Plan outlay has been pegged up by 9.0 per cent. This step up in budgetary support coupled with an enhanced Internal and Extra Budgetary Resources (IEBR) by public sector enterprises (Rs. 6,421 crore or 17.6 per cent) would place the Central Plan Outlay at Rs. 70,141 crore, 14.1 per cent more than that of 1993-94.

Emerging Issues

Notwithstanding the concerted efforts to put the fiscal system back on the rails, some of the basic weaknesses of the Central Government finances still persist. A study of the decomposition of GFD reveals a further mounting up of revenue deficit - GFD ratio from 58.2 per cent in 1993-94 to 59.6 per cent during 1994-95, as against 24.3 per cent during the 'eighties [Table VIII-5]. The rising revenue deficit - GFD ratio would absorb a relatively larger proportion of high-cost borrowed funds for current consumption in the form of non-Plan non-developmental expenditures which are essentially obligatory in nature such as, interest payments, defence, non-Plan grants to States and Union Territories, Police and Pension. During 1994-95, these obligatory expenditures together would account for about 57.0 per cent of the revenue expenditure as against 52.9 per cent during 1993-94 and 45.0 per cent in the 'eighties. Given the stickness of the obligatory revenue expenditures, the success of any effort towards containing revenue deficit would largely depend upon the attainment of higher revenue buoyancy through a comprehensive tax reforms. Although the Central Government has already initiated the process of tax reforms during last couple of fiscal years drawing heavily on the recommendations of the Tax Reforms Committee (Chelliah Committee), the main solution to the existing distortions in the country's tax system emanating basically from a narrow tax base, numerous exemptions and concessions, and low buoyancy, lies in the introduction of a comprehensive Value Added Tax (VAT). The hallmark of a VAT system is its revenue buoyancy, neutrality, allocative and administrative efficiency and transparency. The budget for 1994-95 has proposed numerous measures for subserving the objective of a gradual switch over to VAT which, *inter alia,* include extension of Modified Value Added TAX (MODVAT) to capital goods and petroleum products, lowering of tax rates, application of uniform rates for similar commodities and bringing selected services under tax net. Nonetheless, the shift towards a fullfledged VAT necessitates further restructuring of the tax system by removing the existing commodity-specific and user-specific exemptions, extension of Modvat credit to all sectors of the industrial production and inclusion of more services under taxation.

The growing interest burden is another area of concern, for it not only burgeons the non-Plan expenditure but also impinges upon the sustainability of budgetary gap. During 1994-95, the Budget has placed total interest payments at Rs. 46,000 crore which would be more than double the level of Rs. 21,498 crore during 1990-91. The pattern of

financing of GFD during 1994-95 would, however, further stimulate the debt obligation as well as interest burden, as the share of borrowing at market related rates is budgeted to show a relatively larger increase. Of the total financing requirements, the external source would account for 7.8 per cent and the remaining 92.2 per cent would be met by domestic resources. In respect of domestic resources, internal market loans which averaged around 16 per cent of the financing of GFD during the first three years of the 'nineties (1990-93) moved up to 30.2 per cent in 1993-94 and budgeted at 26.8 per cent during 1994-95. As a consequence, the outstanding internal liabilities of Central Governments which stood at Rs. 2,83,033 crore by end-March 1991 and Rs. 4,26,027 crore by end-March 1994, are estimated to reach Rs. 4,83,545 crore by end-March 1995. Further, the trend observed in recent years in respect of market loans has been the shortening of the maturity periods whereas the interest rates on such loans are being enhanced progressively. Consequent upon these developments, interest payments as a proportion of revenue receipts moved up sharply from 39.0 per cent in 1990-91 to 41.9 per cent in 1992-93 and 49.2 per cent in 1993-94. The Budget estimates indicate that this ratio would be 53.4 per cent in 1994-95. The details of interest payments are set out in Table VIII-8. As observed in the Annual Report of the Reserve Bank of India for 1993-94, "Sharply rising interest payments could well crowd out vital expenditures. The only way of alleviating the pressure on the fisc of high interest payments will be to reduce borrowing and as the borrowing comes down interest rates would soften."

The declining trend in capital disbursements, especially capital outlay, is also a cause for concern. This has been the fall out of the expenditure compression under the fiscal correction on the one hand and the declining share of capital receipts for investments due to its pre-emption for meeting the growing revenue gap on the other. Capital outlay in the total expenditure constituted around 15.0 per cent during the 'eighties but it steadily declined in the 'nineties so far and the budget for 1994-95 placed it at 9.0 per cent. Consequently, capital outlay as proportion of GDP declined from 2.7 per cent in the 'eighties to 1.6 per cent in 1993-94 and further to 1.5 per cent during 1994-95. Another visible impact of expenditure restraint is the falling share of developmental expenditure which on an average accounted for 58.0 per cent of the aggregate expenditure during the 'eighties, declined to 52.7 per cent during the first four years of the 'nineties. However, the budget for 1994-95 placed it much lower at 46.5 per cent. Apart from a general deterioration in developmental expenditure, the revenue component of the developmental expenditure has been forming an increasingly larger share, thus leaving a lower share for developmental expenditure (Table VIII-9). Continuance of this trend would place severe pressures in the form of infrastructure bottlenecks as well as low asset creation which in turn would affect the future resource generation capacity of the economy. The burgeoning trend in the revenue component of the developmental expenditure is the inevitable impact of the persistent rise in subsidy expenditure. On an average, subsidy alone absorbed around 18.0 per cent of the revenue receipts during the latter half of the 'eighties and 19.0 per cent during the first three years of the 'nineties (1990-93). The budget for 1994-95 has, however, made a lower provision for subsidies at Rs. 9,463 crore as compared with Rs. 12,400 crore in 1993-94 thereby reducing the pre-emption of revenue receipts by subsidies to 11.0 per cent. However, as a measure of long-term fiscal stability as also to remove the distortionary effect of growing subsidies, the rationalisation of subsidies by phasing out those other than specifically targetted towards the poor is an area for careful consideration.

Box 1

Structural and Cyclical Deficits

The budget balance is often viewed as having two components viz., a cyclical component and a non-cyclical or structural component. This categorisation is useful for separating the cyclical influence on budget balances emanating from the difference between actual and potential output from those which are structural. In order to accurately gauge the fiscal policy stance, given the level of Government's budgetary balance, it would be necessary to first eliminate the effect of transitory deviations of output (economic activity) from its 'potential' or long term level. Adjusting for these cyclical effects, the remaining portion of the budgetary balance would be structural in nature and would measure the excess of spending over revenues that would persist if the economy were to grow at its potential rate. The structural budget balance thus takes into account not only the impact of discretionary policy actions of that year but also the responsiveness of budgetary transaction to variations in potential (as opposed to actual) output over the years.

The quantification of the cyclical and structural components of the budgetary balance is a much debated issue. Apart from differing views relating to a pragmative measure of potential output and the choice of an appropriate base year as cyclically neutral, methodological differences can arise as a result of the assumptions regarding, inter alia, the elasticities of expenditure and receipts with respect to output. For example, while IMF, in its 'World Economic Outlook Exercise', assumes unit elasticities, the OECD approach takes into account their actual levels. In both the methods, the structural component can be further adjusted for the effects of prices, interest rates and the exchange rate on the budgetary balance.

References:

1. *Heller P.S., R.D. Haas and A.S. Mansur (1986)* ***'A Review of the Fiscal Impulses Measure'*** *IMF Occasional Papers No.44, May.*

2. *Muller P. and R.W.R. Price (1984)* ***'Structural Budget Deficits and Fiscal Stance'****, OECD Working Papers No.15.*

Box 2

Ad hoc Treasury Bills

The Government of India had a sizeable sterling debt which accumulated from about the middle of the nineteenth century. When World War II broke out, the Government of India had to incur a large amount of war expenditures, for its own defence as well as to meet the requirements of the Allied Governments. The Government of India, however, was entitled to recover the expenditures incurred on behalf of the latter. These reimbursements were in the form of sterling which, however, was not to be immediately used. While the Government of India received sterling that was not immediately usable, they had to find the rupee resources for meeting the war expenditures, which they did by transferring the sterling to the Reserve Bank of India against cash. The acquisition of vast amounts of sterling during the war period, nevertheless, provided an opportunity for a speedier 'repatriation' of the sterling debt. The origin of ad hoc Treasury bills (or simply ad hocs) in India dates back to 1940-41.

As the sterling used for 'repatriation' of the Government of India debt belonged to the Reserve Bank, arrangements had to be made to provide the Bank with alternative eligible

Box 2 (Contd.)

rupee assets. The rupee finance was provided in part by the issue of ad hoc Treasury bills. The ad hocs were retired when the Government's dated securities loan programme was subsequently undertaken.

But it is from about the mid-fifties, the 'ad-hoc Treasury bills acquired a connotation different from what was originally envisaged. As the Reserve Bank acts as a banker to the Central Government, it was necessary, that for smooth conduct of its banking business, the Central Government should maintain a minimum balance in its books with the Reserve Bank. It was mutually agreed that Rs.50 crore should be held by the Central Government as such a balance as on Fridays, and reflected in the Reserve Bank's Weekly Statement of Affairs. To adhere to this agreement it had become necessary to ensure that the account is replenished whenever the actual balances are below the Rs.50 crore level, by creation of ad hoc Treasury bills in favour of the Reserve Bank, generally in multiples of Rs.5 crore. It followed from this arrangement that whenever the account has a surplus, ad hocs would be cancelled in such amounts as necessary so that the balance is at least at the agreed level. This practice has been in vogue since 1954-55. Thus what was originally a purely temporary arrangement became a regular feature over the years.

Yet another development has been the Government's conversions of the outstanding ad hocs into dated securities, commonly known as 'funding'. Such funding has been in evidence since July 1958. Initially the magnitude of such funding was in the range of Rs.50-100 crore a year. With the very large accumulation of ad hocs with the Reserve Bank and the attendant problems of rolling over large amounts of short-term paper, since 1982 there was not only a spurt in the amount of funding but also a fundamental change in the basic characteristics of the conversion. Whereas the earlier conversions were in the form of Government dated security with some specific maturities, at varying rates of interest, in the post-1982 period, the conversions were into 4.6 per cent special securities, with no specific date for redemption and more importantly the post-1982 fundings were exclusively taken up by the Reserve Bank. As at the end of March 1994, the outstanding amount of special securities, held by the Reserve Bank under such funding operations, was as large as Rs.71,000 crore. In addition, the outstanding amount of ad hocs stood at Rs.21,480 crore as on March 31, 1994. (It is pertinent to note that the funding operations undertaken since April 1993 are in the classical funding form of the lengthening of the maturity of short-term debt held by the market).

Ad hocs in effect represent the automatic monetisation of Government's budget deficit. As its unbridled expansion would severely constrain the Reserve Bank in the conduct of its monetary policy, in the Union Government Budget for 1994-95 the issue of ad hocs has been restricted to Rs.6,000 crore, for the year 1994-95 as a whole. Besides, at any point of time, ad hocs cannot exceed Rs.9,000 crore and remain at that level for more than ten consecutive working days. In case this is not adhered to, the Reserve Bank could take necessary action to bring down the level of ad hocs to the maximum level permitted. Besides, over a three-year period beginning 1994-95, the issuance of ad hocs will be discontinued.

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II. Budgetary Operations of the State Governments[9]

Budgetary Developments during 1993-94

The revised outturn for 1993-94 show that notwithstanding a sharp deterioration in the revenue deficit, the overall deficit and Gross Fiscal Deficit (GFD) were placed lower than their respective budgeted levels (Table VIII-10). The revenue deficit increased by Rs. 1,777.9 crore (41.6 per cent) to Rs. 6,054.6 crore in the revised estimates which was more than offset by a near threefold rise in the capital surplus to Rs. 4,160.2 crore. As a result, the overall deficit declined by nearly 40 per cent (Rs. 1,258.6 crore) from Rs. 3,153.0 crore in the budget estimates to Rs. 1,894.4 crore in the revised estimates. The increase in the capital surplus was mainly due to scaling down of capital outlay (-Rs. 955.2 crore) and loans and advances (-Rs. 603.1 crore) and rise in recovery of loans (Rs. 930.9 crore). These resulted in a reduction in the GFD from Rs. 24,023.0 crore in the budget estimates to Rs. 23,311.7 crore in the revised estimates.

The downward revision of capital outlay from the budgeted level has become a characteristic feature of State Government finances over the years. During the period 1987-88 to 1992-93, the revised estimates (and actuals) of capital outlay were almost invariably placed lower than the budget estimates by 1 per cent to 10 per cent. During 1992-93, in particular, the budget estimates of capital outlay were reduced by 2 per cent and a further 4.2 per cent in the actuals.

In the revenue account, the revised estimates showed increases in the States' share in Central taxes (Rs. 793.3 crore or 3.7 per cent), grants from the Centre (Rs. 2,235.4 crore or 11.8 per cent) and the States' own non-tax receipts (Rs. 1,006.9 crore or 7.5 per cent), as well as a reduction in the outlay on administrative services (- Rs. 1,249.4 crore or - 10.7 per cent) (Table VIII-11). The rise in the revenue deficit over its budgeted level was, therefore, essentially on account of (i) a shortfall of 4.8 per cent (- Rs. 2,294.5 crore) in the States' tax receipts, mainly sales tax, State excise duties and some other taxes and duties, and (ii) an increase of 3.3 per cent (Rs. 3,519.0 crore) in revenue expenditure, primarily on developmental heads like energy and rural development.

Gross transfers from the Centre at Rs. 58,839.6 crore were 5.9 per cent (Rs. 3,298.1 crore) higher than the budget estimates, reflecting an increase of 7.5 per cent (Rs. 3,028.7 crore) in current transfers (shareable tax revenue plus grants) and a modest rise of 1.8 per cent (Rs. 269.4 crore) in gross loans (Table VIII-12). Adjusting for the marginal rise (+ 1.2 per cent) in debt-service payments (interest payments plus repayments of loans) to the Centre, net transfers increased by 7.6 per cent (Rs. 3,132.1 crore) to Rs. 44,380.9 crore in the revised estimates. At this level, net transfers formed 37.0 per cent of net aggregate disbursements (i.e. excluding debt-service payments to Centre) as compared with 34.9 per cent in the budget estimates.

Budget Estimates : 1994-95 - Major Developments

The budget estimates for 1994-95, place the major deficit indicators substantially higher than the revised estimates of the previous year (Table VIII-10). As a result of a faster growth in aggregate disbursements (13.5 per cent or Rs. 18,206.0 crore) than in aggregate receipts (12.7 per cent or Rs. 16,850.2 crore), the overall deficit would nearly double to Rs. 3,250.0 crore during 1994-95, accounting for 2.1 per cent of

9 The cut-off date for incorporating information was October 31, 1994.
Also see Statements 123 to 127 in Volume II of the Report.

aggregate disbursements as compared with 1.4 per cent in 1993-94. The revenue deficit is budgeted to increase by Rs. 1,893.9 crore (31.3 per cent) to Rs. 7,948.5 crore, accounting for 6.4 per cent of revenue expenditure as compared with 5.5 per cent in the previous year and 1.9 per cent, on an average, during the latter half of the 'eighties. As a result of the deterioration in the revenue deficit and a step-up in capital outlay (Rs. 2,593.9 crore or 21.3 per cent) and net lending (Rs. 1,521.9 crore or 30.0 per cent), the GFD is estimated to rise by Rs. 6,009.7 crore (25.8 per cent) to Rs. 29,321.4 crore during 1994-95; as a proportion of aggregate disbursements (net of repayments), the GFD would be placed at 20.1 per cent in 1994-95 as compared with 18.4 per cent in the previous year and 19.3 per cent, on an average, during the second half of the 'eighties.

The sharp increase in the revenue deficit during 1994-95 would be entirely on account of sustained rise of nearly 13.9 per cent (Rs. 15,181.3 crore) in revenue expenditure under both developmental (10.3 per cent or Rs. 7,247.6 crore) and non-developmental (20.5 per cent or Rs. 7,764.6 crore) heads. The increase in outlays on education (Rs. 3,124.3 crore), interest payments (Rs. 2,834.9 crore) and administrative services (Rs. 2,965.5 crore) would constitute nearly 58.8 per cent of the total rise in revenue expenditure. The share of the developmental component of revenue expenditure would, however, decline by 2 percentage points to 62.2 per cent during 1994-95, while that of the non-developmental component would increase correspondingly to 36.7 per cent.

The decomposition of GFD shows that the revenue deficit would pre-empt 27.1 per cent of the overall borrowing requirements during 1994-95 as compared with 26.0 per cent in the previous year and 7.7 per cent, on an average during the period 1985-86 to 1989-90 (Table VIII-13). The aggregate share of capital outlay and net lending would correspondingly decline over this period. The financing pattern of GFD shows that the share of net loans from the Centre declined from 57.7 per cent, on an average, during the second half of the 'eighties to 44.6 per cent in 1993-94 while those of market borrowings and 'others' (comprising of Small Savings, Provident Funds, Deposits and Advances, etc.) increased from 14.2 per cent and 28.0 per cent to 15.4 per cent and 40.0 per cent, respectively (Table VIII-14). During 1994-95, the share of net loans from the Centre is placed at 46.7 per cent while the share of market borrowings and 'others' would be 15.5 per cent and 37.8 per cent, respectively.

The recurrence of large fiscal deficits has translated into a high level of outstanding debt of the State Governments, placed at Rs. 1,82,223 crore as at end-March 1995 as compared with Rs. 1,58,853 crore as at end-March 1994. The interest burden on the debt has also increased rapidly over the years and is estimated to pre-empt 16.5 per cent of revenue receipts during 1994-95 as compared with 15.8 per cent in the previous year and 11.0 per cent, on an average, during the latter half of the 'eighties.

The pattern of expenditure over the past three years, shows that the growth rate of the non-developmental component (comprising interest payments, administrative services, pensions and miscellaneous general services) has been nearly double (at around 20 per cent) that of the developmental component (comprising social and economic services). Consequently, the share of the developmental component is estimated to decline to 65.1 per cent during 1994-95 from 66.0 per cent in the previous year and 70.3 per cent, on an average, during the second half of the 'eighties; the share of the non-developmental component would increase to 30.5 per cent from 28.6 per cent and 21.9 per cent over the corresponding period (Table VIII-15).

Gross transfer of resources from the Centre is budgeted at Rs. 65,235.7 crore during 1994-95, showing a growth of 10.9 per cent as compared with 14.4 per cent in the previous year (Table VIII-12). This deceleration would entirely reflect the sharp slowdown in grants (from 19.0 per cent to 7.0 per cent) and tax devolution (from 8.9 per cent to 7.3 per cent), as gross loans are estimated to rise by 21.6 per cent during 1994-95 as compared with 16.7 per cent in the previous year. The portion of gross transfers that is utilised for debt-service, at 24.7 per cent, would not show much change over the years. Adjusting for the debt-service payments, net transfers would support 35.9 per cent of the States' aggregate disbursements (net of debt-service payments to the Centre) during 1994-95 as compared with 36.9 per cent in the previous year and 38.6 per cent, on an average, during the latter half of the 'eighties.

State-wise Position

(i) Additional Resource Mobilisation

Fifteen State Governments have proposed Additional Resource Mobilisation (ARM) measures, aggregating Rs. 1,385.8 crore (1.2 per cent of States' revenue receipts) during 1994-95 as compared with a total of Rs. 1,347.2 crore (1.3 per cent of States' revenue receipts) by fourteen State Governments in the previous year (budget estimates) (Tables VIII-16 and 17). The loss emanating from the States' share in Centre's ARM is also budgeted to be lower at Rs. 476.8 crore during 1994-95 as against Rs. 845.4 crore during 1993-94. Taking into account the share in Centre's ARM, the total ARM for the States is estimated at Rs. 909.0 crore during 1994-95 as compared with Rs. 501.8 crore in the previous year.

(ii) Alternative Measures of Deficit

State-wise deficit indicators are set out in Tables VIII-18 through VIII-21. The consolidated GFD-disbursements ratio is estimated at 20.1 per cent during 1994-95. In case of four States (Assam, Manipur, Mizoram and Sikkim) the ratio is placed at less than 10 per cent while for Himachal Pradesh, the ratio exceeds 30 per cent. The ratio exceeds the consolidated position in the case of twelve States including Kerala, Orissa, Punjab, Uttar Pradesh and West Bengal.

At the existing rates of taxes and duties, eleven States have budgeted for a surplus in their revenue accounts during 1994-95. Of the remaining fifteen States, nine (including Kerala, Maharashtra, Punjab and Uttar Pradesh) have proposed ARM measures which would yield a revenue gain during 1994-95.

The share of revenue deficit in the GFD in the case of six States [Haryana (86.5 per cent), Tamil Nadu (57.6 per cent), Uttar Pradesh (45.5 per cent) Kerala (50.0 per cent), Himachal Pradesh (60.6 per cent) and West Bengal (62.4 per cent)] would be substantially higher than that of the consolidated position (27.1 per cent) during 1994-95.

(iii) Composition of Expenditure

It may be recalled that, during 1992-93 to 1994-95, the consolidated position of the State Governments shows a persistent increase in the share of non-developmental expenditure and a decline in that of developmental expenditure. During the same period, the share of the developmental component, however, shows a consistent increase in the case of five States *viz;* Karnataka, Kerala, Manipur, Nagaland and West Bengal and a steady decline in the case of nine States including Maharashtra, Tamil Nadu and Uttar Pradesh. Among the non-Special Category States, the share of the developmental component would exceed 70 per cent during 1994-95 in the case of Goa, Karnataka and Delhi, while it would be placed below 60 per cent in the case of Punjab and Uttar Pradesh; the consolidated position in this respect is 65.1

per cent during 1994-95 (Table VIII-15).

During the period 1992-93 to 1994-95, the share of non-developmental expenditure shows an increase in the case of fourteen States including Andhra Pradesh, Gujarat, Kerala, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh, while it declines steadily in the case of West Bengal. Among the non-Special Category States, the share of the non-developmental component would exceed 35 per cent during 1994-95 in the case of Haryana, Punjab and Uttar Pradesh while it would be placed below 25 per cent in the case of Goa, Delhi and Karnataka; the consolidated position is budgeted at 30.5 per cent during 1994-95.

The approved Plan outlay for 1994-95 is placed at Rs. 40,471 crore which is 36.1 per cent higher than that of the revised outlay of Rs. 29,732 crore for 1993-94 (Tables VIII-22 and 23).

Ways and Means Advances and Overdrafts of State Governments

The Reserve Bank of India provides Ways and Means Advances (WMA) facilities to the State Governments to tide over the temporary imbalances arising out of mismatch in the cash flow of receipts and expenditure. The WMA in the State Governments are of two types viz , Normal and Special. The special WMA is provided against the pledge of Government of India securities.

During 1993-94, the Reserve Bank of India revised the limits for Normal and Special WMA to State Governments upwards with effect from November 1, 1993. The Normal WMA limits have been revised from 56 times to 84 times (50 per cent increase) and the Special WMA limits from 20 times to 32 times (60 per cent increase) of the minimum balance required to be maintained by a State Government with the Reserve Bank of India. In the aggregate, the increase in the limits are from Rs. 744.80 crore (fixed from March 1, 1988) to Rs. 1,117.20 crore in the case of Normal Ways and Means Advances and Rs. 266.00 crore (fixed from July 1, 1982) to Rs. 425.60 crore in the case of Special Ways and Means Advances to 23 State Governments having banking arrangements with the Reserve Bank. The amount of minimum cash balance each State Government is required to maintain with the Reserve Bank, however, remained unchanged.

During 1993-94, only one State Government could not clear its overdraft within the specified time frame as against six State Governments in 1992-93. The Reserve Bank had, therefore, stopped payments on behalf of the concerned State Government till the overdrafts were cleared. During the year 1994-95 (up to October 31, 1994) five State Governments could not clear their overdrafts within the stipulated time frame on eight different occasions and the Reserve Bank had stopped payments on behalf of these State Governments.

Emerging Issues

The finances of the State Governments (consolidated position) during 1994-95 show the persistence of fiscal imbalances particularly in respect of the revenue account and a steady increase in the share of non-developmental expenditure. As alluded to in the previous year's Report, given the constraints of fiscal adjustment on the Central Government, the States would have to increasingly depend upon their own resources to bring about an improvement in their finances. This would be necessary in view of the near stagnation in the share of the States' revenue receipts (tax plus non-tax) in financing revenue expenditure at around 56 per cent since 1987-88. Towards this end, the State Governments need to increase user charges on public 'utilities' like electricity, irrigation and public transport and reduce non-Plan non-developmental expenditure. Furthermore, in the

case of individual State Governments like Kerala, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal where revenue deficits are usually high relative to their GFD, corrective action in this regard is overdue. It has also been observed that some State Governments do not propose any ARM measures (even in respect of non-tax revenue) despite budgeting for sizeable revenue deficits at the existing rates of taxes and duties; this practice may also have to be reviewed. These apart, there are a few other areas where the State Governments need to focus their attention. First, given the shortening of the maturity structure of Government borrowing, the repayment schedule may exacerbate the strain on their finances and therefore, it is desirable that the system of Sinking Funds for redeeming of debt be revived. If this is not found practical, the feasibility of setting up a States Funding Corporation which would raise funds at market rates of interest and then transmit the funds at fixed rates to the State Governments may need to be examined. Finally, as mentioned in the RBI Annual Report 1993-94, the State Governments need to manage their liquidity position more effectively so as to ensure that temporary mismatches in their receipts and expenditures do not exceed enhanced limits for Ways and Means Advances.

III. Combined Budgetary Developments of Central and State Governments

Revised Estimates 1993-94 :

Major Developments

The combined gross fiscal deficit of Central and State Governments during 1993-94 exceeded the budget estimates by Rs. 17,774 crore to Rs. 71,666 crore and constituted 8.9 per cent of the GDP as compared to 6.7 per cent envisaged in the budget estimates (Table VIII-24). The slippage in GFD was the inevitable outcome of the escalation in combined revenue deficit which had almost doubled the budget estimates of Rs. 21,907 crore to Rs. 40,113 crore. The deterioration in revenue deficit had also contributed to the increase in conventional deficit from the budget estimates by Rs. 7,467 crore to Rs. 10,954 crore.

The worsening revenue deficit is a pointer to the structural rigidities in the finances of Government Sector. The decomposition of combined GFD reveals that revenue deficit as a proportion to GFD had spurted to 56.0 per cent as against the budget estimate of 40.6 per cent (Table VIII-25). The steady rise in revenue deficit-GFD ratio reflects essentially the persisting and unsustainable revenue imbalance. During 1993-94, the combined revenue expenditure of the Centre and States (Rs. 1,92,856 crore) registered a 1.3 percentage rise in relation to GDP (24.0 per cent), while the combined revenue receipts (Rs. 1,52,744 crore) slipped by another 1.0 percentage point (19.0 per cent) [Table VIII-26 and Statement No. 120 Vol. II]. The revenue imbalance was more visible in the case of Central Government as the share of Central Government in the combined revenue deficit moved up from 80.5 per cent to 85.0 per cent, while the share of State Governments declined from 19.5 per cent to 15.0 per cent. The rising committed expenditures for interest payments and mounting administrative expenses kept up the pressure on non-developmental component of revenue expenditure, which as a proportion of GDP increased from 9.9 per cent during the middle of 'eighties (1985-86) to 11.5 per cent in 1993-94. The upsurge in non-developmental expenditure had adversely affected the combined Government Sector capital outlay which declined to 4.2 per cent of GDP in 1993-94 from 5.0 per cent in 1985-86.

Budget Estimates 1994-95 :

Major Deficit Indicators

The budget estimates for 1994-95 place the alternative deficit indicators relative to GDP lower than those in the revised estimates for

1993-94 (Table VIII-24). The combined Gross Fiscal Deficit at Rs. 74,955 crore is estimated to be lower by Rs. 3,289 crore and would constitute 8.2 per cent of the GDP as against 8.9 per cent in 1993-94. The conventional deficit at Rs. 9,250 crore would show a decline of Rs. 1,704 crore and would be 1.0 per cent of the GDP as compared to 1.4 per cent in the previous year. The combined revenue deficit at Rs. 40,676 crore, though higher by Rs. 563 crore over 1993-94, as a proportion to GDP, would decline to 4.5 per cent as against 5.0 per cent. The deceleration in non-interest deficit (net primary deficit) is to the extent of Rs. 6,865 crore and estimated at Rs. 21,267 crore which would constitute 2.3 per cent of the GDP as compared to 3.5 per cent in the revised estimates for 1993-94.

Expenditure and Receipts Pattern

An across-the-board reduction in deficit indicators has been mooted through a moderate reduction in the rate of growth of aggregate expenditure in relation to receipts. During 1994-95, aggregate disbursements are estimated at Rs. 2,66,568 crore which would show a relatively lower growth of 11.8 per cent than 14.4 per cent during 1993-94. However, the growth in non-developmental expenditure would continue upsetting the revenue account balance. During 1994-95, the share of non-developmental expenditure in the aggregate expenditure is estimated to scale up to 44.0 per cent from 42.0 per cent during 1993-94. The rise in non-developmental expenditure largely stems from the mounting interest payments which at Rs. 54,045 crore would garner almost 30.6 per cent of the revenue receipts during 1994-95, as compared to Rs. 44,141 crore in the previous year (28.9 per cent). The upward drift in non-developmental expenditure would put pressure on capital outlay as a relatively larger share of borrowed funds goes towards bridging revenue deficit. This apart, another disquieting aspect of the combined finances of the Government sector is that the moderation of alternative deficits envisaged in the 1994-95 Budget is visible only in respect of Central Government finances, while the various deficit indicators relating to State Governments are budgeted to be higher than those of 1993-94. The deterioration largely stems from the burgeoning gap in revenue account of State finances, thus reflecting the fact that fiscal corrections are yet to gain momentum in the case of the finances 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 are presented in the following paragraphs.

Finances of the Department of Posts - 1993-94 - Revised Estimates

According to the revised estimates for 1993-94, the financial position of the Department of Posts showed a deficit of Rs. 185.0 crore as compared with a deficit of Rs. 138.3 crore in the budget estimates for 1992-93 and Rs. 91.8 crore actuals. The working of the Department has been showing a continuous deterioration since 1986-87, mainly due to sharp rise in working expenditure and mounting losses. Notwithstanding the efforts to mobilize additional revenue through upward revisions in tariff rates of certain postal services, viz., registration, parcels, the Department could not pay dividend to General Revenues nor could it make any contribution to capital expenditures. The surge in the 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 revenue receipts during 1993-94 were placed at Rs. 1,105.0 crore as against Rs. 1,000.0 crore in the budget estimates showing an increase of 10.5 per cent, while the working expenses at Rs. 1,850.0 crore

witnessed an increase of 9.6 per cent over the budget estimates. The details of the financial position of the Department of Posts are set out in Table VIII-31.

The capital outlay of the Department of the Posts amounting to Rs. 57.4 crore was lower than the budget estimates of Rs. 67.2 crore. The Plan component of the capital outlay amounted to Rs. 55.4 crore and the non-Plan outlay was placed at Rs. 2.0 crore (Table VIII-32).

1994-95 - Budget Estimates

The budget estimates for 1994-95 have placed a net postal deficit of Rs. 146.1 crore as compared with a deficit at Rs. 185.0 crore in 1993-94 (RE). The net working expenses are budgeted higher because of higher provisions for credit to working expenses (Rs. 659.0 crore) than in 1993-94 revised estimates (Rs. 560.0 crore). Out of the total capital outlay, maximum amount was financed by capital advanced from general revenue and the balance amount was financed by depreciation on historical costs transferred from revenue. Capital outlay of the Department of Posts is budgeted at Rs. 57.4 crore as against Rs. 55.9 crore in the revised estimates.

Department of Telecommunications
Revised Estimates (1993-94)

Revenue receipts of the Department of Telecommunications estimated at Rs. 6,531 crore as against Rs. 6,527 crore (BE) showed a marginal rise due to inclusion of registration fee for services under revenue instead of under public account partly set off by less receipts due to revision of tariff from middle of May 1993 instead of April 1, 1993 as anticipated.

The working expenses at Rs. 4,273.0 crore showed an increase of Rs. 1,354.0 crore (46.4 per cent) over the levels of the 1992-93 (Accounts). Details of the working expenses are set out in Table VIII-33. The Department has been showing a continuous and steady growth in working expenses since 1986-87 due to higher provisions for expenditures in engineering and other expenses.

The net working expenses at Rs. 3,848.0 crore were higher by Rs. 1,285.4 crore (50.2 per cent) than that in 1992-93. The dividend to General Revenue was placed at Rs. 263.4 crore in 1993-94 as compared with Rs. 257.1 crore in 1992-93. The surplus of Rs. 2,419.6 crore in 1993-94 was utilised to make appropriations to the Revenue Reserve Fund and Capital Reserve Fund of Rs. 104.0 crore and Rs. 2,315.6 crore, respectively.

Capital Outlay 1993-94

The capital outlay, according to the revised estimates for 1993-94 at Rs. 4,959.0 crore showed an increase of Rs. 946 crore or 23.6 per cent over the previous year. The total Plan expenditure registered an increase at Rs. 1,016 crore (27.1 per cent) and was placed at Rs. 4,769 crore. As against this the non-Plan expenditure showed a decrease of Rs. 70 crore over 1992-93 and was placed at Rs. 190 crore (Table VIII-34).

1994-95 Budget Estimates

The budget estimates for 1994-95 envisages a much higher surplus of Rs. 3,406 crore than a surplus of Rs. 2,419.6 crore in 1993-94 (RE). The revenue receipts would show an increase of Rs. 1,621.0 crore (24.8 per cent) and are placed at Rs. 8,152.0 crore as against Rs. 6,531.0 crore in 1993-94. The working expenses at Rs. 4,967.0 crore would also experience an increase of Rs. 694 crore (16.2 per cent) as compared with Rs. 4,273.0 crore in 1993-94. The net working expenses are budgeted to rise by Rs. 634.6 crore to reach a level of Rs. 4,482.6 crore in 1994-

95. The net receipts are estimated higher at Rs. 3,669.4 crore than Rs. 2,683.0 crore in the previous year. After taking into account the credit to working expenses, the surplus is higher at Rs. 3,406.0 crore.

The capital outlay at Rs. 5,815.0 crore would show an increase of Rs. 856 crore or 17.3 per cent over 1993-94. The Plan expenditure would experience a substantial increase of Rs. 846 crore or 17.7 per cent to reach a level of Rs. 5,615 crore in 1994-95 while the non-Plan expenditure would rise modestly from Rs. 190 crore to Rs. 200 crore during the same period.

V. Railway Finances@
1993-94 Revised Estimates

The net financial results of the Railways in the revised estimates for 1993-94 showed a surplus of Rs. 2,195.0 crore, the same as in the budget estimates and Rs. 441.1 crore in 1992-93 (Table VIII-28). Out of the total surplus of Rs. 2,195.0 crore, Rs. 1,975.0 crore were transferred to the Capital Fund (Capital Fund was constituted with effect from 1992-93 to meet part of the plan requirements from the internally generated resources) and Rs. 220.0 crore were transferred to the Development Fund as against a provision of Rs. 1,960.0 crore for the Capital Fund and Rs. 235.0 crore for the Development Fund in the budget estimates.

According to the revised estimates for 1993-94, the gross traffic receipts at Rs. 18,585.0 crore showed a decline of Rs. 436.0 crore or 2.3 per cent over the budget estimates. The decline was mainly due to fall in goods earnings. Similarly, the receipts from passenger traffic at Rs. 4,865.0 crore were lower by Rs. 245.0 crore or 4.8 per cent than the budget estimates.

The target for the originating revenue earning freight traffic was placed at 370 million tonnes in the budget estimates for 1993-94. However, the projected traffic from core sectors did not materialise partly due to general economic sluggishness. As a result, there had been a downward revision to 362 million tonnes of traffic in the revised estimates for 1993-94.

The total working expenses at Rs. 15,355.0 crore in the revised estimates for 1993-94 registered a decline of Rs. 500.0 crore or 3.2 per cent as compared with the budget estimates of Rs. 15,855.0 crore.

The net traffic receipts (gross traffic receipts less total working expenses) at Rs. 3,230.0 crore in 1993-94 (revised estimates) were marginally higher by Rs. 64.0 crore or 2.0 per cent than the budget estimates. The net railway revenue at Rs. 3,494.0 crore was higher by Rs. 46.0 crore or 1.3 per cent than the budget estimates. After making allowance for dividend payments to general revenue of Rs. 1,299.0 crore (as against a provision of Rs. 1,253.0 crore in the budget estimates), the Railways showed a surplus of Rs. 2,195.0 crore, the same as in the budget estimates.

The improvements in the net financial results of the Railways in 1993-94 were reflected in a lower operating ratio albeit marginally at 83.0 per cent as compared with 83.1 per cent in the budget estimates. The proportion of net railway revenue to capital-at-charge remained unchanged at the budgeted level of 15.3 per cent.

The Annual Plan outlay for the year 1993-94 (revised estimates) amounted to Rs. 6,200.0 crore. The internal and extra-budgetary resources financed 84.5 per cent of the Plan as against 58.0

@ Also see the April 1994 issue of RBI Bulletin for a detailed discussion on Railway Finances, 1993-94 and 1994-95 including the proposals for adjustments in freight rates and fares in the Railway Budget 1994-95.

per cent in 1992-93. The emphasis in the Plan was on rolling stock (42.4 per cent), traffic facilities (21.0 per cent) and track renewals (19.9 per cent). The details of the developmental expenditure are set out in Table VIII-29.

During the year under review, the Railways incurred losses on account of social obligations amounting to Rs. 2,008.0 crore as against Rs. 2,209.5 crore in 1992-93 (Table VIII-30).

1994-95 : Budget Estimates

At the existing rates of fare and freight, the Railway budget for 1994-95 envisages a surplus of Rs. 973.0 crore.

After taking into account the additional resources mobilised by way of revision in fare and freight amounting to Rs. 997.0 crore, the Railway budget would show a surplus of Rs. 1,970.0 crore as compared with a surplus of Rs. 2,195.0 crore in 1993-94 (revised estimates).

The gross traffic receipts for 1994-95, after taking into account the additional resource mobilisation of Rs. 997.0 crore from the proposed upward revisions in the fare and freight rates, are budgeted at Rs. 20,394.0 crore, registering an increase of Rs. 1,809.0 crore or 9.7 per cent over 1993-94 (revised estimates).

During 1994-95 the total working expenses of the Railways have been placed at Rs. 17,307.0 crore recording an increase of Rs. 1,952.0 crore or 12.7 per cent over the revised estimates for 1993-94.

The net traffic receipts are budgeted at Rs. 3,087.0 crore in 1994-95 which would be lower by Rs. 143.0 crore or 4.4 per cent as compared with Rs. 3,230.0 crore in 1993-94 (revised estimates). The deterioration in the net financial results in the budget estimates for 1994-95 is reflected in a higher operating ratio at 85.4 per cent as against 83.0 per cent recorded in 1993-94 (revised estimates).

The percentage of net revenue and the capital-at-charge is estimated to be lower at 13.1 per cent than 15.3 per cent recorded in 1993-94 (revised estimates) (Table VIII-28). The deterioration in the net financial position during 1994-95 would essentially be on account of deceleration in the earnings on freight traffic and stepping up of working expenses.

The Annual Plan outlay for the Railways during 1994-95 to meet the developmental expenditure is budgeted at Rs. 6,515.0 crore, thus showing a rise of 5.1 per cent over the previous year (Rs. 6,200.0 crore). A distinct feature of the Plan outlay is a shift in the financing pattern. During 1994-95 budgetary support at Rs. 1,150.0 crore or 17.7 per cent would be slightly on the higher side as against 15.5 per cent in the previous year. On the other hand, internal resources at Rs. 4,315.0 crore would account for around 66.2 per cent of the total resources to finance the annual Plan as compared with 70.0 per cent in 1993-94 (revised estimates).

VI. Public Debt and Other Liabilities :

Centre, States and Combined Position

Central Government

(i) Magnitude

As already indicated, GFD to GDP ratio increased to 7.3 per cent in the revised estimates for 1993-94 as against 4.7 per cent in the budget estimates. The deterioration in GFD was mainly due to the non-realisation of budgeted revenue receipts and shortfall in the collection of proceeds through disinvestment of equity shares of the public sector undertakings. The substantial rise in

GFD has resulted in an upward movement in the aggregate liabilities* from Rs. 4,36,460 crore or 54.4 per cent in the budget estimates to Rs. 4,71,919 crore or 58.7 per cent of GDP as at end-March 1994 (RE). As mentioned in the previous year's Report, the aggregate liabilities of the Central Government on an average stood at 48.5 per cent of GDP in the first half of the 'eighties and 57.2 per cent in the second half. The budget estimates for 1994-95 has placed the aggregate liabilities at Rs. 5,33,054 crore (Table VIII-35). At this level, the share of aggregate liabilities in the GDP is estimated marginally lower at 58.2 per cent than 58.7 per cent in the revised estimates for 1993-94. This is because GFD-GDP ratio is budgeted at 6.0 per cent as against 7.3 per cent in the revised estimates for 1993-94.

Public debt (comprising external and internal debt) as at end-March 1994 amounted to Rs. 2,88,621 crore, accounting for 61.2 per cent of the aggregate liabilities as compared with Rs. 2,41,371 crore or 60.1 per cent of the aggregate liabilities as at end-March 1993. The Budget for 1994-95 placed the public debt at Rs. 3,27,069 crore which would show a rise of 13.3 per cent as at end-March 1995 as against a rise of 19.6 per cent recorded in the previous year as per the revised estimates. The public debt grew on an average rate of 15.6 per cent during 1980-85 and 16.0 per cent during 1985-90, however, it showed a larger increase between 1991-94 to the extent of 18.5 per cent on an average which was due to the fact that Government started borrowing at market related rates of interest.

During the year 1993-94, the outstanding internal debt of the Centre stood at Rs. 2,42,729 crore which was higher by Rs. 43,627.0 crore (21.9 per cent) than the previous year. Similarly, the other liabilities (which comprises small savings, provident funds, other accounts, reserve funds and deposits of different kinds) rose to Rs. 1,83,298 crore in 1993-94 as compared with Rs. 1,60,554 crore in the previous year thus showing a rise of Rs. 22,744 crore or 14.2 per cent. The budget for 1994-95 projected a rise of 12.4 per cent and 14.4 per cent over 1993-94 in the internal debt and other liabilities, respectively.

In an endeavour to reduce the fiscal concessions available on various savings instruments and to provide competitive market related rates, the Government has been able to mobilise larger resources through non-conventional market borrowings at market related rates during the year 1993-94. The budget for 1994-95 has also estimated a large mobilisation of resources through non-conventional market borrowings. As a result, the share of internal debt in the aggregate liabilities increased to 51.4 per cent in 1993-94 from 49.5 per cent in 1992-93 and it is budgeted to go up to 52.1 per cent in 1994-95. This share was 49.7 per cent in 1989-90. Consequent upon this development, the share of other liabilities declined to 38.8 per cent in 1993-94 from 39.9 per cent in 1992-93. It is budgeted to decline further to 38.6 per cent in 1994-95. Thus, there is a shift in the composition of debt in favour of marketable debt.

Market Borrowings - 1993-94

During the year 1993-94, according to RBI Records, the Central Government raised Rs. 4,848 crore (gross) through 5 auctions as against Rs. 4,821 crore (gross) through 5 auctions during 1992-93. Except for one auction, the entire amount was subscribed by the market. The cut-off yield rate (coupon rate attached to the securities) ranged between 13.0 per cent and 13.4 per cent for 5 to 9

* Aggregate liabilities include Public Debt and other liabilities. Public debt comprises internal as well as external debt. Other liabilities includes such items as small savings, provident funds, reserve funds and various kinds of deposits of Central Government.

year maturity loan. After accounting for repayments of Rs. 1,148 crore, the net market borrowings for the year stood at Rs. 3,700 crore (Table VIII-36).

The Union budget for 1994-95 has placed the gross market borrowings at Rs. 4,654 crore and net market borrowings at Rs. 3,700 crore. The Central Government has raised the entire amount of Rs. 4,654 crore in three auctions including one tap issue immediately following the third auction. The cut-off yield rate ranged between 11.64 per cent and 12.35 per cent for a maturity in the range of 6 to 10 years.

(B) Non-Conventional Market Borrowings

Besides the conventional market borrowings, the Central Government had borrowed through a variety of instruments, especially through conversion/funding of 364 - day and 91 - day Treasury bills. The funding of Treasury bills into dated Government securities of varying maturities has been resorted to on different occasions so as to avoid excess liquidity in the system and to activate the Government securities market. According to Reserve Bank Records, the outstanding amount of 364-day Treasury bills stood at Rs. 8,386 crore (face value) as at end-March 31, 1994 as against, Rs. 8,777 crore as at end-March 1993. However, the Central Government converted 364-day Treasury bills twice and 91-day Treasury bills once during the year to dated stock by offering rate of 12.75 per cent for 3-year stock at the start of the year, 12.00 per cent for 2-year stock in the middle of the year and 12.50 per cent for the 10-year stock at the end of the year. In addition, on January 17, 1994 the Government also raised Rs. 3,000 crore (face value) and mobilised Rs. 1,624 crore through the issue of 5-year Zero Coupon Bonds with the implicit yield offered on this instrument at 12.75 per cent. Thus, the Government collectedRs. 23,842 crore through non-conventional market borrowings. The details of these are discussed under separate heads covering internal debt management policy and operations.

State Governments

The outstanding debt of all the States rose to the level of Rs. 1,58,853 crore or 19.8 per cent of GDP as at end-March 1994 as against Rs. 1,40,429 crore or 19.9 per cent of GDP at end-March 1993. The debt-GDP ratio which was around 19.0 per cent during the 'eighties is budgeted to rise to 19.9 per cent of GDP as at end-March 1995.

Loans and Advances from the Centre

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) rose by Rs. 10,407.0 crore (11.3 per cent) to attain a level of Rs. 1,02,819 crore in 1993-94. It is budgeted to go up by Rs. 13,687 crore (13.3 per cent) to reach the level of Rs. 1,16,506 crore as at end-March 1995 (Statement 129. Vol.II). At this level its share in the aggregate liabilities would be 63.9 per cent as against 64.7 per cent in 1993-94.

Internal Debt

During 1993-94, the internal debt of the State Governments accounted for 18.7 per cent (Rs. 29,766 crore) of the total liabilities as compared with 17.9 per cent during the triennium 1990-93 and 16.7 per cent during the period 1985-90. Large reliance on internal debt is not helpful, as the interest payments have to be made over a period of time when the State Governments would switch over to auction system at the market related rates, the mean amount of repayments which appear manageable upto 2001 would rise to unmanageable level by 2011.

Provident Funds :

As at end-March 1994, the outstanding amount under provident funds amounted to Rs. 26,268 crore and formed about 16.5 per cent of the total debt. As per the Budget for 1994-95, the provident funds outstanding are estimated to reach a level of Rs. 30,637 crore which would form about 16.8 per cent of the total debt. The proportion of outstanding provident funds to total debt was 15.8 per cent in 1992-93.

Market borrowings of the State Governments : 1993-94

During 1993-94, according to RBI Records, twenty-five States mobilised Rs. 4,145.3 crore in three tranches. These loans were issued for a maturity period of 10 year and carried a fixed coupon rate of 13.50 per cent. After making allowances for repayments of Rs. 506.7 crore, net market borrowings amounted to Rs. 3,638.6 crore.

Market Borrowings of the State Governments : 1994-95

For the year 1994-95, the State Government market borrowing programme is placed at Rs. 5,123.1 crore (there is no separate allocation for State bodies in 1994-95). In the first tranche for the year 1994-95 (on April 25, 1994), the State Governments issued loans of 10-year maturity at 12.5 per cent coupon rate for Rs. 2,644 crore, whereas subscriptions were received to the tune of Rs. 4,510 crore. Subsequently, on September 12, 1994, six State Governments entered the market and raised Rs. 613.0 crore for 10 year maturity at 12.5 per cent rate of interest. With this, the entire market borrowing programme for the State Governments was completed for year 1994-95.

Internal Debt Management Policy

During the year under review the Government of India has continued to place its market borrowing through auctions and funding has been actively undertaken to lengthen the maturity pattern of the rapid accumulation of short and medium-term debt by way of treasury bills. The Government of India introduced Zero Coupon Bonds for the first time to test the market response for such an instrument. The policy of placing State Government securities and Government guaranteed bonds at fixed coupon rates was, however, continued. The State guaranteed bodies' borrowing programme has been merged with the concerned States' borrowing with effect from 1994-95.

As a part of the measures to develop a vibrant secondary market in Government securities, it was proposed to set up a Securities Trading Corporation of India (STCI). This proposal has now come to fruition. The STCI had obtained the certificate of incorporation in May 1994 and commencement of business certificate in June 1994 and the first instalment of Rs. 125 crore (in a total authorised capital of Rs. 500 crore) from the shareholders has been called up. The STCI has commenced operations from June 27,1994. In order to strengthen the secondary market structure further, Reserve Bank has announced that a Primary Dealer System is being set up. The role of primary dealers would be to underwrite the auctions of Government securities, act as a 'market maker' by providing two-way quotes and access securities to final investors. The endeavour of primary dealers would be to increase the turnover of Government securities rather than becoming a mere repository of these securities. To impart liquidity to their operations, primary dealers would be provided special facilities by the Reserve Bank of India. In turn, the primary dealers would have certain obligations in terms of having a satisfactory presence in the auctions. The primary dealers would also be subject to prudential norms.

Internal Debt Management Operations

Internal debt management assumed added

importance in the context of large monetary expansion engendered by large capital inflows and the consequential inflationary pressures. In the context of the large liquidity in the economy it was possible to reduce the cost of Government borrowing despite the borrowing requirement being large. As part of the overall strategy, an admixture of auctions of securities of varying maturity, funding of Treasury bills and innovations like Zero Coupon Bonds were used to optimise debt operations.

While Central Government borrowings were undertaken at market related rates of interest, the State Government borrowings were undertaken at fixed coupon rates; the coupon rates were raised in 1993-94 but in view of the comfortable liquidity position the State Government floatations in 1994-95 were undertaken at significantly lower coupon rates. The borrowing programme of State guaranteed institutions was, however, merged with the concerned State Government's borrowing in 1994-95.

As in 1992-93, 364-day Treasury bills auctions were undertaken fortnightly while auctions of 91-day Treasury bills were done weekly for pre-announced amounts. Funding operations were undertaken in respect of both 364-day and 91-day Treasury bills. The amounts mobilised through these bills are set out in Tables VIII-38 and 39, respectively.

The conventional market borrowings of the Centre were put through auctions at maturities between 5 years and 9 years and the coupon rates ranged between 13.0 per cent and 13.4 per cent. The funding operations of 364-day and 91-day Treasury bills were an important aspect of internal debt management as each of these funding operations were large and with the back up of liquidity through the Repos facility these securities provided a benchmark for other operations. For instance, the 12.75 per cent three-year stock at the time of the April 1993 funding of 364-day Treasury bills provided a signal of a sharp uptrend in coupon rates, while the March 1994 funding of 364-day Treasury bills provided a signal of a lowering of coupon rates. Thus, an array of market related interest rates is emerging through auctions of conventional market loans, new instruments like Zero Coupon Bonds and funding operations. In a market related system it is not always necessary for the coupon rate to be determined at the auctions. It is equally legitimate as part of debt management strategy to test the market by an offer at a certain coupon rate; the fixed coupon rate on the funding securities is particularly suited as the holder of Treasury bills has the option to convert Treasury bills into a dated securities or continue to hold Treasury bills. In fact conjectural variation between investors and the borrower is a legitimate market play.

91-day Treasury Bills

The implicit yield at the cut-off prices needs to be correctly understood. Since Treasury bills are issued at a discount, the implicit yield is calculated at the cut-off price. For instance, if a Treasury bill is issued at Rs. 98, then the implicit yield would be calculated as [(100/98 X 100) - 100] X 4 = 8.1644. In respect of 91-day Treasury bills' auctions, it was as high as 11.0997 per cent per annum in the first auction of April 1993, thereafter, apart from certain fluctuation, the rate generally drifted downwards. While the Reserve Bank does retain the right to intervene in the auction, the Bank has not participated in most of the auctions. On a few occasions, the Reserve Bank has participated in the auctions but it remained a passive participant with the market determining the rate. It is only on rare occasions that the Reserve Bank has actively participated in the auctions only to prevent the rate from being determined by off-trend bids which are not reflective of the underlying market sentiments.

364-day Treasury Bills

The implicit yield at the cut-off price of the auctioned 364-day Treasury bills peaked at 11.3586 per cent per annum in August 1993, and then gradually declined during the rest of the year. The implicit yield has continued to drift downward in the early months of 1994-95 (Table VIII-38).

From the above trends it may be discerned that the yield rates have been on the decline in respect of both the categories of Treasury bills as the fiscal year progressed. The funding of 364-day Treasury bills twice and of 91-day Treasury bills once during 1993-94 helped to change the maturity structure as well as flattened to an extent the yield structure. The issue of Zero Coupon Bonds in January 1994 has also served the same purpose (For Zero Coupon Bonds, See Box 3).

The Term Structure of Interest Rates

The term interest rate structure moved in favour of the shorter end by end-March 1994 (Table VIII-41). There was a sharper increase in the proportion of loans in the maturity range of 5 to 10 years to total loans outstanding from 14.2 per cent at end-March 1993 to 27.7 per cent at end-March 1994. In essence, a substantial shift in the maturity-wise distribution of Government loans from over 10-year maturity to 5-10 year and below 5-year maturity is perceptible (Table VIII-40).

Box 3

Zero Coupon Bonds in India

For the first time in India, the Central Government introduced a new instrument known as, Zero Coupon Bonds of five-year maturity on auction basis for a notified amount of Rs.3,000 crore (face value) on January 17, 1994. The main characteristic of Zero Coupon Bonds is that the interest is not paid periodically in the fashion of conventional type of bonds; instead, they are sold at discount and redeemed at par at final maturity.

Originally this innovation in bond financing first appeared in 1981, in the US corporate bond market. For the issuer, the advantage of a Zero Coupon Bonds is the absence of any cash-outflow until final maturity. For investors, the attraction of Zero Coupon Bonds is the locking in of the prevailing high rate of interest in the issuance of bonds. In the Indian case, the bids at the auction were received in terms of the discounted price. On the basis of the bids received, the Reserve Bank decided the cut-off price, which turned out to be Rs.53.90, and bids above the cut-off price were accepted. The Centre collected Rs.1,624 crore out of the overwhelming response to the auction of Zero Coupon Bonds. The Zero Coupon Bonds turned out to be beneficial both to the Government because of its deferred nature of payment of interest and the investors because of the lucrative yield and large marketability. An active secondary market for this instrument has developed.

Reference:

M.Livingston, 1990, Money and Capital Markets, Prentice-Hall, New Jersey.

Government of India, Ministry of Finance - Notification on Scheme for Sale of Zero Coupon Bonds of Government of India - by Auction, January 7, 1994.

Table VIII-40: Maturity-wise distribution of Government of India Rupee loan outstanding

(Per cent)

End/ March	Over 10 years	Between 5 and 10 years	Under 5 years
1	2	3	4
1990	83.0	6.0	11.0
1991	85.8	5.6	8.6
1992	75.8	16.8	7.4
1993	77.8	14.2	8.1
1994	57.4	27.7	14.9

The term structure of interest rates on Government securities as reflected in the primary market during the period around June 1994 is set out in Table VIII-41.

Table VIII-41 : Term Structure of Interest Rate

Maturity	Per cent per annum
1	2
91-day Treasury bills	8.75
364-day Treasury bills	9.99
7 years	12.08
10 years	12.35

Table VIII-41 shows that the yield curve is not smooth and reflects market imperfections which would, in due course, get smoothened out as market participants see advantage in movements along the yield curve. As secondary market operations gather momentum the yield curve would be less steep as between short dated Treasury bills and the long dated securities.

Open Market Operations

Given the high liquidity in the system, in 1993-94 the Reserve Bank undertook open market operations on a scale that was unprecedented. The outright net sales of Government securities by the Reserve Bank amounted to about Rs. 9,047 crore during 1993-94. Given that a one percentage point increase in the cash reserve ratio amounts to an impounding of around Rs. 3,200 crore (based on 1993-94 liabilities of the banking system) the open market operations undertaken by the Reserve Bank would be equivalent to a 2.8 percentage point increase in the cash reserve ratio. This epitomises the move from direct to indirect instruments of monetary control. A question does arise regarding the pricing policy of the Reserve Bank on the securities on sale under open market operations. The Reserve Bank has been varying its prices in accordance with the immediate objectives of open market operations. It is in this context that the Bank does not necessarily follow secondary market prices which, in any case, do not provide any definitive indication as the quotations are not reflective of any significant volume of transactions. The pricing followed by the Reserve Bank reflects the specific objectives it has in the management of liquidity; moreover, pricing would be affected taking into account the timing of fresh floatation and the market demand for buying securities from the Reserve Bank. The open market operations is one of the instruments of controlling liquidity and the Reserve Bank has to modulate the various levers operating on overall liquidity. It is against the backdrop of these objectives that the Reserve Bank's open market operations have to be assessed.

Repo Transactions

The Bank also continued with the policy of providing the banks with an outlet for efficient short period liquidity management through Repo auctions. The cut-off Repo rate has generally tended to move in tandem with other short-term rates and has tended to take into account the 91-day Treasury bills market rate as well. Since August 1993, the period of Repo has stabilised at 14 days, consistent with the reserve make-up period for banks. The average value of the bids accepted in the 36 auctions during 1993-94 amounted to Rs. 2,729 crore per auction; as the outright sales of securities by the Reserve Bank

gathered momentum in the period December 1993 to February 1994, the amounts accepted under the Repo auctions decelerated.

Combined Domestic Debt :

The persistent rise in the overall borrowing requirements (GFD) of the Central and State Governments together have led to a large accumulation of domestic debt (combined). Total outstanding domestic liabilities (combined) which stood at Rs. 4,04,049 crore in 1992-93 or 57.2 per cent of GDP rose to Rs. 4,72,812 crore in 1993-94 or 58.8 per cent of GDP. As per the budget estimates for the year 1994-95, the total amount of domestic debt (combined) would rise to Rs. 5,34,334 crore or 58.4 per cent of GDP.

Emerging Issues :

In view of the burgeoning public debt, the Government has to mobilise large amount of resources to service its debt obligations. With the increased recourse to market borrowings and that too at market related rates of interest, the problem is likely to be more severe in the medium to long term period. Gross interest payments which accounted for 21.0 per cent of the revenue receipts in 1980-81 would constitute 53.4 per cent of the revenue receipts for the year 1994-95. The conversion of Treasury bills into dated Government Stock with somewhat attractive coupon rates with shortened maturities had made repayment problems more severe, as evident from the fact that the mean repayments amount for the Centre for the first three year period upto 1994-95, which was only Rs. 1,084.2 crore would rise to Rs. 8,689 crore for the next three year period ending 1998-99. At present, the Government is financing its repayment requirements through fresh borrowings budgeted for a particular year. However, with the steep humps in the repayment schedule, the Government would be forced to go in for larger amounts of borrowings to effect the scheduled repayments. But this method would not be a viable proposition, particularly as the Government has to offer market related rates of interest and conversion of Treasury bills into dated Government Stock with somewhat attractive yield rates.

With the phasing out of the *ad hoc* Treasury bills by 1997-98 (an agreement to this effect was signed between the Central Government and the RBI on September 9, 1994), the Government will cease to have direct recourse to the Reserve Bank for financing its deficit and will have to meet its entire borrowing requirements from the market. Judicious internal debt management policy is, therefore, called for to raise resources at lower costs so as to keep the internal debt burden at tolerable level. Another issue which needs attention is the introduction of auction system for the State Government securities. Given the present set up, it appears that raising of resources by the State Governments would be a difficult task as some of the States may not be in a position to mobilise the funds due to their weak financial position.

Table VIII-1 : Alternative Measures of Deficit of the Central Government

(Rs. crore)

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
	(8.39)	(5.77)	(3.32)	(2.77)	(2.13)	(3.49)
1991-92	36,325	24,623	8,982	5,508	6,855	16,261
	(5.90)	(4.00)	(1.46)	(0.89)	(1.11)	(2.64)
1992-93	40,173	30,232	11,684	4,257	12,312	18,574
	(5.69)	(4.28)	(1.66)	(0.60)	(1.74)	(2.63)
1993-94	36,959	26,926	3,457	4,314	4,314	17,630
(Budget Estimates)	(4.60)@	(3.35)	(0.43)	(0.54)	(0.54)	(2.19)
1993-94	58,551	44,787	21,825	260	9,060	34,058
(Revised Estimates)	(7.29)	(5.57)	(2.72)	(0.03)	(1.13)	(4.24)
1994-95	54,915	42,851	12,829	—	6,000	32,727
(Budget Estimates)	(6.00)	(4.68)	(1.40)	—	(0.66)	(3.58)

Note : Figures in brackets are percentages to GDP at current market prices.

* Actuals as per RBI Records.

@ This ratio is based on the revised estimates of GDP. The orignal budget estimates placed GFD-GDP ratio at 4.7 percent.

Table VIII-2 :Central Government Expenditure and Receipts as Percentages of GDP

(Percent)

Item	1990-91 Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7
I. Total Expenditure (A+B)	**20.3**	**18.6**	**17.8**	**16.9**	**18.5**	**17.1**
A. Revenue Expenditure	14.3	13.9	13.6	13.2	14.3	13.5
of which :						
i) Interest payments,	4.0	4.3	4.4	4.7	4.7	5.0
ii) Subsidies	2.3	2.0	1.7	1.0	1.5	1.0
iii) Defence	2.0	1.9	1.7	1.7	1.9	1.8
iv) Non-Plan grants to States and UTs	0.7	0.6	0.4	0.3	0.3	0.3
v) Total (i to iv)	9.0	8.8	8.2	7.7	8.4	8.1
B. Capital Expenditure	6.0	4.7	4.2	3.7	4.2	3.6
i) Capital outlay	2.3	1.8	1.9	1.6	1.7	1.5
ii) Loans and Advances	3.7	2.9	2.3	2.1	2.5	2.1
II. Revenue Receipts	**10.8**	**11.2**	**11.0**	**11.0**	**10.0**	**10.0**
of which :						
i) Tax Revenue(Net)	8.1	8.1	7.7	7.8	6.8	6.9
III. IA(v) as proportion of II	83.3	78.6	74.5	70.0	84.0	81.0
IV. IB(i) as proportion of I	11.3	9.7	10.7	9.5	9.2	8.8

Table VIII-3 : Major Items of Revenue Receipts of Central Government - Share in Total Revenue

(Percent)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	4	5	6	7	8	9
Total Revenue (I+II)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
I. Tax Revenue(Net to Centre) (A+B)	**74.5**	**72.4**	**69.7**	**70.7**	**67.5**	**68.8**
A. Direct Taxes	12.0	14.6	15.6	15.9	16.7	18.2
of which :						
1. Corporation Tax	9.3	11.4	11.5	11.8	13.0	13.7
2. Taxes on Income other than Corporation	2.2	2.4	2.4	2.7	2.1	3.0
3. Interest Tax	—	0.4	0.9	1.0	1.1	1.1
4. Expenditure Tax	0.1	0.2	0.2	0.2	0.2	0.2
5. Wealth Tax	0.4	0.4	0.6	0.2	0.1	0.1
B. Indirect Taxes	62.5	57.8	54.1	54.8	50.8	50.6
of which :						
1. Customs	35.8	32.2	30.6	31.3	27.9	27.6
2. Union Excise Duties	24.4	23.2	21.1	21.2	21.4	22.5
3. Taxes of UTs (Net)	1.8	1.7	1.9	2.0	1.3	0.2
II. Non tax Revenue	**25.5**	**27.6**	**30.3**	**29.3**	**32.5**	**31.2**
of which :						
1. Interest Receipts	15.1	15.8	16.1	16.4	18.0	17.5
2. Dividends and Profits	1.3	1.5	3.2	3.0	3.4	3.1
of which :						
Profits from RBI	0.4	0.5	1.9	1.7	1.9	1.6
3. External Grants	1.0	1.4	1.2	1.5	1.6	1.5
4. Non tax receipts of UTs	0.3	0.3	0.3	0.2	0.2	0.2

Table VIII-4 : Financing Pattern of Gross Fiscal Deficit of the Central Government

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7
1. External Loans (net)	3,181	5,421	5,319	5,454	3,837	4,279
	(7.1)	(14.9)	(13.2)	(14.8)	(6.6)	(7.8)
2. Internal Market Loans	8,001	7,510	3,676	3,700	17,692	14,700
	(17.9)	(20.7)	(9.2)	(10.0)	(30.2)	(26.8)
3. Other Liabilities	22,103	16,539	18,866	23,491	27,962	29,936
	(49.5)	(45.5)	(47.0)	(63.5)	(47.7)	(54.5)
4. Budget Deficit	11,347	6,855	12,312	4,314	9,060	6,000
	(25.5)	(18.9)	(30.6)	(11.7)	(15.5)	(10.9)
5. Total Finance/Gross Fiscal Deficit	**44,632**	**36,325**	**40,173**	**36,959**	**58,551**	**54,915**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Note : Figures in brackets indicate percentage to the total.

Table VIII-5 : Composition of Gross Fiscal Deficit of the Central Government

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7
1. Revenue Deficit	18,562	16,261	18,574	17,630	34,058	32,727
	(41.6)	(44.8)	(46.2)	(47.7)	(58.2)	(59.6)
2. Capital Outlay	12,148	11,400	13,619	12,796	13,229	14,123
	(27.2)	(31.4)	(33.9)	(34.6)	(22.6)	(25.7)
3. Net Lending	13,922	11,702	9,941	10,033	13,764	12,065
	(31.2)	(32.2)	(24.7)	(27.2)	(23.5)	(22.0)
4. Disinvestment of equity holdings of Public Sector Undertakings	—	3,038 (8.4)	1,961 (4.8)	3,500 (9.5)	2,500 (4.3)	4,000 (7.3)
5. Gross Fiscal Deficit (1 + 2 + 3 - 4)	**44,632**	**36,325**	**40,173**	**36,959**	**58,551**	**54,915**
	(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 : Fortnightly Levels of The Centre's Budget Deficit and Net RBI Credit to Central Government @

(Rs. crore)

Period		Centre's Budget Deficit					Net RBI Credit to Centre				
		1994-95	1993-94	1992-93	1991-92	1990-91	1994-95	1993-94	1992-93	1991-92	1990-91
1	2	3	4	5	6	7	8	9	10	11	12
Budget Estimates		6,000	4,314	5,389	7,719	7,206	-	4,314	5,389	7,719	7,206
(Fortnight Actuals)	Date $										
1	1 - 4 - 94	946	887	4,774	2,271	2,679	945	2,413	3,847	2,427	2,712
2	15 - 4 - 94	-1,115	4,057	6,115	3,716	3,204	2,873	9,476	6,522	3,269	4,050
3	29 - 4 - 94	-1,890	8,186	6,604	5,508	5,754	-795	12,101	5,219	3,962	4,994
4	13 - 5 - 94	1,222	11,964	8,928	8,409	6,638	1,529	13,694	7,218	6,764	7,058
5	27 - 5 - 94	118	13,046	10,414	8,925	8,228	1,504	13,726	7,985	7,534	6,907
6	10 - 6 - 94	1,847	16,201	10,854	11,029	7,698	1,515	10,064	7,192	9,607	7,463
7	24 - 6 - 94	987	16,053	8,886	11,503	9,107	1,707	9,201	3,912	9,168	7,703
8	8 - 7 - 94	4,266	20,718	14,102	12,743	9,996	5,278	18,889	9,193	11,165	9,883
9	22 - 7 - 94	2,130	20,750	14,949	11,873	10,128	3,788	16,498	8,113	10,580	8,185
10	5 - 8 - 94	-39	21,727	13,935	12,793	10,976	1,036	16,444	7,872	10,759	9,018
11	19 - 8 - 94	-4,978	21,065	11,792	11,571	8,729	-3,760	16,245	5,657	10,303	6,543
12	2 - 9 - 94	-4,812	19,461	13,007	13,442	10,290	-4,354	13,012	7,236	11,029	8,209
13	16 - 9 - 94	-7,007	17,939	11,159	10,393	10,289	-6,640	12,117	5,512	8,890	7,269
14	30 - 9 - 94	-9,969	18,068	10,169	12,406	11,971	-8,341	7,882	4,723	10,445	9,245
15	14 - 10 - 94		12,395	9,868	13,097	10,755		12,092	6,424	11,866	10,241
16	28 - 10 - 94		12,918	9,986	11,409	11,830		9,740	7,111	9,564	10,438
17	11 - 11 - 94		14,262	12,609	14,245	13,636		12,368	9,110	12,418	12,476
18	25 - 11 - 94		13,994	13,261	15,272	13,001		11,989	9,549	13,117	12,978
19	9 - 12 - 94		16,535	15,440	17,419	15,330		14,588	10,744	15,830	15,159
20	23 - 12 - 94		13,341	11,511	11,503	13,097		8,237	1,450	9,810	13,029
21	6 - 1 - 95		15,806	14,134	16,177	15,093		10,167	8,725	14,979	15,055
22	20 - 1 - 95		13,680	14,637	14,138	15,123		8,587	9,066	13,961	14,621
23	3 - 2 - 95		14,113	15,166	15,726	15,442		8,417	9,441	15,305	15,447
24	17 - 2 - 95		12,840	15,658	15,024	14,627		5,609	8,773	14,454	15,107
25	3 - 3 - 95		11,213	14,327	13,011	15,072		3,001	4,254	12,485	16,064
26	17 - 3 - 95		10,287	13,960	10,606	11,969		1,335	2,262	10,452	14,486
March 31	31 - 3 - 95		10,893	12,757	6,492	11,430		260	4,257	5,508	14,746
Quarterly Averages											
First Quarter		302	10,056	8,082	7,337	6,187	1,325	10,096	5,985	6,104	5,841
Second Quarter		-2,916	20,277	13,157	12,136	10,068	-1,856	15,534	7,264	10,454	8,185
Third Quarter			14,502	11,835	13,622	12,803		10,985	7,016	11,864	11,938
Fourth Quarter			12,990	14,647	14,114	14,554		6,186	7,087	13,606	15,130
Financial Year Average			14,163	11,815	11,507	10,818		10,302	6,717	10,209	10,337

Note : As per budgetary data, Centre's budget deficit was Rs.11,347 crore in 1990-91(Accounts), Rs.6,855 crore in 1991-92(Accounts) and Rs.12,312 crore in 1992-93(Accounts)

@ Based on RBI Records.

$ The relevant dates of fortnights for 1993-94 have been specified; the data for other years pertain to corresponding fortnights.

Table VIII-7 : Expenditure on Subsidies by the Central Government

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	4	5	6	7	8
A. Major Subsidies(1+2+3)	9,581	9,793	9,415	7,000	10,300	8,300
	(6.1)	(2.2)	(-3.9)	(-25.7)	(9.4)	(-19.4)
1. Food	2,450	2,850	2,800	3,000	5,200	4,000
	(-1.1)	(16.3)	(-1.8)	(7.1)	(85.7)	(-23.1)
2. Fertilisers(a+b+c)	4,389	5,185	5,796	3,500	4,400	4,000
	(-3.4)	(18.1)	(11.8)	(-39.6)	(-24.1)	(-9.1)
(a) Indigeneous	3,730	3,500	4,800	3,000	3,800	3,500
	(-1.1)	(-6.2)	(37.1)	(-37.5)	(-20.8)	(-7.9)
(b) *Imported*	659	1,300	996	500	600	500
	(-14.5)	(97.3)	(-23.4)	(-49.8)	(-39.8)	(-16.7)
(c) To small and Marginal Farmers	—	385.0	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)
3. Export Promotion and Market Development	2,742	1,758	819	500	700	300
	(36.1)	(-35.9)	(-53.4)	(-38.9)	(-14.5)	(-57.1)
B. Other Subsidies	2,577	2,460	2,628	1,376	2,100	1,163
	(78.7)	(-4.5)	(6.8)	(-47.6)	(-20.1)	(-44.6)
C. Total (A + B)	**12,158**	**12,253**	**12,043**	**8,376**	**12,400**	**9,463**
	(16.1)	**(0.8)**	**(-1.7)**	**(-30.4)**	**(3.0)**	**(-23.7)**

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

Table VIII-8 : Interest Payments by the Central Government

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7
I. Interest Payments on Internal Debt	9,814	11,317	13,541	10,230	15,823	21,331
of which :						
i. On Market Loans	6,366	7,355	8,147	8,680	8,809	10,380
ii. On 91/182/364 days Treasury Bills	3,392	3,789	5,245	1,550	6,861	10,506
II. Interest on External debt	1,834	2,704	3,529	3,946	3,875	4,161
III. Interest on Small Savings, Provident Funds,etc.	9,413	12,083	13,436	23,194	17,211	19,904
IV. Interest on Reserve Funds	112	138	159	179	183	205
V. Interest on Other Obligations	325	354	410	451	408	399
Total Interest Payments	**21,498**	**26,596**	**31,075**	**38,000**	**37,500**	**46,000**

Source : Finance Accounts, Government of India.

Table VIII-9 : Developmental and Non-developmental Expenditure of the Central Government

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	3	4	3	4	5	6
I. Developmental Expenditure (A+B+C)	**58,645 (54.3)**	**59,313 (51.8)**	**65,479 (51.9)**	**65,245 (48.0)**	**75,314 (50.7)**	**72,889 (46.5)**
A. Revenue expenditure	32,239	35,345	41,448	41,769	48,693	47,395
of which :						
i) Social Services	3,027	3,330	3,750	4,471	4,790	5039
ii) Economic Services	17,911	18,094	19,126	17,575	22,927	23721
iii) General Services	15	20	26	18	16	22
B Capital Outlay	7,404	6,359	7,831	6,981	6,405	6,981
of which :						
i) Social Services	247	239	259	416	412	415
ii) Economic Services	6,677	5,587	7,122	5,774	5,317	5,905
iii) General Services	212	191	100	366	377	415
C. Loans and Advances	19,002	17,609	16,200	16,495	20,216	18,513
II. Non-Developmental Expenditure	**49,349 (45.7)**	**55,170 (48.2)**	**60,584 (48.1)**	**70,554 (52.0)**	**73,104 (49.3)**	**83,947 (53.5)**
A. Revenue expenditure	43,973	50,016	54,699	64,546	66,077	76,553
of which :						
i) Interest Payments	21,471	26,596	31,035	38,000	37,500	46,000
ii) Defence	10,874	11,442	12,109	13,681	14,944	16,169
B. Capital Expenditure	4,744	5,041	5,788	5,815	6,824	7,142
of which :						
Defence	4,552	4,905	5,473	5,500	6,556	6,831
C. Loans and Advances	632	113	97	193	203	252
Total (I + II)	**1,07,994 (100.0)**	**1,14,483 (100.0)**	**1,26,063 (100.0)**	**1,35,799 (100.0)**	**1,48,418 (100.0)**	**1,56,836 (100.0)**

Note : Figures in brackets are percentage to total.

Table VIII-10: Major Deficit Indicators of the State Governments

(Rs.crore)

	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)#
1	2	3	4	5
Revenue Deficit	5,114.1	4,276.7	6,054.6	7,948.5
Overall Deficit	+ 1,829.4	3,153.0	1,894.4	3,250.0
Gross Fiscal Deficit	20,891.3	24,023.0	23,311.7	29,321.4

Note : '+' indicates surplus

: Includes the National Capital Terriorty Of Delhi.

Table VIII-11 : Overall Budgetary Position of State Governments

(Rs. crore)

Items	1992-93 (Accounts)*	Percentage variation over the previous year	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	Percentage variation 1993-94 (RE) over 1993-94 (BE)	Percentage variation over the previous year	1994-95 (Budget Estimates)	Percentage variation over the previous year
1	2	3	4	5	6	7	8	9
I Aggregate Receipts (A+B)	121,164.0	12.4	129,243.2	132,769.1	2.7	9.6	149,619.5	12.7
			(128,741.4)		(3.1)		(148,710.5)	(12.0)
A. Revenue Receipts (1+2)	91,091.1	13.1	101,362.7	103,103.8	1.7	13.2	116,391.2	12.9
			(100,860.9)		(2.2)		(115,482.2)	(12.0)
1. Tax Receipts (a+b)	60,448.4	14.9	69,005.6	67,504.4	-2.2	11.7	77,443.3	14.7
			(68,709.3)		(-1.8)		(76,836.6)	(13.8)
a. States' Taxes	39,868.3	11.5	47,377.2	45,082.7	-4.8	13.1	53,391.0	18.4
			(46,235.5)		(-2.5)		(52,307.5)	(16.0)
b. Share in Central Taxes	20,580.1	22.2	21,628.4	22,421.7	3.7	8.9	24,052.3	7.3
			(22,473.8)		(-0.2)		(24,529.1)	(9.4)
2. Non-Tax Receipts (c+d)	30,642.7	9.7	32,357.1	35,599.4	10.0	16.2	38,947.9	9.4
			(32,151.6)		(10.7)		(38,645.6)	(8.6)
c. Grants from the Centre	17,758.8	16.6	18,890.0	21,125.4	11.8	19.0	22,594.4	7.0
d. States' Non-Tax Receipts	12,883.9	1.4	13,467.1	14,474.0	7.5	12.3	16,353.5	13.0
			(13,261.6)		(9.1)		(16,051.2)	(10.9)
B. Capital Receipts (1+2)	30,072.9	10.4	27,880.5	29,665.3	6.4	-1.4	33,228.3	12.0
1. States' Capital Receipts of which:	16,973.3	19.8	12,857.4	14,372.8	11.8	-15.3	14,639.3	1.9
a. Market Borrowings (Gross)	3,850.5	16.3	3,968.0	4,150.9	4.6	7.8	4,635.9	11.7
b. Recovery of Loans and Advances	1,923.1	-41.9	1,304.3	2,235.3	71.4	16.2	1,805.6	-19.2
2. Loans from the Centre	13,099.6	0.2	15,023.1	15,292.5	1.8	16.7	18,589.0	21.6
II Aggregate Disbursements(A to E)	119,334.6	23.4	132,396.2	134,663.5	1.7	12.8	152,869.5	13.5
A. Developmental Expenditure@ (1 + 2)	80,566.9	8.0	87,088.2	88,882.1	2.1	10.3	99,482.8	11.9
1. Social Services of which: Expenditure on	37,331.8	10.8	42,194.3	42,356.7	0.4	13.5	48,704.8	15.0
Natural Calamities	971.7	-9.7	641.2	808.8	26.1	-16.8	928.8	14.8
2. Economic Services	43,235.1	5.7	44,893.9	46,525.4	3.6	7.6	50,778.0	9.1
B. Non-Developmental Expenditure@	32,103.8	18.3	38,467.2	38,576.4	0.3	20.2	46,674.0	21.0
C. Repayment of Loans to the Centre	4,178.3	13.1	4,769.4	4,885.9	2.4	16.9	4,901.4	0.3
D. Discharge of Internal Debt	1,250.9	-15.9	936.8	1,126.8	20.3	-9.9	449.9	-60.1
of which : Market Loans(Gross)	349.3	7,177.1	518.4	515.7	-0.5	47.6	40.3	-92.2
E. Others #	1,234.7	-28.7	1,134.6	1,192.3	-9.1	-3.4	1,361.4	14.2
III Overall Surplus(+)/Deficit(-)(I-II)	+1,829.4		-3,153.0	-1,894.4			-3,250.0	
			(- 3,654.8)				(-4,159.0)	

(Contd..)

Table VIII-11 : Overall Budgetary Position of State Governments (Concld.)

(Rs. crore)

Items	1992-93 (Accounts)*	Percentage variation over the previous year	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	Percentage variation 1993-94 (RE) over 1993-94 (BE)	Percentage variation over the previous year	1994-95 (Budget Estimates)	Percentage variation over the previous year
1	2	3	4	5	6	7	8	9
IV Financing of surplus(+)/Deficit(-)								
A. Increase(+)Decrease(-) in cash balances(Net)	-602.1		-2,836.5 (-3,338.3)	-1,624.6			-3,261.3 (-4,170.3)	
B. Additions to(+)Withdrawals from (-) Cash Balance Investment Account(Net)	+2,248.2		-72.5	-550.5			+11.3	
C. Repayment of(+)/Increase in(-) Ways and Means Advances and Overdrafts from R.B.I.(Net)	+183.3		-244.0	+ 280.7			—	

Note:

1. Figures outside brackets under budget estimates for 1993-94 include the estimated net yield of Rs.1,347.2 crore from Additional Resource Mobilisation measures proposed by the States and a revenue loss of Rs.845.4 crore as States' share in the Centre's Additional Resource Mobilisation measures proposed in the Union Budget for 1993-94.
2. Figures outside brackets under budget estimates for 1994-95 include the estimated net yield of Rs.1385.8 crore from Additional Resource Mobilisation measures proposed by the States and a revenue loss of Rs.476.8 crore as States' share in the Centre's Additional Resource Mobilisation measures proposed in the Union Budget for 1994-95.

* 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 and reserve with Finance Department.

Table VIII-12: Transfer of Resources from the Centre to the State Governments

(Rs. crore)

	1992-93 (Accounts)@	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5
I States' Share in Central Taxes	20,580.1	21,628.4 (22,473.8)	22,421.7	24,052.3 (24,529.1)
II Grants from the Centre (1 to 5)	17,758.8	18,890.0	21,125.4	22,594.4
1 State Plan Schemes	7,843.1	8,984.3	9,611.3	10,506.1
2 Central Plan Schemes	1,035.4	1,137.3	1,501.8	1,407.7
3 Centrally Sponsored Schemes	5,485.7	6,004.7	6,916.3	7,718.8
4 Special Plan Schemes	31.7	43.2	74.0	86.3
5 Non-Plan Grants (a to c)	3,362.9	2,720.5	3,022.0	2,875.5
a) Statutory Grants	2,117.2	1,823.9	1,940.6	1,890.7
b) Grants for Natural Calamities	521.6	340.7	391.2	401.6
c) Non-Plan Non-Statutory Grants	724.1	555.9	690.2	583.2
III Gross Loans from the Centre	13,099.6	15,023.1	15,292.5	18,589.0
IV Gross Transfer (I+II+III)	51,438.5	55,541.5 (56,386.9)	58,839.6	65,235.7 (65,712.5)
V Repayment and Interest Payments Liabilities (a + b)	12,007.8	14,292.7	14,458.7	16,111.9
a) Repayment of Loans to the Centre	4,178.3	4,769.4	4,885.9	4,901.4
b) Interest Payments on the Loans from the Centre	7,829.5	9,523.3	9,572.8	11,210.5
VI Net Transfer of Resources from the Centre (IV-V)	39,430.7	41,248.8 (42,094.2)	44,380.9	49,123.8 (49,600.6)
VII Aggregate Receipts(including loans from the Centre on a net basis)	116,985.7	124,473.8	127,883.2	144,718.1
VIII Aggregate Disbursements (excluding repayment of loan instalments and interest payment on loans from the Centre)	107,326.8	118,103.6	120,204.8	136,757.6

Notes:

1 Figures outside brackets under 1993-94 (Budget Estimates) include a revenue loss of Rs. 845.4 crore being the States' share in the Centre's additional taxation proposed in the Union Budget for 1993-94.

2 Figures outside brackets under 1994-95 (Budget Estimates) include a revenue loss of Rs. 476.8 crore as the States' share in the Centre's additional taxation proposed in the Union Budget for 1994-95.

@ Figures for Bihar, Jammu and Kashmir and Nagaland relate to Revised Estimates.

Table VIII-13 : Decomposition of Gross Fiscal Deficit of the State Governments

(Rs. crore)

Fiscal Year	Revenue Deficit	Capital Outlay	Net Lending	GFD (2+3+4)
1	2	3	4	5
1980-81 to 1984-85 (Average of 5yrs)	(-16.8)	(75.3)	(41.5)	(100.0)
1985-86 to 1989-90 (Average of 5yrs)	(7.7)	(62.4)	(29.9)	(100.0)
1990-91	5,309	9,223	4,255	18,787
	(28.3)	(49.1)	(22.6)	(100.0)
1991-92	5,650	10,096	3,154	18,900
	(29.9)	(53.4)	(16.7)	(100.0)
1992-93	5,114	10,655	5,123	20,892
	(24.5)	(51.0)	(24.5)	(100.0)
1993-94	6,055	12,187	5,070	23,312
(Revised Estimates)	(26.0)	(52.3)	(21.7)	(100.0)
1994-95	7,948	14,781	6,592	29,321
(Budget Estimates)	(27.1)	(50.4)	(22.5)	(100.0)

Note: Figures in brackets are percentages to total borrowing requirements(GFD).
(-) Indicates Surplus.

Table VIII-14 : Financing Pattern of Gross Fiscal Deficit of State Governments

(Rs. crore)

Fiscal Year	Loans from the Central Government (net)	Market Borrowings (net)	Others $	GFD (2+3+4)
1	2	3	4	5
1980-81 to 1984-85 (Average of 5 yrs)	(47.2)	(7.9)	(44.9)	(100.0)
1985-86 to 1989-90 (Average of 5 yrs)	(57.8)	(14.2)	(28.0)	(100.0)
1990-91	9,978	2,556	6,253	18,787
	(53.1)	(13.6)	(33.3)	(100.0)
1991-92	9,375	3,305	6,220	18,900
	(49.6)	(17.5)	(32.9)	(100.0)
1992-93	8,921	3,452	8,519	20,892
	(42.7)	(16.5)	(40.8)	(100.0)
1993-94	10,407	3,591	9,314	23,312
(Revised Estimates)	(44.6)	(15.4)	(40.0)	(100.0)
1994-95	13,688	4,538	11,095	29,321
(Budget Estimates)	(46.7)	(15.5)	(37.8)	(100.0)

$ States' own borrowing *inter alia* consists of market borrowings, loans from the financial institutions and banks, provident funds, etc.

Note: Figures in brackets are proportion to GFD.

Table VIII-15 : Pattern of Aggregate Disbursements@ —State-wise Details

(Rs. crore)

States	Developmental Expenditure			Social Services			Economic Services		
	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7	8	9	10
1. Andhra Pradesh	6,499.2	6,781.9	7,568.0	2,951.5	3,175.2	3737.5	3,547.7	3,606.7	3,830.5
	(72.3)	(69.3)	(69.7)						
2 Arunachal Pradesh	394.0	453.4	510.0	134.6	145.0	168.4	259.4	308.4	341.6
	(78.3)	(78.9)	(76.4)						
3 Assam	1,947.9	2,172.2	2,587.6	1018.5	1107.1	1272.8	929.4	1065.1	1314.8
	(62.1)	(59.9)	(64.5)						
4 Bihar	4,893.7	5,267.4	6,271.3	2,367.1	2,545.5	3193.7	2,526.6	2,721.9	3,077.6
	(63.2)	(62.5)	(64.0)						
5 Goa	372.7	412.5	437.5	185.3	211.4	213.9	187.4	201.1	223.6
	(74.7)	(72.5)	(70.3)						
6 Gujarat	5,691.0	5,837.3	5,643.2	2171.4	2502.4	2802.9	3,519.6	3,334.9	2,840.3
	(71.3)	(70.6)	(65.4)						
7 Haryana	2,077.3	2,415.7	3,308.2	900.4	1019.5	1231.3	1,176.9	1,396.2	2,076.9
	(70.3)	(56.9)	(60.5)						
8 Himachal Pradesh	973.6	1,176.1	1,291.5	524.3	616.2	688.4	449.3	559.9	603.1
	(67.3)	(69.2)	(67.6)						
9 Jammu and Kashmir	1,518.2	1,628.6	1,841.1	824.7	840.0	867.9	693.5	788.6	973.2
	(65.4)	(62.8)	(55.5)						
10 Karnataka	5,017.1	6,021.9	7,358.1	2,192.0	2,748.6	3295.1	2,825.1	3,273.3	4,063.0
	(70.7)	(72.1)	(72.6)						
11 Kerala	2,682.2	3,304.0	3,748.1	1,539.5	1,981.4	2254.2	1,142.7	1,322.6	1,493.9
	(61.5)	(62.4)	(63.6)						
12 Madhya Pradesh	5,431.0	6,217.4	6,425.6	2,484.7	2,850.1	3280.9	2,946.3	3,367.3	3,144.7
	(70.9)	(70.4)	(64.8)						
13 Maharashtra	9,778.7	11,008.8	11,402.1	4,323.5	4,908.2	5014.2	5,455.2	6,100.6	6,387.9
	(69.8)	(69.3)	(64.4)						
14 Manipur	360.7	392.8	392.1	185.3	189.2	181.0	175.4	203.6	211.1
	(43.8)	(62.8)	(67.5)						
15 Meghalaya	401.3	536.5	552.9	183.9	238.5	245.5	217.4	298.0	307.4
	(73.9)	(73.5)	(75.0)						

Contd.

Table VIII-15 : Pattern of Aggregate Disbursements@ —State-wise Details (Contd.)

(Rs. crore)

States	Developmental Expenditure			Social Services			Economic Services		
	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7	8	9	10
16 Mizoram	379.4	425.5	391.1	148.3	165.8	163.8	231.1	259.7	227.3
	(77.5)	(76.5)	(75.2)						
17 Nagaland	453.6	522.7	508.6	184.0	225.7	215.7	269.6	297.0	292.9
	(52.9)	(56.1)	(61.9)						
18 Orissa	2,672.5	3,196.3	3,885.2	1,254.4	1,560.0	1626.4	1,418.1	1,636.3	2258.8
	(68.3)	(66.9)	(68.4)						
19 Punjab	2,575.0	2,902.5	3,158.1	1,110.0	1,275.3	1445.4	1,465.0	1,627.2	1,712.7
	(61.2)	(54.3)	(54.3)						
20 Rajasthan	4,426.5	5,065.8	5,600.5	2,116.7	2,421.1	2739.7	2,309.8	2,644.7	2,860.8
	(69.7)	(68.4)	(68.5)						
21 Sikkim	197.1	215.6	224.9	76.5	86.4	90.7	120.6	129.2	134.2
	(78.8)	(77.0)	(76.0)						
22 Tamil Nadu	7,132.9	6,670.7	7,199.4	3,563.6	3,809.4	4131.1	3,569.3	2,861.3	3,068.3
	(73.2)	(69.8)	(69.4)						
23 Tripura	449.3	536.4	644.3	244.3	289.2	316.0	205.0	247.2	328.3
	(68.4)	(69.6)	(67.6)						
24 Uttar Pradesh	10,172.0	10,435.3	10,302.9	4,295.5	4,461.6	4656.1	5,876.5	5,973.7	5,646.8
	(63.0)	(60.3)	(57.2)		(31.2)				
25 West Bengal	4,070.0	5,284.9	6,165.4	2,351.8	2,984.0	3573.0	1,718.2	2,300.9	2,592.4
	(61.2)	(64.3)	(65.8)						
26 Delhi	0.0	0.0	2,065.1	-	-	1,299.2	-	-	765.9
	(-)	(-)	(80.3)						
Total	80,566.9	88,882.2	99,482.8	37,331.8	42,356.8	48,704.8	43,235.1	46,525.4	50,778.0
	(67.5)	(66.0)	(65.1)						

Table VIII-15 : Pattern of Aggregate Disbursements@ —State-wise Details *(Contd.)*

(Rs. crore)

	States	Non-Developmental Expenditure			Others			Aggregate Disbursements		
		1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
	1	11	12	13	14	15	16	17	18	19
1	Andhra Pradesh	2,167.2	2,606.6	2,925.0	317.1	400.8	372.4	8,983.5	9,789.3	10,865.4
		(24.1)	(26.6)	(26.9)	(3.5)	(4.1)	(3.4)			
2	Arunachal Pradesh	100.7	111.7	140.9	8.3	9.3	16.6	503.0	574.4	667.5
		(20.0)	(19.4)	(21.1)	(1.7)	(1.6)	(2.5)			
3	Assam	873.5	1,065.2	1,115.4	314.9	389.8	306.8	3,136.3	3,627.2	4,009.8
		(27.9)	(29.4)	(27.8)	(10.0)	(10.7)	(7.7)			
4	Bihar	2,426.5	2,730.8	3,151.3	423.2	435.1	377.4	7,743.4	8,433.3	9,800.0
		(31.3)	(32.4)	(32.2)	(5.5)	(5.2)	(3.9)			
5	Goa	108.9	124.9	154.0	17.4	31.8	30.6	499.0	569.2	622.1
		(21.8)	(21.9)	(24.8)	(3.5)	(5.6)	(4.9)			
6	Gujarat	1,806.9	2,000.2	2,600.5	488.6	425.8	390.9	7,986.5	8,263.3	8,634.6
		(22.6)	(24.2)	(30.1)	(6.1)	(5.2)	(4.5)			
7	Haryana	763.9	1,701.8	2,034.3	114.7	131.4	128.2	2,955.9	4,248.9	5,470.7
		(25.8)	(40.1)	(37.2)	(3.9)	(3.1)	(2.3)			
8	Himachal Pradesh	405.8	454.2	541.3	67.4	68.9	78.2	1,446.8	1,699.2	1,911.0
		(28.0)	(26.7)	(28.3)	(4.7)	(4.1)	(4.1)			
9	Jammu and Kashmir	736.7	689.5	1,065.9	65.6	275.2	409.4	2,320.5	2,593.3	3,316.4
		(31.7)	(26.6)	(32.1)	(2.8)	(10.6)	(12.3)			
10	Karnataka	1,745.7	1,963.8	2,370.3	337.1	370.5	400.5	7,099.9	8,356.2	10,128.9
		(24.6)	(23.5)	(23.4)	(4.7)	(4.4)	(4.0)			
11	Kerala	1,349.1	1,683.1	1,924.2	331.6	308.0	221.8	4,362.9	5,295.1	5,894.1
		(30.9)	(31.8)	(32.6)	(7.6)	(5.8)	(3.8)			
12	Madhya Pradesh	1,787.1	2,117.0	3,052.4	444.6	491.9	441.0	7,662.7	8,826.3	9,919.0
		(23.3)	(24.0)	(30.8)	(5.8)	(5.6)	(4.4)			
13	Maharashtra	3,700.5	4,334.1	5,748.1	534.3	552.4	549.9	14,013.5	15,895.3	17,700.1
		(26.4)	(27.3)	(32.5)	(3.8)	(3.5)	(3.1)			
14	Manipur	139.1	154.7	166.7	324.2	78.2	22.0	824.0	625.7	580.8
		(16.9)	(24.7)	(28.7)	(39.3)	(12.5)	(3.8)			
15	Meghalaya	130.1	154.5	169.2	11.5	39.2	15.3	542.9	730.2	737.4
		(24.0)	(21.2)	(22.9)	(2.1)	(5.4)	(2.1)			
16	Mizoram	103.8	122.1	118.0	6.6	8.4	10.9	489.8	556.0	520.0
		(21.2)	(22.0)	(22.7)	(1.3)	(1.5)	(2.1)			
17	Nagaland	203.9	291.0	284.6	199.4	118.0	29.1	856.9	931.7	822.3
		(23.8)	(31.2)	(34.6)	(23.3)	(12.7)	(3.5)			
18	Orissa	1,042.4	1,254.2	1,582.8	199.9	325.8	215.8	3,914.8	4,776.3	5,683.8
		(26.6)	(26.3)	(27.8)	(5.1)	(6.8)	(3.8)			

Table VIII-15 : Pattern of Aggregate Disbursements@ —State-wise Details *(Concld.)*

(Rs. crore)

States	Non-Developmental Expenditure			Others			Aggregate Disbursements		
	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	1992-93 (Accounts)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	11	12	13	14	15	16	17	18	19
19 Punjab	1,475.2	1,991.5	2,204.9	157.4	449.7	450.6	4,207.6	5,343.7	5,813.6
	(35.1)	(37.3)	(37.9)	(3.7)	(8.4)	(7.8)			
20 Rajasthan	1,703.6	2,057.3	2,340.8	217.3	282.4	236.6	6,347.4	7,405.5	8,177.9
	(26.8)	(27.8)	(28.6)	(3.4)	(3.8)	(2.9)			
21 Sikkim	48.6	58.4	64.7	4.4	6.0	6.5	250.1	280.0	296.1
	(19.4)	(20.9)	(21.9)	(1.8)	(2.1)	(2.2)			
22 Tamil Nadu	2,046.1	2,447.5	2,753.2	569.4	443.0	422.4	9,748.4	9,561.2	10,375.0
	(21.0)	(25.6)	(26.5)	(5.8)	(4.6)	(4.1)			
23 Tripura	175.6	200.8	275.8	32.0	34.0	33.3	656.9	771.2	953.4
	(26.7)	(26.0)	(28.9)	(4.9)	(4.4)	(3.5)			
24 Uttar Pradesh	5,041.1	5,887.5	6,814.5	922.4	975.4	904.8	16,135.5	17,298.2	18,022.2
	(31.2)	(34.0)	(37.8)	(5.7)	(5.6)	(5.0)			
25 West Bengal	2,021.8	2,374.0	2,662.0	554.6	554.0	547.4	6,646.4	8,212.9	9,374.8
	(30.4)	(28.9)	(28.4)	(8.3)	(6.7)	(5.8)			
26 Delhi	—	—	413.2	—	—	94.3	—	—	2,572.6
			(16.1)			(3.7)			
Total	**32,103.8**	**38,576.4**	**46,674.0**	**6,663.9**	**7,205.0**	**6,712.7**	**119,334.6**	**134,663.6**	**152,869.5**
	(26.9)	**(28.6)**	**(30.5)**	**(5.6)**	**(5.4)**	**(4.4)**	**(100.0)**	**(100.0)**	**(100.0)**

@ Includes expenditure on Revenue and Capital Accounts and Loans and Advances extended by State Governments.

Note : 1. Figures in brackets indicate percentages to aggregate disbursements.
2. Figures in respect of Bihar, Jammu and Kashmir and Nagaland for the year 1992-93 (Accounts) relate to Revised Estimates.

Table VIII-16 : Estimated Net Yield from Additional Resource Mobilisation (ARM) Proposals of the State Governements

(Rs. crore)

States	1993-94	1994-95
1	2	3
1. Andhra Pradesh	225.0	—
2. Arunachal Pradesh	2.8	1.0
3. Bihar	146.0	139.6
4. Goa	14.7	8.5
5. Gujarat	133.2	-2.8
6. Karnataka	25.8	60.1
7. Kerala	169.3	190.0
8. Madhya Pradesh	—	-2.0
9. Maharashtra	300.0	260.0
10. Meghalaya	6.0	3.4
11. Nagaland	11.0	—
12. Orissa	188.4	164.4
13. Punjab	100.0	205.0
14. Rajasthan	—	55.6
15. Tamil Nadu	-15.0	48.0
16. Uttar Pradesh	—	173.0
17. West Bengal	40.0	82.0
Total	**1,347.2**	**1,385.8**
By Major heads:		
1. Tax on Professions, Trades, Callings and Employment	6.0	32.1
2. Stamps and Registration Fees	49.5	208.4
3. Land Revenue	28.2	23.2
4. Sales Tax	23.4	415.4
5. State Excise Duties	281.9	154.1
6. Tax on Vehicles	118.8	102.0
7. Tax on Passengers and Goods	23.0	11.1
8. Entertainment Tax	10.8	5.0
9. Electricity Duties	32.5	17.8
10. Other Taxes and Duties	567.6	114.4
11. Non-Tax Revenue	205.5	302.3
Total	**1,347.2**	**1,385.8**

Note : The ARM indicated above refers to the announcements made in the State budgets and the information received from some of the State Governments till October 31, 1994 on post-budgetary developments.

Table VIII-17 : State-wise Revenue Deficit of States before and after Adjusting to States' Own Additional Resources Mobilisation (ARM) and Share in Centre's ARM

(Rs. crore)

States	Revenue Deficit at 1993-94 rates of taxation	States' ARM during 1994-95	Revenue Deficit adjusted to States' ARM (Col.2 + Col.3)	Share in Centre's ARM	ARM adjusted (Col.3 + Col.5)	States' Revenue Deficit at the revised rates of taxation (Col. 2 + Col. 6 or Col.4 + Col.5)
1	2	3	4	5	6	7
1 Andhra Pradesh	-703.6	—	-703.6	-39.7	-39.7	-743.3
2 Arunachal Pradesh	114.8	1.0	115.8	-0.7	0.3	115.1
3 Assam	441.3	—	441.3	-12.9	-12.9	428.4
4 Bihar	-693.1	139.6	-553.5	-66.7	72.9	-620.2
5 Goa	38.2	8.5	46.7	-0.5	8.0	46.2
6 Gujarat	87.3	-2.8	84.5	-18.3	-21.1	66.2
7 Haryana	-512.3	—	-512.3	-3.7	-3.7	-516.0
8 Himachal Pradesh	-413.1	—	-413.1	-3.5	-3.5	-416.6
9 Jammu and Kashmir	-148.7	—	-148.7	-4.3	-4.3	-153.0
10 Karnataka	219.9	60.1	280.0	-21.2	38.9	258.8
11 Kerala	-833.4	190.0	-643.4	-17.5	172.5	-660.9
12 Madhya Pradesh	-30.7	-2.0	-32.7	-40.6	-42.6	-73.3
13 Maharashtra	-998.8	260.0	-738.8	-30.2	229.8	-769.0
14 Manipur	104.7	—	104.7	-1.2	-1.2	103.5
15 Meghalaya	36.6	3.4	40.0	-1.4	2.0	38.6
16 Mizoram	60.1	—	60.1	-0.9	-0.9	59.2
17 Nagaland	-64.7	—	-64.7	-1.0	-1.0	-65.7
18 Orissa	-421.9	164.4	-257.5	-22.8	141.6	-280.3
19 Punjab	-716.4	205.0	-511.4	-4.3	200.7	-515.7
20 Rajasthan	-482.8	55.6	-427.2	-23.7	31.9	-450.9
21 Sikkim	48.7	—	48.7	-0.2	-0.2	48.5
22 Tamil Nadu	-1,239.2	48.0	-1,191.2	-38.8	9.2	-1,230.0
23 Tripura	54.6	—	54.6	-2.1	-2.1	52.5
24 Uttar Pradesh	-1,971.8	173.0	-1,798.8	-83.7	89.3	-1,882.5
25 West Bengal	-1,335.8	82.0	-1,253.8	-36.9	45.1	-1,290.7
26 Delhi	502.6	—	502.6	—	—	502.6
Total	**-8,857.5**	**1,385.8**	**-7,471.7**	**-476.8**	**909.0**	**-7,948.5**

Table VIII-18 : Revenue Deficits of State Governments 1992-93 to 1994-95 - State-wise Details

(Rs. crore)

States	1992-93(Accounts)			1993-94(Revised Estimates)			1994-95(Budget Estimates)		
	Revenue Receipts	Revenue Expenditure	Revenue Surplus (+)/ Deficit (-)	Revenue Receipts	Revenue Expenditure	Revenue Surplus (+)/ Deficit (-)	Revenue Receipts*	Revenue Expenditure	Revenue Surplus (+)/ Deficit (-)
1	2	3	4	5	6	7	8	9	10
1 Andhra Pradesh	7,066.4	7,190.2	-123.8	7,792.0	8,079.1	-287.1	8,220.8	8,964.1	-743.3
2 Arunachal Pradesh	503.2	340.0	163.2	526.6	397.1	129.5	550.5	435.4	115.1
3 Assam	2,613.2	2,450.9	162.3	2,860.9	2,789.1	71.8	3,570.2	3,141.8	428.4
4 Bihar	5,963.6	6,569.6	-606.0	6,629.1	7,318.6	-689.5	7,467.4	8,087.6	-620.2
5 Goa	388.8	380.3	8.5	461.5	437.7	23.8	512.6	466.4	46.2
6 Gujarat	5,911.1	6,210.9	-299.8	6,319.9	6,569.8	-249.9	6,959.2	6,893.0	66.2
7 Haryana	2,377.6	2,379.3	-1.7	3,541.4	3,533.2	8.2	4,302.1	4,818.1	-516.0
8 Himachal Pradesh	1,052.5	1,145.6	-93.1	1,435.7	1,342.0	93.7	1,140.1	1,556.7	-416.6
9 Jammu andKashmir	2,048.9	1,781.9	267.0	2,227.3	1,768.3	459.0	1,981.0	2,134.0	-153.0
10 Karnataka	5,421.7	5,591.7	-170.0	6,672.3	6,459.7	212.6	8,207.3	7,948.5	258.8
11 Kerala	3,318.7	3,656.1	-337.4	3,951.3	4,418.0	-466.7	4,392.5	5,053.4	-660.9
12 Madhya Pradesh	6,442.6	6,157.3	285.3	7,331.0	7,368.3	-37.3	8,234.0	8,307.3	-73.3
13 Maharashtra	10,818.2	11,546.7	-728.5	12,493.4	12,868.1	-374.7	13,809.3	14,578.3	-769.0
14 Manipur	480.0	397.8	82.2	567.2	420.4	146.8	525.0	421.5	103.5
15 Meghalaya	428.5	410.3	18.2	525.5	516.6	8.9	582.8	544.2	38.6
16 Mizoram	421.4	374.2	47.2	495.9	434.2	61.7	457.5	398.3	59.2
17 Nagaland	514.2	527.2	-13.0	632.5	679.6	-47.1	584.0	649.7	-65.7
18 Orissa	2,913.2	3,048.9	-135.7	3,392.5	3,737.1	-344.6	4,135.9	4,416.2	-280.3
19 Punjab	2,786.9	3,422.5	-635.6	3,344.0	4,140.0	-796.0	3,821.2	4,336.9	-515.7
20 Rajasthan	4,887.5	4,997.0	-109.5	5,545.4	5,862.6	-317.2	6,083.6	6,534.5	-450.9
21 Sikkim	209.2	179.7	29.5	229.3	200.0	29.3	263.5	215.0	48.5
22 Tamil Nadu	7,016.3	8,542.5	-1526.2	7,215.1	8,407.4	-1192.3	7,853.6	9,083.6	-1,230.0
23 Tripura	604.1	550.2	53.9	684.9	631.1	53.8	774.1	721.6	52.5
24 Uttar Pradesh	11,676.2	12,690.7	-1014.5	12,106.8	13,743.1	-1636.3	12,980.7	14,863.2	-1,882.5
25 West Bengal	5,227.1	5,663.7	-436.6	6,122.3	7,037.3	-915.0	6,915.4	8,206.1	-1,290.7
26 Delhi	—	—	—	—	—	—	2,066.9	1,564.3	502.6
Total	**91,091.1**	**96,205.2**	**-5,114.1**	**103,103.8**	**109,158.4**	**-6,054.6**	**116,391.2**	**124,339.7**	**-7,948.5**

Note:

Figures for Bihar, Jammu and Kashmir and Nagaland for the year 1992-93(Accounts) relate to Revised Estimates.

* Includes ARM aggregating Rs.1,385.8 crores proposed by the States and a revenue loss of Rs. 476.8 crores as States' share in Centre's ARM proposed in the Union Budget for 1994-95.

Table VIII-19 : Transactions on the Capital Account from 1992-93 to 1994-95 - State-wise Details

(Rs. crore)

States	1992-93(Accounts)			1993-94(Revised Estimates)			1994-95(Budget Estimates)		
	Capital Receipts*	Capital Expenditure	Capital Surplus (+)/ Deficit (-)	Capital Receipts*	Capital Expenditure	Capital Surplus (+)/ Deficit (-)	Capital Receipts*	Capital Expenditure	Capital Surplus (+)/ Deficit (-)
1	2	3	4	5	6	7	8	9	10
1 Andhra Pradesh	1,937.0	1,793.3	143.7	1,876.1	1,710.2	165.9	2,418.0	1,901.3	516.7
2 Arunachal Pradesh	-17.8	162.9	-180.7	51.0	177.2	-126.2	63.9	232.1	-168.2
3 Assam	560.1	685.4	-125.3	562.4	838.1	-275.7	569.9	868.0	-298.1
4 Bihar	1,737.7	1,173.9	563.8	1,752.1	1,114.6	637.5	2,270.8	1,712.5	558.3
5 Goa	72.1	118.8	-46.7	99.1	131.5	-32.4	106.4	155.7	-49.3
6 Gujarat	1,892.2	1,775.7	116.5	1,740.5	1,693.6	46.9	1,523.5	1,741.5	-218.0
7 Haryana	536.9	576.7	-39.8	687.2	715.7	-28.5	1,168.2	652.5	515.7
8 Himachal Pradesh	285.4	301.2	-15.8	319.3	357.3	-38.0	291.5	354.3	-62.8
9 Jammu and Kashmir	231.7	538.6	-306.9	242.7	824.9	-582.2	243.8	1,182.3	-938.5
10 Karnataka	1,305.0	1,508.3	-203.3	1,681.2	1,896.5	-215.3	1,788.6	2,180.6	-392.0
11 Kerala	1,134.1	706.6	427.5	1,387.0	877.1	509.9	1,494.8	840.8	654.0
12 Madhya Pradesh	1,340.3	1,505.4	-165.1	1,580.8	1,458.1	122.7	1,522.1	1,611.7	-89.6
13 Maharashtra	2,481.1	2,466.8	14.3	3,111.6	3,027.2	84.4	3,609.5	3,121.6	487.9
14 Manipur	338.4	426.1	-87.7	117.2	205.3	-88.1	55.1	159.3	-104.2
15 Meghalaya	64.1	132.7	-68.6	110.1	213.7	-103.6	104.6	193.2	-88.6
16 Mizoram	61.9	115.6	-53.7	58.9	121.9	-63.0	57.3	121.6	-64.3
17 Nagaland	214.4	329.7	-115.3	304.9	252.0	52.9	129.6	172.6	-43.0
18 Orissa	990.0	865.9	124.1	1,383.8	1,039.1	344.7	1,689.5	1,267.6	421.9
19 Punjab	4,308.5	785.0	3,523.5	1,830.2	1,203.7	626.5	1,883.2	1,476.8	406.4
20 Rajasthan	1,313.6	1,350.4	-36.8	1,731.4	1,542.9	188.5	1,920.0	1,643.5	276.5
21 Sikkim	51.3	70.4	-19.1	27.4	80.0	-52.6	34.0	81.0	-47.0
22 Tamil Nadu	2,842.2	1,205.9	1,636.3	2,248.2	1,153.8	1,094.4	2,333.7	1,291.5	1,042.2
23 Tripura	117.9	106.7	11.2	112.9	140.0	-27.1	187.2	231.8	-44.6
24 Uttar Pradesh	4,678.3	3,444.7	1,233.6	4,686.1	3,555.0	1,131.1	4,915.2	3,159.1	1,756.1
25 West Bengal	1,596.5	982.7	613.8	1,963.2	1,175.7	787.5	2,342.3	1,168.7	1,173.6
26 Delhi	—	—	—	—	—	—	505.6	1,008.2	-502.6
Total	**30,072.9**	**23,129.4**	**6,943.5**	**29,665.3**	**25,505.1**	**4,160.2**	**33,228.3**	**28,529.8**	**4,698.5**

Note: Figures for Bihar, Jammu and Kashmir and Nagaland for the year 1992-93(Accounts) relate to Revised Estimates.

* Includes Remittances(net)

Table VIII-20: Aggregate Receipts/Disbursements and Overall Surplus (+)/Deficit (-) of State Governments-State-wise Details

(Rs. crore)

States	1992-93(Accounts)			1993-94(Budget Estimates)			1993-94(Revised Estimates)			1994-95(Budget Estimates)				
	Aggregate Receipts	Aggregate Disburse-ments	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disburse-ments	Overall Surplus (+)/ Deficit (-)	Aggregate Receipts	Aggregate Disburse-ments	Overall Surplus (+)/ Deficit (-)	Aggre-gate Receipts	Aggregate Receipts adjusted by ARM and States' share in Centre's additional taxation	Aggregate Disburse-ments	Overall Surplus (+)/ Deficit (-)	Overall Surplus(+)/ Deficit(-) adjusted by ARM and States' share in Centre's additional
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Andhra Pradesh	9,003.4	8,983.5	19.9	9,584.9	9,648.7	-63.8	9,668.1	9,789.3	-121.2	10,678.5	10,638.8	10,865.4	-186.9	-226.6
2 Arunachal Pradesh	485.4	503.1	-17.7	554.8	691.8	-137.0	577.6	574.3	3.3	614.0	614.4	667.5	-53.5	-53.1
3 Assam	3,173.3	3,136.3	37.0	3,398.5	3,722.2	-323.7	3,423.2	3,627.2	-204.0	4,152.9	4,140.1	4,009.7	143.2	130.4
4 Bihar	7,701.3	7,743.5	-42.2	8,835.0	8,909.7	-74.7	8,381.2	8,433.2	-52.0	9,665.3	9,738.2	9,800.1	-134.8	-61.9
5 Goa	460.9	499.1	-38.2	534.7	570.5	-35.8	560.6	569.2	-8.6	611.0	619.0	622.1	-11.1	-3.1
6 Gujarat	7,803.3	7,986.6	-183.3	7,481.2	7,651.6	-170.4	8,060.4	8,263.3	-202.9	8,503.8	8,482.7	8,634.5	-130.7	-151.8
7 Haryana	2,914.5	2,956.0	-41.5	3,457.8	3,473.5	-15.7	4,228.7	4,248.9	-20.2	5,474.0	5,470.3	5,470.6	3.4	-0.3
8 Himachal Pradesh	1,337.9	1,446.8	-108.9	1,385.8	1,642.2	-256.4	1,755.0	1,699.3	55.7	1,435.1	1,431.6	1,911.0	-475.9	-479.4
9 Jammu and Kashmir	2,280.6	2,320.5	-39.9	2,064.5	2,800.7	-736.2	2,470.0	2,593.3	-123.3	2,229.2	2,224.8	3,316.3	-1087.1	-1091.5
10 Karnataka	6,726.7	7,100.0	-373.3	8,621.7	8,790.0	-168.3	8,353.6	8,356.2	-2.6	9,956.9	9,995.8	10,129.0	-172.1	-133.2
11 Kerala	4,452.8	4,362.7	90.1	5,091.7	5,034.9	56.8	5,338.3	5,295.1	43.2	5,714.8	5,887.2	5,894.1	-179.3	-6.9
12 Madhya Pradesh	7,782.9	7,662.7	120.2	8,226.6	8,287.4	-60.8	8,911.8	8,826.4	85.4	9,798.7	9,756.1	9,919.0	-120.3	-162.9
13 Maharashtra	13,299.4	14,013.6	-714.2	15,154.8	15,317.0	-162.2	15,605.0	15,895.3	-290.3	17,189.0	17,418.9	17,699.9	-510.9	-281.0
14 Manipur	818.3	823.9	-5.6	533.0	534.2	-1.2	684.4	625.7	58.7	581.4	580.2	580.9	0.5	-0.7
15 Meghalaya	492.5	542.9	-50.4	611.0	707.7	-96.7	635.6	730.3	-94.7	685.5	687.5	737.5	-52.0	-50.0
16 Mizoram	483.3	489.7	-6.4	469.2	476.6	-7.4	554.8	556.1	-1.3	515.7	514.8	519.9	-4.2	-5.1
17 Nagaland	728.6	856.8	-128.2	704.1	649.1	55.0	937.3	931.6	5.7	714.6	713.6	822.3	-107.7	-108.7
18 Orissa	3,903.2	3,914.8	-11.6	4,926.0	4,779.8	146.2	4,776.3	4,776.3	—	5,683.9	5,825.5	5,683.9	—	141.6
19 Punjab	7,095.5	4,207.6	2,887.9	5,184.3	5,196.8	-12.5	5,174.1	5,343.6	-169.5	5,503.7	5,704.4	5,813.7	-310.0	-109.3
20 Rajasthan	6,201.0	6,347.3	-146.3	6,697.4	6,904.4	-207.0	7,276.8	7,405.4	-128.6	7,971.7	8,003.5	8,178.0	-206.3	-174.5
21 Sikkim	260.6	250.2	10.4	259.5	272.3	-12.8	256.8	280.0	-23.2	297.7	297.5	296.1	1.6	1.4
22 Tamil Nadu	9,858.5	9,748.4	110.1	8,914.6	9,348.0	-433.4	9,463.3	9,561.3	-98.0	10,178.1	10,187.2	10,375.0	-196.9	-187.8
23 Tripura	722.0	656.8	65.2	804.0	846.4	-42.4	797.9	771.1	26.8	963.4	961.4	953.4	10.0	8.0
24 Uttar Pradesh	16,354.5	16,135.4	219.1	16,381.6	16,511.5	-129.9	16,792.8	17,298.1	-505.3	17,806.6	17,895.9	18,022.3	-215.7	-126.4
25 West Bengal	6,823.6	6,646.4	177.2	8,460.6	8,440.7	19.9	8,085.5	8,213.0	-127.5	9,212.5	9,257.6	9,374.8	-162.3	-117.2
26 Delhi	—	—	—	905.9	1,188.5	-282.6	—	—	—	2,572.5	2,572.5	2,572.5	—	—
Total	**121,164.0**	**119,334.6**	**1,829.4**	**129,243.2**	**132,396.2**	**-3,153.0**	**132,769.1**	**134,663.5**	**-1,894.4**	**148,710.5**	**149,619.5**	**152,869.5**	**-4,159.0**	**-3,250.0**

1. Aggregate receipts include receipts on revenue and capital account and aggregate disbursements include expenditure on revenue and capital account.
2. Figures for 1993-94(Budget Estimates) include the estimated net yield of Rs.1,347.0 crore from Additional Resource Mobilisation measures proposed by the States and a revenue loss of Rs. 845.4 crore as States share in the Centre's Additional Resource Mobilisation proposed in the Union Budget for 1993-94.
3. Figures for 1994-95(Budget Estimates) include the estimated net yield of Rs.1,385.8 crore from Additional Resource Mobilisation measures proposed by the States and a revenue loss of Rs.476.8 crore as States share in the Centre's Additional Resource Mobilisation proposed in the Union Budget for 1994-95.
4. Figures for 1992-93 (Accounts) in respect of Bihar, Jammu and Kashmir and Nagaland relate to Revised Estimates.

Table VIII-21 : State-wise Gross Fiscal Deficit

(Rs. crore)

States	1992-93 (Accounts)			1993-94 (Budget Estimates)			1993-94 (Revised Estimates)			1994-95 (Budget Estimates)		
	Receipts	Expen-diture	Surplus(-)/ Deficit(+)	Receipts*	Expen-diture	Surplus(-)/ Deficit(+)	Receipts	Expen-diture	Surplus(-)/ Deficit(+)	Receipts*	Expen-diture	Surplus(-)/ Deficit(+)
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Andhra Pradesh	7,066.4	8,635.7	1,569.3	7,851.0	9,217.6	1,366.6	7,792.0	9,366.7	1,574.7	8,220.8	10,455.5	2,234.7
2 Arunachal Pradesh	503.2	493.9	-9.3	496.4	674.1	177.7	526.6	564.2	37.6	550.5	650.0	99.5
3 Assam	2,613.2	2,821.3	208.1	2,927.7	3,333.8	406.1	2,860.9	3,238.9	378.0	3,570.2	3,707.7	137.5
4 Bihar	5,963.6	7,294.5	1,330.9	6,948.0	8,468.7	1,520.7	6,629.1	7,968.4	1,339.3	7,467.4	9,380.7	1,913.3
5 Goa	388.8	479.1	90.3	441.1	549.2	108.1	461.5	534.8	73.3	512.6	588.8	76.2
6 Gujarat	5,911.1	7,084.7	1,173.6	6,015.9	7,102.7	1,086.8	6,319.9	7,463.2	1,143.3	6,959.2	8,124.6	1,165.4
7 Haryana	2,377.6	2,821.7	444.1	2,863.3	3,317.3	454.0	3,541.4	4,094.8	553.4	4,302.1	4,898.4	596.3
8 Himachal Pradesh	1,052.5	1,364.0	311.5	1,138.7	1,568.4	429.7	1,435.7	1,621.9	186.2	1,140.1	1,828.0	687.9
9 Jammu and Kashmir	2,048.9	2,252.4	203.5	1,824.9	2,399.7	574.8	2,227.3	2,315.0	87.7	1,981.0	2,903.7	922.7
10 Karnataka	5,421.7	6,807.7	1,386.0	6,972.2	8,443.7	1,471.5	6,672.3	7,880.2	1,207.9	8,207.3	9,757.5	1,550.2
11 Kerala	3,318.7	4,050.7	732.0	3,829.9	4,840.7	1,010.8	3,951.4	5,025.2	1,073.8	4,392.5	5,713.3	1,320.8
12 Madhya Pradesh	6,442.6	7,318.9	876.3	7,077.6	7,960.5	882.9	7,331.0	7,985.4	654.4	8,234.0	9,593.1	1,359.1
13 Maharashtra	10,818.2	13,403.8	2,585.6	12,143.9	14,701.2	2,557.3	12,493.4	15,267.6	2,774.2	13,809.4	17,061.6	3,252.3
14 Manipur	480.0	498.2	18.2	478.7	500.8	22.1	567.2	545.2	- 22.0	525.0	556.3	31.3
15 Meghalaya	428.5	521.6	93.1	524.8	687.6	162.8	525.5	687.1	161.6	582.8	717.2	134.4
16 Mizoram	421.4	480.9	59.5	417.6	464.1	46.5	495.9	544.1	48.2	457.5	505.3	47.8
17 Nagaland	514.2	652.4	138.2	532.7	616.3	83.6	632.4	806.6	174.2	584.0	786.1	202.1
18 Orissa	2,913.1	3,653.2	740.1	3,590.6	4,511.4	920.8	3,392.5	4,398.7	1,006.2	4,135.9	5,426.0	1,290.1
19 Punjab	2,786.9	4,038.9	1,252.0	3,240.1	4,736.7	1496.6	3,344.0	4,847.3	1,503.3	3,821.2	5,332.3	1,511.1
20 Rajasthan	4,887.5	6,046.2	1,158.7	5,159.5	6,547.8	1,388.3	5,545.4	7,039.6	1,494.2	6,083.5	7,859.2	1,775.6
21 Sikkim	209.3	243.4	34.1	230.5	264.5	34.0	229.3	272.9	43.6	263.5	287.9	24.4
22 Tamil Nadu	7,016.3	8,765.4	1,749.1	6,916.3	8,944.2	2,027.9	7,215.1	9,099.6	1,884.5	7,853.6	9,987.7	2,134.1
23 Tripura	604.1	627.1	23.0	660.6	816.2	155.6	684.9	736.5	51.6	774.1	920.6	146.5
24 Uttar Pradesh	11,676.2	15,387.1	3,710.9	11,801.5	15,626.4	3,824.9	12,106.8	16,308.8	4,202.0	12,980.7	17,118.1	4,137.4
25 West Bengal	5,227.1	6,239.6	1,012.5	6,491.8	7,975.2	1,483.4	6,122.3	7,802.8	1,680.5	6,915.4	8,984.7	2,069.3
26 Delhi	—	—	—	787.4	1,169.9	329.5	—	—	—	2,066.9	2,568.3	501.4
All Total	**91,091.1**	**111,982.4**	**20,891.3**	**101,362.7**	**125,385.7**	**24023.0**	**103,103.8**	**126,415.5**	**23,311.7**	**116,391.2**	**145,712.6**	**29,321.4**

* Includes States' Additional Resource Mobilization (ARM) and States' Share in Centre's proposed in the Union Budgets for 1993-94 and 1994-95.

Table VIII-22 : State-wise Plan Outlays

(Rs. crore)

States	Actual Expenditure during the Fourthen 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)	Actual Expenditure during the Seventh Plan (1985-86 to 1989-90)	1990-91 (Actual Expenditue)	1991-92 (Actual Expenditue)	1992-93 (Actual Expenditue)	1993-94 (Revised Approved Outlay)	1994-95 (Approved Outlay)	Percantage variation over the previous year (Col.11 over Col. 10)
1	2	3	4	5	6	7	8	9	10	11	12
1 Andhra Pradesh	426	1,449	3,221	5,200	6,044	1,486	1,675	2,364	1,851	2,130	+ 15.1
2 Arunachal Pradesh	—	—	—	—	570	166	207	234	264	335	+ 26.9
3 Assam	198	433	1,280	2,100	2,490	597	695	655	872	1,051	+ 20.5
4 Bihar	479	1,185	2,949	5,100	6,033	1,258	1,032	1,149	750	2400	+ 220.0
5 Goa	—	—	—	—	439	135	159	142	144	182	+ 26.4
6 Gujarat	545	1,374	3,880	6,000	5,439	1,567	2,022	1,940	1,900	2,240	+ 17.9
7 Haryana	358	671	1,569	2,900	2,539	615	682	748	839	1,025	+ 22.2
8 Himachal Pradesh	113	236	669	1,050	1,326	378	407	491	563	650	+ 15.5
9 Jammu and Kashmir	162	376	919	1,400	2,006	557	649	620	684	950	+ 38.9
10 Karnataka	374	1,039	2,665	3,500	3,938	1,173	1,597	1,971	3,025	3,275	+ 8.3
11 Kerala	333	661	1,645	2,100	2,299	596	672	825	1,020	1,260	+ 23.5
12 Madhya Pradesh	476	1,396	3,865	7,000	6,574	1,703	1,818	1,992	2,018	2,750	+ 36.3
13 Maharashtra	1,005	2,612	6,521	10,500	10,826	2,530	2,969	3,373	3,833	4,400	+ 14.8
14 Manipur	31	93	243	430	501	165	184	171	175	240	+ 37.1
15 Meghalaya	36	99	260	440	539	166	187	199	281	281	—
16 Mizoram	—	—	—	—	364	125	152	165	182	208	+ 14.3
17 Nagaland	39	97	230	400	468	142	160	111	168	220	+ 31.0
18 Orissa	249	640	1,562	2,700	3,162	1,086	1,030	1,054	1,095	1,951	+ 78.2
19 Punjab	428	940	1,892	3,285	3,547	991	1,068	885	1,140	1,450	+ 27.2
20 Rajasthan	309	872	2,135	3,000	3,106	973	1,184	1,407	1,705	2,450	+ 43.7
21 Sikkim	—	41	148	230	282	79	97	102	100	135	+ 35.0
22 Tamil Nadu	552	1,143	3,584	5,750	6,236	1,496	1,651	1,935	2,102	2,750	+ 30.8
23 Tripura	35	75	293	440	700	201	229	218	220	310	+ 40.9
24 Uttar Pradesh	1,163	2,909	6,519	10,447	11,269	3,026	3,514	3,458	2,800	4,562	+ 62.9
25 West Bengal	364	1,230	2,433	4,125	4,464	1,150	907	882	1,021	1,706	+ 67.1

Contd.

Table VIII-22 : State-wise Plan Outlays *(Concld..)*

(Rs. crore)

States	Actual Expenditure during the Fourthen 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)	Actual Expenditure during the Seventh Plan (1985-86 to 1989-90)	1990-91 (Actual Expenditue)	1991-92 (Actual Expenditue)	1992-93 (Actual Expenditue)	1993-94 (Revised Approved Outlay)	1994-95 (Approved Outlay)	Percantage variation over the previous year (Col.11 over Col. 10)
1	2	3	4	5	6	7	8	9	10	11	12
26 Delhi								920	980	1,560	+ 59.2
A. Total (All States)	**7,675**	**19,571**	**48,482**	**$ 78,097**	**85,161**	**22,361**	**24,947**	**28,011**	**29,732**	**40,471**	**+ 36.1**
B. Hill Areas Including Western Ghats	—	170	* 557	# 870	N.A.	287	@ 290	s 290	N.A.	N.A.	
C. Tribal Areas	—	167	485	756	N.A.	232	@ 250	250	N.A.	N.A.	
D. Total Union Territories	278	655	2.008	3.768	3.462	997	1.274	321	415	503	21.2
E. Nourth Eastern Council	—	91	385	675	N.A.	202	@ 230	232	N.A.	N.A.	
F. Border Areas	—	—	—	200	N.A.	86	85	85	N.A.	N.A.	
G. Other Special Areas Development Programme	—	--	—	58	N.A.	47	—	—	N.A.	N.A.	
Grand Total (A to G)	**7,953**	**20,654**	**51,917**	**84,424**	**88,623**	**24,212**	**27,076**	**29,189**	**30,147**	**40,974**	**+ 35.9**

\# : Relate to release of Fund.

* : The same amount as outlay released as actual expenditure is not known.

\+ : Includes Rs. 10 crore for LIC loans.

++ : Actual expenditure are not available, revised estimates repeated.

@ : Includes actual expenditure for Union Territories of Daman and Diu also.

$: Subsequent revisions are not included.

N. A. Not Avaliable.

Table VIII-23 : States' Plan Outlay by Heads of Development

(Rs. crore)

Sectors	Actual Expenditure		1991-92 (Actual Expend-iture)	1992-93 (Actual Expend-iture)	1993-94 (Revised Approved Outlay)	1994-95 (Approved Outlay)	Variation	
	VI Plan (1980-81 to 1984-85)	VII Plan (1985-86 to 1989-90)					Col. 7 over Col. 6	
							Amount	Percentage
1	2	3	4	5	6	7	8	9
I Agriculture and Allied Services including Co-operation (i+ii)	**3,796.0** (7.8)	**7,309.0** (8.6)	**2,219.0** (8.9)	**2,262.0** (8.1)	**2,460.3** (8.3)	**3,158.5** (7.8)	**698.2**	**28.4**
i) Agriculture and Allied Services	3,180.0 (6.6)	6,270.0 (7.4)	1,934.0 (7.8)	2,067.6 (7.4)	2,222.4 (7.5)	2,862.8 (7.1)	640.4	28.8
ii) Co-operation	616.0 (1.3)	1,039.0 (1.2)	285.0 (1.1)	194.4 (0.7)	237.0 (0.8)	295.7 (0.7)	57.8	24.3
II Irrigation, Flood Control and Power (i + ii)	**23,365.0** (48.2)	**37,030.0** (43.5)	**11.399.0** (45.7)	**12,168.4** (43.4)	**12,139.1** (40.8)	**16,150.5** (39.9)	**4,011.4**	**33.0**
i) Power	12,985.0	21,307.0	7,416.0	7,663.7	7,422.5	9,928.9	2,506.4	33.8
ii) Irrigation and Flood Control	10,380.0 (21.4)	15,723.0 (18.5)	3,983.0 (16.0)	4,504.7 (16.1)	4,716.6 (15.9)	6,221.6 (15.4)	1,505.0	31.9
III Industry and Minerals (i + ii)	**2,603.0** (5.4)	**4,748.0** (5.6)	**1,224.0** (4.9)	**1,335.1** (4.8)	**1,320.3** (4.4)	**2,149.5** (5.3)	**829.2**	**62.8**
i) Village and Small Industries	938.0 (1.9)	1,661.0 (2.0)	536.0 (2.1)	544.1 (1.9)	603.8 (2.0)	857.0 (2.1)	253.2	41.9
ii) Medium and Large Scale Industries and Mining	1,665.0 (3.4)	3,087.0 (3.6)	688.0 (2.8)	791.0 (2.8)	716.5 (2.4)	1,292.5 (3.2)	576.0	80.4
IV Transport and Communication	**4,090.0** (8.4)	**6,367.0** (7.5)	**1,944.0** (7.8)	**2,407.2** (8.6)	**2,727.2** (9.2)	**3,417.4** (8.4)	**690.2**	**25.3**
V Others	**14,628.0** (30.2)	**29,708.0** (34.9)	**8,161.0** (32.7)	**9,838.3** (35.1)	**11,085.6** (37.3)	**15,595.1** (38.5)	**4,509.5**	**40.7**
Total (I to V)	**48,482.0** (100.0)	**85,162.0** (100.0)	**24,947.0** (100.0)	**28,011.0** (100.0)	**29,732.5** (100.0)	**40,471.0** (100.0)	**10,738.5**	**36.1**

Note: Figures in brakcets indicate percentage to total.

Table VIII-24 : Combined Deficits of Central and State Governments

(Rs. crore)

Year	Gross Fiscal Deficit	Net Fiscal Deficit	Net Primary Deficit	Revenue Deficit	Conven-tional Deficit	Mone-tised Deficit*
1	2	3	4	5	6	7
1990-91	53,580	45,224	26,223	23,871	11,275	15,166
	(10.10)	(8.50)	(4.93)	(4.49)	(2.12)	(2.85)
1991-92	45,850	40,369	19,082	21,911	-7,011	5,848
	(7.45)	(6.56)	(3.10)	(3.56)	(-1.14)	(0.95)
1992-93	52,404	46,000	18,180	23,688	10,483	4,081
	(7.43)	(6.52)	(2.58)	(3.36)	(1.49)	(0.58)
1993-94	53,345	44,400	9,523	21,907	7,467	N.A.
(Budget Estimates)	(6.63)	(5.52)	(1.18)	(2.73)	(0.95)	(-)
1993-94	71,666	63,029	28,132	40,113	10,954	-331
(Revised Estimates)	(8.92)	(7.84)	(3.50)	(4.99)	(1.36)	(-0.04)
1994-95	74,955	65,579	21,267	40,676	9,250	N.A.
(Budget Estimates)	(8.19)	(7.18)	(2.32)	(4.44)	(1.01)	(-)

Note : Figures in brackets are percentages to GDP at current market prices.
* Actuals as per RBI Records.

Table VIII-25 : Composition of Combined Gross Fiscal Deficit of Central and State Governments

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6	7
1. Revenue Deficit	23,871	21,911	23,688	21,907	40,113	40,676
	(44.5)	(47.8)	(45.2)	(40.6)	(56.0)	(54.3)
2. Net Lending	8,338	5,481	6,403	8,947	8,637	9,375
	(15.6)	(11.9)	(12.2)	(16.6)	(12.1)	(12.5)
3. Capital Outlay	21,371	21,496	24,274	25,938	25,416	28,904
	(39.9)	(46.9)	(46.3)	(48.1)	(35.4)	(38.5)
4. Disinvestment of Public Sector Undertakings	-	3,038	1,961	2,900	2,500	4,000
		(6.6)	(3.7)	(5.3)	(3.5)	(5.3)
5. Gross Fiscal Deficit (1+2+3-4)	**53,580**	**45,850**	**52,404**	**53,892**	**71,666**	**74,955**
	(100.0)	**(100.0)**	**(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. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)		1992-93 (Accounts)		1993-94 (Budget Estimates)			1993-94 (Revised Estimates)			1994-95+ (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 @**	**1,66,818**	**1,90,174**	**14.0**	**2,08,494**	**9.6**	**2,27,892**	**10.7**	**9.3**	**2,38,510**	**4.7**	**14.4**	**2,66,568**	**11.8**
of which:													
1 **Developmental (a+b+c)**	**98,686**	**1,09,372**	**10.8**	**1,18,202**	**8.1**	**1,22,738**	**10.3**	**3.8**	**1,30,374**	**6.2**	**10.3**	**1,40,999**	**8.1**
a) Revenue	71,286	81,597	14.5	89,156	9.3	90,693	10.2	1.7	99,233	9.4	11.3	106,881	7.7
b) Capital	16,364	16,220	-0.9	18,175	12.1	19,719	9.5	8.5	18,191	-7.7	0.1	21,011	15.5
c) Loans	11,036	11,555	4.7	10,871	-5.9	12,326	12.5	13.4	12,950	5.1	19.1	13,107	1.2
2 **Non-Developmental (a+b+c)**	**63,397**	**72,319**	**14.1**	**82,795**	**14.5**	**97,463**	**13.8**	**17.7**	**1,00,175**	**2.8**	**21.0**	**1,17,737**	**17.5**
a) Revenue	57,558	66,688	15.9	76,314	14.4	90,752	14.5	18.9	92,431	1.9	21.1	1,09,293	18.2
of which:													
Interest Payments	24,995	30,993	24.0	36,428	17.5	44,368	15.7	21.8	44,141	-0.5	21.2	54,045	22.4
b) Capital	5,007	5,275	5.4	6,098	15.6	6,219	5.2	2.0	7,225	16.2	18.5	7,893	9.2
c) Loans	832	356	-57.2	383	7.6	492	5.6	28.5	519	5.5	35.5	551	6.2
II. **Total Receipts (A+B)**	**1,55,543**	**1,83,163**	**17.8**	**1,98,011**	**8.1**	**2,20,425**	**10.0**	**11.3**	**2,27,556**	**3.2**	**14.9**	**2,57,318**	**13.1**
A. Revenue Receipts	**1,05,757**	**1,27,389**	**20.5**	**1,43,017**	**12.3**	**1,60,673**	**10.7**	**12.3**	**1,52,744**	**-4.9**	**6.8**	**1,76,858**	**15.8**
of which:													
i) Tax Receipts(a+b+c)	87,564	1,02,674	17.3	1,14,492	11.5	1,31,725	13.0	15.1	1,21,977	-7.4	6.5	1,40,185	14.9
a) Taxes on Commodities and Service	72,242	82,437	14.1	90,563	9.9	1,04,247	11.3	15.1	95,082	-8.8	5.0	1,09,927	15.6
b) Taxes of Income and Property	14,267	19,040	33.5	22,485	18.1	25,690	20.1	14.3	25,885	0.8	15.1	30,072	16.2
c) Taxes of Union Territories (Without Legislature)	1,055	1,197	13.5	1,444	20.6	1,788	14.3	23.8	1,010	-43.5	-30.1	186	-81.6
ii) Non-Tax Receipts	18,193	24,715	35.8	28,525	15.4	28,928	1.4	1.4	30,767	6.4	7.9	36,673	19.2
of which:													
Interest Receipts	5,976	9,706	62.4	8,608	-11.3	8,946	2.8	3.9	9,244	3.3	7.4	9,733	5.3
B Capital Receipts	**49,786**	**55,774**	**12.0**	**54,994**	**-1.4**	**59,752**	**8.0**	**8.7**	**74,812**	**25.2**	**36.0**	**80,460**	**7.5**
of which:													
i) Market Borrowings (Gross)	11,549	12,231	5.9	8,671	-29.1	8,816	0.9	1.7	8,999	2.1	3.8	9,290	3.2
ii) Market Borrowings (Net)	10,557	10,815	2.5	7,177	-33.6	7,150	-2.1	-0.4	7,335	2.6	2.2	8,296	13.1
iii) Small Savings (Net)	9,885	7,194	-27.2	6,349	-11.7	6,144	14.7	-3.2	6,706	9.1	5.6	6,773	1.0
iv) State Provident Funds (Net)	3,709	3,641	-1.8	4,601	-26.4	4,696	-1.9	2.1	5,027	7.0	9.3	5,396	7.3

Contd.

Table VIII-26 : Combined Receipts and Disbursements of the Central and State Governments *(Concld.)*

(Rs. crore)

Item	1990-91 (Accounts)	1991-92 (Accounts)		1992-93 (Accounts)		1993-94 (Budget Estimates)			1993-94 (Revised Estimates)			1994-95+ (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
II. Overall Surplus(+)/ Deficit(-) (II-I)	**-11,275**	**-7,011**		**-10,483**		**-7,467**			**-10,954**			**-9,250**	
Financing of Surplus(+)/Deficit(-)													
i) Increase(+)/Decrease(-) in cash Balances of Centre and States	+156	-597		-12,375		-7,151			-9,356			-9,261	
ii) Increase(-)/Decrease(+) of Treasury bills of Centre	-11,769	-6,887		-539		Neg.			-1,329			—	
iii) Withdrawals from(-)/ Additions to(+) Cash Balances Investment Accounts of States (Net)	+427	+685		+2,248		-72			-550			+11	
iv) Increase(-)/Decrease(+) in Ways and Means Advances and Overdrafts from RBI to States(Net)	- 90	-212		+183		-244			+281			—	
V. I as per cent of GDP*	**31.4**	**30.9**		**29.5**		**28.4**			**29.7**			**29.1**	
V. II as per cent of GDP*	**29.2**	**29.8**		**28.1**		**27.4**			**28.3**			**28.1**	
I. IIA as per cent of GDP*	**19.9**	**20.7**		**20.3**		**20.0**			**19.0**			**19.3**	
II. IIA(i) as per cent of GDP*	**16.5**	**16.7**		**16.2**		**16.4**			**15.2**			**15.3**	

Note : Data relate to 25 State Governments and National Capital Territory of Delhi. Data relating to State Governments for 1991-92 to 1994-95 are from Vote- on- Account Budgets of 9 States and final Budgets of 17 States. Further, data in respect of Bihar, Jammu and Kashmir and Nagaland relate to Revised Estimates for the year 1992-93 (Accounts.)

\+ 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 assingments to local bodies and Panchayat Raj Institutions, appropriation to contingency funds 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.

Table VIII-27 : Trends in Budgetary Deficits and Net RBI Credit to Governments

(Rs. crore)

Year	Budgetary Surplus(+)/Deficit(-)($)			Net RBI Credit to Governments(a)		
	Centre	States	Total	Centre	States	Total
1	2	3	4	5	6	7
1980-81	-2,477	-897	-3,374	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*	2,508
1983-84	-1,417	-561	-1,978	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	-667	-8,928	7,091	516	7,607
1987-88	-5,816	-66	-5,882	6,559	-157	6,402
1988-89	-5,642	380	-5,262	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	- 156	- 7,011	5,508	340	5,848
1992-93	-12,312	1,829	-10,483	4,257	-176	4,081
1993-94 (Budget Estimates)	-4,314	-3,153	-7,467	4,314	—	4,314
1993-94 (Revised Estimates)	-9,060	-1,894	-10,954	260	-591	-331
1994-95 (Budget Estimates)	-6,000	-3,250**	-9,250	—	—	—

(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 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 States are from Vote-on-Account Budgets.

Table VIII-28: Railway Budget at a Glance

(Rs. crore)

	Items	1992-93 (Actuals)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	Variations					
						Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
						Amount	Percentage	Amount	Percentage	Amount	Percentage
1		2	3	4	5	6	7	8	9	10	11
I	Gross Traffic Receipts(a to d) *	15,688.4	1,9021.0	18,585.0	20,394.0	2,896.6	18.5	-436.0	-2.3	1,809.0	9.7
					(19,397.0)					(812.0)	(4.4)
	a) Passengers Earnings	4315.1	5,110.0	4865.0	5,138.0	549.9	12.7	-245.0	-4.8	273.0	5.6
	b) Goods Earnings	10,903.0	13,173.0	12,830.0	14,289.0	1,927.0	17.7	-343.0	-2.6	1,459.0	11.4
	c) Sundry Other Earnings(including suspense)	46.4	278.0	435.0	494.0	388.6	837.5	157.0	56.5	59.0	13.6
	d) Other Coaching Earnings	423.9	460.0	455.0	473.0	31.1	7.3	-5.0	-1.1	18.0	4.0
II	Total Working Expenses (a to c)	13,980.0	15,855.0	15,355.0	17,307.0	1,375.0	9.8	-500.0	-3.2	1,952.0	12.7
	a) Ordinary Working Expenses	10,480.0	11.955.0	11,755.0	13,307.0	1,275.0	12.2	-200.0	-1.7	1,552.0	13.2
	b) Appropriation to Depreciation Reserve Fund	2,300.0	2,400.0	2,100.0	2,300.0	-200.0	-8.7	-300.0	-12.5	200.0	9.5
	c) Appropriation to Pension Fund	1,200.0	1,500.0	1,500.0	1,700.0	300.0	25.0	-	-	200.0	13.3
III	Net Traffic Receipts(I-II)	1,708.4	3,166.0	3,230.0	3,087.0	1,521.6	89.1	64.0	2.0	-143.0	-4.4
					(2,090.0)					(-1,140.0)	(-35.3)
IV	Net Miscellaneous Receipts(a-b)	247.0	282.0	264.0	255.0	17.0	6.9	-18.0	-6.4	-9.0	-3.4
	a) Total Miscellaneous Receipts $	426.3	433.5	411.5	410.8	-14.8	-3.5	-22.0	-5.1	-0.7	-0.2
	b) Total Miscellaneous Expenditure $$	179.3	151.5	147.5	155.8	-31.8	-17.7	-4.0	-2.6	8.3	5.6
V	Net Railway Revenue(III+IV)	1,955.4	3,448.0	3,494.0	3,342.0	1,538.6	78.7	46.0	1.3	-152.0	-4.4
					(2,345.0)					(-1,149.0)	(-32.9)
VI	Payment to General Revenue@	1,172.4	1,253.0	1,299.0	1,372.0	126.6	10.8	46.0	3.7	73.0	5.6
VII	Deferred Dividend Liability Fund	342.0	-	-	-						
VIII	Surplus(+)/Deficit(-) $$$	441.1	2,195.0	2,195.0	1,970.0	1,753.9	397.6	-	-	-225.0	-10.3
IX	Appropriation to (+)//withdrawal from(-)				(973.0)					(-1,222.0)	(-55.7)
	a) Railway Development Fund	370.2	235.0	220.0	290.0	-150.2	-40.6	-15.0	-6.4	70.0	31.8
	b) Railway Revenue Reserve Fund	-	-	-	-						
	c) Capital Fund	70.9	1,960.0	1,975.0	1,680.0	1,904.1	2,685.6	15.0	0.8	-295.0	-14.9
X	Operating Ratio @@(per cent)	87.4	83.1	83.0	85.4						
XI	Capital-at-charge **	20,123.2	20,267.5	20,889.0	21,809.0	765.8	3.8	621.5	3.1	920.0	4.4
XII	Net Railway Revenue as Percentage of Capital-at-charge and Investment from Capital Fund- Railways***	9.7	15.3	15.3	13.1						
XIII	Surplus/Deficit as percentage of Capital-at-charge	2.2	10.8	10.5	9.0						

* Includes receipts of worked lines.
** Includes Capital outlay on Metropolitan transport projects and Circular Railway(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 Safety Works Fund.
@@ Excludes Metro Railway, Calcutta.
Note: Figures in brackets exclude Additional Resource Mobilisation of Rs.997 crore proposed in the budget for 1994-95.
Source: Explanatory Memorandum on the Railway Budget, 1994-95.

Table VIII-29 :Developmental Expenditure and Financing Pattern of Railways

(Rs. crore)

	Items	1992-93 (Actuals)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)	Variations					
						Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
						Amount	Percentage	Amount	Percentage	Amount	Percentage
	1	2	3	4	5	6	7	8	9	10	11
1	Rolling Stock @	2,506.7	2,824.6	2,626.7	2,800.2	120.0	4.8	-197.9	-7.0	173.5	6.6
		(40.7)	(43.5)	(42.4)	(43.0)						
2	Traffic Facilities*	1,043.6	1,161.7	1,302.6	1,239.3	259.0	24.8	140.9	12.1	-63.3	-4.9
		(16.9)	(17.9)	(21.0)	(19.0)						
3	Track Renewals	1,324.9	1,273.0	1,231.4	1,270.1	-93.5	-7.1	-41.6	-3.3	38.7	3.1
		(21.5)	(19.6)	(19.9)	(19.5)						
4	Electrifications$	300.8	345.7	293.0	321.2	-7.8	-2.6	-52.7	-15.2	28.2	9.6
		(4.9)	(5.3)	(4.7)	(4.9)						
5	New Lines	272.3	188.4	218.5	191.0	-53.8	-19.8	30.1	16.0	-27.5	-12.6
		(4.4)	(2.9)	(3.5)	(2.9)						
6	Signalling and Telecommunication works	153.0	165.6	163.0	226.8	10.0	6.5	-2.6	-1.6	63.8	39.1
		(2.5)	(2.5)	(2.6)	(3.5)						
7	Staff Quarters	26.8	27.5	27.2	28.1	0.4	1.5	-0.3	-1.1	0.9	3.3
		(0.4)	(0.4)	(0.5)	(0.5)						
8	Plant and Machinery	62.9	85.0	70.2	77.2	7.3	11.6	-14.8	-17.4	7.0	10.0
		(1.0)	(1.3)	(1.1)	(1.2)						
9	Workshop including Production Units	155.6	260.5	194.6	170.5	39.0	25.1	-65.9	-25.3	-24.1	-12.4
		(2.5)	(4.0)	(3.1)	(2.6)						
10	Computerisation	16.2	60.0	33.9	80.0	17.7	109.3	-26.1	-43.5	46.1	136.0
		(0.3)	(0.9)	(0.6)	(1.2)						
11	Others (adjusted to credits or recoveries)	299.5	108.0	38.9	110.6	-260.6	-87.0	-69.1	-64.0	71.7	184.3
		(4.9)	(1.7)	(0.6)	(1.7)						
	Of which: Metropolitan Transport Projects	181.7	171.3	196.3	232.5	14.6	8.0	25.0	14.6	36.2	18.4
		(2.9)	(2.6)	(3.2)	(3.6)						
	Total (1 to 11)	6,162.3	6,500.0	6,200.0	6,515.0	37.7	0.6	15.0	-4.6	315.0	5.1
		(100.0)	(100.0)	(100.0)	(100.0)						
	Financing Pattern										
1	Budgetary Support	2,589.0	960.0	960.0	1,150.0	-1,629.0	-62.9	-	-	190.0	19.8
		(42.0)	(14.8)	(15.5)	(17.7)						
2	Market Borrowings	1025.3	900.0	900.0	1,050.0	-125.3	-12.2	-	-	150.0	16.7
		(16.6)	(13.8)	(14.5)	(16.1)						
3	Internal Resources	2,548.0	4,640.0	4,340.0	4,315.0	1,792.0	70.3	-300.0	-6.5	-25.0	-0.6
		(41.4)	(71.4)	(70.0)	(66.2)						
	Total(1 to 3)	6,162.3	6,500.0	6,200.0	6,515.0	37.7	0.6	-300.0	-4.6	315.0	5.1
		(100.0)	(100.0)	(100.0)	(100.0)						

Note : Figures in brackets represent percentages to total.

@ Includes sum of Rs.1025.6 crore (Actuals,1992-93) and Rs.900.0 crore (Revised Estimates, 1993-94) and Rs.1050.0 crore(Budget Estimates,1994-95) 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 : (i) Explanatory Memorandum on the Railway Budget, 1994-95.

(ii) Indian Railways Annual Report and Accounts 1992-93.

Table VIII-30 : Financial Impact of Social Obligations

(Rs. crore)

Items	1991-92 (Actuals)	1992-93 (Actuals)	1993-94 (Revised Estimates)
1	2	3	4
1 Loss on coaching services (suburban and non-suburban passenger traffic, parcel, luggage, etc.)	1,775.9 (84.6)	1,959.3 (88.7)	1,884.3 (93.8)
2 Loss on low-rated freight like foodgrains, fodder, charcoal, firewood, fruits and vegetables etc.	322.8 (15.4)	250.2 (11.3)	123.7 (6.2)
3 Total (1 + 2)	2,098.7 (100.0)	2,209.5 (100.0)	2,008.0 (100.0)

Note: Figures in brackets represent percentages to total.

Source: 1. Indian Railway Year Book, 1992-93.
2. Explanatory Memorandum on the Railway Budget, 1994-95.

Table VIII -31 : Financial Working of Department of Posts*

(Rs. crore)

Item	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5
1. Revenue Receipts	1,073.9	1,000.0	1,105.0	1,170.0
2. Working Expences	1,649.2	1,688.3	1,850.0	1,975.1
Of Which:				
i) Operation	1,132.2	1,136.5	1,247.5	1,353.1
ii) General Administration	103.2	108.6	115.2	117.2
iii) Engineering	21.5	26.6	26.6	29.2
iv) Pension	203.6	204.0	234.0	240.0
v) Accounts and Audit	37.7	41.7	46.0	47.7
vi) Stationary and Printing	66.2	81.3	82.3	83.3
vii) Agency Services	62.9	62.5	71.6	75.6
viii) Depreciation	6.9	8.0	8.0	9.0
ix) Others	15.0	19.1	18.8	20.0
3. Credit to Working Expences	483.5	550.0	560.0	659.0
4. Net Working Expences(2-3)	1,165.7	1,138.3	1,290.0	1,316.1
5. Net Receipts(1-4)	91.8	138.3	185.0	146.1
6. Dividend to General Revenues	..	..	..	..
7. Surplus(+)/Deficit(-)before making contributions towards Capital Expenditures(5-6)	91.8	138.3	185.0	146.1
8. Contributions towards Capital Expenditures	—	—	—	—
9. Surplus(+)/Deficit(-)after making contributions towards Capital Expenditures	91.8	138.3	185.0	146.1
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 Posts and Department of Telecommunications with effect from December 31, 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 and withdrawals from Capital Reserve Fund from 1987-88 entirely relates to Telecommunications.

Source: Detailed Demand for Grants of Department of Posts - 1994-95.

Table VIII - 32 : Capital Outlay of Department of Posts

(Rs. crore)

Item	1991-92 (Accounts)			1992-93 (Accounts)			1993-94 (Budget Estimates)			1993-94 (Revised Estimates)			1994-95 (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	33.2	-0.7	32.5	55.2	-1.5	53.7	65.2	2.0	67.2	55.4	2.0	57.4	55.9	1.0	56.9
2.Financed from:															
i) Receipts and Recoveries on (a+b)	—	—	—	—	5.8	5.8	—	—	—	—	—	—	—	—	—
a. Capital Account	—	—	—	—	5.8	5.8	—	—	—	—	—	—	—	—	—
b. Under Stores Suspence	—	—	—	—	—-	—	—	—	—	—	—	—	—	—	—
ii) Capital Reserve Fund @	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
iii) Depreciation on Historical Costs Transferred from Revenue	—	6.1	6.1	—	6.9	6.9	—	8.0	8.0	—	8.0	8.0	—	9.0	9.0
iv)Contributions towards Capital Expenditures from Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
v) Capital advanced from General Revenue	33.2	-6.8	26.4	55.2	-14.2	41.0	65.2	-6.0	59.2	55.4	-6.0	49.4	55.9	-8.0	47.9
Total (i to v)	**33.2**	**-0.7**	**32.5**	**55.2**	**-1.5**	**53.7**	**65.2**	**2.0**	**67.2**	**55.4**	**2.0**	**57.4**	**55.9**	**1.0**	**56.9**

@ 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, relate to Telecommunications.

Source : Detailed Demand for Grants of Department of Posts - 1994-95.

Table VIII - 33 : Financial Working of Department of Telecommunications*

(Rs. crore)

Item	1991-92 (Accounts)	1992-93 (Accounts)	1993-94 (Budget Estimates)	1993-94 (Revised Estimates)	1994-95 (Budget Estimates)
1	2	3	4	5	6
1 Revenue Receipts	3,874.5	4,757.7	6,527.0	6,531.0	8,152.0
2 Working Expenses of which:	2,424.4	2,919.0	4,143.0	4,273.0	4,967.0
i) Operation	450.1	507.9	578.2	560.0	629.2
ii) General Administration	200.8	227.0	273.2	261.2	306.3
iii) Engineering	878.9	1,022.7	1,169.7	1,224.8	1,448.6
iv) Pension	102.7	117.4	145.0	140.0	165.0
v) Accounts and Audit	15.6	18.1	19.6	21.3	24.4
vi) Stationery and Printing	8.5	8.0	18.0	18.0	30.0
vii) Agency Services	24.3	-59.5	40.7	1.7	23.9
viii) Depreciation	491.7	638.9	787.0	786.6	994.1
ix) Others	251.8	438.6	1,111.6	1,259.4	1,345.5
3 Credit to Working Expenses	279.8	356.5	429.0	425.0	484.4
4 Net Working Expenses (2-3)	2,144.6	2,562.6	3,714.0	3,848.0	4,482.6
5 Net Receipts (1-4)	1,729.9	2,195.1	2,813.0	2,683.0	3,669.4
6 Dividend to General Revenues	246.6	257.1	261.0	263.4	263.4
7 Surplus(+)/Deficit(-) before making contributions towards Capital Expenditure (5-6)	1,483.3	1,938.0	2,552.0	2,419.6	3,406.0
8 Contributions towards Capital Expenditure	—	—	—	—	—
9 Surplus(+)/Deficit(-) after making contributions towards Capital Expenditure	1,483.3	1,938.0	2,552.0	2,419.6	3,406.0
10 Appropriations to (+)/with-drawals from (-)@					
a) Revenue Reserve Fund	19.2	30.0	70.0	104.0	85.0
b) Capital Reserve Fund	1,464.1	1,908.0	2,482.0	2,315.6	3,321.0

* The erstwhile combined Posts and Telegraphs Department has been bifurcated into Department of Posts and Department of Telecommunications with effect from December 31, 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 and withdrawals from Capital Reserve Fund from 1987-88 entirely relate to Telecommunications.

Source: Detailed Demand for Grants of Department of Telecommunications 1994-95.

Table VIII - 34 : Capital Outlay of Department of Telecommunications

(Rs. crore)

Item	1991-92 (Accounts)			1992-93 (Accounts)			1993-94 (Budget Estimates)			1993-94 (Revised Estimates)			1994-95 (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	2,789.8	130.3	2,920.1	3,901.9	141.7	4,043.6	4,763.0	320.0	5,083.0	4,769.0	190.0	4,959.0	5,615.0	200.0	5,815.0
a. Telecommunication Services	2,789.8	—	2,789.8	3,901.9	—	3,901.9	4,763.0	—	4,763.0	4,769.0	—	4,769.0	5,615.0	—	5,615.0
b. Understores and Manufacture Suspense	—	130.3	130.3	—	141.7	141.7	—	320.0	320.0	—	190.0	190.0	—	200.0	200.0
2. Financed from:															
i) Receipts and Recoveries on (a+b+c)	602.3	232.2	834.5	1,243.0	103.0	1,346.0	1,175.2	290.0	1,465.2	1,600.8	160.0	1,760.8	1,235.9	170.0	1,405.9
a. Capital Account	0.3	—	0.3	—	—	Negl.	0.2	—	0.2	0.8	—	0.8	0.9	—	0.9
b. Understores and Manufacture Suspense	—	232.2	232.2	—	103.0	103.0	—	290.0	290.0	—	160.0	160.0	—	170.0	170.0
c. Deposits of Mahanagar Telephone Nigam Ltd.	602.0	—	602.0	1,243.0	—	1,243.0	1,175.0	—	1,175.0	1,600.0	—	1,600.0	1,235.0	—	1,235.0
ii) Advanced Rentals Received under Telex O.Y.T. and Other Schemes	59.0	—	59.0	49.7	—	49.7	314.8	—	314.8	38.7	—	38.7	48.1	—	48.1
iii) Deposits Received under Telex Deposit Scheme	12.0	—	12.0	1.9	—	1.9	3.0	—	3.0	0.5	—	0.5	—	—	—
iv) Capital Reserve Fund@	1,464.1	—	1,464.1	1,914.1	38.7	1,952.8	2,448.0	30.0	2,478.0	2,321.6	30.0	2,351.6	3,316.0	30.0	3,346.0
v) Depreciation on Historical Costs Transferred from Revenue	491.7	—	491.7	639.5	—	639.5	787.0	—	787.0	787.0	—	787.0	994.0	—	994.0
vi) Contributions towards Capital Expenditure from Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Negl.
vii) Capital advanced from General Revenue	140.7	-101.9	38.8	32.0	—	32.0	15.0	—	15.0	0.4	—	0.4	1.0	—	1.0
viii) Repayment of Loans by Mahanagar Telephone Nigam Ltd.	20.0	—	20.0	21.7	—	21.7	20.0	—	20.0	20.0	—	20.0	20.0	—	20.0
Total (i to viii)	**2,789.8**	**130.3**	**2,920.1**	**3,901.9**	**141.7**	**4,043.6**	**4,763.0**	**320.0**	**5,083.0**	**4,769.0**	**190.0**	**4,959.0**	**5,615.0**	**200.0**	**5,815.0**

@ 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 relate to Telecommunications.

Source : Detailed Demand for Grants of Department of Telecommunications - 1994-95.

Table VIII-35: Public Debt and Other Liabilities of Government of India
(As at the end of March)

(Rs. crore)

Item	1990	1991	1992	1993	1994 (Budget Estimates)	1994 (Revised Estimates)	1995 (Budget Estimates)
1	2	3	4	5	6	7	8
A. Public Debt (1 + 2)	1,61,536	1,85,529	2,09,698	2,41,371	2,51,143	2,88,621	3,27,069
	(35.4)	(34.9)	(34.1)	(34.2)	(31.3)	(35.9)	(35.7)
1. Internal Debt (i to xi)	1,33,193	1,54,004	1,72,750	199,102	204,690	2,42,729	277,561
	(29.2)	(28.9)	(28.1)	(28.2)	(25.5)	(30.2)	(30.3)
i) Market Loans	62,520	70,520	78,023	81,693	85,393	99,385	114,085
ii) Market Loans in Course of Repayment	46	46	52	59	52	59	59
iii) Special Bearer Bonds	964	951	277	43	1,204	—	—
iv) 91-days Treasury Bills	25,184	6,953	8,840	20,614	14,507	28,345	34,345
v) 91-days Treasury Bills funded into Special Securities	36,000	66,000	71,000	71,000	71,000	71,000	71,000
vi) 182-days Treasury Bills	774	1,078	3,986	—	—	—	—
vii) 364-days Treasury Bills	—	—	—	8,777	15,286	20,777	32,777
viii) Compensation and other Bonds	580	788	1,110	1,200	—	1,418	1,454
ix) Special Securities issued to the Reserve Bank of India	881	1,102	1,047	1,047	1,046	1,046	1,046
x) Special Securities issued to the International Financial Institution +	6,244	6,566	8,415	14,669	15,902	20,324	21,195
xi) Gold Bonds	—	—	—	—	—	375	1,600
2. External Debt:$	28,343	31,525	36,948	42,269	46,453	45,892	49,508
	(6.2)	(5.9)	(6.0)	(6.0)	(5.8)	(5.7)	(5.4)
B. Other Liabilities (1 to4)	1,06,657	1,29,029	1,44,964	160,554	185,317	1,83,298	2,05,985
	(23.3)	(24.3)	(23.5)	(22.8)	(23.1)	(22.8)	(22.5)
1)Small Savings Scheme	41,791	50,100	55,755	60,127	63,855	64,557	68,647
2) Provident Funds etc. (i + ii)	9,676	11,671	13,927	16,878	19,868	20,127	23,807
i) State Provident Funds	7,658	8,872	10,157	11,766	13,257	13,466	15,266
ii) Public Provident Funds	2,018	2,799	3,770	5,112	6,611	6,661	8,541
3) Other Accounts*	35,597	45,336	51,818	59,797	74,817	73,320	87,478
4) Reserve Funds and Deposits (i+ii)**	19,593	21,922	23,464	23,752	26,777	25,294	26,053
i) Bearing Interest	8,885	10,589	11,805	13,105	15,043	13,730	15,083
ii) Non- Bearing Interest	10,708	11,333	11,659	10,647	11,734	11,564	10,970
C. Aggregate Liabilities (A+B)	2,68,193	314,558	3,54,662	401,925	4,36,460	4,71,919	5,33,054
	(58.7)	(59.1)	(57.6)	(57.0)	(54.4)	(58.7)	(58.2)
D. Amount due from Pakistan on account of Pre-partition debt	-300	-300	-300	-300	-300	-300	-300
E. Net Liabilities of Government of India(C-D)	2,67,893	3,14,258	3,54,362	4,01,625	4,36,160	4,71,619	5,32,754

\+ 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 Reserve Fund of Railways and 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, Government of India 1994-95.

Table VIII-36 : Normal (Conventional)Market Borrowings of Government of India-1993-94

(Rs. crore)

Date of Auction	Notified Amount	No.of Bids Received	Total Face Value of Bids Received	No.of Bids Accepted	Total Face Value of Bids Accepted	Cuf-off Yield	Loans Issued	Cash	Conver-sion	Gross Market Borrow-ings	Repayment in Cash for un-covered Maturing Securities	Net Market Borrow-ings [col. 11-(12+10)]
1	2	3	4	5	6	7	8	9	10	11	12	13
3.6.93	1,000.0	62	1,212	41	1,000.0	13.00	13.00 Govt. Stock (1998)	1,000.0	—	1,000.0		
15.6.93	1,000.0	74	1,037	22	565.20	13.40	13.40% Govt. Stock (2002)	1,000.0	—	1,000. 0		
27.7.93	1,000.0	86	1,393	52	1,000.0	13.25	13.25% Govt. Stock (2000)	1,000.0	—	1,000.0	1,148.0	3,700.0
1.9.93	1,000.0	146	2,503	52	1,000.0	13.12	13.12% Govt. Stock (1999)	1,000.0	—	1,000.0		
16.11.93	848.0	104	2,300	45	848.03	13.31	13.31% Govt. Stock (2001)	848.0	—	848.0		
Total	**4,848.0**	**472**	**8,445**	**212**	**4,413.23**			**4,848.0**	**—**	**4,848.0**	**1,148.0**	**3,700.0**

Note : The minimum amount of Government Stock is Rs. 10,000/- (Face value) and in multiples of Rs. 10,000/- thereafter.

Table VIII-37: Net Market Borrowings of Local Authorities and Institutions sponsored by the Central and State Governments

(Rs. crores)

Institutions	1992-93	1993-94
1	2	3
Local Authorities		
1 Municipal Corporations	**61.35**	**24.66**
Institutions sponsored by the Central Government	**1,749.46**	**1,200.00**
1 Industrial Development Bank of India	500.00	200.00
2 Industrial Credit and Investment Corporation of India	—	—
3 Industrial Finance Corporation of India	439.96	366.00
4 Exim Bank	70.00	60.00
5 Industrial Reconstruction Bank of India	90.00	75.00
6 National Bank for Agriculture and Rural Development	100.00	78.00
7 Rural Electrification Corporation	30.00	26.00
8 Housing and Urban Development Corporation	40.00	30.00
9 National Co-operative Development Corporation	40.00	25.00
10 Damodar Valley Corporation	30.00	—
11 Shipping Credit and Investment Company of India Ltd.	—	—
12 Delhi Co-operative Housing Society Ltd.	20.00	—
13 National Housing Bank	45.00	40.00
14 Power Finance Corporation	14.50	10.00
15 Tourism Finance Corporation of India	—	—
16 SIDBI	330.00	290.00
Institutions Sponsored by State Governments	**1,026.07**	**1,053.63**
1 State Electricity Board	501.68	486.21
2 State Financial Corporation	320.85	350.00
3 Industrial Investment Corporations and Industrial Development Corporations	16.46	16.50
4 Land Development Banks	—	—
5 Housing Boards	14.54	13.11
6 Other Institutions	172.54	187.81
Grand Total	**2,836.88**	**2,278.29**

Table VIII- 38 : 364-day Treasury Bills 1993-94

(Rs. crore)

Date of Auction	Amount Offered	Amount Accepted	Cut-off Price	Implicit Yield	Outstanding # Amount
1	2	3	4	5	6
13 April, 1993	1,132.00	585.00	90.10	10.99	2,258.93
28 April, 1993	219.85	204.85	90.10	10.99	2,460.35
13 May, 1993	223.75	156.75	90.05	11.05	2,443.77
26 May, 1993	229.20	229.20	89.90	11.23	2,516.72
9 June, 1993	258.20	219.20	89.87	11.27	2,690.82
23 June, 1993	539.00	509.00	89.80	11.36	2,822.17
7 July, 1993	448.00	367.00	89.80	11.36	3,158.67
21 July, 1993	1,313.00	1,052.00	89.80	11.36	4,136.07
4 August, 1993	1,154.00	1,044.00	89.80	11.36	5,031.57
18 August, 1993	1,572.50	902.25	89.82	11.33	5,687.82
1 September, 1993	1,368.00	1,029.50	89.83	11.32	6,709.82
15 September, 1993	2,585.70	1,034.60	89.89	11.25	7,732.42
29 September, 1993	821.00	686.00	89.90	11.23	8,401.82
12 October, 1993	1,854.00	1,250.00	89.93	11.20	9,637.82
27 October, 1993	557.10	437.10	89.92	11.21	10,073.45
10 November, 1993	1,307.25	347.50	89.94	11.19	10,420.95
24 November, 1993	2,001.00	815.00	89.95	11.17	11,215.95
7 December, 1993	2,193.00	456.00	89.97	11.15	11,651.95
22 December, 1993	3,483.75	1,318.75	90.07	11.02	12,847.20
5 January, 1994	3,552.01	1,356.01	90.13	10.95	14,163.21
19 January, 1994	3,001.00	1,012.00	90.21	10.85	15,175.21
2 February, 1994	3,840.00	1,713.00	90.29	10.75	16,885.21
16 February, 1994	3,459.00	1,315.00	90.39	10.63	18,136.21
2 March, 1994	4,668.05	1,163.05	90.55	10.44	19,262.76
16 March, 1994	5,147.00	1,100.00	90.93	9.97	20,362.76
30 March, 1994	1,114.00	717.00	90.93	9.97	9,102.97

Table VIII- 38A : 364-day Treasury Bills 1994-95

(Rs. crore)

Date of Auction	Amount Offered	Amount Accepted	Cut-off Price	Implicit Yield	Outstanding Amount #
1	2	3	4	5	6
13 April, 1994	2,880.50	895.50	90.96	9.94	9963.47 #
27 April, 1994	3,368.00	1,146.00	91.02	9.87	11,009.62
10 May, 1994	2,567.50	1,686.00	91.06	9.82	12,548.87
24 May, 1994	1,708.00	1,194.00	91.10	9.77	13,600.67
8 June, 1994	1,021.00	949.00	91.06	9.82	14,454.47
22 June, 1994	678.31	453.31	90.92	9.99	14,654.78
6 July, 1994	923.00	307.00	90.88	10.04	14,708.78
20 July, 1994	2645.00	1274.00	91.06	9.82	15,546.78
3 August,1994	3888.00	2120.00	91.15	9.71	17,369.78
17 August, 1994	4028.00	2220.00	91.32	9.51	19,290.53
31 August,1994	2803.64	1900.50	91.40	9.41	12,095.77 ##
14 September,1994	536.07	343.07	91.40	9.41	12329.34
28 September,1994	105.20	32.00	91.39	9.42	12061.39

: Excluding bills for an aggregate face value of Rs. 7,122.81 crore maturing in 1993-94 were converted into 12.75% Government Stock,1996 aggregating Rs. 6,945.83 crore. and on 23.3.1994 bills for an aggregate face value of Rs. 11,936.79 crore maturing in 1994-95 were converted into 12.50% Government Stock, 2004 aggregating Rs. 11,225.67 crore.

: As on 2.9.1994,bills for an aggregate face value of Rs. 8,693.76 crore were converted into 11.75 per cent Government Stock, 2001 aggregating Rs. 8,078.36 crore.

Table VIII- 39 : 91-day Treasury Bills, 1993-94

(Rs. crore)

Date of Auction	Notified Amount	Cut-off Price	Implicit Yield	Face value of accepted bids
1	2	3	4	5
2 April, 1993	100.00	97.30	11.0997	73.00
8 April, 1993	150.00	97.38	10.7620	150.00
16 April, 1993	200.00	97.68	9.5004	200.00
22 April, 1993	150.00	97.68	9.5004	140.00
29 April, 1993	125.00	97.60	9.8361	20.00
7 May, 1993	50.00	97.62	9.7521	50.00
14 May, 1993	50.00	97.65	9.6262	50.00
21 May, 1993	50.00	97.63	9.7101	45.00
28 May, 1993	75.00	97.62	9.7521	74.50
4 June, 1993	100.00	97.58	9.9201	87.00
11 June, 1993	100.00	97.57	9.9621	100.00
18 June, 1993	100.00	97.55	10.0461	100.00
25 June, 1993	100.00	97.54	10.0882	87.00
2 July, 1993	100.00	97.55	10.0461	100.00
9 July, 1993	100.00	97.56	10.0041	100.00
16 July, 1993	150.00	97.60	9.8361	150.00
23 July, 1993	250.00	97.60	9.8361	250.00
30 July, 1993	250.00	97.62	9.7521	250.00
6 August, 1993	350.00	97.69	9.4585	350.00
13 August, 1993	450.00	97.72	9.3328	450.00
20 August, 1993	500.00	97.74	9.2490	500.00
27 August, 1993	500.00	97.76	9.1653	500.00
3 September, 1993	500.00	97.78	9.0816	500.00
10 September, 1993	500.00	97.82	8.9143	500.00
17 September, 1993	500.00	97.87	8.7054	500.00
24 September, 1993	500.00	97.95	8.3716	500.00
1 October,1993	500.00	97.95	8.3716	500.00
8 October,1993	500.00	98.00	8.1633	500.00
15 October,1993*	500.00	98.02	8.0800	500.00
22 October,1993	400.00	97.98	8.2466	400.00
29 October,1993	350.00	98.00	8.1633	350.00
5 November, 1993	350.00	97.98	8.2466	290.00
12 November, 1993	200.00	98.00	8.1633	200.00
19 November, 1993	200.00	97.92	8.4967	200.00
26 November, 1993	200.00	97.89	8.6219	200.00
3 December, 1993	200.00	97.90	8.5802	200.00
10 December, 1993	200.00	98.03	8.0384	200.00
17 December, 1993	200.00	98.05	7.9551	200.00
24 December, 1993	200.00	98.08	7.8303	200.00
30 December, 1993	300.00	98.09	7.7888	300.00
7 January,1994	400.00	98.02	8.0800	400.00
14 January,1994	400.00	97.96	8.3299	49.00
21 January,1994	400.00	97.90	8.5802	162.00
28 January,1994	250.00	97.92	8.4967	250.00
4 February,1994	400.00	97.93	8.4550	400.00
11 February,1994	400.00	97.95	8.3716	400.00
18 February,1994	400.00	97.95	8.3716	400.00
25 February,1994	400.00	97.98	8.2466	400.00
4 March,1994	400.00	98.08	7.8303	400.00
11 March, 1994	500.00	98.17	7.4565	500.00
18 March,1994	700.00	98.26	7.0832	700.00
25 March, 1994	900.00	98.20	7.3320	884.00
31 March, 1994	500.00	98.17	7.4565	500.00

* On October 14, 1993 Treasury bills amounting to Rs. 4088.31 (face value) crore were converted in to 2 year stock of 12.00 per cent aggregating Rs. 4,046 crore.

Contd..)

Table VIII-39A : 91-Day Treasury Bills, 1994-95

(Rs. crore)

Date of Auction	Notified Amount	Cut-off Price	Implicit Yield	Face value of accepted bids
1	2	3	4	4
7 April, 1994*	300.00	98.20	7.3320	300.00
15 April, 1994	500.00	98.22	7.2490	500.00
22 April, 1994	500.00	98.22	7.2490	500.00
29 April, 1994	500.00	98.22	7.2490	377.00
6 May,1994	500.00	98.23	7.2076	500.00
13 May,1994	500.00	98.16	7.7980	200.00
20 May,1994	300.00	98.14	7.5810	88.20
27 May,1994	200.00	98.10	7.7472	158.00
3 June, 1994	150.00	98.10	7.7472	150.00
10 June, 1994	250.00	98.04	7.9967	141.00
17 June, 1994	250.00	97.93	8.4550	250.00
24 June, 1994	250.00	97.86	8.7472	15.00
1 July, 1994	250.00	97.78	9.0816	65.00
8 July, 1994	150.00	97.78	9.0816	150.00
15 July, 1994	200.00	97.82	8.9143	200.00
22 July, 1994	250.00	97.90	8.5802	250.00
29 July, 1994	250.00	97.86	8.7472	250.00
5 August,1994	250.00	97.98	8.2466	250.00
12 August,1994	500.00	98.04	7.9967	500.00
19 August,1994	500.00	98.04	7.9967	500.00
26 August,1994	500.00	98.02	8.0800	500.00
2 September,1994	500.00	98.02	8.0800	500.00
8 September,1994	500.00	98.02	8.0800	500.00
16 September,1994	500.00	97.94	8.4133	23.00
23 September,1994	500.00	97.78	9.0816	300.00
28 September,1994	500.00	97.78	9.0816	73.00

* Treasury Bills amounting to Rs. 4,464.70 crore (face value) converted into 12.00 per cent Government Stock 1999 on April 7,1994 aggregating Rs. 4,417.17 crore.

Source : R.B.I. Records.

CHAPTER IX

CAPITAL MARKET*

Introduction

The Indian capital market, is undergoing a structural transformation. With increasing participation of the foreign institutional investors and with raising of funds by a number of Indian companies abroad through Global Depository Receipts and Foreign Currency Convertible Bonds, Indian capital market is being linked to international financial markets. Progressive integration of domestic and international markets would entail improvement in the infrastructural and institutional facilities including custodial facilities and trading, clearance, settlement and depository procedures. The Indian companies, on their part, have to conform to improved accounting and disclosure norms of international standards.

The developments which have taken place during 1993-94 are indicative of the process of reforms of the Indian capital market. Commencement of screen-based computerised trading at the National Stock Exchange has not only provided impetus for trading in bonds but has set the trend for modernisation/computerisation of other stock exchanges as well. The trading and clearance system of various stock exchanges are in the process of getting streamlined. Moreover, in order to improve market efficiency, it would be essential to improve dissemination of information and transparency in transactions.

The total capital issues by the Government, non-Government public limited companies, commercial banks and financial institutions during 1993-94 increased sharply by 34.4 per cent over the previous year. During 1994-95, the primary market is expected to maintain the volume of issues offered last year. The secondary market, for a major part of 1993-94 indicated an upbeat mood fuelled by a considerable extent by the flow of additional funds from abroad. The Reserve Bank of India (weekly) index numbers of ordinary share prices (Base: 1980-81 = 100) recorded a substantial gain of 49.3 per cent on a point-to-point basis during 1993-94 as compared with the decline of 39.9 per cent registered in 1992-93.

The sanctions and disbursements of All Financial Institutions (All-India and State Level Institutions) during 1993-94 (April-March) at Rs.42,450.0 crore and Rs.26,629.6 crore, respectively, showed an increase of 26.3 per cent and 15.2 per cent, respectively, over those in the preceding year. The gap between the sanctions and disbursements widened further in the year under review.

Policy Intiatives and Developments

In order to further strengthen the market and also to have a fair, transparent and efficient market system, the regulatory and monitoring authorities, viz., Government of India, the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) took a number of policy initiatives and notified necessary guidelines relating to different segments of the capital market during 1993-94.

The Securities and Exchange Board of India (SEBI)

1. In October 1993, regulations for underwriters of capital issues were announced. Among others, one of the important regulations was that the underwriters should register

* This chapter is based on information/data available up to end-September, 1994

themselves with SEBI. An underwriter, to get registered, should have a minimum networth of Rs.20 lakhs. The regulations set out the general obligations and responsibilities, procedures for inspection and disciplinary proceedings and action in case of default.

2. Capital adequacy norms for brokers of stock exchanges were announced in October 1993 to ensure that the member brokers are adequately capitalised in relation to their outstanding position in exchanges.

3. SEBI issued in October 1993 further clarifications to its guidelines on disclosure and investor protection. In any public issue, *inter alia*, an issuer company can reserve and make firm allotment in respect of Indian and multilateral development financial institutions (20 per cent), Indian mutual funds (20 per cent), foreign institutional investors [including non-resident Indians and overseas corporate bodies] (24 per cent), permanent employees (10 per cent), shareholders (10 per cent) subject to the condition that such reservations and firm allotments together with the promoters contribution would not exceed 75 per cent of the total issue amount.

4. Guidelines were issued in connection with capital issues in October 1993 to ensure that the advertisements are truthful, fair and clear and do not contain statements to mislead the investors to vitiate their judgments.

5. Consultative guidelines on transactions between clients and brokers of stock exchanges were issued in November 1993, specifying that the brokers have to issue contract notes for purchase/sale of securities to a client within 24 hours of the execution of the contract besides maintaining separate accounts for transactions of clients and of their own.

6. According to SEBI's guidelines issued in November 1993, the foreign brokers registered with SEBI are to operate in India only on behalf of registered FIIs, and are required to execute the contracts through Indian brokers only.

7. Guidelines were issued in December 1993 for Indian brokers for handling transactions routed through foreign brokers.

8. The regulations for debenture trustees announced in December 1993 made the registration of debenture trustees mandatory, listed out the conditions for grant of registration, the obligations and responsibilities of debenture trustees as well as procedures for inspection by SEBI.

9. According to guidelines issued in January 1994, listed companies can make preferential allotment to FIIs if they are registered with SEBI. The ceiling of 5 per cent of the total issued capital was fixed in case of a single FII. The maximum holding of all non-resident portfolio including those of registered FIIs and NRIs (corporate and non-corporate NRIs) should not exceed 24 per cent.

10. In March 1994, mutual funds were permitted to invest in money market instruments according to terms and conditions laid down in the guidelines to meet the short term liquidity requirements and during the terminal six months of the scheme to facilitate redemption process.

11. Revised guidelines for issue of bonus shares were issued in April 1994, indicating major stipulations for bonus issues.

12. In April 1994, by a notification, issuers were allowed to mention a price band of 20 per cent in the offer document submitted to SEBI for vetting. Final offer document will, however, have only one price, falling within the band.

13. The norms for corporate members amended in June 1994 mentioned the withdrawal of norms that a corporate member should have operated his membership for a period of atleast

five years before seeking membership of another stock exchange.

14. In July 1994, permission was accorded to mutual funds to take up underwriting of primary issues as part of their investment activity subject to their meeting capital adequacy norms and other regulations.

15. In July 1994, the stock exchanges were directed not to collect deposits (one per cent of subscription) from mutual funds schemes for listing requirements; however, it will apply to all other listed companies.

16. Guidelines were issued in July 1994 for bankers to issues to ensure greater investor protection; these guidelines made registration of bankers to issues with SEBI mandatory and stipulated general obligations and responsibilities of the bankers to issues.

17. In August 1994, guidelines were issued in respect of preferential issues for orderly development of the securities market and to protect the interest of the investors. According to these guidelines, all issues of capital by listed companies by way of any financial instrument including warrant, on a preferential basis to any select group of persons, shall be at market related prices with a lock-in period of five years.

18. In September 1994, notification was issued to the Stock Exchanges relating to amendment in the listing agreement. Accordingly, a listed company will have to submit a statement on yearly basis to the Exchange showing the variations between projected utilisation of funds and/or projected profitability statement made by it in the prospectus or letter of offer and the actual utilisation of funds and/or actual profitability.

Government of India

1. The Government of India through a notification relaxed rules and simplified procedures for listing of shares by companies in stock exchanges in September 1993. The Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957, relating to the requirement of a public offer of securities by a company seeking listing on a stock exchange was amended by lowering the minimum public offer of capital to be made by a company to 25 per cent of its issued capital, as compared to the earlier requirement of 60 per cent with certain exemptions.

2. The revised guidelines, for issue of public sector bonds, were issued in October 1993. Among others, it indicated that the tax-free bonds should have a minimum maturity of 7 years whereas the public sector undertakings will have freedom to fix the maturities of taxable bonds and the public issues shall be subject to guidelines issued by SEBI.

3. The guidelines for issue of Global Depositary Receipts and Foreign Currency Convertible Bonds by Indian companies issued in November 1993 were revised subsequently in May 1994.

4. In the Budget for 1994-95, it was announced that the units of mutual funds would be eligible for long term capital gains tax if investments therein exceed one year.

5. In March 1994, the Government of India invited tenders for the sale of shares of seven central public sector enterprises. For the first time, the foreign financial institutions were allowed to bid for the shares and the minimum offer amount was reduced to Rs.25,000 from the earlier level of Rupees one lakh.

Reserve Bank of India

1. In October 1993, the ceiling for investment by commercial banks in PSU bonds was raised from 1.5 per cent to 5.0 per cent of the bank's incremental aggregate deposits of the previous year, which was removed in January 1994.

2. Guidelines were issued in May 1994 to provide complete flexibility to the banks regarding their investment and underwriting of shares and debentures of corporate bodies within the overall ceiling of 5.0 per cent of incremental deposits of the previous year.

3. In February 1994, RBI permitted merchant banking subsidiaries of commercial banks to manage issues of other leasing and hire purchase finance companies.

4. Reserve Bank stipulated prudential norms on income recognition, asset classification, provisioning and capital adequacy standards for the all-India term-lending institutions in March 1994 and for non-banking financial companies and residuary non-banking companies in July 1994.

5. Reserve Bank restricted the use of stockinvest only to mutual funds and individuals in September 1994, thereby preventing the use of this instrument by banks, financial institutions, corporate bodies and stock brokers.

6. The Reserve Bank, on September 15, 1994, removed the lock-in period of one year on investments made by non-resident Indians and the overseas corporate bodies under the portfolio investment scheme for repatriation of sales proceeds and transfer of shares and convertible debentures.

Disinvestment by Public Sector Enterprises

During the year under review, disinvestment of shares by Public Sector Enterprises was undertaken only towards the end of the year. In the month of March 1994, the Government invited tenders for selling equity shares of seven Central Public Sector Enterprises. The foreign institutional investors were given permission to bid for these shares for the first time. The available information indicated that the Government accepted in April 1994 bids for sale of 11.37 crore shares of six PSUs amounting to Rs.2,292 crore.

Foreign Institutional Investors (FIIs)

Foreign Institutional Investors were allowed to invest in Indian capital market in September 1992 but they started investing in India only in January 1993 and became active since August 1993. As on 1st October 1994, 234 FIIs were registered with the SEBI. The net investment by the FIIs during the fiscal year 1993-94 aggregated Rs.5.2 billion. As at end-September 1994, the cumulative net investments by the FIIs were estimated at around Rs.83.9 billion or US $ 2,676.1 million. To facilitate the operations by the FIIs, the SEBI has permitted foreign brokers to extend assistance to all registered FIIs. Also the SEBI has allowed domestic companies to privately place their issues with the FIIs subject to observance of certain formalities.

Euro issues through FCCBs and GDRs

Consequent upon the announcement in the Union Budget 1993-94, the Government gave permission to a number of companies with good track record to issue Global Depository Receipts (GDRs) (see Box.1) or Foreign Currency Convertible Bonds (FCCBs).

Utilising the opportunities presented by the access to international capital markets, the Indian corporate sector found the markets abroad cheaper to raise resources vis-a-vis domestic markets. In the process, corporate sector raised substantial amount abroad. The Government of India issued guidelines for the issue of GDRs/ FCCBs in November 1993 and subsequently made the modifications to these guidelines in May 1994. During 1993-94, the total Euro-issues aggregated US $ 2,374 million of which US $ 1,460 million were through GDRs. Till end-September 1994, US $ 3,472.2 million were mobilised by 44 Indian companies through GDRs and FCCBs.

Box-1

Global Depository Receipts(GDRs)

Global Depository Receipts (GDRs) are essentially equity instruments created by Overseas Depository Banks (ODBs) which are authorised by the issuing companies in India to issue GDRs outside the country to non-resident investors against the shares of the issuing companies held with the nominated domestic custodian banks. The shares correspond to the GDRs in a fixed ratio, say of 1 GDR=2 shares. The GDRs could be issued in a negotiable form. GDRs can be redeemed at the price of the corresponding shares of the issuing company ruling on the date of redemption. For all purposes, GDRs can be treated as direct investment in the issuing companies. There are, however, ceilings on foreign equity participation. They can be traded on international markets.

Primary Market

Clearance of Offer document by SEBI

i) Clearance to non-Government Companies

After the abolition of Capital Issues Control effective from May 29,1992, the Securities and Exchange Board of India (SEBI) has been vetting letters of offer/prospectuses of the non-Government and Government Companies. During 1993-94, clearance given to non-Government companies for raising capital by way of shares and debentures/ bonds at Rs.17,121.0 crore registered a decline of 17.7 per cent over the previous year (refer to Statement No.95 in Volume II). Clearance for debentures/bonds by SEBI at Rs.7,739.0 crore, showed a decline of 27.4 per cent over the previous year. In respect of equity shares, clearance (including premium issues but excluding bonus issues) amounted to Rs.9,382.0 crore, registering a decline of 7.4 per cent over the previous year.

ii) Clearance to Government Companies

Clearance to Government companies for raising capital by way of shares and debentures/ bonds during 1993-94 amounted to Rs.4,423.0 crore as against Rs.370.0 crore in the preceding year.

New Issues Market

During 1993-94, the primary market witnessed further expansion in new issues, amounting to Rs.29,137.2 crore, registering thereby a rise of 34.4 per cent over the preceding year. Trends in new issues over the last ten-year period ending 1993-94 show that new issues were in excess of the trend line (Graph 1).

Non-Government Public Limited Companies

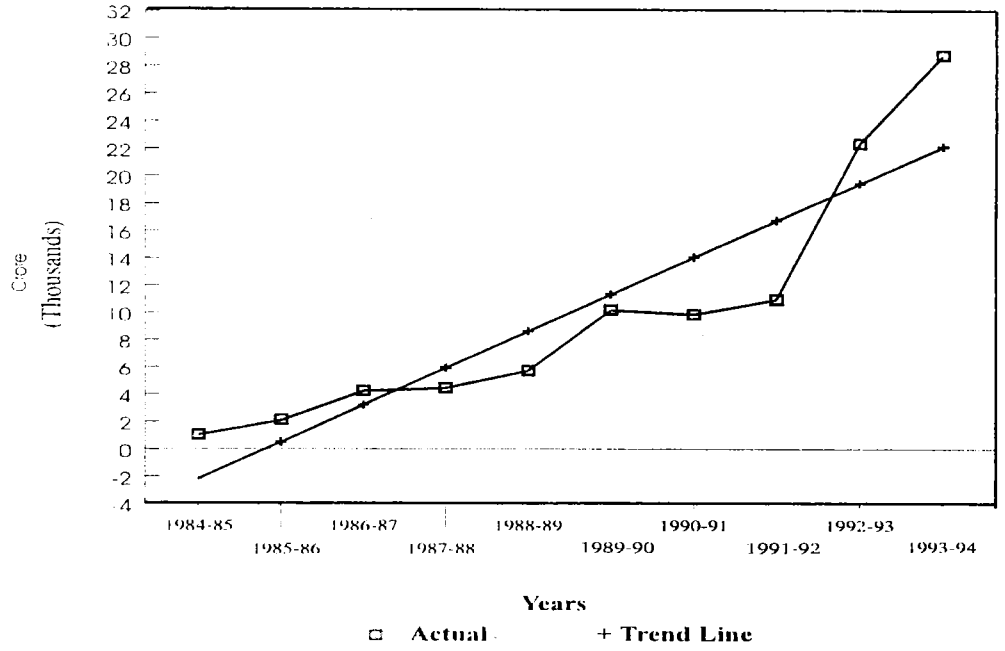
The new issues by the non-Government public limited companies during 1993-94 (April-March) at Rs.19,501.3 crore recorded a marginal decline of 1.6 per cent over the previous year (Rs. 19,825.6 crore), as against sharp rise of 220.1 per cent in 1992-93. The number of new issues rose substantially from 1037 in 1992-93 to 1136 in 1993-94 (Table IX-1).

Equity issues accounted for a higher share of 51.9 per cent of the total issued capital during the year. There were 987 equity issues equivalent to Rs.10,113.0 crore in 1993-94 as against 867 issues for Rs.9,981.1 crore in 1992-93. Equity issues with 'premium', however, constituted only 44.2 per cent of total equity issues during 1993-94 as against 51.9 per cent in 1992-93.

There was a modest fall in the number of debentures issued during the year; 145 debentures issues were floated in the market aggregating Rs. 9,324.9 crore as compared with 169 issues for Rs.9,844.0 crore in the preceding year. During the year, the new issues market witnessed 4 issues of preference shares (including equi-preference

Graph 1

New Issues



Note : New issues are both by Government and Non-Government companies. From 1992-93 onwards, the data include also of PSU equities and public issues of bonds of public sector including financial institutions and banks.

shares) aggregating Rs.63.4 crore as against only one such issue for Rs.0.5 crore in the previous year.

During the year, banks and financial institutions in the public sector tapped the capital market with 4 major issues of equities and bonds aggregating Rs.3,743.0 crore as compared with only Rs.356.0 crore through 2 issues during 1992-93.

There were 29 mega issues (each Rs. 100 crore and above) of equity, convertible and non-convertible debentures/bonds amounting to Rs.7,387.0 crore during 1993-94 constituting 37.9 per cent of total capital issues. As against this, 34 such issues amounting to Rs.8,971.7 crore accounting for 45.3 per cent were issued during 1992-93.

The primary market witnessed the introduction of innovative financial instruments such as triple option convertible debentures with tradeable warrants, optional fully convertible debentures and redeemable deep discount bonds with detachable warrants during the year under review, in addition to innovative instruments introduced in the past (Please see Box 5 in the chapter on Capital Market in the Report on Currency and Finance 1992-93 for description of the main characteristics of the new financial instruments). During 1993-94, Rs.5,460.0 crore worth of such hybrid/innovative securities were floated as compared to that of Rs.4,703.0 crore in the previous year.

The number of issues by new companies during 1993-94 rose to 226 from 201 in 1992-93. The amount of issues by new companies at Rs.5,538.5 crore registered a sharp increase of 72.9 per cent over the previous year (Table IX-2). As regards number and amount of issues by existing companies during the review period, while the number moved up to 910 from 836 in 1992-93, the amount of issues declined to Rs.13,962.8 crore from

Rs.16,621.4 crore.

During the first quarter of 1994-95, i.e., April-June 1994, new issues floated by non-Government public limited companies registered a marked slow down. The amount of issues at Rs.2,994.8 crore (through 326 issues) was lower by 25.9 per cent as compared to the previous year. The first quarter ending June 1994 witnessed only 2 mega issues (each Rs.100 crore and above) for raising Rs.516.5 crore as against 9 such issues for raising Rs.1,694.4 crore in the corresponding quarter of the previous year.

Public Sector Bonds

According to available information, ten Public Sector Undertakings (PSUs) raised Rs.5,074.4 crore from the market during the year 1993-94 (Table IX-3). Of these, bonds issued to public were for Rs.504.5 crore and the remaining Rs.4,569.9 crore were on private placement basis with banks Rs.2,888.1 crore, financial institutions including mutual funds Rs.1,361.7 crore, and others Rs.320.1 crore. Of the total PSU bonds issued during the year, Rs.1,249.9 crore constituted tax-free bonds at 10.5 per cent and the rest were of taxable bonds at interest rates ranging from 14 per cent to 18 per cent.

Mutual Funds

The mutual funds (MFs) have proved to be important conduits of mobilising resources particularly since 1987-88 when the public sector banks were allowed to set up subsidiaries to undertake mutual fund business. Besides UTI, there were five MF subsidiaries of Public Sector Banks (State Bank of India, Bank of India, Punjab National Bank, Canara Bank and Indian Bank), two MF subsidiaries of Investment institutions (LIC and GIC) and seven private sector MFs as at end of September 1994.

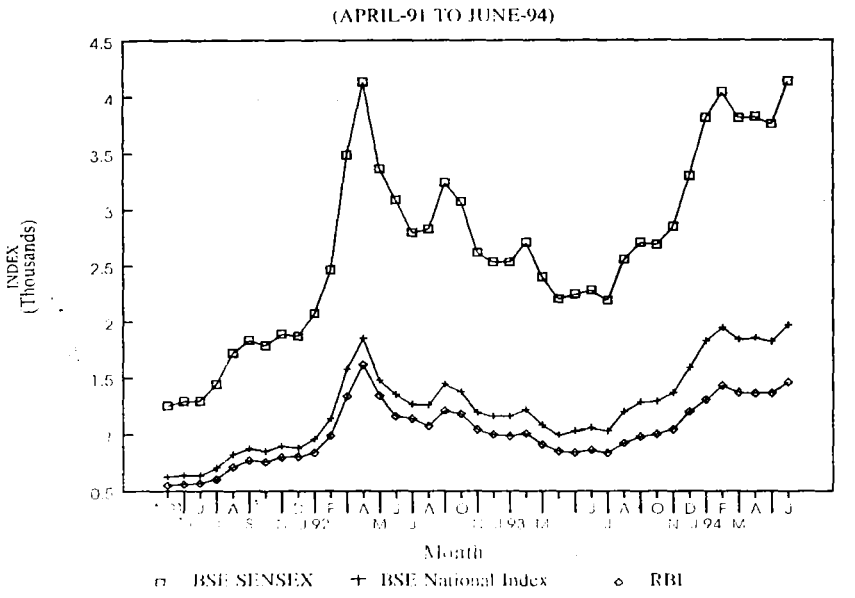
Resources mobilised by the MFs (including UTI) under various schemes rose substantially from Rs. 2,017.9 crore in 1987-88 to Rs. 13,017.8 crore in 1992-93-(Table IX-3A). Amount mobilised during 1993-94 is provisionally estimated at Rs. 11,405.9 crore. During the first six months of the current financial year 1994-95 (April-September) the amount mobilised by all the mutual funds is provisionally placed at Rs. 7,750.3 crore.

Secondary Market

Industrial Security Market

The stock markets opened on a weak note for the financial year 1993-94 and the sentiments remained subdued till the end of July 1993. However, the sentiments improved in the month of August 1993 on account of (1) large scale purchases by foreign institutional investors (FIIs); (2) favourable monsoon; and (3) assurance from the Government that investors' interests would be protected against attached shares. This trend was sustained upto February 1994. This was mainly attributed to (a) improvement in balance of payment position and fairly high level of foreign exchange reserves; (b) encouraging half-yearly results of companies; and (c) increasing investment by the foreign institutional investors (FIIs) in the stock markets. The markets, however, retreated in March 1994 after the presentation of the Union Budget, 1994-95 as the brokers were directed by SEBI to square up their outstanding positions as on March 11, 1994 due to a ban imposed by SEBI on carry-forward trading transaction thereafter. Also, FIIs reportedly withdrew temporarily following the rise in interest rates in the USA. Mirroring this trend, on a point-to-point basis, the RBI All-India Index Numbers of Ordinary Share Prices (Weekly) (Base:1980-81=100) recorded a net gain of 49.3 per cent moving from 892.1 for the week ended March 27, 1993 to 1331.7 for the week ended March 26, 1994, in contrast to a decline of 39.9 per cent recorded in the same period of the preceding year. The average gross yield of the scrips included in the RBI Index went up to 2.19 for the year 1993-94 from 1.69 in 1992-93 (Table IX-4). Trends in the movements of the index given in Graph 2 show that there is an underlying favourable sentiment pushing up the prices in the capital market.

Graph 2
Monthly Averages of BSE SENSEX, BSE National and RBI Share Price Indexes



During the first quarter of the financial year 1994-95 (i.e. April-June 1994), the equity prices displayed a mixed trend. The RBI index was lower by 0.4 per cent in April 1994, remained steady in May 1994 but went up by 7.0 per cent in June 1994. The index for the week ended June 25,1994 at 1513.9 recorded a gain of 13.7 per cent over the level for the week ended March 26, 1994 (Table IX-5). Impressive corporate results, firming up of prices of GDRs and expectations of normal monsoons accounted for the surge in equity prices during the last month of the first quarter of 1994-95. The average of the RBI index for April-June,1994 at 1394.4 was 63.7 per cent higher than the average index during the corresponding period of previous year.

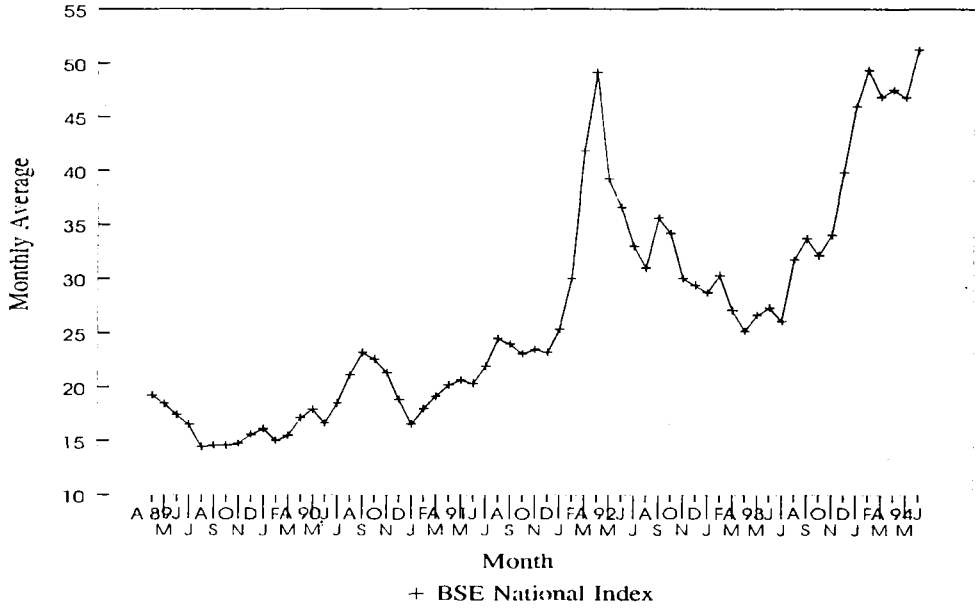
Industry-wise trends

The industry-wise analysis as reflected by the RBI Index Numbers of Ordinary Share Prices showed that all the industry groups registered substantial gains in 1993-94. This is in contrast to the performance in 1992-93, when 13 out of 14 industry groups had registered declining trend, with only the Aluminium industry group recording a positive performance. Electricity Generation and Supply recorded the highest gain of 105.3 per cent followed by Automobile and Auto ancillaries (81.4 per cent), Electricals and Electronic Machinery (73.9 per cent), Tea Plantations (70.8 per cent), Silk, Woollen and Rayon Textiles (64.3 per cent), Rubber and Rubber Products (47.0 per cent) and Man-made Fibres (46.7 per cent). The remaining industry groups recorded gains in the range of 8.0 to 32.0 per cent (Table IX-6).

Operations of Bombay Stock Exchange

During 1993-94, the Bombay Stock Exchange (BSE) Sensitive Index [Base: 1978-79=100] showed a trend similar to that of the RBI Index (Table IX-6A). The important indicators viz., monthly turnover, market captalisation and price-earning (P/E) ratio too corroborated the up-beat sentiments witnessed during the major part of the year 1993-94. During the year, the average monthly turnover of the BSE at Rs.7,045.0 crore, recorded an increase of 85.0 per cent over the year. The average P/E ratio of the 30 scrips

Graph 3
P/E Ratio of BSE National Index
(APRIL 1989 TO JUNE 1994)



included in the BSE Sensitive Index during 1993-94 at 36.4 was marginally higher than that of the previous year (35.5). This ratio in respect of scrip included in the BSE National Index during 1993-94 averaged 35.0 as against 33.0 in 1992-93 (Graph 3).

Market capitalisation as a percentage of Gross Domestic Product (GDP) is one of the indicators to measure the growth of capital market in the economy. The market capitalisation in the BSE at Rs.10,219.0 crore at the end-December 1984 shot up to Rs.3,23,363.0 crore at the end of March 1992. However, market capitalisation in the BSE declined to Rs. 2,10,952.0 crore, at the end of March,1993 as the market was affected on account of irregularities in securities transactions but rose to Rs.3,98,432.0 crore at the end of March 1994. The ratio of market capitalisation of BSE to GDP registered almost a continuous rise from 4.7 per cent of end-March, 1983 to 52.5 per cent at the end of March 1992. It declined to 29.9 per cent at the end of March, 1993 but rose again to 49.6 as at the end-March 1994.

The BSE 200 and the Dollex

The BSE introduced two new indexes during the year under review viz.BSE 200 and Dollex. In recent years, there has been a substantial structural change in the listed companies on the stock exchanges both in terms of capital base and trading activity. These factors necessitated compilation of a broad based index series to reflect the present market trends in a more effective manner and provide a better representation of the increased number of equity stocks, their market capitalisation as also the newly emerging industry groups.

Against this background, the BSE 200 reflects the movements in the shares of 200 selected companies from the specified and non-specified lists of the Bombay Stock Exchange as against 100 Companies in the BSE National Index. The criteria for selection has been the current market capitalisation of the listed companies, volume of turnover and certain fundamental factors. The total market capitalisation of the 200 selected companies was at Rs.2,91,098.0 crore at end-March 1994

which constituted 73.1 per cent of the total market capitalisation of all listed companies on the BSE. The financial year 1989-90 has been chosen as the base year in view of the price stability exhibited during that year and due to proximity of the current period.

The Dollex is a dollar version of the BSE 200 in which the formula for calculation of 'BSE 200' is suitably modified to express the current and base market values in dollar terms by dividing the current rupee market value by current rupee - dollar conversion rate and the base value by a constant average rupee - dollar conversion rate in the base year.

National Stock Exchange of India Limited

The National Stock Exchange of India (NSE), which was set up in November 1992, started its trading operations effective June 30, 1994. Only the debt market segment of the NSE was put into operation initially. The NSE has adopted fully automated screen based trading system which allows trading members to trade from their offices through a communication net-work. Besides, there is flexibility with regard to price, time and volume conditions. Securities such as Government Securities, Treasury Bills, PSU bonds and Unit -64 of UTI are being traded on the Exchange. Recently, CPs and Floating rate bonds have been added to the list of securities being traded on the exchange. When the capital market segment, begins to operate, its trading in equities and retail trade in convertible/non-convertible debentures and hybrids will be covered. During the two months of its operation i.e. till August 31, 1994, the value of total orders placed in the NSE amounted to Rs.13,984.4 crore and the value of securities actually traded amounted to Rs.1,868.7 crore.

Over the Counter Exchange of India (OTCEI)

OTCEI commenced its operations in October 1992 at Bombay and has opened 20 representative offices in all major cities of the country. According to available data, it has listed 25 scrips for the purpose of trading and 25 more scrips are traded on permitted list. During 1993-94, the turnover of OTCEI was Rs.38.3 crore through 24288 deals. The OTCEI entered into a Memorandum of Understanding with the National Association of Securities Dealers' Automated Quotations (NASDAQ) in February, 1994 for enhanced co-operation between the two exchanges in the area of market technology, regulations and business developments. While the OTCEI would support NASDAQ in their effort to encourage international listing of Indian issues, the NASDAQ will support OTCEI in its efforts to establish a market of international standards in India.

Operations of All Financial Institutions@

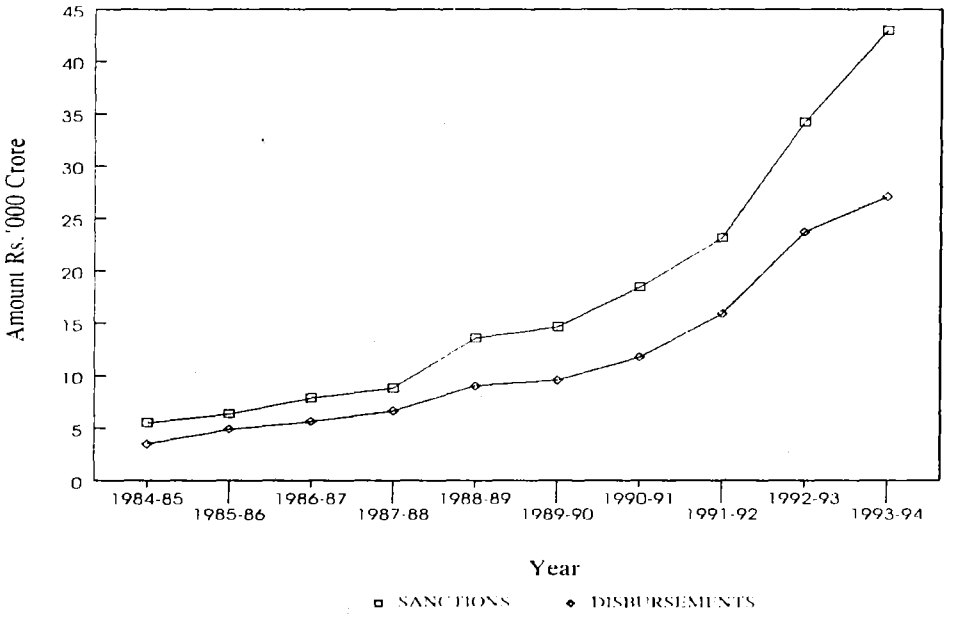
During 1993-94, the aggregate assistance sanctioned by All Financial Institutions (AFIs) (net of inter-institutional flows) at Rs.42,450.0 crore marked a distinct rise of 26.3 per cent over that of Rs.33,597.5 crore during the preceding year (Table IX-7). Assistance disbursed during the year, at Rs.26,629.6 crore recorded a significant increase of 15.2 per cent over the year. Graph 4 shows that the gap between sanctions and disbursements has been widening in the last two years.

All-India Development Banks consisting of IDBI, IFCI, ICICI, SIDBI, IRBI and SCICI collectively showed impressive performance in

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@ All Financial Institutions comprise All-India Development Banks, *viz.*, Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India Ltd. (IFCI), Industrial Credit and Investment Corporation of India Ltd. (ICICI), Small Industries Development Bank of India (SIDBI), Industrial Reconstruction Bank of India (IRBI), SCICI Ltd. (formerly known as Shipping Credit and Investment Company of India Limited), Specialised Financial Institutions *viz.*, Risk Capital and Technology Finance Corporation Limited (RCTC), Technology Development and Information Company of India Ltd.(TDICI), Tourism Finance Corporation of India Ltd. (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).

Graph 4
Financial Institutions Operations



their industrial development activities during the year under review. These Development Banks, during the year sanctioned Rs.31,357.9 crore, registering 44.6 per cent increase over the previous year's sanctions at Rs.21,686.2 crore and disbursements Rs.18,513.5 crore, registering an increase of 28.6 per cent, over the previous year's disbursements of Rs.14,393.2 crore. Also, specialised financial institutions comprising RCTC, TDICI and TFCI recorded significant increases in their financial assistance. During 1993-94, their sanctions at Rs.198.1 crore and disbursements at Rs.117.2 crore were higher by 24.1 per cent and 26.2 per cent, respectively, over the previous year. In contrast, investment institutions (UTI, LIC and GIC and its subsidiaries) together showed declines in both sanctions and disbursements during 1993-94. Sanctions and disbursements by these institutions aggregating Rs.10,764.7 crore and Rs.7,876.8 crore, respectively, during the year, were lower by 14.6 per cent and 16.2 per cent, respectively,as compared to those in the preceding year. Besides, during the year, the sanctions and disbursements by the state-level institutions (18 SFCs and 28 SIDCs) amounted to Rs.2,845.6 crore and Rs.2,282.9 crore, respectively, registering a decline of 4.8 per cent in sanctions and an increase of 1.4 per cent in disbursements over those during the previous year.

During 1993-94, financial institutions by reshaping and readjusting their operations in the emerging competitive environment, continued their efforts in the industrial growth of the country. The sanctions and disbursements by All-India Financial Institutions amounted to Rs.41,445.7 crore and Rs.25,632.5 crore, respectively, recording substantial rise of 27.1 per cent (sanctions) and 15.5 per cent (disbursements) over the previous year.

1. Development Banks

i) Industrial Development Bank of India (IDBI)

During 1993-94, the total assistance sanctioned under all schemes by IDBI aggregated Rs.13,195.2 crore, recording a growth of 37.2 per cent over the preceding year (Rs.9,618.0 crore). The assistance disbursed during the year amounted to Rs.8,070.6 crore which was higher by 21.0 per cent over those in 1992-93 (Rs.6,668.5 crore). As

at the end of March 1994, the cumulative sanctions and disbursements of the IDBI were Rs.77,163.5 crore and Rs.55,158.2 crore, respectively (Table IX-8).

IDBI has been operating a Venture Capital Fund (VCF) since March 1987. With effect from March 18,1994, the scope of VCF was expanded to include wider spectrum of projects. During 1993-94, sanctions for 13 new ventures amounted to Rs.13.0 crore under the VCF; the disbursements were Rs.6.0 crore. As at the end of March 1994, the cumulative sanctions and disbursements for 83 projects were Rs.60.0 crore and Rs.44.0 crore, respectively. IDBI sanctioned assistance to the tune of additional Rs.2.0 crore for four completed ventures during the year.

During 1993-94, assistance sanctioned by IDBI under Equipment Finance for Energy Conservation (EFEC) aggregated Rs.10.0 crore, whereas disbursements were of the order of Rs.17.0 crore. Cumulative sanctions under EFEC upto end-March 1994 amounted to Rs.138.0 crore covering 27 projects while disbursements aggregated Rs.78.0 crore.

In the second year of its merchant banking operations, in addition to issue management, IDBI entered into the area of mergers and amalgamations, loan syndications and private placements with FIIs and mutual funds. It also advised the Government on disinvestment in select Public Sector Enterprises. IDBI lead managed 77 rights and public issues for mobilising Rs.7,306.0 crore. Cumulatively, IDBI lead managed 118 rights and public issues for mobilising Rs.12,341.0 crore from the market. During 1993-94, IDBI participated in the maiden Euro loan syndication facility for an Indian corporate by taking up a senior position in the facility of US $ 20 million. It had accepted 40 assignments under the debenture trustee services during the year in respect of non-convertible debentures, partly convertible debentures, fully convertible debentures and bond issues aggregating Rs.1,252.0 crore.

Total resources raised by IDBI during 1993-94 aggregated Rs.13,122.5 crore, of which Rs.4,554.9 crore were borrowings and Rs.8,567.6 crore were by way of internal generation. The major source of borrowed rupee funds continued to be borrowings at market-related interest rates.

During the year, the single largest source of funds continued to be 'Internal Generation'. This aggregated Rs.8,567.6 crore, accounting for 65.3 per cent of total requirements during the year. The Government of India extended support to IDBI by way of various World Bank Lines of Credit worth Rs.277.0 crore. Under Section 17(4H)(b) of the RBI Act, Rs.143.0 crore were withdrawn from the Reserve Bank for providing assistance to commercial vehicle manufacturers, machinery manufacturers, etc., thereby fully utilising the sanctioned limit of Rs.400.0 crore.

An amount of Rs.200.0 crore was raised during the year from the domestic market through an issue of Government guaranteed bonds in August 1993. With the issues of second series of Term Discount Bonds, Step Discount Bonds and Regular Return Bonds, IDBI raised Rs.391.0 crore. Through fixed deposits schemes, IDBI raised Rs.219.0 crore during 1993-94. While Certificates of Deposits enabled IDBI to raise Rs.1,249.0 crore during the year (accounting for 9.5 per cent of total funds), Floating Rate Bonds, which was introduced during the year, enabled IDBI to raise Rs.700.0 crore (constituting 5.3 per cent of total funds). The 'Term Money Bond' which is of short term character ranging from three to six months, helped IDBI to mobilise Rs.486.0 crore during the year. Besides, Rs.100.0 crore were raised by way of term loan from LIC and a sum of Rs.77.0 crore by way of ad-hoc bonds.

During 1993-94, IDBI committed the following major drawals under multilateral lines of credit.

a) Rs.277.0 crore under various International Bank for Reconstruction and Development

(IBRD) Lines of Credit routed through the Government.

b) Commitment under the Line of Credit for Pollution Control Projects amounted to US$ 12.95 million during the year, cumulative commitment being US$ 56.09 million upto March 1994, of which US$ 27.12 million has been drawn so far.

c) An amount of US$ 1.08 million was committed under the Industrial Pollution Control (Grant) Line of Credit, taking the cumulative commitments to US$ 1.33 million.

d) Drawals during the year under the two lines for cement projects amounted to Rs.201.0 crore, under the general Line of Credit for Industrial Finance and Technical Assistance to Rs.12.0 crore and under the Pollution Control Line Rs.64.0 crore.

During 1993-94, an amount of DM 7.41 million was committed against the German Line of Credit. Under the US Exim Securitised Financing Facility, an amount of US$ 8.3 million was committed upto end-March 1994, of which US$ 3.3 million was availed of.

On termination of cross currency Yen/US$ Swap by Long Term Credit Bank of Japan Ltd. (LTCB), Hongkong, the underlying loan of Yen 6.5 billion was prepaid and a fresh loan of US$ 50 million was availed of from LTCB, Singapore.

IDBI introduced a variable rate system for lending with effect from December 15,1993 in addition to the prevailing fixed interest rate system as an option to the borrowers. This is charged on the basis of percentage points over the Bank's Long Term Prime Rate (LTPR) which is determined with reference to the anchor rate derived from the weighted average cut-off yield obtained from auctions of 364 day Treasury Bills.

IDBI opened a new leaf in its operations by setting up a number of institutions. Credit Analysis and Research Ltd. (CARE) was incorporated in April 1993. Its yet another institution, Investor Services of India Ltd. (ISIL) became operational in July 1994. The NSE, set up by IDBI as nodal agency, has commenced operations and is trading in debt instruments from June 30, 1994.

During the year, the Board of Directors of IDBI approved the setting up of IDBI Bank Limited (proposed), a commercial Bank in the private sector and also the IDBI Mutual Fund.

In line with general trend, the interest rates charged by IDBI on its direct loans were reduced by 2.5 percentage points in three stages during the year. The present interest band is 14.5 per cent to 17.5 per cent (inclusive of interest tax); with this trend, interest rates are charged in accordance with the perceived risk and credit-worthiness of the borrowers.

IDBI has a capital adequacy ratio of 13.4 per cent as on March 31, 1994 which is above the norm prescribed by RBI.

IDBI entered the international market in July 1994 with the Floating Rate Note issue of US$ 100 million. Also, a second issue of Floating Rate Bonds (FRB Series II) in July 1994 enabled IDBI to raise Rs.300.0 crore by way of private placement from the domestic market.

(ii) Industrial Finance Corporation of India Ltd. (IFCI)

A significant improvement in the activities of IFCI was witnessed during the year 1993-94. IFCI has now been converted into a company under the Companies Act, 1956 and has been notified as a company with effect from July 1, 1993. During 1993-94, the Corporation's sanction of financial assistance under different schemes aggregated Rs.3,980.7 crore (for 423 projects), registering an increase of 61.0 per cent over Rs.2,471.8 crore (436 projects) in 1992-93. The marked improvement in sanctions in 1993-94 compared to a marginal rise of 2.3 per cent in 1992-93 over

1991-92 was due to an all-round improvement in various types of financial sanctions. On the other hand, the disbursements during 1993-94 at Rs.2,163.1 crore were higher by 24.9 per cent over those in the preceding year (Rs.1,732.5 crore). The cumulative sanctions and disbursements as at the end- March 1994 stood at Rs.19,293.7 crore (for 4424 projects) and Rs.12,545.1 crore, respectively (Table IX-9).

The salient features of the financial assistance sanctioned during 1993-94 were: (a) assistance for 111 new projects alone amounted to Rs.1,838.7 crore, (b) 188 projects in notified backward districts accounted for Rs.1,839.2 crore and (c) 2 new projects promoted by new entrepreneurs for Rs.5.5 crore.

IFCI apart from project finance, offers a host of financial services viz., Suppliers' Credit, Equipment Leasing, Equipment Procurement, Equipment Finance, etc. The total financial assistance sanctioned under these schemes during 1993-94 amounted to Rs.1,039.7 crore. The cumulative financial sanctions for these services as on March 31, 1994 stood at Rs.3,827.2 crore. *Inter-alia,* assistance to 'Equipment Finance' amounted to Rs.258.0 crore (through 69 projects) and Buyers' Credit accounted for Rs.306.9 crore (through 18 projects).

IFCI has been registered with SEBI as a category I Merchant Banker since August 1,1993 and has also been granted registration to act as Debenture trustee. Merchant Banking and Allied Services Department (MB&AD) of IFCI handled 150 merchant banking assignments during the year, of which 56 related to public issue management for mobilisation of funds equivalent to Rs.3,116.0 crore, 57 assignments related to project appraisal for mobilising resources from the capital market, 36 debenture trusteeship assignments and one loan syndication assignment.

IFCI, in order to fund their diversified activities, entered the capital market during 1993-94 for raising Rs.526.4 crore by way of equity shares at premium from its employees and the public. Besides, IFCI raised rupee funds through issue of bonds amounting to Rs.366.0 crore. Also, the IFCI borrowed Rs.245.9 crore by way of certificates of deposit, Rs.100.0 crore from short-term inter bank money market and Rs.4.0 crore by way of deposit from the Management Development Institute (MDI).

The foreign currency resources presently available and committed with IFCI comprise lines of credit from Kreditanstalt-fur-Wideraufbau (KfW), Germany, Asian Development Bank, Manila, and Finfund, loans raised in US and Japanese Yen in international market, Deutsche Mark Revolving Fund (DMRF),and export credit lines from BHF Bank, Germany, UBS, Switzerland and U.S.Exim Bank Guaranteed (Securitised) Credit Facility through Chemical Bank, New York.

As on March 31, 1994, the total amount of credit made available by KfW Germany to IFCI amounted to DM 433 million. The accretion to DM Revolving Fund as on March 1,1994 amounted to DM 291 million and the cumulative disbursements out of this fund aggregated DM 175 million upto March 31, 1994. Sanctions against the BHF line of credit as on March 31,1994 aggregated DM 8 million, which was fully utilised. Under the Chemical Bank line of credit, sub-loans of US $ 13 million were sanctioned and L/Cs for US $ 4 million had been established. The cumulative sanctions, letters of credit opened and disbursements made against the ADB Line of Credit as on March 31, 1994, were US $ 105 million, US $ 105 million and US $ 104 million, respectively. The cumulative net sanctions in respect of Euro-dollar loans aggregated US $ 394 million; the letters of credit opened and disbursed out of these loans amounted to US $ 290 million and US $ 265 million, respectively. In respect of Japanese Yen loans, cumulative net sanctions amounted to JY 22,659 million. The total amount of letters of credit opened and the amount disbursed upto March 31, 1994 amounted to JY 13,621 million and JY 13,085 million, respectively.

(iii) Industrial Credit and Investment Corporation of India Ltd. (ICICI)

ICICI assists industries through a range of products such as project finance and through specific financial services. The project finance is provided by way of rupee and foreign currency loans, underwriting, direct subscription to equity/ debentures and guarantees and the financial services are available in the form of asset credit, deferred credit, equipment leasing, instalment sales, etc.

In 1993-94, aggregate sanctions by ICICI increased by 50.8 per cent to Rs.8,703.8 crore and this substantial increase could be achieved through further diversification of their activities during the year. Disbursements went up by 33.1 per cent to Rs.4,413.3 crore (Table IX-10). Cumulatively, at the end of March 1994, sanctions and disbursements by ICICI stood at Rs.37,667.2 crore and Rs.22,971.9 crore, respectively.

In 1993-94, the sanctions of direct finance in the form of rupee loans shot up by 54.7 per cent to Rs.4,107.9 crore, while the other part of direct finance, i.e. foreign currency loan, moved up by 15.2 per cent to Rs.595.2 crore. Disbursements of rupee loan rose substantially by 36.2 per cent to Rs.2,536.8 crore whereas foreign currency loan declined by 35.3 per cent to Rs. 470.4 crore.

Underwriting, namely, underwriting of ordinary shares, preference shares, debentures and bonds has been one of the major financial service activities of ICICI in recent years. In 1993-94, sanctions under the scheme amounted to Rs.618.7 crore as against Rs.634.7 crore in 1992-93, whereas disbursements moved sharply by five times from Rs.18.5 crore during 1992-93 to Rs.87.3 crore during 1993-94.

Substantial improvement has been noticed in ICICI's direct subscription to a host of new issues in the market. During 1993-94, sanctions for direct subscription were Rs.900.2 crore as against Rs.409.8 crore in the preceding year.

The assistance sanctioned by ICICI to backward areas at Rs.2,509.9 crore constituted 35.6 per cent of total project finance sanctioned as compared to Rs.1,953.9 crore (42.4 per cent of total project finance sanctioned) during 1992-93.

Sector-wise analysis of financial assistance indicated that private sector sanctions during 1993-94, constituted a larger share of the total project finance amounting to Rs.6,267.9 crore (88.8 per cent), followed by public sector at Rs.695.2 crore (9.9 per cent), joint sector Rs.85.1 crore (1.2 per cent) and co-operative sector at Rs.9.0 crore (0.1 per cent).

ICICI Securities and Finance Company Limited (I-SEC), a joint venture between ICICI and JP Morgan and Company Incorporated in New York and its affiliates, commenced its business in April 1993. I-SEC offers services in areas relating to issue management and credit syndication services to its clients, corporate financial advisory services and trading in debt instruments.

The ICICI Asset Management Company Limited set up in June, 1993 to operate the schemes of the 'ICICI Mutual Fund' had an encouraging response for its first Mutual Fund scheme.

'ICICI Premier', launched in November 1993 had mobilised a total subscription of Rs.160 crore against the target of Rs.100 crore. To provide better and quick services to investors, yet another subsidiary called ICICI Investors Services Limited commenced operations from March 1,1994. ICICI Banking Corporation Limited was registered on January 5, 1994 and received the certificate of Commencement of Business during the year. ICICI also formed a joint venture in July 1993 - Inapex Auto Products Exports - with a consortium of 30 major auto product companies to sell auto components abroad.

ICICI, during 1993-94, mobilised resources aggregating Rs.3,852.0 crore in rupee as well as in foreign currencies to meet the growing demand of funds for their various activities. The resources

of the Corporation, net of repayments and cancellations, aggregated Rs.16,096.0 crore at the end of March 31, 1994. Out of this, an amount of Rs.9,257.0 crore was mobilised in rupees and Rs.6,839.0 crore equivalent in foreign currencies.

ICICI launched a public issue of bonds in April-May 1993 and mobilised Rs.456.0 crore. Foreign currency borrowing from traditional sources were limited to a loan of DM 25 million from Kreditanstalt-fur-Wideraufbau (KfW). In February 1994, ICICI raised an amount of US$ 200 million from the Euro Debt market through Euro-Convertible Bonds.

(iv) Small Industries Development Bank of India (SIDBI)

SIDBI is the principal financial institution for promotion, financing and development of industry in the small, tiny and cottage sectors and for co-ordinating the functions of other institutions engaged in similar activities. During 1993-94, financial assistance sanctioned by SIDBI at Rs.4,014.1 crore registered 13.1 per cent growth and disbursements went up by 19.5 per cent to Rs.3,331.3 crore (Table IX-11). SIDBI provides both direct and indirect assistance; while direct assistance is channelised to the beneficiaries through specially designed schemes under project financing, equipment financing, infrastructure financing and bills discounting schemes, indirect finance is channelised through the intermediaries of banks and state-level financial institutions, mainly through refinancing and rediscounting. Under direct finance, during the year, sanctions and disbursements relating to bills discounting schemes, recorded an impressive growth of Rs.871.3 crore and Rs.764.6 crore, respectively, as against Rs.499.8 crore and Rs:428.1 crore in 1992-93 recording growth of 74.3 per cent (sanctions) and 78.6 per cent (disbursements) over the year. Indirect financial assistance of SIDBI consisting of refinance, short term bills and bills rediscounting, although showed marginal declining trend, continued to account for a major share of sanctions and disbursements amounting to Rs.2,632.1 crore and Rs.2,197.2 crore, respectively.

SIDBI's refinance assistance to projects in notified backward areas accounted for 40.5 per cent of sanctions and 39.9 per cent of disbursements in 1993-94 as compared to 39.1 per cent and 41.2 per cent, respectively, in the previous year.

During the year, to step up the flow of credit, speed up the process of disbursements and remove hardships faced by special target groups, SIDBI made certain policy changes such as: (i) reduction in interest rates, (ii) widening the scope of some of the existing schemes, (iii) liberalisation of terms of assistance, (iv) inclusion of new target groups for assistance and (v) simplification of procedures. The scope of Single Window Scheme (SWS) has been widened by making the proposals for rehabilitation, modernisation and technology upgradation of existing units. Under the Bills Financing Schemes, bills drawn by engineering units have been made eligible for discounting under the Direct Discounting Scheme.

SIDBI, had also taken certain new initiatives during the year for promoting schemes such as: (i) extension of term loan in foreign currency for imports of capital equipment by export-oriented units, (ii) refinance assistance to units in the small scale sector engaged in floriculture activity including cultivation, treatment and packaging of flowers, (iii) integrated infrastructural development, and (iv) support to non-Government organisations for creating and strengthening self help potential of the rural poor.

A Venture Capital Fund set up by SIDBI in 1992-93 with an initial corpus of Rs.10 crore for SSI Units (which do not qualify for assistance under conventional modes) became operational during the year.

During 1993-94, SIDBI mobilised resources to the tune of Rs.1,874.0 crore, of which loans from Overseas Economic Cooperation Fund (OECF), Japan and Kreditanstalt-fur-Wideraufbau

(KfW), Germany accounted for Rs.573.0 crore. An amount of Rs.290.0 crore was raised by way of SLR market borrowings in two tranches. In addition, Rs.549.0 crore were received from foreign banks representing shortfall in their priority sector lending targets and a sum of Rs.332.0 crore was received by SIDBI from RBI representing repayment of past borrowings out of NIC(LTO) Fund by IDBI.

SIDBI also became a member of OTCEI with a view to helping many SSI units access to capital market. SIDBI will also be establishing a line of credit for select finance companies and merchant banks which lend to and service SSI units. It will also enter into Memorandum of Understanding (MOU) with the banks and financial institutions.

(v) Industrial Reconstruction Bank of India (IRBI)

Industrial Reconstruction Bank of India (IRBI) provides financial assistance to industrial units by way of term loans, underwriting of equity/ debentures and guarantees for loans/deferred payments, besides offering a variety of financial services.

Financial assistance sanctioned by IRBI during 1993-94 amounted to Rs.425.8 crore registering an increase of 44.7 per cent over Rs.294.3 crore in the previous year (Table IX-12). Disbursements at Rs.188.6 crore, however, were marginally higher by 2.6 per cent over the previous year (Rs.183.9 crore). Component-wise, term loans accounted for 68.5 per cent of total sanctions and 92.8 per cent of disbursements, during the year. In contrast, during 1992-93 term loans sanctioned had constituted 97.8 per cent of total sanctions and 94.1 per cent of total disbursements. Cumulative sanctions, upto end-March 1994 stood at Rs.2,158.7 crore with disbursements aggregating Rs.1,476.8 crore.

During the year assistance sanctioned to notified backward areas stood at Rs.39.4 crore while the amount disbursed was Rs.47.1 crore.

Term loans sanctioned to projects in the private sector accounted for bulk of sanctions (Rs.262.0 crore or 89.9 per cent of total term loans), followed by joint sector (Rs.21.1 crore or 7.2 per cent), public sector (Rs.5.5 crore or 1.9 per cent) and co-operative sector (Rs.3.0 crore or 1.0 per cent).

IRBI had received references from the Board for Industrial and Financial Reconstruction (BIFR) in respect of 1132 cases under Section 15 of the Sick Industrial Companies (Special Provisions) Act (SICA). BIFR appointed IRBI as Operating Agency (OA) in 250 cases. Also during the year, IRBI ventured into issue management activities.

To re-orient its business strategy in response to the emerging competition and on-going changes in the financial sector, the IRBI introduced the following schemes viz.,

i) Short term secured/unsecured loans;
ii) Short term loans for working capital; and
iii) Asset Credit Scheme.

(vi) SCICI Limited

The SCICI Ltd apart from providing assistance in the form of rupee and foreign currency loans, underwriting/direct subscription to shares, bonds and debentures, guarantees, deferred credit and equipment leasing also assists in the rehabilitation of sick but viable shipping companies and renders financial advisory and merchant banking services.

During 1993-94 (April-March), the financial assistance sanctioned by SCICI at Rs.1,698.3 crore recorded a growth of 123.2 per cent over Rs.760.9 crore sanctioned in 1992-93 (Table IX-13). Disbursements during the same period also rose substantially by 107 per cent from Rs.486.3 crore to Rs.1,006.6 crore. Cumulatively, as at the end

of March 1994, sanctions aggregated Rs.3,976.7 crore and disbursements Rs.2,254.9 crore. Of the types of financial assistance rendered by SCICI during 1993-94, rupee loans, foreign currency loans, underwriting/investment were the major ones, together accounting for 93.0 per cent and 85.7 per cent, respectively, of the total sanctions and disbursements.

With the objective of broad-basing its activities, SCICI in 1992-93 diversified its portfolio, including a wide range of industries such as automobiles and its ancillaries, chemicals and petro-chemicals, electronics and information technology, engineering, oil and gas, power generation and distribution, steel and steel products, other metals, textiles and food processing, besides shipping and fishing industries which continue to be the priorities for SCICI. The company has decided to join the ICICI as a co-promoter in ICICI Banking Corporation Ltd.

The aggregate rupee and foreign currency resources raised upto March 1994, amounted to Rs.1,893.3 crore including Rs.1,052.2 crore of foreign currency funds. SCICI's Euro issue of fully convertible bonds amounting to US $ 100 million during the year was over-subscribed. SCICI also made a Floating Rate Notes (FRN) issue of Rs.200 crore in the domestic market during the year.

2. Specialised Financial Institutions

The specialised financial institutions are: Risk Capital and Technology Finance Corporation Ltd. (RCTC), Technology Development and Information Company of India Ltd. (TDICI) and Tourism Finance Corporation of India Ltd. (TFCI). These institutions provide financial assistance for specific purposes like venture capital, technology development, tourism development, etc. The information on financial assistance provided by these institutions are set out below and in the Box 2.

Operations of Specialised Financial Institutions

Year : April-March (Rs. crore)

		1992-93		1993-94	
Sr.No.	Institution	S	D	S	D
1.	RCTC	11.2	10.2	8.2	8.9
2.	TDICI	23.4	22.9	30.8	29.5
3.	TFCI	125.0	59.8	159.1	78.8

Note: S-Sanctions. D-Disbursements.

3. Investment Institutions

Operations of Investment Institutions, institution-wise during 1993-94 are set out in the following paragraphs:

i) Unit Trust of India (UTI)

During 1993-94 (April-March), sanctions and disbursements by UTI amounted to Rs.8,277.0 crore and Rs.6,612.4 crore, respectively, and these were lower by 19.7 per cent and 11.5 per cent, respectively, over those in the preceding year (Table IX-14). During the year, there has been substantial rise, in sanctions and disbursements under 'underwriting and direct subscription', which as a group constituted the bulk of assistance. However, there has been a steep decline in assistance by way of loans (both sanctions and disbursements) during the year, resulting in an overall decline.

Investible funds of UTI as at June 30, 1994 aggregated Rs.51,708.9 crore which were higher than Rs.38,976.8 crore by 32.7 per cent as on June 30, 1993 (Table IX-15). Investments in the corporate sector by way of equity and preference shares, debentures and special deposits, etc., accounted for 78.5 per cent of total investments as against 81.4 per cent in the preceding year. Notably, UTI's investment in Government securities as at June-end 1994, at Rs.8,050.5 crore was higher by nearly 2.04 times.

Box-2

Operations of Specialised Financial Institutions

(A) Risk Capital and Technology Finance Corporation Ltd. (RCTC)

The total sanctions and disbursements of RCTC amounted to Rs. 8.2 crore and Rs, 8.9 crore respectively, during 1993-94. Through Risk Capital Scheme, RCTC provides assistance to companies in the form of direct equity participation to fill the gap in the promoters'contribution. During 1993-94, under the scheme, RCTC sanctioned Rs.1.5 crore and disbursed Rs.2.6 crore. The cumulative sanctions and disbursements aggregated Rs.35.7 crore and Rs.33.1 crore, respectively. Technology Finance and Development Scheme of RCTC is intended to fill the gap in conventional finance mechanism in respect of technology development and its commercialisation. Under the scheme, RCTC sanctioned and disbursed Rs.0.8 crore and Rs.0.9 crore, respectively, during 1993-94.The cumulative sanctions and distursements at end-March 1994 stood at Rs.13.4 crore and Rs.11.4 crore, respectively.Under Venture Capital Scheme, assistance is provided to companies for development and commercialisation of new technologies, introduction of new products and services, etc. Under this scheme, the sanctions and disbursements during 1993-94 amounted to Rs.5.9 crore and Rs.5.5 crore, respectively. Cumulatively, as at end-March 1994 the sanctions and disbursements stood at Rs.67.9 crore and Rs.57.2 crore, respectively.

(B) Technology Development and Information Company of India Ltd. (TDICI)

The operations of TDICI cover venture capital assistance to industrial concerns directly or through venture funds managed by VECAUS-I (funds size of Rs.100 crore) and ICICI Fund. The nature of assistance includes loans, participation in equity and debenture issues and leasing. Total sanctions under all these schemes during 1993-94 aggregated Rs.30.8 crore , while disbursements amounted to Rs.29.5 crore. The cumulative sanctions and disbursements at end-March 1994 aggregated Rs.106.9 crore and Rs.90.2 crore, respectively.

(C) Tourism Finance Corporation of India Ltd. (TFCI)

The TFCI is a specialised financial institution for promotion and growth of tourism industry in the country. Apart from the conventional tourism projects, it provides assistance for non-conventional tourism projects like amusement parks, ropeways, car rental services, ferries for inland water transport, airport facilitation center, and secures assistance from all-India institutions for these projects.During 1993-94, the total sanctions and disbursements of TFCI under rupee loans, equity participation including underwriting and leasing were Rs.159.1 crore and Rs.78.8 crore, respectively.Cumulatively, sanctions and disbursements at end-March 1994 stood at Rs.525.4 crore and Rs.238.8 crore, respectively.

Sale of units of UTI under all schemes at Rs.10,711.6 crore recorded a sharp rise of 65.0 per cent during the year 1993-94 (July-June) from Rs.6,492.0 crore in 1992-93, whereas repurchases at Rs.1,983.5 crore was higher by 4.5 per cent as compared to Rs.1,898.8 crore during the same period of last year (Table IX-16).

UTI introduced seven new schemes during the year, viz.,: (a) Deferred Income Unit Scheme 1993, (b) Monthly Income Unit Plan 1993, (c) Master Equity Plan 1994, (d) Monthly Income Unit Plan 1994, (e) Growing Corpus Growing Income Plan 1994, (f) Monthly Income Unit Plan 1994 (II) and (g) Children's College and Career Fund. The sale under the seven schemes of Unit Trust of India aggregated Rs.2,805.1 crore during 1993-94. Under the open-ended Unit Scheme 1964, Rs.4,824.2 crore were mobilised during 1993-94 which was significantly higher by 173.2 per cent

than those during 1992-93 (Rs.1,765.9 crore).

UTI has maintained dividend for 1993-94 on all its open-ended schemes and stepped up its dividend on Capital Gains Scheme 1983 by half a per cent and on Master share 1986 by 2 per cent.

UTI's fully owned subsidiary-UTI Investor Services Ltd.- started functioning as Registrar and Transfer Agency. UTI Bank Ltd. commenced its operations from April 2, 1994. An independent Social Audit Committee of five eminent citizens has been set up to study how far UTI has been able to fulfil its social responsibilities.

With effect from July 1, 1994, SEBI has been asked to supervise UTI, consistent with UTI Act, 1963.

(ii) Life Insurance Corporation of India (LIC)

The financial assistance sanctioned by LIC, mainly in the form of term loans and underwriting of shares and debentures of corporate sector in 1993-94 at Rs.1,463.7 crore registered a substantial rise of 34.3 per cent while disbursements declined by 37.2 per cent to Rs.594.1 crore. The decline in disbursements has been partly explained by reduced disbursements for underwriting activities in 1993-94 at Rs.448.1 crore as against Rs.756.8 crore in 1992-93 (Table IX-17). In addition, sanctions and disbursements of resource support to financial institutions by way of term loans aggregated Rs. 200.0 crore each during 1993-94. Cumulatively, sanctions and disbursements (excluding resources support) amounted to Rs.8,003.1 crore and Rs. 5,808.5 crore, respectively, as at the end of March 1994.

As regards investments by LIC, there was an increase of 32.4 per cent to Rs.7,839.4 crore during 1993-94 (Table IX-18). A major portion of these investments was in stock exchange securities (82.3 per cent), followed by loans and special deposits with Central Government, etc.

During the year, the lending rates for different classes of companies and industrial co-operatives by LIC were as under:

Term Loans	Net rate of interest by LIC
1.**Consortium**	In the band of 17 to 19 per cent p.a., payable quarterly (inclusive of interest tax) upto 24-8-1993. The rate was reduced to 16.5 per cent to 18.5 per cent p.a.with effect from 25.8.93 and further to 15.5 per cent to 18.5 per cent p.a effective 8.9.1993. From 1.3.1994, the interest rate was reduced to 14.5 per cent to 17.5 per cent p.a.
2. **Non-Consortium**	Same as above but for financial institutions the rate of interest was fixed at the time of sanction with a minimum floor rate of 14 per cent p.a.(exclusive of interest tax).
3. **Financing Group Gratuity**	19 per cent p.a. payable quarterly upto 24.8.1993; thereafter it was reduced to 18.5 per cent w.e.f. 25.8.1993 and was further reduced to 17.5 per cent payable quarterly w.e.f. 1.3.1994.
4. **Financing Group Superannuation Scheme**	-do-

Notes : 1. Interest on Bridge Loan will carry an additional interest of 1.05 per cent p.a.(inclusive of interest tax).

2. An additional interest of 1.05 per cent p.a.(inclusive of interest tax) is charged in case of closely held companies/unlisted companies.

(iii) General Insurance Corporation of India (GIC)

During 1993-94, General Insurance Corporation of India and its subsidiaries@ sanctioned financial assistance amounting to Rs.824.0 crore, which was 47.3 per cent higher than that of Rs. 559.3 crore during the corresponding period of the preceding year (Table IX-19). Disbursements, at Rs.470.3 crore during the year, however, declined by 12.3 per cent from Rs.536.0 crore during 1992-93. Sanctions by way of loans fell sharply by 26.7 per cent to Rs.154.8

@ National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited and United India Insurance Company Limited.

crore during the year, while disbursements of loans shot up by 34.2 per cent to Rs.237.4 crore. Sanctions by way of underwriting and direct subscriptions for equities, preference shares and debentures rose sharply by 92.2 per cent to Rs. 669.2 crore, and disbursements declined by 35.1 per cent to Rs.232.9 crore during the year.

Sector-wise, private sector continued to account for the largest share of the total sanctions (Rs.660.7 crore or 80.2 per cent), followed by public sector (Rs.158.2 crore or 19.2 per cent) and joint sector (Rs. 5.1 crore or 0.6 per cent). During the year, while there was a steep increase in the sanctions to private sector from Rs.430.2 crore to Rs.660.7 crore, the actual disbursements declined from Rs.390.8 crore to Rs.246.5 crore.

During 1993-94, GIC and its subsidiaries disbursed Rs.1.3 crore to areas classified as 'backward' as compared to Rs.5.4 crore during 1992-93.

4. State Level Institutions

i) State Financial Corporations (SFCs)

Aggregate assistance sanctioned by eighteen State Financial Corporations during 1993-94 amounted to Rs.1,909.4 crore which was lower by 5.3 per cent as compared to the previous year, while disbursements rose by 0.7 per cent to Rs.1,568.0 crore over those in 1992-93 (Table IX-20). On a cumulative basis, as at the end of March 1994, sanctions by SFCs aggregated Rs.16,821.3 crore, while assistance disbursed stood at Rs.13,359.2 crore.

ii) State Industrial Development Corporations (SIDCs)

Aggregate assistance sanctioned and disbursed by twenty eight State Industrial Development Corporations during 1993-94 aggregated Rs.936.2 crore and Rs.714.9 crore, recording a decline of 3.8 per cent in sanctions and an increase of 2.9 per cent in disbursements over those in the preceding year (Table IX-21). Cumulative sanctions and disbursements by the SIDCs as at the end of March 1994 aggregated Rs.8,110.8 crore and Rs.6,301.5 crore, respectively.

5. Credit Rating Agencies

(i) The Credit Rating Information Services of India Limited (CRISIL)

During the year, there has been a substantial rise in rating of instruments by CRISIL. It rated 366 debt instruments of 226 companies constituting a debt volume of Rs.16,671.0 crore (Table IX-22). Since commencement of operations in January 1988 till March 31, 1994, CRISIL has rated in all 926 debt instruments issued by 668 companies, covering a total debt value of Rs. 47,307.0 crore. Also, credit assessment of 97 companies was completed by the end of March 1994. During the year, the CRISILCARD Service was enlarged to cover 350 companies as against the earlier list of 300 companies.

During 1993-94, CRISIL introduced the following:

(a) CRISILVIEW : Designed to help institutional investors to take decisions for investing in fixed income securities by way of providing facts and their opinion on the credit quality of a company.

(b) CRISIL BanCard Service: Provides analysed information on select public and private sector banks for the latest three accounting periods including financial and productivity ratios and also an analysis of the funding and lending profile of the banks.

(c) CRISIL Rating Digest : Is a five volume compendium of industry-wise CRISIL Rating Reports.

(ii) Investment Information and Credit Rating Agency of India Limited (ICRA)

During 1993-94, ICRA rated 139 debt instruments involving a volume of Rs.4,750.5 crore as against 86 debt instruments involving a volume of Rs.5,328.8 crore during the previous year (Table IX-23). Of the 139 instruments rated by ICRA, 106 instruments were those of manufacturing companies and 33 of financial companies. Cumulatively, till March 1994, ICRA rated 273 debt instruments involving Rs. 12,294.7 crore. ICRA has completed credit assessments of 8 companies and general assessment of one company during the year. Research based investment information on Cotton Yarn Spinning in India and the Indian Steel Industry had been provided during the year. Also, ICRA rated debt instruments issued by the State Bank of India and Exim Bank.

(iii) Credit Analysis and Research Limited (CARE)

Credit Analysis and Research Ltd. (CARE), incorporated on April 21, 1993, commenced its operations in October 1993. It is a credit rating and information services company promoted by IDBI jointly with Canara Bank, UTI, private sector banks and financial services companies.

CARE undertakes rating of all types of debt instruments like commercial paper, fixed deposits, bonds, debentures and structured obligations, involving an independent and professional assessment of debt servicing capabilities of companies.

During the first five months of its operations (upto March, 1994), CARE rated 46 instruments of 35 entities for an amount of Rs.1,326.0 crore. These included 28 commercial paper programmes (Rs.373.0 crore), 10 fixed deposit programmes (Rs.140.0 crore), five debenture/bond issues (Rs.813.0 crore) and three company analysis ratings.

6. Other Institutions

(i) Export-Import Bank of India (Exim Bank)

During 1993-94, the Exim Bank sanctioned loans (funded assistance) aggregating Rs.650.8 crore, registering a decline of 59.1 per cent over the preceding year (Rs.1,590.2 crore) (Table IX-24). Disbursements of loans during the year at Rs.810.9 crore also recorded a decline of 37.4 per cent over those in 1992-93 (Rs.1,295.6 crore).

During 1993-94, sanctions of non-funded assistance in the form of guarantees aggregated Rs.136.9 crore and disbursements aggregated Rs.103.7 crore whereas during 1992-93 the sanctions and disbursements had amounted to Rs.126.8 crore and Rs.104.3 crore, respectively.

During the year, the Exim Bank made commitments-in-principle, amounting to Rs.173.0 crore for loans and Rs.768.0 crore for guarantees. Out of projects where Exim Bank made in-principle-commitments in 1993-94 and earlier, 67 contracts worth Rs.1,677.0 crore, covering 28 countries were secured by Indian exporters during the review period.

The region-wise analysis of operations of Exim Bank showed that during the review period, West Asia accounted for the largest share of sanctions and disbursements amounting to Rs.200.1 crore (83.3 per cent) and Rs.247.3 crore (54.2 per cent), respectively, of the funded assistance. Details are given in Table IX-25.

Table IX-26 gives details of industry-wise distribution of financial assistance by Exim Bank. Construction goods and equipments industry group accounted for the largest share of sanctions during the year at Rs.184.5 crore (37.1 per cent), followed by other capital and engineering goods to the tune of Rs.47.1 crore (9.5 per cent) and textiles and garments Rs.45.5 crore (9.1 per cent). In regard to disbursements,

the industry groups of construction goods and equipments obtained Rs.165.0 crore (23.3 per cent), other capital and engineering goods, Rs.101.2 crore (14.3 per cent) and vehicles Rs.85.5 crore (12.1 per cent).

During 1993-94, Exim Bank introduced two new programmes i.e. (a) Strategic Market Entry Support and (b) Underwriting and Bridge Finance.

(a) Strategic Market Entry Support: This programme enables to increase the level of Indian participation in multilateral agencies funded projects overseas (MFPO) bids and to encourage Indian exporters to make more responsive and competitive MFPO bids. Exim Bank will reimburse full cost of tendering in respect of all successful MFPO bids.

(b) Underwriting and Bridge Finance: This programme was launched in January 1994 for providing underwriting facilities to enable Indian exporters to tap domestic market. Exim Bank, under this programme, will offer underwriting as well as bridge loan facility to eligible Indian exporting companies to raise funds. In addition, the Foreign Currency Pre-shipment Credit programme has been expanded to cover both foreign and domestic inputs in respect of export contracts. Under this programme, Exim Bank's sanctions during the year aggregated US$ 7.7 million and the disbursements were at US$ 4.7 million.

(ii) Stock Holding Corporation of India Limited (SHCIL)

During 1993-94, the business processed by the Stock Holding Corporation of India Limited (SHCIL) which was equivalent to Rs.7,087.0 crore was higher by 58.5 per cent than that of Rs.4,470.0 crore in the preceding year. In terms of number of certificates, a total of 68.1 lakh certificates were processed as against 30.6 lakh certificates during 1992-93. The total holdings in safe custody as on March 31,1994 rose to 32 million certificates from 18 million certificates as on March 31, 1993. During 1993-94, the share purchases and sales in total business processed increased to 76.8 per cent in the former and 23.2 per cent in the latter as against that of 82.8 per cent (purchases) and 17.2 per cent (sales) during the preceding year.

Currently, the SHCIL is handling market operations and also providing custodial services to Unit Trust of India, Life Insurance Corporation of India, Industrial Credit and Investment Corporation of India Limited, General Insurance Corporation of India and its subsidiaries, LIC Mutual Fund, GIC Mutual Fund, SBI Mutual Fund and Morgan Stanley. SHCIL is planning to provide shortly electronic clearing, settlement and depository services for the wholesale debt market segment of the National Stock Exchange (NSE).

During the year, a technical group was set up by the Corporation to i) examine the legislative changes in the Stamps Act, Evidence Act, Income Tax Act, and other relevant Acts; (ii) clarify the approach to the establishment of a Depository System; iii) suggest the required institutional changes; and iv) prepare a formal action plan for the establishment of a Depository System. The report of the Group has since been submitted to the Government of India.

(iii) Infrastructure Leasing and Financial Services Ltd. (IL & FS)

During 1993-94, IL & FS was involved in developing infrastructure projects, investment banking consisting of assets financing, structure finance/corporate advisory services, project financing and capital market, securities management, management of mutual funds as also extension of venture capital.

IL&FS is in the forefront to develop infrastructure projects and has bagged mandates from several states to implement infrastructure projects. During the year 1993-94, Rao-Pithampur Road, a private sector project has been taken up recently by IL&FS for implementation alongwith Worli-Bandra Link Bridge and Delhi-Noida Link Bridge

projects. During the year, IL & FS also acted as an investment adviser to the offshore fund sponsored by M/s Oppenheimer & Company Inc., New York and promoted a specialised joint venture for broking activities in India to access global markets for securities issued by Indian corporates, PSUs and Government.

During the year, IL & FS has formed a separate venture capital entity called 'IL & FS Venture Corporation Trust' (IVC). IL&FS has obtained in-principle commitment for financial assistance from International Finance Corporation for US$ 25 million and from Asian Development Bank for US$ 15 million.

IL&FS Investment Banking initiatives can be classified as fund and non-fund based activities. Its asset portfolio includes ships, aircraft, oil rig, a hotel and a gas pipeline. As an asset based institution, its net worth as on date would amount to Rs.1.5 billion and an asset footing over Rs.9 billion. In the area of non-fund based activities, it has developed expertise in addressing a wide range of business situations, such as structured finance solutions, financial re-structuring, mergers and divestitures, valuation services and merchant banking services.

7. Housing Finance

(i) Housing and Urban Development Corporation Limited (HUDCO)

During the financial year 1993-94, the financial assistance sanctioned by HUDCO amounted to Rs.1,368.5 crore, indicating a step-up of 23.2 per cent, while the amount released/disbursed at Rs.1,002.5 crore registered an increase of 16.7 per cent over the year. Cumulatively, till end-March 1994, HUDCO had financed for 10,253 projects with a total cost of about Rs.14,401.0 crore with HUDCO's loan commitment of Rs.8,816.0 crore. The sanctions were made for 56 lakh houses of which 48.5 per cent are in rural areas. Total disbursement by HUDCO, till end-March 1994, amounted to Rs.6,219.0 crore.

As a nodal agency for implementing integrated programme for low cost sanitation and scavenger rehabilitation schemes, HUDCO sanctioned loans amounting to Rs.59.7 crore during the year. As regards 'Night Shelter' Schemes, till end-March 1994, 53 night shelter schemes have been sanctioned for construction with HUDCO's loan commitment of Rs.8.3 crore.

To improve the quality of construction, promote appropriate technologies and building systems and to improve the skills and economic condition of building artisans, the Ministry of Urban Development and HUDCO have launched a nation-wide programme for setting up 250 Building Centres all over the country. As at the end of March 31, 1994, 157 centres have become fully functional.

Like in the past, for the year 1994-95, HUDCO has earmarked 55 per cent of their loans for economically weaker sections and lower income group categories and 15 per cent for rural areas.

(ii) Housing Development Finance Corporation Ltd. (HDFC)

During the year 1993-94, HDFC stepped up its sanctions by 19.3 per cent to Rs.1,024.8 crore and disbursements by 23.5 per cent to Rs.889.1 crore. Cumulatively, sanctions of assistance and disbursements as at the end of March 1994 aggregated Rs.5,498.9 crore and Rs.4,483.4 crore, respectively (Table IX-27). A new joint venture company was promoted by HDFC alongwith GE Capital Corporation of the USA viz., Countrywide Consumer Financial Services Private Ltd. which has commenced operations from February 28, 1994 to finance purchase of consumer durables, automobiles and medical equipments.

HDFC has been offering consultancy services in the areas of Housing Finance and Housing Policy. During 1993-94, HDFC carried out consultancy projects for Mauritius Housing Company Limited, Mauritius.

HDFC had drawn the second tranche of loan from Commonwealth Development Corporation (CDC) GBP worth 10 million on September 27,1993. HDFC also raised US $ 11 million in the US capital markets under the Housing Guaranty Program of USAID. HDFC also entered into an arrangement with the State Bank of India whereby it received fixed rate counterpart rupee funds in exchange for the US dollars deposited with the State Bank of India.

HDFC revised rates of interest on its various deposit products downwards on a few occasions during the year. As a result, the maximum rate offered by HDFC on its deposits was 13.0 per cent per annum in 1993-94. HDFC also launched a new deposit product in line with recurring deposits offered by banks to channelise savings of the household sector.

HDFC has been 'in-principle' approved by the Reserve Bank of India to set up a commercial bank. The bank 'HDFC Bank Limited' is expected to commence operations in 1994-95.

Table IX-1 : New Capital Issues by Non-Government Public Limited Companies *

(Rs. crore)

Year (April-March)	Equity Shares		Preference Shares		Debentures						Grand Total	
					Convertible		Non-Convertible		Total (CD+NCD)			
	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
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	366	1,916.1	3	1.5	132	3,750.4	13	525.1	145	4,275.5	514	6,193.1
	(56)	(237.0)										(237.0)
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)
1993 - 94 **	987	10,113.0	4	63.4	123	8,106.9	22	1,218.0	145	9,324.9	1136	19,501.3
	(372)	(4,464.9)										(4,464.9)
April-June												
1993 **	167	2,312.0	1	2.5	30	1,384.6	5	342.4	35	1,727.0	203	4,041.5
	(79)	(1,425.6)										(1,425.6)
1994 **	300	1,975.0	1	4.8	25	1,015.0	—	—	25	1,015.0	326	2,994.8
	(16)	(531.3)										(531.3)

* 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. Preference Shares include Cumulative Convertible Preference Shares and Equity Preference Shares.
4. Debentures include bonds.
5. Convertible debentures include partly convertible debentures.
6. Non-convertible debentures include secured premium notes and secured deep discount bonds.
7. 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)

	1991-92 (April-March)	1992-93** (April-March)	1993-94** (April-March)	1993** (April-June)	1994** (April-June)
1	2	3	4	5	6
I. Issues through prospectus					
No. of Issues	**210**	**531**	**757**	**105**	**265**
	(17)	(105)	(186)	(30)	(61)
Amount (a+b+c)	**2,114.5**	**7,033.6**	**11,740.9**	**2,083.0**	**2,330.3**
	(35.2)	(876.8)	(1,966.1)	(509.4)	(281.5)
a) Equity Shares	1,199.3	3,846.0	6,154.3	967.6	1,539.1
	(35.2)	(876.8)	(1,966.1)	(509.4)	(281.5)
b) Preference Shares	0.5	—	63.4	2.5	4.8
c) Debentures	914.7	3,187.6	5,523.2	1,112.9	786.4
Of which:					
(i) Convertible	903.0	2,567.1	5,321.2	912.9	786.4
(ii) Non-convertible	11.7	620.5	202.0	200.0	—
II. Issues through Rights					
No. of Issues	**304**	**506**	**379**	**98**	**61**
	(39)	(219)	(186)	(49)	(35)
Amount (a+b+c)	**4,078.6**	**12,792.0**	**7,760.4**	**1,958.5**	**664.5**
	(201.8)	(4,307.3)	(2,498.8)	(916.2)	(249.8)
a) Equity Shares	716.8	6,135.0	3,958.7	1,344.4	435.9
	(201.8)	(4,307.3)	(2,498.8)	(916.2)	(249.8)
b) Preference Shares	1.0	0.5	—	—	—
c) Debentures	3,360.8	6,656.5	3,801.7	614.1	228.6
Of which:					
(i) Convertible	2,847.4	5,297.8	2,785.7	471.7	228.6
(ii) Non-convertible	513.4	1,358.7	1,016.0	142.4	—
Grand Total (I+II)					
No. of Issues	**514**	**1037**	**1136**	**203**	**326**
Amount	**6,193.1**	**19,825.6**	**19,501.3**	**4,041.5**	**2,994.8**
	(237.0)	(5,184.1)	(4,464.9)	(1,425.6)	(531.3)
III. Distribution between new/existing Cos.					
a) No. of issues by new companies	94	201	226	32	72
Amount	**941.1**	**3,204.2**	**5,538.5**	**745.4**	**782.0**
b) No. of issues by existing companies	420	836	910	171	254
Amount	**5,252.0**	**16,621.4**	**13,962.8**	**3,296.1**	**2,212.8**
	(237.0)	(5,184.1)	(4,464.9)	(1,425.6)	(531.3)

Note : For footnotes refer to Table IX-1

Table IX-3 : Amount Of Bonds Issued By PSUs During 1985-86 to 1993-94

(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	2,110.0	456.3	**2,566.3**
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**
1993-94 *	1,249.9	3,824.5	**5,074.4**

* Data are provisional.

Source : Returns received from respective Public Sector Undertakings.

Table IX-3A : Resource Mobilisation by Mutual Funds in India

(Year : April-March) (Rs. crore)

Year	Public Sector Mutual Funds					Private Sector Mutual Funds (including ICICI)	**Grand Total (6+7)**
	Subsidiaries of Banks	Subsidiaries of Public Sector Financial Institutions	Sub-Total (2+3)	Unit Trust of India	Total (4+5)		
1	2	3	4	5	6	7	8
1987-88	250.3	—	250.3	1,767.6	2,017.9	—	**2,017.9**
1988-89	319.7	—	319.7	3,464.0	3,783.7	—	**3,783.7**
1989-90	899.1	315.2	1,214.3	5,490.9	6,705.2	—	**6,705.2**
1990-91	2,176.0	603.5	2,779.5	3,198.8	5,978.3	—	**5,978.3**
1991-92	2,304.4	427.1	2,731.5	8,685.4	11,416.9	—	**11,416.9**
1992-93	1,204.0	756.8	1,960.8	11,057.0	13,017.8	—	**13,017.8**
1993-94 +	147.5	249.0	396.5	9,458.0	9,854.5	1,551.4	**11,405.9**
1994-95 + (April-September)	194.4*	37.6	232.0	6,961.0	7,193.0	557.3	**7,750.3**

Note : Data for UTI are net sales with premium for the period July-June; 1987-88 and 1988-89 data represents net sales at face value. In respect of data for 1992-93 and 1993-94, the period is April-March.

* : Includes target amount under two schemes.

\+ : Provisional

Source : Respective Mutual Fund.

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
1993-94	1331.7	1461.1	799.5	1051.3 (-8.0)	2.19
1993-94 (April-June)	853.7	873.8	799.5	852.0	
1994-95 (April-June)	1513.9	1513.9	1331.8	1394.4	

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	1991-92				1992-93				1993-94				1994-95			
	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	554.9 (+4.4)	568.0	536.9	568.0 (+7.6)	1620.2 (+21.2)	1656.9	1597.3	1622.0 (+9.2)	853.1 (-6.5)	872.4	830.3	830.3 (-6.9)	1364.7 (-0.4)	1395.0	1331.8	1362.0 (+2.3)
May	563.8 (+1.6)	570.2	558.9	570.2 (+0.4)	1345.5 (-17.0)	1519.3	1206.8	1206.8 (-25.6)	841.7 (-1.3)	873.8	799.5	869.2 (+4.7)	1364.9 (+0.0)	1384.9	1337.0	1368.1 (+0.4)
June	571.3 (+1.3)	579.6	563.8	568.6 (-0.3)	1161.6 (-13.7)	1174.3	1148.9	1157.5 (-4.1)	863.8 (+2.6)	869.9	853.7	853.7 (-1.8)	1461.1 (+7.0)	1513.9	1394.7	1513.9 (+10.6)
July	607.8 (+6.4)	644.3	569.3	644.3 (+13.3)	1141.7 (-1.7)	1159.2	1108.8	1108.8 (-4.2)	837.2 (-3.1)	855.6	815.2	835.5 (-2.1)				
August	715.1 (+17.7)	752.2	693.4	752.2 (+16.7)	1077.2 (-5.6)	1134.2	1032.3	1134.2 (+2.3)	924.8 (+10.5)	968.7	875.6	968.7 (+15.9)				
September	771.9 (+7.9)	792.3	751.8	779.9 (+8.7)	1214.7 (+12.8)	1243.5	1168.4	1234.1 (+8.8)	983.0 (+6.3)	1006.5	961.4	1006.5 (+3.9)				
October	761.2 (-1.4)	781.3	750.9	756.7 (-3.0)	1181.8 (-2.7)	1227.5	1122.8	1122.8 (-9.0)	1005.0 (+2.2)	1014.2	991.1	1007.6 (+0.1)				
November	801.3 (+5.3)	821.4	781.8	813.4 (+7.5)	1045.6 (-11.5)	1102.1	1010.8	1010.8 (-10.0)	1048.2 (+4.3)	1117.9	986.2	1117.9 (+10.9)				
December	805.4 (+0.5)	821.0	788.5	808.7 (-0.6)	1003.1 (-4.1)	1022.4	979.2	998.2 (-1.2)	1203.2 (+14.8)	1232.5	1170.3	1224.3 (+9.5)				
January	840.7 (+4.4)	868.8	822.1	868.8 (+7.4)	985.9 (-1.7)	1002.2	966.1	1002.2 (+0.4)	1307.2 (+8.6)	1364.1	1219.1	1364.1 (+11.4)				
February	990.3 (+17.8)	1095.3	923.3	1095.3 (+26.1)	1009.0 (+2.3)	1024.6	993.4	1007.8 (+0.6)	1431.3 (+9.5)	1461.1	1411.2	1461.1 (+7.1)				
March	1337.3 (+35.0)	1485.4	1271.5	1485.4 (+35.6)	912.9 (-9.5)	955.7	892.1	892.1 (-11.5)	1370.4 (-4.3)	1449.0	1331.7	1331.7 (-8.9)				
(April-March)@	776.2 (+55.1)	1485.4	536.9	1485.4 (+181.4)	1142.1 (+47.1)	1656.9	892.1	892.1 (-39.9)	1051.3 (-8.0)	1461.1	799.5	1331.7 (+49.3)				

@ Based on weekly averages

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

Source : Compiled in the Department of Economic Analysis & Policy, Reserve Bank of India.

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	March 26, 1994
1	2	3	4	5	6	7	8	9	10
1.	All Industries	219.3	189.3	308.2	400.0	527.9	1,485.4	892.1	1,331.7
		(-8.4)	(-13.7)	(+62.8)	(+29.8)	(+32.0)	(+181.4)	(-39.9)	(+49.3)
2.	Tea Plantations	462.7	458.6	658.7	1,068.8	1,423.5	3,633.9	2,734.8	4,670.3
		(+20.6)	(-0.9)	(+43.6)	(+62.3)	(+33.2)	(+155.3)	(-24.7)	(+70.8)
3.	Cotton Textiles	115.8	86.8	106.1	160.0	296.4	764.9	361.4	477.7
		(-15.3)	(-25.0)	(+22.2)	(+50.8)	(+85.3)	(+158.1)	(-52.8)	(+32.2)
4.	Silk Woollen and Rayon Textiles	84.3	88.9	185.1	325.9	436.7	1,150.0	814.9	1,338.6
		(-4.2)	(+5.5)	(+108.2)	(+76.1)	(+34.0)	(+163.3)	(-29.1)	(+64.3)
5.	Aluminium	303.1	252.3	852.7	1,204.4	1,574.3	3,106.5	3,309.3	3,588.3
		(+15.9)	(-16.8)	(+237.4)	(+41.2)	(+30.7)	(+97.3)	(+6.5)	(+8.4)
6.	Automobile and Auto-ancillaries	236.4	212.2	379.7	493.6	580.0	1,156.2	776.4	1,408.4
		(-18.7)	(-10.2)	(+78.9)	(+30.0)	(+17.5)	(+99.3)	(-32.8)	(+81.4)
7.	Electricals and Electronic Machinery	132.8	128.3	189.1	229.4	256.6	711.7	356.2	619.4
		(-16.3)	(-3.4)	(+47.4)	(+21.3)	(+11.9)	(+177.4)	(-50.0)	(+73.9)
8.	Chemical Fertilisers	323.6	226.6	340.4	433.9	512.2	1,385.1	792.0	1,001.9
		(-24.5)	(-30.0)	(+50.2)	(+27.5)	(+10.0)	(+170.4)	(-42.8)	(+26.5)
9.	Man-made Fibres	180.4	139.7	236.7	264.8	211.7	471.3	192.4	282.3
		(-32.5)	(-22.6)	(+69.4)	(+11.9)	(-20.1)	(+122.6)	(-59.2)	(+46.7)
10.	Cement	183.0	138.7	188.6	208.7	738.8	3,281.5	1,109.5	1,297.0
		(-15.9)	(-24.5)	(+36.0)	(+10.7)	(+254.0)	(+344.2)	(-66.2)	(+16.9)
11.	Rubber and Rubber Products	271.8	347.6	573.0	424.0	506.2	1,867.3	680.0	999.4
		(+32.4)	(+27.9)	(+64.8)	(-26.0)	(+19.4)	(+268.9)	(-63.6)	(+47.0)
12.	Paper and Paper Products	118.3	76.6	141.3	256.9	435.8	1,169.3	503.7	644.0
		(-15.3)	(-35.2)	(+84.5)	(+81.8)	(+69.6)	(+168.3)	(-56.9)	(+27.9)
13.	Electricity Generation and Supply	181.2	173.7	251.3	385.6	894.8	2,318.7	1,507.1	3,094.0
		(-16.5)	(-4.1)	(+44.7)	(+53.4)	(+132.1)	(+159.1)	(-35.0)	(+105.3)
14.	Shipping	45.2	46.5	121.3	233.6	179.6	1,222.2	543.0	602.9
		(-39.1)	(+2.9)	(+160.9)	(+92.6)	(-23.1)	(+580.5)	(-55.6)	(+11.0)

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	1992-93			1993-94			1994-95		
	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	4,131.01	7,393.68	52.60	2,205.37	2,945.63	27.36	3824.75	3,502.96	47.36
May	3,366.55	4,642.63	42.80	2,248.01	5,434.47	28.81	3756.10	3,587.96	46.58
June	3,088.59	2,138.64	39.60	2,281.95	4,540.59	29.26	4135.67	7,691.82	51.93
July	2,797.27	1,467.03	33.55	2,190.34	3,743.06	27.66			
August	2,829.96	3,508.05	33.57	2,556.16	8,501.69	35.40			
September	3,243.19	5,813.60	38.76	2,708.39	6,092.60	36.90			
October	3,075.28	4,669.80	37.60	2,688.57	8,612.48	32.81			
November	2,618.20	3,283.35	32.15	2,850.35	7,579.30	34.44			
December	2,535.64	2,811.70	31.35	3,301.85	10,103.31	39.64			
January	2,532.86	1,621.46	30.72	3,813.74	10,646.16	46.08			
February	2,708.72	3,652.36	32.93	4,039.42	8,250.88	49.31			
March	2,398.27	4,693.47	29.34	3,811.25	8,085.83	46.83			
Average	2,895.67	45,695.77	35.51	2,898.69	84,536.00	36.35			

	End March 1992	End March 1993	End March 1994
1) Market Capitalisation of BSE (Rs.crore)	3,23,363	2,10,952	3,98,432
2) Market Capital of BSE as a percentage of GDP	52.52	29.90	49.58

Note : 1.BSE Sensitive Index and P/E Ratio are average of the Month/Year.
2.Turnover -Total of Gross Turnover of the Month/Year.

Source : Bombay Stock Exchange.

Table IX-7 : Assistance by All Financial Institutions

(Year:April-March) (Rs. crore)

Institutions		1992-93		1993-94		Percentage change in 1993-94 over 1992-93	
		S	D	S	D	S	D
1		2	3	4	5	6	7
A. All-India Development Banks	**@**	**21,686.2**	**14,393.2**	**31,357.9**	**18,513.5**	**+44.6**	**+28.6**
(1 to 6)	**@@**	**19,695.6**	**13,050.9**	**29,516.6**	**17,227.7**	**+49.9**	**+32.0**
1. IDBI		9,618.0	6,668.5	13,195.2	8,070.6	+37.2	+21.0
	@	9,479.0	6,529.5	13,195.2	8,070.6	+39.2	+23.6
	@@	8,878.7	6,041.8	12,647.0	7,677.4	+42.4	+27.1
2. IFCI		2,471.8	1,732.5	3,980.7	2,163.1	+61.0	+24.9
3. ICICI		5,771.8	3,315.2	8,703.8	4,413.3	+50.8	+33.1
4. SIDBI	@	2,908.4	2,145.8	3,354.1	2,671.3	+15.3	+24.5
	@@	1,518.1	1,291.2	2,061.0	1,778.7	+35.8	+37.8
5. IRBI		294.3	183.9	425.8	188.6	+44.7	+2.6
6. SCICI		760.9	486.3	1,698.3	1,006.6	+123.2	+107.0
B. Specialised Financial Institutions (7 to 9)		**159.6**	**92.9**	**198.1**	**117.2**	**+24.1**	**+26.2**
7. RCTC		11.2	10.2	8.2	8.9	-26.8	-12.7
8. TDICI		23.4	22.9	30.8	29.5	+31.6	+28.8
9. TFCI		125.0	59.8	159.1	78.8	+27.3	+31.8
C. Investment Institutions		**12,601.4**	**9,400.8**	**10,764.7**	**7,876.8**	**-14.6**	**-16.2**
(10 to 12)	**@**	**10,753.9**	**7,711.2**	**9,889.7**	**7,001.8**	**- 8.0**	**- 9.2**
10. UTI		10,302.3	7,469.4	8,277.0	6,612.4	-19.7	-11.5
	@	9,104.8	6,229.8	7,602.0	5,937.4	-16.5	-4.7
11. LIC		1,739.8	1,395.4	1,663.7	794.1	-4.4	-43.1
	@	1,089.8	945.4	1,463.7	594.1	+34.3	- 37.2
12. GIC		559.3	536.0	824.0	470.3	+47.3	-12.3
D. Total Assistance by All-India Financial Institutions (A@+B+C@)		**32,599.7**	**22,197.3**	**41,445.7**	**25,632.5**	**+27.1**	**+15.5**
E. State-level Institutions (13 and 14)		**2,988.4**	**2,252.1**	**2,845.6**	**2,282.9**	**-4.8**	**+1.4**
13. SFCs		2,015.3	1,557.4	1,909.4	1,568.0	-5.3	+0.7
14. SIDCs		973.1	694.7	936.2	714.9	-3.8	+2.9
F. Total Assistance by All Financial Institutions (A@@+B+C@+E)		**33,597.5**	**23,107.1**	**42,450.0**	**26,629.6**	**+26.3**	**+15.2**

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 1993-94 are provisional.

2. Data have been adjusted for inter-institutional flows.This involves adjustment in regard to loans and subscription to shares and bonds of financial institutions by IDBI, IDBI/SIDBI's refinance to SFCs and SIDCs and seed capital /equity type assistance and assistance by way of New Debt Instrument, term loans given by LIC and UTI to/and special deposits of UTI to IDBI, IFCI and ICICI.

3. SIDBI's assistance exclude short term bills.

Source : IDBI and Respective Financial Institutions.

Table IX-8 : Scheme-wise Assistance Sanctioned and Disbursed by Industrial Development Bank of India

(Year : April - March) (Rs.crore)

Type of Assistance	Sanctions						Disbursements			
	1992-93		1993-94		Cumulative (upto end-March 1994)@		1992-93	1993-94	Cumulative (upto end-March 1994)@	Outstanding as at end-March 1994
	No.	Amount	No.	Amount	No.	Amount	Amount	Amount	Amount	Amount
1	2	3	4	5	6	7	8	9	10	11
1. Direct Assistance (a to f)	**789**	**7,240.5**	**883**	**10,937.1**	**10154**	**41,145.0**	**4,881.7**	**6,360.7**	**27,483.2**	**19,695.7**
a) Rupee loans		4,905.2		6,534.8		30,010.0	4,202.3	4,960.1	23,027.9	14,446.2
b) Foreign currency loans		722.0		1,220.2		4318.0	531.4	696.4	2760.6	2,653.9
c) Underwriting and direct subscriptions		976.8		1,585.4		3,912.0	40.3	585.2	985.1	1,236.3 *
d) Guarantees for loans/deferred payments $$		419.0		1,412.9		2,301.6	31.4	8.7	415.0 $	1,317.0 #
e) Venture capital +		8.5		13.2		155.7	10.9	6.4	124.7	42.3
f) Equipment leasing		209.0		170.6		447.7	65.4	103.9	169.9	—
2. Refinance of industrial loans	**1327**	**529.2**	**1287**	**572.5**	**912819**	**18,019.7**	**430.1**	**411.4**	**13,546.1**	**2,171.0**
3. Bills finance	**4603**	**1,430.4**	**3016**	**1,401.9**	**34211**	**14,067.6**	**1,028.2**	**989.1**	**10,401.4**	**3,291.5**
4. Loans and investment in shares and bonds of financial intermediaries	**44**	**417.9**	**40**	**283.7**	**149**	**3,931.2**	**328.5**	**309.4**	**3,727.5**	**5,584.7# #**
Total (1 to 4)	**6763**	**9,618.0**	**5226**	**13,195.2**	**957333**	**77,163.5**	**6,668.5**	**8,070.6**	**55,158.2**	**30,742.9**

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 the year.

@ Includes assistance to small sector upto March 31, 1990.

* Including equity acquired by way of conversion of loans.

\+ Included in seed capital.

$ Guarantees executed.

\# Excluding letters of credit issued.

$$ Excluding other guarantees of Rs.24 crore sanctioned and disbursed and Rs.63.1 crore outstanding.

Including an amount of Rs. 3,441.3 crore as consideration receivable from SIDBI.

Source : Industrial Development Bank of India.

Table IX-9: Financial Assistance Sanctioned and Disbursed by IFCI

(Year:April-March) (Rs. crore)

Type of Assistance	1992-93		1993-94*		Cumulative Assistance as at the end of March 1994*	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
1. Rupee loans	1,604.3	1,350.3	2,559.1	1,531.8	13,418.9	9,523.9
2. Foreign currency loans	271.8	278.6	350.9	178.7	2,669.3	1,836.3
3. Underwriting (i to iii)	206.8	7.4	390.7	34.4	1,157.4	142.4
i) Equity shares	115.9	5.3	152.6	17.7	715.6	90.8
ii) Preference shares	—	—	—	—	11.5	8.5
iii) Debentures	90.9	2.1	238.1	16.7	430.3	43.1
4. Direct subscriptions (i to iii)	63.2	37.4	227.7	123.2	487.5	255.8
i) Equity shares	17.2	9.7	32.3	10.5	120.6	82.4
ii) Preference shares	—	0.4	—	0.1	8.4	4.2
iii) Debentures	46.0	27.3	195.4	112.6	358.5	169.2
5. Guarantees	220.0	30.3	346.2	273.2	976.2	495.0
6. Leasing	105.7	28.5	106.1	21.8	584.4	291.7
Total (1 to 6)	**2,471.8**	**1,732.5**	**3,980.7**	**2,163.1**	**19,293.7**	**12,545.1**

* Provisional

Source : Industrial Finance Corporation of India Ltd.

Table IX-10 : Financial Assistance Sanctioned and Disbursed by ICICI

(Year:April-March) (Rs. crore)

Type of Assistance	1992-93		1993-94*		Cumulative Assistance as at the end of March 1994*	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5	6	7
I. Direct Finance (1 to 4)	**4,602.7**	**2,732.0**	**7,057.2**	**3,568.9**	**31,027.7**	**19,349.1**
1. Loans	3,172.1	2,589.7	4,703.1	3,007.2	25,055.5	18,086.0
i) Rupee loans	2,655.5	1,862.6	4,107.9	2,536.8	14,357.6	9,517.5
ii) Foreign currency loans	516.6	727.1	595.2	470.4	10,697.9	8,568.5
2. Underwriting (i to iv)	634.7	18.5	618.7	87.3	2,147.4	246.5
i) Equity shares	369.0	2.7	207.9	54.8	1,067.9	148.8
ii) Preference shares	9.0	—	—	—	26.0	12.7
iii) Debentures	256.2	15.8	410.8	32.5	1,053.0	85.0
iv) Bonds	0.5	—	—	—	0.5	—
3. Direct subscriptions (i to v)	409.8	123.8	900.2	473.8	1,818.7	1,005.3
i) Equity shares	210.9	70.4	435.5	233.4	844.6	491.8
ii) Preference shares	0.1	1.2	3.8	4.0	22.1	17.4
iii) Debentures	198.8	52.2	380.9	196.4	872.0	456.1
iv) Bonds	—	—	20.0	—	20.0	—
v) Units	—	—	60.0	40.0	60.0	40.0
4. Guarantees	386.1	—	835.2	0.6	2,006.1	11.3
II. Financial Services (i to iv)	**1,169.1**	**583.2**	**1,646.6**	**844.4**	**6,639.5**	**3,622.8**
i) Deferred credit	459.2	156.0	674.2	221.2	3,265.5	1,638.5
ii) Leasing	340.8	175.0	634.0	400.9	1,806.2	1,031.2
iii) Instalment sale	—	—	—	—	59.9	22.9
iv) Asset credit	369.1	252.2	338.4	222.3	1,507.9	930.2
Total (I+II)	**5,771.8**	**3,315.2**	**8,703.8**	**4,413.3**	**37,667.2**	**22,971.9**

* 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	1992-93		1993-94	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Direct Assistance (a to f)	**587.9**	**475.1**	**1,231.7**	**1,032.6**
a) Direct discounting	499.8	428.1	871.3	764.6
b) Marketing scheme	1.1	2.0	0.7	0.8
c) Assistance to leasing companies	51.3	32.6	237.0	205.6
d) Infrastructural development	4.7	0.5	2.8	3.5
e) Factoring service	20.0	11.0	30.0	27.5
f) Others	11.0	0.9	89.9	30.6
2. Indirect Assistance (g to i)	**2,922.1**	**2,272.6**	**2,632.1**	**2,197.2**
g) Refinance	2,026.8	1,449.9	1,766.5	1,390.9
h) Bills Rediscounting	253.8	181.2	205.6	146.3
i) Short term bills	641.5	641.5	660.0	660.0
3. Equity Support (j to m)	**9.9**	**8.0**	**6.0**	**5.2**
j) Seed capital	0.2	0.3	0.3	0.2
k) National Equity Fund (NEF)	3.3	2.5	2.7	2.3
l) Special scheme for Ex-servicemen	4.3	3.7	1.5	1.4
m) Mahila Udyam Nidhi Scheme (MUN)	2.1	1.5	1.5	1.3
4. Resources Support (n to p)	**30.0**	**31.6**	**144.3**	**96.3**
n) National Small Industries Corporation Ltd. (NSIC)	—	1.0	7.0	7.0
o) State Small Industries Development Corpns.	10.0	18.9	23.3	29.3
p) Others	20.0	11.7	114.0	60.0
Total (1 to 4)	**3,549.9**	**2,787.3**	**4,014.1**	**3,331.3**

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	1992-93		1993-94*		Cumulative Assistance as at the end of March 1994*	
	Sanctions (Gross)	Disbursements	Sanctions (Gross)	Disbursements	Sanctions (Effective)	Disbursements
1	2	3	4	5	6	7
1. Term loan (including short term loan and bridge loan) of which:	287.7 (72)	173.1	291.6 (51)	175.0	1,931.1	1,405.6
a) Projects located in areas classified as backward	93.2	50.8	39.4	47.1	532.0	415.3
b) Projects in small-scale industries sector	1.5	0.9	1.4	1.5	26.3	20.3
2. Textile Processing Corporation of India Ltd. (T.P.C.I.)	—	—	—	—	4.4	4.4
3. Equipment leasing scheme	2.6	6.6	—	0.6	20.8	17.0
4. Hire purchase assistance	—	—	—	—	6.8	5.8
5. Equipment Finance	4.0	4.2	20.5	6.0	53.8	30.8
6. Lines of credit scheme for assisting sick small-scale units through various state-level agencies	—	—	—	—	14.5	6.2
7. Other Schemes :						
(i) Underwriting and direct subscriptions	—	—	63.7	7.0	77.3	7.0
(ii) Guarantee (DPG)	—	—	50.0	—	50.0	—
Total (1 to 7)	**294.3**	**183.9**	**425.8**	**188.6**	**2,158.7**	**1,476.8**

* Data are provisional.

Note : Figures in brackets indicate number of fresh term loan (including short term and bridge loan) cases sanctioned during the year.

Source : Industrial Reconstruction Bank of India.

Table IX-13 : Financial Assistance Sanctioned and Disbursed by SCICI Ltd.

(Year:April-March) (Rs. crore)

Type of Assistance	1992-93		1993-94	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Rupee loans	298.2	119.6	516.9	276.0
2. Foreign currency loans	253.3	328.4	737.6	507.4
3. Underwriting/Investment	109.2	16.8	325.4	79.3
4. Line of credit	1.6	—	5.0	—
5. Guarantees	77.1	—	95.4	134.3
6. Leasing	21.5	21.5	18.0	9.6
Total (1 to 6)	**760.9**	**486.3**	**1,698.3**	**1,006.6**

Source: SCICI Ltd.

Table IX-14 : Financial Assistance Sanctioned and Disbursed by UTI

(Year:April-March) (Rs.crore)

Type of Assistance	1992-93		1993-94	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
1. Rupee term loans	2,151.1	1,736.7	2,043.6	1,745.4
2. Underwriting and direct subscriptions (i+ii)	3,308.7	1,584.4	3,802.1	2,390.5
i) Equity/Preference shares	921.3	448.1	1,178.7	943.9
ii) Debentures	2,387.4	1,136.3	2,623.4	1,446.6
3. Bonds	923.3	811.0	1,176.1	1,129.0
4. Short-term loans	2,632.0	2,036.2	497.9	359.7
5. Medium-term loans	94.5	114.1	—	60.8
6. Special Deposits *	1,192.7	1,187.0	757.3	927.0
Total (1 to 6)	**10,302.3**	**7,469.4**	**8,277.0**	**6,612.4**

* Includes deposits with IDBI, IFCI, ICICI and industrial concerns.

Note : Data are provisional.

Source : Unit Trust of India.

Table IX-15 : Investments by UTI

(Rs. crore)

Type of Investment	As on June 30, 1993	As on June 30, 1994*
1	2	3
A. Total Investment in Corporate Sector (1 to 9)	**31,735.0 (81.4)**	**40,588.0 (78.5)**
of which:		
1. Equity shares	14,920.0 (38.3)	21,117.4 (40.8)
2. Preference shares	21.4 (0.1)	23.6 (0.1)
3. Debentures	8,822.0 (22.6)	11,007.3 (21.3)
4. Advance deposits against investment commitments	164.5 (0.4)	719.7 (1.4)
5. Unsecured short-term deposits	825.7 (2.1)	465.3 (0.9)
6. Bridge Finance	250.7 (0.6)	49.6 (0.1)
7. Application Money	4.6 (..)	11.4 (..)
8. Term loans	3,594.9 (9.2)	4,087.4 (7.9)
9. Special deposits	3,131.2 (8.0)	3,106.3 (6.0)
B. Other investments (10 to 11)	**7,241.8**	**11,120.9**
of which:	**(18.6)**	**(21.5)**
10. Money Market Investment	3,292.1 (8.5)	3,070.4 (5.9)
11. Government securities etc.	3,949.7 (10.1)	8,050.5 (15.6)
C. Total investible funds (A+B)	**38,976.8 (100.0)**	**51,708.9 (100.0)**

.. Negligible

* Provisional.

Note : Figures in brackets indicate percentage to total.

Source : Unit Trust of India.

Table IX-16 : Scheme-wise Sales and Repurchases by Unit Trust of India

(Year:July-June) (Rs.crore)

Schemes	Sales		Repurchases		Outstanding (as on June 30)	
	1992-93	1993-94*	1992-93	1993-94*	1993	1994*
1	2	3	4	5	6	7
1. Unit Scheme 1964	1,765.9	4,824.2	686.6	239.8	7,405.2	12,014.6
2. Unit Scheme 1971(ULIP)	398.0	498.2	96.5	81.7	1,295.6	1,712.1
3. Scheme For Charitable and Religious Trust and Registered Societies 1981(CRTS)	147.5	115.8	35.1	6.4	326.7	437.0
4. Capital Gains Unit Scheme 1983.	233.5	—	312.2	370.0	1,381.9	1,011.8
5. Children's Gift Growth Fund Unit Scheme 1986	179.9	286.4	4.6	8.1	858.2	1,137.7
6. Omni Unit Plan 1991	48.3	45.1	47.6	45.8	1.4	0.7
7. Housing Unit Scheme 1992	14.0	4.2	—	—	14.0	18.9
8. Rajlakshmi Unit Scheme 1992	295.1	234.7	—	0.4	295.1	529.3
9. Institutional Investors Unit Scheme '93	245.3	1,031.6	—	—	245.3	1,276.9
10. Senior Citizen Unit Plan '93	11.0	13.4	—	—	11.0	24.4
11. Monthly Income Unit Scheme With Growth@	—	—	300.6	542.6	1,049.7	507.1
12. India Fund Unit Scheme 1986	—	83.6	—	135.2	170.6	119.0
13. Mutual Fund (Subsidiary) Unit Scheme 1986	—	384.5	—	42.7	349.9	410.2
14. Growing Income Unit Scheme@@	87.0	69.7	386.2	25.4	772.2	724.5
15. India Growth Fund 1988	—	21.4	—	—	43.3	64.8
16. Venture Capital Unit Scheme (I)1989	—	5.4	—	7.3	20.0	18.1
17. Venture Capital Unit Scheme (II)1990	11.1	39.4	—	—	59.8	99.2
18. 7 Year Monthly Income Schemes$	304.0	241.6	20.1	170.3	3,471.6	3,542.9
19. Deferred Income Unit Scheme 1990	—	—	—	—	105.3	105.3
20. Unit Growth Scheme 2000	—	—	1.4	32.9	192.5	159.7
21. Master Equity Plan 1991	—	—	0.5	44.2	285.9	241.8
22. Capital Growth Unit Scheme 1991 (Mastergain)	—	—	0.1	—	123.5	123.5
23. Deferred Income Unit Scheme 1991	—	—	0.3	0.1	205.0	204.9
24. Venture Capital Unit Scheme (III)	10.0	5.0	—	—	15.0	20.0
25. Unit Growth Scheme '5000	—	—	—	40.8	277.2	236.5
26. Growing Monthly Income Unit Scheme$$	—	—	6.0	10.4	2,094.7	2,084.3
27. Mastershare Plus 1991	—	—	—	29.7	1,000.2	970.5
28. Master Equity Plan 1992	—	—	0.1	0.8	1,274.4	1,273.6
29. Capital Growth Unit Scheme 1992 (Mastergain '92)	—	—	—	133.9	4,712.1	4,580.1
30. Deferred Income Unit Scheme 1992	128.7	—	—	—	128.7	128.7

(Contd..)

Table IX-16 : Scheme-wise Sales and Repurchases by Unit Trust of India *(Contd.)*

(Year:July-June) (Rs.crore)

Schemes	Sales		Repurchases		Outstanding (as on June 30)	
	1992-93	1993-94*	1992-93	1993-94*	1993	1994*
1	2	3	4	5	6	7
31. Growing Monthly Income Unit Scheme with Bonus-1992#	824.2	—	1.0	1.8	823.2	822.9
32. Monthly Income Unit Scheme with Bonus '93	579.5	—	—	0.8	431.1	685.4
33. Unit Scheme 1992	302.2	—	—	--	302.2	302.2
34. Master Equity Plan 1993	392.3	—	—	--	392.3	392.9
35. Master Growth 1993	446.2	—	--	11.7	446.2	435.7
36. Grand Master 1993	68.1	—	—	0.3	68.1	75.4
37. Bhopal Gas Victim Monthly Income Plan 1993	0.3	2.3	—	0.4	0.3	2.3
38. Deferred Income Unit Scheme 1993	—	376.6	—	--	—	376.5
39. Monthly Income Unit Plan 1993	—	652.2	—	--	—	651.9
40. Master Equity Plan 1994	—	731.5	—	--	—	729.8
41. Monthly Income Unit Plan 1994	—	445.5	—	--	—	445.5
42. Growing Corpus Growing Income Plan 1994	—	191.2	—	--	—	191.2
43. Monthly Income Unit Plan 1994 (II)	—	382.3	—	--	—	382.3
44. Children's College and Career Fund	—	25.8	—	--	—	25.8
Total	**6,492.0**	**10,711.6**	**1,898.8**	**1,983.5**	**30,649.5**	**39,297.9**

* Provisional

@ 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).

\# Includes Growing Monthly Income Unit Scheme with Bonus 1992 (I) and (II).

Source : Unit Trust of India.

Table IX-17: Financial Assistance Sanctioned and Disbursed by LIC

(Year:April-March) (Rs. crore)

Item	1992-93		1993-94		Cumulative Assistance as at the end of March 1994		Amount outstanding as on March 31, 1994
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements	
1	2	3	4	5	6	7	8
1. Loans	293.7	188.6	166.0	146.0	2,626.0	2,009.0	1,284.0
2. Underwriting and direct subscriptions (i+ii)	796.1	756.8	1,297.7	448.1	5,377.1	3,799.5	4,941.0
i) Equity and Preference shares	216.0	83.3	242.4	148.0	770.6	497.2	1,983.1
ii) Debentures	580.1	673.5	1,055.3	300.1	4,606.5	3,302.3	2,957.9
Sub Total (1+2)	**1,089.8**	**945.4**	**1,463.7**	**594.1**	**8,003.1**	**5,808.5**	**6,225.0**
3. Resource support to financial institutions (by way of term loans)	650.0	450.0	200.0	200.0	1,250.0	700.0	1,250.0
Total (1 to 3)	**1,739.8**	**1,395.4**	**1,663.7**	**794.1**	**9,253.1**	**6,508.5**	**7,475.0**

Note : Data are provisional.
Source : Life Insurance Corporation of India.

Table IX-18 : Investments by LIC

(Rs. crore)

Type of Assistance	As at the end of March		Net change during April-March	
	1993	1994	1992-93	1993-94
1	2	3	4	5
1. Public Sector	28,983.2	36,246.5	4,526.0	7,263.2
2. Private Sector	5,397.0	5,894.4	1,189.4	497.4
3. Joint Sector	284.3	304.6	109.4	20.3
4. Co-operative Sector	1,657.6	1,716.0	94.9	58.5
Total (1 to 4)	**36,322.1**	**44,161.5**	**5,919.7**	**7,839.4**
of which:				
a) Stock Exchange Securities	23,082.5	29,536.3	4,025.7	6,453.8
b) Loans	11,585.4	12,876.3	1,967.0	1,290.9
c) Others*	1,654.2	1,748.9	- 73.0	94.7

* 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-19 : Financial Assistance Sanctioned and Disbursed by GIC and its Subsidiaries

Year : (April-March) (Rs. crore)

Item	1992-93		1993-94	
	Sanctions	Disbursements	Sanctions	Disbursements
1	2	3	4	5
A. Type of Assistance				
1. Loans*	211.1	176.9	154.8	237.4
2. Underwriting and direct subscriptions (i + ii)	348.2	359.1	669.2	232.9
i) Equity and Preference shares	109.8	100.2	74.5	143.3
ii) Debentures	238.4	258.9	594.7	89.6
Total (1 to 2)	**559.3**	**536.0**	**824.0**	**470.3**
B. Sector-wise Assistance				
1. Public Sector	93.5	118.3	158.2	178.6
2. Private Sector	430.2	390.8	660.7	246.5
3. Co-operative Sector	0.7	0.9	—	8.1
4. Joint Sector	34.9	26.0	5.1	37.1
Total (1 to 4)	**559.3**	**536.0**	**824.0**	**470.3**

* : Including unsecured short-term loans/deposits.
Source : General Insurance Corporation of India.

Table IX-20 : Operations of State Financial Corporations

(Year:April-March) (Rs. crore)

	1992-93	1993-94*	Cumulative Sanctions/ Disbursements upto end of March 1994*
1	2	3	4
Assistance Sanctioned	2,015.3	1,909.4	16,821.3
Assistance Disbursed	1,557.4	1,568.0	13,359.2

* Provisional.
Source : Industrial Development Bank of India.

Table IX-21 : Operations of State Industrial Development Corporations

(Year:April-March) (Rs. crore)

	1992-93	1993-94*	Cumulative Sanctions/ Disbursements upto end of March 1994*
1	2	3	4
Assistance Sanctioned	973.1	936.2	8,110.8
Assistance Disbursed	694.7	714.9	6,301.5

* Provisional.
Source : Industrial Development Bank of India.

Table IX-22 : Details of Credit Rating by CRISIL

(Year:April-March) (Rs. crore)

Instruments	1987-88		1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		Cumulative at end March 1994	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Debentures	1	65.0	9	143.0	15	681.1	7	24.0	114	3,989.0	160	13,653.0	77	6,227.0	383	24,781.0
2. Fixed Deposit Programme	—	—	17	763.0	37	1,189.5	46	1,471.0	26	1,252.0	33	5,550.0	69	5,116.0	228	15,342.0
3. Commercial Paper Programme	—	—	—	—	20	227.8	24	196.0	12	524.0	34	782.0	211	4,801.0	301	6,531.0
4. Others	—	—	—	—	—	—	—	—	3	100.0	2	26.0	9	527.0	14	653.0
Total (1 to 4)	**1**	**65.0**	**26**	**906.0**	**72**	**2,098.4**	**77**	**1,691.0**	**155**	**5,865.0**	**229**	**20,011.0**	**366**	**16,671.0**	**926**	**47,307.0**

Source : Credit Rating Information Services of India Limited.

Table IX-23 : Details of Credit Rating by ICRA

(Year:April-March) (Rs. crore)

Instruments	1991-92 (7 months)		1992-93		1993-94		Cumulative at end March 1994	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9
1. Debentures	33	2,038.9	51	4,558.0	28	1,998.9	112	8,595.8
2. Fixed Deposit Programme	12	104.5	27	246.7	42	1,082.7	81	1,433.9
3. Commercial Paper Programme	3	72.0	8	524.1	69	1,668.9	80	2,265.0
Total (1+2+3)	**48**	**2,215.4**	**86**	**5,328.8**	**139**	**4,750.5**	**273**	**12,294.7**

Source: Investment Information and Credit Rating Agency of India Limited.

Table IX-24 : Operations of Export-Import Bank of India

(Year : April-March) (Rs. crore)

Lending Programmes	1992-93			1993-94		
	Sanctions	Disbursements	Outstandings	Sanctions	Disbursements	Outstandings
1	2	3	4	5	6	7
A. Funded Assistance	**1,590.2**	**1,295.6**	**1,841.9**	**650.8**	**810.9**	**2,033.7**
1. Supplier's Credit	156.1	108.4	562.1	209.7	242.8	736.4
2. Pre-shipment Credit	79.9	70.5	126.8	7.3	1.8	37.5
3. Export Oriented Units Finance	168.2	107.8	193.6	80.0	117.5	246.4
4. Agency Credit Line	—	0.6	14.4	—	—	11.1
5. Computer Software Exports	2.8	18.9	24.3	27.8	9.7	15.3
6. Export Marketing Finance	46.7	54.8	73.1	46.6	50.8	108.4
7. Overseas Investment Finance	—	0.3	5.9	20.9	2.0	6.9
8. Production Equipment Finance	147.0	92.6	92.3	91.8	52.6	134.8
9. Export Vendor Development Finance	25.0	—	—	0.4	20.0	17.5
10. Lines of credit	74.2	36.2	253.7	1.9	160.3	404.9
11. Buyer's credit	—	0.4	108.6	—	—	104.0
12. Export Bills Rediscounting	687.0	687.0	174.0	—	—	—
13. Refinance of Export Credit	124.0	38.8	144.5	7.6	42.7	125.8
14. Bulk Import Finance	79.3	79.3	68.3	126.5	85.5	60.0
15. Export Product Development Finance	—	—	0.3	5.5	4.4	4.5
16. F.C.Preshipment Finance	—	—	—	24.2	14.8	14.8
17. Others	—	—	—	0.6	6.0	5.4
B. Guarantees	**126.8**	**104.3***	**1,213.4**	**136.9**	**103.7***	**751.7**

* Guarantees issued.

Note : All sanctions, disbursements and outstanding amounts in foreign currencies have been converted into rupees using the exchange rate prevailing at the end of the year.

Source : Export-Import Bank of India.

Table IX-25: Region-wise Operations of Export-Import Bank of India

(Year:April-March) (Rs. crore)

Regions	1993-94			
	Sanctions	% share	Disbursements	% share
1	2	3	4	5
1. South Asia	1.3	0.5	75.4	16.5
2. Americas	2.1	0.9	—	—
3. West Asia	200.1	83.3	247.3	54.2
4. South-East Asia/ Far East and Pacific	4.0	1.7	18.0	3.9
5. Europe and CIS	21.7	9.0	8.1	1.8
6. Sub-Saharan Africa	11.0	4.6	21.7	4.7
7. North Africa	—	—	86.2	18.9
Total	**240.2**	**100.0**	**456.7**	**100.0**

Note : This table includes sanctions and disbursements under Supplier's Credit, Export Credit Refinance, Buyer's Credit,Lines of Credit and Overseas Investment Finance.

Source : Export-Import Bank of India.

Table IX-26 : Industrial Distribution of loans by Export-Import Bank of India

(Year:April-March) (Rs. crore)

Industry	1993-94			
	Sanctions	% share	Disbursements	% share
1	2	3	4	5
1. Vehicles	26.8	5.4	85.5	12.1
2. Other capital and engg. goods	47.1	9.5	101.2	14.3
3. Construction goods, equipments	184.5	37.1	165.0	23.3
4. Agricultural products and foodprocessing	26.3	5.3	55.2	7.8
5. Machine tools and accesories	3.4	0.7	18.4	2.6
6. Chemicals, drugs and pharmaceuticals	21.7	4.4	51.9	7.3
7. Power generation and distribution equipment	10.0	2.0	52.7	7.5
8. Textiles and garments	45.5	9.1	30.7	4.3
9. Leather and leather products	14.3	2.9	6.2	0.9
10. Telecommunications	2.6	0.5	7.7	1.1
11. Computer software	27.8	5.6	9.8	1.4
12. Consultancy services	30.0	6.0	18.6	2.6
13. Railway rolling stock	3.2	0.6	-	-
14. Miscellaneous	54.4	10.9	104.7	14.8
Total	**497.6**	**100.0**	**707.6**	**100.0**

Note : This table includes sanctions and disbursements under Supplier's Credit, Export Oriented Unit, Computer Software Exports, Export Marketing Finance, 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-27 : Operations of HDFC

(Year:April-March) (Rs. crore)

Item	1991-92	1992-93	1993-94	Cumulative Sanctions/ Disbursements
1	2	3	4	5
Loan Approvals/Sanctions	711.9	859.1	1,024.8	5,498.9
Loan Disbursements	627.8	719.9	889.1	4,483.4
Housing loan outstanding (at the end of March)	2,129.9	2,561.7	3,071.2	..

.. Not available.

Source : Housing Development Finance Corporation Limited.

CHAPTER X

DEVELOPMENTS IN FOREIGN TRADE*

Overall Trend

The robust export performance witnessed during 1993-94, after a modest growth of 3.8 per cent during 1992-93 and a decline of 1.5 per cent in 1991-92, together with a sluggish import growth resulting mainly from slack in industrial production and softening of international crude oil prices, contributed to substantially lower trade deficit during the year. According to the provisional data of the Directorate General of Commercial Intelligence and Statistics (DGCI&S), trade deficit during 1993-94 stood at US $ 1,068 million as compared with US $ 3,345 million in 1992-93. The trade deficit during 1993-94 was the lowest in the last 16 years. A break-up of trade balance into 'oil' and 'non-oil' components shows that the non-oil surplus almost doubled to US $ 4,290 million in 1993-94 from US $ 2,279 million in the previous year. Oil balance also showed improvement in that the oil deficit declined modestly from US $ 5,624 million in 1992-93 to US $ 5,358 million during 1993-94.

India's exports at US $ 22,238 million during 1993-94 recorded a sharp increase of 20.0 per cent over the year. During the first four months of the year, the growth of exports was as high as 27.5 per cent. In the subsequent four months, however, exports growth decelerated to 11.3 per cent. The seasonal factor led to a partial recovery in December 1993, which continued till March 1994.

Imports at US $ 23,306 million during the year registered a modest rise of 6.5 per cent as compared with a rise of 12.7 per cent in the preceding year. In terms of its major components, *viz.*, oil imports and non-oil imports, the latter increased by 11.2 per cent to US $ 17,550 million from US $ 15,782 million in the previous year. The slowdown in non-oil imports could be attributed to a number of factors. The stability of import policy as also of exchange rate policy had reduced the need for anticipatory imports. The decanalisation of imports as well as the other ongoing liberalisation measures had considerably enhanced the role of market forces. The sluggish industrial growth too contributed to the weak import demand. In the case of oil imports, despite an increase in the quantum from 40.5 million tonnes in 1992-93 to 42.9 million tonnes in 1993-94, the value of imports declined by 5.6 per cent in US dollar terms primarily due to the softening of international crude oil prices. The sluggishness witnessed during the initial months of the year was made good by a smart recovery of 17.5 per cent recorded in the closing quarter of the fiscal year 1993-94 over the comparable quarter of the preceding year, suggesting the onset of industrial recovery.

The trade data presented in terms of rupee and SDR showed a trend similar to that outlined above (Table X-1).

The export-import ratio, which is a rough indicator of the extent to which exports can finance imports, increased from 84.7 per cent in 1992-93 to 95.4 per cent in 1993-94 reflecting the buoyancy in exports during the year under review. More importantly, it was higher than the average of the preceding three years.

* This chapter is based on information/data available up to end-October, 1994.

Composition of Exports

The trends in the composition of exports along with the growth rates in exports of commodities are presented in Table X-2. These data show that while the exports of primary products increased by 26.1 per cent in dollar terms, those of manufactured goods rose by 18.3 per cent during 1993-94. During 1992-93, the rates of growth of the two groups were −6.3 per cent and 6.8 per cent respectively. Exports of petroleum products showed a decline of 16.5 per cent during 1993-94 as against an increase of 14.8 per cent in the preceding year.

The rising proportion of manufactured goods in total exports observed during the three years ended 1992-93 was reversed during the year under review as a result of buoyancy in exports of primary products, stimulated by the EXIM policy, 1992-97. The share of the primary products in total exports went up from 20.9 per cent in 1992-93 to 22.0 per cent in 1993-94. Consequently, the share of manufactured goods declined from 75.7 per cent to 74.9 per cent during the period.

The increase in the share of primary products was entirely under 'agriculture and allied products'. The major increases under primary products in absolute terms were recorded under marine products, oil meal and raw cotton. Among manufactured goods, the industries which registered increases in absolute terms were gems and jewellery, engineering goods, chemicals and allied products, cotton yarn, fabrics, made-ups, etc., and readymade garments.

Agriculture and Allied Products

After a decline for two successive years — in absolute as well as relative terms — exports of *agriculture and allied products* witnessed a marked turnaround with a growth of 27.4 per cent during the year under review. As a result, its share in total exports increased to 18.0 per cent in 1993-94 from 16.9 per cent in 1992-93. The thrust given to exports of agriculture and allied products in the liberalised trade regime, comfortable domestic supply situation and improvement in international prices of some of India's major agro-exports have all contributed to this notable performance. Commodities which recorded significant export growth rates during the year included raw cotton including waste (235.0 per cent), oil meal (38.0 per cent), coffee (36.3 per cent), marine products (34.4 per cent), spices (31.7 per cent) and cashew kernels (28.8 per cent).

The general buoyancy exhibited by agricultural exports was tempered by the declines recorded by sugar and molasses (53.8 per cent), tobacco (10.2 per cent) and tea (7.5 per cent). It may be seen that, while most of the commodities in this group showed a sharp turnaround from a decline in 1992-93 to increase in the year under review, exports of tea which is one of the major traditional export items declined in both the years. Alongside, exports of tobacco and sugar and molasses also declined during the year under review as against increases recorded during 1992-93.

The quantum of exports and unit value realisation of some major agriculture and allied products are presented in Table X-3. It will be observed therefrom that the acceleration in exports has been brought about by the rise both in volume and unit value of exportables. In quantum terms, except for tea and sugar and molasses, all other principal agriculture and allied products have shown increases during 1993-94. In the case of unit value realisation, excepting rice, raw cotton including waste, tobacco and spices, all other commodities showed increases. In the case of rice, raw cotton including waste and spices, the increase in earnings was brought about entirely by an increase in quantum, while the unit value realisation showed a fall. In the

case of tea and sugar and molasses, the decline in quantum of exports had offset increases in unit value realisation resulting in a fall in export earnings under these commodities. The fall in exchange earnings under tobacco was on account of a decline in the unit value realisation. The increased export earnings under coffee, cashew kernels, oil meal and marine products were contributed by increases in both quantum as well as unit value.

The major markets to which our agriculture and allied exports found their way varied from commodity to commodity. For example, the CIS (the erstwhile USSR), the UK and the UAE accounted for about 58 per cent of India's total tea exports in 1993-94. Although there was considerable decline in tea exports to Egypt, Iran and Saudi Arabia during 1993-94, the UAE emerged as a major market for Indian tea during the year. Germany, the CIS, Italy, Czechoslovakia and the USA taken together accounted for about two-thirds of India's coffee exports during 1993-94. In the case of rice exports, the share of Saudi Arabia increased from 48 per cent in 1992-93 to 54 per cent in 1993-94. The CIS accounted for 44 per cent of unmanufactured tobacco exports while the USA and the Netherlands taken together absorbed 62 per cent of the cashew kernel exports. With the disintegration of the former USSR, India's spices exports got diversified destination-wise and the USA emerged as the single largest market accounting for as much as 30 per cent in 1992-93 and 1993-94. During 1993-94, Singapore, Thailand, Indonesia, Germany and Saudi Arabia taken together absorbed 53 per cent of the oil meal exports, while Japan alone accounted for 45 per cent of India's marine products exports. Thus, there has been a perceptible change in the direction of trade during the year.

Ores and Minerals

With an increase of 20.4 per cent (broadly the same as in aggregate exports), the share of *ores and minerals* in aggregate exports during 1993-94 was maintained at the previous year's level of 4.0 per cent. The rise in exports under this category can be attributed fully to the increase in volume. In value terms, iron ore constituted about half of the total export of ores and minerals in 1993-94. Direction-wise, Japan and China taken together absorbed about 66 per cent of iron ore exports during the year (Table X-2 and Statement 151 in Vol.II).

Manufactured Goods

Except for *natural silk yarn, fabrics, made-ups, etc.* and *jute manufactures* exports of all the major *manufactured goods* have registered positive growth rates in US dollar terms during 1993-94. During the last few years, gems and jewellery, engineering goods, readymade garments and cotton yarn, fabrics, made-ups, etc., have emerged as major components of manufactured goods exports. The exports of these four industries taken together accounted for around 66.0 per cent of total manufactured goods exports and about 50.0 per cent of India's total exports in 1992-93 and 1993-94.

Exports of *gems and jewellery* at US $ 3,994 million showed an increase of 30.0 per cent during 1993-94 as compared with an increase of 12.2 per cent in 1992-93. During 1993-94, more than one-third of the exports was to the USA. Other important importers were Hong Kong (22.6 per cent), Belgium (14.5 per cent) and Japan (13.7 per cent). While all the major markets contributed to the increase, the increased off-take by some of the newly-industrialised countries (NICs) of East Asia was remarkable. For example, off-take by Hong Kong was higher by 83.0 per cent followed by Singapore (74.8 per cent) and Thailand (68.0 per cent) indicating substantial potential for expansion of gems and jewellery exports to these markets.

Exports of *engineering goods* stood at US

$ 3,021 million during 1993-94 recording a growth rate of 21.8 per cent as compared with 10.1 per cent in the previous year. This performance is all the more remarkable when seen in the background of the loss of the CIS markets and severe international competition. The share of engineering exports to the CIS declined from 17.1 per cent in 1991-92 to 4.2 per cent in 1992-93 and further to 2.1 per cent in 1993-94. Indian engineering exports have been marked by diversification in terms of both product coverage and country-wise destination. For example, between 1991-92 and 1993-94, exports of engineering goods went up from US $ 2,253 million to US $ 3,021 million. The decline in the share of the CIS markets was made good to some extent by increased off-take by the USA (0.8 percentage points), Chinese Taipei (1.7 percentage points), the UAE (2.4 percentage points), Singapore (1.4 percentage points) and the UK (0.3 percentage points).

Exports of *readymade garments* at US $ 2,580 million grew modestly by 7.8 per cent in 1993-94 as compared with 8.8 per cent in 1992-93. The modest growth rate was partly the result of high incidence of tariff and non-tariff barriers. The uncertainty created by delays in extension of the Multi Fibre Arrangement - IV (MFA-IV), the agreement which governs the major portion of international trade in textiles and clothings, also had its impact on India's readymade garment exports. The USA and Germany are the two major markets for India's readymade garments. However, their combined share declined from 42.8 per cent in 1992-93 to 40.1 per cent in 1993-94.

During 1993-94, exports of *cotton yarn, fabrics and made-ups, etc.*, at US $ 1,542 million witnessed a growth of 14.2 per cent as compared with an increase of 3.9 per cent in 1992-93. Destination-wise, major markets for these exports were the USA (12.8 per cent), the UK (12.2 per cent), Bangladesh (11.4 per cent) and Germany (7.3 per cent).

Exports of *chemicals and allied products* grew by 20.7 per cent to US $ 1,483 million in 1993-94 as against the decline of 17.0 per cent in 1992-93. This recovery was rendered possible by the partial revival of exports to the CIS and an aggressive market expansion in some of the non-traditional markets. The share of the CIS, which declined from 29.1 per cent in 1991-92 to 6.3 per cent in 1992-93, increased, *albeit* partially, to 9.5 per cent during 1993-94 . Exports of chemicals and allied products showed robust growth rates in rupee terms, during the year in the markets of UAE (86.0 per cent), Saudi Arabia (66.0 per cent), Netherlands (41.2 per cent) and Hong Kong (41.1 per cent). The share of these four countries taken together improved by two percentage points. The share of the USA and Germany stood at 13.3 per cent and 8.1 per cent, respectively.

Exports of *leather and leather manufactures* at US $ 1,320 million in 1993-94 represented a rise of 3.3 per cent as against 0.7 per cent in 1992-93. The share of the CIS which stood at 12.6 per cent in 1991-92 declined to 6.3 per cent in 1992-93 and further to 4.0 per cent in 1993-94. The offtake by a number of industrialised countries like Belgium, Canada, France and Japan was relatively low. However, the main markets for these exports, viz., Germany, the USA, the UK and Italy, improved their combined share from 60.4 per cent in 1992-93 to 64.7 per cent in 1993-94 (Table X-2 and Statement 151 in vol. II).

Commodity wise Imports

India's total imports in US dollar terms increased by 6.5 per cent during 1993-94 as compared to 12.7 per cent in the previous year. While non-bulk imports increased by 17.8 per cent, bulk imports declined by 7.4 per cent, thus offsetting partially the smart

increase recorded under the former category. Non-bulk imports include aircrafts acquired by various agencies on lease basis and the magnitude of such imports has remained uneven over the years. If the value of such imports is excluded, then the non-bulk imports would show an increase of 10.9 per cent, while the overall imports would go up by 2.7 per cent in 1993-94.

During 1993-94, all the major categories of bulk imports except pulses, paper, paper boards and manufactures thereof, pulp and waste paper, iron and steel, non-ferrous metals and crude rubber including synthetic and reclaimed declined in US dollar terms. As a result, the absolute value of bulk imports declined from US $ 9,830 million in 1992-93 to US $ 9,105 million in 1993-94, their share in total imports dropping to 39.2 per cent from 44.9 per cent in the previous year (Table X-4). Due to comfortable supply position of agricultural products, imports of cereals and cereal preparations, mainly wheat, declined by 74.5 per cent during the year. Fertilizer imports at US $ 831 million in 1993-94 declined by 15.0 per cent mainly due to fall in international prices.

Among the non-bulk imports, capital goods, which comprise machinery - electrical and non-electrical, transport equipment, manufactures of metals and project goods, at US $ 6,040 million grew by 33.3 per cent. In particular, imports of transport equipment (which includes aircraft imports) increased by 174.3 per cent while imports of machinery, other than electrical, recorded an increase of 32.1 per cent. Imports of pearls, precious and semi-precious stones recorded a rise of 8.2 per cent in 1993-94, as compared with the increase of 24.8 per cent in 1992-93. Other non-bulk imports which registered sharp increases were synthetic and regenerated fibre, textile yarn, fabrics, made-ups, etc.

Data on quantum and cost per unit are presented in Table X-5. It may be seen therefrom that for all the items of bulk imports, except cereal and cereal preparations, the cost per unit had declined in 1993-94. Bulk imports in respect of which the quantum had increased considerably include iron and steel (85.4 per cent), pulses (64.0 per cent), pulp and waste paper (43.5 per cent), and paper, paper board and manufactures (32.2 per cent). The quantum of imports decreased significantly in the case of wheat (83.1 per cent) and rice (26.3 per cent). Amongst the bulk imports, the items in respect of which the cost per unit declined markedly include iron and steel (43.0 per cent), sulphur and unroasted iron pyrites (fertilizers) (29.7 per cent), manufactured fertilizers (22.9 per cent) and pulp and waste paper (22.2 per cent). It may be noted that the decline in the value of bulk imports was more a result of the decline in the cost per unit rather than due to a decline in the quantum.

As regards the sources of India's imports during 1993-94, Australia and the USA accounted for almost nine-tenths of wheat imports and Vietnam supplied 86.7 per cent of rice imports. India's main sources of pulses imports were Myanmar (38.3 per cent) and Australia (18.4 per cent). In the case of pulp and waste paper, the USA and Canada accounted for 32.8 per cent and 18.9 per cent of the imports, respectively. The main sources of imports of manufactured fertilizers were the USA (21.8 per cent), Russia (11.4 per cent), Ukraine (10.7 per cent) and Jordan (9.5 per cent).

Industrialised countries continued to be the main source of India's imports of capital goods. The USA accounted for 25.2 per cent of the capital goods imports followed by Germany (18.4 per cent), Japan (15.2 per cent), France (6.3 per cent) and the UK (5.6 per cent). Around 62.0 per cent of India's imports of pearls, precious and semi-precious

stones came from Belgium and another 28.6 per cent from the UK.

Direction of Trade

The direction of India's foreign trade remained broadly unchanged during 1993-94. By and large, the industrial market economies belonging to the OECD group of countries continued to serve both as principal markets for India's exports as well as major sources of India's imports. India's trading partners are classified in this chapter into four broad categories : (a) Organisation for Economic Co-operation and Development (OECD) ; (b) Organisation of Petroleum Exporting Countries (OPEC) ; (c) Eastern Europe ; and (d) Developing countries.

During 1993-94, the OECD group of countries accounted for about 56.4 per cent of India's total trade (exports plus imports), followed by the Developing Countries group (22.5 per cent), the OPEC (16.6 per cent) and the Eastern Europe (3.4 per cent) (Tables X-6 and X-7).

Underlying these broad trends is the shift in the direction of India's foreign trade reflecting the developments in the international arena. For instance, the continued recession in the OECD countries resulted in a fall in the share of this group in India's total exports (3.6 percentage points). The EEC and North America, the two largest trading partners within the OECD group, registered decline in their shares in India's total exports (2.3 and 1.0 percentage points, respectively). As regards Eastern European countries, the marked disruption in trade witnessed in 1992-93 continued during the year under review as well; their share in India's total exports stood at 4.4 per cent during both the years. Developing countries, on the other hand, increased their share in India's total exports from 22.9 per cent in 1992-93 to 26.0 per cent in 1993-94, with the 'Other Asian Developing Countries' group accounting for the entire increase.

With regard to imports, the share of OECD group of countries declined to 55.9 per cent during 1993-94 from the previous year's level of 56.1 per cent. The share of OPEC, which is the second most important source for India's imports, registered a steady rise over the years. During 1993-94, the share of this group of countries in India's total imports stood at 22.4 per cent as compared with 21.8 per cent registered during the previous year. The share of developing countries showed a marginal decline largely due to a fall in the shares of Africa and 'Other Developing' countries.

Developments in Foreign Trade Policy

The various policy measures pertaining to trade liberalisation adopted since July 1991 and culminating in the announcement of a five year Export-Import Policy, 1992-97, as modified upto March 31, 1993, were discussed in detail in the previous year's Report.

The modifications announced on March 30, 1994 aim at accelerating the process of dismantling quantitative restrictions and making the policy framework more transparent. In the modifications, the negative list of imports has been pruned further by removing several items therefrom, such as, some of the components required for the manufacture of finished products in the electronic industry and out-board motors. The conditions for importing second-hand capital goods have been substantially relaxed with due consideration for indigenous production capability.

Important export control/promotion measures/import control announcements during 1993-94, are covered in Appendices I and II.

The major highlights of the modifications in the EXIM Policy, 1992-97, effective March 31, 1994 are discussed below :

Modifications to the EXIM Policy, 1992-97

Deemed Exports

In order to strengthen the industrial base, some more facilities were extended to indigenous manufacturers. The duty-free licence holders have been allowed to source their goods from local manufacturers instead of importing the same with an added advantage of Deemed Exports benefits. The facility of Advance Release Order has also been extended to Special Import Licences, Advance Intermediate Licences, Transferred Advance Licences and Sensitive List items in terms of value. Special Import Licences at the rate of 5 per cent of FOB value (excluding all taxes and levies) of supplies made with effect from April 1, 1994 have also been granted to Deemed Exporters.

Export Promotion Capital Goods (EPCG) Scheme

In order to provide quick and efficient service to exporters, the power to grant EPCG licences, which hitherto was centralised in the Office of the Director General of Foreign Trade (DGFT), had been decentralised in terms of which Regional Offices can permit imports up to Rs. 25 lakhs. For fulfilment of the export obligations under the Scheme, third party exports were also permitted and the export obligations should be based on exports of the products having nexus with the imported capital goods.

Duty Exemption Scheme

Under the Duty Exemption Scheme, the minimum value addition stipulation under the Advance Customs Clearance Permit was reduced from 15 per cent to 10 per cent, the third party exports were permitted and the issue and revalidation procedures were streamlined.

With a view to rendering quick and efficient service to exporters, four Regional Advance Licensing Committees at Delhi, Bombay, Madras and Calcutta have been upgraded to Zonal Advance Licensing Committees. The Regional Advance Licensing Committees were allowed to issue licences up to Rs. 10 crore. where norms have been fixed, and where they have not been fixed, the Zonal Committees could issue licences up to Rs. one crore.

Legal Undertaking (LUT)/ Bank Guarantee

To ensure cost effectiveness and in order to provide further incentive to exporters, the scheme of LUT was further rationalised. LUT limit granted to Export Houses/Trading Houses/Star Trading Houses was enhanced from three times of the previous year's exports to five times, and in respect of other exporters, the limit was raised to two times from one and a half times. The Super Star Trading Houses, details of which are discussed in a subsequent paragraph, were granted unlimited LUT facility.

With regard to bank guarantee, exporters under Advance Licence Scheme were allowed to give bank guarantee in two parts in respect of licences issued for a value of Rs. 1 crore and above. In other cases, they could replace their original bank guarantee with a reduced value after fulfilling 50 per cent of export obligation.

Super Star Trading Houses

A new category of Super Star Trading House was created and an exporter with an average trade turnover of Rs. 750 crore FOB during the preceding three licensing years or

a turnover of Rs. 1,000 crore FOB during the preceding licensing year, was made eligible to become a Super Star Trading House. Such Trading Houses will be entitled to a) membership of Apex Consultative Bodies concerned with trade policy and promotion ; b) representation in important business delegations ; c) special permission for overseas trading; and d) Special import licences at enhanced rates.

The criterion for recognition as Export Houses, Trading Houses, Star Trading Houses or Super Star Trading Houses is now based on either the FOB value or Net Foreign Exchange (NFE) earned on physical exports and exports of services during the last three licensing years or preceding licensing year, whichever is opted by the exporter. However, for the grant of Super Star Trading House status, exports of at least minimum three product groups shall be essential. Effective April 1, 1994, the entitlement rates for grant of Special Import Licences to such Houses have also been enhanced.

To provide further incentive to Export Houses/Trading Houses/Star Trading Houses and Super Star Trading Houses, certain types of service exports like software, professional services rendered abroad including overseas consultancy service contracts will now be counted towards eligibility for the grant of such status.

Special Import Licences

To make the Special Import Licences financially more attractive, a number of items have now been added to the list of items permitted for import through such licences. All the existing valid licences and the ones issued hereafter would be eligible for import of these items on payment of normal customs duty. However, gold and silver will now be importable against Special Import Licences on payment of concessional rate of customs duty in foreign exchange, as applicable to incoming passengers, by the holders of Exchange Earners Foreign Currency (EEFC) accounts.

Import of Second Hand Capital Goods

Norms for import of second-hand capital goods have been simplified. These goods can now be imported by Actual Users (AUs) on OGL provided they have a minimum residual life of 5 years. The condition of maximum usage not exceeding 7 years has been removed.

Negative List Pruned

Effective March 31, 1994, the negative list of imports has been pruned further. Some components required for the manufacture of finished products in the electronic industry have been taken out of the negative list of imports. Fishermen can now import out-board motors freely. Relaxation has also been given for the import of prototypes/samples for product development.

For the import and export of items which are not covered by the negative lists of imports and exports, the restriction of value addition, etc., has been removed. Further, to provide matching facilities to the foreign exhibitors participating in international fairs/ exhibitions being held in India, facility to sell items in the restricted list upto a CIF value of Rs. 5 lakhs on payment of normal customs duty has been provided.

Export of Items Reserved for SSI Sectors

In order to strengthen the export production base, manufacturers of items reserved for SSI sectors are permitted to increase their capacity by way of investment in plant and machinery beyond Rs. 75 lakh, provided they undertake minimum export obligation of 75 per cent of their annual production. Registration of such units will be permitted by the

Secretariat for Industrial Approvals and discharge of the relevant export obligation shall be monitored by DGFT.

EOU/EPZ/EHTP

In order to bring in greater flexibility to the EOU/EPZ sector, the EOU/EPZ scheme has been harmonised with other export promotion schemes like Electronic Hardware Technology Parks (EHTP), which provide greater flexibility in operations for electronic units with regard to minimum value-addition and domestic access.

Facilities to Handicapped Persons

Handicapped persons are now permitted to import cars fitted with special controls. Items relating to computerised braille printing presses, text reading system for visually handicapped, aspherical lenses of magnification like spectacle magnifier, hand-held magnifier, and table magnifier will now be permitted to be imported freely. Similarly, artificial limbs for physically handicapped and disabled and frequency modulated hearing aid system for hearing handicapped persons in group situation will also be freely importable to make their life comfortable.

Rationalisation of Tariff Structure

One of the aspects of trade reforms relates to moderation of tariffs. The continued reduction in the peak import tariff rate from 110 per cent to 85 per cent in the Central Budget for 1993-94 and further to 65 per cent, except for a few items including passengers' baggage and alcoholic beverages, in the Central Budget for 1994-95 constituted a move towards introduction of competitive-ness.

Pursuant to the recommendations of the Tax Reforms Committee (Chelliah Committee), the Central Budget for 1994-95 effected reductions in tariffs and rationalisation/simplification of the tariff structure with a view to bringing them in line with those prevailing in other developing countries while also ensuring that the reductions do not impose undue pressure on domestic industries. Import duty on project imports and general capital goods was reduced from 35 per cent to 25 per cent, while import duties on key raw materials such as steel and chemicals have been simplified and substantially reduced : import duty on steel has been reduced to 50 per cent from rates ranging between 75 per cent to 85 per cent, while for chemicals the overall dispersal of the rates has been reduced with the reduction in the peak import duty to 65 per cent. Further, countervailing duty on imports of capital goods equivalent to the excise duty paid on domestic capital goods together with the benefit of Modvat has been introduced to enable domestic suppliers of capital goods to compete with imports.

In order to give a thrust to the export efforts of the leather industry, the import duties on a large number of items of machinery and raw materials used in this industry have been reduced from rates ranging between 25 per cent to 50 per cent to a uniform level of 20 per cent. Rationalisation of tariff structure has been effected in important sectors of the economy such as electronics and telecommunications and medical equipment, while simplification was effected in the tariff structure of coal, petroleum and pharmaceutical sectors.

Other Measures

Given the importance of finance in the export promotion strategy, credit policy has been geared to provide increased availability of credit to exporters. Effective November 1993, the Pre-shipment Credit in Foreign Currency (PCFC) Scheme was introduced under which Authorised Dealers (ADs) in

India are allowed to extend PCFC at internationally competitive rates of interest to enable exporters to compete in international markets. The Scheme will be available to cover both the domestic and imported inputs of the goods exported and will serve as an additional window for providing pre-shipment credit to Indian exporters. Further, to provide increased incentive to their export efforts, a 'Running Account' facility has been made available to exporters with a good track record. In addition, ADs in India have been allowed to arrange for lines of credit from abroad.

To provide increased protection to exporters from having to incur conversion costs when making payment for imports, the limit of foreign exchange earnings of exporters that is allowed to be retained in their Exchange Earners' Foreign Currency (EEFC) accounts has been raised from 15 per cent to 25 per cent in general under the Union Budget for 1994-95. As a special incentive, the retention limit for the 100 per cent Export Oriented Units, the units located in Export Promotion Zones, the Software Technology Parks and the Electronic Hardware Technology Parks has been raised to 50 per cent.

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 are meant to promote bilateral trade and technical co-operation. While some agreements indicate details of commodities considered for two-way transactions during a given period along with value stipulations for both sides, a number of 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 current needs of both the countries and international economic environment. The agreements facilitate smooth business transactions between the concerned countries and both exporters and importers find these agreements useful. The details of trade agreements/ protocols which were signed between India and other countries during the year 1993-94 are furnished in Appendix III.

International Trade Negotiations

The Uruguay Round of GATT Negotiations

The eighth round of multilateral trade negotiations was formally concluded in Marrakesh, Morocco on April 15, 1994, with the signing of the Uruguay Round agreement by the representatives of member countries, after more than eight years of complex negotiations. Earlier, on December 15, 1993, in Geneva, the negotiating countries agreed on the Final Act embodying the results of the Uruguay Round of Multilateral Trade Negotiations. To bring the agreement into force, the majority of the member nations have to ratify the treaty, the deadline for which is January 1, 1995.

The Final Act contains the legal texts of the agreements reached since the Round was launched in Punta del Este, Uruguay, in September 1986. It also contains texts of Ministerial Decisions and Declarations which further clarify certain provisions of some of the agreements. In all, fourteen multilateral agreements have been reached and twelve Ministerial declarations have been made. The final agreement, which encompasses virtually all areas of trade, will bring about improved market access and strengthen the rules and disciplines for the multilateral trading system as also its dispute settlement mechanism.

The understanding resulting from the Uruguay Round will change the very structure

of GATT. These are the agreements on establishment of the World Trade Organisation (WTO), understanding the rules and procedures governing settlement of disputes and trade policy review mechanism. The WTO will come into being as a permanent vehicle for trade negotiations on an ongoing basis. It may be recalled that a permanent multilateral trade body - International Trade Organisation (ITO) - was to be established as a part of the Bretton Woods institutions as early as 1947. However, ITO did not get ratification from the majority of its members, with the result the GATT acted as a temporary mechanism in regard to tariffs and multilateral trade. The proposed WTO will cooperate with the IMF and the World Bank and its affiliated agencies with a view to achieving greater coherence in global economic policy-making. However, the issues relating to appropriate and effective complementarity of functions and responsibilities will have to be solved before the scheduled creation of the WTO on January 1, 1995.

The Uruguay Round has substantially broadened the scope of GATT by reaching agreements on many "new areas" related to protocol, agriculture, sanitary and phytosanitary measures, technical barriers to trade, trade in textiles and clothing, trade-related intellectual property rights (TRIPs), trade-related investment measures (TRIMs) and trade in services. The *agreement on agriculture* provides a framework for the long-term reform of agricultural trade and domestic policies over the years to come with the objective of introducing increased market orientation in agricultural trade. It provides for commitments in the area of market access, domestic support and export competition. The members have to transform their non-tariff barriers into equivalent tariff measures. The tariffs resulting from this transformation, as well as other tariffs on agricultural products are to be reduced on an average by 36 per cent in the case of developed countries and 24 per cent in the case of developing countries. The reductions are to be undertaken over six years in the case of developed countries and ten years in the case of developing countries, while the least-developed countries need not make any commitment for reduction. The *agreement on trade in textiles and clothing* has initiated the process of integration of trade in textiles with the GATT by phasing out bilateral quota-based system, by the end of the transition period on January 1, 2005. The *agreement on TRIMs* tries to establish fair trade practices by introducing national treatment of foreign investments and by removing quantitative restrictions. The *agreement on services* calls upon the members for giving the most favoured nation (MFN) status to other members with regard to trade in services. This agreement has initiated the process of progressive liberalisation of trade in services and has resolved to increase the participation of developing countries in trade in services. The *agreement on TRIPs* recognises the private nature of various intellectual property rights like computer programmes, films, trade-marks, geographical indicators, industrial designs, patents, etc., and thus gives exclusive right of commercial exploitation of such rights for a specified period to the agencies which have innovated them. The agreement has asked the members to give national treatment and MFN status to the other members with respect to TRIPs.

The Uruguay Round also reached agreements on the understanding and implications of certain articles of GATT 1947, *viz.*, pre-shipment inspection, rules of origin, import licensing, subsidies and countervailing measures and safeguards. These deals further modify/clarify the earlier GATT norms. Apart from these, there were four plurilateral trade agreements and twelve Ministerial decisions and declarations. The countries desirous of becoming members of the plurilateral agreements have to apply for them separately

from their application for the membership of the WTO. The Ministerial decisions and declarations have clarified various procedures of the GATT and have also tried to give special concessions and facilities to the LDCs and other countries in disadvantageous positions.

The Uruguay Round agreement is expected to bring about substantial gains in world trade and increased income from liberalisation, improved market access and export opportunities, besides greater predictability of the trading environment. However, the gains may not be distributed evenly, and may accrue more to countries with greater flexibility to capitalise on new market opportunities.

International Agreements in respect of Selected Commodities during 1993-94

Food and Agriculture

An FAO Expert Conference on Sustainable Agriculture and Rural Development in Asia (Bangkok, September 13-17, 1993) discussed the issues of biotechnology and expressed concerns about the impact of the Green Revolution. The Conference called for a moratorium on the introduction of genetically - engineered products in agriculture until the establishment of adequate capacity necessary to evaluate the effects of these products.

At its 27th session (Rome, November 6-25, 1993), the FAO Conference expressed concern at the decline in agricultural output in 1993 after a slow growth in 1992, and at the worsening food security situation in sub-Saharan Africa and parts of Central and Eastern Europe.

Coffee

Following the extension to September 30, 1994 of the International Coffee Agreement (ICA) 1983, the 64th Session of the Executive Board (London, September 8-10, 1993) considered procedures for establishing a framework for future international co-operation on coffee. The Board also considered financial and administrative matters.

Jute

At its 29th session, the FAO Intergovernmental Group on Jute, Kenaf and Allied Fibres (Rome, December 6-8, 1993), expressed concern over the weak demand condition and falling export prices for jute since 1990-91. Members stressed the importance of the Group in strengthening the market for environment-friendly jute and improving its long-term viability.

Earlier, the FAO International Consultation on Jute and the Environment (The Hague, October 26-29, 1993), recommended the setting up of an International Task Force on Diverse Jute Applications.

Natural Rubber

The International Natural Rubber Council (Kuala Lumpur, November 22-29, 1993), extended the 1987 International Natural Rubber Agreement (INRA), which was scheduled to expire on December 28, 1993 by a year and set up a preparatory committee to study a new Agreement.

Producers and consumers continue to remain at odds over the reference price that determines International Natural Rubber Organisation's market intervention.

Timber

The UN Conference on Tropical Timber (Geneva, January 10-26, 1994), agreed on a successor to the 1983 International Tropical Timber Agreement. The producers and consumers attempted to arrive at a consensus on several pending issues related to the scope

of the agreement, financial resources and the functioning of the International Tropical Timber Organisation (ITTO). Proposals included the scope of the successor agreement to remain essentially limited to tropical timber, and the creation of a special fund for sustainable management mainly to help tropical timber producers.

Tin

The eleventh annual meeting of the Ministers of the Association of Tin Producing Countries (ATPC),(Kuala Lumpur, October 25-26, 1993), extended by a year, the seven year old scheme to regulate supply in order to raise prices. The seven members are expected to reduce exports by 12.75 per cent to 78,000 tonnes in 1994 from 89,400 tonnes in 1993. However, the ATPC has failed to check a drastic fall in prices in recent years mainly due to increased exports by non-ATPC producers such as Peru, Russia and Vietnam and the US Defence Logistics Agency.

Table X-1 : India's Foreign Trade

Year (April- March)	Rs. crore			US $ million			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	
1993-94 P	69,751	73,101	-3,350	22,238	23,306	-1,068	15,894	16,657	-763
	30.7	16.2		20.7	7.3		10.7	-1.7	
1990-91	32,558	43,193	-10,635	18,145	24,073	-5,927	13,102	17,382	-4,280
	17.7	22.3		9.2	13.4		1.2	5.1	
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	53,688	63,375	-9,686	18,537	21,882	-3,345	14,455	17,063	-2,608
	21.9	32.4		3.8	12.7		9.7	19.2	
1993-94 P	69,751	73,101	-3,350	22,238	23,306	-1,068	15,894	16,657	-763
	29.9	15.3		20.0	6.5		10.0	-2.4	

Note : Figures in decimals relate to percentage variation over the previous year.
P : Provisional.

Source : D.G.C.I & S.

Table X-2 : India's Exports of Principal Commodities

Commodity Group	Rs. crore					Percentage variation		US $ million					Percentage variation	
	1989-90	1990-91	1991-92	1992-93	1993-94 P	(5) over (4)	(6) over (5)	1989-90	1990-91	1991-92	1992-93	1993-94 P	(12) over (11)	(13) over (12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Primary products	6,493	7,754	10,187	11,219	15,315	10.1	36.5	3,900	4,322	4,132	3,874	4,883	-6.3	26.1
	(23.5)	(23.8)	(23.1)	(20.9)	(22.0)			(23.5)	(23.8)	(23.1)	(20.9)	(22.0)		
A. Agriculture and allied products	4,789	6,019	7,895	9,082	12,530	15.0	38.0	2,877	3,354	3,203	3,136	3,995	-2.1	27.4
of which:	(17.3)	(18.5)	(17.9)	(16.9)	(18.0)			(17.3)	(18.5)	(17.9)	(16.9)	(18.0)		
Tea	916	1,070	1,212	977	978	-19.4	0.2	550	596	492	337	312	-31.4	-7.5
Coffee	347	252	332	376	555	13.3	47.6	208	141	135	130	177	-3.6	36.3
Rice	427	462	756	976	1,280	29.1	31.2	256	257	306	337	408	9.9	21.2
Cotton raw (incl. waste)	116	846	305	182	659	-40.4	262.7	70	471	124	63	210	-49.3	235.0
Tobacco	179	263	377	474	461	25.7	-2.8	108	147	153	164	147	7.0	-10.2
Cashew kernels (incl. CNSL)	368	447	676	749	1,044	10.8	39.5	221	249	274	258	333	-5.7	28.8
Spices	282	234	372	393	561	5.7	42.6	169	130	151	136	179	-10.0	31.7
Oil meal	612	609	922	1,545	2,309	67.6	49.4	367	339	374	534	736	42.6	38.0
Fruits and vegetables	240	213	349	312	418	-10.5	33.9	144	119	142	108	133	-23.8	23.6
Processed fruits, juices and misc. processed items	135	122	190	228	301	19.8	31.9	81	68	77	79	96	2.0	21.8
Marine products	687	960	1,443	1,743	2,537	20.8	45.5	413	535	585	602	809	2.8	34.4
Sugar and molasses	27	38	157	354	177	124.8	-50.0	17	21	64	122	56	91.3	-53.8
Meat and meat preparations	114	140	231	257	346	11.4	34.8	68	78	94	89	110	-5.2	24.4
B. Ores and minerals	1,704	1,735	2,292	2,137	2,785	-6.8	30.4	1,023	967	930	738	888	-20.7	20.4
of which:	(6.2)	(5.3)	(5.2)	(4.0)	(4.0)			(6.2)	(5.3)	(5.2)	(4.0)	(4.0)		
Iron ore	928	1,049	1,435	1,104	1,357	-23.1	22.9	557	585	582	381	433	-34.5	13.5
Mica, coal and other ores and minerals	776	686	857	1,033	1,428	20.6	38.3	466	382	347	357	455	2.6	27.7
II. Manufactured goods	19,670	23,310	32,413	40,660	52,083	25.4	28.1	11,814	12,991	13,149	14,039	16,605	6.8	18.3
of which:	(71.1)	(71.6)	(73.6)	(75.7)	(74.7)			(71.1)	(71.6)	(73.6)	(75.7)	(74.7)		
Leather and leather manufactures	2,020	2,600	3,128	3,700	4,139	18.3	11.9	1,213	1,449	1,269	1,277	1,320	0.7	3.3
Chemicals and allied products	1,969	2,344	3,648	3,558	4,650	-2.4	30.7	1,183	1,307	1,480	1,229	1,483	-17.0	20.7
Engineering goods	3,281	4,038	5,554	7,185	9,474	29.4	31.9	1,971	2,250	2,253	2,481	3,021	10.1	21.8
Readymade garments	3,094	4,012	5,422	6,931	8,091	27.8	16.7	1,858	2,236	2,199	2,393	2,580	8.8	7.8
Cotton yarn, fabrics, made-ups, etc.,	1,511	2,100	3,204	3,911	4,837	22.1	23.7	907	1,170	1,300	1,350	1,542	3.9	14.2
Natural silk yarn, fabrics, made-ups, etc,	209	235	350	401	398	14.7	-0.8	125	131	142	139	127	-2.4	-8.4
Jute manufactures	291	298	391	355	375	-9.1	5.6	175	166	159	123	120	-22.7	-2.5
Coir and coir manufactures	42	48	70	90	130	28.9	43.9	25	27	28	31	42	9.7	32.9
Handicrafts	6,157	6,167	8,349	10,957	14,936	31.2	36.3	3,698	3,437	3,387	3,783	4,762	11.7	25.9
of which:														
Gems and jewellery	5,287	5,247	6,750	8,897	12,528	31.8	40.8	3,176	2,924	2,738	3,072	3,994	12.2	30.0
Carpets (handmade excl. silk)	498	519	1,004	1,259	1,411	25.4	12.0	299	289	407	435	450	6.7	3.5
Works of art (excl. floor coverings)	372	402	595	801	997	34.5	24.4	223	224	242	277	318	14.5	14.9
III. Petroleum products	697	938	1,022	1,379	1,248	34.9	-9.5	418	523	415	476	398	14.8	-16.5
	(2.5)	(2.9)	(2.3)	(2.6)	(1.8)			(2.5)	(2.9)	(2.3)	(2.6)	(1.8)		
IV. Others	799	556	419	431	1,106	2.6	156.6	480	310	170	149	352	-12.6	136.2
	(2.9)	(1.7)	(1.0)	(0.8)	(1.6)			(2.9)	(1.7)	(1.0)	(0.8)	(1.6)		
Total exports (I to IV)	27,658	32,558	44,042	53,688	69,751	21.9	29.9	16,612	18,145	17,866	18,537	22,238	3.8	20.0

Note : Figures in brackets represent percentage to total exports.
P : Provisional.
Source: D.G.C.I. & S.

Table X-3 : India's Exports of Principal Commodities-Quantum and Unit Value Realisation

Commodity Group	Unit of Quantity	Quantum				Percentage variation		Unit value realisation ($ per tonne)				Percentage variation	
		1990-91	1991-92	1992-93	1993-94 P	(5) over (4)	(6) over (5)	1990-91	1991-92	1992-93	1993-94 P	(11) over (10)	(12) over (11)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Primary goods													
A. Agriculture and allied products of which:													
Tea	Mill. kgs.	199.1	216.4	168.1	142.0	-22.3	-15.5	2,996.1	2,271.3	2,005.9	2,196.5	-11.7	9.5
Coffee	Mill. kgs.	86.5	98.4	114.1	120.6	16.0	5.7	1,624.8	1,368.9	1,138.5	1,468.5	-16.8	29.0
Rice	Thou. tonnes	505.0	678.2	580.4	805.4	-14.4	38.8	509.3	451.9	580.3	506.7	28.4	-12.7
Cotton raw (incl. waste)	Thou. tonnes	374.4	160.2	63.7	221.7	-60.2	248.0	1,259.2	772.2	985.9	948.1	27.7	-3.8
Tobacco	Mill. kgs.	87.0	84.3	88.3	105.0	4.7	18.9	1,687.4	1,813.8	1,853.9	1,400.0	2.2	-24.5
Cashew kernels (incl. CNSL)	Thou. tonnes	55.5	52.5	62.7	72.5	19.4	15.6	4,488.3	5,219.0	4,122.8	4,593.1	-21.0	11.4
Spices	Thou. tonnes	103.1	143.0	128.7	185.1	-10.0	43.8	1,264.8	1,055.9	1,055.2	966.5	-0.1	-8.4
Oil meal	Thou. tonnes	2,447.8	3,649.6	3,678.8	4,710.7	0.8	28.0	138.5	102.5	145.0	156.3	41.5	7.8
Marine products	Thou. tonnes	158.9	190.0	210.8	254.4	10.9	20.7	3,367.4	3,080.0	2,855.3	3,179.2	-7.3	11.3
Sugar and molasses	Thou. tonnes	191.0	445.7	485.1	213.8	8.8	-55.9	109.4	143.1	251.7	263.8	75.8	4.8
B. Ores and minerals of which:													
Iron ore	Mill. tonnes	32.5	29.5	22.2	28.8	-24.7	29.7	18.0	19.7	17.2	15.0	-13.0	-12.5
Mica	Mill. kgs.	42.0	34.4	27.3	28.2	-20.6	3.3	404.8	415.7	304.0	290.8	-26.9	-4.4
Coal	Thou. tonnes	411.8	134.9	381.6	544.6	182.9	42.7	11.7	45.2	45.3	35.3	0.3	-22.2
II. Manufactured good of which :													
Inorganic, organic and agro chemicals	Mill. kgs.	137.1	166.4	208.1	278.9	25.1	34.0	1,326.8	1,204.4	956.8	841.2	-20.6	-12.1
Iron and steel	Thou. tonnes	1,164.7	309.5	989.0	2,128.7	219.6	115.2	138.3	496.0	376.5	253.0	-24.1	-32.8
Jute manufactures	Lakh tonnes	2.2	2.4	2.1	2.0	-12.5	-4.8	770.2	660.4	583.8	597.5	-11.6	2.3

P : Provisional.

Source : D.G.C.I & S.

Table X-4 : India's Imports of Principal Commodities

Commodity Group	Rs. crore					Percentage variation		US $ million					Percentage variation	
	1989-90	1990-91	1991-92	1992-93	1993-94 P	(5) over (4)	(6) over (5)	1989-90	1990-91	1991-92	1992-93	1993-94 P	(12) over (11)	(13) over (12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Bulk imports	14,218	19,685	21,336	27,944	28,560	31.0	2.2	8,540	10,971	8,694	9,830	9,105	13.1	-7.4
	(40.2)	(45.6)	(44.6)	(44.1)	(39.1)			(40.2)	(45.6)	(44.8)	(44.9)	(39.1)		
Cereals and cereal preparations	390	182	173	966	266	456.9	-72.4	234	102	70	333	85	374.0	-74.5
of which:														
Wheat	16	22	-	710	121	-	-83.0	10	12	-	245	39	-	-84.3
Rice	235	39	11	73	55	570.2	-24.6	141	22	4	25	18	470.4	-30.4
Pulses	230	481	255	334	567	31.0	69.7	138	268	104	115	181	11.5	56.7
Fertilizers	1,803	1,766	2,352	2,832	2,607	20.4	-7.9	1,083	984	954	978	831	2.5	-15.0
of which:														
Crude	269	347	455	459	390	0.8	-15.0	161	193	185	158	124	-14.2	-21.5
Sulphur and unroasted iron pyrites	300	278	307	350	229	14.2	-34.7	180	155	124	121	73	-2.8	-39.7
Manufactured	1,234	1,141	1,591	2,023	1,988	27.2	-1.7	741	636	645	698	634	8.2	-9.2
Vegetable oils, fixed, (edible)	209	326	248	167	164	-32.7	-1.8	125	182	101	58	52	-42.7	-9.4
Paper, paper boards and manufactures thereof	348	456	488	513	697	5.2	35.7	209	254	198	177	222	-10.5	25.3
Metalliferrous ores, metal scrap, etc.	948	1,528	1,175	1,922	1,299	63.6	-32.4	570	852	477	664	414	39.3	-37.6
Petroleum, petroleum products and related materials	6,273	10,816	13,127	17,142	18,055	30.6	5.3	3,768	6,028	5,364	6,100	5,756	13.7	-5.6
Pulp and waste paper	307	458	299	409	494	36.9	20.9	185	255	121	141	158	16.6	11.6
Iron and steel	2,252	2,334	2,197	2,255	2,580	2.6	14.4	1,352	1,301	891	779	823	-12.7	5.7
Sugar	97	9	1	-	-	-	-	58	5	-	-	-	-	-
Non -ferrous metals	1,187	1,102	840	1,144	1,490	36.2	30.3	713	614	341	395	475	15.9	20.3
Crude rubber, (including synthetic and reclaimed)	174	226	182	261	340	43.2	30.3	104	126	74	90	108	21.9	20.3
II. Non-bulk imports	21,110	23,508	26,515	35,431	44,541	33.6	25.7	12,680	13,102	10,717	12,052	14,201	12.5	17.8
	(59.8)	(54.4)	(55.4)	(55.9)	(60.9)			(59.8)	(54.4)	(55.2)	(55.1)	(60.9)		
A. Capital goods	8,666	10,471	10,436	13,123	18,944	25.8	44.4	5,205	5,836	4,233	4,531	6,040	7.0	33.3
	(24.5)	(24.2)	(21.8)	(20.7)	(25.9)			(24.5)	(24.2)	(21.8)	(20.7)	(25.9)		
Machinery other than electrical	3,394	4,240	4,020	5,267	7,533	31.0	43.0	2,039	2,363	1,631	1,819	2,402	11.5	32.1
Electrical machinery	1,812	1,702	1,552	2,393	2,492	54.1	4.1	1,088	949	630	826	794	31.2	-3.9
Transport equipment	1,481	1,670	915	1,338	3,973	46.2	197.1	889	931	371	462	1,267	24.4	174.3
Manufactures of metals	241	302	321	422	552	31.4	30.7	145	168	130	146	176	11.8	20.7
Project goods	1,738	2,556	3,626	3,703	4,394	2.1	18.7	1,044	1,425	1,471	1,278	1,401	-13.1	9.6
B. Pearls, precious and semi-precious stones	4,253	3,738	4,825	7,072	8,284	46.6	17.1	2,555	2,083	1,957	2,442	2,641	24.8	8.2
	(12.0)	(8.7)	(10.1)	(11.2)	(11.3)			(12.0)	(8.7)	(10.1)	(11.2)	(11.3)		
C. Others	8,191	9,300	11,255	15,236	17,313	35.4	13.6	4,920	5,183	4,527	5,079	5,520	12.2	8.7
	(23.2)	(21.5)	(23.5)	(24.0)	(23.7)			(23.2)	(21.5)	(23.3)	(23.2)	(23.7)		
Organic and inorganic chemicals	1,921	2,289	3,399	4,134	4,351	21.6	5.2	1,154	1,276	1,379	1,428	1,387	3.5	-2.8
Professional, scientific controlling instruments, photographic optical goods	673	1,060	1,004	1,452	1,548	44.7	6.6	404	591	407	501	493	23.1	-1.6
Artificial resins and plastic materials, etc.	998	1,095	1,402	1,218	1,386	-13.1	13.8	599	610	569	421	442	-26.0	5.0
Textile yarn, fabrics, made-ups, etc.	337	443	338	431	722	27.3	67.7	203	247	137	149	230	8.4	54.9
Medicinal and pharmaceutical products	400	468	559	813	729	45.6	-10.4	240	261	227	281	232	23.9	-17.2
Non-metallic mineral manufactures	170	203	219	258	280	17.8	8.4	102	113	89	89	89	0.3	0.1
Chemical materials and products	219	286	338	491	494	45.1	0.6	131	159	137	169	157	23.5	-7.2
Synthetic and regenerated fibre	70	56	48	71	123	46.9	72.8	42	31	20	25	39	25.1	59.6
Cashew nuts	83	134	267	376	483	41.1	28.3	50	75	108	130	154	20.1	18.4
Total Imports (I & II)	35,328	43,193	47,851	63,375	73,101	32.4	15.3	21,219	24,073	19,411	21,882	23,306	12.7	6.5

Note : Figures in brackets represent percentage to total imports.
P : Provisional.
Source : D.G.C.I. & S

Table X-5 : India's Imports of Principal Commodities-Quantum and Cost per Unit

Commodity Group	Unit of Quantity	Quantum				Percentage variation		Cost per unit ($ per Tonne)				Percentage variation	
		1990-91	1991-92	1992-93	1993-94 P	(5) over (4)	(6) over (5)	1990-91	1991-92	1992-93	1993-94 P	(11) over (10)	(12) over (11)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Bulk Imports													
Cereals and cereal preparations	Thou. tonnes	307.9	187.7	1,613.1	374.5	759.4	-76.8	330.0	374.5	206.7	226.7	-44.8	9.7
of which:													
Wheat	Thou. tonnes	62.6	—	1,363.7	230.6	—	-83.1	198.1	—	179.8	167.0	—	-7.1
Rice	Thou. tonnes	66.0	12.1	102.4	75.5	746.3	-26.3	330.3	363.6	247.1	233.1	-32.1	-5.6
Pulses	Thou. tonnes	791.9	312.6	382.6	627.3	22.4	64.0	338.7	331.4	301.9	288.4	-8.9	-4.5
Fertilizers													
of which :													
Crude	Thou. tonnes	2,682.2	2,428.8	2,231.0	1,986.0	-8.1	-11.0	72.0	76.0	71.0	62.6	-6.5	-11.8
Sulphur and unroasted iron pyrites	Thou. tonnes	1,199.2	1,082.2	1,398.4	1,200.1	29.2	-14.2	129.3	115.0	86.5	60.7	-24.8	-29.7
Manufactured	Thou. tonnes	3,678.9	3,415.8	3,918.1	4,612.0	14.7	17.7	172.9	188.9	178.2	137.5	-5.6	-22.9
Vegetable oils, fixed (edible)	Thou. tonnes	525.8	226.1	102.8	116.4	-54.5	13.2	345.4	444.5	560.3	448.5	26.1	-20.0
Paper, paper boards and manufactures thereof	Thou. tonnes	286.4	260.1	270.3	357.4	3.9	32.2	887.6	760.9	655.6	621.4	-13.8	-5.2
Pulp and waste paper	Thou. tonnes	678.2	385.5	436.8	627.0	13.3	43.5	376.3	314.4	323.3	251.4	2.8	-22.2
Iron and steel	Thou. tonnes	1,920.5	1,390.4	1,444.5	2,678.8	3.9	85.4	677.3	641.0	539.0	307.1	-15.9	-43.0
Crude rubber (including synthetic and reclaimed)	Thou. tonnes	105.1	55.6	67.1	85.6	20.7	27.6	1,199.8	1,327.3	1,341.3	1,265.2	1.1	-5.7
II. Others													
Synthetic and regenerated fibre	Thou. tonnes	21.2	12.8	14.9	27.3	16.4	83.2	1,462.3	1,531.3	1,644.3	1,432.2	7.4	-12.9

P : Provisional.

Source : D.G.C.I. & S.

Table X-6 : Direction of India's Foreign Trade

(Rs. Crore)

Country	1980-81			1990-91			1991-92			1992-93			1993-94 P		
	Exports	Imports	Trade balance	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	14	15	16
I. OECD Countries	3,126	5,747	-2,621	18,389	24,713	-6,323	25,482	25,939	-457	32,466	35,535	-3,069	39,670	40,855	-1,185
	(46.6)	(45.8)		(56.5)	(57.2)		(57.9)	(54.2)		(60.5)	(56.1)		(56.9)	(55.9)	
EEC	1,447	2,639	-1,192	8,951	12,680	-3,730	11,899	13,966	-2,067	15,196	19,124	-3,928	18,149	21,898	-3,749
	(21.6)	(21.0)		(27.5)	(29.4)		(27.0)	(29.2)		(28.3)	(30.2)		(26.0)	(30.0)	
North America	806	1,851	-1,045	5,077	5,804	-727	7,666	5,608	2,058	10,737	7,393	3,344	13,276	9,259	4,018
	(12.0)	(14.8)		(15.6)	(13.4)		(17.4)	(11.7)		(20.0)	(11.7)		(19.0)	(12.7)	
Asia and Oceania	708	932	-224	3,401	4,826	-1,425	4,630	4,988	-358	4,897	6,739	-1,842	6,381	7,047	-666
	(10.5)	(7.4)		(10.4)	(11.2)		(10.5)	(10.4)		(9.1)	(10.6)		(9.1)	(9.6)	
Other OECD Countries	165	325	-160	961	1,403	-442	1,287	1,378	-90	1,637	2,279	-642	1,864	2,651	-787
	(2.5)	(2.6)		(3.0)	(3.2)		(2.9)	(2.9)		(3.0)	(3.6)		(2.7)	(3.6)	
II. OPEC	745	3,490	-2,745	1,831	7,041	-5,210	3,850	9,420	-5,569	5,180	13,834	-8,655	7,441	16,363	-8,922
	(11.1)	(27.8)		(5.6)	(16.3)		(8.7)	(19.7)		(9.6)	(21.8)		(10.7)	(22.4)	
III. Eastern Europe	1,486	1,296	190	5,819	3,377	2,442	4,814	2,444	2,369	2,359	1,606	754	3,038	1,666	1,372
	(22.1)	(10.3)		(17.9)	(7.8)		(10.9)	(5.1)		(4.4)	(2.5)		(4.4)	(2.3)	
IV. Developing Countries	1,266	1,971	-705	5,560	8,057	-2,497	8,843	10,043	-1,200	12,269	12,399	-130	18,114	13,854	4,260
	(18.9)	(15.7)		(17.1)	(18.7)		(20.1	(21.0)		(22.9)	(19.6)		(26.0)	(19.0)	
Asia	880	1,428	-548	4,683	6,050	-1,367	7,436	7,081	355	10,083	9,279	804	15,256	11,102	4,155
	(13.1)	(11.4)		(14.4)	(14.0)		(16.9)	(14.8)		(18.8)	(14.6)		(21.9)	(15.2)	
SAARC	236	140	96	957	236	721	1,532	326	1,206	2,133	513	1,620	2,808	351	2,458
	(3.5)	(1.1)		(2.9)	(0.5)		(3.5)	(0.7)		(4.0)	(0.8)		(4.0)	(0.5)	
Other Asian Developing Countries	644	1,288	-644	3,726	5,814	-2,088	5,904	6,755	-851	7,950	8,766	-815	12,448	10,751	1,697
	(9.6)	(10.3)		(11.4)	(13.5)		(13.4)	(14.1)		(14.8)	(13.8)		(17.8)	(14.7)	
Africa	345	204	141	706	1,028	-321	1,088	2,072	-984	1,641	2,191	-550	2,093	1,817	276
	(5.1)	(1.6)		(2.2)	(2.4)		(2.5)	(4.3)		(3.1)	(3.5)		(3.0)	(2.5)	
Latin American Countries	32	303	-271	171	979	-809	319	890	-571	545	929	-384	765	936	-171
	(0.5)	(2.4)		(0.5)	(2.3)		(0.7)	(1.9)		(1.0)	(1.5)		(1.1)	(1.3)	
Other Developing Countries	9	36	-27	—	—	—	—	—	—	—	—	—	—	—	—
	(0.1)	(0.3)													
V. Others	63	45	18	20	5	15	31	5	26	35	1	34	240	363	-123
	(0.9)	(0.4)		(0.1)	(-)		(0.1)	(-)		(0.1)	(-)		(0.3)	(0.5)	
Total (I to V)	6,711	12,549	-5,838	32,558	43,193	-10,635	44,042	47,851	-3,809	53,688	63,375	-9,686	69,751	73,101	-3,350

Note : 1. Exports of petroleum products amounting to Rs. 24.91 crore in 1980-81, Rs. 937.80 crore in 1990-91, Rs. 1,022.27 crore in 1991-92, Rs. 1,379.25 crore in 1992-93 and Rs. 1,247.79 crore in 1993-94 are taken into account in total exports, but are not included in country-wise details.

2. Data for German Democratic Republic from 1990-91 onwards are included under Germany and hence under EEC.

3. Figures in brackets relate to percentage to total.

P- Provisional

Source : D.G.C.I. & S.

Table X-7 : Direction of India's Foreign Trade

(US $ million)

Country	1980-81			1990-91			1991-92			1992-93			1993-94 P		
	Exports	Imports	Trade balance	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	14	15	16
I. OECD Countries	3,957	7,275	-3,318	10,249	13,773	-3,524	10,337	10,522	-185	11,210	12,269	-1,060	12,648	13,025	-378
	(46.6)	(45.8)		(56.5)	(57.2)		(57.9)	(54.2)		(60.5)	(56.1)		(56.9)	(55.9)	
EEC	1,832	3,341	-1,509	4,988	7,067	-2,079	4,827	5,665	-839	5,247	6,603	-1,356	5,786	6,982	-1,195
	(21.6)	(21.0)		(27.5)	(29.4)		(27.0)	(29.2)		(28.3)	(30.2)		(26.0)	(30.1)	
North America	1,020	2,343	-1,323	2,830	3,235	-405	3,110	2,275	835	3,707	2,553	1,154	4,233	2,952	1,281
	(12.0)	(14.8)		(15.6)	(13.4)		(17.4)	(11.7)		(20.0)	(11.7)		(19.0)	(12.7)	
Asia and Oceania	896	1,180	-284	1,895	2,689	-794	1,878	2,023	-145	1,691	2,327	-636	2,034	2,247	-212
	(10.5)	(7.4)		(10.4)	(11.2)		(10.5)	(10.4)		(9.1))	(10.6)		(9.1)	(9.6)	
Other OECD Countries	209	411	-203	536	782	-246	522	559	-37	565	787	-222	594	845	-251
	(2.5)	(2.6)		(3.0)	(3.2)		(2.9)	(2.9)		(3.0)	(3.6)		(2.7)	(3.6)	
II. OPEC	**943**	**4,418**	**-3,475**	**1,020**	**3,924**	**-2,904**	**1,562**	**3,821**	**-2,259**	**1,788**	**4,777**	**-2,988**	**2,372**	**5,217**	**-2,844**
	(11.1))	(27.8)		(5.6)	(16.3)		(8.7)	(19.7)		(9.6)	(21.8)		(10.7)	(22.4)	
III. Eastern Europe	**1,881**	**1,641**	**241**	**3,243**	**1,882**	**1,361**	**1,953**	**992**	**961**	**815**	**554**	**260**	**969**	**531**	**437**
	(22.1)	(10.3)		(17.9)	(7.8)		(10.9)	(5.1))		(4.4)	(2.5)		(4.4)	(2.3)	
IV. Developing Countries	**1,603**	**2,495**	**-892**	**3,099**	**4,490**	**-1,392**	**3,587**	**4,074**	**-487**	**4,236**	**4,281**	**-45**	**5,775**	**4,417**	**1,358**
	(18.9)	(15.7)		(17.1))	(18.7)		(20.1))	(21.0)		(22.9)	(19.6)		(26.0)	(19.0)	
Asia	1,114	1,808	-694	2,610	3,372	-762	3,016	2,872	144	3,481	3,204	278	4,864	3,539	1,325
	(13.1))	(11.4)		(14.4)	(14.0)		(16.9)	(14.8)		(18.8)	(14.6)		(21.9)	(15.2)	
SAARC	299	177	-122	533	131	402	621	132	489	736	177	559	895	112	784
	(3.5)	(1.1))		(2.9)	(0.5)		(3.5)	(0.7)		(4.0)	(0.8)		(4.0)	(0.5)	
Other Asian Developing Countries	815	1,630	-815	2,077	3,240	-1,164	2,395	2,740	-345	2,745	3,027	-281	3,969	3,428	541
	(9.6)	(10.3)		(11.4)	(13.5)		(13.4)	(14.1))		(14.8)	(13.8)		(17.8)	(14.7)	
Africa	437	258	178	394	573	-179	441	841	-399	567	756	-190	667	579	88
	(5.1)	(1.6)		(2.2)	(2.4)		(2.5)	(4.3)		(3.1)	(3.5)		(3.0)	(2.5)	
Latin American Countries	41	384	-343	95	546	-451	129	361	-232	188	321	-133	244	298	-54
	(0.5)	(2.4)		(0.5)	(2.3)		(0.7)	(1.9)		(1.0)	(1.5)		(1.1)	(1.3)	
Other Developing Countries	11	46	-34	—	—	—	—	—	—	—	—	—	—	—	—
	(0.1)	(0.3)													
V. Others	**80**	**57**	**23**	**11**	**3**	**8**	**12**	**2**	**11**	**12**	**—**	**12**	**76**	**116**	**-40**
	(0.9)	(0.4)		(0.1)	(-)		(0.1)	(-)		(0.1)	(-)		(0.3)	(0.5)	
Total (I to V)	8,495	15,885	-7,390	18,145	24,073	-5,927	17,866	19,411	-1,545	18,537	21,882	-3,344	22,238	23,306	-1,068

Note : 1. Exports of petroleum products amounting to $ 31.5 million in 1980-81, $ 522.7 million in 1990-91, $414.7 million in 1991-92, $ 476.2 million in 1992-93 and $ 397.8 million in 1. 1993-94 are taken into account in total export, but are not included in country-wise details.

2. Data for German Democratic Republic from 1990-91 onwards are included under 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*

A sharp improvement set in upon the external sector during 1993-94, with the build up in foreign exchange reserves for the third successive year since the institution of economic adjustment programme in July 1991. The accretion to the reserves at about US $ 9 billion in nominal terms was large, reflecting both a sharp improvement in the current account and a surge in capital inflows. The continuing slack in economic activity, especially in industry, slowed down the expected recovery in import demand and reduced the domestic demand including that for exportables. As the export sector turned increasingly outward, the correction of the anti-export bias through fundamental regime changes provided resilience and a competitive edge to export industries. Notwithstanding the special factors which yielded high growth rates in the early part of the year, the growth rate of 20 per cent in US dollar terms for 1993-94 as a whole was noteworthy, occurring as it did in the face of subdued recovery in industrial countries and depressed trade with the Commonwealth of Independent States (CIS).

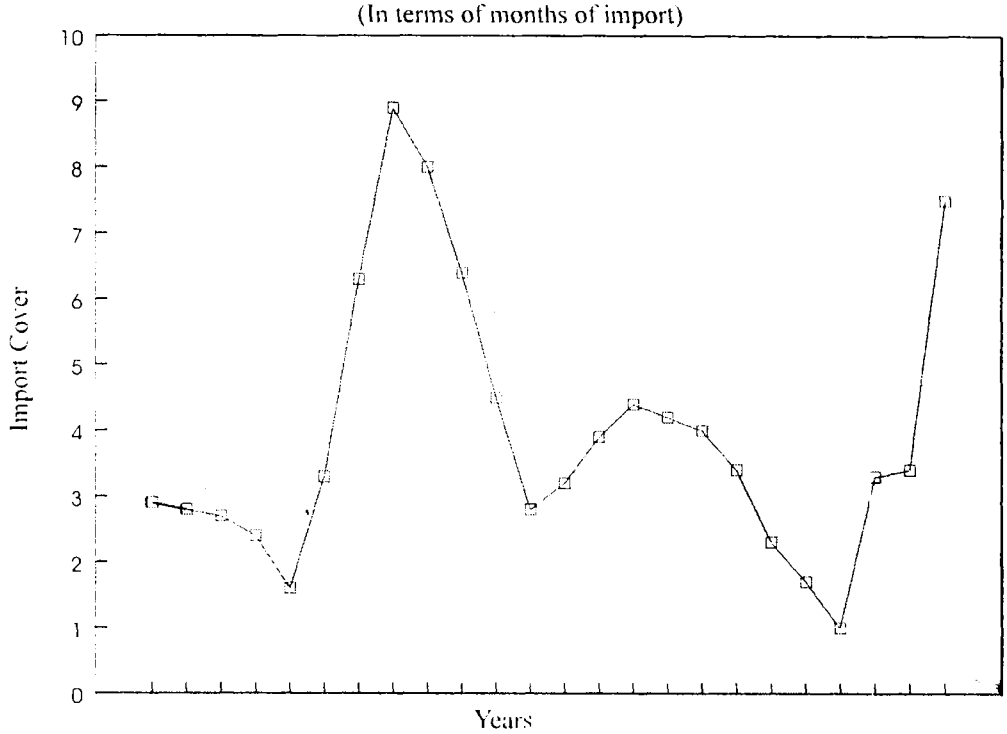
The consequent narrowing of the current account deficit to near balance in 1993-94 substantially reduced the financing requirements which the current account had imposed on the capital account and the reserves in earlier years. A proximate indicator of the significant easing of the balance of payments constraint was the import purchasing power of reserves which rose to levels recorded in the mid seventies (Graph 1). With the need to accommodate the current account virtually absent, the capital account assumed an autonomous character, responding to attractive nominal interest rate differentials protected by a stable exchange rate. Enabling conditions were provided by liberalisation of trade, industrial and foreign investment policies and the comparative bullishness of Indian stock exchanges among the emerging financial markets. The large inflows of foreign investment and equity-related bonds occurred contemporaneously with a receding of the share of medium and long-term debt creating flows which enabled the process of consolidation of debt to be carried forward during the year. In the face of large and continuous accretion to the reserves, volatile and costly liabilities were extinguished and were replaced by more stable elements which carry no obligation to repay. This strategy of reserves management strengthened the reserves for their emerging role in the growing integration of monetary and exchange rate policies. With the relaxing of the external constraint the exchange rate was not required to play its conventional role in equilibrating the current account. It was instead employed as a nominal anchor, providing stability and credibility for the reform process which is underway. With the nominal exchange rate held steady, widening inflation differentials brought about by the large order of monetary expansion resulting from the reserve accruals led to the appreciation of the rupee in real terms (Graph 2).

Balance of Payments

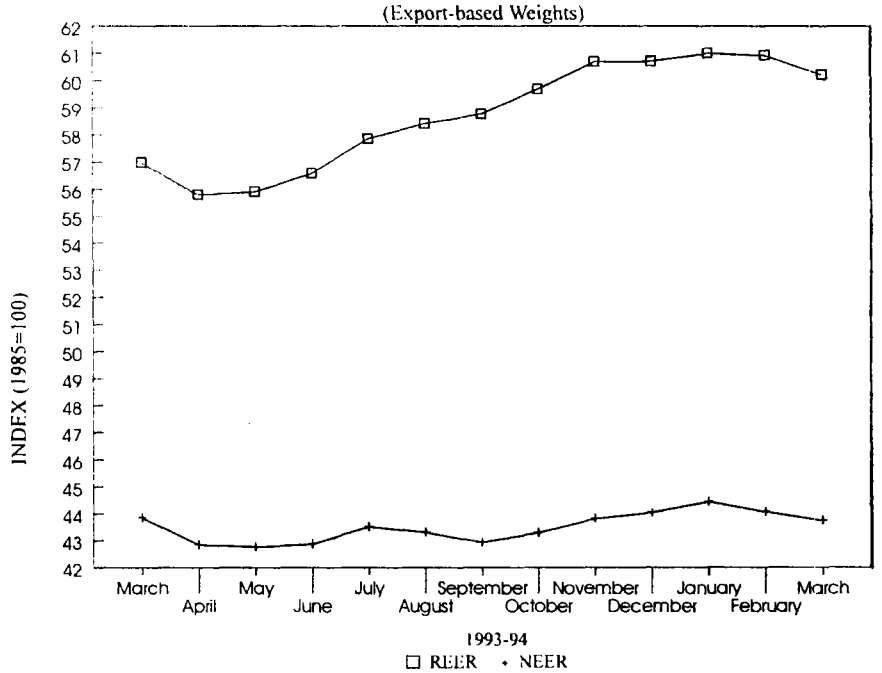
Quick Estimates (QE) show the remarkable strengthening of the balance of payments during 1993-94 (Table XI-1). The distinct narrowing of the trade deficit to US $ 1.3 billion (Rs.4,031 crore) from US $ 4.1 billion (Rs.15,733 crore) in 1992-93 reflected a robust export performance and subdued imports, which rose by only 4.3 per cent

* This Chapter is based on information/data available up to end- August, 1994.

Graph 1
Foreign Currency Assets
(In terms of months of import)



Graph 2
Effective Exchange Rate of the Rupee
(Export-based Weights)



in dollar terms during 1993-94. Exports benefitted from a host of factors—a congenial policy environment, a stable exchange rate which in nominal terms depreciated by 7.7 per cent over the composite rate of 1992-93, low domestic demand for exportables and the release of goods held up due to the disruption of port and transportation activity in the closing months of 1992-93. High growth rates were witnessed in the early part of the year, which moderated up to November 1993 before accelerating again in the last quarter of the year which is usually characterised by a seasonal upturn. The sluggishness in imports resulted from the lagged effects of the severe compression of 1991-92, the absence of anticipatory demand for inventory in the face of the discipline of the stable exchange rate, increased substitution of imported inputs by domestically available raw materials and intermediates, the lacklustre industrial activity and softening of international crude oil prices.

In the invisibles account, earnings from tourism rose moderately reflecting the growth of tourist arrivals by 2.8 per cent. Transportation and insurance receipts rose in concert with merchandise exports. Payments on account of travel, transportation and insurance, however, continued to rise. Investment income payments moderated as the decline in inter-national interest rates provided a measure of saving for the variable interest component of external debt. While the outgo on account of profits, dividends, royalties, technical fees, etc. continued to show a rising trend, there was also a step up in private transfer receipts, as workers' remittances responded favourably to the market based exchange rate.

The current account balance mirrored these positive developments. The turnaround was of the order of US $ 3.3 billion as the current account deficit swung from US $ 3,603 million (Rs.15,679 crore) or 2.2 per cent of Gross Domestic Product (GDP) at current market prices to a near balance position of a deficit of US $ 315 million (Rs. 988 crore) or 0.1 per cent of GDP (Table XI-2).

Movements in the capital account were dominated by net inflows of foreign investment, both direct and portfolio, which amounted to US $ 4.1 billion in 1993-94 as against US $ 0.6 billion in the preceding year. Direct foreign investment amounted to US $ 0.6 billion which was a sharp improvement over the trends of the previous years, although it was still modest in comparison with the approvals granted for such proposals. The bulk of foreign investment inflows i.e. US $ 3.5 billion were in the form of portfolio investments by foreign institutional investors (FIIs) in Indian stock exchanges (US $ 1.7 billion), issuances of Global Depository Receipts (GDRs) (US $ 1.5 billion) by Indian Companies and investments by India Country Funds (US $ 0.3 billion) in the secondary market. [Convertible bond emissions in Euro markets form part of commercial borrowings until their conversion to equity]. Investments by FIIs and country funds were a clear indication of investor confidence in the strength of economic reform; the successful mobilisation of funds through GDRs was in response to interest rate arbitrage opportunities available in India and the exchange risk cover provided by the steady exchange rate. Under the non-resident deposit accounts, there were shifts between schemes in response to policy induced restructuring. In the aggregate, these deposit schemes brought in net inflows of US $ 0.9 billion including accrued interest. The traditional reliance on external assistance and commercial borrowings diminished. Net inflows of funds under external assistance declined from US $ 1.8 billion in 1992-93 to US $ 1.7 billion in 1993-94, due mainly to stagnant utilisation of loans and the rise in amortisation. Commercial borrowings remained subdued, with access to financial markets stifled by the sovereign rating by international credit rating agencies continuing to be below investment grade. Euro-markets, however, were impervious to these ratings and bond placements in the form of Euro issues brought in US $ 0.9 billion. The replacement of these debt-creating flows by foreign investment augured well for external debt management. The

capital account recorded a surplus of US $ 9 billion, as compared with that of US $ 3 billion in 1992-93.

The current account deficit of US $ 0.3 billion and the capital account surplus mentioned above taken together yielded an overall surplus of US $ 8.7 billion in 1993-94 as against an overall deficit of US $ 0.6 billion in 1992-93. After taking into account net drawals from the International Monetary Fund (IMF) of US $ 0.2 billion in 1993-94 as compared with US $ 1.3 billion in 1992-93, the build up of the reserves, adjusted for valuation changes, was of the order of US $ 8.9 billion in 1993-94, over and above the increase of US $ 0.7 billion in 1992-93.

Move towards Current Account Convertibility

The sequenced process of relaxation of restrictions on current payments and elimination of multiple currency practices initiated in 1991-92 culminated in India's acceptance of the obligations under Sections 2,3 and 4 of Article VIII of the IMF's Articles of Agreement, effective August 20, 1994. This was in pursuance of the Finance Minister's announcement of the move towards full convertibility in the current account in the Union Budget 1993-94. India became the ninety-fifth country to accept the obligations under Article VIII (See Box).

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 $ 9,832 million (Rs.30,745 crore) at the end of March 1993 to US $ 19,254 million (Rs.60,420 crore) at the end of March 1994 showing an increase of US $ 9,422 million (Rs.29,675 crore). Exclusive of gold revaluation, the foreign exchange reserves increased by US $ 8,677 million (Rs.27,872 crore) during 1993-94 as against a decline of US $ 560 million during 1992-93.

The increase was mainly in the principal component, viz., the foreign currency assets, which rose by US $ 8,634 million (Rs.27,147 crore) during 1993-94 (April-March) as compared with a rise of US $ 803 million (Rs.5,562 crore) in 1992-93.

The unprecedented accretion to the foreign currency assets during 1993-94 was driven by purchases of foreign currencies from the market which was characterised by conditions of excess supply. Such purchases which are not reversible by obligation amounted to US $ 13,940 million during the year. They enabled the complete cancellation of liabilities in the form of swaps amounting to US $ 1,243 million as well as the reduction of debt creating components such as external assistance channelled through the foreign currency assets (by US $ 733 million), deposits under the Foreign Currency Non-Resident Accounts (FCNRA) Scheme (by US $ 2,364 million), deposits under the FC(B&O)D Scheme (by US $ 576 million) and IMF transactions (by US $ 189 million). Furthermore, the overhang of short term liabilities on account of public sector undertakings (PSUs) (US $ 1,030 million) which would otherwise have impacted upon the foreign currency assets were extinguished taking advantage of the surplus conditions in the foreign exchange market.

In the recent period, rising levels of monetary authorities' foreign currency assets have characterised several developing countries which have experienced surges in capital flows. While the burgeoning foreign currency assets have been viewed as a result of sound macro-economic policies, particularly in the wake of fundamental structural reform, they have also evoked concern in terms of the monetary expansion which they engendered and the consequent inflationary pressures that were brought to bear on the host economies. In India, too, the monetary implications of rising foreign currency assets have dominated policy responses. Nonetheless, India's foreign currency

Box

Currency Convertibility and Article VIII of the Articles of Agreement of the IMF

In pursuance of the objective of the establishment of a multilateral system of payments in respect of current international payments, the IMF exercises surveillance over the exchange rate policies of its members and oversees elimination of exchange restrictions which come in the way of the growth of international trade.The obligations of members who undertake to remove exchange and payments restrictions are contained in Sections 2,3 and 4 of Article VIII of the Articles of Agreement which are as follows.

Section 2(a):.....no member shall, without the approval of the Fund, impose restrictions on the making of payments and transfers for current international transactions.

Section 2(b):Exchange contracts which involve the currency of any member and which are contrary to the exchange control regulations of that member maintained or imposed consistently with this Agreement shall be unenforceable in the territories of any member. In addition, members may, by mutual accord, cooperate in measures for the purpose of making the exchange control regulations of either member more effective, provided that such measures and regulations are consistent with this Agreement.

Section 3:No member shall engage in.....any discriminatory currency arrangements or multiple currency practices....except as authorized under this Agreement or approved by the Fund.

Section 4:Each member shall buy balances of its currency held by other member if the latter, in requesting the purchase, represents:(i) that the balances to be bought have been recently acquired as a result of current transactions; or (ii) that their conversion is needed for making payments for current transactions.

The buying member shall have the option to pay either in special drawing rights..... or in the currency of the member making the request.

Exceptions to the above obligations should be consistent with the provisions under other Articles of the Articles of Agreement.

The members of the IMF accepting the obligations of the Article VIII agree to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging in discriminatory currency arrangement or multiple currency practice without the approval of the Fund.

Acceptance of the obligations under Article VIII by a country would often provide confidence to the international community that the country in question will pursue appropriate economic policies that will obviate the need to use restrictions on the making of payments and transfers for current international transactions, thereby contributing to a multilateral payment system free of restrictions.

India accepted the obligations under Section 2,3, and 4 of Article VIII effective August 20, 1994. A number of enabling steps were taken to institute full convertibility in the current account. Sweeping changes were made in the Foreign Exchange Regulation Act of India (FERA), renamed as the Foreign Exchange Regulation (Amendment) Act, effective January 8,1993. The unification of the dual exchange rates which prevailed under the Liberalised Exchange Rate Management System (LERMS), and the phased discontinuance of the Foreign Currency Non-Resident Accounts Scheme (FCNRA) eliminated multiple currency practices.

Box (Contd.)

A variety of liberalisation measures were undertaken in respect of current account transactions. Authorised Dealers (ADs) were allowed to provide foreign exchange for effecting current payments upto specified indicative limits, beyond which foreign exchange could be obtained for bonafide current payments after making reference to the Reserve Bank of India.

Up to the middle of October 1994, ninety seven countries have accepted obligations under Article VIII of the Articles of Agreement. They are:

Country	Date of Adoption	Country	Date of Adoption
Antigua and Barbuda	November 22, 1983	Kenya	June 30, 1994
Argentina	May 14, 1968	Kiribati	August 22, 1986
Australia	July 1, 1965	Korea	November 1, 1988
Austria	August 1, 1962	Kuwait	April 5, 1963
Bahrain	March 20,1973	Latvia	June 10, 1994
Bangladesh	April 11, 1994	Lebanon	July 1, 1993
Barbados	November 3, 1993	Lithuania	May 3, 1994
Belgium	February 15, 1961	Luxembourg	February 15, 1961
Belize	June 14, 1983	Malaysia	November 11, 1968
Bolivia	June 5, 1967	Marshall Islands	May 21, 1992
Canada	March 25, 1952	Mauritius	September 29, 1993
Chile	July 27, 1977	Mexico	November 12, 1946
Costa Rica	February 1, 1965	Morocco	January 21, 1993
Cyprus	January 9, 1991	Nepal	May 30, 1994
Denmark	May 1, 1967	Netherlands	February 15, 1961
Djibouti	September 19, 1980	New Zealand	August 5, 1982
Dominica	December 13, 1979	Nicaragua	July 20, 1964
Dominican Republic	August 1, 1953	Norway	May 11, 1967
Ecuador	August 31,1970	Oman	June 19, 1974
El Salvador	November 6, 1946	Pakistan	July 1, 1994
Estonia	August 15, 1994	Panama	November 26, 1946
Federated States of Micronesia	June 24, 1993	Papua New Guinea	December 4, 1975
Fiji	August 4,1972	Paraguay	August 22, 1994
Finland	September 25, 1979	Peru	February 15, 1961
France	February 15, 1961	Portugal	September 12, 1988
Germany	February 15, 1961	Qatar	June 4, 1973
Ghana	February 21, 1994	San Marino	September 23, 1992
Greece	July 22, 1992	Saudi Arabia	March 22, 1961
Grenada	January 24, 1994	Seycelles	January 3, 1978
Guatemala	January 27, 1947	Singapore	November 9, 1968
Guyana	December 27, 1966	Solomon Islands	July 24, 1979
Haiti	December 22, 1953	South Africa	September 15, 1973
Honduras	July 1, 1950	Spain	July 15, 1986
Iceland	September 19, 1983	Sri Lanka	March 15, 1994
India	August 20, 1994	St.Kitts and Nevis	December 3, 1984
Indonesia	May 7, 1988	St.Lucia	May 30, 1980
Ireland	February 15, 1961	St.Vincent and the Grenadines	August 24, 1981
Israel	September 21, 1993	Suriname	June 29, 1978
Italy	February 15, 1961	Swaziland	December 11, 1989
Jamaica	February 22, 1963	Sweden	February 15, 1961
Japan	April 1, 1964	Switzerland	May 29, 1992

Box (Concld.)

Country	Date of Adoption	Country	Dateof Adoption
Thailand	May 4, 1990	Uruguay	May 2, 1980
The Bahamas	December 5, 1973	U.A.E.	February 13, 1974
The Gambia	January 21, 1993	U.K.	February 15, 1961
Tonga	March 22, 1991	U.S.A.	December 10,1946
Trinidad and Tobago	December 13, 1993	Vanuatu	December 1, 1984
Tunisia	January 6, 1993	Venezuela	July 1, 1976
Turkey	March 22, 1990	Western Samoa	October 6, 1994
Uganda	April 5, 1994		

assets when seen in comparison with other developing countries experiencing similar conditions, do not appear high either in terms of absolute level or in terms of the import cover which they provide. In this inter-country comparison, however, it is also necessary to impose a scale variable so as to take into account the varying sizes of the economies which are being compared. The scale variable is proxied by the degree of openness of the economy measured as the ratio of imports to GDP [Table XI-3].

The SDR balances increased by SDR 63.8 million to SDR 76.5 million during 1993-94 as against a decline of SDR 53.0 million in 1992-93. During 1993-94, repurchases from IMF effected in SDRs amounted to SDR 95.8 million while payment of charges on the use of Fund resources and interest on SDR allocation aggregated SDR 211.7 million. Acquisition of SDRs during the year was worth SDR 263.5 million. IMF drawals which were credited to the SDR account amounted to SDR 105.0 million. Receipts from the Fund on account of interest on SDR holdings and remuneration amounted to SDR 2.7 million and SDR 0.1 million, respectively. During 1992-93, repurchases from the IMF had amounted to SDR 54.1 million and payment of charges on the use of Fund resources had aggregated SDR 230.0 million. Sale of SDR during 1992-93 amounted to SDR 231.0 million while acquisition of SDR had amounted to SDR 224.7 million. IMF drawals amounted to SDR 446.0 million. Receipts by way of interest on SDR holdings and remuneration were SDR 3.0 million and SDR 0.4 million, respectively. Payment of SDR 211.9 million was made to the IMF towards increase in India's quota.

Gold holdings of the Reserve Bank stood at US $ 4,078 million (Rs.12,794 crore) as at the end of March 1994. They were higher by US $ 698 million (Rs.2,245 crore) than those of US $ 3,380 million (Rs.10,549 crore) as at the end of March 1993. There was also an addition to the gold stock of 12.8 tonnes valued at US $ 140.8 million (Rs.441.85 crore) (raising the total gold holdings to 367.0 tonnes) mainly due to purchase of gold of 12.6 tonnes valued at US $ 139.3 million (Rs.437.0 crore) by the RBI from the Government of India.

During the first quarter of 1994-95 (April-June 1994), the foreign currency assets of the Reserve Bank rose by US $ 1,304 million (Rs.4,142 crore) as compared with a rise of US $ 119 million (Rs.343 crore) in the corresponding quarter of 1993-94. SDR holdings decreased by SDR 45.5 million to SDR 31.0 million. Repurchases under the Extended Fund Facility (EFF) amounted to SDR 150 million and payment of charges on the use of Fund resources amounted to SDR 46.5 million. The repurchase obligation of SDR $ 805 million (US $ 1,134 million) for 1994-95 was effected in advance at one instalment in April 1994. SDR 150 million was paid from the SDR balances and SDR 655 million was paid from foreign currency assets. Acquisition of SDR during the quarter amounted to SDR 150 million. Receipts by way of interest on SDR holdings amounted to SDR 0.9 million. During the corresponding period of the

preceding year, the SDR holdings had increased to SDR 133.2 million.

Gold holdings of the Reserve Bank declined by Rs.44 crore during April-June 1994 to Rs.12,839 crore. In dollar terms, the value of gold at end-June 1994 stood at US $ 4,093 million. On the whole, foreign exchange reserves (foreign currency assets of RBI, gold and SDR holdings) rose by US $ 1,256 million (Rs.3,988 crore) as compared with a rise of US $ 715 million (Rs.2,271 crore) during the correspon-ding period of 1993.

Foreign Investment: Emerging Trends and Policy Developments

During 1993-94, inflows of funds in the form of foreign investment occupied centre stage of external sector developments, being the *raison d'etre* of the significant structural change which occurred in the balance of payments during the year. These inflows mark a response of the non-resident investor community to the emerging Indian economy and its production structure; in an *ex post* sense they testify to the success of the process of reform launched since July 1991. Even as they enabled the process of debt consolidation to progress towards its logical conclusion of bringing external indebtedness to sustainable levels, these flows ensured that there were no gaps in external financing, thereby easing an otherwise binding constraint on growth.

Within the spurt of foreign investment flows, there were significant compositional changes. Certain avenues of investment lapsed under the impact of policy changes; alongside the other avenues, new channels came into existence to successfully mobilise investment funds from abroad. These trends and the significant changes effected during the year in the policy environment for attracting foreign investment are discussed below.

A. NRI Investment

Up to the 'eighties, investments by the Non-Resident Indians (NRIs) constituted a major source of external finance. In view of the policy objective to continue to provide attractive investment avenues for NRIs, the policy towards financial flows from the NRIs is constantly reviewed and restructured. Investments by NRIs broadly take the following forms: (i) deposits under various schemes such as FCNRA, Non-Resident (External) Rupee Accounts [NR(E)RA], Foreign Currency Non-Resident (Banks) [FCNR(B)] Scheme, Non-Resident (Non-Repatriable) Rupee Deposits [NR(NR)RD] and the Foreign Currency Ordinary Non-repatriable (FCON) scheme; (ii) direct equity participation under various direct investment schemes; and (iii) portfolio investment.

Under the NR(E)RA Scheme, there were inflows (including accrued interest), of US $ 336 million (Rs. 1,029 crore) and US $ 727 million (Rs. 2,320 crore) during 1992-93 and 1993-94, respectively. As a result, outstanding balances under the scheme increased from US $ 2,527 million (Rs. 7,902 crore) as at the end of March 1992 to US $ 2,863 million (Rs. 8,940 crore) at the end of March 1993 and further to US $ 3,590 million (Rs. 11,260 crore) at the end of March 1994.

With the phased discontinuation of maturity slabs under the FCNRA, there were outflows amounting to US $ 1,317 million (including accrued interest) during 1993-94 as against an inflow of US $ 825 million during 1992-93. On account of these outflows, outstanding balances under the scheme which had gone up from US $ 9,792 million as at the end of March 1992 to US $ 10,617 million as at the end of March 1993 declined to a level of US $ 9,300 million as at the end of March 1994. It may be mentioned that the true measure of indebtedness under the FCNRA Scheme is given by the outstanding balances thereunder inclusive of accrued interest. Accrued interest, however, is a claim which is carried until the maturity of the underlying deposit and may not result immediately in an outflow of foreign exchange under the Scheme. It is the outflow under the Scheme, exclusive of accrued interest which

impacts upon the foreign exchange reserves since the FCNRA Scheme carried exchange guarantee from the Reserve Bank. Excluding accrued interest, net outflows under the Scheme during 1993-94 amounted to US $ 2,364 million.

Schemes such as the NR(NR)RD and the FCNR(B), introduced as a part of the measures to restructure various deposit schemes for the NRIs, attracted large inflows during 1993-94. Inflows under NR(NR)RD and FCNR(B) amounted to US $1,187 million (Rs. 3,737 crore) and US $ 1,075 million (Rs. 3,385 crore) respectively during 1993-94 (including accrued interest), which more than compensated for the outflows under the FCNRA scheme. Tables XI-4A and XI-4B set out outstanding balances under various non-resident deposit schemes and net inflows/outflows thereunder. [Box 6A in last year's Report contained a description of the salient features of non-resident deposit schemes].

The improvement in the response of the NRIs to the liberalised investment climate is evident from the significant increase in the amount of investment proposals from the NRIs/Overseas Corporate Bodies (OCBs) approved during 1993. Under the direct investment schemes (on repatriation basis), as against approvals amounting to Rs.207 crore (US $ 91 million) during 1991, the amount approved during 1992 and 1993 increased to Rs.1,354 crore (US $ 458 million) and Rs.2,263 crore (US $ 719 million), respectively. Under the automatic approval route for the NRIs (i.e., up to 100 per cent in the high priority areas), the amount approved increased from Rs.62 crore (US $ 21 million) during 1992 to Rs.451 crore (US $ 143 million) during 1993. The value of approvals under the portfolio investment schemes (both repatriable and non-repatriable) which amounted to Rs.28 crore (US $ 10 million) during 1992 was almost of the same amount during 1993 (Table XI-5).

B. Direct Foreign Investment (Foreign Collaboration)

Foreign collaboration approvals [granted by the Reserve Bank, Secretariat for Industrial Approvals (SIA) and the Foreign Investment Promotion Board (FIPB)] involving equity participation registered a significant increase during 1993-94 reflecting the favourable response of the international investor community towards the evolving investment scenario in India. In terms of number of proposals (both financial and technical), as against 1,520 approved proposals during 1992, the number of proposals approved during 1993 were 1,476. The number of approvals for financial collaborations, however increased from 692 during 1992 to 785 during 1993. While approvals under equity participation amounted to Rs.534 crore (US $ 235 million) during 1991, they surged to Rs.3,888 crore (US $ 1,331 million) and Rs.8,862 crore (US $ 2,818 million) during 1992 and 1993, respectively, (Table XI-6). In the post liberalisation period as a whole (i.e., August 1991 to May 1994), the total amount of foreign equity approvals amounted to Rs. 15,080 crore (US $ 5,040 million).

As compared with the total amount of equity proposals approved, the actual inflows under various direct investment schemes remained modest though considerably higher than the levels of preceding years. Direct investment inflows almost doubled to US $ 620 million during 1993-94 as against US $ 341 million during 1992-93. The major share of direct foreign investment flows came through proposals approved by SIA/FIPB reflecting the large size of individual proposals approved. Actual investment by NRIs constituted the next largest avenue of direct investment, followed by inflows against automatic approvals by RBI (Table XI-7).

C. Portfolio Investment

Portfolio investment schemes attracted substantial inflows reflecting the higher expected yield on financial investments in India, the nominal interest rate differentials between India and the rest of the world and the absence of exchange rate volatility.

The number of Foreign Institutional Investors (FIIs) with permission to invest in the

Indian capital market increased from 18 at the end of March 1993 to 93 as at the end of March 1994. The (net) amount of investment made by them amounted to US $ 1,665 million (Rs. 5,215 crore) during 1993-94. Indian corporate entities endowed with the option to access alternative sources of investible finance, secured entry into international capital markets successfully by issuing GDRs and Foreign Currency Convertible Bonds (FCCBs). By the end of March 1994, 57 Indian companies had mobilised US $ 1,460 million and US $ 914 million by issuing GDRs and FCCBs respectively, (Table XI-7)

D. Indian Investment Abroad

There were 430 joint ventures as at the end of December 1993, out of which 167 were in operation and 263 were at different stages of implementation. Equity participation by the Indian companies in joint ventures which were in operation abroad was about Rs. 141.8 crore (US $ 45.2 million) at the end of December 1993. Out of the 167 joint ventures in operation, 97 (58 per cent) were in the manufacturing sector and 70 (42 per cent) were in non-manufacturing sector. These joint ventures were dispersed over 62 countries. Regionwise, East Asia accounted for 36 per cent (60), followed by Europe-America with 20 per cent (33) and Africa with (16.7 per cent (28), South Asia accounted for 13.7 per cent (23), West Asia for 11.3 per cent (19) and Oceania for 2.3 per cent (4).

The remittances of dividends received from abroad stood at Rs. 62.2 crore and the amount received by way of fees for technical know-how, engineering services, management fee, royalty, etc., stood at Rs. 90.3 crore during the year ended December 1993.

The number of wholly owned subsidiaries' (owned by one or more Indian bodies corporate) was 172 at the end of December 1993 out of which 52 were in operation and the remaining 120 were under various stages of implementation. The value of total equity held in these subsidiaries amounted to about Rs. 344.9 crore, of which Rs. 94.5 crore were in subsidiaries which were in operation and the remaining Rs. 230.4 crore were in subsidiaries which were at various stages of implementation.

Exports of projects (broadly, construction contracts, turnkey projects and engineering consultancy contracts) have recorded a consistent growth over the years as shown below:

(Rs. Crore)

Year	Total	Turnkey and construction Projects	Consultancy exports
1	2	3	4
1989-90	561	341	220
1990-91	1,115	803	312
1991-92	1,417	697	720
1992-93	1,551	719	832
1993-94 (Apr.- Oct.)	796 *	718	78

* Represents only contracts approved by EXIM Bank.
Source: Ministry of Commerce, Annual Report,1993-94

E. Policy Developments.

In keeping with the objective of attracting funds from the NRIs in the form of deposits and foreign investment, several steps were taken during the year to enable the augmentation of such flows, even while adhering to considerations of cost effectiveness and dampening of volatility. Major policy initiatives undertaken during the year were as follows :

(i) Deposits under FCNRA scheme proved to be volatile during the payments crisis of 1990-92. They were also relatively costly given the spread above international interest in the prescription of interest rates for these deposits as also the cost implicit in the provision of exchange guarantee for such deposits. In this regard, the Bank's Annual Report for 1992-93 had observed: "attempts have been made in the recent period to restructure the existing FCNRA Scheme and to put in place new schemes which (i) reduce the reliance on the FCNRA Scheme, (ii) make

exchange risk cover a commercial proposition, and (iii) reduce volatile component of deposits under the existing FCNRA Scheme." In pursuance of this objective, deposits of four different maturities i.e., "6 months and above but less than one year", "one year and above but less than two years", "two years and above but less than three years", and "three years only" were completely withdrawn effective from May 15, 1993, October 12, 1993, February 15, 1994 and August 15, 1994 respectively. Furthermore, interest rates prescribed on FCNRA of various maturities were fine-tuned from time to time to secure alignment with movements in international interest rates (Table XI-8). Interest rates on NR(E)R deposits were also revised downwards effective October 18, 1994. While the interest rate on savings deposits was brought down from 5 per cent to 4.5 per cent, those on term deposits are not allowed to exceed 8.0 per cent (Table XI-9)

(ii) In consonance with the move toward full convertibility in the current account, the interest accruing on deposits under NR(NR)RD, was rendered eligible for repatriation effective from October 1, 1994. The principal amount under the scheme will continue to be non-repatriable.

(iii) The FCON Scheme, introduced in June 1991, under which the principal as well as interest earned were not repatriable, was suspended with effect from August 20, 1994. The interest accruing on the existing FCON Scheme from the quarter beginning October 1, 1994 was however made eligible for repatriation.

Major policy changes were effected with a view to ensuring that investment flows were channelled in a manner consistent with overall macro-economic requirements. The following policy guidelines were drawn out in this regard:

(iv) With a considerable improvement in the external payments position and the level of reserves, it was considered necessary to follow a restrictive policy towards FCCBs as they constitute a part of the country's external debt till their conversion into equity. As per the fresh guidelines of the Government (issued on May 11, 1994) for Euro-issues, companies were allowed to issue FCCBs only on merits as a part of the external debt restructuring programme which was intended to lengthen maturity and soften terms.

(v) Policy guidelines for accessing international markets through GDRs were also revamped with the issuance of fresh guidelines of May 11, 1994. With a view to ensuring that a larger number of companies get the benefit of mobilising investible funds through the GDR route, it was decided to allow (a) only one issue per company in a financial year, (b) two successive issues only if there is a minimum gap of twelve months in between the issues by the same company, and (c) not more than two issues for any group of companies in a financial year.

Retention of issue proceeds abroad was permitted only for specific purposes such as, import of capital goods, retiring foreign currency loans, capitalising Indian joint ventures abroad, etc. GDR issues were permitted only for the following end use of the issue proceeds within one year from the date of issue;

(a) financing capital goods imports,

(b) financing domestic purchase/installation of plant, equipment and buildings,

(c) prepayment or scheduled repayment of external loans,

(d) making investments abroad where such investment proposals have been approved by competent authorities, and

(e) a margin of 15 per cent of the total proceeds of any issue for other general corporate restructuring uses.

Companies issuing GDRs were required to submit quarterly statements of utilisation of funds duly certified by their auditors.

(vi) Under the automatic approval scheme for foreign investment, new guidelines were issued for determining issue price of preferential shares issued to foreign investors to increase their stake up to 51 per cent in the business of any Indian company engaged in the high priority industries shown in the Annexure-III to the Statement on Industrial Policy of July 24, 1991.

Consequent upon the abolition of the office of the Controller of Capital Issues(CCI) and subsequent guidelines issued by the Securities and Exchange Board of India (SEBI) on June 11 and 17, 1992, existing companies wishing to raise foreign equity were to make the issue at a price decided by the share holders in a special resolution. In certain proposals received from the existing companies for enhancement of foreign equity, however, the companies were found to be issuing foreign equities at a large discount to the market price (set out in the last year's Report). The mismatch in the price of shares for investment and disinvestment could cause distortion in the inflows and outflows of foreign exchange under the head of foreign investment.

With the objective of preventing a few shareholders from getting substantial and undue enrichment and unearned gains, to ensure higher foreign equity flows, and to make both investment and disinvestment marketrelated, it was decided with effect from August 4, 1994 that preferential allotment of shares by companies must be at market related price applicable to all foreign investment proposals whether approved by the RBI or by the SIA/FIPB subject to the following guidelines:

The issue price of shares under preferential allotment (other than allotment on rights basis) would have to be at the market value of the shares determined on the basis of their average price during the immediate preceding six months at the main listing centre calculated on the monthly average of the high and low rates quoted for the shares at such centres. In the absence of a market price, however, (as in the case of unlisted companies, listed companies where shares are not regularly traded, etc.) the RBI would be guided by the net asset value and earnings per share.

(vii) In respect of applications from companies for preferential allotment to FIIs, approvals were to be granted subject to the condition that aggregate investment by FIIs/NRIs/OCBs should not exceed 24 per cent of the equity of the company.

As per the guidelines of SEBI dated May 13, 1994, in respect of all applications received after April 30, 1994, FII investment by way of preferential allotments were permitted up to 15 per cent of the equity of the company subject to the condition that the aggregate FII/NRI/OCB investment does not exceed 24 per cent of the equity of the company.

(viii) As a part of the general guidelines, shares allotted to FIIs on a preferential basis or acquired by conversion or otherwise of warrants/ Fully Convertible Debentures/Partially Convertible Debentures, etc. would remain locked in for a period of five years from the date of their allotment.

(ix) Indian companies engaged in or proposing to engage in housing and real estate development, i.e., (1) development of serviced plots and construction of built-up residential premises, (2) real estate covering construction of residential and commercial premises including business centres and offices, (3) development of townships, (4) city and region level urban infrastructure facilities including roads and bridges, (5) manufacturing of building materials, and (6) financing of housing development, were allowed to issue shares/ convertible debentures to NRIs upto 100 per cent of the new issue on repatriation basis. Repatriation of original investment in such cases would be permitted by the RBI only after a lock-in period of three years from the date of issue of shares/ debentures.

The above facilities which were not available to OCBs, have now been extended to them on the same terms and conditions as applicable to NRIs.

(x) NRIs/OCBs were so far permitted to invest in schemes of domestic Mutual Funds floated by public sector banks/financial institutions on non-repatriation basis. With a view to providing further incentives to NRIs/OCBs to invest in domestic Mutual Funds, they were permitted to invest on repatriation basis also. As a new policy measure, such investments were also permitted to be made through secondary market.

(xi) Under the October 1993 guidelines for issue of bonds by Public Sector Undertakings (PSUs), Government have allowed PSUs to issue bonds under its public issues to NRIs/OCBs through prospectus by private placement with the facility of repatriation of both principal and interest on the bonds. No limit, however, has been specified for NRI/OCB investment in such bonds.

(xii) Besides the various investment facilities extended to NRIs/OCBs on repatriation basis and under various non-repatriable schemes, the NRIs/OCBs were permitted to make investment in partnership/proprietorship concerns, shares/debentures of Indian companies, Indian mutual funds floated by public sector banks/financial institutions, deposits with Indian Companies, real estate, etc. Neither the investment/deposit amount nor the income/interest thereon, was eligible for repatriation. Further, the investment/deposits held in India by Indian nationals who have become non-residents on account of their going abroad on employment/immigration, as well as income/interest earned on such investment/deposits was not allowed earlier to be repatriated abroad. The income/interest on such investments/deposits are, however, now permitted to be repatriated in a phased manner over a period of three years, as indicated below :

(a) Income accruing during 1994-95 and thereafter to the extent of US $ 1,000 per annum is remittable with immediate effect. (b) Income earned over and above US $ 1,000 in a year would be allowed to be remitted as follows:

(1) one third of the annual income earned during the financial year 1994-95, (2) two third of the annual income earned during 1995-96, and (3) the entire amount earned during 1996-97 and onwards. (c) Remittance of such income, however, would be allowed only after the payment of tax as per the provisions of the Income-tax Act.

External Assistance

Aid flows, both from bilateral and multilateral sources, traditionally constituted the most important source of foreign capital for India. In recent years, however, several factors, both external and internal, have contributed to declining reliance on external assistance in the overall external financing need. Among the external factors, aid commitments by donor countries as a proportion to their Gross National Product (GNP) has shown a distinct negative trend. Besides, the direction of aid flows from North to South has also been reshaped . Moreover, the growing claims of competing developing countries, the declining concessional elements attached to aid and the increasingly tied character of a large proportion of aid have operated together to contribute to reduced availability of external aid. An increasingly important source of concern has been the play of a number of endogenous factors upon the limited absorptive capacity of recipient nations to use external assistance productively. In the Indian context, the inter temporal budget constraint exhibited in the scarcity of counter-part rupee funds, both at the Centre and in the states, procedural delays, cost overruns and efficiency shortfalls especially in critical sectors such as, power and irrigation, have greatly reduced the utilisation of aid commitments to a degree where it has began to deter donors from making fresh commitments.

Authorisations

Fresh authorisations of external assistance declined by US $ 412 million during 1993-94 to US $ 4,195 million, although, the grant element

increased from 7.2 per cent of fresh authorisations during 1992-93 to 20.7 per cent during 1993-94. (Table XI-10) The decline in authorisations from International Development Agency (IDA), Asian Development Bank (ADB) and Germany was the major factor underlying the fall in overall authorisations. Significantly, however, the share of the World Bank Group which had declined from 59 per cent in 1991-92 to 39 per cent during 1992-93 rose to 43 per cent during 1993-94 (Table XI-10 and XI-11).

Aid Pledges for 1994-95

At the India Development Forum (earlier known as the Aid India Consortium) meeting held in Paris in June 1994, members pledged around US $ 6 billion of assistance to India for 1994-95 (July-June) as against US $ 7.4 billion during the previous year. Of the US $ 6 billion pledged for the year 1994-95, around US $ 2.7 billion constitutes the soft component. Unlike in the previous year, this year's pledges do not include any fast disbursing assistance. The World Bank Group comprising International Bank for Reconstruction and Development (IBRD) and IDA with commitments of US $ 2.7 billion (of which US $ 1.2 billion concessional) continues to be the largest multilateral donor. Within the bilateral group, pledges of US $ 1.2 billion from Japan constitute the largest share.

Utilisation

As against a decline of around 25 per cent in the utilisation of aid (loans and grants) during 1992-93 over 1991-92, the utilisation of US $ 3,739 million during 1993-94 represented a marginal improvement over US $ 3,589 million utilised during 1992-93. Substantially higher utilisation of loans from Japan and IBRD during 1993-94, was offset by a fall in the utilisation of loans from IDA, ADB, Germany and France (Table XI-11 and Table XI-12).

The outstanding amount of undisbursed loans declined by US $ 318 million to a level of US $ 18,277 million as at the end of March 1994. The stock of unutilised grants, on the contrary, rose from US $ 1,719 million to US $ 2,529 million during the same period.

Debt Service Payments and Net Inflows

Debt service payments at US $ 3,053 million (Rs.9,574 crore) were higher by US $ 83 million (Rs.472 crore) in 1993-94 than those of US $ 2,970 million (Rs.9,102 crore) in the previous year mainly on account of higher amortisation payments. Declining international interest rates had a favourable impact on the debt service obligations under external assistance, as a result of which interest payments at US $ 1,343 million (Rs.4,211 crore) during 1993-94 were lower than those of US $ 1,408 million (Rs. 4,314 crore) during the previous year.

Despite higher debt service payments, net inflows (i.e. gross utilisations minus debt service payments) at US $ 686 million (Rs.2,152 crore) were higher during 1993-94 than those of US $ 619 million (Rs.1,880 crore) during the previous year due to higher utilisation of aid during the year (Table XI -14).

Cumulative Assistance

Cumulative assistance on account of loans, grants and other assistance authorised to India up to end March 1994 aggregated US $ 42,707 million (Rs.1,33,982 crore) as against US $ 38,682 million (Rs.1,20,824 crore) as at the end of March 1993. Of the total, as at the end of March 1994, loans, grants and PL 480/665 assistance accounted for 88.6 per cent, 9.3 per cent and 2.1 per cent, respectively. The cumulative assistance utilised up to end March 1994 amounted to US $ 30,164 million (Rs.94,633 crore) as against US $ 26,543 million (Rs.82,907 crore) as at the end of March 1993. Of the total assistance utilised upto end March 1994, loans, grants and PL 480/665 accounted for 86.7 per cent, 10.3 per cent and 3 per cent, respectively (Table XI-15).

In the total cumulative authorisations upto end March 1994, the share of the World Bank Group at 43.2 per cent was slightly lower than the end March 1993 level (i.e 44.2 per cent). Of the total cumulative utilisation upto end March 1994, however, the World Bank Group's share at 47.6 per cent was marginally higher than at the end of the preceding year (i.e. 47.1 per cent) (Table XI-16).

The purpose-wise break up of authorisations and utilisation of loans are set out in Table XI-17. Of the total loans authorised during 1993-94, about 45.6 per cent was for the energy sector followed by loans for structural adjustment (17.7 per cent), the social sector(15.0 per cent) and the infrastructure sector(5.2 per cent).

As regards utilisation of loans during 1993-94, energy sector with the largest share of 40.0 per cent was followed by loans for structural adjustment (22.7 per cent) and the industry sector (8.7 per cent).

Aid in the Pipeline

Aid in the pipeline represents committed but undisbursed assistance and is available for future disbursement. Total aid in the pipeline, both in the form of loans and grants (but excluding those in Roubles from the former USSR) at US $ 20,806 million (Rs.65,119 crore) as at the end of March 1994 was higher by US $ 492 million (Rs.2,018 crore) than those of US $ 20,314 million (Rs.63,101 crore) as at the end of March 1993. Of the total undisbursed aid, loans accounted for 87.6 per cent and the World Bank Group constituted the maximum share of around 54 per cent of the total loans available in the pipeline. In addition, the amount of aid available from the former USSR in the pipeline remained at the same level of Roubles 7,821 million as at the end of March of the previous year (Table XI-11 and XI-13).

Outstanding undisbursed loan assistance extended by various donors for different sectors as at the end of March 1994 is given in Table XI-18. While the energy sector accounted for the largest share (45.9 per cent) of the undisbursed loans in the pipeline, only 27.6 per cent of the undisbursed loans were from the IBRD.The infrastructure sector, the social sector and the agricultural sector accounted for 12.8 per cent, 9.2 per cent and 7.2 per cent, respectively of the total undisbursed loan.

India's Financial Assistance to Other Countries:

Authorisation

During 1993-94 total commitment of external assistance by India at Rs.146.5 crore was higher by Rs.73.9 crore than that of Rs.72.6 crore during the previous year. While in the previous year, grants constituted around 52 per cent of the total commitments, during 1993-94, grants accounted for about 25 per cent of the total aid commitments. Unlike in previous year the entire amount of grants was under the ITEC (International Technical and Economic Cooperation) programme. Of the total loan commitments of Rs.110 crore, the major beneficiary countries, viz., Bangladesh, Uzbekistan and Kazhakhstan accounted for Rs.30 crore each.

Utilisation

The utilisation of aid (loans and grants) at Rs.43 crore during 1993-94 was almost of the same order as during the previous year. Loans committed during the year were almost fully utilised by Nepal and Seychelles during the same period. Bangladesh, Kazhakhstan and Uzbekistan, the major recipient countries of aid from India, showed a very low utilisation rate during the year (Table XI-19).

Cumulative Assistance extended by India

Of the total of Rs.2,657.24 crore of external assistance extended by India, (up to end March 1994), around 61 per cent was in the form of grants. The major recipients of the aid from India

were Bhutan (36.3 per cent), Nepal (21.3 per cent), Bangladesh (13.3 per cent), Vietnam (6.3 per cent) and the group of countries under the ITEC programme (10.8 per cent). Utilisation of the cumulative assistance of Rs.2,289.05 crore up to end March 1994 constituted around 86.1 per cent of the cumulative authorisations for the same period. As the fresh authorisations during the year were much higher than the utilisation, the undisbursed aid amount increased to Rs. 368.19 crore as at the end of March 1994 (Table XI-20).

Commercial Borrowing

Gross disbursements under external commercial borrowing during 1993-94 amounted to US $ 2,872 million as compared with those of US $ 1,188 million in 1992-93. The disbursements under loans at US $ 1,550 million remained subdued in comparison with the late 'eighties, access to international financial markets being denied on account of below investment grade credit ratings. Nevertheless, the disbursements of loans were higher during 1993-94 by as much as 55 per cent. Euro-bond placements and financial leasing largely by private air taxi operators amounted to US $ 915 million and US $ 407 million, respectively. The latter were new sources of commercial borrowings. Repayments during 1993-94 amounted to US $ 2,033 million inclusive of defence debt amortisation. Thus in 1993-94, commercial borrowings yielded a net surplus of US $ 839 million as against an outflow of US $ 451 million in 1992-93.

Transactions with the IMF

The seventh and final instalment under the stand-by arrangement was drawn amounting to US $325 million (SDR 231 million was drawn in June, 1993). Repurchases under the EFF negotiated in 1981 have begun to taper off since 1990-91, 1993-94 being the penultimate year of repurchases under the facility. After taking into account such repurchases of US $ 134 million (SDR 96.4 million), transactions with the IMF resulted in a net inflow of US $ 191 million.

External Debt

The favourable developments in the external sector during 1993-94 enabled a consolidation of external debt. India's external debt increased from US $ 89,986 million (Rs.2,80,630 crore) at the end of March 1993 to US $ 90,630 million (Rs.2,83,793 crore) at the end of March 1994, an increase of only US $ 644 million, in sharp contrast to the pace of debt accumulation of the preceding years. The debt/GDP ratio declined from 40.0 per cent in March 1993 to 35.3 per cent in March 1994. The debt service ratio declined during the same period from 30.6 per cent to 25.1 per cent reflecting a robust export growth in 1993-94 (Table XI-21). Component wise, bilateral debt and debt owed to multilateral institutions increased from 46 per cent in 1993 to 48 per cent as at end March 1994. The share of external commercial borrowings comprising trade credits, bank loans and securtised borrowings remained unaltered at around 18 per cent. The liabilities to IMF continued at around 5 per cent of total debt. The long-term component of non-resident deposits at 13.9 per cent as at end-March 1994 showed a small rise of around 2 per cent over the year. Rupee debt dropped a shade in terms of share from 11.8 per cent to 11.1 per cent over the year. There was a significant decline both in terms of share and absolute level under short-term debt. Short-term debt declined from US $ 6,340 million (Rs.19,804 crore) or 7 per cent of total debt as at the end of March 1993 to US $ 3,626 million (Rs.11,375 crore) or 4 per cent of total debt as at the end of March 1994. This reflected the abolition of the short-term maturity slab under the FCNRA and liquidation of liabilities due on account of PSUs.

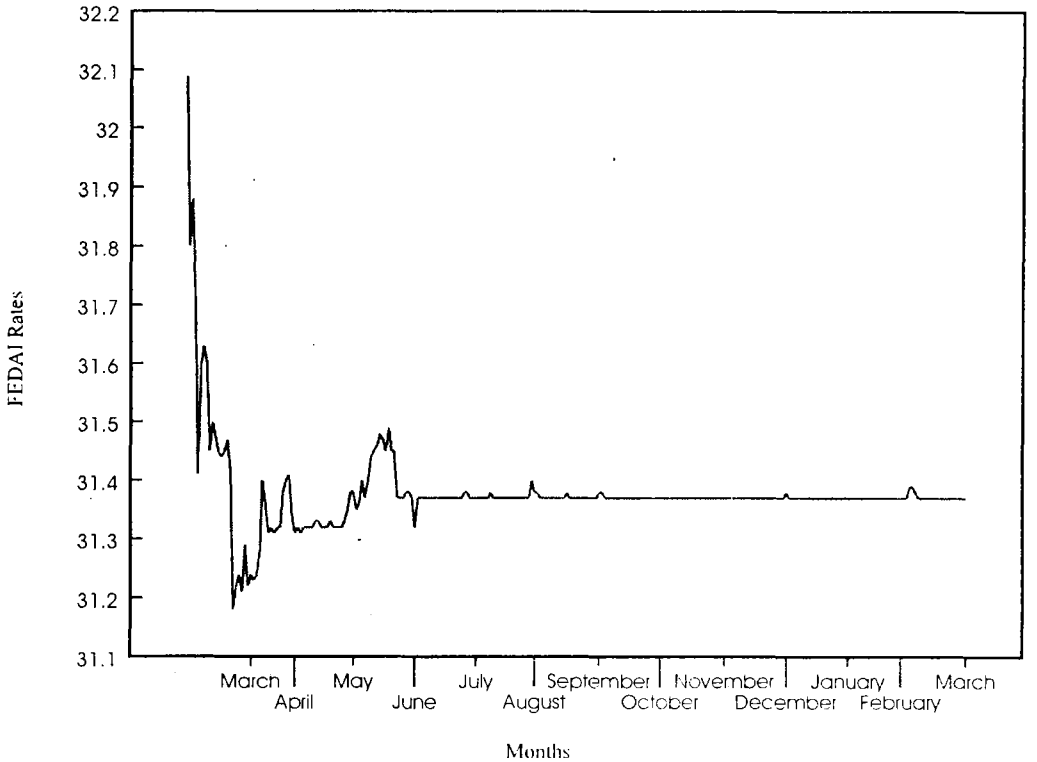
Exchange Rate Developments

On March 1, 1993, the dual exchange rates under the Liberalised Exchange Rate Management System (LERMS) gave way to a unified exchange rate system in terms of which the exchange rate is determined entirely by the market forces. The period following the institutuion of the unified

Graph 3

Movements in the Unified Exchange Rates

RUPEE VIS-A-VIS THE US$



exchange rate system was characterised by large inflows of foreign exchange. In the absence of sufficient demand in the market to absorb these flows, the exchange rate was subjected to upward pressure. As a result the rupee strengthened from a pre-Union Budget low of Rs.32.1400 per US dollar at the end of February 1993 to stabilize around the RBI buying rate of Rs.31.3700 per U.S. dollar by August 1994. The host of market rates remained anchored to the RBI buying rate for the remaining part of the year.

The need to protect exporters' incomes from an appreciation of the rupee warranted policy action. Moreover, excess supply conditions prevailing in the foreign exchange market provided an opportunity to embark upon a strategy of fortifying the foreign exchange reserves with durable elements. Guided by these considerations, the RBI undertook spot purchases of foreign exchange in the market. Thus the steady exchange rate as a result was in the nature of a nominal anchor for the economy.

The rupee, however, appreciated against the currencies of most of India's trading partners as well as those of its competitors, with the exception of the US dollar and the Japanese Yen against which it depreciated by 2.3 per cent and 15.5 per cent, respectively. Against Asian currencies, the rupee weakened against the Hongkong dollar, the Thai baht and the Singapore dollar by 2.2 per cent, 3.1 per cent and 4.3 per cent respectively but firmed up against all other currencies (Table XI-22).

The Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) indices for 1993-94 computed on the basis of 36-country bilateral weights reflected the rupee's appreciation against the currencies of most of India's trading partners. The

appreciation in the REER was higher at 8.6 per cent and 7.9 per cent in terms of export-based and trade-based weights respectively as a result of adverse widening of inflation differentials between India and her trading partners (Statement 164, Report on Currency and Finance, Volume II).

In the forward market for foreign exchange, the inter-bank swap premia were governed by the forces of demand and supply. The RBI swap window which was available for maturities of two to six months at relatively high rates in accordance with the policy stance of discouraging swap transactions with the RBI was discontinued, effective June 1, 1994. Increased forward sale of export proceeds facilitated by the sustained stability of the rupee and the availablility of post-shipment credit at lower rates of interest was not always matched by adequate demand. The inter-bank swap premia have, by and large, been on the decline since the unification of exchange rates, except for a brief period of upsurge in October 1993 when a rise in the demand for swaps by importers and commercial banks covering for short-term exposures and exchange rate risk respectively hauled up the premia for all maturities. The inter-bank premia touched an all-time low on February 8, 1994 when for the first time the dollar was quoted at a discount for short-term maturities such as the two-month and three-month swaps as a result of excess supply of forward dollars. With the easing of excess supply conditions the inter-bank premia have recovered but were less than 2 per cent at the end of March, 1994 (Statement 166, Report on Currency and Finance, Volume II).

International Monetary Developments*

The prospects for growth of the world economy improved modestly in 1993. World output was estimated to have grown by 2.3 per cent in 1993, as compared to 1.7 per cent in 1992. World output in 1994 is projected to grow by 3.1 per cent. The recovery in world output was mainly contributed by the expansionary trends in certain industrial countries like the United States, Canada and the United Kingdom, aided by robust growth in a number of developing countries.

Domestic Activity

Industrial Countries

The output growth in industrial countries as a group registered a marginal decline from 1.5 per cent in 1992 to 1.3 per cent in 1993, with the deepening of recession in a number of industrial countries. Growth in 1994 however is expected to improve to 2.7 per cent. The expectations of recovery in industrial country output are based upon signs of bottoming out of recession in large economies that first went into recession, viz., the United States, Canada and the United Kingdom.

The output in United States grew by 3.1 per cent in 1993 as against 2.3 per cent in 1992, the recovery being contributed by low short-term interest rates, balance sheet adjustments and robust growth of private investment and consumption. Among other leading industrial countries, only United Kingdom and Canada recorded higher real GDP growth during 1993 than in 1992. The Japanese economy experienced near stagnation in 1993 : this was attributable to the continued weakness in investment, the persistent strength of the yen and the depressed levels of business and consumer confidence. The decline in asset prices have also had contractionary after-effects in Japan. In continental European countries, the economic activity continues to remain weak and no clear signs of economic turnaround have emerged as yet.

The consumer price inflation in industrial countries declined from 3.3 per cent in 1992 to 2.9 per cent in 1993 reflecting weakness of economic activity and a sharp decline in oil prices since last year. The highest inflation rate

* This section is based upon the information contained in IMF's World Economic Outlook, October 1994.

among the major industrial countries during 1993 was in Germany (4.7 per cent), followed by Italy (4.4 per cent), the United Kingdom (3.0 per cent) and the United States (3.0 per cent).

The prevalence of low inflation in major industrial countries allowed both short-term and long-term interest rates to be lowered further in 1993. The monetary conditions were eased during 1993 in all the major industrial countries to support economic activity. However, in an effort to prevent rapid growth from fuelling inflation, the US began tightening its monetary policy. While the federal funds rate was raised in five stages from 3.0 per cent to 4.75 per cent between February 1994 and August 1994, the discount rate of the Federal Reserve was increased from its July 1992 level of 3.0 per cent to 3.5 per cent in May 1994 and further to 4.0 per cent in August 1994. In Japan, the easing of monetary policy continued in 1993, with the Bank of Japan lowering its official discount rate to 2.5 per cent in February 1993 and further to 1.75 per cent in September 1993. The Bundesbank reduced its discount rate from 7.5 per cent to 7.25 per cent in April 1993 and its Lombard rate from 9.0 per cent to 8.5 per cent, in view of the improved outlook for inflation. The discount rate has since then been brought down in various stages to 4.5 per cent in May 1994, the lowest in five years, and the Lombard rate to 6.0 per cent. Several other European central banks have also announced easing of interest rates thus permitting rebalancing of macroeconomic policies throughout Europe. The overall trend in short-term interest rates remained downward with the average rate for the seven major industrial countries declining from 6.3 per cent in 1992 to 4.8 per cent in 1993. Long-term interest rates also declined in these seven countries, from 7.5 per cent in 1992 to 6.2 per cent in 1993.

The broad money growth in the major industrial countries increased to 3.3 per cent in 1993 from 2.7 per cent in 1992; the narrow money growth in 1993 remained unchanged at its 1992 level of 8.2 per cent. In 1993, both broad money and narrow money in the United States grew at lower rates of 1.4 per cent (1.9 per cent in 1992) and 10.5 per cent (14.3 per cent in 1992), respectively. In Japan, broad money grew by 2.2 per cent in 1993 as compared to a marginal decline in 1992; narrow money growth increased to 7.0 per cent in 1993 from 3.9 per cent in 1992.

Developing Countries

GDP growth in the developing countries (excluding the countries in transition) improved marginally to 6.1 per cent in 1993, compared to 5.9 per cent in 1992, mainly because of continued strong economic activity in Asia and recovery in Western Hemisphere. The output growth is expected by the IMF to slide down to 5.6 per cent in 1994. Real output growth in the developing countries of Africa increased to 1.0 per cent in 1993, as compared to 0.2 per cent in 1992, reflecting the end of the drought and improvement in world commodity prices. Asia recorded the strongest real output growth in 1993 at 8.5 per cent, with real output in China growing by 13.4 per cent and in Thailand by 7.8 per cent. The real GDP growth in Middle East and Europe declined substantially to 4.8 per cent in 1993 (7.0 per cent in 1992), reflecting the adverse impact of a sharp drop in oil prices. The Western Hemisphere registered an improvement in the output growth to 3.4 per cent in 1993 from 2.5 per cent in 1992. While the economic outlook worsened for the group as a whole, the real GDP in Brazil grew at a strong 5.0 per cent in 1993, as against the decline of 0.9 per cent in 1992.

The average inflation for developing countries, as a group, rose to 46.2 per cent in 1993 compared with 38.7 per cent in 1992. The price increases were, however, concentrated in only a few countries. Inflation in Africa declined from 40.6 per cent in 1992 to 32.6 per cent in 1993. Despite continued economic progress in several Asian countries, inflation increased to

9.7 per cent in 1993 (7.3 per cent in 1992) mainly contributed by sharp increase in prices in China by 13.0 per cent in 1993 as compared to a moderate 5.4 per cent increase in 1992. Western Hemisphere registered the largest increase in prices - by 236.4 per cent in 1993 as against 165.8 per cent in 1992. This was mainly because of sharp increase in prices in Brazil and Suriname.

Countries in Transition

The economic activity in *central and eastern European* countries showed signs of improve-ment in 1993, with a number of countries achieving a reasonable measure of macro-economic stability and significant progress in structural reforms. The output for the region, as a whole, fell at a much lower rate of 5.7 per cent in 1993 as compared to 11.7 per cent last year. Albania witnessed a turnaround in output scenario, where output grew by 11.0 per cent in 1993. Output expanded at a rapid pace in Poland and economic activity improved in Slovenia and Hungary in 1993. The consumer price inflation for the central and eastern Europe increased to 442.3 per cent in 1993 from 369.9 per cent in 1992.

The combined current account deficit of the central and eastern European countries increased to $ 7.3 billion during 1993, from $ 0.2 billion in 1992, reflecting domestic recoveries, weak external demand, increased private capital flows, and for some countries real exchange rate appreciations.

Russia and the countries belonging to Transcaucasus and central Asia have not been as successful in achieving macro-economic stability as the central European countries. During 1993, real GDP fell further by 12.0 per cent in *Russia*, though the rate of decline was less compared to the previous year. In Russia, loose financial policies resulted in a nine-fold increase in prices during the year.

The output fell in several countries belonging to the *Transcaucasean and central Asian* region, mainly because of the delays in the crucial restructuring of the private sector, the high inflation, the distorted price signals and the lack of economic incentives. For the region as a whole, the output declined by 10.7 per cent in 1993. The consumer price inflation for this region continues to remain extremely high, reflecting excessive budget deficits and lack of monetary control.

International Trade and Payments

The world trade volume in 1993 grew at a lower rate of 4.0 per cent, compared with 4.7 per cent in 1992. The decline reflects weak economic activity in industrial countries leading to depressed import volumes. There has also been, to some extent, under-recording of trade flows on account of reduced data coverage and reporting delays associated with new procedures for recording trade within the European Union. The anticipation of improvement in import demand in industrial countries as well as countries in transition is expected to push up the world trade growth to 7.2 per cent in 1994.

The export volume in industrial countries grew at a lower rate of 2.4 per cent in 1993 than 4.2 per cent in 1992, while import volume increased by 1.8 per cent in 1993 (4.3 per cent in 1992). The volume growth of exports in developing countries increased further to 8.9 per cent in 1993 as against 7.8 per cent in 1992. The import volume growth, however, declined from 11.2 per cent in 1992 to 9.3 per cent in 1993.

The combined current account balance of the industrial countries is estimated to have turned into a surplus of $ 19.3 billion as compared to the deficit of $ 39.9 billion in 1992. The external current account deficit of the United States shot up to $ 103.9 billion in 1993 from $ 67.9 billion in 1992, reflecting a higher import demand owing to economic recovery. The US deficit is

expected to widen to $ 149.4 billion in 1994. Japan's current account surplus increased from $ 117.6 billion in 1992 to $ 131.4 billion in 1993. The surplus is likely to remain high as economic recovery continues to remain weak, thus offsetting the effects of yen appreciation on current account. The current account deficit of Germany stood at $ 20.1 billion in 1993 compared with $ 22.0 billion in 1992 and is expected to decline to $ 16.2 billion in 1994.

The combined current account deficit of developing countries increased from $ 77.4 billion in 1992 (6.6 per cent of exports of goods and services) to $ 106.4 billion in 1993 (8.5 per cent of exports of goods and services), reflecting mainly the sharp increase in deficit in Asia and the Western Hemisphere. The deficit is expected to decline modestly to $ 104.7 billion in 1994 (7.6 per cent of exports of goods and services).

The terms of trade of developing countries deteriorated further by 1.5 per cent in 1993. While the terms of trade of fuel exporters deteriorated by 5.3 per cent, that of non-fuel exporters worsened by 0.3 per cent.

International Monetary Fund

The Enlarged and Extended ESAF

On February 28, 1994, IMF's renewed and enlarged concessional lending window, namely, the Enhanced Structural Adjustment Facility (ESAF) has initiated operations. The renewed facility, which will have the same terms and conditions as the original ESAF, established in 1987, seeks to ensure the continuity of concessional lending by the IMF. A distinctive feature of the funding of the ESAF is the much broader support from a cross-section of the IMF's membership, including contributions from developing countries, than under the original ESAF. The additional targeted loan of SDR 5.0 billion together with the loan agreements of SDR 5.1 billion approved to finance ESAF operations would raise total loan resources under the ESAF Trust to SDR 10.1 billion.

As at end-March 1994, there were 78 low-income countries eligible for ESAF assistance.

SDR Allocation and SDR Interest Rate

The SDR (Special Drawing Right) is an international reserve asset created by the IMF and allocated to its members participating in the SDR Department. SDR is also a unit of account. Total allocation during the period 1970-1981 aggregated SDR 21.4 billion. Since then no further allocation has taken place. The interest/remuneration rate on the SDR 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 comprise the SDR valuation basket. In tandem with the declining short-term rates in these countries, the SDR interest/remuneration rate has steadily declined 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 and further to 3.98 per cent for the quarter ended March 1994 (Table XI-24).

Rate of Charge, Overdue Obligations and Burden Sharing

The rate of charge and the rate of remuneration are both set in proportion to the weekly SDR interest rate. For the year 1994-95 (May-April), the basic rate of charge for the use of ordinary resources of the Fund has been fixed at 115.1 per cent of SDR interest rate as against 97.9 per cent and 111.0 per cent, respectively during 1992-93 and 1993-94. The increase in the basic rate of charge is to meet the Fund's targeted income for FY 1995 in view of the falling SDR interest rates. The basic rate of charge and the rate of remuneration together with the adjustments on account of Deferred income, Special Contingent Account-1 and Special Contingent Account-2 for the four quarters ended April 30, 1994 are provided in Table XI-25.

As at end-June 1994, the overdue financial obligations amounted to SDR 2.87 billion in respect of Haiti, Iraq, Liberia, Somalia, Sudan, Zaire and Zambia. The overdue financial obligations as at the end of June 1993 amounted to SDR 2.99 billion. The total reserves (general and special reserves) of the Fund totalled SDR 2.9 billion as at the end of April 1994, comprising of general reserves - SDR 1.7 billion and special reserves under the two Special Contingent Accounts - SDR 1.2 billion. The general reserves of the Fund were SDR 1.63 billion a year earlier.

Use of IMF Resources

During the year 1993, gross disbursements by the IMF out of the General Resources Account increased marginally to SDR 5.0 billion from SDR 4.8 billion in 1992. However, net disbursements during the year doubled to SDR 1.2 billion from SDR 0.6 billion in 1992 with repurchases being lower at SDR 3.8 billion during the year than SDR 4.2 billion in 1992 (Table XI-26). Facility-wise, the disbursements under short-term stand-by arrangements declined substantially to SDR 1.05 billion in 1993 from SDR 3.3 billion in 1992, while those under extended arrangements more than doubled at SDR 1.85 billion during the year from SDR 0.91 billion in 1992. Drawings under the Compensatory and Contingency Financing Facility (CCFF) stood at SDR 0.71 billion in 1993 as against SDR 0.56 billion in 1992. Concessional lending to low income countries under the Structural Adjustment Facility (SAF) and the Enhanced Structural Adjustment Facility (ESAF) halved in 1993 to SDR 0.25 billion from SDR 0.52 billion a year earlier.

During 1993, disbursements of SDR 1.4 billion were made under the Systemic Transformation Facility (STF). The STF was established on April 23, 1993 to help member countries experiencing severe balance of payments difficulties owing to a shift from reliance on trading at non-market prices to multilateral, market-based trade. Disbursements under the STF were made to 11 countries *viz.*, Belarus, Cambodia, Estonia, Kazakhstan, the Kyrgyz Republic, Latvia, Lithuania, Moldova, Russia, the Slovak Republic and Viet Nam.

During the first half of 1994, total purchases and repurchases amounted to SDR 2.9 billion and SDR 2.8 billion respectively. The net Fund credit during the first half of 1994 declined to SDR 0.1 billion from SDR 0.3 billion in the same period of 1993 (Table XI -26).

As at the end of June 1994, total Fund credit and loans outstanding were SDR 29.6 billion, which included SDR 25.3 billion from the General Resources Account, SDR 4.2 billion under SAF and ESAF arrangements and SDR 105.5 million under Trust Fund Loans.

Article VIII Status

Article VIII of the Fund's Articles of Agreement imposes certain obligations on the member countries of the Fund. Any Fund member, accepting the obligations of the Article VIII, sections 2, 3 and 4 undertakes to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging in discriminatory currency arrangements or multiple currency practices without IMF approval. A total of 97 countries, including India, have assumed Article VIII status upto the middle of October 1994 (See Box on page XI-5).

Membership and Quota

Eritrea became the 179th member of the IMF on July 26, 1994. The addition to Fund's membership came after more than a year, when Micronesia became the 178th member on June 24, 1993. The total Fund quota as of July 31, 1994 stood at SDR 144.87 billion.

IMF sets management changes

An important development in IMF's management structure took place in June 1994, when the Executive Board of the IMF endorsed

a proposal by the Managing Director to have three Deputy Managing Directors instead of only one hitherto. This was the first major change in the structure of the IMF senior management since 1949, when the position of Deputy Managing Director was established.

International Reserves

Global international reserves (excluding gold) increased by 9.1 per cent to SDR 755.9 billion during the year 1993 (Table XI-27). Reserve holdings of industrial countries grew by 4.2 per cent to SDR 413.4 billion, as against a decline of 1.0 per cent last year. The reserves of developing countries expanded substantially by 15.6 per cent to SDR 342.5 billion, the seventh consecutive increase for developing countries. Among the industrial countries, the non-gold reserves of Japan witnessed the highest rise of SDR 19.6 billion to SDR 71.7 billion while Germany recorded a decline by SDR 9.6 billion to SDR 56.5 billion during the year.

In the first quarter of 1994, the world non-gold reserves rose moderately by 3.1 per cent to SDR 779.6 billion. While the reserves of industrial countries rose by 1.5 per cent to SDR 419.8 billion, the reserves of developing countries expanded by 5.0 per cent to SDR 359.8 billion.

Among the components of international non-gold reserves, foreign exchange reserves totalled SDR 708.5 billion at the end of 1993 - SDR 62.4 billion or 9.7 per cent higher than a year earlier. During the year 1993, the foreign exchange reserves of industrial countries increased by SDR 16.9 billion or 4.7 per cent, while those of developing countries increased by SDR 45.5 billion or 15.7 per cent.

The reserve position in the Fund for all the member countries taken together, which had improved by SDR 8.0 billion to SDR 33.9 billion during 1992 declined by SDR 1.1 billion to SDR 32.8 billion in 1993.

The third component of non-gold reserves *viz.*, SDRs, which had declined by SDR 7.7 billion to SDR 12.9 billion in 1992 improved by SDR 1.7 billion or 13.6 per cent to SDR 14.6 billion in 1993. Between end-June 1993 and 1994, the position in the SDR Department of other holders improved to SDR 167.6 million from SDR 94.4 million.

Gold in International Markets

The average gold price in 1993 showed a year-on-year increase in real terms, the first increase since 1987 as investment buying in Europe and North America surged, marking an end to the five-year bear market. The year-on-year change in the 1993 annual average price of gold varied from a 8.5 per cent decline in yen terms to a 20.2 per cent rise in South African rand terms. In US dollar terms, it rose by 4.6 per cent from $343.95 per ounce in 1992 to $359.82 in 1993 (Table XI-28).

From a price of $326.10 per ounce on March 10, 1993, the lowest level since December 27, 1985, gold price moved up gradually during 1993, by investment-buying primarily from US hedge and gold funds and also by private physical investment in Germany in the second quarter of 1993. The Bundesbank's interest rate policies, causing increasing tensions and fear of chaos within the European Exchange Rate Mechanism, provided a further fillip to price increases, driving gold price to its highest level since the Gulf crisis, touching $405.60 per ounce on August 2, 1993. The waning of the ERM crisis and a subsequent withdrawal of the speculative money from the gold market by the end of September 1993, resulted in a drop of gold price to $355 per ounce. Gold price recovered again in the fourth quarter as inflationary pressures increasingly loomed large leading to precautionary purchase of gold by the participants in the bond and stock markets. In the first quarter of 1994, the gold price fluctuated between US $374 and US

$394 per ounce without showing any definitive trend. Investment demand for gold resumed in end-March as fears about future inflation in the US have strengthened.

According to the estimates made by 'Gold Fields Mineral Services' (GFMS), total gold supply declined by 32 tonnes to 3538 tonnes in 1993, as net official sales dropped by 80 tonnes to 522 tonnes. On the demand side, fabrication demand stood at 2989 tonnes, bar hoarding 137 tonnes, gold loans 65 tonnes and investment demand at 348 tonnes.

Developments in Exchange Rates of Major Currencies

The foreign exchange markets during 1993 reflected the changing economic conditions of different countries. The signs of sustained economic recovery in the United States brought about a substantial strengthening of the US dollar. The US dollar appreciated by 3 1/2 per cent in nominal effective terms during the twelve months ending April 1994; it rose by about 11 per cent from its low in August 1992 till March 1994. However, during the first seven months of 1994, the US dollar has depreciated by 6 1/2 per cent on nominal effective basis. During 1993, the dollar also rose against most European currencies reflecting stronger economic recovery and changes in interest rate differentials in favour of the US currency. Against the four major European currencies, *viz.*, the deutsche mark, the French franc, the Italian lira, and the pound sterling, the US dollar recorded appreciation by 4 to 8 per cent during the year ended April 1994.

The Japanese yen continued to strengthen against the US dollar as well as the European currencies, supported by a huge trade surplus against the United States and reduced interest rate differentials in favour of assets denominated in European currencies. Between February 1993 and mid-August 1993, the yen appreciated by 25 per cent against the US dollar. The yen, however, weakened towards the end of 1993, but strengthened again in early 1994. The yen rose to its highest post-war level of 96.80 per US dollar in July 1994 as US trade balance *vis-a-vis* Japan deteriorated further. Against the four major European currencies, the Japanese yen rose by 6 to 8 per cent between mid-September 1993 and early April 1994. In addition, between January and July 1994, the yen appreciated by 8 1/2 per cent in nominal effective terms, reflecting improvement in growth prospects.

The widening of the ERM intervention bands in August 1993 brought about a considerable reduction in the strains in European currency markets. The currencies of many ERM countries had initially weakened against the deutsche mark after the widening of the band, but have progressively acquired strength and risen to levels above their pre-August intervention floors. Most ERM countries have since then been attempting to keep their currencies in close alignment with the German currency.

Among other European countries, the pound sterling strengthened *vis-a-vis* the deutsche mark since early 1993 with some weakening in February 1994. The policy uncertainties in Italy resulted in further weakening of the lira during 1993. However, there was some reversal of decline in March and April this year.

External Debt Situation

By the end of 1993, the total external debt of developing countries (excluding IMF credit) reached US $ 1544.9 billion, registering an increase of 7.3 per cent during the year (Table XI-29). The IMF estimates that in 1994, total external debt of all developing countries will increase to US $ 1675.4 billion.

During 1993, most of the developing country groups witnessed increases in their total external debt. The increase in debt was the highest for Asia ($ 58.5 billion), followed by the Middle

East and Europe ($ 22.2 billion). Though the debt-indicators did not show any major improvement during 1993, both debt and debt-service ratios were well below the peaks reached in the mid-eighties.

The ratio of total debt to export earnings, in dollar terms, of the developing countries increased marginally to 123.6 per cent in 1993 (122.2 per cent in 1992). The debt-export ratio increased marginally for all the developing country groups, except for Western Hemisphere where it declined from its 1992 level of 262.2 per cent to 260.7 per cent in 1993.

The ratio of external debt to GDP for developing countries declined from 34.1 per cent in 1992 to 33.6 per cent during 1993. While the developing countries of Western Hemisphere witnessed improvements in their debt - GDP ratios, the ratio increased for Africa, Asia, Middle East and Europe.

The debt-service ratio for developing countries, as a group, increased to 15.4 per cent in 1993, from 14.5 per cent in 1992. Across regions, this ratio worsened further for Asia, Western Hemisphere, Middle East and Europe. The ratio improved slightly for Africa.

Since mid-1993, the Paris Club creditors have concluded debt-rescheduling agreements with several developing countries, including Algeria, Bulgaria, Costa Rica, Jordan, Kenya, Peru, Russia, Senegal, Vietnam and some other indebted countries. The commercial bank creditors completed agreements on debt and debt-service reductions with Bolivia (May 1993), Brazil (April 1994) and Jordan (December 1993). The negotiations are underway for reduction in commercial bank debt of Panama, Peru and Poland. France has put forward a proposal to write off the development aid loans of the poorest CFA countries, and reduce by one-half the aid loans of middle-income CFA countries. Further, for supporting adjustments associated with the devaluation of CFA franc, France and other bilateral donors are committed, under IMF-supported programmes, to disbursing fresh financial assistance to CFA states over the next three years.

European Economic and Monetary Union

The widening of the bands in the European exchange rate mechanism (ERM) in August 1993 provided the authorities of the ERM countries enough leeway to pursue a more independent monetary policy. The overall operation of the exchange mechanism since August 1993 has been compatible with the principle of currency stability in Europe. Exchange rates in the new band fluctuated well within the 15 per cent limit. Subsequent to the widening of ERM bands in August 1993 there has been a significant fall in interest rates in all the ERM countries while exchange rates have returned to the pre-August 1993 range demonstrating the resilience and adaptability of European exchange rate mechanism.

Asian Development Bank*

During 1993, the Asian Development Bank's total approvals of new loans and investments amounted to US $ 5,304 million, comprising loans of US $3,984 million from ordinary capital resources (OCR), US $1,297 million from the concessional Asian Development Fund (ADF) and US $23 million of equity investments (Table XI-30). Over 95 per cent of loans were to governments or were guaranteed by governments. Sectorwise, the energy sector remained the major area of Bank lending for the third successive year. Other important sectors were transport and communications, social infrastructure, agriculture and agro-industry, industry and non-fuel minerals and finance. Country-wise, Indonesia was the largest recipient of ADB loans followed by China. The year's largest single loan (US $ 300 million) was received by

* *Source:* ADB Annual Report, 1993

India for the Gas Flaring Reduction Project. The Bank mobilised a record US $ 3,494 million by means of co-financing for 24 projects with official sources contributing US $ 1,437 million, export credits US $ 1,616 million and commercial sources US $ 441 million.

During 1993, loan disbursements increased by 6.3 per cent to US $ 2,941 million; OCR disbursements were higher by 7.3 per cent at US $ 2,016 million and ADF disbursements 4.2 per cent higher at US $925 million. The total number of completed projects increased to 815 out of 1,181 projects approved as of end-1993.

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 20.5 per cent to US $ 938 million.

On December 31, 1993, the ADB's authorised capital was US $ 23,200 million of which US $ 23,076 million was subscribed. The Board of Governors of ADB approved a 100 per cent increase in the Bank's authorised capital stock, the fourth General Capital Increase (GCI IV) effective from May 26, 1994. This will raise the Bank's authorised capital to about US $48 billion.

World Bank Group*

During fiscal 1994 (July 1993-June 1994), the World Bank made further progress towards poverty eradication through Bank's lending operations, country-assistance strategies, strengthening of poverty analyses and policy dialogues. The Bank has put more emphasis on the quality of its portfolio than growth. For managing its ongoing lending operations, there is a shift in Bank's emphasis towards country-by-country approach, from project-by-project approach.

In its effort to involve stakeholder participation during project preparation as a normal World Bank procedure, the World Bank established a Participation Fund in June 1993 to finance additional expenditures incurred in associating beneficiaries in preparation of projects and in economic and sector work. Other developments include increased co-operation between the World Bank and non-governmental organisations (NGOs), steps taken to increase the World Bank's accountability and openness, and expansion of public access to operational information by opening a Public Information Centre at the World Bank's headquarters in Washington, D.C. in January 1994.

During the year, the tenth replenishment of International Development Association's resources (IDA -10) for the period 1994-96 became effective. The Bank extended the Debt - reduction Facility for IDA-only countries until July 31, 1995.

During fiscal 1994, the total membership of the IBRD increased to 177 following the joining of the former Yugoslav Republic of Macedonia, whereas the membership of IDA increased to 156 with the joining of Macedonia, Armenia, Georgia and Moldova.

Total commitments by the World Bank (IBRD and IDA combined) of $ 20.8 billion decreased by 12.1 per cent in fiscal 1994 as compared with an increase of 9.2 per cent in fiscal 1993. Commitments from the IBRD decreased to $14.2 billion in fiscal 1994 from $ 16.9 billion a year earlier and IDA commitments to $ 6.6 billion from $6.8 billion committed in fiscal 1993 (Table XI -31).

Assistance by the World Bank to the poorest countries (with a per capita gross national product of $ 675 or less in terms of 1992 US dollars) amounted to $ 9,435.4 million.

International Bank for Reconstruction and Development (IBRD)

Lending commitments of the IBRD decreased by $ 2,701 million (or 15.9 per cent) to $ 14,244 million in fiscal 1994, though the number of projects approved were higher at 124

* *Source:* The World Bank, Annual Report 1994.

than 122 in fiscal 1993. The gaps in the IBRD's lending programme vis-a-vis budgeted target of $17 - $19.5 billion were particularly severe in Latin America and the Caribbean, in the Middle East and North Africa and in South Asia. The largest borrower of IBRD funds was China ($ 2,145 million), followed by Mexico ($ 1,530 million) and Russia ($ 1,520 million). India received only $ 0.09 billion (0.7 per cent) in fiscal 1994 as against $ 1.14 billion (6.8 per cent) a year ago. The sectorwise details of IBRD loans to India is indicated in Table XI-32.

Gross disbursements by the IBRD decreased by $2,495 million to $10,447 million during fiscal 1994. Net disbursements were negative at -$731 million, lower than $ 2,331 million in fiscal 1993 - due to the lower level of gross disbursements coupled with a high level of prepayments, at $ 970 million.

The total subscribed capital of the IBRD as on June 30, 1994 amounted to $ 170.0 billion, or 92 per cent of authorised capital of $ 184.05 billion. During fiscal 1994, eighteen countries subscribed in all $ 4.4 billion to the General Capital Increase (GCI) of $ 74.8 billion, approved in April 1988. The total subscription till the end of fiscal 1994 amounted to $ 67 billion, or 84 per cent of the total GCI allocations, including additional GCI shares allocated to new members that joined the IBRD after April 1988.

Total medium-term and long-term (MLT) borrowing of the IBRD in twelve currencies during fiscal year 1994 amounted to $ 8.9 billion with an average maturity of 7.4 years and the average cost after swap of 5.03 per cent. At the end of fiscal 1994, MLT borrowings outstanding amounted to $ 95.6 billion, or 97 per cent of total debt outstanding with an average maturity of 6.0 years and average cost after swap of 6.72 per cent.

As of June 30, 1994, the reserve position of IBRD improved to $ 14.8 billion as against $ 12.0 billion a year ago. The reserves to loan ratio increased to 13.9 per cent as at end fiscal 1994 as compared to 11.4 per cent a year ago.

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 1994, twenty-five basis points of the semester interest rate on loans to all borrowers that repaid their loans within thirty days of their due date. The IBRD's semi-annual variable lending rate was 7.43 per cent for the first semester and 7.27 per cent for the second semester of fiscal 1994.

International Development Association (IDA)

During fiscal 1994, lending commitments of IDA at $ 6,592 million was $ 159 million or 2.4 per cent lower as against a rise of $ 201 million or 3.1 per cent in fiscal 1993. Disbursements from IDA rose by 11.8 per cent to $ 5,532 million in fiscal 1994. During fiscal 1994 IDA approved 104 projects as against 123 projects a year earlier. China replaced India as the largest borrower of IDA resources at $ 925 million for six projects as against India's $ 835 million for six projects. The projects for which IDA credits were sanctioned to India during fiscal 1992 to 1994 are shown in Table XI -33.

On December 17, 1993, the tenth replenishment resolution (IDA-10) became effective. The total available resources for the IDA-10 period during fiscal 1994 amounted to SDR 5,223 million.

IDA fixes the level of commitment fee for each fiscal year based on an annual review of IDA's financial position. IDA's commitment fee for fiscal 1995 has been set at 0 per cent (the same as the fee set since 1989) for all IDA credits.

International Finance Corporation (IFC)

The International Finance Corporation, set

up to promote private enterprise in its developing member countries witnessed strong growth in fiscai 1994. The IFC approved financing for its own account (loans, guarantees, equity and quasi-equity investments) of $ 2.5 billion for 231 projects, compared with $ 2.1 billion for 185 projects in fiscal 1993. The approvals granted for mobilisation of financing through loan syndications and the underwriting of securities issues and investment funds aggregated $ 1.8 billion in fiscal 1994. The projects approved by the IFC had total investment costs of $ 15.8 billion which implies that other investors and lenders will provide $ 5.43 for every dollar approved by the IFC. The new commitments signed during the year increased to $ 1.8 billion compared with $ 1.4 billion in fiscal 1993. Disbursements too increased to $ 1.5 billion, up from $ 1.2 billion last year.

In fiscal 1994, the IFC's net income reached a record $ 258 million, representing a return of 8.8 per cent on IFC's net worth of $3.2 billion as at June 30, 1994. As on June 30, 1994, IFC's capital adequacy ratio at 43 per cent was well above the policy minimum of 30 per cent, while its leverage at 1.7 : 1 was well within the permitted maximum enough to maintain the current annual growth rate of 12-13 per cent in new investment approvals in the future.

With the joining of five new members - Estonia, Kazakhstan, Latvia, Ukraine and Uzbekistan - the membership of the IFC increased to 161.

Multilateral Investment Guarantee Agency (MIGA)

In fiscal 1994, MIGA executed 38 contracts involving about $ 1.3 billion in total direct investment thereby creating 7,800 jobs in fourteen host countries - Argentina, Brazil, Bulgaria, Cameroon, Chile, China, the Czech Republic, Hungary, Kazakhstan, Pakistan, Peru, Trinidad and Tobago, Uganda and Uzbekistan. As part of its promotional and advisory role, MIGA organised two major multi-country events, one for the tourism sector of South America and the second, for the mining sector of Sub-Saharan Africa. Besides, MIGA carried out workshops on issues related to development of marketing, strengthening of investor services and linkages, etc. MIGA also provided advice to many member countries regarding their foreign investment legislation, settlement of investment disputes and conclusion of bilateral treaties among member countries.

During fiscal 1994, MIGA's board of directors agreed to terminate the relationship with the World Bank Group's Foreign Investment Advisory Services (FIAS) as of July 1, 1994 in order to build up MIGA's reserves.

The focus of MIGA's technical assistance activities has shifted towards investment promotion and information dissemination on investment opportunities in developing and the transitional economies. During fiscal year 1994, the MIGA started preparation for the launching of a global investment promotion agency which will be supported by a planned global electronic information exchange (IPAnet). The latter will connect official investment promotion agencies, business associations, financial and other intermediaries and investors.

During fiscal 1994, the number of member countries of the MIGA increased to 121 from 107.

Developments relating to Exchange Control

As part of the move to institute convertibility of the rupee in the current account, several measures relating to exchange control and management were undertaken during 1993-94. Procedures and documentation were further simplified during 1993-94 and Authorised Dealers (ADs) were delegated more powers with regard to foreign exchange transactions.

The monetary ceiling up to which ADs were

allowed to make remittances on behalf of their constituents towards cost of services rendered by overseas parties was raised from US $ 5,000 to US $ 10,000.

ADs were permitted to release foreign exchange up to US $ 30,000 per annum for higher studies based only on the consideration that the student secures admission to the overseas university/institution.

ADs were also permitted to allow remittances up to US $ 500 in a calender year per beneficiary by a family unit.

The scope of delegation of powers to ADs to allow remittances towards remuneration of foreign nationals engaged by Indian companies was widened and the per diem rates as well as annual ceilings were dispensed with.

ADs were permitted to allow remittances of commission to buying agents abroad appointed by Indian companies. The scope of powers delegated to ADs to allow remittance of surplus freight collections by airline/shipping companies was also widened.

As a culmination of the move towards full covertibility in the current account, the existing limits for authorised dealers were made indicative, effective August 19, 1994.

Further, powers were delegated to full-fledged money changers to release foreign exchange to Indian businessmen proceeding abroad for business purposes.

Limits on release of foreign exchange to individuals for certain specific purposes were relaxed in conformity with the liberalisation of various exchange control measures.

The Foreign Travel Scheme and Neighbourhood Travel Scheme under which Indian nationals could undertake private visits abroad once in three years were replaced by a scheme of Basic Travel Quota of US $ 2,000 in a year which can be availed of by the traveller for one or more visits abroad for private purposes.

The limits up to which repatriation of capital assets at the time of retirement of foreign nationals who were residents in India on the grounds of employment was raised from Rs.5 lakhs to Rs. 10 lakhs. The ceiling on annual instalments for the remittance of remaining assets was increased from Rs.2.5 lakhs to Rs.5 lakhs.

Resident Indians were permitted to hold, for personal purpose, foreign exchange up to US $ 500.

Interest accruing on NR(NR)RD from the quarter beginning October 1, 1994 has been made eligible for repatriation. The principal amount under the scheme will, however, continue to be non-repatriable.

Interest accruing on existing deposits under FCON from the quarter begining October 1,1994 is also eligible for repatriation up to the maturity date of the existing deposits. The scheme has been discontinued, effective August 20, 1994.

Income on investment in India held on non-repatriation basis by Non-Resident Indians(NRIs) or Overseas Corporate Bodies (OCBs) predominantly owned by such persons will now be repatriable in a phased manner over a three-year period.

With regard to operations in foreign exchange market, changes in regulations relating to forward contracts were effected. The period and extent to which exposures in genuine permissible transactions are to be covered was left to the choice of the customers. ADs were permitted to book roll-over forward cover as necessitated by the maturity period of underlying transactions, market conditions and the need to reduce the cost to the customer.

In order to provide greater flexibility to corporates for managing their foreign currency exposures, the RBI permitted ADs to write cross-currency options on a fully covered basis in January 1994. The counter party in such transactions is required to be an overseas bank or internationally recognised and approved option exchanges.

Certain amendments have been made to facilitate growth in the export sector in keeping with the importance this sector has assumed in recent times. The full export value is now required to be realised by the exporters on the due date for payment or within six months from the date of export, whichever is earlier. In the case of exports to overseas Indian owned warehouse opened with the approval of the RBI, the prescribed period of realisation of 15 months from the date of exports remains unchanged.

Furthermore, with a view to providing credit facilities at international rates of interest, a scheme of Pre-shipment Credit in Foreign Currency (PCFC) was introduced. Under this scheme, ADs were permitted to grant pre-shipment credit in foreign currencies to their exporter constituents for procuring both imported as also domestic inputs for export production. For this purpose, ADs can utilize the funds in their foreign currency deposits and can even arrange for lines of credit with overseas banks.

ADs were permitted to negotiate Banker's Acceptance Facilities (BAF) with overseas banks/discounting agencies or a similar arrangement with any other agency including a factoring organisation abroad without the prior approval of the RBI for the purpose of rediscounting of export bills abroad, provided the rate of interest on the BAF or similar arrangement does not exceed 1 per cent over six months LIBOR in the case of rediscounting with recourse and 1.5 per cent over six months LIBOR in the case of without recourse facility.

Table XI-1 : India's Overall Balance of Payments

Item	Rupees crore		US Dollar million	
	1993-94 (QE)	1992-93 (QE)	1993-94 (QE)	1992-93 (QE)
1	2	3	4	5
A. Current Account				
Exports, f.o.b.	71210	54762	22700	18908
Imports, c.i.f.	75241	70495	23985	23000
Trade Balance	-4031	-15733	-1285	-4092
Invisibles, net	1882	-977	600	133
Official Transfers	1161	1031	370	356
Current Account Balance	-988	-15679	-315	-3603
B. Capital Account				
External Assistance, net	5333	5646	1700	1842
Disbursements	10409	10121	3318	3302
Amortisation	-5076	-4475	-1618	-1460
Commercial Borrowings, net	2632	-1465	839	-452
Disbursements	9009	3562	2872	1188
Amortisation	-6377	-5027	-2033	-1640
NRI Deposits, net	2949	6111	940	2001
Foreign Investment	12893	1793	4110	585
Rupee Debt Service	-2337	-2994	-745	-977
Other Capital, net @	6738	5788	2148	44
Total Capital Account	28208	14879	8992	3043
C. Overall Balance	**27220**	**-800**	**8677**	**-560**
D. IMF, net	**599**	**3363**	**191**	**1288**
E. SDR Allocation	—	—	—	—
F. Reserves and Monetary Gold (Increase -, Decrease +)	**-27819**	**-2563**	**-8868**	**-728**

@ Includes delayed export receipts. It also includes errors & omissions arising out of the application of dual exchange rates which prevailed under the Liberalised Exchange Rate Management System(LERMS).

QE : Quick Estimates.

Table XI-2 : Current Account Transactions as Proportion of GDP at Current Market Prices

Item	1993-94 (Q.E)	1992-93 (Q.E)
1	2	3
Exports	8.9	7.8
Imports	9.4	10.0
Trade Balance	-0.5	-2.2
Invisibles receipts @	3.3	3.0
Invisibles payments	2.9	3.0
Invisibles, net (4-5)@	0.4	0.0
Current Account Balance(3+6) @	-0.1	-2.2

Q.E : Quick Estimates
@ : Include official grants which are treated as part of current account receipts here.

Table XI-3 : Foreign Exchange Assets - A Cross Country Comparison

Country	Level of Foreign Exchange Assets as at end March 1994 (US $ million)	Import cover of Foreign Exchange Assets (months of imports of goods and services) +	Degree of openness (Imports */GDP in per cent)
	1	2	3
Argentina	12704	7.4	6.6
Brazil	36671	12.6	9.7
Chile	10210	9.6	29.2
India	15068	6.1	11.7
Indonesia	11365	3.7	26.1
Malaysia	33193	7.8	78.8
Mexico	25720	5.1	18.1@
Singapore	50367	6.6	166.4
Thailand	25308	6.1	44.5@@

+ : Calculated retrospectively.
@ : for 1992
* : Imports are as defined in col.2.
@@ : for 1990
Source : IMF, International Financial Statistics September 1994.

Table XI-4A: Outstanding balances under various NRI deposits@ (as at the end of March)

(US $ million)

	1991	1992	1993	1994
1	2	3	4	5
1. FCNR A	10,103	9,792	10,617	9,300
2. FCNR (B)	—	—	—	1,075
3. NR(E)RA	3,588	2,527	2,863	3,590
4. NR(NR)RD	—	—	610	1797
5. FCON	—	—	1	18
TOTAL	**13,691**	**12,319**	**14,091**	**15,780**

@ All figures are inclusive of accrued interest.

Table XI-4B: Inflows (+)/Outflows (-) under various NRI deposit schemes@

(US $ million)

	1991-92	1992-93	1993-94
	1	2	3
1. FCNR A	-311	825	-1,317
2. FCNR(B)	—	—	1,075
3. NR(E)RA	348	336	727
4. NR(NR)RD	—	610	1,187
5. FCON	—	1	17
TOTAL	**37**	**1,772**	**1,689**

@ All figures are inclusive of accrued interest.

Table XI-5 : Value of Approvals for Investment by Nonresidents of Indian Nationality/Origin

(Rs. Crore)

Calendar Year ended	Direct Investment						Portfolio Investment			
	On Repatriation Basis				On Non-Repatriation Basis	Total (5+6)	Repatriation Basis	Non-Repatriation Basis	Total (8+9)	Grand Total (7+10)
	40% Scheme	74% Scheme	100% Automatic Approvals	Total (2 to 4)						
1	2	3	4	5	6	7	8	9	10	11
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	218.99
1992	1,292.37	—	62.01	1,354.38	2.02	1,356.40	26.51	1.23	27.74	1,384.14
1993	1,812.44	—	450.78	2,263.22	—	2,263.22	25.21	2.18	27.39	2,290.61

Table XI-6: Foreign Collaborations Approved

Country	Total Number of Proposals Approved				Amount of Foreign Investments (Rs. Crore)			
	1990	1991	1992	1993	1990	1991	1992	1993
1	2	3	4	5	6	7	8	9
U.S.A	133	178	332	298	34.48	185.85	1,231.5	3,472.98
	(42)	(53)	(155)	(153)				
U.K.	102	135	185	172	9.07	32.10	117.67	622.72
	(21)	(38)	(74)	(80)				
Germany	128	157	198	173	19.51	41.80	86.27	175.44
	(40)	(35)	(81)	(75)				
France	38	40	59	47	8.88	19.33	29.64	129.09
	(12)	(11)	(20)	(19)				
Japan	46	72	108	92	5.0	52.71	610.23	257.43
	(9)	(15)	(44)	(26)				
Italy	40	61	68	55	6.83	17.81	89.39	117.35
	(15)	(22)	(22)	(26)				
Switzerland	36	51	82	62	13.51	35.5	689.76	426.8
	(6)	(10)	(37)	(34)				
Singapore	—	18	35	41	—	1.37	60.21	66.74
	(-)	(8)	(24)	(28)				
Netherlands	13	50	61	56	3.77	55.92	96.79	321.65
	(6)	(25)	(23)	(26)				
Australia	6	22	32	30	0.63	2.61	77.62	29.56
	(4)	(6)	(12)	(15)				
Austria	14	11	19	33	0.74	1.59	6.14	15.57
	(1)	(3)	(5)	(6)				
Taiwan	5	5	16	20	0.64	0.45	18.00	10.01
	(3)	(2)	(8)	(10)				
Others	105	157	325	397	25.26	87.07	774.32	3,216.46
	(35)	(61)	(187)	(287)				
Total	**666**	**957**	**1520**	**1476**	**128.32**	**534.11**	**3,887.54**	**8,861.8**
	(194)	**(289)**	**(692)**	**(785)**				

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-7 : Foreign Investment Inflows@

(US $ million)

	1991-92	1992-93	1993-94
1	2	3	4
A. Direct Investment	**150**	**341**	**620**
(a) Government (SIA/FIPB)	87	238	314
(b) RBI	—	42	89
(c) NRIs	63	61	217
B. Portfolio Investment	**8**	**92**	**3490**
(i) GDRs	—	86	1460
(ii) FIIs	—	1	1665
(iii) NRIs	8	5	15
(iv) Offshore Funds and Others	—	—	350
C. Total (A+B)	**158**	**433**	**4110**
Memo Items:			
FCCBs	—	—	914

GDRs : Global Depository Receipts.
FCCBs : Foreign Currency Convertible Bonds.
FIIs : Foreign Institutional Investors.
@ : Inflows under Foreign Investment may not agree with those given in Table XI-1: India's overall balance of payments which arebased on accruals.

Table XI-8: Interest Rates on FCNRA and FCNR(B) Deposits

(per cent per annum)

Effective Dates	US $				Pound Sterling				DM				Yen			
	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
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
September 13, 1993	4.00	4.25	4.75	5.25	6.75	6.50	7.00	7.50	7.25	6.75	6.75	7.00	3.50	3.50	3.75	4.00
October 25, 1993	4.00	4.25	4.75	5.25	6.50	6.50	6.75	7.25	7.25	6.75	6.50	6.75	3.25	3.25	3.50	3.75
November 29, 1993	4.25	4.50	5.00	5.50	6.25	6.25	6.25	7.00	6.75	6.25	6.25	6.25	3.00	3.00	3.25	3.50
December 27, 1993	4.25	4.50	5.00	5.50	6.25	6.25	6.25	7.00	6.75	6.25	6.00	6.00	2.75	2.75	3.00	3.25
February 4, 1994	4.25	4.50	5.00	5.50	6.25	6.25	6.25	6.75	6.75	6.25	5.75	5.75	2.75	2.75	3.00	3.25
March 8, 1994	4.25	4.50	5.25	5.75	5.75	5.75	6.25	6.50	6.25	6.25	5.75	5.75	2.75	2.75	3.00	3.25
March 30, 1994	4.50	5.00	5.75	6.00	5.50	5.75	6.50	7.00	6.00	5.75	5.75	6.00	2.75	2.75	3.25	3.50
May 23, 1994	4.50	5.00	5.75	6.00	5.50	5.75	6.50	7.00	5.25	5.25	5.50	5.75	2.50	2.50	3.00	3.25
July 8, 1994	4.50	5.00	5.75	6.00	5.25	5.75	6.50	7.00	4.75	5.00	5.50	5.75	2.00	2.00	2.75	3.25
July 25, 1994	4.50	5.00	5.75	6.00	5.25	5.75	6.50	7.00	4.50	4.75	5.25	5.50	2.00	2.00	2.75	3.25

Table XI:9 Interest Rates on Non-Resident (External) Rupee Accounts Scheme [NR(E)R]

(per cent per annum)

Maturity Period	Effective October 9, 1992	Effective April 8, 1993	Effective October 12, 1993	Effective May 16, 1994	Effective October 18, 1994
1	2	3	4	5	6
(i) Savings Accounts	6.0	6.0	5.0	5.0	4.5
(ii) Term Deposits (for 46 days and above)	Not exceeding 13.0 per cent	Not exceeding 12.0 per cent	Not exceeding 11.0 per cent	Not exceeding 10.0 per cent	Not exceeding 8.0 per cent

Table XI-10 : External Assistance (Authorisation)

(Rs. crore)

Items	Loans	Grants	Total (2+3)
1	2	3	4
Authorisations during			
1980-81	3,237@	76	3,313
	(4,094)	(96)	(4,190)
1981-82	2,767	207	2,974
	(3,085)	(231)	(3,316)
1982-83	2,550	423	2,973
	(2,638)	(438)	(3,076)
1983-84	1,701	387	2,088
	(1,645)	(374)	(2,019)
1984-85	4,409	471	4,880
	(3,709)	(396)	(4,105)
1985-86	5,337	313	5,650
	(4,362)	(256)	(4,618)
1986-87	5,730	430	6,160
	(4,484)	(336)	(4,820)
1987-88	8,203	1,062	9,265
	(6,327)	(819)	(7,146)
1988-89	12,856	214	13,070
	(8,877)	(148)	(9,025)
1989-90	10,106	720	10,826
	(6,070)	(433)	(6,503)
1990-91	7,601	522	8,123
	(4,236)	(291)	(4,527)
1991-92	11,806	902	12,708
	(4,766)	(364)	(5,130)
1992-93 R	13,082	1,012	14,094
	(4,276)	(331)	(4,607)
1993-94 P	10,429	2,728	13,157
	(3,325)	(870)	(4,195)

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. Figures in brackets represent amounts in millions of US dollars. These are converted at annual average rates for the respective years.

@ Excludes IMF Trust Fund.
R Revised
P Provisional

Table XI-11 : Loans authorised and utilised during 1992-93 and 1993-94 (fiscal Years)

(Rs.crore)

Country/ Institution	Authorisations		Utilisation		Loans Undisbursed as at the end of	
	1992-93 (R)	1993-94 (P)	1992-93 (R)	1993-94 (P)	March 1993(R)	March 1994 (P)
1	2	3	4	5	6	7
IBRD	1,768	2,250	2,582	4,022	20,201	16,863
	(578)	(717)	(844)	(1,282)	(6,497)	(5,394)
IDA	3,353	2,211	3,407	2,083	12,549	14,119
	(1,096)	(705)	(1,114)	(664)	(4,018)	(4,501)
IFAD	—	—	8	11	154	149
	(-)	(-)	(3)	(4)	(49)	(47)
ADB	4,060	1,397	1,052	608	9,350	9,298
	(1,327)	(445)	(344)	(194)	(3,007)	(2,975)
Austria	—	—	14	17	20	25
	(-)	(-)	(5)	(5)	(7)	(8)
Belgium	24	—	11	—	32	31
	(8)	(-)	(4)	(-)	(10)	(10)
United Kingdom	—	—	—	—	—	—
	(-)	(-)	(-)	(-)	(-)	(-)
Denmark	—	—	1	—	32	31
	(-)	(-)	(-)	(-)	(10)	(10)
France	—	520	354	175	629	1,009
	(-)	(166)	(116)	(56)	(205)	(324)
Germany	1,097	219	1,085	643	2,243	1,861
	(359)	(70)	(355)	(205)	(729)	(596)
Italy	—	—	11	—	849	72
	(-)	(-)	(4)	(-)	(273)	(23)
Japan	2,740	3,620	1,328	3,193	10,178	11,950
	(895)	(1,154)	(434)	(1,018)	(3,290)	(3,845)
Netherlands	—	—	13	-	102	100
	(-)	(-)	(4)	(-)	(33)	(32)
Sweden	—	212	66	63	50	215
	(-)	(68)	(22)	(20)	(16)	(69)
Switzerland	—	—	46	21	114	96
	(-)	(-)	(15)	(7)	(37)	(31)
Spain	—	—	—	—	—	—
	(-)	(-)	(-)	(-)	(-)	(-)
U.S.A.	—	—	68	—	247	264
	(-)	(-)	(22)	(-)	(79)	(84)
Hungary	—	—	—	—	622	625
	(-)	(-)	(-)	(-)	(200)	(200)
OPEC*	—	—	18	19	372	365
	(-)	(-)	(3)	(6)	(123)	(118)
U.S.S.R.	—	—	35	-1	—	—
	(-)	(-)	(12)	(-)	(-)	(-)
Australia	40	—	3	7	38	32
	(13)	(-)	(1)	(2)	(12)	(10)
Total	**13,082**	**10,429**	**10,102**	**10,861**	**57,782****	**57,105****
	(4,276)	**(3,325)**	**(3,302)**	**(3,463)**	**(18,595)**	**(18,277)**

* Comprises Iran, Iraq, Kuwait, Abu Dhabi, Saudi Arabia and OPEC Special Fund.

** Excludes undisbursed balances of USSR amounting to Roubles 7821 million.

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-12 : External Assistance (Utilisation)

(Rs. crore)

Items	Loans	Grants	Total (2+3)
1	2	3	4
Utilisation during			
1980-81	1,228 @	397	1,625
	(1,553)	(501)	(2,054)
1981-82	1,519	346	1,865
	(1,694)	(386)	(2,080)
1982-83	1,909	343	2,252
	(1,975)	(355)	(2,330)
1983-84	1,962	303	2,265
	(1,898)	(293)	(2,191)
1984-85	1,962	397	2,359
	(1,650)	(334)	(1,984)
1985-86	2,493	443	2,936
	(2,038)	(362)	(2,400)
1986-87	3,176	429	3,605
	(2,485)	(336)	(2,821)
1987-88	4,574	478	5,052
	(3,528)	(368)	(3,896)
1988-89	4,739	566	5,305
	(3,272)	(391)	(3,663)
1989-90	5,138	665	5,803
	(3,086)	(399)	(3,485)
1990-91	6,170	534	6,704
	(3,439)	(298)	(3,737)
1991-92	10,696	919	11,615
	(4,318)	(371)	(4,689)
1992-93 R	10,102	880	10,982
	(3,302)	(287)	(3,589)
1993-94 P	10,861	865	11,726
	(3,463)	(276)	(3,739)
Amount undisbursed as at end of March 1994 P	57,105 *	8,014	65,119*
	(18,227)	(2,529)	(20,806)

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 1994 represent rupee values calculated at the rates prevalent at end March 1994.

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 1994 rate.

@ Excludes IMF Trust Fund.

R Revised

P Provisonal

* Excludes undisbursed balances of Rs. 24,862 crores in respect of USSR.

Table XI-13 : Grants @ Authorised and Utilised during 1992-93 and 1993-94

(Rs. crore)

Country/ Institution	Authorisations		Utilisation		Grants Undisbursed as at the end of	
	1992-93 R	1993-94 P	1992-93 R	1993-94 P	March 1993(R)	March 1994(P)
1	2	3	4	5	6	7
Australia	—	—	—	—	77	77
	(-)	(-)	(-)	(-)	(25)	(24)
Canada	50	—	26	20	968	864
	(17)	(-)	(9)	(6)	(308)	(275)
Denmark	178	121	24	38	755	782
	(58)	(39)	(8)	(12)	(246)	(249)
France	4	1	1	6	3	13
	(1)	(-)	(-)	(2)	(1)	(4)
West Germany	—	123	—	—	68	163
	(-)	(39)	(-)	(-)	(22)	(59)
Japan	104	109	41	167	179	150
	(34)	(35)	(13)	(53)	(58)	(48)
Netherlands	22	437	253	137	215	510
	(7)	(140)	(83)	(44)	(70)	(163)
Sweden	193	90	47	87	389	388
	(63)	(29)	(15)	(28)	(125)	(125)
Norway	33	5	21	10	77	102
	(11)	(2)	(7)	(3)	(25)	(33)
Switzerland	22	31	71	61	138	258
	(7)	(10)	(23)	(19)	(45)	(83)
U.K.	210	964	310	221	869	1,721
	(69)	(307)	(101)	(70)	(282)	(546)
U.S.A. other than P.L. 480/ P.L.665	150	144	9	17	691	1,480
	(49)	(46)	(3)	(5)	(222)	(437)
E.E.C.	46	703	42	68	890	1,506
	(15)	(223)	(14)	(22)	(290)	(483)
Other International Institutions	—	—	35	33	—	—
	(-)	(-)	(11)	(12)	(-)	(-)
Total	**1,012**	**2,728**	**880**	**865**	**5,319**	**8,014**
	(331)	**(870)**	**(287)**	**(276)**	**(1,719)**	**(2,529)**

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	
	1992-93	1993-94 P	1992-93	1993-94 P
1	2	3	4	5
By way of grants Japan	14.8 (4.8)	15.2 (4.8)	0.1 (0.03)	9.1 (2.9)

Table XI-14 : Inflow of Foreign Assistance - Gross and Net

(Rs.Crore)

Year	Gross Utilisation	Amortisation payment	Interest Payments	Total Debt Service (3+4)	Net Inflow of Aid (2-5)
1	2	3	4	5	6
1980-81	1,625	518	286	804	821
	(2055)	(655)	(362)	(1017)	(1038)
1981-82	1,865	538	311	849	1,016
	(2080)	(600)	(347)	(947)	(1133)
1982-83	2,252	587	360	947	1,305
	(2330)	(607)	(372)	(979)	(1351)
1983-84	2,266	616	417	1,033	1,233
	(2191)	(596)	(403)	(999)	(1192)
1984-85	2,359	647	529	1,176	1,183
	(1984)	(544)	(445)	(989)	(995)
1985-86	2,936	776	591	1,367	1,569
	(2400)	(634)	(483)	(1117)	(1283)
1986-87	3,605	1,176	853	2,029	1,576
	(2821)	(920)	(668)	(1588)	(1233)
1987-88	5,052	1,581	1,043	2,624	2,428
	(3897)	(1219)	(804)	(2023)	(1874)
1988-89	5,305	1,646	1,300	2,946	2,359
	(3663)	(1136)	(898)	(2034)	(1629)
1989-90	5,803	1,987	1,699	3,686	2,117
	(3485)	(1193)	(1020)	(2213)	(1272)
1990-91	6,704	2,329	1,953	4,282	2,422
	(3736)	(1298)	(1088)	(2386)	(1350)
1991-92	11,615	3,650	3,006	6,656	4,959
	(4689)	(1492)	(1228)	(2720)	(1969)
1992-93R	10,982	4,788	4,314	9,102	1,880
	(3589)	(1562)	(1408)	(2970)	(619)
1993-94P	11,726	5,363	4,211	9,574	2,152
	(3739)	(1710)	(1343)	(3053)	(686)

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.

Table XI-15: External Assistance

(Rs. crore)

Period	Loans		Grants		PL 480/665 Aid and Third Country Currency Assistance		Total Authorisations (2+4+6)	Total Utilisation (3+5+7)
	Authorisations	Utilisation	Authorisations	Utilisation	Authorisations	Utilisation		
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	24,669	20,539
1980-81	3,237@	1,228@	76	397			3,313	1,625
	(4,094)	(1,553)	(96)	(501)			(4,190)	(2,054)
1981-82	2,767	1,519	207	346			2,974	1,865
	(3,085)	(1,694)	(231)	(386)			(3,316)	(2,080)
1982-83	2,550	1,909	423	343			2,973	2,252
	(2,638)	(1,975)	(438)	(355)			(3,076)	(2,330)
1983-84	1,701	1,962	387	303			2,088	2,265
	(1,645)	(1,898)	(374)	(293)			(2,019)	(2,191)
1984-85	4,409	1,962	471	397			4,880	2,359
	(3,709)	(1,650)	(396)	(334)			(4,105)	(1,984)
1985-86	5,337	2,493	313	443			5,650	2,936
	(4,362)	(2,038)	(256)	(362)			(4,618)	(2,,400)
1986-87	5,730	3,176	430	429			6,160	3,605
	(4,484)	(2,485)	(336)	(336)			(4,820)	(2,821)
1987-88	8,203	4,574	1,062	478			9,265	5,052
	(6,327)	(3,528)	(819)	(368)			(7,146)	(3,896)
1988-89	12,856	4,739	214	566			13,070	5,305
	(8,877)	(3,272)	(148)	(391)			(9,025)	(3,663)
1989-90	10,106	5,138	720	665			10,826	5,803
	(6,070)	(3,086)	(433)	(399)			(6,503)	(3,485)
1990-91	7,601	6,170	522	534			8,123	6,704
	(4,236)	(3,439)	(291)	(298)			(4,527)	(3,737)
1991-92	11,806	10,696	902	919			12,708	11,615
	(4,766)	(4,318)	(364)	(371)			(5,130)	(4,689)
1992-93 R	13,082	10,102	1,012	880			14,094	10,982
	(4,276)	(3,302)	(331)	(287)			(4,607)	(3,589)
1993-94 P	10,429	10,861	2728	865			13,157	11,726
	(3,325)	(3,463)	(870)	(276)			(4,195)	(3,739)
2. Total upto March 1994	1,18,709	82,075	12,499	9,739	2,774	2,819	1,33,982	94,633

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. Figures in brackets represent amounts in millions of US dollars. These are converted at annual average rates for the respective years.

@ Excludes IMF Trust Fund.
R Revised
P Provisonal

Table XI-16 : Aggregate External Assistance Source-wise (Upto end-March 1994) P

(Rs. crore)

Country/ Institution	Authorisations				Utilisation			
	Loans	Grants	PL 480/ 665 Aid and ThirdCountry CurrencyAssistance	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
I.B.R.D.	31,451	—	—	31,451 (23.48)	22,647	—	—	22,647 (23.93)
I.D.A.	26,467	—	—	26.467 (19.75)	22432	—	—	22,432 (23.70)
EEC	41 $	1,733	—	1,774 (1.32)	42	1,228	—	1,270 (1.34)
IFAD	249	—	—	249 (0.18)	230	—	—	230 (0.24)
ADB	10,304	—	—	10,304 (7.69)	3,612	—	—	3,612 (3.82)
Canada	889	1,135	—	2,024 (1.51)	716	692	—	1,408 (1.49)
France	2,813	73	—	2,886 (2.15)	2,713	62	—	2,775 (2.93)
Netherlands	1,137	884	—	2,021 (1.51)	1,161	970	—	2,131 (2.25)
West Germany	6,667	194	—	6,861 (5.12)	6,441	53	—	6,494 (6.86)
Japan	15,836	587	—	16,423 (12.26)	10,605	612	—	11,217 (11.85)
Sweden	560	1,357	—	1,917 (1.43)	588	845	—	1,433 (1.51)
U.S.A.	3,251	883	2774	6,908 (5.16)	3,460	380	2,819	6,659 (7.04)
USSR	14,020	9	—	14,029 (10.47)	2,707	8	—	2,715 (2.87)
U.K.	1,266	4,637	—	5,903 (4.41)	1,292	3,519	—	4,811 (5.08)
OPEC *	2,066	12	—	2,078 (1.55)	1,863	7	—	1,870 (1.98)
OTHERS	1,692	995	—	2,687 (2.01)	1,566	1,363	—	2,929 (3.11)
TOTAL	**1,18,709**	**12,499**	**2,774**	**1,33,982 (100.0)**	**82,075**	**9,739**	**2,819**	**94,633 (100.0)**

* Comprises Iran, Iraq, Kuwait, Abu-Dhabi, Saudi Arabia and OPEC Special Fund.

$ Relates to Special Action Credit.

P Provisional.

Note : Figures in brackets represent percentage to the total.

Table XI-17 : Statement showing Purpose-wise Distribution of Loans

(Rs. crore)

Purpose	Authorisations					Utilisation					Aid undisbursed at the end of March 1994 (P)
	1985-90	1990-91	1991-92	1992-93	1993-94P	1985-90	1990-91	1991-92	1992-93	1993-94P	
1	2	3	4	5	6	7	8	9	10	11	12
Agriculture Sector	1,78,708	94,812	74,615	68,347	56,176	1,24,576	48,501	65,865	1,03,163	61,478	3,68,279
Energy Sector											
General	—	—	6,448	—	3,764	—	—	—	9,394	156	3,371
Coal	1,29,204	—	5,275	—	—	1,13,136	7,407	3,010	25,544	32,900	1,48,580
Power	11,73,840	3,31,630	2,59,219	4,39,318	3,99,706	3,87,681	1,67,625	2,83,731	2,45,093	3,13,646	29,72,987
Oil	1,31,608	5,922	2,12,482	—	94,096	1,69,719	29,921	80,359	38,381	92,273	1,95,818
Total	14,34,652	3,37,552	4,83,424	4,39,318	4,97,566	6,70,536	2,04,953	3,67,100	3,18,412	4,38,975	33,20,756
Fertiliser Sector	59,801	—	7,312	60,201	11,244	90,895	4,728	2,870	12,973	11,694	1,08,914
Industry Sector	7,68,495	13,6158	97,126	61,623	7,482	2,16,813	1,61,619	1,94,470	1,27,628	95,855	4,50,454
Infrastructure Sector											
General	715	—	89	87,349	—	—	—	117	3	—	90,726
Railway	90,763	—	11,413	68,960	—	75,198	24,023	19,183	18,836	19,940	1,40,354
Road	1,05,293	—	70,141	93,786	27,934	11,741	8,922	25,770	25,109	30,689	2,89,104
Telecom	1,01,279	—	—	—	—	49,647	10,527	7,144	12,043	5,695	48,012
Port	19,271	23,146	—	—	—	36,397	6,162	10,564	3,469	4,037	32,948
Others	26,472	—	—	—	29,218	15,187	3,503	2,092	1,558	847	53,334
Total	3,43,793	23,146	81,643	2,50,095	57,152	1,88,170	53,137	64,870	61,018	61,208	6,54,478
Irrigation Sector	2,43,594	—	37,779	14,785	—	1,05,162	51,058	82,052	72,693	78,945	1,09,532
Social Sector	1,36,941	1,66,426	62,322	25,745	1,64,042	79,852	15,776	23,518	37,615	45,916	4,69,242
Urban Development Sector	1,45,633	20,074	1,11,372	—	28,856	56,102	44,723	37,184	91,170	40,319	3,57,827
Structural Adjustment Sector	—	—	1,76,173	4,10,108	1,93,647	—	—	1,10,892	1,93,326	2,49,232	2,45,350
Others	3,99,811	10,071	1,00,774	7,882	74,963	1,40,069	42,351	77,516	73,188	14,430	9,39,664
Grand Total	37,11,428	7,88,239	12,32,540	13,38,104	10,91,128	16,72,175	6,26,846	10,26,337	10,91,186	10,98,052	70,24,496

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 1993-94 and un-disbursed balances as at end-March 1994 are not strictly comparable with those appearing in the statement No. 128 of Volume II and similar figures appearing in Volume I because of the inclusion of some more sub-projects.

Table XI-18 : Purpose-wise Distribution of Loan Assistance Undisbursed

(Rs. crore)

Sector and Country/ Institutions	Aid undisbursed as at the end of March 1993	Aid undisbursed as at the end of March 1994(P)
1	2	3
I. Agriculture Sector		
IDA	2,526.21	2,655.11
IBRD	814.37	526.06
Japan	404.49	421.16
Others	131.82	80.46
Total I	**3,876.89**	**3,682.79**
II. Energy Sector		
IDA	743.05	456.87
IBRD	11,416.57	10,564.50
ADB	3,184.05	3,820.77
FRG	1,028.50	652.44
Italy	17.42	8.77
Japan	5,820.10	6,802.73
Others	671.57	1,141.25
Total II	**22,881.26**	**23,447.33**
III. Fertiliser Sector		
IBRD	43.72	—
Japan	1,017.04	1,073.05
Others	128.51	16.09
Total III	**1,189.27**	**1,089.14**
IV. Industry Sector		
IDA	563.80	401.72
IBRD	1,357.85	1,649.08
ADB	419.83	9.60
Japan	193.83	214.60
Others	3,175.16	625.47
Total IV	**5,710.47**	**2,900.47**
V. Infrastructure Sector		
IDA	765.95	496.61
IBRD	1,466.94	981.36
ADB	4,097.98	3,824.01
Japan	127.59	1,021.52
Others	730.01	221.28
Total V	**7,188.47**	**6,544.78**
VI. Irrigation Sector		
IDA	2,347.13	588.75
IBRD	906.53	206.32
Others	413.21	300.25
Total VI	**3,666.87**	**1,095.32**
VII. Social Sector		
IDA	3,729.73	4,147.03
Japan	311.34	350.96
Others	226.73	194.43
Total VII	**4,267.80**	**4,692.42**
VIII. Urban Development Sector		
IDA	1,748.67	2,190.29
IBRD	226.89	168.64
Japan	1,079.84	1,216.54
FRG	17.34	2.80
Total VIII	**3,072.74**	**3,578.27**
IX. Structural Adjustment Sector		
IDA	764.61	768.87
IBRD	-	-
ADB	854.74	859.28
F.R.G.	95.33	198.77
Others	—	626.58
Total IX	**1,714.68**	**2,453.50**
X. Others		
France	146.93	115.39
FRG	170.92	25.22
Others	769.29	1468.69
Total X	**1,087.14**	**1,609.30**
Grand Total (I to X)	**54,655.59**	**51,093.32**

Note : Undisbursed balances as at end of March 1994 are not strictly comparable with those appearing in statement No. 128 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 7821 million.

Table XI-19 : Assistance Extended by India to Other Countries

(Rs.crore)

Country/ Programme	Authorisations						Utilisation					
	1992-93			1993-94 P			1992-93			1993-94 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
Bangladesh	30.0	—	30.0	30.0	—	30.0	3.8	—	3.8	3.7	—	3.7
Bhutan	—	—	—	—	—	—	—	—	—	—	—	—
Mauritius	—	—	—	—	—	—	2.6	—	2.6	0.2	—	0.2
Nepal	—	5.0	5.0	9.7	—	9.7	—	5.0	5.0	9.7	—	9.7
Sri Lanka	—	—	—	—	—	—	0.7	—	0.7	3.6	—	3.6
Vietnam	—	—	—	—	—	—	3.2	—	3.2	0.5	—	0.5
Guyana	—	—	—	—	—	—	2.5	—	2.5	—	—	—
Cambodia	—	—	—	—	—	—	—	—	—	—	—	—
Seychelles	—	—	—	5.0	—	5.0	2.5	—	2.5	4.8	—	4.8
Surinam	5.0	—	5.0	—	—	—	—	—	—	—	—	—
Mozambique	—	—	—	—	—	—	—	—	—	0.1	—	0.1
Mangolia	—	—	—	5.3	—	5.3	—	—	—	—	—	—
Uzbekistan	—	—	—	30.0	—	30.0	—	—	—	—	—	—
Kazhakhstan	—	—	—	30.0	—	30.0	—	—	—	—	—	—
ITEC *	—	32.6	32.6	—	36.5	36.5	—	26.4	26.4	—	20.7	20.7
Total	**35.0**	**37.6**	**72.6**	**110.0**	**36.5**	**146.5**	**15.3**	**31.4**	**46.7**	**22.6**	**20.7**	**43.3**

* Includes grants provided under SCAAP (Special Commonwealth African countries Assistance Plan) and SAARC programme 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-20 : Aggregate Assistance Extended by India to Other Countries (Up to March 1994)

(Rs.crore)

Country/ Programme	Authorisations			Utilisation			Amount undisbursed at end March 1994 P		
	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total
1	2	3	4	5	6	7	8	9	10
Afghanistan	6.40	—	6.40	6.40	—	6.40	—	—	—
Bangladesh	195.40	158.80	354.20	119.04	142.10	261.14	76.36	16.70	93.06
Bhutan	156.30	808.10	964.40	156.30	807.80	964.10	—	0.30	0.30
Burma	20.00	—	20.00	20.00	—	20.00	—	—	—
Cambodia	1.50	—	1.50	1.50	—	1.50	—	—	—
Ghana	4.90	—	4.90	4.90	—	4.90	—	—	—
Guyana	10.00	—	10.00	10.74	—	10.74	-0.74	—	-0.74
Indonesia	10.00	—	10.00	10.00	—	10.00	—	—	—
Kenya	5.00	—	5.00	5.00	—	5.00	—	—	—
Mauritius	34.50	—	34.50	34.00	—	34.00	0.50	—	0.50
Mozambique	8.10	—	8.10	8.10	—	8.10	—	—	—
Nepal	196.60	368.50	565.10	149.60	324.60	474.20	47.00	43.90	90.90
Nicaragua	12.50	—	12.50	11.25	—	11.25	1.25	—	1.25
Democratic Republic of Yemen	1.00	—	1.00	1.00	—	1.00	—	—	—
Seychelles	9.40	—	9.40	9.20	—	9.20	0.20	—	0.20
Sri Lanka	94.40	—	94.40	75.64	—	75.64	18.76	—	18.76
Surinam	5.00	—	5.00	—	—	—	5.00	—	5.00
Tanzania	14.20	—	14.20	14.20	—	14.20	—	—	—
Uganda	6.50	—	6.50	6.50	—	6.50	—	—	—
Vietnam	167.50	—	167.50	160.58	—	160.58	6.92	—	6.92
Zambia	5.80	—	5.80	5.80	—	5.80	—	—	—
Zimbabwe	4.80	—	4.80	4.80	—	4.80	—	—	—
Mangolia	5.28	—	5.28	—	—	—	5.28	—	5.28
Uzbekistan	30.00	—	30.00	—	—	—	30.00	—	30.00
Kazhakhstan	30.00	—	30.00	—	—	—	30.00	—	30.00
Assitance Under ITEC *	—	286.76	286.76	—	200.00	200.00	—	86.76	86.76
TOTAL	1,035.08	1,622.16	2,657.24	814.55	1,474.50	2,289.05	220.53	147.66	368.19

P : Provisional

* Assistance under ITEC Programme includes grants provided under SCAAP (Special Commonwealth African Countries Assistance Plan) and SAARC Programme 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-21:India's External Debt

(Rs. crore)

Item	As at the end of March				
	1994 p	1993	1992	1991	1990
1	2	3	4	5	6
I. Multilateral	**81,994**	**77,758**	**68,262**	**40,386**	**32,886**
	(26,229)	**(25,008)**	**(23,090)**	**(20,900)**	**(19,164)**
A. Government borrowing	**75,357**	**72,286**	**63,787**	**38,429**	**31,575**
	(24,107)	**(23,247)**	**(21,651)**	**(19,887)**	**(18,399)**
(i) Concessional	50,250	48,206	40,990	25,849	21,760
	(16,075)	(15,503)	(14,320)	(13,377)	(12,672)
(a) IDA	49,238	47,167	40,017	25,221	21,055
	(15,751)	(15,169)	(13,974)	(13,052)	(12,261)
(b) Others	1,012	1,039	973	628	705
	(324)	(334)	(346)	(325)	(411)
(ii) Non-concessional	25,107	24,080	22,797	12,580	9,815
	(8,032)	(7,744)	(7,331)	(6510)	(5,727)
(a) IBRD	22,248	21,602	21,134	12,161	9,752
	(7,117)	(6,947)	(6,796)	(6,293)	(5,690)
(b) Others	2,859	2,478	1,663	419	63
	(915)	(797)	(535)	(217)	(37)
B. Non-Government borrowing	**6,637**	**5,472**	**4,475**	**1,957**	**1,311**
	(2,122)	**(1,761)**	**(1,439)**	**(1,013)**	**(765)**
(i) Concessional	0	0	0	0	0
(ii) Non-concessional	6,637	5,472	4,475	1,957	1,311
	(2,122)	(1,761)	(1,439)	(1,013)	(765)
II. Bilateral	**53,353**	**50,258**	**47,603**	**27,378**	**22,993**
	(17,060)	**(16,154)**	**(15,466)**	**(14,168)**	**(13,564)**
A. Government borrowing	**45,213**	**42,220**	**40,371**	**23,065**	**19,444**
	(14,464)	**(13,578)**	**(13,099)**	**(11,936)**	**(11,489)**
(i) Concessional	45,213	42,220	40,371	23,065	19,444
	(14,464)	(13,578)	(13,099)	(11,936)	(11,489)
(ii) Non-concessional	0	0	0	0	0
B. Non-Government borrowing	**8,140**	**8,038**	**7,232**	**4,313**	**3,549**
	(2,596)	**(2,576)**	**(2,367)**	**(2,232)**	**(2,075)**
(i) Concessional	1,432	1,243	928	514	441
	(458)	(400)	(348)	(266)	(261)
(ii) Non-concessional	6,708	6,795	6,304	3,799	3,108
	(2,138)	(2,176)	(2,019)	(1,966)	(1,814)
III. IMF	**15,812**	**14,985**	**8,934**	**5,132**	**2,572**
	(5,040)	**(4,799)**	**(3,451)**	**(2,623)**	**(1,493)**
IV. Export Credit	**13,770**	**13,484**	**12,418**	**8,374**	**8,002**
	(4,394)	**(4,322)**	**(3,990)**	**(4,301)**	**(4,655)**
(a) Buyers' credit	4,982	3,989	3,566	2,230	1,877
	(1,588)	(1,277)	(1,142)	(1,154)	(1,096)
(b) Suppliers' credit	2,100	2,050	1,380	933	950
	(669)	(656)	(442)	(483)	(555)
(c) Export credit component of bilateral credit	3,931	3,671	2,428	1,390	1,340
	(1,258)	(1,181)	(791)	(719)	(790)
(d) Export credit for defence purposes	2,757	3,774	5,044	3,821	3,835
	(879)	(1,208)	(1,615)	(1,945)	(2,214)

Table XI-21:India's External Debt (Contd.)

(Rs. crore)

Item	As at the end of March				
	1994 p	1993	1992	1991	1990
1	2	3	4	5	6
V. Commercial Borrowing	**36,178**	**36,251**	**35,664**	**19,727**	**15,988**
	(11,532)	**(11,606)**	**(11,700)**	**(10,209)**	**(9,335)**
(a) Commercial bank loans	17,975	20,156	20,933	13,200	11,453
	(5,730)	(6,453)	(6,704)	(6,831)	(6,687)
(b) Securitized borrowings	15,991	13,990	13,219	5,840	4,227
(including IDBs)	(5,097)	(4,479)	(4,512)	(3,022)	(2,468)
(c) Loans/securitized borrowings, etc.	2,212	2,105	1,512	687	308
with multilateral/bilateral guarantee and IFC(W)	(705)	(674)	(484)	(356)	(180)
VI. NRI & FC(B&O) Deposits (above one year maturity)	**39,729**	**34,941**	**27,384**	**20,030**	**15,719**
	(12,665)	**(11,141)**	**(10,083)**	**(10,209)**	**(9,124)**
(a) NRI deposits	39,729	34,113	26,737	19,843	15,719
(12665)	(10,876)	(9,833)	(10,114)	(9,124)	
(b) FC(B&O) deposits	—	828	647	187	0
	(-)	(265)	(250)	(95)	
VII. Rupee Debt *	**31,608**	**33,149**	**31,956**	**25,199**	**19,075**
	(10,093)	**(10,616)**	**(10,420)**	**(12,847)**	**(11,021)**
(a) Defence	28,735	30,177	28,796	22,875	17,276
	(9,159)	(9,661)	(9,222)	(11,645)	(9,972)
(b) Civilian +	2,873	2,972	3,160	2,324	1,799
	(934)	(955)	(1,198)	(1,202)	(1,049)
VIII.Total Long-term Debt (I to VII)	**2,72,444**	**2,60,826**	**2,32,221**	**1,46,226**	**1,17,235**
	(87,013)	**(83,646)**	**(78,200)**	**(75,257)**	**(68,356)**
IX. Short-term Debt	**11,375**	**19,804**	**20,642**	**16,775**	**12,964**
	(3,626)	**(6,340)**	**(7,070)**	**(8,544)**	**(7,501)**
(a) NRI deposits (up to one year maturity)	4,078	8,131	6,517	7,018	5,589
	(1,300)	(2,603)	(2,486)	(3,577)	(3,244)
(b) FC(B&O) Deposits (up to one year maturity)	1,672	2,433	924	328	0
	(533)	(779)	(357)	(167)	
(c) Others (trade related) **	5,625	9,240	13,201	9,429	7,375
	(1,793)	(2,958)	(4,227)	(4,800)	(4,257)
of which short-term debt of 6 months	5,625	5,601	4,738	4,976	3,472
	(1,793)	(1,793)	(1,517)	(2,533)	(2,004)
X. Grand Total	**2,83,819**	**2,80,630**	**2,52,863**	**1,63,001**	**1,30,199**
	(90,639)	**(89,986)**	**(85,270)**	**(83,801)**	**(75,857)**
Debt Indicators:					
Debt Stock - GDP Ratio (in per cent)	35.4	40.0	41.1	30.6	28.5
Debt Service Ratio (For fiscal year) (in per cent)	25.1	30.6	30.1	32.9	31.7
(Including debt servicing on non-civilian credits)					

P : Provisional

* : Debt owed to Russia denominated in Rupees and converted at current exchange rates,payable in exports.

\+ : Includes Rupee suppliers' credit from end-March 1990 onwards.

** : This does not include LC-based trade credit for which no estimates are available.

Note : 1: The data on NRI deposits are inclusive of accrued interest credited to the accounts under FCNRA,FCNR(B) and NR(E)RA schemes. These data differ significantly from those published earlier as the latter included estimated accrued interest credited to FCNRA whereas the former include actual accrued interest which is based on an initial census count and are being subjected to a further special audit by the RBI.

2: Figures in brackets indicate US dollar million.

3: Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under IDA loans for pre-1971 credits.

Table XI - 22 : Exchange Rate of Indian Rupee

	(Annual Average)*				(April-March) (Rupees per unit of SDR/Foreign Currency	
Currency	1989-90	1990-91	1991-92	1992-93	1992-93	1993-94
			Official		Market	
1	2	3	4	5	6	7
SDR	21.3684	24.8491	33.4325	37.1415	-	43.8863@
		-14.0	-25.7	-10.0		
U.S.$	16.6500	17.9400	24.4700	26.4300	30.6500	31.3727
		-7.2	-26.7	-7.4		-2.3
Pound Sterling	26.9200	33.1900	42.5200	44.5600	51.6900	47.2064
		-18.9	-21.9	-4.6		9.5
Deutsche Mark	9.0900	11.4400	14.6200	16.9100	19.5900	18.7403
		-20.5	-21.8	-13.5		4.5
Japanese Yen	0.1166	0.1279	0.1845	0.2124	0.2459	0.2911
		-8.8	-30.7	-13.1		-15.5
French Franc	2.6802	3.3871	4.2985	4.9918	5.7895	5.4633
		-20.9	-21.2	-13.9		6.0
Canadian Dollar	14.0931	15.4787	21.2666	21.5047	24.9370	23.9564
		-9.0	-27.2	-1.1		4.1
Swiss Franc	10.3368	13.4493	16.6702	18.6825	21.6690	21.4373
		-23.1	-19.3	-10.8		1.1
Italian Lira	0.0124	0.0154	0.0196	0.0203	0.0236	0.0196
		-19.5	-21.4	-3.4		20.4
Netherlands Guilder	8.0641	10.1775	12.9830	15.0199	17.4190	16.7801
		-20.8	-21.6	-13.6		3.8
Bangladesh Taka	0.5308	0.5234	0.6806	0.6892	0.7992	0.7948
		1.4	-23.1	-1.2		0.6
Thailand Baht	0.6514	0.7101	0.9770	1.0419	1.2018	1.2398
		-8.3	-27.3	-6.2		-3.1
Indonesian Rupiah	0.0093	0.0096	0.0124	0.0129	0.0150	0.0149
		-3.1	-22.6	-3.9		0.7
S.Korean Won	0.0247	0.0251	0.0329	0.0337	0.0390	0.0389
		-1.6	-23.7	-2.4		0.3
Sri Lankan Rupee	0.4456	0.4509	0.5904	0.6021	0.6985	0.6450
		-1.2	-23.6	-1.9		8.3
Pakistan Rupee	0.8002	0.8274	1.0214	1.0595	1.2291	1.0827
		-3.3	-19.0	-3.6		13.5
Singapore Dollar	8.6239	10.1189	14.4255	16.2180	18.8046	19.6413
		-14.8	-29.9	-11.1		-4.3
Hongkong Dollar	2.1368	2.3072	3.1534	3.4181	3.9633	4.0543
		-7.4	-26.8	-7.7		-2.2
Malaysian Ringgit	6.1751	6.6368	8.9883	10.3888	12.0471	12.0477
		-7.0	-26.2	-13.5		-0.0

@ Rupees per SDR is arrived by crossing U.S.dollar /SDR rate with RBI Reference rate.

* Based on monthly averages

Note 1 (a) The official rates have been worked out as follows: The SDR rate is as given in the International Financial Statistics. Upto February 1992, the pound sterling rate was the middle rate of the RBI quotations and the rates for all other currencies were the average rates in London market crossed with the RBI middle rate for pound sterling. From March 1992 to February 1993, the US 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 currency/U.S.dollar rate with Rupee/U.S.dollar(RBI reference) rate.

(b) The market rates have been worked out by crossing foreign currency/U.S. dollar rate with Rupee/U.S.dollar FEDAI (Indicative) rates.

2 Figures with one decimal indicate percentage appreciation (+)/depcreciation(-) of the rupee in terms of the SDR/ foreign currency concerned over the preceding fiscal year.

Table XI-23 : 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 1992	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	0.0	-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	0.0	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	0.0	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	0.0	-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	0.0	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
	0.0	0.0	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	0.0	0.0	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	0.0	-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	0.0	-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		0.0
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
July	43.6093	—	31.3704	—	46.9536	—	18.3094	—	0.2911
	1.4		0.1		1.0		3.8		0.6
August	43.9451	—	31.3725	—	46.7983	—	18.4806	—	0.3028
	-0.8		-0.0		0.3		-0.9		-3.9
September	44.4638	—	31.3718	—	47.8524	—	19.3381	—	0.2978
	-1.2		0.0		-2.2		-4.4		1.7
October	44.1534	—	31.3711	—	47.1961	—	19.1680	—	0.2935
	0.7		0.0		1.4		0.9		1.5
November	43.5843	—	31.3706	—	46.4691	—	18.4608	—	0.2909
	1.3		0.0		1.6		3.8		0.9
December	43.4307	—	31.3704	—	46.7849	—	18.3504	—	0.2856
	0.4		0.0		-0.7		0.6		1.9
January	43.0847	—	31.3705	—	46.7970	—	18.0053	—	0.2812
	0.8		-0.0		-0.0		1.9		1.6
February	43.5265	—	31.3700	—	46.4871	—	18.0784	—	0.2954
	-1.0		0.0		0.7		-0.4		-4.8
March	43.9839	—	31.3727	—	46.7971	—	18.5319	—	0.2984
	-1.0		-0.0		-0.7		-2.4		-1.0
1994-95									
April	44.0616	—	31.3711	—	46.4942	—	18.4810	—	0.3033
	-0.2		0.0		0.7		0.3		-1.6
May	44.3973	—	31.3705	—	47.1676	—	18.9261	—	0.3029
	-0.8		0.0		-1.4		-2.4		0.1
June	44.7635	—	31.3705	—	47.8267	—	19.2448	—	0.3055
	-0.8		0.0		-1.4		-1.7		-0.9

Note : 1. Figures with one decimal indicate percentage appreciation (+)/ depreciation(-) of the rupee in terms of SDR/Foreign currency concerned over preceding month.

Table XI-24 : SDR Interest and Remuneration Rates

(per cent per annum)

For the quarter ended	SDR Interest Rate/ Rate of Remuneration @
1	2
June 1993	4.74
September 1993	4.37
December 1993	4.08
March 1994	3.98
June 1994	4.13

@ Average of the weekly rates.

Table XI- 25 : Rates of Charge and Remuneration

(per cent per annum)

For the quarter ended	Rate of charge			Rate of Remuneration		
	Basic Rate*	Adjustment#	Adjusted Rate	Unadjusted Average Rate@	Adjustment#	Adjusted Average Rate
1	2	3	4	5	6	7
July 31, 1993	5.14	0.64	5.78	4.63	0.92	3.71
October 31, 1993	4.74	0.61	5.35	4.27	0.85	3.42
January 31, 1994	4.41	0.60	5.01	3.97	0.79	3.18
April 30, 1994	4.49	0.38	4.87	4.05	0.81	3.24

* 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-26 : Fund Purchases and Repurchases

(SDR billion)

				January-June	
	1991	1992	1993	1993	1994
1	2	3	4	5	6
1. Total Purchases @	7.4	4.8	5.0	2.3	2.9
2. Total Repurchases @	4.7	4.2	3.8	2.0	2.8
3. Net Purchases (1-2)	2.7	0.6	1.2	0.3	0.1

@ Excludes reserve tranche Purchases/Repurchases.
Source : International Financial Statistics, August 1994.

Table XI-27 : International Reserves (excluding gold)

(SDR million)

Country Group	Total Reserves (excluding gold)		SDRs		Reserve Position in the Fund		Foreign Exchange Reserves	
	1992	1993	1992	1993	1992	1993	1992	1993
1	2	3	4	5	6	7	8	9
All Countries	692,908	755,956	12,867	14,614	33,903	32,802	646,168	708,556
Industrial Countries	396,746	413,444	10,468	11,454	29,511	28,309	356,767	373,682
Developing Countries	296,162	342,512	2,399	3,160	4,392	4,493	289,401	334,874

Source : International Financial Statistics, August 1994.

Table XI-28 : Gold Prices in the Main Currencies

(London PM fix in US dollars per ounce and equivalents)

	Annual Average Prices		Percentage change over 1992
	1992	1993	
1	2	3	4
US $	343.95	359.82	4.6
Yen/g	1,400.00	1,282.00	-8.5
DM	536.46	595.72	11.0
SF	482.77	531.95	10.2
Rand/kg	31,502.00	37,880.00	20.2
A$	468.13	530.13	13.2

Source : Gold 1994, Gold Fields Mineral Services Ltd., London, May 1994.

Table XI - 29 : External Debt and Debt-Service of Developing Countries

(US $ billion)

	1991	1992	1993
1	2	3	4
External Debt			
All Developing Countries	1374.6	1440.3	1544.9
Africa	228.9	225.4	228.2
Asia	412.4	452.3	510.8
Middle East and Europe	282.6	293.0	315.2
Western Hemisphere	450.8	469.5	490.7
External Debt to Exports of Goods & Services(in per cent)			
All Developing Countries	127.7	122.2	123.6
Africa	231.1	226.1	235.9
Asia	68.4	66.0	67.7
Middle East and Europe	138.5	137.1	150.2
Western Hemisphere	265.0	262.2	260.7
External Debt to GDP (in per cent)			
All Developing Countries	30.8	34.1	33.6
Africa	56.7	60.6	62.8
Asia	24.7	24.5	24.7
Middle East and Europe	22.7	39.6	41.2
Western Hemisphere	39.4	37.2	35.0
Debt Service Ratio (in per cent)			
All Developing Countries	15.0	14.5	15.4
Africa	26.0	27.1	26.7
Asia	9.1	9.0	9.4
Middle East and Europe	14.2	10.6	11.2
Western Hemisphere	30.7	32.7	38.4

Source: World Economic Outlook, International Monetary Fund, October 1994.

Table XI-30 : Lending Activities of Asian Development Bank

(Amount in US $ million)

	1992	1993	1966-1993 #
1	2	3	4
Total lending -			
Amount	5,109.4	5,281.3	47,710.2 *
Number of Projects @	65	78	1,179 *
OCR loans -			
Amount	3,954.4	3,983.8	32,848.4 *
Number of loans	35	38	678 *
Disbursements	1879.6	2016.2	16,739.9
ADF loans -			
Amount	1155.0	1297.5	14,861.8
Number of loans	32	40	609
Disbursements	887.5	925.1	8415.8
Equity Investments -			
Amount	10.6	22.7	192.7
Number of Investments	4	9	69
Equity Underwriting -			
Amount	5.2	—	45.7
Number of Commitments	1	—	7

\# Cumulative totals may not add due to rounding.

* Amounts and numbers adjusted to exclude withdrawals.

@ Projects financed from both OCR and ADF are counted only once. Cumulative number of projects excludes supplementary loans.

Table XI-31 : Lending by the World Bank - Fiscal 1993 and 1994

(US $ million)

	IBRD		IDA		Total	
	1993	1994	1993	1994	1993	1994
1	2	3	4	5	6	7
1. Lending commitments	16,945 (+11.8)	14,244 (-15.9)	6,751 (+3.1)	6,592 (-2.4)	23,696 (+9.2)	20,836 (-12.1)
2. Disbursements	12,942 (+10.9)	10,447 (-19.3)	4,947 (+3.8)	5,532 (+11.8)	17,888 (+8.9)	15,979 (-10.7)

Figures in brackets indicate percentage variation over the previous year.

Table XI-32: IBRD's Assistance to India - Sector-wise, fiscal years 1992-94

(US $ million)

Sector	1992	1993	1994
1	2	3	4
Agriculture and Rural Development	—	—	—
Education	—	—	—
Oil,gas and coal	150.0	—	—
Power	615.0	845.0	—
Industry	—	—	—
Population,Health and Nutrition	—	—	—
Highways	153.0	—	94.0
Urban Development	—	—	—
Water supply and sewerage	—	—	—
Others	250.0	300.0	—
Total	1,168.0	1,145.0	94.0
Total loans sanctioned by IBRD	15,156.0	16,944.5	14,244.0
Percentage share of India	7.7	6.8	0.7

Table XI-33 : IDA's Assistance to India - Sector-wise, fiscal years 1992-94

(US $ million)

Sector	1992	1993	1994
1	2	3	4
Agriculture and Rural Development	243.0	369.7	382.4
Education	—	165.0	—
Population,Health and Nutrition	377.5	779.0	206.4
Transportation-Highways	153.0	—	—
Area Development	—	—	246.0
Industry	—	—	—
Water supply and sewerage	—	92.0	—
Others	250.0	127.0	—
Total	1023.5	1532.7	834.8
Total loans sanctioned by IDA	6549.7	6751.4	6592.1
Percentage share of India	15.6	22.7	12.7

CHAPTER XII

SOME MAJOR DEVELOPMENTS IN STATES AND UNION TERRITORIES*

This Chapter analyses some of the important economic aspects relating to the developments in the States and Union Territories (UTs).

State Domestic Product

The latest data on net State Domestic Product (SDP) relate to the year 1992-93. The SDP data discussed here are at factor cost and at 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 1987-88 - 1992-93 are presented in Table XII-1. The compound annual growth rate during this period for all-India NDP was 5.4 per cent. Data for 1992-93 in respect of Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Nagaland, Rajasthan, Sikkim, Tamil Nadu, Tripura, Andaman & Nicobar Islands and Delhi are not available. Among other States/UTs the lowest and highest compound annual growth rates recorded during the period were : -0.6 per cent for Andaman & Nicobar Islands and 9.3 per cent for Meghalaya.

During 1992-93, Andhra Pradesh and Orissa recorded negative growth rates. Among the other States/UTs, those which registered positive growth rates in NSDP of above five per cent were Assam, Gujarat, Haryana, Kerala, Maharashtra and Meghalaya. Reflecting the sum total of performance of States/UTs, the all-India NDP growth rate for 1992-93 stood at 3.8 per cent. The States/UTs in different size-class categories of annual compound growth rates during the period 1987-88 through 1992-93 are listed below:

Compound Annual Growth Rates - 1987-88 to 1992-93: States/Union Territories

Compound Annual Growth Rates, size-class	No.of States/ Union Territories	Names of States/ Union Territories
(1)	(2)	(3)
1. Less than 3 per cent	1	Andaman & Nicobar Islands@
2. Between 3 per cent and less than 4 per cent	4	Bihar, Nagaland @ Orissa and Pondicherry
3. Between 4 per cent and less than 5 per cent	8	Andhra Pradesh, Himachal Pradesh @ Jammu &Kashmir@ Madhya Pradesh, Punjab, Tamil Nadu@ Uttar Pradesh and West Bengal.
4. Between 5 per cent and less than 6 per cent	2	Assam, Karnataka
5. Between 6 per cent and less than 7 per cent	2	Arunachal Pradesh@ Manipur@
6. Between 7 per cent and less than 8 per cent	5	Goa, Kerala, Maharashtra, Tripura* and Delhi@
7. 8 per cent and above	5	Gujarat, Haryana, Meghalaya, Rajasthan @ Sikkim*

Note : Data are at constant (1980-81) prices.
@ : Compound growth rates are calculated between 1987-88 and 1991-92 due to non-availability of data for 1992-93.
* : Compound growth rates are calculated between 1987-88 and 1990-91 due to non-availability of data for 1991-92.
Source : Directorate of Economics and Statistics of respective State Governments.

* This Chapter is prepared on the basis of information/ data available upto end-November, 1994.

It may be observed from the above table that the compound growth rates for the period 1987-88 to 1992-93 were lower than the all-India average (5.4 per cent) in respect of 13 States/UTs, 2 States had compound growth rates around the all-India level while 11 States and one Union Territory recorded compound growth rates which were above the all-India level.

Sectoral Growth Rates

Sectoral Growth Rates in different States/UTs during 1991-92 and 1992-93 for selected sectors are presented in Table XII-2. At the all-India level, there was deterioration in the 'agricultural' and 'manufacturing' sectors during 1991-92 and also under 'Forestry and Logging' sector in both the years. State-wise, Andhra Pradesh, Karnataka, Orissa and Uttar Pradesh recorded declines during 1992-93 in the agricultural sector. The adverse impact of the performance of these States was partly offset by the higher positive growth rates recorded by Gujarat, Kerala, Madhya Pradesh, Maharashtra and Meghalaya. At the all-India level there was an improvement in the 'Fishing' sector as all the States/UTs recorded positive growth rates except Bihar and Haryana in 1992-93. 'Mining and Quarrying' sector was yet another sector which showed positive growth rates at the all-India level. The 'Manufacturing' sector on the other hand which showed negative growth rate (-4.6 per cent) in 1991-92, recovered in 1992-93 and recorded positive growth rate of (1.4 per cent) at the all-India level. As against seven States which contributed to the adverse performance in 1991-92, only 5 States viz. Andhra Pradesh, Bihar, Kerala, Madhya Pradesh and West Bengal recorded declines in output in 1992-93.

The sector-wise compound annual growth rates during the period 1987-88 through 1992-93 are indicated in Table XII-3. Data in respect of Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Rajasthan, Tamil Nadu, Andaman & Nicobar Islands and Delhi have been computed only for the period 1987-88 and 1991-92 and that for Sikkim and Tripura have been computed only for the period 1987-88 and 1990-91 due to non availability of data for 1992-93 and 1991-92, respectively.

The data show that barring Goa, Orissa and Andaman & Nicobar Islands, the rest of the States/UTs have recorded positive compound growth rates in agriculture. In regard to 'manufacturing', Jammu & Kashmir, Sikkim and Andaman & Nicobar Islands recorded negative growth rates during the period under review whereas in respect of 'Fishing' only Assam posted negative growth rate.

Shares of Agriculture and Manufacturing

Shares of agriculture and manufacturing in the aggregate State Domestic Product (SDP) for two years 1991-92 to 1992-93, 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 eleven States/UTs in 1991-92, agricultural output contributed between 30 and 40 per cent of State Domestic Product. The agricultural sector of Haryana, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Andaman & Nicobar Islands accounts for more than 40 per cent of the State Domestic Product. For as many as 11 States agricultural output in 1992-93 was more than 29.9 per cent of State Domestic Product, almost the same as that recorded by all-India level. Of these, four States viz. Haryana, Madhya Pradesh, Punjab and Uttar Pradesh contributed more than 40 per cent of the State Domestic Product. There were, however, certain exceptions. Goa and Pondicherry earned less than 10 per cent of their SDP from agriculture.

Share of Goa's agriculture in her SDP was 5.1 per cent. The share of agriculture in

Gujarat and Maharashtra in the SDP was 26.2 per cent and 19.7 per cent, respectively. The share of Madhya Pradesh from agriculture in her SDP was 41.7 per cent and that of Uttar Pradesh was 42.2 per cent. The share of the manufacturing sector in the NDP at the all-India level stood at around 20 per cent during the two years viz. 1991-92 and 1992-93. The contribution of the manufacturing sector to the SDP in the case of Gujarat, Haryana, Karnataka, Maharashtra, West Bengal and Pondicherry ranged between 18-30 per cent for both the years. In respect of Gujarat the share of the manufacturing sector in its State Domestic Product was around 32 per cent during both the years. 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 and Andaman & 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 1987-88 to 1992-93, the shares of most of the States in all-India NDP have remained nearly constant. State-wise, Maharashtra led with a share of 14.3 per cent in 1992-93. The other States/UTs whose share in the national NDP was above five per cent during the year were : Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and West Bengal.

Agricultural Production

Data on production of selected foodgrains in respect of States/Union Territories are available upto 1992-93 and these are indicated in statement 20 of Volume II of this Report.

These data indicate that foodgrains output in 1992-93 recorded a rise over the level of 1990-91 in all the States except Andhra Pradesh, Arunachal Pradesh, Bihar, Himachal Pradesh, Kerala, Madhya Pradesh, Manipur, Meghalaya, Sikkim and Tripura. The increase in foodgrains output was reflected mainly in the gains made in the cereal output during the period.

In respect of pulses, output in 1992-93 was lower than that in 1990-91 at the all-India level only by 4.7 per cent. But as pulses production declined sharply by 15.8 per cent in 1991-92, the recorded production in 1992-93 was higher over the previous year by 13.2 per cent. In 1992-93, barring Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Nagaland, Orissa, Punjab and Uttar Pradesh, all the other States either recorded increases in output or maintained the earlier year's production levels.

State-wise data on production of selected non-foodgrains production are indicated in statement 21 of Volume II of this Report. Among the States which are major producers of oilseeds[1], nearly half of them recorded spurt in output in 1992-93. However, leading States like Andhra Pradesh, Karnataka, Rajasthan and Uttar Pradesh witnessed deceleration in output. In the case of cotton, among the major producing States[2], viz., Gujarat, Haryana, Karnataka, Maharahstra and Rajasthan recorded increases in output in 1992-93 and Andhra Pradesh and Punjab registered a fall in output in 1992-93 compared with a good performance in the previous year. In respect of sugarcane, all the major producers of sugarcane excepting Andhra Pradesh, Bihar, Haryana, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu

1. The States are identified on the basis of the annual average output of 1 million tonnes a year during the five-year period ending 1992-93.
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 1988-89 to 1992-93.

and Uttar Pradesh recorded increases in output in 1992-93. In 1991-92, Bihar, Gujarat, Maharashtra and Orissa registered declines in output among the major sugarcane producing States[3]. As regards raw jute and mesta, all the major producing States[4] excepting Assam recorded a fall in output in 1992-93. During 1991-92, all the major producing States barring Orissa registered a rise 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 1986-87 to 1991-92 have been presented in Table XII-6. The coverage of the area under the high yielding varieties programme improved in 1991-92 over that in the preceding year in the majority of the States/Union Territories excepting Goa, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Sikkim, Uttar Pradesh, Andaman & Nicobar Islands, Chandigarh, Delhi and Pondicherry. Uttar Pradesh had the highest coverage of the area under high yielding varieties programme at 133.36 lakh hectares in 1991-92 followed by Maharashtra (70.86 lakh hectares), Madhya Pradesh (67.75 lakh hectares), Punjab (53.68 lakh hectares) and Andhra Pradesh (46.84 lakh hectares). In Chandigarh the coverage of the area under high yielding varieties programme was the lowest at 0.02 lakh hectares in 1991-92.

Consumption of Fertilisers

The region-wise information on the consumption of fertilisers in terms of kilograms per hectare is available upto 1993-94. The data indicated that the consumption of fertilisers showed an increase in all the States except Sikkim as compared to the position in 1987-88 (Table XII-7). In Sikkim the per hectare consumption of fertilisers recorded a steady decline from 13.02 kgs. in 1987-88 to 7.31 kgs. in 1993-94. The per hectare consumption of fertilisers in 1993-94 was the highest in Punjab (166.78 kgs.) followed by Tamil Nadu (131.71 kgs.), Andhra Pradesh (121.43 kgs.), Haryana (120.86 kgs.), Uttar Pradesh (93.26 kgs.) and West Bengal (85.78 kgs.). In comparison with the top rankers, per hectare consumption was low in the case of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Mizoram, Nagaland, Orissa, Rajasthan, Sikkim and Tripura. Bihar, Jammu & Kashmir, Karnataka, Kerala, Maharashtra and Manipur crossed the level of consumption of fertilisers at 50 kgs. per hectare. Arunachal Pradesh recorded the lowest level of consumption at 2.33 kgs.

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 1989-90. Some of the indicators culled out from the Survey are presented in Table XII-8 for two reference years viz. 1985-86 and 1989-90 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. In 1985-86, the number of factories was the highest in Maharashtra. However, during 1989-90 Andhra Pradesh had the highest number of factories and the second position was occupied by Maharashtra followed by Tamil Nadu, Gujarat, Uttar

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 1992-93.
4. The States are identified on the basis of the mean output level of more than 500 thousand bales (of 180 kgs. each) per year during the period 1988-89 to 1992-93.

Pradesh, Punjab, Karnataka, West Bengal, Bihar, Madhya Pradesh and Kerala. Together, factories in these eleven States accounted for over 85 per cent of factories all over India in 1985-86 as well as in 1989-90. In both the reference years, Meghalaya had the lowest number of factories. Over the period, 1985-86 through 1989-90, the number of factories declined in Assam, Bihar, Goa, Jammu & Kashmir, Madhya Pradesh, Orissa and West Bengal and remained almost constant in Manipur, Meghalaya and Delhi. The number of employees in 8 out of 28 States/UTs, viz. Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal accounted for about 74 per cent in both the reference years viz., 1985-86 and 1989-90 of the total employees all over India. The number of employees in States/UTs moved up during 1989-90 compared to the 1985-86 level except in Jammu & Kashmir, Manipur, West Bengal and Andaman & Nicobar Islands where it declined. The total number of employees at the all-India level indicated a rise of 9.0 per cent during 1989-90 compared to the 1985-86 level. The value of fixed capital installed was the highest in Maharashtra in both the initial and terminal years under review. In 1985-86, the six States which followed Maharashtra in terms of the value of fixed capital were Uttar Pradesh, Madhya Pradesh, Gujarat, Bihar, Tamil Nadu and West Bengal. In 1989-90, there was a change in the order of the top seven States. Maharashtra was followed by Uttar Pradesh, Gujarat, Tamil Nadu, Madhya Pradesh, Andhra Pradesh and West Bengal.

In terms of value of output, the top five States during 1985-86 as well as 1989-90 were : Maharashtra, Gujarat, Tamil Nadu, West Bengal and Uttar Pradesh. During this period the nominal value of output rose in all the States except in Manipur where it recorded a fall of 50 per cent. Output value in nominal terms spurted up by 92.0 per cent at the all-India level. Both in 1985-86 and 1989-90, the nominal net value added was the highest in Maharahstra. The States which followed in the order were Tamil Nadu, Gujarat, West Bengal, Uttar Pradesh and Andhra Pradesh in 1985-86 and Tamil Nadu, Uttar Pradesh, Gujarat, Bihar and Madhya Pradesh in 1989-90.

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 barring Meghalaya. 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 and Jammu & Kashmir. The ratio of fixed capital to output remained constant over the period in Gujarat, increased in Andhra Pradesh, Assam, Maharashtra, Manipur, Meghalaya, Orissa, Tripura and West Bengal 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, Kerala, Manipur, Meghalaya, Orissa, Punjab, Tamil Nadu, Uttar Pradesh and Delhi where it increased. Fixed capital to net value added ratio remained unchanged in Manipur, moved up in Andhra Pradesh, Assam, Gujarat, Maharashtra, Meghalaya, Tripura, West Bengal and Andaman & Nicobar Islands and decelerated 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 73 per cent and 93 per cent of the total industrial output in the 10 selected States during 1989-90. The industry groups which had more than 10 per cent share in the value of the industrial output

in a State during 1989-90 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, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal.
2.	Chemicals & Chemical Products	Gujarat, Maharashtra and Uttar Pradesh.
3.	Basic Metals & Alloys	Bihar, Karnataka, Madhya Pradesh, Punjab and West Bengal
4.	Rubber, Petroleum & Coal Products	Bihar, Gujarat, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal.
5.	Cotton Textiles	Tamil Nadu
6.	Electricity	Punjab, Uttar Pradesh and West Bengal.
7.	Machinery other than Transport	Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal.

Of the industry-groups, 'Food Products' and 'Rubber, Petroleum and Coal Products' were the ones which had considerable presence in most of these selected States. Next in terms of the number of industry groups with shares above 10 per cent, came 'Machinery other than Transport' in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu and West Bengal, followed by 'Basic Metals and Alloys' and 'Chemicals and Chemical Products'.

Banking Developments

Latest data on selected banking indicators available for all the States/UTs relate to the period ended March 1994. The details of the number of scheduled commercial bank offices, deposits, credit and credit-deposit (CD) ratios for two reference years viz., March 1989 and March 1994 based on BSR data are presented in Table XII-10. With a view to get a broad overview of the medium-term trends in banking developments in the various regions and States/UTs, the above period of five years has been chosen. It is observed from the table that while in all the regions the number of bank offices had spurted up between the two reference years, growth was impressive in North-Eastern Region (17.3 per cent) followed by Eastern Region (12.0 per cent), Central Region (8.8 per cent), Northern Region (8.1 per cent), Western Region (7.4 per cent) and Southern Region (6.3 per cent). As on the last Friday of March 1989, the highest CD ratio was recorded by the Southern Region at 89.1 per cent, followed by the Western Region (72.0 per cent). As on that date, the lowest CD ratio of 50.7 per cent was recorded by the North-Eastern Region as compared with 65.4 per cent at the all-India level. As on the last Friday of March 1994, the North-Eastern Region continued to record the lowest Credit-Deposit ratio of 39.3 per cent, while the Southern Region continued to record the highest CD ratio of 70.0 per cent as against the all-India ratio of 56.6 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 54.2 per cent to 59.4 per cent during the period.

The performance of the banking sector in these States/UTs can be viewed from the data on bank deposits and bank credit per office (Table XII-11). Bank deposits per office moved up in all States/UTs. Over the period the rise in deposits per bank office was more than 100 per cent in Arunachal Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Rajasthan, Tamil Nadu, Dadra & Nagar Haveli, Daman & Diu and Pondicherry as against the all-India rise of 99.2 per cent. In regard to the remaining States excepting in Manipur, Nagaland, Sikkim and Tripura where the increase was less than 50 per cent, the increases ranged between 50 and 100 per cent. The increase in bank credit per office

was more than 100 per cent during the period in Chandigarh and Delhi as against the all-India rise of 72.2 per cent. A decline of 14.6 per cent, 22.8 per cent and 10.0 per cent each was recorded in Sikkim, Andaman & Nicobar Islands and Lakshadweep, respectively. Except in Jammu & Kashmir, Maharashtra, Punjab, Tamil Nadu, Daman & Diu where the increases were more than the all-India increase of 72.2 per cent, in all other States the increases were less than the all-India increase.

In recent years, the banking habit has spread in a substantial way in rural areas. The share of rural offices in total number of scheduled commercial bank offices increased in majority of the States/UTs except in Haryana, Punjab, Chandigarh, Delhi, Sikkim, Goa, Andhra Pradesh, Kerala and Pondicherry (Table XII-12). These shares as on last Friday of March 1994 were respectively high in North-Eastern Region (73.5 per cent), Eastern Region (68.4 per cent) and Central Region (68.0 per cent). A similar trend was witnessed in respect of shares of deposits and credit relating to the 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 Region and Southern Regions as on last Friday of March 1994. 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 22.5 per cent and that in Eastern Region was 15.8 per cent as against the all-India growth rate of 9.9 per cent. While all the States/UTs recorded positive growth rates in rural offices, 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 1989 and 1994 was observed in Central Region, followed by Western Region, North-Eastern Region, Southern Region, Eastern Region and Northern Region. Similarly the highest growth rate in the bank credit during the period was observed in Northern Region (105.7 per cent) and the lowest in Southern Region (70.4 per cent) as against the all-India growth rate of 79.5 per cent. Credit-deposit ratio of rural offices was the highest in Southern Region (101.1 per cent) and lowest in Northern Region (45.8 per cent) as on last Friday of March 1989. The credit-deposit ratio of rural offices continued to be the highest in Southern Region (78.9 per cent),as on last Friday of March 1994, the lowest was in Central Region (41.3 per cent).

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 1993, North-Eastern and Central Regions had achieved the target of 40 per cent share for priority sector advances. The Southern and Eastern Regions were close to the target whereas the Western and Northern Regions recorded a steep shortfall. It would be interesting to note that the latter two regions showed a deterioration in their shares over March 1991. State-wise, majority of the States and Union Territories had achieved the target of 40 per cent lending, excepting Jammu & Kashmir, Chandigarh, Delhi, Sikkim, West Bengal, Goa, Gujarat, Maharashtra, Karnataka, Kerala and Tamil Nadu.

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, Arunachal Pradesh, Nagaland, Tripura, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh and Pondicherry (Table XII-15). The share of Himachal Pradesh, Mizoram and Karnataka 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 and disbursed by All-India Financial Institutions which also includes data in respect of Industrial Development Bank of India (IDBI) for the years 1988-89, 1991-92, 1992-93 and the cumulative position upto end-March 1993 are presented in Table XII-16. In respect of IDBI, the data for the same period are presented separately also in this Table. The financial assistance sanctioned and disbursed by Industrial Development Bank of India for the year 1992-93 formed 30.8 per cent of the amount sanctioned and 31.5 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 by All-India financial institutions during 1992-93, Maharashtra accounted for 26.64 per cent followed by Gujarat (11.58 per cent), Tamil Nadu (7.41 per cent), Andhra Pradesh (6.04 per cent), Karnataka (5.59 per cent) and Uttar Pradesh (5.24 per cent). The smaller States such as Assam, Goa, Himachal Pradesh, Jammu & Kashmir, Manipur and Meghalaya had relatively lower share of less than 1 per cent each. As regards disbursements during 1992-93, Maharashtra had the largest share at 26.30 per cent followed by Gujarat (11.76 per cent), Tamil Nadu (7.29 per cent), Andhra Pradesh (6.65 per cent), Rajasthan (4.99 per cent) and Uttar Pradesh (4.78 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 1993 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 1992-93.

Small Savings Collection

Gross collections of small savings moved up in all States/Union Territories in 1993-94 over the year 1990-91 (Table XII-19). However, net collections recorded a decline in 1993-94 in several States/Union Territories such as Assam, Bihar, Goa, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Daman & Diu and Delhi. At the all-India level net collections slid from Rs.7971 crore in 1990-91 to Rs.6555 crore in 1993-94 or by 17.8 per cent. West Bengal recorded the highest net collections at Rs.1194.02 crore during 1993-94, followed by Uttar Pradesh (Rs.1106.00 crore), Andhra Pradesh (Rs.564.72 crore), Tamil Nadu (Rs.445.37 crore), Gujarat (Rs.437.64 crore), Rajasthan (Rs.386.75 crore), Punjab (Rs.353.70 crore), Karnataka (Rs.272.32 crore), Kerala (Rs.268.64 crore) and Bihar (Rs.238.69 crore). Nagaland was at the bottom line with net collections at Rs.0.62 crore. Andhra Pradesh, Bihar, Himachal Pradesh, Kerala, Manipur, Punjab, Rajasthan, Uttar Pradesh, West Bengal, Andaman & Nicobar Islands and Delhi had achieved the target of net collections in 1993-94, whereas States like Arunachal Pradesh, Haryana, Madhya Pradesh, Meghalaya, Tamil Nadu and Tripura were very close to the target.

Socio-Economic Indicators

(i) Minor Irrigation Facilities

The total cropped area increased in all the States excepting Lakshadweep over the period 1986-87 and 1992-93. The proportion of area covered by minor irrigation facilities also improved in all the States excepting Assam,

Kerala, Mizoram, Tripura and Pondicherry during the period under review (Table XII-20). In Pondicherry and Uttar Pradesh this proportion was above 50 per cent during 1992-93. Among the States for which the data on wells, tube wells and canals are available, the number of wells was the highest in Tamil Nadu at 16,87,026 followed by Andhra Pradesh (12,83,061), Madhya Pradesh (12,77,000), Rajasthan (12,52,117), Karnataka (4,70,829) and Bihar (1,14,394) in 1992-93. During the same year the number of tube wells was the highest in Uttar Pradesh at 27,42,000 followed by Bihar (8,55,109), Andhra Pradesh (2,17,505), Karnataka (1,29,708), Madhya Pradesh (96,663) and Rajasthan (94,616). The number of canals was higher in major States like Bihar (2,825) and Tamil Nadu (2,292).

(ii) Health Facilities

According to the data on health facilities available for some States/UTs in the two years 1986-87 and 1993-94 (Table XII-21), the number of hospitals moved up in almost all the States/UTs excepting Andhra Pradesh, Kerala, Nagaland, Orissa, Uttar Pradesh and West Bengal. Uttar Pradesh had the highest number of hospitals at 4,816 followed by Gujarat (2,370), Maharashtra (830), Tamil Nadu (416), Madhya Pradesh (396), West Bengal (392), Andhra Pradesh (359), Karnataka (293), Orissa (285), Bihar (240) and Rajasthan (218) in 1993-94. Gujarat had the highest number of dispensaries at 7,248 followed by Andhra Pradesh (2,952), Bihar (2,488), Karnataka (2,127), Tamil Nadu (1,917) and Maharashtra (1,702) in 1993-94. The number of beds increased in all the States/UTs with the exceptions of Arunachal Pradesh, Kerala and Tamil Nadu.

(iii) Educational Institutions and Students' Enrolment in Schools

The data on the number of Schools and students' enrolment in schools (Table XII-22) indicate that the number of primary, middle, secondary/ higher secondary schools increased in all the States/UTs except Karnataka, Kerala, Punjab, Tamil Nadu, Uttar Pradesh, West Bengal and Pondicherry. In Karnataka, Kerala and Pondicherry the number of primary schools declined marginally whereas in Punjab, Tamil Nadu, Uttar Pradesh and West Bengal, the number of middle schools showed a fall. The students' enrolment moved up in all the States/Union Territories at the primary level excepting Andhra Pradesh, Nagaland and Pondicherry. At the middle school level, the enrolment of students improved in all the States/UTs excepting Andhra Pradesh where the enrolment fell from 18,89,000 in 1986-87 to 17,08,000 in 1993-94. Similarly at the secondary/higher secondary school level, the enrolment increased in all the States/UTs excepting Lakshadweep where enrolment declined sharply from 4,762 in 1986-87 to 1,503 in 1993-94.

(iv) Drinking Water Facilities

The number of villages where drinking water facilities are available increased between 1986-87 and 1993-94 in all the States/UTs for which such information was reported, excepting Karnataka and Pondicherry. In Karnataka and Pondicherry, the number of villages where such facilities are available remained unchanged at 26,483 and 291 respectively during the period under review (Table XII-23). In Bihar, Haryana, Himachal Pradesh, Nagaland, Punjab, Delhi and Lakshadweep all the villages were reported to have drinking water facilities during 1993-94. In States like Andhra Pradesh, Gujarat, Jammu & Kashmir, Karnataka, Kerala, Orissa, Rajasthan, Sikkim and Pondicherry, the coverage of villages where drinking water facilities were available was close to the total number of villages in 1992-93. Mizoram had the lowest coverage of villages in regard to the drinking water facilities.

(v) Rural Road Length

The proportion of rural road length improved in all the States/UTs except Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Manipur, Tamil Nadu and Pondicherry between 1986-87 and 1993-94 (Table XII-24). Lakshadweep had 100 per cent rural road length followed by Bihar (96.7 per cent), Orissa (87.2 per cent), Kerala (74.7 per cent), Andhra Pradesh (68.0 per cent) and Madhya Pradesh (67.4 per cent). The rural road length at 2.0 per cent was lowest in Assam in 1993-94.

(vi) Rural Electrification

According to the available data on the number of villages electrified out of total number of villages in the States/UTs during 1986-87 and 1993-94 (Table XII-25) all the villages were electrified during 1993-94 in Haryana, Himachal Pradesh, Kerala, Punjab, Sikkim, Delhi, Lakshadweep and Pondicherry whereas in Andhra Pradesh, Gujarat, Jammu & Kashmir, Karnataka, Madhya Pradesh and Tamil Nadu the coverage of rural electrification was nearer to the 100 per cent level. In Assam, Manipur, Rajasthan, Uttar Pradesh and West Bengal the coverage of rural electrification was above 70 per cent.

(vii) Expenditure on Employment Schemes

The data on expenditure on Employment Schemes for the years 1986-87 and 1993-94 (Table XII-26) indicate that the expenditure on employment schemes increased in all the States/UTs excepting Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Orissa, Punjab, Sikkim and Delhi. Bihar had the highest expenditure on Employment Schemes at Rs.701.32 crore in 1993-94 followed by Maharashtra (Rs.421.00 crore), Kerala (Rs.110.65 crore), Andhra Pradesh (Rs.82.63 crore) and Orissa (Rs.47.63 crore). In Meghalaya, the expenditure was the lowest at Rs.0.10 crore in 1993-94. Similarly the expenditure on Jawahar Rojgar Yojana improved in almost all the States/UTs excepting Jammu & Kashmir, Madhya Pradesh and Delhi. The expenditure was the highest in Bihar at Rs.604.45 crore in 1993-94 followed by Andhra Pradesh (Rs.358.38 crore), Orissa (Rs.195.82 crore), Tamil Nadu (Rs.194.51 crore), Rajasthan (Rs.142.47 crore), Gujarat (Rs.105.33 crore), Assam (Rs.83.57 crore), Kerala (Rs.77.88 crore) and West Bengal (Rs.76.00 crore). The expenditure was the lowest at Rs.0.57 crore in Delhi.

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	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	Compound Growth Rates	Average Growth Rates
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	9.8	15.6	4.7	1.6	1.1	-0.7	4.3	5.4
2.	Arunachal Pradesh	5.5	14.5	6.7	3.5	4.9	N.A.	6.6@	6.4
3.	Assam	5.5	2.0	6.5	4.8	7.0	5.4	5.1	5.2
4.	Bihar	-5.8	13.5	-1.0	8.9	-6.1	1.6	3.1	1.9
5.	Goa	11.0	21.5	4.4	7.5	1.9	1.8	7.2	8.0
6.	Gujarat	-12.5	42.2	-3.4	0.8	-3.9	14.6	8.8	6.3
7.	Haryana	-2.4	25.1	1.6	9.1	1.7	5.1	8.2	6.7
8.	Himachal Pradesh	0.2	8.5	12.0	0.5	-0.7	N.A.	4.9@	4.1
9.	Jammu & Kashmir	-10.9	12.9	-1.4	3.0	3.7	N.A.	4.4@	1.5
10.	Karnataka	7.0	8.1	6.5	0.1	12.4	2.0	5.7	6.0
11.	Kerala	4.3	10.0	6.7	7.7	6.4	7.4	7.7	7.1
12.	Madhya Pradesh	13.8	6.6	0.8	19.2	-7.4	2.5	4.0	5.9
13.	Maharashtra	5.8	10.2	15.8	5.3	-3.5	8.9	7.1	7.1
14.	Manipur	6.0	5.2	4.4	7.3	10.4	N.A.	6.8@	6.7
15.	Meghalaya	9.1	2.0	14.3	11.8	11.4	7.5	9.3	9.4
16.	Nagaland	12.0	7.5	3.9	-0.9	3.2	N.A.	3.4@	5.1
17.	Orissa	-1.4	15.0	7.5	-10.4	11.4	-2.8	3.7	3.2
18.	Punjab	5.2	5.3	8.4	1.8	4.9	4.1	4.9	5.0
19.	Rajasthan	-6.9	41.3	-3.5	16.1	-8.4	N.A.	9.8@	7.7
20.	Sikkim	20.6	6.8	7.0	10.1	N.A.	N.A.	8.0 *	11.1
21.	Tamil Nadu	6.3	4.6	7.5	2.1	3.0	N.A.	4.3@	4.7
22.	Tripura	12.9	9.0	7.3	5.4	N.A.	N.A.	7.2 *	8.7
23.	Uttar Pradesh	4.5	11.0	2.5	5.6	1.4	1.0	4.2	4.3
24.	West Bengal	8.5	4.8	5.0	2.9	5.9	4.3	4.6	5.2
25.	Andaman & Nicobar Islands	6.4	9.0	0.1	-1.7	-8.8	N.A	-0.6@	1.0
26.	Delhi	5.9	9.2	9.2	5.4	7.3	N.A.	7.8@	7.4
27.	Pondicherry	4.8	0.7	2.1	10.9	3.0	1.6	3.6	3.9
	ALL-INDIA	**4.1**	**11.2**	**7.1**	**4.7**	**0.5**	**3.8**	**5.4**	**5.2**

@ Between 1987-88 and 1991-92 * Between 1987-88 and 1990-91 N.A. Not available.

Source : Data obtained from C.S.O. based on data complied by Directorate of Economics & Statistics of respective State Governments.

Table XII-2 : Sectoral Growth Rates, 1991-92 and 1992-93

(Per cent)

Sr. No.	States/Union Territories	Agriculture		Forestry and Logging		Fishing		Mining and Quarrying		Manufacturing	
		1991-92	1992-93	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	10	11	12
1.	Andhra Pradesh	-2.4	-2.1	-2.4	-2.7	-2.2	16.7	24.8	6.4	1.0	-6.1
2.	Arunachal Pradesh	6.5	N.A.	7.7	N.A.	20.1	N.A.	-17.9	N.A.	9.5	N.A.
3.	Assam	3.1	0.8	1.4	2.5	-6.1	2.2	17.5	2.9	3.0	1.6
4.	Bihar	-16.7	0.5	-0.9	-0.9	15.5	-11.2	2.7	3.3	-4.7	-3.7
5.	Goa	-2.4	0.8	6.4	3.6	43.3	16.1	1.3	-5.2	0.2	0.3
6.	Gujarat	-21.9	58.0	3.5	-0.8	0.9	18.6	-6.8	-15.0	-0.4	4.4
7.	Haryana	-0.8	4.0	-11.0	17.1	4.7	-17.0	10.4	8.1	0.1	4.1
8.	Himachal Pradesh	-1.7	N.A.	—	N.A.	17.4	N.A.	1.9	N.A.	-6.4	N.A.
9.	Jammu & Kashmir	1.6	N.A.	-37.9	N.A.	2.7	N.A.	-2.5	N.A.	0.8	N.A.
10.	Karnataka	17.6	-1.0	-1.2	5.4	12.0	0.1	34.5	0.5	12.4	3.2
11.	Kerala	8.0	10.0	-9.0	-9.0	25.0	26.0	12.8	12.9	-1.4	-1.4
12.	Madhya Pradesh	-11.8	5.9	-4.2	-19.9	16.1	6.9	6.5	-3.7	-13.0	-0.5
13.	Maharashtra	-22.1	34.2	0.3	-4.8	-1.4	29.1	10.1	0.5	0.6	1.0
14.	Manipur	11.7	N.A.	1.2	N.A.	17.7	N.A.	—	N.A.	9.5	N.A.
15.	Meghalaya	30.7	12.5	25.1	—	134.6	17.5	-8.5	-21.6	12.4	10.7
16.	Nagaland	7.0	N.A.	11.5	N.A.	16.9	N.A.	—	N.A.	—	N.A.
17.	Orissa	17.6	-11.9	-10.3	5.8	9.6	16.5	18.1	5.6	15.6	5.9
18.	Punjab	6.6	3.9	2.1	-30.6	21.8	19.6	39.5	6.6	6.3	7.4
19.	Rajasthan	-17.7	N.A.	2.7	N.A.	44.9	N.A.	22.5	N.A.	-0.5	N.A.
20.	Tamil Nadu	-3.9	N.A.	-2.8	N.A.	2.7	N.A.	4.5	N.A.	3.7	N.A.
21.	Tripura	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
22.	Uttar Pradesh	2.7	-2.3	0.1	-18.8	8.7	7.2	37.7	-1.0	0.5	3.5
23.	West Bengal	9.7	4.7	-6.9	11.7	7.1	3.4	6.0	-1.3	0.4	-0.6
24.	Andaman & Nicobar Islands	-1.4	N.A.	1.2	N.A.	34.2	N.A.	12.0	N.A.	-13.6	N.A.
25.	Pondicherry	14.6	—	—	—	3.4	5.5	—	—	—	—
26.	Delhi	6.7	N.A.	-3.8	N.A.	—	N.A.	-3.5	N.A.	8.0	N.A.
	ALL-INDIA	**-3.1**	**5.4**	**-1.4**	**-1.4**	**5.2**	**6.2**	**2.7**	**3.8**	**-4.6**	**1.4**

Note: Computed on the basis of data at constant (1980-81) prices.

N.A. Not available

Source: Data obtained from C.S.O. based on data complied by Directorate of Economics & Statistics of respective State Governments.

Table XII-3 : Compound Annual Growth Rates, Major Sector-wise (Period 1987-88 to 1992-93 Based on Data at Constant (1980-81) Prices

(Per cent)

Sr. No.	States/Union Territories	Agriculture	Forestry and Logging	Fishing	Mining and Quarrying	Manufacturing	SDP
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	2.7	24.7	1.3	13.9	2.3	4.3
2.	Arunachal Pradesh @	2.6	16.9	24.7	-19.8	39.5	6.6
3.	Assam	0.6	15.5	-6.5	-4.2	6.9	5.1
4.	Bihar	0.4	9.5	—	8.3	2.8	3.1
5.	Goa	-12.1	14.8	20.3	-3.5	13.8	7.2
6.	Gujarat	21.6	1.1	11.5	10.1	5.5	8.8
7.	Haryana	10.1	1.2	9.7	12.3	5.2	8.2
8.	Himachal Pradesh @	8.1	3.8	7.9	5.6	7.3	4.9
9.	Jammu & Kashmir @	7.8	-12.1	5.0	-15.7	-5.8	4.4
10.	Karnataka	3.4	0.6	7.6	3.2	9.7	5.7
11.	Kerala	8.9	-7.1	26.3	26.0	5.5	7.7
12.	Madhya Pradesh	2.6	-4.1	11.0	13.7	7.5	4.0
13.	Maharashtra	6.0	4.3	9.4	12.8	7.6	7.1
14.	Manipur @	5.1	1.5	19.6	—	8.8	6.8
15.	Meghalaya	9.6	8.7	33.3	16.7	12.3	9.3
16.	Nagaland	5.6	11.5	16.7	—	7.5	3.4
17.	Orissa	-1.6	5.9	9.1	12.9	9.3	3.7
18.	Punjab	4.9	-6.7	22.7	6.6	8.5	4.9
19.	Rajasthan @	14.5	59.1	2.2	6.2	3.3	9.8
20.	Sikkim *	4.5	-28.0	7.7	86.6	-1.8	8.0
21.	Tamil Nadu @	1.8	58.0	1.9	4.7	1.7	4.3
22.	Tripura *	1.1	-10.3	7.6	—	15.1	7.2
23.	Uttar Pradesh	3.2	-12.2	7.2	18.7	4.3	4.2
24.	West Bengal	3.9	-6.1	7.2	0.4	2.9	4.6
25.	Andaman & Nicobar Islands @	-1.9	42.5	12.0	-30.5	-10.2	-0.6
26.	Delhi @	8.6	5.0	—	-6.6	10.6	7.8
27.	Pondicherry	2.7	—	1.6	—	1.0	3.6
	ALL-INDIA	**5.0**	**0.2**	**6.6**	**8.3**	**4.7**	**5.4**

@ Between 1987-88 and 1991-92.
* Between 1987-88 and 1990-91.

Source: Data obtained from C.S.O. based on data complied by Directorate of Economics & Statistics of respective State Governments.

Table XII-4 : Share of Real Output from Agriculture and Manufacturing to SDP

(Per cent)

Sr. No.	States/Union Territories	1991-92		1992-93	
		Agriculture/ SDP	Manufacturing/ SDP	Agriculture/ SDP	Manufacturing/ SDP
1	2	3	4	5	6
1.	Andhra Pradesh	36.4	11.6	35.8	10.9
2.	Arunachal Pradesh	37.1	6.3	N.A.	N.A.
3.	Assam	34.1	13.2	32.6	12.7
4.	Bihar	33.4	17.7	33.1	16.8
5.	Goa	5.2	32.7	5.1	32.2
6.	Gujarat	19.0	27.7	26.2	25.2
7.	Haryana	44.5	19.0	44.0	18.8
8.	Himachal Pradesh	36.0	8.7	N.A.	N.A.
9.	Jammu & Kashmir	37.3	6.1	N.A.	N.A.
10.	Karnataka	34.8	18.5	33.8	18.7
11.	Kerala	33.9	14.2	34.7	13.0
12.	Madhya Pradesh	40.3	16.1	41.7	15.6
13.	Maharashtra	16.0	29.8	19.7	27.7
14.	Manipur	32.7	5.9	N.A.	N.A.
15.	Meghalaya	31.0	4.1	32.5	4.2
16.	Nagaland	21.5	1.8	N.A.	N.A.
17.	Orissa	36.2	11.6	32.8	12.7
18.	Punjab	48.4	16.8	48.3	17.3
19.	Rajasthan	42.4	10.7	N.A.	N.A.
20.	Sikkim	N.A.	N.A.	N.A	N.A
21.	Tamil Nadu	21.6	21.7	N.A.	N.A.
22.	Tripura	N.A.	N.A.	N.A	N.A
23.	Uttar Pradesh	43.7	13.6	42.2	13.9
24.	West Bengal	29.9	24.9	30.1	23.8
25.	Andaman & Nicobar Islands	45.5	8.0	N.A.	N.A.
26.	Delhi	3.4	25.8	N.A	N.A
27.	Pondicherry	7.6	21.1	7.5	20.8
	ALL-INDIA	**29.4**	**19.8**	**29.9**	**19.3**

Note : Computed on the basis of data at constant (1980-81) prices.

NA : Not available

Source: Data obtained from C.S.O. based on data complied by 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	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	6.3	6.5	6.4	6.2	6.2	6.0
2.	Arunachal Pradesh	0.1	0.1	0.1	0.1	0.1	N.A.
3.	Assam	2.3	2.1	2.1	2.1	2.3	2.3
4.	Bihar	5.5	5.6	5.2	5.4	5.1	4.9
5.	Goa	0.3	0.3	0.3	0.3	0.3	0.3
6.	Gujarat	5.0	6.4	5.8	5.5	5.3	5.8
7.	Haryana	2.7	3.0	2.9	3.0	3.0	3.1
8.	Himachal Pradesh	0.6	0.6	0.6	0.6	0.6	N.A.
9.	Jammu & Kashmir	0.7	0.7	0.7	0.7	0.7	N.A.
10.	Karnataka	5.2	5.1	5.1	4.8	5.4	5.3
11.	Kerala	2.7	2.7	2.7	2.8	2.9	3.1
12.	Madhya Pradesh	5.8	5.6	5.2	6.0	5.5	5.4
13.	Maharashtra	13.2	13.1	14.1	14.2	13.6	14.3
14.	Manipur	0.2	0.2	0.2	0.2	0.2	N.A.
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	N.A.
17.	Orissa	2.6	2.7	2.7	2.3	2.5	2.4
18.	Punjab	4.2	4.0	4.1	4.0	4.1	4.2
19.	Rajasthan	3.5	4.4	4.0	4.4	4.0	N.A.
20.	Sikkim	0.1	0.1	0.1	0.1	N.A.	N.A.
21.	Tamil Nadu	6.5	6.1	6.1	6.0	6.1	N.A.
22.	Tripura	0.2	0.2	0.2	0.2	N.A.	N.A.
23.	Uttar Pradesh	12.2	12.2	11.6	11.7	11.8	11.5
24.	West Bengal	7.6	7.2	7.1	6.9	7.3	7.3
25.	Andaman & Nicobar Islands	0.1	0.1	0.1	0.1	0.1	N.A.
26.	Delhi	2.3	2.3	2.4	2.4	2.5	N.A.
27.	Pondicherry	0.2	0.2	0.1	0.2	0.2	0.2
	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 the Area Under High Yielding Varieties.

(Lakh hectares)

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	41.59	34.18	44.67	48.38	45.25	46.84
2.	Arunachal Pradesh	0.08	0.09	0.15	0.24	0.35	0.40
3.	Assam	11.58	10.66	11.76	13.63	10.88	12.26
4.	Bihar	54.78	58.00	40.27	34.64	35.40	37.00
5.	Goa	0.38	0.42	0.43	0.44	0.48	0.47
6.	Gujarat	20.74	12.92	28.02	26.57	25.73	23.17
7.	Haryana	27.00	23.60	26.73	27.06	26.93	25.98
8.	Himachal Pradesh	5.01	4.32	5.22	5.28	5.39	5.61
9.	Jammu & Kashmir	5.47	5.30	5.74	6.32	4.18	4.19
10.	Karnataka	21.63	18.35	20.76	20.58	31.65	33.40
11.	Kerala	4.17	3.53	1.60	1.56	1.63	1.66
12.	Madhya Pradesh	41.41	49.29	58.40	58.04	69.77	67.75
13.	Maharashtra	57.40	66.02	67.66	73.16	76.29	70.86
14.	Manipur	0.96	0.93	0.94	1.06	0.90	0.92
15.	Meghalaya	0.45	0.50	0.51	0.51	0.51	0.56
16.	Mizoram	0.08	0.08	0.10	0.13	0.10	0.29
17.	Nagaland	0.23	0.25	0.32	0.35	0.39	0.41
18.	Orissa	18.95	18.28	21.46	23.86	26.13	28.06
19.	Punjab	50.42	47.60	49.71	51.82	53.77	53.68
20.	Rajasthan	29.48	20.48	31.46	28.27	30.74	28.02
21.	Sikkim	0.39	0.41	0.46	0.46	0.48	0.40
22.	Tamil Nadu	26.01	27.83	24.57	25.58	26.64	31.70
23.	Tripura	1.55	1.77	1.86	1.93	2.13	2.14
24.	Uttar Pradesh	114.94	105.08	125.55	127.48	137.33	133.36
25.	West Bengal	26.41	30.59	30.90	33.44	35.76	37.10
26.	Andaman & Nicobar Islands	N.A.	N.A.	0.08	0.08	0.07	0.07
27.	Chandigarh	0.02	N.A.	N.A.	0.02	0.02	0.02
28.	Dadra & Nagar Haveli	-	0.07	0.07	0.08	0.08	0.12
29.	Daman & Diu	N.A.	N.A.	N.A.	0.03	0.02	0.03
30.	Delhi	0.61	0.48	0.59	0.40	0.57	0.51
31.	Pondicherry	N.A.	N.A.	0.26	0.26	0.27	0.26
TOTAL		**561.74**	**541.03**	**600.25**	**611.66**	**649.84**	**647.24**

N.A. : Not Available.

Source: Ministry of Agriculture, Govt. of India.

Table XII-7 : Per Hectare State-wise Consumption of Fertilisers (N+P+K) 1987-88 to 1993-94

(Kg./Ha.)

STATE	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
1	2	3	4	5	6	7	8
1. Andhra Pradesh	79.54	103.06	115.58	122.78	119.94	114.77	121.43
2. Arunachal Pradesh	1.34	1.54	1.59	1.79	1.90	2.02	2.33
3. Assam	6.43	6.97	6.30	9.92	9.36	6.98	7.77
4. Bihar	47.06	57.82	54.14	57.08	57.58	56.82	56.69
5. Goa	35.57*	39.56*	36.88	51.60	50.21	45.95	38.13
6. Gujarat	42.59	61.97	64.50	68.18	70.77	69.16	66.77
7. Haryana	84.06	84.69	94.78	99.05	107.65	102.83	120.86
8. Himachal Pradesh	25.89	30.82	33.69	35.16	34.27	31.10	28.72
9. Jammu & Kashmir	37.08	51.81	44.74	39.96	45.06	41.66	56.50
10. Karnataka	45.60	67.68	64.31	70.83	77.02	66.35	68.10
11. Kerala	62.93	72.20	70.37	80.92	74.33	67.21	63.73
12. Madhya Pradesh	22.39	30.13	30.05	34.02	33.91	33.21	31.73
13. Maharashtra	37.67	45.42	54.91	60.25	57.81	51.77	56.80
14. Manipur	33.69	38.44	37.52	45.63	49.04	50.88	53.38
15. Meghalaya	13.55	12.81	11.86	10.90	13.72	12.29	13.80
16. Mizoram	3.05	4.74	6.86	11.19	10.92	16.20	15.72
17. Nagaland	0.88	1.51	3.46	5.30	3.37	3.53	5.18
18. Orissa	16.68	17.63	21.68	20.08	20.43	21.15	23.34
19. Punjab	151.72	151.00	154.36	159.67	165.91	159.87	166.78
20. Rajasthan	16.14	16.21	15.95	19.14	22.75	25.31	27.14
21. Sikkim	13.02	12.94	11.03	10.11	10.39	7.21	7.31
22. Tamil Nadu	100.92	119.14	114.65	125.29	126.54	120.55	131.71
23. Tripura	19.91	20.04	21.88	20.72	23.58	20.06	22.38
24. Uttar Pradesh	65.39	84.58	82.53	87.95	88.25	85.55	93.26
25. West Bengal	66.98	76.47	79.55	86.93	87.22	84.42	85.78
TOTAL	**51.13**	**61.30**	**63.49**	**67.64**	**68.62**	**65.53**	**69.19**

* Including Daman and Diu.

Note: Figures from 1990-91 onwards are estimated.

Source: Ministry of Agriculture, Fertiliser Division, New Delhi.

Table XII-8 : Some Indicators of Industrial Sector

(Value in Rs. crore)

Sr. No.	States/Union Territories	No. of Factories		No of Employees		Fixed Capital		Value of output		Net Value Added	
		1985-86	1989-90	1985-86	1989-90	1985-86	1989-90	1985-86	1989-90	1985-86	1989-90
1	2	3	4	5	6	7	8	9	10	11	12
1	Andhra Pradesh	12746	16007	660482	816613	3614	7576	7335	13653	1262	2180
2	Assam	1885	1585	117280	122063	485	974	1787	2981	459	749
3	Bihar	4988	3491	343417	363869	5286	6706	6521	11343	1252	2634
4	Goa	238*	207	16032*	17314	164*	242	491*	926	105*	174
5	Gujarat	10305	10881	665746	707150	5310	9521	13424	24080	2152	3702
6	Haryana	3026	3162	236504	241884	1947	3157	4050	8023	683	1176
7	Himachal Pradesh	252	284	37109	52570	705	988	481	879	180	257
8	Jammu & Kashmir	371	228	40859	13027	277	56	267	386	56	51
9	Karnataka	5456	5724	376197	415072	2291	4023	4788	10105	1172	2184
10	Kerala	3104	3422	233088	259238	1568	2293	3082	5906	676	1427
11	Madhya Pradesh	4009	3489	345498	414183	5459	8688	5761	12206	1364	2383
12	Maharashtra	14970	15489	1199825	1224122	9390	18867	27089	49816	6022	9962
13	Manipur	43	40	1125	356	1	1	2	1	1	1
14	Meghalaya	34	31	1904	5508	13	200	14	29	1	10
15	Nagaland	N.A.	55	N.A.	1900	N.A.	9	N.A.	28	N.A.	5
16	Orissa	1467	1405	151995	159278	1602	5031	2037	4763	337	1133
17	Punjab	5710	6136	312523	401632	2750	5043	5155	12179	748	2148
18	Rajasthan	2966	3089	216701	259980	2859	4076	3605	7196	636	1166
19	Tamil Nadu	12429	13800	856217	938970	5155	9414	12973	24067	2402	4719
20	Tripura	225	322	12054	15534	11	71	30	48	7	8
21	Uttar Pradesh	7550	9862	682842	797101	5980	11791	8817	22123	1386	4188
22	West Bengal	5619	5384	806434	738028	4688	7362	9542	14062	1950	2310
23	Andaman & Nicobar Islands	41	52	5537	5377	8	8	24	32	6	2
24	Dadra & Nagar Haveli	N.A.	126	N.A.	5954	N.A.	103	N.A.	718	N.A.	48
25	Pondicherry	125	211	6783	18421	39	161	54	419	11	67
26	Chandigarh	271	284	12295	12525	22	36	154	807	31	63
27	Daman & Diu	—	41	—	1758	—	10	—	52	—	6
28	Delhi	3186	3185	133068	133123	462	522	2674	4232	371	619
	ALL-INDIA	**101016**	**107992**	**7471515**	**8142550**	**60085**	**106928**	**120155**	**230659**	**23266**	**43373**

*Also includes Daman & Diu.

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	
	1985-86	1990-91	1985-86	1990-91	1985-86	1990-91	1985-86	1990-91	1985-86	1990-91
1	2	3	4	5	6	7	8	9	10	11
1. Andhra Pradesh	1.11	1.67	0.55	0.93	0.49	0.55	0.17	0.16	2.86	3.48
2. Assam	1.52	2.44	0.41	0.80	0.27	0.33	0.26	0.25	1.06	1.30
3. Bihar	1.90	3.12	1.54	1.84	0.81	0.59	0.19	0.23	4.22	2.55
4. Goa	3.06	5.35	1.02	1.40	0.33	0.26	0.21	0.19	1.56	1.39
5. Gujarat	2.02	3.41	0.80	1.35	0.40	0.40	0.16	0.15	2.47	2.57
6. Haryana	1.71	3.32	0.82	1.31	0.48	0.39	0.17	0.15	2.85	2.68
7. Himachal Pradesh	1.30	1.67	1.90	1.88	1.47	1.12	0.37	0.29	3.92	3.84
8. Jammu & Kashmir	0.65	2.96	0.68	0.43	1.04	0.15	0.21	0.13	4.95	1.10
9. Karnataka	1.27	2.43	0.61	0.97	0.48	0.40	0.24	0.22	1.95	1.84
10. Kerala	1.32	2.28	0.67	0.88	0.51	0.39	0.22	0.24	2.32	1.61
11. Madhya Pradesh	1.67	2.95	1.58	2.10	0.95	0.71	0.24	0.20	4.00	3.65
12. Maharashtra	2.26	4.07	0.78	1.54	0.35	0.38	0.22	0.20	1.56	1.89
13. Manipur	0.18	0.28	0.09	0.28	0.50	1.00	0.50	1.00	1.00	1.00
14. Meghalaya	0.74	0.53	0.68	3.63	0.93	6.10	0.07	0.34	13.00	20.00
15. Nagaland	N.A.	1.47	N.A.	0.47	N.A.	0.32	N.A.	0.18	N.A.	1.80
16. Orissa	1.34	2.99	1.05	3.16	0.79	1.06	0.17	0.24	4.75	4.44
17. Punjab	1.65	3.03	0.88	1.26	0.53	0.41	0.15	0.18	3.68	2.35
18. Rajasthan	1.66	2.77	1.32	1.57	0.79	0.57	0.18	0.16	4.50	3.50
19. Tamil Nadu	1.52	2.56	0.60	1.00	0.40	0.39	0.19	0.20	2.15	1.99
20. Tripura	0.25	0.31	0.09	0.46	0.37	1.48	0.23	0.17	1.57	8.88
21. Uttar Pradesh	1.29	2.78	0.88	1.48	0.68	0.53	0.16	0.19	4.31	2.82
22. West Bengal	1.18	1.91	0.58	1.00	0.49	0.52	0.20	0.16	2.40	3.19
23. Andaman & Nicobar Islands	0.43	0.60	0.14	0.15	0.33	0.25	0.25	0.06	1.33	4.00
24. Dadra & Nagar Haveli	—	12.06	N.A.	1.73	N.A.	0.14	N.A.	0.07	N.A.	2.15
25. Chandigarh	1.25	6.44	0.18	0.29	0.14	0.04	0.20	0.08	0.71	0.57
26. Delhi	2.01	3.18	0.35	0.39	0.17	0.12	0.14	0.15	1.25	0.84
27. Daman & Diu	—	2.96	N.A.	0.57	—	0.19	—	0.12	—	1.67
28. Pondicherry	0.80	2.27	0.57	0.87	0.72	0.38	0.20	0.16	3.55	2.40
ALL-INDIA	**1.61**	**2.83**	**0.80**	**1.31**	**0.50**	**0.46**	**0.19**	**0.19**	**2.58**	**2.47**

* In Rs. lakhs.

Source : Computed on the basis of the data presented in the Annual Survey 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 1989				As on the last Friday of March 1994			
	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	**8773**	**3297408**	**1785943**	**54.2**	**9486**	**6776587**	**4022755**	**59.4**
Haryana	1241	289084	182729	63.2	1312	594821	299086	50.3
Himachal Pradesh	651	103516	36052	34.8	754	218755	62456	28.6
Jammu & Kashmir	739	137608	65161	47.4	791	272447	124504	45.7
Punjab	2079	765666	332435	43.4	2206	1485289	624476	42.0
Rajasthan	2856	386337	243165	62.9	3138	863020	424671	49.2
Chandigarh	111	115286	68307	59.3	120	225104	188587	83.8
Delhi	1096	1499911	858094	57.2	1165	3117148	2298972	73.8
II. North-Eastern Region	**1609**	**252063**	**127868**	**50.7**	**1887**	**466233**	**183451**	**39.3**
Arunachal Pradesh	57	9124	1910	20.9	68	22559	2960	13.1
Assam	1069	166242	94804	57.0	1226	306588	131103	42.8
Manipur	63	8311	4849	58.3	85	12612	9097	72.1
Meghalaya	141	26091	5949	22.8	178	53485	8395	15.7
Mizoram	61	6121	1781	29.1	77	11758	2411	20.5
Nagaland	68	15514	6571	42.4	71	23517	9762	41.5
Tripura	150	20660	12004	58.1	182	35711	19719	55.2
III. Eastern Region	**10168**	**2359045**	**1249293**	**53.0**	**11388**	**4464656**	**1997772**	**44.7**
Bihar	4441	709162	280486	39.6	4910	1256445	453450	36.1
Orissa	1864	190393	167044	87.7	2144	399544	243618	61.0
Sikkim	26	6951	2129	30.6	40	12727	2798	22.0
West Bengal	3818	1448441	798139	55.1	4265	2786449	1296136	46.5
Andaman & Nicobar Islands	19	4098	1495	36.5	29	9489	1769	18.6
IV. Central Region	**11996**	**2065121**	**1083379**	**52.5**	**13047**	**4058388**	**1717536**	**42.3**
Madhya Pradesh	4054	566189	379547	67.0	4439	1096441	614229	56.0
Uttar Pradesh	7942	1498932	703832	47.0	8608	2961946	1103307	37.2
V. Western Region	**8812**	**3688119**	**2655595**	**72.0**	**9465**	**9220073**	**5319468**	**57.7**
Goa	255	114890	38646	33.6	264	234156	59759	25.5
Gujarat	3253	870903	524200	60.2	3460	1915715	886792	46.2
Maharashtra	5287	2697149	2091137	77.5	5724	7055766	4370491	61.9
Dadra & Nagar Haveli	7	1143	679	59.4	7	3833	787	20.5
Daman & Diu	10	4034	933	23.1	10	10601	1636	15.4
VI. Southern Region	**15602**	**3027294**	**2698774**	**89.1**	**16579**	**6805812**	**4760675**	**70.0**
Andhra Pradesh	4421	795632	684149	86.0	4749	1658027	1185370	71.5
Karnataka	4130	706629	685799	97.1	4364	1529808	1072811	70.1
Kerala	2799	564293	367890	65.2	2948	1446138	641287	44.3
Tamil Nadu	4179	936970	947921	101.2	4438	2118726	1839312	86.8
Lakshadweep	6	648	118	18.2	8	1530	143	9.3
Pondicherry	67	23122	12897	55.8	72	51581	21750	42.2
ALL-INDIA	**56960**	**14689050**	**9600852**	**65.4**	**61852**	**31791750**	**18001659**	**56.6**

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	
		1989	1994	1989	1994
1	2	3	4	5	6
1.	Andhra Pradesh	1.80	3.49	1.55	2.50
2.	Arunachal Pradesh	1.60	3.32	0.34	0.44
3.	Assam	1.56	2.50	0.89	1.07
4.	Bihar	1.60	2.56	0.63	0.92
5.	Goa	4.51	8.87	1.52	2.26
6.	Gujarat	2.68	5.54	1.61	2.56
7.	Haryana	2.33	4.53	1.47	2.28
8.	Himachal Pradesh	1.59	2.90	0.55	0.83
9.	Jammu & Kashmir	1.86	3.44	0.88	1.57
10.	Karnataka	1.71	3.51	1.66	2.46
11.	Kerala	2.02	4.91	1.31	2.18
12.	Madhya Pradesh	1.40	2.47	0.94	1.38
13.	Maharashtra	5.10	12.33	3.96	7.64
14.	Manipur	1.32	1.48	0.77	1.07
15.	Meghalaya	1.85	3.00	0.42	0.47
16.	Mizoram	1.00	1.53	0.29	0.31
17.	Nagaland	2.28	3.31	0.97	1.37
18.	Orissa	1.02	1.86	0.90	1.14
19.	Punjab	3.68	6.73	1.60	2.83
20.	Rajasthan	1.35	2.75	0.85	1.35
21	Sikkim	2.67	3.18	0.82	0.70
22.	Tamil Nadu	2.24	4.77	2.27	4.14
23.	Tripura	1.38	1.96	0.80	1.08
24.	Uttar Pradesh	1.89	3.44	0.89	1.28
25.	West Bengal	3.79	6.53	2.09	3.04
26.	Andaman & Nicobar Islands	2.16	3.27	0.79	0.61
27.	Chandigarh	10.39	18.76	6.15	15.72
28.	Dadra & Nagar Haveli	1.63	5.48	0.97	1.12
29.	Daman & Diu	4.03	10.60	0.93	1.64
30.	Delhi	13.69	26.76	7.83	19.73
31.	Lakshadweep	1.08	1.91	0.20	0.18
32.	Pondicherry	3.45	7.16	1.92	3.02
	ALL-INDIA	2.58	5.14	1.69	2.91

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		Rural/Total Deposits		Rural/Total Credit	
	1989	1994	1989	1994	1989	1994
1	2	3	4	5	6	7
I. Northern Region	**55.9**	**55.8**	**15.3**	**16.1**	**12.9**	**11.8**
Haryana	58.8	57.3	23.9	26.6	26.7	27.9
Himachal Pradesh	88.0	88.2	67.2	69.8	68.5	70.2
Jammu & Kashmir	72.0	72.6	31.1	33.9	17.2	14.6
Punjab	54.5	53.6	28.2	29.2	23.6	34.0
Rajasthan	64.6	65.1	20.3	22.8	25.6	25.5
Chandigarh	11.7	10.0	2.1	2.3	1.3	0.8
Delhi	6.7	5.7	1.7	1.7	0.6	0.3
II. North-Eastern Region	**70.4**	**73.5**	**23.9**	**28.2**	**30.6**	**36.3**
Arunachal Pradesh	98.2	98.5	97.8	98.6	99.1	99.3
Assam	69.2	70.6	22.2	25.5	28.6	33.9
Manipur	57.1	67.1	10.2	16.6	26.4	31.6
Meghalaya	71.6	75.3	15.3	19.0	34.2	38.1
Mizoram	86.9	88.3	25.0	25.1	33.6	40.1
Nagaland	64.7	64.8	18.2	20.3	20.8	23.3
Tripura	68.0	70.9	25.4	31.5	40.7	50.0
III. Eastern Region	**66.1**	**68.4**	**16.6**	**19.1**	**18.1**	**21.1**
Bihar	73.9	75.6	26.2	32.2	36.9	42.2
Orissa	75.4	76.4	25.6	30.4	32.6	36.5
Sikkim	84.6	80.0	23.4	32.5	26.9	33.0
West Bengal	52.5	56.1	10.7	11.4	8.5	10.7
Andaman & Nicobar Islands	57.9	55.2	22.5	24.7	22.6	29.1
IV. Central Region	**67.5**	**68.0**	**23.9**	**27.8**	**25.4**	**27.3**
Madhya Pradesh	69.3	69.8	19.8	22.7	22.7	22.3
Uttar Pradesh	66.6	67.1	25.4	29.6	26.9	30.2
V. Western Region	**46.1**	**46.6**	**7.8**	**6.9**	**7.1**	**6.2**
Goa	60.4	58.3	30.8	31.7	20.9	19.9
Gujarat	49.2	49.4	14.9	15.7	14.8	17.7
Maharashtra	43.6	44.3	4.5	3.6	4.9	3.7
Dadra & Nagar Haveli	100.0	100.0	100.0	36.2	100.0	100.0
Daman & Diu	10.0	10.0	2.8	3.3	3.4	2.8
VI. Southern Region	**46.5**	**46.0**	**14.2**	**13.8**	**16.2**	**15.6**
Andhra Pradesh	57.5	56.8	17.8	16.3	22.0	20.9
Karnataka	54.5	54.7	17.1	17.3	18.5	18.9
Kerala	21.8	18.6	9.0	8.0	10.2	9.3
Tamil Nadu	43.4	44.1	12.2	12.4	12.5	12.5
Lakshadweep	100.0	100.0	99.2	100.0	100.0	100.0
Pondicherry	41.8	38.9	15.6	16.0	18.4	15.5
ALL-INDIA	**56.5**	**57.2**	**14.8**	**15.0**	**14.6**	**13.9**

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 1989 and 1994			Credit Deposit Ratio as on last Friday of	
	No.of Offices	Bank Deposits	Bank Credit	March 1989	March 1994
1	2	3	4	5	6
I. Northern Region	**8.0**	**116.6**	**105.7**	**45.8**	**43.5**
Haryana	3.0	128.7	71.4	70.5	52.8
Himachal Pradesh	16.1	119.4	77.5	35.5	28.7
Jammu & Kashmir	7.9	116.3	62.0	26.2	19.6
Punjab	4.3	100.7	171.1	36.3	49.0
Rajasthan	10.7	151.4	74.3	79.4	55.1
Chandigarh	-7.7	118.7	69.8	36.5	28.4
Delhi	-9.6	104.1	44.1	18.8	13.3
II. North-Eastern Region	**22.5**	**118.5**	**70.2**	**65.0**	**50.6**
Arunachal Pradesh	19.6	149.2	55.3	21.2	13.2
Assam	19.7	112.0	64.4	73.5	57.0
Manipur	58.3	146.2	124.9	151.4	137.7
Meghalaya	32.7	153.7	57.3	50.8	31.5
Mizoram	28.3	92.6	61.6	39.1	32.8
Nagaland	4.5	69.1	65.8	48.6	47.6
Tripura	26.5	114.3	101.7	92.9	87.5
III. Eastern Region	**15.8**	**117.6**	**85.9**	**57.9**	**49.5**
Bihar	13.0	118.3	85.1	55.8	47.3
Orissa	16.5	149.0	63.5	111.7	73.3
Sikkim	45.5	154.8	60.9	35.3	22.3
West Bengal	19.4	106.4	105.5	43.9	43.7
Andaman & Nicobar Islands	45.5	153.8	52.1	36.6	21.9
IV. Central Region	**9.6**	**128.5**	**70.5**	**55.9**	**41.3**
Madhya Pradesh	10.3	122.2	58.5	76.9	54.9
Uttar Pradesh	9.2	130.4	76.0	49.7	37.9
V. Western Region	**8.4**	**120.8**	**75.6**	**65.7**	**52.3**
Goa	—	109.8	46.9	22.8	16.0
Gujarat	6.9	132.1	101.6	60.1	52.2
Maharashtra	10.1	110.8	58.6	84.3	63.4
Dadra & Nagar Haveli	—	235.3	15.9	59.4	20.5
Daman & Diu	—	202.6	43.8	28.1	13.3
VI. Southern Region	**5.1**	**118.5**	**70.4**	**101.1**	**78.9**
Andhra Pradesh	6.0	104.9	64.0	106.7	85.5
Karnataka	6.0	118.9	59.6	105.2	76.7
Kerala	-10.1	128.2	58.9	74.0	51.5
Tamil Nadu	7.7	130.2	94.2	103.6	87.4
Lakshadweep	33.3	136.1	21.2	18.2	9.3
Pondicherry	—	128.7	41.6	65.7	40.7
ALL-INDIA	**9.9**	**120.5**	**79.5**	**64.5**	**52.5**

Table XII-14 : State-Wise Share of Priority Sector Advances Relating to Scheduled Commercial Banks in Total Bank Credit

(Per cent)

States/Union Territories	Share of Priority Sector Advances in Total Bank Credit		
	March 1991	March 1992	March 1993
1	2	3	4
I. Northern Region	**31.43**	**31.20**	**26.78**
Haryana	63.19	63.50	59.78
Himachal Pradesh	55.34	57.91	53.20
Jammu & Kashmir	31.69	41.44	37.94
Punjab	58.63	56.40	52.77
Rajasthan	53.20	53.11	49.17
Chandigarh	28.88	29.44	31.27
Delhi	13.25	12.65	10.49
II. North-Eastern Region	**51.88**	**53.65**	**53.85**
Arunachal Pradesh	73.68	68.42	46.15
Assam	48.11	51.42	51.65
Manipur	66.18	65.79	64.71
Meghalaya	56.06	53.52	57.14
Mizoram	65.22	50.00	63.16
Nagaland	62.20	64.77	64.95
Tripura	63.46	61.26	62.20
Sikkim	45.00	35.71	31.03
III. Eastern Region	**36.24**	**36.78**	**35.77**
Bihar	60.82	61.22	61.00
Orissa	50.96	53.44	52.51
West Bengal	25.38	25.71	24.86
Andaman & Nicobar Islands	40.00	38.10	43.48
IV. Central Region	**52.77**	**53.12**	**53.67**
Madhya Pradesh	50.56	52.08	51.03
Uttar Pradesh	54.03	53.70	55.16
V. Western Region	**23.38**	**22.68**	**20.64**
Goa	36.70	29.88	25.99
Gujarat	38.07	38.57	35.64
Maharashtra	19.71	19.02	17.37
Dadra & Nagar Haveli	37.50	55.56	62.50
Daman & Diu	78.57	92.86	86.67
VI. Southern Region	**40.46**	**39.97**	**39.43**
Andhra Pradesh	45.28	44.90	43.14
Karnataka	41.23	41.54	39.99
Kerala	42.98	43.04	39.40
Tamil Nadu	36.10	43.06	36.66
Pondicherry	40.46	43.18	43.30
Lakshadweep	50.00	50.00	100.00
ALL-INDIA	**34.56**	**34.24**	**32.08**

Table XII-15 : Priority Sector Advances for Agriculture and Allied Activities-Direct Finance - March 1993

(Rs. crore)

States/Union Territories	Direct Finance for Agriculture and Allied Activities	Total Bank Credit	Percentage of Direct Finance for Agriculture and allied activities to Total Bank Credit
1	2	3	4
I. Northern Region	**3462**	**35259**	**9.82**
Haryana	779	2663	29.25
Himachal Pradesh	89	562	15.84
Jammu & Kashmir	46	962	4.78
Punjab	1331	5310	25.07
Rajasthan	974	3811	25.56
Chandigarh	146	1001	14.59
Delhi	97	20950	0.46
II. North-Eastern Region	**245**	**1636**	**14.98**
Arunachal Pradesh	6	26	23.08
Assam	158	1183	13.36
Manipur	9	85	10.59
Meghalaya	12	70	17.14
Mizoram	3	19	15.79
Nagaland	27	97	27.84
Tripura	26	127	20.47
Sikkim	4	29	13.79
III. Eastern Region	**1943**	**18201**	**10.68**
Bihar	921	3836	24.01
Orissa	402	2154	18.66
West Bengal	618	12188	5.07
Andaman & Nicobar Islands	2	23	8.70
IV. Central Region	**3513**	**15402**	**22.81**
Madhya Pradesh	1291	5550	23.26
Uttar Pradesh	2222	9852	22.55
V. Western Region	**2732**	**48777**	**5.60**
Goa	36	608	5.92
Gujarat	999	8372	11.93
Maharashtra	1695	39774	4.26
Dadra & Nagar Haveli	1	8	12.50
Daman & Diu	1	15	6.67
VI. Southern Region	**7054**	**42029**	**16.78**
Andhra Pradesh	2272	10525	21.59
Karnataka	1538	9581	16.05
Kerala	787	5474	14.38
Tamil Nadu	2422	16254	14.90
Pondicherry	35	194	18.04
Lakshadweep	0	1	
ALL-INDIA	**18949**	**161304**	**11.75**

Table XII-16 : State-wise Financial Assistance Sanctioned and Disbursed by All-India Financial Institutions# and IDBI

(Rs. crore)

States/Union Territories	ALL-INDIA FINANCIAL INSTITUTIONS								INDUSTRIAL DEVELOPMENT BANK OF INDIA							
	1988-89		1991-92		1992-93		Cumulative upto end-March 1993		1988-89		1991-92		1992-93		Cumulative upto end-March 1993	
	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	1130.0	820.0	1468.5	1472.8	1770.5	1340.1	10609.9	7809.7	517.8	365.7	579.2	606.3	812.2	612.7	5271.6	4054.2
2. Arunachal Pradesh	0.8	0.4	0.5	1.4	1.4	1.1	21.0	18.2	0.8	0.4	0.1	0.8	0.4	0.7	14.6	12.6
3. Assam	65.1	45.9	120.9	125.3	107.0	92.6	890.7	646.8	46.4	36.0	33.3	56.4	17.5	50.8	467.9	399.3
4. Bihar	227.9	154.1	475.3	319.2	547.0	430.9	3257.8	2244.7	155.7	84.3	313.5	123.3	150.0	225.1	1543.8	990.0
5. Goa	92.0	45.0	135.7	110.5	111.6	94.3	1006.7	755.8	60.7	33.8	53.9	49.4	42.7	27.7	569.0	434.4
6. Gujarat	1707.7	1101.3	2649.0	1698.6	3395.4	2369.6	18377.3	12494.9	815.0	574.0	931.2	557.4	1073.2	1069.9	7620.9	5645.5
7. Haryana	239.9	184.5	479.3	355.8	828.6	409.1	3769.9	2526.2	151.3	112.3	189.7	139.3	246.6	136.4	1807.9	1284.5
8. Himachal Pradesh	124.2	75.7	324.2	130.5	259.7	286.9	1636.7	973.2	85.5	54.8	70.1	52.6	79.0	172.5	803.6	596.6
9. Jammu & Kashmir	66.9	50.6	39.0	40.9	10.4	11.9	545.8	452.0	64.3	47.9	4.6	13.9	3.7	4.0	375.7	316.6
10. Karnataka	514.7	402.4	1209.9	705.1	1638.2	920.8	8134.3	5719.5	349.8	282.7	351.0	252.2	568.3	343.7	3818.8	2831.6
11. Kerala	215.7	153.3	357.7	264.4	420.2	288.6	2571.8	1967.3	173.0	124.0	144.6	111.6	175.4	113.5	1572.0	1195.6
12. Madhya Pradesh	849.8	509.8	951.1	694.4	1411.8	873.8	7344.3	4846.3	380.3	272.9	379.7	313.6	510.7	360.6	3433.7	2440.3
13. Maharashtra	1996.4	1511.8	5772.7	3972.1	7811.5	5297.9	32551.3	22295.6	707.2	559.5	1319.5	1040.0	2051.8	1137.7	10206.1	6836.4
14. Manipur	8.5	3.5	3.0	4.4	1.5	1.4	42.4	36.1	4.5	3.5	0.1	1.0	-	-	32.3	25.9
15. Meghalaya	15.2	11.8	7.7	4.9	2.2	1.7	92.7	78.9	12.1	9.3	5.9	2.6	0.3	0.2	72.2	59.9
16. Mizoram	7.1	5.7	1.6	1.8	1.1	0.4	33.6	29.3	7.1	5.7	-	0.4	1.0	0.3	28.5	24.2
17. Nagaland	7.2	5.4	6.1	2.6	1.4	3.8	44.1	41.8	5.7	4.4	4.0	1.1	0.1	2.7	31.2	29.4
18. Orissa	396.7	214.9	267.7	315.2	469.9	290.2	3150.0	2310.0	235.8	150.0	108.2	137.5	241.0	145.2	1755.0	1347.4
19. Punjab	472.8	270.0	431.3	341.4	625.1	379.1	3823.2	2798.3	259.4	148.9	163.8	129.6	227.1	101.6	1875.9	1315.2
20. Rajasthan	759.7	223.6	774.2	552.1	1130.4	1005.4	5987.1	4066.1	490.7	146.6	219.7	226.2	617.2	508.0	2966.8	2058.0
21. Sikkim	3.5	1.7	2.7	4.5	1.4	1.2	34.6	30.1	3.5	1.7	0.2	2.5	-	-	24.9	20.9
22. Tamil Nadu	1147.2	724.2	2032.2	1211.8	2172.5	1469.0	12891.9	9151.4	646.5	482.6	678.5	416.0	767.3	554.0	5893.1	4378.1
23. Tripura	4.4	3.0	2.5	1.9	1.4	1.0	38.1	28.2	4.4	2.9	0.1	-	-	-	27.1	20.0
24. Uttar Pradesh	1428.9	868.6	1219.4	1087.8	1537.5	963.1	11434.2	8004.9	685.2	468.8	416.3	376.4	610.0	432.1	5767.1	4102.2
25. West Bengal	460.2	449.9	2001.8	494.2	1205.8	619.0	7968.5	4664.0	260.7	299.3	695.4	210.4	614.6	225.4	3496.5	2062.7
26. Union Territories	380.0	234.4	996.7	800.5	1379.5	712.6	4692.9	3148.5	163.4	113.5	298.7	292.6	229.5	113.2	1451.7	1083.7
TOTAL	**12322.5**	**8071.5**	**21732.4**	**14714.1**	**29326.1**	**20147.3**	**143436.0**	**99419.9**	**6286.8**	**4385.5**	**6961.3**	**5113.1**	**9039.6**	**6338.0**	**60928.3***	**43565.5**

S - Sanctioned. D - Disbursed.

* - Includes assistance of Rs.37 lakhs sanctioned to Bhutan.

@ - Includes assistance of Rs.29 lakhs disbursed to Bhutan.

The expression All-India Financial Institutions (AIFI) refer to All-India Development Banks (AIDBs) viz. IDBI, IFCI, ICICI, SIDBI, IRBI and SCICI, Specialised Financial Institutions viz. RCTC, TDICI and TFCI and investment institutions viz. LIC,UTI & GIC.

Source: IDBI Report on Development Banking in India, 1992-93.

Table XII-17 : State-wise Share of Financial Assistance Sanctioned and Disbursed by All-India Financial Institutions

(Per cent)

States/Union Territories	1988-89		1991-92		1992-93		Cumulative upto end-March 1993	
	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9
1 Andhra Pradesh	9.17	10.16	6.78	10.01	6.04	6.65	7.40	7.86
2 Arunachal Pradesh	0.01	—	—	0.01	—	0.01	0.01	0.02
3 Assam	0.53	0.57	0.56	0.85	0.36	0.46	0.62	0.65
4 Bihar	1.85	1.91	2.19	2.17	1.87	2.14	2.27	2.26
5 Goa	0.75	0.56	0.62	0.75	0.38	0.47	0.70	0.76
6 Gujarat	13.86	13.64	12.19	11.54	11.58	11.76	12.81	12.57
7 Haryana	1.95	2.29	2.21	2.42	2.83	2.03	2.63	2.54
8 Himachal Pradesh	1.01	0.94	1.49	0.89	0.89	1.42	1.14	0.98
9 Jammu & Kashmir	0.54	0.63	0.18	0.28	0.04	0.06	0.38	0.45
10 Karnataka	4.18	4.99	5.57	4.79	5.59	4.57	5.67	5.75
11 Kerala	1.75	1.90	1.65	1.80	1.43	1.43	1.79	1.98
12 Madhya Pradesh	6.90	6.32	4.38	4.72	4.81	4.34	5.12	4.87
13 Maharashtra	16.20	18.73	26.56	27.00	26.64	26.30	22.69	22.43
14 Manipur	0.07	0.04	0.01	0.03	0.01	0.01	0.03	0.04
15 Meghalaya	0.12	0.15	0.04	0.03	0.01	0.01	0.06	0.08
16 Mizoram	0.06	0.07	0.01	0.01	—	—	0.02	0.03
17 Nagaland	0.06	0.07	0.03	0.02	—	0.02	0.03	0.04
18 Orissa	3.22	2.66	1.23	2.14	1.60	1.44	2.20	2.32
19 Punjab	3.84	3.35	1.98	2.32	2.13	1.88	2.67	2.81
20 Rajasthan	6.17	2.77	3.56	3.75	3.85	4.99	4.17	4.09
21 Sikkim	0.03	0.02	0.01	0.03	—	0.01	0.02	0.03
22 Tamil Nadu	9.31	8.97	9.35	8.24	7.41	7.29	8.99	9.20
23 Tripura	0.04	0.04	0.01	0.01	—	—	0.03	0.03
24 Uttar Pradesh	11.60	10.76	5.61	7.39	5.24	4.78	7.97	8.05
25 West Bengal	3.73	5.57	9.21	3.36	4.11	3.07	5.56	4.69
26 Union Territories	3.08	2.90	4.59	5.44	4.70	3.54	3.27	3.17

S Sanctioned

D Disbursed

Table XII-18 : State-wise Share of Financial Assistance Sanctioned and Disbursed by IDBI

(Per cent)

States/Union Territories	1988-89		1991-92		1992-93		Cumulative upto end-March 1993	
	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9
1 Andhra Pradesh	8.24	8.34	8.32	11.86	8.98	9.67	8.65	9.31
2 Arunachal Pradesh	0.01	0.01	—	0.02	—	0.01	0.02	0.03
3 Assam	0.74	0.82	0.48	1.10	0.19	0.80	0.77	0.92
4 Bihar	2.48	1.92	4.50	2.41	1.66	3.55	2.53	2.27
5 Goa	0.97	0.77	0.77	0.97	0.47	0.44	0.93	1.00
6 Gujarat	12.96	13.09	13.38	10.90	11.87	16.88	12.51	12.96
7 Haryana	2.41	2.56	2.73	2.72	2.73	2.15	2.97	2.95
8 Himachal Pradesh	1.36	1.25	1.01	1.03	0.87	2.72	1.32	1.37
9 Jammu & Kashmir	1.02	1.09	0.07	0.27	0.04	0.06	0.62	0.73
10 Karnataka	5.56	6.45	5.04	4.93	6.29	5.42	6.27	6.50
11 Kerala	2.75	2.83	2.08	2.18	1.94	1.79	2.58	2.74
12 Madhya Pradesh	6.05	6.22	5.45	6.13	5.65	5.69	5.64	5.60
13 Maharashtra	11.25	12.76	18.95	20.34	22.70	17.95	16.75	15.69
14 Manipur	0.07	0.08	—	0.02	—	—	0.05	0.06
15 Meghalaya	0.19	0.21	0.08	0.05	—	—	0.12	0.14
16 Mizoram	0.11	0.13	—	0.01	0.01	—	0.05	0.06
17 Nagaland	0.09	0.10	0.06	0.02	—	0.04	0.05	0.07
18 Orissa	3.75	3.42	1.55	2.69	2.67	2.29	2.88	3.09
19 Punjab	4.13	3.40	2.35	2.53	2.51	1.60	3.08	3.02
20 Rajasthan	7.81	3.34	3.16	4.42	6.83	8.02	4.87	4.72
21 Sikkim	0.06	0.04	—	0.05	—	—	0.04	0.05
22 Tamil Nadu	10.28	11.00	9.75	8.14	8.49	8.74	9.67	10.05
23 Tripura	0.07	0.07	—	—	—	—	0.04	0.05
24 Uttar Pradesh	10.90	10.69	5.98	7.36	6.75	6.82	9.47	9.42
25 West Bengal	4.15	6.82	9.99	4.11	6.80	3.56	5.74	4.73
26 Union Territories	2.60	2.59	4.29	5.72	2.54	1.79	2.38	2.49

S Sanctioned

D Disbursed

Table XII 19 - Small Savings Collections

(Rs. crore)

States/Union Territories	1990-91			1993-94*		
	Target**	Gross Collections	Net Collections	Target**	Gross Collections	Net Collections
1	2	3	4	5	6	7
1. Andhra Pradesh	350.00	913.89	506.95	400.00	1390.96	564.72
2. Arunachal Pradesh	2.00	4.03	1.56	2.50	6.17	2.03
3. Assam	150.00	211.59	147.27	175.00	392.66	116.03
4. Bihar	200.00	1144.76	404.36	225.00	1384.39	238.69
5. Goa	30.00	48.82	25.11	25.00	52.93	7.15
6. Gujarat	600.00	1669.96	940.80	650.00	1712.51	437.64
7. Haryana	200.00	503.55	233.47	200.00	785.63	197.11
8. Himachal Pradesh	175.00	201.99	97.17	50.00	386.23	142.84
9. Jammu & Kashmir	70.00	87.39	39.70	70.00	202.09	83.99
10. Karnataka	250.00	776.09	280.85	350.00	1071.78	272.32
11. Kerala	170.00	406.86	199.61	150.00	738.88	268.64
12. Madhya Pradesh	325.00	572.35	233.95	200.00	824.52	195.10
13. Maharashtra	600.00	2109.04	728.01	850.00	2657.84	194.27
14. Manipur	3.00	5.89	2.87	3.00	9.89	4.71
15. Meghalaya	10.00	16.83	7.64	20.00	33.65	13.59
16. Mizoram	1.50	3.52	1.28	4.00	8.23	2.62
17. Nagaland	2.00	4.42	1.89	2.00	6.22	0.62
18. Orissa	135.00	464.30	251.91	200.00	564.44	147.25
19. Punjab	350.00	629.54	335.74	350.00	1072.67	353.70
20. Rajasthan	275.00	739.58	399.55	375.00	1117.72	386.75
21. Sikkim	1.25	2.16	1.56	1.50	4.45	0.94
22. Tamil Nadu	350.00	809.81	347.29	570.00	2040.27	445.37
23. Tripura	15.00	45.86	22.55	20.00	63.66	17.61
24. Uttar Pradesh	1100.00	2901.62	1474.48	1100.00	3575.25	1106.00
25. West Bengal	800.00	2038.29	893.34	700.00	2884.56	1194.02
26. Andaman & Nicobar Islands	1.00	4.25	— 7.97	1.50	6.03	2.06
27. Chandigarh	40.00	62.97	8.98	40.00	90.37	10.98
28. Daman & Diu	1.00	2.18	1.07	1.50	—	—
29. Delhi	300.00	736.00	364.01	125.00	765.87	137.55
30. Lakshadweep	0.25	0.19	-0.01	1.00	—	—
31. Base@	26.03	6.22	—	42.46	8.18	
32. Pondicherry	4.00	0.25	0.12	30.00	10.29	2.67
TOTAL	**6511.00**	**17243.81**	**7971.33**	**6892.00**	**23907.62**	**6555.10**

* Figures for the year 1993-94 are preliminary.
** The targets relate to net collections.
@ Base stands for collections through Army Post Offices.
Source: Office of the National Savings Commissioner, G.O.I., Ministry of Finance.

Table XII 20 : Minor Irrigation Facilities

(Area : Lakh hectares)

States/Union Territories	Total cropped Area		Area covered by minor irrigation facilities		Percentage of column		Number of					
					(4 to 2)	(5 to 3)	Wells		Tube Wells		Canals	
	1986-87	1992-93	1986-87	1992-93	1986-87	1992-93	1986-87	1992-93	1986-87	1992-93	1986-87	1992-93
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Andhra Pradesh	116.93	127.54	21.20	28.82	18.10	22.60	1272845	1283061	89169	217505	65	93
2. Arunachal Pradesh	2.19	2.20	Neg.	Neg.	—	—	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3. Assam	32.65	34.49 @@	1.47	1.40 @@	4.50	4.06 @@	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Bihar	104.32	104.85 @@	37.87	46.06 @@	36.30	43.92 @@	47825	114394	461626	855109	1937	2825
5. Gujarat	80.38 @	106.35 @@	17.80 @	24.83 @@	22.14 @	23.35 @@	751592 @	788841 @@	15454 @	18893 @@	1660 @	1169 @@
6. Karnataka	118.21	124.12	12.27	15.98	10.40	12.90	419127	470829	33284	129708	107	118
7. Kerala	28.70	30.21 $	2.10	1.72 $	7.31	5.69 $	10249	15395 $	330	358 $	N.A.	N.A.
8. Madhya Pradesh	222.14	239.22	18.30 *	N.A.	8.20 *	N.A.	1093222	1277000	19722	96663	1364	N.A.
9. Maharashtra	203.24	210.29	4.79	N.A.	2.36	—	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
10. Meghalaya	2.29	2.39	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
11. Mizoram	0.72 **	1.28	Neg.	Neg.	0.74 **	0.39	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
12. Nagaland	1.91	2.04 $	0.55	0.60 $	28.73	29.56 $	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13. Orissa	92.70	94.16	12.77	17.02 $	13.78	18.08	3850	27384	4384	4959	N.A.	N.A.
14. Rajasthan	176.40	201.67	43.51	54.86 $	24.67	27.20	1094571	1252117	56009	94616	N.A.	N.A.
15. Sikkim	N.A.	N.A.	0.01	0.01 $	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	47	11
16. Tamil Nadu	65.08	69.77 $	19.12	22.33 $	29.38	32.01 $	1677185	1687026	71895	108101	2290	2292
17. Tripura	4.08	4.48 $	0.44	0.48 $	10.80	10.70 $	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18. Uttar Pradesh	251.98	252.82 $	86.58	132.88 $	34.36	52.56 $	185000	196000 $	1655000	2742000	68000	N.A.
19. West Bengal	76.42	77.01	16.83	27.04	22.00	35.10	300	5586	5682	8226	—	—
20. 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.
21. Pondicherry	0.43	0.47	0.36	0.37	83.70	77.80	N.A.	N.A.	6206	5999	88	88 $

@ Data relates to the year 1987-88.

@@ Data relates to the year 1990-91.

* Does not include the area under tube wells as separate break-up not available.

** Data relates to the year 1988-89.

$ Data relates to the year 1991-92.

Table XII - 21 Health Facilities Available

States/Union Territories	No. of Hospitals		No. of Dispensaries		No. of Beds	
	1986-87	1993-94	1986-87	1993-94	1986-87	1993-94
1	2	3	4	5	6	7
1. Andhra Pradesh	360	359 @	3564	2952 @	29879	32116 @
2. Arunachal Pradesh	16	22 *	31	48 *	2078	1989 *
3. Assam	85	142 *	328	335 *	9362	12303 *
4. Bihar	190	240	1039	2488	20920	31114
5. Gujarat	1424	2370 *	3562	7248 *	41768	68379 *
6. Karnataka	249	293 *	1971	2127 *	39580	49949 *
7. Kerala	159	147	397	53	30162	28391
8. Madhya Pradesh	295	396	387	256	24554	28724
9. Maharashtra	769	830	1782	1702	99487	116075
10. Manipur	57	92 @	396	472 @	1753	2014 @
11. Meghalaya	7	8 @	36	23 @	1422	1811 @
12. Mizoram	10	11 *	23	38 *	450	1488 *
13. Nagaland	32	29 *	72	65 *	1409	1454 *
14. Orissa	305	285	246	192	15206	17314
15. Rajasthan	189	218	710	283	23546	34054
16. Sikkim	5	5	Nil	Nil	425	575
17. Tamil Nadu	413	416 @	1979	1917 @	61104	43939 @
18. Tripura	1	11 *	248	466 *	1720	2086 *
19. Uttar Pradesh	5141	4816	-	-	48033	71106
20. West Bengal	412	392 *	551	551 *	65319	67075 *
21. Lakshadweep	2	2	3	3	140	140
22. Pondicherry	8	8	51	58	1902	2076

@ Data relates to the year 1991-92.

* Data relates to the year 1992-93.

Table XII-22 - Educational Institutions and Students' Enrolment in Schools

States/Union Territories	Number of Schools						Students' Enrolment in Schools					
	Primary		Middle		Secondary/ Higher Secondary		Primary		Middle		Secondary/ Higher Secondary	
	1986-87	1993-94	1986-87	1993-94	1986-87	1993-94	1986-87	1993-94	1986-87	1993-94	1986-87	1993-94
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Andhra Pradesh	44333	49247	5672	6341	5872	7231	5346000	5329000	1889000	1708000	2747000	3182000
2 Arunachal Pradesh	1253	1423 *	181	274 *	74	139 *	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3 Assam	25873	28876 *	4991	6729 *	2595	3570 *	2232665	2951837 *	732057	1244188 *	860809	1240315 *
4 Bihar	51406	53029	12160	13330	3737	4061	5519710	6062982	3766490	4267776	1580287	1734393
5 Gujarat	12815 **	14393	16837 **	18559	4776 **	5567	1139952 **	1503839	5148016 **	5962585	1428835 **	2030100
6 Haryana	4849	5659	1161	1425	2079	2639	1569000	1936000	640000	793000	317000	567000
7 Himachal Pradesh	6904	7548	1020	1067	920	1154	643000	712000	302000	391000	120000	218000
8 Jammu & Kashmir	7466	9784	2196	2669	1026	1278	694000	799000	274000	331000	153000	174000
9 Karnataka	24143	23806	14790	16962	4864	5987	4249000	5266000	1653000	2467000	1073000	1395000
10 Kerala	6828	6702	2884	2919	2430	2475	2586931	2317784	1789699	1862937	1340827	1624852
11 Madhya Pradesh	64210	71478 *	12690	16051 *	3283	4928 *	6723000	7933000 *	2208000	2716000 *	1101000	1852000 *
12 Maharashtra	38715	42491 *	16927	19315 *	8417	11280 *	4516259	5120429 *	5149213	6081246 *	4872547	6322123 *
13 Manipur	2757	3221 @@	436	693 @@	373	430 @@	172393	189285 @@	68272	75100 @@	108055	129362 @@
14 Meghalaya	4129	4273 @@	677	805 @@	289	447 @@	231530	242340 @@	48830	56900 @@	62390	73350 @@
15 Mizoram	1025	1066 *	443	553 *	154	273 *	89401	98771 *	36550	42028 *	16252	31828 *
16 Nagaland	1270	1299 @	343	358 @	111	179 @	147345	126781 @	68922	74273 @	49123	102062 @
17 Orissa	38004	41604	9082	11866	3955	4921	3360	3792	872	1255	408	798
18 Punjab	12322	12486	1444	1430	2552	2864	1997000	2066000	755000	910000	390000	611000
19 Rajasthan	28171	31867 @	8149	9805 @	3058	4260 @	2858792	3369045 @	1977956	2383013 @	1192864	1778723 @
20 Sikkim	482	527	122	122	67	81	31830	36718 **	22558	26713	32779	43629
21 Tamil Nadu	29268	30329	5663	5593	4366	5491	5177000	5720000 **	2910000	3174000	3189000	4545000
22 Tripura	1927	2029 *	419	434 *	380	488 *	364769	415690 *	109029	121197 *	56816	79575 *
23 Uttar Pradesh	74273	78804 *	16504	15463 *	5691	6623 *	12242	15384 *	2326	3726 *	4408	5450 *
24 West Bangal	51003	51021	3127	3010	5645	7060	8400000	10420000	3062000	4650000	1472000	2080000
25 Lakshadweep	19	19 *	4	4 *	9	9 *	5086	8773 *	2629	3673 *	4762	1503 *
26 Pondicherry	356	336	102	119	85	125	49835	47934	47959	50295	62815	107239
27 Delhi	1838	2072	366	531	922	1263	834000	957000	442000	525000	331000	403000

** : Data relates to the year 1987-88.
* : Data relates to the year 1992-93
@ Data relates to the year 1991-92.
@@ Data relates to the year 1990-91

Table XII-23 : Number of Villages Having Drinking Water Facilities

States/Union Territories	Total No. of Villages		No. of Villages where drinking water is available	
	1986-87	1993-94	1986-87	1993-94
1	2	3	4	5
1. Andhra Pradesh	27379	27379	14048	25064
2. Arunachal Pradesh	3257	3649 @	2217	2995 @
3. Assam	22224	24685 @	15588	21342 @
4. Bihar	67566	67566	59356	67566
5. Gujarat	18114 *	18114	15527 *	18018
6. Haryana	6759	6759	5515	6759
7. Himachal Pradesh	16997	16997	14470	16997
8. Jammu & Kashmir	6477	6477	4403	6325
9. Karnataka	29386 $	29386 $	26483	26483
10. Kerala	1219	1384	1218	1334
11. Madhya Pradesh	71352	71352	60810	67044
12. Meghalaya	4902	5492 @	2025	4819 @
13. Mizoram	721	689 @	70	145 @
14. Nagaland	1112	1225 @	981	1225 @
15. Orissa	46989	46989	31351	44743
16. Punjab	12427	12427	10523	12427
17. Rajasthan	34968	37889	26301	36815
18. Sikkim	N.A.	453	147	440
19. Tripura	5215	5215 @	2732	4154 @
20. Uttar Pradesh	112566	112804 @	61362	106492 @
21. West Bengal	38024	37910	15874	25865
22. Lakshadweep	11	11	11	11
23. Pondicherry	292	292	291	291
24. Delhi	199	199	199	199

@ Data relates to the year 1992-93.
* Data relates to the year 1987-88
$ Includes 2362 un-inhabited villages.

Table XII-24 : Rural Roads Length

States/Union Territories	Total Road length(K.M.)		Rural Road length(K.M.)		Percentage of col. 4 to col. 2	Percentage of col. 5 to col. 3
	1986-87	1993-94	1986-87	1993-94		
1	2	3	4	5	6	7
1. Andhra Pradesh	122856	137476 @	86861	93494 @	70.7	68.0 @
2. Arunachal Pradesh	3836	12054 @	N.A.	N.A.	N.A.	N.A.
3. Assam	27371	27371 #	575	575 #	2.0	2.0 #
4. Bihar	1842	874	1790	845	97.2	96.7
5. Gujarat	62142 *	68900 @	27153 *	17464 @	43.7 *	25.4 @
6. Karnataka	113390	121821 @	87494	80367 @	77.2	66.0 @
7. Kerala	112286	139042 @	82913	103888 @	73.8	74.7 @
8. Madhya Pradesh	80535	94082 @	50660	63395 @	62.9	67.4 @
9. Maharashtra	163108	177012 @	84224	63123 @	51.6	35.7 @
10. Manipur	4461	5344 @@	2296	2398 @@	51.2	44.9 @@
11. Meghalaya	5219	5678 @@	N.A.	N.A.	N.A.	N.A.
12. Nagaland	4228	N.A.	182	N.A.	4.3	N.A.
13. Orissa	175978	207940 @	152784	181329 @	86.8	87.2 @
14. Rajasthan	51690	62165	21062	31224	40.8	50.2
15. Tamil Nadu	144124	170817 @	102467	102515 @	71.1	60.0 @
16. Tripura	5775	5675 @	N.A.	N.A.	N.A.	N.A.
17. West Bengal	19466	19751 @@	1882	1953 @@	9.7	9.9 @@
18. Lakshadweep	42	97	42	97	100.0	100.0
19. Pondicherry	2216	2110	1483	1099	66.9	52.1

@ : Data relates to the year 1992-93.

* : Data relates to the year 1987-88.

: Data relates to the year 1989-90.

@@: Data relates to the year 1991-92.

Table XII-25 : Rural Electrification

States/Union Territories	Total No. of villages		No. of villages electrified		Percentage of col. 4 to col. 2	Percentage of col. 5 to col. 3
	1986-87	1993-94	1986-87	1993-94		
1	2	3	4	5	6	7
1. Andhra Pradesh	27379	27379	24942	27358	91	100
2. Arunachal Pradesh	3257	3649@	963	1455@	30	40@@
3. Assam	25590	25590@	15727	21481@	62	84 @
4. Bihar	77848	77848	38135	47068	49	61
5. Gujarat	18114*	18114@	17867*	17985@	99*	99 @
6. Haryana	6745	6745	6745	6745	100	100
7. Himachal Pradesh	16916	16807	16141	16807	95	100
8. Jammu & Kashmir	6477	6477	5905	6182	91	95
9. Karnataka	27024	27024	25727	26483	95	98
10. Kerala	1219	1384	1219	1384	100	100
11. Madhya Pradesh	71352	71352	47602	66219	67	93
12. Maharashtra	39354	N.A.	34210	N.A.	87	N.A.
13. Manipur	2035	2035@@	765	1637@@	38	80@@
14. Meghalaya	4902	5492@	1397	2384@	29	43 @
15. Mizoram	721	689@	213	442@	30	64 @
16. Nagaland	1112	1225@	897	N.A.	81	N.A.
17. Orissa	46989	46989	26295	32903	56	70
18. Punjab	12342	12342	12342	12342	100	100
19. Rajasthan	34968	37889	22453	29789	64	79
20. Sikkim	405	414	254	414	63	100
21. Tamil Nadu	15831*	15831	15809*	15822	100*	100
22. Tripura	5215	5215@	2147	3228@	41	68 @
23. Uttar Pradesh	112566	112804@	71564	84256@	64	75
24. West Bengal	38024	38024	21589	28806	57	76
25. Delhi	214	214	214	214	100	100
26. Lakshadweep	11	11	11	11	100	100
27. Pondicherry	292	292	292	292	100	100

* Data relates to the year 1987-88.
@ Data relates to the year 1992-93.
@@ Data relates tp the year 1991-92.

Table XII - 26 : Expenditure on Employment Schemes

(Rs. crore)

States/Union Territories	Expenditure on Employment Schemes		Expenditure on Jawahar Rojgar Yojana	
	1986-87	1993-94	1989-90	1993-94
1	2	3	4	5
1 Andhra Pradesh	120.40	82.63	193.17	358.38
2 Arunachal Pradesh	0.38	N.A.	1.65	2.35 @
3 Assam	44.40	26.76	49.02	83.57
4 Bihar	177.95	701.32	316.90	604.45
5 Gujarat	47.81	N.A.	80.76	105.33
6 Haryana	20.91	13.10	19.71	21.64
7 Himachal Pradesh	13.76	3.78	9.87	13.03
8 Jammu & Kashmir	26.38	4.27	17.71	12.28
9 Karnataka	57.75	N.A.	109.43	175.67
10 Kerala	74.33	110.65 @	65.87	77.88
11 Madhya Pradesh	1.87	5.21	205.63	4.02
12 Maharashtra	27.16	421.00 @	N.A.	N.A.
13 Meghalaya	1.55	0.10 *	1.05	4.81 *
14 Mizoram	0.22	0.23 @	1.18	2.30 @
15 Nagaland	1.29	N.A.	6.17	6.37 @
16 Orissa	55.96	47.63	104.45	195.82
17 Punjab	26.77	14.71	17.21	19.22
18 Rajasthan	N.A.	N.A.	106.48	142.47
19 Sikkim	1.97 @@	1.58	2.37	2.73
20 Tamil Nadu	84.54	N.A.	41.37	194.51
21 Tripura	5.58	11.31	5.42	8.39
22 West Bengal	17.70	87.26	25.95	76.00
23 Delhi	1.12	0.23 *	0.90 †	0.57 **

@ : Data relates to the year 1992-93
† : Data relates to 1988-89
* : Data relates to the year 1991-92.
** : Data relates to the year 1990-91
@@ : Data relates to the year 1989-90.

APPENDIX-I

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS (APRIL 1993 - MARCH 1994)

Sr. No.	Item/s	Month	Details
1	2	3	4
1	Superfine non-basmati rice	April 1993	The Minimum Export Price (MEP) of superfine non-basmati rice was revised downwards from US $ 275 per metric tonne (MT) to US $ 250 per MT.
2	Wheat products, jowar, bajra, ragi, maize and barley	May 1993	It was decided to release for export wheat products and other specified cereals within a ceiling of 10,000 MT each during the licensing period 1993-94. The ceilings were to be placed at the disposal of the Agricultural & Processed Food Products Export Development Authority (APEDA).
3	Sunflower seeds	May 1993	In respect of sunflower seeds, the export of which was subject to quantitative ceilings, it was decided to fix a ceiling of 50,000 tonnes for export during the licensing period 1993-94. The ceiling was to be placed at the disposal of the Indian Oil & Produce Export Association (IOPEA) and will be monitored by it.
4	Non-fair average quality (NFAQ) jowar	June 1993	It was decided to allow export of 2 lakh tonnes during 1993-94 by the Maharashtra Co-operative Marketing Federation, a designated agency of the Government of Maharashtra, subject to certain specified conditions. The Federation would, however, have to ensure that no other quality of jowar would be allowed to be exported under this notification.
5	Meat of Indian sheep	July 1993	A ceiling of 20,000 MT was fixed for the licensing year 1993-94, in respect of meat of Indian sheep, the export of which was subject to quantitative ceilings. Thirty per cent of the ceiling was to be reserved for export of frozen meat.
6	Jowar, bajra, ragi, maize and barley	July 1993	The export ceiling of 10,000 MT fixed for each item during the licensing year 1993-94 was clubbed to a total ceiling of 50,000 MT for all items during 1993-94.
7	Superfine non-basmati rice	August 1993	MEP was revised downwards from US $ 250 per MT to US $ 225 per MT.
8	Mustard seeds & rape seeds	August 1993	Export of mustard seeds and rape seeds have been allowed within a ceiling of 50,000 tonnes each during the licensing period 1993-94. The ceilings were to be placed at the disposal of IOPEA and would be monitored by it.
9	Brown sea weeds of Tamil Nadu coast origin in processed form	August 1993	A quantity of 500 MT was fixed for releasing in the year 1993-94, subject to the approval of the Director General of Foreign Trade (DGFT).
10	Peacock tail feathers including handicraft items & articles made thereof	August 1993	Exports were allowed within a limited ceiling of 18 lakh pieces for the year 1993-94 and distributed amongst the four major ports of Bombay, Madras, Calcutta and New Delhi.

Sr. No.	Item/s	Month	Details
1	2	3	4
11	Manufactured articles/ shavings of shed antlers of sambar & chital	August 1993	Exports were allowed subject to announcement of quantitative ceilings. Under the policy a ceiling of 270 MT for manufactured articles and 30 MT for shavings were to be released for the year 1993-94. The export licences were to be granted by the Jt. DGFTs of Bombay, Calcutta, Madras & New Delhi to the eligible exporters.
12	NFAQ & fair average quality (FAQ) jowar	September 1993	Additional exports of 1.25 lakh tonnes of NFAQ & 75,000 tonnes of FAQ jowar were allowed within a validity of 6 months through the Maharashtra State Co-operative Federation. These exports would not be affected by the earlier notification issued in June 1993, in this connection.
13	Superior wheat (Durum)	November 1993	Export of wheat was allowed subject to certain stipulations like the quantitative ceilings, MEP, etc. Under the policy, it was decided to fix a ceiling of 3 lakh tonnes for 1993-94 and the ceilings were to be placed at the disposal of APEDA. The MEP was fixed at US $ 160 per MT (f.o.b.) during the year.
14	FAQ jowar	December 1993	It was decided to allow the export of an additional 2.55 lakh tonnes of FAQ jowar during 1993-94.
15	Export Houses, Trading Houses and Star Trading Houses can opt for f.o.b. or NFE basis	December 1993	Option has been given to Export Houses, Trading Houses and Star Trading Houses to apply for recognition and for Special Import Licence either on the basis of f.o.b. value or NFE value of exports.
16	Stone boulders	December 1993	The MEP was fixed at US $ 25 per MT (f.o.b.).
17	Jowar, bajra, ragi, maize and barley	January 1994	An additional ceiling of 1,00,000 MT was to be released during 1993-94, for export through APEDA.
18	Superfine non-basmati rice	January 1994	The MEP was revised downwards and fixed at US $ 200 per MT.
19	Stone boulders	February 1994	The MEP was revised and fixed at US $ 18 per MT (f.o.b.) and no MEP for export of sizes below 6".
20	Powder milk (skimmed or full cream), whole or infant milk food, pure milk ghee and butter	February 1994	The date of shipment for exports was extended upto 30th April 1994. Prior to the extension exports were required to be completed by January 1994.
21	NFAQ jowar	February 1994	An additional quantity of 35,000 tonnes was released for exports during 1993-94.
22	FAQ & NFAQ jowar	March 1994	The validity period of the export of items was extended by six months up to 30th September 1994

APPENDIX - II

IMPORTANT ANNOUNCEMENTS WITH REGARD TO IMPORT CONTROL POLICY (APRIL 1993 - MARCH 1994)

Sr. No.	Item/s	Month	Details
1	2	3	4
1.	Import of natural rubber.	April 1993	Government have allowed import of natural rubber, one of the items in the Negative List of imports, as a special case,to Actual Users (industrial),in view of the reported short-fall in domestic production.
2.	Decanalisation of kerosene, LPG and low sulphur heavy stock/low sulphur waxy residue.	April 1993	These items have been removed from the list of canalised imports and allowed to be imported without any licence by all persons.
3.	Supply of cut and polished diamonds from DTA to EPZs/EOUs.	April 1993	Supplies of cut and polished diamonds, precious and semi-precious stones, synthetic and processed pearls from Domestic Tariff Area (DTA) to units in Export Processing Zones (EPZs) and approved Export-Oriented Units (EOUs) will be eligible for the grant of Replenishment licences at the rate and for the items mentioned in Appendix I to the EXIM policy, 1992-97.
4.	Entitlement for Special Import Licence against exports of gems and jewellery.	May 1993	With respect to the grant of Special Import Licences to Export Houses/Trading Houses and Star Trading Houses,a provision was made that in the case of export of diamonds and gems and jewellery, the entitlement of 20 per cent of the f.o.b. value of exports has been increased to 50 per cent of f.o.b. value of exports.
5.	Revalidation of Advance Licence.	May 1993	A request for revalidation of the Advance Licence can now be made within one month of the expiry of the licence instead of the earlier stipulation of at least one month before the expiry of the licence, resulting in reduction to some extent of the irritants causing hardship to exporters.
6.	Tamarind exports in consumer packs of 1000 grams or less.	June 1993	Export of tamarind in approved consumer packs of 1000 grams or less will also hereafter qualify for the fulfilment of export obligation imposed on licences issued for import of cloves, cassia and cinnamon.
7.	Import of gold by nominated agencies.	June 1993	Nominated agencies, namely, Handicrafts & Handloom Export Corporation, State Trading Corporation, Indian Trade Promotion Organisation and Minerals & Metals Trading Corporation may also import gold of 0.995 fineness.Such agencies need not deposit the imported gold in the Government mint and the same can be used for replenishment without conversion by the Government mint.
8.	Import of sulphate of potash.	July 1993	Import of sulphate of potash has been decanalised and can now be freely imported.
9.	Cinnamon and cassia.	July 1993	Cinnamon and cassia have been deleted from the Negative List of imports and are now permissible for import without a licence by all persons.

Sr. No.	Item/s	Month	Details
1	2	3	4
10.	Cloves.	July 1993	Government have revised the policy for import of cloves. Accordingly, licence for import of cloves will be issued to the extent of 150 per cent of c.i.f. value of the licence issued in 1990-91or 1991-92 (excluding the value of licences granted under Advance Licensing Scheme), whichever is higher. Only value of import of cloves will qualify for determining the import entitlement.
11.	Input-output norms of some engineering products made restrictive.	August 1993	The changes have been made in the input-output norms for the grant of Advance Licences against iron & steel export products in the Engineering Group: (1) The raw materials & consumables allowed for import against Advance Licences have been grouped into 4 sub-categories. Each sub-category has been given a separate serial number and it contains one or more items of raw materials/ consumables (2) Interchangeability of values or quantities between different serial numbers of import items will not be allowed.
12.	Cinnamon and cassia.	September 1993	Cinnamon and cassia have been included in the Negative list of imports again. The import of these two items will henceforth be allowed only against licences to be issued based on the value of licences granted to the extent of 125 per cent of the value of licence issued in 1990-91 or 1991-92 whichever is higher subject to fulfilment of export obligation for twice the value of import licence granted in the preceding year.
13.	Scheme for Advance Licence for gold jewellery amended.	September 1993	The minimum value addition under the Scheme for Advance Licence for plain and studded gold jewellery has been reduced to 10 per cent and 15 per cent respectively.The Handicrafts and Handlooms Export Corporation has also been designated as agency for supply of gold to the exporters of gold jewellery and articles. In the case of exports from EPZs and by 100 per cent EOUs, the scheme has been amended to allow direct import of gold also but the unit shall be required to convert the imported gold into standard bars of the same purity of gold from the Government mint with appropriate stamping before it is used for export production.
14.	Cloves.	September 1993	The import policy for cloves has been made comparatively more restrictive. Import licences for this item would now be issued at a reduced scale of 125 per cent of the value of the licence for 1990-91 or 1991-92 whichever is higher, instead of 150 per cent earlier.
15.	Sensitive list of items for Advance Licences expanded.	September 1993	20 new items have been added to the list of sensitive items. These new items include plastic raw materials, carbon black, synthetic rubber, PTA, DMT, MEG, LAB and certain chemicals. These items have been put in the sensitive list in order to protect the interests of domestic industry producing these items and to check the alleged dumping under Value-based Advance Licensing System.
16.	Import of acrylic waste restricted.	September 1993	Acrylic fibre waste which was allowed to be imported freely without a licence will no longer be so importable.

Sr. No.	Item/s	Month	Details
1	2	3	4
17.	Acetic anhydride.	December 1993	Government have decided to disallow duty-free import of this chemical under the Advance Licensing Scheme, in order to tackle the problem of smuggling out of acetic anhydride and to prevent its use in clandestine manufacture of heroin.
18.	Sensitive List amended for Special Value-Based Advance Licences for electronics.	December 1993	It has been laid down that items allowed upto 2 per cent of weight/ quantity will not be treated as sensitive items in the case of Special Value-Based Advance Licences for electronic products.
19.	Special Import Licences.	December 1993	The licence-holder can now surrender to the licensing authority Special Import Licences of a value equivalent to twice the amount of shortfall in the export obligation expressed in free foreign exchange. In the cases where the Special Import Licence is thus surrendered, he will not be required to pay in cash an amount equivalent to the shortfall in export obligation.
20.	Revalidation provision for Advance Licences made restrictive.	December 1993	The licence may be revalidated only once subject to Actual User condition and shall cease to be transferable.
21.	EPCG licence holders can procure capital goods from domestic producers.	January 1994	The domestic manufacturer of capital goods may apply for import of requisite components at a concessional rate of customs duty of 15 per cent required for manufacture of the capital goods in question, in accordance with the procedure as may be notified separately in this behalf.
22.	Special Import Licences allowed against export of computer systems, etc.	February 1994	The export of computer systems has been included in the list of export products eligible for Special Import Licence. Exports of computer systems in respect of which export proceeds are realised on or after 31.3.1992 will be eligible for grant of Special Import Licence. The applications have to be made on quarterly, half yearly or yearly basis of the licencing year as the exporter may choose.
23.	New Policy provisions to operate from 31.3.1994.	March 1994	The Ministry of Commerce have made further changes in the Export-Import Policy 1992-97 and the Hand Book of Procedures. These changes have been incorporated in the revised edition of the Export and Import Policy, Hand Book of Procedures and the Standard Input-Output norms, 1992-97. The revised editions will substitute the original editions with effect from March 31, 1994.

APPENDIX - III

IMPORTANT TRADE AGREEMENTS/TRADE PROTOCOLS, ETC., SIGNED BETWEEN INDIA AND OTHER COUNTRIES (APRIL 1993 - MARCH 1994)

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
1	Slovak	Agreement on Trade and Economic Co-operation signed on 14.5.1993. Valid for five years. Unless either contracting party has notified the other in writing about its intention to terminate the present agreement six months prior to the expiration of the aforesaid period of five years, it shall be considered as automatically extended for another year and thereafter, subject to the same procedure with respect to its termination, for further successive periods of one year each.	**Exports** i) Cotton yarn, fabrics, made-ups, etc., ii) Manmade yarn, fabrics, made-ups, etc., iii) Coffee, iv) Tobacco (unmanufactured). **Imports** i) Iron & steel, ii) Artificial resins, plastic materials, etc., iii) Textile yarn, fabrics, made-up articles.	—	The Contracting parties shall accord to each other Most-Favoured Nation treatment with respect to customs duties and charges of any kind imposed on or in connection with transactions relating to exports and imports or levying of customs duty. The import and export of goods and services will be carried out in accordance with laws and regulations in force in either country, international trade practices and on the basis of contracts to be concluded between the natural and juridical persons of the two countries. With effect from January 1, 1993, natural and juridical persons of either country shall be free to import or export goods and services from each other in accordance with internationally recognised form of business co-operation and all payments of a commercial and non-commercial nature between the natural and juridical persons of the two shall be made in freely convertible currencies. All payments arising from exports/imports concluded before December 31, 1992, shall continue to be effected in terms of modalities outlined in Liquidation Protocol, details of which are given separately.
	Slovak	Protocol on liquidation of non-convertible Rupee balances signed on 14-5-1993. This Protocol will come into force on the date of signing of the trade agreement between the two countries.		**Annexure to the Liquidation Protocol List of Commodities** 1)Tea (incl. packed tea & tea bags) 2) De-oiled cakes-soya beans extraction 3)De-oiled cakes-others 4) Castor oil 5) Rice (non-basmati)	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 of the Ceskoslovenska Obchodni Bank a.a.s., Praha (CSOB). These non-convertible Rupee Accounts of CSOB maintained with the Reserve Bank of India and commercial banks in India, with the exception of one non-convertible

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
				6) Tobacco (unmanufactured) 7) Iron ore, manganese ore, chrome ore 8) Finished leather (shoe uppers, leather garments) 9) Leather products 10) Cotton yarn 11) Jute manufactures Together with other commodities, the value of exports agreed to be effected would be Rs. 8,000 million. With effect from 24.2.1994, the above list has been replaced by the list below: 1) Coffee - green beans 2) Tobacco (unmanufac tured) 3)Leather products(shoes, including sports shoes, leather garments, etc.) 4)Cotton yarn 5) Steel products 6) Containers together with other commodities, the value of exports agreed to be effected would be Rs. 1,000 million.	Rupee Account with one of the nationalised commercial banks to be indicated by the CSOB, 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 CSOB with the Reserve Bank of India to be called the "New Central Account". All payments arising from export/import transactions concluded prior to December 31, 1992 but received upto December 31, 1993 would be credited to the existing Rupee Accounts as per the regular arrangements, and payments received after December 31, 1993 would be credited to the "New Central Account". The funds accruing in the existing Central Account and in the "New Central Account" shall be used for payments for imports by the Slovak Republic. The natural and juridical persons of the two countries shall be entitled to enter, after December 31, 1992, into contracts in non-convertible Indian Rupees for exports to the Slovak Republic for liquidation of such balances, and payments for such exports to the Slovak Republic shall be made in non-convertible Indian Rupees out of the existing Central Account and the "New Central Account" of the CSOB. The goods to be exported for the purpose of liquidation of balances due to Slovak Republic are listed in the adjacent Annexure.
2	**Belarus**	Agreement on Trade and Economic Co-operation signed on 14.5.1993. Valid for five years. Unless either of the contracting parties informs the other party	**Exports** i) Drugs, pharmaceuticals & fine chemicals. **Imports** i) Machinery except electrical &	—	Both sides shall accord to each other Most-Favoured Nation (MFN) treatment in respect of import and export licences, customs duties and all other charges and taxes applicable to importation, exportation or transit of commodities. Import and export of goods and services shall take place on the basis of the

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
		in writing of its intention to cancel the agreement at least six months prior to its expiry, the period of validity of the agreement shall be automatically extended for further successive periods of one year.	machine tools.	—	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 the two countries shall be made in freely convertible international currencies, unless otherwise specifically agreed upon between the two countries. 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. The contracting parties shall encourage investment and technological co-operation, *inter alia*, through establishment of joint ventures in their territories, for their domestic markets as well as the markets of third countries.
3	**Uzbekistan**	Trade agreement signed on 24.5.1993. Valid for a period of five years. The period of validity shall be automatically extended for further successive periods of one year unless either of the contracting parties inform the other party in writing of its intention to terminate the agreement at least six months prior to its expiry.	**Exports** i) Drugs, pharmaceuticals & fine chemicals, ii) Readymade garments - cotton incl. accessories, iii) Leather & leather manufactures. **Imports** i) Organic chemicals, ii) Raw silk.	—	Both the countries shall accord to each other the Most-Favoured Nation treatment in respect of import and export licences, customs duties and other charges and taxes applicable to import, export or transit of commodities. Import and export of goods and services shall take place on the basis of the contracts to be concluded between the national 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

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
					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 and buy-back arrangements or any other internationally recognised form of business co-operation.
4	**Lithuania**	Agreement on Trade and Economic Co-operation signed on 2.7.1993. Valid for five years. The period of validity of the agreement shall automatically be extended for further successive periods of one year unless either of the contracting parties informs the other party of its intention to cancel the agreement six months prior to its expiry.	**Exports** i) Drugs, pharmaceuticals & fine chemicals. **Imports** i) Transport equipment.	—	The contracting parties shall accord to each other Most-Favoured Nation (MFN) treatment in respect of import and export licences, customs duties and all other charges and taxes applicable to importation, exportation or transit of commodities. Either contracting party subject to its laws and regulations shall exempt import and export between the natural and juridical persons of the other party from customs duties and other taxes or fees for (a) samples without commercial value and samples for use by advertising media, (b) tools or equipment, brought in for the purpose of repair or assembly under condition that these tools or equipment shall be re-exported, (c) commodities for display in fairs and exhibitions under condition that they shall be re-exported, (d) special containers used in international trade, which shall be returned. Export and import of goods and services between the two countries 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 conformity with their respective laws and regulations. All payments of a commercial and non-commercial nature between the two countries shall be made in freely convertible currencies, unless other wise specifically agreed upon between the two countries. Natural and juridical persons of either country shall also be free to import or export goods and services from each other or export goods and services from each other

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
					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.
5	**Latvia**	Agreement on Trade and Economic Co-operation signed on 10.9.1993. Valid for five years. 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, the validity of the agreement shall be automatically extended for further successive periods of one year.	**Exports** i) Coffee, ii) Drugs, pharmaceuticals & fine chemicals, iii) Tobacco (unmanufactured) **Imports** i) Fertilisers (manufactured), ii) Transport equipment.	—	The contracting parties shall accord to each other Most-Favoured Nation treatment in respect of import and export licences, customs duties and all other charges and taxes applicable to importation, exportation or transit of commodities. Export and import 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 the two countries shall be made in freely convertible currencies, unless otherwise specifically agreed upon between the two 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.
6	**Estonia**	Agreement on Trade and Economic Co-operation signed on 15.10.1993. Valid for five years. The period of validity of the agreement will be automatically extended for further successive peri-	**Exports** i) Tobacco (unmanufactured). **Imports** i) Pulp & waste paper.	—	The two countries shall accord to each other Most-Favoured Nation treatment in all matters regarding (1) customs duties and charges of any kind imposed on or in connection with importation or exportation, (2) the method of levying such duties and charges, (3) all rules and formalities in connection with importation and exportation, including

Sr. No.	Country	Date of Agreement / Trade Protocol / Trade Plan Review and Duration thereof	Major Items of Exports and Imports to/ from India	Commodities of Exports/Imports Covered under the Protocol	Remarks
1	2	3	4	5	6
		ods of one year unless either of the contracting party informs the other party in writing of its intention to terminate the agreement at least six months prior to its expiry.			provisions relating to import and export licences wherever prescribed, customs clearance, transit, warehousing and transshipment, (4) taxes and other internal charges levied directly or indirectly on imported product, (5) methods of payment and transfer of such payments. Other provisions of the agreement are on the same lines as that with Latvia.
7	Slovenia	Agreement on Trade and Economic Co-operation signed on 7.12.1993. Valid for five years. The period of validity of the agreement shall be automatically extended for further successive periods of five years 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.	**Exports** i) Transport equipment, ii) Cotton yarn, fabrics, madeups, etc., iii) Coffee. **Imports** i) Iron & steel, ii) Paper board & manufactures, iii) Transport equipment.	—	The contracting parties shall accord to each other Most-Favoured Nation (MFN) treatment in respect of import and export licences, customs duties and all other charges and taxes applicable to importation, exportation or transit of commodities. All payments for transactions of commercial and non-commercial nature between the two countries shall be effected in freely convertible currencies, unless otherwise specifically agreed upon between the two countries. Import and export of goods and services so carried out shall be internationally competitive, *inter alia*, as to the quality, price and terms of delivery and payment. Natural and juridical persons of either country shall be free to import or export goods and services with each other on the basis of counter-trade, compensation arrangements, or any other internationally recognised forms of business co-operation.

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